



Corporate Procurement Card Procedures

Towson University Procurement Department

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I. Introduction

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 the [Corporate Purchasing Card Policy and Procedures Manual](#). Failure to comply with state policies and procedures will result in the suspension and/or termination of individual users' 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 merchants to process transactions expeditiously. Utilizing the CPC eliminates the need to issue purchase orders and reduces the number of invoices and checks required in the traditional purchasing/procurement process. The CPC also helps agencies obtain small dollar value items in a more efficient and cost-effective manner. Vendors also benefit by not having to submit invoices as well as receiving payments within a few days of the transaction. The intent of the program is to improve the efficiency and effectiveness of Towson University's small dollar procurements.

Corporate purchasing cards and card services are contracted by the State of Maryland. 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 Available on the back of the card. Faculty and staff may also contact the Procurement Card Program Administrator (PCPA) at pcpa@towson.edu.

B. 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.¹

¹ See *Comptroller of Maryland General Accounting Division Corporate Purchasing Card Policy and Procedures Manual, Corporate Purchasing Overview*

II. Program Overview

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 Corporate Purchasing Card (CPC) 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 by the General Accounting Division.

The Towson University Procurement Card Program is managed by the Procurement Department through the Procurement Card Program Administrator (PCPA). 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. The PCPA is available via email at pcpa@towson.edu.

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:

- Allow employees to obtain goods and services quickly and easily;
- Significantly reduces paperwork and processing time for the department, Accounts Payable and Procurement;

Benefits for merchants:

- Receives payments a few business days after the transaction;
- Eliminates invoicing and payment processing;
- Requires no additional paperwork.

III. Obtaining a Procurement Card

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 and is available on the TU Procurement website dedicated to the [Procurement Card Program](#). The default transaction limit and credit limit for all Towson University card holders is \$5,000/\$5,000 (see IV.B. Spending Authority for additional information).

To submit your request, please 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. After all DocuSign approvals are completed, your application will automatically route to the Towson University Procurement Card Program Administrator (PCPA). The PCPA will review your application and enroll the requestor in mandatory CPC training (see section B. below). After the requestor has completed the training, the PCPA will request the card from the contracted card provider. Once the card arrives, the cardholder will be notified, and they may pick up the card during normal business hours. Cardholders are required to present two forms of identification and will sign for their new card. Cardholders are responsible for activating their card by calling the contracted card provider at the number printed on the back of their 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 Procurement Card Training Course. The course is administered using BlackBoard and divided into two sections.

- Course One: Procurement Card Policies and Procedures provides an overview of both state and TU policies and procedures. Cardholders and Reviewers are required to complete training and obtain a passing score of 80% or higher.
- Course Two: Course Two: Stratus – Expense: ProCard Training Course provides an overview for creating, approving, and rejecting an expense report in Stratus. Cardholders and Reviewers are required to complete training and obtain a passing score of 80% or higher.

Once an application for a procurement card is submitted, the cardholder and reviewer will be automatically registered for the course by the PCPA. 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). The PCPA will review


annual training requirements for active card holders each month and will ensure reminders are sent within 90 days prior to their 2-year training requirement.

C. Activating your Card

After the user receives their CPC card from Procurement, cardholders will be provided instructions for activating their new cards. Credit cards are equipped with chip technology which is the 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:

1




Insert the chip end of your U.S. Bank card into the chip-enabled terminal with the chip facing up.

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.

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 does not have a chip-enabled terminal, your card has a magnetic stripe and can be used by swiping your card. For online shopping, cardholders will be required to enter their card information into the merchant's system. 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 credit card. However, you may be required to sign for your purchase.

D. Card Renewal

The procurement card is active until the last day of the expiration month, and the bank will automatically send renewal cards to the PCPA. 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. Cardholders shall be responsible for destroying their expired cards and may return them to the PCPA for destruction and disposal, if necessary.

IV. Financial Responsibility

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 ensure they are fulfilling their fiscal duties.

As an authorized participant in the buying process for the university, you must understand and adhere to state and university policies and procedures.

