APPROVING BENEFIT

UNIVERSITY
OF
CALIFORNIA

Contents

- Training Topic Objectives

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Training Topic Objectives

Current session.

Training Topic Name	Training Topic Objectives	Estimated Duration *(hours)*
Benefit Tracking	- Understand the goals Performance Management project - Understand total UC benefit definition - Understand transactional and sourcing activities that generate benefit - Calculate and document benefit using appropriate baseline - Understand role and responsibilities - Understand project phases for benefit data collection, tracking, and reporting in the Benefit Bank	2.0
Approving Benefit	- Review benefit calculations completed by procurement staff and determine accuracy of data - Verify benefit calculations and supporting documentation - Provide on-going performance support and training to procurement staff on benefit calculation	0.5

Training Topic Objectives

- The purpose of this session is to enable you to:

    - Review **Benefit calculations** to ensure accuracy and completeness
    - Review **supporting documentation** and determine validity
    - Provide **ongoing support** to campus procurement resources for calculating and documenting Benefit

Training Topic Objectives

Roles and responsibilities.

- Your role is to:
  - Ensure identified Benefit is **consistent, verifiable, and accurate**
  - **Review and Approve Benefit** and in the Benefit Bank
  - **Provide guidance and feedback** to buyers when a Benefit requires modification or correction
  - Ensure all Benefit is **being submitted** for approval

You are responsible for the tracking of Total UC Benefit

Training Topic Objectives

Your resources.

- To equip you in your role, you're being provided with:
    - **A process** by which you should review and approve identified Benefit

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Benefit Approval Process

Outline.

- Regardless of the type of Benefit, the process for approving a benefit is:

  1. **Receive a submission in the Benefit Bank –** and possibly other documentation from buyer within the Benefit Bank
  2. **Review benefit** – we'll go over the specifics of this review in later slides
  3. **Return for updates** – buyer may need to update benefit and/or documentation, **OR**
  4. **Approve Benefit** – approve the benefit in the Benefit Bank
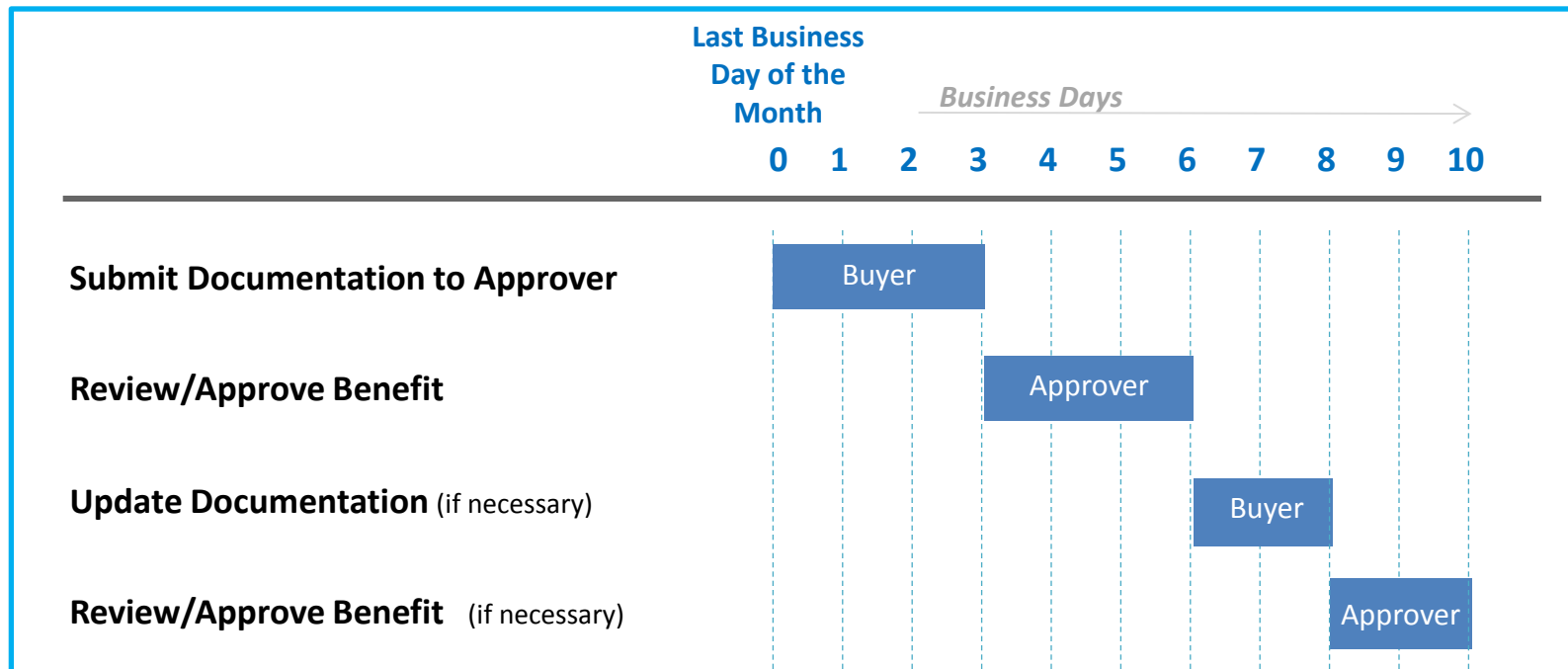
Benefit Approval Process

