

University System of Georgia
Scope II – Diagnostic Review
Kennesaw State University- Purchasing

Detailed Process Analysis: Summary of Preliminary Findings, Conclusions and Recommendations

Scope of Responsibilities

The purchasing cycle at Kennesaw State University (KSU) involves four administrative areas: the Procurement Office, Central Receiving, Accounts Payable, and Inventory Management.

The Procurement Office is responsible for acquiring goods and services for KSU departments. Major processes included in this function include: (1) issuing purchase orders and RFPs, (2) maintaining the Procurement Management, (electronic commerce) Boise Cascade, and vendor information systems, and (3) responding to questions and concerns from vendors and campus departments. The Procurement Office processes approximately 650 records each month and oversees an additional 370 records processed by the Boise Cascade system.

Central Receiving is responsible for receiving all deliveries related to technology equipment, continuing education and presentation technology and recording the receipt of these materials in the Purchasing System. (Campus departments are responsible for recording the receipt of goods for all other deliveries, because the vendor delivers directly to the departments.)

Major processes carried out by the Accounts Payable Office are: (1) encumbering funds, (2) paying vendor invoices, including Boise Cascade statements, (3) reimbursing employees for travel, (4) overseeing the Procurement Card program, and (5) producing daily and monthly reports.

Inventory Management is responsible for tagging and maintaining all equipment valued at over \$1,000. The department also conducts a yearly physical inventory and processes surplus inventory.

Staff FTE: Procurement 6.00 Accounts Payable 5.00 Receiving .80 Inventory Management 1.00

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Strengths	Issues
<p data-bbox="195 337 331 363"><u>Procurement</u></p> <ul data-bbox="195 371 993 1096" style="list-style-type: none"> <li data-bbox="195 371 993 456">• KSU has taken significant steps toward automating and streamlining its purchasing processes prior to the installation of the system-wide PeopleSoft Purchasing module. <li data-bbox="195 464 993 581">• The institution has installed a Procurement Tracking System (PTS) that facilitates online requisitioning over the web, automatic workflow for approvals across campus units, automatic creation of Purchase Orders, and online tracking. <li data-bbox="195 589 993 706">• The PTS system has improved timeliness and efficiency. On average, requisitions are approved and ordered within 3.2 days from being entered into the system by the buyer. Buyers are able to fax orders to vendors directly from the PTS system. <li data-bbox="195 714 993 852">• The campus uses electronic commerce, via Boise Cascade, for all office supply purchases. KSU was delegated authority from DOAS to establish a multiple award agency contract for purchasing supplies. This capability has reduced the workload substantially within the Procurement office, allowing the buyers to reallocate efforts to complex buying issues. <li data-bbox="195 860 993 977">• The campus recently dissolved the central store, allowing for a more efficient and direct delivery of goods to the purchaser. All items are purchased on an as-needed basis, consequently, there is no central supply for office supplies or physical plant materials. <li data-bbox="195 985 993 1037">• The campus has implemented a Procurement Card Program, which has resulted in a diminished workload for the Procurement Office. <li data-bbox="195 1045 993 1096">• Kennesaw is planning to implement PeopleSoft Purchasing once available from OIIT. 	<ul data-bbox="1014 371 1816 824" style="list-style-type: none"> <li data-bbox="1014 371 1816 423">• Due to a rapid implementation of PTS, some campus departments do not have adequate information and training on the use of this new system. <li data-bbox="1014 431 1816 548">• Both Procurement and Accounts Payable staff spend extensive time determining the receipt status of purchases because departmental personnel are not entering receipts into PTS. This activity consumes .75 Purchasing FTE. <li data-bbox="1014 557 1816 641">• Policies and procedures that have changed as a result of new purchasing methods have not been effectively communicated to users on a timely basis. <li data-bbox="1014 649 1816 824">• All software and computer purchases must go through the Information Technology Services department, which is causing a bottleneck in the purchasing process. At times there can be up to six approvers for a single software purchase. This delay motivates departments to circumvent policy by purchasing these restricted items from more convenient outside sources, e.g. the bookstore.

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<p><u>Receiving</u></p> <ul style="list-style-type: none"> • Receiving and tagging computer equipment is accomplished with .40 FTE. All computers and electronics are tagged at the point of receipt. • The PTS system allows the Receiving department to verify packages to online Purchase Orders, reducing the amount of paper maintained. • Central Receiving electronically acknowledges receipt of goods in the PTS system. 	<ul style="list-style-type: none"> • Printed copies of purchase orders with tag numbers are sent to Inventory Management, via campus mail, to enter information into the Inventory database.
<p><u>Accounts Payable</u></p> <ul style="list-style-type: none"> • All vendor invoices are sent directly to Accounts Payable for Payment. • The Procurement Tracking System has streamlined the requisition approval process for Accounts Payable. • The Accounts Payable Office provides mandatory training for all new Procurement Card holders. 	<ul style="list-style-type: none"> • PTS does not electronically update the general ledger system, consequently, requiring Accounts Payable staff to review approximately 1,200 requisitions a month for fund availability. This process requires about .20 FTE. • The Procurement Card has not been widely implemented. There are approximately 382 orders placed monthly through the Procurement Office for purchases under \$2,500 (that are not on statewide contracts). • Some aspects of the Boise Cascade initiative have been problematic, e.g.: <ul style="list-style-type: none"> - Boise Cascade sends individual purchase orders, rather than a consolidated list of items purchased by account number. This practice requires excessive time for Accounts Payable staff to re-order and summarize information in a useable format. - The process of obtaining acknowledgment of receipt is very cumbersome and paper driven. For example, if a department does not have a business officer, copies of each order must be produced and sent to departments. - Approximately .30 FTE effort is dedicated to reconciling and paying Boise Cascade invoices. This process also requires the effort of Business Officers and Departmental employees.
<p><u>Inventory Management</u></p> <ul style="list-style-type: none"> • The inventory management function is conducted effectively by 1.00 FTE. • Items are reconciled on a monthly basis between the Inventory database and Accounts Payable. 	<ul style="list-style-type: none"> • Year-end physical inventory is time consuming and manual in nature. Estimated .25 FTE staff effort (plus assistants) is spent on the annual inventory count.

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Opportunities

- Automating additional processes may further improve efficiency.
- Implementation of the PeopleSoft Purchasing system will provide opportunities for increased functionality.
- Expanded use of the Procurement Card Program will further reduce the workload of the Procurement and Accounts Payable Offices.
- There are multiple opportunities to improve efficiency by working with the vendor to refine the electronic commerce program.

Conclusions

- Kennesaw has instituted a number of improvements to decrease turnaround times and increase customer satisfaction, e.g. on-line requisitioning by departments, a procurement card for low-dollar purchases, electronic commerce (Boise Cascade) for office supplies, and desktop delivery. There are certain aspects of the new purchasing methods that need to be improved.
- Eliminating the central storage operation has enabled the University to effectively reallocate resources.
- Campus departments need additional information and training on current purchasing policies and procedures and the use of PTS.
- Unnecessary approvals may exist within the requisition process.
- There is a disconnect between the purchasing system and the general ledger; it is anticipated that implementation of the PeopleSoft Purchasing module ultimately will resolve this problem.
- Procurement Card use is expanding, but has not reached its full potential.
- The physical inventory process is inefficient

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Recommendations

Purchasing

- Continue efforts to document purchasing policies and procedures and make them available on the web.
- Assess training needs, and coordinate with departments to conduct training for the Procurement Tracking System, focusing on the importance of receipt notification. Track users who frequently neglect to verify receipt of orders, and develop a tailored approach to address the issue.
- Conduct a comprehensive evaluation of the current approval requirements, and implement a solution to include only “value-added” review and approvals (especially as related to software purchases).

Central Receiving

- Automate the process of notifying Inventory Management of items tagged.

Accounts Payable

- 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.
- Expand use of the Procurement Card for purchases under \$2,500.
- Continue discussions with Boise Cascade to implement electronic billing and improve receipt tracking, including:
 - online summary of monthly purchase orders by account
 - electronic notification/verification of receipt from departments

Inventory Management

- Establish a process to receive electronic notification from both Accounts Payable and Central Receiving for items requiring tags.
- Use bar-code scanning technology to conduct year-end physical inventory.

Monitor reduction in workloads resulting from implementation of recommendations and adjust staffing levels accordingly.

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<p>Potential Benefits</p> <ul style="list-style-type: none">• Effective purchasing and accounts payable practices lower costs, enabling resources to be allocated to the University’s primary missions.• Effective purchasing practices allow more time to be spent on value added activities. Additionally, appropriate flexibility and delegation of responsibility avoids wasted time and effort allocated to “work-around” solutions.• Increased departmental knowledge of the system, through training and written procedures, will lead to more efficient processes.• Expanded Procurement Card rollout will reduce the number of requisitions and the time, effort, and costs associated with using purchase orders for high-volume, low-dollar purchases.	<p>Limitations</p> <ul style="list-style-type: none">• Investment in training and technology will be required.
<p>Feasibility</p> <ul style="list-style-type: none">• Successful implementation of the PeopleSoft Purchasing System will lead to greater returns and efficiencies.	

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Overview of Major Processes, Transactions and FTE

Functional Area	Process	Transactions/Records per Year	FTE
Accounts Payable	Processing Vendors Invoices/Payments	3,000 a month	2.70
Accounts Payable	Travel Vouchers	300 a month	1.00
Purchasing	Purchase Orders <\$2,500	382 a month	.90
Purchasing	Delivery Receipt Follow-up	550 a month	.75
Purchasing	Purchase Orders >\$2,500 and < \$10,000	20 a month	.70
Purchasing	Purchase Order >\$10,000 and <\$100,000- Local Bid	2-3 a month	.65
Purchasing	Purchase Orders >\$10,000 – DOAS Bid	5 a year	.55
Purchasing	Purchase Order \$1 - \$250,000 on Contract	140 per month	.50
Inventory	Enter Inventory into Database	60 transactions	.50
Purchasing	PTS/Boise Issues and Systems Problems	15-20 a month	.40
Receiving	Identify/Tag Equipment	5-20 Boxes a day	.40
Accounts Payable	Boise Cascade Payments	400 a month	.30
Accounts Payable	Daily Reports	800 a month	.30
Purchasing	Bid/RFP Amendments		.30
Purchasing	Software Training and Maintenance	Varies (246 Users)	.30
Purchasing	State Reporting	1/Month, 1/Quarterly	.25
Purchasing	Enter New Vendors	200 a month	.25
Inventory	Surplus Inventory	100 transactions	.25
Purchasing	Maintenance Agreements	200 a month	.20
Receiving	Receiving Equipment/Packages	70 packages a day	.20
Accounts Payable	Requisition Approval	1,200 a month	.20
Accounts Payable	Encumber Funds	400 a month	.20
Purchasing	Boise Cascade Ordering Access	5-10 a month	.15
Inventory	Identifying/Tagging equipment	10 transactions	.15
Purchasing	P-Card Issuance	25 a month	.10
Accounts Payable	Procurement Card	8 a month	.10
Accounts Payable	Procurement Card Training	20 a month	.10
Accounts Payable	Monthly Inventory Reports	1 a month	.10
Inventory	Physical Inventory	7016 items	.10
Receiving	Deliver Packages	30 Boxes	.08
Receiving	Record Management	4-8 Boxes	.06

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Overview of Major Processes, Transactions and FTE

Functional Area	Process	Transactions/Records per Year	FTE
Receiving	Record Requests	3 times a month	.03
Receiving	Record Disposal	30-100 boxes	.03
Total FTE			12.80

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 Administrative Process Analysis Worksheet

Functional Area: Procurement

Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
1. Generate Purchase Orders for Items under \$2,500. Receive email notification of approved requisition. Log onto the Procurement Tracking System (PTS) and review requisition. Generate online Purchase Order from the requisition. Issue PO and transmit to respective vendors. Update status of PO as required. PTS automatically sends email notification to the requester that a PO has been issued.	~382/month	426 Users & 100+ Dept's.	FY End (June) FY Begin (July)	.90	Department personnel are responsible for generating all requisitions online. The PTS PO can be directly faxed to a vendor from the buyer's desktop.
2. Generate Purchase Orders for Items over \$2,500 and under \$10,000 (items not on State or Agency Contract). Receive email notification of approved requisition. Log onto the Procurement Tracking System and review requisition. Complete Request for Quote document. Solicit quotes from qualified vendors, following the State APM. Update status of requisition to 'Out to Bid' in PTS. Select vendor with lowest price that meets specifications (lowest <u>responsible</u> bidder). Issue PO(s) and transmit to appropriate vendor(s). Update status of PO as required. PTS generates notification email to requester that a PO has been issued.	~20/month	426 Users & 100+ Dept's.	FY End (June) FY Begin (July)	.70	Department personnel are responsible for generating all requisitions online. The PTS PO can be directly faxed to a vendor from the buyer's desktop.

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Functional Area: Procurement

Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
3. Generate Purchase Orders for Items Between \$10,000-\$100,000; items not on Agency or State Contract (Local Kennesaw issued bid). Receive email notification of approved requisition. Receive specification documentation from the end-user department(s). Review request and completed specifications. Issue RFQ / Invitation to Bid Document per the State APM Procedures. <u>Post bid to the Georgia Procurement Registry.</u> Upon receipt of bid responses and evaluation, award PO to the lowest responsible bidder. Update status of PO as required. PTS automatically generates email notification to the requester that a PO has been issued.	2-3/month	426 Users & 100+ Dept's.	FY End (June) FY Begin (July)	.65	Department personnel are responsible for generating all requisitions online. The PTS PO can be directly faxed to a vendor from the buyer's desktop.
4. Generate Purchase Order / Contract for Items Over \$100,000 (DOAS Issued RFP/RFQ). Receive email notification of approved requisition. Receive specification documentation from the departments; generally participating as part of an RFP development team. If specific permission has not been given to issue RFP/RFQ locally, create State Requisition and submit specs to DOAS. DOAS posts the RFP to the Georgia Procurement Registry to solicit bids from prospective vendors. Receive and analyze proposals with assistance from requesting personnel, and select vendor who best meets the needs of KSU and provides competitive pricing. DOAS issues notice of award and contract. KSU Procurement updates PTS requisition as required.	5/Year	426 Users & 100+ Dept's.	FY End (June) FY Begin (July)	.55	

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Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
<p>5. Generate Purchase Orders for Items between \$1 - \$250,000 Items on Statewide or Agency Contract. Receive email notification of approved requisition. Log onto the Procurement Tracking System (PTS) and review requisition. Generate online Purchase Order from the requisition. Issue PO and transmit to respective vendors. Update status of PO as required. PTS automatically sends email notification to the requester that a PO has been issued.</p>	~140/month	426 Users & 100+ Dept's.	FY End (June) FY Begin (July)	.50	<p>There is currently a moratorium from the governor's office on all purchases estimated @ \$250K and greater.</p> <p>Items on Statewide or Agency contract do not have to be bid w/each purchase. These are standard items that generally are done on a large scale RFP and Agencies release PO's from a contract based on the contract terms and pricing. Generally contracts are valid for one fiscal year w/the option to renew successive terms at the State's of Agency's discretion.</p>
<p>6. Bid/RFP Amendments. Receive notification of required amendment. Create amendment documentation. Issue amendment or send documentation to DOAS f to submit (this depends on which Agency is handling the RFP/RFQ).</p>				.30	

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Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
7. Receipt Follow-up. If departments have not received items, follow up with vendor. (May require provide proof of delivery w/the carrier, etc.)	~550/month	426 Users & 100+ Dept's.	FY End (May-June); time for close-out	.75	End-user departments receive their own goods via PTS, usually via desktop delivery. Accounts Payable runs a daily receiving report to verify receipt of items against invoices received. Items must be received before payment can be made. In instances where we have an invoice but no receipt in PTS, Accounts Payable notifies the department that receipt has not been recorded and requests that departmental personnel verify receipt of goods.
8. Enter New "Vendors". Receive New Vendor request form via campus mail, fax or email. Add vendor to system. (Sometimes Procurement generates the new vendor form based on a bid that was awarded to a new source etc.)	~200/month	426 Users & 100+ Dept's.	Volume varies although it is constant	.25	Note: "Vendors" can be KSU employees' etc. Basically, any person or company that AP would need to issue a check to needs to be a vendor in PTS for the 'purchase request' to be approved and processed.
9. State Reporting. Prepare a monthly procurement report that details dollars spent and number of transactions in each category (i.e. Mandatory Source, Statewide Contracts, Agency Contracts, Audited Authority, SVA-NB's etc.).	1/month 4/year	This function serves DOAS and the Office of Small & Minority Business @ State	Each quarter w/in the Fiscal Year cycle (July 1 – June 30)	.25	The minority vendor quarterly report details the number of bids issued and awarded. Samples of these reports were provided to Arthur Andersen rep.

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10. Maintenance Agreements. Send year-end memo to personnel requesting renewal action. Receive new requisition, generate bid, and issue purchase order for new fiscal year.	~200/month	426 Users & 100+ Dept's.	FY End (May-June) FY Begin (July)	.20	Examples: elevators, pest control, microscope repair, trash and bio service, piano tuning, library security, etc.
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Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
11. P-Card Issuance. The P-Card Administrator does ordering and receiving Procurement Card(s) from bank. Contact employees and establish a time to pick up the card(s). Send copy of P-Card agreement to Personnel. Receive notice that employee will be leaving Kennesaw. Collect all Procurement cards from employees leaving the University.	~25/month	~100 P-Card Holders	Immediately after a P-Card training session	.10	Procurement provides a copy of the signed P-Card agreement to Personnel; therefore, Personnel is aware they need to collect the card when a person leaves the University. Personnel notifies Procurement when a person leaves to allow us to update PTS.
12. Boise Cascade I-97 Ordering System Access. Receive request from departments to add a new user (via a signed authorization form). Establish a new user in the system. Train the user. Terminate user IDs for employees who are leaving the University.	~5-10/month	400+ Boise Users	New Hires	.15	Personnel advises Procurement, via email, when an employee leaves the University. Note: Approximately 400 Office Supply orders/month are placed via Boise's I-97.
13. Software Training/Maintenance. Provide training for users on the Procurement Tracking and Boise Cascade I-97 systems. Receive requests for modifications and/or updates. Procurement processes and follows through with requests and advises the end-user regarding status.	Supports 426 Users – this is endless	Supports 426 Users	Varies	.30	

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Functional Area: Procurement

Staff FTE: 6.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
14. PTS/Boise Cascade Issues and System Problems. Receive service request from end-users, end users issue their name, brief description of problem, and their phone extension via email to 'service@kennesaw.edu' or by calling x6999. Receive electronic work-order created by ITS Service's via the McAfee HelpDesk 95/NT system. Document problem resolution from problem notice (beginning) to resolution/close-out (end).	15-20/month	Supports 426 Users	Generally fairly low volume	<u>.40</u> 6.00 FTE	Work-orders are issued from ITS Service via McAfee to Procurement; this allows for better tracking of repeat problems etc. Problem types are logon errors, server errors, email errors, Netscape vs. IE browser issues and resetting passwords etc. The campus was already trained to always contact ITS Service w/any system problem. If the problem is PTS or Boise, the service ticket is issued to Procurement for resolution.

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Functional Area: Central Receiving

Staff FTE: .80

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
1. Receiving Equipment. Inspect and verify packages on the trailers. Send damaged packages back with the driver. Accept and unload packages that are not damaged. Compare online Purchase Order to the packing slip to ensure correct items have been shipped. Update status in Purchase Tracking System (PTS) to indicate receipt of equipment. Write department requester on the box. Maintain log of all items received.	30-40 UPS non-inventory items are received daily. Approx. 70 total items		Daily	.20	Central Receiving is responsible for the receipt of all deliveries related to technology equipment, continuing education and presentation technology. Occasionally other items are delivered to central receiving due to vendors not updating shipping address to the individual departments.
2. Identify/Tag Equipment. Remove equipment over \$1,000, and all printers, from packaging and attach inventory decal. Record decal number in PTS and print copy of the PO, displaying decal number. Send printed PO to Inventory Control to be entered into the inventory system.	5-40 Boxes		Daily	.40	
3. Deliver Package. Load trucks every Tuesday and deliver to the departments.	30 Boxes		Each Tuesday of the week	.08	Items are delivered either to the Continuing Education, Presentation Technology, or the Information Technology departments.

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Functional Area: Central Receiving

Staff FTE: .80

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
4. Record Management/Storage. Receive notice from department to pick-up approved documents for storage. Pick-up documents from department and take to central receiving. Create an inventory card including employee name, social security number and valid storage time period. Place boxes in storage room and record information into document management database.	4-8 Boxes		About every 3-4 weeks	.06	The Business Office must approve all items that will be stored/maintained by Central Receiving. Only full-time employees can store documents at central receiving.
5. Record Requests. Receive request for document retrieval from employee. Verify employee social security number; pull boxes and deliver to department.	2- 3 items		3 times a month	.03	
6. Record Disposal. Receive request from department to dispose of documents; pick up boxes from departments and bring to Central Receiving. In addition, generate report listing central storage documents that must be disposed of because the time period has expired. Contact GA Building Authority and schedule a second truck to pick-up documents for shredding and recycling. Pull items from central storage; fill palletes and load onto truck.	30-100 boxes		Once a year sometimes twice	<u>.03</u> .80 FTE	

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Functional Area: Accounts Payable

Staff FTE: 5.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
1. Requisition Approval. Receive email notification of pending requisitions. Log on to the Procurement Tracking System; review requisition for correct account number and object; verify funds available in the CUFA system. Accept or reject requisitions in the PTS system. Determine if PO is required and enter code informing buyer if a PO is required or not. Print and file a copy of the requisition.	1,200 a month		August- October & February- April	.20	Purchase orders are not required for items such as subscriptions and conferences. AP will approve these requisitions but the requisition is not sent to Procurement to buy. The departmental user can directly purchase these items with their procurement card. Departments use QuickBooks to record encumbrances at time of requisition. Departments maintain financial information for all accounts under that department.
2. Encumber Funds. Receive printed copy of PO from the Procurement office. Pull copy of requisition; prepare voucher apron with encumbrance information; assemble encumbrance package, which includes the requisition, PO, and voucher apron. Encumber funds in the CUFA system. File package until vendor invoice is received.	400 a month		August- October & February- April	.20	Different individuals prepare voucher aprons and enter encumbrances in the system.
3. Daily Reports. Print daily receiving reports and file with the purchasing packet.	800 a month		August- October & February- April	.30	

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Functional Area: Accounts Payable

Staff FTE: 5.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
<p>4. Vendor Invoices. Receive invoices sent in the mail, pull the purchasing packet out of the files (Request, PO, Voucher Apron, and receiving report). Enter invoice numbers into system to ensure twice a vendor has not sent invoices. (If duplicate invoice it would not be paid because the system would indicate that it was paid along with the check number and PO.) Enter requisition number into the system. If the invoice does not have a PO number, such as registration or subscription expense, check if it had been paid previously. Follow-up with departments if receiving report is not completed. Send invoice to departments for signature if PO is not in the PTS system. Verify invoices for accuracy; code the invoice on the “Voucher Apron” for payment. Enter PO number into CUFA system to bring up record and input vendor invoice number, transaction date and amount. Process and print checks in batch. Sign checks and mail to vendors.</p>	<p>3,000 a month, 50,000 a year</p>	<p>8,000 vendors</p>	<p>August- October & February- April</p>	<p>2.70</p>	<p>If AP receives an invoice without a PO for payment, a purchase order is not created in the Procurement Tracking System.</p>
<p>5. Travel. Receive approved “Travel” forms and original receipts from campus mail and stamp with date received. Review forms and verify signatures. Complete voucher apron including employee name, social security number, department, budget account, date of transaction and amount. Enter information into the CUFA system, balance batch and print checks. Send checks to employees via campus mail.</p>	<p>300 a month</p>		<p>August- October & February- April</p>	<p>1.00</p>	

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Functional Area: Accounts Payable

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Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
<p>6. Boise Cascade Payments. Receive package of individual purchase orders placed each month. Send purchase orders to departments for verification of receipt. Obtain signature from employee who placed the order. Follow-up with departments to obtain forms back in a timely manner. Send billing adjustments to Boise for discrepancies between PO and amount received. Create excel spreadsheet summarizing purchases by account number. Obtain approval from VP of Business Services prior to payment. Generate Journal Entries and enter transactions into the CUFA system. Post to General Ledger, generate check and mail to Boise.</p>	400		August- October and February- April	.30	<p>Boise Cascade does not send a consolidated list of items purchased by account number; instead they send each individual purchase order. This has caused additional time for AP to re-order and summarize in a useable fashion. The process of obtaining acknowledgment of receipt is very cumbersome and paper driven. For example, if a department does not have a business officer, copies of each order must be made prior to sending to the department.</p> <p>Invoices are not paid until Boise Cascade makes all billing corrections. This process is very time consuming.</p> <p>AP is currently working with Boise Cascade to obtain statements electronically and to have them sorted by account number instead of by PO. This way, emails can be sent to departments for receipt acknowledgment.</p>

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Functional Area: Accounts Payable

Staff FTE: 5.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
7. Procurement Card. Receive monthly department summary sheets and detailed statements, with attached receipts. Review statements to ensure statements balance with the summary. Create an overall institution summary sheet. Generate journal entries and post journals in the CUFA system.	8 month		30 th and 1-5 th of the month	.10	The Director of Business Services processes all journal entries for departmental procurement cards.
8. Procurement Card Training. Receive signed application for new P-Card. Send application to bank for card issuance. Schedule and conduct a three-hour training class for all new procurement cardholders.	20 a month			.10	
9. Monthly Inventory Reports. Generate report for all items paid that must be inventoried and send report to Inventory Control for processing.	1 a month		1 st -5 th of the month	<u>.10</u> 5.00 FTE	

University System of Georgia
 Scope II – Diagnostic Review
 Kennesaw State University – Purchasing Cycle
 Administrative Process Analysis Worksheet

Functional Area: Inventory Management Staff FTE: 1.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
1. Identifying/Tagging Equipment: Review monthly report of all equipment over \$1,000 paid by the Accounts Payable Office. Compare list to file of Purchase orders previously tagged by Central Receiving. (See Central Receiving for more information.) Obtain Purchase Order from the online Purchase Tracking System for items that have not been tagged. Identify the department where the equipment is located. Print purchase orders and contact department to establish a time to affix decal.	10 transactions		Steady all year	.15	In addition to equipment >\$1,000, the institution also requires all donations, such as paintings, to be tagged and recorded. Accounts Payable generates a monthly transaction report and sends the copy to Inventory. All equipment related to technology is sent to Central Receiving to be tagged. Once the decal has been placed on the equipment, it is recorded in the PTS system. A printed copy of the PO with decal number is then sent to Inventory to be entered into the inventory system.
2. Enter Inventory into Database. Assign commodity code from paper files. Enter inventory information into the database, including commodity code, department number, room number, PO number, status and date received.	60 transactions		May, June	.50	Items tagged by Central Receiving are marked on hold until the inventory appears on the monthly Accounts Payable report. When it appears, the status is changed to paid.
3. Physical Inventory. Conduct physical inventory once a year. Print report from database listing all equipment by building and room number. Locate and verify all items listed in the database.	7,016 items		Assistants are sometimes used for physical inventory.	.10	Conducting physical inventory is very time consuming because equipment often has been moved or transferred to another building without notification being sent to the Business Office.

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Functional Area: Inventory Management Staff FTE: 1.00

Description of Major Processes	Number of Transactions	Number of Clients or Records	Peak Load Periods	FTE Effort Required	Comments
4. Surplus Processing. Receive requests from departments to pick up surplus inventory, or surplus items are brought directly to the Inventory control department. Store surplus inventory in basement of Business Services. Schedule time with DOAS to review surplus equipment. Generate transfer form and send inventory to DOAS surplus once approved by DOAS. List all computer parts individually on the transfer form. Remove decals from inventory and delete from database. Receive affidavit from Business Services to destroy equipment not accepted by DOAS. Destroy equipment and obtain signature from wittiness.	100 transactions			.25 1.00 FTE	