

# **Agenda**

**CPC Program Overview**

**State of Maryland Restrictions**

**CSU Restrictions**

**Monthly Reconciliation**

# Corporate Purchasing Card Program

Maryland's State Government Corporate Purchasing Card (CPC) was implemented in 1997.

A Corporate Purchasing Card is similar to a consumer credit card except there are no fees or interest costs to the state.

The State contracts with a bank (US Bank) to provide card services.

# Corporate Purchasing Card Program

The CPC is used by authorized agency personnel to provide small dollar purchases of \$5,000 and under.

The CPC program involves millions of transactions and over \$250 million in expenditures each fiscal year using approximately 7,000 cards.

The Comptroller of Maryland's General Accounting Division (GAD) is responsible for administering the statewide program.

# Definitions

## Cardholder

CSU employee who's name appears on the VISA Card. Must be a state employee.

## Approver

The immediate Supervisor/Manager of the Cardholder

## Merchant Category Code (MCC)

A four (4) digit numeric code used to identify the type of Business. (i.e. 7299 Personal Services).

## Monthly Credit Limit

The limit set for the total amount of expenditures for a month.

## Definitions

### Single Purchase Limit

The limit a single purchase can not exceed. Determined by Division/Department Head up to \$4,999.

### Transaction/Activity Log

Electronic document used by the cardholder to track all transactions made with the Visa Card.

### VISA Purchasing Card

A State issued Purchasing Card used for small purchases of goods and services for University and other business purposes.

## Cardholder

- Ensures that monthly transactions are reconciled against monthly transaction log and the Visa Statement.
  - Edit the default account number & provide a description
  - Submit Transaction Log in a timely manner
- Responsible for notifying the Procurement Card Administrator on status changes (i.e. change of approver, spending limits, etc.)
- Responsible for any and every charge made with P-Card.
- **Must be the only one to make transactions**
- **Must not make personal charges for any reason**
- **Report card lost or stolen to Bank and PCPA**

STATE OF MARYLAND  
P-CARD  
RESTRICTIONS

## State Restrictions

- Service Providers - MCC #6010 through #7033 - Total Group Restriction (Financial Institutions, Securities Brokers, Timeshares, etc.).
- Personal Service Providers - MCC #7221 through #7299 (*Except #7296 –Clothing, Costume and Uniform Rental*). Restrictions on Photographic Studios, Beauty and Barber Shop, Shoe Repair-Shine Shops, Funeral Services and Crematories, Dating and Escort Services, etc



## State Restrictions

- Amusement and Entertainment - MCC #7832 through #7997 and #7999. Restrictions on Motion Picture Theaters, Bowling Alleys, Video Game Clubs, Betting, Golf, Recreation Services, etc.
- Fines - Fines and Tickets may not be paid with the CPC Card

## State Restrictions

- Miscellaneous - Specific restriction by Merchant Category Code as follows:

**No purchases for these groups and/or items are permitted:**

- ✓ Drinking Places (Alcoholic Beverages) MCC #5813
- ✓ Eating Places (Restaurants) MCC #5812
- ✓ Fast Food Restaurants MCC #5814
- ✓ Package Goods Stores (Beer, Wine, & Liquor) MCC #5921

## State Restrictions

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- Travel Related Expenses – Airfare, Train fare, Bus fare
- Restaurants - But caterers are authorized. Check the vendor's MCC code
- IRS Form 1099 reportable vendors
- Split Purchases – Splitting a purchase is specifically barred in COMAR. You may not split a purchase using the purchasing card.

## State Restrictions

**Purchase of Gift Cards is prohibited. Purchase of any cash like instrument with the card are strictly prohibited.** The purchase of gift cards using the Corporate Purchasing Card is prohibited. A State agency purchasing gift cards for any reason, must use R\*STARS or University based financial system for the purchase.

**COPPIN  
P-CARD  
RESTRICTIONS**

## **Purchases that must be Processed by Procurement**

- Any & All Purchases that equal or exceed \$5,000.
- Any Purchase Involving Signature of Lease Agreements, Licenses and Contracts (example: copier agreements)
- Computers and related equipment, i.e. software & software licenses, laptops, scanners projectors, printers, (any Information Technology related items)
- Gifts, Gift cards or tokens of sentiment (i.e. flowers, balloons)
- Holiday parties or non University sponsored events.

