# **Pcard Interface Process**

From purchase to PRC in 6 steps!



The State of Iowa's Purchasing Card Program was designed to save the State time and money in the Procure-to-Pay (P2P) process of goods and services. As an efficient alternative to traditional *payment* methods, Pcards achieve process saving by

- Consolidating payments Numerous transactions to multiple vendors consolidated into single monthly payment
- Streamlining the payment process Invoices and warrants reduced; payment documents automated

The "Pcard Interface" maximizes process savings through automation. Transaction information and accounting codes are extracted from U.S. Bank (Access Online) and imported into the State's accounting system (Iowa Advantage); lines in the Payment Request Commodities (PRCs) roll up by accounting string. This automated process eliminates the need to manually create PRCs and frees up time for other accounting tasks.

#### The Pcard purchase to PRC payment is essentially a 6-step process.

- **1. Purchase** Regardless of payment method, all goods and services must be purchased in accordance with State procurement policies and procedures. This includes Pcard purchases!
- 2. Allocate Transactions are automatically allocated according to default accounting strings and must be reallocated in Access Online. This accounting information is used to create the PRC.
- **3. Print** Cardholder and Managing Account Statements should be printed at the end of the billing cycle (usually the 20<sup>th</sup> of the month), along with a corresponding Transaction Detail Report.
- **4. Verify** During the 15-day allocation window, expenses and allocations should be verified or reallocated before data extraction.
- **5. Extract** On the 16<sup>th</sup> day, data is extracted and PRCs are generated. The PRC amount totals should match Purchases minus Credits on the Managing Account Statement. PRC accounting strings (and totals) should also align with the Transaction Detail report (sorted by allocation).
- **6. Pay** Follow internal procedures for payment approvals. Payment terms are net 30 days; reference Vendor Customer # (VCN) to avoid misapplied payments.

(Note: Interface PRCs are for Pcards only; Travel Cards are to be paid via TPs.)

## Step 1: Purchase

Regardless of the payment method, all goods and services must be purchased in accordance with State procurement policies and procedures per **lowa Code 11**, **Chapters 117-120**, and any internal agency procedures (pre-approvals, documentation, etc.)

#### As a general rule:

- Three (3) informal quotes must be obtained for purchases up to \$50,000 (see <u>Informal Quote Documentation</u> form)

  IF purchases are:
  - a) goods above \$5,000 from a non-contract vendor;
  - b) services above \$5,000 from a non-contract vendor, or
  - c) from a certified TSB in excess of \$25,000 (Purchases from Master Agreement vendors, or TSBs under \$25,000, may be made without additional competitive bids.)
- Purchases between \$15,000 and \$50,000 require Advanced Procurement Authority unless purchasing from a Master Agreement.
- All purchases in excess of \$50,000 require oversight from DAS Central Procurement.
- Goods or service contracts above \$50,000 may require Iowa Department of Management (IDOM) approval. (Some exceptions apply; see IDOM Approval Form.)
- IT hardware or software purchases estimated in excess of \$100,000 require prior approval by the Department of Management (DOM) Contact <a href="mailto:ITrequests@iowa.gov">ITrequests@iowa.gov</a>.
- A <u>Services Pre-Contract Questionnaire (PCQ)</u> is required with any non-MA service purchase of \$1,000 or more (one-time or in aggregate).

# Step 2: Allocate

Cardholders and/or Agency Pcard administrators log onto Access Online to verify default allocations or reallocate cardholder transactions.

