Tips, Tricks, and Techniques of the New York State Vendor File and 1099 Processing

Road Map

- Vendor Management
- Vendor Registration
- Components of the Vendor File
- Statewide Financial System Vendor Portal
- Managing Orders
- Managing Invoices and Payments
- Vendor Resources
- Agency Collaboration with Vendors
- 1099 Reporting Process
- Q & A

Vendor Management

What is the Vendor File?

- The Vendor File is a centralized repository in the Statewide Financial System (SFS) designed to maintain timely and reliable information on all vendors registered to do business with New York State
- Vendors may:
  - 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)
  - Be bidders awaiting an award
- The file identifies vendors by a New York State assigned ten-digit vendor identification number (Vendor ID)

Who is Responsible for Vendor Management?

- New York State Agencies
- Office of General Services (OGS)
- Business Services Center (BSC)
- Office of the State Comptroller (OSC) Vendor Management Unit (VMU)
- SFS Help Desk
- Vendors

What is the State Agency's Role?

- Know Your Vendor
- Use the SFS to directly register individuals or entities in the Vendor File
- Onboard, classify, and communicate expectations to vendors about maintaining a business relationship with New York State
  - Ensure vendors are registered with an appropriate **Primary Contact**
  - Instruct vendors on the importance of maintaining up-to-date information, **especially for the Primary Contact's Vendor Portal Access**
  - Advise vendors that VMU may reach out directly to discuss and validate requests for updates to the vendor's information in SFS
  - Do not share screenshots or other confidential vendor information.
  - Resolve various issues which may be encountered during the registration process, including the TIN Mismatch Report in SFS
- Create contracts, purchase requisitions, purchase orders, and in general, submits voucher payments in the SFS with vendors that have been successfully registered in the Vendor File and have valid New York State Vendor IDs

What is VMU's Role?

- Complete the vendor add process and manually add unique vendors, such as:
  - Foreign vendors
  - Single payment vendors
  - Special use vendors
- Validate and approve vendor-initiated updates for payment addresses, banking, contact and legal name changes
- Issue annual 1099 income reporting statements
- Work directly with state agencies, vendors and the SFS Help Desk on a variety of vendor inquiries and issues

What is the SFS Help Desk's Role?

- Assist vendors with obtaining Vendor Portal access
- Provide guidance on how to maintain vendor account information
- Assist state agencies with vendor related questions

What is the Vendor's Role?

- Know their Primary Contact
- Review and maintain vendor information through the Vendor Portal
- Review procurement and payment information through the Vendor Portal
- Manage Vendor Portal accounts
  - Including grant management roles
- Maintain certification(s), if applicable
- Review and respond to email notifications about vendor record updates

Vendor Registration

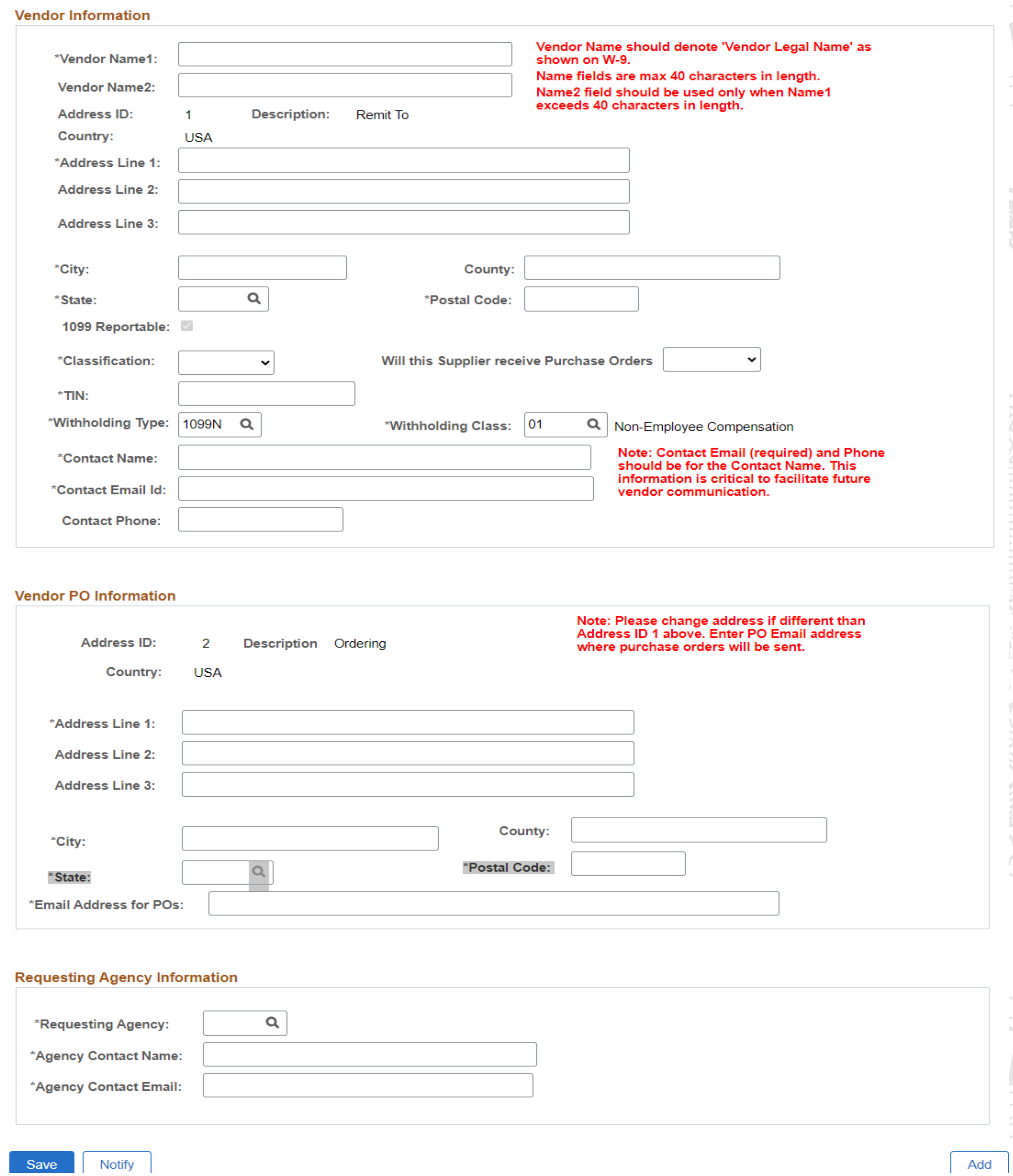
Know Your Vendor

- Follow internal agency procedures related to new vendor validation.
- **<u>Research</u>**:

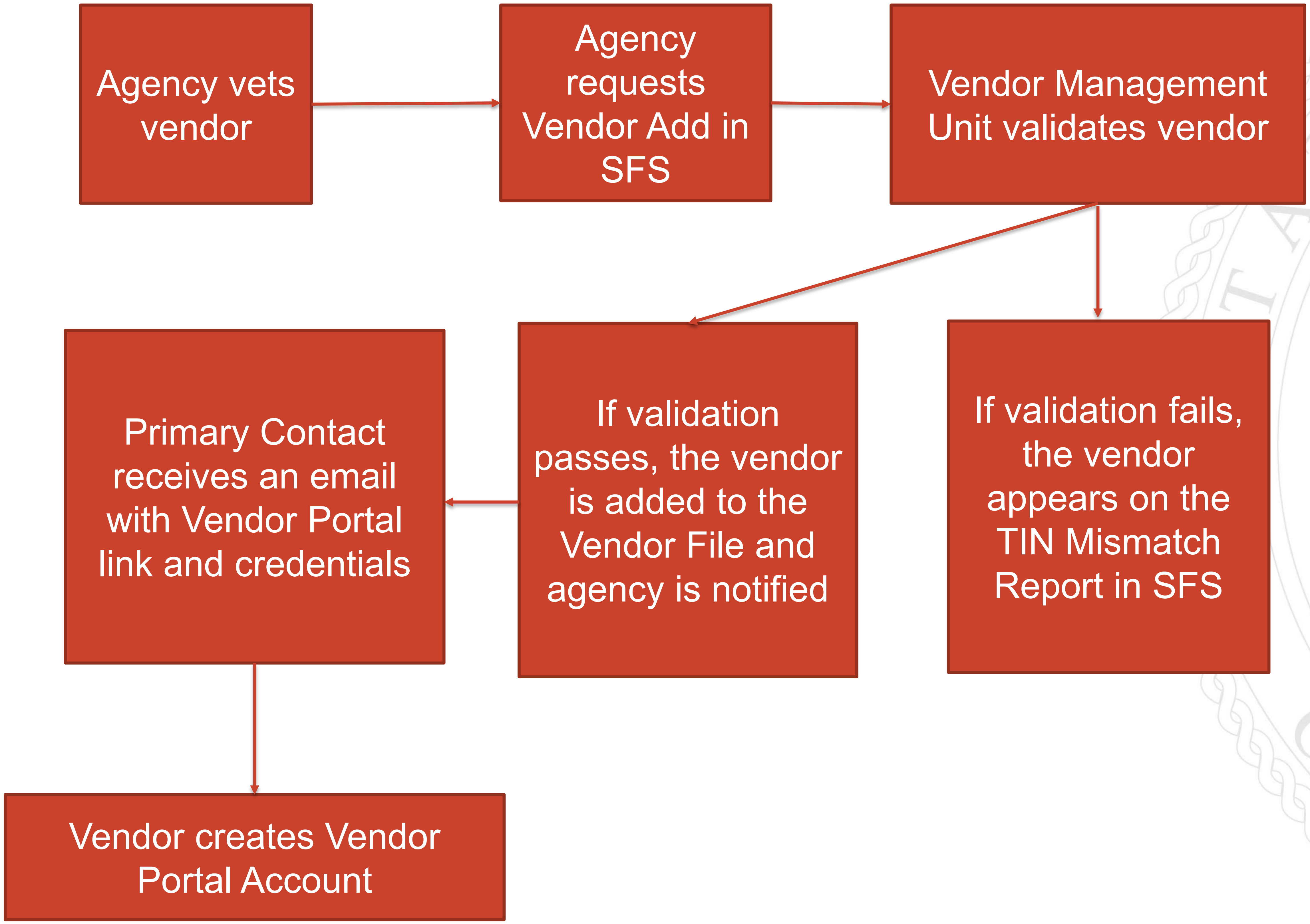
Names Addresses Tax Information Ownership Structure Licenses and Certifications	Office of Foreign Asset Control Sanctions Compliance Domains, Physical and Email Addresses 1099 Reporting Compliance - Disregarded Entities Department of State or Other Regulatory Body

