PURPOSE

The purpose of this bulletin is to provide guidance for the establishment of vendor records in the Foundation Financial Information System (FFIS).

DEFINITIONS

Intradepartmental: Transactions occurring between Department of Agriculture (USDA) organizations, such as internal agreements.

Intra-governmental: Transactions occurring between USDA organizations and another federal agency including USDA agencies, such as between Forest Service and Department of the Interior.

Non-governmental: Transactions occurring between USDA organizations and other entities, such as states, localities, counties, sovereign governments, businesses, individuals.

Trading Partner: The governmental agency participating in transactions with USDA organizations.

BACKGROUND

Agencies have been allowed to add vendor records to the VEND table in an inconsistent manner. Financial statement related external reports such as the Treasury Report on Receivables (TROR, formerly the Schedule 9), Federal Agencies Centralized Trial Balance System (FACTS) I, FACTS II, and financial statements including notes and supplementary information require differentiation between intra-governmental and non-governmental transactions. The use of invalid vendor codes or vendor types prevents the USDA from properly preparing the financial statements, disclosing accurate information, and providing accurate transaction activity to our trading partners. This practice also compromises the ability to obtain a detailed listing by vendor of outstanding receivables / payables, and adversely affects auditability of the consolidated statements.

RESPONSIBILITIES

The Chief Financial Officer of each USDA organization is responsible for the quality and integrity of the financial data in FFIS. Each agency is responsible for maintaining the quality of the vendor file according to the standards incorporated in this Bulletin.

POLICY

Existing practice, to be continued through September 30, 2002, is that agencies are responsible for adding certain vendor records but are not authorized to make changes or deletions to the vendor file. Effective October 1, 2002, all changes to the VEND table will be made by the National Finance Center (NFC) Table maintenance Group. After that date no additions or changes may be made by agencies.

Each agency has the primary responsibility for ensuring that vendor record additions do not cause duplicates in

the VEND table. Existing vendor codes and vendor names should be carefully reviewed before requesting additions and updates to the VEND table.

1. Agencies are allowed to add vendor records to the VEND table in accordance with the vendor descriptions below and the following policies and procedures.

Agency Specific Procurement	YES
Agency Specific Receivable	YES
Supplemental / Non-Employees	YES (Not USDA/NFC Payroll)
Employees	NO (USDA/NFC Payroll distributed)
Foreign	YES
Federal Intra-USDA (Parent Agency)	NO
Federal Intra-USDA (Below Parent)	YES
Federal-Non USDA (Parent Level)	NO
FEDS, FTSP & MPOL	NO
TELE, TRAN & UTVN	NO

2. Agencies are not allowed to change or delete vendor records. Required changes to vendor are centrally controlled by designated Agency Representatives, and transmitted to the National Finance Center (NFC) as instructed below:

a) Changes to existing vendor records should be requested through the National Finance Center / FFIS Operations Branch (NFC/FOB) Table Maintenance Group via the FFIS COMT table, GroupWise mail, or by fax to the Table Maintenance Group at 504-255-4766. A confirmation response will be conveyed to the user upon completion within one working day from the time of receipt.

b) Since the vendor table is shared among agencies, a vendor will not be deleted pursuant to a user's request, unless the vendor has been disbarred by USDA. The Table Maintenance Group at NFC will conduct an annual review in January of each year to identify inactive (dormant for one year) and duplicate vendor records for deletion.

3. The Table Maintenance Group is responsible for populating and maintaining the Vendor Cross-Walk Reference Table (VCXT) for stored Feeder Vendor records. Agency questions or concerns should be directed accordingly.

4. Commercial Vendors - Electronic Funds Transfer (EFT) information is updated to FFIS vendor records by the Table Maintenance Group only. The FFIS VEND table is kept in sync with the 'Vendor Express' system maintained at the NFC. The EFT capability is not activated until the Administrative Payments Branch (NFC/APB) completes a 'Pre-Notification' package, which will help to circumvent potential liabilities due to misdirected funds.

In order to initiate the establishment of EFT capability for an Agency specific vendor, contact the NFC APB MISC PAY Section at 800-421-0323. Vendors should also contact the NFC to advise of future changes to their banking information. Vendors will receive a check until the Vendor Express Pre-Notification process is complete (currently 14 days).

5. Employees - Electronic Funds Transfer (EFT) information is updated within FFIS vendor records by the Table Maintenance Group at the NFC only. The FFIS VEND table is synchronized with the Personnel NEMP file on a daily basis. Agencies may request (through COMT) a review and update of EFT information for existing records as needed. This will circumvent EFT activation by users in the field, and will help to minimize potential liabilities due to misdirected funds.

Supplemental / Non-Employees - Electronic Funds Transfer (EFT) information may be updated into FFIS vendor records by the Table Maintenance Group at the NFC, or by Agency Users.

