

30.1 Set Up and Maintain Suppliers

Revision History

Version	Date	Revision Notes
1.0	07/30/2019	Accepted Version

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General Information

This document describes and depicts the process steps and supporting information for the identified State of Florida financial management business process. This information should be read in conjunction with the Business Process Flow Diagrams.

The Dependencies and Constraints section describes any conditions or criteria that impact how or when the business process should be executed. These could be set within Florida PALM or from external sources (i.e., Law or Rule).

The Business Process Overview section summarizes the business process and provides context for understanding the objectives and desired outcomes of the described business process.

Within the Business Process Flow Details section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Process Step Title** – A short description assigned to each process step, which corresponds to the Business Process Flow Diagram
- **Description of Process** – A detailed narrative description of the process step, which provides additional information and context for understanding the process step

Also described below are the Ledger Impacts and Reports, which are displayed as icons on the Business Process Flow Diagrams. Ledger impacts describe where there is an update to one of the ledgers used to track activity for accounting, budget management, or financial reporting purposes. Reports describe where a report is identified to be produced at a particular process step or is used to support the completion of a process step.

Finally, included in the Terminology section are definitions of terms to help the reader to better understand the document. These are terms that are used within this document that may be new or that require a description for common understanding.

Dependencies and Constraints

- External inputs must be in sync with Florida PALM required field values
- Configuration of the Supplier Approval Workflow is required
- All suppliers that are 1099-applicable must have a valid Tax Identification Number (TIN) match to receive payments
- All errors resulting from a load process must be fixed in the source system

Business Process Overview

The Set Up and Maintain Suppliers business process is within the Disbursements Management (DM) business process grouping. DM includes a collection of business processes that:

- Manage supplier information, including demographic and payment information for tax withholding and reporting purposes;
- Support the disbursement process for State obligations from encumbrance through payment request, payment creation, and escheatment; and
- Perform month-end and year-end closing activities.

The Set Up and Maintain Suppliers business process encompasses all activities that are required to set up and use a supplier profile including adding a new supplier profile or requesting updates to an existing profile, validating a supplier TIN, marking a supplier as confidential, and intercepting a supplier payment for various business events.

The business subprocesses included are:

- 30.1.1 – Add and Update Suppliers Online
- 30.1.2 – Import Suppliers
- 30.1.3 – Perform TIN Match
- 30.1.4 – Manage Intercepts

In Florida PALM, all payees are called suppliers (also known as vendors). This includes retirees, payroll suppliers, and employees. Supplier profiles must be established prior to receiving payments, except when using a Single Payment Supplier. Florida PALM provides a process for receiving supplier information from agency business systems and enterprise systems like MyFloridaMarketPlace (MFMP), People First, and FLAIR Payroll (PYRL) to import or manually record suppliers into Florida PALM.

Supplier profiles consist of the following structure:

- Supplier Information – General information pertaining to the supplier is stored and displayed, such as the supplier name, Payment Alternate Name, TIN, and supplier classification;
- Address – Florida PALM maintains one or more addresses for each supplier;
- Contact – Florida PALM maintains one or more contacts for each supplier; and
- Supplier Location – Defines how to conduct business with a supplier. Supplier location contains information such as payment terms, withholding configuration, payment method, and bank account details.

A supplier record may be placed on hold to intercept payments. These holds result from matches to the Office of Foreign Assets Control (OFAC) sanctions list, the Federal Treasury Offset Program (TOP) accounts, or other reasons, such as if the supplier is barred from doing business with the State of Florida or if the supplier does not have a valid TIN match from the W-9 System. In such cases, payments resulting from outstanding or new vouchers are not processed for disbursement until the hold is released.

Business Process Flow Details

The tables below describe steps in each business subprocess as reflected on the Business Process Flow Diagrams. The tables also reflect information associated with each step describing the intent of the specific process.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or within the Department of Financial Services (DFS), and in some cases, are representative of an external entity or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

