What is Direct Pay Invoicing?

Direct Pay invoices are initiated by the end-user which expedites certain types of transactions that do not require the use of a purchase order, yet does not by-pass the College's and the State of Texas procurement guidelines.

THE INTENT is…

- Not to circumvent the requisition/purchase order process
- Identify expenditures that do not require any type of quote or bid process
- Allow purchases / payments to be processed more quickly and efficiently
- Only applies to select transactions
- Defined and processed using a commodity code ending in DP

Let's Talk About the following!

Why Undertake this Process?

Responsibilities/Roles

- Purchasing
    - Determining Criteria
    - Create Commodity Codes
- ITS
    - One time set-up
- Budget Control
    - Rule Groups
    - Setup of Direct Pay Invoicing Approvals
- Accounts Payable
    - Direct Pay Invoicing Training/Procedures

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Why Undertake this Process?

REASONS

- Better use of buyers' time
- Better use of resources
- Reduction in printing and paper costs
- Allocate buyers' efforts to more cost effective processes
- Strategic sourcing
- Contract administration
- Price negotiations

RESULTS

- Quicker turn-around from initiation to payment
- Satisfaction for staff and suppliers due to faster payment processing
- Decrease in data entry for Accounts Payable staff

Responsibilities/Roles

Purchasing Responsibilities

- Determining the criteria
- Creating new commodity codes

Determining the criteria

Identify purchases that are not bound to the PO process

Items for which there are no competition or bid requirements

- Reimbursements for travel or non-negotiable expenses
- Employee travel reimbursement
- Conference fees
- Subscriptions
- Certification and professional license fee
- Permits

Determine comfort level of price threshold for each category

Does not include

- Negotiable items
- Competitively bid items
- Insurance required
- Contracted rates that fluctuate

Creating New Commodity Codes (ending in DP)

General Services ($1,000 or less)

- Mailing Services
- Equipment Maintenance Services
- Subscriptions, Magazines
- Non-Travel Restaurant Catering
- Delivery Services (ex: Fed Ex, UPS)
- Club Memberships, Association fees, dues & licensing
- Umpires, Referees, (Officials)

Creating New Commodity Codes (ending in DP)

- Professional Services ($1,000 or less)
  - General consulting services
  - Financial Services
  - Professionals' services
- Travel Services/Personal Reimbursement ($1,500 or less)
  - Mileage, tolls, parking, and/or fuel
  - Airlines, shuttles, taxis, bus, rails & rental car
  - Meals, phone/internet services, conference registration, lodging

Commodity Code	Description	Definition	Account Code and Description
91558DP	Shipping: DIRECT PAY Mailing Services	Postage and mailing fees not processed through campus services	731340 - Contractual Svcs - Mailing
91600DP	Communication/IT: DIRECT PAY Cell Phones, Air Cards	Reimbursement for use of personal equipment used for College business. Itemized billing/invoices are required.	761520 - Telecommunications - Cell Phones
91897DP	Utilities: DIRECT PAY Gas & Water **FISCAL AFFAIRS USE ONLY**	Utility payments not paid for with the utilities Pcard.	761300 - Gas 761100 - Water
93600DP	Office Supplies: DIRECT PAY Equipment Maintenance Services	Service, inspection, repair or maintenance for office equipment only *DO NOT USE for LAB or CLASSROOM equipment*	731320 - Cont Svcs - Equipment Repairs/Maint
93906DP	IT: DIRECT PAY Audio/Visual Equipment Maintenance Services	Service, inspection, repair or maintenance for audio visual equipment	731320 - Cont Svcs - Equipment Repairs/Maint
95225DP	Human Services: DIRECT PAY Day Care Preschool Services	Payment of allowable student day care expenditures	751160 - S/A - Child Care
95640DP	Fees: DIRECT PAY Subscriptions, Magazines	Only subscriptions that are delivered to College addresses are authorized purchases.	711110 - Instructional Supplies - Consumable 731350 - Contractual Svcs - Subscription
96115DP	Foods: DIR PAY NON TRAVEL Restaurants, Catering	Itemized receipts and the names of guests included are required. If the purchase is for a group, include the purpose of the event, the name of the organization and the approximate number of attendees.	731270 - Catering/Meals
96219DP	Travel: DIRECT PAY Chamber and Community Luncheons	Include the name of the organization, the purpose of the event and the approximate number of attendees.	731270 - Catering/Meals
96224DP	Shipping: DIRECT PAY Courier, Delivery Services	Messenger and delivery services (i.e. FedEx, UPS, couriers)	731340 - Contractual Svcs - Mailing
96320DP	Fees: DIRECT PAY Associations, Clubs, Memberships, Dues, Fees, Licensing	Only transferrable memberships are approved unless required for one's job or the existence of other extenuating circumstances.	731230 - Institutional Membership 731235 - Individual Membership 731225 - Accreditation Fee 731390 - Cont Svcs - Licnese/Permit/Inspectio
96345DP	Fees: DIRECT PAY Permits, Inspections **FACILITIES USE ONLY**	Fees, permits, inspections or licensing expenditures for Facilities Services only.	731390 - Cont Svcs - License/Permit/Inspectio
96490DP	Athletic: DIRECT PAY Umpires, Referees, Officials		731370 - Contractual Svcs - Game Officials
96340DP	DIRECT PAY Student Stipends	Stipend payment to students	751140 - S/A - Stipends

