



Catholic Diocese of Columbus

- Policy Guideline
 Diocesan Parish School All

613.0 Athletic Event Payments

The purpose of this policy is to define the acceptable methods of paying individuals who work at athletic events, in compliance with Internal Revenue Service and Department of Labor regulations. In addition, this policy ensures compliance with the policies of the Ohio High School Athletic Association.

There are three categories of workers covered by this policy: game officials; sworn event site security; and all other event personnel.

Game Officials

Game Officials are to be classified as independent contractors and their compensation, if they exceed the IRS defined dollar limit (\$600 or more for a calendar year), is to be documented through issuance of a 1099-MISC. All amounts paid to an individual, whether from a parish, school or auxiliary association, within the same EIN, are to be accumulated to determine the total amount paid to that individual by the employer unit. Please remember that if you issue any 1099's you must file these with the Internal Revenue Service. 1099's must be issued by January 31 for the previous calendar year and filed with the IRS by February 28.

Effective January 1, 2013, each employer unit must implement a method for tracking payments to officials so that at the end of a calendar year, it can be determined if a 1099-MISC must be issued.

The preferred method of payment and tracking is that each individual is paid by check. The check issuer (i.e. bookkeeper, athletic association treasurer, etc.) should be given the names of game officials and the amount to be paid, at least 2 business days prior to the event so that checks may be created and signed. Notation must be made in the records of the issuer as to the purpose of the check. At the end of a calendar year, the amounts paid can then be accumulated by payee to determine whether a 1099-MISC is to be issued. Keep in mind that some officials participate in multiple sports throughout the year. If there is a substitution of officials that occurs after the checks are created, the unused check is to be returned to the check issuer to be voided, and a check will then be created and mailed to the substitute official. Please note that even given the substitution issue, it is never proper to provide blank checks for events. For those subject to the rules of the Ohio High School Athletic Association, payment by check is the only acceptable method for paying and tracking payments to game officials.

An alternative method is available for elementary school and parish athletic events. You may choose to continue paying game officials in cash. However, you still have responsibility for tracking all payments to determine if a 1099-MISC must be issued. To accomplish this, each game official who receives a payment must complete the Game Official Payment Form prior to receiving their payment, and submit the form to the individual paying them. These forms must then be turned over following the event, to the individual responsible for tracking payments. That individual must establish a

and submit the form to the individual paying them. These forms must then be turned over following the event, to the individual responsible for tracking payments. That individual must establish a tracking mechanism so that at the end of a calendar year, the total payments to an individual will be known. All Game Official Payment Forms must be retained for 7 years as substantiation. In addition, The Game Official Payment Forms are to be used to substantiate the cash funds given to the individual making payments to the game officials. The Game Official Payment Form will be made available on the Diocesan Recreation web-site.

The issuance of 1099's requires that W9's be collected from Game Officials. This form provides the name, address and social security number of the Game Official. We have implemented two approaches for gathering and controlling this information – Diocesan Recreation Association (DRA) events and non Diocesan Recreation Association events (which includes High Schools).

DRA Events

All Game Officials will be required to submit to the DRA a signed W9 before they will be assigned to DRA events. These forms will be retained by the Diocesan Finance Office. A list will be available to the DRA Assigners, so that at any point they will know who it is valid to assign to an event. At the end of a calendar year, if you have a Game Official that must be issued a 1099-MISC, you will then contact the Diocesan Finance Office.

Non-DRA Events

It is the responsibility of the Athletic Director and Parish/School Financial Staff to work together to assure that W9's are collected from Game Officials before they work their first event. Because these documents must be secure, the completed W9's should be kept in the Parish/School finance office in a secure cabinet. The Parish/School financial staff are to make a list of all W9's on file and provide this to the Athletic Director, who is then responsible to assure that W9's are received prior to the first event a Game Official works. No Game Official is to be permitted to work an event if a W9 has not been received.

Sworn Event Site Security

Sworn Event Site Security are to be classified as independent contractors and their compensation, if they exceed the IRS defined dollar limit (\$600 or more for a calendar year), is to be documented through issuance of a 1099-MISC. All amounts paid to an individual, whether from a parish, school or auxiliary association, within the same EIN, are to be accumulated to determine the total amount paid to that individual by the employer unit. Please remember that if you issue any 1099's you must file these with the Internal Revenue Service. 1099's must be issued by January 31 for the previous calendar year and filed with the IRS by February 28.

Effective January 1, 2013, each employer unit must implement a method for tracking payments to sworn event site security so that at the end of a calendar year, it can be determined if a 1099-MISC must be issued.

It is highly preferred that the hiring of sworn event site security be done through their employer (i.e. Sheriff's office, local law enforcement agency) and payment made to the employer. In this way, responsibility for tracking payments to the individual reside with the employer, not with the parish, school or auxiliary association.

If you must contract directly with the individual, then payment to that individual must be by check. The check issuer (i.e. bookkeeper, athletic association treasurer, etc.) should be given the names of the sworn event site security individuals and the amount to be paid, at least 2 business days prior to the event so that checks may be created and signed. Notation must be made in the records of the issuer as to the purpose of the check. At the end of a calendar year, the amounts paid can then be accumulated by payee to determine whether a 1099-MISC is to be issued. If there is a substitution of sworn event site security individuals that occurs after the checks are created, the unused check is to be returned to the check issuer to be voided, and a check will then be created and mailed to the substitute. Please note that even given the substitution issue, it is never proper to provide blank checks for events.

The issuance of 1099's requires that W9's be collected from Sworn Site Security. This form provides the name, address and social security number of the individual. We have implemented the following approach for gathering and controlling this information:

It is the responsibility of the Athletic Director and Parish/School Financial Staff to work together to assure that W9's are collected from each individual before they work their first event. Because these documents must be secure, the completed W9's should be kept in the Parish/School finance office in a secure cabinet. The Parish/School financial staff are to make a list of all W9's on file and provide this to the Athletic Director, who is then responsible to assure that W9's are received prior to the first event an individual works. No individual is to be permitted to work an event if a W9 has not been received.

All Other Event Personnel

The Internal Revenue Service has issued guidance that all other event personnel who receive compensation for their services at an event are to be classified as employees. Examples of event personnel include: ticket takers; ticket sellers; tournament and site managers; non-sworn site security;

and other personnel necessary to conduct an event, such as chain crew, clerks, announcers, scorers, etc. Event workers do not include sports officials who are officially registered with a generally recognized permitting authority, such as the OHSAA or sworn site security, such as municipal police, township constables or county sheriff personnel. The list of event workers is not an all inclusive list of personnel necessary to administer and run an event location and will likely vary by location.

Event personnel are to be added to the payroll system of the parish or school, and all appropriate taxes are to be withheld from the payments made to them. They are to be issued a W2 at the end of the year. This will mean that you will need to have them fill out the appropriate new hire forms (i.e. W-4, IT-4, I-9, etc.). Each parish/school should establish a communication mechanism with those who manage event personnel to assure the communication of amounts to be paid, and the associated timing of payments (i.e. each pay period, once per month, once per season, etc.). If payments to event personnel are to be funded by an auxiliary association, the parish/school should establish a reimbursement mechanism with the auxiliary.

It must be noted that the hiring of those under the age of 18 must follow the State of Ohio Minor Labor Laws. The hiring of these individuals, at a minimum requires a work permit and formal wage agreement. In addition there are limits on the types of work that individuals can perform, and the hours they can work, depending on age. Please refer to the Diocesan Web-site, Human Resources section, for a copy of the information on Minor Labor Laws.