The vendor add process

Determining if a payment to a vendor is reportable to the IRS

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Accounts Payable Dept.

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WEBSITE:  www.ap.admin.utah.edu

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What do reportable, 1099able & withholding mean?

These terms imply that we need to ‘report’ certain payments for services to the IRS. All vendors marked as reportable and having reportable payments in any calendar year amounting to $600 or more for most codes will receive an IRS Form 1099 from the University at the end of the calendar year. The University also reports the 1099 information to the IRS.

1 The University does not withhold taxes on reportable transactions.
Agenda

SECTION I
- Determining if a vendor is reportable to the IRS
  - Factors determining if a vendor will be reportable
  - The IRS 1099 Code Chart / Non-reportable Transactions
  - Flowchart of determining if a vendor will be reportable

SECTION II
- The vendor name and the W-9
  - What to look for to add the vendor with the correct name
  - A look at the IRS’ expectations
  - Flowchart to adding a vendor with the correct name
- Addresses
  - Withholding address
  - Remittance address
- Procurement options
- Payment options

SECTION III
- The 1099 process and the IRS
  - Setting up withholding information on the vendor
  - IRS Information and helpful hints
Determining if a vendor is reportable to the IRS

- Factors determining if a vendor will be reportable
- The IRS 1099 Code Chart / Non-reportable Transactions
- Flowchart of determining if a vendor will be reportable
Determining if a vendor is reportable to the IRS

- The **two most important factors** in determining if a vendor will be reportable to the IRS are:
  - **What type of business they are**
    - A Partnership or LLC?
    - A Corporation or Non-Profit organization?
    - A Sole Proprietor or an individual?
  - **What they are being paid for**
    - Is it merely the purchase of goods?
    - Did they provide a service of some type (i.e. Did “someone” do “something” for the University)?
    - If items are purchased in addition to services being provided (parts for a repair, etc.), the total amount is considered reportable according to the IRS.
Determining if a vendor is reportable to the IRS

• A vendor’s ‘reporting’ status is determined by their organization type and the reason for our payment.

• The IRS requires that certain types of transactions between businesses be reported on an IRS Form MISC 1099.

• See the Tax Code chart (next page) drafted from the IRS’ guidelines. The chart has a listing of the IRS 1099 codes, and what types of transactions fall under each code.
  ▪ The Tax Code chart will help you determine what IRS Tax Code the vendor falls under (06, 07, etc.) based on what type of organization they are.

• Corporations, Non-profit organizations, and State/Government agencies are ordinarily not reportable unless they provide medical services or when legal services/fees are paid.

• A vendor should receive a Form 1099 If the they qualify under a reportable category and the sum of all payments is equal to or greater than $600 or Royalties equal to or greater than $10 within a calendar year.
Determining if a vendor is reportable to the IRS

The IRS-MISC Tax Code Chart

- Corporation, Non-profit, State/Govt 1099 Codes:

<table>
<thead>
<tr>
<th>1099 Code</th>
<th>Code Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Rental (Exception: rent paid to a Real Estate Agency)</td>
</tr>
<tr>
<td>02</td>
<td>Royalties (ex: publisher or literary agent)</td>
</tr>
<tr>
<td>03</td>
<td>Awards, Gifts, Prizes, Study/Research Participants</td>
</tr>
<tr>
<td>06</td>
<td>Medical/lab services performed on a living human or animal</td>
</tr>
</tbody>
</table>

- Sole Proprietor, LLC, S-Corp, & Partnership, etc. 1099 Codes:

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<td>06</td>
<td>Medical/lab services performed on a living human or animal</td>
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<tr>
<td>07</td>
<td>Catering, Consulting, Guest lecturers, Honorariums, Independent contractors, Legal fees (any payment for legal service), Services (misc.), Quarterly West</td>
</tr>
<tr>
<td>14</td>
<td>Legal settlements (proceeds paid to an attorney)</td>
</tr>
</tbody>
</table>
Determining if a vendor is reportable to the IRS

What are misc. services?

