



Policy Type: Administrative

Category: Fiscal and Budget

Policy Name: Request to Create or Update a Vendor Number

Policy Owner: Controller-Treasurer Department

Policy Purpose

All payments to vendors processed in the County's accounting system require a vendor number, except for one-time vendor payments. This policy provides guidance to County Agencies and Departments on how to create a new vendor number or update an existing vendor number profile in the County's accounting system.

Policy Summary

A request to create a vendor number or update existing vendor information is an online process in the County's accounting system initiated by each operating department. A vendor number is required on all payments, except for one-time vendor payments.

Each operating department must assign staff within their operation as a Vendor Master (VM) Requestor and a Vendor Master (VM) Requestor Approver. As a requirement prior to granting access to these VM Requestor and Approver roles, assigned staff members must review the [Vendor Master Online Request](#) course materials or attend SAP VM010 training. The Controller-Treasurer Department Fiscal Service Accounting System and Procurement team (ASAP) administers, grants and maintains access for these roles.



County Agencies and Departments must ensure that a number for a vendor does not exist in the County's accounting system prior to creating a request for a new vendor number.

The Controller-Treasurer Department Claims Unit conducts the final review and approval of requests to create a new vendor number (or to update an existing vendor) in the County's accounting system.

Tax Identification Number

A Tax Identification Number is required for all vendors to be setup in the County's accounting system. An acceptable form of tax identification is either a Social Security Number (SSN) for individuals and sole proprietorships, or a Federal Employer Tax Identification Number (FEIN) for other types of entities.

Direct Deposit

Direct deposit (ACH) is the default payment method when a new vendor is created in the County's accounting system. The operating department must complete a Direct Deposit Exemption Form to request an exception to the default payment method. This form must be approved by the Department Fiscal Officer.

Payment Term

The payment term for a new vendor will default to Net 45, except for the following:

- Community Based Organizations (CBO)
- Employees
- Vendors paid under direct pay codes that have been identified by the Controller-Treasurer Department as not requiring standard payment terms



- Vendors with contracts or service agreements with language that supersedes Net 45 policy.

Exceptions to the default payment term must be requested by the operating department and approved by the Controller-Treasurer Department Division Manager overseeing the Claims Unit.

Procedures

- 1) Before creating a new vendor request, the **operating department [Vendor Master Requestor]** shall search and verify that a vendor number does not exist in the County's accounting system (Display Vendor Function – XK03). If a vendor number does exist, the operating department [Vendor Master Requestor] should use the existing vendor number.
- 2) The **operating department [Vendor Master Requestor]** must take the following actions to complete a request to create or update a vendor number profile:
 - 2a) Obtain required information and documents directly from the vendor to create (or update) a vendor number. Vendors must utilize the current published tax forms.
 - 2b) Enter the vendor information into the County's accounting system (Vendor Maintenance Function – ZVMREQ).
 - 2c) Attach the tax forms (such as Form W9, and Form 587 or 590), an ACH registration or ACH Exemption form, and a voided check to the request. The request is electronically routed to the operating department [Vendor Master Request Approver]. *If a vendor cannot provide a voided check, the alternative would be a memo from their financial institution with bank account information.*



- 3) The **operating department [Vendor Master Request Approver]** reviews and approves the request for a new vendor number setup (or an update to an existing vendor). The request is electronically routed to the Controller-Treasurer Department Claims Unit after it is approved.

- 4) The **Controller-Treasurer Department Claims Unit [Vendor Master Maintainer]** reviews the request for completeness, proper formatting, and reasonableness; plus exercises due diligence to avoid creating a duplicate vendor. The **Controller-Treasurer Department Claims Unit [Vendor Master Maintainer]** will respond to the operating department electronically within five business days.
 - 4a) If unusual circumstances require more than five business days to approve the **Controller-Treasurer Department Claims Unit [Vendor Master Maintainer]** will so notify the operating department.

- 5) If the request is rejected by the Controller-Treasurer Department Claims Unit [Vendor Master Maintainer], the **operating department [Vendor Master Request Approver]** reviews the rejection reason, makes necessary corrections, and resubmits the request to the Controller-Treasurer Department Claims Unit for reconsideration.

Definitions

For the purposes of this policy, the following definitions apply:

- 1) **"Department Vendor Master Requestor"** means the SAP user who has access to submit a request to create or update a vendor number in the County's accounting system. Access needs to be authorized by the operating department and granted and administered by Accounting System and Procurement (ASAP).



- 2) **"Department Vendor Master Request Approver"** means the SAP user who has access to review and approve vendor number creation or change requests at the department level.
- 3) **"Vendor Master Maintainer"** means the SAP user in the Controller-Treasurer Department Claims Unit who is responsible for reviewing all requests for validity and completeness of data and supporting documents, and is responsible for final approval of the **Vendor Master File** in SAP.
- 4) **"Vendor Master File"** means the SAP database that contains a record of all vendors with whom the County conducts business.
- 5) **"County's accounting system"** means the SAP System or other similar system currently used by the County as the primary accounting and finance system.

Frequently Asked Questions

- 1) What kind of request will be rejected?

Below are examples of when a request will be rejected:

- Duplicate vendor;
- Missing required information and/or attachments; and
- Improper formatting.

- 2) Are vendors required to update their tax forms annually?

No, however the County requires a vendor to use the current published tax forms when creating a payment profile.



3) Are new tax forms required when a vendor's profile changes?

Yes, new tax forms are required when there is a change to the vendor name, Tax Identification Number (FEIN or SSN), Federal tax classification, or where a vendor has been inactive for the past three years.

A new tax form is not required if the change is related to bank account or contact information.

Related Policies

None.

Related Forms and Information

- SAP training VM010 - Vendor Master Online Request - <https://sccconnect.sharepoint.com/sites/controller/ASAP/SAP%20Training/CourseMaterials/VM010-Online-Vendor-Master-Request.pdf>
- Accounts Payable Process Administrative Guide - <https://sccconnect.sharepoint.com/sites/controller/Controller-Treasurer%20Policies%20and%20Procedures/Documents/Accounts-Payable-Process-Administrative-Guide.pdf>
- Controller-Treasurer Department Vendor Master Request Format - <https://sccconnect.sharepoint.com/sites/controller/Disbursement/Documents/Vendor-Request-Format.pdf>
- W-9 Request for Taxpayer Identification Number and Certification - [\[url\]/sites/forms/controller/ControllerCountywideforms/fw9.pdf](#)



- 587 Nonresident Withholding Allocation -
<https://www.valleyhealthplan.org/sites/p/fr/Forms/Documents/587%20Tax%20Form.pdf>
- 587 Nonresident Withholding Allocation Worksheet Instructions -
<https://www.ftb.ca.gov/forms/2019/2019-587-instructions.html>
- 588 Nonresident Withholding Waiver Request -
<https://www.ftb.ca.gov/forms/misc/588.pdf>
- 589 Nonresident Reduced Withholding Request -
<https://www.ftb.ca.gov/forms/misc/589.pdf>
- 590 Withholding Exemption Certificate -
[url]/sites/forms/controller/ControllerCountywideforms/ca-590.pdf
- Electronic Funds Transfer (ACH) Registration Form -
[url]
/sites/forms/controller/ControllerCountywideforms/Electronic%20Funds%20Transfer%20or%20ACH%20Registration%20Form.pdf
- Vendor ACH Sign-up Exemption Form -
[url]/sites/forms/controller/ControllerCountywideforms/vendor-ACH-signup-exemption-form.pdf

Revision History

Date	Changes Made
08/27/2018	Policy Uploaded. (David Bruno)
08/23/2018	Policy Adopted.