The University of Maryland Eastern Shore has developed in coordination with the State of Maryland and issuing bank a Purchasing Card Program. The Purchasing Card (credit card) replaces the traditional paper requisition process and provides a more efficient and cost-effective method for departments to make small dollar purchases up to $5,000.

The following is a list of questions and corresponding answers that may help to further explain the Purchasing Card program. If you have any questions, please feel free to contact the Purchasing Card Program Administrator (Jackie Collins) or her designee (Yvonne Corbin) at (410-651-7940).

Q. What is the purpose of the Purchasing Card?
A. To improve the purchasing process by streamlining small dollar purchases and increasing efficiency in order to get the best value for the University. The largest benefit is to the Purchasing Cardholder in time savings and flexibility (Section 1.1).

Q. What should I do before making a purchase?
A. Follow the internal procedures established by your department to obtain authorization to make a purchase. Purchasing Cardholders must check and confirm that there is adequate funding to support a PCard purchase PRIOR to making the purchase (Section 6.1).

Be certain that the total amount (including shipping, handling, postage, freight, etc.) will not exceed your card’s single purchase limit.

Take reasonable steps to determine that the price quoted is the best you can obtain.

Q. What are the consequences if I exceed the budget?
Budget overruns due to PCard expenditures will be cause for immediate cancellation of the PCard for the duration of the program (Section 6.1).

Q. Will I be able to request another Purchasing Card in the future?
A. Reinstatement of a cardholder’s privileges may be requested by the cardholder’s supervisor/manager in writing justifying the reason for reinstatement. At his/her discretion, the Vice President for Administrative Affairs or his/her designee may approve or disapprove the request for reinstatement (Section 6.1).
Q. **What should I do if one of my suppliers does not accept Visa?**
A. Find another supplier that provides the product or service required OR ask the vendor if they accept University purchase orders; if yes, a requisition for the item/service must be entered into KFS so a purchase order can be released to the vendor. If the supplier does not accept University purchase orders, please contact Procurement (Section 6).

Q. **Can someone other than the cardholder make purchases on the Purchasing Card?**
A. No. The UMES Purchasing Cards are individually held. Use of the purchasing card is prohibited by anyone other than the cardholder. Rationale: Our contract with the bank allows cardholders to dispute an unauthorized transaction and receive an immediate credit. To sustain the credit, the cardholder is required to sign a bank affidavit, certifying that the card and the card number were never given to someone else to use. A cardholder cannot sign this affidavit if in fact the card had been shared. Therefore, allowing others to use a cardholder’s purchasing card drastically increases the university’s liability, as it eliminates our ability to dispute unauthorized transactions. Remember, the cardholder is responsible for the charges on his/her card and is the only person authorized to make purchases with the card (Section 3.3).

Q. **At the department level, who is involved in the purchasing card process?**
A. The cardholder is responsible for making purchases and completing the required transaction log and attaching the appropriate documentation. The reviewer/supervisor/manager is responsible for reviewing the appropriateness of the charges and ensuring proper documentation is received from the cardholder. The cardholder and Office of the Comptroller are responsible for assuring the charges are posted to the correct account (Section 7.2 and 7.5).

Q. **What are the cardholder’s responsibilities?**
A. The cardholder is responsible for
- Keeping the card secure at all times
- Making only authorized purchases
- Informing IN-State vendors of the University’s tax exemption status
- Obtaining a detailed receipt for each purchase
- Completing the transaction log **indicating what was purchased and providing a brief description justifying the purchase**
- Reconciling the monthly bank statement
- Resolving any discrepancies
- Ensuring credits are received
- Signing the log
- Passing the paperwork to the assigned Reviewer/Manager for approval
- Completing an Auxiliary Voucher so transactions can be posted to the appropriate accounts (Section 7.2)
Q. **What are the Reviewer’s responsibilities?**

A. Reviewers are required to ensure that charges are authorized, within the UMES Purchasing Card policy and procedures, and appropriately documented. The Reviewer is the cardholder’s immediate supervisor/manager or someone within the cardholder’s chain of command. **A reviewer may not review his/her own transactions.** The Reviewer signs the monthly transaction log for all cardholders for whom they review certifying all transactions are authorized and that policy and procedures have been followed.

Submittal of incorrect log forms from the supervisor/manager/reviewer’s and cardholder will fall under noncompliance and may result in loss of card privileges per the policy. Please be mindful as this is a serious matter and should not be taken lightly (Section 7.2).

