Pcard Training: Cardholders & Reconcilers

Presented by Emily Hermon
Pcard Training for Cardholders & Reconcilers

Purpose:

• To provide a refresher on pcard policy and procedures

• To highlight changes made to the pcard program

• To introduce cardholders & reconcilers to the new pcard provider, Bank of America
Pcard Training for Cardholders & Reconcilers

Takeaways:

- Awareness of pcard policy and procedures
- Understanding of cardholder/reconciler responsibilities
- Familiarity with Works®
- Knowledge of where to find pcard resources
- New Bank of America pcards
7 - 02.16 Administrative Policy Regarding Use of Purchasing Card (Pcard)

- Establishes pcard program, its purpose, and how it is implemented

- Policy included in University Pcard Manual is a draft that has been revised and is awaiting final approval
University Pcard Manual

- The authoritative source for pcard procedures.

- Maintained by Accounts Payable

- Available in the Purchase Card section of the Accounts Payable website (www.kent.edu/accountspayable)
Pcard Program Administrator Roles

Accounts Payable
- Pcard administrator
- Day-to-day management of program

• Procurement
  - Reviews spend to ensure compliance with purchasing policy
  - Analyzes spend to identify opportunities for price negotiations or bid solicitations

• Office of Internal Audit, External Auditors, Reviewing and Granting Agencies
  - Review and test transactions to ensure policy compliance
Pcard Program Card User Roles

- Cardholder
  - Employee whose name is on the card and who has ultimate responsibility for safeguarding the card
  - Has ultimate responsibility for ensuring that pcard’s use complies with policies/procedures
  - Has ultimate responsibility for making sure that transactions are reconciled within 14 days of their post date
  - Remaining responsibilities are listed on Pcard Cardholder Agreement

All card users must be KSU employees who are in continuing assignments. No temporary or student employees!
Pcard Program Card User Roles

- **Reconciler**
  
  - Employee who is responsible for allocating and signing off on transactions in Works® within 14 days of their post date
  
  - Most cardholders are their own reconcilers; some cardholders have proxy reconcilers
  
  - Remaining responsibilities are listed on Pcard Reconciler Agreement

All card users must be KSU employees who are in continuing assignments. No temporary or student employees!
Pcard Program Card User Roles

- Approver
  - Employee who is responsible for approving transactions in Works® within 14 days of their post date
  - Must have a higher-level position of authority than cardholder AND be an individual other than reconciler
  - Must have authority to charge expenditures to departmental budget
  - Remaining responsibilities are listed on Pcard Approver Agreement

All card users must be KSU employees who are in continuing assignments. No temporary or student employees!
Acquiring a Pcard: Account Configuration

Accounts are configured using **spend profiles**, which indicate:

- Card type
- Transaction limits
Acquiring a Pcard: Account Configuration

Card Types
- Departmental Cards - the backbone of the pcard program
- Individual Travel Cards – reserved for employees whose positions require significant travel (e.g., admissions officers)

Merchant category code (MCC)
- a code that classifies a business according to the types of goods/services it provides

MCC group
- group of similar MCCs that is included/excluded from a spend profile in order to manage the types of purchases that can be made
## Acquiring a Pcard: Account Configuration

### Default MCC groups by card type

<table>
<thead>
<tr>
<th>Departmental Card</th>
<th>Individual Travel Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>KSU General</td>
<td>X</td>
</tr>
<tr>
<td>KSU Transportation</td>
<td>X</td>
</tr>
<tr>
<td>KSU Lodging</td>
<td>X</td>
</tr>
<tr>
<td>KSU Food</td>
<td>X</td>
</tr>
</tbody>
</table>

Pcards with MCC group configurations that differ from this chart are considered custom cards and require executive level approval.
Acquiring a Pcard: Account Configuration

Transaction Limits

- Monthly credit limit
  - Total dollar amount that can be charged to pcard over the course of a pcard billing cycle
  - Should be requested based on spending needs
  - All requests for monthly credit limits >$25,000 require executive level approval
  - Cardholder’s available credit is restored to full monthly credit limit at beginning of pcard billing cycle only when all transactions from previous pcard cycle have been allocated and signed off
The Importance of Timely Reconciliation

Timely reconciliation is a must!

Pcard transactions are not recorded in the general ledger until they have been fully reconciled in Works.