Table 1: Add and Update Suppliers Online

30.1.1 – Add and Update Suppliers Online		
Swim Lanes – Definition	Agency Supplier Processor: agency role responsible for adding new suppliers DFS Supplier Approver: DFS role responsible for approving suppliers DFS Supplier Processor: DFS role responsible for adding and updating suppliers	
Process Step ID	Process Step Title	Description of Process
1	Identify Need for Supplier Add/Update	The Agency Supplier Processor determines a need to establish a new supplier or edit an existing supplier profile.
2	Search Supplier Records	The Agency Supplier Processor queries Florida PALM to confirm the supplier profile does not already exist. Florida PALM allows the ability to search by supplier ID, supplier name, short supplier name, and customer number. The Review Supplier screen is available for searching by Supplier TIN, Data Universal Numbering System (DUNS) number, or other available fields from the Supplier profile.
3	Enter New Supplier	If the supplier does not already exist, the Agency Supplier Processor enters the necessary information to create the supplier record, such as name, addresses, contacts, and supplier location, and attaches any required supporting documents (), if not entered electronically).
4	Notify Supplier to Enter/Update W-9 Information	If needed, the Agency Supplier Processor must notify the supplier to add or edit the necessary W-9 information into the State of Florida Vendor Website (W-9 System) which is then imported and recorded via the Perform TIN Match business subprocess.
5	Request Supplier Update	Only DFS roles have the authority to make updates to an existing supplier record in Florida PALM. All update requests to supplier profiles that originate from agencies, except updates to banking information, are submitted on a form within Florida PALM to a DFS Supplier Processor for processing and then reviewed and approved by a DFS Supplier Approver. If the Supplier update is denied by the

Process Step ID	Process Step Title	Description of Process
		<p>DFS Supplier Approver, then the request routes back to the DFS Supplier Processor and the Agency Supplier Processor to coordinate the necessary updates for approval.</p> <p>The default payment method for a supplier is set to Warrant. If a supplier wishes to change their payment method to Automated Clearing House or Electronic Funds Transfer (ACH/EFT) or update their electronic banking information, the Agency Supplier Processor directs them to the DFS website to download and submit the necessary request forms to DFS by mail.</p>
6	Identify Need for Supplier Add/Update	The DFS Supplier Processor determines a need to establish a new supplier or edit an existing supplier profile.
7	Search Supplier Records	The DFS Supplier Processor queries Florida PALM to confirm the supplier does not already exist. Florida PALM allows the ability to search by supplier ID, supplier name, short supplier name, and customer number. The Review Supplier screen is available for searching by Supplier TIN, DUNS number, or other available fields from the Supplier profile.
8	Enter/Update Supplier	<p>A DFS Supplier Processor enters information to create or update the supplier record as appropriate, such as addresses, contacts, supplier locations, and banking information.</p> <p>If the payment method is updated to ACH/EFT, the pre-note validation is sent to the bank as part of the Process Payments business process, and the supplier profile is updated with an appropriate status from the Manage ACH/EFT Notifications business subprocess based on a successful or unsuccessful pre-note.</p> <p>If the payment method is not updated, the DFS Supplier Approver reviews the profile for completeness.</p>
9	Notify Supplier to Enter/Update W-9 Information	The DFS Supplier Processor must notify the supplier to add or edit the necessary W-9 information into the State's W-9 System to be imported into Florida PALM, which is then imported and recorded via the Perform TIN Match business subprocess.
10	Supplier Ready for Pre-note Validation	All suppliers with added or updated ACH/EFT payment method are ready for pre-note validation to be sent to the bank as part of the Process Payments business process.
11	Update Pre-note Status	The supplier profile will be updated with the status of the pre-note validation from the Process Payments business process.

Process Step ID	Process Step Title	Description of Process
12	Review Supplier Record	<p>A DFS Supplier Approver must use the New/Updated Suppliers Ready for Review Report to review and approve suppliers before a supplier is ready for usage and payments can be issued to that supplier. The DFS Supplier Approver will review for a complete supplier profile with all required fields populated and, if applicable, the completion of the Perform TIN Match business subprocess.</p> <p>Only roles with appropriate security control can create, view, and update confidential suppliers profiles.</p>
13	Deny Supplier	<p>A DFS Supplier Approver uses the WorkCenter or an email request to identify supplier records pending approval and reviews the profile(s) for all required information.</p> <p>If there are required attributes that are missing, a DFS Supplier Approver can deny the supplier record and provide a denial reason code or add comments to the profile to document the reason(s) for the denial. A denied supplier record is returned, via workflow, to the requestor (either the DFS Supplier Processor or the Agency Supplier Processor). If applicable, the DFS Supplier Processor coordinates with the Agency Supplier Processor for correction/deletion.</p> <p>Denials related to TIN match failures are communicated to the supplier through the W-9 System.</p>
14	Approve Supplier	<p>Once all required attributes have been added to the profile, the final review and approval of the supplier record is completed by the DFS Supplier Approver. Supplier records that are fully approved are identified as payees with a unique system-generated supplier ID and are ready to be used for issuing payments in Florida PALM. Reports are generated for approved suppliers and foreign suppliers. The Manage Tax Reporting business process Run Withholding Post step is initiated as scheduled to report on taxable payments made to applicable suppliers.</p>

