



# FINANCIAL MANAGERS' MEETING

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October 15, 2019



# Agenda

Welcome/Introductions	Liv Goff	5 minutes
Procurement Automation Update	Liv Goff/Lori Voss	20 minutes
Administrative Transformation Program Update	Susie Maloney	15 minutes
Disbursement Topics <ul style="list-style-type: none"><li>• Vendor Refund Deposits</li><li>• W9 for All Vendors</li><li>• Out of Band Vendor Change of Address Validation</li></ul>	Mark Domaszek	15 minutes
Official Functions Policy Update	Rusty Haines	10 minutes
Capital Equipment Positive Approval	Amy Rognsvoog/Jennifer Roltgen	15 minutes
MDS Service Assessment	Dan Purcell	10 minutes
Surplus Exchange	Matt Thies	15 minutes
Financial Internal Controls	Imad Mouchayleh	Will be re-scheduled

# Procurement Automation Update

Liv Goff, Accounting Services - Disbursements

Lori Voss, Purchasing Services

Division of Business Services



# Procure-to-Pay Automation

Project Team: Ruth Anderson, Nicki Burton, Barry Dobbs, Kelly Gauthier, Livvia Goff, Dan Langer, Rhonda Loger, Hartley Murray, Dan Purcell, Ron Schwartz, Tom Scrivener, Brent Tilton, Lori Voss

# Procure-to-Pay Automation

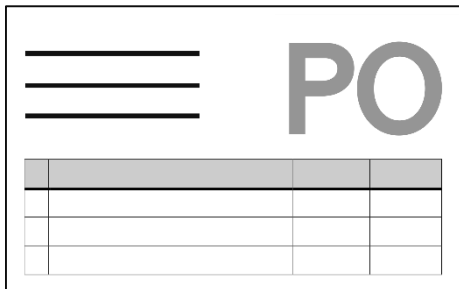
## Current State of Procurement & Payments

- Paper forms
- Limited workflow
- Sub Systems/Shadow Systems and lack of integration
- Internal control issues
- Contract audit findings
- Lack of Standard Business Processes between campuses
- Consolidated detail purchasing data is not available

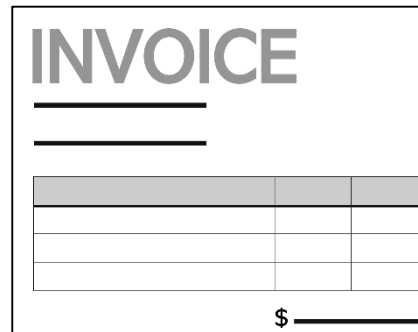
# Procure-to-Pay Automation

**JAGGAER**

Procurement Simplified



PO



INVOICE



\$ \_\_\_\_\_

**usbank**  
PCard



**SHOP@UW**

# Procure-to-Pay Automation Features

- Cloud-based for authorized users to use it anywhere and anytime to make purchases.
- Integrates sourcing, supplier management, and contract management.
- One-stop-shopping and guided buying.
- Single electronic contract repository and supplier file for the UW System.

# Procure-to-Pay Automation Benefits

- Intuitive, improves the user experience through guided buying.
- Reduce time spent searching for goods and services.
- Improve internal controls.
- Create opportunities to negotiate additional volume-based contracts with suppliers.
- Create a contract repository for tracking contract data.



