

Section 9. Purchasing Card Program Best Practices

The following represent best practices associated with the P-card program to which each NSHE institution shall adhere:

1. Each institution shall have a specific department and personnel assigned the responsibility and authority for management of their P-Card program, with adequate staffing to support the operation.
2. Each institution shall establish an appropriate regular audit/review process for P-Card transactions to help ensure adequate operations of the program and to address errors/problems. The review process must include standard exception management reporting and other appropriate methods to regularly monitor P-card activities for potential abuses/errors, including regular reviews/evaluations of any "structured" transactions (planned and sequenced uses that circumvent existing parameters of operation for the program).
3. Each institution shall require adequate training for P-Card holders before they are issued a card. Following training P-Card holders must be issued a user's manual and sign for that manual, noting they understand their responsibilities and authority associated with the use of the P-card. Additionally, each institution shall send out regular reminders to card-holders noting key requirements and responsibilities (preferably with an updated "Quick Guide" pocket summary on proper uses of the P-Card).
4. Each institution shall establish time periods to review and update the user's manual at least annually.
5. Each institution shall ensure that all policies and procedures established are consistent with Board of Regents' and Chancellor's purchasing requirements.
6. Security provisions need to be adequate, including requiring a password change at least every 90 days.
7. Each institution must have an adequate and timely process to ensure that when employees leave the institution (voluntarily or otherwise) their card is collected and/or deactivated.
8. On at least a monthly basis a supervisory review and approval of the electronic account statement for card-holder activity shall be formally completed. If the President (or lower officer which has received delegation from the President to approve host expenses under Chapter 5, Section 1) has previously approved host expenses, the officer is not required to also review and approve P-Card statements that include hosting expenses.
9. The electronic account statement shall be used to collect the business purpose summary of purchases (as back-up to the itemized receipt or invoice).
10. Only the authorized cardholder may use their card, and it shall not be loaned to another individual. Institutions may consider "departmental" cards for specific situations where the card may be used in an effective and controlled manner.
11. Each institution shall have a process to review and control the P-card limits for each user (transaction limits and monthly limits) that match the user needs, and are balanced against existing controls. One overall institutional limit is prohibited. The institution shall have a process to review all limits on at least an annual basis, and adjust as appropriate.

12. Each P-card shall have the following printed on the face: "Tax Exempt – For Business Use Only"; the institutional Tax ID #; and the institution's name (e.g. "UNR").
13. Each institution shall have an adequate policy enforcement for significant abuses to P-card uses, which may include suspension and/or deactivation of its use.
14. Each institution must have an adequate process to ensure that equipment purchased with the P-card meets all tagging requirements.
15. Each institution shall review the MCC codes to insure cards may not be used at inappropriate vendors/types of businesses.

(Added 5/07, A. 6/11, 12/14)