Q. **As a Reviewer, what am I required to do when evaluating the log form?**

A. At the end of each cycle period, the Reviewer is required to:
   1. Review the log form and bank statement to ensure all entries are authorized
   2. Ensure the detailed/itemized receipt indicates what was purchased; an explanation on the log form indicates the same and for what purpose
   3. Ensure the transaction amount indicated on the log form is the same as on the bank statement and receipt
   - **PayPal transactions** - cardholders must provide a PayPal receipt and a receipt from the actual vendor who provides the item/service since PayPal only accepts payment
   4. Confirm each transaction is authorized and in compliance with UMES Purchasing Card policies and procedures
   5. Review hotel receipts to make sure food and personal incidentals were not charged
   6. Ensure Contract and Grant funds are spent within the contract and grant guidelines
   7. Sign the monthly transaction log and bank statement for all cardholders for whom they review certifying all transactions are authorized and that policy and procedures have been followed
   8. Retain the records in the department and maintain the files.

(Section 7.2)

Q. **Is there a final review of transaction logs?**

A. Yes, The PCPA or his/her designee then performs the FINAL review for compliance, files the logs, and retains the original logs in the Office of Procurement (Section 7.2).

Q. **What does the FINAL review entail, and how is it performed?**

A: All State agencies are required to submit a monthly certification verifying that all purchasing card transactions are in compliance with State of Maryland purchasing card policies and procedures. This requirement is an audit finding resulting from a recent performance audit performed at the State level. In an effort to comply with this
requirement, Reviewers must assist with this process and review at the department level. The Reviewer will review the log and attachments to ensure compliance with policy and procedures and sign the transaction log indicating that the review is complete (Section 7.2).

Q. **When is the transaction log form due to Procurement?**
A. The 12th of every month unless the 12th falls on a weekend; then it is due the next business day (Section 7.1).

Q. **What must I do if the vendor on the bank statement is not indicated on the receipt?**
A. Contact the vendor to inquire or obtain documentation to verify the relationship between the two (2) companies; or check the vendor’s website to obtain information that shows their relationship (Section 7.2).

Q. **What reviews/controls are in place to protect the University from fraudulent charges?**
A. Several controls are in place for this purpose. Cardholders sign a cardholder agreement, approved by the department head/reviewer, and attend a comprehensive training session prior to receiving a purchasing card. The cardholder’s reviewer is responsible for ensuring charges are authorized and policy and procedures are followed - the review process is critical in the prevention of fraud (Section 7.2).

Q. **What should I do if I see fraudulent charges on my bank statement?**
A. Contact Procurement at extension 7940 or the US Bank Fraud Department at 800-523-9078 (Section 2.2).

Q. **Are there restrictions associated with the purchasing card?**
A. Yes. These restrictions are detailed in the University’s Purchasing Card Guide (Sections 3.6 and 3.7)
- Travel charges (airlines, car rental, travel agencies, restaurants)
- Liquor stores (package stores)
- Entertainment
- Cash advances (ATM machines)
- Some personal services (photographic studios)
- Service Providers (Financial Institutions, Securities Brokers, Timeshares, etc.).

a. Personal Service Providers - **Clothing, Costume and Uniform Rental**) Restrictions on: Photographic Studios, Beauty and Barber Shop, Shoe Repair-Shine Shops, Funeral Services and Crematories, Dating and Escort Services, etc.

b. Amusement and Entertainment Restrictions on Motion Picture Theatres, Bowling Alleys, Video Game Clubs, Betting, Golf, Recreation Services, etc.
c. Miscellaneous – Specific restriction by Merchant Category Code as follows:

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

f. Fines – Fines and Tickets may not be paid with the Purchasing Card.

**These transaction may go through but violates law, policy or procedures and should therefore not be made:**
- Personal purchases
  - Alcohol
  - Gifts of sentiment (examples: flowers to an administrative assistant for Professional Administrative Assistant’s Day, retirements, birthdays)
  - Purchases delivered to Non-University addresses (need justification)
  - Purchases that involve signing of an agreement, license or contract (send the document to the Office of Procurement for review)
- Stringing/splitting of purchases to avoid the single purchase limit
- Cash equivalents (gift cards, credits for future use)

**UMES Restrictions:**
- Furniture - office furniture such as chairs, desks, workstations, bookcases, and file cabinets must be purchased from Maryland Correctional Enterprise on a requisition form.
- Computer Related Peripherals and Components (Computers, Monitors, Laptops, Scanners, Printers, Projectors, Fax Machines, Tablets, WebCams, Hard Drives (excludes USB keys) etc.
- Copiers – leases and purchases
- Money/Gift Cards Fuel (Excludes Physical Plant)
- Auto Rentals
- Flowers (Excludes Physical Plant)
- Dry Cleaning
- Food, movies, telephone calls, etc.
- Tuition for Employees
- Donations

Q. How do I purchase a State or UMES restricted item?
A. State restricted item – the card will automatically decline and there are no options to purchase a State restricted item
UMES restricted item – submit a requisition in KFS for the item/service (Section 3.7)
Q. **What is stringing and what are the consequences of stringing?**
A. **Definition:** Stringing is defined as splitting orders into small dollar amounts to circumvent delegated authority and is determined by what you know at the time you make the purchase (Section 3.5.1).