# Procure-to-Pay Automation Benefits



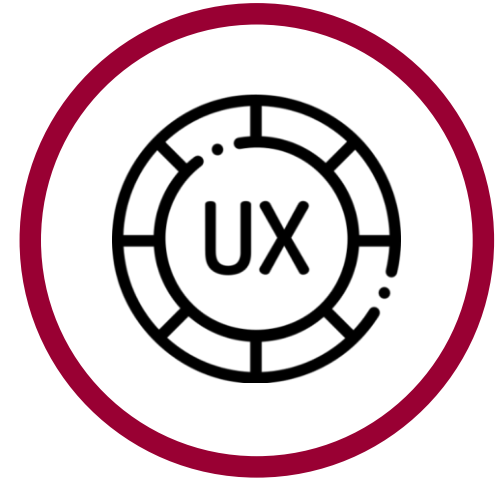
## Improved Business Processes

- Improved data analytics
- Increased buying power
- Gained efficiencies



## Increased Compliance

- Enhanced controls
- Improved audits
- Decreased risk



## Improved User Experience

- Reduced frustration
- Reduced cycle times
- Timely data and information

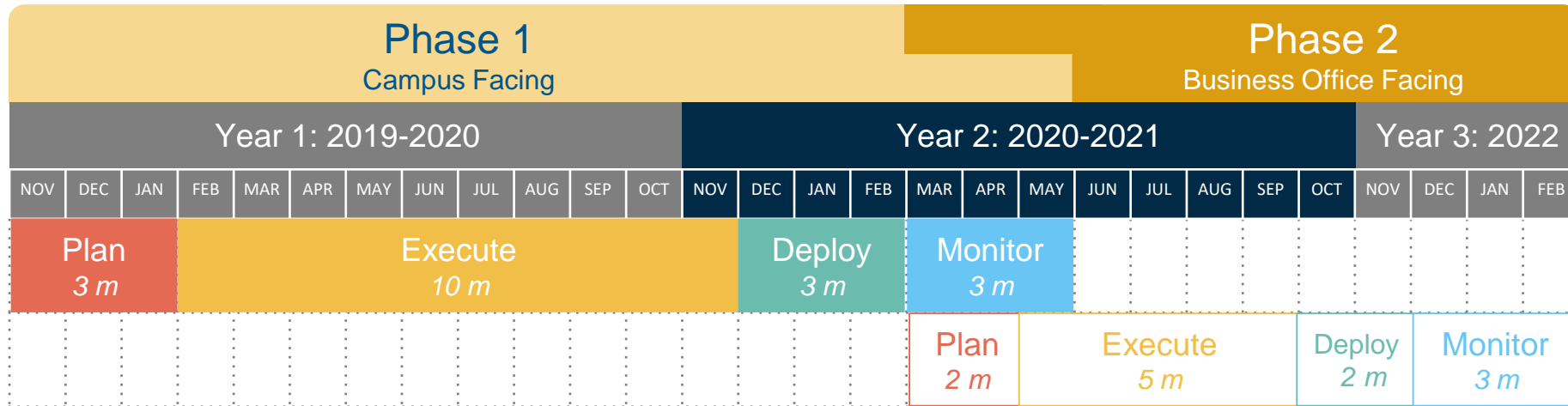
# Procure-to-Pay Automation

## Next Steps

- The Jaggaer License/Implementation Services contract has been signed.
- Consulting services proposals have been received and negotiations with a third party are underway to fill resource gaps in the JAGGAER and UW System and UW-Madison project teams.
- The project was presented at the October Board of Regents meeting. There were no questions.
- P2P will become part of the February BOR Large and Vital IT report.

# Procure-to-Pay Automation Project Plan

Estimated Start Date November 1, 2019



## Phase 1: Focus

- Business Process Redesign
- Process Standardization: Institutions
- Training and Communications
- Campus Deployment
- Post Production Support Processes

## Phase 2: Focus

- Process Standardization: Central Units
- Sourcing Process Coordination with State
- Post Production Support Processes

## Phase 1: Functionality

- Buy-To-Pay
- Chemical Inventory Management
- Contract Repository

## Phase 2: Functionality

- Contract Workbench
- Project Based Procurement
- Electronic Sourcing
- Analytics

# Administrative Transformation Program Update

Susie Maloney  
Financial Information Management  
Division of Business Services



An aerial photograph of a city, likely New York City, is shown in a monochromatic red color. A large, white, 3D-style arrow points diagonally upwards from the bottom left towards the top right, partially obscuring the city view. The arrow has a thick shaft and a broad, multi-faceted head.

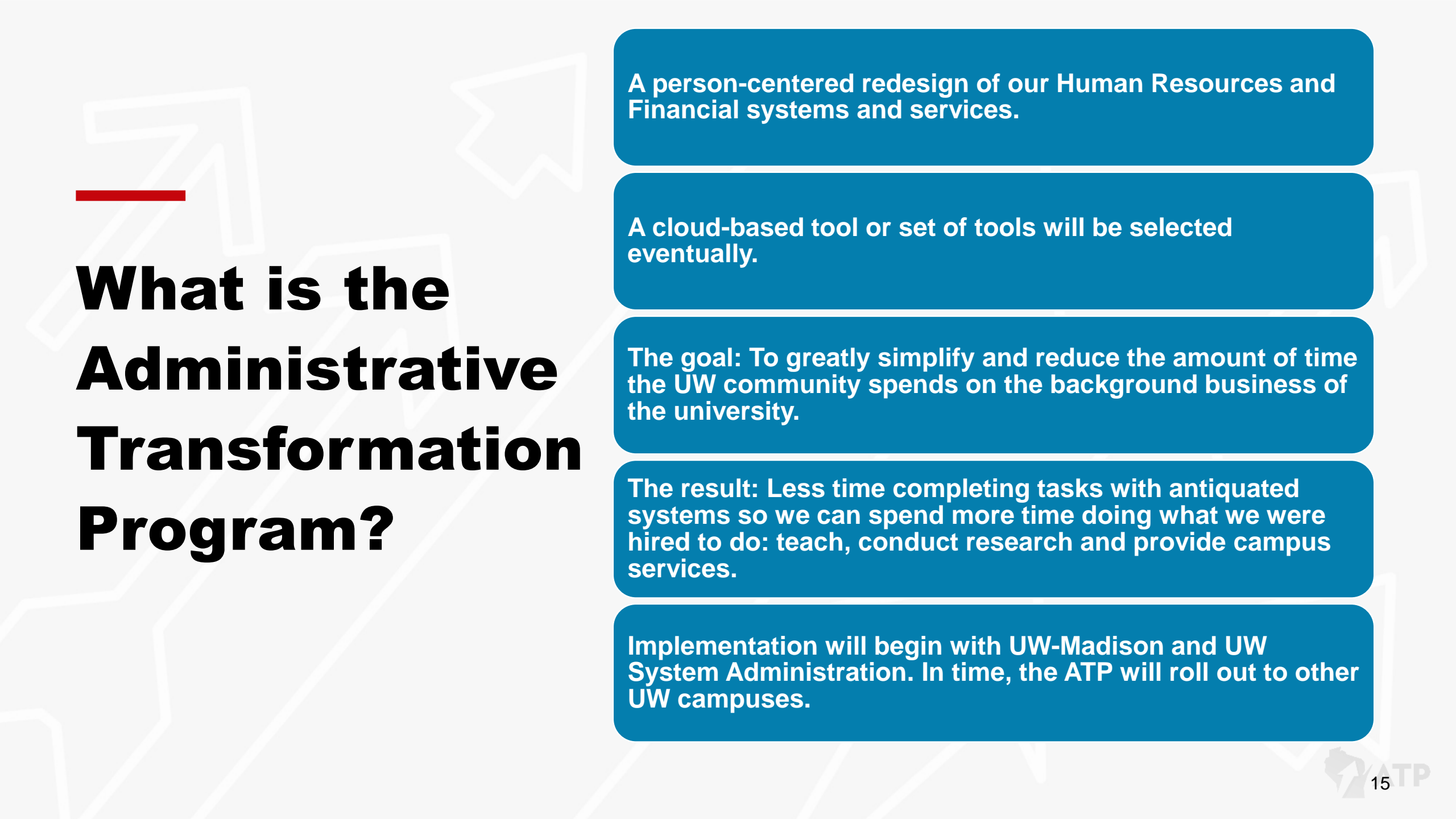
# **ADMINISTRATIVE TRANSFORMATION PROGRAM**

