

STANDARD OPERATING PROCEDURE:

2.0 SUPPLIER MANAGEMENT

This procedure is in accordance with Procurement and Payment Policy [20.1.11](#).

Introduction

Supplier Management is a set of processes, activities, systems and information management tools that allows Rutgers to manage and have maximum visibility into all activities associated with a supplier. UPS is responsible for ensuring that all suppliers engaged by the university are properly onboarded, maintained, and managed in compliance with university, state, and federal requirements.

Procedure Outline

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Definitions

Corporation: An organization that is recognized as having a legal existence as an entity separate and distinct from its owners. Corporations are owned by their stockholders (shareholders) who share in profits and losses generated through the firm's operations.

Employer Identification Number (EIN): A unique nine-digit number assigned by the Internal Revenue Service (IRS) to business entities operating in the United States for the purposes of identification. The EIN is also known as the Federal Tax Identification Number.

Independent Contractor or Employee Determination Form (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by UPS or University Tax Department prior to any start of service.

Individual Tax Identification Number (ITIN): A tax processing number only available for certain non-resident and resident aliens, their spouses, and dependents who cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number "9", formatted like an SSN (NNN-NN-NN).

Limited Liability Company (LLC): A organization whereby the members of the company cannot be held personally liable for the company's debts or liabilities. This is a hybrid entity that combines the characteristics of a corporation and a partnership or sole proprietorship.

Ownership Declaration Form: A form required to be submitted by all suppliers performing work with RBHS or other Rutgers units that may be Medicare reimbursable.

Partnership: An organization in which two or more individuals pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement.

PaymentWorks: Self-service supplier data portal for new supplier onboarding and existing supplier maintenance.

Procurement Approver: Approver within UPS who will perform a general screen and review of invitation requests for a new Supplier or review any updates of a current supplier.

RU Marketplace: The university online system that covers all stages of the procurement-to-payment process. This system provides a comprehensive approach to the provider and end user. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Social Security Number (SSN): A unique 9-digit number in the format 000-00-0000 issued to individuals in the United States to track Social Security benefits and for other identification purposes.

Sole Proprietor: A business that legally has no separate existence from its owner. A sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Supplier: Any individual, company, corporation, partnership or sole proprietor that provides goods or services to the University.

Tax Identification Number (TIN): An identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. The TIN is also known as the Employer Identification Number (EIN).

Unit: A Rutgers internal department.

University Procurement Services (UPS): The unit that processes all procurement transactions including requisitions and invoices, facilitates the formal bid process, and negotiates and manages contracts.

W-8 Form - The IRS form that certifies foreign status and needs to be completed for any foreign individual (W-8BEN) or company (W-8BEN-E) when the University is making a payment to them. It is also used to validate a tax treaty exemption from, or a reduced rate of, withholding on certain income.

W-9 Form -The IRS form which certifies a domestic taxpayers identification number. This form is requested from suppliers to conform to IRS regulations. Rutgers must have a federal tax identification

number or social security number on file for all suppliers and individuals receiving payments from the University and this form is used to certify those numbers.

Procedures

2.1 New Supplier Set-Up Process

Overview

Prior to purchasing a good or a service, units should first research and attempt to use contracted suppliers and suppliers already in RU Marketplace to meet their needs, before seeking to enter an additional supplier to the system. If no existing suppliers can provide the good or service, a new supplier must be invited through PaymentWorks, and approved by UPS.

Any supplier seeking to do business with or receive payment from the University must first be established in PaymentWorks.

[PaymentWorks](#) is the University's supplier onboarding and management platform. It enables units to invite new or existing ("legacy") suppliers who have not yet completed the onboarding process. The system securely collects and validates supplier information while providing visibility into the onboarding workflow. Once registered in PaymentWorks, suppliers can maintain their own profile, including address, tax, and contact information, directly within the platform.

Inviting A Supplier to Register

Before sending an invitation, units should:

1. Confirm that no existing supplier can provide the required good or service.
2. Search in PaymentWorks to ensure the supplier is not already registered.

