



# Commonwealth of Massachusetts

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## VENDOR/CUSTOMER FILE AND W-9s

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### Executive Summary

The Office of the Comptroller (CTR) is the tax clearinghouse of the Commonwealth and is responsible for accurate state and federal tax reporting for all reportable expenditures made by the Commonwealth. All payments processed through the state accounting system (MMARS) are matched to vendor records in the Vendor/Customer (VCUST) Table in MMARS. To be registered in the Vendor/Customer file, a vendor must submit certification of a Federal Tax Identification Number (TIN). All vendors paid from federal funds must have their DUNS number recorded on VCUST in MMARS.

The MMARS Vendor/Customer File also contains information on customers. These customers enter into a business or service relationship with the Commonwealth of Massachusetts to purchase goods or services from the Commonwealth in accordance with provisions of law or statute. To process a receivable and bill a customer using MMARS, the following information is required: a customer billing address, a customer account number, a billing profile, and processing by CTR.

### Considerations

The Office of the Comptroller relies upon Departments to submit accurate information when registering a vendor or customer for the first time and when making any updates to the VCUST information.

Departments must implement sufficient internal controls to verify that all vendor information submitted to CTR is accurate and complete. The Commonwealth is subject to error notices and potential penalties if the information submitted to the IRS is inaccurate.

In addition, MMARS is the official record of the Commonwealth for receivable and customer information. Departments must take special care to ensure that the information that is entered into MMARS for any receivable is accurate and complete, including routinely obtaining a Taxpayer Identification Number (TIN) for each customer that is entered on the Vendor/Customer File or has any receivable activity (including current customers).

### Policy

The Comptroller has broad authority to prescribe accounting rules and instructions for all state Departments and the appropriate use of the state accounting system. Pursuant to [M.G.L. c. 7A, § 7](#), [M.G.L. c. 7A, § 8](#), [M.G.L. c. 7A, § 9](#) and [M.G.L. c. 29, § 31](#), the Comptroller is required to implement a state accounting system (including a centralized payroll system) and issue instructions for the accounting practices to be used by all Departments for supplies, materials, assets, liabilities, equity,

debt, encumbrances, expenditures, revenues, expenses and obligations of all Commonwealth funds and accounts, including payroll, unless specifically exempted by general or special law. The Comptroller has full authority to prescribe, regulate and make changes in the method of keeping and rendering accounts and is authorized to direct state Departments to implement changes in their systems to meet these statewide standards.

## Filing of IRS FORM MA-W-9 or W-8 for Vendor Registration

To receive payments from the Commonwealth, a vendor/payee must be registered on the Vendor/Customer (VCUST) Table of the state accounting system (MMARS). Departments are required to obtain a completed [Form MA-W-9 “Request for Taxpayer Identification Number and Certification”](#) or a W-8 (foreign vendors) to register a vendor and whenever there is a change to the vendor’s legal name, legal address or federal Tax Identification Number (TIN). A TIN is either be:

- a Social Security Number (SSN) issued by the Social Security Administration (SSA) for individuals or
- an Employer Identification Number (EIN) issued by the IRS for non-individuals, such as trusts, estates, partnerships and corporations.

A Department begins the registration or update process in MMARS by entering a Vendor/Customer Entry (VCC) or a Vendor Customer Modification (VCM). Note: For Vendors under statewide contracts, the Operational Services Division (OSD) is responsible for registration and information changes.

### **New Vendors – New Vendor Code (VCC)**

1. **Verify that a new Vendor Code is needed.** Departments should ensure that the payee is actually a **new** vendor that does not already have an existing Vendor Code on MMARS in VCUST before submitting a VCC. Contract and Program staff should work closely with both the vendor and their Department’s Accounts Payable/Payments staff to verify this information in MMARS prior to submission of a VCC. Not all vendors know that they are already registered on the VCUST table. A search of the taxpayer identification number (TIN) should identify if the payee has a current vendor code.
2. **Verify Supporting Documentation and Authentication.** CTR relies upon Departments to submit accurate information when completing a vendor/customer registration (VCC) or modification (VCM). Departments must verify that the VCC registration is being made by an authorized signatory of the vendor. See Verification of Vendor Information and Vendor Authorization section below for authentication requirements.
  - a. **Official Tax Forms.** Departments should ensure that the payee has submitted an official Form W-9 or W-8 identifying the Legal name, Legal Address and Tax Identification Number TIN (SSN or EIN) that matches what they have already filed with the IRS and DOR. The legal name is entered in the 1099I Table (for tax reporting purposes) and is the name listed in VCUST that is used to populate encumbrances and payments and is printed on checks or remittance advice. All tax documents must include the payee TIN.
    - **Form W-9.** No tax reportable payment should be made without a W-9 form confirming that the TIN is on file ([Form MA-W-9 “Request for Taxpayer Identification Number and Certification”](#)). IRS regulations require backup

withholding of 28%, at the time a payment is issued, for any tax reportable payment made for which the payer used an incorrect TIN.

