

Vendor Validation Checklist

Confirm that a supplier your company wishes to contract with is legitimate and reliable

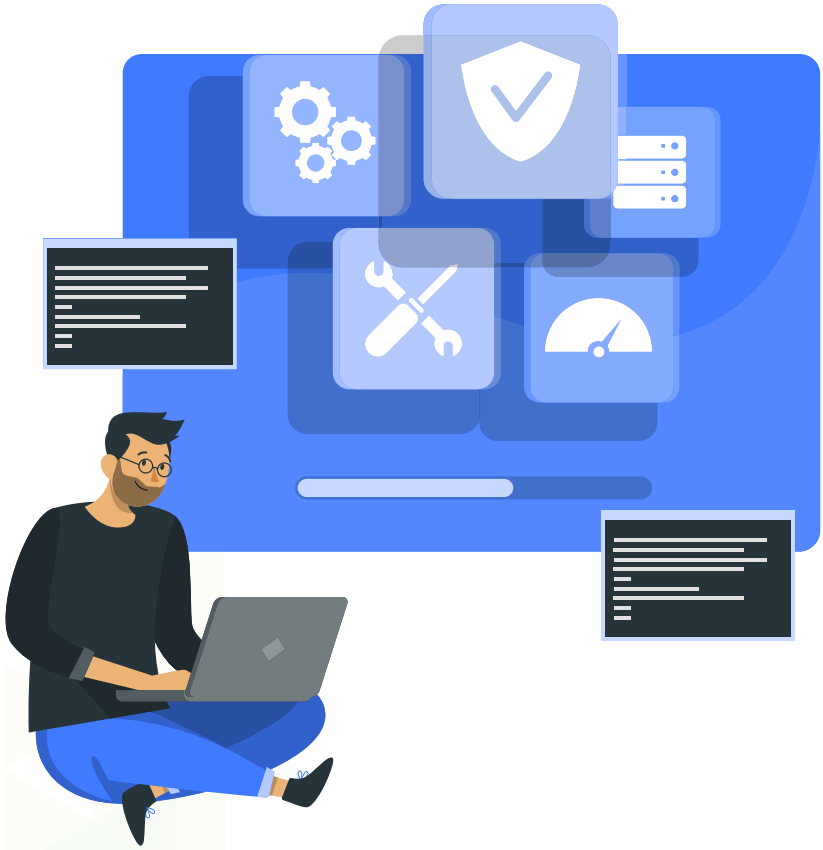
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Introduction

Vendor validation, referred to as supplier verification, confirms that a supplier your company wishes to contract with is legitimate and reliable. If your business is subject to regulatory requirements or other standards, you must validate that the suppliers you work with also abide by these rules. A proper vendor validation system takes care of:

- W-9 and W-8 tax form processing
- Tax identification number (TIN) matching
- Automated bank account validation
- Vendor verification against OFAC/SDN and 30+federal compliance lists and, much more



Name of the Vendor:	
Associated Contract ID:	
Existing Vendor: (Y/N)	
New Vendor (Y/N)	

1. Vendor Contracts

Risk:
Duplicate Vendors = Chances of Fraud and Duplicate Payments

Check all vendor master files with	
· Completed or revised vendor's IRS W-8/W-9/ASC W-9 form	☐
· Invoice remittance	☐
· Fully executed vendor contracts	☐
Takeaway	Check the Vendor name and DBA to verify and match. Add the vendor if the name does not match/exists in the vendor master file. In case of multiple vendor master files, check and remove duplicate vendors and update relevant ones from time to time.

2. Vendor Address Verification

Risk:
Incorrect Address of Vendors = Chances of Non-existent or Dummy Vendors andFraudulent Payments

Check vendor contracts and IRS W9 (US) or IRS W8 (Non-- US) US/Foreign) with	
· US Postal Service for the existence of address	☐
· Smarty for Address status	☐
· Look up an address in Google Earth	☐
· Universal Postal Union for the cleansing, validation, and standardization of inter-national addresses	☐
· Tincheck for real-time list matching/verification services	☐

Takeaway	To minimize duplicates, standardize address formats for all vendors per US Postal Service (US) or Universal Postal Union (Non-US). For PO Boxes, you also require validation of street address.

3. Bank Information Validation

Risk:
Bank (branch) country does not match Supplier company = Unsuccessful processing of ACH or Wire payments

Validate the below documents from vendor master files with IBANS, ACH/Wire payment, and online BIC tool	
· Vendor letterhead	☐
· Bank letter	☐
· Voided Check or Company Branded Banking Setup Form	☐
Takeaway	While processing payments, confirm that the routing number/BIC/IBAN matches the bank stated on the supporting documentation to eliminate potential fraud.

4. Tax Information Validation with Internal Revenue Service (IRS) Records

Risk:
Vendor not registered with IRS = Might be fraudulent or result in CP2100/CP2100A Notices

To confirm that vendor is real, validate the below documents with IRS.gov e-Services and/or Tincheck:	
· IRS W9 (US) or	☐
· IRS W8 (NonUS/Foreign)	☐
Takeaway	Validate there is no mismatch between legal name and tax ID to confirm that vendor is genuine and verify the deductibility status.

5. Office of Foreign Assets Control (OFAC) Compliance Validation	
Risk: Failure to comply = Civil and Criminal Penalties	
To confirm OFAC compliance, verify the below documents with US Treasury or Tincheck	
· Bank letter	☐
· Vendor letterhead	☐
· IRS W9 (US) or IRS W8 (NonUS/Foreign)	☐
· Voided Check or Company Branded Banking Setup Form (recommended)	☐
Takeaway	All US citizens and organizations must comply with OFAC regulations. Vendors and Foreign Financial Institutions appearing on OFAC sanctions lists should not be set up in your vendor master file.

In order to ***prevent fraud, compliance penalties, and inaccurate vendor data,*** vendors must be validated during the vendor setup, existing vendor change, and vendor master file cleanup processes.

Are you looking for a ***vendor management solution*** that takes care of automated vendor validation? Your hunt ends here

Book a demo to see Aavenir Onboardingflow in action!



Elevate Your End-to-end Vendor Management Experience on ServiceNow

Are you willing to enable end-to-end vendor management through collaboration portals and minimize the complexity of supplier onboarding and engagement across all sourcing and procurement processes?

Get a custom demo of the Aavenir software and find out how you can manage your vendor for better business results.



About Aavenir

Aavenir revolutionizes age-old procurement processes with AI-enabled Source-to-Pay solutions, including RFPflow, Onboardingflow, Contractflow, Obligationflow, and Invoiceflow. Built on ServiceNow, Aavenir solutions streamline procurement, legal, and accounts payable work processes using the latest technologies such as AI, ML, and NLP to

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RFPflow



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Contractflow



Contract Lifecycle Management

Obligationflow



Contract Compliance Management

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Accounts Payable Automation

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