

BEST PRACTICES, Purchasing Department

Title: Insured Maintenance Program **#** 16

Source: Georgia State University

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The Insured Maintenance Program allows the University to streamline its procurement duties as it applies to the issuance of maintenance agreements. Instead of 1,500 maintenance purchase orders issued over the course of a year, the Insured Maintenance Program required only one purchase order be issued. Since a single provider handles the Insured Maintenance Program, the University is able to save thousands of dollars in direct and indirect costs associated with maintenance agreements.

Title: Procurement Card Internet Expense Reallocation Tool **#** 22

Source: Georgia College & State Univ Sys

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The procurement card is recognized as the preferred method for small dollar purchases at Georgia Institute of Technology. The value of writing one check to the bank rather than process numerous invoices, the built-in controls in commercial credit cards, the ease of refunds and the use of cards by employees in the units, all fit and enhance the distributed procurement model at Georgia Tech.

In a continuing effort to maximize technology and increase customer service, Georgia Tech created an internet based procurement card application to reallocate financial data consisting of project numbers and expense account codes.

Procurement card focus groups, comprised of the user community, revealed that although the ease of purchase was greatly enhanced, the procurement card default project number and expense account code were often inappropriate for the expense. An initial charge to the appropriate project number and expense account code would be preferable. This is especially true for sponsored projects. The groups also expressed a desire for more timely posting of procurement card expenses to the ledger and the ability to review transactions as near real time as possible.

Effective April 14, 2003, Georgia Tech procurement cardholders and procurement card coordinators can log into an internet based tool which allows them, on a daily basis, to review their procurement card transactions and reallocate the expense to a valid project number or expense account code of their choosing.

The internet procurement card expense reallocation tool gives department coordinators the ability to manage multiple cards within their unit with ease and in a timely manner.

The feedback from our user community has been very positive. The success of this initiative is evidenced through the dramatic growth of the procurement card program. The program has grown from 31 cardholders in 1997 to over 1360 cardholders today. This equates to over 108,000 transactions and \$27,000,000 in spending annually.

BEST PRACTICES, Purchasing Department

Title: Purchasing Card Program for Resident Assistants # 23

Source: University of Virginia **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The Procurement Services Department at the University of Virginia created a successful Purchasing Card program for the student staff members of the University's Residence Life program. Student Resident Assistants perform a variety of functions that require them to make numerous small dollar purchases. The traditional purchasing and payment methods, however, were too cumbersome and administratively costly for this particular purpose. Procurement Services staff worked with the Residence Life Office to explore alternatives that would meet the needs of the University's 240 student Resident Assistants. The result of this collaboration, a modified version of the University's Purchasing Card program, has met the needs of the Residence Life program by enabling student Resident Assistants to do their jobs more flexibly and efficiently while significantly reducing the administrative costs of processing these payments.

Title: Supplies Gateway Project # 27

Source: University of Texas at Austin **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The University of Texas at Austin partnered with Office Depot and Hurricane Office Supply, a Texas Historically Underutilized Business, to implement a business-to-business 'Gateway' for administrative and academic departments to purchase Office Supplies. Through revisions in business processes, developments in technology, and the unified efforts of the entire campus community, the University transformed a decentralized office supplies procurement process into a single point of procurement, decreasing costs without sacrificing service, and leveraging buying power to negotiate greater discounts.

Title: Web-Based Goods and Services Procurement Guide # 31

Source: University of Virginia **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The University of Virginia's Procurement Services Department has oversight responsibility for all purchases made directly by departmental users. In an effort to help University staff understand and comply with the large number of rules that apply to the procurement process, Procurement Services created a web-based Goods and Services Procurement Guide. The Procurement Guide pulls information together from several different sources and presents it in a concise and easily searchable format. The Procurement Guide indicates which of five purchasing/payment methods may be used for more than 100 specific commodities. The Procurement Guide also notes when special restrictions, forms, or approvals apply to particular commodities and indicates when contracts and/or internal service providers are available for each type of commodity. The Procurement Guide has helped University staff do their jobs more quickly, efficiently, and accurately.

BEST PRACTICES, Purchasing Department

Title: Web-Submission of Procurement Forms # 34

Source: University of Virginia **Co Area:**

Add Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The University of Virginia's Procurement Services Department is responsible for maintaining and processing a large number of forms pertaining to various aspects of the procurement process. The Procurement Services staff recently redesigned its paper forms to an electronic format that can be submitted through the web. This innovation has significantly reduced the time and administrative cost required to process these forms and has contributed to the overall goal of saving money for the University by streamlining the procurement process.

Title: Pay Based on Receiving Approval Only # 34

Source: Book by Steven M. Bragg **Co Area:** Controller's Office - A/P

Add Info: [Accounting Best Practices - 3-1, pg 18 - Contact Dianne Parkerson, 561 297-3946](#)

Abstract: The accounts payable process is one of the most convoluted of all the processes that a company can adopt, irrespective of the department. First, it requires the collection of information from multiple departments-purchase orders from the purchasing department, invoices from suppliers, and receiving documents from the receiving department. The process then involves matching these documents, which almost always contain exceptions, and then tracking down someone either to approve exceptions or at least to sign the checks, which must then be mailed to suppliers. The key to success in this area is to thoroughly reengineer the entire process by eliminating the paperwork, the multiple sources of information, and the additional approvals. The only best practice that truly addresses the underlying problems of the accounts payable process is paying based on receipt.

To pay based on receipt, one must first do away with the concept of having an accounts payable staff that performs the traditional matching process. Instead, the receiving staff checks to see if there is a purchase order at the time of receipt. If there is, the computer system automatically pays the supplier. Sounds simple? It is not. A company must have several features installed before the concept will function properly. The main issue is having a computer terminal at the receiving dock. When a supplier shipment arrives, a receiving person takes the purchase order, number and quantity received from the shipping documentation and punches it into the computer. The computer system will check against an on-line database of open purchase orders to see if the shipment was authorized. If so, the system will automatically schedule a payment to the supplier based on the purchase order price, which can be sent by wire transfer. If the purchase order number is not in the database, or if there is no purchase order number at all, the shipment is rejected at the receiving dock. Note that the accounts payable staff takes no part whatsoever in this process-everything has been shifted to a simple step at the receiving location.

Title: Use Procurement Cards # 64

Source: Book by Steven M. Bragg **Co Area:**

Add Info: [Accounting Best Practices - 4, pg 25 - Contact Dianne Parkerson, 561 297-3946](#)

Abstract: Quite a lengthy discussion of pros and cons - review

BEST PRACTICES, Purchasing Department

Title: Procurement Choices: An eBusiness Solution

108

Source: University of Arkansas

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2004.html

Abstract: The e-Business application developed by the University of Arkansas has replaced the cumbersome paper process associated with requesting and approving a procurement card or other authorizations for purchasing from particular vendors. With an easy one-time electronic request and approval facility, pertinent employee information required to setup an account within a particular e-Business partner's software is electronically submitted to the vendor for downloading into their system. This has alleviated dual entry of information along with complete validation within our system. Our electronic approval process also tracks the user who approved the request.

Charges from an e-Business partner are also electronically downloaded into our system utilizing specific functions that we have developed.

What makes this entire process unique is that our campus community only had to learn one process for requesting authorization and approving/redistributing charges, regardless of the e-Business partner, instead of learning several different third party software applications. Since all approval and redistribution of charges takes place in our system, we have also alleviated the continual maintenance associated with correcting entries to our General Ledger from third party systems where an account has become invalid.

BEST PRACTICES, Purchasing Department

Title: e-Forms: Utilizing technology to improve Purchasing Card application and limit increase requests # 133

Source: University of Virginia

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2005.html

Abstract: If a document requires a signature of approval, most people would automatically assume that a hard-copy document is necessary. With the new technology available, we have come up with another way: an electronic signature provided by using an email account.

With the Purchasing Card program instituted at the University of Virginia, there are two key forms requiring a supervisor signature of approval. The first is an application requesting that an individual receive a credit card in their name for University purchases. The second is to request an increase in the monthly limit for a cardholder.

Our forms were previously designed to be printed by the department and forwarded for approval signatures. After approval, the forms were sent to the Procurement Services department for final review and processing. This process worked well, but it added time delays for each step and the forms were not always completed in full. In addition, some of the forms would be hand written in lieu of being typed, which at times caused legibility questions.

The key to placing these forms online was the realization that an electronic signature is just as viable as a written signature for our purposes. An email account hosted by the University of Virginia always has a security feature of a password that must be used in order to send or receive mail. This ensures that the person who forwards the email is actually the one approving the document. By using an online form for the applicant to enter their request, the information submitted could be sent via email to the supervisor noted by the applicant. Once the supervisor reviewed the information, he would have the same options to approve, reject, or change the application as written. To approve the request, he could simply forward the email as received, or as changed, to the Procurement Services department for review and processing.

This new process saves time, ensures all of the necessary fields are entered completely without any handwriting, and it allows for a tracking of the progress of each submittal.

Our online Application can be found at: <https://www.procurement.virginia.edu/forms/AmexApplication.html>

Our online Monthly Limit Increase form can be found at: <https://www.procurement.virginia.edu/forms/MonthlyLimitExemption.html>

Our old version of the application can be found at: http://www.procurement.virginia.edu/insidePS/web_imp/AmexApplication.doc

Our old version of the Monthly Limit Increase form can be found at:

http://www.procurement.virginia.edu/insidePS/web_imp/PcardExemptionRequest.doc

BEST PRACTICES, Purchasing Department

Title: e-Training: Refreshing your Purchasing Card Knowledge at your Own Pace

134

Source: University of Virginia

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2005.html

Abstract: In the current economy, many Universities are realizing the benefits of utilizing a credit card payment system, also referred to as a Purchasing Card Program. Some benefits include: prompt pay to the vendor, cost savings from reducing data entry and check payments, convenience to the purchaser, and a percentage of rebate from the dollars spent. Unfortunately with such benefits there are also potential issues to watch for; namely items that are deemed inappropriate for purchasing using this method, or keeping documentation for every purchase. To combat this vulnerability, the proper training of every cardholder is integral. Our current policy only requires one mandatory training session with each cardholder prior to releasing the card to the individual. As program changes come about, we notify cardholders via mass email and announce the changes in both a monthly fiscal meeting, as well as our quarterly newsletter. However, we realize that additional training would greatly reduce incorrect purchases made by cardholders who have held their account for over a year.

Logistical problems came with the idea of ongoing retraining sessions due to the size of our program; we maintain approximately 1500 accounts. We needed to come up with a retraining program that didn't require the time of an instructor and could be flexible with when the cardholder could attend. Our solution: A PowerPoint based online training session.

The benefits are quite evident; it's available whenever the cardholder has 30 minutes to spare, no instructor is needed, and it moves as quickly or slowly as the cardholder chooses. In addition, we placed a Certificate of Completion at the end of the program that is time and date stamped with when the training was completed. The cardholder can then choose to receive credit for taking the training.

Our online training program can be found at: <http://www.procurement.virginia.edu/main/departments/PCardRefresherTraining.ppt>

BEST PRACTICES, Purchasing Department

Title: Fiscal Year Workbook: Purchasing Card Transactions in Detail # 136

Source: University of Virginia

Co Area:

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2005.html

Abstract: As we are a public university for the Commonwealth of Virginia, our Purchasing Card program is under their umbrella and we are held responsible to their regulations. One of the state requirements is that every cardholder uses a log to document all of their purchases as they are made on a monthly basis. Supervisors are also required to complete an annual review of cardholder spending limits, based on the actual amounts spent by the cardholder in the previous fiscal year.

Up to this point, we have utilized a Microsoft Word document as a basis for our cardholders to use for their transaction log. Using a simple format such as this has its benefits, especially for users who are not as fluent in using more advanced applications. Unfortunately the deficiencies from this format outweigh the benefit of simplicity. In addition, we found this format to be very manual for the supervisor requirement of reviewing cardholder limits annually.

Our solution was a Fiscal Year Workbook in a Microsoft Excel format. The benefits of this method as opposed to our previous document include: the purchases for the entire fiscal year are located in one place; each month automatically totals up the amount of the purchases and draws out the highest transaction made; basic cardholder information is automatically placed on each individual month, reducing duplicate data entry; any purchases that do not reconcile can be cut and pasted into the next billing month; and all monthly information is tallied up for the supervisor at the end of the workbook so he may easily perform his annual analysis without manually looking at each log or statement.

Our Fiscal Year Workbook can be located at: <http://www.procurement.virginia.edu/main/tools/PcardFiscalYearWorkbook.xls>.
Our previous transaction log format can be found at: <http://www.procurement.virginia.edu/main/forms/PcardTransactionLog.doc>.

Title: Create a Contract Terms Database # 142

Source: Book by Steven M. Bragg

Co Area: Controller's Office

Addl Info: [Accounting Best Practices - 13-14, pg 272 - Contact Dianne Parkerson, 561 297-3946](#)

Abstract: It is a common occurrence to forget about the terms of various agreements entered into resulting in missed billings or payments received. The solution is to create a database of all current contractual agreements listing the key information about each contract. This would include due date (to be paid or received), termination date, payment frequency, amounts, etc. This could be build from scratch or purchased as a commercial off-the-shelf production - that may link to the accounting system.

BEST PRACTICES, Purchasing Department

Title: Construction Purchasing

221

Source: University of Miami

Co Area: Facilities Planning

Add Info: <http://www.miami.edu/ci/dirsrvpp.pdf> (Original URL No longer valid)

Abstract: We have selected this cross-departmental project in an attempt to improve the purchasing process related to construction projects. This is due to many perceived problems and inefficiencies with the existing systems. There has been a certain level of frustration with the existing process between the two departments. This project will make an attempt to not only improve the Purchase Order processes, but will also attempt to address the expectation gaps between the two departments and to clarify pros and cons of various delivery and procurement methods common to the construction industry and preferred by each department.

Delays in PO's and Invoices can create huge problems with the construction process since contractors must complete the project in a specified time period and risk monetary penalties if they do not complete on time. Delays in tax-savers purchase orders can result in delay of materials and subsequently delay claims from the contractors.

At the first pass we came up with 4 recommendations:

- 1) Transfer the location of the Buyer from the Purchasing department to the Facilities department. This will help eliminate the lost paperwork, and transportation time between the two departments. It will also enable each department to better understand the other department's processes.
- 2) Use the DPV on-line system to obtain approvals and scan paperwork in the system. This would eliminate the need to drive from the medical campus to the Coral Gables campus once a week. It would also cut down the time for all of the management approvals. Viewing the documentation and approving on line is much quicker than the mail system.
- 3) Create Master Orders for raw material suppliers. Purchasing could create one master order per commodity (i.e., concrete, sheet rock, steel etc.) and suppliers could release materials by phone call. This would eliminate all purchase orders for these types of orders. Suppliers would be pre-approved and a contract would be created. The master orders would be renewed on a yearly basis.
- 4) Improve the Measurement System for better Data Collection - We will work with the University system programmers to modify input screens and software output so that process time points can be entered, tracked, and measured better.

BEST PRACTICES, Purchasing Department

Title: Improve the vendorizing process **#** 225

Source: University of Miami **Co Area:**

Addl Info: <http://www6.miami.edu/ci/vendorizing/vendorizingreport.pdf>

Abstract: Mission Statement: To improve the vendorizing process while ensuring the University does business with reputable suppliers.

End users were surveyed from each campus to get their perception of the vendorizing process. In general, end users believe approving a new supplier takes too long; the application is too long and too intimidating particularly if you are spending less than \$100. They also feel they have to do too much follow up to get the application back from the vendor. Some felt the time we keep a vendor in the system is too short.

Change #1: The vendor application is now being emailed to supplier vs. faxing or mailing it.

Change #2: The buyer is now responsible to coordinate with the vendorizer on the status of the supplier.

Change #3: Created a 2-page short vendor application (as opposed to our current 7 page) for certain commodities and purchase orders under \$500.

Change #4: Use the 2-page short vendor application for other Universities, Government agencies, Hospitals, and Hotels.

Change #5: Eliminate getting a D & B for every purchase over \$10,000. We will now pull one on any item over \$100,000 or on an as needed basis.

BEST PRACTICES, Purchasing Department

Title: Improving the Purchasing Process # 233

Source: University of Wisconsin

Co Area:

Addl Info: [Redirect - http://www.oqi.wisc.edu/showcase/CampusBestPractices/tabid/109/Default.aspx](http://www.oqi.wisc.edu/showcase/CampusBestPractices/tabid/109/Default.aspx)

Abstract: Problem/Opportunity Statement: Without a centralized order placement process for commonly purchased materials, departments were left to their own devices to procure office, lab, MRO, and other commonly used products. Further, those devices were typically labor intensive, performed in a traditional model of purchasing, i.e. Requisition, Purchase Order, individual order, shipments, individual invoices, individual checks to the supplier.

Changes Made: Developed "Prime Vendor" contracts and placed the ordering process on an electronic ordering platform.

Results to Date and Expected:

1. Leveraged efficiencies that vendors gained into a funding mechanism to support management of this streamlined process.
2. Reduced paper invoices for these supplies by over 90,000 invoices.
3. Reduced the Vendor base.
4. Obtained Purchasing item specific intelligence data for all products being purchased in this manner.
5. Streamlined department ordering.
6. Created 24 hour delivery guarantee.

