

**CORPORATE  
PURCHASING  
CARD  
CARDHOLDER/  
REVIEWER  
TRAINING**



# CPC TRAINING – AGENDA

- Introduction to the State Corporate Purchasing Card (CPC) Program
- Definitions
- Responsibilities
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  - Authorized Reviewer
- Types of Purchases
- Split Purchases
- Spending Limits\*
- Defective Merchandise/Disputes
- No Activity on CPC
- What You Can't Do or Purchase
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– Updated 11.9.2021

# INTRODUCTION TO THE CORPORATE PURCHASE CARD (CPC) PROGRAM

- CPC program was implemented in 1997
- CPC program operates on a monthly billing cycle
  - Cycle starts on the 26<sup>th</sup> of each month and ends on the 25<sup>th</sup> of the following month
- This is a General Accounting Division (GAD) driven program
- Comptroller's Corporate Purchasing Card Program Policy & Procedures

# DEFINITIONS

- Equipment: meaning any item with a purchase price of \$500 or more for NON-SENSITIVE items and these items have an expected useful life of more than 1 year (typically furniture)
  - **Needs to have a Property Sticker on it**
- Equipment: SENSITIVE ITEMS have a purchase price limit of \$250 or more (Ex: Laptops, Tablets, Cell Phones)
  - Should have a Property Sticker on it
  - OLA auditors look for Game Systems to be logged and photos
- ALL EQUIPMENT: No equipment can be purchased on the CPC without going through Equipment Process.
- Spending Needs: meaning a need to make authorized purchases which further the business of the state (sections 24.26 of the Comptroller's procedures)
- Split Purchases: meaning dividing purchases into two or more smaller amounts to circumvent procurement regulations – **STRICTLY PROHIBITED**

# DEFINITIONS CONTINUED...

- **Questionable Purchases:** specific transactions identified by GAD staff on a monthly basis that are “questionable” in nature. If questioned by your purchases you **MUST** respond within 5 business days as GAD requires agency to respond in 45 days of date of purchase.
- **Sales and Use Tax:** taxes collected by merchants on items purchased. The State of Maryland is EXEMPT from Maryland Tax. Tax Exempt Number is 30002563 which is located on each card.
- **Preferred Vendor** – a statewide contractor approved by Department of Budget & Management (DBM) or the Department of General Services (DGS) to provide commodities and/or services – List of Preferred Vendors is included in your packet & sent out each Fiscal Year to Cardholders

# RESPONSIBILITIES OF THE CARDHOLDER

- Responsible for using their assigned card to make appropriate, **AUTHORIZED PURCHASES**. Cards can **NOT** be shared
- Must gain **APPROVAL** from supervisor prior to purchase
- Responsible for all purchases, spending needs, and limits within the procedures
- Responsible for tracking all expenditures, coding receipts, preparing CPC Package, and obtaining approval signature
  - SIGN BANK STATEMENT, SIGN ACTIVITY LOG, Ensure all purchases that require a req have 2 bids/quotes & req copy in CPC package
- Responsible for submitting CPC Package on DUE DATE in its entirety
- CPC Security
- Do Not put your card on file with a vendor
- Do Not create “accounts” with vendors such as Amazon, Chewy or any online vendor
- Do not give your card to someone else to go and purchase any goods or services – this is an automatic termination

# RESPONSIBILITIES OF AUTHORIZED REVIEWER

- Review all transactions
  - Ensure they are accounted for on log and match the monthly bank statement – SIGN the bank statement
  - Ensure reconciliation is done properly and in a timely manner
  - Ensure all receipts are **detailed**, present in package and legible
  - Ensure activity log has the following – SIGN the activity log:
    - Date of Order, Vendor/Supplier, Description of Purchase, PCA/OBJ Codes, Invoice # (if applicable), Requisition Number, Delivery Cost, Sales Tax (SHOULD BE ZERO), Total of Purchase, Date of Delivery/Purchase
    - Requisition number needs to be on the log for each purchase that requires one (place under No. column)\
    - Ensure each purchase that requires a Req has the 2 quotes/bids and Req copy in the CPC package

# RESPONSIBILITIES OF AUTHORIZED REVIEWER CONTINUED

- Personally verify the bank statement – sign the bank statement
- Personally verify the CPC log – sign the CPC log
- Personally verify the 3<sup>rd</sup> Level Report of Monthly Transactions (sent each month)
  - SIGN the Memorandum to Confirm 3<sup>rd</sup> Level Review
- Ensure Cardholder is following all policies/procedures and CPC package is submitted on time to the Budget/Fiscal Personnel



