

**SAN DIEGO COMMUNITY COLLEGE DISTRICT
BUSINESS SERVICES - ACCOUNTS PAYABLE**

**INSTRUCTIONS FOR PREPARING 1099 REPORTS FROM UNION BANK AND
OTHER DISTRICT COMMERCIAL BANK ACCOUNTS**

(Last Update: 11/06/08)

A. Purpose of the 1099 Report:

The 1099 Payment Report is used by custodians of revolving cash funds, co-curricular cash funds, fiduciary, trust and agency funds and other District bank accounts to record payments to non-employees that may be required to be reported to the IRS on Form 1099-MISC. It is desirable that this 1099 Report be prepared using Microsoft **EXCEL** spreadsheet software. A formatted blank worksheet in Excel will be transmitted via e-mail to all custodians of District Union Bank Accounts. **(Due to current differences in campus preferences or availability of Excel spreadsheet software, the name and version of the software being used should be indicated when submitting the 1099 Report using another type of software to Accounts Payable Dept).**

For custodians of revolving cash funds and co-curricular funds, a print-out of that portion of this 1099 Report, that relates to a specific RCF Voucher request for fund reimbursement, is required to be submitted to Accounts Payable Dept. with every RCF reimbursement voucher for internal audit purposes.

Accounts Payable Dept may require that year-to-date version of the 1099 Report must be submitted by the bank account custodian either monthly, quarterly or semi-annually depending on the volume of 1099 payments made through that bank account. The checks listed on the 1099 Reports must be sorted by check number with subtotals by reporting period. (If using EXCEL spreadsheet, the periodic 1099 Reports must be transmitted to Accounts Payable Dept by attaching it to an e-mail. The original formats, sizes and fonts of the blank 1099 Report furnished by Accounts Payable Dept should not be tampered with. Any suggestion for improving the 1099 Report format should be relayed to the Accounts Payable Supervisor for possible revisions for the following calendar year's reporting period.

B. Instructions for Recording Checks on the 1099 Report:

1. Complete the title of the 1099 Report as follows:
 - a. Indicate the CKID/Bank ID Number. (The CKID/Bank ID listing from IFAS at the bottom of the form is still in use for reporting in DATATEL Colleague).

- b. Indicate the descriptive name of the fund/bank account.
 - c. Indicate the name of the drawee bank.
 - d. Indicate the bank account type & acct number.
 - e. Indicate the name of the Campus, site and department where the fund is maintained.
 - f. Indicate the name of the custodian of this bank account.
 - g. Indicate the phone number of the custodian.
2. CKID/Bank No. - Indicate the appropriate CKID or bank ID number using the IFAS CKID Codes listed at the bottom of the form. If your bank account is not on the list, contact the District Office Accounts Payable Department. (Note: We are still using the old CKID's from IFAS since only treasury warrants are assigned a bank number in DATATEL Colleague-CF).
 3. RCF/CCRCF Reimbursement Number - Indicate the corresponding Reimbursement Number on the RCF Voucher where the 1099 payment was reported to A/P. This column does not apply to other bank funds. (For uniformity of formatting the worksheet, enter the last 2-digit numeric character for the Fiscal Year plus another 2 digits for the Reimbursement Number. (Example: For the 1st reimbursement in FY 2008, enter 0801. For the 7th reimbursement in FY2008, enter 0807).
 4. Check Number - Indicate the check number issued to make the 1099 payment.
 5. Check Date - Indicate the date when the check was issued. The Check Date column is formatted as 00"/"00"/"00. (Example: Enter January 1, 2008 as 010108 and it should print as 01/01/08).
 6. Payee Name - Indicate the name of the payee. This name should match the name shown on the social security card or IRS Form W-9 submitted by the payee.
 7. Street Address - The address sequence format should be Number, Street, Apt#, City, State, Zip. (**Do not use PO box address**).
 8. Vendor/Employee Indicator – Be on the lookout for payees who are Purchasing Vendors or District Employees. Indicate “V” if the payee is a vendor, or “E” if he/she is a District employee. If it is a Vendor and you are paying at least \$200 or expect more payments for the rest of the year, contact Purchasing Dept on how to process a purchase requisition or purchase order. If it is a District employee, contact the Payroll Department on how to process an employee compensation or wages.

9. Federal Employer Identification or Social Security Number - Type in the appropriate 9-digit number with the dashes in between. **(A social security number has 2 dashes. A federal employer identification number has only 1 dash).**
10. Indicate the amount paid to be reported for 1099.
11. Monthly or Reimbursement Subtotal – A separate subtotal column is provided for those who are required to submit monthly, quarterly, semi-annual or RCF reimbursement reports. The 1099 Report must be prepared like a logbook; that is, all 1099 check payments must be recorded chronologically by check date and check number, and subtotals must be indicated for each RCF reimbursement request or for each reporting period.
11. 1099 Code - Indicate the type of payment based on the following 1099 codes from DATATEL Colleague-CF.
- RNT - Rents
 - ROY - Royalties
 - OTI - Other income, prizes and awards (no service rendered in return), punitive damages from legal settlements.
 - MED – Medical and healthcare payments (Doctors, clinics, hospitals, dentists, etc.)
 - GPA - Attorney’s fees (where the total amount paid does not distinguish how much is attorney’s fee and how much goes to the plaintiff)
 - NOC - Nonemployee compensation (Professional fees, consultants, stipends, allowances, repair services, any type of income for services rendered except medical and legal fees and payments to District employees).
12. Particulars – (This is now required regardless of amount):
- a. Payments for services rendered by a District employee or payments to any person for services normally performed by an employee are not reportable as 1099 payments. Any more subsequent payment of the same type during the calendar year must be referred to Payroll Dept for processing.
 - b. Also watch out 1099 payments wherein the payee is determined to be a regular District Purchasing vendor. District Purchasing requires that all requisitions for at least \$200 should be submitted through the normal district purchase requisition process.
 - c. In order to ensure that only 1099-type payments are included in this report, a brief description of the payment is now required regardless of the type of payee, type of payment and amount.

13. Grand Total – This is the computed total amount paid for 1099 reporting.

14. Bottom Line - Indicate the Preparer's name, phone number and the date at the bottom of the 1099 Report.

G:\DATA\ACCOUNT\MSWORD\ACC_PAY\1099\1099RPRT Instructions for Tax Year 2008
FMR 11/06/08