

Compliance Check Report

Use this template to fully document the activity and findings from your Compliance Check. This template is designed to report on data for one entity within the tribe (each Employer Identification Number (EIN) is considered to be one Entity for this purpose). If you decide to expand to additional tribal entities, pages 2-10 should be completed for each entity and attached to the final report. Only one summary sheet should be completed.

If you have any questions regarding a federal tax administration issue during the course of your Compliance Check, or any questions regarding the completion of this form, please check our [web resources](#), or contact:

Once the Compliance Check is completed, this document should be saved and returned on a 3 ½" diskette or CD-Rom to:

In order to assist you in completing the Compliance Check, our records currently indicate the following information in regard to this entity:

EIN:

Entity Name:

Address:

Required to file the following federal tax returns:

Form 940	Employer's Annual Federal Unemployment (FUTA) Tax Return
Form 941	Employer's Quarterly Federal Tax Return
Form 943	Employer's Annual Return – Agricultural Employees
Form 945	Annual Return of Withheld Federal Income Tax
Form 990	Return of Exempt Organization
Form 1065	Partnership Tax Return
Form 1120	Corporation Income Tax Return
Form 720	Quarterly Federal Excise Tax Return
Form 730	Monthly Tax on Wagering
Form 11-C	Occupational Tax and Registration Return for Wagering
Form 1042	Ann. Withholding Return for U.S. Source Income of Foreign Persons
Form 2290	Highway Use Tax Return
Form 1041	Fiduciary Tax Return
	Other

Tribal Entity Reviewed

Employer Identification Number (EIN):

Name of Entity:

Address:

City:

State:

Zip:

Activity of Entity:

Year Entity Started:

Performs Services for the Tribe in the Area of:

Which of the following tax issues are applicable to the entity:

YES NO Tax Issues Present

[Employment Tax](#) (Withholding and FICA)

[Information Reporting](#) (Forms 1099)

[Tip Income](#) (do employees of the entity receive tip income)

[Title 31](#) (Bank Secrecy Act compliance)

[Natural Resources](#) (Fishing and Land based income exclusions)

[Excise Tax](#) (Wagering)

[Excise Tax](#) (Other)

[Employee Plans](#) (pension and 401k plans) (are employees of the entity covered by an employee retirement or income deferral plan)

[Exempt Organizations](#) (is the entity structured as a not-for-profit organization under Section 501 of the Internal Revenue Code)

[Tax Exempt Bonds](#) (does the entity have any outstanding obligations for tax exempt bonds issued)

Is the Entity presently required to file:

<u>YES</u>	<u>NO</u>	<u>Form</u>	<u>Form Description</u>
		Form 940	Employer's Annual Federal Unemployment (FUTA) Tax Return
		Form 941	Employer's Quarterly Federal Tax Return
		Form 943	Employer's Annual Return – Agricultural Employees
		Form 945	Annual Return of Withheld Federal Income Tax
		Form 990	Return of Exempt Organization
		Form 1065	Partnership Tax Return
		Form 1120	Corporation Income Tax Return
		Form 720	Quarterly Federal Excise Tax Return
		Form 730	Monthly Tax on Wagering
		Form 11-C	Occupational Tax and Registration Return for Wagering
		Form 1042	Annual Withholding Return for U.S. Source Income of Foreign Persons
		Form 2290	Highway Use Tax Return
		Form 1041	Fiduciary Tax Return
		Form W-2	Wage and Tax Statement
		Form W-2G	Certain Gambling Winnings
		Form 8027	Employer's Annual Return of Tip Income and Allocated Tips
		Form 1098-T	Tuition Statement
		Form 1099-MISC	Statement for Recipients of Miscellaneous Income
		Form 1099-R	Distributions from Retirement, Insurance, or Profit Sharing Plans
		Form 8300	Cash Transactions Over \$10,000 Received in a Trade or Business
		FinCEN Form 102	Suspicious Activity Report by Casinos and Card Clubs
		FinCEN Form 103	Currency Transaction Report by Casinos

Review of Forms

Comment from your review of copies of the most recently filed tax forms. Include comments on whether the returns were accurately prepared; whether there were any returns processing problems, whether there was a balance due, whether there were any penalties imposed, etc.

If problems were encountered, how could they have been mitigated?

