



## 1099 TAX REPORTING & WITHHOLDING POLICY

As required by the IRS, Case Western Reserve University must report the following types of payments on a 1099 form when payments exceed \$600 in a calendar year:

- Payments made to an individual who is not employed by the university.
- Payments made to a sole proprietorship.
- Payments made to a partnership for services or rents.
- Payments made to a corporation ONLY when the payment is for medical or health care services

The recipient should receive the 1099 form by January 31st of the following year.

What is reportable on a 1099 form?

- Honorariums
- Payments made directly to performers (not to a booking agency or a corporation)
- Payments to speakers
- Payments to consultants
- Awards
- Civil service and administrative/professional awards
- Prizes
- Payments to volunteers for research
- Payments to corporations for medical or health care service
- Payments to professionals (physicians, attorneys, etc.)

What is NOT reportable on a 1099 form?

- Payments to individuals employed by the university, including students (these payments must be made through payroll and are reported on a W-2 form).
- Scholarships, fellowships, and awards for students (these are reported to the Financial Aid Office so they are included with the student's other financial aid).
- Scholarships or fellowship grants that are for teaching, research, or other services (these are wages and are reported on a W-2 form).
- Payments to corporations (excluding corporations that provide medical or health care services).

*The university does not maintain an accountable expense reimbursement plan for vendors. As a result, the amount listed on the 1099 form is based on actual payments, not the purpose of the payment. Expense reimbursements paid directly to the individual are includable as 1099 income. The individual can deduct such portions on a schedule C of their tax return making it 100% deductible.*