

VENDOR MAINTENANCE

I. Purpose

This directive establishes the Department of Homeland Security (DHS) policy for vendor maintenance.

II. Scope

This directive applies to all DHS organizational elements serviced by the DHS Office of the Chief Financial Officer. All organizational elements that receive financial management support from another Federal agency or that have existing programs, should continue to use those procedures until a DHS-wide system is developed and implemented.

III. Authorities

This directive is governed by numerous Public Laws, Circulars and national policy, such as:

- A. Homeland Security Act of 2002 (Security Act), codified at Title 6, U.S. Code.
- B. Joint Financial Management Improvement Program (JFMIP) Federal Financial Management Systems Requirements (FFMSR's).
 - 1. Number 0, Framework for Federal Financial Management Systems, January 1995.
 - 2. Core Financial System Requirements, November 2001.
- C. OMB Circular A-123, Management Accountability and Control (A-123).
- D. OMB Circular A-127, Financial Management Systems (A-127).
- E. OMB Circular A-134, Financial Accounting Principles and Standards (A-134).

IV. Definitions

A. **Vendor**: An individual or entity that does business with, or receives payment DHS. This can include commercial vendors, both foreign and domestic, other government agencies, members (both military and civilian) of government agencies, and transportation and fund cashiers.

B. **Vendor maintenance**: Establishment and continued updates to the vendor management system within the DHS procurement and accounting systems, which contain information about DHS vendors. Such information includes unique identifications, accounting information (e.g., TINS, DUNS, etc.), addresses, payment discount information, bank account information, socioeconomic status, tax reporting information, etc., which support proper disbursement payments.

V. Responsibilities

A. The **Under Secretary for Management** shall be responsible for all aspects of this directive.

B. The **Chief Financial Officer** shall ensure that DHS has an established process for vendor maintenance.

VI. Policy and Procedures

A. **Policy**: The vendor management system will contain a vendor profile of all each vendor doing business with DHS. Information contained in the file includes: name, address, phone number(s), point(s) of contact, banking information, TINS, DUNS, cage codes, NAICS codes, and socioeconomic indicators needed for electronic funds transfers. Each vendor will be assigned a unique number, the vendor number. Procurement documents will not be issued and payments will not be made without a valid corresponding record in the vendor system. Privacy Act regulations apply to use/access of vendor information.

B. **Procedures**:

1. The capability must exist: to establish a new vendor (add), modifying existing information of a vendor (change), or to delete a vendor; to find a vendor (search) based on certain selection criteria; disable/enable function for a vendor (prevents use in any future transactions); to stop payment for a vendor; to add/remove additional locations (remittance, tax reporting and purchasing sites) for a vendor; and to manage (add, change, delete) multiple POC's per location.

2. Data retrieval such as viewing or listing must be available by: vendor name (alpha), vendor number, TINS, DUNS, geographical location, payment amount, year-to-date payments and any other keys determined necessary by financial, procurement, and human resources managers.

3. Validation capability shall exist. Examples of this includes: validating that bank information is correct, vendor records are not duplicated, and that data formats are valid.

C. **Questions or Concerns Regarding the Process.** Any question or concerns regarding this directive should be addressed to the Office of the Under Secretary for Management.