# Socioeconomic Requirements

## Minority Business Enterprise (MBE)

- The State of Maryland and the University has a 25% MBE goal.
- The MBE must be certified by MDOT.

## Small Business Enterprise (SBE)

- The University is required to award 10% of its procurement dollars to Small Business Enterprises (SBE)

# Using the Procurement Card

**The card may be used for but not limited to the following:**

- Subscriptions, Memberships, Conference Registrations
- Catalog Orders – Online & Off-line
- Office Supplies
- Printing Supplies and Services
- Hotel Reservations – **room & internet charges only**, all other charges are strictly prohibited
- Car Rentals



## Using the Procurement Card

- Cardholders must follow State & CSU Procurement Regulations & Policies when using the card.
- *It is a violation of State procurement regulations to split a requirement when the total will exceed \$5,000.*
- Should seek out certified Minority Business Enterprises when making purchases.
- Make sure the vendor accepts VISA and be sure the charge goes through
- Orders may be placed via phone, fax, mail, Internet and point of sale.
- Remind the Vendor that the State of Maryland is **TAX EXEMPT**

**P-CARD  
RECONCILIATION**

## Electronic Transaction Log

- All transactions must be reconciled
- Must be checked against the monthly Visa Statement
- Must be signed by both cardholder and reviewer
- Documentation such as receipts, invoices, packing slips, credits, emails, and other important notes must be maintained with the procurement.

\* Maintaining a monthly Transaction log is a requirement of having a Visa **Procurement Card**

**Coppin State University**

**Cardholder Activity/Transaction Log**



ReportID:	CSUPNPCD	Cardholder Name:	Thomas Dawson
UserID:	vwilliams	Card Number:	xxxx-xxxx-xxxx-7678
		Vendor:	Bank of America
		Billing Date:	5/25/2009

MERCHANT	REFERENCE NUMBER	TRANS DATE	POST DATE	AMOUNT	ACCOUNT	DEPT	PROJECT	FUND	PROGRAM	PURPOSE
SUE ANN'S OFFICE SUPPL	024388949130670306076541	5/8/2009	5/11/2009	250.39	090201	1101237		4010	00601	office supplies
SUE ANN'S OFFICE SUPPL	024388949130670306076558	5/8/2009	5/11/2009	453.24	090201		2705784	4310	00101	office supplies
SUE ANN'S OFFICE SUPPL	024388949130670306076566	5/8/2009	5/11/2009	396.80	090201		2005751	4310	00500	office supplies
SUE ANN'S OFFICE SUPPL	024388949137670367386006	5/15/2009	5/18/2009	49.65	090201	1101237		4010	00601	office supplies
ETTA SERVICE COMPANY	024418009139139363288405	5/18/2009	5/20/2009	677.60	090201	4504011		4051	00800	office supplies
TIME PRINTERS INC	024418009140140168204800	5/19/2009	5/21/2009	1240.00	099901		2005751	4310	00500	printing supplies
TIME PRINTERS INC	024418009140140168205005	5/19/2009	5/21/2009	577.50	099901	4504011		4051	00800	printing supplies
TIME PRINTERS INC	024418009140140168205104	5/19/2009	5/21/2009	240.00	090201	4111097		4010	00601	printing supplies
RUDOLPH'S OFFICE & COMPU	024639239141900019503600	5/20/2009	5/22/2009	5.44	090201		6005571	4310	00601	office supplies
RUDOLPH'S OFFICE & COMPU	074639239141141000000133	5/21/2009	5/22/2009	-24.42	090201	2001185		4030	00102	office supplies
AHIMA	024266579143200908600196	5/23/2009	5/25/2009	489.69	130501		2305747	4310	00401	membership
<b>Total Transactions : 75</b>				<b>Total transaction Amount</b>		<b>\$41,698.50</b>				

Transactions for the Billing date - 2009/05/25 for card number - xxx-xxx-xxx-7678 totaling in USD \$ 41698.5

By signing and dating this log, the iCardholder and Supervisor or Approved designee certify that the purchases above 1) are reasonable and appropriate for their using department, 2) match the corresponding VISA statement and 3) comply with the current CSU and Maryland State Purchasing card regulations, policies and procedures. Original receipts to document each transaction are attached or included.

