

THE COUNTY COUNCIL OF DORCHESTER COUNTY, MARYLAND



CARDHOLDER USERS GUIDE

BB & T PURCHASING CARD

Revised April 13, 2007

CARDHOLDER USERS' GUIDE

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Overview

The purpose of the Purchasing Card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in the volume of payment authorizations and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated. The Purchasing Card can be used with any supplier that accepts Visa as a form of payment.

The Cardholder User's Guide provides the general guidelines for using the Purchasing Card. Please read it carefully. Your signature on the Cardholder Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

Also, included is a page with specific guidelines for your department. It includes your Program and BB & T contacts for questions you may have. It also includes the types of purchases acceptable with the Purchasing Card and restricted transactions.

The following important points should be reviewed before using the Purchasing Card:

- Your Purchasing Card is issued in your name. All purchases made on the Purchasing Card must be only *yours*. You are responsible for the security of the Purchasing Card and the transactions made with it. **If you do not follow guidelines when using the Purchasing Card, you could receive corrective action, including termination.**
- You can use the Purchasing Card at any vendor or service provider that accepts Visa and is not on the restricted list. It may be used for in-store purchases, mail, telephone, internet or fax orders.
- You may use the Purchasing Card to purchase supplies and services less than the Single Transaction Limit that was established.
- Use must not exceed the credit limit assigned to the Purchasing Card in a given month.
- You must reconcile the statement received from BB & T to ensure all charges are accurate. Statement reconciliation needs to be completed within seven days of receipt of your statement.
- The Purchasing Card is not intended to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing processes available.
- The Purchasing Card is not for personal use. Under no circumstances is personal use allowed.

- The Purchasing Card must be returned to the Program Administrator upon your transfer or termination.

General Information

Duties and Responsibilities

Program Administrator

A Program Administrator will be designed by your company for questions, issues and administration of the program. This person will be knowledgeable on all procedures in the Cardholder User's Guide. The Program Administrator has a direct relationship with BB & T. All Purchasing Card requests must go through the Program Administrator.

Cardholder

The person designated by the department manager to utilize the Purchasing Card by purchasing small dollar supplies and services is the cardholder. The cardholder is responsible for following the guidelines provided by the company in regards to purchases, selection of vendors, security of card and monthly reconciliation.

Department Head

The department head, or equivalent, is responsible for designating cardholders and approving monthly Purchasing Card statements of cardholders to ensure they are within company policy. The department head will also assist in assigning cardholder spending limits and regulations.

BB & T's Customer Service

The Purchasing Card program is serviced using a team approach with BB & T's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist *the cardholder* with general questions about the Purchasing Card account. If a Purchasing Card is lost or stolen, Customer Service should be notified immediately.

The Customer Service number is: 1-800-397-1253

Purchasing Card Controls

Credit Limits

All Purchasing Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator in conjunction with the department head.

Each cardholder will be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, your department head should submit a written request specifying the desired changes to the Program Administrator. The Program Administrator will then forward the request to BB & T for processing.

** Please allow 2 to 3 days to process any changes **

Transaction Limits

Your Purchasing Card may have a single transaction limit. This is the amount available on the Purchasing Card for a single purchase. A transaction includes the purchase price and freight, if applicable. Cardholders should not attempt to make a purchase greater than his/her approved amount. The Program Administrator must also handle changes to the transaction limit.

Restricted Vendors

The Purchasing Card program may be restricted for use with certain types of suppliers and merchants. If you present your Purchasing Card for payment to these vendors, the authorization request will be declined.

If you feel a particular vendor should be added or deleted, contact the Program Administrator.

Maintaining Your Purchasing Card

Purchasing Card Transaction Log

Enclosed in this Cardholder Users' Guide is a Purchasing Card Transaction Log. The transaction log is intended to provide an additional method for expenditure tracking while using the Purchasing Card.

It is recommended that each cardholder use a new log for each month's purchases. Record in the log each time a purchase is made. Use a detailed description of the item to recognize the purchase as an authorized one.

