

Fiscal Year Workbook: Purchasing Card Transactions in Detail

Susan Bonczar
Procurement Services
University of Virginia

Abstract

A Purchasing Card program is a cost-savings initiative for any University who chooses to add it to their procurement portfolio. The program saves processing time and dollars associated for check payments, gives ease of use to the cardholder, increases prompt pay time to the vendor, and depending on your program, can provide a rebate for the dollars spent.

As we are a public university for the Commonwealth of Virginia, our Purchasing Card program is under their umbrella and we are held responsible to their regulations. One of the state requirements is that every cardholder uses a log to document all of their purchases as they are made on a monthly basis. Supervisors are also required to complete an annual review of cardholder spending limits, based on the actual amounts spent by the cardholder in the previous fiscal year.

Up to this point, we have utilized a Microsoft Word document as a basis for our cardholders to use for their transaction log. Using a simple format such as this has its benefits, especially for users who are not as fluent in using more advanced applications. Unfortunately the deficiencies from this format outweigh the benefit of simplicity. In addition, we found this format to be very manual for the supervisor requirement of reviewing cardholder limits annually.

Our solution was a Fiscal Year Workbook in a Microsoft Excel format. The benefits of this method as opposed to our previous document include: the purchases for the entire fiscal year are located in one place; each month automatically totals up the amount of the purchases and draws out the highest transaction made; basic cardholder information is automatically placed on each individual month, reducing duplicate data entry; any purchases that do not reconcile can be cut and pasted into the next billing month; and all monthly information is tallied up for the supervisor at the end of the workbook so he may easily perform his annual analysis without manually looking at each log or statement.

Our Fiscal Year Workbook can be located at:

<http://www.procurement.virginia.edu/main/tools/PcardFiscalYearWorkbook.xls>.

Our previous transaction log format can be found at:

<http://www.procurement.virginia.edu/main/forms/PcardTransactionLog.doc>.

Introduction of the Organization

The University of Virginia is distinctive among institutions of higher education. Founded by Thomas Jefferson in 1819, the University sustains the ideal of utilizing education to develop leaders who are well prepared to help shape the future of the nation. The University of Virginia (U.Va.) remains public, supported by both the Commonwealth of Virginia and the generosity of its alumni.

The University of Virginia has ranked number 2 (in a tie with the University of Michigan) among public universities, according to the 2005 *U.S. News & World Report*. Since *U.S. News* began ranking public schools in 1998, U.Va. has never been lower than No. 2. In its 2005 edition of "America's Best Colleges," *U.S. News* also ranked U.Va. as No. 22 in its Top National Universities category, which includes public and private institutions.

Enrollment for the 2003-04 school year showed 19,643 students, comprised as 65 percent undergraduate, 24 percent graduate, 8 percent as first-professional (law and medicine), and 3 percent on-grounds continuing education. The University offers forty-eight bachelor's degrees in forty-six fields, ninety-four master's degrees in sixty-four fields, six educational specialist degrees, two first-professional degrees (law and medicine), and fifty-five doctoral degrees in fifty-four fields.

As a member of the highly competitive Atlantic Coast Conference, U.Va. fields twelve intercollegiate sports for men and thirteen for women. The intercollegiate athletic program ranked 30th in the final 2003-04 Division I United States Sports Academy Directors' Cup standings. U.Va. had 224 student-athletes named to the 2003-04 Atlantic Coast Conference Honor Roll, which is comprised of student-athletes who participated in a varsity-level sport and registered a grade point average of 3.0 or better for the full academic year.

The mission of our Procurement Services Department is to support the purpose and goals of the University of Virginia -- its educational, research, patient care, and public service missions -- by purchasing and providing quality goods and services at competitive prices, proper financial stewardship for payments, and providing responsive and responsible service to all University departments.

We achieve our mission by dedication to excellence in customer service, providing avenues of access to businesses, processing orders in a timely manner, streamlining operations, pursuing cost savings, identifying new sources of supply, developing relationships with small, minority, and women-owned vendors, and complying with all laws of the Commonwealth of Virginia.

Statement of the Initiative

As we are a public university for the Commonwealth of Virginia, our Purchasing Card program is under their umbrella and we are held responsible to their regulations. One of the state requirements is that every cardholder uses a log to document all of their purchases as they are made on a monthly basis. Supervisors are also required to complete an annual review of cardholder spending limits, based on the actual amounts spent by the cardholder in the previous fiscal year. Our initiative was to improve our transaction log format to encompass ease of use for both requirements in one application.