Next Steps:

1. Expand the Supplier base for electronic ordering.
2. Provide better WEB navigation tools to find best-priced products.
3. Expand customer base to other State agencies.
4. Develop an electronic process to submit billings (cost allocations) to UW System campuses
5. Introduce P-cards to the site to allow other State agencies to streamline billing processes to State agencies.
6. Develop a means for Madison users to have multiple account coding at time of checking out the product.

Title: Separation of Duties - Departmental Purchases # 265

Source: University of California San Francisco

Co Area: University Wide

Addl Info: <http://www.ucsf.edu/ams/best/purchase.html>

Abstract: Separation of duties is important when it comes to making purchases on behalf of UCSF. As a Best Practice, all departmental purchases should be subject to departmental administrative oversight. Whenever possible, the person ordering the material should have someone else receive it when it is delivered. And the person who reviews and approves invoices should not order or receive merchandise.

Website should be reviewed and if useful, something similar can be done and distributed University Wide.

BEST PRACTICES, Purchasing Department

Title: PCard Best Practices

282

Source: Harvard University

Co Area:

Addl Info: http://vpf-web.harvard.edu/rmas/best_practices.html

Abstract: Bests Practices provided by Risk Management and Audit Services

University policy governs the use of Harvard's Purchasing Card (PCard). See Purchasing Card Manual at <http://able.harvard.edu/pcard/manual/>. The program was implemented in 1997 as a cost effective method to purchase and pay for small dollar transactions. The intent was to pay vendors faster and reduce University administrative costs.

Cardholders should:

- * Attend training and sign a cardholder agreement outlining their responsibilities
- * Keep the card in a safe location at all times
- * Use the card for Harvard business purposes only
- * Notify vendors of the University's tax exemption
- * Edit transactions in the settlement system each week by including business purpose and modifying general ledger coding
- * Obtain receipts and submit them to the reviewer each week
- * Review monthly statement from GE Capital and reconcile transactions

Cardholders should not:

- * Share their card with other employees
- * Make personal purchases
- * Split transactions with the vendor
- * Purchase restricted commodities including out of town travel and meals, unincorporated vendors, and gifts over \$75

Reviewers should:

- * Review all transactions prior to the weekly PCard sweep
- * Ensure spending is in support of University business and in compliance with policies and procedures
- * Ensure cardholders have provided adequate documentation to support business purpose
- * Check general ledger coding for accuracy
- * Compare detailed listings to the settlement system to detect unreviewed transactions
- * Maintain receipts in compliance with University record retention policies
- * Collect cards from terminated employees and notify/send cut up card to Tub and Central PCard Administrators

(This was also given to the Controller's Office)

BEST PRACTICES, Purchasing Department

Title: Cooperation for Cost-Effectiveness in Purchasing - Chapter 8 # 345

Source: Book Edited by Lawrence Dotolo & Jean Strandness

Co Area:

Addl Info: [Best Practices in Higher Education Consortia: How Institutions Can Work Together - FAU Library, LB 2325.N39 no.106](#)

Abstract: This book outlines how colleges and universities can benefit from sharing resources and is available at the FAU Library, LB 2325.N39 no.106. Cooperation is a proven way to increase cost-effectiveness in institutional operations. Many of these suggestions are already handled by State contracts.

Cooperative Purchasing Venues

Share the Risk

Joint policies for Property, Casualty & Liability Insurance

Life & Health Insurance

Worker's Comp and Disability Insurance.

Share the Resource

Equipment - seldom used equipment or pooling stockpiles

Libraries - both physical and electronic resource

Service Contracts - Combine contracts

People - rather than outside consultants/specialist, hire one in-house resource and share

Do unto-and for-Others

Recycling, printing, laundry, travel management services might be shared - be careful of tax consequences

Expand Bargaining Power

Utilities - power and telephone

Bulk Buying of Supplies

Services - Temp, travel

Software

BEST PRACTICES, Purchasing Department

Title: Purchasing Department Website # 348
Source: Best Practices from ASBO's Pinnacle Awards **Co Area:**
Add Info: <http://www.fcspurchasingdept.org/>
Abstract: Book - Innovative Ideas - School Business Officials - FAU Library LC2825.5.I5602004
Book featured the Fulton County School District. The website allows vendors to register online, provides info on how to do business with the school district, and enables viewing of open solicitations which can be downloaded. The site also lists recurring contract information, architect/engineer guidelines, and leasing information.

Title: Primary Vendor Contract of Maintenance Supplies (or Other Types of Supplies) - Chpt 13 # 352
Source: Best Practices from ASBO's Pinnacle Awards **Co Area:** Physical Plant
Add Info: [Book available from FAU Library LC2825.5I5602004 - Innovative Ideas - School Business Officials](#)
Abstract: Independent School District #742, St. Cloud, MN
Just-in-time purchasing of maintenance products from one primary vendor (via bid process) produced lower costs, better trained staff, reduced inventories and a safer working environment.

Title: Motor Transportation Initiative # 353
Source: Department of Defense Quality Management Program **Co Area:** Physical Plant
Add Info: <http://quality.disa.mil/case/CaseStudyRecord.cfm?ID=331>
Abstract: Camp Butler, Okinawa, Japan
New Process: The Motor Transportation Officer developed a schedule to replace the 8-passenger vans with 4-passenger vans, the 4-wheel drive trucks with trucks 26 inches shorter, and the 10-ton capacity trucks with 2-ton capacity trucks. The new vehicles, although smaller, met all required transportation needs, were much less expensive than the ones MTB was purchasing, and were more economical to run. In addition to "rightsizing," he found innovative ways to save money on vehicle acquisition. Using the purchasing tools at his disposal, he reduced costs of vehicle replacement, maintenance and repair, tires, fuel, battery replacement, and disposal. Buying smaller vehicles creates a multiplier effect on savings because smaller vehicles require smaller, less expensive tires and use less fuel than larger ones. He has capitalized on local cultural preferences and regulations, for example, by buying very serviceable buses with relatively low mileage but a few years old at very competitive prices.

08/08 - Website down at this time

BEST PRACTICES, Purchasing Department

Title: Credit Card Alert - Management Control and Oversight

374

Source: Creighton University

Co Area:

Addl Info: http://www2.creighton.edu/fileadmin/user/AdminFinance/Purchasing/docs/Credit_Card_Alert_2002.pdf

Abstract: We appreciate the efforts of all users, custodians, and supervisors who effectively discharge their responsibilities and have made the Visa Business card program a success. In our April 2000 alert we discussed defenses to combat the possibility of identity theft from someone outside the University and the role and responsibilities of the card custodian. In this alert we are emphasizing

- Internal control concepts and the key control activities necessary to ensure that the goals of the Visa Business card program are achieved and that identified risks are appropriately mitigated
- The vital role and responsibility of the department head or supervisor in the control environment
- Best practices to ensure program success

Website outlines risks and how to prevent them.

BEST PRACTICES, Purchasing Department

Title: Cardholder Best Practices Guidelines & Verifier Best Practices Guidelines # 379

Source: Johns Hopkins University

Co Area:

Addl Info: <http://www.jhu.edu/purchasing/cardholder.html>

Abstract: I like the simplistic way this is presented -

- * Cardholders should initiate transactions in accordance with Procurement Card Training and training materials, the University's cardholder agreement and/or any other division, Center or department specific internal requirements.
- * Supporting documentation for all transactions must be maintained by either the cardholder or verifier. (These documents must be kept for seven (7) years.)
- * Monthly reconciliation must be completed to ensure that all transactions are correct and ensure proper cost allocations (i.e. object codes, proper budget, etc.)
- * No personal use purchases with Procurement Cards are allowed.
- * The Procurement Card should only be used by the person to whom it is assigned.
- * Keep the card in a secure location. Sharing account numbers with unauthorized users could put the University at financial risk.
- * Cardholders should avoid identity theft by abstaining from passing Procurement Card or personal information via email or to unrecognized URLs and links. For information regarding identity theft, view the Procurement Card phishing PDF brochure or visit the Federal Trade Commission's id theft home page.
- * Contact Citibank at 1-800-248-4553 immediately if your card has been lost, stolen or compromised and notify the Procurement Card Administrator at 410-516-8387.
- * All items purchased with the Procurement Card that must be shipped must be shipped to a University address only.
- * University policy prohibits splitting orders to evade the \$2,500 per transaction limit. Any purchases over \$2,500 must be approved by Purchasing Services.
- * The University is a tax-exempt organization and all transactions should exclude any sales tax. The University's tax exempt number is printed on the card. These taxes should be disputed with the vendor. For additional assistance, please contact Purchasing Services so that proper measures can be taken.
- * Purchasing Services must be notified when employment status (i.e. transfer, re-location or termination) changes.

