STATE PROCUREMENT OFFICE

2013 Procurement Training

for

State & County Purchasing Personnel

pCard Overview & Updates

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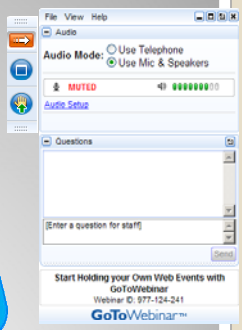
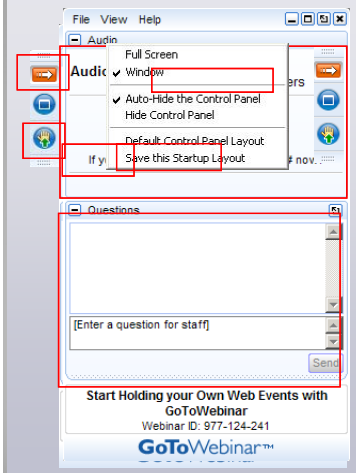
The GoToWebinar Attendee View



citrix online

How to Participate Today



- Open and close your Panel
- View, Select, and Test your audio
- Submit text questions
- Raise your hand
- Q&A addressed at the end of today's session

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State of Hawaii pCard Program

RFP 01-085-SW, Awarded to First Hawaiian Bank , 2002 - 2010

RFP 09-039-SW, Awarded to First Hawaiian Bank, 2010 – 2014 with options to extend to 2018

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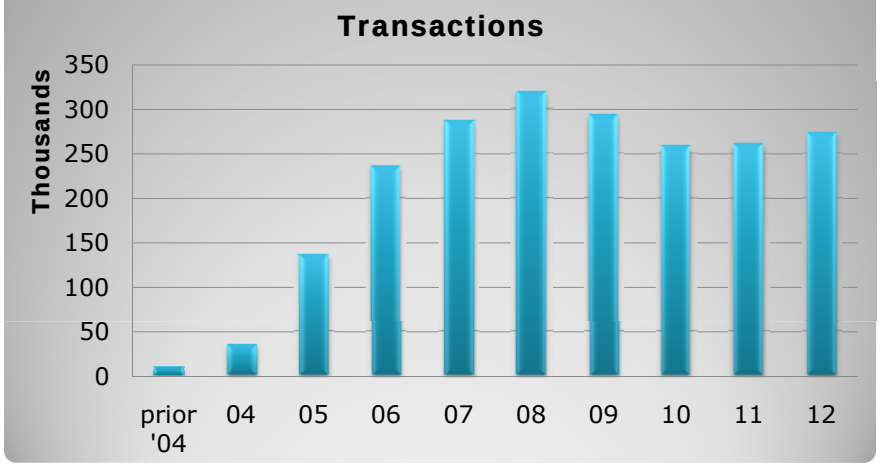
pCard Historical Data



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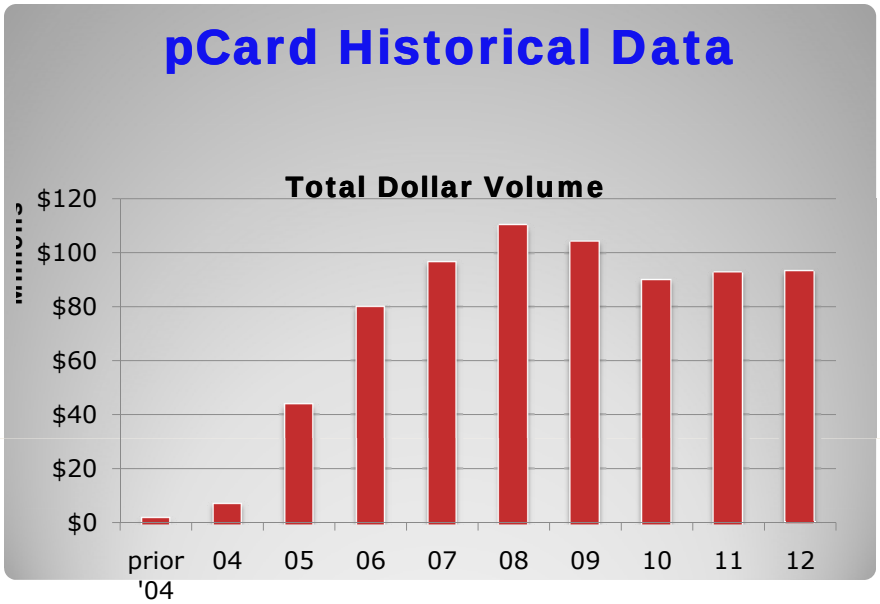