6. Use of Miscellaneous Vendor Codes has been discontinued.

7. Agencies will have the primary responsibility for ensuring that agency specific vendors are not duplicated in VEND. Existing Vendor Codes (VEND) and Vendor Names (VNAM) should be accurately reviewed before adding a new Vendor record.

8. Vendor Code requirements

Federal Vendors

Correct addition and configuration of USDA federal vendors is essential to identify by agency the intradepartmental activity to be eliminated for consolidated financial statements. For this reason it is required that the Vendor Code, Agency Location Code (ALC), and FACTS Department and Bureau codes (which are assigned by the Department of the Treasury) entered must be valid. Specific standards apply for federal government vendors and agencies. The following convention should be used for federal vendors with an assigned ALC. Positions 1 through 8 will be the Agency's ALC without dashes (-), and position 9 will be the character 'F'. If an Agency will be billed via IPAC, the 10th position of the Vendor Code will be 'O' (otherwise blank). For the initial VEND entry, the Alternate Address Code (position 11) will be 'A'. A different Alternate Address Code will be assigned if a single Vendor/Agency requires multiple addresses. This will allow 33 alternate address entries (B-Z [less O and I] and 0-9). Examples of this configuration are: '20160701F A', '20160701FB', '20160701FO A', '20160701FO B'.

Corporate and Commercial Vendors

This convention should be used for commercial vendors who possess a Tax Identification Number (TIN). Positions 1 through 9 of the Vendor Code will be the TIN without dashes (-). For the initial VEND entry position 10 will be blank, and the Alternate Address Code (position 11) will be 'A'. A different Alternate Address Code will be assigned if a single Vendor requires multiple addresses. This will allow 33 alternate addresses (B-Z [less O and I] and 0-9). If there are more than 34 addresses for a vendor, additional VEND entries will be created by using a suffix in position 10 of the Vendor Code. Examples of this configuration are: '100000010 A', '100000010 B ', '100000010A A'.

Local and State Government Vendors

This convention should be used for Local and State vendors who possess an Employer Identification Number (EIN). Positions 1 through 9 of the Vendor Code will be the EIN without dashes (-). For the initial VEND entry position 10 will be blank, and the Alternate Address Code (position 11) will be 'A'. A different Alternate Address Code will be assigned if a single vendor requires multiple addresses. This will allow 33 alternate addresses (B-Z [less O and I] and 0-9). If there are more than 34 addresses for a vendor, additional VEND entries will be created by using a suffix in position 10 of the Vendor Code. Examples of this configuration are: '100000011 A', '100000011 B ', '100000011A A'.

Individual Commercial Vendors

This convention should be used for commercial vendors who possess a Social Security Number (SSN). Positions 1 through 9 of the Vendor Code will be the Social Security Number without dashes (-), and position 10 will be blank. For the initial VEND entry, the Alternate Address Code (position 11) will be 'A'. A different Alternate Address Code will be assigned if a single vendor requires multiple addresses. This will allow 33 alternate addresses (B-Z (less O and I) and 0-9). Examples of this configuration are: '100000017 A', '100000017 B ', '100000017A A'.

Employees (Full Time and Part-Time)

This convention should be used for Employees only, and should be set up in VEND with a 'Vendor Type' of 'E'. Positions 1 through 9 of the Vendor Code will be the Social Security Number without dashes (-), and position 10 will be the character 'E'. The character 'E' will ensure that duplicate codes (potential duplicates with Corporate TINs, Employer Identification Numbers and Individual Commercial Vendors) are not encountered. There are several standard Alternate Address Codes (position 11) for Employees as follows:

'A' used to identify the address for an Assistant Disbursing Officer (ADO)

'C' used to identify the address for an Imprest Fund Cashier

'I' used to identify other payments to Employees; the Form 1099 flag is optional.

'O' used to identify an employee's 'Special' Address

'R' used to identify an employee's Residence Address

'S' used to identify an employee's Salary Address (Check and/or EFT)

'T' used to identify an employee's T&A Contact Point Address

Examples of this configuration are: '100000018E C', '100000018E R', '100000018E S', '100000018E T'.

Employee VEND records shall be added or changed by the NFC Table Maintenance Group only.

<u>Supplemental/Non Employees (Consultants, Volunteers)</u>

This convention should be used for agency specific use of other Non Employees records only. The Vendor Code should be set up with a 'Vendor Type' of 'Q'. Positions 1 through 9 of the Vendor Code will be the Social Security Number without dashes (-), and position 10 will be the character 'E'. There are several standard Alternate Address Codes (pos. 11) for Non-Employees as follows:

'I' used to identify payments to Non-Employees that should be reported on a 1099 form

'O' used to identify a Non-Employee's 'Special' Address

'R' used to identify a Non-Employee's Residence Address

'S' used to identify a Non-Employee's Payment Address (Check and/or EFT)

Examples of this configuration are; '100000019E O', '100000019E R', '100000019E S'.

