Requisitioner Workshop 2015

Welcome

Objectives

- To give hints and tips on iProc purchases

- To let you know where help can be found

- Understand <u>your</u> critical role within the Purchase to Pay Process

Background

The Requisitioner role is central and vital to the University Financial Accounting

300,000 invoices pa

£400,000,000 Spend

11,000 Suppliers

3,000+ Requisitioners

Purchase to Pay Objective

➢**Pay Suppliers on Time**

➢**Account for spend accurately**

➢**Follow the Control Process Fully**

<u>Agenda</u>

1.   Procurement Routes/Paths   John Halliwell
      to Payments & Role of the
      Requisitioner

2.   A view from Procurement and   CPO & Procurement Hub
      the Procurement Hub

3.   VAT Overview   James Gillen & Neil Turner

4.   A View from Accounts Payable   Michelle Bailey

5.   Fraud Awareness   Laurence Clark

6.   Help   John Halliwell

7.   Questions   **You**

UOM Procurement Routes

- in order of preference

Stores 1

eMarketplace or Non-Catalogue Requisitions 2

One Off Payment 3

Expenses / Cash Passport 4

Procurement Card 5

Stores

John Halliwell

Stores across the campus

EPS Stores – How to Access

Access to EPS stores stock is through Staff Portal – search for 'Stores Catalogue' for live list of stock and location or visit.

https://my.manchester.ac.uk/staffportlet/man-portlet-stores/

Please Note - You need your staff card and a valid code to obtain goods.

FLS Stores – How to Access

Information (including downloadable stock list) can be found on the FLS intranet here:

https://www.intranet.ls.manchester.ac.uk/facilities/stores/openingtimes.aspx

Please Note - To see actual current stock levels via the online shop you need to either be FLS staff/student or request access at above link.

Stores – Locations and Contacts

- EPS - Chemistry Stores

    Mark Mullin - Stores Co-ordinator – Ext 60584

- EPS - Physics Stores

    Noel Ogden - Stores Manager & Procurement Officer Ext 54066

- EPS - Sackville Street Stores

    Stephen Hannam - Stores Technician Ext 64760

- FLS – MIB Stores

    Location: Room 003, Lower Ground Floor, MIB
    Telephone: (0161 30) 64213
    Email: stores.mib@manchester.ac.uk

- FLS – Stopford Building Stores

    Location: G208 Stopford Building
    Contact: Tel. 55057/55058

    Email: stopford.stores@manchester.ac.uk

    * Also a delivery service to Michael Smith /AV Hill/CTF Building

Please Note
Not all Faculties have stores and in some case cross faculty purchases may not be possible, please contact you local stores first to avoid disappointment

P2P – Roles & Responsibilities Requisitioner

- Raise new requisitions or requisition amendment request to comply to purchasing rules via iProcurement:
- Record receipt of requested goods and services via iProcurement
- <u>Manage own requisitions and chase outstanding approvals</u>
- Liaise with relevant departments eg Central Procurement, Approvers, Operational Buyers, Central Accounts Payable
- Liaise with Operational Buyers re 3 Way Match issues and holds
- Management of the Goods Receipt summary report
- <u>Credit Note management</u>
- Issuing of VAT Exemption Certificate to suppliers for Call Off orders
- Handover of requisitions in progress to appropriate personnel on departure/holidays

Purchase to Pay (P2P)
# Central Procurement Office & Procurement Hub

P2P -Thresholds, Quotes & Value for Money

- Financial Regulations and Procedures
    - £5,000 - quotes
    - £25,000 – additional Oracle approval
    - £50,000 – business case where applicable
    - £100,000 – discuss with Central Procurement Office

- Legal Requirements

    - Public Contracts Regulations 2015

    - Freedom of Information

    - Stakeholders

- Good Practice

    - Demonstrate Value for Money

    - Protect University and you
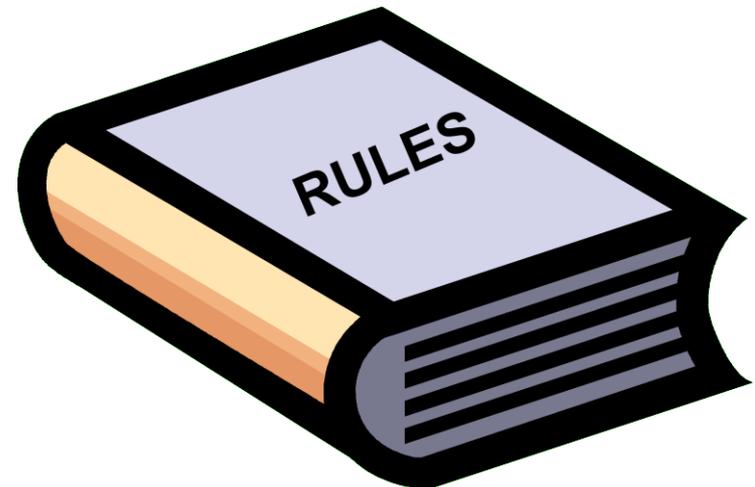
P2P – eMarketplace

