

Integrating Procurement Cards with Oracle Internet Expenses: Lessons Learned

October 06, 2011

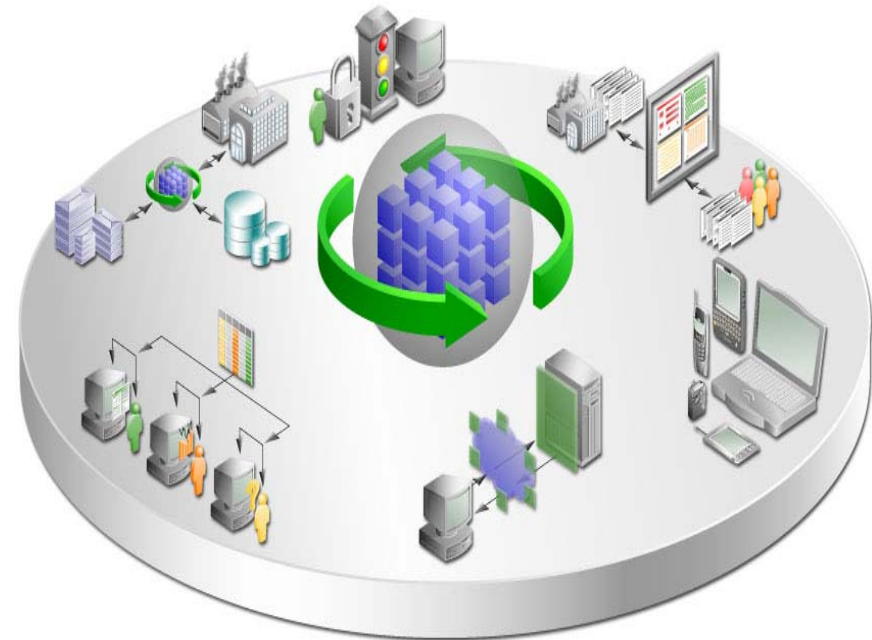
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Session ID: 08141

P-Card Lessons learned

- City of Modesto - Overview
- Requirements Overview
- Solutions offered
- Lessons Learned
- Q & A



