



# Purchasing Newsletter

VOLUME 4, ISSUE 4

SEPTEMBER 19, 2014

## SPECIAL POINTS OF INTEREST:

- **Green Award Winner**
- **2014 UNM Vendor Fair**
- **Net 30 PO Payment Terms**

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## Green Award Winner—Amy Hawkins

The University of New Mexico Purchasing Department recently presented its third Sustainability Award to **Amy Hawkins, Administrative Assistant III, Educational Opportunity Center (EOC).**

Amy spent 100% on “green items” meaning that she chose either recycled or sustainable products instead of non-recycled or otherwise “non-environmentally friendly” products.

Amy rides her bike to work often and practices green efforts at home so this award lines up with her green efforts at home and personal life.



4-P Procurement Model  
 Planet People  
 Performance Price

Purchasing developed the “Office Product Supplies: 4-P Procurement Model” (planet, people, price and performance) to assist UNM in reducing environmental hazards, conserve environmental resources and maximize operational capability through the procurement of environmentally preferable products. Both Sandia Office Supply and Staples Advantage were awarded the contract for office supplies and both companies are vested in providing and promoting sustainable products.



## 2014 UNM Vendor Fair

The Small Business and Strategic Partner Vendor Fair hosted by the UNM Purchasing Department, is scheduled for Tuesday, October 7, 2014, in the Student Union Building ballrooms A, B & C from 10:00 a.m. to 2:00 p.m. Click [here](#) to access the flyer.

UNM purchasing agents, PCard holders, staff and faculty are encouraged to attend the fair to learn about the products and services small businesses can provide and visit other strategic partner organizations that have substantial contracting opportunities.

The fair allows participants networking opportunities to create new business relationships and strengthen existing relationships within the UNM community.

Vendors ask that you please **BRING YOUR BUSINESS CARDS**

Hope to see you there!



Do you have a comment or question for the newsletter? [Email us!](#)

PURCHASING  
NEWSLETTER

## New Process for Securing Private Data

In response to a UNM Internal Audit recommendation, new procedures are going into effect in September involving purchases where a vendor will have access to UNM private data. Private data includes items such as Social Security Numbers, Protected Health Information (HIPAA), student grades, names & dates of birth of students/employees, credit card information, payroll or other financial information, or other data deemed sensitive or private.

Beginning **September 30, 2014**, a new required field in all LoboMart requisitions will require the requisitioner to alert the Purchasing Department whenever a vendor will have access to UNM private data. Whenever this field is selected, Purchasing will instruct the user department to complete a Preliminary Security Review Form and submit it to the appropriate data

steward (usually UNM IT or HSC Information Security).

**Purchasing will not be able to issue the PO until receiving an approval from the appropriate data steward.**

UNM IT has posted the Preliminary Security Review Form at this link:

<https://collaborate.unm.edu/teamsites/infosec/Shared%20Documents/Questionnaires/Preliminary%20Security%20Questionnaire.docx>

In addition, UNM Purchase Order Terms and Conditions will contractually obligate vendors with access to private data to certify in writing at the end of the contract that all confidential data was either returned to UNM or destroyed. **For questions, please contact the Purchasing Department at 277-2036.**

## Net 30 PO Payment Terms

A Purchase Order serves as a legally binding contract between UNM and the Vendor. Consequently, the Payment Terms on the Purchase Order dictate when payments to PO suppliers are due.

Unless otherwise negotiated, the University employs "Net 30" payment terms on Purchase Orders, meaning that the University has 30 days to

issue payment after receipt of the suppliers invoice.

All Purchase Orders sent to UNM suppliers reflect these and other basic terms and conditions. These payment terms apply to all PO invoices received by the University, regardless of any differing payment terms listed on the vendor's invoice.

## Payments to Foreign Entities

In order to comply with IRS reporting requirements for certain types of payments to foreign entities, **special exception approval is now required** from [pcard@unm.edu](mailto:pcard@unm.edu) for certain purchase types to foreign entities. Below you will find a list of purchase types and additional information explaining the IRS regulation.

