



# ITG News

Keeping First Nations Informed



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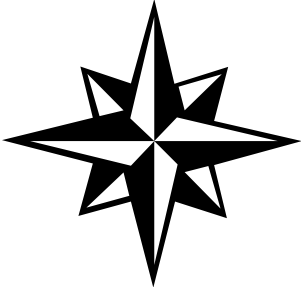
As many of you are aware, we have been working on the development of an IRS/Tribal Consultation Policy for the past 18 months. We have followed a structured process that was suggested by the Advisory Committee to the Tax Exempt Government Entities Commissioner. That process included a series of 12 listening meetings and a comment period on the discussions that took place at those meetings.

I am pleased to announce that we have taken another step forward in the evolution of the policy, through the formation of a volunteer drafting group that included twelve tribal representatives. This group met in July and completed an outline of a draft policy that was heavily reliant on the feedback from the previous listening meetings. The outline was posted to our web site at [www.irs.gov/tribes](http://www.irs.gov/tribes), along with a listing of the drafting committee members. Feedback was solicited, which could be provided to any member.

The drafting group will be meeting in late October to finalize the language in the draft policy. We hope to have the TEGE Commissioner meet with the group at that time, after which the policy will be subjected to a formal review.

While we have been very deliberate in the creation of the IRS/Tribal Consultation Policy, it is our hope that the steps we have taken will lead to a policy that works well for everyone, and enables maximum dialogue to occur wherever possible. If you have any questions or suggestions, please feel free to contact any of the members of the drafting group. Their names and contact information are listed on page 2 of this newsletter.

Christie Jacobs



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## Magnetic Media Specifications for Title 31 Reports Are Updated

The Financial Crimes Enforcement Network has updated the Magnetic Media Filing specifications for the various forms required under Title 31. This includes FinCEN Forms 102 and 103, which are the common forms filed by tribal casinos.

The requirements for magnetic media filing of the Currency Transaction Report by Casinos (FinCEN Form 103) are contained in a 46 page document that can be accessed at [http://www.fincen.gov/magmed\\_ctr.pdf](http://www.fincen.gov/magmed_ctr.pdf). The specifications for Suspicious Activity Reports (SARCs) are reflected in a 29 page document that can be accessed at [http://www.fincen.gov/magmed\\_sarc.pdf](http://www.fincen.gov/magmed_sarc.pdf).

The specification changes are effective February 1, 2005.

## Abusive Schemes Continues to be an Area of Focus

The office of Indian Tribal Governments continues to focus on combating abusive schemes that are surfacing in Indian country. Our intent is to take actions that will protect tribal assets and minimize financial risk to the tribes and tribal members. Many schemes occur without the direct knowledge of the tribe, and/or without an understanding of the consequences by the tribe. They are a major concern for both the Service and Tribal governments who are struggling to protect their sovereignty and fledging enterprises, and maintain the support of Congress and the general public. These concerns are magnified by increasing attempts by promoters to use the tax and legal status of tribes to shelter transactions from taxation and oversight.

Risks can arise when a promoter gains a foothold within a tribal enterprise and convinces a tribe to implement programs that often sound "too good to be true". Recent examples we have uncovered include improper deferrals of per capita distributions to members, improper practices involving employee leasing entities, and embezzlement of tribal funds.

We are actively seeking to partner with tribes to address these issues. Our web site was recently updated to include a special section on abusive schemes, along with a link for reporting them via e-mail or in writing. We have also included brief descriptions of the specific areas currently under review, and we will be expanding that section in the near future.

We appreciate the assistance of several tribes and tribal organizations that have been supporting this effort, and we welcome others to join with us to ensure that we can jointly address these problems as quickly as possible. Specific questions or concerns relating to abusive schemes can be directed to Ken Voght at (716) 686-4860, or via e-mail at [tege.itg.schemes@irs.gov](mailto:tege.itg.schemes@irs.gov).



## THE IRS TIN MATCHING PROCESS

### For 1099's and W-2G's

The following overview provides an explanation on the taxpayer identification number matching process and the development of name controls. Understanding this process could help decrease the filing of incorrect information returns such as **1099 documents** used to report various types of income and **W-2G's** used to report gambling winnings.

The information returns you file must include a correct name and taxpayer identification number (TIN) combination to allow us to match the information reported against the income included on the payee's income tax return. We check whether a name/TIN combination is correct by matching it against a file containing all social security numbers (SSNs) issued by the Social Security Administration and against a file containing all employer identification numbers (EINs) issued by the IRS. Then we compare the name control on the payee document (if provided) to the name control on file. If a name control is not provided or is provided incorrectly, we develop it from the name(s) provided on the first two name lines of the information return. If we can match a developed name control to the name control in our records, we consider it to be correct. If no match is found using this process, we consider your name/TIN combination to be incorrect.

### ***Name Controls***

A name control consists of up to four characters. To help ensure that the name/TIN combination for an account matches the name/TIN combination on SSA or IRS files, use the following information when you open an account for a payee.

#### **Individuals**

We develop a name control for an individual from the last name on the return. For example:

Ralph **Teak**

Dorothy **Willow**

Joe **McCedar**

For an individual that has a hyphenated last name, we develop the name control from the first of the two last names. For example:

Brandy **Cedar**-Hawthorn

Victoria **Windsor**-Maple

For joint names, regardless of whether the payees use the same or different last names, we develop the name control from the primary payee's last name. For example:

Joseph **Ash** & Linda Birch

Edward & Joan **Maple**

**Reminder:** If a payee has changed his or her last name, for instance, due to marriage, he or she **SHOULD** inform the Social Security Administration of the name change.

