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1099 Processing

Video Tutorial

Click the play button below for a video tutorial. This tutorial is about 7 minutes long. Written instructions are below the video.

NOTE: *If viewing from the right-side screen, to open the video on a larger screen, use the "Open in full site" link at the bottom left of the help display. If you are already viewing from the full site, click the play button below to begin the tutorial.*

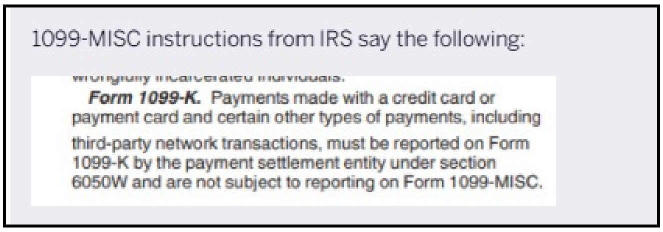
Your browser does not support HTML5 video.

Step-by-Step Instructions

Review of Setups

Settings > Accounts Payable > General Options

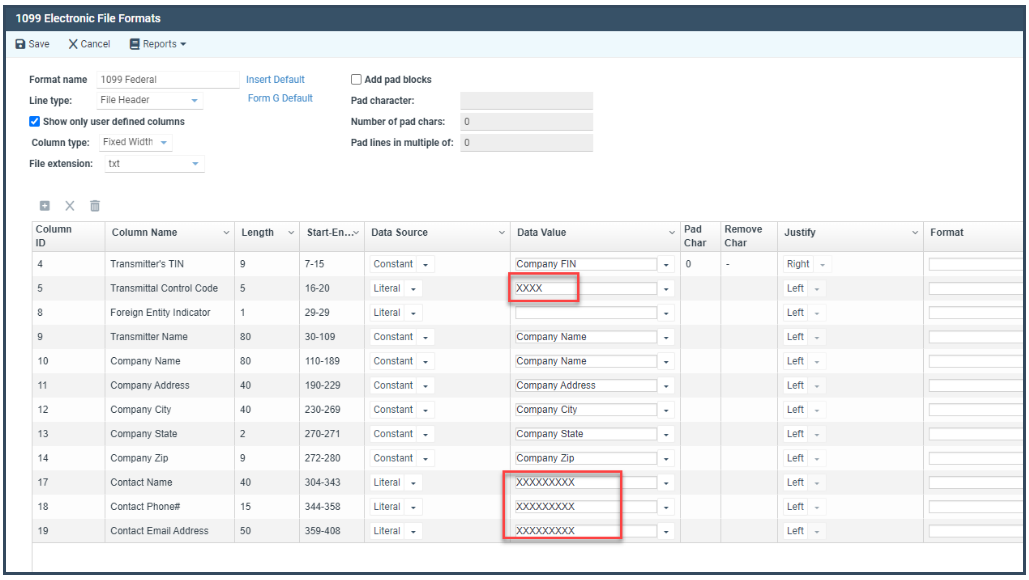
- Check the boxes **Use 1099** and **Generate 1099 on Payment Vendor.** Payments made to vendors with some type of payment card should NOT be reported. It is the responsibility of the credit card company to report on Form 1099-K, per IRS instructions.


1099-MISC instructions from IRS say the following:

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.

Settings > Accounts Payable >1099 Formats

- A format is required depending on which system you are filling through electronically
  - 1099-Federal (FIRE)
  - 1099 NEC-IRIS, 1099 MI-IRIS, 1099 INT-IRIS
  - Pennsylvania businesses:
    - 1099-MISC – PA State
    - 1099-NEC – PA State
- PA State formats need to be added manually if they don’t exist
- The federal format will already exist. If not, please contact SGA Support
- Rows marked in red may need to be completed within the format for the system you will be using.



