

**THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER**

**INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES**

**DIRECTIVE 29 – VENDOR/CUSTOMER MAINTENANCE AND TAX REPORTING REQUIREMENTS**

**INTRODUCTION**

The City of New York (City) should comply with Internal Revenue Service (IRS) regulations and with mandatory filing requirements when generating and reporting tax information to its vendors and customers (herein referred to as “Vendor/Customers”). The Office of the Comptroller coordinates the tax reporting process for the City and is revising this Directive to ensure the accuracy and integrity of reported information.

All disbursements made to Vendor/Customers should be processed in the City’s Financial Management System (FMS). The City uses Form 1099-MISC to report payments to its Vendor/Customers, commonly referred to as independent contractors and consultants. Form 1099-S is used to report payments for real estate transactions and Form 1099-INT is used to report all interest payments. Form 1042-S is used to report payments for foreign entities. FMS contains all the information to generate tax reporting forms, reports, and/or returns needed to be in compliance with IRS regulations. The Office of the Comptroller relies on information in FMS, which is populated by data entered by City Departments and Vendor/Customers themselves. City Departments and Vendor/Customers have the primary responsibility for the integrity of information and 1099 reporting which includes obtaining the necessary data and updating FMS timely. This Directive contains the City’s Vendor/Customer and tax reporting requirements. It contains the responsibilities of all City Departments for the proper processing of their Vendor/Customer’s data and transactions recorded on their resulting 1099 forms.

The Office of the Comptroller is responsible for approving all Vendor/Customers added to or deactivated from FMS and for informational changes. This Directive contains information that should be provided to the Office of the Comptroller in order for Vendor/Customers to be properly approved in FMS.

**1.0 GENERAL INFORMATION**

**1.1 Comptroller’s Authority**

This Directive is issued pursuant to the authority of the Office of the Comptroller as provided in Chapter 5, Section 93 of the New York City Charter.

**1.2 Directive Organization**

- 1.0 General Information
- 2.0 The Domestic Vendor/Customer Process

- 3.0 Forms 1099-MISC and 1099-INT
- 4.0 City Department Review and Correction Procedures
- 5.0 Tax Reporting for Domestic Real Estate Transactions
- 6.0 Foreign Vendor Validation and Reporting
- 7.0 Backup Withholding
- 8.0 Consequences of Noncompliance with Regulations
- 9.0 City Department Contact Information and References
- Appendix I: How to Run 1099 Reports in InfoAdvantage
- Appendix II: Attaching a File to a Document
- Appendix III: Fiscal Officer Letter Sample
- Appendix IV: Vendor/Customer Correction Letter Sample

### **1.3 Effective Date**

This Directive is effective immediately. It supersedes the previous versions dated September 30, 2011 and July 29, 2005.

### **1.4 Assistance**

Questions or comments concerning this Directive should be addressed to: The Office of the Comptroller, attention: Directives/Policy Unit, Bureau of Accountancy, Municipal Building, One Centre Street, Room 200 South, New York, NY 10007, (212) 669-3675, E-mail [directives@comptroller.nyc.gov](mailto:directives@comptroller.nyc.gov).

Questions concerning specific Vendor/Customer maintenance should be addressed to [fmsvendor@comptroller.nyc.gov](mailto:fmsvendor@comptroller.nyc.gov). Tax reporting questions should be addressed to [1099info@comptroller.nyc.gov](mailto:1099info@comptroller.nyc.gov).

### **1.5 Internet Availability**

An inventory of the Office of the Comptroller's Internal Control and Accountability Directives, with download and print capability, are available on the Comptroller's website at <http://www.comptroller.nyc.gov>.

### **1.6 Updating References**

Comptroller's Directives include references to literature which are in effect and current at the time of their release. The Comptroller's website, which contains an inventory of most Directives, will be continually updated for any reference changes or changes to personnel and should be consulted for the most current text.

## **2.0 THE DOMESTIC VENDOR/CUSTOMER PROCESS**

For purposes of this Directive a Vendor/Customer consists of all domestic or foreign individuals or entities who receive payments from the City. Information in FMS is supplied and entered by City Departments through Vendor/Customer documents (Section 2.1.4). Because the

Office of the Comptroller relies on FMS for its Vendor/Customer's filing and reporting responsibilities, the data should be complete, accurate, and entered timely.

In summary, FMS serves the following purposes as it relates to the content in this Directive:

- Enables compliance with IRS regulations
- Standardizes Vendor/Customer data, reducing inconsistencies
- Ensures consistency with information across City Departments that conduct business with the same Vendor/Customers
- Enables the establishment of cost-effective electronic funds transfer (EFT) payments
- Provides flexible on-line features for easy access to Vendor/Customer data
- Ensures the privacy of Taxpayer Identification Numbers for reimbursement and expenditure purposes

The sections below describe the required procedures and forms related to FMS.

## **2.1 Domestic Vendor/Customer Approval**

Before requesting a Vendor/Customer code for new Vendor/Customers, City Departments should make sure the vendor is not already in FMS. (See Section 2.2 which provides steps City Departments should take to determine whether or not a Vendor/Customer is already in FMS.) Transactions for new Vendor/Customers can not be processed in FMS unless approved by the Vendor Validation Unit (VUU) of the Office of the Comptroller, Bureau of Accountancy. For each new Vendor/Customer or for key Vendor/Customer information changes, City Departments should attach a copy of the Vendor/Customer's certified (signed) substitute W-9 and any related supporting legal documentation to the vendor document (VCCA1 or VCMA1) (See Appendix II.) **In order to comply with IRS regulations, the Comptroller's Office requires City Departments to retain original W-9s for four years after Vendor/Customers have completed services to City Departments.** Vendor/Customer transactions are not eligible for processing in FMS on any accounting event or on contracts until approval is complete.

The Vendor/Customer (VCUST) page is a repository where City Departments access all Vendor/Customers. Vendor documents (VCCA1 and VCMA1) are used to create and modify vendor records on the VCUST page. Every time a Vendor/Customer record is created, a 1099 record is also created on the 1099 Inquiry table (1099I). The 1099I record includes the Legal Name, TIN and address that will be used on Forms 1099.

### **2.1.1 Substitute Form W-9**

A certified (signed) Substitute Form W-9 should be obtained from all Vendor/Customers. In addition, an updated Substitute Form W-9 should be obtained whenever key Vendor/Customer information changes are necessary (i.e., address changes or for error corrections). The Substitute Form W-9 is an IRS Form W-9 modified to comply with the City's informational needs. The

Substitute Form W-9 contains additional contact information for Vendor/Customers and City Departments, addresses (i.e., 1099, Billing, Ordering, Payment), and 1099 classification types not listed in the IRS version. The information is used to generate a Form 1099 that reports payment(s) to the IRS. The FMS Substitute Form W-9 can be downloaded from the Comptroller's website at: <http://comptroller.nyc.gov/forms-n-rfps/>.

### 2.1.2 Internal Revenue Taxpayer Identification Number Certifications

The City of New York as a payer is required to request correct Taxpayer Identification Numbers (Employer Identification Numbers, Social Security Numbers, or Individual Taxpayer Identification Numbers) from their payees in accordance with the following IRS regulations:

- Internal Revenue Code Section 6109(a) (1) provides that any payer required to file an information return, should include the payee's correct Taxpayer Identification Number (TIN).
- Internal Revenue Code Section 6109(a) (2) requires the payee to furnish their correct TIN to the payer.
- Internal Revenue Code Section 6109(a) (3) requires a payer to request a payee's TIN.
- Internal Revenue Code Section 3406 (a) (1) (A) provides that certain payments are subject to backup withholding if the payee does not provide a valid TIN to the payer.

### 2.1.3 IRS e-Services Requirement

City Departments are required to have at least one staff member registered for IRS e-services for vendor approval purposes. IRS e-services provides Interactive TIN Matching for authorized payers. City Departments need to verify valid TIN and name combinations against IRS records and submit the matching resulting Interactive TIN Session: Interactive Request with their W9 forms for approval.

**Please Note:** *Interactive TIN Session: Interactive Requests that produce name and TIN match failures are not valid and should not be submitted to the Comptroller's Office for approval. City Departments will need to request correct information from their Vendor/Customers.*

To register or notify the Comptroller's Office of registration changes with e-services, City Department staff should send an e-mail to the Vendor Support Division at [1099info@comptroller.nyc.gov](mailto:1099info@comptroller.nyc.gov) to receive instructions in order to register.

City Departments are mandated to report personnel changes in order to revoke e-Services access when employees leave City service or transfer to other City Departments.

