



## Corporate Procurement Card Policies & Procedures

Towson University Procurement Department

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## Table of Contents

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<b>Table of Contents</b> .....	<b>2</b>
<b>I. Introduction</b> .....	<b>5</b>
A. Background .....	5
B. Benefits .....	5
C. Controls.....	5
<b>II. Program Overview</b> .....	<b>6</b>
A. Program Purpose .....	6
B. Benefits .....	6
<b>III. Obtaining a Procurement Card</b> .....	<b>7</b>
A. Procurement Card Application .....	7
B. Procurement Card Training.....	7
C. Activating your Card.....	8
D. Card Renewal.....	8
<b>IV. Financial Responsibility</b> .....	<b>9</b>
A. Overview.....	9
B. Spending Authority .....	9
C. Signature Authority.....	9
D. Ethical Responsibility .....	10
E. Conflict of Interest .....	10
F. Small Business Reserve (SBR) .....	10
G. Minority Business Enterprise (MBE).....	11
<b>V. Card/Account Security</b> .....	<b>12</b>
<b>VI. Account Maintenance</b> .....	<b>13</b>
A. Single Transaction Limit.....	13
B. Monthly Transaction Limit.....	13
C. Reviewer (Supervisor and Financial Steward/Cost Center Manager) Change .....	13
D. Leave of Absence.....	13
E. Cost Center Changes/Transfer to Another Department.....	13

F. Leaving the University.....	14
G. Inactivity.....	14
<b>VII. Guidelines for Use.....</b>	<b>15</b>
A. Overview.....	15
B. Restricted Purchases.....	15
C. Prohibited Purchases.....	16
D. Sales Tax Exemption.....	18
E. Delivery of Goods.....	18
F. Online Accounts.....	18
G. Returns and Credits.....	18
H. Declined Purchases.....	19
I. Computer and Software Purchases.....	19
J. Catering Purchases.....	19
K. Property Records.....	19
<b>VIII. Reconciliation/Re-allocation.....</b>	<b>21</b>
A. Stratus Expense Report.....	21
B. Cardholder Stratus Expense Report Submission.....	21
C. Reviewer (Supervisor and Financial Steward/Cost Center Manager) Stratus Expense Report Approval.....	21
<b>IX. Records Retention.....</b>	<b>23</b>
A. Overview.....	23
B. Billing Cycle.....	23
C. Receipts.....	23
D. Bank Statement.....	23
<b>X. Disputes, Fraud and Lost Cards.....</b>	<b>25</b>
A. Disputing a Charge.....	25
B. Fraudulent Purchases.....	25
C. Lost or Stolen.....	25
<b>XI. Reviews &amp; Audits.....</b>	<b>26</b>
A. Monthly Transaction Review.....	26

B. Procurement Card Compliance Review Program .....	26
C. Monthly External Audit.....	26
D. Triennial External Audit .....	27
<b>XII. Contact Information .....</b>	<b>28</b>
A. Overview.....	28
B. Procurement Department .....	28
C. US Bank .....	28
D. Stratus: Expenses – ProCard.....	28
<b>XIII. Appendix .....</b>	<b>29</b>
A. State of Maryland Tax Exempt Certificate.....	29
B. Sample Stratus ProCard Expense Report.....	30
C. Sample Bank Statement.....	31

## I. Introduction

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### A. Background

The Comptroller of Maryland's General Accounting Division provides central management and administration for the State Corporate Purchasing Card (CPC) Program. State agencies must comply with policies, procedures, and instructions contained in this manual for use of the purchasing card. Failure to comply will result in the suspension and/or termination of cards.

A Statewide Corporate Purchasing Card Steering Committee provides oversight for the review and approval of all policies and procedures. Additionally, the steering committee monitors card activity reports to make improvements in the state's procurement systems.

The Corporate Purchasing Card Program saves the state time and money. By allowing the bank and the merchants to process most of the paperwork, the state eliminates the need to issue purchase orders and reduces the number of invoices and checks utilized in the purchasing/procurement process. It helps agencies obtain small dollar value items in a more efficient and cost effective manner. Vendors also benefit by eliminating invoices and receiving payments normally within two days of the purchases.

While it is the intent of the program to improve the efficiency and effectiveness of the agency's small dollar procurements, nothing in this policy and/or procedures is intended to replace current policy and/or procedures defined in the Finance and Procurement Article or in COMAR Title 21, or included in your agency's internal policies and procedures. The guidelines in this manual are to act as the minimum standards for the operation of the Corporate Purchasing Card Program. Agencies may establish supplemental procedures that are more stringent than the rules established in this manual.

Corporate purchasing cards and card services are contracted by the state. The General Accounting Division is responsible for the management of the statewide corporate purchasing card contract. The contact information for the contracted card provider is contained in the Contact Information section of this manual.

### B. Benefits

The corporate purchasing card system benefits the State of Maryland by reducing paperwork, cost, and processing of accounts payable for small dollar purchases. Vendors who accept corporate purchasing cards are paid much faster.

### C. Controls

The State of Maryland Corporate Purchasing Card Program uses both internal management controls, as well as features and reports from the card vendor's system, to manage and review the process to ensure that procedures are followed. Participating agencies and cardholders are required to adhere to all guidelines outlined in the CPC Manual. Failure to comply with this manual or failure to comply with any special directives from the General Accounting Division may result in the suspension and/or termination of either select card(s) or the entire agency. Excerpt from the [State of Maryland Corporate Purchasing Card Manual](#), Page 1.

## II. Program Overview

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### A. Program Purpose

Towson University's procurement card provides the most efficient mechanism for university employees to purchase goods and services valued at \$5,000 or less. The procurement card program enables university employees to apply for and receive a VISA card that can be used to make small purchases faster and easier than the standard procurement process.

*The procurement card is the most efficient way to make small dollar purchases.*

As a public institution, Towson University must adhere to the policies established by the Maryland Board of Public Works (BPW). BPW Advisory No. 1998-1, Corporate Purchasing Card (CPC) - Mandatory Use, requires Towson University to use the procurement card for delegated purchases. The only allowable exception is when the supplier does not accept the procurement card or the merchant code is restricted. Because the University System of Maryland has a delegated threshold of \$5,000, the campus should use the procurement card for purchases up to this amount.

