



The Use of the W-9 and 1099 in the Provision of Equitable Services to Private Schools

In the course of providing equitable services to private schools, LEAs may need to issue payments, including reimbursements, to private school employees who are not employees of the LEA. In alignment with ESSA allowable use of funds, this may include, but is not limited to, professional learning stipends, additional compensation for providing mentoring services, professional learning registration reimbursement, and travel reimbursement.

In accordance with questions F-5 and F-6 of USED's *2009 Non-Regulatory Guidance on Title IX, Part E Equitable Services for Eligible Private School Students, Teachers, and Other Educational Personnel*, LEAs "must always maintain control of the program funds" and "only the LEA may obligate and expend federal funds on behalf of private school students and teachers." LEAs may not reimburse a private school.

Payments, including reimbursements, to any non-employee require a tax identification number. For individuals, this is a social security number. Further, many financial accounting systems require the input of a tax identification number prior to any payment. Some LEAs collect this information from individuals requiring payment through a Form W-9; others collect it through a local form that requests the same information.

The IRS *2016 Publication 535* defines a "reasonable period of time" for a travel reimbursement as "60 days after the expenses were paid or incurred." Each individual LEA should have written procedures for processing reimbursements. In these procedures, LEAs must establish at which point the LEA will classify and report the reimbursement as taxable income using the Form 1099-MISC. Procedures may vary LEA to LEA.

LEAs should have established procedures regarding reimbursements (including travel reimbursements) that are applied consistently to federal and non-federal funds, and that are inclusive of employees and non-employees such as private school employees. When developing procedures, LEAs should consider the provision of equitable services to ensure procedures are reasonable in nature. LEAs should also consult their local board attorney(s), human resources department, and/or finance office when developing these procedures.

LEAs are charged with maintaining the confidentiality of data such as social security numbers under *The Privacy Act of 1974* (5 U.S.C. § 552a) and O.C.G.A. § 50-18-72(a). LEAs must protect all personally identifiable information collected, including information obtained from private school employees.