2012 GSA SmartPay Conference
“Fine Tune Your Payments Program with GSA SmartPay”
To ensure the best possible learning experience for participants, please adhere to the following house rules:

• Turn electronic devices to vibrate
• No video-taping or audio recording is allowed
• Hold questions to end of session
• Ensure your participant badge is scanned to receive CLP credits
  − For each course
• Take advantage of opportunities to provide feedback
  − Please select the “Citi Q&A” icon on any Citi PC at the conference
  − Answers to be e-mailed after the conference within 60 days
Best Practices

Schedules Available at the Welcome Center

2012 Track Schedule Brochures
Best Practices

Reminders

- Visit the Citibank Welcome Center—Governor’s Lobby
- Visit the Citibank One-on-One Lab—Governor’s Chambers D&E
- Citi Q&A Link—Tell us your thoughts
Interactive Training Events—GSA

Citi offers Computer-Based Training (CBT) via the Citi Commercial Card Learning and System Support (CLASS) in CitiManager.

- Visit [home.cards.citidirect.com](http://home.cards.citidirect.com) and from the Web Tools tab select the CLASS link

Please contact your Account or Client Manager if you are interested in setting up a training session. Training can be conducted at a Citi Training Location, on-site at your office or via the web.

- Regional Citi Training Locations
  - Norfolk, VA
  - Washington, DC
This course is designed to assist you in achieving the following objectives:

• Understand the value of using Best Practices
• Consider developing your own organization’s Best Practices
• Learn how to implement Best Practices in your organization
• Improve your program management and overall program performance
• Include program expansion as part of your management goals
Best Practices

Agenda

1. Define Best Practices
2. Understand the Value of Best Practices
5. How to Implement and Standardize Best Practices
6. Expand Your Program While Improving Program Management and Performance
Best Practices Defined

Wikipedia says:

- **Best Practices** are generally accepted, informally standardized techniques, methods or processes that have proven themselves over time to accomplish given tasks.

- Often based upon **common sense**, these practices are commonly used where no specific formal methodology is in place or the existing methodology does not sufficiently address the issue. The idea is that with proper processes, checks and testing, a desired outcome can be delivered more effectively with fewer problems and unforeseen complications.

- In addition, a “best” practice can evolve to become better as improvements are discovered.

- Best practice is considered by some as a business **buzzword**, used to describe the process of developing and following a standard way of doing things that multiple organizations can use.
Best Practices Defined (continued)

- OMB Circular A-123—documentation of Best Practices that have become formalized
- OMB requires use of the practices including documentation
- OMB is a guide to drive efficiencies directed as universal
- Is your practice better than the OMB requirement?
- What are the best practices for completing the OMB quarterly reporting requirements?
2. Understand the Value of Best Practices
Goals and Best Practices

- Efficiency in program and process management
  - The best way to make payments
  - Cost and time savings

- Operate within compliance requirements
  - Government mandated
  - Agency policy

- Ease of program administration
  - Impacts you and your field program administrators

- Simplify payment process and requirements for cardholders
3. Review OMB Circular A-123 Best Practices
Best Practices

Review OMB Circular A-123 Best Practices

Managing Risk

- Maintain internal controls to meet objectives
  - Effectiveness and efficiency of operations
  - Reliable financial reporting
  - Compliance with applicable laws and regulations
- Minimize waste, fraud and misuse
Best Practices

Review OMB Circular A-123 Best Practices (continued)

Five Standards for Internal Control Objectives

• Control Environment
  – Organizational structure and culture

• Risk Assessment
  – Identify internal and external risk jeopardizing objectives

• Control Activities
  – Policies, procedures and mechanisms to achieve objectives

• Information and Communications
  – Information shared vertically and horizontally

• Monitoring
  – Continuous and periodic reviews of data and performance
Best Practices

Review OMB Circular A-123 Best Practices (continued)

Best Practices Apply to Internal and External Processes

- OMB lays groundwork for sound program structure
- OMB reporting offers minimum standards for program effectiveness
- Established policies and procedures can drive how you transact and interact with vendors
- Remain open to alternate processes
- Understand the organization culture
- Senior management role and impact on overall administration
Best Practices

Clearly Identify Organization Goals and Objectives

- Goals will drive practices to create efficiency and can include:
  - Increased card spend
  - Static or decreased AP head count
  - Vendor discounts
  - Centralized payables reporting
  - Increased refunds
Different Meanings for Different Organizations

- Card use controls can impact results
  - Categories of spend
  - Transaction limits
  - Number of cardholders
  - High-value purchases
  - Alternative payments mechanisms to capture spend
  - Analyze current check payments–AP file match–Optimization
  - Span of control–Approving Officials
Best Practices

Policies and Procedures vs. Best Practices (continued)

Individual Bill Best Practices

Card Controls are still a major factor:

- Cash Limits
- Deactivate When Not Traveling
- Split Disbursements
- Delinquency Management
- Consistent Administrative/Disciplinary Actions
- Authority to Take Action
- Salary Offset
Central Bill Travel Best Practices

Centralized travel management and reconciliation are challenging:

- Policy for use
- Tracking expense reporting
- Travel Management Company (TMC) participation and enhanced data
- Speed of pay
Best Practices

Policies and Procedures vs. Best Practices (continued)

There Are Common Practices That Apply to Both Purchase and Travel

- Balance of internal controls
- Internal communication—Training
- Detection tools for misuse and abuse
  - Split transactions
  - Restaurants in home city
- Audits and data mining
- AOPC time constraints
- Primary metric—spend or transaction volume
- Senior management support
- Periodic review of internal controls
5. How to Implement and Standardize Best Practices
Best Practices

How to Implement and Standardize Best Practices

Create a Vision for the Program Model

Ingredients for Implementation:

- Agency mission and policy and procedures
- Derived from agency parameters
  - Includes external requirements
- OMB internal controls and documentation
  - Requirements to manage risk
  - Establish practices for compliance
  - Narrative for plan
- Legislation compliance
- Understanding credit card processing
  - Full comprehension of transaction processing
Best Practices

How to Implement and Standardize Best Practices (continued)

Create a Vision for the Program Model (cont.)

More Ingredients for Implementation:

• Cardholder management
  – Card profiles
  – Cardholder training
  – Administrative/disciplinary actions

• Non-Cardholder roles and responsibilities
  – Span of control
  – Cardholder processing

• Risk management
  – Delinquency, misuse, abuse
Vision for Program Model

Final Ingredients for Implementation:

- Reporting requirements
  - Operational Tracking
  - Management Reporting
  - OMB Deliverables

- Review and adjust
  - Periodic Updates
  - Evolving Program
  - Legislative Environment
Best Practices

6. Program Expansion
Program Expansion

Citi Working Capital Analytics Process

- Identify financial rebate opportunities from existing acquisition spend
  - Demo of Citi Working Capital Analysis (CWCA) intelligence methodology
  - Review our findings and assessment
  - Capture leakage from CWCA analysis
  - Convert AP spend to a card solution
  - Review rebate opportunity barometer

- Review path forward to support your objective to optimize acquisition payment process
  - Discuss reaching vendors to convert check spend to the card program
  - Determine optimum route to gain supplier adoption
  - Review implementation process to onboard suppliers to the card program
  - Review sample implementation plans
  - Best Practice Guidelines

- Next Actions:
  - Establish overall implementation plan to increase rebate revenue to include implementation team to manage progress to deliver results
Best Practices

Program Expansion (continued)

Proposed Timeline

**Phase I**
- Capture Leakage
- Distribute Internal Communication to convert payments to cards
  - Maintain Routine Calls with Citi for expansion
  - Alignment of Resources
- Supplier outreach by Mail Communication (sample letters located in Appendix)

**Phase II**
- Convert Leakage with Larger Ticket Transactions
  - Supplier outreach by Phone (Only if required)

- CWCA analysis will provide insight into suppliers that are best suited for Card payments
- Client will also gain insights into other electronic payment types best suited for their vendors
- Client would be able to update their MVF after the complete CWCA analysis

