

American Library Association

Form W-9 Guidance

A Form W-9 must be collected for compliance with IRS rules and regulations and to properly report payments made by ALA to our vendors, awardees, speakers, presenters, members, and member leaders. For a payee account to be established in our accounting system a Form W-9 is required as part of Internal Control procedures.

A Form W-9 must be collected from all payees.

- Independent contractors for which we pay professional fees.

Example: If you have an invoice from an independent contractor and use charge line 5110 [professional services], a Form W-9 should be requested.

- Individuals/entities for which we pay royalties.

Note: The IRS threshold for reporting royalties is very low → currently at \$10.

- Individuals/entities for which we pay an award/honorarium.

- Individuals/entities for which we pay presenter fees, speaker fees, advisor fees, and peer reviewer fees.

Indicators: If a service is being provided for ALA or for the benefit of ALA, a Form W-9 should be requested.

If the payment is not taxable, Accounting will not require a Form W-9.

Examples of payments that are not taxable:

- Travel stipends are not taxable if the issuing Unit/Division determines that the payee attended the event (for example, a record of attendance is maintained and shared with the Controller.
- Refunds.
- Scholarships are not taxable if the issuing Unit/Division seeks and maintains proof of attendance to determine the funds were used as intended and submits the proof to the Controller.
- Grants are not taxable if the issuing department seeks and maintains proof that funds were expended for the specified grant purpose.

- Expense reimbursements.
- Per the IRS Form W-9 instructions: For Foreign persons. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign entities).