Table 2: Import Suppliers

30.1.2 – Import Suppliers		
Swim Lane – Definition	DFS Supplier Processor: DFS role responsible for adding and updating suppliers	
Process Step ID	Process Step Title	Description of Process
1	Data to Add/Update Suppliers	PeopleFirst, Florida Retirement System (FRS), FLAIR Payroll (PYRL), PCard system (WORKS), MyFloridaMarketPlace (MFMP), and Agency Business

Process Step ID	Process Step Title	Description of Process
		Systems (ABS) provide a data file of supplier records to Florida PALM, which contains electronic banking (ACH/EFT) information. New ACH/EFT requests are subject to the pre-note validation before payment is made electronically. Employees, retirees, payroll suppliers, and PCard suppliers are generally not 1099 applicable. The source system must coordinate notification to the supplier to update the State of Florida Vendor Website (W-9 System) if they are 1099 applicable. .
2	Receive Inbound Supplier File	A file is interfaced into Florida PALM with data from new suppliers and supplier updates from various external systems.
3	Load Supplier Data	The supplier data is retrieved from the inbound supplier file and loaded into staging tables for validation based on the system/business rules. A report is available for duplicate suppliers loaded.
4	Update Supplier Profile to Hold Status	Suppliers loaded from MFMP and agency business systems are loaded in hold status during the Load Supplier Datastep. Prior to receiving payments these suppliers must have a complete supplier profile, including a TIN validated via Perform TIN Match business subprocess. A report is available for all suppliers loaded to a hold status.
5	Update Supplier Profile to Remove Hold Status	A DFS Supplier Processor reviews a report of all suppliers in a hold status to determine if the supplier is ready for use and releases the hold status, if applicable, once the Perform TIN Match business subprocess is completed.
6	Supplier Ready for Use	If the supplier payment method is set to warrant, the supplier is identified as a payee and ready to be used in Florida PALM. Suppliers are approved for payments per policy and guidelines. Reports are generated for approved suppliers and foreign suppliers. The Manage Tax Reporting business process Run Withholding Post steps initiate reports on taxable payments made to suppliers.
7	Supplier File	All added and updated suppliers in Florida PALM are extracted in an outbound file for use by DFS, agencies, and source systems. The extract is produced from Florida PALM and a file is sent to the source systems containing the supplier profiles that were successfully and unsuccessfully loaded during the load step.
8	Supplier Ready for Pre-note Validation	If a supplier payment method is ACH/EFT, the Process Payments business process initiates the pre-note validation.

Table 3: Perform TIN Match

30.1.3 – Perform TIN Match		
Swim Lanes – Definition	DFS Supplier Processor: DFS role responsible for adding and updating suppliers Suppliers: (Non-Florida PALM role) external entities that are paid by the state	
Process Step ID	Process Step Title	Description of Process
1	Enter/Update W-9 Information in W-9 System	The W-9 System is used to collect withholding information from suppliers. The supplier is responsible for providing, updating, and correcting information in the W-9 System. The W-9 System will initiate the Perform TIN Match business subprocess each time the supplier updates their information.
2	W-9 Information File	The W-9 System provides a W-9 Information File to Florida PALM with the information added and updated by the supplier.
3	Update TIN/Withholding Information	Florida PALM updates the supplier record for the 1099 and tax withholding information from the W-9 Information File.
4	Manage 1099/TIN Withholding Information	Supplier records which are created and/or updated, either online or from external systems, go through the Perform TIN Match business subprocess step, if applicable. A DFS Supplier Processor can review and update supplier 1099 withholding configuration. All 1099 suppliers must be TIN matched before payments can be issued. A DFS Supplier Approver must verify TIN status as part of supplier approval. Imported suppliers are placed on hold for TIN match activity via the Import Suppliers business subprocess. Suppliers are responsible for providing required tax information in the W-9 System. Reports are available to identify suppliers that are missing W-9 information and suppliers whose W-9 information did not reconcile between Florida PALM and the W-9 System.
5	Extract TIN Match File for IRS	A DFS Supplier Processor can extract a file of supplier data from Florida PALM for upload to the IRS for TIN matching. The extract generates a flat file that meets the IRS file layout requirements.
6	Upload/Download IRS TIN Match File	A DFS Supplier Processor uploads the TIN Match File generated from Florida PALM to the IRS website and downloads the TIN Match File from the IRS website.
7	Upload TIN Match File from IRS	A DFS Supplier Processor uploads the TIN Match File from the IRS with TIN match status. Florida PALM processes the TIN Match File from the IRS and automatically updates the supplier profile along with generating a report of TIN match errors.
8	Update Supplier TIN Match Status	Results from the IRS TIN Match status updates the TIN match attributes (IRS tracking number, date, and TIN status) in Florida PALM via the Add/Update Suppliers business subprocess Review Supplier Record step and the Import