Select	Status	<u>Trans</u> <u>Date</u>	Posting Date	Merchant	City/State	<u>Amount</u>	<u>Detail</u>	<u>•</u>	<u>Purchase ID</u>	<u>@</u>	Comments	Accounting Code
		06/18	06/20	WW GRAINGER	877-2022594, PA	\$51.94	(11)	-	M4142751			0001 243 1220   2229
		06/18	06/20	WW GRAINGER	877-2022594, PA	\$472.39	(11)		6262985606	(A)		Multiple
		06/19	06/20	TIFFIN SYSTEMS	419-4478414, OH	\$65.00	(1)		486061922330002	A+		0001 243 1474   2250              securitysupplies
		06/19	06/20	OFFICEMAX CT*IN#454606	800-472-6473, IL	\$174.43	(11)	(	0000000000000000	(A)		Multiple
		06/18	06/20	BERRY HILL IRRIGATION	434-374-5555, VA	\$19.40	(1)		4201	A+		0001 243 1231   2230              parts
		06/17	06/19	WW GRAINGER	877-2022594, PA	\$3,420.96	(11)	(	6262836777	(A)		Multiple
		06/17	06/19	WW GRAINGER	877-2022594, PA	\$576.00	(11)		6262832725	(A)		0001 243 1226   2299
		06/18	06/19	REED JOSEPH INTERNATIONAL	GREENVILLE, MS	\$280.00				A+		0001 243 1474   2303             ammo
		06/17	06/19	LABELS STICKERS	631-5634323, NY	\$720.00	(1)	-	0617082200584168445209662	(A)		0001 243 1474   2250              securitysupplies
		06/18	06/19	WAHLTEK, INC	515-309-3939, IA	\$62.37	(1)	:	289	(A+		0001 243 1310   2219              officesupplies
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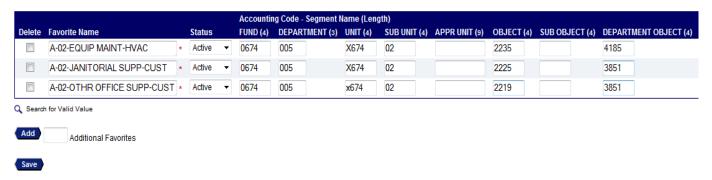
Tip #1: Allocating throughout the month expedites payment processing at cycle end.

Tip #2: Creating allocation Favorites (up to 25) makes reallocating easier. (For instructions, see <u>Access Online for Agency Management or Access Online for Cardholders.</u>)

#### **DON'T FORGET:**

- Iowa Advantage Validation: The EXACT accounting string (Fund, Department, Unit, Object) must be loaded in lowa Advantage to validate; otherwise the validation process will result in a PRC draft status of "rejected" instead of "held." (Agency Budget Analysts should update any new lowa Advantage accounting codes every fiscal year as needed.)
- **PRC Roll Up**: The complete Accounting String <u>including the comment field</u> must match EXACTLY to roll up. Creating Favorites or a "master list" of accounting code favorites ensures all users are following same format.

### Sample "Favorites" in Access Online:



### Sample "Master Accounting Code Favorites" including comment:

Comment/Description	Fund	Dept	Unit Su	b-unit	Object	Dept Object
A-33-A/C HEATING-HVAC	0674	005	X674	33	2496	4185
A-33-ELECT SUPP-ELECT	0674	005	X674	33	2222	3881
A-33-HRDWR SUPP-CARP	0674	005	X674	33	2210	4186
A-33-HRDWR SUPP-LCKSMTH	0674	005	X674	33	2210	3879
A-33-JANITORIAL SUPP-CUST	0674	005	X674	33	2225	3851
A-33-LUMBER SUPPLIES-CARP	0674	005	X674	33	2221	4186
A-33-OTHR BLDG SUPP-CARP	0674	005	X674	33	2229	4186
A-33-PLUMBING-HVAC	0674	005	X674	33	2224	4185
A-33-PNTS & PRSRVTVS-PAINT	0674	005	X674	33	2223	3850
A-33-SIGNS & POSTS-CARP	0674	005	X674	33	2280	4186

## **Step 3: Print**

**Print the Agency Managing Account Statement.** Statements are available via Access Online the day after the billing cycle ends (usually the 21st day of the month).



P.O. BOX 6343 FARGO ND 58125-6343



ACCOUNT NUMBER	
STATEMENT DATE	04-21-2014
AMOUNT DUE	\$21,915.97
NEW BALANCE	\$21,915.97
PAYMENT DUE ON RECEIPT	

AMOUNT ENCLOSED

\$
Please make check payable to"U.S. Bank"

U.S. BANK CORPORATE PAYMENT SYSTEMS P.O. BOX 790428 ST. LOUIS, MO 63179-0428

	III.nnannannannan IIIIIIIIIIIIIIIIIIIIII	CORPORA	ATE ACCO	UNT SUN	MARY	nannannannattiitiiti nannannannattiitiitii nannannannattiitiitii	HIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	
Company	Previous Balance	Purchases And Other + Charges +	Cash Advances +	Cash Advance Fees +	Late Payment Charges	- Credits	- Payments	New = Balance
Total	\$17,488.28	\$22,258.97	\$0.00	\$.00	\$0.00	\$343.00	\$17,488.28	\$21,915.97

**Print the Transaction Detail Report.** This report includes allocation information for all cardholder activity and can be sorted by cardholder and transaction date for statement reconciliation, or allocation strings to identify how expenses will roll up on the PRC. (For report instructions, see <u>Access Online for Agency Management</u>.)

