

ROYAL GOVERNMENT OF BHUTAN



**GUIDELINE FOR OPERATION OF OFFICIAL CREDIT
CARD BY GOVERNMENT BUDGETARY AGENCIES**

Department of Treasury and Accounts

Ministry of Finance

August, 2024

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FINANCE MINISTER

འབྲུག་རྒྱལ་ཁྲིམས་ལྷན་ཁག།
Royal Government of Bhutan
Ministry of Finance
Tashichhodzong

August 16, 2024

FOREWORD

The government payment systems are generally more restrictive and traditional. The existing payment system does not support online or e-commerce transactions, making it difficult for budgetary agencies to engage in the quick, seamless procurement processes. The current government payments system relies on more secured but slower methods such as bank transfers which is particularly cumbersome especially for international procurements.

Credit cards offer a fast and efficient solution for organizations to make online purchases. Credit cards are now widely used for online procurements and e-commerce because of the convenience and efficiency they offer. It streamlines the purchasing process, allowing organizations to quickly make purchases without the need for extensive paperwork or delays. Using credit cards for online transactions can help organizations take advantage of immediate procurement opportunities, such as time-sensitive deals (air-tickets), ensuring that operations continue smoothly without interruption.

In order to facilitate effective and efficient solutions for online procurement and payment for air-tickets and streamline the process for issuance and operation of official Credit Cards by the budgetary agencies, The Ministry of Finance as approved in the 3rd Policy and Planning Committee Meeting held on August 13, 2024 is pleased to issue “**Guideline for Operation of Official Credit Cards for the Government Budgetary Agencies**” for Government Budgetary Agencies.

[Lekey Dorji]

Minister
Ministry of Finance
Tashichho Dzong
Thimphu

1. BACKGROUND

Credit cards are now widely used by organizations to facilitate online procurements and allow agencies to make necessary purchases quickly and efficiently for official purposes. This reduces the time and administrative burden associated with processing the payment procedures and also enables cost savings.

The current process of the Government payments system does not facilitate procurement and payments from online and e-commerce platforms. All procurements from outside the country involve lengthy processes of bank transfers through issuance of a letter of debit advice to the Bank from the respective LC/PLC accounts.

In order to facilitate direct procurements of airline tickets from outside the country from online and e-commerce platforms and ensure effective and efficient payments, Official Credit Cards to the budgetary agencies shall be issued.

2. OBJECTIVES

To facilitate the online procurement and payment of airline tickets outside the country by Government Budgetary Agencies.

3. TITLE

The Guideline shall be called the "Guideline for Operation of Official Credit Card by Government Budgetary Agencies, 2024"

4. SCOPE

This Guideline shall apply to all the Government Budgetary Agencies that use the Official Credit Cards.

5. SUPERSESION

This Guideline shall supersede all existing Guidelines concerning the operation of Official Credit Cards.

6. ADMINISTRATION

- 6.1. The Official Credit Card shall be issued against the concerned LC/PLC account as per written request submitted by the budgetary agencies to the Department of Treasury and Accounts (DTA).
- 6.2. The agency shall submit a request (*via email*) for the official credit card as per the prescribed format (*Annexure I*) along with the duly filled Corporate Credit Card form of BoBL (*Available in BoBL official website*) with initials on all the pages and a copy of authorized card holder's CID.
- 6.3. The Official Credit Card shall be centrally authorized by the DTA. The Department on behalf of the budgetary agencies shall request BoBL for the issuance of the official credit card.



- 6.4. The turnaround time for issuing credit cards by BoBL shall be five working days from the date of receipt of the request from DTA.
- 6.5. The Department shall issue and maintain the details of the card such as name of the agency, details of the authorized holder and credit card number etc.
- 6.6. The Official Credit Card shall be in the custody of the Head of Finance of the budgetary agencies.
- 6.7. If the Head of Finance is issued multiple credit cards, he/she shall maintain a record of the credit cards along with the corresponding LC/PLC.
- 6.8. The Official Credit Card shall not be used for personal expenses and for withdrawal of cash.
- 6.9. The allowable limit in the Official Credit Card shall be USD10,000 per annum per account. However, the Head of Agency and Finance shall ensure that the payout limit does not exceed the approved budget of the respective activity.
- 6.10. The annual limit/ceiling of credit cards could be enhanced based on requests made by budgetary bodies to DTA on a case by case basis and intimate the Bank upon approval.
- 6.11. In the event of change in the authorized credit card holder, the agency shall write to DTA with details mentioned in the Annexure I.
- 6.12. In the event of refund and reversal due to cancellation of flight ticket, BoBL shall write to DTA.

7. PAYMENT AND SETTLEMENT

- 7.1. The Head of Finance shall verify and process for the payment.
- 7.2. The following payments shall be made through the Official Credit Card:
 - 7.2.1. Payment for procurement of airline tickets online.
- 7.3. Allowable payments listed under sl. 4.2 shall be made in line with the Standard Operating Procedure (SOP) for online booking of airline tickets issued by Department of Procurement and Properties (DPP).
- 7.4. In order to limit the expenses within the budget appropriation, the Head of Finance shall verify and reconcile the budget balance at the end of every month.
- 7.5. The payment has to be settled with the Bank after the transaction date as outlined below:
 - 7.5.1. The Bank shall raise the bills statement on the 15th of every month.
 - 7.5.2. The payment shall be directly debited from the respective LC/PLC by the Bank on the next working day after the issuance of the bill statement.
 - 7.5.3. The budgetary agencies shall ensure sufficient release balance in the respective LC/PLC during the settlement date.
 - 7.5.4. The Head of Finance of the budgetary agencies shall pass the necessary transactions within the same month upon receipt of the bills/Bank statement.

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- 7.6. Budgetary agencies shall avoid making payment from the card after 15th of June until the end of June, to enable settlement of payment within the same FY.
- 7.7. The card processing fee, annual maintenance and replacement costs shall be charged to the respective LC/PLC account.

8. RENEWAL AND SURRENDER OF THE OFFICIAL CREDIT CARDS

In the event of expiry of card validity, the agency shall submit a written request for renewal of the official credit cards to DTA along with BoBL renewable form (*Available in BoBL official website*). If the credit card is not required, the official credit card shall be surrendered to the DTA with written confirmation.

9. AMENDMENT

The Guidelines shall be revised by the Ministry of Finance from time to time in keeping with the changing needs and circumstances.

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Annexure I

Official Letterhead

File No:.....

Date:

Director
Department of Treasury and Accounts
Ministry of Finance
Thimphu

Subject: Request for Issuance of Official Credit Card

Sir,

The.....(*Agency Name*) would like to request for issuance of of official credit card against the following details:

Sl. No	Particulars	Details
1	LC/PLC No:	
2	Authorized Card Holder's Name:	
3	Designation:	
4	Email Address:	
5	Contact No:	

The credit card will be used for the procurement of airline tickets online as per the Guideline for the Operation of Official Credit Cards issued by the Ministry of Finance.

Sincerely,

[Name]
Head of Agency/Designation

Copy to:

1.