- **Form W-9. Foreign persons or corporations** require the appropriate Form W-8. See [Pub 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations](#) and the [Instructions for W-8](#) to determine the correct form to be used. .
  
- b. **“Doing Business As” or Joint Payee Name.** Many entities have a legal name and also a “doing business as” (DBA) with a different operational name. If the entity also needs a DBA name printed on the check, or a Joint Payee Name, this should be entered in the “Division/Department” field in the “Payment” and “Procurement” address. Please note that some joint payments require dual tax reporting (such as payments made jointly to an attorney) and Departments are responsible for notifying CTR if manual tax reporting is required for any payments made under this type of payment address.
  
- c. **Electronic Fund Transfers(EFT).** EFT set up should be processed at the time a VCC is submitted. Electronic Funds Transfer (EFT) is the expected form of issuing Commonwealth payments to our vendors. See Electronic Funds Transfer (EFT) section below. MMARS allows a vendor code to have more than one EFT account. EFTs can be processed through a VCC (Vendor Customer Creation) or a VCM (Vendor Customer Modification). Instructions can be found in the job aids Vendor and Customer on the CTR Intranet.
  
- d. **DUNS numbers.** All vendors (defined as sole proprietor, corporation, profit and non-profit, partnership municipal or regional government, that receive federal grant funds have their Dunn and Bradstreet Universal Numbering System (DUNS) recorded. See DUNS Requirement for Vendors Receiving Federal Funds below for requirements.
  
- e. **Contract Forms.** A [Commonwealth Terms and Conditions](#) (T&C) or [Commonwealth Terms and Conditions for Human and Social Services](#) (T&C HSS) may be required for certain state contracts. Although not required to register a vendor, performance may not begin until the T&C or T&C HSS has been executed along with the Standard Contract Form. **The T&C or T&C HSS is executed and filed only ONCE by a vendor** and will remain on file permanently with CTR unless or until the vendor is designated as archived. Payments cannot be issued to a vendor for certain contract performance until the T&C or T&C HSS has been filed with CTR and recorded in the VCUST Table. Evidence that the T&C or T&C HSS is on file with CTR appears in the “Business Type” panel of the VCUST file as “TC” and “TCHS”. Therefore, for new Contractors, the VCC set up should include the appropriate TC or TCHS setup. **NOTE: The legal name, legal address and TIN on any T&C or T&C HSS must match either a newly submitted MA-W-9 or the information on record in the 1099 Reporting Information Table in MMARS.** See Filing of Contract Forms below.

**Timely Submission of VCCs to Support Timely Payments, Prompt Payment Discounts (PPD) and Intercepts.**

Since VCCs require secondary PEND review by CTR (approximately 5 business days if error-free and supporting documentation matches and is complete), Departments should enter VCCs in MMARS and submit supporting documentation for PEND review AS SOON AS the Department has verified that a new Vendor Code is needed, and not wait until the first invoice or payment is due. Since EFT is the primary medium for Contract payments, the EFT paperwork should be submitted with the VCC in order to enable the EFT set up process and validation through the Treasurer's Office prior to the first payment.

VCCs should be submitted at the time a Contractor is selected after a procurement, or as part of the Contract execution process, so that the VCC PEND set up process is completed in time for the Contract Document to reference the new Vendor Code and Payment Address. The timely processing of VCCs to set up new Vendor Codes ensures that Contract encumbrances can be timely processed, including CTR PEND review for encumbrances exceeding the delegation threshold, and to ensure that payments can be entered to take advantage of Prompt Payment Discounts (PPD). For Contracts with negotiated PPD for accelerated payments, Departments will lose valuable discounts (that are savings that can be re-spent by the Department) if the VCC is entered late and the first payment can not be processed within the PPD time period to take advantage of the discount.

**Intercept Pre-Match for NEW VCCs.** All payments are subject to intercept for debts owed to other Commonwealth Departments. The Department of Revenue (DOR) child support or tax intercepts are pre-matched on Fridays against the CIW (Commonwealth Information Warehouse) to identify Vendor Codes that have outstanding debts. VCCs that are processed to "Final" and in the CIW by Friday will make this match and any payments entered as of the following Monday are intercepted, supporting the collection of Commonwealth debts.

By submitting VCCs in a timely fashion, the new Vendor Code is in place long before the first payment is due and can be picked up on the DOR pre-match in time to include on any upcoming debt matching file for MMARS payments.

