Improvements to Processing Purchase Order Invoices

Presenters:
Lynell Griffin, Director - Disbursements
Cindy Lyons, AVP & University Controller
Introduction
Agenda

1. UMB Funds
2. State Regulations
3. Policy and Procedures
4. Purchase Order Invoices
5. Current PO invoice processing procedure
6. New PO invoice processing procedure
7. Tools for managing PO invoices
8. Useful resources
9. Questions
1. UMB Funds
Authority: The State requires all agencies to assign fiscal responsibilities.

UMB Office of the Controller is charged with developing policies and procedures that govern university financial transactions.
UMB Legal Counsel created the following definition of UMB Funds:

All funds administered by UMB, regardless of fund source. UMB funds include State-appropriated general funds, tuition, fees, and other income, as well as auxiliary funds, revolving/discretionary funds, Designated Research Initiative Funds, gifts, contract or grant revenues, and other restricted funds.
2. State Regulations
State of Maryland Regulations

• According to State Regulations: The Comptroller of Maryland has authority over all State financial matters.

• The General Accounting Division (GAD) was established to oversee financial transactions of State agencies.
State of Maryland Regulations

** Agency fiscal personnel will be held accountable for the accuracy and content of their financial information in R*STARS.
3. Policies and Procedures
Policies

- VIII-7.11(A) UMB Code of Ethics and Conduct
- Act as good stewards of the resources entrusted to UMB’s care. Comply with financial requirements and internal controls applicable to funds and property managed by them and under their oversight.
VIII-7.11(A) UMB Code of Ethics and Conduct (cont’d.)

• Comply with all laws, rules, regulations, policies, procedures, and professional standards, including the Maryland Public Ethics Law, applicable to their employment and their UMB responsibilities, and cooperate with training and continuing education initiatives of UMB to make them aware of their responsibilities.

• Comply with their assigned or assumed responsibilities to fulfill UMB’s obligations under contracts, grants, and other legal agreements.
• Disclose and avoid improper or unlawful conflicts of interest and conflicts of commitment.

• Report known or reasonably suspected wrongdoing; refrain from retaliating against those who report known or reasonably suspected wrongdoing; and cooperate fully with authorized investigations of reports of wrongdoing.
Procedures

• **Disbursements for Standard Procurements**
  – In accordance with the Md. STATE FINANCE AND PROCUREMENT Code Ann. §§ 15-103, all invoices received by the State must be paid within 30 days. In addition, under Title 21.07.01 of the State Procurement Regulations, invoices must be received in the State of Maryland General Accounting Division (GAD) within 25 days after the date the invoice is received at UMB, or acceptance of the merchandise or services has been recorded, whichever is later.
Procedures

• Receipt Requirements
  – A receipt is an entry into Quantum recognizing that goods and/or services have been received by the Operational Unit.
  – After goods or services are received, the Operational Unit must immediately enter the receipt into Quantum.
  – A receipt is required for all PO Invoices, regardless of amount.
Procedures

Current State Law

In accordance with the Md. STATE FINANCE AND PROCUREMENT Code Ann. §§ 15-104, 15-105, and 15-222, vendors may be entitled to interest on late invoice payments if:

1. The invoice is due and payable by law and written under the procurement contract; and
2. The invoice remains unpaid more than 45 days after receipt of goods or services; and
3. The vendor submits an invoice for the interest within 30 days after the date of the State’s check.
Procedures

State Law Effective July 1, 2023:

Interest not only accrues but is also payable after 37 days. Accordingly, to the extent that some payments are made after 37 days, agencies may be liable for accrued interest, beginning in June 2023.
4. Purchase Order Invoices
Purchase Orders & Pro Card (P-Card)

Issuance of an official purchase order or use of the VISA purchasing card, are the only methods of purchase for goods and services obligating UMB. The standard purchase order may be used for orders of any dollar amount.

The VISA purchasing card may be used for making purchases where the single order does not exceed $4,999. Vendors are cautioned that some cards have lower single transaction limits (less than $4,999) and monthly credit limits vary per card. It is the responsibility of the vendor to be sure that the card being used is authorized for transactions being made. It is illegal to artificially split orders in order to avoid the procurement process.

When an emergency or urgency arises, SSAS may place an order by telephone or other means (i.e. fax, email). However, in those instances, a purchase order number is assigned and a confirming order will follow. Individual departments and employees are not authorized to place orders directly to vendors under these circumstances.
5. Current PO invoice processing procedure
Current Procedures

• Invoices are received in Disbursements via mail, email from a supplier, or directly from the department.
• Invoices are assigned to staff based on alphabetical letters.
• Disbursements staff review the purchase order associated with the invoice to determine if a receipt has been entered in Quantum Financials.
• If a receipt has been entered on the PO, the invoice is entered into Quantum Financials and the invoice including the required supporting documentation is sent to the State for payment.
Current Procedures

• If a receipt has not been entered for the invoice, Disbursements staff will email the requestor of the purchase order. A copy of the invoice is attached to the email.

