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For account numbers and descriptions that may need to be included as taxable payments please refer to the table in Appendix 9.
I. Background

Taxable payments (or 1099/1042S reportable payments) to Regular (not Employee) Vendors requires additional set-up at Vendor Entry. It is always best to start with the correct information for a vendor prior to entering a voucher for payment. Link to UW-System Financial Administration Personal Services Payments Policies: https://www.wisconsin.edu/financial-administration/financial-administrative-policies-procedures/fppp/31-rev-5-personal-services-payments/

Our policy: “The University of Wisconsin System will report taxable payments to the IRS, Wisconsin Department of Revenue, and the individual receiving the payment and withhold federal and state income taxes from payments as required by Federal and State laws. Also, the University of Wisconsin System will require social security numbers or Individual Tax Identification Numbers (ITINs) for Nonresident aliens as required by Federal law.”

In general, a taxable payment to a vendor is a payment for a service or work performed, including parts and materials. We are required by law to obtain a tax identification number for all vendors prior to making a tax reportable payment. When a vendor submits a service-related invoice, parts and materials are to be marked as Withholding. Account coding must comply with the rules set by Accounting Leadership at each campus. It is recommended to use the appropriate account for parts and services. In SFS, account codes do not determine 1099 reporting; the vendor set-up determines 1099 reporting.

Exception to the Rule: Payment for Medical Services, account 2630, is reportable for corporations. An excerpt from the IRS instructions for form 1099-MISC. “The exemption from issuing Form 1099-MISC to a corporation does not apply to payments for medical or health care services provided by corporations, including professional corporations. However, you are not required to report payments made to a tax-exempt hospital or extended care facility or to hospital or extended care facility owned and operated by the United States (or its possessions), a state, the District of Columbia, or any of their political subdivisions, agencies, or instrumentalities.”

Medical Services (account 2630) must be coded to Withholding Code 6. Payments to Corporations are included and must be reported. Services are always reportable, including supplies, if furnished as part of a service. Regular medical supplies, for example, bandages, medications, etc, that are consumed by campuses are not reportable unless related to a service. Query UW_89_1099_ACCT_2630_MD_SVC was created to help campuses monitor these payments. Periodically review these payments to ensure reporting accuracy and compliance.

Payment to Research Subjects, account 2637, is reported as code 3. Identify these payments through this query UW_89_1099_ACCT_2637_RES_SUB.
II. Type of Payment and Reporting Level

A. Because 1099 and 1042S reporting is consolidated at UW System as one institution, all 1099 and 1042S payments are to be reported by each campus.

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Federal Law</th>
<th>UW Consolidated Reporting Level</th>
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</thead>
<tbody>
<tr>
<td>Services, including parts and materials (Code 7)</td>
<td>$600</td>
<td>$600</td>
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<tr>
<td>Travel on Account Code 2162</td>
<td></td>
<td>Not Reportable</td>
</tr>
<tr>
<td>Payments to Research Subjects, Prizes and Awards (Code 3)</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Rentals (Code 1)</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Royalties (Code 2)</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Medical and Health Care payments. (Code 6)</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Payments of attorney’s fees for services (Code 7)</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Payments of gross proceeds paid to attorneys (Code 14)</td>
<td>All</td>
<td>All</td>
</tr>
<tr>
<td>Scholarships/Fellowships (NRAs only, see Appendix 7)</td>
<td></td>
<td>Payments to NRAs are reportable as 1042S</td>
</tr>
</tbody>
</table>

The following information is required on potentially reportable payments:

- Legal name
- Permanent home mailing address
- United States Taxpayer Identification Number (TIN). This can be a Social Security Number (SSN), Individual Taxpayer Identification number (ITIN) or an Employer Identification Number (EIN).

Sufficient description about the payment is necessary so the correct classification may be determined. This information is required for all payments on reportable categories listed above, regardless of amount. For Vendor categories of Individual/Sole Proprietor, Partnership/LLC, (whether the campus vendor file classification is used or not). If no social security number or tax ID is provided, payments may be subject to Backup withholding (see withholding* link for further definition).

Non-reportable payments (scholarships/fellowships and student loans to UW students) require social security number for financial aid reporting purposes. If the student does not have a social security number, student ID number is required. Mailing (Home) address is not required on these payments.

III. W-9 and Determining TIN Type

Name on Line 1 is the Withholding Name that must be used to match to the TIN.

Business Name on Line 2 generally must be the name on the vendor file to match invoices and purchase orders.

Remember to select the correct TIN Type. EIN is F, Social Security Number is S. A mismatch occurs when the TIN does not match the name or the TIN type is not correct.

Individual/Sole Proprietor is ALWAYS a Social Security Number. It should not be the “Doing Business As” Name. IRS strongly prefers SSN.

Limited Liability Company – if vendor selects C (Corporation) - not 1099 reportable. If vendor selects P (Partnership) or D (Disregarded Entity), vendor is 1099 reportable.

LLC (Non-Corporations) may have an EIN or and SSN. We must rely on the vendor to follow IRS instructions. If the SSN is given, the Withholding Alternate name must be an Individual’s name when the vendor name is a business name.

Direct Vendors to the IRS web site if they have questions [http://www.irs.gov/](http://www.irs.gov/)
IV. How to Enter 1099 Information for a New Vendor

REMEMBER: The PeopleSoft term for 1099 processing is called “Withholding”. This does not imply that tax is withheld from payments to these vendors.

**Navigate** to Vendors > Vendor Information > Add/Update > Vendor
**Select** Add a New Value tab and select ADD

Defaults for vendor entry are shown
After the Shortname, Name, and Vendor Classification, check the “Withholding” box. This will enable marking vouchers to the vendor as “withholding”

**NOTE:** The Id Number field is used for non-withholding vendors’ TINs. For example, Employee and Corporation (exception - for Medical or Legal Services) would not use Withholding. A Partnership or Limited Liability Company (LLC) is not necessarily (or usually) a corporation for tax reporting purposes. Tax reportable payments to Employees and Scholarships (57XX account series) to Nonresident aliens are appropriately handled through the W-2 or 1042S process – not covered in this manual.

Vendors classified as Student, Attorney, Partnership/LLC or Individual/Sole Proprietor are entered as Withholding if a taxable payment is made. Vendors that exclusively supply parts or goods but never services may be entered without checking the withholding box. This will prevent the necessity of manually unchecking withholding on every voucher with this vendor and the requisite manual clean-up when this is not done correctly. Accounting Leadership determines this policy at each campus.

In the case of a 1099 vendor supplying “vendor value-added” goods, such as printing or custom-imprinted apparel, we would err on the side of caution and include this as a 1099 record. Since the goods are enhanced by the vendor, a service has been provided.
Select the Address tab

Enter the payment address and other addresses for the vendor, if applicable. The panel above has the payment address. Click the plus sign (➕) of the Vendor Address section to add the permanent address (circled above).
This is an example of an address used for Withholding purposes. Note that this address’s Description starts with “WITHHOLDING.” Every vendor marked for withholding with multiple addresses will need to have the withholding address identified. The address does not have to be labeled “Withholding”. The withholding address is shown on page 12.

