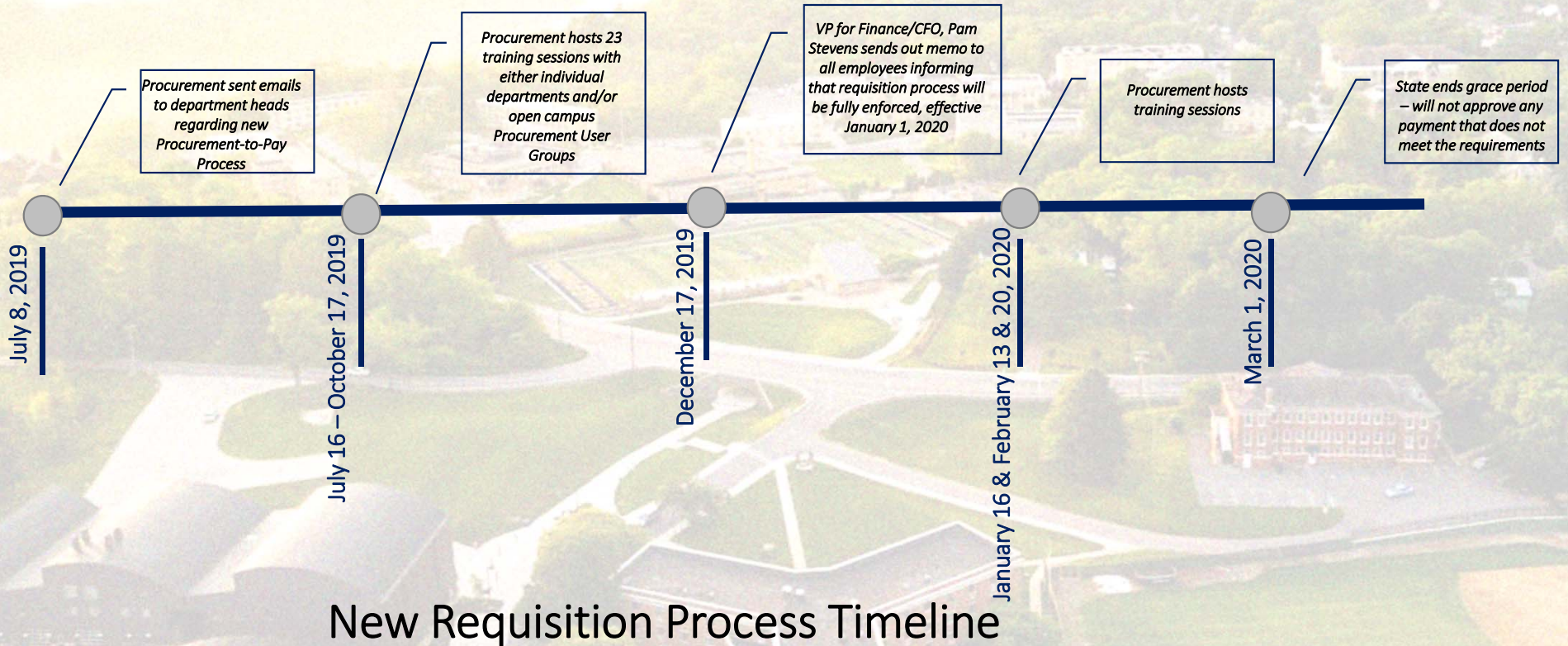
An aerial photograph of a university campus, showing green lawns, walkways, and buildings. The image is slightly faded to allow text to be overlaid.

