

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98

A RESOLUTION of the Board of the Regional Transit Authority for the Pierce, King and Snohomish Counties region authorizing a contract for the issuance and use of credit cards for official government purchases and acquisitions, and adopting a system for credit card use by the RTA.

WHEREAS, a Regional Transit Authority (“RTA”) has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, by Resolution No. 84, the RTA Board designated the Bank of America National Trust and Savings Association, doing business as Seafirst Bank (“Seafirst Bank”), as the bank depository for the RTA, and authorized the Executive Director to enter into a contract with Seafirst to provide general banking services to the RTA.

WHEREAS, RCW 43.09.2855(1) authorizes the RTA to contract for the issuance of credit cards for official governmental purchases and acquisitions; and

WHEREAS, pursuant to RCW 43.09.2855(3), the RTA has developed a financial control system establishing policies, rules and procedures necessary for the (a) distribution, (b) authorization and control of the use of credit card funds, (c) establishment of credit limits, (d) bill payment, and (e) implementation and administration of credit card use by the RTA; and


WHEREAS, the financial control system set forth in the attached section of RTA Administrative Policy and Procedure No. 5 shall ensure financial control and accountability in the use of RTA credit cards.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Regional Transit Authority as follows:

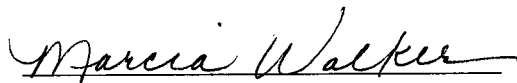
Section 1. The Executive Director is hereby authorized to amend the banking services contract with Seafirst Bank for the issuance of credit cards to the RTA on such terms as are reasonable and customary for public agencies.

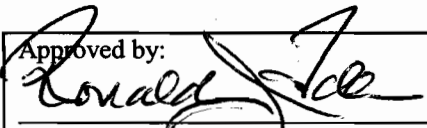
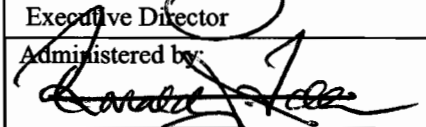
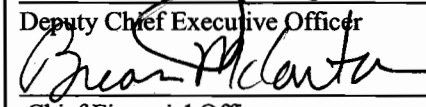
Section 2. The Board of the Regional Transit Authority does hereby adopt the attached section of RTA Administrative Policy and Procedure No. 5 as the RTA's financial control system for the distribution and use of credit cards as required by RCW 43.09.2855(1) and RCW 43.09.2855(3).

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 9th day of October 1997.


Paul Miller
Board Vice Chair

ATTEST:


Marcia Walker
Board Administrator

Approved by:  Executive Director	ADMINISTRATIVE POLICIES AND PROCEDURES	No. 5
Administered by:  Deputy Chief Executive Officer	Subject: Procurement and Disbursement Policy	
 Chief Financial Officer	Date Issued: 9/2/97	Effective Date: 9/2/97
		1st Revision: 3/1/99
		2nd Revision: 9/9/02
		3 rd Revision: 6/15/09

1.0 PURPOSE

To establish a Sound Transit policy covering the purchasing of goods and services and related disbursements.

2.0 POLICY

It is the policy of Sound Transit to purchase and disburse funds for goods and services in a manner that is flexible, efficient, and cost effective, while providing a detailed analysis of individual transactions. It is also the policy of Sound Transit to encourage and support the use of small business enterprises including M/W/DBE qualified vendors.

3.0 REFERENCES

- 3.1 Resolution No. 78-1 establishes Sound Transit's policy on purchasing and related disbursements.
- 3.2 Administrative Policies and Procedure No. 1 describes Sound Transit's travel credit card program. Sound Transit has a credit card program through Sound Transit's designated bank providing for travel, general purchases and gas. The Chief Financial Officer or his/her designee will be responsible for administering this program.
- 3.3 Contracts Division Procurement Manual

4.0 SCOPE

This procurement policy applies to all purchases and disbursements made by Sound Transit or made by licensed contractor/consultant authorized by Sound Transit.

5.0 OBJECTIVES

The primary objective of this procurement and disbursement policy is to outline approved methods by which purchases and disbursements are made by Sound Transit. Detailed procedures are listed in sections 5.0, 6.0, 7.0, 8.0 and 9.0 corresponding to the methods identified below:

5.1 Purchase Order Process:

- 5.1.1 Generally, goods and services costing more than \$3,000, excluding taxes, will be procured through the purchase order process. Requisitions are to be prepared and approved by the individual departments following established procedures and per the Sound Transit Delegation of Authority Policy, and forwarded to the Contracts

Division for procurement or initiation of a competitive procurement. The Contracts Division Procurement Manual governs the competitive procurement process.

