WEDNESDAY'S
News You Can Use

Purchasing Card Program Tips and Tricks

Including how to utilize the State Purchasing Division's p-card contract and other DOAS resources

Presented by **Becky Alexander,**

Department of Administrative Services

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Purchasing Card Program

A Purchasing Card ("P-Card") is a type of commercial card which allows entities to take advantage of the existing credit card infrastructure to make business-to-business electronic payments for necessary goods and services.

BENEFITS OF A P-CARD PROGRAM

Structure	Flexibility	Controls
• Organizational Setup • Rebates • Fees • Interest rate	• In-person or online payments • Shortened time for making purchases • Faster payments to suppliers • Limit unauthorized payments • Insight into payments	• Targeted Use of Cards and Assigned Cardholders • Policy • Limits: Single Transaction and Cycle Limits • MCC Codes • Reconciliation • Periodic Reviews

Where are you with your p-card program?

Implementation
- Beginning a program

Expansion and Optimization
- Have a program already established
- Looking at ways to expand it and best utilize your program

Rebidding
- Contract is up for renewal

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Planning

Cross-functional Planning Team

Establishing an appropriate cross-functional planning team is important for your program's success. It offers various perspectives and should include decision-makers and stakeholders
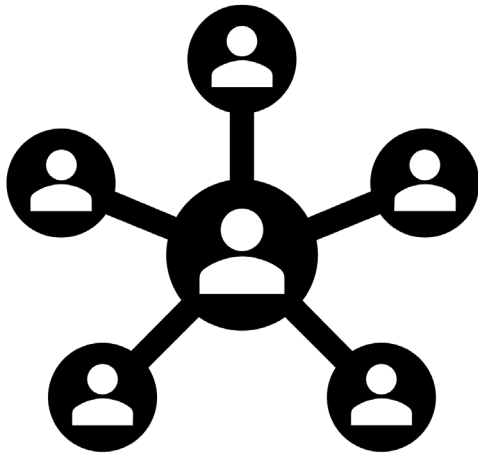
Senior Management
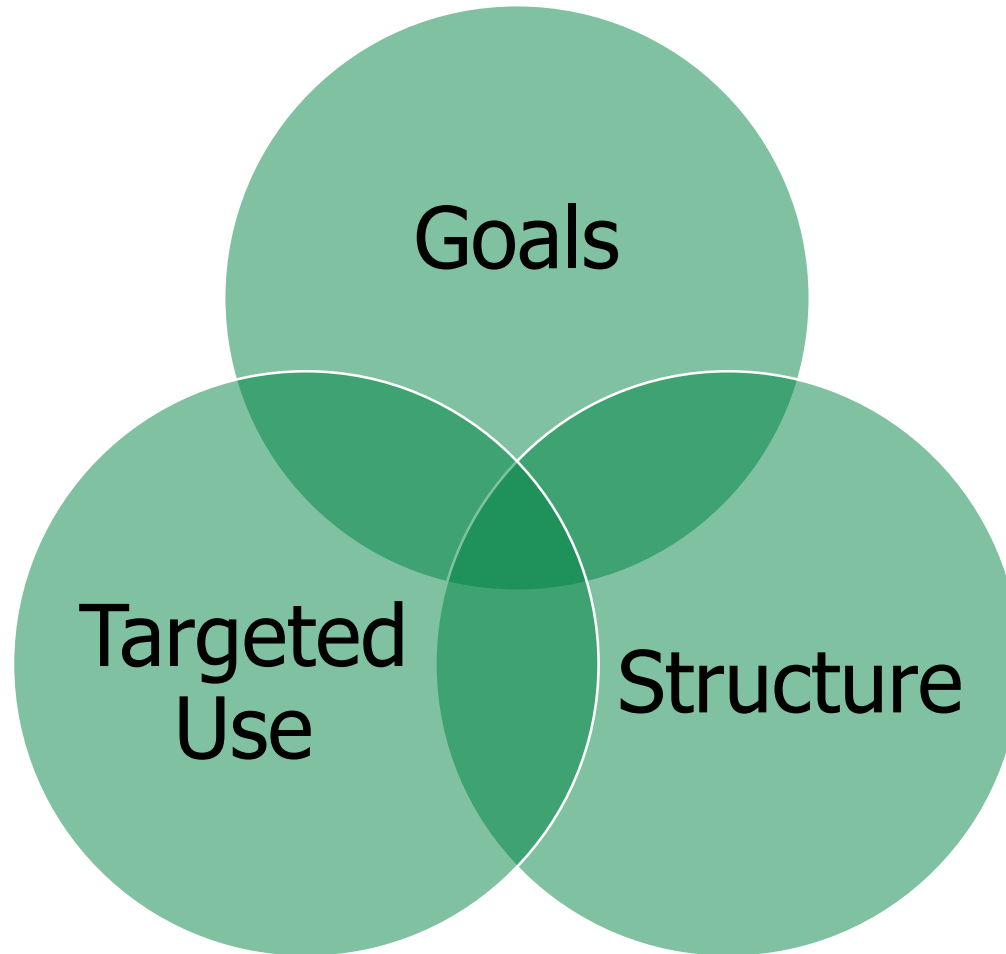
Finance: Budget and AP

