Procure-to-Pay Training for The Shared Services Office

INTRO TO PROCURE-TO-PAY
## Expectations

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
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<tbody>
<tr>
<td>![Signature Icon]</td>
<td>Sign the attendance sheet at the beginning and end of the session.</td>
</tr>
<tr>
<td>![Group Icon]</td>
<td>Refrain from engaging in disruptive side conversations.</td>
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<tr>
<td>![Cell Phone Icon]</td>
<td>Silence cell phones, and minimize usage during training.</td>
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<tr>
<td>![Email Icon]</td>
<td>Check your e-mail during breaks only.</td>
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<tr>
<td>![Microphone Icon]</td>
<td>Participate actively, and share your experiences.</td>
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<tr>
<td>![Survey Icon]</td>
<td>Complete the post-training survey prior to leaving this session.</td>
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</tbody>
</table>
Icebreaker

This activity is aimed at getting participants to build rapport with each other.

• Introduce yourself to someone you don’t already know
• Exchange names and one interesting fact about each other
• Introduce your new acquaintance
• Then, give a brief introduction about yourself
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Course Objectives

Upon completing this course, you will be able to:

• Describe the available purchasing channels at the University of Chicago
• Explain why using preferred vendors is important
• Use the Buying Guide in ServiceNow
• List and explain each Procure-to-Pay system
• Describe University of Chicago’s preferred purchasing methods
• Initiate vendor set-up and modify requests in ServiceNow
• Differentiate between a preferred vendor and a contracted vendor
• Understand where to find Procurement policies
• Identify supporting documentation required for reimbursable payments
LESSON 1: Overview of Procure-to-Pay
Lesson Objectives

Upon completing this lesson, you will be able to:

• Describe the available purchasing channels at the University of Chicago
• Identify various roles within Procure-to-Pay
The Shared Services Office serves University of Chicago faculty and staff who need assistance with administrative matters relating to Human Resources and Procure-to-Pay. The office’s ownership and rapid resolution of requests, questions, and issues allows faculty and staff to focus on the University’s core mission of research, teaching, and advancing academic pursuits.

"Strive not to be a success, but rather to be of value."

– Albert Einstein

By assisting with Procurement-to-Pay related matters, you help faculty and staff access the items they need to successfully conduct their research and educate students, as well as ensure the University proactively manages spending.
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.
Overview of Procure-to-Pay

How do you Procure?

There are three paths for procuring goods and services at the University of Chicago:

- Purchase Order
- GEMS Program
- Check Request
Overview of Procure-to-Pay

Purchase Order (PO) and 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

There are two ways to generate a PO:

- BuySite is the online tool used to create requisitions and generate Purchase Orders.
- The ServiceNow Contracts form is how new contract requests are initiated. Once terms are negotiated and agreed, a contract is executed and a PO is written against the contract.
Overview of Procure-to-Pay

Purchase Order (PO) Life Cycle

1. Identify need and create requisition
2. Approve requisition
3. Create PO
4. Receive PO and provide goods & services
5. Receive goods and services
6. Receive and process Invoice
7. Pay supplier
8. Monitor supplier performance
9. Proactively source products and services

Task Owners:
- Departmental Requestor
- Vendor
- Shared Services Office
- Procurement Services
- Department and Procurement/SSO (as required)
Overview of Procure-to-Pay

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.
Overview of Procure-to-Pay

Check Request
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:

- Reimbursements to Visitors and Students
- Honoraria and Awards
- Petty Cash Reimbursements
- Select Non-PO Check Requests to Suppliers (e.g., utilities, subscriptions)
- Travel advances
Overview of Procure-to-Pay

Roles within Procure-to-Pay and the Shared Services Office

**Procurement Services**

- Establish strategic sources of supply for commonly purchased categories
- Responsible for University-wide policy, procedures, systems & strategy
- Provide University-wide support and oversight for large transactions
- Responsible for transactional review and approval above $100k

**Shared Services Office**

- Provide first level of support to answer procurement and payment inquiries
- Responsible for transactional review and approval between $10K-$100K

**Department Heads**

- Determine purchasing needs for the Department
- Ensure University procedures are followed for all departmental purchases
Overview of Procure-to-Pay

How does the Shared Services Office Support Campus in Procure-to-Pay?

The Shared Services Office assists Procurement Services in managing and monitoring some transactional Procure-to-Pay activity. The Shared Services Office and Procurement Services work in tandem to support University purchasing needs.

