

2010 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

New and Upcoming Business & Finance Policies and Systems

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

Succeeding in Challenging Times

Workshop Presenters

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Workshop Objectives

- To provide audience with an overview of new initiatives within University Payables
- To provide audience insight into FY2009 external audit findings
- To give audience an opportunity to ask questions and provide feedback relating to policies and procedures relating to accounts payable and employee reimbursement processes

Workshop Content

- Overview of the E-Settlement Project
- Overview of the Travel Expense Management (TEM) System
- P-Card Compliance Issues
- FY2009 external Audit findings and potential policy changes
- Human Subject Payments
- Telecommunications

E-Settlement Project

Project Objective

- Replace current manual, paper-based Accounts Payable processes with an electronic REQ-to-CHECK solution in an effort to reduce costs and improve operating efficiencies
- Vendor will submit invoice data via an electronic feed as opposed to mailing paper invoices
- Invoice data will be electronically matched to the purchase order by quantity and unit price

E-Settlement Project

Project Objective (continued)

- Matched invoices will electronically populate Banner Accounts Payable if no line items exceed \$5,000 – eliminates all data entry by UPAY staff
- Vendors may be paid electronically – either credit card or ACH

E-Settlement Project

Project Status

- Design phase January/February
- Testing phase March/April
- Communication to USC's for invoice acknowledgement queue setup March/April
- Web-based training targeted May
- Anticipated go-live May

E-Settlement Project

System Design

- Initially for iBuy catalog vendors only – vendors will be phased in gradually
- Designed primarily for high invoice volume vendors
- Low impact to units—confirmations or acknowledgements (when required) are all completed in the iBuy system – no new system to learn

E-Settlement Project

Advantages

- Streamline processes
- Improve efficiencies in UPAY
- Provide savings to the University of Illinois
- Support the paperless initiative
- Offer reporting functions to analyze direct spend
- Present better opportunities to identify discounts
- Vendors are asking for the ability to submit invoices electronically in an effort to reduce their costs

E-Settlement Project

Workflow

- Invoices with line items exceeding \$5,000 will route to department queue for acknowledgement
- University Payables may forward exceptions to the department queue for resolution

E-Settlement Project

New Department Roles

- **Query Only**
 - Can be requested for any University employee whose job responsibility includes reviewing requisitions, purchase orders, and/or invoices
 - If the employee already has an iBuy profile with at least one other role assignment, this role does not have to be added to the user profile

E-Settlement Project

New Department Roles

- **Invoice Acknowledger**

- Will be requested for any University employee whose job responsibility includes reviewing and acknowledging invoices
- At this time, every department must have one invoice acknowledger in the department's invoice queue

E-Settlement Project

Department Responsibilities

- Timely review of invoice data routed to user's queue in iBuy for receipt acknowledgement and/or problem resolution
- Email notification will be sent to the Unit Invoice Acknowledgers
- Reminder email notifications will be sent if invoice is not acknowledged
- Responsibility of Department USC to submit & maintain personnel changes to Security Application
- Reports/queries are available for historical data

E-Settlement Project

Summary

- iBuy Catalog Vendors initially
 - CDW-g
 - Sigma-Aldrich
- Web site posting to announce implementation date
- E-mail notification to announce training
- Training will be Web-based
- Ensure USC's are aware of the communication that will be sent

Travel & Expense Management System

Project Description

- Online processing of current paper-based voucher payments for miscellaneous expenses and travel reimbursements
- Easy for travelers to access and use
- Users and approvers the ability to track payment status
- Real-time receipt image capture
- Electronic signatures provide reliable authorization
- University travel card minimizes out-of-pocket expense to the employee

Travel & Expense Management System

Benefits

- Allows employees to access system at anytime from anywhere
- Automates business rules; guides users in creating vouchers
- Allows users and approvers to track voucher status – eliminating the “black hole” of paper voucher system
- Allows University to capture travel data for cost savings in future travel-related procurement /contract negotiations
- Eliminates duplicate keying of information into Banner
- Provides functionality for University travel card—limits out-of-pocket expense to the traveler and reduces audit findings

Travel & Expense Management System

Projected Savings

- Hard Savings
 - Reduction in Processing Staff in University Payables
 - Reduction in costs of scanning documents in University Payables.
- Soft Savings
 - Elimination of tax gross ups paid by units for vouchers returned past 60 days – estimated University-wide savings of \$40,000/yr
 - Time saved from returning vouchers to be reworked in units (currently around 30% of all vouchers are returned)
 - Possible reductions in staffing in University units, especially in larger units

