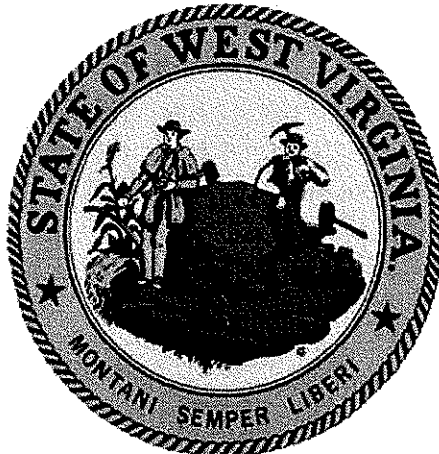


Proposal to Provide Purchasing Card  
(Credit Card) Program for  
The State of West Virginia



**RFP Number: AUD115000**

**Vendor Name: PNC Bank, N.A.**

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**Authorized Signature:**

**Date: June 24, 2010**

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**RECEIVED**

**2010 JUN 24 A 10: 17**

**PLASING DIVISION  
STATE OF WV**

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## **Executive Summary**

The corporate payment landscape is undergoing the largest transformation in its history, as migration from paper to electronic settlement accelerates. Businesses are demanding more value, lower cost, and greater simplicity. Technology is driving new forms of convenience and innovation. Existing payment systems are converging and competing for volume. We view this electronification as an opportunity to re-evaluate and optimize a company's payment practices. Material differences in the economics of the various payment alternatives create the opportunity to pursue an optimum payment mix.

The net benefit associated with commercial card payment reflects the benefit derived from sharing of Visa interchange revenue with the corporate sponsor. This revenue sharing opportunity is a key component of our ultimate proposal.

PNC offers a comprehensive suite of card solutions – with capabilities and attributes designed to meet a wide variety of distributed card, ghost card and Accounts Payable settlement needs outlined in your request. Please note that spend from all card solutions will be aggregated for purposes of interchange revenue sharing.

While traditional distributed card solutions continue to offer meaningful process efficiencies by displacing cumbersome sourcing, approval and processing activities for certain transaction classes, PNC is actively promoting a variety of card-based solutions – across the entire procure to pay spectrum. This holistic focus enables companies to consider card-based settlement for more strategic spending and achieve much greater penetration – and ultimate revenue sharing potential. PNC has invested in both resources and disciplined processes needed to successfully execute these proposed solutions.

PNC has enjoyed a long-standing reputation for thought and market leadership in the card services arena and hope you will consider the following differentiating attributes during the decision process:

### ***Market Presence***

PNC has developed a strong reputation as an industry market and thought leader. We currently support over 2,200 customer programs - covering procurement, travel and combined card uses. Our service offering is deployed across a wide array of program sizes and industries. Our customer base covers most industry segments including **Government**, Healthcare, Higher Education, Retailers, Utilities, Manufacturers, and Professional Services.

### ***Experience***

Our entire relationship team brings a wealth of expertise and relevant industry success to the State's card program(s). As one of the leading Purchasing Card issuers, PNC Bank is able to draw on its years of experience in providing purchasing card services. Very few providers can match our level of experience and customer satisfaction. All of our Implementation Consultants have several years of experience working with numerous customers across a wide range of industry segments. We have developed a collective set of program best practice and solution opportunities - which will benefit your organization during the initial transition and through its continued program expansion. This knowledge set reflects both the activities derived from PNC's internal procure to pay process re-engineering efforts and those in support of our clients. The experience level of our team and confidence in our approach provides an advantage that few providers can offer.

### ***Technology***

PNC's ActivePay portal provides an unmatched ability to support all core reporting, reconciliation and administrative needs. This solution provides a scalable payment management application. It not only

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supports the typical discretionary spend for a card program, but also enables automated processing and execution of an approved card-based settlement run. Unique applications of this technology are described in more detail within our response.

***Payment Optimization and Program Expansion Focus***

PNC has demonstrated success in card utilization across all portions of the *procure to pay* cycle. Our internal procurement card program has evolved from a traditional distributed card solution, supporting primary line personnel travel and entertainment, with annual aggregate spend of \$2-3 million. Introduction of an Ariba-based e-Procurement system, with associated card-based settlement, use of central vendor card solutions for courier and temporary labor services, and use of our unique automated card-based settlement capabilities all contributed to program growth – with PNC’s program now exceeding \$250 million on an annual basis. We have formalized this holistic approach with a number of public and private sector clients – with a Payment Protocol focus on optimizing payment methods across the enterprise. This consultative approach identifies and prioritizes payment options in order to deliver the most cost effective settlement and execution process.

PNC has moved aggressively beyond theoretical, consultative support to feature a dedicated group of our most experienced card professionals. PNC’s Program Expansion Group is charged with supporting client expansion and payment optimization efforts. Their efforts, along with support from PNC’s Program Managers, has delivered a proven ability to execute on PNC’s proposed payment strategies.

***Implementation Management and Project Discipline***

Service and attention to our client’s needs throughout the implementation process is a key point of differentiation for PNC Bank. Unlike most commercial card providers, PNC Bank customizes a program to the needs and requirements of our individual clients. We will assign a dedicated Account Manager to lead the Project Team, resolve unexpected obstacles, draw upon resources as needed, and ensure that implementation milestones are successfully achieved. Your dedicated Account Manager, who has learned your operations and procedures during the implementation, remains with your account for the life of the program.

We look forward to continued discussions as the State completes its review and selection process. Please do not hesitate to contact us with any questions or requests for information.

### 3.1 General Requirements

PNC can support any combination of purchasing card, T/E card, Fleet Card and One-card solutions. Our responses are applicable to all of these categories unless otherwise noted.

PNC has been offering Card Services since 1995, making us one of the pioneers in the industry. We have partnered with VISA – the recognized industry leader in card programs and overall vendor acceptance. PNC is the 5th. largest VISA commercial card issuer, and continues to achieve the highest growth rate among VISA providers.

Purchasing Card fueled much of the growth during the early years of our program. PNC is currently the fifth largest provider of Purchasing Card services according to the Nilson Report. PNC launched our Corporate (T&E) Card product offering in late 1999, making us a full service provider of Commercial Cards. We also provide a PNC Fleet Card to help you gain control over fleet expenses, tracking spending per vehicle by assigning a PNC Visa Fleet Card to each car or truck.

Beginning in 2004, we were the first to introduce and lead card solutions for settlement from Accounts Payable. We have continued to our leadership in this space – reflective in significantly higher average transactions sizes and relative portfolio percentage of Accounts Payable spend vs. our competition.

PNC has maintained a leadership position in introducing card-based solutions into the Higher Education sector in particular to non-profit and public sector arenas. Some of our largest and most successful programs are leading colleges and universities. References are provided as part of our response.

Our portfolio of clients is based upon a variety of market segments including public finance (i.e. higher education, healthcare and state / local govt.), manufacturing, retail / servicing, healthcare and financial services. We currently support over 2,200 client card programs with annualized transaction volume \$4.5 Billion and more than 240K cards issued. By the end of 2010, we are on track to reach transactional volume over \$5 Billion.

It is difficult to quantify the number of accounts using PNC for T/E card activities as a large number of our programs employ a variety of our card-based solutions. However, travel related charge volume reflects between 8 – 10% of PNC's overall annual charge volume.

PNC has been a pioneer in the use of cards in support of Accounts Payable settlement. Our portfolio continues to feature a larger percentage of card-based settlement activity, with associated average transaction sizes. In the past year, average transactions were as follows:

Procurement/Accounts Payable: \$2,685

Travel/Entertainment: \$482

PNC's strategic focus has looked to balance revenue streams equally between fee-based service activities and traditional lending activities. Treasury Management in general, and card services in particular, has been a primary driver of this continued balance and overall revenue growth of the organization.

Our vision for Card Services is to position PNC Bank as the primary trusted advisor for procurement and payment solutions related to the strategic sourcing activities of our clients. By developing products and services that address client needs in a comprehensive manner, PNC Bank will not only establish itself as the primary provider for all card products (Purchasing and T&E), but also as the leading provider for all procurement and payables re-engineering solutions related to sourcing and payment.

All Card Services product initiatives will focus on addressing future industry trends and the specific needs of targeted customer segments, particularly the needs and trends related to e-Commerce, e-Procurement and advanced web based technologies. These initiatives will provide customers with value-added accessories to the core purchasing card product and will differentiate us from our competition and provide tools for clients to transform internal processes. Delivery of superior products focused on the use of technology for financial process transformation will achieve the following:

- Differentiate our Card products with value-added services, not just cards and reporting
- Expand purchasing card usage further into our customers payables activities
- Provide comprehensive solutions to client needs—not just one piece of the puzzle

To accomplish these objectives, PNC Bank will continue its high level of investment in qualified staff, product development and marketing initiatives. As demonstrated by our past commitment to the business, significant investments will be made in the following areas to continue the growth of our product, retain customer relationships and protect our future position in the marketplace.

Additional resources for both Product Client Services and Product Management

- Invest in product capabilities that enable cards to be used as the preferred electronic settlement method for customer disbursements
- Enhanced invoice/payment information (line item details)
- Electronic invoice/payment allocation & reconciliation
- Investment in building product functionality related to combined card solutions
- Investment in enhancing our product set of Internet-based reporting and allocation mechanisms
- Alliance(s) with leading E-Commerce/E-Purchasing Provider(s) to properly position our product for the future of non-strategic sourcing processes

2010 development initiatives include:

- Expanded vendor engagement and enablement capability to include ACH enrollment.
- Expanded billing and settlement options to include Euro-based activity
- Creation of a 'Reverse Lockbox' solution – utilizing our longstanding lockbox expertise and network coverage to support invoice receipt, imaging, data capture . . . with integration into an organization's Accounts Payable processing environment.

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## 3.2 Scope of Work Objectives

### 3.2.1 General Program

3.2.1. a PNC can handle large volumes of transaction for entities throughout the entire state.

3.2.1 b Visa cards are accepted at close to 30MM merchant locations worldwide – including > 8 million merchant locations in the United States. Acceptance locations are defined as Member Offices, Merchant Outlets, and ATMs where Visa Cards are accepted. This information is supplied to Visa by members through a reporting process and is believed to be accurate; however, the data has not been audited or independently verified. In some cases, the reported number of locations may be higher than actual due to multiple counting of the same outlet or location by different acquiring members. Visa leads in consistency and completeness of enhanced data, with more than 2.5 million U.S. merchants providing Level II data, and 2.1 million U.S. merchants providing Level III data.

We have regional acceptance metrics below. Country level details can be provided as appropriate:

US - 8,057,547 merchant outlets, 466,761 ATMs, 92,795 member offices  
Canada - 633,840 merchant outlets, 20,593 ATMs, 6,722 member offices  
Asia Pacific - 7,016,421 merchant outlets, 351,556 ATMs, 102,595 member offices  
Latin America - 3,469,317 merchant outlets, 123,943 ATMs, 71,472 member offices  
Africa, Middle East - 1,028,881 merchant outlets, 181,119 ATMs, 80,264 member offices  
Europe - 9,000,376 merchant outlets, 388,861 ATMs, 219,231 member offices

3.2.1. c PNC Bank will provide purchasing card services to all State agencies wishing to participate in the purchasing card program. A unique account will be established for each agency. As part of our support structure, PNC Bank provides dedicated implementation and account management resources responsible for all aspects of program design, set-up and ongoing management. Your account manager will be the State's primary contact for the establishment of new state agencies within the purchasing card program. Implementation forms are required for the establishment of a new agency or cardholders. Data required for these forms include:

- Contact Form
  - Agency Name
  - Billing Address
- Authorized and Secondary Treasury Representative(s)
  - Names and Signatures
  - Authorized Contact Address
  - Telephone Number
  - Fax Number
  - E-mail address
- Authorized and Secondary Agency Coordinator(s)
  - Names and Signatures
  - Authorized Contact Address
  - Telephone Number
  - Fax Number
  - E-mail address

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- Implementation Form
  - Payment Information (Bank TR and Account number)
  - Credit Limit
  - Cycle Date

Upon completion of the required forms, your PNC account manager will identify the account number assigned to the agency and communicate this information to the State Auditor's Office. All program support and technology training will be facilitated through your account manager directly with the coordinator(s) of the newly enrolled agency.

3.2.1.d PNC Bank understands and will comply.

3.2.1.e The following card controls and usage restrictions are supported by the PNC Bank program and are administered by the State

**Company level restrictions**

All of the cardholder level restrictions can also be established at a company level by assigning default restrictions at the corporate account. All individual accounts will default to these restrictions unless different restrictions are assigned to that particular account. These restrictions include:

- Daily, weekly, monthly, cycle (credit limit), annual and per transaction dollar spending limits
- Merchant Category Code restrictions – including up to nine (9) approve or decline MCC groups
- Daily, weekly, monthly, cycle, and annual velocity (number) transaction limits
- Optional cash advance access including pin-based ATM and or branch

**Cardholder level restrictions**

All of the company level restrictions can also be established (customized) at an individual cardholder level. All individual cardholder accounts will default to company level restrictions unless different restrictions are assigned to that particular account. These restrictions include:

- Daily, weekly, monthly, cycle (credit limit), annual and per transaction dollar spending limits
- Merchant Category Code restrictions – including up to nine (9) approve or decline MCC groups
- Daily, weekly, monthly, cycle, and annual velocity (number) transaction limits
- Optional cash advance access including pin-based ATM and or branch

**Department level restrictions**

All of the cardholder level restrictions can also be established at a department level by assigning default restrictions at the corporate account or groups of individual accounts. All individual accounts will default to these restrictions unless different restrictions are assigned to a particular cardholder account. These restrictions include:

- Daily, weekly, monthly, cycle (credit limit), annual and per transaction dollar spending limits
- Merchant Category Code restrictions – including up to nine (9) approve or decline MCC groups
- Daily, weekly, monthly, cycle, and annual velocity (number) transaction limits
- Optional cash advance access including pin-based ATM and or branch

**Merchant Category Code/Standard Industry Classification (MCC/SIC restrictions)**

Up to nine (9) distinct Merchant Category Code groups can be assigned to either a particular card account or company level. These MCC groups are established as either include (approve all) or exclude (decline all) control templates. Additionally each MCC group can have separate per transaction and monthly spending limits assigned.

**Cash advance restrictions**

Purchasing Cards can be established with optional cash advance capabilities for branches and or ATM (pin based) access. Purchasing Cards can be customized to allow a maximum per transaction and per day limits for cash advance transactions. A percentage (%) of the total cycle (credit) limit can also be designated for cash access. These controls can be customized at either an individual account level or accomplished at the corporate level as default for all Purchasing Cards.

**Dollar limits**

Dollar spending limits can be assigned at either a company default level or an individual card account basis. These limits include:

- Per transaction dollar limit
- Daily dollar limit
- Weekly dollar limit
- Monthly dollar limit
- Cycle (credit) dollar limit
- Annual dollar limit

3.2.1.f PNC can support statement rendering through a variety of channels, including:

**Web-Based Access** – Standard ActivePay reporting templates include an account statement presentation. Users can generate reports on demand and export data in a variety of formats including CSV, PDF and XLS formats.

**Statement Bill File** - PNC can also provide an electronic equivalent of the State's consolidated invoice via our Statement Billing File transmission. The Statement Billing File contains corporate account totals, individual card account information, card account sub-totals, transaction level details (including Level II data) and file totals. This file can be transmitted on a monthly, daily or weekly cycle. The statement billing file will be sorted by department master account so that information for each department (or department cardholders) can be easily identified.

**Data Exchange File** - PNC can provide the State with a daily, weekly or monthly Data Exchange File. This file contains all the information related to the card program including, specific card account information, authorization information, transaction information (including Level II & III), hierarchy (agency) level information, merchant information, and billing / payment related information

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**EDI Invoice** – transaction details can also be transmitted to clients via an ANSI ASCX12 invoice (811)

**Paper** – finally, physical statement rendering can also be supported

3.2.1. g PNC Bank's standard billing cycle period is 30 calendar days. The State can choose any date between the 4<sup>th</sup> and the 27<sup>th</sup> (except for the 26<sup>th</sup>) of the month for the end of its billing cycle. PNC Bank also supports shorter (flexible) billing cycles of either weekly or biweekly. Selecting a particular day of the week controls the flexible billing alternative. PNC will establish standardized billing cycles for the participating state agencies in accordance with the requirements of the State Auditors office.

PNC Bank can accept any of the following electronic payment options:

- PNC Bank originates an ACH debit to agency designated demand deposit accounts.
- Participating agencies (or the State on behalf of the agencies) initiate an ACH credit to a designated PNC Bank DDA.
- Participating agencies (or the State on behalf of the agencies) initiate a Wire Transfer credit to designated PNC Bank DDA.

3.2.1. h PNC will provide a quarterly rebate plan as requested.

3.2.1. i.- I, II, III, IV, V

PNC has demonstrated success in card utilization across all portions of the *procure to pay* cycle. Our own internal procurement card program has evolved from a traditional distributed card solution, supporting primary line personnel travel and entertainment, with annual aggregate spend of \$2-3 million. Introduction of an Ariba-based e-Procurement system, with associated card-based settlement, use of central vendor card solutions for courier and temporary labor services, and use of our unique automated card-based settlement capabilities all contributed to program growth – with PNC's program now exceeding \$250 million on an annual basis. We have formalized this holistic approach with a number of public and private sector clients – with a Payment Protocol focus on optimizing payment methods across the enterprise. This consultative approach identifies and prioritizes payment options in order to deliver the most cost effective settlement and execution process

PNC has moved aggressively beyond theoretical, consultative support to feature a dedicated group of our most experienced card professionals. PNC's Program Expansion Group is charged with supporting client expansion and payment optimization efforts. Their efforts, along with support from PNC's Program Managers, have delivered a proven ability to execute on PNC's proposed payment strategies.

By working with many of our commercial card customers over the last several years, PNC has developed this process based on proven best practices. The sequential steps of the process can streamline your overall card program expansion efforts and drive results. Many

of our customers have experienced a two to three fold increase in their program utilization and spend, realizing significant cost savings and financial benefits.

