1099 TAX REPORTING & WITHHOLDING POLICY

Policy Summary

To promote compliance with IRS Regulations, this policy provides guidance regarding the university’s tax withholding and reporting responsibilities related to U.S. supplier payments.

Related Regulations

Information about the IRS Regulations regarding 1099 tax reporting can be found on the Internal Revenue website.

Who is Governed by this Policy

Faculty and staff

Policy

In general, the IRS requires the university to issue a Form 1099 reporting certain types of payments made to suppliers (individuals and/or organizations other than corporations, governmental agencies, and tax-exempt organizations such as colleges, and universities) if those payments equal or exceed $600 within a calendar year.

As described above reportable payments to most corporations, government agencies and tax-exempt organizations are excluded from the 1099 reporting requirement. However, this exclusion never applies to suppliers that provide medical and legal services.

Royalty payments have a lower reporting threshold of $10.
Suppliers will be classified as 1099 Reportable Suppliers and non-1099 Reportable Suppliers in the University Financial System. The university is responsible for obtaining correct supplier name, address, Taxpayer Identification Number (TIN) and type of organization for tax reportable payments to new suppliers prior to making the first payment. This information should be captured upon completion of the iSupplyGW registration process which requires a completed and signed Form W-9.

If the supplier does not complete Form W-9, the IRS requires that the university withhold and remit Backup Withholding tax to the IRS.

Accordingly, IRS reportable payments for services from individuals cannot be processed through Petty Cash funds, via expense reimbursement or via the P-Card. Accounts Payable is responsible for sending the Forms 1099 to the individual and submitting the electronic file of the 1099s to the IRS.

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**Definitions**

**Medical Services:** Medical services include; ambulatory services, medical technician services, nursing services, physician treatment/care, therapy (all types), lab exams, consultations and billing and collections.

**Backup Withholding:** The process of withholding 24% tax from a supplier payment because the supplier has failed to provide a completed Form W-9.

**Form 1099:** An information form filed with the IRS and the supplier that reports total payments made during the calendar year (similar to a Form W-2 issued to employees).

**Form W-9:** (Request for Taxpayer Identification Number and Certification) – form used to request the correct name and TIN combination of a supplier and allows the supplier to certify exemption from Backup Withholding.

**TIN:** The Taxpayer’s Identification Number (TIN) and can either be an individual Social Security Number (SSN) or an Employer Identification Number (EIN) for a business.

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**Forms**

*Form W-9*
Related Information

Doing Business with GW
iSupplyGW registration

Accounts Payable Payment Method Policy
Tax Issues Regarding Payments to Non-U.S. Individuals and Organizations
Worker Classification Review

Contacts

<table>
<thead>
<tr>
<th>Contact</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable Department</td>
<td>571-553-0247</td>
<td><a href="mailto:apcustsv@gwu.edu">apcustsv@gwu.edu</a></td>
</tr>
<tr>
<td>Supplier Maintenance</td>
<td>202-994-4240</td>
<td><a href="mailto:procure@gwu.edu">procure@gwu.edu</a></td>
</tr>
</tbody>
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Reporting of non-compliance with this policy can be done through the Office of Ethics, Compliance and Privacy website.