



# Management Directive

## Commonwealth of Pennsylvania

### Governor's Office

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## Management Directive 310.39 Amended – Establishment, Collection, and Management of Master Data for Customers, Vendors, and Business Partners

Date: November 18, 2021

By Direction of: *Greg Thall*  
Greg Thall, Secretary of the Budget

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**This directive establishes policy, responsibilities, and procedures for the establishment, collection, and management of master data for Customers, Vendors, and Business Partners.**

### 1. PURPOSE.

To establish policy, responsibilities, and procedures for the establishment, collection, and management of master data for Customers, Vendors, and Business Partners.

### 2. SCOPE.

This directive applies to all departments, offices, boards, commissions, and councils (hereinafter referred to as "agencies") under the Governor's jurisdiction using SAP for non-payroll related Vendor and Business Partner payments and Customer accounts.

### 3. OBJECTIVE.

To ensure timeliness and consistency in the establishment, collection and management of Customer, Vendor, and Business Partner data in the Master Database.

### 4. DEFINITIONS.

- a. **Business Partner.** An individual or entity engaged in the conduct of business transactions with the Commonwealth, including Vendors, Customers, borrowers, and grantees, which makes payments to or receives money from the Commonwealth and is assigned an identification number in the SAP system.

- b. Customer.** An individual, entity, or Commonwealth agency billed by the Commonwealth for goods, services, or benefits provided.
- c. E-Remittance.** Remittance information sent via email.
- d. Electronic Addenda.** Payment identification data included in Automated Clearing House (ACH) transactions sent to banks, replacing paper remittance.
- e. Form W-9.** An IRS form, entitled "Request for Taxpayer Identification Number and Certification," that is used by U.S. persons (as defined in [IRS Instructions for the Requester of Form W-9](#)) required to file an Information Return with the IRS for certain reportable payments in order to obtain the correct TIN of the recipient of such payments.
- f. Information Return.** A tax document that a business must file to report certain business transactions to the IRS. Additional details regarding Information Returns can be obtained from the [IRS Web site](#).
- g. Master Database.** A central database where a unique number is assigned to each Customer, Vendor, and Business Partner, and which contains information necessary for the accounts payable and receivable and reporting functions in SAP.
- h. SRM to SAP R/3 Replication Process.** A daily process whereby changes to the SRM Vendor file are transferred to the Master Database.
- i. Supplier Relationship Management (SRM).** The web-based procurement module that allows Procurement Vendors to register themselves for a Vendor number and maintain master Vendor data (excluding TIN and name) in SAP.
- j. Taxpayer Identification Number (TIN).** A nine-digit number assigned by the federal government, which is used for tax filing and reporting purposes. Also, referred to as the Employer Identification Number (EIN) or Federal Identification Number (FIN) for various business entities or a Social Security Number (SSN) for individuals.
- k. Vendor.** An entity to which the Commonwealth makes payments.

## 5. POLICY.

- a.** All Customers, Vendors, and Business Partners conducting business with the Commonwealth must be registered with the Commonwealth.
- b.** Customer, Vendor, and Business Partner data must be created and maintained in the Master Database in accordance with responsibilities and procedures of this directive.
- c.** Contracts and procurement documents must include a valid TIN and Vendor or Business Partner name in accordance with *Management Directive 315.26 Amended, Backup Withholding on Missing and/or Incorrect Taxpayer Identification Numbers*, if applicable.

- d. The Office of the Budget, Office of Comptroller Operations, Bureau of Payable Services, Vendor Data Management Unit (VDMU) must approve the content of all communications with Customers, Vendors, and Business Partners relative to VDMU, registration, or procedures to update data.

**6. RESPONSIBILITIES.**

**a. Agencies shall.**

- (1) Ensure Customers, Vendors, and Business Partners register and keep data up to date in the Master Database.
- (2) Obtain VDMU approval for the content and coordinate the issuance of all communications with Customers, Vendors, and Business Partners relative to VDMU, registration, and data update procedures.
- (3) Use data in the Master Database for the payment of invoices and for legal agreements with the Commonwealth. Legal agreements may include, but are not limited to, contracts, grant agreements, and loan agreements and agencies should consult with agency legal counsel to determine if a document is a legal agreement.
- (4) Make all reasonable efforts to obtain TINs for Customers when establishing Master Data through VDMU.