The program can be deployed in six to eight weeks and a single person within your organization can accomplish most of the activities. This person is oftentimes the current Purchasing Card Administrator.

### **Six-Step Expansion Process**

#### **Step 1 – Analyze Purchasing Card Vendors**

The first step in the process is to analyze which of your vendors and corresponding payments are eligible for purchasing card payments. The easiest and most efficient way to accomplish this is to:

- Determine which vendors have the ability to accept credit cards for payments
- Determine which of the credit card-capable vendors readily accept purchasing cards for commercial-type payments.

PNC can help you accomplish both of these activities by analyzing your vendor file, including a history of spends. A simple Microsoft® Excel file of this data can be emailed to PNC for analysis. It is best to provide the last 12 months of spend history for each vendor, but shorter periods can be accommodated. Once populated with your vendor data, this file can be sent to your PNC Treasury Management Officer or directly to Vendor Match@pnc.com.

Along with your email request, please include:

- Company name
- Contact name and information
- Assigned PNC Treasury Management Officer
- Vendor spend Excel file attachment
- Any special instructions

PNC will complete the analysis on your behalf and typically return the results within one week from receipt. The results will include a detailed coding of each vendor's category with regard to credit card capability and purchasing card acceptance. In addition, a summary of total vendors and spend by category will be provided along with a financial pro forma projecting your anticipated benefits through increased purchasing card usage. You can use this information to aid in obtaining senior level approval for purchasing card expansion, as well as a roadmap for targeting vendors for purchasing card payments.

#### **Step 2 – Target Purchasing Card Vendors**

The second step in the process is to target the individual vendors from the PNC analysis that you want to convert to purchasing card payments. It is recommended that you involve people from both Purchasing and Accounts Payable in this vendor selection process, as they tend to know the vendor contract terms and relationships. We have found that many PNC customers will exclude large volume strategic vendors from the initial conversion and handle them individually through contract negotiations. It is very beneficial to include purchasing card payment language into any new vendor contracts.

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Any vendors that are either tabled or excluded should be removed from the target list. A practical way to segment the remaining vendors is by category. Most PNC customers tend to focus on the High Potential "P" category vendors first, since they already accept purchasing cards from other organizations. These High Potential "P" vendors can be prioritized by both spend and number of transactions in order to maximize the financial benefits to your organization. After the High Potential list is completed, you can focus on the Potential "V" vendors since they do have a merchant services account. Again, the Potential "V" list can be prioritized by both spend and number of transactions.

### Step 3 – Contact Purchasing Card Vendors

The third step in the process is to contact the targeted vendors directly to gain their acceptance of a purchasing card for your organization's payments. There are several ways to accomplish this; however, the most successful method is to assign someone internally to contact the vendors directly.

An easy way to obtain direct billing and payment contact information for a vendor is to simply pull a copy of their invoice. Many times the invoice will even indicate if they accept credit cards for payment. It is recommended that a tracking spreadsheet be used to capture each vendor's response, contact information, and process for credit card acceptance. Also, many vendors have an established process to accept credit cards for payment. These processes can include:

- Provide purchasing card number to vendor up-front for payment when ordering either in-person, phone, fax, or Internet
- Provide purchasing card number to vendor to keep on file and charge upon billing
- Contact vendor via phone or fax with purchasing card number after receipt of invoice to make payment
- Go to vendor website and input purchasing card number after receipt of invoice to make payment

It is critical to capture this information and provide it to the people within your organization who will be ordering and/or making payments to these respective vendors.

A less direct way to advise vendors of your desire to pay with a purchasing card is to include a notice when mailing your check payments to them. This notice can direct the vendor to contact a designated person within your organization who will then track this information.

### Step 4 – Map Purchasing Card Payments

The fourth step in the process is to map various targeted vendors' credit card acceptance processes into your organization's internal processes. Each targeted vendor's process should be captured and mapped as a new or existing purchasing card procedure. The mapping exercise should be simple and the key is to leverage your organization's current internal processes and procedures. The following matrix illustrates how to perform the mapping to capture your vendors' spend.

Vendor Acceptance Process	Internal Purchasing Card Process
Provide card number to vendor up-front for payment when ordering in-person, phone, fax, or Internet	Provide purchasing cards directly to employees that order with these vendors. Employees reconcile their own purchasing card activity and submit transaction data and receipts to Accounting for posting. This can be handled electronically through the PNC provided Internet application.
Provide card number to vendor to keep on file and charge upon billing	Set up a purchasing card for each vendor. Multiple cards can be used if there are multiple vendor billing accounts. Employees within your organization need to be assigned to reconcile each vendor purchasing card. This can be handled electronically through the PNC provided Internet application.
Contact vendor via phone or fax with card number after receipt of invoice to make payment	Provide purchasing cards to employees that process these vendors' invoices. Invoices can still be entered into your Accounts Payable system for posting and billed separately by PNC. Or, they can be reconciled outside of the A/P system through the PNC provided Internet application and billed with other purchasing card activity.
Go to vendor website and input card number after receipt of invoice to make payment	Provide purchasing cards to employees that process these vendors' invoices. Invoices can still be entered into your Accounts Payable system for posting and billed separately by PNC. Or, they can be reconciled outside of the A/P system through the PNC provided Internet application and billed with other purchasing card activity.

### Step 5 – Implement Purchasing Card Payments

The fifth step in the process is to implement and execute purchasing card payments with the identified vendors. This step focuses on ensuring that impacted employees have purchasing cards, are aware of what vendors they can use them with, and are properly trained on the procedures. Again, the best way to handle this is by documenting each vendor's acceptance processes and corresponding internal purchasing card processes.

Employees use purchasing cards to pay vendors directly up-front when ordering in-person, phone, fax, or Internet

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This process typically impacts the most employees so it can be challenging to implement. There are several practical tactics that work very well

- Distribute (post) a directory (yellow pages) of purchasing card approved vendors so employees are aware of and have access to vendor-specific information.
- Establish meetings to promote purchasing card usage with key contacts in specific functional areas and departments that have a large number of identified vendors and spend.
- Monitor PO and invoice requests through either Purchasing or Accounts Payable to determine who is transacting with targeted purchasing card vendors.

Provide Purchasing Card numbers to key large spend vendors to keep on file and charge upon billing. This process is relatively quick and easy and typically established with trusted, large spend vendors. Simply have the employee who owns the vendor relationship contact them directly in order to set up the automatic billing feature. You can also involve someone from Finance or Accounts Payable to ensure the vendor provides enough billing details to reconcile these new purchasing card transactions.

Contact vendor via phone, fax, or go to vendor website with Purchasing Card number after receipt of invoice to make payment.

This process is typically controlled centrally by an organization's Finance or Accounts Payable functions. Simply provide a listing, with contact information, of the identified purchasing card vendors and have your A/P staff use purchasing cards to make invoice payments instead of issuing checks. Another way to track and automate this process is to create a purchasing card payment indicator, within your A/P system, to flag identified vendors accordingly. A report or file can then be generated from the A/P system when invoices are processed against these vendors to help segment and execute purchasing card payments.

#### Step 6 – Monitor Purchasing Card Compliance

The sixth and final step in the process is to monitor purchasing card compliance with targeted vendors and cardholders (employees). This step is an ongoing process that involves monitoring and reporting on both purchasing card and check transaction volumes. A key to successful compliance is to share these monitoring reports with both senior management and stakeholders (areas within your organization that use purchasing card) on a regular basis to create awareness. Some specific monitoring and reporting tactics that can easily be implemented include:

- Create a purchasing card spend report by department or area, including the cost avoidance and financial incentives earned by usage
- Create a check volume report by department or area, including the cost (expense) incurred by continued usage
- Monitor check runs (files) and compare vendor payees to targeted purchasing card vendors to identify any spend 'leakage'.

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- Monitor PO and invoice requests against purchasing card vendor lists to notify employees of eligible payments
- Create purchasing card payment indicator in your A/P system and assign this to targeted vendors to either prevent or suspend check payments

### 3.2.1. i.iii **Visa Acceptance - Enhanced Data**

**Level II Data:** General Retail/Wholesale/Service Transactions: For general procurement with a Visa Fleet, Visa Purchasing or Visa Commercial card account, Level II data includes the sales tax amount and a customer code (which may be a cost center, general ledger number or project number, or an order/invoice number).

**Airline Transactions:** Level II information for airline transactions includes ticket number, passenger name and the first four legs of itinerary detail. The majority of global airlines provide enhanced data today. However, Visa has entered into contractual arrangements with major Central Reservation Systems (CRS) to procure enhanced airline itinerary data directly. That data is then matched back to the financial transaction providing the end user with the detail associated with their airline transactions.

**Lodging Transactions:** Level II information for lodging transactions may include folio number, check-in date and number of room nights. Many lodging merchants are capable of sending enhanced transaction data directly with the financial transaction. Visa recognizes the value of full eFolio data associated with hotel stays. Because of that Visa has agreements in place with many global hotel chains covering more than 25 hotel brands. In addition, Visa is negotiations with other hotel merchants as part of its commitment to increase the number of hotel brands providing eFolio data.

**Car Rental Transactions:** Level II information for car rental transactions may include rental agreement number, number of days rented, and rental date. Many rental agencies are capable of sending enhanced data with the financial transaction.

**Level III Data:** Level III data includes full line item detail (quantity purchased, cost per item, hours, hourly rate, tax, etc.) which varies significantly depending on the nature of the purchase.

**Airline Transactions:** As previously noted, Visa has an airline data solution in place which relies on contracts with major Central Reservations Systems to provide itinerary data for over 500 airlines worldwide. While this solution requires special agreements as well as special processing, complete itinerary detail can be provided on a significant number of airline transactions.

**Lodging Transactions:** As of April 2009, Visa has the capacity to receive enhanced folio data from more than 10,000 hotel properties, including:

- Hilton (Hilton, Conrad, Doubletree, Embassy Suites, Hampton Inn & Suites, Hilton Garden Inn and Homewood Suites)
- Marriott (Marriott Hotels & Resorts, JW Marriott Hotels & Resorts, Renaissance Hotels & Resorts, Courtyard by Marriott, Residence Inn by Marriott, Fairfield Inn by Marriott, Spring Hill Suites by Marriott, Towne Place Suites, and Ritz-Carlton)

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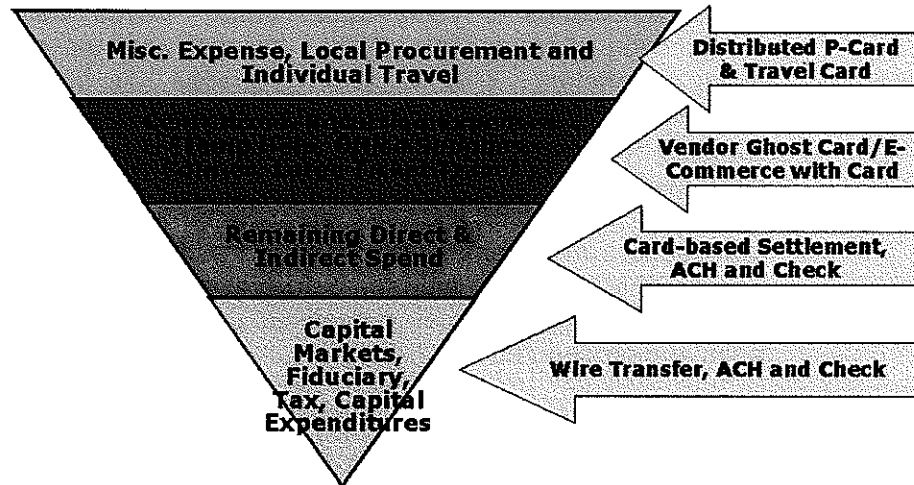
- Choice Hotels International (Comfort Inn, Sleep Inn, Quality Inn, Clarion, Roadway, Econo Lodge, and MainStay)
- OMNI
- Carlson Hospitality Corporation (Carlson, Radison, Country Inn & Suites)

**U.S. Merchant Profile Service Summary Report:** The Merchant Profile Service is a robust source of geographic and business information on merchants that have accepted Visa Commercial Products. This service is designed to enhance the efficiency and cost-effectiveness of purchasing operations by providing supplier data for Federal and state regulatory reporting.

**Note: Acceptance below is reported as merchant locations with Commercial Product transactions in past 26 months:**

US MERCHANTS	7,649,003
LEVEL 3 Capture Indicator	3,010,917
LEVEL 2 Capture Indicator	2,636,879
W-VA Total	14,751
W-VA Level II indicator	10,878
W-VA Level III indicator	9,518

3.2.1.i.iv. PNC offers a comprehensive suite of card solutions – with capabilities and attributes designed to meet all of the distributed card and Accounts Payable settlement needs outlined in your request. **Please note that spend from all card solutions will be aggregated for purposes of interchange revenue sharing.** While traditional distributed card solutions continue to offer meaningful process efficiencies by displacing cumbersome sourcing, approval and processing activities for certain transaction classes, PNC is actively promoting a variety of card-based solutions – across the entire procure to pay spectrum. This holistic focus enables companies to consider card-based settlement for more strategic spending and achieve much greater penetration – and ultimate revenue sharing potential. PNC has invested in both resources and disciplined processes needed to successfully execute these proposed solutions. Your dedicated Account Manager will work with the State to pursue the appropriate use of each of our primary solution offerings.



### Distributed Card

PNC supports the use of distributed cards for either general procurement or travel and entertainment needs. Our ActivePay portal provides all related administrative, reconciliation/interface, and reporting needs for these programs. Cardholders are empowered to make selected local purchases – with the State benefitting by displacing transaction volumes from Accounts Payable processing for lower risk/dollar transactions from non-strategic suppliers. A variety of risk mitigation components are included:

- **Point of Sales Controls** - A complete array of card-configured spending controls is available through PNC's ActivePay solution. These can be customized at the cardholder, department or company level – controlled within the application at the discretion of designated program administrator(s). Primary restrictions include: (1) Daily, weekly, monthly, cycle (credit limit), annual and per transaction dollar spending limits, (2) Merchant Category Code restrictions – including up to nine (9) approve or decline MCC groups, (3) Daily, weekly, monthly, cycle, and annual velocity (number) transaction limits and (4) Optional cash advance access including pin-based ATM and or branch.
- **Reporting** – PNC's reporting templates can provide transparency into associated spend and allow for more timely reaction to non-compliant situations
- **VISA Liability Waiver** - For misuse by the respective cardholder, the State's can be relieved of this liability up to \$100,000 per card under the VISA Liability Waiver Program. This is an insurance policy PNC provides to protect against employee misuse. To qualify for the coverage the employee must be terminated. The coverage begins 75 days prior to termination notice and is extended to 14 days after notice if the company notifies PNC to block the account within two business days. PNC and VISA provide this coverage at no additional cost.
- **Fraud Monitoring** - PNC Bank provides proactive fraud monitoring through the analysis of suspect spending patterns. PNC Bank utilizes an intelligent neural network that risk rates the probability of fraudulent transactions based on a card's past spending history and PNC Bank determined fraud criteria queues. A Fair Isaac (FICO) empirical score is used to determine the risk rating. In the cases of suspect

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card activity, PNC Bank proactively contacts both the company administrator(s) and/or employees to verify transactions. Cards are blocked immediately upon confirmation of fraudulent activity. We consider the actual analysis queues to be highly proprietary. PNC's fraud experience has approximate 1.4 basis points of portfolio transaction volume (in \$) - about a third of industry averages.

- **Dispute Resolution** - Typically for unauthorized use by a person other than the actual cardholder, the transaction can be disputed and returned (charged back) to the merchant. PNC Bank and VISA do provide a dispute resolution for any unauthorized fraudulent transactions. In case of fraudulent transactions the VISA merchant accepts the liability for any non-card present transactions. The VISA merchant also accepts the liability if they processed the transaction outside of VISA acceptance rules and procedures.

Core reconciliation, administration and reporting attributes of the ActivePay application are described above.

### **Ghost Card**

***PNC can support a number of central vendor/ghost card/e-procurement programs. Your PNC Account Manager and Program Development team, will work with designated State personnel to facilitate these solutions – including the control and reconciliation of vendor charges.***

We have developed a proprietary reconciliation process, called AP Match. AP Match can enable the State to send a purchase order extract in either a standard EDI 850 or flat file format to PNC Bank for automated reconciliation to vendor ghost card activity. PNC Bank stores this purchase order information in our databases for current and future payment reconciliation. Back orders, partial orders, and credits are all incorporated into our match process. The results are a fully reconciled purchase order to payment file, which an organization can use to post directly to its GL. Items are reconciled at either an order total level or even a line item level, depending upon a client's needs. This solution alone has enabled standard procurement cards to become more integrated into our customers' legacy systems and process. Based on this, more of our customers are using their purchasing cards as a strategic payment tool.