### B. Benefits

The procurement card is the most efficient way for university employees to purchase and receive supplies and/or equipment valued at \$5,000 or less.

Benefits for Towson University:

- Allows employees to obtain many goods and services quickly and easily;
- Significantly reduces paperwork and processing time for the using department, Accounts Payable and Procurement;
- Provides cost savings through consolidated payment.

Benefits for merchants:

- Receives payments in two business days;
- Eliminates invoicing and collection;
- Requires no additional paperwork.

## III. Obtaining a Procurement Card

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### A. Procurement Card Application

Procurement cards are available to Towson University employees after completion of the procurement card application and procurement card training for both the cardholder and reviewer. As a Towson University Employee, you may apply for a procurement card using the following instructions: [Procurement Card Application Instructions](#). The application is processed through DocuSign.

Complete the application, have it signed by the reviewer, and approved by the department head. Cardholders in academic departments must also obtain approval from their deans and divisional budget officers. Submit completed applications to the Procurement Department for final approval, after which the account will be opened through US Bank. After completing mandatory training, the Procurement Department will notify the cardholder when his/her card arrives. The cardholder may pick-up the card by showing two forms of identification and signing for the new card. As a final step, each cardholder activates the card by calling US Bank at the number printed on the back of the card.

**If you belong to an Academic Department, please ensure your Department Head/Chair, Dean and Divisional Budget Officer sign the application.**

### B. Procurement Card Training

All new cardholders and their reviewers are required to complete the VISA Procurement Card Training Course. The course is administered using BlackBoard and divided into two sections.

- Course One: Procurement Card Policies and Procedures provides an over of policies and procedures. Cardholder, Reviewers, Financial Stewards, and Cost Center Managers will be required to complete training and obtain a passing score of 80%.
- Course Two: Couese Two: Stratus – Expense: ProCard Training Course provides an overview for creating, approving, and rejecting an expense report in Stratus. Cardholders, Reviewers, Financial Stewards, and Cost Center Managers will be required to complete training and obtain a passing score of 80%.

Once an application for a procurement card is submitted, the cardholder and reviewer will be automatically registered for the course. If you would like to request Procurement Card Training as part of the University Business Certificate, please sign-up using the following link: [Procurement Card Training](#).

Refresher training for cardholders and reviewers will be scheduled every two years, or as determined necessary by the University's Procurement Card Program Administrator (PCPA).

## C. Activating your Card

After procurement card pick-up, cardholders will be provided instructions for activating their new cards. US Bank credit cards are equipped with chip technology; the new global standard in fraud protection. Whenever you check-out at a chip-enabled terminal, a unique one-time code is created that is required for your transaction to be approved. This code is nearly impossible for counterfeit cards to duplicate.

**Follow these easy steps to pay at a chip-enabled terminal:**

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**1** Insert the chip end of your U.S. Bank card into the chip-enabled terminal with the chip facing up.
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**2** Keep your card in the terminal throughout the transaction and follow the prompts on screen. You may need to sign or enter your PIN. Some transactions require neither.
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**3** Remove your card from the terminal when prompted and take your receipt.

**Please note:** If you remove your card too soon, your purchase will be canceled.

If a merchant doesn't have a chip-enabled terminal, your card has a magnetic stripe and can be used by swiping your card. For online shopping, your shopping experience remains the same. Cardholders will receive a PIN number in the mail separate from their procurement cards. Cardholders must secure and safeguard their PIN.

**Please note: A PIN is not required when paying with a chip-enabled US Bank credit card. However, you may need to sign for your purchase.**

## D. Card Renewal

The procurement card is active until the last day of the expiration month. The bank will automatically send renewal cards. If the Procurement Department does not notify you that your renewal card has arrived by the 15th of the month in which your card expires, please contact the PCPA.

## IV. Financial Responsibility

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### A. Overview

Stewardship of the university's financial resources is the responsibility of all employees. Those who purchase or authorize on behalf of the university are responsible and accountable for their transactions. In the procurement card process, cardholders and reviewers must each ensure they are fulfilling their fiscal duties.

As an authorized participant in the buying process for the university, you must understand and adhere to the following:

### B. Spending Authority

Cardholders are authorized to commit funds totaling their approved monthly spending limits. However, all cardholders must adhere to the \$5,000 single transaction limit. Splitting a purchase to circumvent the \$5,000 single transaction limit is strictly prohibited and may result in loss of procurement card privileges. While typical splitting takes place when a cardholder pays an invoice totaling more than \$5,000 with two or more procurement card payments, it can also take place through the stringing of transactions over time. For example, purchasing a \$3,000 projector each month for 10 months for 10 classrooms being upgraded. In this case, the Procurement Department should be contacted to competitively bid the \$30,000 total purchase.

***Splitting a purchase to circumvent the \$5,000 single transaction limit is strictly prohibited and may result in the loss of procurement card privileges.***

### C. Signature Authority

***Vendor contracts that require a university signature, no matter the dollar amount, must be handled by the Procurement Department.***

The procurement card cannot be used for any transaction involving a lease, license, contract or agreement, without prior approval. Vendor contracts that require a university signature, no matter the dollar amount, must be handled by the Procurement Department. Representatives in university departments may not sign vendor contracts. Failure to adhere to this policy may result in personal liability for any contract or agreement signed by the cardholder. For example, if you wanted to rent a golf cart for an upcoming university event, the purchase would most likely require the signature of a rental agreement. Prior to purchase, the Procurement Department would need to review the agreement and ensure it does not contain language that Towson University and/or the State of Maryland are unable

to accept.

## D. Ethical Responsibility

As a cardholder, you are actively involved in the procurement process. You are in a position to provide or withhold substantial rewards from suppliers who serve the university. You must maintain a keen sense of professional ethics to serve the university in a responsible manner. If you are ever unsure about a situation, ask yourself these questions:

*How would the headline read if the newspaper printed a story about your purchase?*

- How would the headline read if the newspaper printed a story about your purchase?
- Was the decision made in an open and competitive environment?
- Is the price fair and reasonable?
- Are you risking your job or reputation?

