1.0 New Vendor Setup and Vendor Maintenance Process Report
September 16, 2016
APPROPRIATE USE AND SECURITY OF CONFIDENTIAL AND SENSITIVE INFORMATION

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- Do not share confidential and sensitive information with anyone, including colleagues, unless there is a business reason.
- Retrieve printed reports quickly, and do not leave the reports lying around in plain view.
- Secure reports containing confidential and sensitive information (e.g., FERPA, EEO, or HIPAA protected data).
- When disposing of reports containing confidential or sensitive information, shred the documents in a timely manner.

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Overview

The vendor setup and maintenance process exists to establish a vendor of record for payment and order processing in accordance with IRS, university, and legal requirements. This record must be accurate and accessible for ordering and payment purposes.

This process starts when a campus unit identifies they want to acquire goods or services from a vendor that does not exist in the system of record (currently, this is Banner). The Office of Capital Programs also has a Vendor Services Application that pulls vendor data from Banner, but does not have two-way update capability to change Banner records. That process is out of scope for this project’s current state process analysis.

According to the OBFS website vendor setup instructions, the vendor setup process is not required for refunds of any kind, non-employee reimbursements, or payments to human research subjects totaling less than $100.00 in a calendar year. 🎓

Also excluded from this process are Accounts Receivable vendors, and students or employees setup in Banner as “vendors.” Currently, any student receiving a refund, any employee who could potentially receive an expense report reimbursement and general accounts receivable are also established as vendors in the current ERP system (Banner). Employee vendors are added via the Employee-Vendor Interface or via manual activation by UPAY; students receiving refunds are set up as vendors via the Banner TGRFEED process or manual activation by UPAY, while the OBFS USFSCO group manually adds general accounts receivable vendors to Banner as needed. These are excluded because they are out of the scope of the process.

Illinois Mandate Symbol - 🎓

University Policy Symbol - 🎓
### Chapter 1: SIPOC Diagram

<table>
<thead>
<tr>
<th>Process Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1 New Vendor Setup</td>
<td>8/9/2016</td>
</tr>
</tbody>
</table>

#### SUPPLIERS
- **Who** provides input to the process
  - Campus unit
  - Vendor
  - UPAY
  - IRS
  - OPD (Office of Procurement Diversity)
  - BSS

#### INPUTS
- **What** goes into the process
  - Vendor Information Form (substitute W-9 form, W-8 form if applicable)
  - IRS database
  - Excluded parties list (CMS)

#### PROCESS
- **How** the inputs are transformed to outputs
  - Identify need
  - Gather vendor information
  - Verify vendor information
  - Create vendor record
  - Maintain vendor record

#### OUTPUTS
- **What** comes out of the process
  - Banner vendor record
  - iBuy vendor record

#### CUSTOMERS
- **Who** received the outputs of the process
  - Campus unit
  - Vendor
  - Purchasing
Chapter 2: Suppliers

Suppliers provide input (such as information or verification) into the vendor setup and maintenance process.

2.1: Campus unit

What they care about: Campus units solicit the required tax and business information about the vendor in order to establish their qualifications to procure and receive their goods and services. Campus units care about getting a vendor ID established.

When they care: When requisitioning for an order, the Campus unit identifies that the vendor selected or added is verified and qualified to do business with the University.

2.2: Vendor

What they care about: Vendors care when they would like to provide or be paid for goods and services in a timely manner.

2.3: UPAY

What they care about: UPAY cares about obtaining complete and correct information in order to establish a vendor ID in Banner.

When they care: UPAY cares prior to goods and services being obtained.

2.4: IRS

What they care about: The IRS cares that applicable payment information is reported correctly.

When they care: The IRS cares when the 1099-MISC file is submitted for the previous year’s payments.

2.5: OPD

What they care about: OPD cares about the campus units identifying and using diverse vendors who qualify for the Business Enterprise Program (OPD).

When they care: OPD cares prior to goods and services being obtained.
2.6: BSS

What they care about: BSS cares about ensuring they have consistent information between Banner and iBuy for users to obtain goods and services.

When they care: BSS cares prior to goods and services being obtained.

Business Rules

The University cannot do business with entities on Excluded Parties Lists.

The vendor must be a legal entity.

The vendor must not violate the state’s Conflict of Interest policy.

A department must initiate the vendor setup process.

The vendor process is not required for refunds of any kind, non-employee reimbursements, or payments to human research subjects totaling less than $100.00 in a calendar year.
Chapter 3: Inputs

Inputs are information or verification that goes into the vendor setup and maintenance process.

3.1: Vendor Information Form (substitute W-9 or W-8 form)

This form functions as a substitute for a W-9 Request for Taxpayer Identification Number and Certification form and in conjunction with the IRS W-8 tax form.

3.2: IRS database

This is the database that contains tax-payer identification numbers. It is used to verify the information provided on the Vendor Information Form.

3.3: Excluded Parties Lists

These are state- and federally-maintained lists that identify parties excluded from receiving government agency contracts. As a government agency, the University is prohibited by law from doing business with entities on these lists.

Business Rules

The University cannot do business with entities on Excluded Parties Lists.

The vendor must be a legal entity.

The vendor must not violate the state’s Conflict of Interest policy.

A department must initiate the vendor setup process.

The Vendor Information Form must be complete in order for the vendor to be paid.

The vendor process is not required for refunds of any kind, non-employee reimbursements, or payments to human research subjects totaling less than $100.00 in a calendar year.
Chapter 4: Process

A process is defined as the method for transforming the inputs (such as a verified Vendor Information Form) into outputs (such as a Banner vendor record).

4.1: Identify need

- A new vendor is identified as needing to be created because:
  - a campus unit encounters some need to procure goods or services from a vendor
  - Office of Procurement Diversity (OPD) requests that a newly discovered Business Enterprise Program (BEP) vendor be added

4.2: Gather vendor information

- Campus unit and vendor complete the Vendor Information Form (VIF).
- If there is missing information, UPAY notifies vendor that they need to resubmit a VIF with corrected information, copying the requesting campus unit.

4.3: Verify vendor information

- UPAY checks the vendor information against the IRS database and Excluded Parties Lists
- If there are errors or inconsistencies, UPAY notifies the vendor that they need to resubmit a VIF with corrected information, copying the requesting campus unit.
- If the vendor appears to be on the Excluded Parties List, UPAY notifies the campus unit and Legal Counsel. If Legal determines the vendor is safe to use, the process can continue.
- The campus unit is notified if the vendor is ineligible due to its presence on the Excluded Parties List.
- UPAY checks Banner to see if there is a vendor match on name and tax identification number (TIN). If there is a match, this becomes a maintain process since the vendor already has a Banner record. If there is no match, then a vendor record still needs to be created in Banner.

4.4: Create vendor record

- UPAY creates a Banner record (which also assigns a vendor number)
- UPAY uploads the VIF to Banner
- UPAY notifies campus unit or OPD depending on who requested the new vendor addition.
- BSS validates and syncs iBuy record
- Campus unit proceeds with purchase or OPD adds vendor to their internal list.

4.5: Maintain vendor record

Maintenance begins when a campus unit receives some type of notification that there is a need for maintenance.
Notification types include: mergers, change of BR address, BP address, or BU address, change of TIN, name change, dissolution, debarment, bankruptcy, inactivity, SUA or ACH updates, change of vendor type (e.g., becoming woman-owned), change of terms, change of email address, or change of hold codes. Depending on the type of maintenance that needs to be performed, UPAY will proceed accordingly.

**Maintenance type 1: Update address**
- UPAY ensures that the requested vendor matches to a vendor in Banner and if so, proceeds to update vendor record in Banner based on notification of change
- BSS validates that the change occurred in iBuy

**Maintenance type 2: Terminate vendor**
- Coordination is needed between UPAY and outside units before a termination can be completed
- UPAY updates the termination date in Banner for the correct vendor. If they need to refer to a different vendor for future use, for example a new vendor that has been created because the TIN has changed, UPAY updates the previous vendor name with “TERM USE <vendor number>” where <vendor number> is the vendor number for the different/new vendor.
- BSS validates that the termination occurred in iBuy

**Maintenance type 3: Add/Update ACH/SUA**
- UPAY receives an ACH request from a requestor (campus unit, UPAY, Purchasing, vendor, invoice, etc.)
- UPAY finds the correct vendor and checks to see if an ACH exists, requesting a new VIF if need be.
- UPAY confirms with the vendor they want to be set up for ACH (if, not the process ends).
- UPAY sends the ACH form to the vendor, who completes the form.
- UPAY checks for errors and adds/updates the ACH info to Banner, notifying the vendor when complete.

**Maintenance type 4: Update vendor attributes**
- Campus unit requests attribute maintenance (for vendor name, type, terms, or hold codes)
- UPAY finds the correct vendor and performs the change, requesting a new VIF if need be.
- UPAY notifies the requesting unit that the change has been made in Banner.
  - Attribute change is an email address:
    Also notify BSS (iBuy production support), who updates email address in iBuy and notifies requestor that this is complete.
  - Attribute change is a name change:
    Also notify Purchasing and BSS (iBuy production support).
    BSS confirms the name change in iBuy.
Chapter 5: Outputs

Outputs are the resulting information or entities that are produced as part of the vendor setup and maintenance process.

5.1: Banner vendor record

The Banner output is an entry into the FTVVEND and FTVVENT tables.

5.2: iBuy vendor record

An iBuy vendor profile is created in iBuy synched from Banner’s FZMVEND form.
Chapter 6: Customers

Customers receive the output of the process.

6.1: Campus unit

What they want: Campus units want a vendor ID number to create a requisition that initiates the purchases of goods.

Campus units also want to know if UPAY has received the VIF from their vendor, where the VIF is during the processing queue, and what the new vendor ID is.

6.2: Vendor

What they want: Vendors want to know that UPAY has received their VIF, also might need to be told what the next step of process is, or when they’ll be paid.

6.3: Purchasing

What they want: University Purchasing wants to ensure that accurate, specific information is captured about vendors for purchasing documentation. Purchasing wants to ensure compliance with requirements regarding excluded vendors, prohibitions, and conflicts under the Procurement Code and other laws.

They care when purchase orders/contracts/invoices are issued, so that vendors are properly identified and all documents align to correct vendors. Purchasing also needs to know when new vendors have been created or vendors have been purged/no longer available.
Chapter 7: Customer - Oversight Roles

Oversight roles are entities that check to ensure that the University is following the correct rules for this process.

6.1: University Audits

What they want: Ensure that iBuy and Banner are in sync and that there is a separation of duty in the purchasing process roles (e.g., vendor maintenance vs. payment). Also want to ensure that no inactive users still have access to the system.

6.2: IRS

What they want: IRS wants accurate tax ID information to be collected.
Chapter 8: Questionnaire for Current State Analysis

1. Why does the process exist?
   This process exists to establish a vendor of record for payment and order processing in accordance with IRS, university, and legal requirements.

2. What is the purpose of the process?
   The purpose of this process is to create an accurate vendor record that is accessible for ordering and payment purposes, which aids in collecting data for yearly 1099 reporting.

3. What are the process boundaries (i.e., when does it start and end?)
   This process starts when a campus unit identifies they want to acquire goods or services from a vendor that does not exist in the system of record (which is currently Banner).
   
   This process ends when there is a properly maintained vendor record in Banner.

4. What are the major activities/steps in the process?
   Chapter 4: Process (Ctrl+Click to follow this link)

5. What is the expected outcome or output of the process?
   See Chapter 5: Outputs

6. Who uses the output of the process, and why?
   See Chapter 6: Customers

7. Who benefits from the process, and how?
   Vendors benefit from this process because they are able to be paid and do business with any University unit once they have a vendor record in Banner.
   
   Campus units benefit from this process because it enables them to procure and receive their goods and services.

8. What information is necessary for the process?
   See Chapter 3: Inputs

9. Where does that information come from?
   See Chapter 2: Suppliers

10. What effect does that information have on the process and output?
    The VIF, IRS database, and Excluded Parties List determine if the vendor can be added to Banner and if a vendor can do business with units at the University.
11. Who is primarily responsible for the process?
   UPAY is responsible for much of the vetting and entering of the vendor information into Banner. BSS is responsible for the iBuy record. Campus units and OPD are responsible for finding vendors from which to purchase goods and services.

12. What other units/organizations participate in or support the process?
   The vendor and the IRS also participate in this process.

13. What Information Technology system(s) support the process?
   Systems include: fax (such as RightFax), Banner, iBuy (SciQuest), IRS tax identification match system, Excluded Parties List website, OBFS smart form, Outlook, Banner Document Management (BDM), Applications Manager, HOV (lockbox for records), and CMS.

14. What policies guide or constrain the process?
   The University cannot do business with entities on Excluded Parties Lists.
   The vendor must be a legal entity.
   The vendor must not violate the state’s Conflict of Interest policy.
   A department must initiate the vendor setup process.
   The Vendor Information Form must be complete in order for the vendor ID to be established in Banner.
   The vendor setup process is not required for refunds of any kind, non-employee reimbursements, or payments to human research subjects totaling less than $100.00 in a calendar year.

   IRS rules
   The BEP act
   ACH rules

15. How often does the process get executed?
   Vendor setup occurrences: 6,258/year
   Vendor termination occurrences: 1,710/year
   Vendor attribute update occurrences: 3,770/year

16. What are potential defects with respect to the process?
   Incomplete VIF form, VIF information not matching the IRS information for that vendor, vendor being on the Excluded Parties List, payment can occur to invalid address/vendor info
   a. How often do they occur?
      Frequently – daily, there is a form encountered that can't be processed for some type of issue, approximately 1/8.

17. What types of challenges have employees who participate in the process raised?
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Problems with the VIF

missing information (e.g., conflict of interest, ACH rules, SUA eligibility, services provided, international vendors take wire transfer only)

self-reported BEP info (non-verified by UPAY)

vendors have trouble opening the SmartForm (use paper form: illegible, incomplete)

System errors (disconnect and verification necessary between Banner/iBuy, no tracking, international vendors have difficulty receiving PO)

BEP vendors (not specifically flagged as certified in Banner, no verification of self-identification of BEP status, federal and State BEP rules differ, certifications lapse without notifying UPAY, vendor is misinformed)

Banner doesn’t verify vendor number on requisitions, so a TERM’d vendor might pass through the requisition process.

The remittance address has sequence numbers – so a BR address might have 90 different sequence numbers corresponding to different divisions of the vendor company and this is hard to follow.

Can’t track errors or problems with vendor setup process.

18. What types of challenges or concerns have customers raised?

Vendors have difficulty opening, completing, and submitting VIF (especially by fax). International vendors, small businesses especially have difficulties

Unclear who should assist vendor with tax info or request info from vendor (campus unit? UPAY?)

Lack of training about vendor rules

Searching Banner for vendor info is time consuming process – can result in requesting new VIF if couldn’t find vendor

When a vendor is maintained, previous POs are invalid. Sorting this out takes lots of time and coordination between UPAY and unit.

Vendor records are TERM’d but campus unit wants to use them again.

Vendor record takes a long time to create

Lack of communication (request status, international vendor hold preventing PO, terminated vendor causing old POs to be invalid)

New VIF must be completed for small corrections (e.g., address, fax number, new sub-department of bigger institution like a university)

Inadequate training on Banner forms

No direct deposit for vendor

Campus unit procures goods/services prior to setting up a vendor record in Banner.

19. Will the process be changed by another initiative in the near future?

An RFI and RFP were conducted to evaluate potential vended applications, but no applications were selected for purchase at that time.

SUA process will change by end of 2016.

Banner XE rollout could change process for entering information into Banner forms and info collected in Banner.
Chapter 9: Questionnaire for Potential Process Improvement Candidates

1. **How would the process operate differently in the “Perfect Situation?”**

Online, secure vendor portal to gather accurate info directly from vendor, two-way information flow to/from system of record (Banner) upon verification prior to entry into Banner, workflow capabilities, automated notification, potentially verify information automatically, reporting capabilities, interface with BEP program to identify BEP vendors, ask questions based on answers already provided.

This process would work more quickly in future.

Increased transparency of what stage in the process the request is for both campus units and vendors.

Identify Conflict of Interest up front.

Have one system.

Recorded history of updates on vendor record.

2. **What does the team hope to achieve through this improvement?**

More efficient, simpler process with better communication for all involved.

3. **Who would benefit from the desired improvement to the process?**

Everyone – vendor, campus unit, Purchasing, UPAY.

   a. **How would we know?**

   Customer satisfaction would increase

   Cycle times would decrease (vendor enters info onto form, then UPAY has to re-key that same data to input it to Banner)

   Payment processing time would decrease

4. **What data can be provided with respect to the process performance (e.g. service rating, cycle time, customer survey responses, etc.)?**

   Process execution frequency reports – for one calendar year.

5. **Who should be included in any improvement discussions for the process?**

   UPAY, campus units, Purchasing, BSS, AITS
# Chapter 10: Opportunities for Improvement

The following opportunities for improvement were identified through team discussions, focus group feedback, and OBFS Partner feedback. Issues were categorized into six groups, covering technology limitations, communication about the process, training, policy- and procedure-related issues, and lack of resources.

## Training – issues related to training on the procedures and rules of this process

| C1.1  | Departments do not plan ahead by ensuring their vendor is active and current in procurement systems before proceeding with purchase |
| C1.2  | Departments don’t choose the correct ID when making a purchase. Just because an ID exists with a similar name does not mean it is the same vendor (e.g., Acme Services is not necessarily the same as Acme Service Systems) |
| C1.3  | Lack of training for departments/campus units to search for vendors in Banner and iBuy |
| C1.4  | Training to find department contacts in Banner from invoice |
| C1.5  | Department needs training on obtaining info from the vendor |
| C1.6  | VIFs are not correctly completed or submitted by campus units (e.g., address change, fax vs. email) |
| C1.7  | Lack of training on rules of vendor maintenance, vendor activity dates, how to read dates |
| C1.8  | Inadequate training on FTMVEND Banner form |

## Communication – issues related to a lack of or inconsistent communication about this process

| C2.1  | Inconsistent communication between campus units and UPAY |
| C2.2  | Inconsistent communication between UPAY and Purchasing |
| C2.3  | VIF not being submitted by vendor in timely manner |
| C2.4  | Improve communication to users re: use of notes on vendor record |
| C2.5  | Lack of status within processing of VIF |
| C2.6  | Communication re: Address change and vendor maintenance needs improvement – hard to find on the website, poorly explained |
| C2.7  | Departments and vendors unsure of whom to contact with questions regarding the VIF |
| C2.8  | Tax/Finance training needed: unsure who should answer or how to answer tax questions on domestic vendors (international vendor issues mentioned under Resources) |
| C2.9  | Campus unit not informed of vendor termination in Banner |
| C2.10 | It takes a long time to make changes requested by department for small or complex changes on the VIF |
| C2.11 | Delay is increased by different approval levels (verification, security) that are needed before ACH and SUA are activated, while the departmental expectation is that it should happen very quickly. (There is a lot of back and forth required to get this processed.) |
| C2.12 | Lack of training to know about vendor rules |
| C2.13 | Lack of communication to university as a whole on vendor rules |
### Policy – issues related to the rules about this process

| C3.1 | State/University policy to accept only BEP certification |
| C3.2 | Policy to request new VIF every 3 years burdensome to Vendors (according to the SME group, this is an IRS requirement and probably can’t be changed) – but it could be better communicated to customers |

### Procedure – issues related to how this process is accomplished

| C4.1 | Department ignores/sends to purchasing to resolve (department issue, department doesn’t want to take responsibility for obtaining info from vendor) |
| C4.2 | Policy to obtain iBuy/PMM (Hospital’s facilities material management system) approval to terminate is time consuming |
| C4.3 | Department doesn’t like when a VIF is requested to update a vendor name when previous invoices showing the same name were processed. (inconsistent process) |
| C4.4 | VIF asks if department wants “Add [vendor] to iBuy” but there’s not a choice – it’s mandatorily added in iBuy |
| C4.5 | Lack of knowing who is responsible for working with vendor and verifying info (legal, $) |
| C4.6 | Time consuming to determine ownership |
| C4.7 | Hard to determine who is actual owner of the process |
| C4.8 | Campus unit acts as middleman between vendor and UPAY (e.g., out of date info, UPAY wants updated contact info, UPAY asks campus unit to follow up with vendor). Setup works okay for Rodney/Library. |
| C4.9 | Why UPAY vendor maintenance ask campus unit to follow up to update vendor info (campus unit is being asked to be middle man). |

