

## FSE/VENDOR F/EA PAYROLL PROCESS

Vendor Fiscal/Employer Agents (F/EAs) operate under Section 3504 of the IRS code (Appendix A), and Revenue Procedure 70-6 (Appendix B). IRS Proposed Notice 2003-70 (Appendix C) is not totally accurate for Vendor F/EAs (Government and Vendor F/EAs must get FEINs for program participants according to IRS staff at the December 5, 2005 F/EA Workshop in Baltimore, MD but Notice 2003-70 states that FEINs are only needed when state requires).

TASK TO BE PERFORMED	ACTION TAKEN/FORM(S) FILED	ORGANIZATION AND ADDRESS TO OBTAIN AND SUBMIT FORM	RECORD KEEPING
<b>Obtaining Federal and State Authorization for FSE to Act as Vendor Fiscal/Employer</b>			
FSE obtains a separate FEIN for federal form and tax filing and payment for program participants only (not used to process corporate staff wages).	<ol style="list-style-type: none"> <li>1) FSE completes and files an IRS Form SS-4, <i>Application for Employer Identification Number</i> and obtains its separate FEIN per semi-completed example included in Appendix D.                 - As of 10/23/06, the most current version of the Form is 2/2006.</li> <li>2) This FEIN should be used to file IRS Forms 2678, 8821, 2848 (if needed), 843, (if needed) W-2, W-2 (c), W-3 and W-3 (c), 940, 941 and pay federal income tax withholding, FICA (Medicare and social security taxes) and FUTA.</li> </ol>	<ol style="list-style-type: none"> <li>1) The Form SS-4 and instructions can be obtained at <a href="http://www.irs.gov">www.irs.gov</a>.</li> <li>2) As of 11/06/06 the most current version of the Form and Instructions is 02/06.</li> <li>3) For FSE operating in MN the completed and signed Form should be faxed or mailed to:                 Internal Revenue Service                Attn: EIN Operation                Philadelphia, PA 19255</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain copies of the completed and filed IRS Form SS-4, the IRS Notice of FEIN (either Notice received through the mail or confirmation from electronic filing or via telephone) and any related correspondence in the FSE's file.</li> </ol>

	3) The FSE should file for this FEIN 4-5 weeks before implementing the FSE function.	Fax-TIN: 859-669-5760	
Obtain a FEIN for each program participant that the FSE represents as a Vendor F/EA.	<p>1) FSE provides the program participant with a semi-completed IRS Form SS-4, <i>Application for Employer Identification Number</i> for completion and signature per example included in Appendix E.</p> <p>- FSE completes the Third Party Designee (TPD) section of the Form with a staff person's name and FSE name, address and phone and fax number. This gives the FSE the authorization to obtain the program participant's FEIN and to communicate with the IRS on this issue. Once the FSE obtains the FEIN, the TPD authority is over.</p> <p>- The Form should be filed and the FEIN obtain in the first 5days of enrolling a participant with the FSE. It is needed to file the Forms 2678 and 8821 for program participants and to register as an employer with MN DEED UI Division and MN Revenue.</p>	<p>1) As of 11/06/06 the most current version of the Form SS-4 and instructions is 03/06 and can be obtained from <a href="http://www.irs.gov">www.irs.gov</a>.</p> <p>2) For program participants in MN the completed and signed form should be faxed or mailed to:</p> <p>Internal Revenue Service Attn: EIN Operation Philadelphia, PA 19255</p> <p>Fax-TIN: 859-669-5760</p>	1) Maintain copies of the completed and filed IRS Form SS-4, the IRS Notice of FEIN (either Notice received through the mail or confirmation from electronic filing or via telephone) and any related correspondence in each participant's file.
Obtain an Agent Authorization from the IRS for each program participant	1) Prepare a semi-completed Form 2678, <i>Employer Appointment of Agent</i> for program participant's signature.	1) The most current version of the Form 2678 as of 11/06/06 is 06/02 and can be obtained at	1) Maintain copy of completed and signed Form

<p>the FSE represents as a Vendor F/EA.</p>	<ul style="list-style-type: none"> <li>- The Form should be submitted (see semi-completed example included in Appendix F1 or F2) to the IRS with a written Request for Agent Authorization Letter using the language provided in the Form Instruction (See Appendix G1 or G2) within five (5) days of enrolling the program participant with the FSE.</li> <li>- Both the program participant's and FSE separate FEIN should be reported on the Form 2678.</li> <li>- Forms can be batched under one Request for Authorization Letter but its recommended that the batching not exceed 25 forms per letter.</li> </ul> <p>2) There are two version of this submission (Appendix F1 &amp; G1 and F2 and G2) provided. Historically, Agents have requested to do "what was required of an employer for wages the Agent pays on the employer's behalf." However, effective in federal tax year 2006, IRS has increased its activities related to</p>	<p><a href="http://www.irs.gov">www.irs.gov</a>.</p> <p>2) Both the Request for Agent Authorization Letter and completed and signed Form 2678 must be submitted to:</p> <p>Internal Revenue Service Center Director Submission Processing</p> <p>where the FSE files the Form 941 returns.</p> <ul style="list-style-type: none"> <li>- For FSE and program participants in MN that would be:</li> </ul> <p>IRS Center Director Submission Processing Ogden, UT 84201-0005</p>	<p>2678 with the accompanying Request for Agent Authorization Letter and any related correspondence in each participant's file.</p> <p>2) Maintain copy of IRS Notice of Agent Authorization (IRS LTR 1997C) and any related correspondence in each participant's file.</p> <ul style="list-style-type: none"> <li>- Frequently, the IRS Notice of Agent Authorization (IRS LTR 1997C) will include multiple participants' names.</li> </ul>
---------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	<p>Back-Up Withholding. Under the new initiative, a participant's worker could owe back federal withholding taxes and be notified by the IRS to have their current employer (or his/her Agent) process these taxes on his/her behalf. So, it may be prudent for Agents to complete the Form 2678 and prepare the Request for Approval Letter as in Appendices F2 and G2 which includes back-up withholding.</p>		<p>Only the particular participant's name should be on the document in his/her file, with all other names blacked out to maintain confidentiality of participants.</p> <p>3) The FSE should start serving the participant after it has submitted the IRS Forms 2678 and 8821 and should not wait to receive the IRS LTR 1997C according to Nancy Harmon at the IRS.</p>
<p>Obtain and renew IRS Form 8821, <i>Tax Information Authorization</i> for each program participant the FSE represents as a Vendor F/EA.</p>	<p>1) The IRS Form 8821, authorizes any individual or entity (the appointee) the program participant authorizes to inspect and/or receive confidential information in any office of the IRS for the type of tax and the years or periods listed on the Form.</p>	<p>1) The most recent version of Form 8821 as of 11/06 is 04/04 and can be obtained at <a href="http://www.irs.gov">www.irs.gov</a>.</p> <p>2) For program participants in MN, the IRS Form 8821 should be mailed or fax to:</p>	<p>1) A copy of the initial and renewed IRS Forms 8821 and any related correspondence should be maintained in</p>