5.1.2 The Contracts Division will issue a purchase order to the vendor based on the approved requisition. A Purchase Order shall be issued prior to the vendor providing service and/or supplying goods.

5.1.3 The Accounting Division will issue a check for payment for services or the delivery of goods when the approved purchase order and an approved and properly-coded invoice are matched for disbursement by the weekly processing date.

5.2 Purchase Credit Card Process:

5.2.1 Approved purchase credit card holders may use the cards to purchase most items costing \$3,000 or less, excluding taxes. This type of purchasing does not require a completed Requisition Form. Purchase credit cards shall not be used for repetitive purchases nor for computer hardware and software.

5.2.2 A detailed Purchase Credit Card Reconciliation/Expense Form is to be completed and approved by the department directors within 5 days of the receipt of the monthly statement. The statements are received and distributed by the Accounting Division.

5.2.3 The Accounting Division will review the reconciled purchase credit card expense forms and bank credit card statements, and issue payment. Late submission of the reconciliation/expense form may result in the loss of purchase card privileges.

5.3 Expense Reimbursement Process:

5.3.1 Expense Claim Forms are to be completed for travel-related reimbursements and non-travel business reimbursements. Non-travel business reimbursements are limited to \$500 per transaction.

5.3.2 Expense reimbursement for travel and non-travel may be obtained through Petty Cash, with a maximum of \$30.00 per request. The Petty Cash fund will be maintained by the Treasury Division.

5.4 Check Request Process:

5.4.1 Purchases not made through purchase orders, purchase credit cards, or via expense reimbursement will be paid through the Check Request process. Check Requests may not be used for the purchase of goods and services costing more than \$3,000, including taxes, or for repetitive purchases. There are specific exceptions to this limitation that are designated within certain divisions.

5.4.2 After an invoice is approved and attached to a properly-coded check request form, the Accounting Division will issue a check for payment for the services or goods delivered. The check will be issued as part of the weekly payment process.

6.0 PURCHASE ORDER PROCESS PROCEDURES

6.1 Requisition form procedures.

- 6.1.1 Goods and non-professional services costing more than \$3,000, excluding taxes, will be procured through the purchase order process.
- 6.1.2 A Requisition Form will be completed and approved, using the established procedures, and as stipulated by Sound Transit's Delegation of Authority and Execution of Contracts Policy. Requestors shall include an Independent Cost Estimate for all purchases.
- 6.1.3 The Requisitioner and Approver cannot be the same individual.
- 6.1.4 For purchases up to \$5,000, excluding tax: Procurement Coordinator/Contracts Specialist may rely on personal experience and knowledge of market conditions for obtaining the best price, quality, service and delivery. Purchase may be made by soliciting from a single supplier. Three quotes will be obtained on any purchase over \$3,000, excluding tax, paid for with federal funds. If quotes are obtained by other than Contracts Division personnel the information will be reviewed by the Contracts Division, and a purchase order number shall be issued prior to vendor providing goods or services.
- 6.1.5 For purchases over \$5,000 up to \$100,000, excluding tax: Competitive quotes are required. These may be phone solicitations and must be documented. If quotes are obtained by other than Contracts Division personnel the information will be reviewed by the Contracts Division, and a purchase order number shall be issued prior to vendor providing goods or services.
- 6.1.6 For requisitions valued at more than \$100,000, excluding taxes, Sound Transit's formal advertising procedures shall be adhered to as detailed in Resolution No. 78-1, Section 3.
- 6.1.7 Directors are authorized to approve and execute sole source contracts valued up to \$25,000, excluding taxes. All sole source contracts valued at more than \$25,000 up to \$100,000, excluding taxes, must be approved and executed by either the Executive Director or the Deputy Executive Director. The Board shall approve all sole source contracts with a value of more than \$100,000, excluding taxes. A justification for all sole source purchases must accompany the approved requisition.
- 6.1.8 All sole source contracts must be reported to the Executive Director and all sole source contracts valued at more than \$10,000, excluding taxes, must be reported to Sound Transit's Board as stipulated by Resolution No. 78-1.
- 6.1.9 Non-repetitive purchases valued at less than \$3,000, excluding taxes, do not require a requisition or a purchase order. Purchases under this dollar amount may be paid through the check request process or made by use of a purchase credit card.

