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.
University policy governs the use of Harvard's Purchasing Card (PCard). 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)
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
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.
* 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
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
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"

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
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: National Association of Educational Buyers Code of Ethics
Source: National Association of Educational Buyers
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.
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, Impress 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 NASPO survey examines the current landscape of procurement practices among the states and offers insight on the various initiatives the states have implemented. The Survey Summary Report is free and available to the public. A downloadable version of the survey results is now available to non-NASPO members for purchase for $95. Click HERE to purchase the complete survey results.

NASPO members access the complete survey data using their login on to NASPO.org

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.
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.”

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.
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.

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.
### BEST PRACTICES, Purchasing Department

**Title:** UC Davis Purchasing Card - Best Practice Document

**Source:** University of California Davis

**Addl Info:** [https://ucdmm.ucdavis.edu/purchasingcard/bestpractice.pdf](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

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**Title:** Supply Chain Services Best Practices

**Source:** University of Pennsylvania

**Addl Info:** [http://www.purchasing.upenn.edu/supply-chain/bestpractices.php](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 – 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.

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BEST PRACTICES, Purchasing Department

Title: Higher Education - Supply & Demand Chain
Source: Supply & Demand Chain Executive Magazine
Addl 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
Source: Book by Steven M. Bragg
Addl Info: Check local library for book
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

For additional information, contact Financial Affairs
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.

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 (MWBEs) 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 MWBEs with national and global coverage. Many certified MWBEs can compete and win business. Moreover, identifying a portion of spend solely for MWBEs can foster competition. Introducing MWBEs 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 MWBEs 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

**Source:** Various

**Addl Info:** http://www.scdigest.com

**Abstract:** Do a search on Benchmarking.

Also See -
What is Supply Chain Management Best Practice?
http://www.scdigest.com/assets/FirstThoughts/07-02-01.cfm

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

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**Title:** PCard Best Practices

**Source:** Cornell University

**Addl Info:** http://www.dfa.cornell.edu/supply/tools/creditcard/pcardbestpractices.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.
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."

Reviewed the NACUBO/SACUBO best practices as it relates to the Purchasing Operation. FAU has 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 possibly 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.

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

## Sustainable Procurement Standards Guide

**Title:** Sustainable Procurement Standards Guide  
**Source:** Yale University  
**Addl Info:** [http://www.yale.edu/ppdev/Guides/purchase/3201GD.02.pdf](http://www.yale.edu/ppdev/Guides/purchase/3201GD.02.pdf)  
**Abstract:** Yale relies on a wide range of goods and services to operate and carry out its mission. Each year the University spends more than $1 billion on commodities ranging from vehicles, to office supplies, and lab equipment to construction materials, food, and computers. The type, quality, and quantity of commodities being procured have far reaching environmental impacts. In fact these impacts extend beyond the borders of the institution, to the companies and markets being supported and on to our environment due to manufacturing, use, and disposal.

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

**Title:** Procurement: From the "20th to the 21st Century"  
**Source:** Louisiana State University  
**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

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

**Title:** It's Never Too Late To Learn How To SWAM: A Comprehensive Approach to Improving Diversity Procurement  
**Source:** University of Virginia  
**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.
BEST PRACTICES, Purchasing Department

Title: Financial Services Best Practices

Source: Arizona State University

Addl Info: https://cfo.asu.edu/fs-best-practices

Abstract: Cash and Check Receipting Procedures

Departmental Procedures - Phone Services

PCI Best Practices

PCI Merchant Agreement

Processing Deposits at Cashiering Services

Purchasing Card Department Procedures

Reconciling Payroll Expenses

Voyager Cards
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.
Managing Your Contracts

Texas A&M University

http://www.sacubo.org/awards/bestpractices/archive/2009bp/

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.

Leveraging Electronic Procure to Pay for Revenue

University of Virginia

http://www.sacubo.org/awards/bestpractices/archive/2009bp/

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.

P-CARD - Best Practices Summary

Dartmouth University

http://www.dartmouth.edu/~rmi/documentsunprotect/p-cardbestpractices.pdf

Concise 2 page document
### BEST PRACTICES, Purchasing Department

**Title:** National Association of Educational Procurement

**Source:** National Association of Educational Buyers

**Addl Info:** [http://www.naepnet.org/imis15_prod/NAEPPub/Home/NAEPPub/Home.aspx](http://www.naepnet.org/imis15_prod/NAEPPub/Home/NAEPPub/Home.aspx)

**Abstract:**
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.

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

### Awards & Recognition

**Title:** Awards & Recognition

**Source:** National Association of Educational Buyers

**Addl Info:** [http://www.naepnet.org/imis15_prod/NAEPPub/Education/Awards/NAEPPub/Public/Education/AWARDS__RECOGNITION.aspx?hkey=1f64cf1d-25bf-4b4b-a61a-f45a0004c11a](http://www.naepnet.org/imis15_prod/NAEPPub/Education/Awards/NAEPPub/Public/Education/AWARDS__RECOGNITION.aspx?hkey=1f64cf1d-25bf-4b4b-a61a-f45a0004c11a)

**Abstract:**
Organization gives the following awards -
- Award of Excellence in Procurement (Award)
- Bert C. Ahrens Achievement Award (Award)
- Bob Ashby Mentor of the Year (Award)
- Distinguished Service Award (Award)
- Nancy Tregoe Scholarship (Scholarship)
- Neil D. Markee Communicator of the Year Award (Award)
- Volunteer of the Year Award (Award)
- Young Professional in Procurement Award (Award)
- Achievement of Excellence in Procurement (Award)
- David H. Lord E&I Cooperative Purchasing Award (Award)
**BEST PRACTICES, Purchasing Department**

**Title:** ProCard Reconciliation Best Practice

**Source:** University of Washington

**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

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**Title:** WCU P Card

**Source:** Western Carolina University

**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
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.

National Association of State Procurement Officials Awards

George Cronin Awards for Procurement Excellence
Giulio Mazzone Distinguished Service Award
Achievement of Excellence in Procurement
**BEST PRACTICES, Purchasing Department**

**Title:** Purchasing & Printing Unite To Provide Savings In Difficult Budget Times  
**Source:** Florida State University  
**Co Area:** Business Services

**Abstract:** FSU Finance & Administration needed to make quick and difficult decisions on what areas might need to be eliminated or reduced and where better business practices might affect positive changes. A review of all expenditures of printing orders, either by private off campus vendors or through the internal in-plant Printing Services revealed this was an area that could change. Two trends emerged through the analysis. Overall university requirements for printed material declined due to lack of budgetary resources and Printing Services, an auxiliary unit, could not continue to fund its staffing levels and employee lay-offs were necessary.

The decision was made not to close the internal in-plant Printing Services. The department has reviewed all off-campus vendor purchases before approving them to purchasing for dispatching to purchase orders. This had been an effective means to monitor pricing quotes made by off-campus vendors. However, Purchasing felt this role could be expanded to more effectively educate the university units on ways to save money. The fact that experienced employees in the custom manufacturing process of printing had the resources of estimating systems, knowledge of labor rates, raw material costs, industry equipment abilities and production output times meant that Printing Services would have the ability to determine best pricing and vendor selection for printed projects. Purchasing united with Printing Services and gave the director of this unit the role of a print buyer within the Purchasing department.

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**Title:** Tracking Purchasing Card Violations  
**Source:** University of Alabama  
**Co Area:** Controller's Office

**Abstract:** The University of Alabama has implemented a Pcard Violation Tracking system to bridge the gap between their Purchasing Card (Pcard) system and compliance auditing needs. This custom in-house developed system leverages transaction data against university policies to bring ease and automation to what was previously a tedious manual process. This project was a joint effort between the Procurement Services department and the Financial Affairs Information Systems Support group.
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<tr>
<th>Title:</th>
<th>The Competitive Edge on Managing Competitive Bids</th>
<th>1152</th>
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<tr>
<td>Source:</td>
<td>University of Alabama</td>
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<td>Abstract:</td>
<td>The University of Alabama has implemented a Vendor Bid System to manage the competitive bid process. This custom in-house developed system tracks all bids internally while posting relevant information to the university website. The purchasing staff is very pleased with the results they get from the new Vendor Bid System. It is easy for them to maintain bids and to find any item thru the extensive search capabilities, and the reports show them summaries and analyses by buyer, requestor, vendor, etc. Vendors are able to see more information online, whereas previously they may have to call a buyer and perhaps wait for an email or a fax. Also, any university employee needing to make a purchase can easily check the website for standing contracts and instructions and web links to make those purchases. And since this system was developed in-house, any special requests can be easily accommodated, such as tracking minority vendor activity when the university started a minority focused bid initiative.</td>
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<th>Title:</th>
<th>Creation of the Total Vendor Management Website</th>
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<td>Source:</td>
<td>University of Virginia</td>
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<td>Abstract:</td>
<td>The Department of Procurement Services at the University of Virginia is responsible for communicating all contract vendor information. There is a wide array of information that consists of contractual documents, supplier diversity status, quality ratings, sustainability status, and more. All of this information was previously available from multiple resources and was gathered and emailed by a procurement Services buyer when requested. With the creation of Procurement Service's Total Vendor Management website any user can now quickly and easily obtain the information they specifically require without the need to piece together information from multiple resources and/or wait for a buyer's email. This has resulted in increased efficiencies and overall contract vendor website user satisfaction for both Procurement Services and all users of the website.</td>
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Title: Improving a Purchasing Card Program
Source: University of North Texas
Abstract: The University of North Texas implemented a revised purchasing card program to strengthen controls and improve processing. The program includes mandatory training annually for cardholders, reconcilers and managers, a thorough review process and sanctions.