The Verifier Best Practices Guidelines is found at <http://www.jhu.edu/purchasing/verifier.html>

BEST PRACTICES, Purchasing Department

Title: Improving Bid Responses

390

Source: Southern Illinois University

Co Area:

Addl Info: <http://www.siu.edu/> (Original URL No longer valid)

Abstract: To improve low rates of response to certain bid requests -

Immediate Steps

1. Refine classification lists that are sent to prospective bidders to assist them in identifying products they want to supply, making the list more specific. The form will be changed immediately to remove the "all" category as a choice for vendors.
2. Contact local Chambers of Commerce and Retail Merchants Associations to obtain a list of vendors to contact about doing business with the University.
3. Contact other Universities and ask for bid lists of their suppliers for large purchase items.
4. Develop a follow-up system prior to bid opening to contact prospective bidders to encourage them to respond.
5. Make buyers more aware/knowledgeable of the items they purchase. This will tie directly to the buyer "specialists" currently being developed among SIU's purchasing officers.
6. Post a notice quarterly on the SIU web page, the Higher Education Procurement Bulletin and State newspaper advising vendors to notify the University of significant changes to their bidders application form (i.e., change of address, new phone/fax numbers, minority status, disclosure of ownership, etc.).
7. Utilize the software in the AIS that will allow us to fax quotations to bidders directly from purchasing computers. This could also be used to fax purchase orders to vendors, saving time and money printing and mailing purchase orders.
8. Do mass mailing to clean up the vendor file. (Immediate step: a place for e-mail addresses and fax numbers will be added to the Bidder Application Form.) Remove vendors who are no longer interested in remaining on vendor list; update information for remaining vendors.

BEST PRACTICES, Purchasing Department

Title: Real Estate Works With Purchasing For Continuous Improvement

419

Source: University of Miami

Co Area: Facilities Planning

Addl Info: <http://www.miami.edu/UMH/> (Original URL No longer valid)

Abstract: Delays in purchase orders and invoices for large construction projects can create huge problems. The Department of Real Estate has been working with Purchasing to reduce the time needed to process construction related purchase orders and improve their predictability. These improvements will help avoid delay claims that could be as high as \$3,400.00 per day of delay on a large project.

Actions Taken:

Buyer's location in Facilities Planning and Construction office
Purchasing and Construction Contract staff trained on processes, policies and goals
FPC Purchasing procedures changed
Improved data collection
Reduced numbers of steps in FPC process

Effects of Actions Taken:

Six month data shows improvement:
Average process time reduced: 19.8 to 7.64 days
Fewer Problems identified
Better documentation of problems
Better Purchasing/FPC Relationship

BEST PRACTICES, Purchasing Department

Title: University of Pennsylvania: Purchasing 'Sells' E-Procurement to End Users # 427

Source: University of Pennsylvania **Co Area:**

Addl Info: http://www.purchasing.upenn.edu/news/ag_bpe_0512.pdf

Abstract: Go to page 38 of the article (page 42 of the PDF File)
The Purchasing Department at the University of Pennsylvania sought to increase campus-wide compliance with financial policies, approved buying methods, and preferred contract suppliers. The university also was looking to gain procure-to-pay process efficiencies, reduce the cost of products, and eliminate off-contract ("maverick") buying.

Currently, out of a purchasing system database of 30,000 approved suppliers, 136 have been made available in the private electronic exchange, called Penn Marketplace, through which approximately 70% of all purchase order transactions flow. Use of these marketplace-enabled preferred contract suppliers has doubled since Penn Marketplace was deployed, when only about 35% of transactions were with these suppliers. In 2005, approximately 18% of Penn's total procurement spend has been managed via the eprocurement system, which handles all spend categories.

Penn attributes \$77.4 million in total product cost savings to the e-procurement system; this includes improved contract and pricing compliance, which purchasing estimates at \$7.7 million resulting from the enablement of Penn Marketplace suppliers. Purchasing also has identified significant administrative efficiencies, though the university does not report such "soft dollar savings." Since the system was deployed, Penn has seen a 484% improvement in contract compliance. Also, average cycle time (online purchase order creation to electronic order transmission to supplier) has fallen from 18 days to less than one for more than 92% of all purchase orders. Penn has also improved administrative processes and reduced the number of full-time employees needed to process transactions.

<http://www.purchasing.upenn.edu/buytools/pm.php>

BEST PRACTICES, Purchasing Department

Title: Requisition Best Practices # 432
Source: University of St. Thomas **Co Area:**
Addl Info: <http://www.stthomas.edu/purchasingsvcs/purchasinghelp/ReqBestPractices.htm>
Abstract: They may not do anything different or better, but this is a good example of a documented procedure.
Requisition Best Practices:
* Overview
* Business Purpose
* Attention To
* Description
* Vendor Information
* Standing Orders
* Invoices
* Mac User Information

Title: Acquisition Best Practices # 463
Source: Office of Federal Procurement Policy Best Practices **Co Area:**
Addl Info: <http://www.acqnet.gov/>
Abstract: Welcome to ACQUISITION CENTRAL, the new web site for the federal acquisition community and the government's business partners. From this site you can access shared systems and tools to help you conduct business efficiently.
Do a Search for Best Practices - this is a excellent resource site.

BEST PRACTICES, Purchasing Department

Title: National Institute of Governmental Purchasing, Inc. # 464

Source: National Institute of Governmental Purchasing, Inc. **Co Area:**

Addl Info: <http://www.nigp.org/>

Abstract: The National Institute of Governmental Purchasing, Inc. (NIGP) is a national, membership-based non-profit organization providing support to professionals in the public sector purchasing profession. NIGP provides its members with many services, including education, professional networking, research, and technical assistance.

Organized in 1944, NIGP is an international not-for-profit educational and technical organization of public purchasing agencies. The Institute is composed of 70 affiliate chapters and more than 2,100 agency members representing federal, state, provincial and local government levels throughout the United States and Canada. These agencies represent over 12,000 individuals serving the public procurement community.

Do a Search on "Best Practices"

Title: Defense Acquisition University # 465

Source: Defense Acquisition University **Co Area:**

Addl Info: <http://www.dau.mil/>

Abstract: The Defense Acquisition University (DAU) is the one institution that touches nearly every member of the DOD Acquisition, Technology, and Logistics (AT&L) workforce throughout all professional career stages. We provide a full range of basic, intermediate, and advanced certification training, assignment-specific training, performance support, job-relevant applied research, and continuous learning opportunities.

<http://www.dau.mil/basedocs/acquisitionresources.asp> links to -
Acquisition Resources

- * AT&L Knowledge Sharing System (AKSS)
- * Acquisition Community Connection (ACC)
- * Rapid Deployment Training
- * Acquisition Links
- * DOD 5000 Resource Center
- * Performance Based Services Acquisition
- * Acquisition Specialty Information
- * Research
- * Conferences and Symposiums
- * International Seminar

BEST PRACTICES, Purchasing Department

Title: Public Procurement Research Center # 466

Source: Florida Atlantic University **Co Area:**

Addl Info: <http://www.fau.edu/pprc/>

Abstract: The mission of the Public Procurement Research Center is to advance public procurement profession through applied and academic research, technical assistance, education and training.

As a result of a 1999 partnership agreement between the National Institute of Governmental Purchasing, Inc. (NIGP), and Florida Atlantic University's College of Architecture, Urban and Public Affairs, the Public Procurement Research Center was created to assist NIGP in providing applied research, training, education and scholarly publication. Moreover, the Center's purpose is to build a professional community of scholars and practitioners devoted to improved efficiency, equality and transparency in public procurement.

Title: SUNY Best Practices Search Facility # 473

Source: State University of New York **Co Area:** Financial Affairs

Addl Info: <http://www.suny.edu/BestPractices/Best.Practices.2004.01.27.pdf>

Abstract: As part of the Task Force on Efficiency and Effectiveness, campus presidents were asked to provide initiative they believe they carry out better than any other campus, along with those innovative ideas that have saved or avoided spending resources. The "Best Practices" reported in this document have resulted in significant savings throughout SUNY and, when shared with other campuses, have the potential to realize even greater savings within the system.

Page 25 of the above PDF Document

Procurement Card
Procurement Charge Card
Work Study Students
Renegotiated Satellite TV Contract
Reduced Telecommunication Costs
Winter Mini-Semester
Improvement to RFP Process
Administrative Business Website
Individual Faculty Budget Accounts
Supplies from Staples
Procurement Card
State Contracts
Use of Document Scanners

BEST PRACTICES, Purchasing Department

Title: National Association of Educational Buyers Code of Ethics # 552

Source: National Association of Educational Buyers **Co Area:**

Addl Info: <http://ethics.iit.edu/codes/coe/nat.assoc.edu.buyers.1985.html>

Abstract: Code of Ethics

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

Title: Ushop - eProcurement # 560

Source: University of Toronto **Co Area:**

Addl Info: <http://www.finance.utoronto.ca/Page854.aspx>

Abstract: UShop is the University's online web-based e-procurement system that enables faculty and staff to purchase goods and services used in their day-to-day work. UShop is another method for departments to purchase goods, in addition to the Purchasing Card, Imprest Bank Account and Petty Cash. See the Procurement Services website for requirements when purchases are above \$5,000.