## E. Conflict of Interest

The conflict of interest provisions of the [Public Ethics Law, Maryland Code Annotated, General Provisions, Title 5, Subtitle 5](#), apply to all State Employees, regardless of grade or years. Examples of conflict of interest are as follows:

- An employee or official may not intentionally use the prestige of his or her office for personal gain or that of another.
- An official or employee may not participate in an official action, decision or matter in circumstances where the official or employee has an interest or where certain relatives of the official or employee have an interest.

Please visit the [Maryland State Ethics Commission](#) website for more examples and information on [Conflict of Interest](#).

## F. Small Business Reserve (SBR)

The [Small Business Reserve Program \(SBR\)](#) provides small businesses with the opportunity to participate as prime contractors on State of Maryland contracts and procurements by competing against other small businesses instead of larger, more established companies. Towson University is mandated to achieve a participation goal of at least 15%, and procurement card purchases count toward this goal.

As a cardholder, each purchase should begin with a search on [eMaryland Marketplace Advantage](#) of certified small businesses. Firms can be searched by product or service type using the NIGP Keyword field, and checking the Small Business Reserve checkbox.

Please contact Towson University's Manager of Business Inclusion and Supplier Diversity, Chanel Franze at [cfranze@towson.edu](mailto:cfranze@towson.edu) or 4-2048 or [mbe@towson.edu](mailto:mbe@towson.edu) or 4-2171, for assistance in locating SBR firms.

## G. Minority Business Enterprise (MBE)

The [Minority Business Enterprise Program \(MBE\)](#) was established to ensure that small, minority, and women-owned firms have the opportunity to participate fully and fairly in both State of Maryland and U.S. DOT federally funded projects. Towson University is mandated to achieve a participation goal of at least 29%, and procurement card purchases count toward this goal.

If a search for a small business does not provide results, cardholders should search for a certified minority business enterprise (MBE) firm on the [MDOT Directory of Certified Firms](#). Firms can be searched by [NAICS](#) code, or simply by the product or service type you desire.

Please contact Towson University's Manager of Business Inclusion and Supplier Diversity, Chanel Franze at [cfranze@towson.edu](mailto:cfranze@towson.edu) or 4-2048 or at [mbe@towson.edu](mailto:mbe@towson.edu) or 4-2171, for assistance in locating MBE firms.

## V. Card/Account Security

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All cardholders are responsible for the security of their procurement cards and account information. Every effort shall be made to secure all procurement card information, including reports, statements, packing slips and receipts. The procurement card shall be treated with *at least* the same level of care and security as a personal credit card.

- **Always know the location of your card**
    - Keep your procurement card on your person, and in a secure location when not in use.
    - If you cannot find your card, expect the worst. Have your account canceled and request a new card. See [Disputes, Fraud and Lost Cards](#) within this manual for instructions.
  
  - **Do not share your card with others**
    - The cardholder is the only person authorized to make purchases using his/her procurement card. Giving the 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 account and/or termination of employment). The cardholder is liable to Towson University and the State of Maryland for the proper use of the card. If you make a purchase on behalf of another employee, please sign the receipt to signify your card was not shared.
- Do not share your card with others.***
- **Conduct business with reputable companies**
  - **Do not send your full account number and expiration date to anyone via email**
    - Without encryption, email is not a secure method of correspondence. When sending emails, please only include the last four digits of the account number.
  - **Inform merchants that they should not store your credit card information for future purchases**
  - **Ensure websites you use to make purchases are encrypting your credit card information**
    - When a supplier's website utilizes encryption, there will be a small picture of a closed lock to identify the increased security. Another method to determine if encryption is being used is to check the URL of the current page of the website. If the URL begins with "http://", the page is NOT encrypted. If the URL begins with "https://", the page is encrypted.
  - **Be aware of phishing schemes**
    - Phishing is exactly that, fishing for information (e.g. personal credit card information, personal bank account information, social security number, etc.) The most common method of phishing is through fraudulent emails containing your personal information and claiming to be from your bank or another institution. The email requests that you confirm your information. This information can be used fraudulently to make unauthorized credit card purchases or for identify theft. Neither the bank nor the Procurement Department will contact the cardholder for account information.

## VI. Account Maintenance

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### A. Single Transaction Limit

The maximum single transaction limit is \$5,000, including all costs such as shipping and installation. Department heads may establish a lower limit at the time the application is submitted or via email to the PCPA after issuance of the card. Any purchase that exceeds \$5,000 shall be sent to the Procurement Department via purchase requisition. "Splitting" or "stringing" purchases to circumvent this limit is prohibited.

*The department head or reviewer (Supervisor, Financial Steward/Cost Center Manager) may request changes in spending limits, via email or in writing, to the PCPA*

### B. Monthly Transaction Limit

Each cardholder is assigned a monthly spending limit; typically \$5,000. Department heads and reviewers may request changes to the monthly spending limit, or otherwise regulate transactions, based upon program need. Once the application is processed, the department head or reviewer may request changes in spending limits, via email or in writing, with justification to support the request. The PCPA will consider such requests on a case-by-case basis, after reviewing spending history.

### C. Reviewer (Supervisor and Financial Steward/Cost Center Manager) Change

If your reviewer (Supervisor and Financial Steward/Cost Center Manager) changes for any reason (e.g. retires, promotion), please contact the PCPA. The new reviewer will be required to attend Procurement Card training, if they have not done so already, and sign an authorized reviewer agreement form.

### D. Leave of Absence

If you will be on leave from the university for an extended period of time, you or your Reviewer shall notify your PCPA of your anticipated dates of absence. During an extended absence, your procurement card will be suspended.

### E. Cost Center Changes/Transfer to Another Department

#### Transferring to Another Department

If you transfer to another department within the university or a cost center is closed or changed, you must contact the PCPA to change your cost center.

#### Changing default Cost Center

Stratus utilizes HCM supervisor hierarchy and home cost center in each of the workflows. If cardholders need to change their default cost center, they must submit a request to [stratusfinancialsteam@towson.edu](mailto:stratusfinancialsteam@towson.edu). If there are any changes to the employees HR profiles (i.e. phone number, address, email), this will trigger the HR integration to run and reset the default.

