

SFMS Foreign Vendor Training



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Agenda

Welcome/brief overview.

What is a foreign vendor?

What forms are needed to setup a foreign vendor?

W8 – Different forms for different business types.

Entry into R*STARS.

How to request activation.

Form to use

Where are services performed?

Foreign Vendors and IRS reporting.

Illustration of differences between Foreign & US Vendors

Misc Information.

Payment methods available for Foreign Vendors

Timelines

Questions/Wrap-up

DAS
DEPARTMENT OF
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SERVICES
SFMS

What is a Foreign Vendor?

Quick Definition: Individual/Business/Government that are outside the USA.

Foreign Vendors working and doing business within the US:

- Students on a specific visas that allow work.

- Businesses that maintain a US Office.

- Individuals may have a US address but still considered a foreign vendor.

How to Determine a Foreign Vendor?

If a business – Where are the corporate headquarters?

If an individual – Where is the primary country of residence?

If an individual is in the US on a Student Visa – What country will they return to?

Not Considered Foreign Vendors

If the individual/business/government considered US Territory

- US Virgin Islands
- Puerto Rico
- US Samoa
- Guam
- US Companies who have a global presence and operations.
 - Nike
 - Hilton Hotels

IRS Documentation Foreign Vendors

Five IRS W8 forms for Foreign Vendors:

- W8-BEN – Individuals Only
- W8-BENE – Businesses & Non-Profit
- W8-ECI – Businesses with a presence in the US
- W8-IMY – Foreign Vendor Intermediary/Foreign Flow-Through
- W8-EXP – Foreign Government/Universities

Before Adding Foreign Vendor to R*STARS

Before adding any vendor to R*STARS:

- Search 3A Screen – Name Search to verify no duplicate vendor present.
- Once vendor has been confirmed and is not present on 3A Screen – ok to add.
- Add all new vendors via 52 profile.
- Note - when entering addresses try to abbreviate Streets (St), Roads (Rd), Highway (Hwy) where possible.

52 Screen Entry in R*STARS

S052 UC: 02 STATE OF OREGON 10/15/25 01:26 PM
LINK TO: SYSTEMWIDE VENDOR PROFILE PROD
VENDOR NO: NAME CONTROL:
VENDOR NAME:
SEARCH NAMES:

ALT VENDOR/FID: 1099 IND: FEI/SSN IND: REASON CODE:
VENDOR TYPE: OWNRSHP CD: TIN MATCH: TIN:
ADDRESS:

CITY: ST: ZIP: CNTRY:
VENDOR CONTACT: TAX OFFSET EXMPT: N
TELEPHONE: EXT: FAX: HOLD RSN:
PDT: MA EMAIL: PNI:
AGY: CONTACT: PHONE:
UPDATED BY: DIR DEP DATE:
ABA NUMBER: ACCT NO/TYPE: FORMAT:
W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: R
EFF START DATE: 10152025 EFF END DATE: LAST PROC DATE:

F1-HELP F3-DEL F5-NXT F6-51 F9-INT F10-SAVE F11-SAVE/CLR ENTER-INQ CLEAR-EXT

Adding Foreign Vendor to R*STARS

Pg 1 of 2

Foreign Vendor numbers are assigned by the agency on the 52 Screen:

All Foreign Vendor numbers begin with “2.”

- 2(9-digit US issued ID)
- 2(9 numerical digits provided Foreign ID or Foreign Govt issued ID no alpha characters)
- 2(Agency number and 6 numerical digits) normally a sequence.

Type the vendor's name

Name Control - Type the first 4 letters of the vendor's name

Adding Foreign Vendor to R*STARS

Pg 2 of 2

- Vendor Type “5”
- 1099 IND “Y”
- FEI/SSN “O” (Other)
- Reason Code “Add”
- Ownership Code “R”
- City, province (if appropriate), Postal or Zip Code is on a line below the address
- City Field – Type the Country
- Country – Type the Country
- Fill State and Zip fields with “X”

52 Screen After Foreign Vendor Added: Using US Govt Issued Tax ID

S052 UC: 02 STATE OF OREGON 10/15/25 01:43 PM
LINK TO: SYSTEMWIDE VENDOR PROFILE ACPT
VENDOR NO: 2981234567 NAME CONTROL: WOOD
VENDOR NAME: WOODSTOCK BIRD LTD
SEARCH NAMES: WOODSTOCK BIRD LTD WOODS 1X2Y3
ALT VENDOR/FID: 1099 IND: Y FEI/SSN IND: O REASON CODE: ADD
VENDOR TYPE: 5 OWNRSHP CD: R TIN MATCH: TIN: 981234567
ADDRESS: 1234 CHARLES SCHULTZ AVE
VANCOUVER BC 1X2 Y3Z

