

eBuy/Accounts Payable Users Group Meeting

October 3, 2016



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



Agenda

- Staffing Update (Bobbi McCracken)
- BFS Service Level Agreement (Bobbi McCracken)
- Procurement to Payment Standard Process (Bobbi McCracken)
- Vendor Invoices (Aver Smith)
- Fair Wage/Fair Work Requirements (Gae Purvis)
- Prevailing Wage Requirements (Gae Purvis)
- New eBuy Business Rules: invoice approval threshold, FAU change orders, vendor change orders (Bobbi McCracken)
- New eBuy Invoice Approval Demo (Aver Smith and Josh Hoerger)



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Staffing Update

Staffing Update

- Procure to Pay Model
- Director of Procurement, Business Contracts, Accounts Payable & Travel
 - Under recruitment
 - Key responsibility: Procure to Pay strategy for UCR
- Procurement Manager
 - Under recruitment
 - Interim Manager, Gae Purvis
- Introduction of Staff
- Open Positions
 - Procurement Analyst 3 (finalizing recruitment)
 - AP Financial Services Analyst 2 (finalizing recruitment)
 - AP Financial Services Analyst 1 (recruitment in progress)
 - AP Accounting Assistant III (recruitment in progress)
- Employee on Leave/Use of Temporary Agencies



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BFS Service Level Agreement

BFS Service Level Agreement FY17

- New Budget Model: Core Services
 - Approved by Governance Committee
- Procurement Services: coordinates campus purchasing activities, procuring goods and services that meet customer needs for the best value, comply with state and federal laws and promote social responsibility, develop strategic sourcing agreements, and administer the procurement card program.
- Accounts Payable: processes PO related invoice payments ensuring proper sales tax assessment, matching and match exception resolution, vendor statement reconciliation, tax payments, withholding, and reporting, and vendor maintenance.

BFS SLA Procurement Services

Purchase Order Dollar Value (excludes DAPO's)	Standard Turnaround Time (Business Days)
\$2,500-\$24,999	3
\$25,000-\$49,999	5
\$50,000-\$74,999	7
\$75,000-\$99,999	9
Greater than \$100,000 (w/ accepted and approved Sole Source) Predicated on receiving complete scope of work from client.	12
Greater than \$100,000 (requiring Request For Bid (RFB)/Request For Proposal (RFP)) Predicated on receiving complete scope of work from client.	25

BFS SLA Accounts Payable

- Enter invoices into UCRFS within 10 days of receipt in the Accounting Office.
- Resolve match exceptions within 10 days of entry.
- Process invoices per the payment terms of the purchase order while taking advantage of prompt payment discounts when applicable
- Respond to vendor add/modification requests within two business days.



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Procurement to Payment Standard Process

Standard Process for Purchase Orders

In a distributed environment, it is important to follow standard processes to:

- Ensure goods and services are promptly received and vendor paid per agreement terms
- Ensure good procurement and financial management internal controls are in place
- Minimize re-work and duplication of effort
- Minimize credit holds

Standard Process for Purchase Orders

- Vendor must be provided with a copy of the purchase order
 - PO number can be provided in advance, but a copy must be provided as it contains the terms and conditions of the procurement action
 - Invoices received without a purchase order number referenced will be returned to the vendor
- Order should be promptly encumbered, so the order is reflected on the general ledger and available for vouchering
- Ensure correct vendor number is utilized
- Ensure correct FAU is utilized
- As items are received, the items should be promptly inspected and marked as received (or returned)
 - Best practice is to scan and attach packing slip in eBuy for audit history
- Vendor invoices must be sent directly to the Accounting Office
 - Allows for prompt payment discounts to be applied
 - Allows for payment terms to be met
 - Instructions on where to send invoices provided to vendor on purchase order
 - Departments can request a copy of the invoice from the vendor, but original must be sent to the Accounting Office
 - Invoices being sent to the department are contributing to delays in payments and credit hold situations, negatively impacting the University's ability to do business



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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
- NEW! 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 (Temp)
 - E-N: Rosmery Martinez, Rayme Goodrick (Temp)
 - 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.



