

Vendor Customer Management



Subject: Vendor Customer Management	Process Group: Vendor Customer Creation
Title of Policy: Vendor Customer Creation	Number: VCUST.PO.01
Title of Procedure: New Vendor Creation	Number: VCUST.PR.01.01
Title of Procedure: New Customer Creation	Number: VCUST.PR.01.02
Title of Procedure: Misc Vendor Customer Creation	Number: VCUST.PR.01.03
Title of Procedure: Vendor Creation through Vendor Self Service	Number: VCUST.PR.01.04
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<p>Process Group Description:</p> <p>Vendor Customer Creation</p> <p>The Vendor/Customer (VCUST) table maintains the primary information for a Vendor/Customer. Additional tables also contain information about Vendors and Customers and can be accessed through the VCUST table. Vendors and Customers are used in the following areas:</p> <ul style="list-style-type: none"> Procurement Accounts Payable Fixed Assets General Accounting Treasury Accounting Accounts Receivable Cost Accounting Grant Lifecycle Management Inventory <p>Rationale or background to policy:</p> <p>This policy is required to keep the information on the VCUST table accurate and standardized. There will no longer be separate tables for Vendor and Customer records. Rather, CORE combines the Vendor and Customer records together into a single table labelled VCUST. A record can be a Vendor, Customer, or Vendor and Customer. A Vendor/Customer record must exist prior to creating most documents in the areas of Accounts Payable, Accounts Receivable and Procurement.</p> <p>Policy Statement:</p> <p>VCUST.PO.01 Vendor Customer Creation</p> <p>Departments shall enter both vendors and customers into CORE for Procurement, Accounts Payable and Accounts Receivable Documents. Vendors will also be able to register through the Vendor Self Service Module (VSS) to create a Vendor record and make changes to that record.</p>	

Vendor Customer Management



Each Vendor shall provide W-9 or W-8 information to the departments prior to activation. Duplicate records will not be entered into CORE. Departments shall search for the TIN and Legal Name or Last Name prior to creating a new VCUST record to verify that the record does not currently exist.

Departments may establish headquarter/branch accounts for vendors/customers to establish separate entities that are reportable under one TIN but have alternate naming, billing, payment needs. In order to add a branch account, departments shall add the new record under the existing headquarter account. Otherwise, CORE will reject the record as a duplicate TIN.

If a Department needs to do one time payments that are not 1099 reportable, or has a cash receipt where there is no known customer information, then a department shall use a Miscellaneous VCUST record.

Each Department will be allotted one Miscellaneous Vendor/Customer record. The Miscellaneous VCUST record will follow this format DEPT100000, example AAAA100000.

Vendors and Customers created by departments will be activated upon submission as long as the required documentation has been attached, the VCUST number has been allowed to auto-number, the 1099 classification is not "other" and the record is a headquarter record. If the above requirements have not met the document will come through the Central Management Unit workflow for review.

VCUST record numbers should be auto-numbered with the following exceptions:

Employee records-the VCUST record number shall be the employee identification number followed by an E, 997111111E Select a 1099-classification of Employee. A W-9 does not need to be obtained from the Employee as there will already be an I9 record on file for payroll. These documents will be routed to the Central Management Unit for approval. Once this document is in workflow the EFT information will be added to the record from the CPPS system so payments will be submitted by EFT per statute.

Medicare Providers added by Department of Healthcare Policy and Finance shall be the UMxxxxxxx from HCPF external system. Interfaced documents will not be subject to workflow but the agency will be required to retain the W-9. The interface will automatically create a headquarter account if one does not currently exist. If a department other than HCPF needs to make a payment they should select the Headquarter account and not the UM record. Manually entered documents will go through workflow but as long as an appropriate W-9 is attached will be approved.

VCUST records for jurors added by Judicial shall be numbered by their external system identifying the year and case number they served under. The number will never be an SSN or TIN. These documents will be created via an interface. W-9 Forms will be retained by the department. If the VCUST record exists it will be the department's responsibility to put the appropriate existing VCUST record into any rejected GAX1 documents.

Human Services Providers shall be the UDxxxxxxx from CDHS external system. New VCUST records will be manually entered and will be approved as long as the appropriate W-9 document is attached.

Procedure(s):

VCUST.PR.01.01 Vendor Creation by Department

Overview: Departments will create Vendor records for Procurement and Accounts Payable purposes.

Document Creation: CORE does not allow a TIN to be used in more than one VCUST record. Departments are required to search for the TIN number prior to creating a new VCUST record. Departments must also search by Legal name or Last Name and DBA to verify that the record does not currently exist as a VCUST record.

If the record already exists on the VCUST table as a Customer but needs to be modified to also be a Vendor see procedure VCUST.PR.03.01

If the record already exists on the VCUST table as a Headquarters record but needs a Child account to be added, select the Headquarters Vendor record to associate the new Child account with in the Headquarters Tab. These documents will go through Central Management Unit workflow for review.

Most information to complete a VCC document will be found on the W-9 form completed by the Vendor. W-9 forms are required for all new Vendors. Departments shall use the standardized substitute W-9 form found here: <https://www.colorado.gov/pacific/osc/forms-1>.

The completed W-9 form (or W-8 form for Foreign Vendors) shall be attached to the Header Section of the VCC document prior to finalizing the document. Any VCC document adding a Vendor record missing the attached W-9 (or W-8) will be directed through workflow to the Central Management Unit and the Vendor will not be available for use until the W-9 (or W-8) has been submitted. (Please contact the Central Management Unit for assistance in adding a foreign 1042 reportable vendor)

Exception: There is no provision for attaching W-9 documents to VCUST records added using an interface. Departments adding VCUST records through an interface must retain the W-9 documents.

