

CITY OF HOUSTON
Department of Public Works and Engineering
Resource Management Division
Materials Management Branch

PCARDS.

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INTRODUCTION

The Department of Public Works and Engineering is liable for most of the necessary amenities that keep the City's operations in check on a daily basis. Such tasks include the planning, administration, maintenance, construction and technical engineering of the City's infrastructure. The Department of Public Works and Engineering has six main divisions namely: Engineering and Construction, Planning and Development services, Public Utilities, Resource Management, Right of Way and Fleet Maintenance and Traffic & Transportation. Most of the financial transactions carried out on a daily basis are achieved via purchase orders or credit card (PCard) transactions with contract or non contract vendors.

My Internship program with Materials Management Branch (MMB) was based on creating an instruction manual for PCard training. Its aim is to help PCard holders have a better understanding of the processes involved incase they encountered any difficulty. Also, it helps auditors from the City Controller's office have a better understanding or picture of how PCard transactions are conducted. Processes involving PCard were to be redefined if need be and streamlined. The re-defined processes would also be complemented via flowcharts generated to help aid the training of other employees. The Resource Management division also envisions having these instruction manual accessible in City of Houston's repository located online.

PCARDS

What is a PCard? A PCard is a corporate credit card issued to authorized individuals who are empowered with the responsibility of making small dollar purchases that could be of contract and non contract goods and or services necessary for official city

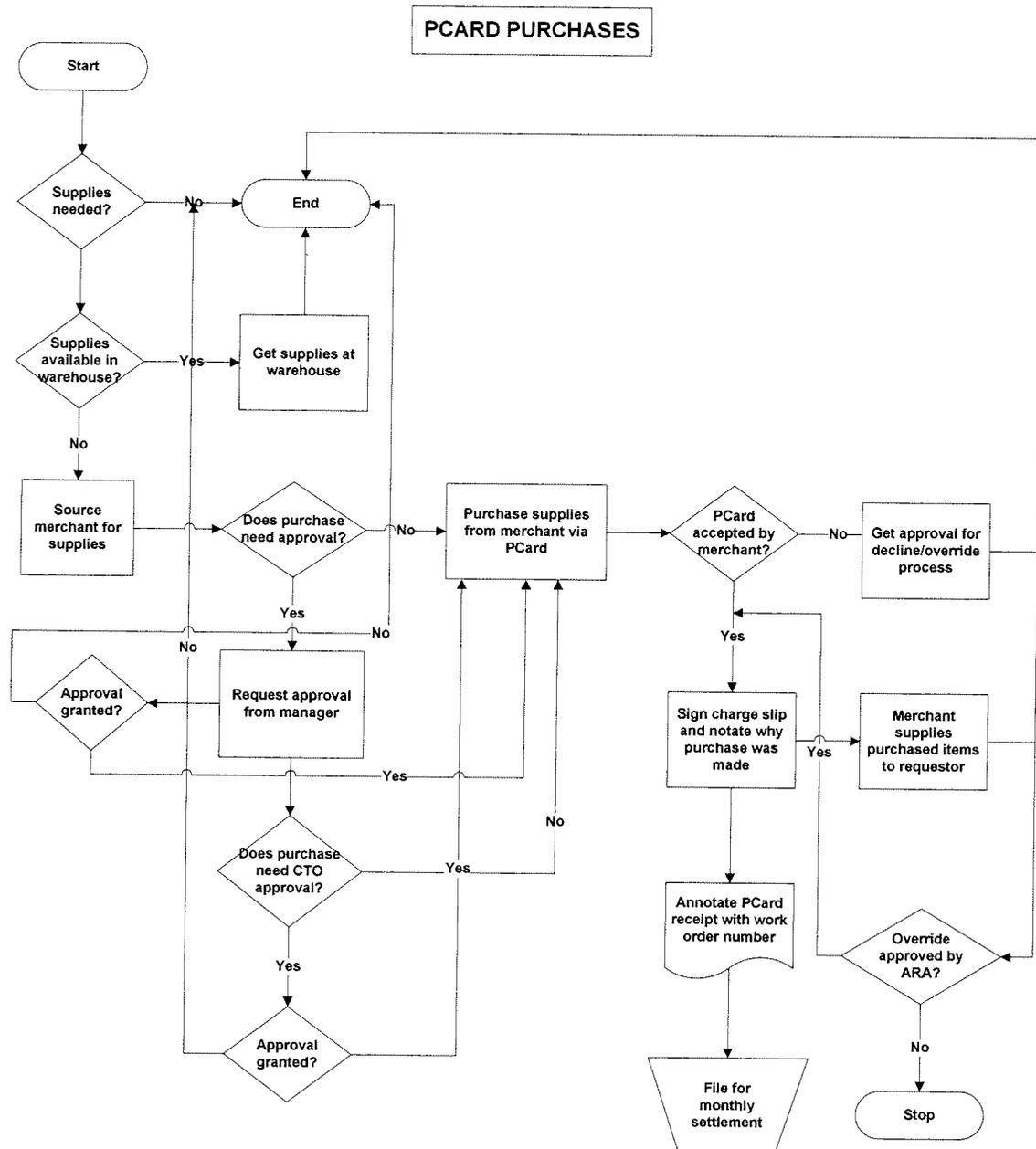
business. Its purpose is for an immediate use or purchase needed for city business. PCard holders have a single transaction limit of \$2,000 and a monthly spending limit of \$5,000 for non contract vendors. These limits are in accordance with Texas spending limit laws. For vendors with a contract with the City, the State spending limit does not apply to them. Below is sample picture of a PCard.



