

1. OBJECT OF CREDIT CARD POLICY

The object of this policy is to:

Provide for a framework within which the accounting officer can establish and maintain proper and efficient use of the municipality's credit cards.

2. LEGISLATIVE CONTEXT

The following section of the Municipal Finance Management Act, No. 56 of 2003, bears reference in relation to the municipality's credit cards:

- | In terms of Section 65 (1) and (2), the accounting officer is responsible for the management of expenditure of the municipality and must for this purpose, take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds; and

3. DEFINITIONS

Act: means the Local Government: Municipal Finance Management Act (no. 56 of 2003).

Council: means elected council of Ngwathe Local Municipality.

Councillor: means a member of the Municipal Council of Ngwathe Local Municipality.

Business Credit Card: a Bank Credit Card issued to Ngwathe Local Municipality, in the name of the responsible authorised official, to be used for official purposes in pursuing their official duties.

"MFMA" Local Government: Municipal Finance Management Act, No. 56 of 2003

4. IMPLEMENTATION OF THE CREDIT CARD POLICY

The following political office bearers and officials of the municipality will each be issued with a business credit card:

- | The Mayor
- | The Speaker
- | Municipal Manager

The use of the municipality's credit cards is only permitted for use by the Mayor, Speaker and the Municipal Manager, and only while on official duty and can only transact to the extent of the approved expenditure items and limits as prescribed in this policy.

The privilege of credit card use shall not divest the holders, i.e. the Mayor, Speaker and Municipal Manager from following normal supply chain management processes as per the approved supply chain management policy of the municipality.

The limit of the credit amount for each holder of the Business Credit Card shall be decided and approved by the council.

The Finance Department is responsible for the monthly reconciliation of the credit card receipts and statements submitted by the relevant card holders and must report to Council any matter that is in contravention with this policy.

5. PROCEDURES FOR USE

Where a credit card was used for official purpose, the credit card holder must disclose:

- a) the nature of the expenditure, and in case of entertainment or meeting;
- b) the purpose of entertainment or meeting;
- c) the number and names of the guests and / or organisations.

The Finance Department will be responsible for the collection of the business credit card receipts for a particular month, on / or before the last working day of the month and sign an appropriate register as acknowledgement of receipt of source documents. For this purpose, business credit card receipts must not be sent through any other means or internal registry services.

The reconciliation of the receipts must correspond with the balance of the credit card statement. Any discrepancies unaccounted for in the form of official receipt will be recovered from the credit card holder's salary, the following month.

6. SCOPE OF USE OF BUSINESS CREDIT CARDS

Where alternative methods of payment exist, business credit cards must NOT be used for the payment of expenditure.

(a) Travel, Accommodation / Car Hire Bookings

Where travel, accommodation and car hire bookings are made internally in advance, the municipality's Subsistence and Travel Policy shall apply and the payment is settled by the expenditure section of the municipality.

(b) Daily Allowance

Where a holder of Business Credit Card receives a daily allowance for the payment of meals, tips, washing, telephone costs etc. such costs are either paid for in cash or settled by means of the employee's personal credit card in terms of the Office Bearers Act.

(c) Purchases of Assets

The purchasing of any item of assets must only take place by means of the Procurement Process as per the Supply Chain Management Policy. Business credit card usage must always be in line with authorised official trips and activities.

A business credit card must strictly be used for business related purposes. No private purchases (including gifts) are allowed.

7. CREDIT CARDS LIMITS

The following will be business credit card limits per month:

- | The Mayor - R25 000 (plus R15 000 on garage card)
- | The Speaker – R20 000 (plus R10 000 on garage card)
- | Municipal Manager – R15 000 on credit card only

8. MISUSE OF BUSINESS CREDIT CARDS

The following actions are regarded as, or constitute misuse of the business credit card:

- (a) Withdrawal of cash.
- (b) Purchasing of items for personal use.
- (c) Entertainment of family and friends.
- (d) The regular late submitting of claims.

The Council reserves the right to withdraw a business credit card of any holder as a result of misuse.

9. TERMINATION OF BUSINESS CREDIT CARD

When an office bearer or official's term / contract expires / resigns, the business credit card must be returned to the Finance Department on submission of the final credit card receipts and sign an appropriate register to confirm return of the credit card, including the date. The said business credit card must be disposed off in the presence of the card holder.

The Financial Services Department must notify the bank in writing of the cancellation in order to close the relevant account.

When a business credit card is stolen or lost during office hours, it is the responsibility of the business credit card holder to inform the Finance Department who in turn will notify the bank. In the case of after hours, the credit card holder must request the bank to stop usage of the respective card and inform the Finance Department the next business day following the loss.