



Workday Finance, configured by a Chartered Accountant.

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■ WORKDAY FINANCE · STEP BY STEP

Supplier Classifications Overview

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■ Purpose

This guide provides an overview of Supplier Classifications. Supplier classifications in Workday are used to group suppliers to streamline reporting and comply with federal, state, or local government requirements. Classifications help track supplier diversity, compliance with tax regulations, and facilitate reporting and integrations.

■ Prerequisites

To set up a Supplier Classification, ensure the following:

- The supplier has a complete profile set up in the system.
- Determine the appropriate supplier classification type that aligns with the supplier's business activities.
- Select the country where the classification is valid, as this is a mandatory field.\
- Complete all required fields for the classification, which may include:
 - Supplier Classification Type
 - Supplier Classification Value
 - Employee Identification (if applicable)
 - Tax Officer Code (if applicable)
 - Additional fields specific to the classification type, such as name, surname, and business sector.
- Compliance with any federal, state, or local government requirements related to supplier classifications.

■ Supplier Classification Elements

Supplier Classification Elements Include:

- Supplier Classification Category
- Classification Name
- Supplier Classification Field Detail
 - Detail Field Types:
 - Date
 - Effective Date
 - Expiration Date
 - Multiple Choice – Multi Select
 - Multiple Choice – Single Select
 - Number
 - Text
 - Upload Attachment
 - Required: Yes or No
- Country
- *Optional: External Supplier Site Field, External Supplier Site Classification*

■ Diversity Classification

- Used to categorize suppliers based on diversity criteria, such as Minority-Owned or Small Business.
 - Examples of Supplier Classifications related to Diversity:
 - Minority-Owned
 - Veteran-Owned
 - LGBTQ-Owned
 - Small Business
 - Small Disadvantaged Business
 - HUBZone Small Certified
 - Service-Disabled Veteran-Owned Small Business
 - Woman-Owned Small Business

■ Supplier Classification Set Up

Tasks Related to Supplier Classification:

- *Create Supplier Change*
- *Maintain Supplier Classification Categories*
- *Maintain Supplier Classifications*

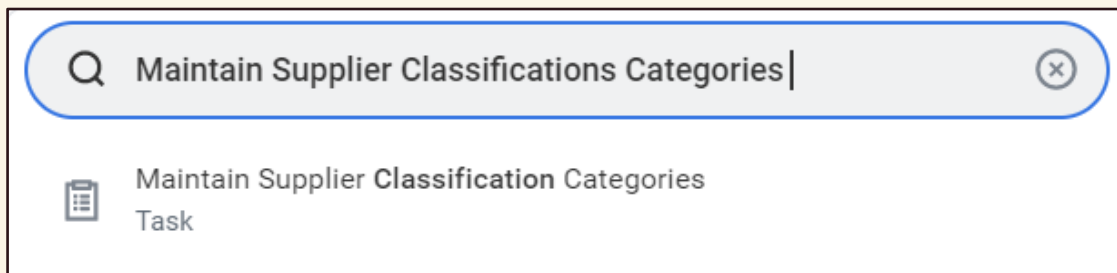
Security Set Up:

- The *Maintain Supplier Classification Categories* and *Maintain Supplier Classification* tasks are secured by the *Set Up: Supplier Maintenance* domain within the Suppliers functional area.
 - These tasks are available to any employee with one of the following roles: *Accounts Payable Data Entry Specialist*, *Buyer*, *Supplier Administrator*, *Supplier Contract Specialist*



Supplier Classification Set Up:

- Type *Maintain Supplier Classification Categories* in the WD search bar and select the related task.



The screenshot shows a search bar with the text "Maintain Supplier Classification Categories" entered. Below the search bar, a result is displayed: "Maintain Supplier Classification Categories Task".

- Workday provides a delivered supplier classification category for *Diversity*. Use the *Custom Supplier Classification Category* to create additional categories for supplier classification.

Maintain Supplier Classification Categories

1 Item

Delivered Supplier Classification Category

Category Name

Q

Diversity

◀

▶

Turn on the new tables view

0 Items

+

Custom Supplier Classification Category

*Category Name

In Use

No Data



- Type *Maintain Supplier Classification* in the WD search bar and select the related task.



Maintain Supplier Classifications
Task

- Create Supplier Classifications by adding rows to the table and populating all relevant and required fields for each new Supplier Classification. Click *Ok* when complete.

Maintain Supplier Classifications

1 Item

	Supplier Classification	Supplier Classification Category	*Classification Name		*Field Title	*Supplier Classification Type	Required
+							
-		× Diversity	MBE/ WMBE	+			
				-	Certification Expiration Date	× Expiration Date	☒
				-	Certification Effective Datge	× Effective Date	☒
				-	Certified By	× Text	☐
				-	Certificate Number	× Text	☐



- Apply Supplier Classifications to Suppliers via the *Create Supplier Change* task. Select *Classifications* under *Areas you want to Change* and click *Ok*.

Create Supplier Change

Only select the Areas you want to Change. Once you click OK, a Draft Supplier Change will be created.

Select All ☐

Supplier and Tax Details ☐	Alternate Names ☐
Payment Details ☐	Procurement Options ☐
Supplier Hierarchy ☐	Classifications ☒
Contact Information ☐	Contingent Worker Options ☐
Settlement Bank Account ☐	Attachments ☐
Related Worktags ☐	

- Navigate to the *Supplier Hierarchy* subsection and click on the *Classifications* tab. Select the relevant *Supplier Classification* and populate all relevant fields. Click *Submit* when complete.

Supplier Hierarchy

Children (empty)

Parent (empty)

Contact Information Settlement Bank Account Tax Information Alternate Names Procurement Options Related Worktags **Classifications** Contingent Worker Options Change History Attachments

▼ Spend Category Hierarchies

Spend Categories/Hierarchies

▼ Supplier Classifications

Supplier Classification *

Supplier Classification Category Diversity Country United States of America

Certification Expiration Date

Certification Effective Date

Certified By

Certificate Number

Submit Save for Later Cancel



Potential Custom Reports:

- *Suppliers with Diversity Classifications* provides insights into the diversity of suppliers within an organization. This report allows users to track and analyze supplier diversity by categorizing suppliers based on specific diversity classifications.
- *Spend by Suppliers with Diversity Classifications* provides insights into the financial transactions associated with suppliers categorized under various diversity classifications.

■ Common Errors and Resolutions

Issue	Description	Resolution
Editing Supplier Classifications	Users want to change the “Supplier Classification” for specific categories but find it unavailable for editing.	While users can add items to classifications, they cannot edit or delete existing entries once assigned to a supplier. The only option is to inactivate the classification.
Updating Supplier's Diversity Section	Changes or updates needed in the supplier's diversity section on Vendor Profile.	The supplier can perform this action by navigating to More > Company Profile > Edit Profile > Classification tab , then updating the Diversity Categories and saving the changes.

■ Best Practices

- Avoid loading duplicate suppliers and ensure that classifications are relevant to the supplier's transaction history.
- Be aware that suppliers may have alternate names for different purposes. Review the specific usages for these alternate names to ensure proper mapping.
- Regularly review and update classifications to reflect any changes in supplier status or compliance requirements.
- Create custom classifications for specific needs, such as withholding tax or compliance with local regulations, to enhance reporting and integration capabilities.
- Utilize supplier classifications to generate detailed reports that provide insights into payment practices, average payment days, and overdue invoices.



Thank You

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