



Roland W. Burris

Comptroller
State of Illinois

ACCOUNTING BULLETIN NO. 59

September 15, 1989

201 State House
Springfield, Illinois 62706
217/782-6000

TO: Agency Heads and Chief Fiscal
Officers of All State Agencies

SUBJECT: Vendor's Federal Taxpayer Identification Number and Legal Status
Disclosure Certification Requirements for State Contracts

The Internal Revenue Service has taken measures to more stringently enforce Form 1099 reporting requirements for states and units of local governments. The contents of this accounting bulletin are mandated by Internal Revenue Service Rules and Regulations.

In order to meet Form 1099 information reporting rules formulated by the Internal Revenue Service, this office is in the process of implementing the requirement that all state contracts required to be filed contain the vendor's Federal Taxpayer Identification Number (TIN) and legal status disclosure certification. These changes will also increase the accuracy of our commercial vendor master file which will improve our ability to provide accurate vendor information. The requirements established by this accounting bulletin take effect with contracts filed after December 31, 1989.

The certified TIN's from the contracts will be used to accumulate payment information on the Vendor Master File. The certified legal status disclosures are necessary so that vendors can effectively be identified as to whether they are reportable for Forms 1099-Misc purposes.

In order to comply with this requirement, agencies must include in all contracts which will be filed with the Comptroller after December 31, 1989, a certification substantially as follows:

Under penalties of perjury, I certify that _____
_____ is my correct Federal Taxpayer
Identification Number. I am doing business as a (please check one):

- | | |
|--|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Real Estate Agent |
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Governmental Entity |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Tax Exempt Organization |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> (IRC 501(a) only) |
| <input type="checkbox"/> Not-for-profit Corporation | <input type="checkbox"/> Trust or Estate |
| <input type="checkbox"/> Medical and Health Care | |
| <input type="checkbox"/> Services Provider Corporation | |

Signed _____

Date _____

The form of this certification is established by the Internal Revenue Service. Agencies are also required by the Internal Revenue Service to provide the following instructions to vendors for use in completing the above certification:

Enter your taxpayer identification number in the appropriate space. For individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. Federal Employer Identification Numbers (FEINs) must not be used for sole proprietorships.

If you do not have a TIN, apply for one immediately. To apply, get Form SS-5, Application for a Social Security Number Card (for individuals) from your local office of the Social Security Administration, or Form SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local Internal Revenue Service office.

To complete the certification if you do not have a TIN, fill out the certification indicating that a TIN has been applied for, sign and date the form, and return it to this agency. As soon as you receive your TIN, fill out another such form including your TIN, sign and date the form, and give it to this agency.

If you fail to furnish your correct TIN to this agency, you are subject to an IRS penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

WILLFULLY FALSIFYING CERTIFICATIONS OR AFFIRMATIONS MAY SUBJECT YOU TO CRIMINAL PENALTIES INCLUDING FINES AND/OR IMPRISONMENT.

In cases where the vendor cannot provide a TIN upon the execution of the contract, agencies are advised to process vouchers citing (99-9999999) as the vendor number during the time the application for the TIN is pending. Agencies must thereafter notify the Comptroller's Office upon the issuance of a TIN to the vendor. In the event the vendor does not subsequently provide a certified TIN, he may be subject to backup withholding.

Purchase Orders

Taxpayer Identification Numbers and legal status disclosures for purchase orders issued by the Department of Central Management Services will be obtained by DCMS.

For purchase orders issued directly by universities and other state agencies, the following procedure should be followed:

1. Agencies should obtain the vendor's certified TIN and legal status prior to issuing the purchase order. All such certifications should be filed for future reference/audit purposes.

2. For purposes of filing and obligating purchase orders with the Office of the Comptroller, we will accept the following certification:

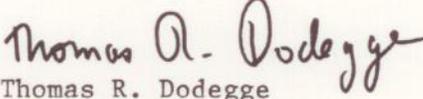
By acceptance of this order, the contractor certifies that it has provided the State a correct Federal Taxpayer Identification Number and legal status disclosure which is shown on the document.

The above certification will suffice only for those purchases that do not require two-party signed agreements pursuant to CUSAS.

Contracts and purchase orders that do not contain a vendor certified TIN and legal status disclosure will not be accepted by this office for filing after December 31, 1989. In addition, any voucher containing a TIN not matching the TIN on its underlying contract may be returned for correction.

Questions concerning this bulletin should be addressed to Joe DiRocco who may be reached at 217/782-3608.

Sincerely,


Thomas R. Dodegge
Deputy Comptroller

TRD/dsu