eBuy/Accounts Payable Users Group Meeting

January 9, 2017

BFS – Business & Financial Services
A Division of Business & Administration Services (BAS)

Agenda

- Staffing Update (Bobbi McCracken)
- Sales Tax Rate Changes (Bobbi McCracken)
- Service Now Vision/Plan and Demo (David Gracey)
- Freight on DAPOs/POs (Gae Purvis)
- FAU Change Order Enhancement (Josh Hoerger)
- apinvoice@ucr.edu Utilization Guidance (Aver Smith)
- Invoice Approval Tool Status (Aver Smith)
- Sponsorships (Aver Smith)
- ProCard Utilization Feedback (roundtable discussion)
- Blanket POs/DAPOs (Gae Purvis)**If time permits***

Staffing Update

Staffing Update

- Procure to Pay Model
- Director of Procurement, Business Contracts, Accounts Payable & Travel: Ellery Triche
  - Key responsibility: Procure to Pay strategy for UCR
- Procurement Manager
  - Under recruitment
  - Interim Manager, Gae Purvis
- Open Positions
  - Procurement Analyst 2 (under recruitment)
  - Two AP Financial Services Analyst 1 (recruitments in progress)
- Use of Temporary Agencies

Sales Tax Rate Changes

Sales Tax Rate Changes

- Effective 1/1/2017, the sales/use tax rate decreased from 8% to 7.75%.
  - Please note the sales/use tax rate associated with the Partial Sales Tax Exemption will remain at 3.8125%.
- On 4/1/2017, the sales tax rate will increase from 7.75% to 8.75%.
  - Please note the sales/use tax rate associated with the Partial Sales Tax Exemption will increase from 3.8125% to 4.8125%.
- eBuy and ProCard feeds have been updated with the new sales tax rate and will be updated on 4/1/2017.
- Accounts Payable will process payments using the appropriate tax rate based on vendor invoices dates (i.e. 7.75% will be used on invoices dated between 1/1/2017-3/31/2017 and 8.75% on invoices dated 4/1/2017 or after).
- These rates applies to all items purchased AND sold by the University that are subject to sales tax.
- For additional information, please refer to the campus announcement available at:
  http://accounting.ucr.edu/news/20161223-sales-tax-rate-changes.html

Service Now
Vision/Plan and Demo

Background

> UCR has traditionally used an email-based approach to providing support for Enterprise Applications. For example, the following email addresses are currently being used in support of the following applications:

ccrrs_feedback@ucr.edu	Cash Collection and Register Reconciliation System
cpmsfeedback@ucr.edu	Capital Projects Management System
ebuyhelp@ucr.edu	eBuy Purchasing System
echeckfeedback@ucr.edu	eCheck System used by Student Business Services
epayfeedback@ucr.edu	ePay Payment Request System
lrssfeedback@ucr.edu	Ledger Reconciliation and Storage System
piwrsfeedback@ucr.edu	PI Web Reporting System
reportsfeedback@ucr.edu	UCRFS Reports (was BAS Reporting System)
sisdetailfeedback@ucr.edu	SIS Reports in UCRFStotals
timesheetfeedback@ucr.edu	Time & Attendance Reporting System
ucrfsfeedback@ucr.edu	UCR Financial System / PeopleSoft
webppsfeedback@ucr.edu	PPS Web Inquiry

Background

> As the number of applications increases, the use of email support groups has become less efficient

> Often times multiple emails must be exchanged before the necessary information is obtained to provide support

> Moreover, there is no centralized repository of the information contained for each support incident

New Process

> A new process, piloted over the past several months, is being implemented to streamline the support process across all applications. Some highlights of the new support tool include:

> - Single page for requesting support from any application

> - Page collects user and system details to aid in potential technical diagnosis of the problem

> - Multiple application-specific support groups can respond as soon as the ticket is submitted:
>   - Application experts from the business/functional office
>   - C&C Help Desk
>   - C&C Enterprise Application Development Support Staff

New Process (cont.)

› Email-enabled tool allows for ongoing dialog with support staff

› Email notification to advise requestor of updates to each ticket as well as resolution of ticket

› Centralized repository for all support tickets

› Supports the development / maintenance of a Knowledge Base

Demonstration

https://ucr.service-now.com/ucr_ess/

Next Steps

> In the next couple weeks ahead, email will be sent out to all eBuy users with instructions for accessing the new support tool

> A link to the support tool will be made available in R'Space

> The ebuyhelp@ucr.edu email address will be retired and all future email sent to that address will generate an auto-reply message with instructions for using the new support tool

Freight on DAPOs/POs

Freight Information

- FOB (Free On Board) terms establish a contractual arrangement outlining 1) when title transfers between the supplier and the University, and 2) responsibility for the payment of freight charges.

