Procedure Number: AC019

Date: May 21, 2003
Last Revised: December 15, 2022

Lih Wu, Chief Financial Officer

Title: Vendor Master File Procedures

Statement

This procedure is established to address the addition and maintenance of vendors to the Vendor Master File for The University Corporation, (TUC). The Vendor Master File (VMF) is the central repository of vendor information that is used to issue purchase orders and make payments. The first section pertains to new vendors for the sponsored programs operation of TUC. The second section pertains to all other operations of TUC.

Purpose

To provide The University Corporation with procedures related to adding or updating vendors in the Vendor Master File.

Procedure

TUC procedure

A. Sponsored Programs

The Principal Investigator or the Sponsored Programs Department will forward new vendor information to Accounts Payable personnel for input. There are several mitigating controls that verify the authenticity of a new vendor for sponsored programs. These are listed below:

1. A Principal Investigator controls every sponsored program/grant. The Principal Investigators have signing authority over every expense that is charged to their respective sponsored program.
2. All requests for payments for new vendors have to go through the Sponsored Programs Department for budget validation and expense verification. All questionable items are referred back to the Principal Investigator.
3. All Principal Investigators receive a monthly detailed expenditure report showing all expenses that are charged to their accounts.
4. Every sponsored program is subject to audit by the granting agency or institution.

B. All other Business Operations

1. Vendor will complete a Vendor Data Record Form online and submit to Accounts Payable along with either a W9 for domestic vendors or W8 for foreign vendors.
2. The Accounts Payable Department receives a vendor data record form with W9 or W8 attached. The Accounts Payable Department may also receive a check request with an unlisted vendor that needs to be added using the information included on the check request. New vendors requesting a simple reimbursement

are not required to submit a W-9 but are required to attain all the appropriate approvals. (Note: Foreign vendors will be paid by wire transfer not check request and voucher)

3. Vendor data records are input into PeopleSoft by the Accounts Payable department.
4. The Accounts Payable Manager or Associate Director of Accounting will approve the vendor add.
5. Changes and corrections to the vendor master (addresses, names, typographical errors, etc.) are given to the Accounts Payable department, who accesses the record in PeopleSoft and makes the change.
6. Vendors with no activity for at least 18 months will be reviewed and suspended or deactivated.

Best Practices:

The VMF is critical to defend an organization against fraud and erroneous payments. The Cal State University Vendor Master File Best Practices should be referred to for guidance with implementing internal controls.