

SECTION 10: VENDORS

Add Vendor

INTRODUCTION

Add Vendor provides procedures for adding a new vendor record to the Vendor Master File (VMF) in AKSAS. Vendor records hold vendor detail information including Business Type, Tax or Employee ID, 1099 Reportable Status, Vendor Class, Vendor Legal Name, DBA Name, Address, optional contact information and phone number, vendor notes, electronic payment capability status, and vendor status (i.e., active or inactive).

Also accessible from a vendor record is 18 months of payment history to that record.

Each vendor record is assigned an identifying number, referred to as a Vendor Number or Pay Vendor Number (PVN). PVN is a required reference on Add Warrant Request transactions to identify the payee on warrants. It is also required on open items such as encumbrances and can be used as a reference on reports.

Establishing a Vendor Record

AKSAS financial transaction **505-10: Add Vendor** is used to establish a vendor record in AKSAS. Add vendor transactions are entered by the paying agency, dual authorized by DOA/Finance (DOF) and certified by the input agency.

Guidelines for Establishing a New Vendor Record

1099 Reportable and Non-Reportable Entities

- 1099 reportable entities can only have one vendor record in AKSAS. This record must contain the vendor's permanent address.
- 1099 non-reportable entities may have more than one vendor record in AKSAS containing separate remittance addresses.

Adding New Vendor Records vs. Using an Existing Record

It is not necessary to add a new vendor record if an existing record is inactive or has incorrect address information. Instead, make changes to the vendor record by entering a Change Vendor transaction. Refer to [Change Vendor](#) in this Section to activate or change address information on an existing vendor record.

Duplicate Vendor Records

Duplicate vendor records should not be established in AKSAS. Avoid establishing duplicate vendor records by using the Vendor Inquiry function to verify a vendor record does not already exist in AKSAS. Refer to [Vendor Inquiry](#) procedures in this Section.

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State of Alaska Entities

Vendor records are not normally established for State of Alaska entities. An agency journal entry or RSA transaction is the accepted method for transferring funds between agencies. Contact DOA/DOF before establishing a vendor record for a State of Alaska entity.

Using Temporary PVNs

It may not always be necessary to have a vendor record in order to issue a payment through AKSAS. One-time and infrequent payments, when the account code on the warrant transaction is not 1099 reportable, can be submitted with a Temporary Vendor Number. This is true for clearing AutoPay transactions as well. Each department has their own policy on use of Temporary Vendor Numbers, so check with your department's fiscal office for their policy before using Temporary Vendor Numbers. More information on Temporary Vendor Numbers is covered in the [Overview](#) portion of this Section.

Foreign Vendors

The Internal Revenue Service (IRS) requires that a valid W-8 be required before any payment is issued to a newly used foreign vendor. Before setting up a foreign vendor in AKSAS, vendors should be guided to the W-8BEN as a starting point. The directions at the top of the W-8BEN will guide the vendor if the W-8BEN is the appropriate form to fill out, or if another W-8 form should be completed instead.

The W-8BEN (and other W-8 forms) is located at: <http://www.irs.gov/Forms-&-Pubs>.

Nonprofits

If a vendor is claiming nonprofit status, verify their nonprofit status at either of the following websites:

- Guidestar: www.guidestar.org
- IRS Exempt Organizations Select Check: <http://www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check>

Do not set up a vendor record until the vendor's nonprofit status has been formally recognized by either of the above websites.

PROCEDURES

I. Verify if a new vendor record is needed.

Before processing an add vendor transaction, determine if a vendor record is actually needed.

Use Vendor Search

Use Vendor Search to determine if a vendor record already exists. If a vendor record already exists, review the record to verify all information is current and accurate. Submit a change vendor transaction to make any necessary corrections and/or updates before proceeding with using the existing vendor record.

Use Temporary PVNs when applicable

One-time and infrequent payments, posting to non-1099 reportable account codes in AKSAS, can be submitted with a Temporary Vendor Number instead of establishing a new vendor record. Check with your department's fiscal office for their policy on using a Temporary Vendor Number

II. Obtain and verify accurate and complete vendor information.

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REQUIRED INFORMATION:

For vendors and non employees:	For state employees:
Business Type	Legal Name
Tax ID	Employee ID
Legal Name	Personal Address
DBA Name (if applicable)	
Remittance Address	

