



Stay informed with the latest news for school districts

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Denver Public Schools take the non-traditional route to maximize purchase card utility

Denver Public Schools make purchases from A-Z - just like most other school districts. The difference in Denver is that over the past five years many more of those purchases are made with the Visa Purchase card, compared to other districts of the same size.

"We use the purchase card to pay the typical types of purchases, but also for non-traditional types of purchases like software installation, fixed expenditures like water and phone bills, and for text books," says Michael S. Thomas, director of purchasing for Denver Public Schools. "The Purchasing department has worked closely with accounting and has set up a number of 'ghost card' account numbers for use in the payment of these transactions."

Using the purchase card for non-traditional payments is only one of the reasons the district is considered a highly successful example of purchase card program management: increased transaction volume year-after-year, resulting in increased rebates, is another differentiator.

"The transaction volume of purchases on the card has increased from \$2 million yearly (1995), to \$21 million yearly (2010) - a ten-fold annual spend volume increase over the last five years. This additional spend volume has also increased rebate levels ten fold, which means increased money turned back into operating funds for the Finance Department," he says.

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Denver Public Schools take the non-traditional route to maximize purchase card utility

About the profiled card program:

Number of cards:

450

Average monthly spend on all cards:

~\$2,000,000

Year program established:

1999

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The program is also an important tool in regulating spend. “We are a large public entity, so regulating purchasing is important,” says Thomas. “The purchase card program is one tool that helps us do that, particularly with card limits and Merchant Category Code blocks.”

The card program is also instrumental in helping the district negotiate better discounted pricing with vendors, Thomas adds. “We get reports on trends and spend volume, giving us better visibility into what we are spending with each vendor. We use this data to establish discounted contracts for volume purchasing.”

Because the program is well established in the district, Thomas explores new ways to wring the most benefit from the program. He has been successful at enhancing efficiency via the internet.

“We also have established an online training link which helps cardholders learn how to properly use the card and their responsibilities in doing so,” he says. Each user must pass this online training and then the application for a Visa Purchase card is completed.

In addition, school and district departments can reconcile accounts and submit receipts online. “This improves statement processing time and makes it easier for the accounting department to review and process,” he says.

As a 12-year Visa Purchase card program veteran, Denver Public Schools have valuable experience to share with other school districts that are new or may be considering implementing a similar program.

“This is a program that offers many benefits, and brings best-case business practices into the public sector,” says Thomas. “I recommend if a district is exploring the use of this program, that they contact other similar districts who already use purchase cards in order to get some ideas about cost controls, training and program use.” ↩

Visa PerformSource identifies areas of improvement in school district purchase card programs



To take a close look at purchasing card performance, you sometimes need an outside resource to get at the specific areas where your program can save even more money. School districts can now take advantage of such clarity through Visa PerformSource.

“District procurement managers, A/P managers and superintendents can take advantage of our experience and analytical tools to analyze card program performance and identify ways to enhance card program results,” says Darren Muise, Visa Commercial Partnerships, Public Sector.

Visa and your commercial banker work together with you to evaluate your card program operations, with the end result an easy-to-understand report and an action plan to help you realize the benefits of the recommended improvements.

When using Visa PerformSource, you are able to get:

- A performance assessment and recommendations for improving your purchase card program
- A three-year ROI projection based on implementation of the recommendations
- A spending diagnosis to help determine how to strategically pay vendors
- Tailored recommendations for reducing costs, streamlining processes and better managing spending

To participate in Visa PerformSource, enroll through your issuer and simply provide your accounts payable information and participate in a few brief interviews about your payables operation. This data will then be analyzed using a suite of proprietary qualitative and quantitative analysis tools, including sophisticated data analytics and benchmarking best practices diagnostic.

“With these tools, we are able to provide an implementation plan built around the unique strengths and opportunities for the school district’s program,” says Muise. “Those who have already taken advantage of Visa PerformSource have been able to achieve greater efficiencies, increase cost savings and improve vendor management.”

