

UMBC Purchasing Card Program

Policies and Procedures

USER'S GUIDE

UMBC
PURCHASING CARD PROGRAM
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PREFACE

As a part of UMBC's effort to re-engineer current business processes, the Department of Procurement has taken a look at streamlining the process of small order purchases at UMBC (orders less than \$4,999). The goal of this re-engineering effort is to give departments more flexibility in making small purchases and to significantly reduce the paperwork and processing time for such purchases.

The State of Maryland recently implemented a Purchasing Card Program that is available to all State agencies. After carefully reviewing the State's program, UMBC has decided that it is in the best interest of the University to implement and follow the State's program to help us achieve our re-engineering goals. This UMBC Purchasing Card Program Users Guide is modeled after the State program and sets forth policies and procedures for the program which are consistent with those implemented by the State.

Where the **VISA** purchasing card may not be accepted or appropriate, the Requisition for Supplies and Materials order process is recommended as the alternative means for accomplishing small purchases. Using the **VISA** purchasing card and following the policies and procedures set forth in this **User's Guide**, will allow departments to obtain many goods and services much easier and faster.

UMBC PURCHASING CARD PROGRAM USER'S GUIDE

1. OVERVIEW OF PURCHASING CARD PROGRAM

1.1 PURPOSE

This program is designed to simplify the purchase of goods and services costing \$4,999 or less. The program requires only that previously existing guidelines for purchases continue to be followed and that the purchases be made from suppliers that accept *VISA*. As with all purchases, it is appropriate to first consider those sources available under existing State of Maryland and UMBC contracts. However, the use of the card is not restricted to these contracts. With the exception of the limitations addressed in Sections 3.6 and 3.7, the **Purchasing Card** may be used for any other items appropriate to the legitimate needs of the University and the using department. Use of the purchasing card will in no way affect or change your personal credit history.

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 TERMINATION OF EMPLOYMENT, FINE AND/OR CRIMINAL PROSECUTION.

1.2 BENEFITS

1.2.1 The use of the Card will provide the following benefits to departments:

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

1.2.2 Important benefits for suppliers include:

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

1.3 THE PURCHASING CARD COMPANY

UMBC has elected to use the purchasing card program that was established by the State of Maryland through a contract with USBank using the *VISA* card. The program is governed by the terms and conditions of a Master Agreement between the State of Maryland and USBank a copy of which is on file in the Department of Procurement. For program administration, individual cardholders and departments will deal either with the University's Purchasing Card Program Administrator (PCPA) in the Department of Procurement, or her designee. In some instances set forth below, the cardholders and departments will deal directly with USBank.

2 WHERE TO GET HELP

2.1 UMBC PROCUREMENT AND SUPPLY

Purchasing Card Program Administrator ("PCPA"): Deputy Purchasing Card Program Administrator ("DPCPA"):

Ina B. Caplan

Buyer
Room #301 Administration Building
Phone: 410-455-3915
Fax: 410-455-1009
E-Mail: caplan@umbc.edu

Ann E. Fusselbaugh

Administrative Assistant II
Room #301 Administration Building
Phone: 410-455-2273
Fax: 410-455-1009
E-Mail: fusselba@umbc.edu

The PCPA will provide support and assistance to cardholders and campus departments, distribute/process new card applications, process changes in cardholder information (e.g. name, mailing address, increase or decrease in limits, etc) and train all cardholders and supervisors. In addition to the PCPA, the Assistant Vice President for Administrative Services may sign and approve all applications for new cardholders.

2.2 USBANK

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

- If the card is discovered lost/stolen, the cardholder must, (1) call USBank at (800)344-5696 immediately and (2) call the PCPA on the first available business day during normal business hours at 410-455-3915.

Cardholders are to instruct USBank to send the replacement card to Ina Caplan, PCPA, UMBC Procurement Department, 1000 Hilltop Circle, Baltimore, Maryland, 21250.

2.3 UMBC PURCHASING CARD ADMINISTRATION

You can contact Ina Caplan, PCPA at 410-455-3915 or at extension 4558 with questions about use of the card and requests for additional cards. Contact Michele Evans, Management Advisory Services at extension 1354 with questions about maintaining transaction logs, supporting documentation, required reconciliations and audit concerns. Contact Carol Davison, General Accounting at extension 3650 with questions about FAS statements and reconciliations.

Supervisors with concerns about a cardholder's activity or failure to comply with purchasing card policies should contact Michele Evans via e-mail at mevans@umbc.edu. The card(s) in question will be suspended until a determination is made regarding compliance with the mandated policies.

3 CARDHOLDER POLICIES AND PROCEDURES

Note: Forms referred to in this guide are available on Procurement's website in electronic format for ease of use.