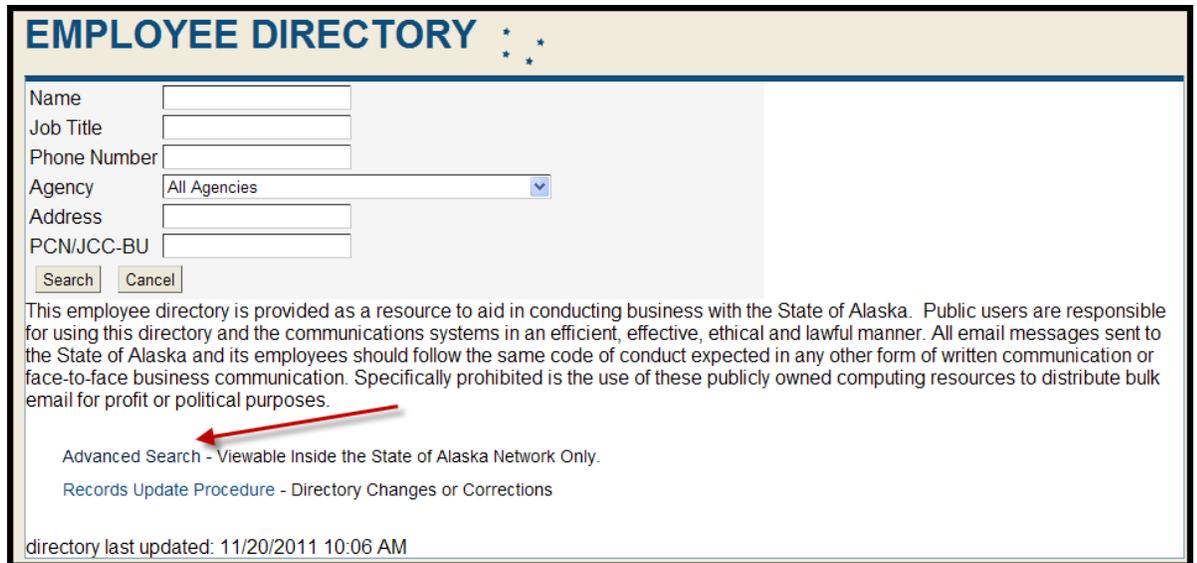
For vendors and non employees:

If a vendor’s invoice, contract, or other documentation lacks required information for processing an add vendor transaction, use the State of Alaska’s Substitute Form W-9 for obtaining all necessary information. The form is available on [DOA/DOF’s home page](#) under *Forms, Taxes, Tax Related Forms*.

For state employees:

State employee vendor records (Vendor Class SE) require the employee’s Legal Name and Employee Number (EMP ID). The following are step-by-step instructions to view the employee’s Legal Name and EMP ID:

1. Go to LDAP, the [State Employee Directory](#).
2. Click on **Advanced Search**:

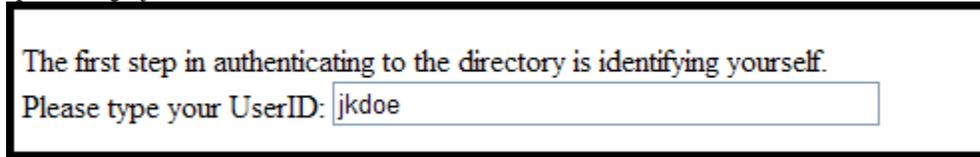


3. Click on the **Authentication** tab. You must authenticate in order to see the legal name:



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4. Type in your **User ID**. This is usually your first initial, middle initial, and last name with no spaces (e.g., jkdoe):



The first step in authenticating to the directory is identifying yourself.
Please type your UserID:

NOTE: To verify your LDAP User ID, you may search for your LDAP record in the Employee Directory.

5. Click on the **Continue** button. The following message should appear:



Authenticate (log in) to the directory
You are about to authenticate to the directory as , People, state.ak.us. To complete the authentication process, type your password.

*NOTE: If you receive the message: "Searched and found 0 entries where the name sounds like or contains "...", Please go back and try again." you can click on the **Go Back** button and enter your User ID again.*

6. Type in the **password** associated with your User ID:



Password for :

7. Click on the **Continue** button. The message "Authentication Successful" should display.

*NOTE: If you receive the message "Authentication Failed" you can click the **Retry** button and enter your password again.*

8. Click on the **Advanced Search** tab and type in the last name of the employee in the **Search** box:



SOA Directory Server GateWay (DSGW)
Standard Search **Advanced Search** New Entry Authentication
Find where the

9. Click on the **Search** button.
- If one entry exists for the last name, the white page for the employee displays.
 - If multiple entries exist for the last name, a list of employees displays. Click on the appropriate employee name for the search.

