There has been one economic certainty since the Great Depression.

Schools save money with E&I. Since 1934, members of the National Association of Educational Procurement (NAEP) have been able to leverage cooperative buying power and streamline their bidding process to secure the best prices for everything they need. It’s a concept perfect in today’s marketplace. It can save you critical dollars on everything from chairs, workstations, and flooring to microscopes, computers, and cleaning supplies. See what we can do for you today. Call 800-283-2634 ext. 228, e-mail membership@eandi.org, or visit www.eandi.org.
Letter from the CEO

NAEP Annual Meeting
Doreen Murner, CEO, NAEP

A+. That's the overall grade for the Annual Meeting. Who were the graders? You (or your colleagues)! If you didn't go, see what you missed. Presentation slides are out on the NAEP Web site.

Features

NAEP's 88th Annual Meeting and Exposition
More testimonials and photos from the gathering in Providence. See who the award winners were. Whet your appetite for 2010!

What Does It All Mean?
John Riley, C.P.M.

If, from time to time, you feel unappreciated or uncertain about your contribution to academia, take a step back and let the truth come to you. It all means a lot. You mean more than you know.

Online Contracts
Valerie McArdle and Valerie Rhodes-Sorrelle, M.P.A., C.P.M., A.P.P.

Online contracts can mean great things for your school. Increased efficiency and enhanced customer satisfaction. Here are some “to-dos” and “how-tos” for upping your value to your institution.

Basics of Accounts Payable
Mike Chmielewski, C.P.M.

A little primer that will help you interact better with your A/P brethren. Not only that, but the information here can aid you in saving your organization scarce dollars.

Departments

Heard on the Streets
Cory Harms

You know that person you admire and look up to? The one who goes above and beyond? Who reaches across the barriers and gets things done? Have you ever thought about nominating her/him for an award? Why not take the time to do it now?

Roamin’ with Yeoman
Brian Yeoman

Yes, recycling is an important component in the effort toward greater sustainability. But there is something even more important. Read Brian’s column to find out what it is.

Evolution or Revolution
Don Krech

It’s way past time to go paperless. And it’s easier than you think. Great suggestions in this article.

Best and Final
Craig Passey

Maybe Craig’s little contribution here can help you free up more travel dollars to encourage greater attendance at regional and national meetings. Travel … it’s a good thing!
For more information on any of our programs or to register, go to www.NAEPnet.org.

Watch the Pro-D menu of www.NAEPnet.org for new webcasts, podcasts, and other on-demand learning options, including our “Live from Providence!” sessions that were broadcast at our 88th Annual Meeting.

Foundation: Second offering — TBD
Professional: TBD
Sr. Professional: TBD

Save the Date!
NAEP’s 89th Annual Meeting,
March 21–24, 2010

<table>
<thead>
<tr>
<th>REGION</th>
<th>MEETING DATE</th>
<th>CITY/STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolinas</td>
<td>currently on hold</td>
<td></td>
</tr>
<tr>
<td>New England</td>
<td>Oct. 20–23</td>
<td>Hyannis, MA</td>
</tr>
<tr>
<td>Metro NY/NJ*</td>
<td>Oct. 5–7</td>
<td>Annapolis, MD</td>
</tr>
<tr>
<td>DC/MD/VA*</td>
<td>Oct. 5–7</td>
<td>Annapolis, MD</td>
</tr>
<tr>
<td>DE/PA/WV*</td>
<td>Oct. 5–7</td>
<td>Annapolis, MD</td>
</tr>
<tr>
<td>Florida</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>Sept. 27–20</td>
<td>Jamestown, KY</td>
</tr>
<tr>
<td>TAGM</td>
<td>Oct. 25–28</td>
<td>Nashville, TN</td>
</tr>
<tr>
<td>Great Lakes ^</td>
<td>Oct. 14–16</td>
<td>South Bend, IN</td>
</tr>
<tr>
<td>Ohio ^</td>
<td>Oct. 14–16</td>
<td>South Bend, IN</td>
</tr>
<tr>
<td>Michigan</td>
<td>Oct. 21</td>
<td>Mount Pleasant, MI</td>
</tr>
<tr>
<td>MINK ^^</td>
<td>Sept. 27–30</td>
<td>Minneapolis, MN</td>
</tr>
<tr>
<td>MN/DK ^^</td>
<td>Sept. 27–30</td>
<td>Minneapolis, MN</td>
</tr>
<tr>
<td>TUAL</td>
<td>Sept. 20–23</td>
<td>San Marcos, TX</td>
</tr>
<tr>
<td>Northwest #</td>
<td>Sept. 27–30</td>
<td>Scottsdale, AZ</td>
</tr>
<tr>
<td>Pacific #</td>
<td>Sept. 27–30</td>
<td>Scottsdale, AZ</td>
</tr>
<tr>
<td>Rocky Mountain #</td>
<td>Sept. 27–30</td>
<td>Scottsdale, AZ</td>
</tr>
<tr>
<td>Upstate NY</td>
<td>Oct. 13–16</td>
<td>Rochester, NY</td>
</tr>
</tbody>
</table>

* ^  # combined meetings

Thanks to our Business Affiliates for their continuing support.

