VENDOR ONBOARDING CHECKLIST: FORM W-9 AND 1099 SETUP

One sheet per new U.S. vendor, completed before the first payment. Yellow cells are yours; the status, the backup withholding and the net payment follow by formula.

Vendor legal name (W-9 line 1)	Example Design LLC
Business name (W-9 line 2)	
Requested on	01/04/2027
Received on	01/06/2027

#	Check	Rule	Done	Date
1	Form W-9 received before the first payment, current revision (Rev. March 2024) or a substitute with the same certifications	Instructions for the Requester of Form W-9	Yes	
2	Line 1 name matches the TIN; for a disregarded entity the owner is on line 1 and the LLC on line 2	W-9 instructions, line 1	Yes	
3	Line 3a tax classification recorded (LLC: C, S or P)	Decides 1099 reporting: corporations are generally exempt	Yes	
4	Line 3b only matters if you are a partnership, trust or estate that the vendor owns an interest in	W-9 instructions, line 3b	Yes	
5	Exempt payee code on line 4 recorded, if any	Requester instructions, codes 1 to 13	Yes	
6	TIN present: SSN, ITIN or EIN (no TIN means backup withholding at 24%)	IRC section 3406; Pub. 1281		
7	TIN and name checked with IRS TIN Matching, if you are enrolled	IRS e-Services; Rev. Proc. 2003-9		
8	Foreign vendor? Then a Form W-8BEN (individual) or W-8BEN-E (entity), not a W-9	About Form W-8BEN		
9	Payment method recorded: card and payment-network payments go on Form 1099-K	Instructions for Forms 1099-MISC and 1099-NEC		
10	W-9 filed where it can be kept at least 3 years from the date the account was opened	26 CFR 31.3406(h)-3(g)		
11	Vendor master record approved by someone other than the requester	Internal control		
	Checks done	**5 of 11**	**Open**	

	Backup withholding on this payment	Value
	Payment for services	$2,500.00
	TIN status: OK, Missing, or B notice (no signed W-9 back within 30 business days)	Missing
	Exempt payee (e.g. a corporation, code 5) and not attorneys' fees or medical payments: Yes or No	No
	Backup withholding at 24% (deposit and report on Form 945)	**$600.00**
	Net payment to the vendor	**$1,900.00**

Payments for services are subject to backup withholding at once if the vendor has not given a TIN; the 60-day grace for a TIN applied for covers only interest, dividends and certain instruments. Anyone you backup-withheld from gets a Form 1099-NEC regardless of the amount; otherwise the threshold is $2,000 for services paid in 2026 and $2,100 for payments made in 2027 (Rev. Proc. 2026-35). Get the form itself from irs.gov/forms-pubs/about-form-w-9