10. A card displays for the employee:

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pbsubeldia, People			
Show Card		Edit Person	
Contact Information			
First Name:	Phillip	Legal Name	Phillip B Subeldia
Last Name:	Subeldia		Phillip B Subeldia
Phone:	(907)465-5604		phillip_subeldia@alaska.gov
Fax:	(907)465-2169	User ID:	pbsubeldia
Pager:		Mobile Phone:	
Business and Location Information			
Title:	Accountant IV	Outlook Display Name:	Subeldia, Phillip B (DOA)
Agency Name:	Administration	Sub:	FIN-SYSTEMS ADMINISTRATION
Agency#:	02014006	Emp#:	275688
Contact Code:	0240A	Class:	P1207
PCN:	024014	Bargaining Unit:	SS
Mailing Address:	PO Box 110204 Juneau, AK 99811-0204		
Street Address:	333 Willoughby 10th Fl Juneau, AK 99801		

- The legal name displays below the Full Name field (*the field is not labeled until you click the Edit Person tab at the top of the record*).
- The employee number displays in the EMP# field under Business and Location Information.

III. Process a 505-10: Add Vendor transaction.

NOTE: Also reference the [Vendor Quick Reference](#) and [Add and Change Vendor Screen Examples](#) in this Section.

A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:

1. Enter VN (Vendor) in the **SELECTION** field and A (add) in the **ACTION** field.
2. If your agency uses an easytran shell for adding a new vendor record, enter the easytran number for the transaction in the **EASYTRAN NUM** field.

```
FDE: FINANCIAL DATA ENTRY MENU
SELECTION=> vn      ACTION=====> a
EASYTRAN NUM=> _____ WRNT CLASS=> _
```

3. Press <Enter> to display the 505-10: Add Vendor transaction screen:

```
FDE 505-10: ADD VENDOR                                     B 1666603 S 0001
VENDOR NUMBER _____ BATCH EFF DATE 09/23/2011
DOCUMENT NUMBER _____
SOURCE RD CODE _____ ACTIVE (Y/N) Y
VENDOR LEGAL NAME _____
DBA NAME/ADDRESS _____
VENDOR ADDRESS _____
CITY _____ STATE _____ ZIP CODE _____ -
BUSINESS TYPE _____ VENDOR CLASS
TAX OR EMP ID _____ 1099 REPORTABLE (Y/N)
VENDOR EMAIL/CONTACT _____ PHONE _____ EXT _____
VENDOR SHORT NAME _____
VENDOR NOTES _____
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
UPDAT QUIT          SUBMT ERRS BASE          PFKYS          HELP
```

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- B. Referring to the [Vendor Quick Reference](#), based on the Business Type, enter data where applicable on the 505-10 Add Vendor screen. For more detailed information on transaction processing, refer to [Section 4: Financial Transactions & Batch Processing](#).
- C. Press <Enter>. The **BUSINESS TYPE** description, **VENDOR CLASS**, and **1099 REPORTABLE** fields display based on the Business Type entered.
- D. Press <Enter> to verify the address with USPS standards.
 - 1. If this is a **foreign address**, the address will not be verified and the **Online Created Errors** screen displays. Go to Step F.
 - 2. If this is a **domestic address that meets USPS standards**, the **Online Created Errors** screen displays. Go to Step F.
 - 3. If this is a **domestic address that DOES NOT meet USPS standards**, the **Address Verification** window displays. Go to Step E.
- E. Review the address and associated messages displayed in the Address Verification window. Verify the address at the USPS website at <http://zip4.usps.com/zip4/>. Refer to [Address Verification and Messages](#) procedures in this Section for additional details on error messages and corrective actions.

Based on your review of the address and associated messages, take **one** of the following actions:

- 1. Press <Enter> to accept address corrections and continue processing the transaction. The **Online Created Errors** screen displays. Go to Step F.
 - 2. Press <PF1-QUIT> to quit address verification and make manual corrections to the address. You are returned to the 505-10: Add Vendor screen with the address as originally entered. Repeat Part III.D, steps 1 through 3 until you can accept or override the address corrections. Go to Step F.
 - 3. Press <PF4-OVRD> to override the address corrections and continue processing the transaction with the original address information. The **Online Created Errors** screen displays. Go to Step F.
- F. Correct errors on the Online Created Errors screen until:

The only error message displayed is 0154 – VENDOR NUMBER MUST BE PROVIDED and

```
FDE 505-10:  ADD VENDOR  
CODE  ----- ONLINE CREATED ERRORS  
0154 VENDOR NUMBER MUST BE PROVIDED
```

If applicable, address verification messages that cannot be corrected (i.e., error message #s 0580 through 0622):