You are not getting a true view of your budget status if you do not reconcile in a timely manner.
## Acquiring a Pcard: Account Configuration

### Available Credit Reset Scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pcard has $5000 monthly credit limit. Reconciler allocates and signs off on has all posted transaction by the end of the day on October 31.</td>
<td>Cardholder begins November 1 with $5000 in available credit.</td>
</tr>
<tr>
<td>Pcard has $5000 monthly credit limit. Reconciler leave $500 in transactions unallocated/not signed off at the end of the day on October 31.</td>
<td>Cardholder begins November 1 with a $4500 in available credit. When the reconciler allocates/signs off on the prior month's outstanding transactions, the available credit increases by the value(s) of the transaction(s.)</td>
</tr>
<tr>
<td>Cardholder has a $5000 monthly credit limit. Cardholder makes a $500 purchase that posts on October 20. Reconciler allocates/signs off on the transaction on October 21.</td>
<td>Cardholder's available credit is not increased/reset by $500 within the same month. The monthly credit limit is always the upper limit on the value of purchases that can be charged to a card during the billing cycle.</td>
</tr>
</tbody>
</table>
Acquiring a Pcard: Account Configuration

Transaction Limits (cont’d)

• Single transaction limits
  • Limits on the value of individual transactions
  • Based on university PO thresholds and approval needs
  • Vary according to MCC groups
Acquiring a Pcard: Account Configuration

Default single transaction limits by MCC groups

- KSU General - $2499.99
- KSU Transportation - $4999.99
- KSU Lodging - $4999.99
- KSU Food - $2499.99
Acquiring a Pcard: Application

Application is found on pcard website.

- Complete applications in full
- Obtain all required signatures
- Submit to Accounts Payable,
- 237 Schwartz Ctr.
Acquiring a Pcard: Training

Cardholder & Reconcilers
• One hour combined live training
• Every other week beginning November 13 in room 203
• Contact pcard administrator if unable to attend a live session
• Sign agreement forms at the end of training
• Receive card and Works® credentials after training

Approvers
• Self-study materials (not live training) that covers policy, procedures, responsibilities
• Sign agreement forms at the end of training and submit to pcard administrator
• Receive Works® credentials after training
Acquiring a Pcard: Card Activation

Upon receiving a new pcard, the cardholder must:

- Activate the card by phone
  - If asked for a verification ID, use your Banner ID.

- Login to Works by clicking on the link in the Works Welcome Email
  - You will be asked to configure your password and security questions.

- Register with Global Card Access at the website provided
  - Manage alert notifications
Making Purchases with a Pcard

Pcards may be used to pay for purchases that:

• Are expenditures allowable under university purchasing policy (7-12.1)

• Comply with all other university policies that guide purchases, including but not limited to:
  • 7-02.12 (memberships and certifications)
  • 7-02.13 (contributions and gifts)
  • 7-02.5 (business meals and hospitality)
  • 7-02.8 (travel)

• Align with their spend profiles
Making Purchases with a Pcard

Reminders about allowable purchases:

• Amazon Business Account
  • Must be used for all Amazon purchases.
  • www.kent.edu/procurement/amazon

• Lodging
  • Cardholders and approvers are responsible for ensuring that lodging does not exceed 150% of federal lodging per diem for the applicable city (see Accounts Payable website for list of lodging maxes.)
  • Call hotel to ensure that it will allow you to pay with card over the phone/online even if the traveler will not have it on hand during check in.
Making Purchases with a Pcard

Reminders about allowable purchases:

• Preferred Vendor Contracts
  • All purchases of goods/services for which there are one or more contracts must be made with those vendors
  • www.kent.edu/procurement/preferred-vendor-contracts

• Student Functions and Refreshments
  • Refreshments for student functions may be purchased with the pcard only if such a purchase is a qualified exception for catering using University Dining Services AND if the purchase can be made using the card’s permanent spend profile.
  • www.kent.edu/dining/first-right-service
  • Requests to temporarily change a pcard’s spend profile to accommodate such purchases will be denied.
Making Purchases with a Pcard

If you wouldn’t be allowed to buy it if you were paying via check, ACH, or wire, you can’t buy it with a pcard!

