

### 1. MY MONTHLY STATEMENTS IN COMPASS DON'T MATCH MY 1099K

- Monthly statement totals and 1099k monthly totals are pulling different information so they will not match
- **Statement monthly totals = transactions settled in that month** (to align with deposits)
- **1099ks monthly totals = transactions swiped in that month** (IRS Requirement)
  - Ex: a card swiped on Nov 30 will be on the 1099k in Nov but on the Dec Compass statement
  - View transactions the day they were entered – this will show the breakdown and total for the month and should match what is on the 1099k
- While the monthly totals don't match, the total for the year matches

### 2. XPLOR PAY IS REPORTING MORE THAN WHAT I MADE

- In most cases, they have multiple MIDs and all accounts are linked to that one taxpayer account
- Click on 'Taxpayer Activity Summary' in Compass to see all MIDs linked to the TID

### 3. MY AMEX DIRECT AND/OR DISCOVER TRANSACTIONS ARE NOT ON MY 1099K

- IRS requires Xplor Pay to report only card types we settle on the 1099k
- Statements show all sales
- Amex Direct sends their own 1099k. Discover can as well
- OptBlue comes thru Clearent

### 4. MY ACCOUNT IS CLOSED, WHY DID I GET A 1099K?

- IRS requirement to report on all activity for the calendar year, even if merchant closed during that year

### 5. WILL I RECEIVE A SEPARATE 1099K FOR EACH MERCHANT ACCOUNT?

- Merchant will receive a 1099k for each business that has a unique federal TIN
- 1099k includes sales for all accounts within the same TIN

### 6. HOW DO I GET THE BACKUP WITHHOLDING BACK THAT WAS TAKEN IN 2019?

- Merchant will need to present the 1099k to the IRS when filing their 2019 taxes
- If no money is owed to the IRS, the IRS will release the funds
- IRS has the funds, not Clearent

### 7. I NEED A CORRECTED 1099K

- Find out what needs to be updated
- If change in ownership or change in legal entity in 2019:
  - Merchant will need to be referred to their sales rep to reapply before a new 1099k can be reissued
  - Advise a form CP575 from the IRS showing the date of the change is required
- What can be changed without re-applying or obtaining a CP575 from the IRS?
  - Typos
  - Create SF case and assign to Customer Support

### 8. WHERE CAN I REFER MERCHANTS TO VIEW FAQs ABOUT 1099K?

- [www.xplorpay.com/1099k](http://www.xplorpay.com/1099k)

For additional 1099k information, review the Salesforce KB article: [READING 1099K](#)

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1  
Clearent, LLC  
222 S. Central  
Suite 700  
Clayton, MO 63105

866-435-0666

www.clearent.com/irs

Check to indicate if FILER is a (an):

Payment settlement entity (PSE) ☒  
Electronic Payment Facilitator ☐  
(EPF)/Other third party ☐

Check to indicate transactions reported are:

Payment card ☒  
Third party network ☐

PAYEE's name, street address, city, state, ZIP code

2  
Mikes Auto Repair  
123 Main Street  
City, ST ZIP

PSE's name and telephone number

3  
Clearent, LLC  
866-435-0666

Account number (see instructions)

4  
6588000000000000

FILER's federal identification no.

20-2000000

5  
PAYEE's taxpayer identification no. 123123123

6  
1a Gross amount of payment card/third party network transactions

\$ 249,872.33

7  
1b Card Not Present transactions

\$ 49,974.47

3 Number of payment transactions

9 1,200

5a January

\$ 17,242.45

5c March

\$ 22,317.50

5e May

\$ 18,434.79

5g July

\$ 17,772.50

5i September

\$ 21,877.36

5k November

\$ 23,879.49

6 State

OMB No. 1545-2205

2016

Form 1099-K

2 Merchant category code

7538

4 Federal income tax withheld

\$ 0.00

5b February

\$ 23,693.50

5d April

\$ 24,704.16

5f June

\$ 13,414.50

5h August

\$ 17,107.49

5j October

\$ 24,145.08

5l December

\$ 25,283.51

7 State identification no.

12

## Payment Card and Third Party Network Transactions

Copy B  
For Payee

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.

Form 1099-K

IRS.gov/form1099k

(Keep for your records)

Department of Treasury - Internal Revenue Service

- 1 **FILER:** Clearent, your credit card processor, is responsible for filing this 1099-K to the IRS.
- 2 **PAYEE:** This is the legal name of your business, the taxpayer name used by the IRS that is associated with your federal tax identification number (TIN).
- 3 **PSE:** Payment Settlement Entity, the company with whom you have a merchant agreement for your credit card processing.
- 4 **Account Number:** The merchant number for your merchant account. Even if you have more than one account for your business, the 1099-K lists the account with the highest volume.
- 5 **PAYEE's Taxpayer Identification Number:** This is the federal tax number (TIN) for your business according to our records. This is either an Employer Identification Number (EIN) or Social Security Number.
- 6 **Box 1a:** Includes gross sales for all card types that Clearent settles and deposits into your account, based on their transaction date per IRS requirements. If you receive a separate statement from American Express or Discover, those sales are not included on this 1099-K. (You may receive a separate 1099-K from them.)
- 7 **Box 1b:** The gross amount where the card was not present at the time the transaction or the card number was keyed into the terminal.
- 8 **Box 2:** The Merchant Category Code (MCC) for your account. If you have multiple merchant accounts, we selected the MCC with the highest volume in 2015.
- 9 **Box 3:** This required field shows your total number of payment transactions and corresponds to the volume reported in Box 1a.
- 10 **Box 4:** Shows your Federal income tax withheld (if applicable).
- 11 **Boxes 5a-5l:** Gross sales for each month of the year. The total of these boxes should match the amount in Box 1.
- 12 **Boxes 6-8:** Related to state withholding (if applicable).