WARRANT CANCELLATIONS
ACH RETURNS/NOCS
MONTHLY ALLOTMENTS
W-9 SUBMISSIONS

DEPARTMENT OF FINANCE AND ADMINISTRATION – FINANCIAL CONTROL DIVISION
Monday, March 14, 2016
Happy St. Patrick’s Day!
## Financial Control Division – Financial Management Section

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WARRANT CANCELLATIONS
WARRANT CANCELLATIONS

- **HISTORY**
  This policy established the requirement that any warrant that has been lost, stolen, or issued erroneously be cancelled timely and that its amount be restored to cash. For warrants issued by DFA, agencies must notify DFA when a warrant should not be redeemed.

- **MAP Standard**
  To ensure the accurate and complete recording of warrants that require cancellation after their initial issue and distribution.

- **Authority**
  Chapter 6-5-2.1 (J), (S), 6-5-5, 6-5-7, 6-10-57 NMSA 1978
  2.20.5.8C and 2.20.6 NMAC
WARRANT CANCELLATIONS

- State agencies shall cancel warrants that have been lost, stolen, or issued erroneously, as soon as possible.
- Before cancelling a warrant, agencies must verify that the warrant has not been redeemed and paid by STO.
- Based upon the warrant’s redemption status, the appropriate notice for the warrant’s cancellation must be completed:
  - Non-redeemed Warrants—A stop payment request or Notice of Warrant Cancellation shall be completed timely and issued to the State Treasurer
- STO should receive timely notification that a warrant has been or will be cancelled in order to prevent payment
STO shall refuse payment on any warrant for which a stop payment request or a notice of Warrant Cancellation has been received timely.

All stop payment requests and Warrant Cancellation notices from DFA/FCD to STO shall be made in writing.
WARRANT CANCELLATIONS – REGULAR VOUCHER

- WARRANT CANCELLATION – REGULAR VOUCHER
  - TYPE 1 - WARRANT WAS NEVER RECEIVED
  - TYPE 9 - PAID TO THE INCORRECT VENDOR/LOCATION/ADDRESS/AMOUNT
    - WITH PURCHASE ORDER, AND
    - WITHOUT PURCHASE ORDER
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- SHARE WARRANT CANCELLATION SCREEN

![Image of Share Warrant Cancellation Screen]
WARRANT CANCELLATIONS – REGULAR VOUCHER – TYPE 1

- **WARRANT CANCELLATION TYPE 1 – REGULAR VOUCHER**
  - Allows DFA to reopen the original payment voucher and reissue a new warrant to the same vendor, for the same amount, and same remittance address without impacting budget

- **DOCUMENTATION REQUIRED:**
  - The original warrant cancellation form filled out and signed by an individual who is authorized on the Signature Transaction Authorization Form on file with FCD
  - The original warrant/original notarized affidavit
  - Print screens showing warrant has not been redeemed
WARRANT CANCELLATIONS – REGULAR VOUCHER – TYPE 9

- WARRANT CANCELLATION TYPE 9 – REGULAR VOUCHER
  - Cancellation Type 9 will completely close the liability (Accounting transaction resulting from the original payment voucher will be reversed)

- DOCUMENTATION REQUIRED:
  - The original warrant cancellation form filled out and signed by an individual who is authorized on the Signature Transaction Authorization Form on file with FCD
  - The original warrant/original notarized affidavit
  - Print screens showing warrant has not been redeemed
  - If applicable, a new payment voucher to the correct vendor is required to accompany the warrant cancellation
    - FMS walks over the new payment voucher to be approved by the FCD Audit Bureau Supervisor soon after warrant cancellation has been processed.
WARRANT CANCELLATIONS – REGULAR VOUCHER – TYPE 9

- WARRANT CANCELLATION TYPE 9 – REGULAR VOUCHER
  - When a warrant is issued through a payment voucher that is tied to a purchase order, the cancellation only re-establishes cash and vouchers payable (201900).
  - To reestablish the amount back to the purchase order, FMS must create a reversal voucher to manually re-establish the Purchase Order/Budget.
    - This is dependent on the status of the purchase order.
WARRANT CANCELLATION – REQUIRED DOCUMENTS

WARRANT CANCELLATION DECISION FLOW – THROUGH FISCAL YEAR
## Warrant Cancellation – Required Documents