#### 2.1.4 Required Information on FMS Accounting: VCCA1 and VCMA1 Documents

##### 2.1.4.1 Vendor/Customer Creation Department Document (VCCA1)

The VCCA1 is the City Department initiated document used to create a new Vendor/Customer record. For new Vendor/Customers, the VCCA1 should be entered in order to commence the approval process. Even though Vendor/Customers may have business with several City Departments, they are considered vendors of The City of New York and, therefore, should only be assigned one Vendor/Customer number. (See section 2.2 which provides guidance on reducing Vendor/Customer code duplication.) The system will automatically generate a 10 digit Vendor/Customer code which will be unique to that Vendor/Customer.

##### 2.1.4.2 Vendor/Customer Modification Department Document (VCMA1)

The VCMA1 is the City Department initiated document used to modify an existing Vendor/Customer record, including address, contact and legal name changes. The VCMA1 is also used to designate third party payee information.

Some of the modifications that can be submitted on VCMA1 documents include, but are not limited to:

- Add a new address location (Address ID/ Address Type)
- Modify an existing address location and/or contact information
- Modify a 1099 Reportable address
- Modify a legal name on both the VCUST and 1099I pages
- Change the Vendor/Customer status from "Inactive" to "Active"

#### 2.1.5 The Vendor/Customer Document and Supporting Legal Documents

After receiving the FMS Substitute Form W-9 from Vendor/Customers and completing an Interactive TIN Session: Interactive Request that proves that the TIN is a match, City Departments should enter a document to establish a new record or modify existing Vendor/Customer information in FMS.

The following information is required on the VCCA1 and VCMA1 documents.

- “Document Name” should contain the submitter’s name and their contact information, including e-mail address and telephone number.
- “Document Description” should contain a brief description of the intended action, including, but not limited to:
  - ✓ Additional Address
  - ✓ Address Change
  - ✓ Remove “Active To” Date
  - ✓ City Employee Approval
  - ✓ 18B Attorney
  - ✓ PIP (Payee Information Portal) W9
  - ✓ 1099 Classification Change
  - ✓ TIN Type Change
  - ✓ Name Change
  - ✓ TIN Change
  - ✓ Minority/Women-Owned Business Enterprise Vendor (M/WBE)
  - ✓ New Vendor/Customer
  - ✓ 3<sup>rd</sup> Party Assignment
- “Extended Description” should contain the actual changes and justifications for the changes.

#### 2.1.6 Vendor/Customer Classification Flags for Government Entities

Vendor/Customers that are government entities or New York City employees are not eligible for 1099 reporting. The “1099 Reportable” checkbox is automatically marked on the VCCA1 and VCMA1, which will indicate that the Vendor/Customer is reportable. If the information provided on the Substitute W-9 indicates that the Vendor/Customer is a government entity or New York City employee, then this field should be unchecked.

The 1099 Classifications listed below are found in the 1099 Reporting Information Section and Taxpayer Information Tab of the VCCA1 and VCMA1 that should have the 1099 Reportable field unchecked.

- Federal Government
- State Government
- Local Government
- Other Government
- City of New York Employee

#### 2.1.7 VCCA1 and VCMA1 Standards

To standardize Vendor/Customer data, City Departments should:

- Enter VCCA1 and VCMA1 data in uppercase (capital) letters; and
- Should ensure that Legal Business Names, TINs and TIN Types are consistent in VCUST and 1099I.

Documents *may* be rejected if City Departments do not conform to VCCA1 and VCMA1 standards.

#### 2.1.8 Vendor/Customer Attachments

Certified (signed) W9s, IRS Interactive TIN Search queries, and any related supporting legal documentation should be attached to the vendor document (VCCA1 or VCMA1) in an Adobe.pdf format. Multiple documents can be attached to the VCCA1 or VCMA1 but each document should be no larger than 2 MBs (see Attachment II).

#### 2.1.9 Modifications Entered By Vendor Validation Unit

Modifications to TIN and/or TIN/Type can only be completed by VVU. City Departments should contact their VVU liaison to request the modifications of TIN and/or TIN Type.

#### 2.1.10 Vendor Customer Modification Query (VCMQ) and Vendor History (VHIST)

City Departments should perform a Vendor Customer Modification Query (VCMQ) for a Vendor/Customer number to see if there are any vendor modifications pending before entering a VCMA1. Only one vendor modification should be in progress (Draft or Pending) at a time for the same vendor number. The VCMQ query can be accessed directly or through VCUST.

The Vendor History (VHIST) query is also available for City Departments that need a complete listing of all Vendor/Customer documents that were approved in FMS.

#### 2.1.11 Correcting VCUST and 1099I Data for Established Vendor/Customers

As part of the continuing effort to improve the quality of information in FMS, City Departments should consistently review all their existing Vendor/Customers and obtain new Substitute Form W-9s as necessary. City Departments should verify the approval dates shown on VCUST and review, with their Vendor/Customers, the validity of the information listed on VCUST as discussed below. City Departments should also check information contained between VCUST and 1099I to ensure that information is in sync. Any necessary corrections and syncing of information should be done with an FMS VCMA1 document.

### 2.1.12 Vendor Customer Document Rejections

VCCA1 and VCMA1 documents that require follow-up actions will be rejected for City Departments to resolve outstanding issues.

## 2.2 Avoiding Vendor/Customer Code Duplication

For complete tax reporting and for data integrity purposes, City Departments should ensure that only one FMS Vendor/Customer number is used for each Vendor/Customer. This can be done through FMS inquiries. The FMS inquiry window that should be used is the Vendor/Customer (VCUST) which allows searches on names and TINs. When conducting Vendor/Customer searches, City Departments should use a wild card search (i.e., City Departments can enter “\*Jane D\*” instead of “Jane Doe” in the *Legal Name* field or “1234\*” instead of “123456789” in the *Taxpayer ID Number* field). The 1099I table should also be used to verify that the Tax Identification Number is not currently in the system.

## 2.3 Vendor/Customer Deactivations

The Office of the Comptroller is responsible for the deactivation of Vendor/Customers in FMS. Deactivation prevents the processing of accounting transactions against vendor/customers, but leaves historic data intact. Deactivation of vendor/customer codes can be accomplished by taking any of the three resulting actions within a vendor/customer modification document.

- Inactive: If the Vendor/Customer’s Active Status is changed to “Inactive,” accounting transactions cannot be processed. The Vendor/Customer can only be used in the solicitation process if commodity codes are specified.
- Active To: If an "Active To" date is placed, the address is inactive and no payments will be made to the address on or following the date specified in the field.
- Prevent New Spending: If a “Prevent New Spending” flag is applied on a Vendor/Customer address, any chain of expenditure documents already in process will be completed, but will prevent City Departments from creating any new expenditure documents.

### 2.3.1 Actions Prompting Deactivations

Vendor/Customer deactivations may generally occur under the following circumstances:

- Legal changes (i.e., mergers, acquisitions, dissolutions, etc...)
- Requests from Vendor/Customers
- Duplication of Vendor/Customer codes

## 2.4 Third Party Assignments

The VCMA1 allows City Departments to designate an existing or new vendor to be a third party and assigns third party status to an existing vendor.

City Departments wishing to establish third party assignments will need to initially enter a VCMA1 document with Adobe.pdf attachments of legal authorizations (i.e., court document with a raised clerk's seal, a notarized letter from primary vendor, etc.). Once documents are reviewed by the Vendor Validation Unit and the Chief Accountant or designee, the VCMA1 will be approved.

**Please Note:** The Document Description field of the VCCA1 or VCMA1 should contain “*Third Party Request*” and list names of the assignee and assignor.

## **2.5 City Department Training**

All employees with Vendor/Customer responsibilities should be adequately trained and should maintain for ready reference, a complete and up-to-date FMS Vendor Research and Management manual.

## **3.0 FORMS 1099-MISC AND 1099-INT**

Forms 1099 record reportable payments to the City's Vendor/Customers at calendar year-end . To ensure correct tax reporting, City Departments should enter accurate information for payments in FMS. In accordance with IRS regulations, the City of New York should mail a copy of Form 1099 to Vendor/Customers by January 31<sup>st</sup> of each year.

City Departments should be aware that Vendor/Customers may access a copy of their Form 1099 by activating themselves on the Payee Information Portal (PIP). City Departments should refer Vendor/Customers to the PIP website (<https://a127-pip.nyc.gov/webapp/PRDPCW/SelfService>) for registration instructions.

The following sections describe the required forms and related procedures.