B. Spending Authority

Cardholders are authorized to purchase goods and/or services, totaling their approved monthly spending limits. All cardholders must adhere to the \$5,000 single transaction limit established by the State of Maryland.

Cardholders may request a credit limit greater than \$5,000 by emailing the PCPA at pcpa@towson.edu. The request shall include a justification for the limit increase. In addition, the PCPA will require the reviewer to approve of the request.

Splitting a purchase to circumvent the \$5,000 single transaction limit is strictly prohibited and may result in loss of procurement card privileges. Split purchasing is defined by the General Accounting Division as dividing a purchase into two or more smaller amounts to circumvent procurement regulations or a card's Single Purchase Limit.²

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 from the Office of General Counsel or the Procurement Department. The only people authorized to sign contracts on behalf of the university are those to whom signatory authority has been granted. See [The Active Signatory Authority Delegation](#) for more information. Card holders must contact procurement@towson.edu if there are any questions related to signing vendor documents.

D. Ethical Responsibility

As a cardholder, you are responsible for selecting and purchasing from suppliers who provide a service to the

² See *Comptroller of Maryland General Accounting Division Corporate Purchasing Card Policy and Procedures Manual Section 24*

university. Cardholders must maintain a keen sense of professional ethics and serve the university in a responsible manner. If you are ever unsure about a situation, ask yourself these questions:

- Would you be comfortable with your purchase making headline news?
- Was the decision made in an open and competitive environment?
- Is the price fair and reasonable?
- Are you risking your job or reputation by making the purchase?
- Are you risking the reputation of Towson University?
- Would you make the purchase if you were using your own money?

Cardholders must be familiar with [Contractors Debarred from Doing Business with Maryland Government](#) which includes the following prohibited vendors/businesses/persons. People or entities on the lists below shall not be used for the purchase of goods or services:

- Companies engaged in investment activities in Iran
- People and companies who are barred from doing business with a public body in the State of Maryland (including Towson University)
- People and companies barred from doing business with the State

For cardholders that are working through grants, and other federally funded programs, users are responsible for ensuring vendors are not excluded from conducting business with the U.S. government. Cardholders can review federal exclusions via the [System for Award Management \(SAM.gov\)](#) and can also reference GSA training information for instructions on reviewing vendor exclusions: [Searching Exclusions on SAM.gov](#).

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 of service. Examples of conflict of interest are as follows:

- Employees may not use their prestige of the office for personal gain or the gain of another person.
- Employees may not participate in an official action, decision or matter in circumstances where the employee has an interest or where certain relatives of the employee have an interest.

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

F. 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. Towson University is mandated to achieve a participation goal of at least 29%, and procurement card purchases contribute toward that goal. Cardholders play a vital role in ensuring Towson University continues to increase MBE spend through their transactional purchases.

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 procurement liaison for MBS/VSBE/SBR at, at 410-704-2048 or at mbe@towson.edu or 410-704-2171, for assistance in locating MBE firms.

G. 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 card holders are encouraged to buy from SBR designated vendors and/or include when multiple quotes are obtained (as applicable).

Cardholders can use [eMaryland Marketplace Advantage](#) to search for certified small businesses in Maryland.

Please contact Towson University's procurement liaison for MBE/VSBE/SBR at 410-704-2048 or mbe@towson.edu or 410-704-2171, for assistance in locating SBR firms.

V. Card/Account Security

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 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, immediately contact the PCPA to have your account canceled and request a new card. See Section X. [Disputes, Fraud and Lost Cards](#) within this manual for additional instructions.
- **Do not share your card with others**
 - The cardholder is the only person authorized to make purchases using their procurement card. Giving the physical 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.
- **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.
- **Procurement cardholders should not store their credit card information on merchant websites or payment channels**
 - Storing procurement card information on merchant websites can lead to inadvertent mix-ups of personal and professional credit card transactions
 - Limits the locations of your card information on the internet
- **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 an unlawful attempt to access 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

Do not share your card with others.

unauthorized credit card purchases or for identify theft. Neither the bank nor the Procurement Department will contact the cardholder for account information.

