

## **IRS 1099 Reporting Threshold Change and Updates to Procedures** <sup>[1]</sup>

January 7, 2026

As discussed in previous newsletters ([Dec 16](#) and [Dec 23](#) <sup>[2]</sup>), effective January 1, 2026, the Internal Revenue Service has increased the general reporting threshold for most payments on Form 1099-NEC (Nonemployee Compensation) and 1099-MISC (Miscellaneous Information), from \$600 to \$2,000.

As a result, for reportable payments made to non-employees in Calendar Year 2026, CU will issue the appropriate IRS form if the aggregate amount paid to a non-employee is \$2,000 or more during 2026. (There is no change to the \$10 reporting threshold for *certain* types of payments, such as royalties.)

*What does this mean for department reporting?* CU requirements for *internal* reporting have changed due to the IRS change, as well as due to changes in internal business processing. Effective January 1, 2026, departments will report various items distributed to non-employees if individual/aggregate distributions exceed \$700 in the 2026 calendar year. Previously, the internal, non-employee reporting threshold was \$100. Such distributions are reported to the Procurement Service Center (PSC).

The PSC and the OUC have updated four procedural statements to reflect IRS and internal reporting changes:

- **PSC Procedural Statement Study Subject Payments** <sup>[3]</sup>
- **Finance Procedural Statement Recognition and Training** <sup>[4]</sup>
- **Finance Procedural Statement Gift Cards** <sup>[5]</sup>
- **Finance Procedural Statement Complimentary Tickets and Related Expenses for Employees and Non-Employees** <sup>[6]</sup>

*What stays the same?* Payment recipients report taxable income on their own returns even if a 1099 is not issued ... and departments must maintain accurate payment records regardless of reporting thresholds.

**Questions?** Contact [FSS@cu.edu](mailto:FSS@cu.edu) <sup>[7]</sup>.

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### **Links**

- <sup>[1]</sup> <https://www.cu.edu/controller/news/office-university-controller-news/january-7-2026-edition/irs-1099-reporting> <sup>[2]</sup> <https://www.cu.edu/controller/office-university-controller-news>  
<sup>[3]</sup> <https://www.cu.edu/psc/policies/psc-procedural-statement-study-subject-payments>  
<sup>[4]</sup> <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-recognition-and>

[5] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-gift-cards> [6] <https://www.cu.edu/controller/procedures/finance-procedural-statements/finance-procedural-statement-complimentary>

[7] <mailto:FSS@cu.edu?subject=Question%20about%201099%20reporting%20changes>