



**Metro**

Metropolitan Transportation Authority

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October 8, 2007

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE  
CHIEF EXECUTIVE OFFICER

FROM: TERRY MATSUMOTO  
CHIEF FINANCIAL SERVICES OFFICER, AND TREASURER

SUBJECT: EMPLOYEE PAYCARDS

ISSUE

Metro awarded a contract to U.S. Bank to issue payroll paycards to employees as an alternate method of payment in addition to paychecks and direct deposit at no cost to Metro or employees.

DISCUSSION

Paycards are debit cards which can be used to withdraw cash at ATMs and banks, make purchases at retail locations and pay bills on-line. Funds are deposited to the employee's card electronically in the same manner as direct deposit to a checking account.

Paychecks are costly to Metro for the following reasons:

- Lost checks
- Stop payments
- Reissue
- Stale-dated checks
- Bank reconciliation and follow-up

The use of employee paycards would reduce these costs. In addition, paycards are beneficial to employees as they save time in depositing checks and/or paying costly check cashing fees.

NEXT STEPS

Notify unions and employees of paycard option and begin distribution in January 2008.

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