

Section 683.200, 29 CFR Part 97 Section 97.36; State Directives WSD16-10, WSD16-16 and WSD17-08; and the Purchasing Manual for San Joaquin County. Procurement systems and procedures will provide for full and open competition and secure the best possible price. All efforts will be made to avoid purchasing unnecessary items or duplicative items. Non-competitive procurement transactions will be the exception, and only permitted as the circumstances, the law, federal regulations, and State and County policy allow.

IV. PROCEDURE

A. Authority to Take Procurement Action

All staff may participate in the procurement process, however, authority to take procurement action is limited to the San Joaquin County Purchasing Agent or San Joaquin County Board of Supervisors.

B. Competition (200.319)

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include, but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants that are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

C. Procurement Methods

One of the following methods will be used to procure goods and services:

1. Micro-Purchase

The micro purchase procurement method is used when the “per transaction” value of a purchase is less than the micro-purchase threshold (currently \$10,000 per Federal Acquisition Regulation [FAR] 48 CFR Subpart 2.1), and may be used without soliciting competitive quotations if the price is reasonable. The micro-purchase threshold is periodically updated based on inflation. To the extent practicable, micro-purchases must be distributed equitably among qualified suppliers. Although micro-purchases are not required to receive written prior or purchase approval, they must still be documented.

2. Small Purchase

The small purchase procurement method may be used when the “per transaction” value of a purchase of equipment or services is less than the Simplified Acquisition Threshold (currently \$250,000 per FAR Subpart 2.1). The Simplified Acquisition Threshold is periodically updated based on inflation. Informal quotations are used for small purchase procurements, in lieu of the more expensive and time consuming sealed bid or competitive proposal methods.

Price as determined by a price analysis is generally the main factor when determining awards. However, other factors such as availability, delivery time, current stock, and location can be taken into consideration.

Purchases between \$10,000 and \$250,000 require a minimum of two documented quotes from qualified sources. Documented quotes can be obtained from catalogs, price lists, or from a contractor in writing. Catalogs or price lists should be no more than one-year-old.

Proper documentation for a small purchase includes the following:

- The reason for selecting the small purchase method.
- The subrecipient’s estimate of the potential purchase price.
- A description of the goods or services being purchased, including the quantity and any additional criteria used to determine the procurement decision.
- All providers contacted/considered and the prices offered using current catalogs, price lists, prior sales receipts, or formal quotes depending on the amount of the purchase.
- Why the provider was selected, including how the provider met any additional criteria, and the price analysis.

- Copy of the purchase document (sales receipt, contract).

Small purchases shall be made in accordance with federal and State rules and regulations and the Purchasing Manual for San Joaquin County.

3. Sealed Bids (formal advertising)

The sealed bid procurement method is generally used when the “per transaction” value of the good or service to be purchased will be more than the Simplified Acquisition Threshold, and its nature can be precisely defined. The desired procurement must have a complete, adequate and realistic specifications or purchase description.

The sealed bid process requires the issuance of an Invitation for Bid (IFB). The IFB must be publicly solicited or advertised through newspapers, local advertising and trade papers to an adequate number of known suppliers, provide sufficient time to respond, and clearly state specifications, bidding processes, and dates. The IFB defines the quantity, timeframes, product requirements, specifications, and pertinent attachments of the good or service being purchased. Contractors are notified of the purchase requirements and submit a sealed bid to a specified location by a specified date and time. This method is generally only applicable to purchase from vendors.

A diligent effort should be made to secure at least three competitive bids. The responsible bidder (a bidder that can meet the technical requirements of the procurements) that submits the lowest bid will be awarded the contract. The lowest bid should be calculated with factors such as discounts, transportation, and life cycle costs. Any bidder that falls outside of the parameters will normally have their bid rejected. Award of a firm fixed-price or fixed unit price contract by written notice is sent to the lowest responsible bidder. Bids may be rejected with sound and documented rationale. If only one bid is obtained and that bidder is deemed to be responsible, then the noncompetitive process may be used.

Proper documentation for a sealed bid purchase includes the following:

- The reason for selecting the sealed bid method.
- The subrecipient's estimate of the potential purchase price.
- A copy of the IFB.

- Bids received.
- Determination of the responsibility of the bidder.
- Why the provider was selected.
- Copy of the award document.

4. Competitive Proposals

This method is typically used when the “per transaction” value of the good or services will be more than the Simplified Acquisition Threshold, but its nature cannot be defined as precisely as required by the sealed bid method. Competitive proposals are specifically used when factors other than price are important in the selection decision or if the technical requirements or specifications are of a functional nature or unclear.

The competitive proposal procurement method is generally used when conditions for a sealed bid cannot be met. The Request for proposal (RFP) must be publicly solicited or advertised to an adequate number of known suppliers. A RFP should be issued that defines quantity, timeframes, product requirements, specifications, and the evaluation factors used along with their importance. Contractors submit a proposal based on the purchase requirements of the RFP to a specified location by a specified date and time to be evaluated.

