

RULE 7.5 – VENDOR MANAGEMENT

Adopted Date: 10/13/2005

Revised Date: 03/01/2013

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.

Departments/agencies 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.

RULES

1. To be set-up as a vendor in the city's financial system all vendors shall provide their legal name and completed [Form W-9](#). Vendor set up may be initiated by a department/agency 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 be set up in the city's financial system and will not receive payment.

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 federal tax classification, the department/agency shall obtain the vendor's new [Form W-9](#), complete a [Vendor Update Form](#), and submit both to the Controller's Office.
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 shall 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 shall be verified and if accurate the vendor will be reactivated in the city's financial system.

AUTHORITY AND ACCOUNTABILITY

The **Controller's Office** is responsible for this fiscal accountability rule and any procedures, guides, job aids, forms, and one-page summaries associated with this rule.