

SAP VENDOR MASTER DATA AND ONBOARDING - CONCEPTS





WELCOME

This is part one of a two-part Learning Series for employees to receive the role and myUK tab to access SAP Vendor Master Data and the PaymentWorks onboarding application. The courses are:

- SAP Vendor Master Data and Onboarding – Concepts
- SAP Vendor Master Data and Onboarding – Technical

Be sure to complete both courses in myUK Learning in conjunction with submission of an [SAP Access Request Form](#) if you are applying for the role and myUK tab on behalf of your department.

Both courses can also be taken on demand, as needed, as refreshers or by any employee for general knowledge purposes.



WHAT TO EXPECT IN THIS COURSE

Topics Covered:

- What is Vendor Master Data?
- Why Vendor Master Data Is Important
- How Vendor Master Data Is Used
- Importance of Vendor Master Data Security
- Vendor Types within Vendor Master Data
- Who Manages Vendor Master Data
- System Components Related to Vendor Master Data:
 - SAP Vendor Master Data
 - PaymentWorks Onboarding Platform
- Differentiating SAP Vendor Master Data from PaymentWorks
- Need for and use of a third-party provider such as PaymentWorks
- Stakeholders In the New Vendor Onboarding Process
- Importance of Separation of Duties and Independent Vendor Onboarding
- Other Things to Know: Employee Vendor Numbers, Vendor Blocking, and Inactive Records
- Resources for Help and Support



WHAT IS VENDOR MASTER DATA?

Business entities and organizations use master data of various types to transact and manage business operations. Master data can be related to and used with manufacturing, finance, human resources, logistics and many other facets of everyday business.

Master data is simply an organized collection of business details needed for that data type to meet the needs of the business operation or initiative.

For instance, a manufacturing entity may maintain master data on specific parts they make such as catalog number, size specifications, material type, etc.



WHAT IS VENDOR MASTER DATA?

“Vendor Master Data” is a type specifically related to and used by business entities to conduct transactions, operations, and reporting.

It is simply a record, physical or digital, of all needed data elements related to a supplier entity.

This can include data such as supplier name, address, phone number, email address, tax information, etc.

Vendor master data used by more advanced business entities can also include components such as payment terms, shipping terms, supplier diversity classifications, etc.



WHAT IS VENDOR MASTER DATA?

Typically maintained in a digital fashion that is orderly and easy to access and update.

For smaller organizations or business entities, that can be as simple as an Excel file. For larger organizations, this usually resides in database tables within their business systems.

Depending on the size and needs of the organization, vendor master data can range from a few dozen or hundred suppliers to tens or hundreds of thousands for large corporations and business entities.



WHAT IS VENDOR MASTER DATA?

Vendor Master Data for new suppliers with whom the University does business is onboarded via a third-party platform provider before it is approved for addition.

Use of a third-party platform provider ensures information such as the vendor's address, tax ID, federal debarment, etc. are validated prior to their assignment of a vendor number.



WHY VENDOR MASTER DATA IS IMPORTANT

Vendor Master Data is important to the using organization for several reasons:

- Provides a permanent, organized record of supplier data for a number of organizational business needs
- Serves as base data from which procurement transactions are built and on which they are supported
- Serves as basis for reporting of many different types.
- Although occasionally updated and maintained, data is generally static and unchanging, providing stability in business operations.
- Allows leadership to manage its vendor relationships in an organized and strategic manner



HOW VENDOR MASTER DATA IS USED

For the University, Vendor Master Data serves as the basis to procurement transactions such as Shopping Carts and Requisitions (both of which evolve into purchase orders), Payment Request Documents, and wire transfers.

Vendor Master Data is not used in any way with procurement card transactions.

For instance, when a departmental Shopper creates a Shopping Cart to order goods or services, a vendor number is required as one of the base elements, similar to item descriptions, catalog numbers, prices, etc.

Upon assigning a vendor number to the Shopping Cart, all needed vendor information is automatically attributed to that order such as the address, phone or email, shipping or payment terms, etc.



HOW VENDOR MASTER DATA IS USED

Vendor Master Data is also used for a wealth of reporting needs by using departments and the institution as a whole.

For instance, if a report is needed to identify the number of orders placed with a certain vendor or the dollar value of those orders, it can be executed simply based upon entry of the vendor number from the master data.



HOW VENDOR MASTER DATA IS USED

Vendor Master Data also allows leadership to view and manage supplier relationship from an institutional vantage point.

