

# Red Cross Costa Rica

## Purchasing Cards Lower Costs and Improve Emergency Response in Costa Rica

### Case Study

**The Client** The International Federation of Red Cross and Red Crescent Societies is the world's largest humanitarian network, reaching 150 million people in 190 national societies through the work of over 17 million volunteers. Red Cross Costa Rica was founded in 1885.

**The Challenge** The Red Cross operates a large fleet of ambulances that provide emergency response for citizens in Costa Rica. These vehicles' fuel expenses are funded by Costa Rica's Ministry of Finance (MoF). Each driver was given paper vouchers reflecting an approved monthly fuel allowance. These vouchers were accepted at many fueling stations across the country but not all. In addition, the vouchers were not always correctly completed or could be damaged, rendering them invalid; sometimes drivers lost them. In such instances, vehicles would be left without fuel potentially impacting their ability to respond to emergencies.

At the end of each month, the Red Cross collected used vouchers, internally reconciled all expenses at regional office level, consolidated them for the entire organization, and reported to the MoF for validation against the approved budget. This process was manual and labor intensive. The Red Cross needed a solution that would ensure its drivers had access to fuel, simplify its expense reconciliation process, and enable fuel to be charged against the organization's approved budget.

**The Solution** Citi developed and implemented a tailored purchase card program to replace the paper voucher scheme. The cards have widespread acceptability across Costa Rica. As part of the solution, the Red Cross' ERP is fully integrated with Visa IntelliLink, an information and expense management tool for commercial card customers. The Citi solution provides automatic reporting and data integration capabilities. Administrators can set controls for each card, including the ability to authorize specific merchants and set spending limits.

**The Result** The Red Cross' purchase card solution delivers multiple benefits. Most importantly, ambulances can now refuel at a wider range of locations and no longer have to worry about vouchers not being accepted, lost or damaged. Instead, they can concentrate on emergency response. In addition, the use of purchasing cards rather than paper vouchers has improved operational flexibility. Previously vouchers could only be used in-country; cards can also be used to buy fuel in neighboring countries, enabling ambulances to respond to emergencies when required.

Moving from a manual expense reconciliation process to automated reports and expense reconciliation has improved efficiency and freed up employees' time for more value-added tasks. The Red Cross has made financial savings as a result of moving to a purchasing card solution, both as a result of improved efficiency and by eliminating a 3% administrative charge that was paid to fueling stations to accept paper vouchers, saving hundreds of thousands of dollars annually. The solution has enhanced accuracy and facilitated improved budget control for the Red Cross: the organization now has total visibility of fuel expenses at both regional and central level.