# PURCHASING CARD PROGRAM ADMINISTRATOR PCPA

- An individual designated by the ordering agency or institution to perform administrative functions within the limits of delegated authority to maintain the effectiveness of the program.
- PCPAs **CANNOT** have a corporate purchasing card. Any exception to this must be approved by GAD

# TYPES OF PURCHASES

- ALL purchases **MUST** be approved by Supervisor
- All Equipment Purchases to include any Furniture needs: Cardholder needs to email PROPERTY OFFICER & cc Reviewer and CPC email of needs and PROPERTY OFFICER FOR MDH has the items on hand or if the items can be purchased on CPC.
  - Depends on the amount depends on CPC can be used
- Facility Operations: only make purchases related to facility spending
- Emergency Repairs: repair order for emergency repairs includes repairs necessary to maintain youth & staff health, safety, and well-being
  - Subject to single purchase limit & not to exceed \$5000
  - Must be approved by Supervisor and PCPA
  - Must follow Procurement Guidelines
    - Refer to the Small Procurement Guidelines

# TYPES OF PURCHASES

- All Equipment Purchases to include any Furniture needs: Cardholder needs to email PROPERTY OFFICER & cc Reviewer and CPC email of needs and PROPERTY OFFICER will confirm if MDH has the items on hand or if the items can be purchased on CPC.
  - Depends on the amount depends on CPC can be used
  - Including but not limited to office supplies
  - Special accommodations for youth (emergency clothing needs)
- All Other purchases:
  - Any other spending need not discussed
  - MUST follow the single purchase limit

# PREFERRED AND MBE VENDORS

- Most, if not all, purchases should be made with one of the following:
  - Determine if there a current contract already in place by checking the following:
    - A. Check DGS, DOIT, and DBM's websites;
    - B. Preferred Provider; or
  - Preferred vendor – statewide approved/contracted vendor
  - MBE – Certified Minority Business Enterprises
- Agency has 29% Minority Business Enterprises (MBE) purchasing goal

# SPLIT PURCHASES

## WHAT IS A SPLIT

- A purchase made to the SAME vendor on the SAME day but in 2 different transactions
  - Tiffani went to Walmart and split her cart into 2 orders. First Receipt was for Unit A for \$850.00. Second Receipt was for Unit B for \$400.00.
  - This is a Split
  - This is an OLA Audit Finding

## OTHER EXAMPLES

- Steven orders boots from BISM and sends \$250 worth to Noyes and \$300 to CYDC. Codes to proper PCA and AOBJ. This is a split.
- Savion orders from Rudolph's on Monday and get's \$500.00 in Office Supplies for HQ and then on Wednesday orders \$2,300.00 for Office Supplies. This is a split purchases and needs a requisition.

# SPENDING LIMITS - \$2500 OR LESS

- \$2500 or Less requires no requisition or purchase order
- One time Charge (non-recurring)
  - Exception is Direct TV which was authorized in 2017
- **NO Equipment, NO furniture, NO IT equipment**
- Use statewide contracts (when available) – WAIVER is needed from the Preferred Vendor if they can't be used
- If a WAIVER is obtained it needs to be included in the CPC Package
  - If a Preferred Vendor does not provide one; request in writing and CC the PCPA
    - If the waiver is still not sent then include the email requesting the waiver into the CPC Package
- **NO REQUISITION REQUIRED** (see Small Procurement Guidelines sent by Procurement 10/2021)

# SPENDING LIMITS - \$2501 - \$4,999

- One-time Charge only
- **No Equipment, Furniture, or IT equipment**
- Use Statewide Contracts where available
- Must obtain 2 bids and/or quotes
- Must enter requisition in FMIS
  - 2100 Screen in ADPICS
  - Use Interface NP on Requisitions
  - Email these to your Procurement Officer
  - Do not order items/service until approved
  - Enter Req # on Activity Log
- The 2 bids/quotes must also be included in your CPC Package for documentation screen
- NO Split Charges
- **Do NOT** place order until Approval is completed
- 9220 Screen in ADPICS provides you the approval path of where it is in the approval process
- Requisition Number (must be on LOG) – use notepad
  - Include a copy of the Requisition in the CPC Package for documenting purposes

