



CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

Agency Purchasing Card Administrators' Meeting

Thursday, August 26, 2016 – 2:00-4:30

Department of Revenue, Building 1, Room 1820

Minutes

INTRODUCTIONS

PRESENTATIONS/DISCUSSIONS:

▪ **Compromised Cards– Michelle Oliver, DFS**

At the May 2016 meeting, the rise of fraud and the need to address compromised cards was discussed, as almost 5,000 PCards were included in data breaches since January 2016. The week following that meeting, agencies were provided a list of compromised cards that needed to be closed and new cards ordered for the cardholders. A major file issue occurred, due to all of the agencies ordering new cards at the same time. The Statewide PCard Administrator's Office spent the rest of May and most of June resolving the issues caused by the file error. In late June, the project was back on track but at a much slower pace. Bindu Paladugu took on the task to ensure that the file limit size did not exceed the daily limit. The exercise is now winding; as of August 27th, only one agency with less than a 150 compromised cards will be remaining on the project. Agencies were asked about how many have closed all of the compromised cards for those cardholders who received the new ones. Michelle emphasized the need to close those open accounts as soon as possible. The Statewide PCard Administrator's Office will poll the agencies to confirm that all accounts have been closed. Gratitude was expressed to the agencies for their patience and diligence it took to get through the exercise. Bindu was specifically commended on her hard work and diligence to ensure not only that the file limits were not exceeded, but the maximum number of cards were ordered on each day.

Questions/Comments:

- ? Was fraud the reason for the compromise card exercise? (An administrator has noticed more fraud codes – “Decline by Score 1” – on the decline report.) Jeri Winkleblack, from Bank of America (BOA), explained that fraud does happen, but the reason for the exercise was because of vendor data breached.
- ? What actions has BOA taken to prevent fraud? Jeri explained that there have been 12,000 vendor data breaches in 2016; vendor breaches are out of BOA's control. Chip and PIN cards will help when used.

▪ **Chip and PIN Migration – Michelle Oliver, DFS**

The accelerated chip and PIN migration was also discussed at the last meeting, and a June start date was discussed at that time. However, the compromised cards event took precedence, and the migration was put on hold. The good news is that there are less cards to now migrate, due to the compromised card exercise. When about half of the agencies completed the compromised card exercise, Bindu began the chip and PIN migration with the agencies that were finished. Bindu and Brenda Vila have been working with agencies with less than 100 mag stripe cards on ordering replacement cards which will be issued as Chip and PIN. Once all compromised card accounts are closed, the Statewide PCard Administrator's Office will ask BOA for an updated list of mag strip cards for all agencies. Agencies were instructed to stand by to hear from Brenda as she will be reaching out to them soon to schedule their Chip and PIN Migration.

Questions/Comments:

- ? What if cardholders dispose of the PIN mailers? If a cardholder disposed of the PIN mailer and did not register for the online PIN check, the cardholder will need to request another PIN mailer from BOA if he/she cannot recall the number. The PIN will not be provided over the phone.
- ? If a cardholder attempts to use his/her PCard at a chip-enabled terminal, the PIN must be entered.
- ? It is highly recommended that cardholders register with the online PIN check, so they are able to retrieve their PINs when necessary.
- ? PINs are attached to the account number, not the cardholder.
- ? PINs are required for point-of-sale purchases, not on-line or telephone purchases.
- ? What is the timeline to complete the migration? The Statewide PCard Administrator's Office still strives to complete the migration by the end of 2016, barring any additional interruptions.

▪ **Eligible User Agreements – Jeri Winkleblack, BOA**

Jeri informed the administrators of the need for all agencies to sign an Eligible User Agreement in order to participate in the State of Florida PCard Program. She supplied hard copies of the agreement, as well as offered to send electronic versions. She also offered to provide a copy of the original application that each agency completed when joining the program. Agency administrators who would like a copy of the original application or an electronic version of the Eligible User Agreement should email Jeri (at jeri.winkleblack@baml.com) and copy the Statewide PCard Administrator's Office (PCardReporting@myfloridaCFO.com).

Note: The Eligible User Agreement is Exhibit F of the State Term Contract (http://www.dms.myflorida.com/business_operations/state_purchasing/vendor_information/state_contracts_and_agreements/state_term_contracts/purchasing_card_services)

Questions/Comments:

- ? Who should sign the agreement on behalf of the agency? DFS recommends that the agency head or designee sign the agreement.
- ? Agency administrators asked if DFS could provide a memo or email regarding the agreement. The Statewide PCard Administrator's Office will follow-up with a memo.
- ? Question was posed regarding vendors storing cardholders' account numbers. Jeri stated that the vendor should be PCI compliant, if storing account numbers. (PCI compliant is in reference to compliance with Payment Card Industry standards.)

▪ **Project Overview – Natalie Hanks, DFS**

Natalie provided a presentation, updating the agency administrators on the project. She indicated that 15 of the 49 deliverables included in the contract have been approved.