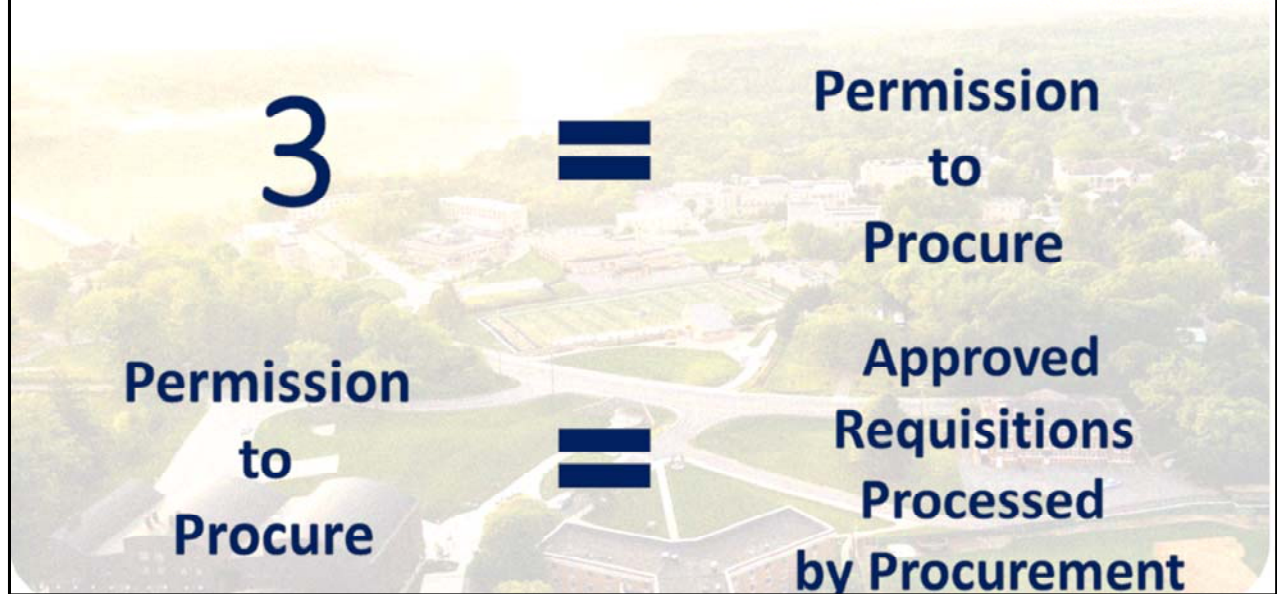
*Gearing Up for FY21: Requisition  
Q&A and Procurement  
Processing Reminders*

