Procurement & Payment Summary

Accounts Payable
Perry H. Hull
Agenda

• Accounts Payable: Who we are…what we do…
• Accounts Payable Reorganization
• AP Transaction Volume
• Expenditure Review
• Procurement & Payment Options
• Direct Deposit
• Expedited Processing
• Commitment to Communication
• Resources for You
• Questions or Feedback?
Financial & Business Services

Associate Vice President
Jeffrey J. West

Director, Procurement & Supply Management
James T. Parker
- Contracts & Strategic Sourcing
- Purchasing Card
- Small Business
- Stores & Receiving
- Surplus & Salvage

Director, Financial Solutions
Dean B. Church
- Business Analysis
- LAN/Desktop Support

Controller and Director, Financial Management
Laura Howat
- Accounting Operations & Controls
- Accounts Payable
- Compliance Accounting & Reporting
- Endowment & Investment Accounting
- General Accounting
- Grants & Contracts Accounting
- Income Accounting & Student Loans
- Management Accounting & Analysis
- Payables Production
- Property Accounting
- Tax Services

Manager, Travel, Training, and Policy Coordination
Kori DeHaan
- Onsite Travel Agency
- Travel Accounting

Director, International Operations & Financial Analytics
Robert C. Muir
Payables Production

Manager, John Downing

Supervisor, Accounting Judy Chan

Accounting Specialists
Maria Nielsen
Jane Fong

Associate Accountants
Pam Holland
Rhett Jones
Megan Petersen
Erin Kokal

Data Entry Specialist
Brenna Harris

Accounting Specialist Alice Averett

Clerks
Sally Yu
Megan Bettilyon
Chase Anderson
Daryl Goettsche
Accounts Payable

- Receive, sort, and distribute all incoming documents
- Expenditure Review
- Respond to customer inquiries via phone, email, or walk-in
- Process requests for expedited processing—Next Day or Same Day
- Training, management of the AP website content
- Data sampling and post-audit analysis
- 1099 reporting and review, calculation, and reporting of moving expense reimbursements
- Assist with policy development

Payables Production

- Create, edit, and maintain vendor records
- Voucher Processing
- Payment Processing
- Fortis image scanning and maintenance
- Check and ACH Production
- Data entry of:
  - Payment Requests
  - Limited Purchase Orders
  - Limited Purchase Checks
  - Invoices paid against both LPO’s and Purchase Orders
- Campus Order Processing
New AP team-what are the advantages?

- Emphasis on communications and collaboration
- Can assist you with selecting the most appropriate payment method
- Improved coordination with Purchasing
- Greater emphasis on departmental training and website content
- One group to apply a standard expenditure review methodology
- Data suggests reduced processing time
- Documents are ready-to-key for Payables Production team
- Allows the Payables Production staff to focus on accurate and timely processing
# AP Transaction Volume

<table>
<thead>
<tr>
<th>Month</th>
<th>Payment Requests</th>
<th>Scholarship / Fellowships</th>
<th>Limited Purchase Order</th>
<th>Campus Order</th>
<th>Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov-12</td>
<td>3872</td>
<td>115</td>
<td>1351</td>
<td>2437</td>
<td>6211</td>
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<tr>
<td>Oct-12</td>
<td>4365</td>
<td>426</td>
<td>1489</td>
<td>2544</td>
<td>7138</td>
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<tr>
<td>Sep-12</td>
<td>3521</td>
<td>403</td>
<td>1254</td>
<td>2202</td>
<td>5700</td>
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<tr>
<td>Aug-12</td>
<td>4085</td>
<td>370</td>
<td>1510</td>
<td>2348</td>
<td>6290</td>
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<tr>
<td>Jul-12</td>
<td>3726</td>
<td>718</td>
<td>2149</td>
<td>2616</td>
<td>6344</td>
</tr>
<tr>
<td>Jun-12</td>
<td>3570</td>
<td>356</td>
<td>1402</td>
<td>2746</td>
<td>5935</td>
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<tr>
<td>May-12</td>
<td>4775</td>
<td>522</td>
<td>1476</td>
<td>2779</td>
<td>5557</td>
</tr>
<tr>
<td>Apr-12</td>
<td>4736</td>
<td>196</td>
<td>1381</td>
<td>2501</td>
<td>6107</td>
</tr>
<tr>
<td>Mar-12</td>
<td>5174</td>
<td>604</td>
<td>1470</td>
<td>2665</td>
<td>7451</td>
</tr>
</tbody>
</table>
Accounts Payable Volume - Transactions

Processing Volume By Type
7/1/12 - 9/30/12

- Payment Request: 12,743 (32%)
- Campus Order: 6,998 (18%)
- Limited Purchase Order: 4,884 (12%)
- Purchase Order: 10,364 (26%)
- Other: 4,741 (12%)
- Scholarship & Fellowship: 3,422 (9%)
- Limited Purchase Check: 985 (2%)
- Other: 334 (1%)
Accounts Payable Volume - Dollars

Processing Dollars By Type
7/1/12 - 9/30/12

- **Purchase Order**: $46,223,050 (33%)
- **Other**: $16,158,150 (12%)
- **Payment Request**: $76,719,279 (55%)

**Distribution by Type**
- Limited Purchase Order: $2,252,891 (2%)
- Limited Purchase Check: $113,323 (0%)
- Scholarship & Fellowship: $5,290,570 (4%)
- Campus Order: $7,750,663 (6%)
- Utilities, Freight, and Petty Cash: $750,703 (0%)
Payment Requests & Reimbursements
Transaction Average Dollars – Q1 FY13

- Payment Request: Average $6,021, Median $227
- Purchase Order: Average $4,460, Median $425
- Limited Purchase Order: Average $461, Median $210
- Limited Purchase Check: Average $115, Median $50
- Scholarship & Fellowship: Average $1,546, Median $1,050
- Freight: Average $186, Median $98
- Utilities: Average $3,081, Median $219
- Petty Cash: Average $691, Median $230
Processing Time

Processing Time Summary
February to October 2012

*Based off of a 5% Sample. Created from the monthly post audit sample analysis.
“Expenditure Review”... what does this mean???

Review of submitted financial transactions to ensure compliance with University Policy and established Financial & Business Services guidelines and thresholds.
Financial Transaction Requirements

As per Policy 3-003: II. B, financial transactions must be;

1. Reasonable and necessary
2. Consistent with established University Regulations
3. Consistent with any applicable laws and government regulations
4. Consistent with sponsor or donor restrictions.

Expenditures that are solely for personal benefit or purposes other than those that benefit the university are prohibited.
Financial Transaction Requirements

- Supporting documentation matches the payment amount
- Appropriately authorized
- If a reimbursement, does supporting document provide evidence of original expense to the payee?
- If a direct payment, ensure that the invoice does not reference an existing Purchase Order, or a Pcard purchase already completed.
Examples of Actual Transactions

Insufficient Business Purpose

Reimbursement for Sky Club membership

Note: Business meals, refreshments, or entertainment expenses must include the names of attendees (if less than 10) or name of group and number in attendance, a detailed description, and dates of the function.

Check here if you wish to print the text below on the payment advice (maximum of 70 characters).

AMEX annual membership fee
Examples of Actual Transactions

Insufficient approvals...
Examples of Actual Transactions

Travel related...
Examples of Actual Transactions

Purchasing review required...

<table>
<thead>
<tr>
<th>PAYMENT REQUEST NUMBER</th>
<th>PAYEE NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR-00614051</td>
<td>Modern Exposition Services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRADE NAME (IF APPLICABLE)</th>
<th>REMITTANCE ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>424 S. 700 E.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CITY</th>
<th>STATE</th>
<th>ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake City</td>
<td>UT</td>
<td>84102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PAYEE ID NUMBER (SSN, SSN, TIN OR UNID) OR FOREIGN STATE &amp; COUNTY</th>
<th>FILING POLICY: Business or home addresses are required for consultants, independent contractors, &amp; vendors. Campus addresses are not allowed if the transaction is reportable under IRS guidelines.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is this payment being made to or on behalf of an individual:</td>
<td>Yes [ ] No [X] If Yes, give country of residence. kgbcfedefjnościwyw [ ] If the non-resident information above is not complete, this is required for payment.</td>
</tr>
</tbody>
</table>

Note: Business meals, refreshments, or entertainment expenses must include the names of attendees (if less than 10) or name of group and number in attendance, a detailed description, and dates of the function.

Payment for services for Pharmacy Polo: on June 25, 2011 per invoice #C482500002.

<table>
<thead>
<tr>
<th>DATE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>00274</td>
</tr>
<tr>
<td>6000</td>
<td>18716</td>
</tr>
<tr>
<td>66300</td>
<td>1</td>
</tr>
</tbody>
</table>

Each field must be filled in to properly allocate the payment. If all fields are not properly filled out, this request will be returned, resulting in unnecessary delays.
Examples of Actual Transactions

Purchasing review required...
Examples of Actual Transactions

Purchasing review required..
Examples of Actual Transactions

**Reimbursement??**

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### Payment Request Number
- **PR-00665250**

### Vendor Information
- **Name:** Amanda
- **Address:** 201 SB
- **City:** Campus
- **State:** UTAH
- **Zip:**

### Payment Information
- **Vendor Type:** Employee
- **Payment is for:** Reimbursement IF SERVICES, LIST TYPE:
- **Mailing Policy:** Business or name addresses are required for consultants, independent contractors, and honoraria. Campus addresses are not allowed if the transaction is reportable under IRS guidelines.

### Note
- Business meals, refreshments, or entertainment expenses must include the names of attendees if less than 15 or name of group and number in attendance, a detailed description, and dates of the function.

### Purpose/lnformation
- **Reimburse costs for Indonesia research**
- **More documentation?**
- **Forward:** Amanda

### Chartfield
- **BL:** 01
- **ORG:** 00116
- **FUND:** 2500
- **ACTIVITY:** 07337
- **PROJECT:** 62600
- **ACCOUNT:** 4,500.00
- **1099 Code:**

<table>
<thead>
<tr>
<th>CHARTFIELD</th>
<th>01</th>
<th>00116</th>
<th>2500</th>
<th>07337</th>
<th>62600</th>
<th>4,500.00</th>
</tr>
</thead>
</table>

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*If the non-resident information above is not completed, this request will be returned unpaid.*
Reimbursement???

My graduate student, Amanda [redacted], is preparing for her field season in Indonesia and needs to transfer money for her stay at the field camp and for the annual cost of a field assistant and the supplies for remote acoustic sensing. I will help her out with the finances by covering a part of her costs (i.e. the field assistant and supply costs for the remote acoustic sensing units).

Could you please request a check to be covered by my setup account and made out to Amanda [redacted] for the sum of $4,500.-- to cover these costs.
Procurement & Payment Options

Make The Right Choice

• Attend the **Procurement Basics Class** offered by Purchasing
• Properly use the following methods to make payments;
  – Limited Purchase Order
  – Limited Purchase Check
  – Payment Request
• Prepare these procurement documents completely so expenditure review by Accounts Payable is expedited.
• **Ask Us** when you have a question!
Procurement & Payment Options

Make The Right Choice

• Policy
  – Familiarize yourself with Policy 3-191: Small Purchases and Expedited Procurement

• Become familiar with these procurement and payment options;
  – Procurement Card
  – Blanket Purchase Order
  – General Purchase Order
  – Limited Purchase Order
  – Limited Purchase Check
  – Payment Request
  – Petty Cash

administered by Purchasing
administered by Accounts Payable
administered by General Accounting
Direct Deposit (ACH)

- Payments can be made by Direct Deposit rather than by check.
- Direct Deposit is available for all vendors who are in the Accounts Payable Vendor Master table.
- There are no checks or paper advices for this distribution. The payment will be deposited directly to the payee’s checking or savings account and an email containing the payment advice will be sent to the payee.
- Once the vendor or student is set up under this payment method, they must notify Accounts Payable in writing if they wish to change the account information or to opt out.
- A Stop Payment can be made on a Direct Deposit payment if Accounts Payable is notified within five working days of the date of payment.
Direct Deposit (ACH)

- Payee receives an email to notify them of the pending payment...

- Direct Deposit Links on the AP Website
  - General Discussion and FAQ
  - Direct Deposit Authorization Form
Procurement & Payment Options

• **Procurement Card**
  – Preferred for small dollar (<5,000)
  – Widely accepted by merchants
  – Minimal paperwork
  – Very efficient reallocation of transactions
  – Excellent controls
  – Some restrictions apply
  – Currently nearly 2,000 cardholders, representing 420 different campus departments
  – Average of 17,000 transactions per month
  – Learn more at: [http://fbs.admin.utah.edu/pcard/](http://fbs.admin.utah.edu/pcard/)
Procurement & Payment Options

• **Blanket Purchase Order**
  – For frequent small dollar (<5,000) purchases
  – Can be created anytime during the year
  – Very convenient
  – Paid through Accounts Payable, on invoice
  – Allows for multiple chartfield distributions
  – Purchasing distributes proof requisitions each Spring for Blanket Orders which expire June 30
Procurement & Payment Options

- **General Purchase Order**
  - Purchases expected to be >$5,000
  - Initiated with a Requisition
  - Can be created anytime during the year
  - Paid through Accounts Payable, on invoice
  - Allows for multiple chartfield distributions
  - All restricted items must use a Requisition
  - Learn more at: [http://fbs.admin.utah.edu/purchasing/](http://fbs.admin.utah.edu/purchasing/)
Procurement & Payment Options

- **Limited Purchase Order**
  - Used for one-time transactions between the University and a vendor
  - They are individually numbered forms, of the format “LO-nnnnnnn”
  - This LPO number should appear on all related invoices
  - Three-part form:
    - Part 1: Vendor
    - Part 2: Accounts Payable
    - Part 3: Department
  - One Invoice per LPO
  - The total order, including back ordered items, cannot exceed $5,000
  - For incremental services or deliverables and you expect multiple payment installments, do not use an LPO, instead use Requisition
Procurement & Payment Options

• **Limited Purchase Order**
  – Follow these steps to obtain LPO’s
    • Complete the written Agreement
    • Pickup forms in the Accounts Payable office. These *cannot* be sent to you via or Campus Mail.
    • LPO Custodian and authorized signatory must sign the agreement and be on the Signature Card record in Accounts Payable
    • LPO’s can be picked up by anyone with a valid University ID Card
Procurement & Payment Options

• **Limited Purchase Check**
  – Can *only* be used for payments to Human Subjects
  – Payments less than $1,000
  – Very convenient
  – Must be kept in a secure location
  – Must be entered into the Positive Pay system
  – Contact Jane Fong in Payables Production to learn more about this program, or to schedule training.
Procurement & Payment Options

- **Payment Request**
  - May be prepared for any dollar amount
  - Preferred method for payments to individuals for services, employee/student refunds, reimbursements, or membership dues
  - Payment Requests should always be used for;
    - Consultants *
    - Independent Contractors *
    - Guest Lecturers ^
    - Performers ^
    - Honorarium
  - For incremental services or deliverables and you expect multiple payment installments, do not use a Payment Request, instead use Requisition.
  - Please refer to [University Regulation Policy 3-111](http://fbs.admin.utah.edu/accountspayable/payment/onlinecheck/) for guidance when paying Independent Contractors and Consultants
  - Payment Request information and forms can be found at; [http://fbs.admin.utah.edu/accountspayable/payment/onlinecheck/](http://fbs.admin.utah.edu/accountspayable/payment/onlinecheck/)
  - Use either the auto-numbered version, or non-auto-numbered (Mac users)

*Professional Services Agreement also required
^Guest Lecturer/Performer Agreement also required
Refer to University Regulations Policy 3-062
Procurement & Payment Options

• Petty Cash
  – Can be effective way to handle small incidental purchases
  – Overview
    • Establish departmental Petty Cash Custodian, who must also be an employee
    • Determine Petty Cash amount, based on estimated 45 day expenditures
    • Custodian is held personally liable for the funds
    • Cash must be kept in a secure location
    • Original receipts are required, and should be taped-down to expedite processing
    • Payments cannot exceed $100
  – Related policy and guidance
    • Petty Cash Funds Guidelines
    • Petty Cash Policy
  – Related forms
    • Petty Cash Request/Change Form
    • Petty Cash Reimbursement Form
  – Contact Steve Allen in General Accounting to learn more about this program.
Travel Related Payments?

• **Use a Travel Form when the following apply;**
  – IF an employee travels more than 100 miles AND more than 10 hours
  – OR IF there are any overnight lodging expenses

• **Contact [Travel](#) if you have a question**
Expedited Payment Requests

• Typically, payments can be made within one business day of receiving the Payment Request.

• Next Day payments
  – $12 handling fee
  – If received before 1:00pm, then check available after noon the next business day*
  – If received after 1:00pm, then we will try to include in the Next Day cycle, but it may be necessary to be included in the following business day activity.

• Same Day payments
  – $24 handling fee
  – Coordinated through office management and dependent upon available resources

• Handling fees can be paid through Campus Order, or deducted from the total payment amount

* Provided the Payment Request successfully passes expenditure review and has all necessary approvals
Commitment to Communications

- **FBS News**
  - FBS News – Financial and Business Services uses FBS News to communicate important financial information, changes, timely updates and useful tips. You can subscribe to the FBS News list and receive FBS News in your inbox.
  - This list is recommended for all persons who wish to receive email notification with financial responsibilities from buying supplies, paying invoices, payroll and reconciling management reports – or anything in between.
  - To subscribe, go to the [Commitment to Communication](#) page, and scroll down to the [Subscribe to ListServes](#) section
Communication Preferences

When **receiving** routine communications from Accounts Payable, what method do you prefer?

- **Email**: 193, 91%
- **Phone**: 17, 8%
- **Web Page**: 1, 1%

When **contacting** Accounts Payable with a specific question or problem, what method do you prefer?

- **Email**: 56, 26%
- **Phone**: 153, 72%
- **Web Page**: 3, 2%
Resources for you…

Accounts Payable Webpage

• Contact Us
  – [http://fbs.admin.utah.edu/accountspayable/contact_ap/](http://fbs.admin.utah.edu/accountspayable/contact_ap/)

• Share Your Feedback
  – [http://fbs.admin.utah.edu/accountspayable/ap_feedback/](http://fbs.admin.utah.edu/accountspayable/ap_feedback/)

• Procurement Options Matrix

• Request Status of Payment Request
  – [http://fbs.admin.utah.edu/accountspayable/status_pr/](http://fbs.admin.utah.edu/accountspayable/status_pr/)

Campus Information Services

• Voucher Payment Search
Questions or Feedback?

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