EXPLORING COMMERCIAL VENDOR ACCOUNTS
(SET-UP, SEARCH AND USAGE)

Monthly Lunch & Learn Series presented by **FAST Team**

May 2023

PRESENTERS

RAMES PARAMSOTHY
SENIOR BUSINESS ANALYST (TRAINING)

Financial Advisory Services & Training (FAST)

ANTHONY DAVISON
COMMUNICATIONS OFFICER

Procurement Services

AGENDA

- What is a vendor master record

- What are the benefits of a vendor account for commercial vendors

- How to search for commercial vendor accounts in FIS

- How to create vendor accounts

- Reasons why a vendor account may be blocked

- Reactivating vendor accounts

- Using the alternate payee function or OTA vendor

WHAT IS A VENDOR MASTER RECORD?

Vendor Master Records (i.e. vendor account) store information on suppliers with which the University conducts business.

Each supplier should have a unique vendor master record (with few exceptions), which is required when processing payments through the Financial Information System (FIS).

The vendor master record stores:

- Legal name

- Business addresses and contact information

- GST/HST number

- Payment/invoice currency and terms (e.g., net 35 days)

- Category (PO ONLY, A/P ONLY or A/P and PO ONLY)
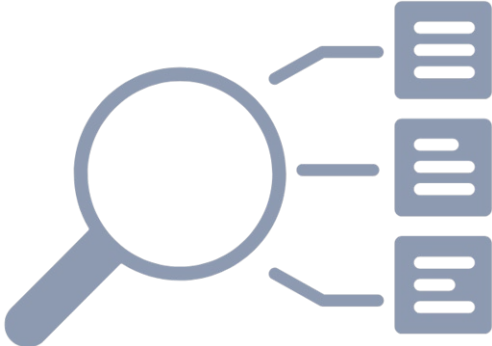
BENEFIT OF USING VENDOR ACCOUNTS

Using a vendor account that is unique to a supplier has several benefits, such as:

- **Departmental reporting**

- **Vendor spend history**

- **Internal university reporting**

- **External reporting**

- **Save time** when processing payments

UNIVERSITY OF TORONTO | Financial Services

TYPES OF COMMERCIAL VENDOR ACCOUNTS

Commercial vendor accounts in FIS are categorized by **payment currency (not location)** and identified as **six-digit codes** starting with a 1, 3 or 4.
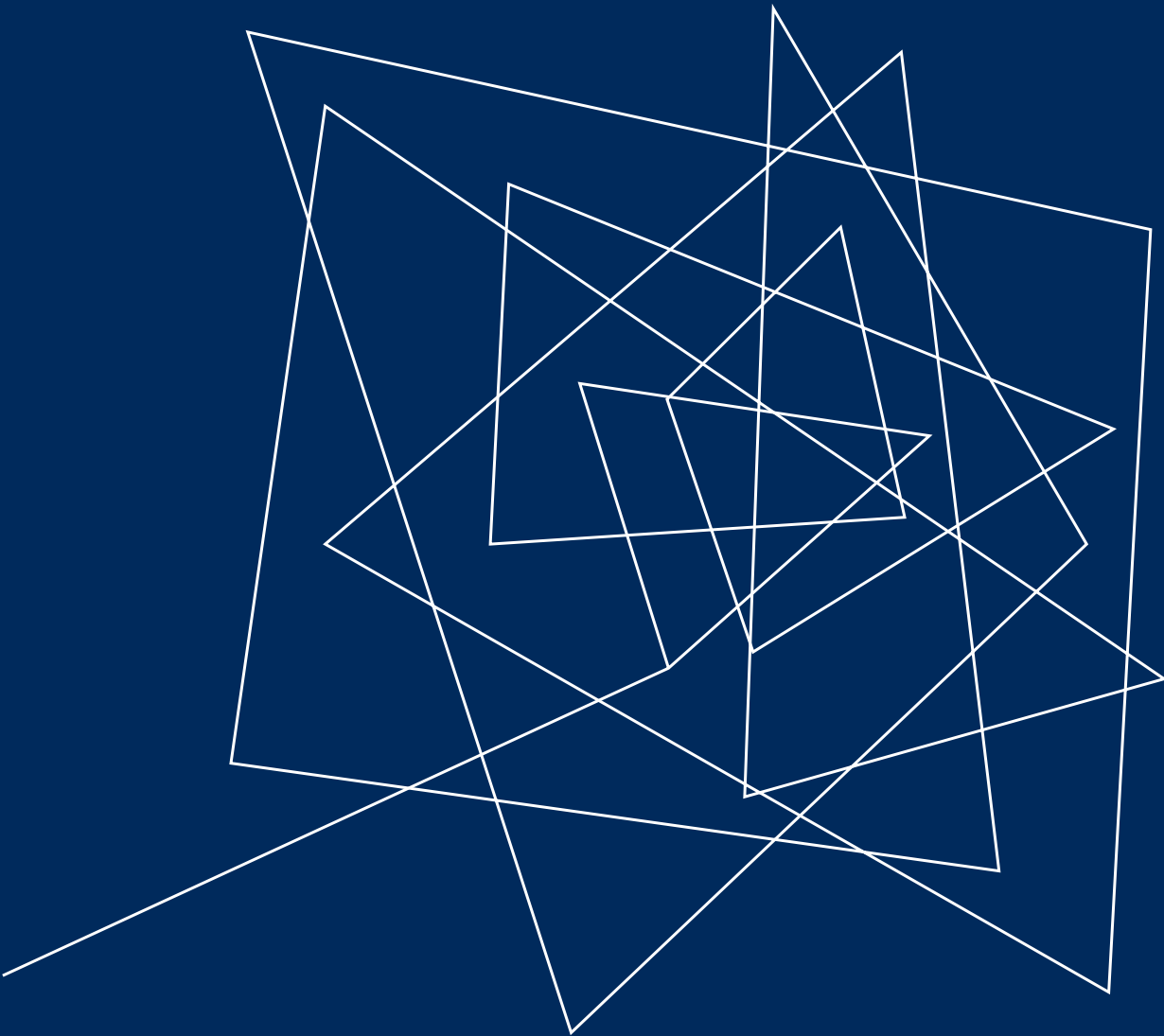
Vendor # Range	Payment Currency
100000 - 199999	Canadian currency (CAD)
300000 – 399999	US currency (USD)
400000 - 499999	All other foreign currency

Other non-commercial types of vendor accounts in FIS include:

- Employee
- refundable deposit
- benefits vendor accounts

UNIVERSITY OF TORONTO | Financial Services

SEARCHING
VENDOR
ACCOUNTS IN FIS

SEARCHING FOR VENDOR ACCOUNTS IN FIS/AMS

To search in FIS, use the **Active Vendor Search** feature in **FB60 – Enter Invoice** or **ME21N – Create Purchase Order**.

You can search/filter using:
- Partial business name
- Postal code
- Address

Watch this simulation to learn more.

Learn how to save time and create a personal list of vendors that are used regularly by **watching this simulation**.

UNIVERSITY OF TORONTO | Financial Services

WHAT IF THE VENDOR DOES NOT APPEAR IN THE SEARCH RESULTS?

A vendor may not appear in the search results if:

- the search criteria were **incorrect/inaccurate** OR too **restrictive**

- **no vendor account exits** in FIS

- vendor account has been **blocked**

UNIVERSITY OF TORONTO | Financial Services

REQUEST A NEW VENDOR ACCOUNT

In most circumstances, **if a vendor number does not exist** the department should request a new account be created.

