

POLICY ON UNIVERSITY PROCUREMENT CARDS

The Procurement Card Program was established by the State of Maryland to save State agencies time and money. By allowing the bank and merchants to process most of the paperwork, the need to issue thousands of purchase orders is reduced, as well as the number of invoices to be processed, and small dollar checks to be issued. It aids departments in obtaining small dollar purchases in a more efficient and cost effective manner. Additionally, vendors benefit by a reduction in paperwork and faster payment. These cards are controlled and issued to employees by the University's Procurement Department.

All purchases must be in compliance with COMAR and all State Laws, policies, and procedures, as well as, with all USM and University policies and procedures. The use of University Procurement Cards are restricted to official University business only and are further restricted by the State based on the type of purchase. For example, cards cannot be used for Service Providers, Personal Service Providers, Amusement and Entertainment, Contracted Services, Drinking or Eating Establishments, Package Good Stores, Travel Fares, Cash Advances, Gifts, Capital or Sensitive Equipment, or any services that may be 1099 reportable to the IRS. See the State's Corporate Purchasing Card Program policies and procedures for more specific information.

Any personal or unallowable charges must be repaid by the employee immediately, in addition to a \$25 administrative fee for each individual charge. In the event that the employee is billed for these charges, the University's standard late fee will also be assessed if not paid by the due date. If not repaid when required collection may be accomplished through payroll deduction or any other collection process. If reported to the State Central Collection Unit a 17% collection fee will be assessed on top of all other charges. Abuse of the card may result in cancellation of the card, and may result in disciplinary action up to and including dismissal, as well as possible criminal prosecution.

See the State of Maryland's Corporate Purchasing Card Program Policy and Procedures for additional guidance.

(Internal)