<u>Foreign Vendors</u>

This convention should be used for foreign vendors only. Positions 1 and 2 will be the alphanumeric country code (as defined in TMGT table #095/NFC, or STCT table in FFIS) representing the country in which the vendor is located. Positions 3 through 10 of the Vendor Code will be the first eight (8) characters of the company name. If the company's name is less than eight (8) characters, unused positions will be left blank. For the initial VEND entry, the Alternate Address Code (position 11) will be 'A'. A different Alternate Address Code will be assigned if a single Vendor requires multiple addresses. This will allow 33 alternate addresses (B-Z [less O and I] and 0-9).

Examples of this configuration are: 'FRFRENCH A', 'FRFRENCH B', 'FRFRENCH C'.

9. Vendor Name: a required alphanumeric field with a maximum of twenty-six (26) positions, to be entered as it should appear on checks or bills.

10. Address Line 1: a required alphanumeric field consisting of thirty (30) positions. Enter the vendor's remittance address or the provider's billable address as it should appear on checks or bills.

11. Address Line 2: an optional alphanumeric field consisting of thirty (30) positions. Type additional information for vendor's remittance address, or the provider's billable address as it should appear on checks or bills.

12. Group Check Indicator: an optional alpha field with 1 position. The Department standard is to set this Indicator to N for all vendor records except the NFC feeder system vendors in TELE and UTVN. TELE and UTVN indicators are set to Y, which will allow multiple payments to these vendors on the same day to be grouped on one check.

13. Address Line 3: a required alphanumeric field consisting of thirty (30) positions, and fragmented into three (3) sub-fields as follows;

a) CITY: 19 positions.
b) STATE: 2 positions. The State field requires a valid State Code.
c) ZIP CODE: 9 positions (load '00000' for foreign vendors - Treasury requirement).

14. Group Bills: an optional alphanumeric field consisting of one position. The default Department standard is to set this Indicator to N. Enter Y if multiple bills to this vendor on the same day are to be grouped on one bill.

15. Group Dunning: an optional alphanumeric field of one position. The default Department standard is to set this Indicator to N. Enter Y if multiple dunning notices to this vendor on the same day are to be grouped on one notice.

16. Vendor/Provider Code: an optional alpha field of 1 position. The Department standard is to set this Indicator to B (Both) which will allow vendor records to be used for processing Accounts Payable or Accounts Receivable transactions.

17. Home Organization: an alphanumeric field of 7 positions). For records with vendor type category of E, enter the home organization code of '1240' used for Travel related transactions. Employee VEND records will be populated by the NFC Table Maintenance Group only. Non-Employee records required for travel related payments can be set up by Agency Personnel as necessary.

18. Customer Type: an optional alpha field of 3 positions based on the FFIS CTYP Table.

19. Customer Account: a conditional, alphanumeric field with a maximum of 12 positions. The NFC Table Maintenance Group is utilizing this field to store the NFC Feeder ID Numbers for future reference if needed. Agencies may use this field for similar purposes.

20. 1099 Vendor: an optional alpha field of 1 position). The FFIS-MINC interface will read each record in the GENJ file and will look up the 1099 reportable flag for the Budget Object Code in the BOCT table ,the 1099 reportable flag for the vendor in the VEND table, and the Cash Account indicator in the GLAC table. If all three flags are set to Y (yes), then the interface will build a record to be added to the file that will be fed to MINC on a daily basis. The BOCT 1099 flags are set in accordance with the IRS guidelines (CCH Reg. 1.6041-1(d)) provided by the NFC Payroll/Personnel Branch.

21. Prompt Pay Type: an optional alpha field of 1 position. If a Vendor is subject to Federal Prompt Pay rules in accordance with The Prompt Payment Act of 1982 (as amended by OMB Circular A-125- 12/89), key in the appropriate prompt payment type.

22. Taxpayer ID: a conditional numeric field with a maximum of 9 positions without dashes to contain TINs, SSNs and ALCs. FFIS will search this field for Tax IDs for tracking and accumulating transactions. Enter the vendor's TIN, SSN, or ALC plus F.

23. Vendor Name XRef: an optional alphanumeric field with a maximum of 26 positions. This field was changed from 30 to 26 positions, effective July 15, 1997. This is a Baseline Change required in connection with the reference in item #2 above. The FFIS VNAM table displays the VEND Name XRef description as the Vendor=s name. The VNAM table should be used for rapid browsing of Vendor names alphabetically. Caution; if you alter the Vendor=s name in this XRef field that is how it will appear on the VNAM table.

