



6.1.11 PeopleSoft E-Procurement Requisition (REQ) Purchases and Payments

Chapter 6 - Fiscal	Original Effective Date: July 2000
Section: 6.1 Accounting	Date Last Reviewed: May 2017
Responsible Entity: Assistant Vice President for Business Affairs	Date Last Revised: May 2017

I. Purpose

To establish the use of PeopleSoft for purchases and payments and set for the procedure for requisition authorization and approval cycles.

II. Scope

This policy applies to all individuals responsible for and involved in the E-Procurement Requisition Purchases and Payments on behalf of or for UT Health San Antonio.

III. Policy

The PeopleSoft eProcurement Requisition (REQ) is a web-based application used to process a basic purchase requisition, General Stores requisition, or to request travel authorization. In using the PeopleSoft eProcurement System, each department Chair or Director must ensure that PeopleSoft approval cycles support appropriate separation-of-duties and are structured to provide appropriate internal controls. The Office of Internal Audit will routinely audit departments for compliance. Management should be particularly aware of the following points regarding PeopleSoft requisition authorization and approval cycles.

A. Appointment of ACE

The Access Control Executive (ACE) must be the Director, Chair, Administrator, Associate/Assistant Director, or a senior administrative employee in the department authorized by the Chair or Director. The ACE must be knowledgeable about (a) University policies and procedures, (b) internal controls, and (c) the department's workflow and organization. If the ACE reconciles accounts, there must be a documented review of the reconciliations at a higher management level. The departmental ACE is responsible for managing departmental users accessing administrative business systems including PeopleSoft applications, Document Review System (DRS) and Data Warehouse. See the Institutional Handbook of Operating

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Policies (IHOP) Policy [5.8.16 Administrative System Access Controls \(ACE Program\)](#).

B. Typical Approver Role

There are two types of approver roles in PeopleSoft financials: Administrator and Project Manager. Both the Administrator and Project Manager must approve a PeopleSoft eProcurement REQ before it can be processed into a purchase order. The Project Manager is the authorized signature for the requisition, while the Administrator is considered to be a reviewer. Either, or both, can approve or deny (i.e., disapprove) the requestor's requisition. A Project Manager is associated with a particular Project ID number and an Administrator is associated with a department.

C. Approval Considerations

Before any PeopleSoft approver approves a PeopleSoft eProcurement REQ, the approver must be certain that the expenditure or transaction is related and necessary to the operation of the department; is made in accordance with institutional and/or grant policies and procedures; is an authorized transaction; is properly supported; has available funds; and is coded to the proper Project ID number.

D. Purchase Procedures

To initiate a purchase, the department completes a PeopleSoft eProcurement REQ utilizing a web browser. As the department enters the eProcurement REQ, availability of funds and the expiration date on the project ID are verified. Upon approval of the requisition by both Project Manager and Administrator, the status of the requisition becomes approved, at which time the eProcurement REQ is pre-encumbered against the approved project ID and transmitted to the Purchasing Department. The Purchasing Department then assigns the requisition to a buyer and processes the order.

E. Issuance of Purchase Order

After processing the PeopleSoft eProcurement REQ, the Purchasing Department issues a purchase order. The amount of the purchase order is encumbered and the amount of the PeopleSoft eProcurement REQ pre-encumbrance is reversed. The purchase order encumbrance will be removed and replaced by an expenditure transaction when payment is made and/or the purchase order is complete.

F. Receipt of Merchandise

When the merchandise is delivered by Central Receiving, the individual receiving the merchandise is required to sign and date the "Receiving Report". If merchandise has been picked up by the department or delivered directly to the department by the supplier, it is the department's responsibility to contact Central Receiving. Failure to notify Central Receiving that merchandise ordered has been directly received or picked up by the department may delay the payment and increases the risk of incurring late payment interest. See IHOP Policy [6.1.9 Automatic Late Payment Interest](#). The

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Office of Accounting cannot pay an invoice until merchandise is recorded as received on the system. After receiving an invoice from the supplier and verifying receiving information, the Office of Accounting initiates payment for items purchased.

Completed purchase orders for equipment received may be placed on “hold” to check for proper operation before Central Receiving flags the item as received. This “hold” is limited to three (3) working days. Because of the risks associated with the prompt payment law, exceptions to the three-day hold will not be allowed, unless it has been previously justified and approved by the Purchasing Department on the purchase order. (Note: The “prompt payment clock” for late payment interest will not start for equipment delivered that requires installation, until the installation is satisfactorily completed. In these cases, Central Receiving will not record the equipment as received until such time that notification is received of successful installation.)

G. Voucher Processing

Suppliers remit purchase order invoices directly to the Accounts Payable section in the Office of Accounting. Central Receiving records the receipt of goods procured via purchase order. A payment voucher is created by Accounts Payable staff when the receiving information, the purchase order, and the supplier invoice are matched. Once a payment voucher is processed, the purchase order encumbrance is reversed. Occasionally, the final expenditure does not equal the amount encumbered against the purchase order due to partial shipments, freight charges, discounts, etc. In such cases, the encumbrance will be reversed at the same amount as the payment voucher(s). Remaining encumbrance balances will be reversed as the purchase order is completed and PeopleSoft purchase order close processes (PO RECON and REQ RECON) are run.

H. Direct Connect Requisitions

UT Health San Antonio has implemented Direct Connect, a technology within the requisitioning process that enhances the task of ordering frequently purchased commodity goods at favorable prices. Direct Connect allows requestors to access the online catalogs of many of our top suppliers, and to do so from the PeopleSoft requisition. The suppliers’ online catalogs offer tools and tips that can help requestors make better informed buying decisions.

Direct Connect also provides requestors with an online shopping experience that is intuitive and familiar to anyone who has purchased items on the internet, but with a bonus. After items are placed into a shopping cart, and the requestor checks out, the contents of the shopping cart are automatically loaded into the PeopleSoft requisition. This eliminates the hassle of keying in the information, and the risk of data entry errors. Some of the chief reasons to use Direct Connect include the following:

1. Savings opportunities. All the online catalogs for our Direct Connect suppliers contain our UT System Preferred Supplier contracted pricing and are monitored to ensure that pricing is accurate and current.

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2. More informed buying decisions. Requestors can search the suppliers' online catalogs in a variety of ways, view images of products, read about a product's features and specifications, and make product and pricing comparisons. Suppliers' online catalogs can even offer helpful tools and tips, like making sure a requestor doesn't overlook purchasing the correct cable for the printer they just selected.
3. Reduced processing and turnaround on orders. The purchase order does not require processing by a buyer in the Purchasing Office. Purchase orders are electronically transmitted to suppliers several times each day. Most of the suppliers' e-commerce systems release orders to their warehouse for shipment within hours of receiving our purchase order, and next day delivery of many items is common.
4. Increased accuracy of data, and therefore, items received. Catalog numbers, item descriptions, and units of measure are automatically loaded into the requisition and carry forward to the purchase order.
5. Eliminates pricing discrepancies. The catalogs contain our Preferred Supplier contracted pricing, which is automatically loaded into the requisition and carries forward to the purchase order; so, invoices match the purchase order and pricing disputes are virtually non-existent.

For additional information on Direct Connect requisitioning, access [Business Affairs Bulletin 04-2013](#) and [Business Affairs Bulletin 02-2017](#).

IV. Definitions

There are no defined terms used in this Policy.

V. Related References

There are no related documents associated with this Policy.

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

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Effective Date	Action Taken	Approved By	Date Approved
07/2000	Policy Origination	Executive Committee	07/2000
05/2017	Policy Review	Executive Committee	05/2017