

# Training Document

## Processing Credits in P-Card



### Overview of how payments are processed for p-card.

Transactions from MasterCard (J.P. Morgan) are uploaded into CORECT daily and may be reconciled at any time.

A transaction cannot be vouchered until it has met all of the following conditions:

1. The transaction has been approved
2. The associated purchase order is dispatched and valid
3. The transaction billing date is for the current billing cycle. Any transactions that are approved for a future billing period will be held until that billing cycle is active.

Always look at the billing date on the reconciliation page to see which period the transaction is in.

Billing Date	Merchant
08/10/2017	THOMASTON FEED CHESHIR
07/10/2017	ZOOM.US

Payments start for the current billing cycle on the evening of the 10<sup>th</sup> day of the month. All transactions that qualify will be processed and built into vouchers. Vouchers are built by business unit and card number and can contain up to 200 transactions. Once a voucher exceeds that amount a second voucher will be created.

Example:

CARD	# of Transactions	Vouchers Created	Voucher Total
0001	10	1	\$300.00
0002	30	1	-500.00
0003	250	2 1 with 200	\$2,000.00
		1 with 50	\$1,000.00

These vouchers are built as approved then document tolerance and budget check are processed.

Once all have been successfully processed, the vouchers are normally combined into one payment per business unit to J.P. Morgan Chase for the net total. In the example above a payment for \$2,800 would be sent.

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### Credit Payments

However if the balance of the payment is negative, no payment will be sent to J.P. Morgan. The credit will hold in CORECT until it can be applied and a positive payment balance is created.

Example:

Card 0002 for -\$500.00 is processed and a voucher is created. No payment is sent since the amount is negative.

Card 0001 is processed next for \$300.00. Again no payment is sent since the combined value is now a negative -\$200.00.

Card 0003 is processed for \$3,000. A payment will be sent to J.P. Morgan for \$2,800.00.

Credit balances not used by the end of the month will carry forward to the following month unless it is the end of the fiscal year. Any unused credit vouchers will be closed and will need to be recreated in the new fiscal year.

NOTE: The calculations for payment are calculated automatically by CORECT.

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### Scenarios for Processing Credits

While credits are issued for various reasons, the timing and net amount are the major considerations for how to apply the credit. These scenarios provide the general processing guidelines.

### General Reconciliation Tips

- Since credits may be issued for a variety of reasons, it is better to hold off reconciling for a day or two to reduce unnecessary payments.
- Request credits from suppliers as soon as possible.
- Use the dispute option to help track credits
- Never create a negative line on a purchase order to reconcile a credit.
- Verify receipts have been done before reconciling.
- Save transactions frequently after reconciling. This will update the available balance.

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### Charge and Credit are within the same billing period and the net total is zero

If there is a charge and credit for the same amount, reconcile them to the same line on a purchase order. Since it nets to zero it will not impact the encumbrance amount.

If a separate purchase order line is needed to reconcile the transaction, the line must have an encumbrance.

If necessary create a PO line with at least a penny on it. After it has been reconciled, the line can be reduced or closed to clear the encumbrance. (Remember the line must also be received)

Bank Statement							
Transaction		Billing					
	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount	
1	<input checked="" type="checkbox"/>	07/17/2017	07/18/2017	08/10/2017	PAYLESS AUTO GLASS	Staged	350.00
2	<input type="checkbox"/>	07/18/2017	07/19/2017	08/10/2017	PAYLESS AUTO GLASS	Staged	-350.00

### Charge and Credit are within the same billing period and the net total is positive

If there is a charge and the credit is for less than the charge amount, reconcile the transactions to the same line and adjust the purchase order.

Bank Statement							
Transaction		Billing					
	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount	
1	<input checked="" type="checkbox"/>	07/10/2017	07/12/2017	08/10/2017	MD STETSON COMPANY INC	Staged	-55.38
2	<input type="checkbox"/>	07/11/2017	07/12/2017	08/10/2017	MD STETSON COMPANY INC	Staged	278.75

In this example, the total charge is for \$223.37. A change order would be done to the purchase order to reflect the credit. If the PO was for the total amount simply reduce it to the new total. If there were multiple lines, adjust or cancel the line(s) that were credited and reconcile the line(s). The new balance is what will be deducted from the budget when it is paid.

### Charge and Credit result in a negative total

Often a credit will be processed in a different billing period after the original charge has been paid. The credit may be reconciled in various ways to apply the amount.

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In this example, there is a charge for \$143.55 and a credit for \$700.00. The agency has decided to use part of the credit to pay the charge.

Bank Statement							
Transaction	Billing						
	Card Number	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount
1	<input checked="" type="checkbox"/>	*****4344	07/12/2017	07/14/2017	08/10/2017 JETBLUE 27986336212951	Staged	143.55
2	<input type="checkbox"/>	*****4344	07/20/2017	07/24/2017	08/10/2017 RIT FINAN SRVS ONLINE	Staged	-700.00

To apply part of the credit to the charge, use the split line transaction function. The first line will be for the charge amount, the remainder will be the balance of the credit.

Bank Statement							
Transaction	Billing						
	Card Number	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount
1	<input type="checkbox"/>	*****4344	07/12/2017	07/14/2017	08/10/2017 JETBLUE 27986336212951	Staged	143.55
2	<input checked="" type="checkbox"/>	*****4344	07/20/2017	07/24/2017	08/10/2017 RIT FINAN SRVS ONLINE	Staged	-143.55
3	<input checked="" type="checkbox"/>	*****4344	07/20/2017	07/24/2017	08/10/2017 RIT FINAN SRVS ONLINE	Staged	-556.45

The new -143.55 can now be reconciled to the 143.55 as if it was a net zero credit.

