

Contract Management System Overview

INTRODUCTION

The IRIS Project Team, individuals from the Contract Office in the Treasurer's Office, and Campus representatives have collaborated to develop a new Contract Management system in IRIS. The system supports the processing of Non-Competitive Justification requests and the processing of contracts through the review and approval process. The initial phase of the system was released on June 1, 2009. The balance of the system which includes encumbrances, contract purchase orders, and imaging of approved contracts will be completed and released in the early part of calendar year 2010. Each campus and entity has establishing a roll-out schedule and departmental training.

FUNCTIONALITY

The Contract Management System provides contract data, contract tracking and approval, imaging of official approved contracts, departmental access, and improved internal and external capability. The actual paper contract document that requires official approval by the University and other party will be incorporated into the process and will continue to be routed through the review and approval process.

Functionality includes the:

- replacement of several paper documents with electronic transactions,
- entry and editing of data at the departmental level with the ability to save the record in draft form and make as many changes as needed before submitting the contract to workflow
- addition of descriptive information and characteristics of the contract
- ability to track the location of the paper contract documents, using workflow and a contract routing table
- improved control measures with the use of workflow processes
- ability to associate an original contract with its amendments and other related contracts
- association of the contract with IRIS vendors
- integration with other IRIS systems such as Accounts Payable, Purchasing, and Funds Management
- ability to create an encumbrance at entry time, if requested
- ability to create a contract purchase order upon approval of the contract in order to track contract payments
- interface with the existing Accounts Receivable system at Memphis

- ability to maintain payable and receivable information about the contract
- ability to attach the image of the paper contract and other related documents to the IRIS contract record for easy access and review
- ability to secure access to the IRIS contract record and the image of the paper contract
- integration with electronic Non-competitive Justification e-forms
- enhanced internal and external reporting capabilities

CONTRACTS AND AGREEMENTS

The Contract Management System contains contracts and agreements signed by an authorized University official. These include, but are not limited to, contracts for:

- purchases of goods or services by the University, including subcontracts that support sponsored research (payable contracts) and other research related documents
- personal services with internal and external personnel
- additional terms and conditions to purchase order agreements issued by the Purchasing Department
- provision of a service or commodity to another party (receivable contracts)
- zero-dollar agreements (affiliations, material transfers, non-disclosures, etc.)
- endowment agreements

RELATIONSHIPS BETWEEN CONTRACTS

The Contract Management System records relationships between the original contract agreement and its subsequent amendments. Other contract relationships can be recorded using the related contract field and/or by using a campus-specific field.

TRACKING OF PAPER CONTRACT DOCUMENTS

The routing of contracts is tracked through the system using two methods:

- IRIS workflow is used to track when contracts are entered into the system and when they are received and processed by purchasing campus and university contract offices.
- The Contract Management System provides a routing section that allows recording of routings of the paper documents, including dates, the person to whom the document was sent, and the routing reason. The departments as well as the central offices have the ability to record these entries.

ADOBE FORMS

Adobe forms are used to print the contract review and approval form to be attached to the paper contract documents for routing and approval. Adobe forms are also used to provide a display version of the contract that contains all information about that contract in the system and can be printed if so desired.

ENCUMBRANCES

Departments will be able to encumber funds for payable contracts on a contract-by-contract basis. If the encumbrance indicator is set to yes, a funds reservation will be generated when the contract is submitted and released to workflow. When the contract is officially approved, the funds reservation will end and a contract purchase order encumbrance created. The funds will be encumbered on the paying fund in the contract record.

CONTRACT PURCHASE ORDER

The system will allow the generation of a contract purchase order for payable contracts to facilitate the accumulation of payments and to encumber the funds. The contract purchase order is secured so that only personnel in the central Accounts Payable office can process payments against these contracts.

All contract purchase orders will be created with GL account '437500 - Contractual Services' and with the vendor and the paying fund identified in the Contract Management System. If desired, account assignments can be modified on the contract purchase order to reflect a different GL account and/or fund. Although the contract purchase order is set up to automatically use GL 437500, the contract vendor, and the paying fund identified in the contract record; individual invoices may be paid against other GL accounts, funds, or vendors.

IMAGING

Upon final approval of the contract, the system will allow contracts to be imaged and electronically attached to the Contract Management System record. Additional documents can also be imaged and attached. Imaging of contracts provides:

- easy access to electronic images of approved contracts
- ability for Accounts Payable to access the contract at payment time without having to physically retrieve the paper document

ACCOUNTS RECEIVABLE SYSTEM

The Contract Management System was developed to capture the information that is needed to interface to existing campus accounts receivable systems. This information will be downloaded to the participating accounts receivable systems. Currently, the Memphis campus has the only external accounts receivable system that uses this feature. The ability to provide downloads to existing accounts receivable systems can eliminate double entry of the contract information and provide consistent data between the participating campus contract accounts receivable systems and IRIS.

NON-COMPETITIVE JUSTIFICATION FORM

The system is designed to integrate with the non-competitive justification process. For non-competitive contracts over \$5,000, the Contract Management System requires the pre-approval of a non-competitive justification form before allowing the contract to be submitted. An electronic non-competitive justification form is used to approve a non-competitive contract process and provide detailed information for internal and external reporting. The electronic version of the non-competitive justification form must be approved in workflow prior to submitting the contract for processing.