

UNIVERSITY OF ILLINOIS

AT URBANA-CHAMPAIGN

F&S

Procurement Services

Purchase Request to Payment

Training

Revised – 11/21/14

November 2014



illinois.edu

Presented by
Deb Caparoon
Sonya Chambers
Maria Thompson

UNIVERSITY OF ILLINOIS

AT URBANA-CHAMPAIGN

Detailed “How To Instructions”
&
“Quick Reference/Resource List”
available at

<https://erin.fs.illinois.edu/resources-benefits/business-tools>



illinois.edu

Agenda

- Overview

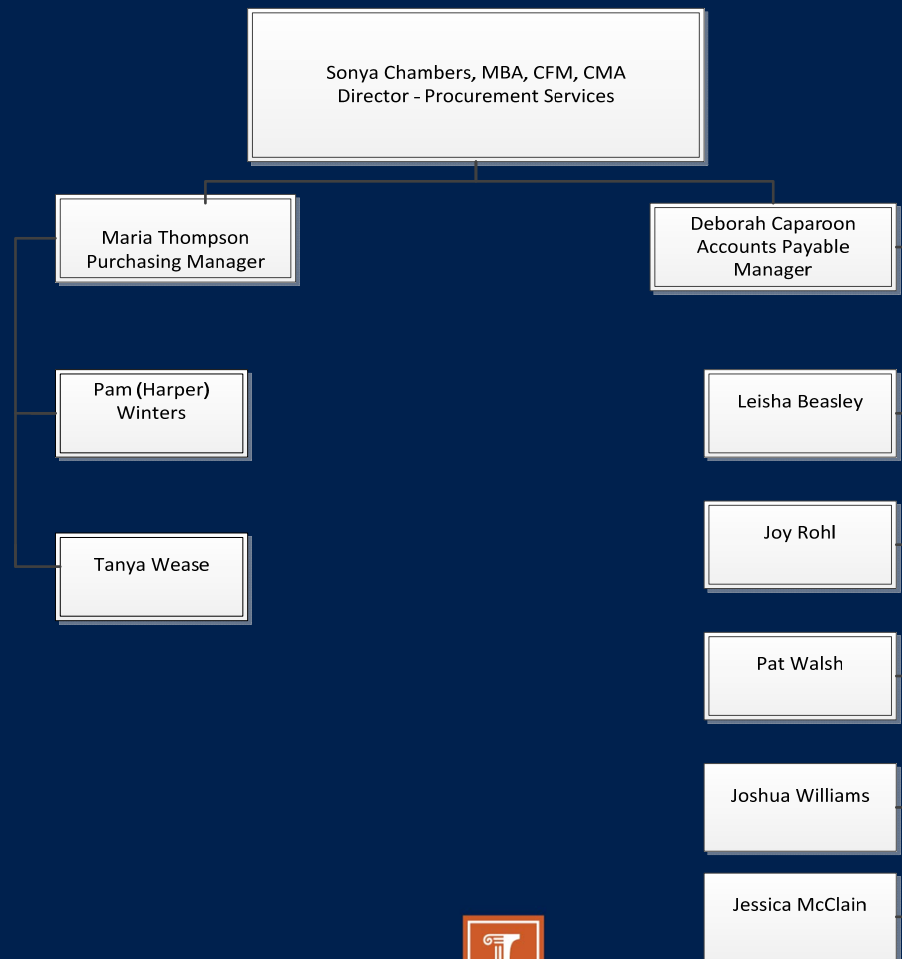
- Procurement Services Team
- Complexity of Purchasing
- Purchasing Policy & Process
 - *Roles*
 - *Limits*
 - *Restrictions*
 - *F&S*
- Procurement Systems
 - *State, University, F&S*
 - *PO Types*

