Purchase Orders

- Purchase Order…Why
- Payment Works
- Type of Vendors
- Group Purchase Organizations & TxDIR
- Purchasing Price Thresholds
- Purchase Order processing timeline
- Encumbrance vs Expense
Purchase Orders

The why behind PO’s and Payment Works (PW)

- Why are PO’s preferred
- Why do we use Payment Works (PW)
Purchase Orders (PO)

Why are PO’s preferred:

- **Payment Works**
  - Expedites vendor payments (banking info)
  - Eliminates paper-based process
  - Establishes business terms (vendor & UTSA)
- **Required for item purchases ≥ $500 (other restrictions may apply)**
  - Controlled Property
- **No purchase restriction amounts on electronic goods**
- **Increased compliance (i.e. Export, document retention)**
Payment Works (PW)

The Why and Processing of PW

payment works

- Expedites vendor payments (banking info)
- Eliminates paper-based process
- Establishes business terms (vendor & UTSA)

Initiated by BSC to vendor

Limitations

- Vendor updates all information (BSC has NO access to update)
- Legacy vendors (prior to PW) need to complete PW registration w/ any provide update (i.e. remit, banking info)

Timeline

Expectation:
~ 1 to 2 weeks
Purchase Orders

Type of Rowdy Exchange Vendors

- Punch Out Vendor
- Hosted Catalog Vendor
- Non-Catalog Vendor
Purchase Orders

Type of Rowdy Exchange Vendors

Punch Out Vendor

- Vendor is hosting the catalog and we are purchasing items directly from vendors website.
- Quote is NOT required for processing.
- Order is automatically sent to vendor for processing once PO is issued.

**Vendor invoicing** and **Payment Voucher** created automatically.
Purchase Orders

Type of Rowdy Exchange Vendors

Hosted Vendor Catalog

- UTSA is hosting the vendor catalogs on Rowdy. Sometimes hosted catalog price differs from vendor.
- Quote **IS** required for processing.
- PO emailed to vendor for processing.
- Invoice is **NOT** automatic.
- Vendor emails invoice to Disbursements.
  - Disbursements creates / executes payment voucher related to PO’s.
Purchase Orders

Type of Rowdy Exchange Vendors

Non-Catalog Vendor

- Vendor items are **NOT** hosted on Rowdy Exchange. Manual input of requested item in Rowdy Exchange cart required.
- Non-Catalog Vendors **DO NOT** have a tile (Punchout & Hosted Vendor do) on Rowdy Exchange.
- Quote **IS** required for processing.
- PO will need to be emailed to the vendor for processing.
- Invoice is **NOT** automatic.
- Vendor emails invoices to Disbursements.
- Disbursements creates /executes payment vouchers related to PO’s.
Purchase Orders

Types of Rowdy Exchange Vendors

- Punchout Vendor
- Hosted Catalog Vendor
Rowdy Exchange
Requestion View – Punchout Vendor

**MPULSE HEALTHCARE & TECHNOLOGY, LLC**

- **1 Item**
- **498.03 USD**

**SUPPLIER DETAILS**
- PW-BEMT-SX-SUGAR-2: 3 SUGAR CREEK CENTER BLVD STE 100, SUGAR LAND, Texas 77476-2211 United States
- Contract: no value
- PO Number: P00131440

**Involved Items**
- Samsung UN65CU7000F CU7000 Series 65 Class 64 5 viewable LED backlit

<table>
<thead>
<tr>
<th>Status</th>
<th>Item</th>
<th>Catalog No.</th>
<th>Size/Packaging</th>
<th>Unit Price</th>
<th>Quantity</th>
<th>Ext. Price</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Samsung UN65CU7000F CU7000 Series 65 Class 64 5 viewable LED backlit</td>
<td>7376107</td>
<td>Each</td>
<td>498.03</td>
<td>Qty: 1 Each</td>
<td>498.03</td>
</tr>
</tbody>
</table>

**ITEM DETAILS**
- Manufacturer Name: Samsung Consumer Electronics
- Manufacturer Part Number: UN65CU7000FXZA
- Supplier Part Auxiliary ID: 33359
- Commodity Code: 52161505 / Televisions
- Service Start Date: no value
- Service End Date: no value
- Amount Only: no value

**Punch-Out Vendor**
Group Purchase Organization (GPO)
Texas Dept of Info Resource (DIR)

What are GPO and DIR contacts
Why use them
$ Threshold Requirements
Looking up GPO’s & TxDIR contracts
What are GPO and DIR purchase and why use them

Both GPO & TxDir provide product sourcing from vendors which meet the minimum procurement standards.