- “right to use” music, images, text, or intellectual property
- software licenses or software upgrades
- cloud services
- any services that require they enter the US to perform.

### Payments to Foreign Entities

Certain types of PCard purchases from Foreign Vendors with addresses outside of the US, that are subject to US Taxation: usage-based payments for the “right to use” music, images, text, or intellectual property; software licenses or software upgrades; cloud storage; any services that require they enter the US to perform.

These types of purchases are considered US-sourced; and as such, are subject to a US federal foreign taxation of 30% withholding tax or, if any required tax is not withheld from the payment, the tax will instead be “grossed up” and charged to a departmental index. The amount of tax charged will be such that the amount actually paid to the payee represents 70% of the payment amount plus the “grossed up” tax. Mathematically, this results in the tax that is charged to the index representing 42.857% of the payment amount.

In some cases, a reduced rate of withholding may apply if the foreign vendor resides in a country that has a treaty with the US and the vendor claims treaty benefits. Foreign Entities, not individuals, may claim applicable treaty benefits by correctly filling out a W-8BEN

form. Please contact UNM Taxation staff regarding foreign individuals who would like to claim applicable treaty benefits or if the foreign vendor has determined they should submit a W-8ECI, EXP, or IMY instead.

A W-8BEN form **must** include:

- 1) A valid US TIN (Taxpayer Identification Number) or US EIN (Employer Identification Number) for a corporation
- 2) Completion of both Parts I and II claiming treaty benefits
- 3) A signature
- 4) The title of the person signing the form on the ‘capacity in which acting’ line

Even if the foreign vendor is not eligible for treaty benefits, please have them fill out Part I of the W-8BEN. Any tax will be paid to the IRS in the vendor’s name. UNM Taxation will use the information on the W-8 to complete a 1042-S Foreign Person’s U.S. Source Income Subject to Withholding, which reports to the IRS the vendor’s name, address, amounts of payments made and taxes paid. If tax has been withheld or paid, the foreign vendor will receive Form 1042-S by March 15th of the following year.

Link to the IRS website for the W-8BEN Form

<http://www.irs.gov/pub/irs-pdf/fw8ben.pdf>

### Payments for Services Provided OUTSIDE the United States (When on Business Travel)

While traveling outside of the United States for research, study-abroad, or any other purpose, UNM faculty and/or staff may often have cause to make payments via cash or p-card to individuals and/or companies for services that have been provided. In these cases, the service provider is not set up as a vendor

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## Payments to Foreign Entities (Cont'd)

as such in Banner; however, information must be obtained to document the status of the person/company, for tax purposes. For the specific and sole purpose of documenting that a person/company receiving a payment as described above is not a U.S. Person, the UNM individual making the payment MUST have the payee complete and sign the form at this link: "[Certificate of Foreign Status for Transactions Occurring Outside the United States](#)".

IMPORTANT: PLEASE NOTE: The Certification form as described immediately above SHALL NOT be submitted to the UNM Vendor Setup Group. The form MUST, however,

be submitted with the Travel DPEZ to report the expenses of the trip, and will be evaluated by the UNM Taxation Issues area.

If the form is not provided, the assumption is that the payee IS a U.S. Person, and the payment is subject to 28% tax withholding. As the payment would have already occurred, obviously withholding cannot be done, therefore, the department funding the payment will be charged for the appropriate tax at a grossed up rate of 38.89%.



### Office Supply Update

**Staples has a new Account Manager. Please click [here](#) to access the Staples Flyer for Key Contact Information.**

**Reminder: PCard is located in Suite 2400 of the Perovich Business Center**



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## **What Do You Think?**

We'd love to hear your feedback on our Purchasing Newsletter. What kind of information would you like to see in future issues? We want this to be useful to you, so please send your comments and/or suggestions to [jglucero@unm.edu](mailto:jglucero@unm.edu).

Thanks for reading!