**HINT:** On name line one of the Form 1099, a payor should enter the payee's first name and new last name (if the change has been made with SSA), or the payee's first name, former last name, and new last name (if the change has not been made with SSA).



## Sole Proprietors

We generally develop the name control for a sole proprietor, who may have both a SSN and an EIN, from the individual's last name (not the business name) on the information return. For example:

Mark & Jane **Heml**ock  
The Sunshine Café

Karen **Birch**  
Ace Computer Co.

**HINT:** *Sole proprietors should enter their business, trade, or “doing business as” name on the second name line of the information return.*

## Other Organizations

We develop the name control for other organizations from the entity's name on the original Form SS-4 (which was used to apply for the EIN). For example:

**St. Bernard's** Methodist Church  
Building Fund

**ABC** Company  
Main Street Store

Knowing how name controls are developed should be helpful in the filing of correct information returns. If you have any questions, contact your ITG Specialist.



## Tips for Obtaining “Good” TINs

- Always obtain the contractor's TIN before paying for services or the gambling customer's SSN before disbursing gambling winnings.
- Avoid abbreviating company names. If possible, refer to and use the same name as it appeared on the original application for an EIN (Form SS-4) or social security card.
- If you know a company or individual has changed its name, ask if they have informed IRS of the change. IRS and SSA must be informed of any name change.
- When filing Form 1099-MISC for a sole proprietor, always put the individual's name first, followed by the business name. For example, Joe's Garage should be reported as Joseph Johnson, dba Joe's Garage. It does not matter whether you are using an EIN or SSN, the individual's name must appear first.
- The best tool to help you gather good information on contractors and vendors is Form W-9 (or a substantially similar version). It is a good resource for obtaining correct payee names/TINs and certifying exempt status for reporting purposes. In addition, the form specifically addresses the issue of sole proprietors. When properly completed, you will know if a contractor is a sole proprietor and therefore you will know to use the individual's name first.

**Inter-Tribal Council of Nevada, Inc.**  
**39<sup>th</sup> Annual Convention**  
**October 18 – 21, 2004**  
**John Ascuaga's Nugget**  
**Sparks, Nevada**

The Internal Revenue Service's Office of Indian Tribal Governments will be represented at this year's 39<sup>th</sup> Annual Convention. The Office of Indian Tribal Governments will have a booth and will also be presenting workshops for anyone that may be interested in attending. Stop by our booth and meet our staff. We will be available to answer your Federal IRS tax questions and provide you with a source of valuable materials. Please come and meet us...we look forward to meeting you!

Your Nevada IRS Indian Tribal Government representatives are:

Julie North	(916) 974-5578
Emily Williamson	(619) 230-8165, ext. 126
James Rivers	(619) 230-8165, ext. 120
John Saltmarsh (mgr)	(909) 388-8162



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To add your name or e-mail address to our mailing list, please contact us via e-mail at [Emily.S.Williamson@irs.gov](mailto:Emily.S.Williamson@irs.gov), or call Emily Williamson at (619) 230-8165, extension 126.

# Federal Tax Calendar for Fourth Quarter 2004

## October 2004

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6 * Make a deposit for 9/29-10/1	7	8 * Make a deposit for 10/2-10/5	9
10	11	12 Employees report September tip income to employers if greater than \$20	13	14 * Make a deposit for 10/6-10/8	15 * Make a deposit for 10/9-10/12 ** Make a deposit for September if under the monthly deposit rule	16
17	18	19	20 * Make a deposit for 10/13-10/15	21	22 * Make a deposit for 10/16-10/19	23
24	25	26	27 * Make a deposit for 10/20-10/22	28	29 * Make a deposit for 10/23-10/26	30
31						

## November 2004

SUN	MON	TUE	WED	THU	FRI	SAT
	1 Deposit Federal Un- employment Tax through September if greater than \$100	2	3 * Make a deposit for 10/27-10/29	4	5 * Make a deposit for 10/30-11/2	6
7	8	9	10 *Make a deposit for 11/3-11/5  Employees report October tip income to employers if greater than \$20	11	12	13
14	15 * Make a deposit for 11/6-11/9 ** Make a deposit for October if under the monthly deposit rule	16	17 * Make a deposit for 11/10-11/12	18	19 * Make a deposit for 11/13-11/16	20
21	22	23	24 * Make a deposit for 11/17-11/19	25	26	27
28	29 * Make a deposit for 11/20-11/23	30				

\* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

\*\* = Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS are due one day prior to the dates listed.



## December 2004

SUN	MON	TUE	WED	THU	FRI	SAT
			1 * Make a deposit for 11/24-11/26	2	3 * Make a deposit for 11/27-11/30	4
5	6	7	8 * Make a deposit for 12/1-12/3	9	10 * Make a deposit for 12/4-12/7  Employees report November tip income to employers if greater than \$20	11
12	13	14	15 * Make a deposit for 12/8-12/10 ** Make a deposit for November if under the monthly deposit rule	16	17 * Make a deposit for 12/11-12/14	18
19	20	21	22 * Make a deposit for 12/15-12/17	23	24	25
26	27 * Make a deposit for 12/18-12/21	28	29 * Make a deposit for 12/22-12/24	30	31	

\*= Make a Payroll Deposit if you are under the semi-weekly deposit rule.

NOTE: Deposits made through EFTPS are due one day prior to the dates listed.

\*\*= Make a Monthly Deposit if you qualify under that rule.

### Return Filing Dates

November 1st

File Form 941 for the third quarter of 2004 (if tax is deposited in full and on time, file by November 10th)

File Form 730 and pay the tax on applicable wagers accepted during September

November 30th

File Form 730 and pay the tax on applicable wagers accepted during October

January 3rd, 2005

File Form 730 and pay the tax on applicable wagers accepted during November