

Welcome to the State of Vermont

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Purchasing Card Program Training Overview



What is a Purchasing Card?

- Visa Credit card issued by Bank of America for the State of Vermont.
- The Purchasing Card can be used with any vendor that accepts Visa as a form of payment.
- The card will enable you to purchase non-restricted commodities and services, by telephone or in person, fax, and internet from participating vendors.

Why?



- The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases.
- The program is designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in paperwork and processing time at all levels.

Oversight



- Network of people from both Bank of America and the State of Vermont.
- Oversight of the program includes:
 - Treasurer's Office
 - Finance and Management
 - Buildings and General Services

Who's Who on the Team



- **State of Vermont Program Administrator**
 - Debbie Damore
 - Phone: 802/828-5784
 - Fax: 802/828-2222
 - Responsible for Statewide Implementation
 - Policies and Procedures
 - Audit
- **Agency Administrator**
 - Responsible for Daily Operations within the Agency

How to Use the Purchasing Card:



- The Purchasing Card works just like your personal credit card, except the State of Vermont pays all charges in full. Your use of the card does not affect your credit rating in any way.
- The Purchasing Card is authorized for purchasing and paying for non-contract transactions with a total value of \$3,500.00 or less per transaction.
- The Purchasing Card is authorized as a form of payment on contracts that have been identified and approved by Purchasing. As such higher transaction limits are approved as there are no specific transaction limits when purchasing from an approved contract.

How to Use the Purchasing Card:

- Please ensure you work with your Department Administrator to have the higher limits set. Such contracts appear on the Purchasing Card Approved Contract Listing on the web at: <http://bgs.vermont.gov/sites/bgs/files/pdfs/purchasing/BGS-Purchasing-Pcard-contracts.pdf>. The Purchasing Card Approved Contract Listing is updated on a quarterly basis. Note: It is your responsibility to verify contract pricing on items and to ensure that the items are received when using the Purchasing Card.

How to Use the Purchasing Card:



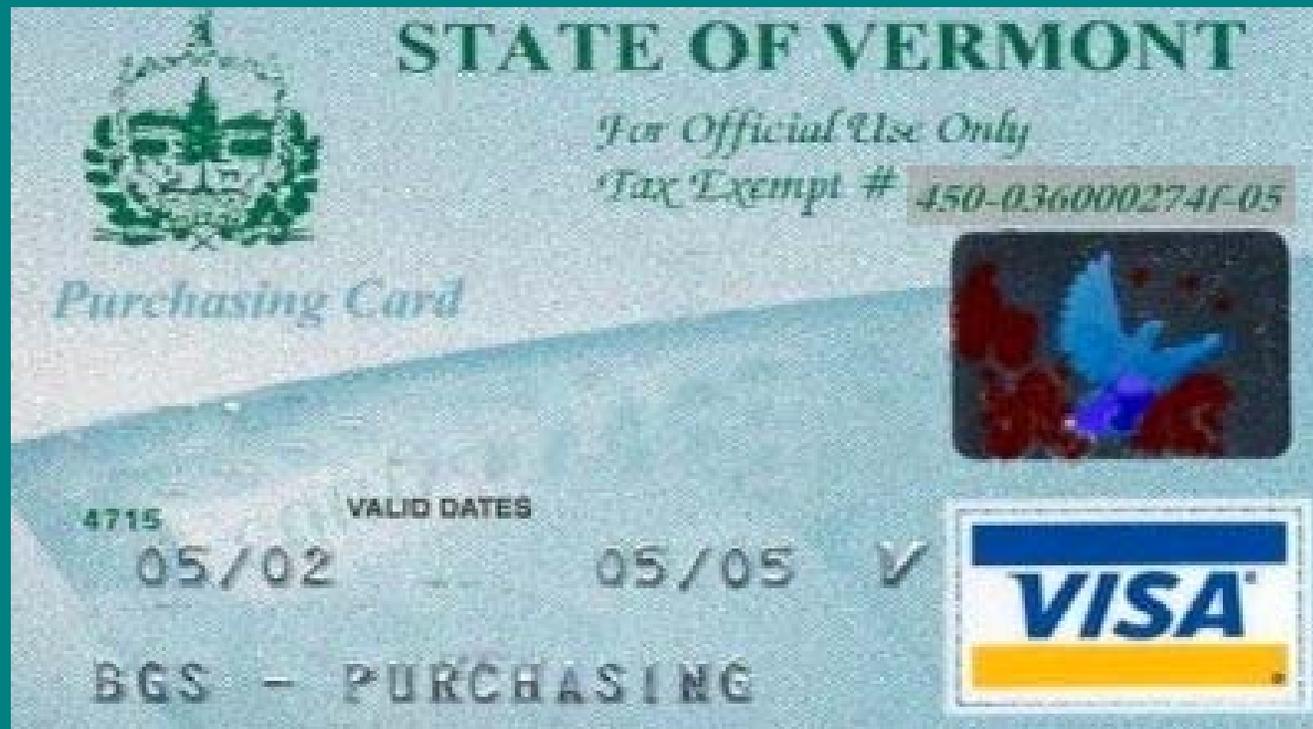
- The Purchasing Card is authorized as a form of payment for Travel Expenses, for certain Users. If you have this authorization, the Purchasing Card may be used to purchase airline tickets, hotel room and tax, and car rentals. Entertainment expenses, including restaurants are not permitted.

