# Blackbaud FundWare 2011 1099 Forms Guide

**SUPPORTING FUNDWARE 7.X VERSIONS**
**DECEMBER 2011**

# USER GUIDE HISTORY

| Date | Changes |
|---|---|
| November 2004 | Forms for calendar year 2004. |
| January 2005 | Updated to reflect added Forms Manager functionality. |
| December 2005 | Forms for calendar year 2005. |
| December 2006 | Forms for calendar year 2006. |
| December 2007 | Forms for calendar year 2007 |
| July 2008 | Added new company information. |
| Dec 2008 | Updated for 2008 changes |
| Dec 2009 | Updated for 2009 changes |
| Dec 2010 | Updated for 2010 changes |
| Dec 2011 | Updated for 2011 changes |

# CAUTION

The 1099 preparation instructions contained in this manual are based on Blackbaud, Inc.'s interpretation of IRS tax publications. The accuracy of both 1099s and the electronic file is the sole responsibility of the person preparing the forms. You should verify 1099 format and content with your chief financial officer and the IRS before sending the forms to vendors. The IRS has significant financial penalties for filing erroneous tax information.

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# Chapter 1

## 1. Introduction

The Accounts Payable 1099 tasks allow you to produce your 1099-MISC federal tax forms for miscellaneous income paid to your vendors and subcontractors and 1099-INT federal tax forms for interest income paid, as well as corrected forms. For complete government requirements, refer to the Internal Revenue Service (IRS) publication: "Instructions for Forms 1099, 1098, 5498 & W-2G." Your organization is solely responsible for compliance with federal and state government regulations in the preparation of these forms.

**To process 1099 forms, you MUST first download YESB2011 from the Support Website and install it through Add/Remove Programs.**

At a high level, the 1099 process involves four steps:

1. Extract the necessary information from your AP files to 1099-specific files.

2. Produce the 1099-MISC and 1099-INT forms for your vendors.

3. Print the forms on blank, perforated stock using the Forms Manager.

4. Produce the data file for transmission to the IRS.

In addition to these high-level steps, you will be required to initialize the system and define payer and 1099 box information. You can also choose to manually enter 1099 vendors or edit the vendor information.

### What's New for 2011

For 2011, there are only minor changes.

- For 1099 MISC and INT e-files, the Payer A Amount Codes field was expanded 2 positions. The field is now sixteen positions 28-43.

- The Forms Manager has been updated with 2011 forms and messaging to indicate the tax year. (This should help you confirm that the programs have installed correctly.)

### Before You Begin—Reviewing IRS Information for 1099s

Before you begin the 1099 process, you should review those sections of the IRS publication "2011 General Instructions for Forms 1099, 1098, 5498 & W-2G" that apply to your organization, along with specific instructions for the 1099-MISC and 1099-INT forms.

### Producing Both MISC and INT Forms

If you need to produce both 1099-MISC and 1099-INT forms, you must complete the 1099 tasks for one form before beginning the tasks for the second form. For example, you must produce 1099-MISC forms for your vendors and create the electronic file for transmission to the IRS before you can begin the process for 1099-INT forms.

## Security for 1099 Tasks

Access to the 1099 tasks is granted through the Basic Security setting for Accounts Payable (see the *FundWare System Administration Guide* for instructions). However, if your organization uses the Advanced Security feature, be aware that Advanced Security restrictions do not apply to 1099s.

## Separating Specific Payments From Default Payments

Most of your payments to vendors will be included in one box on the 1099 form. Although you can define where this information appears on the form, most customers will select the following default settings:

- 1099-MISC—Box 7 (Non-Employee Compensation)
- 1099-INT—Box 1 (Interest Income)

However, you may also have vendor payments that belong in one or more subcategories. For example, some of the information reported in separate boxes on the 1099-MISC form includes rent, royalties, and Federal tax withheld. Some of the information reported in separate boxes on the 1099-INT forms includes early withdrawal and foreign taxes paid.

You can distribute payments to more than one box on the 1099-MISC and 1099-INT form in a couple of ways:

- Define the system to sort the information into the specific boxes automatically, based on your settings in the 1099-MISC Vendor and Payer Boxes and 1099-INT Vendor and Payer Boxes records. You can use an obligation reference and value to identify invoices assigned to a specific reporting category, or you can use an account number/mask to identify individual line items assigned to a specific reporting category. See Using Obligati*ons and Reference below and Chapter 4—Extracting, Sorting, and Editing 1099 Vendors* for more information.
- After extracting 1099 information from AP, you can edit the 1099 vendor record to adjust the amounts printed on the form. See *Chapter 5—Defining and Editing 1099 Vendors* for more information.

This is the only method available for 1099-INT Box 8—Tax-Exempt Interest or Box 9—Specified Private Activity Bond Interest and the CUSIP # in Box 10.

## Using Obligation References or Accounts Masks to Sort

FundWare allows you to sort the specific financial information into separate boxes on the 1099-MISC and 1099-INT forms using an obligation reference or account number/mask. Once you extract the 1099 information from the AP files, you must sort the 1099 data into the applicable categories.

If your organization uses references, you must define obligation references and values for each category that you are reporting separately on the 1099 forms, then assign a reference to each applicable invoice. In this case, FundWare can only sort the whole invoice amount into a single 1099 category.

If your organization uses account numbers or masks to identify specific line items within an invoice, you must ensure that each line item is posted to the correct accounts. If you have invoices that encompass multiple 1099 categories, the only way to separate that information automatically is to use the account number.

Your organization may use both references and account masks to sort invoices into the 1099 categories. If FundWare encounters an invoice that has been assigned one of the references and is posted to an account

matching one of the account numbers/masks, the system will apply the total invoice amount to the category associated with the obligation reference, ignoring the category associated with the account mask.

## *Examples*

The following sections provide some examples to help you understand how FundWare can view references or masks during the sort task.

### MULTIPLE MASKS

If a line item account meets more than one mask, it is sorted to the default box. For example, the 1099-MISC Payer and Boxes record defines the following:

- Rent—AXX XX-XX 7145
- Royalties—A01 XX-XX 71XX

An invoice that posts to account A01 01-00 7145 would be sorted to the default box (e.g., Box 7—Non-employee Compensation).

### MULTIPLE REFERENCES

If an invoice meets more than one reference, it sorts to the default box. For example, the 1099-INT Payer and Boxes record defines the following:

- Early Withdrawal—Reference P, value *EARLY*
- Int US bonds/tr obl—Reference Q, value *US BONDS*

An invoice that has both references (P with a value of Early Withdrawal and Q with a value of US Bonds) would be sorted to the default (e.g., Box 1—Interest Income).

### REFERENCES AND MASKS

If an invoice meets both a reference requirement and an account mask requirement, it sorts to the box defined for the reference. For example, the 1099-MISC Payer and Boxes record defines the following:

- Rent—AXX XX-XX 7145
- Int US bonds/tr obl—Reference Q, value *US BONDS*

An invoice that posted rent payments to account A01 01-00 7145 and included the reference for US bonds (with a value of US BONDS) would be sorted to Rent box on the 1099-MISC form.

### DISCOUNTS TAKEN

If you have taken any discounts at the payment stage, you cannot use an account mask to sort that information into 1099-MISC or 1099-INT boxes. You can use a reference to sort the invoice amount into the form boxes. Otherwise, the invoice total is added to the default box (e.g., Box 7—Non-employee Compensation or Box 1—Interest Income).

### MULTIPLE CHECKS

If you pay an invoice with multiple checks, it sorts by reference or else to the default box. Avoid this by splitting 1099 vendor invoices before making partial payments.

If you have paid an invoice with multiple checks, you cannot use an account mask to sort that information into 1099-MISC or 1099-INT boxes. You can use a reference to sort the invoice amount into the form boxes. Otherwise, the invoice total is added to the default box (e.g., Box 7—Non-employee Compensation or Box 1—Interest Income).

You can avoid this problem by splitting 1099 vendor invoices, which creates a second, new invoice. You can then apply an additional payment to the new invoice.

AMOUNT DISCREPANCY

If the invoice check amount and distribution amount aren't equal, you cannot use an account mask to sort that information into 1099-MISC or 1099-INT boxes. You can use a reference to sort the invoice amount into the form boxes. Otherwise, the invoice total is added to the default box (e.g., Box 7—Non-employee Compensation or Box 1—Interest Income).

## *Getting Support*

The following table provides a quick reference for getting the support you need for FundWare modules.

**Table 1-1--Getting Support**

| Department | Contact | Description |
|---|---|---|
| Business Office | 800-468-8996 | Obtain general information or contact a staff member. |
| Technical Support | 800-468-8996<br>e-mail: **FWSupport@blackbaud.com**<br>**http://www.blackbaud.com** | Get help resolving technical issues with the product. Please have the following information ready when you call:<br>• Blackbaud site id<br>• FundWare version number<br>• Error message details |
| | Knowledgebase<br>**http://www.blackbaud.com** | A searchable database where you can type your questions and get a list of possible answers. |
| Training | 800-468-8996<br>Ask for the Client Sales department.<br>**http://www.blackbaud.com** | Contact us for more information on our training options:<br>• Regionals—Classes from 1 to 5 days in length; held in cities around the country.<br>• eClasses—Two- to three-hour classes offered over the Internet.<br>• Onsite custom training and consulting—Our consulting staff can implement FundWare and/or train your employees using your organization's data. |

| Department | Contact | Description |
|---|---|---|
| All Other Information | **http://www.blackbaud.com** | Links are available for all other FundWare information including replacement software, user guides and software updates. |

## 2. Preparing Your Data

Before you begin the 1099 process, you should review your vendor records and transactions. If you can identify and correct issues at this stage of the process, the remainder of the 1099 task will go more smoothly.

When you extract 1099 information from your Accounts Payable data, you will indicate how your 1099 vendors are identified: through the Notes fields of the vendor record or through vendor data items added to the vendor record.

### *Defining the Vendor Record for 1099s*

You can design your Accounts Payable system to track your 1099 information in a number of different ways.

### Using Vendor Notes

You can use any of the five Note fields on the vendor record to identify vendors requiring 1099 forms. For example, you can enter tax ID numbers for 1099-MISC vendors in Note 1 and 1099-INT vendors in Note 2. When you extract the 1099 information, you instruct FundWare to locate all vendors with an entry in the specific note field. FundWare then extracts all transactions for the vendor during the year, regardless of when you entered the information in the Notes field(s).

You must ensure that the note field that you use is only used for 1099 information. If you use this field to also store other information, you will contaminate your 1099 results.

The following rules apply for entering your tax ID numbers:

- Start in position 1 of the Note field; no leading spaces or other characters.
- Enter a total of nine digits in the Note field.
- The Employer identification number (EIN) format is XX-XXXXXXX (e.g., 12-3456789). You must type the number exactly as it should print on the 1099 form, including the hyphen.
- The Social Security number (SSN) format is XXX-XX-XXXX (e.g., 123-45-6789). You must type the number exactly as it should print on the 1099 form, including the hyphens.
- If the tax ID number does not meet these rules, the tax ID type will be formatted as U = Undetermined.

TIPS FOR USING THE NOTES FIELDS

You can have three categories of vendors in your AP system:

- Non-1099 vendors (i.e., vendors that do not require a 1099 form),
- 1099 vendors with a tax ID number, and
- 1099 vendors missing a tax ID number.

**Table 2-1** provides some ideas for how you can address the exceptions—non-1099 vendors and vendors missing a tax ID number. Your organization may use one of these methods or come up with something completely different.

<div align="center">

**Table 2-1--Handling Vendor Exceptions With the Note Field**

</div>

| Vendor Type | Entry Options for the Note Field | Explanation |
|---|---|---|
| Non-1099 vendors | • Leave the field blank (recommended).<br>• Enter alphabetic characters (A–Z).<br>• Enter a placeholder ID number. | When you extract your 1099 information, you can filter the results based on the Note field:<br>• Exclude any vendors with a blank Note field.<br>• Include only vendors with numeric entries in the Note field.<br>• Exclude vendors with the placeholder ID number. |
| 1099 vendors missing a tax ID number | • Enter a numeric placeholder ID number. | When you extract your 1099 information, you can filter include only vendors with numeric entries. The results will include vendors with valid tax ID numbers and vendors with the placeholder ID number.<br>Once you have the vendor's tax ID number, you can edit the 1099 vendor record and enter the correct number.<br>• Note: When you edit the 1099 record, you are not impacting the AP vendor record. You should also enter the tax ID number in the AP vendor record so that you do not have the same issue next year. |

## Using Vendor Data Items

Instead of the Notes field, you can use a combination of two vendor data items to identify 1099 vendors and store the vendor tax ID number. (For instructions to use the Notes field option, see Using Vendor Notes.) The following sections provide basic instructions and required information for using vendor data items to store the tax information.

STORING THE VENDOR TAX ID NUMBER

Use the following instructions to add and store a vendor tax ID number using vendor data items.

1. Define two vendor data items (**Maintenance > Vendor Data Items**) with the following settings:

   • Keyword (20) data type—This data item allows you to enter up to 20 alphanumeric characters, which should be sufficient for the needs of this task.

   • Not required—This allows you to add the data item to all vendor records, but only enter a value (e.g., 123-45-6789) for 1099 vendors.

As in Figure 2.1 below, you will have 2 data items, one for the Tax ID itself (TAX ID) and the second for a Y/N value as to whether the vendor is a 1099 Vendor. (1099 VEN).



**Figure 2.1—Vendor Data Item Maintenance**

IDENTIFYING 1099 VENDORS

Use the following instructions to identify 1099 vendors using vendor data items.

1. Add the vendor data items you previously set up in (**Maintenance > Vendor Data Items**) to the vendor records. (Figure 2.2)

**Figure 2.2—Adding Vendor Data Items to Vendor**

When you extract your data, you instruct FundWare to locate all vendor records with this data item and value defined on the **Vendor Data Items** tab of the record.

2. If you are using vendor data items instead of the Notes fields, you will select the data items you have defined during all 1099 processes as in Figure 2.3.

```
AP - Extract Vendor and Summary Invoices
Demo User                    Division 95

Enter field to be changed (0 to accept)
───────────────── AP - Extract Vendor and Summary Invoices ─


 1) Extract type...:    1 - Extract 1099-Misc information
 2) Amount option..:    1 - Selected from vend paid
    Date range.....: 01/01/2010 to 12/31/2010
 3) Tax ID abbr....: TAX ID     - 1099 Tax Id number
 4) Vendor Y/N abbr: 1099 VEN   - 1099 VENDOR











────────────────────────┤ Report options being entered. ├────────

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 2.3--Extract Vendor and Summary Invoices**

3. Since you have selected the data items to be used on Screen 1, when you get to screen 2 as in Figure 2.4, you will normally hit ESC and not do further sorting. Because the data items are being used, Note fields are not selected on this screen.

```
AP - Extract Vendor and Summary Invoices
Demo User                  Division 95                              12/31/

Field selection A)dd, C)hange, R)emove, D)isplay, S)croll or E)nd
──────────────── AP - Extract Vendor and Summary Invoices ───────────


 1) Vendor          5) Note 3
 2) SortKey         6) Note 4
 3) Note 1          7) Note 5
 4) Note 2
─────────────────────────────────────────────────────────────────────
   Fld Description        First value         Last value           Sor
   ─── ───────────────    ────────────        ────────────         ───




ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 2.4-- Screen 2 of Extract Vendor and Summary Invoices.**

**Using the Sortkey for Name Control for Electronic Filing**

Because you are required to file electronically with the IRS, you must include a "Name Control" for each vendor. This is a four-character field. Consult your IRS instructions for complete details on what is required in this field.

The 1099 module will extract the first four characters of the vendor's Sortkey for this purpose. You should define the Sortkey in the Accounts Payable vendor maintenance screens to conform to the IRS guidelines. Review the verification report (TNMVER.L## for 1099-MISC forms or TNIVER.L## for 1099-INT forms) to make sure that the "Name Control" for each vendor is correct.

## *Addressing One-Time Vendors*

You cannot extract 1099 information from a one-time vendor transaction. However, you may realize after the fact that a one-time vendor requires 1099 reporting. Use the following instructions if you encounter this situation.

1. Produce the Invoice Summary report for vendor 0.

2. Identify any invoices that require a 1099 form.

3. Complete the 1099 extract and sort processes for your normal 1099 forms.

4. Add 1099 records for each "one-time vendor" that requires a 1099. (Note: Some of the transactions that were assigned to a one-time vendor may actually belong to an existing vendor. In this case, you must edit the existing vendor's 1099 information.)

5. Produce the 1099 forms for your vendors and create the electronic file for transmission to the IRS.

6. Repeat this process if you are producing both 1099-MISC and 1099-INT forms (i.e., you need to fully complete the process for one form before beginning the process for another form).

## *Reviewing Your Data*

You should produce the Vendor Complete Record report or a user-defined vendor report to review the vendor tax ID and Sortkey information.

- **Vendors** folder—7.20, 7.30 and later clients who are using the Note field to store the vendor tax ID number can open the **Vendors** folder on the AP folder tree, display the Note and Sortkey fields, by right-clicking on the grid header and review the information on the grid.
- Vendor Complete Record—Includes the Note fields and the Sortkey field for each vendor. Produce this report if you are using the Note field to store the vendor tax ID number.

