



Module 3: Agency Business Rules

Learning Objectives



- Business Rules
- Internal Policies for Controls
- Maintained by Agencies
- Comply with Code and Regulations
- Support Government Policies & Systems



Upon completion of this module, you should better understand business rules as how an agency accomplishes its work:

- Agency Business Rules are “internal policies in place for budgetary, financial and procurement controls.”
- Agencies maintain those controls.
- Agency rules comply with SC Consolidated Procurement Code and Regulations, and support Central Government policies and systems.

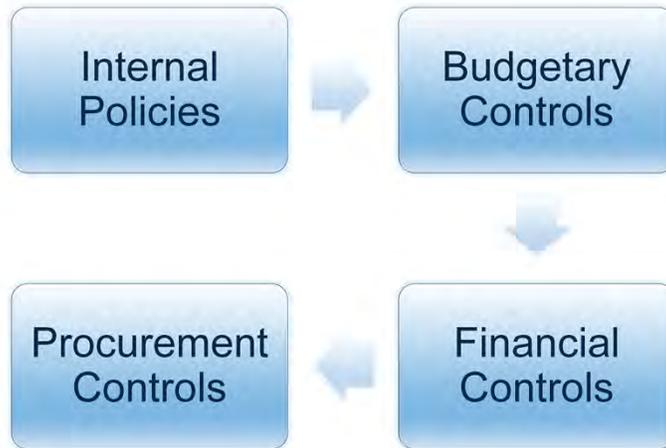
Introduction



This course module discusses business rules in SC Public Procurement and the mandate for having such rules.

Business rules set ways of working in the agency that lead to good Procurement processing.

CGO Policy Requiring Agency Business Rules



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In accordance with the Comptroller General's *Policy for Use of Purchasing/Payment Document Types*,

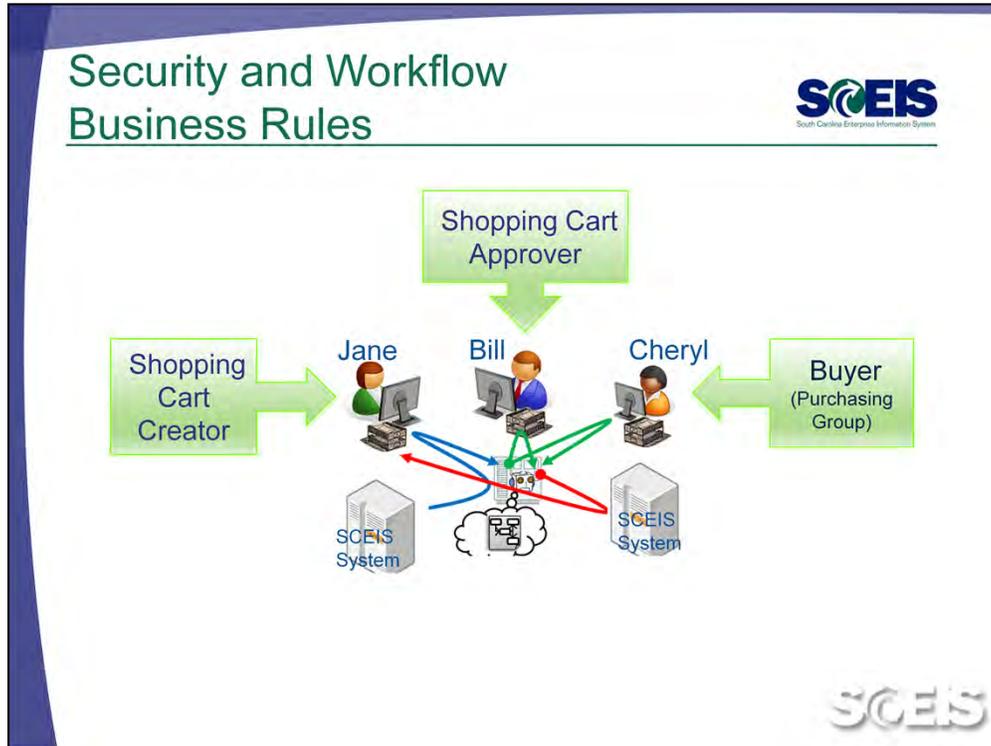
“State agencies must have internal policies in place for budgetary, financial and procurement controls and are responsible for maintaining those controls. “

Purchasing Group Rules



Business rules define Purchasing Groups within the Agency.

