



Purchasing Newsletter – April 2017

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Director

Reminder: Fiscal Year-End Memo

Remember that the end-of-year closing for FY 16-17 is quickly approaching. The year-end cut-off letter is available on the Purchasing [website](#) and reflects various deadlines through July 3. As conveyed in the memo, Purchasing makes every effort to process Shopping Carts/Hospital Requisitions received after the cut-off dates, but there is no guarantee that a purchase processed after a cut-off date will be against current year funds. It is imperative that once goods or services are delivered, departments create Goods Confirmations/Goods Receipts in accordance with Deadlines 3 and 4 in the memo if expenses are to be charged against current year funding. In addition, please review open encumbrances on any purchase orders that may need closed prior to June 30. Requests to release encumbrances can be directed to the Contracting Officer responsible for the specific purchase or email requests: srmhelp@uky.edu.

University Policy For Purchase and Use of Unmanned Aircraft Systems (UAS)

New [Section D-2](#) has been added to the Business Procedures Manual (BPM) for purchase and usage of Unmanned Aircraft Systems (UAS), also known as “drones”. The policy was developed in order to protect the health and safety of persons on or around the University campus and to ensure no disruption or interference with flight activities related to the University hospital or other areas. Departments are increasingly purchasing UAS products for teaching purposes, research activities, and student organization events. The policy is administered and coordinated by the Office of the Executive Vice President for Finance and Administration (EVPFA) and the University Event Management Office. The full policy and related information can be found at the BPM reference above.


Back-Up Approvers and Help Resource

Procurement documents in *myUK* move among approvers via “Workflow”. Workflow routes Shopping Carts, Hospital requisitions, and PRDs among approvers and onto their next processing stage delivering thousands of documents per week. Designated approvers for every department and unit are listed within a workflow table, managed by Enterprise Applications Group (EAG). To accommodate possibility of absence, each department or unit should have multiple approvers (2-3 preferably) covering both Levels 1 and 2. If only one approver is listed in the table and on leave or not available, documents stop in their inbox and cannot be accessed by other parties. If a single approver departs the University as an employee, and a replacement is not assigned by the department or unit, Shopping Carts or PRDs cease to move completely. In order to receive and approve procurement documents, a person must both have the Approver role and be listed in the Approvers Table for their respective area.

A [help resource](#) is available for managing approvers within departments/units and to ensure smooth processing of documents.

New Vendor Form And Employee Reimbursements

To accommodate recent changes related to the TRIP travel system and employee reimbursements, the University vendor form has been updated on the Purchasing [website](#). Effective May 1, an employee must have a travel vendor number (8nnnnn) in order to receive any type of reimbursement. Any employee seeking non-travel reimbursement who has not previously been reimbursed through the University's TRIP system must first complete the University's Vendor Form.

 UNIVERSITY OF KENTUCKY	
VENDOR DATABASE (SUBSTITUTE W9) ADDITION FORM	
The University of Kentucky requires a Federal Tax Identification Number or Social Security number for all vendors doing business with the University in order to comply with Federal Regulations and tax reporting requirements.	
Are you a UK employee? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If you are a University of Kentucky employee, please only complete the small box below and sign the form.	
Return to the UK Purchasing Office: FAX: Vendor File @ 859-257-1951 E-mail: jreed@uky.edu	TO BE COMPLETED FOR UK EMPLOYEES ONLY Printed Name: _____ (sign form below) UK Personnel #: _____ How to find UK Personnel #: http://www.uky.edu/Purchasing/docs/grc_perner.pdf
Please type or print legibly.	
COMPANY NAME AND ADDRESS:	
* required fields	
Name of Firm * (company or individual)	Phone Number *
Address *	Fax Number *
Address	Federal Tax ID Number * (box 1)
City * State * Zip *	DUNS Number * (box 2)
Zip Code of Company / Corporate Headquarters*	Social Security Number * (box 3) (if individual)

The employee completes the top portion only of the form, signs, and returns to the Purchasing Division as indicated. Registration requires knowledge of the employee's Personnel Number, also known as the "PERNER". The PERNER can be found by the departmental or unit Business Officer within SAP or by the employee through their *myUK* Employee Self-Service (ESS) tab. An employee's SSN or UK ID number cannot be used in lieu of the PERNER.

