


OKALOOSA COUNTY SCHOOL DISTRICT
TECHNICAL ASSISTANCE MEMORANDUM
FINANCE DEPARTMENT

FINANCE TAM: 2010-017

CONTACT: Cindy Harris, Accountant
Budgeting & Financial Services

TELEPHONE: 833-5821

TO: All Principals 
FROM: Melissa O'Malley, Director – Accounting & Financial Reporting
DATE: November 12, 2009
SUBJECT: 1099 Forms Reporting Information – Internal Accounts

The calendar year is coming to a close, and it is tax time again. Each year the District must send 1099 forms to individuals, partnerships, and unincorporated businesses which have provided a service to our schools.

It is the responsibility of each school to make sure the Accounting & Financial Reporting Department has the information required to send 1099 forms to the applicable vendors. Cindy Harris, Budgeting & Financial Services, will be your contact as she will compile all information for internal accounts. **All information must be submitted to Cindy Harris no later than Wednesday, January 13, 2010.**

Please refer to the attached 1099 Form Guidelines – Internal Funds for further information. **It is very important that you follow these instructions precisely.** If you have any questions regarding your school's 1099 information, please call Cindy Harris, Accountant, at 833-5821.

cc: Internal Bookkeepers
Director – Budgeting & Financial Services

School District of Okaloosa County
1099 Form Guidelines – Internal Funds

Reminder – All information must be submitted to Cindy Harris no later than Wednesday, January 13, 2010.

A. Please use the following guidelines to determine which of your vendors paid through Internal Funds should receive a Form 1099:

1. Partnership/Unincorporated Business or Individual (Non-District Employee)

a. *Schools are required* to send a 1099 to partnerships/unincorporated businesses or individuals (non-District employees) in the following situations:

- 1) The vendor provides a service to the school, or
- 2) The vendor provides a service and includes charges for parts and/or materials. (The 1099 should be for the full amount paid to the vendor.)

b. *Schools are not required* to send a 1099 to partnerships/unincorporated businesses or individuals (non-District employees) in the following situations:

- 1) The school is only purchasing merchandise from the vendor, or
- 2) The vendor is receiving a refund or reimbursement.

2. Corporation, Government Body, or Non-Profit Organization

a. *Schools are not required* to send Form 1099s to corporations, government bodies, and non-profit organizations.

3. District Employees

a. *Schools are not required* to send Form 1099s to District employees.

b. The only types of checks written to employees from internal funds are for refunds, reimbursements, or Florida Teachers Lead funds. All payments for duties and/or services performed must go through Payroll.

B. Once all posting for December is complete, the month should be closed immediately. Time is of the essence when dealing with Forms 1099. The bank statement will be reconciled when it is received.

C. Print the Forms 1099 Summary Report and Forms 1099. Please note that the Forms 1099 may not be printed until AFTER December is closed. Printing the forms before the closing of December will provide the wrong information.

1. Select *File, Utilities, and Forms 1099*

2. Answer the questions in Manatee as follows:

- a. Enter 'Y' for 'Are you ready to print the Forms 1099?'
 - b. Enter 'Y' for 'Do you want to print a summary report on plain paper?'
 - c. Enter 'N' for 'Do you want to print an alignment form?'
 - d. Enter '1' for 'Begin printing with form number.'
 - e. Enter twice to print.
- D. Check the Forms 1099 Summary Report and Forms 1099 to verify that each vendor's name, address, and federal identification number are included. (Note: An individual's Federal Tax ID is his/her social security number.)
- E. Any missing information must be entered into Manatee by editing the Vendor Information.
- a. Select *File, File Maintenance, and Vendor File Maintenance*.
 - b. Enter the Vendor ID.
 - c. Update the vendor's name, address, and/or federal identification number.
 - d. Confirm that 'Send Form 1099' is 'Yes.'
- F. If any vendors required updating, the Forms 1099 Summary Report and Forms 1099 will need to be re-run.
- G. After Forms 1099 are complete, make a new Manatee backup and e-mail these files to Cindy Harris. Please be sure to note that the backup includes Forms 1099 information.
- H. Report prize winnings information to the District (IRS Forms W-9).
- a. All payments of \$600.00 or more for "prize winnings" from activities such as "donation drawings, bingo, etc." must be reported.
 - b. The necessary information should be entered on IRS Form W-9. IRS Form W-9 may be accessed through a link on the Finance Forms web page under 'Internal Accounts.'
 - c. Finance will need a copy of Form W-9 along with a copy of the check requisition issuing the payment or the invoices showing the value of the prize, if applicable.
- I. Send your school's Forms 1099 Summary Report, printed Forms 1099, and IRS Forms W-9 (if applicable) to Cindy Harris in the Budgeting & Financial Services Department. These forms should be received **no later than Wednesday, January 13, 2010**.