

# FISCAL ACCOUNTABILITY RULES

---

## RULE 7.5 – VENDOR MANAGEMENT

### Purpose

The City and County of Denver (City) vendor management process was established to administer vendor information in the City's financial system and ensure compliance with applicable **Internal Revenue Service (IRS)** laws. The City maintains a vendor database in the City's financial system that is used to set-up, maintain, and update vendor information.

The **IRS** requires the City to file annual reports notifying them, and certain vendors doing business with the City, of payments made by the City during the year. Each year, vendors that have received payment from the City are sent a **1099** notifying them of the amount the City will report to the IRS. To ensure that the City conforms to IRS 1099 regulations, a vendor's **taxpayer identification number (TIN)** and legal name must be provided to the Controller's Office. The City will report payments to the vendor per IRS requirements.

Agencies/Departments shall read this rule in conjunction with, and comply with, the associated Vendor Management procedure to ensure compliance and understanding.

### Definitions

**Taxpayer Identification Number (TIN)** – an employer identification number (EIN), or a social security number (SSN), depending on the entity type that is registered with the IRS.

**1099 Forms** – a record of income that an individual or company received from the City and County of Denver in a given year that is reported to the IRS.

**Form W-9** – Internal Revenue Service form used to obtain a vendor's taxpayer identification number (TIN) and legal name.

### Rule

1. To be set-up as a Vendor in the City's financial system all vendors shall provide their legal name and TIN. Vendor set-up may be initiated by an Agency/Department or by the Purchasing Department in accordance with the Vendor Management procedure.
2. Vendors that have not provided a TIN that matches their legal name on file with the IRS shall not receive payment.

# FISCAL ACCOUNTABILITY RULES

---

## RULE 7.5 – VENDOR MANAGEMENT, CONTINUED

3. Annually a paper **Form 1099-INT** or **Form 1099-MISC** will be sent to the vendor and an electronic file will be sent to the IRS.
4. If the vendor changes their name, address, or entity type, the vendor and/or the Agency/Department shall notify the Controller's Office of the change and the legal effective date of the change.
5. If the IRS informs the City of a legal name or TIN mismatch, or if the City discovers the vendor is ineligible due to other City or IRS requirements, the vendor will be inactivated in the City's financial system. Payments to an inactive vendor shall not be processed and paid. To be reactivated, the vendor shall submit to the Controller's Office a signed Form W-9. The information will be verified and if accurate the Vendor will be reactivated in the City financial system.

### Procedures and Forms

The **Controller's Office** is responsible for any procedures and forms associated with this rule.