30.1 Set Up and Maintain Suppliers

Florida **PALM**
Planning, Accounting, and Ledger Management

Table of Contents

02/27/2019

Disbursements Management

General Information

This document describes and depicts the process steps and supporting information for the identified State business process. Within the *Subprocess Flow Details* section, included for each process step are:

- **Process Step ID** – A unique number assigned to each process step
- **Process Step Title** – A short description assigned to each process step
- **Description of Process** – A detailed narrative description of the process step
- **Ledger Impacts ID** – The number assigned to the documented accounting entry associated with the step

Also described below are the *Ledger Impacts* and *Reports*, which are displayed as icons on the *Business Process Flow Diagrams*. Finally, included in the *Terminology* section are definitions of terms which will help the reader to better understand the document.

Dependencies and Constraints

- Valid values for required fields must be in sync with external inputs and Florida PALM.
- Configuration of the Supplier Approval Workflow is required.

Business Process Overview

In Florida PALM, all payees are considered suppliers (also known as vendors). This includes retirees, payroll suppliers, and employees. Supplier profiles must be established prior to making payments. Florida PALM provides a process for receiving supplier information from Agency Business Systems (ABS) and enterprise systems like MyFloridaMarketPlace (MFMP), People First, and Payroll 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. This includes data such as the supplier name, TIN number, 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.

- **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 for payments resulting from Internal Revenue Service (IRS) levies, Office of Foreign Assets Control (OFAC) sanctions, or the supplier is barred from doing business with the State of Florida. In such cases, payments resulting from outstanding or new vouchers are not processed for disbursement until the hold is released.

Subprocess Flow Details

The table below describes steps in the business subprocess as reflected on the Business Process Flow Diagrams. The table also reflects 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 either an agency or an enterprise role. 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 Business Process Flow Diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

30.1.1 – Add and Update Suppliers	
Swim Lanes – Definition	**Agency Supplier Processor:** agency role responsible for adding new suppliers **DFS Supplier Processor:** enterprise role responsible for adding and updating suppliers **DFS Supplier Approver:** enterprise role responsible for approving suppliers

Process Step ID	Process Step Title	Description of Process
1	Identify New Supplier/ Request Supplier Update	The Agency Supplier Processor determines a need to establish a supplier. Changes to an existing supplier record requires a change request form to be completed and submitted to the DFS Supplier Processor to review, approve, and make the requested updates.
2	Enter New Supplier	The Agency Supplier Processor enters information to create the supplier record, such as addresses, contacts, and supplier locations. However, a DFS Supplier Approver must review and approve records before the supplier can be used. A warrant is the default payment method for new suppliers. A request form must be submitted to a DFS Supplier Processor to request an update to the payment method within the supplier profile.
3	Receive Supplier Add/Update Request	Only a DFS Supplier Processor has the authority to make updates to an existing supplier record. All update requests to supplier profiles, including updating a payment method from warrant to EFT/ACH, that originate from agencies and/or DFS

Process Step ID	Process Step Title	Description of Process
		are reviewed and approved by a DFS Supplier Processor.
4	Review/Add/Update Supplier Profile	A DFS Supplier Processor reviews and approves new supplier records and update requests from Agency Supplier Processors. When entering a new supplier, a DFS Supplier Processor enters supplier information such as address, contacts, and multiple locations, and can attach any required documents (e.g., scanned vendor request and Substitute Form W-9 (W-9)). A DFS Supplier Processor can enter or update all information, including banking and Electronic Funds Transfer (EFT) information. Only a DFS Supplier Processor with appropriate security control can create, view, and update confidential suppliers.
5	Enter Payment Method	A DFS Supplier Processor enters or updates payment method (warrant, EFT, or Automed Clearing House (ACH)) and banking information.
6	Create/Update Supplier	When establishing a new supplier, the supplier record is saved with a unique Supplier ID once all required fields are entered. The supplier record must be approved by a DFS Supplier Approver before any payment can be issued.
7	Deny Supplier	A DFS Supplier Approver uses a worklist/email request of all supplier records pending approval and reviews for a complete record containing all required information. A DFS Supplier Approver is the final approver. If there are missing profile attributes, a DFS Supplier Approver can deny the supplier record. A denied supplier record is returned to a DFS Supplier Processor for correction/deletion. A DFS Supplier Processor contacts an Agency Supplier Processor or the supplier for additional information.
8	Approve Supplier	The final approval of the supplier record is processed by assigned and authorized users based on workflow rules.
9	Supplier Ready for Usage	Supplier records that are fully approved are identified as payees and are ready to be used for issuing payments in Florida PALM.

