

KA4GFY <ka4gfy@cox.net>

1/25/2021 10:47 AM

Re: Club's PayPal account

To Ian <iann8ik@gmail.com> • Theodore C. Einersen <teinersen@gmail.com> • Richard Bunn <n4asx@cox.net> • secretary@w4hfh.org <secretary@w4hfh.org> • vice-president@w4hfh.org <vice-president@w4hfh.org> • president@w4hfh.org <president@w4hfh.org> • Treasurer (W4HFH) <treasurer@w4hfh.org>

We are in the hook for the taxes on this.

Rich

On January 24, 2021 at 10:39 AM Ian <iann8ik@gmail.com> wrote:

PayPal is now issuing 1099-K forms for transactions. I've attached the 2020 form. The "Payee's TIN" on the form ends in "3355". This should be our club EIN that I updated to 81-4083355 when I was treasurer. Here are some concerns and observations:

1. We are running a lot of SK auction transactions through this account. Are these taxable to us? If not, fine. If they are taxable then I recommend we hold back some of the proceeds to cover our tax liability. Rich will have to advise us.
2. The PayPal account is a hodge-podge of identities, some of which are difficult or impossible to change. Creating a PayPal account requires a real person in addition to the business entity. So we currently have the following:
 - a. the person's name associated with the account is Theodore Einersen (nearly impossible to change - I tried 5 years ago - maybe there's a way now).
 - b. the cell phone is mine (should be the current treasurer's so that 2FA can verify logins)
 - c. the required physical address is my QTH (this can be changed to another physical address, in addition to our P.O. Box. I'd recommend Rich's since PayPal only uses this address to mail tax docs).
 - d. the SSN on the account is mine (nearly impossible to change - I tried).
 - e. the business TIN is the club's EIN 81-4083355. This is good and at the end of the day, that's all that matters (I think) for tax reporting purposes.

73, Ian N8IK