



## Year End 1099's

A frequently asked question last year was which set of options should I use for generating my 1099's?

### The first steps are to determine:

- 1) Are you filing as a **single** corporation or are you consolidating **multiple corporations**.
- 2) Next, Are you reporting income on Box 7 of the 1099 only – which is **nonemployee compensation** or are you reporting income in the other additional boxes as well.

### Notes:

- ✓ For Box 7 **only** make sure option 21 **Include/Exclude Debit Accounts** for 1099 on File Maintenance menu is set up prior to running your 1099's at year end. This option works in conjunction with Profiles 38 and 39. Profile 38 set to "Y" will include the accounts listed and profile 39 set to "Y" will exclude. For example you may want to exclude travel expense from box 7 or include a bonus. (See Example A)
- ✓ For amounts reported in additional boxes make sure you go into AP File maintenance and use Option 26 **1099 Layout Definition** to define the boxes you will be using. (See example C) Then, make sure you assign the GL expense account #'s to the specific boxes using AP File Maintenance option #27 - **1099 Debit Acct Assignment**. Add a "Y" under each box you will be using with the corresponding GL expense account. (See Example D)
- ✓ And, In the **Vendor Master** File make sure fed id# is included and under Run 1099@ EOY enter a "Y" (See screen print example B below)

From The **A/P Main** Menu take option #4 for **Year End Processing**. There are four separate sets of 1099 options. (Each set includes Create, Edit and Print) Determine which ones you need to run based on the scenario below.

### Scenario 1

- ❖ Use option 1 to **Create 1099 Work Files** if you are a **single corporation** and reporting income in **Box 7 only**. Box 7 is for nonemployee compensation of \$600 dollars or more. Typically used for contractors and Includes fees, commissions, prizes and awards for services performed as a nonemployee.
- ❖ Then use option 2 to edit the work files (see manual page 105 for details)
- ❖ And Option 3 to print the reports and the 1099 forms.

**Note:** From the AP File Maintenance Menu select option 21 **Include/Exclude Debit (1099)** to either include or exclude specific debit accounts for box 7. This option works in conjunction with Profiles 38 and 39. Profile 38 set to “Y” will include the accounts listed and profile 39 set to “Y” will exclude. For example you may want to exclude travel expense from box 7 or include a bonus. (See Example A)

## Scenario 2

- ❖ If you are a **single corporation** and need to report amounts **in additional boxes** besides Box 7 use Option 11 to create the 1099 Work Files. These boxes include Rents, Royalties, Other income, and gross proceeds paid to an attorney. See 2012 Instructions for all examples and descriptions. [http://www.irs.gov/pub/irs-pdf/i1099msc\\_13.pdf](http://www.irs.gov/pub/irs-pdf/i1099msc_13.pdf)
- ❖ **Note:** For amounts reported in additional boxes make sure you go into AP File maintenance and use Option 26 **1099 Layout Definition** to define the boxes you will be using. (See example C) Then, make sure you assign the GL expense account #'s to the specific boxes using AP File Maintenance option #27 - **1099 Debit Acct Assignment**. Add a “Y” under each box you will be using with the corresponding GL expense account. (See Example D)
- ❖ Then option 12 to Edit the work files
- ❖ And 13 to Print the reports and forms

## Scenario Three

- ❖ If you need to consolidate data for **more than 1 corporation** and report amounts in **Box 7 Only** use option 5 to create the 1099 files. When you use this option you must enter the Corp/fund# whose federal id# is to be used and then press F14 or F18 to select the Corps/funds to be consolidated. There is an additional option to select individual vendors if necessary by pressing F20.
- ❖ Then option 6 to Edit the work files

- ❖ And option 7 to Print the reports and forms

**Note:** From the AP File Maintenance Menu select option 21 **Include/Exclude Debit (1099)** to either include or exclude specific debit accounts for box 7. This option works in conjunction with Profiles 38 and 39. Profile 38 set to “Y” will include the accounts listed and profile 39 set to “Y” will exclude. For example you may want to exclude travel expense from box 7 or include a bonus. (See Example A)

## Scenario Four

- ❖ If you need to consolidate data for **more than 1 corporation** and need to report in **additional boxes** besides Box 7 use option 15 to create the 1099 files. See 2012 Instructions for all examples and descriptions. [http://www.irs.gov/pub/irs-pdf/i1099msc\\_13.pdf](http://www.irs.gov/pub/irs-pdf/i1099msc_13.pdf) When you use this option you must enter the Corp/fund# whose federal id# is to be used and then press F14 or F18 to select the Corps/funds to be consolidated. There is an additional option to select individual vendors if necessary by pressing F20.
- ❖ **Note:** For amounts reported in additional boxes make sure you go into AP File maintenance and use Option 26 **1099 Layout Definition** to define the boxes you will be using. (See example C) Then, make sure you assign the GL expense account #'s to the specific boxes using AP File Maintenance option #27 - **1099 Debit Acct Assignment**. Add a “Y” under each box you will be using with the corresponding GL expense account. (See Example D)
- ❖ Then option 16 to Edit the work files
- ❖ And option 17 to Print the reports and forms

**Note:** When printing - make sure you select **Laser Printer** unless you are using continuous forms.





## Screen Print Example D- 1099 Layout Definition

1099 Debit Account Assignment Maintenance - Windows Internet Explorer

C:\FOI\gui\@FOIFin\smartframe\SmartFrame.htm

### 1099 Debit Account Assignment Maintenance

Type Debit Account and indicate box #:

Position to  By Debit#

Debit #	1 RNT	2 ROYAL	3 OTICN	4 FITWH	5 FSHBT	6 MEDPY	7 NONEM	8 SUBPY	10 CRPIN	13 EXGPP	14 GPPTA	16 STTAX
400000	Y											
471501	Y											
500000	Y											
560000			Y									
580000				Y								
599201					Y							
680000						Y						
700000							Y					
720000								Y				
740000									Y			

Exit OK

## Instructions for Filing 1099's Electronically

### Question:

Can I submit my 1099 files directly to the IRS electronically?

### Resolution:

First, you will need to set this up with the IRS, see below link.

<http://www.irs.gov/pub/irs-pdf/i1099gi.pdf>

Once you are registered with the IRS, you will then go to **IRS 1099 Transmission code** which is found at Option #23 on the **Accounts Payable File Maintenance** menu, and key in the code you received from

the IRS.

Key transmission code, press Enter.

Federal I.D.# . . . 12-3456789 SSI

Transmission Code . ABCDE

Once you have entered this information, you will need to create, edit and print your 1099's from one of the options to create 1099's on the **Accounts Payable Year End** menu (Opt 1 for creating single corporation using ONLY box 7, Opt 5 for creating consolidated (more than 1 corporation) using ONLY Box 7, Opt 11 for creating a single corporation using Multiple Boxes on 1099\* or Opt 15 for consolidated using multiple boxes)

The 1099 transmission file can be created using option(s) 3, 6, 13 or 17 based on the type of 1099 created in the above-mentioned information, see below:

Year 1=Select Report Option

Detail Report

Summary Report

Forms

1 IRS Transmission File

Laser Printer

Select by keying a "1" next to IRS Transmission File to create file APAYFHAN/APTRANP. Using IBM Client Access you can download that file to your PC and send to the IRS site.

\* multi box on 1099 must be set up first in the 1099 Layout options 26 **1099 Layout Definition** and 27 **1099 Debit Account Assignment** from the **AP File Maintenance** menu.

For more information about 1099s, see the Accounts Payable manual starting on pages 31 and 86.