

Chapter 4: Procurement Cards

This chapter covers Procurement Cards. In this chapter you will learn:

- How to identify Procurement Card purchases on your revenue and expense detail reports.
- Recommended procedures for reconciling Procurement Card expenses.
- How to distinguish between Procurement Card transactions that posted:
 - When the purchases were assigned to a cost object using JP Morgan Chase's PaymentNet system
 - When the purchases posted to a default account because they were not allocated to the correct cost object or GL account in PaymentNet.

The Procurement Card Program

Overview of Procurement Cards

The Johns Hopkins University Procurement Card Program is designed to provide authorized faculty and staff with a method of paying for small dollar purchases of regularly consumed supplies and services. The University Procurement Card is a MasterCard obtained from JP Morgan Chase.

The program is administered by the University's Supply Chain Shared Services group. Policies and Procedures regarding use of the PCard can be found on the Supply Chain website at:

<http://ssc.jhmi.edu/supplychain/PCard/guide.html>

A procurement Cardholder may use the Procurement Card in the same way as a personal credit card to make purchases of supplies or services for University use. Purchases may be made by telephone, mail, or in person with any supplier that accepts MasterCard as a form of payment. Only the person whose name is on the Procurement Card may use it to make purchases. When making a purchase by

Procurement Card, it is not necessary to complete and forward a purchase request to Supply Chain Shared Services. The purchase transaction will be accomplished completely between the Cardholder and the supplier.

To maintain proper documentation, it is recommended that Cardholders compile a log of all transactions as purchases are made, preferably in an electronic document such as an Excel spreadsheet. An example of a Procurement Card Transaction Log can be found at:

<http://ssc.jhmi.edu/supplychain/secure/PCard/pcforms.html>

The log should include the date of purchase, vendor, amount and cost center/internal order. The log should be kept along with all receipts and packing slips provided by suppliers. Maintaining a log not only aids in reconciliation, but is also helpful to internal and external auditors.

Each month, the Cardholder will be provided with a statement from JP Morgan Chase summarizing all purchases made with the Procurement Card. This information will also be available online in the PaymentNet system.

TransactionID	Exported	Reviewed	Approved	Account Number	First Name	Last Name	Transaction Amount	Post Date	Merchant Name	Default Chart of Accounts
110165745	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	LYNDA	HESTER	\$85.00	3/6/2012	ADDOGENE, INC.	JHU 170 1017000001 8001364
110165210	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	DAVID	GINTY	\$52.00	3/6/2012	UI DEV STUDIES HYBR	JHU 170 1017000001 8001364
110162933	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	CHRISTOPHER	POTTER	\$20.00	3/6/2012	ADDOGENE, INC.	JHU 170 1017000001 8001364
110162098	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	SOLANGE	BROWN	\$507.00	3/6/2012	GTS-WELCO ACCUPAY	JHU 170 1017000001 8001364
110161650	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	DAVID	LINDEN	\$13.75	3/6/2012	SmallParts.com	JHU 170 1017000001 8001364
110157198	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	LYNDA	HESTER	\$215.00	3/6/2012	ADDOGENE, INC.	JHU 170 1017000001 8001364
110151366	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	SOLANGE	BROWN	(\$128.50)	3/6/2012	GTS-WELCO ACCUPAY	JHU 170 1017000001 8001364
110149523	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	ASHLEY	ROCCIO	\$19.97	3/6/2012	TARGET 00010017	JHU 170 1017000001 8001364
110109957	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	MIN	LI	\$184.80	3/5/2012	AIRGAS EAST	JHU 170 1017000001 8001364
110103764	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	MIN	LI	\$2.71	3/5/2012	Amazon web services	JHU 170 1017000001 8001364
110096777	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	BARBARA	ZIEGLER	\$42.60	3/5/2012	STAPLS7083056955000002	JHU 170 1017000001 8001364
110095015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	DAVID	LINDEN	\$29.55	3/5/2012	MPSMEDICALSUPPLY.COM	JHU 170 1017000001 8001364
110080571	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	MIN	LI	(\$5.94)	3/5/2012	APL*APPLEONLINESTOREUS	JHU 170 1017000001 8001364
110076912	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	JAY	BARABAN	\$1,322.00	3/5/2012	DHARMACON IINC 01405505	JHU 170 1017000001 8001364
110074832	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	BARBARA	ZIEGLER	\$12.49	3/5/2012	STAPLS7083056955000001	JHU 170 1017000001 8001364
110069661	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	CHRISTOPHER	POTTER	\$21.69	3/5/2012	FEDEX 798109586924	JHU 170 1017000001 8001364
110068136	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	XINZHONG	DONG	\$404.00	3/5/2012	BACHEM AMERICAS INC	JHU 170 1017000001 8001364
110055852	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	BARBARA	ZIEGLER	\$348.72	3/5/2012	GIOVANNI'S TUTTI GUSTI	JHU 170 1017000001 8001364
110050378	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	*****	MIN	LI	(\$82.16)	3/5/2012	APL*APPLEONLINESTOREUS	JHU 170 1017000001 8001364
110050149	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	*****	NAIQING	YE	\$73.36	3/5/2012	EDMUND OPTICS INC	JHU 170 9000000001 9004524