**Examples:** An obvious example of stringing is splitting an invoice that exceeds the $5,000 delegated limit by processing it as two separate transactions (ex. a $6,000 invoice is processed as two $3,000 transactions). A less obvious example is processing monthly payments for a service that exceeds $5,000 for the service period (ex. processing twelve $550 monthly payments for an annual service of $6,600). This too is considered stringing because you would know that the total amount exceeds $5,000 when the first monthly payment is processed.

**Consequence:** The consequence to a cardholder who strings purchases may be a warning and/or cancellation of their purchasing card. The larger consequence is to the University as this action jeopardizes our purchasing card program and our delegated purchasing authority.

Q. **What are Questionable Purchases?**
A. Questionable Purchases are inquiries to the cardholder from the Procurement Office on behalf of the State of Maryland Comptroller’s Office requesting detailed information on purchases that appear “questionable”; receipts and/or documentation is requested to confirm that items and/or services purchased were University-related.

Q. **What should I do if the vendor charges State Taxes?**
A. The University is exempt from MD State taxes so if the vendor is a MD vendor, you should contact them as soon as possible to request a credit due to our tax exemption status (Section 3.4)

Q. **Can the Purchasing Card be used for travel?**
A. No. The purchasing card cannot be used for travel, it’s a restricted category by the State of Maryland (Section 3.6.1).

Q. **Can I put hotel charges on my purchasing card?**
A. Yes, lodging, applicable taxes and parking are allowed (Section 3.7).

Q. **What do I do if I accidentally make a personal charge on my card?**
A. Notify your Reviewer of the mistake. Attempt to have the charge reversed (credited) to the University’s Purchasing card account. If the vendor will not cooperate, write a check made payable to the University of Maryland Eastern Shore, submit it to Student Accounts or Auxiliary Services for deposit, and request a copy and attach it to your log form (Section 3.7).
Q. What do I do if I accidentally make a restricted charge on my card?
A. Contact the PCAP or his/her designee in the Office of Procurement for advisement (Section 3.7).

Q. Who pays the monthly VISA bill and how is it paid?
A. The State pays US Bank automatically. The University is assigned their portion of the charges (Section 1.2).

Q. What should be done if the cardholder is missing/unable to obtain a receipt?
A. The cardholder should request a missing receipt/documentation from the vendor as soon as possible; waiting decreases the probability of obtaining a receipt. If the cardholder is still unable to acquire a receipt; reimbursement may be required (Section 7.2.1.).

Q. What is a Equipment Purchase Notification Form?
A. An electronic form that cardholders are required to complete and submit at the time of purchase for any item that falls under the non-capital non sensitive and sensitive equipment purchase category listed on Appendix J in the Purchasing Card Booklet (Section 3.10).

Q. Where can I find this electronic form?
A. On the UMES Comptroller’s website https://www.umes.edu/Comptroller - Submitting the form will automatically submit a copy via email to the Office of Procurement, Office of the Comptroller and Shipping and Receiving (Section 3.10).

Q. What is the Warning System?
A. Warnings are imposed for missing information pertaining to the log transaction form. Receipt of two (2) will be cause for deactivation for the remainder of the program (Section 7.2.1)

Q. Will I receive a monthly Visa statement?
A. Yes. A monthly statement is sent to the cardholder at their University address unless there aren’t any transactions during the month or cycle (Section 7.2).

Q. Will I receive a Visa statement if I don’t have transactions during a billing period?
A. No. You will only receive a Visa statement for the billing period in which you make purchases (Section 7.2).

Q. How do we prevent charges that are not allowed by a particular grant or agency?
A. It is the cardholder’s responsibility to ensure that regulations and guidelines are followed. Questions concerning the types of expenses allowed on sponsored accounts should be directed to the principal investigator, grant administrator, or the Office of Sponsored Research.
Q. Will my personal credit history be reviewed if I apply for a purchasing card?
A. No, your personal credit will not be reviewed, nor will it be affected (Section 7.1).

Q. What happens if I leave the University?
A. Notify Procurement/PCPA or his/her designee – a maintenance change form will be completed and your Purchasing card account will be deactivated and card terminated (Section 4).