### **Vendor Code Modifications - VCMs**

Departments should always look up the vendor in MMARS to verify the current information and to obtain the necessary supporting documentation for any requested change. Contract and Program staff should work closely with vendors and the Department's Accounts Payable/Payments staff to verify this information in MMARS prior to submission of a VCM. A legal address, remittance address, tax id, legal name or structure changes should not be made unless an authorized signatory of the payee has submitted an updated W-9 or other acceptable supporting documentation AND the Department has independently verified with an Authorized Signatory of the payee that the requested changes are legitimate in comparison to the information already on MMARS

### **Verification of Vendor Information and Vendor Authorization**

Departments must ensure the legal and remittance address, classification and TIN type (SSN/EIN) are recorded correctly on the 1099I and VCUST tables in MMARS. As the Commonwealth Tax Clearinghouse, CTR is required to issue tax reporting forms (1099s) based upon the types and amounts of payments made to vendors. Each year, a significant number of 1099s are returned as undeliverable due to incorrect address information in the VCUST and/or 1099I table on MMARS. Even if vendors are paid via electronic funds transfer (EFT), Departments are responsible for ensuring that all VCUST information is accurate by periodically verifying this information with any vendor (e.g., as part of annual renewals of contracts).

CTR relies upon Departments to submit accurate information when completing a vendor/customer registration (VCC) or modification (VCM). In addition to verifying the information submitted in the MA-W-9 or T&C or T&C HSS, Departments must verify that the registration or modification request is being made by an authorized signatory of the vendor. Even though the MA-W-9 (or W-8) is signed under the pains and penalties of perjury, verification is necessary to ensure that the individual submitting the request is authorized to legally bind the vendor and to prevent funds from being misdirected to a third party instead of the vendor.

When a Department submits a VCC or VCM transaction to pending status, the authorized Department signatory is certifying that the document is accurate and complete and that it has verified the information in the VCC or VCM. Departments are in the best position to verify the accuracy of vendor/payee information because they work directly with the vendor/payee and can take necessary steps to verify information. ***By accepting Forms W-9 and W-8 and updates only from authorized signatories and verifying the signatures match the [CASL Form \(Contractor Authorized Signatory Listing\)](#) or other approved verification, Departments assist with reducing the risk of directing payments to the wrong payee or address, delaying payments, creating inaccurate tax reporting, or inadvertently allowing fraudulent payments.***

1. **Verify need for VCC or VCM.** Since new VCCs and VCM changes impact ALL Departments using a Vendor Code, Departments must exercise due diligence to ensure that the payee understands that a new vendor code or vendor code changes will impact all payments under the Vendor Code for all contracts with Commonwealth Departments to ensure that the new vendor code or any changes are truly appropriate. (Note: a new Vendor Code may not be created for an “assignment” of payments. See Remittance Addresses and Assignment of Payments below.
2. **Limit Additional Remittance Addresses.** Many payees have multiple divisions and may independently send a W-9 under a new procurement, a new contract or amendment which may or may not match what is already in MMARS. Some vendors seek multiple remittance addresses, without EFT accounts, to send payments to various divisions, rather than through the central accounts receivable location or to EFT accounts. Having numerous payment remittance addresses should be avoided unless absolutely necessary since the risk of fraud and inadvertent misdirection of payments may occur. Therefore, as part of any VCM due diligence, the Department should work with a payee to verify all current remittance addresses in MMARS to identify if any are defunct or no longer valid to prevent misdirection of payments to incorrect addresses. This may take some additional time, but it is an important verification process that Departments are responsible for supporting. **Any additional remittance addresses should be set up to support EFT payments.**
3. **Verify information in MMARS.** Contract and Program staff should work closely with vendors and the Department’s Accounts Payable/Payments staff to verify the information in MMARS prior to submission of a VCC or VCM.
4. **Verify information with Vendor and Validate Authority for Change.** Departments should not merely accept and process whatever paperwork is submitted to them, but must ensure that they speak with an Authorized Signatory with the authority to make these changes in the legal address, TIN, legal address, EFT or remittance addresses to ensure the change is appropriate and properly authorized. Just because a person works for the payee does not mean they have the “authority” to approve a W-9 or a change in remittance address.

- a. **Verify Supporting documentation.** Departments must be careful to match the relevant supporting documentation, such as the **W-9 Tax Forms**, the **Contract Forms**, and **EFT forms** to ensure that the information match. ***NOTE: The legal name, legal address and TIN on any T&C or T&C HSS must match either a newly submitted MA-W-9 or the information on record in the 1099 Reporting Information Table in MMARS.***
- b. **Authority Validation.** To protect the Commonwealth from an inadvertent or fraudulent attempt to misdirect payments Departments are required to authenticate that individuals requesting a new vendor code or change are authorized signatories.
  - i. **Contracts.** When contracting with a vendor, Departments are required to obtain a CASL [Contractor Authorized Signatory Listing Form](#) naming all of the individuals who are authorized to sign off on obligations on behalf of the Contractor. A Department can use this listing to verify that the MA-W-9 (W-8) for vendor registration, a W-9 modification request, or the signature on the T&C or T&C HSS is legitimate and approved by an authorized signatory of the vendor.
  - ii. **Non-Contract Payments.** If the Department is not contracting with the payee but is using an Incidental Purchase or making another type of payment, ***the Department must take appropriate steps to verify that the registration request (VCC) or update (VCM) is legitimate and submitted by someone authorized to make such a request. A cover letter on letterhead or a name is not sufficient; the Department must personally verify that the submitter is an authorized signatory.*** W-9s should be validated against the signature on the CASL form or other authorizing documentation.
- c. **Verification of Information.** Verification of VCC and VCM information should not be done solely through email, but should be followed up with a phone call and verified with an authorized signatory, or whatever other actions are necessary to document that the Department has investigated that the new VCC or VCM change or additional remittance address is appropriate and properly authorized. Departments should also walk through the VCUST and 1099I screens in MMARS with the payee to ensure that any changes are appropriate.
- d. **Verification of Payments under New Remittance Addresses.** As an additional protection against fraud and misdirected payments, once a VCM payment change has been processed, the Department should verify with the payee that the payments are being received correctly and properly posted to the Department’s account or payment obligations.

### DUNS Requirement for Vendors Receiving Federal Funds

The United States Office of Management and Budget (OMB) requires all vendors (defined as sole proprietor, corporation, profit and non-profit, partnership municipal or regional government) that receive federal grant funds have their Dunn and Bradstreet Universal Numbering System (DUNS) number recorded with and subsequently reported by the granting agency. To meet this requirement, the MA-W-9 form includes the field DUNS number. All vendors must submit their DUNS number using the form MA-W-9. Any entity that does not have a DUNS number can apply for one on-line at [www.DNB.com](http://www.DNB.com) under the “D&B D-U-N-Number” Tab. Individuals cannot obtain and do not need a

DUNS number, i.e., foster parents who are paid using their social security number. Departments should enter or update the DUNS number using a Vendor/Customer Entry (VCC) or a Vendor Customer Modification (VCM).

***Use of the Commonwealth DUNS numbers by non-Commonwealth entities is Prohibited*** – Issuance of the Commonwealth’s DUNS numbers to **non-Commonwealth** entities such as sub-recipients is prohibited. If this is done, the Commonwealth may be put into a position of being reported as being primarily responsible for a secondary entity’s activities. If a Contractor has multiple DUNS numbers, the Contractor should provide the primary number listed with the Federal government’s Central Contractor Registration (CCR) at: <http://www.ccr.gov>.

## Filing of a Commonwealth Terms and Conditions or Commonwealth Terms and Conditions for Human and Social Services

The [Commonwealth Terms and Conditions](#) (T&C) and the [Commonwealth Terms and Conditions for Human and Social Services](#) (T&C HSS) are contract boilerplates required for certain state contracts. A T&C or T&C HSS is not required to register a vendor but performance may not begin until the T&C or T&C HSS has been executed along with the Standard Contract Form. Payments cannot be issued to a vendor for certain contract performance until the T&C or T&C HSS has been filed with CTR and recorded in the VCUST Table. Evidence that the T&C or T&C HSS is on file with CTR appears in the “Business Type” panel of the VCUST file as “TC” and “TCHS”. Departments can easily view whether or not a vendor is registered with a TC or TCHS. Log into the Vendor/Customer table (VCUST) and search the vendor code in question. Click on the “business type” tab and if a T&C has been signed, the screen displays that in the business type field.

The legal name, legal address and TIN on any T&C or T&C HSS must match either a newly submitted MA-W-9 or the information on record in the 1099 Reporting Information Table in MMARS. A new T&C or T&C HSS is not required unless the information on the MA-W-9 changes (legal name or TIN). **The T&C or T&C HSS is executed and filed only ONCE by a vendor** and remains on file permanently with CTR unless or until the vendor is designated as archived. The T&C and T&C HSS is automatically incorporated by reference into any Standard Contract Form executed by the vendor with any Department of the Commonwealth. Departments must verify whether or not a T&C or T&C HSS is recorded as on file in the VCUST table and should not request or require an additional T&C or T&C HSS when one is already recorded. If a vendor inadvertently submits a new T&C or T&C HSS, the Department should forward these documents to CTR for filing.