30.1.2 – Import Suppliers	
Swim Lane – Definition	**DFS Supplier Processor:** enterprise role responsible for adding and updating suppliers

Process Step ID	Process Step Title	Description of Process
1	People First	An integration point is established between People First and Florida PALM to obtain employee data. At a minimum, data is transferred nightly from People First into Florida PALM. Policy and internal controls allow suppliers (employees) from People First to load as pre-approved and bypass supplier approval workflow.
2	Florida Retirement System	An integration point is established between the Florida Retirement System (FRS) and Florida PALM to obtain retiree data. At a minimum, data is transferred nightly from FRS into Florida PALM. Policy and internal controls allow suppliers (retirees) from FRS to load as pre-approved and bypass the supplier approval workflow.
3	MyFloridaMarket Place	An integration point is established between MFMP and Florida PALM to obtain supplier data. At a minimum, data is transferred nightly from MFMP into Florida PALM. Policy and internal controls allow suppliers from MFMP to load as pre-approved and bypass supplier approval workflow. However, MFMP suppliers are placed in a hold status for payment until a complete supplier profile with a valid Tax Identification Number (TIN) match status is received.
4	Agency Business Systems	An integration point is established between ABS (as necessary) and Florida PALM to obtain supplier data. At a minimum, data is transferred nightly from ABS into Florida PALM. Policy and internal controls allow suppliers from ABS to load as pre-approved and bypass the supplier approval workflow, however those suppliers are placed in a hold status for payment. All ABS suppliers must have a complete supplier profile along with a valid TIN match status before being released from hold status for payment.
5	Payroll Suppliers	An integration point is established with Florida PALM to obtain payroll supplier (insurance, garnishment, etc.) data. At a minimum, payroll supplier data is transferred nightly into Florida PALM. Policy and internal controls allow payroll suppliers to load as pre-approved and bypass the supplier approval workflow,

Process Step ID	Process Step Title	Description of Process
		however those suppliers are placed in a hold status for payment. All payroll suppliers must have a complete supplier profile along with a valid TIN match status before being released from hold status for payment.
6	Receive Inbound Supplier File	A file is interfaced into Florida PALM with data from new suppliers and supplier updates from various external systems.
7	Load Supplier Data (pre-approved)	The supplier data is retrieved from the inbound supplier file and loaded it into staging tables. The data goes through a process where certain fields are validated based on the system/business rules. Suppliers that pass the validation move on to be established as suppliers.
8	Payment on Hold	Suppliers loaded from MFMP and other ABS are placed on hold during the Load Supplier Data Process. All suppliers must have a complete supplier profile along with a valid TIN match status before being released from hold status for payment.
9	Update Supplier Profile to Remove Hold	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. At this point the supplier becomes a payee.
10	Supplier ready for Usage	Suppliers identified as payees are ready to be used in Florida PALM. Suppliers are approved for payments per policy and guidelines.
11	Send Outbound Supplier Update File	All added and updated suppliers in Florida PALM are extracted in an outbound file for use by enterprise and agencies. At a minimum, extract is produced nightly from Florida PALM.

