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May 6, 2011

Memorandum No. 001-11FLR

To: State Attorney Executive Directors, Public Defender Administrative Directors, Criminal Conflict and Civil Regional Counsel Administrators, Guardian ad Litem Administrator, Capital Collateral Regional Counsel Administrators, Clerks of Court Operations Corporation Executive Director

From: Vicki Nichols via Rip Colvin

RE: Department of Financial Services New W-9 Requirements

General Information

The Department of Financial Services (DFS) has notified all state agencies that vendors and individuals receiving payments from the State of Florida must now submit a State of Florida Substitute W-9 to DFS in order to validate vendor and individual Taxpayer Identification Numbers (TIN). Please note, the federal W-9 form will no longer be sufficient; only the substitute W-9 form will be accepted by DFS. [DFS Agency Addressed Memorandum No. 23](#) (FY 2010-2011), describes these new requirements. In part it states:

“Vendors are required to submit a Florida Substitute Form W-9 to the Department of Financial Services (DFS) prior to doing business with the State of Florida. A vendor is defined as an individual or entity that provides commodities or services to the State. In addition to vendors, any other person or entity that receives a payment from the State that is 1099 reportable must also submit a Substitute W-9 prior to payment.”

This requirement for completing the Substitute W-9 applies to both existing vendors and new vendors. A “grace” period has been established by DFS to allow vendors to complete this new W-9. The grace period ends November 1, 2011. DFS is requesting that vendors complete an *electronic* Florida Substitute W-9 via the [DFS Vendor Portal](#) website prior to November 1, 2011. After this date, payments may be held by DFS until the state’s substitute W-9 has been completed. Please note that employees WILL NOT be required to complete a substitute W-9.

It is particularly important that individuals and vendors who will be subject to 1099 reporting have completed the Substitute W-9. Below are the FLAIR object codes identified by DFS as representing the types of payments subject to 1099 reporting. FLAIR edits (after November 1, 2011) will allow

payments using these object codes only when the vendor/individual has successfully completed the electronic Substitute W-9.

FLAIR Expenditure Object Codes Related to 1099 Reporting

Object Code(s)	Description
131XXX	Professional Fees – Independent Contractors
132XXX	General Fees – Independent Contractors
133XXX & 134XXX	Fees for Services
1398XX	Privatized Services
1399XX	Independent Services Not Otherwise Classified
2300XX	Printing and Reproduction
2308XX	Printing and Reproduction Related to Training
2310XX	Court Reporting – Transcripts
2420XX & 2430XX	Repairs and Maintenance (Contracted and Non-Contracted)
252000	Care and Subsistence – Other (Non-Medical)
4308XX	Rental of Building and Land –Training Facilities
4340XX	Rental of Building and Land –From Non-Government Entities
44XXXX	Rental of Equipment
4910XX	Attorneys’ Fees and Gross Proceeds
4960XX	Jurors and Witnesses Fees
4983XX	Awards to Non-Employees
8910XX	Interest Paid on Late Payment of Invoices

JAC Recommendations – New Vendors

1. New vendors and individuals doing business with your office should access the [DFS Vendor Portal](#) and complete the Substitute W-9.
2. Once the Substitute W-9 has been completed via the website, the vendor or individual should print a copy of the completed W-9 and forward it to your office. (Retain a copy in your office for your records.)
3. A copy of the Substitute W-9 should be sent to JAC as documentation to add the vendor to the FLAIR vendor files. Copies should be submitted to JAC via email, vendorprocessing@justiceadmin.org.
4. Once JAC adds the vendor to FLAIR, your office will be notified.

JAC Recommendations – Existing Vendors

1. If an existing vendor has not completed the electronic Substitute W-9, direct that vendor/individual to complete the Substitute W-9 via the [DFS Vendor Portal](#).
2. Once the Substitute W-9 has been completed via the website, the vendor or individual should print a copy of the completed W-9 and forward it to your office. (Retain a copy in your office for your records.)
3. Compare the vendor number (TIN) on the substitute W-9 with your BOMS or other vendor list and make any necessary changes to be sure your office has the correct vendor number (TIN) for making future payments.
5. If there is a change in vendor information requiring an update to FLAIR, a copy of the Substitute W-9 should be sent to JAC. Copies should be submitted to JAC via email, vendorprocessing@justiceadmin.org.
4. JAC will notify your office when FLAIR has been updated.
5. Reviewing vendor records periodically in FLAIR to determine the W-9 status of vendors is also recommended.

FLAIR Statewide Vendor File (VS) W-9 Indicator

JAC will continue to add vendors to the FLAIR Vendor file (VS). The DFS Vendor Portal *does not* create a vendor record on VS; it transmits W-9 information only to the VS file. Once a vendor has completed the Substitute W-9 using the DFS Vendor Portal, the W-9 information will be matched to the vendor record in the VS file. The W-9 indicator in FLAIR (VS) will update to reflect the status of the W-9 on each vendor record. The W-9 indicator will contain the letter Y when the vendor has completed the Substitute W-9 and the TIN verification process with the IRS has concluded successfully. Vendors with a W-9 indicator of Y will not be held up for payment, nor will Purchasing Card transactions.

Year-End Meetings

This topic will be included in the fiscal year-end meetings. Prior to the year-end meetings, please contact Vicki Nichols with any questions, nicholsv@justiceadmin.org.

JAC Website

A copy of this memorandum and other documentation related to the Substitute W-9 requirements can be found on the [JAC website](#). Included in the documentation is a sample letter that may be used as a template to communicate with your vendors on this issue.