Successfully Implementing Paperless Accounts Payable

Presenters: Sharon Loiland, Controller
           Allison Peyton, Director of Accounting Services
           Eileen Johnson, Accounts Payable Manager
           Madhavi Marasinghe, Director of Enterprise Services

University of North Dakota

October 7, 2014
Background of UND

- Enrolls 15,000 students in 225 fields of study
  - 43% of the students come from North Dakota and 33% from Minnesota with all 50 states and over 60 countries represented at UND

- UND has a Medical School, Law School, and a renowned College of Aerospace Sciences

- Well known for our hockey team
  - 7 NCAA titles
  - 15 conference titles
  - $100 million dollar hockey arena with granite floors and leather seats

1) 2013-2014 Student Enrollment by State Report
Background of UND

- Enrolls 15,000 students in 225 fields of study
- 43% of the students come from North Dakota and 33% from Minnesota with all 50 states and over 60 countries represented at UND
- UND has a Medical School, Law School, and a renowned College of Aerospace Sciences
- Well known for our hockey team
  - 7 NCAA titles
  - 15 conference titles
- $100 million dollar hockey arena with granite floors and leather seats

1) 2013-2014 Student Enrollment by State Report
North Dakota - Legendary®

- North Dakota continues its ranking as the most economically vital state according to the March 2014 “Index of State Economic Momentum”
  - First in both the personal income and population growth categories

- North Dakota - The Happy State
  - Gallup Well-Being Index® ranked North Dakota #1 in 2013
  - Six areas surveyed
    - Life evaluation
    - Emotional health
    - Work environment
    - Physical health
    - Healthy behaviors
    - Basic access to food, shelter, clean water & medical care
North Dakota - Legendary

- North Dakota continues its ranking as the most economically vital state according to the March 2014 "Index of State Economic Momentum".
- First in both the personal income and population growth categories.
- North Dakota - The Happy State
- Gallup Well-Being Index® ranked North Dakota #1 in 2013.
- Six areas surveyed:
  - Life evaluation
  - Emotional health
  - Work environment
  - Physical health
  - Healthy behaviors
  - Basic access to food, shelter, clean water & medical care.
Purpose of this Session

- UND’s solution
  - A paperless accounts payable process that includes an electronic workflow as well as electronic storage

- The University of North Dakota processes 67,000 accounts payable invoices annually
  - 75% of our payments are automatically uploaded into our a/p system
  - 25% are manually entered

- Prior to paperless A/P
  - Produced 67 banker boxes of payment documents annually
  - 10 year record retention schedule
The Reasons Why

- Prior Imaging software limitations
  - Very limited indexing capabilities
  - Cumbersome searching
  - No workflow available

- Prior software was not in compliance with imaging policy for retention and internal controls – excessive amounts of paper stored

- Augment a “green” initiative

- Accessibility to campus community and auditors

- Increase flow and efficiency
Implementation

- UND leveraged existing license already in use by the Financial Aid, Registrar, and Admissions Offices

- Re-tooled our Accounting Services staff
  - Replaced an accounting clerk position with a professional accountant

- Hired vendor consultants to assist us with the implementation

- Appointed an implementation team that included two A/P professionals and a technical professional
Examples of Workflow

Non-Technical Developer

Technical Developer
Examples of Workflow
Implementation (continued)

- Demonstrated to small groups (approximately 20 departments) at a time
- Implemented the entire campus over a one year time frame
- One-on-one training with each department
- Follow-up training and workshops
Process Specifics

- Invoices are submitted electronically or on paper
- Electronic submissions are converted to tiff format
- Paper invoices scanned by Accounting Services staff
- Invoices must be identified with a reference number
  - First four digits are the department number
Process Specifics

- Header and Description information completed by Accounting Services staff
  - Vendor information is a lookup available from an Oracle® PeopleSoft table imported daily into ImageNow (a product of Perceptive Software®)
Process Specifics

- Route forward to department
- Indexing fields/properties auto-populate from eForm

Payment date contains scan date until later in the process
Process Specifics

- Department has its own approvers set up in system
  - Departments have 1 to 5 authorized approvers based on internal processes.

