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2013
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City of Hartford, Connecticut
P-Card Usage Delivers Budget Relief

Industry: Local Government
Employees: 7,000
Population: 125,000
Location: Hartford, CT
Years as a Tyler Client: 10
Tyler Products Used: Munis®, Tyler Content Manager, TylerForms, Tyler Pulse

The Facts:
Like many municipalities, the City of Hartford's primary concern is their budget deficit. To help resolve this concern they knew they needed to streamline costs, and decided that they could do that by reducing the number of checks they produced. This prompted the city to look at alternative payment options, including e-payables and procurement cards (P-Cards).

Contact: www.hartford.gov

Key Challenge
The City of Hartford needed to address their current deficit. But first, they needed to analyze the scope of the project, build consensus, train all users, implement wide-spread usage among city departments, and track vendor information.

Action Taken
Realizing that controlling fees and reducing the number of checks produced would be beneficial to help get expenses under control, the finance office worked with Bank of America to roll out e-payables and trim bank fees — but they needed to do more. The city implemented processes to expand their current P-Card usage and increase efficiencies. Drawing on their experience with Munis, they began using P-Card statements within the Munis Accounts Payable application.

In Their Own Words
"We realized that we needed to track all vendor information in Munis for reporting purposes. We reviewed the new P-Card statements in Munis Accounts Payable, and decided that this would be the tool that would allow us to expand our P-Card program to fully utilize its power, and still be able to track the expenses against the budget within Munis."

*— **Leigh Ann Ralls**, Controller*

Results
Today, usage of P-Card statements has allowed the city to: reduce the number of checks produced resulting in reduced bank fees, import the P-Card invoice, process invoices through pre-determined workflow, and track all vendor payments for reporting purposes.

- P-Card users increased from 78 to 186
- A purchase threshold of $5,000 reduced the number of invoices from 46,000 to 30,000
- Questionable charges were reduced
- General ledger coding went from 10 days to 5 days
- Managers can now see charges on a bi-weekly basis and have them approved through workflow

The city has increased P-Card and e-payable purchases to over $8.3 million with Bank of America since October 2011. They were able to recognize a soft dollar savings of $31,789 and earned a cash rebate of $105,786. This accounts for a total savings of $137,575 for a one-year period.

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Addressing Challenges

The City of Hartford began addressing their budget deficit issue by maximizing their relationship with Bank of America by rolling out e-payables, earning cash rebates with some success. But it was when attending a Connecticut Association of School Business Officials (CASBO) meeting on the state's use of P-Cards that they decided to expand on their fledgling P-Card usage. The city had been using P-Cards since 2004 with very restricting limits and little usage, but believed that they could improve and expand the use. "We met with every department head to determine who should receive a P-Card and what limits should be placed on them," said Leigh Ann Ralls, Controller. Setting limits by department and employee, they worked on the workflow process for approvals, general ledger coding, tracking vendor information and reporting.

Once the finance office determined that P-Cards could be very beneficial, they needed to show their administration that they had an approval system in place. "We needed to demonstrate that we could safely increase P-Card usage by setting MCC (Merchant Category Codes) restrictions on the cards themselves, and import the P-Card statements into Munis for proper coding and workflow approval," explained Ralls. "We showed the administration that our methodology would allow for restricted purchases based on department needs and would utilize funds control by checking the budget before allowing the posting." They concluded that they could increase P-Card usage by raising limits and forcing the use of P-Cards for every invoice under $5,000.

Once the MCC codes and the card holders were determined, the finance team worked with departments to complete the workflow process for approvals and posting to the vendor file in accounts payable. The project team created documentation for end-user training in every city department, the board of education, library and Hartford Parking Authority — how to code the P-Card statements, attach backup documentation and copy of receipts through TCM, and provide a description of the purchase.

Moving Forward With Munis P-Card Statements

Realizing that they needed to track all vendor information in Munis for reporting purposes, they reviewed the new P-Card statements in Munis Accounts Payable. "We need to be able to report all payments to vendors regardless of payment type. The P-Card statement program allows us to do that easily by creating vendors during the import process and attaching the P-Card transaction to the vendor file so that we have a complete record of all payments," said Ralls.

Tyler Pulse Speeds Mandated Reporting

A mandate requires the city to provide a quarterly City-Owned Minority Business Enterprise/Women Business Enterprise report. This report must detail all purchases by percentage of the different types of minority vendors. Prior to using the P-Card statement which allows the city to track all purchases, the city would manually report on data from Bank of America and then have to merge it with the Munis data. "The city is now able to run the report directly out of Munis or Tyler Pulse, a new data analysis tool, and have the report completed in minutes rather than 2 or 3 days," commented Amy Stuart, Financial Systems Manager.

Increasing Productivity and Time Management

Asked if the P-Card process would be helpful to their peers using Tyler solutions, Ralls replied, "Many other municipalities can find both hard and soft savings by reducing the amount of invoices processed, as well as the number of requisitions and/or purchase orders. Saving employee time allows for better time management and increased productivity."

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