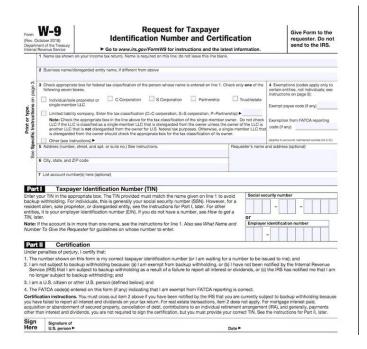
Documentation of payment to non-employee workers hired by your business

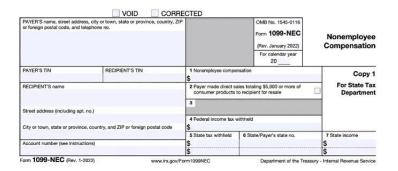
A non-employee can be a freelancer, independent contractor, gig worker, or other service provider. It also includes professionals like accountants and attorneys.

- 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 <u>1099-NEC form</u> for that person for the tax year.



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.



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.