



# Materials Distributions Services (MDS) Account Use and Monitoring

Procedure #: 610.2

Rev.: 0

Effective Date: September 1, 2018

**Related Policy:** [MDS Policy](#)

**Functional Owner:** Materials Distribution Services, Division of Business Services  
Divisional Operations

**Contact:** Financial Program Supervisor: (608) 497-4403  
dan.purcell@wisc.edu

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### I. Procedure Statement

Materials Distribution Services (MDS) Subordinate accounts, approved by Department Leader and the Divisional Chief Financial Officer (or designee) provide sufficient access to make purchases through Shop@UW. MDS Parent accounts, similarly approved, are designed to monitor the purchases, within a department or division, of the Subordinate accounts. All purchases must have a valid business purpose. Upon checkout from the Shop@UW site, the system generates a purchase order (P.O.) that is used by vendors to initiate picking, shipping and billing of the order. The product is shipped to a campus address and may be transferred from a vendor truck to a University vehicle.

### II. Who is Affected by This Procedure

Employees who are owners of a subordinate MDS account; Owners of a Parent MDS account; Divisional Business Office staff; Materials Distribution Services (MDS) personnel.

### III. Procedure

- A. **Purchases:** Subordinate account holder accesses Shop@UW using unique user ID and password and navigates to the vendor(s) that carry the needed product(s) and places item(s) in shopping cart. Once shopping is completed, the Subordinate account holder follows the on screen instructions for closing / paying for the purchase(s).
- B. **Pricing:** Price lists are either "Hosted" or "Punch-Out ", described as follows:
  - 1. **Hosted:** MDS receives a copy of the contracted prices from the vendor and uploads the pricing to Shop@UW. Vendor does not have access to update the pricing tables.

2. **Punch-Out:** Price list is maintained on vendor's site. When a product is selected, Shop@UW accesses the vendor's site and displays the price as listed on the vendors' tables. (See Procedure 610.3: MDS Vendor Payment and Customer Billing, for pricing verification).
- C. **Shipping:** Once the order is closed, the Shop@UW application sends an electronic P.O. to the vendor(s) involved with the purchase(s). Vendors pick product and prepare it for shipping. Vendor ships to the delivery address on file in the Shop@UW application. Vendor(s) may ship directly to the campus address on file for the purchaser or ship to a centralized distribution location, such as the MDS warehouse, where the deliveries will be placed on smaller vehicles to be transported to specific campus addresses.
- D. **Monitoring:** Monitoring purchases for compliance with policy requirements is performed at the department and division levels.
1. Employees with a Parent account are assigned specific Subordinate accounts for which they are responsible. The Parent account holder has access to view all purchasing activity by the assigned Subordinate accounts. Purchases are reviewed for accurate and legitimate business purpose and accurate funding string codes. If coding needs to be changed, the Parent account holder will access the Pre Allocation Tool (PAT) to make the necessary code changes. If Parent account holder does not have PAT access, they will work with another authorized individual to correct coding of funding string.
  2. As of November 1, 2018, Monthly transactional reports of all MDS accounts will be sent to Divisional Financial Officers or designees for review. This review is to be documented. MDS performs periodic monitoring of divisional reviews on a sample basis to evaluate the adequacy of the control reviews.
- E. **Account Deactivation:** Accounts may be deactivated due to misuse or change in employee status:
1. If misuse of an MDS account is identified during account reviews, the affected department Leader and Financial Officers determine the appropriate course of action. Penalties may include, but are not limited to loss of purchasing privileges or termination of employment.
  2. When an employee is changing positions or terminating employment, the employee or affected department chair will contact an MDS Office Operations Associate (OOA) to have the account deactivated. If the deactivated account is a Parent account, the Department Leader will work with the OOA to reassign Subordinate accounts until a new "Parent" is identified and established through the normal new account approval and set up procedures.
  3. At least annually, the MDS Financial Program Supervisor (FPS) will query the system for accounts that have had no activity for 24 months. The FPS will close all accounts determined to be inactive / dormant.

#### IV. Contact Roles and Responsibilities

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- A. **Subordinate Account Holder:** Responsible for making online purchases through Shop@UW in accordance with established policy and procedures. Responsible for safeguarding user ID and unique password to Shop@UW.
- B. **Parent Account holder:** Responsible for reviewing purchasing activities of assigned Subordinate accounts. Effective 11/1/18 parent accounts have no purchasing responsibility or access.
- C. **Divisional Business Office:** Responsible for review of monthly transactional reports for unusual or inappropriate purchases. Review is evidenced by CFO sign-off on the reports provided by MDS. Determining corrective and disciplinary action when inappropriate purchasing activity is identified.

- D. **Office Operations Associate (OOA):** Responsible for making system access changes necessary due to disciplinary actions or changes in employment status.
  
- E. **Financial Program Supervisor (FPS):** Responsible for performing annual review of account activity to identify dormant accounts. Monitors account activity to identify and deactivate accounts that are not used during a 24 month period. Performs random testing for evidence of divisional review of purchases. Supervises MDS accounting staff and the Shop@UW Administrator/Customer Service Supervisor. Responsible for transmitting monthly transactional reports to Division CFOs and designees.

**V. Related References**

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<Materials Distribution Services Policy link><Materials Distribution Services Account Application, Activation, and Registration link><Materials Distributions Services Warehouse and Inventory link>

**VI. Revisions**

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Procedure Number	610.2
Date Approved	August 31, 2018
Revision Dates	