Vendor Add Request

- Legal business name
- Payment address
- Purchase order address
- Classification (identifies 1099 defaults)
- Primary Contact name, email and phone number
- Disregarded Entity



Vendor Registration Overview



Components of the Vendor File

Components of the Vendor File

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

What Addresses are in the Vendor File?

- Payment address(es)
- Ordering address(es)
- Vendor can add or update addresses through the Vendor Portal

Who is the Primary Contact?

- Primary Contact is identified by the vendor and assigned during vendor registration
- Primary Contact must be authorized to make legal and financial decisions on behalf of the vendor
- Primary Contact acts as the Delegated Admin or identifies other individuals to serve as the Delegated Admin
- Agencies should underscore to vendors the importance of timely on and off boarding of Primary Contacts
- A vendor cannot access the Vendor Portal with an outdated primary contact
- New primary contacts which are not added before the existing primary contact is offboarded, must be revalidated by VMU

Who is the Delegated Admin?

The Delegated Admin performs the day-to-day administration over their organization’s account in the SFS Vendor Portal, including:

- Ensuring the correct contact information, email address, and payment information is set up and maintained
- Establishing user accounts and assigning roles to user accounts
- Performing role and account updates, password resets, and unlocking accounts
- Communicating user ID and password information to SFS users within their organization

What if the Primary Contact is Outdated?

Primary Contact is with the organization and can access the Vendor Portal

- Primary Contact logs in and submits a primary contact update
- Routed to Vendor Management Unit for approval

Primary Contact is no longer with the organization

- Vendor contacts the SFS Helpdesk at (855) 233-8363 or Helpdesk@sfs.ny.gov
- Vendor Management Unit receives and validates primary contact update request
- Can be significantly longer for review and approval
- Not a best practice
- Entity should have procedures to maintain information through the vendor portal timely

What are Vendor Locations?

- Defines the vendor’s business rules on how they do business with the State. This includes:
  - Email address(es) to receive purchase orders
  - Bank account(s) to receive electronic payments
  - Payment terms (e.g., 2/10 Net 30)
- **DOES NOT** equate to a payment method only (e.g., Check vs. ACH)
- Vendors can have an unlimited number of Locations
- Updated through the Payment Profile tab in the Vendor Portal

What are Vendor Locations?

- Vendors 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)
  - Business relationship (e.g., goods, services)
  - Contracts

GFO: X.4.D Location and XII.5.D Selecting 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 2
LOC03	Technology Contracts	RochesterNYS@example.com	ACH	Bank Account 3

What Location do I Choose?

- State agencies should work with the vendor to select the appropriate Location
- Vendor has an ACH Location and does not want to receive checks
- Electronic payment requirements can be part of contract or purchase order agreements
  - e.g., OGS centralized contract, agency contract, purchase order terms and conditions

Statewide Financial System
Vendor Portal

Vendor Portal

- Provide vendors who do business with the State the ability to manage their billing and payment information in SFS
- Vendors can review:
  - Purchase Orders
  - Receipt Information
  - Status of Invoices
  - Payment Information
- The Delegated Admin can establish user accounts and assign roles to user accounts
- The Delegated Admin is responsible for maintaining user account access

Vendor Portal

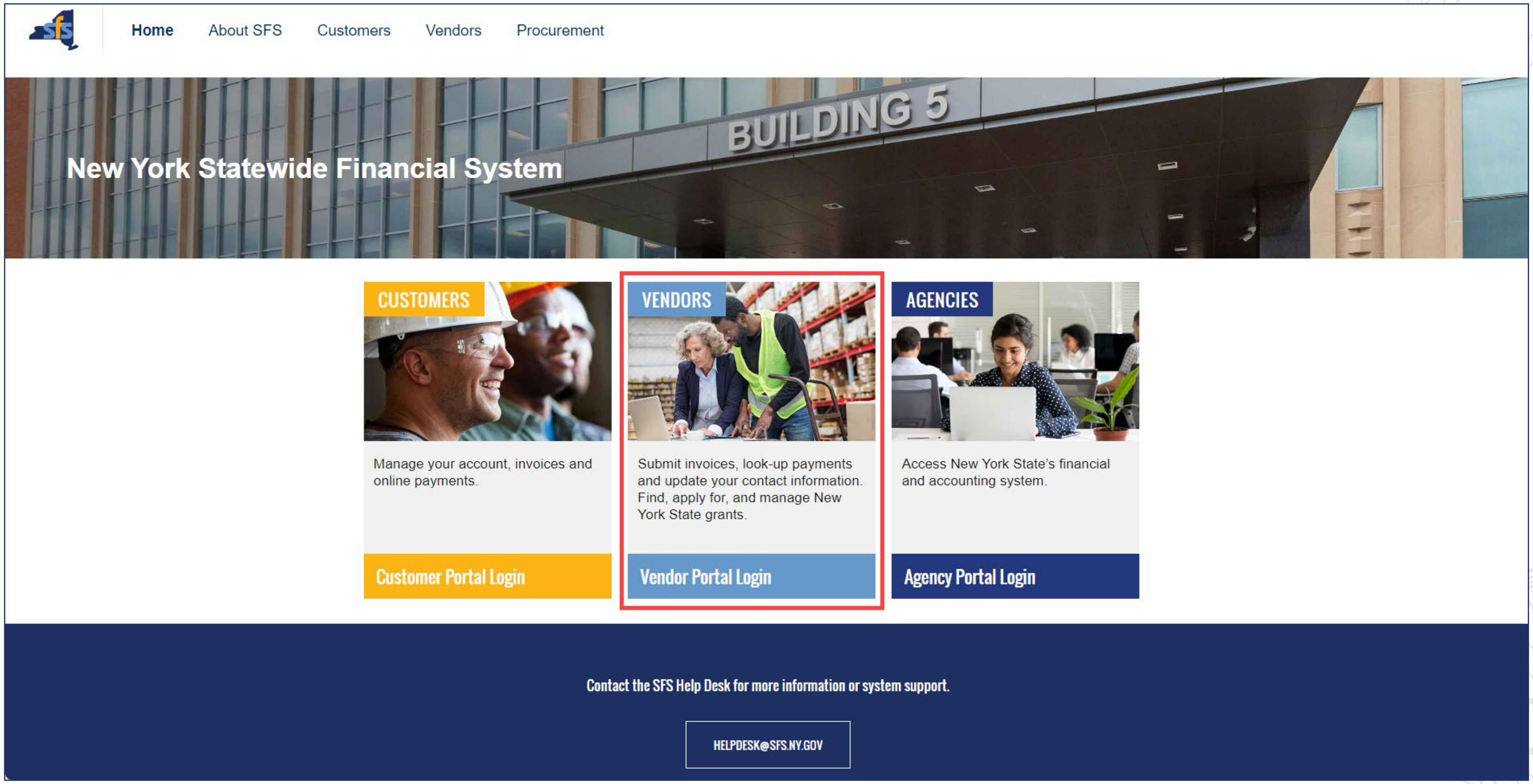
- Maintain information by submitting timely change requests for:
  - Legal name
  - Address updates for check remittance and purchase orders
  - Email address for PO dispatch
  - Contacts including Primary Contact and non-primary contacts
  - Locations including bank account information and payment terms
  - Grants information (if applicable)