- Purchase Requests

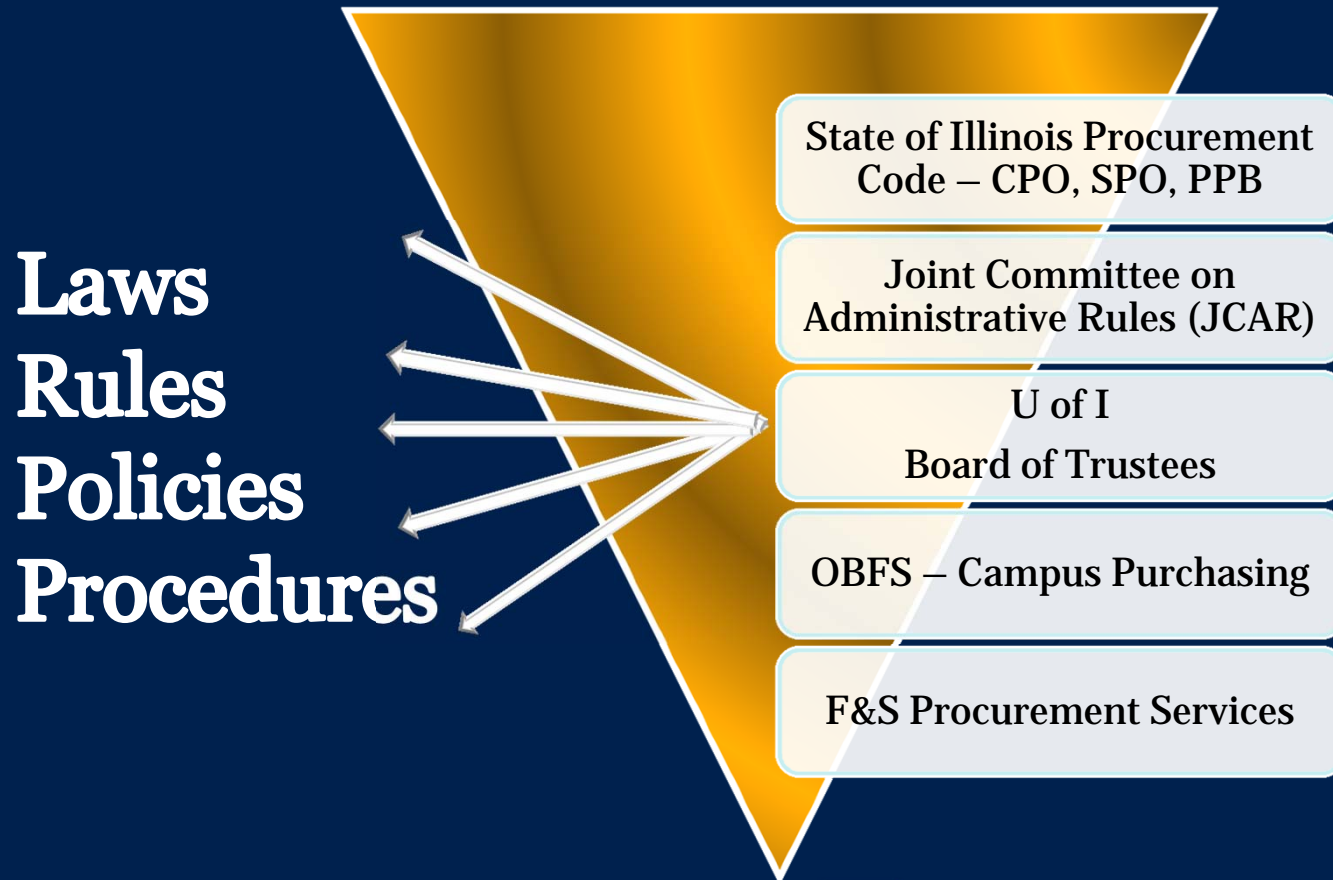
- Submission
- Receipt Entry
- Invoice Management
- Movable Equipment
- Pcard
- Tcard
- Reports & Problem Resolutions



Procurement Services Team



Complexity of Purchasing at UIUC



Purchasing Policy & Procedure - Roles

State of Illinois Procurement Process

- **Chief Procurement Officer** of Higher Education (CPO-HE)
 - Facilitates higher education institutions compliance with the Illinois Procurement Code.
- **State Purchasing Officers** (SPO)
 - On behalf of CPO-HE, approves the day to day purchases of goods and services over the small dollar purchase (bid) limit
- **Procurement Policy Board** (PPB)
 - Provide final review and approval of the award to a vendor for purchases over the small dollar (bid) purchase limit.



Purchasing Policy & Procedure - Roles

University of Illinois Procurement Process - Administration

- **Board of Trustees**
 - Approves purchase and change orders \$1 million or above
- **President**
 - Approves emergency purchase orders up to \$2 million
- **University Comptroller**
 - And delegates, have sole authority to sign/execute all contracts for the University
- **Campus Purchasing**
 - Delegate approval to sign purchase and change orders up to \$1 million



Purchasing Policy & Procedure - Roles

University of Illinois Procurement Process – F&S

- **Procurement Services**
 - Converts purchase requests to purchase orders
 - Approves invoices for payment
 - Oversees solicitation creation, submission, evaluation, award communication
 - Submits access requests for Pcard & Tcard
 - Facilitates moveable equipment management & biennial inventory
 - Primary point of contact to Campus Purchasing & University Payables
- **Department Head**
 - Solicitations request and specifications determination
 - Facilitate policy compliance and address non-compliance issues
 - Request system access and termination for requestor in department
- **Requestor**
 - Submits purchase requests per procedure
 - Ensures receipt of services and goods in all procurement systems
 - Assist with purchase order, receipt, or invoice problem resolution
 - Complies with all policies & procedures



Purchasing Policy & Procedure - **Limits**

\$500 Furniture & Fixtures

- Available surplus review required by State for purchases with unit cost of \$500 or more

\$500 Moveable Equipment

- Tangible items which lasts more than 1 year
- Cost \$500 or more
- Is not absorbed into another piece of equipment
- Not permanently attached to buildings or grounds as fixed equipment

\$25K Financial Disclosures & Conflict of Interest

- Required for purchases exceeding \$25,000
- PPB will review potential conflicts of interests

\$50K State Board of Elections

- Business entity who does \$50,000 worth of business, including the business it does with all state of Illinois agencies and the value of the current project
- Must register with the State Board of Elections



Purchasing Policy & Procedure - **Limits**

Below Bid - Small Dollar Purchases

- Change each fiscal year – for FY15
 - Professional & artistic services up to **\$19,999.99**
 - Architectural, engineering, & land survey services up to **\$24,999.99**
 - General supplies & services up to **\$55,400**
 - Construction services up to **\$77,700**
 - Real property & capital improvement leases, not to exceed 10,000 square feet, and up to **\$99,999.99**



Purchasing Policy & Procedure - **Limits**

Bid Level - Competitive Solicitation

- Purchases greater than the small purchase limits
- Publicizing
 - All notices and awards for competitive bids, proposals, sole sources and emergency purchases are publicized on the Illinois Procurement Bulletin
- Stringing is prohibited
 - Splitting a purchase to avoid the solicitation process into 2 or more purchases and
 - Each purchase has a dollar amount below the small dollar purchase limit