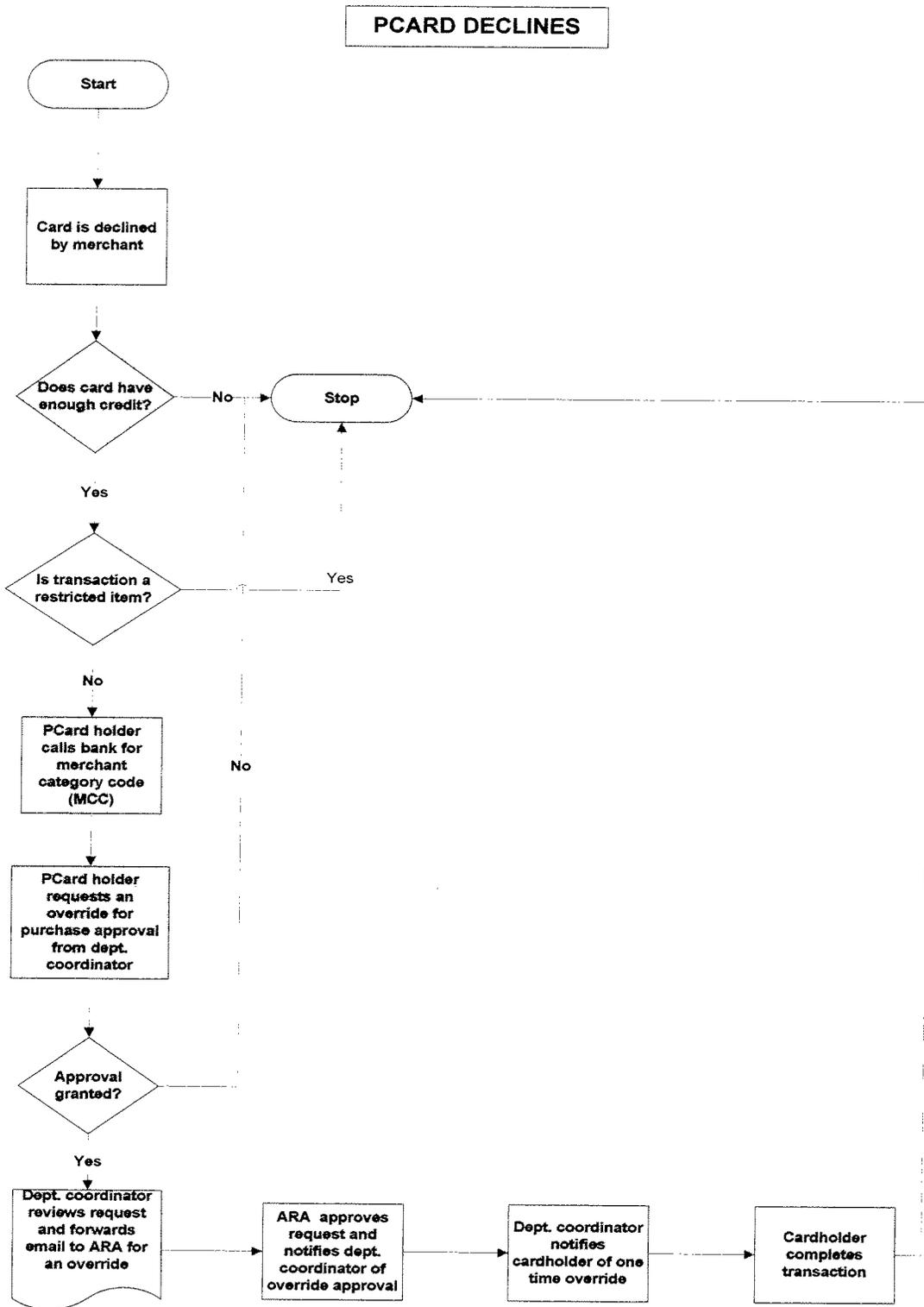
Currently, the ARA (Administration and Regulatory Affairs) department administers the PCard program in conjunction with JP Morgan Chase. Chase bank is responsible for remitting payments to vendors for transactions conducted via the PCard. Authorized PCard holders can only charge purchases related to their work area. Cardholders are not expected to use the PCard to purchase any other service or item that is restricted from their profile. What is a restricted item? A restricted item is an item or service that an authorized individual is not allowed to purchase because they are prohibited from purchasing that item or service unless prior notice and approval is given. For instance, a PCard holder working in the Mayor's office cannot buy chemicals needed for the water treatment plant. The transaction would not be approved even if the amount is still within the card's spending limit. The card holder does not possess the authorization needed to make such purchases and such transactions can only be approved when they

