

DATE: February 7, 2011

TO: Agency Addressed (No. 20, 2010-2011)

FROM: Christina B. Smith, Director  
Division of Accounting and Auditing  
Department of Financial Services

SUBJECT: FLAIR Statewide Vendor File Enhancements

Enhancements to the FLAIR Statewide Vendor File will be implemented on February 7, 2011. This memorandum supersedes Agency Addressed No. 14, (2008-2009).

The Department of Financial Services (DFS) has established a single Statewide Vendor File (VS) that has replaced the Regular Vendor File (VR) and will replace the Client Vendor File (VC) in March 2011. The Employee Vendor File (VE) will remain intact. Multiple vendor files have resulted in conflicting and inaccurate vendor information. These contradictions result in inaccurate reporting to the Internal Revenue Service (IRS) through the 1099 reporting function. Consolidation into one vendor file will aid DFS in maintaining the data integrity of the vendor file.

The FLAIR Statewide Vendor Maintenance function will allow authorized agency users to add vendors directly to the VS. DFS is responsible for all updates to the records in the VS.

The enhancements to the FLAIR VS include the following:

1. Elimination of the P-Card Indicator
2. New Fields (details provided on Page 3)
  - W-9 Name
  - Payee Indicator
  - Foreign Indicator
  - EFT Indicator
  - Last Updated
3. Revised Definition and Numbering Method for “N” Records (details provided on Page 5)
4. Revised Indicator Codes for the W-9 Indicator (details provided on Page 4)

### **MFMP Registration**

Vendors must be added and/or updated through MFMP unless exemptions apply, pursuant to [Rule 60A-1.030, Florida Administrative Code](#) and Section 287.057(23), Florida Statutes. MFMP has provisions to add Reluctant Vendors. Please contact the MFMP Customer Service Desk at 1-866-352-3776 or [BuyerHelp@myfloridamarketplace.com](mailto:BuyerHelp@myfloridamarketplace.com) if you have any questions or experience any system-related issues.

Vendors registered through the MFMP website will be interfaced to the FLAIR VS nightly (Monday – Saturday) and available for use in FLAIR transactions the next work day. Vendors added through FLAIR will not be available in MFMP.

## Confidential Vendors

Agencies that want to identify a vendor as confidential in the FLAIR VS File should consult their own counsel for advice on whether the vendor's information is exempt from the public records disclosure. The extent to which trade secrets or other confidential or protected commercial documents, data or information are exempt from Chapter 119, Florida Statutes and other laws, may not be clear. Agencies should be prepared to defend against their release should the agency decide that such documents, data or information should not be disclosed in response to a public record request.

The vendors flagged as "confidential" on the FLAIR VS will not be displayed on any DFS website that reports vendor payment information. If the Department receives a public records request related to the vendors flagged as "confidential", the Agency shall be solely responsible for taking whatever action it deems appropriate to legally protect its claim of exemption from the public records law.

## Definitions

**Confidential Vendors** – Vendor sequences identified in the FLAIR VS as confidential are described here as confidential vendors. A confidential vendor exists when a state or federal law exempts information from public records review, including exemptions under Chapter 119, Florida Statutes. If the agency determines that the law or statute contains a public records exemption for a vendor, the agency shall flag that vendor as "confidential" in the FLAIR VS. Confidential vendors and/or confidential information are prohibited from being entered into MyFloridaMarketPlace (MFMP), pursuant to Rule 60-A 1.033, Florida Administrative Code.

**Foreign Vendor** – A vendor that does not have a physical business location in the United States. In this instance, the foreign vendor does not have to obtain a Taxpayer Identification Number (TIN) from the IRS. Agencies are required to contact DFS to add non-MFMP foreign vendors.

**MyFloridaMarketPlace (MFMP)** - The State of Florida's online exchange for buyers and vendors.

**MFMP Vendor** – A vendor that has registered to do business with the State of Florida via MFMP. Once a vendor registers with MFMP, any updates or changes to the vendor information must be entered into MFMP by the vendor. The only exception is to establish a confidential sequence number for the MFMP vendor in the VS.

**"N" Record** – A payee or vendor in the FLAIR VS with an "N" prefix. A payee or vendor must be added to the FLAIR VS as an "N" vendor when a Federal Employer Identification Number (FEIN) or Social Security Number (SSN) is not required and cannot be obtained by the agency. "N" vendors no longer indicate foreign vendors only. Newly added vendors with an "N" prefix will have their vendor numbers systematically assigned by FLAIR.

