

# HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION

New Jersey Chapter

## *Policy for issuing 1099-Misc*

HFMA chapters are required to file Internal Revenue Service (IRS) form 1099-MISC for **each person and non corporate entity to who, they have paid at least \$600.00 in honoraria, rents, services, prizes, or other income payments.** After 1997, all fees paid to attorneys must also be reported on a 1099.

Form 1099 statements must be furnished to recipients by January 31 and filed with the IRS by February 28 on form 1096, Annual Summary and Transmittal of US Information Returns. It is the chapter's responsibility to obtain all the information including the recipient's Federal ID or Social Security number prior to submitting the 1099. If it is not available and the form is submitted blank, the IRS requires that the chapter withhold 20% of any payments made.

New Jersey Chapter Chair or Co Chairs will be responsible to obtain the necessary information from the winners of prizes worth \$600.00 or more. For example: the trip prizes offered at the Golf Outing and the annual Institute are usually more than \$600.00 and would require the recipient to furnish their social security number and they would receive a 1099.

Chairs or Co-chair of the Annual Institute will be responsible for obtaining information on Speakers. If a chapter gives a speaker a travel allowance and we do not request a receipt, it is included in the 1099. However if a speaker is reimbursed for actual expenses, documented by receipts, those expenses need not be reported on the 1099.

Education committee chairs or Co-chairs are responsible to obtain the necessary information on all paid presenters or teachers whose rates are \$600.00 or more. For example, the HFMA Rutgers Financial Certification instructors would be issued a 1099 if their individual fee is over \$600.00.

All consultant services equaling \$600.00 or more to one individual would be issued a 1099.

Any questions on this policy can be directed to the NJ chapter accounting firm or the HFMA National Financial, Tax and Insurance Guide available on the HFMA web site.