



COLLEGE POLICIES

Procedure: WNC Purchasing Procedures

Policy No.: 7-3-1

Department: Finance and Administrative Services

Contact: Vice President of Finance and Administrative Services

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Purchasing Policy

As part of the Nevada System of Higher Education (NSHE), Western Nevada College is required to follow the Purchasing and Inventory Procedures established by Business Center North Purchasing Department. The complete Purchasing Handbook is available on-line.

To purchase materials, supplies, or services on behalf of WNC, the cooperation of the requestor, Business office-purchasing agent, and vendor is paramount. This cooperation includes a series of events that must occur in a specific sequence. Any variation from this sequence may result in Improper Purchasing Procedures, thus voiding the purchasing process. **Whenever possible, purchases of materials and supplies that total less than \$2,000 should be purchased using a WNC Purchasing Card.**

Step 1. The requestor obtains price information or quote from vendor for each item intended for purchase. Price information can come directly from the vendor's sales representative, catalog, web page, advertisement, etc.

Step 2. After receiving price information, the requestor prepares and submits a Purchase Transaction Request to the Signature Authority and the Business office-purchasing agent via e-mail.

Step 3. Following a review of the Purchase Transaction Request, the Signature Authority either approves or disapproves the purchase and notifies the Business office-purchasing agent, via e-mail, for further action.

Step 4. Upon receipt of proper authorization, the Business office-purchasing agent verifies vendor information within the NSHE Purchasing System.

Step 5. If the Purchase Transaction Request specifies a vendor not currently authorized within the NSHE Purchasing System, the requestor submits a Vendor Application Form and Form W-9 to the vendor for compliance with NSHE Purchasing Procedures.

Step 6. The Business office-purchasing agent processes the Purchase Transaction Request for the materials, supplies, or services requested by preparing the appropriate purchase document.

Step 7. The Business office-purchasing agent submits the purchase document to the vendor (or BCN Purchasing if applicable) and sends a copy to the requestor, Accounts Payable, BCN Purchasing, and WNC Receiving.

Step 8. The vendor ships the materials/supplies or provides the services identified in the Purchase Order to the requestor.

Step 9. The requestor verifies that the materials, supplies, or services identified on the packing slip exactly match those materials, supplies or services identified in the purchase order.

Step 10. The vendor sends an invoice for the materials, supplies, or services identified in the purchase order to Accounts Payable.

Step 11. Upon receipt, the requestor verifies the materials, supplies, or services identified on the packing slip were received in good order.

Step 12. The requestor notifies the vendor and Accounts Payable of any materials, supplies, or services not received in good order.

Step 13. The requestor returns the materials, supplies or services not received in good order to the vendor for replacement. A Vendor Return Authorization Number may be required.

Step 14. The vendor replaces the materials, supplies, or services not in good order and ships replacements to the requestor.

Step 15. The vendor credits the WNC Customer Account for the returned materials, supplies, or services.

Step 16. The vendor notifies Accounts Payable of any credit applied to the WNC Customer Account.

Step 17. Accounts Payable issues a check for payment for those materials, supplies, or services received in good order.

Purchasing Procedures

Section I – Administrators, Faculty, and Staff Responsibilities

1.1. Administrators, faculty, or staff should:

1.1.1. Complete the vendor/payee section of the *Purchasing Transaction Request* to include the vendor's name, mailing address, voice and fax telephone numbers, and vendor code. The vendor code can be obtained

using Financial Data Warehouse. If this is a *Request for Check to an individual*, it is necessary to enter the SSN of the payee as the Signature Authority must answer the payee/beneficiary question and print and sign his/her name to the question (see paragraph 1.2.1). If the Request for Check is to refund or reimburse an individual, the Tax ID# is not required.

1.1.2. Complete the 'Requested By' section of the *Purchasing Transaction Request* to include the point-of-contact for this purchase request, mailing 'Ship To' address, voice and fax telephone numbers. This is to whom and where the vendor will ship the item(s) purchased.

1.1.3. Complete the Item Identification section. Use one line for each specific item purchased. Tab between the fields in each line to enter the data. From the right margin, outside the table, press *Enter* to ADD any additional lines you may need. Please DELETE (mark and right click) any unused item lines. Complete each field as follows:

1.1.3.1. Quantity: Fill in the number of items per Unit of Issue requested.

1.1.3.2. Unit of Issue: Fill in the Unit of Issue for the item (i.e., Each, Box, Package, Gallon, Pound, Foot, etc.)

1.1.3.3. Stock Number: Fill in the vendor's catalog or stock number of the item.

1.1.3.4. Detailed Description: Describe in detail what you are purchasing (i.e., Paper Mate Rolling Writer, Black). If this is a Service (non-commodity) Request requiring a Blanket Purchase Order or Renewal, fill in as complete a description of the service as possible to include frequency of service and attach any service agreement furnished by the vendor.