Transactions over \$5,000 – **NOT ALLOWED ON CPC**

# DEFECTIVE MERCHANDISE/DISPUTES

- Defective purchases – follow vendors return policy for replacement or credit
- Disputes – Bank Statement of Disputed Item Form should be completed and forwarded to the MDH PCPA ASAP ([mdh.cpc@maryland.gov](mailto:mdh.cpc@maryland.gov))
  - PCPA will track and ensure rectified
  - Only the Unit/Institution/LHD APCPA is authorized to submit disputes to the bank
  - Once credit appears on statement record on activity log



# NO ACTIVITY – WHAT DO WE DO?

- Print out a Corporate Purchase Card Activity Log
- Put a line diagonal from corner to corner and mark NO ACTIVITY
- Ensure to still enter the MONTH and YEAR at the top
- Cardholder Signs, Reviewer Signs, and Budget/Fiscal Personnel Signs
- Submit each month to your reviewer
- 3 months of No Activity
  - Budget/Fiscal Personnel will request a Memorandum of Justification of why there is no activity on the card.
  - This is required for internal tracking as GAD will then request this record during their reviews.
- 6 months of No Activity
  - the PCPA will request a Memorandum of Justification of why there is no activity on the card. The card will more than likely be terminated.
    - Making one purchase for \$100 worth of office supplies is not justification to keep a card open

# WHAT YOU CANNOT PURCHASE OR NOT DO

- Personnel Items
- **GIFT CARDS**
- Furniture, Equipment, IT Equipment
- Motor Vehicles to include gas, oil, repairs (even in State Car)
- Travel Accommodations – [mdh.dgattravel@Maryland.gov](mailto:mdh.dgattravel@Maryland.gov) is where to book airfare
  - You must use your own debit/credit card at check in for all incidentals
- Weapons, Alcohol, Tobacco
- Cash advances
- No CREATION OF ACCOUNTS – Amazon, Chewy, etc.
- No Savings or Rewards Programs – Petco Plus, Giant Rewards, Safeway Rewards
- No Saving Cards on File with Vendors – BISM, MCE, Rudolph's
- MUST REPORT ANY EMPLOYEE THAT IS OUT OFFICE FOR MORE THAN 5 DAYS – we will place a hold on their card

# REPORTING & RECORDKEEPING

- Lost or Stolen CPC: Call Primary CPC Immediately: Trisha Walters 443.610.1403 or Anna Pisarchik 410-767-4392 and then submit email to [MDH.CPC@maryland.gov](mailto:MDH.CPC@maryland.gov) and call US Bank 800.344.5696
  - Card will be terminated, and a new card issued
- All purchases and credits must be evidenced by itemized documentation
  - Receipt, sales slip, packing slip, repair order, or other documentation showing the price of each item or service purchased
- Completed activity log (Signed by Fiscal Officer, Cardholder & Reviewer)
  - Completed – the log sets off alerts for requisitions and sales tax
- CPC Bank Statement (Signed by Fiscal Officer, Cardholder & Reviewer)
- All invoices and backup
  - Emails of approval, photos of purchases if applicable, waivers or email requests, emergency documentation
  - \$2501 to \$5000 2 quotes/bids and FMIS Req (print for package)
- No activity, CCH must turn in activity log with statement showing No Activity
  - If card hold is on extended leave and not available, card will be suspended and Level 3 Report will be printed by Budget/Fiscal Personnel
  - Send to Reviewer for Signature – Reviewer sends to Budget/Fiscal Personnel by the 15<sup>th</sup> of the month

# CPC PACKAGE

- What is it???
  - CPC Activity Log (Signed by Fiscal Officer, Cardholder & Reviewer)
  - CPC Bank Statement (Signed by Fiscal Officer, Cardholder & Reviewer)
  - Receipts/Invoices
    - All receipts need to be legible, have NO sales tax, coding on them and REQ numbers and **DETAILED**
  - **IF any purchases are \$2501 or more: include 2 bids/quotes plus FMIS requisition in the CPC Package**
  - 3<sup>rd</sup> Level Review Memo (Signed by Reviewer)
- Turning in the Package
  - Email to the Reviewer before the 15<sup>th</sup> of each month – the Reviewer must submit to the Budget/Fiscal Personnel by the 15<sup>th</sup> of each month
  - Can **NOT BE MAILED**
- No Activity
  - Still **MUST** turn in a log with statement “NO activity for the month of XXXX” (Signed by Cardholder & Reviewer)

# COMMON ISSUES FOR FISCAL

- Late Packages: **DUE BY THE 15<sup>th</sup> of every month**
- **Purchase of Equipment**
- Sales Tax
  - Need to obtain a Credit
- Split Purchases
- Non-use of State Contracts
- Missing Receipts
- No Requisitions
- Missing Documentation
- No Supervisor Approval/Signature
- Allowing other staff to use the card – **VIOLATION**
- **Cards on File**