CITY: CANADA ST: XX ZIP: XXXXX XXXX CNTRY: CANADA
VENDOR CONTACT TAX OFFSET EXMPT: N
TELEPHONE: 999 555 6789 EXT: FAX: HOLD RSN:
PDT: MA EMAIL: PNI:
AGY: 107 CONTACT: LINUS VANPELT PHONE: 503 123 4567
UPDATED BY: LINUS VANPELT DIR DEP DATE:
ABA NUMBER: ACCT NO/TYPE: FORMAT:
W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: R
EFF START DATE: 10152025 EFF END DATE: LAST PROC DATE: 10152025
Z01 RECORD SUCCESSFULLY ADDED

F1-HELP F3-DEL F5-NXT F6-51 F9-INT F10-SAVE F11-SAVE/CLR ENTER-INQ CLEAR-EXT

52 Screen After Foreign Vendor Added: Using Foreign Govt ID

S052 UC: 02 STATE OF OREGON 10/15/25 01:59 PM
LINK TO: SYSTEMWIDE VENDOR PROFILE ACPT
VENDOR NO: 2459122000 NAME CONTROL: SNOO
VENDOR NAME: SNOOPY BROWN
SEARCH NAMES: SNOOPY BROWN
BROWN,SNOOPY
ALT VENDOR/FID: 1099 IND: Y FEI/SSN IND: O REASON CODE: ADD
VENDOR TYPE: 5 OWNRSHP CD: R TIN MATCH: TIN: 459122000
ADDRESS: 1963 CHARLIE BROWN ST
WORCESTER PARK SURREY KT4 8FL
CITY: UNITED KINGDOM ST: XX ZIP: XXXXX CNTRY: UNITED KINGDOM
VENDOR CONTACT: W8 BEN RECVD 71725/BD 2161982/JK459122C TAX OFFSET EXMPT: N
TELEPHONE: 555 121 2888 EXT: FAX: HOLD RSN:
PDT: MA EMAIL: PNI:
AGY: 404 CONTACT: SCHROEDER PIANO PHONE: 503 123 4567
UPDATED BY: SCHROEDER PIANO DIR DEP DATE:
ABA NUMBER: ACCT NO/TYPE: FORMAT:
W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: R
EFF START DATE: 10152025 EFF END DATE: LAST PROC DATE: 10152025
Z01 RECORD SUCCESSFULLY ADDED

F1-HELP F3-DEL F5-NXT F6-51 F9-INT F10-SAVE F11-SAVE/CLR ENTER-INQ CLEAR-EXT

52 Screen After Foreign Vendor Added: Using Agy # + Sequential Numbers

S052 UC: 02 STATE OF OREGON 10/15/25 02:08 PM
LINK TO: SYSTEMWIDE VENDOR PROFILE ACPT
VENDOR NO: 2999000001 NAME CONTROL: VANP
VENDOR NAME: VANPELT CONSULTING
SEARCH NAMES: VANPELT CONSULTING VANPE SW66A
LUCY VANPELT
ALT VENDOR/FID: 1099 IND: Y FEI/SSN IND: O REASON CODE: ADD
VENDOR TYPE: 5 OWNRSHIP CD: R TIN MATCH: TIN: 999000001
ADDRESS: 189 MUNSTER RD
LONDON SW6 6AW

CITY: UNITED KINGDOM ST: XX ZIP: XXXXX CNTRY: UNITED KINGDOM
VENDOR CONTACT: W8BEN-E W/ NO FEIN FOREIGN TIN PROVIDED TAX OFFSET EXMPT: N
TELEPHONE: 888 454 9999 EXT: FAX: HOLD RSN:
PDT: MA EMAIL: PNI:
AGY: 999 CONTACT: PEPPER PATTY PHONE: 503 986 1380
UPDATED BY: PEPPER PATTY DIR DEP DATE:
ABA NUMBER: ACCT NO/TYPE: FORMAT:
W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: R
EFF START DATE: 10152025 EFF END DATE: LAST PROC DATE: 10152025
Z01 RECORD SUCCESSFULLY ADDED