Check with your commercial banker for availability of Visa PerformSource. ↗

Electronic payroll distribution benefits Chicago Public Schools



Managing payroll for the 50,000 employees of the Chicago Public Schools (CPS) used to mean sorting through and processing a variety of payroll options. Teachers, administrators and support staff could be paid via paper check or direct deposit. The 4,000 or so seasonal student employees were paid via ATM card. These multiple options not only proved to be time consuming but also expensive.

E-payment was the answer, but the district had a big concern: how could they deliver e-payment to student workers and unbanked employees? The answer was a Visa Payroll card program.

Managing payroll for employees in 700 schools and two district offices was streamlined by the payroll card program because the district was removed from the account maintenance and ownership loop. Now, the card issuer handles all the issuance and customer service responsibilities including lost/stolen card concerns. This shift of responsibility has allowed CPS to free one full-time employee for other projects.

In addition, because everyone qualifies for a payroll card, they can be issued to any employee or student worker – regardless if they have a bank account.

Initiating the program proved simpler than perceived. Training and product support from the card issuer helped payroll personnel quickly learn how to set up and load cards, transfer data and generate system reports that integrate into the district's payroll system. Getting employees on board was also streamlined: all student workers were automatically paid by payroll card and new employees must now sign up for direct deposit within 30 days of hiring or they will be paid via Visa Payroll card.

To help introduce the program to employees and student workers, materials were created that emphasized the benefits of the program, including:

- Immediate and secure receipt of pay
- No check cashing fees or hassles
- Freedom to shop anywhere Visa Debit cards are accepted
- Online bill-pay capability
- Easy cash access
- Zero liability protection against unauthorized card transaction

The program has been well-accepted by employees: since launch of the Visa Payroll card, CPS has received only positive feedback.

For more information about implementing a Visa Payroll card in your district, email payrollcards@visa.com. ↗

The economy and the risk of fraud: How to protect your school district's program



The economic downturn is raising the risk awareness on card programs. In addition, your district may have fewer staff on the management side of the card program. Internal risk controls can begin to fail with less program oversight and monitoring.

Fighting the risk of card program fraud should begin with two crucial elements: (1) continuous program and transaction monitoring and (2) consistent communication of strong policies, ethics and values that tell your cardholders that everyone is committed to doing what is right.

Make sure these protocols are in place:

Prevent

Internal controls are integrated

Continued training

Risk assessments are undertaken regularly

Detect

Undertake regular audits

Adhere to specific reporting processes

Counsel current cardholders on expectations and rules of use on a regular basis

Respond

Enforce the rules

Make every cardholder accountable

Take immediate corrective action if fraud is discovered

Maintain consistent responses

School district card programs in the news

Welcome new card program members

Bedford County PA School Board

Visa Purchase card program initiated through SunTrust Bank.

Johnson County NY School Board

Replacing voucher system that coaches and activities advisors use with Visa Purchase card program.

The Hampshire County School District in West Virginia reports an average of \$1,600 in rebates each quarter from their Purchase Card program – income that is used to benefit the district’s one high school, two middle schools and six elementary schools. The district is also piloting a declining balance card program. *West Virginia State Auditor's Office Bulletin, October 2010*

The Sarasota County School District is using Visa Purchase cards to disburse funds from The Patterson Foundation’s Student Emergency Fund pilot program. The funds make sure that all students arrive at school with their most basic needs met – properly prepared and equipped for positive classroom performance. *Pelican Press, November 10, 2010*

Colorado Springs School District 11 will initiate a Visa Purchase card program through UMB Financial this summer. The district expects to receive \$124,000 in rebates. *Colorado Springs Gazette, January 26, 2011*

MARK YOUR CALENDAR

2011 Trade shows and conferences

May

National Association of State Administrators and Supervisors of Private Schools
Annual Conference
May 1 – 4, Denver, CO
www.nasasps.org

September

Association of School Business Officials
Executive Leadership Forum
September 16 – 19, Seattle, WA
www.asbintl.org

July

Small School District’s Association
Annual Symposium for Superintendents
July 21 – 22, Sacramento, CA
www.ssda.org

August

National Association of Educational Procurement
Professional Development Academies
August 15 – 16, St. Louis, MO
www.naepnet.org