CBO launches pilot project to improve PCard process in CALS

After months of research, collaboration and planning, CALS Business Operations (CBO) launched a PCard pilot project on January 23, 2017, focused on improving the efficiency and accuracy of PCard processing within the CBO. The pilot involves 118 PCard holders across three CALS departments: Department of Entomology and Plant Pathology (DEPP), Biological and Agricultural Engineering (BAE), and CALS Research Stations and Field Labs. During the three-month pilot, the PCard pilot team will monitor and collect data that will help the CBO make improvements and enhancements to the PCard transaction process, specifically the submission and reconciling of receipts.

Identifying a need for improvement

The PCard pilot program began as a Lean initiative. The goal of “Lean” is to enhance performance and customer value by eliminating inefficiencies and improving quality in the workplace through a collaborative team effort. “We have adapted Lean principles as a tool for continuous improvement in the CBO,” said Joyce Munro, Assistant Dean for Business Operations. “The PCard Pilot Project is an excellent representation of how we can engage our stakeholders to help us improve our business processes and the services we provide.”

The PCard pilot team is led by Accounting Manager Sheree Avent, and Interim Director of Budgets and Planning David Churchill, and includes CBO and University staff, as well as CALS departmental faculty, staff, and PIs. The team was formed to address data indicating a high percentage of Journal Vouchers (JVs) associated with PCard transactions, with the goal of reducing errors and delays in regards to PCard processing.

A PCard, or Purchasing Card, is a corporate card administered by the NC State Purchasing department that allows eligible employees to purchase goods and services for their department. With over 600 PCard holders in CALS, the CBO processes an average of 1,500 PCard transactions each month. “If an error is made in the submission or processing of PCard documents, a Journal Voucher must be submitted and processed to correct the error,” Avent said. “This results in a delay of the PCard processing causing frustrations for our customers and potential delays and backups of other business transactions.”

Journal Vouchers (JVs) Associated with PCards Data

50% of JV Transactions are PCard Related

Type of PCard Error Fixed by JV

Data collected on JVs and PCards over 6 weeks was used to drive the PCard pilot project.
Finding the root of the issue

Over 6 weeks, CALS Accounting Services and the Budget Office tracked JVs and found that 50% of submitted JVs were due to errors in PCard transactions. Further analysis found that of the 50% of PCard-related JVs, 40% were to request expenses be moved off the PCard default project, and 24% were a result of incorrect project numbers provided. “Based on this data, we selected stakeholders to form the PCard pilot team to help identify why these errors were occurring and strategize solutions,” Churchill said.

The pilot team spent three full days mapping the current PCard submission and reconciling process, identifying problem areas, and prioritizing action items. “Each CALS department is unique and handles their internal business processes differently,” said Lacy Parrish, BAE Business Services Coordinator and member of the PCard pilot team. “That became even more apparent as we shared with the team our own perspectives, experiences, and issues that we’ve encountered within our departments.”

Implementing potential solutions

Based on recommendations and potential solutions identified by the PCard pilot team, participating departments and PCard holders were provided instructions and specific action items to follow for the January through April PCard billing cycles. One of the most notable changes is that the 118 pilot participants will upload their PCard receipts directly into the PCard system in PeopleSoft rather than ServiceNow, and cardholders will not be required to notify their reconciler of uploaded receipts.

“This change should allow for quicker processing times and help eliminate potential errors or omissions that can occur when transferring information from ServiceNow to the PCard system,” said Michelle Butts, CBO Travel and PCard Supervisor. “During the pilot, our PCard reconcilers will check the PCard system every two days for new uploads and will only use ServiceNow to request additional information or documentation if needed.” As part of the pilot, the CBO established a team of two PCard reconcilers who specialize and will focus solely on PCard transactions.

Additionally, participating cardholders were given a CALS PCard Holder Manual created by the pilot team detailing specific guidelines such as allowable charges, how to use the PCard system, and required information to include when uploading a receipt. While all PCard holders receive training at the University level, each college has different requirements; the new manual dives further into specifics about using a PCard as a CALS employee.

“I am pleased to be a part of the PCard pilot team and offer my perspective as a faculty member and PI for CALS,” said Dr. Danesha Carley, Horticulture Science Professor and PI. “When you’re not on the business processing side, it can be easy to overlook the details required for processing these types of transactions or even forget to upload receipts on time. The diversity of roles on the pilot team has allowed us to really look into how we can help each other and work together to improve the PCard process on both ends.”

Future of the PCard improvement project

Once the pilot has ended in April, the PCard pilot team will analyze data and make further adjustments or changes. The team hopes to implement the new PCard process college-wide at the start of the 2018 fiscal year.

“This will be an ongoing process that we will continue to evaluate and measure each step of the way,” said Sharon Loosman, Director of Materials Management for the NC State Purchasing Department. “I am happy to work alongside the CBO as part of the PCard pilot team and witness such a diverse group work together towards a common goal. We are hopeful these improvements will have a positive impact on PCard users and allow for smoother and more efficient business processes.”