Administrative Manager’s Institute

Institutional Finance
Finance Objectives

- Understanding the KUMC legal entities.
- Who are the KUMC internal organizations?
- Where do the sources of funds come from?
- Understanding the system flow and reporting tools.
- What are other financial processes?
- What is the process for purchasing?
- Understanding accounts payable and travel audit processes.
THE KUMC SYSTEM -LEGAL ENTITIES
KUMC System Entities

Research Institute
- Research Institute
- University of Kansas Innovation and Collaboration (KUIC)
- Research Properties

Clinical Enterprise
- UKP
- Foundations
- Anesthesiology
- ENT
- Family Medicine
- Internal Medicine
- Neurology
- OB/GYN
- Ophthalmology
- Pathology
- Pediatrics
- Psychiatry
- Foundations (cont’d)
  - Rad Therapy
  - Radiology
  - Rehab
  - General Surgery
  - Neuro Surgery
  - Ortho Surgery
  - Uro Surgery
  - Plastic Surgery

Other Legal Entities
- Health Partners
- Student Union Corp
- Alumni Association
  - School of Nursing
  - School of Health Professions
  - School of Medicine

Other Legal Entities (Wichita)
- Medical Practice Association (MPA)
- Wichita Center for Graduate Medical Education (WCGME)
Clinical Integration

Other Legal Entities
- Health Partners
- Student Union Corp
- Alumni Association
  - School of Nursing
  - School of Health Professions
  - School of Medicine

Research Institute
- Research Institute
- University of Kansas Innovation and Collaboration (KUIC)
- Research Properties

Other Legal Entities (Wichita)
- Medical Practice Association (MPA)
- Wichita Center for Graduate Medical Education (WCGME)
### KUMC System Entities

#### Annual Revenue By Legal Entity

<table>
<thead>
<tr>
<th>Entity</th>
<th>FY14 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 KU Medical Center</td>
<td>$ 275,648</td>
</tr>
<tr>
<td>2 Student Union Corporation</td>
<td>$ 129</td>
</tr>
<tr>
<td>3 KU Health Partners</td>
<td>$ 2,482</td>
</tr>
<tr>
<td>4 KU Endowment</td>
<td>$ 46,373</td>
</tr>
<tr>
<td>5 Research Institute</td>
<td>$ 109,562</td>
</tr>
<tr>
<td>6 Univ of KS Innovation &amp; Collaboration (KUIC)</td>
<td>$ 2,147</td>
</tr>
<tr>
<td>7 Research Properties</td>
<td>$ 559</td>
</tr>
<tr>
<td>8 Univ of KS Nurses Alumni Association</td>
<td>$ 16</td>
</tr>
<tr>
<td>9 Univ of KS Medical Alumni Association</td>
<td>$ 52</td>
</tr>
<tr>
<td>10 Univ of KS Health Professions Alumni Assoc</td>
<td>$ 5</td>
</tr>
<tr>
<td>11 Wichita Medical Practice Association (MPA)</td>
<td>$ 21,296</td>
</tr>
<tr>
<td>12 Wichita Ctr for Grad Medical Educ (WCGME)</td>
<td>$ 23,423</td>
</tr>
<tr>
<td>KU Medical Center and Other Related Entities</td>
<td>$ 481,692</td>
</tr>
<tr>
<td>HttpURLConnection</td>
<td></td>
</tr>
<tr>
<td>University of Kansas Health System</td>
<td>$ 1,650,768</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$ 2,132,460</td>
</tr>
</tbody>
</table>
The KUMC System
University of Kansas Physicians (UKP)
University of Kansas Hospital (KUH)

- Residents and Health Professionals
- Services to Hospital (Police, Landscape, Snow Removal)
- Dollars for Mission Support
- Dollars for Services

Doctors for Patient Care
Facilities to Treat Patients

Salary Dollars for Education Mission
Clinical Faculty for Education of Students and Dollars for Dean’s Tax
KUMC Entities – Research Institute

- Receive and Manage Grants
- Fund Faculty and Staff Salaries
- Assist in Grant Writing
- Research Grant Opportunities
- Manage local and multiple center clinical trials

Federal Government

Grants $’s From External Parties

Research Institute

Faculty and Staff to Perform Work

Private Enterprise

Clinical Trials

National Institutes of Health

KU Medical Center
KUMC Entities – Endowment

Individuals

Private Enterprise

Gifts and Donations

• Receive Donations
• Purchase Properties to help KUMC meet mission
• Transfer dollars to fund salaries
• Transfer dollars to fund purchases