All proposals should be considered on the merits of the proposal and a written review of technical evaluations should be retained for each. The review committee then makes a final recommendation as to which proposal(s) best meets the stated requirements. Careful documentation of the successful bidder selection should be maintained for reference. A public notice of intent to award should be issued followed by the award and the execution of the contract. If only one proposal is obtained and that proposal is deemed to be responsible, then the noncompetitive proposal method may be used.

If less than three bids are received during a competitive process, justification must be written explaining the limited participation. The justification should include firms and individuals contacted. These documents should be kept in the agency’s contract file and submitted with procurement requests, if applicable.

Proper documentation for a competitive proposal purchase includes the following:

- The reason for selecting the competitive proposal method.

- The subrecipient's estimate of the potential purchase price.
- A copy of the RFP.
- Proposals received.
- The scoring criteria and the evaluation/scoring sheets for each proposal, including determination of the responsibility of the bidder and the cost analysis.
- Why the provider was selected.
- The public notice of intent to award.
- Copy of the award document.

Competitive Proposals are specifically used when factors other than price are important in the selection decision; however, procurements must be in excess of \$50K. Subgrantees must indicate in the Request for Proposal (RFP) the scope of work, the method for scoring the proposals, the deadline for receipt of proposals and the dispute process. A public notification of the RFP is normally given through an announcement in a local newspaper that covers the entire service area. A copy of the RFP is sent to anyone who requests it and to any prior bidders. A bidders' conference is usually held. Bidders are required to submit their proposals to a specified location by a specified date and time.

Each RFP is reviewed and evaluated as to the merits of the proposal. This review includes a cost analysis. The review committee then makes a final recommendation as to which proposal best meets the requirements. Careful documentation of the successful bidder selection should be maintained for reference. A public notice of intent to award is issued, followed by the award, and the execution of the contract. If only one proposal is obtained and the proposal is deemed to be responsible, then the noncompetitive or sole source process may be used.

The RFP is the method most widely used by EEDD to procure subrecipients. The term is used to identify both a type of formal solicitation process and the solicitation package used in the process. This method provides a prospective subrecipient with guidelines for developing proposals to solve a particular problem or achieve a certain goal.

Competitive negotiation requires that at least two responsive proposals for the same scope of work and service area are received in response to the RFP. If only one responsive proposal is received, then there has

been a **failed competition** and EEDD has the option to re-complete the procurement or to enter into a sole source procurement, in which case the standards of a non-competitive negotiation must be satisfied.

5. Sole Source Procurement (Non-Competitive Proposals)

EEDD shall minimize the use of sole source procurements to the extent practicable, but in every case, the use of sole source procurement shall be justified and documented.

Noncompetitive proposals may only be used under certain limited circumstances. The reason for selecting this method along with the justification for the provider selection must be carefully documented and maintained. Per Uniform Guidance Section 200.320(f), procurement by non-competitive proposals the purchase must be infeasible under one of the other methods discussed above and will only be used when one or more of the following conditions apply:

- The good or service is available from only one source.
- Public exigency or emergency creates an immediate procurement need (e.g., a flood or fire requires the immediate availability of services).
- The federal awarding agency or pass-through entity authorizes the specific noncompetitive procurement (upon a formal request for approval).
- Competition is determined inadequate. This usually occurs after a sealed bid or competitive process has been used and there are insufficient bidders.

Proper documentation for a noncompetitive proposal purchase includes the following:

- The reason for selecting the method, including why the procurement was infeasible under one of the other procurement methods and which of the additional conditions the procurement met.
- The estimate of the potential purchase price.
- A copy of the RFQ/IFB/RFP.
- A determination of the responsibility of the bidder.
- Why the provider was selected.

- Copy of the award document.

Eligible Providers of Youth Workforce Investment Activities – WIOA
Sec.123 (b)

A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth workforce investment activities in the local area involved for grants and contracts to be awarded on a competitive basis.

Procurement Method	Cost Limits	Minimum Bid/Quotes Needed
Micro Purchases	Less than \$10,000	One quote at a reasonable cost
Small Purchases	Between \$10,000 and \$250,000	Two quotes: written or from a catalog
Sealed Bids	Any	Three formal written bids in response to an IFB
Competitive Proposals	Any	Three written competitive proposals in response to a RFP
Non-Competitive	Any	All bids and quotes obtained

D. Prior Approval

Prior written approvals must be obtained from the Employment Development Department (EDD) is required for equipment and related services under the following criteria:

- Procurements of property with a per-unit single cost that exceeds \$5,000.
- Related procurements with cumulative costs that exceed \$5,000, including the purchase, rent, licensing, maintenance fee, software related renewals or subscription of information-technology systems/software/services, within the State fiscal year.
- Procurements resulting in improvements to land, buildings, or equipment which exceed \$5,000.

