



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

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

2009 September 28

CIRCULAR NO. 11

File No. 107/059
Division: Public Expenditure Coordination Division

Permanent Secretaries
Heads of Departments
Chief Executive Officers
Chairmen, Board of Directors

Re: Government Funded Credit Cards

The attention of Permanent Secretaries, Chief Executive Officers, Board Chairmen and Heads of Departments is invited to the following revised guidelines in respect of Government funded credit cards.

1. Types of Credit Cards

(1.1) Credit cards shall be of two (2) types viz:

(1) General Credit Card (GCC)

(i) These shall be cards issued for general office use as described below:-

- (a) Payment of authorised subscriptions and fees that are payable only through the use of credit cards;
- (b) Purchase of goods by Ministries, Departments, Agencies (MDA) and Public Bodies payable through the use of credit cards and which adheres to government procurement guidelines;
- (c) Payment of any other authorised business transaction for which credit card is the mode of payment requested by the vendor.

(ii) All payments made through the use of GCC shall be in accordance with the rules and guidelines concerning the payment of public funds.

- (iii) A Ministry, Department, Agency (MDA) or public body shall not have more than one (1) GCC account and such account shall not have more than two (2) individual cards. At no time shall both cards be active. One card must be held as a backup and activated only when the primary cardholder is away for an extended period.
- (iv) A GCC may be issued to any of the following accountable officers: Principal Finance Officer, Director of Finance, Director of Administration/ Corporate Services or any other appropriate accountable officer designated by the Permanent Secretary, Head of Department or the Chief Executive Officer of an Executive Agency or Public Body.

(2) Individual Credit Cards (ICC)

- (i) These shall be cards issued to authorized persons for official use.
- (ii) An ICC shall be issued **only** to Ministers of Government, Permanent Secretaries, Heads of Departments and Chief Executive Officers of Executive Agencies and Public Bodies and shall be used only for the purposes described at (4.2).

(1.2) The holder of an ICC shall not also have a GCC.

2. Credit Card Approval

- (2.1) Permanent Secretaries must obtain written approval of the Financial Secretary for the acquisition of any Government funded credit card to be used by their ministry or by their portfolio departments, agencies or public bodies that are not self-financing.
- (2.2) Public Bodies that are self-financing must obtain written approval from their Board for the operation of credit cards. Notwithstanding this, they must abide by all relevant principles outlined in this Circular.
- (2.3) The request for approval to operate a credit card must provide the following information:
 - (i) Justification/need for the card;
 - (ii) The name and post of the accountable officer responsible for monitoring and reporting on the use of credit cards within the ministry, department, agency or public body in accordance with Section 5.1 herein.
 - (iii) Name and post of person who will be authorized to use the card;
 - (iv) Whether the applicant has the use of any other Government funded credit card;

- (v) Name and address of the bank from which the credit card is being sought;
- (vi) Proposed credit limit on the card;
- (vii) Interest rate and fees to be applied by the bank as a result of late payments;
- (viii) Source of funding for the credit card;
- (ix) Brand of card required;
- (x) Currency of card; and
- (xi) Whether the card is a single or dual-currency card.

(2.4) A person shall not be assigned more than one Government funded credit card at any given time.

3. Credit Card Limit

- (3.1) Credit cards that have no stated credit limit will **not** be permitted.
- (3.2) In the case of a GCC, the credit limit must not be more than :
 - (i) Five Hundred Thousand Jamaican Dollars (J\$500,000) for a local single currency card;
 - (ii) Five Thousand United States Dollar (US\$5,000) for an international single currency card; or
 - (iii) A combined total equivalent to no more than Five Thousand United States Dollar (US\$5,000) for an international dual currency card;
- (3.3) In the case of ICC, the credit limit must **not** be more than:
 - (i) Two Hundred and Fifty Thousand Jamaican Dollars (J\$250,000) for a local single currency card;
 - (ii) Two Thousand Five Hundred United States Dollar (US\$2,500) for an international single currency card; or
 - (iii) A combined total equivalent to no more than Two Thousand Five Hundred United States Dollar (US\$2,500) for an international dual currency card;

