September 2, 2010

NC Accounting System

Vendor Processing

Training Course

State of North Carolina

North Carolina Accounting System

Vendor Processing

Training Course

5th Edition

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This training was prepared by:

The Office of the State Controller

http://www.osc.nc.gov

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PROCEDURES

QUICK REFERENCE GUIDES

Course Overview

This course explains how to use the North Carolina Accounting System (NCAS) and the Accounts Payable (AP) module to set up vendors for payments, 1099 processing, and withholding.

Audience

Accounts payable clerks
Accounts payable management

Length

6 hours

Objectives

Upon successful completion of this course, participants will be able to:

- Set up trade vendors
- Set up employee vendors
- Set up non-trade vendors
- Set up vendors for electronic payment
- Set up vendors for 1099 withholding
- Set up vendors for backup withholding
- Set up factor vendors
- Change existing vendors

Quick Reference Guides

Quick reference guides are job aids that help participants complete the tasks involved with adding and changing vendors. These QRGs are referenced throughout the walkthroughs and activities.

Procedures

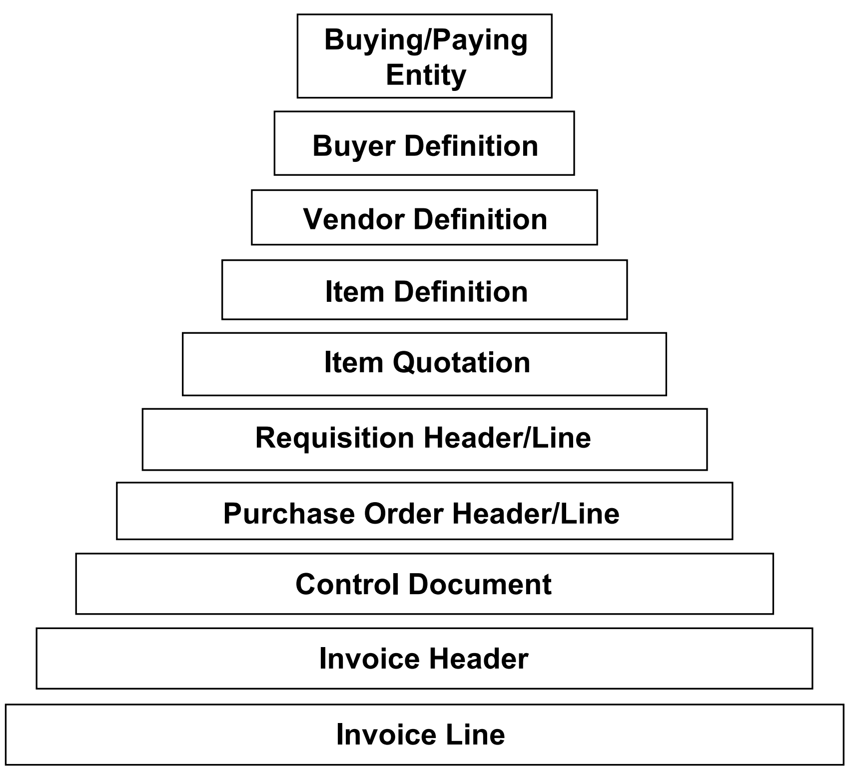
Procedures are detailed process steps that describe how to complete the tasks required for adding and changing vendors. These "step-by-steps" can be used after the training class as a reference in the performance of job functions on the NCAS.

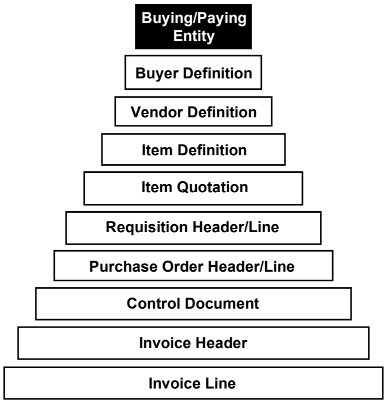
Policy Overview

Policy Hierarchy

A primary benefit of the NCAS is that it allows the state to maintain consistent financial information while simultaneously meeting the needs of individual agencies. To accomplish this, the Office of the State Controller (OSC) has entered standard information in the NCAS that is either general to the state or specific to an agency. Because the system uses this information as a standard, it is considered **policy**. Before an agency can begin to enter information in the NCAS Accounts Payable module, certain policies must be established for the agency.

The NCAS policy carries forward—or **defaults—**information from one screen to the next**.** This default information conforms to a hierarchy in the NCAS. The **policy hierarchy**, illustrated by the following diagram, represents the levels at which accounts payable policies (including purchasing policies that impact accounts payable) are established and maintained. As you review the policy hierarchy, bear in mind that overall state and agency policies are established at the top of the hierarchy. At the highest level, the buying and paying entities act as an umbrella under which general accounts payable policies are established and maintained. As you progress down the hierarchy, each layer represents an opportunity to override previously established policies with data that is specific to the transaction on which you are working.





Buying Entity

A **buying entity** supplies a set of defaults that will govern the purchasing transactions generated within the entity. The values will default for all transactions created within that buying entity.

The buying entity is a unique code that establishes the agency's address and phone number within NCAS. Buying entities have been established for each agency. XXBG and XXEG have defaults oriented to the purchase of goods; XXBS and XXES have defaults established for purchasing services.

Each agency has at least four buying entities. They have the following structure:

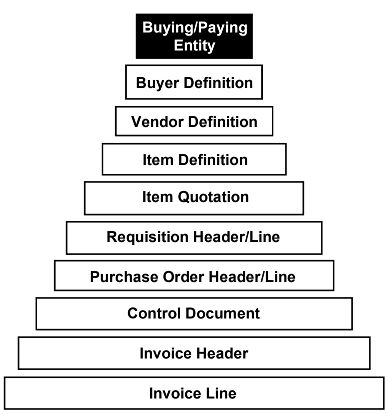
XXBG (XXEG) and XXBS (XXES)

XX	=	Agency identification number
B	=	Buying - - - **OR** - - - (E = E-Procurement Buying)
G	=	Purchases of goods
S	=	Purchases of services

For example,

- DPI uses 08BG and 08EG for purchases of goods.
- OSA uses 06BS and 06ES for purchases of services.

> Your agency may use additional buying entities if it has unique business requirements. For example, the Department of Correction established a third buying entity, 42BI, for the purchase of inventory. Additional buying entities must be reviewed and approved by the OSC to ensure compliance with the NCAS business model.



Paying Entity

An agency establishes a **paying entity** to achieve default values for processing invoices, credit memos, employee advances and payment transactions. A paying entity defines the set of rules that will govern the purchasing and accounts payable transactions generated within the entity. The rules default from the policy established for the entity.

A paying entity is a unique code that contains the agency name and address and the type of vendor that will be processed.

Each agency has at least two paying entities. They have the following structure:

XXPT and XXPE

NOTES

XX	=	Agency identification number
P	=	Paying
T	=	Trade vendor transactions
E	=	Employee vendor transactions

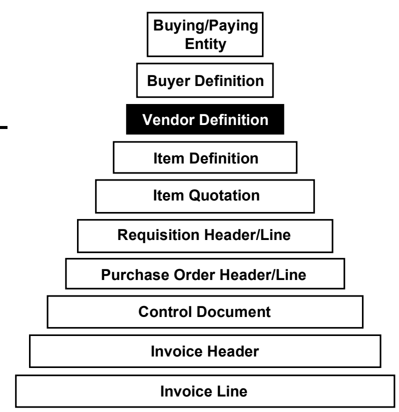
An agency is responsible for maintaining vendor information for its employees and non-trade vendors.

For example,

- DOI uses 12PT to pay a trade vendor.
- The OSC uses 14PE to pay employee advances.

> Your agency may use additional paying entities if it has unique business requirements. For example, Department of Revenue established a third paying entity, 45PN, to pay non-trade vendors. Additional paying entities must be reviewed and approved by the OSC to ensure compliance with the NCAS business model.

Vendor Definition



Although your agency establishes general vendor policy at the paying entity level, it may be overridden at the vendor definition level. After a vendor is initially added to the Statewide Trade Vendor File, the OSC sends a Vendor Payment Verification form to the vendor. The questionnaire asks the vendor to verify all information. For example, the vendor identifies his or her payment terms, which may be different from the default. This is where a vendor would establish payment terms if different from the entity default. The OSC then makes any changes or additions to the file, ensuring that all information is accurate and current. This process demonstrates how policy established at a higher level—in this case, the paying entity—is more general than the specific information entered at a lower level—in this case, the vendor definition level.

The policies set up in the Purchasing module also impact the accounts payable functions. For example, the controls governing an invoice (such as the allowable variance in the unit price of an item) are established in the Purchasing module. Purchasing policies are generally established at the buying entity level and overridden at the following levels by the buyer.

NOTES

SUMMARY

Having a policy hierarchy provides many benefits to the state and agencies. Because information defaults to all related transactions, less information needs to be entered during data entry and, therefore, fewer mistakes will be made. Two of the main benefits related to vendors include:

- Your agency can automatically and consistently apply general business policies to all transactions.
- Your agency has access to statewide vendor files, which contain statewide policies and defaults.

Vendor Overview

Overview

In the NCAS, a vendor record must exist before documents can be entered. During the payment process, it may be necessary to add and change vendors. There are three types of vendors that may be added or modified:

Trade vendors
Employee vendors
Non-trade vendors

- The Office of the State Controller maintains a Statewide Trade Vendor File. This statewide file allows agencies to share trade vendors and eliminates the need for duplicating vendors.
- Individual agencies maintain their own employee vendor files for travel advances and reimbursements.
- Individual agencies may also need to establish a non-trade vendor file in order to handle non-trade transactions such as scholarships and payments from subsystems.

Vendor Screens

There are six primary screens used in the vendor process. They include the following screens:

The *Vendor Setup* (VSU) screen
The *Vendor General Information* (VGN) screen
The *Vendor Payable Information* (VPN) screen
The *Vendor Short Name Lookup* (VSL) screen
The *Order From Vendor Setup* (VOS) screen
The *Remit To Vendor Setup* (VRS) screen

NOTES

The Vendor Setup (VSU) screen

```
OCP                            VENDOR SETUP                            VSU

NEXT FUNCTION: ________ ACTION: ________                 02/02/2006  10:34:07
REQUEST: ________
================================================================================
PAY ENTITY    : XXPT     VENDOR NO   :     043002439   GROUP        :  B
VENDOR NAME   : CABOT SAFETY CORPORATION               VENDOR TYPE  :  M
SHORT NAME    : CABOTSAFETYCORP                        EDI/FAX CODE :  _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: Y     FAX          :  800-488-8007
  ADDR LINE 1:  ______________________________    PHONE        :  ____________
  ADDR LINE 2:  ______________________________    STATE CODE   :  __   VAL:  _
  ADDR LINE 3:  ______________________________    POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________    OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________    OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________    OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _
  ADDR LINE 1:  ______________________________    PHONE        :  800-225-9038
  ADDR LINE 2:  PO BOX 18026B_________________    STATE CODE   :  MO   VAL:  Y
  ADDR LINE 3:  ST LOUIS                          POSTAL CODE  :  63160
  OPT ADDR  1:  LOCAL PHONE #:  508-764-5500      OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________    OPT STATE CD :  __   VAL:  _
  CONTACT    :  CUSTOMER SERVICE                  OPT POSTAL CD:  __________
PAYMENT TERMS:  ___                               VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____  VEND NBR: __________  GROUP NBR: __
```

The *VSU* screen is the vendor set-up screen for general information such as the federal tax id number, vendor name, address, phone/fax numbers, and contact information.

The Vendor General Information (VGN) screen

```
OCP                   VENDOR GENERAL INFORMATION                       VGN

NEXT FUNCTION: ________ ACTION: ________                 02/02/2006  10:41:08
REQUEST: ________
================================================================================

PAY ENTITY    : XXPT                          CABOT SAFETY CORPORATION
SHORT NAME    : CABOTSAFETYCORP               PO BOX 18026B
VENDOR NUMBER:  043002439 GROUP: B            ST LOUIS
                                              MO  63160

             CATEGORY CODES      1: ___   2: ___   3: ___   4: ___   5: ___
             DUNS NUMBER          : _________
             VENDOR FILING DATE   : __________
             D & B RATING         : __
             D & B APPRAISAL      : _
             QUESTIONNAIRE CODE   : Y
             NEXT QUEST. MAIL DATE: __________
             EST EXPENDITURE      : _________________
             NC CORPORATE ID NBR  : ____________________  VEND ADD:  02/16/1993
             USER FIELD 1         :
             USER FIELD 2         : ______________________________
```

The *VGN* screen is a general setup screen which includes HUB codes, order from county code, remit to county code, and vendor setup date information.

The Vendor Payable Information (VPN) screen

NOTES

```
OCP                   VENDOR PAYABLE INFORMATION                       VPN

NEXT FUNCTION: ________ ACTION: ________                    02/02/2006  10:39:40
REQUEST: ________
===============================================================================
PAY ENTITY    : XXPT                          CABOT SAFETY CORPORATION
SHORT NAME    : CABOTSAFETYCORP               PO BOX 18026B
VENDOR NUMBER:  043002439  GROUP: B           ST LOUIS
                                              MO  63160

DISCOUNT DELAY DAYS : ___                     PAYMENT DELAY DAYS     : ___
DOC ALERT MAX AMOUNT: _________________       COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : Y                       PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________              FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                     VAT INCLUSIVE          : N
SIGN APPROVAL CODES : ___ ___ ___ ___ ___     USE TAX                : ___
TAX ID NUMBER       : 043002439               TAX ID EXPIRATION DATE : __________
1099 CODE           : __                      1099 WITHHOLDING RATE  : _____
1099 PAYEE NAME     : ______________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________      TYPE : __
CORPORATE CREDIT CARD 2: _______________      TYPE : __
```

The *VPN* screen includes vendor pay information such as 1099 coding. It also displays if the company is “doing business as” another name. This screen also indicates if the vendor is set up for state and/or federal withholding.

The Vendor Short Name Lookup (VSL) screen

```
OCP                        VENDOR SHORT NAME LOOKUP                    VSL

NEXT FUNCTION: ________ ACTION: ________                    04/12/2006  11:27:25
REQUEST: ________
===============================================================================
   PAY ENTITY: XXPT
   SHORT NAME: CABOT@_________          ADDRESS TYPE: B    PRIVATE VENDORS : _
                                                           SHOW ALL        : _
  SHORT NAME       VENDOR NBR  GROUP     NAME                          ACTIVITY
     ORDER FROM ADDRESS                 REMIT TO ADDRESS

  CABOTSAFETYCORP   043002439   B       CABOT SAFETY CORPORATION          ____
    P.O. BOX 18026B                     P.O. BOX 18026B
    ST LOUIS                   MO       ST LOUIS                    MO










                   PAGE NO:    1   SCREEN STATUS: END OF LIST
```

The *VSL* screen is an inquiry only screen. You can search for a particular vendor or group of vendors utilizing the SHORT NAME field as a tool.

