Create Requisitions

Reference Manual

Leadership and Talent Development
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Office of Human Resources
University of Minnesota
# Table of Contents

Roles and Responsibilities ................................................................. 1
Roles and Responsibilities Specific to Purchasing ................................. 2
Internal Controls .............................................................................. 4
Policies ............................................................................................... 5
Procurement Process .......................................................................... 11
Purchasing Items without a Purchase Order .......................................... 16
Supplier Selection .............................................................................. 18
Supplier Selection: Purchases Totaling $50,000 or Greater .................... 20
Searching for a Supplier in the Financial System .................................. 22
Supplier Record: Summary Tab ............................................................. 24
Supplier Record: Identifying Information Tab ........................................ 26
Supplier Record: Address Tab ............................................................... 28
Supplier Record: Contacts Tab .............................................................. 29
Supplier Record: Location Tab ............................................................... 31
Request a New Supplier or Change an Existing Supplier ......................... 33
Create Requisitions ............................................................................ 34
Ordering from U Market ........................................................................ 35
Create an EFS Requisition from a U Market Cart ................................. 42
Return a U Market Cart for More Information ...................................... 44
Checkout - Review and Submit Screen .................................................. 45
Checkout - Review and Submit: Requisition Comments and Attachments .................. 51
Requisition Confirmation .................................................................... 54
Document Search in U Market ............................................................... 55
Standard Purchases ............................................................................. 57
Assets – Definitions and Examples ....................................................... 63
Preparing to Create a Requisition for a Capital Asset ............................. 65
Creating a Capital Asset Requisition ...................................................... 68
Table of Contents (cont.)

Asset Receiving ................................................................................................................. 71
Creating Blanket Orders ...................................................................................................... 72
Manage Requisitions ........................................................................................................... 77
Editing Requisitions ............................................................................................................ 81
Standard, Professional, and Consulting Services Definitions ................................................. 82
Professional Services Contract Types ...................................................................................... 84
Professional Services Contract Procurement Process ............................................................ 85
Professional Service Contract Forms ....................................................................................... 86
Compliance Considerations for Professional Services ............................................................ 88
Creating a Requisition for a Professional Service Contract .................................................. 89
Favorites .................................................................................................................................. 96
Appendix A: Invoice Numbering Standards ............................................................................. 97
Appendix B: Common Errors .................................................................................................. 99
Appendix C: Requisition and Purchase Order Inquiries .......................................................... 101
Appendix D: Approvals Grid .................................................................................................. 105
Terminology .......................................................................................................................... 107
Resources ............................................................................................................................... 109
Roles and Responsibilities

These roles are used as the basis for system security and many internal control processes. Every end user fits into at least one of the six roles listed below. Keep in mind that these are financial roles, not job descriptions. Someone with the same job description as you have in another department could have a different financial role. This course is specifically focused on those who prepare requisitions, blanket orders, and contracts for their departments.

**Initiator/Requester** Individuals who request or initiate an event that results in a financial transaction. They are responsible for conducting activities and events within the boundaries of compliance with University policies and procedures and funding agency restrictions. Any University employee has the potential to be an initiator.

**Preparer** Individuals who prepare, code, review, and/or process sponsored and nonsponsored transactions in compliance with University policies and procedures and funding agency restrictions. They also resolve discrepancies and prepare some reports.

**Approver** Individuals who review and approve sponsored and nonsponsored accounting transactions to ensure compliance with University policies and procedures and funding agency restrictions. They also identify problems and ensure resolutions.

**Fiscal Monitor** Individuals responsible for policy interpretation and implementation for a department (or collegiate unit or higher). They manage the sponsored and nonsponsored accounting and fiscal operations of a department (or collegiate unit or higher) in compliance with University policies and procedures and funding agency restrictions.

**Principal Investigator/Project Manager** Individuals who provide leadership for a research grant and/or a subunit within a department by managing, problem solving, ensuring compliance with policies, and monitoring budgets.

**Academic/Administrative Head** Individuals who provide leadership for the unit and the University in general. They participate in policy formation and ensure policy implementation for their unit. They are also responsible for their unit's overall financial management.
Roles and Responsibilities Specific to Purchasing

**Organization Structure**
University staff is organized to provide expertise in the purchasing and payables areas. The deans' offices across the University have pulled together staff for the more complex purchasing tasks and for voucher processing. These groups of staff are called clusters. The procurement specialist is a cluster function.

- **Departments**
  - Create Requisitions
  - Non-Asset Receiving

- **Clusters**
  - Asset Receiving
  - Change Orders
  - Resolve Match Errors
  - Support Year-End
  - Voucher Entry
  - Invoice Imaging

- **Central Purchasing**
  - U-Wide Contracts
  - Bidding
  - Table Maintenance
  - Year-End
  - Resource for Depts & Clusters

**Requester**
The requester is responsible for planning and initiating purchases on behalf of their department or unit. The requester is typically the requisition preparer.

**U Market Shopper**
The U Market shopper could be any University employee who has been granted authority by their department to create shopping carts in U Market. The shopper then assigns their cart to their departmental requisition preparer to complete in the financial system.

**U Market Requisition Preparer**
The U Market requisition preparer is responsible for creating U Market carts or retrieving them from other U Market shoppers then completing the order via an EFS requisition. U Market requesters can only create U Market requisitions. They cannot create a CPS, blanket order or a standard purchase requisition.

**Requisition Preparer**
The requisition preparer is responsible for creating and monitoring purchase requisitions for goods, standard services, and professional services, and blanket orders. The requisition preparer can shop in U Market and receive carts from other U Market shoppers to complete the order in the financial system.
Roles and Responsibilities Specific to Purchasing (cont.)

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requisition Approver</td>
<td>Depending on the dollar amount, category, supplier type, and whether the expenses are charged to a sponsored or nonsponsored ChartField string, the approver reviews the requisition to ensure it adheres to University policies and sponsor guidelines, if applicable. The approver is responsible for either approving the requisition or sending it back and leaving comments as to why it was sent back.</td>
</tr>
<tr>
<td>Receiver</td>
<td>Upon delivery of the good or service, the receiver is responsible for the timely entry of a receipt transaction in the financial system. This transaction is a verification that the University took physical delivery of a good or received a service, and it is the authorization to pay the supplier’s invoice once it arrives. To receive capital assets, the UM 1681 Capital Equipment Asset Receipt Form must be completed and sent to the procurement specialist.</td>
</tr>
<tr>
<td>Procurement Specialist</td>
<td>The procurement specialist manages purchase orders (POs) for their cluster, including expediting requisitions; dispatching, changing, and canceling purchase orders; resolving match exceptions; and entering receipts for capital assets. The procurement specialist also performs duties related to month-end and fiscal year-end close for purchasing activities.</td>
</tr>
<tr>
<td>Voucher Preparer</td>
<td>The voucher preparer is responsible for imaging and entering supplier invoices in the financial system for their cluster. The voucher preparer is also responsible for resolving any invoice discrepancies, voucher errors, or match exceptions.</td>
</tr>
<tr>
<td>Purchasing Services Category Manager</td>
<td>The Purchasing Services category manager is responsible for handling supplier bidding for large purchases, negotiating and maintaining U-Wide Contracts and blanket orders, maintaining supplier relationships, and providing oversight and reporting for purchasing activities throughout the University. Purchasing Services must also approve all requisitions and PO Change Orders totaling $50,000 or greater.</td>
</tr>
<tr>
<td>Contract Administrator</td>
<td>The contract administrator is responsible for the oversight and monitoring of professional services contracts and communicating any changes or issues to the procurement specialist for resolution.</td>
</tr>
</tbody>
</table>
Internal Controls

Definition

Internal control is a process affected by a university’s governing board, administration, faculty, and staff, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- effectiveness and efficiency of operations
- reliability of financial reporting
- compliance with applicable laws and regulations

Components

Internal control consists of five interrelated components derived from basic university operations and administrative processes as follows:

Control Environment

The core of any educational institution is its people. They are the engines that drive the organization. Their individual attributes (integrity, ethical values, and competence) and the environment in which they operate determine the success of the institution.

Risk Assessment

Universities must be aware of and deal with the risks they face. They must set objectives that integrate key activities so the total organization operates in concert. They also must establish mechanisms to identify, analyze, and manage the related risks.

Control Activities

Control policies and procedures must be established and executed to help ensure that actions necessary to achieve the institution’s objectives are effectively carried out.

Information and Communication

Surrounding these activities are information and communication systems. These enable the organization’s people to capture and exchange the information needed to conduct, manage, and control its operations.

Monitoring

The entire process must be monitored and modified as necessary. Thus, the system can react dynamically to changing conditions.

The University of Minnesota Board of Regents policies include a code of conduct. Two sections that are especially relevant to the requisition preparer function are:

**Section 4**: Community members are expected to use University property, equipment, finances, etc., for legitimate University purposes; to prevent waste and abuse; to promote efficient operations; to follow sound financial practices, including accurate financial reporting, processes to protect assets, and responsible fiscal management; and to engage in appropriate accounting and monitoring.

**Section 5**: Community members are expected to learn and follow the laws, regulations, contracts, and University policies and procedures applicable; be proactive to prevent and detect any compliance violations; to report suspected violations to supervisors or other University officials, etc.

The following principles shall guide the University’s purchasing process:

- purchasing activities shall comply with all applicable laws and policies of the Board of Regents, including, but not limited to, Board of Regents Policy: Targeted Business, Urban Community Economic Development, and Small Business Programs;

- purchasing activities shall be conducted in a manner that promotes integrity, stewardship, diversity, and sustainability;

- purchasing activities shall provide goods and services, professional services, and design services at the best value and appropriate standards of quality, considering total cost of ownership;

- purchasing procedures shall be efficient, timely, and transparent;

- purchasing activities shall promote the use of businesses owned and operated by minorities, women, and disabled persons.

Needed goods and services will be identified, selected, and acquired as economically as possible according to specified standards of quality and service, while giving responsible suppliers fair consideration. This should be done in a timely and organized manner that provides for the accountability of University expenditures. With few exceptions, Purchasing Services shall conduct a competitive process to select suppliers for purchases $50,000 and over from non-University-wide contract suppliers, and for repetitive purchase requirements valued at $50,000 and for a time period, and for purchases $250,000 and over
Policies (cont.)

from University-wide contract suppliers. Splitting purchases to avoid bidding is expressly forbidden.

All purchases must comply with state laws, federal laws and guidelines, University policy, and the University of Minnesota Purchasing Code of Ethics.

Appendix: Non Purchase Order Related Payments

The University allows the purchase of some goods or services outside of the financial system. In many cases, these will be purchased using a Procurement Card. In other cases, they may be ordered directly from the supplier and the invoice submitted to the voucher preparer for entry in the financial system. Refer to the Policy Library for a list of allowable non purchase-order goods and services. Examples include:

- Advertising
- Fees
- Books
- Cellular phone service (for some individuals)
- Film rental
- Hospitality
- Household moving expenses (staff relocation)
- Livestock from auction
- Mailing lists
- Medical expenses (excludes equipment and supplies)
- Membership fees
- Passes and tickets
- Purchases made for resale to the public through internal retail outlets
- Replenishment of postage meters
- Refunds (e.g., tuition, parking)
- Sales tax
- Shipping/courier service
- Staff miscellaneous reimbursement
- Subscriptions
- Travel expenses—non-staff
- Utilities

Managing University Capital Equipment

The University of Minnesota has a significant investment in equipment, representing long-term commitments to fulfill its mission. The University owns and controls all equipment purchased with University funds, unless stipulated otherwise by the funding source. Custody and use of all assets is the responsibility of the various colleges and departments.
Inventory Services administers capital equipment asset matters and is responsible for the centralized accounting and reporting of University capital equipment assets, but not other personal property items.

All University faculty and staff initiating, preparing, completing or approving any sponsored or non-sponsored financial transactions must comply with the justification and documentation standards established by this policy, all other associated policies, procedures and job aids. The originating organization must ensure the transaction justification and supporting documentation includes complete information about the transaction. Financial transaction justification and documentation must contain answers to the following:

- WHY is the transaction being completed and HOW does the transaction relate to the account affected or charged, when the relationship to the account is not clear?
- WHAT is the transaction for?
- WHO initiated the transaction? And WHO are the affected individuals or units?
- WHERE and WHEN did (or will) the activity take place?

The justification should not repeat information provided by the account string or restate the account code in the description. It should provide additional information.

The transaction justification and any other required documentation (receipts, etc.) should be sufficient to clearly explain the transaction to someone inquiring about it, such as an auditor, at a later date.
Policies (cont.)

Code of Ethics

Any departmental employee responsible for any portion of the purchasing process is expected to review and sign the Code of Ethics in the department files. It is to be annually reviewed by the employee and his/her supervisor and kept on file in the department. This form is available in the Purchasing Goods and Services policy and on Purchasing Services’ website.

University of Minnesota

CODE OF ETHICS
for
Department Staff
Responsible for Buying

RESPONSIBILITY STATEMENT: With regard to my responsibilities for departmental purchasing, I accept the responsibility to:

1. Support and uphold the values, policies and procedures of the University of Minnesota in all my purchasing activities, since compliance with good public purchasing practice ensures the continued flow of public funding to the University.

2. Attend appropriate training for my departmental purchase function and continue on-going (refresher) training as needed to ensure my department follows University policies and procedures.

3. Subscribe to and read Purchasing Services communications vehicles and advise my department on implementing any new practices, forms, systems, policies, etc.

4. Maintain a high level of ethics:
   a. Have no financial or personal beneficial interest directly or indirectly with vendors when I am in a position to influence the University decision to purchase from those vendors.
   b. Decline rebates, gifts, money, or anything of value offered by vendors other than items of nominal (under $5) value. *

5. Conduct business with vendors:
   a. In an atmosphere of honesty and good faith, without intentional misrepresentation and with equal objectivity and fairness to all vendors. I will also demand honesty of sales representatives in all matters regarding the University of Minnesota.
   b. Affording prompt and courteous reception as business conditions permit to vendors who arrange to meet with my department on legitimate business missions. (This does not include unarranged visits).

6. Strive to obtain the maximum value for each purchase, including use of cost-effective purchasing processes.

7. Afford maximum opportunity to small businesses and businesses owned by minorities, women and persons with disabilities.

I have read and understand the above statements, and agree to meet the expectations to the best of my ability while performing my department’s purchasing functions for the University of Minnesota.

Print or Type Name

Signature ___________________________ Date ______________

*Violation is subject to disciplinary action by the University of Minnesota, and is considered a misdemeanor under Minnesota Law, M.S. 15.43.

Minnesota State Law (M.S. 15:43)

“Acceptance of Advantage by state employee; penalty.” This law applies to any state or University employee. Violation of this law is a misdemeanor.

Subdivision 1. Financial interest of agents. No employee of the state or of the University of Minnesota in direct contact with suppliers or potential suppliers to the state or the University, or who may directly or indirectly influence a purchasing decision or contract by establishing specification, testing purchased products, evaluating contracted services, or otherwise has official involvement in the purchasing or contracting process may:

1. Have any financial interest or have any personal beneficial interest directly or indirectly in contracts or purchase orders for goods or services used by, or purchased for resale or furnished to a department or agency of the state or the University; or

2. Accept directly or indirectly from a person, firm, or corporation to which a contract or purchase order has been or may be, awarded, a rebate, gift, money, or anything of value other than items of nominal value. No such employee may further accept any promise, obligation or contract for future reward.

“Nominal value” (under $5) allows only for such items as a supplier’s stick pen or calendar. Suppliers offering larger gifts or gratuities should be encouraged to donate an institutional gift through the Office of Development, or to donate to a nonprofit charitable organization associated with the University (such as the Ronald McDonald House or Potter House).

The University of Minnesota Foundation, the Arboretum Foundation, and the 4H Foundation are the receiving points for gifts made to the University. (See policy on Accepting and Managing Gifts.)
Purchasing Professional Services

Professional services are defined as customized services consisting of specialized intellectual or creative expertise based on personal skills or ideas of an individual(s) that are provided for a fee, which may be determined individually with each customer for each service contract.

Contracts with professional services providers must:

- be fully and formally approved consistent with the president’s delegation of authority before work begins;
- comply with Internal Revenue Service (IRS) requirements for defining employees and independent contractors;
- comply with special requirements of projects supported by sponsored funds;
- include a complete statement of work including any deliverables;
- use either the University’s standard Contract for Professional Services (CPS) with no alterations, additions, or omissions, or use a contract that has been reviewed and approved by the Office of the General Counsel;
- not conflict with other University policies.

Additionally:

- For purchases $50,000 and over, a competitive bidding process must be used to select a service provider;
- For purchases under $50,000, the department may request that Purchasing Services conduct a bidding process or the department may document some other credible basis for contractor selection, basis for price, and assurance that price is reasonable.
The following diagram illustrates the procurement process for all goods and services. The supplier selection and verification process will be covered in detail later in this manual.
Procurement Process (cont.)

Requisition Approvals

After a requisition is created, the system routes it to approvers as defined by the DeptID, the value of the requisition, and whether the requisition uses sponsored or nonsponsored funds. In some cases the system will also route it for approvals based on the type of category or supplier type entered in the requisition. The system routes the requisition to approvers who view the requisition and take action. Approvers can preview the path a transaction approval will take and review who has already approved the transaction along with any comments previous approvers entered.

The higher the dollar value of a requisition, the larger the number of approvals that may be required. Preparers must account for the time needed to gain approval on a high-dollar-value requisition, especially those above $50,000 that may require bidding.

During the approval process these actions take place:

- The system notifies primary approvers that there is a pending transaction that needs their attention.
- Approvers access the transaction details, provide comments, and take action (approve or send back with comments).
- The system checks for additional approvals required due to dollar value, and then routes the requisition accordingly.
- If the designated approver does not approve within five days, the system will email the requisition preparer to follow up with the approver(s).
- If a designated approver no longer exists in the system (e.g., he or she has left the University), the requisition will receive a workflow error. If that happens, contact the University Financial Helpline.
Procurement Process (cont.)

Requisition Budget Check

The requisition budget check provided through commitment control is a scheduled batch process that happens multiple times daily. It verifies whether all “approved” requisitions have valid ChartField strings. If there are no errors during the budget check process, the requisition is pre-encumbered and will continue to proceed to the next phase in the procurement process.

If budget check errors exist, the requisition will not proceed. This type of failure will appear as “error” in the Manage Requisitions page's Budget Status field. Requisition preparers are responsible for resolving any budget check errors by either canceling the requisition or editing the requisition and entering a valid ChartField string. For assistance with establishing valid ChartField strings, contact the cluster financial director.

Purchase Order Sourcing, Creation, and Budget Check Processes

Once a requisition has passed the approval and budget check processes, it automatically initiates the sourcing process. Sourcing verifies whether the supplier is valid (approved and open for ordering. A requisition preparer may edit a requisition until the point of sourcing. Once it enters sourcing -- including when it receives a sourcing error -- only the procurement specialist may take action on the transaction.). If no sourcing errors exist, the financial system will automatically create a Purchase Order (PO). Once the PO is created, the system will automatically perform a second budget check, referred to as the PO budget check. This relieves the pre-encumbrance on the requisition and establishes an encumbrance on the PO. These automatic sourcing processes are run multiple times per day to process approved and budget-checked requisitions to purchase orders quickly.

It is the requisition preparer’s responsibility to monitor a requisition to ensure it successfully progresses through the system.
Procurement Process (cont.)

Purchase Order Dispatch

After the PO is created and passes the PO budget check, the dispatch method indicated on the supplier record automatically determines how the PO will be dispatched (via fax, email, electronic data exchange, print, or phone) to the supplier.

Expediting and Dispatching

There are two primary reasons why a requisition must be expedited: (a) if the supplier requests to have the PO sent to an address or dispatch method other than the supplier record’s default or (b) if the PO must be sent to the supplier before the next scheduled batch. Either way, the preparer must contact the cluster procurement specialist to request that the requisition be manually expedited and dispatched. This process should be used very rarely as the batch process to convert requisitions to POs and dispatch them runs multiple times per day. The procurement specialist should be asked to expedite and dispatch only when it best meets the University’s needs.

In order for a requisition to be expedited, the requisition must be in approved status, have a valid budget, and a supplier must be assigned. If supplier setup is required, the expedite process will be unable to occur until supplier is set up.

Expediting a requisition will not bypass the approval process. Make sure to enter requisitions in a timely manner to avoid the need to use the expedite process.

To request that a requisition be expedited:

1. Communicate with both the approver(s) and procurement specialist to ensure they are available to perform their tasks within the timeframe before the next scheduled procurement batch process.

2. Create and submit the requisition.

3. After the requisition is approved, contact the procurement specialist, communicate the requisition number, and request to have the requisition expedited and the PO is dispatched.

4. The procurement specialist completes the steps to manually expedite the requisition and source and dispatch the PO.
Receiving

After a requisition is entered, approved, and budget checked, the financial system will source it to a purchase order, and send (dispatch) it to the supplier. When the PO’s items are received, the receipt must be recorded in the financial system. This enables the University to track the quality and promptness of suppliers, and provides internal controls.

Tracking Receipts

The financial system assigns a receipt ID to each saved receipt. Because there is not a one-to-one ratio between purchase orders and receipts—a purchase order might have multiple receipt IDs due to multiple shipments, or a shipment might have multiple purchase orders—this ID is stored separately from the dispatched purchase order and the original requisition. A process matches the receipts to the purchase orders and vouchers (to confirm that the goods were received or the services were rendered) before the supplier is paid.

A receipt is usually recorded based on the quantity that is received. However, POs can also be received by dollar amount, using the unit of measurement of “1 Lot.” Blanket-order shipments must be received based on dollar amount only, not on quantity, and the invoice for the shipment must reference the appropriate blanket order.

Role of the Receiver

The financial system enables departmental receivers (many times the requisition preparer) to record the receipt of goods and services. If the financial system Accounts Payable module records a voucher (supplier’s invoice) for a purchase order but no receipt is found, the supplier will not be paid until the receipt is entered. This is called a match exception.

In the case of capital assets and equipment, the procurement specialist must receive the asset purchase. To initiate the receipt of the capital equipment asset, departments must complete the Capital Equipment Asset Receipt Form located in the UWide Forms Library. The completed form is forwarded to the cluster’s procurement specialist.

Note: All POs must be received within the financial system except VCPS and U Market orders. U Market POs are the only exception to this system rule.
Purchasing Items without a Purchase Order

It is expected that a requisition/purchase order will be used to purchase goods and services on behalf of the University. However, there are some unique situations where the requisition process is not required. A requisition/purchase order is not required in the following situations:

1. **Procurement Card (PCard) purchases.** PCard purchases for travel-related expenses, memberships, subscriptions, and other miscellaneous charges do not require a requisition. In addition, use of the PCard is encouraged for low dollar (e.g., less than $100) purchases. For a complete list of items that may be purchased using the PCard, visit the Using the University Procurement Card policy.

2. **Non Purchase Order (PO) Related Payments list.** Items maintained on the special payments list do not require a requisition. These items include books, membership fees, etc., that are generally paid for with the PCard or a non PO voucher. To view a complete list of the items on the Non PO Related Payments list, visit the Policy Library.

3. **Purchases from a University of Minnesota internal sales unit or auxiliary supplier, except U Market.** Purchases using internal University suppliers (except U Market) do not require a purchase requisition. Work with the individual unit to determine the method to be used for ordering and paying these internal suppliers.

4. **Out of Pocket Purchase Provision.** Occasionally, a special situation may arise where an unanticipated purchase is necessary, and circumstances make it impossible to use one of the approved purchasing processes (U Market, PCard, purchase order, etc.). In this situation, an employee should attempt to secure preapproval from their approving authority to make an out of pocket purchase. If circumstances do not allow for preapproval, the employee should use best judgment as to the appropriateness of an out of pocket purchase, then seek post-approval as soon as possible. With appropriate documentation and departmental approval, out of pocket purchases are reimbursable to the employee (assuming the purchase meets all other compliance and policy requirements for allowability and reasonableness).
Purchasing Items without a Purchase Order (cont.)

Guidelines For Determining Appropriateness of Out of Pocket Purchasing:

- The purchase is directly related to the employee’s work.
- The purchase could not be anticipated.
- There is an immediate need for the goods/services.
- An approved purchasing method cannot be used.
- The price is “reasonable” (competitive in the marketplace).

The employee should not invoke the University’s tax-exempt status when making an out of pocket purchase. Since the University is not directly making the purchase, it does not apply. For approved out of pocket purchases, all sales taxes associated with the purchase will be reimbursed to the employee.

Note: The Out of Pocket method may not be used to purchase equipment exceeding $2499, or to purchase professional services of any dollar amount.
Supplier Selection

At the University, the terms vendor and supplier mean the same thing. Supplier is used most often when referring to specific fields in EFS. Prior to starting a new requisition, the supplier must be determined, except in the case of a requisition that requires bidding. It is the responsibility of the preparer to verify that the supplier information is set up in the financial system and is valid. If the supplier is not valid, a sourcing error will occur. If the supplier is not valid (“approved” and “open for ordering”), the preparer must go through the new supplier authorization or change an existing supplier process.

The supplier selected for a requisition is determined by a number of factors. In general, suppliers should be selected in the following manner:

TRY THIS FIRST: U Market

- It is an expectation that departments will purchase standard goods through U Market whenever possible.

THEN TRY THIS: University of Minnesota Auxiliary or Internal Sales Suppliers

- Select an internal sales or auxiliary supplier such as U Market if goods or services are available from them.
- Except for U Market, orders placed with internal sales or auxiliary suppliers do not use the requisition process.

THEN TRY THIS: U-Wide Contract Suppliers

- Prices have been pre-negotiated for specific contract items or services.
- U-Wide Contract suppliers can be found at the U-Wide Contracts website: uwidecontracts.umn.edu
- A U-Wide Contract with a particular supplier does not mean all their products are included in the contract award.
- Contracts are rebid from time to time so always check the U-Wide Contract website before entering a requisition for contract items.
- Purchases $250,000 or more must follow the bidding process.
- A completed Request for Exception to Regents’ Purchasing Policy form (see the UWide Forms Library) must be attached to requisitions for U-Wide Contract items $250,000 or more that are only available from a single source. Purchasing Services will review the form and determine whether the requisition may be waived from the bidding process. Contact Purchasing Services before the requisition is created to determine whether the purchase is eligible.
to bypass the bidding process.

FINALLY TRY THIS: Non U-Wide Contract Supplier

- Preparers are encouraged to use woman- or minority-owned suppliers, or small businesses (see the Purchasing Services or U-Wide Contracts websites).

- A completed Price Comparison form must be attached to requisitions $10,000 to $49,999 except for Professional Services (see the Forms Library).

- Requisitions $50,000 or more must follow the bidding process.

- A completed Request for Exception to Regents’ Purchasing Policy form (see the UWide Forms Library) must be attached to requisitions for purchases $50,000 or more that are only available from a single source. Purchasing Services will review the form and determine whether the requisition may be waived from the bidding process. Contact Purchasing Services before the requisition is created to determine whether the purchase is eligible to bypass the bidding process.
Supplier Selection: Purchases Totaling $50,000 or Greater

Whenever a high dollar value purchase that totals $50,000 or greater is required, departments must know the following thresholds established in the University's Purchasing Goods and Services Policy. Knowing these thresholds will help determine when the competitive proposal or bid process through Purchasing Services is required.

COMPETITIVE BID OR PRICE SELECTION THRESHOLDS

A) Standard goods or services purchases:
   + $50,000 or greater from a supplier that is not a U Wide Contract supplier or a U of MN Internal Sales Organization
   + $250,000 or greater from a U-Wide Contract supplier

B) Professional services:
   + $50,000 or greater

C) Construction or Facilities Management purchases:
   + $100,000 or greater for construction professional services
   + $250,000 or greater for construction services

Note: Any EFS requisition totaling $50,000 or greater will route to Purchasing Services for review. Any purchase totaling $1 million or greater will require offline approval by the Board of Regents.

Procedures for Initiating the Competitive Bid or Price Selection Process

Once it is known that a high dollar value purchase is required, it is recommended that departments contact Purchasing Services at purchase@umn.edu to request assistance from the Category Manager for the purchase’s associated commodity.

Before the competitive bid or proposal process may formally begin, a requisition must be entered into EFS. The requisition must contain the following criteria for the requisition to route to Purchasing Services: requisition totals $50,000 or more; the Supplier ID must be left blank; and the <Save and Submit> button must be clicked.
Supplier Selection: Purchases Totaling $50,000 or Greater (cont.)

Once saved and submitted, the requisition will route to its associated DeptID and Certified Approvers (if sponsored). Once approved by the DeptID, Certified, and any other Central Approvers (e.g. Disbursement Services), the requisition will route to Purchasing Services. The Category Manager will review the information entered into the requisition and facilitate the competitive proposal or bid process through the University’s MBid system. Once the deadline has passed for potential suppliers to submit their bids or proposals, Purchasing Services will refer those that meet the criteria to the department. It is an expectation that the department will select the supplier offering the lowest price or the best overall solution.

Once the supplier is awarded, Purchasing Services will enter the supplier and finalized price onto the requisition and it will re-route for approvals. Once approved, the requisition will source to a PO and be dispatched to the supplier. The department will also be required to submit follow-up documentation to Purchasing Services to document why the supplier was selected among the pool of eligible suppliers.
Searching for a Supplier in the Financial System

Once it has been determined that a supplier external to the University is needed for a requisition for goods or services, the preparer must locate the supplier record in the financial system and verify that the information is current before adding the supplier to a requisition. The first step in this process is searching for the supplier record in the financial system.

Navigate to Home > Suppliers > Supplier Information > Add/Update.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SetID</td>
<td>Enter “UMFIN” to search for external suppliers.</td>
</tr>
<tr>
<td>Supplier ID</td>
<td>Supplier ID number assigned by the financial system.</td>
</tr>
<tr>
<td>Persistence</td>
<td>Leave blank.</td>
</tr>
<tr>
<td>Short Supplier Name</td>
<td>Search for a supplier by the short name listed on the supplier record.</td>
</tr>
<tr>
<td>Our Customer Number</td>
<td>This accounts receivable field is not used by the University.</td>
</tr>
<tr>
<td>Supplier Name</td>
<td>Search for a supplier by the full supplier name.</td>
</tr>
<tr>
<td>Include History</td>
<td>Include historical information for the supplier in the search results.</td>
</tr>
<tr>
<td>Case Sensitive</td>
<td>Make the search case sensitive.</td>
</tr>
<tr>
<td>Search</td>
<td>Begin the supplier search.</td>
</tr>
</tbody>
</table>
Searching for a Supplier in the Financial System (cont.)

Clear
Clear the search fields and start again.

Basic Search
Search for suppliers based on one of six search parameters.

Save Search Criteria
Save for later use specific search criteria comprised of values from six possible parameters.
Supplier Record: Summary Tab

The supplier record displays with the Summary tab on top. The Summary tab provides the basic information about the supplier. If the supplier to be used on the requisition does not exist in the financial system, the new supplier request process must be used. See the Requesting a New Vendor or Changing an Existing Vendor administrative procedure in the UWide Policy Library for more information.

Navigate to: Home > Suppliers > Supplier Information > Summary

Prior to creating a requisition, preparers use this page to verify the supplier’s Status is listed as “Approved” and Open for Ordering indicates “Yes.”

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set ID</td>
<td>Defaults to “UMFIN.”</td>
</tr>
<tr>
<td>Supplier ID</td>
<td>The supplier ID number assigned by the financial system.</td>
</tr>
<tr>
<td>Supplier Short Name</td>
<td>Ten-character abbreviated version of the supplier name assigned by Disbursement Services at the time of entry. Internal Sales short supplier names are equal to the Dept ID.</td>
</tr>
<tr>
<td>Classification</td>
<td>Will be “Supplier” in most cases. Different values, such as “Attorney,” can be used when the supplier supplies a particular legal professional service.</td>
</tr>
<tr>
<td>Persistence</td>
<td>“Regular” is used for all external suppliers used on a continuing basis.</td>
</tr>
<tr>
<td>Supplier Status</td>
<td>Prior to creating a requisition, preparers use this page to verify the supplier’s Status is listed as “Approved.”</td>
</tr>
</tbody>
</table>
## Supplier Record: Summary Tab (cont.)

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplier Name</strong></td>
<td>The full supplier's name.</td>
</tr>
<tr>
<td><strong>Additional Name</strong></td>
<td>Used for long names that exceed the Supplier Name field character limits.</td>
</tr>
<tr>
<td><strong>Open for Ordering</strong></td>
<td>Prior to creating a requisition, preparers use this page to verify “check mark” is in Open for Ordering” box.</td>
</tr>
</tbody>
</table>
Supplier Record: Identifying Information Tab

The **Identifying Information** tab reveals the supplier’s names and other reporting elements. If the requisition will be created using the CPS tab, the “Type of Business” (individual, corporation, etc.) must be verified under the *Additional Reporting Elements* section.

Navigate to: **Home > Suppliers > Supplier Information > Add/Update > Identifying Information.**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address ID</td>
<td>Address sequence number. Address sequences are tied to locations.</td>
</tr>
<tr>
<td>Description</td>
<td>Short text description of the address.</td>
</tr>
</tbody>
</table>

The *Details* section contains the address and email information for the specific address sequence.

The *Phone Information* section contains the phone and fax numbers for the specific address sequence.
Supplier Record: Identifying Information Tab (cont.)

Click the expand icon (the arrow) to the left of Additional Reporting Elements. The following fields display:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Parents</td>
<td>This field is not used by University.</td>
</tr>
<tr>
<td>TIN</td>
<td></td>
</tr>
<tr>
<td>Minority Types</td>
<td>The minority group to which the supplier belongs.</td>
</tr>
<tr>
<td>SBD Program</td>
<td>Small Disadvantaged Business programs to which the supplier belongs.</td>
</tr>
<tr>
<td>Other Preference</td>
<td>Any other preference programs to which the supplier belongs.</td>
</tr>
<tr>
<td>Programs</td>
<td></td>
</tr>
<tr>
<td>Ethnicity</td>
<td>The ethnic group to which the supplier belongs.</td>
</tr>
<tr>
<td>Emerging Small Business</td>
<td>The supplier is an emerging small business.</td>
</tr>
<tr>
<td>Woman-Owned Business</td>
<td>The supplier is a woman-owned business.</td>
</tr>
<tr>
<td>Veteran</td>
<td>The supplier is a veteran.</td>
</tr>
<tr>
<td>Disabled</td>
<td>The supplier is a disabled.</td>
</tr>
<tr>
<td>Common Parents Name</td>
<td>This field is not used by University.</td>
</tr>
<tr>
<td>HUBZone Program</td>
<td>The HUBZone (historically under utilized business zone) program to which the supplier belongs.</td>
</tr>
<tr>
<td>Type of Business</td>
<td>The type of business, such as “Corporation” or “Individual/Sole Proprietor”. This is an important reference when preparing professional services types of requisitions.</td>
</tr>
<tr>
<td>VOSB</td>
<td>The supplier is a veteran-owned small business.</td>
</tr>
</tbody>
</table>

All fields located in the Additional Reporting Elements section serve two purposes:

1. To help preparers verify and select small businesses for use on requisitions, which may be a requirement for certain sponsored projects.
2. To report the volume of orders and dollars issued to small business.

Note: Refer to the Purchasing Services website, Special Services section, to search for a list of emerging minority, woman-owned, etc., businesses that may be able to provide a required good or service.
Supplier Record: Address Tab

The **Address** tab displays all the addresses, emails, and phone and fax numbers associated with a supplier. This page can be used in conjunction with the `<Procurement>` link on the **Location** tab to determine an address, email, or fax number to where a purchase order was sent.

Navigate to: **Home > Suppliers > Supplier Information > Add/Update > Address.**

![Supplier Record: Address Tab](image)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address ID</strong></td>
<td>Address sequence number. Address sequences are tied to locations.</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Short text description of the address.</td>
</tr>
</tbody>
</table>

The **Details** section contains the address and email information for the specific address sequence.

The **Phone Information** section contains the phone and fax numbers for the specific address sequence.
Supplier Record: Contacts Tab

The **Contacts** tab provides information about who should be contacted on behalf of the supplier. This page provides the contact type, name, phone, and email, if appropriate.

Navigate to: **Home > Suppliers > Supplier Information > Add/Update > Contacts.**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact ID</td>
<td>System-assigned number for the supplier contact. If there is more than one contact for the supplier, use the &lt;view&gt; icons to navigate the supplier contacts.</td>
</tr>
<tr>
<td>Description</td>
<td>Description of the contact.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Effective date for this contact.</td>
</tr>
<tr>
<td>Effective Status</td>
<td>Indicates if the contact is currently active or inactive.</td>
</tr>
<tr>
<td>Type</td>
<td>Indicates the type of contact, such as “Broker” or “Sales.”</td>
</tr>
<tr>
<td>Name</td>
<td>The full name of the supplier contact.</td>
</tr>
<tr>
<td>Title</td>
<td>The job title of the supplier contact.</td>
</tr>
<tr>
<td>Address</td>
<td>If there are multiple supplier addresses, this field indicates which address is applicable for this contact.</td>
</tr>
</tbody>
</table>
Supplier Record: Contacts Tab (cont.)

Internet
The supplier’s Internet address.

View Internet Address
Click this link to view the supplier’s website, if listed in the previous field.

Email ID
The email address for the contact. Note: This is NOT the email address used for dispatching purchase orders.

Type
The type of phone number, such as a business line, personal, cell, etc.

Prefix
Indicates any prefix necessary for the phone number. This is only used for foreign phone numbers.

Telephone
Phone number of the contact, including area code.

Extension
Extension number of the contact.
Supplier Record: Location Tab

The **Location** tab describes the different locations a supplier has in the system. A location describes a specific set of business rules for the supplier, including payment terms, freight terms, dispatch options, and addresses. Prior to creating a requisition, preparers must:

- Be aware that the supplier may have multiple locations.
- If a supplier has multiple locations, preparers must click <View All> to display all locations and then <Procurement> for each location until the correct location/address combination is found.
- Click <Procurement> and verify that the location/address combination to where the PO should be sent/mailed exists.
- If the address that a requisition preparer needs does not exist, the preparer will need to submit a request to change the supplier’s file.

Navigate to: **Home > Suppliers > Supplier Information > Add/Update > Location.**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Describes the general type of location.</td>
</tr>
<tr>
<td>Description</td>
<td>Short text description of the supplier location.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>The date the supplier location became active in the financial system. This date may be in the future, indicating the date on which the location will become active.</td>
</tr>
<tr>
<td>Effective Status</td>
<td>The status must be “Active” to use the supplier for orders.</td>
</tr>
<tr>
<td>Options</td>
<td>Click the appropriate link to verify the type of address for the activity being conducted (e.g., payment, purchasing/procurement, etc.).</td>
</tr>
</tbody>
</table>
Supplier Record: Location Tab (cont.)

After clicking <Procurement> on the Location tab, verify that the address located in the Ordering section is the desired address to where the PO should be sent/emailed. This address is the only relevant location address for requisition preparers. If the address is not the desired address and the supplier has multiple locations, go back to the Location tab, go to the next location, and click that location’s <Procurement> link. If the necessary address does not exist, the preparer will need to submit a request to change the supplier’s file.

The freight terms, payment terms, and dispatch method may also be reviewed on this page. Expand the Additional Procurement Options section to see freight and payment terms for the location. If “Default” appears in these fields, the associated values for the University are:

- Freight Terms – Destination + FRT
- Payment Terms – Net 30

Expand the Dispatch Methods section to see the location’s dispatch method. Purchase orders with a dispatch method of “Print” are printed and mailed by the cluster’s procurement specialist.

Navigate to: Home > Suppliers > Supplier Information > Add/Update > Location > Procurement.

Use the decision tree below to determine whether a new supplier or a change to an existing supplier needs to be requested.
Request a New Supplier or Change an Existing Supplier

<table>
<thead>
<tr>
<th>Form</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier Authorization Form (forms library)</td>
<td>Form used to gather all the necessary information from the supplier so the supplier can be properly set up in the financial system.</td>
</tr>
<tr>
<td>W9 (forms library)</td>
<td>IRS form used to collect tax ID from the supplier.</td>
</tr>
<tr>
<td>Independent Contractor Authorization Form (forms library)</td>
<td>Form used to determine whether an employer/employee relationship exists for employment tax purposes.</td>
</tr>
</tbody>
</table>

Perform a supplier search in the financial system. Does supplier exist?

**Yes**

Is the supplier’s information correct?

**Yes**

Enter the requisition

**No**

Request a New Supplier

- Complete the Vendor (aka “Supplier”) Authorization Form.
- Obtain a completed W9 from the supplier.
- If the supplier is an individual or Sole Proprietor, complete the Independent Contractor Authorization Form.
- Fax the Vendor (aka “Supplier”) Authorization Form, IRS W9 and the Independent Contractor Authorization Form (where applicable) to Vendor Maintenance at 612-624-8552 or email to distnvc@umn.edu.
- Supplier Maintenance will set up the supplier in the financial system and send the supplier number back to department contact.

**Change an Existing Supplier**

- Determine what information needs to be changed.
- If the change is to the supplier’s tax ID, follow the Request a New Supplier steps.
- Obtain the information from the supplier.
- Complete the Vendor (aka “Supplier”) Authorization Form indicating the department contact information and the supplier’s new information.
  - Address change (order remit to 1999)
  - New location
  - Open for ordering status
  - Pay (lag change) (University standard is 80 days)
  - Dispatch method change (University standard Email)
  - Purchasing or Remit contact name/phone/email change or new contact information
- Fax the Vendor (aka “Supplier”) Authorization Form to Vendor Maintenance at 612-624-8562 or email to distnvc@umn.edu.
- Vendor Maintenance will set up the supplier in the financial system and send the supplier number back to department contact.
Create Requisitions

To create a requisition you must access eProcurement.

Navigate to: Home > eProcurement > Requisition.

The Create Requisition page is where the process of ordering items and services starts. There are 6 options related to ordering items and services on this page:

1. Use U Market – Apple to order directly from U Market or Apple.
2. Use Templates to create groups of items ordered frequently or always ordered together. Once a template is created, as single click adds the items in the template to a requisition. Please note, use of this tab is discouraged, as prices may change over time which can create issues with PO.
3. Use Standard Purchase to order from a non-catalog supplier.
4. Use Other Purchases to create requisitions for blanket orders or to create requisitions to purchase professional services.
5. Use Favorites to create a list of frequently ordered items. Preparers can then add items to a requisition from this list. Please note, use of this tab is discouraged, as prices may change over time which can create issues with the PO.
6. Use Recently Ordered to view items and services that were ordered recently. The three most items or services will display below heading.
It is an expectation that whenever possible, departments will purchase common lab, office, and maintenance supplies through U Market.

Navigate to: Home > eProcurement > Requisition > UMarket – Apple > UMarket

UMarket contains *hosted catalog suppliers* that have negotiated pricing for the University and they have integrated their catalogs within the U Market system.

The most commonly ordered items (copy paper, post-it notes, tissue, etc.) are warehoused at the university. Items we have on-hand are known as *UMarket Stock*. 
Ordering from U Market (cont.)

Some suppliers in U Market are punchout suppliers. This status is noted by a small box and arrow on upper right hand corner of suppliers icon. Clicking on punch out supplier’s icon will cause a ‘punch out” of U Market and it will go directly into the supplier’s online ordering website where the supplier has negotiated discounted rates specifically for the University. When finished adding items to the cart on the site, click <Return Cart to Purchasing Application>. Click <Submit>. Doing so will extract the items from the cart on the supplier’s website and bring them into the cart in U Market, where the order will be completed.

Search for items to order on the Home/Shop page using key words in simple search field.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREQ070</td>
<td>Access profile to set up assignees, codes, ship to locations..</td>
</tr>
<tr>
<td>Action Items</td>
<td>List of draft carts and carts assigned to the requester.</td>
</tr>
<tr>
<td>Notifications</td>
<td>Messages about the status of a cart, purchase order, or invoice.</td>
</tr>
<tr>
<td>0.00 USD</td>
<td>Active Cart US Dollar amount.</td>
</tr>
<tr>
<td></td>
<td>Alt Q, Quick Search for documents, order status, or fields.</td>
</tr>
<tr>
<td></td>
<td>Home/Shop page.</td>
</tr>
<tr>
<td></td>
<td>Draft and Active Cart list.</td>
</tr>
<tr>
<td></td>
<td>Document Search for carts, purchase orders, and invoices by the respective numbers.</td>
</tr>
<tr>
<td></td>
<td>View and search for contracts.</td>
</tr>
<tr>
<td></td>
<td>Accounts Payable, search for receipts and invoices.</td>
</tr>
<tr>
<td>Feature</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Alt M, menu key word search</td>
<td>Alt M, menu key word search to find other fields in the system.</td>
</tr>
<tr>
<td>Advanced Search</td>
<td>Advanced Search allows you to search by supplier, part number, or manufacturer name.</td>
</tr>
<tr>
<td>Favorites</td>
<td>Click the &lt;New&gt; button to create a Personal favorites folder. Name the folder. Use the &lt;Add to Favorites&gt; link next to each item that is selected to be saved in the Favorites folder.</td>
</tr>
<tr>
<td>Quick Order</td>
<td>Quick Order allows you to search for items by part number (SKU) to add to a cart.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Suppliers provides a list of all suppliers with icons to show type of supplier.</td>
</tr>
<tr>
<td>Categories</td>
<td>Categories allows you to search for products by category and subcategories.</td>
</tr>
<tr>
<td>Contract</td>
<td>Contract is not an active field at this time.</td>
</tr>
</tbody>
</table>
Ordering from U Market (cont.)

After a search is performed, the search function will display all items that match the search terms.

<table>
<thead>
<tr>
<th><strong>Item</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit Price</strong></td>
<td>Price listed per unit.</td>
</tr>
<tr>
<td><strong>Unit of Measure</strong></td>
<td>If the item is available in more than one UOM (e.g. “each” and “case”).</td>
</tr>
<tr>
<td><strong>Quantity Ordered</strong></td>
<td>The quantity to be ordered. Defaults to “1”.</td>
</tr>
<tr>
<td><strong>Add to Cart</strong></td>
<td>Adds the item to the active cart, USD total for the cart updates with the addition of each item.</td>
</tr>
<tr>
<td><strong>Add Favorite</strong></td>
<td>Click to add item to a <em>Favorite</em> folder where selected items can be saved for ease of ordering in the future. See “Creating and Using Favorites” video and Quick Reference Guide for more information.</td>
</tr>
<tr>
<td><strong>Compare</strong></td>
<td>Select up to three items to compare features of the product side by side.</td>
</tr>
<tr>
<td><strong>Add Keywords</strong></td>
<td>Enter additional keywords and click &lt;Go&gt; to narrow search results.</td>
</tr>
<tr>
<td><strong>Filter Results</strong></td>
<td>Click on any of the filters to see the products form that category highlighted in the original search results.</td>
</tr>
</tbody>
</table>
Once all items have been added to the cart, the cart must be submitted to the financial system. Click the Active Cart USD icon to view cart or checkout.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name this cart</td>
<td>Name is the date the cart was initiated and the name of the person who started the order by default. Give the cart a unique name or use a department naming convention to make the cart easier to find.</td>
</tr>
<tr>
<td>Update</td>
<td>Click to save any changes made to the order.</td>
</tr>
<tr>
<td>Continue Shopping</td>
<td>Returns to the Home/Shop page.</td>
</tr>
<tr>
<td>Help</td>
<td>Definitions of terminology on the site.</td>
</tr>
<tr>
<td>Proceed to Checkout</td>
<td>Click button when ready to add category codes.</td>
</tr>
<tr>
<td>Assign Cart</td>
<td>Click to assign cart to an assignee/requisition preparer who can complete the order in EFS.</td>
</tr>
<tr>
<td>Empty cart</td>
<td>Remove all the contents from the cart. Name will remain on empty cart.</td>
</tr>
</tbody>
</table>
Ordering from U Market (cont.)

Select the appropriate category codes for the items ordered in the cart.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital/NonCapital</td>
<td>Items that meet the definition of a newly acquired capital asset should be given the code “Capital”. Definition of capital equipment asset is an item priced over $5000 that has a shelf life of more than one year and is not affixed to a building. All other items should be coded “Non Capital”.</td>
</tr>
<tr>
<td>Class</td>
<td>Select the type of item.</td>
</tr>
<tr>
<td>Category</td>
<td>Further refine the type of item.</td>
</tr>
</tbody>
</table>
After the codes have been selected, click <Return Cart to EFS> to move the products from the cart in U Market into an EFS requisition. All additions or changes to the cart must be complete before returning the cart to EFS.

The item you have ordered is brought over to the Checkout – Review and Submit screen.
Create an EFS Requisition from a U Market Cart

The requisition preparer is responsible for finishing and submitting the carts assigned to them. See the “Create an EFS Requisition from a U Market Cart” job aid for more information.

- Navigate to: Home > eProcurement > Requisition > UMarket – Apple > UMarket
- Click <Action Items>.
- Locate the intended cart.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a Cart</td>
<td>Start a new blank cart.</td>
</tr>
<tr>
<td>Assign a Substitute</td>
<td>Allows requisition preparer to select alternate requester to complete carts when they are out of office for an extended time for vacation or business trip. See “Assign Substitute Roles” video for more info.</td>
</tr>
<tr>
<td>My Drafts</td>
<td>Shopping carts that have been created by the requester that have not been submitted.</td>
</tr>
<tr>
<td>Drafts Assigned to Me</td>
<td>Shopping carts that have been assigned to requester by other shoppers. Requisition preparer reviews carts to confirm that Justification and ChartField information is present. See “Return a Cart for More Information” video if Justification and ChartField info is not complete, or add info as necessary.</td>
</tr>
<tr>
<td>Drafts Assigned to Others</td>
<td>Shopping carts that have been assigned by requester to others.</td>
</tr>
<tr>
<td>Shopping Cart Name</td>
<td>Click a cart name to open the cart. Click &lt;Proceed to Checkout&gt;. Verify that category codes have been selected.</td>
</tr>
</tbody>
</table>
Create an EFS Requisition from a U Market Cart (cont.)

The requisition preparer must review the items submitted by the shopper and ensure they are correct. Once verified, click <Return Cart to EFS>.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cart</td>
<td>View category codes and lines with items from the active cart.</td>
</tr>
<tr>
<td>Justification</td>
<td>Check on the Justification tab to see the note from the shopper. Verify that the Justification is complete with the 5Ws (who, what, where, when, why) and that the ChartField string is included. NOTE: It is recommended that the requisition preparer highlight the text of the note and copy it (CTRL C) in order to paste it into another page later.</td>
</tr>
<tr>
<td>Attachments</td>
<td>If you need to add an attachment, return to the Cart Summary tab and find the add attachment... link.</td>
</tr>
<tr>
<td>History</td>
<td>All actions taken on a cart are recorded in a list with times, status, and notes.</td>
</tr>
<tr>
<td>Return Cart to EFS</td>
<td>Total contents of the cart are transferred from the cart in U Market to a requisition in EFS. Review Requisition Summary to see lines in the order.</td>
</tr>
<tr>
<td>Assign Cart</td>
<td>Select assignee to complete cart. Requisition preparers complete their own carts in most cases.</td>
</tr>
</tbody>
</table>
Return a U Market Cart for More Information

Requisition preparers review carts that have been assigned to them by shoppers to verify that a complete Justification, ChartField information, and shipping detail is included. Depending on departmental processes, a requisition preparer might return a cart to a shopper in order to collect any missing information before the cart is submitted for EFS approval. Once finished, click <Proceed to Checkout> and follow the instructions discussed in this reference manual's “Checkout - Review and Submit Screen” section.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return Cart</td>
<td>When the button is clicked, a pop-up box is provided to type a note of explanation to the shopper about the information that is missing. Give contact information and directions about completing the information needed and resubmitting the cart.</td>
</tr>
</tbody>
</table>
Checkout - Review and Submit Screen

Once all items have been added to the requisition, clicking on <Checkout> takes you to the Checkout - Review and Submit screen. This screen is used to review and modify requisition and line information. Information can be changed on an individual line basis or for all lines at once.
Checkout - Review and Submit Screen (cont.)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Requisition</td>
<td>Provides access to Requisitions Settings page.</td>
</tr>
<tr>
<td>Settings&gt;</td>
<td></td>
</tr>
</tbody>
</table>

REQUISITION SUMMARY

Business Unit  Defaults to “UMN01” for all University purchases and cannot be changed.

Requester  ID of the requisition preparer or requester selected at the start of the requisition.

Requisition Name  (30 characters) Description of the requisition to help identify it in the system. Enter a name that clearly describes the requisition. If the department has naming conventions, follow them. If no entry is made, the system-assigned requisition ID number populates this field when the requisition is saved.

Currency  Defaults to USD (US Dollar) and must never be changed.

Priority  Defaults to “Medium.” This field is visible to approvers. “Low” or “High” can be selected but this does not expedite the requisition in any way.

CART SUMMARY

<+ Add More Items>  Return to previous page to add a new item (line)

Expand Section  (icon)  Click this icon to expand the line item and view details for the line. ChartField information can be entered when the section is expanded.

Line  The requisition line number assigned by the financial system. Lines can be modified or deleted by selecting the line checkbox.

Description  Description of the item. This information defaults from the Add Items and Services page. This is the description that was entered in the Item Description field when the line was created or modified.

Item ID  Do not use.

Supplier  Name of supplier.

Quantity  Number of items to purchase.

UOM  Unit of measure.
**Checkout - Review and Submit Screen (cont.)**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Price</strong></td>
<td>Item price.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>System-calculated total cost per requisition line.</td>
</tr>
<tr>
<td><strong>Line Details (icon)</strong></td>
<td>Do not use.</td>
</tr>
<tr>
<td><strong>Comments (icon)</strong></td>
<td>Click to open the Line Comments screen. Additional comments about the line item may be added or viewed. Documents can also be attached or viewed. See later in this manual for more information.</td>
</tr>
<tr>
<td><strong>Delete (icon)</strong></td>
<td>Click this button to delete the requisition line.</td>
</tr>
<tr>
<td><strong>Ship To Address</strong></td>
<td>Full business address of where the order will be delivered (P Location). Ship-to codes begin with the letter “P” followed by the DeptID, followed by a 3-digit code (e.g., P10084001). If the desired location does not display when the look-up icon is clicked, contact Purchasing Services.</td>
</tr>
</tbody>
</table>

![Image of Look Up Ship To dialog box]

**Attention To**

Defaults to the requester’s name and may be manually changed, if desired.

**Due Date**

Do not use.

**<Add Ship to Comments>**

Do not use.

**<Add One Time Address>**

Do not use.
Checkout - Review and Submit Screen (cont.)

**Distribute By**
Distributes the requisition’s ChartField information for distribution. Defaults to “Qty” (quantity) but can be changed to “Amt” (amount). This will allow for calculation of split distribution based on quantity or dollar amount.

**SpeedChart**
Do not use.

**Accounting Lines**
ChartFields for the line. These fields may be populated based on predefined defaults, or in the case of Account, from the selected category. If the account value is incorrect, go back to the item and select a different category. Use these fields to make changes to individual requisition lines.

NOTE: U Market Account codes cannot be edited once the cart is in EFS. A new cart would have to be added and the incorrect line must be deleted.

Splitting the distribution of a requisition line means allocating the cost of the line to two or more ChartField strings.

**How to Split Cost of Line Across Two or More ChartFields**

**Step #1** - In **Accounting Lines** section scroll to far right and click on “+” icon to add a second row. Repeat if needed to add more rows.

**Step #2** - Scroll back to the left and click on Show All Columns icon to add more fields to the row(s). Fill in ChartField information for each row.
Checkout - Review and Submit Screen (cont.)

Step #3 - Scroll back to the right and fill in the Percent field with split amount.

<table>
<thead>
<tr>
<th>Status</th>
<th>Dist Type</th>
<th>Location</th>
<th>Quantity</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td></td>
<td>0100000001</td>
<td>0.5000</td>
<td>50.000</td>
</tr>
<tr>
<td>Open</td>
<td></td>
<td>0100000001</td>
<td>0.5000</td>
<td>50.000</td>
</tr>
</tbody>
</table>

Select All/
Deselect All
Select this checkbox to take some action on all lines that are selected.
The most common action taken is Delete Selected.

Add to Favorites
Use Add to Favorites option to move information about items being ordered to your list of frequently ordered items. Preparers can then add items to a requisition from this list. Use of this feature is discouraged, as prices may change over time which can create issues with the PO.

Add to Templates
Saves a group of items that are frequently ordered together into a single template. These items can then be continually reordered by using the Add to Templates option to select some or all of the template items for the requisition. Note that prices and other details about items in templates are not automatically updated, so using templates may result in inaccurate information.

Delete Selected
Select one or more requisition lines and click this button to delete lines.

Total Amount
Total cost for the entire requisition.

Requisition Comments and Attachments
Comments put in this field are called “header” comments as they apply to the entire order. Click <Send to Supplier> if they are to print on the PO. Information about Discounts, Shipping, Freight, Deliveries pertaining to whole order should be entered into this field. In addition, University forms (e.g. Price Comparison Form) should be attached here.

Please note, when creating requisitions that include two or more lines and one of the lines requires specific information about Discounts, Shipping, Freight or Delivery this information should be entered as a “Line Level” comment by clicking on the Line Details icon.
Checkout - Review and Submit Screen (cont.)

Send to Supplier

Only select this checkbox whenever comments and/or the attachment must be sent to the supplier with the purchase order.

Important note: If the attachment must be sent to the supplier, both Send to Supplier checkboxes must be selected on both the Comments and Attachment sections or the supplier will not receive it.

Show at Receipt

Select this checkbox to display comments at the time of receipt so receivers can verify the correct items have been received.

Show at Voucher

Select this checkbox to display comments at the time of voucher entry so the voucher preparer can verify that the University has been billed correctly.

Approval Justification

Must include the who, what, where, why, and when of the purchase (also known as the 5Ws). University policy requires all requisitions to include justification information. Justification comments should not be sent to the supplier.

/Add More Comments and Attachments/>

Used to add additional comments and/or attachments at the header level.

/Save & Submit/>

Saves the completed requisition and routes it for approval.

/Save for Later/>

Saves requisition in “open” status. While in this status, no approvers will be able to review or take action upon it.

/+ Add More Items/>

Return to previous page to add a new item (line).

/Preview Approvals/>

Used to preview approval required for requisition.
COMMENTS

Any information about discounts, shipping, freight and delivery for the whole requisition should be entered into the Requisition Comments and Attachments field. Comments added to this field are called “header” comments and this information is printed out on the purchase order. The preparer can determine whether the supplier, receiver, and/or voucher preparer sees this information.

Please note, when creating a requisition that include two or more lines and one of the lines requires specific information about Discounts, Shipping, Freight or Delivery this information should be entered as a “Line Level” comment by clicking on the Line Details icon.

ATTACHMENTS

In some cases, additional documents or forms must be attached to the requisition in the financial system. For example, all CPS-related requisitions require mandatory forms to be attached. To attach a document to requisition click on the Add more Comments and Attachments option on the Checkout – Review and Submit screen.

After clicking on the Add more Comments and Attachments option, the Header Comments sub page appears, allowing preparers to enter additional comments regarding the requisition as well as add attachments. The preparer can determine whether the supplier, receiver, and/or voucher preparer sees this information.
If special instructions need to be included for the supplier, an attachment could be used for this purpose. Any attachments linked to a requisition and flagged “Send to Supplier” will be dispatched with the purchase order to the supplier. Make sure that internal documents such as the Price Comparison Form or PSIS are not sent to the supplier.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Standard</td>
<td>Enter comments necessary for the requisition not already contained in the Requisition Comments and Attachments field.</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>Send to Supplier</td>
<td>Select this checkbox to send comments and/or the attachment to the supplier along with the purchase order. Do not select this checkbox unless all the comments and the attachment are meant for external communication.</td>
</tr>
<tr>
<td>Show at Receipt</td>
<td>Select this checkbox to display comments at the time of receipt so receivers can verify the correct items have been received.</td>
</tr>
<tr>
<td>Show at Voucher</td>
<td>Select this checkbox to display comments at the time of voucher entry so the voucher preparer can verify that the University has been billed correctly.</td>
</tr>
<tr>
<td>&lt;Add Attachment&gt;</td>
<td>Click to select and add an attachment to the requisition.</td>
</tr>
<tr>
<td></td>
<td>• Only one attachment may be added at a time. To add another attachment, click &lt;+&gt; to insert a new Header Comments row.</td>
</tr>
<tr>
<td></td>
<td>• Attachments are stored with the requisition throughout its life cycle.</td>
</tr>
<tr>
<td></td>
<td>• Important note: If an attachment must be sent to the supplier, both the “Send to Supplier” checkboxes must be selected on both the Comments row and the Attachment section or the supplier will not receive the attachment.</td>
</tr>
<tr>
<td></td>
<td>• A Price Comparison form must be attached for all non-U-wide contract requisitions $10,000 to $49,999. This form is considered mandatory by Purchasing Services and the Office of Internal Audits.</td>
</tr>
<tr>
<td></td>
<td>• CPS-tab requisitions will also typically require attachments. Please refer to the “Required Forms for Professional Services Contracts” section in this manual.</td>
</tr>
<tr>
<td></td>
<td>• Additional forms may be required based on the type of goods or services that are ordered as well as the dollar amount.</td>
</tr>
</tbody>
</table>
• The financial system will only accept these types of files:
  o Microsoft Word
  o Microsoft Excel
  o PDF

Note: This attachment process is not intended to be used in place of the ImageNow process. Therefore, do not attach invoices in the requisition.

<OK> Click to save the comments and return to the previous page.

<Cancel> Click to return to the previous page without saving comments.
Requisition Confirmation

Upon saving and submitting the requisition for approval or “saving for later,” the following **Confirmation** screen displays. This allows a final summary of the requisition and identifies its expected approvers.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested For</td>
<td>Name of the requester.</td>
</tr>
<tr>
<td>Number of Lines</td>
<td>Total number of lines on the requisition.</td>
</tr>
<tr>
<td>Requisition Name</td>
<td>The system-assigned requisition number, or the description entered by the preparer.</td>
</tr>
<tr>
<td>Total Amount</td>
<td>Total dollar value of the requisition.</td>
</tr>
<tr>
<td>Requisition ID</td>
<td>Requisition ID number assigned by the financial system upon saving.</td>
</tr>
<tr>
<td>Business Unit</td>
<td>Always “UMN01.”</td>
</tr>
<tr>
<td>Priority</td>
<td>Requisition priority as indicated by the preparer.</td>
</tr>
<tr>
<td>Budget Status</td>
<td>Will always be “not checked” on this <strong>Confirmation</strong> screen.</td>
</tr>
<tr>
<td>Dept and Certified Approval</td>
<td>Indicates the approvals required for this requisition. If “pooled” appears, click on the &lt;Multiple Approvers&gt; hyperlink to see the list of possible approvers.</td>
</tr>
</tbody>
</table>
Requisition preparers monitor the requisitions that they create until the supplier payment is posted in EFS. The U Market system provides the opportunity for requisition preparers, shoppers, and others to view documents related to U Market purchases. It is possible to search for documents related to the cart, the purchase order (PO), and the invoice in the U Market system by clicking on the documents icon on the Home/Shop page of U Market. It is not necessary to include information in every field. The search will return results based on the fields that are filled.

Hover over the Orders and Documents icon and the fly out menu will appear. Click <Search Documents>.

[Image of U Market interface showing the orders and documents menu with options to search documents.]
### Document Search in U Market (cont.)

<table>
<thead>
<tr>
<th><strong>Item</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Simple Search</strong></td>
<td>Basic search parameters include the type of document and the date of the document.</td>
</tr>
<tr>
<td><strong>My Carts</strong></td>
<td>Shows carts you have created in last 90 days.</td>
</tr>
<tr>
<td><strong>My Purchase Orders</strong></td>
<td>Shows purchase orders that you have created within last 90 days.</td>
</tr>
<tr>
<td><strong>Search</strong></td>
<td>Drop-down menu where Cart, Purchase Order, or Invoice can be selected, then click &lt;Go&gt;.</td>
</tr>
</tbody>
</table>

#### GENERAL DOCUMENT INFORMATION

**Document Numbers**  Documents related to U Market purchases are assigned a document number.

#### DOCUMENT INFORMATION

**Participant (s)**  Search by name for people who have touched the order in some way.

**Owner**  Search by name for the person for whom the order was prepared, usually the shopper or the person who initiated the order.

**Date**  Narrow the search by using the drop-down menu and a time period.

**Total Amount**  Narrow the search by using the drop-down menu and a total dollar amount.

**Supplier**  Search by supplier name.

#### ITEM/PRODUCT INFORMATION

**Catalog Number**  Specific item number. Results will show document cart number that contains the item entered.

**Product Description**  Lists all carts that contain the item description.

**Product Flags**  Click the box(es) to search for the products of that type.

**Go**  Click after the parameters of the search have been selected to generate a list of results.
The **Standard Purchase** option is used to request goods or standard services that are not available from a Web tab supplier and also are not a blanket or CPS order. This includes items or services covered by a U-Wide contract as well as items that require competitive bidding. Whenever possible, it is recommended to use these suppliers as price reasonableness has already been established. To find item information on U-Wide Contracts go to the Purchasing Services website.

Navigate to: **Home > eProcurement > Requisition**

![Create Requisition](image)

<table>
<thead>
<tr>
<th><strong>Field Name</strong></th>
<th><strong>Field Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>(256 characters) Free-text description of the item to be purchased. The description must be complete enough for the supplier to ship the correct item and for the receiver or voucher preparer to determine that the correct item was delivered or invoiced. Note: When ordering from a U-Wide Contract supplier, enter the exact item description as supplied by the supplier.</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>(16 characters) The item price per unit of measure, inclusive of any discounts. Do NOT use the dollar sign ($) or commas in this field.</td>
</tr>
</tbody>
</table>
Standard Purchases (cont.)

Currency
The currency in which the purchase is being made. This will always be USD.

Quantity
(16 characters) Quantity to be ordered, based on Unit of Measure.

Unit of Measure
(1-3 characters) The ordering unit of measure (UOM). Example: EA (each), CS (case), LBS (pounds). Avoid matching errors by making sure to use the supplier’s selling unit of measure. Note: “Lot” should be used for blanket and CPS orders only.

Category
The purchasing category in which the item resides. Category is used to define the type of purchase and determines the Chart of Accounts Account ChartField value for the item.

To select a category, it is important to first determine whether or not the item is a capital asset. Based on the capital asset/non capital asset decision, there are three different ways to select a category. When entering a requisition, click on the magnifying glass to search for the category code appropriate for the requisition line.

Requesters have the option to search for a category based upon the operator selected from the Search By drop down field, either “Account” or “Description”. This Search By Account code search is best for non assets. Asset account codes may also be used to search for asset categories but currently, the resulting display will be a long list.

When “Account” is selected, type an account code in the blank field and click <Find>. This will display a short list of category codes that are related to the selected account code. Based on the description of the item you are looking for, click on the category link and the category code will be added to the requisition. This Account code search is best for non-assets.

When “Description” is selected, type a key word into the blank field and click <Find>. This will display a short list of category codes that are related to the selected account code. Based on the description of
Create Requisitions – Reference

Leadership and Talent Development, OHR | 3-18-15

59

Standard Purchases (cont.)

the item you are looking for, click on the category link and the category code will be added to the requisition.

To locate a category (this may be the best method to locate an asset category), it is possible for requesters to access the category tree using the caret (small triangle) on the left of the heading. Browse Category Tree, at the bottom left of the screen. This will open the category tree where Capital Asset and Non-Capital Asset nodes are visible. Then drill into the appropriate category tree. Select a category from the lowest possible level (the folder icon will not contain a plus symbol).

Note: Do not copy and paste an account code into the Account field on a requisition, it will not signal the correct information to the system.

Supplier ID

(10 characters) The supplier’s ID number as assigned by the financial system.

- Always use the magnifying glass (search) icon to select the supplier for a requisition.

- There are three things to verify about the supplier for each requisition: the approval status, the supplier is “open” for ordering (noted with “Y”), and if the location address listed in the line detail is consistent with the location address you selected.

- When looking up a supplier on a new requisition, the results screen also shows a Line Detail icon. If you click on this, you can verify whether the supplier is “Approved” and “Open for Ordering” without going out to the Supplier File to look up this information.

- Search for your supplier on the Requisition screen and view the list of locations like below:

- Click the Line Detail icon to see supplier Approved or Open for Ordering Status.
Standard Purchases (cont.)

When you have determined that the supplier information is complete for your requisition, click <OK> to return to the list of supplier locations. Select the location and click the <Supplier ID> in that row.

It is appropriate to check the Supplier record from the EFS home page if there is a need to research more information about the supplier that cannot be found on this detail screen. Questions about Supplier records should be directed to Disbursement Services.

All supplier locations must be the same on the requisition in order to produce a single PO. If items on a requisition are from more than one supplier or more than one location for the same supplier, multiple POs will be produced for the requisition. If this is an issue, create a separate requisition for each location or supplier.

Do not copy and paste the supplier number from one line to another, as it will likely result in the creation of multiple PO’s.

If bidding is not required, a supplier must be selected for each requisition line. If it is not, a sourcing error will occur.

If bidding is required, leave this field blank.

**Supplier Name**
(50 characters) This field is populated by results of supplier search using Supplier ID.

**Supplier Item ID**
(50 characters) The item’s ID number or description as defined by the supplier. This field is populated by point-and-click shopping from U-Stores (and potentially other suppliers).

**Mfg ID**
(50 characters) The manufacturer’s name. This optional field is for internal use only and does not print on the PO.
**Standard Purchases (cont.)**

**Mfg Item ID**

(50 characters) The manufacturer’s item ID number or description as defined by the manufacturer. This optional field is for internal use only and does not print on the PO.

**Freight Definitions**

<table>
<thead>
<tr>
<th>FOB terms</th>
<th>Who is responsible for freight or shipping costs.</th>
<th>Title (Ownership) Passes</th>
<th>Who files damages or loss claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Destination (U of M Preferred Term)</td>
<td>If there are no other qualifiers, Seller is responsible for freight costs.</td>
<td>Seller owns shipment is delivered/accepted at U of M location. U of M takes title upon delivery.</td>
<td>Supplier files for any damage that occurs before U of M accepts delivery. After delivery, U of M files damage claim.</td>
</tr>
<tr>
<td>FOB - Destination - Freight Prepaid and Allowed</td>
<td>Seller pays freight costs. Freight is included in the product price.</td>
<td>Seller owns until shipment is delivered/accepted at U of M location. U of M takes title upon delivery.</td>
<td>Supplier files for any damage that occurs before U of M accepts delivery. After delivery, U of M files damage claim.</td>
</tr>
<tr>
<td>FOB Destination - Freight Prepaid and added</td>
<td>Seller prepays freight costs and adds to submitted invoice.</td>
<td>Seller owns until shipment is delivered/accepted at U of M location. U of M takes title upon delivery.</td>
<td>Supplier files for any damage that occurs before U of M accepts delivery. After delivery, U of M files damage claim.</td>
</tr>
</tbody>
</table>

**NOTE:** Before placing order, clarify with supplier whether the freight/shipping costs will be a separate invoice line or are included in the quoted product price.

**NOTE:** University does not accept FOB Terms of Collect.

<table>
<thead>
<tr>
<th>FOB Origin</th>
<th>If there are no other qualifiers, Buyer is responsible for freight costs.</th>
<th>Buyer owns goods from shipping point and in route to U of M location.</th>
<th>Buyer files for any damage that occurs once shipping starts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Origin, Freight Prepaid</td>
<td>Buyer paid freight costs. Freight is included in the product price.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOB Origin, Freight Prepaid and Allowed</td>
<td>Seller prepays freight costs and adds to submitted invoice.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Send to Supplier**

Select as appropriate. Selecting this checkbox causes the contents of the *Additional Information* field to print on the purchase order.

**Show at Receipt**

It is recommended to always select. Selecting this checkbox causes the contents of the *Additional Information* field to display at the time of receipt in order to verify that the correct items have been received.
Standard Purchases (cont.)

Show at Voucher: It is recommended to always select. Selecting this checkbox causes the contents of the Additional Information field to display at the time of voucher entry in order to verify that the University has been billed correctly for the purchase.

Request New Item: Do not use.
Assets – Definitions and Examples

Goods that are considered capital assets require special treatment at purchase time. If proper steps are not followed to purchase a capital asset, time-consuming corrections are required. Most importantly, it will make the University’s financial reports inaccurate.

Capital Asset: Any tangible property that cannot easily be converted into cash and that is usually held for a long period, including real estate, equipment, etc. Capital equipment is the most common type of capital asset and is the only type of capital asset purchased by most requisition preparers. This document describes the steps for purchasing capital equipment.

Capital Equipment: Any movable, non expendable equipment item not permanently affixed to a building and with a life expectancy of more than one year and an acquisition cost of $5,000 or more per unit. This includes improvements that increase the value or extend the useful life of equipment. This distinction is important because it conforms to federal definitions and requirements as well as NACUBO accounting standards for capital equipment and matches the current University definition of capital equipment in the chart of accounts. (See also UM Financial Procedure—“Purchasing from Equipment Reserve Accounts.”)

Capital Equipment, Add-ons, and Make-Ready Costs: A capital equipment asset consists of the asset plus any add-ons (itemized components or accessories) listed on the requisition that are necessary to place the asset in service for its intended purpose. The acquisition value of a capital equipment asset consists of the cost of the asset plus the cost of all itemized components and accessories. Itemized asset add-ons (or their respective costs) are referred to as make-ready costs.

Depreciation
Because assets have a longer life expectancy, the entire expense of acquiring them is not recognized immediately. Instead, a portion of the expense is recognized in each accounting period over the life of the asset. A depreciation schedule describes how much of the asset’s cost should be expensed in each accounting period. This depreciation must be taken into account when the unit making the purchase creates its budget. The asset category code selected for an asset on the requisition determines which depreciation schedule applies to the asset. Non-assets do not require this special attention. The full cost of the non-asset is recognized as an expense at the time of purchase.

Policies
All University policies related to purchasing goods and services also apply to the purchase of capital assets. Refer to the “Managing University Capital Equipment” policy for details.

Capital assets may not be ordered on blanket orders.

Capital Asset Categories
When purchasing a capital asset for the University, it is critical that the preparer select the appropriate capitalized asset category on the purchase requisition.
Selecting a capitalized asset category on the purchase requisition enables the following actions to take place:

- The requisition distribution line is flagged as a capitalized asset automatically by the financial system.
- The correct Account value automatically defaults in the Account field. The Account value for all capital equipment assets is 850101.
- A predefined asset profile is automatically linked to the asset based on the category selected.
- The asset will be available to be formally received in the financial system by the procurement specialist.

When purchasing a capital asset, several steps usually happen before the requisition is actually created in the financial system.

**Special Terms and Conditions**

Some special capital equipment purchase situations require special treatment. Contact Inventory Services for help in completing the requisition for assets that meet any of the following criteria:

- Assets with down payments, partial payments, and/or prepayments
- Assets purchased with a trade-in
- Assets with capital leases
- Upgrades to existing capital assets
- Fabricated capital equipment
Preparing to Create a Requisition for a Capital Asset

**Why Accuracy is Important**

It is extremely important to set up capital asset requisitions accurately and to handle other asset tasks with precision. Reasons include:

- The University Code of Conduct Policy requires it.
- If users enter transactions incorrectly, they will have to make corrections later. In most cases, correcting errors is more time consuming than making the correct entries to begin with.
- It is difficult and expensive to correct errors, which means there is less money for other University purposes.
- The integrity of the University’s financial reports is put at risk, as the depreciation and other asset-related data will be inaccurate.

**Planning the Requisition Entry**

A requisition must be set up to match the way the capital asset will be received. Therefore, a line on the requisition is needed for each item that will show a separate amount on the supplier’s invoice. When the physical assets are received, each itemized asset should be received against the corresponding line on the requisition.

**One asset per line.**

If more than one discrete capital asset is included on a single requisition, each asset must be entered on a separate line on the requisition. Then, each physical asset can be received against its own line on the requisition, and additional asset information (serial number, etc.) can be entered for it separately. If more than one asset is grouped together on a single requisition line, it is impossible for Inventory Services to enter asset information for each asset.

**Assets are received only by quantity.**

As a related matter, assets can be received only by quantity. That is, an asset requisition cannot be set up with a Unit of Measure of “Lot.” In most cases an asset requisition will be set up with a Quantity of “Each” and the assets will then be received by quantity.
Preparing to Create a Requisition for a Capital Asset (cont.)

Always consider whether add-ons may be involved in the purchase.

Some asset purchases may involve add-ons. Add-ons are comprised of component pieces, accessories, or other make-ready costs. The acquisition costs of assets and their accessories and components will affect how they are entered on a requisition. The costs of many add-ons of capital equipment assets should be included in the total cost of the asset. However, the following items SHOULD NOT be included in the total cost of a capital equipment asset. If they are itemized, they should be added as a separate line, with a separate cost and a non capitalized category code.

- Application software
- Service plans
- Training
- Warranties
- Modular furniture

If add-ons have separately itemized costs on the quote and will have separately itemized costs on the invoice, then each item should be included on a separate line on the requisition. The items should be assigned a category code for a capitalized asset. Examples include:

- Itemized components of the asset on the same requisition (and PO)
- Itemized accessories of the asset on the same requisition (and PO)
- Handling charges
- Installation charges
- Operational software
- Shipping charges (Note that freight charges should be described in the Additional Information field and should not be added as a separate line on the requisition.)

If add-ons do not have separately itemized costs on the quote and will not have separately itemized costs on the invoice, then they should not be given separate lines on the requisition. Instead they should be listed as add-ons in the Additional Information field. When the physical asset is received, because the non-itemized add-ons do not have their own lines on the requisition, they will not be received separately.

For questions about which accessories and components of an asset should be capitalized, contact the Financial Helpline 612-624-1617.
Preparing to Create a Requisition for a Capital Asset (cont.)

The following examples describe how requisitions are created for various assets and their make-ready cost and how these items are received.

**Examples**

*Example 1 - $45,510 John Deere Tractor*

- Line 1 – One John Deere Tractor for $45,510 (asset)

The cost of the tractor is greater than $5,000, therefore it is entered as an asset and given a capitalized asset category code.

*Example 2 - $8,500.00 Chromatograph and $5,550.00 Autosampler*

- Line 1 - One chromatograph processor for $8,500.00 (asset).
- Line 2 - One chromatography pump for $2,100.00 (asset accessory).
- Line 3 - One detector for $1,900.00 (asset accessory).
- Line 4 – One autosampler for $5,550.00 (asset).

Even though the item on line 4 might be considered a component or accessory to the item on line 1, because its acquisition cost is greater than $5,000, it is entered as an asset in its own right.

When this equipment is received, the casual receiver must fill out a Capital Equipment Asset Receipt Form and a procurement specialist will record the receipt in the system. Receipt quantity must be entered for all lines and additional physical information must be entered for lines 1 and 4, both of which are assets in their own right.
Creating a Capital Asset Requisition

Requisitions for capital assets including itemized accessories, components, and make-ready costs are entered using the Standard Purchase option or UMarket option. Do not use the Other Purchases - Blanket Orders option for capital assets.

In the Standard Purchase option, enter information about the capital asset. The fields described below have unique information regarding the entry of a requisition for a capital equipment asset:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item Description</td>
<td>(up to 256 characters) A description of the asset or the itemized add-on. The description should both make it clear to the supplier exactly what asset or add-on is being purchased and include an appropriate description that Inventory Services will understand so they can verify that the correct item has been purchased. Example - A laptop is needed for monitoring and controlling some electrical devices for an experiment and the laptop appears in the supplier's catalog as &quot;X242805-Notebook.&quot; Something like the following should be entered in the Item Description field: &quot;X242805-Notebook— laptop computer for electrical device control.&quot;</td>
</tr>
</tbody>
</table>
Creating a Capital Asset Requisition (cont.)

**Quantity**
The quantity to be ordered, based on the unit of measure. For capital assets, the quantity should be a whole number.

**Unit of Measure**
The ordering unit of measure. Click the magnifying glass icon next to Unit of Measure and select the ordering unit of measure. Be sure to use the supplier’s selling unit of measure. Do NOT select “Lot” for capital asset orders unless that is the supplier’s selling unit. For most capital assets, the unit of measure will be “Each” or another specific unit of measure.

**Category**
The purchasing category for the asset. Category is used to define the type of purchase. It determines the account code for the item. When capital assets are purchased, the selected category must be one defined specifically for a capital asset.

- When the **Category Tree** is browsed to select the category code, a category code from the Capitalized branch of the tree must be selected for all capital assets and qualifying add-ons.
- For an accessory or add-on that will not be capitalized (e.g. application software with a cost less than $5,000), a non-capitalized category code must be selected.
- A category must be selected from the lowest level possible (the folder icon will NOT contain a + sign).
- Category codes for capitalized assets are all numeric. Category codes for non-capitalized assets begin with a letter.
- The correct account code automatically defaults in Account based on the category selected. All capital equipment assets default to account 850101. Non-capitalized add-ons will default to a noncapitalized account.
- A budget must exist for the defaulted account in order for the transaction to be processed properly.
- A predefined asset profile is linked to the asset automatically based on the category selected.
Creating a Capital Asset Requisition (cont.)

When all the items have been added, click <Checkout> to open the Checkout - Review and Submit screen on which the requisition can be reviewed and modified.

Field Name | Field Description
--- | ---
Quantity | Number of items to purchase. This should be a whole number for capital assets.
UOM | Unit of measure. This information defaults from the Add Items and Services page. “Lot” should not be used for capital asset orders unless that is the supplier’s selling unit.
Accounting Lines | The COA Account value for all capital equipment assets is 850101. If it is not this value, a different category must be selected.
Asset Receiving

All goods must be physically received by the department/casual receiver in accordance with the Purchasing Goods and Services policy and the Receiving Purchases procedure. This policy and procedure can be found in the UWide Policy Library.

The department/casual receiver must verify what is physically received by comparing the packing slip (or other shipping document) with the physical item(s) present. For a capital equipment asset, this includes comparing the serial number on the packing slip with the serial number on the asset.

**Recording the Receipt of Non-Assets**

The department/casual receiver physically receives AND records in the financial system the receipt of non-capital equipment items or supply items (non-assets).

**Recording the Receipt of Assets**

The department/casual receiver physically receives capital equipment assets. During the physical receiving process, the department/casual receiver collects physical information (model, serial number, etc.) on each asset present. The information is recorded on a Capital Equipment Asset Receipt Form (UM 1681), which is then submitted to the assigned procurement specialist.

### Capital Equipment Asset Receipt Form

Complete this form during the physical receiving process to capture data about capital equipment assets and notify the procurement specialist of the physical receipt of assets. Receivers can only record in EFS the receipts of non-asset orders. Procurement specialists must record in EFS the receipts of asset orders or mixed asset/non-asset orders.

**Receiver**

Complete the first two sections below and route this form to your cluster procurement specialist. It is recommended that a copy of the packing slip be routed with this form.  

<table>
<thead>
<tr>
<th>PO ID</th>
<th>Line</th>
<th>Line Description</th>
<th>Serial Number</th>
<th>Asset Custodian</th>
<th>Asset Location (Bldg/Room)</th>
<th>Manufacturer (Not the Vendor)</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>EX</td>
<td>0000123456</td>
<td>MICROTON, COYOSTAT</td>
<td>0123456789</td>
<td>DOE, JOHN</td>
<td>MOOST 1-394</td>
<td>LEICA MICROSYSTEMS</td>
<td>CM1000</td>
</tr>
<tr>
<td>1.</td>
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<td>2.</td>
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<td>3.</td>
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<td>4.</td>
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<td>5.</td>
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<td>6.</td>
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<td>7.</td>
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<tr>
<td>8.</td>
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<td></td>
</tr>
</tbody>
</table>

**Procurement Specialist**

Record the receipt in EFS of the items above and route this form to the voucher preparer to have a scanned copy placed in the imaging system with the invoice. It is recommended that a scanned copy of this packing slip be placed in the imaging system with the invoice and this form.

[Table content]
Creating Blanket Orders

Blanket orders give the University the ability to combine like purchases to get the best possible pricing from the supplier. They allow the University approvers to pre-approve the individual, smaller non-asset purchases through the award of the blanket order for the contract period. The financial system will NOT allow capital assets to be purchased by using the Blanket Order tab.

Blanket purchase orders are contracts with suppliers:
- to supply identified goods or standard services
- at an agreed-upon unit price
- up to an agreed-upon total dollar amount
- across an agreed-upon amount of time

Blanket orders begin just like a regular requisition but with a few key differences. First, unlike regular requisitions, a blanket order must have a start and end date and use only noncapitalized categories. Finally, blanket order lines may not be combined with other order types, such as a regular requisition or a professional services contract.

Often, blanket orders are used to purchase a variety of miscellaneous items (such as recurring order of lab chemicals) throughout the contract period. The blanket order is created for an amount over a specified time frame that is agreed upon with the supplier. All blanket orders must use a quantity and unit of measure of “1 LOT.” Blanket orders receive shipments by dollar amount. It is allowable to have more than one line on a blanket order.

An encumbrance is created when the blanket order requisition is sourced to a PO. After the blanket order is dispatched to the supplier, the department will contact the supplier directly to place each order as they need it and instruct the supplier to reference the blanket order’s number on each invoice.

Important note: All requisition entered as a blanket order must contain a quantity of “1” and a unit of measure of “Lot”. EFS will generate errors if any other criteria is entered (e.g. “2” “LOT”). These errors will result in the PO having to be canceled.

Blanket Orders Under $50,000

Departments may set up blanket orders for non-asset items for a period of one, two, or three years, as long as the total amount does not exceed $50,000.

The blanket order may be set up for one year with options to renew for up to three years total. The dollar amount of the order will be the first year’s expected total. The system will encumber this amount. Once entered, the PO Change Order will route in EFS for approvals.
Creating Blanket Orders (cont.)

If the PO is set up for one year with options to renew, at the end of the year contact the supplier to confirm that the supplier is willing to extend the contract another year at the same prices, terms, and conditions.

Then notify the procurement specialist to execute a PO change order. If the contract is a committed two- or three-year contract, the prices, terms, and conditions should not escalate during the contract period. If the supplier cannot hold the same prices, terms, and conditions for another year, perform a price comparison to confirm that the price is still the most reasonable. Instruct the procurement specialist to attach the Price Comparison form to the change order extending the contract. Do not mark the Price Comparison form to send to supplier.

**Bidding a Blanket Order**

Per policy, repetitive non U-Wide Contract orders totaling more than $50,000 on an annual basis must be set up as blanket orders and go through the Purchasing Services bidding process to ensure price reasonableness.

To process a blanket order, the create requisition process is still followed, except entry begins using the Blanket Order option which is found under Other Purchases. Most fields are completed in the same way as a regular requisition. NOTE: The financial system will not allow capital assets to be purchased by using the Blanket Order option.
Creating Blanket Orders (cont.)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Free-text description of the item or items to be purchased. When using a blanket order for miscellaneous supplies, enter a description of the supplies, such as “Miscellaneous Office Supplies” and then add more details in line comments. All miscellaneous items on a line must belong to the same category.</td>
</tr>
<tr>
<td>Quantity</td>
<td>A blanket order must always contain a quantity of “1.”</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>A blanket order for items up to an agreed-upon dollar amount at an agreed-upon discount uses a unit of measure of “Lot.” Note: Blanket orders have a built in logic that limits receipts to “Amount Only.” This means that even if a blanket is entered as, for example 80 hours, it only will be able to be received as 1 lot and the dollar value of the receipt entered is in the Amount field.</td>
</tr>
</tbody>
</table>

Note: All blanket orders must contain a quantity of “1” and “Lot” as unit of measure. EFS will generate errors, if any other criteria is entered (e.g. “2” “LOT”). These errors will result in the PO having to be canceled.

| Price | The total amount for the blanket order period.                                                                                       |
Creating Blanket Orders (cont.)

**Currency**
Defaults to “USD” and cannot be changed.

**Category**
The appropriate noncapitalized category for the blanket order. The system will not allow capitalized assets to be purchased by using the Blanket Order option.

**Supplier ID**
The supplier for the blanket order. If the blanket order value is over the $50,000 bid threshold, the Supplier ID field should be left blank until the bidding is complete and the business has been awarded to a supplier. To initiate bidding, click <Save & Submit> upon completion.

**Quote Number**
If the supplier has provided a quote number, enter it in this field.

**Quote Date**
Shopping carts that have been assigned by requester to others.

**Additional Information**
Enter specific details regarding the order such as the frequency of delivery, freight terms, or specified price per unit.

**Send to Supplier**
Prints the information in the Additional Information field for this item on the blanket order to the supplier. If discount terms are noted in the Additional Information field, this checkbox must be selected.

**Show at Receipt**
Shows the information in the Additional Information field for this item to the receipt preparer.

**Show at Voucher**
Shows the information in the Additional Information field for this item to the voucher specialist.

**Add to Cart**
Adds the line item to the blanket order requisition.
Creating Blanket Orders (cont.)

Once all items on the blanket order have been added click on <Checkout>. You are brought to the Checkout – Review and Submit screen. The only difference between this screen is that for requisitions for blanket orders start dates and end dates fields have been added and need to be filled out.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Date</td>
<td>The blanket order start date. Must be a future date to allow time for appropriate approvals and PO dispatch.</td>
</tr>
<tr>
<td>End Date</td>
<td>The blanket order end date. Departmental blanket orders may not exceed a three-year period.</td>
</tr>
</tbody>
</table>
Manage Requisitions

Preparers of requisitions must routinely monitor the status of their requisitions using the Manage Requisitions page to ensure each stage has occurred. This page also provides a variety of search fields for use in locating requisitions.

Navigate to: **Home > eProcurement > Manage Requisitions**

<table>
<thead>
<tr>
<th>Request Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>All But Complete</td>
<td>Displays all requisitions that are in any status other than “Complete”.</td>
</tr>
<tr>
<td>Approved</td>
<td>The requisition was approved by all approvers.</td>
</tr>
<tr>
<td>Canceled</td>
<td>The requisition was entered and saved but was canceled.</td>
</tr>
<tr>
<td>Complete</td>
<td>After the requisition is sourced and dispatched as a PO, the goods or services are received, and the supplier is paid, a background process identifies the requisition status as “Complete.” Canceled requisitions are also identified as “Complete”.</td>
</tr>
<tr>
<td>Sent Back</td>
<td>The requisition was sent back by an approver during the approval process.</td>
</tr>
<tr>
<td>Open</td>
<td>The requisition was entered and saved but not submitted.</td>
</tr>
<tr>
<td>PO(s) Created</td>
<td>The requisition was approved and was sourced to a PO.</td>
</tr>
<tr>
<td>PO(s) Dispatched</td>
<td>The requisition was sourced to a PO, and the PO was dispatched to the supplier.</td>
</tr>
<tr>
<td>Pending</td>
<td>The requisition was submitted and awaits approval.</td>
</tr>
<tr>
<td>Received/Partially Received</td>
<td>The requisition was sourced to a PO and was dispatched, and the goods have been partially or fully received.</td>
</tr>
</tbody>
</table>
Manage Requisitions (cont.)

<table>
<thead>
<tr>
<th>Budget Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Error</td>
<td>The requisition was approved but it did not pass the budget check process.</td>
</tr>
<tr>
<td>Not Chk'd</td>
<td>The requisition awaits the budget check process.</td>
</tr>
<tr>
<td>Valid</td>
<td>The requisition has passed the budget check process.</td>
</tr>
</tbody>
</table>

The system returns a list of requisitions that fit the criteria entered in the Search Requisitions section of the Manage Requisitions page.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select Action</td>
<td>Use to select an action for the requisition. Actions available for a given requisition are dependent on the status of the requisition/PO. Before a requisition is sourced to a PO, action options for preparers include: “Cancel Requisition”, “Edit Requisition,” and “View Approvals”.</td>
</tr>
<tr>
<td>&lt;Go&gt;</td>
<td>Click to execute the selected action.</td>
</tr>
</tbody>
</table>
The caret icon can be clicked to view the lifespan of a specific requisition. Each stage of a requisition lifespan is denoted by an icon. Initially the icons are void of color, but as the requisition completes each stage, the icons will display in full color and the title of the stage and the icon will become a link to further information. For example:

- If the Approvals icon is displayed in full color and it is clicked, approvers’ names will be displayed as well as their comments when applicable.
- If the Purchase Order icon is displayed in full color and it is clicked, detailed information about the PO such as the PO number, quantity, amount, and payment terms will be displayed.

**TROUBLESHOOTING REQUISITIONS**

Requisitions with a Request Status of “Sent Back,” “Open,” or “Pending” status or a Budget Status of “Error” will not source to a purchase order. The following searches should be conducted and resolutions followed to make sure requisitions are not being held up in the system.

**Sent Back Requisitions**

- *Business Unit:* “UMN01”
- *Request Status:* “Sent Back”
- *Date From:* Leave blank.
- *Requester or Entered by:* (optional) Internet ID of either the requester identified on the requisitions or the requisition preparer.
- Resolution: Expand the requisition line and click the approvals icon to review the approver’s comments. Requisition preparers are responsible for monitoring for “Sent Back” transactions. If a requisition is sent back, it must either be edited and resubmitted, or canceled per the instructions entered into the Approval Comments field by the approver.

**Open Requisitions**

- *Business Unit:* “UMN01”
- *Request Status:* “Open”
- *Date From:* Leave blank.
- *Requester or Entered by:* (optional) Internet ID of either the requester identified on requisitions or the requisition preparer.
- Resolution: Determine if the requisition should be saved and submitted or canceled.
Manage Requisitions (cont.)

Pending Requisitions

- **Business Unit:** “UMN01”
- **Request Status:** “Pending”
- **Date From:** Leave blank.
- **Requester or Entered by:** (optional) Internet ID of either the requester identified on requisitions or the requisition preparer.

Resolution: Dates are very important for pending requisitions. If the date is current, the requisition approver may need a reminder to approve the requisition. Expand the requisition line and click the Approvals icon to identify the approver. If the requisition is older, it may need to be canceled.

Requisitions with Budget Errors

- **Business Unit:** “UMN01”
- **Request Status:** “Error”
- **Date From:** Leave blank.
- **Requester or Entered by:** (optional) Internet ID of either the requester identified on requisitions or the requisition preparer.

Resolution: Expand the requisition line and click the Requisition icon. Click <Schedule and Distribution> to view the originally entered ChartField string. Review the budget error and determine if the requisition ChartField string must be edited and resubmitted or canceled.

Requisitions with Sourcing Errors

- Requisition preparers and procurement specialists are responsible for searching for and resolving sourcing errors. If the error cannot be resolved, contact Purchasing Services or the Financial Helpline for assistance.

Requisitions can only be edited by the preparer up until the requisition has entered the sourcing process (Open, Pending, Sent Back, or Approved status). After editing a requisition, the requisition starts the approval processes again. Once a requisition has been sourced to a PO, the requisition can no longer be changed by the preparer. Changes to POs may only be handled by the procurement specialist or by Purchasing Services. In addition, once a PO has reached “complete” status, it can no longer be changed or canceled by any preparer.
Editing Requisitions

Requisition changes can happen for any number of reasons, including changes in quantity, price, delivery date, supplier information, etc. When a change to the requisition becomes necessary, the first step is to search for the requisition in the financial system and determine the current status.

Details regarding editing a CPS requisition are found later in this manual.

Sent Back Requisitions

Check the Approver Comments field on the sent back requisition. The approver is required to provide in this field the reason why the requisition was sent back and whether the requisition should be updated and resubmitted or canceled. In most cases, the changes needed on the requisition will be apparent based on the information in this field. If it is not apparent how to proceed, contact the approver for further clarification.

If a requisition has been sent back because changes are needed, it must be routed back through approvals. At least one change must be made to the requisition before it is saved and submitted.

If an approver indicates a sent back requisition should be canceled, the preparer is responsible for closing the requisition as a final step. This can be accomplished by using the action <Cancel Requisition> on the Manage Requisitions screen. Due to workloads at the year end, it is best to do requisition closing as soon as it is known and not wait for year end clean up.

The preparer can:

+ Add items. Note: If the order was made using U Market you must access the supplier's U Market ordering site to add items.
+ Change quantities, if the requisition was not created using the Web tab.
+ Change start and end dates.
+ Change ChartField information. However, the Account value may only be changed by selecting a different category.
+ Change shipping information.
+ Add or remove comments and justification.
+ Remove or cancel lines.
+ Change suppliers, if the requisition was not created using UMarket.

Changes That Can Be Made (Before the PO is created)
Standard, Professional, and Consulting Services Definitions

The University groups services into three categories: standard services, professional services, and consulting services.

**Standard Services**

“Off-the-shelf” services that are routinely provided to the general public usually at published rates without significant customizing.

- Firms rather than individuals are likely to provide these services.
- Examples include dry cleaning, extermination services, equipment maintenance, and courier services.

U-Wide Contracts, the procurement card (PCard), departmental POs, and the competitive proposal/RFP process are among the methods available for purchasing standard services. Standard services requisitions must be entered using the Standard Purchase or Blanket Order options.

**Professional Services**

External contractor to provide a service that many times includes a deliverable or product. Some examples of services with a deliverable would be: web design provides a finished website; speaking engagement provides a transfer of information; analysis services provide a final report to the University.

- Individuals and firms are likely to provide these services.
- Examples include artistic design services, editorial services, and executive search services.

Note: Individuals contracted to perform a professional service must meet IRS guidelines to be hired and paid as independent contractors. Individuals who do not meet IRS guidelines must be hired and paid as University employees. This determination is made by Disbursement Services based on answers provided on the Professional Services Information Sheet.