Display 4-1. PaymentNet

Each Cardholder has an Approver whose job is to:

- verify charges made with the Procurement Card
- approve charges made with the Procurement Card
- assign charges made with the Procurement Card

As an internal control, the Cardholder and the Approver cannot be the same person. The Approver accesses PaymentNet, and using documentation supplied by the Cardholder, verifies that the charges are valid and assigns each charge to a designated University cost object and general ledger expense item. This process must occur approximately the 25th of each month, otherwise the charge will be automatically moved to a designated non-sponsored default account and general ledger expense account, G/L 632002. Regardless of when the transaction is approved, the transaction will not be expensed in SAP until after the statement's monthly closing, approximately the 25th of the following month.

Another item to keep in mind is that the transactions are posted to SAP on the approval closing date for the statement period. For example, for statement period April 26th through May 25th, PCard transactions will post to SAP on the approval closing of June 25th. Users will note that closing date for July is pushed up to meet end of fiscal year closing deadlines. For the list of specific monthly closing dates, see the calendar at:

<http://ssc.jhmi.edu/supplychain/PCard/calendar.html#calendar>

Whether the approver assigns the charge to the correct cost object and general ledger account or the charge is automatically assigned to the default account, the accounting transaction is:

Debit : Expense (e.g., 632101 Other Research Supplies)
Credit: PCard Clearing Account (201089)

When JP Morgan Chase is paid, the transaction is:

Debit: PCard Clearing Account (201089)
Credit: Cash

Recommended Reconciliation Procedures: PCard Statements and PaymentNet

If the approval deadline is missed, PCard expenses will post to the default account using GL 632002

1. Cardholders should give all receipts, packing slips and other documentation to the approvers on a weekly basis. This should include a transaction log, which identifies the budgets where charges should be allocated.
2. The Approver works in the PaymentNet system to match each transaction to the appropriate documentation and assign the charge to a designated University cost object and general ledger expense item.
3. The Cardholder gives the monthly JP Morgan Chase statement to the Approver, and the Approver should match all transactions with the supporting documentation. Documentation should be attached to the statement.
4. The Approver or the Cardholder should retain the statement and supporting documentation for seven years from the date the final

deliverables are submitted to the Sponsor. Document retention guidelines are discussed in Chapter 2.

5. If the Approver misses the PaymentNet approval window and is no longer able to approve the credit card transactions in PaymentNet, the transaction will post to the designated default account and will be viewable on a monthly non-sponsored detail report. The Approver must still follow the procedures outlined above; additionally, the charges must be moved to the appropriate University cost object via a Non-Payroll Cost Transfer.
6. When allocating and approving PCard transactions in PaymentNet, the Approver may search for transactions by inputting beginning and ending transaction posting dates in an Advanced Query, or allow PaymentNet to default to the last 30 days.

Reviewing Procurement Card Transactions

Transactions in SAP - BW Reporting

Procurement Card transactions are identified in SAP with a 9-digit number beginning with “10.” In this case the FI document number and the reference document number are the same.

Display 4-2 provides an example of a PCard transaction appearing on a sponsored detail report. This transaction was properly assigned to a sponsored cost object and general ledger item by the approver, note the posting to G/L 632101.