Professional Services
Use of Direct Payment for Professional Services is Limited to Payments $1,000 or Less

Commodity Code	Description	Definition	Account Code and Description
91800DP	Professional Services: DIRECT PAY General Consulting Services **GRANTS ONLY**	Consultants may not be SJCCD employees. **For GRANTS ONLY**.	731260 - Contractual Svcs - Consultant 731130 - Test
94600DP	Financial Services: DIRECT PAY Fiscal Affairs Use	Includes services provided by individuals or firms engaged in financial review, consulting, auditing, banking or other matters related to fiscal affairs of the College.	731210 - Contractual Svcs - Audit 731260 - Contractual Svs - Consultant 731310 - Constractual Svcs - Banking Service

ITS Responsibilities

- One Time Set-Up

- Regular Maintenance

One Time Set – UP

Establish Security Rule Class to include only Banner Form FAAINVE

Form Name	Maintenance Role	Security Class
FAAINVE	BAN_DEFAULT_M	SJCD_FIN_DIRECT_PAY_INVOICING

Regular Maintenance
Grant end-users' privileges to the Security Rule Class

One Time Set-Up

- Rule Group/Rule Class Security - FOMRGRC
- Form/Process to Rule Group Form - FOMPRRG

Regular Maintenance

- Approval Queue Maintenance - FTMAPPQ
- Approval Queue Routing Codes – "Z" queue and "Next" queue
- User Profile Maintenance – FOMPROF
- Rule Group Security Maintenance - FOMUSRG

Financial Planning, Analysis Budget

One Time Set-Up

- Rule Group/Rule Class Security
- Form/Process to Rule Group Form

Regular Maintenance

- User Profile Maintenance
- Rule Group Security Maintenance
- Approval Queue Maintenance
- Approval Queue Routing Codes

FOMRGRC
Rule Group/Rule Class Security Maintenance

- Create a new rule group for direct pays – *INDG*, if not created during implementation

- Add the following rule classes to INDG
    INNI, ADDI, ADII, DIII, DISI, INII, TAII, TAXI, & TAXL

- Added rule classes should be removed from the INVG rule group.

Financial Planning, Analysis Budget

FOMPRRG
Rule Group/Rule Class Security Maintenance

Add the direct pay rule group to Form/Process FAAINVE (if not added during implementation

FTMAPPQ

Approval Queue Maintenance

- Create Z queues for direct pay invoices (use next available number)

- Queue limits should be zero

- Next queue should be budget control (numeric queue)

Add the Direct Pay Invoice Rule Group to identified end users

FOMPROF
User Profile Maintenance

Grant access to *"Direct Pay Invoices Only"* for end users
Under the 'Procurement Maintenance'

FOMUSRG
Rule Group Security Maintenance

Add the **Direct Pay Invoice Rule Group** (*INDG*) to identified end users

success is liking yourself

liking what you do

and liking how you do it

Maya Angelou

Accounts Payable Responsibilities

- Create Direct Pay Processing Procedures

- Direct Pay Invoice ZOOM Training Sessions

- AP Approvals

Direct Pay Invoicing

- The End-User can type in FAAINVE at the home page
- Click on Invoice/Credit Memo
  - (FAAINVE)

The training provides step-by-step how to create direct pay invoice in FAAINVE

- Type "NEXT"
- Choose "DIRECT PAY"
- Enter Vendor number
- Press GO

- Procedures define the information required for the following information:

- Transaction date

- Invoice Date

- Address code must be selected for the correct remittance - *AP address codes are for direct deposit of payment – do no change*
  ***Currently 50% of payments are direct deposit to vendors and employees ***

- Payment Due Date

- Bank Code

- Vendor Invoice Number (established data standards)

- Document Text is Required for all direct pay invoices
- The text should indicate the Where? Why? What? When? And in some cases, Who?