Fiscal Year: 2010/2011

Population: 200,000

Annual Budget: \$281,507,218

Total Annual P-Card Payment: \$1,914,955

Average Monthly Payment: \$159,580

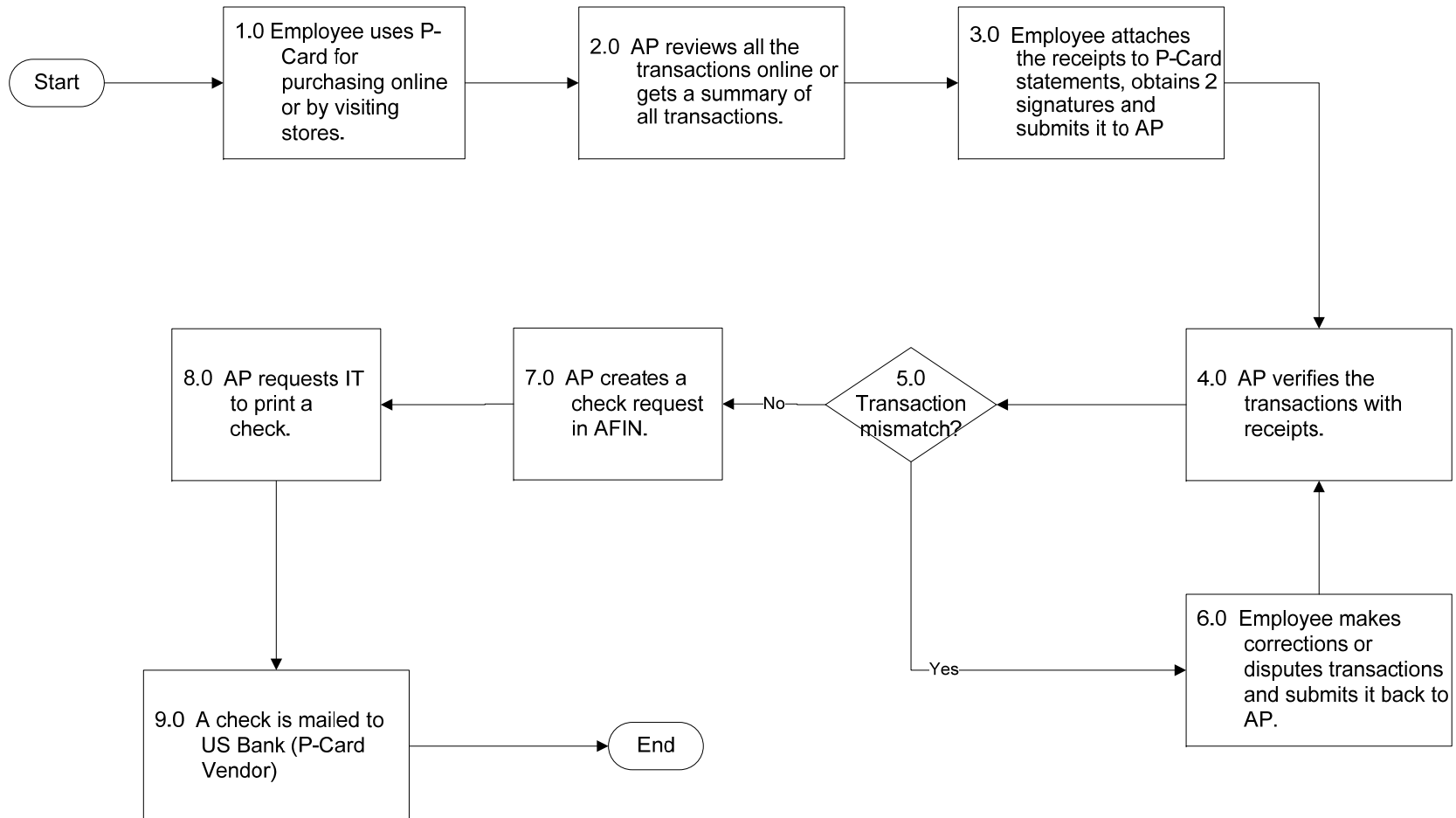
Cardholders: 168

Average Monthly Card Users: 77







Annual P-Card Rebate: \$ 13,500










Procurement Card Transactions Processing



Old System

-  Log cards with usage on a spreadsheet
-  Verify information on paper p-card statements
 - Signature
 - Authorizing Signature
 - Account codes to charge to
 - Verify back-up receipts/invoices
 - Check for user tax
-  • Stamp each p-card statement with vendor code and payment voucher number
-  • Verify all p-cards on spreadsheet are complete and ready for payment
-  • Enter the p-card statements into computer system
-  • Each accounting line with self-assessed user tax must be entered separately

-  Log cards with usage on a spreadsheet
-  IT uploads file from p-card bank and notifies Accounts Payable
-  Accounts Payable imports file into i-Expense p-card module
-  End Users:
 - Verify transactions
 - Account codes
 - Authorize
 - Submit electronically to supervisor for approval
-  Supervisor:
 - Verifies
 - Approves
-  Accounts Payable exports completed i-Expense p-card to Accounts Payable module for payment
-  Verify all p-cards on spreadsheet are in Accounts Payable module and ready for payment

