OTHER VENDOR TYPES

There are three types of unique vendors: the one-time vendor, the special vendor, and the foreign vendor.

ONE TIME VENDORS:

- Ten-digit number beginning with "9".
- Used only with non-1099 reportable objects.
- Used to make a one-time payment. For payments initiated in R*STARS, vendor number does not need to be profiled on the 52 - Systemwide Vendor Profile in R*STARS. **NOTE: For payments initiated in ADPICS, the one-time vendor number must be profiled on the Systemwide Vendor Profile (52) in R*STARS**
- A single number can be used for multiple vendors.
- You may type the individual vendor's name and address directly onto the transaction screen for each transaction.

SPECIAL VENDORS:

- Ten-digit number beginning with "8".
- Used with a 1099 reportable object, when the transaction is **not** 1099 reportable.
- Used to record some reduction of expense transactions.
- Must be profiled on the 52 - Systemwide Vendor Profile by special request to the SFMS Operations section.
- Must establish a separate number for each special vendor.

FOREIGN VENDORS:

- Ten-digit number beginning with "2" followed by agency number and four digits.
- Requires special alteration when entering address information.
- Foreign vendors are kept inactive at all times. Agencies must contact SFMS Operations to request activation to process payments.

ONE TIME VENDORS

Numbering Convention

One time vendor numbers begin with a "9" followed by any nine digits your agency chooses. A sample one-time vendor number for Department of Administrative Services is: 9107000001. (Note: using less than a ten-digit number has been known to create problems with the system.)

If one time vendor payments are to be initiated in R*STARS, agencies may want to develop an internal numbering scheme for their one-time vendors to facilitate reporting and inquiry. For example: the DAFR7910 - Vendor Transaction History is sorted by vendor number and then by vendor name. The report is requestable by agency and for a specific vendor number range. If an agency wanted to capture one time vendor payments made for a specific purpose, they could internally establish a vendor number that would be used whenever a payment was made for that purpose. Whenever the Vendor Transaction History was printed, all the payments made for that specific purpose would be captured under that one vendor number. These vendor numbers do not need to be profiled on the 52 - Systemwide Vendor Profile for this to occur. It requires only that the agency establish internal procedures to accomplish their schema. Remember, the vendor does not need to be profiled on the 52 screen for a one-time payment. SFMS encourages agencies not to profile these vendors.

Cautions

Frequently used vendors **must** have an established, separate vendor number.

All 1099 reportable payments **must** have the recipients tax ID number established prior to processing the payment - even if the agency only intends to pay the vendor one time. The system has an edit that will not allow 1099 reportable payments to be made using a one-time vendor number.

Tracking capabilities for one time vendor payments is limited.

See the section on Special Vendors if circumstances require you to use a 1099 reportable comptroller object for a non-1099 reportable transaction.

Adding a one-time vendor number to the 52 - Systemwide Vendor Profile:

If a one-time vendor payment is initiated in ADPICS, the one time vendor number is **required** to be profiled in R*STARS.

.

- Access the Systemwide Vendor Profile:

```
 S052 VER 2.0                    STATE OF OREGON            01/13/05 02:03 PM
  LINK TO:                  SYSTEMWIDE VENDOR PROFILE                    PROD
      VENDOR NO:              NAME CONTROL:        UPDATE MAIL CODE: Y
    VENDOR NAME:
    SEARCH NAMES:


  ALT VENDOR/FID:          1099 IND:   FEI/SSN IND:   REASON CODE:
    VENDOR TYPE:   OWNRSHP CD:   2ND TIN NTC:   VN STATUS:
        ADDRESS:



  CITY:                   ST:    ZIP:            CNTRY:
  VENDOR CONTACT:                                TAX OFFSET EXMPT: N
     TELEPHONE:            EXT:       FAX:               HOLD RSN:
  PDT: MA EMAIL:                                              PNI:
   AGY:       CONTACT:                          PHONE:
                                                DIR DEP DATE:


  W9 REQUEST DATE:        BU/WH EFF DATE:          STATUS CODE: R
   EFF START DATE: 01132005   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
```

- Complete the required fields on the screen:

VENDOR NO:	Type a "9", and nine digits as determined by your agency.
NAME CONTROL:	Enter "XXXX".
VENDOR NAME:	Type your agency's name and payment description in this field. EX: DOR-Revenue Refunds
1099 IND:	Type "N" for no.
FEI/SSN IND:	Type "O" for other.
REASON CODE:	Type "ADD"
VENDOR TYPE:	Type "7".
ADDRESS, CITY, ST, ZIP CODE:	Enter your agency's address.
OWNERSHIP CODE:	Type "A".
TELEPHONE:	Enter"0's" or "9's".
TAX OFFSET EXEMPT:	Type "N" for no.
AGY:	Type your agency number.
CONTACT:	Type the name of the person to contact at your agency for questions.
PHONE:	Type the phone number of the agency contact.
PAYMENT DIST TYPE:	Type "MA".
STATUS CODE:	Type "R" for request for activation.

