Re: Annual Form 1099-NEC Filing

Dear Pastor or Administrator,

Each parish and school is required to file information returns Form 1099-NEC (Non-Employee Compensation) with the Internal Revenue Service for payments to individuals, partnerships, or unincorporated businesses (i.e. independent contractors) who were paid at least \$600 for services (including parts and materials), professional fees, and attorney fees etc. As a reminder, please note, compensation to all active priests (excluding order priests) should be reported on form W-2 and compensation to religious should not be reported on Form W-2 or any Form 1099.

The required forms (1096 & 1099-NEC) are not with this letter. You can obtain them either by calling the IRS at 1-800-829-3676 or online at www.irs.gov/orderforms, click on: Online Ordering for Information Returns and Employer Returns complete and submit the order form as soon as possible.

Completion of Form 1099-NEC:

- Independent contractors who were paid \$600 or more for services in 2023 should receive Form 1099-NEC.
- Completion of this form is required for services performed as a non-employee and should include parts and materials. Professional fees, such as fees to attorneys (including incorporated law firms), accountants, architects, cleaning services, maintenance services and the like are reportable if at least \$600 per year. Payments for products (for example, building materials or cleaning supplies) need to be included.
- A Form 1099-NEC must be issued to a Limited Liability Company (LLC) which files their tax as an individual/sole proprietor, single-member LLC or partnership. 1099s do not need to be issued to LLC's who file tax returns as corporations (either "C" or "S"; unless a Law Firm). Refer to the LLC's W-9 Form to make this determination.
- Form 1099-NEC should be completed for all retired priests (excluding order priests) who are paid \$600 or more. The amount reported <u>must</u> include Thank you, Retirement and Holiday gifts.
- Each parish should obtain taxpayer identification numbers from all payees who fit into the above categories by requiring them to complete a Request for Taxpayer Identification Number and Certification (Form W-9). Form W-9 can be printed from the IRS website. Go to www.irs.gov and choose Forms & Instructions; type in search box "Form W-9". All completed Form W-9 should be separately filed in alphabetical order so they can be utilized each year.
- The Internal Revenue Service requires your parish withhold 24% from all payments made to independent contractors if you do <u>not</u> obtain a taxpayer identification number. A parish that does not comply with the Internal Revenue Service requirements will be liable for the taxes which should have been withheld as well as other penalties. Therefore, the parish should obtain a completed W-9 form before remitting payment to an

independent contractor. Report backup withholding on Form 945 Annual Return of Withheld Federal Income Tax.

• If you fail to file a correct information return by <u>January 31, 2024</u> and you cannot show reasonable cause, you may be subject to a penalty, the amount of penalty is based on when you file the correct information return.

Distribution of completed Forms 1099-NEC:

- Independent contractors must receive their copy of Form 1099-NEC by <u>January 31, 2024</u>. Copies <u>must</u> also be retained in the parish files, along with any documentation regarding the calculation of reportable payments.
- The Internal Revenue Service must receive a copy of Form 1099-NEC for each independent contractor paid \$600 or more during 2022, by <u>January 31, 2024</u>. Transmittal document Form 1096 should be sent to the IRS along with Forms 1099-NEC.
- Transmittal document Form 1096 must be sent to the IRS along with Forms 1099-NEC. The transmittal (Form 1096) must be signed by the pastor. The signed copy must be retained in the parish files.

Completed forms should be mailed to:

Internal Revenue Service
Austin Submission Processing Center
PO Box 149213
Austin, TX 78714

Special consideration for donated cars or boats:

• If your parish received a donated car or boat during 2023, you may be required to file Form 1098-C. Please contact Internal Audit at 716.847.5572 for further information if this situation applies to your parish.

If you have any questions concerning these IRS regulations, we will be glad to offer assistance to you through the Diocesan Internal Audit Office. Please direct telephone calls to Beth Pericozzi at 716.847.5584 or email (BPericozzi@buffalodiocese.org).

Sincerely, Beth Pericoggi / tg

Beth Pericozzi

Internal Audit Manager

BAP/tg Enclosures

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service

ZOUC 1 400-400 - 22U2

Form 1099-NEC (Rev. 1-2022)