**Financial Managers**

**October 15, 2019**

# **ATP Update Agenda**

- Background
- Timeline
- Team Structure
- Chart of Accounts
- Website



# What is the Administrative Transformation Program?

A person-centered redesign of our Human Resources and Financial systems and services.

A cloud-based tool or set of tools will be selected eventually.

The goal: To greatly simplify and reduce the amount of time the UW community spends on the background business of the university.

The result: Less time completing tasks with antiquated systems so we can spend more time doing what we were hired to do: teach, conduct research and provide campus services.

Implementation will begin with UW-Madison and UW System Administration. In time, the ATP will roll out to other UW campuses.



# Guiding Principles



Start with people, innovate together

Enable access to data

Simplify and streamline rigorously

Just enough complexity

Design and build for the future

Make the right decisions in the right way



# High-Level Roadmap

## PREPLANNING (OCT 2018 – MAY 2020)

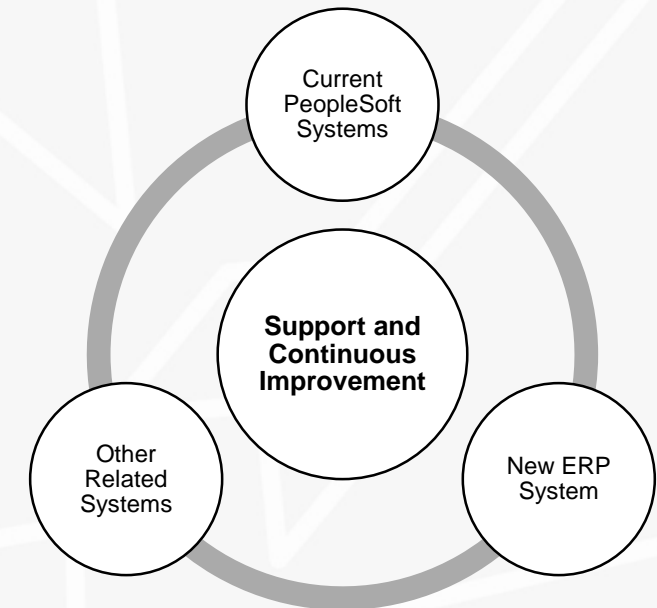
- ☒ **Business Case for Preplanning**
- ☒ **Program Vision, Mission, and Principles**
- ☐ High-level Implementation Scope and Budget
- ☐ Benefit Realization Report
- ☒ Change Strategy
- ☐ **Phasing Strategy**
- ☐ Funding Model Framework
- ☐ **Governance Structure for Preplanning and Implementation**
- ☐ **Business Case for Planning and Implementation**
- ☐ **Procurement Processes**
- ☐ Chart of Accounts Structure
- ☐ **Future Support, Shared Services, and Continuous Improvement Model**
- ☐ Learning and Research Documentation Repository
- ☐ Discovery Report
- ☐ Process Mapping
- ☐ **Team Formation**
- ☒ Office Move
- ☒ Readiness Assessment
- ☐ Related Projects Strategy

## PLANNING (JUN 2020 – NOV 2020)

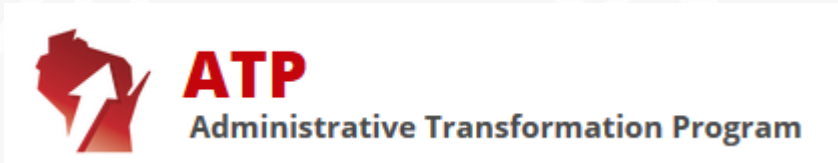
- ☐ Detailed Implementation Scope, Budget, and Timeline
- ☐ Research/Admin Pre-award Approach
- ☐ Data/Reporting Strategy
- ☐ Conversion Strategy
- ☐ Integrations Strategy
- ☐ Implementation Team Formation
- ☐ Implementation Governance Structure
- ☐ Support and Continuous Improvement Team Formation
- ☐ Finalize Scope
- ☐ Shadow System Disposition
- ☐ Funding Model
- ☐ HR Organizational Structure (Departmental Hierarchy)

## IMPLEMENTATION (DEC 2020 – TBD)

To be determined in the planning phase.



