

Best Practices for Purchasing with P-Cards



December 1, 2023 | **NIU NAPERVILLE**



Introductions

Ivy Fleming, Asst. Superintendent of Finance and Operations
Fremont School District 79
Speaker



Nicole Hansen, Asst. Director of Business Services
Township High School District 214
Speaker



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Purchase Orders vs. P-Card Purchases

PO Process

Requisition
Approval
Purchase
Receiving
Accounts Payable



P-Card Process

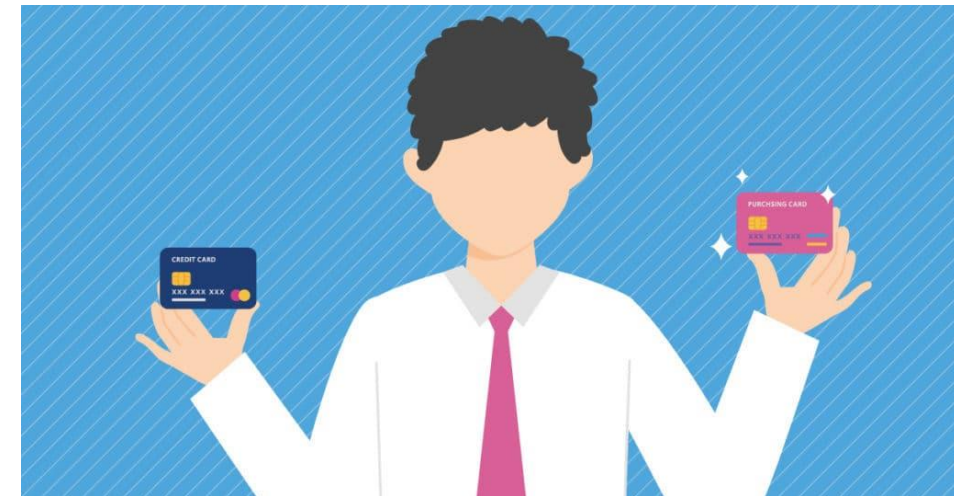
Credit Card Authorization
Purchase
Receipt
Reconciliation
Approval
Payment



What are P-cards?

P-Cards look and operate similar to credit cards, but there are differences:

- No revolving line of credit
- Usage and authorization parameters can be reviewed, revised and managed via the internet by district administration on a 24/7 basis
- Many fees are typically waived:
 - No setup fees
 - No annual card fee
 - No monthly billing fee
 - No online access fee
 - No fee to issue initial or replacement cards



Why have a P-card Program???

Purchase quickly and efficiently

Convenient to use for PD travel

Built in approvals

- Can only be used at certain vendors
- Can only be used for in country purchases

Built in spending limits

- Limits can be set and adjusted as needed

Reduced volume and time

- Purchase orders, petty cash, check requests

Generate a virtual card

- No need to have a number on a post-it note

Do not carry a revolving line of credit

- Paid monthly after approval



What kind of P-cards are available and how do you implement a program?

TYPES OF P-CARDS

Purchasing Cards

Procurement Cards

Corporate Charge Cards

Employee Debit Cards

Prepaid Expense Cards

Business Cards

HOW TO IMPLEMENT A PROGRAM

Negotiate/bid a p-card option as part of total banking

Negotiate/bid a p-card option as part of total banking services

Negotiate/bid a p-card option separate from banking services

Form a local consortium

Form a state-wide consortium

Join multi-state consortium



P-Card Costs To Consider

SOME VENDORS CHARGE FOR:

- Central billing
- Over limit fee
- Monthly report fee
- Cost per individual bill
- Average transaction size (NOT a factor)

COMMON COSTS TO BE AWARE OF:

- Overnight delivery of replacement cards
- Late payment fee
- ATM charges and interest owed (only IF cash advance option is selected)

Reimbursements

Many vendors offer a reimbursement program based on annual spend.



Scenario

What would you do???

I may go down BUT I will not go down for p-card fraud!!!!



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Questions and Answers

We thank you for your time!



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