

## Verifying Vendor Hold Status

The Texas Comptroller's Office has updated its policy concerning the verification of vendor hold status. A vendor (company or individual) is placed "on hold" with the State of Texas (i.e., the state will hold payments to the vendor) when a state agency or university reports that the vendor owes a delinquent debt to the state.

The Comptroller's policy requires state agencies and universities to verify a vendor's hold status for local voucher payments over \$500 and for state and local P-Card purchases over \$500. Also, we are required to verify a vendor's status before signing a contract that will be paid with local funds, regardless of dollar amount.

State voucher payments are automatically withheld by the Comptroller's Office for vendors on hold. Likewise, local voucher payments are not issued by the UHS Finance System to vendors on hold. Therefore, UHS departments do not need to manually verify a vendor's hold status for local vouchers either, since the Finance System does this automatically when the payment is ready to be issued.

The following matrix shows when departments are required to verify vendor hold status for their purchases:

<b>Purchase Method (fund type)</b>	<b>Vendor Hold Status Verification Requirement</b>
Voucher (state and local)	No Verification Required The vendor's hold status is verified automatically before issuing a payment and will not issue payments to vendors on hold.
P-Card (state and local)	<u>Purchases over \$500</u> Verification is Required Prior to Making Purchases  <u>Purchases of \$500 or less</u> No Verification Required
Contract (local)	Verification is Required Prior to Signing the Contract Verification may occur no earlier than seven days before the contract is signed and no later than the date the contract is signed.

Instructions for verifying vendor hold status are posted on the Finance website - see "Vendor Hold Status" (<http://www.uh.edu/finance/pages/References.htm>). Emergency purchases are not subject to this requirement.