A PCard Works Technology Integration Kick-off Meeting was held on July 18-19. BOA representatives met with DFS and DMS staff to discuss current workflow and future technical requirements. An initial JAD session is scheduled for August 31st to discuss the General Ledger Fields and custom fields required for the program. There will be future JAD sessions scheduled for error handling, approvals/workflows, and files/reports.

Agencies can expect communication and planning going forward with quarterly meetings, conference calls, and emails. DFS will also be working with agencies on data clean-up efforts before the new system is implemented.

Questions/Comments:

- ? Is the progression of Works taking longer to see how it will integrate with PALM? No, the integration to Works and conversion to Florida PALM are two separate projects.

▪ **Reports on the Purchasing Card Website – Michelle Oliver, DFS**

Michelle provided information regarding reports that are available on the Administrator Use Only page of the Purchasing Card website (<https://flair.dbf.state.fl.us/iwpcad/pcadmin.shtml>). The reports discussed include:

- Employee Verification Report – compares the PE records in the PCard module of FLAIR to the salary and W4 tables. This report can be used to determine which PE records can be closed.

- Processing Groups with no Active Cards Report – lists the processing groups with no cards in “A” status. Administrators can use this report to determine which groups can be deleted. **Note:** Approvers assigned to these groups will need to be changed to “D” status, prior to changing the processing groups to “D” status.
- Person Records with No Active Card or Approver Records report – lists PE records that do not have either a card record or approver records assigned to the user. Administrators can use this report to determine which PE records can be closed.

Questions/Comments:

- ? The data from these reports is pulled from Information Warehouse, which represents information from the previous night – not real-time.
- ? Should PE records be closed? The Statewide PCard Administrator’s Office recommends closing PE records for employees who are no longer employed by the agency. Some agency administrators have chosen to change the PE records to “I” status for employees who are no longer a cardholder or approver, but are still employed by the agency. That is the agency’s discretion.

▪ **Charge Reviews:**

▫ **Upcoming Changes – Michelle Oliver**

The Statewide PCard Administrator’s Office will be streamlining the charge review process. The first goal is to review more current charges, and stay more current with the charges. The statewide office understands the need to allow for two months between the paid date and the charge review, due to the reconciliation process. To help streamline the process and allow for the charge reviews to stay more current, deadlines will be decreasing. Also agency administrators need to ensure that basic requirements for charge reviews – signed and dated receipts, supporting documentation, justification, statutory authority (if it is not evident) – are included in the first response. Other requirements for payment should also be provided initially. All of the required information should be readily available with the reconciliation reports.

Agencies may be re-assigned to the auditors in the Statewide PCard Administrator’s Office. Agency administrators will be notified when the reassignments have been determined.

PCard charges that are coded with travel-related object codes will no longer be chosen for review beginning in September. The Bureau of Auditing will begin auditing travel, in general – not specifically PCard charges. PCard charges may be included in the audit sample; however, the requests for information will not be sent directly to the agency PCard administrators.

REMINDER: The Agency PCard Administrator is the point of contact for charge reviews and all correspondence. As such, the Statewide PCard Administrator’s Office will not correspond with cardholders and approvers.

▫ **Common Findings – Brenda Vila**

Brenda discussed the common findings among charge reviews and provided guidance for those areas of concern with a PowerPoint presentation. She recommended using the PCard Charge Review Audit Finding Form as a training tool for the agency’s cardholders and approvers. Agency Administrators should provide the form to the cardholders and approvers to help educate them on the issues.

▪ **Other Discussion:**

▫ **Corporate Card Records – Michelle Oliver**

The Corporate Card records should never be changed or deleted in the PCard module in FLAIR. The cardholder names of these cards represent the agency’s name and are assigned to the “Corporate” group for each agency. The corporate accounts are required for assigning cardholders to the agency, as well as transaction workflow.

- **Average Payment /Processing Times – Michelle Oliver**

The Statewide PCard Administrator's Office will begin providing each agency administrator his/her agency's average payment and processing times for the past quarter. This information will be provided on a quarterly basis.

- **Travel Restrictions – Michelle Oliver**

Chapter 2106-62, Laws of Florida, imposed travel restrictions on State of Florida travelers. Agency Addressed Memo #43 (2015-16) discusses the restrictions and Agency Addressed Memo #6 (2016-17) provides PCard guidance for the restrictions discussed in the previous memo – it does not supersede the previous memo.

- **Visa Liability Waiver Program – Michelle Oliver**

Visa offers a liability waiver to agencies for cardholder misuse. Information is available on the Administrators Only page of the Purchasing Card website, including a brochure that explains the program and lists the obligations of the agency. Agency administrators are encouraged to review the information in case it is ever needed.

- **Other Questions/Concerns**

The BOA dispute form only provides submission via FAX. Jeri offered to verify if other modes are available for submitting the form.