VCC documents will be completed for the creation of a single Vendor. VCC1 documents will be used when multiple Vendors are created using an interface.

Requirements and Restrictions:

When creating a Vendor, the completed W-9 form (or W-8 form for Foreign Vendors) is to be attached to the Header Section of the VCC document prior to finalizing the document. Any VCC document without the attached W-9 (or W-8) will be directed through workflow to the Central Unit and the vendor will not be available for use until the W-9 (or W-8) has been submitted.

Departments will be limited to 2 employees to be assigned the security to create new vendors. Exceptions can be granted for large departments and departments that have non-centralized locations. These employees must have passed a background check prior to being granted this security.

EFT information will be submitted outside the CORE system to the Central Management Unit. The EFT form (found at <https://www.colorado.gov/pacific/osc/forms-1>), should be completed and a scanned copy of a voided check should be attached to the request. Departments are responsible for verifying that the EFT form has been filled out correctly and the information has come from their vendor and not a fraudster by contacting the vendor using information independent of the information on the form to confirm the validity of the request. EFT requests along with a voided check will be submitted by the department to the Central Management Unit's secure Email state_centralapproval@state.co.us. The department will include a statement in the email confirming that the EFT information attached has been verified.

EFT information for employees requiring travel reimbursement will be obtained from the CPPS system. As long as the VCC document is manually numbered using the 997xxxxx number the Central Management Unit will input the EFT information available from the CPPS system. If the employee would like the travel reimbursement payments to go to a different account the Central Management Unit should be notified so that the record can be updated appropriately.

Address information shall be standardized using the US Postal Service formats. These formats can be found at the following website: <http://pe.usps.gov/cpim/ftp/pubs/pub28/pub28.pdf>

Name character limitations are 60 characters for legal name and 60 characters for DBA field.

Payments should not be issued until a Vendor has been certified through the IRS TIN matching system. Best practice is to wait 48 hour before issuing a payment on a newly created Vendor.

If there is a need for a Miscellaneous, Internal, Inventory or CPPS flag on a newly created or existing VCUST record, contact the Central Unit to set the flag.

Records may be discontinued if they do not comply with the Validation process found in VCUST.PO.02

VCUST.PR.01.02 Customer Creation by Department

Overview: Departments will create customer records for Accounts Receivable, Cost Accounting, Grant Lifecycle Management, Inventory and General Accounting purposes.

Document Creation: Departments shall search by Legal name or Last Name and DBA and TIN if available to verify that the record does not currently exist as a VCUST record.

For existing Vendors that also need to be Customers, see procedure VCUST.PR.03.01

VCC documents will be completed for the creation of a single Customer. VCC1 documents will be used when multiple Customers are created using an interface. All Department created VCUST records will be immediately available as long as the requirements in this policy have been completed.

VCUST.PR.01.03 Miscellaneous Vendor Customer

Overview: To process onetime payments that are not 1099 reportable, or recognizing cash receipt(s) where there is no known customer information then a Miscellaneous VCUST record should be used.

Document Creation: Each Department should need only one Misc Vendor Customer record. The VCUST record should follow this format DEPT100000, example AAAA100000. Requests for a Misc VCUST record should be submitted to the Vendor Customer maintenance unit. If your Department already has a Misc VCUST record, documentation will be required to validate the business reasons to create an additional record.

VCUST.PR.01.04 Vendor Creation through the Vendor Self Service Module (VSS)

Overview: Vendors will have the ability to self register through the Vendor Self Service Module (VSS) creating a Vendor record. The registration will update the VCUST table and create a VCM document to activate the Vendor in CORE. The Vendor will not be immediately activated. The VCM document will need approval from the Central Management Unit before the VCUST record can be used for any documents.

Document Creation: The Vendor will electronically sign a Memorandum of Agreement that will also serve as a substitute W-9 form.

The Vendor will first verify that they do not currently have an existing record on the VCUST table. If a new record is needed, the Vendor enters a user ID, Password, phone, email and answers a security question to be used if the vendor forgets their VSS password.

VSS notifies vendor that a verification email has been sent to them for further action. Vendor receives email verification and clicks on VSS link and then logs into VSS using user ID and password to complete registration process.

The VSS system will guide the user through the required fields. Vendor submits registration and system adds new vendor record to VSS database with Inactive status. An automated VSS batch job cycle runs to synch the new, inactive vendor record to CGI Advantage for review. Vendor receives email notification confirming VSS registration. CORE generates a Vendor/Customer Certification (VCM) document to certify the vendor and workflows it to the Central Vendor Customer management Unit for verification. The vendor will stay in Inactive status until the VCM document is approved.

Requirements and Restrictions: Vendors will not have the option for entering EFT information through VSS but will work with paying departments to set up EFT before payments are due.

Vendors will have to go through the validation process before the VCM document is approved, see VCUST.PO.02.

For rejected vendors, the following processes will occur once the VCM document is converted back to draft format:

- Central VCM approver Rejects the VCM document
- Central VCM approver opens the rejected document and selects 1 or more Rejection Reasons
- Enters comments in Extended Description field
- Checks the Send Comments to Vendor flag on the Header tab
- Sets the Vendor Active Status to VSS Rejected on the Certification tab
- Resubmits the VCM document and approves the changes
- Automated VSS batch job cycle runs to synch the updated details to VSS
- Vendor receives email notification of the rejection and reasons

VCUST.PM.01 Process Map – Vendor Customer Creation