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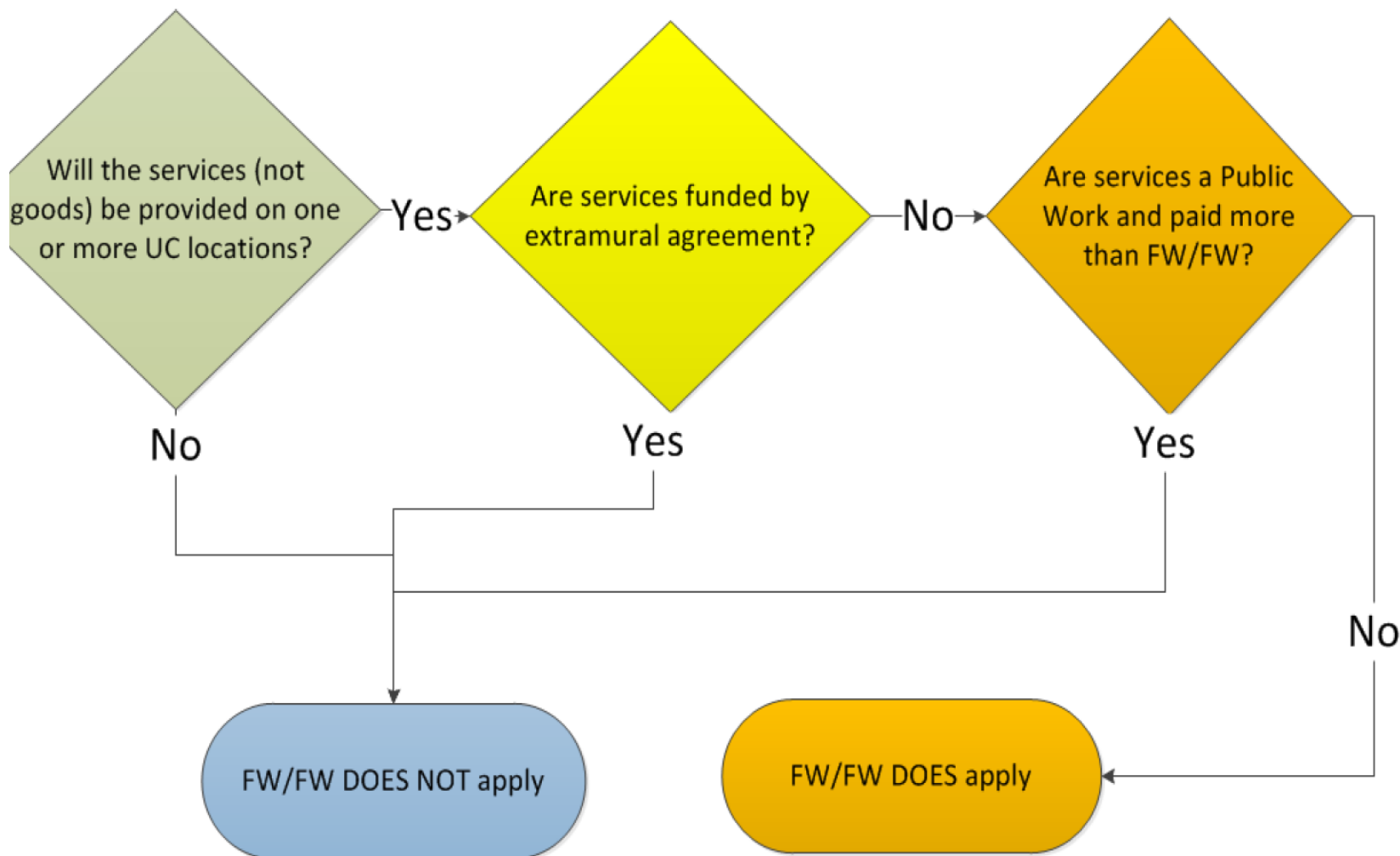
Fair Wage/Fair Work

Fair Wage/Fair Work Requirements

- On June 22, 2015, President Napolitano initiative to raise minimum wages for UC workers to \$15 an hour over the next three years. Implementation timeline:
 - October 1, 2015, increased to \$13/hour
 - October 1, 2016, increase to \$14/hour
 - October 1, 2017 increase to \$15/hour
- As the University enters into new contracts or renews existing ones, it will require service suppliers to pay their employees a wage that meets or exceeds UC's new minimum wage.
- Fair Wage/Fair Work service requirements only apply to service agreements, not to agreements for the procurement of goods alone.
- Fair Wage/Fair Work does not apply to Public Works agreements with a wage determination that is at or above the UC Fair Wage or to contracts funded by extramural agreements.

Fair Wage/Fair Work Decision Tree

When does FW/FW apply?