THE WITHHOLDING ADDRESS MUST BE SELECTED WHEN ENTERING INFORMATION IN THE 1099 LINK ON THE LOCATION TAB. WHEN THERE ARE MULTIPLE ADDRESSES AND LOCATIONS, IT IS IMPORTANT TO CORRECTLY IDENTIFY THE WITHHOLDING ADDRESS – WHERE THE 1099 IS TO BE MAILED.
After entering the Location, Description and Effective Date, click the 1099 link.
In the **1099 Information line**, enter in the following fields

- **Entity**: IRS
- **Type**: 1099
- **Jurisdiction**: FED
- **Check** the Default Jurisdiction box
- **Default Class**: Enter in the default Withholding Code. This is usually 07, but may be different code based on the type of payment. See page 23, Taxable Payment Codes by Account Number and Withholding Code.

In the **1099 Reporting Information line**, enter in the following fields. This is repetitive but necessary.

- **Entity**: IRS
- **Address**: Enter in the address number if there is more than one. In this instance it is address 2.
- **TIN Type**: Enter in S or F. S is for Social Security Numbers and F is for Federal Employer Identification Numbers
- **Taxpayer Identification Number**: Enter in the SSN or FEIN.
- **Withholding Control Name**: Enter in the first four letters of the vendor’s name or last name. If the last name is less than four letters, only enter the last name.

Click OK to go back to the Location panel. **DON’T FORGET TO “SAVE” AS USUAL.**

**REMEMBER - CLICK ON THE 1099 LINK FOR ALL LOCATIONS YOU ADD FOR A WITHHOLDING VENDOR, ENTER IN THE SAME INFORMATION AS ABOVE. ALWAYS PAY ATTENTION TO THE WITHHOLDING ADDRESS SO THAT A 1099 IS ISSUED TO THE CORRECT ADDRESS.**

Final Message - If you forget to enter in the information on any 1099 tab of a Location for a withholding vendor, this message will appear at Save.
ALWAYS CLICK OK and remember to go back and fill in the missing 1099 information.

V. Maintaining 1099 Information for an Established Vendor

NOTE - TWO TAX IDENTIFICATION NUMBERS SHOULD BE TWO DISTINCT VENDORS.

Frequently, a vendor is identified as 1099 applicable after the vendor has been added to the vendor file. To change and maintain a 1099 vendor always use a new effective dated panel. Using effective dated location panels will maintain the audit trail and is the preferred method. Do not use Correct History. See Appendix 2 for further information. For withholding updates, use the first day of the calendar year in which the change is effective or a day later than the last effective dated panel.

In the next example, a vendor is in the system as “John’s Printing”. After receiving the W-9, the vendor has checked Individual/Sole Proprietor so the classification needs to be changed from Supplier/Outside Party. The Withholding name should be John Q. Public.

Change vendor classification to Ind/SolPro or other appropriate classification.

Check the Withholding Box.
Navigate to the vendor. Change vendor classification to Individual/Sole Proprietor or other appropriate classification and check the Withholding box.

Select Address tab.

At the top right hand corner of the Details pane – select the “+” to add a new effective dated address panel. To enter a “Withholding Name”, expand the “Payment/Withholding Alt Names fields. Enter the individual name in the Withholding Name 1 field.

Select the Location tab. At the top right hand corner of the Details pane – click on the “+” to add a new effective dated location panel.
Select the “1099” link.

Hint – you can use Customize to select only the mandatory fields.
In the 1099 Information line, enter in the following fields

- **Entity:** IRS
- **Type:** 1099
- **Jurisdiction:** FED
- Check the Default Jurisdiction box
**Default Class:** Enter in the default Withholding Code. This is usually 07, but may be something different. See page 23, Taxable Payment Codes by Account Number and Withholding Code.

In the 1099 Reporting Information line, enter in the following fields. This is repetitive but necessary.

**Entity:** IRS

**Address:** Enter in the address number if there is more than one. In this instance it is address 1.

**TIN Type:** Enter in S or F. S is for Social Security Numbers and F is for Federal Employer Identification Numbers

**Taxpayer Identification Number:** Enter in the SSN or FEIN.

**Withholding Control Name:** Enter in the first four letters of the vendor’s name or last name. If the last name is less than four letters, only enter the last name.

Click OK to go back to the Location panel. REMEMBER - CLICK ON THE 1099 LINK FOR ALL LOCATIONS YOU ADD FOR A WITHHOLDING VENDOR, ENTER IN THE SAME INFORMATION AS ABOVE. ALWAYS PAY ATTENTION TO THE WITHHOLDING ADDRESS SO THAT A 1099 IS ISSUED TO THE CORRECT ADDRESS.

DON’T FORGET TO “SAVE” AS USUAL. ALL PRIOR VOUCHERS AND PURCHASE ORDERS NEED TO BE REVIEWED. SEE APPENDIX 2.

Enter a Vendor with two types of 1099 classes or codes. Occasionally a vendor will receive two different types of payments. In these rare cases, add a new class by adding a new line to the 1099 information pane. This vendor can have two classes on voucher entry. As with many other options, there is only one default that will pull into the voucher. Remember to use effective dating as shown in previous examples.
DON’T FORGET TO “SAVE” AS USUAL. DO NOT MARK MORE THAN ONE LINE AS DEFAULT. TWO DEFAULT LINES WILL CREATE TWO WITHHOLDING LINES AND IS VERY DIFFICULT TO FIX THIS SITUATION.

REMEMBER THIS RULE:

DO NOT USE CORRECT HISTORY TO WRITE OVER OR DELETE EXISTING INFORMATION IN THE VENDOR FILE

VI. 1099 Voucher Entry Transactions

Scenario 1: We have a Payment to Individual Report for vendor number 0000007615 in the amount of $1,000.00 for Professional Services. Vendor set-up is complete. Navigate to voucher entry as usual (Accounts Payable, Vouchers, Add/Update, Regular Entry).

Enter funding information, as usual. Note that a withholding link is visible at voucher entry.

This is the link to the withholding information. Click on the link and the withholding information panel is displayed. Payments to a vendor set up for withholding will automatically be coded to the default code selected at vendor entry in the 1099 link of the Location tab.

NOTE: Withholding Link. Look for this link whenever entering a taxable transaction. If this box does not appear, the vendor has not been set up for Withholding. Route this information back to Vendor Entry or make the necessary update to the vendor file.
Notice the “Withholding Applicable” and “Applicable” check boxes. These will flag the transaction for 1099 processing. As long as the transaction is coded to a taxable account code, do not make a change to these boxes.

It is extremely important to be sure that BOTH boxes are either checked or unchecked. If both boxes do not match, there will be reconciliation problems and a manual correction will be required later.

Be on the lookout for accounts that should have another Class. The code may be changed if the Class field (Withholding Code) does not match the account – See page 23 for full account/withholding code crosswalk. To change the Class Code, you will need to select the new code in the “Withholding Code” field, located to the left of the Withholding Applicable checkbox. This field overrides the vendor default of the Location Class field.

