Payment and Procurement

How to buy goods & services and pay suppliers
Agenda

Terms of Reference

Current Methods & Options

Purchase and Payment Simplification Program (PPSP)
Procurement and Payment

- Provides the processing of all payments to suppliers for materials, equipment and services purchased on behalf of the University
- Processes expense reimbursements for faculty, staff and students
- Comprised of two distinct sections:
  - Procurement Processing
  - Payment Processing
Procure to Pay Basics

- Trigger – need a good or service
- Stakeholder – customer, Procure to Pay, vendor
- Communication and documentation
<table>
<thead>
<tr>
<th>Payment Amount</th>
<th>Payment Type</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100 or less</td>
<td>Petty Cash or Q-Requisition</td>
<td></td>
</tr>
<tr>
<td>$3500 or less</td>
<td>PCards</td>
<td>For PO exempted items / exemptions apply</td>
</tr>
<tr>
<td>$3500 or less</td>
<td>Q-Requisitions</td>
<td>For PO Exempted items / exemptions apply</td>
</tr>
<tr>
<td>$3500 or more</td>
<td>Purchase Order</td>
<td>Some exceptions apply</td>
</tr>
<tr>
<td>Any amount</td>
<td>Journal Voucher</td>
<td>Internal payments between departments</td>
</tr>
</tbody>
</table>
Preferred Vendor

- Payment and Procurement Services – Supply Management
- negotiates agreements with local, national and international suppliers for ongoing purchases of goods and services.
- By leveraging the University's considerable purchasing power, faculty and staff can receive better value while realizing time efficiencies.
- Price is only one factor when defining cost for an item for the University. The other factors are:
  - transaction costs
  - warehousing
  - purchasing administration
  - payment terms
  - warranty
  - expedition
  - transportation
  - inventory costs
  - packaging
  - obsolescence
  - specifications
  - sustainability
Pre-qualified Vendor

• In certain categories, we have built a list of pre-qualified vendors that purchase services from time to time over a certain period of time (3 years typically)
• Suppliers that are interested in becoming a pre-qualified vendor respond to a pre qualification request on BC Bid.
• Responses will be evaluated and those suppliers that meet the qualifications may be placed on the pre-qualification list for future considerations.
• The evaluation process can vary from a review of documents to a top-to-bottom inspection of your facility.
UBC Buy Smart

• An online portal for UBC staff and faculty to obtain negotiated savings when purchasing goods & services up to $50,000

• Includes the ability to search by:
  – Goods or Services
  – Supplier
Search by Goods or Service

UBCBuySmart is the on-line solution for UBC faculty and staff to purchase and obtain negotiated savings when purchasing goods and services up to $50,000.

For the purchase of goods valued under $3,500 – the UBC PCard should be utilized for payment.

For the purchase of goods valued between $3,500 - $50,000 – a Purchase Order is required.

For the purchase of goods valued at over $50,000 - the competitive tender process is conducted.

There are two supplier categories:

- Preferred supplier
- Pre-qualified supplier

Preferred and/or pre-qualified suppliers may also have an additional designation as a Sustainable Partner.

Alphabetical listing of goods and services provided by preferred, UBC and prequalified suppliers, and sustainable partners.

A B C D E F G H I J L M O P R S T U V W

- A -

Advertising
Animal Food
Animals
Architects
Armoured Car Services

Mandatory Electronic Reporting Policy for Exporters
The following information is from the Canada Border Services Agency (CBSA) regarding the mandatory...

UBCO CRMS Service Change
Please note the following service changes are effective March 1st, 2012. UBCO Central Receiving and...

2011/12 Year-end PCard Deadlines and Procedures
To ensure purchases made before March 31st are included in fiscal year 2011/12, complete your...