VMU Vendor Outreach

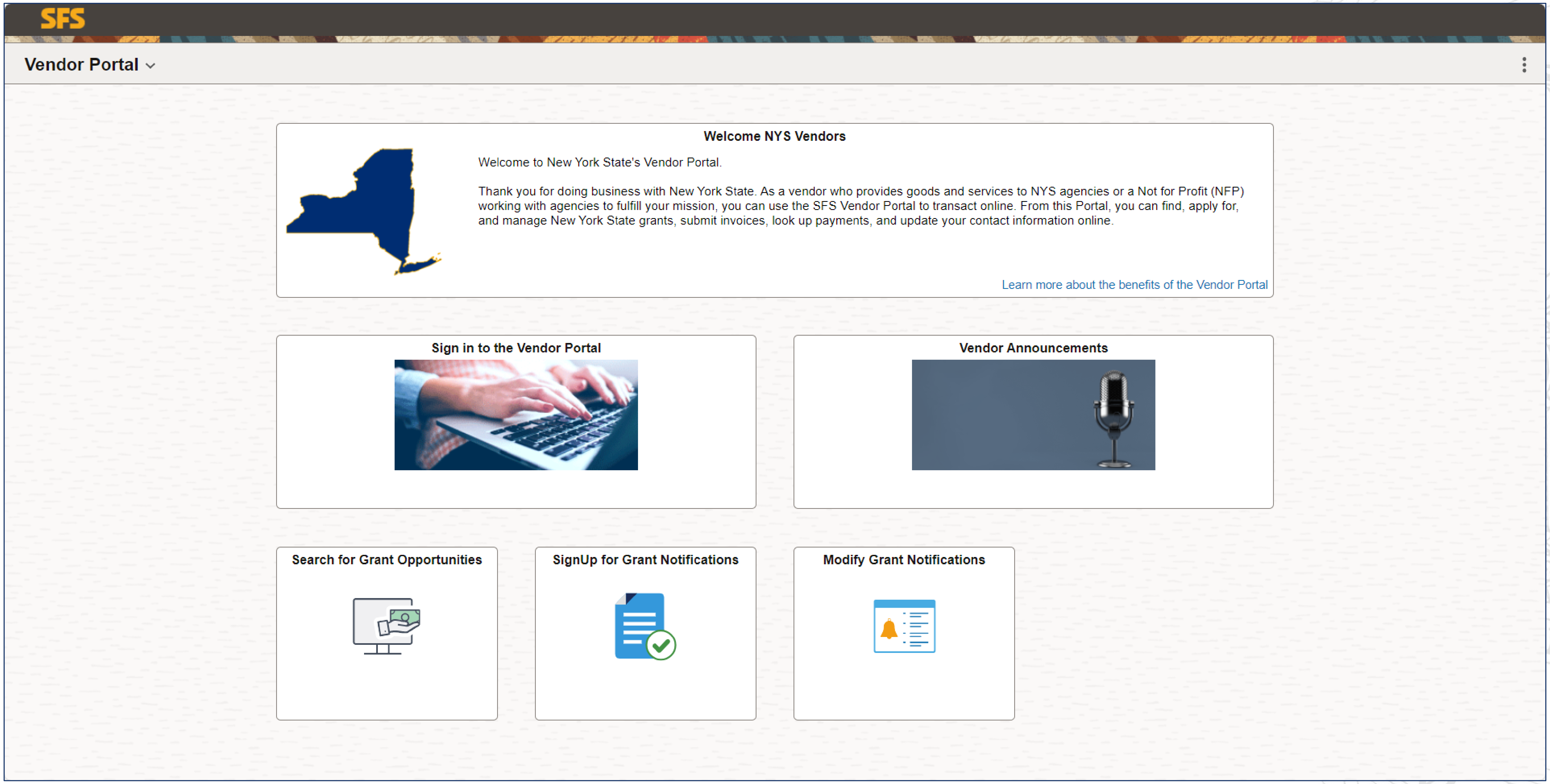
- Supplier Change Requests and Primary Contact approvals may require outreach to the vendor
- Approved Primary Contact receives a welcome email to the Vendor Portal
- Approved Supplier Change Requests are updated in the Vendor File and the Primary Contact receives notification of the change