• Disbursements sends a maximum of two email requests for a receipt. If a receipt is not entered into Quantum Financials within the requested time frame, the invoice is not paid and is removed from the workflow. Future payment of the invoice requires resubmission to the AP email inbox. The timeline restarts.
Current Procedures

Issues with the current method of processing:

• Overall process no longer efficient since the transition to Quantum Financials.
• Disbursements manually sends multiple emails requesting a receipt
• Time spent sending multiple emails delays processing of valid invoices
• Other than emails, there is no record of invoices that have been removed from the workflow as a result of missing receipts
• Departments often request copies of invoices
6. New PO invoice processing procedure
New Procedures

• Invoices are received in Disbursements via mail, email from a supplier, or directly from the department.
• Invoices are assigned to staff based on alphabetical letters.
• Disbursements staff review the purchase order associated with the invoice to determine if a receipt has been entered in Quantum Financials.
• If a receipt has been entered on the PO, the invoice is entered into Quantum Financials and the invoice including the required supporting documentation is sent to the State for payment.
New Procedures

• If a receipt has not been entered on the PO, the invoice will be entered into Quantum Financials; however, the invoice will be in a “Needs Revalidation” status.

• Once the invoice is entered into Quantum Financials, Disbursements will “index” the invoice in ImageNow. ImageNow will automatically send a PDF copy of the invoice via email to the requestor listed on the PO.
Hello.

The attached invoice has been entered into Quantum Financials. In order to pay the invoice, please create a receipt. Be sure the receipt matches the invoice. Instructions for creating a receipt in Quantum Financials can be found here.

If you have already created a receipt, thank you. Invoices that are not receipted within 7 days will be cancelled out of the financial system and will not be paid.

For questions related to the invoice, please contact the team member assigned to the supplier.

*** Please do not reply to this email. This mail account is not monitored.
New Procedure

• Every weekday morning a process will run in Quantum Financials to validate invoices. If the PO invoice does not find a receipt, a **Quantum System generated** email will be sent to the requestor.

• The requestor will be able to receive up to the amount of the invoice from the email or go directly into Quantum Financials and receive the goods/services.
New Procedures

Action Required: Purchase Order 1000012405 Requires Receipt Confirmation

To: Griffin, Lynell

If there are problems with how this message is displayed, click here to view it in a web browser.

CAUTION: This message originated from a non-UMD email system. Hover over any links before clicking and use caution opening attachments.

Access this task in the Workspace Application or take direct action using the links in this email:

Actions: Receive up to the Invoiced Amount

Purchase Order 1000012405 Requires Receipt Confirmation

Details

Assignee 90560012
Assigned Date 01/03/2023 11:37:29 AM
Expiration Date 01/18/2023 11:37:29 AM
Task Number 1305361

Information

Purchase Order 1000012405
Supplier EVERYLIBRARY INSTITUTE NFP
Expected Receipt Date 09/23/2022
Buyer Eshleman, Ronald
New Procedure

• Notifications will also be in the bell icon on the Quantum Financials homepage.
New Procedures

• A requestor will receive the notification only once.

• After the 7th day, two things will happen:
  – A notification will be sent alerting the requestor that the receipt confirmation request has expired. This means there will be no additional notifications related to this receipt request.
  – Disbursements will cancel the invoice out of Quantum financials and the invoice will not be paid.
New Procedures

Expired: Purchase Order 1000012421 Requires Receipt Confirmation

Access this task in the Workspace Application

Purchase Order 1000012421 Requires Receipt Confirmation

Details

Assignee
Assigned Date 01/09/2023 04.08.43 PM
Expiration Date 01/11/2023 04.08.43 PM
Task Number 1306127

Information

Purchase Order 1000012421
Supplier LEWES PUBLIC LIBRARY INC
Expected Receipt Date 09/19/2022
New Procedures

• A few things to consider:
  – The invoice will go to the requestor on the purchase order. If the person responsible for receipting the PO is different, the requestor will need to forward the notification to the appropriate person.
  – Disbursements will utilize a report to review receipts created within the last 24 hours. This will ensure invoice corrections are identified proactively to prevent missing receipt notifications from being sent in error.
New Procedures

• A few things to consider (con’t):
  – Email communication directly from a Disbursements staff member will still occur for concerns relating to missing PO numbers, invoice corrections, etc.
  – Departments are encouraged to continue to submit invoices along with the receipt numbers with the first invoice submission to the AP email inbox.
New Procedures

• Benefits of the new process:
  – Reduction of emails from Disbursements.
  – Departments will have a copy of every PO invoice charged to their unit.
  – Ability to see what invoices have been cancelled due to a missing receipt (a monthly report will be created).
  – Timely payments to suppliers.
7. Tools for managing PO invoices
How to Check for Payments

Three Options:

• Quantum Financials Report QFN-205

• Quantum Analytics Budget to Actuals Details Report

• Quantum Analytics Transaction Details Report
How to Check for Payments

Quantum Financials:

Criteria: PO Number = 100011705. There are many search options!
How to Check for Payments
Quantum Analytics:

All Activities Management

Trends
Provides various graphical and tabular displays to analyze trends in revenues and expenses.

All Source
Provides revenue and expense detail across sources. Includes net asset rollforward. Drillable to SOAPF detail.

Search
Tool to identify SOAPF codes meeting various criteria. Drillable to Budget to Actual Detail.

Budget to Actuals Summary
Analyzes revenues and expenses with comparisons to budget and previous fiscal years, summarized by chart of account segments.

Budget to Actuals Detail
Comprehensive review of activity for a single SOAPF code. Includes comparison to budget, previous fiscal years, and various reports on transactions and current balances. Ideal for managing an individual budget. Drillable to transaction detail.
How to Check for Payments
Quantum Analytics:
– Enter SOAPF
– After the report details are displayed, scroll down and Select PO Radio Button:
How to Check for Payments

Quantum Analytics:

• The results show all POs funded by the SOAPF

• Sample screenshot:

<table>
<thead>
<tr>
<th>PO/Reference</th>
<th>Original Doc/Doc Nbr</th>
<th>Accounting Event</th>
<th>Line Item Detail</th>
<th>Attr Cat</th>
<th>Attribute 1</th>
<th>Attribute 2</th>
<th>Created Date/Attribute</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000009119</td>
<td></td>
<td>R23-10 - Purchase Requisition</td>
<td>1 - Accounting Services</td>
<td>Atheena Bostic</td>
<td>Services</td>
<td></td>
<td>01/03/2022</td>
<td>-45000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Converted to PO</td>
<td>Reporting services</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1000009119</td>
<td></td>
<td>R25-12 - Purchase Order Approved</td>
<td>1 - Accounting Services</td>
<td>Atheena Bostic</td>
<td>Services</td>
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<td>01/03/2022</td>
<td>-45000.00</td>
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<td></td>
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<td>Reporting services</td>
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<td>1000009119</td>
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<td>R26-20 - PO Invoked Amount</td>
<td>1 - Accounting Services</td>
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<td>Reporting services</td>
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<td></td>
<td></td>
<td></td>
<td>-7865.31</td>
</tr>
</tbody>
</table>
How to Check for Payments

Quantum Analytics:
(another option)
How to Check for Payments

Quantum Analytics:

- Enter Parameters
- Select PO Invoice/AP Travel for Transaction Type
- When the results appear, look at Attribute 6 and Attribute 7 columns for check number and check date:

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Document Number</th>
<th>Amount</th>
<th>Amount Type</th>
<th>Document Description</th>
<th>Attribute 6</th>
<th>Attribute 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>R02-PO Invoice / AP Travel</td>
<td>00</td>
<td>$0.00</td>
<td>Actuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R02-PO Invoice / AP Travel</td>
<td>13429</td>
<td>$9,700.00</td>
<td>Actuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R02-PO Invoice / AP Travel</td>
<td>2052713319</td>
<td>$110.48</td>
<td>Actuals</td>
<td></td>
<td>054568079</td>
<td>02-AUG-22</td>
</tr>
<tr>
<td>R02-PO Invoice / AP Travel</td>
<td>2052886808</td>
<td>$110.32</td>
<td>Actuals</td>
<td></td>
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<td>31-AUG-22</td>
</tr>
<tr>
<td>R02-PO Invoice / AP Travel</td>
<td>2053045480</td>
<td>$110.80</td>
<td>Actuals</td>
<td></td>
<td>054729122</td>
<td>13-OCT-22</td>
</tr>
</tbody>
</table>
Analytics Reporting Training:

Buzz Merrick
bmerrick@umaryland.edu

• Training dates are published in the Quantum Bytes
• Recorded seminars: https://www.umaryland.edu/quantum/training-and-support/quantum-webex-seminars/
8. Useful resources
Resources

• Disbursements webpage: https://www.umaryland.edu/controller/disbursements/

• Quantum Financials Training and Support: https://www.umaryland.edu/quantum/training-and-support/

• Quantum UPKs: https://cf.umaryland.edu/upk/quantum/PlayerPackage/index.html?Guid=f4c7c798-0b6b-4e89-bcb5-786b4cc57060
Resources

• GAD’s Online Service Center: https://interactive.marylandtaxes.gov/extranet/gad/GADLogin/login.asp

  • Contains payment information, link to EFT form, liability offset information
Resources (con’t)

• **UMB Purchasing Guide**
  -Details the procurement process and contains other pertinent information to the purchasing process for UMB

• **Quick Reference Guides for Purchases and Payments**
  -Includes guides for general procurement processes, procurement dollar thresholds and limits, a payment type table, and invoice and payment workflow.
Questions?