



Kids, Incorporated Independent Contractor Tax Reporting Policy

Kids, Incorporated is recognized by the IRS as a (501(c)(3) nonprofit organization (Federal Tax ID number 75-0942621).

Under **IRC §6041**, any person or organization (for-profit or nonprofit) engaged in a trade or business must file an information return for payments of \$600 or more in a calendar year to nonemployees (independent contractors).

Kids, Incorporated has always been committed to full compliance with all applicable federal and state tax laws.

All sports officials, referees, umpires, and similar service providers are classified in accordance with IRS guidelines. Individuals treated as independent contractors are required to submit a completed and signed Form W-9 prior to payment.

In accordance with Internal Revenue Code §6041 and related regulations:

- Kids, Incorporated will issue Form 1099-NEC to any independent contractor who receives \$600 or more in total compensation during a calendar year.
- Compensation reporting requirements apply regardless of the method of payment (including check, ACH, or cash).
- The organization will comply with backup withholding requirements when applicable.
- Failure to provide required taxpayer information may result in delayed payment or withholding as required by law. (Kids, Incorporated will withhold 24% in these instances.)

This policy ensures transparency, protects the organization's tax-exempt status, and upholds the fiduciary responsibilities of its Board of Directors and management.