



ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE
ADDRESSED TO THE FINANCIAL SECRETARY AND THE
FOLLOWING REFERENCE NUMBER QUOTED:-

Telephone No. 02-28800-15

MINISTRY OF FINANCE AND THE
PUBLIC SERVICE
30 NATIONAL HEROES CIRCLE
P.O. BOX 512
KINGSTON
JAMAICA

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Division: Public Expenditure Policy Co-ordination Division

Permanent Secretaries
Chief Executive Officers
Heads of Departments

**Use of Government Funded Debit Advance
Cards for the Procurement of Bulk Fuel.**

Permanent Secretaries, Chief Executive Officers and Heads of Departments are hereby advised that effective November 1, 2007, Advance Bulk Cards will be used to facilitate the procurement of bulk fuel under the GOJ contract for Supply of Bulk Petroleum Products for Ministries Departments and Agencies (MDA's). The following guidelines and procedures will be adopted:

1. The Advance Bulk Card System

The Advance Bulk Card is an Electronic Data Capture (EDC) card that is used to procure fuel in bulk. Advance Bulk Cards will therefore replace Bulk Fuel Coupons and **must not** be used to directly fuel vehicles.

The Cards are electronically encoded with information that relates to designate MDAs and will be operated as a debit card, whereby deposits are made to the MDA's account with Manufacturers Credit and Information Services Limited. Each Advance Bulk Card will be restricted to a particular fuel type. This system will allow MDAs to track associated costs of bulk fuel supplies at the detailed level.

2. Expenditure Limits

Accountable Officers are authorized to set budgets for the procurement of bulk fuel, based on approved budget allocations, and submit same directly to Manufacturers Credit and Information Services (M.C.I.S.).

Expenditure limits may be adjusted in accordance with usage patterns, market trends and usage demand. However, every effort must be made to ensure that the desired objectives of efficiency, cost containment, transparency, and effective control of Government expenditure are achieved.

3. Payment Responsibilities

Ministries, Departments and Agencies are required to pay for bulk fuel as outlined below:

- (a) One time registration fee: \$275.00 (per bulk card)
- (b) Monthly service charge: \$203.00 (per bulk card)
- (c) Deposit for procurement of fuel; and
- (d) Replace/Loss Card Fee: \$275.00 per card

Cheques shall be made payable to Manufacturers Credit and Information Services Limited to facilitate settlement of the above charges.

Payments can be made:

- (a) directly to MCIS office, 8 Grenada Crescent, Kingston 5, or
- (b) deposited to MCIS' Scotia Bank (BNS) Account number 26913, Transit Number 81505 held at Oxford Rd, Kingston 5 from any Scotia Bank Island-wide.

The deposit slip should be immediately faxed to MCIS at 929-1535 to ensure timely update of MDAs.

4. Procedure

- (a) MCIS will create a separate Advance Bulk Card Account for each MDA. This is to ensure that bulk purchases are kept separate from retail purchases.
- (b) Weekly pricing information can be obtained from the Asset Management Unit of the Ministry of Finance and the Public Service.
- (c) MDAs must ensure that sufficient funds are in the respective Advance Bulk Card accounts.
- (d) MDA representative proceeds to PETCOM with Advance Bulk Card and places order for bulk fuel; **orders must be placed in denominations of 2273 litres.**
- (e) PETCOM representative performs a *quick check* on the card to determine if card is active and can facilitate purchase, that is, if sufficient funds are available for the transaction.
- (f) PETCOM representative swipes card to finalize transaction.

- (g) Receipt is generated by Electronic Data Capture (EDC) machine.
 - If correct, custodian signs receipt
 - If incorrect, PETCOM representative voids transaction corrects information and swipes card again
- (h) PETCOM representative retains original receipt and issues the copy to MDA representative.
- (i) MDA representative peruse receipt to ensure that transaction is correct.
- (j) PETCOM delivers fuel to MDA location, based on the schedule as agreed by PETCOM and the MDA representative.
- (k) MCIS generates and submits Transaction Statement to MDA based on fortnightly billing cycle.
- (l) Detailed transactions can also be assessed electronically on the MCIS Web Portal.

