

 <b>UNIVERSITY of DENVER</b>	<b>UNIVERSITY OF DENVER POLICY MANUAL VENDOR VALIDATION</b>	
<p><b><u>Responsible Department:</u></b> Business and Financial Affairs  <b><u>Recommended By:</u></b> SVC Business and Financial Affairs, AVC University Financial Services  <b><u>Approved By:</u></b> Chancellor</p>	<p><b><u>Policy Number</u></b> FINA 2.30.071</p>	<p><b><u>Effective Date</u></b> 6/27/2022</p>

## I. INTRODUCTION

Vendor validation is required to ensure that all payments from the University are made to legitimate and appropriate entities. Vendors must be evaluated and approved by University Financial Services before the University will issue a payment to that vendor.

## II. POLICY OVERVIEW

### General Rule

Vendor validation is critical for preventing payments to illegitimate entities, for safeguarding University assets, and for strengthening compliance with federal and state regulations.

This policy is informed by IRS and federal regulations, fraud prevention best practices, and internal University procedures which promote efficient and effective operations.

### Vendor Validation Defined

Vendor validation ensures that vendors are legitimate entities. University Financial Services accomplishes vendor validation by performing a thorough review process, which includes verification steps required by federal and state regulation as well as industry best practices.

## III. PROCESS OVERVIEW

**A. Responsibility**

University Financial Services is responsible for vendor validation procedures and approvals, and for adhering to the objectives of this policy.

Other divisions and departments are responsible for requesting vendor validations, and for responding to questions from University Financial Services during the validation process.

**B. Vendor Validation Process**

Vendors must be evaluated and approved by University Financial Services before they can conduct business with the University.

Vendor validation is performed before a new vendor is added to the University’s vendor master file, and when an existing vendor’s information is updated in the vendor master file. Other routine vendor validations may occur at the discretion of University Financial Services.

Vendors must provide appropriate documentation to University Financial Services for review and approval before any additions or updates will be made to the University’s vendor master file. University Financial Services may request further information from the vendor and may utilize third-party sources to confirm its legitimacy.

In all cases, vendor validation by University Financial Services is required before a purchase requisition or a direct pay request can be issued for that vendor.

**IV. DEFINITIONS**

None

<b>Revision Effective Date</b>	<b>Purpose</b>
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<i>6/28/2021</i>	<i>Minor revisions</i>
<i>6/27/2022</i>	<i>Minor revision to change Responsible Department to University Financial Services</i>