



Government Convenience Check Payment Data for Tax Reporting



**Defense Finance & Accounting Service (DFAS)
Enterprise Standards and Solutions (ESS) Tax Office**
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Government Convenience Check Payment Data for Tax Reporting

1. Purpose

a. The IRS mandates that any entity, including Government agencies, conducting a trade or business is required to report income on tax statements. The tax statement for government convenience check reporting is the IRS form 1099-Misc. Reference *26 U.S. Code 6041 and 26 U.S. Code 6041a*

b. The Defense Finance & Accounting Service (DFAS) Enterprise Standards and Solutions (ESS) Tax Office offers a tax form issuance and IRS reporting service to DoD agencies who issue government convenience checks as payment. Reference *DoD 7000.14-R FMR Vol. 10, Chap. 23, para. 0603*

2. Timelines for Reporting

a. **Convenience Check Reporter** provides convenience check data to DFAS Tax Office the **fifth day of each month** for the prior month.

b. **Convenience Check Reporter** reports December data to the DFAS Tax Office by **January 5**. Convenience check data will not be accepted after January 5. Any unreported data is the responsibility of the check issuing agency.

c. **DFAS Tax Office** oversees tax form issuance and mailing to convenience check payment recipients **before January 31**.

d. **DFAS Tax Office** electronically reports information to IRS **by January 31**.

3. Responsibilities

a. The Convenience Check Writer, Approving Official, and Agency Program Coordinator are responsible for

(1) Before you write the check to the vendor, obtain and retain a completed IRS Form W-9 from the vendor.

(2) Contact DFAS Tax Office to obtain Convenience Check Spreadsheet, dfas.cco-checks@mail.mil.

(3) Review the information being submitted to the DFAS Tax Office to ensure it is accurate and complete.

(4) Submit the Convenience Check Spreadsheet to the DFAS Tax Office.

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- (5) Respond timely to questions from the DFAS Tax Office on the submitted spreadsheet.
 - (6) Research spreadsheet data discrepancies or issues identified by the Tax Office and provide quick resolution.
 - (7) Obtain information from the vendor when the vendor information does not match the IRS or SSA records, and then provide the correct information to the DFAS Tax Office who revalidates the information via the IRS TIN Matching Program.
 - (8) Back-up withhold from the Vendor or Individual for failure to provide accurate TIN/Name matching information. Reference IRS Publication, <https://www.irs.gov/pub/irs-pdf/p1281.pdf>.
 - (9) Email the Tax Office at dfas.cco-checks@mail.mil if a check requires removal from a previously submitted spreadsheet, e.g. check was returned by vendor or negated for some reason.
 - (10) Research and provide information regarding the data provided on the spreadsheet to satisfy vendor inquiries or tax form correction.
 - (11) Notify DFAS Tax Office of leaving or replacement Convenience Check Reporters.
- b. The DFAS Tax Office is responsible for
- (1) Provide Convenience Check Spreadsheet to the requester.
 - (2) Assign a Contact Dept and Contact Dept Full to the Convenience Check Reporter for data tracking.
 - (3) TIN/Name Match the submitted information via the IRS's on-line TIN Matching validation service. Reference *IRS On-Line Taxpayer Identification Number (TIN) Matching Program Publication 2108A*.
 - (4) Report data discrepancies to the Convenience Check Reporter.
 - (5) Update reported information provided by the Convenience Check Reporter.
 - (6) Revalidate any corrected TIN/Name mismatches via the IRS TIN Matching Program.

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- (7) Review and remove from the reported data, any payments deemed “unreportable” on a tax form.
- (8) Time permitting, provide a report to the Convenience Check Reporter of all data submitted prior to tax form issuance.
- (9) Oversee the tax form issuance and electronically reports the data to the IRS.
- (10) Provide the Convenience Check Reporter a report of issued tax forms.