Note: A vendor must be set-up for each code. If you cannot pull in the correct code to a voucher, the vendor file must be updated by adding a new line to 1099 options. See page 17.

Continue voucher entry, as usual.

Scenario 2: We have a Payment to Individual Report for vendor number 0000007615 in the amount of $325.36. $300.00 is for Professional Services and $25.36 is a reimbursement for travel expense. Vendor set-up is complete. Navigate to voucher entry as usual. (Accounts Payable, Vouchers, Add/Update, Regular Entry).
This is one situation where you will want to enter in 2 for the “Estimated No. of Invoice Lines”. However, if you forget to enter 2 here, you can add another Invoice line on the following screen.
Enter voucher as usual. However, we must separate the taxable portion from the non-taxable portion. At the “Distribute by” line – enter ONLY the taxable portion. Enter the coding for the taxable portion. Description is optional but it will assist the Tax Manager in reviewing the transactions for this voucher.

Click the plus icon (➕) if you need to add another invoice line, otherwise click the arrow icon (➡️) if you want to advance to the next invoice line.

This is a new line. Description is optional but this will assist in reviewing the 1099 processing at the end of the year.

Enter coding information as usual.
Because this vendor has been set up as a withholding vendor the non-taxable portion must be unchecked for the Withholding Applicable checkbox.

Click on the “Withholding” link, circled above. (Withholding)

Remove Check next to Line 2, Travel Reimbursement.
Note how the use of the “Description” assists in determining which line should not be flagged as a taxable transaction.

It is extremely important to be sure that BOTH boxes are either checked or unchecked. If both boxes do not match, there will be reconciliation problems and a manual correction will be required later.

The withholding flag has been removed from the non-taxable portion of this payment. If the taxable and non-taxable portions of a payment are not separated into different invoice lines, there is not any way to separate the amounts. ALWAYS separate taxable and non-taxable portions into two separate Invoice Lines. Distribution Lines cannot be individually checked or not checked for Withholding and the manual adjustment process is tedious.

Click on the “Back to Invoice” link (Back to Invoice) to return to the Invoice Information panel.

Continue Voucher Entry as usual.

Background: Legal settlement payments to a claimant are usually coded to Non-employee compensation. Proper treatment and reporting of these payments involve keeping up-to-date
with latest IRS regulations and are reviewed by UWSA annually. In general, work-related compensation settlements for employees/former employees are handled through payroll. So be aware that there are IRS requirements to pay and report compensation settlements through payroll processing.

When a payment is requested for a legal settlement, each campus must require that the requester also include tax-reporting details of the settlement and verify that the request should be appropriately handled though accounts payable.

Punitive damages are not taxable or reportable to the claimant and are appropriately handled through accounts payable for the claimant. When an attorney is included on the payment for the claimant, the attorney is reported for the full amount as withholding code 14.

**Scenario 1: A legal settlement payment includes both attorney and claimant.**
The payment must be coded to Gross Proceeds to an Attorney or Withholding Code 14 and the Claimant named on a payment along with an Attorney is coded to Non-employee compensation, or Withholding Code 7, subject to the provisions of the settlement agreement.

Both the attorney and the claimant are to be reported at the full amount of the payment.

As a suggestion, enter the claimant as the vendor on the voucher. PeopleSoft does not have the capability of using two vendors on a voucher.

The Attorney vendor must be added to the vendor file and the staff performing 1099 maintenance must manually enter the payment information for the attorney vendor. To include all payees on the check, use “Payment Alternate Name”:

Enter voucher as usual. Manual Entry of the Attorney 1099 record will be required so have a communication plan in place to transmit this information to the staff performing 1099 clean-up.
Scenario 2: Attorney and Claimant are paid individually on separate checks. The IRS rules state that when separate checks are issued to the claimant and attorney the proper treatment for reporting is to report the attorney for only the amount of the check payable to the attorney and the claimant is to be adjusted to report the combined total of the two individual payments.

For example, a payment to a claimant for $2,000 along with a separate payment to the attorney for $1,000 would result in 1099 reporting of $1,000 to the attorney and $3,000 (the combined total of the two payments) to the claimant. In this case, the claimant needs to be adjusted by an additional $1,000.
### Reference - Taxable Payments by Account Number and Withholding Code

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<tr>
<th>Account</th>
<th>Description</th>
<th>W/H Code</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1909</td>
<td>Acad - NonSal Legal Settlement</td>
<td>7</td>
<td>Report settlement payments to any attorney payee as 14</td>
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<tr>
<td>1944</td>
<td>Class-NonSal Legal Settlement</td>
<td>7</td>
<td></td>
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<tr>
<td>2201</td>
<td>Telecomm Services-Centrex</td>
<td>7</td>
<td>Parts and materials - see note below</td>
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<td>2230</td>
<td>Telephone Service-Install, etc</td>
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<td>2260</td>
<td>Communication-Miscellaneous</td>
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<td>Maintenance &amp; Repair-DP Equip</td>
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<td>2470</td>
<td>Maintenance &amp; Repair-Vehicles</td>
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<td>DP Services - Outside Source</td>
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<td>Services - Professional-Indiv</td>
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<td>Collection Agency Fees</td>
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<td>Services-Guarantees</td>
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<td>Services - Athletic Officials</td>
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<td>Medical Services</td>
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<td>Corporations Reportable</td>
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<td>Research Subjects</td>
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<td>Printing/Duplicating - Private Vendor</td>
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<td>Parts &amp; mat’ls – see note</td>
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<td>Service-Housekeeping &amp; Janitorial</td>
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<td>Bldg and Attached Fixtures</td>
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<td>Bldg &amp; Fixtures-Cap Lease</td>
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57XX Account Series to Nonresident aliens is not reportable as a 1099 transaction. See 1042S & W-2 procedures.

NOTE: Service-related parts and materials are marked withholding, coded to the correct account, not a service account.
VII. Appendix 1 – Limited Liability Company LLC

The LLC is a type of hybrid business structure that is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. A popular choice for sole proprietors who are looking to incorporate simply to protect personal assets or secure additional loans, the LLC is thought to be one of the easiest and least expensive forms of ownership to organize. The Limited Liability Company (LLC) is now a recognized business structure in all 50 states plus the District of Columbia. LLCs are gaining popularity with small business owners because they combine the advantages of a corporation with the tax advantages and management flexibility of a partnership. In general, this means that an LLC will be reportable for 1099 purposes unless it is also a corporation.

Important Note: An LLC as defined in this write-up is a United States registered LLC. The distinction needs to be made because other countries have different requirements for companies, corporation, etcetera that might be less than what the United States recognizes. Only a United States LLC can be considered an LLC and treated based on the criteria listed below for United States tax reporting purposes.

What are the main advantages of forming an LLC?