F1-HELP F3-DEL F5-NXT F6-51 F9-INT F10-SAVE F11-SAVE/CLR ENTER-INQ CLEAR-EXT

SFMS Duties for Foreign Vendor Setup (Pg 1 of 2)

- SFMS needs a copy of completed W8 provided to agency.
- SFMS reviews all W8 forms for completeness and determines if it is appropriate for the vendor.
- W8 form returned with US Government tax identification number:
 - E-Verify information given against vendor name for match with IRS.
 - Effective End Date to remain blank.
 - Update any fields improperly populated.
 - Update Vendor Number to 2 (9-digit US Govt Issued ID).
 - Delete any other Vendor Number if in another format.
 - Notify agency of change to vendor number.
 - Change Profile Status from “R” to “I.”

SFMS Duties for Foreign Vendor Setup (Pg 2 of 2)

- Vendor does not have valid US tax identification or only Foreign Government issued ID:
 - Change Effective End Date 12/31/(Year Rcvd + 3).
 - Update any fields improperly populated.
 - Update Vendor Number to 2 (9 numerical digit Foreign Govt Issued ID) if appropriate.
 - If appropriate, delete any other Vendor Number if in another format.
 - Notify agency of change to Vendor Number if one is made.
 - Change Profile Status from “R” to “I.”

52 Screen After Foreign Vendor Complete

S052 UC: 02 STATE OF OREGON 10/15/25 02:17 PM
 LINK TO: SYSTEMWIDE VENDOR PROFILE ACPT
 VENDOR NO: 2999000001 NAME CONTROL: VANP
 VENDOR NAME: VANPELT CONSULTING
 SEARCH NAMES: VANPELT CONSULTING VANPE SW66A
 LUCY VANPELT
 ALT VENDOR/FID: 1099 IND: Y FEI/SSN IND: O REASON CODE: ADD
 VENDOR TYPE: 5 OWNRSHP CD: R TIN MATCH:
 ADDRESS: 189 MUNSTER RD
 LONDON SW6 6AW

 CITY: UNITED KINGDOM ST: XX ZIP: XXXXX CNTRY: UNITED KINGDOM
 VENDOR CONTACT: W8BEN-E W/NO FEIN FOREIGN TIN PROVIDED TAX OFFSET EXMPT: N
 TELEPHONE: 888 454 9999 EXT: FAX: HOLD RSN:
 PDT: MA EMAIL: PNI:
 AGY: 999 CONTACT: PEPPER PATTY PHONE: 503 986 1380
 UPDATED BY: HANCOCK, KARLENE DIR DEP DATE:
 ABA NUMBER: ACCT NO/TYPE: FORMAT:
 W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: I
 EFF START DATE: 10152025 EFF END DATE: 12312028 LAST PROC DATE: 10152025
 Z02 RECORD SUCCESSFULLY CHANGED

 F1-HELP F3-DEL F5-NXT F6-51 F9-INT F10-SAVE F11-SAVE/CLR ENTER-INQ CLEAR-EXT

Vendor Profiles –Without Effective End Dates

- All Foreign Vendor profiles remain in inactive status until the agency requests activation.
- Due to various treaties, withholding and reporting requirement, each activation for payment needs to be reviewed prior to activation for payment.
- Vendors with W8's with valid and verified US Issued ID (EIN) if used once a year will not expire.
- Vendors must be paid annually to maintain this status.

Vendor Profiles-With Effective End Dates

If a Vendor with a valid/verified EIN skips a payment year:

- The W8 can be deemed to have expired if it was received 3+ years in the past.
- Another appropriate W8 will need to be completed and received by SFMS before they are activated.
- If <3 years, an effective end date will be added to the 52 profile.

W8's without a valid/verified EIN are only in effect for 3 years past the year received and will have an effective end date on their profile.

Once this date is reached the vendor must submit a new appropriate W8.

Activation Request Form

Part 1



Foreign Vendor Change Request

Request Date: Click or tap to enter a date.

Agency #: Click or tap here to enter text.

Requested By: Click or tap here to enter text.

Vendor #: Click or tap here to enter text. MC: Click or tap here to enter text.

Vendor Name: Click or tap here to enter text.

Activation Request Form

Part 2

Foreign Vendors are temporarily activated for 5 business days to accommodate OregonBuys processing.

Activation Request:

What did the vendor provide? Supplies/Subscription/Ins Premium: ☐ Services: ☐

Description of what services/supplies were provided:

Click or tap here to enter text.

If services provided, it is required to answer the following question.

Did the vendor/representative physically come to the US (Land/Sea/Air) to provide services?

Yes ☐ No ☐

Address Change: Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.

Email Request form to Karlene.hancock@das.oregon.gov

Requesting Foreign Vendor Activation

Who/Why/What/Where:

These questions need to be answered for SFMS to Activate.

Who does the agency want to Pay?

Why is the agency paying them, did they provide services or supplies?

What were the services or supplies? Be descriptive.

If services, where were these services provided?

US Territory – Land/Sea/Air.

Foreign Vendor never came to the US.

Requesting Activation – Why It Matters

Like US Vendors, SFMS is responsible for completing income information returns for Foreign Vendors (1042S).

Only Foreign Vendors that have physically crossed borders into the US (Land/Sea/Air) are eligible for being reported to the IRS.

All services performed in the US are reportable to the IRS – Always!

Supplies are not reportable to the IRS.

If the vendor is delivering supplies personally – then all mileage from the border is subject to reporting.

Final Thoughts on Foreign Vendor Change Request

Form is intended to be easily completed by the agency for activation/change requests.

Intended to easily answer all of the Where/When/Why needed for IRS compliance.

Once form is completed – form must be sent in its original format (WORD Doc) to my email address for review/activation/preservation.

If the form is returned in any other format, it will be returned to the agency, and the vendor will not be activated.

This is a working form, it has information at the bottom that needs to be completed by SFMS.

Ultimately this form is the backup document used to verify potential 1042 forms produced and sent by the State of Oregon to applicable Foreign Vendors and required reporting to the IRS.

Foreign Vendor and IRS Reporting

1042S Information Returns due to the eligible Foreign Vendors and the IRS by March 15.

SFMS is responsible:

- For filing 1042 information returns with the IRS.

- For mailing information returns to Foreign Vendors who are paid for services rendered within the US border.

1042S Information Returns – Review Process

SFMS Process for Filing:

- All Activation request forms are reviewed prior to 1042 process.
- The forms that indicate the vendor came to the US to deliver goods or perform services are separated from the vendors that performed services globally.
- Payments to vendors are researched, confirmed, and collated for end of year IRS reporting.

1042S Information Returns – Filing Process (2 of 2)

SFMS process for filing information returns:

- Forms are mailed to the appropriate Foreign Vendor.
- Transmission form, summary form and individual Foreign Vendor forms create a packet for filing and are sent to the IRS.
- SFMS retains a copy of all forms sent as well as all backup documentation including non-eligible vendor activation requests for a period of 4 years, per IRS retainage requirements.

Differences between Foreign Vendors and US Vendors

	Foreign Vendor	US Vendor
Forms	W8	W9
Number of Assoc Forms	5 – BENE,BEN,ECI,IMY,EXP	1
Who Requests Forms	Agency	R*STARS – Automated through Activation Process
Do Forms Expire	Yes – Received + 3 years w/o US Govt Issued ID #	No – Once Tin Matched
Profile Activation Status	Always inactive	Always Active
Eligible for ACH Payment	No – warrant or wire payments only	Yes
IRS Information Return	1042S	1099NEC or 1099MISC
IRS Information Filed Process	Manual Process	Automated through R*STARS

Miscellaneous Information

ACH is not available for Foreign Vendors.

- Foreign Vendors are not eligible for payments via ACH.
- If it is discovered on the backend that a US Vendor is in fact a Foreign Vendor and the vendor is currently receiving ACH payments, the banking information will be removed from their profile. The vendor will then be coded to receive a warrant.

Foreign Vendor Payment Timelines.

- Foreign Vendors are always inactive until activation request is received.
- Active for 5 days, once you have been notified that the vendor is active and ready for use, do not delay payment processing.

Wrap-up Information

SFMS Main Contact for Foreign Vendors: Karlene Hancock

- Ph Number : 971-900-9769
- Email : Karlene.hancock@das.Oregon.gov
- Teams: [Click Here](#)

All Foreign Vendor Change Requests are to be sent directly to my email address.

Do not send to Vendor Desk email.

“Vendor Change Request” forms are not accepted for activating a foreign vendor. These forms are for domestic vendors with automated reporting processes. They do not satisfy the questions needed for activation of a foreign vendor.

Please contact me directly if your agency needs a “Foreign Vendor Change Request” form or has any questions or concerns regarding a foreign vendor.

This form is not published or found on the SFMS website.