

## VSU Financial Services Vendor Set-Up/Inactivation

These procedures are in addition to Business Procedures PO01, PO02 and PO03 and are written to offer consistency across the board as well as to ensure we are in compliance with IRS publication #1281.

These procedures apply to all vendors including Banner Student refunds and those being set up for Direct Deposit.

### General Rules

- On **all** vendors with the exception of employees, we must obtain a completed VSU Vendor Form.
- The VSU Vendor Form must be kept in Accounts Payable an alphabetized binder that is easily accessible.
- ***Prior to adding a new vendor to the database, a search must be done on the Tax Identification Number as any other search is unreliable.***
- The Accounts Payable staff will review the accuracy of the Withholding information on all vendors set-up outside of the department.
- If a taxable vendor's address is corrected, this correction must be made on **both** the "Address" tab as well as the "Identifying Information" tab under the withholding address panel.

Maintain Vendors - Use - Vendor Information

File Edit View Go Favorites Use Process Report Help

Identifying Information Address Location Contacts

SetID: 51000 Vendor: 0000011479

Name 1:  
Name 2:  
ShortName:  
Classification:  
Status:  
Persistence:

Vendor Relationships

Corporate Vendor

Withholding Vendor Information

Withholding Name and Address

Name: Cynthia G. Home  
Name 2:  
Country: USA United States  
Address 1: 4430 Ezelle Road  
Address 2:  
Address 3:  
City: Valdosta  
County:  
State: GA Georgia  
Postal: 31606

OK Cancel

OK Cancel

Service=Field Change F510 Identifying Information Update/Display

Start Sent Items - Microso... Maintain Vendor... http://services.valdos... Document1 - Microso... 10:13 AM

# VSU Financial Services Vendor Set-Up/Inactivation

## Vendor Set-Up

### A. Non Employee (taxable/non-taxable) Vendor:

#### *Identifying Information Panel*

1. Key the vendor last name, no space, then first name, space and middle initial. (i.e. Doe,John T).
2. If the vendor is an organization, use the organization's full name do not abbreviate unless the full name does not fit.
3. For a sole proprietor, key the individuals' name on "Name 1:" and key their Doing Business As or DBA name on "Name 2:" This is critical in avoiding receiving notices CP-2100A and CP-2100B from the IRS (Payee Name/Tin Discrepancy notice)
4. **Classification** field should indicate SSN if taxable. If non-taxable it can be Federal, Local or State.
5. The **Withholding box** should be checked only if taxable.

#### *Location Panel*

1. The **Vendor Type** (2 heads w/hard hats icon) information must be completed as it is needed for reporting purposes and helps in identifying employee versus non employee vendors.
2. The Payment Term ID (shopping cart icon) should be changed from "Default" to "Specify" with terms of 00 "Due Immediately"

The screenshot shows the 'Maintain Vendors - Use - Vendor Information' application window. The main window displays the following information:

- SetID:** 51000
- Vendor:** 0000011479
- Home:** Cynthia G
- Location:** BANNER
- Eff Date:** 06/27/2
- Pricing:** 00
- Ordering:** 00
- Invoicing:** 00
- Remitting:** 0000011479
- Returning:** 0000011479

The 'Procurement Options' dialog box is open, showing the following settings:

- Accounting Template:** Default
- Advanced Shipment Notification:**
- Buyer:** Default
- Freight Terms Code:** Default
- Payment Terms ID:** Specify, 00
- PO Dispatching:** Default
- Voucher Approval:** Default
- Date Calculation Basis:** Default
- Matching:**  Matching
- RFQ Dispatching:** Default
- Shipping Method:** Default
- Currency Information:** Default
- Schedule Type:** Default

The 'Default' checkbox on the right side of the dialog is checked. The main window also shows a 'Service=Field Change' status bar at the bottom.

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***Contact Panel***

1. If the **telephone number** is known, enter it on this panel.
2. If an **email address** is given also enter it on the panel as it increases the available contact methods if there is a problem with payment or tax identification number.

**B. Employee Vendor:**

***Identifying Information Panel***

1. Key the vendor last name, no space, then first name, space and middle initial. (i.e. Doe,John T).
2. **Classification** field should indicate **SSN only**.
3. The **Withholding box** should be checked.
4. At least once a year, run a query on all employee vendors to see who hasn't been paid in the current year and send the list to Payroll to confirm the employee's status. If the employee has been terminated, check the withholding box as he/she will now be subject to tax on any future payment (some employees may work as consultants after termination).

***Address Panel***

1. **Always key two (2) addresses** for employees. Their VSU campus address (REMIT) and their home address (MAIN).