NOTES

The Order From Vendor Setup (VOS) screen

```
OCP                        ORDER FROM VENDOR SETUP                      VOS

NEXT FUNCTION: ________ ACTION: ________                   02/02/2006  09:47:50

================================================================================
PAY ENTITY    : XXPT
VENDOR NUMBER :  043002439
GROUP NUMBER  : B
SHORT NAME    : CABOTSAFETYCORP
VENDOR TYPE   : M                                 EDI/FAX CODE :
ORDER FROM NAME:  CABOT SAFETY CORPORATION        FAX          :
    ADDR LINE 1:                                  PHONE        :  800-225-9038
    ADDR LINE 2:  P.O. BOX 18026B                 STATE CODE   :  MO
    ADDR LINE 3:  ST LOUIS                        POSTAL CODE  :  63160
    OPT ADDR  1:  LOCAL PHONE #:  508-764-5500    OPT ADDR USE :
    OPT ADDR  2:  FAX #:  800-488-8007            OPT STATE CD :
    CONTACT    :  CUSTOMER SERVICE                OPT POSTAL CD:

      PAYMENT TERMS :       STATUS:     ORDER HOLD:

      --- CONSOLIDATED REPORTING INFORMATION ---
      PAY ENTITY    :                         CATEGORY CODE 1:
      VENDOR NUMBER :                         CATEGORY CODE 2:
      GROUP NUMBER  :                         CATEGORY CODE 3:
```

The *VOS* screen in an inqury only screen used to determine the order from address of a vendor. The search can be performed using either the VENDOR NUMBER/GROUP fields or the vendor SHORT NAME field.

The Remit To Vendor Setup (VRS) screen

```
OCP                         REMIT TO VENDOR SETUP                       VRS

NEXT FUNCTION: ________ ACTION: ________                   02/02/2006  09:48:45

================================================================================
PAY ENTITY    : XXPT
VENDOR NUMBER :  043002439
GROUP NUMBER  : B
SHORT NAME    : CABOTSAFETYCORP
VENDOR TYPE   : M
REMIT TO VENDOR NAME: CABOT SAFETY CORPORATION
    ADDR LINE 1:                                  PHONE        :  800-225-9038
    ADDR LINE 2:  P.O. BOX 18026B                 STATE CODE   :  MO
    ADDR LINE 3:  ST LOUIS                        POSTAL CODE  :  63160
    OPT ADDR  1:  LOCAL PHONE #:  508-764-5500    OPT ADDR USE :
    OPT ADDR  2:  FAX #:  800-488-8007            OPT STATE CD :
    CONTACT    :  CUSTOMER SERVICE                OPT POSTAL CD:
    1099 PAYEE :
      PAYMENT TERMS :       STATUS:     REMIT HOLD:

      --- CONSOLIDATED REPORTING INFORMATION ---
      PAY ENTITY    :                         CATEGORY CODE 1:
      VENDOR NUMBER :                         CATEGORY CODE 2:
      GROUP NUMBER  :                         CATEGORY CODE 3:
```

The *VRS* screen is an inquiry only screen used to display the remit to address of a particular vendor. This assists in determining where payments are sent.

Adding and Changing Vendors

NOTES

As previously stated, in the NCAS, a vendor record must exist before documents can be entered. During the payment process, it may be necessary to add and/or change vendors. The three types of vendors that may be added or modified are as follows:

Trade vendors
Employee vendors
Non-trade vendors

Two methods exist allowing the addition or modification of trade vendors. (Remember that non-trade and employee vendors are added and modified at the agency level.)

- To add a new vendor to NCAS, use the pay entity of VADD. The VADD pay entity sends the vendor to a temporary OSC vendor file. After verification from the OSC Help Desk, the vendor file is sent through the overnight production process.
- To change an existing vendor in NCAS, add new vendor information and fax documentation to the OSC Helpdesk at (919) 707-0795.
- Changes to zip code, phone numbers, and contact personnel are allowed. Call OSC Support Serivce to request the change. **NO** documentation needed.

Trade Vendors

Overview

Trade vendors are people and companies outside of your agency who provide goods and services.

Before entering a document in the NCAS, a trade vendor must exist in the Statewide Trade Vendor File. This file is established and maintained by the Office of the State Controller (OSC). In order to establish a trade vendor, the vendor's federal identification number or social security number must be known.

The following are Statewide Trade Vendor File characteristics:

- Acts as a master file that is shared by all agencies
- Contains essential information about vendors (such as a vendor's remit-to address)

After the OSC has added a vendor to the Statewide Trade Vendor File, it sends a Payment Verification Form to the vendor. This form requests the vendor to verify all information. If any information is incorrect or missing, the vendor is requested to correct or supply it. The OSC then makes any changes or additions to the file. This process ensures that all information in the Statewide Trade Vendor File is accurate and up-to-date.

Office of the State Controller
Return to:
Office of the State Controller
NCAS Vendor Payment Verification
1410 Mail Service Center
Raleigh, NC 27699-1410

Payment Verification Form

Telephone: (919)875-HELP (4357)

FAX: (919)981-5561

Section 6109 of the Internal Revenue Code requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest and certain other income paid to you. The IRS uses the numbers for identification purposes and to help verify the accuracy of your return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

Federal ID No./Social Security No. for Individuals (9 digits): 123456789
Name of Firm or Individual: TEACHING NCAS
If Sole Proprietorship, owners name: ____________________

Address for Ordering Goods and/or Services:

Fax Number: ____________________

Toll-Free Phone Number: ____________________

Area Code & Phone Number: ____________________

E-Mail Address: ____________________

County Name: ____________________

Contact: ____________________

Remittance Address (if different from above)

PO Box 1324
Raleigh NC
27609-4567

Area Code & Phone Number: 888-555-1234

Toll-Free Phone Number: ____________________

Fax Number: ____________________

County Name: ____________________

Contact: ____________________

Individual and Business Characteristics: (Please complete both Part I and Part II)

Part I: Check ALL that apply.
(Applicable to both individuals and businesses)

( ) Minority or Minority Owned
( ) Woman or Woman Owned
( ) Handicapped or Handicapped Owned
( ) None of the Above

Part II: Type of Business Structure
(Check ALL that apply)

( ) Individual
( ) Sole Proprietorship
( ) Government: ( ) Federal or ( ) State or ( ) Local
( ) School/College/University: ( ) Public or ( ) Private
( ) Partnership
( ) Corporation: (check ALL that apply)
  ( ) Not-for-Profit Corporation
  ( ) Sub-Chapter S Corporation
  ( ) Medical/Health Corporation

Does your business provide: ( ) Goods Only ( ) Services Only ( ) Both Goods and Services

Does your business provide medical services? ( ) Yes ( ) No

Form Completed By:
Signature: ____________________ **Title:** ____________________ **Date:** ________

NOTES

- **VADD** This is the pay entity utilized for vendor additions and name changes.

  🗁 For incorrect Federal ID/Social Security numbers and incorrect addresses, you must request the OSC NCAS Help Desk to inactivate the vendor and add a new vendor with the updated information.

The following walkthrough shows the process of requesting the OSC to add a vendor.

WALKTHROUGH: Requesting the Addition of a Trade Vendor

SCENARIO

Your agency wants to do business with Tectonics, Incorporated. Tectonics' federal ID number is XX9876543. The contact person is Randy James. Tectonics' address and phone number are as follows:

148 Elm Street
Suite 1200
Charlotte, NC 27106-2618
Toll-Free: 800-755-9877
Local: 336-967-4531

Before entering any documents, check the Statewide Trade Vendor File to see if the vendor exists.

Remember, you learned how to log on to the system during the *NCAS Basics* (CBT) course.

```
               ******    ***     ********      *****     ***** ***
               *** ***   ***    ***    ***    *******    **********
               ***  ***  ***   ***           ***   ***    ****   **
               ***   *** ***   ***          ***     ***     ****
               ***    ** ***   ***          ***********  **  *****
               ***     *****    ***    ***  ****   ****  **********
               ***      ****     ********   ****   ****  *** *****

                    NORTH CAROLINA ACCOUNTING SYSTEM - O REGION
                                      MAIN MENU

                               A - PAYROLL/PERSONNEL
                               B - FINANCIAL SYSTEMS
                               C - MANUFACTURING SYSTEMS
                               D - HEALTH CARE
                               E - INFORMATION EXPERT

                       ENTER THE SYSTEM TYPE YOU DESIRE:




 ACTION ____                                            DCI Release 94.01.CF
```

NOTES

1. Access the NCAS and type **b** for Financial Systems in the ENTER THE SYSTEM TYPE YOU DESIRE field and press Enter.

```
             ******    ***     ********       *****      ***** ***
             *** ***   ***    ***    ***     *******     **********
             ***  ***  ***   ***            ***   ***     ****   **
             ***   *** ***   ***           ***     ***      ****
             ***    ** ***   ***           ***********   **  *****
             ***     *****    ***    ***   ****   ****   **********
             ***      ****     ********    ****   ****   *** *****

                  NORTH CAROLINA ACCOUNTING SYSTEM - O REGION
                              FINANCIAL SYSTEMS

       03 - GENERAL LEDGER                      12 - FOREIGN EXCHANGE
       04 - ACCOUNTS RECEIVABLE                 13 - PROJECT TRACKING
       05 - ACCOUNTS PAYABLE AND                14 - PURCHASING
            PURCHASE ORDER CONTROL              15 - ORDER PROCESSING
       06 - ACCOUNTS PAYABLE                    17 - SALES FORECASTING / DRP
       07 - INVENTORY                           21 - FINANCIAL CONTROLLER
       08 - FIXED ASSETS                        22 - EDI
       09 - BUDGETARY CONTROL
       10 - FORECASTING AND MODELING

                    ENTER THE SYSTEM NUMBER YOU DESIRE: (2)

ACTION ____                                         DCI Release 94.01.CF
```

2. Type **06** in the ENTER THE SYSTEM NUMBER YOU DESIRE field and press Enter to access the *Accounts Payable (APM)* screen.

```
OCP AP                         ACCOUNTS PAYABLE                        APM

NEXT FUNCTION: (3)_____ ACTION: ________                01/03/2006  15:06:46
================================================================================

           FUNCTIONS                               SETUP/MAINTENANCE

     ACTIVITY    DESCRIPTIONS                 ACTIVITY    DESCRIPTIONS
     ========    ============                 ========    ============
       DEM       DOCUMENT ENTRY                 CPM       COMMON POLICY
       DMM       DOCUMENT MAINTENANCE           CVM       COMMON VENDOR
       DIM       DOCUMENT INQUIRY               SMM       SYSTEM MAINTENANCE
       PYM       PAYMENT CONTROLS
       BRM       BANK RECONCILIATION
       BEM       BUDGETARY EXCEPTIONS
```

3. Type **vsl** in the NEXT FUNCTION field and press Enter to access the *Vendor Short Name Lookup (VSL)* screen.

NOTES

```
OCP                        VENDOR SHORT NAME LOOKUP                     VSL

NEXT FUNCTION: 6_____ ACTION: ________                    04/12/2006  15:40:56
REQUEST: ________
===============================================================================
   PAY ENTITY: 4_
   SHORT NAME: 5____________        ADDRESS TYPE: _    PRIVATE VENDORS : _
                                                       SHOW ALL        : _
  SHORT NAME        VENDOR NBR  GROUP     NAME                    ACTIVITY
     ORDER FROM ADDRESS                  REMIT TO ADDRESS










                   PAGE NO:        SCREEN STATUS: ____________
```

4. Type your **trade paying entity (XXPT)** in the PAY ENTITY field.

5. Type **tec@** in the SHORT NAME field and press Enter to view the *VSL* screen. The symbol "@" allows you to type part of a vendor name to access all vendors beginning with the letters "t-e-c."

> When the SCREEN STATUS field at the bottom of the screen says **MORE**, additional pages of information exist. Press Enter to scroll to the next page and access this information.
>
> You can scroll up or down on the *VSL* screen. DOWN is the default direction. To scroll UP, type **UP** in the REQUEST field and press Enter. You are able to scroll up to ten pages at one time. For example, type **DOWN3** or **DN3** in the REQUEST field and press Enter to scroll down 3 pages. To return to the top of the list, type **TOP** or **T** in the REQUEST field and press Enter.

Note that Tectonics is not listed on the *VSL* screen.

6. Type **vsu** in the NEXT FUNCTION field and press Enter to access the *Vendor Setup (VSU)* screen and request the addition of Tectonics as a vendor.

NOTES

```
OCP                            VENDOR SETUP                        VSU

NEXT FUNCTION: ________ ACTION: ________              01/03/2006  16:48:07
REQUEST: ________
===============================================================================
PAY ENTITY   :  _     VENDOR NO   : __________     GROUP        :  __
VENDOR NAME  :  ___________________________        VENDOR TYPE  :
SHORT NAME   :  _______________                    EDI/FAX CODE :  _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: _    FAX          :  __________
  ADDR LINE 1:  ______________________________   PHONE        :  ____________
  ADDR LINE 2:  ______________________________   STATE CODE   :  __    VAL:  _
  ADDR LINE 3:  ______________________________   POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __    VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _
  ADDR LINE 1:  ______________________________   PHONE        :  __________
  ADDR LINE 2:  ______________________________   STATE CODE   :        VAL:  _
  ADDR LINE 3:  ______________________________   POSTAL CODE  :  ________
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __    VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
PAYMENT TERMS:  ___                              VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____  VEND NBR: __________  GROUP NBR: __
```

7. Type **vadd** in the PAY ENTITY field. VADD is a temporary storage area. All new trade vendors are filed here until they are added to the Statewide Trade Vendor File.

8. Type **XX9876543** in the VENDOR NO field. Remember that the vendor number is the vendor's federal ID or social security number.

9. Type **tectonics incorporated** in the VENDOR NAME field. The name prints on the check exactly as it is typed here.

   Spell out the name of the vendor as far as the VENDOR NAME field allows. If necessary, use the ADDRESS LINE 1 field for continuation of the name.

10. Type **d** in the VENDOR TYPE field to indicate that Tectonics is a *direct* vendor. In other words, a purchase order will not be issued.

