



P-Card User Group Meeting

Wednesday, 4 August 2004



Agenda

- Welcome
- Success of the Program
- Upcoming Events
 - Fiscal Year End Transition
- PCA Audit Findings
 - Reconciliation
 - Payment Packages
- Caltech Audit Findings
 - 10K Pilot Program



Quick Quiz!!

- Q: Which purchasing method is less expensive to use, PO or P-Card?



- A: P-Card!!



Success of the Program

Quick Statistics for Purchases of \$2500 or less

	<u>Purchase Order</u>	<u>P-Card</u>
Orders/Transactions	2,649	24,145
Administrative Costs*	\$91.13/Order	\$21.79/Trans
Total Admin. Costs	\$241,403.37	\$57,721.71

Total Administrative Cost Savings For FY 2004 = \$183,681.66

*Transaction Costs Taken From RPMG Research Corp. 2003 (Palmer Study)



Success of the Program

Potential Administrative Cost Savings

- Per P-Card Order: \$69.34
- Per Month: \$18,368.17
- Per Year: \$220,417.99



Upcoming Events

Fiscal Year End Transition

To be costed FY 2004:

- Vendors must process the payment by: **Thursday, 16 September 2004**
- Cardholders must reconcile all outstanding transactions by **10:00AM on Wednesday, 22 September 2004**



Upcoming Events

Fiscal Year End Transition

To be costed FY2005:

- Orders must be placed after Monday, 20 September 2004

Final Reconciliation for September:

- Will be as normal on Thursday, 30 September 2004
- **Do Not** wait until final reconciliation for transactions that are to be costed for FY 2004



PCA Audit Findings

PCA carefully monitors the program by:

- Reviewing and Auditing Payment Packages
- Performing Electronic Audits
- Ensuring Timely and Accurate Reconciliation

PCA Findings

- Reconciliation
- Payment Packages



Reconciliation

Order Logs

- Create before, at the time of, or soon after placing an order
- Item descriptions must include more than a part number
- Comments field must include who or what the order is for
- Check Flight box, when applicable

Deadlines

- Reconcile when you get your e-mail notification
- Final Reconciliation
 - Always on or near the end of the month
 - All transactions must be reconciled by **10:00AM**



Quick Quiz!!

- Q: When must all transactions be reconciled for a given month?



- A: 10:00 AM on Final Reconciliation Day



Payment Packages

Flight Boxes (Transaction Audit Report)

- AO to check this box if **any** orders on the Transaction Audit Report contain "Flight" products.
- AO to check this box if **no** orders on the Transaction Audit Report contain "Flight" products.

Cardholder Signature (CHEMTEST3): _____ Date: _____

Approving Official Signature (ROBINSON,KEVIN M): _____ Date: _____

I have reviewed this list and verified that all purchases that include Flight Hardware, Software, or JPL Critical Items had the appropriate Quality Clauses, were purchased from an Approved Supplier, and were routed through Receiving Inspection.

I have reviewed this list and verified that NO Flight Hardware/Software or JPL Critical Items have been included.

The cardholder must sign and have the approving official sign; then forward to Disbursement Control and Audit Support Group for audit and records retention.

*** End of Report ***



Payment Packages

Supporting Documentation

- Provide supporting documentation for each transaction and attach to the TAR.
- One (1) of the following is required for each transaction:
 - Invoice (preferred)
 - Packing Slip with dollar amount, cardholder signature, and date
 - Web Print-out with item description(s) and total dollar amount
- Provide written control point approval as required.



Payment Package Organization

Transaction Audit Report

Billing Date

Log 1234567891

Log 1234567892

Cardholder Sig.

AO Sig.

Flight "yes"

Flight "no"

Vendor Invoice

Invoice Date

Vendor Name

Vendor Address

Log 1234567891

Item Description

Invoice Total

Control Point Authorization (if required)

From: Control Pt.

To: Cardholder

This email/memo authorizes you to purchase...

Vendor Packing Slip

Vendor Name

Vendor Address

Log 1234567892

Item Description

Amount Billed

Cardholder Sig.

Date



Payment Package Organization

Transaction Audit Report

Billing Date

Log 1234567891

Log 1234567892

Cardholder Sig.