Cardholders should periodically review their default cost centers to confirm there are no changes. If they notice that their cost center reverts back, another request must be resubmitted. Note-changes to the

default cost center will only apply to expense items created after the default cost center was updated. This will not retroactively update any existing expense items.

## **F. Leaving the University**

If you are concluding your employment with Towson University, please contact the PCPA to begin the card closure process. Cardholders are responsible for:

- Completing expense report(s) in Stratus
- Returning their cards to the PCPA.
- Provide all requested documentation to the PCPA.

Unless out of your control, please contact the PCPA **NO LESS** than two weeks prior to leaving the university. The final compliance review completed prior to the employee's departure from the University. If the cardholder is unavailable to complete these tasks, the reviewer (direct supervisor) is responsible.

## **G. Inactivity**

The General Accounting Division (GAD) for the State of Maryland mandates we close cards inactive for a period of 6 months or more. In addition, the Office of Legislative Audits (OLA) finds inactive cards as a high risk item for the State of Maryland. With that said, Towson University takes a proactive role regarding inactive cards. If you find your card use to be infrequent, and purchasing can be consumed by another cardholder in your area, please contact the PCPA to close your account.

## VII. Guidelines for Use

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### A. Overview

The Comptroller of Maryland's General Accounting Division (GAD) provides central management and administration for the State Corporate Purchasing Card Program. State agencies must comply with policies, procedures, and instructions contained in the [State of Maryland Corporate Purchasing Card Program Policy and Procedures Manual](#). Failure to comply will result in the suspension and/or termination of cards.

While it is the intent of the program to improve the efficiency and effectiveness of the agency's small dollar procurements, nothing in the Corporate Purchasing Card Manual is intended to replace current policy and/or procedures defined in the Finance and Procurement Article or in COMAR Title 21, or included in Towson University's internal policies and procedures. The guidelines in the State of Maryland Corporate Purchasing Card Program Policy and Procedures Manual are to act as the minimum standards for the operation of the Corporate Purchasing Card Program.

As agencies may establish supplemental procedures that are more stringent than the rules established in the Corporate Purchasing Card Manual, Towson University has established the Towson University Corporate Procurement Card Policies and Procedures Manual.

In addition, Towson University has established [TU Policy 08-03.03, Restricted and/or Prohibited Purchases Policy](#), pursuant to the State of Maryland General Accounting Division Accounting Procedures Manual. Please remember, allowable expenditures apply to all purchases regardless of the source of funds (e.g., state support, self-support, grant.). By adhering to these policies, cardholders will avoid being required to return merchandise to the vendor or being required to personally reimburse the university.

### B. Restricted Purchases

While the procurement card may allow you to purchase prohibited items, some purchases are restricted at the point-of-sale. Vendors who accept VISA credit cards should accept the State of Maryland Corporate Purchasing Card. However, certain categories of merchandise and services are restricted from being purchased using the State of Maryland Corporate Purchasing Card. Vendors register with VISA under a specific Merchant Category Code Group (MCCG). The MCCG number usually corresponds to the type of merchandise or service a vendor supplies. The following list of MCCG numbers are restricted from purchases using the State of Maryland Corporate Purchasing Card:

- 6010 through 6051 - Service Providers; total group restriction (financial institutions, security brokers, timeshares, etc.)
- 7221 through 7299 (except #7296 - clothing, costume and uniform rental) - Personal Service Providers; photographic studios, beauty and barber shops, funeral services and crematories, dating and escort services)
- 7832 through 7997, and 7999 - Amusement and Entertainment; motion picture theatres, bowling alleys, video game clubs, betting, golf, etc.
- Miscellaneous - Specific restrictions by individual MCCG number as follows:
  - Drinking establishments (Alcoholic beverages) - 5813
  - Eating places (Restaurants) - 5812
  - Fast food restaurants - 5814
  - Package goods stores (Beer, wine, & liquor) – 5921

Attempts to purchase from vendors registered under any of the above MCCG numbers will result in declined transactions. No purchases for these groups and/or items are allowed in accordance with the Corporate Purchasing Card Program. The General Accounting Division (GAD) of the Office of the Comptroller of MD blocks MCCGs for all State of Maryland corporate purchasing card cardholders. The PCPA has no authority to make exceptions for MCCGs.

### C. Prohibited Purchases

Not all prohibited purchases can be restricted by an MCCG. If a purchase is not restricted at the point-of-sale, it still may be classified as a prohibited purchase.

In accordance with, but not limited to, [The State of Maryland Corporate Purchasing Card Manual](#), [Towson University Corporate Procurement Card Policies and Procedures Manual](#), the [General Account Division \(GAD\) accounting procedures](#), and [TU Policy 08-03.03](#), the following are prohibited purchases with your procurement card:

- **Personal Use**
  - Keep your procurement card separate from your personal credit cards.
  - If you make an inadvertent personal purchase, contact your PCPA immediately. Should use of the card be abused, the university will seek restitution for any inappropriate charges made by the cardholder. Fraudulent or intentional misuse of the card will result in immediate revocation of the card and/or other appropriate action, including legal action and/or additional action under USM or TU Fiscal Irregularities. These procedures can be found at [TU Policy 08.07.10 - Procedures for Reporting Suspected or Known Fiscal Irregularities](#).
- **Gift Cards or cash equivalents**
  - Inadvertent gift card purchases will result in a General Accounting Division (GAD) mandated 45-day suspension of card privileges.
- **Alcohol**
- **Appliances for individual employee offices**
  - If replacing a shared appliance for a break-room, please contact your PCPA for approval.
- **Flowers for an employee illness, retirement, funeral, etc.**
  - Exception for business or promotional expense as part of a university-wide or public relations event.
- **Decorations for private offices**
  - Exception for common areas (e.g. lobbies or reception area).
- **Clothing expenditures (e.g. tuxedo rental, shirts, and jackets)**
  - Exception for uniforms worn by staff, and shirts or apparel worn by university staff for identification at university events or activities.
- **Credit Courses from Educational Institutions**
  - Review [Towson University – 07-04.10 – Tuition Remission and Tuition Reimbursement](#) for tuition remission and tuition reimbursement process .

- **Acceptance of gifts or gratuities**
  - Avoid reward programs (e.g. Best Buy).
  - If a free gift is unavoidable (e.g. free printer toner with purchase), the gift is property of the university.
  - If a gift card is issued with purchase, it is property of the university. Retain the gift card in your monthly records, or use during a future purchase. Future use shall be documented with a memo in the cardholder's monthly records.
- **Social function expenses for employee office parties and/or contests** (e.g. food & decorations)
  - Exception for events held to promote the university.
- **Gifts, items of sentiment, or personalized items** (e.g. retirement plaque and get well cards)
  - Exception for those that are used for the purpose of promoting the university.
- **Prizes, incentive awards, or appreciation gifts for faculty, staff and student employees**
  - Prizes or incentive awards for students are allowable, but should be documented properly. Please document the reason, the student receiving the prize or incentive, and their Towson University identification number.
- **Bottled water for employees**
  - Exception if Environmental Health & Safety certifies that water meeting drinking standards is not available in your work area.
- **Tickets for faculty, staff, or student employees (or their respective family members) use for University events and/or outside events held on campus**
  - Review [TU Policy 08-03.03](#) for a comprehensive list of exceptions.
- **Fines, fees, and penalties for parking and driving violations of employees**
  - Including Towson University parking permit fees for faculty, staff, student and temporary employees.
- **Furniture from a merchant other than Maryland Correctional Enterprises (MCE)**
  - Pursuant to Title 14 Preferences and Section 14-103 (Priority of Preferences) State Finance & Procurement Article, Annotated Code of Maryland, certain supplies and services (particularly furniture) must be purchases from State Use Industries (SUI), i.e. Maryland Correctional Enterprises (MCE).
  - In some cases, an exception may be provided to purchase from a merchant other than MCE. Please contact Procurement, 4-2171, for more information. If provided an exception, please retain within your monthly records.
- **Travel Expenses** (e.g. airlines, vehicle rental, hotels, baggage fees, meals, etc.)
  - Exception for conference registration fees.
- **Finance charges or late fees**
  - Prohibited in accordance with State Finance & Procurement Article, Section 15-103, 104, Annotated Code of Maryland.

- **Expenditures for the following, regardless of payment method:**
  - Disposal of Hazardous materials (TU Hazardous Waste Management Policy & Procedure).
  - Radioactive Isotopes (TU Radiation Protection Program).
  - Explosives & Ethyl Alcohol.
  
- **Amazon Prime**
  - Towson University has an Amazon Business Account. If you need access, please email [pcpa@towson.edu](mailto:pcpa@towson.edu) to be added to the account.

Remember: It is your responsibility to be aware of restricted and/or prohibited purchases, and also of restrictions on the account being charged. If you have questions about whether an item may be restricted or prohibited, please contact your PCPA.

#### **D. Sales Tax Exemption**

The ProCard states that Towson University is sales tax exempt and lists the exemption number. All in-state and many out-of-state vendors honor this exemption. If required by the vendor, a copy of TU's tax-exempt certificate may be provided. If sales tax is paid in error, cardholders are expected to make reasonable attempts to obtain a refund, and document unsuccessful attempts for audit purposes. Please contact the PCPA at (410) 704-3315 or [pcpa@towson.edu](mailto:pcpa@towson.edu) for additional help regarding sales taxes.

The cardholder must:

- Create a separate expense report in Stratus for the transaction and refund (if applicable)
- Attach supporting documentation
- In the expense report main description section, they must state **"SALES TAX TRANSACTION"**

#### **E. Delivery of Goods**

All purchases not picked up from the vendor by the cardholder must be delivered to the campus address:

8000 York Road  
Baltimore, MD 21252

If you need to make a delivery to an off-campus location, please contact your PCPA prior to purchase for approval.

#### **F. Online Accounts**

Per [TU Policy 10-03.00, Electronic Mail Policy](#), anyone performing official university business is required to utilize their Towson University email account, and not personal email accounts. If you create an account with an online retailer, you must use an account separate than any personal accounts you may already have open. Do not add your procurement card as a funding source for any personal accounts for any online retailers (e.g. Amazon, PayPal).

#### **G. Returns and Credits**

If purchased items must be returned, or money refunded, work directly with the merchant. If the merchant charges State of Maryland sales tax, secure a credit for the charge. Tips to help secure credits:

- Some items may not be returned without the original packaging. Retain boxes, containers, special packaging, etc., until you are certain that you will keep the goods.
- Many merchants require an authorization number before accepting a return; follow return instructions.
- Sometimes a restocking fee is charged; acknowledge this with your transaction documentation.
- Record credits as well as charges on your monthly transaction log.
- Request documentation for credits from the merchant (credit memo).
- Verify that correct credits have been issued and posted to your account on both the statement and Stratus.
- Document attempts to secure credits, including sales tax credits.
- If a credit is not issued and posted to your account, contact your PCPA.
- The cardholder must:
  - Create a separate expense report in Stratus for the transaction and refund/credit (if applicable)
  - Attach supporting documentation
  - In the expense report main description section, they must state “Returned item”

## H. Declined Purchases

If a purchase is declined, please contact your PCPA for assistance. A transaction may be declined for the following reasons, but not limited to:

- Purchase exceeds the \$5,000 single transaction limit.
- Purchase exceeds your monthly spending limit.
- The MCCG is restricted.
- Incorrect billing information was supplied to the merchant.
- The purchase has been flagged by US Bank as a potential fraudulent purchase.

***All food purchases shall be documented with an event description, participation list, and an original receipt.***

## I. Computer and Software Purchases

Computer and software purchases of \$5,000 or less are allowable with the procurement card. However, cardholders are required to contact the Office of Technology Services (OTS) prior to making their purchases to ensure compatibility with the university's network and to ensure contract pricing is received. Any new software purchase requires the cardholder to submit a ticket for a TechConsult prior to purchase being made. See Signature Authority section above if purchase requires terms and conditions/agreement to be signed.

## J. Catering Purchases

On-site catering & off-campus food purchases must follow the [TU Catering and Meal Coupon Policy 08-11-20](#). In addition, the [Event & Conference Services website](#) provides guidance on [catering purchases](#). Please ensure all food purchases are documented in your monthly records and supported by the name and purpose of the function, as well as a list of individuals served, indicating their affiliations with the University/USM/State (employee, visitor, paying guest, prospective student, etc.).

