

**RESOLUTION NO. 1623****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARTHAGE, MISSOURI ADOPTING A POLICY STATEMENT TO FORMALIZE THE CONDITIONS AND PROCEDURES TO BE FOLLOWED BY THE CITY FOR APPROVING NEW VENDORS**

**WHEREAS**, the purpose of a Vendor Verification Policy is to have written policies and procedures in place for approving new vendors to prevent fraudulent disbursements to fictitious vendors; and

**WHEREAS**, the Mayor and Council have responsibilities regarding the care, management and control of the City and its finances, including establishing an annual budget; and

**WHEREAS**, the Council, as a whole, through its resolutions and ordinances, establishes basic policy which the City Administrator and other City staff implement and administer; and

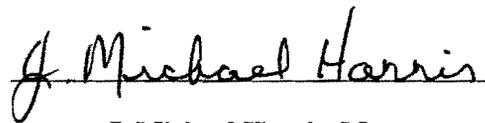
**WHEREAS**, policy matters should be highlighted and documented in resolution format for discussion so that the policy may be approved, adopted and communicated to relevant parties; and

**WHEREAS**, a Council Committee has reviewed the submitted policy statement and determined that it adequately conveys the desires and needs of the City and are providing a recommendation to adopt the Resolution:

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CARTHAGE, JASPER COUNTY, MISSOURI, THE MAYOR CONCURRING HEREIN, AS FOLLOWS:**

That the attached policy on "VENDOR VERIFICATION FOR THE CITY OF CARTHAGE, MISSOURI" be hereby adopted effective upon approval by the City Council.

**PASSED AND APPROVED THIS 22 nd DAY OF February, 2011.**



**J. Michael Harris, Mayor**

**ATTEST:**



**Lynn Campbell, City Clerk**

## **VENDOR VERIFICATION POLICY FOR THE CITY OF CARTHAGE MISSOURI**

### **OBJECTIVE AND PURPOSE**

The purpose of the policy is to have written policies and procedures in place for approving new vendors to prevent fraudulent disbursements to fictitious vendors. The objective is to be accountable to the Citizens of Carthage by following governmental accounting principles and to follow recommendations by Davis, Lynn, Moots CPA, the City's auditors, for fiscal year ending 6/30/2010.

### **SCOPE**

This policy on vendor verifications to the City includes the City and its agencies, boards and commissions.

### **DEFINITIONS**

Vendor Verification Form - a document created by City of Carthage administration for completion by new vendors to the City.

W-9 Form - a Federal Tax Form titled: Request for Taxpayer Identification Number and Certification.

### **POLICY/PROCEDURES**

All vendors must be approved according to this policy prior to any purchase or service.

The Accounts Payable Clerk will maintain a current Vendor Verification Form and W-9 Form to be available to each department upon demand.

Upon confirmation from the Accounts Payable Clerk that a Vendor is not in the INCODE system, the Department secretary must send both a Vendor Verification Form and a W-9 Form to the new vendor for completion.

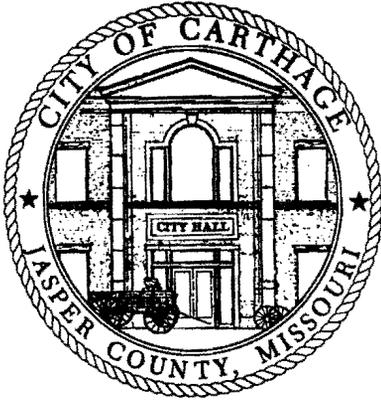
Required fields on the Vendor Verification Form:

- The vendor address must be a physical location and not a P.O. Box.
- The document must be signed
- A current phone number
- A Fed Tax ID number or Social Security #

After receipt of both the Vendor Verification Form and the W-9 Form, the Accounts Payable Clerk will review both documents for consistency and confirm the required fields are completed.

After review by the Accounts Payable Clerk and prior to loading the vendor into the INCODE software, the clerk will ask a review by another employee in City Hall. The review must confirm the existence of the vendor by one of following sources: a search online or by phone with the Missouri Secretary of State, Missouri Department of Revenue, a Local Government's Business License or other means.

The new vendor will be loaded into the Accounts Payable module of INCODE.



# The City of Carthage

*America's Maple Leaf City*

326 Grant St., Carthage, MO 64836 (417) 237-7000 FAX (417) 237-7002

## VENDOR VERIFICATION FORM

Legal Name of Company (as recorded with the IRS) \_\_\_\_\_

Owners/Partners of Company \_\_\_\_\_

Street Address (required) \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zipcode \_\_\_\_\_

Mailing Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zipcode \_\_\_\_\_

Business Phone \_\_\_\_\_ Fax \_\_\_\_\_

Years in Business \_\_\_\_\_ Incorporated: Yes \_\_\_\_\_ No \_\_\_\_\_

Type of Merchandise/Service Business Provides \_\_\_\_\_  
\_\_\_\_\_

Are you or a family member employed by the City of Carthage? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, Name of Employee \_\_\_\_\_ Relationship \_\_\_\_\_

Per IRS regulations, the City must have a W-9 on file for every vendor. A copy of the Form W-9 is available on the IRS Website at : [www.irs.gov/pub/irs-pdf/fw9.pdf](http://www.irs.gov/pub/irs-pdf/fw9.pdf)

Tax Identification Number \_\_\_\_\_ Please indicate which number you have written in the spaces:

\_\_\_\_ Social Security Number or  
\_\_\_\_ Employer Tax ID Number

Date \_\_\_\_\_ Signature \_\_\_\_\_

### For Internal Use Only:

Reviewed: Signature \_\_\_\_\_ Date \_\_\_\_\_ /Signature \_\_\_\_\_ Date \_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

Give form to the  
requester. Do not  
send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return)	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number : : :
OR
Employer identification number : : :

### Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of  
U.S. person ▶

Date ▶

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,