Audits

Management from user groups
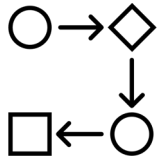
Program Administrator(s)

Human Resources
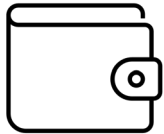
Legal

Planning

Planning

Set Goals for the Program:

Efficient Processes: Purchasing, AP

Cash management

Cost savings

Planning

Some questions to answer when setting goals:

What procure-to-pay processes are used today?

What are the inefficiencies?

What is the average process cost for the traditional process? What might it be for P-Card?

What percentage of A/P payments are less than [$5,000] and well-suited for P-Card?

How many infrequently used suppliers are in the master supplier file?

How many infrequently used suppliers do we issue 1099's for?

If x% of payments move to P-Card, what is the impact (e.g., workload reduction) to A/P and purchasing?

Source: NAPCP, Program Implementation

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Planning

Structure

Centralized or Decentralized	Single-Use or Multiple Card	Corporate or Individual Liability
Centralized – all purchases go through one central office. Departments submit requests. Decentralized – each department has authority to make its purchases.	Single-Use – one card used for all purposes, one statement to reconcile Multiple-Card – different cards for specific purposes (travel, purchasing, fuel, etc.)	Corporate liability – entity is responsible for the payment Individual liability – the cardholder is responsible for payment and submits for reimbursement