Q. What happens when my card expires?
A. Cards are active for two-years from the date of creation. Each card has an expiration date identified by month and year printed on the card. The card expires at the end of the month. Two weeks prior to the expiration date the Bank will issue a new card and send it to the Purchasing Card Program Administrator or his/her designee who will in turn notify you that your new card is available. The cardholder isn't required to do anything to generate the new card; it's an automatic process (Section 3.8).

Q. What should I do if my card is declined at point of sale?
A. You have a couple options. You can contact the University’s Purchasing Card Program Administrator’s (PCPA) office at 410-651-7940; or you can contact the bank’s customer service department at 1-800-344-5696. Give customer service representative your account number, the name of the vendor and the amount of the transactions that was declined. The representative or University’s PCPA will be able to tell you why the charge was not accepted.

Q. Under what circumstances might my card be declined?
A. Your card may be declined because:
- You may have exceeded your single purchase or monthly credit limit
- The vendor you are using is restricted from use by its *Merchant Category Code (MCC). Note: Should you need to make a purchase from a vendor and believe that the MCC has been incorrectly applied, you may ask the Purchasing Card Program Administrator for assistance.
- The bank has a security concern due to a use pattern (ie. You haven’t used the card is a long time). A “fraud alert” may be placed on your card and cannot be removed until the bank is satisfied that you are the cardholder and all transactions are authorized (Section 3.6).

NOTE: When vendors apply to accept Visa, they are given a MCC that identifies their type of business. The MCCs are grouped so that all gasoline stations fall under one code, restaurants under one code, etc.
Q. **What do I do if I don’t recognize a charge made on my card?**
A. You should contact the vendor on the bank statement to inquire with the hopes of receiving a credit and resolving the issue. If not, complete a dispute form and attach it to the log form; Procurement will fax the form to US Bank (Section 8.2).

Q. **What is a Third Party Payment Processor?**
A. The definition of a ‘third party payment processor’ is an intermediary or ‘go-between’ entity that provides a payment service from a credit card to a business, vendor, merchant, or person. Some examples of these service providers are: Paypal, Trustcommerce, Verisign/Cybercash, Verza, Verisign, Ibil, Authorizenet, CCow, Iongate, Internetsecure, and Seccpay (Section 6.1).

Q. **Can I use a Third Party Payment Processor?**
A. Yes but a detailed receipt/document from the actual vendor is needed as well as a receipt from PayPal (Section 6.1).

Q. **What do I do if my purchasing card is lost or stolen?**
A. Contact the Office of Procurement via phone/email immediately to report the card as lost or stolen if during business hours. If after hours, please contact the bank, at US Bank 800-344-5696; this number is available 24 hours a day, 7 days a week and is also listed on the back of the Purchasing Card (Section 2.2).

Q: **What is the Small Business Reserve Program?**
A: On October 1, 2004 the State of Maryland implemented the Small Business Reserve Program, requiring State agencies to spend at least 10% of their procurement dollars with State-certified small businesses (SBEs). The University supports this program, designed to stimulate small business growth and strengthen the Maryland economy (Section 5.0).

Q. **What is the Minority Business Enterprise (MBE) Program?**
A. In 1978, Maryland's General Assembly enacted legislation creating the Minority Business Enterprise (MBE) Program to ensure that socially- and economically-disadvantaged small business owners are included in the State’s procurement and contracting opportunities. Current MBE regulations direct 70 participating State agencies to make every effort to award an overall minimum goal of 29% of the total dollar value of their procurement contracts directly (prime contractors) or indirectly (subcontractors) to certified MBE firms during fiscal years 2014 and 2015.

Q. **What does this mean to me?**
A. Over half of the University's procurement of supplies and services is processed directly by campus customers using delegated purchasing tools (purchasing card, and small procurement orders). In order to meet the mandated small business target of 10% or the 29% MBE goal, the Office of Procurement and Supply needs
your help.

Q. What is the Department of Procurement and Supply doing to meet this mandate?
A. All incoming requisitions are being screened to determine if an opportunity exists for procurement via small business. Certain solicitations may be restricted to competition among State-certified SBEs only, as authorized by the new law. We are also looking at all existing vendors with whom the University conducts business to determine if the vendor may be eligible for SBE certification. For other written quotes and formal bids, MBEs are being solicited whenever applicable.

Q. What can I do to help?
A. You should consider purchasing from SBEs or MBEs before going elsewhere. Contact the Office of Procurement as lists are updated quarterly or visit the websites listed on the Office of Procurement’s web page.

Q: How do I find out more about the purchasing card?
A: An overview of the card program is located on the Office of Procurement’s website at www.umes.edu/procurement

Have More Questions?
The Office of Procurement is available to assist you. Our telephone number is 410-651-7940; the email addresses for the Purchasing Card Program administrator and the designee listed below:

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