

Coppin State University

PROCUREMENT CARD USER'S GUIDE



Coppin State University Procurement Card Program

KEY POINTS TO REMEMBER

1. To activate your new VISA Procurement Card, call the number indicated on the front of the card. **24-Hour Customer Service Number is 1-888-449-2273.** When you activate the card, if you are asked for your phone number it is 410-951-3792 (Procurement).
2. Sales Tax Exempt - remember to inform the vendor that the University is exempt from Maryland State taxes before completing your sale (refer to section 3.4). (Hint: Oftentimes the cashier just needs to key the tax exempt number from the card to have the point of sale system automatically eliminate the sales tax from the transaction).
3. Lost/stolen cards must be reported immediately to the Procurement Card Program Administrator (PCPA). If lost/stolen after normal business hours, contact Bank of America at 1-888-449-2273 and call the Program Administrator the next business day (refer to section 2.2).
4. **SPLITTING PURCHASES is strictly prohibited (refer to section 3.5.2).**
5. CSU policies and procedures prohibit cardholders from purchasing the following with the Procurement Card: computer/laptops, scanners, printers, fax machines, projectors, copiers (lease and purchase without following OIT guidelines), guns/ammunition, flowers, fuel, telephone cards, money/gift cards, dry cleaning, personal telephone calls, food (including non-catered meals), alcoholic beverages and amusement/entertainment. Please be mindful of the restrictions set by the State and by the University (refer to Section 3.6).
6. Hotels/Motels – cardholders can use the Procurement Card for lodging (rooms), parking, Internet access fees, occupancy and sales tax only (hotels in Maryland should not charge sales tax due to the Maryland sales tax exemption). Charging telephone calls, meals, etc. is prohibited. (Refer to section 3.6.3).
7. Dispute forms should be used when you disagree with a transaction on your statement, please complete and attach the dispute form to your log and Procurement will submit it to the bank (refer to section 8.0).
8. Activity/Transaction Log forms- must be submitted to Accounts Payable by the 15th of every month. The log form should be accompanied by the bank statement and all itemized receipts (charge receipts also if available). A description or name of the items and purpose for each transaction must be indicated on the log (refer to section 7.2).

9. The billing cycle for your new Procurement Card is the 26th of the current month to the 25th of the next month. Log forms for the preceding month are due on the 15th of each month to Ms. Tajina Williams, Accounts Payable Department. If the 15th falls on a weekend or holiday, the log form is due the next business day (refer to section 7.2).
10. Be mindful of reasons for automatic cancellation of the VISA Procurement Card (refer to section 7.2.1).
11. Use Minority and Small Business Vendors whenever possible. The listing of Minority Business Enterprise (MBE) vendors is at <http://www.mbe.md.state.md.us/directory/>
The Small Business directory is at <https://www.smallbusinessreserve.maryland.gov/>
12. If you have questions about the CSU Procurement Card Program, please contact the Procurement Card Program Administrator (PCPA): Thomas Dawson (3792).

TABLE OF CONTENTS

1.	OVERVIEW OF PROCUREMENT CARD PROGRAM	5
1.1	PURPOSE	5
1.2	PROCUREMENT CARD COMPANY: BANK OF AMERICA	5
1.3	PEOPLESOFT PROCUREMENT CARD:FINANCIAL MODULE.....	6
2.	WHERE TO GET HELP	6
2.1	CSU PROCUREMENT CARD PROGRAM	6
2.2	LOST AND/OR STOLEN CARDS	6
3.	CARDHOLDER POLICIES AND PROCEDURES.....	7
3.1	TRAINING	7
3.2	OBTAINING A PROCUREMENT CARD.....	7
3.3	KEEPING YOUR CARD SECURE	7
3.4	SALES TAX EXEMPTION	7
3.5	LIMITATIONS SPECIFIC TO THE PROCUREMENT CARD	8
3.5.1	TRANSACTION LIMITS	8
3.5.2	SPLITTING PURCHASES	8
3.6	RESTRICTIONS ON PROCUREMENT CARD USEAGE: MCC CODES.....	8
3.6.1	AIRLINE RESTRICTION	9
3.6.2	STATE RESTRICTIONS	9
3.6.3	UNIVERSITY RESTRICTIONS & REQUIREMENTS.....	10
3.7	RENEWAL	10
4.	CHANGING CARD LIMITS & UPDATING CARDHOLDER/ APPROVER	10
5.	MINORITY AND SMALL BUSINESS PARTICIPATION.....	11
6.	HOW TO USE THE PROCUREMENT CARD	11
6.1	MAKING PURCHASES	11
6.2	THIRD PARTY PAYMENT PROCESSORS	12
6.3	PURCHASES IN PERSON	12
6.4	PURCHASES BY TELEPHONE, FAX, OR MAIL	13
6.5	PURCHASES VIA THE WEB	13
6.6	RETURNS, DAMAGED GOODS, CREDITS.....	13
7.	GENERAL RECONCILIATION INSTRUCTIONS.....	14
7.1	PROCUREMENT CARD STATEMENT GENERATED BY BANK OF AMERICA.....	14
7.2	ACTIVITY/TRANSACTION LOG	15
7.2.1	SUPERVIOR/APPROVER RESPONSIBILITIES.....	15
7.2.2	RULES OF THE ROAD: WARNING NOTICES DUE TO VIOLATIONS	16
7.3	PEOPLESOFT STATEMENTS & APPROVAL OF TRANSACTIONS.....	17
7.4	RETENTION OF STATEMENTS & RECEIPTS.....	17
7.5	RECONCILIATION PROCESS FOR ACCOUNTING PURPOSES	17
7.6	AUDITS.....	18
8.	DISPUTED TRANSACTIONS.....	18
8.1	DISPUTE WITH SUPPLIER.....	18
8.2	DISPUTE OF STATEMENT ITEM	18
8.3	RESOLUTION	18
9.	PROCUREMENT CARD REALLOCATION & APPROVAL PROCESS	19