To obtain purchase approval, subrecipients must complete the Procurement – Request for Approval to Charge WIOA Funds (Attachment 1) and submit it with any other required paperwork, to their assigned Regional Advisor or Project Manager via email. Procurement requests should be received no less than 30 calendar days before the requested procurement action is scheduled to occur (DOL Exceptions Section 2900.16).

Procurement requests will include the following:

- Description of goods or services to be purchased (item[s] name and description)
- Estimated total cost (dollar amount of total cost)
- Description of item(s) (detailed description of procurement, including functionality and use)
- Reasons for procurement (detailed justification of procurement and why the procurement is necessary to WIOA operations)
- Procurement methods and lease-option sharing considerations:
 - What procurement method was used and why
 - Quote or proposal and other documents as required by the procurement method
 - Justification of why a lease or property sharing cannot be used
 - Why the chosen provider or contractor was selected over other alternatives
- Cost (description of how the cost was determined, including any associated fees)
- Location (where the procurement item will be located or operated)

Approval can take a month once submitted so it is crucial that requests are submitted timely. A decision letter will be mailed to the entity's director at the end of the review process. Once the procurement has been approved via an approval letter, the WIOA funds account may be charged for the purchase. If a procurement is denied, the subrecipient will receive a letter specifying the reason for the denial. If a procurement request is not approved and property is charged, the subrecipient may incur a disallowed cost. Subrecipients can appeal a denial of procurement through the Chief of the Central Office Workforce Services Division.

E. Requirements for Federal Award Identification

In accordance with §200.331, all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward; and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

- Subrecipient name (which must match registered name in Data Universal Numbering System (DUNS));
- Subrecipient's DUNS number (see §200.32 DUNS number);
- Federal Award Identification Number (FAIN);
- Federal Award Date (see §200.39 Federal award date);
- Subaward Period of Performance Start and End Date;
- Amount of Federal Funds Obligated by this action;
- Total Amount of Federal Funds Obligated to the subrecipient;
- Total Amount of the Federal Award;
- Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official;
- CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
- Identification of whether the award is Research and Development (R&D); and
- Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

F. Additional WIOA Requirements

In addition to the requirements of Uniform Guidance Sections 200.318 through 200.326, the following requirements apply to procurements and agreements funded under the WIOA:

- All procurement contracts between local boards and units of government must be conducted on a cost-reimbursement basis (DOL Final Rule Section 683.200[c][4]).
- If a fixed amount award with a governmental or nonprofit agency results in revenues in excess of actual costs incurred, the excess revenues are considered to be program income (DOL Final Rule Section 683.200[c][7]). Any fixed amount awards should reference this requirement.

- Local workforce investment plans must contain the competitive process used to award contracts funded under the WIOA and training services outside the Individual Training Account (ITA) (DOL Final Rule Section 679.560[b][15]).
- The procurement requirements do not apply to the identification of eligible training providers. The process for identification of eligible training providers for training services under the WIOA is described in DOL Final Rule Section 680, Subpart B.

G. Documentation

Procurement records will be maintained for three (3) years after funding has ended, or until an audit is completed and all pending matters are closed, whichever is longest. These records shall include, but are not limited to, the following:

1. Small Purchase

The reason for selecting the small purchase method, the estimate of the potential purchase price, a description of the goods or services including the quantity, the providers contacted/considered and the prices offered using catalogs, price lists, or formal quotes depending on the amount of the purchase, why the provider was selected, and a copy of the purchase document (i.e. sales receipt).

2. Sealed Bids

The reason for selecting the sealed bid method, the estimate of the potential purchase price, a copy of the IFB, bids received, determination of the responsibility of the bidder, why the provider was selected, and a copy of the award document.

3. Competitive Proposals

The reason for selecting the competitive proposal method, the estimate of the potential purchase price, a copy of the RFP, bidders' conference questions and answers, bids received, the scoring criteria and the scoring sheets for each proposal, including determination of the responsibility of the bidder and the cost analysis, why the provider was selected, the public notice of intent to award, and a copy of the award document.

4. Sole Source Procurement (Non-Competitive Proposals)

The reason for selecting the sole source method, including why the procurement was infeasible under one of the other procurement methods and which of the additional sole source conditions the

procurement met, the estimate of the potential purchase price, a copy of the RFQ/IFB/RFP, a determination of the responsibility of the bidder and the cost analysis, why the provider was selected, and a copy of the award document.

H. Ethical Practices

1. Code of Conduct/Conflict of Interest

a. In accordance with 20 CFR 683.200(c)(5) - In addition to the requirements at 2 CFR 200.318, which address codes of conduct and conflict of interest the following applies:

(i) A State WDB member, Local WDB member, or WDB standing committee member must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or that member's immediate family.

(ii) Neither membership on the State WDB, the Local WDB, or a WDB standing committee, nor the receipt of WIOA funds to provide training and related services, by itself, violates these conflict of interest provisions.

