



Personal Service Payments

Document Number: BUSO-0018

Date Published(sys): 5/31/2022

General Description

Purpose:

The IRS requires the university to report all payments for services to non-corporate entities, individuals and partnerships. Service payments include honoraria, computer services, speeches, tutoring, etc. Amounts paid to non-employees for services totaling more than \$600 in a calendar year will be reported on a 1099-NEC. Payments for merchandise are not reportable. Payment requests for personal services to university employees are considered wages, and will be paid through payroll and reported on a W-2.

Exceptions:

None.

Policy Content

① Requirements

Corporate payees must complete IRS Form W-9 certifying their exemption from 1099 reporting prior to receiving a payment from Trinity University. The federal government requires the name, address, and taxpayer identification number (social security or partnership) for each individual or partnership receiving payments.

Payees who fail to provide the required information for IRS Form W-9 are subject to the 24% backup withholding and/or penalties for non-compliance. If the individual or partnership is from a foreign country, the government, in most cases, requires that 24% be withheld and remitted.

② Procedure

Payment requests to non-employees for services are submitted on a Supplier Invoice Request in Workday, with supporting documentation attached. **Reference the Workday Quick Reference Guide (QRG) Create Supplier Invoice Request for detailed procedures.**

Revision Management

Revision History Log:

Revision #:	Date:	Recorded By:
v2.0	5/31/2022 12:05 PM	Holly Warfel
v1.0	7/25/2019 12:13 PM	Holly Warfel

Vice President Approval:

Name:	Title:
Gary Logan	Vice President for Finance & Administration