<u>Recommendations of the Financial Management Advisory Commmittee (FinMAC)</u>

Recommendation Tracking Number: FinMAC 1
Name: P-card
Date: February 7, 2013

In response to a request from the Controller's Office for input from FinMAC, we provide the following three recommendations.

1. **Travel Meals:**

   <u>Travel meals should not be allowed on the P-card</u>. Current policy of claiming per diem is less administrative work. Allowing travel meals to be charged to the P-card would be taking a giant administrative step backwards. Reconcilers would need to collect and review receipts to ensure there are no unallowable charges as well as to verify the cost of the meal, including gratuity, is within per diem.

2. **Lodging:**

   <u>Lodging and hotel parking ramp charges should be allowed on the P-card.</u> Cardholders will have to be educated that only lodging and hotel parking ramps are acceptable charges. Room service, movies, internet and hotel bar services are not allowed. When making hotel reservations and checking in, communication to the hotel's reservationist and guest check-in representative would need to be clear that the University's Purchasing Card is only for lodging and hotel parking ramp charges. Incidentals, including meals, will be paid with a personal credit card or cash.

   <u>This recommendation is viable as long as the following can be implemented as well:</u>
   - We believe that Central has the ability to control the hotel block at the individual cardholder level. Colleges / departments should be permitted to specify cardholders for whom lodging will be permitted on their P-card.
   - When unallowable charges are incurred on the P-card, we need a mechanism to notify Payroll Services so an immediate deduction can be taken from the cardholder's payroll to eliminate the need for department staff to function as collection agents.

3. **Corporate Travel Cards:**

   <u>Corporate Travel Cards that have been issued should remain active.</u> No further cards should be issued. Review the travel card after a suggested one (1) year grace period of allowing lodging and associated charges being charged to the P-card. If deemed successful, determine then if the Corporate Travel Card is still needed.

Vote Summary

Name	Representing	Vote
Wendy Berkowitz	University Services	Yes
Sue Bosell	UMD	Yes
Gina Danyluk	AHC VP Office	Yes
Karen Dewanz	CFANS	Yes
Sarah Goulet	Veterinary Medicine	Yes
Brent Gustafson	CLA	Yes

Jill Merriam	SVP Acad Affairs/Provost	Yes
Anne Mockovak	Medical School	Not in attendance
Dave Pappone	CSE	Yes
Tom Quinn	U Stores	Yes
Michelle Wills	Carlson School	Yes

In the course of discussing these topics, the following ideas were identified. We provide them, not as recommendations, but as topics for future consideration and investigation.

a. Travel Authorization (TA), could be better utilized if P-card travel transactions could be interfaced to release the encumbrance setup by the TA.
b. Review Cash Advance policy to allow advances for meal per diem to travelers who could be financially strapped for cash or do not have a personal credit card to use to purchase meals while in travel status.
c. Review the timing of the monthly billing date and reconciliation of P-card charges. Reporting of monthly charges would be more accurate and effective if Central's sweep of P-card charges coincided with soft close of each monthly accounting period. There would virtually be 2 weeks to complete reconciliation and approval of monthly P-card charges. Charges could then be reported in the month they were incurred and not in the following month. This would be a win-win for departments and central program offices that utilize P-card transaction data.
d. Need more information about the functionality of what My Wallet can and cannot do. Seeing a demonstration from start to finish could affect the suggested recommendations on how policies and procedures are compiled should the University allow for meals and lodging to be charged to the P-card.
e. Continue to allow colleges to establish clear and stricter P-card policy guidelines where the University's existing policy does not sufficiently address abuses.