



# KUALI FINANCIAL SYSTEM (KFS) PURCHASING TRAINING

WELCOME!

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ANALYST

# Today's Agenda

- Special Note on this Training
- Overview of Purchasing Policies and Procedures
- Accountability
- Before You Purchase
- Adding/Updating Vendors in KFS
- Delegated Purchasing Limits and Rules
- **Requisition:** Overview and Different Types (Specific, Repair, Purchasing Against **Agreement**), Routing

# Today's Agenda

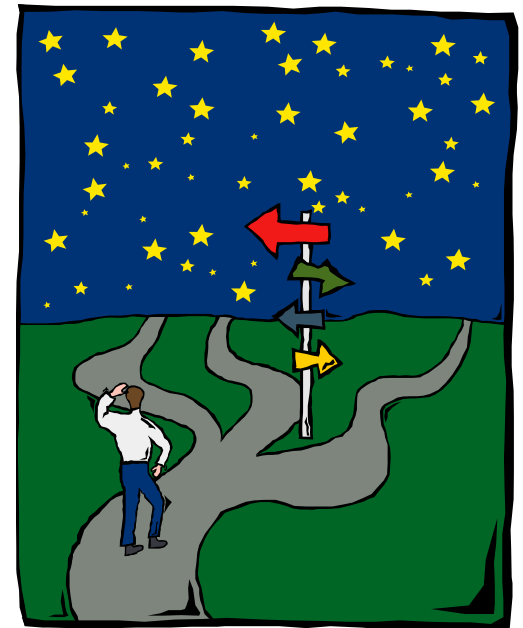
- **Purchase Agreement** : When and How To Use, Routing
- **Amendments** : How to Change Things on Approved Purchase Orders
- **Line Item Receiving**: When and How to Use
- **Payments**: Made on the **Payment Request**
- **Reporting**: KFS Reports in **FIS Decision Support (DS)**
- Help Resources

## Special Note on this Training

- Purchasing Training (online or classroom) required before create access is granted to the **Requisition** and **Purchase Agreement** documents in KFS
- After completing this training, you will be granted create access to the Requisition and Purchase Agreement documents in KFS by the next *business day*
- Without the Purchasing access, you can still view and approve Purchasing documents in KFS, but you won't have the ability to create them
- NOTE: This training does not discuss the use of the campus online pre-purchasing system; contact your appropriate office staff for questions on that system

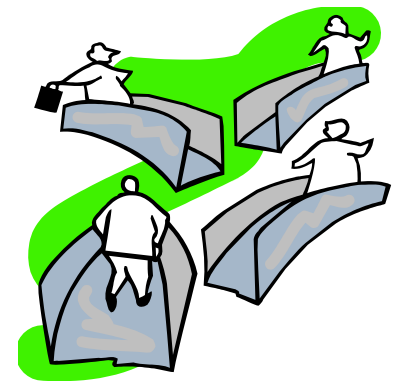
# Overview of Purchasing Policies and Procedures

- Employees purchasing on behalf of the university are expected to be familiar with the Policies posted at [manuals.ucdavis.edu](http://manuals.ucdavis.edu)
- When in doubt about something, always check the policy FIRST
- In some cases, there may be more than one policy that applies to a purchase (due to various funding issues); the strictest policy generally applies
- Purchasing policies contain information on unauthorized purchases and what to do if an employee purchases goods/services outside of policy (e.g. employee reimbursement and “confirming” orders)



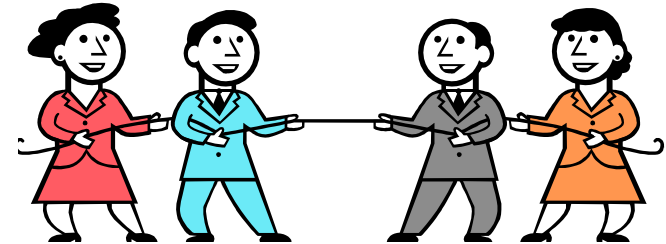
# Overview of Purchasing Policies/Procedures

- The Quali Financial System (KFS) has built-in rules to automatically enforce policies, including separation of duties, restricted commodities and additional routing, and delegated purchasing limits
- Some of the rules are based on what permissions and roles you have been granted in the financial system
- If there is a discrepancy between what is in this training and what is in current policy, the policy shall govern



