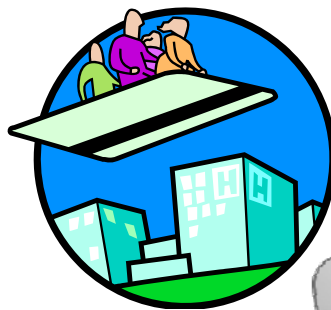


**STATE PROCUREMENT OFFICE
2014 PROCUREMENT TRAINING
FOR
STATE & COUNTY PURCHASING PERSONNEL**

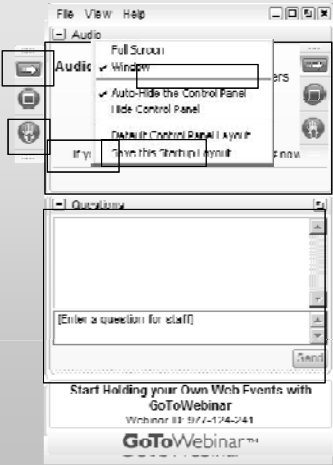
pCard Overview & Updates



THE GOTOWEBINAR ATTENDEE VIEW



HOW TO PARTICIPATE TODAY



- Open and close your Panel
- View, Select, and Test your audio
- Submit text questions
- Raise your hand
- Q&A addressed at the end of today's session

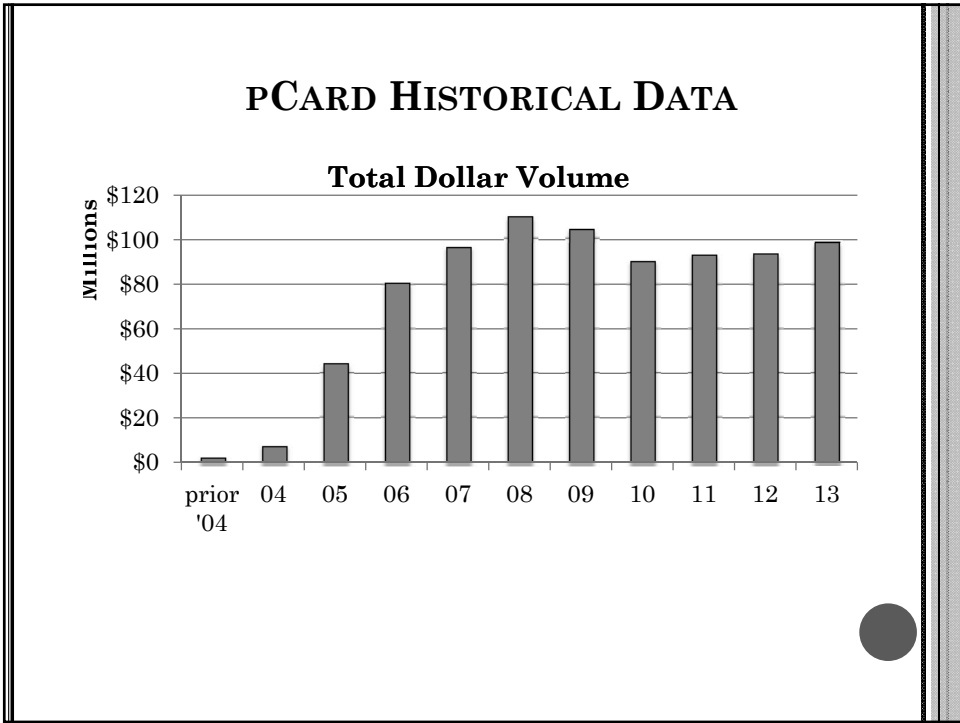
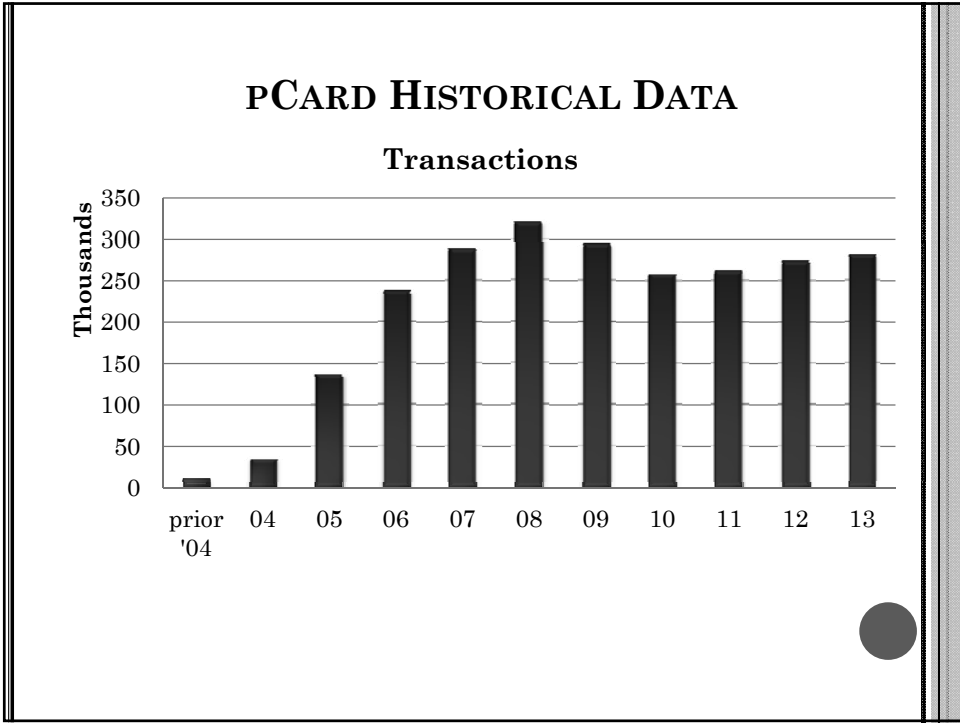
CITRIX GoTo