Purchasing Policy & Procedure - **Limits**

Competitive Solicitations **Types**

- Invitation for a Bid (**IFB**)
 - Awarded to lowest priced bidder who is
 - Responsive – meets specifications
 - Responsible – capacity to perform
- Request for Proposal (**RFP**)
 - Awarded to respondent with the highest combined technical and pricing evaluation scores who is
 - Responsive – meets specifications
 - Responsible – capacity to perform



Purchasing Policy & Procedure - **Limits**

- Competitive Solicitation **Exceptions**
 - **Sole Source**
 - Single supplier is the only provider of goods or service
 - Supplier deemed economically feasible
 - SPO approves the validity of the sole source request
 - PPB Public Hearing
 - Held for the competitors of the “sole source” vendor to prove they can provide the good or service thereby proving the purchase is not a sole source
 - Occurs only if a competitor wants to contest



Purchasing Policy & Procedure - **Limits**

- Competitive Solicitation **Exceptions**
 - **Emergency Purchase**
 - A need arises which cannot be met through normal or required procurement procedures
 - Types
 - Threat to public health or safety
 - Repairs to protect University property
 - Minimize serious disruption critical to University services
 - Ensure integrity of University records



Purchasing Policy & Procedure – **OBFS Restrictions**

Pure **Alcohol** (UIUC)

- Must be obtained from Chemistry Stores

Computer **Software** and Electronic Services

- May purchase with a P-Card if certain conditions are met

Gift Cards & Certificates

- Cannot be purchased using iBuy, P-Card, or Banner
- Purchased via program advance



Purchasing Policy & Procedure – F&S

Non-Conforming Order

- **Purchase request** for the contract and or purchase order is **submitted** to purchasing **after the receipt** of goods or services
- To issue purchase order the following is required:
 - Valid & detailed invoice from vendor
 - **Signed letter from Department Head** addressed to Campus Purchasing describing circumstances and steps to prevent reoccurrence
 - Submit purchase request in Online Purchase Request Tool with non-conforming letter attached



Purchasing Policy & Procedure – F&S

F&S Policy Violation Letter

- Required for all **orders placed with vendor without** a valid **release purchase order** in AiM and P-Card orders submitted without receipts.
 - Purchase order is not in AiM, complete non-conforming letter addressed to Facilities and Services
 - Submit letter with purchase request in Online Purchase Request Tool
 - All letters must be signed by Department Head

New Vendor Setup

- Vendor **setup is needed in all Banner & Aim** before a purchase order or payment can be issued to the vendor
- Email: FandS Purchasing -Procurement updates or new vendor setup requests with: Vendor name, contact, phone, and email



Purchasing Policy & Procedure – F&S

10% Markup Waiver

- Available for items delivered to the **job site**
- Waives 10% markup for items not delivered to F&S Stores & Receiving
- Written approval from Department Head is required with purchase request

Prepayments and Deposits

- Requestors delegate authority for Procurement Services to request Receiving to enter receipt for the prepayment in AiM
- Receiving quantity will equal the % of the total payment which the prepayment equals (Prepayment \$2K of \$10K, then 20% received)
- Avoid 100% prepayments



Purchasing Policy & Procedure – F&S

AiM Service Contract

- Requestors use decision criteria to determine if SPO is allowed in AiM Service Contract Module
- Decision Criteria
 - Work performed by vendor to keep an asset in its intended state of use/purpose **and** F&S labor is not used in the process
 - Exclusions exists

Copy Paper

- Use iStores to order paper (if available)
- Use a work order and phase only to make purchase
- If desired, paper is not available then submit an order via Portal

Printing Reminder

- When possible, print black & white and double sided copies



Purchasing Policy & Procedure – F&S

Office Supplies and Computers

- Submit office supplies request through the Portal
- Contact F&S IT to order computers, peripherals, and software

Bulk Sand & Rock (aggregates)

- Order all bulk sand and rock supplies through F&S Transportation & Automotive Services Department
- Excludes orders by the bag

Purchase Change Order

- Necessary for any change needed to original PO
- Must be completed before material or service is received or completed to prevent a non-conforming order
- Submit email to F&S Purchasing -Procurement to request change order

Electronic Storage of Contracts , Bids, & Quotes in AiM on the BPO or RPO



Agenda

- Overview

- Procurement Services Team
- Complexity of Purchasing
- Purchasing Policy & Process
 - *Roles*
 - *Limits*
 - *Restrictions*
 - *F&S*
- Procurement Systems
 - *State, University, F&S*
 - *PO Types*

- Purchase Requests

- Submission
- Receipt Entry
- Invoice Management
- Movable Equipment
- Pcard
- Tcard
- Reports & Problem Resolutions



UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Facilities & Services – Procurement Services Systems

11/5/14

| | | | | | | | | |
|--------------------|--------------------------|------------------|-------------------------|-----------------------|------|-------------------------------------|---------------|------------------|
| PO Creation | AiM | Banner | Elite | iStores | iBuy | MyFS – Online Purchase Request Tool | IPHE Bulletin | P-Card Solutions |
| Invoice Payment | AiM | Banner | MyFS - External Charges | | | | | |
| Problem Resolution | Problem Invoice Database | Banner | AiM | MyFS - Reconciliation | | | | |
| Moveable Equipment | 4D Web | 4D Client | Banner | FabWeb | | | | |
| P-Card/T-Card | AiM | P-Card Solutions | MyFS - External Charges | TEM | | | | |
| Reports | AiM | Banner | MyFS | | | | | |

Procurement Systems – PO Types

Banner - Regular Purchase Order (RPO)

- One time purchase for a defined list of items with an accurate quantity and unit price

Banner - Standing Purchase Order (SPO)

