University Policies and Procedures

08-03.10 - PROCUREMENT CARD POLICY

I. Purpose:

Towson University has established these policies and procedures pursuant to State of Maryland’s Corporate Purchasing Card Program, https://marylandtaxes.gov/forms/state-accounting/static-files/CPC_Manual_20191125.pdf. The purpose of this policy is to establish the guidelines for the University’s Procurement Card Program. The procurement card simplifies the purchase of goods and services having a value of less than $5,000. All procurement card purchases must be made in accordance with these policies. The Procurement Card Program Administrator (PCPA) manages the University’s Procurement Card Program.

II. Responsible Executive and Office:

Responsible Executive: Vice President of Administration and Finance and Chief Fiscal Officer (CFO)

Responsible Office: Procurement Department

III. Procurement Card Policy:

Where the procurement order is less than $5,000, competition is preferred, but is not required. The preferred method of purchase for these orders is the procurement card in accordance with the policies and procedures set forth in the State of Maryland’s Corporate Purchasing Card Program. Information regarding restrictions or prohibitions established by the State of Maryland can be found at https://marylandtaxes.gov/forms/state-accounting/static-files/CPC_Manual_20191125.pdf, also see TU policy 08-03.03, Restricted and/or Prohibited Purchases. Any fraudulent use of the procurement card may result in disciplinary and/or criminal action.

A. Application Process

Applications can be obtained on-line at https://www.towson.edu/procurement/procurementcard/. Procurement cards are distributed upon receipt of an approved application and the completion of mandatory training. Only one card may be issued for each applicant; multiple cards are prohibited.

B. Card Use
1. All procurement card purchases must be in accordance with the University’s Procurement Policies and Procedures. The University System of Maryland and the Towson University Procurement Department will from time to time establish blanket contracts for various goods and services. These contracts must be used by the campus community. Exceptions may be granted on a case-by-case basis if in the best interests of the University and approved by the Procurement Director. See also TU policy 08-03.02, Use of Available Contracts.

2. Individual procurement card transactions must not exceed $4,999.00 (including shipping). Transactions at $4,999.01 or more will be denied at the time of sale. The "splitting" of purchases to circumvent these policies is prohibited and may result in revocation of the card.

Additional limit restrictions may be applied to individual cardholders based upon criteria developed by their respective department heads.

3. Restricted/Prohibited purchases:

   a. All purchases must be in compliance with University expenditure policies, including the University's catering policy (See TU policy 08-11.20, Catering and Meal Coupon Policy). Use of the card for modes of travel (i.e., fares for trains, planes, taxis, etc.), entertainment, cash advances and personal purchases is prohibited.

   b. A Merchant Category Code (MCC) restricts the purchase of automobile rentals, airline tickets, cash advances and hotels/motels, radioactive material, etc. The vendor’s bank establishes the MCC.

   c. See TU policy 08-03.03, Restricted and/or Prohibited Purchases and TU’s Procurement Card Program webpage, [http://www.towson.edu/procurement/procurementcard/index.html](http://www.towson.edu/procurement/procurementcard/index.html), for a detailed listing of all prohibited purchases.

4. The maximum allowable single transaction limit is $4,999 and the maximum allowable monthly limit is $15,000, with limited exceptions. Individual supervisors may lower limits or otherwise regulate transactions based upon program need or budgetary constraints. Department heads may request an increase over the $15,000 monthly limit; requests will be considered on a case-by-case basis and must be supported by program need.

5. Authorized use of the procurement card is limited solely to the person whose name appears on the face of the card. The procurement card
cannot be loaned to or used by another person. If the cardholder is absent from work for an extended period of time, a separate card may be issued to a different person with procurement authority for the duration of the absence.

6. The procurement card and all records must be kept in an accessible but secure location and the account number on the procurement card should not be posted or left in a conspicuous place.

C. Card Documentation and Retention

1. A receipt is required for any and all transactions. Cardholders must print order confirmations as evidence of all on-line transactions.

2. Cardholders must maintain a monthly log of all purchases. The preferred method for maintaining this log is the Visa Reallocation and Reconciliation System. The monthly log must be reconciled against the Visa statement in accordance with the policies and procedures outlined in the State of Maryland Corporate Purchasing Card Program Manual. Reconciliation must take place on a monthly basis; the cardholder’s signature on the log signifies the reconciliation has been done and that the transactions were in accordance with the university’s policies.

3. The cardholder’s supervisor must review each monthly log. The supervisor’s signature on the log represents that every transaction was in accordance with University policy and that the expenditures have their approval from their budget. PCPA must be notified by the 25th of the following month if any transactions are not in compliance with the policies and procedures.

4. Purchases will be charged to the FRS account to which the card is mapped. Cardholders who purchase items using two or more FRS accounts must use the Visa Reallocation and Reconciliation System to transfer the funds between the different budget codes, provided they have authority to do so.

5. Retention of Statements and Receipts

Statements and receipts are to be attached to each monthly log and retained for five (5) years. All the department’s cardholders’ records are to be securely stored in a central location, readily accessible for review and audit purposes.

D. Procurement Card Review Program
The Procurement Department and the Financial Services Division have jointly developed a Procurement Card Compliance Review Program. It is a risk-management approach by which representatives from Financial Services will conduct *unscheduled* reviews of procurement card logs, complete a standard questionnaire, and report their findings to the PCPA. See TU’s Procurement Card Program webpage for additional information regarding this program, and TU policy 08-03.11, Procurement Card Review Program.

**Related Policies:**

TU policy 08-03.02, Use of Available Contracts

TU policy 08-03.03, Restricted and/or Prohibited Purchases

TU Policy 08-03.11, Procurement Card Review Program

TU policy 08-11.20, Catering and Meal Coupon Policy

State of Maryland’s Corporate Purchasing Card Program

**Approval Date:**

**Effective Date:** 3/15/05