Change to UBC’s Contracted Travel Agency Vendors
The following changes and revisions have been made to the...
Search by Supplier

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A B C D E F G H I J L M N P Q R S T U V X

- A -

Ace Courier (Okanagan Campus)
All Rush Express (Okanagan Campus)
Animal Care

top
Supplier: Fisher Scientific

112 Colonnade Road Ottawa, ON K2E 7L6

Contact: Gordon Miller
Phone: 1.800.234.7437 x 1504309
Email: gordon.miller@thermofisher.com

Provides the following Goods or Services:
Scientific Supplies

Supplier types
- Preferred
- UBC
- Sustainable

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Change to UBC’s Contracted Travel Agency Vendors
Purchase Cards (PCards)

- A Scotiabank VISA corporate liability credit card for purchases of up to $3,500
- Can be used for high volume, low risk goods and some services
- Travel and entertainment expense are exempt
- Fuel specific cards can be obtained
- All expenses made on PCards are automatically uploaded to the Financial Management System (FMS)
  - The department can then view and reconcile their Pcard expenses online through Centersuite
Purchase Orders (POs)

- POs are the primary tool for acquiring goods and services (non consulting) over $3500
- **POs are contractual obligations that outline business terms**
  - A PO is a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer.
  - Sending a PO to a supplier constitutes a legal offer to buy products or services.
  - Acceptance of a PO by a seller usually forms a one-off contract between the buyer and seller, so no contract exists until the purchase order is accepted.
Purchase Orders

- A PO starts with a Purchase Requisition Form that must be completed and sent to Supply Management who will in turn issue a PO. Consulting Services will use a Service Requisition Form in FY 13.
- The vendor will quote the PO number directly on the invoice to match.
- Procure to Pay will contact department and request a Supplies Received Report (for invoices above $3500+ and/or for any questionable invoices) to verify that the purchased items were received before paying the invoice.
PO Change Orders

• If a Purchase Order (PO) amendment/change order is required, the open PO can be changed only before final invoice completing the original PO is received.
• Complete the Change Request to Active Purchase Order for these requests.
• Once final invoice has been received, no further changes will be processed. If additional goods/services are required a new purchase requisition is required to be completed and submitted for a new PO.
Retroactive POs

- Retroactive purchases are defined as a purchase or commitment made to a third party without ensuring an approved written contract is in place before commencement of the work.
- When this occurs, the Retroactive Purchase Form must be completed and submitted to Supply Management for review.
- Purchase of goods or services without appropriate delegated authority may leave UBC exposed to liability issues. This form is not intended for use as a regular practice.
PO Exemptions

- Some transactions with values exceeding $3,500 CDN may be exempted from purchase order and may be processed via Requisition for Payment (Q-Req).
- Exemptions included on the current PO Exemption List will allow a Q-Req to be used to process payments over $3,500.
- A Requisition for Payment Exemption Justification Form specifies which exception the transaction falls under and must be completed and attached to each Q-Req over $3,500.
Competitive Tenders

• Strategic Sourcing manages purchases over $50,000 to obtain best value for its expenditures while ensuring that all procurements and procurement processes are characterized by the highest level of institutional and personal integrity;
• Ensure that the procurement process is open, transparent and fair; and
• Ensure that all qualified vendors are given the opportunity to compete for the University’s business while still recognizing the individual needs of the University community.
• Be responsible for the review, evaluation, and documentation of each element of total cost
• Be able to justify the economic, research, and/or educational need for the procurement decision
Paying Suppliers

UBC Departments currently fall into one of the following four categories:

- **Read-Only Access** to PeopleSoft FMS - departments are *unable* to enter transactions directly into the FMS system. The department sends all financial transactions to Finance for processing (Q-requisitions, Travel Requisitions, Journal Vouchers, and Honorariums).

- **On-Line Update Access** to PeopleSoft FMS - departments are able to enter transactions directly into the FMS system (Q-requisitions, Travel Requisitions, and Journal Vouchers. No documentation is sent to Finance.

- **SmartForms** - departments enter transactions into web-based requisition forms which serve to replace paper-based requisition forms. All documentation is sent to Finance for review.

