

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

P. O. BOX 88

JEFFERSON CITY, MISSOURI

December 20, 2012

M E M O R A N D U M

What's Inside:
Child Care Provider
IRS-1099 Misc Forms
and Replacement
Process

TO: ALL REGIONAL AND COUNTY CD AND FSD STAFF

FROM: CANDACE SHIVELY, DIRECTOR
CHILDREN'S DIVISION
ALYSON CAMPBELL, DIRECTOR
FAMILY SUPPORT DIVISION

SUBJECT: CHILD CARE PROVIDER IRS-1099 MISC FORMS

DISCUSSION:

Each January, the Department of Social Services (DSS) sends an IRS Form 1099 Misc to all vendors informing them of their total income for the prior tax year. These vendors include counselors, attorneys, law enforcement agencies, child care providers, and many other types of vendors. Child care providers are considered self employed and are responsible for paying any applicable federal, state, or local taxes as well as any other costs associated with running their business. This memorandum discusses replacement procedures for child care provider IRS-1099 Misc forms.

DSS child care providers will receive their IRS Form 1099 Misc for tax year 2012 by January 31, 2013. Providers receive this form because DSS made a payment to them on behalf of a family or families in 2012, regardless of the month or year that child care services were rendered. This includes any back payment a provider received for years prior to 2012.

This information is mailed to child care providers to assist them in filing their personal federal and state tax forms. State and federal taxes are not deducted from the amount shown on the 1099 Misc form. Although some vendors are tax-exempt non-profit agencies that are not required to file a return with the Internal Revenue Service, DSS is required to send IRS-1099 Misc forms to all vendors.

PAYMENTS REPORTED ON IRS-1099 MISC FORMS

All child care provider IRS-1099 Misc forms are generated from FAMIS. Replacement requests for these IRS -1099 Misc forms are handled by the Child Care Provider Relations Unit (CCPRU) in Jefferson City. Child care providers who received payment

for children eligible through Protective Services categories **and** for Income Eligible children **will only receive one IRS 1099 Misc form for tax year 2012.**

A sample of the IRS 1099 Misc form is attached to this memorandum. The 1099 Misc form also contains a message page informing providers of their income reporting responsibility.

CHILD CARE PROVIDER REPLACEMENT 1099 MISC FORM REQUESTS - PROCEDURES

The 1099 Misc forms are mailed to providers' addresses, as they appear in the FAMIS Resource Directory as of December 31, 2012. Providers, who do not receive their FAMIS generated IRS 1099 Misc form by January 31, 2013 may request a replacement through your office or by calling 573-522-1385. If a request is made through your office, ask the provider to supply the following information:

- Name/Personal name or business name;
- Provider Vendor Number (DVN);
- TAX ID (SSN or FEIN);
- Complete address as of December 2012 (number/street/city/state/zip code);
- Current complete address, if different from December 2012 address; and
- Current telephone number.

Staff responding to replacement requests should complete a Child Care Provider 1099 Replacement/Information form and email it to the Child Care Provider Relations Unit at cd.askccpru@dss.mo.gov. Providers are encouraged to allow sufficient time for mailing and time for the US Postal Service to return undeliverable forms to CCPRU before requesting a replacement 1099 Misc form. CCPRU does not issue replacements for lost 1099 Misc forms prior to February 1, 2013.

Because IRS-1099 Misc forms are highly confidential documents, replacing a 1099 Misc form is considered only when the following conditions are met:

1. Replacements may be sent if all of the information listed on the Child Care Provider 1099 Replacement/Information form can be verified in FAMIS or the Vendor System. **Only the child care provider may request a replacement of their IRS-1099 form.**
2. Replacement forms are mailed to addresses as they appear in the FAMIS Resource Directory. Replacements are not mailed to an address that differs from the system address **until the new address is verified and the system is updated.**
3. When a child care provider requests that the replacement form be mailed to a new address, the provider must submit proof of their current and prior addresses.
4. Providers who contact the centralized CCPRU to report address changes are instructed to submit proof of their new address to their local CCPRU. **An address change must be verified prior to changing it in the system.**
5. Replacement forms are not sent to the provider's spouse, attorney, accountant, or other third party, without written consent from the provider.

NOTE: CCPRU makes every attempt to mail replacements to providers as soon as possible. Due to the high volume of replacement requests, inform providers to anticipate their replacement 1099 Misc form within three weeks from the date of their request.

CHILD CARE PROVIDER IRS 1099 MISC FORMS RETURNED TO CCPRU AS UNDELIVERABLE

Each year, the United States Postal Service (USPS) returns a high volume of IRS-1099 Misc forms to CCPRU as undeliverable. The majority of these contain a USPS forwarding address label, listing the provider's new address. When returned 1099's have forward order address labels attached by the USPS, the 1099 Misc forms will be re-mailed to addresses shown on the USPS label. Returned 1099's that are undeliverable and/or have no forwarding address will be logged as such and kept at Central Office until the provider contacts CCPRU and submits proof of a new address.

OTHER CHILD CARE PROVIDER IRS 1099 MISC FORM ISSUES

When a provider calls about an:

- Incorrect dollar amount;
- Incorrect Social Security Number or Tax ID number; or
- Incorrect Name

Instruct child care providers to submit a brief statement of their 1099 issue along with proof of correct information to:

Children's Division/Early Childhood/CCPRU
Attn: 1099 Correction
P.O. Box 88
Jefferson City, MO 65103-0088

If this documentation is received at local DSS offices, staff is instructed to complete the Child Care Provider 1099 Replacement/Information form and email it with the supporting verification to cd.askccpru@dss.mo.gov.

No corrections are made to child care provider IRS 1099 Misc forms without proof of the change from the provider. When the provider submits proof of the disputed issue, Central Office compares the documentation to system information and a letter is sent to the provider informing them of the outcome.

Errors in income amount, name, or tax identification numbers cannot be resolved by a telephone call.

Reminder: A provider's tax identification number may be their personal Social Security Number (SSN) or a Federal EIN. The Federal EIN and SSN are both nine-digit numbers. An example of a Federal EIN format is 43-1234567.

Some providers also have a Missouri Department of Revenue sales tax exempt number, which is an eight digit number (12-123456). A provider may mistakenly submit their sales tax exempt number instead of their SSN or Federal EIN. If this occurs, you must request proof of their SSN or Federal EIN, as these are the only acceptable numbers for tax

reporting purposes. **The Missouri State Sales Tax Exempt number is not valid for federal income tax reporting purposes.**

NECESSARY ACTION	
<ol style="list-style-type: none"> 1. Review this memorandum with all Children’s and Family Support Division staff. 2. All questions should be cleared through normal supervisory channels and directed to: 	
PDS CONTACT Lisa Schroeder 573-526-3011 Lisa.M.Schroeder@dss.mo.gov	PROGRAM MANAGER Marianne Dawson 573-751-6793 Marianne.A.Dawson@dss.mo.gov
CHILD WELFARE MANUAL REVISIONS	
N/A	
FORMS AND INSTRUCTIONS	
Sample IRS 1099 Form FAMIS 1099 Replacement/Information Form	
REFERENCE DOCUMENTS AND RESOURCES	
N/A	
RELATED STATUTE	
N/A	
ADMINISTRATIVE RULE	
N/A	
COUNCIL ON ACCREDITATION (COA) STANDARDS	
N/A	
CHILD AND FAMILY SERVICES REVIEW (CFSR)	
N/A	
PROTECTIVE FACTORS (Link applicable factors and enter N/A if not applicable.)	
Parental Resilience – N/A Social Connections – N/A Knowledge of Parenting and Child Development – N/A Concrete Support in Times of Need – N/A Social and Emotional Competence of Children – N/A	
FACES REQUIREMENTS	
N/A	