1099-MISC Reporting
CATS Meeting

Vickie Fry, University Tax Manager

March 7, 2012
ALL PAYMENTS ARE TAXABLE UNLESS THERE IS AN EXCLUSION

IU has Reporting Requirements for Payments it makes through EPIC, FIS and PDP
1099-MISC Report

• Driven by object code and vendor type
• We use a data base to combine payments made in FIS, EPIC and PDP, apply limits and reportable amounts
• Typically do not report payments to Corporation
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents</td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
<tr>
<td>Federal income tax withheld</td>
<td></td>
</tr>
<tr>
<td>Medical and health care payments</td>
<td></td>
</tr>
<tr>
<td>Nonemployee compensation</td>
<td></td>
</tr>
<tr>
<td>Substitute payments in lieu of dividends or interest</td>
<td></td>
</tr>
<tr>
<td>Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale</td>
<td></td>
</tr>
<tr>
<td>Crop insurance proceeds</td>
<td></td>
</tr>
<tr>
<td>Excess golden parachute payments</td>
<td></td>
</tr>
<tr>
<td>Gross proceeds paid to an attorney</td>
<td></td>
</tr>
<tr>
<td>Section 409A deferrals</td>
<td></td>
</tr>
<tr>
<td>Section 409A income</td>
<td></td>
</tr>
<tr>
<td>State tax withheld</td>
<td></td>
</tr>
<tr>
<td>State/Payer’s state no.</td>
<td></td>
</tr>
<tr>
<td>State Income</td>
<td></td>
</tr>
</tbody>
</table>
BOX 1. RENTS

• Report payments over $600 for all types of rent

• Costume Rentals 4610
• Computer Rentals 4615
• Space Rental 4680
• Equipment Rentals 4620
Box 2. Royalties

- Gross royalty payments of $10 or more
- Royalties 4506, 2173
- Rights Royalty Permissions 4600
- Royalties and Permission 4670 thru 4676
Box 3. Other Income

- Report payments of $600 or more that is not reportable in any of the other boxes.
- Prize and Award 4866
- Subject Payment, Research Participant 4061, 4087, 4561
- Settlements 5098, 5176
- Compensation Respect to a Decedent 4566
Box 6. Medical and Health Care Payments

- Payments of $600 or more to physician or suppliers or providers of medical or health care services. Applies to corporations.
- Patient Care Cost 4030, Health Care Claims 5680, Physician Fees 4563, Nursing Services 4549
- Lab Service 5047, Fees Legal Medic Technical 4524
- Worker’s Comp hospital/surgery 4525
Box 7. Nonemployee Compensation

- Payments of $600 or more for compensation to nonemployees
- Not your employee
- Payment for services in course of business
- Subject to self-employment tax
- Most often misclassified box or not correctly reported
Box 7. Nonemployee Compensation

- Personal Services 4500
- Contractual Services 4520, 4509, 2130
- Honoraria 4535
Box 14. Gross Proceeds Paid to an Attorney

• All payments to attorneys over $600, even corporations

• Gross Proceeds paid to Attorney 5097
Common Mistakes

- Using a non-reportable object code
  - 4166 Printing and Duplications
  - 4013 Conference and Workshops
  - 4864 Promotional Sup and Exp
- Wrong Address – overriding in FIS
  Use Special Handling
### 4864 is Promotional Sup & Exp. Should have used 4557, Photographer Services or 4520 Contract Services

<table>
<thead>
<tr>
<th>Detail</th>
<th>#</th>
<th>Qty</th>
<th>UOM</th>
<th>Cat #</th>
<th>Description</th>
<th>Unit Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>1.0</td>
<td>EA</td>
<td>4864</td>
<td>Photography services for IUPUI Library’s Annual Report publication</td>
<td>1,006.25</td>
<td>1,006.25</td>
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</tbody>
</table>