## Electronic Fund Transfer (EFT)

Electronic Funds Transfer (EFT) is the expected form of issuing Commonwealth payments to our vendors. The Commonwealth's policy is to pay its bills through Electronic Funds Transfer (EFT) while maximizing the use of prompt payment discounts (PPD). (See [Prompt Payment Discount Policy](#) and the [Bill Payment Policy](#).) EFT is a benefit to both vendors and the Commonwealth because it ensures fast, safe and reliable payment directly to the vendor’s account and saves both parties the cost of processing checks.

For statewide contracts, vendors are required to receive payment via EFT. EFT is required for all contracts with multiple payments unless a Contractor can provide compelling proof that it would be

unduly burdensome. Vendors may request EFT when registering to receive a one-time payment, including incidental purchases. (See [Electronic Funds Transfer \(EFT\) form](#)).

It is important to process EFT requests in a timely manner. Payments issued prior to EFT activation will be checks which are costly to process for both a Contractor and the Commonwealth. Payments are issued each business day. EFT's processed by the Commonwealth are credited to the vendor's bank account the business day following Treasury's receipt of the disbursement file.

### Additional Remittance Addresses

Departments may process an additional remittance address for a VCUST record, when a signed request is received from the requesting vendor on business stationary or the vendor submits a Form MA-W-9 requesting an additional remittance address. The request must give the reason for an additional remittance address, for example, a different office has been designated for certain payments.

A Form MA-W-9 or a T&C or T&C HSS is not required to establish another remittance address unless the vendor is also changing its legal address, legal name or TIN. **To ensure that payments are not misdirected to an improper address, a Department must verify that the submission is valid by confirming that the request was submitted by an authorized signatory of the vendor.** See **Verification of Vendor Information and Vendor Authorization** above.

### Remittance Addresses and Assignment of Payments

An additional remittance address is sometimes requested when a vendor wishes to assign payments to a third party. Even though a Department always has the right to prohibit the assignment of performance, a Department **can not** prohibit the assignment of payments to a third party payee. See [M.G.L. c. 106 § 9-405](#).

The Department has an obligation to verify that the request for the assignment of payments is legitimate and requested directly by the vendor and not the third party. Absent a court order (verified by the Office of the Attorney General), a Department has no obligation to honor any demands for assignments made by a third party, even if the third party produces an assignment agreement signed by the vendor. The Department must still obtain confirmation from the Contractor that the assignment is allowable and a W-9 with the new remittance address is submitted.

In order to assign payments, the Department **must establish a new remittance address, NOT a new legal address for the vendor**. Payments must be made using the Contractor's TIN and vendor code, since the contract authorizes payment for the vendor's performance and tax reporting must be made based upon the Contractor's TIN. The only difference occurs at the time of payment, when a Department chooses the remittance address code for the third party. The division line or the remittance record may be used for "or third party name." Payment is recorded as issued to the Contractor, but the check or EFT will be sent to the 3<sup>rd</sup> party payee address.

In some cases, vendors will request that all payments be issued to a third party, from any Commonwealth Department. The request can also be accommodated by creating a new remittance address and having the vendor instruct all active Departments to issue payments using the new remittance address. **Again, the vendor's main remittance address MAY NOT be changed to the third party address since the contract authorization for payments and resulting tax reporting**



**responsibilities remain with the vendor.** Any MA-W-9 submitted to change the legal address to a third party's address will require legal signoff from CTR prior to processing.

Some vendors will request that a new vendor code be set up for the third party so that all payments are automatically issued to the third party. This option is also inappropriate. **Departments MAY NOT establish a separate vendor code for a third party payee in order to issue payments directly to the third party, instead of to the vendor.** The third party is not a signatory on the vendor contracts and has no authorization to receive payments directly from a Department. All payments under a contract must be issued in the vendor's name and the tax reporting must be made to the vendor, even if payments are assigned to a third party.

### Additional Remittance Addresses for Municipalities Prohibited

Unless otherwise provided by law (and except for the payment for fees as provided by statute), Departments may not establish additional remittance addresses for cities or towns. Each city and town is assigned a single remittance address for all payments. All payments must be made to the Treasurer of the local governmental entity. See [Policy "Contracts – Contractor Authorized Signatory Listing"](#)

### Contractor Legal Name or Legal Address Change Only

If a Contractor changes its legal name or address (or both) but does not materially change its organizational structure, financial condition, procurement or contract obligations, the Department may continue the underlying contract(s) without amendment, an interim contract, or a new procurement.

Procedurally, the Contractor must notify any Department with which it has contracts of its legal name change with documentation supporting the change. The contracting Department is responsible for updating the Vendor/Customer file with the new information.

