

West Virginia's One Card

Welcome to the One Card



By West Virginia State Auditor
Glen B. Gainer III

Now that all state agencies are using the purchasing card, the number of local government entities choosing this payment method is growing quickly – now up to 121.

Our office implemented the state purchasing card program in 1996. We were aiming for more accountability for purchases, improved reporting, better vendor relations and greater savings for the state.

The program has achieved much success in these and other areas. It has been called “one of the nation’s best” by Visa International.

In addition to the ability to negotiate deeper discounts and to speed up vendor payment time from 70 days to three business days, the purchasing card also allows our office to detect almost immediately when potential fraud has occurred.

In the local government purchasing card program alone, started in 2008, we have completed more than 66,000 transactions totaling more than \$25 million, with zero dollars lost to taxpayers because of fraud.

With this newsletter, we want to extend and sharpen the lines of communication between the Auditor’s Office and you. We intend to help you streamline your business by improving and refining your purchasing card use.

Welcome to The One Card newsletter. Your suggestions are welcome. I look forward to a continued and fruitful relationship.

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Wheeling Earns “credit” as Purchasing Card Leader

For months, the City of Wheeling has topped all other West Virginia municipalities in its purchasing card use.

For Finance Director Michael Klug, it’s just good business.

“We are utilizing it the way it should be,” Klug said. “We are following the procedure to get the most it can.”

That means vendors are getting paid quickly, in 36 to 72 hours. Wheeling also is cutting expenses associated with issuing individual checks. And over the last three months, the city’s general fund account has gained about \$5,400 thanks to P-Card rebates.

“It works out real well for us,” Klug said. “We use the card quite a bit.”

During July, August and September, the total P-Card “spend” in the Ohio County Seat amounted to \$422,287 – the highest of the 52 municipalities employing the card and the third-highest of all 121 participating entities, including 36 county commissions and 21 boards of education.

Logan County, a perennial West Virginia leader, spent \$479,584 with the card during the same three months, compared to second-place Morgan County, which marked a spend of \$474,602.

Klug currently is working with local government purchasing card specialist Catherine Fazzini and Karen Inghram, the program’s United Bank partner, in interfacing his software with United’s.

Rather than flashy big ticket items, whose payments are spread out over many months, Wheeling’s largest expenditures are tipping fees to Short Creek Landfill, then office supplies and equipment, Klug said.

The city’s police officers, fire fighters and administrators use 42 cards. City Manager Robert Herron has one but Mayor Andy McKenzie does not.

Schools Benefit from Purchasing Card

Whether someone needs a volleyball net, bus tires, or notebooks, Hampshire County Schools Treasurer Denise Hott offers a simple solution – the purchasing card.

“As much as possible, we use it,” Hott said.

Currently, 141 teachers and administrators are armed with the P-Card, sponsored by the West Virginia State Auditor’s Office. Hott started in the program in December 2009 by issuing cards to central office directors to pay for travel needs.

Over the most recent three months, school system staff employed the cards to the tune of \$179,128.

Now transportation department employees pay for bus parts and tires with the P-Card. Maintenance officials use it for nails, plumbing and electrical supplies and other day-to-day necessities. Vocational teachers can get lumber and tools. The family consumer science teacher visits the local Food Lion for groceries for cooking classes.

“All schools have them -- administrators, secretaries,” Hott said, noting that with the exception of one Exxon card, Hampshire County Schools totally relies on the P-Card.

August is a big month for buying instructional supplies, though teachers submit requisitions to Hott before they leave for summer break. There are 200 to 300 orders placed in August from the one high, two middle and six elementary schools. During August, the school system spent \$73,925 using the P-Card, compared to \$54,276 in September.

Hott’s biggest challenge? That would be getting employees to turn in their reports by the 12th of each month so she can pay the balance by the 23rd. They are allowed three strikes, after which she said she would “turn off” their P-Cards.

The Hampshire County Board of Education is about to try a new approach to the P-Card. Soon Hott will hand out declining balance cards to teachers.

“Each of our professional educators is allocated \$200 for instructional supplies from faculty senate funds,” she said. “One of our nine schools will be the pilot project.”

For Hott, the P-Card just makes life easier. It streamlines the paper shuffle and benefits the vendors with prompt payments.

Not to be ignored are the rebates, which Hott considers more than just a cost-saving dividend for the school system. In a recent period of four quarters, however, she recorded rebates of \$1,568, \$1,632, \$1,878 and \$1,602 – an average of about \$1,600 in direct income per quarter.

“I would like to see other school boards use the P-Card,” Hott said.

What’s this Purchasing Card All About?

Representatives from counties and municipalities strongly supported State Auditor Glen Gainer’s legislation creating a local government purchasing card program. They wanted the same cost savings, rebates, efficiencies and vendor satisfaction that the state agency purchasing card program has experienced since 1996.

The voluntary program brought together an experienced and professional staff in the West Virginia State Auditor’s Office in conjunction with United Bank.

These staff members provide services such as assistance in developing policies and procedures, internal controls, card maintenance, fraud monitoring and customized usage reports. Further, the Auditor’s Office assists or administers training, based on the minimum requirements to participate in the program.

Participants from local governments receive rebates on a sliding scale. For most purchases, rebates are 1.05 percent of money spent using the purchasing card.