To request a new vendor/supplier account:

1. Obtain a supplier quote/invoice or contract.

2. Complete the **New Supplier Account Request form**.

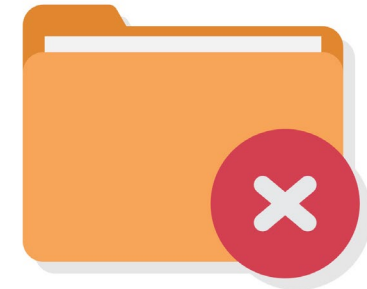3. Send the form and quote/invoice/contract to Procurement Services (purchasing.help@utoronto.ca).

The standard processing time for new vendor accounts is **five (5) business days.**

Click here for instructions on how to request a new vendor/supplier account.

UNIVERSITY OF TORONTO | Financial Services

VENDOR SETUP REQUESTS:
TOP 5 COMMON ISSUES

1. Missing invoice or quote

2. Currency not indicated on form

3. Canadian-based vendors: GST/HST# validation

4. Sole Proprietor or Small Supplier forms missing

5. Vendor is already setup in system

Watch a video on how to validate the GST/HST# in the CRA Registry.

UNIVERSITY OF TORONTO | Financial Services

SUPPLEMENTARY FORMS FOR VENDOR SETUPS

SOLE PROPRIETOR compliance statement

- Unincorporated business owned by one individual

- Confirm there is no employee/employer relationship between supplier and department

- Signed by Dept. Head

SMALL SUPPLIER certification form

Use this form:

- Yearly earnings < $30,000

- Canadian-based

- No GST/HST number

- Signed by supplier

BLOCKED VENDOR ACCOUNTS

WHY WOULD A VENDOR'S ACCOUNT BE BLOCKED?

Circumstances when a vendor may be blocked:

1. **Inactive for 24 months or more**. Click here to learn more about this automated process.

2. **Transitioning vendors to EFT** payments.

3. When a supplier has **multiple accounts** in FIS due to different addresses for their operations.

For example, **PO ONLY** vendor account would be blocked when attempting to process a payment, and an **A/P ONLY** vendor account would be blocked when attempting to create a contract (i.e., Purchase Order).

UNIVERSITY OF TORONTO | Financial Services

HOW TO REACTIVATE A VENDOR ACCOUNT

If a vendor account has been deactivated due to inactivity over a 24-month period, before requesting the vendor account be reactivated:

Ensure there are no other active vendor accounts for the supplier.

To request a vendor account reactivation, follow the same steps as a new vendor setup:

1. Complete the New Supplier Account Request form.

2. Attach and invoice, quote or written agreement.

3. Send all documentation to purchasing.help@utoronto.ca and **include the vendor account number in the email**.

UNIVERSITY OF TORONTO | Financial Services
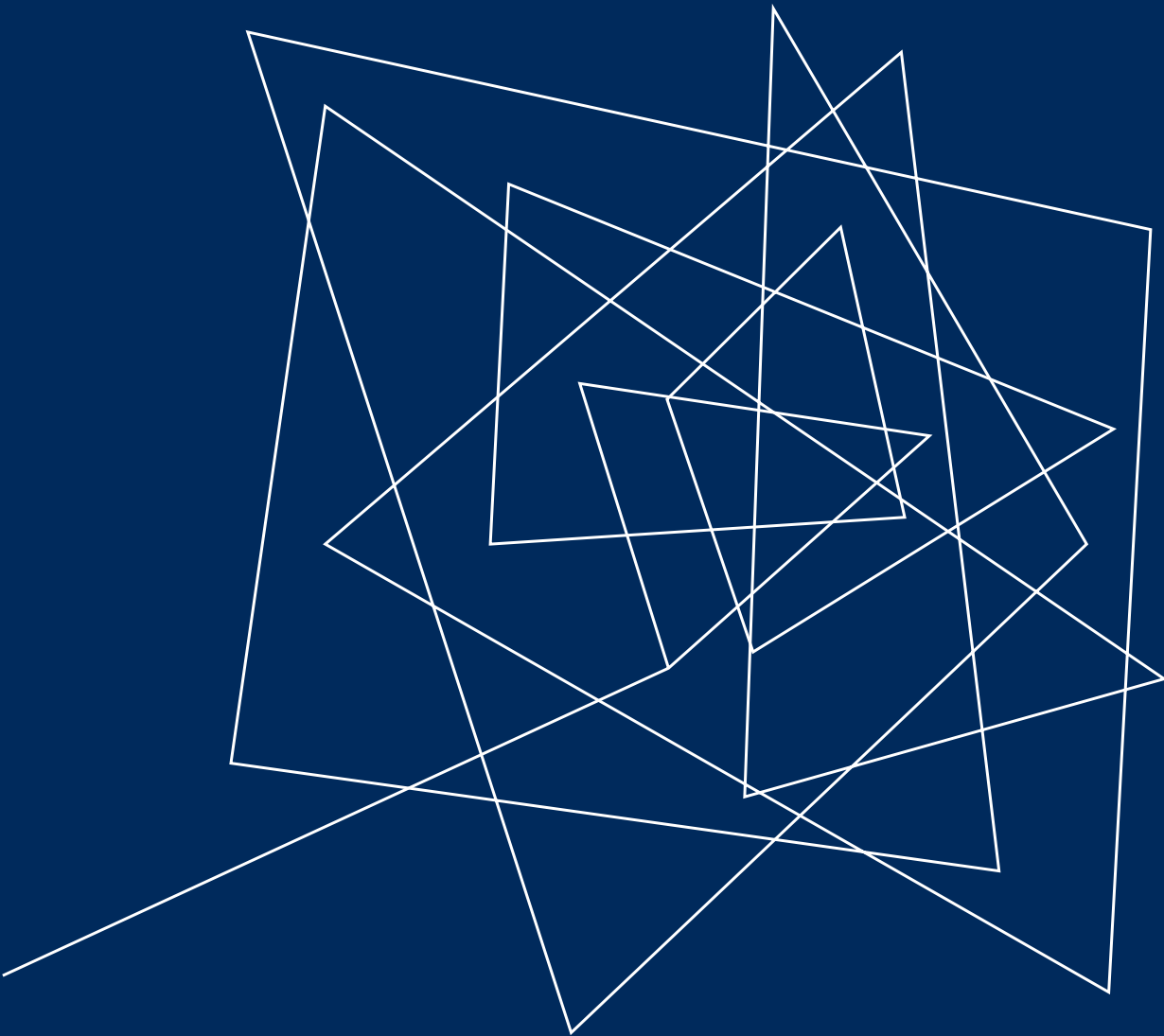
ALTERNATE PAYEE AND OTA VENDOR ACCOUNTS

REDIRECTING INVOICE PAYMENTS TO DIFFERENT LOCATIONS WHEN A VENDOR ACCOUNT EXISTS

When a supplier has a vendor number **but has requested that a payment be redirected to an address other than what is in their master record**, users can use the Individual/Alternate Payee function.

Click here for instructions on using the Alternate Payee function when paying a supplier.

For example, if Mount Sinai Hospital has requested a cheque to be sent to one of their departments instead of their main Accounts Receivable department identified in their master record.

UNIVERSITY OF TORONTO | Financial Services

GENERIC ONE-TIME VENDOR ACCOUNTS

Occasionally, when a vendor account does not exist in FIS, **departments could use a generic One-Time Vendor Account** (OTA – 99xxxx) instead of requesting a new vendor master record.

Criteria:

- A vendor account does not exist. **Ensure you perform a thorough and accurate search in FIS.**

- The transaction is less than $10,000 (before tax).

- You do not anticipate using the vendor more than once in a fiscal year.

Click here to learn more about processing payments to OTA vendors.

For orders over $10,000 CAD (before tax), if a supplier does not have a vendor account in FIS, it is mandatory that a vendor master record be created in order to create the Purchase Order.
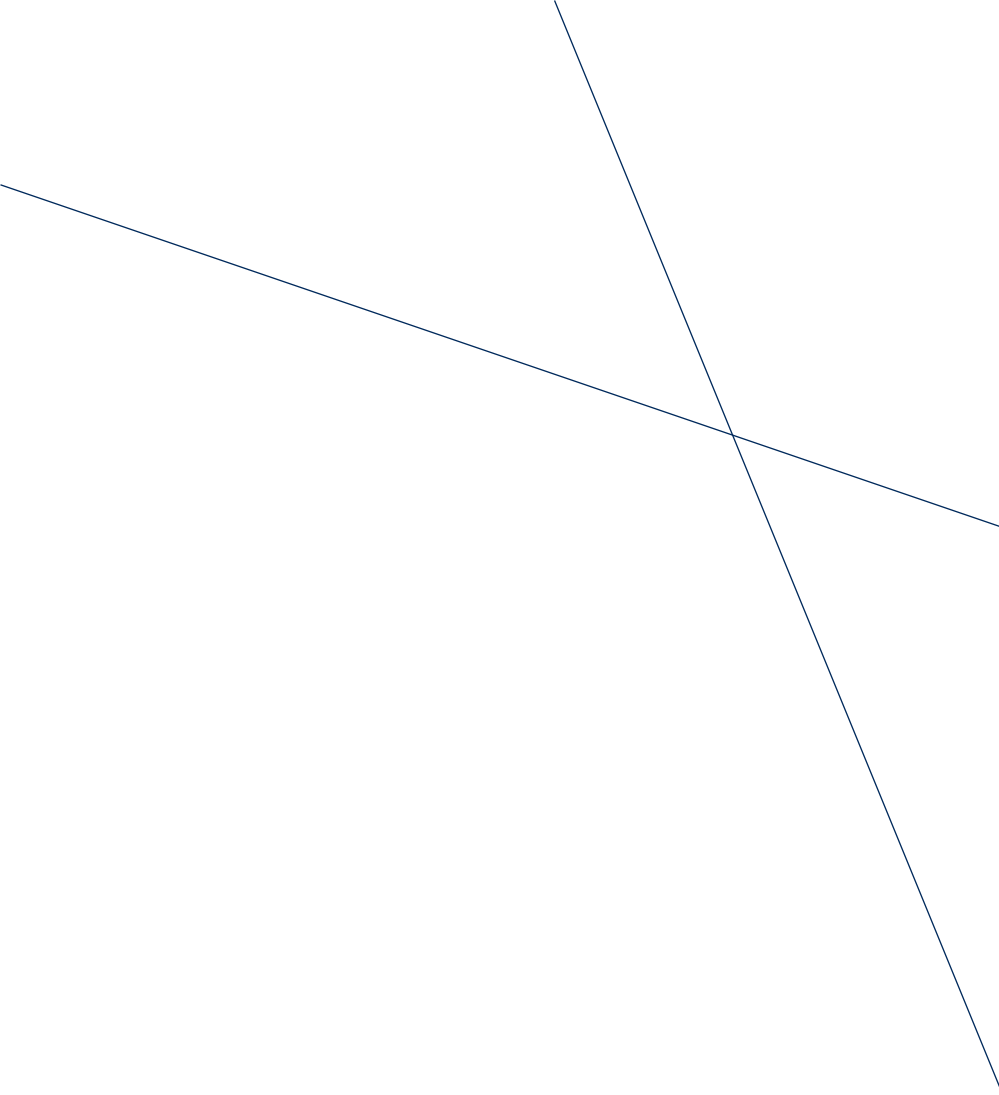
LEARN MORE:
ADDITIONAL RESOURCES

Visit our **lunch and learn resource page** to access additional articles and simulations that delve deeper into questions related to commercial vendor accounts.

If you have any questions regarding vendor accounts in FIS and processing in the system, please **contact your FAST Team representative**.

For questions regarding purchasing policy, setting up or unblocking vendor accounts please contact purchasing.help@utoronto.ca.

UNIVERSITY OF TORONTO | Financial Services

THANK YOU!