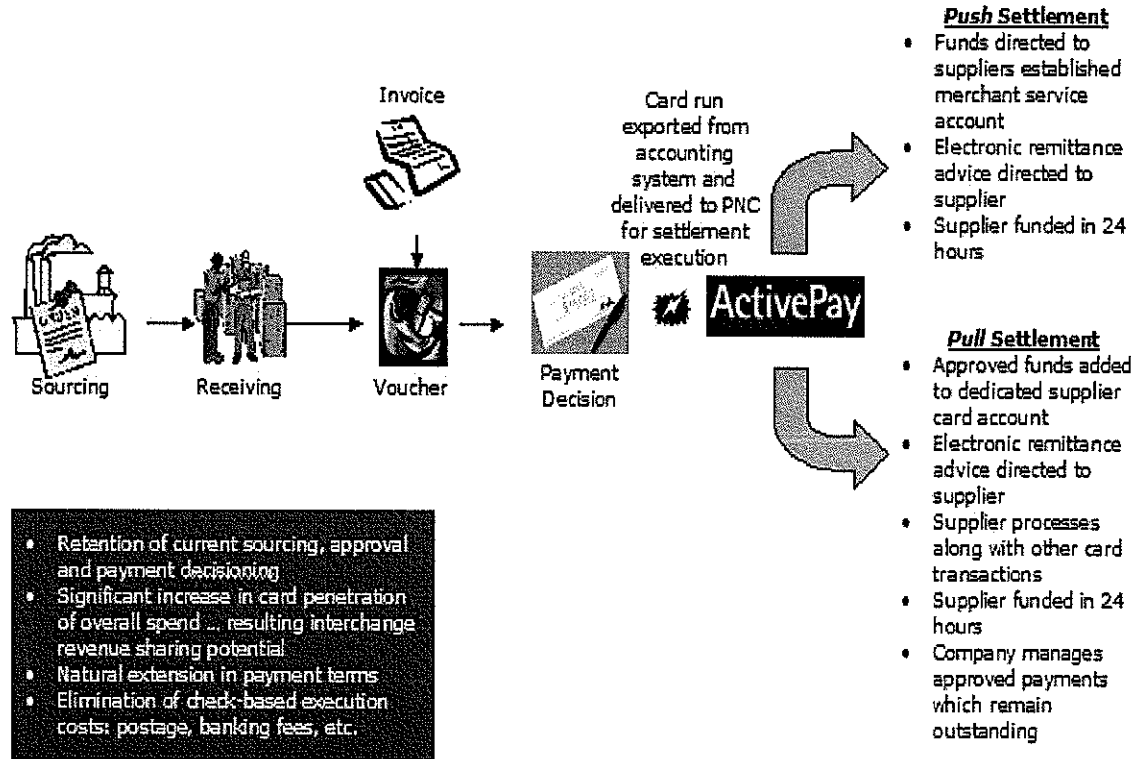
Ghost cards can also be incorporated into e-procurement applications. PNC has integrated ghost cards for automatic payment (settlement) for a client utilizing the Ariba e-Procurement software. Specific ghost card #'s are assigned to preferred vendors within the Ariba software catalogs. The ghost card # is included in the order communication process. The vendor processes the card for payment and provides the Ariba order number as part of the Level II card information. A daily card settlement file is received and integrated back into the Ariba system. The order #, transaction date, and amount is used to automatically reconcile orders within the Ariba application. All reconciled Ariba orders are then posted to the client's accounting system.

### **Accounts Payable Settlement – PNC's ActivePay Solution**

PNC has introduced and executed a payor-driven solution that automated card-based settlement of vendor transactions. With this solution, existing company procurement, matching, vouchering and approval processes remain unaffected, with card settlement introduced at the point of payment. Rather than relying on direct connections and

information exchange between the company and each trading partner, this solution leverages the existing VISA network for transaction processing and settlement.

Once invoices are approved and entered into a company's Accounts Payable system, an electronic payment file can be created and delivered into our ActivePay portal for execution and settlement. PNC's solution offers two methods of vendor funding – *Pull Pay* and *Push Pay*. With the former, approved funds are dynamically added to a dedicated supplier VISA account. Benefitting suppliers can then process the approved payment along with all other merchant service activity to effectively pull funds into their account. With the latter, approved funds are systemically credited directly into the supplier's merchant service account. In both cases, the supplier typically receives funding within 24 hours of processing. PNC will pay vendors for these transactions on behalf of the paying company. During implementation, we will jointly determine a monthly billing cycle. Settlement for all monthly charges will be completed at a predetermined interval, following this cut-off.



An electronic payment advice is also created and communicated to the vendor via fax or email – providing information needed to recognize and apply the payment against open receivable balances.

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This solution does require interaction with vendors prior to participation. PNC has assembled a team of seasoned card payment experts to assist with the associated *heavy lifting* – working to engage, enable and support vendors with the acceptance and processing of this new payment type.

Benefits with this solution include:

- Provides a free payment alternative to the traditional fee-based payment types
- Extends float - increasing cash flow
- Provides a rebate incentive paid when annual spend targets are achieved
- Increases payment control improves transaction risk management

### Payment Execution

The screenshot shows a WordPad window titled 'Sample File.txt - WordPad'. The window contains a table with the following data:

Invoice #	Supplier Name	check amount	Date	Voucher#	Sup #	Check Num.	Voucher TOT
543207-00	ABC Office Supplies	1370.60	07/30/04	134371	12345678	12345	1370.60
538567-00	ABC Office Supplies	519.28	07/30/04	134811	12345678	12345	519.28
548867-00	ABC Office Supplies	189.00	07/30/04	134810	12345678	12345	189.00
551489-00	ABC Office Supplies	116.16	07/30/04	134811	12345678	12345	116.16
19988793	Acme	2301.28	07/30/04	133514	56782496	12346	2301.28
19968755	Acme	2278.14	07/30/04	133513	56782496	12346	2278.14
16191159	Global Telecommunications Inc	9180.80	07/30/04	134992	18659745	12347	9180.80
16150579	Global Telecommunications Inc	942.50	07/30/04	133916	18659745	12347	942.50
16141620	Global Telecommunications Inc	188.50	07/30/04	131920	18659745	12347	188.50

Once approved, invoices are vouchered and entered into the company's Accounts Payable system, the payment execution process is automated – with a payment file delivered to PNC for integration within ActivePay, approved funds added to the respective vendor card and remittance advice delivered to the respective contact location. The related payment file format requirements are quite flexible, but typically include the payment amount, vendor reference information and other data elements traditionally provided along with payment (invoice level detail, etc.).

Data can be delivered through a number of channels, including: web upload, integration with PNC's Payables Advantage portal, direct transmission (secure FTP or FTP with PGP encryption), or PNC scheduled file retrieval.

Primary system requirements include:

- Addition of Automated Card Payment Type (Checks, ACH, Wire and Card)
- Ability to associate a given vendor profile with the respective payment type – used to suppress check generation for payments to be settled via card and create the payment file sent to PNC
- Ability to create and export a defined payment file

### Pull Pay

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Upon receipt of the company initiated payment execution file, approved funds are added to a unique vendor VISA account for processing. As noted above, an electronic remittance advice notifies the established client contact that funds are available. The supplier can then process the payment and receive funding through its established merchant service provider. With this solution, the paying company retains control over the exact amount and timing of these available funds – suppliers cannot access funds until approved, and for amounts in excess of approval. Exception reporting can alert the company of attempts to process funds beyond approved parameters.

Original transaction details are automatically matched with the completed card transaction for export out of ActivePay and integration with your accounting system.

Designated administrators/payables personnel can review outstanding approved payments online through ActivePay – and modify or delete as appropriate. The accumulated value of posted transactions will match the monthly billing statement provided by PNC. As with check-based processes, designated Accounts Payable or other control personnel will need to periodically monitor approved payments that remain outstanding. For items that remain outstanding beyond expected parameters, vendors may need to be contacted to understand why the payment was not accepted and processed. Transactions can be retained, modified or reversed based on established company policy.

Alternatively, completed transactions can be exported out of PNC's web portal to facilitate an automated reconciliation.

The screenshot displays a web interface with a top navigation bar containing icons for 'Filter', 'Back', 'Print', and 'Export'. Below this is a 'Report Information' section with the following details:

- Report Name: Open Payment Requests SST
- Report Mode: RECORD VIEW
- Records Found: 14
- Report Run Time: 05/08/2009 1:20 PM
- Comment: For Official Use Only
- Created Date: 05/08/2009 12:33 PM
- Last Modified Date: 05/08/2009 12:41 PM

The main section is titled 'Open Payment Requests SST Records' and contains a table with the following columns: Merchant Name, Merchant Code, Card No, Payment Method, Amount, Date Created, Date Last Updated, and Merchant Log Status.

Merchant Name	Merchant Code	Card No	Payment Method	Amount	Date Created	Date Last Updated	Merchant Log Status
13 VENDOR	000007031	XXXX-XXXX-XXXX-2485	NotYetMtd	550.00	04/21/2009	04/21/2009	Open
13 VENDOR	000007031	XXXX-XXXX-XXXX-2485	NotYetMtd	3.30	04/22/2009	04/22/2009	Open
14 VENDOR	000012798	XXXX-XXXX-XXXX-2493	NotYetMtd	3.33	04/22/2009	04/22/2009	Open
15 VENDOR	000015710	XXXX-XXXX-XXXX-2501	NotYetMtd	3.36	04/22/2009	04/22/2009	Open
16 VENDOR	000076529	XXXX-XXXX-XXXX-2519	NotYetMtd	3.39	04/22/2009	04/22/2009	Open
17 VENDOR	0000116441	XXXX-XXXX-XXXX-2527	NotYetMtd	3.42	04/22/2009	04/22/2009	Open
Vendor 110	110	XXXX-XXXX-XXXX-2195	NotYetMtd	100.00	04/01/2009	04/06/2009	Open
Vendor 110	110	XXXX-XXXX-XXXX-2196	NotYetMtd	37.89	04/02/2009	04/02/2009	Open
Vendor 110	110	XXXX-XXXX-XXXX-2196	NotYetMtd	9.37	04/02/2009	04/02/2009	Open

As current procurement, receiving and vouchering activities are retained, primary payment history is typically managed from within the respective Vendor Master File and respective accounting system. Reporting requirements generally revolve around the reconciliation of approved payments. As illustrated above, reporting templates can provide designated Accounting or Accounts Payable personnel with visibility into outstanding payment authorizations.

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Payables → Accounts Payable → Pull - Unmatched Reconciliation

**Accounts Payable** Unmatched Transactions for Vendor 111 in 2204

Manage Merchant  
Merchant Log Settings  
Merchant Log Create  
Merchant Log Search  
Unmatched Transactions  
Upload an AP File

Log Filtering  Open/Matched  All Within a Date Range

**Payment Logs**

Payment Log
4/2/2009, \$1.00
PO Nos:

**Transactions**

Select	Amount	Posting Date	Split
<input type="checkbox"/>	\$1.00	4/3/2009	split

Alternatively, assigned workflow enables an individual to track open requests and manually match them to a completed transaction.

### ***Push Pay***

ActivePay Push Pay is an easy-to-use card settlement solution that enables a company to control both the timeliness and content of its card payment transactions. ActivePay Push Pay interfaces with the top acquiring networks, allowing organizations to initiate settlement of card payments directly to a supplier's merchant account. With this approach, vendor payments within the respective Accounts Payable system can be exported and delivered to PNC – with the approved payment credited directly into the identified supplier merchant service account. Vendors are also provided with associated payment details to support application to their respective Accounts Receivable system. ActivePay Push Pay includes several tangible advantages which provide increased utility as a strong complementary solution to our original pull pay approach:

- This approach simplifies processing and control from a supplier perspective – eliminating compliance considerations associated with retention of sensitive card information and eliminates the need for the supplier to add an exception process in order to initiate the merchant service transactions
- Company payment fraud risk is further reduced as card account, CVV and expiration data are not maintained by each participating supplier
- Reconciliation becomes more streamlined – the company controls the exact timing of the transaction rather than relying on the supplier to initiate, and this approach results in the entire approved balance being processed (in the pull model, it is conceivable that a supplier could initiate a transaction for only part of a given approved payment)

### ***Vendor Engagement and Enablement***

PNC has developed a proven vendor enrollment practice and has the dedicated experienced resources in place to ensure that our clients have a successful vendor card payables program. This approach has evolved from PNC's payment optimization strategy – which looks to leverage cards as the primary payment method for organizations. The strategy focuses on key drivers related to the payables process and overall supply chain management. The factors include:

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- Operational Efficiency
- Liquidity (Float) and Credit
- Process Control
- Direct Cost of Payment Vehicle
- Information
- Predictability
  - Risk Management
  - Cash Forecasting

PNC consultative resources within our Card Services Group will be available to work with you to define a payables optimization strategy that utilizes the most effective electronic payment method, increases operational efficiency, minimizes the incremental expense associated with the payables process, and increases productivity and cost savings throughout the organization. Some of the key components successfully deployed with PNC's optimization strategy include:

- Purchasing / T&E Cards
- Ghost Card /e-procurement
- Distributed Card Programs (i.e. , plastic card)
- Significant productivity/process savings through elimination of the traditional invoice process
- Purchasing Card / Active Card Integration
- Centralized AP Cards
- Vendor Cards
- Controlled Disbursement Card File
- ACH/Wire
- EFT Tax payments
- EDI with trade partners
- Check
- Vendors unwilling/unable to accept Card or ACH

PNC's Payment Optimization Strategy has been successfully used with organizations to extend programs well beyond their current utilization. The overall strategy is based upon the following components:

- Detailed vendor and payment analysis
- Business case development
- Senior level endorsement
- Payment protocol development
- Procure-to-pay process redesign
- Vendor enablement
- Vendor / payment migrations

PNC is willing to provide the maximum level of support to successfully implement a Payment Optimization Strategy. Our programs can help successfully identify best practices and propagate those practices and ideas to the extent possible as we implement cards across the company. In addition, PNC can be a key partner in supporting the goals of your strategic initiative to monitor AP flow and reduce expenses across the company.

### **3.2.2 Card Features**

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### 3.2.2.1 Card Issuance

PNC Bank understands can support the States requirements for an internal approval prior to initiating a new card request. New card requests and activation is automated within our web portal– with such actions initiated and controlled by designated Program Administrators. In addition, a batch new account feed can be transmitted to PNC automatic processing and issuance. This file can be the output of an internal card application and enrollment workflow developed by your organization. PNC has worked with several clients to develop this type of electronic new account process. Clients have used different internal platforms including e-mail databases, mainframe systems, and corporate Intranets. PNC can support a wide range of processes for new entity and cardholder enrollment requests. These include: Customer self-service through our web-based card portal, Paper-based fax submissions with signature verifications, E-mail electronic forms with digital signatures, Generic spreadsheet template auto load, and Daily transmission of new account request via a New Account Entry (ACE) batch file.

With regard to timeframes, PNC's standard is five to seven working days from receipt of incremental card requests to card issuance. PNC can accommodate requests for immediate issuance and receipt of new cards in two working days (48 hours). A 2PM cut-off is in place for fast card requests. This is accomplished via a fast card request through TSYS and direct overnight mail delivery. For emergency replacement situations, cardholders can contact the Visa Global Cardholder Assistance Center to arrange for replacement in 24 hours.

PNC can also support other options for conversion of existing cards including:

- Bulk Enrollment: This is a very effective solution to support the initial card issuance for users as part of the planned implementation process or as part of a large migration of new agency, cardholder or ghost accounts. PNC Bank can support bulk enrollment via spreadsheet templates. PNC facilitates the ability to electronically submit cardholder enrollment spreadsheets that can be automatically loaded to PNC Bank's system to create new card accounts.
- Every process described above has the same information requirements for account set-up. The new account master file contents that need to be provided to PNC Bank are:
  - Name Line 1 (the cardholder's name embossed on the card)
  - Name Line 2 (for agencies to emboss pertinent information on card plastic)
  - Address 1 (physical location)
  - Address 2 (building location, mail-stop, PO Box, etc.)
  - Card Activation Number
  - G/L Code
  - MCC Group
  - Monthly Limit
  - Single Transaction Limit

*Note: For Agency cards, the State can provide up to 3 authorized users that have approval for card usage.*

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the output of an internal card application and enrollment workflow developed by your organization. PNC has worked with several clients to develop this type of electronic new account process. Clients have used different internal platforms including e-mail databases, mainframe systems, and corporate Intranets. PNC can support a wide range of processes for new entity and cardholder enrollment requests. These include: Customer self-service through our web-based card portal, Paper-based fax submissions with signature verifications, E-mail electronic forms with digital signatures, Generic spreadsheet template auto load, and Daily transmission of new account request via a New Account Entry (ACE) batch file.

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The State's Program Administrator can contact the PNC's Card Services Product Client Services area toll-free at 1-877-824-5001, Monday through Friday 8:00 AM to 5:30 PM to request deletion of cards. All verbal requests require written confirmation from the State's Program Administrator.

The State's Program Administrator (s) can also send written requests for card deletion via fax or e-mail directly to our Product Client Services Group for immediate processing. The general fax is 412-705-0759. A general PNC Bank Internet mailbox can be used to submit e-mail requests to [pcard@pncbank.com](mailto:pcard@pncbank.com). PNC's Bank staff checks this mailbox frequently during normal business hours. Requests received before 12 noon EST are typically processed the same business day, requests received after 12 noon EST are processed on a next day basis. All written requests are verified for signature authority.

In addition to phone, fax and e-mail, a new customer self-service card management system is also now available to support customer on-line input of card suspension and cancellation requests via a secure Internet connection.

In addition to PNC Bank's standard maintenance request process via fax, phone and e-mail, PNC Bank can support a daily transmission of requested card deletions to a generic maintenance electronic file format for nightly processing. This file can be generated as output from an internal maintenance interface developed by the State. PNC Bank has worked with similar clients to develop this new electronic interface. Customers have utilized various internal platforms and databases to develop the front-end application used by their administrators to input these maintenance requests.

Under the PNC Bank's standard replacement card procedures, the State receives cards within 5-7 business days.

In cases where a card is needed in an expedited timeframe, a replacement card can be mailed to PNC Bank from TSYS within 48 hours of notification. The card is then mailed via overnight delivery to the State's Administrator.

In an emergency situation such as an employee traveling, the VISA Global Customer Assistance Center (GCAS) should be called. Cardholders can request that a card be issued and delivered within 24 hours. For emergency card replacement, the new plastic would be is

issued and delivered via courier within 24 hours. This can be accomplished both domestically and internationally, by the cardholder calling 1-800-VISA-911. The VISA Assistance Center would be the first the line of communication with the cardholder and contact PNC Bank immediately with the request. PNC Bank would then produce an account number and relay it to the VISA Assistance Center where it would emboss a plastic for the individual and have it delivered to the destination that works best for the cardholder. This is available for both the Procurement and Travel Card program

### 3.2.2.2. Card Format/Design

a), b),c),d),e)

PNC can support the card design requirements specifically for the State of West Virginia including the following:

- The name of the STATE OF WEST VIRGINIA, official seal or other distinct feature on the face of the card
- The phrase 'FOR OFFICIAL USE ONLY' on the face of the card.
- The phrase 'TAX EXEMPT' embossed in line 2 or otherwise placed on the face of the card.
- The State's tax exempt number on the face of the card including the ability to accommodate unique tax exempt numbers for each agency.
- PNC's toll free customer service number on the back of the card.
- Removal of references to ATM's.

