

# Business Services Update

## Purchasing: Document, Keep, Purge, Repeat

Purchasing is big on documentation. Being a state agency, Kansas State University needs to be transparent in its spending of taxpayers' money. Therefore, Purchasing is always asking for written information:

- identify the needs
- itemize where the lowest bid/proposal doesn't meet the criteria
- justify the uniqueness of a product or service, i.e. a sole source
- timetable of problems and attempts to reconcile issue with vendor
- provide a contract, memo of agreement, purchase order, etc.

Purchasing wants to hear "your story", so we can better understand where the dept is coming from and how best to help. By putting the info in writing, it helps everyone to remember what we did and why we did it.

Which brings us to keep. Standard purchasing practice is to keep files for five years after the completion date of the contract. There seems to be file cabinets everywhere in the office filled with the five-year old history of bid solicitations and sole source approvals. Hoarders have nothing on us. And sometime we can even find the info needed!

Next is purge. As most of you are aware, sections of Financial Services are moving to the Tower at 2323 Anderson Ave. in the near future. In preparation for the change, Purchasing is not only eliminating the six years and older files, we are also letting go of magazines, catalogs, reference books, etc. that aren't used any more and just collect dust. Nothing like a move to make one re-evaluate what is necessary and what to let go of.

Repeat – let the cycle continue.



## Important Dates

- Aug. 22  
Fall Term Begins
- Aug. 26  
1st Volleyball Game, in  
Honolulu vs. Arizona
- Sept. 2  
1st Football Game, @  
Stanford
- Sept. 5  
University Holiday/  
Labor Day
- Sept. 11  
Grandparents Day

## Contact Us

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## Accounting: What Payment Method Should I Use?

Technology has enabled retailers and consumers to explore new methods of paying for goods and services. The ability to accept credit card payment via a smart phone or a tablet has enabled even the smallest of businesses to be able to accept more efficient forms of payment. Given this technology one question to ask yourself is, "Are you using the most efficient form of payment?". Following is information that will assist you in evaluating this question. The summary below details out each of the four payment options that the University currently supports and the best situations in which to utilize them.

**Business Procurement Card (BPC)** – This method is the most cost efficient method of processing a payment for the University in many cases. This method should be utilized for frequent, smaller dollar purchases, especially anything \$500 and below. It may also be utilized for any high dollar purchases in which the vendor accepts the payment with nominal fees. Utilizing the BPC allows departments to take advantage of potential vendor discounts for prompt payment and the control to make sure the vendor applies payments correctly. It is the fastest way for departments to pay vendors. Because of this, most vendors have started accepting credit cards and many are encouraging their customers to pay their invoices with credit cards by noting such in the remittance information.

**Electronic Deposit**– This method is the most cost efficient method of processing when a credit card cannot be utilized and should be used for large dollar, recurring transactions in which the vendor does not accept credit cards. Examples of payments in which electronic deposits should be utilized include utilities, recurring grant fellowship payments, and construction payments. You can assist vendors in setting up electronic deposit by having them complete the *Authorization for Electronic Deposit of Vendor Payment*. This form is located in Eforms and may be forwarded to the vendor to complete. The vendor will also need to provide a voided check or bank letter with the form.

**Check** – This method is much more costly than both the BPC and Electronic Deposit. This method should be utilized for infrequent (one-time) payments in which a vendor will not accept a credit card. Checks are most often utilized for reimbursements/payments to an individual that does not regularly receive payments. Examples include interview candidate expenses, reimbursement for guest speaker travel, and one-time grant participant payments.

**Wires** – This is the most costly method to send payments. Wires should only be utilized when one of the three payment methods above is not an option. This is typically reserved for payments to foreign vendors who cannot accept credit card.

Departments are encouraged to review their current payment method practices and work towards the most efficient methods of paying vendors. Questions regarding using the BPC may be directed to [bpc@ksu.edu](mailto:bpc@ksu.edu) or you may call the General Accounting office at 785-532-6202.