- Owners of an LLC have limited liability for business debts.
- For tax purposes, the allocation of profit and loss of an LLC need not be proportional to ownership interests.
- With an LLC, there is no double taxation threat since the LLC is not a separate taxable entity.
- You do not need to be a US citizen to own or invest in an LLC.

Institutional Requirement for Reporting Payments to an LLC

- Institutions are required to report payments to an LLC in the same manner as payments made to an Individual or Sole Proprietor.
- All payments to an LLC are reported for tax purposes at the end of each calendar year on a 1099-MISC form for U.S. Tax Residents or on a 1042-S form for NonResident Aliens.
- Tax reporting information required for payments made to an LLC are:
  1. Full name of the LLC (i.e., XYZ Clothing LLC)
  2. Home mailing address for the LLC
  3. Employer Identification Number (EIN)

Wisconsin LLC or Corporation status can be verified at the Department of Financial Institutions: http://www.wdfi.org/apps/CorpSearch/Search.aspx.
VIII. Appendix 2 – Vendor set up as Withholding or not Withholding in Error

Vendors can be set-up as withholding in error or a vendor can incorporate and no longer be withholding applicable. When an established vendor needs to have a change in the Withholding status, you must also review past vouchers in the current calendar year and active Purchase Orders for this vendor in the current fiscal year.

Have a communication plan in place. Correcting an established vendor that requires a withholding update change, either to set-up withholding or to remove the withholding set-up, will entail cooperation between Purchasing, Accounts Payable and 1099 processing staff. Always use effective dated panels to update vendors rather than correction mode as described in section: Maintaining 1099 information for an Established Vendor.

Purchase orders entered for a vendor that is Withholding will be automatically marked for withholding. Changing the vendor to non-withholding will not correct purchase orders. Purchase Orders retain the Withholding status effective when the PO is created and must be manually updated. Additionally, copied purchase orders will also copy the withholding status. Copied POs can be monitored for correct withholding status through the queries listed below.

A. Purchase Orders – When the vendor withholding status does not match the withholding on the PO

This creates vendor/voucher mismatches.

Query UW_89_LSN_PO_NT_WH_VNDR_WH returns a list of POs and associated vouchers for vendors marked withholding but the PO lines are not marked for withholding. Copied POs retain the withholding status of the PO it is copied from. In other words, there can be issues with copied POs when the vendor has changed from withholding or not withholding. Voucher lines may be marked withholding or not marked withholding. PO description and voucher description are included in this query.

Query UW_89_LSN_PO_NT_WH_VNDR returns a list of POs and associated vouchers for a vendor marked withholding. Copied POs retain the withholding status of the PO it is copied from. In other words, there can be issues with copied POs when the vendor has changed from withholding or not withholding. Voucher lines may be marked withholding or not marked withholding. PO description and voucher description are included in this query.

If a vendor has been not marked for withholding but should be withholding, POs must be updated to Withholding.

Run these queries periodically to avoid last minute corrections, the following illustrates how to correct the POs.

To correct a Purchase Order that is set to withholding for a non-withholding vendor:
Click on the icon next to the Line number.

Click on “Expand All”.

Expand All
This is where the Withholding check will default into a PO to a vendor marked for Withholding. All vouchers associated with the PO will continue to be “Withholding Applicable” and require additional work at voucher entry to “uncheck” withholding.

Uncheck the Withholding box. Scroll down and Click the OK button. This will return you to the PO Panel. Remember to SAVE. A change order is not necessary.

To correct a Voucher that is set to withholding for a non-withholding vendor:

For vouchers that need correction, the staff working with 1099 Maintenance need to be notified to make the appropriate changes. Adjusting withholding is discussed in the Non-PO Voucher Entry and PO Voucher Entry Business Process Documents. Or withholding errors can be fixed during regular 1099 maintenance; each campus should decide what is appropriate. Ensuring the correct vendor information is contained in effective dated panels is a best business practice.
Note here that only the second Withholding applicable box is checked. This will be an error on 1099 maintenance. Both boxes must be checked or unchecked – otherwise a manual correction will be necessary.

Voucher Withholding after PO has been updated.

Updating Voucher Withholding is described in the Non-PO Voucher Entry and the PO Voucher Entry Business Process Documents.

IX. Appendix 3 – Vendor with Incorrect Withholding Code

A vendor may be set up with the wrong withholding code. As in the case of a vendor with two withholding codes shown on page 14, it is important to correct this error in vendor setup in the right way.

**Do not write over the old code in correction mode.** This causes other complications when the vouchers have to be fixed, instead, add a line as shown and change the new code to the default code.

Do not use correction mode to add the new code. Insert a new effective dated Details line under location.
After adding the new withholding code, be sure to change the default to the correct code. Why is this important? Correcting the withholding code requires that both codes be active. If the old withholding code is overwritten, the voucher lines to the old code can not be easily fixed.

When an incorrect withholding code is discovered, update the vendor, analyze the PO’s and vouchers already processed and make 1099 adjustments. Have a coordination plan in place.

**DO NOT HAVE MORE THAN ONE DEFAULT WITHHOLDING CODE PER VENDOR. THIS WILL CAUSE PROBLEMS FOR 1099 PROCESSING.**

**X. Appendix 4 – 1099 Implications – Interpretation and Definition of Non-Resident Entertainer**

Entertainers and Entertainment Corporations Not Wisconsin Residents - 1099 Implications

**NOTE:** All Non-resident Entertainers are subject to State of Wisconsin Entertainer Tax. Agents, regardless of the state of residence or corporate status, are required to furnish all information for a Form WT-11 for the Entertainer. State of Wisconsin resident entertainers follow the same rules as other vendors, i.e., non-corporations are marked withholding, but entertainer tax does not apply.

Non-Resident Entertainer Tax for a non-U.S. resident – If the Non-US Resident Entertainer country of residence has a tax treaty with the United States and the income is exempt for federal income tax purposes, the income is also exempt for Wisconsin entertainer tax purposes. Link to IRS
Non-Resident Entertainers that are corporations, and paid directly, are not issued a 1099 to the corporation even when state entertainer tax is withheld.

To summarize,
1. Non-resident individuals and non-resident corporations are all subject to the State of Wisconsin Entertainer tax.
2. Earnings over the cumulative limit of $7,000 per calendar year are subject to the 6% state withholding tax or a surety bond is required.
3. A WT-11 in the legal name of the entertainer is required, even when payment is made directly to an Agency. This includes Social Security Number.
4. The 6% withholding tax is made according to the WT-11.
5. 1099 reporting is necessary when the 1099 rules apply to the payment, i.e., refer to section on 1099 reporting.

Examples of nonresident entertainers include:

- The owner (sole proprietor) of a group of individuals who travel from one engagement to the next.
- The individual members of an entertainment group, none of which legally own the group.
- An individual entertainer or public speaker who performs at or competes in one or more entertainment, public speaking, or sporting events in Wisconsin.
- A partnership comprised of corporate and/or individual partners which contracts for one or more appearances of the partners in Wisconsin.
- An agent, manager, promoter, or other sponsor who negotiates or otherwise arranges for the appearance of one or more performers, competitors, or speakers for an entertainment event in Wisconsin and, either themselves or through one or more employees, provides managerial, promotional, or other services at that event.
- A foreign corporation which contracts for one or more entertainment, public speaking or sporting events in Wisconsin.
- A foreign corporation whose employees appear in one or more entertainment, public speaking or sporting events in Wisconsin.