Mission Support

University of KS Physicians (UKP)

Dean’s Tax

• Communicate Vision and Needs
• Manage Endowment Campus Buildings
KUMC INTERNAL ORGANIZATION
KUMC Internal Organization

Kansas City Campus
Wichita Campus
Salina Campus
School of Nursing
School of Health Professions
School of Medicine
Support Services
Mission Organizations / Schools

School of Medicine
• Kansas City Campus
• Wichita Campus
• Salina Campus

School of Nursing
• BS in Nursing
• RN-to-BSN Program
• Master of Science
• Doctor of Nursing Practice
• Doctor in Philosophy

School of Health Professions
• Clinic Laboratory Sciences
• Dietetics and Nutrition
• Health Information Management
• Hearing and Speech Education
• Molecular Biotechnology
• Nurse Anesthesia
• Occupational Therapy
• Physical Therapy
• Respiratory Care
School of Medicine – Kansas City

Basic Science Depts
- Anatomy and Cell Biology
- Biochemistry and Molecular Biology
- Biostatistics
- Cancer Biology
- Microbiology
- Etc.

Clinical Departments
- Anesthesiology
- Emergency Medicine
- Family Medicine
- Family and Community Medicine
- General Surgery
- Internal Medicine
- Neurology
- Etc.

Centers / Institutes
- Cardiovascular Research Institute
- Center for Child Care Health and Development
- Center for Healthcare Informatics
- Center on Aging
- Hoglund Brain Imaging Center
- Kidney Institute
- Etc.

Cores
- Hoglund Brain Imaging Institute
- Mass Spectrometry
- Electron Microscopy
- Lab Animal Research
- Biotechnology Innovation & Optimization Center (BIO Center)
- Microarray / Genomics Core
- High Throughput Screening (HTS)

Complete list of Departments can be found at:
School of Medicine – Wichita

Academic Depts
- Anesthesiology
- Family & Community Medicine
- Internal Medicine
- Medical Sciences
- Obstetrics & Gynecology
- Orthopedics
- Pathology
- Pediatrics
- Preventive Medicine & Public Health
- Psychiatry & Behavioral Sciences

Graduate Medical Education (WCGME)
- Partnership with Wesley Medical Center
- Partnership with Via Christi Health

Wichita Medical Practice Association (MPA)
- Adult Medicine
- Center for Breast Cancer Survivorship
- Center for Internal Medicine
- Endocrinology
- Gastroenterology
- Internal Medicine Midtown
- General Pediatrics
- Subspecialty Pediatrics
- Psychiatry
- Psychology

Support Departments
- Admin & Financial Services
- Facilities Management
- Human Resources
- Information Technology
- Office of Research
- Public Affairs

More Information can be found at: http://wichita.kumc.edu/
An exciting new model for medical education

The University of Kansas School of Medicine campus in Salina was created to address the critical shortage of physicians in Kansas. This innovative medical education program is aimed at students with a strong desire to practice in rural areas.

With eight students admitted each year, the Salina campus is the smallest four-year medical education site in the country. University leaders believe it can serve as a model for the nation.

The educational environment in Salina is as high-tech as it is intimate. Students learn with their peers on the Kansas City and Wichita campuses via interactive video and podcasts. Other training takes place in the offices of rural physicians and at the Salina Regional Health Center, which is adjacent to the school's Braddock Building.

More information can be found at: http://www.kumc.edu/school-of-medicine/salina.html
KUMC Support Organizations / Areas

- KUMC Mission Organizations (Schools)
  - Facilities Management
  - Human Resources
  - Institutional Finance
  - Compliance
  - Information Resources
  - Outreach & Community Engagement
  - Enterprise Analytics
  - Office of Communications
  - Academic Affairs
  - Student Services
  - Safety & Security

KUMC Mission Organizations
- Schools
THE KUMC SYSTEM
- SOURCES OF FUNDS
## Sources of Funds
### Different Colors of Money

