

From: Murphy, Jennifer
Sent: Monday, September 06, 2004 9:00 AM
To: GRP-APS Customer Advisory Group
Cc: Mayne, Florence; GRP-Accounting & Purchasing Services
Subject: Guidance on Various Requirements
Importance: High

Good Morning:

In this e-mail, we would like to try and address and provide guidance on some of the most common areas that require APS to return items to your departments to get additional signatures or information before we can make a payment on your behalf. I will obviously not be able to hit on everything, but we hope that we all can use this as a resource from which to build. We often receive comments that something we are asking for has not been needed in the past; we understand that it can be confusing and frustrating with all the different requirements. To make sure we are on the same page...APS is not a rule making department, we strive to understand requirements and serve as the central experts to assist System departments in complying with the requirements over purchasing, making payments, and inventory. Our environment is so dynamic and ever-changing, sometimes I feel like I could e-mail you all with new things we learn daily. Please respond back to me if you would like to get together as a group to go over these items. I know you are all very busy, depending on the response I get we can get a location set up to have a brown bag lunch. Here we go...

APPROVALS

1. All required approvals must be documented prior to payment by procard or payment by APS.
2. OTIS must approve the purchase of information technology hardware, software, and systems development services prior to the purchase.
 - This includes anything that will touch System's network; including things purchased at your satellite locations (no one is exempt from this requirement due to location). Your procard holders are not allowed to purchase these things on procards without OTIS' prior approval. Some examples of these items are computers, printers, copiers, fax machines, software, and speakers, etc... If you have any doubt, call OTIS 512-499-4357 to obtain their documented approval. This guidance was provided by Paula Miner.
3. When a purchase requires that a purchase order is prepared, both the Purchase Order and the subsequent Invoice must be signed by the departmental authorized approver.
 - Signing the purchase order approves that the funds be encumbered to pay for the goods or service; signing the invoice approves that the service or goods were received and it is ok to make the payment at that time.
4. If a payment request is for office supplies from any vendor other than Office Depot there has to be a documented legitimate reason for not utilizing Office Depot.
 - This is required regardless if you are reimbursing an individual for making an office supply purchase or using your procard to purchase office supplies from a vendor.
5. When a payment is to your department head or for your department head.
 - When processing out-of-pocket expenses for travel, VP2s and VPEs and the department head is being reimbursed, attends a function for which another employee is reimbursed or the function is held at a club where membership is paid by UT System, the expense must be submitted to the department head's supervisor for approval on the Payment of Business Expense form. (<http://www.utsystem.edu/act/BusinessExpense.xls>) This guidance was provided by Loretta Loyd.
 - The consistent logic you should apply regarding payments that relate to your department head is to have his/her supervisor approve the expense prior to payment. Examples in addition to Loretta's are training costs and membership dues.
6. When a payment is for the authorized approver, who is not the department head.
 - An authorized approver should not sign off on approval of their own expenditures (i.e., training, travel expenses, membership dues, etc.). Signature of the department head should be included in these requests for payment.
7. Procard purchases must be signed by the cardholder and an authorized approver.

8. Office Depot purchase documentation must have a signature evidencing that the merchandise was received and an authorized approver's signature.
9. For any type of service that involves cabling (i.e., Time Warner, networking a printer) David Kruse, Facilities must approve prior to department taking action.

