



# Finance What's Up

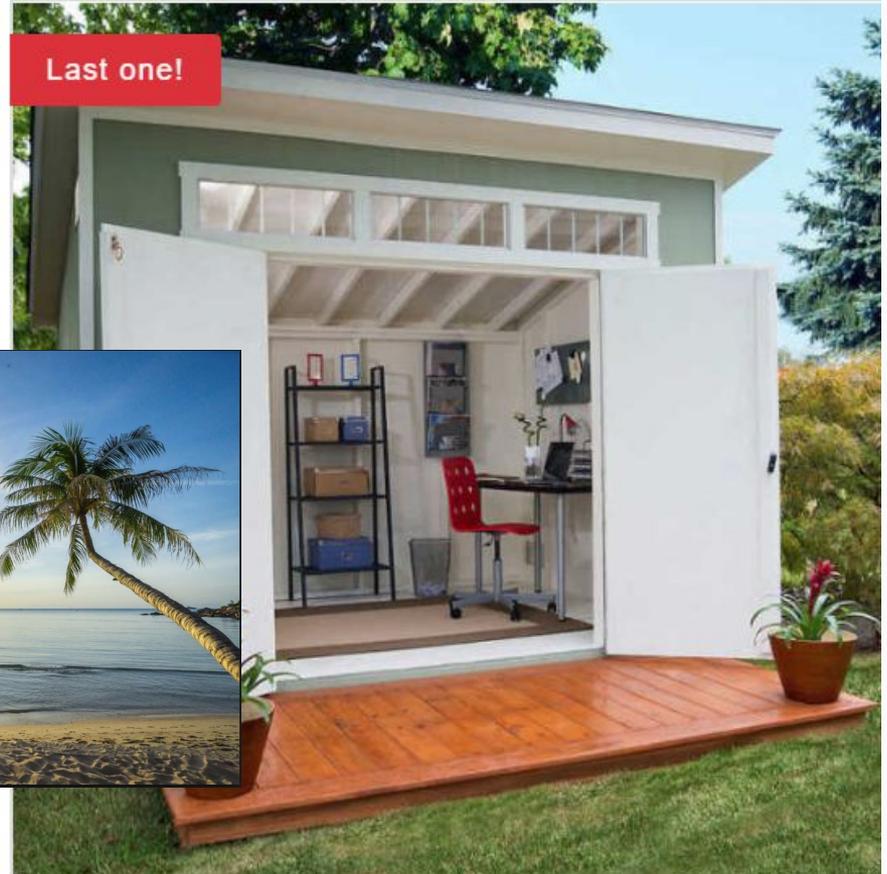
Fall 2018



# Today's Topics

1. Finance is Moving
2. The Role of the Approving Official
3. Moving Reimbursements - Taxation & Timing Issues
4. FTS Tips & Tricks - AP Transactions
5. Acquisition Management Updates
6. Department Tree and Cost Recovery Updates

# Finance is Moving to...???



Approving Officials



# The Role of the Approving Official

- Approving Officials must be MPP or a Department Chair with delegated authority
- An effort is underway to provide more information to Approving Officials about their responsibilities (email in December)
- Divisions review their Approving Officials annually via the FTS security audit (January)

# Approving Official Responsibilities

Approving Officials are responsible for:

- Before initiating a transaction on behalf of the university, this individual must assess whether the proposed transaction/business expense is in support of the university's missions.
- The approver must have written delegation providing him or her with the authority to expense against a given fund, and have adequate funds available to meet the commitment.
- The approver shall comply with all established policies and procedures respecting the expenditure of University funds.

[ICSUAM 3101.1]

# Moving Reimbursements



# Moving Reimbursements - Taxes & Timing Issues

- Under the new **Tax Cuts & Jobs Act**, ALL moving reimbursements are subject to federal taxes; *some* are subject to state taxes
- Payments to moving companies on an employee's behalf are 100% taxable and we have to collect federal taxes on these payments
- Taxes are deducted from a future *paycheck* which can greatly reduce an employee's take-home pay
- **Be sure to include text about the taxability of moving allowances in the offer letter**

# FTS Tips & Tricks

## AP Transactions



# General Information

## Suppliers / Vendors

- Searching for a Supplier - FTS allows you to “search in a string” so entering a portion of a name provides better search results, rather than entering an entire name, which must match exactly to be successful.
- Payments for services provided by an out-of-state Supplier might be subject to California Income Tax Withholding. Avoid surprises for your Suppliers by checking with AP before you fully engage with those out-of-state speakers, presenters, trainers, etc.