- Citi will work with Client to prepare campaign materials such as:
  - Direct Mail content
  - Citi Marketing website content
  - FAQ’s, Calling script for phone campaign, etc.
- Citi recommends phased approach to the campaign process based on CWCA findings, Strategic Suppliers, Suppliers with large spend volume, etc.
- Direct Mail campaigns are repeated based on Supplier response rate in the Phase I.
- Citi closely monitors and tracks the campaign progress and provide regular updates to Client

15 – 20 days

3-6 month period depending upon no. of suppliers targeted for Card

After Phase I

Client updates their ERP system and starts the Card payment
Program Expansion (continued)

Overview of a Federal Agency’s CWCA Analysis

- **Goals: Expand the Use of Cards on the Program**
  - Capture Leakage spend
  - Transfer AP Transactions to Card Spend

- **High-Level Findings**
  - **Total Accounts Payable Spend**: $9,125,103,030
    - Total Transactions: 84,988
  - **Target Spend**: $8,909,792,935*
    - Target Transactions: 83,245
  - **Card Accepting Spend**: $5 Million
  - **Card Opportunity Phase I**: $30.6 MM
    - Small-Ticket Items ($0 - $5,000): $5.4 million
    - Larger-Ticket Items ($5,000 - $10,000): $18.2 million
    - Leakage Opportunity: $7.0 MM
  - **Card Opportunity Phase II**: $57.1 million
    - Large-Ticket Items ($10,000 - $25,000): $33.3 million
    - Leakage Opportunity: $23.8 million

*Target Spend* excludes the following categories: Financial Institutions, Governments, Subsidiaries, Individuals
### Merchant Category Code: Top 25 Commodities

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<thead>
<tr>
<th>Merchant Category</th>
<th>Spend</th>
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<td>4582 - AIRPORTS, FLYING FIELDS, AND AIRPORT TERMINALS</td>
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## Program Expansion (continued)

### Phase I-Pcard Target Suppliers: Top 20 ($0-5,000)

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<thead>
<tr>
<th>Supplier</th>
<th>Merchant Category</th>
<th>Spend</th>
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<th>Average Transaction Size</th>
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<td>$2,536</td>
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<td>$3,632</td>
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<td>SHERRILL FURNITURE COMPANY</td>
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</table>

**Total Spend: $5,350,601**

Filters: In-Scope Suppliers only, Card Accepting, Policy Tiers 1-2 ($0-$5,000)

**Total # of Transactions: 2,033**

**Total # of Suppliers: 799**
### Top 20 Suppliers

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Merchant Category</th>
<th>Spend</th>
<th>Transaction Count</th>
<th>Average Transaction Size</th>
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<td>6300 - INSURANCE SALES, UNDERWRITING,</td>
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<td>DAVID EDWARD COMPANY LIMITED</td>
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<td>B &amp; H FOTO &amp; ELECTRONICS</td>
<td>5969 - DIRECT MARKETING/DIRECT</td>
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**Total Spend:** $18,219,748  
**Total # of Transactions:** 2,339  
**Total # of Suppliers:** 544

*Filters: In-Scope Suppliers Only, Card Accepting, Policy Tiers 3 ($5,000-$10,000)*
## Best Practices

