Vendor Management, 1099 Processing and Vendor Q&A

Bureau of State Expenditures

Vendor Management and Support Team

NYS COMPTROLLER

THOMAS P. DiNAPOLI

Road Map

- Structure of Vendor Management & Support Team Vendor registration process
- Components of the Vendor File
- SFS Vendor Portal
- eCommerce
- 1099 Reporting Process
- Answer **ALL** your Vendor Management and 1099 questions

Vendor Management Roles

- The following are responsible for interacting with the Statewide Vendor File:
  - New York State Agencies/Business Services Center (BSC)
  - Office of the State Comptroller (OSC) Vendor Management Unit
  - Statewide Financial System (SFS) Helpdesk
  - Vendors

What is the Statewide Vendor File?

- The Statewide Vendor File is a centralized repository in the Statewide Financial System designed to maintain timely and reliable information on all vendors registered to do business with New York State.
- Vendors can be entities which:
  - Provide/supply goods or services to the State.
  - Have an ongoing business relationship with the State.
  - Receive a one-time payment.
  - Receive a form of benefit or award payment from the State.
  - Are individuals or entities (e.g., businesses, municipalities).
- The file identifies vendors by a New York State assigned ten-digit vendor identification number (Supplier Number/Vendor ID).

What is the Agency's Role?

- Uses the *Vendor Add Page* in the SFS to directly register individuals or entities in the Statewide Vendor File.
- Resolves various issues which may be encountered during the registration process.
- Creates contracts, purchase requisitions, purchase orders, and in general, processes voucher payments in the SFS with vendors that have been successfully registered in the Statewide Vendor File and have valid New York State Vendor IDs.

What is the Agency's Role?

- Ensures vendors are registered with an appropriate **Primary Contact**.
- Instructs vendor on the importance of maintaining up-to-date information in the SFS Vendor Portal.
- Advises vendors that VMU may reach out directly to discuss and validates requests for updates to the vendor's information in SFS.

What is VMU's Role?

- Completes the vendor add process and manually adds unique vendors, such as:
  - Foreign vendors.
  - Single payment vendors.
  - Special use vendors.

- Validates and approves vendor-initiated updates for Remit To addresses, banking, contact and legal name changes.

- Issues annual 1099 income reporting statements.

- Works directly with State Agencies, Vendors and SFS Help Desk on a variety of vendor inquiries and issues.

What is the SFS Help Desk's Role?

- Performs password resets for vendor accounts.
- Assists vendors in obtaining SFS Vendor Portal access.
- Advises vendors that VMU may reach out directly to discuss and validate requests for updates to the vendor's information in SFS.

What is the Vendor's Role?

- Ensures the accuracy of information entered into SFS, including address(es), banking, contacts, and legal business name.
- Communicates changes timely.
- Maintains vendor information through the SFS Vendor Portal.
- Submits supplier change requests to update, if appropriate, contacts, address(es), legal business name and banking information.

What is the Vendor’s Role?

- Delegates SFS Vendor Portal access from primary contact to other users, such as Administrators or Guests roles (View Only).
- Updates vendor certifications, such as the small business certification.
- Enrolls in other eCommerce activities, such as electronic purchase orders or electronic invoicing.
- Views payment-related information in the SFS Vendor Portal.