# General Information

## Requestors

- Requestors on record for Requisitions/Purchase Orders cannot be changed or updated when they leave a department. Please inform AP as soon as possible with new contact information so notifications or questions can be directed appropriately to avoid delays with payments.

## Campus Copier Program

- Copier supplies are provided - never buy your own toner cartridges!

# General Information

## Procurement Pathways

- Before you initiate a purchase, it's always a good idea to check the Procurement Pathways and the Standard Exclusions located on our Finance Service Group website to make sure you are following the appropriate procedure.

<http://www.sjsu.edu/finance/financeconnect/resources/pathways/index.html>

[http://www.sjsu.edu/finance/financeconnect/resources/pathways/standard\\_exclusions/index.html](http://www.sjsu.edu/finance/financeconnect/resources/pathways/standard_exclusions/index.html)

# Procurement Pathways

There are various ways to request and purchase products and services for your department. We call them Procurement Pathways. This page provides a summary of all the various ways to request and purchase products and services for your department. For more detailed information, click on one of the pathway headings below. For restrictions, please see [Standard Exclusions](#) (PDF).

**PROCARD**

**DIRECT PAYMENT**

**EMPLOYEE/STUDENT  
REIMBURSEMENT**

**GOCARD**

**PETTY CASH**

**REQUISITION**

## Standard Exclusions

Contracts and Purchasing Services have [Procurement Pathways](#) for obtaining products and services for your department. The following is a list of items that have purchase restrictions, are restricted to a specific pathway, or are prohibited all together. If you have any questions, please contact Finance at [financeconnect@sjsu.edu](mailto:financeconnect@sjsu.edu) or 408-924-1558.

Commodity	ProCard	Campus Marketplace	GoCard	Direct Payment	Employee/Student Reimbursement	Petty Cash	Requisition
<b>Advertising</b>	Yes, if: <ul style="list-style-type: none"> <li>Purchase is \$1,500 or less.</li> <li>When no agreement/contract is required.</li> </ul>	No	No	<ul style="list-style-type: none"> <li>Yes, when no agreement/contract is required.</li> </ul>	No	No	Yes
<b>All Services</b>	Yes, if: <ul style="list-style-type: none"> <li>Service providers are SJSU's strategic partners <a href="#">Recall</a> for document shredding and bottled water service from <a href="#">Nestle Waters</a>.</li> </ul>	No	No	Yes, if: <ul style="list-style-type: none"> <li>When no agreement/contract is required.</li> <li>Refer to the <a href="#">Direct Payment Products and Services</a> for list of specific services.</li> </ul>	No	No	Yes

# FTS Modules

## Direct Payment Voucher

- Suppliers must be available to select in order to create a Direct Payment Voucher request. Current practice to have a new Supplier created is to send an email to [vendor-request@sjsu.edu](mailto:vendor-request@sjsu.edu) including:

Supplier Name

Remittance Address

Description of Purchase

Vendor Data Record Std Form 204

# FTS Modules

## Direct Payment Voucher

- Invoice Numbers - use the number as shown on the invoice, entering the number in the same format the Supplier used. The invoice number helps the Supplier to correctly identify our payments to them. Only create your own invoice numbers for Generic Invoices or when the Supplier does not provide one.

# FTS Modules

## Direct Payment Voucher

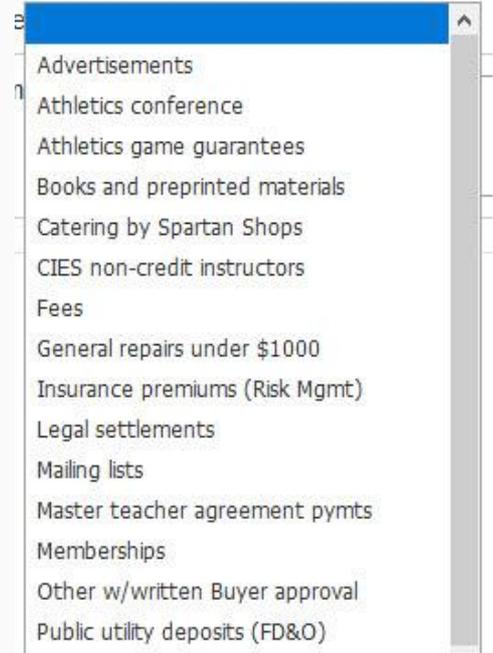
- A Credit Memo cannot be entered on it's own Direct Payment Voucher like an invoice because it represents a negative amount. However, if you combine a credit memo with an invoice to reduce the amount to be paid, AP can provide this information on the check remittance advice to the Supplier. When in doubt, submit credit memos directly to AP.