call the division coordinator to get a one time approval. The card holder would then proceed in buying the item from a contracted vendor if need be. The vendor processes the transaction and the bank would be responsible for remitting payment to the vendor. The bank would also post all transactions made into their system available via Pathway.

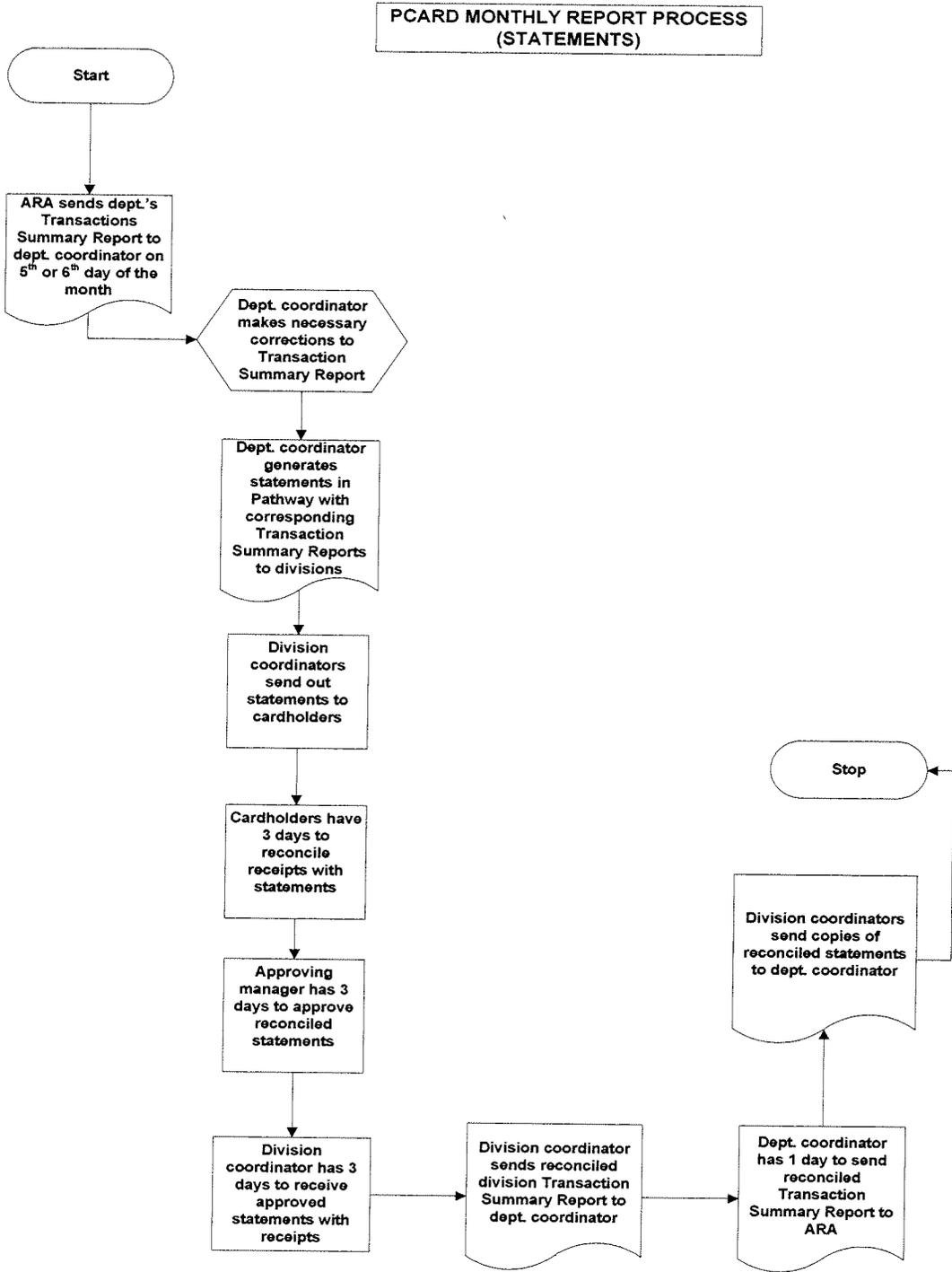
Below is a flowchart showing a PCard purchase.