4. Method to Capture Vendor or Individual’s Information

- a. Convenience Check Writer requests vendor or individual complete an *IRS Form W-9 Request for Taxpayer Identification Number and Certification*. Reference *DoD 7000.14-R Financial Management Regulation Volume 10, Chapter 6* for additional information.
- b. Convenience Check Writer obtains the completed W-9 before providing the check to the vendor or individual. This ensures receipt of the information required by the IRS tax form issuance.
- c. When the vendor provides an IRS Form W-9, another W-9 is not required unless the vendor or individual makes changes to the information the IRS has on file.
- d. The Convenience Check Writer and their agency maintain the IRS Form W-9 for audit purposes.
- e. The IRS Form W-9 with instructions is located at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.
- f. See **TAB A** for copy of the *IRS Form W-9*.

5. Information Captured from Vendor or Individual on W-9

- a. Convenience Check Writer ensures the following information is captured on the W-9.
- b. Payee’s Name (as shown on payee’s income tax return). Name is required on this line; do not leave the line blank.
- c. Business name, if different from above.

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- d. Payee checks appropriate box for federal tax classification.
- e. Payee Address (number, street, and apt. or suite no.).
- f. Payee City, State, and Zip Code.
- g. Payee's Taxpayers Identification Number (Employer Identification Number (EIN) or Social Security Number (SSN)).

6. Method to Report Information to DFAS Tax Office

- a. The Convenience Check Reporter emails dfas.cco-checks@mail.mil to request a specifically formatted Excel spreadsheet: the **Convenience Check Spreadsheet**. The spreadsheet is also posted on the Tax Office web page at <https://www.dfas.mil/contractorsvendors/Tax-Office/Convenience-Check-1099PRO-.html>
- b. DFAS Tax Office provides the Convenience Check Spreadsheet to the Convenience Check Reporter for completion.
- c. After Convenience Check Reporter provides the DFAS Tax Office the first completed spreadsheet, the DFAS Tax Office assigns the Convenience Check Reporter a shortened department name and full department name that is used to identify who provided the convenience check information.
- d. The assigned department names must be included on each spreadsheet provided by the Convenience Check Reporter. The department names, Convenience Check Reporter name, and the last four of the convenience check account is used to identify the submitted information.
- e. The completed spreadsheets are provided to DFAS Tax Office via email dfas.cco-checks@mail.mil or via DoD Secure Access File Exchange (SAFE) <https://safe.apps.mil>.
- f. See **TAB B** for additional information on DoD SAFE.

7. Specific Payment Types Reported or Not Reported

- a. Report convenience checks issued to pay individuals, Sole Proprietorships, Corporations, Partnerships, or Limited Liability Companies for services, rents, medical, or attorney type payments to the DFAS Tax Office.
- b. Report only current year payment data.

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c. Do not submit payments for goods, products, payments to government entities and non-profit entities as defined by the IRS.

d. Refer to the IRS Instructions for IRS Forms 1099-Misc for additional reporting information at <https://www.irs.gov/pub/irs-pdf/i1099misc.pdf>.

e. **TAB C** contains additional information on what types of payment data is reported on the spreadsheet and what types of payment data is not reported.

8. Data Reported on Convenience Check Spreadsheet

Specific information is required on the Convenience Check Spreadsheet to track who submits the Convenience Check Spreadsheets and to ensure accurate tax form issuance.

a. Information used to track the Convenience Check Reporter:

(1) Contact Department

This is issued to the Convenience Check Reporter by the Tax Office. The Convenience Check Reporter must add it to each spreadsheet provided to the DFAS Tax Office.

(2) Contact Department Full

This is issued to the Convenience Check Reporter by the Tax Office. The Convenience Check Reporter must add it to each spreadsheet submitted to the DFAS Tax Office.

(3) Contact Name/Convenience Check Reporter

Name of individual who completes and submits the Convenience Check Spreadsheet to the Tax Office

(4) Contact Phone Number

Phone number of individual who completes and submits the Convenience Check Spreadsheet to the Tax Office.

(5) Last Four Numbers of Check writer's Checking Account Number

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The last four numbers of the Checking Account are used in conjunction with the department names to track who submitted the payment information.

(6) Contact's Email Address

Email address of the individual submitting the Convenience Check Spreadsheet.