Always obtain a receipt when using the Purchasing Card. It is every cardholder's responsibility to ensure there is a receipt for each purchase. The receipts should be kept in a receipt envelope, with the transaction log secured to the outside. This envelope should be forwarded to the Finance Department at the end of each cycle for storage (it may be needed for future audits).

Another use for the log would be for a cardholder to track his/her credit limit.

Cardholder Empowerment

At the end of each billing cycle, every cardholder will receive a Cardholder Memo Statement, which lists purchases made to that account. Upon receipt of this statement, the cardholder should reconcile the statement with their Purchasing Card Transaction Log. Attach all documentation, note any additional information pertinent to the purchase, and forward the package to their department manager for approval and preparation of the Payment Authorization Form.

After reviewing the information sent by each cardholder, the department manager should approve the purchases and forward the documentation to the Accounts Payable Department. The Accounts Payable Department should then verify that the Cardholder Memo Statement is consistent with the Statement Memo Summary Detail received from BB & T for the company's files.

Cardholder Account Closure

The Program Administrator is required to close an account if a Cardholder: (a) transfers to a different department, (b) moves to a new job in which a Purchasing Card is not required; (c) terminates employment or (d) for any of the following reasons:

1. The Purchasing Card is used for personal or unauthorized purposes.
2. The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates Dorchester County policy, or any law or regulation pertaining to Dorchester County.
3. The Cardholder allows the card to be used by another individual.
4. The Cardholder fails to provide receipts for all transactions
5. The Cardholder fails to provide, when requested, information about any specific purchase.
6. The Cardholder accepts a cash refund in lieu of credit to the Purchasing Card account.

Sales and Use Tax

Dorchester County is exempt from sales and use tax. See attached [certificate](#).

Security of the Purchasing Card

The cardholder is responsible for the security of the card. This card should be treated with the same level of care, as the cardholder would use with his/her own personal charge cards, even though the liability associated with the use of this card lies with the company. Guard the Purchasing Card account number carefully. It should not be posted in a work area, or left in a conspicuous place. It should be kept in an accessible, but secure location.

*The only person authorized to use the Purchasing Card is the cardholder whose name appears on the card. The card is to be used for business purposes only.

Employee Termination

The Purchasing Card must be returned to the Program Administrator upon your transfer or termination.

Lost or Stolen Cards

If a Purchasing Card is lost or stolen, immediately contact BB & T's Customer Service at **1-800-397-1253**. After contacting BB & T, notify the Program Administrator. Prompt action can reduce the County's liability for fraudulent activity.

Procedures

Purchasing Cards will be centrally distributed through the Program Administrator. When a new card is issued, BB & T will send it to the Program Administrator for distribution to the cardholders. Cards should not be released to cardholders until each cardholder has gone through orientation, received all supplies related to the program and signed the Cardholder Agreement.

The following items should be provided to you, the cardholder:

1. *Cardholder Purchasing Card Agreement*: This is an agreement between the cardholder and company, which affirms that the cardholder has read and understands the policy and procedures for the Purchasing Card.
2. *Cardholder user's Guide*: This document outlines the company's policies and procedures in regard to their Purchasing Card. It also outlines approved types of purchased and preferred vendors.
3. *Purchasing Card Transaction Log*: The cardholder may use this form to record purchases and returns during the reconciliation process.
4. *Sales and Use Tax Exemption Certificate*: The cardholder may use this form to notify supplier or merchant that Dorchester County is exempt from paying sales tax.

Purchasing Card Activation

Upon receipt the card must be activated. To activate call the phone number on front of card. After activation, the cardholder should sign the back of the Purchasing Card and always keep the card in a secure place.

Making the Purchase

Cardholders should promote and encourage positive interactions with suppliers, and be informed if the company has a list of "preferred suppliers and merchants" that should be used. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders should follow these guidelines below when using the Purchasing Card:

1. Determine if the transaction is an acceptable use of the card, and if it is within the cardholder's spending limit.
2. Determine if a purchase order is required, if so prepare a Purchase Requisition after identifying the supplier.
3. After receiving the purchase order, if needed, call, fax or visit the supplier to place your order.
4. If order is by mail, specify cardholder name, company name, department name and shipping instructions. Also, specify the purchasing Card number, expiration date and name as it appears on the card.
5. Request that tax be excluded.
6. Confirm pricing and freight.
7. Request that a hard copy of the pricing and freight be faxed to the cardholder and/or included in the shipment of supplies.