Please note that all container cards issued on Bulk Accounts will be **restricted** to being used solely for PETCOM (Kingston & Montego Bay) main offices. This will eliminate the likelihood of the card being used at service stations for retail fuel supplies.

5. Receipt and Custody of Cards

Office Managers shall receive all cards from MCIS and maintain a register of receipt and issuance. Custody of the cards is the responsibility of the Office Manager who will be held accountable for the appropriate use of these cards.

6. Loss of Cards

Any loss of cards must be reported immediately to:

- (a) MCIS in order to effect the necessary cancellation; and
- (b) Ministry of Finance and the Public Service and the Auditor General, in keeping with the Financial Administration and Audit Act Instructions 6:44 and 6:45

7. Damaged Cards

Damaged cards, that is, cards that are not accepted by the EDC machine must be reported in keeping with the Financial Administration and Audit Act Instructions 6:44 and 6:45. In addition, the damaged cards must be returned directly to MCIS for immediate replacement. Every effort should be made to ensure that the cards are properly maintained and that the incidence of damaged cards is kept to a minimum.

8. Declined Transactions

- (a) Transactions may be declined for the following reasons:
 - insufficient balances on accounts; and/or
 - fraudulent transactions, i.e., circumstances in which particulars do not agree with information encoded on the card tendered.
- (b) Under no circumstances should an Advance Bulk Card transaction exceed its budget allocation as any excess expenditure on deposits attracts interest penalty which is payable by the respective MDA. Transaction receipts are imprinted with 'warnings' as a particular Advance Card approaches the account balance limit. Office Managers are expected to manage budgets effectively in order to ensure that allocations are not exhausted.
- (c) In the event that a transaction is declined for insufficient balance on account, the MDA is required to promptly contact MCIS to effect resolution.

9. Reporting Arrangements

- (a) MCIS will submit Transaction Statements to MDAs on a monthly basis.
- (b) Office Managers, Accounts Departments and other designated officers should monitor and evaluate consumption and expenditure patterns, and reconcile statements in order to ensure optimum use of resources. The MCIS website can also be used to access Advance Container Cards transactions.
- (c) Reconciliation should be effected between statements received from MCIS and copies of signed receipts submitted by custodians and/or officers responsible for purchasing fuel using the Advance Bulk Card.
- (d) Confirmation of contractual prices reported on MCIS statements can be obtained from the Ministry of Finance and The Public Service to facilitate the reconciliation process.
- (e) Discrepancies should be promptly resolved among the respective parties, and the Asset Management Unit Ministry of Finance and the Public Service advised accordingly.
- (f) Pursuant to the Financial Administration and Audit Act, the Asset Management Unit of the Ministry of Finance and the Public Service will provide monitoring of this activity, in order to ensure prudent management of resources.

10 Sanctions

Failure on the part of any officer to comply with these instructions will render that officer liable to repay the government of Jamaica for the fuel not properly accounted for. Disciplinary action may also be taken where these instructions are deliberately ignored or violated

11. Outstanding Bulk Coupons

All Bulk Coupons that have been issued will be accepted by PETCOM up to October 31, 2007. However, effective November 1, 2007, no Bulk Fuel Coupons will be accepted. All outstanding Bulk Fuel Coupons in the possession of MDAs at November 1, 2007 must be submitted to MCIS for credit to the new Advance Bulk Card account for the respective MDA.

The submission of outstanding Bulk Coupons to MCIS must be accompanied by a detail list including coupon numbers, coupon type and the respective values. On receipt of this documentation, MCIS will cancel the coupons, credit the proceeds to the designated MDA account and issue a receipt to the MDA. To facilitate monitoring of this process a copy of this submission should be sent to the Asset Management Unit of this Ministry

12. Circular Distribution

Permanent Secretaries, Chief Executive Officers and Heads of Departments are required to ensure that the instructions contained in this Circular are brought to the attention of all relevant public officers. The cooperation of all concerned is therefore solicited and is anticipated.



Colin Bullock
Financial Secretary