NAEP Business Affiliates

PLATINUM BUSINESS MEMBER
U.S. Communities
www.uscommunities.org

GOLD BUSINESS MEMBER
nextSource, Inc.
www.nextsource.com

SILVER BUSINESS MEMBERS
UniMarket
www.unimarket.com
Visa USA
www.usa.visa.com/government/
W.W. Grainger, Inc.*
www.grainger.com

BUSINESS AFFILIATE MEMBERS
AE Worldwide
www.aeworldwide.us/ae_naep.html
American Print Management*
www.a-lynxx.com
College Planning & Management
www.peterli.com/cpm
Daubenspeck and Associates, Ltd.
www.daubenspeck.com
Haworth
www.haworth.com
HD Supply Facilities Maintenance
www.hdsuppliesolutions.com/usc
Hers (Higher Education Relocation Specialists)
www.higher4relo.com
Huron Consulting Group
www.huronconsultinggroup.com
IdeaPaint
www.ideapaint.com
Internet2
www.internet2.edu
Macquarie Equipment Finance
www.macquarie.com/mef
Marathon Travel
www.marathontravel.com
Matrix Fitness Systems
www.matrixfitness.com
Novare, LLC
www.novarebiologistics.com
OnPoint Lasers, Ltd.
www.onpointlasers.com
Premier, Inc.
www.premierinc.com/essentials
Prize Possessions
www.prizepossessions.com
ProVista
www.provistaco.com
RentACrate
www.rentacrate.com
Sony Electronics, Inc.
www.sony.com/education
Staples
www.staples.com

*These suppliers offer NAEP Members significant savings on products and services through contracts with NAEP Member-owned E&I Cooperative Services, Inc.
be the hero
SUPER CHOICES

National Joint Powers Alliance®

Competitively bid...nationally leveraged...and did we mention...FREE?

888-894-1930  www.njpacoop.org
Did the NAEP Annual Meeting Deliver Real Value for These Tough Economic Times?

Don't Ask Me; Read What Your Colleagues Who Attended Have to Say:

Is My Supplier Really Green? Sorting the Facts from the Fiction
- Very informative workshop. Good information that our universities need to consider.
- EXCELLENT!!

Corporate Showcase: Premier, Inc. – Higher Ed, the Economy, and Washington, DC
- Great presentation; a lot of good information.
- Helped me understand more about the current environment.
- Excellent.

Procurement in 2015 (got a good number of “suggestions,” as well)
- This was the best presentation I attended this year.
- Enjoyed the session – looking forward to the future.
- Forces you to have thoughts about the future of our profession.
- Great presentation – some of us dinosaurs need wake-up calls like this. :-)

Contract Administration – After Award of the Contract, the Work Just Begins
- Very good!
- A lot of tips.
- A+.

How to Achieve Rapid ROI Utilizing eProcurement
- Good presentation – great subject; informative.
- Well presented, thorough, lots of information.

Committing the President
- Great resource – impressed.
- Informative and entertaining!
- Great workshop with very relevant and informative information.

Corporate Showcase: J.P. Morgan – Maximize Working Capital with Efficient Purchasing Solutions
- Thank you for offering such a valuable workshop topic!
- Good presenter; knows her products and the applications they have for NAEP Members.

Benchmarking Performance Outcomes
- Very relevant since I was recently asked about benchmarking for our department.
- Great, great job – very informative.

Strategic Procurement Changes at the University of Kansas
- Excellent presentation of real-life purchasing issues and solutions.
- Provided a great overview of a big project. I am sure it would apply to any school considering big changes.

Buying a Better World: How Professional Purchasers Are Driving Demand in the New Green Economy
- This was an outstanding presentation.
- Good speaker; very knowledgeable.
- This was an awesome presentation.
- It was my favorite of the conference.

Community Exchange: Small Schools
- Good questions. Good discussions. Good direction from moderators – very informative.
- This is a great forum!! A lot of knowledge gained through this interaction!

Corporate Showcase: Aircgas – Value-Added Capabilities for the University Segment
- Good information – learned a great deal.

Getting from Point A – EPP
- Best presenter of any session.
- Made it fun. Captivating. Interesting – This guy is … awesome!
- Excellent session on an important topic!
- Well delivered, entertaining and held my interest. Jon Chapman – would see again on any topic!
- Fantastic information and very engaging.

Pardon – Your Arse Is Showing
- A+.
- Very entertaining and applicable.

A New Era for Procurement
- Great combination of peer presentation with supplier support!

Unleashing Your Organization’s Green Potential – Sustainable Procurement Strategies for a Global Economy
- I enjoyed the presentation and appreciate the willingness of Staples to share their approach with us.
- Interesting and engaging presentation. A++.
- Have this guy back!

Setting Measurable Goals in Alignment with Your Institution’s Goals
- Good speakers – liked the audience interaction … good experiences to share.
- Very helpful for a manager and how to use with my staff.
- Like idea of annual meeting to set dept. goals.

