



NEW ENGLAND
YEARLY MEETING
— OF FRIENDS —
QUAKERS

November 23, 2020

Dear Friends,

Congratulations on being awarded the accompanying grant from the Legacy Gift Committee. I understand that the budgets for some of these grants include payments to individuals for their services. This note is being included to remind you that such payments may be subject to income taxes. As a result the organization overseeing the distribution of such funds may be required to report those earnings to the government on 1099 forms in January.

The following is a quick summary of the rules:

- Total payments to an individual for their services of over \$600 in a calendar year are required to be reported on a 1099, a copy of which is sent to the individual.
- Not included in that total are reimbursements for expenses directly related to the project which include:
 - The purchase of any items for the project. Receipts are required and should be kept with the records for the project.
 - Travel to meetings and other events specific to the project. For trips taken in your car the IRS standard rate can be found [here](#) for business travel. The business rate includes all the costs of operating the car including prorating the costs of the purchase, repairs, maintenance, and insurance. Tolls may be added to the total and receipts should be included (a printout of the EZ-Pass reports with the applicable charges indicated is acceptable).

And an added note for meetings that have previously used the NEYM EIN or Tax ID numbers: NEYM has finally secured a Group Exemption from the IRS, which means that the new proper way for a monthly meeting to file 1099 tax forms with the IRS is now to use your own EIN. NEYM is asking all meetings to get their own EIN if you do not already have one to help in the transition from the earlier practice.

Questions about tax issues may be directed to me at treasurer@neym.org. Questions about how the granting process works and the expectations of the Committee as far as carrying out the grant can be directed to Legacy Gift Committee Co-Clerks at legacy@neym.org.

Yours in Peace,
Robert Murray, Treasurer
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