

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

pCard Overview & Updates



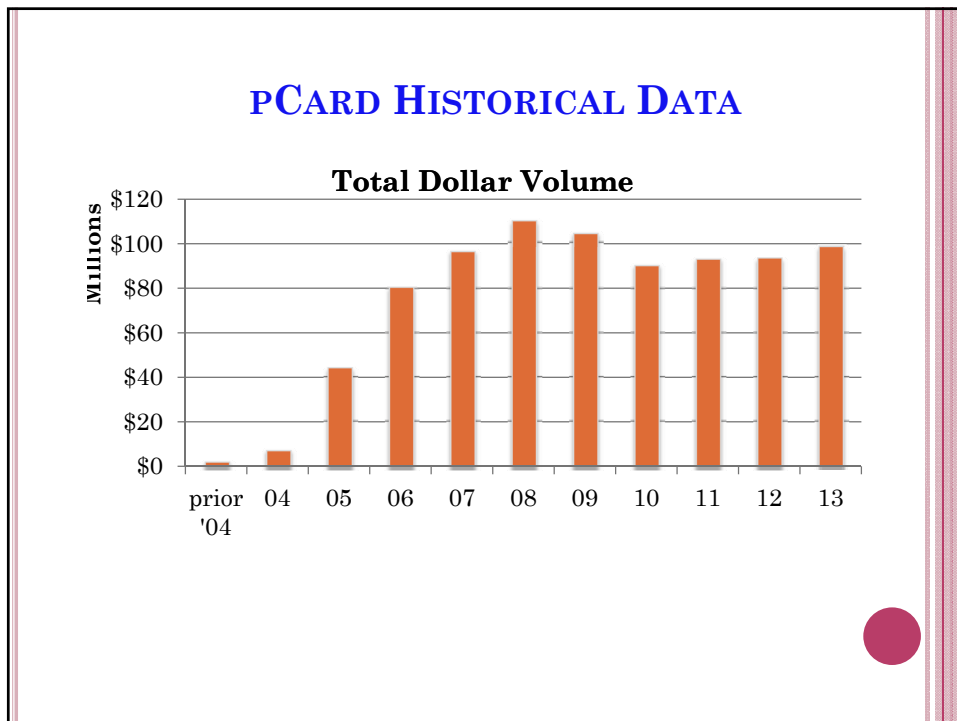
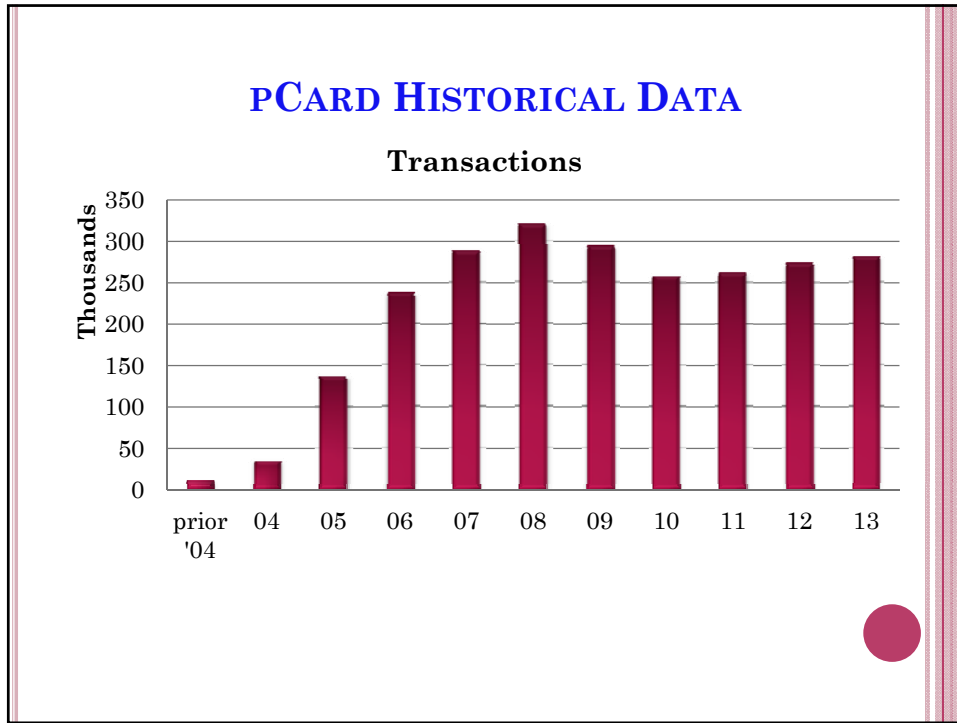
STATE OF HAWAII P CARD PROGRAM

