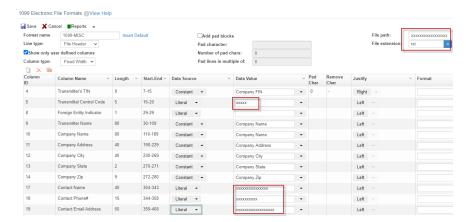# 1099 Processing

Review of Setups

Menu Setup > Options > Accounts Payable > General .

- Check boxes "Use 1099" and "Generate 1099 on Payment Vendor". Payments made to vendors with some type of payment card should NOT be reported. It is the responsibility of the credit card company to report on Form 1099-K, per IRS instructions.
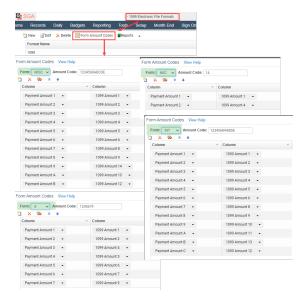
1099-MISC instructions from IRS say the following:

wrongfully incarcerated individuals.
Form 1099-K. Payments made with a credit card or payment card and certain other types of payments, including third-party network transactions, must be reported on Form 1099-K by the payment settlement entity under section 6050W and are not subject to reporting on Form 1099-MISC.

Menu Setup > Exports > 1099 Formats:

- A format is required for
  - 1099-Federal
  - Pennsylvania businesses:
    - 1099-MISC – PA State
    - 1099-NEC – PA State
- PA State formats need added manually if they don't exist
- Federal format should already exist. If not, click New and Insert Default.
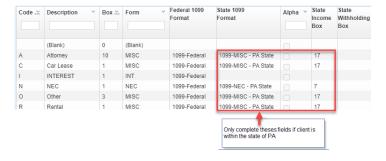- Rows marked in red may need completed.

Double-check Form Amount Codes. They should be defined as shown for the three 1099 types

Menu Setup > 1099 Codes:

- Examples below. Add codes as needed.

- PA businesses will want to report State information. Other states normally do not complete the State fields.

Only complete theses fields if client is within the state of PA

Menu Setup > SignOn > Options

- Holds the company name, address, and EIN# for printing 1099's.

- The 1099 format allows for an override of company information for printing on the forms. Select Line Type Paper Form.

Menu Month End > 1099 Process > Back of Form

- If the instructions on the back of form do not yet exist for the current year, click Apply annual form update.

- Set Threshold amount at $600.00

- Be sure the back of form info exists for each Form type.

Menu Month End > 1099 Process > View

- The following views are suggested. When a view is saved, the columns of information, as well as the filter selections are saved in the View Name.

All

Print 1099-MISC

Print 1099-NEC

Processing 1099s

From the top menu, go to Month End > 1099 Process . From this screen, 1099 reporting information can be generated, edited, forms printed, and the electronic file/s created for transmittal to the IRS.

Generate: First step is to Generate the 1099 file for the year. Be sure you have reviewed the setup/table files before proceeding. The Generate option can be run anytime after the final payments are made (and posted) for the year. At the top menu, click Generate. This creates a file of all vendor payments for the selected year, whether 1099 reportable or not. You can then view and analyze all vendor payments by selecting the appropriate view.
The Generate option uses the Transaction Date (check date) to pull vendor payments for the year, regardless of transaction month/year. If the Generate option is rerun, it will recreate this file of vendor payments for the year, replacing any manual adds or adjustments. Be careful NOT to run Generate after 1099 info has been imported from a prior accounting system (first year in SGA).

- **View:** Selects a saved view of which columns and filters are displayed. You can save a view of the columns to be displayed at any time by clicking the save view button. It is suggested you have views saved for All Vendor Payments, for 1099-MISC Payments, and for 1099-NEC Payments. Column "Amount Tagged" is what the 1099 print will use IF there is a "Tagged Code" marked on that row.

- **Display:** Shows the 1099 information with the selections you have made. If you change a selection, you must click the display button to refresh the screen.

- **View All:** To view all payments for the year, set each filter at the top of the screen to All, and check the Vendor Total box; click Display. Click the Customize Columns icon (to the right of View) to see available columns for this screen. Available amount columns are Amount Paid (total payments to the vendor), Amount Tagged (vendor payments tagged for 1099 purposes), and Amount Not Tagged (not tagged for 1099 purposes). Save the view, if you like. When a view is saved, the selected columns, as well as filter selections are saved within a view name.

- **View 1099's to print:** To view what will be printed on 1099 forms, the filters should be same as explained above in View All, except Tagged Code (Not Blank), and Amt Tagged checked. Select the columns to include in this view. Save this view if it does not already exist. This view will display the list of vendors with amounts tagged to report on the 1099.

Untagged transactions will not be included on the printed forms (or transmission file).

- **Export to Excel:** Click the Reports dropdown arrow for options to print the current screen display or send to Excel.

- **Filter Selections** (top of screen):

- **1099 Form:** Select the type you wish to view. (1099-MISC, 1099-NEC, 1099-INT, all, etc.)

- **Order by:** Choose whether you want to see 1099 information by vendor name, number, or 1099 code.

- **Year:** The year in which you want to display).

- **Tagged Code:** Choose whether you want to see all 1099 codes, blank, not blank, or a specific one for payments.

- **Vendor Type:** Choose whether you want to see all vendor types or a specific one.

- **Vendor Code:** Choose whether you want to see vendors coded (vendor edit screen) for all 1099 codes, blank, not blank, or a specific one for the vendor.