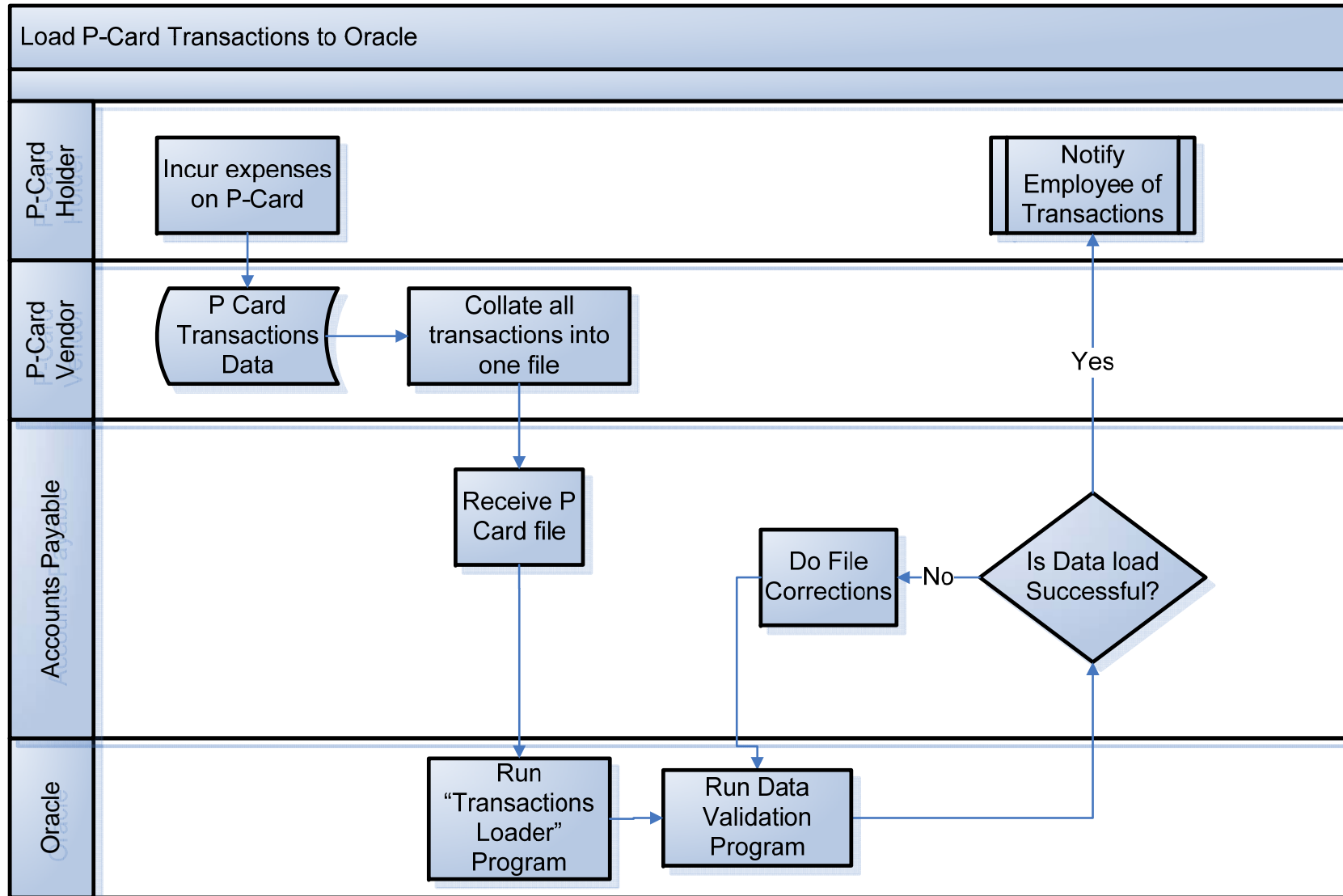
Oracle E-Business Tax

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- Load P-Card transactions to Oracle system
- Roles and Responsibility
- Use of P-Cards
- Accounting requirements
- Tax Requirements
- Training Requirements

Process flow for loading Transactions.



Load Transactions