- Any perceived or actual phishing attempts must be reported to the Office of Technology Services (OTS) and the PCPA. For additional guidance and instruction, please refer to the [OTS Phishing website](#).

VI. Account Maintenance

A. Single Transaction Limit

The maximum limit for a single transaction is \$5,000, which includes all associated costs such as shipping, installation, and other related expenses. Any purchase that exceeds \$5,000 shall be sent to the Procurement Department via purchase requisition. "Splitting" or "stringing" purchases to circumvent the single transaction limit is prohibited.

B. Monthly Transaction Limit

Each cardholder is assigned a monthly spending limit typically set at \$5,000. Department heads and reviewers may request changes to the monthly spending limit, or otherwise regulate transactions, based upon department needs. Once the application is processed, the department head or reviewer may request changes in spending limits, via email at pcpa@towson.edu, with justification to support their request. The PCPA will consider requests on a case-by-case basis and will review spending history/business justification.

The department head or reviewer may request changes in spending limits, via email at pcpa@towson.edu, with justification to support their request.

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., retirement, promotion), please contact the PCPA immediately. The new reviewer will be required to complete Procurement Card training, if they have not done so already, and sign an authorized reviewer agreement form. PCPA notification is a vital step to ensure your expense reports are approved timely.

D. Long Term Leave or Absence

- **Cardholder**
 - If a cardholder will be on long term leave or absence for greater than 4-weeks (28 calendar days), the cardholder or reviewer shall notify the PCPA as soon as the leave/absence is known. If an unscheduled absence occurs, the reviewer will be responsible for notifying the PCPA. During an extended absence, the procurement card will be suspended until the cardholder returns to work.
- **Reviewer**
 - If the reviewer is unable to approve cardholder expenses by the monthly deadline, the reviewer or approver shall [delegate or reassign Stratus tasks while out of office](#). If the reviewer has an emergency, the department shall contact the PCPA for assistance with delegating or reassigning tasks for pro-card expense reports. NOTE – reviewers must have up-to-date procurement card training before performing approvals.

E. Cost Center Changes/Transfer to Another Department

- **Transferring to Another Department**
 - If the cardholder transfers to another department within the university, the cardholder shall contact the PCPA and must obtain a new procurement card.

- **Changing a Cost Center**
 - If a department cost center is closed or changed, the cardholder must contact the PCPA to have the cost center updated.
- **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. If there are any changes to the employees' HR profiles (i.e., phone number, address, email), this will trigger HR integration to run and reset the default.
 - Cardholders and reviewers are responsible for ensuring the cost center changes have been completed correctly.
 - Cost center changes do not retroactively update purchases made prior to the update. Cardholders must manually validate and update the cost center when creating their expense reports.

F. Leaving the University

If the cardholder is departing employment at 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 for destruction and disposal; and
- Providing all documentation to the PCPA and reviewer.

Contact the PCPA **NO LESS** than two weeks prior to leaving the university. If the cardholder is unable to complete the above tasks, the reviewer or direct supervisor shall contact the PCPA for guidance.

G. Inactivity

Maryland General Accounting Division (GAD) mandates that procurement cards without any transaction history over a 6-month period will be closed. Towson University PCPA actively monitors cardholder transaction history to ensure all cards are used at least once every 6 months. If a cardholder or reviewer determines that card use is infrequent, please contact the PCPA to close your account.

VII. Guidelines for Use

A. Overview

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

The State Corporate Purchasing Card Program is intended to improve the efficiency and effectiveness of Towson University's small dollar procurements. This Corporate Purchasing Card Procedure is not intended to replace current policies and/or procedures defined in the Finance and Procurement Article, in COMAR Title 21, or in Towson University's policies and procedures.