- (3.4) In very special circumstances the Financial Secretary or Board Chairman of self-financing public bodies may authorise credit limits in excess of those stated at (3.2) and (3.3).
- (3.5) The authorised credit limit or ceiling must be communicated to the bank by the relevant MDA or Public Body.
- (3.6) Under no circumstances shall the credit limit be increased or varied without the prior written approval of the Financial Secretary or Board Chairman of self-financing public bodies. Where the bank automatically increases the limit, they must be instructed to immediately revert the card to the limit approved by the Financial Secretary.
- (3.7) In special circumstances where it is required to use the GCC to make a purchase in excess of the approved limit, the Permanent Secretary, Head of Department, Chief Executive Officer or Board Chairman of self-financing public bodies may authorise the deposit of the required additional funds to the credit card account to effect the transaction.
- (3.8) Where a credit limit is exceeded, MDAs and public bodies shall pay the amount due but must report the matter to the Financial Secretary or to the Board Chairman in the case of self-financing public bodies for determination on whether the cardholder should be required to refund the amount spent in excess of the card limit.

4 Use of the Credit Card

- (4.1) Cash advances on Government funded credit cards shall **not** be permitted under any circumstances. Where this is done, the matter must be reported immediately to the Financial Secretary or Board Chairman in the case of self-financing public bodies.
- (4.2) Individual Credit Cards (ICC) shall be used only for the purposes of meeting unforeseen and unavoidable expenses while on official duties. It should not be used for private and personal expenses.
- (4.3) Government funded credit cards are authorized for use only on official, legitimate and for necessary expenditure which in the circumstances cannot conveniently be met through the normal payment process and which can be verified or substantiated.
- (4.4) Any expenditure met by use of credit cards that do not satisfy the conditions of (4.2) and (4.3) above, must be deemed as private and personal and must be reimbursed promptly by such person along with any accrued interest charges. The matter must also be reported immediately to the Auditor General and the Financial Secretary. In the case of self-financing public bodies the matter must be reported to the Board Chairman.
- (4.5) The GCC facility must not be used to circumvent the system of commitment control and to cause expenditure in excess of budgetary allocation.

- (4.6) Arising from the fact that the nature of credit cards causes expenditure to be incurred prior to the commitment being recorded, strict control measures must be instituted to prevent waste and extravagance, and to ensure that expenditures are kept within budgetary allocations.
- (4.7) Instances of extravagance or deviation from these guidelines must be reported immediately to the Auditor General and the Financial Secretary. In the case of self-financing public bodies the matter must be reported to the Board Chairman.
- (4.8) Bills, invoices, statements, sales draft, transaction receipts must be presented to substantiate all credit card expenditure. The bills, invoices etc. must be certified that goods or services were satisfactorily received.

5. Monitoring and Control

- (5.1) Permanent Secretaries, Heads of Departments and Chief Executive Officers of Executive Agencies and Public bodies must ensure that an accountable officer is assigned the responsibility for the monitoring and control of Government funded credit cards within the ministry, department, agency or public body. This officer shall be referred to as the Credit Card Administrator (CCA).
- (5.2) Credit card statements must be sent by the bank directly to the CCA and not to the cardholder or any other officer in the MDA or public body.
- (5.3) The CCA must :-
 - (i) Obtain from cardholders all bills, sales draft, invoices, statements, transaction receipts etc. in respect of all credit card purchases and shall check same to ensure that the purchases are for valid official purposes.
 - (ii) Prepare monthly reconciliation between the amounts claimed by the bank for payment and the bills/sales drafts etc. submitted by the cardholder.
 - (iii) Monitor the Accounts Department to ensure that all legitimate credit card payments are made in full to the bank on or before the due date thereby avoiding finance charges. Where finance charges accrue, the CCA or any officer responsible for the delay in payment shall be held liable for payment of such charges.
 - (iv) Submit quarterly report to the Financial Secretary or Board Chairman in the case of self-financing public body on credit card operations for the quarter as shown at Appendix 1. This report must be submitted no later than fourteen (14) working days following the end of the quarter.