(7) Agency Program Coordinator's Name

The spreadsheet submitter's APC.

(8) Agency Program Coordinator's Email Address.

The spreadsheet submitter's APC's email address.

b. Information required to accurately issue tax forms:

(1) Vendor (Payee's) Taxpayer Identification Number (TIN)

The TIN from the W-9 submitted by the vendor.

(2) Vendor's (Payee's) Name.

The legal name used when vendor files their taxes with the IRS.

(3) Doing Business As Name.

This is any additional name used by the vendor.

(4) Address Street

This is the vendor's street or PO Box address.

(5) Address Apartment or Suite

This is the vendor's apartment or suite information.

(6) City

(7) State

(8) Zip Code plus 4

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(9) Country

This is the two digit Country Code. For example: Canada is CA.

(10) Vendor's email address

(11) Check Number

The number of the check written and given to the vendor.

(12) Check Date

The date the check is written, not the date the check is cashed.

(13) Rents Amount

If the check was written to pay for rents, place the amount in this field.

(14) Royalties Amount

If the check was written to pay for royalties, place the amount in this field.

(15) Other Income

If the check was written to pay for an individual participating in a medical study, an award written to a non-employee, or other items as identified by the IRS, please the amount in this field.

(16) Medical/Dental Service

If the check was written to pay for medical or dental type services, place the amount in this field.

(17) Non-employee Compensation

If the check was written to pay for services performed by non-government employees, place the amount in this field.

(18) Gross Proceeds Paid to Attorneys

If the check was written to pay an attorney in connection with legal service, place the amount in this field.

(19) Payment Description

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Include a description of what was paid for.

9. Reporting Method

- a. The DFAS Tax Office uses a COTS application, 1099 Pro Corporate Suite, to
 - (1) Aggregate dollar amounts paid to like vendors.
 - (2) Create the file that is sent to the contract printer to issue and mail the IRS Tax Forms 1099-Misc. See **TAB D** for copy of 1099-Misc.
 - (3) Generate tax forms corrections.
 - (4) Maintain information to satisfy audit requirements.
- b. The 1099 Pro Corporate Suite complies with security and accreditation requirements in accordance with DoD DITSCAP 5200.28 and 5200.40.

10. Tax Form Issuance and IRS Reporting

- a. The DFAS Tax Office prepares and submits tax file to contractor printer.
- b. Contractor Printer prepares IRS Form 1099-Misc test prints.
- c. Tax Officer reviews and approves prints.
- d. Contractor Printer prints and mails actual 1099-Misc tax forms.
- e. Tax Office electronically reports the original file to the IRS via the File Information Returns Electronically (FIRE). For additional information on IRS FIRE go to: <https://www.irs.gov/e-file-providers/filing-information-returns-electronically-fire>.
- f. Tax Office creates and submits electronically to the IRS a new original file and correction file. These files contain form data that should have issued initially and form data that required information correction.

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References

- a) *Information at the Source, 26 U.S. Code 6041.*
<https://www.govinfo.gov/content/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap61.pdf>
- b) *Return of information as to payments of \$600 or more, 26 U.S. Code 6041A,*
<https://www.govinfo.gov/content/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap61.pdf>
- c) *IRS Form 1099 Requirements for Convenience Check Account Holders, DoD 7000.14-R FMR Vol. 10, Chap. 23, para. 0603*
- d) *Backup Withholding for Missing and Incorrect TIN/Names, IRS Publication 1281,*
<https://www.irs.gov/pub/irs-pdf/p1281.pdf>,
- e) *IRS On-Line Taxpayer Identification Number (TIN) Matching Program Publication 2108A,* <https://www.irs.gov/pub/irs-pdf/p2108a.pdf>
- f) *IRS Form W-9 Request for Taxpayer Identification Number and Certification,*
<https://www.irs.gov/pub/irs-pdf/fw9.pdf>
- g) *Instructions for IRS Form 1099-Misc,* <https://www.irs.gov/pub/irs-pdf/i1099msc.pdf>
- h) *DoD 7000.14-R Financial Management Regulation Volume 10, Chapter 6, Federal, State, Local, and Foreign Taxes*
- i) *DoD Information Technology Security Certification and Accreditation Process (DITSCAP), DoD DITSCAP 5200.28 and 5200.40*
- j) *IRS Filing Information Returns Electronically (FIRE)*
<https://www.irs.gov/e-file-providers/filing-information-returns-electronically-fire>
- k) *Defense Finance & Accounting Service Tax Office webpage,*
<https://www.dfas.mil/contractorsvendors/Tax-Office/Convenience-Check-1099PRO-.html>
- l) *Defense Finance & Accounting Service email address,*
dfas.cco-checks@mail.mil