Sponsored Class	GL Account	FI Doc/Doc Number	Reference Doc Number	Created By	Item Text	Posting Date	CO Header Text	FEB 2012 Revenue and Expense
Supplies & Materials	JHEN632101 OTHER RESRCH SUP	109019794	109019794	FAUTO	BOEKEL INDUSTRES INC	02/24/2012	HESTER,LYNDA	\$ 212.00
					GENEWIZ INC	02/24/2012	HESTER,LYNDA	\$ 422.00
					ROBOZ SURGICAL INSTRUM	02/24/2012	HESTER,LYNDA	\$ 309.00
					SIGMA ALDRICH US	02/24/2012	HESTER,LYNDA	\$ 198.20
					SOLTEC VENTURES	02/24/2012	HESTER,LYNDA	\$ 130.50
		109029563	109029563	PCORNEL4	OFFICE DEPOT,LHESTER1(2001018790)	02/28/2012	COST TRANSFER 0000147672	\$ (671.87)
					OFFICE DEPOT,LHESTER1(2001039325)	02/28/2012	COST TRANSFER 0000147672	\$ (42.99)
					OFFICE DEPOT,LHESTER1(2001065222)	02/28/2012	COST TRANSFER 0000147672	\$ (91.89)
					OFFICE DEPOT,LHESTER1(2001123823)	02/28/2012	COST TRANSFER 0000147672	\$ (148.66)
					OFFICE DEPOT,LHESTER1(2001129508)	02/28/2012	COST TRANSFER 0000147672	\$ (1,126.57)
					OFFICE DEPOT,LHESTER1(2001163687)	02/28/2012	COST TRANSFER 0000147672	\$ (187.89)
Overall Result	Result	Result						\$ (1,271.27)
								\$ (1,271.27)
								\$ (1,271.27)

Display 4-2. Procurement Card - Sponsored Revenue and Expense Detail Report

Note that the expenses found in the box in Display 4-2 are examples of procurement card transactions, while the expenses in the oval are examples of Non-Payroll Cost Transfers (Expense Only). Because both types of transactions have FI document numbers that start with a “10”, and the person generating an

expense transfer can input text, these transactions can look very similar. To distinguish between the posting types, first, notice that the item text for PCard transactions will have the vendor name listed, while the item text for expense transfers could display anything.

Also note the “Created by” column. Expense transfers will have the JHED ID of the individual that created the transaction while PCard expenses will have SCONV or FIAUTO (seen in later examples). An additional way to identify these types of transactions clearly, is to add the free characteristic, CO Header Text. Notice the PCard Expenses show the Cardholder’s name in this field, while the Non-Payroll Cost Transfer shows the journal id number.

Display 4-3 is an example of PCard transactions appearing in a non-sponsored detail report where the transactions were *properly assigned* in the PaymentNet system to the correct non-sponsored cost object and general ledger item. Notice in the report that all of these postings were “Created by” FIAUTO with a Doc Type of YH, meaning the transaction posted using PaymentNet, the PCard interface.

Commitment Item	Doc Nbr	Long Desc	Vendor	Created By	Posting Date	Document type		DEC 2011 Revenues Expenditures	2012 Commitments
632101 OTHER RESRCH SUP	108752897	AMAZON MKTPLACE PMTS	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	4.99	
		GRAPHICSLAND INC	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	163.90	
		WWW.SOURCEBIOSCIENCE.C	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	292.30	
640312 MAINT SERVICES	108752897	BECKMAN*COULTER	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	680.00	
640403 MEMBERSHIPS/DUES	108752897	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	140.00	
	108753161	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	185.00	
642002 MEALS NON TRAVEL	108753161	PEETS COFFEETEA 1Q10	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	90.70	
647001 TRAINING	108752897	SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH	PCard Interface	155.00	
Overall Result								1,711.89	

Display 4-3. Procurement Card - Nonsponsored Posting Properly Assigned in PaymentNet System

Display 4-4 provides examples of PCard transactions posting to the default account, 632002, from the PaymentNet system, with additional examples showing charges being moved off the account. As shown in the display, the YH document types posted to the non-sponsored default account, 632002, on 12/26/2011. Notice, again, the “Created by” field shows FIAUTO, which are PCard transactions.

