

VAN BUREN YOUTH FAIR ASSOCIATION
“The Fair with a Future”
PO Box 271
Hartford, MI 49057

269-621-2038

www.vanburenyouthfair.com

June 27, 2018

The Van Buren Youth Fair Association is providing the following information to exhibitors, parents, leaders, superintendents, etc. in reference to 1099 Forms:

1. The Van Buren Youth Fair will issue a 1099 to any exhibitor receiving \$600.00 or more in auction proceeds and/or premiums.
2. Exhibitors with market animals in the Large Livestock and Small Animal areas will be required to complete a W-9 form and submit it annually on or before June 15th with the Fair Registration Form.
3. Auction checks will not be issued until a W-9 form is completed and submitted. Please assist us by timely submitting the W-9 forms.

The decision by the Van Buren Youth Fair Board to continue to issue 1099's was made after considerable discussion and advice from a reputable attorney, Joseph Perera, from the firm of Bodman PLC in Grand Rapids, Michigan. The Van Buren Youth Fair Board submitted information to Mr. Perera including two 4-H National Headquarters sheets addressing the 1099 questions. After considering this information, Mr. Perera emailed the following advice to us:

“Yes, the 501(c)(3) will have to provide a Form 1099 to the youth. Generally, a nonprofit has to issue a Form 1099 for any prizes or awards to an individual that are not for services performed or prizes or awards to an individual for services performed as a nonemployee made in the course of the nonprofit's activity. Because the 501(c)(3) is paying the proceeds of the auction to the youth as a result of the 501(c)(3)'s normal activity (holding the fair), those amounts are subject Form 1099 reporting.”

The Van Buren Youth Fair Board has been advised by an IRS representative, our accountant and an attorney to issue 1099 Misc. forms. The Fair Board at all times would like to do what is in the best interest of our exhibitors. Thank you for your understanding of this difficult issue.

Sincerely,

Van Buren Youth Fair Board of Directors