Receiving Supplies and Services

A copy of the charge slip, sales receipt or any other information related to the purchase must be kept in the receipt envelope.

Invoices are the most optimal documentation since they itemize the purchases that were incurred. A vendor's entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made via mail

or telephone, ask the vendor to include the receipt with the goods when shipping the product.

Purchasing Card Payment

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. The Purchasing Card program carries corporate, not individual, liability.

Returns, Credits and Disputed Charges

Should a problem arise with a purchased item, service or charges, every attempt should be made to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. The returned, credited or disputed item should be noted on the Purchasing Card Transaction Log.

- *Returns:* If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns should be indicated in the transaction log.
- *Credits:* If the supplier accepts an item as a return, a credit for this item should appear on the following month's statement. All credits should be indicated in the transaction log.
- *Disputed Charges:* If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated in the transaction log.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should contact BB & T to dispute the charge. BB & T will place the charge in a "State of Dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

Examples of Acceptable Purchases

A typical cardholder is any employee who is a high volume purchaser. A typical Purchasing Card buys:

Tool/Hardware	Business Cards
Building Services	Promotional Items
Courier Services	Airline Tickets
Temporary Services	Hotel
Florists	Car Rental
Reproductions	Supplies
Postage Stamps	Memberships
Auto Parts	Dues & Subscriptions
Janitorial Supplies	Books
Safety Supplies	Medical Supplies
Office Supplies	Training Courses and Seminars
Computer Software	Computer Hardware
Meals/Food Services	Lab Supplies

Commonly Asked Questions & Answers

For what types of purchases should I use the Purchasing Card?

Your company's policy governs how you can use the Purchasing Card. Your Program Administrator, along with your department manager will determine the types of purchases, as well as the maximum dollar amount of each purchase you will be authorized for.

In what ways do I benefit from using the Purchasing Card?

When you use the Purchasing Card, you enjoy reduced paperwork, direct contact with suppliers, quick and efficient order processing, faster delivery, and fewer errors.

How does my company benefit from the Purchasing Card Program?

When employees use the Purchasing Card, your company enjoys greater productivity as a result of reduced paperwork, savings from consolidated multiple supplier invoices to one statement from BB & T, and greater control over spending.

What should I do if my Purchasing Card is lost or stolen?

You should call BB & T Customer Service, toll-free, **1-800-397-1253** immediately, to report the Purchasing Card missing and request a replacement.

What do I do if a purchase is denied?

Your purchase may have exceeded a spending or transaction limit, the company excluded that type of supplier or merchant or the supplier or merchant is not equipped to accept Visa as payment. Contact your Program Administrator to determine the reason.

What should I do if I want to change the per month or per transaction limits?

Contact your Program Administrator.

What should I do if a supplier does not accept the Purchasing Card?

Contact the Program Administrator, who will then contact BB & T. Please provide the supplier's name, address, and phone number to BB & T.

Will use of the Purchasing Card effect my credit report?

No. The Purchasing Card is a corporate liability card, and carries no personal liability for cardholders that use the Purchasing Card.

Whom should I contact to resolve an error or dispute concerning my account?

You should first contact the supplier. Most exceptions or issues can be resolved between you and the supplier. If you cannot resolve an issue with the supplier, contact your Program Administrator.

When I use my Purchasing Card to make a purchase, how is the transaction authorized?

When you use the Purchasing Card to make a purchase, the supplier verifies the account number with BB & T. Your spending limits are checked automatically against company policy.

Contact Information

Purchasing Card Program Administrator:

Michael J. Spears, Director of Finance
Dorchester County Finance Office
501 Court Lane, P.O. Box 26
Cambridge, MD 21613
(410) 228-7291 tel
(410) 221-5108 fax

BB & T Customer Service Center:

(800) 397-1253

Specific Guidelines

The monthly credit limit and the single purchase limit is set by the Program Administrator. Be advised that Dorchester County's purchasing policies and procedures must be adhered to.

