

Daily Operations Section
State Accounting Bureau

1042 Reporting: Part 2 - Foreign Supplier Payment Release





Foreign Supplier Vouchers: Mandatory hold

- Per MOM 330, payments to foreign suppliers are automatically held in SAHBRS Financials
 - To release a held foreign payment, a Foreign Payment Release request must be submitted in ServiceNow
 - DOS verifies a valid W-8 is attached (if necessary), and a corresponding invoice for the voucher will be released
 - Payment will go out to the supplier the next business day
- Vouchers will not be released without a valid W-8, invoice, and/or proper withholding (if applicable), unless it's a goods purchase
 - Failure to accurately report 1042-S payments could result in fines and penalties (absorbable by the issuing BU)



Foreign Supplier Vouchers: Creation

Creating a foreign supplier voucher requires the same steps as a Domestic supplier, except for:

- The withholding check box
 - **The withholding check box is only for 1099 reportable payments**
 - SABHRS Financials only processes 1099MISC/NEC/G; 1042-S is not a withholding option on a voucher
 - 1042-S are manually processed by the agency in conjunction with DOS
- Please review the SABHRS User Guide – Entering a Voucher for step-by-step instructions
- Each BU must have a valid signed W8 for all Foreign Suppliers prior to voucher creation



ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

State Login

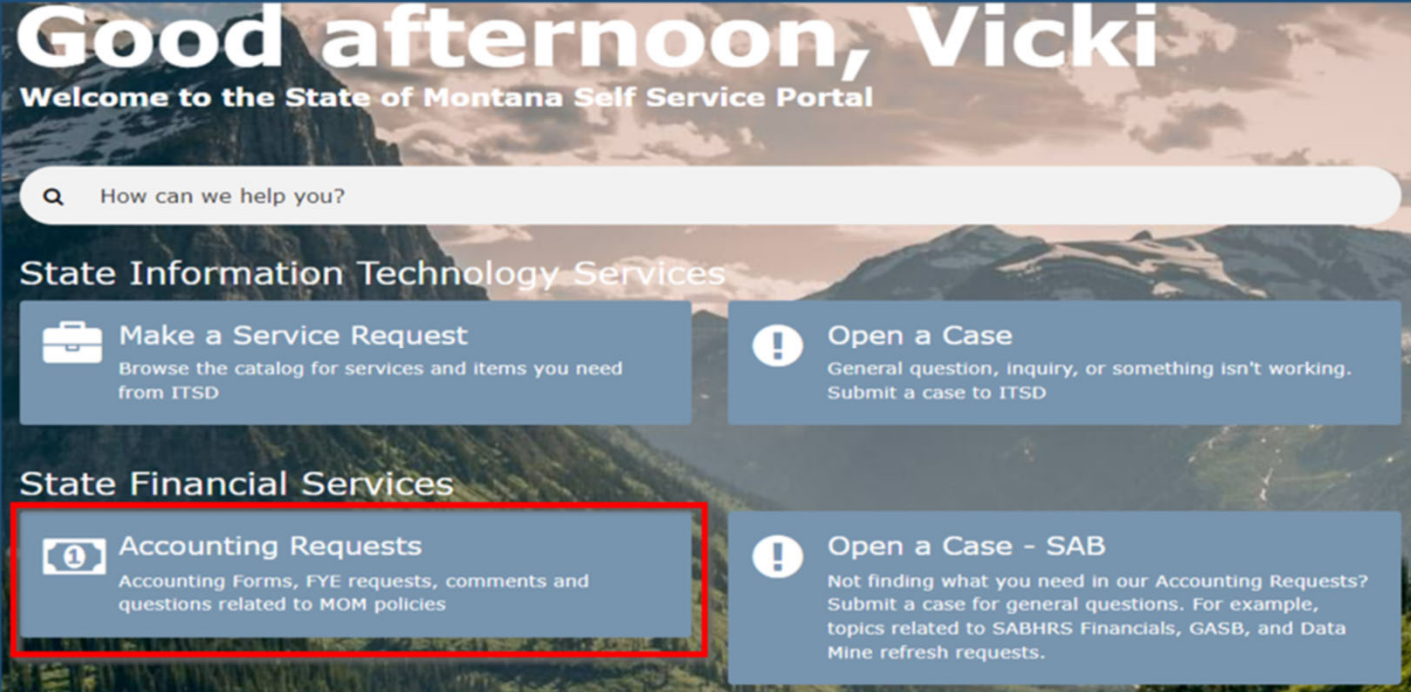




ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

Choose Accounting Requests under "State Financial Services"



