

# **Financial Services Manual (FIN)**

## FIN 421-04: Tax Reporting—IRS Form 1099

**Effective**: 6/21/1984 **Revised**: 11/1/2025

#### **Purpose**

To code disbursements for professional fees, independent contractor services, royalties, copyright payments, and other payments requiring tax reporting

#### **Sources**

Internal Revenue Service

University policy

#### **Applicability**

All payments for services, rentals, royalty, and copyright payments made to payees other than corporations, governmental agencies, colleges, and universities, excluding employee expense reimbursements and payments to nonresidents for tax purposes.

### **Policy**

All professional fees, and certain other payments that require reporting on IRS Form 1099 as listed in the table below should be coded to the correct spend category relevant to that service.

#### **Procedure**

Type of Service and Code for Payments Requiring IRS Form 1099
Type of Service
Professional and independent contractor services
Subagreements
Payment for rental of real or personal property
Rental and royalty fee/copyright payments
Payment made to attorneys
Payment made to medical service providers
Prizes and awards
Human subject payments

IRS Form 1099s are required to be mailed to the recipients by January 31st following the calendar year of payment. The Tax Unit of Financial Services is available to assist in any questions related to the preparation and filing of these forms.

#### **Cross-Reference**

For information on employee expense reimbursements, see FIN 420-01, "Faculty and Staff Reimbursements."

For information on awards to faculty, staff, and students, see:

- 1. FIN 420–04, "Payment of Awards and Incentives," and
- 2. FIN 420–05, "Employee Postgraduate Research Stipends/Grants." For information

on tax reporting for nonresidents, see:

- 1. FIN 425-04, "Nonresident Independent Contractors and Other Foreign Entities"
- FIN 425–05, "Student Financial Support Payments to Nonresident" and
- 3. FIN 425-06, "Payments to Postdoctoral Nonresidents."