# 2024 Annual Washington State Purchase Card Forum

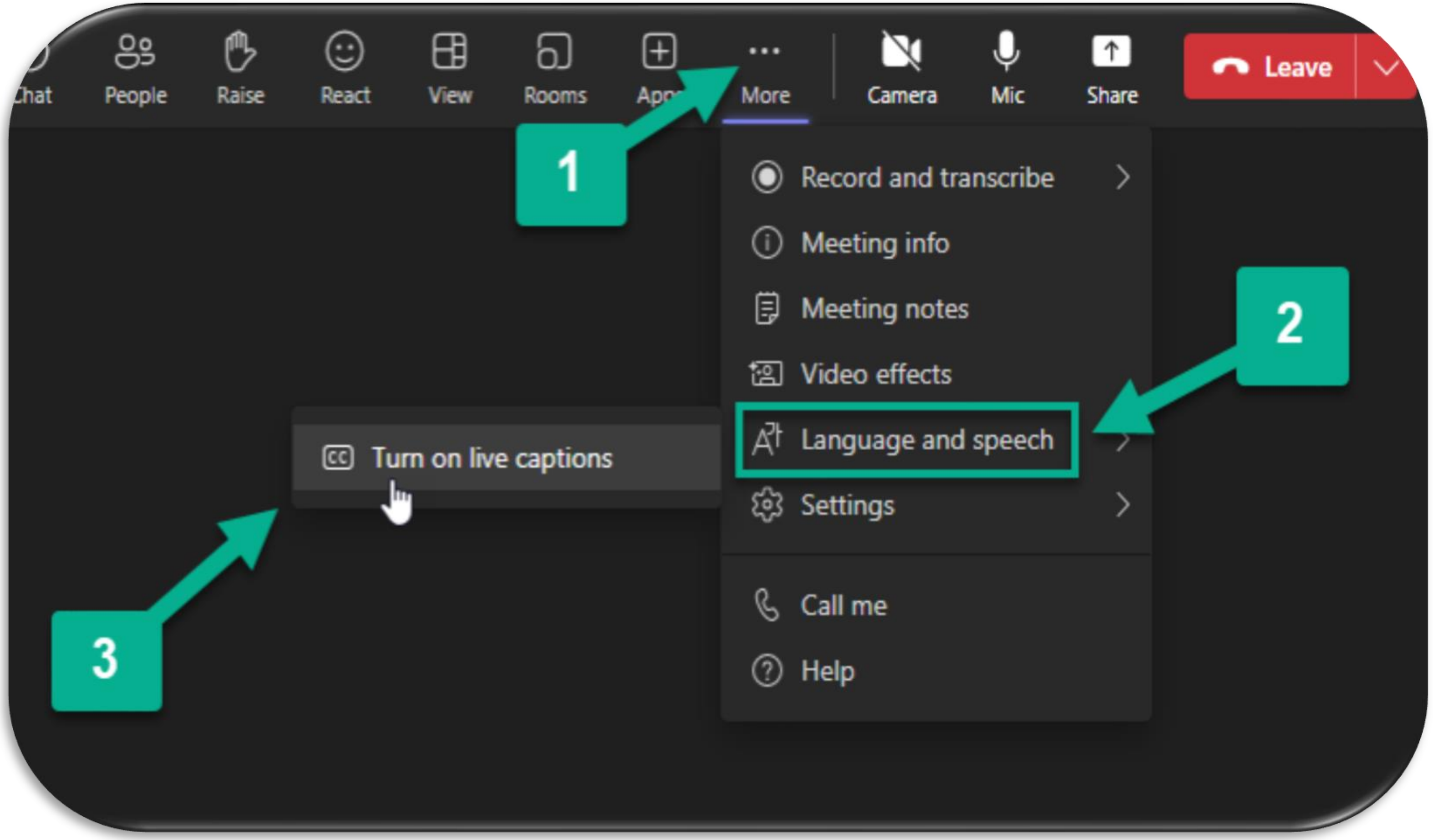
October 24, 2024

# Housekeeping Items

- Recording the forum
- Closed captioning
- ASL interpreters
- Chat functionality – Q&A
- Survey at the end of the forum

# TURN ON LIVE CAPTIONS

1. Select the three (3) dots to the left of the *Camera* icon
2. Scroll down and select *Language and speech*
3. Select *Turn on live captions*



DES

Washington State
DEPARTMENT OF
ENTERPRISE SERVICES

**Michael Lix, Enterprise P-Card Program Manager**

DEPARTMENT OF ENTERPRISE SERVICES (DES)

October 2024

# I'M HERE TO HELP

## Implementation

Assist with the design and structure of new programs, advise product types, understand and determine hierarchy structures, and advise on internal control best practices.

## Optimization

P&P drafting assistance and guidance, program growth planning, navigation of rebate structures, and providing industry contacts and resources.

## Support

Anything else you may need!

# FORUM AGENDA

08:00 - 08:15 - **Welcome remarks and resources overview** – *Michael Lix / DES*

08:15 – 09:00 – **Access Online technology overview** –*Traci Miner / U.S. Bank*

09:00 - 09:30 – **Effective audit strategies for P-Card management** – *Sadie Armijo, Carol Gross / SAO*

09:30 – 09:40 – **Break**

09:40 – 10:05 - **State of WA performance highlights and more** – *Shannon Ness and Monica Lockett / U.S. Bank*

10:05 – 10:40 – **Fraud trends and prevention**– *Heidi Bourasa / U.S. Bank*

10:40 - 10:50 – **Break**

10:50 – 11:20 – **Visa government solutions** – *Kristen Bolden / Visa*

11:20 – 11:55 – **Card program best practices** – *Lori Adams, Julie Shin, and Lance Yount / TPS, KC, LNI*

11:55 – 12:00 – **Closing remarks** – *Michael Lix / DES*

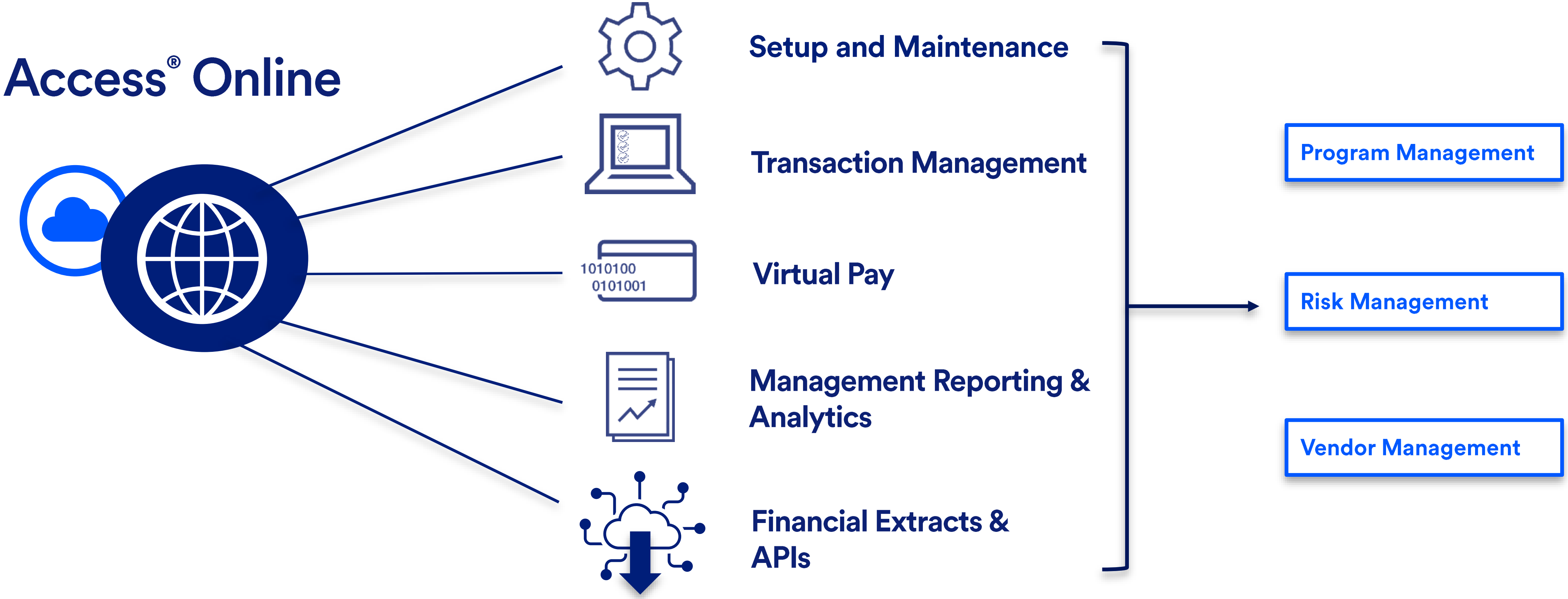
# U.S. Bank Access® Online Technology Overview

Traci Miner

Senior Solutions Engineer

# Access® Online Functionality

Continuous investment in proprietary technology allows you to effectively manage all aspects of the program



Access® Online

Setup and Maintenance

Transaction Management

Virtual Pay

Management Reporting & Analytics

Financial Extracts & APIs

Program Management

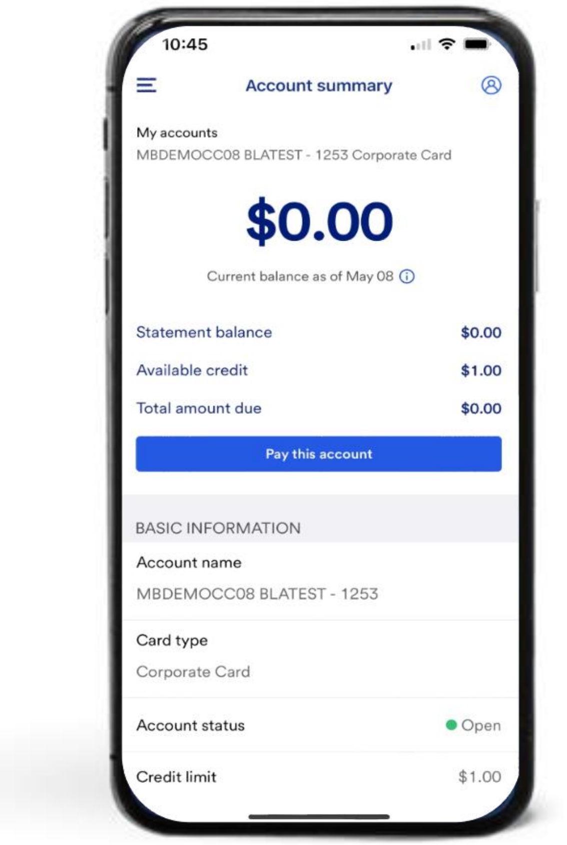
Risk Management

Vendor Management

*One platform for the U.S. and Canada*

# Access® Online Mobile

## Mobile technology further enhances the user experience



10:45

Account summary

My accounts

MBDEMOCC08 BLATEST - 1253 Corporate Card

$0.00

Current balance as of May 08

| | |
|---|---|
| Statement balance | $0.00 |
| Available credit | $1.00 |
| Total amount due | $0.00 |

Pay this account

BASIC INFORMATION

Account name

MBDEMOCC08 BLATEST - 1253

Card type

Corporate Card

| | |
|---|---|
| Account status | ● Open |
| Credit limit | $1.00 |

### Cardholders

- Manage account alerts
- View account status, credit limits and availability
- View and dispute transactions
- View and download last 24 months statements
- Attach receipts
- Pay bill online
- Address Change
- Request your replacement card
- Add your card to mobile wallet
- Request a virtual account in the app

### Program Administrators

- Access real-time information and account maintenance updates
- View authorization declines and decline reasons
- Change authorization limits
  - Credit Limit
  - Single Purchase Limit
- Re-open and close accounts

U.S. Bank Access® Online

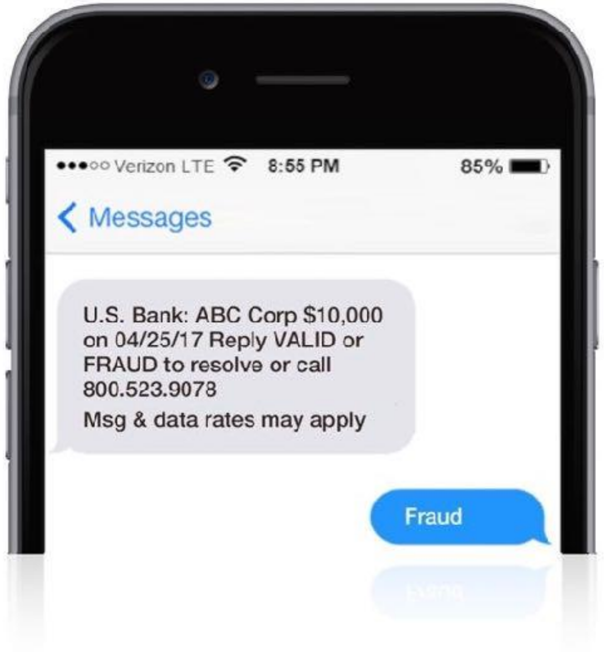
*Available for download from the Apple App Store or for Android via Google Play*

# Access® Online Account Alerts

## Real-time email and mobile SMS alerts enhance cardholder experience and visibility

### Fraud alerts

- Suspicious activity



U.S. Bank: ABC Corp $10,000 on 04/25/17 Reply VALID or FRAUD to resolve or call 800.523.9078
Msg & data rates may apply

Fraud

### Event alerts

- PIN maintenance occurred
- Card activation
- Personal information changed
- Card requested
- Credit limit updated
- Payment transaction
- Balance on a daily basis

### Purchase Alerts

- Purchase declined
- Purchase/credit amount exceeds $X
- Account balance reaches $X
- Payment due in XX days
- Cash withdrawal
- Available credit $X or less
- Purchase merchant state
- Purchase merchant country
- Purchase merchant type
- Mail/telephone order purchase
- Internet purchase
- Distance from pre-defined location (postal code/zip)
- Percentage of credit limit
- Multiple percent of credit limit

# U.S. Bank Mobile Payments

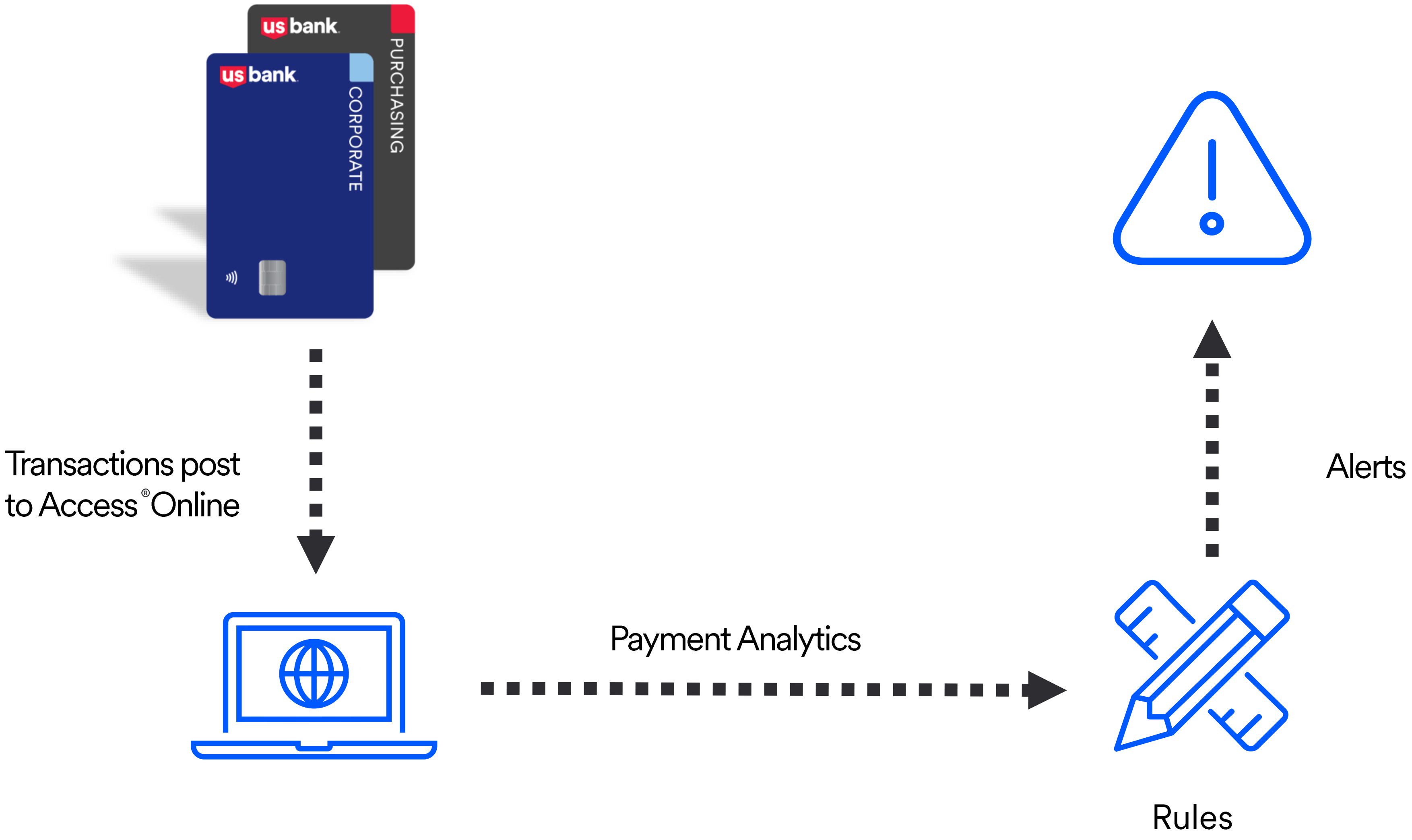
## Our commitment to mobile applications provides added security and convenience

- One-touch checkout
- No card number entry
- No need to type addresses
- No card information shared with merchant

Pay   G Pay   SAMSUNG pay   fitbit pay™   GARMIN PAY™

# Payment Analytics Compliance Tool

## Payment Analytics adds another layer to mitigate misuse and non-preferred spend



Transactions post
to Access® Online

Payment Analytics

Rules

Alerts

# Sample Rule Templates

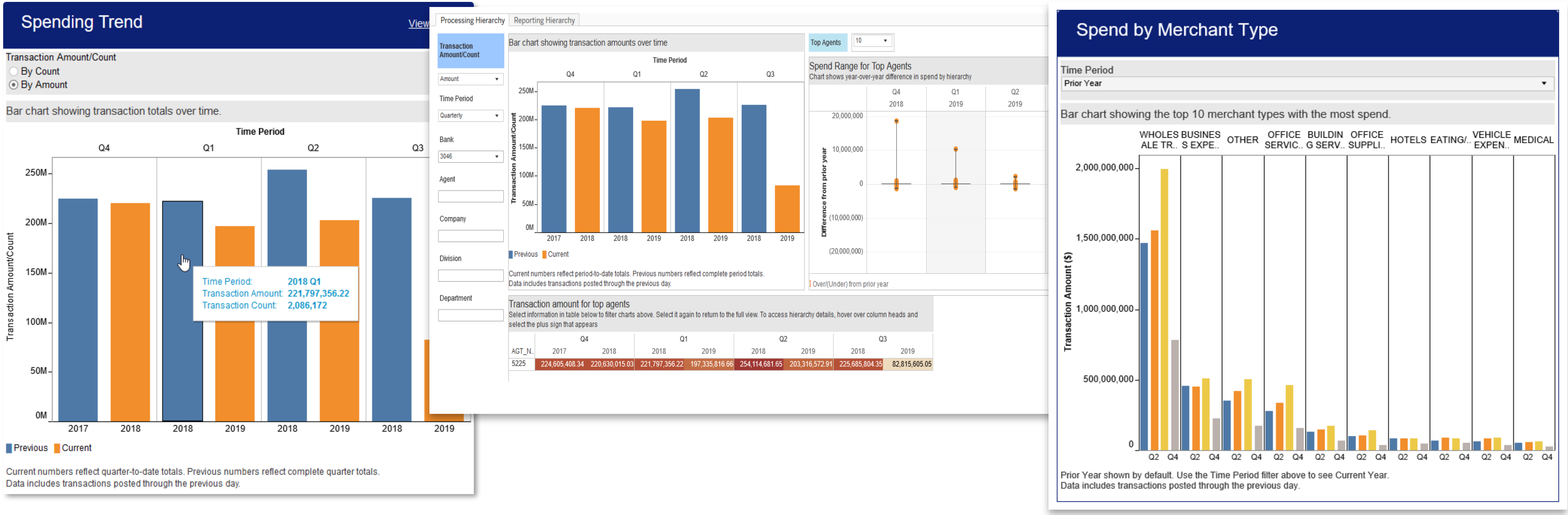
## Offering 30 customizable templates to help clients manage and enforce policy compliance

- Merchant Watch List
- Transaction Outside Spending Guidelines
- Split Transaction
- Split Purchase
- Transaction Close to Single Purchase Limit
- Large Spend Increase over Average Spend

- Airline Travel Purchase Exception
- Hotel Room Purchase Exception
- Travel Card Purchase in Cardholder’s Postal Code
- Account Balance Monitor
- Account Opened/Maintained with Limits Exceeding Standards

# Access® Online Data Analytics

## Interactive data visualization with dynamic charts and graphs for Spend analysis



Spending Trend

Transaction Amount/Count
○ By Count
● By Amount

Bar chart showing transaction totals over time.

Time Period: 2018 Q1
Transaction Amount: 221,797,356.22
Transaction Count: 2,086,172

Current numbers reflect quarter-to-date totals. Previous numbers reflect complete quarter totals.
Data includes transactions posted through the previous day.

Transaction Amount/Count: Amount
Time Period: Quarterly
Bank: 3046
Agent:
Company:
Division:
Department:

Bar chart showing transaction amounts over time

Current numbers reflect period-to-date totals. Previous numbers reflect complete period totals.
Data includes transactions posted through the previous day.

Top Agents: 10

Spend Range for Top Agents
Chart shows year-over-year difference in spend by hierarchy

Transaction amount for top agents
Select information in table below to filter charts above. Select it again to return to the full view. To access hierarchy details, hover over column heads and select the plus sign that appears

| | Q4 | | Q1 | | Q2 | | Q3 | |
|---|---|---|---|---|---|---|---|---|
| AGT_N.. | 2017 | 2018 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| 5225 | 224,605,408.34 | 220,630,015.03 | 221,797,356.22 | 197,335,816.66 | 254,114,681.65 | 203,316,572.91 | 225,685,804.35 | 82,815,605.05 |

Spend by Merchant Type

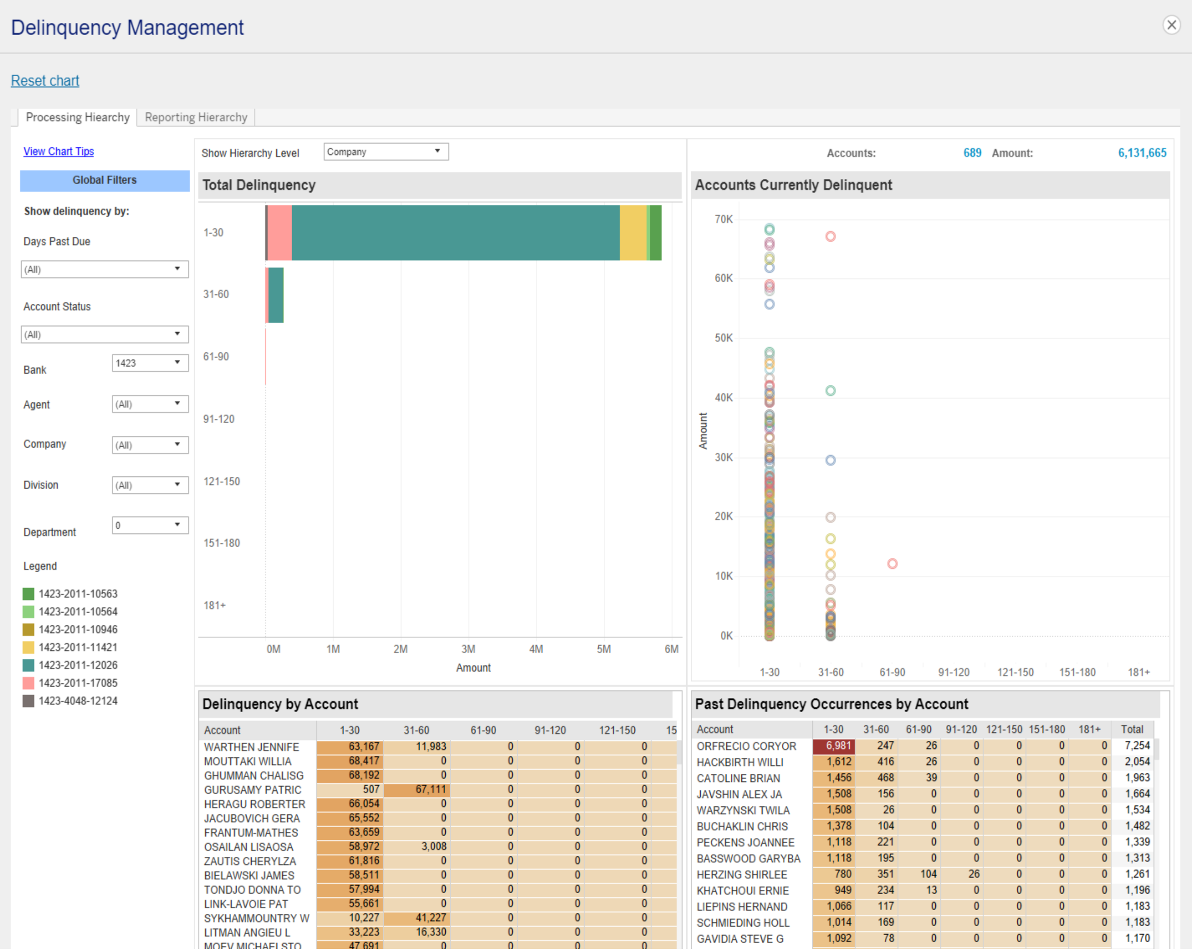
Time Period: Prior Year

Bar chart showing the top 10 merchant types with the most spend.

Prior Year shown by default. Use the Time Period filter above to see Current Year.
Data includes transactions posted through the previous day.

# Access® Online Data Analytics

## Interactive data visualization with dynamic charts and graphs for Delinquency  Management



Delinquency Management

Reset chart

Processing Hiearchy | Reporting Hierarchy

View Chart Tips

Global Filters

**Show delinquency by:**

Days Past Due: (All)

Account Status: (All)

Bank: 1423

Agent: (All)

Company: (All)

Division: (All)

Department: 0

Legend

| | |
|---|---|
| 🟩 | 1423-2011-10563 |
| 🟩 | 1423-2011-10564 |
| 🟨 | 1423-2011-10946 |
| 🟨 | 1423-2011-11421 |
| 🟩 | 1423-2011-12026 |
| 🟥 | 1423-2011-17085 |
| ⬛ | 1423-4048-12124 |

Show Hierarchy Level: Company

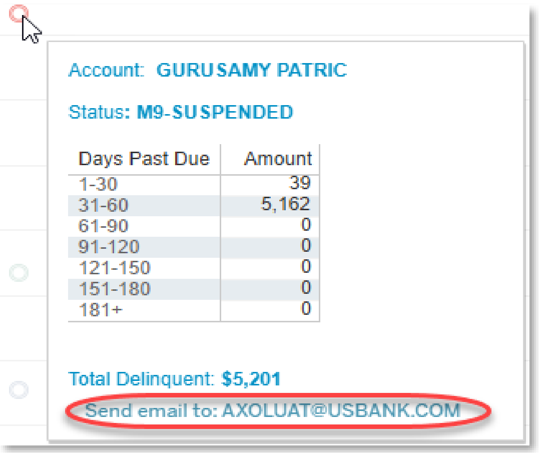
Accounts: 689 Amount: 6,131,665

**Delinquency by Account**

| Account | 1-30 | 31-60 | 61-90 | 91-120 | 121-150 | 15 |
|---|---|---|---|---|---|---|
| WARTHEN JENNIFE | 63,167 | 11,983 | 0 | 0 | 0 | |
| MOUTTAKI WILLIA | 68,417 | 0 | 0 | 0 | 0 | |
| GHUMMAN CHALISG | 68,192 | 0 | 0 | 0 | 0 | |
| GURUSAMY PATRIC | 507 | 67,111 | 0 | 0 | 0 | |
| HERAGU ROBERTER | 66,054 | 0 | 0 | 0 | 0 | |
| JACUBOVICH GERA | 65,552 | 0 | 0 | 0 | 0 | |
| FRANTUM-MATHES | 63,659 | 0 | 0 | 0 | 0 | |
| OSAILAN LISAOSA | 58,972 | 3,008 | 0 | 0 | 0 | |
| ZAUTIS CHERYLZA | 61,816 | 0 | 0 | 0 | 0 | |
| BIELAWSKI JAMES | 58,511 | 0 | 0 | 0 | 0 | |
| TONDJO DONNA TO | 57,994 | 0 | 0 | 0 | 0 | |
| LINK-LAVOIE PAT | 55,661 | 0 | 0 | 0 | 0 | |
| SYKHAMMOUNTRY W | 10,227 | 41,227 | 0 | 0 | 0 | |
| LITMAN ANGIEU L | 33,223 | 16,330 | 0 | 0 | 0 | |
| MOEV MICHAEL STO | 47,691 | 0 | 0 | 0 | 0 | |

**Past Delinquency Occurrences by Account**

| Account | 1-30 | 31-60 | 61-90 | 91-120 | 121-150 | 151-180 | 181+ | Total |
|---|---|---|---|---|---|---|---|---|
| ORFRECIO CORYOR | 6,981 | 247 | 26 | 0 | 0 | 0 | 0 | 7,254 |
| HACKBIRTH WILLI | 1,612 | 416 | 26 | 0 | 0 | 0 | 0 | 2,054 |
| CATOLINE BRIAN | 1,456 | 468 | 39 | 0 | 0 | 0 | 0 | 1,963 |
| JAVSHIN ALEX JA | 1,508 | 156 | 0 | 0 | 0 | 0 | 0 | 1,664 |
| WARZYNSKI TWILA | 1,508 | 26 | 0 | 0 | 0 | 0 | 0 | 1,534 |
| BUCHAKLIN CHRIS | 1,378 | 104 | 0 | 0 | 0 | 0 | 0 | 1,482 |
| PECKENS JOANNEE | 1,118 | 221 | 0 | 0 | 0 | 0 | 0 | 1,339 |
| BASSWOOD GARYBA | 1,118 | 195 | 0 | 0 | 0 | 0 | 0 | 1,313 |
| HERZING SHIRLEE | 780 | 351 | 104 | 26 | 0 | 0 | 0 | 1,261 |
| KHATCHOUI ERNIE | 949 | 234 | 13 | 0 | 0 | 0 | 0 | 1,196 |
| LIEPINS HERNAND | 1,066 | 117 | 0 | 0 | 0 | 0 | 0 | 1,183 |
| SCHMIEDING HOLL | 1,014 | 169 | 0 | 0 | 0 | 0 | 0 | 1,183 |
| GAVIDIA STEVE G | 1,092 | 78 | 0 | 0 | 0 | 0 | 0 | 1,170 |



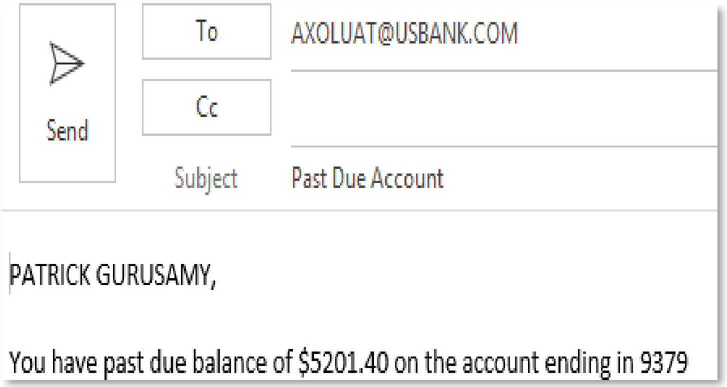
Account: GURUSAMY PATRIC

Status: M9-SUSPENDED

| Days Past Due | Amount |
|---|---|
| 1-30 | 39 |
| 31-60 | 5,162 |
| 61-90 | 0 |
| 91-120 | 0 |
| 121-150 | 0 |
| 151-180 | 0 |
| 181+ | 0 |

Total Delinquent: $5,201

Send email to: AXOLUAT@USBANK.COM



To: AXOLUAT@USBANK.COM

Cc:

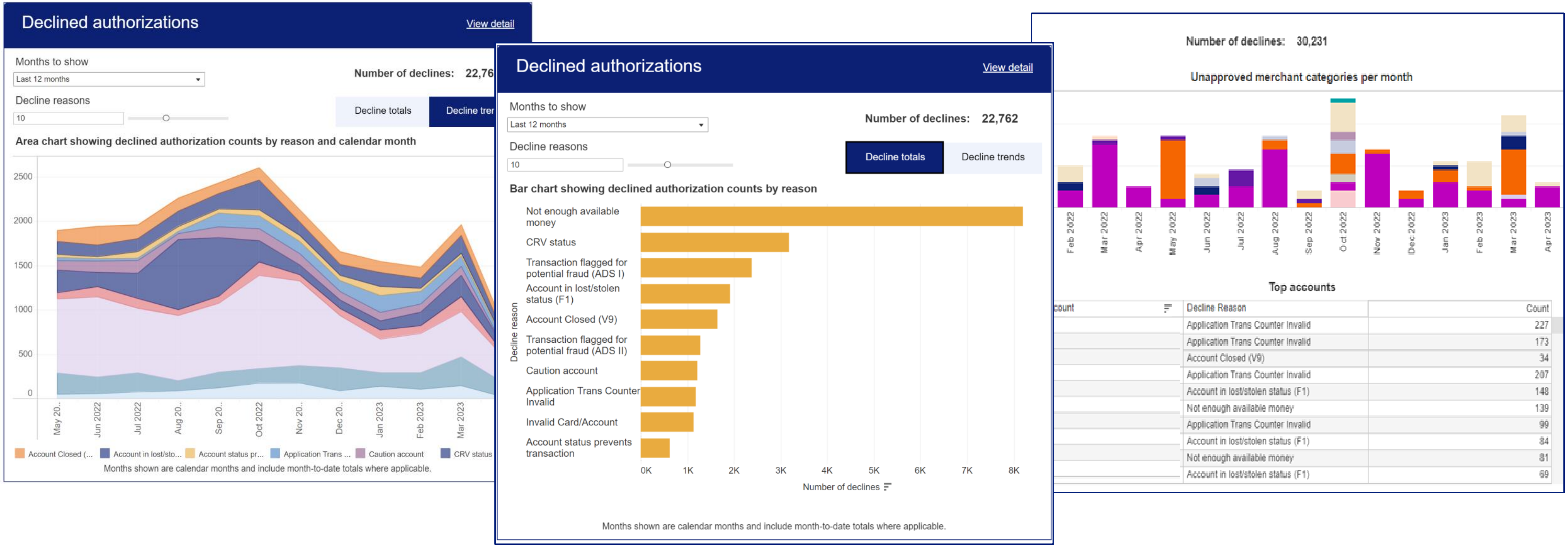
Subject: Past Due Account

PATRICK GURUSAMY,

You have past due balance of $5201.40 on the account ending in 9379

# Access® Online Data Analytics

## Interactive data visualization with dynamic charts and graphs for Decline trends



Declined authorizations

View detail

Months to show: Last 12 months

Decline reasons: 10

Number of declines: 22,76

Area chart showing declined authorization counts by reason and calendar month

Months shown are calendar months and include month-to-date totals where applicable.

Declined authorizations

View detail

Months to show: Last 12 months

Decline reasons: 10

Number of declines: 22,762

Bar chart showing declined authorization counts by reason

Decline totals
Decline trends
Decline reason
Not enough available money
CRV status
Transaction flagged for potential fraud (ADS I)
Account in lost/stolen status (F1)
Account Closed (V9)
Transaction flagged for potential fraud (ADS II)
Caution account
Application Trans Counter Invalid
Invalid Card/Account
Account status prevents transaction
0K
1K
2K
3K
4K
5K
6K
7K
8K
Number of declines

Months shown are calendar months and include month-to-date totals where applicable.

Number of declines: 30,231

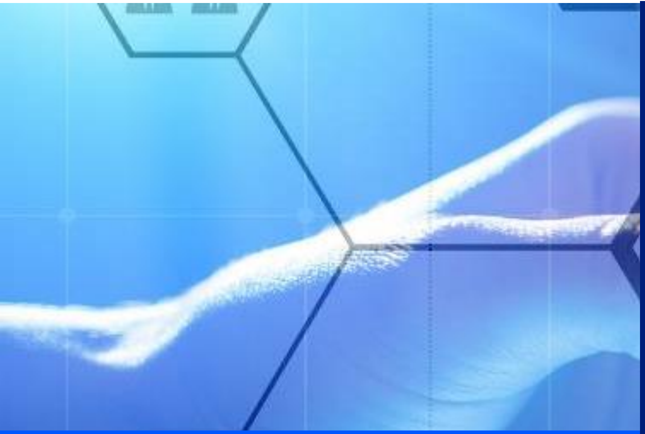
Unapproved merchant categories per month

Top accounts

| count | Decline Reason | Count |
|---|---|---|
| | Application Trans Counter Invalid | 227 |
| | Application Trans Counter Invalid | 173 |
| | Account Closed (V9) | 34 |
| | Application Trans Counter Invalid | 207 |
| | Account in lost/stolen status (F1) | 148 |
| | Not enough available money | 139 |
| | Application Trans Counter Invalid | 99 |
| | Account in lost/stolen status (F1) | 84 |
| | Not enough available money | 81 |
| | Account in lost/stolen status (F1) | 69 |

# Data Integration

## U.S. Bank offers multiple financial extracts, reporting and APIs to streamline data integration



### Industry Financial Extracts

Financial Extracts and Statement Billing Files, example:

- VISA Commercial Format 4.0 (VCF4.0) or Mastercard File (CDF3.0) - Account, transaction and allocation details with Level III data

### ERP/Expense Management Solutions

Integration experience with over 65 ERPs and expense management solutions

### Virtual Payments

Basic Payment Instruction File (PIF)

- Passes Payment and Invoice data

PIF Data Mapper

- U.S. Bank will cross-map your existing payment file if it contains the minimum data requirements

Virtual Reconciliation File

- Provides transaction with matched payment data and expired payments

### APIs

- Card Account Setup and Maintenance
- Corporate Statements
- Access Online Transactions
- Virtual Pay – create and maintain supplier payments
- Card as a Service (CaaS)

**Transmission options:** U.S. Bank can provide a data via Secure FTP, HTTPS, AS2 and Connect:Direct with VPN, with an option of PGP encryption.

# What APIs currently exist for commercial card clients?

## Corporate Payments APIs help you gain greater visibility, control, and security over your payments program by integrating directly between our APIs and your internal systems

| API name | Description |
|---|---|
| **Virtual Pay**<br>Secure instant payments | • Create, cancel and close virtual card payments<br>• Manage credit limit, payment expiration and Precise Pay (exact match) security controls to prevent unwanted charges<br>• Modify payment parameters, such as credit limit, payment start and expiration dates<br>• Retrieve virtual card data in real time and on demand<br>• Manage the remittance process |
| **Corporate Credit Cards**<br>Real-time execution of card changes directly from your application | • Create, manage and close card accounts directly from your integrated application<br>• Manage spending controls on an account, i.e., credit limit and merchant category code groups<br>• Maintain cardholder information |
| **Access Online Transactions**<br>Retrieve data and attachments | • Retrieve transactions<br>• Retrieve orders<br>• Download transaction attachments |
| **Corporate Statements**<br>Retrieve summary and historical statement information | • Retrieve data, including current and previous balances, payment history, purchase activity and fees<br>• Search for up to two years of statements<br>• Download statements as PDF files |
| **Card as a Service**<br>Convenient and secure way to create and send digital cards to mobile wallets | • Create, modify, cancel and close single use or multi-use virtual cards.<br>• Set strict controls on cards by date range, MCC, and time-based velocity controls<br>• Retrieve real-time credit details, transactions, and authorizations based on specific search criteria<br>• Expand virtual card use cases by placing them in Apple Wallet or Google Pay<br>• Upload, retrieve, download and delete attachments to a digital card authorization |

us bank®

# Effective Audit Strategies for Purchase Card Management

Sadie Armijo, CFE
*Director of State Audit and Special Investigations*

Carol Gross, MBA, CFE
*Audit Manager for Team Financial Audit*

DES Annual Washington State Purchase Card Virtual Forum
October 24, 2024

# Agenda:

1. Common audit exceptions and best practice recommendations to mitigate risk at every level of your government
2. Real-life credit card investigations and controls to prevent it
3. SAO resources

# Common Audit Exceptions

**You're under audit!**

**<u>Audit Type:</u> Accountability Audit**

**<u>Audit Area:</u> Purchase/Credit Cards, One Cards, Travel Cards**

**Now what?**

## Compliance

- Accountability audits focus on compliance with laws, regulations and the entity's own policies and procedures.

## Safeguarding of Resources

- Accountability audits aim to determine if public assets are safeguarded against misuse or abuse.

## Risk-based

- A risk-based approach is used to select areas of highest risk during the planning of the audit.

# Auditor's Equation

**Understand applicable criteria**

**+**

**Understand your government's processes**

**+**

**Measure your processes against applicable criteria**

---

**=**

**Auditor Conclusions (to include communication of audit exceptions/issues if applicable)**

# What are some applicable criteria for the use of US Bank Credit Cards by WA state agencies?

**DES Enterprise Commercial Card Policy No. FO.03.01**

Use of Credit Cards to make Purchases of Goods and Services (wa.gov)

**DES Supplier Diversity Policy No. POL-DES-090-06**

POL-DES-090-06SupplierDiversity.pdf (wa.gov)

**SAAM Manual**

- Chapter 10 - Travel
- Chapter 20 – Internal Control
- Chapter 85.32.70 - Purchase cards
- Chapter 40.30.40-60 – Purchase, Travel and Fuel Cards

State Administrative & Accounting Manual (SAAM) | Office of Financial Management (wa.gov)

**State Law**

- Training requirements for purchasers – RCW 39.26.110

**Entity-Specific Policies**

# Top 10 “Frequent Flyers”

1. Card User Agreements are not completed, retained or updated every two years
2. Purchasing Trainings are not completed or not tracked
3. Reconciliations are not performed to review transactions for appropriateness
4. Credit Cards are not safeguarded
5. Entity does not utilize a log to track the chain of custody of shared cards

# Top 10 “Frequent Flyers”

6. Approvals are not maintained to support that purchases were for legitimate business purposes
7. Wrong card is used for the wrong purpose (i.e. corporate travel card used for purchases that are not travel related)
8. Corporate Travel Cards are not centrally monitored or reconciled
9. Purchases are personal in nature
10. Receipts are not maintained

# Best practice recommendations

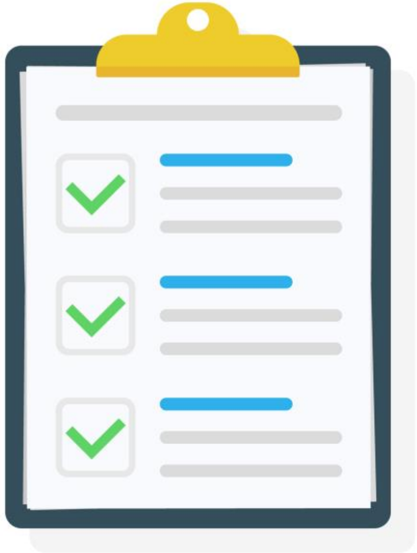
#1 - Card User Agreements are not completed, not retained, or not updated every two years

- **Establish** a standard form
- **Retain** the forms
- **Update** the forms

**What's the Risk?**

# #2 - Purchasing Trainings are not completed or not tracked

- **Complete** the training
- **Track** the training



**What's the Risk?**

#3 - Reconciliations are not performed to review transactions for appropriateness

- **Separate** purchasing and reconciling duties
- **Review** source documents

**What's the Risk?**

#4 - Credit Cards are not safeguarded

#5 - Entity does not utilize a log to track the chain of custody of shared cards

- **Keep** it safe
- **Keep** a log

**What's the Risk?**

#6 – Approvals are not maintained to support that purchases were for legitimate business purposes

- **Document** approvals

**What's the Risk?**

#7 – Wrong card is used for the wrong purpose

#8 – Corporate Travel Cards are not centrally monitored or reconciled

- **Be** in the know
- **Be** accountable

## What's the Risk?

#9 – Purchases are personal in nature

#10 – Receipts are not maintained

- **Document**
- **Document**
- **Document**

**What's the Risk?**

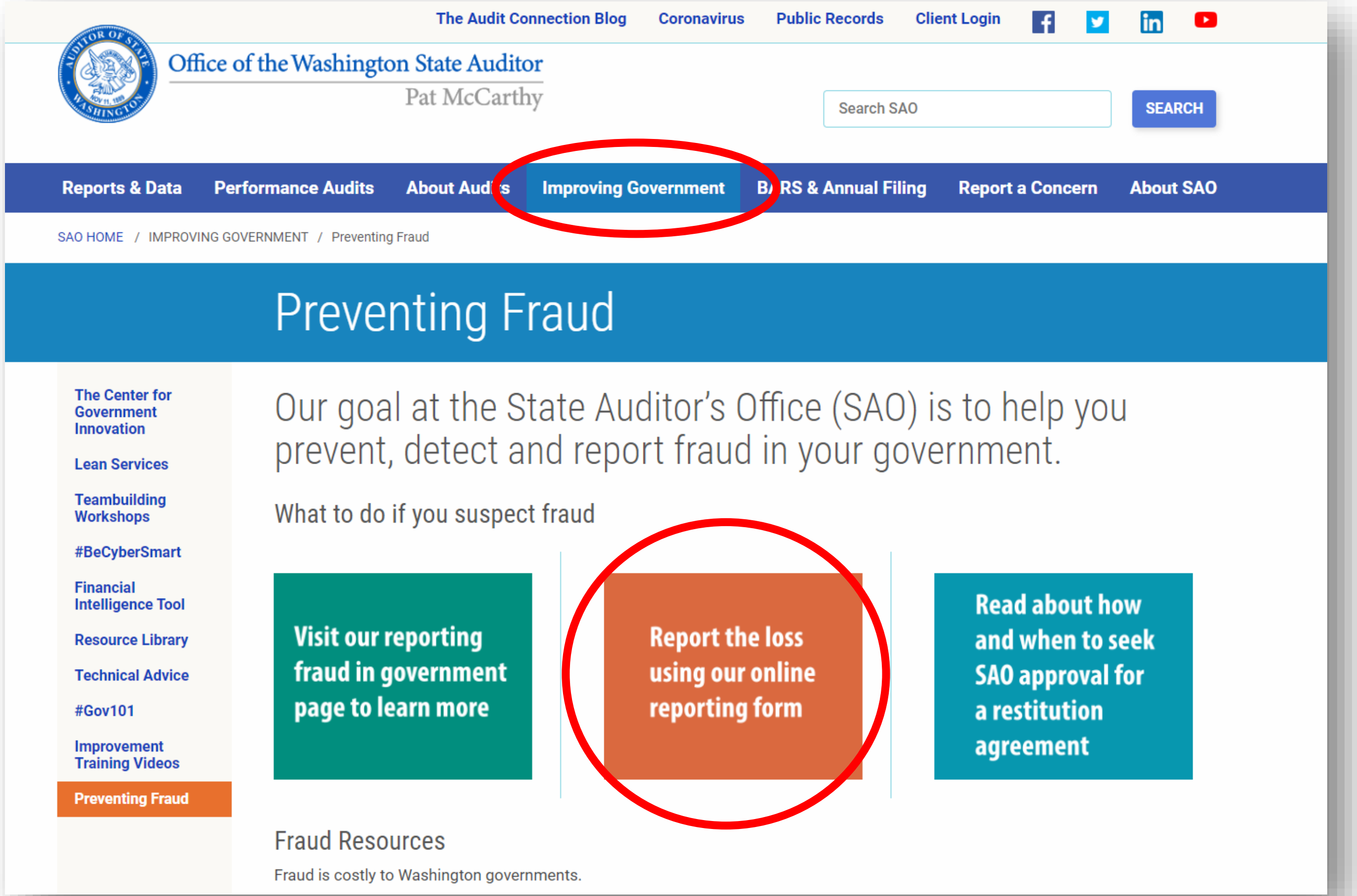
# Fraud Investigations Program

- State law (RCW 43.09.185) requires state and local governments to report losses to SAO.
- Website suggests actions to take if you suspect a loss:
    - Protect the accounting records.
    - Notify others who need to know.
    - Notify your legal counsel.
    - Consult with SAO before you file a police report.
    - Gain approval before you enter into any restitution agreement.

**Report known or suspected incidents easily through our online *Report a Suspected Fraud or Loss* form here**

# Reporting fraud or loss

- Report any known or suspected instances of fraud or loss to SAO
- Use SAO's website and the "Report a Suspected Fraud or Loss" form
- For more information email fraud@sao.wa.gov



## Preventing Fraud

Our goal at the State Auditor's Office (SAO) is to help you prevent, detect and report fraud in your government.