### **3.1 Types of 1099s**

Depending on the type of payment, payments made using reportable Detail Object Codes (Section 3.2) may be reported on various Forms 1099. The Detail Object Code, therefore, determines the 1099 type that will be generated and records the income in the applicable reporting 1099 box. Detail Object Codes that are defined as services may be reported on Form 1099-MISC. Detail Object Codes defined as interest are reported on Form 1099-INT. The OBJ screen's 1099 “Type of Return” field will display a value of “M” (for 1099-MISC), “I” (for 1099-INT) if the Detail Object Code is reportable, or will be blank if the Detail Object Code is non-reportable. The 1099 “Type of Income” field on OBJ also displays the box on the Form 1099 where the income will be reported.

## **3.2 Detail Object Codes**

Based on the Detail Object Code, FMS determines whether a payment is deemed reportable to the IRS. Detail Object Code definitions are established and maintained by the Bureau of Accountancy to comply with tax reporting regulations. For 1099 reporting purposes, FMS Detail Object Codes are defined as Non-Reportable, Reportable, or Always-Reportable (Section 3.3) on the OBJ table. If the Detail Object Code on a payment request is defined as reportable, a Form 1099 may be generated. However, a Form 1099 will also be generated for non-reportable entities if the payment is assigned an Always-Reportable Detail Object Code. (See Section 3.3.)

## **3.3 Always-Reportable Detail Object Codes**

IRS regulations specify that payments for legal and medical or health care services are Always-Reportable, including when payment for these services are made to Vendor/Customers whose FMS 1099 Classification falls under non-reportable entities (Section 3.4). Using Always-Reportable Detail Object Codes on a payment request acts as an override on the Vendor/Customer's reportability, and will result in the generation of Forms 1099-MISC regardless of classification types.

Detail Object Codes marked as legal or medical or health care services are defined in FMS as Always-Reportable on the OBJ table under the General Options section.

## **3.4 Generating Forms 1099-MISC**

City Departments are primarily responsible for all payments reported on Forms 1099. FMS data is used to generate Forms 1099-MISC, which are required to be sent to vendor/customers and to the IRS. Two primary factors determine whether a Form 1099-MISC will be generated:

- Whether the Vendor/Customer has a reportable 1099 Classification Type; and
- The type of payment made - The various types of payments determine whether a 1099 will be generated.

Reportable payments (as defined in OBJ) fall under:

- ✓ Services categorized under rentals (Box 1);
- ✓ Other income (Box 3) generally for employee death benefits;
- ✓ Medical and health care payments (Box 6);
- ✓ Nonemployee compensation (Box 7); and
- ✓ Gross proceeds paid to an attorney (Box 14).

The City of New York reports the majority of its payments under Nonemployee compensation (Box 7) for professional services. Professional services

can include auditing, consulting, actuarial services, and business services such as repairs, mechanical, and temporary personnel services.

**Please Note:** All Vendor/Customers having Always-Reportable detailed object codes on payment requests will automatically receive 1099-MISC forms.

The City of New York issues consolidated forms for payments classified under 1099-MISC and 1099-INT. The consolidated forms reflect reportable income from all City Departments (except the Department of Education and the School Construction Authority, which generate their own 1099 forms).

The chart below summarizes when a Form 1099-MISC or 1099-INT will be generated.

1099 Classifications	Detail Object Code Reportability	Forms 1099-MISC & 1099-INT Generation
<u>Reportable Classifications</u> <ul style="list-style-type: none"> <li>▪ Individual</li> <li>▪ Sole Proprietor</li> <li>▪ Partnership</li> <li>▪ Nonresident Alien</li> <li>▪ Trust</li> <li>▪ Joint Venture</li> <li>▪ Estate</li> <li>▪ LLC filing as Partner</li> <li>▪ LLC filing as Sole Proprietor</li> <li>▪ Sole Proprietor/Small Business</li> </ul>	Non-Reportable	No
	Reportable	Yes
	Always Reportable	Yes
<u>Non-Reportable Classifications</u> <ul style="list-style-type: none"> <li>▪ Corporation</li> <li>▪ Federal Government</li> <li>▪ State Government</li> <li>▪ Local Government</li> <li>▪ Other Government</li> <li>▪ Other Non-Profit Organization</li> <li>▪ City of New York Employee</li> <li>▪ Church or Church-Controlled Organization</li> <li>▪ Personal Service Corporation</li> </ul>	Non-Reportable	No
	Reportable	No
	Always Reportable	Yes

### 3.5 Reporting Thresholds

FMS consolidates all City-generated reportable payments for tax reporting purposes on a single Form 1099 for each Vendor/Customer (with the exception of the Department of Education and the School Construction Authority as noted above.) FMS automatically ensures that the City complies with IRS stipulated minimum income amounts (known as reporting thresholds) for each 1099 box on Forms 1099-MISC and 1099-INT. Forms 1099 will not be generated if the following minimum combined reporting thresholds are not met:

1099 Form	1099 Box	Threshold
1099-MISC	1 – Rents	\$600
	3 – Other Income	\$600
	6 – Medical and Health Care Payments	\$600
	7 – Nonemployee Compensation	\$600
	14 – Gross Proceeds Paid to an Attorney	\$0
1099-INT	1 – Interest Income	\$10

### 3.6 The Office of the Comptroller Website

City Departments and 1099 recipients can obtain up-to-date 1099-MISC and 1099-INT information from the Comptroller's Web Site at: <http://comptroller.nyc.gov/general-information/tax-reporting/>.

## 4.0 CITY DEPARTMENT REVIEW AND CORRECTION PROCEDURES

City Departments are primarily responsible for the accuracy and integrity of 1099 reporting. This may be accomplished by performing the following reviews:

- Ensuring that information is accurate when entering vendor and payment documents;
- Reviewing 1099-related transactions initiated during the year;
- Verifying the accuracy of 1099 coding in FMS, including Detail Object Codes; and
- Ensuring that corrective action is taken for all detected errors.

The following sections discuss the review procedures that City Departments should perform to ensure the accuracy and integrity of FMS.

### 4.1 Entering the FMS Payment Documents

City Departments should ensure that errors are not introduced into FMS at the time payment requests and other accounting transactions are entered.

City Departments should ensure that Detail Object Code(s) on payment requests are correct. Detail object codes designated/assigned to payment requests should reflect the services being provided by Vendor/Customers. City Departments can refer to FMS OBJ Inquiry screen to determine whether a Detail Object Code is 1099-reportable.

## 4.2 Reviewing 1099-Related Transactions

The Form 1099 Vendor Review Audit by Department report (CWA-VNDR99-001) provides City Departments with a listing of all 1099-reportable payments made during the calendar year. The CWA-VNDR99-001 sorts transactions by TIN and Vendor/Customer code, and details the inquiring City Department's share of 1099-reportable income that will be reported at year-end for each Vendor/Customer. The CWA-VNDR99-001 also identifies the 1099 box in which reportable payments will be recorded. The CWA-VNDR99-001 can be run at any time during the calendar year (commencing in February of the current tax year) so that City Departments can enter timely corrections.

### 4.2.1 Reviewing the CWA-VNDR99-001 Report

City Departments should review the CWA-VNDR99-001 to ensure that it includes only 1099-reportable Vendor/Customers, and payments that are made using appropriate Detail Object Codes.

**Please Note:** Month 13 pertains to the period in FMS opened for adjustments pertaining to the prior fiscal year. **For 1099 purposes, January 1 through June 30 entries may be corrected in Month 13.**

City Departments should generate CWA-VNDR99-001 reports on a monthly basis to assist in the review and correction process. All errors found in the CWA-VNDR99-001 review process should be corrected during the Regular Cycle (Section 4.3.1.).

City Departments should reference Appendix I for further instructions on running the CWA-VNDR99-001.

### 4.2.2 Form 1099 Vendor Review Audit by Department Report (CWA-VNDR99-001) Review Procedures

When conducting the 1099 transaction review, City Departments should check information on the CWA-VNDR99-001 report against the VCUST, 1099I and OBJ screens. This process may reveal errors on either or both the VCUST, 1099I and in accounting transactions.

#### 4.2.2.1 Erroneous Vendor/Customer Information

If a non-reportable Vendor/Customer is listed on the CWA-VNDR99-001 Report, City Departments should check the Classification on VCUST to determine if the indicator is incorrect. For example, if the 1099 Classification is improperly chosen for a corporation, the corporation will improperly receive a Form 1099 (unless medical or legal services were rendered to the City Department).