### Program Expansion (continued)

#### Phase I–Leakage Suppliers: Top 20 Suppliers

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Merchant Category</th>
<th>AP Spend</th>
<th>AP Transaction Count</th>
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<td>STERLING COMPUTERS INCORPORATED</td>
<td>5734 - COMPUTER SOFTWARE STORES</td>
<td>$482,051</td>
<td>70</td>
<td>$6,886</td>
<td>$12,798</td>
</tr>
<tr>
<td>CAPP INCORPORATED</td>
<td>5074 - PLUMBING AND HEATING EQUIPMENT AND SUPPLIES</td>
<td>$263,404</td>
<td>31</td>
<td>$8,497</td>
<td>$17,808</td>
</tr>
<tr>
<td>EMTEC FEDERAL INCORPORATED</td>
<td>7372 - COMPUTER PROGRAMMING, DATA PROCESSING, AND PUBLIC RELATIONS</td>
<td>$254,695</td>
<td>40</td>
<td>$6,367</td>
<td>$4,216</td>
</tr>
<tr>
<td>C G COE &amp; SON INCORPORATED</td>
<td>5713 - FLOOR COVERING STORES</td>
<td>$235,052</td>
<td>37</td>
<td>$6,353</td>
<td>$1,311</td>
</tr>
<tr>
<td>PETER PEPPER PRODUCTS INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$224,861</td>
<td>36</td>
<td>$6,246</td>
<td>$5,260</td>
</tr>
<tr>
<td>MARVIN J PERRY INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$208,711</td>
<td>31</td>
<td>$6,733</td>
<td>$3,985</td>
</tr>
<tr>
<td>BUSINESS MANAGEMENT RESEARCH ASSOCIATION INCORPORATED</td>
<td>7392 - MANAGEMENT, CONSULTING, AND PUBLIC RELATIONS</td>
<td>$199,260</td>
<td>22</td>
<td>$9,057</td>
<td>$897</td>
</tr>
<tr>
<td>HUMANSCALE</td>
<td>5734 - COMPUTER SOFTWARE STORES</td>
<td>$159,020</td>
<td>16</td>
<td>$9,939</td>
<td>$8,896</td>
</tr>
<tr>
<td>AMAZON.COM LIMITED LIABILITY INCORPORATED</td>
<td>5964 - DIRECT MARKETING CATALOG MERCHANTS</td>
<td>$157,777</td>
<td>21</td>
<td>$7,513</td>
<td>$1,931,317</td>
</tr>
<tr>
<td>LODGING KIT COMPANY INCORPORATED</td>
<td>5072 - HARDWARE EQUIPMENT AND SUPPLIES</td>
<td>$137,633</td>
<td>15</td>
<td>$9,176</td>
<td>$5,693</td>
</tr>
<tr>
<td>GLOBAL EXPEDITING &amp; MARKETING COMPANY INCORPORATED</td>
<td>5099 - DURABLE GOODS - NOT ELSEWHERE CLASSIFIED</td>
<td>$134,641</td>
<td>23</td>
<td>$5,854</td>
<td>$25,750</td>
</tr>
<tr>
<td>UNISTAR SPARCO COMPUTERS INCORPORATED</td>
<td>5734 - COMPUTER SOFTWARE STORES</td>
<td>$128,689</td>
<td>13</td>
<td>$9,899</td>
<td>$10,701</td>
</tr>
<tr>
<td>APPLIED BIOSYSTEMS LIMITED LIABILITY INCORPORATED</td>
<td>5169 - CHEMICALS AND ALLIED PRODUCTS - NOT ELSEWHERE CLASSIFIED</td>
<td>$121,445</td>
<td>17</td>
<td>$7,144</td>
<td>$4,096</td>
</tr>
<tr>
<td>STATE SIDE AUTO SUPPLY</td>
<td>5531 - AUTO AND HOME SUPPLY STORES</td>
<td>$120,615</td>
<td>18</td>
<td>$6,701</td>
<td>$56,737</td>
</tr>
<tr>
<td>SOUTHERN LOCK AND SUPPLY COMPANY</td>
<td>5072 - HARDWARE EQUIPMENT AND SUPPLIES</td>
<td>$111,786</td>
<td>13</td>
<td>$8,599</td>
<td>$8,081</td>
</tr>
<tr>
<td>DIEBOLD INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$110,441</td>
<td>17</td>
<td>$6,497</td>
<td>$7,835</td>
</tr>
<tr>
<td>INTERNATIONAL SUPPLIERS INCORPORATED</td>
<td>5085 - INDUSTRIAL SUPPLIES - NOT ELSEWHERE CLASSIFIED</td>
<td>$105,607</td>
<td>16</td>
<td>$6,600</td>
<td>$18,956</td>
</tr>
<tr>
<td>ALPHA SUM BUSINESS MACHINES</td>
<td>5044 - OFFICE, PHOTOGRAPHIC, PHOTOCOPY, AND MICROFIL</td>
<td>$91,129</td>
<td>13</td>
<td>$7,010</td>
<td>$4,422</td>
</tr>
</tbody>
</table>