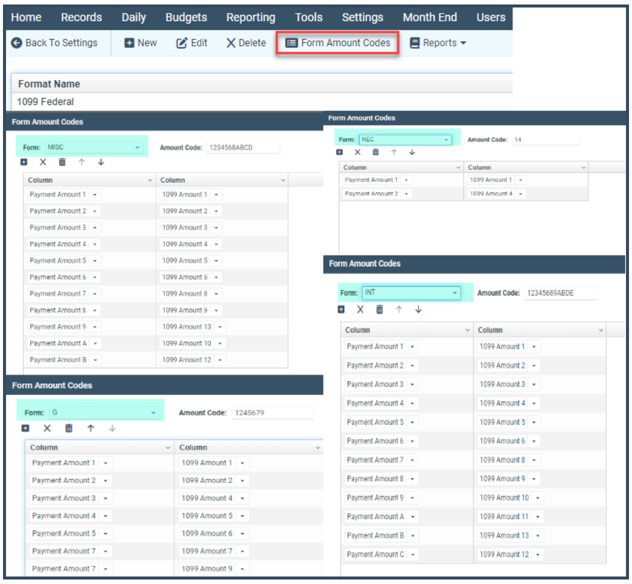
1099 Electronic File Formats

Save | Cancel | Reports

Format name: 1099 Federal — Insert Default — Form G Default
Line type: File Header
Show only user defined columns (checked)
Column type: Fixed Width
File extension: txt
Add pad blocks
Pad character:
Number of pad chars: 0
Pad lines in multiple of: 0

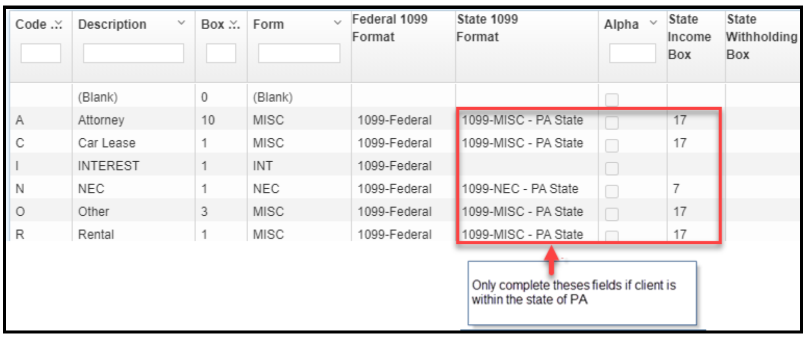
Column ID	Column Name	Length	Start-En...	Data Source	Data Value	Pad Char	Remove Char	Justify	Format
4	Transmitter's TIN	9	7-15	Constant	Company FIN	0	-	Right	
5	Transmittal Control Code	5	16-20	Literal	XXXX			Left	
8	Foreign Entity Indicator	1	29-29	Literal				Left	
9	Transmitter Name	80	30-109	Constant	Company Name			Left	
10	Company Name	80	110-189	Constant	Company Name			Left	
11	Company Address	40	190-229	Constant	Company Address			Left	
12	Company City	40	230-269	Constant	Company City			Left	
13	Company State	2	270-271	Constant	Company State			Left	
14	Company Zip	9	272-280	Constant	Company Zip			Left	
17	Contact Name	40	304-343	Literal	XXXXXXXXX			Left	
18	Contact Phone#	15	344-358	Literal	XXXXXXXXX			Left	
19	Contact Email Address	50	359-408	Literal	XXXXXXXXX			Left	

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



Settings > Accounts Payable >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.



Code	Description	Box	Form	Federal 1099 Format	State 1099 Format	Alpha	State Income Box	State Withholding Box
	(Blank)	0	(Blank)					
A	Attorney	10	MISC	1099-Federal	1099-MISC - PA State		17	
C	Car Lease	1	MISC	1099-Federal	1099-MISC - PA State		17	
I	INTEREST	1	INT	1099-Federal				
N	NEC	1	NEC	1099-Federal	1099-NEC - PA State		7	
O	Other	3	MISC	1099-Federal	1099-MISC - PA State		17	
R	Rental	1	MISC	1099-Federal	1099-MISC - PA State		17	

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

Settings > General Settings > Company Information

- 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.

