



SPEND NET PAYABLES COMMERCIAL CARD PROGRAM

RS-17-045

April 18, 2017

Spend Net Payables Program

Overview

- Replace checks with single use virtual card numbers to eliminate the need for printing, mailing, and processing
- Suppliers receive remittance advices by e-mail or fax
- Spend Net ExactPay feature automatically rejects authorizations higher or lower than the approved invoice payment amount reducing reconciliation issues
- New revenue stream provided by monthly rebate

Spend Net Payables Program

Key Benefits

- Minimal impact to current internal process and procedures
- Controls similar to checks with reduced transaction costs (check, postage, etc.)
- Opportunity to improve payment float
- Monthly rebate rate based on transaction volume
 - Rebate percentage ranges from 1.10%-1.55%
- Estimated annual rebate of \$75,000

Spend Net Payables Program Recommendation

- Debt Management Policy Section VI(A)
 - Requires lines of credit be approved by the City Council
 - BBVA Compass will provide a credit line of \$1 million to facilitate the program
- Staff recommends City Council approve a line of credit with BBVA Compass for the Spend Net Payables commercial card program