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# Introduction *to the* State of Maryland's *Corporate* Purchasing Card *Program*

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GENERAL ACCOUNTING DIVISION



COMPTROLLER  
*of* MARYLAND  
*Serving the People*

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## Introduction

The Corporate Purchasing Card Program was implemented in 1997. A Purchasing Card is similar to a consumer credit card except there are no fees or interest costs to the state. The corporate purchasing card benefits state government by eliminating unnecessary paper work and associated costs (purchase orders, invoice processing and check issuance). Small procurements can be made within hours instead of days. Vendors benefit since the card-issuing bank pays them normally within two days of the purchase instead of the 25-30 day process required to invoice the agency and receive payment from the state.

## How the Program Works

The State Comptroller's General Accounting Division (GAD) administers the statewide program. GAD requires each state agency to assign a Purchasing Card Program Administrator (PCPA). Each PCPA is responsible for card issuance and control within their assigned areas of responsibility. Cardholders have primary responsibility to follow established state procurement regulations and to procure goods and services at the best price for the state. Cardholders are required to maintain records and supporting documents for all purchases, reconcile purchases to monthly card statements and to obtain supervisory review and approval for all purchases made. The PCPA is responsible for ensuring that all corporate purchasing card transactions posted by the Comptroller to the records of the agency have been reconciled and approved by the agency's fiscal personnel.

The Corporate Purchasing Card Program operates on a monthly billing cycle. The cycle starts on the 26th of the month and ends on the 25th of the following month. All purchases made

during this period will be processed together by the contracted bank and card vendor. The bank pays the vendor/merchant normally within two days of the purchase. At the end of each monthly cycle, cardholders receive individual statements and GAD receives the banks request for reimbursement for all agency purchases made during the billing cycle. The bank is paid and all transactions are recorded in the Comptroller's and agencies accounting records.

## Agency FAQ's (Frequently Asked Questions)

### Who is authorized to receive a purchasing card?

Generally your agency's PCPA and Fiscal Officer will authorize cards for personnel that are required to make small procurements as a routine part of their job duties.

### Can purchasing cards be used for travel related expenses?

Yes, lodging, conference, and some transportation expenses. Check with your agency's Travel Coordinator to determine specific rules for in-state and out-of-state travel.

### What is the responsibility of the cardholder?

Each cardholder must sign a cardholder agreement form. The form states that the cardholder shall be personally responsible for any unauthorized purchases. Cardholders must comply with all of COMAR's purchasing regulations.

### How do I report misuse of the card?

The Comptroller's Program Policy and Procedures Manual contains instructions and forms used to report purchasing disputes. The card contains the 1-800 number to request card vendor assistance. Lost or stolen cards must be reported immediately. Check with your agency's PCPA. Report fraud, waste, and abuse to agency management or the Legislative Auditor's hot line: 1-877-FRAUD-11

or <http://www.ola.state.md.us>.

**Is sales tax to be included in the purchase amount?**

The card includes the Tax Exempt Number to be given to the vendor. If the vendor cannot accommodate the exemption, check with your PCPA to determine your agency's sales tax policy.

**Is the card used on eMaryland Marketplace?**

Yes, specific cards are authorized. The single purchase transaction limit is \$10,000 instead of the \$2,500 single transaction limit for non-eMaryland purchases. Agencies are encouraged to use eMaryland Marketplace. Check with your PCPA for detailed procedures.

**Can the card be used for paying a vendor who has invoiced the agency?**

Yes. Check to make sure the item was not purchased with the card, that the vendor will accept payment by card, and that your agency's fiscal procedures permit card use for accounts payable.

**What is the agency's and cardholder's responsibility for security of the cardholder's information, including the purchasing card account number?**

Personal cardholder information, i.e., home address, telephone number, employee identification number and charge card account number, shall be secured. This information may only be available to the appropriate personnel in the agency. Extreme care should be taken to ensure that this information is secured in the filing of forms, reports, and purchase documentation. Additionally, the cardholder shall ensure that reasonable steps have been taken to protect this information when transacting business on the Internet or by telephone.

**Vendor FAQ's**

**What is a small procurement?**

A small procurement is defined in Maryland's Finance and Procurement Article and COMAR Title 21 of state regulations. Generally, goods and services not specifically exempted by regulation having a dollar value \$2,500 or less (\$5,000 or less for the University of Maryland System and \$10,000 or less for eMaryland Marketplace) may be purchased using the card.

**How do I participate in the program?**

You must be able to accept the purchasing card used by the state and pay the charge card fees of the card vendor (VISA). If you currently use the card, vendor simply reminds the state agency you are doing business with that you accept the card.

**What is the fee charged by the card vendor?**

Fees vary depending on your volume of business. Contact the card vendor for detailed information.

**How do I report suspicious use of the card?**

Follow the Card Vendors' instructions to protect you from potential liability. You may also use the Legislative Auditor's hot line noted under Agency FAQ above.

**Is sales tax collected?**

State purchases are exempt from sales tax. The cardholder will give you the sales tax exemption number. If your point of sale system requires that sales tax be included, please advise the cardholder.

**Is the card used on eMaryland Marketplace?**

Yes. Refer to answer under Agency FAQ. Additionally, vendors are encouraged to register with eMaryland Marketplace <https://ebidmarketplace.com>.

**Can I request to be paid by card instead of by check?**

Yes. If the procurement was not made by card and you intend to invoice the agency for payment, you should check with the "bill to" agency to see if they are permitted by internal fiscal procedures to pay Accounts Payable using the card.

**What is the vendor's responsibility for security of the cardholder's information including the card account number?**

The card vendor regulations shall be complied with to protect this information. Additionally, if the state believes reasonable security procedures have not been taken, future card transactions will be restricted.

**ASSISTANCE INFORMATION**

Reference <http://www.bpw.state.md.us> to locate specific information concerning state procurement or <http://www.maryland.gov> for information on Maryland State government. State agencies should reference the Comptroller's Web site at: <http://compnet.comp.state.md.us/gad/agencyinfo/> for detailed information located in the Corporate Purchasing Card Procedures Manual. Questions concerning the Comptroller's Statewide Program should be directed to: telephone 1-888-784-0144 or 410-260-7350 Monday – Friday from 8 a.m. – 5 p.m. email: [gad@comp.state.md.us](mailto:gad@comp.state.md.us) or contact the state agency which you are doing business with at <http://www.dbm.state.md.us/SearchUtility>.