



MasterCard Commercial Card Program Improves the Ease of Record Keeping

By creating a simple, transparent paper trail of financial transactions, the Commercial Card Program reduces the time salespeople and administrative personnel devote to organizing invoices.

Most sales personnel know slowing down means clearing a path for the competition. So it is easy to understand why devoting time to filling out paperwork and maintaining solid expense logs often takes a backseat to revenue-generating activities. As a result, receipts tend to pile up in briefcases — often giving way to a true accounting nightmare. After all, trying to create a desirable paper trail based on a handful of receipts is not a project anyone looks forward to.

Paving a Path

Fortunately, accounting and sales personnel can use the detailed billing provided through MasterCard's Commercial Card Program to help alleviate some of the pains associated with tracking daily sales expenses and proper allocation. With MasterCard's electronic tracking, trying to make sense of a sales department's hand-notated receipts, weekly schedules and written expense reports is a thing of the past.

Understanding how the detailed billing works is easy. Each time a cardholder makes a purchase, MasterCard captures the details of the transaction, and this information is then filtered down to the company. The firms have the benefit of customizing the information that is sent to them using the tools listed below.

Benefiting from Precoding

With personal credit card billing statements, it can be difficult to determine a merchant's product or service offering based strictly on their merchant identification. For instance "Store 15732 Tacoma, WA" might not be specific enough, especially if the sales professional's territory is limited to that specific city or region.

However, with detailed billing, all of the merchants are pre-coded according to the company's traditional offering. This allows MasterCard to appropriately designate the expense (fuel, office supply, etc.) on the monthly report. Plus, MasterCard provides cardholders with the opportunity to fine-tune this information to fit their individualized accounting needs.

Expense Monitoring

With the MasterCard Commercial Card Program, it is possible to limit cardholder purchases by selecting authorized merchant categories or in certain circumstances limiting spending to specific stores or service providers. For instance, with traveling sales teams, it might be appropriate to limit merchant categories to hotels, restaurants and gasoline service stations. Doing so helps in deterring cardholders from trying to make personal purchases at retail locations. Simply put, attempting to make an unapproved purchase results in credit card denial.

Although this is a powerful control, it is also important to thoroughly consider all of the potential approved expenses prior to eliminating any specific merchant categories from the approved list. For instance, would it be acceptable for the cardholder to send flowers or thank you gifts to clients on special occasions? If so, companies might add a single merchant for gifting purposes to its list.

Limiting Transactions

Many firms benefit from the ability to institute cardholder spending limits as well — on single purchases and monthly expenditures. Companies often base the single purchase limit on the average expenses incurred by people within the position and or territory. Transactions exceeding authorized limits are denied at the point of sale.

However, a May 2002 U.S. General Services Administration report revealed utilizing an assortment of monitoring tools effectively thwarts improper usage. When setting limits on each account, pay attention to regular transaction totals, the number of transactions per month, average monthly spending as well as the types of businesses each individual frequents as part of his or her position.

Information Integration

One of the biggest time-saving tools detailed reporting offers is the seamless integration of MasterCard reports into a host of commercially available accounting solutions. As a result, there is no need for error-prone manual re-entry. Instead, accounting personnel can review the information as reported, and then transfer it immediately into existing programs without using any special software programs.

Going Virtual

When companies want to go to the next level, MasterCard also offers an expanded online version, MasterCard Smart Data OnLine™ for expense tracking. Fully customizable, the Smart Data option provides whatever spending data a business needs. Everything is available from basic transaction details, including merchant name, cardholder name, amount and date of purchase, to invoice quality, and line-item detail.

When enrolling in Smart Data, it is possible to dig even deeper. For instance, online reporting not only shows when and how much money employees paid to stay in a hotel, but also where that hotel was located and what specific items they charged to their cards. Recognizable icons provide links to additional information based upon transaction categories such as transportation or lodging. Detailed transaction data is presented on easy-to-read screens that itemize information based on transaction type, such as travel dates, passenger names, dates of stay, room rates, restaurant charges, rental car makes and models, lengths of rental, fuel amounts as well as fuel brands.