



Statewide Financial System Program Agenda/Minutes

Date:	March 13, 2014	Time:	1:30 – 3:30 PM
Subject:	PCard Policy Discussion and Impacts (Continued)	Location:	Training Room D
Meeting Facilitator:	Mike Mullin	Minutes Prepared by:	Dolores Tuthill
Objective:			

Attendees:					
Mike Cousins	X	Rosalind Yezzi	X	John Behrle	X
Ed Bouryng	X	Sarah Stocklas	X	Nancy Abraham	X
James Schumacher	X	Paula Shappy	X	Michael Hurt	X
Paul Kalinowski	X	Kristen Ellis	X	Robert Haskin	X
Mike Mullin	X	Karen Gavigan	X	Mary Ryan	X
Bhagya Thirumuru	X	Kelli Brandoline	X	Marilyn Bell	X
Betsy Tweedie	X	Tom Waring	X	Kristyn Blakley	X
Franklin Hecht	X	Peter VanDerveer	X	Dolores Tuthill	X
Kimberly Miller	X	Brendon McClune	X	Kathleen Durivage	
Don Wynn		Adam Brown		Susan Filburn	
Mary Zaremba		Karen Tyler		Sheila Long	
Sergio Paneque		John Corbett		Donna Cosgrove	
Diane Taylor		Carrie Zusy			

Agenda:

What	Who	Time
Discuss current PCard use	Group	
Discuss objectives, principles, and constraints for use of the PCard.	Ed Bouryng and Mike Mullin	
Discuss possible policy changes to support future state use of PCards		
DOCCS and BSC to bring Scenarios from PCard Perspective		

OLD Action Items				
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)	Requirement #
Communicate the objectives that the EE1 team is being asked to meet. Share with meeting participants in next session.	Mike/Ed	3/13/14		
Share conceptual design and policy discussion areas to bring to the next meeting.	Mike/Ed	3/13/14		
Identify types or Pcard transaction categories or scenarios your agency sees. Examples could be commodity vs. supermarket, statewide contracts, non-statewide contracts and amount of money associated with each type. Roz, BSC. Agencies	JP Behrle/DOCCS Michael Hurt/Corcraft	3/13/14		

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OLD Action Items				
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)	Requirement #
	Roz Yezzi/BSC			
Provide Policy Workshop members with Citibank Annual spend amount.	Roz Yezzi/BSC	3/13/14		

NEW Action Items				
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)	Requirement #
Receiving discussion needed.	Ed Bouryng Mike Mullin			
Demo of requisition with auto sourcing using PCard through to AP. Include: Reconciliation process and advantages of having a requisition against a contract to support an auto-sources PO to support the process; timing and effort impacts, receiving impacts; impacts of vouchers above the PO amount (e.g., change order required on a PO) and impacts of partial vouchers and the need to close out POs.	Mike Cousins and team			
Discussion of policies around tolerances (procurement and non-procurement)	Ed Bouryng Mike Mullin			
Would there be a policy against credit cards used to pay other agencies?	Kristen Ellis, OSC			
Raise at the Project Officer level netting capability between AR and AP as it relates to inter and intra agency.	Ed Bouryng Mike Mullin			

The Following Decision(s) Have Been Made
<p>Decision:</p>

The Following Decision(s) Are Pending
<p>Decision:</p> <p>Staff Assigned (first and last name):</p> <p>Due Date:</p>

Minutes:

The team reviewed and accepted the proposed EE1 PCard Enterprise Objectives, Design Principles, and Constraints.

EE1 PCard Enterprise Objectives:

- Expediency – provide ability to expedite procurements when appropriate while not compromising other enterprise objectives.
- Information – provide a solution to capture financial and procurement information needed to meet fiscal accountability and enterprise integration requirements.
- Control – provide the means to enforce fiscal and procurement controls within the system.

EE1 PCard Enterprise Design Principles:

- Support Contract controls prior to incurring a state obligation under the contract.
- Support Legislative and Cash budgetary controls prior to obligating the state.
- Support enterprise integration for the purchase of inventory and assets including the creation of assets and update of inventory.
- Support the recording of a properly coded receipt that indicates a cost has been incurred by the State.
- Support automated ordering from a statewide contract from a requisition.
- Support certain types of purchases and procurement scenarios to provide lesser control and information to be charged to PCard and reconciled post procurement – where these purchases and procurement scenarios do not impede other PCard enterprise principles.
- Support the cost savings aspects of procurement card use for the State of New York.

EE1 PCard Enterprise Design Constraints:

- PO becomes the instrument to authorize the supplier to take action to provide goods or services to obligate the state.

BSC recommended SFS consider a discussion around receiving. An action item is documented. Today, receiving is primarily done outside of the SFS. This is because there is not always a one to one match, especially relative to services. Concern was raised regarding the capability of receiving in PeopleSoft to support state needs.

BSC recommended SFS keep in mind that they have the final approval level on a requisition. Workflow improvements in 9.2 were discussed and the ability to manage through business rules. Also discussed, that it is likely not needed to have BSC in the requisition workflow for a requisition that would be auto-sourced to a contract.

BSC raised the concern that credit card holder would not want to do the reconciliation and this would be a disincentive.

OGS raised a concern about being invoiced for more than the PO; tolerance with 0% causes need for a change order; conflicting business policy of contract procurements and non-contract procurements.

Attendees provided the following scenarios regarding the use of PCards:

- Just-in-time ordering, high volume and low dollar State contract ordering is common use. Could be used with requisition if auto-sourced. Need to see that.
- EzPass (credit card automatically replenished)
- Monthly cable bills tied to credit card
- OMH clients are taken to grocery shopping
 - A requisition is entered after the fact, coding entered, and receipts submitted. The reconciliation is often performed a month later and then it is not easy to figure out.
- Standard routine/recurring purchases
- Month-to-month purchases that may or may need a PO or contract
- Random, sporadic purchases
- Emergency purchases, such as hurricane Sandy – reconciled months later
- As needed just in time-in-time purchases (daily, weekly) such as supplies
- BSC has proxies that reconcile purchases after the purchase is made by somebody else – proxy knows of purchase, usually a week delay (OGS mentioned here that they would like to see the best practice for the Statewide; the proxy may not be the best way; standardize to best practice).
- CORCRAFT does not enter a requisition into the system. They use PCards for some situations. Purchases are primarily done with a purchasing authorization. PCard use requires preapproval from their supervisor and monthly receipts are provided to a proxy. The proxy does the reconciliation as the cardholder does not have access to the SFS and never will.
- Purchases to CORCRAFT by agencies using preferred sources. There is an issue with the credit card piece. Cannot accept credit cards from state agencies. An invoice is sent via the SFS and a credit memo is processed. Need a credit card policy if buying from another state agency (an action item was noted for OSC to look into this).
 - OGS noted this is an issue for intra agency purchases and continues to be a struggle. There is only one state vendor ID.
 - EE1 team referenced netting capabilities delivered in the system; outside of current scope, but took an action item.
 - Issues still exist with customers not taking credit cards. This creates additional work as a result.
 - Need the actual cash to move. Netting would likely impact cash as would an expenditure transfer and the downstream impact to cash through the SFS customization to update the cash ledger.
- Utility
- Supplies and materials – non contract
- Industries for the Disabled (BSC noted they would allow PCard purchases via the catalog)

CORCRAFT mentioned that supply and materials is 23% used for PCard, total \$4.5M; non-contract purchases.

Franklyn Hecht stated that SFS should be sensitive to the fact that this may be a transition for our PCard holders.