KUALI FINANCIAL SYSTEM (KFS)
PURCHASING TRAINING

WELCOME!

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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

- 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 Kuali 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
- We want to ensure your success in KFS!
Thank You for Your Time!