

April 21, 2004

AGAR ADVISORY

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF PROCUREMENT AND PROPERTY MANAGEMENT
AGAR ADVISORY NO. 65

Foundation Financial Information System (FFIS) Vendor Table (VEND) Maintenance – Procedures for Adding New Vendors

INTRODUCTION: This AGAR Advisory provides procedural guidance for compliance with the Department of Agriculture's, (USDA's) Office of the Chief Financial Officer requirements for adding vendors to the FFIS VEND Table. This Advisory supplements AGAR Advisory No. 59, Central Contractor Registration (CCR).

ABBREVIATIONS:

AGAR	Agriculture Acquisition Regulation
CCR	Central Contractor Registration database
COMT	FFIS Communication Table
DCIA	Debt Collection Improvement Act of 1996
DUNS	Data Universal Numbering System
EFT	Electronic Funds Transfer
FAR	Federal Acquisition Regulation
FFIS	Foundation Financial Information System
VEND	FFIS Vendor Table
OCFO	Office of the Chief Financial Officer, USDA
OCFO COD	OCFO, Controller Operations Division
OCFO COD ACPRB	OCFO, COD, Accounting and Processing Branch
OPPM	Office of Procurement and Property Management, USDA
PVND	FFIS Pre-Approval Vendor Request Data Entry Table
TIN	Taxpayer Identification Number

SUMMARY:

1. Unless otherwise specified, the abbreviation OCFO used in this Advisory refers to OCFO COD and OCFO COD ACPRB, New Orleans, LA.
2. This AGAR Advisory applies to acquisitions executed pursuant to the FAR.
3. By Memorandum of February 19, 2004, the OCFO established changes in the information required when requests to add vendors to the VEND table are submitted

to OCFO. These changes were issued to improve compliance with the DCIA and utilize the information available in the CCR database.

4. To ensure that the VEND table includes EFT information for vendors and parties not excepted from the requirement for EFT payment, OCFO requires specific information when new vendors are added. This change is part of the initial phase of an OCFO project to update the VEND table. As OCFO progresses with its project, including updating the existing VEND table files with EFT information from CCR, OPFM will provide status information, as available.

SPECIFIC ISSUES:

Background:

1. The DCIA mandates that Federal payments be made by EFT unless waived in accordance with specific circumstances set forth in 31 CFR 208.4. Federal payments include not only payments to vendors, contractors and grantees, but also benefit payments, federal wages, salaries and retirement payments, interagency payments, loans, etc. (See 31 CFR 208.2). FAR Subpart 32.11, "Electronic Funds Transfer," provides implementing policy and procedures for payments to contractors by EFT.
2. FAR Subpart 4.11, "Central Contractor Registration," requires that prospective contractors be registered in the CCR database prior to award of a contract or agreement unless excepted in accordance with FAR 4.1102(a). Existing contracts, executed prior to the implementation of the CCR registration requirements, are required to be modified to incorporate the requirement to register in CCR.

General CCR Registration and EFT Information:

1. The DUNS Number, is a unique nine character identification number available free of charge from the commercial company Dun & Bradstreet. A vendor must have a DUNS number to register in CCR. It is the key vendor identifier used in CCR. The DUNS+4 refers to the DUNS number assigned by Dun and Bradstreet, plus a 4-character suffix that is assigned by the vendor to establish additional CCR records for identifying alternative EFT accounts for the same vendor located at the same physical address. Dun and Bradstreet has no affiliation with the 4-character suffix.
2. When vendors register in the CCR database, EFT information is **required** to be input into the database by the vendor before the registration is considered complete. The "fields" for EFT information are mandatory fields in the CCR database.
3. Once a vendor's registration is complete (including information in all mandatory fields), CCR validates the information and the vendor's registration becomes an "Active Registration." That registration is valid for one (1) year. Annual review and update by vendors of their CCR information is required for their registration status to remain "Active."

4. When procurement personnel review the CCR database (<http://www.ccr.gov>) to verify that a proposed awardee is registered in CCR, they must ensure that the vendor's registration status is "Active in CCR." If the registration is incomplete or inactive, that vendor is not considered to be registered and should be notified to register in CCR. See the guidance at FAR 4.1103(c).
5. Solicitation provision FAR 52.204-7 requires that the offeror "enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS+4" followed by the DUNS or DUNS+4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database." The DUNS (or DUNS+4) number will also be used by OCFO to access the necessary information (including TIN and EFT banking and routing information) for adding that vendor to the VEND table.
6. If there is a DUNS+4 number in the vendor's CCR record, that is the number that is required by OCFO for input into the VEND Table. Many vendors will only have a 9-digit DUNS number. However, if there is a DUNS+4 number, personnel must ensure that they pass that DUNS+4 number to OCFO.

