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## SFO 1099 Reporting

1. Obtain an **IRS Form W-9**, Request for Taxpayer Identification Number and Certification, for review for proper completion.

   - DBA (Doing Business As) is on the 2nd line and the tax reporting name is on the 1st line.
   - Check that a tax classification box is selected and if an LLC, the further tax classification is also completed.
   - If an individual is the tax reporting name, then a social security number is required. LLC's operating as a disregarded entity, are in fact sole proprietors and a social security number is required, not the tax payer identification.
   - MCPS requires the certification signature on the W-9, even though IRS states it is not required.
   - Make sure the SSN/TIN and name are legible.
   - All 1099 REPORTABLE vendors (individuals, partnerships, trusts and other entities) are to be set-up as DISTRICT-WIDE vendors and the W-9 is to be sent to the Division of Controller by email to fmsmaintenance@mcpsmd.org or by fax to 240-314-2246-.



2. **Creating a DISTRICT-WIDE 1099 REPORTABLE Vendor in SFO**:

- Send the W-9 for all 1099 REPORTABLE vendors (non-corporate) to the Division of Controller (DOC) as outlined above for set-up as DISTRICT-WIDE.  If a VENDOR CODE is desired, please include this with the request to DOC.
- Upon completion of set-up of a DISTRICT-WIDE vendor, notification will be sent to the requestor by DOC.  Please wait to issue the payment until after notification is received.
- A MCPS Form 280-47A is no longer required to be submitted to DOC.  SFO eliminates the need for this report.  DOC may review all payments directly in SFO.
- Note below the DISTRICT-WIDE and 1099 designation.



- Naming Conventions:
    i. First Name then Last Name; no commas after Jr., Sr., II, III, Esquire, etc.
    ii. Business name no commas before Inc., Company, Corporation, LLC, etc.
    iii. Individual/Sole Proprietor name in the NAME field when operating under a DBA; use the DBA field to enter the business name; again,  no commas in the business name
    iv. Address line no commas before Apt, Suite, PO Box, etc.

3. **SFO Vendor Search**:

- Always search for a vendor set-up as DISTRICT-WIDE before creating a new vendor at the school level.  This will guarantee that the vendor is not duplicated as well as correctly set-up when 1099 REPORTABLE.
- Use the wild card percentage sign, '%', to make your search.  In the example below, the first name is followed by the %, then the last name with a %.  This will capture any vendor with these two names, including the middle initial and any company name containing Andrew Hyman.

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- With the wild card search, you may also search %hym% or the social security number/taxpayer identification number.
- Select the vendor record with a social security/taxpayer identification number. This will be the DISTRICT-WIDE, 1099 REPORTABLE record.



4. **1099 REPORTABLE Payment**:

   At the time of payment, if services were provided, enter the amount in the 1099 AMOUNT box.



5. **ONE-TIME VENDOR**

- SFO has a feature which allows checks to be issued as a ONE-TIME VENDOR.   There is no vendor record created and no audit trail, so this feature is intended only for parent/student refunds or staff reimbursements.  **One-time vendors should ONLY be used for parent/student refunds of less than $50.   No other use is permitted.**  (*per email of Sue DeGraba*)

6.  **EMPLOYEE PAYMENTS FOR SERVICES**

- Remember that any payment to employees for <u>services</u> **(an unusual situation)**, must be submitted to ERSC using an MCPS Form 280-46.  The school will be billed by Accounts Receivable and the payment is then made using the IAF.  The employee will receive the payment in their paycheck and wages will be included in their W-2.  Employees do not receive an IRS 1099 MISC and a W-2 in the same year.  If this occurs, it is an automatic IRS audit trigger.