

Official Credit Card for the Budgetary Bodies

**Revised Guidelines
September 2018**

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.

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 written request submitted by 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 Official 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/- for one budgetary agency.

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 as outlined under Sl. No. 11 in the following section.

4. 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. 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 to cross check with BoBL later.
11. The Director, Directorate Services/Head of AFD shall review the receipts/bills raised by BoBL and forward it to the Finance Division/Section for settlement within 15 - 45 days of the transaction.
 - a. Payment should be settled within the same month, if the transaction/card is used on or before date 15th of the particular month.
 - b. Where the card has been used after date 15th of a month, grace period of 45 days

is provided for settlement of the bill/transaction.

- c. Budgetary bodies shall avoid making payment using the card after 15th of June until the end of June, to enable settlement of payment within the same FY.
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 individual who was issued with the Official Credit Card shall bear the late payment fee/interest charged by the BoBL. The current interest rate charged by BoBL is 2.5% per month on the unpaid amount. Further, a late payment fee of Nu. 200/- month or 0.5% on the outstanding amount, *whichever is higher* shall be charged to the budgetary body.

Note: Both the charges shall be applied if the payment settlement is not made within the due date.

IV. Amendment

Based on the feedback received from the budgetary bodies, the guidelines shall be revised from time to time.