- Press F10-SAVE to save the record.

- The record is activated by the SFMS Operations section.

.

To initiate an ADPICS one time vendor payment, each individual vendor must be established with their name and address in ADPICS as a unique number and interfaced to R*STARS.

Processing a one-time vendor payment in R*STARS:

When using a One Time Vendor Number, you can change the name and address on the payment processing screens. This allows a single one-time vendor number to be used for multiple vendor names and addresses. Payment processing with a one-time vendor number is not limited by the dollar amount (assuming all standard payment processing edits are met).

The system does not allow a one-time vendor payment to process that is coded to a 1099 reportable comptroller object. All 1099 reportable payments must have the recipient's tax ID number profiled to process a payment even if the agency intends to make only one payment to the vendor. See the section on Special Vendors if circumstances require you to use a 1099 reportable comptroller object for a non-1099 reportable transaction.

To make a payment to a one-time vendor that has been entered on the 52 Systemwide Vendor Profile, enter batch header information on the 500 screen. On the transaction position your cursor in the vendor number or vendor name field. Press **F1** to select the vendor number and return it to the transaction. Type the correct vendor name and address into the appropriate fields. Complete the screen and press **F10** to save. If payments are being made to multiple one time vendors, it is necessary to retype the vendor name and address each time a new transaction is initiated otherwise the vendor name and address from the 52 profile will default on the warrant.

If the vendor number is NOT profiled, type in a one-time vendor number beginning with a "9" with the vendor's name and address.

SPECIAL VENDORS

Sometimes a payment or reduction of expense needs to be made to a non-1099 reportable vendor and a 1099 reportable object. This transaction requires the use of a Special Vendor number which must be profiled on the 52 - Systemwide Vendor Profile.

This process bypasses the SFMA 1099 reporting system. Do not attempt to establish an '8' vendor to bypass the 1099 reporting system just because your agency will be paying the vendor one time for an amount less than $600 and with an object which is 1099 reportable. The IRS issues fines for those who make 1099 reportable payments but fail to report the payment. Agencies choosing to use a special vendor number to issue a payment or record a reduction of expense, assume additional risk and responsibility for these transactions.

To add a Special Vendor, the "Request for Special Vendor Number" form (Example: Attachment A; a copy of the form can also be found in the SFMS Desk Manual: APPENDIX A, "R*STARS FORMS") must be completed and sent to the SFMS Operations section for authorization to be added to the system. Records added by agencies will not be activated.

These vendor numbers are to be used in the following circumstances:

- To record receipt of monies from a third party related to a 1099 reportable object without reducing the amount to be reported on the payee's 1099 statement.

.

- To allow payment to a payee for a non-1099 reportable vendor using a 1099 reportable object.

Unlike one-time vendors, you cannot type the name and address directly into the transaction screen. The "8" vendor numbers require that a new vendor profile request must be submitted and established for each name and address.

Numbering Convention:

- If recording a special reduction of expense, enter "8" followed by the Tax ID Number (TIN) of the vendor to whom the original payment was made.

- If used to make a payment, enter "8" followed by the TIN of the vendor.

All transactions using a vendor number "8" will be reviewed by SFMS periodically to ensure this exception is not abused.

FOREIGN VENDORS

Definition:

A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person.

Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:
- Rents
- Royalties
- Compensation for, or in expectation of, services performed
- Interest
- Dividends
- Premiums
- Annuities
- Substitute payments in a securities lending transaction
Other fixed or determinable annual or periodical gains, profits, or income

Numbering Convention:

Foreign vendor numbers begin with a "2" followed by your agency number and four digits. Foreign vendor numbers are not specific to the vendor therefore before entering a new foreign vendor a search should be made to see what the next available foreign vendor number is for your agency. This search can be done by accessing the 52 screen, enter a "2" followed by your agency number and <Enter>. This will recall the first foreign vendor number for your agency. Scroll through (F5) the vendor numbers to look for your next consecutive foreign vendor number.

Entering Foreign Addresses

Postal standards require that foreign addresses have the country name printed underneath the address. ADPICS and R*STARS however do not print anything below the city/st/zip code line. Use the following instructions as a workaround:

.

CANADA:

When entering a Canadian address, the "COUNTRY" field should contain 'CANADA'. Enter the Canadian postal code into the "Zip" field, three characters before the space and three after.