Interpretation and Definition of Entertainer Tax applicability. This is distinct from 1099 reportable transactions. For example, athletic officials are reported as 1099, Non-employee compensation, but Entertainer Tax does not apply

Entertainer Tax Does Apply in the Following Circumstances

1. A dance or theatre troupe performs at a campus location.
2. A professional football team plays at Camp Randall. Includes the team and coaches.
3. A person is hired to be an announcer for a radio or television broadcast.
4. A concert is performed by a musician or a group of musicians. Includes the musician(s) and conductor.
5. An opera or a play is performed by a group of performers.
6. An individual speaks or reads poetry at an event, such as commencement ceremonies or a public lecture, which is open to the general public. This does not apply to seminars or colloquia.
7. An individual performs a combination of services, including a public performance and teaching master classes. If the total payment for these services exceeds $7,000.00, it is all subject to the Entertainer tax.

**Entertainer Tax Does Not Apply in the Following Circumstances (These payments would still be reported as 1099 if there is a payment for services.)**

1. An individual writes music or poetry or a play.
2. A visiting professor or scientist speaks to a group mainly comprised of faculty and graduate students about his/her area of research.
3. An individual is hired as a consultant for a research project and speaks to a group of persons working on the project.
4. A musician speaks to a group of music students and may perform some music as part of the lecture.
5. An individual speaks in a classroom or workshop setting, and the audience is strictly members of the class or workshop.
6. A department presents a seminar or colloquium series, during which faculty, graduate students, and/or visitors speak to colleagues.
7. A professional engineer speaks on his/her area of expertise at a seminar sponsored by Engineering and Professional Development, for the benefit of other engineers.
8. An individual is hired as an athletic official for a sporting event.

Link to State of Wisconsin Form WT-11 Nonresident Entertainer’s Application AND receipt for Surety Bond, Cash Deposit or Withholding by Employer: [http://www.revenue.wi.gov/forms/with/w-011f.pdf](http://www.revenue.wi.gov/forms/with/w-011f.pdf). There are special reporting and voucher Entry for a Non-resident Entertainer when payment is sent to an Agent or Agency.

The State of Wisconsin has specified that when a payment to a non-resident entertainer is made to an Agent or Agency, 100% the payment must be associated to the Agent and the Entertainer is associated to the Entertainer tax deduction via the WT-11 and payment submitted for entertainer tax.

**How to handle non-resident entertainer paid through an agency:**

*Invoicing vendor = Agent. Entertainer is not required to be set-up as a separate vendor but the Entertainer must fill out the WT-11 when contract (or accumulated payments for a calendar year) exceeds $7,000.*

**Split the payment:**

1st Remit to vendor = Agency. Agent of Entertainer set up as a separate vendor

2nd Remit to vendor = WI Dept of Revenue for 6% state tax, if applicable

See Page 40

**Issuing 1099s to Agents/Agencies**

According to 1099 instructions from the IRS general instructions for form 1099 when payments are made to an Agent or Agency. These entities are defined as Nominee/Middleman.

[http://www.irs.gov/instructions/i1099gi/ar02.html#d0e210](http://www.irs.gov/instructions/i1099gi/ar02.html#d0e210)
Instructions to the Nominee/middleman for 1099s received. Generally, if you receive a Form 1099 for amounts that actually belong to another person, you are considered a nominee recipient. You must file a Form 1099 with the IRS (the same type of Form 1099 you received) for each of the other owners showing the amounts allocable to each. You must also furnish a Form 1099 to each of the other owners. File the new Form 1099 with Form 1096 with the Internal Revenue Service Center for your area. On each new Form 1099, list yourself as the “payer” and the other owner as the “recipient.” On Form 1096, list yourself as the “filer.” A husband or wife is not required to file a nominee return to show amounts owned by the other. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099 to show the amount allocable to each owner.

In other words, if an Agent or Agency is paid for Entertainment services (inclusive of Total Contract Price) on behalf of an Entertainer, the status of the Entertainer determines if a 1099 is issued to the entertainer.
Sample WT-11 indicates the Entertainer status.

How to handle non-resident entertainer paid directly:
Invoicing vendor = Entertainer is set up as a separate vendor and the Entertainer must fill out the WT-11 when contract exceeds $7,000.

Split the payment:
1st Remit to vendor = Entertainer set up as a separate vendor
2nd Remit to vendor = WI Dept of Revenue for 6% state tax withholding, if applicable

See Page 38.
XI. Appendix 5 – Important Links and Information

Tax Compliance:

UW System Administration Tax web page for general info and useful links: https://www.wisconsin.edu/financial-administration/special-topics/tax-issues-2/. UW-Madison Tax web page: http://www.bussvc.wisc.edu/acct/policy/tax/taxpro.html. These web pages have useful information regarding tax issues and concerns that are important to campuses.

UW System Substitute W-9

The Internal Revenue Services (IRS) approved University of Wisconsin System Substitute W-9 is located at http://www.bussvc.wisc.edu/acct/policy/tax/taxpro.html. Look under the section on Training for the link to the document. This document has all the University of Wisconsin System numbers.

IRS Individual Taxpayer Identification Number (ITIN) Acceptance Agent

The Internal Revenue Services (IRS) only allows the UW to issue Individual Taxpayer Identification Number (ITIN) to people that we make payments to.

State of Wisconsin Instructions for Non-resident Entertainers and Form WT-11

http://www.revenue.wi.gov/pubs/pb508.pdf


Tax Advice

University of Wisconsin System institutions do not provide personal tax advice due to legal ramifications. Taxpayers should consult the Internal Revenue Services (IRS) or their personal tax preparer to obtain tax advice.

Any tax information contained in this document is not intended or written by University of Wisconsin System or its employees to be used, and cannot be used, by the recipients or any other person or entity for the purpose of avoiding penalties that may be imposed on any taxpayer.
XII. Appendix 6 - Withholding, Tax Levies, Entertainer Tax, 1042 and Creating a Voucher with Split Payments for Withholding

In the case of a Tax Levy or State or Federal Withholding, splitting the payment between the vendor and the tax entity can be handled on one voucher. The following rules apply to each situation. Campus should have a DOR vendor, IRS vendor and a UWSA vendor for tax levies.