What to do if you suspect fraud

Visit our reporting fraud in government page to learn more

Report the loss using our online reporting form

Read about how and when to seek SAO approval for a restitution agreement

Fraud Resources

Fraud is costly to Washington governments.

BELLEVUE COLLEGE

## Credit Card refund scheme

- College identified the loss
- Director of Food Services
- Misused both purchase and travel cards
- Personal purchases
- Credit card misappropriation of $31,510, and we identified questionable purchases and refunds totaling $12,093

# What controls would prevent this type of loss?

Monthly review and reconciliation of purchase card and travel card activity

Ensure all credit card expenditures have proper supporting documentation available for review

Returns need adequate support showing where the refund went

# CUSICK Washington

**Credit card overpayment scheme**

- $500 credit limit on credit card
- Unauthorized bank account transfers to the credit card totaling $242,555
- Overpayments  transfers to Treasurer's account
- Additional losses in electronic disbursements, payroll, check disbursements and cash receipting
- Credit cards misappropriation of $199,348, total misappropriation was $277,570

# What controls would prevent this type of loss?

A secondary review of  all bank and credit card statements by someone independent of the cash receipting and payment processes.

Questioning a credit balance on a credit card.

Ensuring all credit card payments were allowable, adequately supported

# Office of Administrative Hearings

## Fictitious Vendor Scheme

- SAO found loss during our data analytics review
- Personal purchases - $17,359
- Payments to 4 different fictious businesses - $878,115
- Credit card misuse of $878,115 misappropriated, $4,933 questionable

# What controls would prevent this type of loss?

Perform a secondary independent review of monthly reconciliations over your credit cards.

Ensure the staff responsible for the independent oversight of expenditure activity have the proper access and capability to view and monitor this activity

Segregating duties, such as the upload and release of batch credit card payments

# Our online resource library can help you manage your government's day-to-day business…

[Resource Library | Office of the Washington State Auditor]

Accounts payable & receivable

Cash receipting

Payroll

Assets

Cybersecurity

Federal funds

Fraud prevention

Procurement

Public records & OPMA

GAAP & cash-basis financial reporting

Revenues & expenditures

Technology

## …safeguard resources

# Some examples of resources

Center for Government Innovation

Office of the Washington State Auditor
Pat McCarthy

## Best practices for travel and reimbursable expenses

January 2024

Best practices for travel and reimbursable expenses | 1

Center for Government Innovation

Office of the Washington State Auditor
Pat McCarthy

## Best practices for credit card programs

Government credit card programs vary greatly in size and purpose, as they allow employees to pay for travel, fuel or small purchases. They reduce your procurement and payment costs, allowing you to avoid processing purchase orders, individual invoices and checks – especially for small transactions. Some programs also offer rebates.

While credit cards can provide many benefits, they also carry a high risk of fraud, waste and abuse. When you provide credit cards to employees, it gives them a lot of control over a single transaction and puts considerable pressure on your review and monitoring processes.

April 2024

Center for Government Innovation

Office of the Washington State Auditor
Pat McCarthy

## Best practices for fueling government-owned vehicles

Many governments are responsible for fleets of police, fire or utility vehicles, schools or transit buses, motor pools, or maintenance vehicles. Some governments operate their own fuel tanks, while others use retail fueling stations or a combination of both. Although more governments are converting to hybrid or electric, fuel continues to be a significant expense in fleet operation budgets, typically second only to vehicle purchases.

July 2023

# Contact information

**Carol Gross, Audit Manager for Team Financial Audit**

Carol.Gross@sao.wa.gov

(564) 999-0897

**Sadie Armijo, Director of State Audit and Special Investigations**

Sadie.Armijo@sao.wa.gov

(564) 999-0808

Website: www.sao.wa.gov
X: @WAStateAuditor
Facebook: www.facebook.com/WaStateAuditorsOffice
LinkedIn: Washington State Auditor's Office

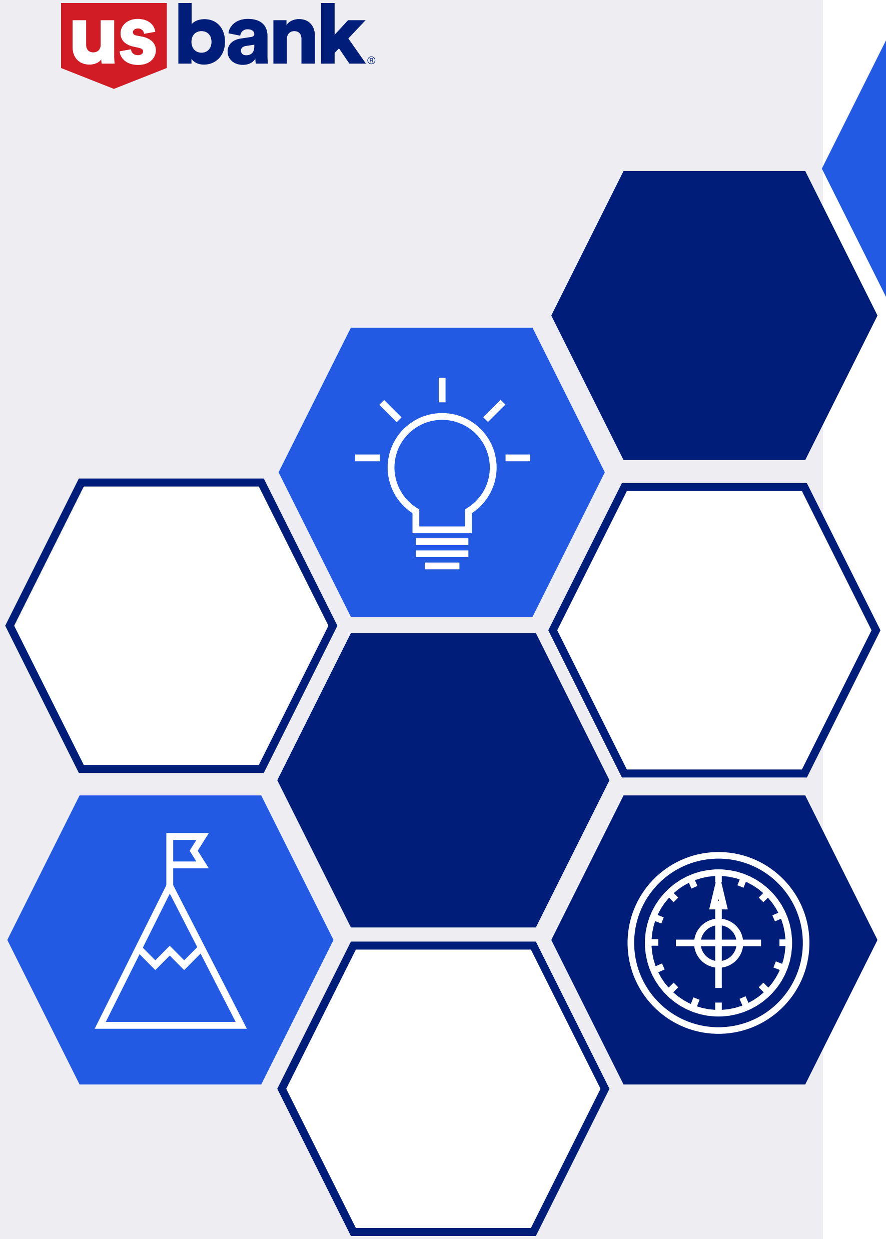
# Break

Be back by 9:40!

October 24, 2024

# State of Washington Performance Highlights

Commercial Card Annual State Forum



# Agenda

- Meet your team and resources
- Market trends
- Reviewing your relationship

# Meet the team

# Meet your Relationship Managers

**Monica Lockett**
Relationship Manager
M: 480.714.6274
E: monica.lockett@usbank.com

**Shannon Ness**
Relationship Manager
M: 612.436.6507
E: shannon.ness@usbank.com

# U.S. Bank Support Model

Customized support includes comprehensive, ongoing client services through all phases of the product lifecycle

### Cardholder Services

- 24/7 availability

### Technical Help Desk

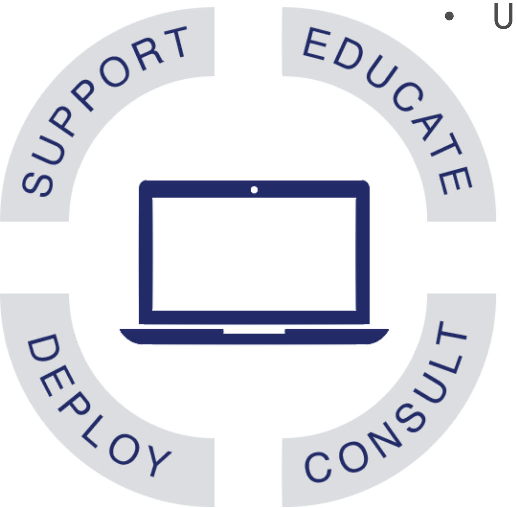
- Dedicated CPS Representatives

### Operations Account Manager

- Operational Account Inquiries
- Access Online Support
- Day-to-day Administration

### Technical Consultants

- Implement & Support defined Technical Solutions



### Training Department

- Online Training
- User Guides

### Relationship Manager

- Program Reviews
- Custom Solutions
- Spend-Data Analysis

### Solutions Engineers

- Evaluate Customer Needs and Systems
- Engineer Customer Solutions

### Program Optimization Analysts

- Opportunity Reporting
- Benchmarking

Fraud Monitoring

Client Support

Technical Support

# Industry fraud trends

*Payment fraud attempts on US business spike according to study*

## Payment Fraud Growth

A study conducted by Trustpair mentioned that payment fraud attempts on businesses grew by 71% in 2023.[1]

## Widespread Impact on Companies

The study found that a staggering 96% of all US-based businesses were targeted by at least one fraud attempt in 2023, while 90% of these companies fell victim of at least one successful fraud attack.

## Dynamics of Fraud Attempts

Fraudsters mainly use text messages (50%), fake websites (48%), social media (37%), hacking (31%), scams (31), and deepfakes (11%) to target organizations.

**Providing the partnership you need**

[1] The Paypers / January 26, 2024

# Percent of fraud by payment method

- Currently, 38% of businesses using p-cards have adopted virtual cards. Within three years, that figure is **expected to rise to 44%.** [1]
- Checks present the greatest fraud risk: **63% higher** than virtual card programs.[2]

# Macroeconomic trends

- More than half of CFOs report experiencing increases in costs in 2022 (more than double that reported in 2021)[4]
- Remnant supply chain disruptions still impacting production and causing working capital deficits
- Interest rates are at a 22-year high; the Federal Reserve has stated that "additional policy firming may be appropriate"
- 83% of businesses believe Virtual Card Numbers (VCNs) enhance their financial position[1]

Percentage of respondents who experienced attempted or actual fraud by payment type:[3]

65% Check

33% ACH/EFT

24% Wire

3% Virtual Card

1) RPMG Virtual Card Benchmark Survey, 2022. 2)Mercator Advisory Group, 2022. 3) AFP Payments Fraud and Control Report, 2024 . 4) CFO.com "80% of CFOs Expect Cost Pressures to Persist Into Next Year: Weekly Stat" 2022.

# Program optimization

## In-house team dedicated to proactive, consultative client engagement

- Payment strategy development
- Industry benchmarking analysis
- Best practices consultation
- Program optimization
- Payment process mapping
- Program utilization review
- Whitepaper program evaluation
- Supplier retention strategy recommendations

**Process**

Collect AP data

Identify opportunities

Review results & strategies

Take action to grow programs

# Bankcard industry trends/innovation

*U.S. Bank's Chief Digital Office and Innovation Team are focused on "staying a step ahead" to bring new solutions*

## INDUSTRY TRENDS

- Focus on Cardholder experience
- Mobile apps
- Web technology
- Fraud mitigation
- EMV chip cards
- Machine learning
- Automation
- Virtual card volume is booming
- Reporting and technology
- Global pressures; some providers have pulled back on global coverage
- Regulatory requirements in local regions

## U.S. BANK INNOVATION

- API Integration
- TravelBank
- Instant Card
- Mobile Payments
- Contactless Card
- Real-Time Payments
- Fintech Partnerships
- AP Optimization: automated invoice to payment
- Innovation Lab

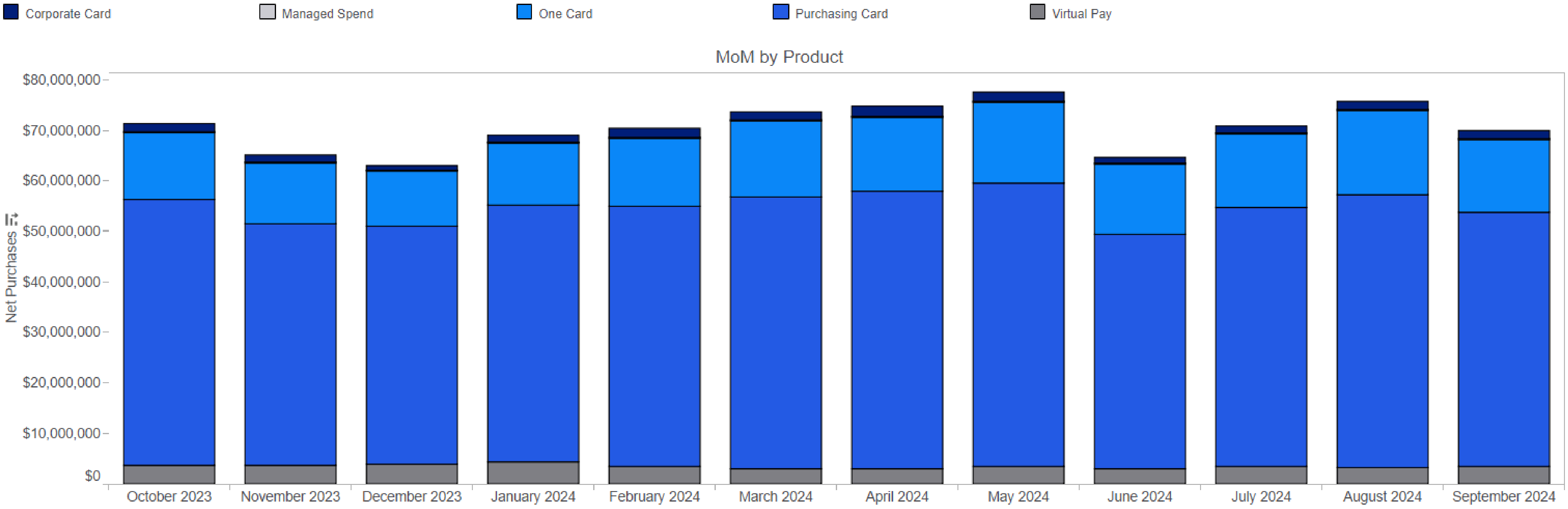
**Providing the partnership you need**

# Reviewing your relationship

# State of Washington program overview

## Program performance highlights in the past 12 months

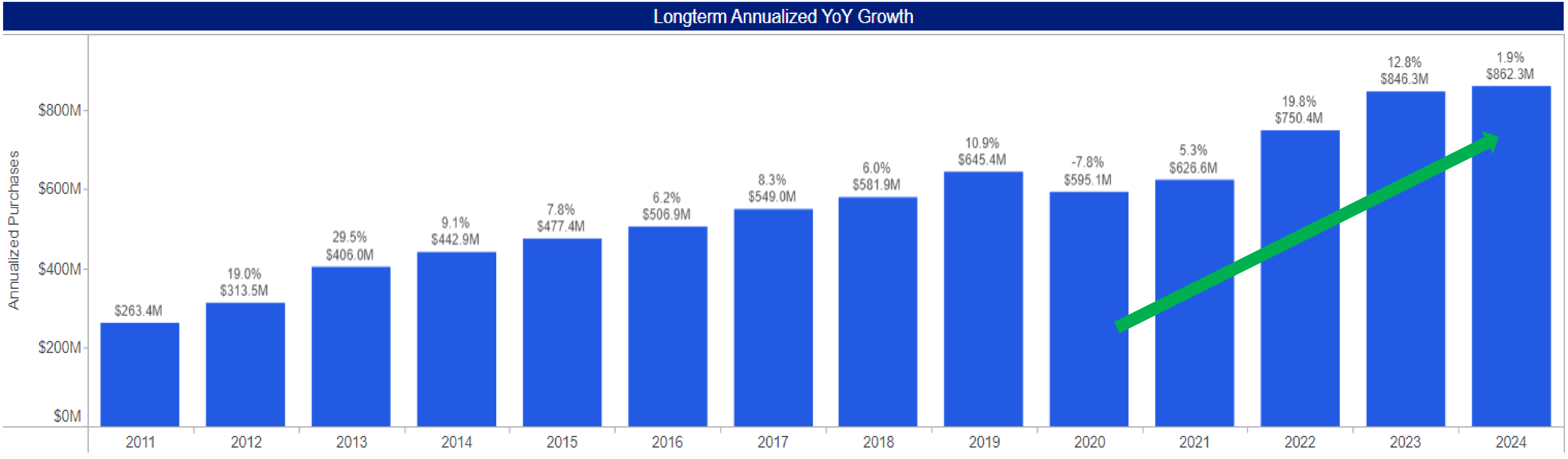
**Spend: $846MM** | **Rebate: $13.3MMpaid** | **Transactions: 1.8MM**