1.1.3.5. Unit Price: List the price of the item per Unit of Issue.

1.1.3.6. Total: Multiply the unit price by the quantity and fill in the amount here. The purchasing agent will confirm prices and totals as they process each request.

1.1.4. Total Amount: Add the amounts in the Total Column and fill in the amount here. Be sure to include any shipping & handling charges as a separate line item, if necessary.

1.1.5. Identify any special instructions you may have for the Business Office-Purchasing Agent (i.e., backup information sent via separate cover, disbursement instructions for a Request for Check, etc.). If you would like the Business Office-Purchasing Agent to comparison-shop your order with other vendors, please state on the Purchase Transaction Request. If this is a Service (non-commodity) Request requiring a *Blanket Purchase Order* or Renewal, be sure to indicate the period covered and reference the prior year's BPO number, if applicable.

1.1.6. Identify any special instructions you may have for the vendor (i.e., Customer Account Number, Ship Second Day Air, Deliver by Deadline Date, etc.).

1.1.7. Complete the name of the Signature Authority for each account from which funds will be expended. Note: One (1) line has been included on the *Purchasing Transaction Request* form. Copy and paste as many lines as needed, one for each Signature Authority.

1.1.8. Complete the Account Number(s) (Fund – Area – Orgn – Obj - Sobj) from which funds will be expended for this purchase. Use Financial

Data Warehouse to look up the Obj and Sobj codes. Note: One (1) line has been included in the *Purchasing Transaction Request* form. Copy and paste as many lines as needed, one for each Account Line from which funds will be expended.

1.1.9. Save the document into your *Purchasing Transaction Request* file as a MS Word Document (.doc).

1.1.10. Submit the *Purchasing Transaction Request* once to the Signature Authority and appropriate Business Office-Purchasing Agent via e-mail as an MS Word Document (.doc) attachment. The subject line of the e-mail should include the *Area* and *Vendor's Name* (i.e. [982 Office Depot](#) Purchase Request). If you have backup documentation to accompany the *Purchasing Transaction Request*, you should include it as an attachment to your e-mail. If you cannot e-mail the backup information, you should also print a copy of the *Purchasing Transaction Request*, attach the backup documentation, and forward (fax) these documents directly to the Business Office-Purchasing Agent.

1.1.11 The Business Office-Purchasing Agent will assign and fill-in the Order Number to your request, identify the type of purchase, encumber the funds, and place the order with the vendor upon receipt and authorization of an e-mailed *Purchasing Transaction Request*.

1.2. **The Signature Authority should:**

1.2.1. Review the *Purchasing Transaction Request* for accuracy, availability of funds, and approve for purchase as necessary. If this *Purchasing Transaction Request* is later determined to be a Request for Check (RFC) paid to an individual, the Signature Authority must answer the payee/beneficiary question (incorporated by Business Office-Purchasing Agent into the document) and sign his name to the question. (This does not pertain to refunds or reimbursements.)

1.2.2. If the *Purchasing Transaction Request* is approved, the Signature Authority should select *Reply All* and E-mail his authorization for purchase to their respective purchasing agent. The E-mail must originate from the Signature Authority and must contain the statement *Purchase Approved, Vendor Name, and Dollar Amount* or some such similar statement.

1.2.3. If the *Purchasing Transaction Request* is not approved, the Signature Authority should notify the purchasing agent and return the *Purchasing Transaction Request* to the requestor with an explanation for denial, if appropriate.

1.3. Once the Purchase Order is placed with the vendor, an e-mail copy will be returned to the requestor and division chair/director administrative assistant for their records and verification of goods received.

1.4. If you have a rush order, and Purchasing Card limitations preclude the use of the Purchasing Card, the order should be accompanied by a valid explanation for special handling and, if the order has a deadline, that date should be specified.

1.3 **Improper Purchasing Procedures (IPP)**

Invoices and requests for payment or reimbursement which do not reference a valid purchasing document, or are found to be in violation of WNC and NSHE purchasing policies and procedures, are considered to be an Improper Purchasing Procedure. If, for any reason, you violate purchasing procedures, stamp the invoice "Approved for Payment," assign the appropriate account number, date and obtain the authorized signature; submit the invoice along with your written explanation as to why proper purchasing procedures were not followed to the Business Office, Accounts Payable Department. The division chair/director and/or appropriate dean and the vice president of Finance and Administrative Services must approve the improper expenditure before payment can be made; more than one violation may require presidential sign-off. If approval is not obtained from the division chair/director and/or appropriate dean and the vice president of Finance and Administrative Services, the purchasing procedure violator could be held personally liable for this expense.

The Controller's office maintains a log of all Improper Purchasing Procedures and the violators. Those who are repeat offenders could be subject to personal liability.

