

1. MY MONTHLY STATEMENTS IN COMPASS DON'T MATCH MY 1099K

- Monthly statement totals and 1099k monthly totals are pulling different information so they will not match
- **Statement monthly totals = transactions settled in that month** (to align with deposits)
- **1099ks monthly totals = transactions swiped in that month** (IRS Requirement)
 - Ex: a card swiped on Nov 30 will be on the 1099k in Nov but on the Dec Compass statement
 - View transactions the day they were entered – this will show the breakdown and total for the month and should match what is on the 1099k
- While the monthly totals don't match, the total for the year matches

2. CLEARENT IS REPORTING MORE THAN WHAT I MADE

- In most cases, they have multiple MIDs and all accounts are linked to that one taxpayer account
- Click on 'Taxpayer Activity Summary' in Compass to see all MIDs linked to the TID

3. MY AMEX DIRECT AND/OR DISCOVER TRANSACTIONS ARE NOT ON MY 1099K

- IRS requires Clearent to report only card types we settle on the 1099k
- Statements show all sales
- Amex Direct sends their own 1099k. Discover can as well
- OptBlue comes thru Clearent

4. MY ACCOUNT IS CLOSED, WHY DID I GET A 1099K?

- IRS requirement to report on all activity for the calendar year, even if merchant closed during that year

5. WILL I RECEIVE A SEPARATE 1099K FOR EACH MERCHANT ACCOUNT?

- Merchant will receive a 1099k for each business that has a unique federal TIN
- 1099k includes sales for all accounts within the same TIN

6. HOW DO I GET THE BACKUP WITHHOLDING BACK THAT WAS TAKEN IN 2019?

- Merchant will need to present the 1099k to the IRS when filing their 2019 taxes
- If no money is owed to the IRS, the IRS will release the funds
- IRS has the funds, not Clearent

7. I NEED A CORRECTED 1099K

- Find out what needs to be updated
- If change in ownership or change in legal entity in 2019:
 - Merchant will need to be referred to their sales rep to reapply before a new 1099k can be reissued
 - Advise a form CP575 from the IRS showing the date of the change is required
- What can be changed without re-applying or obtaining a CP575 from the IRS?
 - Typos
 - Create SF case and assign to Customer Support

8. WHERE CAN I REFER MERCHANTS TO VIEW FAQs ABOUT 1099K?

- www.clearent.com/1099k

For additional 1099k information, review the Salesforce KB article: [READING 1099K](#)

CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. 1 Clearent, LLC 222 S. Central Suite 700 Clayton, MO 63105 866-435-0666 www.clearent.com/irs		FILER's federal identification no. 20-2000000	OMB No. 1545-2205	2016 Form 1099-K	Payment Card and Third Party Network Transactions
PAYEE's name, street address, city, state, ZIP code 2 Mikes Auto Repair 123 Main Street City, ST ZIP		PAYEE's taxpayer identification no. 123123123	2 Merchant category code 7538 8		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input checked="" type="checkbox"/> Electronic Payment Facilitator <input type="checkbox"/> JEFFI/Other third party <input type="checkbox"/>		Check to indicate transactions reported are: Payment card <input checked="" type="checkbox"/> Third party network <input type="checkbox"/>	1a Gross amount of payment card/third party network transactions \$ 249,872.33	3 Number of payment transactions 9 1,200	4 Federal income tax withheld \$ 0.00 10
PSE's name and telephone number 3 Clearent, LLC 866-435-0666		5a January \$ 17,242.45	5b February \$ 23,693.50	5c March \$ 22,317.50	5d April \$ 24,704.16
Account number (see instructions) 4 6588000000000000		5e May \$ 11 18,434.79	5f June \$ 13,414.50	5g July \$ 17,772.50	5h August \$ 17,107.49
Form 1099-K IRS.gov/form1099k		5i September \$ 21,877.38	5j October \$ 24,145.08	5k November \$ 23,879.49	5l December \$ 25,283.51
(Keep for your records)		6 State	7 State identification no.	12	8 State income tax withheld

Department of Treasury - Internal Revenue Service

- 1 FILER:** Clearent, your credit card processor, is responsible for filing this 1099-K to the IRS.
- 2 PAYEE:** This is the legal name of your business, the taxpayer name used by the IRS that is associated with your federal tax identification number (TIN).
- 3 PSE:** Payment Settlement Entity, the company with whom you have a merchant agreement for your credit card processing.
- 4 Account Number:** The merchant number for your merchant account. Even if you have more than one account for your business, the 1099-K lists the account with the highest volume.
- 5 PAYEE's Taxpayer Identification Number:** This is the federal tax number (TIN) for your business according to our records. This is either an Employer Identification Number (EIN) or Social Security Number.
- 6 Box 1a:** Includes gross sales for all card types that Clearent settles and deposits into your account, based on their transaction date per IRS requirements. If you receive a separate statement from American Express or Discover, those sales are not included on this 1099-K. (You may receive a separate 1099-K from them.)
- 7 Box 1b:** The gross amount where the card was not present at the time the transaction or the card number was keyed into the terminal.
- 8 Box 2:** The Merchant Category Code (MCC) for your account. If you have multiple merchant accounts, we selected the MCC with the highest volume in 2015.
- 9 Box 3:** This required field shows your total number of payment transactions and corresponds to the volume reported in Box 1a.
- 10 Box 4:** Shows your Federal income tax withheld (if applicable).
- 11 Boxes 5a-5l:** Gross sales for each month of the year. The total of these boxes should match the amount in Box 1.
- 12 Boxes 6-8:** Related to state withholding (if applicable).