



## CREDIT CARD POLICY

<b><u>Policy:</u></b>	<b>Effective Date: 11 October 2007</b>
<b>Approved: 11 October 2007</b>	<b>Review Date: 11 October 2010</b>

Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

### 1. SCOPE

This policy is applicable to all credit cards issued by FDDM to senior managers and politicians.

### 2. POLICY STATEMENT

The aim and objectives of the policy is to regulate and control usage of Council credit cards.

### 3. AUTHORISED USERS

Authorised users of Council credit cards are Municipal Manager, Executive Mayor and the Speaker. The designated users mentioned above are the only signatories on the card issued to them. Changes to authorised user list must be approved by Council. Council will review list of authorised users at the beginning of each financial year.

#### **4. AUTHORISED EXPENDITURE**

Credit cards can be used for the following:

- 4.1 The cards are to be used for business entertainment, business accommodation, business travel and vehicle hire limited to a group C vehicle subject to the proviso that monthly limit on the credit card is not exceeded. Any other expenditure is specifically excluded.
- 4.2 Meals and refreshments on travel provided reimbursement is not claimed subject to proviso that monthly limit on the credit card is not exceeded.
- 4.3 The Finance department will create a debtor account on a monthly basis for card expenses that are not supported by the original documentation as stipulated for payroll deductions. Expenses not in terms of this policy will be for the cardholder's personal account.
- 4.4 The cardholder will under no circumstances use the card to withdraw cash from either the bank or ATMs.
- 4.5 Prior approval shall be obtained from Council, before any trip is undertaken outside of RSA, if the nature of the visit warrants the use of the card. Finance department will arrange approval and limits on approved visits.

#### **EXCLUSIONS**

The Credit card users may not use their credit cards while on leave, unless it is used for council purposes.

## **6. CREDIT LIMITS**

Monthly credit card limits shall be R10 000.00 [ten thousand rand] for each card, limited to approved council entertainment budget for individual user or / and availability of funds in the travel and subsistence vote for the relevant user. Monthly credit limits may be annually reviewed by the Municipal Manager. Any over expenditure must be reported to the Municipal Manager with relevant reasons. The Municipal Manager must report over expenditure to Council where suspension or total withdrawal of credit card facility can be recommended. Council will review monthly limits at the beginning of every financial year.

## **7. LOSS / DAMAGED OF CARD**

### **7.1 Loss of Card**

This must be report to the police and the bank as soon as possible. The user must request the bank to cancel the card. Loss must also be reported in written form to the Municipal Manager and Manager Finance. The user will be liable for all transaction that went through before the card was reported lost or stolen unless he/she can prove that those transactions were fraudulent.

### **7.2 Damage to Card**

This must be reported in writing to manager finance who will arrange for replacement card. The damaged card must be returned to the finance department before a new card can be issued.

## 8. MOVEMENTS OF DOCUMENTS

The physical movement of documents is expected to be as follows:

- Finance department shall forward the card statements to the cardholders each calendar month.
- The cardholders will each complete the **CARD EXPENSE CLAIM FORM** and attach to it the relevant original valid and official Vendor's Tax Invoice or Receipt (Photocopies and faxes of invoices are not acceptable).
- The cardholder will sign the **CARD EXPENSE CLAIM FORM** and forward this to the Finance Department for review.
- The **CARD EXPENSE CLAIM FORM** without relevant documents will not be allocated by Finance Department. The expenditure will be for the cardholder's personal account.
- The signed forms are to be forwarded to the Finance Department for the attention of the **CHIEF FINANCE OFFICER** each month, by the 7<sup>th</sup> and thereafter forwarded to payroll by due date for processing and filling.

## 9. POLICY ENFORCEMENT AND EXCEPTIONS

Consequence for non-adherence to the policy

- 9.1 Non-adherence to the policy must be immediately reported to Council where suspension or withdrawal of credit card facility can be effected.
- 9.2 The Municipal Manager must report fraudulent use of credit cards to the South African Police and Council.

## **10. POLICY IMPLEMENTATION STRATEGY**

This policy shall manifest itself in Fezile Dabi District Municipality through the implementation of and use of Fezile Dabi District Municipality credit card procedures and guidelines.

## **11. AUTHORITY**

Formulation Policy	:	Director Corporate Services
Authorisation Policy	:	Council
Ownership & Maintenance Manager	:	Deputy Director : Corporate Services

**ANNEXURE A**

**FEZILE DABI DISTRICT MUNICIPALITY**

CREDIT CARD PURCHASES FORM

**STATEMENT DATE** : \_\_\_\_\_

**CREDIT CARD NUMBER** : \_\_\_\_\_

**USER NAME** : \_\_\_\_\_

**TOTAL FOR THE MONTH** \_\_\_\_\_  
\_\_\_\_\_

I.....certify that the above information is correct.

**SIGNATURE OF USER** : \_\_\_\_\_