Cat. No. 72590N

(Rev. October 2018) Department of the Treasury Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Andrew Green								
Print or type. See Specific Instructions on page 3.	2 Business name/disregarded entity name, if different from above								
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check on following seven boxes. Individual/sole proprietor or C Corporation S Corporation Partnership single-member LLC		only one of the	Exemptions (codes apply only to certain entities, not individuals, see instructions on page 3): Exempt payee code (if any)					
	Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.		Exemption from FATCA reporting code (if any)						
Ö.	☐ Other (see instructions) ▶		(Applies to accounts maintained outside the U.S.)						
See Sp	5 Address (number, street, and apt. or suite no.) See instructions.	Re	equester's name a	ind address (optional)					
	123 Center St								
	6 City, state, and ZIP code								
	6 City, state, and ZIP code Any hown, NY 14xxx								
	7 List account number(s) here (optional)								
Part I Taxpayer Identification Number (TIN)									
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid Social security number									
backu	in withholding. For individuals, this is generally your social security num	ber (SSN). However, for	a lall						
reside	ent alien, sole proprietor, or disregarded entity, see the instructions for P	art I, later. For other	X X X	< - X X - X X X X					
	es, it is your employer identification number (EIN). If you do not have a n	umber, see How to get a							
TIN, later.									
Note: If the account is in more than one name, see the instructions for line 1. Also see What Name and Number To Give the Requester for guidelines on whose number to enter. Employer identification number									
					Part II Certification				
					Under penalties of perjury, I certify that:				
 The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 									
3. I am a U.S. citizen or other U.S. person (defined below); and									
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.									
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.									
Sigr Here		Da	ne Curi	rent date					
Meneral manucuona		 Form 1099-DIV (dividends, including those from stocks or mutual funds) 							
Section references are to the Internal Revenue Code unless otherwise noted.		 Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) 							
Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted		 Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) 							
after they were published, go to www.irs.gov/FormW9.		Form 1099-S (proceeds from real estate transactions)							
Purpose of Form		Form 1099-K (merchant card and third party network transactions)							
An in	dividual or entity (Form W-9 requester) who is required to file an mation return with the IRS must obtain your correct taxpayer	• Form 1098 (home m 1098-T (tuition)	Form 1098 (home mortgage interest), 1098-E (student loan interest),						

• Form 1099-C (canceled debt)

alien), to provide your correct TIN.

• Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding,

identification number (TIN) which may be your social security number

taxpayer identification number (ATIN), or employer identification number

(EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information

(SSN), individual taxpayer identification number (ITIN), adoption

returns include, but are not limited to, the following.

• Form 1099-INT (interest earned or paid)

6969 Do Not Staple OMB No. 1545-0108 Form 1096 **Annual Summary and Transmittal of U.S. Information Returns** Department of the Treasury Internal Revenue Service FILER'S name Parish Name arish Address City or town, state or province, country, and ZIP or foreign postal code For Official Use Only Telephone number XXX-XXX-XXX) schurch @ parish.org 1 Employer identification number 2 Social security number 3 Total number of forms 5 Total amount reported with this Form 1096 8,197.00 1,400.00 XX-XXXXXX 6 Enter an "X" in only one box below to indicate the type of form being filed. 1099-C 099-CAF 1099-DIV 1099-G 1099-INT 1099-K 1097-BTC 1098-C 1098-E 1098-F 1098-Q 1098-T 1099-A 1099-B 92 10 85 73 91 86 84 03 74 83 80 79 78 5498-QA 1099-R 1099-S 1099-SA 1099-SE 3921 5498-ES/ 1099-PATE 1099-Q 1099-Q/ 1099-LS 1099-LTC 1099-MIS 1099-NEC 1099-OID 25 26 28 72 2A 75 94 43 96 97 31 1A 98 95 71 5498-SA 27 Return this entire page to the Internal Revenue Service. Photocopies are not acceptable. Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded). Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete. Current William Priest Date Signature When to file. If any date shown falls on a Saturday, Sunday, or legal Instructions holiday in the District of Columbia or where the return is to be filed, the due date is the next business day. File Form 1096 in the calendar Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go year following the year for which the information is being reported, as to www.irs.gov/Form1096. With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by February 28.* Reminder. You may be required to electronically file (e-file) information returns. Go to www.irs.gov/inforeturn for e-file options. Also, see part F in • With Forms 1099-NEC, file by January 31. the 2023 General Instructions for Certain Information Returns. . With Forms 5498, file by May 31. Purpose of form. Use this form to transmit paper Forms 1097, 1098, * Leap years do not impact the due date. See Announcement 91-179, 1099, 3921, 3922, 5498, and W-2G to the IRS. 1991-49 I.R.B. 78, for more information. Caution: Form 5498-QA can be filed on paper only, regardless of the Where To File number of returns. Send all information returns filed on paper with Form 1096 to the following. Who must file. Any person or entity who files any form checked in box 6 If your principal business, office or above must file Form 1096 to transmit those forms to the IRS. Use the following agency, or legal residence in the address: Caution: Your name and taxpayer identification number (TIN) (employer case of an individual, is located in: identification number (EIN) or social security number (SSN)) must match the name and TIN used on your 94X series tax return(s) or you may be subject Alabama, Arizona, Arkansas, Delaware, to information return penalties. Do not use the name and/or TIN of your Florida, Georgia, Kentucky, Maine, Internal Revenue Service Massachusetts, Mississippi, New paying agent or service bureau. P.O. Box 149213 Hampshire, New Jersey, New Mexico, Enter the filer's name, address (including room, suite, or other unit Austin, TX 78714-9213 New York, North Carolina, Ohio, Texas, number), and TIN in the spaces provided on the form. The name, address, Vermont, Virginia and TIN of the filer on this form must be the same as those you enter in the upper left area of Form 1097, 1098, 1099, 3921, 3922, 5498, or W-2G. Alaska, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Internal Revenue Service Center Michigan, Minnesota, Missouri, P.O. Box 219256 Montana, Nebraska, Nevada, North Kansas City, MO 64121-9256 Dakota, Oklahoma, Oregon, South

Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming

Cat. No. 144000