

2016 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

Purchasing-to-Payment Overview (Part 2)

April 14 3:15-4:15 pm

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

UIC

Lincoln Hall

707 South Morgan Street

Workshop Presenter(s)

- Melissa Plotner
Assistant Director, University Payables
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- Susie Baker
Associate Director, University Payables
susbaker@uillinois.edu or 217-333-9095

Please ...

- Turn off cell phones.
- Avoid side conversations.
- Please ask your questions at any time
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.

Workshop Objectives

- Learn about the structure of University Payables
- Understand high-level workflow for PO invoices and TEM transactions

OBFS University Payables

- Also known as UPAY
- Centralized unit responsible for all non-payroll payments:
 - Payments to vendors
 - Reimbursements to employees

OBFS University Payables

- UPAY is divided into several different sections:
 - Payment Operations
 - Travel Management Office
 - Card Services
 - Analytics & Operations
 - Customer Service
 - Vendor Maintenance

OBFS Website

- The OBFS website contains valuable information pertaining to:
 - OBFS Policies & Procedures Manual
 - Log-in options
 - Job aids and Training Materials
 - Course and Webinar Registrations
 - Additional Resources

<https://www.obfs.uillinois.edu/>

About OBFS

Who To Ask

Forms

News Center

Training Center

Jobs

Site Map

Accounting & Financial Reporting

Reports, Banner Account Codes, UFAS to Banner Crosswalks, Year-End Procedures, FCIAA, Reference Materials

Audit/Internal Controls

Employee & Supervisor Responsibility, Internal & External Audits

Budgeting

Budget Development Tips, Adjustment Requests, Budget Memo Log, Chicago Campus, Springfield Campus, Urbana-Champaign Campus

Business Travel

Advances, Contracted Travel Agency, Reimbursement Rates, Foreign Travel, Travel Resources, TEM Resource Page

Capital Programs & Real Estate Services

Applications [↗](#), Faculty and Staff [↗](#), Landlord Submittals [↗](#), University Leasing Process [↗](#), Training [↗](#)

Card Services

Department Card Managers (DCM), Purchasing Card (P-Card), Travel Card (T-Card)

Cash Handling

Chicago Campus, Springfield Campus, Urbana Campus

Contract

Business Development Services - UIC:

Government Costing

OMB Uniform Guidance, Rate Schedules (F&A, Fringe Benefits, Tuition), Facilities & Administrative, Tuition Remission, Fringe Benefit Rates, Service Activities, CASB Disclosure Statements, Higher Education Research and Development (HERD) Survey, Costing at a National Level, Historical Summary Reports

Grants & Sponsored Projects

OMB Uniform Guidance, Effort Reporting, Rate Schedules (F&A, Fringe Benefits, Tuition), Banner Index Codes, Month-End Reporting, Audit Reports, Expenditure Reports, Essentials of Post-Award Administration, Links & Resources

iBuy (online purchasing)

What's New, Overview, Get Started, Reporting, Training Resources, About the Project

Payments

Payments to Vendors, Payments to Students, Payments to Non-Employees (Honorarium), Employee Reimbursements, TEM Resource Page, Payables Processing Status

Payments to Foreign Nationals

University Payroll Services,
[↗](#) Payment Eligibility Grid,
[↗](#) Payments to Employees,
[↗](#) Payments to Non-Employees,
[↗](#) Travel and Expense Reimbursements,
[↗](#) Other Payments, Tax Status Review
Appointments [↗](#)

Share: [↗](#) [★](#) [📄](#) [🖨️](#)

Log in to:

Choose the application

OBFS Initiatives

- Transparency Commitment

Resources:

- Banner Alerts & Resources
- Benefits Information
- Calendars, OBFS
- Conferences
- Human Resources [↗](#)
- i-card [↗](#)
- Identity Theft (Red Flags Rule)
- Office of Treasury Operations [↗](#)
- Orientation for New Business and Finance Employees
- OBFS Policies & Procedures Manual
- U of I Phonebook [↗](#)
- Web Sites & Applications

Information for:

- Business Managers
- [↗](#) OBFS Employees Intranet
- Students
- Vendors

Current Announcements

- March Training Sessions
New training opportunities

Vendor Selection

- Is a vital piece of the process that needs to occur before making a purchase
 - Verify vendor is established in Banner
 - Verify remit address is available under vendor ID
 - Selecting an incorrect vendor ID can affect 1099 reporting and/or delay payment

Purchase Order Invoices

- Vendors can mail invoices to:
 - University of Illinois
Invoice Processing Center
P.O. Box 820
Rantoul, IL 61866
- Vendors can email invoices to obfsupay@uillinois.edu, provided that they meet University requirements.
 - More information on emailing invoices is located on the OBFS site: OBFS Home>Payments to Vendors and Students>Vendor Invoice Payment Process

Purchase Order Invoices

- Invoices must contain the following information:
 - Purchase Order Number
 - Unique Invoice Number
 - Date
 - Remit Address
 - Detailed Billing

Banner Document Management (BDM)

- Gives you the ability to:
 - Review invoice image
 - Add Notes
 - Multiple search fields available:
 - Banner Transaction Number (I Number)
 - Purchase order number
 - Invoice Number
 - Invoice Amount
- The Basics of BDM: Banner Document Management
 - OBFS Home>Payments to Vendors and Students>Vendor Invoice Payment Process>Find Invoice Rejects in Banner

Unit Action

- For PO Payments
 - Receipt Required
 - Placed on Hold
- UPAY sends automated email messages

Purchase Order Invoice Holds

- Reasons why PO invoices may be placed on hold:
 - Over Tolerance
 - Non-Conforming
 - Item Add
 - Incomplete information (line item detail)
 - Over \$50K on a standing order