FOB Terms	Pays Freight Charges	Bears Freight Charges	Owns Goods in Transit	Files Claims
Shipping Point or Origin, Freight Collect	Buyer	Buyer	Buyer	Buyer
Shipping Point or Origin, Freight Prepaid and Added	Seller	Buyer	Buyer	Buyer
Shipping Point or Origin, Freight Prepaid	Seller	Seller	Buyer	Buyer
Destination, Freight Collect	Buyer	Buyer	Seller	Seller
Destination, Freight Prepaid and Added	Seller	Buyer	Seller	Seller
Destination, Freight Prepaid and Allowed	Seller	Seller	Seller	Seller

Freight Information Cont.

- <u>FOB = Destination, Freight Prepaid and Added</u>: title passes at the destination point and freight charges are initially paid by the supplier then added to the invoice. The supplier owns the goods in transit and files all claims for overcharges, loss, damages, etc. The purchaser reimburses the supplier for the freight charges.

- <u>FOB = Destination, Freight Prepaid and Allowed (including FOB Destination, Freight Prepaid and FOB Destination Freight Allowed)</u>: title passes at the destination point and the supplier pays for the freight charges, owns the goods in transit, and files claims for overcharges, loss, damages, etc.

Freight Information Cont.

- UC's system-wide agreements with Fisher, VWR, Dell, etc. were negotiated with FOB terms "Destination, Freight Prepaid and Allowed", so the University does <u>not</u> pay for shipping.

- However, there are <u>exceptions</u> within certain agreements for rush orders, or when items are hazardous materials and/or must be shipped using dry ice. In those instances, the special shipping fee would apply and should be included on the PO. System-wide agreements are typically set up in eBuy with the FOB Freight Prepaid and Allowed, so care must be taken to add these special shipping fees to the PO.
  - eCatalog orders may require a change order to add special handling.

- When processing orders, please review the Terms tab, and select the appropriate FOB terms. This action will avoid delays in processing payments to vendors.

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Clarifying eBuy Business Rules on FAU Change Order

eBuy FAU Change Orders

- Previous Functionality
  - If a PO line item had been vouchered, no changes to the line's <u>FAU</u> elements could be made.
  - Changes to the PO line item <u>amount</u> could be made up to, or more than, the vouchered amount.
  - Additional FAU entries to the PO line were allowed to be added.

- New (current) Functionality
  - If a PO line item has been vouchered, no changes to the line's <u>FAU</u> elements can be made.
  - Changes to the PO line item <u>amount</u> can be made up to, or more than, the vouchered amount.
  - Additional FAU entries to the PO line are NOT allowed to be added.

- *The FAU-Only Change Order option can only be used for PO line items that have <u>not</u> been vouchered.*

eBuy FAU Change Orders

- Procedural Changes for Vouchered PO Lines
  - If a PO line has been vouchered against, and a subsequent FAU change is needed, users are required to process a PO Change Order.

- PO Change Order Process
  - The original PO line should be reduced to equal the dollar amount that has already been vouchered.
  - A new PO line should be added with the new appropriate FAU(s) and remaining dollar amount.

Note: this enhanced business rule was implemented to improve the quality of data entered into the financial system and minimizing erroneous FAU postings.

Vendor Invoices

Vendor Invoices

All invoices should be sent directly to the Accounting department by the vendor.

- Invoices sent via regular mail:

  University of California, Riverside

  Accounting Office – 02

  Riverside, CA 92521

- Invoices can be e-mailed to: apinvoice@ucr.edu
  - Email address is for receipt of invoices only
  - One invoice per e-mail (to assist with automation efforts)
  - Inquiries should be directed to AP operator:
    - A-D, O-P: Cathy Newland
    - E-N: Rosmery Martinez
    - Q-Z: Elaine Danford
    - Subcontracts: Dottie Ford
  - Outstanding issues should be escalated to Aver.Smith@ucr.edu

Please note attaching invoices to PO's in eBuy does not generate a request for payment to Accounting.

eBuy Invoice Approval Status Update

eBuy Invoice Approval Tool

The eBuy Invoice Approval Tool was created to allow for the electronic routing and approval of invoices requiring explicit approvals prior to payment processing.

