

MORETELE LOCAL MUNICIPALITY



CREDIT AND PETROL CARD MANAGEMENT POLICY

Policy Adoption Date: _____

Policy Number: _____

Resolution Number: _____

Expected review Date: _____

Version control number: _____

Authorized signature: _____

Purpose

1. The purpose of this policy is to regulate the usage and management of the credit card in the institution.

Credit cards will be issued to the following officials and office bearers:-

- ✓ Mayor
 - ✓ Speaker
 - ✓ Municipal Manager
2. The credit cards will have fixed credit limits as approved under the delegated powers of the council.
 3. The credit card may only be used for official entertainment, accommodation and travel Expenses.
 4. An agreement must be signed by the holder of the credit card, accepting the following Conditions:-
 - ✓ Keeping within the approved limit of the credit card.
 - ✓ The credit card MUST NOT BE used for private purposes.
 - ✓ That invoices be obtained for all payments and submitting it to the Finance Department on each transaction paid for by the card.
 - ✓ It is the responsibility of every credit card holder to ensure that monthly invoices are submitted to the finance department.
 - The credit card must be returned without delay if the holder vacates his/her position for any reason.
 - Not authorizing any other person to use the credit card.
 5. The attached summary must be completed and certified by the holder of the credit card. All payment vouchers must be attached to the summary and returned to the Finance by month end

✓ The official credit cards shall be obtained from the same financial institution where the monies are banked and kept.

✓ The credit card issued to the mayor shall have a limit of R50 000 per annum, the increase would also be subject to council approvals. The Speaker, the chief whip, Municipal manager and directors would each have a limit of R30 000 per annum. Each portfolio would have each credit card and share it with its directorate accordingly.

✓ the municipal manager shall ensure that the financial institution issuing the cards shall adhere to these limits;

✓ the municipal manager shall further ensure that the credit card statements prepared by the financial institution concerned are made available on-line through internet access to the municipality, and that all transactions appearing on such statements are scrutinised daily to ensure that no abuse of the credit card system has taken place;

✓ if any abuse is detected or suspected, the official charged with scrutinising the statements shall immediately report the matter to the municipal

manager, who shall either immediately apply the penalty envisaged in Part 4 below – or if there is uncertainty as to whether a particular transaction infringes the principles of this policy – shall immediately investigate the matter; and

- ✓ all cardholders shall present physical proof of their credit card transactions for each calendar month to the municipal manager on the last working day of such month in such form as the municipal manager determines, and shall complete such further supporting documentation as the municipal manager requires to ensure that such payments are allocated to the correct budget line-items.

6. FLEET CARDS AND PETROCARDS

The municipal manager is authorised to issue fleet cards or petrol cards to such officials as he considers necessary in the best interests of the municipality's business, and such cards shall be issued on the same conditions and subject to the same policy principles as those applicable to other official credit cards, and shall be subject to such financial limits as the municipal manager determines from time to time. The fleet unit must supply the municipal manager with a detailed report for each fleet card by the end of each month.

SUMMARY OF PAYMENTS – BUSINESS CREDIT CARD

CREDIT CARD NUMBER: _____

NAME: _____

MONTH: _____

The following proof of credit card payment is hereby attached:

Vote Number	Supplier	Purpose	Amount

The abovementioned amounts are hereby certified as Officials expenses and may be charged against the availability as provided on the budget of the Moretele Local Municipality.

SIGNATURE OF CREDIT CARD HOLDER DATE

MEMORANDUM OF AGREEMENT FOR OFFICIAL CREDIT CARD USAGE
 Entered into by and between **Moretele Local Municipality** And

MEMORANDUM OF AGREEMENT FOR OFFICIAL CREDIT CARD USAGE PARTIES

MORETELE LOCAL MUNICIPALITY, herein represented by

_____ **in his/her capacity as** _____, duly authorized thereto.(hereafter “ the Municipality”)

And

_____, in his capacity as _____ Municipality.(hereinafter “the user”)

The parties as set out in 1.1 and 1.2 above hereby record their agreement in writing.

7. RECORDING

It is recorded that:-

7.1 the municipality has adopted a Credit Card Usage Policy for the use of a credit card by its Mayor, Speaker and Municipal Manager in their official capacity and for official purpose **ONLY**, offenders will be prosecuted.

7.2 the policy provides that an agreement must be concluded between the Municipality and each one of the above persons to the effect that credit card will

be used by the user only for official entertainment and accommodation expenses, subject to certain conditions,

7.3 the parties hereby agree to conclude an agreement on the terms and conditions contained herein.

8. ISSUING OF CREDIT CARD

8.1 A credit card shall be issued by the Chief Finance Officer or his/her delegate, to the user on or before _____, _____, 201__ (“ the commencement date”) for the following purpose connected to the position of the user:

8.2 Entertainment in official capacity;

8.3 Accommodation for official purposes

8.4 Travel expenses for official purposes.

8.5 Official entertainment and accommodation expenditure shall only be incurred in accordance with the approved Credit Card usage policy.

9. CREDIT CARD USAGE

9.1 All credit card expenditure shall be incurred within the fixed credit card expenditure approved under the delegated powers of council.

9.2 The credit card shall only be used for the purposes mentioned in clause 3 above.

9.3 The credit card shall under no circumstances be used for private purposes or any other purposes not mentioned in clause 3 above.

9.4 No other person shall for any reason use the credit card issued to the user.

9.5 The user shall also provide the Chief Finance Officer, or his/her delegate, with a summary of all purchases and expenditure where the credit card was used for official purposes. The summary must be provided within seven days after the end of every month in which the payments were made. The official summary form of the council, of which a copy is attached as Annexure B, shall be used, and all slips and receipts for the expenditure mentioned in the summary, shall be attached to the summary form.

9.6 The user undertakes not exceed the fixed credit card expenditure limits decided and approved by council in respect to the appropriate expenditure vote in the budget.

9.7 The user shall return the credit card to the Chief Finance Officer, or his/her delegate, without delay in the event that the user vacates his/her position for any reason whatsoever.

10. DEDUCTION FROM SALARY

10.1 The parties agree that:

in the event that the relevant slips, receipts and summary forms related to the credit card usage, have not been provided by the user to the Chief Finance Officer, or his/her delegate, as mentioned in above, or in the event that the credit card has been used by the user for private purposes or any other reason not mentioned in this agreement, or in the event that the user has contravened any provision in this agreement, then the expenditure related to the specific contravention of this agreement shall be deducted from the user’s monthly salary and the credit repossessed immediately.

WHOLE AGREEMENT

11 This agreement constitutes the whole of the agreement between the parties with effect from the commencement date, and it supersedes all previous agreements and arrangements relating to the subject matter.

12 This agreement therefore constitutes the sole agreement between the parties and no representation not contained herein shall be of any force between the parties.

13 VARIATIONS NOT EFFECTIVE UNLESS IN WRITING

No variation, modification or waiver of any provision of this agreement, or consent to any departure there from, shall in any way be of any force or effect unless confirmed in writing and signed by both the parties. Such variation, modification, waiver or consent shall be effective only in the specific instance and for the purpose and to the extent for which it was made or given.

Thus done and signed at _____ on this _____ day of _____ 201__

As witnesses:-

1. _____
MUNICIPALITY

2. _____

Particulars of signatory who warrants that she/he has been authorized thereto Thus done and

Signed at _____ on this _____ day of _____ 201__

As witnesses:-

1. _____

2. _____