(iii) In accordance with the requirements at 2 CFR 200.112, recipients of Federal awards must disclose in writing any potential conflict of interest to the Department.

b. Staff conducting purchases funded by WIOA shall follow code of conduct provisions identified in 29 CFR 97.36(b)(3) and the Purchasing Manual for San Joaquin County.

2. Confidentiality

Procurement activities will be conducted in a confidential manner. Staff involved in procurement will not divulge procurement plans, advance solicitation information, proposal/offer or evaluation criteria, negotiations with proposers or in-house discussions regarding a procurement until such time as this information is released to all interested parties.

3. Public Record

All written policies and procedures for procurement activities will be available to the public.

I. Selection Procedures

1. The selection of vendors and small purchases shall secure the lowest price/rate consistent with the desired quality for the intended use and needs of the goods or services. Geographical preference shall be excluded per Uniform Guidance Section 200.319(b).
2. The selection of sub-recipients will include a review of the following:

a. Threshold Criteria

In order to be eligible for the competitive range, proposals received must meet the following threshold criteria:

- (i) Submitted on time.
- (ii) Required signatures submitted.
- (iii) Correct number of copies submitted.
- (iv) Required submissions submitted.

Proposals that do not meet these threshold criteria shall not receive further consideration.

b. Demonstrated Performance

Proposals that meet the threshold criteria shall be evaluated for demonstrated performance. Determination of demonstrated performance shall be in writing and include a review of the following:

- (i) Adequate financial resources or the ability to obtain them;
- (ii) The ability to meet the program design specifications at a reasonable cost, as well as the ability to meet performance goals;
- (iii) A satisfactory record of past performance;
- (iv) A satisfactory record of integrity, business ethics, and fiscal accountability;
- (v) The necessary organization, experience, accounting and operational controls; and

(vi) The technical skills to perform the work.

3. Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

The department shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

4. Prohibition of Subawards to Debarred and Suspended Parties

Successful proposers will be required to assure that they are not debarred or suspended under federal and state rulings from participating in receipt of WIOA funds.

5. Prohibition on Contracting with Corporations with Felony Criminal Convictions or Unpaid Tax

The department shall not knowingly enter into a contract with any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months. Additionally, shall not enter into a contract with any corporation that has any unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

6. Drug Free Workplace

Successful proposers will be required to certify that it is a Drug Free Workplace.

7. Prohibition of Lobbying

Successful proposers (exceeding \$100,000) will be required to certify that no funds will be used for lobbying.

8. Price or Cost Analysis

A price or cost analysis will be completed in connection with every procurement action, including modifications (except for modifications where a determination has been made that they do not have a monetary impact). The method and degree of analysis will depend on the facts surrounding the particular procurement and pricing situation.

A cost analysis will be performed when the proposer is required to submit elements of the estimated cost, when adequate price competition is lacking, and for sole source procurements, including

contract modifications, unless price can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation.

A price analysis will be used in all other instances. A price analysis is the examining and evaluating of a proposed price without evaluating its separate cost elements and proposed profit. This process determines whether the price is fair and reasonable.

9. Lease v. Purchase Options

An analysis of lease versus purchase options to determine the most "economical and practical" procurement will be completed with every procurement action, where applicable.

10. Notification

Proposers will be notified of the results of the evaluation and selection process.

11. Disputes

The following procedure shall be utilized to handle and resolve disputes relating to procurements:

- a. Proposer agrees to make a reasonable effort to resolve disputes arising from the selection of proposals for funding by an administrative process (such as the utilization of a binding arbitrator or some form of mutually agreed upon mediations) and negotiations in lieu of litigation.
- b. Any dispute concerning a question of fact arising which is not settled by informal means shall be decided by an authorized representative of San Joaquin County, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the proposer.
- c. In connection with any appeal proceeding under this clause, the proposer shall be afforded an opportunity to be heard and to offer evidence in support of an appeal.
- d. This "Disputes" clause does not preclude consideration of any law questions in connection with decisions provided above. Nothing in this "Disputes" clause shall be construed as making final the decision of San Joaquin County's administrative official, representative, or board on a question of law.

12. Grievance Procedure

Proposers alleging a violation of WIOA may file a grievance in accordance with the EEDD Grievance and Complaint Procedures. A grievance is a written expression by a party alleging a violation of WIOA, regulations promulgated under WIOA, grants, or other agreements. The following principles and rules apply to all grievances:

- a. The complainant must file a complaint in writing to the EEDD EEO Officer within 180 calendar days of the alleged occurrence.
- b. EEDD will provide technical assistance to the complainant, as necessary.
- c. Complainant will be notified of the opportunity for an informal resolution in lieu of the hearing process. If the complaint is resolved through informal resolution, the complainant will be asked to withdraw the complaint within ten (10) days of the receipt of notice of resolution or impasse where complainant decides not to proceed to a formal hearing.
- d. If not resolved through informal resolution, an impartial hearing officer will conduct a hearing on the complaint within thirty (30) days of the filing of the complaint. The complainant and respondent will receive a written Notice of Hearing ten (10) days prior to the hearing via certified mail (return receipt requested) which will include:
 - (i) Grievances/complaint case number, name of complainant, name of respondent, date of grievance/complaint;
 - (ii) Date, time and location of the hearing before an impartial hearing officer and an opportunity to present evidence; and
 - (iii) A statement of the alleged violation(s). These statements must accurately reflect the content of the grievance or complaint as submitted by the complainant. However, clarifying notes may be added to assure that the grievance or complaint is addressed accurately of the party issuing the notice.
- e. The complainant will be provided the opportunity to present evidence at the hearing.