- When the legal name changes, the Contractor is required to sign a new Commonwealth of Massachusetts [W-9 Form](#) and applicable "[Commonwealth Terms and Conditions](#)" to reflect the legal name change (and Legal Address if both are changing). If just the Legal Address is changing, only a new MA-W-9 Form is required. The T&C, T&C HSS and W-9s are filed along with a Vendor/Customer Modification (VCM) with the Office of the Comptroller, Accounts Payable Bureau.
- Underlying contract transactions and payments are not impacted; however, it is good business practice to identify the new legal name on all contract and payment transactions.

**Note:** Departments must also update the [COMMBUYS](#) Contract record to reflect the most current information and any MMARS records to ensure that the encumbrances and payments reflect the correct legal name of the Contractor. See [Amendments, Suspensions and Terminations Policy](#) for more information on Contractor changes and requirements.

### Material Changes in Contractor Identity

A change in the Contractor's Tax Identification Number (TIN) usually signals a material change in the Contractor's identity such as a merger, acquisition, consolidation or other organizational restructuring. When this occurs, the procuring Department (or Procurement Management Team (PMT) for 801 CMR 21.00 contracts) must determine the impact on its contracts. A material change in Contractor identity occurs whenever the legal name, organizational structure, Tax Identification Number (TIN), Vendor Code

or other change occurs in a Contractor from what was presented in the Contractor's response to a procurement.

If the *Commonwealth Terms and Conditions* apply to the contract, this contract contains provisions on termination and contract assignment which assert the Commonwealth's control over with whom it does business. While a Contractor may freely make whatever organizational or structural changes it wishes, if it involves a material change to its identity (as noted by a change in Taxpayer Identification Number), then its existing contracts may terminate. ***Further, a Contractor may not unilaterally assign or delegate its responsibilities or duties under a contract to another entity. The procuring Department has the sole authority to determine what to do with the remaining contract performance in all such instances.***

When faced with a material change in Contractor identity, a Department must determine the best interests of the Department, what actions are appropriate to prevent a lapse in any necessary services or a project, the most cost-effective actions given available resources and funding, and what actions will maintain the integrity of the original procurement. See [Amendments, Suspensions and Terminations Policy](#) for more information on material changes in Contractor identify and available options and requirements.

## VendorWeb

Vendors can see their scheduled payments and payment history by logging into [VendorWeb](#) on the CTR Website. VendorWeb lists the tentative scheduled payment date or the actual payment date, payment number, vendor invoice number, contract number, line amount, any associated text information and the Department making the payment in the Payment History section. In response to the vendor community, the VendorWeb application has been enhanced with a more secure log-in procedure. To use the enhanced log-in procedure, a user is required to enter the VCUST code as well as the last 4 digits of the Vendor's TIN, i.e. the vendors' EIN or independent Contractor's SSN.

## Filing of FORM MA-W-9 or W-8 for Customer Registration

The MMARS Vendor/Customer File contains information on customers. These customers enter into a business or service relationship with the Commonwealth of Massachusetts to purchase goods or services from the Commonwealth in accordance with provisions of law or statute.

Every effort should be made to obtain either the Social Security or Taxpayer Identification Number (TIN) for all customers who enter into an accounts receivable relationship with the Commonwealth. This information can be obtained by requesting that a customer complete a [Form MA-W-9](#) (Request for Taxpayer Identification Number and Certification) or a [Form W-8](#) (foreign vendors). A TIN will either be:

- a Social Security Number (SSN) issued by the Social Security Administration (SSA) for individuals or
- an Employer Identification Number (EIN) issued by the IRS for non-individuals, such as trusts, estates, partnerships, corporations, local government entities, etc.

Customers are classified as either a type "I" for an individual or a type "O" for Sole Proprietorship, Partnership, Incorporated, Nonresident Alien, Trust, Foreign, State Government, other Government, or Other.

The importance of obtaining a customer's TIN when establishing a customer is heightened by intercept functionality. The intercept process matches the vendor's payment TIN with the delinquent accounts receivable customer's TIN, to offset that receivable. The intercept functionality cannot offset receivables that do not have a TIN on the customer record.

To process a receivable and bill a customer using MMARS, the following information is required:

- 1) a customer billing address
- 2) a customer account number
- 3) a billing profile and
- 4) review and processing by CTR.

Other types of customers include a miscellaneous customer and a third-party customer.

A miscellaneous customer represents a category of receivable for which individual billings have occurred through a separate and approved delegated accounting system of a Department/entity. The miscellaneous customer option allows Departments to record aggregate billing information as one consolidated billing event in MMARS. A miscellaneous customer record requires the following information:

- 1) a customer name
- 2) a flag as a miscellaneous customer and
- 3) review and processing by CTR.

