

FINANCIAL MANAGEMENT MEETING

February 13, 2019



Agenda

Introduce Imad Mouchayleh	Dan Langer	5 minutes
Purchasing Card Audits	R. Haines, M. Grove F. Austin, M. Donovan	30 minutes
Capital Equipment Updates	Amy Rognsvoog	15 minutes
Fiscal Year End	Lea Erickson	10 minutes
Affiliated Organizations	Susie Maloney	5 minutes
Procurement Automation Project Update	Liv Goff/Lori Voss	10 minutes
Future Agendas	All	5 minutes

Purchasing Card Audits

Rusty Haines, Meghann Grove
Frank Austin and Matt Donovan

Accounting Services



Purchasing Card Audit Statistics

- October 2017 – present: Approximately 375 cardholders audited
 - Findings: 114
 - Warnings: 91
 - Revocations: 5
- $91/375 = 24\%$
 - Therefore, 1 in 4 cards reviewed have had a negative audit finding.

Exceptional Audit Findings

- Gift card scam (\$3,000)
- Unidentified fraud (\$5,000)
- Excessive spend - Retention of University property

UWSA Internal Audit Continuous Review

- For transactions posted between 6/30/2018 and 12/18/2018
- Audit includes 91 transactions totaling \$38,561.22 across 22 divisions
- As of 2/9/2019, all requested documentation has been provided to the UWSA auditor; awaiting response

Business Services Audit Program

- February 2018 – January 2019
- Completed audit of each division (1-2 divisions per billing cycle)
- Reviewed all transactions within a division and selected potentially non-compliant purchases for audit
- Included 130 cardholders and 996 transactions
- Identified 147 audit findings

Business Services Audit Program Future State

- Use IDEA software to identify potentially non-compliant purchases from across campus; similar to how UWSA audit is conducted
 - Keyword searches (e.g. Bose, Amazon, liquor, gift cards, PayPal)
 - Weekend/holiday purchases
 - Serial Purchases
- Use U.S. Bank's Payment Analytics to identify potentially non-compliant purchases
 - Serial purchases
 - Internal vendor spend
 - Non-contract travel agencies/third party brokers
 - Ineligible vendors
- Consider policy modification to extend warning/revocations to site managers

Items an Auditor Reviews

- Ship-to address
- Approval signatures/dates
- Separation of duties
- Documentation requirements
- Identify purchases that should have been made through Shop@UW
- Business purpose
- Sales tax
- Personal use of the card
- Non-compliant purchase/policy violations
- Ineligible vendors
- Designated use
- Failure to follow-up on fraudulent activity
- Duplicate expenses (e.g. airfare paid on purchasing card and reimbursed to traveler as personal expense)

Top Five Audit Findings

- Business purpose (32 instances)
- Personal purchases (29 instances) – majority of which are online purchases, after storing purchasing card in profile (e.g. Amazon, Uber, PayPal)
- Cardholder approval (lack of signature and/or date)
- Site Manager approval (lack of signature and/or date or dated outside of 30-day policy requirement)
- Documentation requirements (e.g. missing receipts or other supporting documents)

Questions?

Capital Equipment Updates

Amy Rognsvoog

Accounting Services – Property Control





Proposed Policy Change



Physical Inventory: Updated
Communications & Analytics



Asset Disposal Due to Act of
Nature

Request for Feedback

Capital Equipment Procedure 110.9 – Change of Custody to another Department

Proposed Changes

- Allowance for “sale” between UW-Madison departments.
- “Sale” limitations, required approvals, account coding and process for facilitating communication updated.

Deadline for Feedback

- Deadline to submit feedback: **February 27, 2019**

Contact

- Submit to: Amy Rognsvoog – Property Manager
- Amy.Rognsvoog@wisc.edu

Physical Inventory: Updated Communications & Analytics



Scanner Validation

- DPA concern that scanned items are not properly represented in data analytics provided by Property Control.
- New Internal Process: Property Control Accountant documents the number of scanning line items with the DPA at point of scanner pick-up. This number is represented on new data analytics provided to all levels after the conclusion of the scanning phase of the inventory.



