A photograph of a busy university campus. In the foreground, a wide, paved walkway is filled with students walking in various directions. Many students are carrying backpacks. The walkway is flanked by green lawns and several black, ornate street lamps. In the background, there are large, leafy trees and a prominent building with a red-tiled roof and Gothic-style architecture. A stone archway is visible in the distance, leading to another part of the campus. The overall atmosphere is that of a vibrant academic environment.

ePayment Forum

WHAT'S CHANGING IN PROCURE-TO-PAY

August 2017

uchicago

Session Objectives

During this session, we will discuss:

- Overview of the University's Preferred Purchasing Methods
- Changes to the check request process
 - Key ePayment changes
 - New vendor set-up functionality in ServiceNow
- Q & A

Overview of Procure-to-Pay

What is Procurement?



Procurement is the act of finding and buying goods or services from an external source.

Every item purchased – from travel, to office supplies, to research equipment – is done through the procurement process.

Preferred Purchasing Methods

When to Use Different Payment Channels



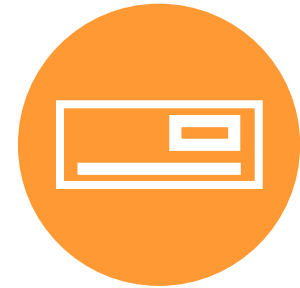
BuySite *Purchase Orders*

- Commonly purchased goods or services
- Catalog and non-catalog purchases
- Blanket and standing orders



GEMS System *Credit Card Expense*

- Travel Expenses
- Low-dollar Business Expenses
- Out-of-pocket expenses for employees (\$500 and below)



ePayment *Check Request*

- Payment vehicle for various Non-PO items (reimbursement for visitors, honoraria, etc.)



Preferred Purchasing Methods

Purchase Orders (BuySite)

A Purchase Order (PO) is:

- A commercial document issued to a vendor, indicating types, quantities, and agreed prices
- A contract containing terms and conditions of sale that protect the University
- Used to authorize a supplier to begin work

Purchase Orders benefit the University in several ways:

1. Improved control by requiring budgetary approval prior to incurring financial commitment
2. Reduce the likelihood of payment duplication
3. Protect the University and reduce legal exposure by establishing clear expectations on terms, delivery, and price
4. Improve the University's cash flow management
5. Provide volume discount to the University
6. Improve visibility to University diversity spend



Preferred Purchasing Methods

General Expense Management System (GEMS) Program

- The GEMS program is the University's expense management solution that streamlines employee business expenses.
- It is comprised of a web-based application (GEMS system) that works in conjunction with the University's corporate credit card, the GEMS card.

