Procurement and Payment Services Newsletter: Vol: 4
Spring/Summer 2011

Welcome

The Procurement and Payment Department presents this e-newsletter to the Auburn University/AUM community with the goal of providing timely and effective information to assist you with your procurement needs. We welcome any comments or suggestions for future articles.

E-Vendor Voucher System

PPS began implementation of the E-Vendor Voucher System approximately 1 year ago and now has more than 20 Academic and Administrative units live in production. The E-Vendor Voucher System replaces manually prepared vendor vouchers for the majority of payments made to AU vendors. The system is housed in Banner SSB. Our goal is to have all campus departments live by the end of this fiscal year.

Contracts

Procurement and Payment Services is proud to announce that **Grainger** has been named as a preferred vendor for **MRO** (Maintenance, Repair, and, Operations) supplies and equipment. Grainger will be hosting a kick off show, which will include several manufacturers of MRO products on Wednesday, July 20, from 9:00 am – 11:00 am at the Auburn University Hotel and Conference Center. Attendees will be able to meet the Grainger representative, manufacturer's representatives and sign up for an online account. Refreshments will be served. Please join Procurement and Payment Services in welcoming Grainger to the Auburn family and kicking off this new partnership.

What is Capital Equipment?

Moveable Equipment and Property

Any equipment, furniture, machinery, or other tangible property of a non-expendable nature that is normally not attached to or made a part of a building is considered capital equipment.

Acquisition

Generally, when equipment is purchased by AU and properly coded as equipment, the item automatically feeds from the Purchasing System to the Fixed Asset System. Proper coding is essential on purchase requisitions, vouchers, and invoices to ensure that the equipment is included in the University's equipment inventory.

Capitalization Criteria

Capitalization refers to the establishment of an asset record in the Fixed Asset System and the inclusion of the cost of that asset in the University's balance sheet.

Equipment is capitalized if it costs $5,000 or more and has a useful life of more than one year. Such equipment is given a property tag and periodically inventoried. It must be tracked, accounted for, and disposed of according to University property procedures and federal regulations.

The $5,000 threshold **includes** freight and the costs to put the equipment in service.

Procurement Reminders:

Requisitions:

-Choose commodity level when using multiple lines with multiple FOAPS
-Don't use the discount field, use the additional field instead to add discounts; ie a $1000 discount should be entered as -$1000 in the additional field.
-Remember to check account codes: $5000 and over-a capital account code is needed; less than $5000 - a non-capital account code is needed.

-Requisitions cannot contain mixed assets, meaning capital and non-capital items on the same requisition because the equipment will feed incorrectly to property control to be tagged.

Purchase orders:

-Make sure that your suggested vendor is a registered vendor and has a vendor number.
-PPS no longer prints hard copies of PO's.
-Vendors are notified via email that their PO's are posted to the Vendor Center.
-Vendors can access the Vendor Center on-line 24-7.

Policy Updates/Reminders

Please be aware of the following Policy Updates and Reminders.

Mileage rate changed to 55.5 cents per mile
The Internal Revenue Service has announced a change in the standard rate for business use of a personal vehicle to 55.5 cents per mile. In accordance with that change, the Auburn University travel policy has been revised to reflect a mileage reimbursement rate of 55.5 cents per mile for the business use of an employee's personal vehicle while the employee is on university travel status. The new rate is effective with travel that begins on or after July 1.

New Procedures for purchasing IPADS and APPLE PRODUCTS
While HP is the University's preferred vendor for desktop and laptop computers, it is recognized that in some cases, with appropriate justification, the purchase of an Apple computer is necessary. Now that State Bid Law issues have been resolved, effective immediately the purchase of Apple products (hardware, peripherals, and software) for AU business purposes will be made via the AU Bookstore. Information regarding the purchase of sales tax exempt apps will be issued as soon as it is available. Departments should be prepared to provide the business use purpose for the purchase when placing their Apple orders. Departments will continue to submit a Purchase Requisition through Banner for any Apple purchase that will exceed $2,500. For more information about Apple products, please contact Matt Caudle or Randal Berrows at the AU Bookstore (4-4241).

PO does not automatically Generate Payment

Recently, there has been some confusion about when a payment to a vendor is issued. It is important to note that a purchase order (PO) is only a request for goods or services. PPS will not send payment to the vendor until an invoice is received and approved. Here is the proper timeline:

- AU department issues a Requisition.
- AU PPS issues a PO to the vendor.
- Vendor receives the PO, delivers good or service.
- Upon delivery of good or service, vendor sends an invoice the department
- Department send the invoice along with the vendor voucher to PPS.
- PPS processes invoice and sends payment to the vendor.

Did you know?

Using Remanufactured Toner Saves Money

Purchasing remanufactured or refillable laser toner cartridges and recycling empty cartridges are easy ways for you to reduce their environmental impact while at the same time saving 30-60% off of the purchase cost of new cartridges. More information on remanufactured toner is available through Office Max @ www.officemaxsolutions.com. More information on refillable toner is available through Cartridge Solutions @ www.cartridgesolutions.net/auink.html

On-Line Purchasing Card Reconciliation Process

PPS is happy to announce that during the month of May we completed departmental training for the on-line PCard Reconciliation process. This will give the departments the ability to work on their reconciliation throughout the month and afford a more detailed and accurate posting of transactions in Banner.

Happenings

- Coming soon…Our Preferred Vendor for computer related peripherals Govconnection will provide Lunch and Learn opportunities for campus on various products.
- July 20th – Vendor kick-off for Grainger
- PPS will participate in AU New Faculty Orientation, August 15th and Birmingham Business Connection Expo, August 17th.
- PPS to host the Preferred Vendor Show – September 8th, 9am-12pm at Auburn University Hotel and Conference Center

Manager, Missty Kennedy, receives award…

"PPS is proud to announce that Missty Kennedy, Manager, Procurement Services, was recently awarded the **Young Professional in Procurement Award** by the National Association of Educational Procurement. The award recognizes the efforts of an outstanding young procurement professional that is an active member of the NAEP and has made great strides and contributions to the education procurement industry. The award was presented at the Annual NAEP Conference recently held in Memphis, TN."

Closing Notes:

Procurement and Payment Services is here to help, please come see us or allow us to come see you if you are unsure about the correct procedures to follow when making a purchase/payment decision.