### Technology – issues related to systems or software related to this process

<p>| C5.1 | Different divisions of vendors need different addresses in Banner |
| C5.2 | Vendor does not have access to technology (Adobe/fax) |
| C5.3 | Banner/iBuy does not communicate with BEP system |
| C5.4 | In current system, one cannot determine/search for vendor based on what types of goods/services they provide. As a result, there are multiple vendors offering the same thing, and possibly conflicting with existing university contract vendors. |
| C5.5 | Manual VIF process causes delays and errors (bad data, mis-key, legibility) |
| C5.6 | Multiple systems (Banner, iBuy, BEP, etc.) |
| C5.7 | External systems change name/TIN automatically – Employee-Vendor interface that creates vendors: if the vendor already exists it will overwrite the info already in Banner |
| C5.8 | Multiple external systems for verification |
| C5.9 | Address change/vendor maintenance cannot be found on website |</p>
<table>
<thead>
<tr>
<th>C5.10</th>
<th>Limited vendor search capabilities in procurement systems</th>
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<tbody>
<tr>
<td>C5.11</td>
<td>Banner cannot cross-check new vendor against existing IDs</td>
</tr>
<tr>
<td>C5.12</td>
<td>Departments and vendors have difficulty opening or using interactive VIF</td>
</tr>
<tr>
<td>C5.13</td>
<td>Banner lacks a method for archiving/purging terminated vendor list. This list is large and slows down system *see also under Resources</td>
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<tr>
<td>C5.14</td>
<td>Vendor set-up/maintenance is a manual process</td>
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<tr>
<td>C5.15</td>
<td>Lack of automation for processes involving rework for Purchasing and departments and UPAY</td>
</tr>
<tr>
<td>C5.16</td>
<td>Incomplete, incorrect, or illegible information provided by vendor on VIF</td>
</tr>
<tr>
<td>C5.17</td>
<td>Submission method for VIF is outdated</td>
</tr>
<tr>
<td>C5.18</td>
<td>Current system (VIF, Banner, iBuy) doesn’t allow for multiple BP/BR addresses to be verified by vendor as valid (VIF doesn’t allow them to enter more than one)</td>
</tr>
<tr>
<td>C5.19</td>
<td>Can go far along the requisition process without realizing the vendor has been terminated.</td>
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**Resources (financial, human) – issues related to lack of sufficient staff or funding**

<table>
<thead>
<tr>
<th>C6.1</th>
<th>Lacking UPAY resources causes delays</th>
</tr>
</thead>
<tbody>
<tr>
<td>C6.2</td>
<td>Termination list for vendors is large and slows down system * see also under Technology</td>
</tr>
<tr>
<td>C6.3</td>
<td>Lack of designated contacts for processing of VIF and additional required documents by international vendors</td>
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Chapter 11: Suggested Improvements

The following recommendations were suggested by the team members. Not all improvements were selected by the team, who proceeded to present the selected improvements to the focus groups for feedback.

<table>
<thead>
<tr>
<th>#</th>
<th>Change Category</th>
<th>Suggested Improvement</th>
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<tbody>
<tr>
<td>1</td>
<td>Training</td>
<td>Update and enhance job aids to better explain/clarify VIF for campus units. (Work with Mary Malcolm’s group)</td>
</tr>
<tr>
<td>2</td>
<td>Training</td>
<td>Develop a webinar or online video training for VIF and related information.</td>
</tr>
<tr>
<td>3</td>
<td>Training</td>
<td>Include job aids/training link for vendors on VIF.</td>
</tr>
<tr>
<td>4</td>
<td>Training</td>
<td>Develop a better smart form for VIF.</td>
</tr>
<tr>
<td>5</td>
<td>Training</td>
<td>Give vendor a contact person and list contact info/instructions on VIF.</td>
</tr>
<tr>
<td>6</td>
<td>Training</td>
<td>Ensure vendor training is included in the requisition training, including responsibility of department to get VIF form and follow up when requested.</td>
</tr>
<tr>
<td>7</td>
<td>Policy &amp; Procedure</td>
<td>Flag vendors for inactivity. Review/update as needed (idea for a new system).</td>
</tr>
<tr>
<td>8</td>
<td>Policy &amp; Procedure</td>
<td>Initiate an iBuy/PMM distribution listserv for approval to terminate with voting approvals.</td>
</tr>
<tr>
<td>9</td>
<td>Policy &amp; Procedure</td>
<td>Notify departments with open POs when a vendor is being terminated.</td>
</tr>
<tr>
<td>10</td>
<td>Policy &amp; Procedure</td>
<td>Define UPAY responsibility vs. campus unit responsibility in vendor creation and maintenance process.</td>
</tr>
<tr>
<td>11</td>
<td>Policy &amp; Procedure</td>
<td>Establish a procedure to terminate vendors. Start with “x amount” per month. Make this a priority.</td>
</tr>
<tr>
<td>12</td>
<td>Policy &amp; Procedure</td>
<td>Remove ibuy add option from VIF.</td>
</tr>
<tr>
<td>13</td>
<td>Policy &amp; Procedure</td>
<td>Accurately capture multiple types of certifications (BEP, HUD, 8a, small business, etc.)</td>
</tr>
<tr>
<td>14</td>
<td>Policy &amp; Procedure</td>
<td>Outsource vendor on-boarding/maintenance to another campus unit instead of UPAY.</td>
</tr>
<tr>
<td>15</td>
<td>Communication</td>
<td>Assign unique number to VIF so sequence of VIF is clear (e.g., How old is this VIF? Is it older or is it more current than this other one I have for same vendor?)</td>
</tr>
<tr>
<td>16</td>
<td>Communication</td>
<td>Hold Q&amp;A sessions with UPAY for or with Business Managers Group.</td>
</tr>
<tr>
<td>17</td>
<td>Communication</td>
<td>Prepare communication to users covering questions we have received about the VIF. Link to training, job aids, and FAQs on OBFS website.</td>
</tr>
<tr>
<td>18</td>
<td>Communication</td>
<td>Give requestor and vendor a reason and a path to resolve the issue when a vendor is not able to be set up.</td>
</tr>
<tr>
<td>19</td>
<td>Communication</td>
<td>Re-work the OBFS website to make sure users can easily locate vendor documentation.</td>
</tr>
<tr>
<td>#</td>
<td>Change Category</td>
<td>Suggested Improvement</td>
</tr>
<tr>
<td>----</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>20</td>
<td>Communication</td>
<td>Improve/develop OBFS website addressing areas where there is a lack of communication (including FAQs)</td>
</tr>
<tr>
<td>21</td>
<td>Communication</td>
<td>Document and post defined explanations for all parties involved in on-boarding a vendor.</td>
</tr>
<tr>
<td>22</td>
<td>Communication</td>
<td>Develop FAQ for tax questions as well as other common questions.</td>
</tr>
<tr>
<td>23</td>
<td>Communication</td>
<td>Increase communication around a person with a previously existing relationship with the university becoming a vendor (explain policies around revolving door, conflict of interest, etc.)</td>
</tr>
<tr>
<td>24</td>
<td>Communication</td>
<td>Develop and distribute a regularly scheduled (quarterly? monthly?) report indicating when vendors have been terminated.</td>
</tr>
<tr>
<td>25</td>
<td>Communication</td>
<td>When vendor info has been updated based on a new VIF, stakeholder (unit or vendor) is notified automatically (similar to Service Desk ticketing process).</td>
</tr>
<tr>
<td>26</td>
<td>Communication</td>
<td>Implement a status queue indicating where a VIF is in the process, create the ability for vendors and campus units to check on vendor setup status.</td>
</tr>
</tbody>
</table>
| 27 | Communication, Technology | Develop and implement a vendor portal including the following capabilities:  
  ● vendor enters their information online  
  ● multiple external system verification (e.g., Excluded Parties List, IRS database, BEP certifications, Illinois Secretary of State)  
  ● workflow  
  ● notifications  
  ● cross-check for duplication  
  ● if vendor is updating, there should be a way to see current info already existing in the system of record  
  ● mobile-friendly |
<p>| 28 | Technology     | VIF should work like Turbo Tax, where there are responsive questions based on answers entered by vendor. Also, include “tool tips” that can pop out instruction on various pieces of information requested on the VIF. |
| 29 | Technology     | Develop a website to enter VIF info.                                                                                                                   |
| 30 | Technology     | Find and use one system with functionality of both Banner and iBuy.                                                                                     |
| 31 | Technology     | Banner should “talk to” iBuy.                                                                                                                        |
| 32 | Technology     | Eliminate fax as the preferred VIF submission method.                                                                                                   |
| 33 | Technology     | Fix the problem of overrides of change name/TIN or prevent it from occurring without approval.                                                          |
| 34 | Technology     | Include search functionality to find vendors by commodities (not commodity codes) and by TERM'd vendors.                                                   |
| 35 | Technology     | Investigate better vendor search capability in current system.                                                                                           |</p>
<table>
<thead>
<tr>
<th>#</th>
<th>Change Category</th>
<th>Suggested Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Technology</td>
<td>Include an easily understandable vendor history (address, name) in new system.</td>
</tr>
<tr>
<td>37</td>
<td>Technology</td>
<td>New system should easily identify open POs when a vendor is TERM’d and notify department.</td>
</tr>
</tbody>
</table>
Chapter 12: Feedback from Focus Groups

A second round of focus groups were held on the three campuses 8/25/16-8/26/16. A total of fifteen people attended three focus groups. The project team did not have final recommendations to present to the focus groups, so the focus groups were only able to view and comment on a variety of preliminary solution ideas. The common themes of their feedback included:

- Support a vendor portal where vendors self-register with the university. (This included lots of potential ideas, such as: certification verification, view status of purchase order, submit invoice, view training, etc.)
- An online form securely submitted electronically would be preferred over the existing adobe form and fax submission method. However, fax and mail should continue to be submission methods for low-tech vendors.
- Would like better search capabilities in current and future system (search by: vendor name, similar vendors, commodity, diversity qualities, etc.).
- Distributed reports for inactive and terminated vendors (including open purchase order information) would be helpful.
- Defined and communicated responsibilities between the campus unit and University Payables would be valuable to this process.
- Additional training and job aids on vendor forms in Banner would be beneficial.
Chapter 13: Recommendations for Improvement

Within the New Vendor Setup and Vendor Maintenance process, nine recommendations have been identified for improvement. There are two levels of implementation: “short-term” indicates improvements suggested for the current system and process prior to the development of an RFP, and “long-term” indicates improvement to the process with an RFP for a new system.

<table>
<thead>
<tr>
<th>#</th>
<th>Recommendation</th>
<th>Level</th>
<th>Related Issue(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Enhance vendor set-up and maintenance training and job aids for purchases made in iBuy, Banner, or TEM.</strong> There are multiple areas of training that should receive improvement including the following:</td>
<td>Short</td>
<td>C1.1 through C1.8, C2.1, C2.2, C2.8, C2.12, C2.13, C2.14, C3.2, C4.1, C4.3, C4.5 through 4.9</td>
</tr>
<tr>
<td></td>
<td>• Define and communicate the specific responsibilities of UPAY and of campus units regarding the vendor creation and maintenance procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Include who should answer questions about tax information</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Include who should answer questions about foreign vendors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Update and enhance job aids</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Create step-by-step, screenshot instructions for vendor search)</td>
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<tr>
<td></td>
<td>o Specify the schedule for vendor maintenance/update requirements (e.g., need an updated VIF once every three years or if any of the following changes: vendor name, tax ID, or address)</td>
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<tr>
<td></td>
<td>• Analyze OBFS website related to vendor information to ensure it is well-organized and contains additional training in an easy-to-find spot</td>
<td></td>
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<tr>
<td></td>
<td>• Campus units should receive training on the vendor maintenance process and procedures as part of requisition and TEM training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Investigate and implement an improved integration between iBuy and Banner when setting up or maintaining a vendor record.</strong> Ideally, campus units would like a vendor to be immediately available in iBuy as soon as it has been entered into Banner. This is a manual process currently, and as a result, the process takes longer than the customer would want. The team is recommending this, ideally, but we are aware of the following obstacles:</td>
<td>Short</td>
<td>C4.4, C5.12, C5.15, C5.6</td>
</tr>
<tr>
<td></td>
<td>• iBuy Production Support must run through a troubleshooting checklist when a Banner-to-iBuy sync has failed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Troubleshooting process takes even longer when a service desk ticket has been submitted</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• User error in vendor maintenance sometimes causes a sync error, sometimes it is unclear what causes the sync error and it would be beneficial to have clear error notifications from Ellucian and SciQuest</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• UPAY has requested this functionality between Banner and iBuy from Ellucian and SciQuest for years with little to no progress</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.0 - New Vendor Setup and Vendor Maintenance – Final Report

- AITS might want to re-do the messaging component (the piece that connects iBuy and Banner) but this probably wouldn't occur until the next version of Banner is implemented (Banner XE).

**Director Council:**

Some of the manual vendor maintenance synching issues are due to the way UI configured it. Future product should eliminate synching.

<table>
<thead>
<tr>
<th>3</th>
<th><strong>Develop an online Vendor Information Form.</strong> This form would improve upon the current form in many ways including:</th>
</tr>
</thead>
</table>
| | - Vendor information completed by the vendor online, with interactive tips embedded in the web format, and some interactive question capability (e.g., the next question depends on the answer the vendor selects for the current question)  
| | - The information entered into the webform should be stored in a secure location since it includes tax ID  
| | - There should be an invitation process where the campus unit can send an invite to their vendor to complete the form (where the campus unit portion of the VIF is already complete/stored)  
| | - The web system (something similar to FormBuilder or Webtools) should notify the campus unit and vendor maintenance once the vendor has submitted their form. Vendor maintenance would then go to the secure location to view the information and enter it into Banner. |
| | **Director Council:**  
| | Consider revisiting the current process where a campus unit drives the vendor setup selection, though there is risk involved. Concerned about keeping the form secure. Research the web-based form from Brown University. |

<table>
<thead>
<tr>
<th>4</th>
<th><strong>Investigate the problem where the Employee-Vendor Interface overrides existing vendor information, causing discrepancies between vendor name and tax ID.</strong></th>
</tr>
</thead>
</table>
| | - This problem effects individuals with financial aid, student, employee, or accounts receivable affiliation in Banner.  
| | - Improve notification to vendor maintenance when this occurs – currently there is no notification.  
| | - Identify the logic behind the Employee-Vendor Interface so that users will have a better understanding of when/why the data gets overwritten. |
| | **Short** C5.16, C5.17 |
1.0 - New Vendor Setup and Vendor Maintenance – Final Report

5. **Investigate and communicate better vendor search strategies in Banner and analyze if there are other options to resolve system limitations of Banner.**
   - Include step-by-step instructions with screenshots of Banner forms
   - Document a useful strategy for searching with wildcards (include examples)
   - Investigate if Banner can be made easier to search – remove the need for case-sensitive search, does Accounts Receivable need to include different IDs for each business address?
   - Could a program scrape vendor information from Banner nightly and provide a web-based application that would allow Google-like searching over vendor information?
   - Could everyone be given the ability to query the Banner database?

*Director Council:*

*New Banner XE will enhance search capabilities. Would need to restrict a lot of data (i.e., tax ID/banking info/remittance address) if allowing campus units to search via third-party query tools. Investigate what is available via EDW.*

6. **Report on and create a flag for vendors indicating no activity after a certain period of time and establish a procedure to terminate vendors.**
   Currently, inactive vendors are still in the Banner system, causing search times to be lengthy and also causing confusion as to which version of the vendor to use.
   - Prioritize AITS work request WR-6684 to inactivate vendors who haven’t been paid in over three years. Eventually, once caught up on the backlog, this process should be run regularly via an APPWORX job run.

7. **Develop reports and send email notifications to communicate to campus units when a vendor has been terminated.**
   - Investigate if reports that UPAY previously used to perform this function are still viable and develop new reports if they are not.