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```

FDE 505-10: ADD
  VENDOR NUMBER
  DOCUMENT NUMBER
  SOURCE RD CODE
  VENDOR LEGAL NAME
  DBA NAME/ADDRESS
  VENDOR ADDRESS
  CITY
  BUSINESS TYPE SEE
  TAX OR EMP ID EMP
  VENDOR EMAIL/CONTACT _____ PHONE _____ EXT _____
  VENDOR SHORT NAME JOHN DOE _____
  VENDOR NOTES _____
  _____
  _____
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9
UPDAT EXIT QVRD
  ADDRESS VERIFICATION
  PO BOX 21643
  JUNEAU AK 99802-1643
  0605 UNIT (APT, STE, ETC) ADDED OR CHANGED
  **END**
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9
UPDAT QUIT SUBMT ERRS BASE PFKYS HELP
  
```

NOTE: Error 0154 is corrected when the Division of Finance assigns the vendor number. Address verification messages that are not corrected will print as warning messages on the FTP for the processed transaction. Refer to [Address Verification and Messages](#) in this Section for a list of address verification messages, descriptions, and corrective actions.

- G. Press <PF3> to override **acceptable** online error messages and submit the transaction for dual authorization and certification.

IV. Review and Dual Authorization by DOA/DOF.

DOA/DOF reviews transactions for format accuracy, assigns the vendor number, then dual authorizes transactions.

Transactions that are not accurately entered will not be authorized. However DOA/DOF will communicate any comments, problems, or questions regarding the transaction in the **VENDOR NOTES** field and/or by email or phone call. Agencies may respond back to the Division of Finance in the same way:

```

VENDOR NOTES _____
  _____
  _____
er-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--
AT QUIT SUBMT ERRS BASE PFKYS
  
```

Once any necessary corrections are made, the transaction can be re-submitted for dual authorization and certification.

*NOTE: These messages are deleted from the **VENDOR NOTES** field by DOA/DOF before the transaction is dual authorized.*

Accurate transactions are generally dual authorized within 1-3 business days of being submitted in AKSAS. However, if volume is high, processing time may be longer.

In exceptional circumstances, such as when a payment must be made immediately, email the Vendor Authorization team at doa.dof.vendor.auth@alaska.gov to expedite transaction dual authorization. **Document in your email why an expedite is needed.**

V. Verify Dual Authorization Status.

Check the AKSAS DM – Maintain Batches screen to determine if the transaction has been dual authorized.

Example of transaction that has been dual authorized:

DM: MAINTAIN BATCHES - TRANSACTION SELECTION LIST							BATCH TYPE F	
							BATCH NUMBER AA1666307	
							EFFECTIVE DATE 04/27/2011	
SEQUENCE NUMBER=> 1								
SEQ NUM	STATUS	SOURCE RD	TRAN CODE	SUBMIT DATE	PROCESS DATE	RD LAST UPDATE	AWAITING AUTH CERT	
----	-----	-----	-----	-----	-----	-----	-----	-----
1	READY	2134	505-10	04/27/2011		2134	NO	YES

If it is still waiting for dual authorization (i.e., under **AWAITING AUTH**, it says **YES**) check for any comments, problems, or questions regarding the transaction, noted in the **VENDOR NOTES** field. Make any necessary corrections to the transaction, then resubmit for dual authorization and certification.

Once the transaction has been dual authorized, it must then be certified.

VI. Submit the transaction for certification.

All add vendor transactions require certification. Submit the transaction and associated backup to the appropriate individual in your department for certification according to department procedures. The Certifying Officer reviews transactions for vendor information accuracy before certifying the transaction. Refer to [Section 2: AKSAS Security & Authorities, Certifying Officer Authority](#) for more information.

VII. Verify transaction processed.

- A. Each day, check DM - Maintain Batches to determine if the add vendor transaction processed successfully.
 1. If the transaction did not process:
 - a. Check the **VENDOR NOTES** field. The Division of Finance uses this field to communicate problems or questions concerning the transaction.
 - b. View the transaction and determine the corrective action needed. Correct the transaction and resubmit the corrected transaction for dual authorization. If necessary, refer to the [Accounting Procedures Manual, Appendix, Financial Transaction Error Codes & Messages](#) for a list of error messages and corrective actions.
- B. Once the transaction has successfully processed, review the vendor record in AKSAS to verify all processed information for the transaction is correct. If the results of the processed transaction are not as intended, correct the error using a 505-20: Change Vendor transaction. Refer to [Change Vendor](#) procedures in this Section for additional information.

For more information regarding batch maintenance, refer to [Section 4: Financial Transactions & Batch Processing](#).

VIII. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.