

# Okanogan County Transit Authority

RFQ – 19-040919

Financial Review Services

## Contents

REQUEST FOR PROPOSALS FOR FINANCIAL STATEMENT REVIEW SERVICES .....	3
TENTATIVE SCHEDULE.....	3
PROPOSAL SUBMISSION .....	3
CONTACT.....	3
FINANCIAL STATEMENT REVIEW SERVICES.....	3
AGENCY PROFILE.....	4
Okanogan County Transit Authority Operating Budget and Cash Flow Budget .....	4
Fund Structure .....	4
Major Sources of Revenue .....	4
Budgetary Basis of Accounting .....	4
Pension Plan.....	4
Finance Staff.....	4
SCOPE OF SERVICE .....	5
REPORTS TO BE ISSUED.....	5
WORKING PAPERS RETENTION AND ACCESS TO WORKING PAPERS.....	6
TIME REQUIREMENTS .....	6
A. Proposed Calendar.....	6
B. Date Audit May Commence.....	6
C. Date Reports Are Due .....	7
D. Contract Term.....	7
E. Proposal Contents.....	7
Introduction .....	7
Qualifications .....	7
Work Plan.....	8
Cost .....	8
References .....	9
OKANOGAN COUNTY TRANSIT AUTHORITY’S RESPONSIBILITIES .....	9
SELECTION PROCESS .....	9
QUESTIONS .....	10
Attachments:.....	11
Attachment A – Financial Review Services Proposal .....	12
Attachment B - W9.....	<b>Error! Bookmark not defined.</b>
Attachment C – Agreement for Consulting Services (Draft).....	<b>Error! Bookmark not defined.</b>

# REQUEST FOR PROPOSALS FOR FINANCIAL STATEMENT REVIEW SERVICES

April 6, 2019

## TENTATIVE SCHEDULE

- RFQ release: April 11, 2019
- Questions due: April 22, 2019
- Responses to questions posted on WEBS: April 23, 2019
- Proposals Due: April 29, 2019, 4PM PST

## PROPOSAL SUBMISSION (1 ORIGINAL & 2 COPIES)

1. Cover sheet
2. Firm history and proposal
3. Schedule of Professional Fees & Expenses
4. References
5. Sealed and delivered via mail or in person to:

In Person:

Okanogan County Transit Authority 303 Second Avenue  
Suite A  
Okanogan, WA 98840

Via Mail:

Okanogan County Transit Authority PO Box 507  
Okanogan, WA 98840

## CONTACT

Kelly Scalf, CEO

Ph: (509) 557-6177

E-mail: [kscalf@okanogantransit.com](mailto:kscalf@okanogantransit.com)

## FINANCIAL STATEMENT REVIEW SERVICES

Okanogan County Transit Authority is requesting proposals from qualified firms of certified public accountants to perform a review of the Financial Statements submitted to the Washington State Auditor for two fiscal years ending December 31, 2017, and 2018, with an option to extend for two more years. This Request for Proposals (RFQ) is expected to result in a

fixed price contract. Proposals must be received by Okanogan County Transit Authority by 4:00 PM PST on April 26, 2019 via mail or in person at the addresses above.

## AGENCY PROFILE

Okanogan County Transit Authority is a Public Transit Benefit Area (PTBA), authorized by RCW 36.57A.060. In November 2013, the voters of Okanogan County Transit Authority authorized a .4% sales tax to support transit service within the PTBA. The Okanogan County Transit Authority is governed by a nine member Board representing the County and the 8 local cities within the PTBA.

To carry out the Agency operations, the Governing Board develops and establishes resolutions and policies, and appoints a Chief Executive Officer/General Manager to conduct the Agency's day-to-day operations.

As a public entity, since 2013, Okanogan County Transit Authority's most significant funding stream has been sales tax funds, which are collected by Washington State and distributed by Okanogan County. Okanogan County Transit Authority also receives some funds from the Washington State Department of Transportation through formula grant allocations and competitive grant awards.

### [Okanogan County Transit Authority Operating Budget and Cash Flow Budget](#)

Tri-City's 2017 Operating Budget total is \$1.4 million. The Operating Budget for 2018 is \$1.3 million. Okanogan County Transit Authority's fiscal year begins January 1, and ends on December 31 each year.

[Fund Structure](#) – As a governmental entity, Okanogan County Transit Authority utilizes BARS coding to categorize revenue and expenses. The accounts of Okanogan County Transit Authority are reported on an accrual basis of accounting.

[Major Sources of Revenue](#) – Okanogan County Transit Authority's operations are funded by local sales tax, formula funds and limited federal grant funds.

[Budgetary Basis of Accounting](#) – Okanogan County Transit Authority prepares its budget consistent with generally accepted accounting principles.

[Pension Plan](#) – Okanogan County Transit Authority participates in Washington's Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities in the State of Washington.

[Finance Staff](#) – Okanogan County Transit Authority contracts with the CPA firm, CliftonLarsonAllen, for financial services including payroll, accounts payable, accounts receivable, and production and submission of annual financial statements to the Washington State Auditor. Okanogan County Transit Authority does not have any financial experts on staff.

The purpose of this recruitment is to engage a firm to provide an independent assessment of the financial documents, and annual reports to determine if there are any concerns including errors or omissions in fair and accurate presentation of these documents. Okanogan County Transit Authority recognizes the responsibility to ensure compliance with GAAP standards in reporting the finances of the Authority.

In 2017, Okanogan County Transit Authority had an initial financial and accountability audit of years 2014, 2015 and 2016. These audits are available at the Washington State Auditor's web site at [www.sao.wa.gov](http://www.sao.wa.gov).

## SCOPE OF SERVICE

Okanogan County Transit Authority desires the financial report reviewer to express an opinion on the fair presentation of Transit Authority's basic financial statements in conformity with generally accepted accounting principles and include the following:

1. Perform an examination of Okanogan County Transit Authority's basic financial statements for the purpose of rendering an opinion thereon. The financial statement review is to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in Governing Auditing Standards (1994) issued by the Comptroller General of the United States.
2. Perform limited audit procedures related to the Required Supplemental Information (RSI), including Management's Discussion and Analysis (MD&A), and schedule of proportionate share of the net pension liability and schedule of contributions.
3. Provide up to 20 hours of consultation and advice regarding generally accepted accounting practices as needed throughout the year to facilitate the financial statement review process, which may include implementation of new GASB statements, as applicable.

## REPORTS TO BE ISSUED

Following the completion of the review of the fiscal year's financial statements, the auditors shall issue the following reports:

1. An Independent Report on the fair presentation of the financial statements in conformity with generally accepted accounting principles and including any recommendations for correcting omissions or errors in the financial statements filed with the Washington State Auditor's Office.

2. An Independent Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on a Review of Financial Statements Performed in Accordance with Government Auditing Standards.
3. Communications required by AUC 260 (SAS 114).
4. If Applicable, a separate management letter.

Final report printing and binding shall be the responsibility of the selected firm, at no additional cost. Number of bound copies as followed:

Report	Hard Copies	Bind	Electronic Copy
Basic Financial Statements	5	Yes	Yes
Management Letter	10	No	Yes

## WORKING PAPERS RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the firms expense, for a minimum of seven (7) years, unless the firm is notified in writing by Okanogan County Transit Authority of the need to extend the retention period. In addition, the firm shall respond to the reasonable inquiries of successors and allow successors to review working papers relating to matters of continuing accounting significance.

## TIME REQUIREMENTS

### A. Proposed Calendar

The following is a list of key dates up to, and including, the date proposals are to be submitted:

Date	Activity
4/11/19	Request for Proposals Issued
4/29/19	Due Date for Proposals (by 4:00pm PST)
5/1/19-5/8/19	Oral Interviews
5/10/19	Contract Awarded

### B. Date Audit May Commence

Review planning, including all necessary documentation of systems of internal control and compliance and transaction testing should be completed by:

1. 2017 financial statements by July 15, 2019. Financial statements for 2017 are available immediately.
2. 2018 financial statements by August 30, 2019. Financial statements for 2018 will be complete and ready for review after May 30, 2019. Changes in the time requirements for commencement of review up to and including final reports must

be discussed and agreed upon by Okanogan County transit Authority and the CPA Firm.

### C. Date Reports Are Due

The Firm shall provide all drafts and recommendations for improvements to the Chief Executive Officer within a reasonable time period after the last day of field work. Once all issues of discussion are resolved, the completed financial statements shall be delivered to the Chief Executive Officer. The Firm should be available for at least one Governing Board meeting to present the reports which is expected to be September 9, 2019.