# State of Washington spend overview

## Program performance highlights

**Spend:** $846MM (increase of ~$100MM) in 2023



Data Date Range: January 1st - December 31st for each calendar year

# State of Washington Program Review

## Top 20: Includes all entities

1. King County (Washington)
2. Washington State Department of Transportation
3. Washington State Department of Social and Health Services
4. Tacoma (City of)
5. Washington Department of Fish and Wildlife
6. Tacoma School District No. 10
7. Washington State Department of Corrections
8. Spokane County, WA
9. Washington State - Department of Children, Youth and Families
10. The Housing Authority of the City of Seattle, WA
11. Washington State Parks and Recreation Commission
12. Seattle School District No. 1
13. Washington State Department of Natural Resources
14. Gonzaga University, Corporation of
15. Renton School District No 403
16. Washington State Department of Enterprise Services
17. Auburn (City of) [WA]
18. Pierce County [WA]
19. Bellevue (City of) (WA)
20. Metropolitan Park District of Tacoma

# How can we help with your goals?

us bank®

10/24/2024

# Fraud trends and prevention

How we protect you and your cardholders

# Presenting today

## Heidi Bourasa

AVP, Corporate Payments
Fraud Risk Analyst

# Agenda

- Defining card fraud
- Dispute overview
- Fraud trends
- Defending against fraud
- Fraud & dispute case lifecycle
- Fraud prevention best practices

# Defining card fraud

## What is fraud?

- Unauthorized transactions by an unknown third party
  - Obtaining services, credit or funds by misrepresenting identity or information

## What is not fraud?

- Use by a friend or family member
  - “My 16-year-old took the card from my wallet and spent $200 at the mall”
- Employee abuse
  - “A cardholder in my program used his corporate card to pay his utility bill”
- Merchant error or disputed transactions
  - “My purchase was $42, but the merchant billed me for $420”
- Inability to pay

# Dispute overview

# Dispute overview

## Dispute types

- Purchase paid in full and was charged a second time.
- Ordered an item or service for a future date, the merchant failed to fulfil the order/service.
- My receipt shows the total was $25.00 and I was charged $250.00.
- I cancelled my recurring service and was charged again.

## What to do

- Attempt to resolve the issue with the merchant
  - Note the date, the method of contact, whom you corresponded with, and their response.
- Start a dispute claim via phone or Access Online.
- Correspondence will be sent to the mailing address.
  - Reply promptly as time limits do apply.

# Fraud trends

# Prevalent fraud trends

### Merchant compromise

Credit card information is stolen from merchant databases.

### Vishing

Phone based attacks are very effective for manipulating victims because social engineers use their voice to make themselves seem more believable.

### Phishing

Fraudsters attempt to obtain personal and credit card information via deceptive emails including malware or ransomware links.

### Smishing

Social engineering that utilizes text messages to mislead victims posing as their financial institution or other business entities.

### Credit Master

Program that can generate credit and debit card numbers from a single account number based on the algorithms of card associations which are used to make online transactions.

# Customer scams

## Business email compromise

- Fraudster phones or sends email impersonating company executive requesting gift card purchase.
- Fraudster follows up with phone call or email impersonating company executive requesting gift card information – card number, expiration date, security code.

## Social media

- Be aware of unknown individuals contacting you via social media requesting personal information.
- Fraudsters are also known to send malware links via social media messages.

# Customer scams, continued

## Telemarketing scams

- Money is solicited for fake charities.
- Financial support may be requested after a natural disaster or an epidemic.

## Tech support scams

- Fraudsters pose as tech support agents from large tech companies such as Amazon, Apple and Microsoft.
- They ask the victim to provide personal information to "diagnose" the problem.

## Triangulation scams

- Fraudster acts as a secret intermediary in online purchases.
- This scam involves four parties: an innocent buyer, a victim of credit card theft, a merchant and the fraudster.
- A fake online storefront is created and accepts an order from our customer.
- The order is fulfilled so the customer isn't aware their card information was stolen.
- Fraud starts occurring at a later date.

# Social engineering

- Fraudster sends texts or emails posing as IT and provides a link to a phishing page.
- They spam you with multi-factor authentication (MFA) requests with the intent of fatiguing you into approving access.
- The fraudster may pressure you with urgency to provide confidential information such as address, phone number, credit limit or employee ID.
- If they call you, there may be unusually long pauses when answering questions as they attempt to locate information to sound legitimate.

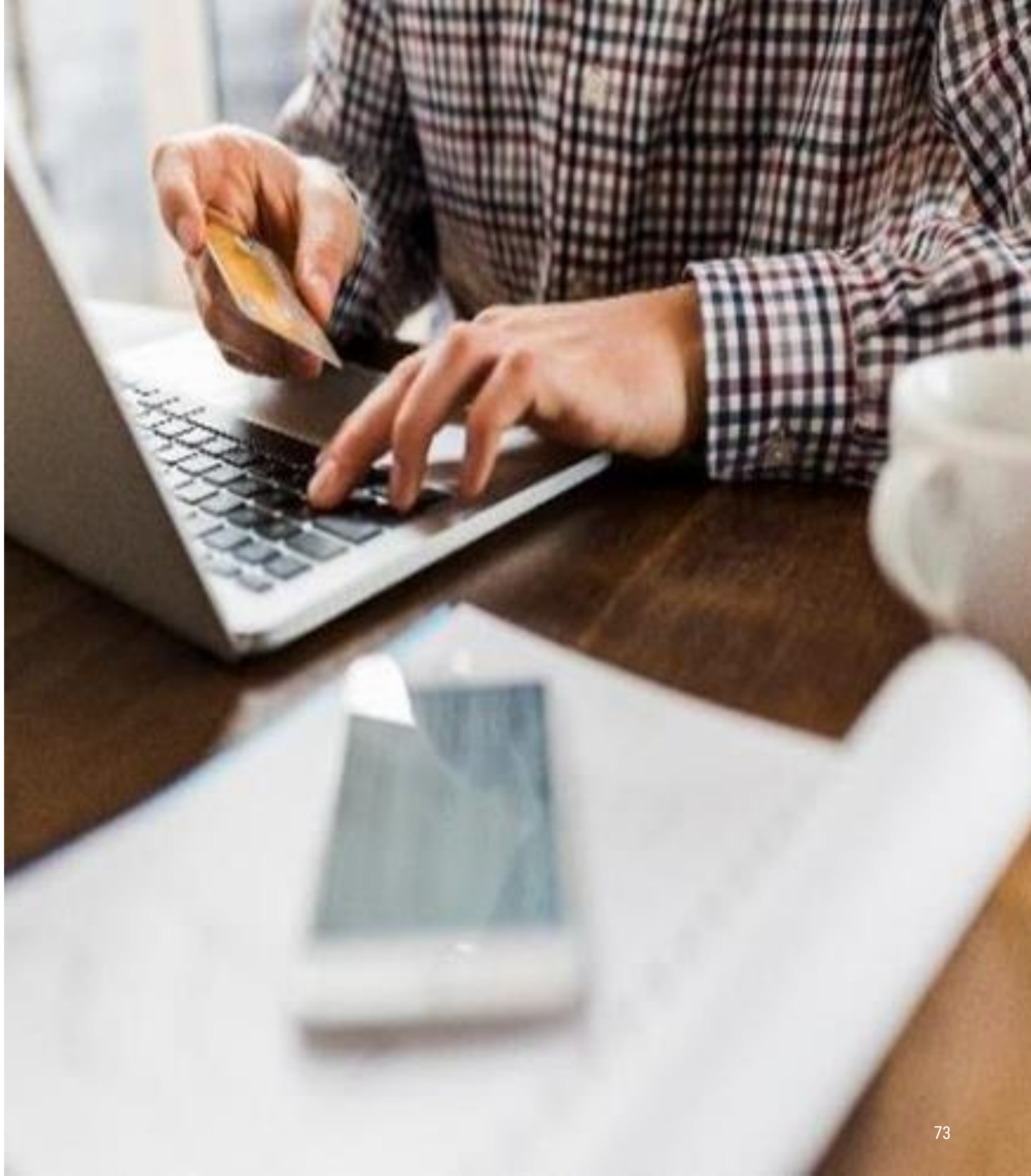
# Account takeover fraud

Data from merchant and personally identifiable information (PII) breaches combined to take over an account.

With this information, attempts can be made to order new cards to an alternate address for fraudulent use.

In some instances, information is used to remove fraud blocks or protection if account is being declined.

Social engineering is also used to gain access to accounts.



# Account takeover fraud mitigation

- Do not publish program information on public or unprotected websites. Fraudsters will use this information to take over the account.
- Fraudsters may impersonate a cardholder and contact your program administrator for assistance. Confirm cardholder identity through company instant message or email.
- U.S. Bank will not contact you to solicit personal information including, but not limited to, your:
  - Phone number
  - Address
  - Account number
  - Expiration date
  - Security code
  - One-time passcode (OTP)
- If you have any doubts about who you are speaking with, hang up and call the number on the back of your card.

# Defending against fraud

# Fraud strategies

## Card Guard

- Approve first transaction and then route to fraud analyst
- Contact cardholder
- Send alerts if enrolled
- Used on lower risk items

## ADS I/II

- High risk fraud
- Decline at the point sale
- Event alerts for declined purchase

# Fraud risk score models

## Combination of industry leading models

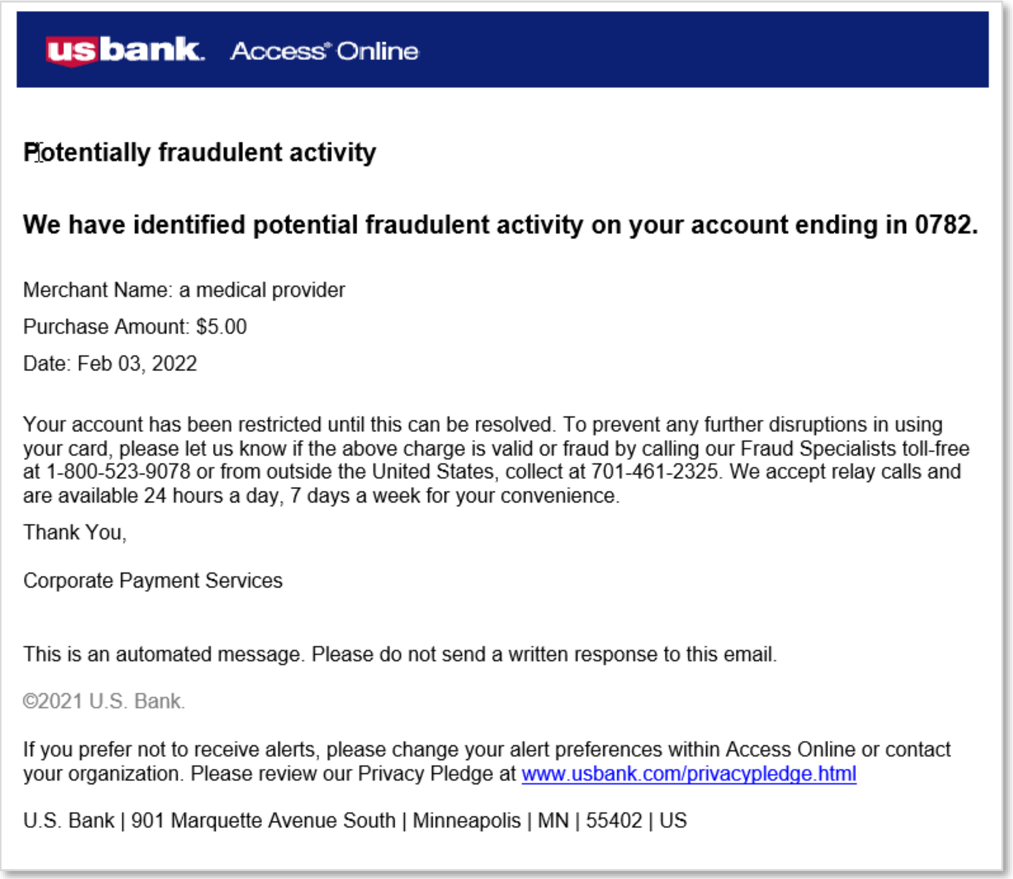
- Falcon
- Visa Advanced Authorization
- Mastercard Decision Intelligence
- Foresight Artificial Intelligence (AI) Risk Scoring

# Pindrop

- Uses risk-based biometrics technology
- Analyzes over 1,200 different factors related to the call
- Assigns a risk score to each call for potential actions
- Builds profiles for identified fraudulent callers
- Real-time notifications to call center agents
- IVR and outbound call monitoring

# U.S. Bank Access® Online fraud alerts

## Email



usbank. Access® Online

**Potentially fraudulent activity**

**We have identified potential fraudulent activity on your account ending in 0782.**

Merchant Name: a medical provider

Purchase Amount: $5.00

Date: Feb 03, 2022

Your account has been restricted until this can be resolved. To prevent any further disruptions in using your card, please let us know if the above charge is valid or fraud by calling our Fraud Specialists toll-free at 1-800-523-9078 or from outside the United States, collect at 701-461-2325. We accept relay calls and are available 24 hours a day, 7 days a week for your convenience.

Thank You,

Corporate Payment Services

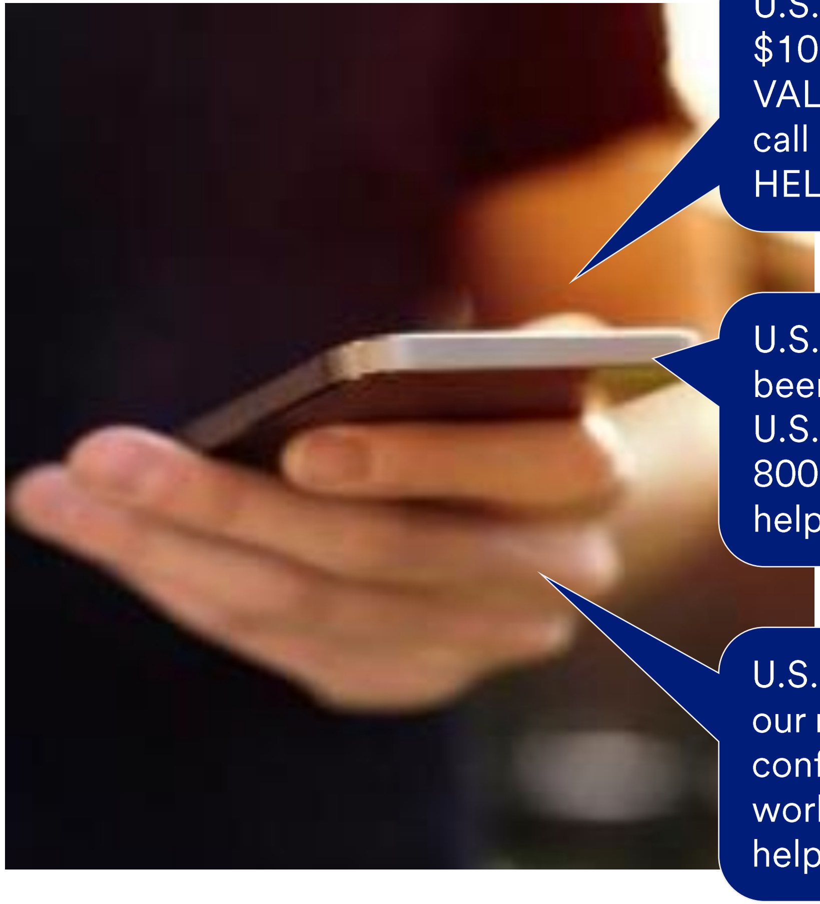
This is an automated message. Please do not send a written response to this email.

©2021 U.S. Bank.