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Using the DoD SAFE (Secure Access File Exchange) Service

Email messages with large attachments can wreak havoc on email servers and end-users' computers. Downloading such email messages can take hours on a slow Internet connection and block any sending or receiving of messages during that time. In some cases, the download will fail repeatedly, breaking the recipient's ability to receive mail at all. Also, Internet email clients add considerably to the size of the file being sent. For example, saving an Outlook message with an attachment adds up to 40% to the size of the file. To share files larger than 1MB, use DoD SAFE to temporarily make a file (or files) available to another user across the Internet, in a secure and efficient manner. Only unclassified data is permitted. Any sensitive or FOUO information must be encrypted. PII/PHI data is authorized to be transferred as long as sender and recipient follow all necessary transfer requirements.

There are two distinct kinds of users that will be accessing the DoD SAFE system: *inside* users, who are associated with the DoD and have a CAC (Common Access Card), and *outside* users, which encompasses the rest of the Internet.

An *inside* (CAC authenticated) user is allowed to send a drop-off to anyone, whether they are an *inside* or *outside* user. An *outside* (unauthenticated) user is only allowed to send a drop-off after receiving a drop-off request from that user. That prompts the question: what is a drop-off?

drop-off: one or more files uploaded to DoD SAFE as a single item for delivery to a person or people

There are several ways in which a user can drop-off multiple files at once:

- Drag-and-drop multiple files at once onto the drop-off page
- Click on the "Add Files" button on the drop-off page, and select 1 or more files at once using combinations of click, Shift+click and Ctrl+click (Cmd+click on a Mac)
- Archive and compress the files into a single package and attach the resulting archive file on the drop-off page. There are many ways to archive and compress files:
 - Mac users can select the files in the Finder and "Compress" (see the File menu)
 - Windows users can create a "compressed folder" or use 7-Zip or WinZip
 - Linux/Unix users can use zip, gzip, bzip2, or tar

Creating a Drop-off (inside or CAC authenticated users)

When a user creates a drop-off, they enter some identifying information about the recipient(s) (name and email address) and choose what files should be uploaded to make the drop-off. If the files are successfully uploaded, an email is sent to the recipient(s) explaining that a drop-off has been made. This email also provides a link to access the drop-off. Other information is retained, to help the recipient(s) check the identity of the sender.

Retrieval of a drop-off by a recipient can only be done with both the drop-off's Claim ID and Passcode. When dropping off files, you can choose *not* to send either or both of these to the recipient automatically: you would then need to send that information by hand yourself.

Creating a Drop-off (outside or unauthenticated users)

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In order for an outside user to create a drop-off, they must receive a drop-off request from an inside user. When the inside user generates a drop-off request for you, you will receive an email with a link to submit your drop-off. Optionally, the recipient may provide you with a request code. In that case, click the Drop off button on the SAFE home page and enter the Request code.

Requesting a Drop-off (inside or CAC authenticated users)

To allow an outside user to send you files, you must send them a Drop-off Request. From the SAFE home page, click on the "Request a Drop-off" button and fill in the form. The outside user will receive an email with a link to submit the drop-off. If they do not have access to their email or did not receive the email, you can provide them with the Request code that is displayed and they can enter it manually following the above directions. A drop-off request is valid for 14 days.