Vendor/Merchant	Allocation codi	ng		Allocation Comments	Trans Amt	Sub Total
THE HOME DEPOT 2104	0674005X67433	2210	4186	A-33-HARDWARE SUPPLIES	\$204.14	
AMERICAN MARKING,	0674005X67433	2210	4186	A-33-HARDWARE SUPPLIES	\$32.00	
LUMBERMANS SUPPLY	0674005X67433	2210	4186	A-33-HARDWARE SUPPLIES	\$745.02	\$981.16
MENARDS 3046	0674005X67433	2221	4186	A-33-LUMBER SUPPLIES	\$54.83	
MENARDS 3090	0674005X67433	2221	4186	A-33-LUMBER SUPPLIES	\$25.54	\$80.37
GRAYBAR ELECTRIC	0674005X67433	2222	3881	A-33-ELECTRICAL SUPPLIES	\$111.91	
GRAYBAR ELECTRIC	0674005X67433	2222	3881	A-33-ELECTRICAL SUPPLIES	\$231.14	\$343.05
SHERWIN WILLIAMS #4340	0674005X67433	2223	3850	A-33-PAINTS & PRSRVTVS	\$99.50	
SHERWIN WILLIAMS #4340	0674005X67433	2223	3850	A-33-PAINTS & PRSRVTVS	\$103.44	\$202.94
WW GRAINGER	0674005X67433	2224	4185	A-33-PLUMBING-HVAC	\$14.30	
MENARDS 3046	0674005X67433	2224	4185	A-33-PLUMBING-HVAC	\$232.98	
MENARDS 3046	0674005X67433	2224	4185	A-33-PLUMBING-HVAC	(\$82.99)	\$164.29
BOB'S WHOLESALE	0674005X67433	2225	3851	A-33-JANITORIAL SUPPLIES	\$260.50	
CAPITAL SANITARY SUPPLY	0674005X67433	2225	3851	A-33-JANITORIAL SUPPLIES	\$81.67	\$342.17
AMERICAN MARKING,	0674005X67433	2280	4186	A-33-SIGNS & POSTS	\$75.00	\$75.00
WW GRAINGER	0674005X67433	2496	4185	A-33-A/C HEATING-HVAC	\$249.48	\$249.48
WW GRAINGER	0674005X67435	2210	4185	A-35-HARDWARE SUPPLIES	\$224.42	
WW GRAINGER	0674005X67435	2210	4185	A-35-HARDWARE SUPPLIES	\$22.01	
WW GRAINGER	0674005X67435	2210	4185	A-35-HARDWARE SUPPLIES	\$16.83	
WW GRAINGER	0674005X67435	2210	4185	A-35-HARDWARE SUPPLIES	\$148.08	\$411.34
DOORS INC	0674005X67435	2210	4186	A-35-HARDWARE SUPPLIES	\$73.50	
GOLDEN VALLEY SUPPLY OF I	0674005X67435	2210	4186	A-35-HARDWARE SUPPLIES	\$4.72	\$78.22

## **Step 4: Verify**

Verify Statements against receipts, other transaction documentation, and the Transaction Detail Report (with allocation detail referenced in Step 3); make any allocation adjustments in Access Online before data is extracted.

Cardholders and/or Agency administrators have **15 CALENDAR DAYS from the Statement date** to re-allocate in Access Online. This is the "Allocation Window." Data is extracted on the 16th day.

