

REPORTING TO IRS FOR CHURCHES

1. Obtain an employer identification number (EIN) from the federal government.
2. Determine whether each church worker is an employee or self-employed.
3. Obtain the Social Security number for each worker.
4. Have each employee complete a Form W-4.
5. Compute each employee's taxable wages.
6. Determine the amount of income tax to withhold from each employee's wages.
7. Withhold Social Security (FICA) taxes from non-minister employee's wages.
8. The church must deposit all taxes it withholds.
9. All employers who are subject to income tax withholding and/or Social Security taxes must file Form 941 quarterly.
10. Prepare a Form W-2 for every employee, including ordained ministers on the church's staff.
11. Prepare a Form 1099-MISC for every self-employed person receiving non-employee compensation of \$600 or more during the year from the church.