# Timeline



# Proposed ATP Functional Teams

## Core Team

Oversee, synthesize, recommend work of Design Teams  
Ensures all functional program work is in alignment  
*Persistent beyond preplanning, chaired by Strategy Leads*

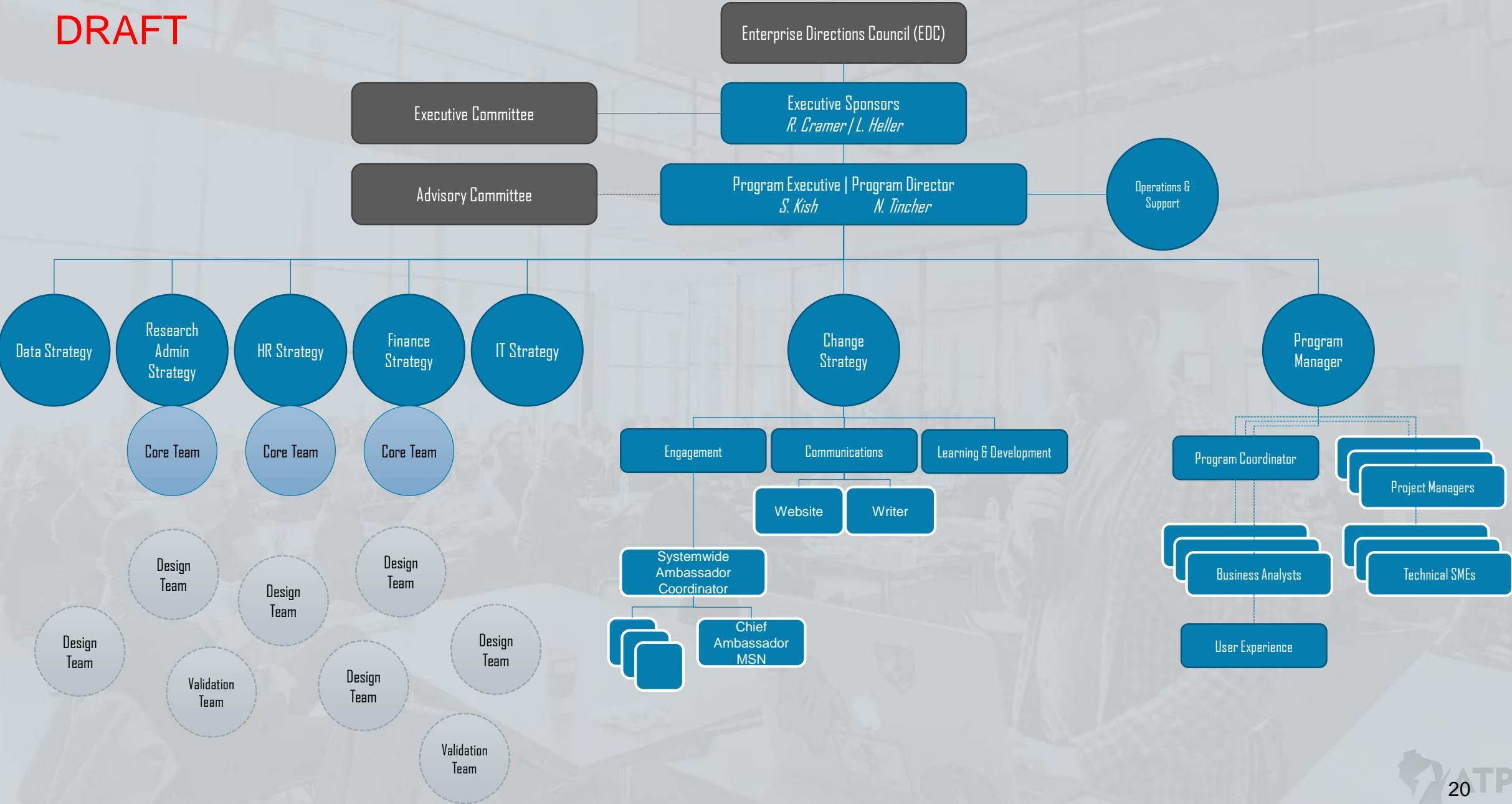
## Design Team

Serve as the “doers” to execute work that informs functional strategies  
Outlines options, crafts recommendations, maps next steps

## Validation Team

Ensures efficacy of functional strategies, designs, and plans  
Provides opportunities for broader engagement

DRAFT



# Chart of Accounts

Once we've received and incorporated feedback appropriately, we will consider the COA prototype design to be final; following the structure we will begin to determine design governance.

- **Next Steps for COA Prototype Structure**

1. Presented to CBOs – September 19th
2. Present to UW System Controllers – October 15th
3. Incorporate CBO/Controller Feedback, as appropriate
4. Cloud ERP Vendor Selection
5. Confirm COA Prototype Structure
6. Determine COA values and Governance

# Website



**ADMINISTRATIVE TRANSFORMATION PROGRAM**

<https://atp.vcfa.wisc.edu>

An aerial photograph of a city, likely New York City, showing a dense urban landscape with numerous buildings and a body of water in the background. The entire image is overlaid with a semi-transparent red filter. A large, white, 3D-style arrow points from the left side of the frame towards the right, passing behind the text.

