2013 USAS PRELIMINARY CALENDAR YEAR-END PROCEDURES

The following checklist outlines steps suggested to assist you preparing for Calendar year-end and getting your files in order for 1099 reporting. Fill in the blanks with checkmarks or the date the step was completed.

_____**1**. **CHEKPY** - This report program will list each vendor in alphabetic order with summary information regarding each check issued during the date range specified. You may refer to this report as you continue with the next steps. This report can be helpful in determining if there are any duplicate vendors. It can also assist you in verifying YTD totals as they should match the YTD totals on the VENSSN and F1099 reports. Necessary changes can be made in the USASCN/VENSCN and/or the USASWEB/VENDOR screen.

```
                   CHEKPY - Check Payment Register
Output file                                     CHEKPY.TXT
Print options page? (Y,N)                       Y
Report heading                     Calendar Year End Report

- Sorting and Sub-total options -
 Sort options                                   N
 Sub-total by vendor (Y,N)                       Y
- Selection Criteria -
 Print missing check numbers. (Y,N)             N
 Check types to select. (D,I,M,P,R,T,W)         _____
 Check statuses to select. (O,R,V)              _____
 Print vendor from PO or check. (P,C)           P
 Date Selection          From 01/01/2011 To 12/31/2011
 Check Selection         From _____  To _____
 Summary or Detail report? (S,D)                S
 Single or Double space summary report? (S,D)   D
Press <next screen> for additional selection options
```

_____**2. VENCHG** – This program can be used to collapse vendors and all associated transactions on file will be changed accordingly. You may use this program if you have accidentally created two vendors with the same name under two different numbers. We highly recommend this program be processed at night as a batch file or when everyone in your district is off the system. **Do not run this program if users in your district are logged into the system. Please note this includes USASWEB users.**

The YTD, FYTD totals and the user money field of the old and new vendor records will be added together. However, VENCHG will issue warning messages if the old and new vendors contain different 1099 information, check address information or if you are merging a memo vendor with a non-memo vendor.

The options available with this program are as follows:

```
I - Input vendors to change
E - End this session and update files
H - Hold update for processing at a later time
Q - Quit (no file updates)
```

I - Input vendors to change
This option prompts for the old vendor number and new vendor number. If the new vendor number already exists, VENCHG will merge the two vendors. If the old vendor number is not on file, the program asks if the user wishes to continue. If user answers "Y", it will prompt for the new vendor number and make the change if it exists on any other file. After executing the changes, the program will create a VENCHG.TXT file.

E - End this session and update files
The "E" option ends the current session and posts any changes currently entered. It will also ask if the user wants to post in batch mode. If answering "Y", it will prompt for the batch name and time the batch is supposed to execute. After execution, the program will create a VENCHG.TXT file.

H - Hold update for processing at a later time
The "Hold" option allows you to make any needed changes, but will delay the posting of those changes until you are ready. The "Hold" option will also be automatically chosen by the program if while updating files, the program encounters a file "locked by another user". To recover from a file locked issue or to continue with changes previously put on "Hold", you simply need to rerun the VENCHG program and answer "Y" to the "VENCHG file exists, would you like to continue using this file?" prompt. This will enable you to continue posting the previously entered changes or to make additional changes. Saying "No" to this prompt will erase all of the previous changes that had been entered through VENCHG and the accounts will not be updated.

Q - Quit (End this session with no file updates)
The "Q" option ends the current session and no changes will have been made.

VENCHG Example:

Example of the program as you will see it on the screen:

```
I - Input vendors to change
E - End this session and update files
H - Hold update for processing at a later time
Q - Quit (no file updates)
Enter your choice (I/E/H/Q <Q>) I

Enter OLD vendor _____
Enter <CR> if no more Vendors to change
                    270
Old vendor is 000270 SCHOLASTIC, INC.
(Y/N)<Y> _
     <CR>
Enter NEW vendor _____
                  396
NEW vendor is 000396
(Y/N) <Y>
        <CR>

This 'new' Vendor is already in the current file.

Do you want to merge vendor 000270 SCHOLASTIC, INC.
with vendor              000396 SCHOLASTIC, INC.
(Y/N <N>? _
         Y
Enter OLD vendor _____
Enter <CR> if no more Vendors to change
```

_____3. VENSSN – This report program will display the following information with several options for sorting the vendor data:

Vendor Name	2nd Name	Vendor Address
1099 ID Number/SS Number	Calendar Y-T-D totals	

It is the district's responsibility to view the details of each vendor listed on the report and to make sure the vendor name and 1099 ID number/SS Number is valid. Note: the 1099 ID is the Federal IRS ID number. Normally on the I-9 forms when filled out. ☺

If the vendor uses a different name for 1099 reporting than what is normally used for checks, enter the 1099 reportable name on the "2nd Name" field in USASWEB/VENDORS.   You must have the "1099:" in front of the reporting name.   For example, take a look at the vendor record below:

The F1099 program will automatically remove the "1099:" for reporting and create the 1099 form with the name POWERS, AUSTIN.

Please Note: When entering Vendor information the CHECK ADDRESS information does not need to be filled in UNLESS the check needs to go to a different address from the VENDOR Address.

VENSSN report variations:

To check vendors flagged for a 1099:

_____ A. Choose Option 6 - 1099-Misc Vendors only (Regardless of YTD Activity)

This report will show the vendors who are currently set to receive a 1099-Misc form due to having data in the 1099 type field.

_____ B. Choose Option 4 - 1099-Misc Vendors AND YTD activity > $599.99

IRS requires a 1099 Misc form be issued for any amount $600.00 or more. This report will show vendors with a 1099 type having activity greater than $599.99

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To check vendors <u>NOT</u> flagged for a 1099:

_____ C. Choose Option 5 -NOT 1099-MISC Vendors AND YTD Activity> $599.99

This report will show vendors with YTD activity greater than $599.99 but with the NON-1099 type. Review this report for vendors that have not been flagged correctly.