Additionally, PNC Bank offers two alternatives to card customization. The first alternative is to put a digitized version of the 'State of West Virginia' name, official seal or distinct feature on the face of the card in a single color on PNC Bank's standard card (plastic). This can be accomplished in a very short timeframe. Either an electronic or camera-ready artwork version of the State's logo is needed to facilitate the process. The second alternative is to develop a truly customized plastic including the actual card design and coloring scheme. This alternative requires a minimum of 6 – 8 weeks to co

### 3.2.2.3 Card Control and Restrictions

a),b),c),d),e), f),g),h),i),j)

#### **Minimize misuse and/or out of policy purchase transactions**

With the advanced technology of ActivePay your organization's card program can be optimally managed and customized to best suit your requirements. As part of the customization the hierarchy of your organization will be reflected in ActivePay. Reflecting your organizational hierarchy brings ease of use and manageability to these controls. The following are the related controls:

#### **Management of Funds**

For limiting risk and managing credit; controlling available funds on a card account is a key component in a distributed card management system. Within seconds the program administrator can adjust funds on a card account. Funds can be adjusted in seconds via ActivePay's easy to use internet based card account management tool. This adjustment can be a time driven temporary change or a permanent change.

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For example, a cardholder is in a situation where they need emergency funds on their card for an unexpected purchase. A call to your program administrator will swiftly resolve this problem while the cardholder is in the checkout line.

Infrequently used card accounts can be maintained with zero dollars / zero limits. When these zero funded cards are needed, it only takes a few seconds for them to be ready for use. Since these cards are in effect useless without funds, Zero funded cards provide your organization with an additional level of security and assistance to minimize risk exposure. Zero dollar cards can also be used for supplier cards that allow you to control how, when and how much you pay suppliers

**Transaction Limits**

**Spend and Velocity Limits**

Velocity and spend limits are easily managed and assigned at the company, hierarchy node or card account.

Velocity limits can be set by the following:

- Daily Limit – limiting the number of transactions in a day
- Cycle limit – limiting the number of transactions in a billing cycle
- Monthly limit - limiting the number of transactions in a calendar month

Spend limits can be set by the following:

- Single transaction limit – limiting the dollar amount of a single transaction
- Daily Limit – limiting the dollar amount spend in a day
- Cycle limit – limiting the dollar amount spend in a billing cycle
- Monthly limit - limiting the dollar amount spend in a calendar month

Spend and Velocity Limits are controlled at the card account level by the organization’s program administrator via the account management module of ActivePay.

Velocity Limits

Credit Limit:

Cash Advance Percentage:

Single Purchase Limit:

Interval	Dollar Amount	Transaction Count
Daily	<input type="text" value="200"/>	<input type="text" value="5"/>
Monthly	<input type="text" value="1000"/>	<input type="text" value="35"/>
Cycle	<input type="text"/>	<input type="text"/>

**Merchant Category Code Controls**

All Visa accepting merchants or suppliers are assigned a Merchant Category Code (MCC) during setup by their merchant bank. The Merchant Category Code is used to classify the business by the type of goods and/or services it provides.

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ActivePay will permit easy set-up and maintenance of a card accounts Merchant Category Codes (MCCs) privileges and/or restrictions in real-time. MCC restrictions and/or privileges can be assigned to a hierarchy node or to a specific card account.

This assignment and management is through ActivePay's unique MCC group profile management tool. From an online list, your program administrator can select which MCCs should be included or excluded in an MMC Group. This MCC group can be further defined as include or exclude. Multiple MCC groups can be assigned to a MCC group profile. The MCC group profile is then assigned to a hierarchy node or card account.

Note: As a further example of ActivePay's advanced functionality; Velocity and Spend controls can be managed at the MCC group level in MCC group profile management.

## MCC Groups

In ActivePay, similar or like MCCs can be grouped together into MCC groups (MCCGs) To name three, these manageable MCC groups might be travel type merchants, entertainment type merchants or even office supply stores.

The following is an example of a MCC group "Office Supply" defined in ActivePay and its associated MCCs.

Company: PFPC T&E

Group Name: Office Supply

Description: Office supply and software related retailers

MCCs: 5021, 5044-5045, 5111, 5734, 5943, 5970

Codes	Description
5021	Office and Commercial Furniture
5044-5045	Range: 5044-5045
5044	Office, Photographic, Photocopy, and Microfilm Equipment
5045	Computers, Computer Peripheral Equipment, Software
5111	Stationery, Office Supplies, Printing and Writing Paper
5734	Computer Software Stores
5943	Office, School Supply, and Stationery Stores
5970	Artist Supply Stores Craft Shops

## MCC Group Profile

After MCC groups are defined, they are assigned to an MCC group profile. The MCC profile will subsequently be assigned to a card account or hierarchy. Before assignment the MCC profile can be further defined. An MCC profile may be defined by up to nine (9) MCC groups. Each MCC group on an MCC profile can be further defined as an "Include" or "Exclude" group. Purchases can be made at merchants where their MCC is listed on an Include group.

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Purchases cannot be made at merchants where their MCC is listed on an Exclude group. Spend and velocity limits can be controlled within Include MCC groups. For example: We may permit users to make purchases at office supply stores. However, we may want to control purchases at office supply stores to a single transaction limit of \$500, daily purchase limit of \$2000 and no more than 4 purchases or transactions per day. This is illustrated below:

The screenshot shows the PNC Administration interface for creating a new MCC Group profile. The breadcrumb trail is Administration > MCC Group Profiles > New Profile. The form is for Company PFPC T&E, Name Office Supply Restrictions, and Description Office Supply Restrictions. A table defines the limits for this group:

Limit Type	Value
Single	\$ 500
Daily	\$ 2000
# of Transactions	4

The 'Include' radio button is selected, and the 'Exclude' radio button is unselected. The PNCAT dropdown is set to PNCAT. Buttons for 'Add MccGroup', 'Close', and 'Save' are visible at the bottom.

MCC Group profiles can be assigned at the card account level or an organizational hierarchy level.

### Restricting card use at specific merchants or suppliers

Card use can be restricted by MCC. Restricting purchases at a specific merchant can be done by MCC, providing that an MCC is all inclusive of a specific merchant, (i.e. for all retail and online stores) and the same MCC is not associated with other vendors that purchases should be permitted.

### Restricting purchasing of certain items, such as entertainment, alcohol

With ActivePay card use can be restricted by Merchant Category Code (MCC), but not by item purchased. The benefit of this control is that most like merchants fall into like or similar MCCs. Merchants such as liquor stores, restaurants, travel related merchants and so on fall into particular MCCs. This gives the program administrator the ability to easily block purchases at liquor stores, at restaurants or travel merchants.

### Cash Advances

Cash advances can be controlled at the corporate level or card account level.

### Controlling Cash Advances on the Card Account

The program administrator is able to control cash advances on card accounts through ActivePay's account management function. The program administrator would access the specific card account through account management, select edit, change the "Cash Advance Percentage" to the desired amount and then click save. The cash advance percentage value is the percentage of the card accounts credit limit

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### Disabling and enabling cash advances at the Corporate Level

Cash advances can be controlled at the corporate level. Corporate level control will be set up by PNC's account manager and is defined as permitted or not permitted. If corporate level control on cash advances is permitted, cash advances can then be controlled as a percentage of credit limits at the card account level.

### Credit Limits

#### Credit limits are set at the cardholder and/or company level

Card account credit limits may be defined at the company level and at the individual card account level. Credit limit setup at the company level is managed by you PNC account manager. Controlling the credit limit is managed by the organization's program administrator via the account management module of ActivePay.

Velocity Limits

Credit Limit:

Cash Advance Percentage:

Single Purchase Limit:

Interval	Dollar Amount	Transaction Count
Daily	<input type="text"/>	<input type="text"/>
Monthly	<input type="text"/>	<input type="text"/>
Cycle	<input type="text"/>	<input type="text"/>

### 3.2.2.4 Cardholder Information

PNC Bank clearly understands and will abide by the State's requirements concerning the privacy of cardholder information. PNC will not contact individual cardholders for any reason except as required for usage of the purchasing card. PNC's privacy principles are summarized below:

#### PNC Bank Customer Information Privacy Principles

At PNC Bank, our mission is to meet the desires of our customers. As financial services professionals entrusted with sensitive financial information, we respect the privacy of our customers and are committed to treating customer information responsibly. Our Customer Information Privacy Principles serve as standards for all PNC Bank employees for collection, use, retention, and security of individual customer information.

#### PNC Bank Collects and Retains Only Customer Information That Is Needed

PNC limits the amount and type of customer information we collect and retain to that which is required to establish and manage customer accounts, understand customer needs, provide customer services, offer new products and services, and comply with legal and regulatory requirements.

#### PNC Bank Employees Are Responsible For Customer Information Protection

PNC limits employee access to customer information to those employees with a legitimate business need for the information. We have policies, procedures, employee orientation, and communication programs designed for the protection of customer information. It is the responsibility of each PNC Bank employee to comply with our Customer Information Privacy Principles policies and procedures. Failure to comply subjects our employees to disciplinary action.

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### PNC Bank Strives To Maintain the Accuracy of Customer Information

We have implemented internal controls and procedures designed to keep and report customer information as accurately and completely as possible. We respond promptly when a customer tells us his or her information is not accurate.

### PNC Bank Limits the External Disclosure of Customer Information

PNC does not disclose customer information outside the PNC Bank companies, except:

- To conduct our business (for example, in connection with completing customer transactions, transferring customer accounts, or sharing information with credit reporting agencies, persons verifying account status, or persons providing services for us).
- When we suspect fraud or are otherwise required or permitted to do so by law or regulation.
- When a customer requests or gives us permission to do so, or to make available products or services we believe may be of interest to our customers.

### PNC Bank Respects Our Customers' Solicitation Preferences

We honor our consumer customers' requests to be excluded from marketing solicitations.

### PNC Bank Provides Our Customers Access To Our Privacy Principles

Our Customer Information Privacy Principles are readily available to our customers through brochures, customer mail, web sites, and toll-free telephone numbers.

PNC uses advanced technology and information management techniques to implement security, audit and control programs designed to protect the confidentiality and security of cardholder information. PNC limits access to customer information to employees or service partners that we believe have a legitimate business need for the information.

## 3.2.3 Customer Support

### 3.2.3.1 Contact Information

PNC has a dedicated staff of implementation/account management, client service, operations, technical and cardholder support representatives. This staff works solely on purchasing card services offered to PNC Bank clients. PNC will assign a dedicated Account Manager to meet All of the State's program needs.

This resource will work closely with the State's designated Program Administrator(s) to develop and design a program that is specifically tailored to meet your needs, goals and objectives. The assigned Account Manager will direct all PNC resources both during conversion and ongoing relationship management. This continuity and consistency becomes an important asset to help ensure the success of each card program.

All of our Account Managers have several years of experience working with establishing and supporting card programs across various company sizes and industry segments. The experience and expertise gained from these implementations enable our Account Managers to act as program consultants rather than just customer service representatives. Our proactive

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consultative approach to your program will help maximize the cost and time saving benefits of this important reengineering initiative.

In addition to the dedicated Account Manager, a group of Account Service Specialists will provide day to day support of service requests and inquiries

PNC recognizes that more complex products such as Purchasing Cards offer the opportunity for our clients to pursue meaningful process transformation. We have redesigned our sales model to focus on a more consultative approach, which supports these re-engineering opportunities. This consultative focus has been formalized within the Card Services Group with the creation of our Account Development Group. We have assembled a group of card service experts to assist our clients in expanding and enhancing their procurement and payment processes. The Account Development group works with clients to develop payment optimization strategies, identify and implement new card-based payment opportunities and support vendor recruitment/enablement.

There are two additional support areas within PNC Bank that provide services to our client base. Our Bank Operations group handles both dispute resolution and fraud monitoring services. Our National Financial Services Center (NFSC) handles our 24 x 7 cardholder customer service with over 30 representatives dedicated to Purchasing Card customers. The NFSC is a nationally recognized call center that utilizes state-of-the-art technology. These support areas report back through our Product Client Services group to ensure continuity and customer satisfaction.

In addition to the self-service functionality offered through the ActivePay module, program administrators can access the dedicated Account Services Representative and Account Manager at 1-888-762-6011. These representatives are available to assist you during the hours of 8:00 AM – 5:30 PM EST Monday through Friday. PNC Bank has upgraded our after hours service support for administrators. Administrators can now contact our 24 x 7 x 365 cardholder hotline for emergency inquiries and support requests. A dedicated group of operators have been trained to authenticate your program administrator in the event that an emergency change to a card account is required. This includes both card and per transaction spending limit increases. Additionally, this group is backed up by your Account Manager, who is available via pager to assist with customer specific program information and guidance.

Cardholders are provided separate client services support with representative 24 hours a day, 7 days a week, 365 days per year coverage. Customer service can be reached toll free domestically at 1-800-685-4039. This team of dedicated Card Service representatives can assist cardholders with inquiries related to account balance, limits, declines, statement mailings, lost/stolen cards, and dispute questions. This coverage is supplemented with access to the Visa Global Cardholder Assistance Center – which can be reached at 1-800-Visa-911 anytime from any location.

### 3.2.3.2 Lost/Stolen Cards and Account Closures

The State of West Virginia will not be liable for unauthorized or fraudulent transactions

Lost and stolen cards should be reported immediately upon notice. PNC Bank cancels all lost stolen cards in real-time upon notification. The State of West Virginia cardholder can

report lost or stolen cards to our Cardholder Client Services Representative at 1-800-685-4039, 24 hours a day, seven days a week, 365 days a year.

Cardholders can also contact the Visa Global Cardholder Assistance Center at 1-800-Visa-911 anytime from any location to report a lost or stolen card

Agency Coordinators may also contact their dedicated PNC Bank Account Service Representative and Account Manager toll-free at 1-888-762-6011, Monday through Friday 8:00 AM to 5:30 PM. ActivePay can also be used to immediately disable and cancel affected card accounts.

### ***Lost/Stolen Cards***

#### **a) Hours of access for notification for each method of notification**

- ActivePay – accessible 24 hours per day, 7 days per week
- Dedicated Account Executive – available to assist Agency Coordinator's between 8:00 AM and 5:30 PM, Monday – Friday, PNC Bank has upgraded our after hours service support for both Agency Coordinators and cardholders. Agency Coordinators can now also contact our 24x7x365 cardholder hotline for emergency inquiries and support requests. A dedicated group of operators have been trained to authenticate the State's Agency Coordinator in the event that an emergency change to a card account is required. This includes both card and per transaction spending limit increases. Additionally this group is backed up by your Account Executive, who is available via pager to assist with customer specific program information and guidance.
- PNC Cardholder Hotline/Visa Global Customer Assistance Center – representatives are available 24 hours per day, 7 days per week

#### **b) Timeframe for card cancellations after notification by each method**

Cards will be cancelled and suspended immediately upon receipt of notice. Corporate and individual liability will not extend past the point of notification.

#### **c) Timeframe for mailing a replacement card after notification**

Under PNC Bank's standard replacement card procedures, the State receives cards within five to seven business days. In cases where a card is needed in an expedited timeframe, a replacement card can be mailed within 48 hours of notification. The card is then mailed via overnight delivery to the Agency Coordinator.

### ***Card Cancellation***

PNC Card account terminations can be communicated to the State's dedicated Account Manager via fax, email or telephone. The State of West Virginia will not be liable for transactions posting to the account after card termination. In instances where a charge has been applied after the card has been cancelled, PNC recommends that the State follow the standard dispute resolution process. Upon successful completion of that process, PNC will

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credit the amount of the purchase back to the State. PNC Bank has a 99.9% recovery rate for this transaction type with .1% comprised of legitimate transactions that were authorized prior to card cancellation but posted after account closure. Additionally, Agency Coordinators can suspend or terminate an account within the ActivePay application.

a) Hours of access for notification for each method of notification

- ActivePay – accessible 24 hours per day, 7 days per week
- Dedicated Account Manager – available to Agency Coordinators between 8:00 AM and 5:30 PM, Monday – Friday, PNC Bank has upgraded our after hours service support for both administrators and cardholders. Administrators can now also contact our 24x7x365 cardholder hotline for emergency inquiries and support requests. A dedicated group of operators have been trained to authenticate the State's Agency Coordinator in the event that an emergency change to a card account is required. Additionally this group is backed up by your Account Executive, who is available via pager to assist with customer specific program information and guidance.

b) Timeframe for card cancellations after notification by each method

Cards will be cancelled and suspended immediately upon receipt of notice

### 3.2.3.3 Changes in Cardholder or Agency Accounts

PNC's ActivePay application allows the State's Agency Coordinators to manage cards in profiles, or groups of cards, allowing for maximum process efficiency and speed. Within the card administration sections of the ActivePay application, agency coordinators can manage the settings on cards real-time allowing for optimum flexibility and control. Agency Coordinators can also manage all of your card administration needs including cardholder profile update, (such changes may include card expenditure limits, transaction limits, purchase restrictions, cardholder name, cardholder billing address or telephone number) card cancellation, new card requests, card activation, cardholder reporting hierarchy changes (moving from one part of your organization to another) for reporting and accounting, and more. ActivePay enjoys direct connectivity to the Visa network so all changes are enacted and affected on a real-time basis.

User roles are defined and customized within the ActivePay application. Individual profiles are assigned and govern access and authority within the prescribed hierarchical structure. Administrative change capabilities are generally limited to designated agency coordinators. All changes are time and date stamped, along with notation of the individual user authorizing the change. All of these actions are available for viewing through standard ActivePay Exception Reporting templates.

Designated Agency Coordinators can also contact the State's dedicated PNC Account Manager to support profile updates and modifications. Bulk changes can be coordinated by the Account Manager and incorporated within the ActivePay application on behalf of the agency.

Cardholders are able to access the ActivePay application to update their contact information, as well as their contact preferences around e-mail notifications the system automatically generates.

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3.2.3.4 Disputed Items and Charge Backs  
a),b),c),d)

The cardholder should make a good faith effort to contact the merchant first to resolve any discrepancies on their account. Most issues can be resolved in this manner. However, if the cardholder is unable to resolve the dispute with the merchant, the next step is to notify PNC Bank. Fraud and billing disputes may be faxed to 412-762-9157.

