

2024

# End of Year Tax Filing

January 2025 Teams Meeting

# Caveat



We are not tax consultants or accountants.

We do not anticipate scheduling any group workdays this year.

# Tax Time!

- Updated 2024 instructions for W2 and 1099 completion were emailed January 3rd.
- All systems are up and running; ready to accept filings
  - BSO (for W2s, filed with Social Security Administration)
  - IRIS (for 1099s, filed with IRS)
  - OKTap (for W2s and 1099-NECs, filed with OTC)
    - And 1099-MISCs if you don't use the CF/SF option in IRIS

# Tax Time!

- Before you begin:
  - Read the instructions fully
  - Make sure you have all the needed materials
  - Verify that you can access the BSO and IRIS platforms using ID.me
  - Verify that you can access OKTap
  - Schedule your tax filing workday and location

# Ready For W2s?

- Do you have a list of all employees who need to receive W2s?
  - Do you have W4s with up-to-date mailing information?
  - If wages of any amount were paid, you must issue a W2
- Are earnings records for every employee complete?
  - Have you included ALL one-time pay increases, longevity, etc.?
  - Have you compared earnings records to payroll?
- Have you gathered all the 941 reports for the year?
  - Do you at least have a draft of the final 941 report if it hasn't yet been filed?
- Do the totals of all the 941 reports match the totals of all employee earnings records?

# Ready For W2s?

- Is your [Social Security BSO](#) login valid? Can you report wages?
- Is your [OKTap login](#) valid? Can you access the W2 Center?

# When are W2s Due?

- **W2s must be provided to employees no later than January 31, 2025**
  - Do not wait until January 31; provide to employees well before the due date to allow time for corrections
  - BSO system will generate printable PDFs
- **Filing with the IRS must be completed by January 31, 2025**
  - W2s and the accompanying W3 must be filed online via BSO
  - Keep copies of any submission confirmation and the completed W2s and W3
- **Filing with the OTC must be completed by January 31, 2025**
  - W2s and the accompanying W3 must be filed online via OKTap using the manual data entry option
  - Keep copies of any submission confirmations



## No Paper Forms

OTC will **NOT** accept paper W2/W3 forms – they must be manually entered.

Use BSO to generate electronic copies of W2s/W3 and to file the forms with IRS.



# I Need Help With W2s!

- Don't wait to ask for help – contact us by January 17<sup>th</sup>!
- Identify specific issues that you need assistance with
  - My BSO/ID.me registration is not working or I don't know what to request as a new user
  - My 941 reports don't total up to match my W2s/W3 or the earnings records totals
- Review the instructions, tutorials, and other resources
- Review the earnings records, 941s, etc. for possible typos/transposed numbers, etc.

**Request for Taxpayer  
 Identification Number and Certification**

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	Redbud Conservation District	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
	<input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . . <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.	Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____
	<input checked="" type="checkbox"/> Other (see instructions) <b>Local unit of government/non-501C</b>	(Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . <input type="checkbox"/>	
5 Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)	
123 Rose Rock Lane		
6 City, state, and ZIP code		
Okie Dokie, OK 00000		
7 List account number(s) here (optional)		

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-					
or									
Employer identification number									
1	2	-	3	4	5	6	7	8	9

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue

# W-9 Forms are IMPORTANT

If the district paying someone for a service or program, get a W-9 from them BEFORE making payment.

W-9s are the easiest way to determine if a 1099 needs to be issued.