The first two entries are examples of previous postings to the default account that were cleared on 12/9/2011. In these cases, you see the USERID (in this case AWISE6) of the person executing the cost transfer and you see the Doc Type ZG, for Non-Payroll Cost Transfer, rather than the standard Doc Type for PCards, YH.

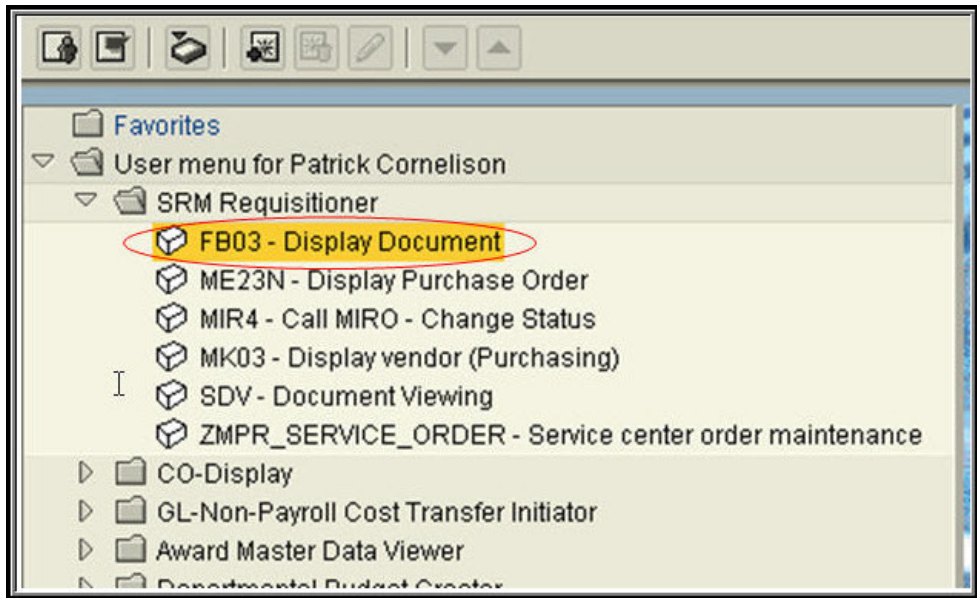
Commitment Item	Doc Nbr	Long Desc	Vendor	Created By	Posting Date	Document type	2011 Revenues	2012 Expenditures	2012 Commitments
632002 UNALLOC PCARD EXP	108707517	LI CC- DOMAIN HOSTING REGISTRATION	Not assigned	AWISE6	12/09/2011	ZG			(20.34)
		SOCKANTHAN CC- DRY ICE	Not assigned	AWISE6	12/09/2011	ZG			(52.00)
	108752761	DROPPBOX	Not assigned	FIAUTO	12/26/2011	YH			99.00
		FEDEX 795422951170	Not assigned	FIAUTO	12/26/2011	YH			8.32
		FEDEX 797714139905	Not assigned	FIAUTO	12/26/2011	YH			12.32
		FEDEX 797714140026	Not assigned	FIAUTO	12/26/2011	YH			11.82
		FEDEX 824109635510	Not assigned	FIAUTO	12/26/2011	YH			181.16
		FEDEX 875649135759	Not assigned	FIAUTO	12/26/2011	YH			31.48
		SOCIETY FOR NEUROSCIEN	Not assigned	FIAUTO	12/26/2011	YH			120.00
		TRANSNETYX INC	Not assigned	FIAUTO	12/26/2011	YH			31.40
Overall Result									423.16

Display 4-4. Procurement Card - Posting to the Default Account

Transactions in SAP - FB03

If you need additional information on your postings, PCard transactions can be reviewed with transaction code FB03 using the document number from the BW sponsored or nonsponsored report. The following steps will explain how to further research a PCard transaction using FB03.

1. Start by going into FB03 in ECC as shown in Display 4-5.



Display 4-5. Using the FB03 transaction to Review PCard Postings

2. Enter your FI document number and fiscal year and hit enter as shown in Display 4-6.

Display Document: Initial Screen

Document List | First Item | Editing Options

Keys for Entry View

Document Number: 108753161
 Company Code: JHEN
 Fiscal Year: 2012

Display 4-6. FB03 - FI Document Number Entry

3. When the detail for the FI document is displayed as shown in Display 4-7, you can clearly see that the account credited in this transaction is the “PCard Clearing Account.” This means that the charge is in fact a PCard charge. In this example, the clearing account was credited for \$-185.00, while the expense posted to Memberships/Dues 640403.

Display Document: Overview

Taxes | Display Currency

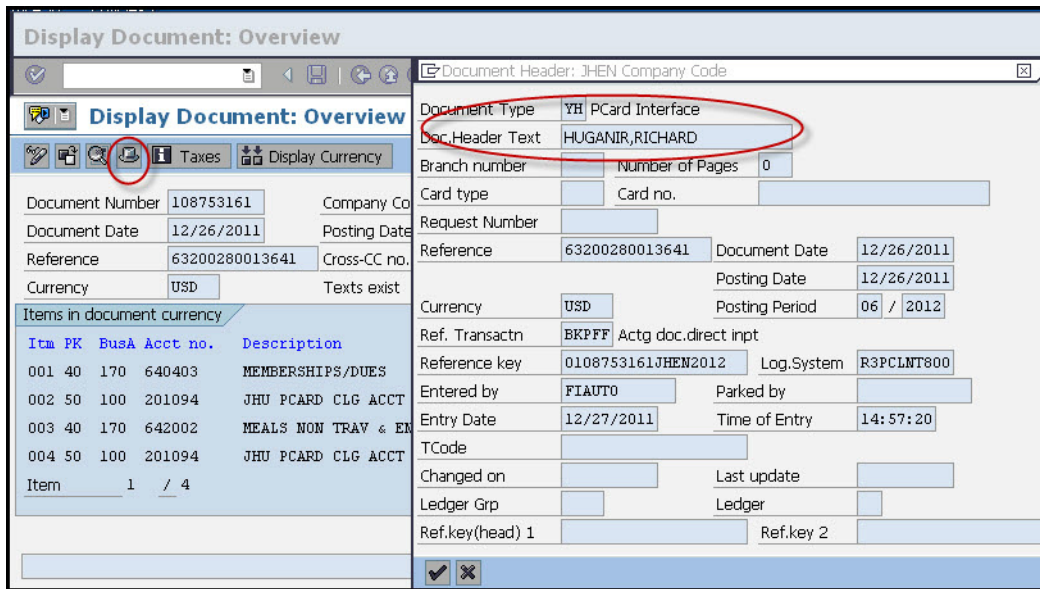
Document Number: 108753161 | Company Code: JHEN | Fiscal Year: 2012
 Document Date: 12/26/2011 | Posting Date: 12/26/2011 | Period: 6
 Reference: 63200280013641 | Cross-CC no.:
 Currency: USD | Texts exist:

Item	PK	BusA	Acct no.	Description	Tx	Amount in USD
001	40	170	640403	MEMBERSHIPS/DUES	I0	185.00
002	50	100	201094	JHU PCARD CLG ACCT		185.00-
003	40	170	642002	MEALS NON TRAV & ENT	I0	90.70
004	50	100	201094	JHU PCARD CLG ACCT		90.70-