Process Step ID	Process Step Title	Description of Process
		Suppliers business subprocess Update Supplier Profile to Remove Hold Status step. A supplier remains on hold for payment until the TIN is validated.
9	Supplier Update File	<p>Florida PALM generates an outbound extract file of the supplier TIN match status and other 1099 configuration to be interfaced to the W-9 System.</p> <p>The Suppliers are notified of TIN match errors via the W-9 System and are responsible for correcting any errors in the W-9 System.</p>
10	Resolve TIN Match Errors in W-9 System	The W-9 System located on the Florida Vendor website is used to collect withholding information from suppliers. The supplier is responsible for providing, updating, and correcting information in the W-9 System. The W-9 System will initiate the Perform TIN Match business subprocess each time the supplier updates their information.

Table 4: Manage Intercepts

30.1.4 – Manage Intercepts		
Swim Lanes – Definition	<p>Agency Supplier Processor: agency role responsible for adding new suppliers</p> <p>DFS Supplier Approver: DFS role responsible for approving suppliers</p> <p>DFS Supplier Processor: DFS role responsible for adding and updating suppliers</p>	
Process Step ID	Process Step Title	Description of Process
1	Identify New/Update Hold Status	An Agency Supplier Processor identifies a need to place a supplier on hold for business events. Examples include an OFAC match, IRS levy, Department of Revenue levy, or a directive by the Legislature for noncompliance. The Agency Supplier Processor monitors for circumstances that require holds not available through an interface, such as, suspended or debarred suppliers.
2	Submit Hold Status Change Request	An Agency Supplier Processor submits a supplier hold request to the DFS Supplier Processor for review and approval.
3	Receive Hold Status Change Request	A DFS Supplier Processor receives a request to put a supplier on hold from an Agency Supplier Processor.
4	Identify New/Update Hold Status	A DFS Supplier Processor identifies a need to place a supplier on hold for business events. Examples include an OFAC match, IRS levy, Department of Revenue levy, or a directive by the Legislature for noncompliance. The DFS Supplier Processor monitors for circumstances that require holds not available through an interface, such as suspended or debarred suppliers.
5	Supplier Data for Hold/Intercept	An interface file is provided by any source system that identifies prohibited suppliers for potential hold/intercept of

Process Step ID	Process Step Title	Description of Process
		payments, such as OFAC and the Federal Treasury Offset Program. Data is transferred from these systems into Florida PALM.
6	Generate Supplier Matches	Any suppliers that are on a hold list and matched in Florida PALM are placed in hold status. A report is generated of all suppliers placed on hold due to a match.
7	Review Match List	A DFS Supplier Processor reviews the Match List to confirm a valid match.
8	Review/Update Supplier Profile	A DFS Supplier Processor reviews all current holds and hold requests for validity and updates the supplier profile as appropriate.
9	Deny Supplier Record Update	A DFS Supplier Approver denies or releases the supplier record, which contains the status of Hold, if it proves invalid or unnecessary during review. A report is generated of all supplier profiles denied for a status change.
10	Approve Supplier Record Update	A DFS Supplier Approver reviews and approves all supplier records with a valid hold status. A report is generated of all supplier profiles approved for a status change.
11	Supplier Hold Status Updated	Once supplier records are approved in hold status a report is generated of all suppliers placed on hold. To remove a supplier from hold status a request must be sent to a DFS Supplier Processor to update the supplier profile.