- **Warrant Cancellation Form**

The Warrant Cancellation Form is used to cancel a warrant. The form includes fields for the warrant number, documentation selection, cancellation type, warrant amount, vendor name, and purpose for cancellation. It also includes fields for the warrant date, payment voucher accounting date, and various accounting transaction details. The form is designed to help track and manage financial transactions related to warrant cancellations.
<table>
<thead>
<tr>
<th>Vendor Code</th>
<th>Warrant Number</th>
<th>Documentation Selection</th>
<th>Cancellation Type</th>
<th>Warrant Amount</th>
<th>Payee Name and Purpose for Cancellation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0000011111</td>
<td>Warrant # 1000587692</td>
<td>Original Warrant</td>
<td>1</td>
<td>5,149,809,706.74</td>
<td>Payee: INTERNAL REVENUE SERVICE</td>
</tr>
<tr>
<td>CFY</td>
<td>CFY</td>
<td>Original Affidavit</td>
<td>9</td>
<td></td>
<td>Voucher Number: 00004582; 00078952, 79845896</td>
</tr>
</tbody>
</table>

**Purpose of Cancellation:**
- WARRANT WAS NEVER RECEIVED, ISSUED TO THE WRONG VENDOR AND SHOULDN'T HAVE BEEN ISSUED, PREPAID VOUCHER WAS APPLIED IN ERROR, ISSUED AT 100%
- Cancellation Type 1 will allow FCD to reopen the original payment voucher and reissue warrant to same vendor, same amount, and same remittance address
- Cancellation Type 9 will completely close the liability (Accounting transaction resulting from the original payment voucher will be reversed)

**Payment Voucher Distribution Lines:**

<table>
<thead>
<tr>
<th>Purchase Order</th>
<th>Business Unit</th>
<th>Fund</th>
<th>Department</th>
<th>Account</th>
<th>Budget Reference</th>
<th>Class</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0938746578</td>
<td>34100</td>
<td>0100</td>
<td>9012000000</td>
<td>547900</td>
<td>116</td>
<td>50000</td>
<td>100.00</td>
</tr>
<tr>
<td>35200</td>
<td>34100</td>
<td>0100</td>
<td>9012000000</td>
<td>560300</td>
<td>116</td>
<td>50000</td>
<td>3,456.00</td>
</tr>
<tr>
<td>34100</td>
<td>33300</td>
<td>0100</td>
<td>9012000000</td>
<td>291900</td>
<td>116</td>
<td>50000</td>
<td>805.80</td>
</tr>
<tr>
<td>0938746578</td>
<td>34100</td>
<td>0100</td>
<td>9012000000</td>
<td>547999</td>
<td>116</td>
<td>50000</td>
<td>1.76</td>
</tr>
</tbody>
</table>

**Total:** $5,149,809,706.74

**Journal Entry (WCN):** 0001984856
**Journal Entry (CFR):** 0001984857

**Vendor Withholding**
- Reversal Voucher
- Stop Pay

**Prepaid Voucher ID:** 00047568

**Date:** 03/14/2016

**Preparer's Name Printed:** ERIKA LUJAN
**Authorizer's Name Printed:** YVONNE HERRERA

**Preparer's Phone Number:** 505/827-5085
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- ORIGINAL WARRANT
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- ORIGINAL NOTARIZED AFFIDAVIT
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- SHARE SCREEN SHOTS OF WARRANT’S
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- **SHARE SCREEN SHOTS OF WARRANT’S STATUS**
  - Warrant with Reconciled – Redeemed Status

<table>
<thead>
<tr>
<th>Payment Inquiry Result</th>
<th>Personalize</th>
<th>Find</th>
<th>View All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>Payment Reference ID</td>
<td>Payment Method</td>
<td>Amount</td>
</tr>
<tr>
<td>VCHR</td>
<td>2000529934</td>
<td>Check</td>
<td>11,441.16</td>
</tr>
</tbody>
</table>

- **Warrant with Unreconciled - Status**

<table>
<thead>
<tr>
<th>Payment Inquiry Result</th>
<th>Personalize</th>
<th>Find</th>
<th>View All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source</td>
<td>Payment Reference ID</td>
<td>Payment Method</td>
<td>Amount</td>
</tr>
<tr>
<td>PYMT</td>
<td>1003888003</td>
<td>Check</td>
<td>11.81</td>
</tr>
</tbody>
</table>
WARRANT CANCELLATIONS – PAYMENT LOAD – TYPE 1

- WARRANT CANCELLATION TYPE 1 – PAYMENT LOAD PAYMENTS
  - Type 1 warrant cancellations do not exist for warrants issued through the payment load process because these payments are not processed through a voucher in the Accounts Payable Module.
  - Cash Remediation Project II will be changing this for agencies that use the payment load and 3rd party warrant process.
WARRANT CANCELLATIONS – PAYMENT LOAD – TYPE 9

- WARRANT CANCELLATION TYPE 9 – PAYMENT LOAD PAYMENTS
  - Payment load warrants can only be cancelled as a Type 9. This process only changes the warrant status in SHARE.
  - The accounting transaction has to be manually reversed through a journal entry using the WCN-source journal entry to restore cash and undo the expenditure.