Design

Our first matter of business was to create a list of functionalities we would like in a transaction log, but did not have in our current Microsoft Word version.

In terms of cardholder use, we wanted consistency when it came to transactions that did not clear in the billing month that the purchase was recorded in. Secondly, we were looking for the log to automatically total all of the transactions as they are recorded, to help cardholders realize how close they are to their monthly limit. We were also hoping that the log could encompass the entire fiscal year, showing month-by-month purchases, instead of individual document files.

For the supervisor annual review, we needed the monthly log to note the highest dollar transaction used per month and per year. Additionally, we wanted the log to automatically tally up the monthly total spent. Aside from our wish list above, we were also interested in reducing the amount of duplicate data entry needed from both cardholders and supervisors.

Once our goal list was determined, our next step was to create a working copy of our current document in the Excel format. We began to edit this copy by adding the functions for adding in the total amount recorded as spent, as well as the highest transaction amount for the month. These alter as transactions are entered or deleted, so our data integrity is maintained.

After this had been created, we copied the worksheet twelve times to account for our fiscal year and then named the spreadsheets accordingly. We then added a spreadsheet titled “Annual Review.” The purpose of this spreadsheet is directed toward the supervisor. Certain information automatically populates into this spreadsheet, such as the highest transaction limit used, or the highest monthly limit spent during the fiscal year. The other fields noted in yellow

must be added in by the supervisor at the time of review, such as the current limits set for this card or justification for requesting a higher limit for the cardholder at the time of review.

After we put this together, we realized the absolute necessity for the cardholders to use this log consistently to maintain data integrity for the annual review. One way to ensure the monthly use was to add another spreadsheet after the review page. This is simply a data sheet that reflects the highest transaction limit and monthly amount spent detailed per month. If a supervisor were to see that a month had no amount spent, he should look at the actual month spreadsheet to see if “No purchases made” was noted for that month. If the supervisor did not see a note to that effect, then the cardholder would have to be asked to locate the billing documentation.

Another change we found useful for eliminating duplicate data entry would be entering cardholder information only once. We decided to insert a worksheet at the beginning of the log that is used specifically to enter in the cardholders’ name, department, and last five digits of the account number. This information is then copied throughout every worksheet of the log.

Once the document was created with our specifications, our next step was to provide instructions to the users for how to use the program. We decided it would be best to not have the directions spelled out on the document, but a hyperlink available to take them to it if needed. Since document retention is also an issue with documentation, we created another link to take users to the section of our website designated to that information.

Implementation

Our Information Technology (IT) team was part of our team through this project, and their support continued throughout the implementation. Our IT team placed our Fiscal Year Workbook on our departmental website, and listed it under our Recently Changed Pages section for our users to reference.

We also introduced our new tool by demonstrating it at the monthly fiscal administrators meeting, sent an email throughout the University community, and wrote an article about it in our quarterly newsletter.

Benefits

The most obvious benefit is that we met all of our goals for this new transaction log. In regard to cardholders, if their transaction does not clear in the billing month that the purchase is recorded in, they can cut and paste the transaction into the next month without having to retype the data. The log automatically totals all of the purchase amounts, and all transactions can be kept in the same document for a full fiscal year.

For our supervisors, the transaction log doubles as the annual review tool. The highest monthly amount spent and highest transaction limit per year are automatically placed on the review form, considerably reducing the efforts needed to find that information manually.

Since implementation, we have received numerous compliments from the cardholders. The comment heard most often is that the program is easy to use, and that it makes the process much easier for when transactions do not clear in the month the purchase was recorded.

Retrospect

In the beginning portion of our design process, we used password-protected pages to keep users from altering the information requested on the form. One of the negatives from the protection is that Excel will not let users sort data. This became an inconvenience since we ask the users to sort their data by statement month so they can cut and paste their non-reconciled transactions in the next worksheet without much of a hassle. In addition, protected cells meant that users could not add additional rows of text if needed. Needless to say, we removed the protection from the worksheets to correct these issues.

It appears that from a quirk in the program, some users open up the workbook from our website, and their Excel program believes that it is still protected. Those users either need to unprotect their worksheets or we will email them a copy of the unprotected workbook.

If we were to create another tool like this, or even create this one over again, it would be fair to say that document protection would not be used for just this situation.