- **W-9 on File:** Filters vendor's 'W-9 on File' flag.

- **Federal ID#:** Filters vendor's federal ID#.

- **Summary:** If viewing by vendor, this will show one line per vendor. If viewing by code, this will show one line per 1099 code. In order to edit a vendor with more than one 1099 code, you must have the Vendor Total checked rather than Summary.

- **Vendor Total:** Includes a total line for any vendor who has multiple 1099 codes utilized in his payments.

- **Amt Tagged/Paid:** Filters vendors with an amount (tagged or paid) greater than an amount you define. This is only available if viewing by vendor.

- **How to adjust amounts tagged for 1099 reporting:** Invoices were tagged for 1099 reporting (or not) at the time of invoice entry (1099 Taxable Code on invoice entry screen.

- If first year in SGA and amounts were imported from a prior system, do NOT use the Tag button. Instead, Edit the vendor row. Select the Year, Tagged Code, Vendor, and Amount Tagged.

- If there are no imported amounts (after the 1st year), you can click to highlight a vendor and

click Tag. All payments for the vendor will be displayed and can be tagged/untagged for 1099 purposes.

- Click on the Tagged Code dropdown arrow to change the code, if necessary. This will also update the invoice record, found under the Vendor history.

- To tag/untag all payments for 1099 reporting, select the code at the bottom of this window and select/deselect all. Select the blank code to untag all payments.

- Click Save to update changes and return to the 1099 browse screen.

- Click Display to refresh the screen at any time.

- **New/Edit/Delete:**
  - Use the New button for a simple way to manually enter the 1099 payment amounts.

  - Enter the Year, 1099 code, vendor, and amount tagged.

  - Once a vendor and amount have been added, you can highlight that line and click Edit to change the amount or click Delete to remove this vendor line.

  - By using this manual New/Edit option, you do not run the generate option or look at 1099 codes on individual invoice payment lines. The adjustments you have manually entered will be displayed on this browse screen upon entry.

  - **Caution:** if manually adding payments, do not run the Generate option, as manual entry will be lost as the file of all vendor payments is again regenerated from the A/P system.

  - The Edit/Delete buttons are disabled if the Summary box is checked at the top of the screen.

  - To Add/Edit, uncheck the Summary box and click Display to refresh the screen.

Print 1099 Forms

1099-MISC, 1099-NEC, and 1099-INT forms:
- 1099 forms can be printed on blank (plain) paper or preprinted 1099-MISC or 1099-NEC laser forms (3 up). Two vendors are printed per sheet for MISC and three Vendors are printed per sheet for NEC. If filing paper copies with the IRS, you must use a pre-printed (red copy) form. Do NOT cut apart pre-printed (red copy) forms. All other copies (vendor, office, etc.) may be printed on plain paper. The vendor/office copies print two vendors per page. The vendor copies may be cut in half with a paper cutter.

- Printing them on plain paper requires electronic filing to the IRS, as the IRS requires the red copy if paper filing.

- We recommend printing to .pdf an office copy of each 1099-type form and saving on your computer for safe keeping.

Printing on blank paper:

- If printing on blank paper and you elect to print the instructions on the back of the form, be

sure you have the current year software update. Click Back of Form button and select the year. If instructions do not exist for the current year, click Apply annual form update button. If not available, contact SGA.

- Printing with Web Extension should allow printed forms to have the proper margins without adjusting printer settings

- **Review before printing:** Before you print 1099's be sure to review the tagged transactions as described above. Select the appropriate view name and click the Display button. The filters for the view of forms to be printed should all be set as "All", except Tagged Code (Not Blank), and Amt Tagged checked. When you are ready to print the forms, load the laser forms in your printer, and from the menu at the top, select **Print 1099s.** If you are printing instructions on the back of the form, be sure your printer is set to duplex.

- Forms 1099-MISC, 1099-NEC, and 1099-INT must be printed separately by repeating the printing process for each form type.

- <u>When 1099 Forms are printed, the filter selection is not considered. Forms are printed for any vendor that has a payment with a tagged code.</u>

1099-INT forms:
- 1099-INT forms can be printed on blank (plain) paper (prints two vendors per page), which requires electronic filing to the IRS, or government preprinted 1099-INT laser forms.

Generate Electronic File for Transmittal to IRS

If you haven't done so this year, before creating the transmittal file, double-check the company name, address, and Federal ID# in SignOn > Setup > Options. Also, the settings in Setup > Exports > 1099 Formats, which contain the path/file name, as well as the contact information and Transmitter Control Code required on the transmittal file.

Menu option is Month End > 1099 Process > Create File. Enter the year, the type of form, the appropriate format, file output to retrieve your file. You have two options when it comes to retrieving the file both are highlighted below.

Download Options:

- **Option 1:** Choose Download under Text File Output. This will download the file directly to your download folder that you can then move to what folder you would like.

- **Option 2**: Choose Folder Path and download the web extension. Once that is downloaded, and they are both connected, you will be able to click on the magnifying glass to select your file path.

Create 1099 File ⓘ View Help

Year:	2020
Form:	MISC ⌄
Format:	⌄
Text File Output:	Folder Path ⌄
File:	Folder Path
	Download
Download Web Extensio	Dropbox

✓OK ✗Exit

Year:	2020
Form:	MISC ⌄
Text File Output:	Folder Path ⌄
File:	Folder Path
Download Web Extensio	