



UW-Madison Administrative Policy
Policy # 610

Effective Date: September 1, 2018

Last Updated: Feb 14, 2018

Last Reviewed:

Next Review:

Materials Distribution Services

Functional Owner	Purchasing Director
Executive Sponsor	Associate Vice Chancellor & Controller
Policy Contact	MDS Financial Program Supervisor

Policy Summary

Materials Distribution Services (MDS) offers a method to order, receive and pay for commonly used goods, from a variety of contracted retailers. MDS provides an online gateway to contracted vendors, also known as “Shop@UW”. Goods can be purchased without concern of disallowed vendors, sales tax issues or other obstacles to purchase validity. Ordered goods may be shipped to the MDS warehouse to be received and placed on University vehicles to be delivered to the final business address or shipped directly to an approved campus address by the vendor. MDS maintains a core inventory of popular products (copier paper, toilet paper, etc.) to take advantage of bulk pricing and reduce lag times on requests / orders.

Access and use of MDS requires Departmental and Divisional approval of MDS account holders. MDS is responsible for verifying approvals and setting up the applicants as valid account holders on the required applications / systems.

MDS personnel prepare vendor payments to be transmitted to Accounts Payable (AP) and facilitates posting of purchases to the defined funding strings in Wisconsin Data Mart (WISDM) for UW System’s Shared Financial System.

Who This Policy Applies To

Employees of, UW-Madison schools, colleges, and auxiliary divisions including, but not limited to:

- MDS account holders
- MDS employees, staff and management
- Deans, Directors, Financial Officers, and other campus leadership

Rationale

The MDS Shop@UW accounts provide efficiency and ease of use to reduce administrative burdens on University staff, but also expose the University to additional risk. Potential risks associated with MDS include, but may not be limited to, inappropriate use, fraud, inaccurate coding allocation, noncompliance with State of Wisconsin and UW System Administration purchasing policies, and reputational damage to UW-Madison. This policy provides additional controls to assist in mitigating these risks.

Policy Detail

- I. **Mandatory Training.** All applicants approved for a MDS account must complete an online training course prior to account activation as of December 1, 2018
- II. **General Account Use.** A University of Wisconsin MDS account may only be used:
 - By the University employee approved for the MDS account and set up as a user in the software system.
 - For University business-related purchases.
 - In compliance with University of Wisconsin [purchasing policies and procedures](#).
- III. **MDS Account Types.** MDS has two account types, each serving a different purpose:
 - Subordinate accounts are used to make purchases and
 - Parent accounts are used to monitor purchasing activity of subordinate accounts as of November 1, 2018.
- IV. **Divisional/Departmental Monitoring.** Divisional Deans, Directors &/or Financial Officers have access to monthly reports on purchases by account. Divisional leadership is responsible for reviewing Shop@UW purchase activity for reasonableness and appropriateness. Divisional leadership is notified of this responsibility as part of the new account approval process.
- V. **Sales Tax.** The Shop@UW site is configured to automatically prevent the charge of sales tax.
- VI. **Shipping Address.** Merchandise purchased through Shop@UW must be shipped to a University business address. Permissible addresses must be:
 - Approved by Divisional leadership as of November 1, 2018. Typically, one address is approved at account opening.
 - If multiple addresses are necessary, a separate approval from Divisional leadership must be submitted to MDS customer service for entry into Great Plains.Shop@UW will only allow customers to ship to pre-approved shipping addresses.
- VII. **Supporting Documentation.** Systems used in the administration and processing of MDS purchases create and maintain documentation to support the ordering, receipt and payment for the transaction(s). **Systems include JAGGAER, Great Plains, WISDM, and some customized code.**
- VIII. **Account Management/Reconciliation.** MDS Accounting personnel complete reconciliations at least monthly to verify accuracy of vendor invoicing, postings to funding strings in Great Plains and WISDM, and cash account.
- IX. **Records Retention.** Records supporting purchase, delivery, invoicing and payment are maintained electronically. Records are maintained in accordance with the University's record retention policy.
- X. **Unauthorized Transactions/Suspected Fraud.** Account holders, either Subordinate or Parent, that believe an account has been compromised or that fraudulent activity has occurred within the account must contact an MDS Office Operations Associate (OOA) immediately to have the account disabled and obtain additional instructions.
- XI. **Notification of Termination of Employment.** Upon terminating their employment with the department sponsoring the MDS account, MDS account holders must notify an Office Operations Associate (OOA) and request the account to be deactivated. MDS personnel also perform monthly review of Human Resources status change reports to identify and follow up on possible account closures needed.