<table>
<thead>
<tr>
<th>Treasury</th>
<th>Controlled Funds</th>
<th>Restricted Fees</th>
<th>Research Grants</th>
<th>Endowment Funds</th>
<th>UKP Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Kansas</td>
<td>State of Kansas</td>
<td>State of Kansas</td>
<td>Research Institute</td>
<td>Lawrence Endowment</td>
<td>UKP</td>
</tr>
<tr>
<td>General Ledger System</td>
<td>PeopleSoft Business Unit = KUMED</td>
<td>PeopleSoft Business Unit = KUMED</td>
<td>PeopleSoft Business Unit = RINST</td>
<td>IFAS</td>
<td>Great Plains</td>
</tr>
</tbody>
</table>
Controlled Funds

State of Kansas
- State Appropriations (APP)
- KS Breast Cancer Research (BCR)
- Stem Cell Therapy Center (STM)
- Faculty of Distinction (FDF)
- Health Educ Bldg Fund (EBF)
- Med Student Loan Provider (MSL)
- Medical Scholarships & Aid (MSA)
- Rural Health Bridging (RHB)

Johnson County
- Tax Revenue (JCT)

KUMC Students
- Tuition and Fees (FEE)

Research Institute
- Research Overhead (ROV)

University of Kansas Hospital
- Services to Hospital Authority (SHA)
- Direct Medical Education Reimburse (DME)
- Graduate Medical Education Reimburse (GME)

State Treasury
Controlled Funds - Characteristics

- Funds are driven to speedtypes via budget dollars during the Annual Budget Process within PeopleSoft G/L.

- Speedtype funds spent via Payroll, Market Center and Other PeopleSoft Transactions
  - Payroll
  - Requisitions
  - Interdepartmental Billing (IDB)
  - Other

- At end of Fiscal Year, unused funds are returned to KUMC Institutional Reserves
  - Except for State Appropriations (APP), which is returned to the State
Controlled Funds - Characteristics

• Controlled Fund Speedtypes
  – First three characters identify the Funding Source
    • “APP” for State Appropriations
    • “FEE” for Tuition and Fees
  – Last 5 characters identify the KUMC Department
    • “20401” – Facilities Management
    • “60001” – EVC Office
  – Resulting in Speedtypes like …
    • APP60001, FEE60001, APP20401, FEE20401, etc.
## Controlled Funds – FY15 Budget

### FY15 Budget (% of Total)

<table>
<thead>
<tr>
<th>Source</th>
<th>Source Title</th>
<th>FY15 Budget (in 000's)</th>
<th>FY15 Budget (% of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>APP</td>
<td>State Appropriations</td>
<td>104,735</td>
<td>53.4%</td>
</tr>
<tr>
<td>FEE</td>
<td>Tuition and Fees</td>
<td>40,796</td>
<td>20.8%</td>
</tr>
<tr>
<td>ROV</td>
<td>Research Overhead</td>
<td>10,967</td>
<td>5.6%</td>
</tr>
<tr>
<td>GME</td>
<td>Grad Med Educ</td>
<td>10,222</td>
<td>5.2%</td>
</tr>
<tr>
<td>DME</td>
<td>Direct Med Educ</td>
<td>9,234</td>
<td>4.7%</td>
</tr>
<tr>
<td>SHA</td>
<td>Services to Hospital</td>
<td>7,726</td>
<td>3.9%</td>
</tr>
<tr>
<td>JCT</td>
<td>Johnson County Tax</td>
<td>5,100</td>
<td>2.6%</td>
</tr>
<tr>
<td>MSL</td>
<td>Med Student Loan</td>
<td>4,488</td>
<td>2.3%</td>
</tr>
<tr>
<td>STM</td>
<td>Stem Cell Therapy Ctr</td>
<td>854</td>
<td>0.4%</td>
</tr>
<tr>
<td>EBF</td>
<td>Health Educ Bldg Fund</td>
<td>755</td>
<td>0.4%</td>
</tr>
<tr>
<td>FDF</td>
<td>Faculty of Distinction</td>
<td>460</td>
<td>0.2%</td>
</tr>
<tr>
<td>MSA</td>
<td>Med Scholarship &amp; Aid</td>
<td>400</td>
<td>0.2%</td>
</tr>
<tr>
<td>BCR</td>
<td>KS Breast Cancer Research</td>
<td>230</td>
<td>0.1%</td>
</tr>
<tr>
<td>RHB</td>
<td>Rural Health Bridging</td>
<td>70</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>196,037</td>
<td></td>
</tr>
</tbody>
</table>
Restricted Fees

Chargeback for Payroll
• Endowment

Internal Chargebacks
• Examples include Telecom, Construction Services, Mailroom

Residency Program
• VA Hospitals including KC Missouri and Leavenworth
• Other Local Hospitals