Procurement Users' Group Meeting: May 21, 2020

# Gearing Up for FY21: Requisition Q&A and Procurement Processing Reminders



## Procurement-to-Pay Process: Simplified



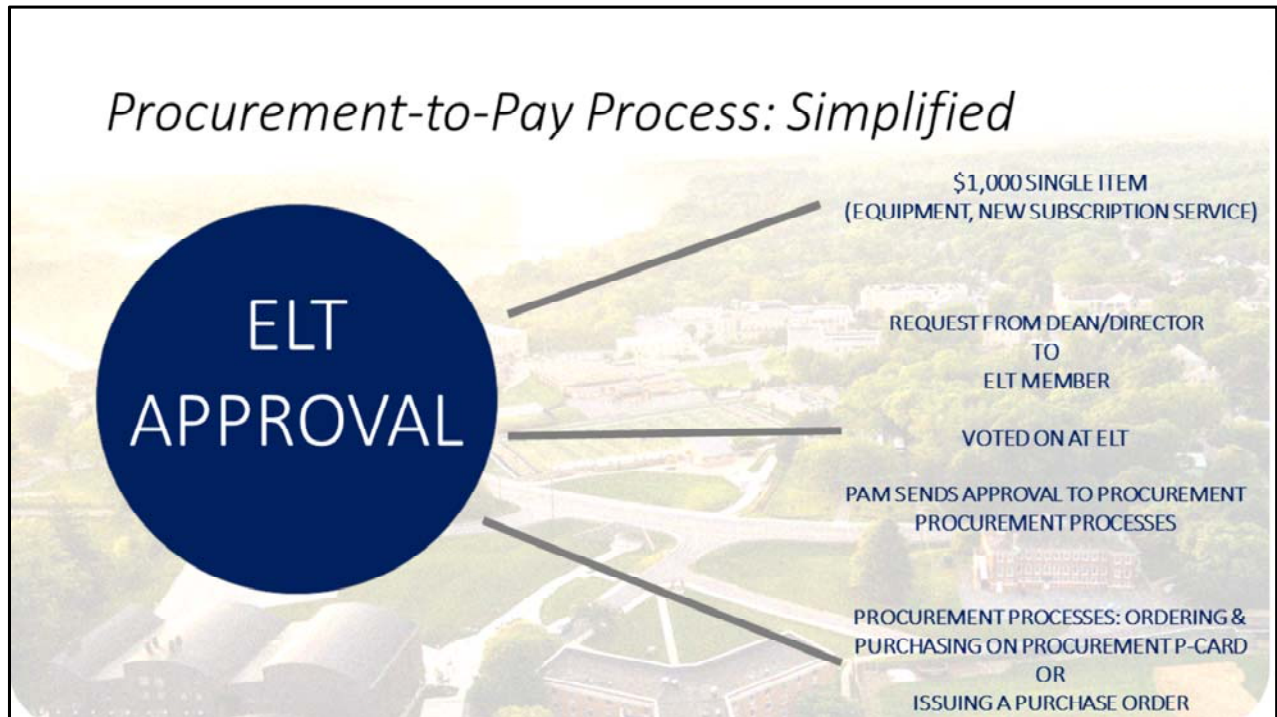
- There are 3 scenarios in which a department will need permission to procure. (See slides 5-7 for these scenarios.)
- “To Procure” = meaning to order, to agree to, to confirm
- This permission comes in the form of an approved requisition processed by Procurement – not the okay from Dean, ELT, Supervisor. That okay from the Dean, ELT or Supervisor = an okay to proceed with the Procurement process, mainly the requisition process.

## *Procurement-to-Pay Process: Simplified*

# WHY?

**TO ENSURE THE VENDOR IS PAID  
&  
TO STAY OUT OF THE NEWSPAPERS & HAVE GOOD REPORTS IN A LEGISLATIVE AUDIT**

- The State Auditor's Office has changed its requirements for approving documents for payment.
- The requirements must be met in order for the Auditor's Office to approve the invoices that are submitted for payment.
- The requisition process, allows for Procurement to ensure that all the documentation necessary for the Auditor's Office to approve for payment has been obtained and obtained in a timely fashion.
- The same documentation requirements must be met for expenses paid utilizing the P-Card. P-Card is just a method of payment and the rules cannot be circumvented simply because the P-Card is being utilized as the method of payment.



For detail explanation on this process, please visit our website.

Information can be found in these three locations:

- Procurement>Procurement: Purchasing
- Procurement>Procurement Users' Group Meetings>What's New in Procurement? – 09.06.19, 09.26.19 & 10.11.19
- Procurement>Procurement Users' Group Meetings>Procurement User Group – Requisitions\_Invoice Submission Requirements – 01.16.20