Today, 121 local government entities are enjoying this convenient and flexible payment alternative. Many others are lining up to join.



Tip of the Month



While Sam's Club does not accept Visa for in-Club purchases, it will take the card at www.samsclub.com.

In other words, if you want to buy from Sam's Club with your purchasing card, do so by ordering the necessary items for your business on the Internet. After ordering online, you can pick up your assembled order at the local store.

Jessica Perdue, CPCP

Local Government Entities Participating in the Purchasing Card Program

---36 county commissions: Barbour, Berkeley, Boone, Cabell, Doddridge, Grant, Greenbrier, Hampshire, Harrison, Jackson, Jefferson, Lewis, Lincoln, Logan, Marshall, Mason, McDowell, Mercer, Monongalia, Monroe, Morgan, Nicholas, Ohio, Pleasants, Pocahontas, Preston, Summers, Tyler, Tucker, Upshur, Wayne, Webster, Wetzell, Wirt, Wood and Wyoming.

---52 municipalities: Anmore, Bayard, Belmont, Bolivar, Burnsville, Capon Bridge, Charles Town, Clarksburg, Clearview, Cowen, Danville, Dunbar, Fairmont, Fairview, Follansbee, Franklin, Gauley Bridge, Gilbert, Granville, Hinton, Hurricane, Jane Lew, Kenova, Keyser, Lester, Lewisburg, Montgomery, Nitro, Oak Hill, Parkersburg, Parsons, Petersburg, Peterstown, Quinwood, Rainelle, Ranson, Ridgeley, Ripley, Romney, Ronceverte, Salem, Shinnston, Smithers, Sophia, Summersville, Union, Welch, West Union, Wheeling, Windsor Heights, Whitesville and White Sulphur Springs.

---21 boards of education: Barbour, Boone, Calhoun, Doddridge, Grant, Greenbrier, Hampshire, Hardy, Harrison, Jefferson, Lewis, Lincoln, Marshall, Monroe, Nicholas, Pendleton, Preston, Tucker, Tyler, Upshur and Wayne.

---12 other: Boone County Ambulance Authority, Charles Town Utility Board, Huntington Sanitary Board, Lewis County Board of Parks & Recreation, Lincoln County Health Department, Logan County Health Department, Oak Hill Sanitary Board, Ohio County Development Authority, Parkersburg Utility Board, RESA III, RESA V and Wood County Solid Waste Authority.



FAQ Corner...

How does the rebate work?

Paying with the local government purchasing card will earn your entity a rebate.

Through our contract with United Bank, the Auditor's Office receives a quarterly rebate, based on the program's total purchase volume. The rebate is passed on to each entity based on their spend according to the current rebate tier schedule, as shown below:

Qualifying Annual Volume (1) (2)	Rebate Percentage (3)
\$0 - \$500,000	1.05%
\$500,001 - \$1,000,000	1.10%
\$1,000,001 - And Above	1.15%

Rebates are based on the following terms:

- (1) The Division will pay the Entity a quarterly rebate of the aggregate net purchase volume made by the Entity during the standard payment cycle based on the above tier schedule. Quarterly rebate calculations will be based upon a June 30 fiscal year end; the aggregate net purchase volume calculation will begin on the first day of the standard payment cycle closest to June 30 and will reset each year. Net purchase volume is defined as purchases less returns, credits, cash advances, ATM transactions and fraud losses.
- (2) The standard payment cycle is on a monthly basis with a due date 25 days after the billing cutoff.
- (3) Qualified Large Ticket Transactions: The rebate percentage applies to all transactions except for qualified large ticket transactions. The reduced interchange, qualified large ticket transactions will earn a rebate of 0.43%.

Transactions processed as large ticket items qualify for a .43 percent rebate. Vendors who process such large ticket items will often work out an agreement with Visa through which the company pays a smaller exchange rate.

Representatives from the Local Government Purchasing Card Program and the Public Employees Insurance Agency are discussing the possibility of using the card to pay premiums. PEIA rebates also would be less than 1.05 percent.

Rebates are now direct deposited into the local government entity's general fund account on a quarterly basis.

As always, your regional P-Card Specialist will be happy to address any additional questions you may have.

Catherine Fazzini, CPCP

Choosing the Right Bank



When State Auditor Glen Gainer implemented the Local Government Purchasing Card Program, he envisioned bringing all local government entities into a single purchasing card program and replacing the various card types used today by county and municipal governments.

Offering all local government entities the opportunity to be part of one single purchasing card program would allow them to achieve the highest possible rebate back to the local governments.

In order to accomplish this, Auditor Gainer wanted to choose a bank that would be eager to build relationships with the local government entities. He knew that a strong partnership between the bank and the Local Government Purchasing Card Program would be a key element in the success of the program.

He also wanted a West Virginia bank -- so he chose United Bank -- a bank that he knew would build a relationship of trust and confidence.

United Bank, the largest headquartered company in the state, is totally committed to the State of West Virginia. A team of highly experienced professionals has been assigned to this program. They continually deliver the service, technology and support that allows the program to grow.

United is committed to ensuring that the State Auditor's Office and local government entities receive maximum value from the program.

Our trust in United Bank has grown over time as its professionals have shown accountability and responsibility in the continued success of the Local Government Purchasing Card Program.

Amy Lewis, CPCP

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