**Consulting Services (Subset of Professional Services)**

External contractor to advise, confer or consult on identified topic. There may be deliverables, but the core purpose of the agreement is to advise the University. Some examples of consulting would be: financial advisers, audit services, legal advising.

- Individuals and firms are likely to provide these services.
- Examples include management consultants, computer consultants, and investment consultants.

Requisitions for both professional and consulting services are entered via the CPS option.
### Affiliation Agreements

These are contractual agreements with University related entities. For example, University of Minnesota Physicians and Affiliated family practice clinics are handled on an affiliation agreement. Contracts for professional services with external firms or individuals are not coded as Affiliation Agreements.
# Professional Services Contract Types

There are four different types of requisitions that may be created when using the CPS option. Each type has different terms and dollar-value limits. At the time of contract entry, the financial system determines the type of CPS-related requisition based on the dollar value of the contract and the category selected.

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voucher Contract for Professional Services (VCPS)</strong></td>
<td>A VCPS is intended for low-risk, small-dollar professional services (under $3,000). The requisition is typically entered and processed after the work is done and the supplier invoice has been received. Once the VCPS is approved and a PO is created, a PO voucher is automatically created by the system from the PO and the supplier is paid. The VCPS does not create a legally binding agreement. Invoice must be scanned to ImageNow and marked: “VCPS Invoice, Do Not Duplicate.”</td>
</tr>
<tr>
<td><strong>Quick Contract for Professional Services (QCPS)</strong></td>
<td>A QCPS is used when the professional service contract dollar value is between $3,000 and $49,999.99. A QCPS is a type of legally binding agreement. The QCPS does not require the supplier to sign the contract, but does require the contract requisition to be approved online by the University and the PO contract dispatched to the supplier before the work begins. By starting work the supplier is, in essence, agreeing to the terms and conditions in the contract. Do not start work until QCPS is dispatched to supplier.</td>
</tr>
<tr>
<td><strong>Contract for Professional Services (CPS)</strong></td>
<td>A CPS is used when the professional services contract dollar value is $50,000 and over. This requisition type will generate the University’s Standard Contract for Professional Service. Bidding, a competitive proposal process through Purchasing Services, may be required when the contract dollar value is $50,000 and over. By starting work the supplier is, in essence, agreeing to the terms and conditions in the contract. Do not start work until CPS is dispatched to supplier.</td>
</tr>
<tr>
<td><strong>Performance Contract for Professional Services (PCPS)</strong></td>
<td>A PCPS is used to contract with entertainers, speakers, and performers when the contract value is $3,000 or more. A PCPS includes specialized terms and conditions for performers. By starting work the supplier is, in essence, agreeing to the terms and conditions in the contract. Do not start work until PCPS is dispatched to supplier.</td>
</tr>
</tbody>
</table>
Professional Services Contract Procurement Process

The procurement process for Quick Contracts for Professional Services (QCPS) follows the same flow as the procurement process for standard goods and services. However, the procurement processes for Voucher Contracts for Professional Services (VCPS), Performer Contracts for Professional Services (PCPS), and Contracts for Professional Services (CPS) vary slightly.

VCPS Procurement Process

Note: the shaded boxes indicate steps for which the requisition preparer is responsible. However, receiving by the requisition preparer is conditional per departmental responsibilities.

PCPS and CPS Procurement Process
## Professional Service Contract Forms

### FORM DESCRIPTIONS

<table>
<thead>
<tr>
<th>Form</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Work (external document)</td>
<td>Per policy, professional service related requisitions must include the supplier’s statement of work. This information must clearly state all deliverables expected to be completed by the supplier. The statement of work must be attached in the requisitions Comments section and sent to the supplier. The contract administrator will also rely on this information to verify services were rendered when authorizing the supplier’s payment. The statement of work is still required on VCPS even though the work is already complete.</td>
</tr>
<tr>
<td>Professional Services Information Sheet (PSIS) (internal document) Do not send to the supplier</td>
<td>Required on all contracts over $3,000 or any contract using a sponsored ChartField string. The requisition must have this form completed and attached to it in order to be in compliance with Purchasing policy. Section 1: Required in all instances and indicates the basis for supplier selection and price reasonableness. Section 2: Required for Individual and Sole Proprietor suppliers and details the current employer/Employee relationship between the supplier and the University. Section 3: Required for Individual and Sole Proprietor suppliers and details the type of service being provided. Section 4: Required when using sponsored funds, optional with nonsponsored funds and details additional terms to the contract.</td>
</tr>
<tr>
<td>Performance Agreement (external document) Send to supplier</td>
<td>Every PCPS requisition must have this mandatory form completed and attached to it. The Performance Agreement lists the details of the performer’s event such as arrival date, time, and location. Most importantly, it lists all of the University's standard terms and conditions specific to performers. This form is located at the Purchasing Services website.</td>
</tr>
<tr>
<td>Nonresident Alien Data Collection Worksheet (internal document) Do not send to the supplier</td>
<td>Every professional services requisition (VCPS, QCPS, CPS, and PCPS) with a foreign national supplier must have this mandatory form completed and attached to it. This form is available at the Payroll Services and the Forms Library websites.</td>
</tr>
<tr>
<td>Exception To Regents Purchasing Policy (internal document) Do not send to the supplier</td>
<td>This form is a request to bypass the bidding process for contracts with a value of $50,000 or greater. Exceptions to Regents Purchasing Policy forms must be reviewed and approved by Purchasing Services in the case of a sole provider or contract amendment that pushes the contract value over $50,000.</td>
</tr>
<tr>
<td>Travel Reimbursement for Contractors (external document) Send to supplier</td>
<td>This is an OPTIONAL tool intended as a guideline to help departments incorporate language into the contract that will establish limits on travel expenses reimbursed to contractors, especially to out of town contractors performing lengthy projects on-site at the University. Departments are encouraged to add this attachment to their RFP and/or professional service contract. The language may be incorporated into a final contract, whether or not the contractor is selected through the RFP process. Language on travel expense reimbursements is negotiable with the contractor, so the language in this attachment may be changed to be more or less stringent.</td>
</tr>
</tbody>
</table>
**Professional Service Contract Forms (cont.)**

**PAPERWORK REQUIREMENTS**

Use this grid as a quick reference guide to decide which forms are required when beginning the contract requisition process.

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Nonsponsored</th>
<th>Sponsored</th>
</tr>
</thead>
</table>
| **VCPS** Voucher Contract for Professional Services $2,999 and Under | • Nonresident Alien Data Collection Worksheet (if applicable)  
• Statement of Work is captured in the requisition's line description and comments. | • Statement of Work (in justification)  
• PSIS  
  – Sections 1 & 4  
  – Section 2 & 3 (if applicable)  
• Nonresident Alien Data Collection Worksheet (if applicable) |
| **QCPS** Quick Contract for Professional Services Non Performer $3,000-$49,999.99 | • Statement of Work  
• PSIS  
  – Section 1  
  – Section 2 & 3 (if applicable)  
• Nonresident Alien Data Collection Worksheet (if applicable) | • Statement of Work  
• PSIS  
  – Sections 1&4  
  – Section 2 & 3 (if applicable)  
• Nonresident Alien Data Collection Worksheet (if applicable) |
| **CPS** Contract for Professional Services Non Performer $50,000 and Over | • Statement of Work  
• PSIS  
  – Section 1  
  – Section 2 & 3 (if applicable)  
• Nonresident Alien Data Collection Worksheet (if applicable)  
• Exception to Regents Purchasing Policy (if applicable) | • Statement of Work  
• PSIS  
  – Sections 1&4 Required;  
  – Section 2 & 3 If Applicable  
• Nonresident Alien Data Collection Worksheet (if applicable)  
• Exception to Regents Purchasing Policy (if applicable) |
| **PCPS** Performer Contract for Professional Services Performer $3,000 and Over | • Statement of Work  
• PSIS  
  – Section 1  
  – Section 2 & 3 (if applicable)  
• Performance Agreement  
• Nonresident Alien Data Collection Worksheet (if applicable)  
• Exception to Regents Purchasing Policy (if applicable) | • Statement of Work  
• PSIS  
  – Sections 1&4  
  – Section 2 & 3 (if applicable)  
• Performance Agreement  
• Nonresident Alien Data Collection Worksheet (if applicable)  
• Exception to Regents Purchasing Policy (if applicable) |
Compliance Considerations for Professional Services

Some professional service contracts will require compliance with one or more of the following laws:

**Credit Card Compliance**

University of Minnesota departments who contract with service providers to handle credit card transactions must make certain that their service provider follows Payment Card Industry Data Security Standards (PCIDSS). The purpose of these standards is to protect cardholder data wherever it resides—ensuring that merchants and service providers maintain the highest information security standard. A listing of these standards can be found online. Go to the External Sales website to find the PCIDSS Standards link.

**Gramm-Leach-Bliley Act**

In certain circumstances, Gramm-Leach-Bliley Act (GLBA) rules may apply to contracts for professional services. The GLBA requires the University to implement safeguards to insure the security and confidentiality of certain non public customer financial information. This imposes on the University the obligation to select only suppliers that can demonstrate their ability to safeguard non public financial information to which suppliers might have access or be granted access by the University.

Most departments will not have exposure to the GLBA. However, it is important to be aware of the activities that can subject a department or program to the law.

**HIPAA Rules**

In certain circumstances, Health Insurance Portability & Accountability Act (HIPAA) rules may apply to contracts for professional services. Generally, whenever a professional services contractor is performing duties that require access to personal health information (PHI), HIPAA rules apply. For example, if a consultant is contracted to develop a new database for a clinical trial and will have access to the PHI of trial participants, HIPAA rules must be followed.

**Sarbanes-Oxley Act**

In certain circumstances, Sarbanes-Oxley Act rules can apply to contracts for professional services in the areas of accounting and finance. The Sarbanes-Oxley Act was signed into law on July 30, 2002, and introduced highly significant legislative changes to financial-practice and corporate-governance regulation. It introduced stringent new rules with the stated objective “to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws.”
Creating a Requisition for a Professional Service Contract

Requisitions for professional services may be entered as either fixed or variable price contracts:

- **Fixed Price Contract.** Work is performed for a specified lump sum of money. For this type of contract, a quantity of “1” must be used with the unit of measure “LOT.” The amount then equals the dollar value of the contract. The contract will be received by amount, not quantity.

- **Variable Price Contract.** An hourly rate is agreed on, but the total number of work hours is estimated. For this type of contract, the unit of measure is generally “DAYS” or “HRS.” The contract will be received by quantity, not amount.

A special custom-built tab is used to create all CPS type requisitions, and thus the required fields differ slightly from those of a regular requisition. Notable differences on the CPS option’s requisition include:

- The contract’s supplier and start/end dates are entered on the Checkout-Review and Submit page.

- QCPS and CPS requisitions use a set of standard terms and conditions written for the contract that are attached automatically by the system. Any changes to the standard terms and conditions must be manually routed to the Office of General Counsel (OGC) for approval prior to final approval of the contract. This process is done outside of the financial system.

- PCPS requisitions require the preparer to manually attach the completed Performance Agreement contract in the requisition prior to submission and approval.

- The University and supplier signed-and-returned CPS and PCPS must be scanned and attached to the CPS requisition by the procurement specialist. Invoices are scanned to ImageNow.

- Only CPS-related categories can be chosen on the CPS tab.

- CPS-related POs may encumber funds over multiple years.

- For IT hosted services or applications, additional contract terms may be needed. Contact Purchasing Services for these additional terms. For example, “Control Information via a SAS 70 report should be obtained on a periodic basis for hosted services.”

- Important note: If using “LOT” as the unit of measure, the quantity of “1” must always be entered. If any other number is entered, the PO will have errors and will have to be canceled.

Professional services requisitions are created using the CPS option, found under the Other
Creating a Requisition for a Professional Service Contract (cont.)

Purchases heading, on the Create Requisition page. The financial system determines the type of contract to create based on the professional service category selected and the dollar value of the contract.

Navigate to: Home > eProcurement > Requisition > Other Purchases > CPS

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Free-text description of the contract item.</td>
</tr>
<tr>
<td>Quantity</td>
<td>When creating contracts for professional services, quantities are generally measured in lot, hours, or days. If using “LOT” as the unit of measure, always enter “1” as the quantity.</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>The ordering unit of measure. When creating contracts for professional services, the unit of measure is generally lot, hours, or days.</td>
</tr>
<tr>
<td>Unit Price</td>
<td>The price per unit of measure or the total amount for the contract period as appropriate.</td>
</tr>
<tr>
<td>Currency Code</td>
<td>Defaults to “USD.” Cannot be changed. Contact Disbursement Services if payment must be foreign currency.</td>
</tr>
<tr>
<td>Category</td>
<td>The appropriate professional services or consulting services category.</td>
</tr>
<tr>
<td>Quote Number</td>
<td>If the supplier has provided a quote number, enter it in this field.</td>
</tr>
<tr>
<td>Quote Date</td>
<td>If the supplier has provided a quote for the contract services items, enter the quote date in this field.</td>
</tr>
</tbody>
</table>
Creating a Requisition for a Professional Service Contract (cont.)

**Additional Information**  
Free-text area to note any additional information about the contract line item. For all CPS types, statement of work information may be included in this field.

**Send to Supplier**  
Prints the information in the Additional Information field for this item on the contract to the supplier.

**Show at Receipt**  
Shows the information in the Additional Information field for this item to show to the receipt preparer.

**Show at Voucher**  
Shows the information in the Additional Information field for this item to show to the voucher specialist.

**Add to Cart**  
Adds the line item to the contract requisition. A new blank screen displays to add another item as necessary.

**Cancel**  
Cancels the contract item prior to saving.

In some situations, contracts for professional services may have two line items. The first line item typically defines the hours and/or rates for the professional service, and the second line item captures details for contractor expenses, if applicable.

When contracts for professional services are based on a dollar amount rather than number of hours, the quantity and unit of measure used for the line item should be a quantity of “1” and the unit of measure “LOT.”
Creating a Requisition for a Professional Service Contract (cont.)

**QCPS, CPS, and PCPS**

If the professional service requisition total is greater than $3,000, one of three types of contracts is created based on the category and dollar amount: a Quick Contract for Professional Services (QCPS), Contract for Professional Services (CPS), or a Performance Contract for Professional Services (PCPS). Below is the field information that will appear for all three of these requisition types.

Navigate to: Home > eProcurement > Requisition > Other Purchases > CPS option.

### Field Name | Field Description
--- | ---
Start Date | The contract start date. For a VCPS, this date should be in the past since work is already done. All other contracts should have a future start date.
End Date | The contract end date. For a VCPS, this date should be in the past. All other contracts should have a future end date.
Supplier ID | The supplier for the contract. If the contract value is over the $50,000 bid threshold, the Supplier ID field should be left blank until the bidding is complete and the business has been awarded to a supplier.

Click <Contract Administrator> to access the Contract Administrator page. Information entered on this page will print on the contract.

The Contract Administrator sub page will appear. The requisition preparer must enter the appropriate information, otherwise the system will not allow the requisition to save.
Creating a Requisition for a Professional Service Contract (cont.)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Administrator Name</td>
<td>Enter the contract administrator’s employee ID number. This is the person from the department or project who is aware of the contract terms and the supplier, and who will monitor the contract throughout its terms.</td>
</tr>
</tbody>
</table>

The remaining fields on the **Contract Administrator** page are optional. Complete only the fields that should be printed on the contract.

Click <OK> to save the information on this page and return to the **Checkout - Review and Submit** page.

The rest of the field information is the same as found in the “Review and Submit” section of this manual. However, refer to the “Required Forms for Professional Services Contracts” section of this manual to be sure all necessary forms are added as attachments to the requisition.

Refer to **Purchasing Website > Forms/Documents > Contract for Professional Services** where there is a job aid explaining the contract administrator role.
Creating a Requisition for a Professional Service Contract (cont.)

VCPS

If the professional service requisition total is $2,999 or less, a Voucher Contract for Professional Services (VCPS) is created by the financial system. This type of requisition is not a legally binding contract. Rather, it initiates payment to the supplier.

A VCPS is typically entered after the work is performed and the supplier's invoice has been received. Therefore, the supplier invoice number and invoice date are required fields for a VCPS.

Refer to the Disbursements Services website for special check handling instructions about paying speakers/performers at the conclusion of the performance.

**Important:** As a best practice, once the VCPS is entered, the requisition preparer must write “VCPS image only/do not pay” and send to the cluster voucher preparer to image and link the invoice to the VCPS. This step is important to avoid duplicate payments.