	<p>2) The Form does not authorize the individual or entity (the appointee) to advocate/represent the program participant before the IRS.</p> <ul style="list-style-type: none"> <li>- The Form should be completed as in the example provided in Appendix H and should be filed within the first five (5) days a program participant is enrolled with the FSE.</li> <li>- Both the program participant's and FSE's separate FEIN should be reported on the Form.</li> <li>- The Form is only effective for up to a 3 yr period (retrospective or prospective) (see Form instructions).</li> <li>- The three (3) yr future period is determined starting after 12/31 of the yr the tax information authorization is received by the IRS.</li> <li>- IRS instructions state that if Line 4 is not checked on the Form 8821 then the Form should be held in the FSE files and presented as needed. However, to facilitate</li> </ul>	<p>Internal Revenue Service Ogden Accounts Management Center 173 N. Rulon White Blvd Mail Stop 6737 Ogden, UT 84404</p> <p>IRS Fax No. (801) 620-4249</p> <p>3) The FSE can obtain authorization to file the IRS Form 8821 electronically. Entering a PIN gives the FSE authority to file the Form electronically using the PIN as the electronic signature (see Form instructions).</p> <p>4) Since IRS Forms 843 are rarely used (only as a last resort to obtain deposited but over collected FICA after the 4<sup>th</sup> quarter Form 941 has been filed), it should not be reported on Line 3 of the Form 8821 in the Forms box. Rather, FSEs should make a note to the file that if the IRS Form 843 is ever needed, the FSE needs to get an amended Form 8821 from the applicable participant(s) to</p>	<p>each participant's file.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------

	communication with the IRS it is recommended that all IRS Forms 8821 be filed and renewed by the FSE/Agent with the IRS.	communicate with the IRS on a Form 843 related matter.	
Execute an Reporting Agent Authorization, IRS Form 8655 between the FSE and the reporting agent the FSE subcontracts with.	<ol style="list-style-type: none"> <li>1) If an FSE subcontracts with a reporting agent and delegates some of the payroll tasks, the FSE must execute and IRS Form 8655, <i>Reporting Agent Authorization</i> between itself and the reporting agent.</li> <li>2) The FSE also should obtained signed informed consent statements from each participant it represents stating that he/she knows the FSE is using a reporting agent, listing the tasks the reporting agent will be performing on the FSE's and participant's behalf and that the participant approves of the FSE using the reporting agent.</li> <li>3) An example copy of the Form is included in Appendix I.</li> </ol>	<ol style="list-style-type: none"> <li>1) The most current version of the Form 8655 as of 11/06/06 is 5/05 and it can be obtained at <a href="http://www.irs.gov">www.irs.gov</a>.</li> <li>2) The completed and signed Form should be mailed or faxed to:  Internal Revenue Service Accounts Management Service Center MS 6748 RAF Team 1973 North Rulon White Blvd. Ogden, UT 84404  Fax No. 801-620-4142</li> </ol>	<ol style="list-style-type: none"> <li>1) A copy of the executed Form 8655 and any related correspondence should be maintained in the FSE's file.</li> </ol>
Obtain a MN Revenue Power of Attorney and signed Election to Send Correspondence to FSE letter from each program participant the FSE represents as a Vendor F/EA.	<ol style="list-style-type: none"> <li>1) Complete and submit a signed MN Department of Revenue (DoR) Form Rev 184, <i>Power of Attorney</i> for each program participant the FSE represents as Agent (see Appendix J).  - The Form REV 184 instructions</li> </ol>	<ol style="list-style-type: none"> <li>1) The most current version of the Form Rev184 as of 11/06/06 is 5/05 and can be obtained at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</li> <li>2) Completed and signed Forms should be mailed or faxed</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain a copy of Rev 184 POA, the Election to Send Correspondence to the Appointee (POA) Letter and</li> </ol>

	<p>state that as a general rule, MN Revenue does not send all identified tax documentation to the designated appointee (POA). If the FSE wants to make sure it receives all identified tax documentation instead of the program participant, it must get a signed letter from the participant saying he/she is electing to have all notices, correspondence tax refunds and tax booklets related to state income tax withholding sent to the appointee (POA) (see Form REV 184 instructions).</p> <p>- The Form Rev 184, and the Election to Send Correspondence to the Appointee (POA) Letter (see Appendix K) should be filed with the MN Revenue with the Form ABR, <i>Application for Business Registration</i>.</p>	<p>along with the MN DoR ABR <i>Application for Business Registration Form</i> to:</p> <p>MN Revenue Mall Station 4110 St Paul, MN 55146-4123</p> <p>Fax: 651-297-2265</p>	<p>any related correspondence in each participant's file.</p>
<p>Registering with MN DEED/UIMN for Agent Authorization for each program participant the FSE represents as a Vendor F/EA</p>	<ol style="list-style-type: none"> <li>1) The MN DEED and UI Division no longer accepts paper Forms for UI wage and tax reporting. All reporting and payment must be done on-line.</li> <li>2) MN DEED has retired the DEED1298, <i>Power of Attorney</i> Form.</li> <li>3) Now the FSE must register on-line as an authorized Agent.</li> </ol> <p>1) FSE must get a signed consent</p>	<p>1) Information on On-line Agent Registration can be found at: <a href="http://www.uimn.org/tax/agent_auth.htm">www.uimn.org/tax/agent_auth.htm</a></p>	<p>1) Copy of the On-line Agent Registration documentation, participant consent statement and related correspondence should be maintained in each</p>

	statement from each participant it represents as Agent giving the FSE authorization to be his/her Agent. This statement is maintained in the participant's file. An example is included in Appendix L.		participant's file.
<b>Obtaining MN Registration Numbers for Income Tax Withholding and Unemployment Insurance Tax Filing and Payment Purposes For Program Participants</b>			
Register and obtain a MN Revenue Business Registration Number for each program participant the FSE represents as a Vendor F/EA	<ol style="list-style-type: none"> <li>1) Complete and submit the MN Revenue Form ABR, <i>Application for Business Registration</i> and submit it along with the Form Rev 184, <i>Power of Attorney</i> and the Election to Send Correspondence to the Appointee (POA) Letter described above to MN Revenue to obtain a MN Revenue Business Registration Number for each participant the FSE represents.</li> <li>2) An example of the Form ABR is included in Appendix M.</li> <li>3) An example of Election Send Correspondence to the Appointee (POA) Letter is included in Appendix K.</li> </ol>	<ol style="list-style-type: none"> <li>1) The most current MN Revenue Form ABR as of 11/06/06 is 4/03 and can be obtained at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</li> <li>2) The Form REV 184 and the Election to Send Correspondence to the Appointee (POA) Letter should be mailed or faxed along with the MN Revenue Form ABR to:  MN Revenue Mall Station 4110 St Paul, MN 55146-4123  Fax: 651-297-2265</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain a copy of the completed and signed Forms REV 184 and ABR, the participant's MN Revenue Business Registration Number and any related correspondence in each participant's file.</li> </ol>