- Science Warehouse competitive tender and user involvement
- What it is
  - Contracted suppliers and contracted items only
  - Consumable items
  - Low value and high volume
  - Live pricing not real time
  - Intuitive, simple, reduced manual involvement
  - eInvoicing
- What it isn't
  - Suitable for all suppliers
  - Every item contracted suppliers can provide
  - Perfect
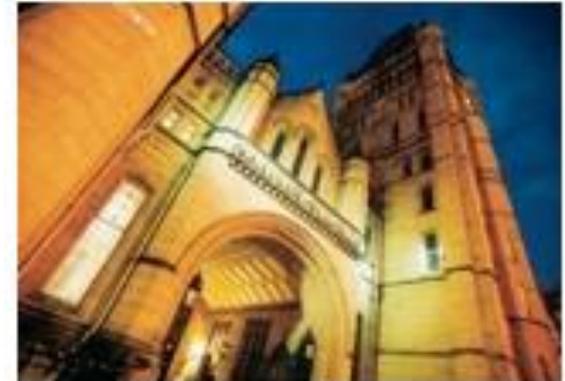
P2P – UniBuy

- Contracts
  - Formal process/contract University wide
  - Local, regional, national
  - 300+ contracts with 500+ suppliers
  - Product/commodity specific not everything supplier provides
- Suppliers on Oracle
  - 11,000+
  - Not necessarily contracted
  - May not be active
- New suppliers

Tips for Raising Requisitions
Procurement Hub

Tips

Supplier choice
- It is essential that you select the correct supplier when raising the requisition
- Use '%' (Wild card) symbol when searching to identify the correct supplier. For example if trying to search for County Print

* Supplier Name %county%print%

Select	Quick Select	Supplier ▲	Site	Contact	Phone
○		Pinewood Repro Limited t/a County Print	ATLANTIC STREET	REMIT	0161 928 5333

About this Page

QAULITY

Selecting correct VAT
When raising any requisition the Tax code will default to Standard

Billing

Project	
Task	
Expenditure Type	
Expenditure Organization	
Expenditure Item Date	
	(example: 21/07/2015)
* Tax Code	Standard
Charge Account	LA00069*4000*00*UM*00*00000
GL Date	05/08/2015

Tips

Always ensure that you use the search icon to select the correct Tax Code or select from the list when it appears

Only select the tax code from the list of values shown on the screen, do not free type.

If you free type the Tax Code then Oracle will <u>not</u> allow you to submit the requisition you will receive an error requesting you to cancel the requisition and re-raise selecting from the drop down

Tips

Item Description Field Insufficient

The more detail the better – insufficient detail may cause supplier queries and invoices to be placed on hold due to discrepancies between invoice and PO.

×   Lunch at Christies - requested by XXX

✓   Lunch at Brodsky (RNCM) for XXX and XXX £20 per head), 12:30pm on the 29th May 2015 for Decision Sciences Chair Interviews

×   Call Off Order – Sending packages

✓   CALL OFF ORDER for DHL, 1st March 2015 - 31 July 2015, Account number 131016XXX, for ESID/BWPI shipments only, for shipping charges and duties.