Proactively Promoting Procurement
- Excellent presentation! I got some ideas that I can implement to improve the image of the department.
- Good use of humor and partnering in the presentation.
- Very useful and good suggestions relative not only to large organizations, but to small universities.
- Clear approaches to proactively work with suppliers and internal clients.

How Today’s Economic Downturn Has Impacted Procurement Leaders and Their Organizations
- Appreciated the timeliness of this subject and the input from larger schools. Always good to brainstorm how to save $ for our institution.
- Excellent session – great information sharing … tremendous knowledge.
- Great job. Several different perspectives on the same issues.

Independent Contractors in the College and University Environment
- Excellent presentation, clarity of subject matter and presentation. Excellent! Excellent! Excellent!
- Very informative. I can definitely bring this information back to my workplace.

EDUCATIONAL PROCUREMENT JOURNAL

Summer 2009

Educating Higher Education

Help us to tell your story, and give yourself and Procurement deserved recognition. Send us your ideas, articles, and thoughts. Contact JournalEditor@naepnet.org.
The WORST Well-Kept Secret

by Cory Harms
Iowa State University

W e work in a profession that doesn’t get a lot of accolades or pats on the back from our customer base. We have to be the policy police, sometimes requiring us to tell people “No.” This tends to make us less than popular. Our campuses don’t readily recognize the value of what we do or praise us for how we do it.

So why do we stay in this profession?

Most of us do it because we know how important it is that we do what we do. We make sure processes are fair, open, and competitive. We make sure that departments and vendors are both treated fairly. We save our institutions money and time, and protect them from bad press or problems.

So I often wonder if it is a secret that we give out awards and scholarships in NAEP. It may be many of you don’t know that the awards that are given out every year start with a nomination from one of us. We nominate our peers (or even ourselves), and an awards committee sorts through the nominations and picks the awardees. The problem is that nominations are typically few. Curious, especially since there are many of us out there doing great things. There should be many more nominations.

I see three main stumbling blocks:

• People don’t know about the awards process, or how or where to nominate.

• The forms can be hard to fill out or you may not have all the information needed about the nominee.

• Sometimes people may feel as though there is not enough time to complete a nomination form.

So how do we overcome these stumbling blocks? The first one is easy. The link to get to the nominations is www.naepnet.org/awards. From there, we can access the national awards, their descriptions, and the forms.

The second block is a little more stubborn. If the forms are cumbersome (or perhaps incorrect), it is our job to let the nominating committee know. For example, you may want to nominate someone for Mentor of the Year because of how she has helped you in NAEP. It may be easy to describe the guidance or time she has spent with you, but you may not know her committee involvement, what offices she

NAEP National Awards
Nominate Today!
www1.naepnet.org/abawards.shtml

NAEP Mentor of the Year
Award of Excellence in Procurement
Bert C. Ahrens Achievement Award
Neil D. Markee Communicator of the Year Award
Distinguished Service Award
Young Professional in Procurement Award
Nancy Tregoe Scholarship
David H. Lord E&I Cooperative Purchasing Award

Cory Harms is the associate director of Purchasing at Iowa State University. He is the immediate past president of the MINK (Missouri, Iowa, Nebraska, and Kansas) Region and serves on the NAEP Editorial Board. He has presented at both regional and national NAEP meetings and has spoken for the Missouri Association of Public Purchasing (MAPP). e-Mail: charms@iastate.edu
By the dictionary definition above, Providence was the perfect city for NAEP’s 88th Annual Meeting (April 19–22, 2009) because that’s what it was all about – managing the resources of our educational institutions. This year’s meeting provided attendees with a total-immersion experience in Purchasing know-how and know-who. It was three days of hot-topic presentations by the most experienced leaders in the Purchasing field, interspersed with networking opportunities, and a top-notch exhibit of 110 of our suppliers/business partners.

Here’s a sampling of what attendees had to say:

“Being here makes the attendees feel proud of their role in Procurement. I’m bringing back ideas on efficiency, cost-savings, and initiatives that I’ll use for future bids. An amazing experience.”

Mercedes Bongiovanni, University of Florida

“Because we’re such a small school, many vendors don’t bother to solicit us, so the NAEP Exhibit was a great resource. The green workshops were informative, especially by showing how we need to research companies that claim to be green.”

Michael Saavedra, New Mexico Highlands University

“A lot of forward-thinking ideas were presented. The meeting exceeded my expectations.”

Mike Pethick, Ferris State University

“I solved plenty of Problems here. At my office desk, I tend to be reactive, so I go to conferences because here I can be proactive.”

George Kuzma, Manhattan College

“This is my third annual meeting, and I learn more every year. The programming was great … met my interests in cost-containment, P-card management, benchmarking, leadership …”

Kay Young, Nichols College

“Benchmarking with other same-sized schools was very beneficial.”

Karen Harthorn, University of Saint Thomas

“Though I’m involved at the regional level, this is my first annual meeting. It gave me the rare opportunity to meet peers from institutions throughout the country. … The sessions all lived up to my expectations.”

James Boyd, Berklee College of Music

“So much opportunity for networking that’s impossible to get outside of this kind of meeting.”

