## State of Rhode Island Department of Administration

## INTER-OFFICE MEMORANDUM

## Office of Accounts and Control

TO: Chief Financial Officers DATE: June 21, 2013

**All State Agencies** 

FROM: Louise M. Anderson

**Associate Controller - Operations** 

**SUBJECT: New Natural Accounts for Real Estate Transactions** 

CFO 13-10

Per IRS reporting requirements, the person(s) responsible for closing a real estate transaction is also responsible for reporting the transaction to the IRS. In order to adhere to these requirements, we must differentiate between reportable and non-reportable payments for real estate transactions.

Any payment for real estate transactions not involving a closing or uniform settlement statement where the payment is made directly to the owner is considered "reportable" and is to be charged to the following natural accounts:

643730 Temporary Easements (DOT)
661101 Property Acquistn:Land
661801 Rights Of Way/Development Rights

All transactions booked to these natural accounts will be filed yearly on a form 1099-S to the IRS with copy to the payee.

For any payment for real estate transactions involving a closing or uniform settlement agreement where a title company, escrow company or attorney who is not employed by the State is responsible for the distribution of payments, the transaction is to be considered "non-reportable" and is to be charged to one of the following new natural accounts:

Temporary Easements (DOT) Non-Reportable
 Property Acquistn:Land Non-Reportable
 Rights Of Way/Development Rights Non-Reportable

Transactions booked to these new natural accounts will not be reported to the IRS.

Any questions can be directed to my office at 222-2704.

Thank you.