<p>Register Program Participants as an Employer with the MN Dept of Economic Development (DEED) for Minnesota Unemployment Insurance (UI) Purposes and obtain a UI Employer Registration Number for each Program Participant the FSE represents as a Vendor F/EA</p>	<p>1) The MN DEED requires on-line filing to register a program participant as an employer for UI purposes and to obtain the participant's UI Employer Registration Number.</p>	<p>1) Register on-line with DEED at <a href="http://www.uimn.org">www.uimn.org</a> or by telephone: 651-296-6141</p>	<p>1) Maintain copy of the information filed on-line in each participant's file along with the UI Employer Registration Number and any related correspondence in each participant's file.</p>
<p><b>Develop, Produce and Distribute Program Participant Enrollment Packets and Collect and Process Required Forms and Information</b></p>			
<p>Develop, produce and distribute program participant Enrollment Packets.</p>	<p>1) Participant Enrollment Packet should include:</p> <ul style="list-style-type: none"> <li>- Welcome letter and or brochure describing the FSE services, FSE and participant's roles and responsibilities per consumer-directed program option, hours of operation and key contact information;</li> <li>- Employer orientation manual <b>(Must be determined by DHS)</b></li> </ul>	<p>1) <b>DHS need to confirm what it wants included, at a minimum, in the Participant Enrollment Packet.</b></p> <p>2) It is important that the FSE has good internal controls that effectively implement quality control standards related to the production and distribution of the Participant Enrollment Packets.</p>	<p>1) FSE must maintain master copies of all documents included in the Participant Enrollment Packet and update as necessary.</p>

	<ul style="list-style-type: none"> <li>- Employer-Employee Agreement (<b>Must be determined by DHS</b>)</li> <li>- Semi-completed IRS Form 2678 and instructions</li> <li>- Semi-completed IRS Form SS-4 and instructions</li> <li>- Semi-completed IRS Form 8821 and instructions</li> <li>- Semi-completed MN Form ABR and instructions</li> <li>- Semi-completed MN Revenue Form Rev 184 and instructions</li> <li>- Election to Send Correspondence to the Appointee (POA) Letter for signature</li> <li>- MN UI Agent Authorization Statement for signature</li> <li>- Data form to collect information to file on-line to register the participant as an employer for UI purposes and to obtain the participant's UI Employer Registration Number</li> <li>- Timesheets and instructions</li> </ul>		
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--

	- Time sheet due date and payroll schedule		
Collect, process and maintain the required documentations in order to enroll program participant with the FSE to receive FSE/Vendor F/EA services	<ol style="list-style-type: none"> <li>1) See above descriptions of federal and state forms.</li> <li>1) Forms should be processed in a timely manner so that participant enrollment and receipt of services are not significantly delayed.</li> </ol>		1) Maintain copies of federal and state forms and any related correspondence in each participant's file.
<b>Develop, Produce and Distribute Worker Employment Packets and Collect and Process the Human Resource Documents and Information</b>			
Develop, produce and distribute Employment Packets for program participants' workers	<p>All required information and forms including:</p> <ul style="list-style-type: none"> <li>- Employment Application</li> <li>- US CIS Form I-9</li> <li>- IRS Form W-4</li> <li>- IRS Notice 797 with contact information if worker believes he/she is eligible to get an IRS Form W-5</li> <li>- Criminal Background Check Forms, if requested by participant</li> </ul>	<ol style="list-style-type: none"> <li>1) <b>DHS need to confirm what it wants included, at a minimum, in the Employment Packets for Participants' Employees</b></li> <li>2) It is important that the FSE has good internal controls that effectively implement quality control standards related to the production of the packets.</li> </ol>	1) The FSE must maintain master copies of the documents included in the Worker's Employment Packet and up date as necessary.

	<ul style="list-style-type: none"> <li>- MN Child Support Disclosure Form</li> <li>- Timesheet and instructions</li> <li>- Timesheet Due Date and Payroll Schedule</li> <li>- Direct deposit information &amp; application</li> </ul>		
Collect, process and maintain the required human resources documentation in order to process payroll for program participants' workers.	<ol style="list-style-type: none"> <li>1) See above descriptions of federal and state forms.</li> <li>2) Forms should be processed in a timely manner so that participant enrollment and receipt of services are not significantly delayed.</li> </ol>		1) Maintain copies of the documentation and related correspondence in each worker's file.
Collect and Process IRS Forms W-4 from program participants' workers for Federal and State income tax withholding purposes.	<ol style="list-style-type: none"> <li>1) The Form IRS Form W-4, <i>Employee's Withholding Allowance Certificate</i> must be collected from each worker a participant hires.</li> <li>2) Certain IRS Forms W-4 must be sent to the IRS and the MN Department of Revenue. <ul style="list-style-type: none"> <li>- When the worker claims 10 withholding allowances, or</li> <li>- Exemption from withholding and his/her wages would normally be more than \$200 per week.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1) The current tax year version of the Form W-4 should be used.</li> <li>2) When IRS Forms W-4 are filed with the Service they should be sent to the IRS Office where the FSE's Forms 941 are filed quarterly (See instructions included in Publication 15) Section 9, <i>Withholding From Employees' Wages</i>).</li> </ol>	1) Maintain a copy of the Form and any related correspondence in each worker's file.

	<p>3) The FSE is not required to send the IRS or the MN Dept of Revenue any other Forms W-4 unless the IRS or the MN Dept of Revenue notifies it (or the participant-employer) in writing to do so.</p> <p>4) Workers also must determine the number of exemptions for MN Dept of Revenue purposes. The number of exemptions determined for state purposes can not exceed the number reported for Federal purposes by the worker.</p> <ul style="list-style-type: none"> <li>- If the number of federal exempts are the same as the exemptions reported for state purposes, only one IRS Form W-4 needs to be maintained by the FSE.</li> <li>- If the number of federal exempts are the different than the exemptions reported for state purposes, the worker must complete and the FSE must maintain a second copy of the Form W-4.</li> </ul> <p>5) When the FSE fails to send a copy of the Form W-4 to MN Dept of Revenue when required, the FSE will</p>	<p>filed with the MN Department of Revenue it should be sent to:</p> <p>Minnesota Revenue Mail Station 6501 St Paul, MN 55146-6501</p>	
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------	--