- Misc. services can include:
  - Locksmith services/having keys made
  - Repairs on a machine or building
  - Guest lecturers/performers
  - Independent contractors
  - Honorariums
  - Consulting fees
  - Transcription services
  - Professional services
  - Catering when served
  - Landscaping services
  - Maintenance agreements

Flowchart to Determining if a Vendor Should Be Reportable to the IRS
Determining if a vendor is reportable to the IRS

- Example of an invoice that is reportable as an 07 (misc. services)

- Indicators that this payment needs to be reported
Non reportable transactions

- Books
- Cafeteria
- Catering (Not served)
- Decorations
- Fees
- Food
- Freight
- Lodging
- Membership dues
- Per diem
- Petty cash
- Purchase of an animal

- Purchase of human tissue
- Refunds/reimbursements (unless original receipts are not present)
- Registrations
- Salaries / wages
- Scholarships/Fellowships
- Subscriptions
- Supplies/merchandise
- Telegrams
- Telephone
- Travel related reimbursements
Determining if a vendor is reportable to the IRS

- When setting up a new vendor, you should obtain a W9 from them.
- The vendor provides their type of organization and Taxpayer ID on the W9.
- They should fill in the highlighted fields:
  - Their name/business name
  - What type of business they are (check box)
  - Withholding address
  - Taxpayer ID Number
- Verify the following:
  - Is the W9 filled out on a current form?
  - Is it legible?
  - Is it signed and dated?
  - Have they provided their full TIN (9 digits)? Do we have another vendor with the same TIN?
  - Have they provided a valid address?

2 A W9 is valid until the highlighted data or status above the signature line changes.

### IRS Form W9

<table>
<thead>
<tr>
<th>Request for Taxpayer Identification Number and Certification</th>
<th>Give form to the requester. Do not send to the IRS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name, or chosen on your tax return</td>
<td></td>
</tr>
<tr>
<td>Business name, if different from above</td>
<td></td>
</tr>
<tr>
<td>Check-appropriate box: Individual sole proprietor Corporation Partnership Employer identification number</td>
<td></td>
</tr>
<tr>
<td>Date of birth</td>
<td></td>
</tr>
<tr>
<td>Address (number, street and apt. or suite no.)</td>
<td></td>
</tr>
<tr>
<td>City, state, and ZIP code</td>
<td></td>
</tr>
<tr>
<td>List account numbers (are optional)</td>
<td></td>
</tr>
<tr>
<td>Social security number</td>
<td></td>
</tr>
<tr>
<td>or Employer identification number</td>
<td></td>
</tr>
</tbody>
</table>

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note, if the account is in more than one name, see the chart on page 4 for guidelines on whose name to enter.

**Part I: Certification**

Under penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because:
   a. I am exempt from backup withholding, or
   b. I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or
   c. The IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certificate Instructions:** You must cross off item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of U.S. person

Data

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien) to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the backup withholding tax on foreign persons’ share of effectively connected income.

Note, if a requester gives you a form other than Form W-9 to request your TIN, compare that requester’s form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:
- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An entity (other than a foreign entity), or
- A domestic trust (as defined in Regulations section 301.7701-9).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partner’s share of income from the trade or business. A U.S. partnership is not required to withhold if it has not received a certification from a partner that is not a U.S. partner, and the partnership has not been notified that it is required to withhold. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:
- The U.S. owner of a disregarded entity and not the entity.
Determining if a vendor is reportable to the IRS

• **W-9 Basics:**
  • The W-9 is considered a legal document when signed by a valid representative of the vendor.
  • Do not write on a W-9 unless you’re clarifying something - like writing the vendor # on the top, or re-writing the tax id number below the vendor TIN for clarification.
  • Do not alter, add, or overwrite any vendor provided information.
  • Ask the vendor for another Form W-9 if vital information is unreadable or missing.
Determining if a vendor is reportable to the IRS

Q&A:
What types of payments do you usually process? Are there any payments made by lower campus payables for you?