Enhanced Communication

- Phase 2 (Manual) Exceeding 15 Business Days:
- Standardized email format
- Will include DPA, Department Chair/Supervisor, and Dean's Office Leadership
- DPA will be required to submit all data handled until during the 15 business days.
- Property Control will advise allowance for extension
- Analytics on remaining items will be included for review
- Intent to offer more transparency to Department leadership and allow for support to the additional labor needs of the DPA.

Capital Equipment – Asset Disposal and Loss Recovery

Capital Equipment Procedure 110.7 – Equipment Disposition Procedures
[Link to Procedure 110.7](#)



Current Procedure

- When an asset is lost due to an act of nature, procedures exist which require a department to contact Property Control
- Disposition Form 110.7F ([Link to 110.7F](#)) allows for a department to advise of assets lost due to flood or fire
- Your department's DPA will assist in facilitating the paperwork.
- The department will need to advise if an insurance recovery is to be anticipated.



Contact

- Your Departmental Property Administrator
[Link to Departmental Property Administrator \(DPA\) List](#)
- Property Control
property@bussvc.wisc.edu

Fiscal Year End – FY2019

Lea Erickson

Financial Reporting, Analysis, and Systems

Accounting Services





DRAFT - February 11th, 2019

FY 2019 Timetable for Processing All Transactions

DATES SHOWN BELOW ARE FOR RECEIPT IN BUSINESS SERVICES



Transaction Type	Due Date
External Requisitions for FY 2019 with a dollar amount \$50,000 & over must be received in Purchasing Services, Suite 6101, 21 N. Park St.	April 1, 2019
External Requisitions for goods and services expected to be delivered in FY 2020 may begin to be created for FY 2020 in the External Requisition Generator in My UW.	April 1, 2019
External Requisitions for FY 2019 with a dollar amount \$5,000 - \$49,999 must be received in Purchasing Services, Suite 6101, 21 N. Park St.	April 15, 2019
Justification to Carryover Prior Fiscal Year POs. Campus can begin to justify PO rollover.	May 1, 2019
Orders after this date and expected to be received after June 30th must be charged to the new fiscal year, FY 2020.	May 17, 2019
Any external requisition for FY 2019 that <ul style="list-style-type: none"> is less than \$5,000 is PO from a Delegated department Must be received in Purchasing Services, Suite 6101, 21 N. Park St.	May 31, 2019
Invoices from External Vendors must be received in Accounts Payable, Suite 5301, 21 N. Park St. - Invoices may be submitted after this date, but FY19 processing is not guaranteed.	May 31, 2019
Direct Payments (DP) & Payment To Individual Reports (PIR) must be received in Accounts Payable, Suite 5301, 21 N. Park St. - Invoices may be submitted after this date, but FY19 processing is not guaranteed.	May 31, 2019
Refund of Receipt form for money deposited with the University as a receipt or sales credit must be received in Cash Management, Suite 6101, 21 N. Park St. - Forms may be submitted after this date, but FY19 processing is not guaranteed.	May 31, 2019
Encumbrance Management Forms for FY 2019 approved by your Dean's office must be received in Purchasing Services. Email forms to purch@bussvc.wisc.edu or bofundinastringonly@bussvc.wisc.edu depending on the change.	June 7, 2019
Check requests and Gift Routing Forms must be received by UW Foundation in order to guarantee transfer to UW-Madison fund 233 accounts by the end of FY 2019.	June 7, 2019
Last Day to justify Carryover of Prior Fiscal Year POs.	June 10, 2019
Purchasing Card - All orders must be placed early enough to allow the vendor time to process the transaction and submit the charge to US Bank on or before June 14, 2019. The turnaround time varies by merchant. Orders placed the week of June 10, 2019 may or may not post to FY 2019.	June 14, 2019
Shop@UW Order Deadline – All purchases made through Shop@UW and MDS Verona warehouse must be place by end of business day June 14, 2019 to ensure that the charges are applied to FY19 funding. Orders placed after June 14 may or may not be billed to FY19 depending on product receipt date and potential back-order status.	June 14, 2019
Salary Cost Transfers (SCTs) processed through the Cost Transfer Tool for Fiscal Year 2019 must be fully approved by June 17, 2019 to guarantee entry into Fiscal Year 2019. After this cut-off date, SCT's and Direct Retros will be processed as time permits.	June 17, 2019