Other unallowable purchases:

- Purchases that circumvent the spend profile, including:
  - Splitting transactions into smaller dollar amounts, buying related items on different days in order to circumvent the single transaction limit
  - Having a vendor “force through” a transaction when that vendor’s MCC is not included in the card’s spend profile

- Amazon Prime memberships
- Business meals and entertainment
- Cash advances
- Gift Cards
- Independent contractors
- Individual memberships
- Personal purchases
- Sponsorships

If you wouldn’t be allowed to buy it if you were paying via check, ACH, or wire, you can’t buy it with a pcard!
Making Purchases with a Pcard

Things to remember when making purchases:

• Kent State University is tax exempt in Ohio
  • Notify merchant at time of purchase
  • If Ohio sales tax is charged to pcard, cardholder must contact merchant to obtain a credit.
    If merchant will not issue credit, cardholder must document.
  • Tax exemption form may be requested from Procurement.

• Obtain itemized receipts
  • Record business purchase on receipt or on attached documentation
  • If an itemized receipt is lost and cannot be obtained by merchant, cardholder must complete Substitute Purchasing Card Receipt and have approver sign it.
Making Purchases with a Pcard

Things to remember when making purchases:

• International transactions - Visa will convert transactions to USD based on exchange rates on the processing date (not transaction date)

• The billing address for all pcards is:
  
  Kent State University
  800 East Summit St
  Kent OH 44242
Making Purchases with a Pcard

Departmental cardholders may allow other KSU employees to use their cards

• Track all purchases on Departmental Pcard Purchase Log
• Cardholders are responsible for ensuring that card borrowers comply with university policies and procedures when using cards
• Departmental Pcard Quick Reference Guide can be used to document your conversation with the borrower.

ITC cardholders may not allow others to borrow their pcards.
Record Retention

• Cardholders must store documentation in a secure location with their departments.
  • Pcard receipts / substitute receipts
  • Departmental Pcard Purchase Log
  • Pcard Cardholder, Approver, and Reconciler Agreements

• Documents stored electronically must be clear and readable.

• If a full 16-digit account number is on a document, redact it.
Record Retention

- Documents must be accessible to department even after cardholder leaves.

- University retention policy requires that purchase documentation be kept for 4 years.
  - [http://www.kent.edu/generalcounsel/records](http://www.kent.edu/generalcounsel/records)

- If a purchase is charged to a grant, cost share, or program income index, keep all documentation for the length of the grant PLUS 5 years.
  - Example: Grant terminated October 2018 (FY19) – records can be destroyed 7/1/2024 (FY25)
Card Security

• Pcards must be stored in a secure (locked) location within the cardholders’ departments when not in use.

• If you see fraudulent charges on your pcard or your card is lost/stolen:
  • Contact pcard administrator and/or bank immediately
  • Card will be cancelled and reissued with new account number

• The bank will place temporary holds on accounts that it suspects have fraudulent charges:
  • Call bank directly to confirm whether charges are correct or fraudulent
  • If charges are okay, card freeze will be lifted
  • If charges are fraudulent, account will be cancelled and new card will be issued
Cardholder & Spend Profile Changes

The Pcard Maintenance Form can be used to request the following:

- Change to monthly credit limit
- Adding an MCC group to card profile
- Card name change (only for legal name changes)
- Change to email address
- Remove a reconciler or approver
- Add a reconciler or approver
- Card replacement (lost, stolen, damaged cards)
- Account cancellation (pcard must be returned to pcard administrator)

Requests to temporarily add MCC groups or increase single transaction limits will be denied.
Card Suspension and Cancellation

Pcards are the property of the university. The pcard administrator is authorized to suspend or cancel cards for the following reasons:

- Cardholder on leave for more than one month
- Cardholder transfer to different department
- Cardholder’s employment termination
- Violation of university pcard policy or procedure
- Request by cardholder’s approving authority

Cancelled pcards must be turned in to a pcard administrator for proper destruction.
Pcard Violations

Violating pcard policy and procedure is cause for account suspension and/or closure. This includes, but is not limited to:

- Making purchases that do not comply with policy or procedure
- Incurring Ohio sales tax without appropriate due diligence
- Late reconciliation
- Failure to obtain and/or properly retain required pcard documentations
- Inappropriate pcard or account number storage
- Employee fraud
Pcard Violations

Escalating Levels of Violation:

• First Level – Pcard administrator will communicate violation to offending party and appropriate approving authority.