The UShop online shopping system has built-in approvals and controls which adhere to the University's purchasing and payment policies. The cost of purchases is charged directly to FIS accounts.

The site covers policy, approval rules and provides links to where you can obtain additional information and also to register for UShop.

Winner of 2005 Canadian Association of University Business Officers Quality & Productivity Awards - http://www.caubo.ca/awards/documents/2005_Booklet_E_F.pdf.

Also review Université de Montréal (2001 Third Prize), "On-line purchasing" http://www.caubo.ca/awards/awards_pq2001_e.cfm -

BEST PRACTICES, Purchasing Department

Title: Outstanding Program Awards # 605

Source: National Association of State Chief Administrators **Co Area:**

Addl Info: <http://www.nasca.org/awards/01awards.cfm>

Abstract: This sites lists the 2001 award winners in several categories. Below are the Purchasing awards -

Procurement
For innovative practices and contracting programs that demonstrate timeliness, best-value or efficiency.
WINNER:
Maryland: eMaryland Marketplace - http://www.nasca.org/awards/2001awardsummaries/procurement_maryland.pdf

Other Nominations:
California: CalBuy - http://www.nasca.org/awards/2001awardsummaries/procurement_maryland.pdf
Idaho: Idaho Purchasing Modernization Initiative - http://www.nasca.org/awards/2001awardsummaries/procurement_idaho.pdf
Nebraska: Agency Certification Program - http://www.nasca.org/awards/2001awardsummaries/procurement_nebraska.pdf
Ohio: Ohio Food Bid Program - http://www.nasca.org/awards/2001awardsummaries/procurement_ohio.pdf
Virginia: e-VA - http://www.nasca.org/awards/2001awardsummaries/procurement_virginia.pdf

Title: NASPO Awards # 610

Source: National Association of State Procurement Officials **Co Area:**

Addl Info: <http://www.naspo.org/awards/>

Abstract: The National Association of State Procurement Officials is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States. NASPO is an organization through which the member purchasing officials provide leadership in professional public purchasing, improve the quality of purchasing and procurement, exchange information and cooperate to attain greater efficiency and economy.

Award information on above site.

BEST PRACTICES, Purchasing Department

Title: Best Practices in Contracting for Services # 619

Source: National State Auditors Association **Co Area:**

Addl Info: http://www.nasact.org/onlineresources/downloads/BP/06_03-Contracting_Best_Practices.pdf

Abstract: Purpose
The Performance Audit Committee of the National State Auditors Association developed this document as a tool for audit organizations and government agencies to use in identifying and evaluating best practices in contracting for services. Although it was intended to address many of the best practices that could apply in these situations, it should not be considered all-inclusive. Further, the practices listed here may not be applicable in all situations, and other practices may accomplish the same things. However, this document can be extremely helpful as a starting point for both agency managers and auditors in deciding what types of practices are more likely to result in an efficient, effective, and accountable service procurement process.

Planning

Proper planning provides the foundation for contract awarding and monitoring. Planning identifies what services are needed and when, how they should be provided, and what provisions should be in the contract. Planning also helps ensure proper information is collected to effectively structure a request for proposal (RFP). As a public entity, the agency must know the state's bidding and contracting laws, other relevant state laws as well as any procedural guidelines the agency is obligated to follow. Timely planning is crucial in all procurements, but especially in procurements like RFP's that can take a lot of time to execute.

Title: Improving Vendor Performance - Contract Administration # 619

Source: Georgia Institute of Technology **Co Area:**

Addl Info: <http://www.orgdev.gatech.edu/bp/gtbor/2006VendorPerformance.ppt>

Abstract: Goal:
To ensure that the contract is performed and the responsibilities of both parties are properly discharged. To achieve this, the primary responsibility of the Department of Housing is to oversee, monitor and provide technical guidance to vendors performing under a contract. Effective contract administration presents a continuing opportunity to minimize or eliminate problems and potential claims and disputes.

Title: Purchasing Card Program - Best Practice Guidelines # 619

Source: University of Pennsylvania **Co Area:**

Addl Info: http://www.purchasing.upenn.edu/buytools/card_guide.php

Abstract: Procedures listed for the cardholder and reviewed. In addition, it states "To sufficiently segregate duties (transaction initiation, authorization for payment, reconciliation), Cardholders should not reallocate their own Purchasing Card transactions. In this case, the person performing the reallocations will need some reasonable basis on which to determine where to transfer the charge. Cardholders should provide such information on a weekly basis to ensure that transactions are charged to the appropriate fund and/or object code. "

BEST PRACTICES, Purchasing Department

Title: Purchasing Cards: The Evolution Continues # 625
Source: Business Finance Mag.com **Co Area:**
Addl Info: <http://www.businessfinancemag.com/magazine/archives/article.html?articleID=14514>
Abstract: Page 1 - Among the developments: expanded use, virtual cards and integration with e-procurement systems.
Page 2 - Going Cardless
Page 3 - When P-Cards Meet E-Procurement
Page 4 - Getting the Word Out
Page 5 - Procure-to-Pay Best Practices
Page 6 - Heading Off Fraud

Title: Upfront: Squeezing More Value From P-Cards # 628
Source: Business Finance Mag.com **Co Area:**
Addl Info: <http://www.businessfinancemag.com/magazine/archives/article.html?articleID=14471>
Abstract: Procurement directors are finding increasingly sophisticated ways to improve their p-card program's performance.

Purchasing cards have been a mainstay of corporate procurement functions for more than a decade, but p-card programs have largely evolved independently of best practices and have rarely been deployed as a significant component of a comprehensive spend-management approach. These conclusions are the result of the Purchasing Card Benchmark Report: Best Tactics To Increase Program Growth, a survey of over 175 companies by the Aberdeen Group Inc. and the National Association of Purchasing Card Professionals. However, procurement directors are finding increasingly sophisticated ways to improve their p-card program's performance.

May need to scroll down to see document.

BEST PRACTICES, Purchasing Department

Title: Purchasing Cards' New Velocity # 629

Source: Business Finance Mag.com **Co Area:**

Addl Info: <http://www.businessfinancemag.com/magazine/archives/article.html?articleID=14338>

Abstract: Companies are enjoying growing benefits from their p-cards, thanks to better technology and carefully designed programs.

When the quartet of hurricanes whipped through Florida this summer, the city of Fort Lauderdale needed to immediately deploy emergency response personnel to cities harder hit by the storms. However, those employees did not have permission to put their travel expenses on their city-issued purchasing cards (p-cards).

A few years ago, this might have caused serious delays in Fort Lauderdale's disaster-response effort, but Kirk Buffington, the city's director of procurement services, was able to remedy the situation right away through the Web-based software from Works Inc. that he uses to manage Fort Lauderdale's p-card program. "Within two to three minutes, we could change their profiles so they could make emergency purchases," he says.

May need to scroll down to see document. This is a 6 page document

Title: Strategic Sourcing # 636

Source: Multiple Sources **Co Area:**

Addl Info: [Various](#)

Abstract: RESOURCES
<http://www.ucop.edu/purchserv/strategicsourcing.html>
<http://www.purchasing.upenn.edu/about/sss.php>
http://www.washington.edu/admin/business/strategic_sourcing/
<http://businessservices.berkeley.edu/HtmFiles/StrategicSource.htm>
<http://map.ais.ucla.edu/portal/site/UCLA/menuitem.789d0eb6c76e7ef0d66b02ddf848344a/?vgnnextoid=74eee98584df1010VgnVCM1000008f443a4RCRD>
<http://www.bu.edu/purchasing/sourcing.html>
<http://bas.ucsc.edu/btp/ssfaq.html>

BEST PRACTICES, Purchasing Department

Title: Purchase card program is part of new UC "strategic sourcing" initiative to reduce costs # 637

Source: University of California

Co Area:

Addl Info: <http://www.universityofcalifornia.edu/news/2005/may27.html>

Abstract: The University of California recently was awarded U.S. Banks' "Best-in-Class" award for its Purchasing Card program, besting such large corporate payment system customers as Johnson & Johnson, Lockheed Martin Corp. and Daimler-Chrysler.

The award, which was announced Thursday (May 26) by UC Vice President of Financial Management Anne Broome in a presentation to the UC Board of Regents, is an important affirmation of the success of the university's aggressive business approach to managing costs. Considering a mid-year conversion to the new "strategic sourcing" contract, the university has achieved a 4 percent annualized increase in spending on the card program with incentive dollars increasing 20 percent over the last year, to more than \$3 million.