UT System GPO Accreditation Program provides approved vendor contracts which meet UT procurement standards.

- Allows procurement W/O the need of a formal solicitation

Tx DIR Contracts provides vetted I.T. vendors via a competitive procurement process using the Request for Offer (RFO) method.

- $ threshold may require a Statement of Work & Sourcing Event
UTSA Group Contract Search:

https://www.utsa.edu/financialaffairs/services/purchasing/faculty-and-staff-resources/group-contracts-search.html

NOTE: NOT all vendors in the GPO search have an established Payment Works.

Texas Dept :

https://dir.texas.gov/search-contracts-vendors/contract/Active

NOTE: NOT all vendors in the Tx DIR search have an established Payment Works.
## Purchase Order $ Thresholds

### GPO vs TX Dir vs Non-GPO

<table>
<thead>
<tr>
<th>Contract Value</th>
<th>GPO UTSSCA</th>
<th>GPO Vizient</th>
<th>TX Dir</th>
<th>Other GPO’s</th>
<th>Non-GPO</th>
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</thead>
<tbody>
<tr>
<td>&gt; $14,999</td>
<td>(1) Quote*</td>
<td>(1) Quote*</td>
<td>(1) Quote*</td>
<td>(1) Quote*</td>
<td>(1) Quote</td>
</tr>
<tr>
<td>$15k - $49,999</td>
<td>(1) Quote*</td>
<td>(1) Quote*</td>
<td>(1) Quote* &amp; SOW</td>
<td>SE (1) Quote* &amp; SOW</td>
<td>SE or EAJ</td>
</tr>
<tr>
<td>$50K - $1M</td>
<td>(1) Quote*</td>
<td>(1) Quote*</td>
<td>(1) Quote* &amp; SOW</td>
<td>SE (1) Quote* &amp; SOW</td>
<td>SE or EAJ</td>
</tr>
</tbody>
</table>

- **SOW** = Statement of Work | Detailed specifications of what is required
- **SE** = Sourcing Event (Purchasing Dept)
- **UTSSCA** = The Univ. of Texas System Supply Chain Alliance
- **EAJ** = Exclusive Acquisition Justification
- *Quote **MUST** state GPO | DIR contract #.
Procurement Timeline

1. Request Received
   - Missing info / EAJ

2. Quote?
   - Missing Quote

3. Payment Works?
   - PW Approved
   - Vendor Dependent

4. Cart
5. REQ
6. Approver WkFlow
   - Varies
7. PO Issued
8. PO to Vendor

= Delay
Encumbrance Vs. Expense

- When does a PO **encumber** funds and how does it effect my balance.

- When does a PO **expense** funds and how does it effect my balance.
Encumbrance

How does encumbrance effect my Cost Center/Project budget?

- Encumbrance = commitment to spend $
- PO’s encumber funds against funding source once issued.
- Routing Requisitions **DO NOT** encumber funds.
- Encumbered $ is **NOT** available to spend
- $ remain encumbered until PO is paid closed or canceled.
- Purchases with One Card **DO NOT** encumber funds.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Balance</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>PO8675309 (Encumber)</td>
<td>$(5,000.00)</td>
</tr>
<tr>
<td>Available Balance</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Amazon(Unrealized Encumber)</td>
<td>$(500.00)</td>
</tr>
<tr>
<td>REQ 123456_ULINE(Unrealized Encumber)</td>
<td>$(500.00)</td>
</tr>
<tr>
<td>Running Balance</td>
<td>$4,000.00</td>
</tr>
</tbody>
</table>
Encumbrance

Budget Overview Encumbrance

- Encumbrance is retaining $ to pay PO.
- Routing Requestions routing **DO NOT** encumber funds; Running balance effected.
- ONE CARD purchases **DO NOT** encumber funds; Running balance effected.
Encumbrance

SAHARA View Encumbrance

- **PO Encumbrance:** PO’s encumbered W/O payment (by line item)
- **All other Encumbrance:** Disencumber of funds, PO paid / closed / canceled
How does expenses effect my Cost Center/Project budget?

