



UMZINYATHI DISTRICT MUNICIPALITY

CREDIT CARD POLICY

1. Introduction

The purpose of this policy is to provide guidelines for the issuing of credit cards (“municipal credit cards”) by the Municipality to staff and councillors of the Municipality, for the use of such credit cards, and for the prevention of misuse of such credit cards.

2. Issuing, ownership and surrender

2.1 Municipal credit cards may, subject to the approval of the Municipal Manager of the Municipality, be issued to:

2.1.1 the following members of staff:

2.1.1.1[Municipal Manager]

and

2.1.2 the following councillors:

2.1.2.1[The Mayor];

(each such person to whom a municipal credit card is issued being herein referred to as an “allocated user”).

2.2 The Municipal Manager may approve the issuing of a municipal credit card to any particular person referred to above subject to such additional conditions and limitations as he may in his discretion consider appropriate, in addition to the conditions and limitations contained in this policy.

2.3 A municipal credit card may not be issued to any person other than a person referred to in 2.1.

2.4 Municipal credit cards remain the property of the Municipality.

2.5 Municipal credit cards are held by allocated users at the pleasure of the Municipal Manager and any person to whom a municipal credit card has been issued shall surrender same to the Municipal Manager upon demand for such surrender being made by the Municipal Manager.

2.6 The Municipal Manager shall keep a register of all persons to whom municipal credit cards have been issued.

2.7 The internal Auditor will review and audit the credit card expenditure and report to the audit committee on quarterly basis.

3. Use of Municipal credit cards

3.1 A municipal credit card:

3.1.1 must only be utilized for business purpose of the municipality and for expenditure which has been duly authorized;

3.1.2 must be used only when no other means of payment is practically available.

3.2 All purchases for which a municipal credit card is used must be carried out in accordance with the Municipality's Supply Chain Management Policy.

3.3 The allocated user of a municipal credit card must obtain till slips or receipts for all purchases made with a municipal credit card and must submit such receipts or slips on a monthly basis by no later than [5th Working day of every month] together with a full report on the expenditure incurred to the Municipal Manager or such other manager as the Municipal Manager may designate for this purpose.

3.4 If a municipal credit card is lost or stolen, the allocated user must report that fact immediately to the issuing bank and the Municipal Manager.

- 3.5 When an allocated user takes leave of any kind, he or she must surrender the municipal credit card issued to him or her to the Municipal Manager for safekeeping in the Municipality's safe for the duration of such leave.
- 3.6 Every allocated user shall comply with all terms and conditions regarding the use of municipal credit cards as may be imposed by the issuing bank, subject, however, to the provisions of this policy.

4. Credit Limits

- 4.1 Limits on each municipal credit card shall not be more [R10 000] unless resolved otherwise by [Council].
- 4.2 No allocated user shall expend more than [R120 000] by means of a municipal credit card in any financial year.
- 4.3 The Municipal Manager may in exceptional circumstances increase the limits referred to in 4.1 and 4.2 in respect of any particular individual, and shall report each such increase to the council at its next meeting; provided, however, that such increased limits shall in no circumstances exceed the amounts of [] and [] respectively.

5. Unauthorized Use

- 5.1 Any use of a municipal credit card other than in the course of official municipal business or other than in accordance with this policy will be regarded as unauthorized expenditure and any such expenditure shall be recoverable from the allocated user concerned, without prejudice to the right of the Municipality to lay criminal charges relating to such use if the facts surrounding such use indicate the commission of a criminal act or acts.

5.2 Any staff member or councillor of the Municipality who has any knowledge of any such unauthorized expenditure shall report such expenditure to the Municipal Manager without delay.

6. Contraventions of Policy

Any person who contravenes this Policy in any way shall be subject to disciplinary action.

7. Implementation of Policy

The Municipal Manager shall be responsible for the implementation and enforcement of this policy, provided that he may delegate any of his functions under this policy, other than the functions contemplated in 2.1, 2.2, 2.5 and 4.3, to any person who is a member of the staff of the Municipality.

8. COUNCIL APPROVAL AND EFFECTIVE DATE

Approval of Policy by Council and Effective date: 17 December 2008