A third party customer code represents a single liability for which one or many parties are responsible (joint and several liability). (For more information, refer to the [Third Party And Multiple Third Party Billing.](#))

New customers are processed using a Vendor Customer Create document (VCC). Modifications, changes, and additions to existing customers are made using a Vendor Customer Modification document (VCM). All of these transactions are processed through workflow to CTR for final processing.

### Deletion or Inactivation of Vendors and Vendor/Customer File Purge

Vendor requests for deletion and/or Department requests for inactivation of a vendor are managed by the CTR Accounts Payable Bureau. The vendor or Department must provide the reason (e.g., merger, buy-out, etc.) for the action requested. Validated vendor requests for deletion are communicated to affected Departments and handled expeditiously, provided the deletion would not disrupt current or close out business.

In considering requests for inactivation, CTR reviews any outstanding contractual obligations recorded in MMARS and other system dependencies that may apply to the vendor to ensure there is no interruption of business for other Departments, unless warranted by a court order, oversight agency directive or as directed by the Comptroller.

Inactive vendors and other vendors that have been deleted are purged periodically from the Vendor/Customer file in MMARS (W-9s and T&C or T&C HSS will also be archived for these vendors). In the event a purged vendor seeks to do business with the state, the vendor is required to submit a new

MA-W-9 and a new T&C or T&C HSS (if applicable). CTR will determine and communicate the purge cycle and purge criteria for vendors that are listed as active but have not had any activity in the system for an extended period of time.

### W-9 for the Commonwealth as Vendor

Departments may be asked to provide proof that the Commonwealth is a tax exempt entity or proof of the Commonwealth's TIN. CTR is the Commonwealth's Tax Clearinghouse and the Accounts Payable Bureau is responsible for the issuance of completed and signed W-9 forms on behalf of the Commonwealth which reference the Commonwealth's TIN (Employer Identification Number (EIN)). The Comptroller issues the completed and signed W-9 form. There is only one Commonwealth TIN which covers all state Departments performing Commonwealth business.

### Restriction of Warrant Payments between Commonwealth Departments

Unless otherwise authorized by law or approved by the Comptroller, a Department may not issue a check or electronic funds transfers (EFT) through MMARS payment requests (PRC, GAX, INP, PRM, RFI) either to itself or to another state Department. Payments within a Department or between state Departments must be processed as internal government transactions or another method approved by the Comptroller.

### Restriction of Warrant Payments to State Employees

Services by employees (including employee reimbursements) must be paid through the state payroll system (HR/CMS). Any services rendered at another Department (e.g., adjunct faculty at an institution of higher education) must be in compliance with any restrictions for multiple concurrent employment by the Commonwealth under the State Ethics Commission prior to the start of work. Contact the [Ethics Commission](#) with questions. The Department hiring the state employee into the part-time position must determine whether or not the job responsibilities anticipated for that individual will create an employee-employer relationship (contract employee) or an independent Contractor. Department are required to comply with the policy [Individual Contractors: Contract Employees vs. Independent Contractors](#) and complete [the Employment Status Form](#) when hiring any Individual Contractor. The legal address listed for independent contractors on the MMARS Vendor/Customer file are subject to public disclosure.

See Policies "[Payroll and LCM--Types of Employment](#)" for additional requirements and guidance.

### Electronic signature and Department Head Authorization of MMARS documents

The Office of the Comptroller has aligned Electronic Security with Department Head Signature Authorization (DHSA) to take advantage of electronic signatures for MMARS processing. Every MMARS action must be confirmed/authorized by the Department Head or an authorized signatory. Department Head authorization can be accomplished in one of two ways:

- **Administrator Security with DHSA.** If the employee (Administrator - system processor) who submits a Vendor/Customer registration (VCC) or modification (VCM) to final status is a Department Head authorized signatory, the data in the MMARS system is sufficient documentation. What appears in MMARS is the record copy of the document.

- **Recording Doc ID on all supporting documentation.** Since there is no paper copy required for the MMARS document, the Department is required to include the MMARS Document Identification number (Doc ID) on all supporting documentation to “match” the supporting documentation with the electronic record of the MMARS document. Recording the Doc ID on all supporting documentation can be accomplished by entry of the MMARS Doc ID on the first page of the supporting documentation or by entering the Doc ID on a [MMARS Document Authorization/Records Management Form](#) which acts as the cover sheet to the supporting documentation for records management purposes.
- **Administrator Security Without DHS.** If the employee (Administrator - system processor) who submits a VCC or VCM document to final status is not a Department Head authorized signatory, the Administrator must obtain a live (“wet”) signature from an authorized signatory approving the document **PRIOR** to submitting the document to final status in MMARS.
  - **Review of document and supporting documentation.** Since a Department Head is required to authorize the official record of a MMARS document, which is what **actually appears in the MMARS system**, Departments must ensure that whoever authorizes the VCC or VCM document has reviewed the document and related supporting documentation prior to authorization.
  - **Written authorization.** The written authorization may appear on a screen print of the VCC or VCM document as entered and validated, but prior to final submission, or on a [MMARS Document Authorization/Records Management Form](#) prescribed by CTR, to capture the prior authorization for documents.
  - **Filing of authorization with supporting documentation.** Authorization documentation must be kept on file at the Department along with the record copy of other supporting documentation related to the MMARS document. See **Records Management** below.