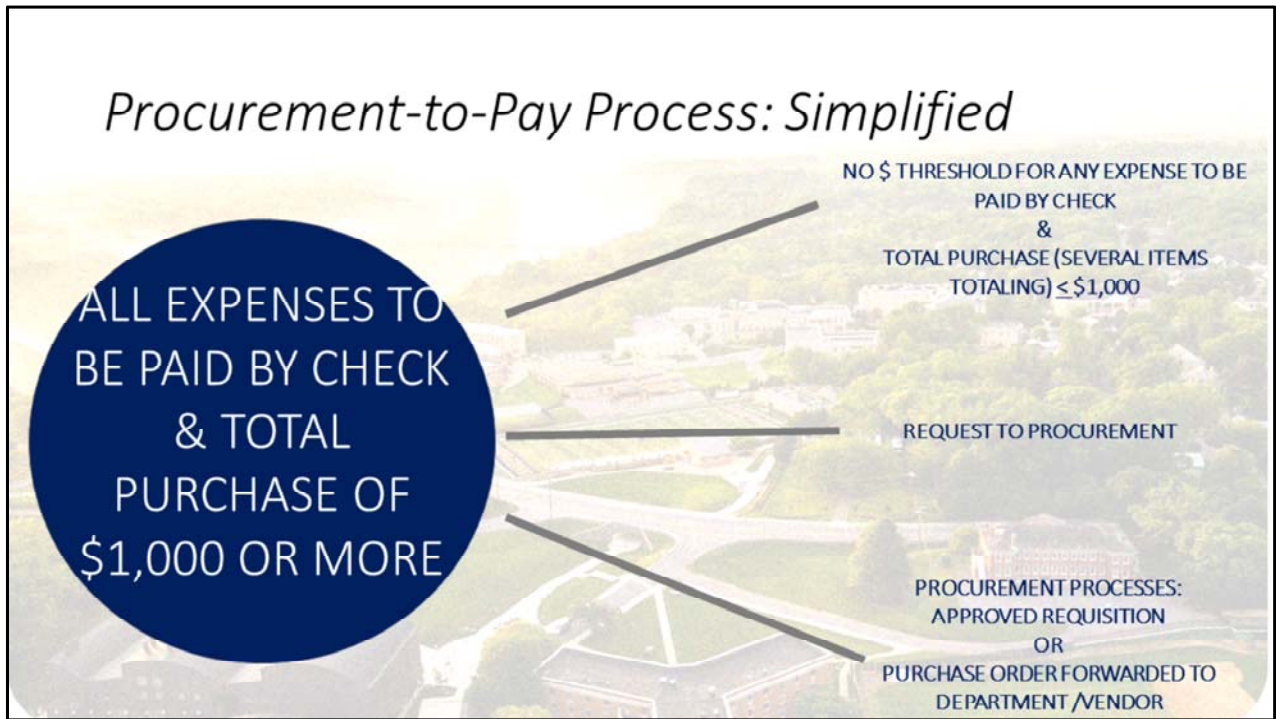


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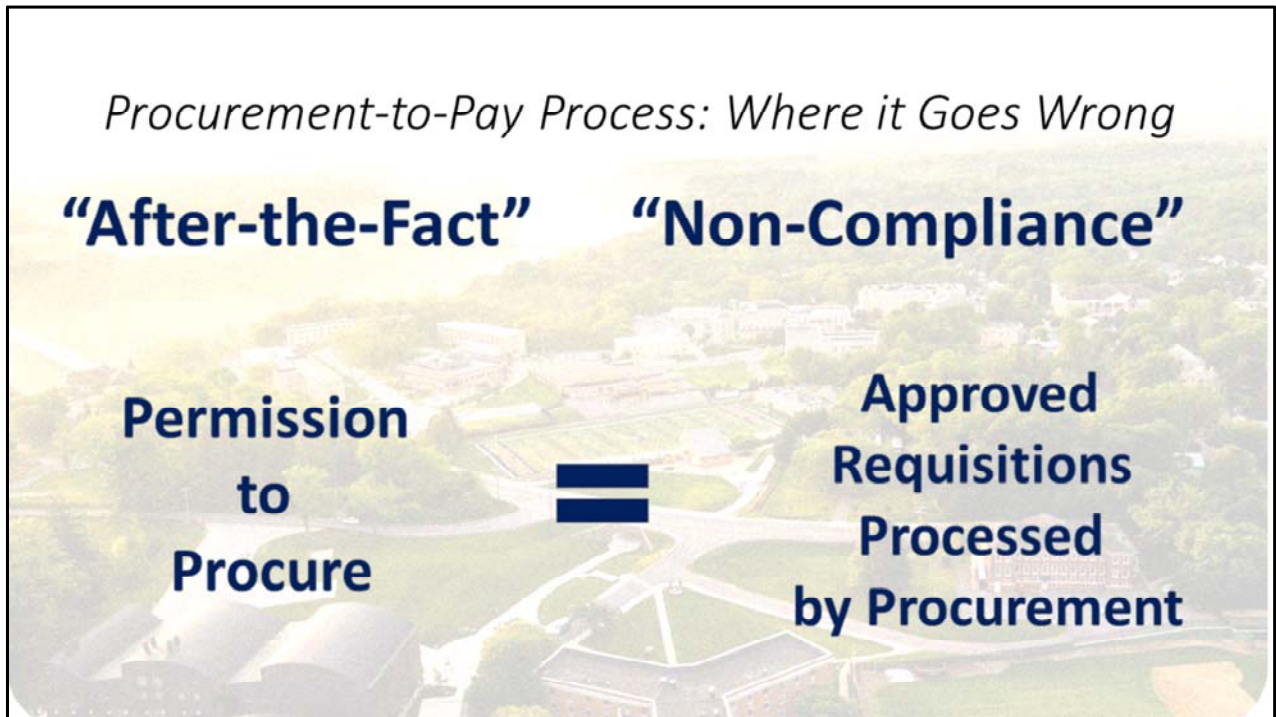
## *Procurement-to-Pay Process: Simplified*