Betty Rouse, Southern Illinois University-Carbondale
Attendees had a chance to tour two new buildings on the campus of Brown University, located since 1764 on College Hill, overlooking the city of Providence. Some folks walked back to the hotel on this fine spring day. Front, left to right: Betty Rouse (So. Illinois); Jim Boy (Berklee College of Music). Back, left to right: Nancy Montez (Vaparasse); Sue & Wally Durman (So. Illinois); Kay Young (Nichols); Jim Boyd (Berklee College of Music).

John Heiley, C.P.M., incoming president, addresses the audience at the Passing of the Gavel Ceremony.

Left to right: Mike LaGrassa (U Mass Dartmouth); Lorelei Meeker (Indiana); Doreen Murner (NAEP) and Bill Hardiman (George Mason) meet up at the Rhode Island Convention Center.

Bob Ashby (center back) and some of his "Musketeers," colleagues who took his professional certification course over the past few years.

Winners: Nicole LaMont (left), Young Professional Award; Starlene Jackson, Distinguished Service Award.

Excellent in Procurement Award. Left to right: John Fabus (Scriwuist); Bill Looper (University of Missouri); Ann Crisilip & Paul Martin (Henselaiar Polytechnic Institute). The two schools shared the award, crediting Scriwuist's e-procurement system for enabling them to streamline their processes.

Gary Duffy (Illinois State) and Greg Williams (Texas Southern) at the Host Committee's New England Lobster Unner.
Winners of Annual Recognition Awards

The following winners of the NAEP and E&I Annual Recognition Awards were announced at the Awards Luncheon.

Bert C. Ahrens Award: William Hardiman, C.P.M., George Mason University

Distinguished Service Award: Starlene Jackson, CPPB, Central Carolina Community College

Professional Perspective Award: Jim Hine, UCSF; Michael LaPointe, University of Illinois-Urbana; Kevin Lyons, Rutgers-NJ; Chris Mihok, C.P.M., Yale; John Riley, C.P.M., Arizona State; Brian Rounsaville, C.P.M., Princeton; Judy Smith, University of Michigan

Nancy Tregoe Scholarship: Ramon Bristol, Miami-Dade College

Young Professional Award: Nicolle Gaillard, Wake Forest University

Award of Excellence in Procurement: Rensselaer Polytechnic Institute and University of Missouri

E&I's David H. Lord Award: Barry K. Swanson, J.D., University of Kansas

Our Exhibitors Display Cutting-Edge Products and Services

A sight to delight any professional buyer: 110 companies, all offering products and services that educational institutions need, gathered in one grand hall and all expert at working with campus Procurement specialists. Attendees got plenty of samples and cutting-edge knowledge about what’s new and best out there.

NAEP’S 88th Annual Meeting & Exposition

Rhode Island Lobster Fest and Farewell

The Host Committee organized a fine old New England traditional lobster fest in the Westin’s Ballroom. If the butter, corn, and potatoes provided a heap of calories, they were easily danced away – until the band played its final tune and the meeting ended on a high note!

Shhh—The Silent Auction

Only the bidding was silent as Members greeted each other in the Host Committee area, where they came to donate items and shop for their own souvenirs. Proceeds benefited the William E. Haas Memorial Scholarship Fund, which awards grants to Members for professional development workshops. Thanks to the generosity of this year’s attendees, the Scholarship Fund will benefit a few deserving Members during the coming year.
Before the meeting started, the guy sitting across from me asked to no one in particular: “Who am I? And what am I doing here?”

You probably asked yourself these questions hundreds of times. And in today’s challenging economy, you probably asked yourself these questions this very morning.

The answer is: I am somebody who is making a difference, and that is what I am doing here.

OK, perhaps it does take some level of self-confidence, and perhaps even some arrogance, to think that you are making a difference. But let me assure you that you are.

First, you understand your institution. You know that your institution exists to provide instruction, research, and community support. And you see your role as enhancing and intensifying that instruction, research, and community support. In case you might have forgotten, here is how you do that. You get your faculty and staff the tools they need to provide instruction, research, and community support. And you do it in a way that assists them in making decisions outside of their professional expertise. So, you provide contract information to them so that they get best value in the goods and services they need. Perhaps you provide a full-fledged e-commerce system, or perhaps you post contract information on your Web site, or perhaps you simply post the contact information for the representatives of firms you have under contract. In any event, you are helping your faculty and staff make smart choices.

Second, you understand the people within your institution. They are your clients, not just your customers. You do not just provide them a service; you are their agent and their advocate. You add your professional expertise in Procurement to their expertise in their respective disciplines. You are a partner in their efforts to win the Nobel Prize. So you do not tell them what to buy; you ask them what they need, what they are trying to accomplish. You know that often what they want is not the best way to meet their needs, so you provide options for their consideration to assist them in better defining their need. And then you show them how to best meet that need.

Third, you understand your environment. You appreciate that primary investigators feel that the grant money they secured belongs to them, so you are careful to show your primary investigators that you can get them what they need faster. And while you are at it, you can probably save them some money that can be redirected to perform more research. You know that they are less concerned about saving money and more concerned about getting their research done in the time they have allowed. You understand that their expertise is in their field and not in the adminosphere. You worry about administrative functions so the primary investigators do not have to. You appreciate that researchers will make administrative mistakes, but you do not allow this to interfere with getting them the tools they need.

