



College of Medicine
Office of the Dean
Financial Services

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January 9, 2007

MEMORANDUM

TO: College of Medicine Faculty & Staff

FROM: William W. Tharp, CPA
Associate Dean & Chief Financial Officer

RE: Prevention of Issuance of Incorrect 1099's in Faculty Member's Name

In recent years some faculty members have received notices from the Internal Revenue Service (IRS) concerning unreported income on their filed income tax returns. The unreported income was the result of a payment issued in the faculty member's name and with his/her social security number but received and deposited into the Florida Clinical Practice Association, Inc. ("FCPA"), the billing entity for the College of Medicine. The payments received by the FCPA are usually of two types. The first type is payment for patient care that is billed to a third party. In these cases, the FCPA received a payment issued in the faculty member's name and social security number instead of the FCPA name and number due to an error by the insurance company. Going forward, the FCPA has put into place a mechanism to identify these incorrect payments and work with the insurance companies to get the payments reissued in the FCPA's name and number.

The second type of payment received by the FCPA is for services performed by the faculty that are not billed to insurance companies (that are not billed through IDX). Examples of these types of payments would be services for depositions, honorariums, consulting, etc. These payments do not include research payments, which should go to UF. In addition, these payments do not include payments the faculty member receives that are for work reported as outside employment. If a payment is issued in the faculty member's name and social security number and not that of the FCPA but it is deposited in the FCPA, the outside company will report the payment to the IRS as a payment to the faculty member.

In order to protect our faculty, beginning immediately we will be returning any contractual payments or honorariums received for deposit but issued in the faculty member's name to the department to void and have reissued in the FCPA's name. If your staff prepares invoices for your services, the invoice should state that all payments should

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be made to the Florida Clinical Practice Association, Inc. Additionally, W-9's received from outside entities should be forwarded to the Dean's office for completion.

By putting these corrective procedures in place, we are attempting to prevent 1099's being issued to the faculty member in error.

If you have any questions, regarding this memo please feel free to contact me or Bobbi Reynolds at 265-7951.