3.1 OBTAINING A CARD

The Requestor should complete a Cardholder Agreement and Cardholder Information & Signature Form and forward them to the PCPA. As part of the application, the cardholder must also submit a letter from their Dean, Director or Department Head indicating the individual authorized to receive a card, name of the individual's supervisor who will be responsible for monitoring usage and reconciliations, and the fund and budget to be charged. All departments reporting to the Dean of Arts & Sciences must obtain approval from the Dean's Office prior to submitting an application. The PCPA will then obtain the required signatures and forward the application to the proper authorities. A separate application must be submitted for each card or FAS number. The State of Maryland General Accounting Division ("GAD") is responsible for oversight of the **VISA** purchasing card program. GAD has imposed the following restrictions on obtaining purchasing cards: (1) each cardholder should have no more than three cards and (2) each cardholder's total monthly spending limit (i.e., for all cards added together) should be set at \$15,000 or less, whenever possible. See section 3.5.2 for requirements

when a cardholder's monthly limit must be set higher than \$15,000. If a cardholder must spend under more than three fund and budget accounts, a clearing account must be established through UMBC General Accounting. See section 4.1.4 regarding establishing a clearing account.

3.2 TRAINING

3.2.1 INITIAL TRAINING

In order to receive a purchasing card, both the individual cardholder and the immediate Supervisor (person responsible for verification of the reconciliations) *must* attend a training session. If a Supervisor has attended one training session and later, additional employees reporting to the same supervisor request cards, it is not necessary for the previously trained supervisor to attend the additional training sessions. If a supervisor is replaced by someone who was not previously trained, the new supervisor must notify the PCPA immediately, and submit required forms, signatures, and attend a training session. The cardholder need not attend the additional training session.

3.2.2 REFRESHER TRAINING

Cardholders and/or supervisors may be required to periodically attend refresher training sessions.

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 THE CARD FOR ANY PURPOSE.**

3.4 SALES TAX EXEMPTION

UMBC is exempt from paying sales tax in the State of Maryland. The exemption number is printed on the front of the card. If items are ordered from out-of-state sources to be shipped to UMBC, a sales tax generally does not apply. All cardholders are encouraged to use the card only with in-state vendors. However, recognizing that the need to use the card may arise when a cardholder is out-of-state, cardholders should be aware that sales taxes may apply. If required, a copy of the University's tax exempt certificate may be provided to the vendor. Please contact the PCPA at **(410) 455-3915** or the Office of Procurement and Supply at **(410) 455-2273**, if you need additional help regarding sales taxes issues.

3.5 LIMITATIONS SPECIFIC TO YOUR CARD

3.5.1 SINGLE TRANSACTION LIMIT

Departments should determine each cardholder's single transaction limit. The maximum single transaction limit is \$4999 (including shipping costs). Lower limits may be set by the cardholder's department.

3.5.2 MONTHLY SPENDING LIMIT

All purchasing cards have a monthly spending limit. The monthly spending limit is determined by each department, based on need. Departments are expected to request a limit that accurately reflects their usage and to maintain each cardholder's total monthly spending limit (i.e., for all cards added together) at \$15,000 or less, whenever possible. If a total cardholder limit in excess of \$15,000 is requested, an Approval of Monthly Credit Limit Exceeding \$15,000 Form must be completed, approved by the department head, and submitted to the PCPA before the card will be issued or the monthly spending limit will be changed.

3.5.3 ADDITIONAL LIMITATIONS

Departments may request additional restrictions relating to per transaction/daily/monthly limits. For example, a department may request its cardholder(s) to have per transaction limits less than \$4,999.

As with current purchasing regulations, splitting purchases to avoid established limits is prohibited.

3.6 LIMITATIONS ON ALL CARDS

Each merchant (vendor) is assigned a Merchant Category Code (MCC). This code includes various merchant categories or a group of Standard Industry Codes (SIC), depending on the type of goods or services provided by the merchant. The seven primary merchant categories are:

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

The MCCs are designed to offer every combination possible for the above listed categories, plus several unique SIC code groups. MCCs can be coded to individual purchasing cards that preclude purchases from designated types of merchants (liquor stores, etc.). The restriction is imposed at point of sale if the merchant requests authorization for the transaction.

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. This restriction will be automatically invoked during the purchase authorization process. **Purchases from restricted MCC's are not permitted under the Purchasing Card Program.** If a department wishes to place additional restrictions on the use of individual cards by MCC, the department may work with the PCPA to do so.

GROUP RESTRICTIONS:

Group Restrictions apply to the following MCC groups related to employee travel expenses:

- Airlines - MCC Group #22 - Total Group Restriction (All Airlines)
- Transportation - MCC Group #25 - Total Group Restriction (Railroads, boat rentals.)

Note: Hotel/Motel Charges

The **VISA** purchasing card may be used for room charges and taxes only. Other expenses incurred while at the hotel/motel, such as food, personal telephone calls, and movies are not permitted on the card. When departments are submitting travel requests for approval, include the hotel/motel charges. However, if **VISA** is used, do not include hotel/motel room charges on the expense statement. These charges have been paid by **VISA** and claiming these purchases on your expense statement would be a duplication of payment.

Cardholders should advise the hotel that the cardholder may not necessarily be the traveler. If necessary, the cardholder may have to send the hotel a faxed copy of their procurement card for the record. When the hotel does not accept the cardholder's procurement card, then the traveler must use their own corporate American Express card or their own funds to pay for charges and submit an expense statement upon completion of travel.

SPECIFIC RESTRICTIONS:

Specific Restrictions apply to the following MCC's:

- Service Providers - Total Group Restriction (Financial Institutions, Securities Brokers, Timeshares, etc.)
- Personal Service Providers - Total Group Restriction (barber, beauty salons)
- Amusement and Entertainment - Total Group Restriction (Motion Picture Theaters, Bowling Alleys, Betting, Golf, Recreation Services, etc.)
- Contracted Services - 1099 Vendors (unincorporated service providers)
- Miscellaneous - Specific restriction by MCC as follows:
 - Drinking Places (Alcoholic Beverages)
 - Restaurants
 - Package Stores (Beer, Wine & Liquor)

3.7 OTHER ITEMS EXCLUDED BY POLICY BUT NOT BY MCC CODE

It is difficult to code the card so finitely that it precludes specific items. Therefore, although some vendors may accept the card for certain purchases (i.e., office supplies are acceptable; however, that store may also carry appliances, furniture, etc.), purchasing of the following items are specifically **prohibited**:

- Appliances (refrigerators, coffee makers, stoves, etc.)
- Flowers
- Furniture
- Guns and ammunition
- Food of any kind *

* Purchases of food for authorized on-campus activities or teaching purposes are permitted on the card with the following documentation: (1) Food Services Waiver, (2) itemized receipts, (3) list of activity participants and (4) description of activity. For example, a purchase of food supplies at a grocery store for a classroom experiment or department meeting would be allowed on the **VISA** card, with the documentation listed.

Use of the card for dining out and off-campus catering services, as well as at drinking places, restaurants and package goods stores is still prohibited.

CASH ADVANCES: Cash advances are strictly prohibited.

VENDOR CONTRACTS/AGREEMENTS:

Departments are not authorized to sign any vendor contracts/agreements when using the card unless approved in advance by the Department of Procurement.

3.8 RENEWAL

The procurement card will expire after a two year period. At that time, a replacement card will be sent by USBank directly to the cardholder. The department is encouraged to review the previous year's card usage prior to time for renewal to determine the continued need for the card. Additional records regarding usage can be made available by the PCPA.

3.9 CHANGES IN CARDHOLDER INFORMATION & SURRENDER OF CARD

Cardholders must notify the PCPA immediately upon any of the following changes in the procurement card:

1. Cardholder leaves UMBC.
2. Cardholder changes department.
3. Cardholder has a new supervisor for the procurement card.
4. Cardholder changes FAS number against which procurement card purchases are charged.

The card remains the property of USBank and must be surrendered immediately upon termination of employment, or upon request for any reason by the PCPA or the Dean, Director or Department Head. Surrendered cards are to be forwarded to the PCPA in Procurement, where they will be destroyed .

3.10 CHANGING CARD LIMITS & UPDATING CARDHOLDER OR RECONCILER INFORMATION

Card limits and other information such as address, phone, name of the supervisor, etc., may be changed upon request by the authorized department representative. Contact the PCPA to obtain the Purchasing Card Transaction Limit Change Authorization Form.

4. HOW TO USE THE PURCHASING CARD

The cardholder is the **ONLY** person authorized to make purchases using his/her card. 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.

Cardholders must determine, prior to each purchase, whether the purchasing card is the most appropriate tool to use for the purchase. Check sections 3.6 and 3.7 to ensure it is not a restricted item, and determine whether a State or University contract is available.

The purchasing card may be used to make purchases in person, by telephone, by fax or by mail. See section 4.2.

If a vender from whom you frequently purchase does not accept **VISA**, please notify the **PCPA** so that the vendor may be offered the opportunity to do so.

The University must still adhere to its mandate to attempt to include minority, small and disadvantaged vendors in its procurement processes, including the purchasing card program. To the extent possible, cardholders are encouraged to seek out and use minority, small and disadvantaged vendors. A list of available certified minority vendors is available from Procurement's website. For additional assistance in identifying vendors or areas that would meet specific requirements, please contact the Department of Procurement.

4.1 PURCHASING CARD DOCUMENTATION

4.1.1 TRANSACTION LOG

All transactions must be logged on a Cardholder Transaction Log as the purchases are made, on an on-going basis. The suggested format is the Cardholder Transaction and Reconciliation Log. However, if the cardholder prefers to maintain the log in a computerized format (e.g., excel), that is permissible, as long as the computerized format includes at least the information shown on the log in appendix E and is maintained on an on-going basis.

If there is no card activity during the month, the cardholder must still maintain a log for that month and indicate "No Activity" on the face of the log.

Every cardholder transaction log, including those maintained in a computerized format and those indicating “No Activity”, must be reviewed and signed by the cardholder and supervisor each month and retained in a hard copy format with the supporting documentation.

*** Failure to comply with the transaction log requirements may result in disciplinary action, including but not limited to, revocation of your card and/or termination of employment.**

4.1.2 SUPPORTING DOCUMENTATION OF PURCHASES

Every purchasing card transaction must be supported with appropriate documentation. The documentation should detail what was purchased, when it was purchased and that the **VISA** purchasing card was the method of payment.

Acceptable documentation shall include the itemized purchasing card charge/credit slip and at least one of the following:

Itemized Sales Slip	Itemized Repair Order
Itemized Packing Slip	Seminar Registration Form
Itemized Cash Register Receipt	Membership/Dues Renewal Form

Cardholders must make every attempt to obtain the appropriate documentation for their transactions. If the cardholder determines that the appropriate documentation was not received from the vendor, it is the cardholder's responsibility to contact the vendor and request that the appropriate documentation be forwarded. If after a reasonable attempt to obtain documentation the cardholder still does not have the appropriate supporting documentation, cardholder should include with the transaction log a note documenting his/her attempts to comply with the documentation requirements.

*** Failure to comply with the supporting documentation requirements may result in disciplinary action, including but not limited to, revocation of your card and/or termination of employment.**

4.1.3 MONTHLY STATEMENT

A monthly **VISA** statement will be generated by USBank every month showing the charges processed during the billing cycle. The billing cycle normally begins on the 26th of each month and ends on the 25th, unless these days are affected by bank holidays or weekends. The monthly statement will be mailed directly to the cardholder. If no charges were processed during the billing cycle, the cardholder will not receive a statement. If the cardholder believes a statement should have been received, but has not received one within 10 days of the end of the billing cycle, he/she should contact the PCPA. The PCPA will contact the bank to request a duplicate copy.

The **VISA** statement each cardholder receives is a memo statement, meant to facilitate the required reconciliation process. It is not a request for payment. All charges shown on the statement have already been paid by the State.

*** Failure to comply with the monthly VISA statement review requirements may result in disciplinary action, including but not limited to, revocation of your card and/or termination of employment.**

4.1.4 FINANCIAL ACCOUNTING SYSTEM (FAS) STATEMENTS

All purchases made with the **VISA** card will be charged to the FAS account selected by the department when the card was first requested. Charges will be posted to subcode 3952 under the selected account unless changes have been reallocated using P-card web (see section 5.5). If a cardholder will be purchasing for multiple

(i.e., more than three) FAS accounts, contact General Accounting to establish a clearing account. Charges posted to a clearing account will be posted to subcode 2470 under the selected account unless charges have been reallocated using P-card web. **ALL CHARGES POSTED TO A CLEARING ACCOUNT MUST BE REALLOCATED TO THE APPROPRIATE FAS ACCOUNT EACH MONTH.**

Cardholders must review the FAS statements (AMO 90/91) via Fin Web monthly to ensure only appropriate charges were posted. Supervisors must review the FAS statements as part of the review and approval process. If no charges were processed on the **VISA** card for the billing cycle and the cardholder did not receive a **VISA** statement, no posting should appear on the FAS statements for the corresponding month. If charges are posted, contact General Accounting to determine the accuracy of the posting.

*** Failure to comply with the monthly FAS statement review requirements or failure to reallocate timely from a clearing account may result in disciplinary action, including but not limited to, revocation of your card and/or termination of employment.**

4.2 MAKING PURCHASES

Before making any purchases, cardholders must:

- .1 Follow the internal procedures established by your department to obtain authorization to make the purchase. Authorization for purchases must either be obtained before each individual purchase (in space allotted on transaction log) or at the end of each month as evidenced by signature of the cardholder's supervisor or approved designee. This authorization will be written on the cardholder's transaction log. Departments that elect to use an additional internal authorization form should include that form in with the transaction log envelope/file.
- .2 Be certain that the total amount (including all shipping, handling, postage, freight, etc.) will not exceed your card's single purchase limit or any other limits that your department may have set. Remember, splitting purchases to avoid authorized spending limits is prohibited.
- .3 Take reasonable steps to determine that the price quoted is the best you can obtain.

4.2.1. PURCHASES IN PERSON

Purchases may be made in person using the **VISA** card. No one other than the cardholder is authorized to use the card. Cardholders must:

- .1 Present the **VISA** card to the vendor for payment.
- .2 Advise vendor that UMBC is sales tax exempt. The tax exempt number is printed on the face of the card. Certain vendors may require a copy of the UMBC tax exempt certificate.
- .3 Sign the charge slip printed by the vendor, **after verifying that tax was not charged and the price was accurate.**
- .4 Obtain a detailed receipt at the time of purchase clearly identifying each item purchased.
- .5 Record the purchase on the transaction log and keep all receipts with the Log in a secure place.