Student and Course Fees
• Amounts are deposited in various department RFF accounts

Partnerships
• Nursing Program Agreement with other Universities
• Midwest Cancer Alliance

Scientific Cores
• Hoglund Brain Imaging
• Laboratory Animal Resources (LAR)
• ETC

Other Revenue or Sources

Other Revenue or Sources

Other Revenue or Sources

State Treasury
Restricted Fees – Payroll

Happy Employee

Paycheck

Pay Employee using RFF or SCF Account

PeopleSoft Processes

Charge Funding Source for Payroll Amount

External Party Runs Process to Reimburse (RINST and Endowment)

Dollars

Replenish RFF or SCF Account

Invoice or Automated Billing Process

External Party Pays Invoice or Runs Process

Dollars
Restricted Fees - Characteristics

• Funds are deposited into speedtypes from a variety of methods within PeopleSoft G/L.
  – Checks from outside parties
  – Interdepartmental Billing (IDB)
  – Chargeback routines within General Ledger System (Payroll)
  – Transfer of dollars from other funds (Student and Course Fees)
  – Other

• Service Clearing Fund (SCF) is a special type of Restricted Fee account where revenue into the account and expenses out of the account should be approximately the same.

• At end of Fiscal Year, unused funds remain in the speedtype. In other words, the monies roll from year-to-year. So each account has a:
  – Beginning Balance
  – Deposits (Revenue)
  – Outflows (Expenses)
  – Ending Balance
Restricted Fees - Characteristics

• First three characters identify the type of account
  – “RFF” for typical Restricted Fee
  – “SCF” for Service Clearing Restricted Fee

• In some cases, the last 5 characters identify the KUMC Department.
  – In other cases, too many restricted fee accounts for a department leads to a sequential numbering scheme roughly based on department number

• Resulting in Speedtypes like …
  • RFF61230, SCF01780, etc.
## Restricted Funds – FY15 Budget

<table>
<thead>
<tr>
<th>Source</th>
<th>Source Title</th>
<th>FY15 Budget (in 000’s)</th>
<th>FY15 Budget (% of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFF</td>
<td>Restricted Fees</td>
<td>67,766</td>
<td>61.1%</td>
</tr>
<tr>
<td>RFF-Endow</td>
<td>RFF-Endowment Reimb</td>
<td>13,903</td>
<td>12.5%</td>
</tr>
<tr>
<td>RFF-UKP</td>
<td>RFF-UKP Reimb</td>
<td>7,856</td>
<td>7.1%</td>
</tr>
<tr>
<td>SCF</td>
<td>Service Clearing</td>
<td>13,792</td>
<td>12.4%</td>
</tr>
<tr>
<td>SFA</td>
<td>Student Financial Aid</td>
<td>4,472</td>
<td>4.0%</td>
</tr>
<tr>
<td>PRL</td>
<td>Parking Services</td>
<td>3,209</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>110,998</strong></td>
<td></td>
</tr>
</tbody>
</table>
Controlled & Restricted Funds – FY15 Budget

<table>
<thead>
<tr>
<th>Sources</th>
<th>Source Title</th>
<th>FY15 Budget (in 000’s)</th>
<th>FY15 Budget (% of Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled</td>
<td>Controlled Funds</td>
<td>195,967</td>
<td>63.8%</td>
</tr>
<tr>
<td>Restricted</td>
<td>Restricted Fee Funds</td>
<td>110,998</td>
<td>36.2%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>306,965</td>
<td></td>
</tr>
</tbody>
</table>
Research Institute (10,000 Foot View)

- **Transfer Direct Grant Dollars**
  - Capture Funds Using a Unique Speedtype for Grant
  - Distribute 80% to Institution
  - Distribute 20% to Schools / Departments / EVC
  - As Direct Funds are spent, earn Facilities & Administrative (F&A) funds

- **Transfer Indirect Grant Dollars**
  - Capture Funds in Central Speedtype
  - Distribute Funds for Salaries, OOE, etc.
  - Schools / Departments / EVC Discretion

- **Spend Funds Support**
  - Facilities
  - Utilities
  - Debt Service
  - Other Support Functions

- **Grant Funding Agency**
Research Grants

• Research Grant funds are maintained by the Research Institute with a separate implementation of the PeopleSoft General Ledger
• Accounts generally begin with a Q and are 8 characters in length
• Resulting in Speedtypes like …
  – Q116RD02, Q122DP03