### D. Contract Term

A contract for financial review services for two years (2017 and 2018) of financial statements plus an optional extension of two years is contemplated, subject to the annual review and recommendation of the Chief Executive Officer, the satisfactory negotiation of terms (including a price acceptable to both Okanogan County Transit Authority and the selected firm), the concurrence of the Governing Board, and the annual availability of a budget appropriation.

### E. Proposal Contents

#### Introduction

Present an introduction to the proposal describing the firm's understanding of the desired work. Include a detailed description of the methods by which the firm intends to perform the work set forth in the Scope of Services. The firm should provide an affirmative statement that it is independent of Okanogan County Transit Authority as defined by generally accepted auditing standards. Moreover, the firm must have no conflict of interest with regard to any other work performed for the entity being reviewed. It is understood that the services performed by the firm are in the capacity of independent contractors and not as an officer, agent, or employee of Okanogan County Transit Authority.

#### Qualifications

Include a brief description of the firm's background, experience with similar projects, and resumes of key personnel proposed to work on the project. Include an affirmative statement indicating that the firm and all assigned key professional staff are properly licensed in the State of Washington.

The proposer should state the size of the firm, the size of the firms' governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be employed in this engagement on a part-time basis.

If the proposer is a joint venture or consortium, the qualification of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal reviewer should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific governmental engagements.

The firm shall also provide information on the results of any federal or state desk reviews of field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with the state regulatory bodies or professional organizations, as well as any pending or settled litigation within the past three years.

#### Work Plan

Submit a tentative time schedule for fieldwork and completion of the review. Okanogan County Transit Authority's financial statements for 2017 are currently available. Financial statements for 2018 will be available to the review team by May 30, 2019. Refer to Time Requirements above for additional considerations.

#### Cost

Submit a cost proposal, which includes a performance and cost schedule for all services necessary to complete this project. The proposal should include a separate all-inclusive cost for each of the two years of the contract. The proposal should specify the major components, the cost breakdown by major component or phase, and the expected time of completion for each component based on the scope of services outlined in the proposal. The proposal should include, a total proposed, "not to exceed" costs of the services, including a fee and rate schedule describing all charges and hourly



rates for services. Cost will not be the deciding factor in making the selection. Please refer to Attachment A.

## References

List former clients for whom similar or comparable services have been performed. Include the name, mailing address, and telephone number of the appropriate contact person.

## OKANOGAN COUNTY TRANSIT AUTHORITY'S RESPONSIBILITIES

Okanogan County Transit Authority will make staff available and pay for any time required from CliftonLarsonAllen during the review to assist the firm by providing information, documentation, and explanations. In addition, Transit Authority staff or CliftonLarsonAllen staff will perform the following:

1. Provide detailed accounting records or supporting information.
2. Prepare the financial statements and notes to financial statements.
3. Prepare management's discussion and analysis and required supplemental information.
4. Provide an organizational chart.

Okanogan County Transit Authority will provide the review team with reasonable workspace, and be provided with access to a telephone, photocopying facilities, and internet access.

## SELECTION PROCESS

The proposals for Okanogan County Transit Authority's financial statement review will be evaluated by an Ad Hoc Committee which may include the Chief Executive Officer, Operations Manager and Administrator/Clerk . Firms are urged to submit concise proposals stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.

Okanogan County Transit Authority reserves the right to exercise discretion and apply its judgment with respect to all proposals submitted. Okanogan County Transit Authority reserves the right to reject any or all proposals, either in part or in its entirety, or to request and obtain, from one or more of the firms submitting proposals, supplementary information as may be necessary for Okanogan County Transit Authority staff to analyze the proposals.

This RFQ does not commit Okanogan County Transit Authority to award a contract. In addition, Okanogan County Transit Authority will not be liable for any costs incurred by the firms' incidentals to the preparation of proposals or for developing and carrying out interview presentations, if needed. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFQ unless clearly and specifically noted in the proposal submitted

and confirmed in the contract between Okanogan County Transit Authority and the firm selected.

The firm, by submitting a response to this RFQ, waives all right to protest or seek any legal remedies whatsoever regarding an aspect of this RFQ. Although, it is Okanogan County Transit Authority's intent to choose only a small number of the most qualified firm to interview, Okanogan County Transit Authority reserves the right to choose any number of qualified finalists.