# Purchasing Policies: Conflict of Interest

- Employees purchasing on behalf of the university must be aware of **Conflict of Interest** policies; users should have knowledge of any potential issues with a vendor selection (purchasing from a family member or near family member, employee or former employee is generally prohibited)
- You are required to check the **Conflict of Interest** box (and complete the form on the Purchasing website and attach to your Purchasing document) if there is a reason you are using a vendor with whom a possible conflict of interest exists; when in doubt, it's better to select a different vendor



# Accountability

- We are accountable to our stakeholders
- Stakeholders include funding agencies, private donors, and taxpayers (state funds)
- As a taxpayer, YOU are a stakeholder!
  - Always important to ask how you would want to have your \$ spent
- It is important that we take our purchasing role seriously





# Pre-Purchasing Considerations

- BEFORE creating a purchasing transaction using university resources and funds:
  - Confirm it's for official university business use (research, teaching, public service, patient care); no personal gain
  - Ask if purchase supports sustainability
  - Check funding source restrictions
  - Check campus purchasing sources (keep spending local!)
  - Check **UCD Buy** (university agreement pricing keeps your costs down! Catalogs include office supplies, computers, lab supplies, hardware supplies, office furniture)
  - Check to see if there is a university agreement that you can use in KFS



## Before You Purchase...

- BEFORE creating a purchasing transaction using university resources and funds:
  - Make sure you select an appropriate vendor:
    - No purchases from family or near-family members, employees
    - Do not accept gifts/gratuities from vendors
    - Compare multiple vendors for Price Justification purposes
    - Sole Source is only appropriate if requested item(s) are ONLY available from one vendor
  - Confirm that purchase is ADA-compliant
  - Strive for lowest overall cost (“item price” does not tell the whole story; e.g. shipping and handling items )



# Adding/Updating Vendors in KFS

- Vendor records get added and updated using the **Vendor** document in KFS
- For most purchases, the vendor will need to be in the KFS **Vendor** table before you process the **Requisition**
- Insurance information should be completed when entering a vendor that will be used for issuing a repair order, otherwise not required
- Vendor Tax information/W9 form will generally be acquired by Purchasing/Vendor Desk as needed
- The KFS **Vendor** document automatically routes to Purchasing for review/approval



# Attach Your Supporting Documentation!

- Scan and attach your price quotes/other supporting backup documentation to the **Notes and Attachments** tab on the **Requisition** and **Purchase Agreement** document; expedites process of getting documentation to Purchasing
- All backup documentation can be easily reviewed as part of that document
- If you must mail hard copies to Purchasing, you will be required to indicate the reason in the **Justification for not Scanning Attachments** section
- REMOVE (block out) any sensitive information from documents before electronically attaching them (this includes full credit card numbers and social security numbers)
- Use attachments with caution! Once they are added to your KFS document, they cannot be deleted/removed

# Delegated Purchasing Limits and Rules

- Per policy, some purchasing can be done directly by departments and some purchasing must go through Contracting Services (Purchasing)
- Delegated limit is \$4999.99 per vendor per day for MOST departments
- Types of purchases that must go through Purchasing:
  - Transactions over the delegated limit
  - Capital equipment purchases (at or above \$5K)
  - Most services
  - Controlled substances

# Requisition Document/General Routing

- **Requisition** is used for:
  - Items that can be purchased directly by departments
  - Items/services that require approval by Purchasing
  - Processing repair transactions
- **Requisition** document will automatically route to Fiscal Officer, Organization Review
  - If no existing conditions require central office or Purchasing approval, the **Requisition** will then be fully approved, and an automatic **Purchase Order** will be created and a copy will appear in the KFS **Action List** of the **Requisition** initiator (PO numbering convention will contain org code prefix on printed copy **ONLY**)



# Requisition Document/Special Routing

- **Requisition** document will automatically route to Fiscal Officer, Organization Review
  - If any conditions exist that require central office approval (e.g., Police Department, Facilities, Safety Services), the **Requisition** will then automatically route to those units for approval



# Requisition Document/Purchasing Routing

- **Requisition** document will automatically route to Fiscal Officer, Organization Review
  - If services are being purchased, an independent contractor is selected as the vendor, or the department delegated dollar limit is exceeded, the **Requisition** will automatically route to Purchasing for review/price negotiation with vendor, and ultimate approval by a buyer in Purchasing
  - Once Purchasing has created and approved the Purchase Order, a copy will automatically appear in the KFS **Action List** of the **Requisition** initiator (PO numbering convention will contain “UCD” prefix on printed copy ONLY)





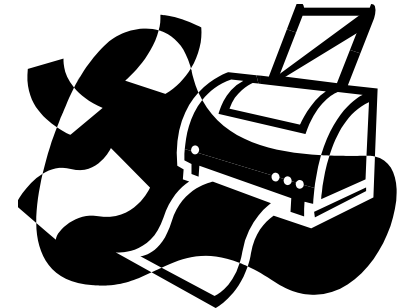
# What does Purchasing Do with Requisition?