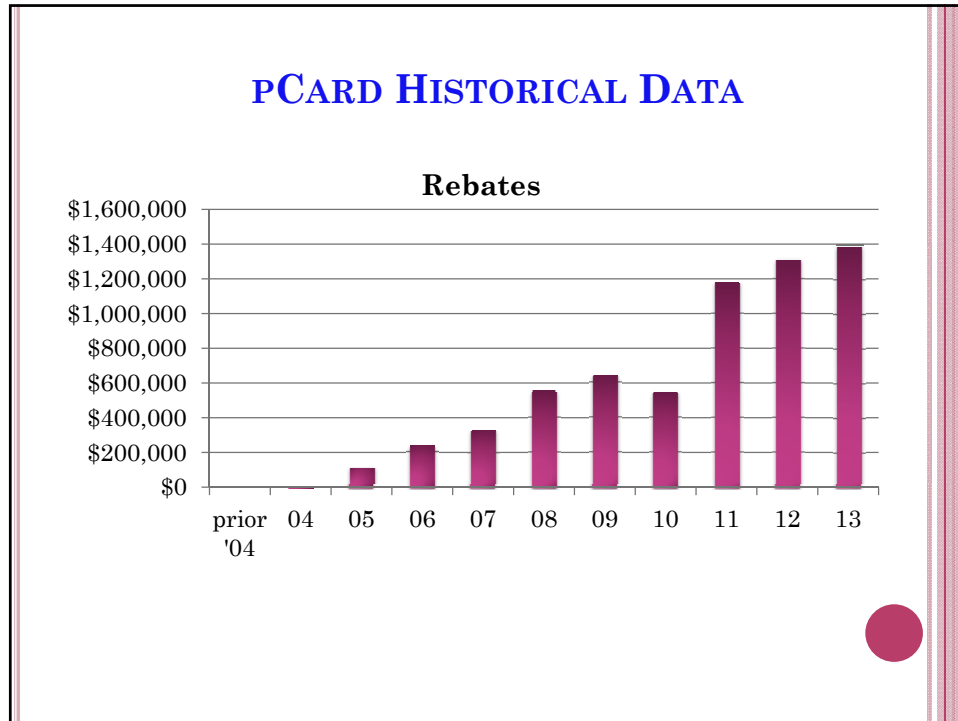


RFP 01-085-SW, Awarded to First Hawaiian Bank , 2002 - 2010

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







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, subscriptions, registrations etc.)



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 (keep a log of when you call, who you spoke with, what was discussed)
 - 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

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

- 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 the department administrators to have their accounts unlocked or password reset.

FHB Customer Service is unable to assist cardholders directly. For security purposes, they 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

Now you can quickly display websites that were designed for older browsers. If you're looking at a page and the text or images aren't lined up right, just use the new Compatibility View button next to the Refresh button on the Address Bar.

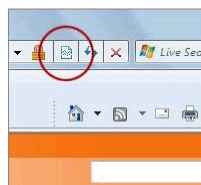


PHOTO ID LETTER FOR NEW CARDHOLDERS



**Mandatory Photo ID
Notification to State of Hawaii pCardholders**

Instructions for Cardholder

This document confirms that your application for a new First Hawaiian Bank pCard has been received and processed. Pursuant to Procurement Circular, PC2009-06, Amendment 16 State of Hawaii pCardholders are required to have their picture added to their card.

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. Validate Customer's identity against photo id provided.
2. Have cardholder complete Photo Card per standard branch procedure (leave account number blank).
3. Review photo card to ensure that the Corporate Box and the new account box are both checked on.
4. After photo is taken, transmit file as part of normal daily work so that we are able to issue the card as soon as possible.
5. Advise customer that card should be received within the next 7 business days.

Example of Completed Photo Card

Type of Card (Please check one)	<input type="checkbox"/> Consumer	<input type="checkbox"/> Business	<input checked="" type="checkbox"/> Corporate	FIRST HAWAIIAN BANK Mandatory Photo Card Mandatory Account Number
Account Number				
Name (please print)	Lee Cardholder			01-234567
Company Name (If Not Applicable, Only)	State of Hawaii			(LOCAL BRANCH)
Account Number	Optional			
New Photo Taken	<input checked="" type="checkbox"/>			Lee Cardholder
Reason for Photo	<input checked="" type="checkbox"/> New Account <input type="checkbox"/> Change of Job Cardholder <input type="checkbox"/> Other			Please allow 7-10 days. 808.533.3333

If any questions, please contact either Kim Chan at 808.884.2154 or Lynn Williams at 808.884.6837 or the First Hawaiian Bank Commercial Card Department.



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.

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.

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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.

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ZERO LIABILITY TIPS...

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

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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.

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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.

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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.

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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.

CENTRESUITE DISPUTE FORM

HOME Statements Accounts Reports Expenses Administration Help LOG OFF

Reports > Standard Reports

Standard Reports

Click the report link to run or schedule the report.