<table>
<thead>
<tr>
<th>Type of Withholding</th>
<th>Pay to and send tax W/H check and/or forms to</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wisconsin Non-Resident Entertainer Tax</td>
<td>Payable to and send check to WI DOR with a completed WT-11. (Do not send a copy to UWSA.)</td>
<td>Institutions must withhold 6% of payments based on the total contract price to nonresident entertainers if accumulated payments for entertainment services exceed $7,000 in a calendar year and the entertainer has not filed WT-11 with a surety bond or cash deposit, or provided a waiver from the Department of Revenue. Exceptions: Total contract price does not include:</td>
</tr>
</tbody>
</table>

- Amounts paid by the employer to persons other than the entertainer for ordinary and necessary expenses in the production of the event (building rent, staging material costs, utility connections, etc.), unless a specific dollar amount is specified in the contract for such expenses.  
- Payments for travel expenses made to, or on behalf of, an entertainer that are 1) made under an accountable plan and 2) for actual transportation, lodging, and meals that are directly related to the performance. |

Each institution must institute a procedure for accumulating payments to nonresident entertainers to determine if the $7,000 limit has been reached. However, it is the responsibility of the nonresident entertainer or their representative to notify the UW if their accumulative total contract prices during a calendar year exceed the threshold at any UW System institution.

The 6% withholding must be sent to the Department of Revenue with a completed WT-11 and a copy of the WT-11 must also be sent to UW-System. **Payees must be marked withholding, unless a corporation, and we must issue a 1099-MISC, according to the status of the payee. The WT-11 and instructions are located at:**


See Appendix 4 for additional information.
<table>
<thead>
<tr>
<th>Type of Withholding</th>
<th>Pay to and send tax W/H check and/or forms to</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS Tax Levies</td>
<td>Payable to IRS</td>
<td>UW-System receives IRS Tax Levies and posts a list of names to a secure file. Campuses must review the list of IRS tax levies weekly. When a campus determines that an individual or company in the levy list is on their vendor file, mark the vendor “Hold for Payment” and immediately contact UW-System. UW-System will contact the IRS to verify that the levy is still active. UW-System will, in turn, notify the campus. The campus will then withhold all future payments to the vendor until notice of release of the tax levy is received or verified with the IRS or take the vendor off withhold for payment if the levy is no longer in force.</td>
</tr>
<tr>
<td></td>
<td>Send the check to UW-System</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attn: Bryan Peters or Eric Engbloom</td>
<td></td>
</tr>
<tr>
<td>28% IRS Back-up Withholding when vendor will not supply a Tax Identification Number</td>
<td>Payable to UW-System</td>
<td>UW System Administration manages all payments to the IRS. Be sure to include vendor information. <strong>All Vendors must be marked withholding and we must issue a 1099-MISC.</strong> IRS Link: <a href="http://www.irs.gov/Government-Entities/Federal-State-Local-Governments/Backup-Withholding">http://www.irs.gov/Government-Entities/Federal-State-Local-Governments/Backup-Withholding</a></td>
</tr>
<tr>
<td></td>
<td>Send the check to UW-System</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attn: Bryan Peters or Eric Engbloom</td>
<td></td>
</tr>
<tr>
<td>1042S Nonresident Alien (NRA) payments</td>
<td>Payable to UW-System</td>
<td>UW System Administration manages all payments to the IRS. Be sure to include vendor information when sending a payment for taxes. Make check payable to UW-System. Send the 1042S worksheet and the check for NRA tax deduction to UW-System. Following instructions on the Tax Information web page at: <a href="http://www.bussvc.wisc.edu/acct/policy/tax/taxpro.html">http://www.bussvc.wisc.edu/acct/policy/tax/taxpro.html</a> and the flowchart: <a href="http://www.bussvc.wisc.edu/howto/acct/requiredtx.htm">http://www.bussvc.wisc.edu/howto/acct/requiredtx.htm</a>. This flowchart will guide you through (1) what documentation is required for payments to NRA’s, (2) what taxes are applicable if no tax treaties exist between the U.S. and the NRA’s country of residence for tax purposes, and (3) if a tax treaty exists then what forms are required to take advantage of the tax treaty.</td>
</tr>
<tr>
<td></td>
<td>Send the 1042S worksheet and the check for NRA tax deduction to UW-System, Attn: Bryan Peters or Eric Engbloom</td>
<td></td>
</tr>
</tbody>
</table>

UW System must report all payments made to NRA’s. See The UW Tax Information web page at: [http://www.bussvc.wisc.edu/acct/tax/yr_end_tax_reporting.doc](http://www.bussvc.wisc.edu/acct/tax/yr_end_tax_reporting.doc) under the section on Year End Tax Reporting/Responsibilities.
1042S – Special Reporting Requirements and Monitoring

Campuses must keep track of payments made to NRA’s so that at the end of the tax reporting year these payment can be marked as 1042-S reportable on the 1099 Tax Table. After each campus certifies the 1099 transactions, tax reportable data is downloaded from SFS to the 1099 Tax Tables for IRS reporting. The campus tracking process must keep track of the individual’s information (Name, home mailing address, type of payment, account code, amount) plus all the information required for 1042-S reporting. This includes the type of income (Independent Personal Service, Scholarships, Royalties, etc.), person’s country of tax residence, type of tax payer (individual, entertainer, etc.), tax rate or exemption code, and taxes withheld, if any.

After UWSA loads the records from SFS to the 1099 Tax Tables, campuses are responsible for updating 1099-MISC transactions to 1042S reportable on the 1099 Tax Tables. UWSA sends each campus a notification e-mail after the records are loaded along with links to the instructions for updating 1099 and 1042S records. The 1042S indicator is also used to enter state tax withheld.

How to classify a vendor as Foreign Non-Supplier (Optional - This is not required)
Classifying NRAs as “Foreign Non-supplier” under vendor type options (Located under Location, Payables, Vendor Type Options) is a convenient place to identify NRA vendors.

Click on Payables Link.
Expand Vendor Type Options

Select FN – Foreign Non-Supplier as Vendor Type from the drop-down. Queries can be created to monitor these vendors if a campus decides to use this feature.

Using the split payment process - How to create a voucher with split payments

This vendor is the Invoicing vendor. 1099 withholding status of the payment and reporting is determined by this vendor set-up. 1099 payments are reported for the invoicing vendor not the remit to vendor. If the payment is issued to an Agency/Agent – the invoicing vendor is the Agent/Agency. Entertainers not paid directly are not required to be in the vendor file, however, a WT-11 in the entertainer legal name is required.

Create Voucher. Click on Payments tab, before or after save. Amount of voucher is for demonstration purposes only.
For this example – the vendor must have 6% withheld for State of WI Entertainer Tax. Dollar amount is for testing purposes only. Refer to documentation on Entertainer Tax for applicable rules.

Reminder: If the paid entity (entertainer, agent or agency) is a corporation no 1099 reporting is required. Non-Resident Entertainer Vendors must be marked withholding and we must issue a 1099-MISC, even if no entertainer tax is withheld. The form WT-11 and instructions are located at: [http://www.revenue.wi.gov/forms/with/w-011f.pdf](http://www.revenue.wi.gov/forms/with/w-011f.pdf).