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. As a reminder, allowable expenditures apply to all purchases regardless of the source of funds (e.g., state support, self-support, grant.). By adhering to these procedures, 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. Certain categories of merchandise and services are restricted from being purchased using the State of Maryland Corporate Purchasing Card. Vendors register with a specific Merchant Category Code Group (MCCG) that corresponds to the type of merchandise or service a vendor provides. Restricted MCCG numbers for purchases using the State of Maryland Corporate Purchasing Card are listed within [State of Maryland Corporate Purchasing Card Program Policy and Procedures Manual](#). Historically, Maryland cardholders have been prohibited from purchasing the following:

- Service Providers for financial institutions, security brokers, timeshares, etc.
- Personal Service Providers for photographic studios, beauty, and barber shops, funeral services, and crematories, dating and escort services
- Amusement and Entertainment including motion picture theatres, bowling alleys, video game clubs, betting, golf, etc.
- Drinking establishments (alcoholic beverages), restaurants, fast food restaurants , beer, wine, & liquor

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 Maryland blocks MCCGs for all State of Maryland corporate purchasing cardholders. The Towson University PCPA has no authority to make exceptions for MCCGs.

If a prohibited purchase is completed, the cardholder will be responsible and liable for:

- ensuring the product is returned to the vendor and fully reimbursed, or
- paying for the product out of pocket by reimbursing the university.

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 Procedures](#), the [General Account Division](#) (GAD) accounting procedures, and [TU Policy 08-03.03](#), the following are prohibited purchases with the procurement card:

- **Personal Use**
 - Keep the procurement card separate from personal credit cards.
 - Contact your PCPA immediately if an inadvertent personal purchase is made. 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 under USM or [TU Known Fiscal Irregularities](#).
- **Gift Cards or cash equivalents**
 - Intentional or inadvertent gift card purchases will result in a General Accounting Division (GAD) mandated 45-day suspension of card privileges.
- **Alcohol of any kind**
- **Appliances for individual employee offices**
 - If replacing a shared appliance for use by an office or department, please contact your PCPA for guidance.
- **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 .
- **Gifts, incentives, or rebates**
 - Ensures that any gifts, incentives, or rebates as a result of a CPC purchase are turned over to the university and are used for university business.
 - 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.
 - Items that are considered personal, not essential, or reputational risk to the university are prohibited.
- **Prizes, incentive awards, or appreciation gifts for faculty, staff, and student employees**
 - Prizes or incentive awards for students are allowable but must be documented properly. Please document the reason for the purchase, the student receiving the item, and their Towson University identification number.
- **Bottled water for employees**
 - Exception when Environmental Health & Safety certifies that water meeting drinking standards are not available in your work area.
 - Exception when Towson University Police Department staff are serving in a capacity where they do not have access to water (i.e., managing stadium traffic for an extended period).
- **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 tickets)**
 - Payment of tolls is allowable only when a TU employee uses the University provided rental vehicle and when the employee driving is for official business purposes.
- **Furniture from a merchant other than Maryland Correctional Enterprises (MCE)**
 - In accordance with the State Finance and Procurement Article of the Annotated Code of Maryland, the Code of Maryland (COMAR) and the University System of Maryland Procurement Policies and Procedures, furniture must be purchased Maryland Correctional Enterprises (MCE).
 - In some cases, a waiver may be provided to purchase from a merchant other than MCE. Please contact the PCPA at pcpa@towson.edu for more information. If provided a waiver, the cardholder must include the waiver in their monthly expense report submission.
- **Travel Expenses** (e.g., airlines, vehicle rental, hotels, baggage fees, meals, etc.)
 - Exception for conference registration fees.
 - Hotel fees shall be processed by the TU travel and reimbursement department. Hotels may charge processing fees, transaction fees, etc. as a part of the transaction.
- **Finance charges or late fees**
 - Prohibited in accordance with State Finance and Procurement Article of the Annotated Code of Maryland.