- The approval tool is utilized for PO invoices $10,000 and above.

- The approval tool was rolled out in October 2016.

- Most departments have established eBuy Invoice Approver roles. Please ensure the role has been established in your unit.

- Manual approvals (wet signatures) may still be requested and will be e-mailed to the designated eBuy Invoice Approver(s).

- It is important that invoices are approve timely to ensure payments are paid within their payment terms. Please be sure to inform Accounts Payable of unusual circumstances impacting approval.

- Invoice Approval Guideline document will be placed on the Accounting website for reference the week of 1/9/2017

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Sponsorships

Sponsorships

- Sponsorships are contributions to a conference or other event with a direct benefit to the University and it's mission. Most sponsorships include advertising to promote the University (e.g. UCR's name in the program, UCR Banner at the event, etc.). Some sponsorships may include the cost of a meal and/or registration fee for the conference/event

- Policy Reference: Business & Finance Bulletin BUS-79 - Expenditures for Business Meetings, Entertainment and Other Occasions

Sponsorships (cont.)

Documentation Requirements:

- Correspondence from the organization requesting UC's support and outlining what UC will be receiving for its support.

- Business justification describing how UC will benefit from the sponsorship

- Additional Approval by the Org Head (e.g. Dean, VC) or Chancellor when sponsorships involve cash donations to a non-profit community or charitable fundraising event as part of a meal and/or registration fee.

- UC policy does <u>not</u> permit sponsorships of events sponsored by an organization associated either directly or indirectly with a political party, campaign, or group engaged in influencing legislation, elections, referenda, or similar activities

Sponsorships

- All sponsorships should originate from a PO.

- Sponsorships involving meals and registration require the ePay PO Backup to document the appropriate approvals, business purpose, attendees, and other policy compliance considerations.
  - Please refer to the ePay PO Back-up Quick Guide located on the Accounting website: ePay PO Back-up Quick Guide .

Sponsorships

- Alternatively, for sponsorships involving meals or registration, employees can pay in advance and request reimbursement after the event has concluded. However, it is important to note the benefits of the PO/ePay PO Back-up process:
    - Eliminates out of pocket expenses by UCR employees
    - Minimized the potential that an expense paid by an employee will not be reimbursed due to a policy and/or approval issues by allowing for:
        - Upfront verification of policy compliance
        - Upfront verification that the expense is allowable
    - Ensures required approvals are obtain via ePay's PO Back-up automated routing (note: Event should be defined as Sponsorship)

ProCard Utilization

Roundtable Discussion

ProCard: Increasing Utilization

Feedback Received

- Pain Points to Utilization:
    - Limitation on who can have a ProCard
        - Available to all UCR career employees successfully completing required annual training
        - Department decision
    - Annual training requirement
        - Consistent with all UC campuses
    - Tracking and Managing PCTs
        - Aging report
    - Default FAU
        - Dedicated cards
    - PCT requirement
        - Trade-off with timely postings
    - Use tax corrections
        - Vendor/Supplier table
        - Recommend limiting requests to amounts greater than $2
    - Storing Documentation
        - eBuy
    - Daily limits
        - Can be adjusted, but will be based on utilization

- Ideas to Increase Utilization
    - Increase threshold from $2,500 to $3,500
    - Data analytics to consider most efficient method to transact certain procurements
    - For Registration exceptions, allow Registration account to be used with PCT (added based on discussion at user group meeting)

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ProCard: Student Affairs and Enrollment Services Analysis*

Susana Roddy

* See Appendix for Supplemental Information

ProCard: SA & ES Analysis of Vouchers

UCRFS Totals Filters

- FY: 2017

- Period: All

- Org/Division/Dept: (user specified)

- Ledger: Actuals

- Source: ATP and CHK

- Fund: Current

- Account: All valid ProCard account numbers*

- Amount: <= 2,500.00**

*See Appendix for listing

** Amount will depend upon your unit's ProCard threshold; campus max is currently $2,500

ProCard: SA & ES Analysis (cont.)

