



NEW ENGLAND  
YEARLY MEETING  
OF FRIENDS  
QUAKERS

Dear Friends,

Congratulations on being awarded a grant from the Witness & Ministry Fund. As 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-NEC](#), 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).

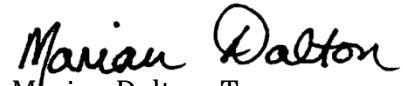
Note that unlike many IRS forms, 1099 forms cannot be filled in online, or even from a downloaded copy. You must have a physical 1099 form to fill in and send to the IRS and the individual, or submit the form electronically (via Quickbooks or other online services such as [Avalara](#)). You can order physical forms for free [from the IRS](#) but it takes some time for them to arrive. You may also purchase them from an office supply store, generally in packs of 25.

An added note for meetings that have previously used the NEYM EIN or Tax ID number: the new proper way for a monthly meeting to file 1099 tax forms with the IRS is to use your own EIN, so that it doesn't appear that the Yearly Meeting is paying these individuals. 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.

For more information about EINs, and using both a local meeting EIN for bank accounts and 1099s, but the NEYM Group Exemption Number for Tax exemption purposes, see [this presentation](#) put together by Frederick Martin from the NEYM office. You can easily locate it by going to NEYM.org and searching on the term "EIN".

Questions about tax issues may be directed to me at [treasurer@neym.org](mailto: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 Clerk at [legacy@neym.org](mailto:legacy@neym.org).

In support of your work,

  
Marian Dalton, Treasurer  
New England Yearly Meeting  
[treasurer@neym.org](mailto:treasurer@neym.org)  
207-751-2555