Preparedness During a Natural Disaster

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Session Objectives

▲ Hear the unique ways in which natural disasters impact emergency response activities.
▲ Learn how payment cards can provide a valuable lifeline in facilitating your emergency response tasks.
▲ Gain an awareness of JPMorgan Chase operational policies and procedures as it relates to emergency response type requests.
▲ Provide an opportunity to interact with a panel of peers who have identified payment cards as a tool that can be used during emergency response activities.
Agenda

Introduction of Panelists
Impact of Natural Disasters
Determining your Readiness
What Works, What Doesn’t
Review of JPMC Policies & Procedures
Panelists Presentations
Question & Answer
Panelists

Introduction of Panelists

▲ Comptroller of Public Accounts
  – Melissa Hernandez, State of Texas STPM Coordinator

▲ Department of State Health Services
  – Janet Messick, Travel Office and AP Support Branch Manager
  – Judy Mintier, Travel Team Lead

▲ Department of Public Safety
  – Carrie Whitbey, Travel Supervisor

▲ TX &M University
  – Debbie Phair, Director of Accounting Operations
Overview: Impact of Natural Disasters

▲ When a disaster occurs, prompt and efficient delivery of emergency benefits is essential to provide nutrition, cash and other assistance to families and individuals.¹

▲ It is incumbent upon local, state and federal governmental entities to help effectively distribute the emergency benefits that are available.

▲ Since 2005, and including Hurricanes Katrina and Rita, there have been 6 disasters — all weather related — that led to emergency declarations and an official state of emergency in Texas.

▲ Natural disasters have substantial economic, environmental, social and political effects, none of which begin to compare to the impact on human life.

¹ JP Morgan EBT Update Volume 2/Issue 2 December 2005
Impact of Natural Disasters

Hurricane Katrina was the costliest and one of the deadliest hurricanes in the history of the United States. Katrina was responsible for $81.2 billion in damage and nearly 2000 lives.

Federal disaster declarations covered 90,000 square miles of the United States, an area almost the size of the United Kingdom.

By four weeks after the storm, Katrina evacuees had been registered in all 50 states.
Natural Disaster/Emergency Planning

JPMC created a questionnaire to be used as a tool to assist you in assessing your treasury readiness in the event of a crisis. Some questions that you should consider and fully answer regarding your credit card account with JPMC are:

- Have you reviewed your account information and account structures, authorized signers, security administrators, user IDs and entitlements with each of your banks to ensure accuracy, and do you maintain this information on-site and off-site?

- Do you have contingency procedures in place to process payments in the event of a crisis?
Determining Your Readiness

Natural Disaster/Emergency Planning

▲ Some questions that you should consider and fully answer as it pertains to your credit card account with JPMC are:

– Have you formed an emergency management team and do you have a clear, predetermined chain of command in the event of an emergency?

– Have you provided your suppliers and other key business contacts with an emergency response contact telephone number if they cannot reach you during a crisis?

– Have you considered the potential financial and emotional response your employees might suffer to a major crisis and how that could impact their ability to function?
What Works

▲ Have emergency cards already issued where all it takes is a phone call to activate and raise the credit limit; or identify existing cardholders that will carry out emergency response duties.

▲ Provide back-up site and contact information so that JPMC can reach out to assist with your emergency response efforts, should your office be displaced.

▲ Establish a card reconciliation plan and understand how you will track your transactions back to the appropriate accounting information for reimbursement, insurance claim and payment purposes.
What Doesn’t Work

Common Pitfalls

▲ Should not expect to get cards quickly when a corporate account for your entity has not been established
  – It takes several days to establish a new commercial card account with JPMC but only a day to establish a new card account under an existing corporate account.
▲ Have a sense of where your cards are.
▲ Avoid having cards in a safe in one location if there is a need for cards in remote field offices.
▲ When calling to make limit changes, be clear on what you want done.
▲ Cardholders will want to use cards for transactions of a personal nature.
▲ PAY YOUR JPMC STATEMENT!
Policies to Know

Texas state government and JPMC policies to know when preparing for emergency response:

- All credit limit changes that exceed $500,000 require the approval of JPMC via your program coordinators
  - Entities can make corporate credit limit increases with approval of their relationship manager
  - Co-Ops require further financial analysis by a JPMC Banker before the corporate credit limit can be permanently increased. However, we can accommodate temporary increases.