For example, supplier diversity data, such as business diversity classification or race/ethnicity, is maintained as part of vendor master data. By using these data elements with various reporting mechanisms, the University can assess whether it is meeting institutional objectives related to Supplier Diversity initiatives.



IMPORTANCE OF VENDOR MASTER DATA SECURITY

It is important to understand that vendor master data is proprietary and confidential in nature. Since it can contain information including an entity's tax identification number and other proprietary information, vendor master data must be managed and safeguarded with utmost concern and care, similar to student financial or patient care data.

Vendor master data must be managed and protected based on business and data security protocols to prevent potential misuse, data breach, or fraud. For business organizations in general, potential fraud that may occur throughout transaction streams frequently starts with information originating or maintained in the vendor master data.

It is important that each user and stakeholder be cognizant of securing vendor master data and its use throughout all procurement.



VENDOR TYPES WITHIN VENDOR MASTER DATA

For any organization, Vendor Master Data typically contains a number of vendor types. This is important since different vendor classifications may be managed in different ways. For purposes of the University's procurement and business needs, vendor master data contains these general classifications:

- US Business Entities (such as a company or corporation)
- US Individuals, i.e., simply persons using their SSN as their tax identifier
- International Entities
- International Individuals including persons utilizing W8-BEN Forms or various visa types



VENDOR TYPES WITHIN VENDOR MASTER DATA

US Business Entities also include any organization or entity using a federal tax ID number such as non-profits, government entities, University student groups, etc.

Vendor Master Data also includes University personnel, for various reasons and under specific protocols, and identifiers who manage Imprest (petty) cash transactions on behalf of their department, as well as information related to employee reimbursements.

We'll talk more about vendor master data for employee reimbursements a bit later.



WHO MANAGES VENDOR MASTER DATA?

Purchasing Division manages the University's Vendor Master Data:

- Ownership of the Vendor Master Data
- Needed maintenance and updates
- Onboarding of new vendors into the Vendor Master Data
- Inactivation and blocking of vendors for various reasons
- Tactical/strategic elements related to management and overall use of the data
- Contracting and assignment of third-party platform for onboarding new vendors
- Ongoing management of third-party platform provider for onboarding new vendors

A dedicated procurement technology team manages and oversees ownership of the Vendor Master Data as well as onboarding of new vendor registrations.



SYSTEM COMPONENTS RELATED TO VENDOR MASTER DATA:

There are two system components related to the University's Vendor Master Data:

1. SAP Vendor Master Data
2. PaymentWorks Onboarding Platform



1. SAP VENDOR MASTER DATA

SAP is the University's Enterprise Resource Planning, or ERP, system. It comprises all formal business processes used by the University into a single large-scale, integrated software platform.

The University's Vendor Master Data resides as a database within SAP and thus is formally known as "SAP Vendor Master Data". It holds thousands of active vendor records which departments can utilize as needed for procurement transaction documents such as Shopping Carts, Requisitions, and Payment Request Documents.



1. SAP VENDOR MASTER DATA

When a departmental Shopper places a vendor number onto a Shopping Cart or Payment Request Document, for instance, key data is pulled from the SAP Vendor Master Data and assigned to the transaction.

SAP Vendor Master Data serves as the single point of truth for all vendor master data owned and managed by the University. All third-party onboarding of new vendors ultimately resides in the SAP Vendor Master Data.



2. PAYMENTWORKS ONBOARDING PLATFORM

The University utilizes a third-party platform to onboard and validate all new vendors before their registrations are accepted and approved for addition to the SAP Vendor Master Data.

PaymentWorks is the University's third-party onboarding platform provider for new vendor registrations and contracted with the University.

PaymentWorks is a cloud-based onboarding application for automating the new vendor registration process. PaymentWorks is integrated within myUK Enterprise Services tab for convenience; authorized users have a dedicated tab and access the platform using Single Sign-On (SSO) functionality.



2. PAYMENTWORKS ONBOARDING PLATFORM

Authorized users at the department level can send onboarding invitations to new vendors as needed and also monitor third onboarding process through a platform-provided dashboard.

During the onboarding process, vendors create an account with PaymentWorks and complete a customized online form.

Once a new vendor registration is complete and approved by the Purchasing Division, a vendor number is assigned within the SAP Vendor Master Data and is ready to use on a procurement transaction.



