

*Payments to Business Entities*

A. General

The University of Kentucky is required by the Internal Revenue Service (IRS) to report tax information and withhold applicable taxes from payments made to certain business entities (see below). Departments requesting payment to these entities must provide sufficient information to comply with IRS regulations.

1. Sole proprietorships and partnerships – See Section E-7-4 for payment procedures.
2. Corporations – Only payments to Medical Service Providers and Attorneys must be reported to the IRS.
  - a. Medical services include, but are not limited to, the following services:
    - 1) Ambulatory Services
    - 2) Medical Technician Services (i.e. Radiologist)
    - 3) Nursing Services (Including Providers of Temporary Nursing Employees)
    - 4) Physician’s Treatment/Care
    - 5) Therapy (all types)
  - b. Attorney services include all payments for legal services and consultations.
3. Payment procedures for Medical Services and Attorneys
  - a. Complete a DAV including the complete name, address, and taxpayer identification number of the provider. Attach all invoices and other required documentation.
  - b. Have the provider complete an IRS Form W-9, “Request for Taxpayer Identification Number and Certification” and attach the document to the DAV. Be sure the name of the provider is the parent company that has registered with the Social Security Administration under that particular taxpayer identification number.
  - c. Obtain appropriate approvals and forward the completed documents to the Purchasing Department for approval before Accounts Payable can process the document.