If you prefer not to receive alerts, please change your alert preferences within Access Online or contact your organization. Please review our Privacy Pledge at www.usbank.com/privacypledge.html

U.S. Bank | 901 Marquette Avenue South | Minneapolis | MN | 55402 | US

## SMS text



U.S. Bank: ABC Corp $10,000 on 05/25/24 Reply VALID or FRAUD to resolve or call 800-523-9078. Text HELP for help, STOP for stop

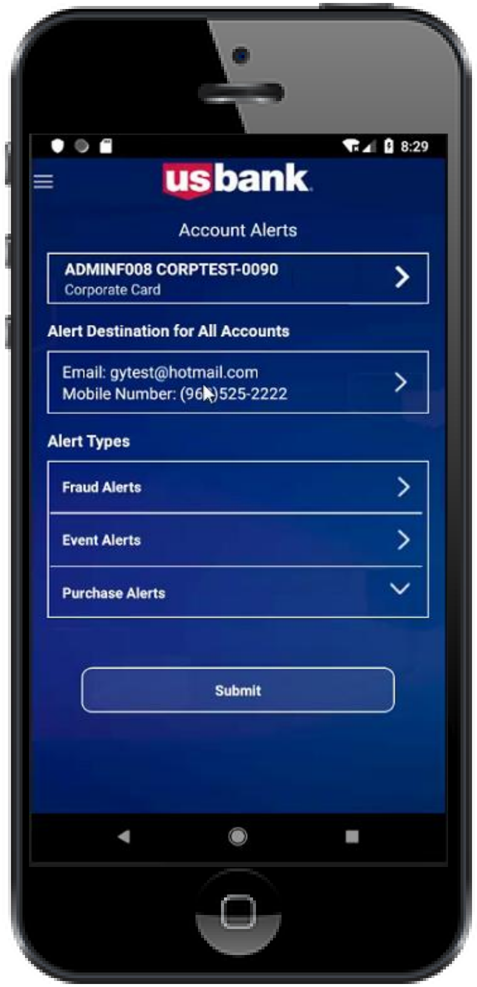
U.S. Bank: Your card has been blocked. Please call U.S. Bank immediately at 800-523-9078. Text HELP for help, STOP for stop

U.S. Bank: We will update our records with your confirmation. Your card is in working order. Text HELP for help, STOP for stop

# U.S. Bank Access® Online fraud alerts

## How to enroll

- Program administrators can upload a file to mass enroll cardholders in email alerts.
- Individual cardholders can register through Access Online or the Access Online Mobile app for email or text alerts.



usbank

Account Alerts

ADMINF008 CORPTEST-0090
Corporate Card

Alert Destination for All Accounts

Email: gytest@hotmail.com
Mobile Number: (96_)525-2222

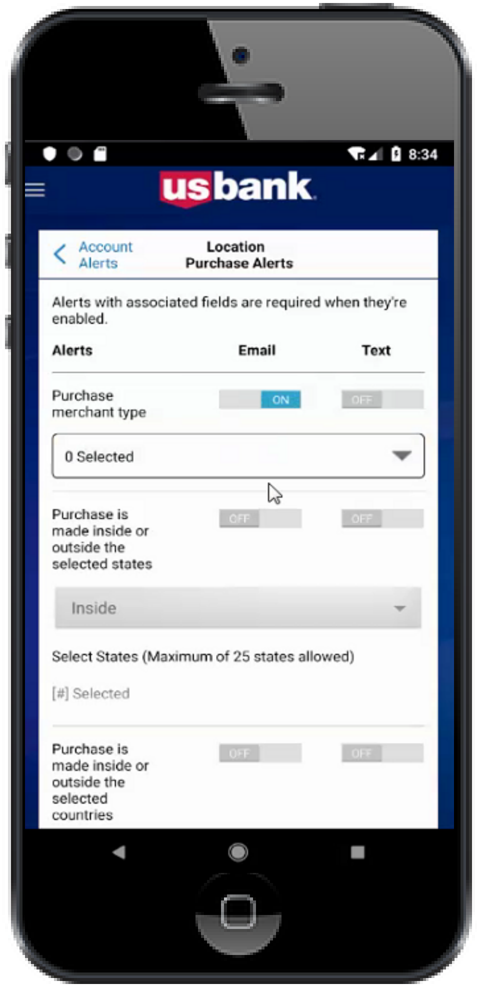
Alert Types

Fraud Alerts

Event Alerts

Purchase Alerts

Submit



usbank

Account Alerts

Location Purchase Alerts

Alerts with associated fields are required when they're enabled.

| Alerts | Email | Text |
|---|---|---|
| Purchase merchant type | ON | OFF |
| 0 Selected | | |
| Purchase is made inside or outside the selected states | OFF | OFF |
| Inside | | |
| Select States (Maximum of 25 states allowed)<br>[#] Selected | | |
| Purchase is made inside or outside the selected countries | OFF | OFF |

# Event alerts through Access Online

- Card is requested
- Daily account balance
- Payment is made
- Personal information is changed
- PIN on my card is changed
- Purchase is declined
- Purchase amount exceeds
- Balance reaches or exceeds
- Purchase made inside or outside specific state or country

**Tip:** Search “event driven notifications” in Access Online’s web-based training (use the Training link) for videos and user guides.

# Fraud & dispute case lifecycle

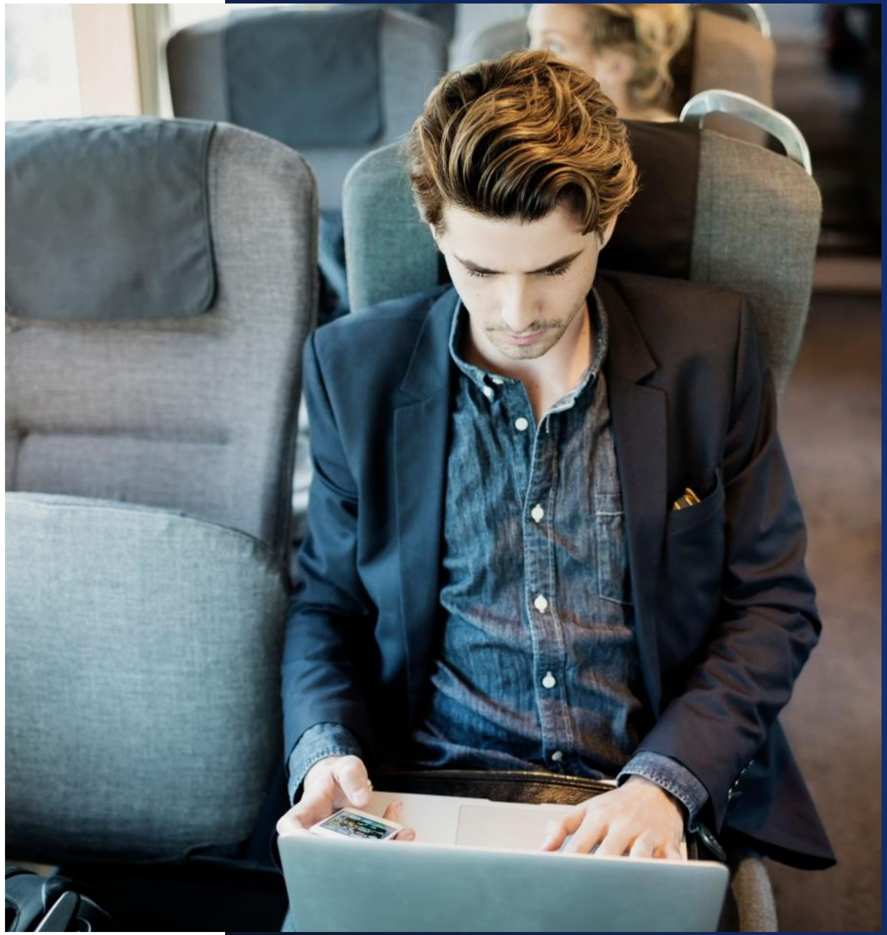
# Fraud case lifecycle

- Fraud claim is initiated via phone.
- Card account is closed because of the claim initiation.
- Case is submitted into the fraud case system.
- Statement of Fraud (SOF) sent to cardholder.
- Case processor works case to determine chargeback rights.
- Final resolution letter sent.

Tip: The program administrator can sign the SOF on behalf of the cardholder.

# Dispute case lifecycle

- Dispute claim initiated by phone or Access online.
- Case is created and assigned to case processor.
- Case processor will review information provided and may request additional details from you.
- Case is filed through Visa/Mastercard
- Case processor will make contact for more details or to provide outcome of claim.



# Fraud prevention best practices

# Program administrator best practices

- Do not publish program information on public or unprotected websites.
- Confirm cardholder identity through company instant message or email prior to high-risk account maintenance.
- Block unused merchant category codes (MCC) and utilize accounts controls (for example, single purchase limit or velocity limits).
- Keep records current and mind how card data is stored and destroyed.
- Manage charging privileges and review spending frequently.
- Schedule fraud and transaction reports in Access Online.
- Educate cardholders and communicate policies frequently.
- Report unauthorized activity as soon as it's identified.
- Close accounts immediately if an employee leaves the company.

# Keeping your account secure

- Authentication
  - Know account profile information such as:
    - Address
    - Phone number
    - Credit limit
    - Single purchase limit
    - Employee ID
    - Program administrator's name
  - This information keeps your account secure and reduces the risk of account takeover.

- Monitor accounts usage regularly
  - Time limits are enforced for filing fraud claims or Visa or Mastercard Liability Insurance claims.
  - Your program administer or relationship manager can provide those time limits to you.
- Declined transactions
  - Enable fraud alerts.
    - Email: One-way communication
    - Text: Two-way communication
  - Place travel alerts on your account.
  - Alert us to any out of ordinary purchases, such as holiday or retirement gifts.

# Questions

us bank®

# Break

Be back by 10:50!

VISA

# Visa Government Solutions

October 2024

# Notice of confidentiality

This presentation is furnished to you solely in your capacity as a customer of Visa Inc. and/or a participant in the Visa payments system. By accepting this presentation, you acknowledge that the information contained herein (the “Information”) is confidential and subject to the confidentiality restrictions contained in Visa’s operating regulations and/or other confidentiality agreements, which limit your use of the Information. You agree to keep the Information confidential and not to use the Information for any purpose other than in your capacity as a customer of Visa Inc. or as a participant in the Visa payments system. The Information may only be disseminated within your organization on a need-to-know basis to enable your participation in the Visa payments system. Please be advised that the Information may constitute material non-public information under U.S. federal securities laws and that purchasing or selling securities of Visa Inc. while being aware of material non-public information would constitute a violation of applicable U.S. federal securities laws.

Case studies, comparisons, statistics, research and recommendations are provided “AS IS” and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Visa Inc. neither makes any warranty or representation as to the completeness or accuracy of the information within this document, nor assumes any liability or responsibility that may result from reliance on such information. The Information contained herein is not intended as investment or legal advice, and readers are encouraged to seek the advice of a competent professional where such advice is required.

This document is intended for illustrative purposes only. It contains depictions of a product currently in the process of deployment, and should be understood as a representation of the potential features of the fully deployed product. The final version of this product may not contain all of the features described in this presentation.

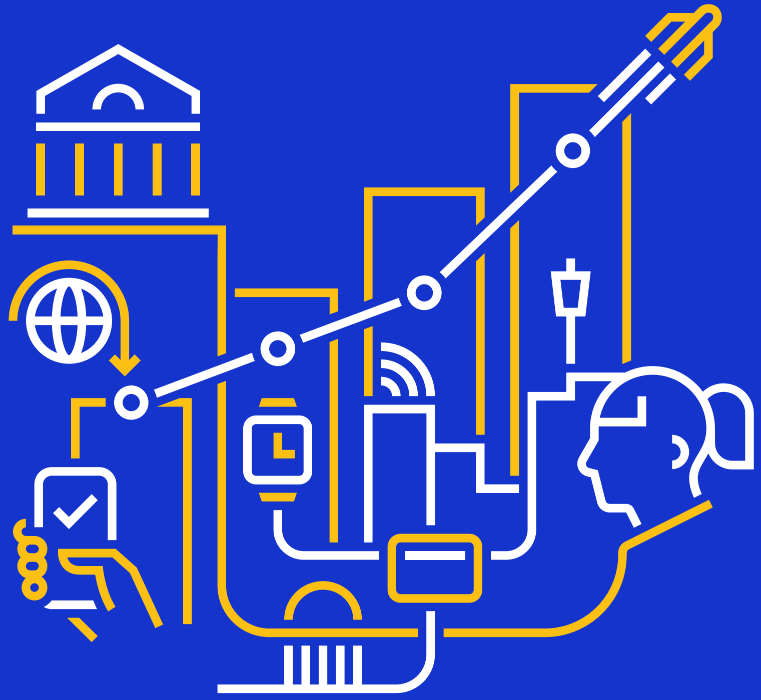
# Forward-looking statements

This report may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as “outlook”, “forecast”, “projected”, “could”, “expects”, “will” and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statement we make about Visa’s business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Expect as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

## Disclaimer

Case studies, comparisons, statistics, research and recommendations are provided “AS IS” and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Visa Inc. neither makes any warranty or representation as to the completeness or accuracy of the information within this document, nor assumes any liability or responsibility that may result from reliance on such information. The Information contained herein is not intended as investment or legal advice, and readers are encouraged to seek the advice of a competent professional where such advice is required.

# Why Visa is taking government programs to new heights



# Visa is a global payments leader, with one of the world's largest payment networks[1]

276B

total transactions[2]

(757M transactions per day)

11.6T

payment volume ($)

200+

countries and territories

130M+

merchant locations[3]

14.5k

Financial institutions[4]

160+

currencies

4.3B

cards worldwide[5]

15T

total volume ($)[6]

[1] Visa 2023 Annual Report, Visa, Jan. 2024. | [2] Payments and cash transactions in FY23. | [3] Data provided to Visa by acquiring institutions and other third parties as of June 30, 2023. Merchant locations reported includes an estimate of 30 million small businesses that utilize payment facilitators. | [4] As of June 30, 2023. | [5] Issued Visa card accounts available worldwide. | [6] Includes payment and cash transactions for the fiscal year 2023.

# Transforming government payments around the world

## Disbursement initiatives including

Delivering social benefits on Visa Prepaid cards for programs and constituents across the United States

Sending COVID-19 subsidies via Visa Direct to low-income families in Guatemala

## Commercial payment initiatives including

Issuing 6 million cards across 500+ agencies in the United States

Providing end-to-end purchasing, travel, and fleet programs in Canada

Replacing checks with purchasing cards in Australia to streamline payments and boost visibility

## Revenue collection initiatives including

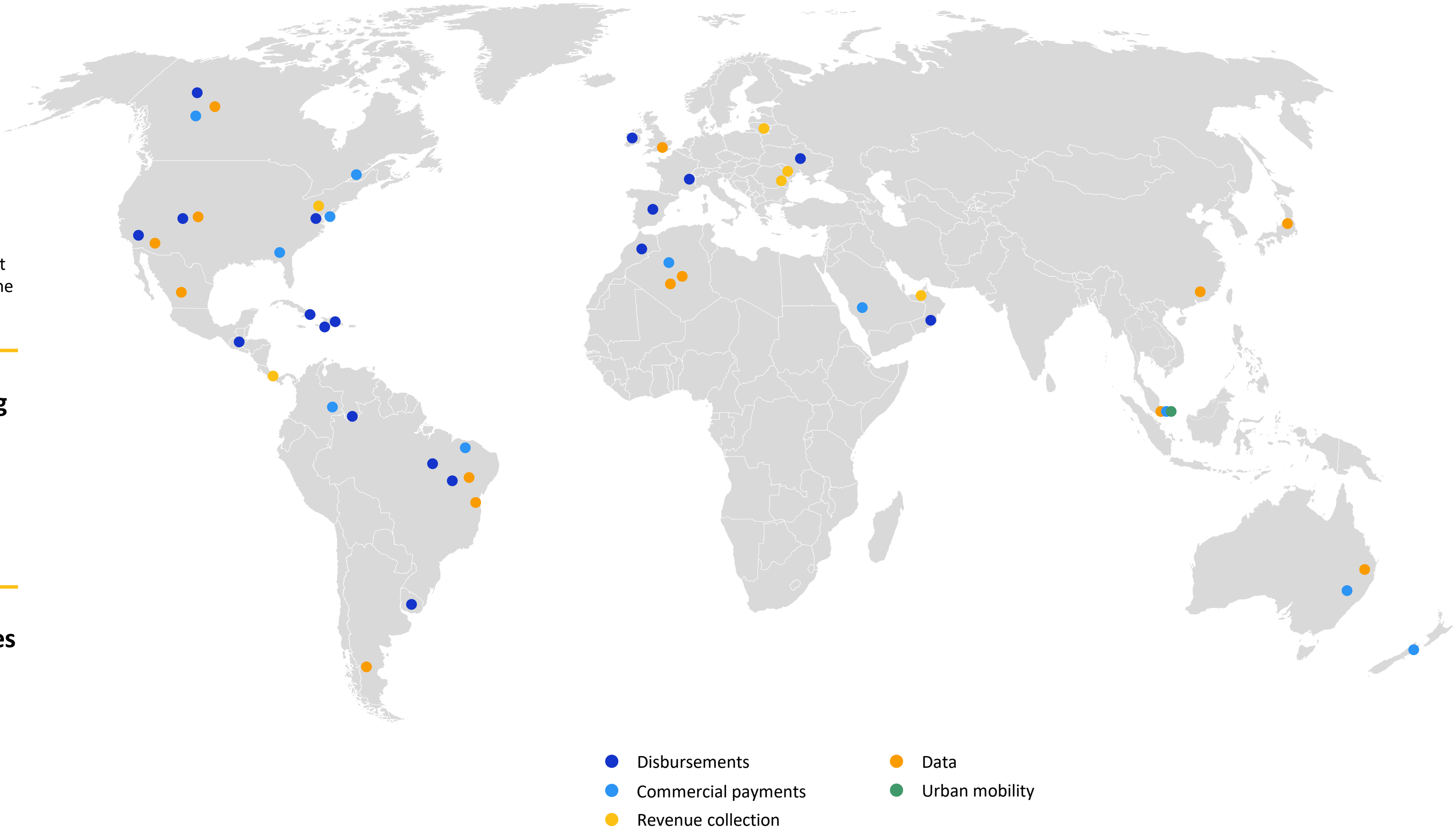
Digitizing constituent-to- government payments with Cybersource in Ukraine

