

30.1 Set Up and Maintain Suppliers

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Set Up and Maintain Suppliers

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 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 (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, Payment Alternate Name, Tax Identification Number (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.
- **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 if 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 Approver: enterprise role responsible for approving suppliers DFS Supplier Processor: enterprise 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 does not already exist. Florida PALM allows the ability to search by supplier ID, supplier name, short supplier name, and customer number. A query will be available for searching by Supplier TIN, 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 locations and attaches any required documents (e.g., scanned vendor request form or Substitute Form W-9 (W-9)).
4	Notify Supplier to Enter/Update W9 Information	The Agency Supplier Processor must notify the Supplier to add or edit the necessary W9 information into the State's W9 system to be imported into Florida PALM.
5	Review Supplier Record	A DFS Supplier Approver must review and approve Suppliers before a Supplier is ready for usage and payments can be issued. Only roles with appropriate security control can create, view, and update confidential suppliers.
6	Request Supplier Update	Only enterprise roles have the authority to make updates to an existing supplier record. All update requests to supplier profiles that originate from agencies, except updates to

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Process Step ID	Process Step Title	Description of Process
		<p>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.</p> <p>The default payment method is Warrant. If a supplier wishes to change their payment method to ACH/EFT or update their banking information, the Agency Supplier Processor will direct them to the DFS website to submit the request.</p>
7	Identify Need for Supplier Add/Update	The DFS Supplier Processor determines a need to establish a new supplier or edit an existing supplier profile.
8	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. A query will be available for searching by Supplier TIN, DUNS number, or other available fields from the Supplier profile.
9	Enter/Update Supplier	A DFS Supplier Processor enters information to create or update the supplier record as appropriate, such as addresses, contacts, supplier locations, and banking information.
10	Notify Supplier to Enter/Update W9 Information	The DFS Supplier Processor must notify the Supplier to add or edit the necessary W9 information into the State's W9 system to be imported into Florida PALM.
11	Deny Supplier	<p>A DFS Supplier Approver uses the workcenter or an email request of all supplier records pending approval and reviews the profile for all required information.</p> <p>If there are required attributes that are missing, a DFS Supplier Approver can deny the supplier record and provides a denial reason code or adds comments to the profile to document the reasons 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 will coordinate 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>
12	Approve Supplier	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. The status is updated to Approved and the supplier is available for use.
13	Supplier Ready for Usage	Supplier records that are fully approved are identified as payees with a unique Supplier ID and are ready to be used for issuing payments in Florida PALM.

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30.1.2 – Import Suppliers

Swim Lane – Definition	DFS Supplier Processor: enterprise role responsible for adding and updating suppliers
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Process Step ID	Process Step Title	Description of Process
1	Employees	Employee records are established and approved in People First. At a minimum, People First provides a nightly data file of pre-approved employee records to Florida PALM which contains EFT authorizations. New EFT requests are subject to the pre-note validation process before payment is made electronically. Employees are not subject to the TIN match process.
2	Retirees	Retiree records are established and approved in the Florida Retirement System (FRS). At a minimum, FRS provides a nightly data file of pre-approved retiree records to Florida PALM which includes EFT authorizations. New EFT requests are subject to the pre-note validation process before payment is made electronically. Retirees are not subject to the TIN match process.
3	Payroll Suppliers	Payroll supplier records are loaded daily to Florida PALM from the PYRL system. Payroll suppliers are not subject to the TIN match process.
4	PCard Suppliers	PCard supplier records are loaded daily to Florida PALM from the PCard system. PCard suppliers are not subject to the TIN match process.
5	MyFloridaMarket Place	MFMP supplier records are loaded daily to Florida PALM from MFMP. MFMP suppliers are loaded and placed in a hold status for payment until the supplier profile is completed and approved and the TIN is validated. New EFT requests are subject to the pre-note validation process before payment is made electronically.
6	Agency Business Systems	An agency may establish supplier records in an ABS. At a minimum, the ABS will provide a nightly data file of the ABS supplier records to Florida PALM. ABS suppliers are loaded and placed in a hold status for payment until the supplier profile is completed and approved and the TIN is validated. New EFT requests are subject to the pre-note validation process before payment is made electronically.
7	Receive Inbound Supplier File	A file is interfaced into Florida PALM with data from new suppliers and supplier updates from various external systems.
8	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. Updates to EFT
9	Update Supplier Profile to Hold Status	Suppliers loaded from MFMP and ABS are loaded in hold status during the Load Supplier Data Process. Prior to receiving payments these suppliers must have a complete

