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Dear Indiana Soccer Member,

In an effort to assist you; and as a member benefit of Indiana Soccer, your Indiana Soccer staff teamed with the accounting firm, Aliign LLC, a wholly owned subsidiary of Blue & Co, LLC, to address some of the issues you may be having in the areas of accounting, finance and tax reporting. As such, you will periodically be sent general information on a specific topic of interest. This month's topic is:

1099 Reporting – Requirements and Repercussions

What is 1099 Reporting?: 1099 Reporting is vendor payment reporting required by the IRS. If you paid over \$600 to a vendor for items such as rent, referee fees, legal expenses, interest, prizes or any other service, and paid those to a non incorporated entity, you are required to complete 1099 reporting. There are certain exceptions to the above that can be found on the IRS website.

When is the reporting due?: The 1099 reporting is generally due to the non-incorporated vendor to whom you paid more than \$600, by the end of January of the following year, and to the IRS by the end of February of the following year.

How do I complete this reporting?: To complete this reporting, you can either do it yourself, or hire a third party, such as Aliign to complete this reporting for you. If you have QuickBooks, the reporting can be completed directly out of your QuickBooks file as long as you have completely entered the correct information and have the 1099 reporting feature set up properly. It is important to know that you must print the information on the official forms as you may not print them on blank paper. If you need help setting up QuickBooks to perform this function, Aliign's staff, is familiar with non-profits and can be engaged to help you at a discounted rate.

I've never completed this reporting in the past. Why should I complete this reporting now? The IRS has stringent fines for not completing 1099 reporting. The fines are based upon whether you intentionally did not file and how late you were in filing the returns. Fines range from \$30 per form, to no maximum fine for intentionally not filing.

It's only June. Why do I need to know about this now? As part of 1099 reporting, you must obtain a W9 form from your vendors to determine if they require 1099 reporting. This form also allows you to obtain the necessary vendor information in order to file. We recommend obtaining the W9 **BEFORE** you write the first check to each vendor as some vendors will refuse to provide you with the information after they have been paid. Unfortunately, under the IRS rules, this is not a viable reason for not having obtained the information and completing the reporting. As the 2014/15 soccer season concludes, it is an excellent time to review your vendor payments made year to date and to obtain the required W9 for any vendor for which you have yet to secure this form.

Additional information can be found on the IRS website at: <http://www.irs.gov/Businesses/SmallBusinesses&SelfEmployed/AmIRequiredtoFileaForm1099orOtherInformationReturn>

If you would like additional information on Aliign services, including bookkeeping, tax reporting, and QuickBooks consulting, please contact Gwen Parker, CPA at (317) 428 6872. Aliign has QuickBooks ProAdvisors and CPA's on staff and offer weekly accounting and bookkeeping services at a flat monthly fee.