

**This information is being sent on behalf of John T. McCain, Program Manager, Charge Card Service Center.**

**February 11, 2010**

**PCard-03-2010: CY09 SmartPay2 1099 follow-up (Convenience Checks)**

On Friday, December 4, 2009, a communication was sent out to the Purchase community entitled: **PCard-37-2009: CY09 SmartPay2 1099**. Because of a number of questions received by the CCSC concerning Purchase 1099s, this communication serves as a follow-up.

Coordinators are to immediately inform cardholders with check writing privileges that this year's (CY09) 1099 production process will **not** include convenience checks. This is due to the file formatting fields used by the convenience check such as (TIN, Address, Comments Fields 1 and 3) in Access Online.

Cardholders are to inform the vendor/merchant that due to the large volume of convenience checks OCFO/COD/ACPRB cannot manually create the 1099s related to the convenience check. USDA is depending on the merchant/vendor to accurately report/include convenience check payments in their taxes (if appropriate).

Per the IRS, it is ultimately the merchant/vendor responsibility to accurately report the appropriate income on their taxes.

Cardholders with check writing privileges are to continue to follow the check writing [policy](#) outlined below when issuing convenience checks. OPPM is immediately looking into resolving this issue and we apologize for any inconvenience this may have caused.

If you have any questions regarding convenience checks, please email us at [ccsc@da.usda.gov](mailto:ccsc@da.usda.gov).

Thank you!