APPENDICES

Appendix A	Cardholder Agreement Form
Appendix B	New Application Cardholder Information Form
Appendix C	Sample of Bank of America Statement
Appendix D	Cardholder Activity/Transaction Log Form
Appendix E	Statement of Disputed Item Form
Appendix F.....	Maryland Sales Tax Exemption Certificate
Appendix G	Warning Forms
Appendix H.....	P card Account Maintenance Form
Appendix I.....	Missing Receipt Form

1. OVERVIEW OF PROCUREMENT CARD PROGRAM

1.1 PURPOSE

This program is designed to simplify the purchasing of goods and services costing less than \$5,000. To take advantage of these benefits requires only that previously existing guidelines for purchases continue to be followed and that the purchases are made from suppliers that accept VISA. As with all purchases, it is appropriate to consider first those sources available under existing State of Maryland and University contracts; however, the use of the card is by no means restricted to these contracts. With the exception of the limitations addressed in Section 3.6, use of the Procurement Card for any other items appropriate to the legitimate needs of the University and meeting your Departmental guidelines is encouraged.

REMINDER: THIS CARD IS NOT TO BE USED FOR PERSONAL PURCHASES, OR AS PERSONAL IDENTIFICATION, UNDER ANY CIRCUMSTANCES. VIOLATION OF THIS SECTION MAY RESULT IN DISCIPLINARY ACTION AGAINST THE CARDHOLDER, INCLUDING LOSS OF LEAVE TIME, SUSPENSION AND/OR CRIMINAL PROSECUTION.

BENEFITS

The use of the Procurement Card will:

- Allow employees to obtain many goods and services much faster and easier;
- Significantly reduce paperwork and processing time in the employee's department, as well as in Accounts Payable and Procurement; and
- Provide cost savings through consolidated payment (one monthly payment to the State of Maryland by the University versus multiple supplier payments).

Important benefits for suppliers include:

- Receiving payment in three (3) business days;
- Elimination of after-sale invoicing and collection activities; and
- No additional applications or paperwork necessary if they are already VISA merchants.

1.2 PROCUREMENT CARD COMPANY: BANK OF AMERICA

The program that the University has chosen is offered through the State of Maryland's Contract with Bank of America using the VISA card. The program is governed by the terms and conditions of a Master Agreement between the State of Maryland and Bank of America. The Director of Procurement manages the program for Coppin State University.

1.3 PEOPLESOFT PROCUREMENT CARD: FINANCIAL MODULE

PeopleSoft Procurement Card is an on-line allocation/ reallocation system within the Financials area of PeopleSoft. It provides on-line access to transactions as they are posted by the Bank (normally 3 - 4 days after purchase). Departments are required to utilize PeopleSoft Procurement Card to complete the required allocations/ reallocations prior to the established cut-off date each month. All Visa charges must be reviewed and approved in the PeopleSoft Procurement Card system. The initial account charged is the default account for the Procurement Card (Procurement Card Clearing: 099501). All transactions need to be edited, at a minimum, to assign the appropriate expense category.

2. WHERE TO GET HELP

2.1 CSU PROCUREMENT CARD PROGRAM

Procurement Card Program Administrator (PCPA):
Mr. Thomas Dawson
Procurement Director
Physical Education Complex
Room 265
Phone: 410-951-3792
Fax: 410-523-6311
thdawson@coppin.edu

Deputy Procurement Card Program Administrator (DPCPA):
Ms. Tajina Williams
Accounts Payable Manager
Miles Conner Administration Bldg
Room 216
Phone: 410-951-3686
Fax: 410-951-2618
twilliams@coppin.edu

The PCPA and DPCPA will provide support and assistance to cardholders and campus departments. The PCPA will distribute and process new card applications and changes in regards to cardholders' information (name, mailing address, increase or decrease in limits, etc.). The PCPA or his/her designee will train all cardholders. The DPCPA will receive and audit the transaction/activity log forms, manage the PeopleSoft procurement card interface, insure the transactions are ready for posting to the general ledger, and provide assistance to the cardholder regarding maintenance of records.