> The default for the VENDOR TYPE field is **D** for *direct* vendor. If the vendor is a *matching* vendor (grant, contract, or motor fleet), an **M** must be typed in the VENDOR TYPE field. The agency must then notify the OSC that the vendor is grant, contract, or motor fleet in one of the optional address line fields.

> Do not enter any data in the SHORT NAME field. Allow the data from the VENDOR NAME field to default in the SHORT NAME field. Any further modifications to this field will be made by the OSC Help Desk. This is for Trade vendors only. You must type employee vendor's name in reverse order (last name first). It does not default correctly.

NOTES

11. Type **828-345-6789** the FAX field. This field is optional.

It is no longer necessary to enter data in the ORDER FROM fields. The ORDER FROM data is added when an E-procurement vendor is selected for use on a purchase order. The vendor's ORDER FROM data is "pushed" to NCAS from E-procurement.

12. Type **800-755-9877** in the PHONE field of the REMIT TO section. If there is a toll-free number, it should always be entered in the PHONE field.

13. Type **148 elm st ste 1200** in the ADDR LINE 2 field.

    🗁 Use standard postal abbreviations wherever appropriate. See the online NCAS System Information Guide (SIG) for a complete listing of postal abbreviations in the Vendors section.

14. Type **nc** in the STATE CODE field.

15. Type **charlotte** in the ADDR LINE 3 field.

    🗁 Always type the city in the ADDR LINE 3 field, even if it means that you have to leave the ADDR LINE 1 field blank. Only ADDR LINE 2 and ADDR LINE 3 fields print on the purchase order and check.

> Do not use slashes ("/") anywhere in your vendor request. This could cause the vendor record to be corrupted and unusable. For "in care of" recipients, use the REMIT MSG field on the *IWS-1T* screen. For telephone numbers, use dashes. If you have any questions regarding the establishment of a vendor request, please call the NCAS Support Services at 919-707-0795.

16. Type **27106-2618** in the POSTAL CODE field.

    🗁 The nine-digit zip code is required.

> Complete zip code numbers can be located on the United States Postal Services' web site: http://www.usps.gov/zip4

17. Type **phone #: 336-967-4531** in the OPT ADDR 1 field. The OPT ADDR fields are used to enter other information about a vendor, such as a second phone number.

NOTES

> The code that you enter in the OPT ADDR USE field instructs the NCAS to print certain address lines. You can type one of the following two codes:
>
> **1** Prints selected address lines:
> opt addr 1
> opt addr 2
>
> **2** Prints all address lines:
> addr line 1
> addr line 2
> opt addr 1
> opt addr 2
> addr line 3

18. Type **your name, full phone number** in the OPT ADDR 2 field.

    Example: Jane – 828-358-3546 @DOJ-JA

> You must type your name, full telephone number (with area code if outside of Raleigh), and agency-division in the OPT ADDR 2 field. This will ensure that the OSC Support Services Help Desk can reach you if further information is required to process vendor requests.

19. Type **randy james** in the CONTACT field.

20. Press Enter. The following message is displayed on your screen: **VENDOR HAS BEEN ADDED TO THE SYSTEM. HIT ENTER!!!**

21. Press Enter to send your request to the OSC.

You have now requested that the OSC add a vendor to the Statewide Trade Vendor File. The OSC will act on your request as soon as possible. You have two business days to complete the vendor add.

Foreign Vendors

Foreign vendors do not have standard tax identification numbers as vendors in the United States. When adding a foreign vendor, the VADD pay entity should be used, just as when adding trade vendors. However, “foreign” should be typed in the VENDOR NO field as the tax ID number. All Foreign vendor requests must be approved by OSC’s Foreign National Support Section/Team. The OSC Help Desk assigns the vendor number after receiving the added file from the agency.

Be sure to type N in the VAL field for the state code. State codes are only for the United States.

NOTES

```
N23                            VENDOR SETUP                               VSU

NEXT FUNCTION: ________ ACTION: ________                01/02/2006  13:50:44
REQUEST: ________
===============================================================================
PAY ENTITY   : VADD    VENDOR NO   :    FOREIGN     GROUP        :  __
VENDOR NAME  : 49TH WEST GAMES INCORPORATED         VENDOR TYPE  :  D
SHORT NAME   : 49THWGAMESINCOR                      EDI/FAX CODE :  _
--- ORDER FROM ---   HOLD: _   DEFAULT ADDR: N    FAX          :  ____________
  ADDR LINE 1:  ______________________________    PHONE        :  ____________
  ADDR LINE 2:  ______________________________    STATE CODE   :  __    VAL:  _
  ADDR LINE 3:  ______________________________    POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________    OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________    OPT STATE CD :  __    VAL:  _
  CONTACT    :  ______________________________    OPT POSTAL CD:  __________
--- REMIT  TO  ---   HOLD: _
  ADDR LINE 1:  ______________________________    PHONE        :  ____________
  ADDR LINE 2:  18156 69TH AVE________________    STATE CODE   :  __    VAL:  N
  ADDR LINE 3:  SURREY CANADA ________________    POSTAL CODE  :  VES 9C7
  OPT ADDR  1:  ______________________________    OPT ADDR USE :  _
  OPT ADDR  2:  REQ: CAROLYN@DCR 807-1234_____    OPT STATE CD :  __    VAL:  _
  CONTACT    :  ______________________________    OPT POSTAL CD:  __________
PAYMENT TERMS:  ___                               VENDOR STATUS:  _
 CONSL REPORTING INFO  -  PAY ENTITY: ____   VEND NBR: __________  GROUP NBR: __
```

Contact the OSC NCAS Help Desk at (919) 707-0795 if you have any questions regarding the addition of a foreign vendor.

Employee Vendors

Overview

An **employee vendor** is an employee to whom your agency pays expense reimbursements or travel advances. Each agency is responsible for establishing and maintaining employee vendors. The OSC requires that the employee's social security number be used as the vendor number.

Employee vendors are established under the following paying entity:

XXPE

XX	=	agency identification number
PE	=	employee payable

Short names for employee vendors should be set up on the *Vendor Setup* (*VSU)* screen with the last name first (e.g., Smithjohn). Remember that spaces and punctuation are *not* typed in the SHORT NAME field.

The date the vendor is to be added to the system should be entered on the *Vendor General Information (VGN)* screen in the VEND ADD field. The date for this field must entered as 8 digits (for example, September 15, 2006 would be entered as 09152006).

After keying in the employee information on the *VSU* screen, the social security ID number needs to be entered on the *Vendor Payable Information (VPN)* screen. The TAX ID NUMBER field must be completed on the *VPN* screen to avoid inadvertent backup tax withholding.

WALKTHROUGH: Adding an Employee Vendor

SCENARIO

Michael Miller will be traveling and receiving expense checks. He needs to be entered into the system as an employee vendor. His social security number is 022-03-0444. His address and phone number are:

180 West State Street
Charlotte, NC 28128-4857
Phone: 704-983-0002

Before entering a travel advance or employee reimbursement, check the employee vendor file to see if the vendor exists.

NOTES

1. Type **vsl** in the NEXT FUNCTION field and press [Enter] to access the *Vendor Short Name Lookup (VSL)* screen.

```
OCP                         VENDOR SHORT NAME LOOKUP                      VSL

NEXT FUNCTION:   _____ ACTION: ________                    04/12/2006  15:40:56
REQUEST: ________
===============================================================================
   PAY ENTITY:   _
   SHORT NAME:   ____________         ADDRESS TYPE: _    PRIVATE VENDORS : _
                                                         SHOW ALL        : _
  SHORT NAME       VENDOR NBR  GROUP     NAME                        ACTIVITY
     ORDER FROM ADDRESS                 REMIT TO ADDRESS










                    PAGE NO:        SCREEN STATUS: ____________
```

2. Type **your *employee* paying entity (XXPE)** in the PAY ENTITY field.

3. Type **mill@** in the SHORT NAME field and press [Enter] to view the *VSL* screen. The symbol “@” allows you to type part of an employee’s name to access all employees beginning with the letters “m-i-l-l.”

4. Scroll down the list to find the employee’s name.

Note that Michael Miller’s name is not listed.

5. Type **vsu** in the NEXT FUNCTION field and press [Enter] to access the *Vendor Setup (VSU)* screen and add Michael Miller as a vendor.

NOTES

```
OCP                            VENDOR SETUP                          VSU

NEXT FUNCTION: 17_____ ACTION: ________               01/03/2006  11:04:36
REQUEST: 16_____
================================================================================
PAY ENTITY   : XXPE     VENDOR NO   :  6_______    GROUP        :  __
VENDOR NAME  : 7___________________________        VENDOR TYPE  : 8
SHORT NAME   : 9____________                       EDI/FAX CODE :  _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: _    FAX          :  ____________
  ADDR LINE 1:  ______________________________   PHONE        :  ____________
  ADDR LINE 2:  ______________________________   STATE CODE   :  __   VAL:  _
  ADDR LINE 3:  ______________________________   POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _
  ADDR LINE 1:  ______________________________   PHONE        : 10_________
  ADDR LINE 2: 11_____________________________   STATE CODE   : 12    VAL:  _
  ADDR LINE 3: 13_____________________________   POSTAL CODE  : 14_______
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
PAYMENT TERMS:  ___                              VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____  VEND NBR: __________  GROUP NBR: __
```

6. Type **022030444** in the VENDOR NO field.

7. Type **michael miller** in the VENDOR NAME field.

8. Type **e** in the VENDOR TYPE field to indicate that this is an *employee* vendor.

9. Type **millermichael** in the SHORT NAME field.

   For trade vendor files, you do not type any data in the SHORT NAME field. Because employee vendor files are not sent to the OSC, you must type a name in the SHORT NAME field that can be used to search for and retrieve the employee vendor file.

10. Type **704-983-0002** in the PHONE field of the REMIT TO section.

11. Type **180 w state st** in the ADDR LINE 2 field.

12. Type **nc** in the STATE CODE field.

13. Type **charlotte** in the ADDR LINE 3 field.

14. Type **28128-4857** in the POSTAL CODE field.

15. Press Enter to complete the entry.

16. Type **g** in the REQUEST field and press Enter to display the vendor record.

17. Type **vgn** in the NEXT FUNCTION field and press Enter to access the *Vendor General Information (VGN)* screen.

NOTES

```
OCP                   VENDOR GENERAL INFORMATION                       VGN
218 - PLEASE ENTER DESIRED REQUEST

NEXT FUNCTION:   _____ ACTION: ________                  01/03/2006  11:20:45

REQUEST:   _____
===============================================================================

PAY ENTITY   : XXPE
SHORT NAME   : _______________
VENDOR NUMBER: 022030444  GROUP: __


             CATEGORY CODES      1: ___   2: ___   3: ___   4: ___   5: ___
             DUNS NUMBER          : _________
             VENDOR FILING DATE   : __________
             D & B RATING         : __
             D & B APPRAISAL      : _
             QUESTIONNAIRE CODE   : ____
             NEXT QUEST. MAIL DATE: __________
             EST EXPENDITURE      : _________________

             NC CORPORATE ID NBR  : ____________________  VEND ADD:   _______
             USER FIELD 1         : ______________________________
             USER FIELD 2         : ______________________________
```

18. Type today's date in the VEND ADD field to indicate the date you are adding the vendor to your agency's employee vendor file. Be sure to type the date as an 8-digit number. (For example, September 15, 2006 would be typed 09152006.)

19. Press Enter to add the date and to clear the screen. The message **218 - PLEASE ENTER DESIRED REQUEST** is displayed on the screen.

20. Type **g** in the REQUEST field and press Enter to display the vendor record.

21. Type **vpn** in the NEXT FUNCTION field and press Enter to access the *Vendor Payable Information (VPN)* screen.

NOTES

```
OCP                    VENDOR PAYABLE INFORMATION                        VPN
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                   01/03/2006  11:31:46
                 23
REQUEST: _____
===============================================================================
PAY ENTITY    : XXPE                        MICHAEL MILLER
SHORT NAME    : _______________
VENDOR NUMBER:  022030444  GROUP: __        CHARLOTTE
                                            NC  28128-4857

DISCOUNT DELAY DAYS : ___                   PAYMENT DELAY DAYS      : ___
DOC ALERT MAX AMOUNT: _________________     COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                     PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________            FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                   VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___   USE TAX                : ___
                      22
TAX ID NUMBER       : _________________ TAX ID EXPIRATION DATE : __________
1099 CODE           : __                    1099 WITHHOLDING RATE  : _____
1099 PAYEE NAME     : ______________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________    TYPE : __
CORPORATE CREDIT CARD 2: _______________    TYPE : __
```

22. Type **022030444** in the TAX ID NUMBER field and press Enter to complete adding the vendor. The message **218 – PLEASE ENTER DESIRED REQUEST** is displayed on your screen.

You have now added an employee vendor to your agency's employee vendor file.

23. Type **g** in the REQUEST field and press Enter to verify that the tax ID number has been entered correctly.

> The *Vendor Setup* (*VSU)* screen may display the following message when you are trying to add a vendor: **VENDOR ALREADY EXISTS**. If this happens, type **G** in the REQUEST field and press Enter. The vendor information is then displayed on the *VSU* screen.

> To change the file for an existing employee vendor, perform the following steps:
>
> 1. Type **vsu** in the NEXT FUNCTION field and press Enter to access the *Vendor Setup (VSU)* screen.
> 2. Type **c** in the REQUEST field.
> 3. Type **the paying entity (XXPE)** in the PAY ENTITY field.
> 4. Type **the employee's short name** in the SHORT NAME field and press Enter. (You can also type the first four letters of the employee's last name followed by the @ symbol in the SHORT NAME field or type the employee's social security number in the VENDOR NO field.)
> 5. Type **your changes** and erase any extra characters.
> 6. Press Enter to make the change.

Non-trade Vendors

Overview

Non-trade vendors are vendors to whom payments are made for transactions other than purchased goods and services. Your agency may need to pay vendors for non-trade transactions. Each agency decides what is classified as a non-trade transaction. For example, some agencies classify scholarships as non-trade transactions.

A non-trade transaction is handled in a non-trade paying entity. Unlike trade vendors, non-trade vendors are not shared with other agencies.

The OSC requires that the vendor's federal ID number or social security number be used as the vendor number.

Short names for non-trade vendors should be set up on the *Vendor Setup (VSU)* screen. You should set up vendors who are individuals with the last name first (e.g., Smithjohn). Remember that spaces and punctuation are *not* typed in the SHORT NAME field.