The improvements to the purchasing card program resulted in significant benefits for the University, including the following:
- Increased controls decreased the number of purchasing card cardholders.
- Increased compliance with university policy.
- Appropriate oversight and management for the large and high-risk program.
- Increased support and confidence from university administrators.
- Increased controls and oversight allow for additional types of payments beyond office supplies.
- Establishing required annual refresher training allows Purchasing and Payment Services to remind cardholders, reconcilers and managers about the program requirements and to highlight problem areas.
- Sanctions supported by the university administration send a message to the cardholders about the importance of following established guidelines.
- Automation decreased labor costs involved with data entry, decreased errors and allowed for more timely processing to the general ledger.

Title: Streamlined Contract Management
Source: University of Virginia
Abstract: The Department of Procurement Services of The University of Virginia has created a “Streamlined Contract Management System” that
1. Provides a completely streamlined paperless process from solicitation to contract posting on the University’s contract webpage;
2. Allows buyers to easily create and manage contract opportunities;
3. Provides vendors with an easy to submit tool to respond to opportunities;
4. Ensures accuracy of information;
5. Ensures that vendors meet the requirements for contracts with the University;
6. Ensures paperless and automatic contract opportunities and the contracts administrator doesn’t need to reenter any information;
7. Transmits the information automatically to the contract database, eliminating another duplicate data entry process;
8. Reduces and often eliminates paperwork for vendors and Procurement;
9. Makes the entire process simpler, faster, less error prone and more effective; and
10. Completely integrates with and improves upon the “Total Vendor Management Website” (SACUBO 2010 Submission - Creation of the Total Vendor Management Website).
### Expanding the Application of an e-Procurement System

**Title:** Expanding the Application of an e-Procurement System  
**Source:** Virginia Polytechnic Institute and State University  
**Co Area:** Controller's Office - A/P  
**Abstract:** This best practice automates and streamlines ordering and billing to internal campus service centers via use of a SciQuest e-procurement platform and the Banner Financial System. By bringing all suppliers of goods and services together into one marketplace, e-procurement is transformed into a business system that is capable of satisfying all customer requirements within one process. This creates a cogent solution for end-users and provides administrative cost savings to the internal service centers.

### Bringing Better Management to Procurement and Payment Processing Using Metrics and Reporting

**Title:** Bringing Better Management to Procurement and Payment Processing Using Metrics and Reporting  
**Source:** Kentucky Community and Technical College System  
**Co Area:** Controller's Office - A/P  
**Addl Info:** [http://www.sacubo.org/docs/bestpractices/2012/Procurement-Payment.pdf](http://www.sacubo.org/docs/bestpractices/2012/Procurement-Payment.pdf)  
**Abstract:** The Kentucky Community and Technical College System (KCTCS) recently re-engineered with great success process improvements within its procurement and payment processes. The improvements ensure requisitions are turned into purchase orders and the purchase orders are dispatched without delay and Accounts Payable payments are vouchered into payments with greater efficiency. All of which has significantly improved accountability both internally by buyer and Accounts Payable specialists and with vendors in tracking purchase activity and issues regarding the status of the order and why or why not payment has been made for the purchase.

### Building Professionals, Relationships & Profit Centers within the Purchasing Department

**Title:** Building Professionals, Relationships & Profit Centers within the Purchasing Department  
**Source:** University of Central Oklahoma  
**Co Area:**  
**Addl Info:** [http://www.sacubo.org/docs/bestpractices/2012/BuildingRelationships.pdf](http://www.sacubo.org/docs/bestpractices/2012/BuildingRelationships.pdf)  
**Abstract:** The University of Central Oklahoma sought to incorporate lean and best practices within the Purchasing Department to support the following progress:  
- Offer valuable campus customer support and service  
- Create strong vendor partnerships  
- Every acquisition involves strategic procurement with skilled Contracting Officers of Procurement to establish the department as a profit center  
- Improve processing times  
- Quality and sustainability cognizance  
- Standardization of practices and processes  
- Commitment to integrity and ethics  
- Community and campus community involvement  
- Reduction in staff with increased efficiency  
- Invest in employees for long term; future management replacements  
- Review and measure success and performance

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For additional information, contact Financial Affairs
The online Pcard training desperately needed to be revamped in order to have proper internal controls, ensure that cardholders and their supervisors were trained before a card was ordered, and a way to notify cardholders when refresher training was due.

The entire process of applying for a card had now changed. We developed a streamlined system that coincided with our internal controls. Applicants first sign into the University's internal identity verification system, Netbadge, to complete the training. As long as their authorized approver was trained, they can then go to the link to click on the application; however, if their authorized approver is not trained, the applicants receive a message asking them to invite their authorized approver to take the training. Once the application is completed, the form is then sent electronically to the authorized approver so they can submit their approval. After approval is received, the card is ordered. The card now can be sent directly to the cardholder. It no longer has to come to PSDS since we do not have to verify the person picking up the card or review their test results document.