Fourth, you understand the social aspirations of your institution. You promote diversity businesses and are of great assistance to primary investigators in meeting their diversity business goals. You support sustainbility in your purchasing decisions, in the operations of your department, and in the operations of your suppliers. You encourage supplier codes of conduct to promote fair employment practices and other social goals. You show suppliers how to do business with your institution, and you promote fairness in your users’ dealings with suppliers.

Fifth, you understand your suppliers, their commodities, and the market. You know when a price is fair and reasonable, and you easily know when a potential supplier is trying to greenwash you or get you to spend real dollars to save nonspendable transaction costs. You embrace suppliers who have your institution’s best interests in mind, and you are less interested in suppliers who simply want to maximize their profit.

Finally, you know that your department is one of only a few who have the best interests of the institution in mind rather than just the best interests of the department. So you make the hard choices about what should be stocked in stores or what contracts offer the best combination of initial cost, operating cost, sustainability, and diversity. You resist maximizing purchasing card rebates at the expense of increased security risks.

OK, so how does all of this professional knowledge and performance translate to making a difference? Every once in a while, we find out. There was the time that you personally assisted a new senior official set up a conference in Mexico that resulted in a donation that funded a major institute on your institution. Or there was the time that you bought the equipment to grow the algae that a researcher is turning into biodiesel. Or the time you imported a mechanical arm from China that is now being controlled by thought. Or the person you mentored so long ago you forgot about it but who ran into you recently and thanked you for your assistance.

The examples of how you are making a difference are all around you. All you have to do is look.

You are somebody who is making a difference, and that is what you are doing here! 

John Riley, C.P.M., is the current NAEP president and director of Purchasing & Business Services at Arizona State University.
Online Contracts –
The Benefits of Controlled Freedom

by Valerie McArdle and
Valerie Rhodes-Sorrelle

How many Purchasing managers are looking to give their customers the freedom to research items and select their purchases, while at the same time allowing Purchasing to manage vendor selection and pricing structure? Choice and control? Sound too good to be true? It’s not! Online contracts are a wonderful tool that can bring this and more to your institution.

Establishing contracts and making them available campus-wide foster independence. Each department wants to order when it is most convenient for them. Users also want variety, and they appreciate being able to look at various contracts for similar products or services. They want to do a little comparison shopping concerning features, cost, availability, delivery, and terms.

When establishing an online contract, make sure that they are easy to use! Typically, Purchasing competitively selects the best-qualified vendor/s and identifies the departments most likely to access to the contract. Purchasing then creates a list of the most frequently purchased items and negotiates pricing based on projected volume. From there, the choices abound. The account can be structured to limit user access to a contract list, to hold orders for a supervisor’s approval, or even display budget balances for departments to see how much they have spent. Tiered approval is common, where the order goes to a supervisor and maybe a dean before being reviewed by Purchasing. Dollar limitations and Web site restrictions can limit visibility to contract items only. Office supplies, lab equipment, and MRO supplies are excellent candidates for this arrangement.

Online ordering can increase efficiency and eliminate the need for purchase orders since pricing is predetermined and each person ordering is preapproved. The amount of time spent on manual, paper-based processing can be slashed, allowing Purchasing professionals to focus on strategic efforts like cost analysis, contract management, and supplier evaluation.

Departmental account (or cost center) numbers can be used to capture spending totals. Monthly summary billing can be processed electronically, with some vendors offering rebates for reduced administrative costs. Summary bills can list activity for the month, delivery location, and total cost, minimizing the time needed to process payment.

The vendor’s Web site is not your only option. There are various e-procurement solutions that can be purchased to host your contracts and create a custom marketplace. Some key benefits include:

- Convenience and ease of use
- A range of supplier choices for indirect goods and services
- Faster delivery due to quicker order processing
- Integration with ERP systems
- Capability to interface with current requisition and purchase processes
- Increased direct spend to preferred suppliers, creating more opportunity for volume discounts
- Increased contract compliance and reduced maverick spending
- Reduced paper processing
- Fewer ordering mistakes and product returns due to human error

So once you get your contracts established and they are available to the campus community, how do you spread the word? How can you change buying behavior? As a first step, perhaps decide whether to do a campus-wide deployment or an introduction to a test group. Posting the links on the Purchasing Web page or on the campus online bulletin board could be a good start. You might also advertise in the campus newspaper or newsletter, introduce the concept at training sessions, or send postcards to end-users. Inviting vendors to host a show or expo to demo their catalog application can be useful to sign up departments. Promotional items like mouse pads or imprinted pens can be effective and fun.
The reporting features of online contracts can enable instant access to information such as departmental spending, usage by item, and order history. “Select” and “sort” capabilities can help identify high-volume purchases as candidates for deeper discounts.