Tips

- **Multiple Line Requisitions**
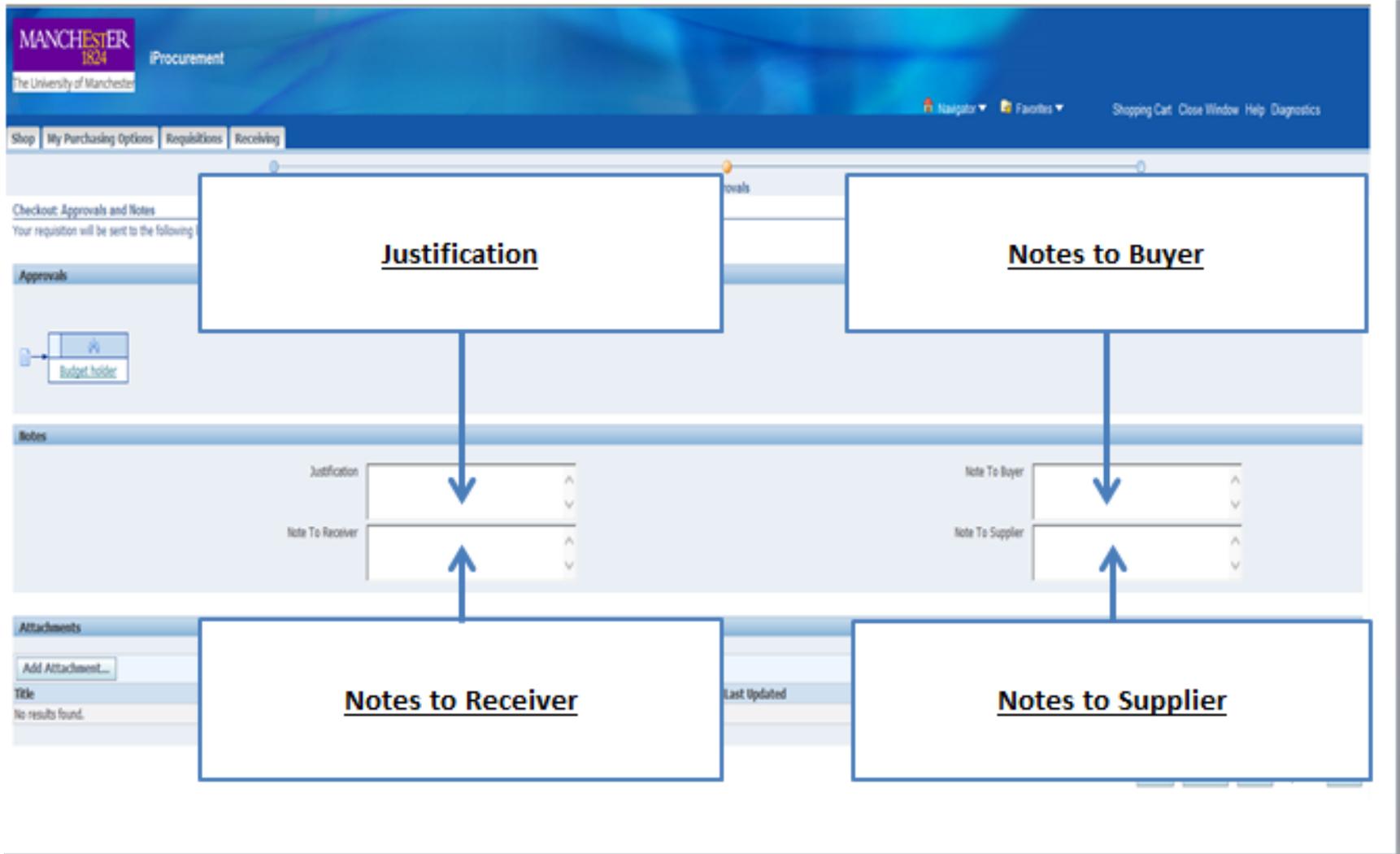
- **Incorrect Currency**

- **Should I include VAT?**

Tips

Adding 'Notes to Buyer'

Tips

Correct use of 'Item Type'
The first option when raising a NCR if to select the 'Item Type'

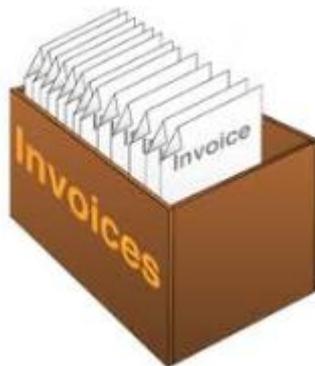_* Item Type | Goods billed by quantity | ⌄ | ⓘ

> **Goods billed by Quantity**
> Use this option when ordering specific quantities of goods/items e.g. 5 Packs of paper

_* Item Type
n Description

| Goods billed by quantity |
| Goods or services billed by amount |
| Services billed by quantity |

ⓘ

> **Goods and Services billed by Amount**
> All Call Off orders should be raised using this 'Item Type' .
>
> Multiple invoices can be matched as it will be raised as a monetary value rather than Qty value.

Data Protection

- Requisition line descriptions must never disclose sensitive personal data
  - racial or ethnic origin
  - political opinions
  - religious beliefs
  - trade union membership
  - physical or mental health
  - sexual life
  - commission of offences or alleged offences
- http://www.dataprotection.manchester.ac.uk

Call Off Orders

- **What is a Call Off Order**

- **Why use a Call Off Order**

- **Things to consider when using Call Off Orders**

- **What your Call Off Order must include**
    - Item description must begin with "Call Off Order"
    - Then the period it is to span e.g. "August '15 – July '16"
    - Finally as much detail as possible of the purchase including:
        - Any specific account number / description of goods or service / additional charges that will be invoiced
        - Any reference numbers / product numbers

Managing your Call Off Order

The automatic receipt verification emails will give you an indication as to what funds remain on the Call Off Order, when funds are low you need to raise a supplementary requisition

Ordered	Invoiced	Received	Requires Receipt

To   Hearn, Matthew
Sent   29/05/2015 07:16:16
Due   30/05/2015 07:16:16
ID   32710520

Order Type   External Order
Order Number 1320748
Supplier   Robert Half Limited
Expected Receipt Date 15/05/2015 00:00:00
Buyer   Hearn, Matthew

You recently ordered the goods or services detailed below. The supplier has invoiced us, but we cannot pay the invoice until you acknowledge receipt of the item(s). Please use the Confirm Receipt Action links in this message, or log on to the Oracle Finance system, to receipt them. If you have any problems receipting these goods, please contact your Operational Buyer. Note: Only receipt goods / services actually received. If you have already fully receipted the requisition, please contact your Operational Buyer and ask them to check whether you have been overbilled. Note: Old invoices will not have an image. Recently entered invoices may not have an available image. In this case the Voucher Number will not be a link.