STATE OF HAWAII P-CARD PROGRAM

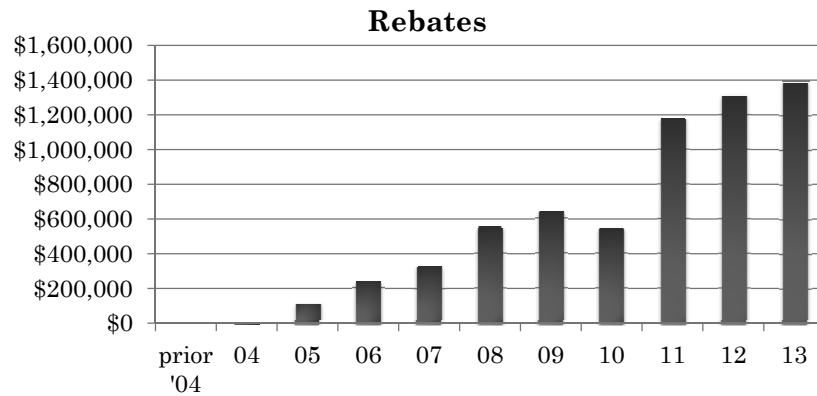


RFP 01-085-SW, Awarded to First Hawaiian Bank , 2002 - 2010

RFP 09-039-SW, Awarded to First Hawaiian Bank, 2010 – 2014
with options to extend to 2018



PCARD HISTORICAL DATA



WHAT IS THE PURCHASING CARD (PCARD)?

- Corporate Liability MasterCard with First Hawaiian Bank
 - In the employee's name – no personal liability
 - Paid by the jurisdiction
- **Alternate form of payment for authorized purchases only**
- **Does not change the procurement process**
 - Comply with procurement rules & policies
 - i.e. PC 2009-15, Small Purchase Guidelines (includes SPO 10)
 - Comply with department's internal procedures & policies
 - Comply with Program Manual (10/04)
 - Abide by pCard Cardholder's Agreement (rev. 4/22/08)
 - Comply with Act 190, HCE (Hawaii Compliance Express) compliance documents for purchases of \$2,500 and more.
- **Cardholder must have appropriate procurement delegation and training (i.e. Small Purchase delegation & Training, PL/VL Workshop etc.)**

USAGE REQUIREMENTS

- Mandatory method of payment for purchases under \$2,500
- Exceptions
 - Utilities
 - Petty cash
 - Vendor does not accept pCard
 - Payment for partial services
 - Payment required prior to services rendered (except airline tickets)