MISCELLANEOUS

1. P.O.s or documentation of price need to be created before the goods or services are obtained
 - This was the primary focus of the training we had together in May. Please pass this important requirement onto employees in your department that have procards and that initiate the purchasing of goods or services. We continue to receive requests for payment where a PO should have been created prior to goods or services obtained or a PO is not required but the department did not write down the estimate of how much the service will cost or document the cost of a good you are ordering.
2. State Funds
 - When state funds (53, 63, or 54-0100) are involved some of the additional things APS looks for are: if it is a payment to another state agency a check should not be cut for the payment as the method of payment; if the payment is for services the contract workforce checklist should be attached; if it is a payment for membership dues did the department document that the organization does not have lobbyists on staff.
3. Printing
 - Any printing job, no matter how small, is required by Article XVI of the Texas Constitution to be competitively bid. This is an old Texas state law concerning the commodity of printing. Please note: you are NOT required to obtain competitive bids if printing is done by a University facility such as University Printing or University Duplicating. Document the bids that you received. For more information on University Printing or University Duplicating, please visit <http://www.utexas.edu/services/printing/index.html> and <http://www.utexas.edu/services/duplicating/>
4. Business Expense Forms Information
 - There needs to be titles for employees listed on the form and/or the relationship of the person listed to the System. This is most common for meal reimbursements and flower payments.
 - There needs to be a purpose that an independent reviewer can understand.
 - Please limit abbreviations; your department knows what various committee abbreviations stand for but an independent reviewer does not.
 - We are going to update the form to add a line to identify who prepared the form so we know who to call when we have questions.
 - We continue to receive old forms that do not include the required language before the signature. Please make sure your department knows to use the form that is on our website.
5. HUB
 - When making purchasing decisions at the departmental level through use of the procard or other please encourage your department to make a good faith effort to utilize HUB vendors.
6. Office Supplies in CTJ (other than paper)
 - UT Austin's Supply store closed down as their departments are required to utilize OD on-line ordering. Basically, the only thing that Pitney Bowes can now obtain from campus related to office supplies is paper. Executive management at UT Austin will not permit us to give Pitney Bowes the ability to use OD on-line or allow them to have a procard. The result of this series of events is that System does not have a central location for office supplies (CTJ) as we have in the past. Please make sure to pass this information on to employees in your department.
7. Department and Direction
 - When your department sends invoices or other information to APS please make sure that there is enough information that we know what department that the documents are for and if not obvious please tell us what you need done with the information.
8. Checks and Scanning Reminders
 - Please remind employees in your department to: place "APS" on the left hand corner of the checks you bring us for depositing and to bring a copy of the check; and prepare your documents to be scanned prior to sending them to APS (if not letter sized paper please tape to letter sized paper).

NEW ITEMS

1. All books should be purchased using a procard.
 - We have learned that books cannot be paid without creating a purchase order or using a procard. Before now System has allowed employees to purchase reference books and then reimburse the employee or we have been paying a company directly with a check. Please make your employees aware of this change. Unfortunately, there is no threshold, it's any dollar amount. Please make sure when ordering from the internet to print out the price and description of the book you are buying.
2. Do not use a procard to pay for an overdue payment.
 - We have learned that the procard payment process does not automatically calculate and pay interest to a vendor when it is due because the payment is late (Prompt Payment Act).
3. The Contract Processing Check List has changed.
 - To all of you that process contracts through the Office of Business -Affairs, please note that the contract processing checklist has been updated. New item 15 requires action by the purchasing department. Please replace any old forms with the form (<http://www.utsystem.edu/bus/contract%20processing%20checklist.doc>) last revised on September 1, 2004. Contracts with an old contract checklist attached will be returned for reprocessing prior to signature by the Executive Vice Chancellor for Business Affairs. This guidance was provided by Loretta Loyd.
4. Copier Bills are now sent to the department for signature.
 - Monthly bills for copier expenses are now forwarded or sent directly to appropriate departments for signature prior to APS making the payment. Please return them to APS as soon as possible to prevent late payments.
5. Office Furniture Purchases
 - There is a space study project going on at System Administration; you may also hear it referred to as the migration study. If your department is planning any office renovations or purchases larger than "purchasing a chair, etc." please talk to Michelle in Facilities before you commit.
6. 85 Accounts: If you are spending money out of an 85 account you need to tell APS the source of the funds that will pay for the expense.
 - We have learned that there can be local and state funding sources in 85 accounts. As you know, there are additional rules related to state funds that need to be considered before they are used to make payments.
7. Interagency Envelopes
 - If your department has access interagency envelopes in your office could you give them to the Pitney Bowes employees? If you are in need of these envelopes, before you purchase new ones, you can check with Darren, Anthony, or Tony, Pitney Bowes to see if they have some for you to use.

Please remember to respond if you would like to get together to discuss these items over a brown bag lunch. As always, thank you for helping disseminate this important information to your department employees; the more we all know the better!

Thank you!
Jenny

Jennifer C. Murphy
Assistant Director of Accounting and Purchasing Services
512-499-4366