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The main area in which the process goes wrong, is when departments aren't receiving the permission (*Approved Requisition Processed by Procurement*) prior to procuring (*ordering, agreeing, confirming*) the goods and/or services.

The documentation (*approved requisition, signed agreements/proposals/contracts, and/or issued purchase order*) supports and/or proves the permission; mainly with the signatures and dates. (See next slide.)



## Procurement-to-Pay Process: Where it Goes Wrong

### DATES

- Invoice Date
- Order Date
- First Date of Service
- Subscription Start Date
- Date Work Completed
- Date Items Received
- The requisition was signed
- The agreement was signed
- The purchase order was issued
- The quote was accepted
- The proposal was signed

*Example: An agreement in which the term of the agreement is from December 19, 2019 – August 24, 2020. Shepherd signed that agreement January 18, 2020 and the vendor signed the agreement February 28, 2020.*

The dates in the column on the left *can't be prior* to the dates in the column on the right. If those dates in the column on the left are prior to the dates on the right, it indicates that the permission to procure was received “after-the-fact”. The State wants to see that the processes was followed and that the institution is being billed and has received goods and services in line with what was agreed to in the agreement/purchase order/proposal/quote. Terms shouldn't be agreed to *after* the commodities and/or services were received. The goal is to document the whole process.

Example in the slide is an actual document was submitted and was rejected.

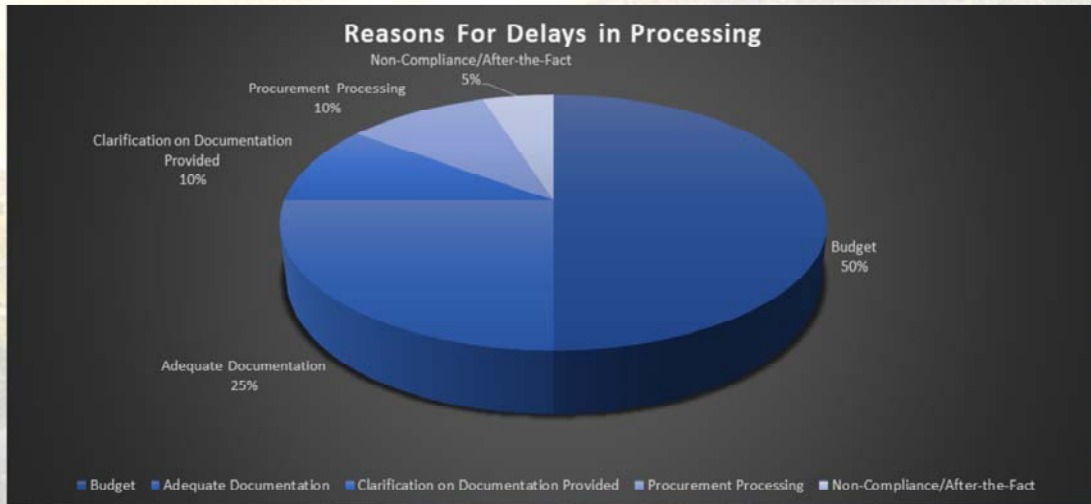
*Example: An agreement in which the term of the agreement is from December 19, 2019 – August 24, 2020. Shepherd signed the agreement on January 18, 2020 and the vendor signed the agreement February 28,*

2020.