How to handle non-resident entertainer paid through an agency:
Invoicing vendor = Agency/Agent set up as a separate vendor
1st Remit to vendor = Agency/Agent
2nd Remit to vendor = WI Dept of Revenue for 6% state tax withholding, if applicable

The Entertainer is not required to be set-up as a vendor unless we make a payment directly to the entertainer.
Since this entertainer will have to pay $30.00 in taxes to the State of Wisconsin, the net payment to the vendor is $470.00. To add another panel to pay to the state, click on the plus sign. The remaining balance is automatically calculated.
Change remit to vendor for the tax withheld to the appropriate vendor. NOTE: The search function at “Remit to” is limited, so the vendor for the withholding portion needs to be looked up in another manner. Since there should only be two vendors receiving withholding portions, this is not a problem.

The second payment panel can be changed for handling code, scheduled due date, payment message and even selected for separate or hold payment. Depending on the preference of the campus – a separate or combined payment can be accommodated by vendor set-up. It is recommended to handle withholding portions as separate payments so that withholding is not combined but you will need to check the total reported so the amount paid to the entertainer is fully declared on the 1099.
After Paycycle - two separate checks have been created.
After Withholding Post the 1099 record for the vendor has the gross amount of the payment.
**Final Processing:**  
Do not forget - 1099 record will still require a manual update for the amount withheld at year-end.

1042S records must be updated after the 1099 records are loaded to the 1099 tables.

State tax withheld for Non-resident Entertainers is not reported on a 1099.

**Useful Tools**  
**Query:** UW_89_RMT_VNDR_NT_INV_VNDR  
This query returns a list of payments to remit vendors that are not the invoicing vendor when the voucher gross total is greater than the payment, i.e., when split payments exist. There is a prompt for Business Unit and greater than Payment Date.

Monitoring specific withholding instances is much easier using the split payment method of voucher entry.

**Query:** UW_89_SPLT_PYMNT_VCHR  
This query will return all vouchers where the Gross Voucher amount is greater than the payment.

---

### XIII. Appendix 7 - 57XX Accounts paid to Nonresident Aliens

Payments to Non-U.S. Residents from accounts 57XX must be reported correctly. The Worksheet must be used to calculate the amounts to be reported and withheld.

Link to the current forms: [Payment for Scholarships, Fellowships, Participant Support (Class 57XX)](link-to-forms).

Follow instructions for all payments from 57XX accounts made to Nonresident aliens.
The IRS increases the personal withholding exemption rate from year to year ($3,900 for 2013), resulting in an increase in the daily prorated exemption amount used for calculating withholding on payments to Nonresident aliens ($10.68 per day for 2013). Look under “Sample NRA Documents and Completed PIR Documentation” for examples: http://www.bussvc.wisc.edu/acct/policy/tax/taxpro.html.

Please pass on this information to the appropriate individuals as you deem necessary, and instruct them to begin using the new exemption amount for payments.

Message from
José Carus, Jr.

XIV. Appendix 8 - Vendor with Withholding Alternate Name

Withholding names: When a withholding name is entered for a vendor it must be different from the vendor name AND the name must follow vendor naming conventions. For individuals this means the format is last name, first name. The address that has the withholding alternate name MUST be the 1099 default (reporting) address, otherwise, the withholding alternate name will not be selected.

This is where to add a Withholding Name if different from the vendor name.

Click on Address tab and the click on Payment/Withholding Alt Names.

Use the same naming convention as used for vendor name, i.e. Last name, First name.

Use Query: UW_1099_VNDR_WTHD_NAME_CK

This query returns a list of vendors with information in Withholding Name 1. When the 1099 transactions are printed, Withholding Name 1 and Withholding Name 2 will be printed on the 1099. If a vendor has more than one address, you may get more than one line per vendor. It is important to review this list and look for any anomalies.

For example,

- An individual name must be associated to any tax identification number that is flagged “S” or a social security number. FEINs can be associated to a business name or an individual.
- Names of individuals in Withholding Name 1 or 2 must follow the naming convention of last name, first name.
- Fixing the vendor file before January 1, 2011 will help to avoid last-minute corrections.
• Acronyms must be spelled out according to the W9 in the Withholding Alternate name – For example – IRS in the vendor file would be Internal Revenue Service as withholding alternate name.

1099 print names are determined by presence of Withholding Name1 and Withholding Name2. Otherwise, Vendor Name1 and Name2 are printed on the 1099.
### XV. Appendix 9 - Service and Other Taxable Account Codes and Account Descriptions