Important Notes:

- New suppliers for promotional merchandise, apparel, signage, displays, or awards should not be invited or added without prior approval from the Office of Trademark Licensing (trademark@ucm.rutgers.edu) within University Communications & Marketing.
- Suppliers performing architectural, engineering, or trade-related work (e.g., electrical, painting, HVAC, plumbing) should not be invited. These requests are managed exclusively through Institutional Planning & Operations (IP&O).
- Non-PO transactions that do not involve the purchase of goods or services are not required to register in PaymentWorks.
- The following types of payments should be processed through Candex:
 - Honoraria
 - Travel – Non-Employee
 - Athletics – Game Day Services
 - Patient Actors
 - Net (Print) Royalties

To invite a supplier, the unit — referred to as the “initiator” — must complete the supplier invitation form, which includes the following information (see [PaymentWorks Training Videos](#) for instructions):

- Supplier name
- A valid supplier email address
- Good or service provided
- Selection of company or individual
- Personalized message (optional) – for the supplier
- PO or check request supplier

Once submitted, the invitation is routed to UPS for review and approval .

Criteria for supplier invitation approval

UPS will approve supplier invitations based on the following criteria:

- a) The supplier is not already registered in PaymentWorks.
- b) The supplier provides a good or service that cannot be sourced from an existing [University-Contracted Supplier](#).
- c) The supplier is not a current Rutgers student.
- d) The supplier is not a current or recently separated employee
 - a. A 6-month gap is required following their last paycheck with Rutgers.
 - b. The hire date must be a different calendar year.
 - c. The new role cannot be the same job performed prior to leaving the university.
- e) The supplier does not qualify for a [Non-PO Upload](#) transaction.

Supplier Registration Process

Once an invitation is approved by UPS, the potential supplier will receive an email with instructions to create an account. After creating their account, they will receive a follow-up email to begin their New Vendor Registration Form. Suppliers are required to submit the following documentation in order to formally register with PaymentWorks:

- Name as it appears on the W-9 (or W-8 if foreign)
- Note: W-9 must be signed and dated within the last 18 months; W-8 must be signed and dated within the last three years.
- Address
- Email address
- Tax ID/SSN number
- Phone number
- Signed W-9 (US entity) or W-8 (foreign entity)

Any missing information will result in a supplier registration being returned to the supplier for correction and resubmission. It is the Supplier’s responsibility to complete the registration in full and submit all required documentation. Incomplete registrations will delay the onboarding process.

New Supplier Screening and Entry

Once the potential supplier submits their completed registration, PaymentWorks conducts a general screening to include:

- Confirm the validity of the tax identification number
- Confirm that the supplier is not on the debarred supplier list (See [SAM.gov](https://sam.gov))
- Confirm supplier's address is valid
- Confirm the supplier record does not already exist in our supplier database

Once the PaymentWorks screening is complete, UPS will also conduct an additional screening that includes:

- Confirming the supplier is not a current employee or student of Rutgers
- Addressing any issues identified during the PaymentWorks screening.

Once this process is complete and no issues are discovered, the registration will be approved, and the supplier record will be added to Oracle and RU Marketplace. Both the invitation initiator and the supplier will receive email notification that the supplier has been established.

Units can verify for supplier set-up by entering the supplier name or supplier number in any requisition form in RU Marketplace. Units must still follow the sourcing process (See [3.0 Sourcing](#)) to complete the purchase.

If an issue is discovered, employees/students, or a supplier appears on the debarred list, a member of the UPS will contact the supplier and invitation initiator.

2.2 Supplier Record Maintenance

From time to time, updates to a supplier record will be required. For all suppliers not onboarded in PaymentWorks, units should invite that supplier via a PaymentWorks invitation (see [2.1 New Supplier Request Process](#)) so that the supplier goes through a sanctions check. The old record will be de-activated once the registration has been approved and entered. Any updates to a supplier's information going forward should be made by the supplier directly via PaymentWorks.

Typical changes include:

- New address
- Changes to an existing address or contact information
- Change in name
- De-activation due to going out of business or purchase by another company
- Tax identification change
 - Note: A change in tax identification requires issuing a new PaymentWorks invitation and a Procurement Help Desk ticket request to inactivate the existing supplier record.

For suppliers already in the system but who require a change, they will submit the change in the PaymentWorks portal directly. The change request will be reviewed and either approved or rejected.

The Supplier Maintenance team also performs other regular maintenance activities. Annually, the team will deactivate suppliers who have not had activity for at least 24 months. If a supplier needs to be reactivated, the unit can submit a Help Desk ticket. Any reactivation would require the supplier to be registered in PaymentWorks.

2.3 Supplier Ethics

Current and prospective suppliers are prohibited from giving money, loans, credits, entertainment, favors, services or gifts to Rutgers employees. Such gifts and gratuities, even if of seemingly low value, can give rise to a conflict of interest or the appearance of a conflict of interest. Such gifts will be promptly disposed of. If it is deemed necessary to visit a supplier site for a demonstration, the university pays all related expenses. Please see [Rutgers policy 40.2.12 - Gratuities, Guests, Gifts and Use of University Resources](#).

2.4 Debarred Supplier List

Rutgers University complies with Federal regulations that prohibit transacting or making payments to suppliers that are debarred or appear on a prohibited list maintained by the U.S. Federal Contractor Registration, or other federal agency. This applies to all procurement and disbursement transactions including but not limited to suppliers, individuals, external / independent contractors or consultants, professional services providers, entertainers, performers, one-time lecture fees and construction related goods and services.

UPS is responsible for confirming that suppliers are not on the debarred list. No contract, agreement, purchase order, or payment by Rutgers is allowed at any time to such suppliers or parties. UPS will cancel any contracts, agreements, or purchase orders inadvertently issued, and will return unprocessed any invoices submitted for payment.

If any current suppliers appear on the denied parties/debarred list, the following steps will be taken by UPS:

- 1) Deactivation of the supplier in RU Marketplace/ Oracle.
- 2) Notification to [University Ethics and Compliance](#).
- 3) Location of any open transactions with the supplier and notification to the unit responsible for the transaction.
- 4) Closure of any open transactions subject to the terms of any existing contracts.

2.5 Federal Contracting and the Small Business Contracting Plan (SBSP)

As a recipient of federal funds for sponsored research, the University is required by Federal Acquisition Regulation (FAR 52.219-9) to prepare a [Small Business Subcontracting Plan \(SBSP\)](#) for each contract with an awarded value in excess of \$700,000. Under these plans, prime contractors and subcontractors, such as Rutgers, must agree to purchase a percentage of goods and services from certified Small Business Concerns. Some federal agencies set specific percentage goals.

The SBSP is developed jointly by the principal investigator, the unit, and the Supplier Management Unit within University Procurement Services. The SBSP specifies which items will be purchased from small business concerns, the total dollars to be spent with each small business concern, and the percentage of dollars budgeted for supplies and services that the purchases represent. Once the award has been made, the SBSP becomes part of the contract and the principal investigator is expected to meet the goals set in the plan.

As a federal contractor, the University is required to prepare semi-annual reports to the federal government of its purchases from Small Business Concerns for each contract. The University identifies Small Business Concerns and include them in the performance of these subcontract plans.

2.6 Sustainability

Rutgers is committed to environmental stewardship by promoting the use of environmentally and socially responsible products, whenever possible. From a supplier management standpoint, UPS collaborates with the University's existing supplier base to identify and highlight for the campus, their portfolio of environmentally friendly products and services.

For federal awards, UPS:

- Guides units to purchase only items that are in compliance with Environmental Protection Agency (EPA) at 40 CFR part 247 guidelines;

For all awards, including federal awards, UPS:

- Guides units to purchase recycled and environmentally preferable products and services, when practical;
- Meets with the campus units to discuss and explore opportunities to utilize products and services with the greatest amount of recycled, recyclable, and post-consumer content;
- Collaborates with existing suppliers to identify and highlight for the campus their portfolio of environmentally friendly products and services;
- Identifies green and environmentally responsible products made available by our suppliers and pilots them within the University to validate compatibility and practicality; and

- Guides units to participate in the fleet management program that complies with the U.S. Department of Energy's Alternative Fuel Transportation Program (See Sourcing 3.0).

2.7 Supplier Management Post Contract Award and Dispute Resolution

UPS monitors selected major contracts to ensure compliance to all pricing, terms and conditions. In addition, UPS works with these suppliers to continually develop ways to drive costs down and improve services for the Rutgers community. The approach is dependent on the contract but may include:

- Reports from the supplier regarding key performance indicators (i.e. pricing, delivery data, product return data, etc.)
- Regularly scheduled meetings with the supplier (i.e. quarterly business reviews)

UPS also works with units on resolving any supplier conflicts that may arise, if requested. Units are encouraged to contact the appropriate [Category Manager](#) for assistance in resolving any such issue.

References

PaymentWorks

[Supplier Onboarding System](#)

Campus Instructions (via Canvas)

[Supplier Maintenance Request Process Instructions](#)

Process Flowchart (via Canvas)

[Supplier Management Process](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
11/2025	M. Gower		4