Title: UC Davis Purchasing Card - Best Practice Document # 655

Source: University of California Davis

Co Area:

Addl Info: <https://ucdmm.ucdavis.edu/purchasingcard/bestpractice.pdf>

Abstract: Subjects covered -
Developing a Departmental Plan For Using Purchasing Cards
Separation of Duties
Bi-Annual Departmental Review of Purchasing Cardholders
Cardholders Knowledge of Purchasing Policies
Use of a Departmental Order Request Form
Appropriate Formats for the Cardholder Purchase Log
Obtaining Source Documentation for Telephone Orders
Reviewing a Backup Invoice From a Vendor
Maintaining Purchasing Card Confidentiality
Reviewing Transactions for Tax Collected
Changing the Purchasing Card Default Object Code
Dafis Information (Reports)
Dafis Decision Support Query #252

BEST PRACTICES, Purchasing Department

Title: Supply Chain Services Best Practices # 672
Source: University of Pennsylvania **Co Area:** Controller's Office - A/P
Addl Info: <http://www.purchasing.upenn.edu/supply-chain/bestpractices.php>
Abstract: Purchasing Services and the Comptroller's Office are working together to become totally paperless – from receipt of electronic invoices to total electronic payments. Many of their suppliers have an electronic storefront/marketplace for their purchasing operations – I believe it is similar to what we have with Office Depot – only much larger. He says it is similar to going to Amazon to purchase a variety of supplies/materials etc. He also talked about how every two years they re-evaluate their operations and they benchmark against big corporations.

Ralph Maier
Director of Purchasing Services
Phone: 215-898-1452
Fax: 215-898-9396
E-Mail: maier@pobox.upenn.edu

Title: Partnership Aims to Bring Procurement Best Practices to Higher Education Institutions # 673
Source: Supply & Demand Chain Executive Magazine **Co Area:**
Addl Info: <http://www.sdexec.com/> (Original URL No longer valid)
Abstract: Research Triangle Park, NC — October 12, 2006 — On-demand solution provider SciQuest is partnering with Huron Consulting Group to offer a procurement excellence program to meet the unique needs of higher education institutions.

SciQuest provides on-demand supplier management and procurement automation solutions, and Huron offers financial and operational consulting services. The primary objective of the newly announced partnership is to offer a set of integrated services and solutions that can assist higher education clients in transforming their procurement function toward best-in-class operations.

(11/06 - Can no longer access above files, but see their website, <http://www.sdexec.com/>, for additional information including web seminars.)

BEST PRACTICES, Purchasing Department

Title: Higher Education - Supply & Demand Chain # 674
Source: Supply & Demand Chain Executive Magazine **Co Area:**
Add Info: <http://www.sdexec.com/>
Abstract: Go to above site and search for "higher education"
East Carolina University Enhances Purchasing with Supplier Management Solutions
GE Debuts New Purchasing Card Program for E&I Member Educational Institutions
Lockheed Martin Tackles Identify Management in the Supply Chain
Montclair State University Selects Procure-to-pay Solution
Partnership Aims to Bring Procurement Best Practices to Higher Education Institutions
SciQuest Offers Mid-market e-Procurement Solution
SciQuest Partners with Fastenal
Smeal, IBM Partner on New Supply Chain Research Lab
Supplier Enablement Solution for Oracle Apps Targets Higher Ed, Life Sciences
Supply Chain Executive Briefing
Yale University Graduates to Improved Source-to-settle Process
Yeshiva University Unlocks Value from Existing Financial System

Title: Accounting Control Best Practices - Procurement Cards # 683
Source: Book by Steven M. Bragg **Co Area:**
Add Info: [Book available from FAU Library HF 636.B83 2006](#)
Abstract: Excellent Resource
Chapter 2 covers Procurement Cards and each section is presented as a Policy, Procedure or Form.
Procurement Card Overview
Application Procedures
Application Form
Purchasing with Card
Transaction Log
Monthly Statement Reconciliation
Sample Statement
Missing Receipt Form
Line Item Rejection Procedures and Form
Altered Spending Limits Request Procedures
Spending Limits Change Request Form
Lost Card Reporting Procedure and Form
Moved or Terminated Card User Notification Procedure
Book available from FAU Library HF 5636.B83 2006

BEST PRACTICES, Purchasing Department

Title: Purchasing from Minority Business Enterprises: Best Practices # 686

Source: Book by Auskalnis, Ketchum & Carter **Co Area:**

Addl Info: [Book available from FAU Library HF 437.A97 1995](#)

Abstract: At the 1994 Center for Advanced Purchasing Studies (CAPS) Executive Roundtable, attendees expressed a desire for a comprehensive study that identified what practices organizations follow in support of a Minority Business Enterprise buying program. An ad-hoc committee met for the purpose of Defining MBE buying program critical success factors. Several interviews were conducted followed by surveys sent to hundreds of participants.

Title: The Keys to Success in Supplier Diversity # 729

Source: Purchasing.com **Co Area:**

Addl Info: <http://www.purchasing.com/article/CA6384877.html>

Abstract: Darden Restaurants of Orlando, Fla, the parent company of Red Lobster, Olive Garden, Bahama Breeze, and Smokey Bones has quadrupled its spending with minority suppliers in five years (1998 to 2003) and increased diverse spending more than 27% between 2005 and 2006. And women-owned business involvement grew by 23% in that same time period.

Norma Sica, director of supplier diversity, identifies a number of keys to success in managing and growing the company's successful supplier diversity initiative.

The first is commitment from the top. "The most important key to success is leadership support at all levels of the corporation," she states. The second key is to help existing minority suppliers expand their opportunities with Darden. "Any time we need new products or services, whether they be menu items or software, we always look to our existing suppliers first to see if they can provide what we need," she states. The third key is to locate new sources of minority suppliers. Fourth, Darden continuously assesses its performance.

BEST PRACTICES, Purchasing Department

Title: Supplier diversity: Best Practices in Action # 730

Source: Purchasing.com **Co Area:**

Addl Info: <http://www.purchasing.com/article/CA6361158.html>

Abstract: Cut spending. Consolidate the supply base. Increase supplier diversity? The first two might seem like a death sentence to supplier diversity efforts, but despite these pressures, many companies are stepping up to the challenge, determined to defy expectations. These corporations have refused to simply pay supplier diversity lip service—instead, they’re going beyond the basics, finding that their efforts to invest in diverse suppliers can resonate domestically even as corporations look at an increasingly global market.

Supplier diversity programs aren’t just socially responsible—they’re good business. We asked several companies to show us how.

At the end of the article, there are links that can help your procurement organization get in touch with minorities, women, and veteran-owned businesses and business councils.

Title: Strategic Sourcing: Reducing Cost and Supporting Diversity Goals # 731

Source: Institute for Supply Management **Co Area:**

Addl Info: <http://www.ism.ws/files/Pubs/Proceedings/GFDolanFedele.pdf>

Abstract: Today, procurement professionals achieve savings through sourcing strategies like volume consolidation, product specification improvement, best price evaluation, and competitive global sourcing. Procurement professionals are also tasked with meeting Supplier Diversity goals and increasing spend and opportunities for minority and women owned suppliers. Is achieving these savings through strategic sourcing while supporting a supplier diversity initiative possible?

While these objectives may seem at odds with each other due to pre-conceived notions that Minority and Women-owned Business Enterprises (MWBs) aren’t competitive, in reality the answer is “no .” For a strategic sourcing initiative to be successful, procurement professionals must expand the prospective supplier base, looking beyond traditional sources of supply. They must critically review the products and services they buy and open their business to increased competition. They must evaluate cost savings along with the quality and service provided by all potential suppliers. Procurement professionals will be surprised to learn that there are many certified MWBs with national and global coverage. Many certified MWBs can compete and win business. Moreover, identifying a portion of spend solely for MWBs can foster competition. Introducing MWBs in this manner allows you to experience their capabilities first hand with limited risk, but it also creates a competitive threat to your existing suppliers keeping them in check. To be sure, a strategic sourcing initiative can create opportunities for MWBs where they may not have existed in the past. This paper provides an overview of The Gillette Company’s Strategic Sourcing Initiative (SSI) and Supplier Diversity Initiative (SDI), and explains how SSI has enabled SDI at Gillette.

