

DATE: March 18, 2011

TO: Agency Addressed (No. 23, 2010-2011)

FROM: Christina Smith, Director
Division of Accounting and Auditing
Department of Financial Services

SUBJECT: FLORIDA SUBSTITUTE FORM W-9 REQUIREMENTS

Vendors are required to submit a Florida Substitute Form W-9 to the Department of Financial Services (DFS) prior to doing business with the State of Florida. A vendor is defined as an individual or entity that provides commodities or services to the State. In addition to vendors, any other person or entity that receives a payment from the State that is 1099 reportable must also submit a Substitute Form W-9 to DFS prior to payment. Refer to the object code listing at <http://www.myfloridacfo.com/aadir/eocodespdf.htm>, which indicates those object codes that are 1099 reportable.

The Substitute Form W-9 requires a Taxpayer Identification Number (TIN), an IRS Name and other related information about the vendor. A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. A TIN may be a Social Security Number (SSN), which is issued by the Social Security Administration (SSA) or a Federal Employer Identification Number (FEIN), which is issued by the IRS. The IRS Name is the individual or business entity's name on file with the IRS and should be the name used in filing Federal income taxes.

The 3 Percent Federal Withholding Law that is to be implemented on January 1, 2012, requires the State to collect additional information on the business designations of payment recipients beyond what has previously been required. As a result, DFS has modified the State's Substitute Form W-9 and must collect new W-9 forms on all existing vendors by November 1, 2011, as well as W-9 forms on new vendors. DFS has determined that an electronic Substitute Form W-9 is essential to efficiently process W-9 forms on over 250,000 vendors and other payment recipients.

All vendors are required to submit their Substitute Form W-9 on DFS' new Vendor Website at <https://flvendor.myfloridacfo.com>.

Both MyFloridaMarketPlace (MFMP) vendors and non-MFMP vendors must submit a Substitute Form W-9 through the DFS Vendor Website. MFMP vendors may access the Vendor Website directly through the link above or may link to the Vendor Website through the MFMP website. Please note that the MFMP User ID and password will not work on DFS' Vendor Website.

IRS TIN Matching Process and W-9 Status

After a vendor registers on the Vendor Website and submits a Form W-9, their TIN and IRS Name will be sent through the IRS TIN Matching program for verification. The current status of

a vendor's Form W-9 will systemically update the W-9 Indicator field on the Statewide Vendor File in FLAIR. Refer to Section III in Agency Addressed Memorandum (No. 20, 2010-2011) for further information on the codes displayed in the W-9 Indicator field.

A vendor will be notified of their verification result after a response is received back from IRS TIN Matching. Instructions will be sent via e-mail to the vendor regarding how to correct their W-9 if the verification fails. The vendor's W-9 record will be resent to IRS TIN Matching for verification after the information is corrected on the website.

As of the date of this memorandum, the W-9 Indicator field has been populated based on whether a vendor has submitted a hardcopy W-9 form. On Friday, March 18, 2011, the codes in the W-9 Indicator field will be reset to provide the current status of W-9s submitted through the Vendor Website. Therefore, nearly all W-9 Indicators will reset to "N" (No W-9 on File).

Effective November 1, 2011, all vendors must have a completed Substitute Form W-9 on file with DFS that has been verified with the IRS in order to receive purchase orders or payments from the State of Florida. Edits will be placed in MFMP and FLAIR to systematically enforce this requirement. For Purchasing Card payments, see the section below on Purchasing Card Vendors.

Submission of Hardcopy Form W-9s

Effective as of the date of this memorandum, DFS will not accept any hardcopy Substitute Form W-9s except in situations where a vendor does not have Internet or e-mail service. For these instances, agencies may download a hardcopy of Form W-9 at <http://www.myfloridacfo.com/aadir/SubstituteFormW9.htm> and provide the form to the vendor. The vendor should fax or mail the completed and signed Substitute Form W-9 to the contact information provided at the end of this memorandum.

DFS will not accept an IRS Form W-9. Florida's Substitute Form W-9 requires information specific to Florida's tax reporting and is the only form that will be accepted.

Purchasing Card Vendors

Purchasing Card vendors are required to submit a Substitute Form W-9 to DFS in order to maintain data integrity in the FLAIR Statewide Vendor File. However, under current IRS regulations, DFS is not required to issue Form 1099s for purchasing card payments, or withhold 3 percent from purchasing card payments under the 3 Percent Federal Withholding Law being implemented on January 1, 2012. Therefore, purchasing card payments will by-pass FLAIR edits being implemented on November 1, 2011, requiring a valid Form W-9 (i.e., purchasing card payments will be processed regardless of whether a Form W-9 is on file with DFS).

Foreign Vendors without a TIN

Foreign Vendors doing business with the State of Florida that do not have a TIN issued by the U.S. Government will need to contact the DFS Vendor Management Section.

Vendor Inquiry into W-9 Status

The vendor can determine the status of their vendor record and Substitute Form W-9 via two methods:

1. A MFMP vendor may access their vendor registration in MFMP, which will provide a W-9 status acquired from the information sent in the nightly batch to MFMP from FLAIR.
2. Any vendor may access their Substitute Form W-9 record via the DFS Vendor Website. The current status of the vendor's Substitute Form W-9 will be displayed when the vendor signs into the website.

Updates to Form W-9

Once a Substitute Form W-9 has been verified by the IRS, vendors may use the DFS Vendor Website to make updates to their Form W-9 if necessary. If a vendor needs to change their TIN, they must contact the DFS Vendor Management Section. All other changes to the vendor's Form W-9 may be performed through the Vendor Website. Changes to the vendor's TIN or IRS Name will require resubmission through the IRS TIN Matching process. If a MFMP vendor updates their TIN or IRS Name on their Form W-9 to something different than their TIN or 1099 Name in MFMP, they should contact the MFMP Customer Service Desk at (866) 352-3776 or VendorHelp@MyFloridaMarketPlace.com.

Contact Information:

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