A Billing Inquiry Form is located on the back of the cardholder's statement. The cardholder must submit the Billing Inquiry Form to PNC Bank along with any pertinent documentation to support their claim to the following address:

PNC Bank  
PO Box 535239  
Pittsburgh, PA 15253-5239  
Fax: (412) 762-9157

The cardholder has 60 days after the statement reflecting the error was mailed or delivered to send written notification of an alleged error. The dispute process can take up to 30 days to resolve. A cardholder client services representative is available 24 hours a day, 7 days a week at 1-800-685-4039 to answer any questions regarding the status of a dispute.

In case of fraudulent transactions the Visa merchant accepts the liability for any non-card present transactions. The Visa merchant also accepts the liability if they processed the transaction outside of Visa acceptance rules and procedures.

The ActivePay application can be used to designate items that are currently under dispute. While ActivePay cannot be used to facilitate the dispute resolution process, this notation feature is helpful for tracking those transactions pending dispute resolution.

Viewing 1-1 of 1

show at a time: 10

select to submit	document number	date of purchase	bought by	vendor	payee	received	purchase detail	GI issues			purchase amount	entered amount	attached to	action
								valid	authorized	complete				
	sort	sort	sort	sort	sort	sort	sort		sort	sort	sort			
<input type="checkbox"/>	TXN00001002 <a href="#">enter details</a>	05-21-02	Smith, Robert	Fly by Night Services	Fly by Night Services						\$50 00	\$50 00		<a href="#">split</a>   <a href="#">dispute</a>

Figure 1: Cardholder's Dispute Resolution Initialization

Credit the agency's account, pending resolution of the questioned/disputed item

Pursuant to Visa commercial card procedures, any disputed amount will remain part of the overall outstanding program balance and settled via contracted terms at the next billing cycle.

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Process for charge back of items resolved in the agency's favor

In case of fraudulent transactions the Visa merchant accepts the liability for any non-card present transactions. The Visa merchant also accepts the liability if they processed the transaction outside of Visa acceptance rules and procedures or cannot provide sufficient documentation to support the questioned charge. If a disputed transaction is resolved in favor of the cardholder, PNC will post a credit for the adjudicated amount to the appropriate account. This credit will be included within the next statement rendering.

### **3.2.4 Technology**

#### **3.2.4.1 Data Transmission and Connectivity**

3.2.4.1. a PNC Bank understands and will comply

#### **3.2.4.1. b. General Comments on Security Measures**

- All of PNC's solutions are compliant with guidelines published by the Federal Financial Institution Examination Council (FFIEC) requiring two methods of authentication.
- All of PNC's solutions are compliant with guidelines published by the Federal Financial Institution Examination Council (FFIEC) requiring two methods of authentication.
- Network-based intrusion detection and firewall log monitoring are performed continuously  
24 X 7 X 365.
- All of PNC's solutions go directly to a distributed platform within the PNC "DMZ" (a secure space between PNC's external and internal firewalls). As an additional precaution, all files transmitted via an Internet solution go through virus scanning prior to internal distribution at PNC.
- PNC safeguards client transmission files by:
  - Removing incoming and outgoing files from the distributed platforms in the DMZ once those files have been successfully transmitted to the client or collected by the receiving application at PNC. All receiving applications are securely situated behind pairs of firewalls, and access to the data is systematically controlled and closely monitored.
  - Removing all incoming and outgoing files from the distributed platforms in the DMZ that have not been picked up within 7 days.

### **Transmission Solutions**

**HTTPS (Hypertext Transfer Protocol over a Secured Socket Layer)** – This method leverages PNC's existing Web/Internet infrastructure to enable PNC clients to send or receive **encrypted files** via their existing Web browser.

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- No additional software at the client site is required
- No firewall configurations are required; uses standard TCP/443 for HTTPs Traffic
- Completely interactive interface; all sessions are initiated by the client
- Two-factor authentication for added security Sessions are authenticated through a combination of client log-on ID, password and client-side digital certificate issued by PNC.
- PGP can be used to encrypt files for additional security (optional)

**Comment:** This method allows you to use your browser as a file transfer client. You can send or receive data interactively by opening your Web browser, entering a URL and logging into a Web site to upload and download data.

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**Native FTP Using PGP Encryption** - This method leverages PNC's existing Internet infrastructure to send files via native **FTP using PGP for encryption**.

- Trading partner must have PGP and a publicly routable static IP address
- Either site can initiate a transfer
- Access is restricted to FTP ports 21 and 20, which will be opened on the firewall
- Public keys will be exchanged between PNC and the remote site to perform the encryption and decryption of the data
- Files are authenticated through a combination of client log-on ID, password, PGP encryption key and IP address

**Comment:** A limitation of PGP is that log-on (user) ID's and passwords are transmitted in the clear; however, PNC secures these transmissions to a specific IP address(es) and the data are encrypted using a key specific to each client. In other words, the transmission must come from a specific host (specific IP) and that host must have the appropriate key before data will be accepted by PNC or sent by PNC. An interloper who captured a log-on ID and password would not have sufficient information to send data to be processed by PNC or view data received from PNC.

**VPN (Virtual Private Network)** – This method creates an **encrypted, secure tunnel** between the trading partner's firewall and the PNC firewall.

- No software at the client site is required – standard File Transmission Protocol (FTP) is used
- Either site can initiate the transfer
- Remote site must have a publicly routable static IP address (File transmissions are restricted to the routable static IP addresses) and a firewall configurable for VPN
- Access is restricted to FTP ports 21 and 20, which will be opened on the firewall
- PNC and client network teams set up a call to exchange firewall and key information to Create the secured connection
- PNC uses IPSEC / Triple DES to perform the firewall encryption
- Files are authenticated through a combination of client log-on ID, password, VPN Encryption key and IP address
- PGP or DESCRIPT can be used to encrypt files for additional security (optional)

**Comment:** The most challenging part of establishing a VPN connection is the creation of

appropriate firewall rules. PNC's network technicians can offer some guidance in this area, but clients are requested to have a resource familiar with their own firewalls and protocols available to participate in the setup process.

**Secure FTP** – This method creates an **encrypted, secure session** between PNC and the trading partner.

- Also known as: FTP/S, FTP encrypted with SSL
- The client site must initiate the transfer
- If the sending system does not support Secure FTP, then a small applet must be installed to manage the encryption process. This applet is a product of Sterling Commerce and can be licensed through PNC for a nominal cost.
- Trading partner's system can be a UNIX (Solaris, AIX, HP-UX) Windows®-type (Windows® 200X, Windows® XP SP2, etc) platform
- Method uses SSL certificate exchange of an x500 password protected digital certificate and trusted certificate for authentication
- In addition to the software (if needed), PNC provides the certificates for authentication and also the installation/configuration instructions
- Ports 10021 and 6200 – 6220 will need to be opened on the firewall

- Files are authenticated through a combination of client log-on ID, password and authorized security certificate(s)
- PGP or DESCRIPT can be used to encrypt files for additional security (optional)

**Comment:** PNC's Secure FTP application is always available; however, because client systems are frequently used for multiple purposes, Secure FTP is not always active on the client end. Therefore, having the client initiate all communication sessions (sending and receiving data) ensures that a Secure FTP session is active on both sides and reduces the number of failed transmission attempts.

**FTP or Connect:Direct via TCP/IP over a dedicated or frame relay circuit** - A dedicated connection can be established to perform FTP or Connect:Direct transmissions via TCP/IP.

- Installation of a leased-line circuit is required for this method
- All circuits implemented and managed by PNC are encrypted
- Either site can initiate a transfer
- Client can use FTP to transmit
- Clients can use Sterling Commerce's Connect:Direct software to transmit the data to PNC's Connect:Direct Node
- PNC uses IPSEC / Triple DES to perform the firewall encryption
- Files are authenticated through a combination of client log-on ID, password, router-to-router restricted access, IP address restrictions and for PNC managed circuits
- PGP or DESCRIPT can be used to encrypt files for additional security (optional)
- Secure + option of Connect:Direct can also be used for data encryption

**Comment:**

Dedicated or leased lines are generally used by high-volume applications where a predictable bandwidth is needed to ensure the timely completion of a file transfer. When considering a leased line, keep in mind the cost of the line (which usually is paid by the client) and the availability of a back-up should the dedicated line not be operational for

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some reason. For many clients, Internet-based communications provide a better trade-off of cost and reliability.

### **Solutions Phased Out in 2009**

Bisynchronous - PNC supports bisynchronous dial with baud rates of 4800 and 9600

- Either site can initiate a transfer
- Dial-line speed limitations make this approach not practical for most clients
- Files are authenticated through the client log-on ID and password

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### **Options NOT Supported by PNC**

AS2/AS3 - not yet available; no plans to offer at this time

Secure Shell – PNC does not permit file transmission using Secure Shell technology (sometimes referred to as SSH or sFTP) to pass through a firewall because Secure Shell creates a secured tunnel that would permit any type of communication to pass through that tunnel. PNC transmission firewall rules are established to permit only transmission-type communication to pass through them. To allow Secure Shell communication, PNC would have to open its firewall rules and that represents an unnecessary risk to the Bank.

Email - is not supported as a form of secure data transmission

Adhoc FTP - is not supported

Anonymous FTP - is not supported

Windows® or Novell File sharing options - are not supported

3.2.4.1. c PNC can support the Total Systems Data Exchange Format require by The State.

3.2.4.1. d PNC Bank understands and will comply

3.2.4.1. e PNC installs new communication options as needed. PNC is responsive to our customers needs and when their needs warrant we investigate the opportunity to improve our service capabilities. We upgrade our software as needed to meet these goals. We remain within supported versions at all times. We regularly evaluate software versions and make decisions on a case-by-case basis. PNC transmits data files, image files, Excel files as well as jpeg. PNC has no requirement as to what type of files can be transmitted

3.2.4.1. f PNC Bank's primary technical support for our ActivePay application or data transmission is handled internally with dedicated PNC Bank resources. These resources are available Monday – Friday from 8:30 AM to 4:45 PM EST via the Product Client Service number. The State's technical support resource is John Vanhorn. John can be reached at 412-762-8762 from 8:30 AM to 5:00 PM EST

3.2.4.1.g Within ActivePay, users are provided drill-down to transaction level details. Integrated web presentment and report functionality provides easy access to underlying transactions.

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Graphical representations easily link to tabular presentations of individual transactions. Users can further access all data elements associated with a transaction – including those passed directly from the Visa network (including purchase and posting date, transaction reference number, amount, any level II or III level data), those added on a default basis (account code allocation based on company defined rules) and those entered directly into ActivePay (either logged pre-purchase through ACC or ACI pre-payment – including sales tax, transaction splits, or account coding). Specific vendor data is not hosted within ActivePay.

3.2.4.1 h PNC utilizes Visa's comprehensive merchant profile database for related tracking and reporting of 1099 and minority-owned vendor status at a merchant outlet level. Visa has created a large vendor profile database that captures basic information about every supplier that has accepted a Visa

Purchasing Card. Off-line, Visa collects and appends the information required to file 1099's and minority business reports from the suppliers directly via their Acquiring provider (bank) and third party resources such as Austin-Tetra, and D&B. This includes Tax ID#, Incorporation Status Code, Street Address, Sole Proprietor's Name, Minority Classification, and Women Owned Business Indicator. Visa provides this supplier information to PNC Bank and we in turn match a client's transaction data to this static supplier information. From this process, we are able to provide you with On-line reports via our web program management system.

**Visa has made significant progress with its Visa Merchant Profile Database (VMPD) quantity and accuracy. The VPMD is by far the best available solution in the card industry today.**

- The VMPD contains location and identification information on merchants that have previously accepted a Visa Purchasing or Corporate Card
- There are currently approximately 3.8 million records in the VPMD
- While a Visa Purchasing card may be used at any Visa-accepting merchant, the VPMD is not a comprehensive database of all Visa merchant locations. There are some merchants that accept Visa but are not in the VPMD (see above)
- The data is obtained and aggregated by Visa from merchants, Acquirers and third-party vendors (such as D&B, Austin-Tetra, etc.)
- Visa conducts significant data integrity checks on the front and back end to ensure accuracy and completeness of data. Any failing fields are rejected and returned to the Acquiring institution to correct and resubmit.
- Visa assesses fines for data not meeting integrity check standards.
- The VMPD was originally developed to satisfy IRS 1099 and DOD 1057 regulatory reporting requirements. Accordingly, the merchant data includes:
  - Merchant street address.
  - Federal taxpayer identification number.
  - Incorporation status.
  - Minority and Woman-owned business status.
  - Sole proprietor name
  - VMPD enables regulatory reporting and supplier diversity program requirements.
  - VMPD is recognized by the Federal Government as the most accurate and complete merchant database available and is currently in consideration for "Qualified Intermediary Status".

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- VMPD also indicates which merchants within the database are enabled to pass Level II + data

PNC Bank supports a web-based reporting module that provides both 1099 and socio-economic vendor information on-line. This reporting option is complimentary to the web based reporting received via the ActivePay application. Both summary and detail reports are available. Reports can be viewed on-line and downloaded in various standard formats such as Excel. Report parameters enable the State to extract the vendor information upon various classifications such as incorporation status or minority codes.

Visa tracks 1099 and minority-owned vendors and provides reporting at a merchant outlet level. Visa has created a large vendor merchant profile database (VMPD) that captures basic information about every supplier that has accepted a Visa Purchasing Card. Off-line, Visa collects and appends the information required to file 1099's and minority business reports via the suppliers Merchant Services provider (bank). This includes Tax ID#, Incorporation Status Code, Street Address, Sole Proprietor's Name, Minority Classification, and Women Owned Business Indicator. Visa provides this supplier information to PNC Bank and we in turn match the State's transaction data to this supplier information. From this process, we are able to provide the State with on-line reports via our web program management system.

Through our relationship with VISA, and their application for classification as a Qualified Payment Card Agent (QPCA), PNC is able to rely on Visa's ability to solicit, collect and validate supplier information needed for reporting. All required information from successful matching is reported through the 1099-reporting module PNC will provide to the State of West Virginia.

PNC confirms that the merchant payee data includes the MCC's as described in IRS Revenue procedure 2004-43.

3.2.4.1 i File contains corporate account totals, individual card account information, card account sub-totals, transaction level details (including Level II data) and file totals. This file can be provided on a daily, weekly or monthly basis.

3.2.4.1. j Visa provides complete file and data backup and restoration services for PNC's ActivePay web-based reporting package. Visa supports an archive of the complete customer database for the life of the program.

PNC Bank and TSYS provide backup files and data recreation services for all flat file transmissions. Both PNC Bank and TSYS archive customer raw data for a period of seven (7) years.

3.2.4.1.k PNC has the ability as well as the experience to interface with nearly all ERP systems. In fact, we have yet to work with an ERP tool that we could not successfully integrate. This includes, but is not limited to, such systems as People Soft, Oracle, JD Edwards, SAP, Lawson, Peachtree, and Great Plains to name a few.

#### 3.2.4.2 Management and Control Reporting Information

### Report Functionality

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ActivePay's reporting tool is contains a list of standard reports as well as ad hoc reports functionality. The reporting tool is broken down between multiple folders and Report Wizard, the ad hoc report tool. Access to folders is based on permissions.

When a user creates an ad hoc report there is an option to save this report in any folder that the user has access to by permission. All of the folders allow for the creation of subfolders for ease of organization. For example in My Reports a user may create a subfolder titled Cardholders where they would save all of their cardholder reports.

Scheduled reports may be selected to be sent via email or to be downloaded. In the case of a downloaded report the user receives an email notification that the report is ready for viewing on the website. The following is a further description of the custom report folders in ActivePay's report management tool:

### **My Reports**

This module is where users may store personal reports or reports related to their scope of responsibility. The reports stored here are only visible to the user that created/saved them to this folder. It may be helpful to think of this area as the C drive in a personal computer. It is a personal folder. Users may also access Report Wizard directly from this module.

### **Company Reports**

Custom Company Reports are created by the client for company use and are saved to this folder. When authorized cardholders execute a Company Report only transactions for cards within their scope of responsibility are available for view.

### **Standard Reports**

Standard Reports are a suite of folders containing reports that are standard for all PNC clients using ActivePay. All users will have access to these reports; with the exception of output format they are not available for edit. When authorized cardholders execute a Standard Report only transactions for within their scope of responsibility are available for view.

### **Report Wizard – customized reports (ad hoc reporting)**

ActivePay provides a user-friendly interface to create your own (ad hoc) reports. There are over 800 reportable items that come across the data exchange file. With six steps a user can create a one-time report or they can choose to save the report to run when needed.

Adhoc or custom company reports can be saved in a company folder for access by all authorized users. Since the user is sharing the report as a template, the subsequent user running the report will only view transactions for within their scope of responsibility.

### **Report Formats**

With ActivePay the user is able to export data to Excel, Comma delimited, Tab delimited and Fixed Length formats. The flexibility of ActivePay's reporting tool will permit the user to customize columns and the layout of the reports to best suit their needs.

### **Report Scheduling**

To schedule reports, users simply select the report type and choose the time frame desired, frequency, and report formats. Once completed, simply select the Schedule Report button and the report will be automatically generated and delivered as requested.

The scheduled report can also be delivered to another user. To do so, during the above steps, the email address(s) of the intended recipient(s) would be entered along with the encryption password. If no email is entered it will default to the user's email address

### **Reporting Frequency**

Since ActivePay is a real-time web-based application, the user can run reports 24 hours a day and 7 days a week.

For ease of access, ActivePay has provided the user the ability to store frequently run reports or their customized reports in their "My Reports" folder. The reports stored here are only visible to the user that saved them.