Vendor Registration Process

Vendor Registration Overview

Agency selects Vendor

Agency requests Vendor Add in SFS

Vendor Management Unit initiates Validation

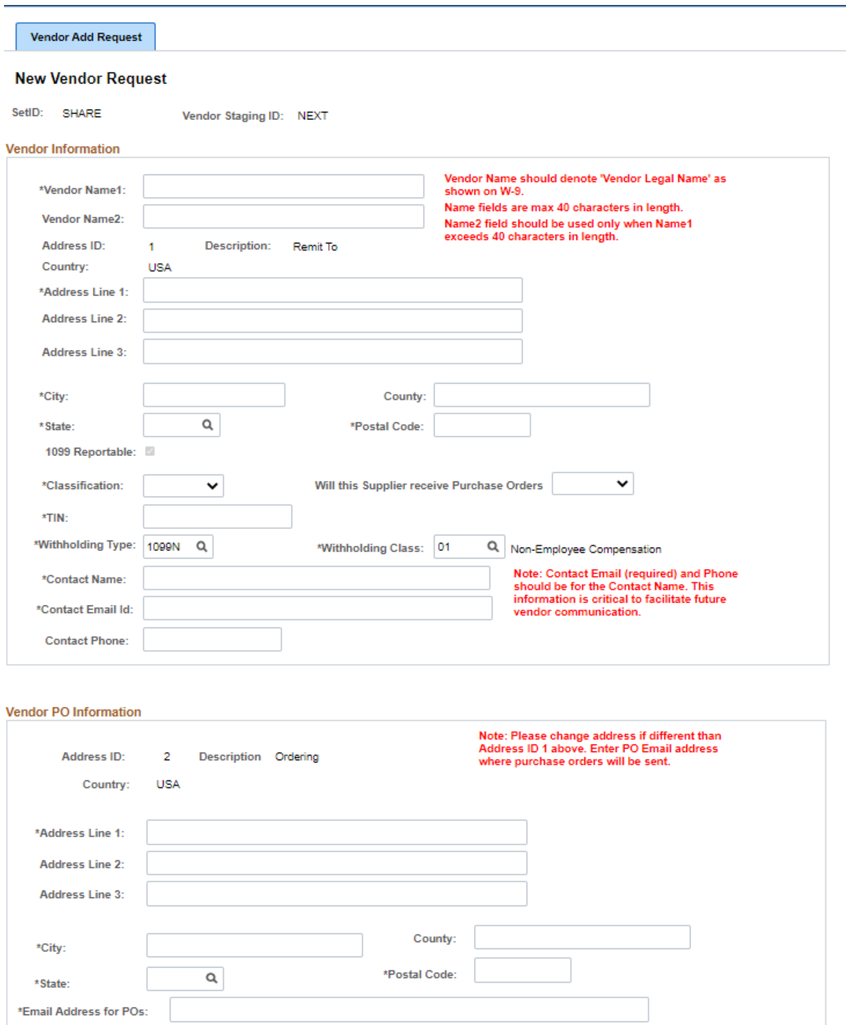
Validation Passes – Vendor is added to Statewide Vendor File

Validation Fails – Agency to address issue(s)

Primary Contact receives SFS Vendor Portal login, includes link and credentials

Vendor creates an SFS Vendor Portal Account

Agency Vendor Add



Vendor Add Request

New Vendor Request

SetID: SHARE Vendor Staging ID: NEXT

Vendor Information

*Vendor Name1:
Vendor Name2:
Address ID: 1 Description: Remit To
Country: USA
*Address Line 1:
Address Line 2:
Address Line 3:
*City: County:
*State: *Postal Code:
1099 Reportable:
*Classification: Will this Supplier receive Purchase Orders
*TIN:
*Withholding Type: 1099N *Withholding Class: 01 Non-Employee Compensation
*Contact Name:
*Contact Email Id:
Contact Phone:

Vendor Name should denote 'Vendor Legal Name' as shown on W-9.
Name fields are max 40 characters in length.
Name2 field should be used only when Name1 exceeds 40 characters in length.

Note: Contact Email (required) and Phone should be for the Contact Name. This information is critical to facilitate future vendor communication.

Vendor PO Information

Address ID: 2 Description Ordering
Country: USA
*Address Line 1:
Address Line 2:
Address Line 3:
*City: County:
*State: *Postal Code:
*Email Address for POs:

Note: Please change address if different than Address ID 1 above. Enter PO Email address where purchase orders will be sent.

- Vendor’s legal business name.
- Vendor’s Remit To address.
- Purchase order address (if different from Remit To address).
- Classification (identifies 1099 defaults).
- Primary Contact.
- When possible, add the Primary Contact’s phone number.
- Mass upload option for large sets of vendor adds.

Vendor Validation

- Validation of vendors at the time of registration
  - Common issues
  - Email sent to agency contacts upon validation

Components of the Vendor File

Components of the Vendor File

Supplier Number/Vendor ID	• Who
Address	• Where
Contact	• Authority to Make Changes
Location	• How

What addresses are in the Vendor File?

- The agency assigns one default Remit To address during vendor registration.
- The vendor can add additional addresses (e.g., ordering, physical, Remit To address) through the SFS Vendor Portal.
- The vendor can update existing addresses (e.g., ordering, physical, Remit To address) through the SFS Vendor Portal.

GFO: X.4.B Addresses

Who is the Primary Contact?

- The Primary Contact is identified by the vendor and established by the agency at Vendor Registration.
- The Primary Contact must be authorized to make legal and financial decisions on behalf of the vendor.
- The Primary Contact is given access to the SFS Vendor Portal and can assign additional users to its SFS Vendor Portal account.
- The Primary Contact can update the vendor's address where payment will be sent (Remit To address) and register to receive electronic payments.

GFO: X.4.C Contacts

What if the Primary Contact is Outdated?