Requirements for Addition of New Vendors to FFIS:

By memorandum of February 19, 2004 (copy attached), the OCFO established a policy that new vendors will not be added to FFIS unless EFT information is provided. When agencies submit requests to add new vendors to the VEND Table they must provide the information listed below as part of their request. Agencies are responsible for the accuracy of the information in the VEND maintenance requests provided to OCFO. Agencies are responsible for maintaining records of the determinations on CCR registration applicability and/or the basis for waivers/exceptions to payment by EFT. OCFO will return to the submitter any requests that do not comply with these requirements.

1. *For vendors registered in CCR.*
 - a. Agencies shall submit VEND maintenance requests to OCFO with the following information:
 - (1) Vendor's name and address
 - (2) Statement that the vendor is registered in CCR (example: CCR=Y), and
 - (3) The vendor's DUNS or DUNS+4 number.
 - b. OCFO will access the vendor's information (e.g., TIN and EFT) in CCR to add that vendor to the VEND table.

- c. If the vendor record in CCR does not include TIN or EFT information, that registration is not an “Active” registration, and the request to add the vendor to the VEND table will be returned by OCFO to the submitter of the request.
2. For vendors excepted from the requirement to register in CCR, pursuant to FAR 4.1102, but *required to provide banking information for EFT payments.*
- a. Agencies shall submit VEND maintenance requests to OCFO with the following information:
 - (1) Vendor’s name and address;
 - (2) Statement that the vendor is not required to register in CCR (example: CCR=N);
 - (3) TIN - (FAR 52.204-3, “Taxpayer Identification”);
 - (4) DUNS Number - (FAR 52.204-6, “Data Universal Numbering System (DUNS) Number”); and
 - (5) EFT Information - (FAR 52.232-34, “Payment by Electronic Funds Transfer - Other than Central Contractor Registration,” FAR 52.232-38, “Submission of Electronic Funds Transfer Information with Offer”).
 - b. The corresponding FAR provisions and clauses for commercial items acquisitions are at: FAR 52.212.1, 52.212-3, 52.212-4 and 52.212-5.
3. For vendors excepted from the requirement to register in CCR and excepted from the requirements for contract payments by EFT pursuant to FAR 32.1103.

Agencies shall submit VEND maintenance requests to OCFO with the following information:

- a. Vendor’s name and address
- b. Vendor’s TIN
- c. Statement that the vendor is not required to register in CCR (example: CCR=N);
- d. The exception to the requirement for payment through EFT, including the citation for applicable FAR 32.1103 exception. (The current exceptions for payment through EFT are listed on Attachment B to this Advisory.)

Updates of EFT information for New Vendors Added to FFIS under the procedures described in OCFO memorandum of February 19, 2004 and this AGAR Advisory:

- 1. Vendors required to register in CCR, are responsible for ensuring that the information in CCR is current and correct. OCFO will obtain the updates from the CCR database to update the VEND table.

2. For vendors not required to register in CCR, updates to EFT information should be transmitted to OCFO Table Maintenance Section via the on-line COMT or PVND table. OCFO plans to implement the PVND table in the near future.

Inclusion of CCR information into FFIS for Vendors already in the VEND Table:

The update of information for vendors already registered in FFIS will be part of a future effort by OCFO. A time frame for this effort has not yet been established by OCFO.

CCR and Vendor Express:

Based on direction received from OCFO COD, effective May 1, 2004, except for non-contractual transactions processed under a Type 60 order, vendors should not be advised to contact the National Finance Center (NFC) to initiate the enrollment process of the Vendor Express Program (VXP). Type 60 orders for non-contractual transactions are used by Rural Development and the Farm Service Agency to process various program contract payments such as property taxes, appraisals, custodian/caretaker fees, foreclosures, etc., in the legacy Central Accounting System (CAS). Type 60 orders for non-contractual transactions will continue to be processed in CAS until October 1, 2004 at which time FFIS will provide the capability to process these transactions.

VXP was originally put in place to facilitate vendor submission of EFT information to NFC. For vendors registered in CCR, this separate process that predates CCR is no longer necessary (except as noted above for Type 60 orders for non-contractual transactions) as the required TIN and EFT information is available in the CCR database. The *vendor* is responsible for ensuring that its information in CCR is current and correct at all times.

CCR Exceptions and DCIA Waivers/Exceptions:

1. The procedures established by the OCFO Memorandum of February 19, 2004 and this AGAR Advisory, are based on 2 separate requirements:
 - a. The FAR Subpart 4.11 requirement for vendor registration in the CCR database, and
 - b. The DCIA 31 CFR 208 and FAR Subpart 32.11 requirement for payments by EFT.
2. Unless a vendor meets one of the exceptions to the requirement to register in CCR, it must register in CCR. Unless a vendor meets one of the DCIA waiver categories (also described as exceptions in FAR 32.11), then payment by EFT is required.
3. The exceptions to the requirement to register in CCR and the DCIA waivers/exceptions to payment by EFT are not the same.