- Surcharge fees and convenience fees may be charged by vendors at the time of sale and listed as a separate line item on the receipt/invoice. Cardholders are encouraged to consider their options when conducting business with vendors to avoid such costs. See GAD Corporate Purchasing Card Policy and Procedures Manual – [Exhibit L – Card Surcharge Fees](#).
- **Expenditures for the following, regardless of payment method:**
 - Disposal of Hazardous materials (see [TU Hazardous Waste Management Procedures](#)).
 - Radioactive Isotopes ([TU Radiation Protection Program](#)).
 - Explosives & Ethyl Alcohol ([TU Policy 08-03.03](#)).
- **Amazon Business**

Towson University has an Amazon Business Account. If the cardholder will purchase from Amazon, please email pcpa@towson.edu to be added to the Amazon Business account. It is the cardholders responsibility to be aware of restricted and/or prohibited purchases. Please contact the PCPA for any questions about whether an item may be restricted or prohibited.

D. Maryland Sales Tax Exemption

Towson University is exempt from Maryland sales tax on all purchases made on a CPC. All in-state and many out-of-state vendors honor this exemption from sales tax. A copy of TU's tax-exempt certificate must be provided to the vendor if they do not have a copy on file. Cardholders may obtain a current copy of the TU Tax Exemption Certificate on the [Procurement Card Program](#) webpage. If sales tax is paid in error, cardholders are responsible for obtaining a refund from the vendor. Cardholders must document all tax refund attempts for audit purposes, which must be included in your monthly expense report. Please contact the PCPA at pcpa@towson.edu for additional help regarding sales taxes or escalation if challenges arise with a vendor.

The cardholder must:

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

NOTE – when tax disputes occur, cardholders may need to separate expense reports over multiple months until the tax dispute has been resolved and credited to the account.

E. Delivery of Goods & Services

All purchases shipped to Towson University by the vendor must be delivered to the following campus address:

8000 York Road
Towson, MD 21252

If the cardholder needs to make a delivery to an off-campus location or if picking up directly from the vendor, the cardholder must contact the PCPA at pcpa@towson.edu prior to making the purchase.

For cardholders paying for on-site and/or professional services of any kind, they are responsible for obtaining a copy of the vendors' Certificate of Insurance (COI). The COI shall be attached to the monthly expense report as detailed in [Section VIII.A. Stratus Expense Reports](#).

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 creating an account with an online retailer, the cardholder must ensure they separate personal and business accounts. Cardholders are prohibited from adding or using their procurement card 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, the cardholder will work directly with the merchant. If the merchant charges State of Maryland sales tax, secure a credit for the sales tax 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.
- For returns, follow the instructions provided by the merchant. Many merchants require a 'return goods authorization' number before accepting a return.
- Sometimes a restocking fee is charged; acknowledge this with your transaction documentation.
- Request and record credits/charges on your monthly expense report.
- 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 at pcpa@towson.edu.
- The cardholder must:
 - Create a separate expense report in Stratus for the transaction and refund/credit (if applicable)
 - Attach supporting documentation
 - The expense report main description section must state "Returned item"

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

H. Declined Purchases

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

- Purchase exceeds the \$5,000 single transaction limit.
- Purchase exceeds the approved monthly spending limit associated with the card.
- The item is restricted by the MCCG (see *Section VII.B.* of this manual for additional information).
- Incorrect billing information was supplied to the merchant, double check address, zip code, etc.
- The purchase has been flagged by the bank as a potential fraudulent purchase.

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. In addition, cardholders should be familiar with the Signature Authority (see *Section IV.C* of

this manual) if a 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 the cardholder monthly expense report and supported by:

- the name and purpose of the function
- a list of individuals attending
- indicate attendee affiliations with the University/USM/State (employee, visitor, paying guest, prospective student, etc.)
- the date and location of the event

K. Property Records

Cardholders purchasing property as defined in [TU Property Records](#) must adhere to TU Policy and Procedures for Property Records. Some property purchases may require a TU property label. Please contact Materials Management Property Records at 410-704-2175 for more information.