Item 1 / 4 | Debit/Credit | 275.70

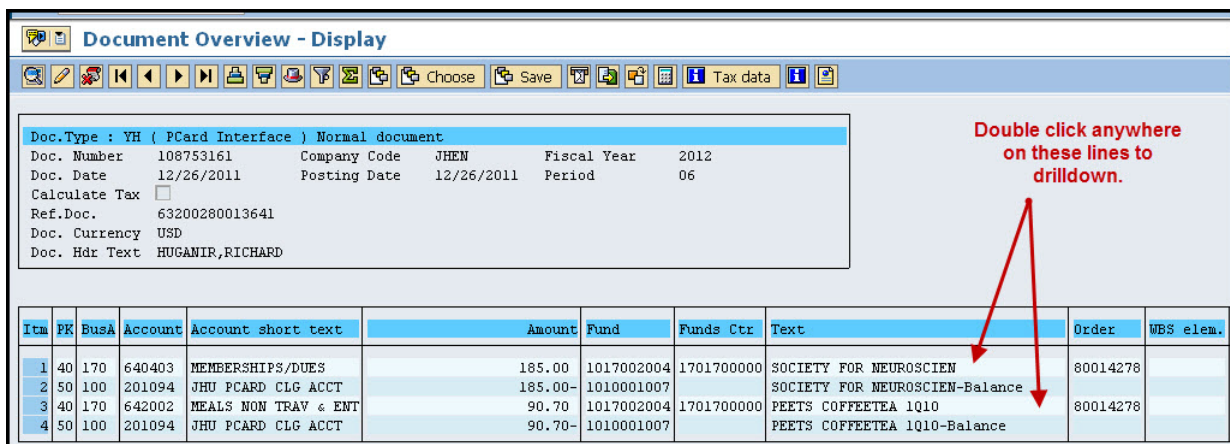
Display 4-7. Reviewing PCard Posting Documents in ECC

- To display the name of the PCard account holder, click on the “Display document header” icon (Top hat icon). We can see in Display 4-8, that Richard Hujanir is the holder of the PCard used in this example.



Display 4-8. Determining the PCard Holder for Specific FI Document Postings

- It is important to note the “Posting Date” field in FB03 is derived from activity between the bank’s system and SAP. It is not the original posting from the bank statement. The actual bank posting date is the “Value Date” field in FB03. After displaying your document in FB03 you may drill down from a transaction line for additional information.



Display 4-9. Drilldown within the Transaction to Identify the Value Date

The drilldown results will give you even more information. From the display, locate the “Value Date” field. The “Value Date” is the actual bank posting date, 11/7/2011 in this example.

Display Document: Line Item 001

Additional Data

G/L Account: 640403 MEMBERSHIPS/DUES
 Company Code: JHEN JOHNS HOPKINS ENTERPRISE
 Doc. no.: 108753161

Line Item 1 / Debit entry / 40

Amount: 185.00 USD
 Tax Code: IO
 Tax Jur.: MD0000000

Additional Account Assignments

Business Area: 170 Trdg Part.BA: []
 Cost Center: [] Order: 80014278
 Sales Order: [] 0 0
 WBS Element: [] Network: []

Purchasing Doc.: [] 0
 Quantity: 0.000
 Value Date: 11/07/2011 Bline Date: []
 Assignment: 202-962-400,DC USA
 Text: SOCIETY FOR NEUROSCIEN

More
 Long text

Display 4-10. Value Date field in FB03 is the Actual Bank Posting Date

Recommended Reconciliation Procedures

Purchases Properly Assigned to a University Budget in PaymentNet

Method #1

When a posting is identified as a PCard transaction, the reconciler can use FB03 to determine the name of the Cardholder. If the Cardholder is appropriate to the budget charged and the reconciler is confident that the documentation procedures outlined in *Recommended Reconciliation Procedures: PCard Statements and PaymentNet* on page 4-3 have been followed, the reconciler should check off the charge on the BW report. No further documentation is necessary.

Method #2

When a posting is identified as a PCard transaction, the reconciler can match the vendor and charge to the JP Morgan Chase statement and supporting documentation and check off the charge on the BW report.

Purchases Not Assigned to a University Budget in PaymentNet

When PCard transactions have not been allocated to the correct cost object using the PaymentNet system, the expenses will post to the default non-sponsored account (632002). When PCard transactions are posted to the default account, the reconciler must first validate the charges as described under *Recommended Reconciliation Procedures: PCard Statements and PaymentNet* on page 4-3, accumulate the documenting receipts and packing slips, match them to the charges and then match them to the JP Morgan Chase statement. The charges may be checked off on the BW report after they have been matched. Next, the reconciler must create a “Non-Payroll Cost Transfer” to move the charges to the appropriate University cost object and general ledger expense item. Chapter 11 of this guide has more detailed information about Non-Payroll Cost Transfers.

Additional Resources

Links to other resources you may find helpful:

Sample PCard Expense Log:

<http://ssc.jhmi.edu/supplychain/secure/pcard/pcforms.html>

Supply Chain Sponsored Shared Services, PCard Information:

<http://ssc.jhmi.edu/supplychain/pcard/index.html>