

	AP-103
	Management of the Vendor Master File
	Prepared By: Director of Procurement Services, Associate Controller-Disbursement & Taxation
	Approved By: Associate VP Finance & Controller Effective Date:1/1/2019

Purpose

The purpose of this policy is to provide for the maintenance and control of an accurate vendor master file within the Banner System. This policy was created in order to maximize efficiency within the Accounts Payable (AP) and Purchasing function so that the occurrence of duplicate vendor payments and inaccuracies in vendor information is avoided.

Policy

Creation and maintenance of vendor files in the IIT Banner system is a process solely controlled by the Purchasing function. Purchasing is responsible for obtaining the appropriate documentation to establish a new vendor and for ensuring that each vendor has only one master vendor file.

Definitions

- Encumbered goods and services – items that commit budget funds to specific purchases.
- Unencumbered goods and services – describes funds that are available to be used for future purchase requirements through the end of the current fiscal year.
- IIT Banner System – the electronic system used for recording all accounting related transactions
- FTMVEND- IIT Banner vendor maintenance screen
- Vendor Alias – the name of a subsidiary of a vendor
- d/b/a – doing business as

Procedures

- Requests for unencumbered goods or services processed by a Request for Check require access to a vendor file in Banner and will be entered by Purchasing.
- If the vendor file is not located in Banner, AP will provide all the necessary information and documentations to Purchasing to set up a new vendor file using the information provided on the Request for Check. The minimum information required to be entered into the vendor file includes: vendor name, tax identification number, address, phone and fax number.
- AP will contact the department submitting the Request for Check to obtain a completed IRS Form W-9 from the new vendor and forward it to Purchasing. This form will ensure that the new vendor has a valid tax identification number and will also provide their legal name and business name if applicable along with their street address.

- AP will not release the check until a W9 is received.
- Requests for encumbered goods or services processed by a purchase order require access to a vendor file in Banner and will also be entered by Purchasing.
- Purchasing will follow the appropriate procedure when adding new vendors to the vendor master file which includes obtaining the new vendor application, checking the vendor against the Excluded Parties List System and obtaining a W9 form.
- Annually, the Purchasing department will run a comparison report of the vendor master file to the Federal Government's Excluded Parties List System (<http://www.epls.gov>) to ensure that IIT vendors are not excluded or disqualified from covered transactions.

Guidelines

- IIT Banner allows the use of the vendor alias feature. When setting up a new vendor that is a subsidiary or d/b/a, Purchasing will enter AP "remit to" addresses with the first address line showing the d/b/a name followed by the "remit to" address as supplied by the vendor.
- Vendor files created by Purchasing will be entered using the mailing address for purchase orders and when setting up a new vendor that is a subsidiary or d/b/a, will enter the PO "mail to" addresses with the first address line showing the d/b/a name followed by the "mail to" address as supplied by the vendor

References

Responsibilities

- Creation of or changes to vendor files related to the mailing of purchase orders are made through the Purchasing
- Changes to vendor files related to remittance of payment are made through the Accounts Payable Department.

Required Forms

Request for Check
W9 Form