VIII. Reconciliation/Re-allocation

A. Stratus Expense Report

Every transaction on the ProCard expense report(s) must be reconciled against the monthly bank statement. Expense report(s) must 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 (item cost times number of units)

Stratus is used for cardholders to maintain a record of all their ProCard transactions. The cardholder must verify that the charge is the same as the receipt and bank statement. If the amount charged by the merchant 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 (see [Section X, Disputes, Fraud, and Lost Cards](#) for more information). All expense reports must be submitted by the cardholder and approved by the reviewer on the **10th** of every month. Expense reports will exclude any transactions that are in active dispute until a resolution has been reached.

For cardholders who do not use their pro-card during a billing cycle, the PCPA shall download a report from the contracted card provider documenting all users who did not have a transaction posted during the specified billing cycle. The report shall be signed and dated by the PCPA and the Director of Procurement, or their designee.

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

B. Cardholder Stratus Expense Report Submission

ProCard transactions are posted in Stratus the day after the transaction has been posted by the bank.

Cardholders should submit their expense report within one week of the end of billing cycle. This allows the expense report approver a week to review and approve the report prior to the deadline on the 10th of each month. The cardholder must reconcile the Stratus purchase history with the receipts, credit memos, invoices, etc. by the 10th of the month. When the ProCard holder submits their expense report, the user is certifying that all charges are accurate and in accordance with the requirements of the program.

C. 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 responsibility to validate the cardholder is compliant with all the procurement card program procedures. The reviewer must also validate the transactions are appropriate expenditures of

the university's funds and are allocated to the appropriate cost center. The reviewer approval certifies that:

- The cardholder completed valid expense reports.
- The purchases were within the guidelines established by GAD and Towson University for the Procurement Card Program.
- The amount charged for goods and services is fair and reasonable.
- Supporting documentation is included for every transaction and matches the charges shown in Stratus.

The reviewer must reject any expense report with unsupported or improper purchases and notify the cardholder. The cardholder is responsible for resolving and resubmitting any expense report rejected by the approver and/or auditors. The reviewer validates all charges are accurate and in accordance with the requirements of the program by approving the expense report. The reviewer must notify the PCPA at pcpa@towson.edu if any transaction or expense report is believed to be out of compliance per [08-07.10 Procedures on Reporting Suspected or Known Fiscal Irregularities](#).

IX. Records Retention

A. Overview

The cardholder is responsible for maintaining all receipts and supporting documentation via uploading them into Stratus when submitting their expense report.

All paper records recorded prior to the implementation of Stratus in July 2022 shall be maintained by the department in a centralized location with secure access to department employees. Departments are encouraged to convert paper copies into scanned images and filing them electronically. Procurement card 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, as noted above.

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

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

B. Receipts

An itemized receipt is required for every purchase (debits and credits). An itemized receipt consists of the merchant's 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
- 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, the cardholder must document the goods/services purchased with unit prices or provide additional information justifying the price is fair and reasonable.

An itemized receipt is required for every purchase.

If a receipt is lost, the cardholder is responsible for requesting a duplicate copy from the merchant. If the

cardholder is no longer employed by the university, the department may contact the PCPA at pcpa@towson.edu for assistance in reviewing the transaction(s) and obtaining supporting documentation.

C. Bank Statement

Cardholders may download their bank statements from the contracted card provider website. Departments may contact the PCPA at pcpa@towson.edu for assistance obtaining transaction reports.

X. Disputes, Fraud and Lost Cards

A. Disputing a Charge

An incorrect charge that appears in 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, the transaction includes taxes, etc.

Cardholders should first attempt to resolve the dispute with the merchant and be sure to document all communications with the merchant. If the merchant does not satisfactorily resolve the issue, cardholders must contact the PCPA for assistance.

The bank will issue credit to the cardholder's account for the disputed amount while the dispute is pending resolution. The cardholder must 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 at pcpa@towson.edu.

The cardholder will:

- Create a separate expense report in Stratus for the transaction and credit (if applicable)
- Attach supporting documentation (emails, notes, letters, etc.)
- In the expense report main description section, they must state **"DISPUTED TRANSACTION"**

For more information on submitting expense reports and how to handle disputes, please see [Section VIII. Reconciliation/Re-allocation](#) of this manual.