- **All access** - department uses any combination of the above options to maximize accuracy and efficiency of financial transactions.
Completing Forms

- Please print clearly
- All mandatory fields are marked with an asterisk (*)
- Always include a contact name and you can be reached for questions
- Ensure that the individual approving the form has authorization privileges for the speedchart and follows UBC’s one-over-one policy
- Be as detailed as possible in your descriptions
- For journal vouchers, the debit and credit must balance
- Always attach supporting documentation to forms when applicable
FMS Certified

- Departments who achieve Certification are able to enter transactions directly into the PeopleSoft FMS Live system.
- Complete paper-based Travel Requisitions, & Journal Vouchers (the use of paper Q-Requisitions is eliminated by the use of a ‘stamp’ directly on the invoice)
- Obtain signature(s) & attach documentation.
- Enter forms directly into PeopleSoft FMS Live.
- Keeps its own financial records; no paperwork is sent to Central Finance.
• Any Department large enough to ensure proper **segregation of duties** is eligible. At least two staff members, one responsible for ‘Reviewing’ and one responsible for ‘Data-Entry’, are necessary.
• The data entry staff members & reviewers must complete training courses in order to comply with the policies set out by Internal Audit.
• The complete Certification Process is on the Finance Training Website
• Departments that have completed the FMS or Finance Certification process will retain their access indefinitely unless there is abuse or non-compliance.
Petty Cash

- For payments < $100
- For ongoing minor expenses
  - Using a Petty Cash fund is more efficient than issuing a large number of cheques
  - Must not be used for Honorariums
- Petty Cash/Change Float monies must be kept to a minimum and be stored in a secure location
Requisition for Payment

- The Purchase Requisition form is used for payments of up to $3500.
  - Note: individual honorariums, legal fees, consulting fees, and utilities may exceed the $3500 limit.
- Must not be used if goods/services were purchased using a Purchase Order.
- The average turnaround time for cheque processing is approximately 2-4 weeks.
Journal Vouchers (JVs)

- JVs are used as payment for purchases of goods and/or services between two UBC departments.
- JVs for purchases from these UBC departments must be sent directly to the department from which you ordered the goods or services.
- JVs are also used to correct accounting errors (these are usually completed by Procurement and Payment Client Services).
Travel Requisitions (TReqs)

- TReqs are used for employee travel relating to University business
- TReqs can come in the form of:
  - a travel advance
  - A travel clearance
  - A reimbursement
- Claim forms must be clearly detailed and itemized. “Miscellaneous” or “Sundry” items will be returned for clarification
- Original itemized receipts (ie: hotel bills, parking, airport improvement fees, etc.) are required to support a claim
- For an overview of UBC’s travel policies, please see www.travel.ubc.ca
SmartForms

- Web-based requisition forms that serve to replace paper-based requisition forms (Q-Requisitions, Travel Requisitions, and Honoraria).
- Requisition details are entered electronically into a SmartForm and saved in FMS nQuery.
- The SmartForm is printed, signatures obtained, and documentation included.
- The signed SmartForm and all relevant back up are sent to Finance for review.
- Once review is completed, the SmartForm is uploaded directly to PeopleSoft FMS Live by Finance.
• Any department is eligible, including those with ‘On-line Update Access’, that is, departments who have gone through the FMS Certification.

• SmartForms users must complete a 3-hour training course, submit a Smart Forms request form (provided after training), and must have access to FMS nQuery.

• Course descriptions, the training schedule, & registration info are on the Finance Training Website.

• ALL documentation associated with a SmartForm must be sent to Finance before it is processed.
Signing Authorities

• UBC’s policy requires approval (by signature) from one level higher than the requestor

• Please update any changes with Finance
  • Signatures will be checked

• Please ensure the signature
  • used on documents matches
  • your signature card
Tax Issues

• Tax FAQs can be found on the Procurement and Payment Client Services website:
  • [www.finance.ubc.ca/ap](http://www.finance.ubc.ca/ap)

• Tax related questions can be forwarded to Steve Tian:
  • 822-9355
  • stevet@finance.ubc.ca
Purchasing and Payment Simplification Program
Imagine this stack of paper landing on your desk, which was the case in Central Finance one day in March.

