

CONTROLLER'S OFFICE

# **VENDOR SET-UP/W-9 CERTIFICATION PROCEDURE**

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## **OVERVIEW:**

The **Internal Revenue Service (IRS)** requires the City and County of Denver to file annual reports notifying them, and certain vendors doing business with the City, of payments made by the City during the year. To ensure that the City conforms to IRS 1099 regulations, the Controller's Office must have an accurate W-9 on file for every vendor that is not exempt from backup withholding. If the vendor is not exempt from backup withholding and fails to furnish a correct W-9 we are required to withhold income tax from their payments at a rate specified by the IRS.

In order for a vendor to be set-up in the City's financial system a **Substitute Form W-9** and a **New Vendor ID Request Form** must be submitted together to the Controller's Office. If the vendor name, address, or entity type changes, a new **Substitute Form W-9** and the **Vendor Update Form** must be completed and submitted together to the Controller's Office. Purchase Requisitions submitted to the Purchasing Division for vendors that are not the financial system, must have the **Substitute Form W-9** and a **New Vendor ID Request Form** attached to the requisition package. Any vendor set-up requests that are submitted to the Controller's Office or the Purchasing Division without the required forms, or with incomplete information, will be returned to the requestor and the vendor will not be set-up in the system.

If the vendor is an employee, or if the payment is for a refund or reimbursement, you only need to complete the **New Vendor ID Request Form**. These types of payments are not reported to the IRS.

## **Processing a Substitute Form W-9, a New Vendor ID Request Form and a Vendor Update Form**

1. Complete the **New Vendor ID Request Form** or the **Vendor Update Form**.
2. Verify that the vendor has completed the **Substitute Form W-9** and that the following fields have been populated and/or checked:
  - a. Legal Name;
  - b. Official Business/Mailing Address;
  - c. Legal Entity Type;
  - d. Taxpayer Identification Number is nine-numeric characters; and
  - e. Name, Title, Signature, Date and Telephone.

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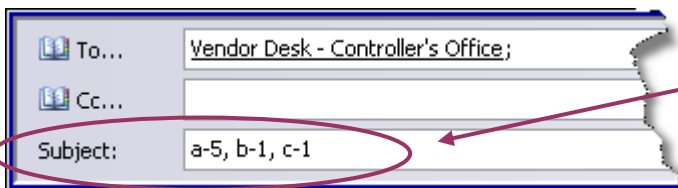
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3. Email vendor requests for a Purchase Requisition to the Purchasing Division, along with the requisition package, the **Substitute Form W-9** and a **New Vendor ID Request Form** to [central.purchasing@denvergov.org](mailto:central.purchasing@denvergov.org).
4. Email all other vendor requests and the **New Vendor ID Request Form**, or the **Vendor Update Form**, and the **Substitute Form W-9** for each vendor to the Controller's Office Vendor Desk at [vendor.desk@denvergov.org](mailto:vendor.desk@denvergov.org)

The subject line must include the type of request and the number or requests (see example). The request type has been assigned a value. Use the legend as your guide when populating the Subject field.

Request Type	Description
a	New Vendor Requests with W-9
b	New Vendor Request for Vendors that do not require a W-9 <ul style="list-style-type: none"><li>• Refunds</li><li>• Reimbursement to an Employee</li><li>• Reimbursement to a Vendor</li><li>• Petty Cash</li><li>• Rent</li><li>• Deceased</li><li>• Alimony</li></ul>
c	Update Existing Vendor
d	Inquiry



In this example the subject line tells the **Vendor Desk** that there are five new vendors that require a W-9 (a-5), one new vendor that does not need a W-9 (b-1), and one request to update an existing vendor (c-1).

5. When the vendor has been set-up in the system you will be notified by email of the Vendor ID. Provided there are no issues with the paperwork, you will have a response within 24 – 48 hours.

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The Controller's Office will verify all information on the **Substitute Form W-9** with the IRS. Any missing or incorrect information will result in payment delays.

If the IRS reports a mismatch, the Controller's Office will contact the vendor by phone and wait three business days for a corrected **Substitute Form W-9**. If the mismatch is not resolved, the Controller's Office will notify the agency and wait an additional seven business days for resolution. If the mismatch is not resolved within the combined ten business days, backup withholding taxes will be withheld from the payment.

If you have questions or concerns contact the Controller's Office at 720-913-5500. If you have questions or concerns about vendor number for a purchase requisition, please contact the Purchasing Division at 720-913-8100.