

0. Good morning!

I am Diane Warfield with the UF Team Sponsored Programs and Billing/AR. I am pleased to bring you this brief discussion on PeopleSoft's Contracts, Billing, and the impact on the University of Florida.

1. I am sure you have all seen this Overview before. As you can see, the Grants module is overlaid on the Projects module. Information and transactions from the other feeder systems flow into Projects and Grants, are passed over to Contracts where the Billing processes run, producing invoices, letters of credit and entries for the A/R module. These transactions and information flow back to Projects and on to the General Ledger. The Projects module is the hub of activity for the contracts and grants transactions and information. Contracts houses billing parameters used in invoicing. Billing is the invoicing tool for invoices and letters of credit. The Accounts Receivable module contains customers' balances and unpaid invoices.

2.

While I am sure you are all panting to hear more about the intricacies of PeopleSoft and the Grants modules, today's discussion is merely a brief overview of PeopleSoft Contracts, its effect on Billing and on the University's staff, processes, and procedures. Briefly discuss:

- Contract setup and why it is so important
- Effect of PeopleSoft implementation on staff
- University's policies and procedures changes
- Training is so important

3.

- Basically once a proposal has been accepted at the University, the PeopleSoft process "Generate Award" will establish the award, the project or projects and the contracts on the post award side. The staff then set up the award, the project(s) and their accompanying budgets, and the contract.
- We envision the set up processes to be done in contracts and grants by highly trained staff with a Quality Control person reviewing the set up and approving and activating the contracts.

4. flowchart – just a flowchart to illustrate the basic flow of events

5. Award Set up
6. Project Budget Set up
7. Contract Set up - Discuss briefly

8.

Contract setup involves selecting values that will direct the billing, A/R, revenue recognition and other processes. Even though the University is rather unique in that it has 3 different and autonomous areas performing grants administration and accounting, we will operate with **only 1 business practice**.

#### 9. Bill Options

To accomplish this, we configured the Bill Types so that each area will be able to print their own invoices in-house. We have 3 different bill types: Direct – the bulk of all invoices, Special Handling – those few that require additional backup documentation, and Misc for those sponsors that require the billing information be on their specific forms. Additionally, the type of contract such as cost reimbursable, letter of credit or one of the other kinds of contracts is all set up in the Contract module.

10. Contract Lines bring us to the billing and rev rec lines.

## 11. Contract Billing Plan

- > Much of the information from the proposal is brought over into the post award side. Information regarding not only UF contact information but type of invoice, invoice cycle, invoice format and the pre-approved automated functionality.
- > Cost reimbursable billing requires 19 steps for set up in contracts. Fixed price requires an additional 10 steps to set up. Prepaid contracts, deliverable based contracts, clinical trials, and misc donors all have unique and complex setups. If these setups are not done correctly, chaos will ensue. Invoices might not run on time or even at all; payments, cash application and collections might not be processed correctly.

## 12. Revenue Recognition

Contract set up in PeopleSoft is much more complex than set up is now. We may need more staff for the set up process. On the other hand, because Contract set up and UF decisions will automate the invoicing processes, the staff will not spend the time on invoices as they do currently. To enable the staff to change their focus, they must undergo intensive exposure and training.

13. In keeping with changes to Best Practices, we will employ PeopleSoft's functionality of commitment control, combo edits and reports and queries to assist us in maintaining spending compliance.

14.

- > Because these tools give us a high level of confidence that the costs on the projects are allowed, we will use PeopleSoft's Pre-Approved option to automatically approve all the invoices and letters of credit. Scheduled batch processes will automatically generate and print invoices. This is a big change from manual preparation, review and approval of each individual invoice.
- > The c & g areas will also be conducting post audits to make sure that any items that managed to slip through, such as CAS items on Federal projects or other highly restrictive projects, are caught and corrected in a timely manner.
- > The key to all of these issues is TRAINING in quality grants management and in PeopleSoft utilization.

15.

- > PeopleSoft automation will not just change what software the University of Florida uses to manage its funds. In relation to the staff, PeopleSoft automation will change what they do, how they do it, and how they think about it. Based on the shift in job focus, the need for staff training will increase and perhaps will increase dramatically. Additionally, this shift will allow for better customer service and improved quality control.

16.

- > The Vision Statement has charged us with forming our policies and procedures to flow with PeopleSoft's system. In other words, the Vision Statement directs us to change. Changes include financial transactions, numbering schema, dictionaries, paperless reporting and best practices.
- We have responded to the charge for 1 business policy by setting up the grants module to be the same no matter which C&G area is using PeopleSoft.
- This time of great change gives the University a platform that enables the University to streamline and update any practices that need revision. One of benefits is the standardization campus wide of policies and practices. Using PeopleSoft's flexibility, departments and centers can track their funds in their own particular way while adhering to the basic and standard business practices, reporting processes, and funding compliances.

17.

So!

- > The biggest process changes are shifts in focus from manual invoicing to contract set up and automatic billing.

- > Set up from Contracts will drive billing. On the front end we will be able to capture billing parameters as part of set up which then allows us to use pre-approved, automatic invoicing and letter of credit draws.
- > Implications of these changes are C&G Staff will move away from time consuming manual activities to better customer service and improved quality control.
- > Staff will need the same level of understanding contracts, grants and other sponsored programs as now but will need a complete understanding of contract set up and the billing process in PeopleSoft.

18. Questions?