Remember: Once the charge and credit are reconciled to a PO line, the PO chartfields will be applied to the transactions.

The remaining credit amount can be applied to the correct chartfield values by clicking the distribution icon.

The screenshot shows the 'ProCard Account Distribution' dialog box. The main window displays transaction details for Line 3, including a PO Qty of 1.0000, a Billing Amount of -556.45 USD, and a Transaction Unit Price of -556.45000. The 'Distributions' section is active, showing a table with columns for Dist, Percent, Amount, Currency, \*GL Unit, Fund, Dept, SID, Program, \*Account, ChartField 1, and ChartField 2. The first distribution row shows 100.0000 percent, -556.45 USD, and various chartfield values. A red arrow points to the distribution icon in the top right corner of the dialog box.

If necessary, the credit can be split into further lines for more transactions or distributions.

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### Reconciling a Credit from a different period

In this example, a charge for \$700.00 was made in error in July. Since payment must be made to all charges, the transaction is reconciled to a purchase order.

Card Number	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount	BU	PO ID
*****4344	07/05/2017	07/07/2017	07/10/2017	RIT FINAN SRVS ONLINE	Approved	700.00	SDRM1	0000003854

The amount is entered in the Dispute Amount column and a comment is entered explaining the reason.

Card Number	Trans Date	Posted Date	Billing Date	Merchant	Billing Amount	Dispute Amount
*****4344	07/05/2017	07/07/2017	07/10/2017	RIT FINAN SRVS ONLINE	700.00	700.00

**ProCard Comments**

Line 1      Description Registration- RIT NTIDOutreach Summer Program J. Puryear

Reference

Transaction Line Comments      Find | View All      First 1 of 1 Last

Status: Active

Comments:  
Charged in Error

The payment is processed as normal.

The following month the credit is received.

Card Number	Trans Date	Posted Date	Billing Date	Merchant	*Status	Tran Amount	BU	PO ID	Line	Distrib
*****4344	06/20/2017	06/22/2017	07/10/2017	RIT FINAN SRVS ONLINE	Approved	740.00	SDRM1	0000003854	5	
*****4344	07/05/2017	07/07/2017	07/10/2017	RIT FINAN SRVS ONLINE	Approved	700.00	SDRM1	0000003854		
*****4344	07/20/2017	07/24/2017	08/10/2017	RIT FINAN SRVS ONLINE	Staged	-700.00	SDRM1			

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Review the previous month’s transaction and click on the distribution to find the correct distribution.

ProCard Account Distribution

Line 2

Billing Date 07/10/2017

SpeedChart

PO Qty 1.0000

Billing Amount 700.00 USD

Transaction Unit Price 700.00000

UOM EA

Unit Price 700.00000

\*Distribute By Amount

Distributions

Personalize | Find | View All | First | 1 of 1 | Last

Chartfields	Details/Tax	Asset Information	Statuses								
Percent	Amount	Currency	*GL Unit	Fund	Dept	SID	Program	*Account	ChartField 1	ChartField 2	
1	100.0000	700.00	USD	STATE	12060	SDR63620	20921	52009	50790	191014	SDR02011

OK Cancel Refresh

Then click on the distribution link for the credit transaction and enter in the same values.

NOTE: The distributions are populated with the default values established for the cardholder.

ProCard Account Distribution

Line 3

Billing Date 08/10/2017

SpeedChart

PO Qty 1.0000

Billing Amount -700.00 USD

Transaction Unit Price -700.00000

UOM EA

Unit Price -700.00000

\*Distribute By Amount

Distributions

Personalize | Find | View All | First | 1 of 1 | Last

Dist	Percent	Amount	Currency	*GL Unit	Fund	Dept	SID	Program	*Account	ChartField 1	ChartField 2
1	100.0000	-700.00	USD	STATE	12060	SDR63820	20926	84136	50790		

OK Cancel Refresh

Once they have been changed click ok and save.

NOTE: The transaction will not be associated to a purchase order.

Verify and approve the transaction as normal.

In certain circumstances, the agency may want to reconcile the credit to the purchase order line. This is possible as long as the PO has not been closed.

To accomplish this, create a change order to the paid line and increase it the amount by a penny.

Once it has been dispatched, receive the penny.

Reconcile the credit to the line of the purchase order.

Once the transaction has been processed and voucher created, cancel the receipt

Do another change order and remove the penny from the line

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Regardless of the way the credit is reconciled, once the process is finished, the disputed amount needs to be marked as collected. This will stop the transaction from showing up on a future reports or queries for uncollected credits.

Navigate: Purchasing > Procurement Cards > Reconcile > Review Disputes

Enter the criteria and click search

The screenshot shows the 'Review Disputes' interface. At the top, there are tabs for 'Transaction', 'Billing', and 'Cardholder'. Below the tabs is a table with the following columns: 'Collected', 'Dispute Amount', 'Card Number', 'Description', 'Trans Date', 'Transaction Amount', 'Currency', and 'Merchant'. The 'Collected' column has a checkbox that is checked. The 'Dispute Amount' is 700.00, the 'Card Number' is \*\*\*\*\*4344, the 'Description' is 'Registration- RIT NTIDOutrea', the 'Trans Date' is 07/05/2017, the 'Transaction Amount' is 700.00 USD, and the 'Merchant' is RIT FINAN SRVS ONLINE. There are 'Save' and 'Notify' buttons at the bottom left of the table.

Collected	Dispute Amount	Card Number	Description	Trans Date	Transaction Amount	Currency	Merchant
<input checked="" type="checkbox"/>	700.00	*****4344	Registration- RIT NTIDOutrea	07/05/2017	700.00 USD		RIT FINAN SRVS ONLINE

Check the box under the collected column then click Save.