

CREATING A SUCCESSFUL P-CARD PROGRAM

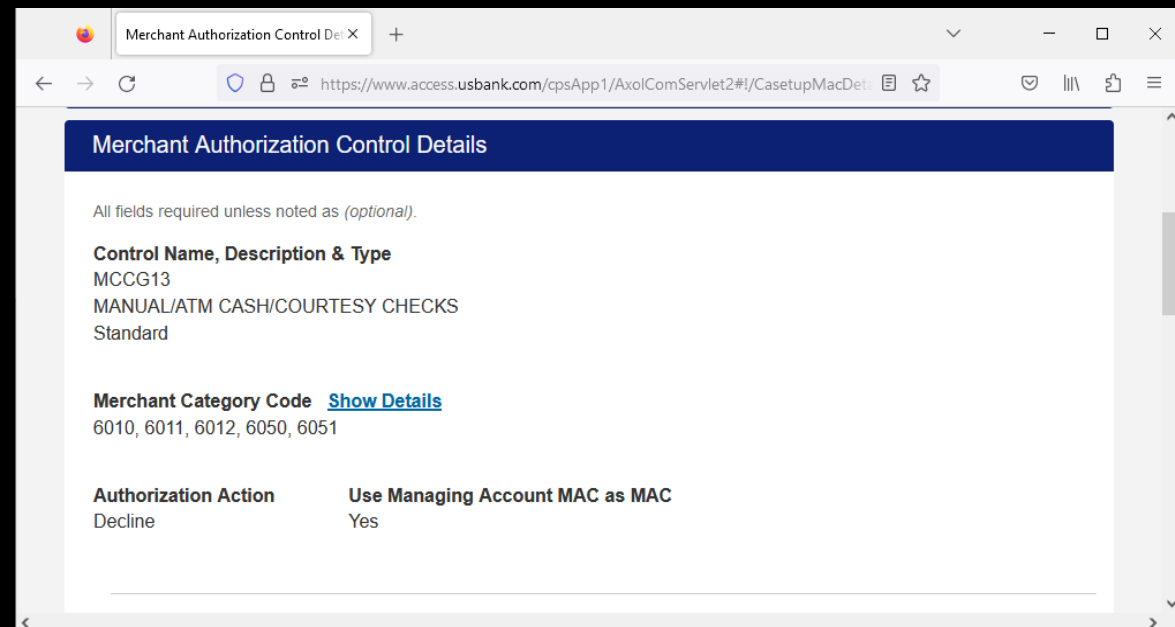
Yes, it's possible!

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Chief Financial Officer
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WHAT IS IT?

- A bank-issued corporate purchasing card.
- Name on card is both employee and Port.
- Works with any vendor that accepts credit cards.
- Can set a per-purchase limit.
- Can limit purchases by Merchant Category Code (MCC).