2.2 LOST AND/OR STOLEN CARDS

To report a lost/stolen card, the cardholder must do the following:

- If the card is discovered lost/stolen **during** normal business hours, the Cardholder must call the PCPA (Thomas Dawson) at 410-951-3792 and Public Safety, 410-951-3900 immediately. A notice of lost or stolen card to Bank of America will cause a replacement card to be issued. This card will be sent to the Controller's Office. The PCPA will notify the cardholder when the replacement card has arrived for pick up.
- If the card is discovered lost/stolen **after** normal business hours, the Cardholder must: Call Bank of America at 888-449-2273 immediately. This number is available 24 hours a day, 7 days a week. Lost cards reported to the bank by telephone are blocked immediately. 2) Call the PCPA (Thomas Dawson) or his designee on the first available business day during normal business hours at 410-951-3792 to inform him of the situation.

3. CARDHOLDER POLICIES AND PROCEDURES

3.1 TRAINING

Before receiving a VISA Procurement Card, the requestor **must** attend a training/ orientation class which is mandatory prior to card issuance. In order to attend a training session for the VISA Procurement Card, the requestor's immediate supervisor must submit a letter of approval in writing to the PCPA (Thomas Dawson)). This may be done via fax, email, or campus mail. The Procurement Card Program Administrator (PCPA) will contact the individual to inform him/her of the next p-card training workshop. Please note that the approver for the card holder's transactions must also be trained.

3.2 OBTAINING A PROCUREMENT CARD

Individual Department and Schools may establish internal criteria for requesting cards.

The Requestor should complete the following forms:

- a. Cardholder Agreement Form (Appendix A). and
- b. the VISA Procurement Card Application Form (Appendix B)

This information is needed to obtain cards and to properly manage the program. The original copies of these forms with the required signatures should be forwarded to the Procurement Department. The PCPA will then complete the processing of the application form, obtain the required agency-level signatures and enter the required information electronically in the system provided by Bank of America. Once ordered, all cards are delivered to the Controller's Office within 5-7 days. The Controller's Office will notify you when the card has arrived. The cardholder must personally sign for receipt of the p-card. The card cannot be picked up by another person – no exceptions.

3.3 KEEPING YOUR CARD SECURE

Always keep your card in a secure place as you would your personal credit card. Treat it as if it were cash. Each individual cardholder is directly responsible for the physical security of the card. No one other than the designated cardholder is authorized to use it for any purpose.

3.4 SALES TAX EXEMPTION

CSU is exempt from paying sales tax in the State of Maryland. **PLEASE SHARE THIS WITH THE VENDOR BEFORE A PURCHASE IS RUNG UP!**

- The exemption number is printed on the front of the card. All in-state and many out-of-state suppliers honor this exemption.
- If required by the vendor, a copy of the University's tax exempt certificate (Appendix F) may be provided.

- Always check your receipt to ensure you were not charged State sales tax; if tax was charged, please contact the vendor to request a credit from the vendor as soon as possible and check your next statement to make sure the credit was posted.
- Please contact the DPCPA if you need additional assistance regarding sales tax issues.

3.5 LIMITATIONS SPECIFIC TO THE PROCUREMENT CARD

3.5.1 TRANSACTION LIMITS

SINGLE TRANSACTION LIMIT

The VISA Procurement Card program under the State of Maryland's contract has a maximum of \$5,000 per transaction single purchase limit (including shipping costs). This limit cannot be overridden by anyone at the University. The individual card transaction limit will be set at a lower level. The PCPA can change the transaction limit dynamically through the internet if there is a need for this limit to be exceeded for an individual transaction and the PCPA agrees.

MONTHLY SPENDING LIMIT

All Procurement Cards have a monthly spending limit and this is indicated on the transmittal document that comes with the card from Bank of America. This limit is reset back to zero each new billing period. The monthly spending limit is recommended by the departmental supervisor and approved if it is a significant exception in the opinion of the PCPA and by the Vice President for Administration and Finance.

3.5.2 SPLITTING PURCHASES

As with current Procurement regulations, "splitting" purchases to meet this limit is prohibited. Any requests placed with the same vendor consecutively that appear related and the total charged exceeds your single purchase limit, it may be considered a "split" purchase. When the request exceeds your single purchase limit, a requisition must be submitted for the requested items. For example, hotel requests that exceed this limit should also be submitted on a requisition form so a purchase order can be obtained.

3.6 RESTRICTIONS ON PROCUREMENT CARD USAGE: MCC CODES

Each merchant/vendor is assigned a Merchant Category Code (MCC). This code includes various merchant categories. The seven primary merchant categories are:

Transportation	Clothing Stores	Auto & Vehicles
Utilities	Miscellaneous	
Retail	Business/Repair Services	

The MCCs are designed to offer every combination possible for the above listed categories. There is a Merchant Category Code (MCC) restriction built into the program

by the State Comptroller's Office that specifically restricts certain types of purchases. The list of the individual codes highlighting the restricted ones is located on the Administration and Finance website http://www.coppin.edu/admin_finance/ (Procurement Department). These restrictions will be automatically invoked during the purchase authorization process. If a Department/School wishes to place additional restrictions by MCC, please contact the PCPA for assistance. This can be programmed into each individual card.

