

BASIS II: ACCOUNTS PAYABLE/PURCHASING FINANCIAL AFFAIRS PROPOSAL

January 29, 1992

OVERVIEW OF ISSUES AND SYSTEM PROCEDURES

1. Develop a system that will allow the user to trace the status and history of a transaction through the requisition approval process ⇒ purchasing process ⇒ purchase order ⇒ receipt of goods/services ⇒ payment of invoice ⇒ date check is mailed to vendor ⇒ date check clears the bank.
2. Determine which office will be responsible for the vendor file maintenance.
3. Determine which office will be responsible for the identification of transactions/vendors that are subject to IRS reporting requirements.
 - a. Development of 1099 reporting system.
 - b. Discuss policy of requiring a tax identification number for all vendors.
 - c. Develop a system that will capture data for scholarship and fellowship payments. (Current scholarship/fellowship payments flow through Financial Aid system).
4. Determine the policy on available funds checking.
5. Discuss/resolve "invoice attached" problems.
6. Discuss/resolve advanced purchase order problems.
PO # given over the phone. Depts don't follow up with paper.
7. Discuss/resolve problems of "direct" payments. (Research Accounting: Stipend fellowships and subcontractor payments. Discuss issue of exempt check payments). *No P.O. Handle small orders the same way. Need proper controls + checks.*
8. Discuss the impact of this system upon the current budgetary control module.
9. Discuss *multi-costcenter* multi-account distributions on purchase orders. Identify each purchase order line by expenditure code. Impact upon Agricultural Experiment Station project accounting/reporting.
10. Determine which office will be responsible for expenditure codes.
Financial affairs always, are only for those where class item is not directly related.

- * 11. Develop new journal voucher entry system. *Do it now.*
- 12. Discuss special needs of Coop Ext Service. *Special*
- 13. Discuss Physical Plant Charge system and accounting. *Internal orders. Also their own procurements.*
- 14. Determine which office will provide the sales tax status of a transaction. *On the legislature for '93. Resale is exempt.*
- 15. Should tax and freight be encumbered on the purchase order? *Yes, when it is avail.*

Library

VENDOR SET UP AND MAINTENANCE

- 1. Ability to update vendor address/number after activity on the purchase order (for company buy outs). *Have forward reference to new Vendor. Kind of a parent vendor.*
- 2. Develop vendor file that would link order address, remittance address and correspondence address. *Multiple addresses with type code.*
- 3. Vendor numbers should be added, maintained or approved by only one person. Purchase order could be entered with a primary vendor number and payment could be made to a secondary vendor number in that group.
- 4. System-generated vendor number assignment. System will edit to ensure conformity with standards for name and address. *Procedure* System check for duplicate vendors by name, address, and zip code at time of entry. System would allow the payor to set up a vendor at the same time the invoice is being paid. *ck digit!*

CANCELLATIONS

- 1. Field to indicate why, when, and who cancelled an invoice. (A=Disbursing B=Accounts Payable C=Department).
- 2. Cancellation of a single invoice on a multiple invoice voucher.

INVOICE PAYMENTS

- 1. Summary screen for the payors to show daily activity and give the ability to change incorrect information entered.

2. Enter certain payment information only one time (e.g. payment due date could be copied to the next invoice payment screen). *default values*
3. Pay one invoice as part taxable and part non-taxable. Charge tax to one line but not all lines.
4. Provide on-line edits to avoid duplicate payments. Provide an on-line suspect duplicate payment report on a periodic basis.
5. Ability to monitor state funds available by character code and appropriation.
6. Develop a policy regarding minimum dollar amount for check writing. *Perhaps an admin. petty cash*
7. To replace label system, put all information needed on the on-line document (tax code, state, etc.).
8. Ability for departments to electronically sign off on invoices presented for payment. Department designates whether the invoice is a partial payment or final payment. The final payment designation will automatically close the purchase order at time of payment. Inquiry/report to identify departments with invoices pending payment approval by date. Department must identify the contact person, phone number and location for items that need to be tagged. *or record receipt*
9. Devise solution/policy to handle invoices that are delivered to Accounts Payable without a purchase order reference.
10. System generates/checks the amount of discounts and net dates on invoices.
11. Replace current paying entities system. (Source of funds; voucher coding).
12. Table to aid the identification of a vendor with different company names (International Business Machines and IBM).
13. Develop a use tax table based upon shipping address and expenditure codes. This table will be used for system-generated use tax charges.

14. Addition of fields that require the printing of field values for contract numbers, taxpayer id numbers, and method of finance numbers on the face of vouchers.

15. System-generated lease purchase expenditure codes based upon amortization schedule tables.

16. Indicator to request the issuance of multiple checks for the same vendor.

17. Show department on purchase order screen.

PAYMENT RESEARCH

1. Ability to look at all payments to a specific vendor regardless of funds used on a daily basis.

2. Ability to search for a payment based on specific input fields. (e.g. vendor name/number, purchase order number, amount, date, etc.).

3. Extend backup information for a period greater than the current six months on-line.

4. Ability to look at all payments made on a specific purchase order with the check number and the voucher number listed.

5. All information on bids shown on-line (e.g. freight, overruns, unit prices, description, etc.).

6. Develop a system that will track problem invoices presented on vendor statements. Design a system that will produce form letters to vendors for problem invoices.

7. Design an automated telephone invoice inquiry system for vendors.

PURCHASE ORDER

1. Edits to ensure needed information is provided at the time of the purchase order entry (e.g. If an expenditure code is used that indicates the need for a state contract, the number must be entered. Certain expenditure codes must have social security number or taxpayer identification number).

2. Credits entered should apply against the first OPEN line and not reopen a closed line. Perhaps a message asking if or which line to reopen.
3. Closing of purchase order when only a few dollars remain.
close by date expiration.
4. Multi-distributions to be in percentage or ability to match the merchandise to a specific purchase order line.
5. A 1099 indicator on purchase order that can be changed if needed.
6. Purchase order changes should show the person making the change and the date/time the change was made.
7. Ability to check available funds when a purchase order is entered or at the time a purchase is processed through the Bookstore on a signature card.
8. Purchase orders cannot be purged if the contract termination date indicates the order is still active.
9. Encumber internal orders. Design system to notify departments of closed internal orders.
10. Open purchase order system balances correspond with the balance on departmental budget reports.

CHECK TRACING SYSTEM

1. On-line inquiry system to log the date a check is mailed to a vendor by the Treasurer's Office and the date the check cleared the bank.
2. New bank reconciliation system.