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Business Services Newsletter

Business Services is composed of Purchasing Services, Telecommunications, Central Receiving & Shipping/Inventory Control, Mail Services and UAH Copy Center

Ever wonder what happens to your Requisition once it's submitted to Purchasing?

When your Requisition is received in Purchasing, it is assigned to the appropriate Buyer.



and correspondence pertaining to purchasing. They assure that purchases conform to the Federal and State statutes and University policies that govern institutional purchases.

The Buyer analyzes it for quantity, specifications, delivery requirements, and appropriate supporting documentation. Any questions concerning the Requisition will be directed to the individual submitting the request.

In an ongoing effort to provide assistance with your purchasing requirements, Buyers evaluate commonly used items to establish standing bids. To assure completeness, accuracy, and conformance with state and federal laws, Buyers often conduct extensive research when preparing bid specifications for complex requirements. Requisitions received from departments may also require competitive bids, and buyers can advise University departments in bid specification development.

The Buyer will also review available sources, request pricing and delivery, solicit sealed bids if required, and in some cases may change the supplier depending on sourcing. The Buyer then issues the Purchase Order (PO) and places the order with the vendor.

When necessary, bids are solicited from potential vendors while maintaining the importance of supplier diversity and sourcing strategies. Buyers host bid openings in the presence of suppliers and tabulate bids for accurate recording and ease of evaluation by the department requiring the items.

Once your order is processed, it still is not complete until you receive your merchandise, payment is issued, and you are a satisfied customer. To ensure your satisfaction, Buyers are responsible for expediting the POs they issue; therefore, when you have questions about your order, contact the Buyer who processed your order. For example, if you want to check the delivery status, make changes to the order, or return incorrect, damaged, duplicate, or otherwise unwanted merchandise, simply contact the responsible Buyer.

Departments submit recommendations for the bid awards, which are then evaluated by the Buyers in accordance with the Alabama Competitive Bid Law. The bids are then awarded, the Purchase Orders are issued, and the orders are placed with the successful vendors.

Buyers are responsible for the economic acquisition of all materials and services required by the University. They assist the University community with any questions

*Please see **Buyer** on page 7*

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Many Employees Enjoy Ease of Using Banner Finance

Banner Finance went “live” in September and since then, things are happening. Transactions are being made, Purchases Orders are being issued, merchandise is being received, and vendors are being paid. The approval process is running smoothly for all types of transactions.

Some employees have gotten the hang of Banner Finance and enjoy the ease of electronic access and other Banner capabilities. Many routine transactions no longer involve multiple phone calls and trips to various offices.

The following paragraphs should answer many common Banner questions.

Banner Access

The Budget Office processes set-up for new Finance users’ and security for all Finance users. All users must complete the Banner Finance System Account Request Form and forward it to the Budget Office to obtain access.

Individuals who have attended Requisition training have received posting access in Banner. If you are unable to view the Requisition documents that you enter, your supervisor must approve for you to have query/posting access. A Banner Finance System Account Request Form must be completed and forwarded to the Budget Office to authorize this change.

If you receive a message when entering a Requisition that you do not have permission to use a fund, contact the Budget Office for assistance.

Index Codes/New Account Numbers

Crosswalks showing the old and new account numbers and account codes are posted by Accounting and Finance at <http://www.uah.edu/admin/Finance/>. Click

on BANNER Crosswalks to select and view the appropriate crosswalk.

Crosswalks showing the old and new contracts and grants account numbers are posted by Contracts and Grants Accounting on their website at <http://www.uah.edu/admin/c-g/forms.html>. Click on 5 Account to Org Number List.

Signature Approval

Signature approval for existing accounts may be changed by completing a Signature Authorization form and forwarding the completed form to Accounting and Financial Reporting.

Posting & Approving Banner Requisitions

Once a Requisition has been entered and completed, it must be posted (as a “reservation” to the appropriate budget) and approved. Only an authorized person can approve a Requisition after it has been entered. Depending on your department or funding, the Requisition may require several levels of approval.