Thankfully, it’s time to say goodbye to SmartForms and paper forms to simplify invoice and expense processing.
AGENDA

1. T&E Refresher
   a. Frequently Asked Questions
   b. Where We’ve Been

2. Project Highlights
   a. UBC VISA Card
   b. Online Payment Tool
   c. Organizational Realignment

3. Preparing the Campus
YOU'VE ASKED....

• Why is it taking so long to complete T&E?

• Why haven’t I been more involved in the development process?

• When can I get the new UBC VISA Card?

• What are the changes and how will my staff be impacted?

• How will T&E enable efficiency?
WHERE WE’VE BEEN

• 3-month campus Discovery and engagement process
• 1,000+ hours dedicated to planning, documenting business and technical requirements, examining options to simplify procedures and processes, negotiating vendor contracts, developing OPT
• Complex technical solutions to achieve integration with FMS, HRMS, CWL, ImageNow and other periphery systems
• Input from subject experts in Audit, Privacy, Legal, IT, SDS, KPMG
• Operational review to support and sustain T&E
A REALITY CHECK

• Lack of integration between HRMS and FMS has created major challenges
• Incomplete/out-dated employee data, report-to relationships, and Position management” gaps in HRMS
• Concurrent projects i.e. Uniform Workflow and Integrated Reporting
• IT is maxed out managing current projects and now the T&E implementation
• Launch of other projects at the same time as T&E
WHAT WILL BE RETIRED?

1. SmartForms
2. Paper Forms
   - TReq
   - QReq
   - Missing receipt
   - Cash advance
3. Multiple Credit Cards
4. P-Card Reconciliation in CentreSuite
5. P-Card Coordinator Role
WHAT WILL BE NEW/IMPROVED

1. Online Payment Tool (OPT)
2. Self-Service Access (CWL)
3. Automated Submissions & Approvals
4. Online Status Updates / Event-Driven Email Notifications
5. UBC VISA Card
6. No Receipts Required for Under $20 (Travel Only)
7. Increased Per Diem and Mileage Rates
8. Digital Receipts Store
9. Focus on Customer Service
Simplifying Current Procedures

A sample of upcoming changes include:

- Service Requisitions will replace LOA’s >$3500
- Payroll deductions for personal expenses on VISA Cards
- Gift card
- $20 De Minimus for travel
- Per Diems and Mileage
- Travel cash advances
WHAT’S CHANGING?

1. UBC VISA Card for low value commodity goods, services and travel expenses

2. Downloadable PDF editable forms:
   - Application Form for Individuals
   - Application Form for Departments
   - Change Form

3. No mandatory in-person training
   - Training will be delivered online
FACULTY AND STAFF WILL BE ABLE TO:

• Pay a vendor
• Get reimbursed
• Allocate expenses to a single/multiple speedcharts, account codes or PG
• Create folders to group travel expenses
• Leverage per diem rates
• Reconcile credit card monthly
• Attach digital receipts
• Request PD funding and check balances
ONLINE PAYMENT TOOL DEMO

HYPOTHETICAL SCENARIO STARRING...

INITIATOR

Dennis

APPROVER

Ian

DENNIS SPENDS 2 DAYS AT UBCO FOR MEETINGS...
• Hotel
• Breakfast
• Staff lunch

LET’S LOOK AT THE ONLINE PAYMENT TOOL IN ACTION!
HOW WILL THE CHANGES BENEFIT YOU?

- End-to-end visibility for everyone from initiator, reviewer and approver
- No running around collecting signatures with automated workflow
- Improved turnaround of payments and reimbursements
- Reduction of administrative costs
- Wider acceptance of the UBC VISA Card as a single payment method
- Simplified procedures and better spending controls
- More predictable service levels
- Email reminder notifications with action prompts
- Enablement of self service
- Improved customer experience
www.finance.ubc.ca/ppsp/travelexpense

@UBC_PPSP

Info.pppsp@ubc.ca