Vendor Validation

Responsible Office: Accounts Payable Department

Issuance Date: May 2009

Last Revision:

POLICY STATEMENT

Vendors must be evaluated and approved by Procurement Services before conducting business with the University. The vendor validation process is intended to ensure that vendors are legitimate entities by confirming their existence. The vendor validation process includes verification of tax information as outlined in the Taxpayer Identification Number Form (W-9) Requirement and Payments to Foreign Nationals and Entities policies. In addition, vendors are subject to public domain searches, assessment by a third party service and direct telephone contact from Procurement Services. Once the vendor is approved by Procurement Services, a purchase requisition can be issued within our procurement systems to transact with the validated vendor.

REASON FOR THE POLICY

The vendor validation process is intended to ensure that vendors are legitimate entities by confirming their existence. This process helps the University to avoid making inappropriate payments to fraudulent entities and reduces the risk of issuing inaccurate annual tax statements to vendors.

PRIMARY GUIDANCE TO WHICH THIS POLICY Responds

This policy responds to the Statement of University Policy on Conflicts of Interest which addresses numerous situations where conflict typically occurs including purchases from an organization in which an officer or a member of his or her family has an interest. The policy also responds to the regulations of the IRS, which governs taxation and reporting responsibilities of U.S. based entities as outlined in the Taxpayer Identification Number Form (W-9) Requirement and Payments to Foreign Nationals and Entities policies.

REVISION HISTORY

None
WHO IS GOVERNED BY THIS POLICY

All Columbia University employees and departments that seek to acquire goods and or services from individual/sole proprietor, corporation, partnership, LLC, or other entity specified by the IRS. All entities and individuals conducting business with the University.

WHO SHOULD KNOW THIS POLICY

- Senior Financial or Business Officers
- Chairs of Departments, Directors of Institutes and Centers
- Department Administrators
- Divisional Administrators with financial responsibility and oversight
- Program Directors
- Faculty
- Junior Officers and Non-Officers with financial responsibility and oversight
- Administrative staff with Purchasing or Accounts Payable responsibility

EXCLUSIONS & SPECIAL SITUATIONS

An exception to this policy will only be granted upon application in writing, with full disclosure of the background facts, to the Vice President of Procurement Services and his consequent approval in writing of the proposed transaction in advance of its taking place.

POLICY TEXT

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A purchase requisition or payment cannot be made to a vendor until Procurement has received all required information about the vendor, validated the information and approved the vendor in the Accounts Payable master vendor file. If you are unable to locate a vendor record, you must enter a new vendor creation request in the Financial Systems Vendor Create module. Upon receipt of the vendor creation request and required tax information, Procurement Services will perform a vendor validation procedure and approve or reject the vendor based on results. Procurement will also determine if the vendor requires a purchase order, accepts a
Procurement Card and accepts ACH (Automated Clearing House) payments in lieu of paper checks. Approved Non-UWPA (University Wide Purchasing Agreement) vendors will only be available for EZPO requisition selection if they do not accept procurement cards for payment or require a purchase order to transact business. Otherwise, the department will be instructed to use the P-Card or create a central purchase requisition to conduct business with the vendor.

On a quarterly basis, University departments will receive vendor reports including vendors exclusively used by their department. These reports must be certified, signed, and sent back to Procurement Services signifying their review and approval. Individuals responsible for initiating a vendor request are not authorized to sign-off. If a vendor relationship was initiated by the highest ranking departmental officer, approval of the vendor will occur in central purchasing.

Cross References to Related Policies

Taxpayer Identification Number Form (W-9) Requirement
http://www.columbia.edu/cu/administration/policylibrary/policies/acpy/00bb9c671c23b70f011cae
da8fc90003.html?base=responsible_office

Payments to Foreign Nationals and Entities policies
http://www.columbia.edu/cu/administration/policylibrary/policies/acpy/00bb9c671c23b70f011cae
d2247c0001.html?base=responsible_office

CONTACTS

Please contact our AP Service Center with inquiries at (212) 854-2122 or apservice@columbia.edu.