Implicit approval rules have been established in Banner so if you have approval authorization and are entering a Requisition, the document will automatically receive your level of approval when completed.

The time between posting/approval process runs has been reduced to one minute intervals since the Banner system performance has improved. With a shorter time between runs and a smaller number of records to process per run, the posting/forwarding process has increased considerably.

*Please see **Banner** on page 3*

Banner

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Once your Requisition is complete and you have a Requisition number, the transaction will be posted in the next posting process. If you have approval authorization and have entered the Requisition, your implicit approval will post in the next approval process after the Requisition is posted. The Requisition is available for the next approval, if required. On receiving that approval, the Requisition will be posted in the next approval process. This process continues until all required approvals are posted to the Requisition.

After all electronic approvals are complete, the Requisition is ready for processing by Purchasing.

Disapprovals and Cancellations

When Requisitions are completed they reserve funds against the account designated on the document. Requisition encumbrances appear in a “reservation” column when performing a budget query.

To cancel the Requisition due to a wrong account code, amount, etc., you must do one of the following:

- 1) The Requisition must be denied by an approver and an email sent to Purchasing Services at purch@uah.edu requesting that the Requisition (record) be removed.
- 2) The Requisition must be properly approved and an email sent to Purchasing Services at purch@uah.edu requesting that the Requisition be cancelled.

Requisitions denied by any approver will be automatically removed from the system on a monthly basis by Purchasing Services.

If a document is disapproved, the individual who disapproved the document may be identified by reviewing the document in Self Service Banner under “View Document.” Enter the document number and select “Approval History.” Approval History will show what approvals have been granted and those still required.

If your Requisition is disapproved by the Office of Sponsored Programs or Contracts and Grants Accounting, these offices will notify you regarding the transaction and advise you of necessary action to take. These offices will contact Purchasing to remove the record and return any attachments.

If your Requisition was disapproved in error and the record has not been removed from the system, notify Purchasing at purch@uah.edu to complete the Requisition. The Requisition is then available for approval but must be approved by all required approvers.

Purchase Orders: When Purchase Orders are issued they encumber funds against the designated account. PO encumbrances appear in an “encumbrance” column when performing a budget query.

If it is necessary for an item, the remaining balance, or the entire Purchase Order to be cancelled, an electronic Requisition must be issued requesting the cancellation. A one-cent expenditure is required for the Requisition to be completed and processed through the approvals. This Requisition will be cancelled when the Purchase Order cancellation is processed.

Walk-Thru Requisitions

When entering your walk-thru Requisition, be sure to obtain the necessary electronic approvals. If required, email Contracts and Grants Accounting at cgacct@uah.edu and/or Office of Sponsored Programs at resadmin@uah.edu to obtain electronic approvals. Email Purchasing Services after all approvals have been obtained at purch@uah.edu. Indicate “walk-thru” in the subject line and list the Requisition number.

You will receive a telephone call when your “walk-thru” is complete and the Purchase Order is ready for pick-up. It is the department’s responsibility to place the order with the vendor.

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Account Codes for Equipment/Software

If a Requisition is submitted against a contract, grant, or cost sharing account for equipment or software, and a supply account code is used, the Requisition must be cancelled and resubmitted with the correct equipment or software account code.

Account Code for software is:

7174 Software Purchase

Account Codes for equipment are:

8101 Movable Equipment
 8103 Internal Enhancement over \$5,000
 8105 Equipment Special PR (when buying equipment to attach to existing equipment)
 8107 Vehicles

Account Codes that have been established to accommodate equipment purchases between \$2,000 and \$4,999 are:

7450 Computer and Peripheral Equipment
 7451 Lab Equipment
 7452 Audio Visual Equipment
 7453 Internal Enhancements
 7454 Other Equipment

Accounting Distribution

When entering the Accounting distribution for your Requisition, each document is limited to five FOAPAL entries. At Sequence 1 enter the FOAPAL using the appropriate account code. Enter this sequence only once. If another account code is used against the same FOAPAL, enter it as Sequence 2, making sure not to repeat the previously used account code. Additional FOAPALS and account codes may be used for up to five sequences; however, duplicating the FOAPAL and account code for multiple entries results in posting problems when the Purchase Order is processed.