4.2.2. PURCHASES BY TELEPHONE, FAX OR MAIL

Purchases may be made by telephone, fax or mail using the **VISA** card. No one other than the cardholder is authorized to use the card. Cardholders must:

- .1 State that you are calling from UMBC and that you will be making your purchase on a **VISA** Purchasing Card. If purchasing via fax or mail, retain a copy of any vendor quotes, the order as faxed or mailed and the fax confirmation report (if available) with your transaction log.

- .2 Advise vendor that UMBC is sales tax exempt. The tax exempt number is printed on the face of the card. Certain vendors may require a copy of the UMBC tax exempt certificate.
- .3 Place the order and give your purchasing card number and expiration date.
- .4 Record the purchase on the transaction log, including the name of the vendor representative taking your order.
- .5 Request that a receipt and/or packing slip identifying what was purchased and that **VISA** was the method of payment be sent with the purchase. Retain this receipt/packing slip with your transaction log to document the purchase.
- .6 Emphasize to vendors that they are **not** to submit invoices to Accounts Payable for **VISA** purchases. Charges are paid electronically by the State.

4.2.3. PURCHASES VIA THE WEB

Purchases may be made via the web as cardholders deem appropriate. 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. 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 with the transaction log.

4.3 SHIPPING AND RECEIVING INSTRUCTIONS

It is strongly recommended that goods ordered via the card be shipped directly to your campus address via UPS, Federal Express, or other method suitable for the items purchased **unless** the package contains hazardous materials, require special handling, or are of the size that they should be delivered through the warehouse. Be sure to give the merchant the complete shipping information including your name, department, building name and room number, complete campus address and telephone number. Vendors should be instructed that all packages, whether being delivered to the Warehouse or directly to the using department, must be marked clearly on the outside of the package **VISA** order. In addition, vendors should be advised that all packages not marked **VISA** order may be returned if they cannot be identified as a **VISA** purchase.

If you prefer to pick up the order, the cardholder may designate someone else to do so. However, if the person picking up the order is not the cardholder, he/she should only sign the shipping or receiving papers and should **not** sign the charge slip.

When receiving the goods, whether via direct delivery or in person, always retain all boxes, containers, special packaging materials, etc., until you are certain that the order is correct. The Cardholder is responsible for verifying quantity and condition of the goods upon arrival. Refer to Section 4.5 for instructions about returning an item.

4.4. INVENTORY ADDITION FORM

An "Inventory Addition Form" ("Form") is required for **VISA** card purchases of computer equipment costing between \$750 and \$4,999 and audio-visual equipment costing between \$1,000 and \$4,999. The Form can be obtained on Procurement's website or by calling Inventory Control at x2315 or x2678. Return the completed Form to Inventory Control so item(s) can be sighted, tagged and recorded in inventory records.

4.5 RETURNS, DAMAGED GOODS, CREDITS

If goods purchased with the purchasing card must be returned, the cardholder should work directly with the vendor. In addition, if vendors have charged sales tax, the cardholder must pursue with the vendor, a credit of the inappropriately charged taxes. Here are some tips:

- .1 Always retain boxes, containers, special packaging, etc. until you are certain you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- .2 Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- .3 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.
- .4 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 or the order was special order, you may have to pay it. You may use the Purchasing Card to pay this fee as long as it does not exceed any of the limits.
- .4 Record the credit on your transaction log.
- .5 Request documentation from the vendor supporting the credit (e.g., credit slip).
- .6 Verify the vendor processes the credit by reviewing your subsequent *VISA* statement(s).
- .7 If the vendor does not authorize the return or if the credit is not processed, refer to Section 6, Disputed Transactions, for instructions on resolving the problem.
- .8 If you were charged sales tax on a purchase that should have been tax exempt, it is the cardholder's responsibility to pursue a credit of the tax from the vendor. Cardholders should make a reasonable attempt to obtain the credit, considering the dollar amount involved. If the purchase was made in person and the cardholder signed the charge slip with the taxes included in the total, USBank will not pursue a credit through the disputed transaction process. Their position is the cardholder is responsible for verifying the charges represented on the charge slip before signing it. Cardholders must retain documentation of any efforts made to obtain tax credits (e.g., a note indicating date, contact person, resolution).

5. RECONCILIATION INSTRUCTIONS

All cardholders are required to complete monthly reconciliations between the transaction log and supporting documentation, the *VISA* statement and the transaction log, and the FAS statement and the *VISA* statement. All supervisors are required to review and approve the reconciliations and to document the review by signing the monthly transaction logs and *VISA* statement. The cardholder reconciliations and supervisory review must be completed within 30 days after the end of the billing cycle. In some departments, a business services section may reconcile the FAS statements with the *VISA* statements.