- f. The hearing officer will issue a final written decision within ninety (90) days of the filing of the complaint.
- g. If a complainant is dissatisfied with the decision of the hearing officer, or does not receive a written decision within sixty (60) days of filing the complaint, the complainant may request a review of the complaint by a State Review Panel.

DEPARTMENTAL PROCEDURES

A. Request for Goods and Services (RGS)

1. Completing the RGS – Assigned staff will complete a Fiscal RGS form (Attachment 2). It is the responsibility of the prospective manager requesting the goods or services to review and ensure that the required Fiscal [RGS](#) form is complete and accurate. All sections on the upper portion of the form must be complete, otherwise, the approval and processing of your request will be delayed.
2. To expedite the processing of an RGS, the necessary documentation must be attached:
 - a. Any quote information obtained;
 - b. Sole source justification, if applicable; and/or
 - c. A statement as to why a specific vendor should be selected, as appropriate.
3. More than one quote is required for items/services being procured with a per unit cost between \$10,000-\$250,000. At least three quotes are required for items/ services \$250,000 and above (An RFQ must be used). Exceptions may be necessary for sole source procurements.
4. A five-point memorandum containing proper justification must be submitted and approved by the Executive Director for the procurement of equipment and professional services not approved through the County Budget process. (See Attachment 3)
5. New County vendors must complete a W-9 form (See Attachment 4). W-9 forms are available in the “Fiscal Forms” area. The requestor is responsible for ensuring that the vendor completes said form. Keep in mind, that establishing the vendor as an approved County vendor could take anywhere from two days to two weeks.
6. An RGS must be submitted timely. Depending on the method of procurement and the availability of Fiscal staff, the procurement process can take anywhere from one day to a couple of months.

7. If your request is urgent, requiring immediate attention, the respective manager should take the RGS directly to the **Fiscal Manager** to handle appropriately.

B. Approval for Processing & Cost Classification

1. The completed RGS shall be forwarded to the designated Accountant for processing.
2. Allow up to one week for Fiscal review and approval.
3. It is the Fiscal Accountant's responsibility to review the RGS and support documentation for completeness and to ensure that:
 - a. The cost is budgeted;
 - b. The cost is reasonable and necessary; and
 - c. The program activity to be charged is correct based on the purpose and justification provided.
4. If the RGS is missing information or lacking support documentation, the Accountant will contact the requestor by e-mail within 24 hours of the review noting the discrepancies. The requestor will be asked to retrieve the RGS and return it with the necessary information.
5. If all information is complete, the Accountant will then classify the cost and determine the method and pool to allocate by.
6. It shall be the responsibility of the Accountant to bring any unusual or "new" types of requests to the attention of the Fiscal Manager.
7. The Accountant must forward the RGS to the Fiscal Manager who will work with the requestor on obtaining State approval. Purchase of property, software, software licenses, software subscriptions and any software related renewals, with a per unit cost (aggregate for IT systems, software & software related) of \$5,000 or more shall be in compliance with Part IV. C of this directive.
8. Items or work that constitute building/capital improvements are generally unallowable. A request for State approval must be brought to the attention of the Fiscal Manager.
9. The Request for Approval to Charge WIOA Funds form must have the Executive Director's approval and signature.

C. Determining the Proper Method of Procurement

1. The Accountant will determine the best method to procure the goods or services consistent with established standards and protocols.

2. There are many factors in determining which procurement method is the best:
 - a. Item Cost
 - b. Vendor Acceptance of Credit Cards
 - c. Cost of a Requisition
 - d. Time Constraints
 - e. Availability through Active Purchase Agreements
 - f. Availability through the Office Supply Acct.
3. Under the direction of the Accounting Manager, the Accountant will determine the method of procurement and document the rationale behind the procurement decision.
4. Fiscal staff will enter the RGS information in the financial management system and assign a tracking number.
5. Once processed, Fiscal staff will forward a copy of the approved and processed RGS back to the requestor.

D. Methods of Procurement

Under San Joaquin County, there are several methods to procure goods and services.

1. Credit Card (Cal-Card)
 - a. A credit card may be used for purchases under \$1,000 per occurrence with a \$5,000 limit per 30-day cycle, per card. Credit cards are generally used when an item is needed immediately and a Purchase Agreement is not in place to procure the item.
 - b. A credit card can be used to purchase supplies, materials and equipment that do not exceed the single transaction limit. The card is to be used for OFFICIAL COUNTY BUSINESS and **may not be used for personal purchases.**
 - c. Under this method, Fiscal staff will provide a copy of the approved RGS to the requestor and contact a cardholder to make the purchase (the requestor in most cases, is a cardholder).
 - d. The cardholder may use the credit card to purchase goods in person, by telephone, by FAX, by mail, or on-line. The cardholder should use caution when procuring from an on-line vendor. The cardholder should verify the address and phone number of the on-line vendor before making the purchase.

- e. Purchases shall not be split to circumvent procurement regulations, per County ordinances. Holder will forfeit their card and charging privilege if this rule is violated.
- f. Responsibility: Procurement cards are issued to individual County employees and are not issued to other units. Cardholders are responsible for the physical security of their card and for all charges appearing on their monthly statement. Prior to receiving the procurement card the holder will at the initial training receive a copy of the Request for Procurement Card which indicates the maximum dollar amount for each single purchase and total for all purchases made with the card within a given month.
- g. Prior to signing the sales draft, verify that the amount is correct and that the sales tax has been added. Be sure to receive a copy of the signed sales draft and an invoice itemizing the items purchased.
- h. The purchase information should then be entered in the Cal-Card log.
- i. Telephone or Mail Order Procedures: Log all telephone or mail on the Record of Telephone Procurement Card Orders form. When the statement is received, which has telephone orders included, the telephone log should be attached to the statement along with a packing slip/receipt. See "[Purchasing Card Policy and Procedures](#)" for the complete CalCard procedure.
- j. The Procurement card shall NOT be used for the following:
 - (i) Cash advances
 - (ii) Fuel Purchases
 - (iii) Services (Professional and/or outside services)
 - (iv) Purchase of communications equipment, such as pagers, cellular phones, two-way radios, facsimile machines.
 - (v) Items on established county term agreements or contracts
 - (vi) Purchase of computers and hardware (except cables & attachment)
 - (vii) Purchase of small appliances, furniture and electronic equipment
 - (viii) Weapons and ammo
 - (ix) Alcohol or tobacco
 - (x) Travel within the County
 - (xi) Sponsoring or Donations

- (xii) Tables at Functions
- (xiii) Printing over \$1,000
- (xiv) Any items requiring an Agreement

2. Voucher

- a. A voucher is normally used to pay routine service and utility costs or expenses that have been pre-authorized by the Board of Supervisors and the department holds a board order number for.
- b. Under this method Fiscal staff will [enter the voucher](#) for invoicing into the County's CAPS system.
- c. The County Auditor Controller's office will issue payment directly to the vendor for routine service payments. Allow one to two weeks for Auditor Controller's office to process.
- d. For non-routine payments, the County Auditor Controller's office will forward a check to Fiscal staff and the requestor will be contacted to pick-up the check. Allow one to two weeks for Auditor Controller's office to process. The requestor will receive a copy of the approved RGS and may make the purchase once they have received the check from Fiscal.

3. Purchase Order

- a. A Purchase Order is a contract to order goods/services on a one-time basis. It is issued by the County's Purchasing department upon receipt of a purchase requisition from our department. A purchase requisition provides County Purchasing with a scope of services or specifications of goods to be procured.
- b. A Purchase Order is used for purchases that are over \$1,000 or are unallowable under all other County methods of procurement.
- c. Under this method Fiscal staff must [enter the requisition](#) into the County's CAPS system.
- d. Fiscal staff will log requisition orders on a tracking spreadsheet and will follow-up on outstanding requisitions with County Purchasing on a weekly basis.
- e. The County Purchasing department will process the requisition according to local laws and regulations. Allow two to four weeks for County Purchasing to process requisitions.

- f. The requestor will receive a copy of the approved RGS and will be contacted once the goods are delivered or once the PO has been dispatched (for services) by the County Purchasing department.
- g. The goods or services cannot be received until the PO has been dispatched.

4. Purchase Agreement

- a. Purchase Agreements are Purchase Orders issued to a vendor for the purchase of predetermined goods and/or services. It allows for the procurement of goods and/or services on an as needed basis. The Purchase Agreement specifies the scope of services and/or goods to be provided, the time frame covered, and the maximum dollar limit.
- b. Under this method, the same initial procurement process as the regular Purchase Order would take place up to the point where the Purchase Agreement is dispatched by the County Purchasing Department.
- c. For future “releases” under the agreement, a new RGS is required, justifying the need to use the Purchase Agreement.
- d. Once the RGS is approved by the Accountant, Fiscal staff will either provide a copy of the approved RGS to the requestor and procure the goods, or provide a copy of the RGS to the requestor and authorize the requestor to make the purchase.
- e. Allow up to one week for your request to be processed.

