

***HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION
NEW JERSEY CHAPTER***

Policy: A05
Title: Issuance of 1099-Misc

Date Approved by the Board of Directors: August 12, 2008

Last Reviewed: April 11, 2017

Most Recent Revision: July 1, 2008

Effective Date: August 12, 2008

Policy: HFMA Chapters are required to file Internal Revenue Service (IRS) form 1099-Misc for each person and non-corporate entity to which they have paid at least \$600.00 in honoraria, rents, prizes, or other income payments. All fees paid to attorneys must also be reported on a 1099.

Purpose: The purpose of this policy is to ensure compliance with IRS regulations.

Procedure: The Chapter Treasurer must furnish Form 1099 statements to recipients by January 31 and file Form 1096, Annual Summary and Transmittal of U.S. Information Returns, with the IRS by February 28.

It is the Chapter's responsibility to obtain all the information including the recipient's Federal ID or Social Security number prior to submitting the 1099. If it is not available and the form is submitted blank, the IRS requires that the Chapter withhold 20% of any payments made.

New Jersey Chapter Chair or Co-Chairs are responsible to obtain the necessary information from the winners of prizes worth \$600.00 or more.

Chairs or Co-Chairs of the Annual Institute will be responsible for obtaining information on paid speakers. If the Chapter pays a speaker a travel allowance and no receipt is provided, the law requires that the payment for the travel expenses be included in the speakers' 1099. However, if a speaker is reimbursed for actual expenses, documented by receipts, the expenses need not be reported on the 1099.

Education Committee Chairs or Co-Chairs are responsible to obtain the necessary information on all paid presenters or instructors whose total payment is \$600.00 or more.

All consultant services equaling \$600.00 or more to one individual will be issued a 1099.

Any questions on this policy can be directed to the NJ Chapter Accounting firm or the HFMA National Financial, Tax and Insurance Guide available on the National HFMA website.