<table>
<thead>
<tr>
<th>SFS Account Number</th>
<th>CODE/ACCOUNT DESCRIPTION</th>
<th>Taxable?</th>
<th>CODE/ACCOUNT DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1909</td>
<td>Acad - NonSal Legal Settlement</td>
<td>YES ---&gt;</td>
<td>All non-salary related legal settlement payments to Academic Personnel. Requirements to account for settlement payments made to an attorney or attorney and claimant on page 20.</td>
</tr>
<tr>
<td>1944</td>
<td>Class-NonSal Legal Settlement</td>
<td>YES ---&gt;</td>
<td>All non-salary related legal settlement payments to Classified Personnel. Requirements to account for settlement payments made to an attorney or attorney and claimant on page 20.</td>
</tr>
<tr>
<td>2620</td>
<td>Services - Professional-Indiv</td>
<td>YES ---&gt;</td>
<td>All services (Professional, Educational, or Vocational) performed by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2621</td>
<td>Services - Consultants-Indiv</td>
<td>YES ---&gt;</td>
<td>All services provided by consultants who are Individuals, Sole Proprietorships, Partnerships, or Limited Liability Corporations (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2622</td>
<td>Collection Agency Fees</td>
<td>YES ---&gt;</td>
<td>Collection Agency Fees if paid to an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). (Only Services portion is reportable). Corporations are not reportable.</td>
</tr>
<tr>
<td>2625</td>
<td>Services - Guarantees</td>
<td>YES ---&gt;</td>
<td>All Services - Guarantees</td>
</tr>
<tr>
<td>2626</td>
<td>Services - Athletic Officials</td>
<td>YES ---&gt;</td>
<td>All services provided by Athletic Officials (for example, referee services, etc.)</td>
</tr>
<tr>
<td>2201</td>
<td>Telecomm Services-Centrex</td>
<td>YES ---&gt;</td>
<td>Charges for all telecommunication services purchased from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2260</td>
<td>Communication- Miscellaneous</td>
<td>YES ---&gt;</td>
<td>Miscellaneous Communication services not covered by other account codes which are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>SFS Account Number</td>
<td>Code/Account Description</td>
<td>Taxable?</td>
<td>Description</td>
</tr>
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</tr>
<tr>
<td>2230</td>
<td>Telephone Service- Install, etc</td>
<td>YES</td>
<td>Non-recurring <strong>services</strong> charges for installations, moves and changes for Centrex and non-Centrex local service, voice access circuit charges (STS access lines) and the Consolidated Data Network that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>3740</td>
<td>Advertising &amp; Notices</td>
<td>YES</td>
<td><strong>All</strong> payments to newspapers, magazines, advertising agencies, radio stations, television stations, etc that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2680</td>
<td>Serv-Houskeeping &amp; Janitorial</td>
<td>YES</td>
<td><strong>All</strong> expenditures for services such as rubbish, garbage, and snow removal, sanitation services, window washing, floor cleaning and exterminator service that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>3750</td>
<td>Prizes &amp; Awards</td>
<td>YES</td>
<td><strong>All</strong> Non-Cash Prizes and Awards (Note: Gift Certificates are considered cash.)</td>
</tr>
<tr>
<td>3750</td>
<td>Prizes &amp; Awards-Cash</td>
<td>YES</td>
<td><strong>All</strong> Cash Prizes and Awards (Note: Gift Certificates are considered cash.)</td>
</tr>
<tr>
<td>3760</td>
<td>Claims Awards</td>
<td>YES</td>
<td><strong>All</strong> Claims Awards</td>
</tr>
<tr>
<td>2320</td>
<td>Rental of Space- Noncorp</td>
<td>YES</td>
<td><strong>All</strong> rental of privately owned space from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2325</td>
<td>Lease of Space Noncorp</td>
<td>YES</td>
<td><strong>All</strong> lease of privately owned space from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2305</td>
<td>Lease of Land</td>
<td>YES</td>
<td><strong>All</strong> lease of privately owned land from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>SFS Account Number</td>
<td>CODE/ACCOUNT DESCRIPTION</td>
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</tr>
<tr>
<td>2300</td>
<td>Rental of Land</td>
<td>YES</td>
<td>All rental of privately owned land from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2335</td>
<td>Lease of DP Equip</td>
<td>YES</td>
<td>All Lease of Data Communication/Data Processing Equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2330</td>
<td>Rental of DP Equip</td>
<td>YES</td>
<td>All Rental of Data Communication/Data Processing Equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2340</td>
<td>Rental of Vehicles-Dealership</td>
<td>YES</td>
<td>All Charges for rental of vehicles from non-corporations</td>
</tr>
<tr>
<td>2345</td>
<td>Lease of Vehicle-Dealership</td>
<td>YES</td>
<td>All Charges for lease of vehicles from non-corporations</td>
</tr>
<tr>
<td>2350</td>
<td>Rental of Aircraft</td>
<td>YES</td>
<td>All Charges for rental of aircraft from non-corporations</td>
</tr>
<tr>
<td>2355</td>
<td>Lease of Aircraft</td>
<td>YES</td>
<td>All Lease of rental of aircraft from non-corporations</td>
</tr>
<tr>
<td>2360</td>
<td>Rental Equipment-Noncorp</td>
<td>YES</td>
<td>All Rental of equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2370</td>
<td>Lease of Equipment-Noncorp</td>
<td>YES</td>
<td>All Lease of equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2410</td>
<td>Leasehold Repairs &amp; Maint</td>
<td>YES</td>
<td>All Repairs, maintenance or improvements to leased buildings, equipment and land, including fencing and highway signs by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2460</td>
<td>Maintenance &amp; Repair-DP Equip</td>
<td>YES</td>
<td>Services and parts from maintenance agreements, labor, or other costs associated with maintaining or repairing data/word processing equipment including software by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>SFS Account Number</td>
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</tr>
<tr>
<td>2480</td>
<td>Maintenance &amp; Repair-Other</td>
<td>YES ---&gt;</td>
<td>Services and parts from maintenance agreements, labor, or other costs associated with maintaining or repairing other equipment (excluding vehicles and DP Equipment) by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>2470</td>
<td>Maintenance &amp; Repair-Vehicles</td>
<td>YES ---&gt;</td>
<td>Services and parts paid to private vendors (non-corporations) for repair and maintenance of UW/state automobiles, trucks, tractors, heavy equipment, snowmobiles, all terrain vehicles and other similar equipment. Include payments for maintenance, repair, replacement parts, tune-up, tire rotation, lubrication, washing, towing, registration fees, accessory installation and other related expenses. Corporations are not reportable.</td>
</tr>
<tr>
<td>2630</td>
<td>Medical Services</td>
<td>YES ---&gt;</td>
<td>All costs, including supplies, for medical services provided by hospitals, doctors, dentists, chiropractors, etc (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). EXCEPTION TO THE RULE: Corporations are reportable and supplies related to the service must be reported.</td>
</tr>
<tr>
<td>3840</td>
<td>Subcontracts &lt; $25,000-Indiv</td>
<td>YES ---&gt;</td>
<td>All Sub-Grant And Subcontract Payments to Non-UW Employee (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). Corporations are not reportable.</td>
</tr>
<tr>
<td>3845</td>
<td>Subcontracts &gt;$25,000</td>
<td>YES ---&gt;</td>
<td>All Sub-Grant And Subcontract Payments to Non-UW Employee (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). Corporations are not reportable.</td>
</tr>
<tr>
<td>3710</td>
<td>Freight</td>
<td>YES ---&gt;</td>
<td>All Charges for incoming and outgoing freight shipments by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
<tr>
<td>3860</td>
<td>Royalties</td>
<td>YES ---&gt;</td>
<td>All Royalty payments to an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.</td>
</tr>
</tbody>
</table>
| SFS Account Number | CODE/ACCOUNT DESCRIPTION   | Taxable? | CODE/ACCOUNT DESCRIPTION
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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. <em>(Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)</em></td>
</tr>
<tr>
<td>2637</td>
<td>Research Subjects</td>
<td>YES</td>
<td><strong>All</strong> direct payments to individuals who serve as a research subjects or provides blood, bone marrow, urine or other body specimens.</td>
</tr>
<tr>
<td>2610</td>
<td>DP Services - Outside Source</td>
<td>YES</td>
<td><strong>All Services and parts</strong> paid for work performed by private contractors or vendors (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)) (Corporations are not reportable.) who provide keypunch service or data processing service, the cost for use of central processing units on a time/shared basis; the cost of hookups with central information systems, tape cleaning, microfilm and microfiche services; COWL-related charges.</td>
</tr>
</tbody>
</table>
Revision History

<table>
<thead>
<tr>
<th>Author</th>
<th>Version</th>
<th>Date</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Backus</td>
<td>1.0</td>
<td>10/18/2013</td>
<td>Initial Draft-copied from 89 version</td>
</tr>
<tr>
<td>Eric Engbloom</td>
<td>1.0</td>
<td>12/3/2013</td>
<td>Reviewed Draft, added info and corrected links</td>
</tr>
<tr>
<td>Laura Parman</td>
<td>1.0</td>
<td>12/3/2013</td>
<td>Reviewed and formatted to 9.1 standard BP doc style</td>
</tr>
<tr>
<td>Laura Parman/Eric Engbloom</td>
<td>1.0</td>
<td>05/06/2014</td>
<td>Changed dollar threshold from $3,200 to $7,000 and revised verbiage on page 30 and 35</td>
</tr>
<tr>
<td>Laura Parman/Eric Engbloom</td>
<td>1.0</td>
<td>12/02/2014</td>
<td>Updated links on page 2 and page 34 that were broken due to Fin Ops Website Upgrade</td>
</tr>
</tbody>
</table>