- PO issued for all or part of a fiscal year for a specific dollar amount
- Each fiscal year new requisitions are need to create a new SPO for the next fiscal

AiM - Blanket Purchase Order (BPO)

- Either the SPO number listed above entered into AiM so that individual specific orders can be issued to vendor
- Or for AiM iBuy purchase request
- Contracts and pricing attached

AiM - Release

- Is a purchase order issued from a Standing Purchase Order (SPO) or AiM Blanket Purchase Order (BPO)



Agenda

- Overview

- Procurement Services Team
- Complexity of Purchasing
- Purchasing Policy & Process
 - *Roles*
 - *Limits*
 - *Restrictions*
 - *F&S*
- Procurement Systems
 - *State, University, F&S*
 - *PO Types*

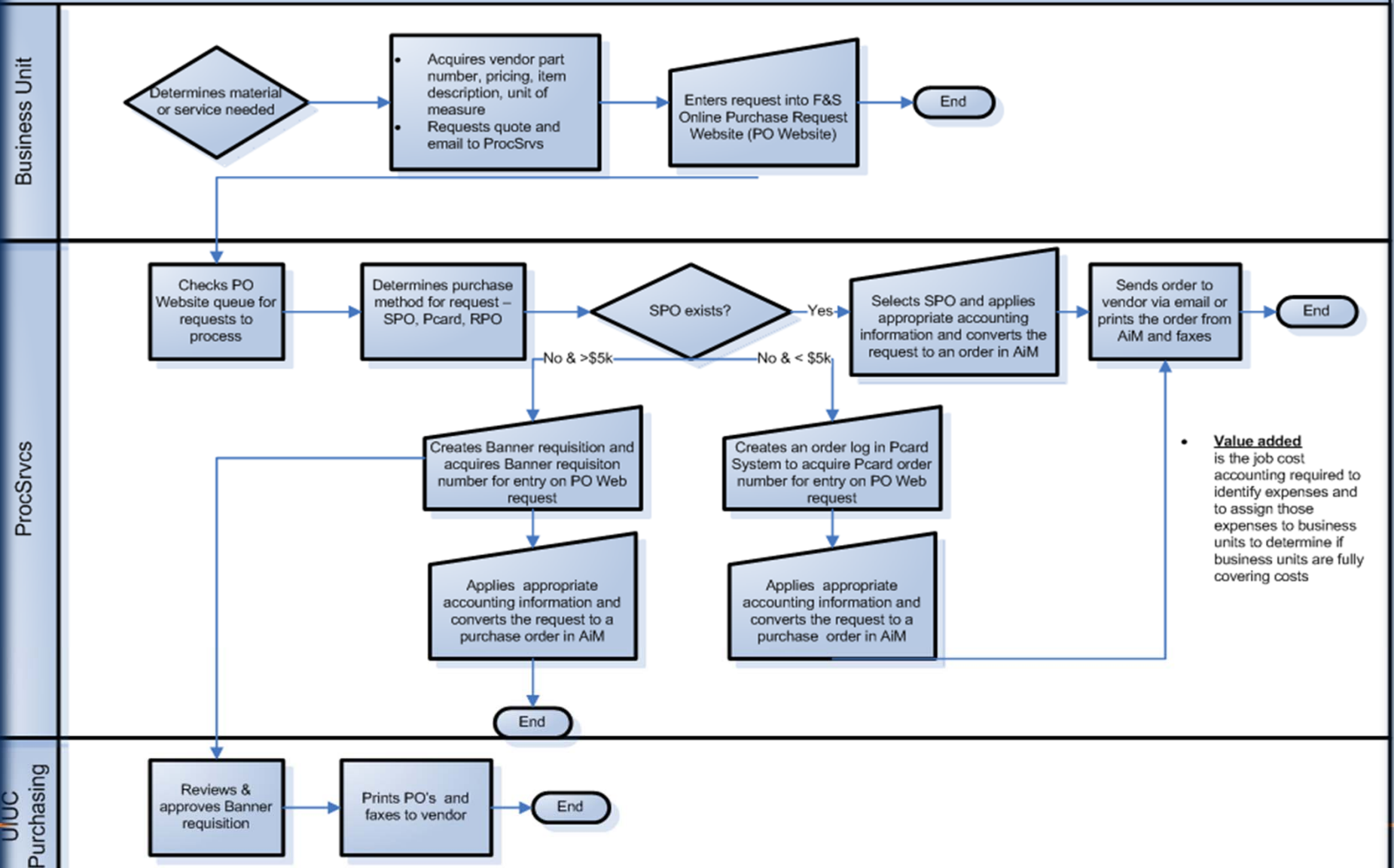
- Purchase Requests

- Submission
- Receipt Entry
- Invoice Management
- Movable Equipment
- Pcard
- Tcard
- Reports & Problem Resolutions



UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Facilities & Services Procurement Cycle – (Part 1- Sourcing, Order Entry, Order Sent to Vendor)



Purchase Requests – Submission

Purchase Request Submission

- Submit all purchase requests through the **F&S Online Purchase Request Website (Portal)**
- Use prime and preferred vendor **contracts**
- Use annual **SPO's**
- See handout for access point and instructions location

Quotes

- A quote is required for each purchase request (excluding Wesco & Grainger, OfficeMax) and must be:
 - Valid for at least 30 days
 - Contain freight and delivery terms
 - Contain terms and conditions if applicable
 - Attached to each purchase request
 - Word (required for solicitations) or PDF format



Purchase Requests – Submission

New SPO Request

- Submit by **email** to “**FandS Purchasing – Procurement**”
- Include in email
 - Vendor tax ID, name, contact, phone number and email address
 - Description of order, dollar value,
 - Quotes, terms and conditions, or proposal

