



PROCUREMENT CARDS WITH CCS

At CCS, we're here to empower the public and third sectors to make the best buying decisions. Whatever you buy, it's important that the way you pay is quick, easy and cost-effective. Procurement cards, our business-to-business payment solution, offer a wide range of benefits to your organisation.

Here is our 3 step guide to everything you need to know about procurement cards. We'll explore what procurement cards are, why you'll benefit from using them and how to get started. Even if you've used procurement cards with us before, you can find out more ways to maximise their power.



**What are
they?**

**Why use
them?**

**How to get
started?**



WHAT ARE PROCUREMENT CARDS?

The range of procurement cards available to your organisation

Procurement cards are a business-to-business payment method where a customer's card payment account is linked to a supplier. Following the card purchase, a direct payment is sent from the customer's card provider to the supplier, which is then settled later between the customer and the card provider. You can use procurement cards to buy anything – from staplers to school buses... and everything in between.

They come in three variations:



PHYSICAL CARDS

Just like a normal bank card you'd use to buy goods or services.



VIRTUAL CARDS

Used for making typically ad hoc or one-off purchases online.



LODGED CARDS

Used where the card details are digitally placed into a customer's payment system to pay supplier invoices.

You can choose whatever card type suits you best – or even use all three.



WHY USE PROCUREMENT CARDS?

The 6 key benefits of purchasing with procurement cards

Procurement cards come with a wide range of benefits, especially for our customers who use them regularly throughout all areas of their business. Here are the 6 key benefits you can look forward to when using procurement cards through CCS.



**UNLIMITED
SCOPE**



**SAVING TIME
AND MONEY**



**COVID-19
CASH FLOW
SUPPORT**



**BETTER
RATES**



**MONITORING
AND
MANAGEMENT**



**CONTROL
AND
SECURITY**

Click on each section to find out more about how your organisation could benefit in these 6 key areas.





UNLIMITED SCOPE

Whatever your organisation needs can be purchased with procurement cards

- ✓ Procurement cards can be used for a huge range of purchases across all areas of your organisation.
- ✓ Payments can be made using contactless, web and phone and are quicker and more efficient than traditional payment methods such as BACS and Direct Debit.
- ✓ Cards can be lodged with your top spending suppliers, so purchases can be made without a physical card or entering card details.
- ✓ Already introduced procurement cards to your finance system? Then extending their usage, for more purchases, across other suppliers shouldn't require significant system integration.

Using procurement cards already? You could still be missing out.

Some organisations only use procurement cards for areas like travel and stationery and are missing out on the full potential savings from more regular and broader use.

The more you use procurement cards, the more you can tap into the wealth of benefits.

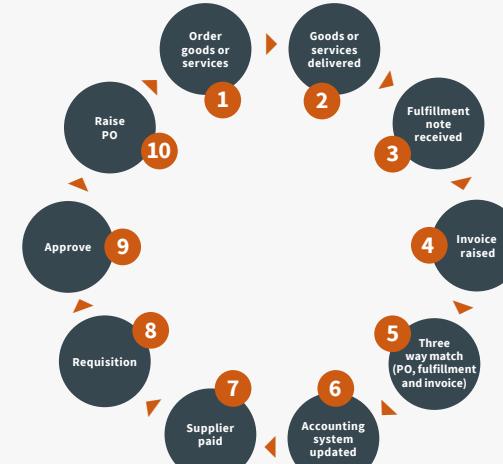


SAVING TIME AND MONEY

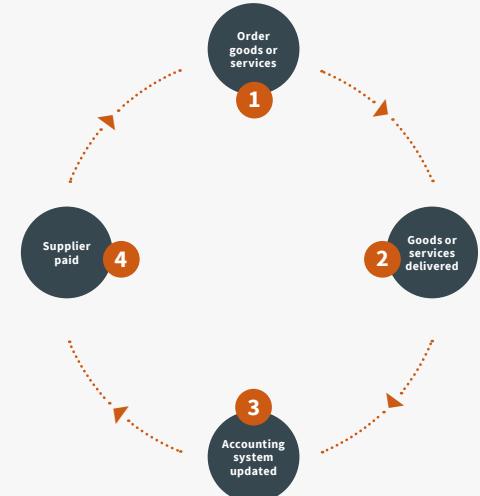
How procurement cards can help you save both time & money

Procurement cards streamline the buying process, making them the most efficient way for your organisation to pay for goods and services. Look at the difference in the purchasing lifecycle between traditional purchasing and buying using a procurement card.

Traditional purchasing 10 step process



Procurement card purchasing 4 step process





SAVING TIME AND MONEY

How procurement cards can help you save both time & money (continued)

- ✓ No need to raise POs or process invoices - some organisations have cut their invoicing by up to **45%** by moving to procurement cards.
- ✓ Automated reconciliation and reporting, reducing cost and error and freeing up resources.
- ✓ One monthly payment to your card provider on a date that suits your payment schedule, cutting financial admin considerably.
- ✓ Online statements, which can include full VAT line item transaction information, making it simple to adhere to HMRC guidelines.
- ✓ Save around **35%** in transaction costs or **£5** per transaction compared with traditional methods (2012 National Audit Office)

Ultimately, the more goods and services you buy using procurement cards, the more time and money you'll save. A powerful tool for any organisation.