3.6.1 AIRLINE RESTRICTION

Airline Restriction applies to the following Merchant Category Code Groups (MCCG) related to employee travel expenses:

Airlines – MCC Group #22 – Total Group Restriction (All Airlines)

The State continues to require all travel arrangements to go through a central travel point. For CSU this is Royal Travel, 410-685-6633; contact person is Mr. Brian Levin.

3.6.2 STATE RESTRICTIONS

- a. Service Providers – MCC #6010 through #7033 – Total Group Restriction (Financial Institutions, Securities Brokers, Timeshares, etc.).
 - a. Except for hotels and motels (#7011) and,
 - b. Real estate management (#6513)
- b. Personal Service Providers – MCC #7221 through #7299 - Restrictions on Photographic Studios, Beauty and Barber Shop, Shoe Repair-Shine Shops, Funeral Services and Crematories, Dating and Escort Services, etc.).
 - a. (Except for Clothing, Costume and Uniform Rental (#7296))
- c. Amusement and Entertainment – MCC #7832 through #7997 and #7999: Restrictions on (Motion Picture Theatres, Bowling Alleys, Video Game Clubs, Betting, Golf, Recreation Services, etc.).
- d. Contracted Services – 1099 vendors (Unincorporated services are not blocked but excluded by regulation).
- e. Other – Specific restriction by Merchant Category Code as follows:
 - Eating Places/Restaurants MCC #5812
 - Drinking Places (Alcoholic Beverages) MCC #5813
 - Fast Food Restaurants MCC #5814
 - Package Goods Stores (Beer, Wine, & Liquor) MCC #5921
 - Fuel Dealers MCC #5983
- f. CASH ADVANCES: Cash advances are strictly prohibited.

3.6.3 UNIVERSITY RESTRICTIONS & REQUIREMENTS

The cardholder is responsible for knowing what he/she can and cannot purchase using the VISA Procurement Card. If you are in doubt, please contact the PCPA. CSU policy prohibits purchases of the following items:

- a. Computers/Laptops/Scanners/Printers/Projectors/Fax (Excludes IT) Machines/Copiers – there are standard contracts/arrangements established by OIT that need to be followed.
- b. Guns and Ammunition
- c. Hotel -- The Procurement Card may be used for room charges, room taxes (out-of-state), internet charges and garage/hotel parking fees only. Other expenses incurred while at the hotel/motel, such as food, personal telephone calls, movies, and other incidental expenses are not permitted on the card and must be settled separately.
 - If the hotel charges your VISA for these restrictions in error, please take care of these charges via personal funds before leaving the hotel; or, if you notice this after returning to CSU, settle with the hotel using your personal card, receiving an updated bill in return that you can file with your procurement card log.
 - If the VISA card is used to pay for the hotel/motel lodging expenses, do not include these charges on a travel expense statement. These charges have already been paid.
- d. Catering/Food Services --The Procurement Card may be used to pay for catering/food services; however documentation must be included which provides the name and purpose of the function and who attended it, by name or affiliation. The P- Card cannot be used to pay for food served during normal staff type meetings

3.7 RENEWAL

The Procurement Card will expire after a three (3) year period. At that time, a replacement card will be sent by Bank of America to the Controller's Office. The cardholder will be contacted by the Controller's Office once the card arrives.

3.8 SURRENDER OF CARD

Your card remains the property of Bank of America and must be surrendered immediately upon termination of employment or upon request for any reason by an authorized person (such as your supervisor, the PCPA/DPCPA, or Administration). Surrendered cards must be forwarded to the Procurement Department where they will be destroyed.

4. CHANGING CARD LIMITS & UPDATING CARDHOLDER/ APPROVER

Card limits and other information may be changed upon request by an authorized representative of the department, cardholder or Administration. Departments or Supervisors must notify the PCPA when one of following occurs so a change form may be completed and processed:

- Changing departments
- Changing supervisors
- Leaving the University
- Changing single transaction/monthly purchase limits

These changes, and all such changes, can be made by submitting the Procurement Card Maintenance Form (Appendix I) to the PCPA. Thomas Dawson will then make the appropriate distribution to ensure the PeopleSoft changes are made as requested.

5. MINORITY AND SMALL BUSINESS PARTICIPATION

The University must still adhere to its mandate to attempt to include minority, small and disadvantaged businesses in its procurement processes, including the VISA Procurement Card Program. To the extent possible, cardholders are encouraged to seek out the use of minority, small and disadvantaged vendors. A short list of State certified minority and small businesses are posted on the Administration and Finance website http://www.coppin.edu/admin_finance/ (Procurement Department). Please contact these vendors for supplies/services whenever applicable. For additional assistance in this area, please call the Procurement Department at extension 3792.

6. HOW TO USE THE PROCUREMENT CARD

The cardholder is the only person authorized to make purchases using his/her card but may make purchases for other departmental personnel. Giving your card or card number to another person to make a purchase, using someone else's card, or making unauthorized purchases may result in disciplinary action (including, but not limited to, revocation of your card and/or termination of employment). The cardholder is liable to the University and the State of Maryland for any improper use of the card.

If a vendor you frequently purchase from does not accept VISA, please notify the PCPA so that the vendor may be offered the opportunity to do so. All VISA merchants are required to offer the same pricing for VISA card purchases as for any other means. Make sure that the price offered the University is the same low price you would ordinarily receive.

6.1 MAKING PURCHASES

Before making any purchases, cardholders must:

- a. Follow the internal procedures established by your department to obtain authorization to be certain that the total amount (including shipping, handling, postage, freight, etc.) will not exceed your card's single purchase limit.
- b. Take reasonable steps to determine that the price quoted is the best you can obtain.

- c. Check your budget to be sure you have sufficient funds to make the purchase. Unlike purchase requisitions, there is no budget check on procurement card transactions until after the purchase and the transaction comes back for verification and approval. You should also keep in mind that the budget validation in the PeopleSoft procurement card module only checks to see if funds are available. It doesn't encumber funds. You may want to keep a manual or Excel log to keep track of your purchases so as not to overspend your budget.

6.2 THIRD PARTY PAYMENT PROCESSORS

All purchases made using a 'third party payment processor' will be included in the General Accounting Division's (GAD) "Questionable Purchases" procedures. GAD recommends that agency PCPA's review third party purchases as part of the monthly cardholder approval process. Additionally, GAD will periodically review PCPA procedures to ensure that third party purchases have been approved by each agency PCPA.

The definition of a 'third party payment processor' is an intermediary or 'go-between' entity that provides a payment service from a credit card to a business, vendor, merchant, or person. Some examples of these service providers are: Paypal, Trustcommerce, Verisign/Cybercash, Verza, Verisign, Ibil, Authorizenet, CCNow, Longate, Internetsecure, and Secpay.

The major concern with the 'third party payment processors' is that the Merchant Category Codes (MCC) that is shown on the *Visa* statement and in reports provided by *Bank of America* is that of the 'processor' rather than the actual business, vendor, merchant, or person who is providing the item or service for sale. Therefore, the blocked MCC's on the state and agency levels can be circumvented via the 'third party payment processor'. Itemized receipts must be submitted for third party payments.

6.3 PURCHASES IN PERSON

- a. Follow the same internal procedures you have always used specific to the University and your department to obtain authorization to make the purchase.
- b. Determine whether the Procurement Card is the most appropriate tool to use for this purchase. Please check the list to make sure it is not a restricted item, and determine whether a State or University contract is available.
- c. Be certain that the total amount (including all shipping, handling, postage, freight, etc.) will not exceed your card's single purchase limit or your monthly limit.
- d. Take reasonable steps to determine that the price quoted is the best you can obtain.
- e. Advise State of Maryland vendors that the University is tax exempt.
- f. Obtain a detailed receipt at the time of purchase clearly identifying each item purchased.

- g. When receiving the goods, whether via direct delivery or in person, always retain all boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. The Cardholder is responsible for verifying quantity and condition of the goods upon arrival (refer to Section 6.6 for instructions about returning an item).

6.4 PURCHASES BY TELEPHONE, FAX, OR MAIL

Purchases may be made by telephone, fax, or mail using the VISA card. When placing an order via phone, due to the fact that most orders are shipped directly to the Mailroom, please request the vendor to label the package(s) "Procurement Card", or "VISA Card" so the Mailroom will be aware that your order was initiated with the Procurement Card and not a purchase order.

Only the cardholder is authorized to place a phone order. You may, when necessary, have someone else pick up the goods (the person picking up the items should only sign shipping or receiving papers, not the credit card slip).

PROCEDURES

Follow the applicable instructions for making purchases in person, including shipping/delivery. In addition:

- a. When you call, state that you are calling from the University and that you will be making your purchases on a VISA Procurement Card.
- b. Emphasize that the University is exempt from sales tax (refer to Section 3.4 and Appendix F).
- c. Record the name of the person taking the order, place the order, give the supplier your Procurement Card number and expiration date.
- d. To ship items: Remember to give the supplier your name, department name, phone number and complete delivery instructions as follows if you are not picking up the goods. It is recommended that you have the goods shipped directly to your campus address via UPS, Federal Express, or other method suitable for the items purchased. Items may also be shipped to the Mailroom. Just inform the vendor to label your package "Procurement Card" so the Mailroom will know that your order was initiated with the Procurement Card.
- e. Request that a receipt and/or packing slip be sent with the purchase. Retain this receipt/packing slip with your record of the purchase.

Please emphasize to vendors that they are not to submit invoices to Accounts Payable for VISA purchases. Charges are paid electronically by the State.

