

An Eleven Factor Checklist for Meeting Federal Payroll Reporting Requirements in Your Church – by Keith Hamilton

1. **Form SS-4** – The church would file this form to obtain an employer identification number (EIN). The purpose of the employer identification number is tax filing and reporting purposes to the federal government.
2. **Form W-4** - Each employee should have a completed W-4 on file with the church. Form W-4 allows the church to withhold the correct amount of federal income taxes and Social Security and Medicare taxes for each payroll period. (Note: Withholding of federal income taxes for a minister is voluntary, but completing a W-4 is required for ministers.)
3. **Form I-9** - Churches will use this information to determine the eligibility of an employee to work in the United States. The form should be kept by the church and made available for inspection by the Department of Homeland Security. All employees and ministers should fill out this form.
4. **New Hire Reporting Form** - This is a federal requirement that individual states reduce the number of parents not paying child support. Many states have produced a new hire reporting form to be completed by an employer to meet this new requirement. Contact your state government to see if your church is required to file a new hire reporting form in your state.
5. **Form W-9** - All self-employed individuals should have filled out a W-9 to determine if the church must issue a Form 1099-MISC.
6. **Form 941** - This form is required by the Internal Revenue Service to report federal payroll tax withholding. If the church's only employee is a minister and the church has never withheld payroll taxes on the minister or filed a Form 941, the church does not need to file the Form 941. However, most churches need to file this form quarterly.
7. **Form W-2** - All employees and ministers with taxable income should be issued a W-2 by January 31.
8. **Form 1099-MISC** - All self-employed individuals not incorporated must be issued a 1099MISC by February 28 if they earn over \$600 a year from the church.
9. **Form W-3** - Copies of the W-2s must be filed with the Internal Revenue Service by February 28.
10. **Form 1096** - Copies of the 1099-MISC furnished to self-employed individuals must be filed with the Internal Revenue Service by February 28 of each year.
11. **FUTA** – Churches are not required to pay the federal unemployment tax.

Form 5578 – This Annual Certification of Racial Nondiscrimination form should be filed annually if the church operates a day care, preschool, school, or mothers' day out program if the service is offered to the public. This form helps insure that the church is not discriminating applicants based on race.

Form 8282 – This form should be filed if the church has sold or disposed of donated property valued at more than \$5,000 within the first two years of ownership. The purpose of this form is make sure donors are placing the correct value on donated items given to the church.

By Keith Hamilton of www.churchfinancialministries.com



This document is intended to provide churches, pastors and staff with current and accurate information about the subjects covered. However, such information is not intended to be sufficient for dealing with a particular legal problem, and the authors and distributors do not warrant or represent its suitability for such purpose. The reader should not rely upon this document as a substitute for independent legal consultation.

Keith Hamilton, D.Ed.Min, CFP is with the Georgia Baptist Convention. He has written several publications on establishing church designated funds, managing your household finances, and protecting your church and ministry from identity theft. His latest venture is providing training resources through churchfinancialministries.com to help churches comply with government regulations.

©2006 LifeWay Christian Resources. Permission is granted to download, store, print, and distribute this document for its intended use. Distribution for sale is strictly prohibited. Compliments of the pastors area of LifeWay.com www.lifeway.com/pastor