30.1.3 – Perform TIN Match	
Swim Lane – Definition	**DFS Supplier Processor:** enterprise role responsible for adding and updating suppliers

Process Step ID	Process Step Title	Description of Process
1	W-9 System	An integration point is established between the DFS Substitute Form W-9 Verification System (W-9 System) and Florida PALM to obtain W-9 supplier data. The W-9 System located on the Florida Vendor website, is used to collect withholding information from suppliers. At a minimum, data is transferred nightly from the W-9 System into Florida PALM. It is the vendor's responsibility to initiate and submit their information in the W-9 System.
2	Update TIN/Withholding Information	Florida PALM retrieves the 1099 data from the W-9 System and updates the supplier profile with the supplier 1099 configuration and setup.

This document is draft and subject to change

Process Step ID	Process Step Title	Description of Process
3	Update 1099/TIN Withholding Information	Supplier records which are created/updated, either online or from external systems, go through the TIN match process. A DFS Supplier Processor can review and update supplier 1099 configuration. All 1099 suppliers are TIN matched before payments can be issued. A DFS Supplier Approver must verify TIN status as part of supplier approval.
4	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.
5	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.
6	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.
7	Resolve TIN Errors	Error records are interfaced to the W-9 System for resolution. TIN Match errors arising from the IRS validation are resolved by the supplier in the W-9 System.
8	Update Supplier TIN Match Status	Results from the IRS TIN Match status updates the TIN match attributes in Florida PALM. IRS tracking number, date, and TIN status is updated on the supplier profile.
9	Send Outbound Supplier Update File	Florida PALM generates an outbound extract file of the supplier TIN matches and other 1099 configuration to be interfaced to the W-9 System.

30.1.4 – Manage Intercepts	
Swim Lanes – Definition	**Agency Supplier Processor:** agency role responsible for adding new suppliers **DFS Supplier Processor:** enterprise role responsible for adding and updating suppliers **DFS Supplier Approver:** enterprise role responsible for approving suppliers

Process Step ID	Process Step Title	Description of Process
1	Identify Supplier Hold	An Agency Supplier Processor identifies a need to place a supplier on hold for business events such as an OFAC match, IRS levy, or contract non-performance.
2	Submit Hold Request	An Agency Supplier Processor submits a supplier hold request to the DFS Supplier Processor for review and approval.
3	Identify Supplier Hold	A DFS Supplier Processor identifies a need to place a supplier on hold for business events such as OFAC match, IRS levy, or contract non-performance.

Process Step ID	Process Step Title	Description of Process
4	Receive Supplier Hold Request	A DFS Supplier Processor receives a request to put a supplier on hold from an Agency Supplier Processor.
5	Office of Foreign Assets Control	An integration point is established between OFAC and Florida PALM to obtain OFAC data. At a minimum, data is transferred nightly from OFAC into Florida PALM.
6	Generate OFAC Supplier Match	Any suppliers that are on the OFAC List and matched in Florida PALM are placed in hold status. A report is generated of all suppliers placed on hold due to an OFAC match.
7	Review/Match OFAC List	A DFS Supplier Processor reviews the OFAC 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 Hold Request	A DFS Supplier Approver denies or releases the hold request if it proves invalid or unnecessary during review.
10	Approve Supplier Hold Request	A DFS Supplier Approver reviews and approves, or updates, all valid hold requests.
11	Supplier Placed on Hold	A DFS Supplier Approver places the supplier profile 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

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

Reports

Report Number	Report Description	Report Frequency	Audience
R1	New/Updated Suppliers	Periodic	Agency, DFS
R2	Foreign Vendors	Periodic	Agency, DFS
R3	Suppliers on Hold	Periodic	Agency, DFS
R4	TIN Match Errors	Periodic	Agency, DFS
R5	OFAC Match List	Periodic	DFS

Terminology

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 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 individuals or 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 and asset interception.

Supplier – all payees 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.

Substitute Form W-9 (W-9) – information provided by suppliers to report 1099 tax information to the IRS.

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.

Business Process Flow Diagrams

Please see *30.1 – Set Up and Maintain Suppliers* located in the D54 Standardized Business Processes > Working > Workstream B folder.

This document is draft and subject to change