AO Sig.

Flight "yes"

Flight "no"

- Transaction Audit Report (TAR) is the first item
- Arrange all documentation in the order the Logs appear on the TAR
- Verify all transactions have supporting documentation, all signatures, and one "Flight" box has been checked
- Staple package together
- Mail to PCA team, M/S 241-211



Quick Quiz!!

- Q: When are completed Payment Packages due to the PCA team?



- A: 15 business days after Final Reconciliation



Caltech Audit Findings

- Conducted in May 2004
- Follow-up review of 2003 audit
- Original recommendations sufficiently addressed
- All corrective actions implemented
- Guidelines and Requirements will be actively controlled



\$10K Pilot Program

- Caltech granted a single purchase limit increase to \$10K.
- A pilot program will be implemented
- 60 cardholders will participate
- **Only** cardholders participating in the pilot program may place orders over \$2,500.00 once the pilot program has begun



Summary

- Fiscal Year End
 - Transactions must be processed by the vendor no later than Thursday, 16 September 2004
 - Transactions must be reconciled by 10:00AM on Wednesday, 22 September 2004
 - For transactions to be costed for the next FY 2005, do not place the order until Monday, 20 September 2004
- Final Reconciliation will be Thursday, 30 September 2004



Summary

- Reconciliation/Payment Packages
 - Create accurate order logs
 - Reconcile prior to the deadline
 - Provide proper documentation
 - Send package to Purchase Card Program, M/S 241-211 no later than 15 business days after final reconciliation
- 10K Single Purchase Spending Limit Increase
 - Approval has been granted to increase the single purchase spending limit
 - A pilot program will include only 60 cardholders



PCA Contacts

Shannon Grover, Purchase Card Administrator	4-0424
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Mark Arias	4-1544
Jake Ramos	4-5583



Questions & Answers

Q: What if it doesn't matter whether a P-Card order is costed FY2004 or FY2005?

A: Place your orders as needed and reconcile by the final reconciliation deadline.

Q: What is the process for purchasing chemicals on P-Card?

A: Chemicals and Hazardous Materials are to be purchased via a Purchase Order. These items can only be purchased via P-Card, by authorized cardholders, on a time-critical need basis. Currently, only 11 cardholders are authorized to purchase Chemicals and/or Hazardous Materials via P-card. If you have an urgent need for an item of this type, contact the PCA Team for information. Just as a reminder, chemicals include, but are not limited to, epoxies, adhesives and paint.



Questions & Answers

Q: How long will the \$10K Pilot Program run?

A: It will run for six months. The results of the \$10K Pilot Program will not determine whether or not all cardholders will eventually have the new single purchase spending limit of \$10K, but it will enable us to see if there are any issues or weaknesses that need to be addressed.

Q: How were the \$10K Pilot Program participants chosen?

A: The list was compiled over the past two years of cardholders who have requested to be a part of the Pilot Program, then all of the Acquisition cardholders, then the top users (by total expenditures) of the program.



Questions & Answers

Q: Will an Oracle Requisition need to be submitted for P-Card Orders (over \$2,500.00) to be placed through the Acquisition Division?

A: We are currently working on all the administrative aspects of the program, including, but not limited to, requisitions, signature authority and approvals. We hope to have everything resolved by 13 August.

Q: Will cardholders be allowed to purchase taggable items on P-Card when the \$10K increase goes into effect?

A: All of the current guidelines and requirements of the P-Card program will apply. All of the current control points will remain the same. The sensitive and taggable assets thresholds are \$100 and \$1000, respectively, and are not to be purchased via a Purchase Order unless there is a time-critical need.



Questions & Answers

Q: Q: Why must orders for taggable items be “urgent” to be placed on P-Card?

A: When an order for sensitive or taggable assets is purchased via a Purchase Order, the process of placing the order ensures that all necessary individuals or groups are contacted for approval or notification, i.e. Property and Shipping/Receiving. The P-Card software is not linked to Oracle so the process of approval and notification are done via email. This is not as effective a system and requires more administrative effort.

Q: Who is responsible for tagging items?

A: Property is responsible for tagging items.