#### Sample Extraction Schedule

<u>Date</u>	<u>Activity</u>	<u>Day</u>	<u>Date</u>	<u>Activity</u>	<u>Day</u>	<u>Date</u>	<u>Activity</u>	<u>Day</u>
9/20	Cycle Ends	0	9/26	Allocate	6	10/2	Allocate	12
9/21	Allocate	1	9/27	Allocate	7	10/3	Allocate	13
9/22	Allocate	2	9/28	Allocate	8	10/4	Allocate	14
9/23	Allocate	3	9/29	Allocate	9	10/5	Allocate	15
9/24	Allocate	4	9/30	Allocate	10	10/6	Data Extraction	16
9/25	Allocate	5	10/1	Allocate	11			

Remember: PRCs are only as accurate as the accounting strings provided. Only matching line items (accounting strings and comments) will roll-up.

## Step 5: Extract

Once data has been extracted and uploaded into Iowa Advantage, PRCs will be generated to cross-reference with the Managing Account Statement and Transaction Detail Report. To locate draft PRC document(s), enter the following:

- Code = PRC
- Dept = your department number
- Unit = enter if applicable
- ID = PRC + Dept # + today's date
- Create User ID = unapproved
- Phase = Draft

The **Managing Account Statement** consists of three sections of numeric data:

#### 1) Corporate Account Summary

The <u>Corporate Account Summary</u> contains company ID, previous balances, new balances, plus current transactions, credits and other charges included in the other 2 sections. The blocks of data relevant for PRCs are "Purchases and Other Charges" and "Credits".

		CORPOR	ATE ACCO					
	Previous Balance	Purchases And Other + Charges +	Cash Advances	Cash Advance Fees +	Late Payment Charges	- Credits	- Payments	New = Balance
Company Total	\$17,488.28	\$22,258.97	\$0.00	\$.00	\$0.00	\$343.00	\$17,488.28	\$21,915.97

### 2) Corporate Account Activity

The <u>Corporate Account Activity</u> includes payments received and adjustments made by U.S. Bank (late fees, charge-offs, payments, or reapplied payments). Sample shown; this information is <u>not</u> included in the PRCs.

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			TOTAL CORPORATE ACTIVI \$17,488.28 C	TY R
Post Date	Reference Number	Transaction Description		Amount
04-16 04-17		PAYMENT - 000030180 00000 A PAYMENT - 000030180 00000 A		6,127.41 PY 11,360.87 PY

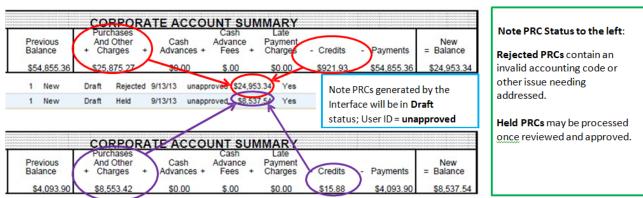
#### 3) New Activity

The <u>New Activity</u> section consists of all cardholder transaction data (merchant purchases and credits). Since PRCs are generated from the Managing Account's New Activity, all of these are included in PRCs.

Cardholder N Card Number		\$0.00	PURCHASES \$1,014.22	CASH ADV \$0.00	TOTAL ACTIVITY \$1,014.22	
Post Tran Date Date	Reference Number	Trans	saction Description			Amount
03-21 03-20 03-24 03-21 03-27 03-26 03-31 03-28 04-02 04-01	24717054080690800 24019514082605400 24270764085286024 24755424088730888 24717054092690920	493843 AME 300136 PLUN 917982 WW		SUPPLY DES MOINES NY DES MOINES IA 2594 PA	S IA	99.46 39.95 140.00 29.10 16.25

#### **Review Statement**

Check totals first. Generally speaking Purchases & Charges minus Credits on your Managing Account Statement and Iowa Advantage PRC totals should MATCH. (In both examples below the New Balance matches the PRC, but depending on the previous balance, other charges, credits, and payment, that may not always be the case.



Be sure to cross-reference individual Statement charges, Transaction Detail Report and PRC accounting lines to ensure data was accurately received. If there is a discrepancy, the Managing Account Statement detail and Transaction Detail Report should help you identify it.

- The PRC amount totals should match Purchases minus Credits on the Managing Account Statement.
- PRC accounting strings (and totals) should also align with the allocation totals in the Transaction Detail Report.