Transaction Type	Due Date
Internal invoices / Internal Work Order billings for supplies/services received before July 1, 2019 must be received in Accounting Services, Suite 5301, 21 N. Park St.	June 17, 2019
Internal billings for supplies/services received before July 1, 2019 must be received in Accounting Services, Suite 5301, 21 N. Park St.	June 17, 2019
All Shop@ UW orders must be shipped and invoiced by June 24, 2019 to ensure charges are applied to FY19 funding. Orders invoiced after June 24, 2019 will be applied to FY20 funding. Contact for Questions: Shop@UW Customer Service 608-497-4400	June 24, 2019
Voucher uploads must be received in Accounts Payable , Suite 5301, 21 N. Park St. - Uploads may be submitted after this date, but FY19 processing is not guaranteed.	June 25, 2019
Emergency transactions (ET's) - Final ET's for June and FY 2018 will be processed on Wednesday, June 26, 2019 and distributed on Thursday, June 27, 2019. No ET payments will be made on June 28, 2019. The next day for processing will be July 1, 2019, unless there is an extremely urgent need.	June 26, 2019 before 9:00 AM
Last Day for AP Voucher Entry	June 26, 2019
Check Deposits - Must be received in Cash Management, Suite 5301, 21 N. Park St.	June 27, 2019
Pre-Posting Allocation Tool (PAT) cutoff – Please note this is different from the standard NOON deadline.	June 27, 2019 before 10:00 AM
Expense reimbursement (GET/E-Reimbursement) - Expense reports not fully approved by 6:30 pm on June 27, 2019 will not be processed for payment until July 2, 2019 and will be processed in FY 2020.	June 27, 2019 Before 6:30 PM
JET and Cost Transfer Tool – Last day for June FY 2019 (period 12) journal entries	June 28, 2019
JET and Cost Transfer Tool Opens for Period 13 - Accounting dates will change to July 1, 2019 (period 13) at 4:00 pm on Friday, June 28, 2019. All JET and <u>Non Salary</u> Cost Transfers submitted in the Tool after 4:00 pm June 28, 2019 through July 5, 2019 at 4:00 pm will have an accounting date of July 1, 2019 recorded in FY 2019.	June 28, 2019
Department Bank Deposits - For FY 2019 postings, deposits must be picked up by armored car services or delivered to US Bank before end of day June 28, 2019.	June 28, 2019
Receipt/Sales Credit Transfers - Forms for FY 2019 must be received in Cash Management, Suite 6101, 21 N. Park St by June 28, 2019.	June 28, 2019
Freight - Departments who are currently using any shipping service must make sure that the funding line to be charged is valid for FY 2020. We encourage you to contact your current shipping providers to make sure the funding information has been changed. Please utilize the <u>UPS CampusShip</u> portal to enter default funding strings in a valid funding string format. This will expedite UPS payment processing.	July 1, 2019
JET – Last day for JRR (Revenue), entries in JET for FY 2019.	July 1, 2019
Deferred Revenue - Completed forms to record deferred revenue for receipts collected in FY2019 for FY2020 activity must be received in Cash Management, Suite 6101, 21 North Park St. See <u>Deferred Revenue policy</u> .	July 1, 2019



Transaction Type	Due Date
Non-Salary Cost Transfers processed through the Cost Transfer Tool must be approved by 4:00 PM July 5, 2019 to ensure entry for FY 2019.	July 5, 2019
JET – Last day JRB (Internal Billings) and JRT (Non-salary cost transfer) entries in JET for FY 2019.	July 5, 2019
JET & Cost Transfer Tool Down - JET will be turned off from July 5, 2019 until July 11, 2019 to allow final clean-up for FY 2019.	July 5-11, 2019
PO Encumbrances (FY2020) will begin to occur and be visible in WISDM after this date.	July 8, 2019
JET - First day for JRR (Revenue), JRB (Internal Billings) and JRT (Non-Salary Cost Transfer) entry for FY 2020	July 12, 2019
Cost Transfer Tool – First day for FY 2020 entry of Salary Cost Transfers or Non-Salary Cost Transfer in the Cost Transfer Tool.	July 12, 2019

Affiliated Organizations

<https://www.wisconsin.edu/uw-policies/uw-system-administrative-policies/university-administrative-support-of-affiliated-organizations/>

Susie Maloney

Financial Information Management
Accounting Services



Procurement Automation Project Update

Liv Goff
Accounting Services

Lori Voss
Purchasing Services

Problem Statement

- Currently, numerous processes and systems are needed to procure goods and services, resulting in difficult end user navigation, reduced controls, and inefficient/redundant processes
- UW is lacking robust system-wide contract management capabilities.


