



# CREDIT CARD POLICY

## DIHLABENG LOCAL MUNICIPALITY

<b><u>Policy:</u> Credit Card Policy</b>	<b>Effective Date: 01/06/2008</b>
<b>Approved: 29/05/2008</b>	<b>Review Date:</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 Dihlabeng Local Municipality to Mayor, Speaker and Section 57 Managers.

## **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, Mayor ,Speaker and Directors. 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 Entertainment expenses to enhance the business of Council, which are limited to Council's approved amount for each individual user subject to the proviso that monthly limit on the credit card is not exceeded.
- 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 credit cards must cover all users expenses i.e. accommodation fees, tollgate fees, parking fees and entertainment expenses. (Council Resolution 27/2006) and only entitled for daily allowance.

## **5. EXCLUSIONS**

The Credit card users may not use their credit cards while on leave, unless it is used for council purposes. (Council Resolution 27/2006)

## **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 the Mayor and the Mayor must report to Council with relevant reasons, 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 reported 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 Chief Financial Officer. The user will be liable for all transactions 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 Chief Financial Officer who will arrange for replacement card. The damaged card must be returned to the finance department before a new card can be issued.

## **8. PROCEDURE FOR USAGE OF CARDS**

At the end of every month, the user must supply the finance department with the following:

- a) credit card slips for the month;
- b) original tax invoices or receipts for all transactions that took place during the month;
- c) Report of usage of credit cards must be reported to Council every month.

Finance department will fill the credit card allocation sheet, which the user must certify as correct by signing.

A copy of allocation sheet and credit card purchases form will be forwarded to the finance department.

## **9. POLICY CONTROL**

Council must approve the policy

Credit cards may not be used under any other policy

## **10. POLICY ENFORCEMENT AND EXCEPTIONS**

Consequence for non-adherence to the policy

10.1 Non-adherence to the policy must be immediately reported to Council where suspension or withdrawal of credit card facility can be affected.

10.2 The Municipal Manager must report fraudulent use of credit cards to the South African Police and Council.

## **11. POLICY IMPLEMENTATION STRATEGY**

This policy shall manifest itself in Dihlabeng Local Municipality through the implementation of and use of Dihlabeng Local Municipality credit card procedures and guidelines.

## **12. AUTHORITY**

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

**ANNEXURE A**



**DIHLABENG LOCAL 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** : \_\_\_\_\_