CHALLENGES/RISKS

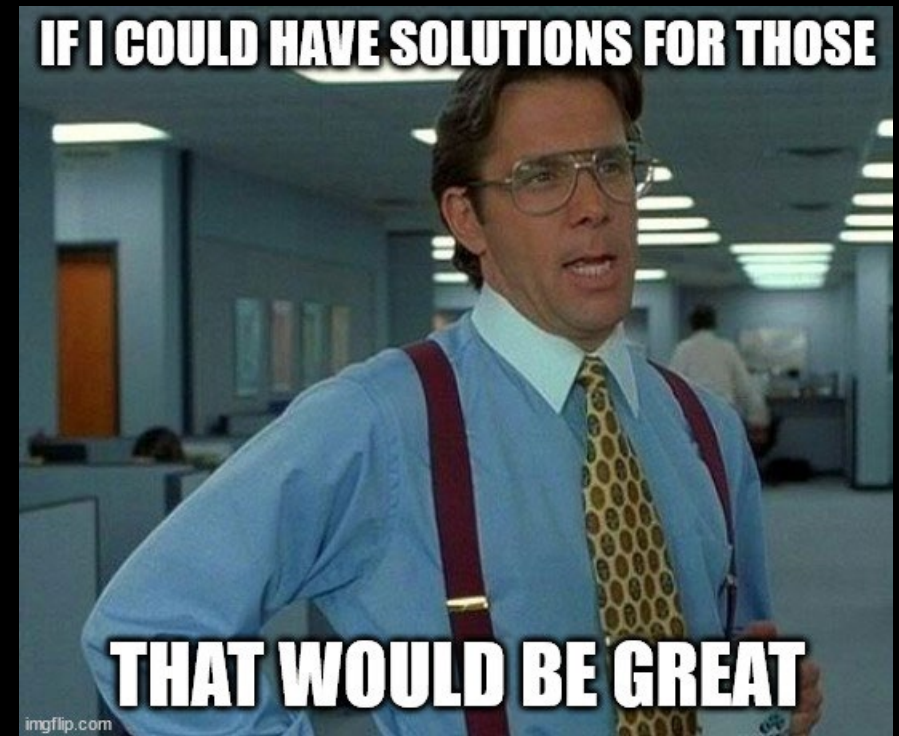
- Unauthorized purchases: “I used the wrong card”

SECTION 7 CREDIT NOT TO BE LOANED. No county, city, town or other municipal corporation shall hereafter give any money, or property, **or loan its money, or credit to** or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.

- Fraudulent charges.

CHALLENGES/RISKS

- Receipts not turned in to A/P timely.
- Purchase made on other's behalf.
Potential confusion.



SOLUTIONS!

Start with a strong P-Card policy!

- Purpose – explain the purpose of the policy.
- Benefits – explain the benefits of the program.
- Compliance – list Violations and Consequences.
- Cardholder Qualifications and Responsibilities.
- Procurement Program Administrator (PPA) Responsibilities.
- Restrictions – clearly list restricted purchases.

