Procurement & Payment Summary

Accounts Payable

Perry H. Hull
Agenda

• Accounts Payable: What we do…
• Accounts Payable Reorganization
• AP Transaction Volume
• Commitment to Communication
• Procurement & Payment Options
• Direct Deposit
• Expedited Processing
• Survey Results
• Discussion & Questions
Accounts Payable & Payables Production

- Expenditure Review
- Department & Vendor Relations
- Voucher Processing
- Payment Processing
- Auditing
  - 1099 Reporting
  - Duplicate transactions
- Document Imaging
- Form Distribution
  - Limited Purchase Orders (LPO’s)
  - Limited Purchase Checks (LPC’s)
  - Campus Orders
- Campus Order Processing
Accounts Payable

Manager, Perry Hull

Accountant, Jason Burr

Accounting Specialists, Sandra Jones, Shaunda Hill

Receptionist, Janee Bales

Clerk, Whitney Dorsey
Accounts Payable Responsibilities

• Training for departments on AP policies, procedures, and guidelines
• Development of web tools and web content
• Customer satisfaction and communication (including vendors, departments, employees, etc.)
• Assistance with policy development
• Benchmarking with other institutions; evaluation of best practices for applicability and feasibility
• Data sampling and analysis
• Review and approve Payment Requests per established thresholds
Pavables Production

Manager, John Downing

Accounting Specialist
Alice Averett

Accounting Specialists
Maria Nielsen
Clint Rasmussen

Associate Accountants
Pam Holland
Brigetta Blair
Rhett Jones
Gary Nye

Clerks
Sally Yu
Megan Bettilyon
Moryah Love
Jessica Mariner
Payables Production Responsibilities

- Create, edit, and maintain vendor records
- W-9 processing
- LO matching
- PeopleSoft data integrity for the AP module
- 1099 processing including oversight and training for satellite operations
- Data entry for approved payment requests
- Data entry for LPO's, LPC's, invoices against PO's, and campus orders
- Fortis image scanning and maintenance
Payables Production Responsibilities

- Check production
- Maintenance of vendor payment methods
- Vendor ACH enrollment
- ACH production
- Next day and same day check processing
- LPC's data entry and check controls
New AP team—what are the advantages?

- Ability to focus on communications, training, and efficiency improvements
- Team includes individuals with years of experience in Accounts Payable
- Can assist you with selecting the most appropriate procurement method
- Provide training to campus departments
- Work with you to identify efficiency opportunities
- Apply standard expenditure review methodology
- Ultimately achieve reduced processing time
- Documents are ready-to-key for Payables Production team
- Allows the Payables Production team to focus on timely processing
- Check out the January Momentum newsletter to learn more
Accounts Payable Vouchers in Dollars
July 2010 - January 2011: $328M

- Payment Request: $179,536,513 (55%)
- Purchase Order: $93,795,496 (28%)
- Campus Order: $22,148,074 (7%)
- Limited Purchase Order: $5,758,964 (2%)
- Scholarship & Fellowship: $10,343,144 (3%)
Accounts Payable Vouchers in Transactions
July 2010 - January 2011: 103,570

- Campus Order: 26,262 (25%)
- Limited Purchase Order: 12,676 (12%)
- Scholarship & Fellowship: 7,582 (7%)
- Payment Request: 32,178 (31%)
- Purchase Order: 22,948 (22%)
What Does This Mean?

• 103,570 transactions…
• 724 transactions per day…
• 91 transactions per hour…
• 1.5 transactions per minute…
Commitment to Communications

- Web Presence…
- Contact Us
  - http://fbs.admin.utah.edu/accountspayable/contact_ap/
- Share Your Feedback
  - http://fbs.admin.utah.edu/accountspayable/ap_feedback/
- Procurement Options Matrix
  - http://fbs.admin.utah.edu/accountspayable/payment/procurement-options/
- Request Status of Payment Request
  - http://fbs.admin.utah.edu/accountspayable/status_pr/
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 [Subscribe to ListServes](#) section
Procurement & Payment Options

Make The Right Choice

- Attend the [Procurement Basics Class](#) offered by Purchasing
- Properly use Limited Purchase Orders, Limited Purchase Checks, & Payment Request to make payments
- 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
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 over 1,800 cardholders, representing 350 different campus departments
  - Over 15,000 transactions for campus cardholders 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
  – Intended 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 through either USPS or Campus Mail.
    • LPO Custodian and authorized signatory must sign the agreement and be on the Signature Card records 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 **Clint Rasmussen** in Accounts Payable 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 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/
  – Use either the auto-numbered version, or non-auto-numbered (Mac users)
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
  - **Restrictions**
    - Payments less than $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 Reimbursement Form;
  - IF an employee travels more than 100 miles AND more than 10 hours
  - OR IF there are any overnight lodging expenses

- Contact [Travel][1] if you have a question
Direct Deposit (ACH)

- Payments can now 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
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 the following morning of 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
Customer Survey...

- December 3 – January 14
- 212 participated in survey
- Let’s review the results...
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%)
When you receive a response, are you satisfied with the **quality** of the response you receive?
Please list any examples of specific **unsatisfied** response you have received.

- 52 (25%) provided an unsatisfactory response
Please list any examples of specific **satisfied** response you have received.

- 28 (13%) provided a satisfactory response
Payment Request Inquiry Page...

Have you used the new Payment Inquiry page?

- Yes: 48 (23%)
- No: 164 (77%)

If so, is it useful?

- No: 15 (27%)
- Yes: 40 (73%)
Six Month Goals?

- What areas do you think we should focus on over the next six months?

![Pie chart showing:
- Processing Time: 21 (45%)
- Improved Communications: 12 (25%)
- Electronic Processing: 9 (19%)
- Customer Service: 5 (11%)](chart.png)
Wish List?

- What would you most like to see implemented, or changed, in Accounts Payable?
Discussion & Questions

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