Section II – Purchasing Department

2.1. Upon receipt of an approved *Purchasing Transaction Request*, the WNC Business Office-Purchasing Agents shall:

2.1.1. Identify the type of *Purchasing Transaction Request* received: Departmental Purchase Order (DPO); Internal Order (IXO); RX Requisition (RX); RQ Requisition (RQ); Request for Check (RFC); Independent Contractor Request (ICR); or Facilities Use Agreement (FUA).

2.1.2. Verify the individual(s) is authorized to expend funds from the account(s) listed on the *Purchasing Transaction Request* against the Advantage SIGA Table.

2.1.3. Verify availability of funds in the account(s) against the appropriate Advantage ESUM, EXP2 or APP2 Table.

2.1.4. Verify vendor information against the Advantage VEN2 Table.

2.1.5. Verify all necessary supporting documentation (i.e., bids, maintenance agreements, required quotes, Certificate of Liability, etc.) is received at Business Office-Purchasing before processing the request.

2.2. If the *Purchasing Transaction Request* is complete as required, the WNC Business Office-Purchasing Agent will process the request expeditiously as follows:

2.2.1. If less than \$2,000.00, assign the appropriate Purchase Order Number to the DPO document. If the *Purchasing Transaction Request* is \$2,000.00 or more, or an Independent Contractor Request, WNC Purchasing Department Agent will complete the appropriate BCN Requisition Form or Independent Contractor process.

2.2.2. Record the document in the appropriate *Purchasing Transaction Request* Log.

2.2.3. Encumber the DPO and annotate it with their initials and date as required.

2.2.4. Submit the Purchase Order (less than \$2,000.00) to the vendor. Fax the RX or RQ document to BCN Purchasing, 782-6017, for processing and encumbering.

2.2.5. E-mail the requestor, with copies to the division chair/director/administrative assistant, Accounts Payable, BCN Purchasing, and Central Receiving notifying these individuals when (date and time) the order was placed with the vendor.

2.3. If the information contained in the *Purchasing Transaction Request* does not meet all the requirements for processing, the requestor will be notified by phone or e-mail. WNC Purchasing Department will hold the *Purchasing Transaction Request* for thirty (30) days. If there is no resolution of the problem within thirty days, the document will be returned, to the requestor, without action.

Section III – Accounts Payable Department

3. The Accounts Payable department is responsible for accurate payment of all invoices received at Western Nevada College. (See the Business office's web page [Accounts Payable](#) for payment procedures, etc.).

Purchasing Card Program

Western Nevada College's Purchasing Card Program is designed to implement a more efficient, cost-effective method of purchasing and paying for transactions within established usage limits. The purchasing card may be used at any merchant or service provider that accepts the card. For transactions that are RESTRICTED, (see Purchasing Card Financial Policy, in this document, paragraph 3).

The purchasing card is NOT intended:

- to avoid or bypass appropriate purchasing or payment procedures; rather it complements the existing processes available
- for personal use

The purchasing card can be used for both in-store purchases as well as mail, phone, Internet or fax orders.

All cards are issued for the use of a specific individual and card usage may be audited, and/or rescinded at any time.

To be used for any purchase under \$2000 when possible.

A Manual is provided to each cardholder and includes the guidelines under which the purchasing card may be used. Please read it carefully. A signature on the Western Nevada College Purchasing Cardholder Agreement (see Appendix 1) indicates that the employee understands the intent of the program and agrees to adhere to the guidelines established for the program. Employees will be issued a purchasing card when the Cardholder Agreement is signed. The card may be used immediately upon issuance. Contact the designated purchasing card administrator in the Business office if there are any questions about card usage.

Recordkeeping is essential to ensure the success of the program. As with any credit/charge card, you must retain sales slips, cash register receipts, invoices, order forms and receiving reports for your protection. In addition, a Purchasing Card Transaction Log should be maintained to expedite reconciliation and approval.

The card holder is responsible for the security of the purchasing card and the transactions made against the card. The purchasing card is issued in an employee's name, and any purchases made against the card are the employee's responsibility. Use of the card not in accordance with the guidelines established for the program may result in personal liability.

Finally, remember college funds are committed each time the purchasing card is used. This responsibility cannot be taken lightly!

Merchants Who Do Not Accept the Card

Anyone from whom you currently purchase goods or services should be considered a potential vendor of the Purchasing Card Program, even if they do not currently accept purchasing cards. If they are not currently participating, you should contact the WNC purchasing card administrator who will have the bank contact your vendor.

Although we do not endorse the specific card or any of its associated banks specifically, we encourage merchants to become involved in the Purchasing Card Program so that cardholders can use the program most effectively.

