It has now been three months since our Kuali Financial System (KFS) go-live on July 9, 2012. Quite a lot has happened over the past three months, including the University collectively working through the KFS post-implementation phase of the project. In addition to the individual field units, the Disbursing group experienced the initial onset of new workload stemming from the initial system conversion and efforts to process the backlog of post-implementation payment documentation in the new system under a centralized invoicing model for PO payments. Progress has been made in recent weeks to work through portions of the payment documentation backlog. The Disbursing department has made several configuration changes in the process and procedures surrounding the handling of internal and external-sourced documentation and the processing of hard and soft-copy invoices. They have also used outside assistance, on an immediate need basis, to temporarily augment the current Disbursing staff until they are able to achieve a steady-state of production and complete elimination of the payment request backlog. The following is a select set of payment-related measurable volumes and performance indices for the past three months:

Vendor maintenance activity trending lower week-over-week with fewer new vendor set-up request and more existing vendor maintenance request to add “Remit To” addresses.
The processing gap between disbursement vouchers (DV) creation and approval has narrowed, but a 30% gap remains which needs to be addressed.

Significant increase in the processing and completion of PO payment request (PREQ) month-over-month. The increase is largely attributable to resolving earlier problems encountered in the processing of emailed invoices. As the significant volume spike is largely associated with backlog processing, Disbursing does not believe sufficient data exist to determine normal processing levels at this point. The existence of an initial processing backlog is a condition that generally exist with most ERP conversions as users and vendor/customers are initially not as familiar with the new system and the surrounding supporting processes. As a result, subsequent system configurations, re-engineering and process tuning are necessary to accommodate the backlog volumes and to return to normal processing levels. By our own assessment, we are not at an acceptable "normalized" level of service to be considered “steady-state” within our procurement cycle.
Significant month-over-month increase in the completion of DV and PREQ payment documentation processing.

We are continuing to monitor and evaluate our processes and procedures and have initiated plans to expand staffing levels to achieve normal service levels. In the meantime, here are several areas of consideration that would help to improve processing efficiency and expedite vendor payment processing times:

Review available resources and reference material at Kuali Financial System website:
The KFS Interim Processing Manual, KFS and eThority training manuals and Kuali processing forms can be found at [http://hawaii.edu/kualifinancial/?page=home&showSubMenu=home](http://hawaii.edu/kualifinancial/?page=home&showSubMenu=home)

Disbursing department’s Suggestions for the Field:
As a supplement to the current KFS Interim Processing Manual mentioned above, and based on first three months of post-implementation KFS, the Disbursing department has assembled a short-list of reminders and areas of emphasis in the processing of payment documents and vendor coding that would greatly assist and minimize the corrections, disapprovals, and improper processing of DV and PREQ payment documents. See “Disbursing Suggestions For the Field” attached.

Payments for grant-in-aid stipends and Scholarships:
Stipend payments, followed by utility payments, have always remained a top processing priority for the Disbursing department. However, over the past three months, there has been processing challenges and delays due to the need for continual training and revision and enforcement of new practices and procedures required in the new system. Consequently, we have made a new set of revisions to the KFS Interim Processing Manual Appendix B-5-2s, Reason Code S –Grant-in-Aid Stipends, Scholarships, to better clarify and incorporate input from fiscal authority personnel. See attached “Appendix B-5-2s-1 10102012” which will be included in the next version of Interim Processing Manual.
Additional PREQ Processing Supplements for Fiscal Offices:
We have received numerous requests from various fiscal offices for specific invoice and PREQ instructions that pertain only to their staff and offices rather than the full end-to-end process described in the Interim Processing Manual. As a result, we have prepared two documents that we hope will aid business officers and fiscal authority in the field:

- Payment Request (PREQ) Processing Procedures for Fiscal Officers – Suggested steps to follow in order to process and approve PREQ residing in your KFS Action List.

- Invoice Processing Procedures for Fiscal Offices – Procedures to follow for the processing of invoices sent by vendors or Disbursing to fiscal offices. This includes a brief description on identifying special handling and the use of a new (for UH-only use) internal email box (uhdisb3@hawaii.edu) that will expedite the processing of vendor invoices coded and allocated by the field.

P-card use:
Offices with issued p-cards are encouraged to use this form of procurement and payment whenever feasible, especially for low dollar and routine acquisitions and procurement.

Lastly, we want to "Thank you" for your contributed talents and continued patience and understanding as we collectively work through the KFS post-implementation process and develop an ideal level of service together. Our long-term strategy remains committed to a centralized procurement and accounts payable process that follows a best practice model for higher education.

If you should have any questions or comments, please feel free to contact me via email at pyk@hawaii.edu or by phone at (808) 956-5445. Mahalo.