Competitive Selection Process

- Create draft of specifications
- Submit purchase request in the Online Purchase Request Tool (**Portal**) with Word document of specifications attached
- Copy “**FandS Purchasing Mgmt**” on all communications regarding solicitations and exceptions
- F&S Purchasing Manager attends bid opening and facilitates vendors responses to departments



UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Facilities & Services Procurement Solicitation/Competitive Bid Process

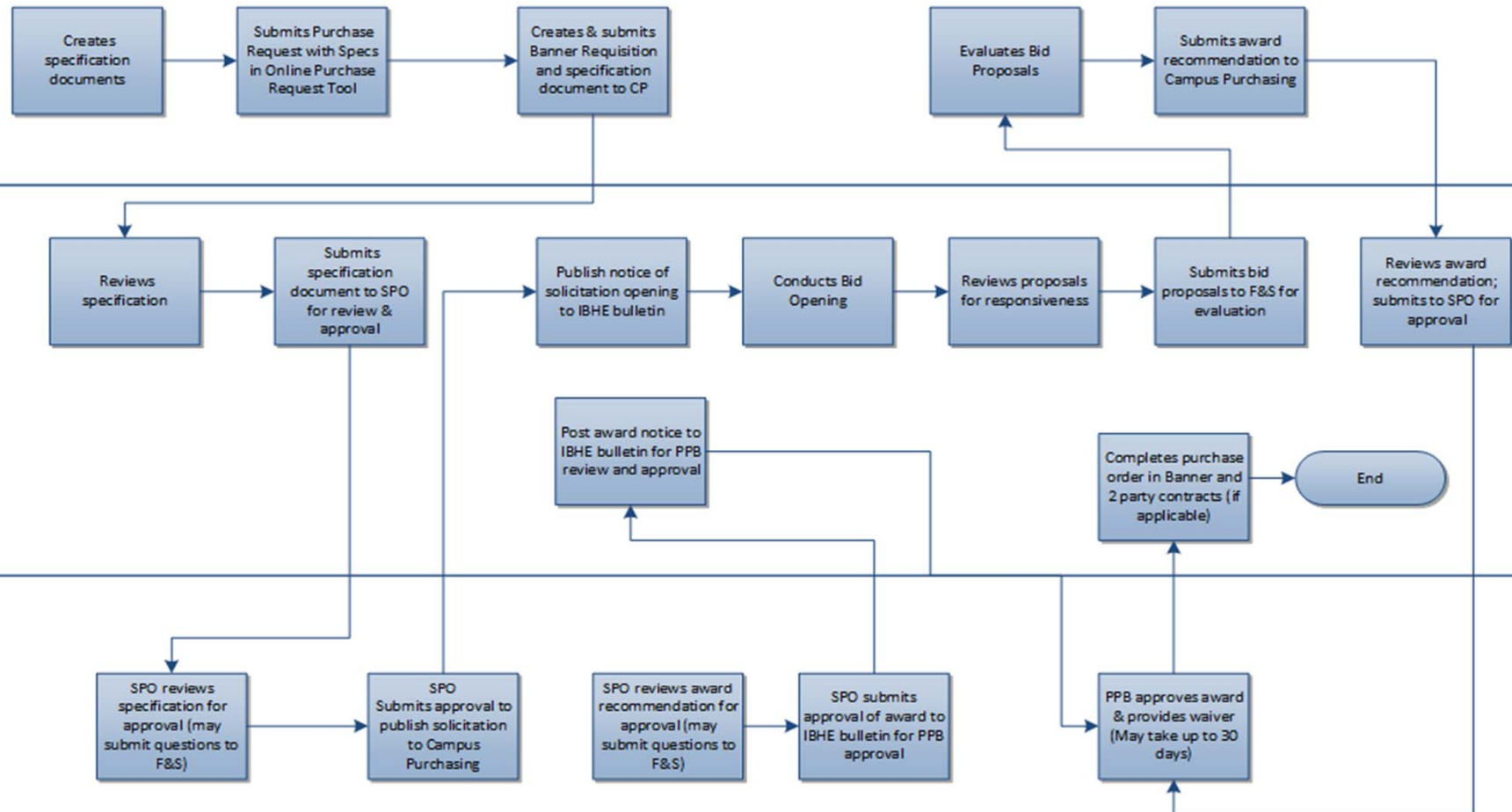
10/30/14

Phase

F&S

Campus Purchasing

State – SPO/CPO/PPB



Solicitations posts on IBHE bulletin for a minimum of 15 days

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Facilities & Services Procurement Solicitation – Sole Source Process