#### 4.2.2.2 Erroneous Detail Object Codes

City Departments should evaluate the accounting transactions for each Vendor/Customer to ensure that Detail Object Codes are correct. The reportability of Detail Object Codes can be reviewed on the OBJ screen. If the analysis reveals that improper Detail Object Codes were used, City Departments should use a Journal Voucher - Department Redistribution Expense document (J5Es) to make corrections in accordance with procedures in Section 4.3.

### 4.3 Corrective Action

In order to correct key informational errors, City Departments should obtain and enter correct data from Substitute Forms W-9 (Section 2.1.1). For payment corrections, J5E entries should be performed in accordance with the procedures set forth below.

#### 4.3.1 Correcting Entries During the Regular Cycle

The term “Regular Cycle” applies to the period during the calendar year that City Departments are permitted to correct 1099-related errors. The Regular Cycle runs from January of the current year to mid-January of the following year. J5E documents, entered on-line in FMS, may be used at any time during the Regular Cycle to correct erroneous vendor/customer payment(s) found on the CWA-VNDR99-001 Report taking the following time frames into consideration:

- Month 13 (where corrections can be completed for transactions that took place between January through June); and
- The initial generation of Forms 1099 (where corrections can be completed for transactions that took place between July and December).

All City Department prepared J5Es should be approved by the Bureau of Accountancy in FMS. This process takes approximately five business days. The Bureau of Accountancy will not approve requests unless the following requirements are met:

##### 4.3.1.1 Journal Voucher - Department Redistribution Expense (J5E) Preparation

The instructions below should be followed:

- (1) J5E document corrections should be submitted by the close of FMS Period Month 13 for the period covering January through June.
- (2) J5Es should contain at least two transaction lines when correcting a Detail Object Code used for payment requests as follows:
  - The first transaction line should apply a credit to the erroneous Detail Object Code, and

- The second transaction line should apply a debit to the correct Detail Object Code.
- (3) When correcting income, J5E documents can be entered for all or part of the payment amount listed on the CWA-VNDR99-001 Report, as long as the total debits equal the total credits.
  - (4) The payment request number should be entered in the “Reference” tab on the Accounting section of the J5E. By linking the J5E with an associated accounting document, an audit trail is provided for corrections made to transactions listed on the CWA-VNDR99-001 Report.
  - (5) The Vendor/Customer Code and Address Code should be entered in the Line Group section and Vendor Customer Information Tab of the J5E. If the Vendor/Customer code is not entered, only FMS ledgers will be updated and the Vendor/Customers income will remain unaffected on generated Forms 1099-MISC and 1099-INT. Information pertaining to the Vendor/Customer (i.e., address information) will populate once documents are validated.
  - (6) The “Extended Description” field in the Header Section of the document should list the name and phone number of the person at the City Department who prepared the J5E along with a brief description that the purpose of the document is for 1099 corrections. *J5Es will not be approved without this information.*
  - (7) The “Contact Code” field in the Header Section of the document should be selected on the J5E. The City Department’s default contact code (i.e. City Department 015) may be selected.

#### 4.3.1.2 Journal Voucher - Department Redistribution Expense (J5Es) Document Approval Process

##### (1) Level 3 Approval at the City Department Level

J5Es should have Level 3 Approval in FMS at the City Department level by the Chief Fiscal Officer (CFO), CFO equivalent, or authorized designee. City Departments should have their J5Es approved in FMS before the first generation of Forms 1099.

FMS workflow automatically routes the document to the Bureau of Accountancy for processing after the City Department has applied Level 3 Approval.

##### (2) Request for J5Es Level 5 Approval at the Bureau of Accountancy

City Departments should request a Level 5 approval from the Bureau of Accountancy by sending an e-mail to [1099info@comptroller.nyc.gov](mailto:1099info@comptroller.nyc.gov) with the FMS document ID. Once the J5E is reviewed by the Bureau of Accountancy, a Level 5 approval will be applied.

#### 4.3.2 Corrections in the Amended Cycle

The term “Amended Cycle” applies to the period that City Departments are permitted to make corrections to Forms 1099 that were initially issued by January 31<sup>st</sup>, enabling generation of Corrected Forms 1099. The Amended Cycle runs between February and April of the year immediately following the calendar year covered by the Form 1099. During these months, there are two amended cycles that occur during each month, referred to as sub-cycles. Corrections to Vendor/Customer’s income to Forms 1099 that have already been generated should be made using the 1099 Maintenance Document (M1099). The M1099 document is used only after the initial generation of Forms 1099-MISC and 1099-INT. The M1099 document corrects amounts reported on Forms 1099-MISC and 1099-INT. City Departments can make corrections during amended sub-cycles held in February, March, and April. Corrected Forms 1099-MISC and 1099-INT are generated at the end of each sub-cycle. City Departments should enter M1099 corrections if the City Department’s Vendor/Customer data and/or accounting entries, which are reflected on Forms 1099-MISC or 1099-INT, were not adjusted during the Regular Cycle.

**Please Note:** J5E documents will not update income information after the initial generation of Forms 1099.

City Department-prepared M1099 documents should be approved by the Bureau of Accountancy before acceptance into FMS. The following is required for M1099 approval:

##### (1) Level 3 Approval at the City Department Level

M1099s should have Level 3 Approval in FMS at the City Department level by the Chief Fiscal Officer (CFO), CFO equivalent, or authorized designee.

##### (2) City Department Request for M1099 Approval by the Office of the Comptroller

A request on City Department letterhead, signed by the City Department's Fiscal Officer, should be attached to the M1099 for document approval by the PIP/Tax Reporting Unit. The letter should contain the following information:

- M1099 Document number
- Date of M1099 entry

- Vendor/Customer name
- Vendor/Customer code
- TIN numbers, if TIN was corrected on VCUST
- Justification for correction and type of correction
- Preparer's name and phone number.

**Please Note:** City Departments should attach a copy of their Fiscal Officer letter to M1099 documents for timely approvals, but will still be required to submit original copies to the Comptroller's Bureau of Accountancy. (See Appendix II and III for instructions on attaching documents and the Fiscal Officer Letter Sample.)

City Departments should contact the PIP/Tax Reporting Unit if they require a correction in TIN for the amended 1099.

Submit requests for M1099 approval(s) to:

City of New York  
Office of the Comptroller  
Bureau of Accountancy  
Vendor Support Division  
Attn: PIP/Tax Reporting Unit  
One Centre Street, Room 2500N  
New York, NY 10007

The Bureau of Accountancy will apply Level 5 Approval in accordance with these instructions.

#### 4.3.3 Corrections in the Post Amended Cycle

1099-MISC or INT recipients may require form information corrections after the final amended cycle has ended in April. A letter of correction from the Fiscal Officer may be provided to the payee/vendor to be filed with their taxes in lieu of generating a 1099 form. City Departments should verify that all information is correct before drafting the correction letter. Please forward a convenience copy to the respective City Department's Principal 1099 Contact and to 1099 Administrators. (See Appendix IV for the Vendor/Customer Correction Letter sample.)

## 5.0 TAX REPORTING FOR DOMESTIC REAL ESTATE TRANSACTIONS

The IRS requires Form 1099-S to be filed to report the proceeds from the sale or exchange of real estate. Interest payments in connection with these real estate sales or exchanges should also be reported to the IRS using Form 1099-INT. The City purchases property from private owners for public use for primarily two purposes: the use of the land (commonly called condemnations), and watershed use. The Office of the Comptroller ensures the reporting of real

estate transactions to the IRS and the submission of the appropriate 1099-S and 1099-INT forms to the property owners. The property owners are considered Vendor/Customers for tax reporting purposes.

The following sections describe the City's reporting responsibilities in connection with these real estate transactions.

### **5.1 Condemnation Payments**

Payments for condemnations are made by the City to Vendor/Customers in accordance with New York State statute. Compensation for condemnations includes payments for principal, as well as interest from the date ownership is transferred to the City (vesting date) until the final payment. As the City makes partial payments for principal (advances) to the Vendor/Customers, the interest associated with these principal payments should also be made.

### **5.2 Watershed Payments**

The City of New York purchases properties near watercourses for the protection of its Watersheds. These payments require Form 1099-S be filed to report the proceeds from the sale to the seller.

### **5.3 Form 1099-S Reporting**

The aggregate (total) of principal payments on real estate sales or exchanges should be reported on the 1099-S after final principal payment is made. This should include all advances paid plus the final payment made to the Vendor/Customers. The 1099-S should be issued at the end of the calendar year in which final payment is made in accordance with the final decree. The Law Department should inform the Comptroller's Office when a payment represents a final payment to assure that the appropriate 1099-S will be issued and reported.