Fax	() -
1099 Information	
1099 Type	Non-1099
ID#	
Override	

_____**4. F1099** program looks for any vendor flagged for 1099 reporting with a YTD total equal to or greater than the minimum amount entered by the district. **F1099.TXT** is the text file created for your review and F1099.FRM is the file that should be used if you are completing your own forms manually and do not wish to have the 1099s electronically submitted by MEC.

IMPORTANT: This program can be generated as many times as necessary <mark>**– just make sure you answer "N"**</mark> to "Do you want to create a tape submission file? (Y/N)".

Please Note the Override <mark>field on the vendor record -</mark> If it's set to "Yes", the vendor should have a 1099 reported regardless of the Calendar Year-to-Date amount. If you choose to use this flag, the vendor will receive a 1099 regardless of whether or not they meet the minimum reporting amount, as long as their YTD total is > $0. The default option is set to "No". This option is typically used to produce a 1099 for a deceased employee whose final payment amount was less than $599.99. The IRS 1099MISC Instructions indicate that payment to a deceased employee must be reported on the 1099 regardless of amount.
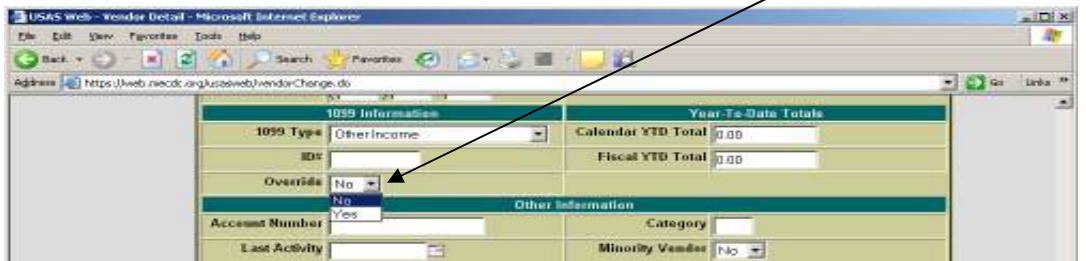
When running the **F1099** program, you may also choose to suppress 1099's for any vendors without a 1099 ID number.

Here is the prompt you will see in the F1099 program:

Do you want to report vendors with no Identification number? (Y/N) <N> _

Sole Proprietors & Attorney Information

The IRS link below will provide you with instructions for 1099 reporting. Please refer to the questions/answers for some frequently asked questions.

http://www.irs.gov/instructions/i1099gi/index.html

http://www.irs.gov/govt/fslg/article/0,,id=110125,00.html

QUESTION 1:

When a person or company is doing business under one name but files
under another or a DBA name there is a way to enter it into the vendor screen?

ANSWER 1:

For sole proprietors, you must show the individual's name on the first name line. On the second name line, you may enter the doing business as (DBA)name. Note you may not enter only the DBA name.

For the TIN, enter either the individual SSN or the EIN of the business (sole proprietorship). The IRS prefers that you enter the SSN.

QUESTION 2:

How do I report fees paid to an Attorney for services versus any gross proceeds paid to an Attorney for settlement purposes? (The term attorney includes a law firm or other provider of legal services. Attorney's fees of $600 or more paid in the course of your trade or business are reportable as well as any gross proceeds.)

ANSWER 2:

In the USASCN/VENSCN or USASWEB/Vendors, enter the "1099 TYPE" as:

1 - Non-employee Compensation for Legal Fees Paid to Attorney for day-to-day Attorney Services

<div align="center">or</div>

6 – Gross Proceeds paid to Attorney from Lawsuit Settlements

If you have both types of payments to the same Attorney, we suggest you create two vendor records. One record would be to report Non-employee Compensation and one record to report any Gross Proceeds paid.

Question 3:

We had a vendor we paid to conduct some training.   Her fee was 3,500.00 and should be taxable on the 1099.   However the reimbursement for her air/flight expense etc should not be included.   Is there a way to adjust this in the vendor screen/system?

Answer 3:

Option 1 is: Create another vendor number and report it as a 1099 for the amount which they are supposed to receive $xx.xx.   This is manually entered on the in the YTD amount on the VENSCN.   Then the vendor will only receive an amount for the amount entered.

Verify your flag on the vendor number that should not be receiving a 1099. Here is a sample of the vendor screen in the USASWEB for the flag:

Fax	() -
1099 Information	
1099 Type	Non-1099
ID#	
Override	

OR

The other option you have is you can also adjust the YTD total on the vendor screen. Make notes and keep accurate records for auditors and/or history as to why it was adjusted.

IRS 2014 Mileage Rate Information

Current Mileage rate beginning on Jan. 1, 2014, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56.5 cents per mile for business miles driven

- 24 cents per mile driven for medical or moving purposes

- 14 cents per mile driven in service of charitable organizations

The rate for business miles driven during 2013 increases 1 cent from the 2012 rate. The medical and moving rate is also up 1 cent per mile from the 2012 rate.

http://www.irs.gov

Other Resources

Travel, Entertainment, Gift and Car Expense:

http://www.irs.gov/pub/irs-pdf/p463.pdf

Moving Expense:

http://www.irs.gov/pub/irs-pdf/p521.pdf

Note: We did not see 2012 publications for Travel and Moving as of 10/9/12

Resources for IRS Forms and Publications:

http://www.irs.gov/formspubs/index.html

Appendix A -Valid Accounts :

http://www.auditor.state.oh.us/services/lgs/publications/LocalGovernmentManualsHandbooks/uniform_school_accounting_system_user_manual.pdf