24. EFT Flag: an optional alpha field of 1 position. This should be set to N for vendors with new or revised banking information until a Pre-note process is performed by the NFC Administrative Payments Branch/MISC Pay Section. Valid codes are: A = ACH (Automatic Clearing House); S = TFCS SF-1166 (Treasury Financial Communications); B = Both; and N = Not an Electronic Funds Transfer Vendor. The activation of EFT payment capability for commercial vendors and Employees within FFIS will be maintained by the NFC Table Maintenance Group.

25. Vendor Type: a required alphanumeric field consisting of one (1) position. Enter the appropriate vendor type based on the legal and business nature of the vendor, based on the VTYP table for valid vendor type codes below.

   A - INSPECTION / GRADING VENDOR: AMS BLCO vendors. This Vendor Type may use one of several Prompt Pay Types.

   B - BPA VENDORS: Blanket Purchase Order Vendors that allow USDA a line of credit. USDA approves a spending limit per fiscal year. This Vendor Type may use one of several Prompt Pay Types.

   C - COMMERCIAL VENDOR-OTHER: relates to other commercial vendors excluding CRED. This

Vendor type may use one of several Prompt Pay Types.

D - GRANTEES - FEDERAL: Federal entities that receive Grant money from the USDA. This Vendor Type is not subject to Prompt Pay rules:

E - EMPLOYEES - FEDERAL: Employees of USDA, NFC, and Agencies. This Vendor Type is subject to Prompt Pay rules for travel expenses.

F - FOREIGN VENDORS - COMMERCIAL: commercial vendors who conduct business outside the United States (US). This Vendor Type is not subject to Prompt Pay rules.

G - FEDERAL GOVERNMENTS-NON USDA: US Federal Government entities (on US soil) that are not serviced by USDA. This Vendor Type is not subject to Prompt Pay rules.

H - TREASURY BORROWING - FOREIGN: borrowing from a foreign treasury. This Vendor Type is not subject to Prompt Pay rules.

I - IMPREST FUND CASHIERS - USDA and Agency Imprest Fund Cashiers: this Vendor Type is not subject to Prompt Pay rules.

J - GRANTEES - STATE/LOCAL: state or local entities that receive federal grants. This Vendor type is not subject to Prompt Pay rules.

K - GRANTEES - OTHER: other entities and individuals that receive federal grants. This Vendor Type is not subject to Prompt Pay rules.

L - LOCAL GOVERNMENT ENTITY: cities, municipalities, counties etc. This Vendor Type is not subject to Prompt Pay rules.

M - EMPLOYEES - NON-GOVERNMENT: employees that are non-government and from the private sector. This Vendor Type is subject to Prompt Pay rules for travel expenses.

N - INJURED PARTIES: physical, mental or financial injuries/losses. This Vendor Type is not subject to Prompt Pay rules.

P - PERMITTEE - PUBLIC: special permits issued to private individuals who are not undertaking commercial activities. This Vendor Type is not subject to Prompt Pay rules.

Q - SUPPLEMENTAL / NON-EMPLOYEE: special or unique situations arising with non-commercial sources, non-employee travelers, volunteers, consultants, etc. This Vendor Type is subject to Prompt Pay rules for travel expenses.

R - PRODUCER: producers of farm and dairy products. This Vendor type is subject to Prompt Pay rules.

S - STATE GOVERNMENT ENTITY: state agencies, universities, etc. This Vendor Type is not subject to Prompt Pay rules.

T - TELEPHONE COMPANY: commercial telephone communication companies. This Vendor type is not subject to Prompt Pay rules.

U- UTILITY COMPANY: commercial utility companies, i.e., electricity, gas and water. This Vendor Type is not subject to Prompt Pay rules.

V- INTRADEPARTMENTAL USDA - Federal Agencies within the USDA service umbrella. This Vendor Type is not subject to Prompt Pay rules.

W- INTRA-AGENCY SPECIFIC INTERNAL STRUCTURE: federal agency sub-units within the USDA parent agency. This Vendor Type is not subject to Prompt Pay rules.

X- SOVEREIGN ENTITY: sovereign / foreign entity on US soil.

Z- FOREIGN GOVERNMENTS: non US government entities outside of the US. This Vendor Type is not subject to Prompt Pay rules.

CORRECTIVE ACTIONS

Transactions entered or referenced in FY2002

All transactions entered or referenced in fiscal year 2002 using invalid FEDERAL vendor codes must be corrected immediately. The target date for this correction is August 31, 2002. Please assure that the corrections are supported with documentation which provides an audit trail to the original transactions.

INQUIRIES

Any questions concerning this bulletin should be directed to Jon Holladay on (202) 619-7642.

EFFECTIVE DATE

This bulletin is effective immediately.

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