UPPWords

News from University Procurement Professionals

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Why is it Important to Use the Correct Account Code?
by Earl Weisenburger

Did you know that using the incorrect Account Code can cost your university and/or department money? The State of South Dakota charges an assessment fee based on the Account Codes on your orders for the use of their State Contracts, WSCA/NASPO, NJPA and ICA contracts. Although the fee is minimal it can add up over the course of the entire fiscal year. The Assessment Fee is charged each quarter and the fee calculation changes each quarter, for an example, the 3rd quarter of FY14 was billed at .071%.

If you have both Purchasing Assessment items and Non Purchasing Assessment items on your order you can split the account codes by completing an "Add Split" on the Accounting Codes on your requisition in SDezBuy. If you do not split the requisition or account codes on the requisition and you code it with an Account Code that is PA the entire order will be assessed the OPM Purchasing Assessment Fee.

The best way to ensure you are using the proper Account Code is to reference the Purchasing Commodity Code to Account Code Crosswalk which you will find on the SDezBuy Shopping Home page or the SNAP Portal Finance Tab under the Purchasing Forms or Finance Business Forms sections.

All purchases made from a State Contract are subject to the assessment fee charged by OPM and orders need to be coded with the correct Account Code for Purchasing Assessment. In SDezBuy Shopping Home page the Hosted and Punch-out Catalogs are marked with a PA [purchasing assessment or No PA [no purchasing assessment] on each of the buttons to enter into them. See examples below.

Examples of Account Codes and what the ending digit means on the code are as follows:

755028 Office Supplies [non assessed]
755020 Office Supplies PA [purchasing assessment]
777900 Computer Hardware PA [purchasing assessment]
777902 Computer Hardware CAP PA [Capital Asset & purchasing assessment]
777907 Computer Hardware CAP [Capital Asset over $5000 per unit cost]
777909 Computer Hardware [non assessed]

If for any reason you need assistance or have questions, you should contact your local campus Purchasing Office for further instructions and guidance.

UPP Member Spotlight

Brenda DenOtter, Purchasing
SDSM&T Business Services

Brenda has been with the South Dakota School of Mines & Technology (SDSM&T) for the past six years; her first three years she was the Secretary for Business Services, then she moved on to Purchasing Assistant, and is now the Purchasing Specialist. She is the shared buyer for MRO Supplies for all SDBOR schools. She also handles the vendor approvals and security resets for the purchasing bid system, Sourcing Manager.

She is not a native of the beautiful Black Hills, but was born and raised in Yankton, SD, and found herself heading West across the state in the summer of 1990 during the week of the rally….not a smart decision, but she made it.

Brenda is a mother of two wonderful young men and a grandmother to a beautiful little girl, who just started kindergarten this fall.

In her spare time she loves to paint watercolor and has been doing so for the past 17 years; in these last few years, it has become more than a hobby. Art has been an interest of Brenda's from a very young age. She dabbled in different mediums but, watercolor captured her heart and she hasn't used anything else since then.

After following her oldest son's athletics for many years, it has come full circle, and she is now attending sporting events of her granddaughters who just started soccer and softball this last year. She has found it to be such a treat watching all the progress her granddaughter has made in this last year and is definitely looking forward to what the years ahead have in store.

Brenda states that her life has been enriched working with her SDSM&T family and everyone in SDBOR Purchasing. You have all made her transition into purchasing a great experience, and she wants to thank you.

Getting Our PO's to the Supplier
by Linda Van De Rostyne

Our software host, SciQuest, has recently changed their Fax Server supplier to InterFax. With this change came a new error message purchasing users had not seen before, "unsupported file error".

Documents that you attach to the cart or requisition need to be saved in certain file formats if you want them to distribute with the PO to the supplier. That is to say, if you put them in the External Notes and Attachments section or in the external attachments in your requisition lines.

The following file formats are acceptable for use:

Document Extension Format	Application Type
.doc	Microsoft Word
.htm/.html	HTML files
.jpg, .gif, .tif, .png, .bmp	Image Formats
.pdf	Adobe Actobat
.ppt or .pptx	Microsoft Powerpoint
.rtf	Rich Text Formt
.txt	Plain Text
.xls or .xlsx	Microsoft Excel
.xml	Microsoft Word '03

What's Coming in SDezBuy?
by Linda Van De Rostyne

The Cole Papers hosted catalog that Cole Papers will manage will include items and pricing based on our State Contract and additional items at a negotiated 15% discount. It will include paper and plastic products, cleaning supplies and fine paper as well as a host of other products that Cole Papers carries. The catalog should be available in November 2014 and will replace the existing hosted catalog currently in SDezBuy.

FOB – Delivery Terms on your Purchase Requisition
by Linda Van De Rostyne

There seems to be a great deal of confusion surrounding "FOB", but every purchase requisition requires the user to make the appropriate choice from our drop-down list of values in SDezBuy. There are two important questions involved in this decision, they are:

1. Who pays the freight cost?
2. Who owns the merchandise during transit (while on the truck)?

FOB is an abbreviation for "Free On Board". It represents the place at which ownership (title) of the goods passes to the buyer. If the value you select in SDezBuy is "FOB Destination", then the buyer doesn't take responsibility (ownership) for the goods until they reach the buyer's location. If the value you select is "FOB Shipping Point", then the buyer takes responsibility at the supplier's location.

SDBOR Purchasing offices recommend that purchase requisitions and any quotations you receive from the supplier, spell out "FOB Destination" which is most beneficial to SDBOR, while the other terms increase expense and risk to the university. When we "own" the goods during transit, we are obligated to pay for lost or damaged shipments and then file a claim with the carrier, which can take several months to resolve, if not going unresolved. Departments who accept "FOB Shipping Point" terms are on their own to gain resolution from the supplier and their selected shipper (freight carrier).

The FOB term alone is often confused with the question of who pays the actual freight charge. When you select, "Prepaid and Allowed" it means that the supplier will prepay the freight with the carrier, and will absorb the cost. On the other hand, when you select, "Prepaid and Add", this means that the supplier will prepay the freight with the carrier, but will pass along, or add, the cost to the buyer usually on the quote or on the invoice. The best choice of the two is Prepaid and Allowed. The buyer always knows the exact cost of the goods and is not surprised when the invoice arrives.

The table below may help you discern which FOB selection to make in SDezBuy.

Terms of Sale	Payment of Initial Freight Charge	Bears Final Freight Cost	Owns Goods in Transit	Files Claims, if any
FOB Destination, Prepaid and Allowed	Seller	Seller	Seller	Seller
FOB Destination, Prepaid and Add	Seller	Buyer	Seller	Seller
FOB Shipping Point, Prepaid and Allowed	Seller	Seller	Buyer	Buyer
FOB Shipping Point, Prepaid and Add	Seller	Buyer	Buyer	Buyer

If you receive a quote where there is a line with a shipping fee, that is **always** Prepaid and Add. Items purchased from State Contract, WSCA/NASPO, NJPA and IPA are always FOB Destination, Prepaid and Allowed and the account code is always PA on these (see above article on Account Codes). Items purchased from E&I contracts are always FOB Destination, Prepaid and Allowed unless over-weight or over-size and account code is always NON-PA.

Remember, if you have questions as to which freight term is appropriate for your order, please refer to the Purchasing Shopping Handbook. Go to Purchasing Forms & Related Links > Link- Purchasing Training Resources in SDezBuy or call your local campus purchasing office. Thank you.

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*denotes shared service buyer

E&I Contracts
by Darby Ganschow

Educational & Institutional Cooperative Contracts

As a member of the National Association of Educational Procurement (NAEP), The South Dakota Board of Regent's institutions have access to various contracts established by the Educational & Institutional Cooperative (E&I). E&I contracts include equipment, supplies and services.

Because of the way E&I bids their contracts, we are not able to fully utilize all of their contracts as they do not meet the bid requirements of the state of South Dakota. Generally, if the item is exempt from purchasing procedures according SDCL 5-18A-22, we are able to utilize the E&I contracts for the acquisition of these items.

Currently SDezBuy includes four punch-out catalogs from current E&I contracts; GovConnection for technology items, VWR for Scientific lab equipment & supplies, Henry Schein for medical supplies and B&H Photo for audio/video items. With the exception of some audio/video items, most are considered exempt and may be purchased without soliciting additional quotes. Audio/video items will be monitored by the purchasing department to determine if additional quotes are required.

If you have questions regarding E&I Cooperative contracts, please consult your local Purchasing Department.

UPP Members at Purchasing Workshop in July (Hosted by SDSM&T)

Back Row (standing): Darby Ganschow (USD), Earl Weisenburger (NSU), Brenda DenOtter (SDSM&T),
2nd Row (standing): Kyra Blatchford (USD), Barbara Mustard (SDSM&T), Ellen Walker (SDBOR), Lorraine Talks (BHSU),
Front Row (sitting): Vicki Soren (SDSU), Linda Van De Rostyne (USD). Karen Alfson (DSU),
Missing Rob Houdek (BHSU), Crystal Sturdevant (NSU), Nancy McKenzie (SDSD), Karen Bravek (SDSU)