**CAMPUS**
- Identifies purchasing need
- Submits procurement request or inquiry

**SHARED SERVICES OFFICE**
- First line of support in answering campus procure-to-pay inquiries
- Supports campus with routine contract requests and Request for Quotes (RFQ)
- Manages transactional review and approval between $10K-$100K
- Manages accounts payable processes
- Enforces procure-to-pay policies

**PROCUREMENT SERVICES**
- Develops policies
- Manages procurement systems
- Conducts strategic sourcing
- Develops RFPs and RFIs
- Negotiates procurement contracts
- Responsible for compliance review and approval of transactions over $100K
Knowledge Check

True or False

Awards, travel advances, and petty cash reimbursements are all valid check request payment types?

A. TRUE
B. FALSE
Knowledge Check

True or False

Awards, travel advances, and petty cash reimbursements are all valid check request payment types?

A. TRUE
B. FALSE
Procure-to-Pay Training

LESSON 2: Preferred Purchasing Methods
Lesson Objectives

Upon completing this lesson, you will be able:

• Explain why using preferred vendors is important
• Use the Buying Guide in ServiceNow
Preferred Purchasing Methods

Preferred and Contracted Vendors

Preferred Vendors are those that have been awarded a contract by Purchasing Services as part of a competitive evaluation for use by all departments and schools. Benefits of using a preferred vendor include:

- Maximizes value to the university
- Ease of ordering
- Improved efficiency since departments are not required to solicit bids when choosing to utilize a preferred vendor
- Savings from increased purchasing power
- Reduced risk due to negotiated contract protections

Employees should use a preferred vendor whenever possible.

Contracted Vendors are vendors that the university has an existing contract with irrespective of whether it is a preferred vendor.
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

The Buying Guide

The Buying Guide in ServiceNow is an interactive 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.
Preferred Purchasing Methods

General Purchasing Guidelines

1. Treat purchases as if spending your own money—compare sources, prices, time of delivery, references from other users at the University.

2. If not comfortable in making a spending decision, engage the Shared Services Office or Procurement Services.

3. Collect and submit all required documentation for purchases.

4. Use the University’s Preferred Supplier Contracts when purchasing common items—the cost analysis and price justification are already done for you.
Knowledge Check

True or False

ePayment is used for catalog and non-catalog purchases?

A. TRUE  
B. FALSE
Knowledge Check

True or False

ePayment is used for catalog and non-catalog purchases?

A. TRUE
B. FALSE
**Knowledge Check**

**Sequence**

Put the Purchase Order Life Cycle steps in order from first to last

- Proactively source products and services
- Pay supplier
- Identify need and create requisition
- Receive and process invoice
- Receive goods and services
- Approve requisition
- Receive PO and provide goods & services
- Monitor supplier performance
- Create PO
Knowledge Check

Sequence

Put the Purchase Order Life Cycle steps in order from first to last

1. Identify need and create requisition
2. Approve requisition
3. Create PO
4. Receive PO and provide goods & services
5. Receive goods and services
6. Receive and process invoice
7. Pay supplier
8. Monitor supplier performance
9. Proactively source products and services
Procure-to-Pay Training

LESSON 3: Systems Overview
Lesson Objective

Upon completing this lesson, you will be able to:

- List and explain each procure-to-pay system type
- Understand roles in BuySite
- Understand the difference between the GEMS card and GEMS expense system
System Overview

System Types

BuySite

GEMS Program

ePayment
System Overview

System Types

BuySite

GEMS Program

ePayment
System Overview

BuySite

BuySite is the University’s web-based purchase order system that allows you to make purchases from authorized suppliers.

BuySite Roles

Requisitioner
- Selects items for purchasing
- Fills out required fields
- Submits the requisition

Approver
- Reviews requisition
- Approves or rejects as appropriate
System Overview

Demonstration – BuySite

Optifreight Logistics
Beginning February 18th, BuySite purchase orders will ship via a new inbound freight program through Optifreight Logistics/Cardinal Health. This program is designed to reduce the cost of inbound freight on product purchases. Optifreight Logistics serves as a third party intermediary between the University, FedEx, and our suppliers. (February 2016)

New Supplier Spotlight

Site-Licensed Software
Microsoft Office 2016 for Mac, Office 2016 Pro Plus for Windows and Windows 10 ENT are now available to Departments. Click HERE to purchase.
System Overview

System Types

BuySite

GEMS Program

ePayment
System Overview

Demonstration – General Expense Management System (GEMS)

GEMS Card is the University’s corporate credit card that is a MasterCard issued through JP Morgan Chase Bank. The card provides authorized staff a convenient method of paying for small dollar purchases and travel expenses.

GEMS Expense System (Concur) is a web-based tool which allows for electronic reconciliation and approval of business-related expenses incurred by staff. The tool handles corporate card expenses and “out-of-pocket” reimbursements.