6. Validation and Safekeeping

- (6.1) Credit cardholder must immediately sign card upon receipt.
- (6.2) Each cardholder is responsible for the safe custody of the card.
- (6.3) When the card's expiration date has passed and/or after the cardholder has received a new card, the expired card should be returned to the CCA for it to be destroyed.
- (6.4) Government funded credit card shall not be transferred/assigned or used by anyone other than the designated cardholder.

7. Suspension, Transfer and Termination of Card

- (7.1) The use of credit cards must be suspended when the cardholder is on vacation leave or when so directed for whatever reason by the Financial Secretary, Permanent Secretary, Head of Department, and Chief Executive Officer or by the Board of the public body. The bank must be promptly advised to effect any such suspension.
- (7.2) The Financial Secretary or the Board Chairman of a public body must be promptly informed of all suspensions of the use of credit cards and the reason(s) thereof.
- (7.3) Government Funded credit cards must be terminated immediately when the authorized cardholder:
 - (i) dies;
 - (ii) is declared bankrupt or mentally unsound;
 - (iii) is interdicted by the Public Services Commission;
 - (iv) is convicted of a criminal offence; and
 - (v) resigns, retires, is dismissed, or is separated from office in any other way.
- (7.4) When a decision is made to terminate the use of a Government funded credit card, the following procedures shall apply:
 - (i) The issue of written instruction to the bank terminating the card with immediate effect;
 - (ii) The issue of written instruction to the cardholder to return the card to the CCA;

- (iii) The CCA must obtain a final statement from the bank and reconcile it with the receipts and charge slips;
- (iv) The Financial Secretary or Board Chairman of a public body be advised of the termination of the card, submitting copies of:
 - (a) the letter to the bank terminating the card;
 - (b) the letter to the cardholder to return the card; and
 - (c) the final reconciliation statement detailing any amounts outstanding and any amounts owed by the cardholder for personal or unauthorized use. The final reconciliation statement submitted must be certified by the Chief Internal Auditor.

8. Lost or Stolen Cards

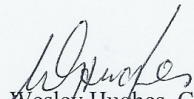
- (8.1) Lost or stolen Government funded credit card must be promptly reported to the bank, the Auditor General and the Financial Secretary in accordance with this Ministry's Circular # 9, reference 107/022 dated May 21, 2007. In the case of self-financing public bodies the matter must be reported to the Board Chairman.
- (8.2) The report at (8.1) must state the following:
 - (a) the date the card was lost or stolen
 - (b) whether the loss or theft was due to negligence on the part of the cardholder
 - (c) the action recommended to be taken in respect of the lost or stolen card.
 - (d) The account number and the expiry date of the card.

9. Penalties

- (9.1) Penalties for breach of any instruction herein and for any false information knowingly submitted to this Ministry or to the Board of public bodies in respect of the application or operation of the card shall cause one or more of the following actions:
 - (i) termination of card;
 - (ii) recovery of charges; and
 - (iii) surcharge and/or disciplinary action by the Public Services Commission or by the Board of the relevant public body.

10. Conclusion

- (10.1) Ministry of Finance Circular No. 12, File No. 107/059 dated September 24, 2003 in respect of the acquisition and use of government funded credit cards is hereby rescinded and replaced by the Circular herein.
- (10.2) Public Bodies that have their own credit card policy must make amendments were necessary to ensure conformity with the guidelines in this Circular.
- (10.3) Permanent Secretaries, Heads of Departments and Chief Executive Officers of Executive Agencies and Public Bodies are hereby advised that the revised guidelines herein takes immediate effect, however a period of fourteen (14) working days from the date of this Circular has been granted to allow for the execution of the necessary arrangements to conform with this Circular.


Wesley Hughes, C.D.
Financial Secretary

QUARTERLY CREDIT CARD REPORT - GR 8

ORGANISATION

Financial Year

Quarter.

[illegible]

* Provide details about any Finance Charges, Disallowed Purchases, Card Suspension or Termination etc..

Credit Card Administrator

Director of Finance/Principal Finance Officer

Accounting Officer/Chief Executive OfficerG

Date

Date _____

Date _____