- Do you ever deal with purchases like:
  - Equipment rentals
  - Catering
  - Awards
  - Storage rentals
  - Royalty payments
  - Gifts or prizes
The vendor name on the W-9
Vendor addresses
Procurement & Payment options

Section II
The vendor name on the W-9

- It’s important to look at how the vendor name reads on the W-9.
  - Is it a DBA?
    - The above facts affect how to record the vendor name in compliance with IRS’ standards if we will be reporting the vendor on a Form 1099 at the end of the calendar year.
  - Is the taxpayer ID a Social Security # or a Federal ID #?
  - Is everything legible?
  - Is the W-9 signed and dated?

Let’s take another look at the W-9 on the next page, then view the IRS publication that outlines the government’s expectations.
The selected organization type is important to determining how the vendor name is recorded to meet the IRS standards.

1. The purpose shown on this form is to record the vendor name.
2. The vendor name must be listed on the I-9 form. If the vendor name is not listed, it will not be accepted. If the vendor name is not listed, it will be rejected.
3. An Employer ID can be tied to an individual's name or a business name (i.e., Sole Prop, LLC, Corp, etc.).

An Employer ID can be tied to an individual's name or a business name (i.e., Sole Prop, LLC, Corp, etc.).

If a Social Security # is listed as the Taxpayer ID, it must be tied to an individual's name, not a business name. If an individual has a business #, it is a DBA (doing business as).
The vendor name and the W-9


The information returns you file must include a correct Name/TIN combination to allow us to match the information reported against the income included on the payee's income tax return. We check whether a Name/TIN combination is correct by matching it against a file containing all social security numbers (SSNs) issued by SSA and against a file containing all employer identification numbers (EINs) issued by IRS. Then we compare the name control on the payee document (if provided) to the name control on file. If a name control is not provided, we develop it from the name(s) provided on the first two name lines (up to 40 characters for each name line including spaces) of the information return. If we can match a developed name control to the name control in our records, we consider it correct. If no match is found using this process, we consider the Name/TIN combination to be incorrect.

The chart on the back of Form W-9 has information for payees about "What Name and Number to Give the Requester" of Form W-9.

Name Controls

A name control consists of up to four characters.

To help ensure that the Name/TIN combination for an account matches the Name/TIN combination on IRS and SSA files, use the following information when you open an account for a payee.

Individuals

We develop a name control for an individual from the last name on the information return. For example:

Ralph Teak Dorothy Willow Joe McCedar

If an individual has a hyphenated last name, we develop the name control from the first of the two last names. For example:

Joan Cedar-Hawthorn Victoria Windsor-Maple

For joint accounts, regardless of whether the payees use the same or different last names, we develop the name control from the primary payee's last name. For example:

Joseph Ash & Linda Birch Edward & Joan Maple

Reminder: If a payee has changed his or her last name, for instance, due to marriage, he or she SHOULD inform the Social Security Administration (SSA) of the name change.

Hint: On name line one of the Form 1099, a payee should enter the payee's first name and new last name (if the change has been made with SSA), or the payee's first name, former last name, and new last name (if the change has not been made with SSA).
The vendor name and the W-9

Sole Proprietors

We generally develop the name control (first name line) from the last name on the information return. For example:

Mark Hendrickson  Karen Birch
The Sunshine Café  Ace Computer Co.

Hint: Payers may enter a sole proprietor’s business, trade, or “doing business as” name on the second name line of the information return. However, the individual name must be provided on the first name line.
When individual name is provided on the first name line as shown above, the Sole Proprietor can provide either SSN or EIN (TIN) information.