# FTS Modules

## Direct Payment Voucher

- Select the appropriate product or service description type when creating the DP voucher request. If your purchase does not appear on the drop-down list in FTS, or on the list of allowable purchases for direct payment on our website, contact a Buyer in Contracts & Purchasing Services for guidance on the procedure to use at this time.

(Partial drop-down list)



## Direct Payment Products and Services

The following is a list of allowable payments that can be made via the Direct Payment pathway:

- Advertisements
  - Athletics conference
  - Athletics game guarantees
  - Books and pre-printed materials
  - Catering by Spartan Shops
  - CIES non-credit instructors
  - External renter proceeds (For Hammer Theatre use only.)
  - Fees as specified:
    - Accreditation
    - ETS test (For Testing Center use only.)
    - Field trip entrance
    - Fingerprinting
    - Government license/permit
    - Hazardous waste disposable
    - Inter-library loan
    - International recruiting (For CIES use only.)
    - JOC/Gordian program
    - Registration *\*When check is required.*
    - Tour arrangements
  - General repairs under \$1,000
  - Insurance premiums (For Risk Management use only.)
  - Legal settlements
  - Mailing lists
  - Memberships
  - Public utility deposits (For FD & O use only.)
  - Refunds to non-employee/non-student
  - Services as specified:
    - Approved by CSU General Counsel
    - Game official/game day worker
    - Government entities (not CSU)
    - Guest artist under \$1,000 \*
    - Guest speaker under \$1,000
    - Medical
    - Non-resident faculty
    - Physical examination
    - Student non-payroll
    - Testing Center (e.g., proctor et al.)
- \* A guest artist is one who provides service to SJSU at a **non-hospitality** related event, e.g., an activity associated with academic or instruction.*
- Stadium rentals
  - Student finance refund (For Bursar's Office/Financial Aid Office use only.)
  - Student Union facilities and audio visual rentals and/or charges
  - Subscriptions *\*Excludes online and software services.*
  - U.S. Postmaster (For Distribution Services use only.)

# FTS Modules

## Employee/Student Reimbursement Voucher

- \$1,000 limit
- Payments for services must be paid by AP - 1099 income reporting may be required.
- Travel and moving expense reimbursements - use FTS Travel Module. Local “travel” expenses such as parking are allowed.
- Itemized receipts or invoices are required. Use Generic Invoice to itemize purchases or to certify the person who made the purchases.

# FTS Modules

## Requisitions

- Invoices associated with a Requisition or Purchase Order should be submitted via e-Invoice for payment processing. Invoices labeled as a Backup Document will not automatically enter AP's workflow for payment processing.

<http://einvoice.sjsu.edu>



**E-INVOICE**  
SAN JOSÉ STATE UNIVERSITY

## SJSU e-Invoice

Submit Purchase Order invoices electronically to the Accounts Payable Office.

All fields are required:

**Purchase Order Number:**

(Enter the complete 10-digit PO Number. Click [PO Number](#) to see sample.)

**Supplier ID:**

(Enter the complete 10-digit Supplier ID. Click [Supplier ID](#) to see sample.)

**Invoice Number:**

**Invoice Amount:**

**Invoice Date:**  
(mm/dd/yyyy)

**Upload File:**



Submit Invoice File

# Acquisition Management

- Contracts & Purchasing Services
- Distribution Services
- Asset Management

# Current Topics - Contracts & Purchasing Services

- Associate Director, Contracts & Purchasing Services
- 23 C Plan - Collaboration & Tools
- Savings Benefit Tracking
- Confirming Orders



## 23C Procurement Plan Overview



As Chief Procurement Officers (CPO) we're dedicated to driving value and using the collective power of the CSU as one procurement team of 100+ professionals. As we established our 23C Procurement three-year plan we took the time to understand the challenges and opportunities facing our individual campuses. Although we see many headwinds in the future, we found alignment with the setting of 23 goals that will contribute \$65 million in value over the next three years. Overall we know we can succeed by working together and growing people who fulfill the vision.