If your Vendor Complete Record report does not include the Sortkey, you must enable the Sortkey option in field 1 of the Basic Setup parameter.

— 7.30 and later clients can produce this report from the HomePage, Report Manager, or the **1099 Forms > Reports** menu.

— Other 7.X clients (e.g., 7.20) can produce this report from Report Manager or the **1099 Forms > Reports** menu.

- User-defined vendor report—Can include user-defined data items and the Sortkey field by vendor (**Figure 2.**). Create a user-defined vendor report to review this information if you are using a combination of data items to identify 1099 vendors and store the tax ID number.

**Figure 2.5--Example User-Defined Vendor Report to Review 1099 Information**

If you find any missing or incorrect information (e.g., tax ID in the wrong note field), you can correct these problems before you start the 1099 process.

## *Initializing Your System*

Before you begin the extract process, you must initialize the system and remove last year's data from the 1099 module using Initialize & Purge 1099 Information. (You must complete this task even if this is the first time that your organization has produced 1099s.)

1. Click **1099 Forms > Setup > Initialize & Purge 1099 Information** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Setup > Initialize & Purge 1099 Information** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Setup > Initialize & Purge 1099 Information**.**

The Initialize & Purge 1099 Information task is also available from the 1099 Forms > Extract, Sort, Edit 1099 Vendors menu. However, you only need to complete this step one time. Once initialized, your system is ready to produce 1099s for the current year.

FundWare asks you to confirm that you want to initialize your system, purging any existing information (**Figure 2.**).

```
Demo User                    (95)Division 95                    12/31/2006
Are you sure you want to do this ?  Y)es or N)o                       <Y>
                     ─── Initialize & Purge 1099 Information ───








ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 2.6--Initialize & Purge 1099 Information Screen**

2.  Type *Y* or accept the default to begin the initialization process. When the task is complete, FundWare closes the window.

You are ready to move to the next step of the process, *Defining the Payer and Boxes*.

# 3. Defining the Payer and Boxes

Now that you have initialized your system, you are ready to define (new customers) or verify (existing customers) your payer and 1099 box information. The Define Payer and Boxes tasks for the 1099-MISC and 1099-INT forms define the payer information that will print on the 1099 forms, including the name, address, and IRS ID number of your organization.

Once you have defined this information about your organization (or client's organization, if you are producing 1099s for another organization), you must create the link for FundWare between the boxes on the 1099 forms (MISC and INT) and the data in your system. This ensures that the correct information is printed in the boxes of the forms.

If you are producing only one type of form (e.g., only 1099-MISC forms), you do not need to define the payer and box information for both form types (i.e., 1099-MISC and 1099-INT).

## *Defining the 1099-MISC Payer and Boxes Record*

Use the following instructions to define payer and box information for 1099-MISC forms.

1. Click **1099 Forms > Setup > Define 1099 MISC Payer and Boxes** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Setup > Define 1099 MISC Payer and Boxes** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts        Payable > 1099 Forms > Setup > Define 1099 MISC Payer and Boxes**.**

The option menu for the task displays.

2. Type *C* to change the record. (The record exists for all customers, even if you have not produced 1099 forms before.) The first of several screens is displayed (**Figure 3.1**).

```
Demo User                    (95)Division 95                  12/31/2005

                     ── Display 1099-MISC Payer and Boxes ──
Parameter..........: TNP1                              Changed.: 11/14/05
    STATUS.......... Initialized

1) Name............: Ten-Ninety-Nine MISC Payer Co.
   Street 1.......: 1099 Main Street
   Street 2.......: P.O. Box 1099
   City/STP/Post..: Cashtown           /NY    /987614321
   Phone..........: (123) 456-7890

2) IRS Id #.......: 887654321
3) State Id #.....: 1234567891234

4) Default box..... 7 - Non-employee compensation


                      ─┤ Parameter being displayed. ├───────────── 1 of  6
For more, press <ENTER>
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 3.1--Define 1099-MISC Payer and Boxes, Page 1 of 6**

If you receive a message "TNN parameter not in system," press ENTER, and the parameter will initialize automatically.

Status is a system-maintained field that lists the status of the 1099 process:

- Initialized—The Initialize and Purge 1099 Information task has been performed. This is required before you may add the parameter.
- Step 1 Complete—The Extract Vendors and Summary Invoices task has been performed.
- Step 2 Complete—The Extract 1099 Invoice Detail task has been performed.
- Step 3 Complete—The Sort Invoice Detail - 1099-MISC task has been performed.
- Printed—1099 forms have been produced.

3. Enter the applicable field number (e.g., 1 to begin with the first field) to begin entering or editing the information.

4. Complete the first page of the record according to **Table 3-1**.

**Table 3-1--1099-MISC Payer and Boxes Fields and Definitions—Page 1 of 6**

| Field | Definition |
|---|---|
| Payer information | Provide the required information about the payer (i.e., the organization that is producing the 1099 forms for its vendors) exactly as you want it to appear on the 1099-MISC forms. |
| • Name | Enter the name of the payer (up to 32 alphanumeric characters). |
| • Street 1 | Enter the first line of the payer's street address (up to 32 alphanumeric characters). |

| Field | Definition |
|---|---|
| • Street 2 | Enter the second line of the payer's street address, if applicable (up to 32 alphanumeric characters). |
| • City/STP/Post | Enter the city, state/territory/province, and postal code, according to the following restrictions:<br>• City—Up to 19 alphanumeric characters.<br>• State/territory/province—Up to 2 alphanumeric characters<br>• Postal code—Up to 9 alphanumeric characters. |
| • Phone | Enter the payer's telephone number, including area code.<br>• The IRS requires that this information be printed on all 1099 forms. |
| IRS ID # | Enter the 9-digit tax ID number assigned by the IRS to the payer (i.e., your organization), without the hyphen.<br>• This information is required. FundWare will format your entry when producing the forms (e.g., 987654321 is formatted 98-7654321). |
| State ID # | Enter the tax ID number assigned to the payer by the state, including any punctuation (e.g., hyphens).<br>• FundWare will print up to 13 characters on the 1099 form.<br>• This information is optional. |
| Default Box | Enter the box on the 1099-MISC form where default information (i.e., information that doesn't apply specifically to any other 1099 boxes; where most of your information will be reported) will be printed.<br>• All three steps in the Extract, Sort & Edit 1099 Vendors process use the default box specified in the this field.<br>• The default entry is box 7 (non-employee compensation). |

5. Fields 5–18 represent boxes on the 1099-MISC form. If your organization must report payments in any of these categories, you can use either an obligation reference and value or an account mask to identify the transactions to be included in the total printed on the form, according to **Table 3-2**.

> For example, you define an obligation reference P—Type of Payment. On each obligation that is a rent payment, you enter a value of "RENT" for the reference. In field 5—Rent of this task, you could enter a reference of P and a value of "RENT." FundWare would locate all invoices with a reference P value equal to or beginning with RENT and report the amount in the Rent box of the 1099-MISC form.

See ***Using Obligation References or Accounts Masks to Sort***. This section may help you design your masks and references to give the greatest benefit when performing the sort.

### Table 3-2--1099-MISC Payer and Boxes Fields and Definitions—Pages 2–5

| Field | Definition |
|---|---|
| Payment categories | The following types of payments can be reported separately on the 1099-MISC form: |

| Field | Definition |
|---|---|
| | • Rent—Prints in **Box 1** of the 1099-MISC form. <br> • Royalties—Prints in **Box 2** of the 1099-MISC form. <br> • Prizes/Other Income—Prints in **Box 3** of the 1099-MISC form. <br> • Federal tax withheld—Prints in **Box 4** of the 1099-MISC form. <br> • Fishing boat proceeds—Prints in **Box 5** of the 1099-MISC form. <br> • Medical and health care payments—Prints in **Box 6** of the 1099-MISC form. <br> • Non-employee payments—Prints in **Box 7** of the 1099-MISC form. (Box 7 is the default entry for field 4— Default Box.) <br><br> • Substitute payments in lieu of dividends or interest—Prints in **Box 8** of the 1099-MISC form. <br> • Crop insurance proceeds—Prints in **Box 10** of the 1099-MISC form. <br> • Excess golden parachute—Prints in **Box 13** of the 1099-MISC form. <br> • Proceeds paid to an attorney—Prints in **Box 14** of the 1099-MISC form. <br> • State tax withheld—Prints in **Box 16** of the 1099-MISC form. <br> • 409A deferrals—Prints in **Box 15a** of the 1099-MISC form. <br> • 409A income—Prints in **Box 15b** of the 1099-MISC form. |
| | If your organization reports any of this information separately, complete the reference and value *or* mask fields. Otherwise, leave the fields blank. |
| Reference | Enter the letter code for an obligation reference to be used to filter the information included in the box. Press F1 to select from a list of references. <br> • This process will identify obligations and include the obligation total in the specific box. If you have combined payment categories on individual obligations, you must rely on an account mask to identify individual line items within your obligations. <br> • If a single obligation has more than one obligation reference defined for these payment categories, the invoice amount is reported in the default box (e.g., box 7—non-employee compensation). <br>    — For example, reference P defined for Rent, reference R defined for Royalties, and obligation 1234 has both these references. In that case, FundWare would not apply the obligation amount to both the Rent and Royalties box. Instead, the amount would be reported in the default box. |
| Value | Enter a value for the obligation reference (up to 15 alphanumeric characters) to filter the obligations included in the box. <br> • If characters in this field match the first 15 characters of the invoice value, it is considered a match. For example, an entry of "RENT" in this field would match an invoice value of "RENT FOR MARCH." |
| Mask | If your organization has combined payment categories on individual obligations, enter an account mask to identify individual line items within your obligations. <br> • For example, if you define a mask of AXX XX-XX 7145 for the Rent payment category, FundWare will report all payments to a 7145 account in the 1099 Rent box. |

6. If necessary, enter an obligation reference and value *or* account mask in field 19 (page 6 of the record) to define criteria by which FundWare will *exclude* obligations from being reported in the vendor obligation detail amounts (e.g., vendors to whom you've made expense reimbursements).

The information is not actually excluded until you perform the extract and sort steps.

7. When you have completed your entries, press ESC to display the option menu.

8. Type *0* and press ENTER to save your entries.

9. Type *E* to exit the task.

## *Defining the 1099-INT Payer and Boxes Record*

Use the following instructions to define payer and box information for 1099-INT forms.

1. Click **1099 Forms > Setup > Define 1099 INT Payer and Boxes** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Setup > Define 1099 INT Payer and Boxes** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Setup > Define 1099 INT Payer and Boxes**.**

The option menu for the task displays.

2. Type *C* to change the record. (The record exists for all customers, even if you have not produced 1099 forms before.) The first of several screens is displayed (**Figure 3.2**).

```
Demo User                      (95)Division 95                    12/31/2005
Enter field to be changed (0 to accept)                            < _ >
────────────────────── Define 1099-INT Payer and Boxes ──────────
Parameter..........: TNP2                              Changed.: 11/14/05
     Status.......... Initialized

1) Name...........: Ten-Ninety-Nine Int
   Street 1.......: 1099 Main Street
   Street 2.......:
   City/Stp/Post..: Cashtown          /NY    /987654321
   Phone..........: (123) 456-7890

2) Payer's RTN #..: 887654321
3) Payer's ID #...: 123456789

4) Default box.....  1 - Interest income


─────────────────────┤ Parameter being changed. ├────────── 1 of  4
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 3.2--Define 1099-INT Payer and Boxes, Page 1 of 4**

If you receive a message "TNN parameter not in system," press ENTER, and the parameter will initialize automatically.

Status is a system-maintained field that lists the status of the 1099 process:

- Initialized—The Initialize and Purge 1099 Information task has been performed. This is required before you may add the parameter.
- Step 1 Complete—The Extract Vendors and Summary Invoices task has been performed.

- Step 2 Complete—The Extract 1099 Invoice Detail task has been performed.
- Step 3 Complete—The Sort Invoice Detail - 1099-INT task has been performed.
- Printed—1099 forms have been produced.

3. Enter the applicable field number (e.g., 1 to begin with the first field) to begin entering or editing the information.

4. Complete the first page of the record according to **Table 3-3**.

**Table 3-3--1099-INT Payer and Boxes Fields and Definitions—Page 1 of 4**

| Field | Definition |
|---|---|
| Payer information | Provide the required information about the payer (i.e., the organization that is producing the 1099 forms for its vendors) exactly as you want it to appear on the 1099-INT forms. |
| • Name | Enter the name of the payer (up to 32 alphanumeric characters). |
| • Street 1 | Enter the first line of the payer's street address (up to 32 alphanumeric characters). |
| • Street 2 | Enter the second line of the payer's street address, if applicable (up to 32 alphanumeric characters). |
| • City/STP/Post | Enter the city, state/territory/province, and postal code, according to the following restrictions:<br>• City—Up to 19 alphanumeric characters.<br>• State/territory/province—Up to 2 alphanumeric characters<br>• Postal code—Up to 9 alphanumeric characters. |
| • Phone | Enter the payer's telephone number, including area code.<br>• The IRS requires that this information be printed on all 1099 forms. |
| Payer's RTN # | If your organization is a financial institution that wants to participate in the program for direct deposit of refunds, enter the routing and transit number (RTN) for your bank account.<br>• This field is optional.<br>• In most cases, this field is not used by FundWare customers. |
| IRS ID # | Enter the 9-digit tax ID number assigned by the IRS to the payer (i.e., your organization), without the hyphen.<br>• This information is required. FundWare will format your entry when producing the forms (e.g., 987654321 is formatted 98-7654321). |
| Default Box | Enter the box on the 1099-INT form where default information (i.e., information that doesn't apply specifically to any other 1099 boxes; where most of your information will be reported) will be printed.<br>• All three steps in the Extract, Sort & Edit 1099 Vendors process use the default box specified in the this field.<br>• The default entry is box 1 (Interest income). |

5. Fields 5–10 represent boxes on the 1099-INT form. If your organization must report payments in any of these categories, you can use either an obligation reference and value or an account mask to identify the transactions to be included in the total printed on the form, according to **Table 3-4**.

> For example, you define an obligation reference P—Type of Payment. On each obligation that is an early withdrawal penalty, you enter a value of "EARLY WITHDRAWAL" for the reference. In field 6—Early withdrawal of this task, you could enter a reference of P and a value of "EARLY." FundWare would locate all invoices with a reference P value equal to or beginning with EARLY and report the amount in Box 3— Early Withdrawal Penalties on the 1099-INT form.

See ***Using Obligation References or Accounts Masks to Sort***. This section may help you design your masks and references to give the greatest benefit when performing the sort.

### Table 3-4--1099-INT Payer and Boxes Fields and Definitions—Pages 2–4

| Field | Definition |
|---|---|
| Payment categories | The following types of payments can be reported separately on the 1099-INT form:<br>  (Box 7 is the default entry for field 4— Default Box.) |
| | <table><tr><td>• Interest income—Prints in **Box 1** of the 1099-INT form.<br>• Early withdrawal penalties—Prints in **Box 2** of the 1099-INT form.<br>• Int US bonds/tr obl—Prints in **Box 3** of the 1099-INT form.<br>• Federal tax withheld—Prints in **Box 4** of the 1099-INT form.</td><td>• Foreign tax paid #1—Prints in **Box 6** of the 1099-INT form.<br>   — **Note:** You must identify the foreign entity for this field.<br>• Investment expenses—Prints in **Box 5** of the 1099-INT form.</td></tr></table> |
| | If your organization reports any of this information separately, complete the reference and value *or* mask fields. Otherwise, leave the fields blank. |
| | Information for B**ox 8**- Tax-Exempt Interest and **Box 9** -Private Activity Bond Interest must be provided via the Define and Edit 1099 Vendors task for each vendor requiring that information. |

| Field | Definition |
|---|---|
| Reference | Enter the letter code for an obligation reference to be used to filter the information included in the box. Press F1 to select from a list of references.<br><br>• This process will identify obligations and include the obligation total in the specific box. If you have combined payment categories on individual obligations, you must rely on an account mask to identify individual line items within your obligations.<br><br>• If a single obligation has more than one obligation reference defined for these payment categories, the invoice amount is reported in the default box (e.g., box 1—Interest income).<br><br>   — For example, reference P defined for Interest income, reference R defined for Early withdrawal, and obligation 1234 has both these obligations. In that case, FundWare would not apply the obligation amount to both the Interest income and Early withdrawal box. Instead, the amount would be reported in the default box. |
| Value | Enter a value for the obligation reference (up to 15 alphanumeric characters) to filter the obligations included in the box.<br><br>• If characters in this field match the first 15 characters of the invoice value, it is considered a match. For example, an entry of "EARLY" in this field would match an invoice value of "EARLY WITHDRAWAL." |
| Mask | If your organization has combined payment categories on individual obligations, enter an account mask to identify individual line items within your obligations.<br><br>• For example, if you define a mask of AXX XX-XX 7145 for the Rent payment category, FundWare will report all payments to a 7145 account in the 1099 Rent box. |

6. If necessary, enter an obligation reference and value *or* account mask in field 11 (page 4 of the record) to define criteria by which FundWare will *exclude* obligations from being reported in the vendor obligation detail amounts (e.g., vendors to whom you've made expense reimbursements).

7. When you have completed your entries, press ESC to display the option menu.

8. Type *0* and press ENTER to save your entries.

9. Type *E* to exit the task.

# 4. Extracting, Sorting, and Editing 1099 Vendors

FundWare uses a three-step approach to extracting and sorting 1099 forms:

1. Extract vendor and summary invoice information from your Accounts Payable records—
This first step is mandatory. FundWare extracts the vendor and summary invoice
information from your Accounts Payable records and totals the general (i.e., default box)
amounts for each vendor, based on your settings for the 1099-MISC and/or 1099-INT
payer and boxes records.

   • All users must stay out of the Accounts Payable module while this extract is in
   progress.

   • The processing time required is minimal.

2. Extract 1099 invoice detail—Extracts detail information for the invoices that were
selected in the first step, including References and General Ledger account numbers. This
process is helpful if you want to obtain additional information to review the invoices
extracted for the 1099 forms in conjunction with the 1099 invoice reports.

   • This process is required if you need to sort invoice detail.

   • During this step, users may work in Accounts Payable with no restrictions.

3. Sort the invoice detail—This task sorts the invoices into the 1099 boxes based on the
references and values or account numbers entered in Define 1099-MISC Payer and Boxes
or Define 1099-INT Payer and Boxes records. In other words, if your organization must
report payments to more than the default box (e.g., rent, early withdrawals), it is this
process that calculates these amounts.

   • Users may work in Accounts Payable while this step is processing.

Once you complete all the extract and sort tasks required by your organization, you can edit
incorrect information (e.g., a misspelled name) or manually enter 1099 information (e.g., for a
one-time vendor), as explained in *Chapter 5—Defining and Editing 1099 Vendors*.
Do not make vendor changes with Define and Edit 1099 Vendors task until you have completed all
necessary extract and sort tasks.

## *Time Considerations*

While we cannot predict exactly how long your extracts will take, consider the following information
when planning your 1099 process:

   • You can edit the vendor files after the first extract and enter the correct numbers directly
   in the boxes.

   • Extracting and sorting the invoice detail only affect the computer running the process.
   Other users may continue to work in Accounts Payable.

- If you have only a few vendors that receive 1099s, you can extract the vendor and summary information, print the TNNEXT.L## report, pull the vendors' invoice or check files, and manually check the amounts without performing any additional steps.

  — Any changes can be made using the Define and Edit 1099 Vendors task, rather than extracting and sorting the invoice detail.

- If you have many vendors who have only default box information to be reported and only a few vendors who need information in other boxes, you may prefer to research the correct amounts for the few special vendors (through Accounts Payable reports and the vendor invoice files) and manually edit those amounts.

  — Any changes can be made using the Define and Edit 1099 Vendors task, rather than extracting and sorting the invoice detail.

## *Extracting Vendor and Summary Invoices*

The Extract Vendor and Summary Invoices task is **required**—all customers must complete this task before extracting detail information, sorting the results, or editing the 1099 information. During this step, FundWare extracts the vendor and summary invoice information from your Accounts Payable records and totals the general (i.e., default box) amounts for each vendor, based on your settings for the 1099-MISC and/or 1099-INT payer and boxes records.

Use the following instructions to extract the vendor and summary information from your Accounts Payable data.

1. Ensure that all users are logged out of AP while the extract is in process. You can view a list of logged in uses through System Administration.)

2. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

3. If you have not initialized your 1099 system, do so now. See *Initializing Your System* for instructions.

4. Click **1099 Forms > Extract, Sort, Edit 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract, Sort, Edit 1099 Vendors** from the menu bar.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors.

The Initialize & Purge 1099 Information task is also available from the 1099 Forms > Setup menu. However, you only need to complete this step one time. Once initialized, your system is ready to produce 1099s for the current year.

The first page of the Extract Vendor and Summary Invoices task displays (**Figure 4.1**).

```
AP - Extract Vendor and Summary Invoices
Demo User                     Division 95                                    12/31

Enter field to be changed (0 to accept)
──────────────────── AP - Extract Vendor and Summary Invoices ────────────


  1) Extract type...:    1 - Extract 1099-Misc information
  2) Amount option..:    1 - Selected from vend paid
     Date range.....: 01/01/2010 to 12/31/2010
  3) Tax ID abbr....: .NOTE1      - Optional note 1
  4) Vendor Y/N abbr:             - Blanks, option not used













                          ┤ Report options being entered. ├───────────── 1
  ───────────────────────┤                                ├
 ESC=Stop   F1=Help   F2=Skip   F4=Paint
```

**Figure 4.1--Extract Vendor and Summary Invoices, Page 1 of 2**

5. Enter the applicable field number (e.g., 1 to begin with the first field) to begin entering or editing the information.

6. Complete the first page of the record according to **Table 4-1** using the correct calendar year.

**Table 4-1--Extract Vendor and Summary Invoices Fields and Definitions—Page 1 of 2**

| Field | Definition |
|---|---|
| Extract type | Select the applicable extract type:<br>• 1—Extract 1099-MISC information<br>• 2—Extract 1099-INT information<br>If you are extracting information for both the 1099-MISC *and* 1099-INT forms, you must:<br>• Complete the extract process for 1099-MISC forms, through printing the forms and creating the electronic file.<br>• Initialize & Purge Prior 1099 Information and repeat all procedures for 1099-INT. |
| Amount option | The amount option setting is system-defined based on the extract type. No entry is allowed.<br>• This is the first entry in field 2. |
| Date range | Specify the date range for which you are extracting information.<br>• You should be logged into the last date of the year specified in this date range.<br>• This is the second entry in field 2. |

| Field | Definition |
|-------|------------|
| Tax ID abbr | Indicate the field on the vendor record where your organization stores the vendor tax ID.<br>• Your organization may use the Notes fields or vendor data items to store this information. Press F1 to select from a list of these options. |
| Vendor Y/N abbr | If you are using vendor data items to identify vendors that receive 1099 forms, press F1 and select the data item where your organization stores this information.<br>• Information for vendors with a value of Y for the specified data item (stored on their vendor record) will be extracted to the 1099 files.<br>• If your organization uses the Notes fields to store vendor tax ID information, leave this field blank. |

7. Once you have completed these fields, press ENTER to display page 2 of the Extract Vendor and Summary Invoices option (**Figure 4.2**).

```
Demo User                      (95)Division 95               12/31/2005


───────────── Extract Vendor and Summary Invoices ─────────
Field...............: 3_

 1) Vendor            5) Note 3
 2) SortKey           6) Note 4
 3) Note 1            7) Note 5
 4) Note 2
────────────────────────────────────────────────────────────────────
   Fld Description       First value          Last value        Sort I/E
   ___ _____       _____          _____        ____ ___




─────────────────┤ Field selection being added. ├───────────────
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 4.2--Extract Vendor and Summary Invoices Field Selection Screen**

8. If your organization uses the Notes fields to store the vendor tax ID number, enter the number for that field (e.g., if your organization stores the tax ID number in the Note 1 field, you would type *3*) (**Figure 4.3**).

   If your organization uses vendor data items to store the vendor tax ID number, you do not need to enter filter parameters. Press ESC to complete the task and display the option menu. Move to Type.

```
Demo User              Division 95                            12/31/1998


─────────────────── AP - Extract Vendor and Summary Invoices ───────────

Field..............: _3

     Selection value: 0          to 9999999999
     Sort...........:     N - Do not sort this field
     Include/Exclude:    I - Include range in selection











─────────────────────────┤ Field selection being added. ├─────────────── 2 of  2
Field selection has been added.
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 4.3--Extract Vendor and Summary Invoices, Page 2 of 2**

9.  Complete the Selection value and Include/Exclude fields to filter the vendors included in the extract.

> If you enter a Selection value of 0 to 9999999999, FundWare will select vendors with a numeric entry in the specified Note field. If the field is blank or includes letters or characters, the vendor will not be selected. Based on your Include/Exclude setting, those selected vendors will be included or excluded from the extract.

If you do not enter a range (i.e., you are indicating to FundWare that all vendor records should be included in the extract), the Include/Exclude field is not available.

10. In the Sort field, entering an "N" for "Do not sort this field" will result in the extraction report sorting in vendor number order.

11. Do not add additional filter settings. You should only need to filter your extract results based on the entry in the applicable Note field.

This will ensure that all vendors with a tax ID number in the Note field are extracted to the 1099 files. When you produce the 1099 forms and the electronic file, you can add a filter to exclude vendors with less than $600 of payments during the year.

12. When your entries are complete, press ESC to display the option menu.

13. Type *E* to save your settings and exit the form. The system asks you to confirm your settings.

14. Type *0* to confirm your entries. FundWare stores the extracted information in 1099-specific data files and asks if you want to file a report.

15. Type *Y* to save the extract information to a report file (TNNEXT.L##, where ## represents your division number). Type *N* to send the extract information directly to your printer (no report file is saved).

The extract information includes each vendor selected, the invoices extracted for that vendor, and a total for the vendor.

We recommend that you type *Y* to save the extract information to the TNNEXT.L## report, which allows you to revisit this information at a later date, if necessary.

16. Produce the Vendors—One Line report (OTV1LST) using the same filter criteria that you will use when you extract your 1099 data (**Figure 4.4**).



**Figure 4.4--Producing the Vendor One-Line Report**

17. From Print Manager, print or display the TNNEXT (**Figure 4.5**) and OTV1LST reports.

```
Run date: 12/15/2005 @ 09:06                    Division 95
Bus date: 12/31/2005          1099 Extract Vendor & Summary Invoices            TNNEXT.L95 Page 1

Vendor        Name              Obligat'n          Description          Amount      Discount Information
======  ==========================  =========  ============================  =========  =====================
   100 ABC Hardware, Inc.
                                    1002 Misc. hardware                 250.00
                                    1002 Misc. hardware supplies        150.00
                                    1002 --------------->                          Obl. Total Disc 8.00
                                    1002       Obligation Total         392.00**
                                                Vendor Total ---->       392.00 Total Discounts    8.00
   200 Ms. Fredericka Loomis
                                    1007 Advertising Contract - 1998  2,000.00
                                    1007       Obligation Total       2,000.00**
                                    1020 General Fund - Administrative    50.00
                                    1020 General Fund - Legal            10.00
                                    1020 General Fund - Baseball Park    10.00
                                    1020 General Fund - Ice Rink         10.00
                                    1020 Water Plant Fund                50.00
                                    1020 Santitation Plant Fund         30.00
                                    1020 Federal Grants Fund            40.00
                                    1020       Obligation Total          200.00**
                                                Vendor Total ---->     2,200.00
   300 American Business Insurance
                                    1006 General Fund - Administrative 1,250.00
                                    1006 General Fund - Legal           250.00
                                    1006 General Fund - Baseball Park   250.00
                                    1006 General Fund - Ice Rink        250.00
                                    1006 Water Plant Fund             1,250.00
                                    1006 Santitation Plant Fund        750.00
                                    1006 Federal Grants Fund         1,000.00
                                    1006       Obligation Total       5,000.00**
                                                Vendor Total ---->     5,000.00
```

**Figure 4.5--Example TNNEXT.L95 Report**

18. Compare the vendors extracted and included in the TNNEXT report with the Vendor One-Line report.

19. If there are discrepancies in the information, you can:

    • Change the Accounts Payable vendor record and re-extract the data using the Extract Vendor and Summary Invoices task.

    • After all extract and sort processes are complete, use the Define and Edit 1099 Vendors to add missing vendors and change data on extracted vendors

       Remember that the Accounts Payable vendor records are distinct from the 1099 vendor records. A change to an AP vendor record is not reflected in the 1099 vendor information unless you extract the vendor and summary information again. Changes to the 1099 vendor records never affect the Accounts Payable vendors.

20. If your organization will be sorting the 1099 information using the Sort Invoice Detail task, save the TNNEXT report to compare with the TNNEXTM.L## report produced by the sorting task.

## *Extracting 1099 Invoice Detail*

The Extract 1099 Invoice Detail task is optional unless you need to sort invoice detail (i.e., your organization must extract AP data by an obligation reference or account mask). In that case, you are required to extract the invoice detail before sorting the information.

The Extract 1099 Invoice Detail task extracts detail information (e.g., references and General Ledger account numbers) for the invoices that were selected in the Extract Vendor and Summary Invoices task,

may be optional for your organization. This information can be useful if you want to produce greater detail on the 1099 invoices and produce detailed reports in the 1099 module.
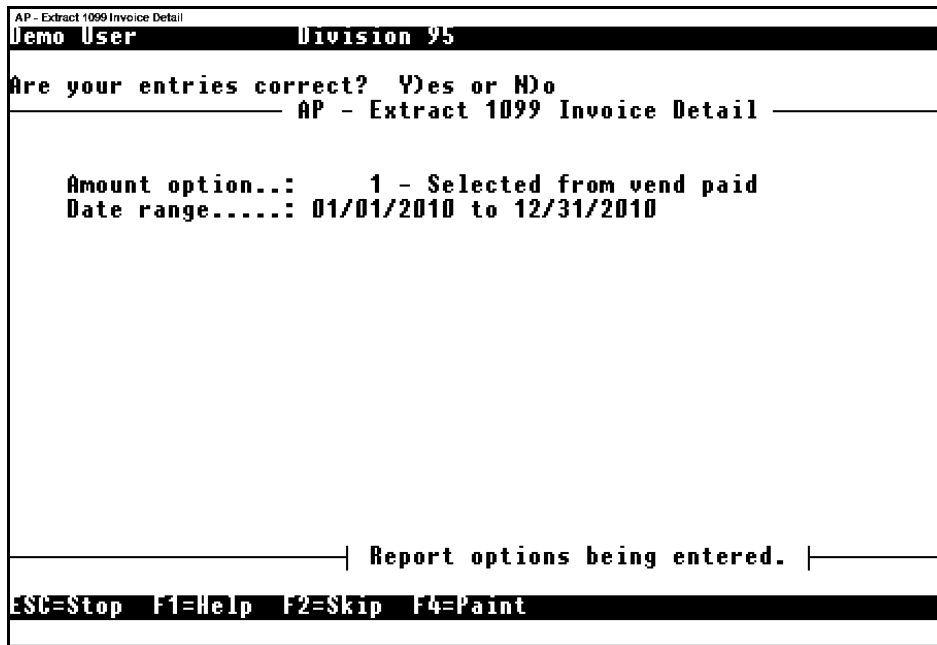
There are not any restrictions on activity in the Accounts Payable module while it is executing, so it will only affect the computer that is running it.

If you need to analyze only a few invoices, it may require much less time to do so in the Accounts Payable module, or by using the vendor's actual invoices and checks, than to perform this second extract.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).
2. Click **1099 Forms > Extract 1099 Invoice Detail** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract 1099 Invoice Detail** from the menu bar.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Extract 1099 Invoice Detail.

The task displays (**Figure 4.6**).

```
AP - Extract 1099 Invoice Detail
Demo User                    Division 95

Are your entries correct?  Y)es or N)o
                   AP - Extract 1099 Invoice Detail


      Amount option..:    1 - Selected from vend paid
      Date range.....: 01/01/2010 to 12/31/2010










                       ┤ Report options being entered. ├

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 4.6--Extract 1099 Invoice Detail**

The Amount option field is system-defined and cannot be modified.

3. Enter the date range (i.e., calendar year) for which you are extracting information. (You should be logged into the last date of the year specified in this date range.)

You can define a date range to be used as selection criteria when extracting vendor obligation detail records (e.g., for special reporting requirements outside the normal 1/1–12/31 range).

4. Press ENTER. The system asks you to confirm your entries.

5. Type *Y* to extract the detail information and produce a report file (TNNDEXT.L##, where ## represents your division number). Type *N* to cancel the process and return to the Date range field.

6. From Print Manager, print or display the TNNDEXT report (**Figure 4.7**).

```
Run date: 12/15/2005 @ 14:31              Division 95
Bus date: 12/31/2005              1099 Vendor Detail Extract           TNNDEXT.L95  Page 1
                              Obligation     Amount      Discount      Net Amount
                              ----------  --------------  --------------  --------------
100 ABC Hardware, Inc.             1002        400.00          8.00          392.00
                                          --------------  --------------  --------------
                    Vendor Total                400.00          8.00          392.00

200 Ms. Fredericka Loomis          1007      2,000.00                       2,000.00
                                   1020        200.00                         200.00
                                          --------------  --------------  --------------
                    Vendor Total              2,200.00                       2,200.00

300 American Business Insurance    1006      5,000.00                       5,000.00
                                          --------------  --------------  --------------
                    Vendor Total              5,000.00                       5,000.00

400 Quality Office Supplies        1010        100.00          2.00           98.00
                                   1012        850.00         17.00          833.00
                                          --------------  --------------  --------------
                    Vendor Total                950.00         19.00          931.00

600 Mountain Bell Phone Service    1011      2,200.00                       2,200.00
                                          --------------  --------------  --------------
                    Vendor Total              2,200.00                       2,200.00
```

**Figure 4.7--Example TNNDEXT.L## Report**

7. Compare the vendors extracted and included in the TNNDEXT report with the TNNEXT report.

## *Sorting the Invoice Detail—1099-MISC and 1099-INT*

The Sort Invoice Detail step sorts the invoices into the boxes on your 1099-MISC and 1099-INT forms based on the parameters defined in the 1099-MISC Payer and Boxes and 1099-INT Payer and Boxes records. (Also, if you defined the 1099-MISC Payer and Boxes or 1099-INT Payer and Boxes settings to exclude information, FundWare applies the exclusion parameters at this time.)

You do not need to perform this step if you do not have any payments to be reported in boxes other than the default box (defined in field 4 in both the 1099-MISC and 1099-INT parameters).

If you have only a few exceptions to the defaults, you can manually determine the amounts and edit the vendor file directly.

There are not any restrictions on activity in the Accounts Payable module while it is executing, so it will only affect the computer that is running it.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Extract 1099 Invoice Detail > Sort Invoice Detail—1099-MISC** or **Sort Invoice Detail—1099-INT** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract 1099 Invoice Detail > Sort Invoice Detail—1099-MISC** or **Sort Invoice Detail—1099-INT** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Extract 1099 Invoice Detail > Sort Invoice Detail—1099-MISC **or** Sort Invoice Detail—1099-INT**.**

The first page of the task displays. The 1099-MISC and 1099-INT tasks are exactly the same (**Figure 4.8**).

```
AP - Sort Invoice Detail - 1099-MISC
Jemo User               Division 95

Enter field to be changed (0 to accept)
─────────────── AP - Sort Invoice Detail - 1099-MISC ───


 1) Extract type...:    1 - Extract 1099-Misc information
 2) Amount option..:    1 - Selected from vend paid
    Date range.....: 01/01/2010 to 12/31/2010
 3) Tax ID abbr....: .NOTE1     - Optional note 1
 4) Vendor Y/N abbr:           - Blanks, option not used









                    ┤ Report options being entered. ├───

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 4.8--Sort Invoice Detail - 1099-MISC, Page 1 of 2**

3. Complete the first page of the record using with the same criteria used in Extracting Vendor and Summary invoices.

**Table 4-2--Sort Invoice Detail  (1099-MISC and 1099-INT)—Page 1 of 2**

| Field | Definition |
|---|---|
| Extract type | Select the applicable extract type:<br>• 1—Extract 1099-MISC information<br>• 2—Extract 1099-INT information<br>Your entry for this field should be the same as your entry during the Extract Vendor and Summary Invoices step. |
| Amount Option<br>• Date range | The amount option setting is system-defined based on the extract type. However, you must specify the date range for which you are extracting information.<br>• You should be logged into the last date of the year specified in this date range. |

| Field | Definition |
|---|---|
| Tax ID abbr | Indicate the field on the vendor record where your organization stores the vendor tax ID.<br>• Your organization may use the Notes fields or vendor data items to store this information. Press F1 to select from a list of these options. |
| Vendor Y/N abbr | If you are using vendor data items to identify vendors that receive 1099 forms, press F1 and select the data item where your organization stores this information.<br>• Information for vendors with a value of Y for the specified data item (stored on their vendor record) will be extracted to the 1099 files.<br>• If your organization uses the Notes fields to store vendor tax ID information, leave this field blank. |

4. Once you have completed these fields, press ENTER to display page 2 of the Sort Invoice Detail task (**Figure 4.9**).



```
Demo User                    (95)Division 95                    12/31/2005


                   ─── Sort Invoice Detail - 1099-MISC ───
Field..............: _1

1) Vendor          5) Note 3
2) SortKey         6) Note 4
3) Note 1          7) Note 5
4) Note 2
─────────────────────────────────────────────────────────────────────────
   Fld Description     First value          Last value          Sort I/E
   ─   ───────────     ───────────          ──────────          ──── ───




                   ─┤ Field selection being added. ├──────────

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 4.9--Sort Invoice Detail - 1099-MISC Field Selection Screen**

5. Enter the same filter criteria as you entered during the Extract Vendor and Summary Invoices step.

6. Press ESC to complete the task and display the option menu.

7. Type *E* to save your settings and exit the form. The system asks you to confirm your settings.

8. Type *0* to confirm your entries. The system asks if you want to file a report.

9. Type *Y* to save the extract information to a report file (TNNEXTM.L## for the 1099-MISC task or TNNEXTI.L## for the 1099-INT task). FundWare also produces the TNNEXTB.L## report for each task, which shows each vendor's detail amount by 1099 box and sort criteria, as well as any excluded amounts.

Type *N* to send the extract information directly to your printer (no report file is saved).

We recommend that you type *Y* to save the sort information to the report file, which allows you to revisit this information at a later date, if necessary.

10. From Print Manager, print or display the TNNEXTM or TNNEXTI report (**Figure 4.10**).

```
Run date: 12/15/2005 @ 14:31              Division 95
Bus date: 12/31/2005            1099 Vendor Extract (Misc)   TNNEXTM.L95  Page 1

Vendor Name                        Obligat'n Description                Amount
====== =========================== ========= ========================== ========
   100 ABC Hardware, Inc.             1002 Nuts and bolts               392.00

   200 Ms. Fredericka Loomis          1007 Advertising Contract       2,000.00
                                      1020                              200.00
   200 Ms. Fredericka Loomis               ** Totals **              2,200.00

   300 American Business Insurance    1006 Liability Insurance FY'98  5,000.00

   400 Quality Office Supplies        1010 Office Supplies              98.00
                                      1012 Office Supplies             833.00
   400 Quality Office Supplies             ** Totals **                931.00

   500 Mountain Cleaning Service                                          .00

   600 Mountain Bell Phone Service    1011 Telephone - 12/15-1/15    2,200.00

   700 Way Out Computer Supplies      1009 Computer paper              150.00
                                      1014 Computer ribbons             34.65
                                      1019 Computer ribbons            125.00
   700 Way Out Computer Supplies           ** Totals **                309.65

   800 Mountain Rental Management     1008 Monthly Rent              3,600.00
                                      1017 Monthly Rent              3,600.00
                                      1021                             600.00
   800 Mountain Rental Management          ** Totals **              7,800.00
```

**Figure 4.10--Example TNNEXTM Report**

11. Review the information, especially any messages as on Table 4.3. For examples of these situations, see *Using Obligation References or Accounts Masks to Sort*.

**Table 4-3--Possible TNNEXTM Report Messages**

| Message | Explanation |
|---|---|
| Amount discrepancy | The amount of the check does not equal the amount of distribution. The amount paid to the vendor is reported in the Non-employee compensation box or the Interest income box. |

| Message | Explanation |
|---|---|
| Duplicate Reference Match | More than one reference was found on an invoice that matches references in the 1099 parameter. The amount paid to the vendor is reported in the Non-employee compensation box or the Interest income box depending on the reference specified in the parameter records. You may make changes to the 1099 vendor record. See *Chapter 5—Defining and Editing 1099 Vendors on page 33* for more information. |
| Discounts found | No account masking can be done when discounts are taken. If no matching references are found for this invoice the amount paid is reported in the Non-employee compensation box or the Interest income box. Otherwise the entire amount paid is reported in the box directed by the reference. The account mask is ignored. |
| Multiple checks found | An invoice was paid with more than one check. No account masking can take place. If no matching references are found for this invoice the amount paid is reported in the Non-employee compensation box or the Interest income box, otherwise the entire amount paid is reported in the box directed by the reference. The account mask is ignored. |

12. From Print Manager, print or display the TNNEXTB report (**Figure 4.11**).

```
Run date: 12/15/2005 @ 08:36              Division 95
Bus date: 12/31/2005            1099 Vendor Extract (Misc)      TNNEXTB.L95   Page 1

Ven/Box # Name/Box desc                    Box sorted on      Obligat'n     Amount
========= ================================= ================ ========= ==========
      100 ABC Hardware, Inc.
        7 Non-employee compensation *Default*                    1002     392.00
          Vendor total                                                    392.00**

      200 Ms. Fredericka Loomis
        7 Non-employee compensation *Default*                    1007   2,000.00
        7 Non-employee compensation *Default*                    1020     200.00
          Box total                                                     2,200.00*
          Vendor total                                                  2,200.00**

      300 American Business Insurance
        7 Non-employee compensation *Default*                    1006   5,000.00
          Vendor total                                                  5,000.00**

      400 Quality Office Supplies
        7 Non-employee compensation *Default*                    1010      98.00
        7 Non-employee compensation *Default*                    1012     833.00
          Box total                                                       931.00*
          Vendor total                                                    931.00**

      500 Mountain Cleaning Service
          Vendor total                                                       .00**

      600 Mountain Bell Phone Service
        7 Non-employee compensation *Default*                    1011   2,200.00
          Vendor total                                                  2,200.00**
```

**Figure 4.11--Example TNNEXTB Report**

13. Compare the information on the sort task reports (TNNEXTM/TNNEXTI and TNNEXTB) with the Vendor One-Line report. (You should have produced this report during the Extract Vendor and Summary Information step. If necessary, you can reproduce the report at this time.)

14. If there are discrepancies in the information, you can:

   • Change the Accounts Payable vendor record and re-extract the data using the Extract Vendor and Summary Invoices task. (an Initialize and Purge would also be necessary). This should not be done unless it is the only option at this point, as it means starting from Step 1.

   • After all extract and sort processes are complete, use the Define and Edit 1099 Vendors to add missing vendors and change data on extracted vendors

Remember that the Accounts Payable vendor records are distinct from the 1099 vendor records. A change to an AP vendor record is not reflected in the 1099 vendor information unless you extract the vendor and summary information again. Changes to the 1099 vendor records never affect the Accounts Payable vendors.

## 5. Defining and Editing 1099 Vendors

Once you complete all the extract and sort tasks required by your organization, you can edit incorrect information (e.g., a misspelled name) or manually enter 1099 information (e.g., for a one-time vendor). However, **additions or changes are not saved to the vendor record**. In some cases, you may want to modify the AP vendor record, then re-extract and resort the 1099 information.

Do not make vendor changes with Define and Edit 1099 Vendors task until you have completed all necessary extract and sort tasks.

Use the following instructions to edit the 1099 information for an existing vendor or add a 1099 vendor (i.e., a vendor that will not be added to your AP system but for which you will produce a 1099 form).

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors**.**

The system reminds you that all extract and sort tasks must be complete before you can define or edit 1099 vendor records.

> ⚠️ If you complete edits or additions with the Define and Edit 1099 Vendors task, then extract or sort the 1099 information, FundWare may overwrite your entries. We strongly recommend that you never add or edit vendor information until all extract and sort tasks are complete.

3. Press ENTER. The option menu displays.

4. Type *C* to change an existing 1099 vendor record or *A* to add a 1099 vendor record. FundWare asks you to identify the vendor by number.

5. Enter the vendor number for the existing or new 1099 vendor and press ENTER. The first page of the vendor record displays (**Figure 5.1**).

```
Demo User                       (95)Division 95                  12/31/2005
                        ── Define and Edit 1099 Vendors ──
Vendor.............:        801                         Changed.: 11/14/05
                                                        User....: 00101
   1) Name...........:
   2) 1099 Mailing Addr
   3) Street 1.......:
      Street 2.......:
      City/STP/Post..:                      ╱        ╱
      Country........:



                          ─┤ Vendor being added. ├──────────────── 1 of  7
ESC=Stop  F1=Help  F2=Skip  F4=Paint  F5=Dupe  F6=Recall
```

**Figure 5.1--Define and Edit 1099 Vendors, Page 1 of 7**

6.  If you are modifying an existing vendor record, enter the applicable field number (e.g., 1 to begin with the first field) to begin entering or editing the information. Otherwise, FundWare will move you to the Name field.

1099-MISC fields begin with field 4 (page 3 of the record). 1099-INT fields begin with field 9 (page 6 of the record).

7.  Modify or enter the vendor information according to **Table 5-1**.

**Table 5-1--Vendor Record Fields and Definitions**

| Field | Definition |
|---|---|
| Name | Enter or modify the vendor's name as it is to appear on the 1099 forms (up to 35 alphanumeric characters, but only the first 33 characters print on the 1099 forms). |
| Street 1 | Enter or modify the first line of the vendor's street address (up to 35 alphanumeric characters, but only the first 33 characters print on the 1099 forms).<br>• Only *Street 1* prints on the 1099-INT forms. Therefore, enter important address information (e.g., apartment or post office box number) in this field.<br>• Both *Street 1* and *Street 2* print on the 1099-MISC forms. |
| Street 2 | Enter or modify the second line of the vendor's street address (up to 35 alphanumeric characters, but only the first 33 characters print on the 1099 forms).<br>• Only *Street 1* prints on the 1099-INT forms. |
| City/STP/Post | Enter or modify the city, state/territory/province, and postal code, according to the following restrictions:<br>• City—Up to 19 alphanumeric characters.<br>• State/territory/province—Up to 2 alphanumeric characters |

| Field | Definition |
|-------|------------|
| | • Postal code—Up to 9 alphanumeric characters. |
| Country | Enter or modify vendor's country.<br>• You can leave this field blank.<br>• If you enter information in this field, the foreign country fields are included in the electronic file. |
| 1099 Note Information | Enter any information into the Notes fields.<br>• This information does not print on the 1099 forms.<br>• Therefore, you should not enter or edit the vendor tax ID in this field. This information is defined later in the task in field 7 for MISC. |
| **1099-MISC Information** | |
| Rents | Enter the total amount paid to the vendor for rent, or leave the field blank.<br>• This information appears in **Box 1** of the 1099-MISC form. |
| Royalties | Enter the total amount paid to the vendor for royalties, or leave the field blank.<br>• This information appears in **Box 2** of the 1099-MISC form. |
| Other Income | Enter the total amount paid to the vendor for awards, and other taxable income not reported in one of the other boxes on the 1099-MISC form, or leave the field blank.<br>• This information appears in **Box 3** of the 1099-MISC form. |
| Federal Tax W/H | Enter the total federal income tax withheld from the vendor's earnings during this calendar year, or leave the field blank.<br>• This information appears in **Box 4** of the 1099-MISC form. |
| Fishing proceeds | Enter the total amount paid to the vendor for fishing proceeds, or leave the field blank.<br>• This information appears in **Box 5** of the 1099-MISC form. |
| Medical payments | Enter the total amount paid to the vendor for medical and health care payments, or leave the field blank.<br>• This information appears in **Box 6** of the 1099-MISC form. |
| Non-employee | Enter the total amount paid to the vendor for non-employee compensation to sub-contractors, or leave the field blank.<br>• This information appears in **Box 7** of the 1099-MISC form. |
| Substitute payment | Enter the total amount paid to the vendor for substitute payments in lieu of dividends or interest, or leave the field blank.<br>• This information appears in **Box 8** of the 1099-MISC form. |

| Field | Definition |
|---|---|
| Crop ins | Enter the total amount paid to the vendor for crop insurance proceeds, or leave the field blank.<br>• This information appears in **Box 10** of the 1099-MISC form. |
| Golden para | Enter any excess golden parachute payouts, or leave the field blank.<br>• This information appears in **Box 13** of the 1099-MISC form. |
| Atty proceeds | Enter any gross proceeds paid to an attorney, or leave the field blank.<br>• This information appears in **Box 14** of the 1099-MISC form. |
| State Tax Withheld | Enter the total state income tax withheld from the vendor's earnings during this calendar year, or leave the field blank.<br>• This information appears in **Box 11** of the 1099-MISC form. |
| 409A Deferrals | Enter the amount of the total deferrals during the year for the non-employee from all nonqualified deferred compensation plans subject to the provisions of section 409A. If the total is less than $600 or this does not apply, leave the field blank.<br>• This information appears in **Box 15a** of the 1099-MISC form. |
| 409A Income | Enter the amount of current year and prior year deferrals that can be included as income under section 409A because the nonqualified deferred compensation plan fails to satisfy the requirements of section 409A.<br>• This information appears in **Box 15b** of the 1099-MISC form. |
| Tax ID type | Select the type of ID number entered in the Tax ID field (field 7 of this record):<br>• S—Social Security number (default for new and existing vendors)<br>• E—Employer identification number<br>• U—Undetermined<br>The IRS considers a tax ID number undetermined if it:<br>• Does not contain exactly 9 characters,<br>• Contains any alphabetical characters, or<br>• Contains all 0s or all 9s.<br>**Note:** If a vendor has an undetermined tax ID number, FundWare will exclude that record from the electronic file (i.e., the information is not included in the electronic file that you submit to the IRS). |
| Address Type | Select the vendor's foreign address status as required for electronic filing:<br>• U—Vendor is a U.S. resident (default for new and existing vendors)<br>• F—Vendor is not a U.S. resident |
| 2nd TIN notice | Select the applicable setting regarding IRS notifications for incorrect payee information:<br>• Y—Indicates that your organization was notified by the IRS twice within three calendar years that the payee provided an incorrect name and/or taxpayer identification number (TIN) combination.<br>• N—Indicates that your organization has not been notified twice.<br>This information is used on both the form (an X box called "2nd TIN Not" on the 1099-MISC form) and electronic file (Payee B record). |

| Field | Definition |
|---|---|
| Corrected return | Select the applicable setting to indicate if this is a corrected 1099-MISC form or not:<br>• N—Not a corrected return<br>• 1—Corrected box amount<br>This information is used on both the form (an X box called "Corrected" on the 1099-MISC form). |
| Direct sales | Indicate if your organization purchased $5,000 or more of consumer products from the vendor a buy-sell, deposit-commission, or any other commission basis for resale (i.e., "Direct Sales Indicator"):<br>• Y—$5,000 or more was purchased for this purpose.<br>• N—Did not exceed the $5,000 threshold.<br>This information is used on both the form (box 9, an X box the 1099-MISC form) and electronic file (Payee B record). |
| MISC Tax ID Number | Enter the vendor's 9-digit tax identification number using one of the following formats, including hyphens:<br>• 123-45-6789 (Social Security number)<br>• 12-3456789 (Employer identification number)<br>This information is printed on the 1099-MISC form and included in the electronic file. |
| MISC Name control | Enter a 4-character code for use on the electronic file.<br>• Your electronic file instructions from the IRS contains a detailed section on allowable name control values.<br>• The default for extracted vendors is the first four characters of the Sortkey. |
| **1099-INT Information** | |
| Interest income | Enter the total amount paid to the vendor for interest, including interest not included in **Box 3—Interest on U.S. Savings Bonds and Treasury Obligations**, or leave the field blank.<br>• This information appears in **Box 1** of the 1099-INT form. |
| Early with pen | Enter the total amount paid to the vendor for early withdrawal penalties, or leave the field blank.<br>• This information appears in **Box 2** of the 1099-INT form. |
| US Sav Obl | Enter the total amount paid to the vendor for U.S. Savings Bonds, Treasury bills, Treasury notes, and Treasury bonds, or leave the field blank.<br>• This information appears in **Box 3** of the 1099-INT form. |

| Field | Definition |
|---|---|
| FIT | Enter the total federal income tax withheld from the vendor during this calendar year, or leave the field blank.<br>• This information appears in **Box 4** of the 1099-INT form. |
| Investment Exp. | Enter the regular interest holder's pro rata share of investment expenses deductible by a single-class real estate mortgage investment conduit.<br>• This information appears in **Box 5** of the 1099-INT form. |
| Foreign Tax 1 | Enter the total amount of foreign tax (for one foreign country) withheld on interest for the vendor (in US dollars), or leave the field blank.<br>• This information appears in **Box 6** of the 1099-INT form. |
| Tax-Exempt Int | Enter the total amount of interest paid by a state, the District of Columbia, a US possession, an Indian tribal government, a political subdivision, or exempt-interest dividends from a regulated investment company (RIC), or leave the field blank.<br>• This information appears in **Box 8** of the 1099-INT form. |
| Bond Interest | Enter the total amount of interest from specified private activity bonds, or leave the field blank.<br>• This information appears in **Box 9** of the 1099-INT form. |
| Tax ID Type | Select the type of ID number entered in the Tax ID field (field 11 of this record):<br>• S—Social Security number (default for new and existing vendors)<br>• E—Employer identification number<br>• U—Undetermined<br>The IRS considers a tax ID number undetermined if it:<br>• Does not contain exactly 9 characters,<br>• Contains any alphabetical characters, or<br>• Contains all 0s or all 9s.<br>**Note:** If a vendor has an undetermined tax ID number, FundWare will exclude that record from the electronic file (i.e., the information is not included in the electronic file that you submit to the IRS). |
| Address type | Select the vendor's foreign address status as required for the electronic file:<br>• U—Vendor is a U.S. resident (default for new and existing vendors)<br>• F—Vendor is not a U.S. resident (default for new and existing vendors) |
| 2nd TIN notice | Select the applicable setting regarding IRS notifications for incorrect payee information:<br>• Y—Indicates that your organization was notified by the IRS twice within three calendar years that the payee provided an incorrect name and/or taxpayer identification number (TIN) combination.<br>• N—Indicates that your organization has not been notified twice.<br>This information is used on both the form (an X box called "2nd TIN Not" on the 1099-INT form) and electronic file (Payee B record). |

| Field | Definition |
|---|---|
| Corrected return | Select the applicable setting to indicate if this is a corrected 1099-INT form or not:<br>• N—Not a corrected return<br>• 1—Corrected box amount<br>This information is used on both the form (an X box called "Corrected" on the 1099-INT form) and electronic file (Payee B record). |
| Interest Tax ID # | Enter the vendor's 9-digit tax identification number using one of the following formats, including hyphens:<br>• 123-45-6789 (Social Security number)<br>• 12-3456789 (Employer identification number)<br>This information is printed on the 1099-INT form and included in the electronic file. |
| Name control | Enter a 4-character code for use in the electronic file.<br>• Your electronic file instructions from the IRS contains a detailed section on allowable name control values.<br>• The default for extracted vendors is the first four characters of the Sortkey. |
| Interest Acct # | Enter the payer's account number for the vendor.<br>• This information is printed on the 1099-INT form. |
| Interest CUSIP # | Enter the CUSIP # for tax exempt interest.<br>• This information is printed on the 1099-INT form, box 10. |

8. When you have completed your entries, press ESC to display the option menu.

9. Type *0* and press ENTER to save your entries.

10. Type *E* to exit the task.

11. Review your changes by:

   • Re-opening the Define and Edit 1099 Vendors task and displaying the vendor's record, or

   • Producing the 1099 Vendors—One-Line report or the 1099 Vendors—Complete Record report from the **1099 Forms > Reports > Vendor Reports** menu. (If you produce either of these reports from Report Manager or the AP HomePage, FundWare will include information from the AP files, instead of the edited 1099 files.)

## *Removing 1099 Vendors*

You can delete a vendor record from the 1099 data (a record created by the Extract Vendor and Summary Invoices task or created manually through the Define and Edit 1099 Vendors task). This process does not impact your AP vendor records; it simply removes the vendor's information from the information used to produce your 1099 forms.

1. Click **1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors**.**

The system reminds you that all extract and sort tasks must be complete before you can define or edit 1099 vendor records.

> ⚠️ If you complete edits or additions with the Define and Edit 1099 Vendors task, then extract or sort the 1099 information, FundWare may restore the vendor record. We strongly recommend that you never add or edit vendor information until all extract and sort tasks are complete.

2. Press ENTER. The option menu displays.

3. Type *R* to remove a 1099 vendor record. FundWare asks you to identify the vendor by number.

4. Enter the vendor number and press ENTER. A confirmation message displays.

5. Type *Y* to delete the 1099 vendor record. A confirmation message displays.

6. Type *Y* to delete the record.

## 6. Producing 1099 Forms and Electronic Files

Once you have extracted, sorted, and edited your 1099 vendor information, you are ready to produce the 1099-MISC and 1099-INT forms for your organization. This is a four-step process:

1. Produce the 1099-MISC and 1099-INT files for the vendor's 1099 form.

2. Print the 1099-MISC and 1099-INT forms on perforated blank stock. Once printed, these forms are ready for distribution to your vendors.

3. Produce the electronic file for transmission to the IRS.

4. Submit the electronic file to the IRS via the Internet.

### *Producing the 1099-MISC and 1099-INT Forms Files*

Use the following instructions to create the file that you will use to print your 1099-MISC and 1099-INT forms (i.e., paper copies) for your vendors.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Produce 1099 Forms and E-File > Produce 1099 Paper Forms > Produce 1099-MISC Forms** or **Produce 1099-INT Forms** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Paper Forms > Produce 1099-MISC Forms** or **Produce 1099-INT Forms** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Paper Forms > Produce 1099-MISC Forms **or** Produce 1099-INT Forms**.**

The first of two screens displays (**Figure 6.1**)  In this example, the **Produce 1099-MISC Forms** task has been selected from the **Produce 1099 Paper Forms** menu.

```
Demo User                       (95)Division 95              12/31/2005

─────────────────────── Produce 1099-MISC ───────────────────────

 1> Print all FIT's: Y




















─────────────────────┤ Report options being entered. ├─────────── 1 of  2
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.1--Produce 1099-MISC, Page 1 of 2**

3.  Indicate if you are producing 1099 forms for all or only some vendors:

    •   Y—Produce 1099 forms for all vendors from whom any federal income tax (FIT) was
        withheld and all other vendors meeting the dollar selection criteria.

    •   N—Produce 1099s only for vendors who meet the dollar limit, regardless of FIT withheld.

The most commonly used is the default of Y.

4.  Press ENTER. The field selection page displays (**Figure 6.2**).

```
Demo User                       (95)Division 95              12/31/2005

─────────────────────── Produce 1099-MISC ───────────────────────
Field..............: 7_

 1> Vendor          4> S/T/P          7> Paid YTD misc
 2> Last changed    5> Postal Code
 3> Sort Key        6> Tax Id Number
────────────────────────────────────────────────────────────────
 Fld Description    First value         Last value          Sort I/E
 ___  _____    _____         _____          ____ ___








─────────────────────┤ Field selection being added. ├───────────
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.2--Produce 1099-MISC, Field Selection**

5.   Enter field 7 (Paid YTD MISC or Paid YTD INT) to filter on the amount paid for the year to date. (Remember—You should be signed in to the last day of the tax year, so the year-to-date should encompass the entire year.)

6.   Enter the Selection value, Sort, and Include/Exclude values to filter your 1099 forms. For example, as shown in **Figure 6.3**, we are producing 1099-MISC forms for those vendors to whom more than $600 was paid this year. This example shows the most common selection for 1099-MISC. The most common lower limit for 1099-INT is $10.00.

```
Demo User                       (95)Division 95                      12/31/2005


                           ───── Produce 1099-MISC ─────

Field..............:      7 - Paid YTD

     Selection value:                  600.00 to  999,999,999,999,999.99
     Sort...........:     N - Do not sort this field
     Include/Exclude:     I - Include range in selection







                         ─┤ Field selection being added. ├─────────── 2 of  2

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.3--Example YTD Filter**

Review the IRS publication "Instructions for Forms 1099, 1098, 5498 & W-2G" to determine the dollar limit for the box or boxes you will be reporting.

If you do not specify a range of values in the Selection value fields, the Include/Exclude field does not appear (i.e., by not entering a Selection value, you are including all forms).

7.   We recommend that you only filter your 1099 forms based on the YTD amount. Additional filtering could inadvertently exclude a 1099 that should be printed. However, you may want to select one of the other fields to sort the 1099 forms (i.e., enter a Selection value of All and select a Sort order).

8.   When your entries are complete, press ESC to save your entries and display the filter option menu (**Figure 6.4**).

```
Demo User              Division 95                          12/31/1998
Field selection A)dd, C)hange, R)emove, D)isplay, S)croll or E)nd    <A>
─────────────────── AP - Produce 1099-MISC Forms ──────────────────
Field..............:  7

1) Vendor           4) S/T/P            7) Paid YTD misc
2) Last changed     5) Postal Code
3) Sort Key         6) Tax Id Number
──────────────────────────────────────────────────────────────────
Fld Description      First value          Last value          Sort I/E

a  7 Paid YTD        600.00               999,999,999,999,999.99   N    I




                     ┤ Field selection being added. ├

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.4--Example Filter Settings with Additional Sort Entry**

Make a note of your settings as you need to enter the same information when you produce your electronic file (i.e., unless you use the same filters in all tasks, you run the risk of including or excluding different 1099 forms at different stages of the process).

9.  Type *E* to exit the filter task. The system asks you to confirm your settings.

10. Type *0* to confirm your entries and close the task.

If you need to change any of your selections, enter the field number, then type *C* to change the field.

You are now ready to print your 1099 forms using the Forms Manager.

## *Printing Vendor Copies of the 1099-MISC and 1099-INT Forms*

Use the following instructions to print your 1099-MISC and 1099-INT forms (i.e., paper copies) for your vendors using the Forms Manager

1.  Open the FundWare Forms Manager using one of the following methods:

    •   Versions 7.20 and earlier—Double-click the icon installed to your desktop during installation of the year-end update.

    •   Versions 7.30, 7.31, and 7.40—Select **File > Forms Manager** from the FundWare menu.

        ***Click the** Open **button or select** File > Open **from the menu (***

2.  **Figure 6.5**).
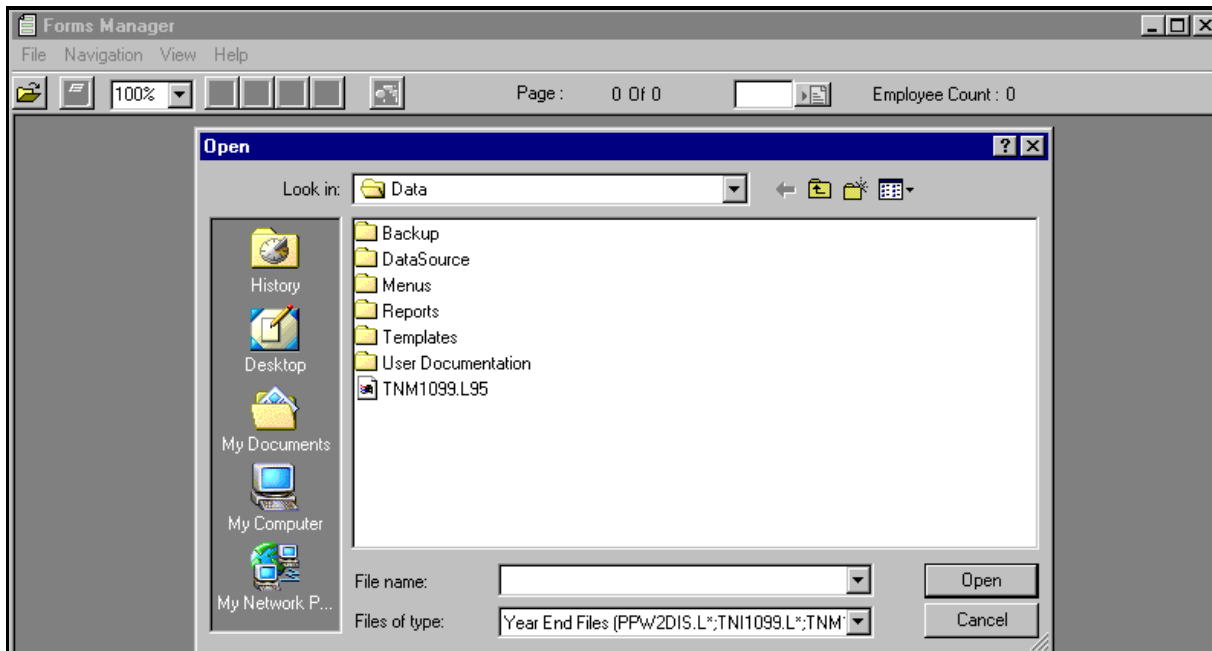
*Figure 6.5--Forms Manager—Open Window*

3. Select the applicable 1099 file (TNM1099.L## for 1099-MISC forms or TNI1099.L## for 1099-INT forms) and click **Open**. You will receive a Year-End Forms Message confirming the tax year the forms apply to. It reads: " The forms in this file reflect the approved forms from the Internal Revenue Service for tax year 2011. Once you have reviewed these forms, you can release the information to your vendors."

**Figure 6.6--Approved Form Message**

Note: If this message does not have the tax year 2011 in it, you have not successfully downloaded the current year software. You must download YESB2011 and begin the 1099 process again. Please contact Fundware Support if any assistance is needed.

**Figure 6.7** shows a sample form displayed in Forms Manager:

**Figure 6.7--Example 1099-Int Forms**

FundWare applies a year-end tax form based on the name of the selected file. If you change the file name or select a file that does not contain information for one of the applicable tax forms (1099-MISC, 1099-INT, or W-2), you will receive an error message.

4.  Review 1099 forms. If you find any errors:

    •  Make the necessary corrections using the instructions in *Chapter 4—Extracting, Sorting, and Editing 1099 Vendors*.

    •  Delete the print file, and

    •  Produce 1099s again, checking that the new 1099 forms reflect your corrections.

5.  Select **File > Print** or click the **Print** button in the toolbar to print one or more of the 1099 forms. You can print a draft copy on plain paper, but you should print the final copies of the forms on perforated blank stock. For information on the Forms Manager, see **Using the Forms Manager**.

To view a list of the number of 1099s printed, the total amount paid to these vendors during the year, and the total amount of federal income tax withheld, open the file through Print Manager and view the last page of the file.

> ⚠️  The financial entries for Federal Income Tax and State Income Tax withheld are normally credit entries. When you reconcile the 1099 forms to the reports, be aware that FIT and SIT are "positive" numbers on the forms. Therefore, on the reports the *real* Grand Total =

> Total – [(FIT * 2) + (SIT * 2)]. (This information is also only viewable via Print Manager.)

6. If your printed copy is not aligned correctly, click **Print** (or select **File > Print** from the menu) and use the Printer Offset settings to change the default margin settings (in dots per inch) to meet the needs of your printer (**Figure 6.8**). (This may take some repeated experiments to find the best margin settings for your printer.)
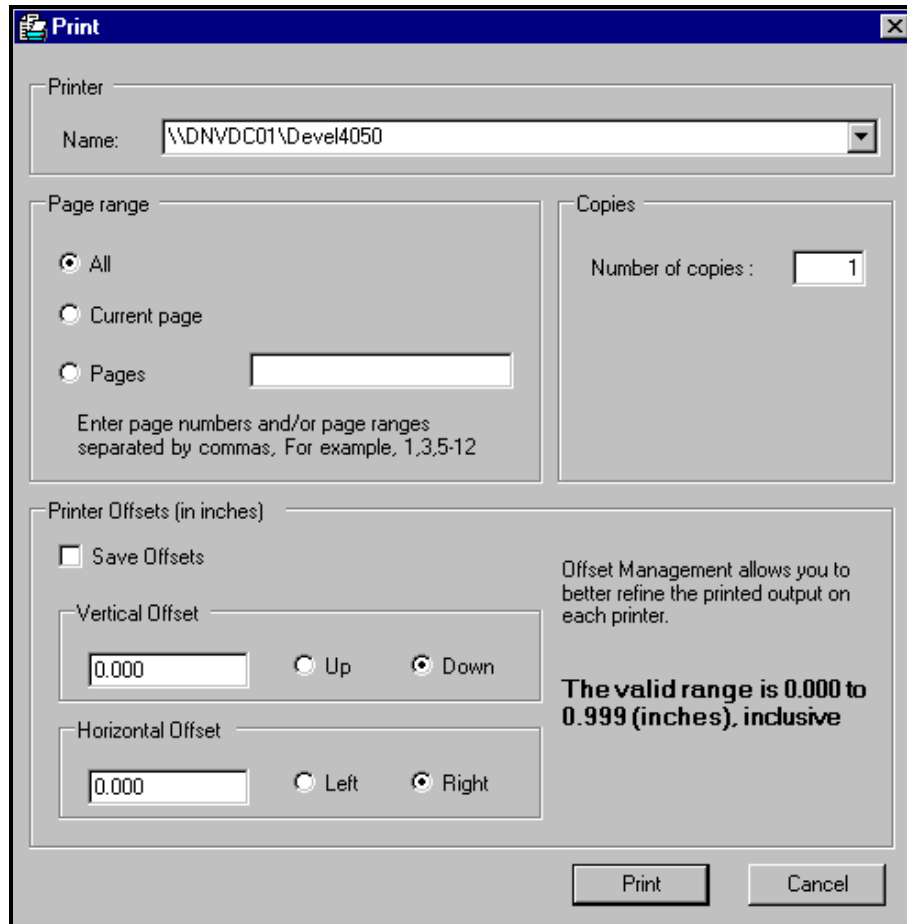


**Figure 6.8--Printer Offsets**

7. Copy or reprint the 1099 forms to keep for your permanent records.

## Using the Forms Manager

When the Forms Manager imports your data into the 1099-MISC or 1099-INT form, each page of the file represents a 1099 form. You can:

- Use the "VCR" buttons to move forward and backward through the file.
- Search based on payer (i.e., vendor) name or tax ID number.
- Print a single page, a range of pages, or all pages. (Click **File > Print** or the **Print** button on the toolbar to access the print features.)

While viewing 1099 data in the Forms Manager, you are restricted in the following ways:

- You cannot edit the information in the forms.
- You cannot open more than one file at any one time.

## *Producing 1099 Electronic Files*

There are two steps to producing your 1099-MISC and 1099-INT electronic files:

- Producing the error list—Check your 1099-MISC or 1099-INT forms for errors in the vendors' tax ID types, tax ID numbers, and name controls.
- Producing the electronic file—Results in a verification report in a readable format to help you check the electronic file output and a data file to be copied to diskette or electronically transmitted to the IRS.
- Depending on your version of FundWare, some screens may refer to Magmedia and others to Electronic Files. It will not affect processing in any way. Both are producing the electronic file.

### Producing Your Electronic File Error List for 1099-MISC and 1099-INT

You can use the electronic file error list to check your 1099-MISC or 1099-INT forms for errors in the vendors' tax ID types, tax ID numbers, and name controls. Use the following instructions to produce this report for either 1099-MISC or 1099-INT forms.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Produce 1099 forms and Electronic File > Produce 1099 Electronic File > 1099-MISC Electronic File Error List** or **1099-INT Electronic File Error List** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Electronic File > 1099-MISC Electronic File Error List** or **1099-INT Electronic File Error List** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Produce 1099 Forms and E-File > Produce 1099 Electronic File > 1099-MISC Electronic File Error List **or** 1099-INT Electronic File Error List**.**

The first of two screens displays (**Figure 6.9**). In this example, the **1099-MISC Electronic File Error List** task has been selected from the **Produce 1099 Electronic File** menu.

```
Demo User                      (95)Division 95                    12/31/2005

                     ── 1099-MISC Magnetic Media Error List ──

 1) Print all FIT's: Y




                        ┤ Report options being entered. ├──────────── 1 of  2
ESC=Stop   F1=Help   F2=Skip   F4=Paint
```

**Figure 6.9--1099-MISC Electronic File Error List, Page 1 of 2**

3. Indicate if you are producing an error list for some or all of the 1099 vendors:

   • Y—Produce 1099 forms for all vendors from whom any federal income tax (FIT) was
     withheld and all other vendors meeting the dollar selection criteria.

   • N—Produce 1099s only for vendors who meet the dollar limit, regardless of FIT withheld.

4. Press ENTER. The field selection page displays (**Figure 6.10**).

```
Demo User                      (95)Division 95                    12/31/2005


                     ── 1099-MISC Magnetic Media Error List ──
 Field..............: 7

 1) Vendor            4) S/T/P              7) Paid YTD misc
 2) Last changed      5) Postal Code
 3) Sort Key          6) Tax Id Number
 ─────────────────────────────────────────────────────────────────────────
 Fld Description      First value              Last value              Sort I/E
 ──  ───────────      ───────────              ──────────              ──── ──




                        ┤ Field selection being added. ├
ESC=Stop   F1=Help   F2=Skip   F4=Paint
```

**Figure 6.10--1099-MISC Electronic File Error List, Field 7**

5. Enter field 7 (Paid YTD MISC or Paid YTD INT) to filter on the amount paid for the year to date.
   (Remember—You should be signed in to the last day of the tax year, so the year-to-date should
   encompass the entire year.)

6. Enter the Selection value, Sort, and Include/Exclude values to filter your 1099 forms. For example, as shown in **Figure 6.11**, we are producing 1099-MISC forms for those vendors to whom more than $600 was paid this year. This example shows the most common selection for 1099-MISC. The most common lower limit for 1099-INT is $10.00.

```
Demo User                      (95)Division 95                    12/31/2005


───────────────────────────── Produce 1099-MISC ─────────────────────────

Field..............:    7 - Paid YTD

    Selection value:                  600.00 to  999,999,999,999,999.99
    Sort...........:    N - Do not sort this field
    Include/Exclude:    I - Include range in selection










──────────────────────┤ Field selection being added. ├─────────────── 2 of  2
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.11--Example YTD Filter**

Review the IRS publication "Instructions for Forms 1099, 1098, 5498 & W-2G" to determine the dollar limit for the box or boxes you will be reporting.

If you do not specify a range of values in the Selection value fields, the Include/Exclude field does not appear (i.e., by not entering a Selection value, you are including all forms).

7. Complete your entries using the same settings that you entered when you produced the vendor's copy of the 1099 forms (i.e., the Produce 1099-MISC Forms or Produce 1099-INT Forms task).

8. When your entries are complete, press ESC to save your entries and display the filter option menu.

9. Type *E* to exit the filter task. The system asks you to confirm your settings.

10. Type *0* to confirm your entries and close the task. The system asks if you want to file a report.

11. Type *Y* to save the extract information to a report file. Type *N* to send the extract information directly to your printer (no report file is saved). The system asks if you have another report to produce.

12. Type *N* to exit the task.

13. From Print Manager, produce the 1099 electronic file error list for your vendors by printing the TNMMMP.L## for 1099-MISC forms or TNIMMP.L## report for 1099-INT forms (**Figure 6.12**).

```
Run date: 12/15/2005 @ 08:37              Division 95
Bus date: 12/31/2005        AP - 1099-MISC Magnetic Media Error List    TNMMMP.L95 Page 1

Vendor Name                   Paid Y-T-D FIT w/h SIT w/h Potential Error
====== ============================ ========== ======= ======= =========================
   200 Ms. Fredericka Loomis         2,200.00    .00     .00

   300 American Business Insurance   5,000.00    .00     .00
       Tax ID type...: U                                       Undetermined tax ID type.
       Tax ID number.: CORP                                    Invalid tax ID number.

   400 Quality Office Supplies         931.00    .00     .00
       Tax ID type...: U                                       Undetermined tax ID type.
       Tax ID number.: CORP                                    Invalid tax ID number.

   600 Mountain Bell Phone Service   2,200.00    .00     .00
       Tax ID type...: U                                       Undetermined tax ID type.
       Tax ID number.: CORP                                    Invalid tax ID number.

   800 Mountain Rental Management    7,800.00    .00     .00
```

**Figure 6.12--Example 1099-MISC Electronic File Error List**

14. Review the information on the report for any error messages. Corrections can be made through the Define and Edit 1099 Vendors as below.

Click **1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors**.**

**Table 6-1--Electronic File Error List Messages**

| Message | Action Required |
|---|---|
| Invalid name control characters. | The "Name control" field on the vendor must be upper-case letters and spaces. The dash "-" and the ampersand "&" are also allowed. No other characters are allowed by the IRS. |
| Name control = all spaces. | The "Name control" field on the vendor is all spaces. Not allowed by the IRS. |
| Invalid tax ID type. | The only allowable entries for the "Tax ID type" are "E" (Employer Identification Number), "S" (Social Security Number), or "U" (Undetermined). The field on the vendor is blank or contains some other value. |
| Undetermined tax ID number. | This is an information message. The value "U" for "Undetermined" is allowable. Make every effort to obtain a valid tax ID number for this vendor.<br>• If the tax ID number is "undetermined," FundWare will leave the tax ID fields blank for the vendor in the electronic file that you submit to the IRS. |
| Invalid tax ID number. | The tax ID number for this vendor does not match the type, has too few or too many digits, or has unallowable characters. |

## Producing Your Electronic File for 1099-MISC and 1099-INT

Once you have produced your 1099-MISC and 1099-INT forms and reviewed the error lists, you are ready to create the electronic file. This process produces two files:

- A verification report that allows you to review the electronic information in a readable format.
- An electronic file to be transmitted to the IRS.

Use the following instructions to produce your electronic file for 1099-MISC or 1099-INT forms.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Electronic File > Produce 1099-MISC Electronic File** or **Produce 1099-INT Electronic File** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Electronic File > Produce 1099-MISC Electronic File** or **Produce 1099-INT Electronic File** from the menu bar.

   If you are using a version of FundWare earlier than 7.30, select **Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic File > Produce 1099 Electronic File > Produce 1099-MISC Electronic File** or **Produce 1099-INT Electronic File**.

   The first of page of the task displays (**Figure 6.13**).

```
Demo User           Division 95                        12/31/1998
Enter field to be changed (0 to accept)                    <__>
─────────────── AP - Produce 1099-MISC Electronic File ───────────


 1) Print all FIT's:    Y - Print vendor if any FIT w/h.
 2) Payment year...: 1998
 3) Prior year.....:        - (Space) Report current year.
 4) Trans cntl code; ABCDE
 5) Transmitter ID.; 841234567
 6) Test file .....:        - Normal submission.





                        │ Report options being entered. │────────── 1 of  6
─────────────────────────────────────────────────────────────────
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.13--Produce 1099-MISC Electronic File, Page 1 of 6**

3.  Complete the fields according to **Table 6-2**.

**Table 6-2--Produce Electronic File Fields and Definitions (for 1099-MISC and 1099-INT)—Page 1 of 6**

| Field | Definition |
|---|---|
| Print all FIT's | Indicate if you are producing the electronic file for all 1099 forms or only some vendors:<br>• Y—Produce 1099 forms for all vendors from whom any federal income tax (FIT) was withheld and all other vendors meeting the dollar selection criteria.<br>• N—Produce 1099s only for vendors who meet the dollar limit, regardless of FIT withheld. |
| Payment year | Enter the 4-digit tax year (e.g., 2011). |
| Prior year | Indicate if you are reporting data from a previous tax year:<br>• If this is the current year—Leave the field blank.<br>• If you are reporting on a prior tax year—Type *P*. |
| Trans cntl code | Enter the 5-digit alphanumeric Transmitter Control Code assigned by the IRS/MCC. |
| Transmitter ID | Enter the transmitter's 9-digit taxpayer identification number (i.e., EIN, SSN, or ITIN). |
| Test file | Indicate if this is a normal or test submission:<br>• Normal submission—Leave the field blank.<br>• Test submission—Type *T*. |

4. Press ENTER or PAGE DOWN to move to the second page of the task (**Figure 6.14**).

```
AP - Produce 1099-MISC EFile
Demo User                    Division 95


                        ┌── AP - Produce 1099-MISC Mag Media File ──

   7) Transmitter Info
       Trans. Name....: Blackbaud_____
       Trans name cntd:
       Comp name......: Blackbaud
       Comp name contd:
       Comp address...:
       Comp city......: Daniel Island
       Comp state.....: SC
       Comp zip code..: 29492





                              ┤ Report options being entered. ├────

 ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

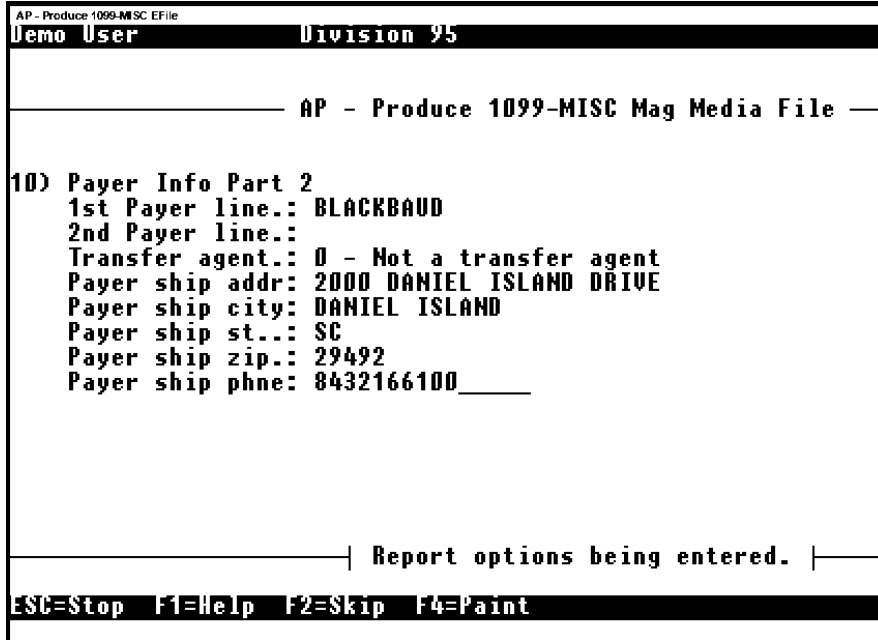**Figure 6.14--Produce 1099-MISC Electronic File, Page 2 of 6**

5. Complete the fields according to **Table 6-3**.

**Table 6-3--Produce Electronic File Fields and Definitions (for 1099-MISC and 1099-INT)—Page 2 of 6**

| Field | Definition |
|---|---|
| Trans. Name | Enter the transmitter name (up to 40 alphanumeric characters).<br>• Your entry should match the name used for normal business. |
| Trans name cntd | Enter additional information for the transmitter name (up to 40 alphanumeric characters). |
| Comp name | Enter the company name (up to 40 alphanumeric characters).<br>• Any correspondence from the IRS will be sent to the specified company and its associated address, which you'll enter in the next fields. Therefore, your entries in this and the following fields should match the company's mailing address exactly. |
| Comp name contd | Enter additional information for the company name (up to 40 alphanumeric characters). |
| Comp address | Enter the company's street address (up to 40 alphanumeric characters). |
| Comp city | Enter the company's city (up to 40 alphanumeric characters). |
| Comp state | Enter the company's state code (2 alpha characters). |

| Field | Definition |
|---|---|
| Comp zip code | Enter the company's postal code (up to 9 alphanumeric characters). |

6. Press ENTER or PAGE DOWN to move to the third page of the task (**Figure 6.15**).