# **ADMINISTRATIVE TRANSFORMATION PROGRAM**

# Disbursement Topics

Mark Domaszek  
Disbursement Services  
Division of Business Services





# W9 or W8-BEN for All Suppliers

- Transitioning to SHARE supplier file as part of Procurement Automation
- Required even if tax de minimis
- Unique identifier
- Validates who we are doing business with
- Prevents duplicate supplier creation
- Internationals with no US TIN: We still want a completed form

The image shows two IRS tax forms. The top form is a W-9, 'Request for Taxpayer Identification Number and Certification', which is used for U.S. taxpayers. The bottom form is a W-8-BEN, 'Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)', which is used for foreign individuals. Both forms contain sections for general information, certification of status, and a signature line.

# UWSA Policy 363 Change Requests of Bank and Contact Information

- Issued August 20, 2019
- Out of Band verification required for contact information and bank account changes
  - Out of Band: A secondary verification method through a separate communication channel or network
  - Contact Information: Address, phone, email
- Contact information is required for all new suppliers set up
- Update to the DP/PIR form

Address

Phone Number

Email Address

# Vendor Refund Deposits

- Previous state: Refunds were returned directly to funding
  - No record in Accounts Payable module
  - No encumbrance restored to Purchase Orders
- New state: Refunds are run through AP module
  - Refunds are deposited into a clearing account
  - Two offsetting vouchers are created to credit the original payment and debit the clearing account
  - Better reporting
  - More accurate PO encumbrance



# Official Functions Policy Update

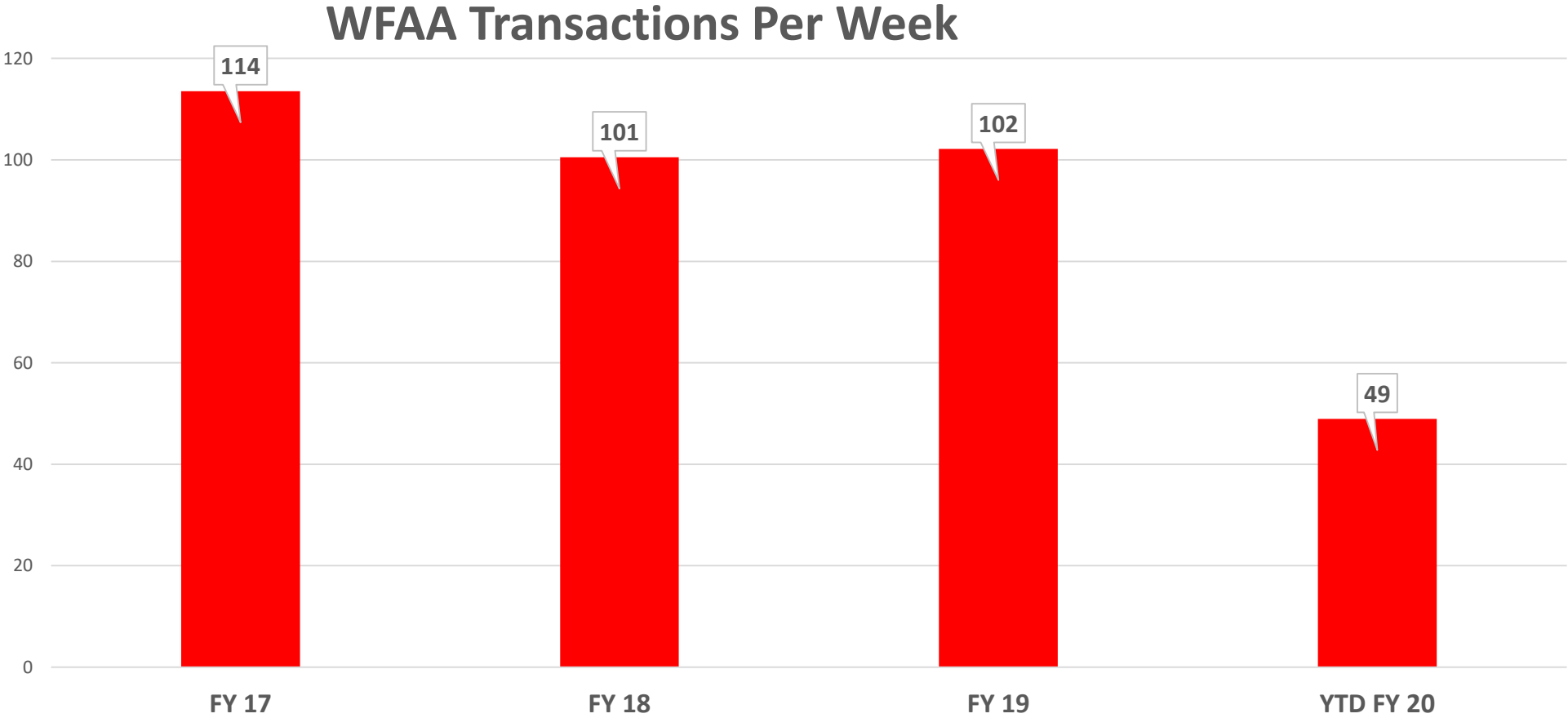
Rusty Haines

Disbursement Services, Travel & Cards

Division of Business Services



# 50% Reduction



# Accounts Payable Positive Approval Requirements for Capital Equipment

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Jennifer Roltgen – Accounts Payable

