



MEETING MINUTES

State of Louisiana ERP Project

Purchasing Card Expense Management

October 30, 2008

Location: DOTD West Wing, Conference Room 6W

Attendees:

No.	Name	Invited?	Attended?	Comments
1.	Afranie Adomako	Y	N	
2.	Shannon Anderson	Y	Y	
3.	Erin Bielkiewicz	Y	N	
4.	Mary Canella	Y	N	
5.	Duane Fontenet	Y	N	
6.	Ron Granier	Y	N	Renee Withers attended
7.	Gary Hall	Y	N	
8.	Richard Harbor	Y	N	Linda Kimmel attended
9.	Beverly Hodges	Y	N	
10.	Marietta Holliday	Y	N	
11.	Kris Horsley	Y	Y	
12.	Andrea Hubbard	N		
13.	Brett Hunt	N		
14.	Debra Jones	N		
15.	Wynnette Kees	N		Kris Horsley
16.	Linda Kimmel	Y		
17.	Saysa Leduff	Y		
18.	Clarence Lymon	N		
19.	Anees Pasha	Y		
20.	Ashley Peak	N		
21.	Jeff Reynolds	Y		
22.	Paula Rotolo	Y		
23.	Eileen Scherich	Y	Y	
24.	Jama Scivicque	N		
25.	Beverly Shaw	N		
26.	Denise Stafford	Y	N	Susan Pine and Angela Fabre attended
27.	Drew Thigpen	Y	N	
28.	Gwen Thomas	Y	N	Corlis Green attended
29.	Jack Ladhur		Y	ERP Team

30.	Tammy Toups		Y	OSP
31.	Sandry Trahan		Y	ERP Team
32.	Renee Withers		Y	DOC
33.	Corlis Green		Y	DNR
34.	Susan Pine		Y	DEQ
35.	Angela Fabre		Y	DEQ
36.				
37.				
38.				
39.				
40.				
41.				

	<i>Agenda Item and Notes</i>	<i>Owner(s)</i>	<i>Action Items & Assignments</i>	<i>Comments / Follow-up</i>
1.	Logistics, Ground Rules, & Introduction	Marietta Holliday	<ul style="list-style-type: none"> None 	
2.	Project Timeline	Marietta Holliday	<ul style="list-style-type: none"> None 	
3.	Workshop Objectives <ul style="list-style-type: none"> Develop business process design to import purchasing card data from banking institution Develop business process design for maintaining default purchasing card account coding Develop business process design supporting expense approvals <ul style="list-style-type: none"> Security related controls Expense posting Develop business process design supporting expense posting corrections Develop business process design supporting period end close procedures Develop business 	Marietta Holliday Mary Walker Anees Pasha	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> No business process designs or business requirements were determined within the session due to an additional PCard session being facilitated by Materials Management. Upon completion of the session AP and MM will reconvene and make the necessary decisions.

process supporting
purchasing card
credits

- Identify reporting requirements
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4. Business Process Review

Marietta Holliday
Mary Walker
Anees Pasha

- None

See "Discussion" below.

- High Level Process Overview
 - "AS-IS" Process Flow
 - Process Improvement Opportunities
 - Leading Practices
 - SAP Glossary
 - SAP Concepts and Functionality
 - Purchasing Card
 - "TO-BE" High Level Design
 - Custom Develop Program for Purchase Card
 - Approvals in Stand Alone or Bolt-on System
 - Default Account Coding for Purchase Cards
 - Purchase Card Approvals
 - Period End Activities
 - Purchasing Card Reporting
 - Enterprise Readiness Challenges
-

5. Action Items

Marietta Holliday
Mary Walker
Anees Pasha

- Confirm that the Purchasing Card Bank can send Purchasing Card file that contains purchases, credits, and manual direct payments by line item.
 - Contact Saysa Leduff (DOA) to review her Purchasing Card Log Book.
 - Confirm with the Bank of America that all payment information (credits, corporate payments, and manual direct payments) are reflected on their WORKS website.
 - Determine what OSRAP's current controlling role is in relation to Purchasing Card processing.
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Discussion:

AS-IS Process Flow - Questions Addressed

- **Currently, what systems are used for Purchase Card Transactions?**
- **What is a typical Purchase Card approval process?**
- **How are the Purchase Card expenses updated in ISIS?**
 - **Currently there is only one Purchasing Card bank which is Bank of America. It was established that agencies have different procedures for processing and receiving information from BOA but ultimately the process will be more uniformed.**
 - **Though the BOA website, WORKS, information can be retrieved at anytime.**
 - **WORKS is a recording tool that interfaces with the bank and allows the end-users to view transaction reports. Accessing WORKS does not initiate any accounting updates and/or prompts for approvals.**
 - **AFS transmits and interfaces on a monthly basis.**
 - **AFS, the legacy system of record currently is where monthly transaction (expense) records are loaded. After the 5th of each month the automated program retrieves the files and loads them after edits are made to organization and objects per Purchasing Card Agency (standard coding). If there are discrepancies with the standard coding the default coding is entered.**
 - **P3 documents can not be modified at agency level. OSRAP is the controlling agency for these documents.**
 - **End-users make the adjustments with Journal Vouchers (J6/J2).**
 - **Bank of America's invoices are paid by the end of the month.**

It was determined through discussion that Periodic Internal audits of expense approvals as they relate to Accounting activity report, Disputes report, Unusual spending activity report, and Decline authorization report are usually provided by the Bank of use. It was also noted that there are internal auditing procedures in place as well.

Purchasing Card accounts are housed on the "PCRD" table. OSRAP receives request and documentation from Purchasing and updates "PCRD" table.

"Pain Points" – Reconciliation

Reconciliation Reports

Comparison of Purchasing Card monthly bill (amount due) and the expense transactions recorded is performed monthly. OSRAP receives files that have the credits/payments summarized and can be traced back to the corporate account for each agency that had transactions for that particular month. The Agency can view the details on WORKS. It was determined that modifications are made by OSRAP for discrepancies detected on a higher level prior to Agencies being able to view.

- **Verify that the expense recorded and monthly bill balance. If discrepancies are detected the Purchasing Office is contacted who in turn contacts the affected agency who must determine the reconciliation item. Once the file is balanced and/or the variance reason is given the file is then loaded by use of a J6.**

Accounting Point of View

- **Expense from Bank**
Debit "Standard Expense Line"
Credit "Purchasing Card Clearing Account"
- **Payment to Vendor**
Debit "Purchasing Card Clearing Account"
Credit "Vendor Account"

Note: OSRAP pulls the P3 directly and makes adjustment without the use of a Journal Voucher. There is an Audit Trail in the History.

- **Nightly cycles are loading into AFS. If reconciling the J3 document is edited accordingly by OSRAP and backed-up.**
- **Receive invoice, enter data, and pay Bank**
- **Journal Voucher (J6) adjustments allowed from load date can be entered until the 3rd business day of the next month (month end).**

DOTD

Since DOTD does not update into ISIS they are on a different payment schedule with the Bank of America. They currently make payments on a weekly basis.

- **Bank of America**
 - **All of DOTD codes are in the WORKS system.**
 - **WORKS is real-time for DOTD**
 - **End-Users are encouraged to go to the WORKS website to**
 - **review purchases (card holders)**
 - **process transactions and 'sweep' transactions (managers)**
 - **close transactions-change financial information**
 - **approvals on weekly basis**
 - **account review (managers)**
- **End of the Week: Accounting creates weekly batch from website to make file**
 - **Pulls all weekly information from website**
 - **Transactions that have not been closed and/or approved by manager/accountant are noted, the individual is phoned, and an email is sent to the manager/accountant.**
 - **If all else fails the transaction is added with the standard accounting line and adjusted at a later date.**
- **Weekly batch is loaded into the system, due date is entered and the Bank receives its weekly payment.**

Purchasing Card Functionality

Purchasing Card functionality can either be custom-designed (with a direct feed or stand alone software) or performed with a bolt-on software. Opting for the custom-design with a direct feed allows all approvals to take place within the SAP system. The custom-design with stand alone software places the approval at the Bank level which requires additional reconciliation to ensure that the transaction is correct. The bolt on software has constraints and would require interfacing.