Supporting documentation for meals charged to the Purchasing Card must include not only the original customer copy of the credit card charge invoice but also the itemized food/drink receipt. Additionally, you must include a notation of who attended the meal and what the business purpose of the meal was.

The purchasing card has been restricted from use at the following suppliers/merchants and/or types of payments:

- Cash transactions (advances, wires, etc.)
- Court transactions (bail, bonds, fines, etc.)
- Tax payments
- Casino Hotels
- Betting/Lottery/Casinos
- Bars/Lounges
- Package Stores/Beer/Liquor
- Other High Risk Merchants (jewelry, pawn, etc.)

SAMPLE ONLY

Dorchester County
CARDHOLDER PURCHASING CARD AGREEMENT

Dorchester County is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect County assets.

I, _____, hereby acknowledge receipt of a **Dorchester County** Visa Purchasing Card, No. _____. As a cardholder, I agree to comply with the terms and conditions of the Agreement and the Purchasing Card procedures.

I acknowledge receipt of said Agreement and confirm that I have read and understand their terms and conditions. I understand the **Dorchester County** is liable to BB & T & Visa for all **Dorchester County** charges.

I agree to use this card for **Dorchester County** approved purchases only and agree not to charge personal purchases. I understand that **Dorchester County** will audit the use of this card and report and discrepancies.

I further understand that improper use of this card may result in disciplinary action, up to and including termination of employment. Should I fail to use this card properly, I authorize **Dorchester County** to deduct from my salary an amount equal to the total of the discrepancy. I also agree to allow **Dorchester County** to collect any amounts owed by me even if Dorchester County no longer employs me.

I understand that **Dorchester County** may terminate my right to use this card at any time for any reason. I agree to return the card to **Dorchester County** immediately upon request or upon termination of employment.

Cardholder:

Signature: _____ Date: _____

Print Name: _____

Location: _____

Approving Officer:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

Sales Tax Exemption Certificate

X

**Notice to exempt organizations holding
previously-issued exemption certificates**

X

The Maryland Revenue Administration Division is re-issuing sales tax exemption certificates to all organizations which continue to qualify. Your organization's new certificate is attached and is valid effective immediately. Previously issued exemption certificates become invalid on October 1, 1997. Vendors are required to charge tax on sales made on or after October 1, 1997, to any organization which does not present a new certificate at the time of sale.

If your organization deals regularly with certain vendors, we suggest that you contact them before October 1, 1997, so that they can verify that your organization has been issued a new certificate.

The re-issuance of these certificates does not change current procedures for claiming resale exclusions by exempt organizations engaged in purchasing tangible personal property for sale. The sales and use tax registration numbers of licensed vendors have not been changed and the validity of blanket resale certificates bearing these numbers is unaffected.

Additional copies of the exemption certificate may be obtained by organizations with more than one location or chapter, or for other demonstrated cause, by contacting the Legal Section by mail at Revenue Administration Center, Annapolis, Maryland 21411-0001.

State of Maryland
Comptroller of the Treasury
Revenue Administration Division
301 W. Preston Street
Baltimore, Maryland 21201-2383

The attached card is your new exemption certificate which is valid upon receipt. Effective October 1, 1997, exemption certificates issued to governmental entities no longer have an expiration date, thus eliminating the need to renew the certificate. Please read the enclosed Tax Tip and the instructions on the back of the card for the proper use of the exemption certificate. If you have any questions regarding the use of this card, please call the Taxpayer Service Section at (410) 767-1300 in Baltimore, toll free 1-800-492-1751 from elsewhere in Maryland, or e-mail at taxhelp@comp.state.md.us.

State of Maryland Comptroller of the Treasury	
Sales and Use Tax Exemption Certificate	
Account Number	Expiration Date
30001177	Governmental
Name	No Expiration Date
	
County Commissioners of	
Dorchester County	
P.O. Box 26	
Cambridge, Maryland 21613	

PLEASE LAMINATE THIS CARD TO EXTEND ITS LIFE