8. **Develop and implement a vendor information portal.**
   The first step would be to review the previous RFP that was written for this item, checking the requirements written in the previous RFP against the requirements from this current project. Check to see if AITS has provided an hours estimate for how long it would take to develop a portal in-house. Then, the team should analyze if they want to go the RFP route (either using the old RFP or creating a new one) or request that AITS create a project to build a vendor portal in-house (perhaps based on The University Office of Capital Programs’ Vendor Service Application). The requirements determined by the project team are as follows:
1.0 - New Vendor Setup and Vendor Maintenance – Final Report

- The vendor will enter/update their information online through a secured access. If they are updating, they should be able to view what is currently in the system.
- Workflow
- Notifications of vendor and campus unit of status of the vendor entry request
- Cross-check Banner/system of record for duplication
- Mobile-friendly
- Include an interface to other verification systems (e.g., Excluded Parties List, BEP certifications, Illinois Secretary of State, IRS database)
- Reporting functionality
- Flag vendors when information needs to be updated, and notify active vendors that they need to verify/update the information on file
- Advanced vendor search capability – vendor name, commodity/services provided, BEP status, termed/active status
- Notify campus unit that the vendor they are trying to use requires the vendor info be updated before they could move forward with requisitioning/purchasing
- Ability to flag vendors for inactivity and terminate vendors (the team would need to define what constitutes inactivity – e.g., no payments in the last three years? – and analyze how to accurately check across all aspects of the Source-To-Pay process to ensure there has been zero activity according to that definition)

Director Council:
Concern about allowing a vendor to change their own information (vetting/verification process prior to officially making the change). Should add strategic procurement process to vendor onboarding (would result in streamlining the process, better relationships with vendors, and help in sourcing for BEP).

<table>
<thead>
<tr>
<th>Select and implement a new system that incorporates both Banner and iBuy capabilities. This means the new system would need to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include e-procurement functionality</td>
</tr>
<tr>
<td>Include shopping capability connected directly to a vendor’s catalog with university contract pricing posted</td>
</tr>
<tr>
<td>Accommodate possible third-party integration (e.g., F&amp;S uses AIM as a third-party system currently)</td>
</tr>
</tbody>
</table>

| 9 | Long | C4.4, C5.3, C5.4, C5.6, C5.10 |
Chapter 14: Solution Prioritization Matrix

The recommendations for improvement were reviewed and the potential solutions were prioritized by the Director Council. The below matrix contains the potential solutions and each ranked score.

The scored columns represent the average of each attribute entered by each participant. The total score is the average of the total calculation of each participant. The ‘Ranking’ column represents the priority ranking.

<table>
<thead>
<tr>
<th>Describe Potential Short-Term Solutions</th>
<th>Ease of Implementation</th>
<th>Permanence of the Solution</th>
<th>Impact of the Solution</th>
<th>Cost of the Solution</th>
<th>Total Score (Average of the total product from each participant)</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhance training and job aids for any type of purchase made via iBuy, Banner, or TEM</td>
<td>3.67</td>
<td>3.56</td>
<td>3.56</td>
<td>3.33</td>
<td>167.11</td>
<td>3</td>
</tr>
<tr>
<td>Investigate and implement an improved integration between iBuy and Banner</td>
<td>1.78</td>
<td>2.78</td>
<td>3.56</td>
<td>1.67</td>
<td>44.89</td>
<td>7</td>
</tr>
<tr>
<td>Develop an online Vendor Information Form</td>
<td>3.89</td>
<td>3.78</td>
<td>4.11</td>
<td>3.56</td>
<td>215.89</td>
<td>1</td>
</tr>
</tbody>
</table>

Matrix is continued on next page.
## Describe Potential Short-Term Solutions (Continued)

<table>
<thead>
<tr>
<th>Description</th>
<th>Ease of Implementation</th>
<th>Permanence of the Solution</th>
<th>Impact of the Solution</th>
<th>Cost of the Solution</th>
<th>Total Score (Average of the total product from each participant)</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigate the problem where the Employee-Vendor Interface overrides existing vendor information, causing discrepancies between vendor name and tax ID</td>
<td>2.56</td>
<td>3.33</td>
<td>3.33</td>
<td>2.89</td>
<td>84.89</td>
<td>6</td>
</tr>
<tr>
<td>Investigate better ways to search Banner for vendors and analyze if there are other options to resolve system limitations of Banner</td>
<td>3.11</td>
<td>4.11</td>
<td>4.33</td>
<td>3.00</td>
<td>182.78</td>
<td>2</td>
</tr>
<tr>
<td>Flag vendors for inactivity and establish a procedure to terminate vendors</td>
<td>4.00</td>
<td>4.00</td>
<td>3.56</td>
<td>3.11</td>
<td>162.56</td>
<td>4</td>
</tr>
<tr>
<td>Develop reports and send email notifications to campus units to indicate when a vendor has been terminated</td>
<td>4.11</td>
<td>3.33</td>
<td>3.11</td>
<td>3.33</td>
<td>154.22</td>
<td>5</td>
</tr>
</tbody>
</table>
Appendix A: Business Glossary

ACH
Automated Clearinghouse (national clearing house that does check processing)

BEP
Business Enterprise Program

BP
Business-Purchases

BP address
Business-Purchases address, i.e., where the PO is sent

BR
Business-Remittance

BR address
Business-Remittance address, i.e., where the payment is sent

BU address
Business Address, i.e., operations/home office location

PMM
Hospital’s facilities material management system

SUA
Single Use Account: UPAY uses SUA as a payment method to use credit card rather than check to pay vendor. This information is not gathered on the VIF, but would be considered a maintenance activity.

TERM’d vendor
Terminated vendor

TIN
Tax Identification Number (for IRS)

Vendor
A person or organization external to the University of Illinois that provides goods or services to the University for the purposes of payment

VIF
Vendor Identification Form