

1042 Reporting: Part 3 - Foreign Supplier Payment Release





Foreign Supplier Vouchers: Creation

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

- 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 forms will be created by DOS
 - Please review the SABHRS User Guide – Entering a Voucher for step-by-step instructions
- Each agency must have a valid signed W8 for all Foreign Suppliers prior to voucher creation



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 can be found in Part 1
 - If any amounts are withheld, the paying BU must report the amount to DOS and deposit the funds using the EFTPS portal. If you don't have access contact SAB.
- Stay up to date on your Foreign Supplier voucher holds by running query `MTAP_HELD_VOUCHERS` in SABHRS



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 corresponding invoice for the voucher must be attached before payment 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 agency)



ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

State Login

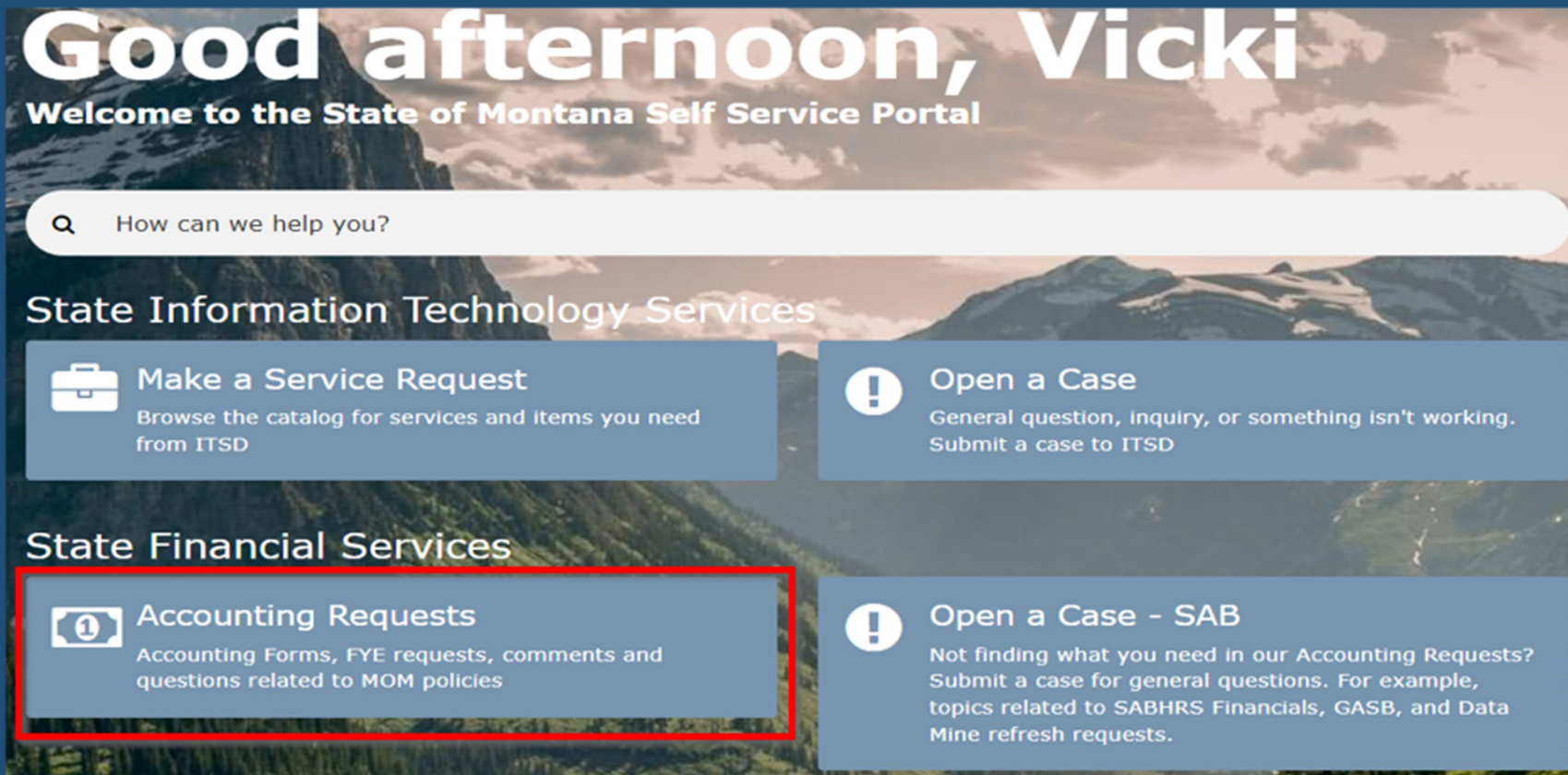




ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

Choose Accounting Requests under "State Financial Services"

A screenshot of the State of Montana Self-Service Portal. The background is a scenic mountain landscape. 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 page is divided into two main 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 document icon) and "Open a Case - SAB" (with an exclamation mark icon). The "Accounting Requests" option is highlighted with a red rectangular border. The text for "Accounting Requests" reads: "Accounting Forms, FYE requests, comments and questions related to MOM policies". The text for "Open a Case - SAB" reads: "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."



ServiceNow: Foreign Payment Release Request

State of Montana Self-Service Portal

1. Choose payment related
2. then Foreign Payment Release

The screenshot displays the ServiceNow self-service portal interface. On the left, a sidebar contains a 'Catalogs' dropdown set to 'SAB Service Catalog' and a 'Categories' list. The 'Payment Related R...' category is highlighted with a red box and a '1' callout. The main content area is titled 'Payment Related Requests' and contains a grid of request cards. The 'Foreign Payment Release' card is highlighted with a red box and a '2' callout. A mouse cursor is positioned over the 'View Details' link of the 'Foreign Payment Release' card.

Category	Request Type	Form	Description	Action
Payment Related R... 14	1099 Correction/Duplicate	Form 222 - 1099 Correction/Duplicate	1099 Correction/Duplicate	View Details
	Copy of Cashed Warrant	Form 224 - Copy Cashed Warrant	Copy of Cashed Warrant	View Details
	EFT Payment Release	EFT Payment Release	EFT Payment Release	View Details
	Express Warrant Request	Form 223 - Express Warrant	Express Warrant Request	View Details
	Foreign Payment Release	Foreign Payment Release	Foreign Payment Release	View Details
	Manual EFT Return	Manual EFT Return	Manual EFT Return	View Details
	Payment Reissue	Form 212 - Payment Reissue	Payment Reissue	View Details
	Payroll Replacement Req...	Form 213 - Payroll Replacement	Payroll Replacement Req...	View Details
	Pulled Warrant Request	Pulled Warrant Request	Pulled Warrant Request	View Details



ServiceNow: Foreign Payment Release Request

Foreign Payment Release

* Indicates required

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:

* Do you have more than 4 Foreign payments to release?

* AP business unit:

* Voucher ID:

* Supplier ID:

* Supplier Name:

Additional Information:

I have another Foreign Payment to release

* Check this box to confirm that all invoices and necessary W8s are attached.

Watch List

Select to expand Watch List



THANK YOU!

Thank you for watching!

Questions? Please [open a Case – SAB](#) in ServiceNow, e-mail
SAccounting@mt.gov
or call 406-444-3092