

TITLE: CIB 86-14 Required Information to be Included on Contract and Assistance Documents to Enable AID's Compliance with IRS Regulations on Reporting Taxable Nonemployee Compensation

AGENCY FOR INTERNATIONAL DEVELOPMENT

December 9, 1986

MEMORANDUM FOR ALL CONTRACTING OFFICERS

To: Distribution List D-14(LL)

From: M/AAA/SER, John F. Owens, Procurement Executive

CONTRACT INFORMATION BULLETIN 86-14

Subject: Required Information to be Included on Contract and Assistance Documents to Enable AID's Compliance with IRS Regulations on Reporting Taxable Nonemployee Compensation

AID has recently been audited for its compliance with Internal Revenue Service Regulations on reporting taxable nonemployee compensation. To properly report this compensation, AID reporting units depend on the information contained in contracts, assistance documents and purchase orders to determine the recipient's tax identification number (DUNS number or Social Security number) and tax status, i.e. , individuals, partnerships, medical corporations and corporations. In the past, this information has not been routinely included on documents, contributing to AID's noncompliance with IRS reporting requirements.

To comply with the recommendations of this audit, and to assist the Office of Financial Management (M/FM) with implementation of the new financial management system (FACS), the following items must hereafter be included on all new contracts and assistance documents and amendments thereto, when appropriate and available.

- When the contractor/recipient is a partnership, the annotation "PARTNERSHIP" must be placed in the upper right-hand corner of each new document or amendment.
- Related to the Prompt Payment Act, Contracting Officers and negotiators should include the contractor/recipient address where AID payments are to be made on the contract or assistance document Cover Page. If this address is different from the mailing address of the organization, both addresses should be included on the Cover Page with an appropriate annotation preceding the payment address. The exact payment address is needed by M/FM and/or Mission controllers for tax reporting purposes. This requirement should not adversely affect the timely award of a document.

Contracting Officers and negotiators are reminded that they are also responsible for ensuring that:

- a nine-digit DUNS number is clearly marked on the Cover Page of each new contract, assistance document

or purchase order (not with an individual) and on the first page of all amendments and modifications to such existing documents.

- a nine-digit Social Security number is clearly marked on the Cover Page of each new personal services contract and each purchase order or non-personal services contract with an individual and on the first page of all amendments to such existing documents.

For AID/Washington contracting officials, an up-to-date listing of DUNS numbers is available in OP/PS/SUP. If a potential contractor/recipient is not included in the listing, a DUNS number can be obtained from OP/PS/SUP upon written request. Social Security numbers must be obtained directly from the individual contractor.

For Mission contracting officials, DUNS numbers can be obtained directly from Dun & Bradstreet on (215) 346-4388, from 8 am through 6 pm- Courier or mail requests can be sent to Dun & Bradstreet, Information Resource Department 0178, One Impirical Way, Allentown, PA 18195. Responses will be sent via the address specified in request within one week of receipt.