Estate

We develop the name control for a decedent’s estate from the decedent’s name on the first name line on the information return. The decedent's name may be followed by the word “Estate.” (The TIN should be the one that was assigned to the estate.) For example:

Frank White Estate  Estate of Frank White

Trusts and Fiduciaries

We generally develop the name control for a trust or fiduciary account from the name of the person in whose name the trust or fiduciary account was established. For example:

Jonathan Pertwinkle  Memory Church
Irrevocable Trust  Endowment Trust
FBO Patrick Redwood  John Waxbean,
Trustee Chestnut Bank, Trustee

Partnerships

We develop the name control for a partnership from the trade or business name of the partnership; if there is not any, we develop the name control from the last name of the first partner listed on the original Form SS-4 (which was used to apply for the EIN). For example:

(The) Oak Tree  A.S. Greene, K.L. Black & O.H. Brown, Ptrs.
Bob Orange & Carol Black, et al Ptrs.
d.b.a. The Merry Go Round
E.F. Brown, M.S. White & T.J. Green, Ptrs. The Brown & White Company
The vendor name and the W-9

Other Organizations  (Corporation, Non-profit, State/Govt, LLC, PLLC, etc.)

We develop the name control for other organizations from the entity's name on the original Form SS-4 (which was used to apply for the EIN).

- St Bernard’s Methodist Church
- ABC Company Building Fund for St. Bernard’s Church Main St Store

NOTE: Extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., and apostrophes, etc.), may be dropped during the development of name controls. For example, we dropped the period in St. Bernard’s Methodist Church.

• The above guidelines illustrate how to record a vendor name so that it reads correctly on our payments and any taxpayer information the University submits to the IRS.

Flowchart to Determining How A Vendor Name Should Be Set-up
Vendor addresses

- **A vendor subject to withholding must have a “withholding” address, which comes from the W-9.**
  - The withholding address should *always* be the first address (address #1)!
- If the vendor’s withholding address is different than their remittance address, the “remit to” address should be #2.

**Please note**

- A valid withholding address is required if withholding applies to the vendor.
- The withholding address should come from the Form W-9 provided by the vendor.
- A campus address is NOT acceptable for a withholding address.
- The withholding address must be a valid USPS mailing address.
Procurement options (payment terms)

- Please define the vendor’s payment terms upon initial vendor set-up if their payment terms are different than the system default terms 4.

  - It may also be helpful to be sure that the terms behind the code in Lawson agrees with the corresponding Payment Terms ID in PeopleSoft.

4 If no payment terms are specified, PeopleSoft defaults to 03 (Net 30 days).
Payment options (payment methods)

- **Check**
- **ACH (Direct Deposit)**
  - ACH payments must be defined in *PeopleSoft* in order for them to work.
  - Please forward all ACH payment requests to Accounts Payable- Attn: Judy.
  - A vendor who opts for the ACH payment method must have a verifiable contact with an email address to receive a payment advice.
  - For more information on ACH payment requirements go to: [http://fbs.admin.utah.edu/index.php/accountspayable/deposit/](http://fbs.admin.utah.edu/index.php/accountspayable/deposit/)
  - To view the ACH authorization form go to: [http://fbs.admin.utah.edu/download/AP/DirDepAuthF.pdf](http://fbs.admin.utah.edu/download/AP/DirDepAuthF.pdf)
- **Wire Transfer (Foreign vendors only)**
  - Mel Smith in Cash Mgmt & Endowment handles all wire transfers.
  - All wire transfers must have both a check request and an invoice.
  - Submit all paperwork with the wire transfer information clearly noted to Mel.
  - Please contact Mel with any questions
  - Email: Mel.Smith@admin.utah.edu
  - Phone: 581.5992
  - Campus address: 201 S President’s Cir, Rm 402
The 1099-MISC Information

- 1099-MISC information and examples
- Setting up withholding information on the vendor
- Helpful IRS forms & publications
The University is expected to adhere to IRS recording and reporting guidelines.
1099 MISC Examples

The NAME that prints on the 1099-MISC form consists of:
NAME 1
NAME 2
unless there is a payment alternate name on the withholding address. The pay alt overrides NAME 1/Name 2!

The address that prints on the 1099-MISC form comes from the address selected on the 1099 tab in PeopleSoft.

The Taxpayer ID that prints on the 1099-MISC form comes from the Taxpayer ID # in PeopleSoft.

PeopleSoft’s 1099 codes to the right coincide with the IRS 1099 codes (boxes on the above Form 1099-MISC).

Withholding Class Description
01 Rents
02 Royalties
03 Prizes, Awards, etc
04 Federal Income Tax Withheld
05 Fishing Boat Proceeds
06 Medical and Health Care Pymnts
07 Non-Employee Compensation
08 Substitute Payments
10 Crop Insurance Proceeds
13 Excess Golden Parachute Pymnts
14 Gross Attorney Proceeds
15A Section 409A Deferrals
15B Section 409B Income
Setting up withholding information on the vendor

• Make sure the correct withholding code is selected in Lawson so it copies over to PeopleSoft if a vendor is reportable to the IRS.

• Are 06 and 07 the only two codes available in Lawson?

• If a code other than 06 or 07 is needed, does Lawson need to be modified to accommodate them?
Helpful IRS Forms and Publications

- IRS Publication 1281
  - Complete instructions for virtually all 1099 questions
- IRS Form W9
- IRS Instructions for Form 1099-MISC
  - Contains the 1099 codes and what falls under each category

www.irs.gov
Questions?
Comments?

Please email us comments, suggestions, or feedback, to:
ap@admin.utah.edu
• CORP (Corporation) & NON (Non profit organization) 1099 Codes:

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<td>06</td>
<td>Medical services performed on a living human or animal</td>
</tr>
<tr>
<td>07</td>
<td>Legal fees (any payment for legal service)</td>
</tr>
<tr>
<td>14</td>
<td>Proceeds paid to an attorney</td>
</tr>
</tbody>
</table>

• SOL (Sole Proprietor), LLC, and PAR (partnership) 1099 Codes:

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<th>Code Description</th>
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<td></td>
<td>Services (misc.)</td>
</tr>
<tr>
<td>14</td>
<td>Legal settlements (proceeds paid to an attorney)</td>
</tr>
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</table>

• Foreign vendor information:

Please see Sara Emery in Tax Services (1-5414) for all foreign vendor decisions. If Sara deems that withholding is appropriate, she will put a sticker with the correct chart field and withholding percentage on the payment paperwork.

*If a non US resident is living in the United States and has a tax payer ID, withholding can be appropriate.

• Non-taxable transactions (No Exceptions):

- Books
- Cafeteria
- Decorations
- Fees (to attend a meeting, conference, etc.)
- Food (unless catered)
- Freight
- Lodging
- Membership dues
- Orders
- Payments to a non-resident alien
- Per diem
- Petty cash
- Purchase of an animal or human tissue
- Refunds (unless original receipts are not present)
- Registrations
- Reimbursements (unless original receipts are not present)
- Salary/Wages
- Scholarships/Fellowships
- Subscriptions
- Supplies/merchandise
- Telegrams
- Telephone
- Travel related reimbursements
What type of business are they?

<table>
<thead>
<tr>
<th>Corporation, Non-profit, State or Government Agency</th>
<th>Individual, Sole proprietor, Partnership, LLC, LLP, LC, PLLC, or PLLP</th>
</tr>
</thead>
</table>

[Vendors Invoice or Check Request] What does the invoice include?

Did we only purchase goods?

Yes → Do not 1099

No →

Was there a rental of some kind? (i.e. property, vehicle, storage, etc.)

Yes → Do not 1099

No →

Is the payment for royalties?

Yes → Do not 1099

No →

Is the payment for an award, a gift, etc.?

Yes → Do not 1099

No →

Were medical services performed?

Yes →

1099 the entire invoice as code 06.

No →

1099 medical services as code 06.

Are there legal services or fees to be paid?

Yes →

1099 the entire invoice as code 07.

No →

1099 legal services as code 07.

Invoices for misc. services (not medical or legal) are not reportable.

[Vendors Invoice or Check Request] What does the invoice include?

Did we only purchase goods?

Yes → Do not 1099

No →

Was there a rental of some kind? (i.e. property, vehicle, storage, etc.)

Yes →

1099 as code 01.

No →

Is the payment for royalties?

Yes →

1099 as code 02.

No →

Is the payment for an award, a gift, or for a research/study grant?

Yes →

1099 as code 03.

No →

Did we purchase goods or items in addition to the services?

Yes →

1099 the entire invoice as code 06.

No →

1099 medical services as code 06.

Did we purchase goods or items in addition to the legal services?

Yes →

1099 the entire invoice as code 07.

No →

1099 legal services as code 07.

If the invoice lists misc. services, then 1099 the entire invoice as an 07.
Not Acceptable:

1
From
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Name (as shown on your income tax return): Allen John Smith
Business name, if different from above: F.K.A. 123 Associates, Inc

ABC Company

Check appropriate box: 
● Individual/state proprietor
□ Corporation
□ Partnership
□ Other
Exempt from backup withholding

Address (number, street, and apt. or suite no.): 123 Elm Street
City, state, and ZIP code: Anywhere, USA 12345

List account numbers here (optional):

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

2

Request for Taxpayer Identification Number and Certification

Name (as shown on your income tax return): F.K.A. 123 Associates, Inc
Business name, if different from above: F.K.A. 123 Associates, Inc

ABC Company

Check appropriate box: 
● Individual/state proprietor
□ Corporation
□ Partnership
□ Other
Exempt from backup withholding

Address (number, street, and apt. or suite no.): 456 Main Street, Suite 111
City, state, and ZIP code: Anywhere, USA 12345

List account numbers here (optional):

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

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Social security number:

98-7654321

或其他方式获取TIN

Give form to the requestor. Do not send to the IRS.
Acceptable:

W-9 Request for Taxpayer Identification Number and Certification
Give form to the requester. Do not send to the IRS.

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Note: If the account is in a more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification
Under penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest and dividends on my tax return for real estate transactions, Form 1099-INT does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an Individual Retirement Account (IRA), and generally, payments other than interest and dividends, you are not required to report the information to the IRS.

Purpose of Form
A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Sign Here
Signature of U.S. person
Date

Purpose of Form
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The Vendor Name & the W9
Setting up the Vendor with the Correct Name-

Vendor name should read: John Smith dba ABC Company
The Vendor Name & the W9

Setting up the Vendor with the Correct Name-

If the vendor is a CORP, Partnership, LLC, etc. the name should read: 123 Associates

*Ignore the individual’s name and match the business name with the Employer ID #.

Look at the invoice-

If the invoice is payable to or has the letterhead of 123 Associates the vendor name should read: ABC INC dba 123 Associates

If the invoice is payable to or has the letterhead of only ABC INC the vendor name should read: ABC INC

(Ignore the dba if we aren’t apparently doing business with the dba company)
Flowchart for Creating a Vendor with the Correct Name

**What type of organization is the vendor (i.e. Corp, Sol Pro, LLC, etc.)?**

- **Individual or Sole Proprietor**
  - Yes: The IRS matches against the last name of the person, even if there is also a business name.
    - Ex: John Smith or John Smith dba ABC Company
    - Not: ABC Company
  - No: The IRS matches the Tax Id. # with the trade or business name listed.
    - Ex: ABC Company
    - Not: John Smith or John Smith dba ABC Company

- **Partnership, LLC, LLP, PLLP, PLLC, etc.**
  - Yes: The IRS matches the Tax Id. # with the decedent’s name on the first name line.
    - Ex: Estate of John Smith or John Smith Estate
  - No: The IRS matches the Tax Id. # with the name of the person whose name the trust or fiduciary was established.
    - Ex: John Smith, Irrevocable Trust or ABC Company Endowment Trust

- **Estate**
  - Yes: The IRS matches the Tax Id. # with the organization or entity’s name.
    - Ex: ABC Company
  - No: The IRS matches the Tax Id. # with the trade or business name listed.
    - Ex: ABC Company

- **Trust / Fiduciary**
  - Yes: The IRS matches the Tax Id. # with the trade or business name listed.
    - Ex: ABC Company
  - No: The IRS matches the Tax Id. # with the organization or entity’s name.
    - Ex: ABC Company

- **CORP, Non-Profit Org, or State/Govt Entity, etc.**