# PROCESS OF THE CPC PACKAGE

- Due by the 15<sup>th</sup> to Budget/Fiscal Personnel – Reviewer will review and approve the package, turn package into Budget/Fiscal Personnel
- Budget/Fiscal Personnel reviews all receipts for compliance
  - Matches activity log to bank statement to all receipts
  - Request missing or additional documents
  - Request missing signature
- Budget/Fiscal Personnel enters all entries on a Journal Entry (JE)
- Budget/Fiscal Personnel then reviews all transactions and Journal Entry
- Budget/Fiscal Personnel enters JE into FMIS
- Budget/Fiscal Personnel submits Certification to [MDH.CPC@Maryland.gov](mailto:MDH.CPC@Maryland.gov)
- PCPA submits Certification for Agency to GAD (due by 25<sup>th</sup> of the month)

# HELPFUL HINTS!

- Complete Activity Log with each Purchase
- Keep an envelope labeled “CPC Receipts”
- Plan big purchases in order to get Requisition/PO before purchase is needed
- Seek approval when planning your purchases
- Accounts Payable receives invoices at times & will forward to Cardholders

# GENERAL TESTING

- Who turns in the CPC Package?
- What is the due date to the Budget/Fiscal Office of all CPC Packages?
- What are the parameters for a requisition?
- Name 1 of 3 locations to identify where to find a statewide contract.
- What do you need if a Preferred Vendor can not fulfill your order or send it promptly?
- Who is your Primary PCPA?
- What Department do you contact for purchasing questions?



# GENERAL ANSWERS

- Reviewer
- 15<sup>th</sup>
- \$2501 - \$5000
- DGS, DBM, DoIT
- Waiver
- Trisha Walters, back up - Anna Pisarchik
- Procurement

# TESTING

- Trinity needs to purchase medical supplies for 4 facilities what is step 1 before using the CPC? She has already gotten the approval?
- Savion has identified that his purchase of youth spending needs is not covered by a statewide or preferred vendor. He estimates the cost to be \$2600.00 what does he need to do before purchasing? \*hint – 3 things he needs to do\*
- Steven is completing his package and had an approved purchase of office supplies (Copier Paper, etc) for \$3000.00. What should include in his CPC package for this purchase?
- Trinity needs to purchase Port-a-Potties for CYDC – called vendor and can obtain for \$4500 and needs this as an emergency purchase. Her one time purchase limit is \$2500.00. What should she do?
- Savion needs to obtain office chairs for Region 2. It's \$300.00. This is furniture; can just purchase or is there a step to take?
- Trenton spent nothing for the month of December; what does he need to do? Trenton went 3 months without spending, what does his reviewer have to answer?
- Steven's total at MCE comes to \$6000.00; is he able to use his CPC?

# ANSWERS

- Trinity: Review the Statewide Contracts & Preferred Vendors
- Savion: 1. Obtain 2 quotes 2. Enter a Requisition into FMIS 3. Email Procurement Officer
- Steven: Receipt, 2 quotes/bids, Req# and Screenshot of Req
- Trinity: Gain Approval from Supervisor, Contact PCPA (Tiffani), Follow Procurement – Contact 2 Vendors for quotes – no toilets so detrimental to health, welfare and safety to youth – once approval is gained – get Port-a-Potties in and req entered
- Savion: Contact Joe Hester. Joe emails rather he has chairs in stock or not. Due to amount – approved for CPC
- Trenton: No Activity on Activity Log; Justification for No Activity for 3 months
- Steven: No, per GAD and program the max one time purchase limit is \$5000

# IMPORTANT CONTACTS

- US Bank Cardholder Customer Service **800-344-5696**
- PCPA –Trisha Walters, 443.610.1403, [trisha.walters2@maryland.gov](mailto:trisha.walters2@maryland.gov)
- PCPA Backup – [Corporate Purchasing Quiz](https://www.maryland.gov/anses/CorporatePurchasingQuiz.aspx) (410-715-1200), [anna.pisarchik@maryland.gov](mailto:anna.pisarchik@maryland.gov)
- Card Recipient – Rae Davis [rae.davis1@maryland.gov](mailto:rae.davis1@maryland.gov) ; Dipak Patel [dipak.patel@maryland.gov](mailto:dipak.patel@maryland.gov)
- MDH CPC Mailbox: [MDH.CPC@maryland.gov](mailto:MDH.CPC@maryland.gov)