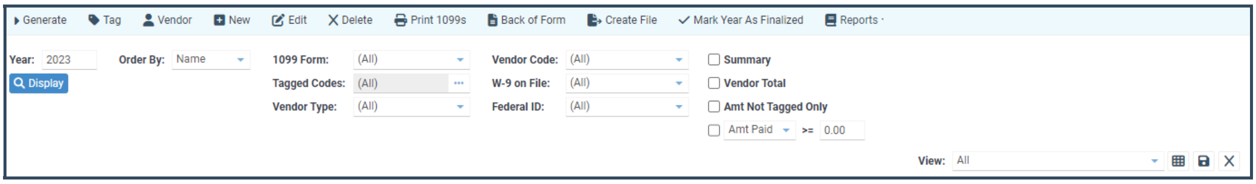
Month End > 1099 Process > Back of Form

- If the instructions on the back of the form do not yet exist for the current year, click Apply Annual form update.
- Set the Threshold amount at $600.00
- Be sure the information on the back of the form exists for each form type.

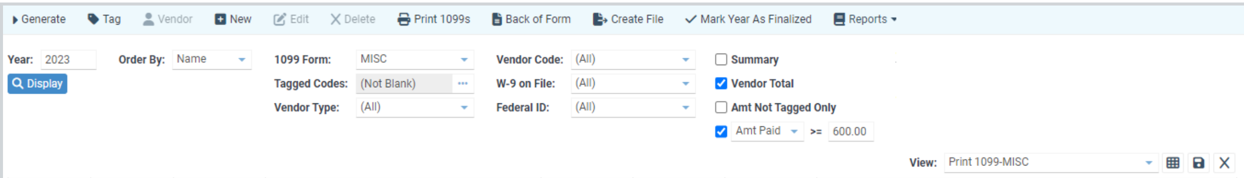
Month End > 1099 Process > View

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

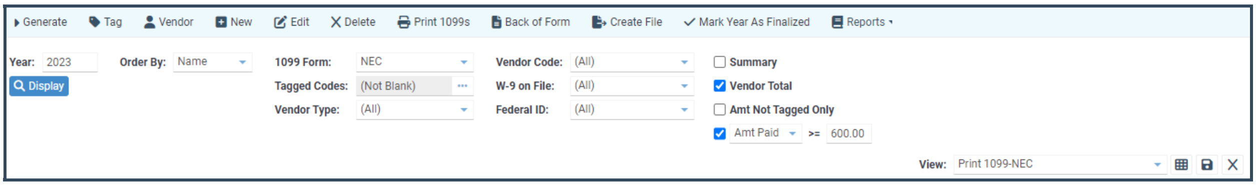
ALL



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: The 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 is 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 the 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 files).
- **Export to Excel:** Click the Reports dropdown arrow for options to print the current screen display or send it 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 the 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 viewed by the 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 the invoice entry screen.
- If the 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, which can be 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 a red copy of paper filing.
- We recommend printing to .pdf an office copy of each 1099-type form and saving it 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 the Back of Form button and select the year. If instructions do not exist for the current year, click the 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.
- 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.

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 Settings > General Settings > Company Information. Also, the settings in *Settings > Accounts Payable > 1099 Formats* contain the path/file name, as well as the contact information and Transmitter Control Code required on the transmittal file.
The menu option is *Month End > 1099 Process > Create File.* Enter the year, the type of form, and the appropriate format based on the system you are filling with. Choose Download under Text File Output. This will download the file directly to your download folder, which you can then move to whatever folder you would like.

When finished, you can **Mark Year as finalized.** When this button is clicked, you can no longer regenerate unless you unmark the year as finalized first. If you have purchased the Vendor Portal, the 1099s will be visible to the vendor when they log into the portal.

NOTE: *1099s will still need to be mailed to the vendor.*