

**REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 98-6
BACKGROUND AND COMMENTS**

Meeting:	Date:	Agenda Item:	Staff Contact:	Phone:
Finance Committee	3/5/98 3/19/98	No. 7 No. 4	Jan Hendrickson Hugh L. Simpson	206-689-3148 206-684-1717
Board of Directors	4/9/98	TBD		

ACTION:

Approval of an RTA Board Resolution amending Resolution No. 98 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.

BACKGROUND:

The Agency's credit card program was approved by the Board through Resolution No. 98 last October. Included in this resolution was the adoption of the "financial control system" which is detailed in Administrative Policy and Procedure No. 5, Section 7. This policy ensures the financial control and accountability of the credit card program and is required by RCW 43.09.2855.

Periodically staff reviews policies and procedures for effectiveness. When inefficiencies are found staff recommends a change. This is currently the situation with this governing policy section. Specifically, this policy sets the maximum credit limit at \$5,000 for each issued card. For the month of February, five of the eleven purchase cardholders have spent the \$5,000 maximum allowed by the 20th of the month. Once a cardholder has reached their maximum, they are no longer able to charge until their balance has been paid. The payment date is typically twenty days after the cycle ends. A cycle ends on the last working day of each month. The time elapsed from purchase to payment could be up to fifty days.

Currently, with cardholders utilizing 100% of their maximum credit limit we do not have enough capacity to allow for transactions that would be normally handled on a purchase credit card. Applicable transactions that are being completed through the purchase order process are costly and not time effective.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

Resolution No. 98 establishes the current credit card program for official government purchases and acquisitions. (Original with draft changes)

Resolution No. 83 authorizes reimbursement for travel and other expenses incurred. In particular, Section 7 authorizes the issuance of charge cards.

Administrative Policy and Procedure No. 5, Section 7 establishes the financial control system that is required by RCW 43.09.2855

KEY FEATURES:

Resolution No. 98 adopts Section 7 of the RTA Administrative Policy and Procedure No. 5 as the financial control system for the Agency's credit cards. Therefore, when changes are made to Section 7 of the Administrative Policy and Procedure No. 5, the Board will need to approve in order for the resolution to be in compliance.

Staff is recommending the following two changes:

- Authority to change this governing policy section in the future be delegated to the Finance Committee. The attached draft details recommended changes.
- The Director of Finance/designee be delegated the authority to raise individual purchase cards up to \$15,000 based on documented need.

FUNDING: N/A

ALTERNATIVES: N/A

CONSEQUENCES OF DELAY:

Delay of changing the resolution enabling Finance Committee to change the governing policy will cause future changes to have to be approved by the Board. Delay of changing the purchase credit card limit will cause inefficiencies in our procurement program resulting in delays for internal customers.

REGIONAL TRANSIT AUTHORITY

RESOLUTION NO. 98-6

A RESOLUTION of the Board of the Regional Transit Authority for the Pierce, King and Snohomish Counties region amending Resolution No. 98 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; and

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; and

WHEREAS, Resolution No. 98, adopted October 9, 1997, the Board authorized a contract for the issuance and use of credit cards for official government purchases and a financial control system:


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). Administrative Policy and Procedure No. 5 may hereafter be amended with Finance Committee approval.

Section 3. This resolution amends Resolution No. 98.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on the 9TH day of April 1998.


Bob Drewel
Board Chair

ATTEST:


Marcia Walker
Board Administrator