

MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania
Governor's Office

Title

Management Directive 310.15 Amended – Tax Identification Numbers Assigned to the Commonwealth and its Agencies

Date

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By Direction of

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Contact Agency

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This directive establishes policy, responsibilities, and procedures for obtaining and using Tax Identification Numbers assigned to the Commonwealth and its agencies. This amendment updates definitions, policy, responsibilities, and procedures.

1. PURPOSE.

To establish policy, responsibilities, and procedures for obtaining and using TINs assigned to the Commonwealth and its agencies.

2. SCOPE.

This directive applies to all departments, offices, 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 agencies to the Internal Revenue Service (IRS).
- b.** To improve the security of TINs assigned to agencies and to implement internal 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 an agency that retains, and is the official source for, details regarding agency specific financial information. The Commonwealth's SAP enterprise resource planning system is **not** included in this definition.
- b. **Forms 1099.** IRS forms, including substitute Forms 1099 conforming to IRS provisions, used by individuals or entities required to file an Information Return to report various types of income other than wages, salaries, and tips. Depending on the nature of the income, Forms 1099 include, but are not limited to, the 1099-INT, Interest Income; 1099-MISC, Miscellaneous Income; 1099-NEC, Non-Employee Compensation; and 1099-S, Proceeds from Real Estate Transactions.
- c. **Information Return.** A tax document that businesses must file to report certain business transactions to the IRS. Additional details regarding Information Returns are available at www.irs.gov.
- d. **Master Database.** A central database where a unique number is assigned to each customer, vendor and business partner, and which contains information necessary for the accounts payable and receivable and reporting functions in SAP.
- e. **Tax Identification Number (TIN).** A nine-digit number assigned by the federal government which is used for tax filing and reporting purposes. Also referred to as the Employer Identification Number (EIN) or Federal Identification Number (FID) for various entities or Social Security Number (SSN) for individuals.

5. POLICY.

- a. Only the following TINs are to be utilized in the Commonwealth:
 - (1) TINs assigned to or established in the name of an agency (agency-specific TINs).
 - (2) The TIN established in the name of the Commonwealth (Commonwealth TIN).
 - (3) A specific TIN established in the name of "Executive Offices – BCPO."
- b. Agency-specific TINs:
 - (1) Agency-specific TINs are the responsibility of the establishing agency.
 - (2) Information Returns and Forms 1099 generated by an Agency System shall use the TIN assigned to or established in the name of the agency.

- (3) Use of agency specific TINs in circumstances other than noted in Section 5.b.(2) shall be approved by agency's Office of Chief Counsel.
 - (4) Agencies shall enact internal controls, in accordance with *Management Directive, 325.12 Amended, Standards for Internal Controls in Commonwealth Agencies*, to prevent the misuse of agency specific TINs.
 - (5) Agencies shall ensure any document submitted to the IRS that requires the agency's name, address, and agency specific TIN includes such information only as it exists on file with the IRS. Providing an agency name, address, or TIN that differs from the IRS files may result in unintended changes to IRS records.
 - (6) Agency-specific TINs must be treated as confidential information and used only in accordance with applicable state and federal laws, regulations, and requirements and in adherence to this directive.
- c. The Commonwealth TIN:
- (1) The Commonwealth TIN is owned by the Office of the Budget.
 - (2) Information Returns and Forms 1099 generated by the Commonwealth's SAP enterprise resource planning system (hereinafter referred to as "SAP") shall use the Commonwealth TIN.
 - (3) The Commonwealth TIN must be treated as confidential information and used only in accordance with applicable state and federal laws, regulations, and requirements and in adherence to this directive.
 - (4) Agencies must notify the Office of the Budget before submitting any type of form or document using the Commonwealth TIN.
- d. Use of the "Executive Offices – BCPO" TIN is prohibited for purposes other than payroll tax reporting.

6. RESPONSIBILITIES.

a. Agency Deputy Secretary for Administration or Equivalent.

- (1) Ensure agency personnel have been informed that all TINs must be treated as confidential information.
- (2) Ensure internal controls exist to prevent the inappropriate disclosure or misuse of any TIN 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-specific TIN.

- (3) Consult the agency's Office of Chief Counsel, as needed, regarding the establishment and appropriate use of agency-specific TINs.
- (4) Consult the Office of the Budget, Office of Comptroller Operations, as needed, regarding the appropriate use of the Commonwealth TIN.
- b. **Agency Office of Chief Counsel.** Provide guidance as needed to agency personnel regarding the establishment and appropriate use of agency specific TINs.
- c. **Agency Personnel.**
 - (1) Treat all TINs as confidential information.
 - (2) Use TINs only in accordance with applicable state and federal laws, regulations, and requirements and in adherence to this directive.
- d. **Office of the Budget, Office of Comptroller Operations.** Provide guidance, as needed, to agencies on the appropriate use of the Commonwealth TIN.

7. PROCEDURES.

- a. **Establishment of an agency-specific TIN.**
 - (1) Agencies shall consult with their agency's Office of Chief Counsel regarding the establishment and use of an agency-specific TIN.
 - (2) Agencies should refer to *IRS Publication 1635, Understanding Your EIN*, or documentation available online at www.irs.gov for details about applying for and properly using a TIN.
- b. **Use of the Commonwealth TIN.**
 - (1) Contact the Office of the Budget, Office of Comptroller Operations for guidance, as needed, on the use:
 - (a) Contact the Bureau of Payable Services (BPS) concerning Master Database and accounts payables issues.
 - (b) Contact the Bureau of Accounting and Financial Management (BAFM) concerning other reporting needs.

This directive replaces, in its entirety, *Management Directive 310.15 Amended*, dated February 22, 2016.