BEST PRACTICES, Purchasing Department

Title: Supply Chain Management # 769

Source: Various **Co Area:**

Addl Info: <http://www.scdigest.com>

Abstract: Do a search on Best Practices. Also see series on "What is Supply Chain Management Best Practice?"
<http://www.scdigest.com/assets/FirstThoughts/07-02-01.cfm>

Also See -
Best Practices in Fulfillment: On Picking and Packing from Multichannel Merchant
http://multichannelmerchant.com/opsandfulfillment/pick/picking_packing_022007/

Title: PCard Best Practices # 780

Source: Cornell University **Co Area:**

Addl Info: <http://www.purchasing.cornell.edu/BestPractices.cfm>

Abstract: Policy Compliance
University Policy 3.12, Procurement Card, identifies a business service center director (also known as an "administrator") as the individual responsible for ensuring that procurement cards (PCards) are used only in full compliance with university policy, and that any violation of policy results in the suspension or revocation of the PCard. The guidelines in the PCard policy were developed to achieve sound business practices and full compliance with other university policies, as well as various external requirements, such as IRS regulations, federal OMB circulars (particularly A-21), NCAA requirements, etc.

Covers violations of card use.

Title: B-W Establishes Ethics Hotline # 781

Source: Baldwin-Wallace College **Co Area:**

Addl Info: <http://www.bw.edu/news/hotline/> (URL no longer valid)

Abstract: In order to stay abreast of the best practices for transparency in business operations, Baldwin-Wallace College has established an ethics and compliance hotline.

"As a nonprofit entity, the College is not bound by the requirements of the Sarbanes Oxley Act. However, there are practices included in the legislation that we choose to implement to enhance our internal controls," said Thomas Lee, vice president of finance and administration at the College. "One of these practices is to make available to students, employees, contractors, vendors and others who have a relationship with the College, the capability to report possible violations of law and College policy in a confidential, non-retaliatory and anonymous hotline."

BEST PRACTICES, Purchasing Department

Title: Purchasing Efficiencies # 784

Source: Florida Atlantic University **Co Area:**

Addl Info: [Contact Ed Schiff, Director, schiff@fau.edu, 561 297-3081](mailto:schiff@fau.edu)

Abstract: Reviewed the NACUBO/SACUBO best practices as it relates to the Purchasing Operation. We have implemented in part, many of the practices listed, especially where pCards and/or PO tracking is concerned. Of interest, is the online pcard application processing with electronic signature verification, (in lieu of visual signature verification), but I believe the development cost for such a system would not be feasible. Many of the other practices are either part of our capabilities in Banner, or bolt-ons which we have either considered or implemented on our own.

Although not specifically listed, I would really like to push the agenda for having VISA payment cards become part of our program. I have a proposal pending with Dr. Jessell for a prepaid card program. As soon as he is able, Ken is planning on introducing the topic at Executive for consideration.

Also check with the Director or Dianne Parkerson, parkerso@fau.edu 561 297-3946 for a summary of FAU Purchasing's best practices dated September 2005

Title: Purchasing Card Best Practices for University Procurement # 788

Source: Institute for Supply Management **Co Area:**

Addl Info: <http://www.ismsv.org/library/UniversityPurchasingCard.pdf>

Abstract: As universities continue to institute new purchasing card programs or enhance existing ones, JPMorgan Chase surveyed dozens of its University purchasing card customers to share some of the industry's Best Practices.

As a result of implementing purchasing card programs, department heads are spending less time authorizing, tracking and processing purchase data. Financial administrators are reducing overhead and significantly minimizing administrative tasks so staff can focus on other responsibilities, improving payment flexibility, and making purchasing more efficient at all levels of their institution.

13 Best Practices are shared by the University community.

BEST PRACTICES, Purchasing Department

Title: Green Purchasing at Yale # 789

Source: Yale University **Co Area:** Environmental Health & Safety

Addl Info: http://www.yale.edu/procurement/green_purchase.html

Abstract: Scott Lucker, purchasing card manager, said Yale offers a university-wide initiative to help the environment by promoting a greener campus. In partnership with several strategic vendors, Yale Procurement identified products that are made with recycled content, have reduced packaging, are energy efficient and do not create hazardous waste. Cardholders and other purchasers are encouraged to purchase these suggested goods and services for research and education

As part of a university-wide initiative to help the environment by promoting a greener campus, Yale Procurement would like to make it easy for you to buy "green". In partnership with several of our Strategic Vendors, Yale Procurement has identified products that are made with recycled content, have reduced packaging, are energy efficient and do not create hazardous waste. We encourage your commitment to purchasing these suggested goods and services for research and education. Together, we can help to make a difference in our Yale community and in the greater world environment!

Title: University E-Malls # 791

Source: Various **Co Area:**

Addl Info: [Various](#)

Abstract: http://www.fiu.edu/~purchase/online_vendors.htm
<http://hr.hunter.cuny.edu/benefits/cunyemall.html> <http://portal.cuny.edu/cms/id/cuny/documents/informationpage/emallstu/005122.htm>
http://live.psu.edu/e_mall/
<http://www.shsu.edu/internet/emall.html>
<http://www.purchasing.upenn.edu/buytools/pm.php>
<http://www.finance.utoronto.ca/Page854.aspx>
<http://www.sacubo.org/2004BestPractices/UnivArk-ebusinesssolution-ProcurementChoices.pdf>
http://system.vccs.edu/admin/Controller_Office/Purchasing/BasiceMALLTraining-Dec04.pdf

BEST PRACTICES, Purchasing Department

Title: From Purchasing to Payment: Making Procurement a Seamless Process # 820

Source: University of Mississippi **Co Area:** Controller's Office

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2007.html

Abstract: All universities operate a purchasing office, accounts payable department, shipping, receiving, travel and property/inventory control departments to facilitate the flow of administrative paperwork and to provide services necessary to the operation of the institution. At the University of Mississippi, these multiple departments and their functions fall under a single broad umbrella labeled Procurement Services, where they are co-located in the same building, share the same e-files, and report to the same supervisor. All of which makes for a seamless, "one stop shopping" customer experience.

Changing a person's ideology from "I only issue purchase orders," or "all I do is enter invoices," was one of the biggest challenges we faced. The reorganization and reengineering of business processes has provided and continues to provide the following benefits to the University:

- Reduced the lead time for ordering goods and services by days and weeks.
- Significantly reduced the time needed to process invoices, provide inventory verification, process travel reimbursements, and process procurement card documents.
- Reduced the labor force from thirty-two full time employees in 2000 to twenty-one in 2006.
- Process over fifty-seven-thousand payments a year within twenty-four hours of receipt.
- Procurement card program that averages 1,200 transactions each week and monthly charges in excess of \$400,000 is managed by one full-time employee.
- Last year nine buyers trained in different departments processed 20,656 purchase orders monitored by the Procurement Services.
- Property bar coded over 3,500 items of equipment.
- Reduced delivery time to five hours from time of receipt at delivery dock.

BEST PRACTICES, Purchasing Department

Title: Purchasing operations share best p-card practices # 872

Source: Purchasing.com **Co Area:**

Addl Info: <http://www.purchasing.com/article/CA6563409.html>

Abstract: Purchasing operations share real-world best practices for better detecting and controlling p-card misuse and out-of-policy spending in a new study, "Auditing and Compliance Strategies for a Solid Purchasing Card Program" issued by JPMorgan in New York. (http://www.jpmorgan.com/cm/ContentServer?c=TS_Content&pagename=jpmorgan%2Fts%2Fts_Content%2FGeneral&cid=1159342474524&source=DirectURL_pcardaudit)

Among the best practices highlighted in the report:

- Use technology to streamline back-end auditing. Best-in-class systems enable program managers to block unauthorized purchase categories, monitor corporate compliance, modify spending limits and cancel cards.
- Mandate training for cardholders before a card is issued. Best-in-class companies keep education at the forefront and train early and often.
- Audit beyond the traditional. Best-in-class organizations enhance their auditing practices by looking beyond traditional controls such as cardholder spending limits and restricted Merchant Category Codes. For instance, organizations should consider conducting audits on purchases made in the evening or on weekends.
- Conduct periodic peer reviews before official audits occur. To mitigate improper card use and help support Sarbanes-Oxley requirements, best-in-class organizations also perform ongoing peer reviews of purchasing practices well in advance of regularly scheduled audits

Title: Procurement: From the "20th to the 21st Century" # 886

Source: Louisiana State University **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2008.html

Abstract: The new Procurement application is the primary source for online ordering at Louisiana State University and its' other campuses. The new online system has improved workflow, made data more readily available and has improved communication between departments, Purchasing and vendors.

Benefits are:

Authorization for "simple orders"
Online Order Management
Automated Workflow
Electronic Document Storage
Real Time Processing

BEST PRACTICES, Purchasing Department

Title: It's Never Too Late To Learn How To SWAM: A Comprehensive Approach to Improving Diversity Procurement # 911

Source: University of Virginia **Co Area:**

Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2008.html

Abstract: The University of Virginia is committed to the goal of non-discrimination and to giving fair consideration for all vendors in its procurement programs. The University of Virginia has set a voluntary goal of doing 5% more business with SWAM firms each year. This goal does not allow for "set aside" purchases.