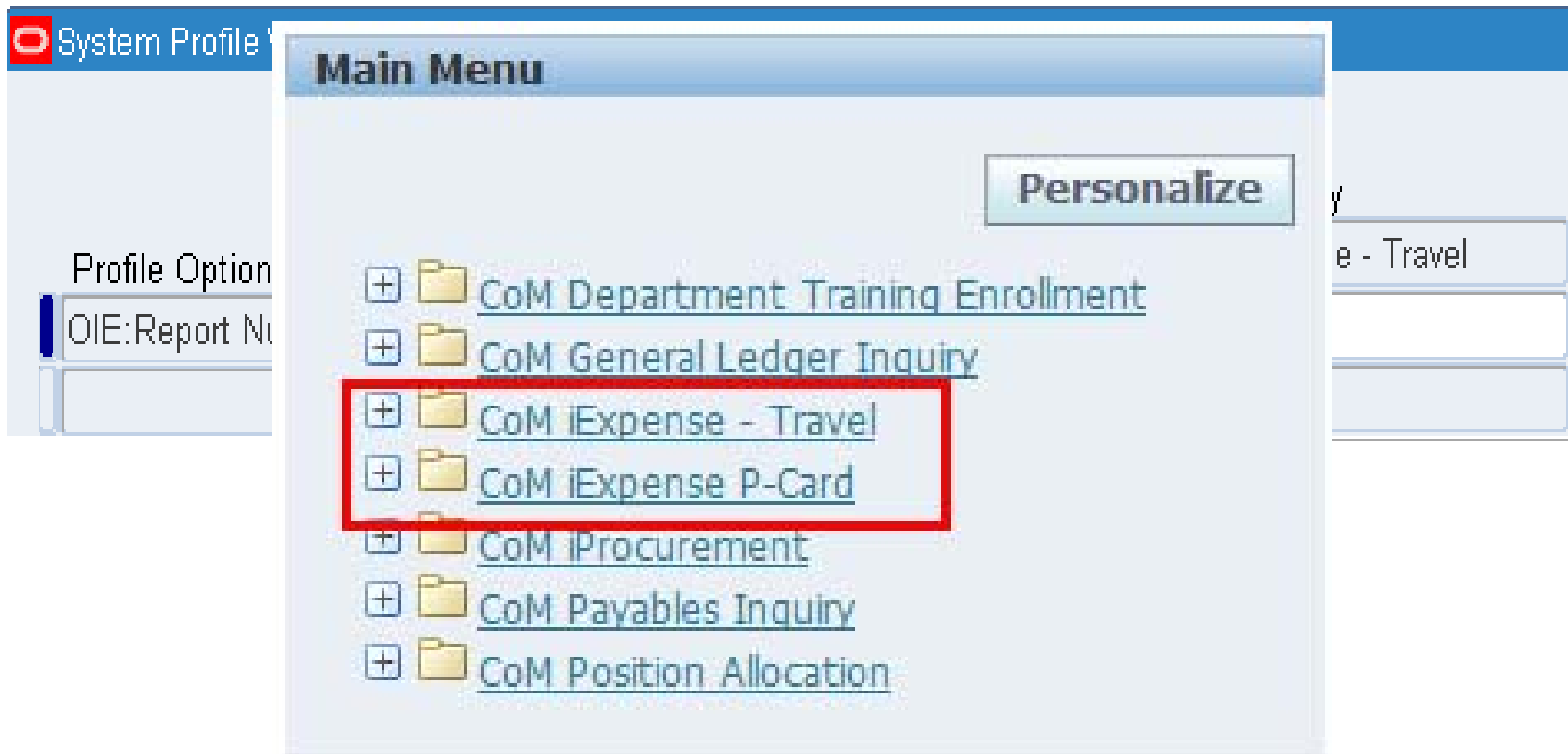
- Get bank file in pre-pop format.
- Perform validations
- Load data into AP_Credit_Card_Trxns_All table
- Build log file for bad records.
- Sysadmin places file in a directory.
- Custom Import Program validates file and copies it over to another file.
- Finally all transactions are loaded into Oracle tables.