### **Transaction Level Detail (including Level II/III data capture):**

PNC realizes the importance of enhanced transaction data to support your card program's reconciliation, accounting and vendor negotiation processes. Enhanced transaction data is captured at a transaction level and is completely dependent upon the merchant's point-of-sale capabilities. In today's VISA processing environment, merchants are set-up to capture either: Level I, II, or III transaction data. ActivePay will receive and present all data and transaction levels past through the Visa network. The differences in processing levels are as follows:

#### **Level I**

- Transaction Date
- Merchant Name
- Merchant City/State
- Card/Account Number
- Total Dollar Amount
- Merchant Category Code
- Vendor Information

#### **Level II (in addition to level I)**

- Sales Tax
- Customer Reference ID (CRI)

#### **Level III (in addition to level I and level II)**

- Freight Amount
- Product Description
- Order #
- Commodity Code
- Unit Cost
- Unit Tax
- Ship-to Zip Code

### **1099 and Minority, Women and Small Business (MOWBE) Reporting**

PNC utilizes Visa's comprehensive merchant profile database for related tracking and reporting of 1099 and minority-owned vendor status at the merchant level. Visa has created a large vendor profile database that captures basic information about every supplier that has accepted a Visa purchasing card. Off-line, Visa collects and appends the information required to file 1099's and minority business reports from the suppliers directly via their Acquiring provider (bank) and third party resources such as Austin-Tetra, and D&B. This

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includes Tax ID#, Incorporation Status Code, Street Address, Sole Proprietor's Name, Minority Classification, and Women Owned Business Indicator. Visa provides this supplier information to PNC and PNC in turn match a client's transaction data to this static supplier information. From this process, PNC is able to provide customers with multiple on-line standard and ad hoc reports.

Through ad hoc reporting the authorized user can access and report on transactions pin pointing minority status and 1099 status.

### **Sales/Use Tax Reporting**

PNC's web reporting system provides for both standard sales tax reports as well as use tax estimation capabilities. The standard sales tax reports can be generated at both a summary or detail level and provides sales tax information captured electronically and reported by vendors. These reports are sorted by State and Zip Code for jurisdiction purposes. In addition an on-line use tax estimation module is available to evaluate transactions for their use tax liability. This module enables you to define various tax jurisdictions and parameters to determine taxability. Parameters include instate vs. out-of-state analysis, tax exempt cardholders and or vendors, nexus vendors, and manual line item updates. All this information is used to generate use tax estimation reports by defined jurisdictions to assist your Accounts Payable staff with their accruals.

### **Travel related items, such as airlines and hotels**

ActivePay will report/display travel related items such as airline, hotel and rental car type line item detail. This information is passed through the Visa network in what's commonly referred to as level II and level III data. This data will be displayed in ActivePay as long as this data is provided by the merchant processor.

Examples of the line item detail that may be provided by the processor in travel related transactions include:

- o Travel type transactions: viewers will see information such as passenger name,
- o Origination and destination cities, legs of travel, dates of travel and class of travel.
- o Lodging: viewers will see such information as hotel name, number of nights, and other info such as check in and check out dates.
- o Rental car: users will see such information as renter name, date of rental, cities of rental and return and rental agreement.

### **Running reports based on the organizational structure**

Reports can be run to meet the hierarchical needs of your organization. All transaction and card reports can be run at the card level or to any hierarchy that's desired, up to the overall company level. You will be able to set up ActivePay with the detailed hierarchy structure to accurately reflect your organization.

Based on a user's authorization and permissions within your organization, they will be given the ability to view these hierarchical reports, if the data is within their scope of responsibility. Reports can be viewed online, printed, saved to media, downloaded or scheduled to run at a later date from ActivePay.

#### **3.2.4.3 Accounting Structure Requirements**

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PNC has worked with many organizations to successfully integrate their card data into respective ERP or other accounting systems – including Oracle, SAP, Peoplesoft and J.D. Edwards. In fact, PNC has never encountered an ERP or legacy financial system we have not been able to successfully integrate into. PNC not only has experience mapping data into the financial components of these applications, but also the Accounts Payable, Procurement and Expense Management modules as well. The flexibility of PNC's data mapping tools makes the types of ERP or legacy systems our customers use immaterial

PNC will work to customize file formats in order to meet the State's interface requirements. This effort is part of the standard PNC implementation process

#### 3.2.4.4 Additional Items

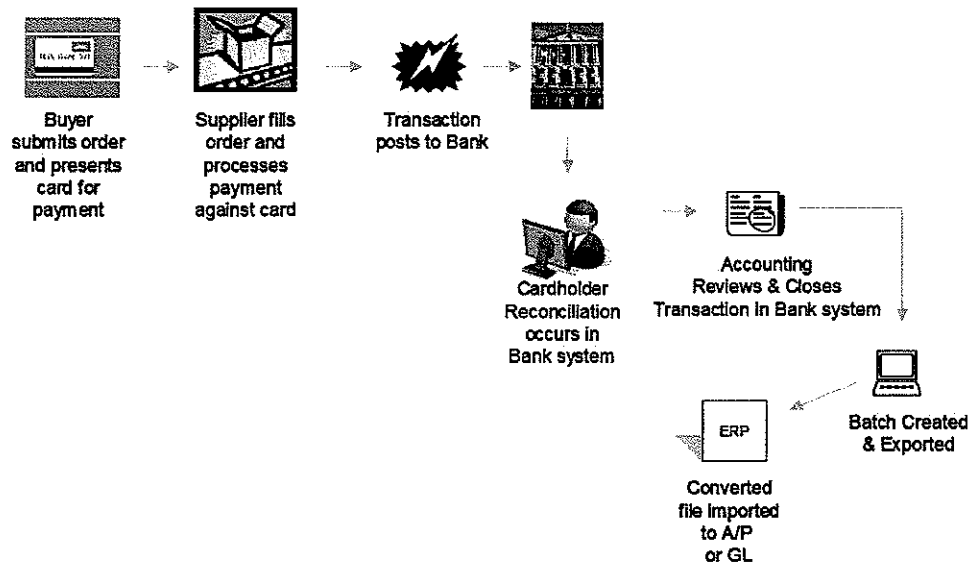
##### 3.2.4.4 a. ActivePay

3.2.4.4.b. The ActivePay portal is developed and hosted by AOC Solutions of Chantilly, VA. All technical and customer support is coordinated through the designated PNC Account Manager. PNC maintains formal service level agreements with AOC Solutions. As with all critical vendors, AOC is required to provide annual SAS 70 reporting around the ActivePay application's control environment and operational effectiveness. ActivePay was designed to support all program reconciliation, administration and reporting activities.

ActivePay provides secure Internet access through its use of 128-bit Secure Socket Layer encryption. Every user session is encrypted using SSL technology. This eliminates the risk of data being intercepted and compromised during access. Expiration dates and full card account numbers are also masked by the system. The State can define and control user entitlements for program functionality and data access. Users are assigned access to actual data by their reporting units. A User ID and password are assigned to each user and authenticated during login. Password expirations, reset rules and inactivity logout rules can be company defined. ActivePay is fully PCI-DSS compliant.

Primary application requirements are limited to internet access and standard browser software (Microsoft Internet Explorer Version 6.0 or higher or Mozilla/Firefox is preferred). In addition, your browser must be capable of Secure Socket Layer (128-bit encryption) and have JavaScript enabled

***Reconciliation (Please see diagram below)***



Cardholder validation and account coding can be facilitated through ActivePay. Cardholders can review, edit and sign-off on transaction information. ActivePay is updated nightly to reflect all posted transactions. Each card account can be assigned a default accounting (general ledger and or cost center) code that can be presented through the portal. This code is typically used to house the “cost center” or department identifier portion of your accounting string. Additionally, many of our clients utilize some default mapping criteria to provide a more accurate and detailed transaction allocation. These mapping criteria can be customized into default scenarios that your organization can utilize to classify expenses correctly. PNC’s web based reporting service has automated mapping capabilities built into the respective application - making development of this methodology turnkey for your organization. Primary default mapping options include assignment by: MCC Code, Supplier Name, Customer Reference ID (16 character field available if merchant has a Level II terminal), Card Account, and Hierarchy Unit. PNC Bank will work with The State to automate the accounting process in the most efficient manner. Our experience in this area will ensure that a solution will be put in place that meets your level of accounting detail requirements while still maximizing process efficiencies. ActivePay can validate the input of accounting code values on-line at either an organization or cardholder level ensuring accuracy of re-allocations. User presented allocation options can be customized, ensuring that only appropriate accounting selections and combinations are entered. **Transactions can be split, and allocated, to an unlimited number of individual line items.** Level II and III information will be passed and presented through the user interface. A reconciliation workflow can be defined to route transaction information to either managers or accounting for review and approval.



### **Administration**

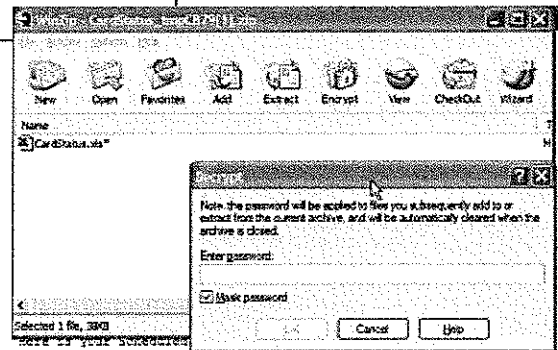
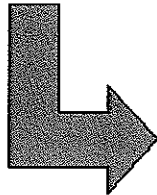
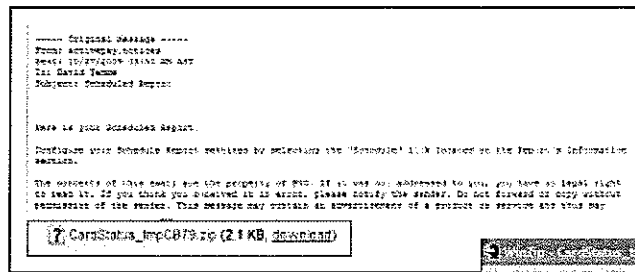
ActivePay provides complete online functionality for card administration. This system provides your program administrators the ability to search (view) and modify (update) existing card account information on a real-time basis. The system also supports the ability to create new card accounts and submit for nightly batch generation. Specific system functionality includes:

- Update capabilities for all general account information including names, addresses, and accounting information
- Update capabilities for most account authorization parameters including credit limit, cash %, daily, monthly and single transaction limits
- Change existing Merchant Category Code Groups tied to a card account
- Change existing report hierarchy nodes tied to a card account
- Request, suspend and terminate cards
- Change related hierarchy and control parameters
- Audit logging and reporting of changes
- Self-service maintenance and PNC assisted bulk changes

New card requests and activation is automated within ActivePay – with such actions initiated by designated Program Administrators. In addition, a batch new account feed can be transmitted to PNC on a daily basis for automatic loading to the ActivePay system for new Purchasing card issuance. This file can be the output of an internal card application and enrollment workflow developed by your organization. PNC has worked with several clients to develop this type of electronic new account process. Clients have used different internal platforms including e-mail databases, mainframe systems, and corporate Intranets.

### **Reporting**

PNC's card services platform (ActivePay) contains a roster of standard reports as well as ad hoc report writing functionality. The reporting tool is arrayed across multiple folders (user created, company created and PNC created templates) and the Report Wizard - an ad hoc report tool. Access is limited by organizational and role assignments. With ActivePay the user is able to export data to Excel, Comma delimited, Tab delimited and Fixed Length formats. 24 months of data is archived and available. As with other components, ActivePay's reporting module is available on a 24/7 basis. Reports can be accessed on demand or scheduled for future generation/automated email delivery.



ActivePay's report wizard provides a user-friendly interface to create your own ad hoc reports. There are over 800 reportable items that are potentially associated with a given transaction. With six steps a user can create a one-time report or they can choose to save the report to run when needed - selecting and formatting the desired data elements. Reporting horizons are user configurable - with options ranging up to the portal's 24 month archival period. In addition to standard or customized reporting, users can also perform transaction queries from within the portal

ActivePay provides secure Internet access through its use of 128-bit Secure Socket Layer encryption. Every user session is encrypted using SSL technology. This eliminates the risk of data being intercepted and compromised during access. Expiration dates and full card account numbers are also masked by the system. The State can define and control user entitlements for program functionality and data access. Users are assigned access to actual data by their reporting units. A User ID and password are assigned to each user and authenticated during login. Passwords expirations, reset rules and inactivity logout rules can be company defined. ActivePay is fully PCI-DSS compliant.

3.2.4.4. c. PNC Bank and the State will schedule workshops to address Program Administrator training. The training should include:

- Overview of the Card: what it is, how does it work and why it is important to management and employees
- Identify project team member roles
- Discuss key manager decisions
- Identify criteria for setting cardholder limits
- Explain the PNC Bank/Visa Cardholder Implementation Form
- Reporting Platform Overview
- Review "next steps" for the administrators

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- Specific administrator level training topics include:
  - How to access the system
  - How to navigate through the system
  - How to establish additional operators
  - How to modify operator profile settings
  - How to designate operator roles
  - How to designate account or reporting unit access for operator
  - How to modify profile settings
  - How to modify account profile settings
  - How to establish cost allocation rules
  - How to establish cost allocation workflow
  - How to establish statement reconciliation workflow
  - How to add/modify reference tables
  - How to establish cost allocation restrictions
  - How to establish cost allocation defaults (mapping)
  - How to create custom GL, ad hoc, and expense report export templates
  - How to create export filters
  - How to create an export file
  - How to modify transaction data
  - How to access corporate statement information
  - How to generate both on-line and download management reports
  - How to establish recurring reports and recipients

Additional training can be facilitated as needed. Additional training needs can also be met through attendance at our user group events.

3.2.4.4.d. In addition to the self-service functionality offered through the ActivePay module, program administrators can access the dedicated Account Services Representative and Account Manager at 1-888-762-6011. These representatives are available to assist you during the hours of 8:00 AM – 5:30 PM EST Monday through Friday. PNC Bank has upgraded our after hours service support for administrators. Administrators can now contact our 24 x 7 x 365 cardholder hotline for emergency inquiries and support requests. A dedicated group of operators have been trained to authenticate your program administrator in the event that an emergency change to a card account is required. This includes both card and per transaction spending limit increases. Additionally, this group is backed up by your Account Manager, who is available via pager to assist with customer specific program information and guidance.

### 3.2.5 Transition/Implementation

#### 3.2.5.a.b.c

##### Overview and Methodology

PNC follows a standard project management discipline in the delivery of our Card solutions. It consists of four key phases – **Initiation, Planning, Execution and Closeout** (refer to shaded areas in diagram below). Each phase consists of specific processes that need to be completed before moving on to the next phase. As with any project, some processes are optional depending on the scale and complexity of your service (e.g., not all projects will require a Kickoff Meeting or credit underwriting approval). In addition, not all processes occur sequentially, some will occur concurrently.

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Service and attention to our client's needs throughout the implementation process is a key point of differentiation for PNC. Unlike most commercial card providers, PNC customizes a program to the needs and requirements of our individual clients. The advantage to this approach is that we will assign a dedicated Account Manager who will be a key member of the Project Team created to design and implement your Procurement card program. Your dedicated Account Manager, who has learned your operations and procedures during the implementation, remains with your account for the life of the program. Our approach also accomplishes the following:

- Enhances the service level through our knowledge base and experience with your card program.
- Fosters a partnership approach anchored in accountability and consultative relationship management.
- Provides your Program Administrator and Site Coordinators with a familiar and consistent point of contact.

Once the contract is completed, your dedicated Account Manager will arrange a high level meeting with all the key personnel that will be used as the official kick off of the implementation/conversion process. There will be a discovery meeting where the PNC implementation team will be introduced, along with various key personnel from the State. Your transition team will then address the overall plan to convert and/or implement your card program.

#### **Key Input and Participation**

The final project plan and implementation questionnaire will fully delineate all information and support required. Generally, the following areas of input would be required in order to complete implementation and execution:

- Financial statement and other information required to complete PNC's credit underwriting process
- Identification of assigned project team members and system administrators
- Definition of operating requirements
- Definition of file integration specifications/formats
- Cardholder profile data – primarily name and address information, along with social security or other reference field to be used for card activation purposes
- Definition of organizational hierarchy
- Assignment of purchasing controls/limits and desired approval/routing workflows
- Accounting information including complete general ledger/chart of accounts, account structure, default coding rules, and assignment of coding options by individual/profile

Your Implementation Team will assist you in designing the card programs and implementation processes based on industry best practices, your program guidelines and goals. Working together, we will look at your current program, explore improvement strategies and existing strategies that you feel will create opportunities for world-class performance of its card program.



Implementation  
Plan.xls

The PNC Implementation Team will work with the State to jointly develop training requirements. The utilization of our training services is provided at no additional cost. We will provide training as an on-going service that can be utilized at any point in program development. The bank's training is structured for presentation in two different phases – one for administrators and one for cardholders.

### ***Program Administrator Training***

PNC Bank and the State will schedule workshops to address Program Administrator training. The training should include:

- Overview of the Card: what it is, how does it work and why it is important to management and employees of the State
- Identify project team member roles
- Discuss key manager decisions
- Identify criteria for setting cardholder limits
- Explain the PNC Bank/VISA Cardholder Implementation Form
- Reporting Platform Overview
- Review “next steps” for the administrators
- Specific administrator level training topics include:
  - How to access the system
  - How to navigate through the system
  - How to establish additional operators
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  - How to designate account or reporting unit access for operator
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  - How to modify account profile settings
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  - How to add/modify reference tables
  - How to establish cost allocation restrictions
  - How to establish cost allocation defaults (mapping)
  - How to create custom GL, ad hoc, and expense report export templates
  - How to create export filters
  - How to create an export file
  - How to preview an export file
  - How to modify transaction data
  - How to access corporate statement information
  - How to generate both on-line and download management reports
  - How to establish recurring reports and recipients

## ***Cardholder Training***

As part of the initial training, the State's program administrators will receive user guides and other training material, provided in soft-copy. In addition to these materials, within ActivePay there is extensive on-line help. The State has been assigned an account manager, a dedicated service representative, and a technical specialist. All of these individuals are specifically assigned to the State to assist with all aspects of its card program. On-site training, dedicated technical training, and all instruction is completed and led by these individuals.

PNC Bank will hold cardholder and manager-training workshops as requested and outlined by the State. These sessions typically take an hour and a half and cover topics in the following categories:

- Background of PNC Bank Card Program
- Overview of the Card
- What are the key functions of the card
- What are the key benefits of the card
- Where is the card accepted
- What are allowable card expenses
- Proper use of the card based on program parameters set by the State
- How to reconcile month-end activity statement
- How to dispute a transaction
- Who do I contact for what

3.2.5.d Please see Section 3.2.2.1

### **3.2.5.e.f. Account Manager – Matthew Keeney**

Education: Bachelor of Science in Marketing, The Pennsylvania State University, University Park PA

Experience: Joined PNC Commercial Card Service group in 2004. Extensive client service, and project management experience implementing web-based technology solutions and custom file interfaces. In his current role, he is responsible for implementation, conversion, expansion and client relationships for an extensive portfolio of procurement A/P (ghost cards) and travel and entertainment programs

Address: PNC 500 First Avenue, Pittsburgh, PA 15219

Phone: 412-768-5795

Fax: 412-705-0759

Email: [matthew.keeney@pnc.com](mailto:matthew.keeney@pnc.com)

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## **Account Service Representative – Sandra Reid**

Experience: Sandra has worked at PNC since 1997. Sandra joined the PNC Commercial Card Service Group in 2005 from the National Financial Service Center and brought with her an extensive background in customer service support and relations. In 2007, she was promoted to a Senior Account Service Representative position. She earned this recognition through her teamwork and dedication to our clients. She now manages a portfolio of Commercial Card clients including some of our more complex accounts. Sandra continues to assist our clients with their day-to-day support activities.

3.2 5.g h The following is an overview of the program transition considerations for the State of West Virginia. While the resource commitment required for program transition can vary from client to client, it is expected that the State will assign a dedicated Project Manager for coordinating all internal activities. In addition, key personnel from the following areas will be required:

- Information Technology
- Strategic Sourcing
- Accounts Payable

The State's Project Manager will need to dedicated 100% of their time on migration consideration throughout the implementation process. They will liaison with the State's resources from other departments for ensuring completion of assigned activity. The exact level of involvement for these secondary resources will be dependant upon the strategies deployed.

### ***Program Transition Considerations***

- General Considerations
  - Identify current program structures across participating agencies
  - Identify potential obstacles in the conversion and/or adoption of the new card program
  - Identify potential team members and resource requirements for the migration process and on-going support of the program
  - Determine timing for transition of accounts
  - Communicate goals and time frames of the program conversion to Sr. and Exec sponsors
  - The State may need to review polices about the card programs
- Program Design
  - Determine strategy for converting accounts to new program:
    - Cardholder conversion
    - Agency conversion
  - Discussion of Roles and Responsibilities for the State and Agency Coordinators
  - Discussion of program maintenance and administration
  - Determine billing cycle
  - Determine payment method
  - Completion of required implementation forms as needed
  - Discussion of hierarchy structure and completion of the hierarchy document (if applicable) for new technologies

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- Policies and Procedures - Possible updates and changes to policies and procedures that are in place for current program
- Complete new employee usage agreement form for all participating cardholders/ necessary changes to this form
- Determine internal communication strategy to agencies and cardholders for new program usage
- Validate Program Design
  - Identity time frames for completing the conversion process
  - Creation of User Guides for cardholders
  - Review program structure and design:
    - Pilot Group: Set up Corporate Account on TSYS
    - Pilot Group: Set up Corporate Account on TSYS
    - Pilot Group: Create hierarchy
    - Pilot Group: Validation of TSYS Configuration
    - Pilot Group: Corporate Account set up QA
    - Remaining accounts: Set up Corporate Account on TSYS
    - Remaining accounts: Create hierarchy
    - Remaining accounts: Validation of TSYS Configuration
    - Remaining accounts: Corporate Account set up QA
- Individual Account Design
  - Determine what card plastic design will be used
  - Cardholder reporting options (cardholder statements)
  - Review types of authorized purchases
  - Review strategy for cardholder limits; Single transaction limits, daily amount limits, number of transactions, and cycle limits
  - Review strategy for transaction limits and velocities
  - Review Merchant Category Code (MCC) inclusion/exclusion
  - Submit custom Merchant Category Code Groups
  - Identify the need for ghost accounts
  - Validate individual account design
- Pilot Group: Process cards from applications into TSYS for card creation
- Process remaining cards from applications into TSYS for card creation
- Communication of card delivery to cardholders
- Reissue cards (Lost/stolen and expired cards)
- Communication of policies and procedures
- Communication of card delivery for reissue cards /lost stolen reissue cards
- Pilot group - distribute cards to users
- Daily transaction file implementation
- Review daily transaction file layout
- MIS work set
  - Perform file format testing
  - Review transmission and encryption options
  - Determine transmission and encryption method
  - IT/Transmission work set
  - Perform transmission testing
  - State approval and signoff of MIS work set
- Turnover to Production
  - Reporting system design
  - Review reporting requirements
  - Review demo of technology platforms
  - Determine user profiles

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- Create training materials
  - Pilot Group - Schedule training
  - Remaining Users - Schedule training
  - Create and distribute User Ids and Passwords
  - Conduct training
- Finalizing Conversion Process
  - Discussion on status of the implementation including outstanding items
  - Pilot Group - Conduct training to Agency Coordinators
  - Create custom reports as needed
  - Socioeconomic Reporting Review
  - Payment review
  - Closing accounts with current provider
- Reviewing Program Conversion
  - Transition to Account Services Team
  - Evaluate results and performance quantitatively and qualitatively
  - Audit Compliance with Policies and Procedures

3.2.5.i. PNC Bank has a complete suite of Commercial Card product offerings that can meet a variety of unique operating requirements. PNC can leverage our existing product set to support dedicated card usage for fleet or other types of expenses incurred by the State. The establishment of dedicated cards per vehicle will enable the State to use the variety of card control available to restrict purchasing by MCC, amount or frequency. In addition, ActivePay has both T&E and Fleet related management reports that can capture all relevant T&E and Fleet enhanced data including air travel legs. Additionally spend analysis reports can be generated by particular groups of cards and Merchant Category Codes to segment transactions by either travel or fleet related expenses.

PNC also supports a Corporate Travel Card platform for T&E expenditures. This product has the same basic program functionality as the Purchasing Card platform but comes with several added features related specifically to travel services. These features include enhanced travel insurance and benefits for Executive cards.

PNC has developed a variety of value-added solutions to support travel related expenses including:

- Central Travel Account Reconciliation – PNC Bank, through our unique partnership with WorldSpan Travel Services, has developed a fully integrated e-travel solution from purchasing, payment, through reconciliation. This solution combines the power of WorldSpan's on-line travel booking solution TripManager® with PNC Bank's Purchasing card product. PNC Bank has developed a central travel "ghost" purchasing account product fully integrated behind the TripManager application for on-line payment of travel service vendors (including airlines). Post payment, PNC Bank has developed an interface with WorldSpan to automatically reconcile and distribute travel charges to their appropriate cost centers. The reconciliation process involves matching booked travel itineraries (tickets) to the central travel account payments (charges). An allocated GL file and exception reports are provided to customers.

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- Integration with expense management systems – PNC has the ability to pre-populate card transaction data into the web-based expense reporting

### 3.2.6. Training a),b),c),d)

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#### ***Program Administrator Training***

PNC Bank and the State will schedule workshops to address Program Administrator training. The training should include:

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### ***Cardholder Training***

PNC Bank will hold cardholder and manager-training workshops as requested and outlined by the State. These sessions typically take an hour and a half and cover topics in the following categories:

- Background of PNC Bank Card Program
- Overview of the Card
- What are the key functions of the card
- What are the key benefits of the card
- Where is the card accepted
- What are allowable card expenses
- Proper use of the card based on program parameters set by the State
- How to reconcile month-end activity statement
- How to dispute a transaction
- Who do I contact for what

### **3.2.7 Emergency Purchasing Card**

PNC's ActivePay solution provides a unique process for enabling purchasing cards for use in emergency situations. The State can maintain within its program, agencies, or hierarchical structure a pre-defined number of 'zero-dollar' cards that have no capability for routine usage. These cards can be designated for emergency use only and can be activated, as instances require. Utilizing the Active Card Control component of the ActivePay technology, the State can instantly add available credit to emergency cards on an individual basis. The State can then manage the use of these cards as circumstances dictate including identifying additional cards for activation, increasing available credit for a card or group of cards, or reducing the credit limit available on the cards to \$0. This functionality limits the State's financial exposure while unlocking usage for emergency situations or other critical transactions.

PNC can support the issuance (and maintenance) of new emergency cards in a variety of ways. Agency Coordinators (or appropriate contacts from the State) may contact any of the following individuals for issuance of emergency cards:

ActivePay – Can be utilized for emergency card issuance and ongoing maintenance of card controls or cardholder profiles. ActivePay is a web-based application available to the State's Agency Coordinators 24 hours per day, 7 days per week.

Matthew Keeney  
PNC Card Services – Implementation & Account Management  
412-768-5795 (ph)  
412-705-0759 (fax)  
[matthew.keeney@pnc.com](mailto:matthew.keeney@pnc.com)  
Monday through Friday 8:00 AM to 5:30 PM

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Sandra Reid  
PNC Card Services – Account Services Representative  
412-803-2588  
412-705-0759 (fax)  
[sandra.reid@pnc.com](mailto:sandra.reid@pnc.com)  
Monday through Friday 8:00 AM to 5:30 PM

### 3.2.8. Fraud Detection

The controls to assure that the card is used properly for business purposes should be heavily based on a relationship that the State has with its employees. That can be a contract that states that the card is only be used for business purposes. The contract can then be the binding agreement between both parties of the card's use. Furthermore, the cards can be completely controlled by the State based on Merchant Category Codes, velocity limits, spend limits, etc to name a few and are mentioned in the questions above.

Beyond the controls mentioned above, PNC Bank does provide proactive fraud monitoring through the analysis of suspect spending patterns. PNC Bank utilizes an intelligent neural network that risk rates the probability of fraudulent transactions based on a card's past spending history and PNC Bank determined fraud criteria queues. A Fair Isaac (FICO) empirical score is used to determine the risk rating. In the cases of suspect card activity, PNC Bank proactively contacts both the company administrator(s) and or employees to verify transactions. Cards are blocked immediately upon confirmation of fraudulent activity.

Following are samples of some of the criteria PNC uses in fraud monitoring strategies:

- Known test probe transactions used by criminals to determine if cards are active.
- FICO and VISA Advanced Authorization scoring engines used individually, in tandem, or in conjunction with other strategic criteria to score transactions based on prior card experience.
- Foreign activity.
- Magnetic stripe declines
- Card name mismatches.
- Transaction velocity.

Current and past fraud trends detected by PNC, other banks, and members (financial institutions, law enforcement and government agencies) of the International Association of Financial Crimes Investigators.

### 3.2.9 Disaster Recovery Plan

PNC utilizes a third party provider called TSYS as our card processing system including authorizations, posting, settlement, statements, and reporting. TSYS is the largest third party processor of commercial card transactions processing over 11 billion transactions a year. TSYS system availability and up time is over 99.9%. TSYS has a fully redundant backup processing host, with no single points of failure, which can be hot linked (switched) in the case of a major system failure. This hot link backup site is tested on a frequent basis to ensure availability. TSYS also has a formal disaster recovery plan in place that covers all aspects of their data processing environment. The disaster recovery plan is updated and tested on a quarterly basis to ensure all event scenarios are covered. In the case of a fatal data center issue, the plan calls for complete site restoration (conversion) and operability in 24 hours. PNC also has a formal disaster recovery and business contingency plan in place and contracts with a third party backup data center for disaster recovery purposes and data center restoration services. PNC's data centers are also fully redundant with no single points of failure. PNC and Total Systems consider these detailed plans as confidential and proprietary information. Both organizations would be willing to share the details related to this information after the State has made a formal commitment.

### 3.2.10 Liability

The Purchasing Card program PNC Bank is offering to the State of West Virginia is structured as a corporate bill, corporate payment, and corporate liability program. The State is contractually liable for all unauthorized and fraudulent use on a card up until you notify PNC Bank of the unauthorized use and the card is blocked. Typically for unauthorized use by a person other the actual cardholder, the transaction can be disputed and returned (charged back) to the merchant. For misuse by the actual cardholder (employees), The State can be relieved of this liability up to \$100,000 per card under the Visa Liability Waiver Program. This is an insurance policy PNC provides to protect against employee misuse. To qualify for the coverage the employee must be terminated. The coverage begins 75 days prior to termination notice and is extended to 14 days after notice if the State notifies PNC Bank to block the account within two business days. PNC Bank and Visa provide this coverage to the State at no additional cost

### 3.2.11 Organizational Experience, Size and Qualifications

3.2.11.a The PNC Financial Services Group (NYSE PNC) is one of the nation's largest financial services companies with assets of \$ 269.9 billion. PNC is a diversified financial institution, which includes a regional banking franchise operating primarily in 15 states and the District of Columbia, specialized financial businesses serving companies and government entities, leading asset management and fund processing businesses.

Employees	Approximately 56,000 in the U.S. and abroad
Customers	Approximately 5 million consumer and small business customers
Locations	Branches More than 2,500 in 15 states and the District of Columbia
ATM's	Approximately 6,500 machines
Headquarters	249 Fifth Avenue, One PNC Plaza, PA 15222

#### Financial Highlights:

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Assets	\$269.9B
Shareholder Equity	\$29.9B
Deposits	\$186.9B
Assets Under Mgmt.	\$103B

PNC has been offering Commercial Card services since 1995. We offer a full range of card services, including distributed procurement/travel card, ghost card, and Accounts Payable solutions. PNC is currently ranked as the 5<sup>th</sup> largest purchase card issuer by the Nilson Report. Our portfolio of clients is based upon a variety of market segments including public finance (i.e. higher education, healthcare and state / local govt.), manufacturing, retail / servicing, healthcare and financial services. We currently support over 2,200 client card programs with annualized transaction volume \$4.5 Billion and more than 240K cards issued.

3.2.11.b.1 PNC can support any combination of purchasing card, T/E card and One-card solutions. Our responses are applicable to all of these categories unless otherwise noted.

PNC has been offering Card Services since 1995, making us one of the pioneers in the industry. We have partnered with VISA – the recognized industry leader in card programs and overall vendor acceptance. PNC is the 5<sup>th</sup> largest VISA commercial card issuer, and continues to achieve the highest growth rate among VISA providers.

Purchasing Card fueled much of the growth during the early years of our program. PNC is currently the fifth largest provider of Purchasing Card services according to the Nilson Report. PNC launched our Corporate (T&E) Card product offering in late 1999, making us a full service provider of Commercial Cards.

Beginning in 2004, we led the introduction of card solutions for settlement from Accounts Payable. We have continued to our leadership in this space – reflective in significantly higher average transactions sizes and relative portfolio percentage of Accounts Payable spend vs. our competition.

PNC has maintained a leadership position in introducing card-based solutions into the Higher Education sector in particular to non-profit and public sector arenas. Some of our largest and most successful programs are leading colleges and universities.

3.2.11.b.2 Commonwealth of Pennsylvania  
 Ms. Michelle Rinaldi Kepp  
 Program Administrator  
 Forum Place  
 Harrisburg, Pennsylvania 17101  
 717-425-6749  
[mrinaldi@state.pa.us](mailto:mrinaldi@state.pa.us)

Commonwealth of Kentucky  
 Ms. Ramonda Kelly

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Program Administrator  
1049 US 127 South  
Frankford Kentucky 40601  
502-564-9641-Ext 460  
[Ramonda.kelly@ky.gov](mailto:Ramonda.kelly@ky.gov)

AAA National  
Bill Gerhard  
Director, Bank Products  
AAA National Headquarters  
407-444-7837  
[wgerhard@national.aaa.co](mailto:wgerhard@national.aaa.co)

3.2.11.b.3 The specific program metrics for each of the references provided is considered confidential information. When contacting the references provided, the State may obtain this information directly from the reference.

3.2.11.c.1 Our portfolio of clients is based upon a variety of market segments including public finance (i.e. higher education, healthcare and state / local govt.), manufacturing, retail / servicing, healthcare and financial services. We currently support over 2,200 client card programs with annualized transaction volume \$4.5 Billion and more than 240K cards issued

It is difficult to quantify the number of accounts using PNC for T/E card activities as a large number of our programs employ a variety of our card-based solutions. However, travel related charge volume reflects between 8 – 10% of PNC's overall annual charge volume.

PNC has been a pioneer in the use of cards in support of Accounts Payable settlement. Our portfolio continues to feature a larger percentage of card-based settlement activity, with associated average transaction sizes. In the past year, average transactions were as follows:

- Procurement/Accounts Payable: \$2,685
- Travel/Entertainment: \$482

3.2.11.c.2 PNC has a dedicated staff of implementation/account management, client service, operations, technical and cardholder support representatives. This staff works solely And on purchasing card services offered to PNC Bank clients

PNC Bank has identified seasoned representatives from our existing Card Service team in order to meet all the program needs for the State of West Virginia. These resources (Matthew Keeney and Sandra Reid) will work closely with designated Agency Coordinators to develop and design a program that is specifically tailored to meet the needs, goals and objectives of the State and participating agencies. Mr. Keeney will direct all PNC resources both during conversion and ongoing relationship management. This continuity becomes an important asset to help ensure the success of each card program.

Mr. Keeney has several years of experience working with establishing and supporting card programs across various company sizes and industry segments. The expertise gained from these implementations will enable him to act as a program consultant. This proactive consultative approach to the State's program will help maximize the cost and time saving benefits of this

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important reengineering initiative. Mr. Keeney will report to management through the Implementation and Account Management Team defined in the org chart below. In addition to Mr. Keeney, PNC currently has several other account managers dedicated to large Governmental and University programs.

PNC has a dedicated staff of implementation/account management, client service, operations, technical and cardholder support representatives. This staff works solely on purchasing card services offered to PNC Bank clients.

PNC Bank has identified seasoned representatives from our existing Card Service team in order to meet all the program needs for the State of West Virginia. These resources (Matthew Keeney and Sandra Reid) will work closely with designated Agency Coordinators to develop and design a program that is specifically tailored to meet the needs, goals and objectives of the State and participating agencies. Mr. Keeney will direct all PNC resources both during conversion and ongoing relationship management. This continuity becomes an important asset to help ensure the success of each card program.