Reimbursements are deposited directly into the employee's personal banking account. A comprehensive vendor search help guide is also available on the Purchasing [website](#) for general day-to-day usage.

New Look Coming for OfficeMax E-Catalog

The OfficeMax e-catalog will receive an upgrade in the near future. OfficeMax/OfficeDepot is moving all Business-to-Business (B2B) electronic customers to an enhanced catalog platform later this spring or early summer. The new e-catalog will house the same University products and pricing, but will receive a visual makeover as well as added functionality. The upgrade will include improved search capabilities, tools to match needed items at best pricing, and extended delivery details. Additional information is forthcoming and will be provided with approach of the transition date. Training materials on the Purchasing [website](#) will also be updated to reflect the new visuals and tools for Shoppers.

Reminder: Change GL Code for Capital Equipment

Shopping Carts placed via e-catalogs will automatically load a default GL Account as part of the ordering process. Items that are \$5000 or greater in value are considered Capital Equipment and must be re-assigned an applicable capital GL Account. If a Shopping Cart contains line item(s) that are \$5000 or greater, please be sure to use capital GL Account 550010 for computers or 550030 for scientific equipment. The Shopper can simply overwrite the e-catalog GL Account with the capital GL Account within the line item.

If you are an Approver for Shopping Carts, please take time to review and ensure correct GL Accounts are used for purchases moving through approval Workflow. At their choosing, Approvers can actively edit a Shopping Cart and correct the GL Account as part of the approval process.

In addition, please note with new capital equipment value thresholds, as issued by University Financial Services (UFS) last summer, computers are now assigned capital status at \$5000 purchase cost, identical to all other equipment.

BAT-MM Notices And Goods Confirmations

Please remember to create Goods Confirmations upon physical receipt of goods or services. SRM generates an automated reminder email, directed toward the original Shopper, when items are shipped and invoiced. Follow-through on the Goods Confirmation is required for the check payment to release and prevent the University from experiencing supplier credit holds. This is especially relevant for orders relating to close of the fiscal year – creation of the Goods Confirmation is required, provided the items were physically received, to charge to FY 16-17 funds. If needed, a help guide for Goods Confirmations is available on the Purchasing [website](#).

Purchasing Frequently Asked Questions

Question: What are the common freight terms used for suppliers and what do they mean? How is freight handled on the Shopping Cart and its related Purchase Order?

Answer: Freight terms are a key element of procurement and it is important to understand their meaning. In addition to indicating whether a freight charge is permitted, the terms determine when ownership of item(s) transfers to the customer and who is responsible in the event of damage claims. The two most common freight terms are:

FOB Destination – Prepay and **Allow**: Used when there is no additional freight charges; also interpreted as “free” shipping

FOB Destination – Prepay and **Add**: Used when there is an additional freight charge added for cost of shipping goods.

The University is exempt from freight charges for purchase of many of its contract-related goods.

How Freight Charges Are Managed In Relation to a Shopping Cart/Purchase Order

When entering a Shopping Cart and there is an applicable freight charge on a supplier quote, simply indicate via text note at the top of the document. Freight charges are not entered as a line item identical to goods and services. If the order permits a freight charge, the Purchasing buyer will code the purchase order accordingly. Actual freight charges are applied at the point of invoice posting as "Unplanned Delivery Costs".

A freight Quick Reference Card is available on the Purchasing [website](#).

Important note for hospital entities: Freight for purchases within the hospital is handled and managed by a third-party provider. The above information may not apply to hospital purchases. Contact [Hospital Purchasing](#) if needed for questions.

Self-Enroll To Receive Purchasing ListServ Notifications:

Follow these instructions to self-enroll to the Purchasing ListServ and receive procurement-related updates and news. Send e-mail to LISTSERV@lsv.uky.edu with the following text in the message body:

subscribe UKPURCHNEWS Yourfirstname Yourlastname

The subject line should be blank as well as the rest of the body of the email. You may unsubscribe in the same manner, by changing "subscribe" to "unsubscribe" and following the remaining directions.