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Mark A. Kaiser
Director

MEMORANDUM

TO: State Agencies
FROM: OA/Accounting
DATE: December 8, 2010
RE: SAMII Processing Changes effective January 1, 2011

Effective January 1, 2011, there will be several SAMII processing changes:

- New uses for the Pcard
- New object codes to accurately report 1099 transactions
- Miscellaneous vendor code edits

Each change is described in more detail below.

Pcard Changes

Beginning with transactions processed on January 1, 2011, the statewide purchasing card may be used to pay for services and other 1099 reportable transactions. The Pcard manual is currently being revised to incorporate this change. New IRS rules are allowing us to broaden the items which are paid for via the Pcard, however, please refer to the manual for a complete list of continuing prohibitions.

Enhanced 1099 Reporting

IRS regulations require us to issue 1099s for services rendered, however, certain object codes are setup for the payment of services, products, and/or benefits. As a result, it is not possible to accurately report payments to our vendors. Therefore, the list below contains new and modified object codes and their descriptions subject to minor revisions:

Object Code	Object Name	Object Extended Description	1099 Y/N	Add/Change
2997	Other Miscellaneous Expenses	Other miscellaneous services not otherwise classified in the preceding categories paid directly to a vendor.	Y	Change
3421	Health Assistance Payments	Payments for health services granted on the basis of need or under an assistance program paid directly to a vendor.	Y	Change
3422	Health Assistance Benefits	Reimbursements for benefits related to health services granted on the basis of need or under an assistance program.	N	Add
3445	Other Assistance Payments	Payments for other services under an assistance program.	Y	Change
3446	Other Assistance Benefits	Reimbursements for benefits for other services under an assistance program.	N	Add
3449	Distributions to Claimants	Distribution of funds collected such as being a trustee on a settlement.	N	Add

Miscellaneous Vendor Codes

Similar to the previous discussion when vendors are paid for reportable services with miscellaneous vendor codes, the State is unable to accurately report payments to the vendors via 1099s. Therefore, a new SAMII edit is being developed which issues an error message when a miscellaneous vendor number is used with a reportable object code.

If you have any questions or concerns regarding this memo, please contact Jennifer Hall at 751-1897 for Pcard changes and Dwayne Rasmussen at 751-4351 for all other SAMII changes.