

State of Alabama



Department of Finance
Office of the Comptroller
Montgomery, Alabama 36130-2602

TO: Accounting Contacts

DATE: June 2, 2015

SUBJECT: Green Slips, Vendor File Name and Address, IRS 1099, Travel Report Payroll Vendor Name and Address

Please make all affected staff in your organization aware of this important information.

Comptroller Policy and Position on Vendor Names and Addresses:

This office does not want to delay payments to vendors, however, we have issues when a vendor invoice name and address does not match the vendor name and address in the vendor file. The issue is a correct vendor name and address, not just a FEIN number and monetary amount. A vendor should invoice using the name associated with the FEIN number that corresponds to the name and address they want payment made to. If that vendor name and address does not exist in the vendor file, it should be updated.

We do not approve payments to vendor names and addresses on invoices that have obviously been **altered including labels or hand written changes**. This office requires all agencies to issue vouchers payable to the original vendor name and remittance address on the invoice. This ensures that the warrant is payable to the original name and address on the invoice. The approved base 00 vendor number and address on the State vendor file ensures acceptable IRS 1099 reporting.

This is good business practice, policy and internal control. When the warrant is issued and the agency takes custody, the agency can mail the payment to whatever address they determine is appropriate.

Vendor Name and Address File Clean-up/Conversion Issues:

Before the clean-up process began there were over 281,000 vendors including multiple suffixes. Vendor count now is under 148,000. This clean-up/correction process is crucial before STAARS vendor file is loaded this summer.

To be IRS 1099 compliant, W-9 Headquarters information must be:

1. Loaded in STAARS as the Headquarters account
2. The 00 suffix
3. Legal name, not a Doing Business As (DBA) name
4. Physical location mailing address, not a PO Box
5. PO Box or other alternate remittance address information can be added on the next available suffixes

IRS 1099 Reporting Issues:

1. Comptroller's Office issues 1099's based on the 00 suffix.
2. If this address is not correct or valid, IRS will issue a "B" Notice to the State.
3. The State has 30 days to solicit the corrected name/TIN data and respond to the notice. All "B" Notices require all vendor suffixes belonging to the vendor be put on hold until an updated W-9 is received by this office. If the State receives a 2nd "B" Notice, the vendor must submit a Form 147C that must be obtained directly from IRS.
4. A DBA can be added to any available suffix after the 00 suffix on line 1 to match remittance information on vendor invoices.

Payroll Vendor Name and Address for Travel Reports:

Employees must fill out their travel forms with the **Full name and address** that matches their payroll file name. The current payroll system name and address can be found on the employee's eMAP W-2, unless updated recently. This will ensure payment voucher information matches the travel form and avoids mistaken identities. Also, if the employee home base is different than the payroll system address (ex. PO Box), make a notation in the bottom left hand corner of the In-State Travel Form. Example notation format reads as follows: "Home Base is City, State" (ex. Home Base is Prattville, AL). The notation can be computer generated, a label, or hand written. This will ensure accuracy with the name and address as well as help reduce Green Slips because the Home base information was not present.

Contact Branden Kelley or Jamie Jackson if you have any questions or need additional information on these processes.

Sincerely,

Tom White

Thomas L. White, Jr., CPA
State Comptroller

Alabama Department of Finance
Office of the State Comptroller - RSA Union
100 North Union Street, Suite 220
Montgomery, Alabama 36104
Telephone: 334-242-7050
Fax: 334-242-2440
tom.white@comptroller.alabama.gov

This e-mail and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom they are addressed. If you are not the intended recipient of this message be advised that dissemination, forwarding, printing or copying of this e-mail is strictly prohibited. If you have received this e-mail in error, please notify the sender by return e-mail and destroy all versions - electronic, paper or otherwise. This e-mail account is the property of the State of Alabama and is intended solely for use in State business.