Navigate to: **Home > eProcurement > Requisition > Other Purchases > CPS option.**
## Creating a Requisition for a Professional Service Contract (cont.)

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Number</td>
<td>Refer to the supplier’s unique number listed on the invoice to be paid. If no invoice exists, complete the “Check Request Form (UM 1659)” or refer to “Appendix A Invoice Numbering Standards.”</td>
</tr>
<tr>
<td>Invoice Date</td>
<td>Date on which the supplier issued the invoice (DD/MM/YYYY). If no date is printed on the invoice, use today’s date.</td>
</tr>
<tr>
<td>&lt;Special Handling&gt;</td>
<td>Click to access the <strong>Special Handling</strong> page. This page is used to request special routing of checks to authorized University locations. If requesting special handling, <strong>Handling Code</strong>, <strong>Contact Name</strong>, <strong>Contact X500</strong>, and <strong>Contact Phone</strong> must be filled in. <strong>Check Message</strong> is optional and is used to enter information to be printed on the check stub.</td>
</tr>
</tbody>
</table>
Favorites

Favorites are frequently ordered items that are maintained in a single personal list. Preparers can create a list of frequently ordered (favorite) items and use the list to add items to a requisition without having to enter the items. A favorites list is private to the preparer that created the list and is stored under the User ID. DO NOT use favorites for U Market or Apple requisitions. Instead, establish favorites when in the U Market or Apple online ordering tool.

Adding Favorites to the Requisition

To add a favorite item to a requisition, first click the Favorites option. Items can be added to a preparer’s favorites list during requisition on the Create Requisitions screen. A list of favorite items displays.

Select the checkbox for the item to be added to the requisition, and then click <Add>. Quantities and amounts should be updated at the time of checkout.

Navigate to: Home > eProcurement > Requisition > Favorites.

Adding Items to the Favorites List

Items can be added to a preparer’s favorites list during requisition review. Select one or more items using the checkbox to the left of the item description, and click <Add to Favorites>. A message appears confirming that the items have been added to the favorites list.

Warning: Use of this tab is discouraged because the prices for the items on a favorites list do not update automatically. It is the responsibility of the preparer to periodically check the supplier site for prices of items placed on a favorites list. Ordering an item with an inaccurate price can result in a variety of issues downstream from the requisition, which may include out-of-tolerance issues at voucher time.
Appendix A: Invoice Numbering Standards

INVOICE NUMBERS

Invoice number provided by supplier

Key only numbers and letters. Do not key dashes, commas, or any punctuation.

ex. CM-789789 enter as CM789789
ex. 789-16256932598 enter as 78916256932598

Account number or statement number only provided by the supplier

If the supplier has no specific invoice number, use the account number. Do not use spaces; key any dashes, commas, or punctuation.

ex. Account # 789-45-6898 enter as 789456898

Invoice or account number is not provided by the supplier

If there is no invoice or account number, use the amount of the invoice and the invoice date as MMDDYY. Do not include any dollar sign, decimals, or commas.

ex. $1020.50 July 01, 2007 should be entered as 102050070107

Payment request – no invoice provided by supplier

Use the supplier (payee) name and the document date as MMDDYY. If payable to an individual, use the last name with the first initial and the date as MMDDYY.

ex. Payment Request for Barbara Gardner July 1, 2007 should be entered GARDNERB070107

ex. Payment Request for Johnston Flowers should be JohnstonFlowers070107

Membership/dues/subscription/registration—no invoice number provided

Use the last name with the first initial and the invoice date as MMDDYY.

ex. Gordon Willis July 01, 2007 enter as WillisG070107
Appendix A: Invoice Numbering Standards (cont.)

INVOICE STANDARDS

Field Length

The invoice number field in the financial system is 30 characters in length. The complete field prints on the check so the supplier will know how to apply the payment.

Duplicate Invoice Number

The system will check the invoice number/amounts against the suppliers for duplicate invoice entry so it is important to follow the same procedures to avoid duplicate payment. *If a duplicate invoice warning is displayed when entering an invoice, do not save the voucher in the financial system. Send the invoice along with a copy of the warning to Disbursement Services for data entry. Do not manipulate the invoice number so it can post. Disbursement Services will review and adjust the supplier records if necessary to post the invoice.*

Acceptable Documents

Packing lists, requisitions, purchase orders, or quotes are not valid requests for payments and should not be used as payment documents. Always use the supplier invoice number if provided.

A Payment Request document should only be used when the supplier does not provide an invoice document.

Payment Terms (Lag)

The invoice pay date is determined by the supplier payment terms. The University's standard terms are 30 days. Most suppliers are set up with payment terms of Net 30 from date of invoice. The invoice date entered in the financial system should be the date listed on the actual invoice document.
## Appendix B: Common Errors

<table>
<thead>
<tr>
<th>Error</th>
<th>Reason</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Error message: “Account 000000 in line X is budgetary only”.</td>
<td>The selected category code was not at the lowest level of the tree.</td>
<td>Only select category codes where there is no plus sign inside the folder icon.</td>
</tr>
<tr>
<td>When the requisition is saved and submitted, the preparer receives a</td>
<td>There is no associated role and/or routing for the values specified.</td>
<td>A workflow administrative resource needs to investigate the workflow rules for the source of the problem and correct the workflow rules. Contact the University Financial Helpline at 612-624-1617.</td>
</tr>
<tr>
<td>workflow routing error.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The preparer is unable to see the menu option.</td>
<td>The preparer does not have security to the component.</td>
<td>The preparer would need to follow the proper procedures to obtain security to this component.</td>
</tr>
<tr>
<td>The preparer is unable to save data on this page.</td>
<td>There is an issue with the PeopleSoft instance and/or Oracle database.</td>
<td>The preparer should report the issue to 1-HELP (612-301-4357) and sign out of the financial system. Once the issue is resolved, the preparer should sign back in to the financial system and attempt to save the data.</td>
</tr>
<tr>
<td>PeopleCode page/component error.</td>
<td>Issues with the PeopleCode being executed.</td>
<td>The preparer would need to report the problem to 1-HELP (612-301-4357) and obtain resolution.</td>
</tr>
<tr>
<td>CPS lines have already been added to the requisition for categories</td>
<td>CPS categories and CPS performer categories cannot be combined on the</td>
<td>Cancel the requisitions with performer category. Start a new requisition for the performer.</td>
</tr>
<tr>
<td>that are not flagged as “performer,” and the preparer attempts to add</td>
<td>same requisition.</td>
<td></td>
</tr>
<tr>
<td>a CPS line with a category that is flagged as “performer” to the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>same requisition.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix B: Common Errors (cont.)

<table>
<thead>
<tr>
<th>Error</th>
<th>Reason</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other, non-CPS lines have already been added to the requisition, and the preparer attempts to add a CPS line to the same requisition.</td>
<td>CPS requisition lines cannot be combined with other types of requisition lines.</td>
<td>Cancel the CPS requisition lines and start a new CPS requisition.</td>
</tr>
<tr>
<td>CPS lines have been added to the requisition and the preparer tries to add non-CPS lines to the same requisition.</td>
<td>CPS requisition lines cannot be combined with other types of requisition lines.</td>
<td>Cancel the non-CPS requisition lines and start a new requisition for these lines.</td>
</tr>
<tr>
<td>If start date is not entered, an error is issued.</td>
<td>CPS must have a start date.</td>
<td>Enter a start date.</td>
</tr>
<tr>
<td>If end date is not entered, an error is issued.</td>
<td>CPS must have an end date.</td>
<td>Enter an end date.</td>
</tr>
<tr>
<td>If contract administrator is not entered, an error is issued.</td>
<td>CPS must have a contract administrator.</td>
<td>Enter a contract administrator.</td>
</tr>
</tbody>
</table>
| Preparer is not able to view CPS attachments.                         | Internet Explorer security settings may be preventing attachments from opening. | Navigate to : Tools > Internet Options > Security and, under Downloads, make sure the following are enabled:  
  - Automatic prompting for file downloads  
  - File Download (Applies to Internet Explorer only.) |
Appendix C: Requisition and Purchase Order Inquiries

The financial system provides multiple methods to search for information about transactions. The following three inquiries assist requisition preparers with research related to requisitions and purchase orders.

**Manage Requisitions**

See the “Manage Requisitions” section described in detail earlier in this manual.

**Purchase Order Inquiry**

This inquiry allows searches using criteria such as PO number, supplier, and procurement specialist to locate specific POs. The following questions can be answered with the results of this inquiry:

- What type of PO is this (blanket, CPS, etc.)?
- What is the PO’s ChartField string?
- What attachments went to the supplier with the PO?
- How many times has the PO been modified, what are the changes, and who modified it?

Navigate to: Purchasing > Purchase Orders > Review PO Information > Purchase Orders.
Appendix C: Requisition and Purchase Order Inquiries (cont.)

Things to remember when populating the inquiry:

- A Business Unit of “UMN01” is always required.
- Enter criteria in any combination of fields and click <Search> to see search results that match the criteria.
Appendix C: Requisition and Purchase Order Inquiries (cont.)

Document Status  There are multiple Document Status inquiries that enable a search based on a requisition, PO, receipt, voucher, or payment number. Document Status is a cross-reference inquiry that displays all transactions related to the transaction from which the search was based. The following questions can be answered with the results of the requisition Document Status inquiry:

+ Who created this requisition?
+ What is the approval status of this requisition?
+ Has this requisition been converted to a PO?
+ What are the PO, receipt, voucher, and payment numbers related to this requisition?


Things to remember when populating the inquiry:

+ A Business Unit of “UMN01” is always required.
+ Enter criteria in any combination of fields and click <Search> to see search results that match the criteria.
Note: For extensive information on performing searches related to the procurement process, the course Procurement Process Analysis is available. See the Training Services website for more details.
After a requisition is created, the system routes it to approvers as defined by the DeptID(s), value of the requisition, and whether it is sponsored or nonsponsored, and based on the professional service category type.

### REQUISITION APPROVAL MATRIX

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$&lt; 100 (Transaction Header)</td>
<td>Auto-approve</td>
</tr>
<tr>
<td>$100+</td>
<td>DeptID Approver 1</td>
</tr>
<tr>
<td>$100+ and have a restricted chemical category = DEHS</td>
<td>DEHS</td>
</tr>
<tr>
<td>Sponsored Activity — $1,000 and over OR any dollar amount for travel-related expenses (7206XX)</td>
<td>DeptID Certified Approver</td>
</tr>
<tr>
<td>$10,000+</td>
<td>DeptID Approver 2</td>
</tr>
<tr>
<td>$25,000+ and paid by a federally sponsored contract</td>
<td>Purchasing Services</td>
</tr>
<tr>
<td>$50,000+</td>
<td>Purchasing Services</td>
</tr>
</tbody>
</table>

### PROFESSIONAL SERVICE CONTRACTS APPROVAL MATRIX

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100+</td>
<td>DeptID Approver 1</td>
</tr>
<tr>
<td>$10,000 or over</td>
<td>DeptID Approver 2</td>
</tr>
<tr>
<td>Sponsored activity $1,000 and over OR any dollar amount for travel-related expenses (7206XX)</td>
<td>Certified Approver</td>
</tr>
<tr>
<td>$25,000 + and paid by a federally sponsored contract</td>
<td>Purchasing Services</td>
</tr>
<tr>
<td>$50,000+</td>
<td>Purchasing Services</td>
</tr>
<tr>
<td>Foreign supplier and $100+</td>
<td>Payroll Services</td>
</tr>
<tr>
<td>Sole proprietor of supplier type and $3,000</td>
<td>Disbursement Services</td>
</tr>
<tr>
<td>Audit services supplier or category and $100+</td>
<td>Controller’s Organization</td>
</tr>
<tr>
<td>Architecture and engineer services and $100+</td>
<td>Capital Planning and Project Management</td>
</tr>
<tr>
<td>Entertainer and $2,000</td>
<td>Disbursement Services</td>
</tr>
</tbody>
</table>
Appendix D: Approvals Grid (cont.)

All requisitions totaling $1 million or greater require prior offline approval from the Board of Regents. In addition, any changes to the University’s standard terms and conditions require offline approval by the Office of General Counsel (OGC). Contact Purchasing Services for assistance with these situations.

Most department approvers have someone who acts as a back-up approver or emergency approver in their absence. If there are no current approvers assigned to a particular ChartField string, then the requisition preparer may see a “workflow error.” Requisitions must be approved to continue to the next step in the system, budget check. A new department approver would need to be assigned and trained for future requisitions.
<table>
<thead>
<tr>
<th><strong>Terminology</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Blanket Order</strong></td>
</tr>
<tr>
<td><strong>Capital Asset</strong></td>
</tr>
<tr>
<td><strong>Capital Equipment</strong></td>
</tr>
<tr>
<td><strong>CPS</strong></td>
</tr>
<tr>
<td><strong>Encumber</strong></td>
</tr>
<tr>
<td><strong>Expedite</strong></td>
</tr>
<tr>
<td><strong>ISO</strong></td>
</tr>
<tr>
<td><strong>PCPS</strong></td>
</tr>
<tr>
<td><strong>Professional Service</strong></td>
</tr>
<tr>
<td><strong>Punch-Out</strong></td>
</tr>
<tr>
<td><strong>Purchase Order</strong></td>
</tr>
<tr>
<td><strong>QCPS</strong></td>
</tr>
<tr>
<td><strong>Requisition</strong></td>
</tr>
</tbody>
</table>
## Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard Service</strong></td>
<td>A standard service is a service that does not require highly specialized skills. Examples of standard services include printing services, plumbing services, and lawn-care services.</td>
</tr>
<tr>
<td><strong>U-Wide Contract</strong></td>
<td>A contract for goods and standard services that was negotiated by Purchasing Services. These negotiated, discounted rates can be used by all University departments.</td>
</tr>
<tr>
<td><strong>VCPS</strong></td>
<td>Voucher contract for professional services. Used to contract for professional services with a value less than $3,000. Generally, work has already been completed when this contract is created to pay the supplier.</td>
</tr>
<tr>
<td><strong>Supplier Location</strong></td>
<td>A physical location for a supplier. The supplier location is not necessarily the address that accepts purchase orders.</td>
</tr>
<tr>
<td><strong>Supplier Address</strong></td>
<td>A supplier addresses is tied to a supplier location and used for specific purposes such as accepting purchase orders or payments.</td>
</tr>
<tr>
<td><strong>Worklist</strong></td>
<td>A personalized list of items requiring your attention in the financial system. The worklist is accessed by clicking <code>&lt;Worklist&gt;</code> on the universal tool bar.</td>
</tr>
<tr>
<td>Service</td>
<td>Phone Number</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Controller’s Office</td>
<td>612-624-1617</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursement Services</td>
<td>612-624-1617</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Financial System</td>
<td>612-624-1617</td>
</tr>
<tr>
<td>Financial Helpline</td>
<td>612-624-1617</td>
</tr>
<tr>
<td>General Counsel</td>
<td>612-624-4100</td>
</tr>
<tr>
<td>Imaging</td>
<td>612-301-4357</td>
</tr>
<tr>
<td></td>
<td>(1-HELP)</td>
</tr>
<tr>
<td>Information Technology</td>
<td>612-301-4357</td>
</tr>
<tr>
<td></td>
<td>(1-HELP)</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>612-625-1368</td>
</tr>
<tr>
<td>Inventory Services</td>
<td>612-626-8222</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Oversight, Analysis, &amp; Reporting</td>
<td>612-625-9057</td>
</tr>
<tr>
<td>Procurement Card</td>
<td>612-624-1617</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchasing Services</td>
<td>612-624-2828</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Records &amp; Information Management</td>
<td>612-625-3497</td>
</tr>
<tr>
<td>Sponsored Projects Administration</td>
<td>612-624-5599</td>
</tr>
<tr>
<td>Training Services</td>
<td><a href="mailto:orgeff@umn.edu">orgeff@umn.edu</a></td>
</tr>
<tr>
<td>U Market Services</td>
<td>612-624-4878</td>
</tr>
</tbody>
</table>
Resources (cont.)

University Accounting Policies  612-624-1617  process.umn.edu/groups/ppd/documents/Policy/General_Accounting.cfm

UReport  866-294-8680  www.ureport.ethicspoint.com
(EthicsPoint: confidential service for reporting policy violations)

U-Wide Contract Suppliers  uwidecontracts.umn.edu

UWide Forms Library  612-624-8081  www.policy.umn.edu/groups/ppd/documents/main/formhome.cfm

UWide Policy Library  612-624-8081  www.policy.umn.edu