• Grants will be explained in greater detail during the Research Institute Portion of Presentation.
Endowment

• Endowment Accounts are maintained in IFAS General Ledger System managed at the Lawrence Campus

• Funds are spent using Endowment workflow steps or via check requests

• Endowment Accounts are 5 digit numbers are not PeopleSoft Department Numbers
  – But each Endowment is tied to a KUMC Department in IFAS via a reference table
THE KUMC SYSTEM
- SYSTEM FLOW AND
REPORTING TOOLS
KUMC Fiscal Systems

- **Market Center (SciQuest)**
  - KUMC Requisition System
    - Requisitions for material and services
    - Invoice Processing

- **PeopleSoft HCM**
  - KUMC HR System
    - Time and Leave Reporting
    - Personnel Changes
    - Title/Status/FTE
    - Historical Record of Funding Changes

- **PeopleSoft FIN**
  - KUMC General Ledger
    - Budget (entry, adjustments, transfers)
    - Accounts Payable, Accounts Receivable, Travel
    - Management Reporting, transactional detail

- **PeopleSoft Campus Solutions**
  - KU/KUMC Student System
    - Assess Fees
    - Bill Students
    - Track Student Payments
    - Track Courses
    - Track Grades

- **Qlikview Data Warehouse**
  - Enterprise Data Warehouse Tool
    - Financial Data
    - HR Data
    - Student Data

- **Other Financial Systems**
  - Other Key Finance Related Systems
    - Med-Hub for Residency Billing
    - Maximo (Facilities)
    - IT Telecom
    - Click
    - Velos
Research Institute - Fiscal Systems

Market Center (SciQuest)
- KUMC Requisition System
  - Requisitions for Materials and Services
  - Invoice Processing

Qlikview Data Warehouse
- Enterprise Data Warehouse Tool
  - Financial Data
  - HR Data
  - Student Data

CRIS (Velos)
- Clinical Research Information System
  - Clinical Trial Data Collection
  - Define Studies
  - Assign Patients to Studies
  - Design and Capture data on electronic Case Report Forms

PeopleSoft FIN (RINST)
- Research Institute General Ledger
  - Budget (entry, adjustments, transfers)
  - Accounts Payable, Accounts Receivable, Travel
  - Management Reporting, Transactional Detail

MIP Fund Accounting
- Grant Management General Ledger System
  - Financial Transactions
  - Payroll
  - Management Reporting

Grant Accounting System
- PeopleSoft Grants
  - Capturing Grant information for reporting
  - Houses pre-award information
  - Captures Proposal Status

CAYUSE
- Electronic Grant Proposal System
  - Proposal Development
  - Electronic Submission of Proposal
  - Compliance Management

ECRT
- Effort Reporting System
  - Tool to capture time and salaries devoted to Grant work.
  - Ensures compliance with Federal Guidelines

PeopleSoft HCM
- KUMC HR System
  - Time and Leave Reporting
  - Personnel Changes
  - Title/Status/FTE
  - Historical Record of Funding Changes
KUMC Other Entities Fiscal Systems

IFAS
- Endowment General Ledger
  - Payments
  - Transfers

Great Plains General Ledger
- UKP General Ledger
  - Purchasing
  - Accounts Payable

Other Entities
- Other Systems
  - Other Entities
    - Health Partners
    - Student Union Corp
    - Alumni Associations
Reporting Tools (KUMC)

- **PeopleSoft Reports**
  - AM90/91
  - Open Encumbrances
  - Transaction Detail

- **PeopleSoft Queries**
  - Canned
  - Adhoc

- **Market Center Search**
  - Easy to Use Search Function

- **PeopleSoft Campus Solution**
  - Student Information

- **Qlikview**
  - KUMC Data Warehouse which captures much of the above data

- **PeopleSoft Training Group facilitates training for many of these tools:**
  [http://www2.kumc.edu/finance/peoplesoft_support/training.html](http://www2.kumc.edu/finance/peoplesoft_support/training.html)
Data Warehouse Data Flow

- PeopleSoft FIN
- PeopleSoft HR
- PeopleSoft Grants
- IFAS (KUEA)
- Other Data Sets (usually via spreadsheet)

Data Warehouse

QlikView
THE KUMC SYSTEM
- OTHER FINANCIAL PROCESSES
Bi-Weekly Payroll Process

Regular Time

- Time is Captured by Device
- Employee Enters Time
- Supervisor’s Approve Time and Absence
- Payroll Dept Reviews and Processes
- Paychecks are Distributed

Exception Time

- Employee Enters Absence Requests
- During the Two Week Pay Period
- By Monday Following Pay Cycle
- Tues – Thurs: Data is Passed to the State

Paid the following Friday (13 days after end of pay period)
Payroll Process

• In a typical Fiscal Year, KUMC operates with 26 two week pay periods.

