

Processing 1099s

Printing 1099s involves more than simply printing the forms; you should make sure that you have correctly set up your preferences to accurately track payments to 1099 vendors, review vendor name, address and tax ID information, review 1099 payments you made to 1099 vendors, and print 1099s.

You can use the 1099 and 1096 Wizard to help you with these tasks; if you prefer, you can use our technique, which gives you a little more help when verifying the accuracy of 1099 payments.

In this article, we'll show you how to start the 1099 and 1096 Wizard, and then we'll walk you through our technique.

The 1099 and 1096 Wizard

The 1099 and 1096 Wizard walks you through running two reports to verify vendor name, address, and tax ID information and payments to 1099 vendors. It also helps you check your 1099 preferences and then print 1099s and the 1096 Summary form.

To start the 1099 and 1096 Wizard, click **File**, point to **Print Forms**, and click **1099s/1096**. The window shown in **Figure 1** appears.

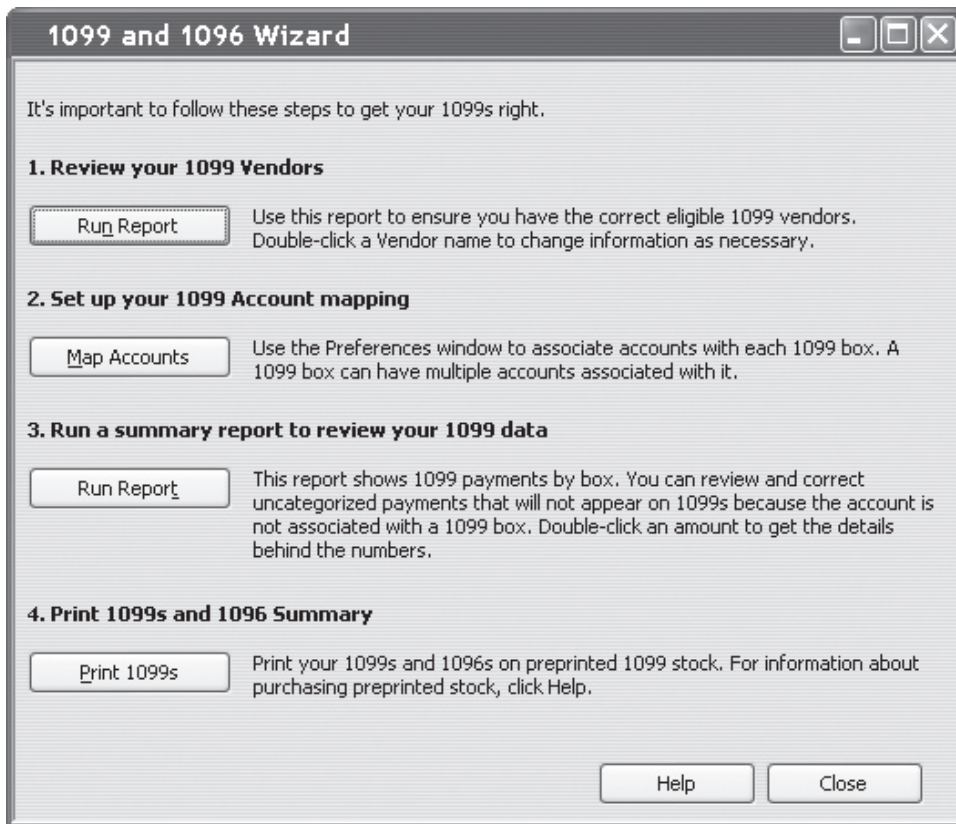


Figure 1. The 1099 and 1096 Wizard.

Click each of the buttons in this window to print reports that verify 1099 information, verify 1099 setup, and print 1099s.

We prefer our method because we feel that it helps you verify the accuracy of 1099 payments in more detail. Much of our method is covered in the 1099

and 1096 Wizard, so we'll show you the appropriate dialog boxes and reports as we walk you through our method.

Setting up Preferences

To be able to process 1099s in QuickBooks, you must turn on the feature. Follow these steps:



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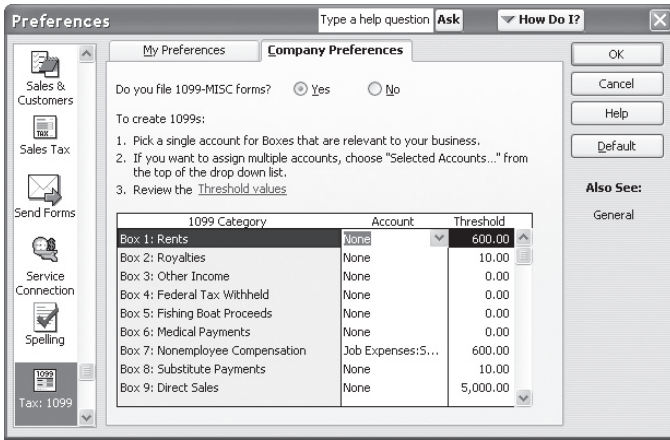


Figure 2. Set up to process 1099s.