Ref Num	Requirement Description	Fit/Gap	Module	Comments
AP-5.01	Ability to capture the Supplier from which the purchase was made	Fit	Internet Expenses	Merchant Name field captures the supplier name
AP-5.02	Ability to capture purchases on a line-item basis	Fit	Accounts Payable	Purchases are captured online item basis.
AP-5.03	Ability to support frequent file turn (imports)	Fit	Accounts Payable	Files can be imported as many times as required.
AP-5.04	Ability to import tier one, two, and three transaction data from the credit card merchant	Fit	Accounts Payable	Oracle provides fields to capture all this data.
AP-5.05	Ability to capture P-Card transaction data that allows for detailed spend analysis for a specified period of time	Fit	Accounts Payable	Reports need to be developed
AP-5.06	Ability to use approval process that will provide security	Fit	Accounts Payable	The transactions will be viewed by only the assigned person and not any one else.
AP-5.07	Ability for approval process to meet audit requirements	Fit	Accounts Payable	It is possible to pick any transaction for random for audit purpose.

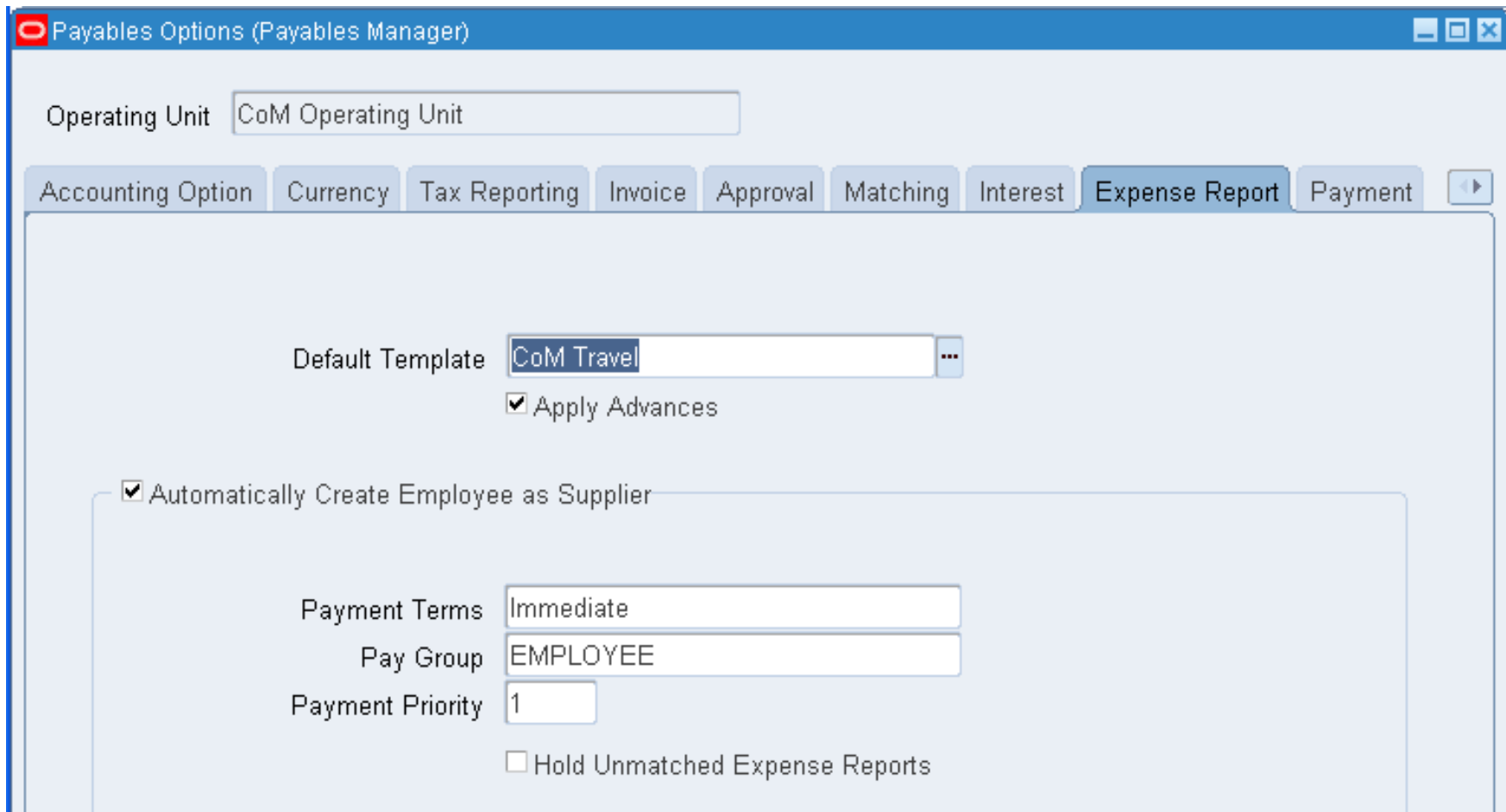
Ref Num	Requirement Description	Fit/ Gap	Module	Comments
AP-5.09	Ability to automatically route transactions to agency users for review and approval processing within a limited period of time	Fit	Approvals Management Engine	Standard workflow functionality
AP-5.10	Ability to re-route approval routing or use vacation re-routing as needed	Fit	Accounts Payable	Standard Oracle functionality
AP-5.11	Ability to escalate transaction approvals within a pre-determined time frame if no action has been taken by the user.	Fit	Approvals Management Engine	System can send the notifications at scheduled time intervals to the approver. After the stipulated time is over, the notification can be routed to another manager.
AP-5.12	Ability to send approval notifications within a pre-determined time frame if approvals are not complete.	Fit	Approvals Management Engine	Standard workflow functionality
AP-5.13	Ability to establish default account coding on all P-Card transaction lines	Fit	Accounts Payable	Standard Oracle P-Card Configuration.
AP-5.14	Ability for P-Card holder to over-ride default account coding and charge to appropriate coding string	Fit	Accounts Payable	Standard Oracle functionality
AP-5.15	Ability to capture account coding string on a line item basis	Fit	Internet Expenses	Standard Oracle functionality

