

Procure-to-Pay FAQ

As discussed during the ePayment Forum, there will be several upcoming changes to ePayment to align with the University’s Preferred Payment Methods. Although the changes will not go into effect until **fall 2018**, some process changes can be made in advance in preparation.

Throughout the ePayment Forum sessions, we documented Frequently Asked Questions, many of which have been addressed below.

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What is Changing with ePayment?

Overview

The expense types available in ePayment are being revised to align with the University of Chicago's preferred purchasing methods and provide better control and oversight of transactions that should require a purchase order (PO). This document provides guidance on the ePayment expense type changes, as well as available support from the Shared Services Office for Vendor Set-up.

Reasons for the Change

A University purchase order is the preferred method of acquiring goods and services and should be used whenever possible. Select items do not require a University purchase order and can be acquired using ePayment or a GEMS card. Changes to check payment requests are being made to improve purchasing efficiency and compliance at the University of Chicago. Moving certain transaction types to purchase orders will benefit the University in several ways:

1. Improved control by requiring budgetary approval *prior* to incurring financial commitment
2. Reduce the likelihood of payment duplication
3. Protect the University and reduce legal exposure by establishing clear expectations on terms, delivery, and price
4. Improve the University's cash flow management
5. Provide volume discount opportunities to the University
6. Improve visibility to University diversity spend

Summary of ePayment Changes

1. Overtime, certain expense types will be removed from ePayment as they should be done in BuySite instead. Payments for the following expense types should be made through a purchase order in BuySite instead of ePayment:
 - Claims
 - Consulting Fee
 - Marketing and Promotional
 - Medical Fee
 - Other
 - Service
 - Supplies
2. The Shared Services Office can assist in collecting required vendor set-up documentation (e.g. W-9) on behalf of the local units. Shared Services assistance can be requested by submitting the ServiceNow Vendor Set-up Request or by adding the vendor contact information to the ePayment request (a new field).

Transition Support

- Shifting certain transactions from ePayment to BuySite will be a gradual process and final system changes will not go into effect until fall 2018.
- The Shared Services Office will partner with local units to help them transition to the correct payment type over time and will create a targeted list of vendors to migrate to BuySite.
- Training, job aids, and email reminders will be provided to staff who use ePayment.
- Please contact SharedServicesInput@uchicago.edu with any concerns or feedback.

General Procurement

Will I be able to review all purchase order invoices prior to payment?

Per University standard internal control policies, all invoices associated with purchase orders (PO) greater than \$5000 are required to be routed for approval to the department prior to payment, and low dollar PO invoices are paid in accordance with established tolerances. As part of Administrative Modernization and Shared Services (AMSS) the University is working to implement an invoice-routing software, which will streamline the University's current PO invoice approval process and provide visibility to units on all PO invoices.

How will the Shared Services Procurement team know if there is something defective with an order or invoice, before automatically submitting payment?

Invoices will be compared to the corresponding purchase order to ensure that they match before submitting payment. The use of a purchase order also reduces the chance of duplicate payment of an invoice. If an invoice differs from the purchase order by more than 10%, or the purchase order is over \$5,000, the invoice will be routed to the department for review and approval prior to payment. In the rare instance of a discrepancy that is automatically paid, payments can be corrected after the fact.

Will the check cancellation process change?

No, this process will stay the same. Stop payments, check cancellations, and reissuances can be requested by completing a Departmental Check Cancellation Form.

How can I correctly identify an Independent Contractor?

An Independent Contractor is an individual or entity who provides services, but who does not have an employee/employer relationship with the University. An "independent contractor" can be an individual, partnership, or unincorporated company. Domestic or Foreign individuals or entities can be considered "independent contractors".

How will intra-University services be paid?

This process will not be changed. Services should continue to be paid through the [ACCTS system](#).

Payment Terms

What are University's standard payment terms?

