



State of Arizona Accounting Manual

Topic 45 Expenditures, Expenses and Disbursements

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Section 55 TIN Validation Required

Page 1 of 1

before Vendor Payments Are Made

INTRODUCTION

This policy applies to payments to vendors made by all agencies. For the purposes of this policy, a vendor is any person or entity that receives payment for providing goods or services to the State, including not-for-profit organizations, but excluding State employees, other State agencies, other states, local governmental entities, the Federal Government and to wards of the State.

Payments to individuals receiving Federal or State financial assistance that is not reportable as taxable income are also exempt from the requirements of this section of SAAM. Payments to individuals receiving payments related to certain educational or therapeutic programs are also excluded from the requirements contained herein.

Payments made to wards of the State are addressed in SAAM 4556, *Payments to Wards of the State*. The appropriate usages of the vendor IDs MISCPAYVEND and MISCCUSTOM, which do not require a TIN, are covered in SAAM 4553, *Proper Uses of MISCPAYVEND and MISCCUSTOM*.

The acronym (or, depending on one's pronunciation, initialism) TIN stands for Taxpayer Identification Number. It is a number issued by the Internal Revenue Service to individuals (the Social Security Number) or organizations (the Federal Employer Identification Number) to identify and classify the recipients of payments, the filers of government reports and forms, as well as to support other tax-related inquiries and operations.

The State of Arizona and/or its agencies can be assessed significant taxes, penalties and interest for failure to accurately report payments to vendors. Accurately reporting payments to a vendor requires the use of the vendor's right name and correct TIN.

To verify a vendor's name and TIN, the GAO conducts a process referred to as TIN-matching, with the IRS.

POLICY & PROCEDURES

1. All vendors must complete a State of Arizona Substitute Form W-9, found on the GAO Website at <https://gao.az.gov/publications/forms>.
2. The GAO will not process an agency's payment to a vendor until that vendor has completed and submitted a State of Arizona Substitute Form W-9 and the information contained in that Form W-9 has been successfully TIN-matched.