Vendor Portal Access

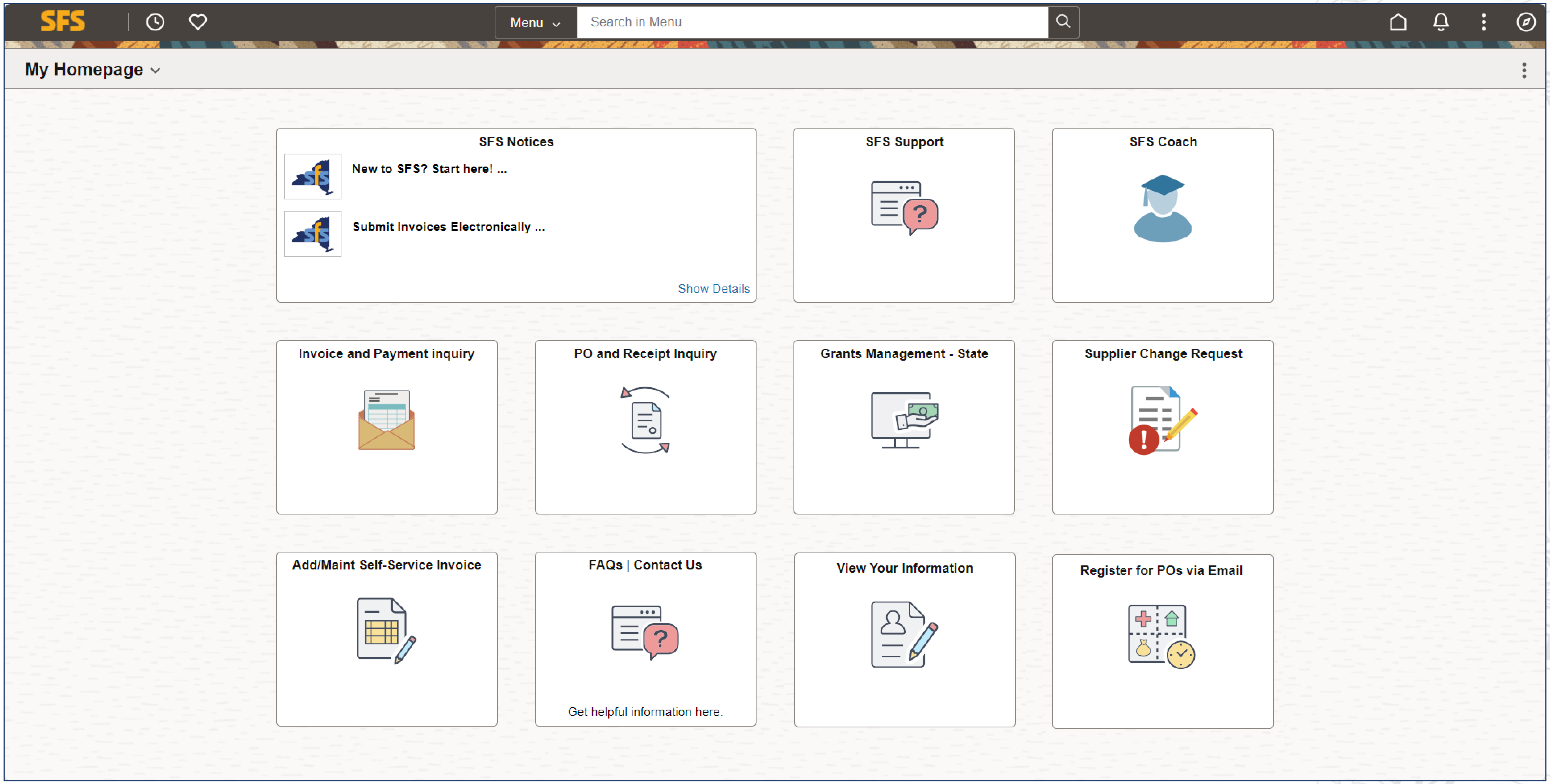
Access SFS



Information Available for Vendors



Vendor Portal Homepage



Managing Orders

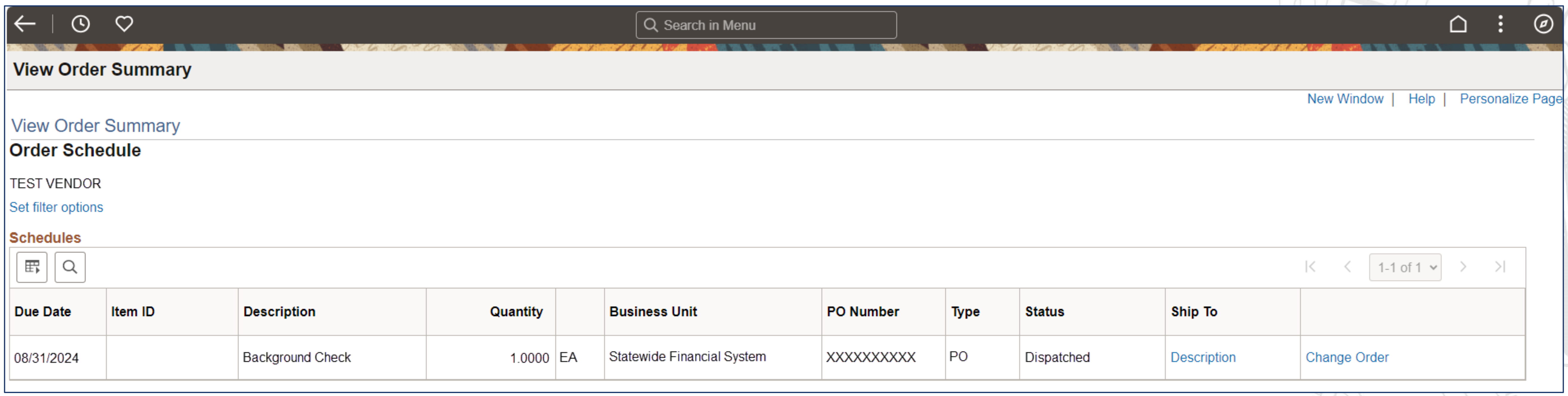
PO Dispatch to Vendors

- A Purchase Order (PO) is used to communicate all necessary order information to a vendor and confirm that the delivery and purchase of a good or service has been authorized
  - Proper PO setup and use in SFS is important as it provides agencies with the ability to effectively communicate with vendors and streamline the procurement-to-payment process
- Once a PO is approved and successfully budget checked, the PO is dispatched via email to vendors
  - Email is the State's primary method of dispatch to vendors
- Vendors can enroll and manage their email addresses in the Vendor Portal
  - Vendors who receive a PO through the "One Time Only Email Dispatch" functionality are automatically enrolled in email PO dispatch

GFO: [XI.A.7 Authorization and Dispatch]

Review Order Summary Information

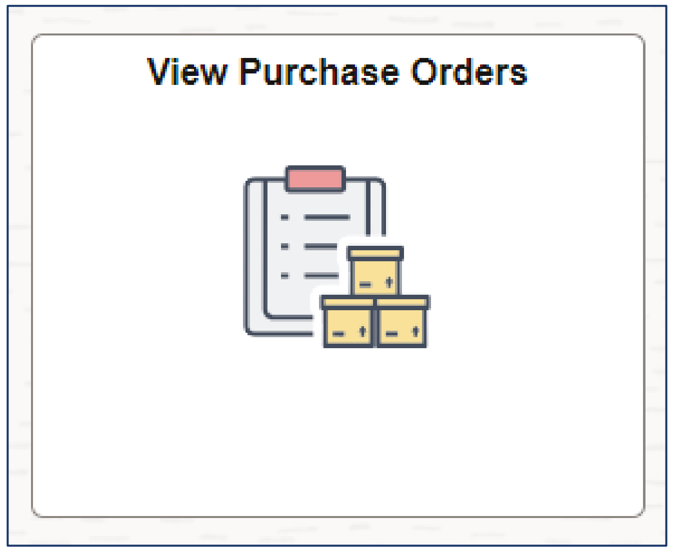
- Vendors can define their search criteria by PO Status, Date, Item ID, and/or Supplier Item ID
- Vendors can export results to sort and filter as needed



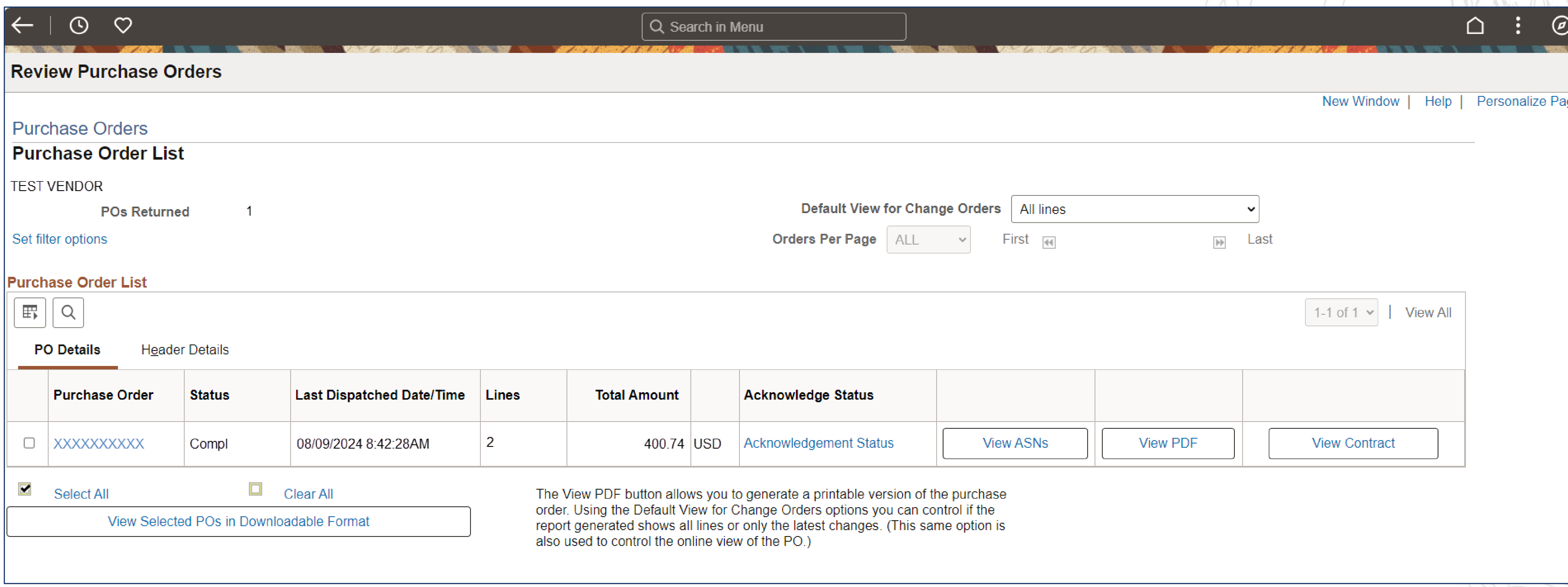
Due Date	Item ID	Description	Quantity		Business Unit	PO Number	Type	Status	Ship To	
08/31/2024		Background Check	1.0000	EA	Statewide Financial System	XXXXXXXXXX	PO	Dispatched	Description	Change Order

The View Order Summary page is available to vendors using the following navigation:
NavBar > Menu > Manage Orders > View Order Summary