```
Demo User              Division 95                        12/31/1998


───────────────── AP - Produce 1099-MISC Electronic File ─────────────


8) Contact/return info
   Contact name...: SARAH JONES
   Contact phone..: 3037563030
   Contact e-mail.: sjones@blackbaud.com_____




                        ┤ Report options being entered. ├──────── 3 of  6

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.15--Produce 1099-MISC Electronic File, Page 3 of 6**

7. Complete the fields according to **Table 6-4**.

**Table 6-4--Produce Electronic File Fields and Definitions (for 1099-MISC and 1099-INT)—Page 3 of 6**

| Field | Definition |
|---|---|
| Contact name | Enter the name of the person that the IRS should contact regarding transmission problems with the electronic files (up to 40 alphanumeric characters, no hyphens). |
| Contact phone | Enter the phone number for the above-listed contact, including any extension (up to 15 numeric characters). |
| Contact e-mail | Enter the e-mail address of the person to contact regarding electronic or magnetic files.<br>• If you do not have the e-mail address, leave the field blank. |

8. Press ENTER or PAGE DOWN to move to the fourth page of the task (**Figure 6.16**).

```
Demo User            Division 95                    12/31/1998


                 ─── AP - Produce 1099-MISC Electronic File ───


9) Payer Info Part 1
   Payer TIN......: 887564321
   Payer name ctrl: 1234
   Last filing....:        - No, not a last filing.
   Combined filer.:        - Normal submission.
   Return type....:    A - 1099 Misc
   Correction file:        - Normal submission.
   Foreign entity.: _






              ─┤ Report options being entered. ├─────────── 4 of  6

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 6.16--Produce 1099-MISC Electronic File, Page 4 of 6**

9.  Complete the fields according to **Table 6-5**.

**Table 6-5--Produce Electronic File Fields and Definitions (for 1099-MISC and 1099-INT)—Page 4 of 6**

| Field | Definition |
|---|---|
| Payer TIN | Enter the Transmitter's 9-digit taxpayer identification number (i.e., EIN, SSN, or ITIN). |
| Payer name ctrl | Enter the Payer Name Control, obtained from the mail label on Package 1099 (up to 4 alphanumeric characters). <br> • The Package 1099 is mailed to most payers each December. |
| Last filing | Indicate if this is the last year that you will file 1099s with the IRS: <br> • If you will continue filling 1099s with the IRS—Leave the field blank. <br> • If this is the last year you will file—Type *1*. |
| Combined filer | Not supported. The system will skip this field. |
| Return type | Read-only field. No entry is allowed. |
| Correction file | Indicate if this is a correction file: <br> • If this file is the original electronic file—Leave the field blank. <br> • If this is a correction electronic file (i.e., this file is replacing a file containing errors that you submitted to IRS/MCC and this file was processed, but you were not notified by IRS/MCC)—Type *1*. |

| Field | Definition |
|---|---|
| Foreign entity | Indicate if your organization is a foreign entity and income is paid by the foreign entity to a U.S. resident:<br>• If your organization is not a foreign entity—Leave the field blank.<br>• If your organization is a foreign entity—Type *1*. |

10. Press ENTER or PAGE DOWN to move to the fifth page of the task (**Figure 6.17**).



**Figure 6.17--Produce 1099-MISC Electronic File, Page 5 of 6**

11. Complete the fields according to **Table 6-6**.

**Table 6-6--Produce Electronic File Fields and Definitions (for 1099-MISC and 1099-INT)— Page 5 of 6**

| Field | Definition |
|---|---|
| 1st Payer Line | Enter the name of the payer (up to 40 alphanumeric characters).<br>• Do not enter a transfer agent's name in this field.<br>• If you are using a transfer agent, you will enter the agent's name in the Second Payer Name Line field. |

| Field | Definition |
|---|---|
| 2nd Payer Line | Enter the name of the transfer (or paying) agent (up to 40 alphanumeric characters), if you are using an agent.<br>• If you are not using a transfer agent, you can use this field as a continuation of the 1st Payer Line field or leave it blank. |
| Transfer agent | Indicate if the information entered in the 2nd Payer Line field is the name of a transfer (or paying) agent:<br>• If this information does not represent an agent (i.e., you are not using an agent)—Type *0*.<br>• If this information represents an agent—Type *1*. |
| Payer Ship addr | Enter the payer's street address for shipping purposes (up to 40 alphanumeric characters). |
| Payer ship city | Enter the payer's city for shipping purposes (up to 40 alphanumeric characters). |
| Payer ship st | Enter the payer's state code for shipping purposes (2 alpha characters). |
| Payer ship zip | Enter the payer's postal code for shipping purposes (up to 9 alphanumeric characters). |
| Payer ship phne | Enter the payer's phone number, including any extension (up to 15 numeric characters). |

12. Press ENTER or PAGE DOWN to move to the filter options (**Figure 6.18**).



**Figure 6.18--Produce 1099-MISC Electronic File, Fields**

13. Complete your entries using the same settings that you entered when you produced the vendor's copy of the 1099 forms (i.e., the Produce 1099-MISC Forms or Produce 1099-INT Forms task), because the IRS expects the same information you reported to the vendors.

14. When your entries are complete, press ESC to save your entries and display the filter option menu.

15. Type *E* to exit the filter task. The system asks you to confirm your settings.

16. Type *0* to confirm your entries and close the task. The system asks if you want to file the verification report.

17. Type *Y* to save the extract information to a report file. Type *N* to send the extract information directly to your printer (no report file is saved). The system asks if you have another report to produce.

18. Type *N* to exit the task.

19. From Print Manager, produce the verification report (TNMVER.L## for 1099-MISC forms or TNIVER.L## for 1099-INT forms) (**Figure 6.19**).

```
Run date: 12/15/2005 @ 10:06         Division 95                    Page 4
Bus date: 12/31/2005         Mag Media Proof Report - 1099 Misc    TNMMM.L95
Record type........: B
Payment year.......: 2004
Corrected return...:
Name control.......: QUAL
Tax ID type........:
Taxpayer ID number.:
Payee acct number..:                      400
Rents..............: 000000000000
Royalties..........: 000000000000
Prizes/Other income: 000000000000
Fed tax witheld....: 000000000000
Fishing prcds......: 000000000000
Medical payments...: 000000000000
Nonemp payments....: 000000093100
Sub payments.......: 000000000000
Crop ins prcds.....: 000000000000
Golden para........: 000000000000
Attorney proceeds..: 000000000000
Foreign Country....:
1st payee name line: Quality Office Supplies
2nd payee name line:
Payee address......: P.O. Box 889-1456
Payee city.........: Flushing
Payee state........: NY
Payee zip code.....: 10004
2nd TIN notice.....:
Direct sales.......:
Special data.......:
SIT withheld.......: 000000000000
State code.........:
Record sequence #..; 00000005
```

**Figure 6.19--Example 1099-MISC Electronic File Verification Report**

20. Compare your paper forms of the report to the verification report. This report contains the same information as the actual file that will be submitted to the IRS, but in a more readable form.

   • Amounts do not have decimal points between dollars and cents.

   • There will be some fields on the electronic file that do not exist on paper forms. Check the fields that apply to your organization.

   • Refer to the IRS publication "Publication 1220—Specification for Filing Forms 1098, 1099 series, 5498 and W-2G Magnetically or Electronically" to obtain authoritative information on these other fields.

21. If you find errors on the verification report, take the following actions:

   • Delete the verification report (e.g., TNMVER).

   • Delete the electronic file from the Data folder. (The name of the electronic file includes a number from the computer that produced it. For example, the 1099-MISC file might be TNM1234.)

   • Correct the mistakes.

- Determine if you need to reproduce your paper forms. If so, delete the 1099 forms file (e.g., TNM1099) and reproduce your forms.

- Reproduce the electronic file error list and electronic file.

22. When you have confirmed that your 1099 information is correct, transmit the electronic file to the IRS via the Internet. (For more information on electronic filing, see **Submitting Your Electronic File**.)

**FundWare recommends you wait to submit the E-File until closer to the submission deadline to allow for any possible corrections reported after your vendors have received their 1099s.**

- The electronic file name includes a number from the computer that produced it. For example:
  — The 1099-MISC electronic file might be TNM1234.
  — The 1099-INT electronic file might be TNI1234.
- The electronic files are stored in your **FundWare > Data** folder.

## *Submitting Your Electronic File*

You must submit your electronic file via the Internet, according to instructions on page 4 of IRS Publication 3609. Please note the following information when preparing to submit your file:

- Before connecting, have your TCC and EIN available.
- Ensure that your browser supports SSL 128-bit encryption.
- Ensure that your browser is configured to receive "cookies," which are used to preserve your User ID status.

You can submit your electronic file from the *http://fire.irs.gov* Web site.

## 7. Processing Corrected 1099s

FundWare allows you to process corrected 1099 forms (both 1099-MISC and 1099-INT) should you identify errors in the original information after submission to the IRS. You should refer to the general 1099 instructions from the IRS to determine how you should submit your corrected 1099 information.

FundWare supports three types of corrections for 1099 forms:

- Correcting the taxpayer identification information (e.g., the taxpayer identification number, or TIN)—See the instructions in *Correcting Taxpayer Information on the Vendor Form*
- Correcting the amount previously reported—See the instructions in *Correcting the Previously Reported Amount.*
- Correcting the type of return (e.g., MISC return filed when it should have been INT)— See the instructions in *Correcting Taxpayer Information on the Vendor Form..*

In order to create the corrected 1099 file, you must have first extracted 1099 information from vendor files. FundWare will locate the extract file and populate the "previous information" fields of the 1099 record with this information. However, if the system does not find a 1099 extract file, these fields will be blank and you will have to enter this information manually.
You *do not* need to create corrected 1099 forms if:

- You have not yet produced 1099 forms,

- The information reported on your original 1099 forms is correct, or

- You have produced 1099 forms and found an error, but you have not yet filed your electronic file with the IRS .

### *Correcting the Previously Reported Amount*

You can create corrected 1099s for your vendors if the original form included incorrect financial information, such as:

- Incorrect payment amount on the original 1099,
- Incorrect address on the original 1099,
- Return filed when it should not have been, or
- Incorrect direct sales indicator.

Use the following instructions to produce corrected 1099 forms for your vendors.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Extract, Sort & Edit 1099 Vendors > Define and Edit 1099 Vendors**.**

> The system reminds you that all extract and sort tasks must be complete before you can define or edit 1099 vendor records.

3. Press ENTER. The option menu displays.

4. Type *C* to change an existing 1099 vendor record. FundWare asks you to identify the vendor by number.

5. In the Vendor field, enter the vendor for which you are entering a correction.

6. Enter the vendor number for the existing or new 1099 vendor and press ENTER. The first page of the vendor record displays (**Figure 7.1**).

```
Demo User                        (95)Division 95                    12/31/2005

                        ── Define and Edit 1099 Vendors ──

Vendor.............:      801                            Changed.: 11/14/05
                                                        User....: 00101
  1) Name...........:
  2) 1099 Mailing Addr
  3) Street 1.......:
     Street 2.......:
     City/STP/Post..:              /        /
     Country........:




                        ─┤ Vendor being added. ├─────────────── 1 of   7
ESC=Stop  F1=Help  F2=Skip  F4=Paint  F5=Dupe  F6=Recall
```

**Figure 7.1--Define and Edit 1099 Vendors, Page 1 of 7**

7. Press ENTER or PAGE DOWN to access and correct the information in fields 5 and 6 (1099-MISC) or field 13, as necessary (**Figure 7.2**).

**Figure 7.2--Corrected Vendor Information for Fields 5 and 6**

8. Press ENTER or PAGE DOWN to access the Corrected entry for Field 7.

9. Press F1 and select 1—Corrected box amount from the list (**Figure 7.3**). This setting indicates that the 1099 information has been corrected and causes an "X" to print in the Correct box of the new 1099 form.



**Figure 7.3--Corrected Box Amount Setting**

10. When you have completed your entries, press ESC to display the option menu.

11. Type *0* to accept your changes. The system displays a confirmation message.

12. Press ENTER to accept your changes.

13. Type *E* to exit the task and close the window. You are now ready to produce the corrected 1099-MISC or 1099-INT forms (see *Chapter 6—Producing 1099 Forms and Electronic Files* on page 39). You may need to use additional filtering to produce forms for only those vendor's with corrections.

When you print the corrected forms, FundWare will check the Corrected box at the top of the form.

## *Correcting Taxpayer Information on the Vendor Form*

You can create corrected 1099s for your vendors if the original form included incorrect taxpayer information, such as:

- No payee TIN on the original 1099,
- Incorrect TIN on the original 1099,
- Incorrect payee name, or
- Wrong type of return indicator (e.g., you produced 1099-MISC forms when you should have produced 1099-INT forms).

This process only impacts the printed vendor forms. You cannot create a new electronic file for this type of correction.

Use the following instructions to produce corrected 1099 forms for your vendors.

1. Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2. Click **1099 Forms > Produce 1099-C Forms > Edit 1099C Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Produce 1099-C Forms > Edit 1099C Vendors** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Produce 1099-C Forms > Edit 1099C Vendors**.**

The Edit 1099C Vendors option menu displays.

3. Type *A* to begin adding corrected 1099 files. (From this menu, you can also modify existing correction information or remove a correction for a vendor)

4. In the Vendor field, enter the vendor number for which you are entering a correction.

5. Press ENTER. The first page of the 1099C vendor record displays (**Figure 7.4**).

```
Demo User                      (95)Division 95                   12/31/2005
Enter field to be changed (0 to accept)                           < _ >
───────────────────────── Edit 1099C Vendors ─────────────────────
Vendor............:        800 - Mountain Rental Management    Changed.: 03/17/05
                                                               User....: 00999
 1> INT/MISC Needed....:
    Print INT Form.:
    Print MISC Form: Y
    INT need MISC..:
    MISC need INT..: _
 2> Previous Vendor Info
    Name...........: Mountain Rental Management
    Address 1......: P.O. Box 1876
    Address 2......: 45 Centenial Way
    Address 3......: Steamboat Springs    CO     80477
    Recipient's ID#: 84-1324356


                    ─┤ Vendor   Entry being changed. ├─────────── 1 of  2
'MISC need' and MISC printed before can not both be 'Y'
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 7.4--Editing a 1099C Vendor—Page 1 of 2**

6. Complete the fields according to **Table 7-1**.

**Table 7-1--Edit 1099C Vendors (for 1099-MISC and 1099-INT)—Page 1 of 2**

| Field | Definition |
|---|---|
| INT/MISC Needed | Indicate which form you must correct by typing a Y. All other options must be left blank.<br>• Print INT Form—Type a *Y* if the correction you are entering is for a 1099-INT vendor.<br>• Print MISC Form—Type a *Y* if the correction you are entering is for a 1099-MISC vendor.<br>• INT need MISC—Type a *Y* if you produced a 1099-INT form when you meant to produce a 1099-MISC form.<br>• MISC need INT—Type a *Y* if you produced a 1099-MISC form when you meant to produce a 1099-INT form. |
| Previous Vendor Info | Do not modify this information unless the displayed information does not match the information printed on the original 1099 form.<br>• You can enter corrected vendor information in field 3 on the next page of the record. |

7. Press ENTER or PAGE DOWN to move to the second page of the file.

8. Enter any corrections necessary for the corrected 1099 form in Field 3 (**Figure 7.5**).

```
Demo User                    (95)Division 95                    12/31/2005
Enter field to be changed (0 to accept)                              <_ >
───────────────────────────── Edit 1099C Vendors ─────────────────────────

Vendor.............:       800 - Mountain Rental Management   Changed.: 03/17/05
                                                             User....: 00999
 3) Current Vendor Info
    Name...........: Mountain Rental Management_____
    Address 1......: P.O. Box 1876
    Address 2......: 45 Centenial Way
    Address 3......: Steamboat Springs    CO    80477
    Recipient's ID#: 84-1324356




                     ─┤ Vendor   Entry being changed. ├──────────── 2 of  2
──────────────────────────────────────────────────────────────────────────
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 7.5--Editing a 1099C Vendor—Page 2 of 2**

9.  When you have completed your entries, press ESC to display the option menu.

10. Type *0* to accept your changes. The system displays a message indicating that the vendor entry has been added.

11. Press ENTER. The task option menu displays, allowing you to continue entering corrected taxpayer information.

12. When you have entered all necessary corrections, type *E* to exit the task and close the window. You are now ready to produce the corrected 1099-MISC or 1099-INT forms (see **Producing Vendor Forms When Correcting Taxpayer Information**).

## Producing Vendor Forms When Correcting Taxpayer Information

Use the following instructions to produce your 1099-MISC or 1099-INT vendor forms when you have corrected the taxpayer information. (For corrections to the amounts reported, produce your corrected 1099-MISC and 1099-INT forms as instructed in *Chapter 6—Producing 1099 Forms and Electronic Files* on page 39.)

1.  Ensure that your business date matches the last date of the year for which you are producing 1099s (e.g., 12/31/2011).

2.  Select the applicable task, available from two locations within the program.

    •  For corrected 1099-MISC forms—Select **Accounts Payable > 1099 Forms > Produce 1099-C Forms >** Produce 1099C MISC Paper Forms or **Accounts Payable > 1099 Forms > Produce 1099 Forms and Electronic > Produce 1099 Paper Forms > Produce 1099C-MISC Change Forms**.

    •  For corrected 1099-INT forms—Select **Accounts Payable > 1099 Forms > Produce 1099-C Forms >** Produce 1099C INT Paper Forms or **Accounts Payable > 1099**

**Forms > Produce 1099 Forms and Electronic > Produce 1099 Paper Forms > Produce 1099C-**INT Change Forms.

The first of two screens displays (**Figure 7.6**). In this example, the **Produce 1099-MISC Forms** task has been selected from the **Produce 1099 Paper Forms** menu.