Roles: Cardholders, delegates, expense users and approvers
System Overview

System Types

BuySite

GEMS Program

ePayment
System Overview

Demonstration – ePayment

The ePayment system is used to process check requests for purchases of limited goods or services which are not required to be processed on a Purchase Order.
Knowledge Check

Multiple Choice

BuySite is…

A. a web-based purchase order system that allows you to make purchases from authorized suppliers
B. a web-based tool which allows for electronic reconciliation and approval of staffs business related expenses
C. a tool used to process check requests for purchases of limited goods or services which are not required to be processed on a Purchase Order
Knowledge Check

Multiple Choice

BuySite is…

A. a web-based purchase order system that allows you to make purchases from authorized suppliers

B. a web-based tool which allows for electronic reconciliation and approval of staffs business related expenses

C. a tool used to process check requests for purchases of limited goods or services which are not required to be processed on a Purchase Order
LESSON 4: ServiceNow and Procurement
Lesson Objective

Upon completing this lesson, you will be able to:

• Explain the purpose of ServiceNow
• Use ServiceNow to complete a Contracts or Project Request
• Initiate vendor set-up and modify requests in ServiceNow
System Overview

**ServiceNow**

ServiceNow is a University portal that allows staff to submit electronic requests for the Shared Services Office and Procurement Services. It also enables users to track, manage, escalate tickets.
System Overview

Demonstration – ServiceNow Contract Request

Procurement Contract Review
Submit a contract for review and execution

Please use this form to request a review of a contract received from a vendor prior to contract execution. If you have any questions about how to complete this form, feel free to contact Shared Services at XXX-XXX-XXXX.

All fields marked with an asterisk (*) are required.

Submitter Information
Who is submitting this form?

Katie Mailey (kmailey)

What is the submitter’s department?
System Overview

Demonstration – New Supplier Creation

Vendor Set-up or Modify

Set-up a new vendor or modify information about an existing vendor.

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.

If you have any questions about how to complete this form, feel free to contact Shared Services at XXX-XXX-XXXX.

All fields marked with an asterisk * are required.

Submitter Information

Who is submitting this form?

Rebekah Kriike (rkiike)
Procure-to-Pay Training

LESSON 5: Policies & Ethics
Lesson Objectives

Upon completing this lesson, you will be able:

• Identify some of the major policies that guide purchasing at the University of Chicago
• Differentiate between reimbursable and non-reimbursable payment types
• Identify supporting documentation required for reimbursable payments
Procure-to-Pay Ethics

Purchasing Ethics

Avoid conflicts of interest (even situations that cause a perception of conflict)

Maintain confidentiality of confidential information entrusted to you

Exercise good judgment in giving or receiving gifts or entertainment
Important Procure-to-Pay Policies

Policy U600
Policy U600 is the **Conflict of Interest** policy. As a basic condition of employment, all University staff must act in the University’s best interest with matters related to employment and other University activities.

Policy 1201
Policy 1201 is the **governing policy for procurement**. It covers items such as compliance, reimbursable and non-reimbursable expenses, responsibilities, and authorizations.

Policy 1206
Policy 1206 (**Gifts to Other Not-for-Profit and Charitable Organizations**) covers what types of gifts and donations are allowable.

Policy 1218
Policy 1218 (**Payments of Human Subject Fees**) details guidelines for human subject fees.
## Policies

### Procure-to-Pay Policies

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<th>Authority and Responsibility for Procuring Goods and Services</th>
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<td>Travel Policies and Procedures</td>
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<td>Policy 1203</td>
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<td>Policy 1204</td>
<td>Non-Audit Services by University Auditors</td>
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<td>Gifts to Other Not-for-Profit and Charitable Organizations</td>
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<td>Policy 1207</td>
<td>Institutional Membership Fees and Dues</td>
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## Procure-to-Pay Policies

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<td>Parking Fees</td>
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<td>Policy 1211</td>
<td>Gifts Based on University/Employee Relationships</td>
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<td>Policy 1212</td>
<td>Gifts to Non-Employees</td>
<td>Click to view Policy 1212</td>
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<tr>
<td>Policy 1213</td>
<td>Authority to Lease, Buy, and Sell Real Estate</td>
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<tr>
<td>Policy 1214</td>
<td>Non-Salary Cash Advances</td>
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# Policies

## Procure-to-Pay Policies

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<th>Policy 1215</th>
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<td>Authority for Settlement of Workers’ Compensation and Liability Claims</td>
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<td>Policy 1217</td>
<td>Donor and Volunteer Gift Policy</td>
</tr>
<tr>
<td>Policy 1218</td>
<td>Payments of Human Subject Fees</td>
</tr>
</tbody>
</table>

[Click to view Policy 1215](#)

[Click to view Policy 1216](#)

[Click to view Policy 1217](#)

[Click to view Policy 1218](#)
Procure-to-Pay Policies

GEMS/ ePayment Reimbursement Requirements

**Rule 1**
Receipts are required for all expenses of $75 or more. The two exceptions to this rule are business meals and hotel/lodging expenses which must have receipts regardless of dollar amounts.

