



## Financial Services Audit Committee Communication

**Date:** June 15, 2018

**To:** Great Lakes Water Authority Audit Committee

**From:** Deirdre Henry, Treasury Manager

**Re:** Policy Resolution – Procurement Card Policy

**Background:** The Great Lakes Water Authority Procurement Card Program has been established to provide an efficient and cost-effective method of paying for business related goods and services. A procurement card (PCard) may be used with any merchant that accepts credit cards. This program is designed to serve as an alternative to the use of petty cash or instances where a purchase order, just-in-time procedures, or other formal procurement methods cannot be used. It is not intended to be a mechanism to avoid or by-pass the Great Lakes Water Authority (GLWA) Procurement Policy.

**Analysis:** GLWA established its own PCard program with Comerica Bank at the time of the stand-up of GLWA on January 1, 2016. The program that was established was carried forward from the predecessor Detroit Water & Sewerage Department (DWSD) PCard program. The program and policy have now been revised and updated to meet GLWA's business requirements. The Chief Financial Officer/Treasurer has delegated authority to the Treasury Manager to be the Program Administrator and oversee compliance with this policy. The Program Administrator is responsible for managing the program including PCard issuance, reporting, and monitoring usage. All PCards issued to employees must be approved by an Area Chief. All transactions are reviewed for supporting documentation and monthly/quarterly reporting is provided to the Chief Financial Officer/Treasurer and Area Chiefs.

Local government units are required to adopt a credit card use policy in accordance with State of Michigan Public Act 266 of 1995, Credit Card Transactions to authorize and regulate use of a company sponsored credit card. The governing body of the local government unit must adopt by resolution this written policy. The GLWA Board is being asked to accept this policy to close an open item from the stand-up of the Authority.

The following documents are attached:

- Resolution for Procurement Card Policy & Procedures
- PCard Policy Comparison to Credit Card Transactions Act 266
- Procurement Card Policy
- Procurement Card Procedure

**Proposed Action:** Audit Committee recommends that the GLWA Board of Directors adopts the Procurement Card Policy resolution at its regularly scheduled meeting in July 2018.