Ref Num	Requirement Description	Fit/ Gap	Module	Comments
AP-5.16	Ability to pay merchants using default account coding if user does not approve the transaction in a timely manner	Fit	Internet Expenses	Standard Oracle P-Card Configuration.
AP-5.17	Ability to identify P-Card transaction lines as a Fixed Asset	Fit	Accounts Payable	When the P-card transactions are converted as an invoice, they can be tracked as an asset.
AP-5.18	Ability to query and view P-Card payments by Supplier and department	GAP	Accounts Payable	Custom Report
AP-5.19	Ability to require users to identify whether or not (Y/N) tax was paid on a P-Card purchase.	Fit	E-Business Tax	Users can identify on the iExpense screen whether tax is paid or not.
AP-5.20	Ability for users to identify a location where P-Card purchases were delivered if no tax was paid (for use tax reporting)	Fit	Accounts Payable	Ship to location need to be identified on Invoice.
AP – 5.21	System should be able to check funds availability at time of expense report invoice approval or validation.	Fit	Accounts Payable	Standard Oracle Functionality

- Roles and Responsibility
 - Need to have different expense report number series for travel and P-Card related expenses.

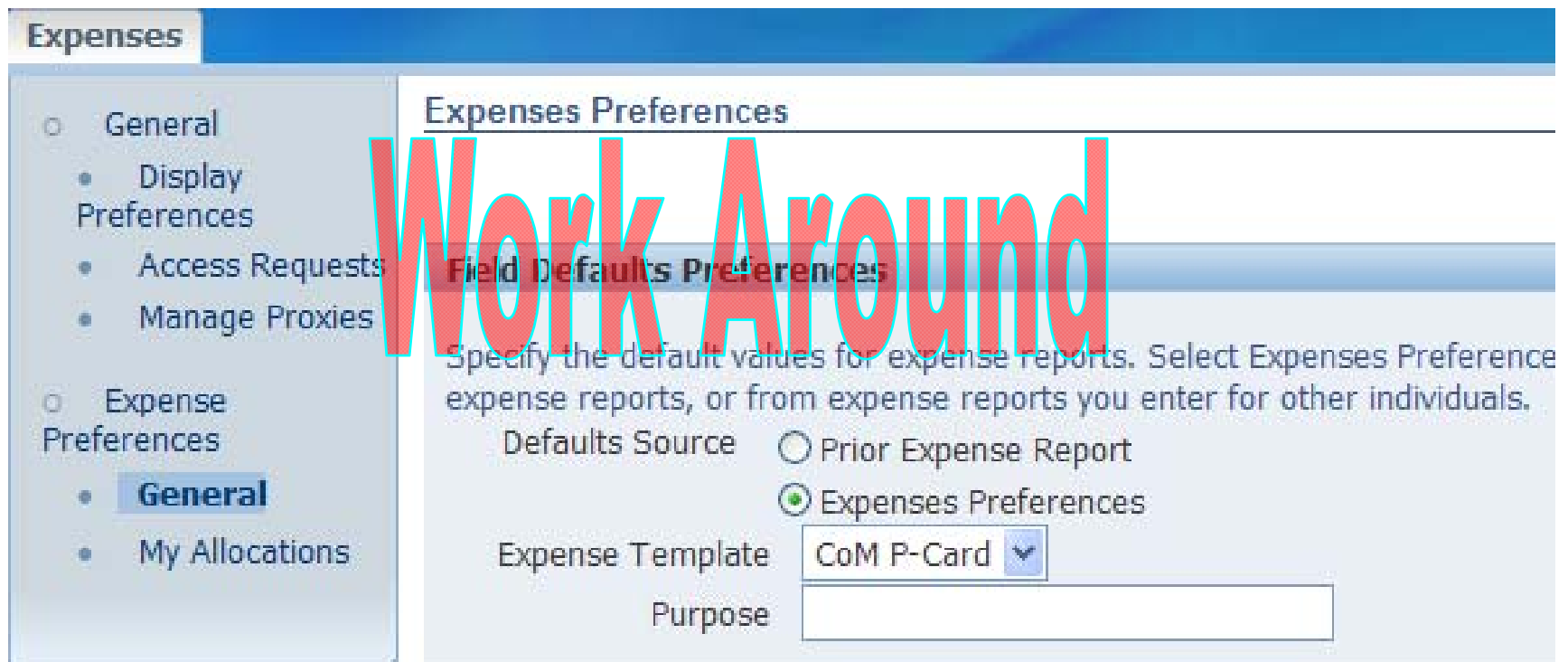


- Roles and Responsibility
 - The expense report template should default for a user



The screenshot shows a software window titled "Payables Options (Payables Manager)". The "Operating Unit" is set to "CoM Operating Unit". A tabbed interface is visible with the "Expense Report" tab selected. The "Default Template" is set to "CoM Travel". The "Apply Advances" checkbox is checked. The "Automatically Create Employee as Supplier" checkbox is also checked. Below this, the "Payment Terms" are set to "Immediate", the "Pay Group" is "EMPLOYEE", and the "Payment Priority" is "1". The "Hold Unmatched Expense Reports" checkbox is unchecked.

- Roles and Responsibility
 - The expense report template should default for a user



Expenses

- General
 - Display Preferences
 - Access Requests
 - Manage Proxies
- Expense Preferences
 - **General**
 - My Allocations

Expenses Preferences

Field Defaults Preferences

Specify the default values for expense reports. Select Expenses Preference expense reports, or from expense reports you enter for other individuals.

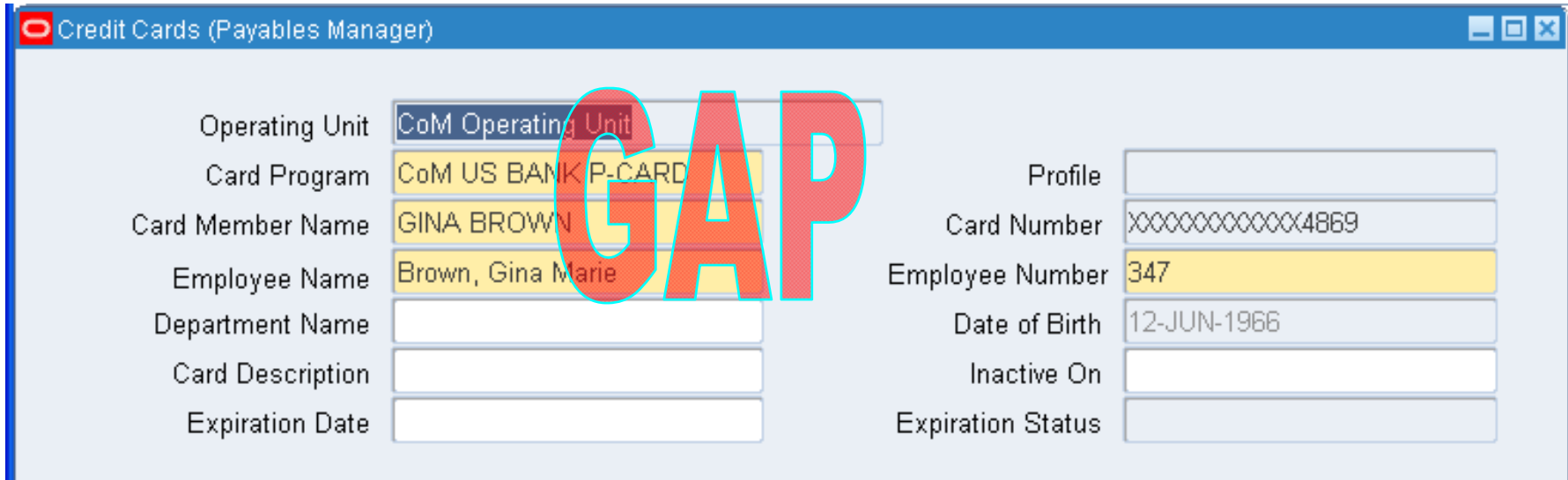
Defaults Source Prior Expense Report Expenses Preferences

