

SPAWAR Purchase Card Policy Notice S-PCPN FY16 #03 - Reminder for 1099 Convenience Check Reporting (Issued 11 December 2015)

Note: Level 3 A/OPCs - IT IS YOUR RESPONSIBILITY TO GIVE THIS NOTICE WIDEST DISSEMINATION TO CONVENIENCE CHECK-WRITERS AND ALL A/OPCs AND AO/COs IN YOUR HIERARCHY THAT OVERSEE CONVENIENCE CHECK ACCOUNTS.

PURPOSE: This PCPN is a reminder of the requirement to report convenience check payment data to both vendors and the Internal Revenue Service (IRS) for tax purposes.

OVERVIEW: IRS rules require DON to report specific payment data to vendors and the IRS when using convenience checks. Reportable payments include payments for services regardless of the dollar value. If the payment was for goods and services combined it must still be reported. DFAS has availed a web-based 1099 Tax Reporting Program (TRP) to all GPC check-writers which completes all reporting requirements to the IRS and vendors once the check-writer enters all required information.

ACTION Required:

1. CH must input all data for convenience checks written in CY 2015 into TRP. Access to the instructions and problem resolutions can be found using the following link:
<https://dfas4dod.dfas.mil/systems/1099/>
 - a. Users with .edu email addresses use <https://dfas1099trp.csd.disa.mil>
2. Convenience check payment data is to be reported on a calendar year basis (January - December). The deadline for all data input into TRP is December 31st.
3. Check writers and A/OPCs with initial access requests to the 1099 Tax Reporting Program must submit the Rules of Behavior form in addition to DD Form 2869 & 2875. (See link - *Tax Times 1099 Tax Reporting Program 2015 Newsletter*)
4. Last day to apply for 2015 initial access to TRP is December 14, 2015.
5. Check the link - "1099-Miscellaneous - What is & is not reportable" for additional guidance.
6. Convenience check-writers choosing not to use TRP remain liable for the issuance of the 1099 MISC forms to the vendor and the electronic filing to the IRS in the proper format. Each command operating and managing a convenience check account failing to file is responsible for all fines levied by the IRS for non-reporting.
7. DoD Guidance requires users to access TRP every 25 days or their account must be automatically deactivated. Contact dfas.cco-checks@mail.mil for reactivation of your account however, DO NOT WAIT until December or you may experience a long lead time for your account to become reactivated. Allowing your access to lapse and requesting reactivation in December is not a good strategy.

KEY POINTS:

- Agency/Organization Program Coordinators have access to all accounts of their check-writers. If all else fails the A/OPC can do the input.
- **Last day to apply for initial 1099 TRP access is December 14th.**
- A/OPCs need to ensure check-writers comply with the requirement to enter convenience check payment data into TRP.
- After 31 December, TRP will not be available and the check-writer or A/OPC will be required to manually prepare and distribute all required tax forms to both vendors and the IRS.
- Ensure you log in to TRP a minimum of every 25 days to avoid your account being deactivated. Do not wait until December to request reactivation.

LINKS:

Below are tools that should help you with your reporting requirement:

- [Tax Times 2015 Newsletter](#)
- [What is and is not Reportable 1099-MISC](#)
- [Convenience Check User's Manual](#)

A 'Knowledge Nugget' on 1099-MISC reporting is available at:

<http://www.navsup.navy.mil/site/ccpmd/training/purchase/pckn14/pckn14.htm>

For additional assistance with the 1099 TRP contact DFAS at:

DFAS-CO Tax Office
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