

BUDGET LETTER

		NUMBER: 16-11
SUBJECT: PAYEE DATA RECORD (STD. 204) REQUIREMENTS	DATE ISSUED: July 5, 2016	
REFERENCES: STATE ADMINISTRATIVE MANUAL SECTIONS 8422.19 ET SEQ.	SUPERSEDES:	

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) reminds state departments of the Payee Data Record (STD. 204) reporting requirements and responsibilities. The purpose of the STD. 204 form is to obtain payee data for information reporting to ensure tax compliance with the Internal Revenue Service and/or Franchise Tax Board (FTB). Therefore, a completed STD. 204 must be on file with the state before payments are disbursed. Departments are responsible for collecting the completed STD. 204 from any non-governmental entity or individual entering into a business transaction which may lead to a payment from the state. Thus, the STD. 204 form is also required from non-state employees authorized to receive travel expense reimbursements from departments.

Furthermore, payments made to California non-residents may be subject to state income tax withholding. Departments are advised to review FTB Publication 1017 – Income Subject to Withholding and State Administrative Manual (SAM) sections 8422.195 and 8422.196 to ensure tax reporting requirements are met. Subject to the withholding criteria provided in FTB Publication 1017, there may be additional requirements and/or forms for non-resident payees to complete before payments are disbursed.

For more information on the STD. 204 form and reportable requirements, please refer to the SAM sections 8422.19 et seq. Departments should review these requirements and guidelines to ensure compliance with federal and state tax laws. As provided in SAM section 8422.19, the department's chief financial officer is the designated person responsible for ensuring compliance.

If you have questions regarding this BL, please contact the Fiscal Systems and Consulting Unit (FSCU) Hotline at (916) 324-0385 or e-mail: fscuhotline@dof.ca.gov.

/s/ Veronica Chung-Ng

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