Adding a non-trade vendor requires entries on three screens:

- The *Vendor Setup (VSU)* screen is used to set up the vendor's name, short name, address, and telephone information.
- The *Vendor General Information (VGN)* screen is used to indicate the remit-to county information, as well as indicate special characteristics of the vendor (e.g., woman-owned, minority, non-profit, etc.) that are reported statewide.
- The *Vendor Payable Information (VPN)* screen is used to set up 1099 and backup withholding information. The FEDERAL TAX ID field must be completed on this screen to avoid inadvertent backup withholding.

If an individual or company is doing business under another name, you will want to enter both names into the NCAS. On the *VSU* screen, enter the name that should appear on the checks in the VENDOR NAME field. On the *VPN* screen, enter the other vendor name in the 1099 PAYEE NAME field. This will ensure that any applicable reporting is done with the correct name.

For example, you want to add vendor XYZ Incorporated DBA (doing business as) ABC Company. On the *VSU* screen, type **ABC Company** in the VENDOR NAME field and on the *VPN* screen, type **XYZ Inc** in the 1099 PAYEE NAME field.

You cannot delete a non-trade vendor. You can inactivate a non-trade vendor so that this vendor can no longer be used. To inactivate a vendor, type an **I** in the VENDOR STATUS field on the *VSU* screen.

NOTES

WALKTHROUGH: Adding a Non-Trade Vendor

> ***SCENARIO***
>
> You need to add Jill Martin to your non-trade paying entity. Ms. Martin lives in Wake County. Her remit-to address and phone number are:
>
> 190 Basswood Road
> Cary, North Carolina 27513-6235
> Phone: 919-380-9995
>
> Her social security number is 033-04-0555. The payment terms for this vendor are NET.

1. Type **vsl** in the NEXT FUNCTION field and press Enter to access the *Vendor Short Name Lookup (VSL)* screen.

```
OCP                        VENDOR SHORT NAME LOOKUP                     VSL

NEXT FUNCTION: 4_____ ACTION: ________                   04/12/2006  15:40:56
REQUEST: ________
================================================================================
   PAY ENTITY: 2E
   SHORT NAME: 3____________          ADDRESS TYPE: _    PRIVATE VENDORS : _
                                                         SHOW ALL        : _
  SHORT NAME       VENDOR NBR  GROUP     NAME                        ACTIVITY
     ORDER FROM ADDRESS                  REMIT TO ADDRESS

                   PAGE NO:        SCREEN STATUS: ____________
```

2. Type **your non-trade paying entity (XXPN)** in the PAY ENTITY field.

3. Type **martin@** in the SHORT NAME field and press Enter to view the *VSL* screen. The symbol “@” allows you to type part of a vendor name to access all vendors beginning with the letters “martin.”

Note that Jill Martin is not listed on the *VSL* screen.

4. Type **vsu** in the NEXT FUNCTION field and press Enter to access the *Vendor Setup (VSU)* screen and request the addition of Jill Martin as a vendor.

NOTES

```
OCP                              VENDOR SETUP                             VSU

NEXT FUNCTION: 19_____ ACTION: ________                 01/03/2006  13:17:33
REQUEST: 18_____
================================================================================
PAY ENTITY   : 5N     VENDOR NO   :  6_______    GROUP        : 7
VENDOR NAME  : 8___________________________     VENDOR TYPE  : 9
SHORT NAME   : 10____________                   EDI/FAX CODE :  _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: _   FAX          :  ____________
  ADDR LINE 1:  ______________________________  PHONE        :  ____________
  ADDR LINE 2:  ______________________________  STATE CODE   :  __   VAL:  _
  ADDR LINE 3:  ______________________________  POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________  OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________  OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________  OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _
  ADDR LINE 1:  ______________________________  PHONE        :  11_________
  ADDR LINE 2:  12____________________________  STATE CODE   :  13   VAL:  _
  ADDR LINE 3:  14____________________________  POSTAL CODE  :  15_______
  OPT ADDR  1:  ______________________________  OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________  OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________  OPT POSTAL CD:  __________
PAYMENT TERMS:  16                              VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____   VEND NBR: __________   GROUP NBR: __
```

5. Type **the non-trade paying entity (XXPN)** in the PAY ENTITY field. Your agency and the OSC will determine your agency's non-trade paying entity. For purposes of this course, we will use XXPN as the non-trade paying entity.

6. Type **033040555** in the VENDOR NO field.

7. Type **01** in the GROUP field. The number indicates the vendor's location.

8. Type **jill martin** in the VENDOR NAME field.

9. Type **d** in the VENDOR TYPE field to indicate that Ms. Martin is a *direct* vendor.

10. Type **martinjill** in the SHORT NAME field.

    Because non-trade vendors are not added by the OSC, use a name in the SHORT NAME field that can be used to search for and retrieve this non-trade vendor.

11. Type **919-380-9995** in the PHONE field of the REMIT TO section.

12. Type **190 basswood rd** in the ADDR LINE 2 field.

13. Type **nc** in the STATE CODE field.

14. Type **cary** in the ADDR LINE 3 field.

15. Type **27513-6235** in the POSTAL CODE field.

NOTES

> Always include the additional four digits in the zip code. Complete zip code numbers can be located on the United States Postal Services' web site: http://www.usps.gov/zip4

16. Type **net** in the PAYMENT TERMS field.

17. Press Enter to add this vendor to your non-trade paying entity and to clear the screen.

18. Type **g** in the REQUEST field and press Enter to display the vendor record.

19. Type **vgn** in the NEXT FUNCTION field and press Enter to access the *Vendor General Information (VGN)* screen.

```
OCP                       VENDOR GENERAL INFORMATION                      VGN
218 - PLEASE ENTER DESIRED REQUEST

NEXT FUNCTION: 23 _____  ACTION: ________                  01/03/2006  13:55:06

REQUEST: 22 ________
===============================================================================

PAY ENTITY    : XXPN
SHORT NAME    : _______________
VENDOR NUMBER: 033040555   GROUP: 01


             CATEGORY CODES      1: ___   2: ___   3: ___   4: ___   5: ___
             DUNS NUMBER          : _________
             VENDOR FILING DATE   : __________
             D & B RATING         : __
             D & B APPRAISAL      : _
             QUESTIONNAIRE CODE   : ____
             NEXT QUEST. MAIL DATE: __________
             EST EXPENDITURE      : _________________

             NC CORPORATE ID NBR  : ____________________  VEND ADD: 20 _______
             USER FIELD 1         : ______________________________
             USER FIELD 2         : ______________________________
```

20. Type today's date in the VEND ADD field to indicate the date you are adding the vendor to your agency's non-trade vendor file. Be sure to type the date as an 8-digit number. (For example, September 15, 2006 would be typed 09152006.)

> The codes entered in the CATEGORY CODES fields are used to generate reports about vendors used by NC state agencies. The **first three** CATEGORY CODES fields are used to input one or more **vendor characteristics** such as female-owned business, minority owned business, non-profit organization, etc. The codes that you need to enter in these first three fields can be found on the *Description Table (DTL)* screen.
>
> Type **999** in the CATEGORY CODE 5 field to indicate that a vendor is an out of state vendor.

NOTES

21. Press Enter to add the vendor add date and to clear the screen. The message **218 - PLEASE ENTER DESIRED REQUEST** is displayed on the screen.

    Note that if you change the vendor's city/county address, the *VGN* screen must be correspondingly changed.

22. Type **g** in the REQUEST field and press Enter to display the vendor record.

23. Type **vpn** in the NEXT FUNCTION field and press Enter to access the *Vendor Payable Information (VPN)* screen.

```
OCP                      VENDOR PAYABLE INFORMATION                        VPN
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                   01/03/2006  14:02:37
REQUEST: ________
===============================================================================
PAY ENTITY    : XXPN
SHORT NAME    : _______________
VENDOR NUMBER: 033040555  GROUP: 01


DISCOUNT DELAY DAYS : ___                 PAYMENT DELAY DAYS      : ___
DOC ALERT MAX AMOUNT: _________________   COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                   PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________          FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                 VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___ USE TAX                : ___

TAX ID NUMBER       : ___________________ TAX ID EXPIRATION DATE : __________

1099 CODE           :                     1099 WITHHOLDING RATE  : _____
1099 PAYEE NAME     : ______________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________  TYPE : __
CORPORATE CREDIT CARD 2: _______________  TYPE : __
```

24. Type **033040555** in the TAX ID NUMBER field.

    If there is not a tax ID number in this field, transactions to this vendor may be put on 1099 hold. This would require the AP clerk to release payments.

25. Type **no** in the 1099 CODE field and press Enter to complete the addition of the vendor to your non-trade paying entity. The message **218 - PLEASE ENTER DESIRED REQUEST** is displayed on the screen.

E-Pay Vendors

Electronic Payments

The E-payments process for vendors in shared trade entities (XXPT) is handled by the OSC. All non-shared entities, such as employees, are controlled by the agency. The *VPY* screen is the only additional screen that must be completed for E-payments. **It is absolutely critical that this screen be completed accurately so that payments can be deposited correctly.** With each E-payment, an e-mail or fax is sent to notify the vendor or employee that a payment has been made. Vendors or employees that do not have an e-mail address or fax number must continue to receive paper checks.

Security & Completion of *VPY* Screen

The *VPY* screen should be carefully secured within your agency. Only one person and one backup person should have access. The OSC requires a security form completed for each person that has access to this screen. The individuals that have access to the *VPY* screen are responsible for the correct deposit of money into an employee's or non-trade vendor's bank account. For security purposes, the OSC has developed audit reports that record all additions and changes to this screen and the operator ID that made them.

An example of a completed *VPY* screen follows:

```
OCP                    VENDOR BANK ACCOUNT PAYMENT METHOD                VPY

NEXT FUNCTION: ________ ACTION: ________                     01/12/2006 11:45:00
REQUEST: g_______
===============================================================================
PAY ENTITY        : XXPE                        RICK PETERSON
SHORT NAME        : EPAYMENT VENDOR             PO BOX 5555
VENDOR NUMBER     :  123456789  GROUP: __       RALEIGH
PAYMENT METHOD    : USCK      BAP CODE: ___

         -------  DESTINATION BANK INFORMATION OVERRIDE  -------

               ACCOUNT NUMBER       : 444444444444
               ACCOUNT NAME         : BANK ACCOUNT NAME
               BANK ROUTING NUMBER  : 123456789
               NAME LINE 1          : BANK NAME 1
               NAME LINE 2          : BANK NAME 2
               ADDRESS LINE 1       : BANK ADD LINE 1
               ADDRESS LINE 2       : BANK ADD LINE 2
               ADDRESS LINE 3       : BANK ADD LINE 3
               POSTAL CODE          : 27699-1234     SAVINGS ACCT:  N
               PRENOTE              : _
               STANDARD ENTRY CLASS : ___
E PAY INFO: E RPETERSON@NCOSC.NET
```

NOTES

The OSC has added a security feature to the NCAS. During nightly processing the bank account number is blanked out from on-line viewing and from the dataframes used for IE reporting. The day after the transaction is entered the phrase BANK ACCOUNT MOVED TO SECURE FILE is placed in the account number field.

```
OCP                    VENDOR BANK ACCOUNT PAYMENT METHOD                VPY

NEXT FUNCTION: ________ ACTION: ________                  01/12/2006 14:58:52
REQUEST: G_______
===============================================================================
PAY ENTITY         : XXPE                         ROBERT SMITH
SHORT NAME         : SMITHROBERT                  5555 FIFTH AVE N
VENDOR NUMBER      :  333333333  GROUP: A         RALEIGH
PAYMENT METHOD     : USCK      BAP CODE: ___

         -------  DESTINATION BANK INFORMATION OVERRIDE  -------

               ACCOUNT NUMBER       : BANK ACCOUNT MOVED TO SECURE FILE
               ACCOUNT NAME         : BOB'S CHECKING ACCOUNT
               CODE                 : 050505050
               NAME LINE 1          : XYZ NATIONAL BANK
               NAME LINE 2          : ______________________________
               ADDRESS LINE 1       : 100 MAIN STREET
               ADDRESS LINE 2       : ______________________________
               ADDRESS LINE 3       : RALEIGH, NC
               POSTAL CODE          : 27613-1234     SAVINGS ACCT:  N
               PRENOTE              : _
               STANDARD ENTRY CLASS : ___
E PAY INFO: E RSMITH@NCOSC.NET
```

Security Feature

Before the *VPY* screen can be completed, the employee/vendor must exist in the NCAS following normal procedures. If the individual is already getting paper checks, the *VPY* screen is the only additional screen to be completed. The information on this screen and an explanation of each field follows:

PAY ENTITY	The employee pay entity or other non-trade entity where your employees or other non-trade vendors are located, i.e. XXPE.
SHORT NAME	The short name that is assigned to the vendor; the employee's short name as it is defined on the *VSU* screen. May be used to pull up the vendor information when creating this record instead of the vendor number below.
VENDOR NUMBER	The vendor number assigned on *VSU*. This should be the employee's SS# or the vendor's TIN (Taxpayer Identification Number).
GROUP	A group identifier such as A or B if applicable.
PAYMENT METHOD	Must always be USCK.
BAP CODE	Must be left blank.
ACCOUNT NUMBER	The bank account number of the employee's checking or savings account where the payment is to be deposited. It is also the last group of numbers on the individual's check; the group of numbers following the bank routing code. **Do not include any spaces**.

NOTES

ACCOUNT NAME	Name that describes this bank account; the vendor's name.
BANK ROUTING NUMBER	Bank routing code. Found in the encoding at the bottom of all checks. Group of nine numbers. On personal checks, it is the first group of numbers. On the OSC checks, it is the number following the check number.
NAME LINE 1	Name of the employee's bank; i.e., First Union.
NAME LINE 2	Second name of employee's bank, if applicable.
ADDRESS LINE 1	Address line 1 of employee's bank.
ADDRESS LINE 2	Address line 2 of employee's bank.
ADDRESS LINE 3	Address line 3 of employee's bank.
POSTAL CODE	Zip code of employee's bank.
SAVINGS ACCOUNT	If the account is a savings account instead of a checking account, this must be a "Y". "N" defaults and means the account referenced is a checking account.
PRENOTE	Leave this field blank.
STANDARD ENTRY CLASS	Leave this field blank.
E PAY INFO	This is a two-part field. The first position can be either an E, F, or I. An E means the individual wants to be notified of the payment via e-mail and an e-mail address must be entered in the spaces following. An F means the person wants to be notified via FAX and the FAX number must be entered in the fields after the F. When an F is entered in the first field, it forces you to put the fax number in the correct format, XXX-XXX-XXXX. Keying an I in the first position inactivates this record once it has been created. This forces a paper check to be printed rather than an electronic payment.

