

10-3. Convenience Check Reporting (IRS Form 1099)

a. The DFAS Tax Office is responsible for DoD compliance with 1099 reporting requirements.

DFAS provides the convenience check payment data to the applicable A/OPC and checkwriter for determining the tax reporting requirements and completion of specifically identified data not available to, or captured by, the contracted bank. The checkwriter is responsible for ensuring the completion and return of the data to DFAS.

b. The Army is required to file a Form 1099-MISC for payments to vendors or individuals totaling more than \$600 in a tax year.

c. 1099 reporting involves the collection of Personally Identifiable Information (i.e., Taxpayer Identification Number and Social Security Number) and must be safeguarded with appropriate oversight controls in accordance with the Privacy Act.

d. IRS Form 1099 must be issued to check recipients for certain payment types. (See [IRS Instructions for Form 1099 - MISC](#) for more detail regarding payment types that are not reportable to DFAS.) Convenience check data must be reported to the IRS as income to the check recipients.

e. **Tax Reporting.** The DFAS Tax Office emails convenience check purchasing data monthly to the checkwriters for verification. The email contains a spreadsheet, instructions, and the suspense date for return. Upon receipt of the spreadsheet, checkwriters must update the required columns and email the spreadsheet to the following mailbox, dfas.cco-checks@mail.mil, within five business days upon receipt. This data is used to process IRS 1099-MISC forms. The BO is responsible to monitor the checkwriter's compliance. Instructions for submitting convenience check 1099 tax reporting information are available on the [DFAS DoD Government Convenience Checks website](#).

Checkwriters will obtain the vendor information and W-9 required for tax reporting before paying the vendor, as stated in DoD 7000-14R FMR 26 Volume 10, Chapter 6, 060209. The checkwriter is responsible for tax reporting for the convenience checks they issue and for obtaining a signed IRS Form W9, Request for Taxpayer Identification Number and Certification.

f. DFAS ESS Tax Office will perform the following actions:

1) Provide monthly spreadsheets containing the servicing bank's universe of convenience check payment data to A/OPCs, BOs, and checkwriters for completion of additional information.

2) Provide tax reporting guidance to checkwriters.

3) Aggregate the payment data to determine tax form issuance and issue tax forms to check recipients.

4) Electronically report the payment data to the IRS.

5) Provide report to A/OPCs, BOs, and checkwriters of data that resulted in tax form issuance.

6) Provide customer service to tax form recipients.

7) Issue corrected tax forms.

g. A/OPCs, Billing Officials, and Checkwriters will perform the following actions:

1) Supplement the payment data with the necessary reporting data, annotate payment as reportable or not reportable, and return spreadsheets to tax office.

2) Maintain and update points of contact in the U.S. Bank account.

3) Maintain final summarized spreadsheet provided by DFAS and copies of the check registers for audit purposes.

4) Have a signed W-9 from vendors on file.

5) Ensure that spreadsheets are completed correctly and returned by deadline.

h. The checkwriter must complete the following fields in the DFAS spreadsheet:

1) **Payment Description.** Define the purpose of the payment to the vendor.

2) **Yes or No Reportable Transaction.** Indicate whether vendor and payment type are tax reportable. "Yes" is reportable. "No" is not reportable.

3) For all tax reportable payments, complete the following fields:

(a) Vendor's Taxpayer Identification Number: SSN, EIN, ITIN

(b) Vendor's Name and Doing Business As Name

(c) Vendor's Current mailing address

(d) Vendor's City

(e) Vendor's State

(f) Vendor's Zip Code

(g) Vendor's Country

(h) Indicate the payment amount in **one** of the following fields, as applicable:

(1) Check paid for Rents, Rentals, Leases

(2) Check paid for Royalties

(3) Check paid to individual for medical research

(4) Check Paid for Medical/Dental Services

(5) Check paid to a vendor or individual not Government employee

(6) Check paid for Attorney Fees

Parent topic: CHAPTER 10 - CONVENIENCE CHECKS