Purchasing Groups are organizational workgroups consisting of one or more Buyers, who are the staff internally responsible for the procurement of a material or a class of materials.



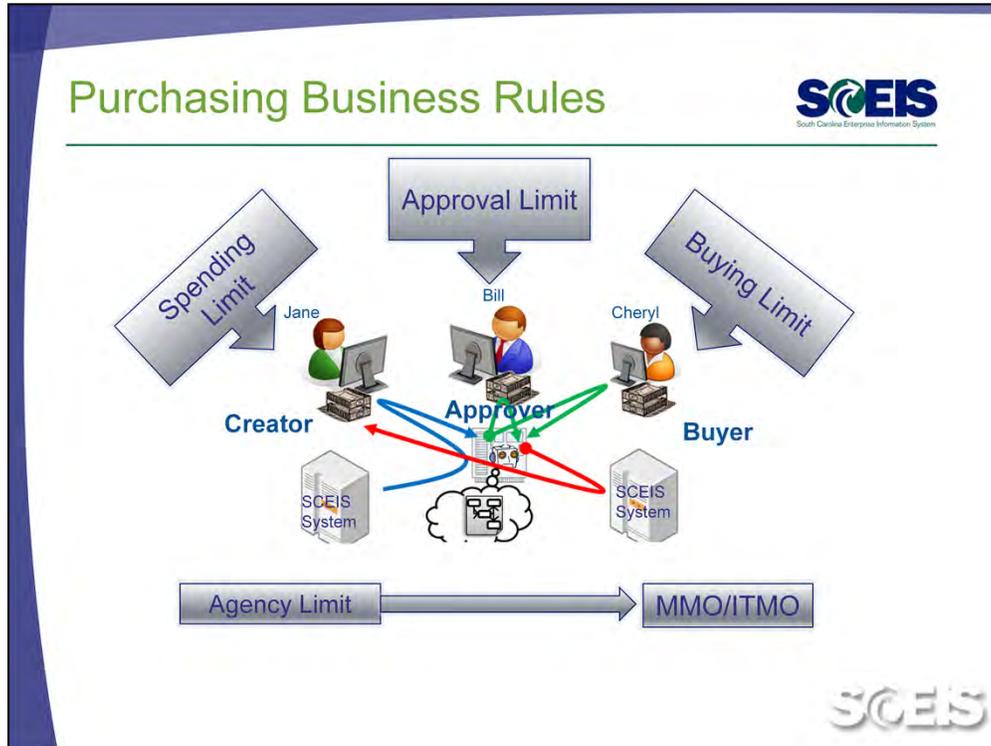
Business rules assign access to and responsibilities of users in the Procurement Process.

For example, the Shopping Cart Creator role is assigned to Jane. Jane orders materials and the Shopping Cart workflows to her Approver, Bill. Jane's approved Shopping Cart workflows to her Buyer, Cheryl, who purchases Jane's materials.

These user roles and responsibilities are enabled by system rules.

Security Roles define authorization access rules, controlling who can do what in the SCEIS Procurement system.

Workflows set the rules for how Procurement inputs and outputs flow for each user in the process.



