

STATE PROCUREMENT OFFICE

PURCHASING CARD (P-CARD) PROGRAM GENERAL OVERVIEW

The purchasing card program is similar to a credit card, designed to streamline the state and county government's small purchase payment process. It replaces the laborious and costly purchase order system by allowing employees to charge small purchases from vendors using the pCard without having to prepare a purchase order, and thereafter process an invoice for payment. The cards are the property of the government, issued to responsible employees to make official purchases. The program improves management controls, provides expenditure data, increases purchasing efficiency, and allows payment to vendors by the card issuer generally within a few days of the purchase.

P-CARD OBJECTIVES

- ▶▶ To reduce administrative costs associated with purchase orders.
- ▶▶ To maintain and improve controls on purchasing activities.
- ▶▶ To capture detailed expenditure data on every transaction.
- ▶▶ To free up employees to perform more meaningful and productive program tasks.
- ▶▶ To enhance relationships with businesses.

P-CARD BENEFITS TO THE STATE

- ▶▶ Eliminates purchase orders and processing of individual invoices.
- ▶▶ Eliminates individual checks to vendors – one monthly check to financial institution.
- ▶▶ Increases efficiency for the state & business community.
- ▶▶ Available default codes (division/section, object and job numbers, accounting codes, merchant category codes, etc.) pre-assigned to the pCards; and may be adjusted for each transaction.
- ▶▶ Reduces expenses = a purchase order costs between \$100-\$150 to process.
- ▶▶ Improves efficiency = 80% of the checks volume represents 20% of expenditures.
- ▶▶ Significantly reduces late payment fees.
- ▶▶ Increases available time for core activities.
- ▶▶ Efficient purchasing by empowering employees to obtain required or needed goods and services.

P-CARD BENEFITS TO BUSINESSES

- ▶▶ Expedient payment within 3 days versus within 30 days.
- ▶▶ Less costs due to eliminating invoicing, accounts receivables, and deposits.
- ▶▶ No credit risk to businesses.
- ▶▶ Enhances customer relations and generates more business.
- ▶▶ Improves businesses cash flow because payment is received within a few days.
- ▶▶ Increases efficiency for the business community.