- **As stated there is only one Purchase Card Bank, Bank of America.**
- **Currently the purchase data is transmitted and received weekly and monthly.**
- **Improvement desired through implementation is the ability to receive listing of the transactions versus summary.**
- **Trouble spots detected revolve around the tedious reconciliation.**
- **Current business standards vary from agency to agency depending on what is outlined in the Purchasing Policies but for the most part PCard spending is capped at \$1000 per transaction.**

Improvements and Requirements

- **Ability to translate MCC Codes to Commodity Code.**
- **Ability to code P-Card purchases to Assets.**
- **Ability to drill-down on GL document and view purchase/transaction information**

- *card holder*
- *purchase/transaction date*
- *merchant*
- *nature of purchase*
- ***Analysis of Reports***
 - *Agency (Business Area)*
 - *Corporate Account Number*
- ***Receive edits from Bank data prior to loading.***
- ***Ability to encumber P-Card Purchases.***
- ***Automatic de-activation of terminated employees***
 - *communicated within SAP*
 - *communicated to the Bank*
- ***Have a field that indicates that supporting documentation has been received.***
- ***Workflow notification that indicates approval needs.***
- ***Pay vendor on monthly basis.***
- ***Security control of any PCard table and Parked documents.***
- ***Eliminate PCard Log for Accounting.***
- ***PCard Bank is paid with one invoice and one payment***

Options for design of PCard functionality

1. ***PCard data (purchasing and payment/credits) pulled from Bank and loaded into SAP daily. The review, modifications, and approvals take place within SAP.***
2. ***PCard data (purchasing and payment/credits) pulled from Bank and loaded into web tool daily. The review, modifications, and approvals take place within the web tool. Interface from web tool into SAP to post expense.***
3. ***PCard data (purchasing and payment/credits) are managed at website for Bank on a daily basis. The review, modifications, and approvals take place at the WORKS website. Interface into SAP with ability to make additional modifications and post.***
4. ***PCard data (purchasing and summary credit/payments) retrieved from Bank and loaded into SAP monthly. Additional data is loaded with standard and/or default accounting information. Accounting modifications are performed by use of Journal Vouchers. Option to use General Ledger upload tool.***

Parking Lot

- **Accounts Payable Team will work with Jack/Materials Management to comprise flow diagram for:**
 - **Option 1**

- Option 4
- Schedule Conference Call and/or meeting with Bank of America
- Schedule Follow-up meeting with Saysa Leduff(DOA), Gene Knecht, Tammy Toups(State Purchasing), Kurt Demmerly, and Donnie LaDott.
 - Confirmation on Options
 - Pro's and Con's of selected Options

Actions Items

- Confirm if Bank of America can send credits and payment files by line item (Eileen).
- Contact Saysa Leduff (OSRAP) for P-Card Log (viewing privileges only).
- Confirm with Bank of America that all payment (credits and manual payments) are reflected on the WORKS website.
- Determine how much oversight control of P-Cards is needed for OSRAP.
- Obtain WORKS manual for review from DOTD.

Integration Points

- HR – Personnel actions (organization related and termination) generate a Workflow to Program Manager
- MM – Communicate all pertinent information, documentation, and decisions made in today's session for their upcoming session.

FRICE-W

- Workflow for HR actions.
- Workflow for Approval processes.
- SAP accounting information to the bank website (conversion).
- SAP accounting information default code lines to P-Cards (conversion).
- Maintenance interface to bank website for SAP accounting changes.

Key Decisions

- None

Organization Impact

- None