Encrypting a Drop-off

Automatic encryption of uploaded files is supported for DoD SAFE. From the SAFE drop-off step 2, click on the "Encrypt every file" checkbox and provide a passphrase. DoD SAFE does not store the passphrase nor send a copy of the passphrase to the recipients due to security reasons. The sender is responsible for sharing the encryption passphrase with the recipients through a secure channel such as encrypted email or secure phone conversation.

Making a Pick-up

There are two ways to pick-up files that have been dropped off (*Note: if encryption was used in the drop-off, you will be prompted to enter a passphrase. Please contact the sender to share the passphrase securely.):

- All users can click on the link provided in the notification email they were sent.
- All users can click on the Pick-up link and manually enter the Claim ID and Claim Passcode provided to them through email or other means.

When viewing a drop-off, the user will see quite a few things:

- The list of files that were uploaded
- The sender and recipient information that the sender entered when the drop-off was created
- A list of pick-ups that have been made if the drop-off was created by the logged-in user

The recipient has 7 days to pick-up the files. Each night, drop-offs that are older than 7 days are removed from the system.

Please note that the uploaded files are scanned for viruses, but the recipient should still exercise as much caution in downloading and opening them as is appropriate. This can be as easy as verifying with the sender mentioned in the notification email that he or she indeed made the drop-off.

Resumable Downloading of Files

Most web browsers support *resumable downloads*. Imagine this scenario: you're sitting at your desk, downloading a 100 MByte PDF that a colleague uploaded to DoD SAFE for you. Suddenly, your connection drops — you were 95MB into the download and now you have to start over! Not so, if your browser supports *resumable downloads*; in which case, the browser requests only the remaining 5MB of the file. **TAB B**

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DoD SAFE features support for the server-side components of *resumable download* technology under the HTTP 1.1 standard. Note that this does not apply to downloading encrypted files which must be downloaded in a single download session and can not be resumed for security purposes (an encrypted download must be completely restarted).

Size Limitations on Uploads

Being able to upload files larger than 2 GB depends on the browser being used.

If at all possible, use a modern 64-bit browser on a 64-bit operating system. If you only have a 32-bit system (the most common cause is Windows 7), then use a modern version of Google Chrome or Firefox. Older versions of Microsoft Internet Explorer are particularly bad at this. If updating your browser is not an option and the combined size of all files being uploaded exceeds 2 GB, split the files into multiple drop-offs. If a single file exceeds 2 GB, split the file into smaller pieces (e.g. using the Split option in WinZip or "Split to volumes" option in 7-Zip) and upload them in separate drop-offs.

The DoD SAFE software itself has configurable limits on the amount of data that can be uploaded in a single drop-off. Even for browsers that support uploads larger than 2 GB, drop-off may not exceed 8.0 GB per file, or 8.0 GB total for the entire drop-off.

If you are having the following issues when dropping off or picking up a large file:

- Your browser reports a bad or broken connection after downloading a significant portion of the file
- An error page is displayed that indicates you dropped off no files

then you are most likely connected to the Internet via a connection too slow to move the amount of data in a timely fashion. Your computer normally has at most 2 hours to fully send or receive a drop-off.

Problems accessing the site

Problems accessing the DoD SAFE site by external (non-CAC) users are typically due to SSL and/or client certificate issues. If the user receives a warning about a problem with the website's security certificate, this is because their browser is not configured to trust the DoD certificate authorities. The user can either import the DoD certificate authorities by following the instructions found [here](#) or they can accept the risk and click on the option to continue to the website.

Also on non-CAC system - if the browser pops up a window prompting for a certificate to use for authentication, clicking on Cancel should allow unauthenticated access to the site.

For technical problems with the site, please contact [DoD SAFE Support](#).

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1099-MISCELLANEOUS – WHAT IS & IS NOT REPORTABLE

IMPORTANT: Information you report may fall under the Privacy Act of 1974, as amended, 5 U.S.C. 552a. Protect it.

The check data you report affects the merchant or individual's taxes. It is reported to the IRS. Double-check information you report.