Consequences for Noncompliance

Failure to comply with UW-Madison MDS / Shop@UW policy and procedures may result in disciplinary steps, up to and including dismissal.

Supporting Tools

Accounting Services: www.bussvc.wisc.edu/acct/acct.html

Materials Distribution Services: www.bussvc.wisc.edu/mds/mds.html

Account Application by Campus: www.bussvc.wisc.edu/shopuw/account.html

MDS online Training and reference Information <http://www.bussvc.wisc.edu/shopuw/tutorials.html>

Definitions

1. **MDS** – Materials Distribution Services is a department within the Division of Business Services. MDS administers an online marketplace used by account holders at all University of Wisconsin campuses. The online marketplace is commonly referred to as Shop@UW.
 2. **Account Holder** – Any UW employee that has been set up with a valid user name, password, unique account number and online access to the Shop@UW online marketplace after receiving department and divisional approval for an account.
 3. **Subordinate (aka: Child) Account** – The primary type of account established in Shop@UW. Ownership is unique for each account. Access is protected by username and owner selected password that meets program parameters. The Subordinate Account is used to make purchases. All Subordinate accounts are assigned to a parent account for monitoring of purchase activity.
 4. **Parent Account** – A type of MDS account which allows the owner to access and monitor activity of assigned Subordinate accounts. Parent accounts have no shopping / purchasing rights (effective 11/1/2018).
 5. **JAGGAER** – One of the integral components supporting the operations, security and accountability for transactions to be processed through the Shop@UW site. JAGGAER works in conjunction with the Great Plains accounting system and related features, with custom software to promote smooth operation of the purchase, billing and payment operations of the online marketplace.
 6. **Supporting Documentation** - Any materials required to support a specific purchase as outlined in [Policy 201.L – Receipt Requirements](#).
 7. **Office Operations Associate (OOA)** – Title assigned to MDS customer service representatives.
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Responsibilities

Subordinate Account Holders -

- Responsible for reading, understanding, and adhering to this policy and accompanying procedures
- Purchase goods and materials for assigned department operations in a responsible manner
- Safeguard information required to access the Shop@UW account (user name and password)
- Take annual Shop@UW online training (effective 12/1/2018)

Parent Account Holders –

- Responsible for reading, understanding, and adhering to this policy and accompanying procedures
 - Review purchases, (within Assigned Subordinate accounts) for business need, pricing and supporting documentation
 - Safeguard information required to access the Shop@UW account (user name and password)
 - Take annual Shop@UW online training (effective 12/1/2018)
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Divisional Business Office Leadership –

- Identify individuals who have an appropriate business need for an MDS Account
- Ensure local compliance with this policy and accompanying procedures
- Approve changes to existing accounts and addition of new accounts
- Monitor MDS account purchases for reasonableness of need and validity

Office Operations Assistant –

- Monitor MDS mailbox for request(s) for new account or account revision
- Set up new user identifications and send email with initial password on how to access Shop@UW
- Respond to all MDS questions received

Financial Program Supervisor –

- Develop and maintain internal policies and procedures
- System Administration for Great Plains
- Manage MDS Accounting Staff and the Shop@UW Administrator/Customer Service Supervisor.
- Maintain and track user training

[Link to Current Policy](#)

[Link to Related Policies](#)

[Purchasing Policies and Procedures](#)

[Records Retention Policy](#)

[Link to Policy History](#)