



Department of
Administrative Services

Customer Focused, Performance Driven

Sonny Perdue
GOVERNOR

Brad Douglas
COMMISSIONER

Speed, Savings and Safety Make State P-Cards Work

By PAUL KURTZ

(Editor's Note: A Sugar Hill resident, Paul Kurtz, is a Georgia Department of Administrative Services State Card Program Manager in charge of the Purchasing Card program (P-Card.) He points out the role of this modern purchasing program. -eeb.)

SUGAR HILL, Ga., Nov. 3, 2009 -- Today more than ever, it is important to receive the maximum benefit from our state's limited resources while providing transparency into our roles as stewards of public funds. The need for cost-effective methods of procurement is paramount, and government purchasing is under the microscope. As a result, the State Purchasing Card Program is taking center stage as a safe, secure, and cost effective procurement tool utilized by state and local government entities across Georgia.



Paul Kurtz

State Cards Program Manager

The Visa® Purchasing Card, or P-Card, is the cornerstone of the P-Card Program administered by the Georgia Department of Administrative Services (DOAS). Issued by Bank of America and accepted worldwide wherever Visa® is accepted, the P-Card continues to offer city, county and state employees in Georgia a streamlined method of payment for official purchases. Since its inception in the 1980's, purchasing cards have evolved into state-of-the-art purchasing tools that offer flexibility, customization and reporting that no other form of payment can match.

One of the most important advantages of the P-Card is the elimination of cumbersome purchase order paperwork, and when used responsibly, the P-Card offers more accountability through consistent and timely reconciliation processes and electronic management controls. As a result, the P-Card continues to be the simplest, most secure and cost effective method to pay for official purchases. The State of Georgia P-Card is an ideal way to streamline the procurement process, save money and ensure adherence to government purchasing policy.

Consider the following facts taken from the RPMG Research Group's 2007 Purchasing Card Benchmark Survey Report:

- **Speed:** the P-Card is the fastest method of payment. The average cycle time for purchases is reduced by 7.8 days when using the card, from 11.4 days for a purchase order to 3.6 days for a P-Card transaction. Buyers receive their goods or services fast and vendors get paid promptly with the least amount of administrative effort by the purchasing agency.
- **Savings:** the P-Card is the least expensive method of payment. Users save an average of \$69 per purchase in administrative cost savings when paying via a P-Card versus a purchase order. The cost savings range from about \$20 to over \$120.
- **Safe:** The P-Card is the safest method of payment - Purchasing card misuse accounts for only 0.025 percent of total spending. That means for every one million dollars spent on a card, only \$250 is unauthorized. And, the enhanced data available to manage the program can make identifying misuse much easier than with traditional payment methods.

All purchasing and payment methods have risk associated with them, and fraud and misuse can never be fully prevented. However, the P-Card program, with a comprehensive policy in place combined with the security features built into the product and the liability coverage provided from Visa, creates a method of payment with an unparalleled level of security.

The result is a product that offers virtually zero liability to program participants when used properly. Now more than ever, it is important that we drive down costs and streamline processes. The P-Card remains one of the most effective tools we have to manage expenses as well as save time and valuable resources. For more information about the Georgia P-Card program, contact me at paul.kurtz@doas.ga.gov or 404-656-5344.

Article originally published in GwinnettForum.com on November 3, 2009. Reprinted with permission.