Some Restrictions Are Built into the Program

No individual transaction may exceed \$1,999.00. **In accordance with Purchasing Policies, no transaction over \$1999.00 may be broken into two or more smaller transactions to circumvent this restriction.** Each card has been assigned credit and transaction limits by the Business Office Purchasing Card Administrator.

The general credit and transaction limits assigned to new purchasing cards are as follows:

- Dollar Amount Per Transaction \$1,999.99
- Dollar Amount Per Cycle (monthly) \$5,000.00
- Number of Authorizations Per Day 10
- Number of Transactions Per Cycle (monthly) 50

These limits may be adjusted, with the exception of per transaction dollar amount, based upon the individualized needs of individual cardholders in consultation with the department purchasing representative and the WNC purchasing card administrator.

Some vendors have been "blocked" from participation in the program. If you present your purchasing card to any of these merchants, the transaction will be declined. It is likely that any merchant you currently utilize as a source for products or services will accept your purchasing card. If you are declined, and feel the decline should not have occurred, contact the bank customer service 800-number indicated on the back of the card or the WNC purchasing card administrator. They will explain if you were declined because of the merchant blocking, or if you may have exceeded the monthly credit limit or single transaction dollar limit imposed on your purchasing card.

In summary

Merchants are paid within three days of a business transaction. Please indicate to merchants that they must not invoice the college as an invoice could result in duplicate payment. Request merchants to give detailed description of goods purchased, not just "misc."

The program is designed to be simple and easy to use, providing you with the goods needed to perform your job more quickly and with fewer steps to accomplish the task. However, we need to maintain appropriate controls to insure the ongoing success of the Program.

We require card holders to exercise good judgment and act responsibly when using a purchasing card. **When using your card in person, before leaving the vendor's establishment, check the receipt for sales tax. Have it corrected at that time.** The card is issued in the employee's name and all activity is the employee's responsibility. Maintain the purchasing card transaction log and always retain the original receipts!

In addition, card activity and receipts/sales slips will be audited for correctness and appropriateness. Consequences, ranging from suspension of cards to appropriate disciplinary action may result from improper use of the purchasing card.

If there are any questions about the program or additional information is needed, contact the purchasing card administrator in the Business office.

Purchasing Card Financial Policy:

1. All cardholders must sign and accept the terms and conditions of the Western Nevada College purchasing card cardholder agreement.
2. All purchase transactions processed against a purchasing card must be made by the individual to whom the card is issued.
3. The purchasing card cannot be used for the following transactions:
 1. Alcoholic beverages
 2. Animals and animal related purchases
 3. Automotive fuel
 4. Cash advances
 5. Construction and renovations
 6. Consulting services/Independent contractor services
 7. Copying available from Copy Center
 8. Firearms/Weapons/Pyrotechnics
 9. Host/Entertainment related expenses
 10. Inventorially equipment
 11. Items of a recurring nature that should be requisitioned in large quantities through Purchasing
 12. Participant support expense
 13. Personal Items
 14. Printing or typesetting available from Print Shop
 15. Radioactive and hazardous materials
 16. Restaurants
 17. Service/Maintenance agreements
 18. Sub-agreements/Subcontracts
 19. Travel and travel related expenses
 20. Tuition fees/Scholarships

21. Utilities, including telephone bills
4. Purchase transactions cannot exceed \$1,999.00 (including all delivery, shipping and/or special handling charges) per transaction limit. A transaction is defined as one telephone call or visit to a vendor per day. Per Purchasing Policies, transactions over \$1,999.99 may NOT be broken into smaller amounts to circumvent this restriction.
 5. Purchases must be for the use and benefit of the College. **No personal purchases are allowed.**
 6. It is the cardholder's responsibility to maintain the documentation for all transactions in accordance with the college requirements (see Recordkeeping and Documentation).
 7. It is the cardholder's responsibility to report immediately the loss of the card to the issuing bank and the college designated purchasing card administrator (see Lost or Stolen Credit Card).
 8. It is the cardholder's responsibility as an agent of the college to ensure that State of Nevada sales tax is not charged. State of Nevada Sales Tax Exemption letters are available from the Business office website.
 9. The cardholder is responsible for ensuring that the proper college account is charged for the purchase and that sufficient funds are available in the account.
 10. It is the cardholder's responsibility to attempt to resolve a dispute with the vendor within fifteen (15) days of receipt of a disputed purchase. If a resolution is not possible, the cardholder should contact the bank's customer service department (1-800-366-6056). All disputes must be reported to the bank within 60 days of the last cycle in which the item was purchased (see resolving errors, disputes, returns, and credits).
 11. It is the cardholder's responsibility to assure that the purchasing card is secured at all time.
 12. Purchasing cards must be returned to the designated college purchasing card administrator upon a cardholder's termination of employment.
 13. Violation of these policies may result in revocation of the purchasing card.
 14. Fraudulent use of the purchasing card may result in disciplinary action and personal liability of the cardholder.

