

# Workday's Approach to Procurement

With the implementation of Workday, USM will benefit from several efficiencies within procurement. See below for an overview of the upcoming changes.

## What's Changing?

- **Procurement Terminology**
  - Pre-encumbrance in the legacy system is called 'Commitment' in Workday.
  - Encumbrance in the legacy system is called 'Obligation' in Workday.
  - Accounts in the legacy system is called spend categories in Workday.
  - Departments in the legacy system are called USource in Workday.
- **Procurement Card Utilization Policy Change** – Currently, P-Cards may be used for travel and other expenses.
  - With Workday, P-Cards will still be used for non-travel related expenses. However, for travel related expenses, you will now submit your travel pre-approval via a spend authorization. Employees will be reimbursed through the Expense module in Workday for these expenses. Each institution may use a different credit card for travel related expenses.
- **P-Card Verification** - Requests for new P-Cards are currently handled through paper, email, or docu-sign.
  - In Workday, the P-Card verification process will be standardized across the USM consortium and leverage real time transaction data for verification.
- **'Punchout'** – Currently, 'Punchouts' are not utilized, and approvals are made only after goods or services are purchased.
  - With Workday, 'Punchouts' for requisitions will be introduced to make purchasing easier. A punchout is the term to describe how Workday integrates with Supplier's websites allowing users to make easy purchases for items. This results in a purchasing and approval process that is much less burdensome.
  - The impact of using Punchouts is that more purchases will be done through requisitions in Workday vs utilization of a P-Card. This allows for USM to gather approvals of requisitions before the item is purchased.
    - **RGH/Staples** – Currently, goods delivered from RGH/Staples do not require receiving in PeopleSoft.
      - With the implementation of Workday, USM will be moving to purchase office supplies from RGH as the primary supplier.
      - With Workday, requestors will be required to verify goods delivered from RGH via an approval process. Without this approval invoice payments will be delayed.
    - **Amazon** – Currently, goods can be purchased from Amazon directly using a p-card.
      - With Workday, Amazon purchases will be made using punchouts. This means, requisitions for Amazon will require approval(s) before they are placed.
      - Deliveries from Amazon will require receipts.

- **Designated Requestors** – Currently, at Salisbury University, anyone can create requisitions in JIRA.
    - With Workday, only employees designated as requestors will have the ability to create requisitions.
  - **Purchase Order (PO) Numbers** – Currently, some institutions use blanket purchase orders that include the fiscal year in the PO number.
    - With Workday, suppliers will receive new PO numbers without the fiscal year.
    - PO numbers will begin with the company number in front.
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