AP 1099 Processing

As checks are written, 1099 amounts are accumulated during the year. Make sure all checks for 1099 vendors for the year been printed or entered. 1099s may be printed either before or after you run Close Period/Year at the end of December.

You must print 1099s before creating any checks for the new year.

Process Flow
1. If you have not closed the year, you may need to run the option to 'Clear 1099 Totals' depending on your situation.
2. Run the menu option to 'Calculate 1099 Amounts'. You have the option to update the 1099 flag based on the vendor master. This is helpful if you made some changes to the vendor master after invoices were processed.
3. Print the Verification Report and verify the totals. The report reads the data from the Check Registers and adds the dollars for invoices marked for 1099. There is a section at the bottom of this document that outlines a procedure to review and correct 1099 amounts prior to printing.
4. If needed, you can manually enter 1099 amounts for a vendor.
5. Print the 1099 forms on paper and then on the official 1099 form.
6. Print the 1096 form.
7. As an optional step, you can create the EDI file that you will uploaded to the IRS website. The upload process must be manually done by you.
8. If you did not choose to 'Clear 1099' data during the December month end, you can do it with this menu option. This moves 1099 amounts from Current Year to Last Year. 1099 amounts must be in the Last Year field before any checks are written for the new calendar year.

AP	Pr-Gl	Link	Main	Exit

12 1099 Module

- Verification Report
- Change 1099 Amounts
- Print 1099 Forms
- Create1099M EDI File
- Print 1096 Form
- Clear 1099 Totals
- Calculate 1099 Amounts
- Fix 1099 Forms

Read each situation below and select the **ONE** that describes your situation.

Situation 1:
- December is your fiscal year end.
- You have not closed AP. You have processed all invoices and checks for your 1099 vendors. You want to print 1099s.
- You need to run January checks which could include 1099 vendors. You may still have other non-1099 December expenses to enter.

Procedure 1:
- AP, 1099 Module, Clear 1099 Totals. This moves Current Year amounts to Last Year.
- When ready, print 1099s choosing Last Year Balances.
- When you close AP for December:
  - Enter **'Y'** to 'Reset all YTD amounts in the Vendor File'.
  - Enter **'N'** to 'Move 1099 totals and clear current 1099'.

Situation 2:
- December is your fiscal year end.
- You are finished with December AP and want to close the year. You have not entered anything for January AP
- You are **not ready to print 1099s**.

Procedure 2:
- For December, run Close Period/Year.
- Enter **Y** to 'Reset all YTD amounts in the Vendor File'.
- Enter **Y** to 'Move 1099 totals and clear current 1099'
- When your are ready, print 1099s choosing Last Year Balances.

Situation 3:
- December is your fiscal year end.
- You are finished with December AP and you want to print 1099s **before** you close.
- You usually reset the YTD amounts in December.

Procedure 3:
- Print 1099s using the checklist below choosing Current Year balances.
- Before printing any January checks, run Close Period/Year.
- When you close AP, enter **Y** to 'Reset all YTD amounts in the Vendor File'.
- When you close AP, enter **Y** to 'Move 1099 totals and clear current 1099'.

Situation 4:
- December is **not** your fiscal year end.
- You have already 'Reset all YTD amounts in the Vendor File' at your normal fiscal year end.
- All 1099 checks have been printed or entered, but you are not ready to close AP.
- You need to run January checks which could include January 1099 checks and/or you still have December expenses to enter.

Procedure 4:
- AP, 1099 Module, Clear 1099 Totals. This moves Current Year amounts to Last Year.
- When you close AP, enter **'N'** to 'Reset all YTD amounts in the Vendor File'.
- You will **not** get the option to 'Move 1099 totals and clear current 1099'.
- When ready, print 1099s choosing Last Year Balances

Calculate 1099 Amounts
Accounts Payable, 1099 Module, Calculate 1099 Amounts

The program will update all checks written with the 1099 code taken from the Vendor setup. The program will assume that all payments to the vendor are 1099 payments. To exclude individual payments and change the total, you will need to use the option 'Change 1099 Amounts'.

