

Debit Card for POL for the Government Pool Vehicles

**Revised Guidelines
September 2018**

I. Background

At present, 'Fuel Book' is used for POL for the Government pool vehicles. The fuel book system requires, release of advance in favour of the Bhutan Oil Distributors (BOD) through the respective vehicle's fuel book. Depending on the type of vehicle and nature of the job, the POL advance provided ranges between Nu. 5,000/- to Nu. 10,000/- per month.

The Bank of Bhutan Ltd. (BoBL) in collaboration with the Royal Monetary Authority and Department of Trade, Ministry of Economic Affairs has recently launched the POL Debit Card in Thimphu. The BOB's POL debit card/payment card is issued to corporate, government agencies and any offices, to be used for fueling their office vehicles at fuel stations.

In order to overcome the disadvantages of the use of cheques and existing fuel book system, the use of Debit Card/Fuel Card shall be implemented for government pool vehicles.

II. Objectives

1. To improve the cash management,
2. To support the Government initiative of moving towards cashless economy.

III. Administration

1. The Debit Card shall be issued against the concerned LC account and shall be issued as per the number of vehicles. The Debit Card shall have the following details:
 - Debit Card Number, *and*
 - Vehicle Number

Note: Multiple Cards can be issued under one LC account.

2. The Debit Card shall be centrally authorized by the Department of Public Accounts (DPA). The DPA shall maintain the details of vehicles such as name of the agency, vehicle number, year of purchase, vehicle type etc. based on the copy of vehicle registration certificate (blue book) submitted along with the application.
3. Monthly limit in the Debit Card shall be as below:
 - i. Dedicated and pool vehicles: Nu. 10,000/- per month
4. The POL Debit Card shall be used only for fueling the vehicles.

5. In case of POL requirement above the monthly limit and also during the travel to places not connected with POS machines, amount required shall be released as PW advance in the name of the driver. The PW advance has to be liquidated immediately upon utilization.
6. The Debit Card shall be in the custody of the Motor Transport Officer (MTO) and shall adopt the following procedures:
 - a. The existing balance in the fuel book shall be utilized in full before releasing the Debit Card to the driver.
 - b. The fuel book shall be surrendered to the MTO by the driver upon full utilization of the advance.

Note: The fuel book shall not be surrendered to BOD. It will be retained with the MTO for use in case of POS breakdown.

- c. The MTO shall release the Debit Card to the driver for fueling the vehicle as and when required.
- d. The driver shall submit the Debit Card along with the ***POS receipt*** and ***POL e-receipt*** to the MTO for necessary verification for onward submission to the Finance Division/Section.

Note: The following process should be followed while fueling the vehicle using the card:

- i. (First) Swipe the Card with the desired amount for fueling the vehicle*
- ii. (Next) Fuel the vehicle as per the receipt generated in Step (i) above.*
- e. The Driver after obtaining necessary verification from the MTO shall submit the POS receipt and POL e-receipt to the Finance Division/Section for booking of expenditure. The POS receipt will bear the following details:
 - Debit Card number [In the card, there will be vehicle number inscribed]
 - Value of fuel consumed

Note:

- I.** *The POS receipt number will be reflected in the bank statement for booking of expenditure as Direct Transaction.*
- II.** *The e-receipt will bear the quantity and value of fuel consumed.*

III. *The MTO may also apply for sms alert at the time of registration for POL Debit Card. The sms facility will facilitate instant verification of any error transactions.*

IV. *In case of insufficient LC authorization limit in the LC account, the transactions will not be successful.*

f. In order to limit the expenses within the budget appropriation, before releasing the Debit card the MTO shall reconcile the budget balance with the Finance Division/Section from time to time.

7. In case of error transaction *i.e.*, debit of LC account but non-generation of the POS transaction receipt:

a. The BoBL shall create a “**Linked Account**” for each pool vehicle/POL Debit Card for recording and subsequent correction of the error transactions.

b. The BoBL will give view access to the “Linked Accounts” through online banking to the dealing officials’ *viz.*, MTO and concerned Finance Personnel of the respective agencies to facilitate reconciliation of transactions.

c. In case of error transaction being not reflected in the Linked Account *i.e.*, *LC account has been debited but it has not been credited in the Linked Account*, the concerned agencies should contact the respective BoBL Bank Branch for rectification/crediting the same amount in the Linked Account.

d. The accounting treatment in case of error transactions is provided in **Annexure-1** as attached.

8. Initial Debit Card cost of Nu. 250/Card and any instances of replacement cost Nu. 200/Card shall be charged to *OBC 15.02: Maintenance of Vehicles* of the respective LC account.

IV. Transfer of Vehicle

In case of transfer of vehicle to another agency, the existing debit card shall be cancelled and new debit card shall be issued.

V. Amendment

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

VI. Contact Information

In case of any assistance during the breakdown or non-functioning of POS machine at the Bhutan Oil Distributors, the following focal officials shall be contacted directly:

Bhutan Oil Distributors (BOD), Lungtenzampa, Thimphu

Mr. Karma Tshering

Manager

Telephone No. 77190077 (Fixed Line), Mobile No. 17116226

Mr. Aita Raj Ra

Mobile No. 17776677

Bhutan Oil Distributors (BOD), Motithang, Thimphu

Mr. Kinga Tshering, Manager

Telephone No. 77190057 (Fixed), Mobile No. 77721321

Bhutan of Bhutan Ltd., HQ, Thimphu

Mr. Tshering Choejur

Head, Cards Section

Mobile No. 17117071/334589 (O)

Mr. Ashik Pradhan

Mobile No. 117622393

Mr. Jigme Tsultrim

Mobile No. 17521870

Mr. Kuenzang Dorji

Mobile No. 77224466

Department of Public Accounts, Ministry of Finance

Mr. Yeshi Norbu

Mobile No. 17115553

Accounting treatment in case of error transaction

The MTO and concerned Finance Personnel should view the Linked Account for any error transaction after each use/swipe. The sms alert would further enable tracking any error transactions. After sweeping the card, if the POS receipt is not generated, it would normally result in error transaction. However, it may not always result in error transaction as non-generation of POS receipt could be due to Wi-Fi/connection issues.

In case of error transaction, the accounting transaction should be as below:

- The error transaction amount will be automatically credited in the Linked Account. Based on the Linked Account statement, the Finance Section has to book the error transaction amount as advance to BoBL.

Note: If the error transaction value is used within the same month, the Finance Section may book the expenditure as Direct Transaction while processing the month end process; instead of, booking as advance on the date of error transaction and adjusting the advance as expenditure on the date of use of the amount of the Linked Account.

- In order to ease the reconciliation/keep track of error transactions in the Linked Account, it is suggested to swipe the Debit Card with exact earlier error transaction amount/balance amount in the Linked Account. If the fuel requirement is more than the amount in the Linked Account, the Debit Card can be swiped for additional amount.
- During the subsequent use of Debit Card, the amount shall not be debited by LC account. Instead, it will be debited from the Linked Account.
- On the successful generation of the POS receipt & POL e-receipts, the Finance Section has to adjust the earlier advance and book it as expenditure.
- In case of continuous error transactions, only the first error transaction will be debited in the LC account. All subsequent error transactions will be effected in the Linked Account without any net impact.
- In case of any balance in the Linked Account at the end of FY, the BoBL will issue the Cash Warrant as any unutilized appropriation at the end of FY and the respective agencies will adjust the advance booked earlier.

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