	be subject to a \$50 penalty for each required certificate not sent.		
Collect IRS Form W-5 and process advanced Federal Earned Income Credit for program participants' eligible workers	<ol style="list-style-type: none"> <li>1) The IRS Form W-5, <i>Earned Income Credit Advanced Payment Certificate</i> should be filed, when applicable.</li> <li>2) The Form W-5 is effective for the first payroll period ending on or after the date the employee gives the FSE the Form, or the first wage payment made without regard to the payroll period.</li> </ol>	<ol style="list-style-type: none"> <li>1) The current tax year version of the form should be used.</li> <li>2) Form should be processed in accordance to IRS Publication 15, Circular E, <i>Employer Tax Guide</i>) Section 10, Advanced Earned Income Credit (EIC) Payment and Publication 596, <i>Earned Income Credit</i> for the applicable tax year.</li> </ol>	Maintain a copy of the Form and all correspondence in each worker's file.
If applicable, verify program participants' workers' citizenship and alien status.	<ol style="list-style-type: none"> <li>1) This Form used to verify worker's citizenship or alien status is the US Citizenship and Immigration Services (CIS) Form I-9.</li> <li>2) An example of the Form is included in Appendix N. <ol style="list-style-type: none"> <li>2) The FSE must make sure that all required fields are completed on every Form completed by the participant for his/her worker.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1) The most current version of the US CIS Form I-9 as of 11/06/06 is 5/31/05 and can be obtained at <a href="http://www.uscis.gov">www.uscis.gov</a></li> <li>2) Forms are not filed with the US CIS. Rather, they are kept at the FSE in the worker's file for inspection by the US CIS when requested.</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain a copy of the forms and any related correspondence in each worker's file.</li> </ol>
Conduct criminal background checks on prospective workers as requested by program participants	<ol style="list-style-type: none"> <li>1) The FSE must conduct criminal background checks on prospective workers as requested by participants per MN requirements.</li> </ol>	<ol style="list-style-type: none"> <li>1) DHS needs to document how this process is to be conducted.</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain copies of the documentation the workers' files as required by the state.</li> </ol>

<p>Notify the state/program participant of the results criminal background checks on prospective workers as requested by program participants.</p>	<p>1) The FSE must notify the State/County and the participant of the results of a criminal background check on a prospective worker as requested by the program participant.</p>	<p>1) DHS needs to determine what the process will be to notify the State and/or participant of the results of a criminal background check.</p>	<p>1) Maintain copies of the documentation in the workers' files, as required by the State.</p>
<p>Verify each program participants' worker's social security number.</p>	<p>1) The FSE should be verifying each worker's social security number according to the process specified by the Social Security Administration (SSA).  2) SSA is fining employers and Agents \$50 for every incorrect SSN used.</p>	<p>1) A resource for this process can be found at <a href="http://www.ssa.gov">www.ssa.gov</a>.</p>	<p>1) Maintain the appropriate documentation and any related correspondence in the worker's file.</p>
<p>Verify that program participants' workers hourly wage are in compliance federal and state wage and hour rules for regular and overtime pay.</p>	<p>1) MN minimum wage for small employers (less than \$625,000 in gross sales/business is currently \$5.25/hr.  2) Federal Application of Fair Labor Standards Act to Domestic Service 29 CFR Part 552 (including the Companionship and Live-In Exemptions if MN recognizes these exemptions - some states do not). <b>DHS needs to determined if the State recognizes these exemptions.</b>  - Under Companionship Exemption (Section 13(a) (15), workers who qualify do not have to be paid</p>	<p>1) MN minimum wage information may be found at: <a href="http://www.doli.state.mn.us/minwage.html">www.doli.state.mn.us/minwage.html</a>.  2) Federal minimum wage and domestic service (and companionship and live-in exemption) information can be found at <a href="http://www.dol.gov">www.dol.gov</a>.</p>	<p>1) Maintain wage documentation and any related correspondence in each worker's file.</p>

	<p>minimum wage or overtime pay.</p> <ul style="list-style-type: none"> <li>- Under the Live-In Exemption (Section 13(b) (21), workers who qualify have to be paid minimum wage for every hours worked but are not eligible for overtime pay. In addition, qualified workers' wages can be reduced by up to 8 hours for meal breaks and sleep time of mutually agreed to by the employer and worker.</li> </ul>		
Maintain information in payroll records in accordance with Federal and State requirements.	<p>1) FSE must maintain the following information:</p> <ul style="list-style-type: none"> <li>- Worker name and address, - Occupation,</li> <li>- Social Security number,</li> <li>- Rate of pay,</li> <li>- Amount of paid each pay period,</li> <li>- Deductions (taxes, insurance, union dues, etc),</li> <li>- Beginning and ending hours worked each day, including a.m. and p.m. designation.</li> </ul>	1) As required by the Minnesota Fair Labor Standards Act and the MN Dept of Labor and Industry (at least 3 years).	Maintain this information in each worker's file.
<b>Develop and Produce Timesheets and Instructions and Distribute, Collect, Verify and Process Workers' Timesheets</b>			
Design and produce a timesheet and instructions			

for workers.			
Implement a system for distributing, collecting, verifying and processing workers' timesheets.	<p>1) The FSE should be verifying submitted timesheets against the participant's service plan.</p> <p>2) The FSE should have a system for handling a timesheet when it is over the approved amount according to the participant's service plan. <b>(The policy for overspending need to be determined by DHS.)</b></p> <p>- It should be noted that if an FSE receives a signed timesheet for worker for work performed it is required by DoL to pay it.</p>	1) Resources for handling timesheets can be found at the Federal and State Department of Labor web sites.	1) Maintain copies of the required Forms, documentation and any related correspondence in the FSE's file.
Prepare and distribute program participants' workers' payroll checks including a paycheck statement.	1) The FSE must prepare and distribute payroll checks, including paycheck statements that reports hours worked, gross wages, withholding by type, a list of all deductions, Employer's legal name d/b/a of different, and salary for the current pay period and year to date.	1) Resource for this task is available in IRS Publication 15, Circular E, <i>Employer Tax Guide</i> , the Federal Department of Labor State Payday Schedule at <a href="http://www.dol.gov">www.dol.gov</a> and the MN DEED.	1) Maintain copies of workers' payroll checks, hours gross and net wages and withholdings in each worker's file.
Process direct deposits of paychecks for program participants' workers upon request.	1) The FSE must offer a direct deposit option to workers upon request.		1) Maintain direct deposit request, processing information and any related correspondence in each worker's file.

<p>Process and distribute IRS Forms 1099-Misc to all program participants' service providers who have been determined to be independent contractors.</p>	<p>1) If it has been determined that a program participant is using a service provider who is an bonafide independent contractor, t(i.e., the participant has submitted an IRS Form SS-8, <i>Determination of Worker Status for the Purpose of Federal Employment Taxes and Income Taxes</i>), the FSE must:</p> <ul style="list-style-type: none"> <li>- Obtain a completed and signed IRS Form W-9, <i>Request for Taxpayer Identification Number and Certification</i>, from the applicable provider.</li> <li>- Determine if the independent contractor has been paid \$600 or more in the calendar year for services rendered.</li> <li>- If yes, then the FSE must issue the service provider an IRS Form 1099-Misc, <i>Miscellaneous Income</i> and an IRS Form 1096, <i>Annual Summary and Transmittal of U.S. Information</i> as appropriate.</li> </ul>	<p>1) IRS Forms SS-8, W-9 and 1099-Misc and instructions can obtained in <a href="http://www.irs.gov">www.irs.gov</a>.</p>	<p>1) Maintain documentation and any related correspondence in the independent contractor's file.</p>
<p>Manage the application of all garnishments, levies and liens on program participants'</p>	<p>1) The FSE must process the application of all garnishments, levies and liens on workers' payroll checks in an</p>		<p>1) Maintain documentation and any related</p>

