

FROSTBURG POLICY AND PROCEDURES

1. PURPOSE

This program is designed to simplify the purchasing of goods and services by FSU. To take advantage of these benefits requires only that previously existing guidelines for purchases continue to be followed and that the purchases are made from suppliers that accept **Visa**. As with all purchases, it is appropriate to consider first those sources available under existing State of Maryland and FSU contracts.

2. FSU PROCUREMENT OFFICE

Purchasing Card Program Administrator (PCPA): **Alan Snyder**
Phone: 687-4242
Fax: 687-4075

The PCPA will provide support and assistance to cardholders, campus Departments/Schools, etc.; distribute/process new card applications, process changes in cardholder information (name, mailing address, increase or decrease in limits, etc.).

3. KEEPING YOUR CARD SECURE

Always keep your card in a secure place. Just as you would your personal credit card, treat it as if it were cash. Each cardholder is directly responsible for the physical security of the card. No one other than the designated cardholder is authorized to use it for any purpose. **Sharing of Purchasing Cards is a violation of university and state policy and is prohibited.**

4. SALES TAX EXEMPTION

The Purchasing Card states that FSU is sales tax exempt and lists the exemption number. All in-state and many out-of-state suppliers honor this exemption. If required by the vendor, a copy of the University's tax-exempt certificate may be provided.

5. LIMITATIONS SPECIFIC TO YOUR CARD

All Purchasing Cards have a **minimum** \$2,500.00 Single Purchase Limit unless a lower limit has been imposed by your Department/School. **As with current purchasing regulations, "splitting" purchases to exceed the single purchase limit is prohibited. An example of splitting an order is when an item costs more than the single limit on the card and the cardholder makes two or more purchases to buy the item.**

Departments/Schools may set additional restrictions relating to monthly dollar limits and daily and monthly limits on the number of transactions.

6. **SURRENDER OF CARD**

Your card remains the property of the Bank and must be surrendered immediately upon termination of employment or upon request for any reason by an authorized person (such as your supervisor or the PCPA). The card must be cut into a minimum of two pieces when surrendering it. Surrendered cards are to be forwarded to the PCPA.

7. **CHANGING CARD LIMITS & UPDATING CARDHOLDER OR RECONCILER INFORMATION**

Card limits and other information such as address, phone, name of the Reconciler, etc., may be changed by the appropriate departmentally authorized person contacting the PCPA with the new information.

State policy requires cardholders who have been inactive for six months to justify to PCPA why they still need a card, and cards that are inactive for a year will be canceled.

8. **HOW TO USE THE PURCHASING CARD**

Please note that the cardholder is the only person authorized to make purchases using his/her card. Cardholders are encouraged to use their cards to make departmental purchases for other members of their department where appropriate. 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 the proper use of the card.

If a vendor you frequently purchase from does not accept Visa, please notify the PCPA so that the vendor may be offered the opportunity to do so. All Visa merchants are required to offer the same pricing for Visa card purchases as for any other means. Make sure that the price offered the University is the same low price you would ordinarily receive.

Personnel who routinely make departmental purchases should have their own Purchasing Card if approved by the department.

9. **PURCHASES IN PERSON**

- A. Follow the same internal procedures you have always used specific to FSU and your department to obtain authorization to make the purchase.
- B. Determine whether the Purchasing Card is the most appropriate tool to use for this purchase (check the list to make sure it's not a restricted item, and determine whether a State of Maryland contract is available).

- C. 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.
- D. Take reasonable steps to determine that the price quoted is the best you can obtain.
- E. Advise vendor that FSU is tax exempt.
- F. Obtain a detailed receipt at the time of purchase clearly identifying each item purchased.
- G. Follow your departments instructions regarding recording the purchase, including use of the Cardholder Activity Log, or an equivalent form, and keep all receipts with the log in a secure place.
- H. When receiving the goods, whether via direct delivery or in person, always retain all boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. The Cardholder is responsible for verifying quantity and condition of the goods upon arrival.

10. **PURCHASES BY TELEPHONE, FAX OR MAIL**

TELEPHONE

A written record must be made when placing a telephone order. The Cardholder Activity Log (Exhibit E) may be used to record this information or a separate record may be kept. You do not have to use the exact format provided, but all indicated information should be recorded. Store this record in the same manner that you store receipts. This information will be invaluable when reconciling your account and must be available for audits.

ONLY the cardholder is authorized to place a phone order. You may, when necessary, have someone else pick up the goods (the person picking up the items should only sign shipping or receiving papers, not the credit card slip).

Follow the applicable instructions for making purchases in person, including shipping/delivery. In addition:

- A. When you call, state that you are calling from FSU and that you will be making your purchase on a VISA Card.
- B. Emphasize that the University is exempt from sales tax.
- C. Record the name of the person taking the order, place the order, and give the supplier your Purchasing Card number and expiration date.
- D. To Ship Items: Remember to give the supplier your name, department name, phone number, and complete delivery instructions as follows if you are not picking up the goods. It is recommended that you have the goods shipped directly to your campus address via UPS, Federal Express, or other method suitable for the items purchased.

