Accounts Payable Supplier Banking Changes

To enable Yale’s mission, simplify and standardize financial services in order to make life easier where everyone has a role in building a strong culture of financial integrity, insight and stewardship of Yale resources.
Presenters and Moderators

Rodney Brunson, Procurement Director of Accounts Payable & Payment Services
Monsi Wooten, Manager, Supplier Compliance Unit
Amie Sandillo, Procurement Process Excellence Leader

Rosa Genovesi, Organizational Change Management
John De Bellis, Organizational Change Management
Top Reasons for Send Backs for fiscal year 2022

- Backup documentation is an issue: 40.54%
- Form filled out incorrectly: 27.03%
- Missing documents: 8.11%
- Sent incorrect form: 5.4%
- Incorrect information provided: 5.4%
Objectives

This session overs the requirements to ensure compliance with the process for banking changes and minimize the delays in processing.

Specifically, you will:

1. Understand the role of the department in the banking change process.
2. Recognize the impact an incorrectly completed form has on the cycle time.
3. Review the required forms to make changes:
   - Form 3401 FR.01: Supplier Payment Setup: Wire Transfer
   - Form 3401 FR.02: Supplier Payment Setup: ACH/EFT
4. Review NEW resources: Checklist and the Wire Reference Tool
Terms used in this Training

**ACH form**
A supplier payment setup/change form used for US entities

**FSC**
Finance Support Center

**FX (Foreign Exchange) Wire**
A wire sent in foreign currency

**Remit address**
An address associated with the payment (especially with the US suppliers)

**Requestor**
Someone who identifies the need to initiate a transaction, whether it be operational or financial.

**SCU**
Supplier Compliance Unit

**Supplier**
A non-employee or organization that is paid by the University for goods, services, Honorariums or is reimbursed.

**Wire Transfer Form**
A supplier payment setup/change form used for foreign entities
Banking Change Approval Process
When should I submit an ACH or Wire Change?

Examples of items that may change:

- Name on the bank account
- Bank name (if changing a bank)
- Bank account type
- Routing number changes
- Account number
- Bank Branch

One of the recent examples: Silicon Valley Bank’s collapse on March 10th, 2023 prompted investors to find new banking options.
Banking Change: Communication between the Department and the Supplier

• The Supplier initiates a banking change request through the Department or the FSC.
• The Department collects information from the supplier.
• The Supplier then fills out the form on their end (providing applicable documentation) and sends back to the department.
Form Completion: Department and Supplier

1. Obtain the form from *It’s Your Yale: Policies, Procedures and Forms* and send it to the supplier.

2. Send the completed form to the department along with documentation:
   - a bank statement
   - a bank letter
   - a void check
   - or other bank document

3. Review the form and the bank documents against the form.

4. Complete and sign the form.

5. Submit the form to supplier.change@yale.edu (this generates a return message with a case number).

Use the Procurement Toolkit under: *WORK AT YALE > FINANCIAL MANAGEMENT > PROCUREMENT > RESOURCES* or look up 3401 PR.01 Supplier Setup and Change for more information.
Form Approval: Completing the Form

**Supplier Compliance Unit (SCU)**
1. Review the form for completeness
2. Review the bank documents against ACH/Wire form
3. Send email to individuals with verification questions
4. Enter data into Workday

**Finance Support Center (FSC)**
- Conduct review for accuracy
- Make verification calls to businesses
- Conduct Final Review to make sure all steps were followed

**AP Manager**
- Conduct review for accuracy
- 2 business days

**Treasury**
- 3 business days
- If filled out correctly, the processing of the form takes up to 12 business days.
Supplier Verification Process: Individual vs Entity

The documentation submission process is the same for both: the individual suppliers and the entities (businesses). However, the verification process for them is different.

**INDIVIDUAL**

- **If the bank is in the US**, the account and account owner are verified against the Early Warning (EW) database.

- **The SCU verifies changes** via an e-mail address stored in Workday.

**ENTITY**

- **If the bank is in the US**, the account and account owner are verified against the Early Warning (EW) database.

- **If the account name and/or the account number are different from what is in the EW database**, the SCU sends a notification to the department that the verification process has failed.