workers' payroll checks in an accurate and timely manner	accurate and timely manner.		correspondence in each worker's file.
Report new hires for program participants workers' within 20 days of hire.	1) The FSE must report participants' new worker hires on line or mail/fax copy of workers' IRS Forms W-4 to the MN New Hire Reporting Center.	1) The FSE must report participants' new hires to the Minnesota Department of Human Services at the MN New Hire Reporting Center, by mailing the information to:  P.O. Box 64212 St Paul, MN 55164-0212  <u>or</u> Fax to: (651) 227- 4991	Maintain documentation in each worker's file.
<b>Filing and Paying Federal Income Tax Withholding and Employment Taxes</b>			
Determine if the program participant's worker(s) is a family member and who is exempt from filing and paying FICA.	1) One spouse employed by another and parents employed by children who are not in a trade or business may not be subject to social security and Medicare (FICA) taxes.  2) The FSE must determine the relationship of the worker to the participant before it withholds FICA for a worker.	1) Information regarding this exemption is included in Publication 15, Circular E, <i>Employer Tax Guide</i> (for the applicable tax year), Section 3, Family Employees and Table 15, Special Rules for Various Types of Services and Payments- Family Employees.	1) Maintain documentation verifying worker's relationship to his/her participant-employer and exemption from FICA and any related correspondence in each worker's file.
Withhold and file FICA (Medicare and social security taxes) and federal income tax	1) Federal income tax withholding and FICA taxes are filed using the IRS Form 941, <i>Employer's Quarterly</i>	1) The Form 941 should be for the current tax year and can be obtained at <a href="http://www.irs.gov">www.irs.gov</a> .	1) Maintain a copy of each IRS Form 941 filed

<p>withholding quarterly in the aggregate using the FSE's separate FEIN for all participants it represents and their workers'.</p>	<p><i>Federal Tax Return.</i></p> <p>2) The FSE should write across the top of each Form 941 filed "This return is filed under authorization granted in accordance with Section 3504 of the Internal Revenue Code."</p>	<p>2) Reference for how this Form should be completed and filed is included in IRS Publication 15, Circular E, <i>Employer Tax Guide</i> for the applicable tax year.</p>	<p>and any related correspondence in the FSE's file.</p> <p>2) FSE must have documentation that shows the aggregate filing disaggregated for each state program and participant it has filed FICA on behalf of (i.e., individual IRS Form 941 generated off the FSE's payroll software) in the participants' and FSE's files.</p> <p>3) FSE must maintain records that will show the full wages paid to each worker on behalf of , identified by, each program participant for</p>
------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

			whom it acts as Agent.
Pay FICA and federal income tax withholding in the aggregate for all program participants it represents and their workers' using the FSE's separate FEIN, in accordance with IRS depositing rules	1) Federal income tax withholding and FICA must be paid based on the total size of the withholding for all participants the FSE represents per IRS depositing rules. IRS Form 8109 Depositing coupon is used or electronic payment.	1) IRS FICA depositing rules are included in IRS Publication 15, Circular E, <i>Employer Tax Guide</i> for the applicable tax year.	1) Maintain copies of aggregate FICA deposit documentation and any related correspondence in the FSE's files.  2) The FSE must have documentation that shows the aggregate payment disaggregated for each state program and participant it has made payments for in the participant's and the FSE's files.
Refund workers (employee contribution) and the State (program participant-employer's contribution) for over collected FICA when the worker's wages do not equal	1) When a worker's wages do not equal or exceed the FICA wage threshold (\$1,500 in 2006) from a particular household employer, the worker and the employer (the State) is eligible for a refund of over collected FICA.	1) Resources for this task include the December 18, 2000 Marie Cashman IRS Letter (see Appendix O), the refund box on the 4 <sup>th</sup> quarter Form 941 or the IRS Form 843.	1) Maintain cancelled checks and other documentation and any related correspondence in each worker's

<p>or exceed the FICA wage threshold.</p>	<ul style="list-style-type: none"> <li>- The employer portion of over collected FICA is returned to the State. <b>(DHS needs to determine the policy and procedure for doing this.)</b></li> <li>2) FICA refunding should be performed in accordance with December 18, 2000 IRS Letter. However, rather than using the Form 843 to obtain a refund of already deposited FICA, the FSE may use the refund box on the Agent's 4<sup>th</sup> quarter Form 941 to recoup over collected FICA that has already been paid into the system. The Form 843 should only be used to recoup over collected FICA paid into the system when the Agent's 4<sup>th</sup> quarter 941 has already been filed</li> <li>1) The FSE must verify worker's current address before they withhold FICA for refunding purposes.</li> <li>2) The FSE must file an IRS Form 941(c) with its 4<sup>th</sup> quarter Form 941.</li> <li>3) Any FICA refund checks returned to the FSE then must be processed in accordance with the State' Abandoned Property law.</li> </ul>		<p>(employee portion) and the FSE's (employer's portion) files.</p>
-------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------------------------------------------------------------------

<p>Determine if the program participant's workers are family members who are exempt from filing and paying FUTA.</p>	<ol style="list-style-type: none"> <li>1) One spouse employed by another and parents employed by children who are not in a trade or business may not be subject to FUTA.</li> <li>2) The FSE must determine the relationship of the worker to the participant before it withholds FUTA for a worker.</li> </ol>	<ol style="list-style-type: none"> <li>1) Information regarding this exemption is included in Publication 15, Circular E, <i>Employer Tax Guide</i> (for the applicable tax year), Section 3, Family Employees and Table 15, Special Rules for Various Types of Services and Payments- Family Employees.</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain documentation verifying worker's relationship to his/her participant-employer and exemption from FUTA and any related correspondence in each worker's file.</li> </ol>
<p>Withhold and file FUTA annually for all program participants the FSE represents as Vendor F/EA.</p>	<ol style="list-style-type: none"> <li>1) If the participant pays \$1,000 in total gross wages, including the value of room board and other advantages in a calendar quarter, the FSE must file the IRS Form 940, <i>Employer's Annual Federal Unemployment Tax Return</i> annually in the aggregate for all participant's it represents beginning in year 2006 (In 2005 the FSE would have filed FUTA individually with last return box checked) using the FSE's separate FEIN for all participants it represents.</li> </ol>	<ol style="list-style-type: none"> <li>1) The Form 940 for the current tax year should be used. IRS is issuing an updated Form 940 and retiring the IRS Form 940 EZ effective for the 2006 tax year.</li> <li>2) IRS staff announced on December 5, 2005 at the F/EA Workshop in Baltimore, MD that Vendor F/EAs were to file and deposit FUTA in the aggregate effective 1/1/06. It is still not clear what IRS policy will be for FUTA filing in 2007.</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain copies of the filed Forms 940 and any related correspondence in the FSE's file.</li> <li>2) FSE must have documentation that shows the aggregate filing disaggregated for each state program and participant it has filed on behalf of (i.e., individual IRS Form 940 generated off the</li> </ol>