Per the [Policy of Procurement and Engagement of Services](#), the University's standard terms of payment are Net 45, unless otherwise agreed to by agreement, contract or invoice offered payment terms more favorable to the University. In addition, vendors have the option to participate in the University's Single Use Account (SUA) program, which provides payment within 10 days. These standard terms are consistent with best practices, and support the University's cash flow management.

Can vendors be paid in BuySite faster than our standard terms?

Exceptions to standard terms are subject to review by the Procurement Team.

My department is fourth-quarter heavy in our events and expenditures. If I am using BuySite purchase orders, how can we ensure expenses post in the current fiscal year?

It is important to ensure that all **invoices** are received by mid-June in order to have them entered in the current fiscal year. The creation of a purchase order in BuySite does not initiate an expense on your ledger. As soon as an invoice is entered into the financial management system, it hits the ledger for the current fiscal year, even if payment is not sent to the vendor for another 45 days. For example, if an invoice is received in mid-June and entered into the Accounts Payable system, the expense will post in June, and payment will be issued in July.

Vendors

If I know that a vendor will be performing services in a few months, can I set them up now?

Yes, there is a [Vendor Set-Up or Modify Form](#) available in ServiceNow, that can be submitted at any time. More information about submitting a Vendor Set-Up or Modify Form can be found [here](#).

How does setting up a vendor in ePayment differ from setting up a vendor in BuySite?

Both ePayment and BuySite vendor set-ups can be requested via the [Vendor Set-Up or Modify Form](#) in ServiceNow. ePayment should only be used for payees such as honorariums, reimbursements, readers fees, or artistic performances. Less information is needed from the payees to set them up in ePayment. To be set up in BuySite, a vendor will need to complete the Supplier Application. The Shared Services Procure-to-Pay team is currently in the process of creating a digital form for the vendor to complete.

How will vendor modifications be handled?

Any modification can be submitted via the [Vendor Set-Up or Modify Form](#) in ServiceNow. Appropriate documentation, such as a letter from the vendor on company letterhead or updated tax documentation, will be required to confirm the modification. If the department is able to collect updated documentation, this can be submitted with the Vendor Modify form in ServiceNow. If not, the Shared Services Vendor Team will work with the vendor to collect necessary documentation.

If I submit vendor information through ServiceNow, will the Shared Services Vendor Team reach out to me or the vendor with questions?

Depending on the question or information needed, the Vendor Team may reach out to either the vendor or department. In most cases, they will contact the vendor for questions on the W-9 Form or other tax information.

If I have a foreign vendor with a language barrier, can the Procure-to-Pay Team contact them for their information and to collect the correct documentation?

In these cases, the Shared Services Vendor Team will rely on the department for communication with the vendor. However, the Vendor Team will assist in determining what appropriate documentation is needed.

A W-9 form is required to be updated when the IRS changes the form, in addition to when vendor information changes. Will the Vendor Management Team proactively flag these vendors and collect the updated form?

The system currently does not allow for this functionality, but the Shared Services Vendor Team will work to proactively collect these forms as often as possible.

Where should vendors call to check the status of a payment?

Vendors should call the Shared Services Office at 773.702.5800 to check the status of a payment. In the future, there will be an online portal where payment status can be checked.

Contract and Project Requests**How will contract reviews be done?**

Contract reviews will no longer be done using Form 100. Units will now submit a [Procurement Contract Review Request form](#) via ServiceNow, and the review and approval will be completed electronically. More information about submitting a contract request can be found [here](#).

Can Form 100 still be requested?

All Contract and Project Review Requests should be submitted via ServiceNow.

Preferred Purchasing Methods

How do I determine the preferred purchasing method?

Reference the [Buying Guide](#) on ServiceNow. If you have further questions, please submit a Buying Guide inquiry on the form.

What is the response time for Buying Guide inquiries?

The Buying Guide is a self-service tool, and in most cases you will be able to answer your question immediately. If you submit an additional question to the Help Desk through the Buying Guide Inquiry, you will receive an initial response within 24 hours of submitting the Buying Guide inquiry.