### **5.4 Forms 1099-INT**

Vendor/Customers receive payment for interest beginning from the vesting date to the date of the final payment. Payments for interest are made on a regular basis and generally correspond to the respective advance payment. The City currently pays interest at the rate of 6%; however, this rate is subject to change. Accordingly, the Office of the Comptroller should issue a 1099-INT each year a Vendor/Customers receives interest.

## **6.0 FOREIGN VENDOR VALIDATION AND REPORTING**

The City of New York conducts business with Vendor/Customers outside the United States. The City of New York, as a payer, is required to request a Form W8 (W8-BEN, W8-ECI or W8-EXP) from any foreign Vendor/Customer to whom it is making an FMS payment related to rendering of services and/or goods and issue IRS Form 1042-S. In accordance with IRS regulations governing 1042-S reporting, City Departments should comply with Directive 29.

The following sections describe the City's reporting responsibilities in connection with foreign vendor validation and 1042S reporting.

## **6.1 Requests for Foreign Vendor Validations**

City Departments requiring approval of a foreign vendor should forward a Foreign Vendor Questionnaire and appropriate IRS Form W8 to [1042vendor@comptroller.nyc.gov](mailto:1042vendor@comptroller.nyc.gov). Both the Foreign Vendor Questionnaire and IRS Form W8s are now available on the Comptroller's website (<http://comptroller.nyc.gov/forms-n-rfps/w9substitute-w8/>). Once the documents requirements have been successfully reviewed, the PIP/Tax Reporting Unit will enter a FMS VCCC1 document to validate the foreign vendor in FMS.

**Please Note:** The Foreign Vendor Questionnaire should be completed by both the City Department and the foreign vendor. Approval of the validation request will be dependent on the correct submission of the Foreign Vendor Questionnaire and W8 form. Incorrect or incomplete submission of documents will not be processed by the PIP/Tax Reporting Unit until resolved.

Foreign Vendor/Customers should not be referred to the Payee Information Portal (PIP). PIP does not have the capability to issue the required Foreign Vendor Questionnaire or to evaluate the IRS Substantial Presence Test.

### **6.1.1 United States Taxpayer Identification Number Requirement**

Because of the nature of City Department payments, the IRS requires that all foreign vendors should submit their W8 with a United States based Taxpayer Identification Number (TIN). Acceptable TIN types can be Employer Identification Numbers, Social Security Numbers and Individual Taxpayer Identification Numbers.

## **6.2 Foreign Vendor Questionnaire and IRS Mandated Substantial Presence Test**

After the, PIP/Tax Reporting Unit receives a request to validate a foreign vendor, they will evaluate the IRS mandated Substantial Presence Test to determine if the vendor is deemed 1042 (foreign vendor) or 1099 (domestic) reportable. City Departments will be informed of validation status once the vendor has been approved in FMS.

The questionnaire includes the following items to be answered by the foreign vendor and City Department:

<b>Foreign Vendor Questions:</b>	<ul style="list-style-type: none"> <li>▪ The vendor’s country of residence</li> <li>▪ Substantial Presence Test</li> <li>▪ US based Taxpayer Identification Number</li> <li>▪ Physical Payment address</li> <li>▪ Tax Treaty Benefit claims</li> <li>▪ Contact Information</li> </ul>
<b>City Department Questions</b>	<ul style="list-style-type: none"> <li>▪ Country where services will be performed</li> <li>▪ FMS Vendor Code(s)</li> <li>▪ FMS Contracts &amp; Object Code(s)</li> <li>▪ Services provided by foreign vendor</li> </ul>

**6.2.1 Substantial Presence Test**

The Substantial Presence Test helps to determine whether the foreign vendor has significant presence in the United States for the calendar year. If the vendor does not pass the Substantial Presence Test, he will be deemed a domestic 1099 reportable vendor.

To meet the test, a foreign vendor should be physically present in the United States on at least:

1. 31 days during the current year; and
2. 183 days during the 3-year period that includes the current year and the 2 concurrent years before.

**Please Note:** In order for foreign vendor requests to be approved, all pertinent forms should be submitted for validation. City Departments that submit requests with insufficient information or forms will be contacted.

**6.3 IRS Forms W-8**

An electronic submission of a Foreign Vendor Questionnaire and appropriate W8 form to the PIP/Tax Reporting Unit will commence the validation process of foreign vendors. However, the IRS requires that the vendor submit an original W8 form with a valid US based Taxpayer Identification Number.

**6.3.1 W-8 Form Types**

The IRS has issued four types of W8 forms. Of the four types, the following will be accepted for validation.

6.3.1.1 Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) is used by a foreign person to:

- Establish foreign status;

- Claim that such person is the beneficial owner of the income for which the form is being furnished or a partner in a partnership subject to federal taxes; and
  - If applicable, claim a reduced rate of, or exemption from, withholding under an income tax treaty
- 6.3.1.2 Form W-8ECI (Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States) is used by a foreign person to:
- Establish that you are not a U.S. person,
  - Claim that such person is the beneficial owner of the income for which the form is being furnished, and
  - Claim that the income is effectively connected with the conduct of a trade or business in the United States.
- 6.3.1.3 Form W-8EXP (Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding) is used by a vendor to:
- Establish that they are not a U.S. person,
  - Claim that they are the beneficial owner of the income for which Form W-8EXP is given, and
  - Claim a reduced rate of, or exemption from federal taxes as a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession

**Please Note:** If a foreign entity is unsure of which IRS Form W8 to submit to the City, contact should be made by the foreign vendor directly to the International Services Hot Line at the Internal Revenue Service. Their phone number is (267) 941-1000.

### **6.3.2 Original W-8 Form Requirement and Expiration Date**

In accordance with IRS regulations, an original W8 form is required for Comptroller files. After a foreign vendor has been approved in FMS, City Departments should submit their original W8 form to the PIP/Tax Reporting Unit.

Per IRS regulations, the W8 will expire after 3 years of the signature date. City Departments should request the foreign vendor to submit an updated W8 to the City at least 6 months before the signature expiration date if they are still conducting business with City Departments.

**Please Note:** City Departments should ensure that W8 forms are submitted with a signature and a US based date format.

## **6.4 Foreign Vendor Payment Reviews and Withholding**

City Departments should perform a monthly review of foreign vendor payments to ensure compliance with foreign tax reporting. Payments to MISCPAYVEN with a foreign address should also be monitored. Payments and invoices pertaining to payment vouchers should be reviewed to ensure the proper reporting at year-end.

Per IRS regulations, the City of New York, as a payer and withholding agent, is required to withhold from reportable FMS payments made by City Departments throughout the calendar year to foreign vendors. The current withholding amount is 30% of reportable payments in accordance with IRS regulations. Withheld amounts are immediately submitted to the IRS and are reported at year-end.

**Please Note:** Canadian based vendors with U.S. TINs are currently exempt from foreign withholding because of treaty agreements between the United States and Canada. Treaty exemption rates for other countries will be added to FMS at a later date.

## **6.5 IRS Form 1042S Issuance**

At year-end the aggregate (total) of reportable payments to foreign vendors and all withheld amounts are reported on IRS Form 1042-S.

## **7.0 BACKUP WITHHOLDING**

Backup Withholding is a procedure whereby payers (i.e., the City) are required by the IRS, under certain conditions, to withhold an amount from Vendor/Customer's payments. The withheld amount (28 %) is submitted electronically to the IRS. The IRS will inform the Office of Comptroller when Backup Withholding from a Vendor/Customers is required.

### **7.1 Backup Withholding Required**

The IRS requires Backup Withholding if the Vendor/Customer:

- Has not complied with a City Department's request for a certified Substitute Form W-9 that matches IRS or Social Security Administration (SSA) records, or has not furnished his or her TIN, or
- Has furnished an incorrect TIN or name (the IRS will inform the Office of the Comptroller in these instances). The IRS reconciles TIN and name combinations on 1099s to SSA and IRS files annually. The IRS notifies the City of New York (via a Backup Withholding file) when the two sources do not match for a Vendor/Customer.

## **7.2 Exemptions from Backup Withholding**

The IRS deems only government entities to be exempt from Backup Withholding. Non-governmental 1099 Classifications listed in Section 3.4 should comply with Backup Withholding regulations as mandated by the IRS.

## **7.3 Backup Withholding Rate**

When Vendor/Customers are not in compliance with IRS regulations as outlined in Section 6.1, the Office of the Comptroller will withhold 28% (until further notice) of the gross reportable compensation of Vendor/Customers conducting business with the City, as currently required by the regulations.

