

POLICY AND POLICY SECTION

NO.

DATE APPROVED

Form W-9 Request for Taxpayer Identification Number and Certification and Form 1099-Misc

E-105

5/19/09

PURPOSE: To identify procedures for form W-9.

BACKGROUND: The IRS requires that organizations file annual information returns 1099-MISC for unincorporated, independent contractors paid \$600 or more for services, rent and equipment rent. Form 1099-MISC should not be filed for employees. Form 1099-MISC also needs to be filed for all medical providers and attorneys, including corporations, paid \$600 or more during the calendar year. There are substantial penalties for not filing such forms. If the School files incorrect information with the IRS, it may have to begin backup withholding (withholding 1/3 of every payment due to the vendor, and sending that payment to the IRS). Therefore, the School must obtain form W-9 from qualifying vendors. Form W-9, Request for Taxpayer Identification Number and Certification, is used to:

- a) Certify the name and TIN provided by the payee is correct,
- b) Ascertain the tax entity of the payee (e.g., sole proprietor, corporation, partnership),
- c) Certify that payee is not subject to backup withholding, or
- d) Claim exemption from backup withholding if the payee is exempt.

PROCEDURES:

<u>WHO:</u>	<u>WHAT:</u>
Business Manager	<p>Monthly, identifies vendors who require form 1099-MISC to be filed and ensures that information form W-9 is on file.</p> <p>If form W-9 is not on file, sends a letter to the vendor requesting completion of form W-9.</p> <p>Continues to send request letters to the vendor monthly for up to three months, if form W-9 is not received.</p> <p>If form W-9 is not received after the third month, flags the vendor file to stop future payments to the vendor until form W-9 is received.</p> <p>For non-incorporated vendors with W-9 on file, prepare 1099-MISC and distribute by Jan. 31 annually. Prepare 1096 and N-196 returns by Feb. 28 annually.</p>