Source2Pay Project

Process – Receipt of Purchase Order Invoice

Future State

Focus Group Meeting

August 2016
Agenda

- Welcome/Introductions
- Source2Pay Project Overview
- Process Current State
- Key Findings
- Recommendation
- Questions
Welcome!

- Introductions
  - Name
  - Department
  - Current Job
  - Goal for participating on a Focus Group
Source2Pay Project

- Our current Source2Pay procedures at the University has significant opportunities for improvement and impact every department within the University system.
Project Purpose/Goal

- Identify process improvements throughout Source2Pay process
- Develop RFP
- Ultimate goal is to minimize, improve & standardize IT platforms
Receipt of Purchase Order Invoice

- **Process Boundaries**
  - **Begins** –
    - Receipt of the invoice in Document Management Provider (Rantoul) or the Campus Unit
    - Contract which includes a need for a deposit or prepayment
    - Electronic invoice within iBuy
  - **End** – Invoice is completed by University Payables
Process Place a One-time-order - Current State

Receive Invoice → Process Invoice → Review/validate each invoice → Complete invoice in Banner
Key Findings

- Lack of an automatic workflow in Banner
  - Campus Units unable to easily view the stage at which the invoice exists in the process
  - Unable to see why it is not yet completed
  - Requires a ‘Touch Point’ by UPay to complete
Key Findings

- Multiple ‘Touch Points on same transaction by Purchasing, Payables, and Campus Units
Key Findings

- Multiple invoice presentment points
  - Only able to receive E-Invoice from iBuy
- Lack of effective department review prior to invoice payment
- Inefficient method of communication to Campus Units when an invoice has an issue
Key Findings

- System issues/constraints
  - Unique invoice number
  - Invoice number limit to 15 digits
  - Vendors that reuse invoice numbers
- Receive invoices with incomplete information
- Receive invoices that do not match the purchase order
Future State

- Achieve through this improvement
  - Easy method for all parties to track the status of an invoice as it moves through the system
  - More automation of the process to reduce the amount of manual processing resulting in fewer ‘Touch Points’
Future State

- Achieve through this improvement
  - Increase understanding by all parties of the complete process
  - Decrease in invoice issues
  - Increase efficiencies within the processes that eliminate payment delays
Opportunities for Improvement

- Communication -
  - Issues related to lack of sufficient communication between parties
    - Vendor Training
      - Create training for vendors who conduct business with the University
        - Section on requirements for an invoice to be paid
      - Provide information to vendors
        - Instructions on last page of the Vendor Form
Opportunities for Improvement

- Communication -
  - Instructions on Special Payment Request Form
    - Create instructions on using the Special Payment Request Form
    - Special Payment Request process
  - Information to the benefits of Sending Invoice directly to the Document Management Provider (Rantoul) verse rerouting the receipt of invoice.
Opportunities for Improvement

- Process
  - Issues related to the process of the receipt of a Purchase Order invoice
    - Streamline and reevaluate the Special Payment Request form
      - Electronic form
      - Workflow
  - Purge invoice data from audit period
    - Establish a working group define the process
Opportunities for Improvement

- Process
  - Utilize the Corporate Travel Planner process for group buying
    - Existing working group
      - Expanding to other campuses
    - Current provider BEP firm
      - Process purchase request
      - Submits invoice
Opportunities for Improvement

- Systems
  - Issues related to the limitations of the systems used today.
    - Analyze the functionality for department units to enter invoices into Banner to be processed
      - Route to Upayables for review prior to payment
    - Analyze workflow process within Banner, beginning with creating an requisition
Opportunities for Improvement

- **Systems**
  - Add the ability for Payables to view the full line for item description when reviewing invoice for approval.
  - Longer invoice number field
  - Analyze the ability to setup approval queues by Org, vendor ID, or PO, not just FOAPAL
  - Actual purging data after audit period
Opportunities for Improvement

- **Systems**
  - Future functionality in a new Source2Pay application
    - Electronic entry point for all invoices
    - Single system for electronic presentment
    - Single system electronic workflow
    - System evaluate account number and billing date, when an invoice number is needed
    - More flexible approval queues
Opportunities for Improvement

- **Systems**
  - Future functionality in a new Source2Pay application
    - Ability to return invoice to department unit with comments
    - Ability to return invoice to vendor with comments
    - Electronic presentment with evaluation at vendor entry
What opportunities improvements do you see for the future state?
Contact Information

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Thank YOU!