25.0 Special Payment Request
Process Report
December 2017

UNIVERSITY OF ILLINOIS SYSTEM

URBANA-CHAMPAIGN · CHICAGO · SPRINGFIELD

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TABLE OF CONTENTS

Overview

The Special Payment Request form is a mechanism used to facilitate the processing of a special payment request.

Illinois Mandate Symbol -

University Policy Symbol -

Professional Mandate Symbol -

Process Executive Summary

Business Process

The Special Payment Request form is a mechanism used to facilitate the processing of a special payment request that is outside of the normal processing procedures for a payment. The department unit will complete the Special Payment Request form and obtain any department approvals, if necessary. If the request is for a prepayment or a deposit, the request should be routed to Purchasing. All other request are routed directly to Payables. When received, Payables will review to determine the type of request, review for completeness and begin the payment process.

Current Process Activities

Create → Receive → Review → Payment Process

Approach

The current state process activities were mapped by the Subject Matter Expert (SME). A SIPOC diagram was created to capture the tasks executed by the University System department, issues identified, and a list of future system requirements was captured.

Key Findings

- Lack of technology to support the process
    - Missing workflow
    - Ability to log request
- Lack of complete information within a request
- Lack of understanding the entire process

Chapter 1: SIPOC Diagram

Process Name	Date
25. – Special Payment Request	July 2017

SUPPLIERS	INPUTS	PROCESS	OUTPUTS	CUSTOMERS
Who provides input to the process	**What** goes into the process	**How** the inputs are transformed to outputs	**What** comes out of the process	**Who** received the outputs of the process

University
• UIUC
• UIC
• UIC Health
• UIS
• University System
  ○ Office of Treasury Operations
  ○ University Payables
	Special Payment Request Form
	
	Payment Detail
	
	Payment Documentations
		Create
		
		Receive
		
		Review
		
		Payment Process
			Payment
			• Wire
			• ACH
			• Credit Card
			• Check
			  ○ Mail
			  ○ Pickup
				University Department
				
				Vendors
				
				The Office of Treasury Operations
				
				University Student Financial Services & Cashier Operations (USFSCO)

Chapter 2: Suppliers

Suppliers provide input to the process:

University

UIUC; UIC; UIC Health; UIS; University System, including the Office of Treasury Operations, University Payables

What they care about: having the payment processed and paid

When they care: when an invoice needs to be paid

Business Rules

None

Chapter 3: Inputs

Inputs are information or verification which goes into the process

Special Payment Request Form

This document is a writable .pdf used to capture information and communication to University Payables the business purpose of the request.

Payment Detail

- Business purpose
- Payable to
- Prepayment information
- Remittance information
- Summary invoice
- Type of payment (Print check, credit card, summary payment form)

Payment Documentation

- Approvals from Departments
- Approvals from Payables
- Approvals from Purchasing
- Contract
- Invoice
- Quote

Business Rules

None

Chapter 4: Process

A process is defined as the method for transforming inputs into outputs:

Create → Receive → Review → Payment Process

Create

The University department completes the Special Payment Request form. The department will obtain department approvals as needed. If the Special Payment Request is for deposit or a prepayment the Special Payment Request form should be routed to Purchasing at the University. If the Special Payment Request form is for anything other than a deposit or prepayment the form is routed to University Payables. The form can be sent via email or physically routed through campus mail.

Receive

The Special Payment Request form is received by University Payables either via email or a physical paper form.

Review

The University Payables staff will review the request and determine the type of request:

- Deposit/Prepayment
- Recurring
- Summary or confidential information.
- Type of Payment – Pick up check, wire transfer, or payment with the Payables credit card

Depending on the type of Special Payment Request, the form is reviewed for processing or forward to the invoice processing center for processing.

Payment Process

University Payables will process the Special Payment Request form as one of the following:

- Recurring payment request, needs to consider the fiscal year when applying the payment to a state fund
- Summary payment or a payment containing confidential information is sent to the invoice processing center.
- Deposit, Prepayment, or a unique payment request must contain a purchase order number, the payment type is reviewed for processing. Payment types include:
  - Pick up check
  - Pay via University Payables credit card
  - Pay via a wire transfer

Business Rules

The Special Payment Request form cannot be used to escalate a payment of an invoice.

A valid business reason must be provided for a special payment mechanism to be processed.

Chapter 5: Outputs

Outputs are the resulting information or entities that are produced as part of the process:

Payment

- Wire Transfer
- Automated Clearing House (ACH)
- Credit Card
- Check
    - Mail
    - Pickup

Business Rules

None

Chapter 6: Customers

Customers receive the output of the process.

University Department

What they want: payment on an invoice

Vendors

What they want: payment for a good or service provided

The Office of Treasury Operations

What they want: complete banking information for a wire transfer request

University Student Financial Services & Cashier Operations (USFSCO)

What they want: contact name and phone number of requesting unit who will pick up a check

Business Rules

None

Chapter 7: Customer - Oversight Roles

Customers who provide oversight and what oversight is needed: (Example Funders, OBFS, Auditors, Board of Trustees (BOT), Legislature, Public)

Audit

What they want: compliant transactions

Business Rules

None

Chapter 8: Questionnaire for Current State Analysis

1. **Why does the process exist?**

   To make special payment mechanisms happen

2. **What is the purpose of the process?**

   To facilitate the special payment mechanisms

3. **What are the process boundaries (i.e., when does it start and end?)**

   The process begins with the creation of a special payment request form, and ends when the payment is completed

4. **What are the major activities/steps in the process?**

   See Chapter 4: Process (Ctrl-click to follow link)

5. **What is the expected outcome or output of the process?**

   See Chapter 5: Outputs (Ctrl-click to follow link)

6. **Who uses the output of the process, and why?**

   See Chapter 6: Customers (Ctrl-click to follow link)

7. **Who benefits from the process, and how?**

   The University department and vendor benefit when the payment is made.

8. **What information is necessary for the process?**

   See Chapter 3: Inputs (Ctrl-click to follow link)

9. **Where does that information come from?**

   See Chapter 2: Suppliers (Ctrl-click to follow link)

10. **What effect does that information have on the process and output?**

    Complete information is needed to process the transaction

11. **Who is primarily responsible for the process?**

    University Payables is the department responsible for completing the transaction.

12. **What other units/organizations participate in or support the process?**

    No additional units/organizations participate in the process beside the one listed in item number 9 listed above.

13. **What Information Technology system(s) support the process?**

    - Banner
    - Email
    - Microsoft Access
    - OBFS SharePoint site

14. **What policies guide or constrain the process?**

    OBFS Policy, section 8 on Special Payments

15. **How often does the process get executed?**

    The process is executed 4 to 30 times daily

16. What are potential defects with respect to the process?

- Lost paper work

- No system to track the processing

- Entering information incorrectly has an effect downstream in the process

- No way to capture frequent users of the Special Payment Request form

    a. How often do the potential defects occur?
    The potential defects occur 3 – 5 times per month

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

- Manual process and entry of information

- Decision points

- Not providing a business reason for the Special Payment Request

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

- Missing documents

- No system of record

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

Nothing at this time

Chapter 9: Questionnaire for Potential Process Improvement Candidates

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

   An automated system to capture information, containing a workflow process to provide tracking visible to all parties involved.

   Automated business rules

   - Complete and required information, CFOAP, banking routing numbers
   - State funded items
     - Can't process a wire transfer using state funds
     - Strongly encourage to mail only

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

   Efficient and timely process.

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

   All parties involved would benefit including each University and University System

   a. **How would we know?**
      - Ability to view tracking
      - Easy way to communicate to the departments
      - Less questions

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

   Survey form to frequent users

   Ability to know who the requesters are

   Ability to track approved and rejected requests

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

   University Payables

   Purchasing at each University

   Office of Treasury Operations

   University Departments

Chapter 10: Current State Metrics

Metrics in three areas is being collected on each process. These metrics will be used to measure success in the future state. [Enter the metrics to each question listed below.]

- How long does the process take from start to finish?

  The process may take as little as 10 minutes and up to three business days

- How many touchpoints are there per process?

  There are 4 – 10 touch points depending on the payment type selected and if the purchasing department is involved.

- How many steps are involved in each process?

  Depending on the type of payment there may be 37 steps or as many as 52 steps involved in the process.

Chapter 11: Opportunities for Improvements

The following opportunities for improvement were identified:

Communications – Issues related to providing information	
C1	When University Payables doesn't receive information to make a special payment in the time needed

Documentation – Issues related to lack of documentation	
D1	Department doesn't provide appropriate supporting documentation
D2	The purchase order doesn't contain a line item for the special payment request needed
D3	Purchase Order number isn't listed on the Special Payment Request form

Policy/Procedures – Issues related to Procurement Policies and Procedures	
P1	Missing deposit line item on a requisition

Resources (Financial, Human) – Issues related to lack of sufficient staff or funding	
R1	Lack of staff with specific training to process a special payment request
R2	Specific training is required to process a special payment request

Technology – Issues related to system's lack of functionality to support the process	
T1	Lack of work flow
T2	Lack of ability to log request
T3	Lack of ability to determine where in the process the work request is

Training – Issues related to lack of understanding the process	
TR1	Departments submit a Special Payment Request form when it is not needed at all
TR2	Specific training is required to process a special payment request

Chapter 12: Future State Requirements

This is a comprehensive list of functional requirements and technical requirements for the future state of the Special Payment Request process. Excluded from this list are any requirements for functionality outside of the scope of this specific process, such as security, accessibility, etc, which will be handled in a different process.

1. Ability to report on data

2. Ability to track special payment request

3. Ability to use a workflow

   a. Submit it

   b. Include wizard to ask questions and based on the response ask more questions

   c. Include date/time stamps

4. Ability to interface with Banner (or current system)

5. Ability to define business rules

6. Ability to integrate action/triggers based on business rules

7. Ability to validate CFOAPAL

8. Ability to validate vendor information

9. Ability to validate a purchase order number

10. Ability to have user defined fields such as Business Purpose

11. Ability to require a specific line item for deposits required, and the require actions items

12. Ability to communicate with departments, track responses, and include a date/time stamp

Chapter 13: Subject Matter Expert Team

The following individuals participated on the Subject Matter Expert Team of the BPI Special Payment Request project:

Name	University/Department	Title
Susie Baker	UIUC/OBFS University Payables	Assoc Dir Payment Serv
Melissa Plotner	UIUC/OBFS University Payables	Asst Dir Payment OPS