**Payee** – An individual or other entity that receives a payment from the State that is **not associated with** the receipt of commodities and services.

**Reluctant Vendor** - A vendor deemed by MFMP as reluctant to go through the normal MFMP registration process. Reluctant Vendor registration can only be processed if the reason meets specifications outlined in [Rule 60A-1.030, Florida Administrative Code \(FAC\)](#).

**Taxpayer Identification Number (TIN)** – A 9-digit number assigned by the Federal Government. It is also known as a (FEIN) for a business or as a Social Security Number for an

individual and identifies the entity to the Internal Revenue Service. Generally, businesses need an FEIN.

**Vendor** – An individual or entity that provides commodities or services to the State. All vendors except foreign vendors must provide an FEIN or SSN.

**W-9 Name** – The vendor name provided to DFS on a Substitute Form W-9 that has been verified with the IRS. This is the name that the individual or business has registered with the IRS and reports on its taxes to the IRS.

### *New Fields Added to the FLAIR VS*

- **W-9 Name** – The W-9 Name field will be populated only if DFS has received a Form W-9 from the vendor and the W-9 Name and TIN have been verified with the IRS. The W-9 Name will be at the 9-digit vendor number level (i.e., if the W-9 Name field is populated, it will apply to all sequences for that 9-digit vendor number). The W-9 Name field will be blank for any vendor that does not have a verified Form W-9 on file. The W-9 Name will not print on State warrants.
- **Payee Indicator** – A value of “Y” identifies the record as a Payee. A value of “N” identifies the record as a vendor. *Payees* receive payments from the State that are not associated with the receipt of commodities and services by the State (e.g., benefit recipients, etc.). See Section VII of this document regarding the purge schedule for Payees.
- **Foreign Indicator** – This field can only be updated by the Division of Accounting and Auditing at DFS. A value of “Y” identifies the vendor as a foreign entity for tax reporting purposes. This will not always correspond to vendors with a foreign address. When the changes to the VS are implemented on February 7, 2011, all vendors with a Purchasing or Remittance Country will have a Foreign Indicator of “Y”. However, DFS may update this indicator to an “N” upon further analysis of the vendor’s tax reporting status. Vendors with a Foreign Indicator of “Y” are not required to submit a Form W-9.
- **EFT Indicator** – This field identifies which sequence currently matches an active EFT authorization record. This indicator is populated with a real-time inquiry that is valid for that point in time and does not physically reside on the VS file.
- **Last Updated Field** – This field allows agencies to know when the vendor sequence was last updated.

## **FLAIR Statewide Vendor File Procedures**

### ***I. Obtaining “Inquiry” Access***

Inquiry into the FLAIR VS will be assigned by the Agency’s Access Control Administrator.

### ***II. Obtaining “Add” Access***

A limited number of users within each agency will be granted the ability to add new non-MFMP or non-foreign vendors by applying through DFS, Division of Accounting and Auditing, Bureau of Accounting. The VS Authorization Form (Addendum A) should be completed for users requiring

“Add Access”. The agency’s Administrative Services Director or their designee should attach the approved completed form to an email and submit it to: [StatewideVendorFile@myfloridacfo.com](mailto:StatewideVendorFile@myfloridacfo.com).

The completed forms will be reviewed for adequate justification and approved users will be granted access at the earliest possible convenience.

The Bureau of Accounting will notify the Administrative Services Director or their designee, the user and the user’s supervisor via email of the status of the request.

### **III. Obtaining and Submitting a Substitute Form W-9 from Vendor**

Agencies must obtain a valid TIN from the vendor prior to adding the vendor to the FLAIR VS. Erroneous TIN numbers in FLAIR cause inaccurate Form 1099 reporting to the IRS. Vendors will be required to complete and submit their W-9 online at <https://flvendor.myfloridacfo.com> beginning in late February 2011. If a vendor does not have access to the internet they may submit their Substitute Form W-9 via fax or mail to:

Florida Department of Financial Services  
Bureau of Accounting / Vendor Management Section  
200 East Gaines Street  
Tallahassee, FL 32399-0354  
Fax: (850) 413-5550

Beginning in late February 2011, DFS will begin verifying TINs and vendor names submitted via a Form W-9 and indicating in the FLAIR VS whether a verified W-9 has been received. Enhancements to the FLAIR VS include additional codes that are being added to the W-9 Indicator. The following codes will be displayed in the W-9 Indicator field:

N = No W-9 on File  
Y = W-9 on File, Passed IRS TIN Matching  
P = W-9 on File, Pending IRS TIN Matching  
F = W-9 on File, Failed IRS TIN Matching  
B = B Notice Has Been Sent from the IRS  
T = No W-9 on File, Vendor Number/Vendor Name passed TIN Matching

### **IV. Adding a Vendor**

The VS provides access for agencies to add vendors. Additional classifications are available, including *Payees* and *Confidential* vendors. The Payee Indicator of “Y” should only be used for those entities or individuals receiving a payment that is **not associated with** the receipt of commodities and services. If a “Y” is placed in the Confidential Vendor Indicator (CI), the OLO assigned to the user marking the record as confidential will be assigned to the vendor record and only that Agency’s users and the DFS Statewide Vendor Group will have access to view the *Confidential Vendor* and associated transactions.

The Vendor Number in the VS is a 9-digit TIN that should be the vendor’s FEIN, Social Security Number or other assigned non-standard number. Vendors doing business with the State are required to supply Federal taxpayer identification information via a Form W-9. Therefore, vendor numbers should be classified with an “F” or “S” prefix. DFS will be using an IRS program (referred to as IRS

TIN Matching) to verify TINs and vendor names. Therefore, it is imperative that agencies adding new vendors with an “F” or “S” prefix obtain correct TINs.

If an agency has a need to add an entity or individual to the VS that is not a vendor and the FEIN or SSN is unknown and unobtainable, the agency should add this vendor to the VS using an “N” prefix. After all required fields are entered for the entity, FLAIR will create a sequentially assigned number for the new record. **Note:** Vendors in the VS that already have an “N” prefix will retain their existing vendor number after the VS enhancements are implemented.

### **Required Information**

To add a non-MFMP vendor to the VS, the following information is necessary:

- ✓ TIN
- ✓ Vendor name (as it appears on the Federal Income Tax Return)
- ✓ Secondary Business Name (if applicable)
- ✓ Business Location Address
- ✓ Business Remittance Address
- ✓ Business Contact Name
- ✓ Business Contact Phone Number (mandatory)

### ***V. Updates***

To update information for a MFMP vendor, the vendor must sign in to MFMP with their User ID and PIN to make updates. Contact the MFMP Customer Service Desk (CSD) at 1-866-352-3776 or via e-mail to: [VendorHelp@myfloridamarketplace.com](mailto:VendorHelp@myfloridamarketplace.com) if assistance is needed.

To update information for non-MFMP vendors, agencies will provide justification to the Statewide Vendor Group for DFS to update the files in conjunction with the 1099 Files. A new Substitute Form W-9 is required if the vendor’s name changes. New sequence numbers should not be added unless the vendor has multiple locations or multiple name variations (d/b/a). If a vendor has moved locations, the current record should be updated.

### ***VI. Inactivation***

When it is determined that a vendor number is incorrect or needs to be inactivated, a non-MFMP vendor may be marked for inactivation by DFS only. The determination of which vendors will be marked for inactivation may come from a completed Substitute Form W-9, an agency notification or some other direct communication from the vendor. Agencies that believe a vendor record should be inactivated should contact the Statewide Vendor Group.

### ***VII. Record Purge***

Vendors that have been marked for deletion for 18 months or have not been used for 18 months and are not on an Accounts Receivable, Encumbrance or Payable subsidiary file will purge during the monthly process. Payees will be marked for deletion if they have not been used in a FLAIR transaction in the previous six (6) months and are not on an Accounts Receivable, Encumbrance or Payable subsidiary file. Payees marked for deletion will be physically purged after 12 months as long as they are not on an Accounts Receivable, Encumbrance or Payable subsidiary file.

### ***VIII. DFS Monitoring***

DFS will regularly monitor reports from the VS to determine agency compliance with policy guidelines. The agency's Administrative Services Director or their designee will be notified by DFS if it is determined that the user has abused the established policies.

#### **Contact Information**

Department of Financial Services  
Bureau of Accounting/Statewide Vendor Group  
200 East Gaines Street  
Tallahassee, Florida 32399-0354  
Phone: (850) 413-5987  
Fax: (850) 413-5550  
Email: [StatewideVendorFile@myfloridacfo.com](mailto:StatewideVendorFile@myfloridacfo.com)