



Policy No. 5.015

Northwest Louisiana Technical Community College

1099 Reporting

Original Adoption: October 16, 2019
Effective Date: October 16, 2019
Last Revision: January 1, 2023

Northwest Louisiana Technical Community College must report certain non-employee Supplier payments to the IRS and to the Recipients/Suppliers each calendar year via a 1099-MISC tax form.

To ensure accurate Supplier classification, NLTCC requires an IRS form W-9 for domestic suppliers. Each payment request/voucher must have the appropriate account coded by the requestor or approver for the proper withholding type. NLTCC Accounts Payable is responsible for reviewing the appropriate withholding type and adjusting when appropriate.

Payment requests or vouchers that have a payment to a Supplier that includes both taxable and non-taxable items must contain multiple lines. Taxable items must be recorded on a separate line from the non-taxable items to be able to extract the taxable 1099 reportable expense for purposes of creating a 1099 for the Supplier.

It is the responsibility of the Vice Chancellor of Finance and Administration to review the information in the voucher and payment tables at calendar year end to determine the accuracy of the data and correct any errors. Correction of the errors must be completed before the deadline for 1099 submission each year.

All B notices will be reviewed on a case by case basis. Tax identification number or name errors should be corrected on the Supplier record in Banner before the next 1099 report is submitted. If a second B notice is received for the Supplier, a hold will be placed on the Supplier and payments will not be allowed to the Supplier until a proper W-9 or W-8 Form is received.

Definitions

Account - a 4-digit numeric character field used to describe and classify transactions according to uses and/or regulations, restrictions or limitations in compliance with financial reporting requirements. NLTCC uses separate ranges to designate the transaction as revenue, expense, net assets, asset or liability

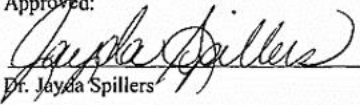
IRS B notice - an annual notice from the IRS to notify payers that a 1099 form has been filed with either missing or incorrect name/tax identification number combinations. A second B notice is issued if there have been two mismatches for the same Supplier within three calendar years.

Form 1099-MISC - an IRS tax form that reports the calendar year-end summary of all non-employee compensation. The 1099-MISC form covers rent, royalties, self-employment and independent contractor income, crop insurance proceeds and several other kinds of miscellaneous income.

Supplier - a person or company offering something for goods or services. Within Banner, a Supplier is a unique individual or company who is eligible to receive payment.

W-9 - an IRS form used to verify a person's or company's taxpayer identification number often referred to as TIN.

Approved:

A handwritten signature in black ink, appearing to read "Jeyda Spillers", written over a horizontal line.

Dr. Jeyda Spillers

Chancellor