Revised 10/1/15



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Prevailing Wage

Prevailing Wage Requirements

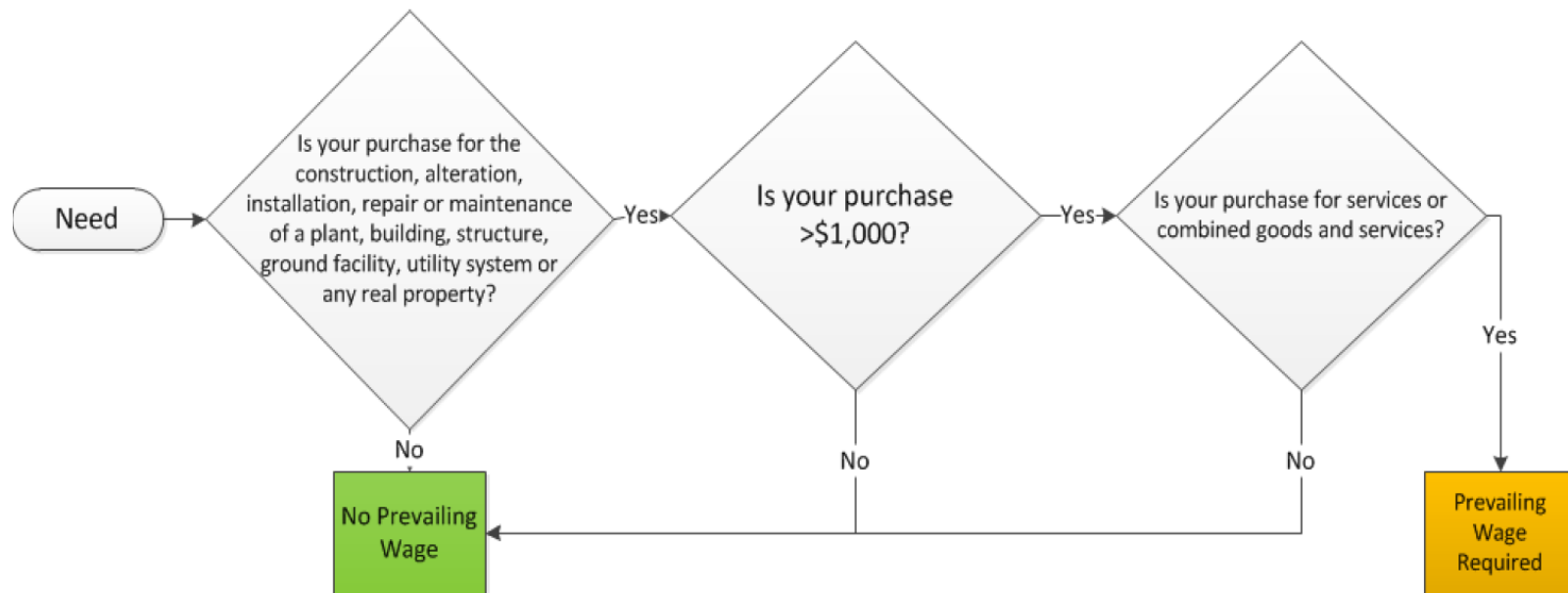
- In June 2014, a California senate bill was passed that required public works contractors to register with the Department of Industrial Relations (DIR).
- Any contractors providing labor/installation for work performed for the University that is more than \$1,000.00 requires the contractor be registered with the DIR before work can be performed. Therefore, Procurement will required the contractor to complete the PWC-100 form to complete this requirement with the DIR.

eBuy Prevailing Wage business rule

- If the order is > \$999.99 AND any portion of it is for the performance of services related to the construction, alteration, installation, repair or maintenance of a plant, building, structure, grounds, facility, utility system or any real property, it may be considered 'Public Works' and MUST be submitted to Procurement Services as a requisition for further review.
- In addition to traditional union trades, 'Public Works' includes, but is not limited to, the assembly and disassembly of office furniture that is either affixed or part of a modular system including dorm furniture and work requiring wall attachments.



Prevailing Wage Decision Tree



Exception 1: Janitorial or custodial services of a routine, recurring or usual nature

Exception 2: Protection of the sort provided by guards, watchmen, or other security forces

Exception 3: Landscape maintenance work by "sheltered workshops," where "sheltered workshops" are nonprofit organizations licensed by the Chief of DLSE employing mentally and/or physically handicapped workers



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New eBuy Business Rules

PO Invoice Approval Threshold

New business rules being implemented to improve administrative efficiency and reduce errors/re-work

- PO Invoice approval threshold: UC Policy requires explicit department approval of PO related invoices above a campus established threshold in addition to normal matching rules (e.g. PO and Invoice agree and PO marked as received)
- Current threshold \$5K; increasing to \$10K
 - Increase will reduce department approvals by approximately 50%
- New PO Invoice Approval Tool
 - Requires Department SAA to establish eBuy Invoice Approver role by 10/14/16

eBuy FAU Change Orders

- Limited to PO and DAPO lines with no associated payment voucher. This change should result in fewer payments against an incorrect FAU and reduce the need for cost transfers.
- For example, if a PO line item is partially paid, an FAU change order cannot be processed for this line item; however, the eBuy transactor can process a change order to reduce the PO line by the unpaid amount and add a line for the remaining amount with the new FAU.

Per discussion at User Group meeting, clarification on this new business rule will be distributed separately

eBuy Vendor Change Orders

- Limited to POs and DAPOs that have not previously been paid (i.e. there are no payment vouchers associated with the order).
- Care should be used when selecting vendors for use with a purchase order as PO/DAPOs are legal, contractual obligations and payments can only be issued to the vendor specified.
- If the erroneous vendor selection is not detected prior to AP vouchering the payment, the PO will need to be cancelled/closed out and a new PO created under the appropriate vendor.



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eBuy Invoice Approval Demo



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Homework

Please provide feedback on ways to increase the utilization of the ProCard in your department by sending ideas to ebuyhelp@ucr.edu by 10/31/2016.



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/s3/3043330/eBuy-AP-Users-Group-Feedback>



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Questions?