Travel & Expense Management System

Status

- RFP completed; BOT purchase approved; vendor selected (Infor) and on-site beginning installation
- Project Team underway
- Campus unit representatives – all three campuses – participating in focus group for implementation
- Anticipate installation in about six months
- Anticipate beginning slow rollout to units next fall – full year to add all units
- Anticipate online and in-class instruction

P-Card Compliance Issues

- Use of the card for unallowable purchases
- Lack of, unacceptable, or late documentation of purchases
- Failure to reconcile charges
- Sharing of P-Card
- Splitting or stringing transactions
- Posting to wrong GL account

P-Card Compliance Issues

- Business meals/documentation
- Personal charges
 - Cell phone
 - ISP
- Contracts/quotes requiring a signature
- Professional & artistic services
- Insurance and liability issues

FY2009 Audit Findings

External Audit

- P-Card charges will not be allowed to default to a Sponsored Project fund string (watch for more information about this in the future).
- Charges on P-Cards that are auto-reconciled have resulted in a new audit finding that could lead to additional requirements to monitor and adjust all payments that have not been reconciled.
- The Corporate Card Office (CCO) must have a copy of the cardholder agreement on file for all current cardholders. Your unit will be contacted if you need to provide these documents.
- All business transactions for the current fiscal year should be posted to the Banner system by the announced deadlines for inclusion in the financial statements for this year's business. Please ensure your unit is in compliance by reviewing the *Fiscal-Year-End Closing Procedures* on the OBFS Web site.

Human Subjects – Payment Methods

U.S. Citizens, Permanent Residents, and Resident Aliens for Tax Purposes

- **Cash**
 - When total payments to participant are less than \$100 in a calendar year
- **Gift Card/Certificates**
 - When total payments to participant are less than \$100 in a calendar year

Human Subjects – Payment Methods

U.S. Citizens, Permanent Residents, and Resident Aliens for Tax Purposes

- **University check**

- Made payable to research participant when total payment will be \$100 or more in a calendar year
 - Must be set up as permanent vendor in Banner prior to submission of payment request
- Made payable to research participant when payment must be mailed
 - May use “TEMP” vendor if participant will receive less than \$100 in a calendar year
- Made payable to a vendor to purchase gift cards if participant is receiving less than \$100 in a calendar year

Human Subjects – Funding the Study

- Payments issued in the form of a University check to the participant may be charged directly to the C-FOAPAL associated with the study.
 - Complete the Multiple Payee Form and attach to the Invoice Voucher and Travel/Program Advance Form.
 - Use account code 141200 for these payments
- Payments issued in the form of cash or gift card/certificate must be funded using a program advance

Human Subjects – Program Advances

- A program advance is issued to the employee conducting the study
 - Payment of advance funds
 - University check payable to employee
 - Direct deposit to employee
 - University check issued to a vendor (advance will be issued in the name of the employee)

Human Subjects – Payments to Non-Resident Aliens

- All participant payments to Non-Resident Aliens must be processed through University Payroll and issued in the form of a check regardless of dollar amount
- Payments are subject to 30% federal income tax and 3% state income tax withholding, unless a tax treaty exists for the participant's country of residency
- Process payments in accordance with OBFS policy Section 18.2

Telecommunications

- Pilot program for stipends has ended
- New policy being written to be effective July 1, 2011
- Until then, those enrolled in stipend program will continue to receive the stipends; Those not in stipend program are to follow current policy

Telecommunications

- **University-Provided Equipment**

- The purchase of University cellular phones and other communication devices that combine, telephone, internet access and email, such as Blackberry or Treo must be purchased from Telecommunications Services at each campus. The campus Telecommunications Office must approve exceptions.
- An employee may use his/her personal cellular phone or other device for approved business-related purposes and request reimbursement

Telecommunications

- **University Business Calls Made with a Personal Cellular Phone**
 - Reimbursement is requested on a Travel/Employee Expense Reimbursement Form.
 - As with other reimbursements, IRS accountable plan rules must be followed for an employee to be reimbursed for University business calls made using a personal cell phone.
 - The substantiation required for the reimbursement is an itemized bill from the cellular company with the business calls highlighted.
 - Reimbursement is determined by calculating the percentage of business calls versus the total bill.

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