Supplier Diversity was established to ensure that small, women-owned, and minority owned (SWAM) firms have full opportunity to compete for the University's business. Supplier Diversity serves as a liaison between the SWAM vendor community and all University staff with procurement responsibilities. To reach this goal, the Supplier Diversity division of Procurement Services has developed a comprehensive training and outreach program for departments and vendors.

Title: Turn best practices in purchasing into profit # 914

Source: Business Lexington **Co Area:**

Addl Info: http://www.bizlex.com/Articles-c-2008-06-24-77557.113117_Turn_best_practices_in_purchasing_into_profit_.html

Abstract: Implementing best practices in purchasing takes some time and commitment from senior management, but the results can be dramatic. With that in mind, consider the following eight "best practices" to help in the pursuit of more effective purchasing for your company:

- Examine your supplier relationships on a regular basis.
 - Develop a scorecard to track supplier services, delivery and price.
 - Right-size your supplier list to leverage value.
 - Encourage these characteristics within your purchasing team. (Lists 5)
 - Get the executive team behind purchasing 100 percent.
 - Enforce a preferred vendor list.
 - Focus on improved supplier contract development, management.
 - Use technology to propel yourself ahead of your competition.
-

Title: Best Practice: Purchasing Card Departmental Procedures # 936

Source: Arizona State University **Co Area:**

Addl Info: http://uabf.asu.edu/best_practice_pcard

Abstract: Lists duties of all interested parties

BEST PRACTICES, Purchasing Department

Title: PCard Best Practices

940

Source: University of West Florida

Co Area:

Addl Info: <http://uwf.edu/iamc/bestpractice.cfm>

Abstract: Cardholders should:

- * Attend training and sign a cardholder agreement outlining their responsibilities.
- * Keep the card in a safe location at all times.
- * Use the card for UWF business purposes only.
- * Notify vendors of the University's tax exemption.
- * Obtain receipts and submit them to the reviewer promptly.
- * Review monthly statement from GE Capital. Notify Business Manager of any unauthorized charges and pass statement on to reconciler.

Cardholders should not:

- * Share their card with other employees.
- * Make personal purchases.
- * Split transactions with the vendor.
- * Purchase restricted commodities including travel meals, fuel, OCO, & promotional items. See reference guide for complete list.

Approvers should:

- * Approve all transactions prior to the auto-post date.
- * Ensure spending is in support of University business and in compliance with policies and procedures.
- * Ensure cardholders have provided adequate documentation to support business purpose.
- * Check general ledger coding for accuracy.
- * Notify Procurement and IAMC of any improper PCard activity.
- * Collect cards from terminated employees and notify/send cut up card to Central PCard Administrators.

Reconciler should:

- * Compare GE Capital statement to banner reconciliation report.
- * Assemble proper original documentation for each charge on the banner reconciliation report.
- * Initial and date reconciliation & submit for department head approval.
- * Shred the GE Capital statement.

BEST PRACTICES, Purchasing Department

Title: Managing Your Contracts # 971
Source: Texas A&M University **Co Area:**
Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2009.html
Abstract: Many Universities today are challenged in managing, tracking and centralizing contracts administration. After researching various contract software databases, the Contract Assistant "Contract Management Solutions" by Blueridge Software was chosen as the best solution and best value for the University. We created a centralized repository with all contracts including audit trails that are stored in digital format and now have the tools to quickly access important information, generate reports, execute contracts and receive automatic reminders of critical dates all at once without having to track contract folders or deal with misfiled or missing paperwork.

Benefits are centralized database, alarms for monitoring, search abilities, notification, sharing the database across campus, and better customer service.

Title: Leveraging Electronic Procure to Pay for Revenue # 982
Source: University of Virginia **Co Area:** Controller's Office - A/P
Addl Info: http://www.sacubo.org/sacubo_resources/best_practices/2009.html
Abstract: The Department of Procurement Services at the University of Virginia consists of both Purchasing and Accounts Payable. By working collaboratively on implementation of electronic purchasing, invoicing and payment systems, Procurement has been able to increase the efficiency of the entire procure to pay process and to realize the power of its combined operation. Through strategically targeting its top suppliers and leveraging these electronic processes, Procurement has begun to generate revenue for the University.

Procurement started by purchasing an electronic catalog ordering system. This system allows goods to be purchased electronically from supplier catalogs hosted in our system, aptly named the UVa Marketplace. This same system allows invoices to be submitted electronically and match automatically to catalog orders. The third and final piece is electronic payment. Procurement utilizes two new electronic payment options provided through its banking services provider. The first is Automated Clearing House (ACH) and the other is a ghost card program for payments via credit card.

Leveraging the efficiency gains and the improved payment cycle created by these three electronic processes, Procurement Services has been able to negotiate rebates and early payment discounts with some of its largest suppliers. It is the negotiation of the revenue generated from these rebates and discounts that is our best practice.

BEST PRACTICES, Purchasing Department

Title: P-CARD - Best Practices Summary # 999
Source: Dartmouth University **Co Area:**
Addl Info: <http://www.dartmouth.edu/~rmi/documentsunprotect/p-cardbestpractices.pdf>
Abstract: Concise 2 page document

Title: National Association of Educational Buyers # 1011
Source: National Association of Educational Buyers **Co Area:**
Addl Info: <http://www1.naepnet.org/index.shtml>
Abstract: MISSION STATEMENT
The mission of the National Association of Educational Procurement is to facilitate the development, exchange and practice of effective and ethical procurement principles and techniques within higher education and associated communities, through continuing education, networking, public information and advocacy.

VISION STATEMENT
NAEP will be recognized as the Association dedicated to the advancement of excellence in the purchasing profession serving higher education and associated communities.

BEST PRACTICES, Purchasing Department

Title: Doing the Right Thing: a framework for Business Ethics # 1012
Source: National Association of Educational Buyers **Co Area:**
Addl Info: <http://www.naepnet.info/documents/ampres/business%20Ethics.doc>
Abstract: This paper will discuss the relevancy of ethical theory to the daily outcomes of business professionals. I hope to establish the basic need for well thought out and reasoned work in the value culture of organizations. The language of an organization's value culture is ethics. And further, that the purchasing professional is uniquely situated in the organization to bring dialog in the area of value centered action.

Code of Ethics from National Association of Educational Procurement (NAEP)

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its members, NAEP has long promoted a code of ethics.

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

Title: ProCard Reconciliation Best Practice # 1024
Source: University of Washington **Co Area:**
Addl Info: <http://www.washington.edu/admin/finserv/procard/bestpractice.htm>
Abstract: The intent of this reconciliation best practice recommendation is to communicate strategies that streamline the entire ProCard process while following audit compliant procedures. These are guidelines, incorporating key elements of internal control that were developed through a collaborative effort with the campus and have demonstrated cost and time savings. Departments should establish their own ProCard guidelines addressing timeliness of duties and who is responsible for specific functions to demonstrate segregation of duties.

Very good website

BEST PRACTICES, Purchasing Department

Title: WCU P Card # 1029
Source: Western Carolina University **Co Area:** Controller's Office - A/P
Addl Info: <http://www.wcu.edu/11628.asp>
Abstract: Website contains -
P-Card Training Manual (PowerPoint)
P-Card Training Guide (Word)
P-Card User Guide (Word)
Monthly Process (Word)
Policies & Procedures
Authorized/Unauthorized Transactions (Word)
Spending Levels (Word)
P-Card Account Application (Word)
P-Card Account Maintenance Request (Word)
Reconciler Additions and Cancellations (Word)

They use Bank of America's Works Payment Manager

Title: P-Card Course for Concur Users # 1030
Source: University of Michigan **Co Area:** Controller's Office - A/P
Addl Info: http://www.procurement.umich.edu/files/PCard_Training-Concur.pdf
Abstract: Nice presentation for faculty and staff applying for a U-M P-Card, and who are using the new Concur Travel and Expense System. This is a required course.

BEST PRACTICES, Purchasing Department

Title: Taking p-Card Systems and Technology to Student Organizations

1035

Source: Iowa State University

Co Area: Controller's Office

Addl Info: http://www.cacubo.org/pdf/2009/19_Iowa%20State_P%20Card%20Technology.pdf

Abstract: In April, 2007, the Iowa State University (ISU) Campus Organization Accounting (COA) Office answered the call from its student leadership to develop an internet-based purchasing card reconciliation system for student organizations. ISU has over 850 active student organization accounts and hosts one of the nation's largest student-run celebrations through campus organization accounts. Finding creative ways to customize an existing University purchasing card (p-card) system were necessary in order to:

- meet student expectations with existing resources,
- provide greater purchasing power for student organizations,
- eliminate concerns and create goodwill with local community vendors,
- reduce paper vouchers, and
- improve signature and spending compliance and controls.