Ledger Impacts

Table 5: Ledger Impacts Included on Business Process Flow Diagrams

Ledger Impact ID	Ledger - Ledger Impact Title	Ledger Impact Description
N/A		

Reports

Table 6: Reports Included on Business Process Flow Diagrams

Report Number	Report Description	Report Frequency	Audience
R1	Supplier Query – a report to identify Suppliers by name, TIN, or other identifying information	Periodic	Agency, DFS
R2	Duplicate Suppliers – a report to identify potential duplicate supplier records, or related suppliers	Periodic	Agency, DFS

Report Number	Report Description	Report Frequency	Audience
R3	Request Form Aging Report – a report to show the duration from when a supplier update request was submitted	Periodic	Agency, DFS
R4	New/Updated Suppliers Ready for Review – a report to manage supplier approvals that have complete profiles	Periodic	Agency, DFS
R5	Approved/Denied Suppliers – a report which identifies the status of the request (approved, denied, hold)	Periodic	Agency, DFS
R6	New/Updated Suppliers – a report of approved suppliers that were added or updated for the specified period	Periodic	Agency, DFS
R7	New/Updated Foreign Suppliers (W8) – a report to manage the unique tax reporting and other requirements for approved foreign suppliers that were added or updated for the specified period	Periodic	Agency, DFS
R8	Suppliers on Hold – a report of suppliers loaded with a hold status. Report includes information to identify the reason for the hold including whether the TIN information has been provided, the TIN match status (pending, failed, or approved), or other reason for the hold	Periodic	Agency, DFS
R9	Suppliers Without Required W-9 – a report that identifies suppliers that have not provided the required W-9 information	Periodic	Agency, DFS
R10	Supplier/W-9 Reconciliation – a report that identifies any record discrepancies for tax information in Florida PALM and the W-9 System	Periodic	Agency, DFS

Report Number	Report Description	Report Frequency	Audience
R11	TIN Match Errors – a report that identifies suppliers with TIN match errors. The tax information provided for these suppliers was not validated as part of the Perform TIN Match business subprocess	Periodic	Agency, DFS
R12	Supplier Match List – a report that identifies suppliers that were matched to the OFAC, Federal TOP, or other lists. The report is used to manage if the supplier requires a hold status to intercept any payments to unauthorized suppliers	Periodic	DFS
R13	Approved/Denied Supplier Hold – a report of the status for requested supplier holds	Periodic	Agency, DFS

Terminology

Form 1099 – the State is required to withhold taxes from eligible payments and is required to annually report such withholdings and the total payments to both the suppliers and the IRS in a format prescribed by the IRS, referred to as a Form 1099.

Hold – a supplier or payment status that has been determined necessary to delay release of a payment by the State.

Intercept – action of intervening in the release of a payment to a supplier.

IRS Levy – the IRS may direct the State to intercept payments to suppliers and redirect the disbursement to the IRS to satisfy outstanding tax debts.

OFAC – the Office of Foreign Asset Control publishes a list of entities that are subject to restrictions (e.g., sanctions) and asset (e.g., payments) interception.

Payment Alternate Name – a field on the supplier profile that allows a different payee name to be entered for payment (i.e., multiple payee names for business purposes or beneficiary payments).

Single Payment Supplier – a supplier intended to accommodate a single payment. A payment record is created, but a supplier profile is not created. This is similar to a Payee Vendor in FLAIR.

Substitute Form W-9 (W-9) – information provided by suppliers, either electronically or hard copy, to report 1099 tax information to the IRS.

Supplier – all individuals or entities receiving a payment are referred to as suppliers in Florida PALM.

Tax Identification Number (TIN) – identification number assigned by the IRS to businesses and other entities for tax-purposes is referred to as the tax identification number, or TIN. The TIN is reported by the supplier to the State on the W-9 and is used in reporting tax withholdings and earnings.

TIN Match – Supplier TIN information entered into the state's W-9 System is sent to the IRS for matching with the IRS database and validation of the supplier's TIN.

Withholding – amounts deducted from payments made to suppliers for federal or State taxes. The State is required to withhold for federal income taxes from eligible payments, in accordance with tax status information provided by the supplier, and in accordance with IRS requirements. Such amounts are to be remitted to the IRS. The State does not have a State income tax but may elect to withhold for other State taxes for applicable suppliers.