Planning

Targeted Card Use

Types of Accounts

Electronic Payables

Travel/Corporate Cards

One Card

Fleet Cards

Ghost Cards

Department Cards

Dollar Amounts

Transactions under a set dollar amount

Allow for others in case need arises
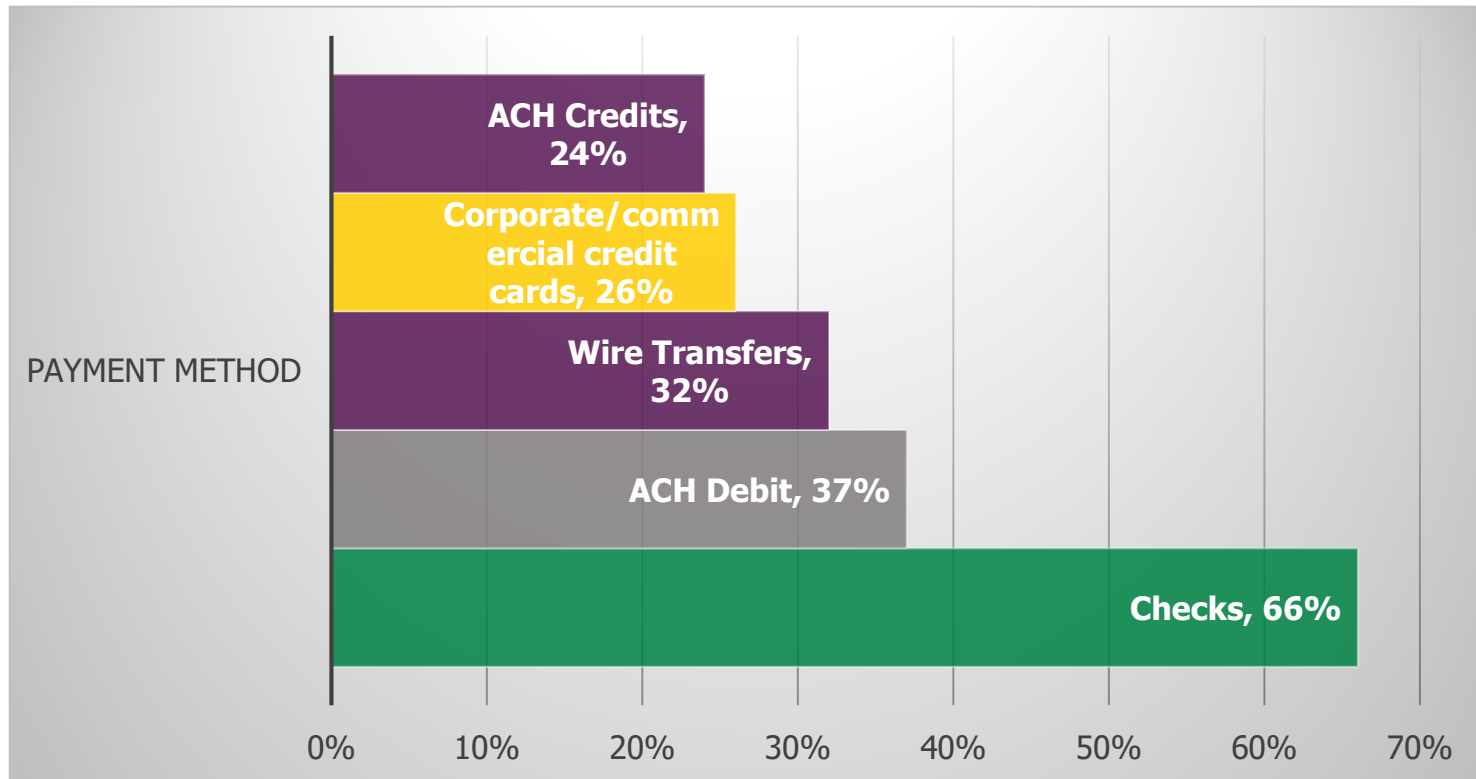
Transactions

Petty Cash

AP for suppliers wh0 allow card payment

Division expenses

Travel

Suppliers with multiple transactions monthly

Controls

Fraud by Payment Type

Organizations that experienced fraud in 2021

Source: Association for Financial Professionals, 2022 AFP Payments Fraud and Control Survey

Cardholders

Roles and Responsibilities   MCC

Approval

Reconciliation

Cycle Limits

Single Transaction Limits

Account Maintenance   **Timely Payment**

Roles and Responsibilities

Senior management

Set goals, priorities, policies, and KPIs

Program administrators

Day-to-day operation of program, establish goals, priorities, policies, KPIs

IT

3rd party software support, integration

Approver

Approves transaction

Cardholder

Person authorized to make transactions

Cardholder Limits

Single Transaction Limit

Cycle Limit

Merchant Category Codes (MCC)

Set by the merchant which indicates that business's primary type of business.

Can be assigned per cardholder or group of cardholder

Establishing meaningful groups of MCC's will allow for them to be easily turned on or off for cardholders based on need

Account Maintenance

UPDATE ACCOUNT LIMITS BASED ON NEED

DEACTIVATE FORMER EMPLOYEES, CARDHOLDERS, OR USERS

GIVE CARDHOLDERS AND APPROVERS ACCESS TO PERFORM THEIR DUTIES

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Reconciliation and Timely Payment

Establish deadline for turning in documentation, review, and monthly payment

Require comments on transactions

Department manager signatures (or electronic approval)