- MCC group changes
  - For state agencies
    - P-Card – requires approval by Texas state government: Texas Procurement and Support Service (TPASS) at the Comptroller.
    - Travel – requires approval by the State.
Texas state government and JPMC policies to know when preparing for emergency response:

- MCC group changes
  - For universities
    - Pcard – requires NO approval by the State
    - Travel – requires approval by the State
  - For Co-Ops
    - Pcard – requires NO approval by the State
    - Travel – requires NO approval by State
Panelist Overviews
Comptroller of Public Accounts (Formerly TBPC)

▲ Travel CBA, CLIBA

▲ State Travel Management Program provides travel assistance during a state of emergency or natural disaster.

▲ During Hurricanes Katrina & Rita, accounts were established to assist with relocating displaced citizens.

▲ To more efficiently accomplish these tasks, we used our cards as:
  • Single payment method with National Travel Systems to charge airline fares, bus fares, and hotel invoices.
Comptroller of Public Accounts (Formerly TBPC)

We found the following to work when trying to use cards to support our emergency response efforts:

- Increase credit limits
- Single source payment method for 40,000+ transactions totaling $5.4 million in travel expenses

We found that the following did not work:

- CBA vs CLIBA
- Paper statements – custom report-reconciliation
- Merchants – Level III data

In the future, we will change our approach as follows:

- Develop an after-hours communication plan
- Plan/prepare a reconciliation process
Department of State Health Services

▲ Travel CBA – Travel Advance (DART) Card for Travel Advance Fund
▲ Issue 350 DART cards per month
▲ DSHS responds during a state of emergency or natural disaster by:
  • Issuing Travel Advance (DART) cards for staff who need to travel to conduct business on behalf of DSHS while responding.
▲ To more efficiently accomplish this task, we have used our cards to:
  • Replace cash with a Travel CBA Travel Advance (DART) card.
  • Manage the travel advance fund by tracking expenses made with the DSHS DART Card.
We found the following to work when trying to use cards to support our emergency response efforts:

- The DART Card is accepted at hotels, restaurants, gas stations
- Load DART card with an additional $150 for hotel incidentals that may be included in hotel charges

We found that the following did not work:

- We were unable to load DART cards over the weekend
- Swipe machines not working with power outages

We changed our approach as follows:

- Coordinated with JPMorgan Chase to ensure weekend staff was training on loading the DART cards on weekends.
Travel CBA, Travel Advance (DART), Procurement

Annual Volume - $12.2 MM

My entity responds by doing the following activities during a state of emergency or natural disaster:

- Coordinating all disaster responses
- Providing direction for local agencies
- Auditing and surveying damage
- Coordinating recovery programs

To more efficiently accomplish these tasks, we have used our cards as follows:

- The Travel Advance (DART) card has been a great asset, because our employees may be deployed to disaster areas for anywhere from weeks to months at a time and we can always make sure that they have the funds they need for their travel expenses.
The procurement cards are ideal to have on hand for emergency purchases of all other types as they are needed.

We found that the following did not work:

- In severe disasters such as a major hurricane, power and phone lines can be down for days to weeks which can render credit cards useless in this area.

In the future, we will change our approach as follows:

- Even thought we have gone to the DART program for all travel advances, we maintain an account for cash advances just in case.
Product – Procurement Card
Annual Volume - $27MM / 100,000 Transactions
My entity responds by doing the following activities during a state of emergency or natural disaster
  • A&M is a designated reception area for coastal evacuees
  • Facilitate, provide and coordinate shelter and mass care
  • Provide emergency services
  • Provide transportation
To more efficiently accomplish these tasks, we have used our cards as follows
  • Bus drivers carried a PCard as they picked up evacuees
  • PCards were used to make last minutes purchases
  • PCards are in our plan for our Qatar campus
We found the following to work when trying to use cards to support our emergency response efforts:

- Ability to increase limits quickly
- Ability to purchase for others – Tulane University
- Ability to track expenses

- We found that the following did not work
  - First time, not everyone who needed a card had a card

- In the future, we would like to change our approach as follows:
  - Limit use of emergency cards to designated staff to control spending
  - Need the ability to pull cash - Qatar
  - Pcards allow payments to be made from home so that is our preferred method of payment – Pandemic Plan
Other helpful JPMC Resources to assist with readiness

– Treasury Services Readiness Audit

– Treasury Readiness: Are You Prepared?

– Natural Disaster/Emergency Planning: 13 Supply Chain Tips to Better Weather the Storm

– JPMorgan Electronic Financial Services
Thanks for Coming!

• Questions?
Panelist Contact Information

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