- Department completes funding source & stamps approval

- Special instructions are completed by the department
Process Specifics

- Department routes forward to Accounting Services

- Auto process selects one of three Accounting Services auditing queues based on an alphabetical distribution

- The auditor reviews payment documentation and stamps approval if criteria is met.

- Auditor routes forward as an approved payment

- System automatically routes to Grants & Contracts Department if additional review is needed
Process Specifics

- Payments are automatically entered into a CSV file which is uploaded into PeopleSoft® for voucher creation and payment disbursement.

- In a nightly process, the following is downloaded from PeopleSoft® into ImageNow®:
  - Voucher number
  - Payment date
  - Payment reference number (ACH, Check, or Wire)

- Vendor table is updated nightly.
Process Specifics

- UND now processes by invoice
  - Prior process combined invoices for ease of entry

Our property/index fields include:

- Other helpful ImageNow tools:
  - Sticky Notes
  - Filters – public and private
  - Learnmodes
  - Applications plans
The Wrongs and Rights

- What we would do differently
  - Do it sooner

- What we did right
  - Implemented one-on-one training, as well as group training
  - Trained every department on campus
  - Implemented in phases, not every department at once
  - 100% dedication of a/p managers and a technical person is required
  - Up front support from a group of cross-campus departments
  - Consultants
The Cons of Paperless A/P

- Cost of software and consultants
- Decreased Purchasing Card volume
- Increased need for cash management – invoices paid too quickly
- Change for departments
- Individuals use the imaging system over our PeopleSoft® inquiry
The Pros of Paperless A/P

- Increased efficiency of payments

- Decrease of paper
  - Material costs
  - Storage costs

- Accessibility of records
  - Departmental access
  - External auditor access
Paperless A/P Aftereffects for UND

- No staff reduction

- Enhanced services provided by Accounting staff
  - If required, able to process a payment with all approvals in 5 minutes instead of 5 days
  - Transferred auditing of journal entries and account code corrections to Accounting
  - Much more emphasis on proper backup for payment documents (business purpose)
  - Accounting staff more involved in contract/agreement payments
  - Campus can access workflow or payment information at any time
    - No more “I sent it to Accounting Services weeks ago”
  - Off-campus departments love it
  - Auditors can access documents online; they do not need to come to campus
  - Pay by individual invoice
  - Greatly reduced data entry errors
Current Scanning/Workflow at UND

- Accounting Services is developing eForms and workflow for journal entries and journal vouchers
- Paper journal entries and journal vouchers are being scanned into system for storage
- Purchasing Card statements and backup are being scanned for storage
- Signature authorizations
- W-9s
- The technical person is now responsible for a technical division that has taken this product to a state-wide license agreement, has a growing staff, and has 30 projects in the queue with no consultant expense anticipated
- Efficient monthly billing to UND Foundation for reimbursements
Current Scanning/Workflow at UND

- Student Account Services is using electronic forms and workflow
  - FERPA forms
  - Charge appeals
  - Parking Appeals

- Purchasing Office is rolling out electronic eForm and workflow for requisitions

- Finance & Operations division images contracts/agreements
Quotes from UND Departments

- “Thanks for your help today! It makes paying bills a breeze!!”

- “I just wanted to let you know how much we like the new accounts payable process with Image Now. It is very convenient and efficient and obviously saves us time and money. Hopefully the project will continue to expand.”

- “I can sing the praises of ImageNow for the speedy preparation of the report.”

- “ImageNow is fantastic! It is the best thing since sliced bread. Needless to say, I love it and wish we had the program years ago. It’s an efficient program that in the long run will be a cost savings to departments.”
More Quotes

“I used to spend at least one day typing, copying and mailing invoices weekly. Now it takes me 15 minutes daily and that is even stretching the time. It has made my job much easier as far as accounts payable goes. I, for one, am thrilled with the ImageNow system.”

“Yah, You Betcha!!”