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Process Step ID	Process Step Title	Description of Process
		supplier profile, including a TIN validated through the TIN match process.
10	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. At this point the supplier becomes a payee.
11	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.
12	Send Outbound Supplier Update/Error Exception 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. A file will be sent to the source systems containing the Supplier Profiles that generated a load error during the load process.

30.1.3 – Perform TIN Match

Swim Lanes – Definition	DFS Supplier Processor: enterprise role responsible for adding and updating suppliers Suppliers: external entities that are paid by the state
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Process Step ID	Process Step Title	Description of Process
1	Enter/Update W-9 Information in W-9 System	The DFS Substitute Form W-9 Verification System (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.
2	W-9 Information File	At a minimum, the W-9 System provides a nightly W-9 Information File to Florida PALM.
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/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. Various processes enter through this step: 30.1.1-4 Notify Supplier to Enter/Update W9 Information, 30.1.1-10 Notify Supplier to Enter/Update W9 Information, 30.1.2-9 Update Supplier Profile to Hold Status.
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

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Process Step ID	Process Step Title	Description of Process
		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.
8	Update Supplier TIN Match Status	<p>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.</p> <p>TIN Match errors from the IRS validation are interfaced to the W-9 System for resolution. A supplier will remain on hold until the required TIN match step is completed and will be placed into the appropriate TIN match status. 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>
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	<p>Agency Supplier Processor: agency role responsible for adding new suppliers</p> <p>DFS Supplier Approver: enterprise role responsible for approving suppliers</p> <p>DFS Supplier Processor: enterprise role responsible for adding and updating suppliers</p>
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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	Identify New/Update Hold Status	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. The DFS Supplier

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Process Step ID	Process Step Title	Description of Process
		Processor monitors for circumstances that require holds not available through an interface, such as, suspended or debarred suppliers.
4	Receive Hold Status Change 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 Supplier Matches	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 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 Status Change Request	A DFS Supplier Approver denies or releases the hold request if it proves invalid or unnecessary during review.
10	Approve Supplier Hold Status Change Request	A DFS Supplier Approver reviews and approves, or updates, all valid hold requests.
11	Supplier Hold Status Updated	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	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	Periodic	Agency, DFS

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Report Number	Report Description	Report Frequency	Audience
	supplier records, or related suppliers.		
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 Supplier Email Notification – electronic notification provided the requestor for the Supplier record 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	Supplier Load Errors – a report that identifies any errors resulting from the supplier load process. Report is available to all sources of Supplier data.	Periodic	Agency, DFS
R9	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
R10	Suppliers Without Required W-9 – a report that identifies suppliers that have not provided the required W-9 information.	Periodic	Agency, DFS

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Report Number	Report Description	Report Frequency	Audience
R11	Supplier/W9 Reconciliation – a report that identifies any record discrepancies for tax information in Florida PALM and the W-9 System.	Periodic	Agency, DFS
R12	TIN Match Errors – A report that identifies supplies with TIN match errors. These tax information provided for these suppliers was not validated as part of the TIN match process.	Periodic	Agency, DFS
R13	Match List – A report that identifies suppliers that were matched to the OFAC or Levies list. The report is used to manage whether or not the supplier requires a hold status to prevent any payments to unauthorized suppliers.	Periodic	DFS
R14	Approved/Denied Supplier Hold Email Notification – electronic notification provided the requestor for the Supplier hold	Periodic	Agency, 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.

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 to report 1099 tax information to the IRS.

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.

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](#).