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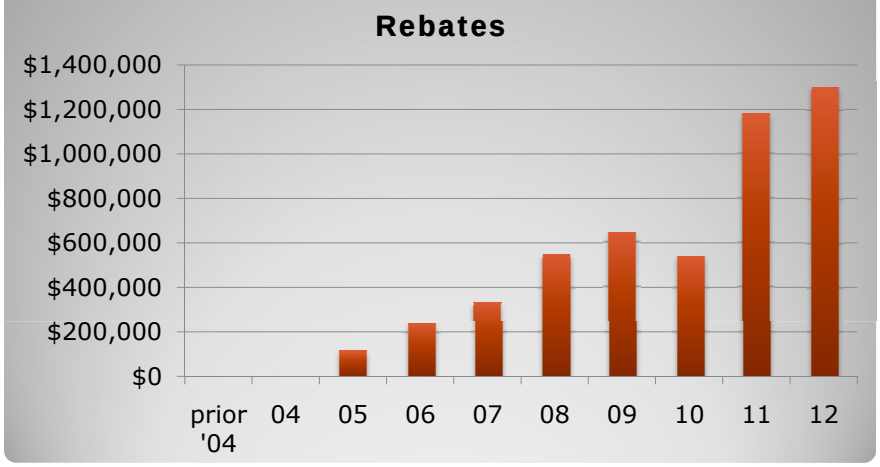

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What Is the Purchasing Card (pCard)?

- Corporate Liability MasterCard with First Hawaiian Bank
  - In the employee's name – no personal liability
  - Paid by the jurisdiction
- **Alternate form of payment for authorized purchases only**
- **Does not change the procurement process**
  - Comply with procurement rules & policies
    - i.e. PC 2009-15, Small Purchase Guidelines (includes SPO 10)
  - Comply with department's internal procedures & policies
  - Comply with Program Manual (10/04)
  - Abide by pCard Cardholder's Agreement (rev. 4/22/08)
  - Comply with Act 190, HCE (Hawaii Compliance Express) compliance documents for purchases of $2,500 and more.
- **Cardholder must have appropriate procurement delegation and training (i.e. Small Purchase delegation & Training, PL/VL Workshop etc.)**

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Usage Requirements

- Mandatory method of payment for purchases under $2,500
- Exceptions
  - Utilities
  - Petty cash
  - Vendor does not accept pCard
  - ~~Vendor imposes a fee for credit card transaction~~
    Change for 2013 watch for new memo
  - Payment for partial services
  - Payment required prior to services rendered (except airline tickets)

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Cardholders' Responsibilities

- pCard Security
- Use for authorized purchases only
  - Statewide blocks on Merchant Category Codes (MCC)
    - Financial services/cash withdrawals
    - Entertainment/recreation
    - Automobile gasoline (gas card price list)
    - Food
    - Hotels (traveler uses per diem)
    - Laundry/cleaning services
    - Other departmental blocks

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Cardholders' Responsibilities

- Obtain purchase documentation
  - Sales receipts, packing slips, online print receipt
- Verify purchases
- Log transaction (manually or online)
- Review transactions
  - Appropriation codes, object codes, cost center, description of purchase
  - Recommend at least once a week

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Cardholders' Responsibilities

- Resolve statement errors & disputes
  - Work with merchant to correct discrepancy
  - Submit dispute form with FHB if necessary
  - Unauthorized purchases
- Reconcile account
  - Certify accuracy by signing statement
- Report lost or stolen card immediately
  - Call FHB customer service
  - Report to department pCard administrator
- Return pCard upon change in employment

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Cardholders' Responsibilities

- Try your best to resolve the situation directly with merchant/vendor.
- Keep a log of when you call, who you spoke with, what was discussed.
- Follow instructions on the back of your statement.

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Timeliness & Consequences

- Financial institutions assess late fees and charge finance fees when payments are not received in time.
- To avoid these fees, which amounts to thousands of dollars, please adhere to the dates established by your department to submit your reconciliation reports.

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Emergency pCard

- Purchases shall only be used in conjunction with Governor's Emergency Proclamation
- Under direction of department's Emergency pCard procedures

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Cardholder Liability

- Failure to comply with Purchasing Card Program & Procedures and agency's policy & procedures
  - Revocation of pCard privileges
  - Disciplinary action for misconduct
- Former employee may be responsible for pay all legal fees incurred by State to prove employee's liability

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Common Issues & Concerns

- Denied transactions
  - Exceed credit limit
  - Wrong expiration date
  - Blocked merchant category code

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Program Review

- Photos on all pCards
  - No department/office or ghost cards
- First Hawaiian Bank expires 8/30/2014 with options to extend through 2018
- CentreSuite
  - Online management tool
  - Consolidated statement online
  - Online bulletin board

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Program Review

- Commercial account setup
  - Standard form for new account setup (check with dept. administrator for custom form)
- Deactivation of unused cards (except Emergency pCards)
  - Accounts closed if no activity for 12 months
- Online statements
- Black plastic for all new & re-issued cards
- MCC listing available on the SPO website

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SPO-035,Request to Use pCard for Blocked Purchases

- SPO-035, Request to Use pCard for blocked purchases
  - Applicable to all jurisdictions
  - Requires departmental pCard administrator & department head approval
  - Submission in a timely manner (**minimum 7 business days** prior to event) Include Comptroller approval if applicable
  - Requires CPO approval
  - Approved CPO approval e-mailed to pCard provider for action
  - Use most current form available on the SPO website