Purchasing Card Control

To Obtain a Purchasing Card

After an employee reads and understands the procedures outlined:

- Complete the Purchasing Card Cardholder Account Form. If there are questions, contact the designated purchasing card administrator in the Business office.
- Complete and sign the Western Nevada College Purchasing Cardholder Agreement.
- The employee's department dean/director must indicate approval by signing the Cardholder Agreement.
- Forward the original signed forms to the designated purchasing card administrator in the Business office.
- The designated purchasing card administrator will acquire a purchasing card from the card vendor. The employee will be notified when it is available from the purchasing card administrator. The employee must pick it up from the Business office and sign for receipt of the purchasing card. It will not be mailed. Photo ID will be required.

When an employee receives a card, call the 800 number to activate it, sign the back immediately and always keep it in a secure place! Although the purchasing card is issued in the employee's name, it is the property of the college and is only to be used for college purchases as defined in this document.

Cardholder Account Form and Cardholder Agreement

The purchasing card administrator requests purchasing cards from the bank after the purchasing card requestor and dean or director have completed the Cardholder Account Form and Cardholder Agreement. Cards are revoked for misuse or non-compliance with procedures.

Canceling the Card

To cancel a card upon a cardholder's request; upon termination of employment with the college; or upon request of the college, the card should be cut in half and delivered to the purchasing card administrator in the Business office. The purchasing card administrator will notify the bank of the cancellation.

Card Renewal

Renewal cards are automatically mailed to the designated purchasing card administrator in the Business office every other year. Again, it is the employee's responsibility to personally pick up the card from the purchasing card administrator and sign for receipt of it.

Lost or Stolen Card

If a purchasing card is lost or stolen, immediately notify JP Morgan-Chase at 1-800-207-5359 and the purchasing card administrator in the Business office. When reporting a lost or stolen card, the cardholder should tell the bank representative the call is regarding a Purchasing Card. The bank will automatically issue a new card.

Revising "Default Account Number" Information

The default account number codes for each card can be changed by submitting a revised Cardholder Account Form to the designated purchasing card administrator in the Business office.

Purchasing Card Security

Only the authorized cardholder may use the purchasing card. Cards and card numbers must be safeguarded against use by unauthorized individuals in the same manner you would secure your personal credit card.

Purchasing Cardholder Responsibilities

General

- The card is to be used for goods or services specified in the Purchasing Manual.

Receipt of Materials and Services

- The cardholder is responsible for ensuring receipt of materials and services and will follow-up with the vendor to resolve any delivery problems, discrepancies and damaged goods.

- For telephone or catalog orders, make sure complete shipping address and instructions are given to the vendor along with the employee's name (e.g., name, center, city, state and zip code).

Recordkeeping and Documentation\Sample Statement of Account

- To facilitate the reconciliation and approval process, the cardholder is responsible for obtaining all original credit card slips, cash register receipts, packing slips, etc. and submitting them with the Statement of Account to their supervisor each month.
- The cardholder's copy of the credit card slip must contain a description of the merchandise purchased or be accompanied by an itemized receipt or invoice.
- When ordering by phone, a Telephone Order Information Sheet must be completed (vendor name, date of order, item(s) ordered, cost of order, and any shipping and handling charges), and attached to the Statement of Account.

Reconciliation and Approval Process

- On the 7th of each month (or the next working day after the 7th), the purchasing card administrator will send a reminder email to each cardholder to notify it is time to reconcile the Pcard transactions. Reconciliation period will **always** be from the 7th of the previous month to the 6th of the current month.
- The cardholder or designee can access daily transactions and a Statement of Account report via the web (www5.paymentnet.com).
- Credit card slips, cash register receipts, packing slips, telephone order information sheets, etc. and the monthly purchasing card Statement of Account should be stapled together. Small receipts must be attached to a letter size sheet of paper to avoid getting lost. These are to be forwarded to the Business office each month to insure the accounts are charged in a timely manner.
- Any discrepancies on the cardholders' Statement of Account should be noted and explained in writing on the Statement. If a credit is pending, note this on the sheet.
- If associated receipts are not available when submitting the monthly statement of account, provide an explanation on the statement and submit the receipts later. Clearly indicate the month to which the receipt relates, cardholder name and the last four digits of the Purchasing card number on the receipt and submit it to the purchasing card administrator in the Business office.
- To obtain a copy of a charge or credit slip, call the bank's Customer Service Department at 1-800-207-5359. For each copy, there is a \$5.00 charge billed to your card.

Billing, Payment and Account Distribution Process

Cardholder Statement of Account

Department purchasing representatives access their accounts on the Internet and print a cardholder Statement of Account monthly.

