

**Official Credit Card for
the Budgetary Bodies**

Guidelines

September 2017

I. Background

The Government payments outside the Country at present are made through the bank transfers by debiting the respective LC/PLC accounts. This process is viewed as inconvenient and lengthy.

In order to overcome the existing challenges, the Corporate Credit Card (to be termed as Official Credit Card) of the Bank of Bhutan Ltd. (BoBL) shall be used by budgetary bodies for making the prescribed payments, in conformity with the existing procurement, and financial rules and regulations.

In the initial phase, the use of Official Credit Card shall be piloted in selected government agencies as below:

1. The National Council of Bhutan,
2. The Royal Civil Service Commission,
3. The Ministry of Foreign Affairs, and
4. The Ministry of Finance.

Based on the experience during the pilot phase, the use of Official Credit Card shall be gradually rolled out for other budgetary bodies.

II. Objectives

- To efficiently make the Government payment outside the Country,
- To support the Government initiative of moving towards cashless economy.

III. Administration

1. The Official Credit Card shall be issued against the concerned LC account and shall be issued as per request of the budgetary bodies.

Note: The Royal Monetary Authority (RMA) can authorize BoBL to issue multiple Credit Cards against one LC account but the total limit of the cards should be within the annual ceiling.

2. The allowable limit in the Credit Card is between US Dollar 5,000/- to 10,000/- per annum as per the standing norms of the RMA. As such, the Official Credit Card/s shall have an annual limit of US Dollar 10,000/- .

Note: The annual limit/ceiling of credit card could be enhanced by the RMA based on request made by budgetary bodies. The concerned budgetary bodies have to submit an

application to the RMA along with valid reasons and supporting documents for enhancing the limit on case-by-case basis and intimate the BoBL upon approval.

3. The payment has to be settled with the BoBL within 15 - 45 days after the transaction date.
4. During the pilot phase, the following payments shall be made through the Official Credit Card:
 - a) Booking of hotels and payment for entertainment/allowable expenses based on the entitlement,
 - b) International subscriptions fees,
 - c) Payment of training fees, and
 - d) Payment of air tickets.
5. All types of payments as mentioned under Section III, Sl. No. 4 shall be made in line with the existing procurement, and financial rules and regulations.
6. The Official Credit Card shall not be used for personal expenses and for withdrawal of cash.
7. During the piloting, the Official Credit Card shall be centrally authorized by the Department of Public Accounts (DPA). The DPA shall maintain the details of the card such as name of the agency and credit card number etc.
8. The Official Credit Card shall be in the custody of the Director, Directorate Services/Head of Administration and Finance Division (AFD).
9. In order to limit the expenses within the budget appropriation, the Director, Directorate Services/Head of AFD shall reconcile the budget balance with the Finance Section from time to time.
10. The Director, Directorate Services/Head of AFD shall issue the Official Credit Card to the authorized officer while on travel outside the Country. The official shall immediately return the Official Credit Card along with the duly verified receipts for settlement of payment.
11. The Director, Directorate Services/Head of AFD shall review the receipts/bills and forward it to the Finance Section for settlement within 15 - 45 days of the transaction.

12. The card processing fee, annual maintenance and replacement costs shall be charged to the respective LC/PLC account.

13. In the event of non-submission of receipts within the timeframe specified by the Directorate Services/AFD, the individuals who was issued with the Official Credit Card shall bear the late payment fee/interest charged by the BoBL.

IV. Applicability

During the pilot phase, the Official Credit Card shall be issued from September 2017 as specified under Section I above.

V. Amendment

Based on experiences during the pilot phase, the guidelines shall be revised accordingly.