The screenshot shows the State of Montana Self-Service Portal. At the top, it says "Good afternoon, Vicki" and "Welcome to the State of Montana Self Service Portal". Below this is a search bar with the placeholder text "How can we help you?". The main content area is divided into two sections: "State Information Technology Services" and "State Financial Services". Under "State Information Technology Services", there are two options: "Make a Service Request" (with a briefcase icon) and "Open a Case" (with an exclamation mark icon). Under "State Financial Services", there are two options: "Accounting Requests" (with a dollar sign icon) and "Open a Case - SAB" (with an exclamation mark icon). The "Accounting Requests" option is highlighted with a red border.

Good afternoon, Vicki
Welcome to the State of Montana Self Service Portal

How can we help you?

State Information Technology Services

- Make a Service Request**
Browse the catalog for services and items you need from ITSD
- Open a Case**
General question, inquiry, or something isn't working. Submit a case to ITSD

State Financial Services

- Accounting Requests**
Accounting Forms, FYE requests, comments and questions related to MOM policies
- Open a Case - SAB**
Not finding what you need in our Accounting Requests? Submit a case for general questions. For example, topics related to SABHRS Financials, GASB, and Data Mine refresh requests.

DAILY OPERATIONS SECTION (DOS) | STATE ACCOUNTING BUREAU (SAB)



ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

1. Choose payment related
2. then Foreign Payment Release

The screenshot displays the State of Montana Self-Service Portal interface. On the left, under 'Categories', the 'Payment Related R...' option is highlighted with a red box and a '1' in a red box. The main content area, titled 'Payment Related Requests', lists various request types. The 'Foreign Payment Release' option is highlighted with a red box and a '2' in a red box. A mouse cursor is pointing at the 'View Details' link for the 'Foreign Payment Release' option.

Catalogs	Payment Related Requests		
SAB Service Catalog	Statewide Accounting Requests for a Payroll Replacement, Express Warrant, Payment Reissue, Stale-dated request, 1099 duplicate or correction, or Other payment related requests.		
Categories	1099 Correction/Duplicate Form 222 - 1099 Correction/Duplicate View Details	Copy of Cashed Warrant Form 224 - Copy Cashed Warrant View Details	EFT Payment Release EFT Payment Release View Details
Other Accounting Req... 20	Express Warrant Request Form 223 - Express Warrant View Details	Foreign Payment Release Foreign Payment Release View Details	Manual EFT Return Manual EFT Return View Details
Payment Related R... 14	Payment Reissue Form 212 - Payment Reissue	Payroll Replacement Req... Form 213 - Payroll Replacement	Pulled Warrant Request Pulled Warrant Request
Something Is Broken 1			
Treasury Related Req... 13			



ServiceNow: Foreign Payment Release Request



STATEWIDE ACCOUNTING BUREAU

FOREIGN PAYMENT RELEASE

In order to ensure that Statewide Accounting Bureau (SAB) has all necessary documentation for IRS 1042 reporting, there is a foreign payment hold process implemented in SABHRS Financials. This process holds all payments that are made to foreign suppliers. SAB reviews held payments daily to ensure that the payment invoice and completed supplier W-8 has been collected. Once these documents have been received and reviewed for completeness, SAB releases the foreign payments. It may not always be necessary to send a W-8, as we keep past forms stored, but invoices are always required. Agencies must use this form to submit all necessary documentation for foreign payments to SAB.

* Select your Agency:

-- None --

* AP business unit:

6101A

* Voucher ID:

* Supplier ID:

* ☐ Check this box to confirm that the invoice for this payment (and W-8 if necessary) is attached.

Additional Information

Add any information you think would be helpful for processing this request. Thank you



Foreign Supplier Reminders

- It is the BU's responsibility to confirm treaty claims are valid and if a withholding amount is necessary
 - IRS links and additional treaty info in Part 1
 - If any amounts are withheld the paying BU must report the amount to DOS
- Stay up to date on your Foreign Supplier voucher holds by running a query MTAP_HELD_VOUCHERS in SABHRS
 - When vouchers are ready to be released, send a request via ServiceNow
 - You will receive an email when the voucher hold has been released. If you have not received confirmation within two business days, please feel free to follow up with DOS
- Failure to follow the steps outlined in this presentation could lead to IRS fines and penalties. **See part 4 for info on possible IRS compliance examinations



THANK YOU!

Thank you for watching!

Questions? Please open a Case – SAB in ServiceNow
or call 406-444-3092