Below is a flowchart showing the procedure a PCard holder is to follow when a PCard is declined.



Below is a flowchart showing how statements are sent out to PCard holders from the PCard Coordinator.



Note: Total Process Time = 10 days from receipt of report

PATHWAY

Pathway is an online web medium facilitated and managed by the bank. All transactions made by the card holders are made available online. Here, card holders can actually log on to monitor their PCard balances, verify that all payments that have been posted were actual transactions that they did. In the event that an unauthorized transaction is posted, it is immediately brought to the notice of the bank.

The card holder is held liable for the provision of all transaction receipts that would be needed later on for verification purposes. The card holder would also be responsible for the reconciliation of all the transactions that they have made at the end of the cycle and have their manager approve it. Statements are generated at the end of the cycle and sent out to the various card holders. PCard transactions are also downloaded into a spreadsheet where spending patterns are tracked to ensure that limits are not surpassed with non contract vendors and also to try and secure a contract between the City and frequently used vendors. This data are graphically represented either via histograms or pie charts.

Below is an instruction manual showing a PCard holder how to navigate Pathway.

NAVIGATING PATHWAY AS A CARD HOLDER

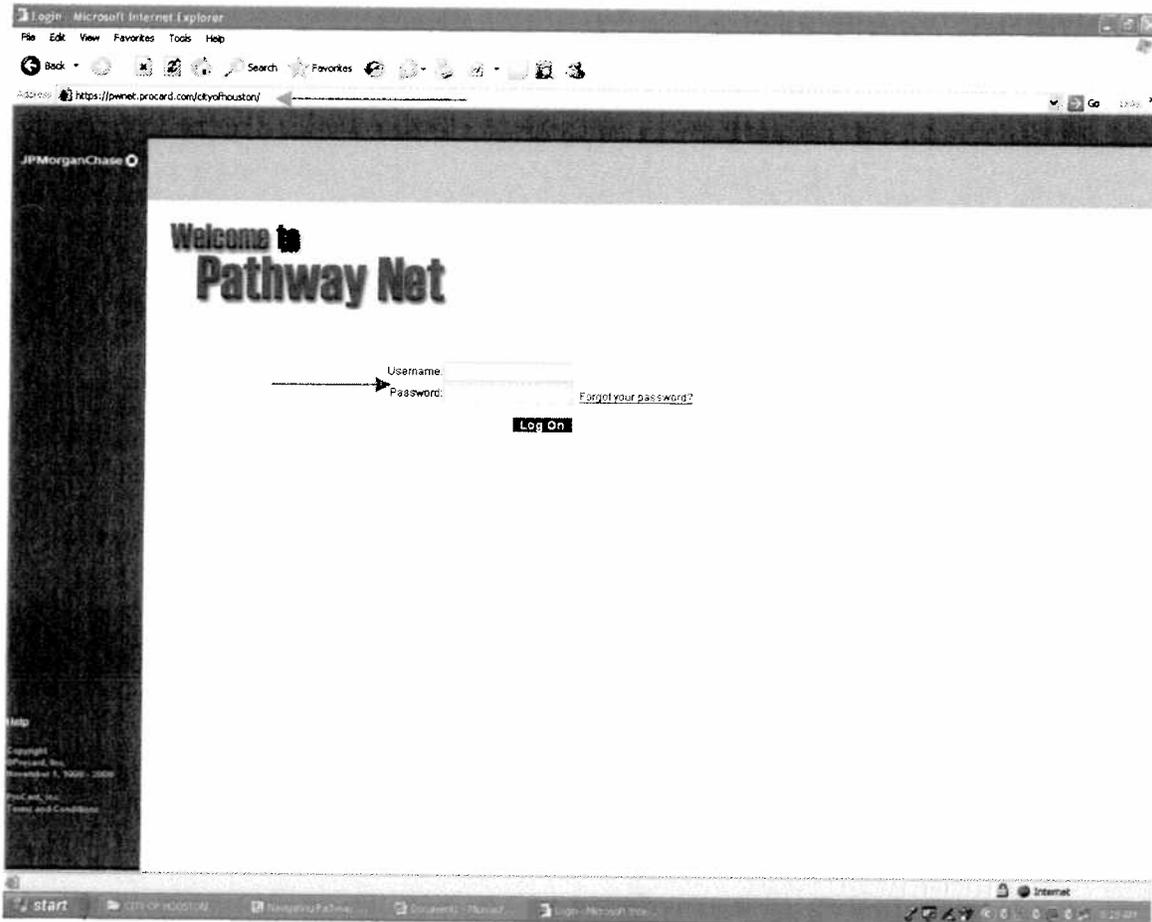
STEP 1

- Cardholder types in <https://pwnet.procard.com/cityofhouston> to access Pathway website.
- Cardholder can also check their card limits and their funding sources via transactions made.

STEP 2

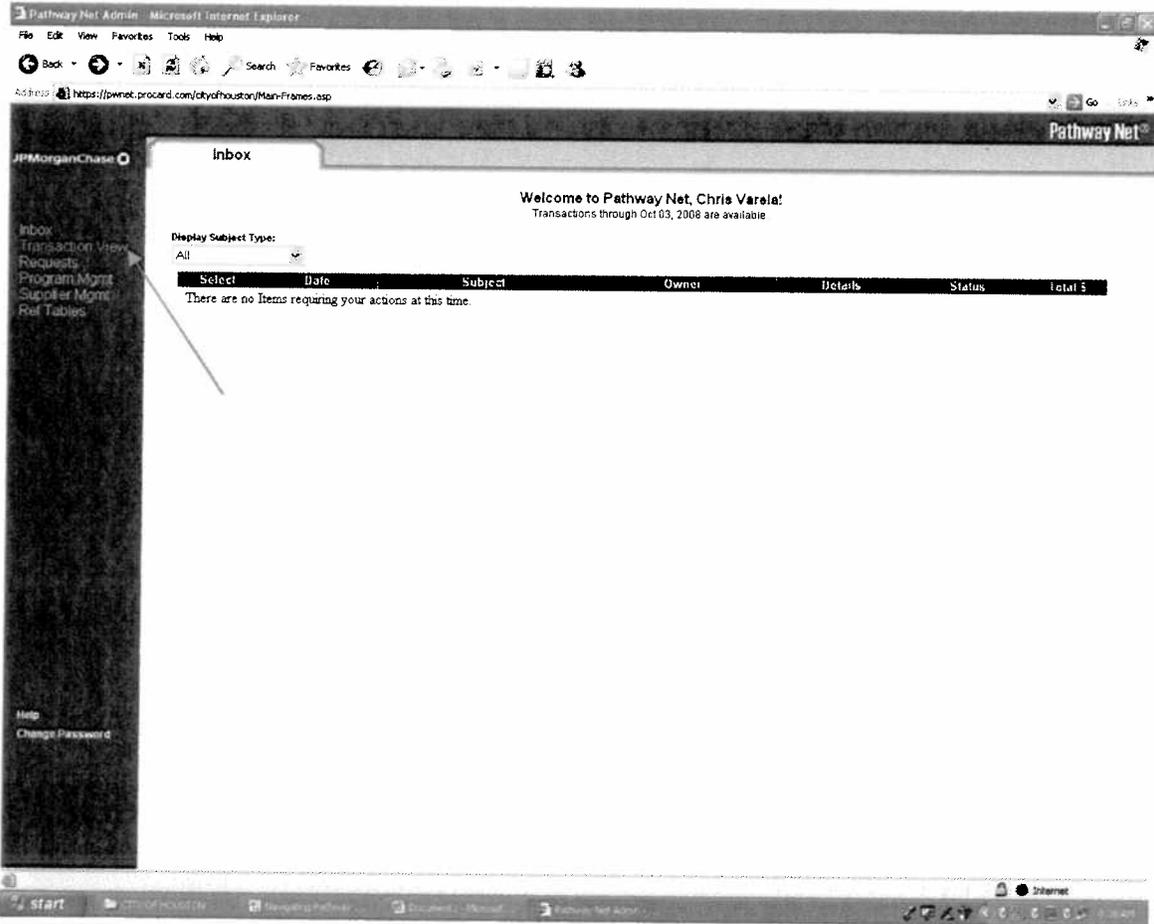
- Username is first 4 letters of last name followed by last 6 digits of card.
- User types in secret password.

Note: Contact Department Coordinator for password issues.



STEP 3

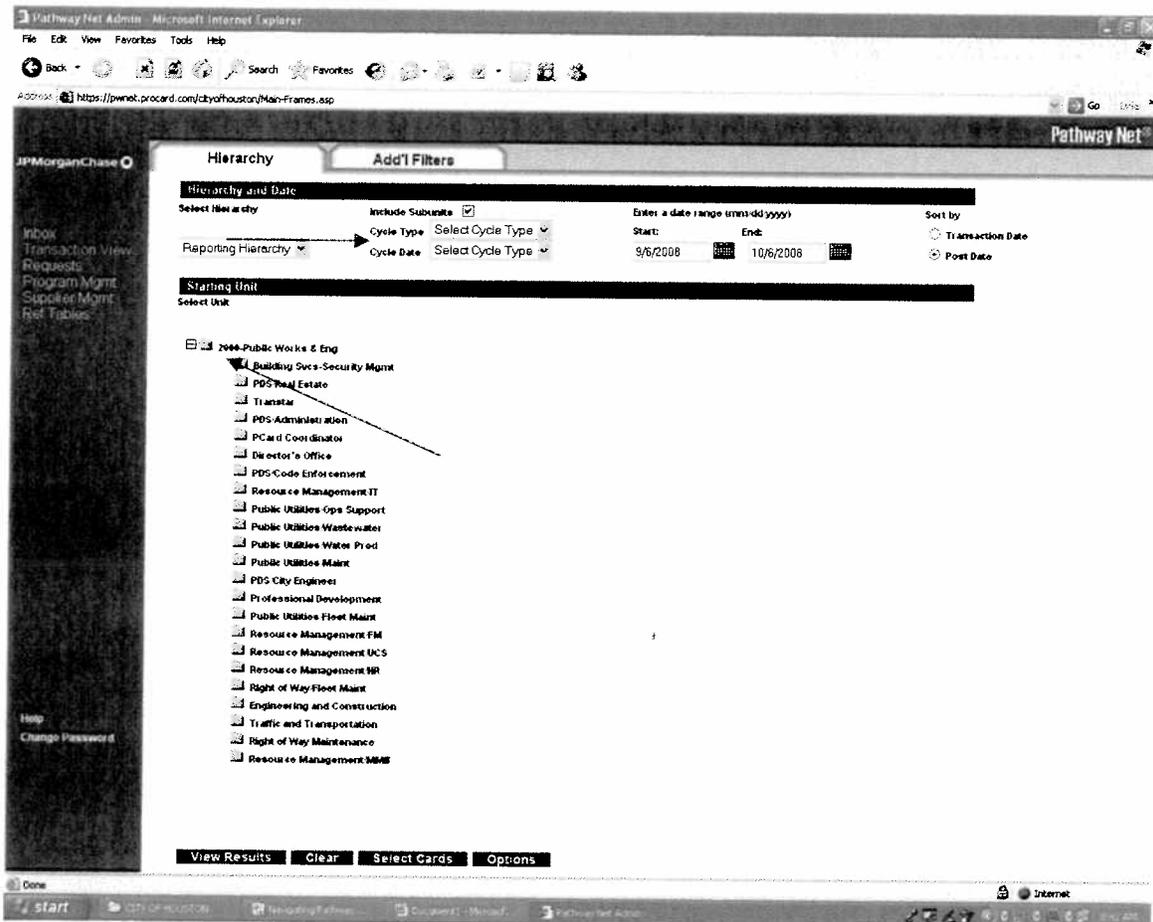
- User selects “Transaction View”



NOTE: On the print screen, user would know they are successfully logged in via a display on screen that shows “Welcome to Pathway” and it also displays their full name.

STEP 4

- User selects “Statement” in “Cycle Type” box and calendar cycle in “Cycle Date” box to view transactions. The Cycle start dates and end dates will also be displayed.
- Transactions made and amount would be under the column “Amount” and “Vendor”.



NOTE: The cardholder would only be able to view and access transactions in their folder only and cannot access or view another user’s transactions. In selecting a cycle date, cardholders will only be able to view past cycle dates.

STEP 5

- Transactions in current cycle can be updated with GL accounts and contract numbers and add notes to particular transactions via the document icon on the screen next to ID column.

The screenshot displays the Pathway Net Admin interface in a Microsoft Internet Explorer browser window. The address bar shows the URL: https://pwnet.prcard.com/cityofhouston/Main-Frames.asp. The main content area features a table with the following columns: ID, Type, Rowid, Tran Date, Post Date, Amount, Vendor, MCC, and Creditor Name. The table contains 18 rows of transaction data. A toolbar at the bottom of the table includes buttons for 'Update Selected', 'Update All', 'Flag All As Rvwd', and 'Export'. A status bar at the bottom indicates 'Page 1 of 1 Go'.

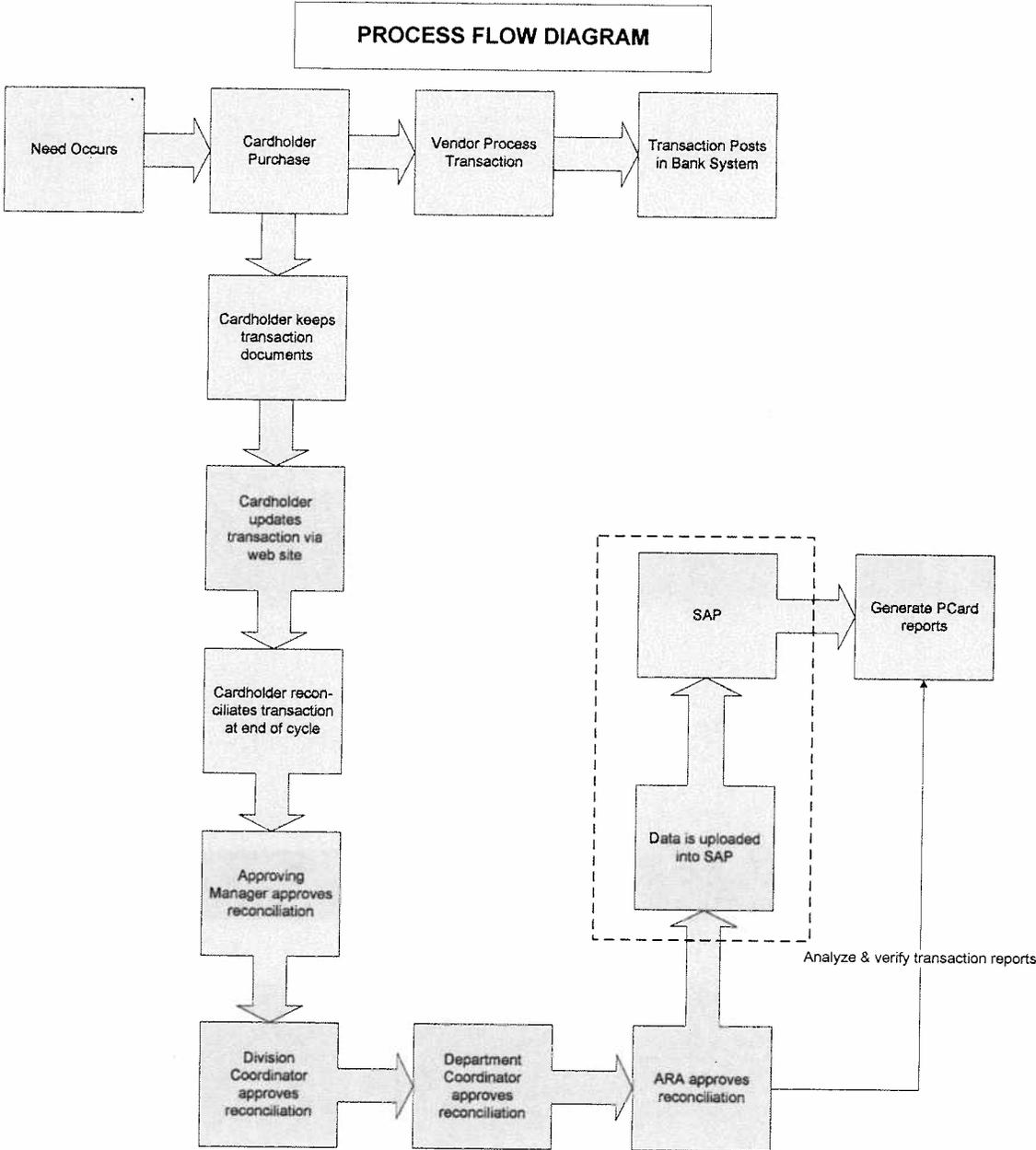
ID	Type	Rowid	Tran Date	Post Date	Amount	Vendor	MCC	Creditor Name
189212	D	\$	8/9/2008	8/11/2008	311.48	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
189211	D	\$	8/8/2008	8/11/2008	423.88	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
189213	D	\$	8/8/2008	8/11/2008	7.60	SERVICE INC - HOUSTON, TX	2741	GARY V EDISON PWE
189011	D	\$	8/13/2008	8/14/2008	(5.00)	FEDEX SHP 08/20/08 AB - 863-404152088 TN	4215	GARY V EDISON PWE
189175	D	\$	8/12/2008	8/14/2008	15.51	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
189173	D	\$	8/12/2008	8/14/2008	24.88	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
189178	D	\$	8/12/2008	8/14/2008	89.99	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
189176	D	\$	8/12/2008	8/14/2008	128.88	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
190598	D	\$	8/15/2008	8/19/2008	20.46	FEDEX SHP 08/12/08 AB - 858-009827440 TN	4215	GARY V EDISON PWE
