



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

Telephone No. 92-28600-16
Website: <http://www.mof.gov.jm>
Email: info@mof.gov.jm

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

July 14, 2021

Circular 11

File No.

Division: Public Expenditure Policy Coordination

Permanent Secretaries

Chief Executive Officers

Heads of Departments

**Use of Government Funded Advance Debit Cards
For the Procurement of Retail Fuel, Oil and Lubricants**

Permanent Secretaries, Chief Executive Officers and Heads of Departments will recall that in connection with the decision taken by the Government of Jamaica (GOJ) to decentralize the procurement of retail fuel, the use of an Advance Debit Card System was introduced to replace the Fuel Coupon System.

Please note that the term “fuel” as used herein, includes fuel, oil and/or lubricants.

The following are revised procedures and guidelines for the use of government funded advance debit cards and the procurement of retail fuel.

1. The Advance Debit Card System

The Advance Card is presented to an approved retailer in exchange for fuel supplies. The cards are electronically encoded with information that relates to designated government-owned motor vehicles and equipment, or rental vehicles.

- 1.1. The Card operates as a debit card, whereby deposits are made in advance on a monthly basis with The Jamaica Automobile Association (JAA), the company contracted for processing the supply of fuel to government entities. This system allows Ministries, Departments and Agencies to track associated costs at a detailed level.

2. **Request for New Cards**

Requests for new Advance Debit Cards for retail fuel supplies for Ministries, Departments and Agencies (MDAs) must include the following information:

- ❖ Registration number, Make, model, year and colour of vehicle
- ❖ Odometer reading
- ❖ Engine number
- ❖ Chassis number
- ❖ Fuel type (E10 Blend 87, E10 Blend 90, Ultra Low Sulphur Diesel, Diesel)
- ❖ Tank capacity in litres
- ❖ Monthly budget
- ❖ Purchase Price
- ❖ Date of Purchase

- 2.1 Requests for new cards also require review of the deposit accounts to ensure that the allocations are adequate for the projected fuel usage. Failure to ensure adequacy in the deposit account will result in rejection or delay in the processing of the new cards.

3. **Payment Responsibilities**

As a prerequisite, MDAs are required to make monthly deposits for procurement of fuel and are also required to pay the associated cost for each card per vehicle/ item of equipment, as the JAA may prescribe from time to time as set out below:

1. One time registration fee;
2. Monthly service charge;
3. Replacement of Card (s)

3.1 **Payment can be made as follows:**

- a) Directly to JAA Office, 7 Central Avenue, Swallowfield, Kingston 5.
- b) Cheques shall be made payable to The Jamaica Automobile Association (JAA).
- c) Deposit to JAA Bank of Nova Scotia (BNS) Account No. 26913, transit Number 81505 held at Oxford Road, Kingston 5. Note that payment to this account can be made through any branch of Nova Scotia Bank Island-wide.
- d) Deposit to JAA National Commercial Bank (NCB) Account No. 301067259, held at Half Way Tree Road, Kingston 10. Payment to this account can be made through any NCB branch Island-wide.
- e) The deposit slip should be immediately faxed to JAA at 929-1533 or emailed to advance@jngroup.com to ensure timely update of MDAs' accounts.

- 3.2 It is to be noted that the Advance Card operates as a **Debit Card** and not a **Credit Card**. Therefore, payment to the service provider, JAA, **must** be made on a timely basis.

In order to make timely payments, **requests through the Central Treasury Management System (CTMS) to JAA Bank Account must be uploaded to the Accountant General's Department at least five (5) working days prior to the actual due date.**

In the event that a MDA fails to pay JAA by its due date, the provision of the services under the contract shall automatically cease upon the exhaustion of the pre-paid funds, and services shall not resume until:

- a. Such time as payment for the service is made to JAA to reinstate the pre-paid funds
- b. The MDA under the signature of the Permanent Secretary/Chief Executive Officer makes a request to JAA and copied to the Asset Management Unit, Ministry of Finance and the Public Service (MOFPS), for the reinstatement of the service. This should only be done for **emergency** circumstances, which shall include the following:
 - i. the use of an ambulance in the transportation of patients;
 - ii. the use of motor vehicles in response to crime, an accident scene, civil unrest, patrol, or general policing purposes;
 - iii. the use of motor vehicles by Ministers of Government or for protocol purposes; and
 - iv. Where there are circumstances beyond the MDAs control such as issues with the CTMS that would cause a delay in having the requisite accounts credited.
- c. Where JAA in its discretion, resumes service in accordance with a request in respect of (b) above, the service so extended will be provided on the basis of a line of credit.