Paying the Bank

- Payment to JP Morgan-Chase is automatic, via bank draft, approximately seven (7) days after the close of each monthly billing cycle, which ends on the 6th of each month.
- Each cardholder or designee will have the opportunity to edit transactions on the web (www5.paymentnet.com). The account numbers are entered on a transaction

report associated with each individual purchase. A Statement of Account can then be generated and signed by the cardholder and the approving authority. With the receipts attached, the signed Statement of Account must be forwarded to the Business office each month to assure timely posting in the financial accounting system. Changes in account numbers or redistributions of the transaction after that date may be done via email submitted to the Business office, where a journal voucher will be processed.

Sales and Use Tax

Western Nevada College, as an agency of the State of Nevada, is exempt from payment of State of Nevada sales or use tax on its purchases as provided by NRS 372.325, NRS 374.330 and NRS 377, when applicable.

Information on the college's tax-exempt status appears on the front of the purchasing card. **Be sure to remind the Vendor of our *Tax Exempt* status when making a purchase.**

Resolving Errors, Disputes, Returns and Credits

- The cardholder is responsible for following up with the vendor or bank on any erroneous charges, disputed items or returns as soon as possible.
- The cardholder must contact the vendor first to resolve any outstanding issues (most exceptions can be resolved this way).
- If the cardholder is unable to reach agreement with the vendor, the next step is to contact the bank's Customer Service Center (1-800-207-5359).
- The bank may ask the cardholder to complete a dispute form and fax or mail the completed form to the bank (see Appendix 4). On the form, note the reference number the customer service representative gives to you. A copy of the dispute form should be sent to the purchasing card administrator in the Business office.
- The bank must be notified of any disputed item within 60 days of the last billing cycle in which the item was purchased. The billing cycle closes on the 6th of each month. The bank will credit the cardholder's account and conduct an investigation. Upon completion of the investigation, the cardholder is notified of the resolution. If the dispute is not settled in the cardholder's favor, the account is charged for the disputed transaction amount.
- If unable to reach an acceptable solution, the cardholder should call the purchasing card administrator in the Business office.
- Disputed billing can result from failure to receive goods or services charged, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. In the event of fraud, notify a designated purchasing card administrator or the Purchasing Card Administrator as soon as possible.
- Documentation should be kept explaining each credit received for returns or exchanges.

Host Expenditures and Procedures

Host expenditures are governed under the Board of Regents Handbook, Title 4, Chapter 10, Section 18 and the NSHE Procedures and Guidelines Manual, Chapter 5, Section 2:

Excerpt from Board of Regents Handbook, Title 4, Chapter 10, Section 18 (B/R 06/08)

Section 18 Host Expenditures

1. Purpose.

Host expenditures may be incurred for reasonable expenses for meals, beverages, flowers and small gifts (*such as mementos*) by or on behalf of employees or guests of the NSHE or one of its institutions in the conduct of necessary business activities. Hosting must provide a benefit to the System or institution through the establishment of good will, promotion of programs, or creation of opportunities for meetings in which the mission of the System or NSHE institution may be advanced. All expenditures that are essential and part of a program, such as faculty and student recruitment activities, marketing, employee professional development, participant-funded events, and food supplied for culinary programs are normal operating expenses and not a host expense.

(B/R 12/05)

2. Restrictions.

- a. Host expenditures may not be charged to state accounts. (B/R 12/05)
- b. Host expenditures may not be used to pay or reimburse expenses otherwise not allowed by state or institutional regulations.
- c. Gratuities shall not exceed 20 percent of the cost of a meal.
- d. Any NSHE-registered lobbyist shall provide a copy of required State of Nevada expense reports to the Chancellor and to the Board Chair at the time they are submitted to the state.
- e. Further restrictions and policies related to the management of host accounts may be provided through procedures established by the Chancellor. Each person authorized to use a host account shall be provided with a copy of the Chancellor's procedures and this section of the Board Handbook.

3. Authority.

The Board of Regents delegates to the Chancellor (*for the System Administration*) and to the Presidents (*for each institution*) the authority to establish host accounts for the following:

- a. Grant, contract or gift accounts where the donor or sponsor specifically provides for host expenditures. (B/R 3/04)
- b. Student government funds
- c. Unrestricted institutional funds

Reimbursement for host expenditures of the Chancellor must be approved by the Chair of the Board of Regents. Reimbursement for host expenditures of an institution President must be approved by the Chancellor. Exceptions to this policy are subject to approval by the Chancellor (B/R 12/05)

4. The NSHE Internal Audit Department will test and sample host accounts annually. (B/R 3/04)

5. Institutions may define further conditions for the use of host accounts. (B/R 12/05)

Excerpt from Board of Regents Procedures and Guidelines Manual, Chapter 5, Section 1