6.5 PURCHASES VIA THE WEB

Purchases may be made via the WEB as cardholders deem appropriate. The General Accounting Division (GAD) has advised users to only purchase via the WEB from

secure (encrypted) sites. Secure sites are usually denoted with a small padlock icon in the corner of the screen and the URL identifier https. Cardholders should remember to print the order page and any other information necessary to sufficiently document what was purchased, the purchase price and how it was paid. This documentation must be retained for reconciliation with the Activity/Transaction Log.

6.6 RETURNS, DAMAGED GOODS, CREDITS

If goods purchased with the Procurement Card need to be returned, the cardholder should work directly with the supplier (vendor). Here are some tips:

- a. Always retain boxes, containers, special packaging, etc. until you are sure you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- b. Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- c. Many suppliers require you to obtain a “Return Authorization Number” before they will accept a return. If you neglect to get this number when it is required, the package may be refused and/or no credit issued to your account.
- d. In some cases, there may be a restocking fee (usually a percentage of the purchase price). If the supplier is completely responsible for the error or problem, you should not have to pay this or any other fee. However, if they are not fully responsible, you may have to pay it. You may use the Procurement Card to apply this fee as long as it does not exceed any of the limits.
- e. Lastly, make sure in reviewing your monthly statement that a credit was issued for the returned item(s).
- f. If a return is not authorized or if it is not properly credited, refer to Section 8, Disputed Transactions, for instructions for resolving the problem.

7. GENERAL RECONCILIATION INSTRUCTIONS

7.1 PROCUREMENT CARD STATEMENT GENERATED BY BANK OF AMERICA

A monthly VISA Statement (Appendix C) from Bank of America will be mailed to the cardholder directly. The VISA Statement will show transactions purchased during the following cycle: the 26th of the month thru the 25th of the next month (i.e., May 26 thru June 25). Each VISA card will start at the beginning of its total monthly dollar limit on the 26th of each month which is \$5,000 unless otherwise noted. Unlike a personal credit card, remaining funds that are not spent within that cycle do not roll over to the next month; remaining funds are automatically dropped. When the 25th falls on a weekend or holiday, the ending cycle date may end 1-2 days early. Please call the Procurement Department if you do not receive your statement by the 7th of the following month.

The statement you receive is for information and audit purposes only. Payment is the responsibility of the University and the State of Maryland. Use of the Procurement Card has no affect on your personal credit or credit history.

7.2 ACTIVITY/TRANSACTION LOG

The Cardholder Activity/Transaction Log Form (Log) (Appendix D) is the lynchpin for the procurement card program. This is a report that is system generated and will be sent by e-mail to you at the beginning of each month by the DPCPA. It lists all the transactions for the prior month and should match the bank statement that you will receive from Bank of America.

Reconciliation: The cardholder must –

- a. Enter in the space provided on the Log the purpose of each purchase (e.g., office supplies).
- b. Assure that the account charged is appropriate. If there needs to be a change in account distribution, the cardholder should note this above the account on the Log by lining through the incorrect account and writing in ink the correct account. Accounting will then take this information and process a journal voucher to make the requested change.
- c. Match the transactions on the bank statement to the transactions on the Log. Identify discrepancies on either the bank statement or Log by highlighting it (e.g., yellow highlighter). That is, there is a transaction on one statement that is not on the other.
- d. Attach to the bank statement, in the order that the transactions are listed on the bank statement, the order forms, receipts, transaction slips, and/or packing slips that support the transaction. Since another university member will be reviewing this, neatness counts (and is appreciated). The order should be: bank statement, activity log, receipts.
- e. See Section 8.0 for information on handling incorrect (e.g., disputed) items.
- f. Once this reconciliation has been completed, sign and date the Log in the space provided at the end of the Log.
- g. The bank statement and Log must be reviewed, approved, signed and dated by the cardholder's designated supervisor. The Cardholder must also sign and date the bank statement and Log. The signature of the immediate manager/supervisor verifies that the applicable receipts/ invoices and bank statement are attached to the log and that the transactions are appropriate.
- h. Submit the Log and the bank statement with the attached receipts, as a completed packet, through campus mail to the DPCPA at Accounts Payable.
- i. **THE LOG PACKET IS DUE THE 15th OF EACH MONTH** to the Accounts Payable Department, Miles Conner Administration Building, Room 216.

- When the 15th falls on a weekend, the Log packet is due the next business day. Any questions in regards to the Log packet of information may be addressed to the DPCPA, Ms. Tajina Williams at Accounts Payable.

IF YOU DO NOT HAVE ANY ACTIVITY FOR A BILLING CYCLE, YOU WILL NOT RECEIVE A STATEMENT AND A LOG SUBMISSION IS NOT REQUIRED.

7.2.1 SUPERVISOR/APPROVER RESPONSIBILITIES

Supervisory review is a requirement for the p-card reconciliation process. Supervisors/Approvers are responsible for the review of the cardholder's activity/transaction log for:

- split transactions;
- unauthorized Maryland sales tax;
- unauthorized purchases;
- p-card limit transactions;
- incomplete purchasing card activity/transaction logs;
- the timely submission of the activity/transaction log to Accounts Payable.