- Control Desk ensures correct commodity codes used
- Ensure Federal and State Regulations and University policies are administered equitably
- Competitive Bidding (State law and Federal Regulations subject the University to competitive bidding rules)
- Develop, negotiate, and sign contracts, minimizing university liabilities
- Develop formal requests for quotations and proposals
- Assist with rebate program(s) accountability

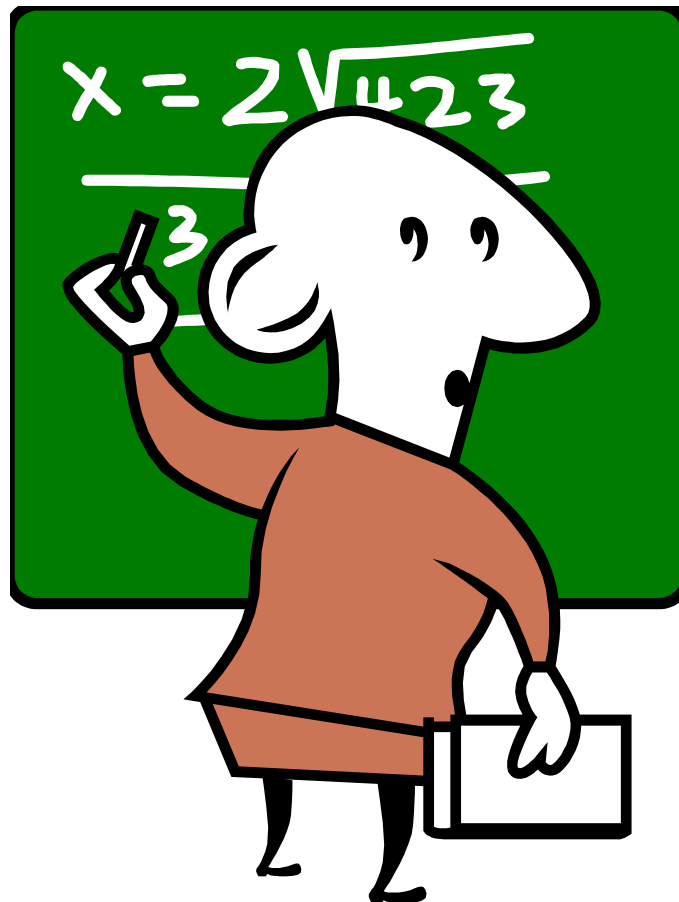


# Printing Purchase Orders

- There is a **Print** button at the bottom of fully approved **Purchase Orders**
- The **Print** button will generate a PDF of the Purchase Order; print *only* when necessary
- After the original **Purchase Order** is printed, the button will change to **Re-Print** (NOTE: Purchasing will print the original of any **Purchase Orders** they are required to place)



# Time for a Requisition Demo!



# Purchase Agreement Document

- **Purchase Agreement** document is used to set up new department agreements. No \$ is encumbered on the **Purchase Agreement** document
- **Purchase Agreements** in KFS have the numbering convention AXXXXX (e.g., A10010)



# Purchase Agreement Types

- **No Cost Agreement-Other:** Generally processed when a vendor requires the signing of an agreement committing the university to specific terms and conditions (should ONLY be used if a more "specific" type is not applicable for the chosen agreement)
- **Catering, Lodging Event Agreement:** used when you have a travel or entertainment transaction that needs a signature or an agreement for the vendor in advance, and will be paid after the fact through normal travel and entertainment methods (e.g., **MyTravel** or Corporate Card)
- **Facility Use Agreement:** Use of facilities NOT related to travel and entertainment (e.g., when the athletics department uses outside sports facilities for training); there is a type for 30 days and under, and one for agreements lasting longer than 30 days



# Purchase Agreement Types

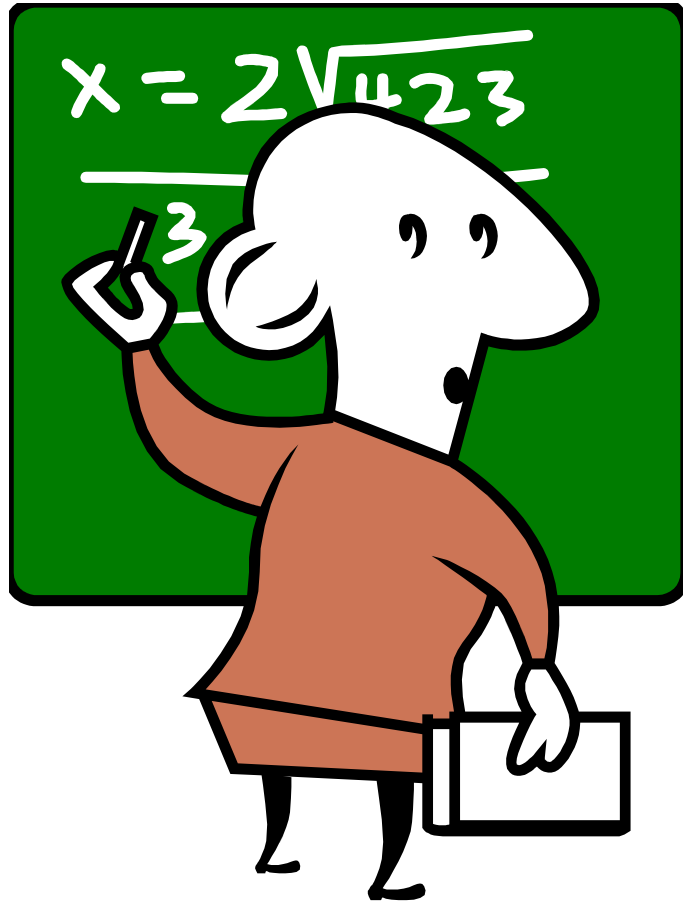
- **Online Subscription Agreement:** For use when you need terms and conditions from an online service reviewed by Contracting Services, prior to using that service.
- **Non-disclosure Agreements:** For use for non-disclosure/confidentiality agreements.
- **Blanket Agreement:** Generally created for the establishment of an on-going product or service expense need exceeding \$10K per year (e.g., department need to have lab cleaned on a biweekly basis)
- **Revenue Agreement:** Created for an agreement that will generate revenue for the department/university



## How To Purchase and Pay Against KFS Purchase Agreement?

- Purchases against an agreements are made on the **Requisition** document. Two options are available. One encumbers the entire amount of the agreement up front, and the other option encumbers only the amount that the department is paying at that time:
  - Create ONE Requisition for the full amount of the Agreement; the **Requisition** will become an automatic **Purchase Order** after routing
  - Create a SEPARATE Requisition EACH time you have a payment to make against the order ; the **Requisition** will become an automatic **Purchase Order** after routing
  - You would then create a new **Payment Request** document against the **Purchase Order** each time you have payments to make

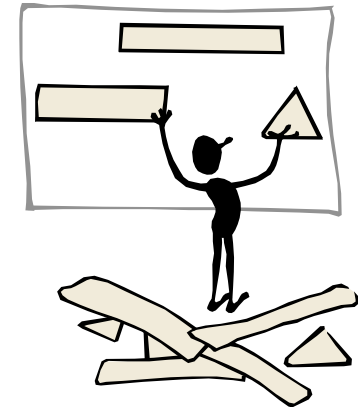
# Time for a Purchase Agreement Demo!





# Amendments

- Changes, including item quantity increases, addition of new item lines, and accounting line changes are made by creating an amendment to the **Purchase Order** or **Purchase Agreement** document:
  - **Amend** button at bottom of **Purchase Order** or **Purchase Agreement** allows user to make changes
  - Do not modify existing line item descriptions; add a new line for additional work or products
  - Amended **Purchase Order** or **Purchase Agreement** will generally go through same routing as the **Requisition** did (unless, for example, new commodity codes with different business rules have been added to the document)



# Canceling/Voiding or Closing Orders

- If no payments have been made on the **Purchase Order**, there will be a **Void Order** button at the bottom of the document
- If any payments have been made, there will be a **Close Order** button at the bottom of the **Purchase Order** document
- In either case, the document will go through same routing as original **Requisition** document that created the **Purchase Order**
- **Void Order** or **Close Order** options will remove any remaining liens on the **Purchase Order**
- Unlike our previous financial system, KFS will automatically close **Purchase Orders** where there are no remaining liens (i.e., final payment made on order will automatically remove all the liens)



