

# 1099 Form Processing, Collection & Terms

*Last Updated: June 15, 2023*

## Processing & collection:

As outlined in Client MSAs, Abound may support filing and issuing 1099 Forms (and by extension, B-Notice), by request of its Clients/Subscribers and on behalf of their End Users.

- **Relevant End User data (per W-9 Form or W-9 Form Alternatives) is collected from Client/Subscriber for 1099 issuance and filing.**
- **At the end of the tax year, Abound files and issues 1099 tax forms to the Internal Revenue Service (IRS), Filing State and Payee, retaining a copy for the Payer**
  - **IRS submissions are processed through the IRS FIRE (Filing Information Returns Electronically) system**
  - **State tax returns are filed according to individual state requirements**
  - **Based on combined state and/or federal requirements and as directed by the Client, tax form issuance may be provided (a) directly to the Payee or (b) retrieved by the Payer for delivery to the Payee**
  - **Tax forms are available indefinitely to the Payer via Abound's developer tools**

Abound files and issues 1099 Forms by collecting data from a Form W-9 or a substitute Form W-9\*, utilizing End User data which may include, but is not limited to, the following:

Payer Data Processed	Payee Data Processed
<ul style="list-style-type: none"><li>● Name</li><li>● Full mailing address</li><li>● Phone Number</li><li>● Account number</li></ul>	<ul style="list-style-type: none"><li>● Name</li><li>● Full mailing address</li><li>● Account number</li><li>● Compensation details</li><li>● Interest details</li><li>● Withholding details (state &amp; federal)</li><li>● Penalties</li><li>● Foreign taxes</li><li>● Market discounts</li><li>● Bond premium details</li></ul>

\*Clients/Subscribers/Payers may provide W-9 Form equivalent information in bulk which results in Abound processing a large data file of “W-9 Form Alternatives”. In such cases, Abound does not process the actual forms, but requires Payers to keep original W-9 Forms for their tax compliance requirements.

### Example forms:

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116 <b>2021</b> Form <b>1099-NEC</b>		<b>Nonemployee Compensation</b>
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				<b>Copy 1</b> <b>For State Tax Department</b>
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 <input type="checkbox"/>		
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**      [www.irs.gov/Form1099NEC](http://www.irs.gov/Form1099NEC)      Department of the Treasury - Internal Revenue Service

**Note - Forms are for example use only, should not be scanned or used for official tax submissions.**

☐ VOID    ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112  <div style="font-size: 2em; font-weight: bold; text-align: center;">2021</div> Form <b>1099-INT</b>		<b>Interest Income</b>  <b>Copy 1</b>  <b>For State Tax Department</b>	
		1 Interest income \$	2 Early withdrawal penalty \$			
		3 Interest on U.S. Savings Bonds and Treas. obligations \$				
PAYER'S TIN	RECIPIENT'S TIN	4 Federal income tax withheld \$		5 Investment expenses \$		
RECIPIENT'S name  Street address (including apt. no.)  City or town, state or province, country, and ZIP or foreign postal code		6 Foreign tax paid \$		7 Foreign country or U.S. possession		
		8 Tax-exempt interest \$		9 Specified private activity bond interest \$		
		10 Market discount \$		11 Bond premium \$		
		12 Bond premium on Treasury obligations \$		13 Bond premium on tax-exempt bond \$		
		14 Tax-exempt and tax credit bond CUSIP no.		15 State    16 State identification no.    17 State tax withheld \$		
Account number (see instructions)		18 State tax withheld \$				

Form **1099-INT**
www.irs.gov/Form1099INT
Department of the Treasury - Internal Revenue Service

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## Abound's required End User consent language:

*(To be added to contract with End User by Client/Subscriber)*

*By utilizing [Client or Subscriber]'s services you agree to and confirm that you understand the following:*

- **You are opting in to receiving an electronic copy of your Form 1099 Information Return.**
- **You will receive an electronic Form 1099 from each business that has paid you via [Client or Subscriber], unless they opt out of using our Form 1099 filing service.**
- **[If applicable] You can opt out of receiving an electronic copy and instead receive a hard copy mailed to your physical address by visiting your [Client or Subscriber] account settings and changing your preference.**
- **This consent to receive an electronic Form 1099 will remain in place until you opt out.**

- ***Any electronic Forms 1099 made available to you will remain available [Client or Subscriber defined data retention period] or until you request that your [Client or Subscriber] account be closed and/or deleted.***
- ***For any questions, concerns, changes or any other issues, contact [insert Client or Subscriber contact methods]***