1. Open the **Edit** menu and click **Preferences**.
2. In the *Preferences* box, click the **Tax:1099** icon on the left.
3. Click the **Company Preferences** tab (see Figure 2). Click the **Yes** option button at the top to enable 1099 printing.
4. In Box 7, identify the QuickBooks account you use to track payments to 1099 vendors. If necessary, change the dollar amounts in the *Threshold* column.

Contact the IRS to identify current thresholds; if you subscribe to the Tax Table Update Service, thresholds will automatically be updated for you.

Designating a 1099 vendor

QuickBooks will print 1099s for vendors that you correctly identify as 1099 vendors. Start by customizing a Vendor Contact List report to include the vendor's name and address information and then filter the report to include only 1099 vendors. Print the Vendor Contact List report from the Vendor List window (click the Reports button). Once the

report appears on-screen, click the **Modify Report** button and make the following changes:

- ◆ On the *Display* tab, make sure that checks appear in the *Columns* box next to the following fields: **Vendor**, **Address**, **Tax ID** and **Eligible for 1099**.
- ◆ On the *Filters* tab, Click the **Eligible for 1099** filter and then click the **Yes** option button (see Figure 3).

Review the resulting report (see Figure 4), making sure that all 1099 vendors appear on it and that their information is complete, including a zip code and a Tax ID (a Federal Employer

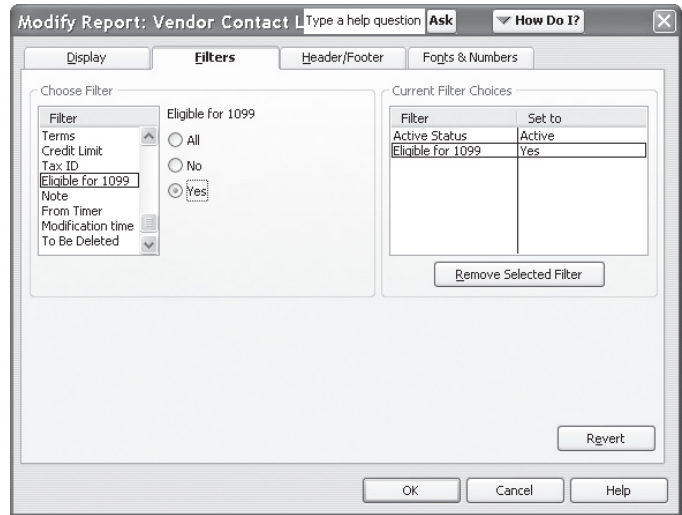


Figure 3. Filter the report to show information for only those vendors set up as 1099 vendors.

Identification number or Social Security number).

If a 1099 vendor doesn't appear on the report, you need to place a check in the **Vendor Eligible for 1099** check box on the *Additional Info* tab of the *Edit Vendor* box for that vendor (see Figure 5).

If the *Tax ID* information is missing for any vendor, you need to add it on the *Additional Info* tab of the *Edit Vendor* box for that vendor (refer to Figure 4).

If any address or zip code information is incorrect or missing, supply it by clicking the **Address Details** button on the *Address Info* tab of the *Edit Vendor* box.

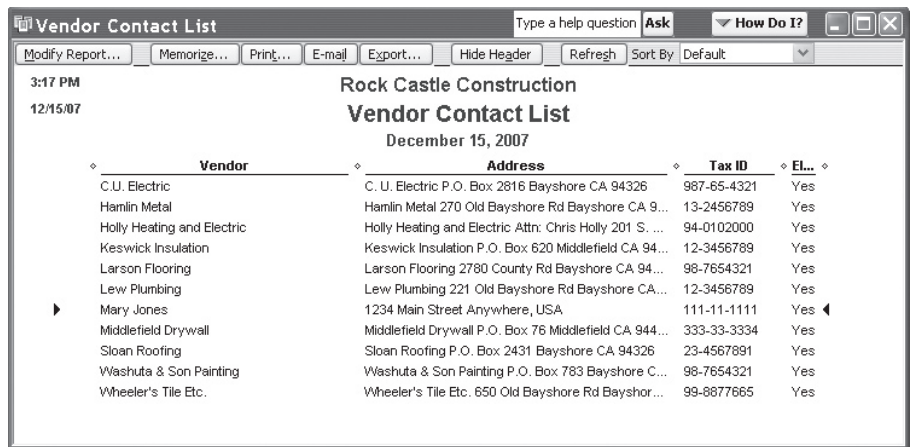


Figure 4. A report of information for all vendors set up as 1099 vendors.

Verifying 1099 information

Before you print your 1099s, use two reports in QuickBooks to verify that the information will be correct. Use the *1099 Summary Report* to verify vendors and amounts. Use the *1099 Detail Report* to verify accounts against which you posted payments to 1099 vendors.

In **Figure 6**, you see the *1099 Summary Report*. By default, it shows only those vendors who meet all of the following criteria:

- ◆ The vendors are set up as 1099 vendors
- ◆ You have made payments to the vendors that you posted against designated 1099 accounts.
- ◆ The payments have exceeded the 1099 threshold requirement.

To verify the amounts on the default report, double click any amount that seems too low; QuickBooks displays the detail of the transactions that comprise the amount for the vendor. If a transaction is missing, you probably posted it to an account other than the designated 1099 account.

To verify that you have correctly identified all 1099 vendors, open the *1099 Options* box on the report and change **Only 1099 Vendors** to **All Vendors** and then compare that version of the report with the default version. If additional vendors appear on the second report, you have posted payments against the 1099 account for a vendor that you didn't set up as a 1099 vendor. Correct the vendor information and reprint the report.

To verify accounts, change the *1099 Options* to **All Accounts** and compare the default version with the modified version of the report. QuickBooks displays an *Uncategorized* column on the report. Non-zero amounts in this column indicate that you have paid a 1099 vendor

using an account that you didn't designate as a 1099 account in the *Preferences* box. While you payment might be correctly applied to a non-1099 account, you should double-check the transaction. It is possible that you may need to change the accounts listed in your 1099 preferences.

You can double-click any amount on the 1099 Summary report that you

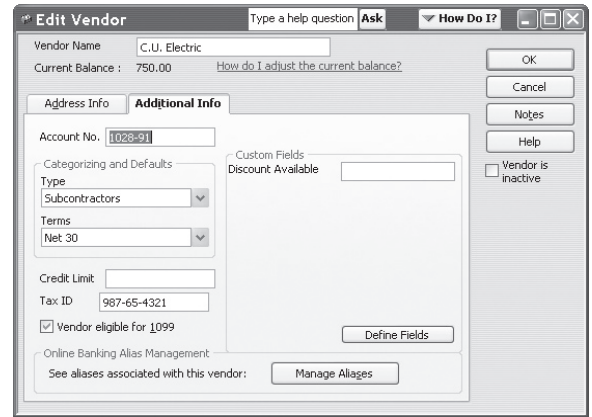


Figure 5. Make sure that you identify eligible 1099 vendors and supply their Tax ID information.

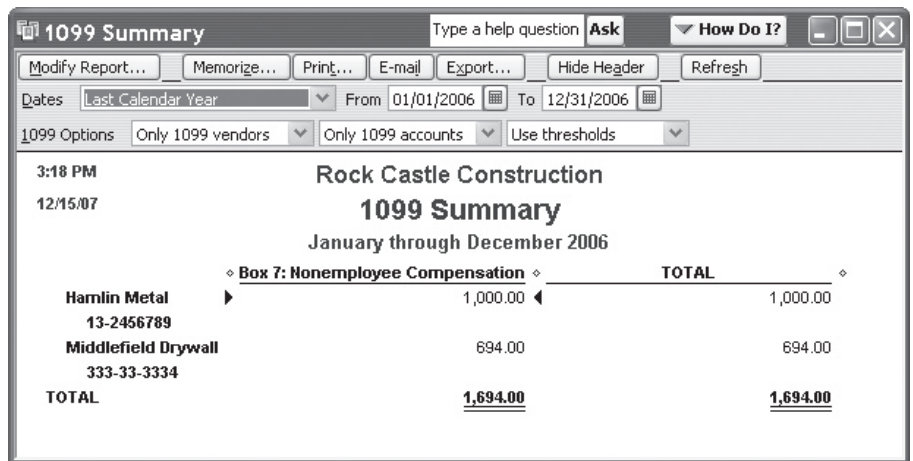


Figure 6. The 1099 Report.

want to explore in greater detail to display the 1099 Detail report, which shows the transactions that comprise the amount and the accounts to which the transactions were applied.

Aligning 1099s

Before you actually print 1099s in QuickBooks, you should test the alignment of the 1099 form in your printer. You check the alignment by printing a sample 1099; follow these steps:

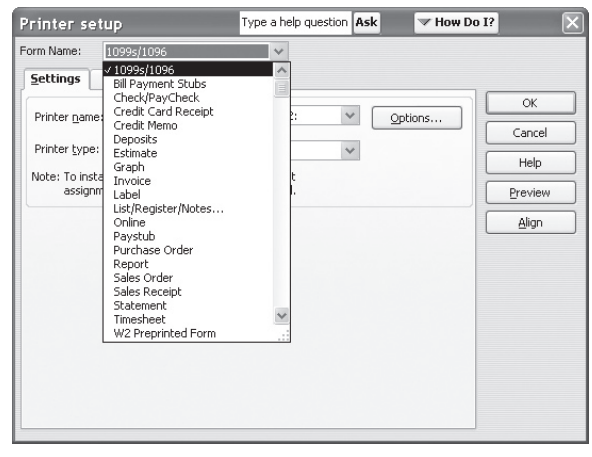


Figure 7. Select the 1099s/1096 form.

1. Load blank paper into your printer.
2. Open the **File** menu and click **Printer Setup**.

3. In the *Printer Setup* box (see **Figure 7**), select **1099s/1096** as the *Form Name*.
4. Click the **Preview** button.
5. When the preview appears on-screen, click the **Print** button.

QuickBooks prints a sample and redisplay the *Printer Setup* dialog box. Take the 1099 that printed onto blank paper and place it in front of a 1099 form. Then, hold the pair of pages up to light to see if everything aligned properly.

If things don't line up nicely, click the **Align** button in the *Printer Setup* box. QuickBooks displays the *Fine Alignment* box shown in **Figure 8**. Enter the amount of vertical or horizontal adjustments you want to make in 1/100 inch increments. Use negative numbers

to move information down or to the left; use positive numbers to move information up or to the right. Click the **Print Sample** button, and QuickBooks prints a sample that contains the word "Sample" in a grid. You can compare the preprinted form with the sample and use the position of the word "Sample" in the grid to judge how much further to adjust alignment.

Click **OK** when you finish aligning to redisplay the *Printer Setup* box. Click **OK** again to close the box.

Printing 1099s

To print 1099s, open the **File** menu, point to **Print Forms**, and click **1099s/1096**. In the 1099 and 1096 Wizard window, click

Print 1099s. QuickBooks displays the *Printing 1099-MISC and 1096 Forms* box in which you specify a date range for the 1099s you want to print. After you click **OK**, QuickBooks displays the *Select 1099s to Print* window shown in **Figure 9**.

QuickBooks doesn't require that you preview 1099s the way that you must preview W-2s. When you click **Print 1099**, QuickBooks displays the *Print 1099s* box, where you can set up printer information. Click **Print** to print 1099s.

Summary

With the information presented in this article, you can verify that the information that will appear on 1099s that you print will be accurate. ♦

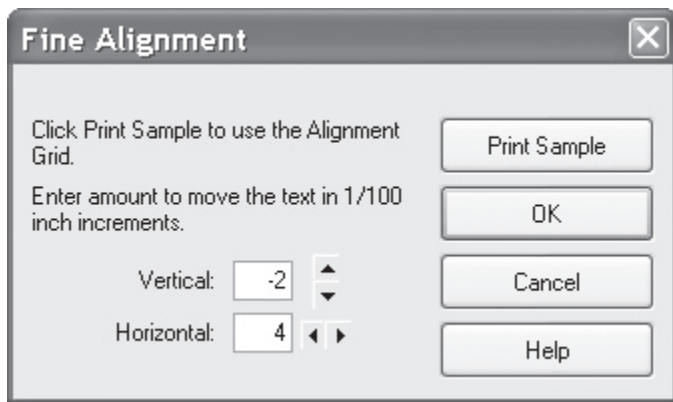


Figure 8. Enter alignment adjustment amounts.

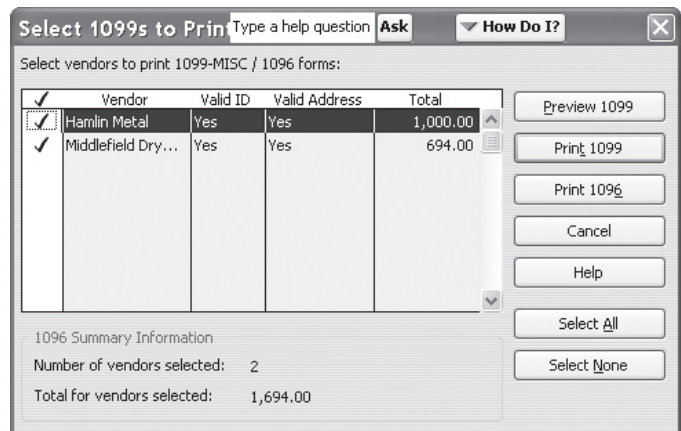


Figure 9. Select vendors for whom you want to print 1099s.



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