When completing this section of a Requisition, always enter the character "H" for Chart. Enter the Organization Code(s) in the Index field and click Validate. The system will then populate the Fund, Organization, and Program fields. The Index field will be blank. You will **never**

need to enter information in the Fund, Organization, or Program fields. If you make an error, enter the correct Organization Code in the Index field and click Validate. You may then enter the appropriate account code(s).

At this point you are required to select the distribution of the Net Amount for the document total by dollars or percents. If Dollars is selected, the amount for each FOAPAL is inserted in the Accounting field. The dollar amounts must equal the Net amount. If Percents is selected, enter the percentage required for each FOAPAL in the Accounting field. When using percents, the total of all Accounting amounts must equal 100.



Click Validate to validate calculations and codes. A check mark will indicate that the document is okay. Error messages are displayed if missing or invalid data was entered. If you are unable to resolve an error message, contact Purchasing Services. If you see a check mark in a box labeled "Document Validated with no errors," click Complete. The Requisition number is assigned and funds are reserved for the Requisition.



Document Text versus Item Text

Banner offers two types of text when preparing a Requisition: Document Text and Item Text. Document Text is used for information related to the overall Requisition. Item Text is used for information related to a specific item being requested.

Document Text when transferred to a Purchase Order prints at the beginning of the Purchase Order and may include delivery or special handling instructions.

Document Text that does not print is viewed by a Requisition approver or buyer and is listed above the items being requested. This information may include internal notes and comments about the Requisition, including notifying Purchasing of an attachment to your Requisition. Attachments might include a contract, maintenance agreement, registration form, travel authorization, etc. Information to create a new vendor or changes to an existing vendor record is also noted in this area.

Item Text would include additional descriptive information necessary for the item being requested. If purchasing supplies or equipment, Item Text may include the stock number, brand, model number, features, measurements, or finishes. If requesting a contract payment, it may include the period of performance, contract number, or payment number. If purchasing an airline ticket, it may include the name of the traveler, destination, and dates of travel.

Entering Multiple Requisitions

Banner Self Service is limited to five line items, but Purchasing is able to combine multiple Requisitions into a single Purchase Order. If multiple Requisitions are submitted to the same vendor for a purchase, email the appropriate buyer or Purchasing Services at purch@uah.edu and provide the Requisition numbers to be combined into a single Purchase Order. Another alternative is to enter document text indicating “1 of 2 Requisitions.” On the subsequent Requisition indicate “2 of 2 Requisitions,” and reference the first Requisition number.

Insufficient Funds

If you encounter “insufficient funds” when entering a Requisition in Banner, contact Contracts and Grants Accounting regarding fund 2xxxx and cost sharing fund 159xx related issues. Contact the Budget Office for other funds.

Budget Query

To find a Purchase Order number and associated Requisition number you will need to perform a budget query using the Budget Status by Account option. Select the “Encumbrances” column to view the associated “Document Codes.” Select the Purchase Order number for which you wish to find the associated Requisition number. Listed under “Related Documents” will be the corresponding Requisition number or invoice.

Requisition encumbrances appear as Reservations and Purchase Order encumbrances appear as Encumbrances when performing a budget query. Once a Purchase Order has been paid the expenditures appear under Year to Date.

Budget training is offered by the Budget Office. To register for a class contact Candace Horch at 2242.