How to Use the Purchasing Card:



- The Purchasing Card may be used as a form of payment for state sponsored activities and/or events such as catering needs for jurors, etc. In such instances, Agencies/Departments must receive prior authorization from the State of Vermont Program Administrator.
- Many items purchased under Blanket Delegation of Authority #1 (BDA#1) may be purchased using the card.

What does a Purchasing Card Look Like?



Control Features Make the Program Unique



- There are control features built into the Purchasing Card Program.
- The cards are issued in an employees name and cannot be used by anyone else.
- Each Agency/Department defines its controls within the parameters of the State of Vermont guidelines.
 - Transaction Limits
 - Restricted Vendors
 - Credit Limits

Benefits



- **Efficient:**
 - Better method for cardholders to make authorized purchases directly from a vendor.
- **Effective:**
 - Empowers employees with purchasing authority.
 - Expedites receipt of goods and services.
 - One Invoice, one Payment.
- **Electronic:**
 - Software for Management Reporting.
 - Vendors are paid within 48-72 hours.

Cardholder Benefits



- Convenient.
- Orders are placed faster.
- Allow for a broader range of Vendors.
- Simplifies the purchase process
- Adds accountability.

Management Benefits



- Web-based Management Tools (WORKS)
- Transaction Data Received Electronically to the Desktop
- Analyze Activity
- Allocate Expenses
- Exception Reporting

State of Vermont Benefits



- Cost-efficient, alternative method for purchasing low-dollar supplies and services.
- Savings in time and money can be substantial.
- Reduce the number of checks processed to multiple suppliers by issuing one payment each month to Bank of America.

Vendor Benefits



- Vendor receives payment directly from Bank of America within 48-72 hours.
- Invoicing the State is eliminated.
- Guaranteed payment.
- Increased business.

Purchasing Card Use

- Purchase non-contract commodities, and services with a total value of \$3,500.00 or less per transaction.
- Purchase non-restricted commodities, and services on contract that have been identified and approved by Purchasing. Higher transaction limits are approved as there are no specific transaction limits when purchasing from an approved contract.
- Transaction limit assigned to each card may vary.
- Transaction limit established by each Cardholder's Manager.

Purchasing Card Use (continued)

- Not intended to avoid or bypass appropriate purchasing or payment procedures.
- Misuse may be cause for immediate cancellation of the Card.
- Many items purchased under Blanket Delegation of Authority #1 (BDA#1) may be purchased using the Card.

Methods of Purchasing



- Telephone Order
- In Person
- Internet
- Mail Order

Guidelines for Use



- Certain types of Vendors are restricted.
- By designating each Vendor type as allowable or restricted, a cardholder is blocked out at the point-of-sale for all unauthorized merchant types.

Guidelines for Use (continued)

- Please refer to the List of Restricted Vendors in the Cardholder User Guide for the types of vendors at which the Purchasing Card may not be used.
- **IMPORTANT NOTE:** Just because a vendor may not be restricted, it does not mean that it is an acceptable purchase.

Guidelines for Use (continued)

- If you present your Purchasing Card for payment to the Vendors on the Restricted List, the authorization request may be declined.
- If you feel a particular Vendor should be added or deleted, contact the Program Administrator.

Guidelines for Use (continued)

- Entertainment expenses, including restaurants are not permitted.
- MAY be used to purchase airline tickets.
- May NOT be used for cash transactions, to receive cash credits or to make non-business, personal purchases.

WORKS



- Web-based card management system that captures all Purchasing Card transaction data.
- Administrative and accounting tasks associated with the Purchasing Card Program are performed online with WORKS.

Completing a Purchasing Card Transaction



- Determine if the transaction is an acceptable use of the card, and if it is within the spending limits assigned to your card.
- Ensure the materials to be purchased are not on the list of items that must be procured through normal Purchasing Department Procedures.

Completing a Purchasing Card Transaction (continued)

- The vendor will require the following information:
 - Name
 - Purchasing Card Number and Expiration Date
 - State of Vermont Sales Tax Exempt Status (printed on the face of your Purchasing Card).
- Always obtain a copy of the charge slip, sales receipt and/or packing slip.

Completing a Purchasing Card Transaction (continued)

- If you place an order over the Internet there should be a screen showing exactly how much your card will be charged, including shipping. Print this page from your browser. At time of order placement, complete all required information on the Purchasing Card Transaction Log.
- Shipments to your home are not allowed.

Receipts



- In every situation, the Cardholder is required to obtain a receipt when using the Card.
- It is the cardholder's responsibility to ensure there is a receipt for each purchase.
- If a receipt is unavailable, please contact your Program Administrator. A replacement receipt form may be available if required. The form should be the exception not the rule.

Purchasing Card Transaction Log



- Purchasing Card Transaction Log/Envelope has been provided for each Cardholder.
- Intended to provide assistance as well as an additional method for expenditure tracking while using the Purchasing Card.
- Works as a summary of purchases for a given billing cycle.

Purchasing Card Transaction Log (continued)

- Keep receipts in the Purchasing Card Transaction Log/Envelope.
- Cardholders are required to use a new log for each month's purchases. Record in the log each time a purchase is made.
- The billing cycle for the State of Vermont ends of the 10th of each month.

Disputes/Problem Resolution

- Cardholders should be aware of dispute procedures.
- Should a problem arise with a purchased item, service or charges, the Cardholder should always attempt to resolve any disputes or billing errors directly with the Vendor. In most cases, the Vendor will issue a credit to the Purchasing Card account.
- Nearly all issues can be resolved using this process.

Disputes/Problem Resolution (continued)

- If you are unable to obtain an acceptable resolution, the Cardholder should contact the Agency Administrator for further assistance.
- Bank of America may request you to mail or fax to 1-800-253-5846 a signed Dispute Form to document the reason for the dispute. Bank of America must be notified within 60 days.
- The Bank of America Dispute Form is included as an attachment to the Cardholder User Guide.

Cardholder Responsibilities



- Adhere to the State of Vermont Policies and Procedures for Card use. Refer to the Cardholder User Guide.
- Maintain card security to prevent unauthorized charges against the account.
- Obtain a receipt at the point of purchase and verify it for accuracy. Retain receipts and charge slips.

Cardholder Responsibilities (continued)

- Immediately notify Bank of America if card is lost or stolen.
- A Purchasing Card Transaction Log/ Envelope will be provided for all credit card receipts. These receipts must be sent to your Accounts Payable Individual at the end of each billing cycle.

Payment



- Once the vendor accepts the card and receives authorization, dealings with the vendor are complete.
- The vendor typically receives payment with 48-72 hours of the transaction.
- All purchases are consolidated onto one central bill.
- Vendors are paid promptly.

Training Documents



- The on-line training provided was an overview and highlights the overall program.
- The Cardholder User's Guide is available on-line at <http://bgs.vermont.gov/purchasing/pcard> and provides access to all policies and procedures regarding the Purchasing Card Program.
- It is critical that you fully review the Cardholder User Guide. When signing the Cardholder Agreement you are acknowledging that that you have read, understand and agree to comply with all Purchasing Card policies and procedures.

Summary



- Thank you for participating in the Training.
- In order to receive your Purchasing Card and get started, please sign and return the Cardholder Agreement provided by your Agency Administrator.
- Do not hesitate to contact your Agency Administrator for any questions you may have.