Forms W-4

Does the entity have [employees](#)? Yes No

Are Forms [W-4](#) on file for every employee? Yes No

Are all forms W-4 secured prior to initial payment? Yes No

If No, what percentage was received after initial payment?

Are all forms W-4 properly completed? Yes No

If No, what percentage was incomplete?

Are new forms W-4 secured each year on all individuals claiming to be exempt from income tax withholding? Yes No

List any other comments from inspection of Forms W-4.

Forms W-9

Does the entity make payments to [vendors or independent contractors](#)? Yes No

Are Forms [W-9](#) on file for every vendor or independent contractor? Yes No

Are all forms W-9 secured prior to initial payment? Yes No

If No, what percentage was received after initial payment?

Are all forms W-9 properly completed? Yes No

If No, what percentage was incomplete?

List any other comments from inspection of Forms W-9.

Forms 1099

Are [Forms 1099](#) filed for payments to all vendors and independent contractors for payments in excess of \$600 per year? Yes No Not Applicable

Is federal income tax withheld when required, due to invalid or missing Forms W-9?
Yes No

Employment Taxes

Do Forms [W-3](#), [W-2](#) and [941](#) reconcile for the most recent calendar year?
Yes No Not Applicable

If No, comment on the discrepancy and any actions need or taken to resolve it.

Were there [Federal Tax Deposit](#) penalties assessed that could have been avoided?
Yes No

Does the Entity provide any [fringe benefits](#) (i.e. medical insurance, life insurance, tribal/employer-provided vehicle, tribal/employer-provided housing, etc.)? Yes No

If Yes, list the type and whether they are deemed taxable in whole or part by the Entity.

Were taxable fringe benefits included on Forms W-2 for the applicable employee?
Yes No

Does the entity pay Tribal [Council members](#) for their services on the Council (i.e. salary, meetings fees, stipends, etc.)? Yes No

Are the payments reported on Form W-2 or Form 1099? Yes No

If reported on Form W-2, are there withholding for FICA, Medicare, and Federal Income Tax? Yes No

Is the entity aware of Revenue Ruling [59-354](#)?
Yes No

Are internal controls present to ensure that a Form 1099 is not issued to an employee for an item that should be reported on Form W-2 (i.e. bonuses, excess reimbursement of expenses, personal use of a tribal asset, etc.) Yes No

Is the level of tax filings consistent with the activity of the entity (i.e. Do the wages paid and withholding remittances appear accurate based on the size of the entity and the number of employees)? Yes No

If No, comment on the discrepancy and any actions taken to resolve it.

Does the Entity utilize a payroll service or Employee Leasing entity to file any required employment tax forms? Yes No

If Yes, list the name, address and EIN of the **service provider** as well as the specific forms filed on behalf of the entity.

EIN: Name:

Address:

City: State: Zip:

Forms filed by payroll service on behalf of THIS entity:

Is the entity required to file Form 940 (Employer's Annual Federal Unemployment ([FUTA](#)) Tax Return)? Yes No

If Yes, does the entity participate in the State Unemployment Tax Act (SUTA) program?
Yes No

If yes, are you aware of the relief from Federal Unemployment Tax that is available if you are in compliance with SUTA? Yes No

Comment on tax compliance in the following areas, including if the area is “not applicable” since the Entity has no involvement with the listed issue.

1. General Welfare Programs

Is the Entity involved in the development and/or implementation of any programs that are designed to promote the general welfare of tribal members? Yes No

If Yes, describe the nature of the programs and how the potential tax consequence of such program was determined.

2. Employee Leasing

Is the Entity involved in leasing employees **TO** or **FROM** another entity?

Yes No

Lease TO another entity

Lease FROM another entity

Is the other entity controlled by the the tribe or another tribe? Yes No

Have all federal tax filings and payments been properly made? Yes No

List any other comments on employee leasing.

3. Excise Taxes– comment on the excise taxes that are applicable to the Entity as reflected on Forms [720, 730, 2290, and 11-C](#) (include a comment on whether the essential government services exclusion was appropriately defined and applied to any communication or fuel taxes)

4. Non-Gaming Distributions to Members

Are there any distributions of non-gaming revenue made by the entity to any individuals (i.e. royalty income, business profits, land claim proceeds, etc.)?

Yes No

If Yes, are Forms 1099 issued? Yes No

If No (Forms 1099 are NOT issued) comment on the reason.

List any other comments on Non-Gaming Distributions.