## **7.4 Backup Withholding Process**

### **7.4.1 The “B-Notice”**

The Office of the Comptroller will issue Vendor/Customers a “B-Notice” if they are listed on the annual Backup Withholding file. The B-Notice is a backup withholding letter notifying Vendor/Customers that they should take actions to correct their records in FMS.

- 1st B-Notices are sent to Vendor/Customers who appear on the IRS backup withholding file for the 1st time. The B-Notice requests the Vendor/Customer to return a Backup Withholding Substitute Form W-9, which identifies the TINs and Vendor/Customer codes that need to be corrected by the Comptroller’s Office within 30 business days.
- 2<sup>nd</sup> B-Notices are sent to Vendor/Customers who appear on the IRS backup withholding file for the 2<sup>nd</sup> and 3<sup>rd</sup> consecutive years.
  - ✓ For Vendor/Customers who use an Employer Identification Number (EIN) to conduct business with the City of New York, the 2<sup>nd</sup> B-Notice requests Vendor/Customers to obtain an IRS Letter 147C directly from the IRS. Vendor/Customers should send the IRS Letter 147C along with the copy of the 2<sup>nd</sup> B-Notice and the 2<sup>nd</sup> B-Notice Attachment to the Office of the Comptroller within 30 days.
  - ✓ For Vendor/Customers who use their Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) to conduct business with the City of New York, the B-Notice requests Vendor/Customers to obtain Social Security Administration Certifications and 2nd B-Notice Attachments

which identifies the Vendor/Customers code that need to be corrected by the Office of the Comptroller.

The Backup Withholding rate of 28% will be applied to all eligible payments if required legal documentation is not received within 30 business days.

#### 7.4.2 Reports to the IRS and to Vendor/Customers

Amounts deducted from Vendor/Customers as part of the Backup Withholding process will be submitted to the IRS on the next business day. Vendor/Customers may only recover withheld amounts from the IRS at year-end when amounts are reported on Forms 1099-MISC and 1099-INT, Box 4 (for federal income tax withheld).

#### 7.4.3 The Office of the Comptroller Hotline

City Departments or B-Notice recipients may contact the Comptroller's Backup Withholding Hotline for assistance at (212) 669-8233.

## **8.0 CONSEQUENCES OF NONCOMPLIANCE WITH REGULATIONS**

The generation or issuance of Forms 1099 should not be prepared by City Departments or in application systems outside of FMS. City Departments are responsible for entering all Vendor/Customer's information accurately and timely into FMS in addition to executing all payments and related corrections that lead to the generation of Forms 1099 discussed in this Directive.

The following section describes the penalties that may be assessed by the IRS.

### **8.1 Penalty Assessments**

The IRS imposes penalties when there are problems with 1099 information returns. If the IRS assesses a penalty against the City of New York because of City Department errors or unresponsiveness, the Office of the Comptroller may charge the penalty back to the City Department.

## **9.0 CITY DEPARTMENT CONTACT INFORMATION AND REFERENCE MATERIAL**

### **9.1 City Department Contact Information: Annual Solicitation and FMS Contact Page**

The Chief Fiscal Officer in each City Department is required to update their Tax Reporting Contacts in the FMS Contact (CNTAC) page when there are changes in tax reporting personnel. Instructions on changing the FMS CNTAC page can be obtained through the FISA Call Center (212) 857-1700

Additionally, the Comptroller's Office solicits City Department's contact information on an annual basis. City Departments are responsible for submitting a 1099 Contact Form annually to keep the Comptroller's Office apprised of all tax reporting staffing changes within the year.

### **9.2 Tax Reporting Reference Material**

All employees with tax reporting responsibilities should maintain for ready reference, complete and up-to-date tax reporting reference material.

## APPENDIX I: HOW TO RUN 1099 REPORTS IN INFOADVANTAGE

### 1. Overview of 1099 Reports

As a replacement to the FMS/2 report VA99 - Form 1099 Vendor Review Audit Report by Department, two reports are offered in InfoAdvantage:

a. Report ID: CWA-VNDR99-001

- Report Name: Form 1099 Vendor Review Audit by Department
- Description: This report displays all transactions from the J1099 table for the prompted calendar year.

b. Report ID: CWA-VNDR99-002

- Report Name: Form 1099 Vendor Review Audit Report by Department-Summary
- Description: This report displays a summary of transactions from the J1099 table for the prompted calendar year.

**Please Note:** Both reports are offered in PDF and Excel formats.

For additional information, City Departments should reference FMS Bulletin Volume XII, Number 77

### 2. Instructions on Running 1099 Reports

a. Finding and Opening the Reports

The 1099 reports can be found by following the folder and path below:

*Public Folders* → *CWA* → *Vendor Management* → *1099*



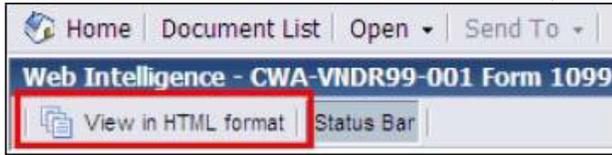
b. Double click on the report to open.



c. Running the Reports

▪ Step 1: Choosing a View

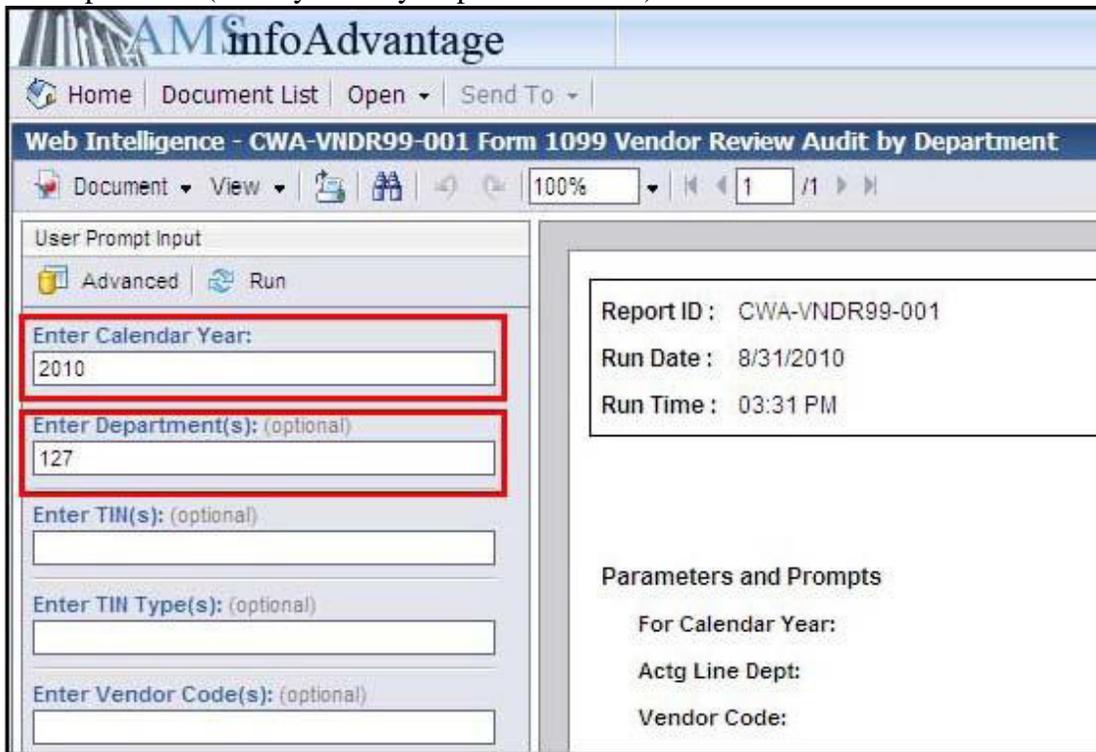
InfoAdvantage offers two ways for viewing reports – in HTML and PDF format. PDF is the default view, however to quickly run and view your report online, it is recommended to use the HTML view. To switch from the default PDF view to HTML, click on “View in HTML format” (see below).



▪ Step 2: Filling out Prompts

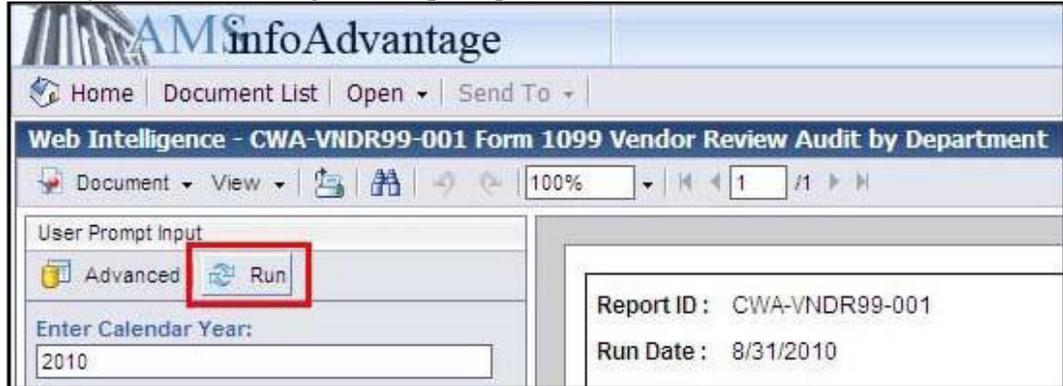
In the User Prompt Input section, enter the following prompts (see screenshot)

- Calendar Year
- Department (Enter your City Department Code)



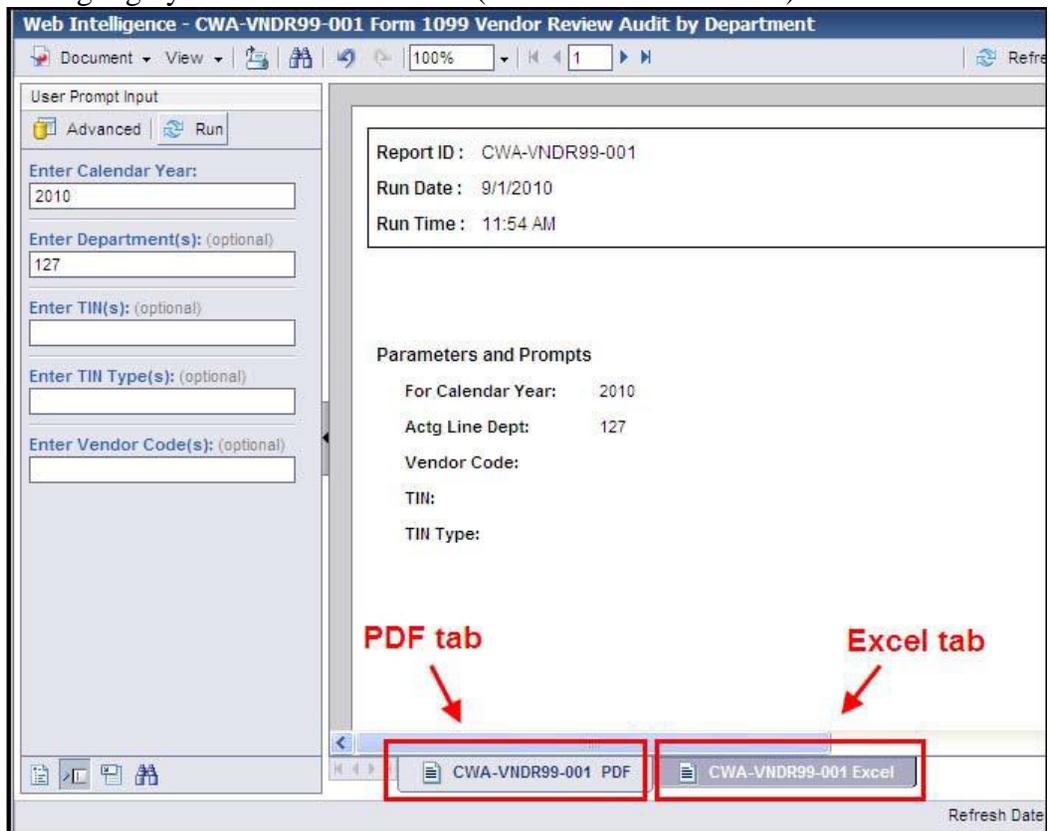
**Please Note:** To see all records for the selected City Department, leave the remaining prompts blank: TIN, TIN Type, and Vendor Code – these are optional prompts that can be used if searching for specific records. If needed, you can enter multiple values in the optional prompts by separating them with semicolons and without spaces, for example: TIN: 123456789;123456781;123456782.

- Step 3: Running the Report
  - When you're done filling out the prompts, click on **Run**



**Please Note:** Once the report is complete, an Adobe.pdf and Excel version is generated – in the HTML view you can switch between the two formats by clicking on the tabs as seen below.

The light gray tab is the selected one (in this case the PDF tab).



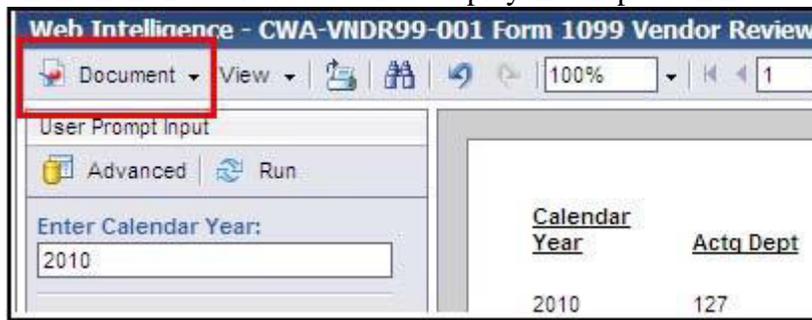
- Step 4: Saving the Reports  
If you're using the HTML view you have the option to save individual tabs of the report. If you plan on working only with the Excel tab for example, you can save it in Excel and Adobe.pdf by following these steps:

➤ Saving the Excel Tab Only:

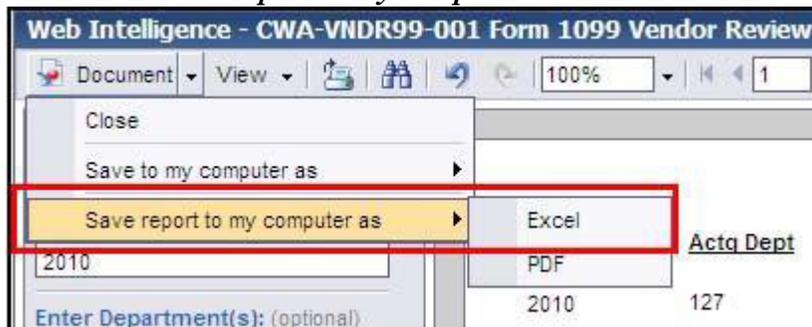
Click on the **Excel** tab



Click on the **Document** button to display the drop down list



Click on the **Save report to my computer as** then click on **Excel** as shown below.



➤ Saving the Adobe.pdf Tab Only

To save only the PDF tab, follow the steps above, but select PDF in the following

Click on the **PDF** tab

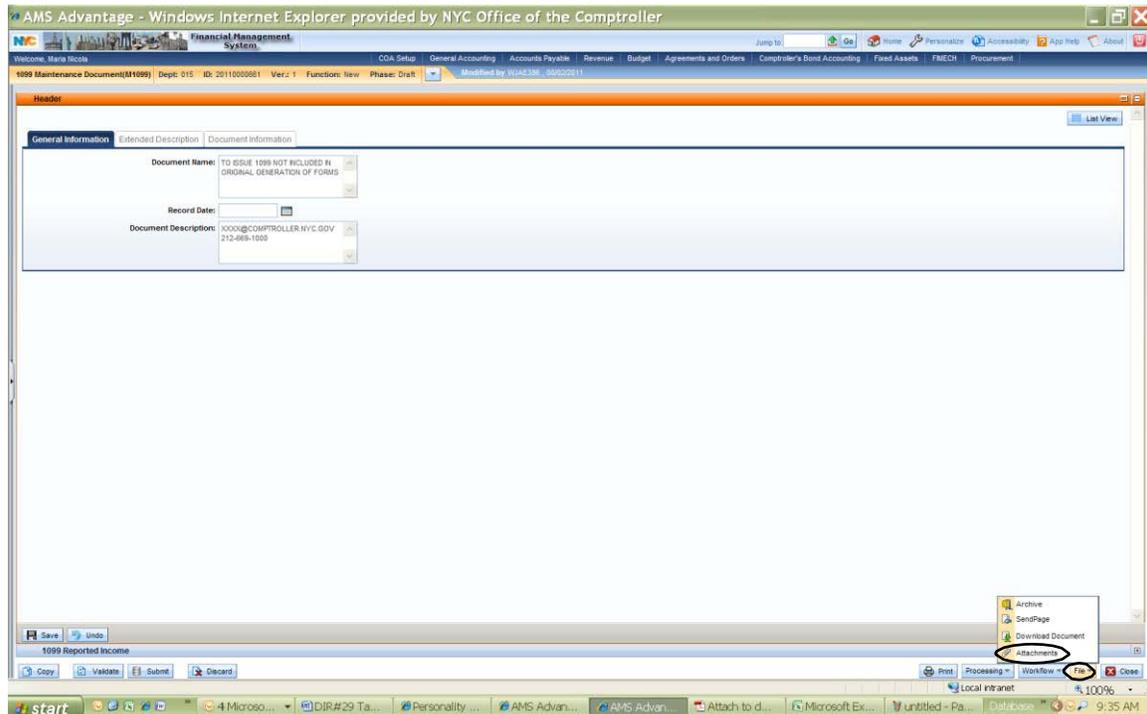
Click on the **Document** button to display the drop down list