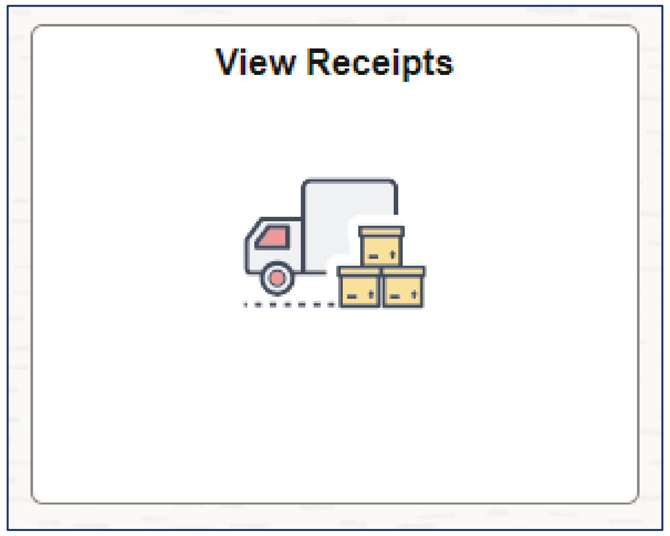
View PCard Information



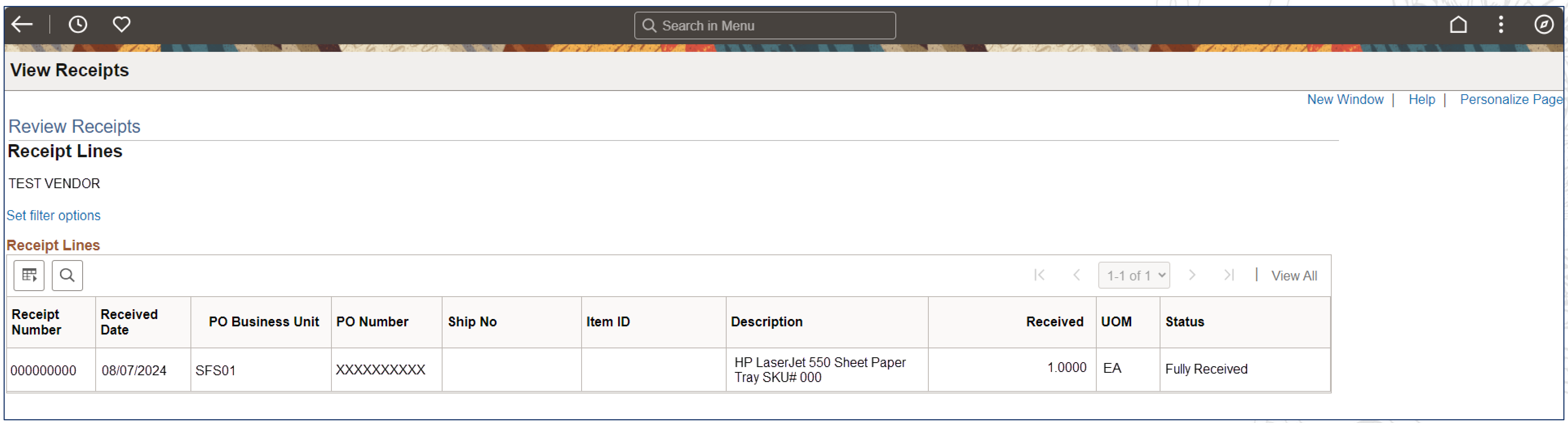
Vendors with the applicable PCard view access role in SFS can click into a Purchase Order to view PO Details, including PCard information such as Credit Card Number, Card Type, and Expiration Date.



View PCard Information



Vendors can check if a State Agency they do business with has entered a receipt for the goods or services the vendor provided.



Receipt Number	Received Date	PO Business Unit	PO Number	Ship No	Item ID	Description	Received	UOM	Status
000000000	08/07/2024	SFS01	XXXXXXXXXX			HP LaserJet 550 Sheet Paper Tray SKU# 000	1.0000	EA	Fully Received

Managing Invoices and Payments

Electronic Payments (ACH)

- It is recommended that all vendors who do business with NYS and have a Purchase Order established to sign up for electronic payments
- Electronic payments ensure that once the invoice is processed, funds are transferred to the vendor’s account quickly and securely
- Vendors can sign up for electronic payments directly in the Vendor Portal

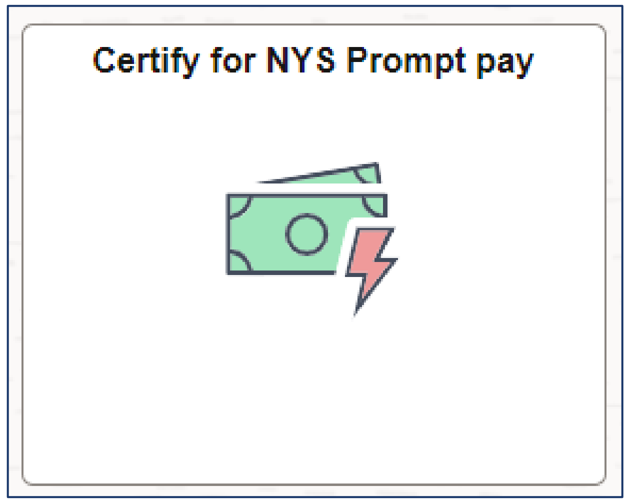
Electronic Invoicing (eInvoicing)

- Electronic invoicing (eInvoicing) allows vendors to bill State Agencies directly with paperless invoices (eInvoices) using SFS
  - eInvoices are electronic requests for payment submitted by the vendor
- Agencies receive eInvoices immediately upon vendor submission, streamlining the invoice to payment process
- Vendors can view and track eInvoices at all steps in invoice processing

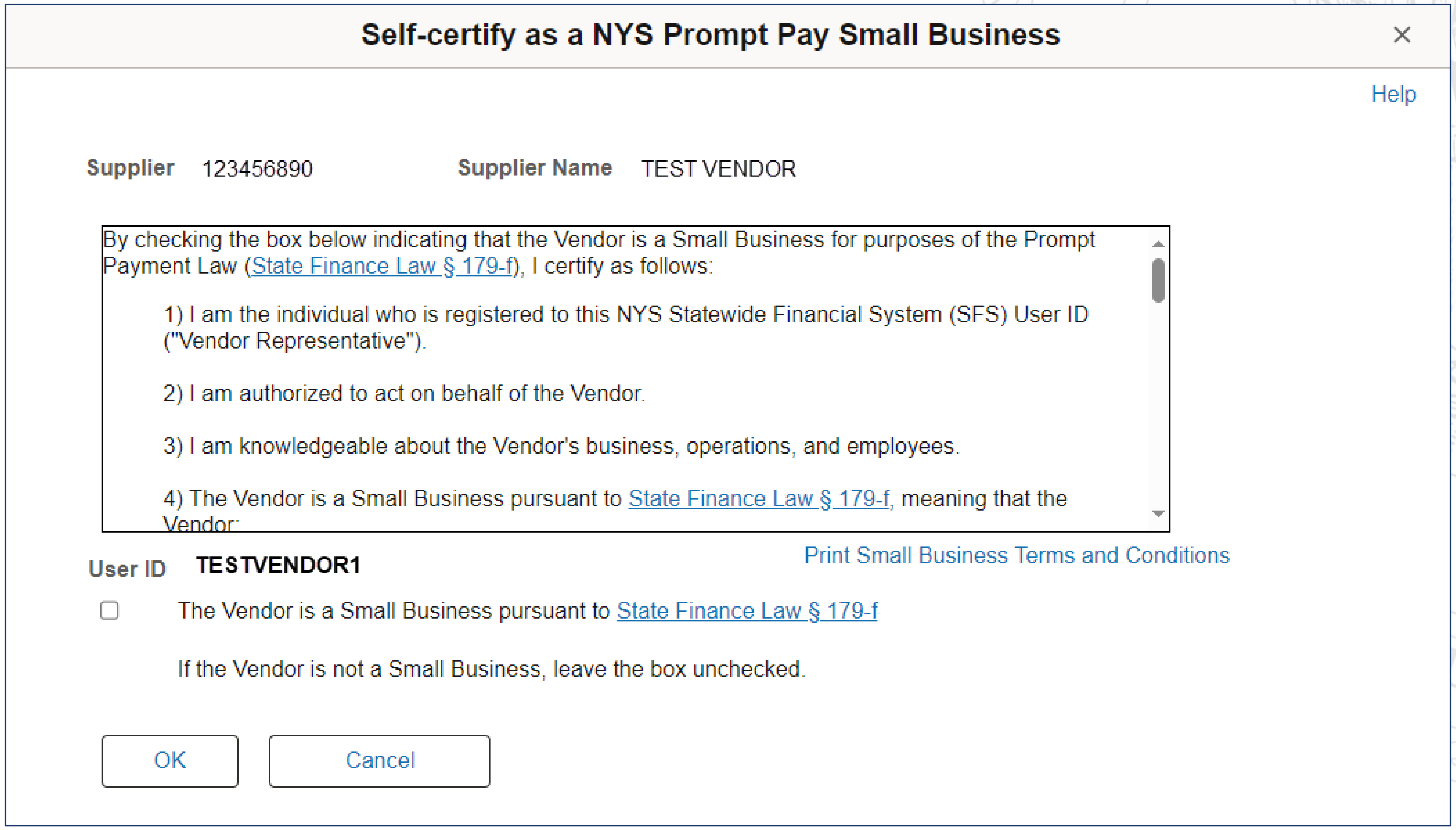
Electronic Invoicing (eInvoicing)

- An eInvoice is not:
  - An invoice emailed to the agency
  - An invoice entered by a State agency into the eSettlements module
- Vendors can refer to the eInvoicing Options Available for Vendors reference guide for more information on how to use the different eInvoicing options

Self-Certify as a NYS Prompt Pay Small Business



If qualified, vendors can self-certify and may be eligible for prompt payment interest, if no payment is sent within 15 days from invoices submitted electronically*.



Self-certify as a NYS Prompt Pay Small Business

Help

Supplier 123456890 **Supplier Name** TEST VENDOR

By checking the box below indicating that the Vendor is a Small Business for purposes of the Prompt Payment Law (State Finance Law § 179-f), I certify as follows:

1) I am the individual who is registered to this NYS Statewide Financial System (SFS) User ID ("Vendor Representative").

2) I am authorized to act on behalf of the Vendor.

3) I am knowledgeable about the Vendor's business, operations, and employees.

4) The Vendor is a Small Business pursuant to State Finance Law § 179-f, meaning that the Vendor:

User ID **TESTVENDOR1**

Print Small Business Terms and Conditions

☐ The Vendor is a Small Business pursuant to State Finance Law § 179-f

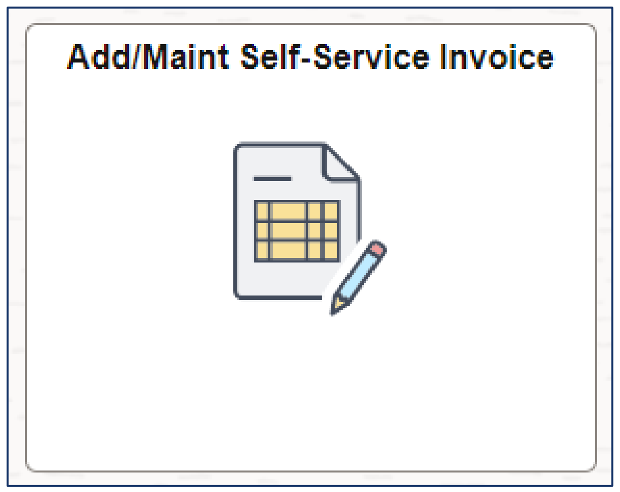
If the Vendor is not a Small Business, leave the box unchecked.

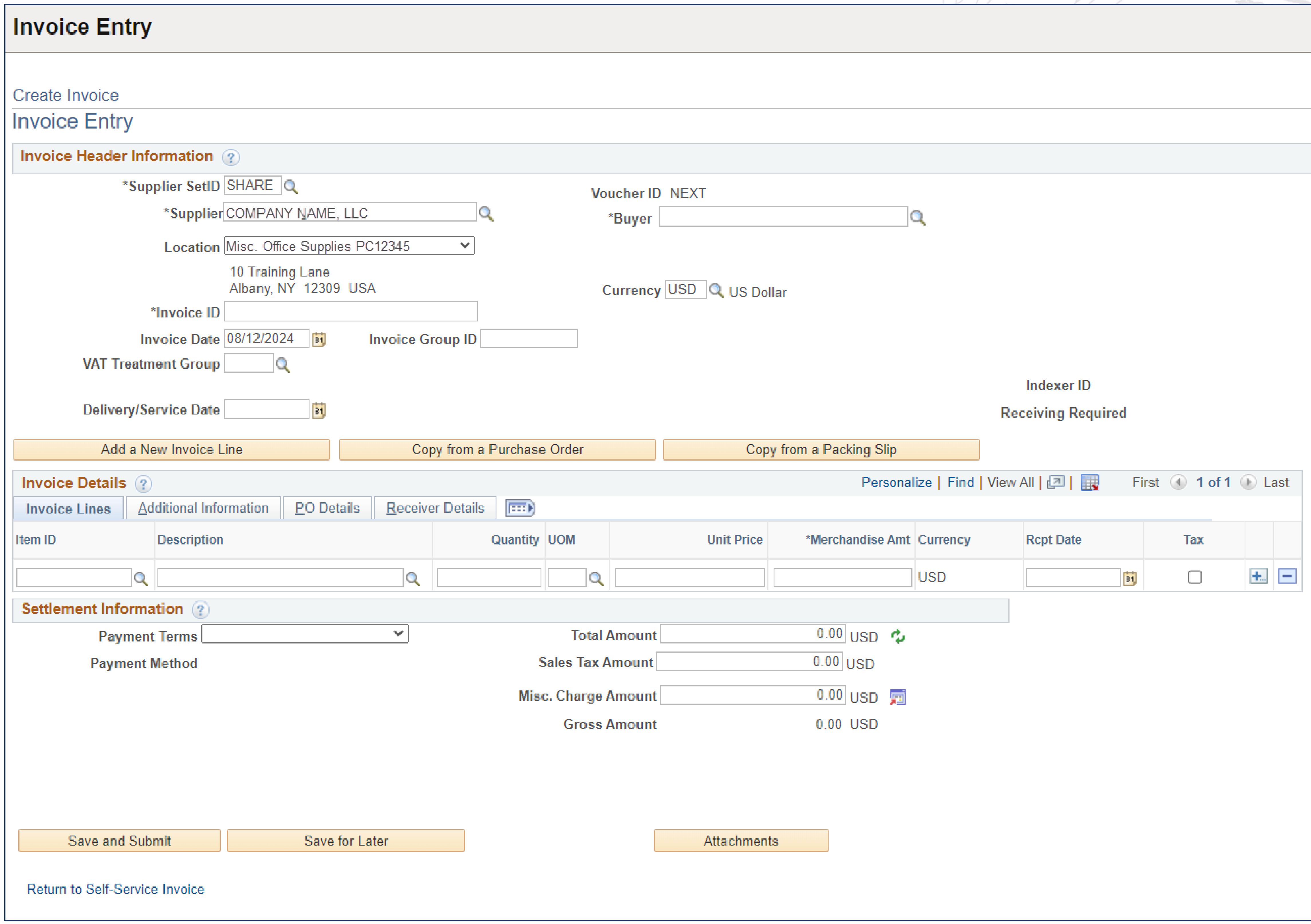
OK Cancel

Email does not qualify as electronic.

Submit Invoices Online

Vendors can submit their invoices directly in SFS with Self-Service Invoicing.





View Invoice Status

View Invoices

Vendors can check the status of their invoices, no matter how they are submitted.

View Supplier Invoices

Review Invoices

Invoice List

TEST VENDOR

Set filter options

Invoice List

1-54 of 54

Invoice Number	Invoice Date	Gross Amt		Approval Status	Due Date	Voucher
XXXXXXXXX1	08/05/2024	$46.11	USD	Approved	09/09/2024	FG0001
XXXXXXXXX2	08/05/2024	$61.85	USD	Approved	09/09/2024	FG0002
XXXXXXXXX3	08/05/2024	$495.53	USD	Approved	09/09/2024	FG0003
XXXXXXXXX4	08/01/2024	$2,384.88	USD	Pending	09/05/2024	FG0004
XXXXXXXXX5	08/02/2024	$77.40	USD	Pending	09/06/2024	FG0005

View Payment Detail Information

View Payments

SFS provides a detailed breakdown of every payment a vendor receives. Information is broken down on each invoice.

Review Supplier Payments

New Window | Help | Personalize Page

Review Payments

Payments Made

TEST VENDOR

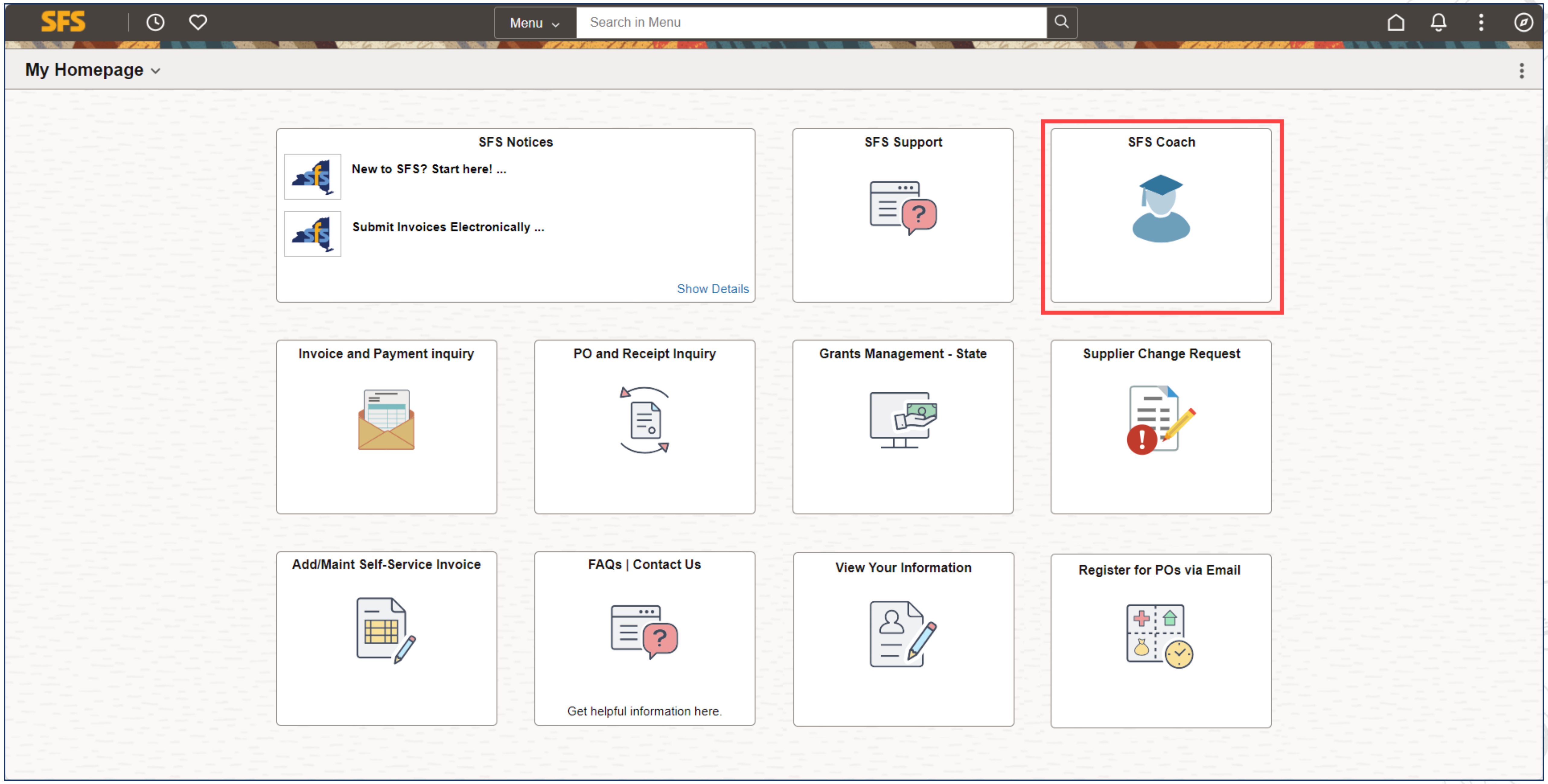
Set filter options

Payments Made

Reference	Business Unit	Invoice Number	Invoice Date	Payment Amount	Payment Message	Discount Amount	Interest Amount	Payment Date
1234567	SFS01	XXXXXXXXX6	03/08/2024	32.80	HP LaserJet 550 Sheet Paper Tray SKU# 000	0.000	0.000	

Vendor Resources

Vendor Support – On-Demand SFS Training



Step-by-step instructions are available for vendors directly in the SFS Vendor Portal by clicking the SFS Coach tile on 'My Homepage.'

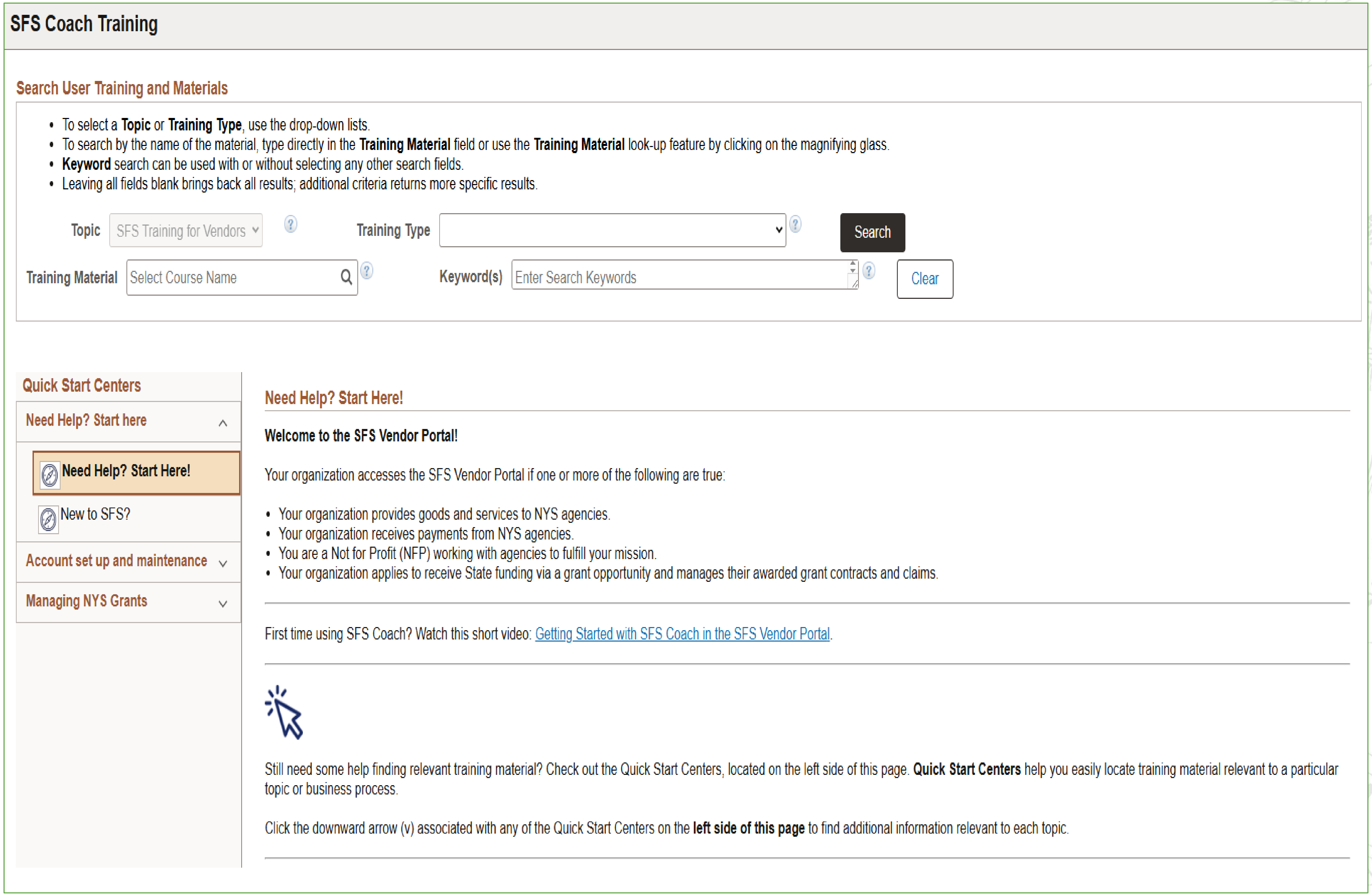
Vendor Quick Start Centers

- Quick Start Centers are available in the SFS Vendor Portal. Similar to the Quick Start Centers that are available in the SFS Agency Portal, the Vendor Portal Quick Start Centers in SFS Coach are used to organize popular training material for common topics.

- Vendors will see the following Quick Start Centers displayed on the SFS Coach page:
  Need Help? Start here!
  Account set up and maintenance
  Managing NYS Grants

- For more information on SFS Coach in the Vendor Portal, including how vendors can use the Quick Start Centers, please review the Getting Started with SFS Coach video.

Vendor Quick Start Centers



Agency Collaboration with Vendors

Communicating with the Vendor: PO Best Practices

- Best Practice POs have:
  - Detailed PO line descriptions or Catalog Item
  - Receiving setup as Required
  - The exact quantity (and unit of measure) or dollar amount being ordered
  - Actual Ship To Locations
  - Proper Bill To information

Communicating with the Vendor: PO Best Practices

- Accurate Category Codes selected
- Comments and agency contact information used to communicate to vendors
- OGS centralized or Agency-specific contract IDs added (where applicable)
- A dispatch method set to email

For more information on PO creation best practices, agencies should review the following resources in SFS Coach Training:

- [PO Best Practices Presentation]
- [Purchase Order Best Practices Guide]
- [Vendor Location Overview]

Communicating with the Vendor: Proper Invoice Standards

- A proper invoice is a written or electronic request for payment submitted by the vendor that **must** contain the following information:
  - Vendor name
  - Name of NYS Agency that ordered the goods or services
  - Description of goods or services for which requesting payment
  - Quantity of goods, property, or services delivered or rendered
  - Amount requested
  - Purchase order (PO) number, if applicable, as provided by ordering agency

GFO: XII.4.F Proper Invoice

Communicating with the Vendor: Proper Invoice Standards

- When an invoice does not contain the above information, agencies must **reject** the invoice
- For additional assistance, the Invoice Checklist should be used by agencies and vendors to ensure consistency and completeness of invoices that are submitted to NYS for payment

GFO: XII.4.F Proper Invoice

When to Direct Vendors to the SFS Help Desk

- The SFS Help Desk is available Monday – Friday from 8:00 a.m. to 5:00 p.m. to assist vendors with questions focused on:
  - Finding their Vendor ID or enrollment/welcome email
  - SFS Primary Contact password resets, if all Delegated Admins are unable to log into the system
  - If the Primary Contact is no longer with the vendor organization or the name of the Primary Contact is unknown
  - Navigating within the Vendor Portal
  - Entering and maintaining their organizational information
  - Updating payment information
  - Accessing on-demand training

Reminders for Agencies

When to Direct Vendors to the SFS Help Desk

Agencies are responsible for registering new vendors and supporting vendors through the SFS registration process. Agencies should also be prepared to address questions related to purchase orders, contracts, and the delivery of goods or fulfillment of services.