Failure to adhere to the policies and procedures as outlined in this manual will result and the receipt of a warning notice and/ or deactivation of the cardholder's card. (See 7.2.2 Rules of the Road Warning Notices due to Violations)

7.2.2 RULES OF THE ROAD: WARNING NOTICES DUE TO VIOLATIONS

In order to insure the Procurement Card program functions both fairly and accountably, this program uses a WARNING system. Written WARNING notices (Appendix G) will be sent to individual cardholders who do not follow the guidelines as outlined in this manual and in the related University and State guidelines and policies. Receipt of a second warning in a one year period constitutes notice that the cardholder's card is being inactivated for a period of one year from the date of the second warning.

Depending on a cardholder's log submission history, and at the PCPA's sole discretion, a verbal warning (via email or telephone) may be given instead of a formal warning (written form). A verbal warning will not count towards a formal warning and possible deactivation of the cardholder's VISA card.

AUTOMATIC CANCELLATIONS – when one or more of the following items occur, and again at the sole discretion of the PCPA, the VISA cards may be automatically cancelled a period of one year from the date of the second warning.

- missing log information (e.g. receipts)
- insufficient justification of items purchased (if requested by the DPCPA as an issue that arises in the audit process)
- reimbursement of restricted items (telephone calls, gift cards, restaurant charges)
- no log form submitted within ten (10) working days after the 15th of the month.

When a cardholder does not submit a log, or has missing receipts, and it is apparent that this required documentation will not be forthcoming, the PCPA may request the cardholder to reimburse the University for undocumented purchases on the Procurement Card. The state reserves the right to collect from the cardholder the cost of any purchase

that is not University related and the collection may be accomplished through payroll deduction or any other collection process.

CANCELLATION DUE TO NO ACTIVITY - The University reserves the right to cancel the VISA card if it has not been used (no purchases or credits) for a period of twelve (12) consecutive months. Cardholders must request in writing for an extension beyond twelve consecutive months of inactivity; however, under no circumstances will the VISA card be extended to exceed a period of eighteen (18) consecutive months of inactivity.

7.3 PEOPLESOFT STATEMENTS & APPROVAL OF TRANSACTIONS

All procurement card charges for the month are posted in a batch at month end. They will appear in the PeopleSoft (PS) financial system, and on the PS financial reports(s), as soon as month end closing has been completed. This is normally by the 10th working day of the month. The account charged is the one to which the cardholder has directed it by editing the transaction in the Procurement module of PS. Any discrepancies after posting should be resolved with the Controller's Office as it will require a journal entry.

For financial reporting purposes, all transactions must be approved by **the 5th day of the month** immediately following the closing of the billing period. E.g. On May 25th the May billing cycle ended, therefore all transactions were to be approved by June 5th.

7.4 RETENTION OF STATEMENTS & RECEIPTS

Receipts and statements are to be retained for five (5) years after fiscal year end in the Accounts Payable Office and Archives for readily access and auditing purposes. While cardholder's may retain copies of their receipts and statement, once the Log packet is received and audited by Accounts Payable, this becomes the University's official record. An auditor may visit the cardholder, as part of an external audit review, to ask about transactions that they would have selected for testing, they won't expect to find documentation with the cardholder.

7.5 RECONCILIATION PROCESS FOR ACCOUNTING PURPOSES

The DPCPA/Accounts Payable will:

- a. Ensure that all Log packets are received each month for cardholders for whom a transaction was processed in the preceding billing cycle.
- b. Review all Log packets to verify that all purchases were University related and made within the University's and the State's Procurement policies and procedures.
- c. Work with all cardholders where there is an issue with the information submitted.
- d. Forward to the PCPA unresolved issues for appropriate action (e.g., warning).
- e. Identify account changes on the Log packets for the Controller's Office action.
- f. File reconciled Log packets by month/year and maintain these as official university records for a period not less than five years.

7.6 AUDITS

Accounts Payable will do a 100% audit of all Log packets and will evidence this by initialing in the space provided at the end of the Log.

8. DISPUTED TRANSACTIONS

Disputed transactions fall into two broad categories - those resulting from a supplier's refusal to take back a defective or incorrect shipment and those related to discrepancies between the cardholder's records and the monthly VISA statement. Most disputes can be covered by one of the items listed on the Cardholder Statement of Disputed Item Form (Appendix E). These are:

1. Credit Not Posted (Attach Credit Slip)
2. Duplicate Posting
3. Erroneous Amount (Attach Sales Receipt)
4. Other _____

Disputes should be reported as soon as it occurs, but not later than thirty (30) days after the appearance of the item on the cardholder's bank statement. If the cardholder prefers, a dispute form for the disputed item may be submitted with the log form (form should be placed where the receipt for this transaction would have been) for the disputed item and Accounts Payable will fax the form to the bank. The bank will notify the cardholder of its status once reviewed via mail.