Over Tolerance

- 10% or \$150, whichever is triggered first
 - Standing PO's – tolerance calculated on total of PO
 - Regular PO's – tolerance calculated on the line
 - No tolerance on quantity or bid orders

Rejected Purchase Order Invoices

- Payables is unable to determine the owner of the invoice
- Payables is unable to return the invoice to the vendor
- PO information is not visible/searchable in the BDM index fields

iBuy E-Invoices

- Selected iBuy catalog vendors submit invoices electronically in iBuy
 - No paper copy
 - Banner invoice number will begin with IE
- Matching via workflow
 - Communication for any issues via iBuy comments
- Invoice Acknowledger Role
 - Approve e-invoices with a line item of \$5,000 or more
 - Acknowledged invoices bypass any Banner receiving requirements

TEM Resource Page

- First place you should go if you have a question
- Best source for most up-to-date TEM information
- Over 50 job aid covering everything from advances to workflow statuses

TEM Resource Page

- Listen to previously conducted webinars
- Register for Open Labs and Webinars

<https://www.obfs.uillinois.edu/tem-resources/>

Reasons an ER is Rejected

- Incorrect Business Purpose (using “Employee Travel instead of “Arranged Travel”)
- Incorrect Banner UIN Number and/or incorrect/expired/inactive address type/sequence
- Incorrect Expense Types (using “General Services” as a catch all expense type
- Incomplete/illegible back-up documentation (Proof of Conference Lodging not included)
- Incomplete Business Justification for expense
- Incorrect use of Honorarium

Honorarium Payment

- Honorariums should be used when:
 - One-time payment
 - \$5,000 or less
 - Not an employee of the University
 - Event is special and non-recurring
 - Vendor is not expecting payment

Tips to Reduce ER Rejections & Delays

- Be familiar with policies before starting the ER
- Call or email beforehand if questions
- Choose the purpose carefully
- Provide business purpose/benefit
- Attach receipts and or other documentation
 - Check the view receipts icon after scanning for legibility and completeness

Tips to Reduce ER Rejections & Delays

- Be as complete and thorough as possible
- Use Banner Form FTMVEND to verify the address field is not checked as inactive. Be sure to read FOATEXT.
- Use the correct expense type for the expense and do not lump expenses together
 - Certain expense types have different IRS tax reporting requirements
 - Work with UAFR to determine best expense type

IRS Accountable Plan

The University is subject to the IRS Accountable Plan Rules which define the circumstance under which reimbursements are considered non-taxable income.

These are:

- The expense must have served a business purpose
- The employee has submitted receipts substantiating the date, time, place, and amount within a reasonable amount of time (defined as 60 days)
- The employee returns excess advances or reimbursements within a reasonable amount of time (defined as 120 days)

IRS Accountable Plan

If all three rules for the accountable plan are met, reimbursements will not be included as income on your W2.

The IRS publication can be found:

https://www.irs.gov/publications/p463/ch06.html#en_US_2014_publink100034114

Business Purpose

- The business purpose should state both “What” and “Why”
- The more details provided, the better

Examples of inadequate business purpose:

- SSWR Conference
- Attended Conference
- External Hard Drive
- Meal with Colleagues

Examples of adequate business purpose:

- Presented a paper at the Exotic Animal Symposium to share research with colleagues and encourage collaboration in future research projects.
- Business meal with John Q Smith – guest speaker from Purdue University.
- Portable USB Flash Drive needed for field research when away from the office.

Business Purpose

- The University is in the business of research and education, so explanations and descriptions can/should be made in that context
- Use of acronyms and abbreviations should be minimized
- Cross reference notes and receipts when appropriate

Why All the Detail

- More info while constructing the document provides for more efficient review at a later date by:
 - Grants
 - Audits
 - FOIA's
- More details improves documentation trail and history without relying on memory
- Detailed descriptions create better chances of consistent treatment

Payments to Vendors

- Check Runs
 - Bank DA (local funds) Wednesday
 - Bank 13 (state funds) Wednesday & Friday
- ACH (Direct Deposit)
 - Available to vendors
 - Payments paid per terms established on purchase order
 - Non-PO invoices are paid per the terms established on the vendor record

Card Services

- UPAY Card Services oversee and administer the University card programs
 - Purchasing Card (P-Card)
 - Travel Card (T-Card)
- Unit approval and card training must occur before card will be issued

Use Your T-Card

- The T-card should be used by employees to purchase qualified travel expenses and business meals
- Relieves the employee from significant out of pocket expenses

Use Your P-card

- The P-card should be used by employees to purchase qualified supplies and/or small equipment costing \$4,999 or less
- P-card should be used at the point of sale and not used to pay for an item tied to a purchase order

Card Services Training

- All applicants must complete the web-based training that covers P-card or T-card policies
- All applicants must pass the certification quiz before UPAY Card Services will process an application and issue a P-card or T-card

For Additional Information

University Payables Customer Service
Illini Plaza Building Suite 210, MC-660
1817 South Neil Street
Champaign, IL 61820

obfsupay@uillinois.edu

217-333-6583

888-872-9953

<https://www.obfs.uillinois.edu/>

How Can I Buy....?

- OBFS Home>Purchases>Ordering and Payment Methods:
<https://www.obfs.uillinois.edu/purchases/ordering-payment-methods/>
- Direct Pay Exception List:
<https://www.obfs.uillinois.edu/payments-vendors-students/vendor-invoice-payment-process/non-po-invoices/>
 - Contract for Services (under \$10,000):
<https://www.obfs.uillinois.edu/forms/contracts/>
- T-Card and P-Card Quick
Reference: <https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94904>

Questions / Concerns?