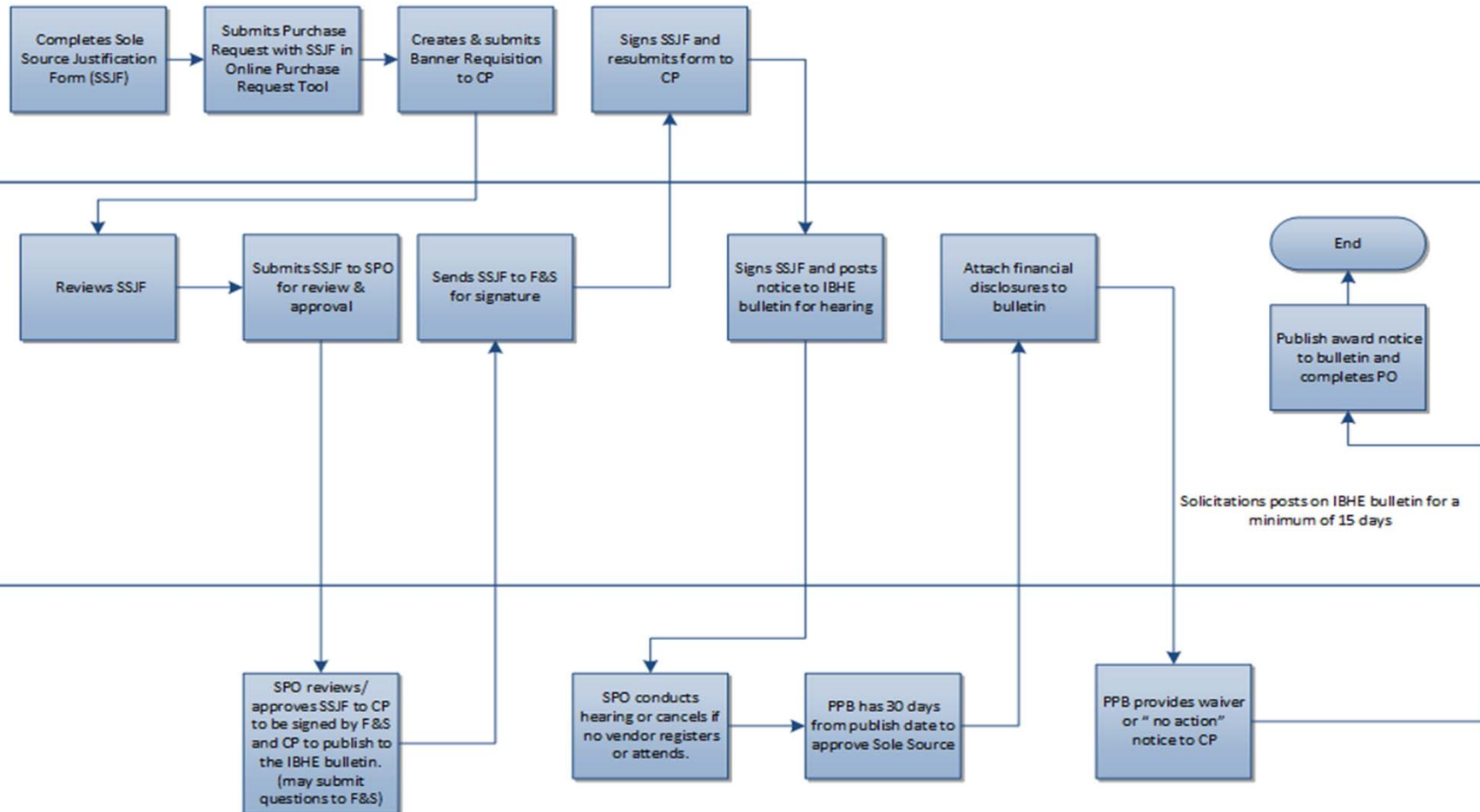
11/4/14

Phase

F&S

Campus Purchasing

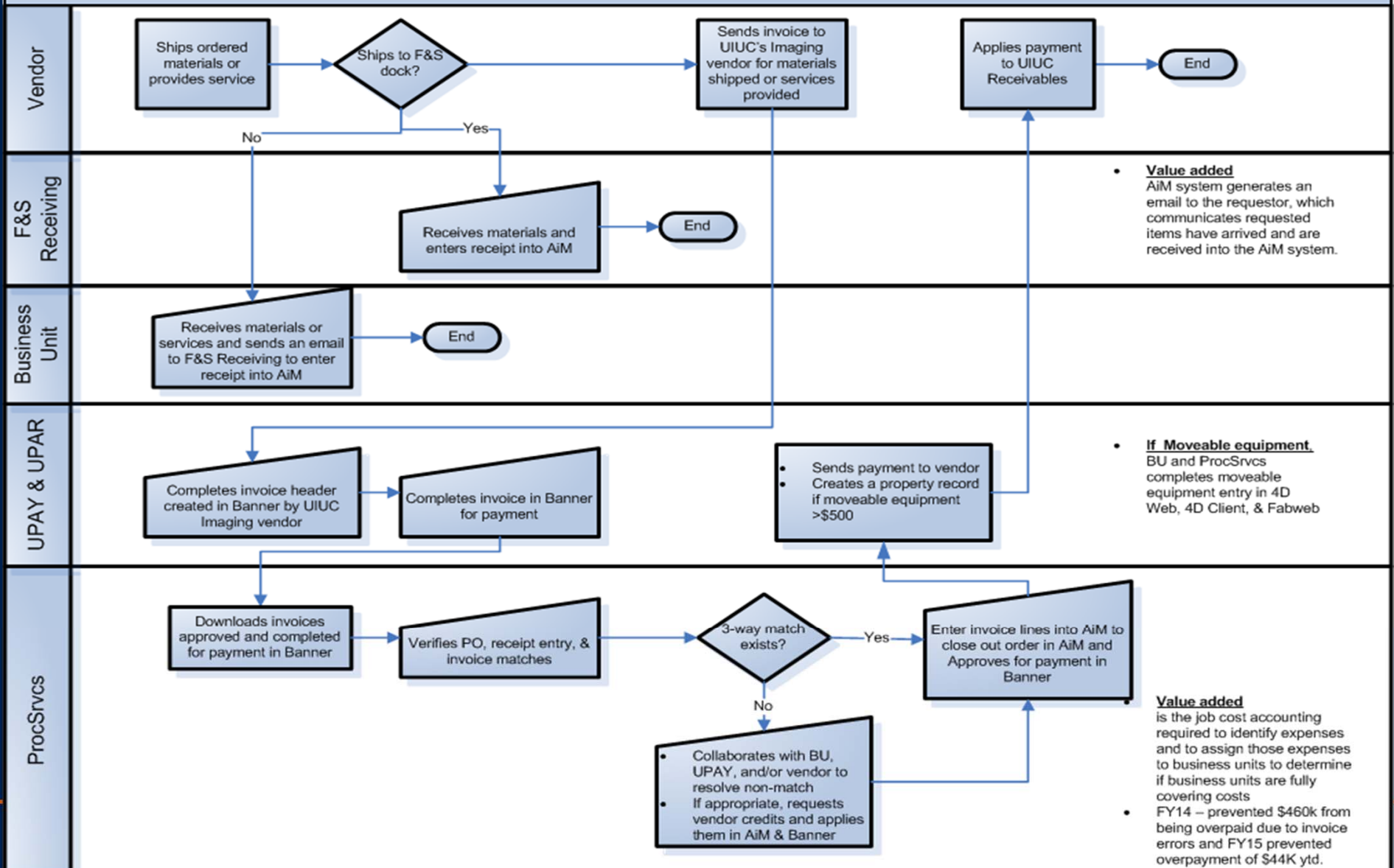
State – SPO/CPO/PPB



UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Facilities & Services Procurement Cycle – (Part 2 – Receipt & Payment)

10/30/14



Purchase Requests - Receipt Entry

Items **Delivered to Stores**

- AiM sends email to requestor after receipt is entered in AiM for item
- Stores will also contact the requestor
- Items may be:
 - Picked up at Stores
 - Provide PO#, requestor name, and date received (if known)
 - Product must be signed out before leaving Stores (badge # required)
 - Delivered
 - Delivery fee may apply

Items **not Delivered to Stores** (Job site, department etc.)

- Deliver paperwork (i.e. packing slip, receipt) to:
 - PPSB Store Room (Room 1860)
 - Zone Store Room 1 & 2 (Plant Services NE Room 111)
 - Zone Store Room 3 & 4 (Madigan Lab Room 66)
- Email : **FandS Stores Central Receiving**
 - Make sure email or paperwork contains:
 - PO #
 - Items Received – if not complete PO



Purchase Requests – Invoice Management

Vendor Invoices – AiM PO Module

- Mail to:
Invoice Processing Center
PO Box 820 Rantoul, IL 61866
- Or email to: upaypop@uillinois.edu
- All invoices must contain
 - A current, valid University PO number
 - Unique invoice number
 - Invoice date
 - Invoice total
 - Vendor remittance address
- All **invoices greater than \$20,000** related to a regular purchase order requires a receipt confirmation.
 - Invoice will not be processed until received



Purchase Requests – Invoice Management

Vendor Invoices – AiM Service Contract Module

- Vendor mails invoices to the requestor
- **Requestor's responsibility**
 - Confirm PO is on the invoice and correct
 - Ensure work order and phase are connected to the PO
 - Notate approved to pay, work order/phase, sign (must be legible), and date on invoice
 - **Send signed invoice** to University payables
 - Email as PDF document to: obfsupay@uillinois.edu
 - Mail to :
Invoice Processing Center
PO Box 820
Rantoul, IL 61866



Purchase Request - Moveable Equipment

Property Control Tag

- All moveable equipment must have an assigned P-Tag (property tag) affixed