- If a vendor informs an agency that it needs to update its contact information, the agency must direct the vendor to the New York State Vendor Self-Service Portal webpage at https://esupplier.sfs.ny.gov/psp/fscm/SUPPLIER. After signing into the Vendor Self-Service Portal, the vendor will be able to add or update its contact information, including the primary contact.

- If a vendor does not have a Vendor Self-Service account, the agency should direct the vendor to contact the SFS Helpdesk at 855-233-8363 or Helpdesk@sfs.ny.gov.

What are Vendor “Locations?”

- The Location defines the vendor’s business rules – i.e., how the vendor wants to do business with New York State. This includes:
  - The email address to receive purchase orders.
  - The bank account to receive electronic payments.
  - Payment terms (e.g., 2/10 Net 30).

- A vendor Location **DOES NOT ONLY** equate to a payment method (e.g., Check vs. ACH).

- Vendors can have an unlimited number of Locations.

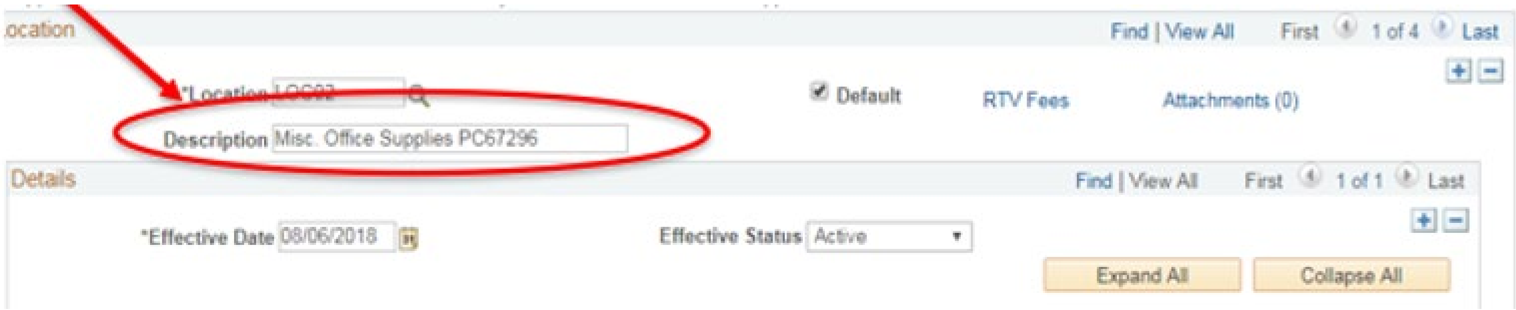
What are Vendor "Locations?"

- A vendor can set up Locations to mirror its corporate structure or its business relationship with the State. For example, the vendor can set up:
  - Locations by region (e.g., Albany, Buffalo).
  - Locations by business area (e.g., goods, services).
  - Locations by contracts.

GFO: X.4.D and XII.5.D Selecting the Appropriate Location

Location Descriptions

- Agencies should use the description field to select the appropriate Location.



Example of Vendor Locations

- Vendor 1 Example - Four Locations

Location Name	Location Description	Ordering Email	Payment Method	Payment Address
MAINCHECK	MAINCHECK	RochesterNYS@example.com	Check	PO Box 12345 Philadelphia, PA.
MAINEPAY	Green Cleaning PC66835	RochesterNYS@example.com	ACH	Bank Account 1
LOC02	Misc. Office Supplies PC67296	RochesterNYS@example.com	ACH	Bank Account 1
LOC03	Technology Contracts	solomon.massey@example.com	ACH	Bank Account 2

What Location Do I Choose?

- Follow the vendor's Location description.
- Is there an electronic payment requirement in the contract or purchase order?
  - e.g., OGS centralized contract, agency contract, purchase order terms and conditions.
- Does the vendor have an ACH Location?
  - "I enrolled in ACH, why am I receiving a check?"
- When in doubt contact the vendor.