Policy, Training, Audits

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Policy

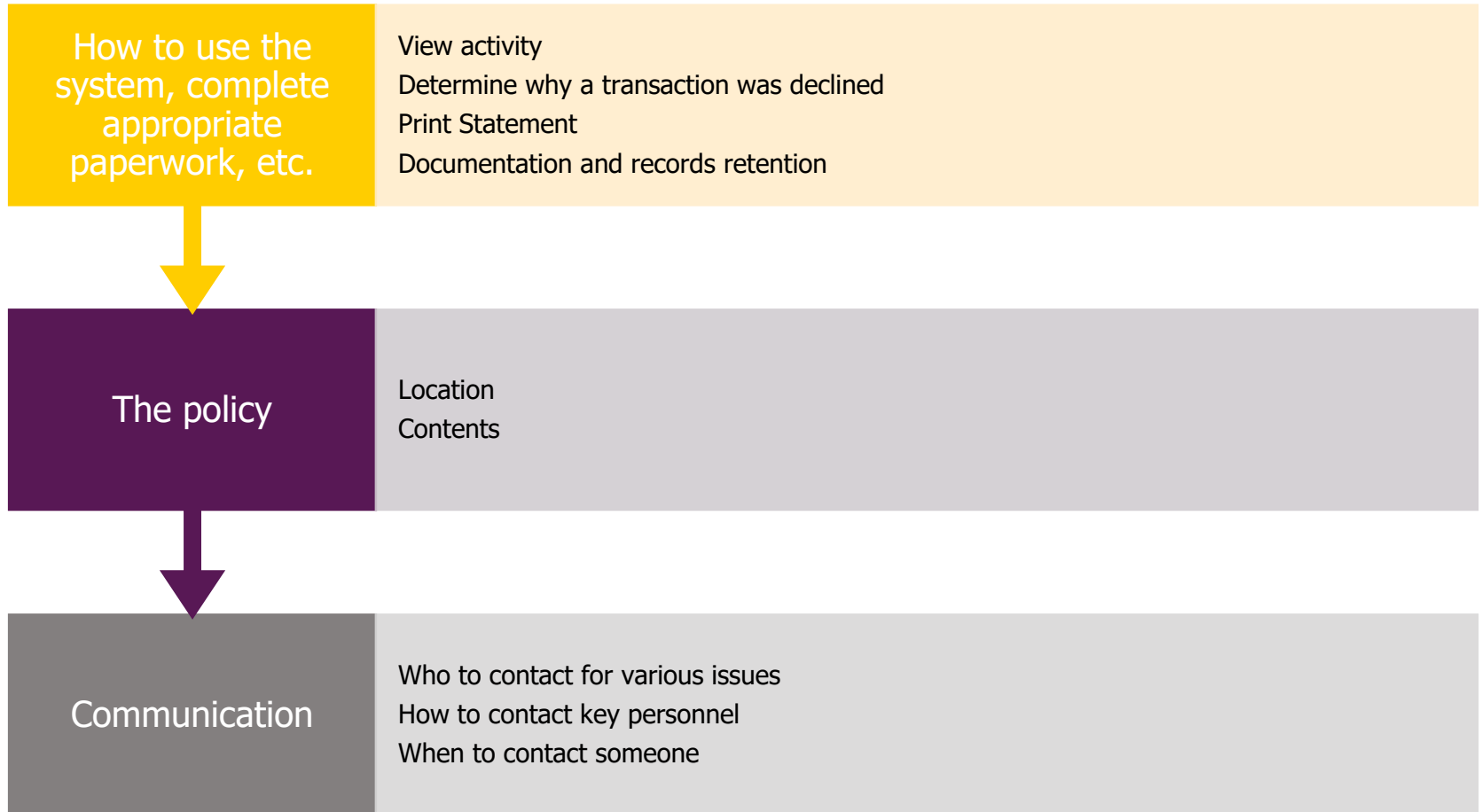This Photo by Unknown Author is licensed under CC BY

Purpose

Legal Issues

Roles and Responsibilities

Internal Controls

Allowable, restricted, or prohibited transactions

Non-compliance

Train and Empower

How to use the system, complete appropriate paperwork, etc.	View activity
	Determine why a transaction was declined
	Print Statement
	Documentation and records retention

The policy	Location
	Contents

Communication	Who to contact for various issues
	How to contact key personnel
	When to contact someone

Audits and Reviews

Things to review

    Transactions

    Processes

    Policy

Questions to ask about the results

    Do we need to update our processes?

    Are there additional areas of spend the we should include?

    Do we need to adjust our training?