CARDHOLDERS' RESPONSIBILITIES

- pCard Security
- Use for authorized purchases only
 - Statewide blocks on Merchant Category Codes (MCC)
 - Financial services/cash withdrawals
 - Entertainment/recreation
 - Automobile gasoline (gas card price list)
 - Food
 - Hotels (traveler uses per diem)
 - Laundry/cleaning services
 - Other departmental blocks




CARDHOLDERS' RESPONSIBILITIES

- Obtain purchase documentation
 - Sales receipts, packing slips, online print receipt
- Verify purchases
- Log transaction (manually or online)
- Review transactions
 - Appropriation codes, object codes, cost center, description of purchase
 - Recommend at least once a week


CARDHOLDERS' RESPONSIBILITIES

- Resolve statement errors & disputes
 - Work with merchant to correct discrepancy
 - Submit dispute form with FHB if necessary
 - Unauthorized purchases
- Reconcile account
 - Certify accuracy by signing statement
- Report lost or stolen card immediately
 - Call FHB customer service
 - Report to department pCard administrator
- Return pCard upon change in employment

Cardholders' Responsibilities

- Try your best to resolve the situation directly with merchant/vendor.
 - Keep a log of when you call, who you spoke with, what was discussed.
 - Follow instructions on the back of your statement.
- 

Timeliness & Consequences

- Financial institutions assess late fees and charge finance fees when payments are not received in time.
 - To avoid these fees, which amounts to thousands of dollars, please adhere to the dates established by your department to submit your reconciliation reports.
- 

Emergency pCard

- Purchases shall only be used in conjunction with Governor's Emergency Proclamation
- Under direction of department's Emergency pCard procedures



CARDHOLDER LIABILITY

- Failure to comply with Purchasing Card Program & Procedures and agency's policy & procedures
 - Revocation of pCard privileges
 - Disciplinary action for misconduct
- Former employee may be responsible for pay all legal fees incurred by State to prove employee's liability



COMMON ISSUES & CONCERNS

o Denied transactions

- Exceed credit limit
 - Wrong expiration date
 - Invalid CVI code (3 digit code on the back of the card)
 - Blocked merchant category code
- **NOTE: If you do not see the transaction then that means the transaction never reached FHB. Have the merchant try again or call their merchant processing bank.**



Common Issues & Concerns

(continued)

• UNLOCKING ACCOUNTS/RESETTING PASSWORDS

Users are to contact program administrators to have their accounts unlocked or password reset.

FHB Customer Service is unable to assist cardholders directly. For security purposes, we are only authorized to communicate with authorized Point of Contacts.



Microsoft Windows Internet Explorer

SUPPORTED BROWSERS

Version 7, 8 or 9

If cardholders are using Internet Explorer 10, then they will probably have to click on the compatibility button which is located to the right of the url bar.

View any site with ease
Newer sites quickly display websites that were designed for older browsers. If you're looking at a page and the text or images aren't lining up right, just use the new Compatibility View button next to the Refresh button in the Address Bar.

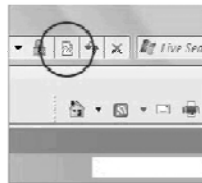


PHOTO ID LETTER FOR NEW CARDHOLDERS


Mandatory Photo ID
Notification to State of Hawaii photo ID cardholders

Instructions for Cardholder

This document confirms that your application for a new First Hawaiian Bank (FHB) has been initiated and processed. Pursuant to Procurement Circular, AC200806, Amendment 1A, State of Hawaii (SOS) requires that applicants have their photo taken at their bank.

Please visit any First Hawaiian Bank branch to have your photo taken and be sure to bring a photo ID for positive identification. To simplify the process, please bring this form with you and provide it to the branch employee to have your picture taken.

INSTRUCTIONS FOR FIRST HAWAIIAN BANK BRANCH

1. Visit any First Hawaiian Bank branch to have your photo taken.
2. Have cardholder complete Photo Card per standard branch procedure (leave account number blank).
3. Review photo card to ensure that the cardholder's name and the new account box are both checked and their photo is taken, transfer file as per normal, only wait so that we are able to issue the card as soon as possible.
4. Advise customer that card should be received within the next 7 business days.