• Second Level – Pcard suspended until offending party reattends training and writes a memo detailing what actions have been taken to resolve the violation and prevent future similar violations.

• Third Level – Pcard cancelled. Depending on the nature of the violation, the cardholder may reapply for a new pcard after a three-month period has expired.
Escalating Levels of Violation (cont’d):

Violations may result in the individual being required to reimburse the university for inappropriate charges and may result in disciplinary action pursuant to university policy 6-01, University Policy Regarding Employment.
Managing Transactions in Works®
Managing Transactions in Works®

Action Items – Your To-Do List
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Accounts Dashboard – Balance and Available Credit

![Accounts Dashboard Screenshot]

- **Account Name**: JOE CARDHOLDER
- **Account ID**: 1375
- **Credit Limit**: 25,000.00
- **Current Balance**: 9,946.27
- **Available Credit**: 15,053.73
- **% of Credit Limit Used**: 39%
Managing Transactions in Works®
Viewing Authorizations and Declines
Managing Transactions in Works®

Viewing Authorizations and Declines

<table>
<thead>
<tr>
<th>Date</th>
<th>Merchant Name</th>
<th>MCC</th>
<th>Amount</th>
<th>Result</th>
<th>Decline Reason</th>
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<tbody>
<tr>
<td>10/09/19 10:59:43 EDT</td>
<td>HKM DIRECT MARKET COMM</td>
<td>2741</td>
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</tr>
<tr>
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<tr>
<td>10/08/19 12:45:24 EDT</td>
<td>GLOBAL PROMOTIONS AND</td>
<td>5999</td>
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<td>Authorized</td>
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<tr>
<td>10/08/19 12:01:00 EDT</td>
<td>BSN SPORTS LLC</td>
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<td>CANTON REGIONAL C OF C</td>
<td>8398</td>
<td>$1,523.65</td>
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<td></td>
</tr>
</tbody>
</table>
Managing Transactions in Works®

Viewing Posted Transactions – Transactions List

1. Bank of America Merrill Lynch
2. Transactions - Accountant
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report

1. Home
2. Template Library
3. Transactions by Cycle

- Personal
- Shared
- Non-Preferred Company Supplier Spend
- Payables by Barcode Index
- Payables Receipt Status
- Receipt Status
- Tax Audit
- Transactions by Cycle
- Transactions MTD
- Travel Spend
- Weekly FUPLOAD
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report
Managing Transactions in Works®
Viewing Posted Transactions – Transactions by Cycle Report
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report

<table>
<thead>
<tr>
<th>Select Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1</td>
</tr>
<tr>
<td>&lt;</td>
</tr>
<tr>
<td>31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MM</th>
<th>DD</th>
<th>YY</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>20</td>
<td>2019</td>
</tr>
<tr>
<td>10</td>
<td>5</td>
<td>2019</td>
</tr>
</tbody>
</table>

- Month-to-Date
- Cycle-to-Date
- Year-to-Date
- Selected Week
- Selected Month
- Selected Cycle
- Previous Week
- Previous Month
- Previous Cycle
- Past 30 days
- Past 60 days
- Custom

- OK
- Cancel
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report

- Save Template
  - Save Template to Template Library
  - Template Name: Transactions - Prev Week
  - Description: Look at every Monday
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report

Scheduling and Expiration

- **Job Name**: Transactions - Prev Week
- **Run for User(s)**: None selected
- **Schedule**
  - Run Now
  - Run Later
  - Recurring: Report times will be Central time zone
    - Every 1 day(s) at Midnight
    - Every Sunday at Midnight
    - Every month on the 1st at Midnight
    - Every billing cycle plus 1 day(s)
    - Every quarter starting January 1st

Report Expiration after: 90 day(s)
Managing Transactions in Works®

Viewing Posted Transactions – Transactions by Cycle Report

<table>
<thead>
<tr>
<th>Action</th>
<th>Acting As</th>
<th>Count</th>
<th>Type</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Download</td>
<td></td>
<td>2</td>
<td>Report</td>
<td>Ready</td>
</tr>
<tr>
<td>Close</td>
<td>Accountant</td>
<td>7</td>
<td>Transaction</td>
<td>Open</td>
</tr>
<tr>
<td>Sweep</td>
<td>Accountant</td>
<td>356</td>
<td>Transaction</td>
<td>Pending</td>
</tr>
</tbody>
</table>

