

Required Vendor Data Records

Federal and State regulations now require all State agencies to comply with reporting requirements for reportable payments made to individuals, partnerships and medical corporations. **Effective January 1, 1993**, such payments will be reported to both the Internal Revenue Service and the Franchise Tax Board.

Additionally, withholding of California income tax at the rate of seven percent is required for all payments made to nonresidents for income received from California sources in excess of \$1,500.00.

In order to meet these requirements, federal law and the State of California now require all vendors, contractors, and consultants to complete and submit the attached Vendor Data Record Form to each State agency with which you conduct business. This form provides the State agency with your Federal Employer Identification Number (FEIN), your residency status and a description of your vendor activity.

If any of the information submitted in the Vendor Data Record Form changes, it is the responsibility of the vendor, contractor or consultant to notify the State agency and submit a new form as soon as possible.

This form is requested in lieu of Federal Form W-9, IRS Request for Taxpayer Identification and Certification, which requires backup withholding at the rate of 31 percent if your FEIN is not available.

A complete explanation and information about residency non-residency rules and California income tax withholding requirements is included on the back of the form. The Vendor Data Record Form can be obtained from the University Accounting Office and is also included in the University Forms section of this manual.

Please complete and return this form to the pre-printed address shown at the top of the page. Your prompt assistance is appreciated.

Please note: Unless the Vendor Data Record form is returned, payments will be reduced by 31 percent for Federal back-up withholding and seven percent for State income tax withholding.

Robert P. Vega
Director of Accounting Services

Dutch Green
Acting Director of Purchasing and Administrative Services

Vendor Data Record (Form 204)

- **Purpose** - Effective January 1, 1993, California tax regulations require the CSU to withhold Federal and/or State income taxes from payments to certain vendors. Payments made to nonresident vendors, including corporations, individuals, partnerships, estates and trusts, are subject to withholding. Nonresident vendors performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income tax. However, no withholding is required if total payments to the vendor for the calendar year are \$1500 or less.
- **Who needs to submit a 204?** - In order to gather such information as residency status, taxpayer ID number, payee type, etc. the CSU now requires **all vendors** to complete a Vendor Data Record Form, STD 204 on a one-time basis before any payments can be made. If Form, STD 204 is not completed and returned by the individual or company being paid, payment will either be delayed or Federal and/or State withholding will be calculated (Federal withholding rate 31%, and for State income tax withholding rate 7%).
- **Who is exempt from filing a Form 204?** - Payments made to other State or Federal agencies. Also refund or reimbursement payments made to individuals are exempt from filing a Vendor Data Record Form.
- **How can you Help!** - If a School or Department is involved in dealing directly with a vendor (guest lecturers, emergency P.O.'s, e.g.) or is requesting a pre-payment for publication, subscription or membership, then the department must have the Vendor Data Record Form, Std 204, completed and signed and attached to the requisition, direct pay approval form and/or invoice when submitted. **Because checks cannot be released or issued without the completed documentation described above, please plan in advance to avoid payment delays.**