4. Questions have been received about the exception to the requirement for CCR registration at FAR 4.1102(a)(6):

“Micro-purchases that do not use the electronic funds transfer (EFT) method for payment . . . “

This exception requires that the procurement action be a micro-purchase AND also that it meet one of the exceptions to the requirement for payment by EFT.

QUESTIONS:

If you have questions about this advisory, please contact Pat Honda by telephone at 202-720-8924, by fax at 202-720-8972, or by email to pat.honda@usda.gov. Questions regarding the attached OCFO Memorandum may be directed to the OCFO COD ACPRB Table Maintenance Section at 504-426-5362.

This advisory is available at <http://www.usda.gov/procurement/policy/advisories.html>.

EXPIRATION DATE: Until Canceled

ATTACHMENT A



United States
Department of
Agriculture

Office of the
Chief Financial
Officer

P.O. Box 60000
New Orleans
Louisiana 70160

Date: February 19, 2004

In reply refer to: COD

Subject: Changes in Vendor Table (VEND) Maintenance Requests

To: FFIS VEND Users

Effective February 9, 2004, to comply with the provisions of the Debt Collection Improvement Act (DCIA) of 1996 and the Central Contractor Registration (CCR) requirements, submitters of VEND Table maintenance requests to the Controller Operations Division (COD), Accounting Processing Branch (ACPRB) are responsible for providing accurate vendor electronic funds transfer (EFT) information (bank account, account type, and bank routing number) and a determination on whether the vendor must be registered in the CCR database (www.ccr.gov).

DCIA mandates the use of the EFT payment method for government disbursements. CCR is a government wide initiative to create a central database of vendors doing business with the Federal government.

CCR registration is required for most vendors. Specifically, vendors doing business with USDA under the terms of any of the following are required to register:

- Contract.
- Basic agreement.
- Basic ordering agreement.
- Blanket purchase agreement.

CCR registration is not required for:

- Vendors paid **solely** via the government purchase card.
- Vendors performing work under a classified contract if registration would compromise the information or national security.
- Vendors doing work under military contracts or for emergency operations.
- Foreign vendors doing work outside the United States.
- Vendors paid non-EFT for micro-purchases. (A micro-purchase is defined as the acquisition of supplies or services, the aggregate of which does not exceed \$2,500.)
- Employees and Non-Employee Travelers.

Requests submitted without the required EFT and CCR information will not be processed into VEND and will be returned to the requester. Vendors must be in VEND in order for disbursements to be made.

Note: Recipients of this document should further distribute the new requirements to appropriate personnel throughout their organizations.

Questions regarding this change should be directed to the COD, ACPRB, Table Maintenance Section at **504-426-5362**. Additional procurement policy information regarding CCR requirements can be obtained from the USDA Office of Procurement and Property Management (OPPM) at **202-720-8924**.

A handwritten signature in black ink, appearing to read 'Charles L. Wallace', written in a cursive style.

CHARLES L. WALLACE, Director
Controller Operations Division

ATTACHMENT B

The Government shall provide all contract payments through EFT except if—

- FAR 32.1103(b)
The payment is to be received by or on behalf of the contractor outside the United States and Puerto Rico (but see 32.1106(b))
- FAR 32.1103(c)
A contract is paid in other than United States currency (but see 32.1106(b))
- FAR 32.1103(d)
Payment by EFT under a classified contract could compromise the safeguarding of classified information or national security, or arrangements for appropriate EFT payments would be impractical due to security considerations
- FAR 32.1103(e)
A contract is awarded by a deployed contracting officer in the course of military operations, including, but not limited to, contingency operations as defined in 2.101, or a contract is awarded by any contracting officer in the conduct of emergency operations, such as responses to natural disasters or national or civil emergencies, if—
 - (1) EFT is not known to be possible; or
 - (2) EFT payment would not support the objectives of the operation
- FAR 32.1103(f)
The agency does not expect to make more than one payment to the same recipient within a one-year period
- FAR 32.1103(g)
An agency's need for supplies and services is of such unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT
- FAR 32.1103(h)
There is only one source for supplies and services and the Government would be seriously injured unless payment is made by a method other than EFT
- FAR 32.1103(i)
Otherwise authorized by Department of the Treasury Regulations at 31 CFR part 208

Examples of authorized waivers in 31 CFR 208, not specifically addressed in FAR 32.1103 include:

31 CFR 208(a)

Where an individual determines, in his or her sole discretion, that payment by electronic funds transfer would impose a hardship due to a physical or mental disability or a geographic, language, or literacy barrier, or would impose a

financial hardship. In addition, the requirement to receive payment by electronic funds transfer is automatically waived for all individuals who do not have an account with a financial institution and who are eligible to open an ETASM under § 208.5, until such date as the Secretary determines that the ETASM is available

31 CFR 208(e)

Where . . . the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised