Sports Officials W-9/1099-NEC Policy

Youth sports organizations and event operators are required to issue Form 1099-NEC when payments reach the IRS reporting threshold. Nonprofit status does not exempt an organization from this requirement. The IRS specifically includes nonprofit organizations in the rule for payments for nonemployee services.

Kids, Incorporated utilizes sports officials as independent contractors for its youth sports programs. This policy establishes procedures for collecting taxpayer information, maintaining payment records, and complying with federal information and reporting requirements.

1. Criminal Background Check Required

All members of the Kids, Incorporated professional staff, Board of Directors, coaches, and sports officials are required to complete and submit Kids, Incorporated's Independent Contractor Agreement & Consent to Background Check form.

2. Form W-9 Required

Every sports official who receives compensation from Kids, Incorporated must provide a properly completed IRS Form W-9, Request for Taxpayer Identification Number and Certification.

A completed W-9 should be obtained before an official is permitted to receive payment.
The W-9 requirement applies regardless of the amount an official is expected to earn during the calendar year.

3. Independent Contractor Status

Sports officials are generally compensated as independent contractors rather than employees, provided the working relationship satisfies applicable federal and state requirements for independent contractor classification.

Payments to officials will not have normal employee payroll taxes withheld unless otherwise required by law.

4. Annual Payment Tracking

Kids, Incorporated will maintain records of all compensation paid to each sports official during a calendar year (January 1–December 31).

Payments made to the same individual for officiating different sports or programs will be combined when determining the individual's annual compensation.

5. Form 1099-NEC

For payments made during calendar year 2026, Kids, Incorporated will generally issue Form 1099-NEC, Nonemployee Compensation, to any sports official who receives $2,000 or more in reportable nonemployee compensation during the calendar year.

The $2,000 reporting threshold applies beginning with payments made in 2026 and replaces the previous $600 federal reporting threshold. The reporting threshold will be reviewed annually because federal law provides for inflation adjustments beginning after 2026.

6. Payments Below the Reporting Threshold

An official receiving less than the applicable Form 1099-NEC reporting threshold generally will not receive a Form 1099-NEC from Kids, Incorporated.

The absence of a Form 1099-NEC does not mean that the compensation is nontaxable. Each official remains responsible for properly reporting his or her income.

7. Missing or Incorrect W-9 Information

Officials who fail to provide a completed W-9 or who provide incorrect taxpayer information may have payments delayed and may become subject to federal backup withholding as required by IRS regulations.

8. Organizational Responsibility

Program directors and other staff responsible for hiring or scheduling officials must ensure that a W-9 is on file before submitting an official for payment.

The Assistant to the President & CEO is responsible for maintaining W-9 records.

The President & CEO, or his/her designee, is responsible for monitoring annual payments, determining applicable reporting requirements, and preparing and filing Forms 1099-NEC.