

**University System of Georgia  
 Scope II – Diagnostic Review  
 Purchasing Cycle**

**Current and Potential FTE Requirements**

The following table provides an overview of the initial estimate of potential productivity improvements that would result from implementation of the recommendations contained in our report and delineates critical actions necessary to effect cost savings. Potential improvements comprise an approximate 45 percent reduction in FTE requirements.

<b>Institution/ Functional Area</b>	<b>Current FTE</b>	<b>Potential FTE</b>	<b>Critical Actions</b>
<u>ABAC</u>			
Procurement	1.00	.75	<ul style="list-style-type: none"> <li>Consider taking short-term actions to streamline the purchasing operation by automating the requisition and purchase order development processes or, at a minimum, simplifying existing paper-intensive processes.</li> <li>Optimize opportunities for direct purchasing by departments, e.g., Procurement Card and electronic commerce.</li> <li>Initiate discussion between RCO and State officials regarding buying and equipment inventory thresholds.</li> </ul>
Receiving	1.00	.75	<ul style="list-style-type: none"> <li>Collaborate with System institutions to obtain an online, desk top delivery service for routine supply ordering.</li> </ul>
Accounts Payable	1.00	.75	<ul style="list-style-type: none"> <li>Optimize opportunities for direct purchasing by departments, e.g., Procurement Card and electronic commerce.</li> </ul>
Asset Management	.50	.25	<ul style="list-style-type: none"> <li>Initiate discussion between RCO and State officials regarding the equipment inventory threshold.</li> <li>Consider conducting physical inventory via departmental use of bar-code scanners.</li> </ul>
Total ABAC	3.50	2.50	
<u>KSU</u>			
Procurement	6.00	5.50	<ul style="list-style-type: none"> <li>Expand use of the Procurement Card for purchases under \$2,500.</li> </ul>
Receiving	.80	.80	
Accounts Payable	5.00	4.00	<ul style="list-style-type: none"> <li>Continue with plans to implement the PeopleSoft Purchasing module in order to expand functionality, e.g., automatic budget checking at time of requisition, automatic encumbering of funds at time of Purchase Order, and streamlined check processing.</li> <li>Continue discussions with Boise Cascade to implement electronic billing and improve receipt tracking, including:               <ul style="list-style-type: none"> <li>online summary of monthly purchase orders by account</li> <li>electronic notification/verification of receipt from departments</li> </ul> </li> </ul>

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Asset Management	1.00	.75	<ul style="list-style-type: none"> <li>Establish a process to receive electronic notification from both Accounts Payable and Central Receiving for items requiring tags.</li> <li>Use bar-code scanning technology to conduct year-end physical inventory.</li> </ul>
Total KSU	12.80	11.05	
<u>MSC</u>			
Procurement	.56	.56	<ul style="list-style-type: none"> <li>Evaluate the benefits of taking short-term actions to streamline the purchasing operation by automating the requisition, approval, purchase order, encumbrance and receipt notification processes.</li> <li>Continue to optimize opportunities for direct purchasing by departments, using the Procurement Card.</li> <li>Initiate discussion between RCO and state officials about raising buying thresholds</li> </ul>
Receiving	1.00	1.00	
Accounts Payable	1.12	.75	<ul style="list-style-type: none"> <li>Evaluate the benefits of taking short-term actions to streamline the purchasing operation by automating the requisition, approval, purchase order, encumbrance and receipt notification processes.</li> </ul>
Asset Management	1.00	.50	<ul style="list-style-type: none"> <li>Evaluate the benefits of taking short-term actions to streamline the purchasing operation by automating the requisition, approval, purchase order, encumbrance and receipt notification processes.</li> <li>Initiate discussion between RCO and state officials about raising the equipment inventory threshold.</li> </ul>
Total MSC	3.68	2.81	
<u>UGA</u>			
Expenditure Control	2.10	.00	<ul style="list-style-type: none"> <li>Make the electronic request process mandatory for all campus departments.</li> <li>Establish an electronic interface between the Purchasing and Accounting systems, whereby funds are automatically encumbered when purchase requests are initiated and encumbrances are updated when purchase orders are generated.</li> <li>Evaluate the approval process and eliminate redundancies.</li> </ul>
Key Punch	3.00	.00	

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Procurement	29.00	20.00	<ul style="list-style-type: none"> <li>• Make the electronic request process mandatory for all campus departments.</li> <li>• Implement the Procurement Card program campus-wide, thereby significantly reducing purchase requests &lt;\$2,500; monitor change in workload and reduce Procurement, Receiving and Accounts Payable staff FTE accordingly.</li> <li>• Cease sending paper copies of purchase orders and change orders, except to vendors that require them.</li> <li>• Initiate discussion between RCO and state officials regarding:               <ul style="list-style-type: none"> <li>- raising buying thresholds</li> <li>- addressing the need for institutions to receive and convert (DOAS) PeopleSoft vendor information</li> </ul> </li> </ul>
Receiving	13.00	11.00	<ul style="list-style-type: none"> <li>• Expand system functionality to enable departments to confirm receipt of goods and services electronically.</li> </ul>
Accounts Payable	23.00	10.00	<ul style="list-style-type: none"> <li>• Expand system functionality to enable departments to confirm receipt of goods and services electronically.</li> <li>• Enable Accounts Payable staff to enter payment information directly into the system and generate checks based on approved invoices and check requests.</li> <li>• Electronically transmit historical invoice records to vendors to assist with the reconciliation processes.</li> <li>• Include expense reimbursements as part of (direct deposit) payroll checks to University employees.</li> <li>• Revise, standardize and consolidate the Procurement and Accounts Payable vendor databases.</li> </ul>
Asset Management	9.00	3.00	<ul style="list-style-type: none"> <li>• Move the Property Control Office to the warehouse facility and enable staff to tag equipment when it is received (and before it is shipped to departments).</li> <li>• Make purchase orders and accounting data electronically available to Property Control.</li> <li>• Initiate discussion between RCO and state officials regarding:               <ul style="list-style-type: none"> <li>- raising the equipment inventory threshold</li> <li>- electronically remitting the net surplus equipment sales (5%) proceeds to DOAS</li> </ul> </li> </ul>
Total UGA	79.10	44.00	
<b>Total</b>	<b>99.08</b>	<b>60.36</b>	