- 6.2 A purchase order will be issued by the Contracts Manager, or his/her designee, based upon an approved requisition. All purchase orders will be issued, or a competitive process started, within three working days after receipt of a completed and approved requisition.
- 6.2.1 Copies of approved purchase orders will be sent to the vendor, as applicable. The original is to be filed in Contracts and attached to the original approved requisition with all appropriate documentation.
- 6.2.2 Standard payment terms for Sound Transit are net 30 days, unless otherwise indicated on the approved purchase order. Any unusual payment terms must be approved by the Treasurer prior to their inclusion in a Contract or Purchase Order. Any payment method other than by check must be approved by the Treasurer prior to inclusion in a Contract or Purchase Order.
- 6.2.3 Blanket purchase orders may be issued by the Contracts Division for recurring purchases of regular goods and services and will generally be issued for the current budget period. Once approved, departments may draw down on the approved amounts, using an approved work order if required.
- 6.2.4 All contracts entered into by Sound Transit will have a corresponding purchase order issued.
- 6.2.4.1 The Scope and substance of contracts will be approved by the appropriate department and the Contracts Division and include the necessary federalized wording. All contracts shall be reviewed and negotiations coordinated by the Contracts Division.
- 6.2.4.2 The Contracts Division will assign a purchase order number. Payments cannot be made without a purchase order number and an accurately-coded purchase order.
- 6.2.4.3 The appropriate department will approve progress payments on contracts.
- 6.3 Invoices must be sent directly to the Accounting Division by the vendor to be logged in. They will then be routed to the appropriate department for approval and coding. This process ensures that Sound Transit is only paying for goods or services which it has received. A 5-day turnaround for approval and coding is required from departments for payments to be made in a timely manner.
- 6.4 The approved purchase order and an approved and properly-coded invoice will be matched as part of the payment processing performed by the Accounting Division.
- 6.4.1 Invoices that are \$500 more than the approved purchase order amounts will not be paid, but will be returned to the requisitioner for resolution, e.g., issuance of a change order.
- 6.4.2 Properly-coded invoices will be paid as part of the weekly payment process. In order to be processed, invoices are due in the Accounting Division by

Wednesday and will be included in the next week's Friday check run. Invoices received after Wednesday will require an additional week to process.

6.4.3 Copies of the approved original invoice, and issued check or bank wire will be filed in the Accounting Division.

6.4.3.1 Originals of invoices are to be submitted directly to the Accounting Division. The Accounting Division will not pay from photocopies of invoices or statements unless the photocopies are certified by vendor and vendor issuing statements does not issue invoices.

6.4.3.2 Payments may be made from faxed copies of invoices, however the original must be forwarded to the Accounting Division within 10 days of payment.

7.0 PURCHASE CREDIT CARD PROCESS PROCEDURES

7.1 Purchase credit card issuance:

7.1.1 The Chief Financial Officer or his/her designee is responsible for the issuance of purchase credit cards.

7.1.2 In keeping with Sound Transit's Delegation of Authority and Execution of Contracts Policy, purchase credit cards may be issued to a custodian(s) in each department who is responsible for the purchasing, safekeeping and monthly reporting. Departments and divisions are responsible for informing the Accounting Division of additions, deletions or changes to the custodian's status.

7.2 Purchase credit card usage:

7.2.1 Purchase credit cards will be used to purchase non-travel related items, such as the purchase of non-repetitive supplies and services.

7.2.1.1 Purchase credit cards may be used to pay for seminars, classes, subscriptions, and memberships.

7.2.1.2 Purchase credit cards cannot be used to purchase computer hardware, software or other fixed assets.

7.2.2 Purchases or acquisitions on purchase credit cards will be limited to \$3,000, including taxes, per transaction and carry up to a maximum credit limit of \$15,000.

7.2.3 A Requisition Form will not be required when the purchase credit card system is used.

7.2.4 The purchase credit cards will be used for official Sound Transit business by approved employees only. Use of purchase credit cards for personal purchases will result in disciplinary action with possible legal action.

