**INFORMATIONAL CIRCULAR NO.: 17-A-012**

**DATE:**  May 17, 2017

**SUBJECT:** Updated Supplier Information forms (DA-130, DA-130C, and TM-21)

**EFFECTIVE DATE:** May 17, 2017

**CONTACT:**

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| Office of the Chief Financial Officer -(Audit Services, SMART) | SMART Service Desk – <https://sokdahelpdesk.ks.gov> |

**APPROVAL:** DeAnn Hill (original signature on file)

**SUMMARY:** Increased fraud prevention practices regarding changes to SMART supplier

information

Fraudulent re-direction of direct deposit (ACH-Automated Clearing House) payments is a crime that targets all businesses and entities. While the Office of the Chief Financial Officer is unaware of any successful attempts at re-routing payments, fraudulent attempts to request changes to supplier ACH accounts have been reported. These attempts have been very sophisticated. Unauthorized individual(s) submitted information via email that contained email addresses and company logos that appeared to be from the supplier.  In addition, these unauthorized individuals may have contacted multiple state employees to obtain different pieces of information in order to not raise suspicions.

Fraud prevention tips:

* DO NOT provide a supplier with any account or identifying information. The supplier should already have that information.
* If the person requesting the change of supplier information is unfamiliar to you, confirm the individual requesting the form does exist at the company and is authorized to make the change requested.
	+ Contact the person you normally deal with at the supplier to verify the requestor’s identity.
	+ Establish a relationship with a new supplier by using a known phone number for the supplier. Do not use a phone number submitted with the request or on the email communication. Use the contact information from the invoice.
	+ Ask the supplier/individual requesting the change to confirm the current account number and/or invoice number.

DA-130 Authorization for Electronic Deposit of Supplier Payment form:

The DA-130 form has been updated to incorporate additional verification needed to validate banking update requests. The DA-130 is not a public document; therefore, the DA-130 is not published on the Department of Administration’s website and should not be published on agency websites accessible to the public. Agencies acquire the DA-130 form by creating a ManageEngine Service Desk ticket. To maintain the security of the form, agencies are responsible for providing DA-130 forms directly to suppliers upon request in lieu of providing access on an agency website.

It is important that processes and procedures to reduce the risk of account fraud are developed and are put into practice both when a DA-130 form is requested and when completed DA-130 forms are received. Do not send the DA-130 form to suppliers/individuals who cannot confirm their identity.

DA-130 form completion/submission:

* The DA-130 form must be filled out by the supplier or an authorized representative and cannot be completed by the agency.
	+ The DA-130 (Rev. 05-2017) form requires the supplier provide a recent payment amount and date. DO NOT give them this information. If they do not know, direct the supplier to the Vendor Payment Self-Service website <https://admin.ks.gov/offices/chief-financial-officer/central-responsibilities/vendor-payment-self-service>
	+ An official bank letter, voided check, or deposit slip must accompany the completed DA-130 form. The bank document must contain the bank name, routing number and account number as well as the supplier’s name. A letter from the supplier with the bank information is not acceptable.
		- The bank document must be submitted with the DA-130 form as an additional attachment when creating the ManageEngine Service Desk ticket.
* When a DA-130 form is received by your agency, review for completion. Incomplete forms will not be accepted.
* Verify that the request is from the supplier and complete the agency certification on the DA-130 form.
* The updated job aid for the DA-130 form is located at: <http://smartweb.ks.gov/training/accounts-payable#Suppliers>

Adding the Supplier to SMART

* Attach the DA-130 form and bank documentation to the supplier record in SMART. A hold will be placed on any new ACH information for a supplier that does not have the correct documentation attached.

DA-130C Cancellation of Electronic Deposit of Supplier Payment form:

The DA-130 form no longer contains a cancellation section. A DA-130C form has been created to cancel an ACH payment method for a supplier. The same level of due diligence achieved in applying fraud prevention processes and procedure in establishing or changing ACH payment information for suppliers using the DA-130 form shall also be applicable for cancellations using the DA-130C form.

TM-21 SMART Supplier Information Change Request form:

The TM-21 form has been modified to include supplier phone number and email to allow agencies to store confirmed contact information. Changes to supplier information using this form should also be confirmed with the supplier. Confirmation is recorded by completing the agency certification section.