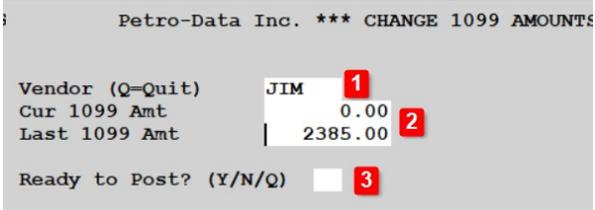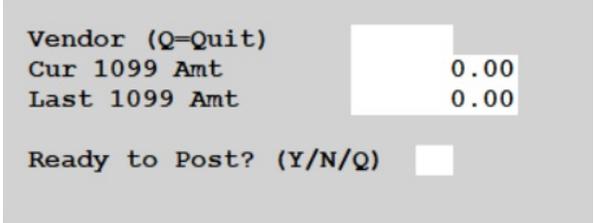|	
1. Enter the From and Through dates. 2. Leave this field blank to re-calculate all vendors or enter one specific vendor. 3. 'Y' will update the codes in the check register file with the value from the vendor setup. 4. 'Y' will display individual records that are marked for 1099. You can change the 1099 Type code. Keep in mind that another Recalculate will undo your changes. 5. 'Y' to start the Re-Calculation.	This program will recalculate the year to date 1099 balance by adding up the Checks for the range of dates desired. The resulting total will be put in the last year total. This program only works if you have the vendors coded correctly with their 1099 code. If you calculate for one vendor, the system will calculate a 1099 balance regardless of the previous 1099 code. Enter range of dates for Last Year 01/01/2019 12/31/2019 **1** Enter vendor to calculate (Blank=All) _____ **2** Fix 1099 codes in the check register? (Y/N) Y **3** Browse and Fix 1099 codes? (Y/N) Y **4** Are you ready to recalculate the vendor balances? (Y/N/Q) Y **5**
If you chose 'Y' to Browse & Fix 1099 codes, this page will display. You can only change the 'Typ1099' field. You can remove the 1099 type or change it to another 1099 code. Press Ctrl-W to save your changes and exit.	**FIX 1099 Codes** 	Pvendno	Checkno	Checkdate	Aprpay	Typ1099	 |---|---|---|---|---| 	CONTR	33219	08/16/2019	120000.00	M	 	JIM	33115	03/01/2019	600.00	M	 	JIM	33201	07/31/2019	540.00	M	 	JIM	33268	01/18/2019	375.00	M	 	JIM	33268	10/05/2019	150.00	M	 	JIM	33318	08/26/2019	720.00	M	
When the system has completed the re-calculation and you exit, type 'C' to return to the main 1099 menu.	Balances calculated. Begin updating vendors. Finished calculating. Print 1099 report to verify balances. Press C	

Print Verification Report

Accounts Payable, 1099 Module, Print Verification Report

The verification report will print all 1099 totals by vendor for the year.

1. Current system date will default. 2. Enter 'Y' to print the vendor's address or accept 'N' to omit the address. 3. Choose '1' to print 1099 vendors only or '2' to review all vendors. 4. Enter 'Y' if your options are correct.	Display report on screen Enter the Report Date 01/09/2020 **1** Print Detail Address (Y/N) N **2** Option: 1=1099 Vendors Only 2=All Vendors 1 **3** Is everything ok? (Y/N/P=Printer/Q=Quit) Y **4**
Sample report.	Date: 01/09/2020 Petro-Data Inc. Page No. Time: 13:00:23 1099 Verification Report 01/09/2020 1 Vendor Name of Vendor Fed Id No Type Cur Amt Last Amt CONTR Contract Labor Staffing M 0.00 120000.00 JIM Jim Smith M 0.00 2385.00 Total 0.00 122385.00 Total to Report Vendor Count 2 122385.00

Change 1099 Amounts

Accounts Payable, 1099 Module, Change 1099 Amounts

If the yearly total of 1099 payments is not correct, you can manually adjust the total amount for the year.

If you choose to 'Calculate 1099 Amounts' after a manual update, any change you made will be deleted. You will have to re-enter the manual change after the 'Calculate'.