# Re-Opening Orders

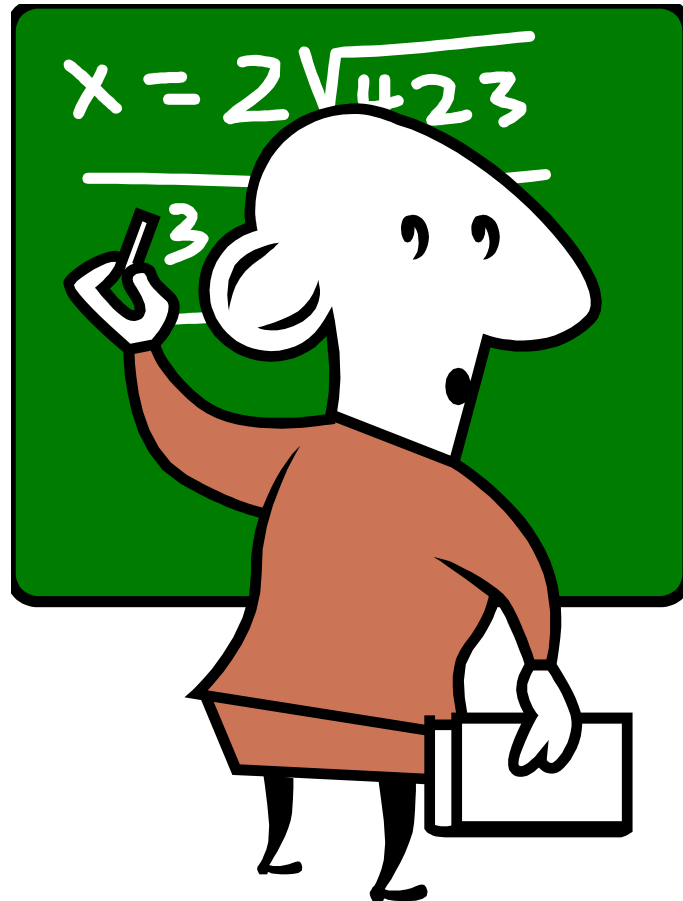
- If **Purchase Order** is closed, there will be a **Open Order** button at the bottom of the document which will allow you to re-open the order
- The **Open Order** button only allows you to re-open the order (goes directly to FINAL status), but you can then process an Amendment to the **Purchase Order** as needed



# Line Item Receiving

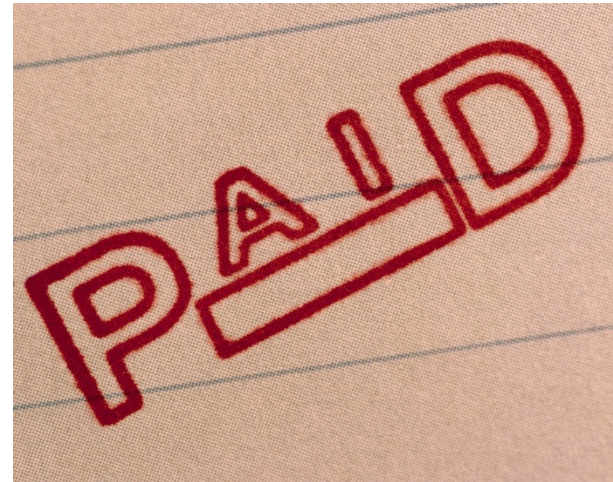
- **Line Item Receiving** document is used to indicate the receiving of goods (can't be used for indicating receipt of non-item goods, services)
  - Optional for most purchases, department can indicate on **Requisition** that they want **Line Item Receiving** to be required, or they can still use the **Line Item Receiving** document regardless
  - System-required to be completed if purchasing Capital Equipment (\$5000 or more):
    - **Payment Request** document for Capital Equipment cannot be fully approved until **Line Item Receiving** document is completed
- No routing on the **Line Item Receiving** document (goes directly to FINAL status)

# Let's take a look at the Line Item Receiving Document!



# KFS Payments Against Purchase Orders

- **Payment Request** document is used to make payments on **Purchase Order** document
- Electronically ATTACH your vendor invoice in the **Notes and Attachments** tab; no more mailing the hard copy invoice to AP!
- If needed, there is an option on the **Payment Request** to close the order, but remember the order will *automatically* close when there are no remaining encumbrances or amount (quantity) left to pay
- **Payment Request** document routes to Fiscal Officer, any Organization Review, and Central Accounts Payable for final approval



# FIS Decision Support Reporting

- KFS Purchasing Reports are available in FIS DS
- Previous DaFIS DS reports and data continue to be available as well



# Help Resources

- Accounting website:  
<http://afs.ucdavis.edu>
- FIS Help Desk: (530)752-3855 OR  
[fishelp@ucdavis.edu](mailto:fishelp@ucdavis.edu)
- We want to ensure your success in KFS!





**Thank You for Your Time!**