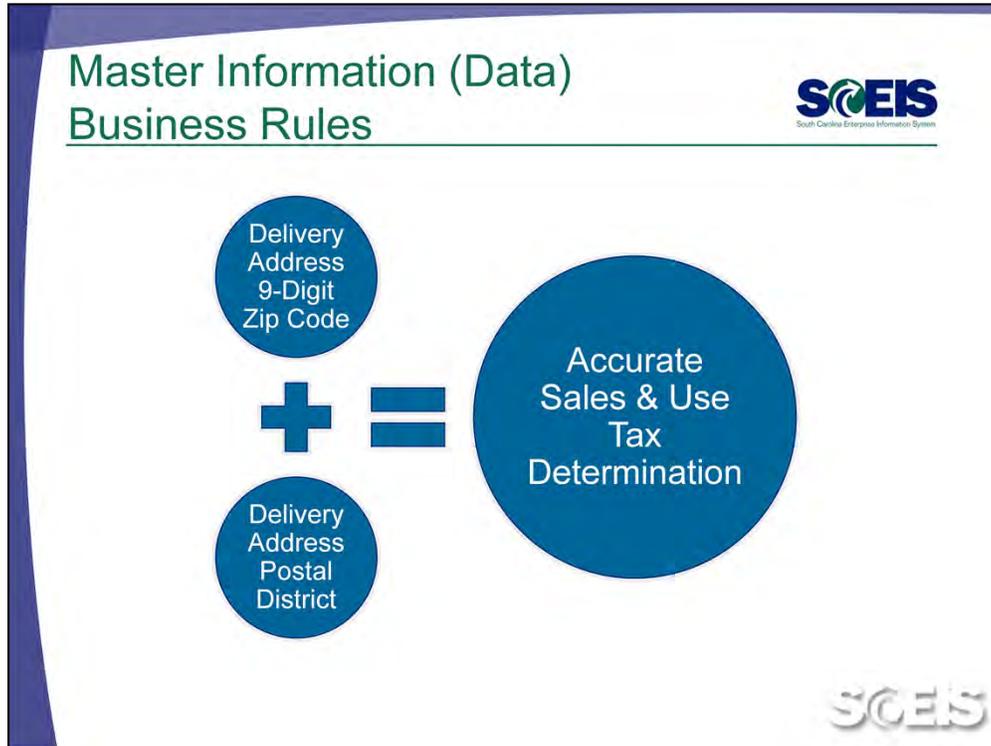
Business rules set Purchasing limits as requested by the Agency Procurement Data Owner:

Shopping Cart Creators have a Spending Limit per Cart. Requests exceeding their limit must be approved.

Shopping Cart Approvers have an Approval Limit per Cart.

Buyers have a Buying Limit per Purchase Order.

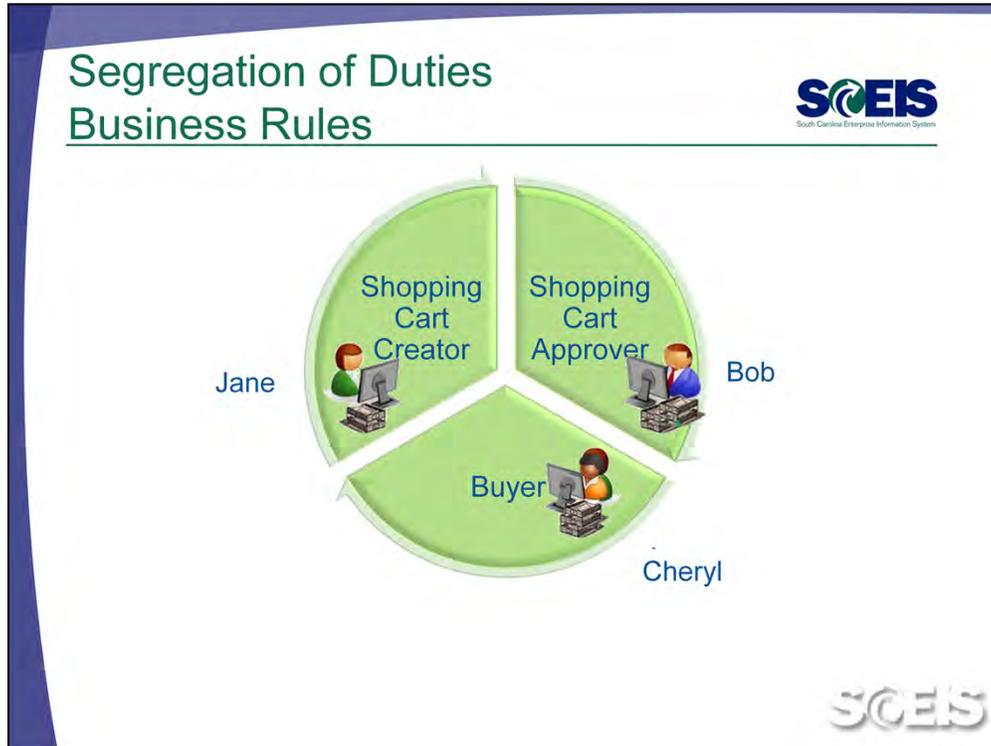
Procurement requests exceeding an Agency's Certification Limit for spending, approving or buying must be workflowed to MMO or ITMO, as appropriate.