Statewide Financial System Vendor Portal

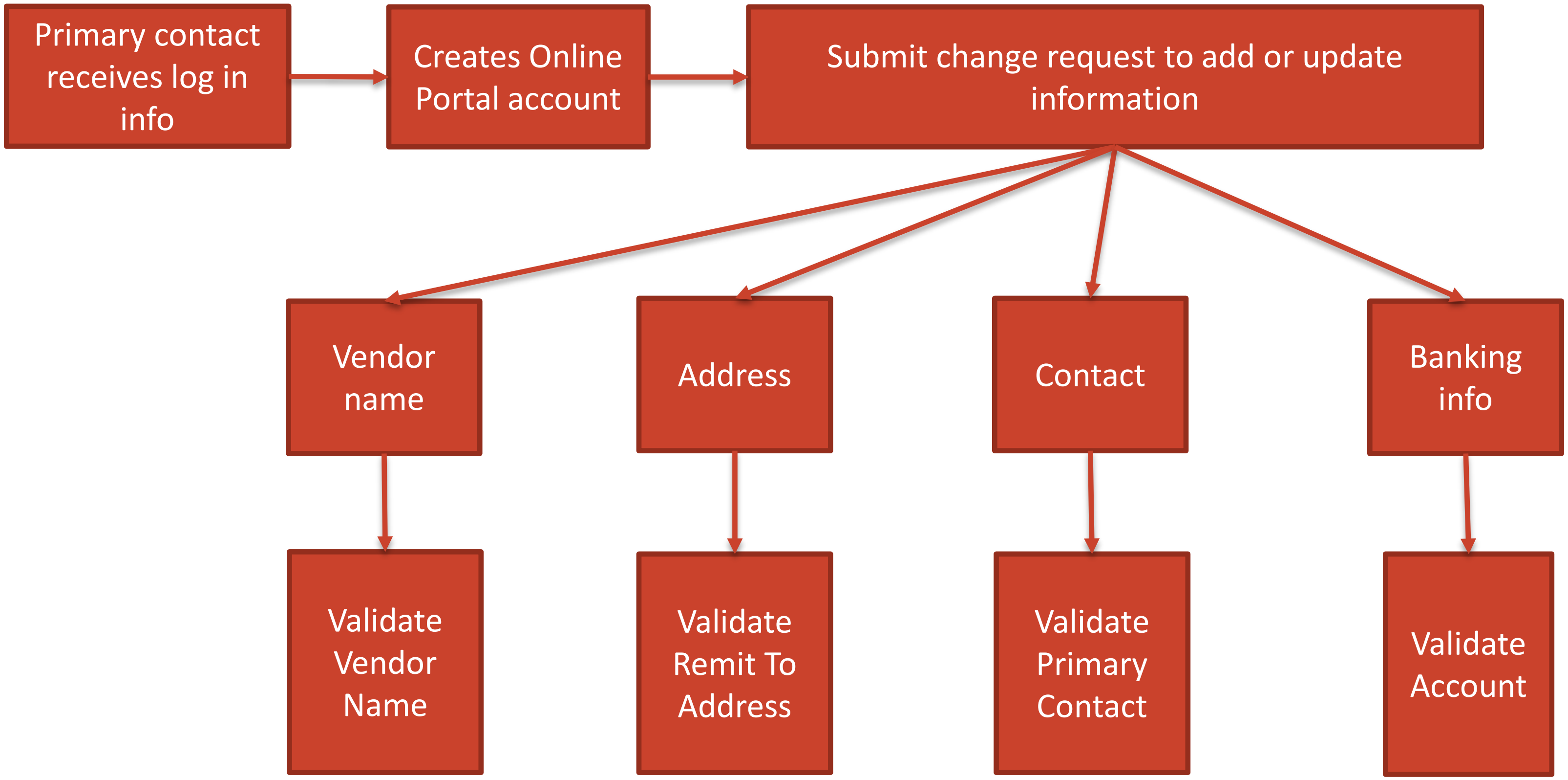
What Are the Components of the SFS Vendor Portal?

- Primary Contact can add additional roles:
  - Administrators.
  - Guests.
  - Primary Contact is responsible for maintaining delegate(s) access.
- Vendors may submit invoices using self-service invoicing.
- Vendors may review history of payments.

What Are the Components of the SFS Vendor Portal?

- Maintain information by submitting change requests for:
  - Vendor name change.
  - Address updates for check remittance and purchase orders.
  - Email address for PO dispatch.
  - Contacts including Primary Contact and non-primary contacts.
  - Locations including bank account information and payment terms.

SFS Vendor Portal



VMU Vendor Outreach

- Supplier Change Requests and Primary Contact access approvals may require outreach to the vendor.
- Approved Primary Contact receives a welcome email to the SFS Vendor Portal.
- Approved Supplier Change Requests are automatically updated in the Vendor File.

eCommerce

What is eCommerce?

- Electronic processing including:
  - Email PO Dispatch.
  - Electronic Invoicing (eInvoicing).
  - Electronic Payments (ePayments).
  - CTX electronic payment file.
- eCommerce can:
  - Decrease transaction processing time.
  - Decrease downstream processes (e.g., returned checks, escheatment).
  - Save money.
  - Create a positive vendor experience.

