

Procedure number #0802-07.1

Payments to Foreign Entities

Date Issued: 02/01/2022

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Authority: Minnesota Management and Budget,
Supplier Payments Unit

OVERVIEW

Purpose Statement

To provide guidance to agencies when making payments to foreign suppliers.

PROCEDURE STEPS

Step	Action	Responsible Party	Timeline
1.	Determine if the foreign supplier exists, and is active, in the Statewide Integrated Financial Tools (SWIFT).	Agency	When applicable
2.	If the supplier exists, and is active, in SWIFT, collect the appropriate W-8 document from the supplier and submit to W9-1099.MMB@state.mn.us. Proceed to step 6.	Agency	When applicable
3.	If the supplier does not exist, or is inactive, in SWIFT, collect the appropriate W-8 document from the supplier and submit to W9-1099.MMB@state.mn.us.	Agency	When applicable
4.	Review, approve, and create/activate the supplier in SWIFT. During review, contact the agency for additional information as needed.	MMB Supplier Support Unit	When applicable
5.	Notify the agency that the supplier has been created/activated in SWIFT.	MMB Supplier Support Unit	As needed
6.	Create the purchase order in SWIFT.	Agency	As needed

7.	Upon receipt of good or service, enter payment in SWIFT. Complete the foreign supplier intake form and submit to W9-1099.MMB@state.mn.us.	Agency	As needed
8.	Withhold the proper amount of payment to the supplier, when applicable. Let Michael.Persons@state.mn.us know of any withholding. Proceed to step 10 if not withholding any funds.	Agency/ MMB Supplier Support Unit	When applicable
9.	Submit withholding to the IRS.	Michael Persons	When applicable
10.	Create the 1042-S tax forms at calendar year end and distribute to the Supplier and the IRS.	MMB Supplier Support Unit	When applicable

RELATED POLICIES, PROCEDURES, AND RESOURCES

- 0802-07 Payments to Foreign Entities Policy (<https://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0802-07-payments-to-foreign-entities-policy.pdf>)
- MMB Statewide Operating Form 0802-07.1f Foreign Supplier Payment Intake form (<https://mn.gov/mmb-stat/documents/accounting/forms/0802-07.1f-foreign-supplier-payment-intake-form.pdf>)