Business rules are SCEIS requirements that fulfill SC Consolidated Procurement Code and Regulations.

For example, one such rule concerns calculation of Sales and Use Taxes in SCEIS.

SCEIS computes Sales and Use Taxes according to the 9-digit zip code and the postal district of the location where the goods/services will be consumed.



The Business Area is responsible for an agency's compliance with the Segregation of Duties Policy.

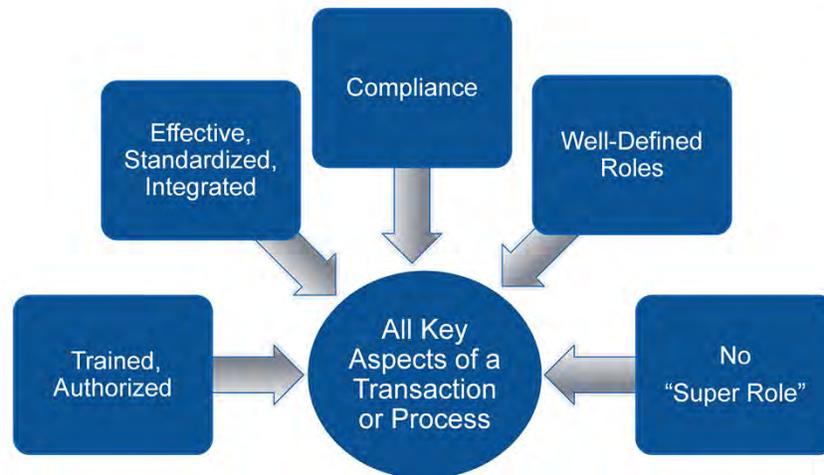
For example, the Shopping Cart Creator, Jane, must not create, approve, and buy her own materials.

The fundamental premise of segregation of duties is that no one person be able to control or perform all key aspects of a business transaction or process.

In the example, the agency can assign the role and responsibilities of Shopping Cart Approver to Bob. And, assign the role and responsibilities of Buyer to Cheryl.

Segregation of duties is an important control activity that helps detect errors in a timely manner and deters improper activities.

Segregation of Duties Means



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Segregation of Duties means:

- Procurement staffs must be trained and authorized users of secured, computerized Materials Management systems.
- Controls must be in place to ensure effective, standardized, integrated, statewide Materials Management.
- Controls must be in place to ensure compliance in roles and interactions, including with sources and bidders of materials.
- Procurement staffs must fill well-defined roles without conflicting responsibilities such as Shopping Cart Creator, Shopping Cart Approver and Buyer.
- An individual worker should not perform or control all functions in a business area.



As a rule, help for SC Public Procurement is available in the SC Consolidate Procurement Code and Regulations, and from the MMO, CGO, and STO, respectively.

Help is available in an agency's business rules, in understanding the SCEIS system and in using the performance support resources in the SCEIS uPerform Website.

Module 3: Summary



- ④ You should now have a better understanding of business rules as how an agency accomplishes its work:
 - ✓ Agency Business Rules are “internal policies in place for budgetary, financial and procurement controls.”
 - ✓ Agencies maintain those controls.
 - ✓ Agency rules comply with SC Consolidated Procurement Code and Regulations, and support Central Government policies and systems.



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This is the end of PR101 Module 3. Please continue to Module 4 of the PR101 course.