Current State: Methods of Procurement

- E-Commerce through Shop@UW
- Purchasing Card
- External Requisition / Purchase Order
- Direct Payments
- Payments to Individuals



E-Commerce through Shop@UW

<https://shopuw.wisc.edu/>




hmmurray Hartley Murray ★ 🇺🇸 🇬🇧 110 🛒 6.14 USD 🔍 Search (Alt+Q) 📄 📖 ?

Shop > Shopping > Shopping Home > Home/Shop

Shop & Compare

Go to: [Advanced Search](#) | [Favorites](#) | [Forms](#) | [non-catalog form](#) | [Quick Order](#) **Browse:** [Suppliers](#) | [Categories](#) | [Contracts](#) | [Chemicals](#)

[Manage Showcases]



Welcome to Shop@UW

Shop@UW Has a New Informational Website
We are excited to announce our Shop@UW informational site has moved to WordPress! During this move we have combined pages and added a new Returns tool to help you easily find the information you need.

If you have bookmarked pages to our old site, they will no longer work. Customers will need to visit the new site and recreate their bookmarks.

















[Click here to visit the new Shop@UW Website.](#)

Attention Roche Customers
Due to a recent contract change, Roche will no longer be included as a punch-out vendor on Shop@UW. This change will be effective July 1, 2018. You may continue to purchase from Roche; however, after July 1, 2018 those purchases will have to be executed via a Purchase Order or using your P-card in accordance with existing purchasing policy. If you have any questions about this change please contact Shop@UW customer service at 608-497-4400 or via email at shopuw@bussvc.wisc.edu.
















E.I.S. Office Solutions is now Buy On Purpose
EIS Office Solutions has rebranded to Buy On Purpose. They will continue to sell the same remanufactured toner and Ink only with a new name. [Click here to learn more about this change](#)

Fisher Scientific is Back!
The United States and Punch-Out technologies are available from... We appreciate...







Shop at a Hosted Supplier Catalog

	 Hazmat Fees May Apply			 Locally-Stocked Products	
	 Shipping Not Included		 Shipping Not Included		
 Shipping Not Included			 Shipping Not Included		

Shop at a Punch-out Supplier Site

	 GASES, SAFETY PPE, REGULATORS	 Shipping Not Included		 Ink & Toner	 Shipping Not Included
			 Shipping Not Included		
 Shipping Not Included					

Leave Shop@UW to External Links

					
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Requesting a Purchase Order - Requisition

Launch the External Requisition Generator in My UW

<https://www.wisc.edu/>

The application automatically validates funding string (NOT Budget)

Print and route hardcopy for departmental and Dean's authorized signature

The screenshot shows a web browser window with the URL <https://delta.bussvc.wisc.edu/ReqGen/MainMenu.aspx>. The page header includes the University of Wisconsin-Madison logo and the text "DIVISION OF BUSINESS SERVICES". The main heading is "External Requisition Generator". Below this, there is a note about the application and a warning about session timeout. The form contains several sections: "Your Name:", "Department:", and "Phone:" fields, each with a red error message "This is a required field."; a section for "Are you a delegated purchasing agent?" with radio buttons for "No" (selected) and "Yes", and a "Set/Update User Preferences" button; a "Create a new requisition" section with radio buttons for "I require a new requisition number" (selected) and "I already have a number for this requisition:", and a "Create my new requisition by copying data from this existing requisition:" section with a "Create New Requisition" button; and an "Update an existing requisition" section with a "Requisition #:" field and an "Update Requisition" button. At the bottom, there is a link to search for requisitions not yet processed by Purchasing Services and a footer with help information and copyright notice.

UNIVERSITY OF WISCONSIN-MADISON

LOGOUT

DIVISION OF BUSINESS SERVICES

External Requisition Generator

About this application, Help, and Instructions

Note: You must have the free Adobe reader installed on your computer in order to view the requisition document produced by this application.
You will be required to reauthenticate if the application is idle for more than 30 minutes. Your session will be abandoned if idle for more than 60 minutes.