- **If the bank is outside of US or the US bank is not part of the EW database**, FSC calls the supplier to verify the account owner and the account number.
Review of the Forms: Supplier Payment Setup

- Form 3401 FR.01: Supplier Payment Setup: Wire Transfer
- Form 3401 FR.02: Supplier Payment Setup: ACH/EFT

- Common mistakes when completing the forms
- Demonstration of the changes to the forms to streamline the form completion and submission, and to ensure better cycle time
- Example of an incorrectly completed form 3401 FR.01: Supplier Payment Setup: Wire Transfer
**Form 3402 FR.02**
Supplier Payment Setup: ACH/EFT

- for US-based suppliers
- for non-US based suppliers who have a bank account in US

**Common mistakes when completing the form:**

**SECTION 3**
1. Inconsistent data/values with backup documents, i.e. banking/routing numbers)

**SECTION 5**
1. Missing signatures
2. Using stamped typed signature
Form 3401 FR.01: Supplier Payment Setup: Wire Transfer

- for non-US based suppliers
- for US-based suppliers using a foreign bank account
- Closing Escrow payments

Common mistakes when completing the form:

**SECTION 2:**
1. Missing IBAN
2. Account Numbers
3. BIC codes

**SECTION 3:**
1. Out-of-date attachments

**SECTION 4:**
1. Missing signatures
2. Using stamped typed signature
Changes to the Forms: Overview

- Split into two sections: Supplier (first page) and Yale Requestor (second page).
- Included example attachments for each attachment option.
- Included a checklist tool for the requestor to review the submission.
Example of an Incorrectly Completed Wire Transfer Form

The signature and the date are missing.
Required Attachments
Section 3: Proper Documentation

- Bank Statement Header
- Signed Bank Letter
- Void Check

- One of the attachments above needs to be submitted together with the form 3401 FR.01: Supplier Payment Setup: Wire Transfer or 3401 FR.02: Supplier Payment Setup: ACH/EFT
- Each attachment has specific content criteria to be accepted as bank documentation
A. BANK STATEMENT HEADER

a copy of the top 1/3 of the first page of the monthly bank statement. Can be either the paper or electronic statement.

MUST INCLUDE ALL THE FOLLOWING:

☐ Bank name and bank logo
☐ Supplier name and bank account number

And for non-US based suppliers in addition to the above:

☐ SWIFT/BIC code
☐ Branch code or any specific country required codes (e.g., BSB in Australia, Transit code in Canada)
☐ Dated within previous six months
☐ Information on attachment matches information on this form
B. SIGNED BANK LETTER

a letter from the bank

MUST INCLUDE ALL THE FOLLOWING:
☐ Bank name and bank logo
☐ Supplier name and bank account number
☐ Bank signature or bank stamp
☐ ABA routing number
And for non-US based suppliers in addition to the above:
☐ SWIFT/BIC code and branch code
☐ Dated within previous six months
☐ Information on attachment matches information on this form
C. VOID CHECK

a copy of a void check, a check image, or/and an electronic check

MUST INCLUDE ALL THE FOLLOWING:

☐ Bank name and bank logo
☐ Supplier name and bank account number
☐ Supplier bank account number and ABA routing number at the MCRI line at bottom of check
What is wrong with this check?

In the banking industry this is what’s known as a starter check.

It is missing the bank’s name and logo, and the supplier's name.
What is wrong with this bank statement?

- It’s missing bank name and bank logo, and it is not dated within the last 6 months.
What is wrong with this bank letter?

It is missing a signature or a bank stamp from the bank.
The checklist applies to both forms:

1. Form 3401 FR.02: Supplier Payment Setup: ACH/EFT
2. Form 3401 FR.01: Supplier Payment Setup: Wire Transfer

<table>
<thead>
<tr>
<th>Section 6: Requestor Checklist</th>
<th>Confirmed</th>
</tr>
</thead>
<tbody>
<tr>
<td>All sections of page 1 been filled in completely and legibly by the Supplier INCLUDING a signature, date, and phone number on the bottom. (for section 2 requirements please reference Wire Reference Tool)</td>
<td>☐</td>
</tr>
<tr>
<td>The supplier has attached A Bank statement header, a signed Bank Letter, or another bank document to the form</td>
<td>☐</td>
</tr>
<tr>
<td>The attached document meets the requirements listed in section 3, above</td>
<td>☐</td>
</tr>
<tr>
<td>The Supplier name listed above (and on the attachment) matches the Supplier name in Workday. If the Supplier is new, the Supplier name listed above (and on the attachment) matches the Supplier’s name on the W8 or W9 provided.</td>
<td>☐</td>
</tr>
</tbody>
</table>
WIRE REFERENCE TOOL
This training refers mainly to the following policy:

**3401 PR.01 Supplier Setup and Change**
- supports **3401 General Payment** policy
- details the steps to follow to request that Accounts Payable (“AP”) create a new Supplier in Workday
- details the steps to follow to request changes to an existing Supplier’s information in Workday

**FORMS:**
1. [Form 3401 FR.01: Supplier Payment Setup: Wire Transfer](#)
2. [Form 3401 FR.02: Supplier Payment Setup: ACH/EFT](#)