5. Housing Assistance for Law Enforcement Personnel Living in High Crime Tribal Areas

Does the Entity provide any tax-free housing for law enforcement officials to reside in areas deemed to be a "high crime zone" by the Tribe? Yes No

If Yes, has the tribal governing body duly designated the zone and payments?

Yes No

List any other comments on law enforcement housing.

6. [Tip Income](#)

Does the Entity have employees who receive [tip income](#)? Yes No

If Yes, is there a voluntary Tip Agreement in place (Tip Rate Determination Agreement or a Gaming Industry Tip Compliance Agreement)? Yes No

What is the percentage of tipped employees who are participating in such an agreement?

If there are non-participating employees, do all of them report their tip income to the entity as required each month? Yes No

Are all employee tips properly reported on line 6c of Form 941?
Yes No

Comment on whether the tip income being reported by employees appears accurate.

7. [Bank Secrecy Act \(BSA\) Issues](#)

Is the Entity subject to [Title 31](#) (gross gaming revenues of \$1 million or more per year, or the entity provides services such as check cashing, wire transfers, etc.)?
Yes No

Does the entity have a designated BSA Compliance Officer? Yes No

Is that position solely dedicated to that task? Yes No

Does the entity have formal written BSA compliance program? Yes No

Is ongoing bank Secrecy Act training held for all employees who interact with customers on the gaming floor, or work in security? Yes No

Comment on the level of filings of FinCEN Forms [102](#) and [103](#), specifically whether the number being filed is changing in proportion to any changes in the size of the gaming operation.

8. Per Capita Distributions of Gaming Revenues to Members

Does the Tribe [distribute any gaming revenues](#) directly to tribal members?

Yes No

Does the Tribe have a Revenue Allocation Plan (RAP)? Yes No

If Yes, is the tribe in compliance with it's RAP? Yes No

Is Form 1099 issued to each receipt? Yes No

Is proper withholding made from the distributions? Yes No

List any other comments on Per Capita Gaming Distributions

9. Use of Trusts or Other Programs to Defer Distributions, or the Tax Consequence of Distributions

Are any programs utilized by the tribe or tribal members to defer the tax consequence of a distribution, or to defer the actual distribution to a later date (i.e. through the use of a trust or other legal structure)? Yes No

Are they operated by the tribe? Yes No

Are they under contract or facilitated by a third party? Yes No

Were the guidelines in [Revenue Procedure 2003-14](#) used? Yes No

If No, was a Private Letter Ruling secured on the deferral program? Yes No

List any other comments on use of Trusts.

10. Aggregation Agreement on Gaming

Does the Entity have an agreement with the IRS to aggregate slot machine wins for a patron in a gaming day? Yes No

If Yes, is the entity in compliance with that agreement? Yes No

List any other comments on aggregation agreements.

11. Acceptance Agent Agreement on ITINs for Gaming Patrons

Does the Entity have an agreement with the IRS to secure Tax Identification Numbers for gaming patrons from foreign countries who lack a social security number?

Yes

No

If Yes, is the entity in compliance with that agreement?

Yes

No

List any other comments on ITIN agreements.

Actions / Corrections / Improvements

List any actions that the Tribe has taken on its own, or plans to implement, to effect improvements in compliance as a result of conducting this Compliance Check

List any actions where the IRS office of Indian Tribal Governments could assist the Tribe in effecting improvements to compliance (i.e. Outreach/Education, improved access to information, need for a Private Letter Ruling, implementation of a Tip Agreement, etc.)

Note: Specific identified compliance concerns that may result in additional tax or penalties can be listed at the conclusion of this template if you are seeking IRS assistance and potential penalty relief.

Summary of Compliance Check

Name of Tribe

Address of Tribe

City

State

Zip

Date Compliance Check Completed

Tribal Entity Contact Name

Tribal Entity Contact Title

Tribal Entity Contact Telephone Number

Tribal Entity Contact E-Mail Address

The following information summarizes the results of the Compliance Check that was conducted (complete all applicable sections):

Employer Identification Number (EIN) Changes Required

(List the affected EINs, check the column for the change(s) required and list an explanation for each change in the last column).

EIN	New EIN	Change of Address	Filing Requirement Change	Other	Explanation of Change

Required Corrective Actions Uncovered by Compliance Check

Based on the results of this Compliance Check, we request assistance in effecting the following corrective actions with the understanding that penalties will be waived wherever permissible: