



# PROCEDURE 40:

## SETTING UP A NON-TRADE VENDOR FOR WITHHOLDING

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### Job Aid AP01-40

AP01

The purpose of this job aid is to explain how to set up a non-trade vendor for withholding in NCAS.

NOTE: A 1099 is required on all invoice lines subject to backup withholding.

1. Type **VPN** in the NEXT FUNCTION field and press **ENTER** to access the *Vendor Payable Information (VPN)* screen.
2. Type **XXPN** in the PAY ENTITY field.
3. Type the **vendor's federal ID number** or the **social security number** in the VENDOR NO. field.
4. Type **C** in the REQUEST field and press **ENTER** to indicate that you are changing information about the vendor.
5. Type **yesterday's date** in the in the TAX ID EXPIRATION DATE field.
6. Type the **appropriate percentage** in the 1099 WITHHOLDING RATE field.
7. To withhold federal taxes only, type **28.00**. To withhold state taxes only, type **4.00**. To withhold both state and federal, type **32.00**.
8. Press **ENTER** to complete entry and process the changes.
9. Type **G** in the REQUEST field and press **ENTER** to display the vendor record.
10. Type **VDD** in the NEXT FUNCTION field and press **ENTER** to access the *Vendor Default Distribution (VDD)* screen.
11. Type the **appropriate withholding indicator** in the 1099 WITHHOLD field and press **ENTER** to complete the entry.

NOTE: If only federal taxes are being withheld, type **950** in the 1099 WITHHOLD field. If only state taxes only are being withheld, type **951** in the 1099 WITHHOLD field. If both state and federal taxes are being withheld, type **952** in the 1099 WITHHOLD field. This indicator controls the accounts to which the withheld amount is posted.