Biennial Inventory Requirement

- Inventory all equipment on unit list
- Submit certification letter
- Resolve all “pending resolution” items
- Maintain inventory accurate records via 4D Web



Purchase Request - Moveable Equipment

New Assets

- Send purchase requests for non-computers to ProcSrvcs
- Value **greater than \$500** cannot be purchased on P-Card
- Notate in Portal in the **memo “Moveable Equipment”** and in **line type** choose **“Move-Equip”**
- Once item is received affix property control tag
- Use 4D Web to complete records with required information
 - When asset is received in the unit
 - Need to be completed within 5 business days of receipt of item



Purchase Request - Moveable Equipment

Existing Assets

- Use 4D Web to request an asset transfer or disposal
- Disposal of an asset requires university approval
- Forward transfer requests from non-F&S departments to Procurement Services
- Secure equipment being transferred or disposed to prevent unauthorized removal
- Assist UPAR property inspector with evaluation of equipment to determine scrapped or surplus status
- Coordinate pickup for all disposals with approved disposal vendors



Purchase Request - Moveable Equipment

Biennial Inventory

- Perform physical inventory using **barcode scanners** per schedule
- Use 4D web to resolve “**unfound/pending**” items
- Department head sign off on inventory **write-offs**
- Send **all emails** regarding equipment to **FandS Asset Track – Procurement**

Loan Agreements

- Complete “**loan agreements**” for equipment loaned to business unit employees



Purchase Request - P-Card & T-Card

How to obtain a P-Card or T-Card

- Cardholder is assuming significant fiscal and ethical responsibilities
- **Web-based training** and **certification quiz** passed required
- P-Card or T-Card **Authorization agreement** form required
 - Business Unit Head – F&S
 - Fill out Authorization Agreement completely and send to F&S Department Card Manager (DCM)
 - Notify DCM if P-Card should be cancelled or transferred due to employment status changes
 - Employee
 - Complete online training and quiz
 - Meet with F&S Department Card Manager
 - Valid university phone number and email address required