Your Name: This is a required field.
Department: This is a required field.
Phone: This is a required field.

Are you a delegated purchasing agent? ☒ No ☐ Yes

Create a new requisition ☒ I require a new requisition number
☐ I already have a number for this requisition:
Create my new requisition by copying data from this existing requisition:

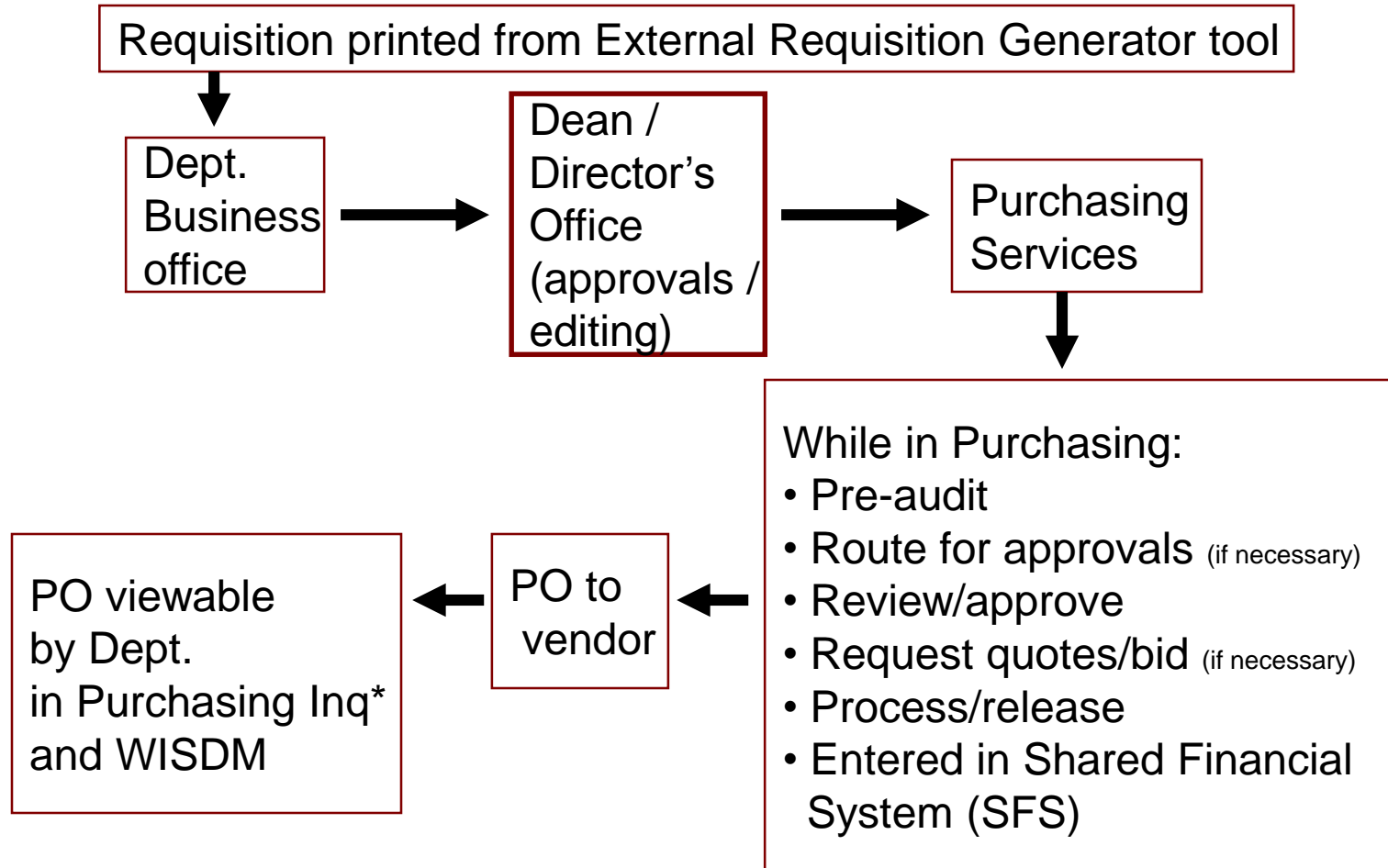
Update an existing requisition Requisition #:

[Click here to search for Requisitions not yet processed by Purchasing Services.](#)

For help with the external requisition generator, see <http://kb.wisc.edu/helpdesk/page.php?id=7044> or contact the DoIT Help Desk at 264-4357(HELP).
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What happens next?