1. Enter the vendor number. 2. Change the 1099 Total in either Current and Last Year. The field is based on when you have cleared your 1099 amounts. 3. Choose 'Y' to post the update. Enter 'N' to change the vendor or amount or 'Q' to Quit.	Petro-Data Inc. *** CHANGE 1099 AMOUNTS Vendor (Q=Quit) JIM **1** Cur 1099 Amt 0.00 **2** Last 1099 Amt | 2385.00 Ready to Post? (Y/N/Q) **3**
After the update of one vendor, the system will return to a blank screen. Enter the next vendor you want to change or 'Q' to Quit.	Vendor (Q=Quit) Cur 1099 Amt 0.00 Last 1099 Amt 0.00 Ready to Post? (Y/N/Q)
At this point, you should be ready to print the 1099s. Remember: If you Calculate 1099 Amounts, your change will be undone.	

Print 1099 Forms

Accounts Payable, 1099 Module, Print 1099 Forms

Print 1099 forms to send to your vendors. They will print 4 copies per page per vendor. You can also print a File Copy for your records.

1099 forms may be printed as many times as needed so it's best to print them on plain paper before printing them on the forms. They will also display on the screen. You should always print an alignment on the forms to verify that the printer spacing is correct for the form. Holding a paper copy up to the form is a good preliminary alignment test but print at least one alignment on a form before printing all of the forms.

AP, 1099 Module, Print 1099 Forms

Load the plain paper or the 1099 forms on the printer. If this is the first print, use plain paper to verify the printing alignment.

1. Choose the appropriate 1099 type. The description of the form will display. Choices are **M**iscellaneous, **NEC** (none employee compensation) ent & **I**nterest.
2. Choose either **C**urrent Year or **L**ast Year balances.
3. You can enter up to 2 vendors to print. Leave these fields blank to print all vendors.
4. Choose 'Y' to omit any 1099 with a zero balance.
5. Verify or change the 1099 minimum amount.
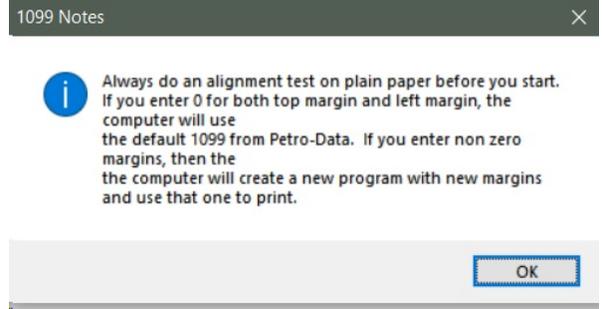6. Enter 'Y' if your printer is a laser printer or 'N' if it's a dot matrix.

Press Enter.

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Type 1099 (Misc/Nec/Interest): (M/N/I)  M  [1]
  All Misc 1099s

L=Last Year Balances   C=Current Year Balances  C  [2]

Enter a vendor 1 to print (Blank=All)         [3]
Enter a vendor 2 to print (Blank=All)

Omit Zero Balances? (Y/N)  Y  [4]      Minimum amount to print   600.00  [5]