If I am making a purchase where the GEMS Card is the preferred purchasing method, but the purchase amount is above the card limit, how should I make the purchase to avoid submitting multiple orders?

If you need to make a purchase that is above your card limit, submit a [GEMS Maintenance Form](#), and request a temporary increase in your GEMS Card limit. In case of immediate need, please contact the Help Desk at 773.702.5800 for support.

If I have a vendor that is used infrequently, should I use BuySite or ePayment?

The purchasing method should depend on the expense type, rather than the frequency in which the vendor is used.

If I frequently work with an Independent Contractor, would they be set up in BuySite or ePayment?

The expense type, not the payee type of Independent Contractor, will determine if the vendor should be set up in BuySite or ePayment. For an expense type such as consulting, the Independent Contractor should be set up in BuySite, regardless of how frequently they are used. For an expense type such as Readers' Fee, the Independent Contractor can be paid through ePayment.

How should I pay for hotel expenses?

The preferred method for paying for individual lodging is GEMS. If the employee does not have a GEMS card, he or she can request a reimbursement through the GEMS system.

BuySite is the preferred purchasing method used for expenses related to meetings or events such as meeting room space or a down payment for a University hosted conference.

BuySite enhancements will go into effect in February 2018. Changes are currently being discussed with local units, and training will be available in January. Additional communications will be sent leading up to go-live, but the following questions were raised in regards to the changes to BuySite.

If I need to make a one-time payment, do I need to set the vendor up in BuySite?

The expense type will dictate if the vendor needs to be set up in BuySite. For example, vendors receiving consulting payments should be set up in BuySite, even if it is for a one-time payment. Paying vendors through a PO in BuySite reduces the University's legal exposure and the likelihood of duplicate payments. In addition, the University's Business Diversity Program is committed to obtaining a portfolio of critical and valued business partners. Important vendor information (TIN, diversity, etc.) is captured through BuySite, but is not captured if a vendor is paid through ePayment.

Are there circumstances where a vendor would not be allowed to be set up in BuySite?

There are very limited circumstances where a vendor would not be set up, and these are at the discretion of Procurement Services.

Can I see my vendor's terms of payment in BuySite?

No, the terms of payment are not available in BuySite. If you need the terms of payment, you can call the Shared Services Help Desk at 773.702.5800, or [Ask a Purchasing/Payment Question](#) on the Shared Services portal.

If I submit a purchase order in BuySite that requires a deposit before the event, how does BuySite handle this purchase?

A purchase order can be created in BuySite with multiple line items for progress payments. The vendor should send an invoice to the Shared Services Office for the partial payment, and a separate invoice after the event for the final payment. If the purchase order surpasses \$5000 or the invoice differs by more than 10% from the invoice, it will require approval by the department.

Will all vendors be transferred from ePayment to BuySite?

The Shared Services Vendor Team will work to proactively create vendors in BuySite prior to removing expense types in ePayment in fall 2018. In order to be setup in BuySite, these vendors will need to complete the Supplier Application. If you are aware of any vendors that need to be setup, please contact the Shared Services Office at 773.702.5800 to begin the process.

Is the process for setting up vendors in BuySite going to be a hassle?

When a vendor needs to be set up in BuySite, the vendor will need to complete the Supplier Application. This requires more information from the vendors than ePayment setup, but the University needs this information for enhanced reporting and compliance with federal regulations. The University's Business Diversity Program is committed to obtaining a portfolio of

critical and valued business partners. Important vendor information (TIN, diversity, etc.) is captured through BuySite, but is not captured if a vendor is paid through ePayment.

The Shared Services and Procurement Teams are working to create a Supplier Application, which will streamline the process for vendors.

How long does it take to set up a new vendor in BuySite?

