

DDA SUBJECT FILE COPY
ER 86-5950XEXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA		(X)		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	VC/NIC				
16	D/Finance		(X)		
17					
18					
19					
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21					
22					

SUSPENSE

Date

Remarks

STAT

Executive Secretary
29 Dec 86

Date

ROUTING AND TRANSMITTAL SLIP

30 Dec 86

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials

Date

1. DIRECTOR OF FINANCE

2.

3.

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1 - FOR ACTION AS APPROPRIATE

cc: D/Personnel for info.

STAT

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

EXA/DDA

Phone No.

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
December 18, 1986

5950x



M-87-16

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Joseph R. Wright, Jr.
Deputy Director and
Chairman, President's Council on
Integrity and Efficiency

SUBJECT: Requirements to File Internal Revenue Service
Information Returns

A recent Government-wide audit by the President's Council on Integrity and Efficiency (PCIE) disclosed that most departments and agencies are not reporting a variety of nonwage payments, which are taxable income, to the Internal Revenue Service (IRS). Of the 14 Federal agencies reviewed 12 did not have any procedures, or had inadequate policies and procedures, to implement and ensure nonwage payments were reported on the Form 1099 information return.

The Internal Revenue Service uses the Form 1099 information return to determine if taxpayers are reporting nonwage payments as taxable income on their income tax returns and also to determine if taxpayers are filing income tax returns. The PCIE found about \$9 billion in potential payments which were not reported. Included were payments such as: taxable grants, forgiveness of indebtedness, agricultural payments, interest payments, commissions, and professional fees. If the \$9 billion had been reported, it would have generated between \$500 to \$600 million in additional tax revenues.

With the new tax season quickly approaching, I urge you to direct your personnel, procurement, and finance staffs to work together to achieve compliance with Form 1099 reporting requirements. In addition, I suggest that your internal control program should be designed to ensure that Form 1099 reporting requirements continue to be followed.