



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
July 11, 2019

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider approving a resolution to authorize Lacey Lies, Director of Finance as Signatory for First National Bank of Omaha (“FNBO”) Purchase Cards.

SUMMARY RECOMMENDATION City Staff recommends approving a resolution to establish an agreement with the First National Bank of Omaha Commercial Card.

BACKGROUND The City has a great need for a more functional yet controlled way to spend budgeted funds. The Commercial Card offered by FNBO enables authorized City Staff to make purchases on credit. The benefit of using their Commercial Card over a traditional Credit Card is the program administrator’s access to manage the card program online in real time, increased online reporting, and purchase controls. In addition, the FNBO Commercial Card allows the City to participate in their Revenue Share program, which if used to its full potential could yield a \$40,000 rebate for the City. Additional information can be found in the P-Card Proposal.

BUDGET IMPACT There is no annual cost to this Commercial Card. There is a one-time set up fee of \$300 for Custom Online Reporting. If used as a first source of payment for eligible expenditures, a \$40,000 rebate could be realized.

SUGGESTED MOTION I move to approve a resolution to accept the First National Bank of Omaha Commercial Card Agreement as provided to the Commission.

SUPPORTING DOCUMENTS

1. Resolution
2. First National Bank of Omaha Commercial Card Agreement
3. City of Independence P-Card Proposal



RESOLUTION NO. 2019-_____

**A RESOLUTION ESTABLISHING A SIGNATORY FOR FIRST
NATIONAL BANK OF OMAHA COMMERCIAL CARD AGREEMENT**

BE IT RESOLVED by the Governing Body of the City of Independence,
Kansas:

This resolution is establishing the
First National Bank of Omaha Commercial Card Agreement, as attached,
for the City of Independence, Kansas.

*Adopted by the Governing Body of the City of Independence, Kansas, on the _____ day
of _____, 2019.*

LOUIS YSUSI, Mayor

ATTEST:

DAVID W. SCHWENKER, City Clerk

RESOLUTION

I, the undersigned, do hereby certify to First National Bank of Omaha ("FNBO") that I am the duly qualified and acting Mayor, of Independence, KS, Municipality referred to as the "Organization". I certify that the Organization is (a) duly formed and validly existing under the laws of the State of Kansas and is authorized to do business in the State of Kansas; and (b) in good standing under both the laws of the state of its formation and the state in which it is authorized to do business. I further certify to FNBO that the following resolutions have been duly adopted by the Board of Directors, Executive Committee, Members, Managers, Owners or other governing body, as applicable, and such resolutions are in full force and effect as of the date hereof:

RESOLVED that:

1. The First National Bank of Omaha Commercial Card Agreement and all respective schedules, addenda, and exhibits (“Agreement”) is approved.
2. The individual(s) designated below (the “Authorized Official(s)”), being duly qualified and designated by the Organization and its governing body, and holding the title(s) or position(s) shown, is/are authorized and directed to (a) borrow money on behalf and in the name of the Organization, (b) execute the Agreement on behalf of the Organization as well as any notes, drafts, agreements and other documents and instruments, pledge and encumber property of the Organization (including, without limitation, bank accounts), and (c) name and appoint the individuals who shall be authorized to instruct FNBO to issue credit cards under the Agreement and perform all other duties identified in the Agreement on behalf of the Organization. If there is more than one Authorized Official listed below, each shall independently have full and complete authority to act on behalf of Organization as designated herein and related to FNBO and the Agreement. The initial Authorized Official(s) who is/are appointed to act on behalf of the Organization are listed immediately below (and the signatures below are the genuine signatures of such persons).

Authorized Official(s):

Lacey Lies

Printed Name

Director of Finance

Title/Position

Signature

Printed Name

Title/Position

Signature

Printed Name

Title/Position

Signature

Printed Name _____

Title/Position

Signature

3. The resolutions shall continue to be in full force and effect, and FNBO shall be entitled to rely upon the resolutions, until express written notice of rescission, modification or termination has been received by FNBO. Any and all prior resolutions received by FNBO shall continue in full force and effect until FNBO receives such written notice. Any rescission, modification or termination of a resolution must be accompanied by written notification to FNBO.

IN WITNESS WHEREOF, I have subscribed my name to this document on the 11th day of July, 2019. (SEAL)

Signature _____

Louis Ysusi, Mayor
Printed Name and Title/Position

ATTEST:

David W. Schwenker, City Clerk

Form CCRes81414

Purchasing Card Proposal to City of Independence, KS May 29, 2019

ABOUT FIRST BANKCARD

First Bankcard, a division of First National Bank of Omaha, provides companies with exceptional commercial card services. With nearly \$20 billion in managed assets, First National Bank of Omaha has grown into the largest privately owned bank holding company in the United States and has been issuing corporate and purchasing cards for over 25 years. First Bankcard currently services over 125,000 small businesses and corporate credit card clients. We are committed to providing our customers with the best personal, technical and financial resources necessary for their success.

Online Card Account Management:

First Bankcard allows your Program Administrator(s), full access to manage your card program online, and in real-time. Direct Card Access, our online application, allows your Program Administrator(s) to:

- Monitor accounts and transactions, view statements, and download transaction data.
- Adjust card credit limits in real-time
- Request new or replacement cards
- Close accounts
- Make online payments.
- Individual cardholder online access to their account statements and download transaction detail
- Program Administrator(s) also may call our dedicated administrative client service team to request account management changes

Online Reporting:

First Bankcard's Commercial Card Advisor (CCA), offers a series of modules that are accessible and customizable according to the organization's needs. CCA offers standard and customizable reports for all transaction data up to 36 months. Standard reports include monthly statements, spend analysis reports, travel analysis reports, etc. Transaction data can be exported in Excel (CSV), tab and comma delimited format for import into your expense management and financial systems. Custom reports can be created specific to your needs. Our implementation team can work with you to create an Excel report for coding transactions.

Specific capabilities of the CCA system include:

- Reports can be created to analyze spend by cardholder, merchant; spend category, department, etc.
- Reports generated on demand or scheduled to run weekly, monthly, quarterly or annually.
- Email notifications of completed reports, including link to directly open the report, can be automatically sent to five separate email addresses.
- Transaction history available up to 36 months

Company Logo on Card

First Bankcard offers the ability to place a B&W logo on cards at no additional cost. The company will need to provide a high resolution, B&W logo in TIFF, BMP, or JPG format. The logo is placed on the cards at the time of issuing.

Purchase Controls

Purchasing controls can be used to improve visibility of expenses, enforce compliance, and increase savings. Controls can be implemented at the company, department, organization point, or individual cardholder level. Purchase controls available include:

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- Merchant Category Code (MCC) Restrictions – Card usage can be blocked for a particular MCC or the company can utilize the 16 predefined MCC groups. Restrictions can be placed across the entire card program or individual card accounts
- Velocity Restrictions (frequency of use) - limit the number of transactions or dollar amount that can be charged during a specific time frame, such as daily, weekly, monthly, or cycle. These restrictions can be based on all MCC's or pre-defined merchant category groups.
- Credit Limit Controls – set and adjust card credit limits online, in real-time.
- Cash Advance Restrictions - completely or partially block cash advance access

PURCHASING CARD PROGRAM OPTIONS

First Bankcard supports a full spectrum of payment products for small item purchasing to Accounts Payable processing. The breadth of First Bankcard Purchasing Card program includes:

- Traditional Purchasing Cards
- Ghost Cards
- Virtual / One Time Use Card Numbers

Traditional Purchasing Cards

First Bankcard issues Visa or MasterCard purchase cards for low risk, small dollar purchasing. Small dollar purchasing transactions can account for a large number of transactions and consume a great deal of resources and costs when employing a traditional purchasing process. When implemented, a purchasing card program can reduce the overhead associated with the requisition process of requisitions, purchase orders, approvals, matching, and settlement by check of the typical accounts payable process. Streamlining the purchasing process with a purchasing card program can reduce the cycle time of purchasing, creating efficiency for both the buyer and supplier. The product support options for purchasing cards include those described above.

Virtual Card Numbers and Supplier Initiated Payments - VIRTUAL+

The First Bankcard Virtual+ online application provides advanced authorization capabilities, for one-time card number use, as well as transactions requiring extended purchase control. For situations when a plastic card is not needed, a virtual card number can be created specific to a single transaction, vendor, or purpose. Virtual+ is designed to reduce fraud/misuse and to accurately account for purchases. Virtual+ is also configured to operate within your existing approval hierarchies and procedures – account numbers are only generated after payment is approved internally.

A virtual account is a randomly generated, unique account number that is associated with a specific payment. Virtual card numbers are truly virtual, there is no plastic card issued. Virtual card numbers are:

- Valid for a single use or a specified number of uses
- Only generate when needed, and after proper approval is obtained
- Securely transmitted to the specific supplier at the time of payment
- Processed at the designated supplier
- Mapped to the appropriate primary billing account number for processing, accounting, and reporting.

A primary advantage of Virtual+ is its ability to reduce fraud by providing transaction level controls. Authorizations attempted outside the requested parameters will be blocked. Every transaction is assigned authorization controls including:

- Supplier category or specific supplier
- Specific transaction amount or dollar range
- Number of uses for a the account number
- Date or date range for usage

Virtual+ provides improved reconciliation over traditional purchasing cards. All virtual accounts have a one-to-one association with a PO, invoice, or project number. This mapping ensures and automates

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proper cost center allocation. Furthermore, through the use of Virtual+ purchasing templates, key data important for reconciliation can be captured at the time a virtual card is requested. The data travels with the account number throughout the transaction to facilitate reconciliation and reporting.

Virtual + can be implemented in three ways:

- Web-based application for individual virtual card requests
- Accounts Payable batch file mode where a file from your AP system is uploaded to Virtual+ to generate and send multiple virtual numbers at one time.
- Full Integration automates the file upload process from your AP system

Card Program Implementation and Customer Support:

First Bankcard is committed to providing superior training and support. Our implementation team will work with you to configure our online program administration application and reporting tools specific to your organization. The implementation team will set up reporting processes and provide training for all online tools.

For on-going support, First Bankcard provides a cardholder support line, 24x7x365, for your individual cardholders and a dedicated support group for your program administrator. Our commercial card customer care centers are located in Nebraska and South Dakota.

- **Dedicated Relationship Manager** - The relationship manager will be responsible for leading and guiding your overall program, beginning with the implementation process and for the life of your card program. This person will assist with maximizing your card program potential and will meet with you on a regular basis to offer strategic planning and recommendations to help you manage your card program.
- Program Administrator - Toll Free assistance staffed with dedicated individuals available to assist program administrators with adding or closing accounts, credit limit adjustments, bill payment, fraudulent transactions, etc.
- Cardholder assistance - available 24 x 7 x 365, will assist cardholders requests for account balance information, lost/stolen card reports, etc.,

Revenue Share

First Bankcard is pleased to provide the City of Independence with the following revenue share (i.e. rebate) offer.

30 Day Cycle / 25 Day Grace			
Tier Number	Annual Spend	Rebate (Sm Ticket)	Rebate (Lrg Ticket)
Tier 1	1MM-2MM	0.90%	0.60%
Tier 2	2MM-3MM	0.95%	0.60%
Tier 3	3MM-6MM	1.00%	0.60%
Tier 4	6MM+	1.05%	0.60%

Note that the Accounts Payable file we reviewed highlighted \$4.8MM in small ticket card-accepting spend. If The City were to achieve \$4MM in small ticket transaction on the card the annual revenue share would be \$40,000 payable annually via check. Greater volume and the addition of Large Ticket transactions would further enhance the rebate.

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Program Costs

First Bankcard does not charge an annual card fee, issuing fee, or access to data. The commercial card program does have an international conversion fee of 3% for foreign currency transactions and interest charges and late fee if the account is not paid by the due date. A complete listing of possible fees follows.

FEE SCHEDULE

Fee Type		Fee Amount
Custom Card Art		
Logo only (black, white, silver)		\$0
Full design		Set up fee - \$1,000
Online Reporting		
Tier 1 - Basic		\$0
Tier 2 - Expanded		Set Up Fee - \$300
Tier 3 - Deluxe		Set Up Fee - \$400
Custom reports that require development		\$150 per hour
Data Feed		Set up fee - \$300
Product Training		
One train-the-trainer product training session per product (teleconference and/or webinar)		\$0
Additional training sessions (teleconference and/or webinar)		\$150 per hour
On-site training		\$1,000 plus expenses, per person, per day of training
Standard Fees		
Annual Fee		\$0
Delinquency Finance Charge		19.99% fixed or 19.99% variable (margin of 16.74 plus the Index)
Cash Advance Finance Charge		19.99% fixed or 19.99% variable (margin of 16.74 plus the Index)
Late Fee		Individual Accounts: \$35 Central Bill, Diversion, Global Billing: \$250
Cash Advance Transaction Fee		Greater of \$15 or 3% of transaction
Cash Advance Transaction Fee for Cash Equivalent Advances		Greater of \$15 or 5% of transaction
Overlimit Fee		\$39
Payment Dishonored Fee		\$35
Stop Payment Fees		\$35
Sales Draft Copy Fee		\$5

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Statement Copy Fee	\$3
Foreign Transaction Fee	3%
Expedited Payment	\$15

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