DIFFERENTIATING SAP VENDOR MASTER DATA FROM PAYMENTWORKS

The University utilizes PaymentWorks for new vendor onboarding, vendor address updates when needed, and return of vendors to the SAP Vendor Master Data who have been blocked/inactivated.

SAP Vendor Master Data is the official repository for all vendor master data. It is the official, single point of truth for all SAP Vendor Master Data for the University.

Official vendor master data resides within SAP only, the University's integrated, official business system.



DIFFERENTIATING SAP VENDOR MASTER DATA FROM PAYMENTWORKS

PaymentWorks is a secondary system component for onboarding and validation of new vendors.

- Not the University's official repository and does not represent the official, single point of truth for vendor master data.
- Third-party platform apart from University systems; it is only integrated for ease of access convenience.
- Does not act as the administrator or custodian for the University's Vendor Master Data.



NEED FOR AND USE OF A THIRD-PARTY PROVIDER SUCH AS PAYMENTWORKS

Using a third-party provider for new vendor registrations has a number of benefits:

- Automatic validation of vendor's address, tax ID, etc.
- Validation against federal databases affirming vendor is not debarred by federal government (required for any entity receiving federal funding)
- Integrated, digital process that replaces need for manual vendor entries
- Departmental users can monitor progress of the onboarding process
- Gathering of needed supplier diversity data
- Onboarding analytics and reporting

Third party-platforms provide integrated resources for validation needs that are typically beyond resources that the University may manage in-house.



STAKEHOLDERS IN THE NEW VENDOR ONBOARDING PROCESS

There are four stakeholders in the PaymentWorks new vendor onboarding process:

1. Departmental user – sends the onboarding invitation
2. New vendor – follows information provided by PaymentWorks to create their account and complete the registration
3. PaymentWorks – provides and manages the platform and provides support to vendors during onboarding; directly responsible for the onboarding process.
4. Purchasing – reviews and provides final approval (or rejection) at conclusion of onboarding process; oversees entire process including management of all onboarding processes across other stakeholders.



IMPORTANCE OF SEPARATION OF DUTIES AND INDEPENDENT VENDOR ONBOARDING

Notice each stakeholder is identified by and correlates with specific roles in the onboarding process. This is by design and common among business process development in any organization.

By delineating roles in the process into specific parts and assigning specific tasks or responsibilities, it better ensures that each stakeholder understands and adheres to their process role.

Provides checks and balances in the process and reduces the possibility of any type of impropriety or arise of conflict of interest.

Adhering to assigned roles and responsibilities also prevents delays in the process and ensures quicker onboarding and assignment of a new vendor number.



IMPORTANCE OF SEPARATION OF DUTIES AND INDEPENDENT VENDOR ONBOARDING

Department triggers the onboarding process by sending an invitation to a new vendor via the PaymentWorks platform.

Vendor must create their account and complete the online registration independently from the department. This prevents any appearance of impropriety or possible collusion between department and vendor during the onboarding process.

PaymentWorks provides support to the vendor. It's important that the department not participate/intervene in the onboarding process.

Important: A departmental end-user cannot complete an application through PaymentWorks on behalf of a vendor or individual; the registration can only be completed and submitted by the vendor.



OTHER THINGS TO KNOW – EMPLOYEE VENDOR NUMBERS

Some data records within SAP Vendor Master Data relate specifically to University employees and reimbursements.

Termed “Employee Vendor Numbers”, these are notated by a number format of 8XXXXX. Employee vendor numbers are setup via a dedicated process that utilizes Human Resources data known as the “Employee PERNER Number”.

Departments can provide an employee’s HR PERNER number to the Purchasing Division via an online form on the Purchasing website to establish an 8XXXXX Employee Vendor Number.

Important: Employee vendor numbers for reimbursement are not established via the PaymentWorks platform. It is against University policy to send a University employee a PaymentWorks invitation to setup an employee vendor number.



OTHER THINGS TO KNOW - VENDOR BLOCKING AND INACTIVATION

Vendors who go for a period of no transaction activity with the University are inactivated and blocked from use on a procurement transaction. To qualify for a vendor number, the department should send the vendor a PaymentWorks registration to register anew.

Beyond transaction inactivity, a vendor may be inactivated or blocked for other reasons such as:

- Address is no longer valid
- Company/individual has a name change, merger, combined acquisition, etc.
- FEIN/SSN data is incorrect
- Duplicate of another vendor record

Purchasing does not reactivate inactive or blocked vendors. If a vendor has been blocked or inactivated within the SAP Vendor Master Data, an invitation for a new registration must be sent to the vendor.