- DOCUMENTATION REQUIRED:
  - The original warrant cancellation form filled out and signed by an individual who is authorized on the Signature Transaction Authorization Form on file with FCD
  - The original warrant/original notarized affidavit
  - Print screens showing warrant has not been redeemed
WARRANT CANCELLATIONS – PAYMENT LOAD – TYPE 9

DOCUMENTATION REQUIRED:

- A WCN-source Journal Entry that DR cash and CR expenditure/liability
  - Payment Load Submission Form
  - EXT-source Journal Entry that uploaded initial transaction to SHARE
- A new “Single Pay” payment voucher to the correct vendor is required to accompany warrant cancellation
  - All documentation usually required by the FCD Audit Bureau should be attached to new payment voucher
  - FMS walks over the new payment voucher to be approved by the FCD Audit Bureau Supervisor soon after warrant cancellation has been processed.
WARRANT CANCELLATION – REQUIRED DOCUMENTS

- WARRANT CANCELLATION DECISION FLOW – PRIOR YEAR

CANCELLING FISCAL YEAR 2016 WARRANTS BEGINNING JULY 1, 2016
WARRANT CANCELLATIONS - REGULAR VOUCHER – PRIOR YEAR

- WARRANT CANCELLATION TYPE 1 – REGULAR VOUCHER – PRIOR YEAR
  - TYPE 1- WARRANT WAS NEVER RECEIVED
  - TYPE 9- PAID TO THE INCORRECT VENDOR/LOCATION/ADDRESS/AMOUNT
    - WITH PURCHASE ORDER, AND
    - WITHOUT PURCHASE ORDER
WARRANT CANCELLATIONS - REGULAR VOUCHER – TYPE 1 – PRIOR YEAR

- WARRANT CANCELLATION TYPE 1 – REGULAR VOUCHER – PRIOR YEAR
  - Allows DFA to reopen the original payment voucher and reissue a new warrant to the same vendor, for the same amount, and same remittance address without impacting budget.
  - As long as this warrant is not stale dated we can reopen and reissue warrants as a Type 1 all year long whether it’s current/prior year.
    - The only accounts affected in the ledger is the cash and vouchers payable.
    - The expenditure will stay in the year it was initially booked in.
**WARRANT CANCELLATIONS - REGULAR VOUCHER – TYPE 1 – PRIOR YEAR**

**DOCUMENTATION REQUIRED:**

- The original warrant cancellation form filled out and signed by an individual who is authorized on the Signature Transaction Authorization Form on file with FCD
- The original warrant/original notarized affidavit
- Print screens showing warrant has not been redeemed
WARRANT CANCELLATIONS - REGULAR VOUCHER – TYPE 9 – PRIOR YEAR

- **WARRANT CANCELLATION TYPE 9 – REGULAR VOUCHER – PRIOR YEAR**
  - Cancellation Type 9 will completely close the liability (Accounting transaction resulting from the original payment voucher will be reversed)

- **DOCUMENTATION REQUIRED:**
  - The original warrant cancellation form filled out and signed by an individual who is authorized on the Signature Transaction Authorization Form on file with FCD
  - The original warrant/original notarized affidavit
  - Print screens showing warrant has not been redeemed
DOCUMENTATION REQUIRED (CONTINUED):

- A new payment voucher using the **547999 Request to Pay Prior Year Account** to the correct vendor is required to accompany the warrant cancellation
  - Approved Request to Pay Prior Year Bill is attached
  - All documentation usually required by the FCD Audit Bureau should be attached to new payment voucher
  - FMS walks over the new payment voucher to be approved by the FCD Audit Bureau Supervisor soon after warrant cancellation has been cancelled

- CFR-source Journal Entry (Only when no purchase order is attached to warrant)
  - DR expenditure (using prior year bud ref and class)
    - A budget error will occur and it is ok, FMS will override error due to prior year bud ref and class used in a current year
  - CR 241900-Stale Dated Wts. – Due to SGF

- The expenditure and cash is automatically re-established through the cancellation process; which is why a CFR-source Journal Entry is required to accompany warrant cancellation
WARRANT CANCELLATIONS - REGULAR VOUCHER – TYPE 9 – PRIOR YEAR

When a warrant is issued through a payment voucher that is tied to a purchase order, the cancellation only re-establishes cash and vouchers payable (201900). To reestablish the amount back to the purchase order, FMS must create a reversal voucher to manually re-establish the Purchase Order/Budget. This is dependent on the status of the purchase order. Anytime after June, FMS does not re-establish purchase orders, as agencies are in the middle of closing the fiscal year purchase orders. FMS will manually credit 241900-Stale Dated Wts. – Due to SGF through the reversal voucher process.
Reverting versus Non-Reverting Funds

- When account 241900-Stale Dated Wts. – Due to SGF, is credited, the agency needs to know whether the fund is reverting or non-reverting for that specific transaction.
- NON-REVERTING FUNDS: require a CFR-source journal entry to re-class funds to revenue.
  - DR 241900-Stale Dated Wts. – Due to SGF
  - CR 4969xx Misc Revenue
- REVERTING FUNDS: Are reverted at the end of the year to the State General Fund or wherever the original funds came from.
SPECIAL SCENARIOS

- Overpayment to vendor
- Underpayment to vendor
- Impact of cancelling a warrant issued from a liability account
- Multi-year budgets
- Selecting separate payment on warrants
- Pre-paid vouchers

**You can call FMS for all specific/unique scenarios**
QUESTIONS
MONTHLY STATE GENERAL FUND ALLOTMENTS
NEW PROCESS FOR MONTHLY STATE GENERAL FUND ALLOTMENTS

- Beginning in March 2016, the SHARE allocation process is used to give agencies their monthly allotment.
- The journals will still use the ALT-source Journal Entry.
- The allocation process will be scheduled to run the first of every month throughout the year.
<table>
<thead>
<tr>
<th>Unit</th>
<th>Journal ID</th>
<th>Account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11200</td>
<td>ALT0000555</td>
<td>499105</td>
<td>(302,523.55)</td>
</tr>
<tr>
<td>11700</td>
<td>ALT0000553</td>
<td>499105</td>
<td>(109,071.45)</td>
</tr>
<tr>
<td>11900</td>
<td>ALT0000551</td>
<td>499105</td>
<td>(361,015.22)</td>
</tr>
<tr>
<td>20500</td>
<td>ALT0000549</td>
<td>499105</td>
<td>(130,674.45)</td>
</tr>
<tr>
<td>21000</td>
<td>ALT0000547</td>
<td>499105</td>
<td>(71,441.38)</td>
</tr>
<tr>
<td>21500</td>
<td>ALT0000545</td>
<td>499105</td>
<td>(494,506.30)</td>
</tr>
<tr>
<td>21600</td>
<td>ALT0000543</td>
<td>499105</td>
<td>(279,416.55)</td>
</tr>
<tr>
<td>21800</td>
<td>ALT0000521</td>
<td>499105</td>
<td>(173,140.97)</td>
</tr>
<tr>
<td>11200</td>
<td>ALT0000523</td>
<td>499105</td>
<td>(10,559.95)</td>
</tr>
<tr>
<td>11600</td>
<td>ALT0000525</td>
<td>499105</td>
<td>(2,574.99)</td>
</tr>
<tr>
<td>12000</td>
<td>ALT0000527</td>
<td>499105</td>
<td>(99,324.92)</td>
</tr>
<tr>
<td>12500</td>
<td>ALT0000529</td>
<td>499105</td>
<td>(460,020.20)</td>
</tr>
<tr>
<td>13000</td>
<td>ALT0000531</td>
<td>499105</td>
<td>(74,891.37)</td>
</tr>
<tr>
<td>13500</td>
<td>ALT0000533</td>
<td>499105</td>
<td>(118,716.19)</td>
</tr>
<tr>
<td>14000</td>
<td>ALT0000535</td>
<td>499105</td>
<td>(2,247,966.00)</td>
</tr>
<tr>
<td>14500</td>
<td>ALT0000537</td>
<td>499105</td>
<td>(200,373.84)</td>
</tr>
<tr>
<td>15000</td>
<td>ALT0000539</td>
<td>499105</td>
<td>(2,568.65)</td>
</tr>
</tbody>
</table>
MONTHLY STATE GENERAL FUND ALLOTMENTS

NEW PROCESS FOR MONTHLY STATE GENERAL FUND ALLOTMENTS

- Each fiscal year, the accounting string for the allocation will be updated for each agency’s allotment requests.
- The State General Fund appropriations will be given to each agency at a rate of 1/12 each month.
- The rounding difference will be calculated and distributed in July of each year.
- Copies of the journal entry will no longer be sent out to the agencies; the agency’s allotment request will be the supporting documentation for the agency’s audits.
QUESTIONS
ACH RETURNS/NOTICE OF CHANGES
ACH RETURNS/NOTICE OF CHANGES

HISTORY

The Department of Finance & Administration, Financial Control Division, Financial Management Section is responsible for processing all B Warrant ACH returns/reversals and Notifications of Change (NOC) from the Fiscal Agent Bank (FAB).

- An ACH Return is when our Fiscal Agent Bank-Wells Fargo Bank returns money back due to an incorrect account, no account, etc.

- The process involves
  - Researching the agency, voucher, and vendor related to the ACH payment
  - Updating/Correcting the Vendor Information
  - Preparing a deposit to the appropriate agency
ACH RETURNS/NOTICE OF CHANGES

- **HISTORY**
  The Department of Finance & Administration, Financial Control Division, Financial Management Section is responsible for processing all B Warrant ACH returns/reversals and Notifications of Change (NOC) from the Fiscal Agent Bank (FAB).

- **ACH RETURNS**
  An ACH Return is when our Fiscal Agent Bank-Wells Fargo Bank returns money back due to an incorrect account, no account, etc.

- **NOTICE OF CHANGE**
  A Notification of Change (NOC) is when our Fiscal Bank-Wells Fargo Bank notifies DFA of changes that need to be made on the account.
# ACH Returns/Notice of Changes

## Reason Codes

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R01</td>
<td>Insufficient funds in receiver's account (debit transactions only)</td>
</tr>
<tr>
<td>R02</td>
<td>Receiver's account is closed</td>
</tr>
<tr>
<td>R03</td>
<td>No account on file (ROF is unable to locate account); not used for ARC, BOC, or POP item without individual name field</td>
</tr>
<tr>
<td>R04</td>
<td>Invalid account number</td>
</tr>
<tr>
<td>R05</td>
<td>Unauthorized debit to consumer account (SEC code CCD, CTX, IAT)</td>
</tr>
<tr>
<td>R06</td>
<td>Returned at Wells Fargo's request</td>
</tr>
<tr>
<td>R07</td>
<td>ACH authorization has been revoked by the receiver (adjustment entry)</td>
</tr>
<tr>
<td>R08</td>
<td>Payment on this item has been stopped</td>
</tr>
<tr>
<td>R09</td>
<td>Insufficient collected funds in the account being charged (uncollected)</td>
</tr>
<tr>
<td>R10</td>
<td>Customer advises not authorized (SEC consumer codes except ARC, BOC, IAT, POP); notice not provided, improper source document, amount not accurately obtained from source document</td>
</tr>
<tr>
<td>R11</td>
<td>Check truncation return (specify)</td>
</tr>
<tr>
<td>R12</td>
<td>Account sold to another financial institution</td>
</tr>
<tr>
<td>R14</td>
<td>Representative payee deceased or cannot continue in that capacity</td>
</tr>
<tr>
<td>R15</td>
<td>Beneficiary or account holder other than representative payee deceased</td>
</tr>
<tr>
<td>R16</td>
<td>Account funds frozen or item returned at OPAC request</td>
</tr>
<tr>
<td>R17</td>
<td>Item returned because of invalid data; refer to addenda for information</td>
</tr>
<tr>
<td>R20</td>
<td>Account does not allow ACH transactions or limit for transactions has been exceeded</td>
</tr>
<tr>
<td>R21</td>
<td>Invalid company identification (SEC code CIE)</td>
</tr>
<tr>
<td>R22</td>
<td>Invalid individual ID (SEC code CIE, MTE)</td>
</tr>
<tr>
<td>R23</td>
<td>Credit entry refused by receiver</td>
</tr>
<tr>
<td>R24</td>
<td>Duplicate entry</td>
</tr>
<tr>
<td>R29</td>
<td>Corporate customer advises not authorized</td>
</tr>
<tr>
<td>R31</td>
<td>Permissible return entry (SEC code CCD, CTX)</td>
</tr>
<tr>
<td>R32</td>
<td>Return of item (SEC code RCK)</td>
</tr>
<tr>
<td>R37</td>
<td>Source document presented for payment (SEC code ARC, BOC, POP)</td>
</tr>
<tr>
<td>R38</td>
<td>Stop payment on source document (SEC code ARC, BOC)</td>
</tr>
<tr>
<td>R39</td>
<td>Improper source document (SEC code ARC, BOC, POP)</td>
</tr>
<tr>
<td>R40</td>
<td>Return of item by government agency (SEC code ENR)</td>
</tr>
<tr>
<td>R41</td>
<td>Invalid transaction code (SEC code ENR)</td>
</tr>
<tr>
<td>R42</td>
<td>Routing/transit number check digit error (SEC code of ENR)</td>
</tr>
<tr>
<td>R43</td>
<td>Invalid account number (SEC code of ENR)</td>
</tr>
<tr>
<td>R44</td>
<td>Invalid individual ID (SEC code ENR)</td>
</tr>
<tr>
<td>R45</td>
<td>Invalid individual name or company name (SEC code ENR)</td>
</tr>
<tr>
<td>R46</td>
<td>Invalid representative payee indicator code (SEC code ENR)</td>
</tr>
<tr>
<td>R47</td>
<td>Duplicate enrollment (SEC code ENR)</td>
</tr>
<tr>
<td>R50</td>
<td>State law affecting RCK acceptance (SEC code RCK)</td>
</tr>
<tr>
<td>R51</td>
<td>Item is ineligible, notice not provided, signature not genuine, or original item altered for adjustment entry (SEC code RCK)</td>
</tr>
<tr>
<td>R52</td>
<td>Stop payment on item (SEC code RCK)</td>
</tr>
<tr>
<td>R63</td>
<td>Item and ACH entry presented for payment (SEC code RCK)</td>
</tr>
<tr>
<td>R80</td>
<td>IAT entry coding error (SEC code IAT)</td>
</tr>
<tr>
<td>R81</td>
<td>Non-participant in IAT program (SEC code IAT)</td>
</tr>
<tr>
<td>R82</td>
<td>Invalid foreign RDI identification (SEC code IAT)</td>
</tr>
<tr>
<td>R83</td>
<td>Foreign RDI unable to settle (SEC code IAT)</td>
</tr>
<tr>
<td>R84</td>
<td>IAT entry not processed by gateway operator (SEC code IAT)</td>
</tr>
<tr>
<td>R85</td>
<td>Incorrectly coded outbound international payment (SEC code IAT)</td>
</tr>
<tr>
<td>R84</td>
<td>Administrative return item was processed and resubmitted as a photocopy</td>
</tr>
<tr>
<td>R85</td>
<td>Administrative return item was processed as MECH Split and resubmitted as a PAC (pre-authorized check)</td>
</tr>
<tr>
<td>R86</td>
<td>Administrative return item was processed and resubmitted with corrected dollar amount</td>
</tr>
<tr>
<td>R96</td>
<td>Indicates a returned PAC (pre-authorized check), RDFI provided a text reason and indicated a new account number on the PAC itself</td>
</tr>
<tr>
<td>R99</td>
<td>Indicates a returned PAC (pre-authorized check), RDFI provided a text reason on the PAC itself for which there is no equivalent ACH return reason code</td>
</tr>
</tbody>
</table>
ACH RETURNS/NOTICE OF CHANGES

