

COMPTROLLER POLICY MANUAL

 NORTHERN ARIZONA UNIVERSITY	POLICY: CMP 421-03
	Section: 400 Disbursements
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Tax Reporting IRS Form 1099	Effective date: 01/01/2000
	Revision date: 02/09/2016

PURPOSE

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

SOURCE

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 nonresident aliens. Exceptions to the corporation exemption are: medical corporations and attorneys.

POLICY

CMP 421-03: Tax Reporting IRS Form 1099

NAU provides Form 1099 to all applicable vendors for services as listed in the table below. Since tax reporting is required for professional fees, etc. for individuals or organizations other than corporations, government agencies, and colleges/universities, it is important that departments obtain accurate social security/taxpayer ID numbers, names and addresses for applicable payments/orders to new vendors.

Type of Service and Code for Payments Requiring IRS Form 1099

Type of Service	Where Reported
All rentals	1099 box 1
All royalty fee/copyright payments	1099 box 2
Awards/Prizes (not for service performed)	1099 box 3
Medical Services	1099 box 6
Maintenance and Repair Services	1099 box 7
Printing and copy services	1099 box 7

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Audio/Video services	1099 box 7
Advertising services	1099 box 7
Professional, Independent Contractor, Outside services, Speakers, Honorariums	1099 box 7
Cooperative Teacher Certificates/Waivers	1099 box 7
Land improvements, building improvements,/remodeling, new construction costs, planning/design/management costs, and building fixtures	1099 box 7

CROSS-REFERENCES

For information on employee expense reimbursements, see [CMP 420-01](#), "Faculty and Staff Reimbursements".

For information on tax reporting for nonresident aliens, see [CMP 425-01](#), "Payments to Non-Resident Aliens"

For information on tax reporting for independent contractors, see [CMP 421-01](#), "Independent Contractors"

ASSISTANCE

For additional assistance with 1099 tax reporting, accounting concerns and coding, please contact Tammy Laird in the [Comptroller's Office](#).