> It is the responsiblitiy of each agency to maintain the PE and PN vendors for all epayment information. This includes setting up the epayment as well as maintaining the email address for notification. If a notification is returned to the OSC for a PE or PN vendor, the notification will be returned to the agency for correction.

The following walkthrough demonstrates how to complete the *Vendor Bank Account Payment Method (VPY)* screen to set a vendor up for e-payment.

NOTES

WALKTHROUGH: Entering Bank Account Payment Information on the *VPY Screen*

SCENARIO

You have received documentation (by means of a Vendor Electonic Payment Form) to set up Mike Abrams as an e-pay vendor. Mike has elected to have his electronic payment deposited to his savings account. He has provided all the necessary information to complete this exercise. You need to add Mike as a non-trade vendor and complete the VPY (Vendor Bank Account Payment Method) screen.

Office of the State Controller
Return to: **NCAS Help Desk**
Address: 1410 Mail Service Center
Raleigh, NC 27699-1410

Vendor Electronic Payment Form

Telephone: 919-875-4357

Fax: 919-981-5561

For your convenience and benefit, the State of North Carolina offers payees the opportunity to receive future payments electronically, rather than by check. Your payments will be deposited into the checking or savings account of your choice. In addition to having the money deposited electronically, you also will be notified of the deposit either by fax or by email. The fax or email will provide you with all the information that would normally be on your check stub. To receive payments electronically, you must print, complete this form, attach a voided check and return both to the address above.

- **PRINT the following information.**

Payee Name: Michael R Abrams

Federal ID # / Social Security #: 678912345

Bank Name: Training Bank

Bank Routing Number: 053000219

( ) Checking Account #: ____

(**X**) Savings Account #: 123045607890

Remit Address(es) for Applicable Account(s): 902 Dunwoody Dr, Raleigh, NC 27678

- **FAX or EMAIL ADDRESS for payment notification.** (Place a check mark in front of the method of notification that you prefer.)

( ) FAX # (__ __ __) __ __ __ - __ __ __ __

Or

(**X**) Email address: mikeabrams@nomail.com

Authorized Signature: *Michael R Abrams* Date: 05-24-06

Title: Landscape Designer

- **ATTACH VOIDED CHECK**

1. Type **vsu** in the NEXT FUNCTION field and press [Enter] to access the *Vendor Vendor Setup Screen (VSU)* screen.

NOTES

```
OCP                            VENDOR SETUP                           VSU

NEXT FUNCTION: 15 _____ ACTION: ________                 01/12/2006  14:39:58
REQUEST: 14 _____
================================================================================
PAY ENTITY   : 2 _    VENDOR NO   :   3 _______    GROUP         : __
VENDOR NAME  : 4 ___________________________       VENDOR TYPE   : 5
SHORT NAME   : 6 ____________                      EDI/FAX CODE  : _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: _    FAX           : ____________
  ADDR LINE 1:  ______________________________   PHONE         : ____________
  ADDR LINE 2:  ______________________________   STATE CODE    : __    VAL: _
  ADDR LINE 3:  ______________________________   POSTAL CODE   : __________
  OPT ADDR  1:  ______________________________   OPT ADDR USE  : _
  OPT ADDR  2:  ______________________________   OPT STATE CD  : __    VAL: _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _
  ADDR LINE 1:  ______________________________   PHONE         : 7 _________
  ADDR LINE 2:  8 ___________________________    STATE CODE    : 9     VAL: _
  ADDR LINE 3:  10 __________________________    POSTAL CODE   : 11 _______
  OPT ADDR  1:  ______________________________   OPT ADDR USE  : _
  OPT ADDR  2:  ______________________________   OPT STATE CD  : __    VAL: _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
PAYMENT TERMS:  12                               VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____  VEND NBR: __________  GROUP NBR: __
```

2. Type **xxpn** in the PAY ENTITY field.
3. Type **678912345** in the VENDOR NO field.
4. Type **michael r abrams** in the VENDOR NAME field.
5. Type **d** in the VENDOR TYPE field.
6. Type **abramsmichaelr** in the SHORT NAME field.
7. Type **919-785-5555** in the PHONE field.
8. Type **902 dunwoody dr** in the ADDR LINE 2 field.
9. Type **nc** in the STATE CODE field.
10. Type **raleigh** in the ADDR LINE 3 field.
11. Type **27678-2040** in the POSTAL CODE field.
12. Type **net** in the PAYMENT TERMS field.
13. Press Enter to process the *VSU* screen.
14. Type **g** in the REQUEST field and press Enter to display the record.
15. Type **vgn** in the NEXT FUNCTION field.

NOTES

```
OCP                    VENDOR GENERAL INFORMATION                     VGN

NEXT FUNCTION: 19_____ ACTION: ________                02/02/2006  10:41:08
REQUEST: 18_____
==============================================================================

PAY ENTITY   : XXPN
SHORT NAME   : ABRAMSMICHAELR_
VENDOR NUMBER:  678912345 GROUP: __


             CATEGORY CODES      1: ___   2: ___   3: ___   4: ___   5: ___
             DUNS NUMBER          : _________
             VENDOR FILING DATE   : __________
             D & B RATING         : __
             D & B APPRAISAL      : _
             QUESTIONNAIRE CODE   : _
             NEXT QUEST. MAIL DATE: __________
             EST EXPENDITURE      : _________________
             NC CORPORATE ID NBR  : ____________________  VEND ADD: 16________
             USER FIELD 1         :
             USER FIELD 2         : ______________________________
```

16. Type **today's date** in the VEND ADD field. (Remember that this is an 8-digit field format.)

17. Press Enter to process the *VGN* screen.

18. Type **g** in the REQUEST field and press Enter to display the record.

19. Type **vpn** in the NEXT FUNCTION field and press Enter to access the *Vendor Payable Information (VPN)* screen.

NOTES

```
OCP                    VENDOR PAYABLE INFORMATION                        VPN

NEXT FUNCTION: 24_____ ACTION: ________                   02/02/2006  10:39:40
REQUEST: 23_____
===============================================================================
PAY ENTITY   : XXPN                         MICHAEL R ABRAMS
SHORT NAME   : ABRAMSMICHAELR_
VENDOR NUMBER:  678912345 GROUP: __         RALEIGH
                                            NC  27678-2040

DISCOUNT DELAY DAYS : ___                   PAYMENT DELAY DAYS     : ___
DOC ALERT MAX AMOUNT: _________________     COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                     PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________            FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                   VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___   USE TAX                : ___
TAX ID NUMBER       : 20_______             TAX ID EXPIRATION DATE : __________
1099 CODE           : 21                    1099 WITHHOLDING RATE  : _____
1099 PAYEE NAME     : ______________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________    TYPE : __
CORPORATE CREDIT CARD 2: _______________    TYPE : __
```

20. Type **678912345** in the TAX ID NUMBER field.
21. Type **no** in the 1099 CODE field.
22. Press [Enter] to process the *VPN* screen.
23. Type **g** in the REQUEST field and press [Enter] to display the record.
24. Type **vpy** in the NEXT FUNCTION field and press [Enter] to access the *Vendor Bank Account Payment Method (VPY)* screen.

NOTES

```
OCP                  VENDOR BANK ACCOUNT PAYMENT METHOD                VPY
P17 - BANK ACCOUNT PAYMENT METHOD REQUIRED
NEXT FUNCTION: ________ ACTION: ________                      01/12/2006
REQUEST: ________
================================================================================
PAY ENTITY        : XXPN
SHORT NAME        : ABRAMSMICHAELR
VENDOR NUMBER     : 678912345    GROUP: __
                   25
PAYMENT METHOD    :  _       BAP CODE: ___

         -------  DESTINATION BANK INFORMATION OVERRIDE  -------

                                     26
               ACCOUNT NUMBER      :  ________________________________
                                     27
               ACCOUNT NAME        :  ___________________________
                                     28
               BANK ROUTING NUMBER :  _________________
                                     29
               NAME LINE 1         :  ___________________________
               NAME LINE 2         : ______________________________
               ADDRESS LINE 1      : ______________________________
               ADDRESS LINE 2      : ______________________________
               ADDRESS LINE 3      : ______________________________
                                                                 30
               POSTAL CODE         : __________     SAVINGS ACCT:
               PRENOTE             : _
               STANDARD ENTRY CLASS : ___
             31  32
E PAY INFO:          ______________________________________________________
```

25. Type **usck** in the PAYMENT METHOD field.

> The BAP CODE field must be left blank when setting up an electronic payment.

26. Type **123045607890** in the ACCOUNT NUMBER field.

27. Type **michael r abrams** in the ACCOUNT NAME field.

28. Type **053000219** in the BANK ROUTING NUMBER field.

29. Type **training bank** (the name of the bank) in the the NAME LINE 1 field.

30. Type **y** (yes) in the SAVINGS ACCT field to indicate the electronic deposit is to go to Mike's savings account.

    The default for the SAVINGS ACCT field is **N** (no), indicating the checking account should be credited with the electronic deposit.

31. Type **e** in the first blank of the E PAY INFO field to indicate how Mike requests to receive his confirmation of the deposit.

> The options for the E PAY INFO field are as follows:
>
> **F** Fax
> **E** E-mail
> **I** Inactivate
>
> The E-mail option is preferred by the OSC.

32. Type **mikeabrams@nomail.com** in the second blank of the E PAY INFO field and press Enter to set Mike Abrams up to receive electronic payments.

NOTES

```
OCP                    VENDOR BANK ACCOUNT PAYMENT METHOD                VPY

NEXT FUNCTION: ________ ACTION: ________                    06/29/2004  13:55:29
REQUEST:    _____
================================================================================
PAY ENTITY        : XXPN
SHORT NAME        : ABRAMSMICHAELR
VENDOR NUMBER     :  678912345   GROUP: __
PAYMENT METHOD    :    _      BAP CODE: ___

         -------  DESTINATION BANK INFORMATION OVERRIDE  -------

               ACCOUNT NUMBER       : ___________________________________
               ACCOUNT NAME         : ______________________________
               BANK ROUTING NUMBER  : ____________________
               NAME LINE 1          : ______________________________
               NAME LINE 2          : ______________________________
               ADDRESS LINE 1       : ______________________________
               ADDRESS LINE 2       : ______________________________
               ADDRESS LINE 3       : ______________________________
               POSTAL CODE          : __________     SAVINGS ACCT:   _
               PRENOTE              : _
               STANDARD ENTRY CLASS : ___
E PAY INFO: _ ___________________________________________________________
```

33. Type a **g** in the REQUEST field.

34. Type **usck** in the PAYMENT METHOD field and press Enter to display the *VPY* screen and verify that all data has been correctly entered.

1099 Vendors

Overview

In order to comply with Internal Revenue Service (IRS) tax requirements, all state agencies must report non-employee compensation to the IRS on a calendar-year basis. A **1099 vendor** is a vendor for whom you must report payment for *services* to the Internal Revenue Service (IRS).

This section explains how to establish 1099 vendors in the NCAS.

🗁 For a more extensive study of 1099 vendors and 1099 processes, you should register for the *1099 Processing* class. Check the *NCAS System Information Guide* for class content, prerequisites, and class availability.

Establishing 1099 Vendors

Establishing vendor 1099 information is the first step in the 1099 process. A 1099 vendor can be a trade or a non-trade vendor. Based on information supplied by a trade vendor, OSC establishes the appropriate 1099 code for that vendor. Agencies are responsible for setting the appropriate 1099 code for non-trade vendors.

The following are categories of 1099 vendors that may need to receive a 1099:

- Individuals
- Sole proprietorships
- Partnerships
- Medical/health corporations

1099 Trade Vendors

From the *Adding and Changing Vendors* section, remember that **trade vendors** are people and companies outside of your agency who provide goods and services to your agency. Trade vendors are primarily engaged in providing the goods and/or services typically purchased by your agency.

Before entering a document in the NCAS, a trade vendor must exist in the Statewide Trade Vendor File. This file is established and maintained by the Office of the State Controller (OSC). In order to establish a trade vendor, the vendor's tax identification number (TIN) must be known.

NOTES

After the OSC has added a trade vendor to the Statewide Trade Vendor File, OSC sends a *Payment Verification Form* to the vendor. The vendor indicates whether he or she is a 1099 vendor and returns the questionnaire to the OSC. If the vendor is a *possible* 1099 vendor, the OSC sets the 1099 code on the *Vendor Payable Information (VPN)* screen to “NO.” The “NO” code indicates to the agency that the vendor may be a 1099 vendor and prompts the agency to enter an appropriate 1099 code for each 1099 reportable invoice line. For all invoices for this vendor, the 1099 “NO” code defaults to the 99 field on the *Invoice Worksheet 1 (IWS-1T)* screen. Also, the message **076-VENDOR MAY BE 1099 ELIGIBLE** is displayed at the top of the screen.

- If an invoice line *is* a 1099 transaction, you must override the default code “NO” with the appropriate 1099 code. The codes identifying these transactions are listed on the *1099 Codes List* (*TNL)* screen or in **QRG 3: 1099 Codes List**.
- If the invoice line is *not* a 1099 transaction, do not override or delete the “NO.”

1099 Non-Trade Vendors

A **non-trade vendor** is a vendor to whom payments are made for other than purchased goods or services. For example, awards are typically made to non-trade vendors. As with a trade vendor, a non-trade vendor must exist in the NCAS before a transaction can be entered. Since non-trade vendors are not shared with other agencies, each agency is responsible for correctly setting up its non-trade vendors. 1099 information for non-trade vendors is set up using the *VPN* screen.

For a non-trade vendor, a 1099 code can be entered on the *VPN* screen. If entered, the 1099 code defaults to every transaction for that vendor. You can also enter a “NO” on the *VPN* screen to flag the vendor as a *possible* 1099 vendor.

- If the invoice line *is* a 1099 transaction, you must override the default code “NO” on the invoice screen with the appropriate 1099 code.
- If the invoice line is *not* a 1099 transaction, do not override or delete the “NO.”

There are some cases where an individual or partnership is doing business under another name. For example, John Smith may call his sole proprietorship Smith Company. Both names would be entered in the NCAS. The company name is entered in the VENDOR NAME field on the *Vendor Setup (VSU)* screen which means this name would print on the check. The individual’s name is entered in the 1099 PAYEE NAME field on the *Vendor Payable Information (VPN)* screen. This will ensure correct 1099 reporting and prevent possible fines from the IRS.

The following walkthrough demonstrates how to designate a non-trade vendor as a 1099 vendor.

WALKTHROUGH: Adding a Non-Trade 1099 Vendor

NOTES

> ***SCENARIO***
>
> Add the following vendor to your non-trade paying entity.
>
> Dr. Barbara Laker
> 831 West Morgan St.
> Raleigh, NC 27611-2863
>
> This vendor is a 1099 vendor. You need to indicate that she will receive medical payments. She would like the name of her clinic, Laker Medical Office, to print on the checks.
>
> Her social security number is 333-44-5555.

1. Type **VSU** in the NEXT FUNCTION field and press Enter to access the *Vendor Setup (VSU)* screen.

```
OCP                            VENDOR SETUP                             VSU

NEXT FUNCTION: 16_____ ACTION: ________               01/12/2006  11:34:20
REQUEST: 15_____
================================================================================
PAY ENTITY   : 2_     VENDOR NO   : 3_________    GROUP        : 4
VENDOR NAME  : 5___________________________       VENDOR TYPE  : 6
SHORT NAME   : 7____________                      EDI/FAX CODE :  _
--- ORDER FROM ---  HOLD: _   DEFAULT ADDR: _    FAX          :  ____________
  ADDR LINE 1:  ______________________________   PHONE        :  ____________
  ADDR LINE 2:  ______________________________   STATE CODE   :  __   VAL:  _
  ADDR LINE 3:  ______________________________   POSTAL CODE  :  __________
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________
--- REMIT  TO  ---  HOLD: _

  ADDR LINE 1:  ______________________________   PHONE        :  8__________

  ADDR LINE 2:  9_____________________________   STATE CODE   :  10   VAL:  _

  ADDR LINE 3:  11____________________________   POSTAL CODE  :  12_______
  OPT ADDR  1:  ______________________________   OPT ADDR USE :  _
  OPT ADDR  2:  ______________________________   OPT STATE CD :  __   VAL:  _
  CONTACT    :  ______________________________   OPT POSTAL CD:  __________

PAYMENT TERMS: 13                                VENDOR STATUS:  _
CONSL REPORTING INFO  -  PAY ENTITY: ____   VEND NBR: __________   GROUP NBR: __
```

2. Type **your non-trade paying entity (XXPN)** in the PAY ENTITY field.

3. Type **333445555** in the VENDOR NO field.

4. Type **A** in the GROUP field. The letter indicates the vendor's location.

5. Type **laker medical office** in the VENDOR NAME field.

   Laker Medical Office is the name Dr. Laker wants to display on the check. For 1099 purposes, your agency needs to report the information under the name Barbara Laker, since it is her social security number. Her name will be entered on another screen.

NOTES

6. Type **D** in the VENDOR TYPE field to indicate that Ms. Laker is a *direct* vendor.

7. Type **lakermedicaloff** in the SHORT NAME field.

8. Type **919-715-3253** in the PHONE field of the REMIT TO section.

9. Type **831 w morgan st** in the ADDR LINE 2 field.

   Because this is not a matching vendor, you need to enter the address information in the REMIT TO section of the screen.

10. Type **NC** in the STATE CODE field.

11. Type **raleigh** in the ADDR LINE 3 field.

12. Type **27611-0831** in the POSTAL CODE field.

13. Type **n30** (or a calculated payment due date) in the PAYMENT TERMS field.

14. Press Enter to add this vendor to your non-trade paying entity and to clear the screen.

15. Type **g** in the REQUEST field and press Enter to display the vendor record.

16. Type **VGN** in the NEXT FUNCTION field and press Enter to access the *Vendor General Information (VGN)* screen.

> The system may pull in an incorrect short name for this record. The correct short name is being stored for this record. Delete the incorrect short name and proceed with processing the vendor.

```
OCP                      VENDOR GENERAL INFORMATION                       VGN
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: (20)_____ ACTION: ________                  01/12/2006  11:53:50
REQUEST: (19)_____
===============================================================================

PAY ENTITY   : XXPN                          LAKER MEDICAL OFFICE
SHORT NAME   : LAKERMEDICALOFF
VENDOR NUMBER: 333445555 GROUP: a


             CATEGORY CODES      1: ___   2: ___   3: ___   4: ___   5: ___
             DUNS NUMBER          : _________
             VENDOR FILING DATE   : __________
             D & B RATING         : __
             D & B APPRAISAL      : _
             QUESTIONNAIRE CODE   : ____
             NEXT QUEST. MAIL DATE: __________
             EST EXPENDITURE      : _________________

             NC CORPORATE ID NBR  : ____________________  VEND ADD: (17)_______
             USER FIELD 1         : ______________________________
             USER FIELD 2         : ______________________________
```

NOTES

17. Type **today's date** in the VEND ADD field to track the date of the addition of the vendor to the system.

    The year must be typed as a four-digit year, ie., 02262006.

18. Press Enter to add the vendor add date and to clear the screen.

19. Type **g** in the REQUEST field and press Enter to display the vendor record.

20. Type **VPN** in the NEXT FUNCTION field and press Enter to access the *Vendor Payable Information (VPN)* screen.

```
OCP                   VENDOR PAYABLE INFORMATION                       VPN
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                   01/12/2006  11:59:45
REQUEST: ________
===============================================================================
PAY ENTITY    : XXPN                        LAKER MEDICAL OFFICE
SHORT NAME    : LAKERMEDICALOFF
VENDOR NUMBER: 333445555  GROUP:  A         RALEIGH
                                            NC  27611-0831

DISCOUNT DELAY DAYS : ___                   PAYMENT DELAY DAYS     : ___
DOC ALERT MAX AMOUNT: _________________     COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                     PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________            FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                   VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___   USE TAX                : ___

TAX ID NUMBER       : 21_________________   TAX ID EXPIRATION DATE : __________

1099 CODE           : 22                    1099 WITHHOLDING RATE  : _____

1099 PAYEE NAME     : 23___________________________ 1099 USE NAME: 24
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________    TYPE : __
CORPORATE CREDIT CARD 2: _______________    TYPE : __
```

21. Type **333445555** in the TAX ID NUMBER field to identify Dr. Laker's social security number.

22. Type **NO** in the 1099 CODE field.

    By typing **NO** in the 1099 CODE field on the *VPN* screen, you have flagged the vendor as a *possible* 1099 vendor. This means that whenever a transaction for this vendor is entered in the NCAS, the system displays the following warning message: **076 - VENDOR MAY BE 1099 ELIGIBLE**.

23. Type **Barbara Laker** in the 1099 PAYEE NAME field.

24. Type **Y** in the 1099 USE NAME field.

    This field is required when the 1099 PAYEE NAME field is filled in. You receive an error message if you do not complete this field.

25. Press Enter to process the information and clear the screen.

NOTES

> With 1099 reporting, it is very important to match the vendor’s name with his or her federal identification number or social security number. The IRS may fine your agency for each 1099 that is issued incorrectly.

1099 Employee Vendors

An employee that has been established under an employee paying entity should not be a 1099 vendor. However, an employee established as a trade or non-trade vendor may be a 1099 vendor. (Expense reimbursements that are not related to an employee’s job should be reported in a trade or non-trade paying entity.)

🗁 For example, an employee in your agency provides catering services to other agencies. If this employee has been established as a non-trade vendor in order to receive expense reimbursements, he or she may be 1099 reportable for payment of catering services.

> Some agencies include their board members in their employee paying entity. Board members may need to be issued 1099’s and should be marked accordingly.

Backup Withholding Vendors

Backup Withholding

Under certain circumstances, your agency is required to withhold taxes from vendor checks.

State Withholding

The state requires 4% withholding of any amount paid for personal services provided by a nonresident contractor in connection with a performance, entertainment, an athletic event, a speech or the creation of a film, radio, or television program.

Compensation of more than $1500 during a calendar year paid to a nonresident contractor performing the above services shall be subject to the law. Withholding is not required if a nonresident entity obtains a certificate of authority from the Secretary of State.

Federal Withholding

The Internal Revenue Service requires 28% withholding from vendor payments under certain circumstances. The most common one that an AP clerk would encounter is the refusal to supply a Taxpayer Identification Number (TIN). If a vendor is unwilling to provide you with a valid federal identification number or social security number, you are required to withhold 28% on every payment to that vendor.

Withholding on payment controls are established at the vendor level. The OSC sets the controls for trade vendors. It is the responsibility of each agency to notify NCAS Support Services if an out-of-state vendor requires flagging for withholding due to the type of services they offer.

Agencies are responsible for setting the controls for non-trade vendors. To initiate withholding for a non-trade vendor:

- Type **yesterday's date** in the TAX ID EXPIRATION DATE field on the *Vendor Payable Information (VPN)* screen.

  This date *must* be entered in MM/DD/YYYY format.

- Type the **withholding percentage** in the 1099 WITHHOLDING RATE field on the *VPN* screen. The rates are:
  - **28%** for federal withholding only
  - **4%** for state withholding only
  - **32%** for both state and federal withholding

NOTES

- Type the **appropriate mini-chart indicator** in the 1099 WITHHOLD field on the *Vendor Default Distribution (VDD)* screen. The mini-chart indicator determines how the accounting entries post. The indicators are:

  — **950** for federal withholding only
  — **951** for state withholding only
  — **952** for both state and federal withholding

```
OCP                        VENDOR DEFAULT DISTRIBUTION                    VDD
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                   02/02/2006  14:47:35
REQUEST: ________
===============================================================================
PAY ENTITY   : ____
SHORT NAME   : _______________
VENDOR NUMBER: __________  GROUP: __

 DISTRIBUTION INDICATORS  . . . .  EXPENSE       : ___   PAYABLES     : ___
                                   DISCOUNT      : ___   FREIGHT      : ___
                                   TAX/VAT       : ___   VARIANCE     : ___
                                   ADD COST      : ___   1099 WITHHOLD: ___
                                   BNK ACCT PYMT : ___   EMP ADVANCE  : ___
                                   CURR GAIN/LOSS: ___   ACCOUNT RULE : __

 GL EXPENSE DISTRIBUTION  . . . .  COMPANY       : ____
                                   ACCOUNT       : __________________
                                   CENTER        : ____________
                                   VALIDATE OPT  : _

 PROJECT ACCOUNTING INFORMATION . . REQUIRED     : _
                                   COMPANY       : ____
                                   NUMBER        : ____________
```

Withholding is only applied to those invoice lines that are flagged with a 1099 code. Any of the usual 1099 codes cause withholding to occur, if the vendor record has been appropriately flagged. Because state withholding applies to some corporations, there are times when state withholding must occur on transactions that are not reported on a 1099. For these transactions, the **ST** code must be used. Invoice lines marked with ST incur withholding and state reporting, but are not included in federal 1099 processing.

The following form is an example of the NCAS Backup Withholding Form to be completed for trade vendors for whom backup withholding is to be activated.

NCAS Backup Withholding Form
Trade Vendors

Agency Name: ______________________________

Vendor Name: ____________________ Vendor Number: ____________

☐ Start Federal Backup Withholding (28%) ☐ Stop Federal Backup Withholding

☐ Start State Backup Withholding (4%) ☐ Stop State Backup Withholding

☐ Start Non Resident Alien Withholding (30%) ☐ Stop Non Resident Alien Withholding

Please check the appropriate Box to Start Backup Withholding:

☐ Vendor will not provide their taxpayer identification number (TIN).

☐ B Notice returned because of undeliverable address.

☐ No receipt of W-9 form by date on First B Notice.

☐ No receipt of IRS letter 147C or SSA form 7028 by date on Second B Notice.

☐ Non Resident Alien.

Please check the appropriate Box to Stop Backup Withholding:

☐ Vendor provided a taxpayer identification number (TIN).

☐ Vendor provided a deliverable address.

☐ Receipt of current W-9 form.

☐ Receipt of IRS letter 147C or SSA 7028 form.

☐ No longer a Non Resident Alien.

Please attach any documentation to support the above request.

____________________ ____________________ ____________

Signature Printed Name Date

OSC Use Only

Date Received: ____________ ☐ Verify Files ☐ Withholding On

☐ Update System ☐ Withholding Off

Date Completed: ____________ Completed by: ____________________

If you have any questions about this form, contact the OSC NCAS Support Services at 875-HELP (4357)
Fax # (919)981-5561

Revised: 11/04

NOTES

WALKTHROUGH: Setting up a Vendor for Backup Withholding

> ***SCENARIO***
>
> You have been notified that Barbara Laker's clinic, Laker Medical Office, is subject to federal withholding.
>
> You will need to set her up for backup withholding.

1. Type **VPN** in the NEXT FUNCTION field and press Enter to access the *Vendor Payable Information (VPN)* screen.

```
OCP                   VENDOR PAYABLE INFORMATION                      VPN
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                 01/17/2006  14:50:59

REQUEST: _____
===============================================================================

PAY ENTITY   : _

SHORT NAME   : ____________

VENDOR NUMBER: _______   GROUP: __


DISCOUNT DELAY DAYS : ___                 PAYMENT DELAY DAYS     : ___
DOC ALERT MAX AMOUNT: _________________   COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                   PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________          FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                 VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___ USE TAX                : ___
TAX ID NUMBER       : ____________________ TAX ID EXPIRATION DATE : __________
1099 CODE           : __                  1099 WITHHOLDING RATE  : _____
1099 PAYEE NAME     : _____________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________  TYPE : __
CORPORATE CREDIT CARD 2: _______________  TYPE : __
```

2. Type **XXPN** in the PAY ENTITY field.

3. Type **lakermed@** in the SHORT NAME field.

4. Delete any data that has defaulted into the VENDOR NUMBER and/or GROUP fields.

5. Type **C** in the REQUEST field and press Enter to obtain the vendor information in the *change* mode.

NOTES

```
OCP                     VENDOR PAYABLE INFORMATION                        VPN

NEXT FUNCTION:    _____ ACTION: ________                   01/17/2006  14:50:59
REQUEST:     _____
================================================================================
PAY ENTITY    : XXPN                       WAKE PEDIATRIC CLINIC
SHORT NAME    : LAKERMEDICALOFF
VENDOR NUMBER:  333445555  GROUP: A        RALEIGH
                                           NC  27611-0831

DISCOUNT DELAY DAYS : ___                  PAYMENT DELAY DAYS      : ___
DOC ALERT MAX AMOUNT: _________________    COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : Y                    PAYMENT PRINT SEQUENCE : __________
FACTOR NUMBER       : __________           FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                  VAT INCLUSIVE          : N
SIGN APPROVAL CODES : ___ ___ ___ ___ ___  USE TAX                : ___
TAX ID NUMBER       : 333445555            TAX ID EXPIRATION DATE :   _______

1099 CODE           : NO                   1099 WITHHOLDING RATE  :   __
1099 PAYEE NAME     : BARBARA LAKER                  1099 USE NAME: Y
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________   TYPE : __
CORPORATE CREDIT CARD 2: _______________   TYPE : __
```

6. Type **02282006** in the TAX ID EXPIRATION DATE field.

   This date *must* be entered in MM/DD/YYYY format.

   Normally you enter yesterday's date in the TAX ID EXPIRATION DATE field. For purposes of the training environment today, use the set date of 02132006.

7. Type **28.00** in the 1099 WITHHOLDING RATE field to set the withholding percentage at 28%.

   To withhold state taxes only, type **4.00**. To withhold both state and federal, type **32.00**.

8. Press Enter to complete entry and process the changes.

9. Type **g** in the REQUEST field and press Enter to display the vendor record.

10. Type **VDD** in the NEXT FUNCTION field and press Enter to access the *Vendor Default Distribution (VDD)* screen.

NOTES

```
OCP                     VENDOR DEFAULT DISTRIBUTION                   VDD
218 - PLEASE ENTER DESIRED REQUEST
NEXT FUNCTION: ________ ACTION: ________                 01/17/2006  15:02:25
REQUEST: ________
===============================================================================
PAY ENTITY    : XXPN
SHORT NAME    : _______________
VENDOR NUMBER: 333445555   GROUP: A

 DISTRIBUTION INDICATORS  . . . .  EXPENSE       : ___   PAYABLES     : ___
                                   DISCOUNT      : ___   FREIGHT      : ___
                                   TAX/VAT       : ___   VARIANCE     : ___
                                   ADD COST      : ___   1099 WITHHOLD: 11
                                   BNK ACCT PYMT : ___   EMP ADVANCE  : ___
                                   CURR GAIN/LOSS: ___   ACCOUNT RULE : __

 GL EXPENSE DISTRIBUTION  . . . .  COMPANY       : ____
                                   ACCOUNT       : __________________
                                   CENTER        : ____________
                                   VALIDATE OPT  : _

 PROJECT ACCOUNTING INFORMATION . . REQUIRED      : _
                                   COMPANY       : ____
                                   NUMBER        : ____________
```

11. Type **950** in the 1099 WITHHOLD field and press Enter to indicate that you are withholding federal taxes from this vendor.

    If you are withholding state taxes, type **951** in the 1099 WITHHOLD field. If you are withholding both state and federal taxes, type **952** in the 1099 WITHHOLD field. This indicator controls the account to which the withheld amount is posted.

You have now set Barbara Laker for Federal withholding.

Factored Vendors

The OSC Policy for Payment Factoring/ Assignment

It is the policy of the State to accept invoices from the party with whom the State has contracted, either via a formal contract or through a formal purchase order. Invoices sent from a third party will not be processed for payment.

With sufficient authorization (proof of assignment), the State will issue payments to a third party to whom the contractor has assigned or factored the transaction receivable(s). A clause in a signed contract assigning payment to a third party is considered sufficient justification, as in a formal letter, on the contractor's letterhead, authorizing third-party payment, and signed by a company executive. In addition, agencies can accept from a legal entity recognized by the State, a written request for third-party payment, citing the legal proceeding that requires the State to factor payments from one entity to another.

NCAS Procedures for Payment Factoring/ Assignment

A **factor** vendor for NCAS purposes is a vendor who receives a payment on behalf of another vendor. **Both vendors must exist in the NCAS for a payment to be factored**.

For trade vendors (XXPT) and other shared entities, the OSC NCAS Help Desk sets up the vendor as a factor payment. Official notice of proof of assignment as stated in the OSC Policy on Payment Factoring/Assignment must be given to the OSC Help Desk by the contracted vendor or by the requesting agency on behalf of the contracted vendor. The OSC Help Desk keeps the original document of all proof of assignments for trade vendors. The proof of assignments must be on hand before a factor vendor will be added.

For non-trade vendors (XXPN), XXPE and other non-shared entities, each agency is responsible for adding the factor vendors and must keep the original document of all proof of assignments. Agencies should contact the OSC NCAS Help Desk at (919) 707-0795 for help adding the factor vendor.

There are two methods available for factoring payments to vendors. Both methods require that the factor vendor be set up as a factor vendor in the NCAS. To set up a factor vendor in NCAS, follow normal procedures for setting up a vendor. The only additional step is to enter an **F** in the VENDOR STATUS field on the *Vendor Setup (VSU)* screen for the vendor receiving the payment.

NOTES

The first method for factoring payments is used when **ALL** payments going to the contracted vendor must go to the factor vendor. The NCAS term used for this is a “permanent factor.” The permanent factor vendor is tied to the contracted vendor by entering the permanent factor’s vendor number and group code on the *Vendor Payable Information (VPN)* screen. Once the vendor has been set up in this manner, all payments going to the vendor are sent to the factor vendor. The *Vendor Permanent Factor Lookup (VFL)* screen below displays vendors that have been set up as permanent factors. In the example below, both D & L Equipment, Inc and Family Home & Garden are sending their payments to Farm Plan.

```
OCP                      VENDOR PERMANENT FACTOR LOOKUP                 VFL

NEXT FUNCTION: ________ ACTION: ________                   02/02/2006  10:19:30

================================================================================
 PAY ENTITY       : XXPT
 FACTOR SHORT NAME: FARMPLAN
 FACTOR NUMBER    :  362927535  GROUP: A

      SHORT NAME     VENDOR NBR  GROUP   NAME AND ADDRESS             ACTIVITY

    DLEQUIPMENTINC     561417853   A     D & L EQUIPMENT INC              _

                                         ROXBORO,              NC

    FAMILYHOMEGARDE    561554368   C     FAMILY HOME & GARDEN INC         _
                                         500 CORPORATE CENTER DR
                                         RALEIGH,              NC




                   PAGE NO:        SCREEN STATUS:
```

The second method of factoring payments is used when some payments are paid to the factored vendor and some are paid to the contracted vendor. The factor’s vendor number is recorded on each individual invoice when the factored vendor is to be paid. The *Invoice Worksheet 1 (IWS-1T)* screen is completed as normal. The only difference is that on the *Invoice Worksheet 2 (IWS-2T)* screen, the factor’s vendor number is entered into the FACTOR NUMBER field.

Instructions and examples for factoring an individual payment are as follows:

1. Verify that the vendor receiving the payment is established as a factor vendor in the vendor file. The status of a factor vendor is **F** on the *VRS* screen.
2. Complete the *Invoice Worksheet 1 (IWS-1T)* screen as usual with one exception. Enter the factor’s vendor number in the FACTOR NUMBER field on the *Invoice Worksheet 2 (IWS-2T)* screen.

Once this is completed, the payment is automatically issued to the factor vendor in lieu of the original contracted vendor.

> For a payment to be factored, both vendors ***must*** exist in the system.

NOTES

```
OCP AP                     INVOICE WORKSHEET 2                          IWS-2T

NEXT FUNCTION: ________ ACTION: ________                  02/02/2006  15:47:38
REQUEST: ________
===============================================================================
HANDLING CODE    : __                     REASON CODE        : ___ ____________

GL EFFECTIVE DATE: __________             FACTOR NUMBER      : __________ __
PROVISIONAL DATE : __________ IND: ___    SIGNATURE APPR CD: ___ ___ ___ ___ ___
PAYMENT ROUTE CD : ___  BANK PYMT: ___    ACCT RULE  : __    VAT INCL     : _
IND  -  PAYABLES : ___  DISCOUNT : ___    INTER PAY  : ___   1099 TAX CODE: __
        EXPENSE  : ____ CO: ____ ACCT: __________________ CENTER: ____________

LINE IND SALES TAX/VAT   IND OPTIONAL AMNT  1099 USE I'REC AR  PROJ-CO NUMBER
         FREIGHT             ADDITIONAL COST   DESCRIPTION PRORATE( T  F  A  D)
0001 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  Y
0002 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
0003 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
0004 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
SALES TAX 2    : ___ _________________ SALES TAX 3    : ___ _________________
                                       GROSS AMOUNT   :     _________________
```

WALKTHROUGH: Factoring Vendor Payments

SCENARIO

This invoice is in control group 124 is for Wake County. The payment has to be factored to the Office of the State Treasurer. (Only this payment needs to be factored. All Wake County payments do not need to be factored.)

Wake County and the Office of the State Treasurer both exist in the system. The vendor number for Wake County is 566000347 D and the vendor number for the Office of the State Treasurer is 561545517 B.

You need to access Control Group 124.

1. Type **CGS** in the NEXT FUNCTION field and press Enter to access the *Control Group Status (CGS)* screen.

NOTES

```
OCP AP                    CONTROL GROUP STATUS                              CGS

NEXT FUNCTION: ________ ACTION: ________                  01/18/2006  10:06:33
REQUEST: 3 _____
================================================================================

PAY ENTITY: ____


   PAY   --- CONTROL ---            CONTROL         NBR OF      DATE          S
 ENTITY    DATE   NUMBER             AMOUNT          DOCS      ENTERED

  XXPE  02/20/2002 1001              750.00            1    02/20/2002        _
  XXPT  04/10/1999 0001          195,000.00            3    04/10/1999        _
  XXPT  04/12/1999 0001              400.00           15    04/12/1999        _
  XXPT  04/25/2000 0001                4.56            1    04/20/2000        _
  XXPT  04/26/2000 0002            1,000.00            1    04/26/2000        _
  XXPT  04/29/2002 0003            3,196.50            4    04/29/2000        _
  XXPT  02/16/2002 0001               16.00            1    02/16/2002        _
  XXPT  02/16/2002 1001               16.90            1    02/16/2002        _
  XXPT  02/19/2002 1001              750.00            1    02/19/2002        _
  XXPT  07/28/2006 0001           18,000.00            2    07/28/2002        _

  XXPT  07/07/2006 0124            3,891.50            4    07/07/2006        2

                 PAGE:    2    STATUS: END OF LIST
```

2. Type **S** in the S field next to Control Group 124 and press Enter to select Control Group 124 and access the *Control Entry Status (CES)* screen.

3. Type **3** in the REQUEST field and press Enter to access a blank *Invoice Worksheet 1 (IWS-1T)* screen.

Invoice: Wake County Dept. of Social Services Raleigh, NC 27602		**Invoice Number: 984657351** **Invoice Date: 03/11/2006** **Terms: Net**	
Description:	**Quantity:**	**Unit Price:**	**Total Price:**
payment for services			**500.00**
		Freight:	
		Tax:	
		Total:	**500.00**

NOTES

```
OCP                            INVOICE WORKSHEET 1                         IWS-1T

NEXT FUNCTION: ________ ACTION: ________                  01/18/2006  16:06:57
REQUEST: _____
================================================================================
INVOICE NUMBER : _____________  DATE: _______    MODEL: _ ________________
VENDOR SHORT NM: _______________                          CURR    : ____
VENDOR NUMBER  : _______                RALEIGH           CM/DM      : _
PO REFERENCE   : ____ _________ ______  COUNTY CODE: __________ MULTI PYMT: _
TERMS CODE:      PYMT DUE DATE: __________ DISCOUNT AMT/PCT: _________________
REMIT MSG:   ___  ____________________________________________________________
                                        SIGNATURE APPR CD: ___ ___ ___ ___
LINE  AMOUNT/PERCENT EXP  CO  ACCOUNT          CENTER        PROJ-CO NUMBER
 VAT  QUANTITY UNIT  ITEM NUMBER    DESCRIPTION PRORATE (T F A D) USE 99 I'RC
0001  ____________ ___ _ _______________ _________ ____ ___________
 ____ _________ ____ _______________ _________________ _ _ _ _  ___ __  ___
0002 _______________ ___ ____ __________________ ____________ ____ ____________
 ____ _________ ____ _______________ ____________________ _ _ _ _  ___ __  ___
0003 _______________ ___ ____ __________________ ____________ ____ ____________
 ____ _________ ____ _______________ ____________________ _ _ _ _  ___ __  ___
0004 _______________ ___ ____ __________________ ____________ ____ ____________
 ____ _________ ____ _______________ ____________________ _ _ _ _  ___ __  ___
SALES TAX/VAT  : ___ _________________    FREIGHT      : ___ _________________
ADDITIONAL COST: ___ _________________    GROSS AMOUNT:      ______________
```

4. Type **984657351** in the INVOICE NUMBER field.
5. Type **031106** in the DATE field.
6. Type **566000347** in the first blank of the VENDOR NUMBER field.
7. Type **D** in the second blank of the VENDOR NUMBER field and press Enter to retrieve the vendor information. The system displays the following message: **VENDOR IS NORMALLY A MATCHING VENDOR**.
8. Press Enter to override the message.
9. Verify that your payment terms are **net** in the TERMS CODE field.
10. At the 0001 line, type **500.00** in the AMOUNT/PERCENT field.
11. Type your **company number (XX01)** in the CO field.
12. Type **533150** in the ACCOUNT field.
13. Type **10001000** in the CENTER field.
14. Type **payment to st treas** in the DESCRIPTION field.
15. Type **500.00** in the GROSS AMOUNT field. Delete the zeros at the end of the field.
16. Press Enter to process the information.
17. Type **R** in the REQUEST field and press Enter to access the *Invoice Worksheet 2 (IWS-2T)* screen.

NOTES

```
OCP AP                     INVOICE WORKSHEET 2                          IWS-2T

NEXT FUNCTION: ________ ACTION: ________                    01/18/2006  16:16:41

REQUEST: _____
================================================================================
HANDLING CODE    : __                     REASON CODE      : ___ _______________

GL EFFECTIVE DATE: __________             FACTOR NUMBER    : _________ _
PROVISIONAL DATE : __________ IND: ___    SIGNATURE APPR CD: ___ ___ ___ ___ ___
PAYMENT ROUTE CD : ___  BANK PYMT: 06D    ACCT RULE  : 01     VAT INCL      : N
IND  -  PAYABLES : ___  DISCOUNT : 001    INTER PAY  : ___    1099 TAX CODE: __
        EXPENSE  : 001  CO: XX01 ACCT: 99999999899_______ CENTER: 999999999998

LINE IND SALES TAX/VAT   IND OPTIONAL AMNT  1099 USE I'REC AR  PROJ-CO NUMBER
         FREIGHT             ADDITIONAL COST   DESCRIPTION PRORATE( T  F  A  D)
0001 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  PAYMENT_TO_ST_TREAS_   Y  Y  Y  Y
0002 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
0003 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
0004 ___ _______________ ___ _______________  __ ___ ___ __ ____ ____________
     ___ _______________ ___ _______________  ____________________   _  _  _  _
SALES TAX 2    : ___ _________________ SALES TAX 3     : ___ _________________
                                       GROSS AMOUNT    :     _________500__.00
```

18. Type **561545517** (the factor's vendor number) in the FACTOR NUMBER field.

19. Type **B** in the second blank of the FACTOR NUMBER field and press [Enter] to process the information.

    Note that if the vendor's factor file does not have a factor status, the following error message will display:
    162 - VENDOR ENTERED IS NOT A FACTOR.