IMPORTANT:

TO Agency CFO

ACH Return/Reversal

Our fiscal agent bank has notified us that the ACH listed below has been returned/reversed. Therefore, your agency is required to create a new payment voucher (if applicable) referencing the 292900 – Other liability account must be submitted to the Financial Management Bureau (Attn: Erika Lujan, Yvonne Herrera, Stephanie Ortiz, or Josefina Roberts) to reissue the payment within two (2) business days of this notice.

**In the event that you need to re-issue a payment for more funds then the amount returned/reversed, you must create an extra line on the payment voucher using an expenditure account for the difference.**

**If your agency doesn’t need to reissue, please create a CFR- Journal Entry to re-establish your expenditure account and send in lieu of a new payment voucher.**
****If your initial payment was a reportable transaction then your new payment voucher reflecting the liability account of 292900- Other liability payment voucher should be un-checked under the invoice information tab on the withholding link. This prevents a duplication of reportable transactions to vendor. Please see the example right below:
**ACH RETURNS/NOTICE OF CHANGES**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Date</th>
<th>Voucher</th>
<th>Payee</th>
<th>Amount</th>
<th>Account for New PV</th>
<th>DJ#</th>
<th>Reason for Return</th>
</tr>
</thead>
</table>

**Below is the Deposit information, please make sure and print this email to attach with your new payment voucher with all other appropriate support documentation** (i.e. Certified copy of original invoice and support)
QUESTIONS
Financial Control Division – Vendor Relations Unit

- Yvonne Herrera
  - Yvonne.Herrera@state.nm.us  505-827-0575

- Yvette Chavez
  - Yvette.Chavez@state.nm.us  505-476-0309

- Polly Jeffery
  - Polly.Jeffery@state.nm.us  505-827-3902

- Theresa Finley
  - Theresa.Finley@state.nm.us  TBD
W-9 SUBMISSIONS
W-9 SUBMISSIONS

**BASICS OF VENDOR REGISTRATION**

- Register vendors who receive payments processed from the State of New Mexico’s financial system (SHARE) for providing goods or services to the State and its affiliates.

- To comply with the Internal Revenue Service (IRS) regulations regarding 1099 reporting, the State of New Mexico is required to collect information to be completed on the Substitute W-9 form.