Section 1. Management of Host Accounts/Expenditures

Requests by a president for reimbursement of expenses from President's Host funds must be submitted to the Chancellor for approval. The president's hosting claims cannot be

approved by employees subordinate to the president. Similarly, the Chancellor must request approval from the board chair for reimbursements from Chancellor's Host funds. All host account expenditures (*both President's Host funds and Institutional Host funds*) must conform to Board of Regents' policy and Chancellor's procedures established herein, and claims for reimbursement must include proper documentation. For a President's or Chancellor's spouse, significant other or guest, host account funds may be used to pay transportation, lodging, and meal expenses (*in accordance with the standard reimbursement rates*) when she or he by reason of a personal relationship is expected to accompany the President or Chancellor to events outside a 50-mile radius from home for the purpose of assisting the President/Chancellor in representing the institution/system. These procedures are in addition to the Board of Regents' policies on host expenditures defined in the Handbook, Title 4, Chapter 10.

1. Authority. The authority to designate a specific account as a host account is delegated by the NSHE Board of Regents to the Chancellor (*for System Administration*) and to the Presidents (*for each institution*). Due to the sensitive nature of hosting expenditures, the President may not delegate signature authority below the level of vice president, deans, or direct reports to the President.

2. Restrictions. Host account expenditures may not be used to circumvent state or institutional regulations that restrict reimbursement rates for state funded activities.

- a. Host funds shall not be used to reimburse employees for expenses incurred while in travel status in excess of state-approved lodging and/or per diem rates.
- b. Per Diem will not be reimbursed to an employee or contractor for meals that have been otherwise paid as a host expense.

3. Participants. Host expenditures are warranted for business events and functions where personnel external to an institution are necessarily in attendance. Where the only participants at a business event or function are institutional employees, host expenditures may be approved by the person with account-signature authority if:

- a. It is a special event, such as a retreat, retirement or annual recognition or award ceremony, or
- b. It is a business meeting or workshop, scheduled for a specific agenda that runs through normal meal or break times and whose schedule permits the efficient gathering of employees from different offices or units across the institution. Rev. 20 (03/08) Chapter 5, Page 3

4. Documentation. Hosting expenditures should be documented in accordance with Internal Revenue Service guidelines for expense substantiation. This includes—but is not limited to—amount, date, time, place, business purpose, and business relationship of those attending the function. This is referred to as the “who, what, when, where and why” substantiation. In the case of large gatherings, identification of groups of people invited may be satisfactory. All receipts submitted for payment must be originals that clearly indicate the vendor and date of purchase.

5. Annual Review Required. Each host account will be reviewed annually by the institution's Controller or his designee to determine that the account continues to be necessary for hosting purposes.

6. Accountability. System wide procedures for the management of host accounts within the guidelines of this Section are established by the Chancellor. Institutions may adopt more restrictive standards and should include them in their administrative procedures manual. The Chancellor and Presidents are responsible for oversight of the host accounts created under their respective authority.

7. Table Purchases. The purchasing of tables at charity events or other public functions by the System institutions shall be limited.

a. The decision to purchase a table shall be governed by the following standards, with an assumption that the decision to purchase a table would normally be made based on affirmative answers to two or more of these standards.

I. Is it an event at which individuals are likely to be present with whom the Chancellor, institutional President, or an appropriate representative wishes to interact on pressing System or institutional business? Will attendance at the event enable or advance such interaction, at the event or later?

II. Is it an event at which individuals are likely to be present with whom the Chancellor, institutional President, or an appropriate university representative wishes to interact in order to advance fund-raising or community relations goals? Will attendance at the event enable or advance such interaction, at the event or later?

III. Is it such a high-profile event that attendance by the Chancellor, institutional President, or appropriate university representative is important to the recognition of the NSHE or System institution as an important corporate citizen in Nevada?

IV. Is it an event at which students and/or faculty from the System institution can meet and interact with special guests for educational purposes?

V. Will the event honor an individual who is – or has been – a significant donor to or supporter of the System institution? Will attendance by System or institutional representatives either convey thanks for such private support in an important and meaningful way or advance the institution's conversations with the individual about additional future support?

b. No tables will be purchased by System institutions at events hosted by other institutions within the NSHE.

c. No tables will be purchased by System institutions at events hosted by organizations officially registered as political action committees. Rev. 20 (03/08) Chapter 5, Page 4

d. System institutions shall be limited in their expenditures of host funds for table purchases not to exceed \$30,000 annually:

I. If a private donor or corporation provides a donation specifically for a System institution to purchase a table, the donation shall not count toward the institution's annual limit.

