

AAVLD Business Policy:

AAVLD Requesting W9 or similar from others: effective September 1, 2019. Amended October 22, 2019.

1. Whenever AAVLD pays funds to an entity it MAY be counted as income for them, and thus the IRS requires AAVLD as the fund provider to gather info from the one we pay... we do this via the W9. At the end of the tax year, AAVLD uses the info on the W9s to file an IRS form 1099 MISC regarding these payments. Currently, Jitasa works with us to file the 1099 forms... not all entities will require the 1099 (recognized corporations, companies, Universities, Governmental entities for example will not get one). In general, we will request a W9 from individuals and small companies; or a similar form from non-citizens (see more below). If not certain if a W9 is required, send one to be safe (or similar form to non-citizens). However, remember this form is not required from people that pay AAVLD, only to entities AAVLD pays funds to.
2. A W-9 form is not required for all business transactions. For example, if you go into a store and spend money, you don't need to get a W-9 from the store to ensure they are paying their taxes. In general, W-9s are required only for business-to-business or business to individual relationships where more than \$600 is paid in the calendar year. The \$600 rule applies to labor and services and honorariums and awards. For direct sales, a W-9 is required for total purchases over \$5,000.
3. These rules are related to 1099 reporting requirements. If you pay more than \$600 to a vendor or individual, you are required to report the payments via form 1099 to the IRS. A 1099 requires the information on a W-9 to be complete. So the two forms go hand in hand for the vendor-tax relationship lifecycle. Filing 1099s are not required from S Corps, such as LLC S Corps.
4. Once we have a W9 from an established entity (individual or vendor/small company) we do NOT need to get a new one every year. It is their responsibility to inform us if substantial things have changed.
5. Since AAVLD frequently makes payments to students, visiting researchers, temporary visiting scientists or interns etc... several may not fall under the US tax code. For that reason, whenever we pay awards/prize funds (such as travel awards, prizes money for contests, etc.) we will gather information via the W9 or W-8BEN. The Admin. Asst. shall send both the W9 and the W8-BEN with all award notification letters to those in this category and inform them that they should review and use the form that fits their situation. We must get back one of them.
6. W-8BEN Note: If the person is not aware of the requested information in Part II, they may simply leave that part blank and submit the document with information under Parts I and III only and their signature.
7. AAVLD does NOT need a W9 from anyone paying us money, such as sponsors, vendors or individuals. This includes donors to the Foundation. For example, we will not send a W9 to

vendors that pay us for a booth or pay for sponsorships. Routine invoice and receipt procedures pertain, but nothing relative to W9.

8. However, we must have complete Name and address of any entity that gives us over \$5,000. We do not gather this via the W9, just ask for that information from the donor for their receipt and log this throughout the year. Receipt procedures for gifts to AAVLD are covered under other policies (this memo is just related to W9 procedures).

END POLICY DHZ