INFORMATION NEEDED FOR REPORTING

Ask the merchant or individual to complete an IRS form W-9, Request for Taxpayer Identification Number & Certification, to obtain their tax filing information.

Information reported:

- Merchant or Individual's Tax Identification Number (SSN or EIN). Always nine numbers.
- Legal name of the merchant, vendor, individual. This is the name they use when they file their taxes.
- Legal mailing address. This is the address they use when they file their taxes.
- Check number
- Check amount
- Date the check is written, not the date the check is cashed.
- A brief description for what you wrote the check.

TIPS

- Obtain the information from the merchant BEFORE you give them the check.
- Have the merchant complete an IRS form W-9.
- If the merchant refuses to provide their TIN, name, or address, your agency may want to reconsider doing future business with that merchant.
- Report any dollar amount, no dollar threshold, if check data meets the reporting criteria.
- Do not report the bank's check fee. This is money the bank receives.

REPORTABLE

The **Category** determines which box the money is placed in on the IRS form 1099-Misc. Remember there are always exceptions to reporting. See Not Reportable for some, not all, exceptions. Additional information can be found at www.irs.gov.

1. Services

Category is NON-EMPLOYEE COMPENSATION, Box 7 on a 1099-Misc. Most services reported are Non-employee Compensation. Non-employee means a vendor, merchant, or individual who provides services for the government, is paid by the government, but is not considered a federal employee.

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Examples of services

- Payments for parts or materials used to perform the services if supplying the parts or materials was incidental to providing the service, e.g. construction projects.
- Maintenance & repairs to office machines, buildings, equipment.
- Maintenance to lawn or vehicle.
- Personal, professional, & technical services including advertising, consulting, appraisals, architectural, auditing, accounting, computer programming, cleaning, engineering, laundry, or copying.
- Notary fees for a notary to notarize a document or payment for an employee to become a notary.
- Payments to instructors, teachers, trainers, training groups, choir director, minister service, piano players, entertainers, speakers, legal adjudicators, & witness fees. This includes companies who administer tests.
- Privately owned colleges & privately owned universities
Note: Go to website <http://www.univsource.com> to determine if a college or university is public or private.
- Providers of conferences, registration fees, trainers or speakers. Most payments to Honoriums are reportable.

2. Rents

Category is RENTS, Box 1 on a 1099-Misc. Examples of RENTS are:

- Renting booths or tables.
- Renting parking spaces.
- Renting equipment or tools.
- Renting boats, cars, buses, etc.
- Renting coin operated amusements including video games, pinball machines, jukeboxes, pool tables, slot machines, or other machines operated by coins.
- Renting ranches for military maneuvers.
- Payments for advertising

3. Royalties

Category is ROYALTIES, Box 2 on a 1099-Misc.

- Royalties such as those paid directly to an author or literary agent including copyrights & publishing rights.

4. Medical

Category is MEDICAL & HEALTH CARE PAYMENTS, Box 6 on a 1099-Misc. Examples of medical & health services are:

- Hospital (private) fees & charges.
- Doctor or Physician assistant fees & charges.
- Payments for examinations.
- Payments for medical tests.
- Payments to Medical Boards, which include payments for research fees or payment for an employee to register or join a specific medical board.
- Payments to dentists.
- Payments to dental assistants

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5. Not subject to self-employment tax

Category is **OTHER INCOME, Box 3 on the 1099-Misc.**

- Payments for punitive damages in a lawsuit. This is very tricky so contact the IRS or our office for clarification on reporting before selecting this category.
- Payments that are not subject to self-employment tax
- Payments made to test subjects for participating in medical studies.

Nonresident aliens and foreign corporations are taxable in the United States on taxable income that is effectively connected with the conduct of a trade or business in the United States.

TIP

The federal government must issue 1099-MISC to corporations whereas the commercial world does not. This confuses corporations; they think they are exempt when they are not.

NOT REPORTABLE

Do not report the check data if any of the below apply.