Laser Printer? (Y/N)  Y  [6]
```

A Print Alignment message will display. The alignment process will allow you to adjust the printing of data on the form, if needed. Click OK.	**1099 Notes** ✕ ⓘ Always do an alignment test on plain paper before you start. If you enter 0 for both top margin and left margin, the computer will use the default 1099 from Petro-Data. If you enter non zero margins, then the the computer will create a new program with new margins and use that one to print. OK
Click 'Yes' to begin the alignment test or 'No' to skip the alignment and print the 1099s. If you are printing to plain paper, you can skip the alignment process.	**Alignment Test** ✕ ❓ Do you want to print an alignment test? Yes No
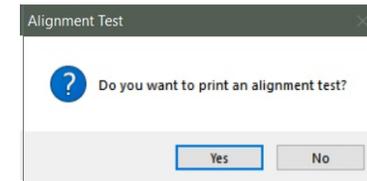
If you choose the Alignment process, enter the number of characters to adjust the Top and Left Margins.

When you checked the plain paper copy with the pre-printed form, you may need to make minor changes to the Top or Left Margin. Enter those adjustments here.

- If the data is printing BELOW the box, enter a negative number in 'Adjust Top Margin' to move the data up (-.50). .50 moves it ½ of a line.
- If the data is printing ABOVE the box, enter a positive number in 'Adjust Top Margin' to move the data down (+.50).
- If the data is printing too far to the RIGHT, enter a negative number in the 'Adjust Left Margin' to move the data to the left (-1.0). 1.0 moves it one character.
- If the data is printing too far to the LEFT, enter a positive number in the 'Adjust Left Margin' to move the data to the right one character (+1.0).
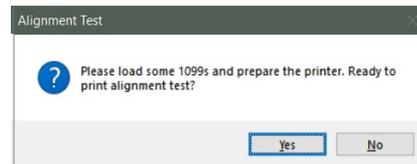
If this minor adjustment does not work, see the menu option 'Fix 1099 Forms'.

The system will ask you to confirm your alignment change. Click Yes to accept the change or No to change it.
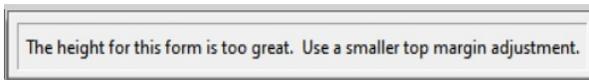
Enter Alignment Margins

Adjust Top Margin   2.000

Adjust Left Margin   1.000

Ok

Margin Adjustment

You are adjusting 1.00 spaces to the RIGHT and moving DOWN 2.00 spaces. Is this what you want?

Yes   No
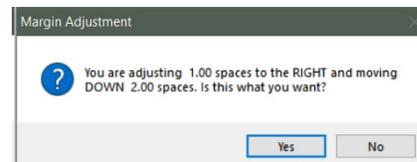
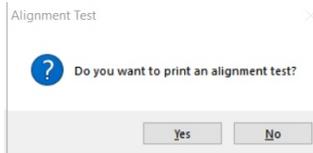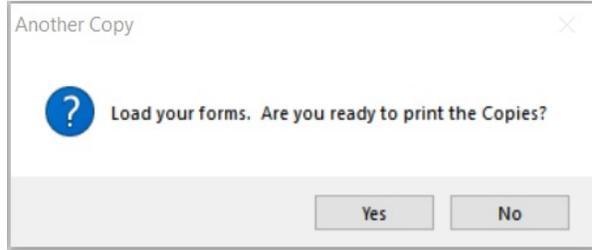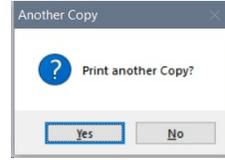|	
The system will prompt you to load the 1099 forms. This may also be plain paper if this is the first print. Click Yes to begin printing.	**Alignment Test** ✕ **?** Please load some 1099s and prepare the printer. Ready to print alignment test? [Yes] [No]
In some situations, the system may issue a warning message the change you entered is too large. Unless you are certain about this change, click No to enter a new adjustment. Repeat the alignment process until the data lines up with the 1099 form.	The height for this form is too great. Use a smaller top margin adjustment.
After you accept all alignment changes, you will be prompted to print an alignment one last time. You can select 'No' to begin printing or 'Yes' to verify alignment one last time.	**Alignment Test** ✕ **?** Do you want to print an alignment test? [Yes] [No]
Click 'Yes' if you are ready to print the 1099.	**Ready** ✕ **?** Ready to print 1099s? [Yes] [No]

Click 'Yes' if you are ready to print the second copy of the 1099s or a File Copy. The system will prompt you to load your forms on the printer. Click 'Yes' to begin printing. When no more copies are needed, click 'No' to end the process.	**Another Copy** ✕ ❓ Print another Copy? [Yes] [No] **Another Copy** ✕ ❓ Load your forms. Are you ready to print the Copies? [Yes] [No]
1099 Totals and a Vendor Count will display. Click OK.	**1099 Totals** ✕ ℹ️ Total 1099 dollars 122385.00 Vendor Count 2 [OK]

Print 1096 Forms

Accounts Payable, 1099 Module, Print 1096 Form

The 1096 Form is filed with the IRS.

1. Choose if this is an Alignment Test or are printing the Final Return. If you are performing an Alignment test, you will follow the same procedure as in 1099. 2. Check the appropriate 1099 type. 3. Confirm or change your company's contact person. 4. The system will show number of forms and 1099 total. The data for the 1096 form will print.	