			FSE's payroll software) in the participants' and the FSE's files.
Pay FUTA for program Participants in the aggregate using its separate FEIN and per IRS depositing rules.	<p>1) If the participant pays \$1,000 in total gross wages, including the value of room board and other advantages in a calendar quarter he or she must pay FUTA.</p> <p>2) In 2006, the FSE pays FUTA in the aggregate for all participants it represents using its separate FEIN. In 2005, the FSE paid FUTA in the individual for each participant it represented using the participant's FEIN.</p> <p>2) From 2005 forward, if the FSE's total FUTA withholdings as a Vendor F/EA are \$500 or more then the FSE must deposit FUTA quarterly. Otherwise, the FSE deposits FUTA annually. IRS Form 8109 Depositing coupon is used or electronic payment.</p>	<p>1) IRS FUTA depositing rules are included in IRS Publication 15, Circular E, <i>Employer Tax Guide</i>.</p> <p>2) IRS staff announced on December 5, 2005 at the F/EA Workshop in Baltimore, MD that Vendor F/EAs were to file and deposit FUTA in the aggregate effective 1/1/06. It is still not clear what IRS policy will be for FUTA filing in 2007.</p>	<p>1) Maintain copies of aggregate FUTA deposit documentation in the FSE's files.</p> <p>2) The FSE must maintain documentation that shows the aggregate payment disaggregated for each participant it has made payments for in the participant's file.</p>
Process Federal Advanced Earned Income Credit (EIC) for each program participant's eligible	<p>1) The FSE must process Federal EIC for each eligible worker who has submitted a complete and valid IRS Form W-5 and in accordance with IRS requirements.</p>	<p>1) Federal EIC processing rules are included in IRS Publication 15, Circular E, <i>Employer Tax Guide</i> and Publication 596, <i>Earned</i></p>	<p>1) Maintain the documentation and any related correspondence in</p>

worker in an accurate and timely manner.		<i>Income Credit.</i>	the FSE's files.
<p>Prepare and distribute annual IRS Forms W-2 for program participants' workers per IRS employer agent Instructions in a timely manner.</p>	<ol style="list-style-type: none"> <li>1) The FSE must prepare and distribute an IRS Form W-2 for each program participant's worker annually by January 31st each year (see example included in Appendix P) <ul style="list-style-type: none"> <li>- Copy A of the Form must be filed by February 28<sup>th</sup> (29<sup>th</sup> in a leap year) if hardcopy is filed. If its filed electronically its due April 2<sup>nd</sup>.</li> </ul> </li> <li>2) The Forms W-2 must be completed per IRS Form W-2 instructions for agents.</li> <li>3) Copy 1 of the Form should be sent/ electronically filed to the state, city or local tax department.</li> <li>4) If the FSE files 250 or more Forms W-2 via paper copies, SSA/IRS will fine the FSE \$50 for every paper filing that exceeds 250. Electronic filing of Forms W-2 is recommended.</li> </ol>	<ol style="list-style-type: none"> <li>1) Copies of the Form W-2 and instructions can be obtained at <a href="http://www.irs.gov">www.irs.gov</a>.</li> <li>2) The FSE must prepare IRS Forms W-2 in accordance with Special Instructions for Agents included in the IRS Form W-2 instructions.</li> <li>3) Copy A of the Form (hard copy) should be filed with the IRS Form W-3 at the following address:  Social Security Administration Data Operations Ctr Wilkes-Barre, PA 18769-</li> <li>4) If Forms W-2 are sent to SSA electronically then they must be sent to MN electronically.</li> </ol>	<ol style="list-style-type: none"> <li>1) The FSE must maintain copies of the IRS Forms W-2 prepared and distributed for workers and filed with SSA and the State and any related correspondence in the worker's file.</li> <li>2) The FSE also should maintain the backup that supports the Forms W-2 file with SSA and the State in the workers' files.</li> <li>3) The FSE should keep copies of any Forms W-2 that were undeliverable for four years. undeliverable Forms W-4 are</li> </ol>

			not to be submitted to SSA.
Prepare and distribute an IRS Form W-3 annually for all Forms W-2 the FSE prepares for program participants' workers.	<ol style="list-style-type: none"> <li>1) If an FSE files paper Forms W-2 with SSA, then it also must file an IRS Form W-3 with SSA in accordance with IRS Special Instructions for Agents included in the IRS Forms W-2/W-3 Instructions (see Appendix P).</li> <li>2) If the FSE files IRS Forms W-2 electronically, the FSE does not have to file an IRS Form W-3. Filing IRS Forms W-2 is recommended.</li> </ol>	<ol style="list-style-type: none"> <li>1) IRS Forms W-3 should be filed with Copy A of the Form W-2 to the following address:  Social Security Administration Data Operations Ctr Wilkes-Barre, PA 18769-0001</li> </ol>	<ol style="list-style-type: none"> <li>1) The FSE must maintain copies of the IRS Form W-3 it files annually with the IRS and any related correspondence in the FSE' files.  The FSE also should maintain the backup that supports the filing of the Form W-3 in the FSE' file.</li> </ol>
Withhold and file state income tax (SIT) withholding for Program Participants' workers (for each individual participant using his/her MN Revenue Business Registration Number) per MN Revenue requirements including filing an annual final reconciliation.	<ol style="list-style-type: none"> <li>1) The FSE must file SIT withholding electronically annually or quarterly for each participant using his/her MN Revenue Business Registration Number, and an annual final reconciliation in accordance with MN Revenue rules and instructions.</li> <li>2) If a participant ceases to pay wages (close business) and be an employer, the FSE must close the participant's account by going on line at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a> and clicking on "Update Business Info" on the e-Services menus and</li> </ol>	<ol style="list-style-type: none"> <li>1) The web site at the MN Revenue for filing and paying MN SIT withholding is: <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</li> <li>2) State resource for MN SIT is the MN Revenue <i>MN Income Tax Withholding Instructions and Tax Tables for Quarterly and Annual Filers</i> for the appropriate tax year.</li> </ol>	<ol style="list-style-type: none"> <li>1) Maintain documentation and any related correspondence in the FSE's files.</li> </ol>