## K. Property Records

Towson University is required by law to regulate and control all property in its possession. Property with

an acquisition value of \$500 or greater must be identified with the plain TU logo label as Towson University property. Departments are responsible for keeping records of all sensitive equipment (equipment easily converted to personal use and with a cost/ value of \$2,500 or greater). Property Records centrally maintains the inventory of all firearms and computers regardless of cost, and of equipment and furniture valued at \$5,000.01 or greater.

To protect the university's resources, it is important that equipment purchased with the procurement card be included, when required, in the inventory. If you purchase or receive property meeting the aforementioned criteria and it does not have the appropriate identifying label, contact the Property Records Office. For more information and complete details on the university's asset records policies, refer to Materiel Management, [Property Management Policies and Procedures](#), or contact Property Records.

***Property with an acquisition value of \$500 or greater must be identified with the plain TU logo label as Towson University property.***

## VIII. Reconciliation/Re-allocation

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### A. Stratus Expense Report

Every transaction on the ProCard expense report(s) must be reconciled against the monthly bank statement. It is required that expense report(s) contain the following information for each transaction (debit and credit):

- transaction date
- merchant name
- description of item(s) purchased
- price per item
- total transaction price

The Stratus is used for cardholders to maintain their transactions. The cardholder should verify that the charge is the same as the receipt and bank statement. If the amount charged is different than the receipt or if State of Maryland sales tax has been charged, the cardholder must contact the merchant to resolve the issue. All expense reports must be submitted, approved, and approved by the **10th** of the following month.

If the cardholder has no transactions, the cardholder are complete and submitted zero transaction form via DocuSign.

### B. Cardholder Stratus Expense Report Submission

During the billing cycle, transactions are posted **DAILY** in Stratus. Cardholder **DO NOT** need to create an ProCard Transactions.

Cardholders are strongly encouraged to submitted ProCard Expense Reports **DAILY**. This will allow transactions to be reallocated to their cost center immediately.

The cardholder must reconcile the bank statement with the receipts, credit memos and expense report by the **10th** of the month following the close of the billing cycle.

The cardholder signifies that all charges are accurate and in accordance with the requirements of the program by submitting an expense report. The expense reports with all the required documentation (receipts, credit memos, and PCPA approval communication) are submitted to reviewer for review and approval.

### C. Reviewer (Supervisor and Financial Steward/Cost Center Manager) Stratus Expense Report Approval

When cardholders apply for a procurement card, their direct supervisor, or someone with greater fiscal responsibility for the department's budget, signs an agreement to serve as the cardholder's reviewer. It is the reviewer's duty to ensure the cardholder is in compliance with all of the procurement card program policies, and that the transactions are appropriate expenditures of the budget's fund. The

reviewer's approval certifies that:

- The cardholder completed valid expense reports.
- The purchases were within the guidelines established for the Procurement Card Program.
- The amount charged is fair and reasonable.
- Appropriate supporting documentation is included for every transaction.
- The amount charged to the departmental account per Stratus reconciles with the bank statement.
- No transactions appear in Stratus for the months that the cardholder claims to have no activity

***Records shall be maintained for 5 years in a centralized location with secure access.***

It is the reviewer's responsibility to bring any unsupported or improper purchases to the attention of the cardholder for follow-up. When the reviewer has completed the review and is satisfied with follow-up actions taken by the cardholder, they are required to approve the expense report in Stratus. The reviewer signifies that all charges are accurate and in accordance with the requirements of the program by approving the expense report by the 25<sup>th</sup> of the month following the close of the billing cycle.

If any transaction is not in compliance with any of the procurement card program requirements, the reviewer is required to notify the PCPA by the 25th of the month following the close of the billing cycle. The reviewer shall comply with the [TU Policy 08.07.10 - Procedures for Reporting Suspected or Known Fiscal Irregularities](#)

## **IX. Records Retention**

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### **A. Overview**

Each month your procurement card will require some form of documentation, even months without any transactions. In a month with transactions, the cardholder is responsible to maintain all receipts, any supporting documentation, create expense reports in Stratus, and a bank statement. In a month without transactions, the cardholder is only responsible for completing and submitting the zero transaction form via DocuSign to the PCPA.

All paper records should be maintained in a centralized location with secure access to department employees. Paper records shall be maintained for 5 years. If the procurement card account is associated with a grant, records must be retained for a minimum of five years, or longer as required by the terms of the grant. If a cardholder vacates the university, the cardholder's department is responsible for maintaining his/her monthly records for 5 years.

Stratus Expense Reports will be available to cardholders or the cardholder's department via Campus Reporting.

### **B. Billing Cycle**

The billing cycle ends on the 25<sup>th</sup> of each month, unless the 25<sup>th</sup> falls on a weekend day. If so, the billing cycle ends on the next business day. For example, if the billing cycle ends on the Saturday, July 25<sup>th</sup>, the billing cycle would end on Monday, July 27<sup>th</sup>.

### **C. Receipts**

An itemized receipt is required for every purchase (debits and credits). An itemized receipt consists of the merchant name, date of purchase, total purchase price, and one or more of following: list of all items purchased (e.g., standard Target receipt including an item description and unit price), and/or, cost breakdown showing quantities and unit prices for labor and materials (e.g., Lump-sum \$1,000 purchase may be detailed as \$100 p/h for 8 hrs., and \$200 for replacement part). If the merchant cannot supply an itemized receipt, please annotate on the receipt the items purchased with unit prices, and/or provide additional quotes to justify the price is fair and reasonable. If the receipt shows any name other than the cardholder (purchasing on behalf of another cardholder), the cardholder shall sign the receipt. If the purchase may appear questionable, please include any emails, memos, or other documentation verifying the purchase was for university business.

***An itemized receipt is required for every purchase.***

If a receipt is lost, create a substitute memo on a blank sheet, including the merchant name/address, item description, date, purpose, and price. The Financial Services Review Team will still note the missing receipt, but the transaction will be explained for subsequent audits.

### **D. Bank Statement**

A statement of all transactions will be mailed directly to the cardholder each month containing transactions. However, cardholders can download their bank statements from US Bank Access Online (preferred). The cardholder will not receive a bank statement during months with no activity. If the amount charged is different than the receipt and/or expense report, the cardholder must contact the

merchant to resolve the issue. If the cardholder has activity but does not receive a statement by the 7th of the following month, contact the PCPA.

## X. Disputes, Fraud and Lost Cards

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### A. Disputing a Charge

An incorrect charge that appears on a bank statement must be disputed within 60 days of the transaction date. The dispute may result from a merchant's refusal to take back an item, the amount charged differs from the receipt, the amount is a duplicate charge, the merchant is not recognized, etc.

Cardholders should first attempt to resolve the problem with the merchant. If this attempt is not satisfactory, cardholders should contact their PCPA for help with completing a [US Bank Procurement Card Dispute Form](#).

The cardholder's Stratus: ProCard Expense Report should document all disputed transactions. The bank will issue a credit to the cardholder's account for the disputed amount, pending dispute resolution. The cardholder should verify that the credit appears on the next monthly bank statement. After investigation, the bank will notify the cardholder of the resolution. If the cardholder is not satisfied with the bank's resolution, they should immediately contact the PCPA.

The cardholder will:

- Create a separate expense report in Stratus for the transaction and credit (if applicable)
- Attach supporting documentation (including the completed US Bank Procurement Card Dispute Form)
- In the expense report main description section, they must state "**DISPUTED TRANSACTION**"

### B. Fraudulent Purchases

If you are the victim of fraudulent activity on your procurement card, please report the incident by calling your PCPA, and the US Bank Fraud Department at 1-800-523-9078. US Bank will review your recent purchases, close your account, and reissue a new procurement card. When your new card arrives, you will be contacted for pick-up. Please **DO NOT** destroy, or cut-up your old procurement card as it will need to be returned to and retained by your PCPA.

In most cases, US Bank identifies fraudulent activity before a transaction can post to your account. If a fraudulent transaction does post to your account, US Bank will send a fraud affidavit form. Please sign and return the form to US Bank in a timely manner. Failure to return the form in a timely manner may result in Towson University being held liable for the fraudulent transaction.

### C. Lost or Stolen

If you discover your procurement card has been lost or stolen, please report the incident by calling your PCPA, and US Bank at 1-800-344-5696 (on the back of the card). US Bank will review your recent purchases, close your account, and reissue a new procurement card. When your new card arrives, you will be contacted for pick-up.

If your procurement card was lost on campus, please file a police report with the Towson University Police.

## XI. Reviews & Audits

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The procurement card is subject to audit by multiple entities: Towson University, the University System of Maryland (USM), the General Accounting Division, and Legislative Auditors. In addition, transaction history can be viewed at any time by anyone; the records are public domain.

### A. Monthly Transaction Review

On a monthly basis, you may be contacted by the Procurement Department to provide details on a recent purchase. Requests typically include an explanation of the purchase and a copy of the receipt. On average, the Procurement Department contacts more than 100 cardholders each month regarding their purchases. Please understand that contact is not an accusation of wrongdoing, but merely an internal control to prevent misuse or fraudulent activity. You may be contacted to ensure you're adhering to compliance procedures for the following, but not limited to: MD sales tax, split purchases, gift cards, furniture, personal use, travel, etc.

***Procurement contacts more than 100 cardholders each month regarding their purchases.***

### B. Procurement Card Compliance Review Program

The Procurement Department and Financial Services have jointly established a Compliance Review Program to ensure our Procurement Card Program remains in good standing. For more information, please review the following:

- [Summary of Procurement Card Compliance Review Program](#)
- [Procurement Card Compliance Review Procedures](#)
- [Sample Compliance Review Form](#)

Please remember cardholder records (paper and electronically) are subject to periodic unannounced reviews by Financial Services and Procurement. If the cardholder is not present, paper records should still be accessible. Completed reviews are forwarded to the PCPA, and classified as compliant, or non-compliant. Cardholders will be required to rectify any outstanding compliance issues. Cardholders may be required to attend additional training dependent upon classification of the compliance review.

### C. Monthly External Audit

Each month the following entities identify purchases that appear questionable without further explanation and supporting documentation.

- The General Account Division (GAD) of the State Comptroller's Office.
- The University System of Maryland (USM) Internal Audit Office. The monitoring is a high-level review using Level 3 data. Level 3 data provides line level information for purchases. For example, an item description for each of the 10 items purchased during a transaction at Wal-Mart.

If you are contacted by your PCPA regarding a questionable purchase, please respond with the requested documentation within the given deadline.

#### **D. Triennial External Audit**

The Office of Legislative Audits (OLA) conducts audits and evaluations of the Maryland State government agencies, including the Corporate Purchasing Card Program. The OLA audits the Towson University Procurement Card Program every three years for fiscal compliance. The audit will review records of both active and closed records. Fewer than 5% of cardholders will be affected during these audits.

Please remember: records for cardholders who have retired, resigned, or otherwise have surrendered their procurement cards must be kept for 5 years.

## XII. Contact Information

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### A. Overview

Towson University's Procurement Card Program is offered through a State of Maryland contract with US Bank, using the VISA card. The program is governed by the terms and conditions of a master agreement between the State of Maryland and US Bank. In most situations, individual cardholders and departments will deal with the University's Procurement Card Program Administrator (PCPA).

### B. Procurement Department

Ensuring every purchase is in compliance is a very cumbersome task and one taken very seriously at Towson University. In an effort to streamline this process, all Procurement Card Program correspondence will originate from [PCPA@towson.edu](mailto:PCPA@towson.edu). Likewise, if you have any questions about the Procurement Card Program, please use [PCPA@towson.edu](mailto:PCPA@towson.edu) as your main point of contact.

