

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Circular No 7 of 2013

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06 May 2013

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

FINANCIAL MANAGEMENT KIT (FM KIT)

Financial Instructions No 3 of 2013

Payment by Debit/Credit Card

The purpose of this circular is to inform you of the introduction of the use of Debit Card by Imprest Holders of Ministries/Departments and Credit Card by missions abroad, as a mode of payment on behalf of Government.

2. The underlined procedures for the use of Debit/Credit Card will be issued as Financial Instructions under Section 22 of the Finance and Audit Act:

Imprest Holders

- (a) An Accounting Officer may authorize the issue of a Debit Card in the name of an Imprest holder operating a bank account. Such Debit Card can only be used for effecting payments allowed under the relevant Imprest Warrant.

Missions abroad

- (b) A Credit Card may, with the approval of the Secretary for Foreign Affairs, be issued in the name of the Head of Mission or any other public officer designated by the latter.
- (c) The Credit Card may be used for the purchase of goods or payment for services, where the use of cash or cheques is considered to be inconvenient and uneconomical.
- (d) The Credit Card limit should be determined by the Secretary for Foreign Affairs.
- (e) **No interest should be allowed to accrue** under a Credit Card facility. Necessary instructions should accordingly be given to the relevant issuing bank for automatic settlement by direct debit to the Mission's bank account.

Records

- (f) Proper records, such as cash withdrawal receipts and payment slips, should be maintained in respect of each transaction effected by means of debit/credit card. Under no circumstances should an official Debit/Credit Card be used for personal transactions or for making expenses not related to the activities of the relevant Departments or missions for which the card was issued.
- (g) It should be noted that the general procedures regulating payments in Chapter 20.4 of the Financial Management Manual 1990 should be complied with. In particular, appropriate entries should be made in the cash book in respect of card transactions and regular bank reconciliations should be carried out, indicating where relevant, outstanding Credit Card payments.

3. You may wish to note that these instructions have been finalized after consultations with Director of Audit and necessary clearance have also been sought from the State Law Office. You are requested to comply with the above Financial Instructions - Payment by Debit/Credit Cards.



A. Mansoor
Financial Secretary

Copy to:

- (i) Secretary to Cabinet and Head of the Civil Service
- (ii) Director of Audit
- (iii) Accountant-General
- (iv) Directors, Economic and Finance, MOFED
- (v) Director, Financial Operations
- (vi) Director, Procurement & Supply
- (vii) Director, Internal Control
- (viii) Officers-in-Charge of Financial Operations Unit, Procurement & Supply Unit and Internal Control Unit in Ministries/Departments
- (ix) Group Managers, MOFED
- (x) Cluster Leaders and Team members, MOFED