Reminders for Agencies

Agencies should encourage vendors to:

- Complete online registration to establish a Vendor Portal account
- Review payment information through the Vendor Portal
- Maintain accurate and up-to-date primary contact, address and banking information
- Receive electronic payments when possible
- Use Locations to define their business rules – PO email addresses, payment bank accounts, etc.
- Communicate to additional users who the Delegated Admin and what tasks can only be done by the Delegated Admin
- Put a reminder on their calendar to log into SFS once a month to keep their SFS access active

Reminders for Agencies

- Review the on-demand resources and support available directly in the SFS Vendor Portal, including the SFS Vendor Portal: Getting Started Guide

- The following resources are available for agencies who do business with vendors:
  - New Vendor Request (JAA-AP205-022) job aid in SFS Coach Training provides agencies with step-by-step instructions on how to submit a request to the Office of the State Comptroller's Vendor Management Unit for a new vendor to be added to the SFS

- Office of the State Comptroller's Guide to Financial Operations is the reference source for Statewide accounting policies, procedures, and OSC related-mandates for use by State agencies

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

- The agency employee entering the voucher must determine whether the payment is 1099 reportable
  - If the payment is 1099 reportable, the agency employee 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 agency employee must determine the correct withholding class (i.e., 01, 03, 06 or 10)

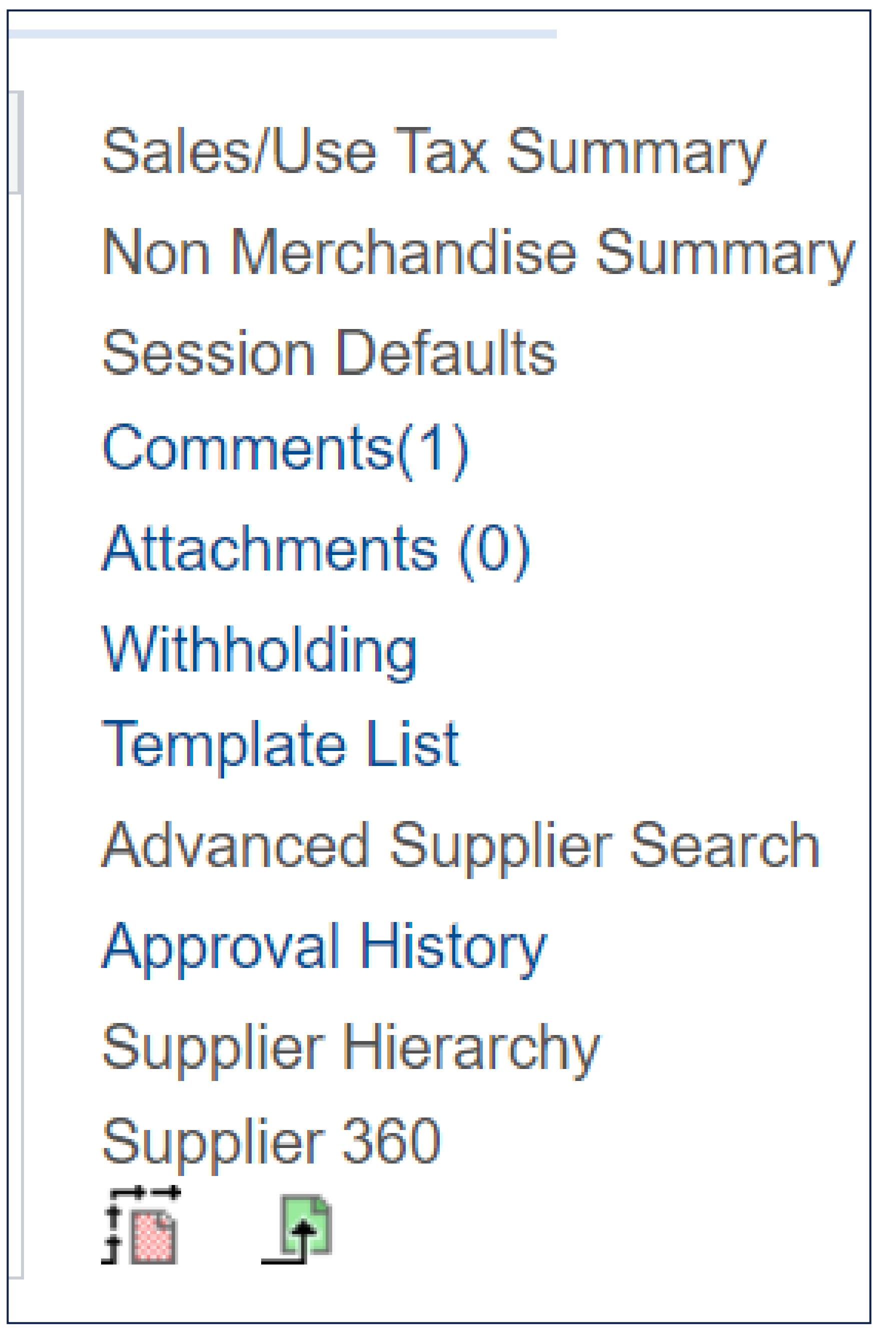
What Types of Payments are 1099 Reportable?

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

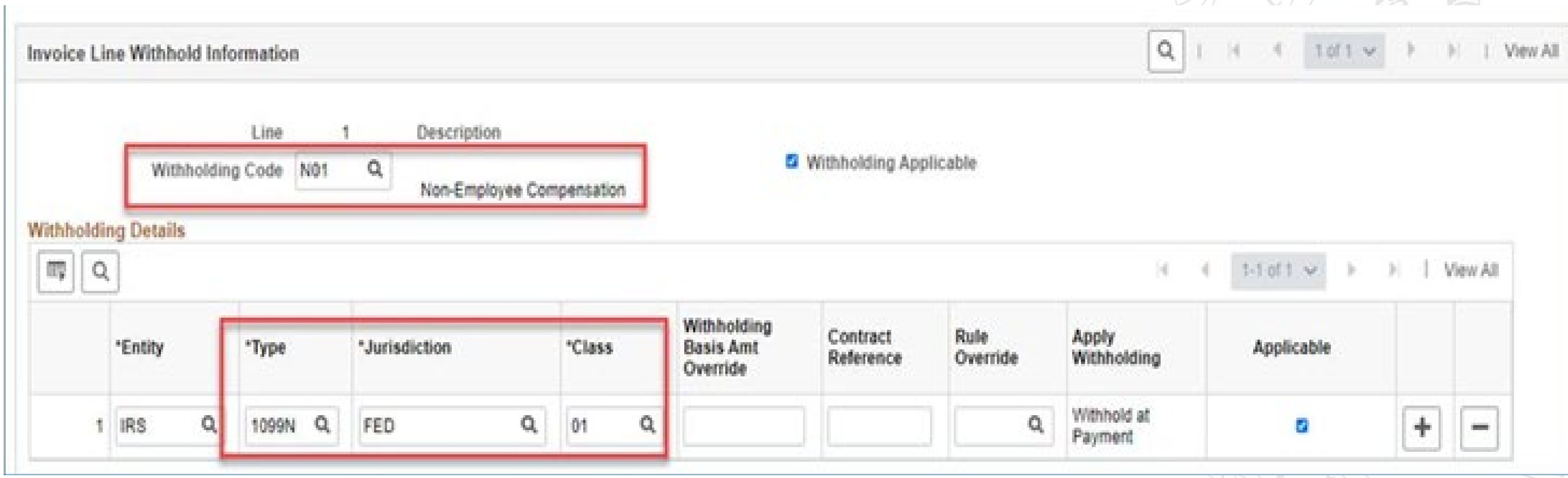
GFO: XII.5.K Federally Reportable Payments

Withholding on the Voucher

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



Withholding on the Voucher



Invoice Line Withhold Information

1 of 1 | View All

Line 1 Description

Withholding Code N01 Non-Employee Compensation

Withholding Applicable

Withholding Details

1-1 of 1 | View All

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099N	FED	01				Withhold at Payment	

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
- Corrections for Single Pay vouchers subject to 1099 reporting should be sent via secure transfer file

Be on the look out for…

Disregarded Entity Registration

1099 Reporting Requirements

Guide to Financial Operations Updates

Contact Information for Support

- For questions or assistance using the SFS Vendor Portal, vendors can contact the SFS Help Desk:
  - Helpdesk@sfs.ny.gov, (855) 233-8363, or use the SFS Support tile on the SFS Vendor Portal homepage
- OSC Vendor Management Unit:
  - Vmu@osc.ny.gov; Vendupdate@osc.ny.gov (for vendor-submitted forms such as Primary Contact changes)

Q & A Session
and Open Discussion