If you have an emergency with your procurement card, please contact the following individuals:

- Procurement Card Program Administrator: VACANT, 410-704-2171
- Procurement Card Back-up: Nina Baxter [nbaxter@towson.edu](mailto:nbaxter@towson.edu) , 410-704-3492

The PCPA is responsible for the overall administration of the Procurement Card Program, including assisting the departments in determining how to use the procurement card to fit their needs, planning and coordinating training, customer service, the internal reviews, and post-audit reviews. Contact the PCPA with any questions, concerns, problems, or suggestions regarding the Procurement Card Program or for assistance with determining how to use the Procurement Card Program to suit the department's needs. For changes to a cardholder's procurement card account, the cardholder's reviewer should contact the PCPA.

### C. US Bank

US Bank 24-Hour Customer Service: 1-800-344-5696

US Bank Fraud Department: 1-800-523-9078

### D. Stratus: Expenses – ProCard

Stratus - ProCard assistance is available by contact the following:

- Nina L. Baxter, Associate Procurement Director, [nbaxter@towson.edu](mailto:nbaxter@towson.edu) , 4-3492

## XIII. Appendix

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### A. State of Maryland Tax Exempt Certificate

#### **Notice to exempt organizations holding previously-issued exemption certificates**

The Maryland Revenue Administration Division is re-issuing sales tax exemption certificates to all organizations which continue to qualify. Your organization's new certificate is attached and is valid effective immediately. Previously issued exemption certificates become invalid on October 1, 1997. Vendors are required to charge tax on sales made on or after October 1, 1997, to any organization which does not present a new certificate at the time of sale.

If your organization deals regularly with certain vendors, we suggest that you contact them before October 1, 1997, so that they can verify that your organization has been issued a new certificate.

The re-issuance of these certificates does not change current procedures for claiming resale exclusions by exempt organizations engaged in purchasing tangible personal property for sale. The sales and use tax registration numbers of licensed vendors have not been changed and the validity of blanket resale certificates bearing these numbers is unaffected.

Additional copies of the exemption certificate may be obtained by organizations with more than one location or chapter, or for other demonstrated cause, by contacting the Legal Section by mail at Revenue Administration Center, Annapolis, Maryland 21411-0001.

<p><b>State of Maryland Comptroller of the Treasury Revenue Administration Division 301 W. Preston Street Baltimore, Maryland 21201-2383</b></p>	<p><b>State of Maryland Comptroller of the Treasury Sales and Use Tax Exemption Certificate</b></p>
<p>The attached card is your new exemption certificate which is valid upon receipt. Effective October 1, 1997, exemption certificates issued to governmental entities no longer have an expiration date, thus eliminating the need to renew the certificate. Please read the enclosed Tax Tip and the instructions on the back of the card for the proper use of the exemption certificate. If you have any questions regarding the use of this card, please call the Taxpayer Service Section at (410) 767-1300 in Baltimore, toll free 1-800-492-1751 from elsewhere in Maryland, or e-mail at <a href="mailto:taxhelp@comp.state.md.us">taxhelp@comp.state.md.us</a>.</p>	<p>Account Number <b>30002563</b></p>
	<p>Expiration Date Governmental No Expiration Date</p>
	<p>Name <b>Towson University Comptroller's Office 8000 York Road Towson, MD 21252</b></p>

FEIN - 526002033

## B. Sample Stratus ProCard Expense Report

▲ Report Total

Employer Pays Tax 0.00 USD

Employer Pays Card Issuer (089) 117.01 USD

Employer Pays Card Issuer (131) 433.99 USD

Employer Pays Card Issuer (081) 74.19 USD

**652.93 USD**

Amount ▼	Merchant ▼	Location ▼	Description ▼
117.01 USD Card 028	SHERWIN WILLIAMS 70334		Tel
433.99 USD Card 131	BEST BUY MFT 0001495		Tel
74.19 USD Card 081	HALCHAMP TUSC		Tel
938.19 USD Card 042	LOWES #12387		Tel
21.76 USD Card 042	LOWES #12387		Tel

C. Sample Bank Statement



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



ACCOUNT NUMBER XXXX-XXXX-XXXX-XXXX

AMOUNT DUE \$0.00



000001710 1 AV 0.391 106481094224842 P

CARDHOLDER NAME  
TOWSON UNIV XXXXX  
DEPARTMENT NAME  
8000 YORK ROAD BALTIMORE  
MD 21252-0001

MEMO STATEMENT ONLY  
DO NOT REMIT PAYMENT

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
05-28	05-29	5099	MID EASTERN ADVERTISING 410-9447330 MD	24755425149121499603506	249.90
05-29	06-01	2741	SPORTSLINE - XSELL PROMOT 410-8828001 MD	24013395149003074865655	1,800.00
06-01	06-04	5111	AJ STATIONERS 605-507-3900 TN	24323035154556018524893	115.13
06-04	06-08	5111	AJ STATIONERS 605-507-3900 TN	24323035157556018831485	186.31
06-09	06-10	2741	SPORTSLINE - XSELL PROMOT 410-8828001 MD	24013395160000945775331	2,116.00
06-09	06-12	5111	AJ STATIONERS 605-507-3900 TN	24323035162556019123166	75.69
06-14	06-15	5732	BEST BUY MHT 00002964 BEL AIR MD	24399005165295101020704	469.98
06-16	06-17	5099	MID EASTERN ADVERTISING 410-9447330 MD	24755425168121688773926	115.21
06-19	06-22	5941	MARLOW SPORTS INC 301-568-1800 MD	24632695171100611047162	1,095.00
06-19	06-22	5941	MARLOW SPORTS INC 301-568-1800 MD	24632695171100611047246	728.00
06-19	06-24	5111	AJ STATIONERS 6055073900 TN	24323035174556019975454	86.96

CUSTOMER SERVICE CALL  800-344-5696	ACCOUNT NUMBER XXXX-XXXX-XXXX-XXXX	ACCOUNT SUMMARY PURCHASES, FEES & ADJUSTMENTS \$7,038.18
	STATEMENT DATE 06/25/15	CHECKS/CASH ADVANCES \$0.00
MANAGING ACCOUNT NUMBER XXXX-XXXX-XXXX-XXXX  CONTACT AND ADDRESS R24 MD TOWSON UNIVERSITY GERARD MUELLER 80 CALVERT STREET 2ND FLOOR ANNAPOLIS, MD 21404		DISPUTE AMOUNT \$0.00
		CREDITS \$0.00
		STATEMENT TOTAL \$7,038.18