☑TIP If you have received only a portion of your order, click the Go to Receiving link below to partially receive your order.

Lines to Receive

Line	Description	Ordered	Invoiced	Received	Requires Receipt	Unit	Price (GBP)	Requisition
2	Call Off Order - Temporary Staff for the Hub 2015	5000	1676.25	558.75	1117.5	Pounds	1.00	1103024

Invoices

Invoice	Description	Creation Date	Payment Status	Invoice Amount (GBP)	Due Date
1863660		24/12/2014	Fully Paid	670.50	17/01/2015
1859516		11/12/2014	Fully Paid	625.80	27/12/2014
1857110		09/12/2014	Fully Paid	250.32	13/12/2014
1857111		09/12/2014	Fully Paid	625.80	13/12/2014
1865087		06/01/2015	Fully Paid	607.92	22/01/2015
1892427		28/05/2015	Not Paid	670.50	20/06/2015
1889741					2015

When to add funds – When the difference between the Invoiced amount and Ordered amount is less than the value of your next purchase you need to raise a supplementary requisition to add more funds BEFORE you place a new order with the supplier

Supplementary Requisitions

- A requisition which is to be added to an existing Call Off Order to add additional funds

- You must specify in 'Notes to Buyer' which PO you would like the requisition to be added to

- The new requisition will be added as a new line on the existing PO (It will retain the same PO number)

- Can be used to

  – add additional items to an existing PO

  – add missing freight/miscellaneous charges to an order

  – Add additional funds to a Call Off Order

Managing your Requisitions

Status	Action
Approved	Will clear on conversion
In Process	Awaiting approval
Pre-approved	Need to raise an ARS Support call
Rejected	Either resubmit or cancel
Returned	Either resubmit or cancel
Incomplete	Either submit or cancel

All requisitions in any of the statuses above which have not been converted will be cleansed and cancelled

Incomplete Requisitions can only be cleansed by the requisitioner – It is their responsibility for the housekeeping of incomplete requisitions

Managing your Purchase Orders

- 38,000 Open Purchase Order lines

- Imperative for Financial Data Quality that the PO cleanse are up to date and accurate

- Processes are in place for continuous review

- Requisitioner input is required

VAT Guidance
James Gillen & Neil Turner

VAT Liability
Tax Classification/Codes

VAT – Buying Basics

- There is no blanket exemption from paying VAT for Universities

- Where VAT is charged – it is often a cost

- We can benefit from certain VAT reliefs, though conditions have to be met

VAT Liability
Tax Classification/Codes

Tax Codes/Classifications

- Standard

- Reduced

- Zero

- Exempt

- Outside the Scope

- Unregistered

- EU Other

- Outside EU

- Zero Med Equip

- Zero Med Prod

- Zero Med Soft

- Zero Cert Other

- Exempt MU

VAT Liability
Tax Classification/Codes

- Tax Code: Other EU

    o General B2B supplies'

    o Self-assess for UK VAT at 20% on top of the fee paid via the 'reverse charge mechanism'

    o E.g. Goods, consultancy, research, lab testing, translation, admin services, software licences, journal publishing fees

    o Exceptions to the reverse charge

- Tax Code: Outside EU

    o Again, 'general B2B services' will be subject to 20%

    o Imported goods have to be declared to HMRC upon entry, import duties and VAT will be payable – see Imports FAQ on Finance Website

VAT Liability
Tax Classification/Codes

Zero Rating Reliefs - Medical

- There are three reliefs available:

  o Medical, scientific etc. equipment – 'Zero Med Equip'

  o Medicinal products and substances (e.g. drugs and chemicals) – 'Zero Med Prod'

  o Computer programmes/licences – 'Zero Software'

- A zero rated certificate is sent to the supplier to claim (except E-Marketplace orders)

- Check the 'Purchasing – VAT Guidance' for conditions, examples and restrictions

VAT Liability
Tax Classification/Codes

Who to ask for help?

- Involve your local Finance Team?

- How have we treated such transactions in the past?

- What does the supplier think?

- Ultimately – Ask James

- James Gillen – Senior VAT Assistant

☏ 52165   ✉ james.gillen@manchester.ac.uk

Accounts Payable

Michelle Bailey

Transacting – P2P

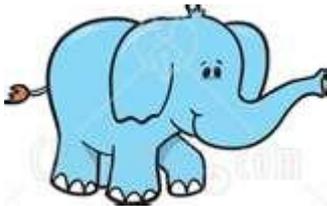## Invoice Processing

Addressed correctly
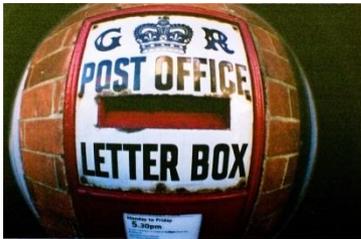
What's missing?

SLA's

Holds

INVOICE

Acommodation	135.50
1 night	
	135.50
GST Incl	12.32

Thank you for staying with us

Paying for your Purchase

Why?

- To pay suppliers on time (reputation)
- To not go on stop with suppliers
- To keep Financial Accounts accurate
- To know our liability (cashflow)
- Efficient for all users (Chasing)

Current Hold Management

- Invoice Workflow
- 3 chases by Procurement Hub
- Escalation Process to FOM (HOFF)

Invoice Holds
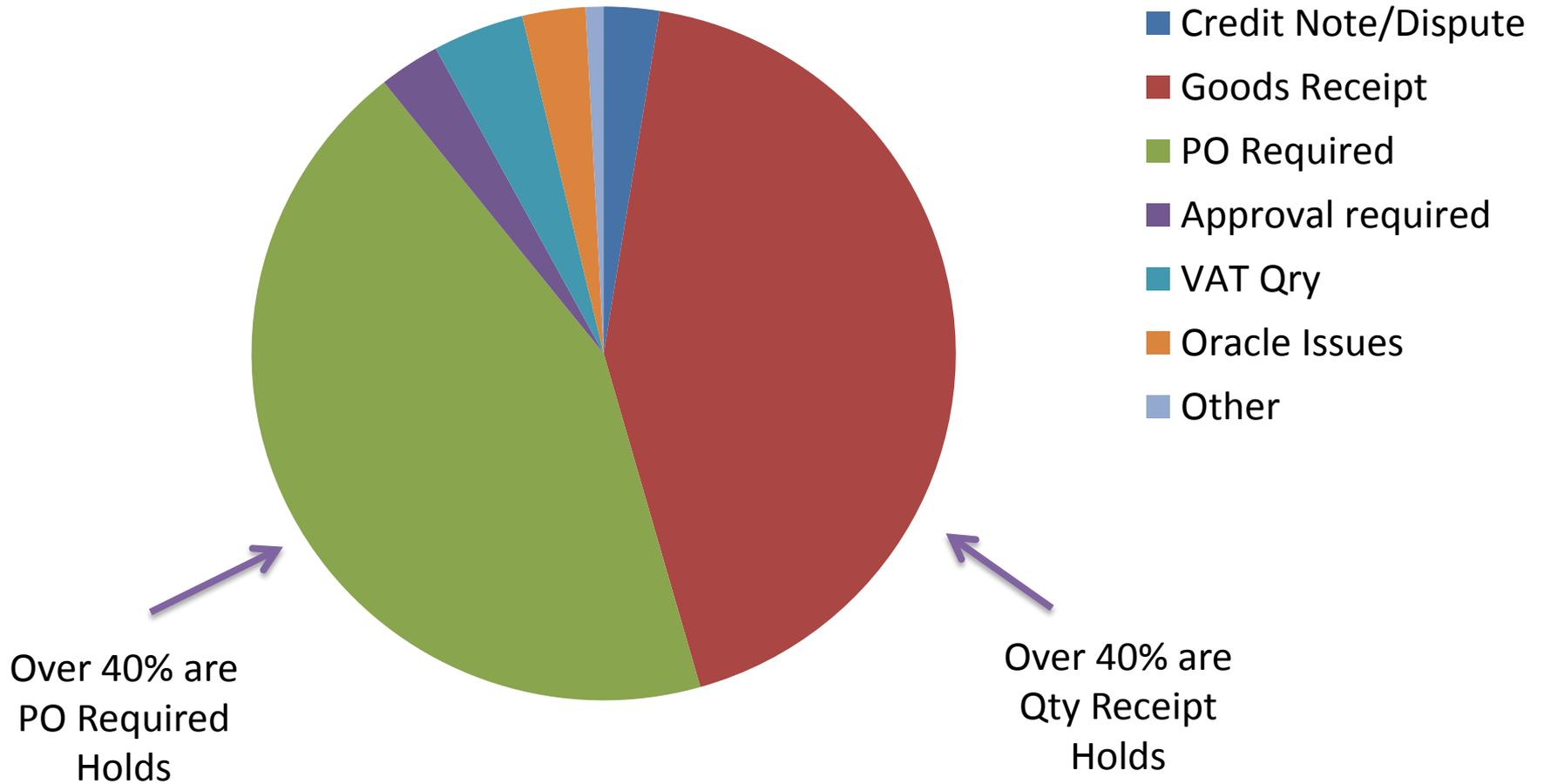
Invoice Holds

Hold Type	Description	Action
Credit Requested / Partial / VAT		
Full Credit Note Requested	Invoice should be credited in full	
VAT QUERY	Difference PO vs Invoice VAT	Requisitioner
QTY REC	Goods not receipted	
PO REQUIRED	PO on invoice is full	
Disputed Invoice	Invoice in dispute with supplier	
TAX AMOUNT RANGE/VARIANCE	Penny differences on invoice	
DIST/LINE VARIANCE /Encumbrance Acctg Fail	Issue with invoice processing	
CANT FUNDS CHECK	IT Issue with codes	AP
DIST ACCT INVALID	A code on the invoice is shut	
MAX SHIP AMOUNT	Price issue over £50	
PRICE	Invoice price vs PO is outside tolerance	Approver
QTY ORD	e.g. Ordered 5 invoiced for 6	

Status of an Invoice

Log into iProc / Navigate to Requisitions Tab / Identify Requisition /
Click on its related PO number which will guide you to

Order information screen

Status of an Invoice

There may be multiple payment to the supplier not just your invoice!

You can review all invoices and POs linked to the payment batch by selecting the following.

Actions
View Receipts
View Invoices
View Payments
View Shipments
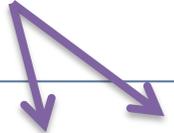
Payments for Standard Purchase Order: 1241071

Payment	Remit-to Supplier	Remit-to Supplier Site	Payment Date ▼	Currency	Amount	Account	Method	Status	Status Date	Invoice	PO Number
10184909	UNIAC	ORMOND BUILDING	06/10/2015	GBP	69,257.88	UOM General Account	Electronic	Negotiable	06/10/2015	Multiple	Multiple
10066701	UNIAC	ORMOND BUILDING	22/07/2014	GBP	65,348.64	UOM General Account	Electronic	Reconciled	28/07/2014	1822	1241071

Actions
View Receipts
View Invoices
View Payments
View Shipments

Actions
View Receipts
View Invoices
View Payments
View Shipments

Actions
View Receipts
View Invoices
View Payments
View Shipments
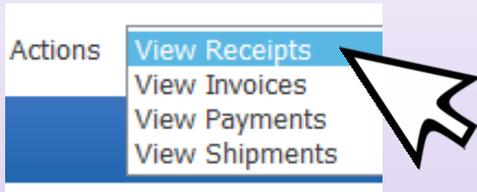
By selecting one of the following you will also be able to view:
- All receipts
- All Invoices
- All Shipments
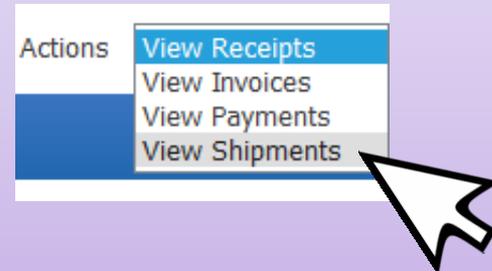
Payment Runs

	GBP - payment to UK Bank Account	Payment to non UK bank account
Oracle suppliers	Weekly	Weekly by currency
One-off Suppliers	Twice weekly	Twice Weekly
Student Bursaries	Weekly	

Why your invoices are not paid?

Receipt Holds – 40% of total invoice holds

- Only receipt what is actually received IF it meets expectations.

- DO NOT receipt in advance

- NEVER fully receipt a call off order

- If you have made an error during your receipting then use the 'Correct Receipt' function to correct your error to ensure that the billed and receipted match.

- Receipt in a timely manner as and when the goods/services have arrived

Why your invoices are not paid?

PO Required Holds – 40% of total invoice holds

An invoice is on hold as TPU are unable to match to a Purchase Order, there are several causes as outlined below:

1) There is a PO quoted however there are charges on the invoice which don't appear on the PO

2) A PO is quoted however there are insufficient funds and the PO is closed

3) The Requisition has been raised to the incorrect 'Item Type' and multiple invoices have been submitted

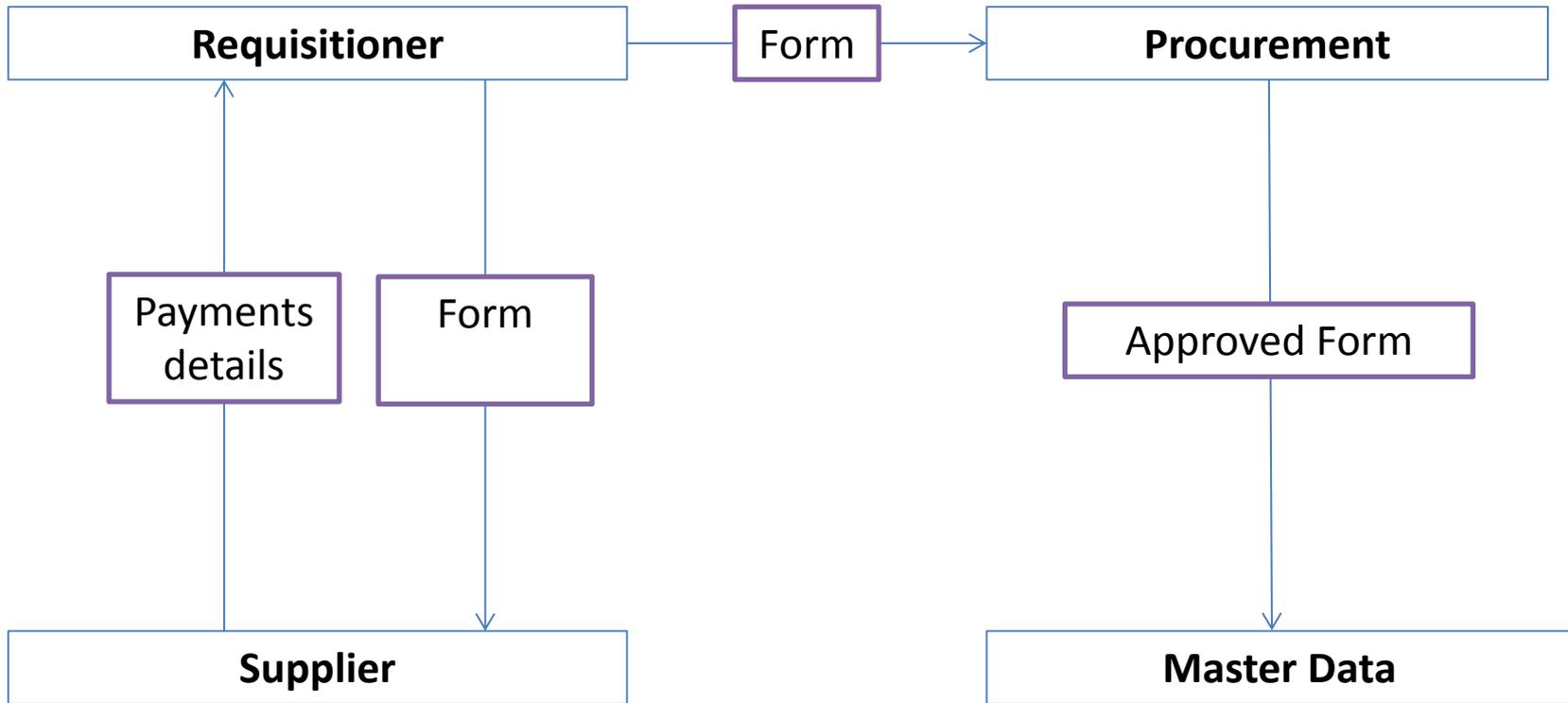**4)** TPU have been unable to match to the PO as the description contains insufficient detail

5) The period of the Call Off Order has Expired

6) The Supplier has quoted a incorrect/old PO number which is no longer valid

Supplier Set Up
Michelle Bailey

Supplier Set Up

Supplier Management

- Suppliers change their details e.g. UOM could change their bank every 3-5 years
- Supplier not used for 18 months
  - Deactivated on Oracle
  - Requires full supplier set-up to reactivate
  - Checks the bank details still valid
  - Addresses are still the same for correspondence
    - PO's
    - Remittances

Any questions about
The Holds Process

Do's and (Please) Don'ts
John Halliwell
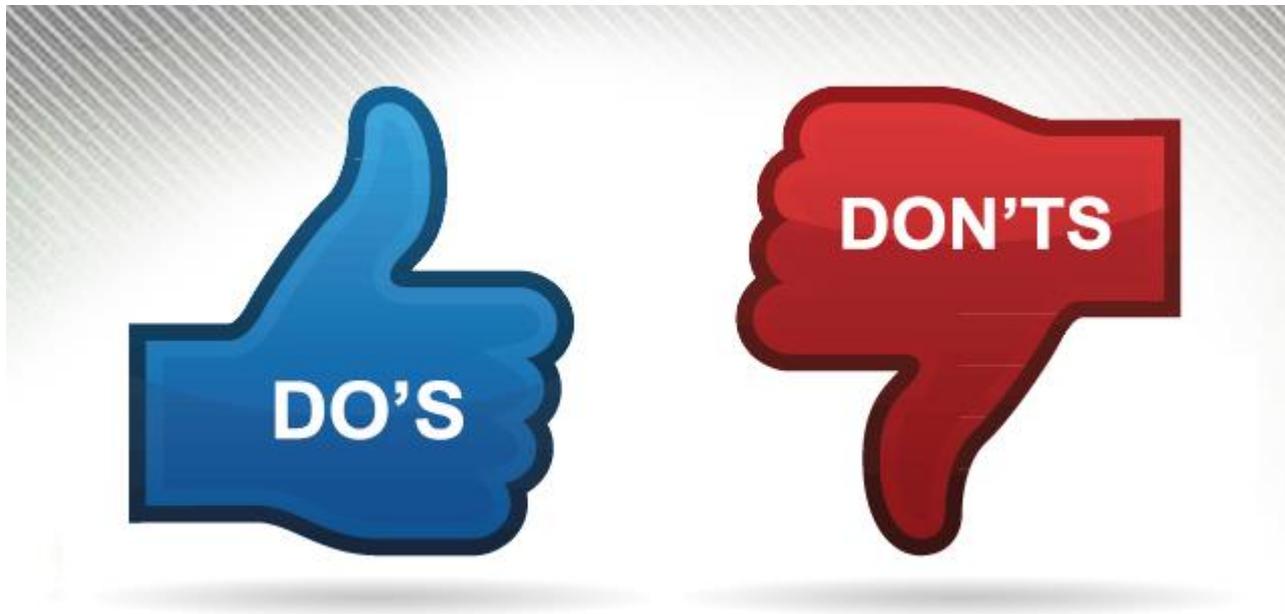
Retrospective Orders

- A Purchase Order should be issued to the supplier prior to any goods / services being received

- Raising retrospective requisitions places the University at risk and breaks financial regulations

- Average of 700 POs across the University each month

Payment in Advance

NO Payments in Advance

Why ?