Setup time will depend on the vendor. When a Vendor Setup0020Request is submitted, the Vendor Management Team will contact the vendor within one day of receiving the request. After all required information is received from the vendor, the Vendor Management Team will have the vendor set up within two days. The end-to-end process time will depend on the vendor response time.

Will federal grant sub-awards need to be set up in BuySite?

For an outgoing sub-award, Subaward Recipients and Sponsored Consulting Agreements will be paid through ePayment. A Procurement Contract on a federal grant should be set up and paid through BuySite.

If most of my department's work is with international vendors and vendors outside of Chicago, therefore will not affect the University's local spend, will those vendors need to be paid through BuySite?

The expense type will dictate if the vendor needs to be set up in BuySite. There may be exceptions for international vendors, if payment must be made via wire.

If I already have a contract with a vendor and receive an invoice on a yearly basis, how should this be paid in BuySite?

These will be handled on a case-by-case basis. Please contact the Shared Services Help Desk at 773.702.5800.

For vendors that are already set up in BuySite, will anything need to be changed?

No, if the vendor is already set up, no additional set up is required.

In some cases, I don't know what the final cost is going to be until after the project is complete. How should this be handled?

In these instances, you can set up a purchase order by submitting a [Procurement Contract Request](#) with an estimate of the value, based on the vendor's quote, a contract, and/or your available budget.

Are BuySite orders or vendors removed from the system after a certain period of inactivity?

When a vendor is inactive for 18 months, it is removed from the Mainframe and inactivated in BuySite. If a purchase is initiated with the vendor after this time, the vendor will need to be set up again in BuySite.

If I have a standing purchase order with a vendor, should the invoice be sent to my department or to the Shared Services Office?

Unless your department is a Procurement Bill Pay Center, all invoices should be sent to the Shared Services Office.

If my department has a different contract with a vendor than the University has, which contract should be used?

These will be handled on a case-by-case basis. Please contact the Shared Services Help Desk at 773.702.5800.

ePayment

With the removal of the “Other” expense type, what expense categories will be created in ePayment to handle unique situations?

Beginning in fall 2018, expense categories will be added under Independent Contractors for “**Copy Editor**”, “**Artist Payment**”, “**Sponsored Consulting Agreement**”, and “**Translation/Transcription**”, and the “Other” expense category will be removed. Artist payment should be used for payments to Vendors or Independent Contractors for expenses such as musicians or illustrators. These payments will be tied to the 2700 subaccount.

In addition, “**Exception Payment**” will be added as an option under “Special Handling”, and additional expense types will be available. When an exception payment is submitted, the requester will need to include detail as to why the payment is an exception.

What are acceptable uses of travel advances through ePayment?

For acceptable uses of travel advances, please see [Policy 1214: Non-Salary Cash Advances](#).

Will there be an option to create new vendors in ePayment?

Yes, the [Vendor Set-Up or Modify Form](#) in ServiceNow can be used to submit a request to set up a new vendor.

For vendors that will remain in ePayment, will the Shared Services Office collect required tax documentation?

Yes, the Vendor Team can collect any necessary tax information. However, if your department has an existing relationship with the vendor and is able to easily collect the information, it will speed up the process.

Does the removal of expense types from ePayment apply to students?

No, the changes to expense types will only impact payments to Suppliers and Independent Contractors, but will not impact payments to Students or Visitors.

Will the changes affect the subaccount dropdown?

For most expense types, the submitter will not be able to change the first two digits of the subaccount number. Currently, the submitter is able to change all four digits of the subaccount.

How will time-sensitive payments be handled?

On occasion, extenuating circumstances may arise where a vendor or independent contractor needs to be paid promptly and the requestor does not have time to create a purchase order (PO). Under these circumstances, the requestor can select “Emergency” within the Special Handling section of an ePayment form. Emergency payments will be monitored closely and will require approval by the Shared Services Director of Procure-to-Pay Services. Emergency payments may be subject to an additional processing fee.