Expense Template

Purpose

Work Around

- Use of P-Cards
 - One card to be used for multiple people

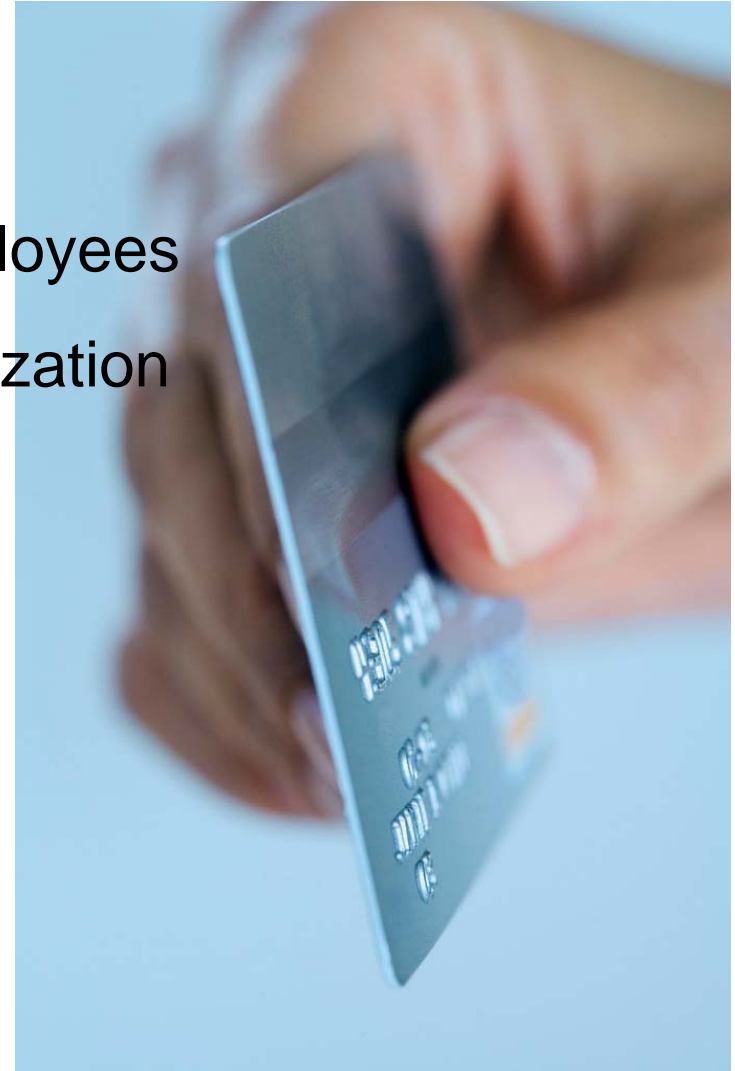


Field	Value
Operating Unit	CoM Operating Unit
Card Program	CoM US BANK P-CARD
Card Member Name	GINA BROWN
Employee Name	Brown, Gina Marie
Department Name	
Card Description	
Expiration Date	
Profile	
Card Number	XXXXXXXXXXXX4869
Employee Number	347
Date of Birth	12-JUN-1966
Inactive On	
Expiration Status	

- Use of P-Cards
 - Employees use P-Card for personal expenses



- Use of P-Cards
 - Cards Expire
 - New Cards to existing employees
 - New employees join organization
 - Employee quits / retires.



- Use of P-Cards
 - Check Funds to be done in iExpense



- Accounting Requirements
 - P-Card invoice should use charge account of the actual expense made.



- Accounting Requirements

Oracle creates 2 invoices.

- One for Employee (\$0 Invoice)
- One for P-Card issuer bank.

Invoice Workbench (Payables Manager)

Batch Control Total Batch Actual Total

CoM

Op	Customer	Voucher Number	Type	Invoice Num	Vendor Name	Vendor N	Supplier Site	Invoice Date	Invoice Amt
<input type="checkbox"/>	CoM	201111639	Payment Request	PC34083.1	CORPORATE PAYMENT SYSTEMS		MAIN	14-JUN-2011	8,535.05
<input checked="" type="checkbox"/>	CoM	201111671	Expense Report	PC34083	Kenneth Masasso	4247	OFFICE	14-JUN-2011	0.00
<input type="checkbox"/>									
<input type="checkbox"/>									

- Accounting Requirements

The Credit Card Expense Clearing Account

Card Programs (Payables Manager)

Operating Unit	CoM Operating Unit	Card Brand	Visa
Card Program Name	CoM US BANK P-CARD	Card Type	Travel
Description		Card Issuer Site	MAIN
Card Issuer	CORPORATE PAYMENT SYST	Administrator	Averell, Mark Lee
Card Code Set		Exposure Limit	
Card Program Currency	USD	Payment Due From	Both
Inactive On		Revenue Clearing Fund-Default Value-Clearing Acc	
Expense Clearing Acct	0130-00000-29003-000000-00000-000		
Exception Acct			
Employee Matching Rule		<input type="checkbox"/> Overlay Balancing Segment	

Accounting for \$0 invoice.