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SPO-035 (Sample)

STATE PROCUREMENT OFFICE
Request To Use Purchasing Card For Blocked Purchase
(To be submitted 7 calendar days prior to effective date)

'13 FEB 19 P2:25
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Hazard Evaluation & Emergency Response Office
Name of Requesting Department

1 Cardholder Name(s): Emilia Mauricio
2 pCard Number(s) (last four digits only): **** **** **** 0401

3 Expense Description: Intra State Transportation
4 Merchant Category Code: 7999
5 Effective Date(s): 2/22/2013
6 Justification: (include authority to purchase blocked items; i.e. Rules, Comptroller approval, etc.)
Paul Chong to attend Makanalua Bombing Range MMRP meeting, 2/26/13.
Use of Makani Kai helicopter.

7 Direct questions to: Janice Ramelb Phone: 586-4249 Email: janice.ramelb@doh.hawaii.gov

8 Dept. pCard Administrator Recommends Approval.
Name: Luna Santos Title: Procurement & Supply Specialist
Signature of pCard Administrator Date 2/19/13

I certify that the information provided above is to the best of my knowledge, true and correct, and understand that all approvals/requirements for these expenditures are the responsibility of the department.
Department Head Signature Date 2/19/13

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SPO-035 (Sample)

RESERVED FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer (CPO Comments)

This approval is only for the unblocking of MCC 7999 for Emilia Mauricio for February 23, 2013 to allow the use of the purchasing card as the method of payment. This approval does not cover authorization for any item(s) being charged to the pCard. Any and all approvals, requirements and internal controls for these expenditures are the responsibility of the pcard holder and the department. If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

☒ APPROVED ☐ DISAPPROVED ☐ NO ACTION REQUIRED

Chief Procurement Officer 2/20/2013 Date

SPO-035 (Rev. 2/1/2012) 14 Reference No.: BMU 13-000567

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Cardholder Security

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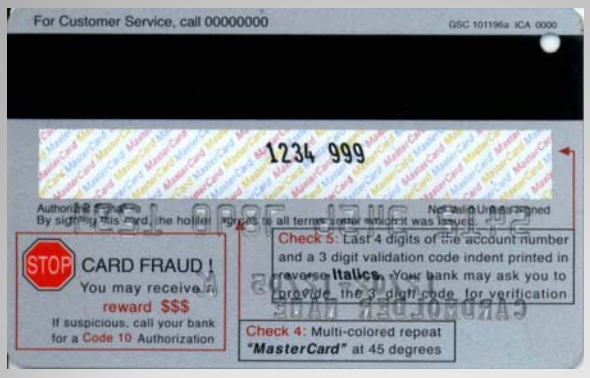
Card Security Features



Sign your card immediately upon receipt!

Unsigned card is not valid.

Do NOT write 'see ID' only, as counterfeit IDs are easily made.

You can sign AND write "see ID'

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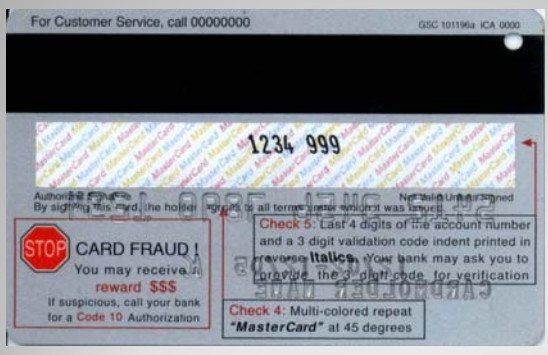
Card Security Features



Enter Customer Service phone number in your cell phone, so you can report a lost or stolen card in a timely manner.

Signature panel contains the last 4 digits of the account #, plus a 3 digit CVI number (card verification indicator). Often used for mail, telephone & online orders.

•Do NOT write card's secret code on card or keep in wallet.

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Cardholder Security

- Self police your accounts, both personal and business.
- Check balances and activity regularly.
- Advise Customer Service of Out of State travel (i.e. dates and destination).
- Immediately notify card issuer of any unauthorized transaction.

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7 Common Types of Card Fraud

- Stolen Cards
- Card Not Present Transactions
- Identity Theft
- Account Takeover
- Skimming
- Phishing / Vishing
- Merchant Database Compromise

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Best Ways to Protect Yourself

- Sign your credit cards
- Shred your mail
- Keep an eye on your credit card
- Never respond to emails, websites, or text messages requesting that you call or input your account number, expiration date and PIN
- Keep a list of customer service numbers from the backs of your credit cards separately or on your cell phone in case of loss

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Best Ways to Protect Yourself

- Only carry around the cards that you need
- Reconcile monthly
- Report unauthorized charges promptly
- Never lend a credit card to anyone else
- Notify your card issuers in advance of travel (especially international) and change of addresses

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SPO INFORMATION

hawaii.gov/spo

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