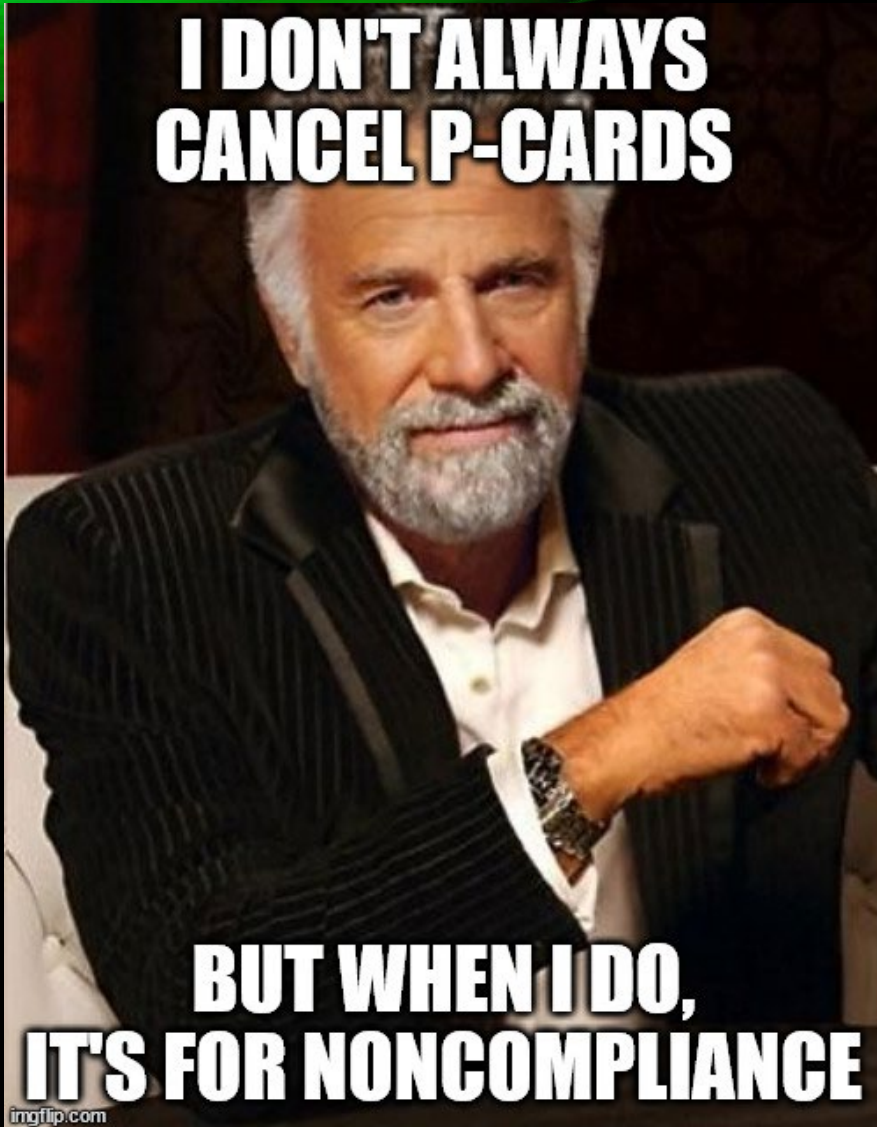


Purpose

“This manual explains policies, procedures, and best practices relative to the P-Card program and informs everyone involved in the procurement process their responsibility to establish and maintain proper internal controls.”

Benefits of the P-Card

- Ability to obtain goods and services faster and easier.
- Reduced need to use personal funds and obtain reimbursements.
- Immediate payment to suppliers/vendors.
- Convenient, secure and flexible.
- Universal acceptance by suppliers who credit cards.
- Built in controls prohibit certain “restricted” purchases.



Compliance with Policy – Violations

- Purchase of items for personal use.
- Use of the PCard for purchases of more than cardholder's limit by splitting the purchase into more than one transaction.
- Failure to return the PCard when reassigned, terminated, or upon request.
- Failure to turn in receipts.

Compliance with Policy – Consequences

- Verbal warning.
- Written warning.
- Mandatory additional training.
- Disciplinary action.
- Revocation of PCard privileges.
- Termination and/or criminal prosecution.

Cardholder Responsibilities

- Keep the card secure.
- Reviewing appropriateness and budget availability prior to executing transactions.
- Turn in all receipts to the Accounting Dept.
- Immediately contacting bank, either directly or through the PPA in the event the PCard is lost or stolen or possible fraudulent misuse.