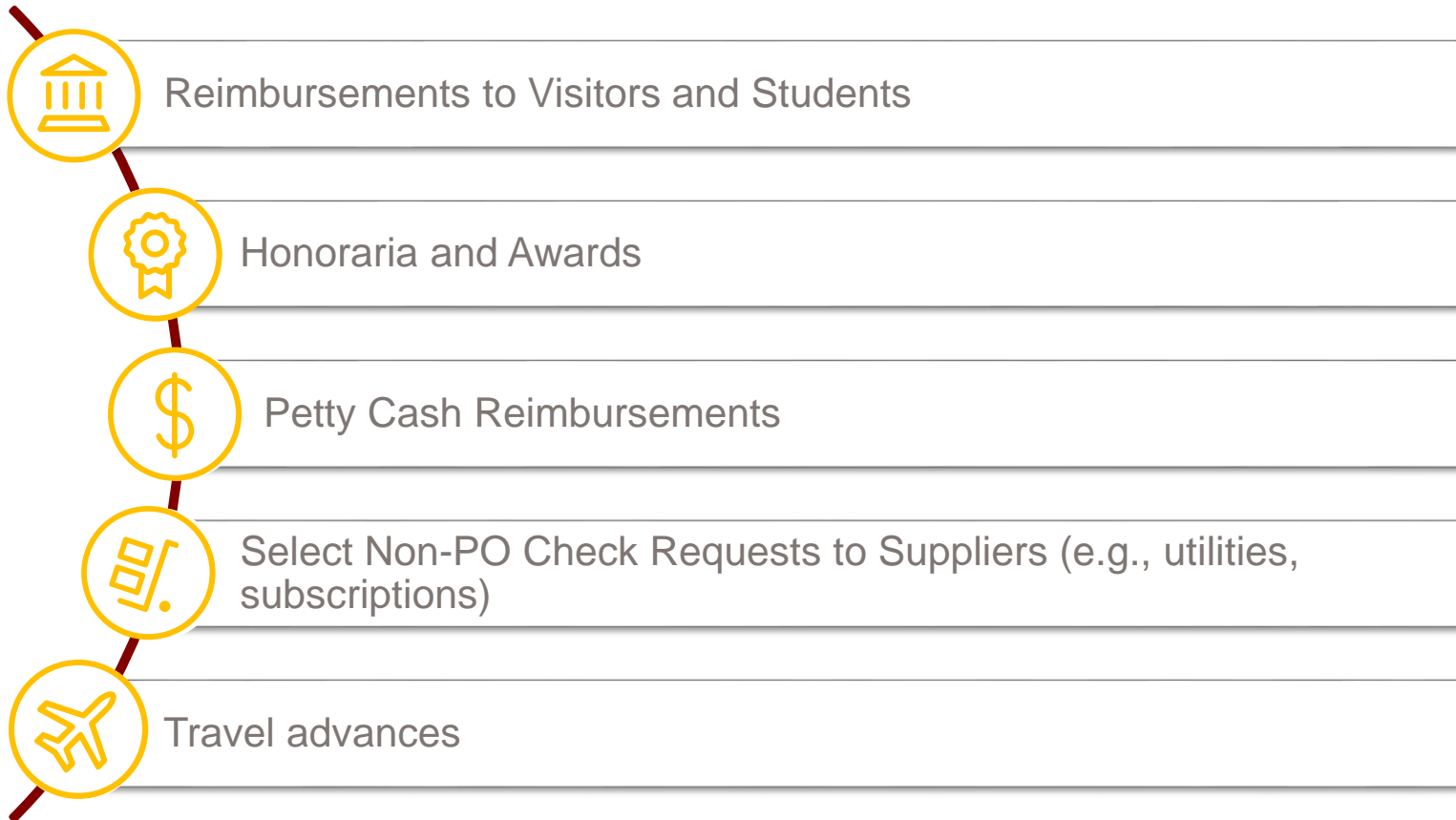




Preferred Purchasing Methods

Check Request (ePayment)

A check request is used for purchases of certain goods or services which are not practical to be processed by Purchase Order. Check requests can be issued for payment for certain permitted expense types. The most common check requests are:



Preferred Purchasing Methods

According to University Policy 1201, a University Purchase Order is the preferred method of acquiring goods and services and should be used whenever possible. Select items do not require a University Purchase Order and can be acquired using a Check Request (ePayment) or a GEMS card.

| Quick Reference Guide Preferred Purchasing Methods |
|--|
| Purchase Order - University Purchase Orders (POs) can be created in BuySite, the University's electronic purchasing application. BuySite allows departments to make purchases from University authorized suppliers. |
| GEMS Card - The University's corporate credit card that works in conjunction with the web based expense management system. The card provides faculty and staff with a convenient method of procuring and paying for travel expenditures and small dollar purchases. |
| Check Request - The University uses the ePayment online application to issue Non-Purchase Order payments to suppliers for a select group of expense types that are not well suited for purchase orders or credit card payments. |

| Preferred Purchasing method is listed with a "P" acceptable alternative methods are listed with an "X" | | | | |
|--|----|------|---------------|--|
| Good or Services | PO | GEMS | Check Request | Notes |
| Advertising | P | X | | Refer to Policy 1013 for guidance on accounting for Advertising |
| Animals | P | | | |
| Apparel (lab coats/uniforms) | P | | | |
| Athletic Goods and Services | P | | | |
| Audio Visual | P | | | |
| Awards and Prizes (Cash Equivalent) | | | P | Not allowed for employees |
| Books / Subscriptions | X | P | | |
| Business Meals | | P | | Includes Grocery Purchases for an event |
| Capital Equipment Purchases | P | | | Refer to Policy 1004.1 for capital equipment accounting guidance |
| Catering | X | P | | |
| Construction / Renovation / Operations | | | | Contact Facilities Services |
| Consultants / Professional Services | P | | | |
| Donations | | | P | Refer to Policy 1206 regarding gifts to Not-for-Profit organizations |

Preferred Purchasing Methods

The Buying Guide

The Buying Guide in ServiceNow is an interactive online tool that can help campus identify the proper purchasing channel, preferred vendor(s), as well as relative procurement policies when procuring different goods and services.

Buying Guide

Determine Preferred Purchasing Method (i.e. when to use GEMS, BuySite, or ePayment).

Please use this interactive tool to help you determine the preferred purchasing method and vendor(s) for specific goods or services. If you have any questions about how to complete this form, feel free to contact Shared Services at 773-702-5800.

All fields marked with an asterisk * are required.