The preferred method of settlement – ProCard – is greatly facilitated by this approach. Consider these benefits:

- Fewer purchase orders issued, invoices processed, and checks issued
- Decreased paper processing
- Reduced administration
- Electronic integration with accounting systems
- Quicker payment
- Enhanced, Web-based management reporting
- Easier benchmarking

e-Commerce isn’t going away; it will continue to grow and become standard purchasing practice. And it just might be the catalyst for a new chemical reaction on campus:

More end-user involvement + greater efficiency = higher satisfaction and greater savings!
Basics of Accounts Payable,

If you are going to serve your organization to the best of your ability. Your lack of Payables knowledge can cost a lot of money. Accounts Payable (A/P) are the invoices you receive from suppliers. They must be paid. When you order goods or services, most times your suppliers will be willing to invoice you. In other words, they are extending you credit by opening an account. You must pay the invoice within the agreed-upon time. If you miss that opportunity, then the supplier will probably stop extending you credit, and will instead start requiring payment up front. That means your cash will be leaving your bank account sooner, earning less interest. It means your supplier will be making money with your money.

Glossary of A/P Terms

Payment Terms

Net 30 Days – the total amount of the invoice is due within 30 days of the date of the invoice. This same principle applies to Net 7 Days, Net 10 Days, etc.

2% 10, Net 30 – you can take 2% off the total of the invoice if you pay it in full within 10 days of the invoice date. If you miss that opportunity, you must pay the full amount of the invoice within 30 days. (It may help to point out the value of this through an example. Assume the invoice amount is $1,000 and that your bank is paying 4% [annual rate] interest on your cash balance. The 2% 10, Net 30 term is essentially asking you to give up 20 days’ interest income by enticing you to pay 20 days early. There are 18 20-day periods within a year. So the loss of 20 days’ interest on $1,000 is $2.22 [4% ÷ 18 X $1,000]. But, by foregoing that $2.22, you’re saving $20 off the invoice amount [$1,000 X 2%]. That’s a net financial benefit of $17.78 [$20.00 – $2.22]. A great trade by anyone’s definition.

Due On Receipt – simply means that the total of the invoice is due right away. There is no grace period.

Generally, if no prompt-payment discount is offered, you’ll want to pay as late as you can without incurring a late-payment penalty.

Freight Terms

Prepaid & Added – the seller pays the freight carrier and adds the charges to your invoice.

Prepaid & Allowed – the seller pays the freight carrier but does not add the charge to your invoice. (This may sound like the preferred term, but be aware that the seller will likely figure the freight charge into the cost of the goods.)

Collect – you (the purchaser) must pay the freight carrier’s charges when the goods are delivered to your dock. (This is usually
or Yes, You Should Be Nice to the Payables Department

considered the worst method because you must have payment ready when the carrier arrives. It can delay the processing of the delivery.

F.O.B. — literally “Free On Board.” It refers to the point in time when you (the purchaser) take title to, or ownership of, the goods.

F.O.B. Origin (or Shipper, or Shipping Point) — title (ownership) transfers to you when the goods leave the seller’s or shipper’s dock. If there is a problem with the goods when you receive them, but before you accept them, you deal with the freight carrier.

F.O.B. Destination — title transfers to you when the goods are accepted at your dock or location. If there is a problem with the goods when you receive them, but before you accept them, you deal with the seller.

Carrier — the actual company that transports the goods to you. Normally, if you know the name of the carrier at the time you create the purchase order, you can enter the name, such as UPS, FedEx, USPS, Yellow Freight, etc. If you don’t know the name of the carrier, you can use one of these terms:

Common Carrier — a freight carrier who delivers many shipments throughout the U.S.

Best Method — you are telling the supplier to use the best and most economical method to ship the goods to you.

Other Shipping Methods

Company Truck — the supplier’s own truck.

Customer Pickup — you will pick up the goods directly from the supplier.

Another important A/P task that you should be sensitive to is the method of matching invoices to purchase orders. Matching is a widely used internal control; its objective is to minimize the risk that you fail to detect that you’re not receiving what you ordered and/or the risk that you are paying for goods/services you did not receive. One method is called the 2-way match. Another method is called the 3-way match.

2-Way Match — requires the invoice and purchase order to match in regard to price and quantity. This method is generally used for services (rather than goods). It can also be used for invoices related to purchase orders that have been created after shipment has already occurred.

3-Way Match — requires the invoice, purchase order, and receiving report (proof of receipt) to match in regard to quantity. The invoice and purchase order must also match in regard to price. This method is generally used for goods (rather than services). The receiving report is usually signed by the person authorized to receive (take delivery of) the shipment.

The information in this article should give you the basic A/P knowledge needed to fully perform your job. If you have any questions, please feel free to contact me.

Mike Chmielewski, C.P.M., is the purchasing agent and project manager for the Finance Fun for the Law School Admission Council (LSAC) in Newtown, Pennsylvania, where he has worked in Purchasing for 22 years. He received his B.S. in Accounting from Drexel University in 1994. Mike has been involved with NAEP for many years, serving as president of the DE/PA/WV region and as an active member of that region’s host committee. Currently, Mike is the co-chair of the NAEP Editorial Board.