	<p>filing a year-end and file a year-end return (if the participant is a quarterly filer) or an annual return (if the participant is an annual filer) within 30 days of the end of the quarter in which the FSE cancels the participant's state SIT identification number (even if the filings are zero filings).</p>		
<p>Pay State Income Tax (SIT) withholding for program participants' workers per MN Revenue requirements.</p>	<p>1) The FSE must pay SIT for each participant individually using the participants MN Revenue Business Registration Number per MN Revenue requirements.</p> <ul style="list-style-type: none"> <li>- Participants who are annual filers must have the FSE make deposits each time the participant's withholding goes over \$500 (except in December). If withholding does not exceed \$500 prior to December 1, the FSE may pay the entire withholding amount when it files the participant's annual return.</li> <li>- If the participant is a quarterly filer, the FSE should deposit MN SIT according to the federal income tax withholding schedule (semi-weekly, monthly or quarterly) unless the participant meets two exceptions (1) withholding \$1,500 or less of MN SIT in the previous quarter and filed the previous quarter's filing on</li> </ul>	<p>1) The FSE can obtain copies of the Form MW5, file electronically and obtain a copy of the MN Revenue Publication <i>MN Income Tax Withholding, Instructions and Tax Tables for Quarterly and Annual Filers</i> for the current tax year at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</p> <p>2) Deposits should be made according to the schedule provided in MN Revenue Publication <i>MN Income Tax Withholding, Instructions and Tax Tables for Quarterly and Annual Filers</i>.</p>	<p>1) Maintain documentation and any related correspondence in the FSE's files.</p>

	<p>time, payment should be made at the same time the quarterly return is filed. (2) If the participant meets the federal one-day rule for federal liabilities over \$100,000 then SIT should be paid semi-weekly.</p> <p>3) If the FSE choose to pay state income tax withholding for participants by check, the FSE should select “pay the other way” and send the deposit in with a Form MW5 payment voucher.</p>		
Determine if the Program Participant’s workers are family members who are exempt from filing and paying SUTA	<p>1) One spouse employed by another and parents employed by children who are not in a trade or business may not be subject to FUTA.</p> <p>2) The FSE must determine the relationship of the worker to the participant before it withholds FUTA for a worker.</p>	<p>1) Information regarding this exemption is included in the MN DEED/Unemployment Insurance Division and its web site:</p> <p><a href="http://www.uimn.org">www.uimn.org</a></p>	<p>1) Maintain documentation verifying worker’s relationship to his/her participant-employer and exemption from FUTA in each worker’s file.</p>
Withhold and file state unemployment insurance tax (SUTA) for each program participant individually using their UI Employer Identification Number and in accordance with MN Department of Employment and Economic Development	<p>1) If the participant pays \$1,000 in total gross wages, including the value of room board and other advantages in a calendar quarter the FSE must file SUTA electronically either annually or quarterly on the participant’s behalf in accordance with MN DEED/ UI Division and using the participant’s UI Employer</p>	<p>1) Information regarding the withholding and filing of SUTA is located at <a href="http://www.uimn.org">www.uimn.org</a> and in particular the Division’s topic paper, <i>Information and FAQ on Wage and Detail Reporting</i>.</p>	<p>Maintain documentation and any related correspondence in each participant’s files.</p>

(DEED)/ Unemployment Insurance (UI) Division rules	Registration Number. 2) The FSE must file a final quarterly or annual SUTA filing electronically for participants who cease being an employer and paying wages even though the final filing reports zero wages per MN DEED/UI Division requirements.		
Pay state unemployment tax (SUTA) for each program participant individually using their UI Employer Identification Numbers and per MN DEED/UI Division depositing schedule.	1) If the participant pays \$1,000 in total gross wages, including the value of room board and other advantages in a calendar quarter, the FSE must pay SUTA electronically either quarterly or annually on the participant's behalf in accordance with MN DEED/UI Division depositing rules and using the participants' UI Employer Identification Number.	1) The web site for electronic payment of SUTA and instructions for payment is available at <a href="http://www.uimn.org">www.uimn.org</a> .	Maintain documentation and any related correspondence in each participant's file.
<b>Revoking/Retiring Federal and State Agent Authorizations, Employer Identification Numbers and Powers of Attorney and Tax Information Authorizations</b>			
Revoke IRS Employer Agent Authorization for program	1) See Appendix Q for Form 2678 revocation procedure.	1) Reference for IRS Form 2678 revocation procedure is IRS	1) Copy of the revoked Form

<p>participants, when appropriate.</p>	<p>2) The FSE should revoke the IRS Form 2678 when it stops being the Agent for a program participant (due to the participant switching FSEs or when he/she stops being an employer permanently) <u>or</u> when it finishes filing all federal tax forms and paying federal income tax withholding and employment taxes for a program participant.</p> <p>- It should be noted that when the program participant changes FSEs it can be problematic unless the change occurs at the end of the calendar year.</p>	<p>Rev. Proc. 70-6 (Appendix B).</p> <p>2) The FSE should forward both the cover letter and the revoked Form 2678 to:</p> <p>Internal Revenue Service Center Director, Submission Processing</p> <p>where the FSE files the Form 941 returns.</p> <p>- For FSE and program participants in MN that would be:</p> <p>IRS Center Director, Submission Processing Ogden, UT 84201-0005</p>	<p>2678, cover letter and any related correspondence in the program participant's file.</p>
<p>Revoke the IRS Form 8821 for program participants ,when appropriate.</p>	<p>1) See Appendix R for the IRS Form 8821 revocation procedure.</p> <p>2) The FSE should revoke the IRS Form 8821 when it stops being the Agent for a program participant (due to participant switching FSEs or ceases to be an employer permanently) <u>or</u> when it finishes filing all federal tax forms and paying federal income tax</p>	<p>1) The instructions for revoking the Form 8821 are included in the Form instructions.</p> <p>2) For program participants in MN the revoked form and cover letter should be mailed or fax to:</p>	<p>1) Copy of the revoked Form 8821, cover letter and any related correspondence should be maintained in the program participant's file.</p>

	<p>withholding and employment taxes for the program participant.</p> <p>- It should be noted that when the program participant changes FSEs it can be problematic unless the change occurs at the end of the calendar year.</p>	<p>Internal Revenue Service Ogden Accounts Management Center, 173 N. Rulon White Blvd. Mail Stop 6737 Ogden, UT 84404</p> <p>IRS Fax No. (801) 620-4249</p> <p>3) Note: the instructions call for an original signature. Agents have been submitting a duplicate copy of the form with signature with “Revoked” and the date across the top with success.</p>	
Revoke program participants’ FEIN, when appropriate.	<p>1) The FSE should retire a program participant’s FEIN when he or she no longer is an employer and when the FSE has finished filing all federal tax forms and paying all federal taxes (see Appendix S).</p> <p>2) The FSE must prepare a letter to the IRS retiring the program participant’s FEIN with the effective date and stating if the program participant is deceased</p>	<p>1) For program participants in MN the FEIN retirement letter should be mailed or faxed to:</p> <p>Internal Revenue Service Attn: EIN Operation Philadelphia, PA 19255</p> <p>Fax-TIN: 859-669-5760</p>	<p>1) Maintain a copy of the letter to the IRS and any other related correspondence in the program participant’s file.</p>
Revoke program participants’ MN REV 184, Power of Attorney and Election to Send Correspondence to the Appointee (POA) Letter,	<p>1) The FSE must file the FORM REV 184 and check the Cancel/Revoke” box and write “Revoked” and the Date across the top to revoke an existing POA that is on file at MN</p>	<p>1) The revoked REV 184 and Revocation of Election Letter should be sent to:</p> <p>MN Revenue</p>	<p>1) A copy of the revoked Form REV 184, cover letter and any related</p>