B. Fraudulent Purchases

The contracted card provider actively monitors cardholder transactions for fraud. Occasionally, the bank may reach out to the PCPA to inquire about a transaction on-hold due to suspicious activity. The PCPA will notify the cardholder and request that they validate the transaction. Legitimate purchases will be processed by the contracted card provider after the cardholder confirmation is received. Fraudulent transactions will be denied, and the corporate card will be immediately canceled. The bank will reissue a new ProCard any time a fraudulent purchase is identified.

If you identify fraudulent activity on your procurement card, immediately report the incident to the PCPA, and the contracted card provider at the number listed on the back of your card. The contracted card provider will review your recent purchases, cancel your card, and reissue a new procurement card. You will be contacted by the PCPA to pick up your new card once it has arrived at Towson University. Cardholders shall be responsible for destroying their compromised cards and may return them to the PCPA for destruction and disposal, if necessary.

C. Lost or Stolen

If you discover your procurement card has been lost or stolen, immediately report the incident to the PCPA, and the contracted card provider. The bank will review your recent purchases, close your account, and reissue a new procurement card. When your new card arrives, the PCPA will contact you to pick up your new card.

XI. Reviews & Audits

The procurement card is subject to audit by multiple entities including, but not limited to:

- Towson University
- the University System of Maryland (USM)
- the General Accounting Division, and
- Legislative Auditor

Audits allow third-party entities to review the Towson University Procurement Card Program to ensure compliance with state and university policies. The PCPA collaborates with auditors to review ProCard transaction history and may require additional information from cardholders.

A. Monthly Transaction Review

The PCPA reviews the university cardholder transaction history for level 3 internal auditing. During the review, the PCPA searching transaction history for potential prohibited or restricted purchases (see [Section VII.C Prohibited Purchases](#) for more information).

B. Procurement Card Compliance Review Program

The Procurement Department and Financial Services have jointly established a Compliance Review Program to ensure the university's Procurement Card Program remains in good standing. Cardholders will be required to rectify any outstanding compliance issues. Repeated violations of compliance may result in written, suspension, or loss of ProCard privileges.

1. Procurement Card Compliance and Accountability Measures

The cardholder is required to adhere to the Corporate Procurement Card Procedures to keep the university program in good standing with GAD. Failure to abide by program requirements may lead to personal, professional, or institutional repercussions. All cardholders are subject to the following actions when the referenced conditions are met. Note that the PCPA or Procurement Director may, at their discretion, increase or decrease the actions based on the information provided after an incident is identified. Cardholders who fail to adhere to state and university policies and procedures are categorized as major or minor infractions.

Major Procurement Card Infractions: circumstances that present greater risk to the state and university and are subject to stronger repercussions including, but not limited to:

- 1st Occurrence: Cardholder privileges will be suspended for 45 calendar days
- 2nd Occurrence: Cardholder will have an immediate loss of procurement card privileges for a period of at least 3 months

Examples of major procurement card infractions include but are not limited to:

- Splitting transactions to circumvent the procurement policies and procedures
 - If a cardholder authorizes the vendor to split the transaction to allow the procurement card purchase to be completed.
- Loaning the card or providing the card number to others:

- The procurement card holder is responsible for always keeping their card in a secure location. Loaning their procurement card or providing their procurement card number to another person is prohibited.
- Purchasing prohibited goods or services:
 - Procurement card holders are responsible for adhering to state and university policies and must be aware of prohibited goods or services paid for via their card.
 - Cardholders will be required to make restitution to the university if restricted/prohibited purchases are made.
 - Gift card purchases will result in a General Accounting Division (GAD) mandated 45-day suspension of card privileges.
- Failure to resolve a minor procurement card infraction within 45 days of notice:
 - PCPA notifies card holder of a minor infraction, and they fail to take timely steps to resolve the matter within 45 days

Minor Procurement Card Infractions: Actions that violate state and/or university policy and procedures but are not of significant risk.