Click on the **Save report to my computer as** then click on **PDF**

## APPENDIX II: ATTACHING A FILE TO A DOCUMENT

*\*The example illustrated below uses an M1099 document for demonstrative purposes. The same steps should be followed for all vendor documents.*

### M1099 Document - Attachments



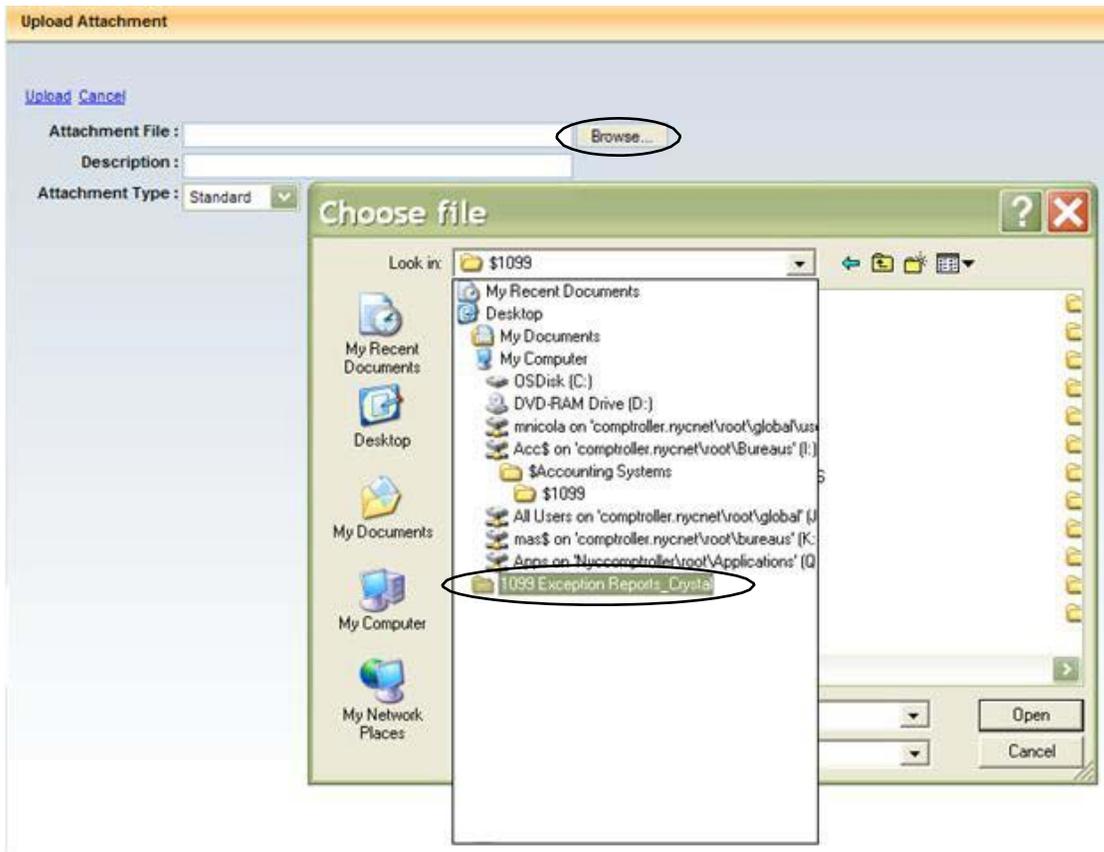
1. Click the **File** button.
  2. Select **Attachments** from the menu displayed.
- The Attachments page is displayed.

### The Attachments page is displayed.



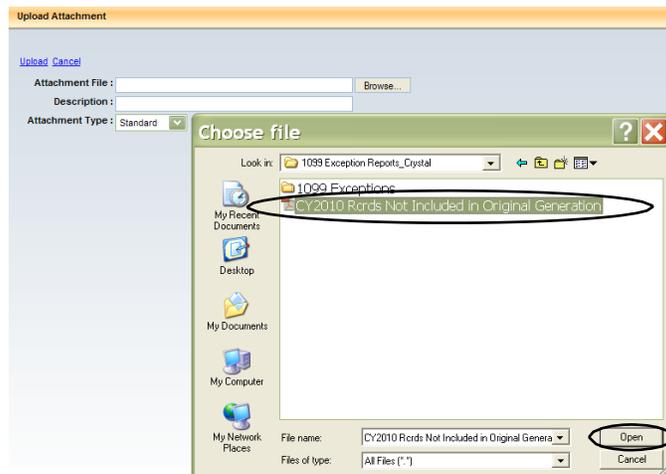
3. Click the **Upload** link.
- The upload attachment page is displayed.

## Upload Attachment Page – Browse Folders on Your Desktop



4. Click the **Browse** button to find the file you want to attach to the M1099 document. The Choose file window opens.
5. Click the **folder** where your supporting document is located.

## Upload Attachment Page – Select File to Upload



6. Click the **file** you want to upload.
7. Click the **Open** button and the file name populates the **Attachment File** field.

## Upload Attachment Page

Upload Attachment

[Upload](#) [Cancel](#)

Attachment File : C:\Documents and Settings\mnicola\Desktop\1099 Except

Description : Report Showing Unissued 1099 Records

Attachment Type : Standard

8. Enter a description of the document in the **Description** field.
9. Click the **Upload** link to begin uploading.

## Upload Attachment Page – Upload Results

Attachments

	File Name	Type	Date	User ID	Primary State
✓	CY2010 Rcrds Not Included in Original Generation.pdf	Standard	8/2/11	WJAE386	New

First Prev Next Last

[Upload](#) [Download](#) [Delete](#) [Restore](#)

File Name : CY2010 Rcrds Not Included in Original Generation.pdf Description : Report Showing Unissued 1099 Records

Type : 1

Date : 8/2/11

User ID : WJAE386

Primary State : 0

[Return to Document](#)

[View Attachment History](#)

10. Click on the **Return to Document** link.

**Please Note:** When the upload is successful, the Attachments page adds the **File Name** to the grid with a check mark.

Repeat Steps 3-9 to attach additional files when necessary.

**APPENDIX III:  
FISCAL OFFICER LETTER SAMPLE**

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**City Department Letterhead**

Date

City of New York  
Office of the Comptroller Bureau of Accountancy  
Vendor Support Division Attn: PIP/Tax Reporting Unit  
1 Centre Street, Room 200 South  
New York, NY 10007

Dear Tax Reporting Administrators:

*Incorporate the following information in the body of your letter.*

- *1099 Maintenance Document #*
- *Date of M1099 Document Entry*
- *Vendor Name*
- *Vendor Code*
- *A description of error and reason for correction. State the detail object used on the payment voucher. Clarify if requesting a “Modified Record” and /or “New Record”*
- *TIN Number*

*\*Attach a completed FMS Substitute Form W-9 for the vendor/customer if the correction was due to an erroneous TIN. Both The Fiscal Officer Letter and Substitute W9 should be in Adobe.pdf format.*

If you have any questions, please contact (Principal 1099 Contact) of my staff at (area code) phone - number.

Sincerely,

Name of Fiscal Officer  
Fiscal Officer

**APPENDIX IV:  
VENDOR/CUSTOMER CORRECTION LETTER SAMPLE**

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**City Department Letterhead**

Date

Vendor/Customer Name  
(TIN #)  
Street Address, Suite #  
City, STATE Zip Code

Dear (1099 Misc/Int Recipient's Name):

Please use this letter to (file/amend) your income return for Tax Year\_\_\_\_\_. The 1099-(Miscellaneous/Interest) form did not reflect the correct amount due to (name reason for error).

The amount on your 1099-(Miscellaneous/Interest) form should report \$\_\_\_\_\_ in Box (#) (corresponding box title) for services rendered to the City of New York.

If you have any questions, please contact (Principal 1099 Contact) of my staff at (area code) phone - number.

Sincerely,

Name of Fiscal Officer  
Fiscal Officer

cc: City Department Principal 1099 Contact  
1099 Administrators