I. PURPOSE: This procedure provides a standard process to prevent fraud and erroneous payments by strengthening controls related to the vendor master file.

II. SCOPE: This procedure applies to all CSU Fullerton Auxiliary Services Corporation (ASC) employees handling vendor setup in the vendor master file.

III. OBJECTIVE: To provide specific procedures and guidelines when adding a new vendor to the vendor master file and/or updating an existing vendor’s information.

IV. PROCEDURES:

**New Vendor Vetting – External Vendors** (Excludes Non-CSUF Student Stipend Payments and Reimbursements):

1. Standard W-9 is forwarded to new vendor for completion and signature. All items on W-9 need to be completed, signed, and dated.

2. Upon receipt of signed and completed W-9, accounts payable (AP) staff accesses the IRS database using the following website:


   AP staff uses the IRS website to verify that the Taxpayer Identification Number (TIN) matches with Part I on the W-9.

3. ASC AP staff are also required to vet/verify the vendor information on the W-9 using the attached “Vendor Validation Checklist.” The checklist and all other documents obtained through the vendor vetting process are attached to the W-9 and forwarded to the AP supervisor for further review and approval.

4. The AP supervisor reviews all documents presented by the AP staff during the verification and signs the vendor validation checklist. All documents are then returned to AP staff.

5. After the AP supervisor approves the vendor validation checklist, AP staff creates a unique vendor ID (PEID) and scans/attaches all documents to the PEID in the system.
6. For ACH/direct deposit information, an ASC W-9/ACH form is completed with banking information. This requires a voided check.

7. Additionally, AP staff documents special findings and leaves comments and/or special instructions in text under PEID in the system.

New Vendor Vetting – Non-CSUF Student Stipend Payments (Excludes CSUF Student Stipend Payments which are processed by CSUF):

1. Standard W-9 is forwarded to new vendor for completion and signature. All items on W-9 need to be completed, signed, and dated.

2. Upon receipt of the signed and completed W-9, accounts payable (AP) staff accesses the IRS database using the following website:


   AP staff uses the IRS website to verify that the Taxpayer Identification Number (TIN) matches with Part I on the W-9.

3. ASC AP staff are required to verify payee/recipient information, accounts signer, and ASC coordinator’s initials on the stipend form.

4. ASC AP staff are also required to vet/verify the vendor information on the W-9 and stipend form using the attached vendor validation checklist. The checklist and all other documents obtained through the vendor vetting process are attached to the W-9 and stipend form and forwarded to the AP supervisor for further review and approval.

5. The AP supervisor reviews all documents presented by AP staff during the verification process and signs the vendor validation checklist. All documents are then returned to AP staff.

6. After the AP supervisor approves the vendor validation checklist, AP staff creates a unique vendor ID (PEID) and scans/attaches all documents to the PEID in the system.

7. For ACH/direct deposit information, an ASC W-9/ACH form is completed with banking information. This requires a voided check.

8. Additionally, AP staff documents special findings and leaves comments and/or special instructions to *text* under PEID in the system.

New Vendor Vetting – All Reimbursements Including Travel Expenses (Excludes Services)

1. Because the reimbursements are not reportable income to IRS, W-9s are NOT required.

2. ASC AP staff are required to verify payee/recipient information, an accounts signer and ASC coordinator’s initials on the check request form.

3. AP staff are also required to vet/verify the recipient information on the check request form using the attached vendor validation checklist. The checklist and all other documents obtained through the vendor vetting process are attached to the check request form and forwarded to the AP supervisor for further review and approval.
4. The AP supervisor reviews all documents presented by AP staff during the verification process and signs the vendor validation checklist. All documents are then returned to AP staff.

5. After the AP supervisor approves the vendor validation checklist, AP staff creates a unique vendor ID (PEID) and scans all documents to the PEID in the system.

6. For ACH/direct deposit information, an ASC W-9/ACH form is completed with banking information. This requires a voided check.

7. Additionally, AP staff documents special findings and leaves comments and/or special instructions to *text* under PEID in the system.

**Changes/Updates to the W-9** (Vendor Name, Federal Tax Classification, Address and TIN/EIN/SS#):

1. For these changes, an updated/revised W-9 form is required from an existing vendor.

2. Upon receipt of the updated/revised W-9 from an existing vendor, AP staff follows the same procedure for a new vendor as described above by accessing the following IRS database (except for address changes):


   AP staff uses this IRS website to verify that the Taxpayer Identification Number (TIN) matches with Part I in the updated/revised W-9.

3. ASC AP staff are also required to document the validation procedures for the updated/revised W-9 using the attached vendor validation checklist. The checklist and all supporting documents validating the changes for the existing vendor are attached to the updated/revised W-9 and forwarded to the AP supervisor for review and approval.

4. Upon review of all documents validating the vendor changes for completeness and appropriateness, the AP supervisor approves the vendor validation checklist. Once approved, the AP supervisor returns all documents to the AP staff.

5. AP staff then updates the existing vendor ID (PEID) in the system to reflect these changes and scans/attaches all updated/revised documents to the PEID.

6. Additionally, AP staff documents special findings and leaves comments and/or special instructions to *text* under the existing PEID in the system.

**Changes/Updates for All Vendors** (Remit [Payment Mailing] Address, ACH Bank Info):

1. No updated/revised W-9 form is required from an existing vendor if their W-9 in the system is less than 2 years old AND there are no changes to the vendor's name, TIN/EIN/SS# on the W-9. For updates made to the W-9 information, refer to the procedures above.

2. Upon receipt of the change request for remit/payment address and/or ACH bank information from an existing vendor, AP staff **must** contact the vendor **directly** using the information in the vendor management system (and not on the request) to verify the change/update.
3. Changes requested by phone will not be processed. Request for vendor changes will be made by email or through the receipt of an approved invoice displaying the updated payment/remit mailing address.

4. AP staff requests the vendor provides identifiable information (preferably by email) before processing bank account or payment/remit mailing address changes. The identifiable information may include, but is not limited to, information from the last invoice submitted, payment amount, or other information as an additional measure to ensure the legitimacy of the request.

5. AP staff must use the vendor validation checklist to document the method used to verify the remit/payment address and/or ACH bank information change request. The checklist and all supporting documents used to validate the changes for the existing vendor is forwarded to the AP supervisor for review and approval.

6. Upon review of all documents validating the vendor changes for completeness and appropriateness, the AP supervisor approves the vendor validation checklist. Once approved, the AP supervisor returns all documents to the AP staff.

7. AP staff then updates the existing vendor ID (PEID) in the system to reflect these changes and scans all updated/revised documents to the PEID.

8. Additionally, AP staff documents special findings and leaves comments and/or special instructions to *text* under the PEID in the system.

V. APPROVALS: The vendor validation process must be reviewed and approved by the AP supervisor prior to adding and/or changing vendor information in the ASC accounting system's vendor master file.

VI. CONTROL & COMPLIANCE: The AP supervisor prepares a vendor change report quarterly to ensure that (1) changes made to the vendor master file are adequate, and (2) proper documentation is retained to support changes made. The verified report is reviewed by the Controller, or Executive Director.