



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

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GOVERNOR

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December 11, 2003

**MEMORANDUM OSRAP 04-19**

TO: Fiscal Officers  
All State Agencies

FROM: Afranie Adomako, CPA  
Acting Director

SUBJECT: 1099 Reporting - Clarification

OSRAP Memorandum 04-18, dated December 4, 2003 addressed 1099 Reporting. The memo provided the following guidance to determine a vendor's 1099 status:

1. Usually corporations **are not** 1099 reportable vendors. However, payments to the following types of corporations **are 1099** reportable:
  - attorneys, including a law firm or other provider of legal services
  - medical or health care services, unless the services are provided by a tax-exempt 501(c)(3) corporation or government owned and operated hospital or extended care facility.
2. Nonprofit organizations **are** 1099 reportable vendors unless, as noted above, they are a tax-exempt 501(c)(3) nonprofit organization that provides medical or health care services.

**The guidance is changed to address questions OSRAP has received. Please use the following guidance in place of the 2 points noted above.**

1. Usually corporations **are not** 1099 reportable vendors. However, payments to the following types of corporations **are 1099** reportable:
  - attorneys, including a law firm or other provider of legal services
  - medical or health care services, unless the payments are to a tax-exempt hospital or extended care facility **or** to a hospital or extended care facility owned and operated by the United States (or its possessions), a state, the District of Columbia or any of their political subdivisions, agencies, or instrumentalities.

2. Payments to a tax-exempt organization **are not** 1099 reportable.

The remaining guidance in OSRAP Memorandum 04-18 should continue to be used to determine if a vendor is 1099 reportable.

Regarding changes to a vendor's 1099 status, if a vendor listed in the Non-1099 Reportable Vendors Paid With 1099 Reportable Objects report should be 1099 reportable, submit a Payee Vendor Update form to change the vendor's 1099 indicator to "Y" **even if you were not the agency that originally requested the vendor be established. Please attach the documentation supporting the change.** Refer to the vendor change procedures issued to your agency if more information is needed. Be sure to change the primary indicator to "N", and the master vendor indicator to "Y" for the primary location of the FEIN/SSN. These changes do not have to be submitted to the Office of State Purchasing or the Office of Contractual Review.

If you have any questions concerning this memorandum, contact the OSRAP Help Desk at (225) 342-1097.

AA:dl