5. Petty Cash

- a. Petty Cash is used for emergency purchases under \$25.00.
- b. Under this method, Fiscal staff will have the requestor take the approved RGS to the fiscal Petty Cash clerk.
- c. The petty cash clerk enters the following information on a “Petty Cash Voucher”:
 - (i) Amount requested
 - (ii) Date requested
 - (iii) Purpose
 - (iv) Account
 - (v) Approved by

- d. The petty cash clerk issues the cash and the employee acknowledges receipt by signing the Petty Cash Voucher. The voucher and the RGS are then placed in the Pending Envelope inside the petty cash box.
- e. After purchase, employee submits the receipt for the purchase and returns the unused cash. The petty cash clerk counts money returned and receipt(s) and it should add to the amount requested.
- f. The employee acknowledges the cash reimbursement by signing the Petty Cash Voucher.
- g. For the complete petty cash procedure see ["Procedures for Petty Cash"](#).

6. Service & Stores Transfer

- a. Service and Stores Transfers (SST) (Attachment 5) allow for the purchase of goods and/or services from another County Department. An SST is generally used to pay for the procurement of communications equipment, County Counsel services, Government Building services, and County Duplicating services.
- b. Under this method, Fiscal staff will complete the appropriate County department form for services or submit a memorandum to County Communications.
- c. Fiscal staff will provide a copy of the approved RGS to the requestor and authorize the use of the performing department's services or provide an estimated date for the service or goods to be delivered.

7. Supply Order Forms

- a. A supply order form (Attachment 6) is used to procure general office supplies to be used by employees of the EEDD.
- b. Under this method, no RGS is required. (The exception would be if supplies are needed for client or program use, then an RGS must be submitted to the Accountant). The supply order form is to be submitted directly to Facilities Management staff.
- c. Supply orders are generally filled on a weekly basis. The requestor will receive the supplies once they are delivered.

V. QUESTIONS REGARDING THIS DIRECTIVE

May be referred to the Executive Director EEDD via Managers or designee.

VI. UPDATE RESPONSIBILITY

The Executive Director of EEDD and/or designee shall be responsible for updating this directive, as appropriate.

VII. APPROVED



JOHN M. SOLIS
EXECUTIVE DIRECTOR

JMS/tl

- Attachment 1: Procurement-Request for Approval to Charge WIOA Funds
- Attachment 2: Request for Goods and Services (RGS)
- Attachment 3: Justification Memo
- Attachment 4: W9
- Attachment 5: Service and Stores Transfers
- Attachment 6: Supply Order Form

REQUEST FOR APPROVAL TO CHARGE WIOA FUNDS FOR THE COST OF PROPERTY

DATE _____

SUBGRANTEE NAME _____ SUBGRANTEE CODE _____

DESCRIPTION OF PROPERTY TO BE PURCHASED WITH WIOA FUNDS _____

ESTIMATED TOTAL COST OF PURCHASE _____

REASONS FOR THE PROPERTY PURCHASE:

DESCRIBE LEASE OPTION OR PROPERTY SHARING CONSIDERATIONS:

COSTS (MAINTENANCE, SET UP, TAXES, FEES, ETC.) ASSOCIATED WITH THE PURCHASE:

NAME AND ADDRESS OF THE ENTITY WHERE THE PROPERTY WILL BE LOCATED:

AUTHORIZED REPRESENTATIVE (PRINT NAME)

SIGNATURE

REGIONAL ADVISOR/PROGRAM MANAGER _____ DATE _____

PROGRAM SECTION MANAGER _____ DATE _____

ITPAS SECTION
MANAGER _____ DATE _____

(*If computer related equipment is being purchased, the ITPAS Section Manager's signature is required)

QUESTIONS REGARDING THE COMPLETION OF THIS FORM SHOULD BE DIRECTED TO YOUR REGIONAL
ADVISOR OR PROGRAM MANAGER.

REQUEST FOR GOODS AND SERVICES FOR OPERATIONS

1. NEED BY DATE: _____ REQUEST DATE : _____
2. REQUESTED BY: _____ LOCATION/COST CENTER: _____
3. APPROVED BY: _____ DELIVERY ADDRESS: _____
4. DIRECTOR / DEPUTY DIRECTOR: _____

4. Is this purchase in the budget?
 YES NO

FMD USE ONLY

Qty	Unit	DESCRIPTION (List stock#, description, size, color, page #; attach sample)	LINE ITEM COST

6. SUGGESTED Name _____ Phone: _____
 VENDOR: Address _____

7. QUOTES OBTAINED: \$1 – 9,999.99, 2 or more quotes \$10,000-\$49,999, 3 or more quotes
 Exempt from Quotes: License renewals, approved travel costs, subscriptions, memberships, marketing events, and procurements from other County departments.