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Department of Administrative Services

Benefits of Participating in the State's P-Card Program

Completed Solicitation Process

Rebate – ability to utilize the purchasing power of the State; for local participants, payout typically begins at a lower rate of spend than other programs

Can include various programs – p-card, travel, electronic payables

Self-regulation – local participants set their own policies and procedures and follow their own guidelines

1099 reporting – conducted by the bank

How to participate in the State's program

Contact Becky Alexander

State Purchasing Card Program Manager

404.463.9142 | becky.alexander@doas.ga.gov

I will send you an email which will begin conversations with the bank and will request the information below:

Participation Agreement

3 years of financials

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DOAS Offers Many Additional Services

FLEET
MANAGEMENT

SURPLUS
PROPERTY

STATEWIDE
CONTRACTS

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Surplus Property

The primary mission of the DOAS Surplus Property division is the identification, redistribution, and disposal of state personal property (not real estate) to state and local governments, eligible non-profits, and the public.

The division also serves as the State Agency for Surplus Property [SASP] for the Federal property disposal programs.

Reusing surplus property rather than buying new, saves tax dollars by extending the life of property.

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Office of Fleet Management Program Areas of Responsibility

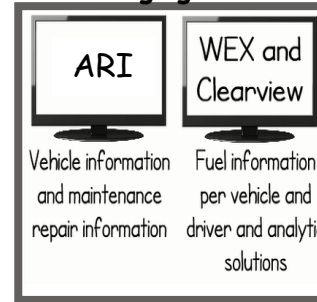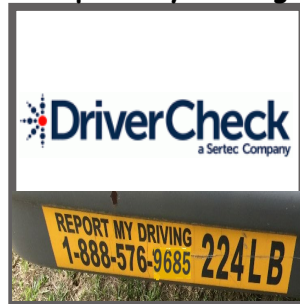**Vehicle Acquisition**

Fuel Card Program

Vehicle Maintenance
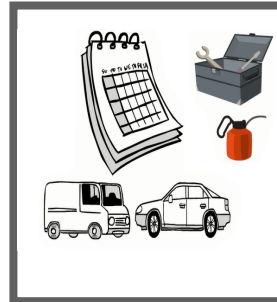
Systems For Managing Fleet

Report My Driving

Policies

What does the State purchase?

Common Statewide Purchases include:

Goods
- Office Supplies/Paper
- Biological Supplies
- Pharmaceuticals
- Vehicles/Buses
- Maintenance & Repair Items
- Industrial Gases/Fuel
- Food Services
- Guns & Ammo
- Tires

Services
- Vehicle Leasing
- Guard Services
- Background Checks
- Temporary Staffing
- Facilities Maintenance
- Construction

Technology
- PCs/Notebooks
- Servers/Storage
- Printers
- Cameras/Security Equipment
- Audio/Visual Solutions
- Software

450 Active Statewide Contracts

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Department of Administrative Services doas.ga.gov

State Purchasing Division Contacts

Purchasing Card and ePayables Program
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Training Program
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Contract Management
Carl Hall, Contract Management Manager
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Small Business, Supplier Diversity, Communications
Julian Bailey, Small Business and Supplier Diversity Manager
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Department of Administrative Services doas.ga.gov
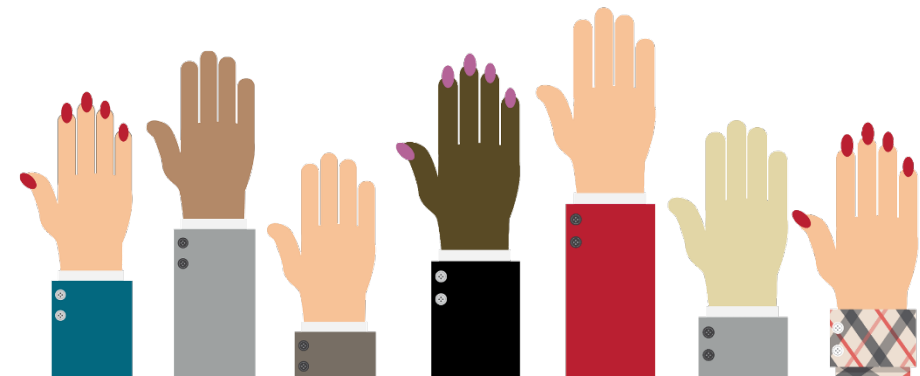
Other Division Contacts

Surplus Property
Tashika Wells, Interim Director
surplusproperty@doas.ga.gov
404.657.8544

Fleet Management
Jazzmin Randall, Director of Fleet Management
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404.463.5458

QUESTIONS?

Thank You!

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