- The information collected on the form will allow the State to confirm that our records contain the official name of the business, the Tax Identification Number (TIN) that the IRS has on file for the business and business type.
W-9 SUBMISSIONS

- ACCEPTABLE FORMS
W-9 SUBMISSIONS

- PURPOSE OF W-9
  - The Form W-9 is a document that is issued by the United States Department of the Treasury's Internal Revenue Service (IRS);
  - Is used when the State of New Mexico Department of Finance (DFA) needs to request a Taxpayer Identification Number (TIN), claims for exemption and specific certifications from a person, company, trust or estate in the U.S.;
  - Or by New Mexico State employees, using their employee ID (EMPL ID), who are seeking reimbursement for travel or training expenses.
**W-9 SUBMISSIONS**

- **WHY A W-9**
  - W-9s must be submitted for all vendors and employees receiving reimbursements.
  - Any changes to the vendor file (vendor or employee) must be submitted on a W-9.
  - If a vendor refuses to fill-out a W-9 they are at risk of being fined by the IRS and the State of New Mexico will not do business otherwise.
  - There are 3 W-9s that may be submitted for processing - 2 for Vendors and 1 for employees:
    - **Vendors**
      - Form W-9 Request for Taxpayer Identification Number and Certifications Form
      - Substitute W-9 Vendor Registration and Update Form
    - **Employees**
      - Substitute W-9 SHARE State Employee Vendor Registration Form
W-9 SUBMISSIONS

- **ACCEPTABLE PRACTICES**
  - DFA will accept any W-9 submitted, but we prefer the State’s substitute W-9
  - A W-9 will not be accepted if white-out has been used to make corrections
    - Please have the vendor cross out, make the correction and initial
    - Or fill out the form again
    - All W-9 are legal documents
  - Vendors and agency employees must fill out their own W-9 and sign it. Filling out the W-9 for another person is fraudulent, unless they have power of attorney or are a representative of the vendor
  - If direct deposit is being requested a voided check or written verification from the issuing bank is required
    - Savings accounts will not be accepted as valid accounts. Payments to a savings account are rejected by the issuing bank and a fee is incurred to the State
TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES

- Determine if vendor/employee is already registered in SHARE
- Login to SHARE and follow the navigation below to the Review Vendors screen.
PROCESSING W-9s

TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES

- Search SHARE using the vendor’s Tax ID (SSN or FEIN) or EMPL ID.
- Do not use vendor or employee name as the starting point. Duplicate vendor/employee names exist in SHARE.
TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES

- If vendor/employee exists in SHARE, review the vendor information by clicking on the link under the Vendor ID.
PROCESSING W-9s

TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES

- Review the Summary Tab to see when the vendor/employee record was last updated.
  - Look to see when the record was last modified.
  - Look to see the Status of the Vendor.
  - These items will help determine if a new W-9 is necessary before procuring services/products from the vendor.
TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES

- Review Addresses Tab to see if the correct remit address is available.
  - Review all addresses on record.
    - This will help reduce duplicate addresses.
    - Only add new remit addresses necessary to get payment to vendor
**TO DO LIST FOR DOING BUSINESS WITH VENDORS/EMPLOYEES**

- Review Location Tab to see the payment type applicable to the address being used.

**Diagram:**

![Diagram showing a form with fields for location, description, effective date, status, and comments. The form includes options for procurement, sales/use tax, and comments. The image is cropped to show a partial view of the form.]

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PROCESSING W-9s

**TO DO LIST FOR W-9 SUBMISSIONS BY AGENCY POC**

- Only agency POCs are to submit W-9’s to Vendor Relations via email at Vendor.Relations@state.nm.us. This will help eliminate duplicates submitted by the agency.
- Please do not send to individual Vendor Relations personnel.
- If request is urgent please indicate “Urgent”, “Rush”, or “Expedite” in email subject line. Otherwise requests are processed on a first in first out basis.
- Please send only one W-9 per email sent to Vendor.Relations, if more than one is attached the request will be rejected and sent back to the agency for resubmission.
- Please put Vendor or Employee legal name in subject line of email.
TO DO LIST FOR W-9 SUBMISSIONS BY AGENCY POC

- Acceptable W-9’s: IRS Form W-9 or NM Substitute W-9.
- PDF Fillable NM Substitute W-9’s can be found on the DFA website: [http://nmdfa.state.nm.us/Forms_5.aspx](http://nmdfa.state.nm.us/Forms_5.aspx)
  - NM Substitute W9 - EMPLOYEE Form
  - NM Substitute W9 - VENDOR Form
- Incomplete W-9’s, unsigned will be rejected and sent back for resubmission.
- Illegible W-9’s will be rejected and sent back for resubmission. If you can’t read it neither can we.
- W-9’s submitted without a TIN or EMPL ID will be rejected and sent back for resubmission.
  - Supplier W-9’s must have a SS# or FEIN. W-9’s submitted with just the CRS # will be rejected. The CRS is not a Federal ID.
  - TIN have 9 digits, Employee IDs have 6 digits, TRD CRS IDs have 11 digits
TO DO LIST FOR W-9 SUBMISSIONS BY AGENCY POC

- Only proper names will be accepted on W-9’s for individuals. These names must match what is registered with the IRS or Social Security. If the legal name is Robert and the W-9 has Bobby this will be rejected. Titles are not part of the legal name unless that is how they registered for a FEIN.
  - A vendor will not be registered in SHARE under their DBA names
  - DBAs will be entered on the Address Tab under the Alternative Name section

- If requesting a Vendor Reactivation, please go into the vendor file and verify why the account has been inactivated. A new account may have been created. Email reactivation request to Vendor.Relations@state.nm.us.
  - In 2015, FCD ran the inactivation process in SHARE to inactive all vendors who had no activity since June 30, 2011.
  - The inactivation process will be ran each year after the 1099s have been issued (March of each year).
  - When requesting a vendor to be reactivated, please have the vendor review the information for accuracy and submit a W-9 for processing.
SUBMISSION OF W-9s

TO DO LIST FOR W-9 SUBMISSIONS BY AGENCY POC

- W-9’s requesting Direct Deposit **MUST** have a voided check or statement from the issuing bank verifying account information. ACH will not be added if this is not provided.
- Clean-up of Addresses is being done for all vendors either at the request of the vendor or from SHARE activity.
- On the Substitute Employee W-9, an employee’s addresses will always be their work address.
- Box 10 & 11 of the Substitute Vendor Form must be filled out for 1099 purposes.
- Agencies shall keep the original W-9.
- Vendor Relations keeps an electronic copy.
SUBMISSION OF W-9s
1099 TAX REPORTING & WITHHOLDING POLICY STATEMENT

- **COMMON ISSUES WITH EMPLOYEES/CONTRACTORS**
  - Employee/Contractors receiving 1099's for travel, mileage, any reimbursements, and per diem.
  - These payments are not 1099 reportable income.
  - With the exception for the $95 a day stipend paid to Commissioner, Board Members, and Committee Members, and only if they have elected to receive the stipend.
  - Individuals (non-employee) are set-up in SHARE for 1099 withholding.
  - It is the agencies responsibility to make sure these payments are not coded for withholding when the voucher is being created.
  - Some employees are considered Dual Vendors, please make sure that payments are applied to the correct address for that employee in SHARE.
    - Dual vendor is an individual that is a state employee and performs services as a contractor.
    - Each dual vendor will be have two addresses, one address for employee payments and the other address for supplier payments.
    - When processing payments, please make sure to select the correct address for payment.
COMMON ISSUES WITH EMPLOYEES/CONTRACTORS

- Employee/Contractors receiving 1099’s for travel, mileage, any reimbursements, and per diem.

- If a payment is being made to a vendor who is set up as a reportable supplier, the withholding hyperlink on the voucher Invoice Tab is available to change:
1099 TAX REPORTING & WITHHOLDING
POLICY STATEMENT

- COMMON ISSUES WITH EMPLOYEES/CONTRACTORS
  - Employee/Contractors receiving 1099's for travel, mileage, any reimbursements, and per diem.
    - Uncheck the *Withholding Applicable box and remove the withholding line:
1099 TAX REPORTING & WITHHOLDING POLICY STATEMENT

- COMMON ISSUES WITH EMPLOYEES/CONTRACTORS
  - Employee/Contractors receiving 1099’s for travel, mileage, any reimbursements, and per diem.
    - Remove withholding only on payments that are for reimbursements only. All other payments, the withholding information should not be removed.
W-9 SUBMISSIONS

- AGENCY POINT OF CONTACT
W-9 SUBMISSIONS

- **AGENCY POINT OF CONTACT**
  
  Point of Contact – An individual who is assigned as the point of contact (POC) for communications between the agency and Vendor Relations

- **Responsibilities**
  - POC is responsible for verifying if vendor information is already in SHARE prior to submission
  - POC is responsible to review all W-9 requests for completeness prior to submission
  - POC is responsible to submit all W-9 requests to Vendor Relations Updating/Correcting the Vendor Information
  - Agency staff will need to go through their POC to communicate with Vendor Relations
  - POC will be responsible for disseminating any information received from Vendor Relations
  - If not already done, please submit the POC form documenting your agency’s POC
QUESTIONS
TEAMWORK