

City of Morgantown

Finance Department

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MEMO

DATE: 2/28/2013

TO: Jeff Mikorski, ICMA-CM
Interim City Manager

FROM: Joseph R. Sabatelli, CPA
Finance Director 

RE: State P-Card Program

As per our discussions, the Finance Department has been in discussions with the State Auditor's Office regarding the Local Government Purchasing Card Program. This memo is to inform City Council that we will begin utilizing this program in the coming months and I ask that you include this memo as well as the accompanying rebate calculation sheet with you City Manager's report for March 5th as an informational item. This does not require council approval due to the bank resolution authorizing individuals to complete these transactions on behalf of the City. The City and its related agencies will be able to take advantage of not only the rebate attributable to utilizing the card, but could also save on minor check processing items such as ink, postage, processing time, and the costs of the checks themselves. A caveat to utilizing the program is all rebates are to be deposited into the General Fund for all funds falling under the direct audit purview of the City, including the Airport, BOPARC and the Parking Authority; however, rebates attributable to these related agencies/departments will be provided back to said agency. As an example, a rebate received for Parking Authority electric bills paid utilizing the P-Card is required to be deposited in the General Fund by State Code, however after receiving the rebate, the portion received on these bills for the Parking Authority will be transferred to the Authority. These transactions may require a budget adjustment in the coming year.

EFFECTIVE: OCTOBER 1, 2012

Local Government Purchasing Card Participation Agreement
Local Share Rebate Calculation

Qualifying Annual Volume (1) (2)	Rebate Percentage (3)
\$0 - \$500,000	1.10%
\$500,001 - \$3,000,000	1.15%
\$3,000,001 - \$10,000,000	1.20%
\$10,000,001 - \$20,000,000	1.25%
\$20,000,001 - \$30,000,000	1.30%
\$30,000,001 - \$40,000,000	1.35%
\$40,000,001 - \$60,000,000	1.45%
\$60,000,001 - And Above	1.50%

Rebates are based on the following terms:

- (1) The Division will pay the Entity a quarterly rebate of the aggregate net purchase volume made by the Entity during the standard payment cycle based on the above tier schedule. Quarterly rebate calculations will be based upon a June 30 fiscal year end; the aggregate net purchase volume calculation will begin on the first day of the standard payment cycle closest to June 30 and **will reset each year**. Net purchase volume is defined as purchases less returns, credits, cash advances, ATM transactions and fraud losses.
- (2) The standard payment cycle is on a monthly basis with a due date 25 days after the billing cutoff.
- (3) Qualified Large Ticket Transactions: The rebate percentage applies to all transactions except for qualified large ticket transactions. The reduced interchange, qualified large ticket transactions will earn a rebate of **UP TO 0.70%**.