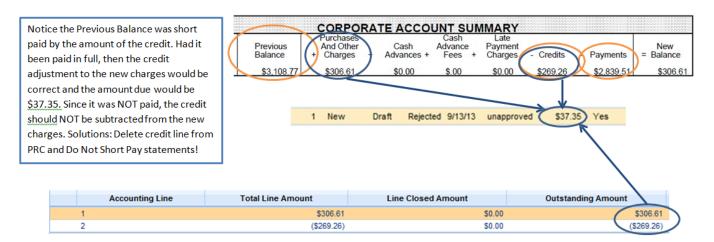
#### **WARNING:**

There are a few unique situations where the PRC and Managing Account Statements will not align ... see below.

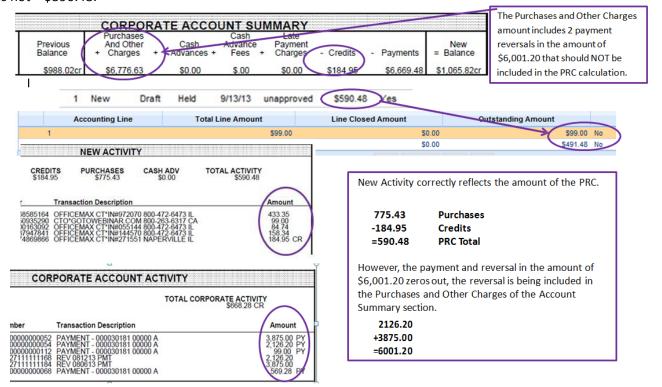
### **Unique Situations**— beware!

In the situations that follow, you will need to examine your statements and PRCs extra carefully.

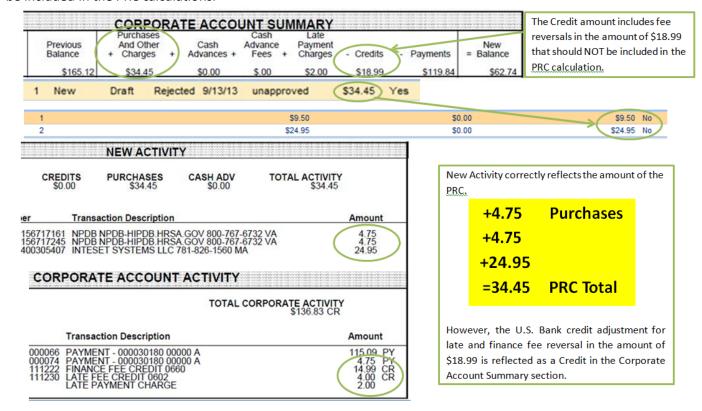
1) Prior Short Paid Statement: If a previous statement has been short paid (which is a no-no!), and the corresponding credit appears on the statement, it will need to be deleted from the PRC. Otherwise, the credit will be subtracted from the current charges and your PRC payment will be less than the actual amount due, for example...



**2) Misapplied payments:** An agency's Pcard and Travel Card accounts ALWAYS have separate Vendor Customer Numbers that must be reflected accordingly on the payment to ensure it is correctly applied. If a payment has been made to the wrong account and is later corrected, it will be reflected in the Corporate Account Activity section. In the following example, the PRC is correct even though Purchases and Other Charges minus Credits does not = \$590.48.



**3) Charge-offs:** Similarly, late fees or finance charges accessed and credited by U.S. Bank should <u>not</u> be included in the PRC calculations.



### Step 6: Pay

Proceed with internal approvals for processing PRC payments.

#### Remember:

- The interface process is only for Pcard accounts not Travel Card
- Pcard payments must be made via PRC (TP for Travel Card)
- Pcard account and Travel Card accounts have different Vendor Customer #s (VCN) make sure the correct Pcard VCN is referenced on PRC to avoid misapplied payments. (Reference Travel Card account VCN on TP.)
- Payment terms are net 30 days. Accounts must be paid in full—including fraud and disputed charges—or ALL CARDS in the Managing Account will be suspended and fees assessed at 60 days.

1) Purchase 2) Allocate 3) Print 4) Verify 5) Extract 6) Pay





Thank you for participating in the State of Iowa Purchasing Card Program! If you have any questions, please ask us:

<u>Jim Harris</u>, 515-745-2526 <u>Heather Johnson</u>, 515-321-5284