**b. Office of the Budget, Office of Comptroller Operations, Bureau of Payable Services (BPS) shall:**

- (1) Monitor agency compliance with this directive and address noncompliance with agencies.
- (2) Review contract and procurement documents to ensure completeness of payment data for each Customer, Vendor, and Business Partner.
- (3) Process Customer, Vendor, and Business Partner registrations and updates.
- (4) As necessary, notify Customers, Vendors, and Business Partners of the appropriate procedure to correct missing or inaccurate data in the Master Database.

**c. Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management (BAFM), Accounts Receivable Unit shall:**

- (1) Monitor agency compliance with this directive and address noncompliance with agencies.
- (2) As necessary, inform VDMU of missing or inaccurate data in the Master Database.

## 7. PROCEDURES.

### a. Agencies shall:

#### (1) Pertaining to Vendors:

- (a) Notify Vendors to register and update data through the [Bureau of Payable Services' Customer Service Portal](#).
- (b) Inform VDMU of missing or inaccurate Vendor data in the Master Database.
- (c) Assist VDMU, when requested, to obtain valid Forms W-9 from Vendors.
- (d) Contact VDMU to request approval for and issuance of content of all communications with Vendors relative to VDMU, Vendor registration, or Vendor data update procedures.
- (e) Utilize data in the Master Database records for legal agreements with the Commonwealth.

#### (2) Pertaining to Customer and Business Partners:

- (a) Request a new Customer record or change an existing record, when needed, and provide valid information with the request by following the applicable instructions available on the [Bureau of Payable Services' Customer Service Portal](#).
- (b) Inform VDMU of any missing or inaccurate data in the Master Database.
- (c) Contact VDMU to request approval for and coordinate issuance of content of all communications with Customers and Business Partners relative to VDMU, registration, or data update procedures.

### b. BPS, Contracts Division and Invoice Processing Division shall:

- (1) Monitor agency compliance with Section 7.a.(1)(a) through 7.a.(1)(e) of this directive. If an agency does not comply, BPS, Contracts Division or Invoice Processing Division, will inform the agency to work with VDMU and/or the Vendor to resolve problems.
- (2) Review invoices, contracts, and procurement documents to ensure inclusion of a valid TIN and Customer, Vendor, or Business Partner name.
- (3) Notify Vendors to update missing or inaccurate data via the [OB, Services for Vendors Website](#).

- c. BAFM, Accounts Receivable Unit** shall:
- (1)** Monitor agency compliance with Sections 7.a.(2)(a) and 7.a. (2)(b) of this directive. If an agency does not comply, BAFM, Accounts Receivable Unit shall inform the agency to work with VDMU and/or Customer or Business Partner to resolve problems.
  - (2)** Inform VDMU of any missing or inaccurate data in the Master Database.
- d. VDMU** shall:
- (1)** Process and validate Customer, Vendor, and Business Partner registrations and updates to the Master Database.
  - (2)** Communicate with Customers, Vendors, and Business Partners, as necessary, to clarify data and to provide requested information.
  - (3)** Process other requested changes to block records or deactivate records in the Master Database, when required.
  - (4)** Work with the agency and/or Customer, Vendor, or Business Partner to obtain a correct Form W-9 or other required data.
  - (5)** Retain Forms W-9 and maintain a valid TIN for each record in the Master Database.
  - (6)** Promote the use of ACH transactions, E-Remittance, and Electronic Addenda.
  - (7)** Process Customer, Vendor, and Business Partner requests to add banking data, E-Remittance and Electronic Addenda to the Master Database.
  - (8)** Analyze the Treasury Department's daily ACH rejection file and remove or update incorrect banking data in the Master Database.
  - (9)** Develop and implement procedures to ensure the consistency, accountability, reliability, and integrity of data in the Master Database.
  - (10)** Ensure data entered into the Master Database is consistent with the United States Postal Service addressing standards.
  - (11)** Retain data and reports in adherence with established record retention policies.
  - (12)** Accept, transfer, and replicate Vendor registrations from SRM to the Master Database.
  - (13)** Validate the accuracy and completeness of the SRM to SAP R/3 Replication Process, including problem resolutions and data purging.

**This directive replaces, in its entirety, Management Directive 310.26 Amended, dated September 18, 2009.**