## Spend Analysis & Strategy

### Spend

- Data collection & cleansing
- Industry/Client specific classification
- Supplier parent-child matching
- Multi-dimensional analysis
- Hundreds of standard reports and ability to build custom reports
- Opportunity assessment and sourcing planning



## Sourcing & Negotiations

### Sourcing

- RFx, auctions
- Collaborative authoring
- Auto-scoring
- Team scoring
- Timeline management
- "Reverse/Forward" auction
- Real-time auctions
- Event-level supplier bid reports



## Contract Management

### Contract

- Hierarchical view
- Flexible field configuration
- Contract and clause library
- Version control
- Notification and alerts
- Administrative controls
- Discount and rebate alerts



## Supplier Performance Management

### Supplier

- Buyer form customization
- Self registration for suppliers
- Announcements and document sharing
- Administration - NDA
- Supplier scoring and ranking
- Supplier performance tracking



## Savings Pipeline & Tracking

### Tracking

- Multi-dimensional metrics and function-specific views
- Configurable savings tracker continuously updated
- Map savings forecasts to budget levels and actual spend
- Collaborative validation of documented savings
- Meaningful, high-impact reports automatically rendered

# Savings and Benefits Targets

Systemwide Spend: \$2,018,454,122

First Year <1% or \$15,000,000

San Jose Spend: \$165,875,708

Savings Target: \$1,225,000

Note: Targets set for Years 2 and 3 which rise each year to \$2.5M Savings

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

<b>Benefit Type</b>	<b>Definition</b>
<b>Cost Reduction</b>	Benefit achieved when procurement action results in a total cost lower than baseline cost, and baseline cost calculation is supported by documented price (i.e., previous contract price, historical costs, or imputed cost).
<b>Cost Avoidance</b>	Benefit achieved when procurement action results in avoidance of additional cost (i.e., maintenance fees, requested price increases, or other ancillary costs).
<b>Incentive</b>	Benefit achieved when procurement action results in new gross incentive (may be based on volume, compliance/utilization, transaction size, electronic payment, ecommerce usage incentive, <u>pCard</u> incentive, signing bonus, GPO utilization incentive, management fees, rebates, etc.).
<b>Revenue</b>	Benefit achieved when procurement action results in revenue generation.
<b>Efficiency</b>	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.

## Current Savings Status

- Approved Savings: \$ 462,000
- Pending review: \$ 98,000
- Pending submission: \$ 111,000
- Targeted: \$ 60,000

## Strategies to Attain Goals

- Document Savings
- Meet with Campus Clients
- Annual Vendor Management
- Forecast for Collaboration

# Reminder Item: Confirming Orders Not Allowed

Procurement Policy does not allow campus departments to place orders directly with vendors and service providers except in defined instances (Campus Marketplace, Direct Pay, ProCard)

- Potential Problems Associated with Confirming Orders:
  - Violations of legal requirements
  - Duplicate shipments or duplicate payments
  - Lack of appropriate vendor insurance
  - Missed discounts
  - Lost items or delayed shipments
  - Unidentified invoices

# Reminder Item: Confirming Orders Not Allowed

If you submit a requisition for purchase order with an invoice attached indicating the purchase has already been completed, please note that Contracts & Purchasing Services cannot process this requisition. The package will be returned to the initiating party.

- How to resolve a Confirming Order and make payment to vendor:
  - Provide a memo signed by the approving official detailing the reasons this expenditure was made outside of allowable methods. Include the course of action to prevent 'confirming orders' from occurring again within the department.
  - Forward the memo to Director, Acquisition Management for review and approval.

# Contracts & Purchasing Services



- And special guest

# Department Tree and Cost Recovery Updates

# Department Tree Changes

- The Department Tree can be added as a filter to a number of the dashboards available in the CFS Data Warehouse
- The current year tree is named SJ\_DEPT\_PRIMARY
- Prior year department trees are now required by the C.O. for reporting needs
- ***\*\*Using a Dept Level as a column selector without filtering for a specific Dept Tree will return overstated financials. Select a Tree if you are relying on Levels.\*\****

The screenshot shows a web application interface with several dropdown menus. The 'Dept Tree Name' dropdown is open, showing a list of options: 'SJ\_DEPT\_PRIMARY', 'SJ\_DEPT\_PRIMARY\_JAN2000', 'SJ\_DEPT\_PRIMARY\_JUL2016', and 'SJ\_DEPT\_PRIMARY\_JUL2017'. The 'SJ\_DEPT\_PRIMARY' option is highlighted with a red box. Other dropdown menus include 'Business Unit' (SJ000 - San Jose), 'Fiscal Year' (2018), 'As of Period' (12), 'Fund', 'Dept', 'Account', 'NOT Fund', 'NOT Dept', 'NOT Account', 'Dept Level 1', and 'Dept Level 2'.

For assistance, contact  
Finance Support or the  
Budget Office

# Cost Recovery Changes

- Due to changes in CSU system-wide guidelines, updates have been made to cost recovery funds (76XXX-78XXX)
- A majority of cost recovery funds were made compliant with an update to the fund set-up and a re-class of fund equity
- A review of all cost recovery funds identified that the activity in some funds should be recorded instead in a self-support trust fund; in those limited instances, department users were contacted to create new funds
- No action is required from department users at this time, unless you were contacted