* See <http://www.bussvc.wisc.edu/purch/purchingq.html>



Procurement Automation Project

Goals:

- Deliver functionality to meet UW's current and future sourcing, contracting, supplier management, purchasing, and payment business process requirements
- Enhance internal controls
- Significantly improve the end user experience

Considerations for Change

A difficult to navigate buying process, which leads to low transaction visibility, post purchase approvals, fraud risk, unmanaged spend

Lack of system integration results in lessened controls, manual workarounds, and lack of timely data

Use of 35+ shadow systems to meet specific institutional procurement needs yields increased administrative costs, increased acquisition complexity, hidden costs

Use of **aging systems** increases demands on technical staff for maintenance, enhancement requests

Poor underlying data (vendors, contracts) impacts ability to transition to cloud platforms and potential for shared services models

Lack of Visibility into process (Where is my PIR?)

Project Plan - Key Milestones

- Engage UW-Madison campus stakeholders and Senior Project Manager
 - 4-week engagement with Huron began February 4, 2019
 - Project Manager hired – start date February 13, 2019
 - Meetings with owners of bolt-on and shadow systems over the next 3-5 weeks
- Negotiate software license with JAGGAER – early 2019
- Core team kickoff and gathering requirements – February 2019

Project Plan - Key Milestones (Continued)

- Key stakeholders identified and comprehensive implementation timeline built – March 2019
- Identification of bolt-on and shadow systems scheduled for replacement – July 2019
- Testing and implementation of functionality – September 2019-June 2020
- PO cutover for UW-Madison – by July 1, 2020
- Overall implementation complete by Fiscal year 2021

Stakeholder Engagement

The Huron project team will interview the owners of the purchasing applications identified as a part of the *ERP Business Systems Inventory* project

35 purchasing systems were identified in that review as being in use by the University

Interviews will be held with individuals from each of the units to gather the information needed

Timeframe: Next 2-3 weeks if possible

Athletics	Facilities Planning & Management (FP&M)	School of Business
Business Services	Kegonsa Research Campus	School of Engineering
College of Agriculture and Life Sciences – Biochemistry, Agriculture and Applied Economics	College of Letters & Science – Chemistry, Astronomy, Computer Sciences, LSS, and Physics	State of Wisconsin
Wisconsin State Laboratory of Hygiene	DoIT	
University Housing	Wisconsin Union	

Stakeholder Engagement (Continued)

Interviews will be used to determine:

- How the application is currently utilized by the unit within UW-Madison
- How the existing application's features can be replaced by functionality within the JAGGAER Indirect eProcurement platform, to be interfaced with the PeopleSoft enterprise platform
- If not targeted for replacement, identify the primary drivers for keeping the solution in place and determine whether the system can operate standalone or instead requires integration with JAGGAER
- If integration is required, identify the data that needs to be sent to/from JAGGAER and plan for whether integration should be completed as a part of the initial deployment or at some later phase.

JAGGAER INDIRECT *eProcurement Solution*

JAGGAER Indirect eProcurement	<ul style="list-style-type: none">• Shopping, requisition management, order management• Core supplier management functionality• Core contract management functionality
JAGGAER Indirect Accounts Payable	<ul style="list-style-type: none">• Vouchering• Electronic invoice processing• Receiving, matching, exception processing• Payment authorization
JAGGAER Indirect Supplier Management	Core supplier management functionality + advanced supplier management capabilities (e.g., self service)
JAGGAER Indirect Contract Lifecycle Management	Core contract management functionality + advanced contract authoring capabilities (e.g., contract workbench)
JAGGAER Indirect Sourcing	Automated sourcing functionality
JAGGAER Indirect Spend Analytics	Spend analysis managed service

Thank you for attending.

Future Financial Management Meetings

Rooms 1106 & 1108, 21 N Park Street
9:30 a.m.

Tuesday, April 9, 2019
Tuesday, June 11, 2019
Tuesday, August 13, 2019
Tuesday, October 15, 2019
Tuesday, December 10, 2019