- **Failure to complete the reconciliations detailed in sections 5.1 through 5.3 in a timely manner or failure to complete the supervisory review processes detailed in section 5.4 may result in disciplinary action, including but not limited to, revocation of your card and/or termination of employment.**

5.1 RECONCILING TRANSACTION LOG AND SUPPORTING DOCUMENTATION

Cardholders must ensure they have supporting documentation, as described in section 4.1.2, for each entry on the transaction log. If any of the required documentation is missing, cardholders must contact the applicable vendor to request a copy via fax or mail **before the monthly reconciliation can be considered complete.**

5.2 RECONCILING *VISA* STATEMENT AND TRANSACTION LOG

Cardholders must reconcile their monthly *VISA* statement with their transaction log as follows:

- .1 Compare the **VISA** statement to the transaction log and **identify those transactions on both the log and the statement**. Ensure there is appropriate documentation to support both purchase and receipt of the item. Enter the statement date in the Reconciled to Statement column of the log. File the supporting documentation with the statement and log.
- .2 Compare the **VISA** statement to the transaction log and **identify those transactions on the statement but not on the log**. Review logs from prior months to ensure the transaction was recorded. Ensure there is appropriate documentation to support both purchase and receipt of the item. Enter the statement date in the Reconciled to Statement column of the log on which the transaction was recorded. File the supporting documentation with the statement and log. If the transaction had never been recorded and you believe it was charged to your account in error, follow directions for Dispute of Statement Item.
- .3 Compare the **VISA** statement to the transaction log and **identify those transactions on the log but not on the statement**. Those transaction will be reconciling items and should appear on a future statement(s). Leave the Reconciled to Statement column blank on the log until the transaction appears. Then see second bullet above.

As a suggestion, to facilitate your monthly reconciliation, when transactions do not clear in the same month they were recorded on the log, photocopy the log and clip it to the supporting documentation of the purchases that have not cleared. File the clipped package with the log for next month. If the transactions clear next month, record in the prior month's log Reconciled to Statement column, the date of the **VISA** statement that includes the charge and file the documentation with that **VISA** statement.

5.3 RECONCILING FINANCIAL ACCOUNTING SYSTEM (FAS) STATEMENTS AND **VISA** STATEMENT

Cardholders or departmental business services sections must reconcile the monthly **VISA** statement with the total charges posted on FAS for the applicable FAS account and **VISA** card each month. FinWeb must be used to access FAS statements (AMO 90/91), which are required to complete this reconciliation. Total charges made to the **VISA** card for the month should agree to the total P-card charges posted to FAS for the specified FAS account. If they do not agree, contact General Accounting immediately.

If P-card web is used for reallocation throughout the month, the charges will appear on the AMO 90/91 under the subcodes/accounts to which you have designated them.

The FAS statement showing the charges for the month must be copied and maintained with the log. If no charges are posted on FAS for the month, copy the printed statement and maintain it with the corresponding no activity log.

Purchases made with grant funds, sensitive equipment purchases and purchases charged to a FAS clearing account **must** be reallocated to the appropriate FAS account and subcode monthly via P-Card Web or the JV process. Although not required, other purchases can be reallocated so that your accounting reports can be used as a management tool (see section 5.5).

5.4 SUPERVISORY REVIEW OF CARDHOLDER LOG AND DOCUMENTATION

Supervisors must review their cardholder's transaction log and documentation every month. The supervisor is responsible for ensuring:

- .1 The cardholder completed a valid reconciliation
- .2 Purchases were within guidelines established for the purchasing card program
- .3 Appropriate supporting documentation is included for every purchase as stated in section 4.1.2
- .4 The amount charged to the departmental account per FAS agrees to the the reconciled **VISA** statement

- .5 When necessary, JV's were properly prepared and submitted to accounting
- .6 No purchasing card charges appear on FAS for months the cardholder claimed to have no activity and received no *VISA* statement.

It is the supervisor's responsibility to bring any unsupported or improper purchases to the attention of the cardholder for follow-up. When the supervisor has completed the above review procedures and is satisfied with any follow-up actions taken by the cardholder, the supervisor must sign and date the log to document the review and return all documentation to the cardholder.

By signing this log, the cardholder and supervisor certify that the purchases shown match the corresponding *VISA* statement and comply with the current UMBC and Maryland State purchasing card regulations, policies and procedures are supported with appropriate documentation, and either agree with the corresponding *VISA* statement or are identified as a reconciling item. See Section 6 for information on handling incorrect (disputed) items.

5.5 P-CARD WEB

The P-Card Web is an on-line account and subcode reallocation system. It provides on-line access to transactions as they are posted by *VISA* (normally 3 - 4 days after purchase). Departments are expected to utilize the P-Card Web to complete any required reallocations prior to the established cut-off date each month. **THE USE OF THE P-CARD WEB DOES NOT ELIMINATE THE REQUIREMENTS FOR RECORD KEEPING, RECONCILIATION AND SUPERVISORY REVIEW AS OUTLINED IN THIS GUIDE.**