Report Name	Number	Category	Description
Allocation Analysis Report		Account	Detail or summary of transactions by their
Cardholder Dispute Form	1220	Transaction	Form for disputing a card transaction
Cardholder Profile Report	5080	Account	An unformatted file of accounts with their e
Merchant Report	6100	Merchant	Detail or summary of all transactions sorte
Site Settings Audit Report	7100	User	Listing of modifications for selected sites.
Statement of Account Report	1200	Account	List of transactions sorted and grouped by
Transaction Report	1710	Transaction	Detail or summary of all transactions made
User Audit Report	5150	User	Listing of modifications for selected users.
User Profile Report	5100	User	Listing of pertinent data for selected users,

1220 Cardholder Dispute Form
 Run By: Kelly Smith
 Run Date: 10/28/2010 3:28:15 PM

CARDHOLDER DISPUTE FORM

CARDHOLDER INFORMATION

Linda Williams Acct#: 100122233331231
 Phone: 303-555-1111 Email: lwilliams@companyname.com
 Fax: _____

TRANSACTION INFORMATION

Merchant: MICHAELS #9851 Phone: _____ Reference #: 24610433213004003564549
 Tran Date: 5/2/2010 Tran Amt: \$15.42
 Post Date: 5/4/2010 Dispute Amt: \$15.42

DISPUTE INFORMATION

Reason for Dispute: I never authorized this transaction Type of dispute: Travel
 Provide: _____

REQUIRED SUPPORTING DOCUMENTATION

Contact your bank representative for information on where to send the supporting documentation.
 Required Supporting Documentation
 If you have a question, contact your bank representative.

SIGNATURE BLOCK

Cardholder: Linda Williams
 I am initiating this dispute on the behalf of the cardholder
 Name: _____ Relationship to cardholder: _____
 Phone: _____ Email: _____
 Signature: _____

- 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.

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.


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DISPUTE SUMMARY


- ❑ Review Your Statements Monthly
- ❑ If transaction is unauthorized, 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.

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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
 - Black plastic for all new & re-issued cards
 - Red plastic for all emergency pCard
 - MCC listing available on the SPO website
- 

SPO-035, REQUEST TO USE pCARD FOR BLOCKED PURCHASES

- 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 Mauricio	2 pCard Number(s) (last four digits only): **** * 0401
3 Expense Description: Intra State Transportation	
4 Merchant Category Code: 7999	5 Effective Date(s): 2/22/2013
6 Justification: (include authority to purchase blocked items, i.e. Rules, Comptroller approval, etc.) Paul Chung to attend Makanaia Bombing Range MMRP meeting 2/26/13... Use of Makani Kai helicopter.	
7 Direct questions to: Janice Ramelb Phone: 586-4249 Email: janice.ramelb@doh.hawaii.gov	

8 Dept. pCard Administrator Recommends Approval.

Name: Luna Santos	Title: Procurement & Supply Specialist
	Date: 2/19/13
<small>Signature of pCard Administrator</small>	<small>Date</small>

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.

	Date: 2/14/13
<small>Department Head Signature</small>	<small>Date</small>

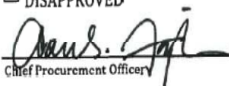
SPO-035 (SAMPLE)

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.

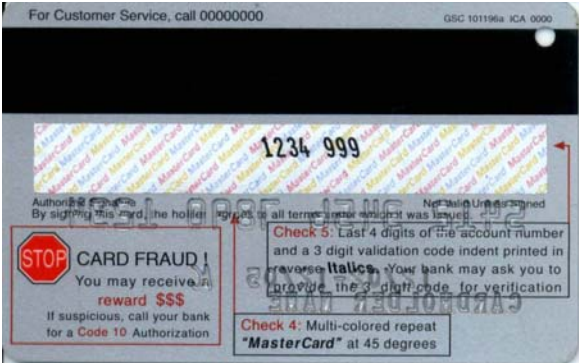
APPROVED
 DISAPPROVED
 NO ACTION REQUIRED

 2/20/2013 Date

SPO-035 (Rev. 2/1/2012) 14 Reference No.: 13-0114
17-100.567

CARDHOLDER SECURITY

Card Security Features



For Customer Service, call 00000000

1234 999

STOP CARD FRAUD!
You may receive a
reward \$\$\$
If suspicious, call your bank
for a Code 10 Authorization

Check 5: Last 4 digits of the account number and a 3 digit validation code indent printed in reverse italics. Your bank may ask you to provide the 3 digit code for verification

Check 4: Multi-colored repeat "MasterCard" at 45 degrees

Sign your card immediately upon receipt!

Unsigned card is not valid.

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 Tips

- 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 at 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

<http://spo.hawaii.gov>

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