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Form 1099-NEC is an IRS information return used to report **payments** of $600 or more made during a calendar year to **non-employees**. The form was reinstated by the IRS in 2020 to separate nonemployee compensation from other types of payments previously reported on Form 1099-MISC.

Nonemployee compensation includes payments such as:

- Fees
- Commissions
- Prizes or awards for services
- Other compensation for services performed by someone who is not your employee

Common examples of payees who often receive a 1099-NEC:

- Independent contractors
- Consultants
- Attorneys paid for legal services
- Freelancers or vendors providing services

You generally must file a 1099-NEC if all four of these conditions are met:

1. The payment was made to a non-employee.
2. The payment was made for services during the course of your trade or business (includes government agencies and nonprofit organizations).
3. The payee is an individual, partnership, estate, or sometimes a corporation (such as attorneys).
4. You paid the person or entity $600 or more in the calendar year (for 2025 in your example).

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How to Fill out Form 1099-NEC

Form W-9, Request for Taxpayer Identification Number and Certification is a one-page IRS information form that individuals and businesses use to send their taxpayer identification number to other individuals, clients, banks and other financial institutions.

You must obtain a form W-9 from any party the chapter/region is doing business with to help identify the type of business and whether a form1099-NEC is required.

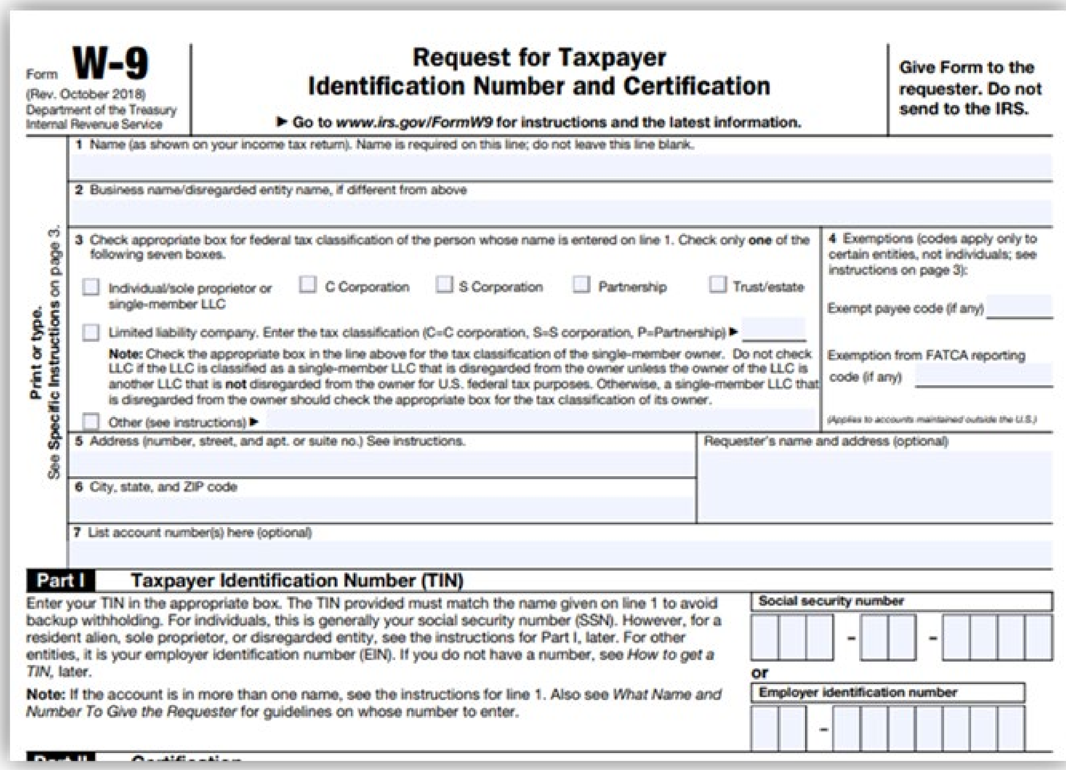
The W-9 form will help complete Form 1099-NEC as it verifies:

- LEGAL NAME or BUSINESS NAME

- SOCIAL SECURITY NUMBER or TAX ID NUMBER (EIN)

- ADDRESS

- TAX CLASSIFICATION; TYPE OF BUSINESS TYPE (C-Corp, S-Corp, Partnership, etc.)



Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

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

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

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. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

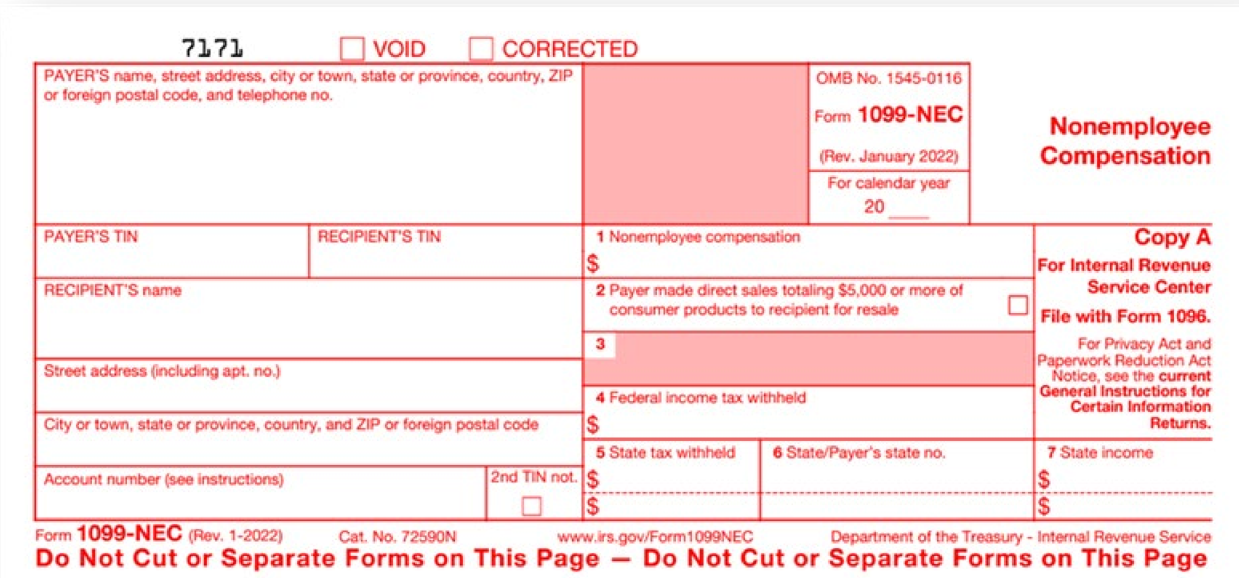
or

Employer identification number

Where to Get Form 1099-NEC

You can get 1099-NEC forms at your local office supply stores, directly from the IRS https://www.irs.gov/forms-pubs/order-products , or utilize QuickBooks to file electronically. You cannot use a form that you download from the internet for Form 1099-NEC because the red ink on Copy A is special and cannot be copied.

You must use the official form or utilize QuickBooks to file electronically (refer to instructions further below).



7171 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

OMB No. 1545-0116

Form 1099-NEC

(Rev. January 2022)

For calendar year 20 ____

Nonemployee Compensation

PAYER'S TIN | RECIPIENT'S TIN

1 Nonemployee compensation $

Copy A For Internal Revenue Service Center

File with Form 1096.

RECIPIENT'S name

2 Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale

3

For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.

Street address (including apt. no.)

4 Federal income tax withheld $

City or town, state or province, country, and ZIP or foreign postal code

Account number (see instructions) | 2nd TIN not.

5 State tax withheld $ $

6 State/Payer's state no.

7 State income $ $

Form 1099-NEC (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Where do you send Form 1099-NEC?

There are multiple copies of Form 1099-NEC you must distribute. A completed Form 1096 must also be filed to the IRS.

Copy A and Form 1096 (summary and transmittal form) are to be mailed or electronically transmitted to the IRS by **January 31**

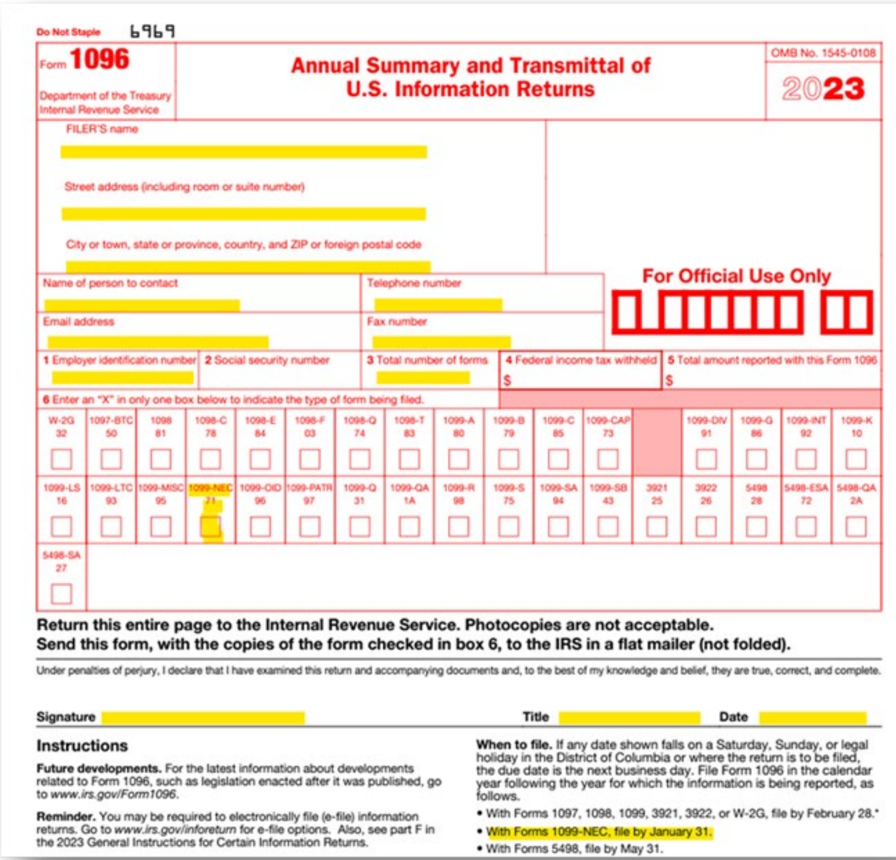
Copy 1: State tax department, if applicable

Copy B: Independent contractor or Business by **January 31**

Copy 2: Independent contractor

Copy C: Keep for business records

How to fill out Form 1096:


Do Not Staple 6969

Form **1096**
Department of the Treasury
Internal Revenue Service

Annual Summary and Transmittal of U.S. Information Returns

OMB No. 1545-0108

2023

FILER'S name

Street address (including room or suite number)

City or town, state or province, country, and ZIP or foreign postal code

For Official Use Only

Name of person to contact | Telephone number

Email address | Fax number

1 Employer identification number | 2 Social security number | 3 Total number of forms | 4 Federal income tax withheld $ | 5 Total amount reported with this Form 1096 $

6 Enter an "X" in only one box below to indicate the type of form being filed.

W-2G 32	1097-BTC 50	1098 81	1098-C 78	1098-E 84	1098-F 03	1098-Q 74	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73		1099-DIV 91	1099-G 86	1099-INT 92	1099-K 10
1099-LS 16	1099-LTC 93	1099-MISC 95	1099-NEC 71	1099-OID 96	1099-PATR 97	1099-Q 31	1099-QA 1A	1099-R 98	1099-S 75	1099-SA 94	1099-SB 43	3921 25	3922 26	5498 28	5498-ESA 72	5498-QA 2A
5498-SA 27																

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.
Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature | **Title** | **Date**

Instructions

Future developments. For the latest information about developments related to Form 1096, such as legislation enacted after it was published, go to *www.irs.gov/Form1096*.

Reminder. You may be required to electronically file (e-file) information returns. Go to *www.irs.gov/inforeturn* for e-file options. Also, see part F in the 2023 General Instructions for Certain Information Returns.

When to file. If any date shown falls on a Saturday, Sunday, or legal holiday in the District of Columbia or where the return is to be filed, the due date is the next business day. File Form 1096 in the calendar year following the year for which the information is being reported, as follows.

- With Forms 1097, 1098, 1099, 3921, 3922, or W-2G, file by February 28.*
- With Forms 1099-NEC, file by January 31.
- With Forms 5498, file by May 31.

The first part, including boxes 1-5, asks you for basic information. Name, address, contact information, employer identification number, and the total number of 1096 forms you are submitting to the IRS this year.

Remember that the information you're entering here applies to the **chapter**, not the independent contractor you're submitting a 1099-NEC for.

Address: please use a corresponding address for the chapter or HFMA's headquarters: 2001 Butterfield Rd., Ste.1500, Downers Grove, IL 60515

In the event correspondence is received from the IRS, HFMA headquarters will forward to the current treasurer leader for the chapter.

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How to File Form 1099-NEC Using QuickBooks Online

Verify your contractors are set up correctly

Before filing, make sure each contractor's profile includes:

- Name / business name
- Address
- Taxpayer Identification Number (TIN)
- Email (optional)
- Payment type = Contractor
- W-9 on file (QBO lets you request it electronically)

How to check:

1. Expenses (left menu) → Vendors
2. Click the contractor's name
3. Select Edit
4. Ensure Track payments for 1099 is checked

2. Categorize contractor payments correctly

QBO will only include payments made with:

- Check
- Direct deposit (QBO contractor payments)
- Bank transfer
- Credit card payments you made manually

Note: Payments made through PayPal, credit card processed by the contractor, or third-party apps may not count for 1099s.

Make sure expense categories are mapped to 1099-NEC Box 1 (Nonemployee compensation).

3. Start the 1099 filing workflow

1. Go to Expenses → Vendors
2. Select Prepare 1099s (usually top-right)
    a. If you don't see it: Taxes → 1099 filings
3. Map your accounts to 1099-NEC boxes

QuickBooks will ask you to map expense categories. For 1099-NEC:

- Box 1: Nonemployee Compensation → Typically mapped to:
  - Contract labor
  - Subcontractors
  - Freelance services

Review mapping carefully so no payments are missed.

5. Review contractors included

QBO will show the contractors who meet the current IRS threshold:

- $600 or more in non-employee compensation

You can add or exclude contractors manually here if needed.

6. Review totals and correct errors

QuickBooks will show:

- Total amount paid
- How much goes in 1099-NEC Box 1
- Any errors (missing TIN, address, etc.)

Fix any issues before continuing.

7. E-file your 1099s

1. Select E-file for me
2. Follow prompts to:
   a. Enter your business info
   b. Confirm contractor info
   c. Pay the e-filing fee (if applicable)
3. Submit

QuickBooks will:

- File Form 1099-NEC with the IRS
- Send electronic or mailed copies to contractors (depending on what you choose)

8. Print or download copies

After filing, you can download:

- Copy B (for contractors)

- Copy C (for your records)
- Copy A (not needed if e-filed)

Navigate to:
Taxes → 1099 filings → View completed filings

Additional Resources:

Article: https://quickbooks.intuit.com/learn-support/en-us/help-article/form-1099-nec/create-file-1099s-using-quickbooks-online/L2BapEpb1_US_en_US

Video: https://www.youtube.com/watch?v=m40BI-P-_Qk

https://www.irs.gov/forms-pubs/about-form-1099-nec

https://www.irs.gov/pub/irs-pdf/f1099nec.pdf

https://www.irs.gov/forms-pubs/order-products