The RFQ process will establish a ranking based on how each proposal meets the qualifications of the Scope of Services and the requirements of the RFQ. It is important that all listed items be included in the proposal. Proposals, which do not comply with all of the requirements or the proposal deadline, will not be considered. Okanogan County Transit Authority reserves the right to reject any or all proposals without qualifications, and to negotiate specific requirements and costs using the selected proposal as a basis.

Selection of the successful proposal will be at the sole discretion of Okanogan County Transit Authority CEO. It is expected that the CEO will conduct its review and make a selection by May 10, 2019.

Proposals will be evaluated based on the following criteria:

1. Cost. Although a significant factor, other factors will be considered.
2. Experience in conducting audits of other governments of similar nature, size, and complexity, and the auditors' commitment to maintaining technical expertise in the governmental financial environment.
3. Technical experience and professional qualifications of the review team.
4. The firms' commitment to keeping the same team assigned to this job for each successive year the firm is awarded the contract.
5. Ability of the firm's proposed approach to meet the needs of Okanogan County Transit Authority.

Your interest in, and proposal to, Okanogan County Transit Authority for financial statement review services is appreciated. Please direct any questions you may have concerning this request to Chief Executive Officer Kelly Scalf at [kscalf@okanogantransit.com](mailto:kscalf@okanogantransit.com), or call (509) 557-6177.

## QUESTIONS

Questions regarding the information contained in the RFQ document must be submitted in writing, by email and addressed to:

Okanogan County Transit Authority Attention: Chief Executive Officer  
PO Box 507  
Okanogan, WA 98840  
Email: [kscalf@okanogantransit.com](mailto:kscalf@okanogantransit.com) (preferred method)

All questions must be received via e-mail by 4:00PM PST on April 22, 2019. Questions will be responded to in writing. Written summaries of all questions and answers will be published on Okanogan County Transit Authority Website ([okanogantransit.com](http://okanogantransit.com)) and at WEBS. Anonymity of the source of specific written questions will be maintained in the written responses. A clarification addendum will be issued, if necessary.

Telephone requests for information or inquiries will be allowed only if the nature of the request or inquiry does not lend itself to formulation into a written question. Verbal inquiries, however, are discouraged and calling parties may be requested to submit written questions in lieu of receiving a verbal response. The intent behind this requirement is to ensure that all consultants have available to them the same information and no inconsistent, incomplete or misinformation is communicated to any team.

#### Attachments:

- A. Financial Review Services Proposal
- B. W-9

Attachment A – Financial Review Services Proposal

Name of Accounting Firm: \_\_\_\_\_

\_\_\_\_\_

Proposal Submitted by: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Fees for Services: \_\_\_\_\_

All Inclusive Maximum Fee

2017 Financial Statements Review: \_\_\_\_\_

2018 Financial Statements Review: \_\_\_\_\_

Fee Rates:

Partner: \_\_\_\_\_/hour

Manager: \_\_\_\_\_/hour

Staff: \_\_\_\_\_/hour

Attachment B

<p><b>Form W-9</b> Rev. October 2018 Department of the Treasury Internal Revenue Service</p>	<p><b>Request for Taxpayer Identification Number and Certification</b></p> <p>Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.</p>	<p><b>Give Form to the requester. Do not send to the IRS.</b></p>
<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>		
<p>2 Business name/disregarded entity name, if different from above</p>		
<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.</p> <p><input type="checkbox"/> Individual sole proprietor or single-member LLC</p> <p><input type="checkbox"/> C Corporation</p> <p><input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C-C corporation, S-S corporation, P-Partnership) ▶ _____</p> <p><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3)</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Apply to accounts maintained outside the U.S.)</small></p>	
<p>5 Address (number, street, and apt. or suite no.) See instructions.</p>	<p>Requester's name and address (optional)</p>	
<p>6 City, state, and ZIP code</p>		
<p>7 List account number(s) here (optional)</p>		

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>										
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**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester.
2. You do not certify your TIN when required (see the instructions for Part 3 for details).
3. The IRS tells the requester that you furnished an incorrect TIN.
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indicator) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(ii)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(x)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 6947(a)(1)

M—A tax exempt trust under a section 408(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/forms](http://www.irs.gov/forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee* code, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.



**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account other than an account maintained by an FFI)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>3</sup> The actual owner <sup>3</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i) (A))	The grantor <sup>4</sup>
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>5</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(ii))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

**Note:** The grantor also must provide a Form W-9 to trustee of trust.

**Note:** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## **Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.