**Total Spend:** $6,971,826  
**Total # of Transactions:** 2,425  
**Total # of Suppliers:** 469

*Filters: In Pcard Active List (Y), Average Transaction Size Below $10,000*
### Program Expansion (continued)

#### Phase II-Target Suppliers: Top 20 ($10,000 - $25,000)

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Merchant Category</th>
<th>Spend</th>
<th>Transaction Count</th>
<th>Average Transaction Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>HICKORY BUSINESS FURNITURE LIMITED LIABILITY INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$2,216,792</td>
<td>113</td>
<td>$19,618</td>
</tr>
<tr>
<td>DELL MARKETING LIMITED</td>
<td>5045 - COMPUTERS, COMPUTER PERIPHERAL EQUIPMENT, AND SOFTWARE</td>
<td>$2,105,555</td>
<td>90</td>
<td>$23,395</td>
</tr>
<tr>
<td>COMMONWEALTH TRADING PARTNERS INCORPORATED</td>
<td>5999 - MISCELLANEOUS AND SPECIALTY RETAIL</td>
<td>$1,213,009</td>
<td>66</td>
<td>$18,379</td>
</tr>
<tr>
<td>GALLS AN ARAMARK COMPANY LIMITED LIABILITY INCORPORATED</td>
<td>5964 - DIRECT MARKETING CATALOG MERCHANTS</td>
<td>$1,157,853</td>
<td>93</td>
<td>$12,450</td>
</tr>
<tr>
<td>BERNHARDT FURNITURE COMPANY IN</td>
<td>5712 - FURNITURE, HOME FURNISHINGS AND EQUIPMENT STORES, AND MANUFACTURERS, EXCEPT APPLIANCES</td>
<td>$1,151,728</td>
<td>106</td>
<td>$10,865</td>
</tr>
<tr>
<td>INSCAPE INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$998,545</td>
<td>79</td>
<td>$12,640</td>
</tr>
<tr>
<td>EBSCO INDUSTRIES INCORPORATED</td>
<td>5039 - CONSTRUCTION MATERIALS - NOT ELSEWHERE CLASSIFIED</td>
<td>$674,039</td>
<td>41</td>
<td>$16,440</td>
</tr>
<tr>
<td>SYSTEM PLANNING INCORPORATED</td>
<td>5047 - DENTAL/LABORATORY/MEDICAL/OPHTHALMIC HOSPITAL EQUIPMENT AND SUPPLIES</td>
<td>$581,224</td>
<td>30</td>
<td>$22,179</td>
</tr>
<tr>
<td>COURTESY ASSOCIATION LIMITED LIABILITY INCORPORATED</td>
<td>8999 - PROFESSIONAL SERVICES NOT ELSEWHERE CLASSIFIED</td>
<td>$497,554</td>
<td>40</td>
<td>$12,439</td>
</tr>
<tr>
<td>STATESIDE PROCUREMENT SERVICES INCORPORATED</td>
<td>5943 - STATIONERY, OFFICE, AND SCHOOL SUPPLY STORES</td>
<td>$477,542</td>
<td>37</td>
<td>$12,907</td>
</tr>
<tr>
<td>PHYSIO CONTROL INCORPORATED</td>
<td>8049 - PODIATRISTS AND CHIROPODOISTS</td>
<td>$459,876</td>
<td>22</td>
<td>$20,903</td>
</tr>
<tr>
<td>DESBUILD INCORPORATED</td>
<td>7392 - MANAGEMENT, CONSULTING, AND PUBLIC RELATIONS SERVICES</td>
<td>$436,480</td>
<td>21</td>
<td>$19,854</td>
</tr>
<tr>
<td>C &amp; P RENT A CAR LIMITED</td>
<td>9999 - UNCATEGORIZED</td>
<td>$436,480</td>
<td>26</td>
<td>$16,788</td>
</tr>
<tr>
<td>BUILDING OWNERS AND MANAGERS INSTITUTE INTERNATIONAL INCORP</td>
<td>5965 - DIRECT MARKETING - COMBINATION CATALOG AND RETAIL MERCHANTS</td>
<td>$416,940</td>
<td>21</td>
<td>$19,854</td>
</tr>
<tr>
<td>EN NET SERVICES LIMITED LIABILITY INCORPORATED</td>
<td>5734 - COMPUTER SOFTWARE STORES</td>
<td>$378,466</td>
<td>17</td>
<td>$22,626</td>
</tr>
<tr>
<td>SITESOURCE LIMITED LIABILITY INCORPORATED</td>
<td>5712 - FURNITURE, HOME FURNISHINGS AND EQUIPMENT STORES, AND MANUFACTURERS, EXCEPT APPLIANCES</td>
<td>$358,190</td>
<td>28</td>
<td>$12,792</td>
</tr>
<tr>
<td>NATIONAL BUSINESS FURNITURE LIMITED LIABILITY INCORPORATED</td>
<td>5021 - OFFICE AND COMMERCIAL FURNITURE</td>
<td>$345,159</td>
<td>34</td>
<td>$10,152</td>
</tr>
<tr>
<td>TOTAL AEROSPACE SERVICES INCORPORATED</td>
<td>5599 - MISCELLANEOUS AUTOMOTIVE, AIRCRAFT, AND FARM EQUIPMENT DEALERS - NOT ELSEWHERE CLASSIFIED</td>
<td>$328,119</td>
<td>14</td>
<td>$23,437</td>
</tr>
<tr>
<td>J R FRAZIER ENTERPRISE INCORPORATED</td>
<td>5999 - MISCELLANEOUS AND SPECIALTY RETAIL</td>
<td>$274,283</td>
<td>17</td>
<td>$16,346</td>
</tr>
<tr>
<td>WOODS CLUB INCORPORATED</td>
<td>8641 - CIVIC, SOCIAL, AND FRATERNAL ASSOCIATIONS</td>
<td>$268,487</td>
<td>15</td>
<td>$17,899</td>
</tr>
</tbody>
</table>

