1099 Reporting Decision Tree

Payment made

Payment

Reportable

Non-Reportable

Analysis needed

Non-reportable

Payment made

Is vendor type 0, 2, 3, 4, 7, N, Y, or Z?

Non-reportable Are expenses substantiated reimbursed expenses?

Most likely non-reportable. Are payments reimbursed expenses?

Non-reportable Are expenses substantiated reimbursed expenses?

Analyze Payment - May be coded incorrectly

Are the vendor type 1, 5, 6?

Reportable (W-2 if vendor type 1; 1099 if vendor type 5-6)

Analyze Payment - May be coded incorrectly

Do they have a tax-exempt determination letter from the IRS?

Is the vendor type X?

Reportable Are payments for legal or medical fees

Are the vendor type A, C, or M?

Not reportable

Are payments for subobjects:

Reportable

Are payments for subobjects:

Reportable

Are payments for professional service contracts [C objects]

Reportable

Are payments for G-objects?

Are payments for subobjects:

Reportable (or potentially reportable) - Analyze

Are payments for G-objects?

Reportable

Are expenses substantiated reimbursed expenses?

Do contract exist that already covers travel?

Are payments for EJ, EK, EL, EM, EN, ET, EW, EX, GN

Reportable (or potentially reportable) - Analyze

Are payments for subobjects:

Reportable

Are payments for professional service contracts [C objects]

Revise Payment (coded incorrectly?)

Are payments for professional service contracts [C objects]

Revise Payment (coded incorrectly?)

Are payments for G-objects?

Reportable

Are expenses substantiated reimbursed expenses?

Did contract exist that already covers travel?

Are payments for G-objects?

Analyse vendor and payment further to determine reporting requirements.

Payments may have been made in error. Research.

Are payments for G-objects?

Reportable

Non-reportable

Non-reportable

Non-reportable

Reportable

*This document is for reference/guidance purposes only. Each agency is responsible for analysis and determination of reporting requirements based on IRS rules and regulations.
For all payments made: Agencies should refer to IRS rules, appropriately analyze the data, and watch for coding errors.

### Tips for analyzing your data:

#### 1. All payments for legal or medical services are reportable (regardless of how you go about making this determination)

<table>
<thead>
<tr>
<th>Payments For</th>
<th>Reportable:</th>
<th>Not-Reportable:</th>
<th>Note:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment for Legal or Medical, regardless of vendor type</td>
<td>Always Reportable</td>
<td>Analysis Required:</td>
<td>Always watch for coding errors.</td>
</tr>
<tr>
<td>Analyze payments by Sub/SubSubObject, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 2. Payments can be analyzed by Vendor Type

<table>
<thead>
<tr>
<th>Vendor Types:</th>
<th>Reportable Vendor by Type:</th>
<th>Not-Reportable by Vendor Type:</th>
<th>Note:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor Type: A, M: Legal or Medical Vendor Types</td>
<td>Reportable</td>
<td></td>
<td>Analysis Required:</td>
</tr>
<tr>
<td>Vendor type: P, S, T, U, V:</td>
<td>Reportable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor type: 0, 2, 3, 4, 7, N, Y, Z:</td>
<td>Non-reportable</td>
<td>Most likely non-reportable. Need to do further analyze.</td>
<td></td>
</tr>
<tr>
<td>Vendor type: 1, 5, 6, C, X:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 3. Payments can be analyzed by type of payment (based on sub/subsubobject). Refer to the IRS for what is and is not 1099 Reportable:

<table>
<thead>
<tr>
<th>Reportable Expense --&gt; See IRS Pub.</th>
<th>Usually Reportable by SO/SSO:</th>
<th>Usually Not-Reportable by SO/SSO:</th>
<th>Other Notes:</th>
</tr>
</thead>
</table>

**Vendor Types:**

- 0 = REFUNDS Vendor Types is **not Reportable**
- 1 = EMPLOYEE Vendor Types is **not Reportable**
- 2 = FEDERAL AGENCY Vendor Types is **not Reportable**
- 3 = STATE AGENCY Vendor Types is **not Reportable**
- 4 = LOCAL GOVERNMENT Vendor Types is **not Reportable**
- 5 = VOLUNTEERS Vendor Types is **not Reportable**
- 6 = BOARDS/COUNCILS/COMM MEMBERS Vendor Types is **not Reportable**
- A = ATTORNEYS (includes LLC & S Corp) Vendor Types is **not Reportable**
- C = CORPORATION (includes LLC & S Corp) Vendor Types is **Reportable**
- M = CORP FOR MEDICAL SERVICES (includes LLC & S Corp) Vendor Types is **Reportable**
- N = CLIENTS - LEGAL RESIDENT Vendor Types is **not Reportable**
- P = PARTNERSHIP Vendor Types is **Reportable**
- S = SOLE PROPRIETOR/INDIVIDUAL Vendor Types is **Reportable**
- T = TRUST/ESTATE Vendor Types is **Reportable**
- X = NON-PROFIT Vendor Types is **not Reportable**
- Y = CLIENTS-NON RESIDENT Vendor Types is **not Reportable**
- Z = CLIENTS-RESIDENT ALIEN Vendor Types is **not Reportable**

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