E-Mail: mchmielewski@lsac.org.
How many times have you been exhorted to recycle? At least 50% of us participate in some form of recycling in our communities or on our campuses. One needs only to drive by any middle or elementary school parking lot to see the recycling bins. If it’s a Tuesday or Friday, there will be recycling receptacles left at the curb in many residential neighborhoods. On campus, walk through most buildings and you will see bins, posters, or other recycling-related paraphernalia prominently displayed. The proliferation of recycling programs can be readily observed throughout the country.

Are you a leading player in your campus recycling program? If not, why not? If your campus doesn’t have a program, why don’t you lead the effort to put one in place? With an abundance of information available, you may find it helpful to focus on The College and University Recycling Council (CURC):

http://nrc-recycle.org/curc.aspx

CURC is exclusively focused on higher education and annually conducts a competition known as RecycleMania that has drawn rave reviews and keen interest.

Solid waste production in the United States grew from 152 million tons in 1980 to 254 million tons in 2007, an increase of 67 percent. On average, that translates to each person in America generating 4.6 pounds of waste a day. But the data also suggests that the per-person recycling effort is stuck at 1.5 pounds per day.

The recycling rate has been stuck at about 33 percent for more than five years, and few institutions have recycling rates above that. Happily, though, some institutions have moved beyond recycling to explore what they can do to reduce and reuse the tremendous amount of material languishing in storage closets and warehouses.

The recycling movement has used the slogan “reducereuse, and recycle” to focus attention on the three steps toward a future in which waste – and the quality of it – for humankind will always remain within the earth’s capability to comfortably sustain it. The data indicates, however, that we are not improving the recycling rate. Instead, the current rate of 33 percent has encouraged a sense of complacency. Some people believe, “I recycle; therefore, I am contributing to greater sustainability.” Or, as one observer of the solid-waste industry has put it, “The point should not be how to perfect the destruction and processing of our waste, but to find ways to avoid making it in the first place.”

This is where you, the Purchasing professional, can add real value. Typical recycling programs pick low-hanging fruit such as paper, metals, and plastic. As the resident supply chain expert on campus, you likely know better than anyone the incoming and outgoing flow of goods. No better opportunity exists for Purchasing to get involved and to demonstrate its value in this area.

Through the current time, we have, in our careers, wasted resources that cannot be recouped. We have lost more than 90 percent of the energy embodied in the production process, generated millions of tons of carbon dioxide (CO₂), polluted millions of gallons of water, and generated massive amounts of physical waste through packaging and transportation. From this point on, should we not focus our efforts more on reduction and less on reuse/recycle?

Simply put, shouldn’t the slogan, “Reduce, reuse, and recycle,” be perfected by the phrase, “But the greatest of these is ‘Reduce’?”

Remember: You, too, can do great things!

Brian K. Yeoman is the director of Sustainable Leadership at NAEP, is the retired associate vice president for Facilities Planning and Campus Development at the University of Texas Health Science Center at Houston. e-Mail: byeoman@naepnet.org
The Less-Paper Office

We’ve all heard the joke. Not the one about the piano player and his monkey. The one that declares that a paperless office is as realistic as a paperless bathroom.

This talk about a paperless office began in 1975 when Business Week magazine (June 30) wrote about the office of the future. The article described impending technological breakthroughs that would soon reinvent the workplace, all because of a then-new invention called the personal computer. These computers were going to liberate us from noisy IBM Selectrics, eliminate the need for secretaries, and free us from mundane tasks. The majority of our workload would be comprised of thinking about new ideas and processes. Paper would become an archaic commodity. Unfortunately, that revolution never really took place.

Yes, the PC has eliminated some paper from the workplace. We can receive quotes or send bids electronically. We can examine catalogs via CD or online. We can download comprehensive manuals. We can place orders online, receive exact pricing and delivery information – all without printing one sheet of paper.

There are some companies who seem to come closer to a paperless office. FedEx and UPS can efficiently receive and deliver packages, capture your signature, and let you track your delivery, all without issuing any paperwork. But I’d bet that their brick-and-mortar buildings still house reams of paper.

So if the education environment hasn’t quite built the paperless office, can it build a less-paper office? Here are some methods that might help.

Get rid of your wastebasket. This tactic may not reduce the amount of paper that enters your office, but it will make you and your co-workers think about where it goes after it leaves your office. Instead of wastebaskets, place recycle bins throughout your office and monitor the volume collected.

Opt out of junk mail. The Consumer Research Institute says that Americans throw away 44 percent of junk mail unopened, yet still spend 8 months of their life opening junk mail. In 2005, U.S. companies sent over 100 billion pieces of junk mail – that’s more than 300 pieces for every man, woman, and child. Similar to the national “do not call” list, you can register at www.needdream.org/junkmail to help reduce the onslaught of junk mail. If you receive too many of those thick glossy-page catalogs from vendors with whom you deal, contact them directly and ask them to send only the amount of copies that you need.

Speak with your vendors about reducing packaging. According to the World Watch Institute, about half the paper in use today is not used for communication, but for packaging. Our new office supply vendor does an excellent job at minimizing packaging partly, a practice that awarded them additional points on the recent RFP we issued. Give your vendors incentives to improve their environmental practices.