## Data initiatives including

Promoting tourist engagement with marketing analysis and contactless enablement in Japan

## Urban mobility initiatives including

Delivering one of the largest open-loop transit programs and enabling contactless acceptance in Singapore



Note: non-exhaustive

# Our commitment: how we work

We meet you wherever you are in your digital journey

We think globally and serve locally

We operate with the highest levels of integrity and accountability

We safeguard and secure sensitive data

We transform analytics into action with everyday insights

We deliver on our promises and drive results

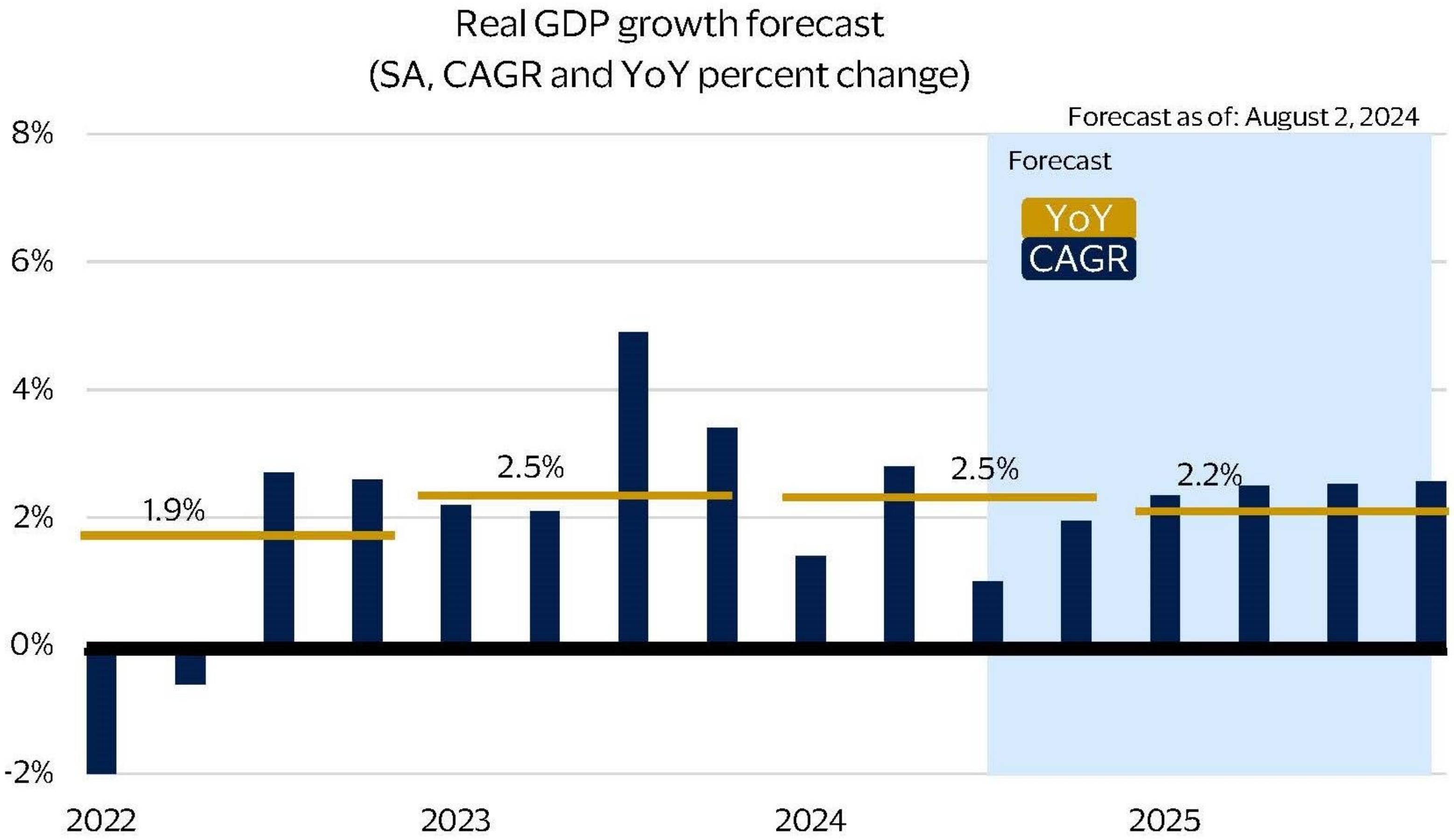
# Economic outlook and payment trends shaping the ecosystem

Economic Outlook

# The outlook for economic growth

## Key assumptions:

- Inflation remains above 2 percent through 2024
- Consumer confidence weakens through the third quarter
- Employment growth will slow through the third quarter of 2024
- The Fed begins rate cuts in Q3-2024


Real GDP growth forecast
(SA, CAGR and YoY percent change)

Forecast as of: August 2, 2024

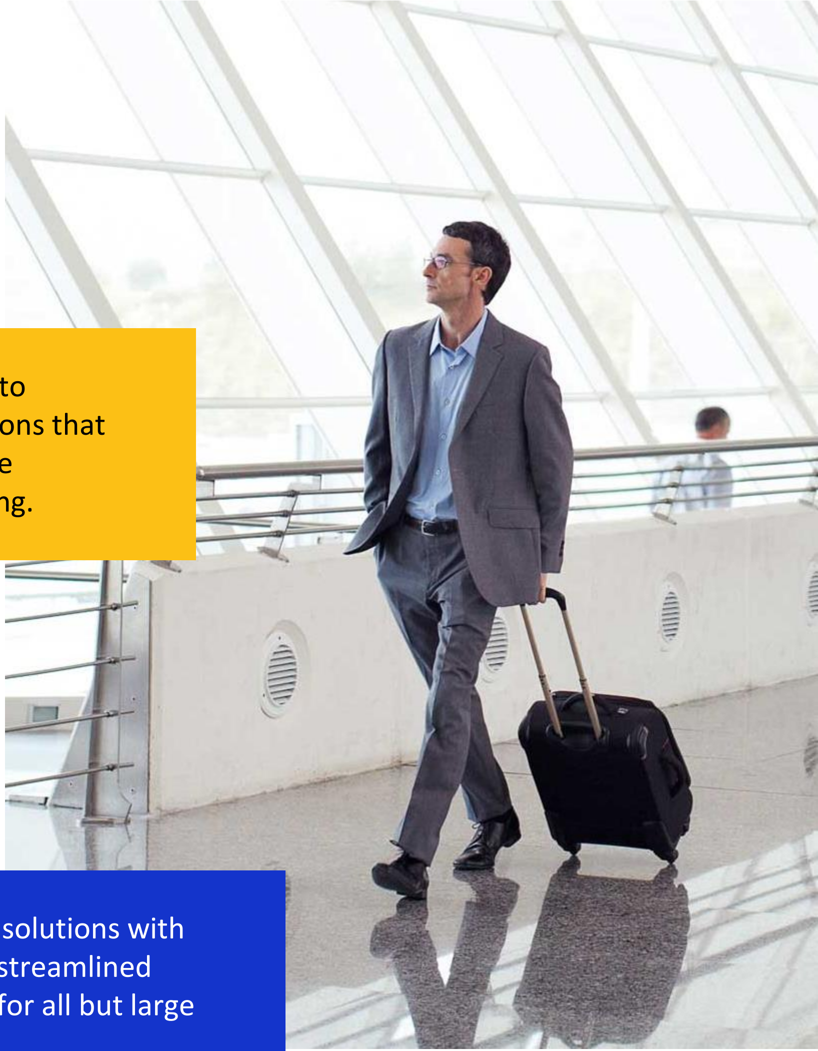
Source: Visa Business and Economic Insights and U.S. Department of Commerce

Trends

# A study shows an increased market demand for mobile-first “consumer” experiences within the business travel ecosystem

Visa commissioned third-party research to collect client feedback, insights from industry SMEs across travel and travel fintechs, and desk research focused on corporate T&E trends as well as traveler needs and expectations.

The study captured views from card issuers, corporate T&E leaders and travelers globally with focus on key nuances for Asia Pacific and Europe, and the following findings emerged…



Organizations are shifting to comprehensive T&E solutions that integrate booking, expense management, and reporting.

Today’s business travelers expect streamlined, digital self-service solutions, with end-to-end integration and built-in intelligence when travel challenges arise.

Change is accelerating due to significant shifts in the travel industry and booking power dynamics that are disrupting the status quo of corporate T&E relationships.

Virtual cards are in limited use for T&E, with experience issues for travelers, integration steps, and internal alignment posing hurdles to broader adoption.

Pressure to evolve to T&E solutions with payments embedded in a streamlined experience is top of mind for all but large enterprises.

Source: Visa commissioned research study, conducted by Further Advisory LLC. April 2024.

Trends

# Surveyed organizations are evaluating tools and processes to deliver a best-in-class experience with every trip

~$1.8T

2024 business travel is expected to reach pre-pandemic volumes — and reach ~1.8T by 2027[1]

$1,018

Business travel spend has outpaced frequency due to inflation — with average spend per trip of $1,018 among surveyed travelers[1]

64%

Mobile payments continue to gain traction — 64% of travelers uploaded a card to a mobile wallet **and 87% use it for 10%+ of transactions**[1]

66%

Use of a corporate card is not always mandated — 66% of surveyed travelers have a corporate card but **only 37% are mandated to use it**[1]

89%

Automation of expense reporting and reconciliation can be key, as 89% of surveyed decision-makers want to maximize card use[2]

**Empower employees, secure competitive prices**

Surveyed travelers prefer self-service booking and personalized experiences[2]

[1] 2023 Business Travel Index Outlook, Annual Global Report & Forecast. GBTA, August 2023.

[2] Visa commissioned research study conducted by Further Advisory LLC, April 2024.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

GOLDMAN SACHS

Using Gen AI tools to aid software developers in writing and testing code, up to 40%

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

MORGAN STANLEY

Launches strategic initiative to create a bespoke solution with OpenAI; Using Gen AI technology to access, process and synthesize its own intellectual capital, helping financial advisors to better serve their clients and refine offerings

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

VISA

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

BLOOMBERGGPT

A 50-billion parameter large language model, specifically trained on a wide range of financial data, purpose-built to support tasks within the financial industry

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

KLARNA

Klarna working with OpenAI to use ChatGPT as a personal shopping assistant; Klarna-integrated plug-in enables users to ask ChatGPT for shopping advice and receive product recommendations along with links to shop those products

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

STRIPE

Stripe joins GPT-4 beta, identifies ways to use Gen AI to streamline operations and help users get the information they need faster; enhancing high-quality documentation, enabling developer efficiency

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

FISERV

Introduced omnichannel fraud prevention bundle that makes use of machine learning to speed up transaction monitoring

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

AI is accelerating automation and digitization and driving new use cases

# Generative AI use cases in payments today

VISA

$100 million generative AI ventures initiative to invest in the next generation of companies focused on developing generative AI technologies and applications that will impact the future of commerce and payments

Source:
https://www.forbes.com/sites/siladityaray/2023/03/22/goldman-is-reportedly-using-ai-to-write-code-as-banks-crack-down-on-chatgpt-use/?sh=72291bc33300/
https://www.pymnts.com/artificial-intelligence-2/2023/klarna-and-openai-to-use-chatgpt-as-shopping-assistant/
https://www.americanbanker.com/payments/news/how-payment-companies-are-deploying-next-gen-ai
https://www.bloomberg.com/company/press/bloomberggpt-50-billion-parameter-llm-tuned-finance/
Disclaimer: All brand names, logos and/or trademarks are the property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Trends

# Ecosystem Security

$10.5T

in projected per-year global cybersecurity expenditures by 2025 — more than triple the figure in the past 10 years

3rd

largest economy on the planet behind the U.S. and China is cybercrime

Deploying new technologies, upgrading operations, and active management can help to defend against attacks.

For banks and governments alike, implementing robust security measures is crucial.

Source: Securing the payments ecosystem - VISA COMMERCIAL SOLUTIONS KNOWLEDGE HUB

Trends

# Modernized Infrastructure

60%

of government IT decision-makers think modernizing IT infrastructure is important to improving efficiency and security

$35T

has been spent on IT products and services with 75 percent going to maintenance and operations of these IT systems

Benefits of IT modernization:

- Cost savings
- Modernized application portfolio
- Elevated productivity
- Improved security

Source: A platform for change - VISA COMMERCIAL SOLUTIONS KNOWLEDGE HUB

Trends

# Digital Procurement

18–20%

of GDP on average is represented by public procurement, a vital part of any nation's economy

Effective procurement helps support:

- Small business prosperity with increased accessibility
- Social responsibility policies that increase efficiency, fairness, and transparency
- New economic sectors and innovation, promoting R&D, and targeted investments

Source: Digitalizing Government Commercial Payments (visa.com)

Trends

# Mobile Wallet Enablement

It is estimated that more than half of the world population will be using mobile wallets by 2025.[1]

The shift from using cash and check to digital card solutions, such as mobile wallets, emerged to meet the demand for fast and  contactless payments.

The rapid uptick in mobile wallet adoption is supported by expanded use cases outside of traditional payments.

For example, wallets are now being used for ticketing, car keys, urban transit, and more.

[1] Finextra, https://www.finextra.com/newsarticle/38421/over-half-the-worlds-population-will-use-mobile-wallets-by-2025-says-boku-study

Trends

# Virtual card use is expected to triple in 2024[1] and grow by 25% annually through 2027[2]

$1.2T

Virtual card commercial PV estimated by 2027[2]

25 %

Estimated CAGR from 2022–27[2]

Metrics exclude small business.

Sources: 1. 2023-2024 Growth Corporates Working Capital Index, PYMNTS Intelligence and Visa;
2. 2023-2024 Accenture Global Virtual Card Market Sizing and Share Model Refresh August 2023

# Tacoma Public Schools PCard Training Program

TACOMA
PUBLIC SCHOOLS
EVERY STUDENT. EVERY DAY.