***Location Panel***

1. The **Vendor Type** (2 heads w/hard hats icon) information must be completed as it is needed for reporting purposes and helps in identifying employee versus non employee vendors.
2. Make the REMIT address the default.
3. The Payment Term ID (shopping cart icon) should be changed from "Default" to "Specify" with terms of 00 "Due Immediately"

***Contact Panel***

1. If the **telephone number** is known, enter it on this panel.
2. The employees' **email address must** be entered on the panel as it is used to send EFT payment confirmation.

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## Vendor Approval Checklist – Non Employee

### *Vendors (Taxable/Non-Taxable) – Identifying Information Panel*

- Verify **Name** is in the correct format (i.e. John T. Joe = Doe,John T/ American Drugs Association = same; not ADA).
- Classification** field should indicate SSN if taxable. If non-taxable it can be Federal, Local or State.
- The **Withholding box** should be checked only if taxable.
- Tax Id Number** should be 9 digits with no spaces/dashes.
- On taxable vendors, check the **Withholding Information** panel (icon of money bag w/a minus sign). The address should also be keyed on this screen.

The screenshot displays the 'Maintain Vendors - Use - Vendor Information' application window. The main window shows the following information:

- SetID: 51000
- Vendor: 0000011479
- Classification: [Field]
- Status: [Field]
- Persistence: [Field]
- Vendor Relationships:  Corporate Vendor [Field]

The 'Withholding Vendor Information' dialog box is open, showing the following details:

- Name: Cynthia G. Horne
- Name 2: [Field]
- Country: USA (United States)
- Address 1: 4430 Ezelle Road
- Address 2: [Field]
- Address 3: [Field]
- City: Valdosta
- County: [Field]
- State: GA (Georgia)
- Postal: 31606

The taskbar at the bottom shows the Start button and several open applications: 'Sent Items - Mi...', 'Maintain Ve...', 'GeorgiaFIRST...', 'Vendor Set-up...', and 'purch\_proc[1]...'. The system clock shows 11:56 AM.

### *Vendors (Taxable/Non-Taxable) – Address Panel*

- Verify the Address is complete and correct.

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### Vendors (Taxable/Non-Taxable) – Location Panel

- Verify that the **Default** box is checked on the location.
- Verify that the **Vendor Type** (2 heads w/hard hats icon) information is complete.
- Verify that the **Payment ID Terms** are set to 00 “Due Immediately”. This can be viewed by clicking the icon of shopping cart with a box on top.
- Verify that the **Payment Option** has been completed (icon of hand holding money). If a taxable vendor, the Withholding Code must be completed. The Pay Group must be completed for all vendors.

The screenshot shows the 'Maintain Vendors - Use - Vendor Information' window. The main form displays the following information:

- SetID:** 51000
- Vendor:** 0000031893
- Partners in Communication**
- Location:** REMIT
- Eff Date:** 01/07/
- Payment Options Dialog:**
  - Payment Control:** Withholding Code: 07, Pay Group: AP
  - Bank:** Default
  - Payment Method:** Default
  - Payment Handling Flag:** Specify, Code: RI
  - Late Charges:** Default
- Remitting:** 0000031893, REMIT, 1, Remit Carolyn Kennedy
- Returning:** 0000031893, REMIT, 1, Remit Carolyn Kennedy

The 'Default' checkbox is checked, and the 'Payment Option' icon (hand holding money) is visible in the toolbar above the dialog box.

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**Vendor Approval Checklist – Employees**

***Vendors (Employees) - Identifying Information Panel***

- Verify **Name** is in the correct format (i.e. John T. Joe = Doe,John T.).
- Classification** field should indicate **SSN only**.
- The **Withholding box** should **not** be checked.
- Tax Id Number** should be 9 digits with no spaces/dashes.

***Vendors (Employees) – Address Panel***

- Verify that there are **two (2) addresses** listed. One for the VSU on campus address and one for the employee's home address.

***Vendors (Employees) – Location Panel***

- Verify that the **Default box** is checked on the location.
- Verify that the **Vendor Type** (2 heads w/hard hats icon) information is complete.
- Verify that the **Payment ID Terms** are indicated on the Procurement Option (icon of shopping cart with a box on top) screen.
- Verify that the **Payment Option** has been completed (icon of hand holding money). The Withholding Code should be blank. The Pay Group should be completed for all vendors.

***Vendors (Employees) – Contact Panel***

- Verify that the **Internet Address** field has been populated.

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**Vendor Inactivation**

At least once a year, preferably at fiscal year end when the books are being closed, the Accounts Payable Accountants will run a query of vendors that have not had any activity within three (3) years. The query name is VSU\_VENDOR\_TO\_BE\_ARCHIVED. The vendors on the returned list will be reviewed by the AP Accountants and forwarded to Purchasing for review as well. All vendors determined to be truly inactive or with whom VSU will not do business with again, will be forwarded to the GL Accountant to be Inactivated/Archived.