8. PROGRAM/ACTIVITY/LOCATION: _____
9. PURPOSE/JUSTIFICATION: _____
10. LABOR CODE: _____ (For mileage only)
11. COST ESTIMATE: \$ _____

Below this line – For use by FMD Personnel or FMD’s Designee ONLY

County Account #	FMS Account #							Amount	Tag?
	Object	CC	Grant	CC	Loc	Mthd	Pool		
_____	_____	-	_____	-	_____	-	_____	_____	\$ _____ Y N
_____	_____	-	_____	-	_____	-	_____	_____	\$ _____ Y N
_____	_____	-	_____	-	_____	-	_____	_____	\$ _____ Y N
_____	_____	-	_____	-	_____	-	_____	_____	\$ _____ Y N

- CalCard
 Petty Cash
 A/P Voucher
 SST
 P/A
 P/O
 Budget

Available _____ Allowable/Proper Justification _____ Date _____

RGS INSTRUCTIONS

- I. **NEED BY DATE:** Enter the date (not ASAP) the items are needed. **REQUEST DATE:** Date the form is completed.
- II. **REQUESTED BY:** The individual who is filling out this form **MUST PRINT** their name (and phone # please). This helps fiscal to contact the right person if any questions arise.
LOCATION/COST CENTER: Please enter the Cost Center name for which request is made (CMD, EPD,EMD, etc.) and the Location where the goods/services will be used. (STKN, LODI, etc.)
- III. **APPROVED BY:** The Division Manager/Supervisor responsible for the named Cost Center **MUST** sign on this line. Computer related items need to be approved by MIS. **DIRECTOR:** For orders of equipment, fixed assets, or non-routine purchases, the request **MUST** also be **SIGNED** by the Executive Director.
DELIVERY ADDRESS: Specify an address, if the goods or services are to be delivered to an address other than 56 S. Lincoln Street, Stockton CA 95203.
- IV. **Is this purchase in the budget?:** If this purchase was planned for and included in your operating budget, answer YES, otherwise NO.
- V. **DESCRIPTION:** Please provide accurate, detailed information. This will expedite the ordering process.
 - A. Quantity - number ordered
 - B. Unit - i.e., each, pkg., box, dozen
 - C. Full Description of item ordered including: stock number; catalog name, item number/letter and page number; color and size if applicable. If more than one item is ordered, please include cost each.
 - D. Line Item Cost - total estimated cost of all units on this line (excluding tax or shipping).
- VI. **SUGGESTED VENDOR:** Complete this portion entirely. If this is the first time the vendor will be used, a W-9 may be needed.
- VII. **QUOTES OBTAINED:** The adequate number of quotes, based on the estimated cost, must be attached or the request will not be processed. Sales tax should be included in the cost estimate.
- VIII. **PROGRAM/ACTIVITY/LOCATION:** “Program” is the funding source and the cost center. Sample funding sources: WIA, CALWORKS, EDA, RLF. Sample cost centers: ESD, JS, BSD, CMD, Assessment, FMD. “Activity” is the allowable cost category activity. Examples: Case Management, Job Development, and Outreach to “Customers.” Location is the Worknet Center where the goods/services will be used. Examples: STKN, LODI, MANTECA. These Program/Activity/Location explanations allow FMD staff to classify costs and verify that the justification supports the benefits received.
- IX. **PURPOSE/JUSTIFICATION:** Why is this item needed? Who will use it? How will it be used? Where will it be used? This information provides supporting documentation that justifies the Program/Activity/Location.
- X. **LABOR CODE:** Labor code is to be used **ONLY** on an RGS for a Travel Request. This code must agree with your time sheet on the actual date of travel
- XI. **COST ESTIMATE:** Estimated cost of the total request rounded up to the next dollar. Include all known costs (tax, shipping, etc.).

NOTE

RETURN ALL REQUESTS TO THE FISCAL “IN BASKET”

MEMORANDUM

DATE: Today

TO: John M. Solis, Executive Director

FROM: Your Name Here

SUBJECT: Purchase of a brief description of item(s)

I. PURPOSE:

The purpose of this memorandum is to request approval for the purchase of describe what you want to purchase, including number of items.

II. RECOMMENDATION:

It is recommended that EEDD purchase number of items and a detailed description.

III. REASON FOR THE RECOMMENDATION:

Give all the information necessary to justify this expenditure of funds. Include background information and the specific need for the equipment. As appropriate, state why existing equipment cannot meet the need.

IV. FISCAL IMPACT:

Approval of the request would result in the expenditure of an estimated \$put in estimated cost of enter source of funds (you must discuss this with the Fiscal Manager to determine the appropriate funding source). Sufficient funds are available for this purchase and there is no impact on County General Funds.

V. ACTION TO BE TAKEN:

Example 1: Upon administrative approval, an RGS will be completed and forwarded to you for signature and further processing by Fiscal for procurement.

Example 2: Upon administrative approval, please sign the attached RGS and forward to Fiscal for procurement.

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 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 generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number													
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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); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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 for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

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

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. 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, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and 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 under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 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 section 1446 withholding on your share of partnership income.

In the cases below, the following person must give 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.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor [*]

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(j)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