Purchase Request - P-Card & T-Card

Cardholder Responsibilities

- Make purchases in compliance with all rules, regulations, policies, procedures, and guidelines
- **Refrain from loaning , sharing card, or storing card number on websites or computer web browsers**
- Understand and comply with listing of Prohibited and Restricted Purchases
 - F&S Prohibited P-Card Purchases
 - Moveable equipment over \$500
 - Software, except by IT personnel
 - Chemicals



Purchase Request - P-Card & T-Card

Cardholder Responsibilities

- Obtains **detailed receipts** for each purchase
 - Contains vendor name, date, dollar amount of order and itemized description of item purchased
- **Verifies receipt** of supplies and contacts vendor for any discrepancies or issues
- If cardholder believes not responsible for charge or card stolen or lost, must **notify bank** by calling 800 number on the back of the card and notify the P-Card Manager
- Cardholder should **contact vendor** to investigate charge details and request a credit



Purchase Request - P-Card & T-Card

Cardholder Responsibilities

- F&S **P-Card Process**
 - Completes **P-Card Purchase Form** for each transaction, submit to ProcSrvcs within 1 business day after purchase
 - Filled out completely – all fields are required
 - Original receipts must be attached to the form
 - F&S Policy Violation letters will need to be written if documents are not turned in on time.
- F&S **T-Card Process**
 - Scans all receipts into TEM



Purchase Request - P-Card & T-Card

P-Card Restrictions - F&S

- Cardholders **may use** their P-Cards to purchase items that will be **picked up** from the vendor
- All items purchased with a P-Card that will be **delivered** to F&S **need to be ordered** through Procurement Services Purchasing Department



Purchase Request - P-Card & T-Card

Inappropriate Card Usage Consequences

- Policy Violation:
 - Missing Receipt
 - Missing or Incomplete P-Card Purchase Form
 - ProcSrvcs will send cardholder an **email to request** receipt information.
 - After **2 business days**, if the missing receipt, missing or incomplete paperwork is not received, considered a Policy Violation
 - An **F&S Policy Violation Letter** will be completed for missing receipts, forms and incomplete P-Card Purchase Forms.



Purchase Request - P-Card & T-Card

Inappropriate Card Usage Consequences

- Non-Receipt or Form Violations
 - **First** violation:
 - **Letter is sent** to the Cardholder, Cardholder File, Department Head, and the Corporate Card Office.
 - Letter includes the Cardholder Name, Item, Vendor and an Explanation of the violation.
 - **Second** Violation
 - Same as above
 - **P-Card will be suspended** for the remainder of the current billing cycle, through the **end of the next billing cycle**.



Purchase Request - P-Card & T-Card

Inappropriate Card Usage Consequences

- Non-Receipt or Form Violations
 - For the **third** violation:
 - Same as previous violations
 - The P-Card will be suspended for **one calendar year**



Purchase Request - P-Card & T-Card

- P-Card vs T-Card Appropriate Purchases

| Description | T-Card | P-Card | Description | T-Card | P-Card |
|----------------------------|--------|--------|--------------------------|--------|--------|
| Airfare | Yes | No | GPS Rental | Yes | No |
| Alcoholic Beverages | Yes | No | Lodging | Yes | No |
| Baggage Fees | Yes | No | Late Check Out | No | No |
| Bus or Rail tickets | Yes | No | Laundry and Dry-cleaning | Yes | No |
| Business Meals | Yes | No | Parking | Yes | No |
| Catering | Yes | No | Parking Tickets | No | No |
| Charter Bus | No | No | Per Diem | No | No |
| Coat Check | No | No | Taxi | Yes | No |
| CDW, LDW insurance | No | No | Tolls | Yes | No |
| Conference Registration | No | Yes | Travel Insurance | Yes | No |
| Food and Beverage Supplies | No | Yes | Travel Packages | No | No |
| Foreign National Guests | Yes | No | Travel Visas | Yes | No |
| Fuel for Personal Car | No | No | University Guests travel | Yes | No |
| Fuel for Rental Car | Yes | No | Vehicle Rental | Yes | No |



Purchase Request - Problem Resolution

Problem Invoice Database

- Invoices that cannot be posted in AiM are entered into the Problem Invoice Database
- Several reasons - #1 is not receipt entry is not in AiM

Problem Invoice Database Email

- Auto-generated email sent to the requestor every Monday until problem resolved.
- Follow the instructions and respond within 2 business day.
- New and improved email
 - Subject line will contain vendor name, PO#, ProcAP Processor, and vendor ID
 - Each email will now list the problem types and the action needed
 - Review your email and follow the action required for the problem type listed.



Purchase Requests - Reports

Open PO Report-

- The **Open PO Report** is an Excel spreadsheet of all open obligations in AiM.
- When a PO is created it creates an open obligation in AiM.
- An obligation is closed when payment has been posted to the PO in AiM.
- The Excel file is emailed weekly to requestors for a response to cancel or receive the obligation.

SPO Expenditure Report

- Provides current/previous fiscal year SPO obligated and invoiced expenditure
- Provides link to view **copy of purchase order** and contract pricing (if available)



Purchase Request - Reports

Problem Database Report

- Excel file of all open problem invoices
- Lists all invoices that could not be posted in AiM until problem resolved
- Handed out to Business Units during monthly meetings
- Need assistance in resolving invoice issues



Agenda

- Overview

- Procurement Services Team
- Complexity of Purchasing
- Purchasing Policy & Process
 - *Roles*
 - *Limits*
 - *Restrictions*
 - *F&S*
- Procurement Systems
 - *State, University, F&S*
 - *PO Types*

- Purchase Requests

- Submission
- Receipt Entry
- Invoice Management
- Movable Equipment
- Pcard
- Tcard
- Reports & Problem Resolutions