Use white boards whenever possible. Instead of handing out paper agendas at meetings, write the agenda on the white board. Send meeting minutes electronically allowing members to print only what and when they need to.

If you still have paper copies of purchase orders, determine if you can reduce the number of copies. I’ve got mine pared to three and am trying to go to two. I know of a school that once had a nine-part purchase order. What an incredible waste. That would be like giving billions of dollars to banks and then not ask them to be accountable for the money.

Rethink how you format your documents. Unless you’re writing a formal document, you can shrink the margins to ¾” and not affect readability. If you do have to print a document, make sure you set the printer to print double-sided.

Knowing what an incredible resource we have in our Membership, I bet that many of you have numerous other suggestions to limit the flow of paper within our offices. Perhaps we can establish a “best practices” link on the NAEP homepage.

FOR BRAVE EYES ONLY – Yes, a paperless bathroom is possible. I have friends who replaced their toilet with a composting toilet. For toilet paper, they use a rag which (hopefully) gets washed after each use. I wouldn’t want to be the one to suggest we replicate these conditions at work.

Don Krech is the director of Procurement Services at Bucknell University and has over 30 years of purchasing experience—20 in higher ed. An active member of NAEP since 1990, he served as president for the DE/PA/WV region. Despite doctor’s warnings, he continues to listen to loud music.

by Don Krech
Bucknell University

www.naepnet.org
The Value of Travel

by Craig Passey
Brigham Young University

A note to administrators who share precious travel funds: your investment will pay off. In time, you will see your knowledge and skills skyrocket.

One of our VPs labeled me “a renaissance man.” Suspecting it might be a compliment, I decided not to “Google” the term in front of him. Doing so certainly would have demonstrated that I just might be dumber than a sack of hair. In any event, the term is used to describe a person of broad intellectual interests and accomplishments. I saw the preeminent example, Leonardo DaVinci, displayed in a San Francisco exhibit in conjunction with a software conference and — if my boss is reading this — I attended every session.

Seasoned Procurement professionals likely fit the description simply as a matter of survival. Particularly true in my case, having studied art and music in Paris — in the fourth grade — in Idaho where I drew flowers and sang folk songs…OK. I intentionally mislead you to make a point: We are trained to question things at face value. We believe in the admonition, caveat emptor — “buyer beware” (literally, Latin for “hollow place [or cavity]”) and “purchase”). A money pit to be avoided.

We strip layers of misinformation down to unvarnished truth. For example, digging to learn that donated software appraised at a quarter of a billion dollars is really worth a quarter of a million dollars. Or that a large donation of used computer equipment is too ancient to be of value and is in reality a transfer of hazardous materials to your campus.

So, in that vein, why tap already-strapped budgets to attend a regional or annual meeting in person? Because it’s about networking! We do our jobs well because we have contacts … resources. No matter one’s depth and breadth, someone with greater or different expertise awaits to enlighten you. A story. Asked to determine the value of two large gem collections, I could have surfed the Web (and did). But by attending an immense Tucson gem show, I came in touch with all manner of experts who didn’t mince words. After perusing pages of descriptions, an international broker summed it up in less than three minutes, “Son, you’ve got one, perhaps two gems of any interest. Bringing gems to Tucson is like bringing sand to the beach! You better have a starfish or two, or else no one will take notice.” Blunt advice, but worth twice the cost of the trip. I showed an exquisitely cut 250-carat topaz to an unimpressed dealer who remarked, “Anything bigger than ring size is a doorstop!” Of the 900 white opals, listed at $30 a carat, I asked, “How much are these worth?” Response: “Give an appraiser $10 a stone and they can be worth whatever you want; but these are worth $1–$3 a carat.”

I now know how to photograph a collection, and how and where to sell it. Travel and person-to-person contact fill the holes. On behalf of all of us who met in Rhode Island, thank you. We won’t disappoint.

Craig Passey, C.P.M., has enjoyed a 30-year career in Purchasing & Travel for Brigham Young University, Provo, Utah, and for the LDS Church in Salt Lake City. His writing and teaching draw from diverse experience and assignments in both international and domestic procurement. He has a BS in Financial Planning and Counseling, with a minor in International Relations from BYU. E-Mail: craig_passey@byu.edu
Virco’s all-new TEXT™ Series includes dozens of table, seminar and desk models with more than 15 options and accessories for power/communications, wire management, mobility and storage.

Call us today at 800-813-4150 or visit www.virco.com

- equipment for educators™
streamline your procurement process with MSC!

We have several time- and money-saving procurement solutions to improve your overall efficiency.

- Over 500,000 maintenance, repair and metalworking items in-stock
- 99+ % fill rate with same day shipping and next day delivery at no additional cost*
- Inventory Replenishment programs that reduce inventory levels and prevent stock outages
- Eco-friendly items across multiple product categories - helping you reach your sustainability goals

Find out about our GSA, State & Education contracts. Visit our Education Section under “Resources” on mscdirect.com or call 800.645.7270

*See mscdirect.com for full terms & conditions