So the documentation tells the story this way: At the point that the agreement was signed, the service has commenced a whole month before Shepherd agreed to terms and conditions and then two months before the vendor agreed. So the State Auditor's Office is stating upon review of the documentation, that if either party failed to meet the terms outlined in the agreement during the time period, neither party would be protected and/or possible held to the terms outlined in the agreement. It is the State's position that we should not handle State assets in this manner.

The only reason that this was approved by the State Auditor's Office is because the first date of service and the dates the agreement was signed was prior to our March 1, 2020 deadline with the State Auditor's Office.

## Procurement-to-Pay Process: Why Does it Take So Long for My Requisition to be Approved?



Here are the challenges that Procurement typically faces in the timely processing of requisitions.

- 50% of processing delays are due to ***budget availability*** down to the accounting line. At times, Budget Change Requests are submitted along with the requisition, which is appreciated, however Procurement doesn't move until that change is actually posted in Banner. (In emergency situations, Procurement will get permission to move without the money being posted in Banner.) There are situations in which the account code is changed from what was submitted on the requisition after Procurement's review, we recognize that this causes frustration. For items in which a department isn't sure what the account code should be, feel free to contact Procurement prior to submission of the requisition and/or completion of any Budget Change Requests. Also check with Procurement for items that may be considered assets that we will need to capitalize to ensure the correct account code is selected.

- 25% of the reasons for delay in processing is ***adequate documentation***. We have several requisitions that are submitted without signatures, or without quotes, or with expired quotes (if your quote is expired and the vendor states that the pricing is still good, please obtain that verification via email and submit along with the requisition). Also the requisitions aren't complete or they aren't marked either *Standard* or *P-Card*. ***Every requisition*** should be marked either *Standard* or *P-Card*. *Standard* indicates that we are paying by check. *P-Card* indicates that we are paying by P-Card. Instructions on completing the requisition can be found on our website (Procurement>Procurement: Purchasing). Please follow these to ensure that all items needed are complete.
- 10% of the reasons for delays are due to the need for ***clarification on documentation provided***, mainly we need further information in order to process. A suggestion to assist with this, is to add as much information as possible, as Procurement may be unaware of what it is that the department is procuring. When this information isn't provided, Procurement will need to go out and look for and/or request the clarification from the department or the vendor. Please keep in mind, for any type of computer service (anything coded to 7GH130) or software (coded to 7GH162) please feel free to obtain the Terms & Conditions and/or End User License (these can typically be found on the website or provided by the Sales Rep). We will need these as well in order to approve.
- 10% of the reasons for delay is due to ***Procurement processing delays***. This is an entire new area for our department and we are trying to accommodate the new requirements without any additional resources and/or reductions in the other responsibilities of the Procurement office.
- 5% of the reasons for delay in processing is after review, it is determined that the request is being submitted after-the-fact. The items have already been ordered/procured.

## *Other Reminders:*

- Vendor Names & Addresses
  - EXACT MATCH TO WHAT IS IN THE STATE'S SYSTEM AND/OR HOW THE VENDOR COMPLETED THE W9
  - <https://myapps.wvsao.gov/apps/default.aspx?ReturnUrl=%2fapps%2fPortal%2fDefault.aspx>

Please remember that the name and addresses on all **invoices** and **agreements** must be **an exact match** to how the vendor has completed their W9 and/or how the vendor is set up in the State's system. Instructions on how to look up vendor names and addresses can be found on our website.