- Download results to Excel – Pivot

- Filter UCR Preferred Vendors (Apple, B&H, CDW, Dell, SHI, etc.) *

- Display/Row: Account Description, Vendor Name, Line Ref
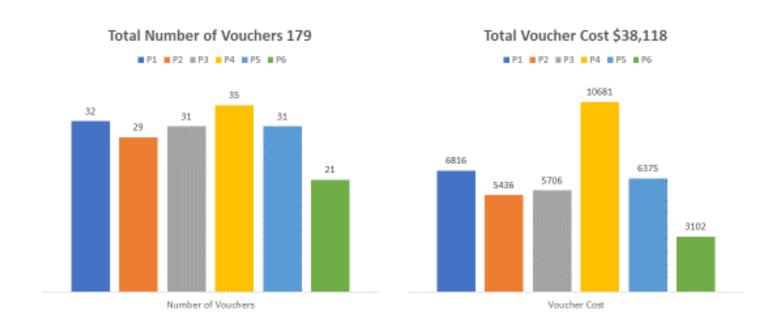
- Value: Amount Sum and Line Count

* There is no policy prohibiting the use of the ProCard with these vendors, but it important to note 1) there may be pricing variation that should be considered and 2) ProCard is not currently available with eCatalog orders

ProCard: SA & ES Analysis (cont.)

Totals Report Analysis

Total Number of Vouchers 179

■ P1 ■ P2 ■ P3 ■ P4 ■ P5 ■ P6

32   29   31   35   31   21

Number of Vouchers

Total Voucher Cost $38,118

■ P1 ■ P2 ■ P3 ■ P4 ■ P5 ■ P6

6816   5436   5706   10681   6375   3102

Voucher Cost

Data based on transaction less than $1,000 and excluding UCR Preferred Vendors

Average Cost per Voucher: $212

Blanket DAPOs/POs

Topic deferred to next User Group Meeting
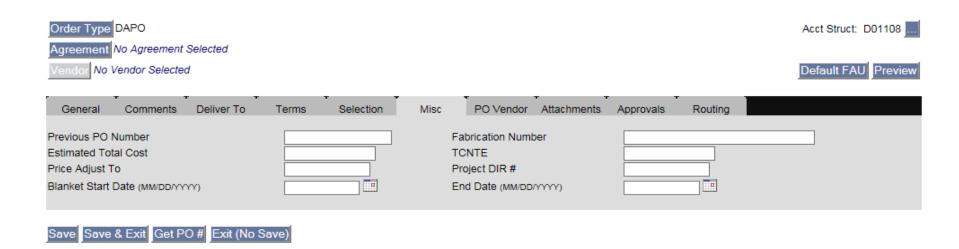
Blanket DAPOs/POs

- Blanket POs can improve administrative efficiencies and internal controls when used appropriately.

- Rather than issue multiple low dollar DAPOs or higher value POs to the same supplier for the same goods/services, a blanket PO is recommended when:

  - There will be multiple similar procurement actions (e.g. monthly maintenance, testing services, production of widgets, service calls, etc.) to a supplier over a period of time (e.g. several months, or the entire fiscal year).

  - Situations where goods/services will be purchased from a supplier more than once, but the total amount is dependent on another factor and/or the goods/services will be billed on a set schedule versus completion of the entire order (e.g. number of tests completed, number of widgets produced, monthly services).

Blanket DAPOs/POs (cont.)

For DAPOs, there is an option to select blanket begin and end dates on the "Misc" tab

Order Type DAPO   Acct Struct: D01108 [...]

Agreement *No Agreement Selected*

Vendor *No Vendor Selected*   Default FAU   Preview

General	Comments	Deliver To	Terms	Selection	Misc	PO Vendor	Attachments	Approvals	Routing

Previous PO Number   Fabrication Number

Estimated Total Cost   TCNTE

Price Adjust To   Project DIR #

Blanket Start Date (MM/DD/YYYY)   End Date (MM/DD/YYYY)

Save   Save & Exit   Get PO #   Exit (No Save)

Blanket DAPOs/POs (cont.)

- Blanket purchase orders must include language that specifically outlines the goods/services to be provided (who, what, where, when) AND the "not to exceed amount".

- Inform the supplier to invoice the orders under the same purchase order number for the specified period of time.

- Change Orders can be issued to increase the value of a PO if there are concerns with obligating a large amount of funding upfront.

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Questions?

Survey

Your feedback and input on this user group meeting is important, please take a few moments to complete this survey: http://www.surveygizmo.com/s3/3281882/eBuy-AP-Users-Group-Feedback-1-9-2017