YOUR P-CARD

SHOULD ARRIVE SHORTLY

Administrator Responsibilities

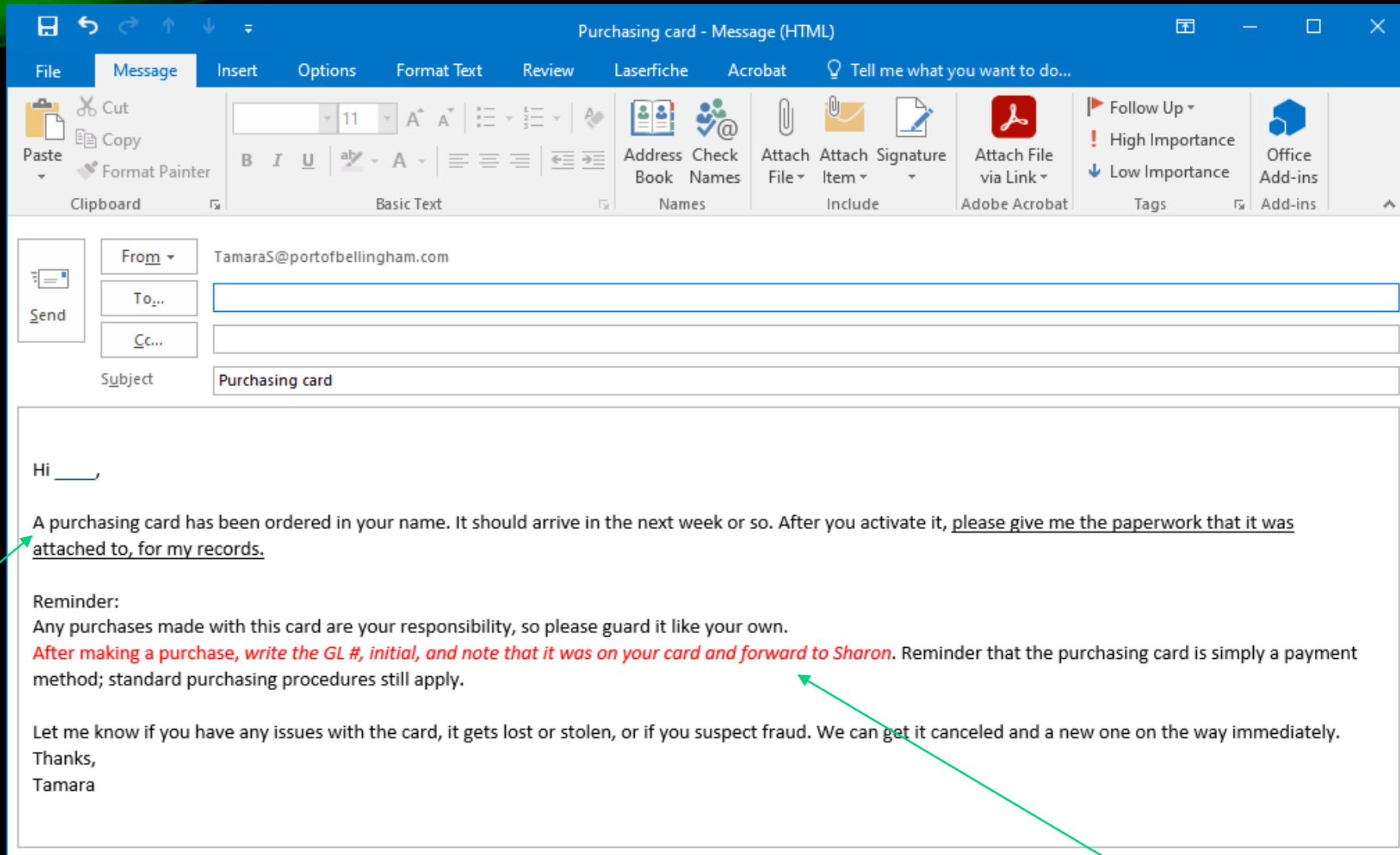
- Process new P-Card applications.
- Provide training and orientation.
- Monitor purchases for compliance and fraud.
- Provide support and guidance.
- Serve as liaison between cardholder and bank.

Clearly list restricted purchases



- Items of personal benefit.
- Firearms.
- Political contributions.
- Cash Advances or cash refunds.
- Animals.
- Splitting of purchases to circumvent dollar limitation.
- Donations or gifts.

IMPLEMENT!



Clear instructions

Clear expectations

SINCE WE'RE TALKING ABOUT EFFICIENCIES...

Paying Vendors with ACH instead of check – WHY?

Vendors get paid faster...no snail mail.

Cheaper for us: no cost of envelopes, check stock, postage.

Small cost to us: 7c per item.

Vendor Hesitation

Don't want their bank account information made public.

They likely are not aware of UPIC (fake account number assigned by bank).

Outreach

Bright sticker on check stub – “ACH would have been faster”.

Educate about UPIC.

OTHER IDEAS??

REMEMBER...



WE'RE FAMILY

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THANK YOU FOR YOUR TIME!

Additional Discussion?

Questions?