

Tuesday, August 2, 2022

Payments through Third-Party Payment Network Providers

As per IRS guidelines, which were updated as part of the American Rescue Plan enacted in March 2021, Third-Party Payment Network Providers (TPPNP) are required to collect the payee's taxpayer identification number information and issue a Form 1099-K, *Payment Card and Third-Party Transaction*, when calendar year-to-date total payments made by the TPPNP exceed \$600. Based on these guidelines, tax reporting responsibilities fall on the TPPNP for payments made from payment card transactions such as debit, credit, or store-value cards and/or in settlement of third-party payment network transactions.

Based on the guidelines issued from the IRS, WVU Departments, including WVU Research Corporation and WVU Innovation Corporation, may utilize TPPNP for payments following these procedures:

- The following are approved TPPNP providers that should be used when making the payment:
 - PayPal
 - Square
 - Wave

Note – This list will be updated as new TPPNP providers are reviewed and approved by WVU Tax Services.

- Prior to the use of a TPPNP not listed above, please consult with WVU Tax Services for approval by e-mailing Tax@mail.wvu.edu.
- When making payments through a TPPNP, if you are given the option to select payment type, please select "Goods and/or Services Rendered" to ensure the proper tax reporting obligations are followed by the TPPNP.