Details of Photo Card

Account Number	Account Type	Account Status	First Name	Last Name	Photo Card Number
			Lee Cardholder	State of Hawaii	01-234567
Account Name	Account Address	Account City	Account State	Account Zip	Account Phone
			optional		Lee Cardholder

First Hawaiian Bank



ZERO LIABILITY

What is Zero Liability?

Credit cards are a handy way to pay for purchases, but unauthorized or fraudulent transactions may appear on the account.

Unlike other traditional forms of payment, the pCard limits the liability for the cardholder and the State. The FHB Corporate MasterCard limits the liability for the company as long as the bank is notified of unauthorized usage within the time required.

Charges that are engaged by the cardholder are considered to be authorized and would not be covered by this benefit.

21

WHO COVERS THE LIABILITY?

The MasterCard Association has set that the maximum amount that a cardholder can be held liable is \$50.00.

Instead of making the cardholder liable, First Hawaiian Bank absorbs the \$50 deductible resulting in no losses to the cardholder or the State.

What should a cardholder do?

If an unauthorized transaction is found on the account, then the cardholder must file a dispute through the bank.

A transaction is unauthorized when the cardholder has not engaged with the merchant for the transaction.

22

Zero Liability Applicable As Long As . . .

- ❑ The cardholder notifies the bank in time.
- ❑ The card is blocked and replaced with a new number.
- ❑ The cardholder provides the necessary information to the bank.

The cardholder and the state will not be held liable for unauthorized transactions on the account.

23

ZERO LIABILITY TIPS...

- ❑ Exercise reasonable care in safeguarding your card from unauthorized use.
- ❑ Review Statements Monthly
- ❑ Notify the Bank immediately if questionable charges appear.

24

DISPUTE PROCESS

As cardholders review their transactions, they may find a questionable charge or discrepancy on your bill. These may often be resolved directly with the merchant.

If the charge is fraudulent or you are unable to resolve with the merchant, then the cardholder may file a dispute through the bank.

25

TYPES OF DISPUTES

- Fraudulent/Unauthorized Transactions
- Unrecognized Transactions
- Merchandise/Credit Not Received
- Cancelled Transaction
- Duplicate Charge
- Overcharge/Paid by Other Means

If the transaction was initiated by the cardholder, please contact the merchant first.

26

DISPUTE PROCEDURES

- Notify the Bank
 - The bank **must** be notified within 60 days of receiving the statement.
 - Cardholders can call 847-4444.
 - Administrators can send emails to comlcard@fhb.com.
 - If the charge is fraudulent, the card will need to be transferred to a new number to prevent future unauthorized usage.

27

REQUIRED INFORMATION

- What transaction are you disputing?
- Why are you disputing the charge?
- Have you attempted to contact the merchant?
- Do you have supporting documentation?

Note: Dispute documentation must be signed by the cardholder, not the administrator.

28

FIRST HAWAIIAN BANK'S ROLE - INVESTIGATION

- Review Dispute and Documentation
- Contact the Customer if more information is required.
- Work within the Dispute Rules and Regulations set by MasterCard Worldwide.

31

RESOLUTION

- If the Dispute Rules and Regulations allow the dispute, then the bank will process a chargeback (reversal) for the transaction.
- If the merchant does not challenge the dispute, the case is considered resolved and a credit will appear on the account.
- If the merchant challenges the dispute, the bank will send a letter to the cardholder and enclose copies of the merchant's response.
- In order to proceed further, the cardholder must respond.
- Upon resolution of the dispute, a letter will be sent to the cardholder.

32

DISPUTE SUMMARY

- ❑ Review Your Statements Monthly
- ❑ If transaction is authorized, please contact the merchant first.
- ❑ Notify the Bank immediately if you need to dispute a charge.
- ❑ Cardholders (not 3rd parties) should submit all requested documentation in a timely manner.

