

# 2017 Best Practices Proposal Form



**CACUBO**  
Central Association of College  
& University Business Officers

Completed proposals are to be submitted to  
Donna Rohlfer, Coordinator, CACUBO Best Practices Awards, [rohlfedm@miamioh.edu](mailto:rohlfedm@miamioh.edu).  
The deadline is May 1, 2017.

## **Best Practices Program Submission:**

**Title:** Collaboration that Improves Contract Compliance, Audit, and Service

## **Primary\* Contact Information:**

*The primary contact must be a CACUBO member institution of higher education.*

Institution: University of Northern Iowa

Address1: 1227 West 27<sup>th</sup> Street

Address2:

City: Cedar Falls State/Prov: IA Zip Code: 50614

Salutation:  Prof.  Dr.  Mr.  Mrs.  Ms.

First Name: James Middle Name/Initial: J

Last Name: Tanzosch

Professional Title: Procurement Services Manager

Email : James.Tanzosch@uni.edu

Phone: 319 273-5811 Fax: 319 273-3009

## **Institution Information:**

Institution:  Research  Comprehensive/Doctorate  Small Institutions   
Community College

Year Founded: 1876

Geographical Location: Northern Iowa

Number of Students: 11,905

Website: uni.edu

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## **Statement of the Problem:**

*Provide a brief statement identifying the challenge your institution encountered that benefited from your best practice.*

Many campus community members take advantage of Amazon for their purchasing needs; however, this presented some challenges for our university:

- Many staff were using personal Amazon Prime Accounts to make purchases on behalf of the university using a university procurement card, connected to their personal Amazon account.
- Using personal Amazon Prime accounts created an opportunity for staff to purchase personal items on their university procurement card as there was not clear separation between personal and university spending.
- Beginning 1/1/17 Amazon started charging sales tax on purchases delivered to addresses in the state of Iowa.
- Because of the sales tax change, many campus users added our sales tax exemption to their personal Amazon account, which allowed them to see a tax savings on personal and university purchases.
- Amazon purchases often included items that were available on existing competitively negotiated contracts.

As a result of these challenges, procurement card reconciliations became more difficult and involved a lot of manual intervention to remove sales tax, monitor transactions and educate Amazon users when purchases were made for contracted items resulting in an increased total cost to the university.

## **Identify the Solution (250-words maximum):**

*Describe how you identified and developed your best practice solution including those involved with the process, impact on the organization, finances and resources.*

Staff from Procurement Services collaborated with Accounts Payable staff within the Office of Business Operations to identify existing challenges the university faced in addressing Amazon purchases. Three options emerged:

- Status Quo
- Prohibit Amazon spend
- Amazon partnership

A decision was made to collaborate with Amazon and establish a University of Northern Iowa (UNI) Amazon Business Account. The account utilizes Amazon's new curation tool that allows Procurement Services staff the opportunity to review and approve purchases in identified categories. Staff from UNI worked with an Amazon implementation team to transition users to a central UNI Business Account. Through this centralized account, the following has been accomplished:

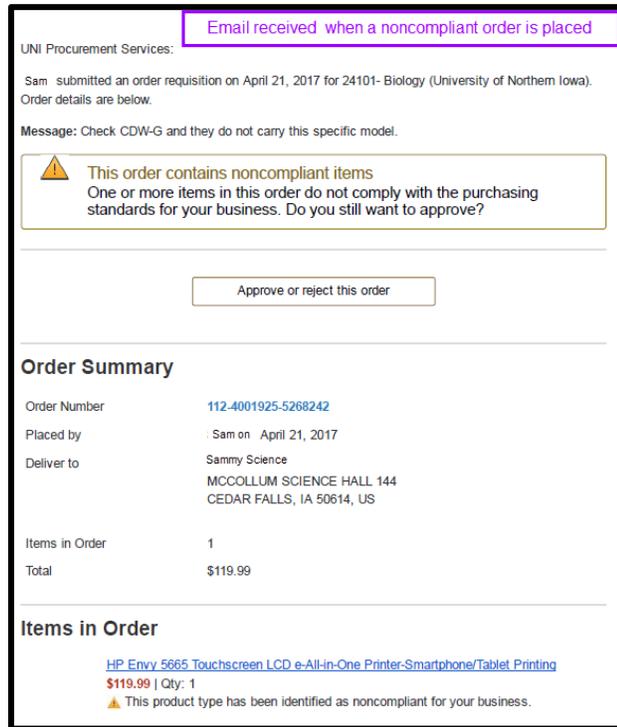
- Campus community members are able to separate their personal and university spending.
- Provide automatic sales tax exemption when purchasing items by Amazon.com LLC or participating resellers.