- COMPLETE the Direct Pay
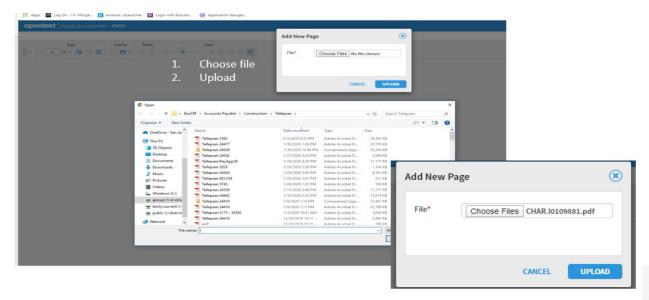- Upon completion of the invoice – the procedures advises the end-user the <u>IMPORTANCE OF DOCUMENT NUMBER</u>

![San Jacinto College logo]

AppXtender – add backup documentation to the Banner direct pay invoice number

Locate File and Attaching Backup

1. Choose file
2. Upload
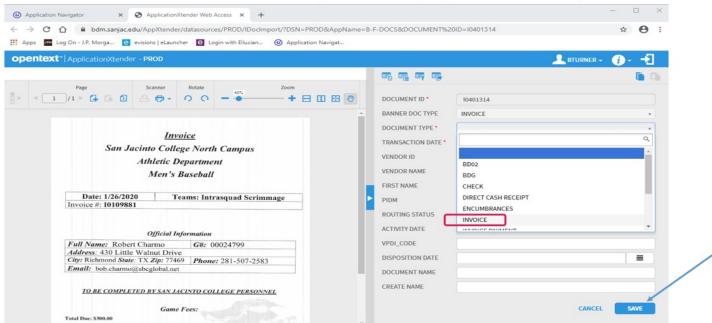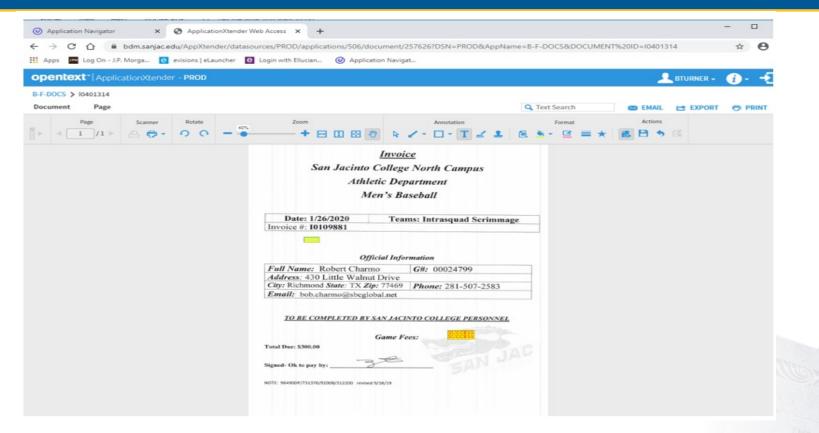
Locate File and Attaching Backup (B-F-DOCS)
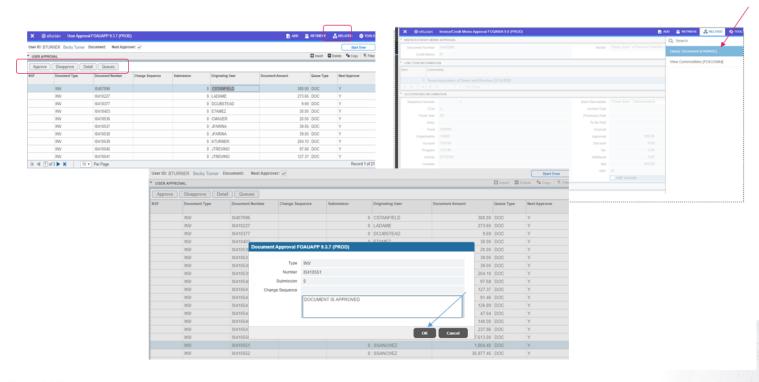
Accounts Payable Approvals

All direct pay invoices require Accounts Payable's approval.

AP Staff reviews the following:
- Vendor Name
- Backup Documentation
- Address Code
- Document Text
- Review the commodity and account codes

Upon completion of all approvals, the direct pay invoice process on the next AP Check run.

Timeline: 1-5 days

Questions?

Thank You!

- Becky Turner – becky.turner@sjcd.edu   281-998-6153

We want to hear from you!

- *To Communicate, we must realize that we are all different in the way we perceive the world and use this understanding as a guide to our communication with others." – Tony Robbins*