• About once every 12 years, a 27th pay period in a fiscal year is necessary.
  – FY17 is next Fiscal Year with 27 pay periods
  – So employees calendar year 2016 W2 forms will have one more pay period than normal

• Changes to much of an employee’s HR information, including rate of pay, is made via the Human Resources Information System Form (HRIS for short)
  – A subset of the changes include a Prior Period Funding Change or PFC for short
  – These topics will be discussed in the HR portion of the training
Annual Budget Process

NEEDS
- Special Projects
- Org Changes
- New Facilities
- Renovations Of Facilities
- Salary Increases
- And On and On ...

SOURCES
- Do More with Less
- Let’s Cut Taxes
- Be More Efficient
- Don’t Raise My Tuition

Determine High Level Budget → Set Budget Amounts by Area → Set Detail Budget by Speedtype in PeopleSoft

Jan - Apr → Apr - May → May - June

Annual Budget Training is provided by the Budget’s Office in early May
Questions?
THE KUMC SYSTEM
- PURCHASING PROCESS
Methods of Procurement

- Depends on the Funding Source
  - State Funds
    - Market Center
    - Contract Cover Sheet
    - Business Procurement Card (BPC)
  - Research Instituted (RINST) Funds
    - Market Center
    - Business Procurement Card (BPC)
  - Endowment Funds
    - Endowment Purchase Order (ePO)
    - Direct Payment of Invoice
    - Reimbursement
Purchasing Scope

• The remainder of this presentation will focus on Policies and Procedures for Purchasing using State Funds
• Purchasing using Research Institute (RINST) Funds will be presented separately
• Purchasing using Endowment Funds can be found on the KU Endowment web-site at http://www.kuendowment.org/s/1312/endowment/index.aspx?sid=1312&gid=1&pgid=583
Requisition Process

• Requisitions of Material or Services can happen a couple of ways:
  – Market Center
  – Contract Cover Sheet
  – Business Procurement Card (BPC) Transaction
  – Endowment Purchase
Policy Guidelines

- Purchasing Policy and Guidelines can be found on the web under:
  http://www.kumc.edu/purchasing/purchasing-procedure-manual.html
Purchasing Contracts

Purchasing with State Treasury funds is governed by Kansas Statutes. Some considerations and resources for determining appropriate vendors include:

- State of Kansas Protected Vendors
- State of Kansas Contracts
- KU Medical Center Contracts
- Group Purchasing Organizations (GPO)
- Contract information can be found at: http://www.kumc.edu/purchasing/contracts.html
Encumbrance Accounting

• When a Market Center requisition is approved and a Purchase Order is created, the funds are obligated towards the payment of the goods and services. In other words, the funds are “encumbered”.

• The KU Medical Center practices Encumbrance Accounting so the financial obligations of the institution are known at any given time.
Purchasing Department
Review Process/Transaction Life Cycle

(Getting It Ordered)

• The Typical Steps performed by the Purchasing Department when receiving a Requisition

  1. Review Requisition for Contract
  2. If not a contract vendor,
     – Is a Prior Authorization (PAF) Required?
       » Emergency Purchase
       » Sole Source
       » Off-Contract for Economy
     – Bidding is required for purchases over $10,000
  3. Does the Requisition pass Budget Check? (automated)
  4. Purchase Order is Created in PeopleSoft / Market Center
  5. Purchase Order is Dispatched
     – Electronically for Market Center catalog vendors
     – Delivered to Vendor by Requisitioner via fax or email (pdf)
Purchasing Department
Review Process/Transaction Life Cycle
(Getting It Paid)

• To start the vendor payment process

6. The system is set up for three-way match rules:
   – A Purchase Order Line (1)
   – Must have its associated Receipt (2)
   – Which must also match the associated Invoice Line (3)

7. All rules being met, the voucher is created
   – Electronically for Market Center enabled catalog vendors
   – Manually for non-catalog transactions