### What does electronic signature of a VCC or VCM document mean?

When a Department electronically submits a VCC or VCM document to “final” status in MMARS, the Department Head is certifying to the Comptroller that the individual, on behalf of the Department Head, understands that their UAID (universal access identification) is being recorded for any entries made in the MMARS system **and that** that individual certifies under the pains and penalties of perjury that:

- it is their intent to attach an electronic signature approval and date to the MMARS document, **and that**
- they are either an authorized signatory of the Department Head who is authorized to approve the MMARS document as part of the Department Internal Control Plan **OR**
- that the document they are processing and any supporting documentation have been approved by an authorized signatory of the Department Head, secretariat and any other required prior approval (including secretariat signoff if required) and a copy of these approvals are available at the Department referencing the MMARS document number **and that**

- the MMARS document and any underlying supporting documentation are accurate and complete and comply with all applicable general and special laws, regulations and policies including public record intention and disposal requirements.

Please see policy chapters on “[Department Head Signature Authorization and Electronic Signature for MMARS Transactions](#)” for additional information.

## Internal Controls

Departments must implement sufficient internal controls to verify that all vendor and customer information submitted to CTR is verified, authorized, accurate and complete. See [Internal Control Guidance](#).

## Records Management

In accordance with 815 CMR 10.00, the Department is the record keeper of the official record copy of the contract documents and the contract/procurement file information, including vendor file information. MMARS is the official record of the encumbrance and payment documents and supersedes any paper copies of the same information. The contract/procurement file must contain, or refer to the location of, all documentation related to a procurement and resulting contract(s) and payments, including vendor file information. A Department is responsible for retaining and archiving contract records in accordance with the disposal schedules issued by the Secretary of State Records Conservation Board. The Department is responsible for ensuring that vendor records are maintained in accordance with any additional federal grant requirements and retained in an accessible format and available for audit purposes. The Office of the Comptroller is the record keeper of the official record copy of vendor file documents submitted for VCC/VCMs.

## Information Sources

Related Procedure – Forthcoming

- Related Policies:
  - Bill Payments Policy
  - Non-Tax Revenue Policies
  - Contracts Policies
  - Internal Controls – [Internal Control Guide](#)
  - [Payroll and LCM-Types of Employment](#)
  - [Department Head Signature Authorization and Electronic Signature for MMARS Transactions](#)
- Legal Authority - [M.G.L. c. 7A](#); [M.G.L. c. 29](#); [M.G.L. c. 30, §. 27](#); [M.G.L. c. 10, § 17B](#); [M.G.L. c. 29, § 29D](#); [IRS Publication 1281](#) Massachusetts Constitution [Article LXIII Section 1](#); [815 CMR 9.00: Collection of Debts](#); ; St. 1999, c. Chapter 315 § 1; St. 1999 c. 184 § 196; § 18
- Attachments/Forms –

- [Quick Reference – Goods and Services, Grants, Subsidies, ISAs and Chargebacks](#)
- [Commonwealth Terms and Conditions Form](#)
- [Commonwealth Standard Contract Form](#)
- [Electronic Funds Transfer \(EFT\) form](#)
- [Contractor Authorized Signatory Listing Form](#)
- [Form MA-W-9](#) (if not listed as vendor in the MMARS Vendor/Customer file)
- [Form W-8](#) (foreign vendors) See [Pub 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations](#) and the [Instructions for W-8](#) to determine the correct form to be used.
- [MMARS Document Authorization/Records Management Form](#)
- Links – [www.irs.gov](http://www.irs.gov)
- Contacts – [CTR Solution Desk](#) 617-973-2468
- [Comptroller Website](#)

## Revisions

**January 7, 2015.** Updated and clarified language regarding when W-9 and T&C forms are required.

**May 19, 2011. Updated to include EFT information and additional verification recommendations.**

**June 25, 2009.** Established DUNS number requirement to record on MMARS for vendors paid by the Commonwealth. Established Verification of Vendor Information and Vendor Authorization. Expounded and clarified items throughout the document.

**November 1, 2006.** Removed language referencing the Knowledge Center and updated links relevant to Mass.gov/osc portal site.