

# NEW VENDOR POLICY & PROCEDURE

## POLICY

Employers and prime contractors should furnish an IRS W-9 for all new employees, as well as all new subcontractors or vendors. Technically, the IRS uses the term "U.S. persons," but corporations are legal persons under the law. Provide a Form W-9 to partnerships, corporations and associations from who you plan to purchase goods and services for your business. An IRS Form W-9, Request for Taxpayer Identification Number (TIN) is an informational form that employers and prime contractors use to collect information they need to process their payroll. The form also verifies that the prospective employee and/or company are legally authorized to work and/or conduct business in the United States.

Every effort should be made to check the system and or verify with Purchasing first to see if there is already an approved vendor that can provide comparable products and/or services before creating a new vendor in the system. Local Vendors should be given consideration, especially prior to ordering out of state.

All things considered, Purchases should go through "Cooperative Contract Vendors" where obtaining 3- written quotes is not necessary, even beyond the MDE threshold amount. However, Board approval is still required for amounts higher than the state threshold.

## PROCEDURE

1. Obtain a W-9 for **ALL NEW VENDORS**. Companies and Individuals are aware that they must provide a W-9 as a requirement of doing business. Without a W-9 the Business Office will not process any payments to the vendor.  
***Note: The IRS requires that a 1099 form be mailed to all non-employee compensated individuals/entities > \$600.***
2. Complete the Vendor Request Webform in BusinessPLUS (see documentation). Information must be entered in **ALL CAPITAL LETTERS**.
3. Attach copies of W-9 and Vendor Information Forms to Vendor Request Webform. This information will be routed to the Business Office for approval.
4. Once approved by the Business Office, a Vendor# will be assigned in BusinessPLUS and confirmation will be sent to the creator upon completion. Invoices will then be able to be paid, checks can be issued and the expense will be charged to the allocated budget in the General Ledger.

**Note:** Please be aware that although is this a process within one system, it may take the Business Office time to verify all information with the vendor. If all information is provided in the correct manner, this further streamlines the process. The Business Office may reject a new vendor if sufficient information is not provided.