5.51 HOW TO SIGN UP FOR P-CARD WEB

Departments must complete a P-Card Web Reallocation Authorization Form (on Procurement's website) and submit it to Ina Caplan for each purchasing card to establish access to P-Card Web. A default FAS account number and subcode must be associated with each purchasing card. The default FAS account number is established by each using department when they request a purchasing card. The default subcode is 3952 (2470 for clearing accounts). The authority to reallocate charges can be given to the cardholder or another department representative (e.g., business services section). View only privileges may also be granted. Persons listed on the P-card web reallocation authorization form as "reallocator" or "read-only" must attend a training session. If you have not received training, then you must contact Peggy Bosley in Procurement on ext. 4557. Anyone who has not been trained will not be authorized to use P-card web and will have their name removed from the P-card web reallocation authorization form. Users access P-card web through My UMBC and "Let Me Review and Reallocate" in the Business Services tab. You are required to check your computer in advance of P-card web training to make sure you have "Let Me Reallocate". If not, contact Ann Fusselbaugh in Procurement at ext. 2273 the day before class.

5.5.2 P-CARD WEB LOGIN

To log into P-Card Web, follow these detailed instructions:

1. Double click on the **Netscape** icon from your desktop.
2. Access the UMBC homepage at www.umbc.edu and click on **myUMBC**.
3. This will bring you to the **myUMBC** login screen. Bookmark this location for easy access.
4. Enter login name and password - this is the login name and password you use when you check your e-mail.
5. Click on **Login**.
6. Click on **Let me review and reallocate my procurement card transactions** under **Staff Information**.

7. This will take you to the **Main Menu Screen**.
8. You will have the following three choices: **Current Transactions, View History Info, Generate Reports**.

5.5.3 HOW TO REALLOCATE CURRENT TRANSACTIONS

To reallocate your current transactions, follow these detailed instructions:

- .1 Clicking on **Current Transactions** will take you to the **Current Transaction - Card Selection** screen.
- .2 You will see a list of the cards you have authority to access as a reviewer or reallocator. Follow the instructions on the screen to select a card.
- .3 By clicking on a card number, you will see the **Current Transactions - Transaction Selection** screen, displaying the current list of **VISA** transactions and instructions for selecting the transaction to reallocate.
- .4 To select a transaction to reallocate, click on the corresponding **Amount** button. You may enter comments either before clicking on the **Amount** button or come back and enter the comments later. However, in both cases you must click on the **Amount** button to permanently store your comments after they have been entered.
- .5 You will now see the **Transaction Reallocation - Card Selection** screen, with instructions for reallocating the selected transaction to as many as six other FAS accounts and/or expense subcodes. For assistance in selecting the appropriate subcode, you may click on the **Subcode** link for a pull-down listing of subcodes. Clicking on the internal **Back** button will return you to the reallocation screen.
- .6 To reallocate charges, simply type the account number and/or subcode in the appropriate box. To reallocate credits, use the first line of the table only. Negative numbers cannot be entered in any Amount field. **Under no circumstances should you attempt to enter a number in the top amount field of the table.** You may use all the lines of the table if you need to distribute to a total of seven accounts or subcodes. If you attempt to reallocate an amount greater than the total transaction amount, you will see a **Breakout Greater Than Original** message. Click **OK** and correct your entry.
- .7 When you have completed this procedure, click on the **Submit** button. The **Cancel** button will return you to the **Main Menu** without having modified the transaction.
- .8 After properly submitting the reallocation, you will see the **Record Inserted** screen with instructions on how to enter more information for the current reallocation, and buttons which will allow you to select the next amount to reallocate under the same card or to select another card for transaction reallocation.
- .9 Once you have reallocated a transaction amount and/or entered comments, the changes will be reflected on the **Transaction Selection** screen.
- .10 You may repeat the above process from the **Transaction Selection** screen as often as necessary. At any time prior to the monthly cut-off, you may go back and modify any previous entries.
- .11 Reallocations will be allowed through the last business day closest to the 15th day of the month following the closing of the **VISA** billing cycle. (e.g., Charges made during the January billing cycle (12/26-1/2) can be reallocated anytime up until 2/15, after which time they automatically post to FAS)
- .12 If reallocations are not completed by the 15th of the month, departments must submit a paper JV to Systems Accounting to complete the appropriate reallocations.

5.5.4 HOW TO VIEW CARD HISTORY INFORMATION

To view historical information for your card, follow these detailed instructions:

- .1 Clicking on **View History Info** from the **Main Menu** screen will take you to the **History Information - History Selection** screen.

- .2 To see the history for a particular **Card Number**, you must first select the desired **Billing Cycle** using the pull down menu to the immediate left of the card selected. Once this is done, you click on the **Card Number**.
- .3 This takes you to the **History Information** screen. The top portion of this screen displays all transactions within the selected billing cycle as they appear on your printed VISA statement, showing the accounts and subcodes to which each transaction or portion of a transaction was allocated. The bottom portion displays the transaction data aggregated by account and subcode, as they will appear in FAS.