Expenses

Expensed = $ spent; NO longer available in budget

PO's expensed when invoices are paid.

Encumbered $ transferred to Expensed $

One Card purchases expensed when voucher approved.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Current Balance</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$ 10,000.00</td>
<td></td>
</tr>
<tr>
<td>PO12345678 ULINE(Expensed)</td>
<td>$ (500.00)</td>
<td></td>
</tr>
<tr>
<td>Amazon(Expensed)</td>
<td>$ (500.00)</td>
<td></td>
</tr>
<tr>
<td>PO8675309 ABC(Expensed)</td>
<td>$ (500.00)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 4,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Available in budget

Expensed = $ spent; NO longer
Encumbrance

Budget Overview Expense

- Expense is $ spent to pay PO.
- **ONE CARD** purchases **ARE** expensed when OneCard voucher paid.
  - Typically month following purchase.
## Expenses

### SAHARA View Expenses

<table>
<thead>
<tr>
<th>Expense Summary</th>
<th>Revenue Summary</th>
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</thead>
<tbody>
<tr>
<td>Revised Expense Budget</td>
<td>$226,323.74</td>
</tr>
<tr>
<td>Year To Date Actuals Expense</td>
<td>$83,329.19</td>
</tr>
<tr>
<td>Project To Date Actuals Expense</td>
<td>$83,329.19</td>
</tr>
<tr>
<td>Encumbrance Total</td>
<td>$3,053.79</td>
</tr>
<tr>
<td>Available Expense Budget</td>
<td>$130,060.77</td>
</tr>
</tbody>
</table>

Revenue for the period: $0.00
Expenses for the period: $7,882.88

<table>
<thead>
<tr>
<th>Account</th>
<th>63005</th>
<th>Chemicals &amp; Gas:</th>
<th>Source</th>
<th>Accounts Payable</th>
<th>Acctg. Ctrl Name</th>
<th>Payables Definition</th>
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</thead>
<tbody>
<tr>
<td>Reviewed</td>
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<td></td>
<td></td>
<td></td>
<td>Account Subtotal</td>
<td>$96.40</td>
</tr>
</tbody>
</table>

- Available Expense Budget = $ available end of period
- Vendor invoices paid
Encumbrance
SAHARA View Disencumbrance

» All other Encumbrance: Disencumber of funds, PO paid / closed / canceled
» $ released from encumbrance to pay vendor invoice for PO.
### Encumbrance Vs. Expense

#### Encumbered Budget Balance

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<td>Amazon (Encumber)</td>
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<tr>
<td>REQ 123456 ULINE (Encumber)</td>
<td>($500.00)</td>
</tr>
<tr>
<td>Running Balance</td>
<td>$4,000.00</td>
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</tbody>
</table>

#### Expensed Budget Balance

<table>
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<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Current Balance</td>
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</tr>
<tr>
<td>PO8675309_ABC (Expensed)</td>
<td>($5,000.00)</td>
</tr>
<tr>
<td>Amazon (Expensed)</td>
<td>($500.00)</td>
</tr>
<tr>
<td>PO1234578_ULINE (Expensed)</td>
<td>($500.00)</td>
</tr>
<tr>
<td>Available Balance</td>
<td>$4,000.00</td>
</tr>
</tbody>
</table>

- **Running Balance Affected**
- **Available Balance account all expenses.**

Running Balance Differs from Available & Current Balance
References

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  https://www.utsa.edu/financialaffairs/resources/financial-guidelines/1501.html

• Financial Affairs Vendor Payment Guidelines
  https://www.utsa.edu/financialaffairs/services/disbursements-travel/disbursements/vendor-payments.html

• UTSA Procurement Bidding Requirements Guideline

• Financial Affairs Prepayment Guidelines
  https://www.utsa.edu/financialaffairs/services/disbursements-travel/disbursements/prepayment.html
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  https://www.utsa.edu/financialaffairs/services/purchasing/faculty-and-staff-resources/hub-vendor-search.html

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