- Against University Finance Regulations
- Increases risk to the University(bypass Iproc controls)
- We are a £1billion business .
- Our terms are 30 days from Invoice date

Exceptions

- Defined process in place for certain spend types (e.g. Contract for supply of equipment)
- Needs HoS/HoFF approval !

<u>Summary</u>

- Receipting in a timely manner

- Invoices should be sent directly to AP
  ap-helpdesk@manchester.ac.uk

- Call Off orders

- Retrospective Requisitions

- Standard Processes

- One Off Payments

- No PO No Pay

Fraud Awareness
Laurence Clarke

What is Fraud?

Fraud Act of 2006 defines three types of fraud:

Section 2: Fraud by false representation

Section 3: Fraud by failing to disclose information

Section 4: Fraud by abuse of position

Fraud and the University

Threats can be internal or external to the University:

- Internal attacks: Staff or Students

- External attacks:

- May be targeted specifically at the University or aimed at a range of institutions.

- External fraudsters may use information from internal sources:

  - ➤ May be leaked deliberately

  - ➤ Staff may be subject to bribery, blackmail or threats

  - ➤ Information from sources such as Facebook or Twitter.

Fraudsters

No such person as a "typical fraudster" - but some clues?

- May work long hours – often comes in earlier or leaves later than colleagues or takes work home.

- Spends well in excess of their income

- Resentful of University – in same job for many years?

- Not closely supervised on a day to day basis

- Evidence of addictions or expensive tastes

Recent Attempted Frauds

- **Spoofing**
  - **Detecting Spoofing**

- **Phishing**

- **Spear Phishing**

- **Vishing**
  - **Guard against Vishing**

Supplier Bank Detail Frauds

No longer pay suppliers by cheque – reduces some risks:

- Cheques could be stolen in the post

- Fraudulent endorsement

- Forged cheques

Suppliers now paid by BACS – but new risks:

- False letters or emails purporting to be from a supplier saying they have changed their bank account

- Fraudsters target large payments – may contact suppliers asking for details of large invoices, or

- Simply target suppliers likely to send large invoices

Supplier Bank Detail Frauds (2)

- Construction firms often have name boards up when doing major capital projects.

- EU requires us to publish details of suppliers who win public procurement contracts

- Sole suppliers of some goods and services

Recent incidents at other universities include fraudsters using high quality letters with links to fake websites.

This University was targeted in a similar scam.

Large majority of money recovered – one person (not staff) convicted of allowing his bank account to be used to receive the stolen money.

Contacts and Links

If a fraud is suspected, please report it to the Director of Finance; cc the Internal Control Accountant.

Report suspicious persons to Security or the Police – DO NOT tackle them yourself.

Security Control Room - 24 Hour Contact Number:

Tel: 0161 306 9966

http://www.estates.manchester.ac.uk/services/security/

Greater Manchester Police: http://www.gmp.police.uk/

Action Fraud: http://www.actionfraud.police.uk/

Financial Fraud Action UK: http://www.financialfraudaction.org.uk/

Further Help
FOMs

Key Contacts

Procurement Hub (Matthew Hearn)

procurementhub@manchester.ac.uk   0161 306 3062

Estates Hub (Lee Barlow)

estates_support@manchester.ac.uk   0161-306-5610

FOMS

John Halliwell (EPS)
john.halliwell@manchester.ac.uk   0161-306-3076

Mark Gilmore (FLS/LCI/PSS)
mark.gilmore@manchester.ac.uk   0161-275-8318

Paul Yates (MHS/HUM)
paul.yates@manchester.ac.uk   0161-275-1362

FAQs

http://finance.cmsstage.manchester.ac.uk/help/faqs/

Links

Finance Web Page - http://finance.cmsstage.manchester.ac.uk/buyingexpenses/

Procurement Web Page - www.staffnet.manchester.ac.uk/services/procurement/

Egencia Webpage - http://www.procurement.manchester.ac.uk/buying/egencia-travel/

Oracle Webpage – (BAS Access request/training materials)
http://www.staffnet.manchester.ac.uk/services/finance/oracle-financials/

Requisitioner Online Training -
http://www.training.itservices.manchester.ac.uk/staff/R12/Reqs/Requisitioners_eTraining/story.html

IT – (Report a fault)
http://www.itservices.manchester.ac.uk/help/

VAT Guidance –
http://www.finance.manchester.ac.uk/corporatevat/vat/vatformsandguidance/vatguidanceforpurchasing/