5.5.5. HOW TO GENERATE REPORTS

To generate reports, follow these detailed instructions:

- .1 Clicking on **Generate Reports** from the **Main Menu** screen will take you to the **Reports Table of Contents** screen.
- .2 The following three levels of reports are available: **Card Level Reports, Department Level Reports, Campus Level Reports**.
- .3 Based on your profile established in the system, you may be able to access more than one level of reporting.
- .4 For **Card Level Reports**, select the Card Number and Billing Period from the options available and click the **Generate Report** button.
- .5 For **Department Level Reports**, select the Department Code and Billing Period from the options available and click the **Generate Report** button.
- .6 For **Campus Level Reports**, select the Billing Period from the options available and click the **Generate Report** button. Note: this report option will only be available to the Purchasing Card Administrator, General Accounting Manager and their designees.
- .7 All reports may be printed.

5.5.6. USER FEEDBACK

There is a feedback link in the gray area on the left of the P-Card Web screen. This link will take you to an electronic feedback form which can be used to send comments or suggestions to the P-Card Web support team. Such feedback will assist the team with current and future design decisions, and is greatly appreciated.

5.5.7. SUPPORT

There is a support link in the gray area on the left of the P-Card Web screen. This link will take you to a copy of these instructions, frequently asked questions, and contact names, numbers and e-mail addresses. Whenever possible, please attempt to direct your questions to the appropriate support team member based on their area of expertise.

5.5.8 P-CARD WEB LOG OUT

When you have completed your work in P-Card Web, click on the red **Log Out** button in the top right corner of the screen. You may exit **Netscape** entirely or access another web site.

5.6 RETENTION OF STATEMENTS & RECEIPTS

Purchasing card documentation is to be retained for at least five (5) years after fiscal year end, either in the Cardholder's department or in department archives which can be readily accessed. If you are spending grant funds, consult the grant documents to determine if you are required to maintain records for extended periods.

For reconciliation and audit purposes, departments must retain on a monthly basis the following items:

- Transaction Log
- Receipts/Packing slips/etc.
- VISA Statement
- Copy of FAS Statement
- Evidence of reallocation (i.e. JV or P-card reallocation screen)

5.7 MANAGEMENT ADVISORY SERVICES REVIEWS OF PURCHASING CARD TRANSACTIONS

Periodic reviews of cardholders records (i.e., Cardholder Transaction Log, receipts, reconciled statements) will be performed by Management Advisory Services. Additional reviews and/or audits may be conducted by any or all of the entities that currently perform such functions on behalf of UMBC, USM, State of Maryland, and the Federal Government.

The purpose of these reviews and/or audits is to ensure compliance with all of the guidelines, policies, and procedures governing this program. These guidelines are derived from State of Maryland, UMBC, and USBank requirements.

A pattern of non-compliance with the policies and procedures of the program will result in revocation of the card.

6 DISPUTED TRANSACTIONS

Disputed transactions fall into two broad categories - those resulting from a supplier's refusal to take back a defective or misshipped item and those related to discrepancies between the cardholder's records and the monthly VISA statement. All disputes should be described in the Purchasing Cardholder Dispute Form from USBank on Procurement's website.

6.1 REPORTING A DISPUTE

If there is a dispute with a supplier (such as defective items or you are claiming that an item was not ordered and the supplier is claiming that it was) or a dispute concerning an item that appears on the monthly VISA statement, it must be reported to USBank using the Purchasing Cardholder Dispute Form within **60 days** of the disputed statement's closing date. Cardholders must complete the form, sign it, keep a copy for your records and fax it

with supporting documentation to the PCPA at x1009. Where applicable, describe the problem and the efforts you have made in attempting to resolve it. The PCPA will review the form and submit it to USBank.

Failure to submit a Purchasing Cardholder Dispute Form within 60 days of the disputed statement's closing date may result in cardholders losing chargeback rights.

6.2 RESOLUTION

USBank will investigate the disputed item(s). Cardholders may be contacted by the bank during their investigation for further information. When the investigation is complete, the cardholder will be notified of the resolution. It is the cardholder's responsibility to ensure that the dispute is resolved. If you are not satisfied with this resolution, please contact the PCPA immediately. Unresolved disputed items will remain on your **VISA** charges.

7. WHEN YOU CAN'T USE VISA

The University encourages the use of the **VISA** purchasing card whenever appropriate. However, once a cardholder has verified with a vendor that **VISA** would not be accepted for payment, the cardholder should:

- .1 Determine if the vendor will accept a University purchase order and submit an invoice against that order number to Accounts Payable for payment. If the vendor will invoice against a purchase order, then the cardholder should verify order information such as price, availability of item, date of delivery and cost of shipping. This information should be typed on a requisition for supplies and materials and submitted to Accounting for processing. The requisition should also include the phrase, Vendor would not accept VISA.
- .2 If the vendor will not accept **VISA** or a University purchase order cardholders must submit a requisition with an original order form/proforma invoice to Accounting. To facilitate prepayment, affix goods/services stamp to the order form/proforma invoice and sign before sending to Accounting for processing. The requisition should also include the phrase, "Vendor would not accept VISA – Vendor requires prepayment."