RESOURCES FOR HELP AND SUPPORT

The Purchasing Division, along with PaymentWorks as it relates to new vendor onboarding, provides support related to SAP Vendor Master Data:

For departments:

- Help email for support and questions related to SAP Vendor Master Data and department needs during the onboarding process: vendorhelp@l.uky.edu.
- Purchasing [Learning and Training Page](#): Section (D) (Requires linkblue login)
- SAP Vendor Master Data and PaymentWorks Onboarding [Frequently Asked Questions](#) (Requires linkblue login)
- SAP Vendor Master Data and PaymentWorks Onboarding Learning Series in myUK Learning – Can be booked and taken on demand as refresher.



RESOURCES FOR HELP AND SUPPORT

For new vendor support during the onboarding process:

- PaymentWorks provides all support to new vendors during their account creation and registration processes. Vendors are provided email notifications with all support resources listed.
- **Important:** Please be sure to contact the vendorhelp@l.uky.edu email for any departmental questions or needs related to SAP Vendor Master Data or the PaymentWorks Onboarding Process. In keeping with separation of duties and to ensure expedient problem resolution, it's important that departments not contact PaymentWorks directly for support needs.



IMPORTANT NOTE

This course is available for any employee to book and take the course within myUK Learning.

If you are planning to receive the Vendor Master Data role and myUK tab to send PaymentWorks invitations, remember to request your department complete and submit an [SAP Access Request Form](#) to formally request the role.

Reminder: This course is one of a two-part course requirement to receive the role. Be sure to complete both vendor master data courses in conjunction with submission of the [SAP Access Request Form](#).

Printing Course Manual (Optional)

If desired, a printable (Adobe PDF) version of this course manual is available for your convenience.

To access and print the manual:

1. Click on the printer (the manual will open in a separate browser window)
2. Print the course manual
3. Close the separate browser window
4. Return to this course window
5. Click on the Next button below



To proceed without printing, click on the Next button below.



Check for Understanding

In order to receive full credit for this course, you must now successfully complete the Check for Understanding – a quiz covering the main concepts presented in this course.





ASSESSMENT QUESTIONS

Question 1: The single point of truth for the University's vendor information is:

Select one:

- A. SAP (Correct)
- B. PaymentWorks



ASSESSMENT QUESTIONS

Question 2: Using a third-party provider for new vendor registrations has which of the following benefits:

Select one:

1. Automatic validation of vendor's address, tax ID, etc.
2. Validation against federal databases affirming vendor is not debarred by federal government (required for any entity receiving federal funding)
3. Integrated, digital process that replaces need for manual vendor entries
4. Answers 1 and 2 only
5. All of the above **(Correct)**



ASSESSMENT QUESTIONS

Question 3: Which of the following entity combinations represent the entirety of all stakeholders involved in the new vendor onboarding process?

Select one:

1. Department and Vendor
2. Vendor and PaymentWorks
3. Department, Vendor, and PaymentWorks
4. Department, Vendor, PaymentWorks, and Purchasing Division
(Correct)



ASSESSMENT QUESTIONS

Question 4: True or False: A vendor I sent a PaymentWorks invitation to onboard is having difficulties. The primary responsibility to help resolve their issues falls to me as the person sending the invite and I may need to help them complete the form.

Select one:

1. True
2. False (Correct – In keeping with separation of duties and the importance of independent vendor onboarding, it's important that the department not intervene in the process. The vendor receives support resources directly from PaymentWorks. Departmental users needing assistance can contact Vendorhelp@l.uky.edu for support.)



ASSESSMENT QUESTIONS

Question 5: I have an employee who is eligible for a University reimbursement and need a vendor number to place on their reimbursement transaction. How do I receive that employee vendor number?

Select one:

1. Send the employee an invitation via PaymentWorks just like a vendor
2. Request the employee be set up as an Imprest Cash Custodian for the reimbursement
3. Request an employee vendor number directly from Purchasing using an HR PERNER number as the reference **(Correct)**
4. The department creates the employee vendor number internally



CONGRATULATIONS!

YOU HAVE COMPLETED THE COURSE:
SAP Vendor Master Data and Onboarding - Concepts

PLEASE CLOSE THIS BROWSER WINDOW TO RECEIVE CREDIT.

