

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

**December 3, 2009**

**PCard-37-2009: CY09 SmartPay2 1099 Information to Agencies**

We are fast approaching the end of the calendar year! Cardholders should be reminded that all calendar year 2009 “pending” transactions in AXOL **must** be approved by the cardholder and final approved by the Approving Official by **Monday, January 4, 2010**, so that IRS Form 1099-MISC can be issued to vendors/contractors for tax reporting purposes in accordance with IRS law.

USDA has a responsibility to use the Internal Revenue Service’s (IRS) Tax Identification Number (TIN) Matching Tool to ensure the TIN and Name is valid for payments and 1099 reporting. When purchasing services, the Federal Government must report to the vendor/contractor and IRS annual aggregate payments of \$600 or more made to certain vendors/contractors. Vendor information for payments made through purchase card or convenience check are subject to IRS 1099 MISC Miscellaneous Income reporting. US Bank will send all calendar year transactions for inclusion in 1099 processing to USDA/NFC. NFC/ACFO-FS will filter for reportable transactions for inclusion in the 1099 process.

All transactions posting in the bank system is assigned a BOCC based on the MCC to BOCC cross-walk. This is done to improve 1099 reporting and financial records. It is imperative that cardholders be reminded that NFC/COD/ACPRB will not be able to make manual adjustments on the expected volume of FFIS/FMMI Standard Voucher (SV) adjustments that cardholders may have done related to TIN/BOCC changes for SmartPay2 transactions.

**Convenience Checks**

In accordance to Departmental Regulation 5013-6 prior to issuing a convenience check, cardholders are to first verify that the merchant does not accept the commercial Government issued purchase card and follow the below guidance when writing/issuing convenience checks.

1. Ensure merchant completes the W-9 Form.
2. Indicate the applicable electronic funds transfer waiver code number for the associated purchase.
3. Insert the Merchant Name, Merchant Address, Merchant City, Merchant State, Merchant Zip Code, and waiver code number in the block designated as “**Conv Ck Mer Inf /Waiver**”.
4. Insert the TIN/EIN **in the first 9 positions** of the block designated as “**Conv. Checks TIN#**”. **DO NOT** enter dashes or additional characters in the **TIN/EIN**.
5. Enter the correct BOCC.
6. Attach all documents to the requisition and retain on file for 3 years after payment.

**REMINDER:** Convenience checks are limited to \$2,500 except in a bona fide emergency and cardholders are to contact their LAPC for additional guidance or questions.

Questions regarding the issuance of USDA’s 1099s can be sent to [1099HelpDesk@usda.gov](mailto:1099HelpDesk@usda.gov) or by phone 504-426-9785 or by fax 504-426-9747.