

1099 Filing Requirements for Tax Exempt Organizations

NOTE: There are virtually no differences in the Form 1099 filing requirements for tax-exempt and other for profit organizations

File a 1099 for each company or individual to whom you have paid:

- At least \$600 in services, including accountants' fees, janitorial services, computer maintenance, etc.
- At least \$600 in rents, prizes and awards, medical and health care payments
- At least \$600 in directors' fees
- At least \$10 in royalties or broker payment in lieu of dividends or tax-exempt interest
- Gross proceeds to an attorney
- Direct sales of at least \$5,000 of consumer products to a buyer for resale that is not at a permanent retail establishment

Independent Contractor or Employee: \$600 or more to each individual. Use 1099-MISC, Box 7.

Directors' Fees: Include payments made after retirement. Use 1099-MISC, Box 7.

Rents: \$600 or more for real estate, machine, or pasture rental. Use 1099-MISC, Box 1.

Medical and Health Care Payments: \$600 or more to each physician or other supplier or provider of medical or health care services. Use 1099-MISC, Box 6.

Exceptions:

Reporting payments on Form 1099 is ***not*** required when they are:

- Payments to a corporation
- Payments for merchandise, telephone, freight, storage, travel or other reimbursements (if properly documented)
- Payment of rent to real estate agents
- Wages to employees (use Form W-2)
- Business travel allowances (may use Form W-2)
- Life insurance protection (use Form W-2; for distributions including IRA use Form 1099-R)
- Payment to tax-exempt organization, US or foreign government, Washington DC
- Scholarships or fellowship grants (use Form W-2)
- FYI: Fees paid to informers about criminal activity

Courtesy of Pamela A. Mainini, CPA