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7.2.5 Purchase credit cards are to remain on the Sound Transit premises in a secured location when not in use. Cash advances on purchase credit cards are prohibited.

7.3 Purchase credit card documentation:

7.3.1 Within five working days after the statements are distributed by the Accounting Division, all receipts for the previous month are to be itemized, with proper coding, on the Purchase Credit Card Reconciliation/ Expense Form and approved by the Department Director. The completed form, along with receipts and other documentation, e.g., order forms, packing slips, credit receipts for returned items or cancelled orders and invoice paid receipts, will be returned to the Accounting Division.

7.3.2 Timely reporting is necessary to meet the State Auditor's Office's control requirements. Late submission of the Reconciliation/Expense form may result in the revocation of purchase credit card privileges.

7.3.3 Amounts charged and reported on the Purchase Credit Card Reconciliation/ Expense Form must equal and reconcile to what is reported on the purchase credit card expense statement received from Sound Transit's credit card vendor. Any contested charges must be reported to the Credit Card Administrator in the Finance & Information Services Department. He/she will provide the individual contesting the charge with the necessary form, which must be completed by the card holder and filed with the credit card provider within 5 working days. Not responding in a timely manner may result in Sound Transit being unable to contest the charge(s) and as such, result in disciplinary action. It is the responsibility of the card holder to resolve any discrepancies before submitting the invoice to Accounting for payment.

7.3.4 Lost or stolen purchase credit cards are to be reported immediately to the Chief Financial Officer or his/her designee.

7.3.5 Monthly statements from the purchase credit card provider will be paid by the assigned due date.

8.0 CHECK REQUEST PROCESS PROCEDURES

8.1 All purchases made that are not done by the purchase order or the purchase credit card processes must be made using the Check Request process.

8.1.1 All Check Request Forms are to be completed and properly coded and approved by the appropriate signature authority as detailed on the requisition Form.

8.1.2 The Payee must be in the One World Address Book in order for the Request to be processed. If it is not in the Address Book, one will have to contact the Contracts Division and submit the required and authorized documentation.

8.1.3 The Chief Financial Officer or his/her designee will be responsible for authorizing the check issuance form before disbursement can occur.

- 8.2 Purchases that will be made utilizing the Check Request Form include:
- 8.2.1 Purchases or services costing less than \$3,000, including taxes, not requiring a purchase order (See section 6.1). Purchase credit cards should be used whenever possible for purchases costing less than \$3,000, including taxes.
 - 8.2.2 Debt or other mandatory payments. There are specific exceptions to this limitation that are designated within certain divisions.
 - 8.2.3 Recurring payments, e.g., utilities, rent and credit cards, warranty claims, reconciliation account manager expenses and fiscal agent settlements.
 - 8.2.4 Exceptions as approved by the Chief Financial Officer, relating to claims, real estate transactions and invoice payment discrepancies.
- 8.3 The Accounting Division must receive completed and properly-coded Check Request Forms by Wednesday to be included in the following week's Friday check run.

9.0 EXPENSE REIMBURSEMENT PROCESS PROCEDURES

- 9.1 All out-of-pocket travel and non-travel business expenses will be reimbursed using the Claim for Expense Reimbursement Form.
- 9.2 Non-travel business expense reimbursements will be limited to \$500, including taxes. Purchases for more than this amount are to be made utilizing one of the other purchasing methods.
- 9.3 The Expense Claim Form is to be approved according to the Sound Transit Delegation of Authority and Execution of Contracts Policy.
- 9.4 See the Travel and Expense Reimbursement Policy (Administrative Policies and Procedures No. 1) for additional guidance for applicable Authority for business expenses.
- 9.5 A Petty Cash fund will be maintained by the Treasury Division of the Finance & Information Services Department, for reimbursement of travel and non-travel expenses of less than \$30 per transaction.
 - 9.5.1 A Petty Cash reimbursement form will be completed with all required information and coding and approved per the Delegation of Authority. Invoices or receipts are required for all reimbursements, regardless of dollar amount, except for mileage and parking at a meter or a lot with a drop box. The individual listed and receiving the reimbursement must also sign a Petty Cash reimbursement form.
 - 9.5.2 Accounting will reconcile the Petty Cash fund on a bi-weekly basis and reimburse the fund when necessary.