1099 Reporting Process

Who Provides Information for 1099 Reporting?

- Agencies are responsible for accurately identifying the payment amount subject to 1099 reporting.
  - “Withholding” is the payment amount subject to 1099 reporting.
  - Withholding occurs on the line level of the voucher.
  - The agency must identify the correct **1099 type** and **withholding class** to report the payment amount.

- Each record on the vendor file defaults to “Yes” for withholding.

How to Correctly Report 1099 Income

- When processing a voucher, the agency employee entering the voucher must determine whether the payment is 1099 reportable.
  - If the payment is 1099 reportable, the processor must decide if the payment is reportable on the 1099-NEC or the 1099-MISC.
  - If the payment is reportable on the 1099-MISC, the processor must determine the correct withholding class (i.e., 01, 03, 06 or 10).

What Types of Payments are 1099 Reportable?

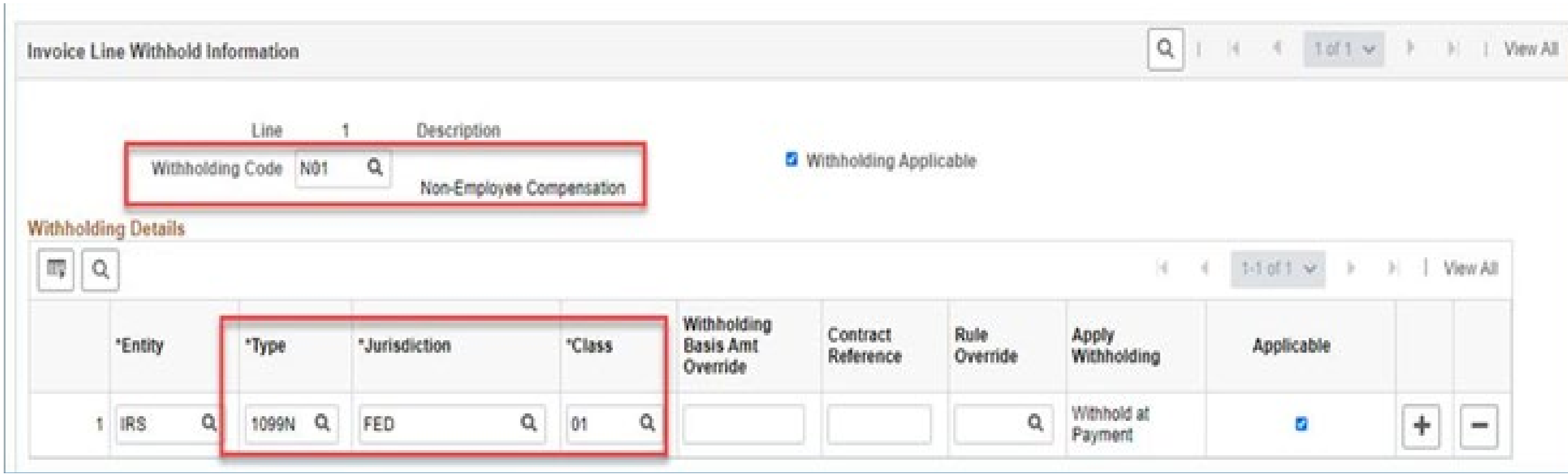
Withholding Class	Types of Payments
1099-MISC Class 01	Rental/Lease Payments
1099-MISC Class 03	Client Payroll/Work for Pay
	Jury Payment
	Loan Forgiveness
	Prizes and Awards
	Settlement Payments to Claimants
1099-MISC Class 06	Hospital/Medical Payments
1099-MISC Class 10	Settlement Payments to Attorneys
1099-NEC Class 01	Payments to vendors for services

GFO Section XII, Chapter 5.K.2

Withholding on the Voucher

- The agency voucher processor must select the "Withholding" link to review and/or update the withholding information on the voucher.

Withholding on the Voucher



How are 1099s Corrected?

- Vouchers **CANNOT** be corrected by the agency once they are approved for payment.
- If an agency incorrectly codes a voucher, an agency representative should email Fedrep@osc.ny.gov.
  - Fedrep@osc.ny.gov is the dedicated email address for all 1099 voucher corrections and questions.
- All corrections are made in the 1099 software program, AccountAbility before 1099s are printed.
- Corrections for Single Pay vouchers subject to 1099 reporting, should be sent via secure transfer file.

Q & A Session and Open Discussion