8. Voucher interfaces to State Accounting System for payment (check, wire transfer, etc.)
Bid Process

The typical steps involved in a Requisition which requires bidding

1. The Requisitioner prepares:
   - Purchasing Form (PR120)
   - Word document with Specifications

2. Purchasing and Requistioner decide on process options
   - Negotiating Committee
   - Site Visit / Walk through

3. Purchasing Department reviews Specifications and then lists on KUMC “Bid Opportunities” web-site for 1 to 2 weeks
   http://www.kumc.edu/purchasing/bid-opportunities.html

4. Purchasing Department, with customer input, awards the opportunity to the best vendor.
BPC Process

- The Business Procurement Card (BPC) is an option for procuring material, services, conferences, etc.

- The Policy and Procedures can be found at the following website http://www.kumc.edu/purchasing/bpc-policy-manual.html#overview

- The high-level steps involved in purchase
  1. Order material from vendor providing BPC number
  2. Requisitioner receives goods and receipt
  3. Requisitioner enters BPC transaction in PeopleSoft Log within 72 hours
  4. At end of the month, the Requisitioner reconciles their monthly Credit Card Statement to the PeopleSoft BPC Log and sends receipts for all transactions
Purchasing Questions?
THE KUMC SYSTEM
- ACCOUNTS PAYABLE AND TRAVEL AUDIT PROCESS
Accounts Payable

The Accounts Payable Department processes five types of invoices:

1. Purchase Order Invoices (MarketCenter)
2. Direct Vouchers
3. Interfund Vouchers
4. Single Payment Vouchers

*Each type has its own wide-ranging requirements*
Purchase Order (MarketCenter) Invoices

• Represents the majority of invoices processed by KUMC.

• This is the most efficient method to procure and pay for goods and services.
Direct Vouchers

• Lower volume transactions

• These transactions do not meet the requirement for obtaining a purchase order

• Examples are:
  – Payroll retirement remittances
  – HIPAA payments
  – Claims
  – Payments requiring tax withholding, etc.
Interfund Payment

• These invoices follow the same general process as purchase order Market Center Invoices, except the vendor is another agency in the State of Kansas.

• There is no physical check issued in this transaction, simply a transfer within funds on the State General Ledger System.
Single Payment Voucher

• Stipends are payments in lieu of salaries and are typically used to pay Post Doctorate Fellows on NIH Training Grants and T32 trainees.

• Payment is facilitated through completing the “Stipend Personnel Action Form” found on the following web-site: http://www2.kumc.edu/finance/forms_all.html
Travel Audit

• Responsible for processing all state funded travel in accordance with all the appropriate regulations and policies.
Travel Types

• In-State
• Out-of-State
• International
Travel Authorization Requirement

• University employees are required to complete a travel authorization for all out-of-state and international official travel prior to traveling

• This includes official travel when reimbursement from the state is not requested
  – When travel is paid with Endowment or Foundation or Research Funds or vendor paid conference
  – Provides a trail of when KUMC employees are travelling for Institution business regardless of payment type
The University has specific policy and procedures related to travel expenses.

Mandatory training is necessary before user can access PeopleSoft application.

Policies and Process can be found on the “Travel Audit” web-site using the following link:
http://www2.kumc.edu/finance/travel_audit/index.html
Payment Process

• The KUMC A/P department does not physically cut the checks to vendors.

• Rather, the KUMC A/P department electronically transfers payment information (Voucher #, Vendor, Invoice Information, etc.) to the State of Kansas Department of Administration, who in turn distributes the funds to the vendor (mailed checks, electronic payment, etc.)
  – The electronic transfer typically occurs on Tuesday and Friday evenings.

• Since each payment is processed by the State of Kansas it is subject to review/audit by designated authorities and is governed by the Kansas Open Records Act, more commonly known as the “Kansas Sunshine Laws”
Accounts Payable Questions?
Key Telephone Numbers

- Institutional Finance: 588-1443
- Purchasing: 588-1100
- Accounts Payable: 588-5335
- Payroll: 588-5100
- Budgets: 588-5225
- PeopleSoft / Market Center Support: 588-1121
Institutional Finance - Resources

PeopleSoft and Market Center Training

• Courses
• On-line Manuals
• Simulations
• List of all the Courses, Forms and Material can be found at:
  http://www2.kumc.edu/finance/peoplesoft_support/index.html