Fix 1099 Forms

Accounts Payable, 1099 Module, Fix 1099 Forms

You can modify the printing for Laser Forms only. There are TWO 1099s to a page. Only the first ONE is displayed below. If you scroll down while on this screen, you will see the second one. Sometimes only one has to be moved, sometimes both should be adjusted. Make sure you change the appropriate change for your laser form.

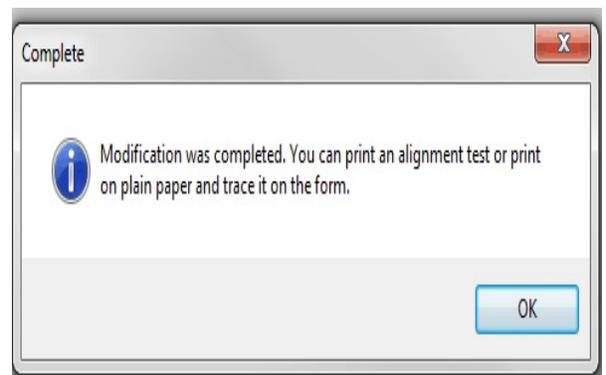|	
1. Enter '1' to change the 1099 printer spacing or '2' to restore the original form. 2. Select the 1099 for type to change. 3. Select 'Y' to continue.	1=Modify Form 2=Copy Back Original 1 **1** 1=1099M 2=1099I 3-1099R 4=1096 1 **2** Ready to Continue? (Y/N/Q) Y **3**
The printer spacing will display on the screen. Using your mouse, drag the boxes so they will align correctly with your form and printer. To move multiple fields, hold the <Shift> key down and draw a box around the fields to be moved with your mouse. Then you can move them as a whole. When modifications are complete, press <ESC>. Click 'No' to keep your changes or 'Yes' to discard your changes.	

| The system will print a confirmation message that changes are complete.

You can now print your 1099s. | **Complete**   X

ⓘ Modification was completed. You can print an alignment test or print on plain paper and trace it on the form.

OK |

Clear 1099 Totals
Accounts Payable, 1099 Module, Clear 1099 Totals

As checks are written during the year for vendors who get 1099s, amounts are accruing in the 'Current 1099 Amt' field. If those amounts are not moved to 'Last 1099 Amt' before checks for the new year are written, the new checks will accrue in the Current field.

There are two ways to clear the current and move the totals to Last year.
1. When 'Close Period' is run for December, answer 'Y' to the question 'Do you want to move 1099 totals and clear current 1099.'
2. Run Clear 1099 Totals using this option on the 1099 Module Menu

1. Select 'Y' to move the 1099 amounts from Current Year to Last Year. 2. Select 'Y' to confirm moving the data. If you choose 'N', you can quit the program without moving the data. 3. Select 'C' to continue. After you run this option, choose the option to print 1099 using Last Year balances.	This option allows you to save your current 1099 total to last years 1099 total and then clear the current 1099 total. Print the 1099 Verification Report to make sure Last Years Total is Right Save the totals in last year 1099 total? (Y/N) Y **1** Are You Sure You Want to Clear 1099 Totals? (Y/N) Y **2** Current 1099 Totals Have Been Cleared. Press C to Continue **3**

Troubleshooting the 1099 Amounts

If you have run the Calculate 1099 and believe the amounts are not correct, use this procedure to review the data.

1. Run a Check Register
   a. Print a Detailed Check Register for the calendar year. Review the totals for each vendor.
   b. If the totals do not tie to the 1099 amount, review the payments and determine if they should be included in the 1099.
2. Check the Vendor Setup
   a. Review each vendor and check the 1099 code in their setup. The most common value will be 'M' for 1099-Miscellaneous. There are two other option: '**R**'ent and '**I**'nterest.
   b. If any vendor is missing a 1099 type, enter it now.
3. Run Calculate 1099 Amounts
   a. You have two options that will correct the 1099 balances. Select one option:
      i. Fix 1099 codes in the check register (Y/N)? This option will change the 1099 codes in the check file for **ALL** checks for the vendor.
      ii. Browse and fix 1099 codes (Y/N)? This option will display all checks. You can mark checks individually as 1099 payments. In the column titled 'Typ1099', enter the appropriate 1099 code (**M**isc, **R**ent, **I**nterest). Press Ctrl-W to save and exit the screen after you make all your changes.
4. Run the Verification Report. Check your totals again.
5. Repeat the above process until the amounts are what you want.