

Documentation of payment to non-employee workers hired by your business

A non-employee can be a freelancer, independent contractor, gig worker, or other service provider. It also includes professionals like accountants and attorneys.

- A) **A copy of (1), (2), (3), (4) or (5) below:**
 - (1) **the front and back of a cancelled check; -or-**
 - (2) **a credit card statement showing the independent worker’s (or their business) name, dollar amount and date of payment -or-**
 - (3) **a print-out of a Zelle bank-to-bank transaction – or-**
 - (4) **The monthly statement in pdf from your laptop or desktop from Cash App or Venmo.** The phone app does not support this feature. It shows the transaction, amount and date of payment, what it is for, who was paid, etc. Feel free to redact other transactions that appear on that page before scanning it and sending it to BDC.
 - (5) **The 1099 issued to that non-employee worker for the year in which the payment was made to that worker.**

If using the above methods as proof of payment, a copy of the **W-9** you secured from that worker is also required to demonstrate that you are not obligated to withhold payroll taxes from that individual/business. The W-9 provides the information you need to create a [1099-NEC form](#) for that person for the tax year.

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.

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.

Part II Certification
 Under penalties of perjury, I certify that:
 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
 3. I am a U.S. citizen or other U.S. person (defined below); and
 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ Date ▶

- B) **Within a calendar year, if you have paid a non-employee worker \$600 or more, you must issue a 1099-NEC to the individual/their business with a copy to the IRS. A copy of this 1099 is acceptable proof of payment for the period for which you are charging the Small Business Grant.**

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 \$

RECIPIENT'S name 2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale

Street address (including apt. no.) 3

City or town, state or province, country, and ZIP or foreign postal code 4 Federal income tax withheld \$

Account number (see instructions) 5 State tax withheld \$ 6 State/Payer's state no. 7 State income \$

Form 1099-NEC (Rev. 1-2022) www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Copy 1 For State Tax Department

Cash payments and certain electronic transactions are discouraged and may not be allowable to be charged to this grant. For example, Facebook marketplace and cash payments do not provide sufficient documentation.

Please reach out to your assigned Technical Assistance Partner if you have questions about a method of personnel payment you are considering to charge to the Small Business Grant.