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- Utilized a new tool from Amazon called "curation" that allows Procurement Services to review and approve purchases.

The approval process is required when an Amazon user attempts to purchase items from a category that has an existing contract. The user will receive a "non-compliant" message alerting them an existing contract for that item may exist. The purchase can be submitted but before Amazon processes the item, Procurement Services staff are notified and must provide approval to complete the order.

The project involved approximately 80 hours of work by Procurement Services and Accounts Payable staff and solved the identified challenges. It has improved service to end users and strengthened relationships with contracted suppliers. This solution would be available for any institution.



## Implementation Timeline:

Provide a bulleted list of the steps and implementation timeline of your best practice solution.

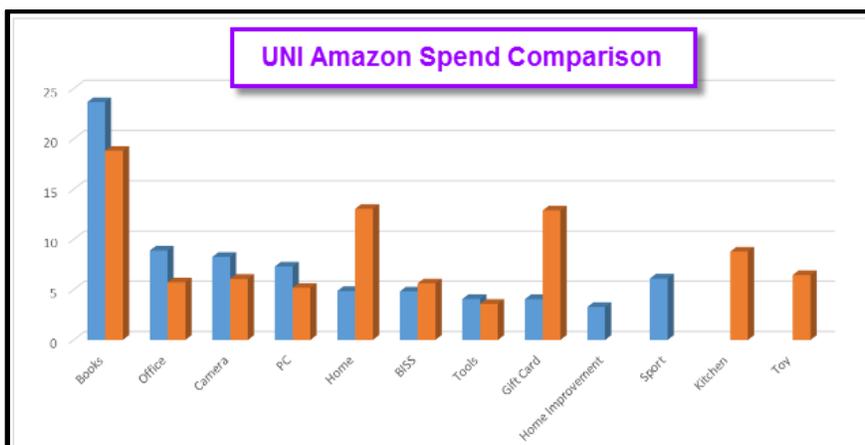
- 12/1-31/16 – Held introductory meeting with Amazon and began internal discussion of options.
- 1/1-27/17 – Met with UNI stakeholders to determine course of action and engagement of Amazon Professional Services Team to plan rollout.
- 1/30/17 – Reviewed communications.
- 1/31/17 – Signed professional services engagement document and set up account administration.
- 2/6/17 – Sent announcement emails to campus community.
- 2/7/17 – Amazon invited users to transition to business account, business account was activated, and the first order was placed. Procurement Services staff reviewed all orders initially before completion.
- 2/13/17 – Sent follow up email to campus community.
- 2/14/17 – Amazon sent second invitation to users who had not previously transitioned to business account.
- 2/20/17 – Amazon activated "curation" which allowed Procurement Services staff to identify categories for review and insert unique messages for each category.
- 4/17/17 – Held meeting with Amazon to review business account implementation.

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## Benefits & Retrospect:

Provide a brief statement of the benefits achieved by implementing the best practice solution.

The Amazon Business relationship has reduced the effort spent by audit staff when reviewing procurement card reconciliations. Sales tax no longer has to be manually removed and communication to cardholders has been reduced due to a reduction in disallowed purchases. Through the approval by Procurement Services staff on the front end, auditors no longer need to question the appropriateness of these purchases in their audit review. The UNI Business account also eliminated the potential for a staff member to inadvertently use their university procurement card for personal purchases. Preliminary analysis comparing Amazon purchases pre- (blue) and post (orange) implementation indicate spending on contracted commodities, i.e. Office Supplies, Camera, PCs, Tools, and Home Improvement are all down while total spend with Amazon has increased. The categories listed all require Procurement Service approval and the items approved were unique and not available using our existing contract so maverick spend to Amazon is nearly eliminated.



## Additional Team Contact Information: Additional Contact #2:

Institution: University of Northern Iowa

Address1: 103 Gilchrist Hall

City: Cedar Falls State/Prov: IA Zip Code: 50614-0008

Institution:  Research  Comprehensive/Doctorate  Small Institutions  Community College

Salutation:  Prof.  Dr.  Mr.  Mrs.  Ms.

First Name: Christina Middle Name/Initial: M.

Last Name: Geweke Suffix (Jr, III, etc.)

Professional Title: Assistant Director of Business Operations

Email : [christina.geweke@uni.edu](mailto:christina.geweke@uni.edu)

Phone: 319-273-7505 Fax: 319-273-3009