ERIE COUNTY TECHNICAL SCHOOL
PROPOSED AGENDA ITEM

BOARD MEETING DATE: May 27, 2004

SUBJECT: Procurement cards

CATEGORY: Operations: X Policy: Information: Personnel:

INITIATED BY: Paul Fritz, Business Manager and Board Secretary
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DESCRIPTION:

A PNC Bank procurement card program is being proposed for board approval. This will enable our staff to purchase supplies in a improved and efficient manner. Each staff person with purchasing responsibilities will be issued a VISA PNC purchasing card to buy appropriate items for school use. The individual cards will have spending limits and the purchases will be linked to general ledger accounting codes. The accounting data will be downloaded into the ProSoft accounting system.
A detail of all purchases will be accessible on-line for review/approval and once a month PNC Bank will debit the bank account for the total charges. VISA PNC Bank offers rebates at certain purchasing activity thresholds.
We hope to eliminate: much of the printing of purchase orders and checks, duplication of effort, and stress with the implementation of this program.
We can eliminate current charge account programs currently in use at Bank One Visa, Wegman's, Home Depot, and Lowe's

RECOMMENDATION:

Motion to approve a PNC VISA procurement card program for staff to use when purchasing appropriate items for school use.

TREASURY MANAGEMENT

Solutions

PNC BANK

PNC Bank Visa® Commercial Card For Middle Market Companies

As part of PNC Bank's suite of Card Services, the PNC Bank Visa Commercial Card offers middle market companies both **procurement** and **travel** functionality in a single payment card. Consolidated reporting and statements for all company spending, as well as customized card controls, allow you to determine spending privileges at individual user levels.

PNC Bank's Visa Commercial Card will help you to integrate back-office workflow tools and electronic data delivery to provide a complete end-to-end solution that automates transaction allocation, reconciliation and general ledger integration — an efficient procurement and payment solution for all of your purchasing and travel-related expenditures.

BUSINESS NEED

Streamline the purchase order and expense reimbursement process without costly investment or complicated implementations yet maintain control over individual spending levels.

PNC Solution

PNC Bank's Visa Commercial Card is a general-purpose, cost-effective corporate payment card specifically designed for middle market companies. Combining purchasing and travel functionality in a single card helps streamline the payment process and allows cardholders to use company cards instead of personal charge cards. Separate spending allowances can be established for purchasing and travel-related expenditures; enhanced transaction data and reporting are available via the Web.

We realize every business has different objectives and challenges when considering a card program. How are we different from other Purchasing Card and Travel Card providers? PNC Bank has developed a menu of flexible options that can complement your company's existing purchasing and payment processes. Backed by industry-leading technology and a consultative support team, our approach allows you to focus on your business priorities.

CARD SPENDING CONTROLS

Based on our knowledge of how clients use Purchasing and Travel Cards, we provide defined Merchant Category Groups which can be configured at the individual account level, allowing you to customize spending privileges based on your employees' specific business needs.

The **Declining Balance** option enables you to designate a fixed amount on a card or group of cards for a certain period of time. Through Web-enabled allocation and reporting tools, you can track all expenses for a specific project budget or grant.

A **Central Billing Account** can be selected to consolidate high-cost expenditures into one specific account number, eliminating the need to issue higher credit limits to individual cardholders.

BILLING PROCESS

Consolidated Invoice – Your company receives one consolidated bill for all of the individual accounts in your card program. This eliminates the need to cut individual checks for each transaction or each cardholder account. Also, since the account is paid in full at the end of each month, there are no interest charges assessed on any of the cards associated with your program.

Company Selected Billing Date – You can align the billing date with your accounting cycle and check runs providing more control over your cash flow.

Cardholder Memo Statement - Each cardholder will receive a paper memo statement for reconciliation of their individual account(s). Memo statements can also be delivered electronically via the Card Services Module of PNC Bank's Internet Service Center.

ACCESS TO TRANSACTION AND STATEMENT LEVEL INFORMATION

Through PNC Bank's Internet Service Center, you can access Commercial Card detail information and allocate and re-allocate transactions into appropriate cost centers and expense categories online. You can download information directly into your accounting system through a file interface, saving the time associated with manual expense allocation.

GENERAL LEDGER INTEGRATION

A general ledger interface, via PNC Bank's Internet Service Center, allows more precise manipulation of data, improving the information that you use to make decisions. To assist with the allocation and posting of transactions, PNC Bank can also send a daily transaction file that can interface with your internal systems and current purchasing processes.

MANAGEMENT-LEVEL REPORTS

The PNC Bank Visa Commercial Card program offers standard management reports through Visa Information Source, Visa's Web-based information management tool, providing timely access to information about your program. Specific reports can be e-mailed to designated recipients based on a predetermined frequency. Flat-file delivery, defined by you, allows for direct download of transaction data into other popular software packages for ad hoc reporting and the export of transactions into your accounting system.

STANDARD VISA CARDHOLDER BENEFITS

To provide your employees with peace of mind while traveling, a variety of standard Visa cardholder benefits is available that includes: travel accident insurance, lost luggage insurance, worldwide travel and emergency assistance, and auto rental insurance.

IMPLEMENTATION AND SUPPORT

By leveraging our investments in technology and dedicated customer service, we have streamlined many of the complexities and implementation challenges that come with traditional procurement and travel card products. We offer a turnkey implementation toolkit, access to our Implementation Specialist Group and round-the-clock customer service for cardholders. PNC Bank treats its relationship with every client as important, where the implementation of your program is the result of your business input and our expertise.

For more information. PNC Bank is ready to help you meet the payment challenges of today's business environment. Call 1-877-PNC IDEA or your Treasury Management Officer for further details. Visit us on the Web at www.treasury.pncbank.com.

PNCBANK

Employee Purchasing Card Usage Agreement

Your participation in the Visa Purchasing Program is a convenience that carries responsibilities along with it. Although the card is issued in your name, it should be considered company property and should be used with good judgement. Your signature below verifies that you understand the Visa Purchasing Program guidelines outlined below and agree to comply with them.

1. The Visa Purchasing card is provided to employees based on their need to purchase business-related goods and services. A card may be revoked at any time based on change of assignment or location. The card is not an entitlement nor reflective of title or position.

2. The card is for business-related purchases only; personal charges are not to be made to the card.

3. You are the only person entitled to use the card and are responsible for all charges made against the card.

4. Improper use of the card can be considered misappropriation of company funds which may result in disciplinary action, up to and including termination.

5. All charges are billed directly to and paid directly by the company. Any personal charges on the card could be considered misappropriation of company funds since the cardholder can not pay the bank directly.

6. Cardholders are expected to comply with internal control procedures in order to protect company assets. This includes keeping receipts, reconciling Visa Purchasing monthly memo statements and following proper card security measures.

7. Cardholders are responsible for reconciling their Visa Purchasing monthly memo statement and resolving any discrepancies by contacting the supplier and the bank.

8. Each account is assigned a cost accounting code by management and purchases may be automatically charged to that code. The code can only be changed by management approval. If changed, a new accounting code does not affect past charges, only future charges.

9. A lost or stolen card should be reported immediately by telephone to PNC Bank Customer Service at 1(800) 685-4039.

10. A cardholder must surrender the card upon termination of employment (i.e. retirement or voluntary/involuntary termination). At this point, no further use of the account is authorized.

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Cardholder Signature *Manager Signature*

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Cardholder Printed Name *Manager Printed Name*

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Date *Date*