- Show 10 per page

- Completed
- Create
- Scheduled
- Template Library
- Dashboard
### Completed Reports

<table>
<thead>
<tr>
<th>Queued At</th>
<th>Report Name</th>
<th>Status</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/20/2019 12:02 AM CDT</td>
<td>Transactions - Prev Week</td>
<td>Ready</td>
<td>✓</td>
</tr>
<tr>
<td>10/13/2019 12:01 AM CDT</td>
<td>Transactions - Prev Week</td>
<td>Ready</td>
<td>✓</td>
</tr>
</tbody>
</table>
Managing Transactions in Works®
Allocating Transactions

<table>
<thead>
<tr>
<th>Action</th>
<th>Acting As</th>
<th>Count</th>
<th>Type</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign Off</td>
<td>Accountholder</td>
<td>7</td>
<td>Transaction</td>
<td>Pending</td>
</tr>
</tbody>
</table>

1 item

Show 10 per page

Page: 1 of 1
Managing Transactions in Works®
Allocating Transactions

[Image of the Transactions - Accountant screen with options to allocate or view full details]

[Image of the Advanced Filter with various filter options]
Managing Transactions in Works®

Allocating Transactions

Review to ensure Purchase Amount matches the receipt.
Managing Transactions in Works®

Allocating Transactions

Make any changes needed to the allocation.
Managing Transactions in Works®

Allocating Transactions

If allocating to more than one index/account/commodity code:

- Click Add for additional lines.
- After allocating, be sure that Purchase Amount and Allocation Total amounts match.
Managing Transactions in Works®

Signing Off on Transactions

[Image of a transaction management interface with fields for Use Tax, Shipping ZIP, Origin Postal Code, Purchase ID, Shipping Amount, Tax Amount, and Unique Invoice Number.]
Managing Transactions in Works®

Signing Off on Transactions

Enter:

• Description of purchase
• Business purpose
• If charging to a grant or cost share, describe how purchase benefits the grant
• Click OK

Transaction moves into approver’s queue.
### Managing Transactions in Works®

#### Resolving Flagged Transactions

<table>
<thead>
<tr>
<th>Action</th>
<th>Acting As</th>
<th>Count</th>
<th>Type</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close</td>
<td>Accountholder</td>
<td>2</td>
<td>Purchase Request</td>
<td>Pending Approval</td>
</tr>
<tr>
<td>Resolve</td>
<td>Accountholder</td>
<td>1</td>
<td>Transaction</td>
<td>Flagged</td>
</tr>
<tr>
<td>Sign Off</td>
<td>Accountholder</td>
<td>2</td>
<td>Transaction</td>
<td>Pending</td>
</tr>
</tbody>
</table>

- `Resolve` is highlighted as the action to resolve flagged transactions.
Managing Transactions in Works®

Resolving Flagged Transactions

• Review approver’s comment
• Click on transaction number and make needed changes and then click Save and Close
• You will be taken back to the Transactions list where you’ll put a checkmark next to the transaction and click Remove Flag.
• Enter a comment stating that you have fixed the transaction and click OK
My transactions have been approved…now what?

• When a transaction is approved, it moves into a closure queue.

• All transactions charged to 4-, C-, and P- indexes are closed by Grants Accounting.

• All other transactions are closed by the pcard administrators.

• Every Monday, the previous week’s closed transactions are loaded to Banner.
Final Reminders

• J.P. Morgan
  • Accounts for cards turned into today will be cancelled today
  • All J.P.Morgan cards will be cancelled by November 15
  • All J.P.Morgan cards must be fully reconciled/approved by November 30
    NO EXCEPTIONS!

• Bank of America
  • Works® Welcome Emails will go out today, use them to register
  • Activate your cards upon receipt and use it from that point forward
  • Register your cards with Global Card Access
  • Cards that have not been claimed by November 15 will be cancelled
Contact Information

Pcard Administrators
- pcard@kent.edu
- Joey Bennett, Sr. Accounts Payable Specialist (x28631)
- Emily Hermon, Manager of Accounts Payable (x28649)

• Bank of America
  - 1-888-449-2273 (inside U.S.)
  - 1-602-379-8753 (call collect outside U.S.)

• Works
  - www.payment2.works.com/works/home

• Global Card Access
  - www.BofAML.com/globalcardaccess
Thank You.
www.kent.edu