* Which type of goods/services would you like to procure?

Which category of this type of goods/services would you like to procure?

Which subcategory of this type of goods/services would you like to procure?

Preferred Purchasing Details

Preferred Purchasing Method:
GEMS Card

Preferred Vendors:
Dr Pepper Snapple Group

Check Request Changes

- 1. Revised ePayment expense types** - Overtime, certain expense types will be removed from ePayment as they should be done in BuySite instead.
- 2. Vendor Set-up** - The Shared Services Office can assist in collecting required vendor set-up documentation (e.g. W-9) on behalf of the local units.

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Revised ePayment Expense Types

Support Correct Usage

- The expense types available in ePayment are being revised to align with the University of Chicago's Preferred Purchasing Methods and provide better control and oversight of transactions that should require a purchase order (PO).
- As a general rule of thumb, vendor requests that result in an invoice should be processed as a PO in BuySite.
- Functionality in ePayment will eventually be turned off for certain expense categories (early 2018).

Revised ePayment Expense Types

Key Changes

1. Certain expense types that should be processed through BuySite will be removed from ePayment for suppliers/vendors and independent contractors:
 - Claims
 - Consulting Fee
 - Marketing and Promotional
 - Medical Fee
 - Other
 - Service
 - Supplies
2. Help text will be added to the ePayment form to provide more direction and clearer definitions for words like “independent contractor” and “honorarium”.
3. Additional information will be collected for vendor “no match”:
 - Vendor email address
 - Vendor phone
 - Vendor type (Domestic entity, international entity, etc.)

Check Request Changes

1. **Revised ePayment expense types** - Overtime, certain expense types will be removed from ePayment as they should be done in BuySite instead.
2. **Vendor Set-up** - The Shared Services Office can assist in collecting required vendor set-up documentation (e.g. W-9) on behalf of the local units.

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Vendor Set-up

Vendor Documentation Collection

The Shared Services Office can assist in collecting required vendor set-up documentation (e.g. W-9) on behalf of the local units.

How to request help...

Shared Services assistance can be requested the following ways:

1. **ServiceNow** - Submitting the ServiceNow Vendor Set-up or Modify request form

-OR-

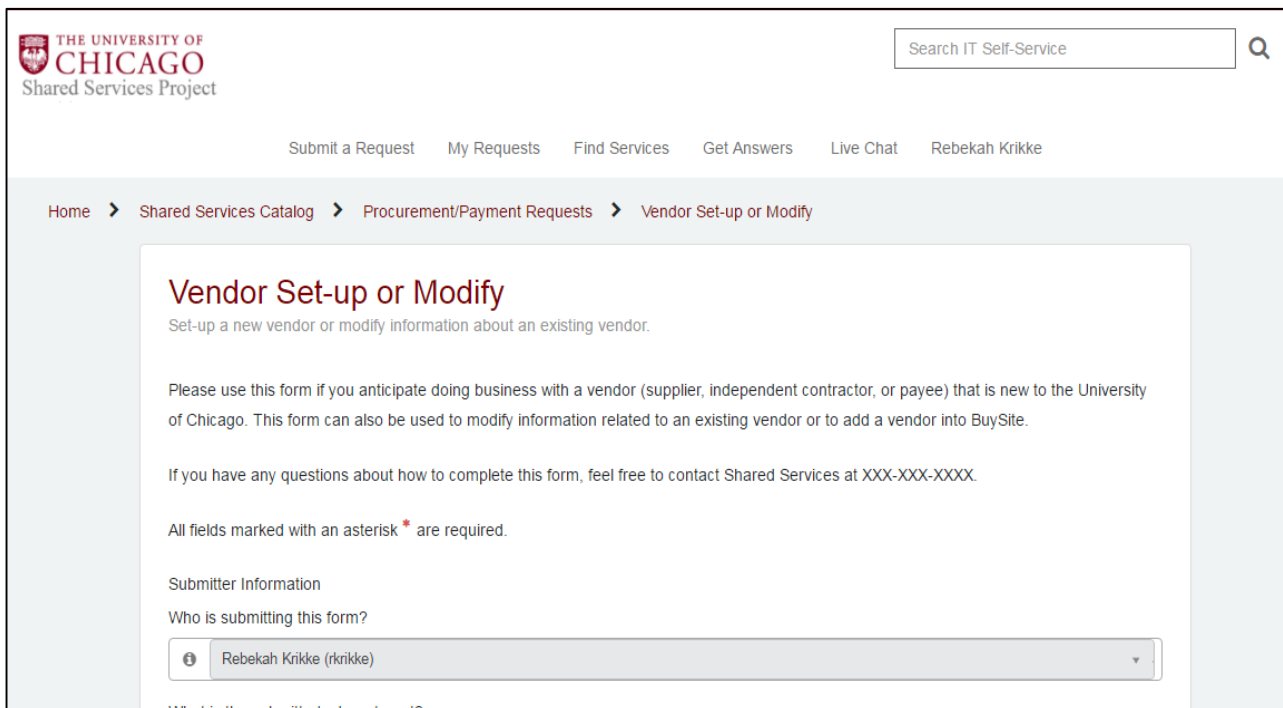
2. **ePayment** - By adding the vendor contact information to the ePayment request.

Vendor Set-up

ServiceNow Demonstration

Local units are responsible for:

- ✓ Identifying a business need for a new vendor
- ✓ Confirming new vendor does not exist in BuySite or ePayment
- ✓ Submitting the Vendor Set-up form in ServiceNow




The screenshot shows the ServiceNow interface for the 'Vendor Set-up or Modify' form. At the top left is the University of Chicago logo and 'Shared Services Project'. A search bar on the top right contains the text 'Search IT Self-Service'. A navigation menu below the search bar includes 'Submit a Request', 'My Requests', 'Find Services', 'Get Answers', 'Live Chat', and 'Rebekah Krikke'. The breadcrumb trail reads 'Home > Shared Services Catalog > Procurement/Payment Requests > Vendor Set-up or Modify'. The main content area has the title 'Vendor Set-up or Modify' and the subtitle 'Set-up a new vendor or modify information about an existing vendor.' Below this, there is a paragraph of instructions: 'Please use this form if you anticipate doing business with a vendor (supplier, independent contractor, or payee) that is new to the University of Chicago. This form can also be used to modify information related to an existing vendor or to add a vendor into BuySite.' Another paragraph states: 'If you have any questions about how to complete this form, feel free to contact Shared Services at XXX-XXX-XXXX.' A note indicates: 'All fields marked with an asterisk * are required.' The form section 'Submitter Information' is visible, with the question 'Who is submitting this form?' and a dropdown menu currently showing 'Rebekah Krikke (rkrikke)'. The question 'What is the submitter's department?' is partially visible at the bottom.

Vendor Set-up

ePayment

- If local units are already in possession of the required vendor documentation they should attach it to the check request, as this will speed up the processing time.
- When processing check payment requests in ePayment, refer to the *Required Documentation for Check Requests* job aid in ServiceNow for assistance in determining what documentation is required



Required Documentation for Check Requests

Purpose

When check requests are submitted in ePayment, certain documentation is required before payments can be made. This document provides guidance on the documentation needed when processing a check request in ePayment based on who is being paid for each transaction type.

Required Documentation for Check Requests

The Shared Services Office (SSO) is able to collect certain required tax and immigration documentation on behalf of local units. If local units are already in possession of the required tax or immigration documentation they should attach it to the check request, as this will speed up the processing time. Items marked with an asterisk (*) below are items the local unit must attach to the request regardless of whether the SSO is collecting tax or immigration documentation.

| Type | Description | US Citizens | Permanent Residents | Foreign Nationals |
|------------------|--|--|--|--|
| Honoraria | Nominal payment, intended to confer distinction on or to symbolize esteem or admiration for the recipient. | 1. IRS Form W-9 2. Event flyer* | 1. IRS Form W-9 2. Copy of Permanent Resident Card or copy of the I-551 passport stamp 3. Event flyer* | 1. IRS Form W-8BEN 2. Form UPP 192 3. Original IRS Form 8233, if applicable (do not submit copies, faxes, or scans) 4. Copy of DHS Immigration Document, if applicable 5. Event flyer* |
| Stipends | Payment made to students for work completed, but it is not necessarily based on work performed or hours of work. | 1. IRS Form W-9 | 1. IRS Form W-9 2. Copy of Permanent Resident Card | 1. Form UPP-192 2. Copy of DHS Immigration Document 3. Copy of front and back of the I-94 Card |

Required Documentation for Check Requests 1

Next Steps

Timeline

- **Expense type changes:** Shifting certain transactions from ePayment to BuySite will be a gradual process and changes will not go into effect until early 2018.
- **Vendor setup support:** Shared Services vendor setup support will be available via ePayment and ServiceNow starting the end of August.

Transition Support

- The Shared Services Office will partner with local units to help them transition to the correct payment type over time and will create a targeted list of vendors to migrate to BuySite.
- Training, job aids, and email reminders will be provided to staff.

Questions

Please contact sharedservicesinput@uchicago.edu with any concerns or feedback.