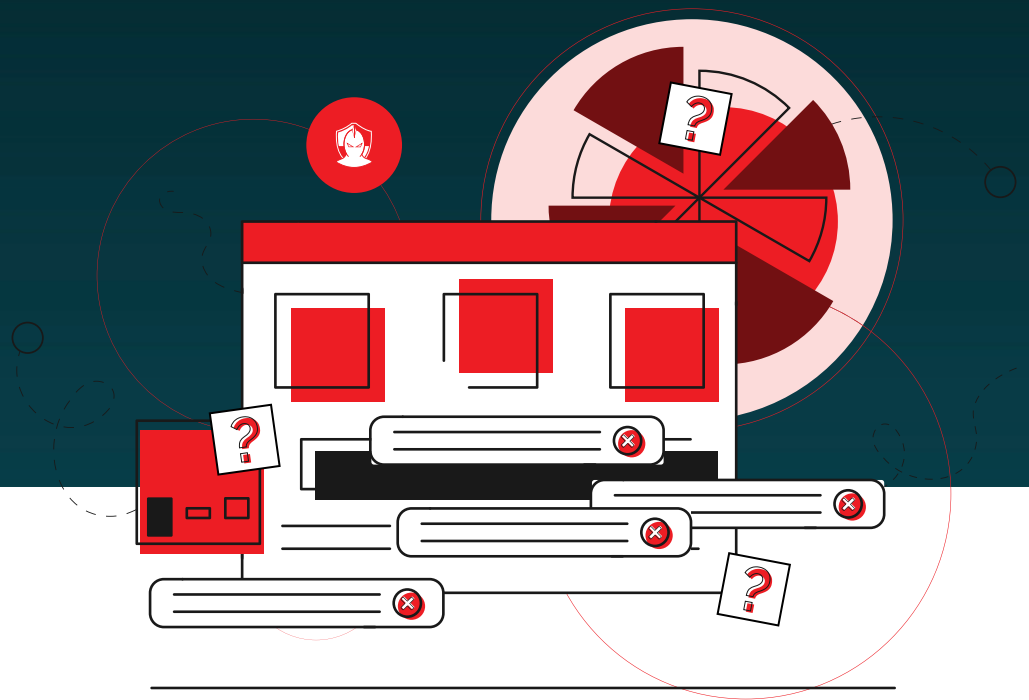


Next Level Vendor Management
at the University Of Kentucky

**Regaining Control and
Heading Off Fraud**

Buried under a largely manual system to handle high-volume supplier and individual payee management and vendor invoicing for its many departments and on-campus hospital, the University of Kentucky (UK) at Lexington was struggling under their process. To address the situation and put a secure, automated, compliant vendor onboarding and management in process in place, UK turned to PaymentWorks.



THE UNIVERSITY

- Located in Lexington, KY
- Flagship institution for the University of Kentucky's 16 colleges
- Student enrollment = 30,300
- Faculty and staff = 14,500
- A full hospital includes a Level 1 Trauma Center and 36,000 patient discharges/year
- Research funding = \$285M
- Ongoing campus infrastructure transformation — a common vendor fraud target — has been a \$2.4 billion investment since 2013





UK Central Purchasing: By the Numbers

The 28-person department works with employees across all departments to coordinate the University spend of more than \$1.3 billion annually. **Each year they handle:**

125,000 POs

240,000 P-card transactions

62,000 additional payment documents

33,000 active vendors used on purchase orders, payment documents, other transactions

12,000 additional companies & individual vendors per year

They have 1,500 different staffers across campus who each send out and collect information from individuals and companies. When the results of this activity returns to AP, it hasn't always been reliably vetted.

This amount of "moving parts" related to onboarding vendors taxed their system and staff and left far too much opportunity for mistakes and fraud. Not to mention stress. As one staffer at a similar institution said,

“ You live an fear that today will be the day the phony vendor slips through for millions of dollars lost, on your watch. ”

The Process

Paper vendor applications were downloaded, filled in by the payee and returned via email, fax or snail mail.

If the application was incomplete or incorrect, AP needed to return with instructions for corrections.

Correct forms were manually checked for federal debarment and for duplications in the ERP. No other sanction lists were checked

Information was manually input into the university's ERP.

Information changes were handled via email and manually input as well.

Constant, ongoing requests for invoice status updates from vendors and internal contacts were investigated manually, one by one.



High-touch processes relied heavily upon unsecured channels including fax and email for communication, leading the university to reach a breaking point. The sheer volume and burden of all of this manual collection and data entry was overwhelming, and the chance of human mistakes was way too high. The university resolved to find a vendor management platform that could automate the collection of vendor identity information, mitigate fraud, maintain compliance and eliminate the manual collection mess.