Costs incurred as a result of the usage of such service shall attract interest at a rate not exceeding 1% per month until payment is made in full. **This Line of Credit is not encouraged and should only be used in the above mentioned emergency situations/circumstances.**

4. **Expenditure Limits**

Accountable Officers are authorized to set annual budgets for the procurement of fuel per vehicle and/ or per item of equipment, based on approved budgetary allocations which should be submitted directly to JAA.

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

5. Receipt and Custody of Cards

- (a) Transport Managers shall receive all cards from JAA and maintain a register for issuing and receiving cards.
- (b) Custody of cards for assigned vehicles is the responsibility of assignees, who will be held accountable for the inappropriate use of these cards.
- (c) Custody of cards for items of equipment and fleet vehicles is the responsibility of Transport Managers, who will be held accountable for the inappropriate use of these cards.

6. Exchange of Card(s) for Fuel

Motor Vehicle Card

- (a) The card may be used to purchase fuel in respect of a designated motor vehicle **only**.
- (b) Operators or assignees will tender card to retailers in exchange for fuel.
- (c) Operators or assignees must allow for transaction verification prior to the dispensation of fuel. Verification includes the validation of:
 - (I) Odometer readings;
 - (II) Card and account balances; and
 - (III) Vehicle particulars.
- (d) Upon dispensation of fuel, operators will be required to sign a printed receipt and **A copy must be** returned to the Transport Manager.
- (e) Operators must ensure that the value and type of fuel that is placed in the vehicle is accurately printed on the receipt, prior to affixing his/her signature.
- (f) Under no circumstance shall Advance Cards be:
 - (I) presented to the retailer for products other than fuel;
 - (II) used in exchange for servicing;
 - (III) used to obtain fuel for any other vehicle except the one for which it is issued;
 - (IV) used to obtain cash instead of fuel

7.

Container Card

- (a) A Container Card may be used to purchase fuel in respect of a designated item of equipment **only**.
- (b) The Officer with responsibility for obtaining fuel for the equipment will tender the card to retailers in exchange for fuel.
- (c) Officers must allow for transaction verification prior to the dispensation of fuel. This includes verification of:
 - (I) equipment particulars on card tendered; and
 - (II) card and account balances
- (d) Upon verification and dispensation of fuel, officers will be required to sign a printed receipt and return a copy to the Transport Manager.
- (e) Operators should ensure that the value of the fuel that is put into the container is accurately reflected on the printed receipt prior to affixing his/her signature.
- (f) Under no circumstance shall Container Cards be-
 - (I) presented to the retailer for products other than fuel;
 - (II) used in exchange for servicing;
 - (III) used to obtain fuel for any other item of equipment except the one for which it is issued;
 - (IV) used to obtain cash instead of fuel

8. **Declined Transactions**

- (a) Transactions may be declined for several reasons including the following:
 - (I) Exhausted account balances;
 - (II) Circumstances in which vehicles/ equipment particulars do not agree with information encoded on the card tendered.
 - (III) Attempted fraudulent transactions.

- (b) Under no circumstance should a vehicle/item of equipment exceed its budgetary allocation. Transaction receipts are imprinted with “warnings” as a vehicle/ item of equipment approaches **its required balance** on account limits. JAA also sends a warning message by email and text to transport managers as soon as 60% of the budgetary allocation is exhausted. Transport Managers are expected to:
 - (I) Manage fleet vehicle budgets effectively in order to ensure that allocations are not exhausted.
 - (II) Keep operators of assigned vehicles informed of the budget limits placed on these vehicles.
- (c) In the event that a transaction is declined for insufficient balance on account, Transport Managers are required to promptly contact JAA to effect a resolution.

9. Vehicle Odometer

Transport Managers shall ensure that odometers are always in good working condition as fuel will not likely be provided for a vehicle with a non-functional odometer. However, exceptions may be made for a vehicle with malfunctioning odometer based on special circumstances outlined to the Asset Management Unit of the MOFPS. These vehicles should be identified from the onset and consistently monitored by the Transport Manager, verified by the internal auditor and reported to the MOFPS.

10. Loss of Card

A lost card must be reported immediately to:

- (a) JAA, in order to effect the necessary cancellations; and
- (b) Ministry of Finance and the Public Service and the Auditor General’s Department, in accordance with Circular No. 9 dated May 21, 2007.

The loss of a card must be investigated by the Transport Manager and his supervisor. If it is proven that the loss of the card was due to negligence on the part of the custodian, the replacement cost **must** be borne by that individual. The outcome should be communicated to the Asset Management Unit, MOFPS.

11. Damaged Cards

Damaged cards are those cards that are not accepted by the Electronic Data Capture (EDC) machine as a result of general wear and tear. All damaged cards must be reported to the Ministry of Finance and the Public Service and the Auditor General’s Department in keeping with Circular No. 9 dated May 21, 2007.