II. Donations/Foundation purchases are included in the above table restrictions.

e. On a case-by-case basis, the Chancellor may grant waivers for table purchases exceeding the annual purchase limit established in subsection 7.

d. Upon request and proper documentation, the Chancellor may grant a waiver for a particular event or, if appropriate, an increase in the limit. In the latter case, the institution shall provide details on the actual expenditures in order to allow compliance with the reporting requirements of this subsection. Any request for a waiver must be copied to the Vice Chancellor for Finance who will report all such exceptions to the Board of Regents. (Added 6/05; A. 1/06, 4/06, 3/08)

AUTHORIZED HOST ACCOUNTS

<u>Account Name</u>	<u>Account</u>	<u>Signature Authority</u>
Campus Host – General	9263-900-1060	President or Vice President of Finance and Administrative Services
Host – VP of Finance & Adm. Services	9263-900-1061	Vice President of Finance and Administrative Services
Host – VP of Academic & Student Affairs	9263-900-1062	Vice President of Academic Affairs and Student Services
Host – Dean of Instruction	9263-900-1063	Dean of Instruction
Host – VP of HR/General Council	9263-900-1064	Vice President of Human Resources/General Council
Host – Dean of Fallon/External Programs	9263-900-1065	Dean of Fallon and External Programs
Host – Dean of Student Services	9263-900-1066	Dean of Student Services
Host – VP of Development & Ext. Affairs	9263-900-1068	Vice President of Development and External Affairs
Host - President	9263-900-2030	President or Vice President of Finance and Administrative Services

GUIDELINES FOR USE OF A HOST ACCOUNT

Guiding Principle: The use of the host account must provide a benefit to the college such as create goodwill, promote business, etc.

Guidelines for Use of Host Account:

1. Special functions such as receptions, table purchases, workshops, large groups of visitors, etc., must have prior approval. If hosting a lunch or dinner for a few people, no prior approval is necessary. The intent of prior approval is for special functions.
2. Personnel external to WNC must be involved in the hosting of a meal or special function (exception: annual welcome back BBQ, holiday potluck, etc.). Meetings for employees may be hosted if they are infrequent in nature, there is an agenda and minutes are kept, or if the meeting extends through a mealtime.
3. When hosting meals, personnel external to WNC such as advisory boards, legislators, businesspersons, etc. must attend, and the WNC employee-to-guest ratio should not exceed 3-to-1.
4. The expenses of a spouse or guest of an employee of WNC will normally not be reimbursed. Exception may be made in specific situations (e.g., meals for a candidate for a position at WNC where the candidate's spouse or guest is included).
5. The designated Signature Authority must approve the host expense prior to payment by Accounts Payable.

6. Cost guidelines for meals should not exceed the maximums currently established by the GSA standards.
7. Alcoholic Beverage Policy: The purchase of alcoholic beverages for use at Nevada System of Higher Education functions shall be permitted for the following functions or pursuant to the following conditions:
 - a. Conferences and Institutes where a part of the fee collected is for a cocktail party.
 - b. Host account expenditures for liquor with dinner and for large receptions.
 - c. Student associations must have the institutional President's prior approval and the institutional President is to be the only person authorized to approve payment of the purchase of alcoholic beverages from Student Association funds. The institutional President will only grant this authorization upon being satisfied that proper supervision is provided in the dispensing of alcoholic beverages.

Host Expense Forms

Host Account Expenditures Form – (Found on the WNC Intranet, Business Office, Forms) Use for reimbursement to an employee for an out-of-pocket host expense such as a luncheon meeting at a restaurant, purchase of food for special events or meetings.

Purchase Transaction Request Form – (Found on the WNC Intranet, Business Office, Forms) Use to purchase food, refreshments, flowers, etc. from a vendor such as Costco, Wal-Mart, etc. for special events or meetings.

Petty Cash Accounts

Petty cash funds may be used for a variety of purchases including postage, PO box rental, miscellaneous supplies, services or repairs, city/county dumping fees, etc. Petty cash funds may not be used for cashing personal checks, host expenses or reimbursements, short-term loans, purchase of equipment or radioactive material, or travel claims or advances. Use of petty cash funds is limited to \$50.00 per purchase.

Approved petty cash accounts include:

Petty Cash Accounts	Approved Amount
Business Office	\$600.00
Carson Library and Media Services	\$65.00
Community Services	\$50.00
Douglas Campus	\$50.00
Fallon Campus	\$200.00
Fallon Library	\$65.00
ASWN Fallon	\$50.00
Fernley Center	\$100.00
Hawthorne Center	\$100.00
Lovelock Center	\$100.00
Yerington Center	\$100.00

Performing Arts Programs

\$200.00

Cashiers should submit requests for reimbursement of petty cash funds in accordance with the Purchasing Procedures. Be sure to attach the original receipts, credit card charge slips, or vendor invoices to the paper copy of the Purchase Transaction Request and forward this to the Business office for processing.

Revised: January, 2009

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URL <http://www.wnc.edu/policymanual/>

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