The Canadian province codes are:

Alberta	AB	Nova Scotia	NS
British Columbia	BC	Ontario	ON
Manitoba	MB	Prince Edward Island	PE
New Brunswick	NB	Quebec	PQ
Newfoundland	NF	Saskatchewan	SK

If there is an address line that is not used:

1. Enter the city, province and postal code on the first unused address line and enter the country in the "City" field.

2. Enter 'XX' in the "St" field, the postal code in the "Zip" fields and 'CANADA' in the "Country" field.

ADDRESS: 105 SCARBORO AVE SW
            CALGARY AB T3C 2H2
CITY: CANADA   ST: XX ZIP: T3C   2H2
COUNTRY: CANADA

If all address lines are used:

1. Enter the city, province and country in the "City" field. Try to move the country as far right as possible.

2. Enter 'XX' in the "St" field, the postal code in the "Zip" fields and 'CANADA' in the "Country" field.

.

```
ADDRESS:   EXPORT DIVISION
           GOVERNMENT SALES
           ATTN:  ACCOUNTS RECEIVABLE
           105 SCARBORO AVE SW
CITY:      CALGARY AB   CANADA              ST: XX ZIP: T3C   2H2
COUNTRY:  CANADA
```

OTHER COUNTRIES:

If there is an address line that is not used:

1.   Enter the city, province and postal or zip code on the first unused address line. Enter the country in the "City" field.

```
ADDRESS:  GPO BOX 1649
          HOBART TASMANIA 7001


CITY:       AUSTRALIA              ST: XX ZIP: XXXXX
COUNTRY:  AUSTRALIA
```

If all address lines are used:

1.   Enter the city, province and country in the "City" field. Try to move the country as far right as possible.

2.   Enter 'XX' in the "ST" field.

3.   Enter "X"'s into the first part of the "Zip Code" field.

4.   Type the country name into the "Country" field.

```
ADDRESS:  EXPORT DIVISION
          GOVERNMENT SALES
          ACCOUNTS PAYABLE
          GPO BOX 1649
CITY:       HOBART TASMANIA AUS         ST: XX ZIP: 7001
COUNTRY:  AUSTRALIA
```

Due to the high instance of tax withholding on foreign vendors for supplies and for services performed outside of the U.S., all foreign vendors in an inactive status. Foreign vendors provide a unique challenge in that our obligation for tax withholding changes for each payment. Since SFMA is a statewide system, available to all agencies, the tax liability must be monitored by payment.

.

Issuing a payment to a foreign vendor:

The following information will be required:
1. Vendor number on R*STARS
2. Purpose of the payment i.e. for services or supplies
   If the payment is for both services and supplies, code each part appropriately to avoid tax withholding on supplies.
3. Where the service is being performed

A. If the payment is for supplies, the backup withholding coding will be removed, and the vendor will be activated. The payment will be issued with no withholdings. The following day, the foreign vendor will be re-inactivated. Do not call days in advance to have a foreign vendor activated.

B. If the payment is for services that are performed outside of the U.S, the backup withholding coding will be removed, and the vendor will be activated. The payment will be issued with no withholdings. The following day, the foreign vendor will be re-inactivated. Do not call days in advance to have a foreign vendor activated.

C. If the payment is for services that are performed inside the U.S., and the vendor did not include a U.S. TIN on form W-8, the vendor will be activated with a backup withholding date. The payment will be issued with a 30% withholding from the services related portion. The following day, the foreign vendor will be re-inactivated. Do not call days in advance to have a foreign vendor activated.

D. If form W-8 was returned with a TIN, the foreign vendor will remain in active status with no backup withholding coding on the 52 profile.

For more information on entering foreign vendor addresses, contact Karlene Hancock with SFMS Operations at (971) 900-9769 or at karlene.hancock@das.oregon.gov.

.

APPENDIX A

**STATEWIDE FINANCIAL MANAGEMENT SYSTEM
REQUEST FOR SPECIAL VENDOR NUMBER**

VENDOR NO: 8 __ __ __ __ __ __ __ __ __

VENDOR NAME: _____

ADDRESS: _____

_____

_____

_____

CITY: _____   ST: _____   ZIP: _____-_____

Please explain below a) why a special number is necessary, b) what it will be used for and c) why it is not 1099 reportable to this vendor.

a) _____

_____

_____

b) _____

_____

_____

c) _____

_____

_____

Please indicate what transaction code and object will be used.

Transaction Code: _____   Object: _____

==

Agency Name: _____   Agency #: _____

Requester: _____   Date: _____

Phone #: _____   FAX #: _____

.