

# Municipality of Lakeshore - Report to Council

## Finance Services



**To:** Mayor & Members of Council  
**From:** Paige Meloche, Purchasing Specialist  
**Date:** April 14, 2021  
**Subject:** Purchasing Card Program

---

### Recommendation

Direct the Clerk to present By-law 36-2021 for reading during the "Consideration of the By-laws".

### Background

The Director of Finance acts as Treasurer for the Municipality of Lakeshore pursuant to the *Municipal Act, 2001*, and is responsible for handling all of the financial affairs of the municipality. This responsibility includes paying all debts of the municipality and other expenditures authorized by the municipality and maintaining accurate records and accounts of the financial affairs of the municipality.

The Municipality of Lakeshore currently undertakes purchasing by a variety of methods, including cheques, electronic transfers and the use of credit cards. These purchases are made in accordance with the Procurement By-law and the annual budget approved by Council.

### Comments

It is recommended that the Municipality change from a credit card program to a purchasing card program. The Municipality is eligible to participate in a consortium Purchasing Card agreement through its membership with the Ontario VOR (Vendor of Record). Utilizing a Purchasing Card program (PCard), the Municipality will enjoy the following benefits:

- Convenience and flexibility as the cards are accepted worldwide wherever a credit card is accepted
- Eliminate the need to utilize personal funds and be reimbursed through an expense process
- Reduction in buying time (low dollar goods purchased quickly)

- Same level of security as a personal or business credit card
- One centralized location for reconciliation
- Reduction in paper (electronic invoices)
- Access to a consortium rebate program based on group spend
- Customizable card limit controls which will be set to mirror the Municipality's Purchasing By-law

One of the greatest values of a Purchasing Card program is the ability to set spend controls as well as merchant type controls at the card level. Cards can only be utilized for those purchases which the Municipality deems through its Purchasing By-law to be in compliance.

In order to facilitate the execution of the program, Administration requires the approval of an execution by-law which outlines the authority of the Director of Finance/Treasurer to undertake this program.

### **Financial Impacts**

There are no costs associated with implementing this program. This program will replace the current Visa credit card program that is provided by TD Bank. This program will allow for increased controls on the use of small dollar purchases and a more controlled environment on what and where purchases are permitted.

Most Municipalities have already moved to a PCard program. This is a common practice to not only improve accountability, but improve efficiencies with the recording and the payment of small dollar purchases. This initiative is consistent with purchasing best practices and aligns with the purchasing by-law.

### **Report Approval Details**

Document Title:	Purchasing Card Program.docx
Attachments:	
Final Approval Date:	Apr 15, 2021

This report and all of its attachments were approved and signed as outlined below:

Rosanna Pellerito

Kristen Newman

Truper McBride