University Fiscal Officers’ Meeting

JANUARY 22, 2020

CSUDH

CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS
AGENDA

1. Sibson Consulting organizational assessment recommendations for Business & Finance
2. Clarification on processes:
   a. Direct Pay vs. Purchase Requisition
   b. Pcard Use & Requirements
   c. Procurement Benefit Tracker
   d. Hospitality Policy Requirements
3. Questica Budget System Update
4. Concur Travel /AP System
Sibson Consulting organizational assessment recommendations for Business & Finance

Wayne Nishioka
Purchasing Mechanism

- Requisition
- Pcard
- Direct Pay Form
Direct Pay vs. Purchase Requisition

**Direct Pay:**
- Advertisements > $5K PO
- Athletics Game, Officials, Announcers, Choreographers > $2.5K PO
- Campus Event Décor > $2.5K PO
- Graphic Design Services > $2.5K PO
- Honorarium - lecturer/speaker > $5K PO
- Instructional Supplies > $1K PO
- Performers/Support – Student > 2.5K PO
- Performers/Support – Meeting/Banquets > $2.5K PO
- Writing/Editing/Proofing Services > $2.5K PO

**Requisition:**
- To be used when a Pcard or Direct Pay cannot be utilized.
- Services (IT/Non-IT)
  - Vendor on site performing services
- Hazardous
- Insurance
- Software/Licenses/Hardware
- Equipment
- Furniture
- Temporary Placements
- Leases/MOU’s, Requires a signed contract
Requisitions (After the Fact Submittal)

- Requisitions submitted after an order has already been placed are considered “confirming orders” and are not allowed.

- Why is this a problem?
  - Against CSU Policy
  - Potential Liability/Insurance Requirements
  - Unauthorized purchase is assuming personal Liability
  - No DOA
  - Missed discounts

- After the fact requisition placed, now what?
  - Email from Buyer stating:
    - Cancellation of Requisition
    - After-the-Fact Justification will be required

https://www.csudh.edu/procurement/procurement-contracts/purchasing-policy
Pcard Use & Requirements

Pcard Violations (Misuse of Card and Pcard Requirements)

What is considered a Pcard Violation?

1. Personal Purchase
2. Split Purchase
3. Purchase or Restricted/Prohibited Items without prior approvals
4. Missing Documentation (Receipts, Hospitality, etc.)
5. Late Reconciliation Submittal
6. Reconciliation Submittal
7. Home Deliveries, unless authorized

Three violations in a six month period will subject the cardholder to a thirty (30) day suspension. The cardholder will be required to attend a P-card Refresher Training to reinstate P-card privileges. Continual violation of any part of the policy shall result in the revocation of P-card privileges and card cancellation.
Procurement Benefit Tracker

Procurement Benefit is the amount of annual benefit generated by procurement action.

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Reduction</td>
<td>Benefit achieved when procurement action results in a total cost that is lower than baseline cost, and the baseline cost calculation is supported by documented historical price (i.e., previous contract, historical costs, or imputed historical cost).</td>
</tr>
<tr>
<td>Cost Avoidance</td>
<td>Benefit achieved when procurement action results in avoidance of additional cost (i.e., maintenance fees, requested price increases, or other ancillary costs).</td>
</tr>
<tr>
<td>Incentives</td>
<td>Benefit achieved when procurement action results in new gross incentive (based on volume, compliance/utilization, transaction size, electronic payment, e-commerce, signing bonus, GPO, management fees, etc.).</td>
</tr>
<tr>
<td>Revenue</td>
<td>Benefit achieved when procurement action results in new revenue generating projects.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Benefit achieved when procurement actions result in improved process, and/or organizational efficiency through the use of technology or other means such as lean process redesign or combination thereof.</td>
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</table>
Procurement Benefit 3-year Goal (CSUDH)

3-year Goal

- Year 1: $275,000
- Year 2: $371,020
- Year 3: $556,531

FY 18/19 Achieved

- Year 1: $356,864
- Year 2: $404,727
What can you do to help?

• Communicate with Procurement *Early* before starting your project
• Allow realistic timeframes to conduct competitive solicitations
• Reduce Maverick Spend
• Visit Procurement webpage for latest policy updates
• Encourage your staff to attend the Procurement and Contracts Training
• Remind your staff not to sign *any* vendor documents
• Communicate with your direct reports to provide feedback on Procurement issues (If we don’t know, we can’t help)
Accounting Services

Cecilia Patz
CSUDH Hospitality

• Revisions
  • Pre-approval encouraged but no longer required
  • Delegation of authority to a designee
    • Managerial position
    • Submit memo to Accounting or attach to hospitality form
CSUDH Hospitality Reminders

• Approvals
  • AVP or Dean or designee
  • VP or designee approval required for employee only meetings
  • VP and CFO or designee approval required for purchase of gift cards
  • Approval for hospitality expenses related to recreational, sporting, or entertainment events – delegated to VPs
  • If EIC is signing on behalf of VP, attach documentation of such delegation
  • Department/Division responsibility of ensuring the appropriateness of expense
CSUDH Hospitality Reminders

• Awards and Prizes
  • Gift cards or other cash equivalent
    • $50 limit – state funds
    • Reportable to Payroll (employee) or Financial Aid (student)
  • Non-cash
    • $100 limit – state funds
    • Reportable to Payroll (employee) or Accounting (student)
  • Maintain Awards and Prizes log
## CSUDH Hospitality

<table>
<thead>
<tr>
<th>Allowed (Activity must have business purpose)</th>
<th>Not Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Entertainment Services</td>
<td>• Alcohol/Tobacco</td>
</tr>
<tr>
<td>• Food and beverage</td>
<td>• Membership in social organization</td>
</tr>
<tr>
<td>• Awards and prizes</td>
<td>• Retirement/Farewell parties</td>
</tr>
<tr>
<td>• Promotional items</td>
<td>• Bereavement/Get well flowers</td>
</tr>
</tbody>
</table>

**Expenses that are personal in nature (birthday, wedding, anniversary, baby shower)**
Concur is a comprehensive web based tool that integrates travel request and expense reporting with a complete travel booking solution in one application.

Concur streamlines for a fully automated electronic workflow process of:

- Travel reimbursements
- Domestic & International travel approvals
Benefits of CONCUR

- Seamless travel and expense experience
- Easier receipt capture and documentation by upload/scan to expense report
- Faster expense report processing
- Quicker employee reimbursement
- Improved visibility of travel expense and approval status
- Email notifications and reminders of submissions and approvals
Budget

Jerry Willard
Questica Budget Software Update

- Funding requested as part of UBC recommendations
- Project timing needs to be coordinated with other IT projects
- Implementation could begin as early as Spring 2020
- First steps involve Budget and IT staff
- Key division/college stakeholders will be consulted during process
• Changes proposed to better manage budget process and inform decisions
• Division/college budgets submitted in prior to start of year (April) instead of after (August)
• Adjustments for funding changes made in late summer/early fall