




OKALOOSA COUNTY SCHOOL DISTRICT  
TECHNICAL ASSISTANCE MEMORANDUM  
FINANCE DEPARTMENT

FINANCE TAM: 2011-025

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Purchasing Department

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TO: All Principals   
FROM: Melissa O'Malley, Director - Accounting & Financial Reporting  
DATE: January 5, 2011  
SUBJECT: Revised Vendor Application and Substitute Form W-9

In the past, businesses were required to file 1099 forms for vendors *providing a service and paid \$600 or more in a tax year*, however, incorporated businesses were exempt and it was only for services provided not goods purchased. The new regulations effective in 2012 are now requiring a 1099 for all payments to vendors that earn over \$600 in a tax year including corporations and for goods and services.

Additionally, vendors whose 1099 business name does not match the Federal Employer Identification Name as reported on their taxes will have 28% Backup Withholding Tax Rate applied to all payments made to them by the District, if not corrected within the IRS specified time after being notified of the discrepancy. The additional time and expense of the withholding will be the District's responsibility; therefore, the new form was developed to assure the District has correct vendor information on file.

This TAM is to introduce the new Vendor Application MIS 2079 form that will also double as a Substitute W-9 form. This form is for District use for the AS400 vendors as well as for internal accounts at the schools. In 2011, we will be preparing our vendors files to meet the new 1099 filing requirements effective January 2012 and this new form will help.

Please insure all vendors have an updated Vendor Application or for internal accounts at least a W-9 completed before issuing future checks. Please use this new form in place of the W-9 from this point on. The form attached is a ready fill form but please have the vendors sign the form and not use the electronic signature at this point until we officially accept electronic signatures. If there are any questions, please call me at (850) 833-5818 or purchasing as noted above.

cc: Internal Bookkeepers  
Budget Bookkeepers  
Department Heads  
Executive Staff