8.1 DISPUTE WITH SUPPLIER

If you have a problem involving a dispute with a supplier (such as defective items or claiming that an item was not ordered and the supplier claiming that it was), every effort should be made to resolve the problem directly with the supplier. If you are unable to obtain satisfaction from the supplier, complete the Statement of Disputed Item Form (Appendix E) and forward it to the PCPA. Be sure to describe the problem and the efforts you have made in attempting to resolve it. The PCPA will review the form and either deal with the supplier directly or submit it to Bank of America.

8.2 DISPUTE OF STATEMENT ITEM

Any item that appears on the monthly VISA statement from Bank of America may be disputed provided the disputed transaction is reported to Bank of America using the Statement of Disputed Item Form within 30 days of the disputed statement's closing date. It is recommended that such items be reported immediately upon receipt of the statement in question. Please complete the form and forward it to the PCPA.

8.3 RESOLUTION

During Bank of America's investigation, they will issue a credit to the Procurement Card account in question for the disputed amount. Cardholders may be contacted by the bank during their investigation for further information. When the investigation is complete, you will be notified of the resolution. If you are not satisfied with this

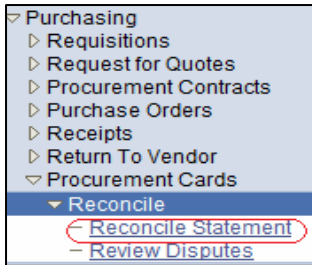
resolution, please contact the PCPA, Mr. Thomas Dawson or the DPCPA, Ms. Tajina Williams, immediately.

9. PROCUREMENT CARD REALLOCATION & APPROVAL PROCESS

Procurement Card Reallocation Quick Reference Guide (Verification & Approval Process)


Navigation: Purchasing>Procurement Cards>Reconcile>Reconcile Statement

Use the Search criteria (e.g. cardholder and/or transaction date) to minimize number of transactions in your list.




Transaction	Card Issuer	Card Number	Trans Date	Merchant	*Status	Billing Amount	Currency	Budget Status	Chartfield Status
1	BOA	*****7678	03/27/2009	NACUBO	Staged	449.00	USD	Valid	Valid
2	BOA	*****7678	03/27/2009	NACUBO	Staged	274.00	USD	Valid	Valid

5 Steps

1. Make sure that the \$ amounts posted are correct. If \$ amount is incorrect, dispute amount.
2. Click the  icon and change the default Chartfield Distribution (i.e. Account and Dept/Project #)


After changing the Default Distribution, Budget Status will reflect "Not Chk'd":

Transaction	Card Issuer	Card Number	Trans Date	Merchant	*Status	Billing Amount	Currency	Budget Status
1	BOA	*****7678	04/22/2009	DOUBLETREE HOTEL NORFOLK	Staged	104.06	USD	Not Chk'd

Distribution Lines: Note there will be one default Distribution Line per transaction loaded from the Bank Statement. If a particular purchase is to be charged to more than one budget, go to distribution line by clicking the  icon and add the additional line or lines to distribute the amount between two or more budgets.

Dist	Percent	Amount	Currency	*GL Unit	*Account	Fund	Dept	Program	Project
1	100.0000	104.06	USD	COPPN	099501	4010	4301100	00601	

3. Click Validate Budget button to run the budget validation process:
 - Budget Validation only validates that a Budget exists for the chartfield and checks the valid combination. The availability of funds is checked by Accounts Payable when the Voucher is budget checked.
 - Wait for 2-3 Mins – Run A Search To Find Any Budget Validation errors
 - *Budget Status = Error or Chartfield Status = Recycled*

- Make sure that **Budget Status** and **Chartfield Status** is Valid before you click on **Verify** button. If the Chartfield Status is in "Recycled" status or Budget Status is in "Error", correct chartfield by using the Speed types and rerun the Budget Validation to change the Budget Status to Valid.
 - Notify the Budget Office for corrective action, if the Budget Status is still showing Error.
4. Select the checkbox for the transaction lines to verify and click on  button to complete the verification to initiate the approval of the transactions by the approver. Then click Save button.
 5. Approver clicks on the **Approve button**, if the transactions in the Verified statuses are OK.

Verification & Approval Process

Navigation: Purchasing>ProcurementCard>Reconcile>Reconcile Statements

Select Card Holder and/or Transaction Date to Minimize Transaction List

Step 1: Verify that the \$ amounts posted are correct.

Step 2: Change the Default Chartfield Distribution lines(budget to charge to)



Use this distribution icon to navigate to the distribution lines

Step 3: Run the Budget Validation Process: Use the **Validate Budget** button

- Wait 2-3 Mins – Run A Search To Find Any Budget Check Errors
(Fix Budget errors by entering the valid Chatfield and redo the Budget validation.
If the Budget Status is still showing error, Notify Budget Dept for corrective action)

Step 4: Select the checkbox for the transaction lines to be verified and click on the **Verify** button. Also make sure to click on the **Save** button and the transaction is ready for Approval by the Approver

Step 5: Next Step is for the Approver to click on the **Approve** button, if the transactions in the Verified Statuses are OK.

Acknowledgement:

A good deal of this comes directly from UMES' Procurement Card Manual with their permission.