Be prepared to provide a W-9 for the district to requestors as well

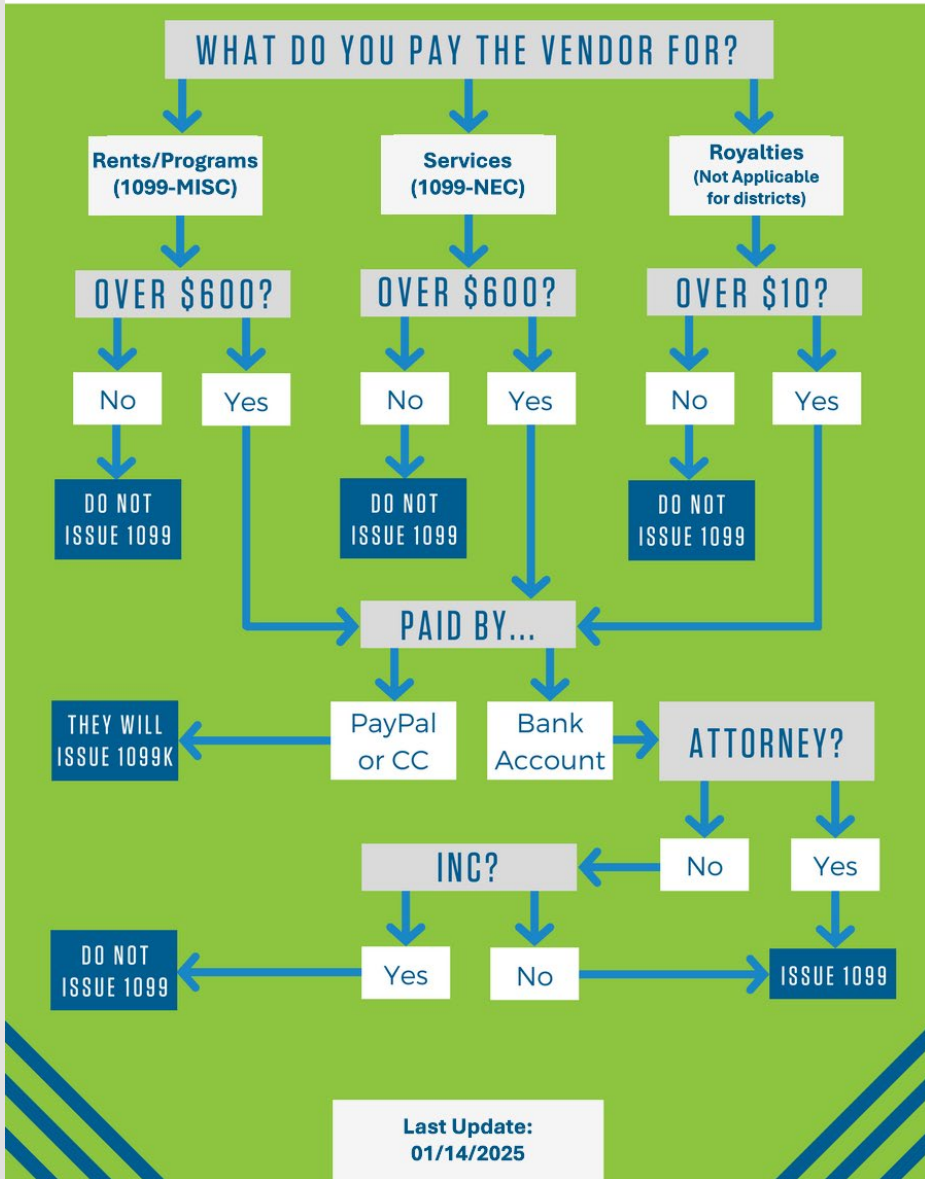
# Ready For 1099s?

- Do you have a list of all entities or individuals who need to receive 1099s?
  - Do you have the total amount paid to each recipient?
  - Have you determined if they will receive a 1099-MISC or 1099-NEC?
- Do you have legible W9s with up-to-date organization and mailing information for anyone on the 1099 recipient list?
- Can you access IRIS filing system? OKTap?

# Who gets a 1099?

- Easiest way to determine this is with a W9
  - Unincorporated and paid \$600+ for services, they get a 1099
- 1099-NEC? Ask these questions:
  - Paid \$600+?
  - Did they provide a service to the district?
  - Are they self employed providing a turnkey/contract job to the district?
    - Do they work on their schedule by their own methods and with their own tools/supplies? Do they pay their own taxes?
- 1099-MISC? Ask these questions:
  - Paid \$600+?
  - Are they a cost-share program or other program participant?

# 1099 DECISION TREE



## 1099 Decision Tree

Should you issue a 1099?

# When are 1099s Due?

- 1099s of any type must be provided to recipients no later than **January 31, 2025**
  - Do not wait until January 31; provide to recipients well before the due date to allow time for corrections
- 1099-MISC must be filed no later than **March 31, 2025**
  - Forms must be filed **electronically via the IRIS system** for the IRS
  - If you do not use the CF/SF option in IRIS, manual data entry submission must be completed via OKTap for the OTC
- 1099-NEC must be filed no later than **January 31, 2025**
  - Forms must be filed **electronically via the IRIS system** for the IRS
  - **Manual data entry submission via OKTap** must be completed for the OTC

# When are 1099s Due?

- Always remember to keep copies of all forms you are mailing and of all submission confirmations
- OCC recommends completing entry and filing of ALL 1099s, regardless of due date by **January 31, 2025**.
  - You can file the 1099 submissions at different times, but why prolong the agony?



## No Paper Forms

IRS will **NOT** accept paper 1099 forms – they must be entered and filed via the IRIS system.

OTC will **NOT** accept paper 1099 forms – utilize the CF/SF option in IRIS for the MISCs; you must manually enter NECs in the OKTap system.





# Information Returns Intake System (IRIS) Taxpayer Portal User Guide

Using the IRIS system  
for 1099 filing

If you have questions, ASK!

New system = learning curve for everyone

# Using the IRIS system for 1099 filing

As you get ready to use the system, keep in mind:

- Make sure forms are for 2024
- Complete all fields with an asterisk (\*)
- Payer = District
- Recipient = Recipient
- “Undetermined” TINs are not acceptable
- Use correct formatting
- Check the CF/SF box and select “OK”
- 1099-MISC forms = amount in box 3
- 1099-NEC forms = amount in box 1
- Provide copies before submitting
- Complete 2 submissions, if needed
  - 1 - MISC
  - 1 - NEC
- You can enter information and save it for later
- Don't use the back button

# I Need Help With 1099s!

- Don't wait to ask for help – contact us by January 17<sup>th</sup>!
- Identify specific issues that you need assistance with
  - My IRIS/ID.me registration is not working or I don't know what to request as a new user
  - Data entry/form printing issues
- Review the instructions, tutorials, and other resources
- Ask questions!

# General FAQs

## TINs, SSNs, EINs – what's the difference?

- TIN is a Taxpayer Identification Number
  - An umbrella term; a number used to identify a specific individual or business – it can be an SSN or an EIN (aka FEIN)
- SSN is a Social Security Number
  - An identifying number for an individual; format is nine numbers (XXX-XX-XXXX)
- EIN is an Employer Identification Number
  - An identifying number for a business; also nine numbers, but a different format (XX-XXXXXXX)
  - Also known as an FEIN (Federal Employer Identification Number)

# General FAQs

## Can I provide W2s and 1099s via email in lieu of mailing?

- Yes, BUT
  - You must provide a written disclosure that meets notification requirements as outlined in IRS Regulations 31.6051-1(j).
  - You must have written consent from each recipient before sending any forms electronically
  - Electronic forms must be provided by the same due date as paper forms

# W2 FAQs

The District reimburses me for a cell phone, internet usage, etc.,  
how do I report that?

- You do not have to report the reimbursement if the answer is “yes” to these questions:
  - Does the expense have a legitimate business connection?
  - Are you reimbursed only for the actual cost?
  - Are you providing proof of the date, expense amount, and usage in a timely manner?
- “Yes” answers qualify the expense as a nontaxable working condition fringe benefit
- If the answer is “no” to any of the above, you must report the benefit as part of taxable wages on the W2.

# W2 FAQs

My board reimburses me above the standard IRS rate for mileage or above the GSA per diem rate for travel. Do I have to report that?

- Yes, if you receive above the standard rates OR a lump sum to cover mileage (i.e. a fuel stipend)
- You are receiving payment above necessary and actual expenses incurred
- It's considered income – needs to be reported on the W2

# W2 FAQs

I checked my 941 report totals against the W3 and the FICA and/or MQFE tax amounts are off by a penny – help!

- It is possible these amounts might differ by 1 or 2 cents
- Occurs because of rounding in the calculation process on the 941 report
- A 1 or 2 cent difference is okay in these amounts only (FICA/MQFE taxes); everything else should be an exact match
- W3 totals should match the earnings records totals for these amounts



# 1099 FAQs

Someone I made a payment to refuses to provide a W-9, what should I do?

- Must make at least 3 attempts to get the W-9 from the payee; one of these attempts must be made in writing
- All attempts need to be thoroughly documented
- A 1099 can be issued without a TIN, but it should be a last resort.
  - Submitting forms with incorrect or missing information may result in penalties for the district and the payee.

# 1099 FAQs

## What about director meeting expense?

- Director meeting expense payments are considered “Directors Fees” by the IRS
  - If a director was paid \$600 or more for director meeting expense or other duties, then they must receive a 1099-NEC

## What about WRPs?

- You must send a 1099-NEC if the threshold and business structure qualify

## What about the General Mills Project? The Master Irrigator Program? SHIP? Prescribed Burns?

- These programs, for tax purposes, are considered similar to the Cost-Share Program
  - If a producer was paid \$600 or more for participating, then they must receive a 1099-MISC
  - Amount should be entered in Box 3 – Other Income

*\*Don't forget to total all program payments together; 1 recipient = 1, 1099-Misc.*

# 1099 FAQs

Do I include both materials & labor on the 1099-NEC? Or just labor?

- Yes, you must report the total for both in Box 1 of the 1099-NEC if the materials were provided as part of the job.
  - “Services performed by someone who is not your employee (including parts and materials).”

I purchased office supplies from a vendor; do I need to send a 1099?

- If you only purchased tangible goods (i.e. office supplies) for use in the operation of the district, you do not have to send a 1099.
  - Ask yourself: “Did the vendor provide a service?”

# 1099 FAQs

## What about director reimbursements (mileage, supply purchases, etc.)?

- You do not have to report the reimbursement if:
  - The mileage was paid at the IRS approved rate
  - The reimbursement was only for actual expenses incurred
- You do have to report the reimbursement on a 1099-NEC if:
  - The mileage was paid above the IRS approved rate
  - The reimbursement exceeded actual expenses incurred
  - Remember to also add in their director meeting expense, if any was paid

# 1099 FAQs

A company is an LLC; that means they don't need a 1099, right?

- Not so simple – LLC's can be taxed in a variety of ways. Their tax structure determines whether a 1099 is required or not.
  - The W9 provides a space for the provider to indicate an LLC's tax structure; if they didn't or you don't have a W9, you will have to ask!
  - Corporation tax structure = no 1099 necessary
  - Any other type of tax structure = 1099 necessary

# 1099 FAQs

We paid a local fire department as part of the Terry Peach Program – do they need a 1099-MISC?

- Most likely not BUT the only way to be sure is to get a W-9 from them
  - Many fire departments are instruments of cities/towns/etc. OR are considered “social welfare organizations”
- Prescribed Burn Associations, in contrast, most often WILL receive a 1099.
  - Again, get a W-9 from them!

# Final Thoughts:

No paper 1099 forms

Click the CF/SF box in IRIS for 1099-MISCs

Use BSO for W2 forms

File W2s and 1099-NECs manually in OKTap

All forms to recipients January 31, 2025

Try to have all forms filed by January 31, 2025



**QR Code**

Contact District Services for assistance with tax forms prior to January 17, 2025.