**Rule 2**
All receipts must sufficiently detail the item(s) that were purchased. Credit card statements, vendor statements, quotes, acknowledgements and copies of cancelled personal checks submitted without other supporting documentation are not considered adequate.

**Rule 3**
All expenses must be adequately documented whether or not a receipt is required. A description of the good or service purchased/business purpose, date of purchase, and amount of expense must accompany all requests for reimbursement or payment.

**Rule 4**
Proof of Payment is required. The individual should always furnish a paid bill or proof that the payment has been made. For example, the bill should show “Paid”, “0 balance due” or some similar language.

**Rule 5**
Lost receipts. If a person loses a receipt, he/she must provide a note acknowledging the receipt(s) was lost, confirm they will not be reimbursed from another source, include a description of the item(s) that were purchased, business purpose, date of occurrence, and amount of expense.
Knowledge Check

Multiple Choice

Policy 1201…

A. covers what types of gifts and donations are allowable
B. covers items such as compliance, reimbursable and non-reimbursable expenses, responsibilities, and authorizations
C. details guidelines for human subject fees
Multiple Choice

Policy 1201…

A. covers what types of gifts and donations are allowable
B. covers items such as compliance, reimbursable and non-reimbursable expenses, responsibilities, and authorizations
C. details guidelines for human subject fees
• Divide into teams of approximately equal size
• The facilitator will pose a question to each team on a rotating basis
• Each team has one chance to answer the question posed by the facilitator
• Teams earn 1 point for each correct response
The definition of procurement is: the act of finding and buying goods or __________ from an external source
The definition of procurement is: the act of finding and buying goods or services from an external source.
The three paths to procurement at UChicago are:

1. Purchase order
2. GEMS program
3. ________________
The three paths to procurement at UChicago are:

1. Purchase order
2. GEMS program
3. Check Request
The two ways to initiate a Purchase Order at the University are:

1. _________________
2. ServiceNow Contracts
The two ways to initiate a Purchase Order at the University are:

1. BuySite
2. ServiceNow Contracts
A Preferred Vendor is a vendor who has been awarded a contract by UChicago Purchasing Services as part of a competitive evaluation for use by departments and schools.
A Preferred Vendor is a vendor who has been awarded a contract by UChicago Purchasing Services as part of a competitive evaluation for use by all departments and schools.
A ________________ Vendor is a vendor with whom the University has an existing contract; it may or may not be a preferred vendor.
A **Contracted** Vendor is a vendor with whom the University has an existing contract; it may or may not be a preferred vendor.
is the purchasing channel UChicago personnel should use for the following procurement types:

• Travel Expenses
• Low-dollar Business Expenses
• Out-of-pocket expenses for employees ($500 and below)
GEMS Credit Card is the purchasing channel UChicago personnel should use for the following procurement types:

• Travel Expenses
• Low-dollar Business Expenses
• Out-of-pocket expenses for employees ($500 and below)
is the UChicago system used to submit and process check requests for purchases of limited goods or services which are not required to be processed on a Purchase Order.
ePayment is the UChicago system used to submit and process check requests for purchases of limited goods or services which are not required to be processed on a Purchase Order.
The ________________ in ServiceNow is a tool that can help campus identify the proper purchasing channel, preferred vendor(s), and relative procurement policies when procuring different goods and services.
The **Buying Guide** in ServiceNow is a tool that can help campus identify the proper purchasing channel, preferred vendor(s), and relative procurement policies when procuring different goods and services.
BUSTER is a University portal that allows staff to submit electronic requests for the Shared Services Office and Procurement Services. It also enables users to track, manage, escalate tickets.
ServiceNow is a University portal that allows staff to submit electronic requests for the Shared Services Office and Procurement Services. It also enables users to track, manage, escalate tickets.
University Conflict of Interest Policy (U600) states:
“As a basic condition of employment, all University staff employees have a duty to act in the University’s __________ in connection with matters arising from or related to their employment and other University activities.”
University Conflict of Interest Policy (U600) states: “As a basic condition of employment, all University staff employees have a duty to act in the University’s best interest in connection with matters arising from or related to their employment and other University activities.”
Course Wrap-Up

POLICIES

• Policy 1201 – Procurement Policy ([Click to view Policy 1201](#))
• Policy 1206 – Non-Profit and Charitable Gifts ([Click to view Policy 1206](#))
• Policy 1218 – Human Subject Fees ([Click to view Policy 1218](#))

JOB AIDS

• How to Request a Contract Review in ServiceNow
• How to Submit a Vendor Set-up or Modify Request in ServiceNow
• What is Changing with Check Requests