

1099's

According to the guidelines set forth by the Internal Revenue Service (IRS), an 1099-NEC is required for payments of \$600 or more in compensation made as a trade or business to individuals not classified as employees, such as Independent Contractors.

The following individuals or entities must receive IRS form 1099-NEC if your organization made:

1. Payments of \$600 or more to Independent Contractors.
2. Payments exceeding \$600 for services rendered from individuals to the local church.

Have each vendor fill out an *IRS form W-9 while the job is in process. If you are ready to pay someone for a service or a repair, and that check puts them over \$599 during the year, and you don't already have a W-9 from them, have them fill it out BEFORE you give them their check. Be aware that checks can add up to that number quickly and keep track of the totals. If they refuse to fill it out, chances are that they do not qualify to receive payments, or they are avoiding IRS compliance. Do not issue the payment and report it to the board.

- He/she who receives income payment carries the tax burden.
- Compensation payments (Honorariums) to TXC employees are reported directly to TXC Payroll by contacting Irais Ortiz.
- Report all W-9 to Jairo Duarte by 12/31/2023.
- IRS imposes penalty fees for failure to report and/or late reporting.

For more information regarding 1099's please visit www.irs.gov and should you have any questions, do not hesitate to contact us at your convenience.