Cardholder Signature : \_\_\_\_\_ Date : \_\_\_\_\_  
 Cardholder's Name : \_\_\_\_\_  
 Supervisor Signature : \_\_\_\_\_ Date : \_\_\_\_\_  
 Supervisor's Name : \_\_\_\_\_

Verified and reviewed by : \_\_\_\_\_  
 Accounts Payable Auditor: \_\_\_\_\_ Date: \_\_\_\_\_



U.S. BANK  
 P. O. Box 6343  
 Fargo, ND 58125-6343



ACCOUNT NUMBER XXXX-XXXX-XXXX-3345

AMOUNT DUE \$0.00

000007382 1 AT 0.384 106481403680979 P  
 THOMAS E DAWSON JR  
 COPPIN STATE UNIV  
 2500 WEST NORTH AVENUE  
 BALTIMORE MD 21216-3633

MEMO STATEMENT ONLY  
 DO NOT REMIT PAYMENT

7-2-10-55

**MESSAGES:**

PER STATE OF MARYLAND GUIDELINES, PLEASE SIGN AND DATE YOUR STATEMENTS AND HAVE YOUR MANAGER DO THE SAME.

TRAN DATE	POST DATE	MCC CODE	TRANSACTION DESCRIPTION	REFERENCE #	AMOUNT
11-26	11-29	3000	UNITED 0167363315222 800-932-2732 TX CASEY/TIMOTHY MICHAEL DEPARTURE: 03-01-14 IAD UA S LAS UA W IAD	24692163331000303831506	599.80
11-26	11-29	3066	SOUTHWES 5262173947732 800-435-9792 TX MILLER/CAROL ANN DEPARTURE: 03-01-14 BWI WN N DEN WN N LAS WN W IND WN W BWI	24692163331000387487019	383.60
11-26	11-29	4511	AGENT FEE 8900614945204 GLOBETROTTER MD CASEY/TIMOTHY M DEPARTURE: 11-26-13 XAA XD X XAO	24717053331873312478814	19.25
11-26	11-29	4511	AGENT FEE 8900614945211 GLOBETROTTER MD MILLER/CAROL AN DEPARTURE: 11-26-13 XAA XD X XAO	24717053331873312481727	19.25
12-02	12-03	3066	SOUTHWES 5262174731934 800-435-9792 TX MOORE/JANICE DEPARTURE: 12-02-13 BWI WN L LAS WN L BWI	24692163336000454081526	575.80
12-02	12-04	4511	AGENT FEE 8900614995087 GLOBETROTTER MD MOORE/JANICE DEPARTURE: 12-02-13 XAA XD X XAO	24717053337873371782837	19.25
12-05	12-09	3000	UNITED 0167367010010 800-932-2732 TX KARGBO/IBRAHIM DEPARTURE: 01-09-14 BWI UA K DEN UA S HNL UA K LAX AU G BWI	24692163340000355955863	883.30
12-05	12-09	4511	AGENT FEE 8900615158085 GLOBETROTTER MD KARGBO/IBRAHIM DEPARTURE: 12-05-13 XAA XD X XAO	24717053340873401627460	19.25

<b>CUSTOMER SERVICE CALL</b>  <b>800-344-5696</b>	<b>ACCOUNT NUMBER</b> XXXX-XXXX-XXXX-3345	<b>ACCOUNT SUMMARY</b>	
	STATEMENT DATE 12/26/13	PURCHASES, FEES & ADJUSTMENTS \$4,516.80	CHECKS/CASH ADVANCES \$0.00
<b>MANAGING ACCOUNT NUMBER</b> XXXX-XXXX-XXXX-0834  <b>CONTACT AND ADDRESS</b> R27 MD COPPIN STATE UNIV GERARD MUELLER 80 CALVERT STREET 2ND FLOOR ANNAPOLIS, MD 21404		DISPUTE AMOUNT \$0.00	CREDITS \$0.00
		<b>STATEMENT TOTAL</b> \$4,516.80	

## VISA Statement and Monthly Reconciliation

- Issued once per statement period - normally on the 25th of every month.
- Mailed directly to Cardholder Address (not a bill)
- Must be reviewed by cardholder and reconciled against the transaction log and supporting documentation (i.e. invoice, sales slip, packing list, etc.)
- Must be signed by the Reviewer (with the transaction log).
- Transaction Log, Visa Statement and supporting documentation filed together by billing period.
- State pays a single bill to **US Bank** and passes charges back to the University.