189281	D	\$	8/18/2008	8/21/2008	(127.48)	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
181576	D	\$	8/21/2008	8/22/2008	28.06	FEDEX SHP 05/15/08 AB - 863-404152150 TN	4215	GARY V EDISON PWE
181575	D	\$	8/21/2008	8/22/2008	23.54	FEDEX SHP 08/19/08 AB - 863-404152540 TN	4215	GARY V EDISON PWE
181574	D	\$	8/20/2008	8/22/2008	27.36	OFFICE DEPOT - HOUSTON, TX	5965	GARY V EDISON PWE
181588	D	\$	8/24/2008	8/25/2008	18.11	FEDEX SHP 08/20/08 AB - 863-404152047 TN	4215	GARY V EDISON PWE
153014	D	\$	8/28/2008	8/29/2008	15.86	FEDEX SHP 08/22/08 AB - 863-404152025 TN	4215	GARY V EDISON PWE
182398	D	\$	8/31/2008	8/1/2008	32.10	FEDEX SHP 08/27/08 AB - 865-305301600 TN	4215	GARY V EDISON PWE

NOTE: a deadline exists for any changes made to the GL accounts or contract numbers.

Once the manager gets hold of the reconciliation documents, he or she would need to verify it to make sure that transactions made were for City use. Also, the approving manager would be responsible in making sure that the transaction is posted in the right GL account (General Ledger). Once this is done, the manager sends the document to the division coordinator for reconciliation approval.

The Department Coordinator inspects the recon-ciliated documents, approves it and then forwards it to the Administration & Regulatory Affairs Division (ARA). The ARA division is responsible for the administering of the PCard program for PWE. They would also be responsible in doing a quick cross check on the recon ciliated documents. Once this is done, they would now proceed to upload the data into SAP (Systems, Applications, and Products in data processing). What is SAP? According to sap-basis-abap.com, "SAP is an enterprise resource planning (ERP) software product capable of integrating multiple business applications, with each application representing a specific business area". The ARA division would be utilizing SAP to generate PCard transaction reports.

Below is a process diagram showing a high level view.



CONCLUSION

My experience as an intern with City of Houston has proven to be an invaluable one where I was able to apply myself in my field of studies as an Analyst amongst other roles. It also broadened my knowledge and gave me a better understanding of how the City operates.