- E. Request that a receipt and/or packing slip be sent with the purchase. Retain this receipt/packing slip with your record of the purchase.

FAX AND MAIL

Follow the applicable steps as listed above. Retain a copy of the order as faxed or mailed and the fax confirmation (if available) for your records.

11. RETURNS, DAMAGED GOODS, CREDITS

If goods purchased with the Purchasing Card need to be returned, the cardholder should work directly with the supplier (vendor). Here are some tips:

- A. 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.
- B. Read all enclosed instructions carefully. Often a phone number and other Instructions are included on the packing slip and/or receipt.
- C. 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.
- D. 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 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.
- E. Lastly, make sure in reviewing your monthly statement that a credit was issued for the returned item(s).
- F. If return is not authorized or if it is not properly credited, refer to the section concerning Disputed Transactions, for instructions for resolving the problem.

GENERAL RECONCILIATION INSTRUCTIONS

PURCHASING CARD STATEMENT GENERATED BY THE BANK

A monthly **Visa** statement will be mailed to the cardholder directly. This Statement **MUST** be reconciled by the cardholder using the Cardholder Activity Log, order forms, receipts, transaction slips, and packing slips. The cardholder must **provide adequate item description** in their monthly activity log submission. Descriptions should adequately describe, in one concise phrase, what the purchase is and how it is to be used in the business of the department. The reconciled statement must be reviewed, approved, and countersigned by the cardholder's supervisor and returned to the Purchasing Department by the 10th of the following month.

The cardholder statement you receive is for your information and audit purposes only. Payment is the responsibility of FSU and the State of Maryland. Use of the purchasing Card will in no way affect or change your personal credit history.

12. **RETENTION OF STATEMENTS & RECEIPTS**

Receipts and statements are to be retained for four (4) years or until audited.

13. **AUDITS**

Periodic audits of each cardholder's records (i.e. Cardholder Activity Log, receipts, reconciled statements) will be performed by the Procurement Department. Additional audits may be conducted by any or all of the entities that currently perform such functions on behalf of FSU, UMS, State of Maryland, and the Federal Government.

14. **DISPUTED TRANSACTIONS**

Disputed transactions fall into 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.

DISPUTE WITH SUPPLIER

If you have a problem involving a dispute with a supplier (such as defective items or you claiming that an item was not ordered and the supplier claiming that it was), every effort should be made to resolve the problem directly with the supplier. If you are unable to obtain satisfaction from the supplier, complete the State of Maryland Disputed Item Form and forward it to the PCPA. Be sure to describe the problem and the efforts you have made in attempting to resolve it. The PCPA will review the form and submit it to the bank.

DISPUTE OF STATEMENT ITEM

Any item that appears on the monthly Visa statement from the Bank may be disputed provided the disputed transaction is reported to the Bank using the Statement of Disputed Item Form within **30 days** of the disputed statement's closing date. It is recommended that such items be reported immediately upon receipt of the statement in question. Complete the form and forward it to the PCPA.

RESOLUTION

During the bank's investigation, they will issue a credit to the Purchasing Card account in question for the disputed amount. When the investigation is complete you will be notified of the resolution. If you are not satisfied with this resolution, please contact the PCPA immediately.

15. **ADDITIONAL FSU LIMITATIONS**

In addition to the restrictions imposed by the state, Frostburg State University has included the following restrictions.

- A. Furniture must be purchased from Maryland Correctional Enterprises**
- B. Computer Systems including Laptop Computers**
- C. Firearms**

16. **MBE**

As an agency of the State of Maryland, the USM is required to attempt to achieve at least 25% participation by minority business enterprises (MBE firms) in total procurement dollars spent.

With the delegation of small orders directly to the using departments via the VISA purchasing card, it is extremely important that the entire campus community recognize and support this requirement.

The Procurement Department can supply the name(s) of qualified MBEs that are seeking to do business with the University. We hope that departments will take advantage of these firms when requirements arise to help the University meet its MBE goal of 25% percent.

17. **BUSINESS PREFERENCES**

The University System of Maryland is required to structure its procurements to achieve a minimum of 10% of its total annual dollar value of contracts to be made directly to certified small businesses. Also, certified small business may be given a price preference in specified procurements conducted by the University System of Maryland of Frostburg State University. The Department of General Services is the certifying agency for small businesses.

18. **DELIVERY OF GOODS**

For small items, departments may have the materials shipped directly to the department. Be sure to include the following information:

Department Contact Name
FSU/Department
Building/Room No.
101 Braddock Road
Frostburg, Maryland 21532
“VISA” purchase

Larger items/orders should ship to Central Receiving. Vendors must be given the following information to put on the packing slip and package label:

Department Contact Name
FSU/Department
Central Receiving
101 Braddock Road
Frostburg, Maryland 21532
“VISA” purchase

It is important **“VISA Purchase”** is noted on the shipping label/packing slip so that Central Receiving knows that it is an authorized shipment. Failure to do so could result in the package being rejected at Central Receiving.