- Credit or travel card payments. The local banks issue the IRS forms 1099-K for credit card & travel card payments starting tax year 2011.
- Merchandise, products, or goods.
- Reimbursements to federal or military employees for items such as uniform allowance and firefighting gear.
- Reimbursements to federal or military employees for training, school, medical licenses.
- PCS damage claims.
- Bank fees.
- Stamps, Postage, payments to the U.S. Postal Service.
- Federal tax-exempt organizations or agencies such as VFW Posts, Red Cross, Boy Scouts.

To verify an organization's exempt status use the IRS Exempt Organization Select Check at <https://apps.irs.gov/app/eos/> or ask the organization to provide a copy of their IRS ruling or determination letter (tax-exempt status letter) that they received from the IRS which states they have been approved to be federal tax exempt. If they cannot provide the IRS ruling or determination letter, then report.

- Government agencies (federal, state, city, county, parish).
- State owned (funded), State colleges, community colleges, & universities, high schools, grade schools.
- Hospitals owned & operated by the United States, State, or the District of Columbia & any of their subdivisions. Charitable hospitals (To verify an organization's exempt status use the IRS Exempt Organization Select Check at <https://apps.irs.gov/app/eos/>)

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- Payments to pharmacies for prescription drugs
- Churches
- Utilities such as electric, gas, water, fuel oil, coal, bottled gas, & other fuels; telephone & cell phone services, & cable. Installation is reportable; the utility itself is not.
- Small package transportation and delivery services such as Federal Express, UPS, and DHL
- Safety deposit box – considered storage
- Warehouse Storage, considered storage.
- Magazine or newspaper subscriptions.
- Attorney License.
- Mechanical License for musical/music use.
- Internet/computer renewal license.
- Payment to a company to be bonded.
- Informer payments for information about criminal activity.
- Federal tax-exempt organization memberships to clubs, organizations, societies such as ASMC.
- IRC 501(c)(7) exempts from federal income tax, clubs "organized for pleasure, recreation, and other nonprofitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any **private** shareholder."
- Social clubs or organizations that are **membership organizations**, whose majority of income is not dependent on public sources. See IRC 501(c)(7) for further explanation.
 - Organizations which may be described in IRC 501(c)(7) include, but are not limited to:
 - ✓ College fraternities (See Rev. Rul. 69-573, 1969-2 C.B. 125, and Rev. Rul. 64-118, 1964-1 C.B. 182).
 - ✓ Private country clubs
 - ✓ Private amateur hunting, fishing, tennis, swimming and other private sport clubs.
 - ✓ Private dinner clubs which provide a meeting place, library, and dining room for members.

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- ✓ Private variety clubs
- ✓ Private hobby clubs (See Rev. Rul. 66-179, 1966-1 C.B. 139).
- ✓ Private community associations (See Rev. Rul. 69-281, 1969-1 C.B. 155, and Rev. Rul. 80-63, 1980-1 C.B. 116).

END OF THE CALENDAR YEAR

When check data is reported to DFAS, DFAS aggregates (adds together) the payment data reported for “like merchants”. This includes check data reported by personnel from the Army, Navy, Air Force, Marine Corps, DFAS, and DLA. If the total payment amount is \$600 or more, we issue and mail that merchant or individual an IRS form 1099-Misc before January 31. We also electronically report the information to the IRS.

TAB C

Government Convenience Check Payment Data for Tax Reporting

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	\$	OMB No. 1545-0115 2019 Form 1099-MISC	Miscellaneous Income	
		2 Royalties	\$			
		3 Other income	\$			
PAYER'S TIN RECIPIENT'S TIN		5 Fishing boat proceeds	\$	4 Federal income tax withheld	Copy B For Recipient	
		6 Medical and health care payments	\$	\$		
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Nonemployee compensation	\$	8 Substitute payments in lieu of dividends or interest	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	\$	10 Crop insurance proceeds		\$
		11	\$	12		\$
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments	\$	14 Gross proceeds paid to an attorney	\$
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld		17 State/Payer's state no.	18 State income	
\$	\$	\$		\$	\$	

Form **1099-MISC**

(keep for your records)

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

TAB D