# Training

ONE ON ONE TRAINING WITH RECONCILERS

OPPT CONFERENCE TRAINING SESSIONS

AFTER TRAINING CHECK IN

ON GOING CONTINUAL SUPPORT AND CUSTOMER SERVICE

# One on One Training

on site training with new reconcilers/PCard users

Teams calls to provide training or follow up training

# OPPT Conference

Training sessions offered at yearly Professional Development Day for Office Coordinators and Administrative Assistants

# After Training Check-ins

Email survey monkey quiz after training sessions

Monitor reconciliation process

# On Going Support and Customer Service

Yearly PCard Quiz

Monitor issues and assist Card holder/reconcilers

# Non-compliance for P-Card Purchases

FBOD

count on us

King County

# Who is our P-Card Team

Julie Shin Finance/Accounting Supervisor

Tina Shields Project/Program Manager III

Michelle So Project/Program Manager III

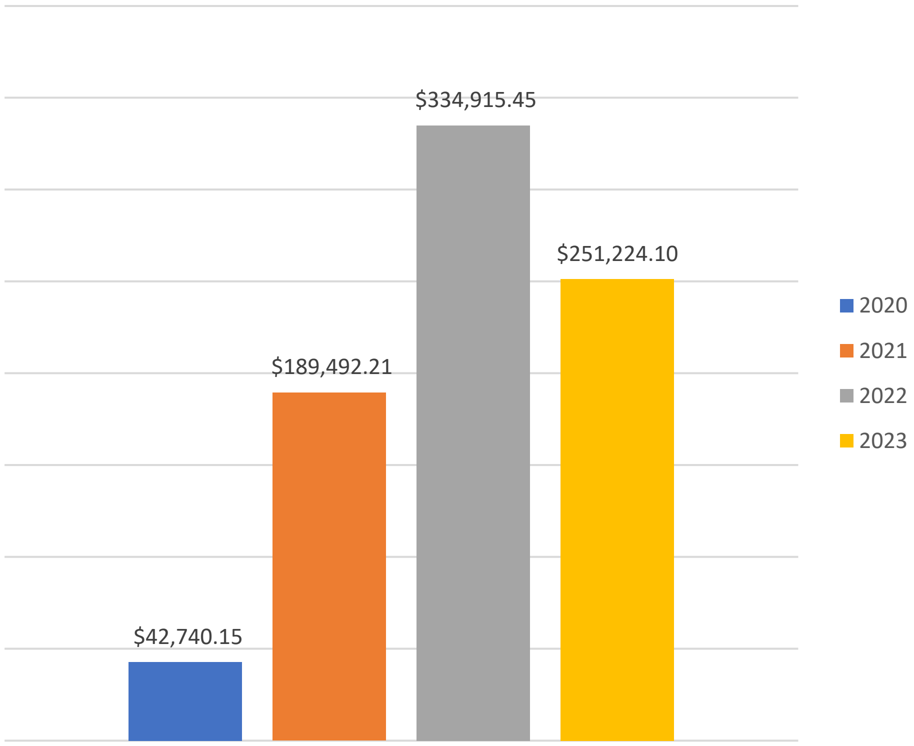
Melonie Couch Project/Program Manger I

Contact us at

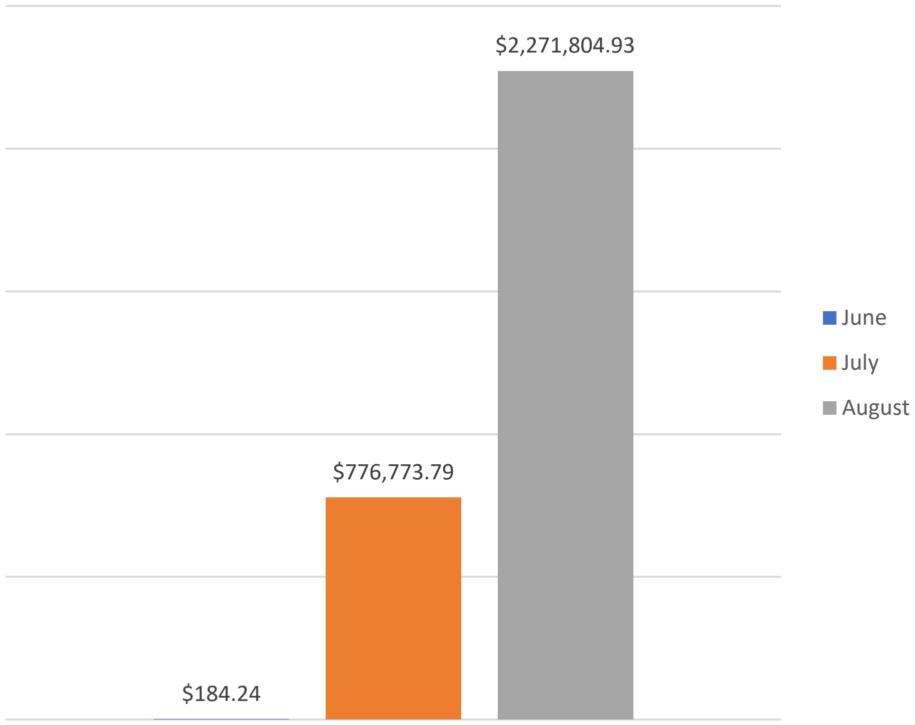
p-cardteam@kingcounty.gov

# Importance of Weekly Reminders

- Where we started March 2023



- Where we are today



# Weekly reminders

- 14-19 days
- 20-44 days
- 45+ days

# Carrot

- Education
- Approvers
- Research

# Consequences

- 1st time P-Card turned off and retake P-Card training
- 2nd time Letter to CPO
- 3rd time meeting with CPO and Supervisor

Washington State Department of
Labor & Industries

Lance Yount, CPPB

Contracts and Purchasing Office

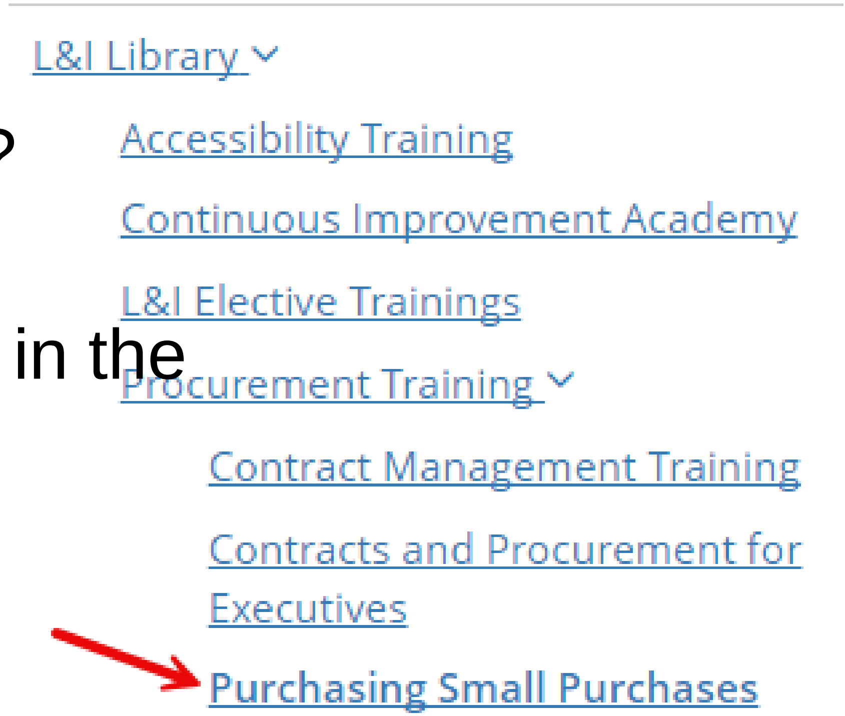
# Purchasing Card Check Out Process

*Requirements for Checking out P-Cards from Card Holders for Agency Purchasers*

# Training Requirements

- WA-State Purchasing and Procurement Ethics
- WA - State Small Purchases
- L&I Who Wants to Be a Purchase Card User?

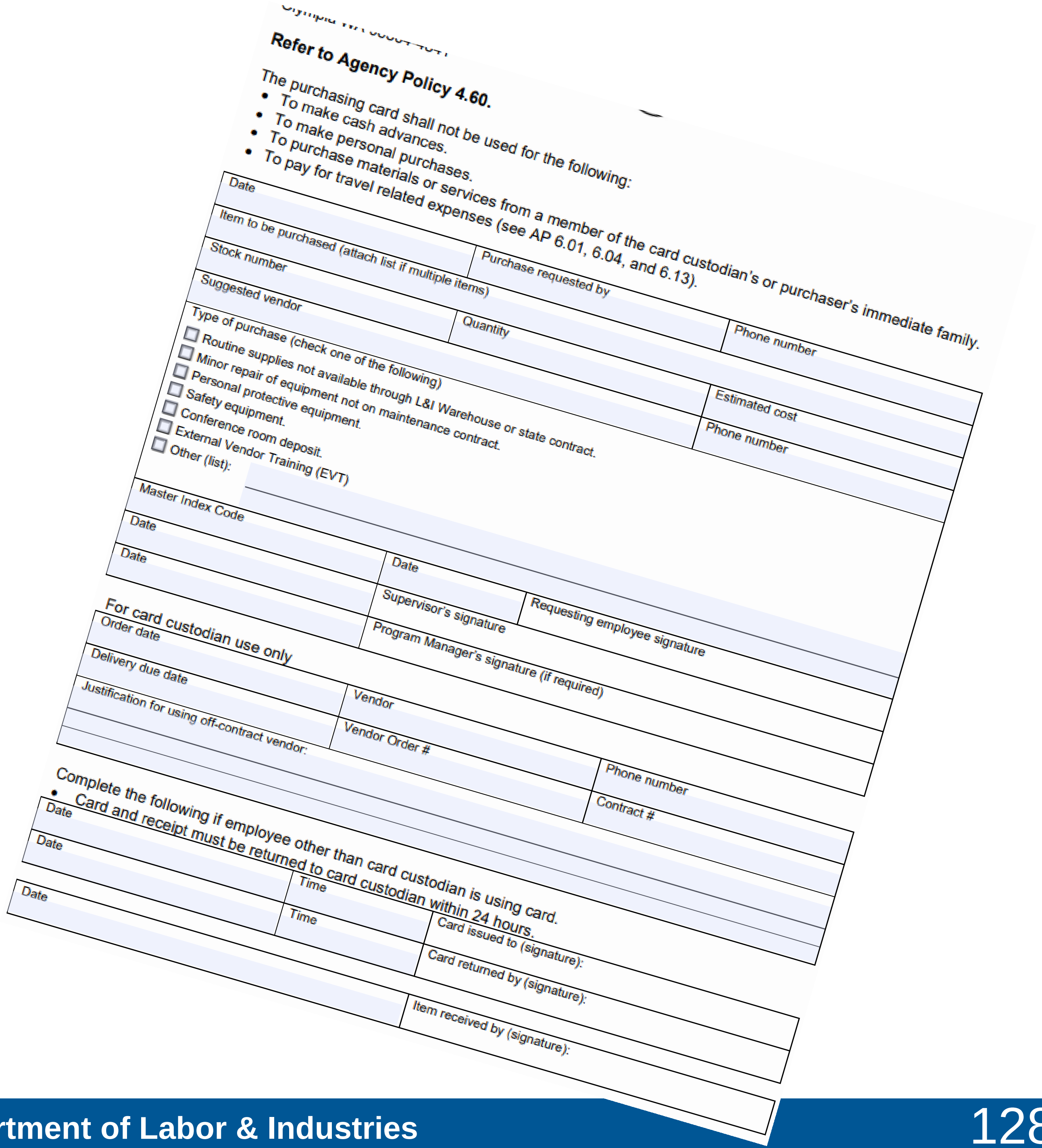
All trainings are available in The Learning Center in the Procurement Training section of the L&I Library.



- L&I Library
  - Accessibility Training
  - Continuous Improvement Academy
  - L&I Elective Trainings
  - Procurement Training
    - Contract Management Training
    - Contracts and Procurement for Executives
    - Purchasing Small Purchases

# Documentation Requirements

- The Request to Buy With Purchasing Card form must be completed prior to the transaction.



Olympia WA 98504-4841

**Refer to Agency Policy 4.60.**

The purchasing card shall not be used for the following:

- To make cash advances.
- To make personal purchases.
- To purchase materials or services from a member of the card custodian's or purchaser's immediate family.
- To pay for travel related expenses (see AP 6.01, 6.04, and 6.13).

Date

Item to be purchased (attach list if multiple items) | Purchase requested by

Stock number

Suggested vendor | Quantity | Phone number

Type of purchase (check one of the following) | Estimated cost

□ Routine supplies not available through L&I Warehouse or state contract. | Phone number

□ Minor repair of equipment not on maintenance contract.

□ Personal protective equipment.

□ Safety equipment.

□ Conference room deposit.

□ External Vendor Training (EVT)

□ Other (list):

Master Index Code

Date | Date | Requesting employee signature

Date | Supervisor's signature

Program Manager's signature (if required)

For card custodian use only

Order date

Delivery due date | Vendor

Justification for using off-contract vendor: | Vendor Order #

Phone number

Contract #

Complete the following if employee other than card custodian is using card.

- Card and receipt must be returned to card custodian within 24 hours.

Date | Time | Card issued to (signature):

Date | Time | Card returned by (signature):

Date | Item received by (signature):

# P-Card Document Retention

All Purchase Approval and Proof of Receipt documents related to Financial Transactions need to be maintained by the card holder for 6 years, according to the Washington State Record Retention Schedule.

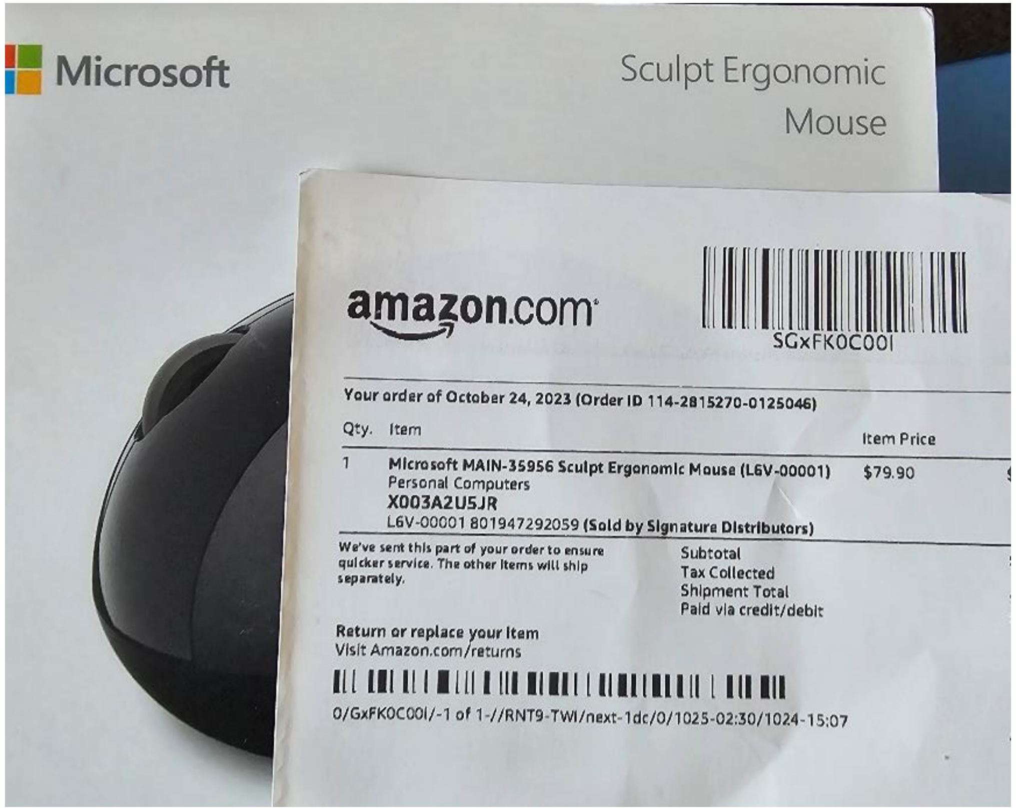
# Purchase Card Document Retention

Purchase Approval Documents

- Email of approval
- Agency Specific Forms (if applicable)
  - Meals – with Meetings/Light Refreshments
  - Recognition Events & Awards
  - IT Purchase Request form

Proof of Receipt

- Sales Receipt
- Packing Slip
- Shipping Labels Picture of Items purchased


Microsoft
Sculpt Ergonomic Mouse

amazon.com

SGxFK0C00I

Your order of October 24, 2023 (Order ID 114-2815270-0125046)

| Qty. | Item | Item Price |
|---|---|---|
| 1 | **Microsoft MAIN-35956 Sculpt Ergonomic Mouse (L6V-00001)**<br>Personal Computers<br>**X003A2U5JR**<br>L6V-00001 801947292059 **(Sold by Signature Distributors)** | $79.90 |

We've sent this part of your order to ensure quicker service. The other items will ship separately.

Subtotal
Tax Collected
Shipment Total
Paid via credit/debit

**Return or replace your item**
Visit Amazon.com/returns

0/GxFK0C00I/-1 of 1-//RNT9-TWI/next-1dc/0/1025-02:30/1024-15:07

# Saving Documentation Electronically – Where and How

- Agency Shared Drives
  - Allows Supervisors/Managers to access documentation history
  - Allows new Card Holders to access documentation history

- Folder Naming Conventions
  - Fiscal Year
  - Vendor Name
  - Vendor Name, Date and Dollar Amount

# Thank you!

Lance Yount, CPPB
Purchasing Card Program Manager, Labor and Industries
Lance.Yount@Lni.wa.gov

# Thank You

Please take the survey (link included in chat) and let us know how we did, how we can improve and any suggestions you may have for next year's forum!