

Reporting Income from Favor

Clients may receive a 1099-MISC, 1099-K, or both. Both need to be reported on the Schedule C.

The **1099-MISC** is entered as a separate form and connected to the Schedule C.

Favor Runners who delivered at least 200 Favors and generated at least \$20,000 in gross Favors will receive a Form 1099-K.

If the client **did not** receive a **1099-K**, they would log into their app and get the net annual total amount deposited into their bank account. They would report this amount as cash income and then include any deductions applicable to that job.

If the client **did** receive a **1099-K**, the amount on the 1099-K **INCLUDES** the amount of the merchandise or food that was purchased. To get to the payments for deliveries without the cost of the food “supplies,” the client needs to log into their app to retrieve the annual amount (not including the cost of food supplies) paid to the taxpayer.

To enter any income not reported on a 1099-MISC, go to the Income tab of the Schedule C section.

Schedule C	
Basic Information About Your Business	EDIT
Questions About the Operation of Your Business	EDIT
Income	EDIT
Cost of Goods Sold	EDIT

If the client **did not** receive a **1099-K**, enter under “Gross receipts or sales” the amount from the app that was deposited in the client’s bank account.

If the client **did** receive a **1099-K**, enter the amount from box 1 of the 1099-K.

If you have multiple 1099-Ks or sources of income to report, consider using the notepad to the right to make notes about those amounts.

Schedule C - Income	
Income	
Total Income from Form 1099-MISC	\$943.00
<small>This value will be automatically added. Do not include it on this form.</small>	
Gross receipts or sales (Including income reported on Form 1099-K)	\$ [] → []
Income reported to you on Form W-2 as Statutory Employee	\$ [] []
Returns and allowances	\$ [] []
Other Income	\$ [] []
CANCEL CONTINUE	

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Next, navigate to the General Expenses tab of the Schedule C section.

Schedule C	
Basic Information About Your Business	EDIT
Questions About the Operation of Your Business	EDIT
Income	EDIT
Cost of Goods Sold	BEGIN
General Expenses	EDIT

If the client **did not** receive a 1099-K, just enter any eligible expenses in this section as usual.

If the client **did** receive a 1099-K, enter under “Supplies” the difference between the 1099-K box 1 amount and the total amount (that you got from the app) that was deposited in the taxpayer’s account that year. (Ex. Box 1 of \$20,000 but client only received \$5000, so take \$20,000 - \$5000 = \$15,000 supplies.)

Again, if you need to enter this amount for different 1099-Ks, you can use the notepad to the right to make notes about the individual amounts that equal the total amount in supplies entered.

Repairs and maintenance	\$	☰
Supplies	\$	☰ →
Taxes and licenses	\$	☰
Travel	\$	☰

Some business tax info for when you’re presented with a masked transcript. These are just a couple examples; confirm that this matches the masked info on the transcript before entering it in the software!

Business name: DOORDASH

EIN: 46-2852392

Address: 901 MARKET SUITE 600

San Francisco, CA 94103

Business name: NeighborFavor, Inc DBA Favor Delivery

EIN: 90-0878124

Address: 1705 Guadalupe Street, Suite 300

Austin, TX 78701