Banner Training Classes

Classes will continue to be offered at least once a month for:

- Banner Purchasing Entry and Approval: Provides users the knowledge to enter, approve, and view Requisitions.
- Purchasing Approval in Self Service Banner: Provides users the knowledge to view and approve previously entered Requisitions. If you have attended the Banner Purchasing Entry and Approval training, you have already covered this material.

A training schedule for the Banner Purchasing module and other modules is accessed from the website http://kiosk.uah.edu/cns_training. To register for user access and the class you wish to attend click on “View class schedule, register for a class, cancel a registration for a class.” Click on “Class Registration Server” and select the desired class.

If you would like to review the classes in which you are enrolled, click on the option entitled “Your Current Registrations.”

Pay Your Vendor: Forward Invoices and Documents to Appropriate Departments

Vendor Payments Delayed

The University is experiencing delays in orders being processed by vendors due to outstanding payments on previously issued Purchase Orders and Limited Purchase Orders (LPO).

To assist in this matter, please forward any invoices you receive to Accounts Payable. Forward a Memorandum Receiving Report to Accounts Payable if your merchandise was picked-up by departmental employees, installed by a vendor, or shipped against a Blanket/Standing Purchase Order.

If merchandise has been requested against an LPO, complete the bottom section of the Accounting/Receiving copy of the LPO, attach all pertinent documents (e.g.,

invoices, packing slips) and forward to Accounts Payable. LPOs for merchandise received against Contracts & Grants and cost sharing companion accounts must be sent to Contracts & Grants Accounting for review. They will forward the LPO to Accounts Payable for payment.

Be an Authorized Purchaser at Lowes, Home Depot

To protect the vendor and confirm that the purchase is for official UAH business, Lowes and Home Depot require that your name be submitted by Purchasing as an authorized purchaser. Contact Purchasing to have your name added if you need to make a purchase from either of these stores.

After-the-Fact Requisitions

When a department wishes to request the purchase of merchandise or services, the department submits a Requisition to Purchasing for a Purchase Order to be issued to the vendor.

The University policy is as follows: "The University will assume no obligation except on previously issued and duly authorized Purchase Orders." Therefore, an individual who obligates the University without authorization may be held personally responsible for the obligation.

In case of an emergency, Purchasing Services has a method in place for processing emergency purchases. We have a "walk-thru" period between 9:00 a.m. and 10:00 a.m., and again in the afternoon from 2:00 p.m. until 3:00 p.m. During these times the Purchasing Services Staff dedicates their time to processing emergency orders.

When you are unable to obtain a quote from the vendor, you can submit a Requisition with an estimated cost.

A first-time offender will receive an explanation on proper purchasing procedures from the Buyer. A second offense will result in a letter of reprimand. A third offense by a department will result in rejection of the Requisition, and the individual/department will be held responsible for that obligation.



Reminder:
Walk-thrus are
for emergency
purchases.

Buyer

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Other responsibilities for Buyers include meeting regularly with vendors to develop sources for merchandise and services and maintaining a library of manufacturers' catalogues. Suppliers are evaluated through supplier visitation and various objective performance measurements, including on-time delivery, service, and price performance.

We welcome you to visit our website at <http://www.uah.edu/admin/purchasing/> for information concerning our staff, standing bid contracts, and general information.

The *Business Services Newsletter* is distributed by Business Services as an informational guide to the University community. The newsletter provides information from Purchasing Services, Telecommunications, Central Receiving & Shipping/Inventory Control, Mail Services, and the UAH Copy Center. Our goal is to provide helpful information for doing business with the various units of Business Services. Take a moment to review this issue. If we can assist you, please don't hesitate to contact us.

You can read the current *Business Services Newsletter* as well as previous issues online at www.uah.edu/admin/purchasing. Scroll down and click on the graphic of the man holding the key and then click on "Newsletter."

If you have any comments or suggestions for future articles please contact Candy Townley at townleyc@uah.edu.





Business Services Newsletter is a newsletter to the UAH Community.
We welcome your comments and suggestions for improvement and for future articles.
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