

How to Use This Manual

This manual is a practical guide to credit union compliance with the internal revenue laws of the United States. Credit unions are tax-exempt organizations; however, they must file numerous and complex information returns. Credit unions also may be required to comply with certain Internal Revenue Service (IRS) enforcement activities, such as levies on accounts, that affect credit union members. Failure to comply in a timely manner or in a format acceptable to the IRS may subject the credit union to severe penalties.

This manual is organized into the following five parts:

- Part I provides the basics of taxpayer identification numbers, information return filings, filing penalties, and backup withholding.
- Part II reviews the filing of the 1099 Series forms, as well as Forms 5498 and 5500. These forms provide the IRS with information on a variety of financial transactions that credit union members may engage in over the course of a year and that are presumed to have tax consequences for the member.
- Part III covers currency transaction reporting and the requirements for credit unions to file Forms 4789 and 8300 under the Bank Secrecy Act.
- Part IV examines filing requirements related to individual retirement accounts and distributions from pensions, annuities, IRAs, and deferred income plans.
- Part V provides information for credit unions to respond appropriately to IRS levies on member accounts.

The chapters are organized by form type. Each chapter presents a discussion of the forms first, followed by the forms themselves as exhibits, and ending with instructions and information as appendixes.

Either as an on-the-spot reference manual or as a tax-planning tool, the information in this guide to IRS reporting will permit your credit union to comply effectively with IRS regulations without incurring unnecessary costs and disruptions.

A CD containing the contents of your manual is also provided.