```
Demo User                      (95)Division 95                    12/31/2005

─────────────────── Produce 1099C-MISC Change Forms ───────────────

 1) Print all FIT's: Y




                        ┤ Report options being entered. ├─────────── 1 of  2
ESC=Stop  F1=Help  F2=Skip  F4=Paint  F5=Dupe  F6=Recall
```

**Figure 7.6--Produce 1099C-MISC Change Forms—Page 1 of 2**

If you are correcting an incorrect form selection (i.e., you printed a 1099-INT instead of a 1099-MISC, or a 1099-MISC instead of a 1099-INT), you must print both the 1099-INT and 1099-MISC forms. One for is a correction of the original, indicating a correction and including no financial information. The second is the actual 1099 form required by the vendor.

3.  Indicate if you are producing 1099 forms for all or only some vendors:

    •   Y—Produce 1099 forms for all vendors from whom any federal income tax (FIT) was withheld and all other vendors meeting the dollar selection criteria.

    •   N—Produce 1099s only for vendors who meet the dollar limit, regardless of FIT withheld.

4.  Press ENTER. The field selection page displays (**Figure 7.7**).

```
Demo User                    (95)Division 95                 12/31/2005

──────────────────── Produce 1099C-MISC Change Forms ────────────────

Field..............: 7_

1) Vendor           4) S/T/P           7) Paid YTD misc
2) Last changed     5) Postal Code
3) Sort Key         6) Tax Id Number
─────────────────────────────────────────────────────────────────────
Fld Description     First value             Last value            Sort I/E
___                 _____ _____  ____ __




                   ┤ Field selection being added. ├

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 7.7--Produce 1099C-MISC Change Forms—Page 2 of 2**

5.   Enter field 7 (Paid YTD MISC or Paid YTD INT) to filter on the amount paid for the year to date. (Remember—You should be signed in to the last day of the tax year, so the year-to-date should encompass the entire year.)

6.   Enter the Selection value, Sort, and Include/Exclude values to filter your 1099 forms. For example, as shown in **Figure 7.8**, we are producing 1099-MISC forms for those vendors to whom more than $600 was paid this year. This example shows the most common selection for 1099-MISC. The most common lower limit for 1099-INT is $10.00.

```
Demo User                    (95)Division 95                 12/31/2005

──────────────────── Produce 1099C-MISC Change Forms ────────────────

Field..............:     7 - Paid YTD

    Selection value:              600.00 to  999,999,999,999,999.99
    Sort...........:    N - Do not sort this field
    Include/Exclude:    I - Include range in selection







                   ┤ Field selection being added. ├──────── 2 of  2

ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 7.8--Example YTD Filter**

Review those sections of the IRS publication "Instructions for Forms 1099, 1098, 5498 & W-2G" that apply to your organization, along with specific instructions for the 1099-MISC and 1099-INT forms to determine the dollar limit for the box or boxes you will be reporting.

If you do not specify a range of values in the Selection value fields, the Include/Exclude field does not appear (i.e., by not entering a Selection value, you are including all forms).

7. Complete your entries using the same settings that you entered when you produced the vendor's copy of the 1099 forms (i.e., the Produce 1099-MISC Forms or Produce 1099-INT Forms task).

8. When your entries are complete, press ESC to save your entries and display the filter option menu.

9. Type *E* to exit the filter task. The system asks you to confirm your settings.

10. Type *0* to confirm your entries and close the task. The system asks if you want to file a report.

11. Type *Y* to save the extract information to a report file. Type *N* to send the extract information directly to your printer (no report file is saved). The system asks if you have another report to produce.

12. Type *N* to exit the task.

13. Open the applicable file through Print Manager: (this form is not available in Forms Manager).

    • 1099-MISC—TNM1099.L## (where ## represents the division number)
    • 1099-INT—TNI1099.L## (where ## represents the division number)

14. Print the TNM1099c or TNI1099c on blank paper (using the appropriate template) or display the file on screen. This allows you to check all corrected information.

15. Verify the results against the original 1099 form for the vendor.

If you cannot locate the previously reported information, you can use a copy of the 1099 form that you submitted.

16. If mistakes are found, make the necessary corrections, delete the print file, and produce the Corrected 1099 Forms again.

17. Copy or reprint the corrected forms to keep for your permanent records.

# Chapter 8

## 8. Reports

The **Reports** entry on the 1099 menu offers you access to 11 reports:

- 1099 Vendors - One Line (TNV1LST)
- 1099 Vendors - Complete Record (TNVLIST)
- 1099 Vendor Mailing Labels (TNVLBL)
- 1099 Invoice Detail (TNORD)
- 1099 Invoice History (TNHIST)
- 1099 Invoice Distribution by Acct (TNDSTA)
- 1099 Invoice Distribution (TNDIST)
- 1099 Invoice Summary (TNSUM)
- References List (TNNREF)
- Stages List (TNNSTAGE)
- City Abbreviations List (NWCITY)

# 9. Inquiry

The 1099 Inquiry tasks allow you to display a specific record or scroll a list of records. Through the Inquiry tasks you can quickly review:

- The status of paid invoices
- Vendor definitions and 1099 totals
- 1099 setup, stages and references

## *Displaying 1099 Vendors*

You can view specific or general information for your 1099 vendors using the 1099 Vendors task if you have extracted invoice detail. (If you have only extracted summary information, this option is not available.) For example:

- Determine the amounts for the 1099-MISC (field 5).
- Determine the amounts for the 1099-INT (field 9).
- Find a vendor's address.

Use the following instructions to view your 1099 vendors.

1. Click **1099 Forms > Inquiry > 1099 Vendors** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Inquiry > 1099 Vendors** from the menu bar.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Inquiry > 1099 Vendors.

2. Type *D* to display a single 1099 vendor record or *S* to scroll the extracted 1099 vendors by reference.

3. Enter the vendor number to display or enter a data item by which FundWare will scroll vendor records and press ENTER. The information displays (**Figure 9.1**).

```
Demo User                    (95)Division 95                   12/31/2005
┌───────────────── AP - Display 1099 Vendors ─────────────────┐
Vendor.............:         800                     Changed.: 10/04/2005
                                                    User....: 00101
5> 1099-Misc Amts contd
    Medical .......:                        .00
    Non Employee ..:                   7,800.00
    Substitute Pymt:                        .00
    Crop Ins ......:                        .00
    Golden Para. ..:                        .00
    Atty Proceeds..:                        .00
    State Tax W/H..:                        .00
┌────────────────┤ Demo User                 (95)Division 95                   12/31/2005 │
│                 │
For more, press <EN├───────────── AP - Display 1099 Vendors ──────────┐
ESC=Stop  F1=Help  │
                  Scroll value       Vendor   Name                          Phone
                   Denver               200 Ms. Fredericka Loomis          (303) 222-6868
                   Denver               600 Mountain Bell Phone Service     (303) 226-6111
                   Denver               900 The University of Colorado Press (303) 556-1000
                   Denver              1000 Colorado Express T-Shirt Company (303) 297-4400
                   Flushing             400 Quality Office Supplies         (212) 554-6690
                   Los Angeles          700 Way Out Computer Supplies       (800) 562-8545
                   Milner               500 Mountain Cleaning Service       (303) 879-2200
                   Steamboat Springs    100 ABC Hardware, Inc.              (303) 879-1234
                   Steamboat Springs    800 Mountain Rental Management       (303) 879-3200

                            ┤ Vendor being scrolled. ├
                  Vendor has been scrolled.         Press <ENTER>          _
                  ESC=Stop  F1=Help  F2=Skip  F4=Paint  F5=Dupe  F6=Recall
```

**Figure 9.1--Display and Scroll 1099 Vendors**

4.  Press ESC to display the option menu.

5.  Type *E* to exit the task.

## *Displaying 1099 Invoices*

You can view specific or general information for your 1099 obligations using the 1099 Invoices task. For example:

- •   Review an invoice's history.
- •   Find an invoice's balance.
- •   Review the accounting distribution for an invoice.
- •   Check the Reference values for an invoice.

Use the following instructions to view your 1099 invoices.

1.  Click **1099 Forms > Inquiry > 1099 Invoices** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Inquiry > 1099 Invoices** from the menu bar.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Inquiry > 1099 Invoices.

2.  Type *D* to display a single 1099 invoice or *S* to scroll the extracted invoices by reference.

3.  Enter the invoice number to display (**Figure 9.2**) or enter a data item by which FundWare will scroll invoices and press ENTER. The information displays.

```
Demo User                    (95)Division 95                    12/31/2005


                    ── AP - Display 1099 Invoices ──────
Display option.....:              D -  Display detail.
                                                    Changed: 01/30/2005
    Obligation.....:              1010              User...: 00999
    Display zero...:               N -  Do not display zero stages.
    Display dates..:               N -  Do not display dist dates.
    VENDOR.........:              400
    NAME...........: Quality Office Supplies
    STREET 1.......: P.O. Box 889-1456
    STREET 2.......: 1995 W. Jamaica Avenue
    CITY/STP/POST..: Flushing          /NY    /10004
    COUNTRY........:
    DESCRIPTION 1..: Office Supplies
    Invoice date...:       00/00/0000



                       ─┤ Display option being entered. ├───────────── 1 of  1
For more,  Press <ENTER>                                                _
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 9.2--Display 1099 Invoices**

4.  Press ESC to display the option menu.

5.  Type *E* to exit the task.

## *Displaying Payer and Boxes (1099-MISC and 1099-INT)*

Inquiry allows you to view your payer and box settings for the 1099-MISC and 1099-INT forms.

1.  Click **1099 Forms > Inquiry > 1099-MISC Payer and Boxes** or **1099-INT Payer and Boxes** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Inquiry > 1099-MISC Payer and Boxes** or **1099-INT Payer and Boxes** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Inquiry > 1099-MISC Payer and Boxes **or** 1099-INT Payer and Boxes**.**

2.  Type *D* to display the payer and box information for the selected form. The first page of the record displays (**Figure 9.3**).

```
Demo User                      (95)Division 95                 12/31/2005

──────────────── Display 1099-MISC Payer and Boxes ─────────────
Parameter..........: TNP1                          Changed.: 11/14/05
     STATUS.......... Initialized

 1> Name...........: Ten-Ninety-Nine MISC Payer Co.
     Street 1.......: 1099 Main Street
     Street 2.......: P.O. Box 1099
     City/STP/Post..: Cashtown          /NY   /987614321
     Phone..........: (123) 456-7890

 2> IRS Id #.......: 887654321
 3> State Id #.....: 1234567891234

 4> Default box.....  7 - Non-employee compensation


For more, press <E┌──────────────────────────────────────────────────────┐
ESC=Stop  F1=Help│Demo User              (95)Division 95        12/31/2005│
                 │                                                        │
                 │ ──────────── Display 1099-INT Payer and Boxes ─────── │
                 │Parameter..........: TNP2              Changed.: 11/14/05│
                 │     Status.......... Initialized                       │
                 │                                                        │
                 │ 1> Name...........: Ten-Ninety-Nine Int               │
                 │     Street 1.......: 1099 Main Street                  │
                 │     Street 2.......:                                   │
                 │     City/Stp/Post..: Cashtown          /NY   /987654321│
                 │     Phone..........: (123) 456-7890                    │
                 │                                                        │
                 │ 2> Payer's RTN #..: 887654321                         │
                 │ 3> Payer's ID #...: 123456789                         │
                 │                                                        │
                 │ 4> Default box.....  1 - Interest income              │
                 │                                                        │
                 │                   ┤ Parameter being displayed. ├──── 1 of  4│
                 │For more, press <ENTER>                                 │
                 │ESC=Stop  F1=Help  F2=Skip  F4=Paint                    │
                 └──────────────────────────────────────────────────────┘
```

**Figure 9.3--Example 1099-MISC and 1099-INT Payer and Boxes**

3.  Press ESC to display the option menu.

4.  Type *E* to exit the task.

## *Displaying Stages*

Inquiry allows you to information for the stages from which 1099 information is drawn (e.g., Paid, Reconciled).

1.  Click **1099 Forms > Inquiry > Stages** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Forms > Inquiry > Stages** from the menu bar.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Inquiry > Stages.

2.  Type *D* to display a single stage or *S* to scroll the 1099 stages.

3.  Enter the stage number to display or begin the scroll and press ENTER. The information displays as in Figure 9.4.

```
Demo User                      (95)Division 95                  12/31/2005

                            ─── Display Stages ───
Stage..............:   60                          Changed.: 11/14/05
                                                   User....:  00101
 1> Description....: Paid
 2> Short desc.....: Paid
 3> History desc...: Check number
 4> Date desc......: Date paid
 5> Batch totals...: Y     - Batch totals are used.

 6> Allow options
    Allow enter....: Y     - Function is allowed.
    Allow modify...: Y     - Function is allowed.
    Allow cancel...: Y     - Function is allowed.
    Allow transfer.: Y     - Function is allowed.
    Allow split....: Y     - Function is allowed.
                    Demo User              (95)Division 95          12/31/2005

For more, press <E          ─── AP - Display Stages ───
ESC=Stop  F1=Help  Stage..............:    0

                       Stage Description                 Enter Cancel Modify X-fer Split

                          60 Paid                          Y     Y     Y     Y    Y
                          70 Reconciled                    Y     Y     Y     Y    Y




                                      ┤ Stage being scrolled. ├
                            Stage has been scrolled.     Press <ENTER>            _
                    ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 9.4--Display and Scroll Stages**

4.  Press ESC to display the option menu.

5.  Type *E* to exit the task.

## *Displaying References*

Inquiry allows you to view your payer and box settings for the 1099-MISC and 1099-INT forms.

1.  While you can view obligation references from the Inquiry menu (**Inquiry > References** on the module navigator or menu bar), you can view more detailed information from the **Maintenance > Obligation References** task.

If you are using a version of FundWare earlier than 7.30, select Accounts Payable > 1099 Forms > Inquiry > References.

2.  Type *D* to display reference information (***Error! Reference source not found.***). The system asks you to identify, by letter code, which reference you want to view.

3.  Enter the obligation reference code and press enter. The reference displays (**Figure 9.5**).

```
Demo User                          (95)Division 95                      12/31/2005

                    ────────── AP - Display References ──────────

Reference..........: B

 1) Short desc.....: Vendor number

 2) User options
    Entry..........: S - System maintained. No entry.
    Validate.......: N - Do not validate.




          ───────────────────────┤ Reference being displayed. ├─────────────── 1 of  1
          Reference has been displayed.
ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 9.5--Display References**

4. Press ESC to display the option menu.

5. Type *E* to exit the task.

## Displaying the 1099 Basic and Extended Setup Parameters

The Inquiry feature also allows you to view your Basic and Extended Setup parameters.

1. Click **1099 Forms > Inquiry > 1099 Basic Setup Parameter** or **1099 Extended Setup Parameter** on the module navigator (if the module is not expanded, click **Accounts Payable** first) or select **Accounts Payable > 1099 Basic Setup Parameter** or **1099 Extended Setup Parameter** from the menu bar.

**If you are using a version of FundWare earlier than 7.30, select** Accounts Payable > 1099 Forms > Inquiry > 1099 Basic Setup Parameter **or** 1099 Extended Setup Parameter**.**

2. Type *D* to display the parameter record. The first page of the record displays (**Figure 9.6**).

```
Demo User                      <95>Division 95                     12/31/2005

                      ── Display 1099 Basic Setup Parameter ──
Parameter..........: TNNS                                Changed.: 11/14/05
                                                         User....:  00101
 1> Vendor entry fields
    Auto vendor #..: Y      ─ Search for next vendor number.
    Sortkey........: Y      ─ Used.
    Name...........: Y      ─ Used.
    Address........: Y      ─ Used.
    Alt address....: Y      ─ Used.
    Phone..........: Y      ─ Used.
    Notes..........: Y      ─ Used.
    Terms..........: Y      ─ Used.
    Miscellaneous..: N      ─ Not used.
                         ┌──────────────────────────────────────────────────────
For more, press <         │Demo User                  <95>Division 95         12/31/2005
ESC=Stop  F1=Help         │
                          │                 ── Display 1099 Extended Setup Param. ──
                          │Parameter..........: TNNS                      Changed.: 11/14/05
                          │                                               User....:  00101
                          │ 1> Ledger post stages
                          │    Encumber stage.:  60
                          │    Expense stage..:  60
                          │    Paid stage.....:  60
                          │
                          │ 2> Trace report opts
                          │    Description....: 1      ─ Vendor name.
                          │    Reference 1....: A
                          │    Reference 2....: I
                          │    Reference 3....: 4      ─ External check number
                          │
                          │ 3> Forms options
                          │    Print POs on...: B      ─ Blank stock.
                          │    Special forms..: NUN    ─ No special form.
                          │                    ┤ Parameter being displayed. ├──────── 1 of  2
                          │For more, press <ENTER>
                          │ESC=Stop  F1=Help  F2=Skip  F4=Paint
```

**Figure 9.6--Basic and Extended Setup Parameters**

3.  Press ESC to display the option menu.

4.  Type *E* to exit the task.

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