Timing.

- Benefits are expected to be logged by buyers and sourcing staff real-time as benefits are identified

- In the event that benefits are not being logged real-time, all benefits for a given month must be submitted and reviewed and/or approved **within 10 business days into the following month**

Benefit Approval Process

Timing.

- The table below outlines a suggested timeline to structure the review approval process to allow you enough time to review and approve benefits within the **10 day limit**

	Last Business Day of the Month	Business Days →
	0 1 2 3 4 5 6 7 8 9 10	
Submit Documentation to Approver	Buyer	
Review/Approve Benefit	Approver	
Update Documentation (if necessary)	Buyer	
Review/Approve Benefit (if necessary)	Approver	

Ultimately, all Benefit for a given month should be approved in Benefit Bank within 10 business days of the end of the month

Benefit Approval Process

Steps to review and approve benefit

1. Review the benefit submission in the Benefit Bank to ensure that all fields are complete

2. Verify that the correct date, category, and supplier are correct

3. For Benefit >$1,000, verify that the appropriate documentation has been attached to the submission; this may include
   - Purchase requisition
   - Purchase order
   - Contract
   - Quotes, bids, or proposals
   - Negotiation records
   - Price lists or catalogs

4. Check that the baseline has been appropriately selected by the buyer based on the information available; these questions will assist in determining which baseline method should have been used:
   - Was there a contract in place?
   - Have similar purchases been made in recent history?
   - Does the event include a price increase from a current supplier?

Benefit Approval Process

Steps to review and approve benefit

5. Review the Benefit type to ensure it is accurate based on the baseline type used
   - If Cost Inclusive of Increase was the baseline, the appropriate Benefit is likely Cost Avoidance
   - Due to the complexity of some transactions, the appropriate combination of baseline and Benefit type may need to be determined on a case-by-case basis depending on what makes sense for the transaction

6. Check the values for baseline and benefit to make sure they're accurate. The baseline cost and negotiated cost must take into account the purchased volume, or anticipated purchased volume
   - If the baseline and negotiated cost establish a price per unit, the units should be multiplied by the same volume to appropriately weight the Benefit
   - This may not be the case where volume is anticipated to change over a period of time for a purchase that provides ongoing Benefit
   - The volume used for the calculations must be reasonable based on historic or estimated future purchases

Benefit Approval Process

Steps to review and approve benefit

7. Review benefit duration for sourcing benefit to ensure that it represents the number of months that a contract is in place, or the number of months that negotiated pricing is valid
    *   Annual Benefit will be calculated using this figure

8. Check that the benefit has been applied correctly across the campuses, and that the correct departments have been listed

9. If anything is deficient, the Benefit Bank will allow you to indicate which fields need correction and add a narrative about why it's being returned to the buyer

10. If the deficiencies cannot be corrected, reject the benefit

11. If everything is correct, approve the benefit

Benefit Approval Process

Learning checkpoint.

> **Let's take some time to review and answer questions.**

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Support and Resources

- Training and support materials: <u>Benefit Tracking Support Materials</u>

    - <u>http://www.ucop.edu/procurement-services/procurement-systems/uc-benefit-training.html</u>

- For questions related to the Benefit tracking process, including SharePoint, contact <u>support@ucprocure.zendesk.com</u>