**Total Spend:** $33,267,239  
**Total # of Transactions:** 2,086  
**Total # of Suppliers:** 504

*Filters: In-Scope Suppliers Only, Card Accepting, Policy Tier 4 ($10,000-$25,000)*
# Best Practices

## Program Expansion (continued)

### Six Easy Ways to Optimize Your Card Program

<table>
<thead>
<tr>
<th>What should we consider doing?</th>
<th>Why should we do this?</th>
<th>How do we do this?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandate payment by Citi Commercial Cards for small-dollar purchases</td>
<td>More spend on card programs leads to higher rebates, overall cost savings and easier reconciliation procedures.</td>
<td>• Require that transactions under a certain dollar amount be paid by commercial card (CWCA Analysis recommended to keep transactions under $____ for [product type])</td>
</tr>
<tr>
<td>Increase card limits</td>
<td>• Individual transaction and monthly limits need to be in line with employee purchasing to ensure card utility &lt;!--br--&gt; • It is important to balance ease-of-use and maintaining controls</td>
<td>• Review decline reports for transactions that have been denied due to dollar limits &lt;!--br--&gt; • Adjust card limits by MCC Category to account for ease of use and maintaining controls</td>
</tr>
<tr>
<td>Target specific spend categories</td>
<td>• Choosing certain spend types to migrate (in waves) allows us to focus our efforts, one at a time &lt;!--br--&gt; • A consistent view of spend across a category enhances the benefits of supplier management and spend visibility</td>
<td>• Choose spend categories to migrate to payment by card (CWCA can recommend which to tackle first) &lt;!--br--&gt; • Mandate (or strongly encourage) that all commercial card payment of these categories</td>
</tr>
<tr>
<td>Expand access to cards</td>
<td>Companies can optimize their card program by issuing cards to all appropriate staff (e.g., accounts payable managers, operations managers)</td>
<td>Determine if the right people have the right cards by analyzing Accounts Payable data to identify frequent buyers of goods and services eligible for card payment</td>
</tr>
<tr>
<td>Unblock MCC codes</td>
<td>Overly restrictive MCC blocking can limit the usefulness of the card program and confuse employees making eligible purchases</td>
<td>Review decline reports for legitimate transactions that have been declined due to blocked MCC codes and unblock these codes</td>
</tr>
<tr>
<td>Evaluate slippage</td>
<td>• Sometimes only part of the total spend with a supplier is paid by card &lt;!--br--&gt; • This inconsistency prevents both parties from capturing the full benefits of payment by Citi Commercial Cards due to limiting process automation and customized reporting</td>
<td>• Determine which suppliers currently paid by Citi Commercial Cards are also being paid by other payment methods &lt;!--br--&gt; • Publish a list of suppliers paid by Citi Commercial Cards and mandate or encourage that all spend with these suppliers be by commercial card</td>
</tr>
</tbody>
</table>
To: All employees of [Company]
   From: [Senior management champion]
   Subject: Our new commercial card initiative