20. Type **N** in the REQUEST field to balance the document and press [Enter] to access a blank *Invoice Worksheet 1 (IWS-1T)* screen.

    The payment has been factored to the Office of the State Treasurer. The NCAS makes the check payable to the factor vendor.

Nonresident Alien Processing

Overview

The Taxation of Nonresident Aliens (NRA) is a Federal legal requirement set forth in Internal Revenue Code (IRS) Section 1441.

The Office of the State Controller (OSC) manual Policy and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments and Corporations, dated August, 2004 sets forth procedures that must be followed in making payments to NRA's to ensure proper tax withholding occurs. The web link to OSC Policy and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments, and Corporations is as follows:

http://www.ncosc.net/Foreign_Nationals/Foreign_National_Index.html

For purposes of the North Carolina Accounting System (NCAS) Accounts Payable system, payments to Independent Contractors, honoraria, and travel expenses are the primary payments we will address. Payments to Contractors that meet the common law definition of employee should be paid through Central Payroll, not the NCAS.

For additional information on NRA taxation, please refer to IRS Publication 515 Withholding of Tax on Nonresident Aliens and Foreign Entities. The IRS web link is as follows:

www.irs.gov/publications/p515/

Identifying NRAs

For purposes of Accounts Payable transactions, a NRA is identified as follows:

- Individual does not have SSN - withhold at 28% backup withholding rate or 30% NRA tax rate. Agency must follow up with vendor to determine under which system to tax vendor.
- If ID number furnished by vendor starts with a 9, the vendor is probably a NRA and subject to 30% withholding.
- If remit-to address is outside the US, vendor may be a NRA subject to 30%. Further inquiry must be made.
- The vendor may voluntarily identify themselves as an NRA - withhold 30%.

NOTES

Publication 515 defines the types of entities eligible for NRA withholding and their reporting requirements. If an agency determines that payments will be made to an entity other than a NRA individual for labor or personal services performed in this country, or if the individual claims a treaty benefit, call the OSC Help Desk at (919) 707-0795 to determine withholding and reporting requirements.

Withholding Process

The withholding process works identically to the current process for both State and Federal 1099 withholding. A 1099 indicator, **NR**, has been added to identify nonresident aliens. For statewide (trade) vendors, the OSC attaches this indicator to the vendor, per instruction from the agency adding the vendor, so that NR will default to every invoice processed. For non-trade vendors, each agency will be responsible for setting up this code when adding the vendor. NR codes display on the 1099 error report, just as the NO codes display, for easier identification. These transactions will not post on a 1099, but will be posted by OSC into Windstar, Tax Navigator System for the required 1042-S reporting. In addition, a new liability account **211953** and a mini-chart indicator **953** are used to track the withheld amounts for these payments. This account and indicator functions the same as the 28% Federal withholding account 211950, the 4% State withholding 211951, and the 32% Federal and State withholding combined account 211952. The NRA withheld amounts are available in the same reports currently in place for the State and Federal withholdings.

Displayed below are examples of the *VPN* screen and the *VDD* screen:

```
N23                    VENDOR PAYABLE INFORMATION                       VPN

NEXT FUNCTION: ________ ACTION: ________                 01/18/2006  09:18:43
REQUEST: ________
================================================================================
PAY ENTITY    : XXPN
SHORT NAME    : CITIZENNADA_______________
VENDOR NUMBER: FOR0000001_GROUP: 01


DISCOUNT DELAY DAYS : ___                   PAYMENT DELAY DAYS      : ___
DOC ALERT MAX AMOUNT: _________________     COMBINED OR SINGLE PYMT: _
DIRECT INVC ALLOWED : _                     PAYMENT PRINT SEQUENCE : __________
 FACTOR NUMBER       : __________           FACTOR GROUP NUMBER    : __
PAYMENT ROUTE CODE  : ___                   VAT INCLUSIVE          : _
SIGN APPROVAL CODES : ___ ___ ___ ___ ___   USE TAX                : ___
TAX ID NUMBER       : ____________________  TAX ID EXPIRATION DATE : 10/07/2006
1099 CODE           : NR                    1099 WITHHOLDING RATE  : 30.00
1099 PAYEE NAME     : ______________________________ 1099 USE NAME: _
VENDOR CURR CODE    : ____

CORPORATE CREDIT CARD 1: _______________    TYPE : __
CORPORATE CREDIT CARD 2: _______________    TYPE : __
```

NOTES

```
N23                     VENDOR DEFAULT DISTRIBUTION                      VDD

NEXT FUNCTION: ________ ACTION: ________                  10/08/2004  09:21:50
REQUEST: ________
===============================================================================
PAY ENTITY    : XXPN
SHORT NAME    : CITIZENNADA____
VENDOR NUMBER: FOR0000001_GROUP: 01

 DISTRIBUTION INDICATORS  .  .  .  .  EXPENSE       : ___   PAYABLES      : ___
                                      DISCOUNT      : ___   FREIGHT       : ___
                                      TAX/VAT       : ___   VARIANCE      : ___
                                      ADD COST      : ___   1099 WITHHOLD: 953
                                      BNK ACCT PYMT : ___   EMP ADVANCE   : ___
                                      CURR GAIN/LOSS: ___   ACCOUNT RULE  : __

 GL EXPENSE DISTRIBUTION  .  .  .  .  COMPANY       : ____
                                      ACCOUNT       : __________________
                                      CENTER        : ____________
                                      VALIDATE OPT  : _

 PROJECT ACCOUNTING INFORMATION .  .  REQUIRED      : _
                                      COMPANY       : ____
                                      NUMBER        : ____________
```

As with all withholding, the agency must complete the **NCAS Backup Withholding form**, ensuring that the appropriate box for NRA withholding is checked. This form must be completed for starting and stopping the withholding process.

Deposit Requirements

IRS Form 1042 (http://www.irs.gov/pub/irs-pdf/f1042.pdf) contains complete instructions for the reporting of withheld tax. The instructions on this form must be followed.

The Federal Tax Deposit Coupon Form 8109-B (http://www.irs.gov/pub/irs-pdf/f8109b.pdf), for initial filing, and Form 8109 thereafter, will be used for making deposits. All instructions on the form must be followed.

Generally, the following rules apply.

1. **If at the end of any quarter-monthly period the total amount of undeposited taxes is $2,000 or more,** you must deposit the taxes within 3 banking days after the end of the quarter-monthly period. (A quarter-monthly period ends on the 7th, 15th, 22nd, and last day of the month.) To determine banking days, do not count Saturdays, Sundays, legal holidays, or any local holidays observed by authorized financial institutions.

   The deposit rules are considered met if:

   - You deposit at least 90% of the actual tax liability for the deposit period **and**
   - If the quarter-monthly period is in a month other than December, you deposit any underpayment with your first deposit that is required to be made after the 15th day of the following month.

   Any underpayment of $200 or more for a quarter-monthly period ending in December must be deposited by January 31.

NOTES

2. **If at the end of any month the total amount of undeposited taxes is at least $200 but less than $2,000,** you must deposit the taxes within 15 days after the end of the month. If you make a deposit of $2,000 or more during any month **except December** under rule **1** above, carry over any end-of-the-month balance of less than $2,000 to the next month. If you make a deposit of $2,000 or more during December, any end-of-December balance of less than $2,000 should be paid directly to the IRS along with your Form 1042 by March 15, 2004.

3. **If at the end of a calendar year the total amount of undeposited taxes is less than $200,** you may either pay the taxes with your Form 1042 or deposit the entire amount by March 15, 2004.

--SEE FORMS FOR COMPLETE FILING AND DEPOSIT REQUIREMENTS--

There is no penalty for paying small amounts early, so the agency may decide to make deposits monthly within the 15 days allowed to facilitate ease in reporting. However, if the withholding ever exceeds the $,2000.00 threshold, the 3 banking days must be followed.

Special Considerations

As with all payments that require withholding, no payments should be entered through the *Manual Process Entry (MPE)* screen. The withholding process requires that payments go through overnight processing.

Step-by-step instructions requesting the addition of a vendor to the system are located in the *Procedures* section of this training manual. These procedures instruct users how to set up vendors and invoices for NRA backup withholding. The procedures for processing NRAs are listed below:

Procedure 12: Adding a Trade NRA Vendor
Procedure 13: Adding a Non-Trade NRA Vendor
Procedure 14: Setting Up a NRA Vendor for Withholding
Procedure 15A: Processing a 1099 Applicable NRA Payment (Direct Invoice)
Procedure 15B: Processing a 1099 Applicable NRA Payment (Matched Invoice)

The requirements for State and Federal withholding still apply, and 1099 codes are required on all invoice lines subject to any type of backup withholding, as well as the proper set-up of the vendor.

It is each agency's responsibility to ensure that the "NR" code has defaulted, remains on the invoice for all applicable payments made to NRA's, and that payments have been appropriately withheld.

Regarding trade vendors, if the status of the vendor changes from nonresident alien to resident alien, the agency must advise the OSC to change the withholding status so that the NR 1099 code will not default to the invoice. The NCAS Backup Withholding form must be completed and received by the OSC Help Desk so withholding can be stopped. On non-trade vendors, the agency must change the withholding status themselves. The NR default code can be changed on the invoice line, if appropriate, to change or eliminate the withholding process, regardless of whether the vendor default has been adjusted.

NOTES

Withheld amounts cannot be adjusted after the payments have been disbursed. It is important to verify all withholdings to ensure their accuracy prior to payments being sent.

Contact the OSC NCAS Help Desk at (919) 707-0795 if you have any questions regarding the addition of trade, non-trade, and NRA vendors.

Summary

Forms

Non-resident Aliens (Foreign Nationals) are not eligible to receive 1099's. However, they do receive a 1042 or 1042S form which is similar to the 1099 form.

Payments to Nonresident Aliens

No payments should be made to NRAs without receiving all of the documentation (visa, passport, green card, refugee card, resident alien documents, etc.) from the individual regarding their residency/tax status. These documents will determine any applicable withholding for payments for that person. If no documentation is received, then the maximum amount (30%) should be withheld from the payment. (The individual can file for taxes in the US to get this or any portion of this withheld amount back, if applicable, as per their current documented residency/tax tatus.) All completed/signed documentation should be housed at the agency in a secure file for audit purposes.

General

If you have any doubts or questions regarding the individual's residence/tax status when working with any vendor for payments, do not hesitate to call the OSC Help Desk at (919) 707-0795 or email the Foreign Nationals Team at OSC at Foreign.National.Team@ncosc.net.

Failure to properly withhold the correct amounts for these payments or comply with the policies and procedures mandated by the IRS will result in steep fines by the IRS to your agency.

Additional Practice

The following pages present additional exercises in adding and changing various types of vendors. All necessary information is given for the completion of each exercise. "Hints" have been given to assist the completion of each exercise. Please ask your instructor if you have any questions.

EXERCISE #1

SCENARIO

Your agency wants to do business with Regal Office Corporation (ROC Inc) Their federal ID number is XX8765432. The contact person is John Adamson. ROC's address and phone number are as follows:

1474 Owen Drive
Suite 101
North Charleston, SC 29418-1474
Toll-Free: 888-755-9877
Local: 843-987-4569
Fax: 843-987-4570

Hints:

- What type? (direct, matched, employee?)
- Pay entity?
- What screens are required for completion?
- Chapter: *Trade Vendors*

NOTES

EXERCISE #2

SCENARIO

You received an invoice from Nowland Neurological Office. You need to set Nowland up as a non-trade vendor. Nowland's federal ID number is XX7654321. Checks should reflect the office's name. 1099 information should be captured for Roger L Nowland, III. The contact person is Carolyn Allen. Nowland's address and phone number are as follows:

Post Office Box 37943
Charlotte, NC 28222-7943
Toll-Free: 800-662-8844
Local: 704-345-7114
Fax: 704-345-7021

This is a medical corporation. Nowland is subject to both State and Federal withholding.

Hints:

- What type? (direct, matched, employee?)
- Trade or Non-trade?
- What pay entity?
- 1099 vendor?
- Withholding? (2%, 28%, 32%)
- Chapters: *1099 Processing / Backup Withholding*

EXERCISE #3

NOTES

SCENARIO
You have received a request for reimbursement from Ed Manning, a new employee in your agency. You need to add him to your agency's employee vendor file. Edward E Manning 7009 Sawmil Road Raleigh, NC 27609-4648 *Phone:* 919-846-2526 *SS #: XX4-23-2345*

Hints:

- What type? (direct, matched, employee?)
- What pay entity?
- 1099 vendor?
- Withholding? (2%, 28%, 32%)
- Chapter: *Employee Vendors*

NOTES

EXERCISE #4

SCENARIO

You have received an invoice from EduGames, Inc for educational games ordered with educational funds from a grant your agency received. EduGames desires invoice payments to go through Allied Funding Corporation. You need to set them up in the Statewide Trade Vendor file.

EduGames, Inc
1012 State Street
Orlando, FL 32807-5352
Toll Free: 800-564-3384 (EDU4)
Local: 407-222-2500
Fed ID#: XX5343456

Allied Funding Corporation
5821 Bayshore Avenue, Suite 230
Tampa, FL 33614-5821
Toll Free: 800-897-3863 (FUND)
Local: 813-333-3654
Fed ID#: XX9787890

Hints:

- What type? (direct, matched, employee?)
- What pay entity?
- 1099 vendor?
- Withholding? (2%, 28%, 32%)
- Permanent Factored?
- Further action needed beyond adding to Statewide Trade Vendor File?
- Chapter: *Factored Vendors*

EXERCISE #5

NOTES

SCENARIO

You received notification with an invoice sent to you that KaMar Products has changed its phone number, fax number and added a contact person. You need to send these changes to the OSC Help Desk.

KaMar Products
Toll Free: same
Local: 914-591-4700
Fax: 914-591-4747
Contact Person: Kameron Martin

Hints:

- Be sure to select the vendor beginning with your operator ID (XX.)
- What type? (direct, matched, employee?)
- What pay entity?
- Further action needed beyond making changes to Statewide Trade Vendor File?
- Chapter: *Trade Vendors*