- 1st Occurrence: Cardholder single transaction limit reduced to \$1.00 until infraction is resolved
- 2nd Occurrence: Cardholder privileges will be suspended for 45 calendar days
- 3rd Occurrence: Cardholder will have an immediate loss of procurement card privileges for a period of at least 3 months

Examples of minor procurement card infractions include but are not limited to:

- Failure to have a submitted and approved expense report by the deadline established by the PCPA.
 - Cardholders must create Stratus Expense Reports for all ProCard Transactions uploaded into the Expense Module in Stratus and have their reports approved by the established deadline.
- Failure to keep documentation
 - Each cardholder shall maintain a record for each purchase or credit made with their procurement card. Acceptable documentation for each purchase or credit shall be uploaded into their Stratus Expense Report.
 - Acceptable documentation includes the itemized sales receipt, repair order, proof of delivery, etc. Every transaction listed on the monthly card statement must be reconciled with the required documentation.
- Failure to document food and catering purchases
 - All food and catering purchases must follow the university's [08-11.20 Catering and Meal Coupon Policy](#). Cardholders are responsible for reading and adhering to all associated policies.
- Merchandise delivered to an Off-Campus location:

- All merchandise purchased with the procurement card must be delivered to Towson University unless explicitly approved by the PCPA or Director of Procurement prior to the purchase.
- If Off-Campus delivery is approved, the approval is for the requested purchase only and is not admissible for any future orders.
- Lost or stolen card(s):
 - Cardholders must immediately report lost or stolen cards to the issuing bank and the PCPA.
 - Two or more lost/stolen cards within a rolling 12 months may result in long term suspension from the cardholder program.
- Failing to file a dispute with the issuing bank:
 - Failing to file a dispute regarding defective merchandise or an inaccurate bank statement (not reconciled through vendor) within 60 days of receipt of the statement.
- Purchasing Goods/Services for personal use:
 - If a personal transaction is made with the university's procurement card, the cardholder will make restitution to the university within ten (10) working days from the incident or at the direction of the PCPA and/or Director of Procurement.
- Paying Maryland sales tax:
 - All procurement card transactions are exempt from sales tax for purchases delivered within the State of Maryland. Cardholders are expected to make reasonable attempts with merchants to obtain a refund if sales tax is incurred. The cardholder must document all communications related to obtaining reimbursement of sale tax. Contact the PCPA for assistance or additional guidance.

2. Procurement Card Monitoring & Oversight

The purpose of this program is to ensure that Towson University's procurement card program remains in good standing.

The program incorporates a risk-management approach where representatives from Financial Services will conduct unscheduled reviews of procurement card records. The cardholders will be found to be: (1) in compliance or (2) not in compliance. Reports will be submitted to the Procurement Card Program Administrator (PCPA) for further action in accordance with the established procedures of this program, including mandatory training for those found non-compliant. In most instances, the cardholder will receive a written warning, followed by suspension of card privileges and finally, revocation of the pro-card.

Despite training, announcements, and reminders, many cardholders are not complying with the procedures of the program. The following areas are of particular concern:

- cards and/or card numbers are being loaned or shared with others representing an increased risk of fraud;
- logs are not being maintained;
- logs are not being reviewed by supervisors;
- purchases are being split to circumvent procurement policies and procedures

Program provides:

- additional guidelines to the campus for procurement card use;
- a mandate to the Procurement Department to efficiently administer the program;
- a mandate to Financial Services to conduct unscheduled reviews of procurement card records;
- assurances that procurement card spending practices will remain in compliance with the State's policies and, therefore, reduce risk of poor audit findings; and
- a means by which we can discover fraudulent use or misuse of the procurement card in a timely manner, preventing monetary loss.

C. Monthly External Audit

Each month, GAD and USM may review and identify any purchases that appear questionable. If you are contacted by the PCPA regarding a questionable purchase, cardholders must respond with the requested documentation within five (5) business days.

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. OLA audits Towson University Procurement Card Program every three years for fiscal compliance and will review active and closed ProCard records.

See [Section IX: Records Retention](#) for more information.