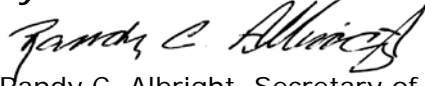


# MANAGEMENT DIRECTIVE

## Commonwealth of Pennsylvania Governor's Office

<b>Subject:</b> Federal Tax Identification Numbers Assigned to Commonwealth Agencies	<b>Number:</b> 310.15 Amended
<b>Date:</b>  February 22, 2016	<b>By Direction of:</b>  Randy C. Albright, Secretary of the Budget
<b>Contact Agency:</b> Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management, Telephone 717.787.6496	

**This directive establishes policy, responsibilities, and procedures for obtaining and using federal tax identification numbers assigned to the Commonwealth of Pennsylvania and its agencies. This amendment transfers to agencies the responsibility for the establishment, use, and ownership of agency-specific tax identification numbers and removes the previously enclosed listing of agency federal tax identification numbers. Marginal dots are excluded due to major changes.**

- 1. PURPOSE.** To establish policy, responsibilities, and procedures for obtaining and using federal tax identification numbers assigned to the Commonwealth of Pennsylvania and its agencies.
- 2. SCOPE.** This directive applies to all departments, boards, commissions, and councils (hereinafter referred to as "agencies") under the Governor's jurisdiction. Agencies not under the Governor's jurisdiction are encouraged to follow this directive or implement similar policy and procedures.
- 3. OBJECTIVES.**
  - a.** To improve the accuracy of reporting by commonwealth agencies to the Internal Revenue Service (IRS).
  - b.** To improve the security of federal tax identification numbers assigned to commonwealth agencies and to implement controls that prevent unauthorized changes to – and discrepancies between – commonwealth and IRS records.

#### 4. DEFINITIONS.

- a. **Agency System.** An information technology system owned or operated by a commonwealth agency that retains, and is the official book of record for, details regarding payments to contractors, suppliers, vendors, or grantees. The commonwealth's SAP enterprise resource planning system is **not** included in this definition.
- b. **Federal Tax Identification Number.** The nine-digit number (also referred to as an employer identification number, or EIN) assigned by the IRS to identify a business entity for the purpose of tax administration. Federal tax identification numbers/EINs identify tax accounts of employers, sole proprietors, corporations, partnerships, nonprofit associations, trusts, estates, government agencies, certain individuals, and other business entities that are required to file various business tax returns.
- c. **Form 1099.** An IRS form used by individuals or entities required to file an information return to report various types of income other than wages, salaries, and tips. Several versions of Form 1099 are used, depending on the nature of the income (e.g., 1099-INT, Interest Income; 1099-MISC, Miscellaneous Income; 1099-S, Proceeds from Real Estate Transactions).
- d. **Information Return.** A tax document businesses must file to report certain business transactions to the IRS. Additional details regarding information returns are available at [www.irs.gov](http://www.irs.gov).

#### 5. POLICY.

- a. Federal tax identification numbers must be treated as confidential information and used only in accordance with applicable state and federal laws, regulations, and requirements.
- b. The federal tax identification number established in the name of the Commonwealth of Pennsylvania is owned by the Office of the Budget. Agencies must notify the Office of the Budget before submitting any type of form or document using the Commonwealth of Pennsylvania federal tax identification number.
- c. The federal tax identification number established in the name of "Executive Offices – BCPO" is owned by the Office of the Budget. The use of this federal tax identification number for any purpose other than payroll tax reporting is prohibited.
- d. Information returns and Forms 1099 generated by the commonwealth's SAP enterprise resource planning system shall use the Commonwealth of Pennsylvania federal tax identification number.
- e. Any agency that files information returns and distributes Forms 1099 generated by an agency system must use the federal tax identification number assigned to or established in the name of the agency. Agencies may use agency-specific federal tax identification numbers in other circumstances, as approved by the Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management.

- f. A federal tax identification number assigned to or established in the name of a commonwealth agency is the responsibility of the establishing agency. Agencies should enact appropriate measures to prevent the misuse of agency-specific federal tax identification numbers. Additionally, agencies should ensure any document submitted to the IRS that requires the commonwealth agency's name, address, and agency-specific federal tax identification number includes such information only as it exists on file with the IRS; providing an agency name or address that differs from the name and address on file with the IRS may result in unintended changes to IRS records.

## **6. RESPONSIBILITIES.**

### **a. Agency Deputy Secretary for Administration or Equivalent.**

- (1) Ensure agency personnel have been informed that federal tax identification numbers must be treated as confidential information.
- (2) Ensure controls exist to prevent the inappropriate disclosure or misuse of any federal tax identification number assigned to or established in the name of the agency and that only the name and address on file with the IRS are used in conjunction with the agency's federal tax identification number.
- (3) Consult the Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management or the agency office of chief counsel, as needed, regarding the establishment and appropriate use of federal tax identification numbers.

**b. Agency Office of Chief Counsel.** Provide guidance as needed regarding the establishment and appropriate use of agency-specific federal tax identification numbers.

**c. Agency Personnel.** Treat federal tax identification numbers as confidential information and use these numbers only in accordance with applicable state and federal laws, regulations, and requirements.

### **d. Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management.**

- (1) Ensure controls exist to prevent the inappropriate disclosure or misuse of the federal tax identification number established in the name of the Commonwealth of Pennsylvania and that only the name and address on file with the IRS are used in conjunction with the Commonwealth of Pennsylvania federal tax identification number.
- (2) Provide guidance to agencies on the establishment and appropriate use of the Commonwealth of Pennsylvania federal tax identification number.

## 7. PROCEDURES.

- a. **Applying for a Federal Tax Identification Number/Employer Identification Number.** Agencies should refer to *IRS Publication 1635, Understanding Your EIN* or documentation available online at [www.irs.gov](http://www.irs.gov) for details about applying for and properly using a federal tax identification number/EIN.
  
- b. **Determining When to Use the Commonwealth of Pennsylvania Federal Tax Identification Number/EIN or an Agency-Specific Number.** Generally, the Commonwealth of Pennsylvania federal tax identification number is used only for information returns and Forms 1099 generated by the commonwealth's SAP enterprise resource planning system and in limited other circumstances as determined by the Office of the Budget. Agency personnel who are unsure when to use the commonwealth federal tax identification number or an agency-specific number, or do not know their agency-specific number, should:
  - (1) Contact the Office of the Budget, Office of Comptroller Operations, Bureau of Accounting and Financial Management for guidance on the use of the commonwealth federal tax identification number, or
  - (2) Contact their agency office of chief counsel for guidance on the use of the agency-specific federal tax identification number.

**This directive replaces, in its entirety, *Management Directive 310.15*, dated June 7, 1996.**