## Reconciling Transactions in PeopleSoft

Enter the Reconciler's name or employee Id on the Reconcile Statement Search page to access the transactions.

On the Reconcile Statement page, click on the DISTRIBUTION icon.

**Step 1: Change the default account number (099501) to the appropriate type of product or service. *This must be done for all transactions.*** Change the default chartfield combination, if necessary.

**Step 2: Change status from STAGED to *VERIFIED*.**

**Step 3: Validate the budget and save.**

## Approving Transactions in PeopleSoft

Enter the Reconciler's name or employee id on the Reconcile Statement Search *page* to *access* the transactions.

Review the transaction, then change transaction status from VERIFIED to ***APPROVED***  
Save the approved transaction(s)



## Required Documentation

Cardholders **MUST** collect itemized receipts for all purchases.

Document/Receipt examples:

Cash Register Tape

Detailed Packing Slip

Copy of Order Form (e.g. subscription)

Registration form

Web receipt or e-mail acknowledgement from vendor

## Receipt Details

- Receipts vary in appearance and type of information provided but generally included the following:
  - Date of purchase
  - Vendor name
  - Description of item(s)
  - Quantity, unit price, total
- If relevant information is not included on the receipt, record the missing information on the transaction log
- Handwritten receipts are unacceptable

# Approver

(1) Reviews and acknowledges purchases made by the Cardholder.

(2) Signs off on **both** the Cardholder's monthly transaction log and Visa Statement.

(3) Authorized to make changes to the cardholder's account - including increases to the single and monthly purchase limit.

\* A cardholder cannot serve as their own Approver.

## **DEADLINE DATES & ACTIVITY LOG SUBMISSION REQUIREMENTS**

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.**

THE ACTIVITY LOG PACKET IS DUE THE **15th OF EACH MONTH** to the Accounts Payable Department, Miles Conner Administration Building, Room 216.

ACTIVITY LOG PACKET CONTENTS AND ORDER OF INFORMATION:

1. Bank Statement – must be signed by Reconciler and Approver
2. Electronic Log - must be signed by Reconciler and Approver
3. Receipts – in order shown as on the Bank Statement

**P-CARD  
VIOLATIONS**

## P-Card Violations

- **Log reconciliation incomplete**- Transactions still in staged status Log reconciliation incomplete- **Account 099501** has not been edited
- **Missing log information** (e.g. description/purpose)and/or itemized receipts
- Log and/or receipts not in order
- Receipt does not match the log amount
- Missing manager's approval/ Cardholder did not sign log
- **Log not submitted by the 15th of the month**
- **Splitting purchases**
- **Restricted purchase**

## **Actions Taken by the PCPA for Violations**

For any of the listed P- Card violations, the PCPA is required to take disciplinary action:

- VERBAL WARNING
- 1ST WARNING LETTER
- 2ND WARNING LETTER AND TERMINATION

# **The Cardholder Responsibilities: (A Recap)**

- 1.) Maintain Knowledge of CPC Program Policies & Procedures.**
- 2.) Keep the Visa Card and Account Number Secure.**
- 3.) Maintain a monthly Transaction Log/Report for all purchases.**
- 4.) Retain All Receipts and Documentation.**
- 5.) Verify sufficient funding exists in the specified budget and expenditure code**
- 6.) Receive the Visa Statement (on the 25<sup>th</sup> of each month) and reconcile on transactions (by the 5<sup>th</sup> of each month) Cardholder and Approve must sign the Transaction Log/ Report**
- 7.) Forward hard copy of Transaction Log/Report, including all receipts to Accounts Payables by the 15<sup>th</sup> of the month**