Amy Rognsvoog – Property Control



## Capital Equipment Audits, Accountability & Authority

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- ❑ Audit Exceptions: Not found, not in the proper building, not in the proper room. Prior audit exceptions led to the capital equipment initiative for UW Madison campus.
- ❑ After an invoice is paid, the cost posts to the general ledger and a capital asset is created.
- ❑ Auditors are able to pull data from our asset system for audits.
- ❑ Invoices paid when receipt is not confirmed will lead to “fake” assets in our system.

## Capital Equipment Audits, Accountability & Authority

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- ❑ Accountability: Many assets are jointly funded by sponsors. With projects, many times both capital and non-capital items are purchased using different departmental and project funds.
  - ❑ Uniform guidance requirements exist which document the need to track percentage of cost to a project level.
  - ❑ An auditor must be able to review an invoice and match the capital expense from an invoice to an asset. Purchase orders including capital and non-capital which are coded to different projects must be evaluated to confirm the proper project receives accurate credit.



## Capital Equipment Audits, Accountability & Authority

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- ❑ Authority: Many assets are jointly funded by several campus departments. Proper review of the invoice is necessary in order to confirm that assets are appropriately coded so that custodial rights over capital are acknowledged appropriately in our system.



- ❑ Rights of asset movement, transfer, disposal, reporting and physical inventory responsibilities rely on the proper evaluation and coding of split funded and bulk buy invoices.

## Accounts Payable Positive Approval Standard Guidance

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- ☐ Standard WI State Prompt Payment Law (s.16.528 and 16.53 (11))
  - ☐ Payment mailed within 30 days after the later of the receipt of a properly completed invoice or the receipt of goods or services.
  - ☐ Good faith disputes allowable when goods or services not received in accordance with the terms of the contract.
  - ☐ To stop interest rate calculation on unpaid invoice, good faith dispute must be received by vendor within the 30 days.



## Accounts Payable Positive Approval Notifications

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- ☐ Update to standard positive approval communication.

*“At the bottom of this email is a link to an invoice we recently received for payment. You requested the purchase order referenced be issued as positive approval or this is a Capitol Equipment purchase, to enable you to view the invoice prior to payment.*

***For Capital Equipment purchase, please make sure you have received the item and it is in good working order before you approve the invoice for payment.***

*Please look over the invoice as soon as possible because this invoice is still subject to the 30 day Prompt Payment Legislation. If you do not approve of paying the invoice we need to formally dispute the invoice so include the reason for not approving.”*

## Accounts Payable Positive Approval Notifications

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- ☐ Payments of purchase orders with multiple funding strings or split payments.

*“At the bottom of this email is a link to an invoice we recently received for payment.*

*Please approve you have received the Capitol Equipment purchase and it is in good working order by adding the approval stamp.*

*Identify the Capitol Equipment purchase on this invoice by allocating the correct funding string and the dollar amount for each line on the invoice using the text box tool.*

*After adding the correct dollar amount and funding string(s), and your approval, route the invoice back to Accounts Payable.”*

## ??QUESTIONS??

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- ❑ Questions on Capital Contact
  - ❑ Property Control Team: [property@bussvc.wisc.edu](mailto:property@bussvc.wisc.edu)
- ❑ Questions on Positive Approval Process & Requirements
  - ❑ Accounts Payable Team: [acctg@bussvc.wisc.edu](mailto:acctg@bussvc.wisc.edu)



## FedEx® Quick Note

### FedEx Updates

- FedEx is not applying payments
- Use P-card to pay invoices
- UPS is still our preferred shipper





# MDS Service Assessment

Dan Purcell

Purchasing – Verona Operations

Division of Business Services



*Tom Fassbender (CC BY-NC-ND 2.0)*

## UW-Madison Settles Federal Research Dispute For \$1.5M

Spokesman Said Matter Was A 'Technical Accounting Issue'

By The Associated Press

Published: Friday, March 22, 2019, 9:35am



# MDS Cost Recovery

## Previous Methodology

- All pricing displayed on Shop@UW was negotiated competitively at the time contracts were awarded.
- In addition to competitive pricing, vendors provided negotiated discounts or rebates to MDS for eCommerce support and services. (i.e. Prompt Payment, Batch Processing, Customer Management, electronic invoicing etc.)
- Vendor rebates and discounts were collected and retained by MDS and used to help cover operating expenses. (MDS Facilities, Trucks, Drivers, Shop@UW software, etc.)
- The amount of these rebates and discounts were not disclosed to the customer.

# MDS Cost Recovery

## Current Methodology

- Vendor pricing on Shop@UW remains negotiated by contract.
- In accordance with Federal guidance, all discounts and rebates negotiated with vendors are passed on to the customer. These discounts and rebates are applied at the time of purchase during the final cart review.
- MDS now recovers its operating costs by applying an overhead cost recovery rate to each purchase (MDS Service Assessment). The rate of the MDS Service Assessment is calculated based on actual financial results and will be adjusted every two years (at a minimum) to prevent over/under recovery of expenses.

# MDS Service Assessment Rates

	Old Rate	New Rate
STAPLES	7.50%	2.85%
FISHER	5.77%	1.77%
VWR	6.55%	2.85%
DOT SCIENTIFIC	3.87%	2.57%
APPLE	4.67%	3.70%
GRAINGER	4.67%	3.70%
SIGMA ALDRICH	4.67%	3.70%
DELL	4.67%	3.70%
MSC INDUSTRIAL	4.67%	3.70%
FASTENAL	4.67%	3.70%
BIO-RAD	4.67%	3.70%
QIAGEN	4.67%	3.70%
SANTA CRUZ	4.67%	3.70%
RAININ	4.67%	3.70%
PROMEGA	4.67%	3.70%
INTEGRATED DNA	4.67%	3.70%
ANIXTER	4.67%	3.70%
KRANZ	4.67%	3.70%
EIS	4.67%	3.70%
CRESCENT ELECTRIC	4.67%	3.70%
VERITIV (UNISOURCE)	4.67%	3.70%
NEWARK	4.67%	3.70%
EPPENDORF	4.67%	3.70%
ROCHE DIAGNOSTICS	4.67%	3.70%
AIRGAS CYLINDER RENTAL	5.53%	3.70%
AIRGAS	4.67%	3.70%
MDS CORE STOCK	17.15%	14.02%

# Surplus Exchange Program

Matthew Thies

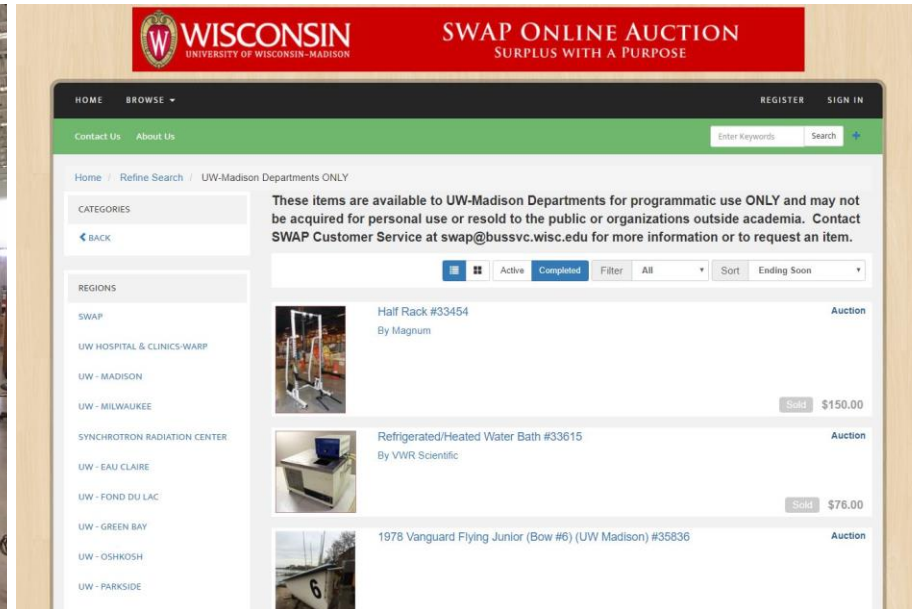
Verona Operations, SWAP Surplus

Division of Business Services



## Previous Repurposing Strategies

- Expanded store hours to Mon – Fri
- Cancelled auctions for desired items
- Created “UW-Madison Only” auction category





- A new strategy to address an old problem
- Surplus Exchange features:
  - Online “Craiglist”-type marketplace of reusable non-capital property
  - Inventory page with restricted NetID access
  - Flat Handling & Listing Fee
  - Online request form and dock delivery

## FURNITURE



Lot of 3 KI Shelving Units  
Item #51833  
Fee: \$50  
12" X 36" X 67" – Each includes 4 adjustable shelves  
Very good cosmetic condition



Large Mail Sorter  
Item #52435  
Fee: \$50  
5 partitions wide X 14 partitions down  
Each shelf comes with a metal label  
Dimensions: 65"L X 16.5"D X 75"H



Lot of 2 Sofa Chairs  
Item #52014  
Fee: \$50  
38" X 33" X 33"  
Good condition – will need a few spot treatments



## LAB EQUIPMENT & SUPPLIES



700C Vertical Pipette Puller  
Item #52332  
Fee: \$50  
By David Kopf Instruments; model #700C  
Powers on; observed orange LED for power illuminate; no further tests



Foxy 200 Fraction Collector  
Item #52333  
Fee: \$50  
ISCO Inc. – Model # Foxy 200  
Powers on; unit appears to initialize



Welch 8907 Vacuum Pump  
Item #52334  
Fee: \$50  
Welch – Model #8907A  
Powers on; observed mechanical whirring noise; no practical tests performed

[CLICK HERE TO REQUEST AN ITEM](#)

NEED ASSISTANCE?  
[SWAP@BUSSVC.WISC.EDU](mailto:SWAP@BUSSVC.WISC.EDU)