[Insert company specific salutation],

As you may know, our commercial card program is an important part of our Procure-to-Pay process, encompassing X cardholders in X departments and X% of our total spend per year—$X million dollars. To date, we have saved over $X from process improvements related to our card program. Due to this past success, we have recently decided to start a new initiative to expand our commercial card program further. The focus of this initiative will be increasing the number of suppliers paid with the Purchasing Card. Our goal is to have all of our key suppliers migrated to payment by using the Citi Purchasing Card by [Month] [Year]. This change is beneficial to both our company and our suppliers.

The key benefits that our company receives from expanding the card program are:

• Reduced costs from a streamlined payment process
• Increased spend visibility
• Improved supplier management
• Enhanced controls and compliance
• Improved working capital position

The key benefits our suppliers may receive from accepting payment by a credit card include:

• Timely, predictable payments
• Reduced costs of invoicing and check handling
• Fewer credit approvals

Transitioning suppliers to payment by using the Purchasing Card may result in some changes to the purchasing process for you. You will be receiving additional information specific to your process, including details on the new process and updated guidelines.

This initiative is very important to our company and we need your support to be successful. You can assist us by helping identify suppliers to pay by the Purchasing Card solutions and communicating the benefits of a cards solutions to suppliers. In addition, we need all employees to comply with the new purchasing process and guidelines.

For more information on this initiative, please review the frequently asked questions available at [intranet site with FAQ] or contact [Name] at [e-mail] or [phone]. You may also view a recording of our recent webinar on this topic, located here: [intranet site with webinar recording]

Thank you,

[Senior Management Champion]
[Title]
7. Improved Program Management and Performance
Best Practices

Improved Program Management and Performance

How to Implement and Standardize Best Practices

Do’s and Don’ts for Best Practice Implementation

• Consider the need for change to policies and procedures
• Track your program performance using the reporting tools available
• Review program processes with field AOPC
• Solicit cardholder feedback
• Understand your organizational culture and how to operate within
• Gather senior management feedback and support
• Network at this conference and any other conferences
• Don’t operate in a vacuum
• Don’t assume the current way is the best
Please take the course survey online by visiting:
www.gsasmartpayconference.org/survey
or by using the link sent to you via email from Feedback Systems.

Surveys can be taken through any mobile device.
In January 2007, Citi released a Climate Change Position Statement, the first US financial institution to do so. As a sustainability leader in the financial sector, Citi has taken concrete steps to address this important issue of climate change by: (a) targeting $50 billion over 10 years to address global climate change: includes significant increases in investment and financing of alternative energy, clean technology, and other carbon-emission reduction activities; (b) committing to reduce GHG emissions of all Citi owned and leased properties around the world by 10% by 2011; (c) purchasing more than 52,000 MWh of green (carbon neutral) power for our operations in 2006; (d) creating Sustainable Development Investments (SDI) that makes private equity investments in renewable energy and clean technologies; (e) providing lending and investing services to clients for renewable energy development and projects; (f) producing equity research related to climate issues that helps to inform investors on risks and opportunities associated with the issue; and (g) engaging with a broad range of stakeholders on the issue of climate change to help advance understanding and solutions.

Citi works with its clients in greenhouse gas intensive industries to evaluate emerging risks from climate change and, where appropriate, to mitigate those risks.