PaymentWorks

The PaymentWorks digital supplier onboarding platform supports secure, compliance and optimized business payments by vetting and risk assessment of all vendor identity elements at the time of onboarding. Tremendous efficiencies are gained by consolidating the collection of vendor information, automating the required 3rd party checks and granting visibility to the entire campus community.

Waiting until it's time to pay to confirm tax IDs, sanctions list and bank account accuracy is akin to Coach Calipari waiting until the fourth quarter to send in his starting lineup. It's too late.

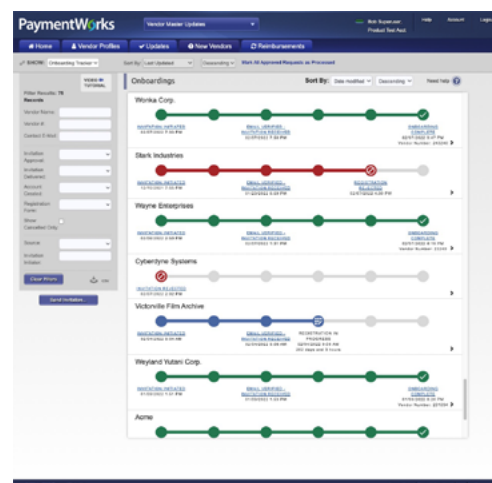
PaymentWorks creates order of the vendor onboarding process with:

- Outbound invitations to suppliers/payees delivers onboarding visibility to end-users as to the status of the vendor- eliminating enormous volumes of email and phone call status- related queries
- Supplier-driven submission in a centralized, secure platform with automated W9 creation
- Automated 3rd party and proprietary checks, including TIN and address verification, continuous sanctions monitoring, and risk assessment of banking

More than a static vendor portal, the PaymentWorks platform delivers a secure means to collect vendor info with vetting done at the time of onboarding, when a vendor makes a change and via continuous monitoring. With options to collect supplier diversity credentials, certificates of insurance and conflict of interest data, all relevant info needed to guide vendor payments are conveniently in one place.

With options to highlight payment terms to drive usage of preferred payment types, the platform is also a lever to optimize payments.

The PaymentWorks Onboarding Tracker



Now that the University has moved to using PaymentWorks for vendor onboarding, they have simplified, automated and secured their process in myriad ways:

- A cohesive, controlled process to initiate new vendor invitations, reviews and approvals prior to adding information to the ERP.
- Automated 3rd party checks for TINs, addresses, sanctions and banking happen at the time of onboarding
- Supplier-driven inputs removed the burden of document collection from the end users

This process was originally a worrisome tangle of fraud opportunity, compliance confusion, extra labor, and was prone to manual mistakes. With digital supplier onboarding from PaymentWorks, the process is now organized, secure and efficient, ensuring peace of mind for the entire University.

End Results

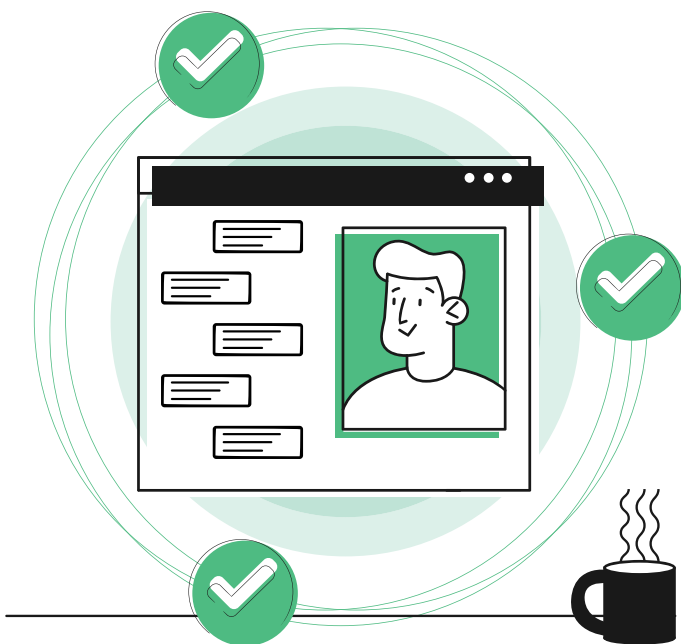
- Staff time requirements related to vendor onboarding have been cut by 50%
- Fraud loopholes have been closed
- Up-to-date sanctions compliance is assured
- The supplier file is getting smaller, and cleaner- no more duplicates!
- Onboarding time has been reduced from weeks to days

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The University of Kentucky is far from alone in facing modern supplier challenges with an outdated system. We've had some close calls but have been fortunate not to get caught in vendor fraud like so many other universities. With PaymentWorks, we're eliminating so much unnecessary complexity to create a process that is secure, efficient and compliant. PaymentWorks validates all vendors so we know who we are doing business with.

NAOMI EMMONS
Deputy Chief Procurement Officer
University of Kentucky

”





PaymentWorks

Book a demo at
info@paymentworks.com