## SHOP EQUIPMENT



Flammables Safety Storage Cabinet by Se-  
Cur-All Cabinets  
Item #52362  
Fee: \$50  
Overall weight:200#  
Model # A330  
Overall dimensions : 45.5"H/46"W/19.5"D  
Functionality:appears to function correctly



Port-A-Torch by Lincoln  
Item #52373  
Fee: \$50  
Includes-Blue Beast gloves  
regulators (qty. 2)  
storage assembly  
eye wear  
torch head by Harris (model / part # 71-3)  
cylinders (qty. 2)  
Overall dimensions:24.5"H/13.25"W/9"D  
Functionality:untested



Flammables Safety Storage Cabinet by  
Justrite Mfg.  
Item #52485  
Fee: \$50  
Weight : ~ 290 #  
Overall dimensions : 62.5"H x 43"W x  
19.5"D  
Cosmetic condition : very good;  
scratches/scuffs, residual adhesive, tape,  
few stains, minor observable wear, overall  
nice clean unit  
Functionality : appears to function correctly

TONER CARTRIDGES

- To Request Toner:**
- 1. Search for toner cartridge(s) needed
  - 2. Go to [Request An Item](#) form
  - 3. Enter toner model number OR part number
  - 4. Enter Item #53000
  - 5. Enter Fee: \$10 per cartridge

Show 10 entries

Search:

MAKE ▲	MODEL NUMBER ▲	PART NUMBER ▲	COLOR ▲	QUANTITY AVAILABLE ▲
HP	16A	17516A	BLACK	2
HP	29X	4129X	BLACK	1
HP	03A	C3903A		2
HP	06A	C3906A		1
HP	92A	C4092A	BLACK	3
HP	96A	C4096A	BLACK	3
HP	27X	C4127X	BLACK	1
HP		C4152A	YELLOW	2
HP		C4191A	BLACK	1
HP		C4192A	CYAN	1
Make	Model Number	Part Number	Color	Quantity Available

Showing 1 to 10 of 99 entries

<< < 1 2 3 4 5 ... 10 > >>

## Advantages

- Easy access to inventory
- Property no longer in public view
- Designated storage space
- Consistent charges



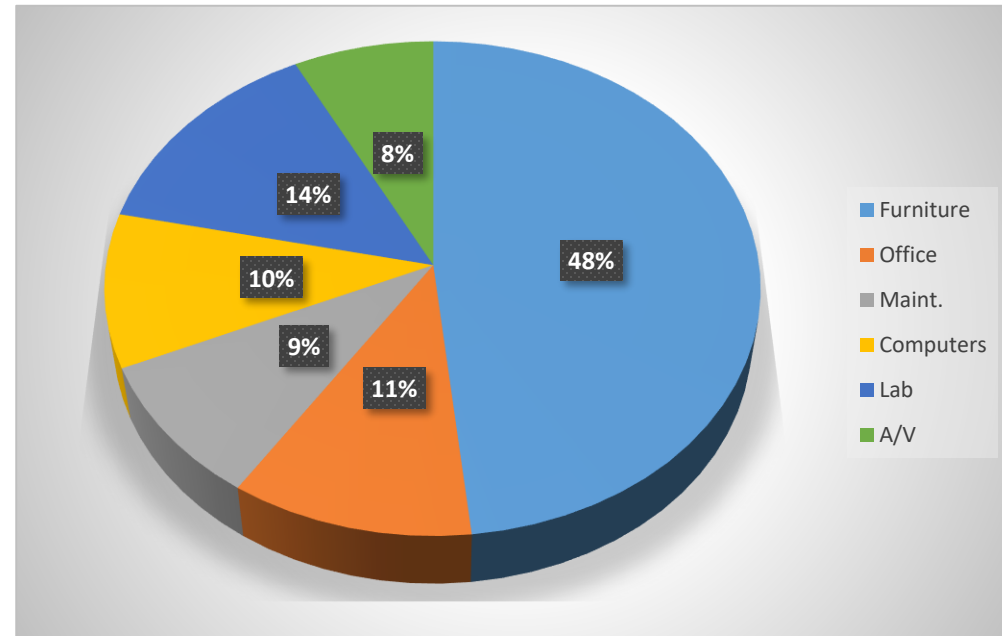


## Exchange Policies

- Non-capital University property ONLY
- Restricted to UW-Madison Faculty and Staff
- Property acquired for programmatic-use only
- Surplus disposal policies apply
- All items acquired AS-IS
- H&L Fee is non-refundable

## What is documented?

- Transaction in Great Plains
- Opportunity cost – foregone revenue
- Estimated cost savings for UW
- Property type



## Phase II:

1. Explore Posting and Wish List features
2. Link to similar campus repurposing efforts:
  - a. Campus Art Exchange
  - b. EHS' Chemical Redistribution site
  - c. Tech Partners List Serve
3. Larger storage area
4. Promotion of delivery program

Questions or Comments?

Matthew Thies

[matthew.thies@wisc.edu](mailto:matthew.thies@wisc.edu)

608-497-4436



Thank you for attending.

## Future Financial Managers' Meetings\*

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

Tuesday, December 10, 2019

Monday, February 10, 2020

Tuesday, April 14, 2020

Tuesday, June 9, 2020

Tuesday, August 11, 2020

Tuesday, October 13, 2020

Tuesday, December 15, 2020

\*2020 Dates are subject to change