Account Summary

<table>
<thead>
<tr>
<th>Detail</th>
<th>Fiscal Year</th>
<th>Chart</th>
<th>Account</th>
<th>Sub-Acc</th>
<th>Object Code</th>
<th>Sub-Obj</th>
<th>Project Code</th>
<th>Org Ref ID</th>
<th>Org Doc #</th>
<th>Payment Amt</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>IN</td>
<td>1298800</td>
<td>ERT</td>
<td>4864</td>
<td></td>
<td></td>
<td>D0099</td>
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<td>1,006.25</td>
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</table>

Total: 1,006.25

### 4013 is Conference and Workshops. Should have used 4557, Photographer Services or 4520 Contract Services

<table>
<thead>
<tr>
<th>Detail</th>
<th>#</th>
<th>Qty</th>
<th>UOM</th>
<th>Cat #</th>
<th>Description</th>
<th>Unit Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>1.0</td>
<td>EA</td>
<td>4013</td>
<td>Photographing 2011 FACET Retreat at the Indianapolis Sheraton</td>
<td>2,500.00</td>
<td>2,500.00</td>
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</table>

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<tr>
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<th>Project Code</th>
<th>Org Ref ID</th>
<th>Org Doc #</th>
<th>Payment Amt</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>UA</td>
<td>2310150</td>
<td></td>
<td>4013</td>
<td></td>
<td></td>
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<td></td>
<td>2,500.00</td>
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</table>

Total: 2,500.00

### 4166 is Printing and Duplication. Should have used 4557, Photographer Services or 4520 Contract Services

<table>
<thead>
<tr>
<th>Detail</th>
<th>#</th>
<th>Qty</th>
<th>UOM</th>
<th>Cat #</th>
<th>Description</th>
<th>Unit Cost</th>
<th>Extended Cost</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>4166</td>
<td>Photographing IU Reception for March Overhage</td>
<td>225.00</td>
<td>225.00</td>
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<tr>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>Photographing Thai Princess visit</td>
<td>226.25</td>
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Account Summary

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<th>Project Code</th>
<th>Org Ref ID</th>
<th>Org Doc #</th>
<th>Payment Amt</th>
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<tbody>
<tr>
<td></td>
<td>2011</td>
<td>UA</td>
<td>1910001</td>
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<td>4166</td>
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<td></td>
<td></td>
<td></td>
<td>451.25</td>
</tr>
</tbody>
</table>

Total: 451.25
Special Handling in FIS

Send to bad address or wrong vendor

OK

May cause delivery issues.
New W-9

Sahi, Jyoti
Vishram Art Ashram/Silvepura Post Office
Bangalore North
Karnataka
560090
India

Zhang, Chunyang
Biology Dept
JH 142
Bloomington Campus
IN
47405
USA
Special Handling in FIS

As a rule, checks should be mailed directly from FMS to the payee. Recognizing there are special circumstances that require special handling, please provide justification that explains the special handling request.

Justify why you need to pick up the check instead of mailing directly to the recipient.

Example: Check to Monroe County for Innkeeper's Tax

Check must accompany tax documents

Send Check To

Last Name: CALL VICKIE FRY AT 855-0142 FOR PICKUP
Address: CALL VICKIE FRY AT 855-0142 FOR PICKUP
City: State: ZIP:
Country:
CONTACT INFORMATION

Financial Management Service - Tax Department

taxpayer@indiana.edu
Phone: 812.855.5657
Fax: 812.856.4861
www.fms.indiana.edu/tax

Vickie Fry
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812.855.0142
vafry@indiana.edu
Tax Staff

John Fox  jffox@indiana.edu
Tax Compliance Officer
(812) 855-7100

1099-MISC Miscellaneous Income Reporting
Independent Contractor/Employee Worker Classification
Indiana Sales Tax Payment and Reporting
1098-T Tuition Payment Statement - Reporting and Questions
1099-MISC Reporting

QUESTIONS?