<p>when appropriate.</p>	<p>Revenue per Form REV 184 instructions (see Appendix T).</p> <p>2) The FSE must prepare a letter revoking the program participant's election of having all MN Revenue notices, correspondence, tax refunds and tax booklets sent directly to the POA.</p> <p>- This letter and the revoked REV 184 should be submitted together to MN Revenue.</p>	<p>Mail Station 4123 St Paul, MN 55146-4123</p>	<p>correspondence should be maintained in the program participant's file.</p>
<p>Revoking program participants' MN DEED/UI Division Agent Authorization, when appropriate.</p>	<p>1) The FSE must perform this task on-line at: <a href="http://www.uimn.org">www.uimn.org</a>. when the program participant stops being an employer and paying wages permanently.</p> <p>2) The FSE will use the "Print" screen from Minnesota UI web site to verify agent status end date and revoke roles and responsibilities. The FSE will enter last date of wage paid and close account and print verification and maintain it in the program participant's file. See Appendix X.</p> <p>3) The FSE also should revoke the program participant's signed consent statement by printing "Revoked" across the top with the date and the</p>	<p>1) Instructions for revoking the MN DEED/UI Division Agent Authorization can be found on <a href="http://www.uimn.org">www.uimn.org</a>.</p>	<p>1) A copy of the on-line revocation and any related correspondence should be maintained in the program participant's file.</p>

	initials of the FSE staff person who revoked the consent statement.		
Retire a program participant's MN SIT Business Registration Number, when appropriate.	<p>The FSE must update business information on-line at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a> and enter the last date the business was in operation and print screen verification that the business is closed. See Appendix V.</p> <p>2) The FSE also may report a business closed and a SIT Business Registration Number retired at (651) 282-5225.</p> <p>- The FSE is required to file a year-end return (if the program participant is a quarterly filer) or an annual return (if the program participant is an annual filer) within 30 days after the end of the period in which the FSE cancels the program participant's MN Revenue Business Registration Number.</p>	<p>1) Reference for retiring the MN SIT Business Registration and closing out a business can be found in the MN Revenue, <i>MN Income Tax Withholding Instructions and Tax Tables for Quarterly and Annual Filers</i> at: <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</p>	<p>1) Maintain a copy of the information reported on the web site, the print screen verification that the business has been closed, and any related correspondence in the program participant's file.</p>
Retire a program participant's MN UI Employer Registration Number, when appropriate.	<p>1) The FSE must perform this task on-line at <a href="http://www.uimn.org">www.uimn.org</a>.</p> <p>- It should not be done until the FSE has filed and paid all SUTA due on behalf of the program participant.</p>	<p>1) Instructions for retiring a participant's MN UI Employer Registration Number can be found on <a href="http://www.uimn.org">www.uimn.org</a>.</p>	<p>1) A copy of the on-line revocation and all relevant correspondence should be maintained in the program</p>

	See Appendix W.		participant's file.
Revoke the IRS Form 8655, <i>Reporting Agent Authorization</i> Form, when appropriate.	<p>1) If the FSE stops using a reporting agent for any reason, it needs to revoke the IRS Form 8655, <i>Reporting Agent Authorization</i> it has executed with the reporting agent (see Appendix U).</p> <p>2) The FSE must send a copy of the previously executed Form 8655 to the IRS at:</p> <p>Internal Revenue Service Accounts Management Service Center MS 6748 RAF Team 1973 North Rulon White Blvd. Ogden, UT 84404</p> <p><u>Or</u></p> <p>Fax to: 801-620-4142.</p> <p>2) The FSE should write "Revoked" across the top with the date and re-sign the Form 8655 under the original signature.</p>	1) The procedure for revoking an IRS Form 8655 can be found in the Form instructions at <a href="http://www.irs.gov">www.irs.gov</a> .	1) A copy of the revoked Form, cover letter and any related correspondence should be maintained in the FSE's files.
Maintain Federal and State documentation in a confidential and secure manner and for the required length of time.	1) The FSE should maintain the following documentation at a minimum in a confidential and secure manner: - Assignment verification	1) A reference for federal document maintenance is Publication 15, Circular E, <i>Employer Tax Guide</i> .	1) The required documentation should be maintained in the appropriate files

	<p>of EIN,</p> <ul style="list-style-type: none"> <li>- Amounts and dates of all wage payments,</li> <li>- Names, addresses, social security numbers,</li> <li>- Employer identification Numbers,</li> <li>- Occupations of employees and recipients,</li> <li>- Any employee copies of Forms W-2 and W-2c that were returned to the FSE as undelivered,</li> <li>- Dates of employment of each employee,</li> <li>- Periods for which employees were paid while absent due to sickness or injury, and</li> <li>- The amount of weekly payments the FSE or its reporting or subagent made them,</li> <li>- Copies of employees' federal and state (when applicable) income tax withholding allowance certificates (Form W-4),</li> <li>- Dates and amounts of tax deposits that FSE or its reporting or subagent made and acknowledgement numbers for deposits made by EFTPS,</li> <li>- Copies of returns filed, including confirmation numbers if e-filed,</li> <li>- Records of FICA refunds for employees and employers (State), and</li> </ul>	<ul style="list-style-type: none"> <li>- IRS documents must be maintained for four years or longer if the document/issue is under discussion with the IRS.</li> </ul> <p>2) Federal Department of Labor documentation maintenance requirements can be obtained at <a href="http://www.dol.gov">www.dol.gov</a>.</p> <p>3) US CIS documentation maintenance requirements can be obtained at: <a href="http://www.uscis.gov">www.uscis.gov</a>.</p> <ul style="list-style-type: none"> <li>- The US CIS Form I-9 must be maintained by the employer/Agent for three years after the date of hire or one year after employment is terminated, whichever is later.</li> </ul> <p>4) State Department of Labor and Industry documentation maintenance requirements can be obtained at: <a href="http://www.doli.state.mn.us/minwage.html">www.doli.state.mn.us/minwage.html</a>.</p> <ul style="list-style-type: none"> <li>- State doli documentation must be maintained for at</li> </ul>	<p>for the required length of time in a confidential and secure manner.</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------

	<p>- Records of fringe benefits and expense reimbursement provided to employees, including substantiation.</p> <p>2) Also, the FSE must maintain all documentation related to obtaining permission to be a Vendor F/EA for program participants and the revocation of such permission (IRS Forms 2678, 8821, 8655, FENs) and related correspondence.</p>	<p>least three years.</p> <p>5) State DEED/UI Division documentation must be maintained for at least seven years.</p> <p>6) MN Revenue documentation requirements can be obtain at <a href="http://www.taxes.state.mn.us">www.taxes.state.mn.us</a>.</p> <p>- MN Revenue tax documentation must be maintained at least three years.</p>	
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--