Mr. Keeney has several years of experience working with establishing and supporting card programs across various company sizes and industry segments. The expertise gained from these implementations will enable him to act as a program consultant. This proactive consultative approach to the State's program will help maximize the cost and time saving benefits of this important reengineering initiative. Mr. Keeney will report to management through the Implementation and Account Management Team defined in the org chart below. In addition to Mr. Keeney, PNC currently has several other account managers dedicated to large Governmental and University programs.

PNC Card Organization Chart is provided in Section 5.1.1.

3.2.11.d The PNC Financial Reports are available on our website [www.PNC.com](http://www.PNC.com)

## **4.1 Legal Exception to RFP**

This Proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this Proposal, without PNC Bank's prior written approval.



## 4.1 Legal Exception to RFP

PNC Bank, National Association  
State of West Virginia  
Legal Exceptions to RFQ #AUD115000  
Purchasing Card Services

This Proposal is delivered by PNC Bank, National Association ("PNC") in response to the RFQ #AUD115000 issued by the State of West Virginia (the "State") for purchasing card services ("Services"). This Proposal is also delivered by PNC on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the State's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of **evaluating this Proposal, without PNC's prior written approval.**

This Proposal is not a contract, a commitment to lend, an offer to enter into a contract or an offer to lend and does not obligate either party to negotiate or enter into any contract in connection with the Services described in this Proposal. Any commitment to provide certain services may be subject to credit approval and any binding agreement to accept or provide the Services will be subject to the parties entering into a written agreement that will contain terms that are acceptable to the parties. PNC reserves the right to change, alter, eliminate or withdraw all or portions of this Proposal for the Services or to choose not to provide some or all of the Services. The State is responsible for all costs associated with its evaluation and due diligence efforts to review this Proposal

PNC would like to use its standard documentation for this transaction, which is included in the Proposal and is specifically tailored to deal with the specific Services that are the subject of the RFQ. PNC would further modify the standard documentation attached to this Proposal to include the relevant terms and conditions from the RFQ as negotiated by the parties. To the extent that the provisions of the RFQ are inconsistent with our standard documents, our standard documents will govern.

We call to your attention in particular to the following exceptions or sections, without limitation, of the RFQ requiring negotiation:

### **General Terms and Conditions**

Section 13 – We do not believe that the Service will include the processing of Protected Health Information under HIPAA.

### **Request for Quotation**

**Page 3, 2<sup>nd</sup> paragraph – Ordering Procedure** – As stated above, PNC would like to use its standard documentation for this transaction, which is included in the Proposal and is specifically tailored to deal with the specific Services that are the subject of the RFQ. PNC would further modify the standard documentation attached to this Proposal to include the relevant terms and conditions from the RFQ as negotiated by the parties. To the extent that the provisions of the RFQ are inconsistent with our standard documents, our standard documents will govern.

### **Part 1 - General Information, Terms and Conditions**

**Section 1.8.2. - Contract Terms and Conditions** – The Services will be subject to all of the agreed terms and conditions that are negotiated between parties following a contract award.

This Proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this Proposal, without PNC Bank's prior written approval.

**Section 1.19. – General Terms and Conditions** – PNC agrees to be bound by the terms and conditions contained in this RFQ to the extent set forth in our response and subject to any other agreement provisions negotiated by the parties post-award.

**Section 1.19.5. – Indemnification** – PNC will not agree to indemnify the State under the provisions of this section

**Section 1.19.6. - Contract Provisions** – PNC agrees to this Section with the clarification that the final contract will control to the extent of inconsistency between that and the provisions of the RFQ. Further, to the extent PNC has modified any of the terms of the RFQ in its response, its response shall have preference over the original RFQ. As referenced above, we are submitting our standard commercial card documentation, which includes the pertinent contractual requirements of a commercial card program

**Section 1.19.9. – Subcontractors/Joint Ventures** – PNC works with AOC Solutions, Inc. to provide its ActivePay solution and the State will enter into a license agreement with AOC as a part of the ActivePay enrollment process. The State's acceptance of our Proposal shall constitute its consent.

**Section 1.19.10. – Terms of Contract and Renewal** – If the State accepts PNC's proposal, PNC will seek internal credit approval for the requested line of credit for a one year period, which may, upon mutual consent and subsequent credit approval, be extended for four additional years. PNC agrees to provide a reasonable time to allow the state to transition to a new vendor if either the State or PNC elects not to renew, but PNC may terminate anytime thereafter by giving the State written notice. In accordance with PNC's standard form of agreement, either the State or PNC may terminate the agreement at any time for any reason upon 60 days' written notice.

**Section 1.19.16. – Record Retention (Access & Confidentiality)** – PNC will comply with the provisions of this section, except that PNC will not indemnify the State for any claims as requested under this section

### **Part III – Procurement Specifications and Deliverables**

**Section 3.2.3.2. – Lost/Stolen Cards and Account Closures** - If the State cooperates with PNC Bank in utilizing the Visa dispute resolution process within sixty (60) days of the date of the Cardholder Statement on which such unauthorized use appeared, the State will not be liable for fraud originating with the following transaction types

Telephonic or Internet transactions use of a Purchasing Card

In-person transactions in which the merchant or third party fails to imprint the Purchasing Card and fails to obtain a signature from the person presenting such Purchasing Card.

Unauthorized use that continues after PNC Bank is notified orally and in writing of unauthorized use and has had a reasonable time to act on such notice.

The State will not be liable for fraudulent use of any Purchasing Card, so long as any such fraudulent use has been reported to PNC Bank in writing no later than five days after the Statement Date disclosing any such fraudulent use. Finally, PNC suggests in no event shall maximum aggregate dollar amount of transactions permitted for any cardholder account exceed \$10,000.00 without the prior written consent (including consent via electronic correspondence) of PNC, such consent not to be unreasonably withheld

**Section 3.10.10. – Liability** – Liability issues related to the unauthorized use of purchasing cards, fraudulent use, or lost or stolen cards will be governed by Section 3.2.3.2 of this RFQ and our standard

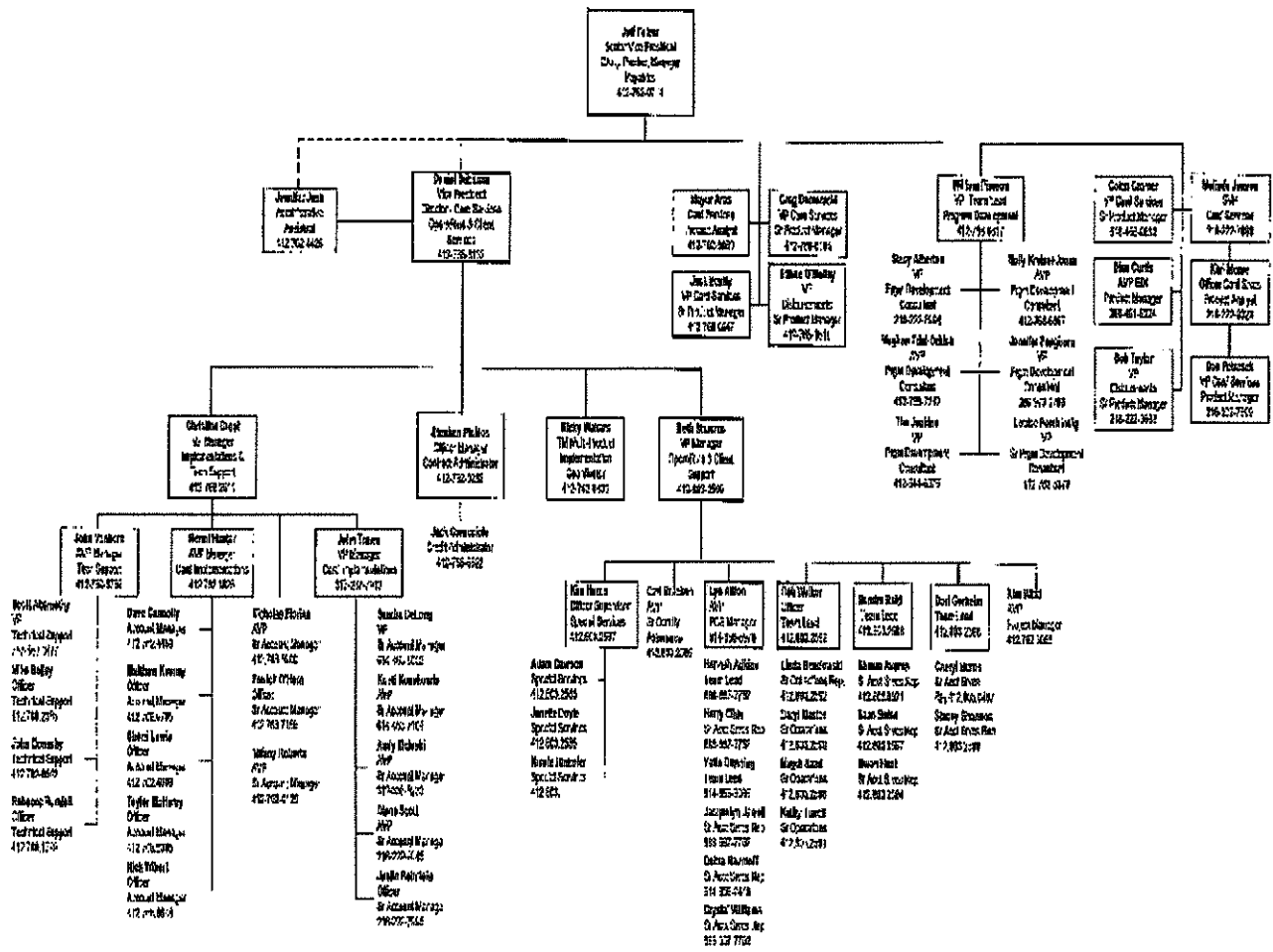
This Proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this Proposal, without PNC Bank's prior written approval.

agreement. Regarding valid transactions exceeding the single purchase card limit, the State understands that because of VISA rules and procedures, PNC may be unable to decline charges for purchases below a certain dollar amount or at certain establishments or in certain locations and in such cases the State will be responsible for these transactions notwithstanding the limitations.

**This Proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this Proposal, without PNC Bank's prior written approval.**

# 5.1 Proposal Exhibits

## 5.1.1 Card Organization Chart



June 2008

This Proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institution (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this Proposal, without PNC Bank's prior written approval.



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

**Request for  
 Quotation**

RFO NUMBER  
**AUD115000**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**RON PRICE  
 304-558-0492**

**RFO COPY**

VENDOR

GREGORY S DOMARACKI  
 SENIOR PRODUCT MANAGER COMM PAYMENT SERVICES  
 PNC BANK  
 PNC FIRSTSIDE CENTER  
 500 FIRST AVENUE  
 PITTSBURGH PA 15219

SHIP TO

STATE AUDITOR'S OFFICE  
 BUILDING 1, ROOM W100  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/13/2010				

BID OPENING DATE: **06/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001		EA		946-35		
CREDIT CARD, CHARGE CARD SERVICES  THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA STATE AUDITOR'S OFFICE, IS SOLICITING REQUESTS FOR PROPOSALS FROM QUALIFIED VENDORS TO PROVIDE PURCHASING CARD SERVICES FOR THE STATE OF WEST VIRGINIA, AND TO OFFER SAID SERVICES TO LOCAL MUNICIPALITY GOVERNMENTS, EDUCATIONAL INSTITUTIONS, AND OTHER ENTITIES THROUGHOUT THE STATE AT THEIR OPTION, PER THE FOLLOWING SPECIFICATIONS, BID REQUIREMENTS, TERMS & CONDITIONS, AND THE PROPOSAL INSTRUCTIONS AS NOTED HEREIN.  ***** VENDORS MAY SUBMIT QUESTIONS REGARDING THIS RFP TO THE BUYER, CHUCK BOWMAN, UNTIL 5:00 PM ON TUESDAY, JUNE 1, 2010. QUESTIONS MAY BE E-MAILED TO MR. BOWMAN AT CHARLES.A.BOWMAN@WV.GOV FAXED TO: 304.558.4115 OR MAILED TO HIS ATTENTION AT THE PURCHASING DIVISION ADDRESS PRINTED ABOVE.  ABSOLUTELY NO QUESTIONS WILL BE ACCEPTED AFTER THE THE CUT-OFF NOTED ABOVE OF 5:00 PM ON 06/01/2010. *****  EXHIBIT 3  LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF FIVE (5) YEARS OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFO, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and is hereby made part of the agreement. Provided that the Agency meets the definition of a Cover Entity (45 CFR §160 103) and will be disclosing Protected Health Information (45 CFR §160 103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
**AUD115000**

PAGE  
**2**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**RON PRICE**  
**304-558-0492**

VENDOR

RFQ COPY  
 TYPE NAME/ADDRESS HERE

SHIP TO

STATE AUDITOR'S OFFICE  
 BUILDING 1, ROOM W100  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/13/2010				

BID OPENING DATE: **06/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UQP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS.

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
**AUD115000**

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**3**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
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**304-558-0492**

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 1900 KANAWHA BOULEVARD, EAST  
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 25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
05/13/2010				

BID OPENING DATE: **06/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 05/26/2009</p> <p>EXHIBIT 9</p> <p>NOTICE FOR ISSUANCE &amp; ACKNOWLEDGEMENT OF REQUEST FOR PROPOSAL PROJECT ADDENDA FOLLOWING THE QUESTION AND ANSWER PERIOD AS SCHEDULED HEREIN.</p> <p>THE BUYER SHALL SEND THE ADDENDUM TO ALL INTERESTED AND, IF NECESSARY, EXTEND THE BID OPENING DATE. ANY ADDENDUM SHOULD BE DISTRIBUTED BY THE BUYER WITHIN</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'





State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
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# Request for Quotation

RFQ NUMBER:  
**AUD115000**

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**4**

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
**RON PRICE**  
**304-558-0492**

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SHIP TO

STATE AUDITOR'S OFFICE  
 BUILDING 1, ROOM W100  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B	FREIGHT TERMS
05/13/2010				

BID OPENING DATE: **06/24/2010** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>FOURTEEN (14) DAYS PRIOR TO THE BID OPENING DATE AND POSTED ON THE PURCHASING DIVISION BULLETIN WEBSITE.</p> <p>ALL ADDENDA SHOULD BE FORMALLY ACKNOWLEDGED BY ALL BIDDERS AND SUBMITTED TO THE STATE PURCHASING DIVISION. THE SAME RULES AND REGULATIONS THAT APPLY TO THE ORIGINAL BIDDING DOCUMENT SHALL ALSO APPLY TO AN ADDENDUM DOCUMENT. THE ONLY EXCEPTION MAY BE FOR AN ADDENDUM THAT IS ISSUED FOR THE SOLE PURPOSE OF CHANGING A BID OPENING TIME AND/OR DATE.</p> <p>REV. 11/96</p> <p>EXHIBIT 10</p> <p style="text-align: center;">REQUISITION NO.: AUD115000</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p> <p>NO. 1 ✓.....</p> <p>NO. 2 ✓.....</p> <p>NO. 3 ✓.....</p> <p>NO. 4 ✓.....</p> <p>NO. 5 ✓.....</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
AUD115000

PAGE
5

ADDRESS: CORRESPONDENCE TO ATTENTION OF
RDN PRICE 304-558-0492

RFQ COPY  
 TYPE NAME/ADDRESS HERE



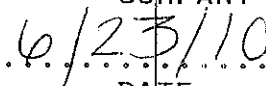
VENDOR

SHIP TO

STATE AUDITOR'S OFFICE  
 BUILDING 1, ROOM W100  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/13/2010				

BID OPENING DATE: 06/24/2010 BID OPENING TIME 01:30PM

LINE	QUANTITY	UQP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p style="text-align: center;">             .....            SIGNATURE                .....            COMPANY                .....            DATE         </p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>REV. 09/21/2009</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">           DEPARTMENT OF ADMINISTRATION            PURCHASING DIVISION            BUILDING 15            2019 WASHINGTON STREET, EAST            CHARLESTON, WV 25305-0130         </p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia  
Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER  
AUD115000

PAGE  
6

ADDRESS CORRESPONDENCE TO ATTENTION OF  
RON PRICE  
304-558-0492

RFQ COPY

TYPE NAME/ADDRESS HERE

STATE AUDITOR'S OFFICE

STATE AUDITOR'S OFFICE  
BUILDING 1, ROOM W100  
1900 KANAWHA BOULEVARD, EAST  
CHARLESTON, WV  
25305-0230 558-2251

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	RFQ TERMS
05/13/2010				

LINE	QUANTITY	UOP	CAF NO	ITEM NUMBER	UNIT PRICE	AMOUNT
THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:  SEALED BID  BUYER: BUYER 41 RFP. NO.: AUD115000 BID OPENING DATE: 06/24/2010 BID OPENING TIME: 1:30 PM  PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:  CONTACT PERSON (PLEASE PRINT CLEARLY): JUDITH A. GAINER 412.768.1044T 412.762.6264(FAX) judith.gainer@pnc.com  ***** THIS IS THE END OF RFQ AUD115000 ***** TOTAL:						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE	TELEPHONE	DATE
TITLE	FAX	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

RFQ No. \_\_\_\_\_

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

**DEFINITIONS:**

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: PNC Bank, National Association

Authorized Signature: [Signature] Date: 6/21/2010

State of Pennsylvania

County of Allegheny, to-wit:

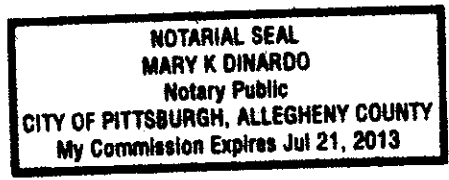
Taken, subscribed, and sworn to before me this 21 day of June, 2010

My Commission expires July 21, 2013, 20  

AFFIX SEAL HERE

NOTARY PUBLIC

[Signature: Mary K. Dinardo]



WOMAN BEAR  
MARY K. THORNTON  
MAY 19 1968  
DPT. OF INTERIOR, ALBUQUERQUE, N.M.  
My Commission Expires 05/15/78