33

PROGRAM REVIEW

- Commercial account setup
 - Standard form for new account setup (check with dept. administrator for custom form)
- Deactivation of unused cards (except Emergency pCards)
 - Accounts closed if no activity for 12 months
- Online statements
- Black plastic for all new & re-issued cards
- MCC listing available on the SPO website

SPO-035, REQUEST TO USE P CARD FOR BLOCKED PURCHASES

- o SPO-035, Request to Use pCard for blocked purchases
 - Applicable to all jurisdictions
 - Requires departmental pCard administrator & department head approval
 - Submission in a timely manner (**minimum 7 business days** prior to event) Include Comptroller approval if applicable
 - Requires CPO approval
 - Approved CPO approval e-mailed to pCard provider for action
 - Use most current form available on the SPO website

SPO-035 (SAMPLE)



STATE PROCUREMENT OFFICE
Request To Use Purchasing Card
For Blocked Purchase

(To be submitted 7 calendar days prior to effective date)

13 FEB 19 P2 25
STATE PROCUREMENT OFFICE
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Hazard Evaluation & Emergency Response Office
Name of Requesting Department

1 Cardholder Name(s) Emilia Maurilio	2 pCard Number(s) (last four digits only): **** * 0481
3 Expense Description: Intra State Transportation	
4 Merchant Category Code: 2999	5 Effective Date(s): 2/22/2013
6 Justification: (Include authority to purchase blocked items, rules, Comptroller approval, etc.) Paul Chang to attend Makani Bombing Range MMR meeting, 2/26/13, Use of Makani Keli helicopter.	
7 Direct questions to: Janice Ramelb Phone: 508-6249 Email: janice.ramelb@doh.hawaii.gov	

* Dept. pCard Administrator Recommends Approval.

Name: Luna Santos	Title: Procurement & Supply Specialist
	Date: 2/11/13
Signature of pCard administrator	

I certify that the information provided above is to the best of my knowledge, true and correct, and understand that all approvals/requirements for these expenditures are the responsibility of the department.

 Department Head Signature	Date: 2/14/13
--	---------------

SPO-035 (SAMPLE)

RESERVED FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer (CPO) Comments

This approval is only for the unblocking of MCC 7999 for Emilia Mauricio for February 23, 2013 to allow the use of the purchasing card as the method of payment. This approval does not cover authorization for any item(s) being charged to the pCard. Any and all approvals, requirements and internal controls for these expenditures are the responsibility of the pcard holder and the department. If there are any questions, please contact Bonnie Kahakui at 587-4702, or bonnie.a.kahakui@hawaii.gov.

APPROVED

DISAPPROVED

NO ACTION REQUIRED

James S. J...
Chief Procurement Officer

2/20/2013
Date

SPO-035 (Rev. 2/1/2012)

14 Reference No: *12-100507*

CARDHOLDER SECURITY

Card Security Features



Sign your card immediately upon receipt!

Unsigned card is not valid.

Do NOT write 'see ID' only, as counterfeit IDs are easily made.

You can sign AND write "see ID"



Card Security Features




Enter Customer Service phone number in your cell phone, so you can report a lost or stolen card in a timely manner.

Signature panel contains the last 4 digits of the account #, plus a 3 digit CVI number (card verification indicator). Often used for mail, telephone & online orders.


•Do NOT write card's secret code on card or keep in wallet.




Cardholder Security

- Self police your accounts, both personal and business.
 - Check balances and activity regularly.
 - Advise Customer Service of Out of State travel (i.e. dates and destination).
 - Immediately notify card issuer of any unauthorized transaction.
- 


7 COMMON TYPES OF CARD FRAUD

- Stolen Cards
 - Card Not Present Transactions
 - Identity Theft
 - Account Takeover
 - Skimming
 - Phishing / Vishing
 - Merchant Database Compromise
- 

BEST WAYS TO PROTECT YOURSELF

- Sign your credit cards
 - Shred your mail
 - Keep an eye on your credit card
 - Never respond to emails, websites, or text messages requesting that you call or input your account number, expiration date and PIN
 - Keep a list of customer service numbers from the backs of your credit cards separately or on your cell phone in case of loss
- 

BEST WAYS TO PROTECT YOURSELF

- Only carry around the cards that you need
 - Reconcile monthly
 - Report unauthorized charges promptly
 - Never lend a credit card to anyone else
 - Notify your card issuers in advance of travel (especially international) and change of addresses
- 

SPO INFORMATION
hawaii.gov/spo

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