COVID-19 CASH FLOW SUPPORT

How procurement cards help cash flow and our economy during COVID-19

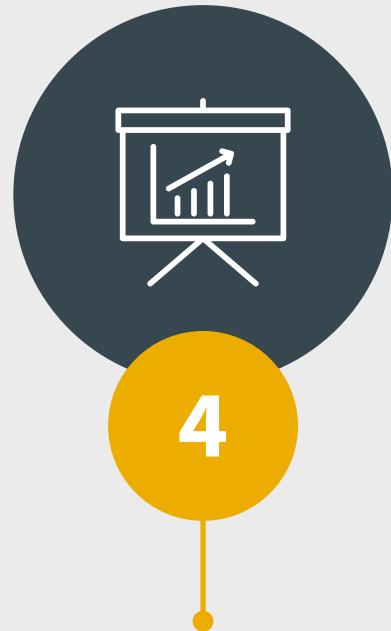
Procurement cards speed up payments to suppliers and improve cash flow, making them a critical tool for organisations during the pandemic. This is just one of the reasons why procurement cards are highly recommended by the UK government ([Procurement Policy Note 03/20](#)).

How your organisation can benefit

- ✓ Faster payment to suppliers is not at your expense – the cards work on a buy now, pay later basis.
- ✓ This can strengthen your supply chain and business resilience at this difficult time. Suppliers get paid within 4 days by the card provider, rather than the usual 30+ days.
- ✓ As payments are made ‘on credit’ by the card provider, you’ll continue to accrue interest on the funds in your account for up to 43 days until you settle your account with the card provider.
- ✓ Swift payment to suppliers can enhance working relations, which could lead to improved service, deeper collaboration and preferential pricing.

It's recommended that your organisation increase both its transaction limit and its monthly limits to optimise the usage of cards.





BETTER RATES

How paying suppliers with procurement cards can lead to better rates for your organisation

Swift payment can often generate impressive discounts from suppliers. Many are willing to offer lower prices in the form of prompt payment discounts.

PROMPT PAYMENT DISCOUNTS

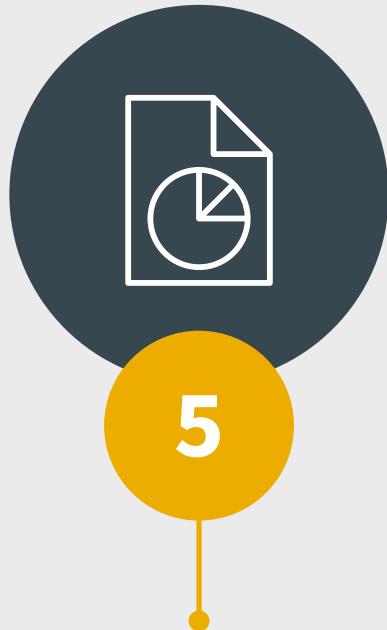
Industry insight indicates that, on average, suppliers were willing to offer a 3% discount for being paid just 15 days earlier than traditional 30-day payment terms. Discounts could be even higher given that suppliers will be paid within 4 days.

REBATE BENEFIT

You will receive an annual rebate from your card provider, which increases exponentially as you spend more on procurement cards.



Tripling annual spend from £500K to £1.5 million approximately quadruples the rebate.



MONITORING & MANAGEMENT INFORMATION

How procurement cards can give your organisation valuable insight on spending

- ✓ Monthly statements show all details of purchases made on the card during the statement period.
- ✓ View transactions awaiting statement online.
- ✓ Download statements and access reports to help your organisation compare supplier costs and monitor purchasing behaviours, supporting future contract negotiations.

Reporting options that give you greater insight

- ✓ Run standard reports or set up a suite of bespoke reports, depending on your requirements.
- ✓ Apply filters for analysis and download to excel, csv and xml formats.
- ✓ Schedule report frequency as required.



CONTROL & SECURITY

How procurement cards put you in control and help make purchasing safer

GREATER CONTROL

- ✓ Set and customise transaction limits for suppliers and merchant categories on the types of purchases that can be made.
- ✓ Set or amend spend limits on the cards for specific cardholders.
- ✓ Easily update your cardholder profiles, e.g. adding new starters or closing accounts.

MORE SECURITY

- ✓ Procurement cards are a safer way to make payments and can greatly reduce the risk of fraud.
- ✓ Employees can use lodged and virtual cards to buy directly from the supplier without having to supply card details for each purchase.
- ✓ All card providers on the [RM3828 Framework](#) are PCI DSS accredited (the worldwide Payment Card Industry Data Security Standard.)
- ✓ Conforms to regulatory controls surrounding the storage, transmission and processing of cardholder data.
- ✓ Transactions are updated daily and statements can be accessible for 3 years.

HOW TO USE PROCUREMENT CARDS

You now know that procurement cards are the most efficient way for your organisation to pay for goods and services. And, the more you use them, the more time and money you'll save and enjoy the higher rebates payable. So boost your buying power and start making the most of procurement cards in your organisation.

Already using procurement cards?

Remember you can use procurement cards for all purchases across any areas of your business.

- ✓ Think about all of your expenditure – including current, short- and long-term expenses and upcoming projects where payments are needed.
- ✓ Work with your Finance department and your card provider to integrate your payments into your existing procurement card programme.
- ✓ Talk to your suppliers – see if they accept cards and, if not, highlight they will be paid earlier and ask them to speak to their bank to enable card payments.

New to procurement cards?

Let's bring power to your procurement and get you started with procurement cards from CCS.

- ✓ If you don't currently use the CCS RM3828 framework agreement, follow the link below to find out more.
www.crowncommercial.gov.uk/agreements/RM3828
or email info@crowncommercial.gov.uk

