

**Washington Metropolitan Area Transportation Authority
Board Action/Information Summary**

<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information	MEAD Number: 99704	Resolution: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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PURPOSE

To request Board approval of the resolution to indemnify Wachovia Bank against losses not due to the negligence or willful misconduct of Wachovia Bank as it pertains to the Employer Direct Pay Card program.

DESCRIPTION

As of July 1, 2006 WMATA has mandated that all employees receive their salaries by direct deposit; however, there are employees who still have not complied. WMATA has agreed to use Wachovia Bank's Direct Pay payroll card program, which is designed for employees who do not have a traditional bank account by giving them access to their funds through ATMs or point-of-sale facilities wherever MasterCard or VISA is accepted and assisting WMATA in achieving full participation in direct deposit.

FUNDING IMPACT

Direct Deposit reduces payroll expenses.

RECOMMENDATION

That the Board of Directors approves the resolution to indemnify Wachovia Bank against losses not due to the negligence or willful misconduct of Wachovia Bank as it pertains to the Employer Direct Pay Card program.

PRESENTED AND ADOPTED:

SUBJECT: APPROVE IDEMNIFICATION LANGUAGE TO WACHOVIA BANK FOR
EMPLOYER DIRECT PAY CARD SERVICE

PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, As of July 1, 2006, the Washington Metropolitan Area Transit Authority (WMATA) has mandated that employees be paid by direct deposit and letters were sent out informing them of that the only option for payroll is direct deposit; and

WHEREAS, Some WMATA employees do not have bank accounts; and

WHEREAS, In order to have full enrollment of employees in direct deposit for payroll funds, it is necessary to establish a Payroll Card Program; and


WHEREAS, As part of their Direct Pay Card program, Wachovia Bank requires WMATA to indemnify Wachovia Bank against losses not due to the negligence or willful misconduct of Wachovia Bank; and

WHEREAS, The Board of Directors approval is required for indemnification language to be included in agreements; now, therefore, be it

RESOLVED, That the Board of Directors approves the granting of the requested indemnification in order to initiate a Payroll Card Program for employees who cannot or refuse to get a traditional bank account; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel