

## RECIPIENT IRS REGULATIONS (U.S. RECIPIENTS ONLY)

For many years, our Live Your Dream Awards program has included a process of issuing 1099 forms to recipients in the USA if their cash award was more than \$600. SIA followed this practice because we had been advised the practice was necessary since the funds were a cash award and not a scholarship.

SIA headquarters recently consulted our auditing firm to learn more about the practice of issuing 1099 forms to recipients in the USA. Our auditing firm investigated our situation and came to the conclusion that our Live Your Dream Award cash grants qualify as gifts and therefore are *not* taxable income to the recipients.

Soroptimist clubs in the USA **no longer need to issue 1099s to recipients or collect W-9 forms for any award amount.**

**NOTE:** Some social service agencies and school financial aid offices may also interpret the Live Your Dream Awards as income. Awards recipients who receive any kind of public assistance may or may not have their assistance eligibility affected. Laws vary from state to state, and recipients should consult the appropriate agencies.