Distributions (Payables Manager) - CoM Operating Unit, PC34083, Kenneth Masasso

Line Number: 1
 Line Description: Info Tech Equipment >\$5,000

Invoice Total: 0.00
 Distribution Total: 0.00

Num	Type	Amount	GL Date	Account	Asset Book	Description
1	Item	555.62	30-JUN-2011	5110-12530-53300-000000-000000-000000		Info Tech Equipment >\$5,000
1	Item	7,979.43	30-JUN-2011	5110-12530-53300-000000-000000-000000		Info Tech Equipment >\$5,000
1	Miscellaneous	-555.62	30-JUN-2011	5110-12530-53300-000000-000000-000000		
1	Miscellaneous	-7,979.43	30-JUN-2011	5110-12530-53300-000000-000000-000000		

Accounting for P-Card vendor invoice.

Distributions (Payables Manager) - CoM Operating Unit, PC34083.1, CORPORATE PAYMENT SYSTEMS

Line Number: 1
 Line Description: Info Tech Equipment >\$5,000

Invoice Total: 8,535.05
 Distribution Total: 8,535.05

Num	Type	Amount	GL Date	Account	Asset Book	Description
1	Item	555.62	30-JUN-2011	0130-00000-29003-000000-000000-000000		Info Tech Equipment >\$5,000
1	Item	7,979.43	30-JUN-2011	0130-00000-29003-000000-000000-000000		Info Tech Equipment >\$5,000

- Accounting Requirements

The net effect is expenses are charged to the expense clearing account.

The expense should be charges to the account entered by employee.

Distributions (Payables Manager) - CoM Operating Unit, PC34083.1, CORPORATE PAYMENT SYSTEMS

Line Number: 1
 Line Description: Info Tech Equipment >\$5,000

Invoice Total: 8,535.05
 Distribution Total: 8,535.05

Num	Type	Amount	GL Date	Account	Asset Book	Description
1	Item	555.62	30-JUN-2011	0130-00000-29003-000000-00000-00000		Info Tech Equipment >\$5,000
1	Item	7,979.43	30-JUN-2011	0130-00000-29003-000000-00000-00000		Info Tech Equipment >\$5,000

- Accounting Requirements

Customization is done to enter the clearing account on \$0 invoice.

Thus the net effect is – expenses are charged to accounts entered by employee.

Distributions (Payables Manager) - CoM Operating Unit, PC34083, Kenneth Masasso

Line Number: 1 Invoice Total: 0.00

Line Description: Info Tech Equipment >\$5,000 Distribution Total: 0.00

Num	Type	Amount	GL Date	Account	Description
1	Item	555.62	30-JUN-2011	5110-12530-53300-000000-00000-00000	Info Tech Equipment >\$5,000
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1	Miscellaneous	-555.62	30-JUN-2011	0130-00000-29003-000000-00000-00000	
1	Miscellaneous	-7,979.43	30-JUN-2011	0130-00000-29003-000000-00000-00000	

- Tax Requirements
 - The tax should be calculated for P-Card transactions



- Taxes are paid to vendors when the employee buys using P-Card.
- iExpense is a way to pay the P-Card vendor and there is no need to calculate tax separately.

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- Check with P-Card issuing bank initially.
 - The Bank may not offer pre-pop format.
 - The banks charge fees for paying late
 - Banks may not be able to provide electronic statements.
 - Bank may not be paying rebates.
 - **Best chance to change the vendor**

- Verify Card numbers before loading
 - Bank send card scrambled card numbers.
 - We loaded them and when the statement came none of the transactions matched.

- Test Bank statement load program
 - Oracle comes with standard programs.
 - If you are developing a standard program, it must be tested with Bank's sample data.
 - We loaded them and when the statement came none of the transactions matched.

- Cards used by departments
 - Departments share cards.
 - The only way to handle this is to assign a owner to the card.



- Approvals
 - Get blessings from all departments about approvals.
 - We developed a common approval solution for all departments. And then customized it for couple of departments later.



- Approvals
 - Use delegation extensively to make AME rules simple.

- Training
 - Extensive training
 - Provide login id only after training is obtained.
 - War rooms
 - “Drop-in” sessions once we went live
 - Use of UPK training material, both Training Guides and CBT videos



Learning Curve

- On-going training of users
- Cardholder/employee uses the P-Card template instead of the Travel template and vice versa—creating a check for the employee in error.
- Cardholders continue to wait for paper statements instead of going online. This leads to delay of payment which reduces the quarterly rebate.
- Employees attach documents at each line instead of at the end of the i-Expense P-card. This causes attachment viewing problems for the auditors.
- Assessing User Tax-Currently, the process of moving P-Cards over to the A/P module automatically validates the transaction and user tax can not be assessed. These items have to be tracked manually. This item is being attended to.

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Questions and Open Discussions



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