The damaged cards must be returned directly to JAA for immediate replacement. Every effort should be made to ensure that the cards are properly stored and maintained and that the incidents of damaged cards are kept to a minimum.

12. Deactivation of Inactive GOJ Advance Debit Cards

All Advance Cards for Government Entities that have not been used in excess of *one month* are to be deactivated. For those vehicles that are temporarily out of service, Transport Managers should deactivate the relevant cards and reactivate them when the vehicles are restored to service. Where Transport Managers do not have access to the JAA Web Portal, JAA should be informed so that the respective cards can be deactivated and reactivated when the vehicle is returned to service.

It should be noted that *Admin* and *Container Cards* are to be exempted from the automatic deactivation process. These cards are used for emergency and on an “as required” basis, which can result in them not being used for periods in excess of one month. Additionally, it is recognized that these cards are generally used in emergency situations; therefore, for effective management, these cards are excluded.

13. Status of Cards on the System

In the event of the disposal of a vehicle, the Transport Manager should advise JAA, so that the status of the respective card can be recorded on the system i.e. as dormant/obsolete/etc.

14. Provision of Cards for Rental of Vehicles

- (a) JAA may provide specially designed cards for rented vehicles known as *Rental Cards* to those MDAs that need to account for costs relating to a vehicle that is to be rented/hired for use by the MDA on a temporary basis.
- (b) Where a MDA needs to rent/hire a motor vehicle, **approval must be sought from the Asset Management Unit of the MOFPS.**
- (c) The following information must be provided:
 - the particulars of the said vehicle i.e., make/model, licence number, engine number, chassis number etc.,
 - the period of rental, and
 - the particulars of the vehicle being displaced/exchanged

- (d) On approval by the Asset Management Unit of MOFPS, the information at (c) along with the respective approval letter must be submitted by the MDA to JAA and a specially designed Card issued to the MDA, which will enable the rental vehicle to access fuel.
- (e) No licence number will be printed on the card and whenever it becomes necessary for MDAs to use the card, the Transport Manager, with the approval of the Asset Management Unit of the MOFPS will assign the licence number of the vehicle for which the card will be used on line via the web portal, or request JAA to make the assignment on receipt of an approval letter from the Asset Management Unit of the MOFPS.
- (f) The Rental Card that was assigned can be deactivated or activated at any point by the MDA in the same manner as other cards.
- (g) JAA will charge a registration fee and service fee once the card is issued and in use. No charge will be applied, once the card is inactive.
- (h) Whenever a new/different vehicle is to be assigned to the card on the approval of the Asset Management Unit, the licence number must be assigned to the card by JAA for the transaction to be approved.
- (i) Rental cards should be kept safely by the Transport Manager.

15. Reporting Arrangements

- (a) Jamaica Automobile Association (JAA) will submit to MDAs on a fortnightly basis, transaction reports for vehicles/ items of equipment, customer statement and any exception report.
- (b) Transport Managers, Accounts Departments and other designated officers should monitor and evaluate consumption and expenditure patterns and reconcile statements, in order to ensure prudent management. Reconciliation between statements received from JAA and copies of signed receipts should be effected. Confirmation of contractual prices reported on JAA statements can be obtained from the Asset Management Unit Asset Management Unit of the MOFPS, to facilitate the reconciliation process.
- (c) Discrepancies should be resolved promptly and the Asset Management Unit of the MOFPS advised accordingly.
- (d) The Asset Management Unit of the MOFPS, will monitor and evaluate consumption and expenditure patterns service-wide, in order to ensure prudent management of scarce resources.

- (e) In addition to the stipulated reporting requirements, and in order to effectively maintain the motor vehicle inventory record, the Asset Management Unit of the MOFPS must be informed of any change such as:

- Acquisitions;
- Transfer of vehicles;
- Change of registration plates; and
- Disposal of vehicles.

General

16. Transport Managers are encouraged to use the JAA website in order to access transactions, monitor and evaluate consumption and expenditure patterns service-wide, in order to assess fuel efficiency. As such, vehicles deemed to be uneconomical to maintain should be recommended for a Board of Survey.

Transport Managers are also reminded that there should be aggressive monitoring of all cards operating under their purview to ensure that deactivation is done on-line via the web portal whenever cards are not in use. Transport Managers without access to the web portal should liaise with JAA in respect of this service.

Sanctions

17. Failure on the part of officer(s) to comply with these instructions will render the officer(s) liable to surcharge up to the value of fuel not properly accounted for or disciplinary action taken as deemed appropriate by the Accounting Officer.

Circular Distribution

18. This Circular supersedes Circular No. 2, dated March 18, 2013 on the matter at caption.

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.



Darlene Morrison
Financial Secretary

