

How to Setup 1099 Processing in V12

Setup the Activity Codes for 1099 Processing

- **Development > Data and parameters > Development Setup > Activity Codes**
 - **“S1099”** (1099) must be active
 - **“FEE”** (Fees declaration) must be active
 - Note: if activation is required, Dictionary Validation must be run.

The screenshot shows the 'Activity codes' configuration page for S1099. The 'Identifier' section has 'Activity code' set to 'S1099' and 'Description' set to '1099'. Under 'Characteristics', the 'Active' checkbox is checked. The 'Module' is 'Financials', 'Sequence' is '50', and 'Type' is 'Functional'. The 'Dependency' is set to 'None'.

The screenshot shows the 'Activity codes' configuration page for FEE. The 'Identifier' section has 'Activity code' set to 'FEE' and 'Description' set to 'Fees declaration'. Under 'Characteristics', the 'Active' checkbox is checked. The 'Module' is 'Financials', 'Sequence' is '50', and 'Type' is 'Functional'. The 'Dependency' is set to 'Formula'.

Setup the Parameter Values for 1099 processing

- **Setup > General Parameters > Parameter values**
- Chapter = CPT, Group = DAS
- The 'DCLFEES' = 1099

The screenshot shows the 'Parameter values' configuration page. The 'Chapter' is 'CPT', 'Legislation' is 'USA', and 'Group' is 'DAS'. A table lists parameters with their descriptions and values:

	Parameter	Description	Value
1	AMTDCLDAS	DAS2 declaration floor	0
2	CONTROLDA	DAS2 parameter control	No
3	DCLFEES	Fees declaration	1099
4	DIR281DEF	281.5 record directory	[TMP]
5	PRCRETVAT	% tax deduction for royalties	0.8

Define the 1099 form in the Supplier Category to set the default for newly created Suppliers.
(Optional)

The screenshot shows the 'Supplier category' configuration page with the 'Financial' tab selected. The 'Financial' section contains the following fields:

- Account/finance: LOCAL (Accounting code), → (Account structure)
- Tax rule: (empty)
- DAS2 281.5
- 1099 form: NEC (dropdown), 1099 box: 1 (dropdown)
- Amount type: Exclude tax, Include tax

The 1099 information can also be defined in the Supplier record in the 'Financial' section.

- **Common Data > BPs > Suppliers**
 - 'DAS2' must be checked
 - Select the '1099 Form'
 - Select the '1099 box'

The screenshot shows the 'Supplier' record configuration page with the 'Financial' tab selected. The 'Financial' section contains the following fields:

- BP: NA009 (Bill-by BP), CORP (Pay-to)
- Supplier group: NA009, Risk BP: NA009
- Accounting code: LOCAL, Account structure: →, Payroll interface distribution: →
- DAS2
- 281.5
- Service supplier code: (empty)
- 1099 form: NEC (dropdown), 1099 box: 1 (dropdown)

Setup the Invoice and Credit Memo Entry Transaction so the 1099 fields are displayed during data entry.

Setup > Purchasing > Entry transactions > Invoices / credit memos

- In the **Header** section “Fees declaration” set the value to:
 - Entered – If this value is selected, then all related controls can be entered with the exception of Amt subj to 1099, since this is a display only field.
 - Displayed - If this value is selected, then the default values will be displayed, but cannot be changed on the purchase invoice.
 - Hidden – If this value is selected, then the default values will be used, but will not be displayed on the purchase invoice.

The screenshot shows the 'Header' section of the 'Invoice/Credit memo trans.' setup. Under the 'Entry' sub-section, the following fields are visible, all set to 'Entered':

- Control *
- Supplier invoice date *
- Supplier invoice number *
- Pay-to supplier *
- Currency *
- Currency rate *
- Incoterm *
- Project *
- Internal reference *
- Due date basis *
- Payment term *
- Settlement discount *
- Tax rule *
- Fees declaration *** (highlighted with a red box)
- Benefit period *
- Comments *

Setup the 1099 Boxes for each 1099 form (Optional)

- **Declarations > Fee Declaration > United States > Setup > 1099 box**
 - The Description for each box will display.
 - The ‘Box type’ determines whether the box is a “Text” or “Amount” field.
 - The ‘Lower limit’ (\$ amount) can be set for generating a 1099.
 - **The Lower Limit must be greater than \$0.00.**

1099 form	1099 box	Description	Box type	Lower limit	Active
51	DIV	3	Nondividend distributions	Amount	0.01 Yes
52	DIV	4	Federal Income Tax Withheld	Amount	0.01 Yes
53	DIV	5	Section 199A dividends	Amount	0.01 Yes
54	DIV	6	Investment expenses	Amount	0.01 Yes
55	DIV	7	Foreign Tax Paid	Amount	0.01 Yes
56	DIV	8	Foreign or US Possession	Text	Yes
57	DIV	9	Cash Liquidation Distr	Amount	0.01 Yes
58	DIV	FATC	FATCA Filing	Checkbox	Yes
59	NEC	1	Nonemployee Compensation	Amount	600.00 Yes
60	NEC	2TIN	2nd TIN not.	Checkbox	Yes
61	NEC	4	Federal Income Tax Withheld	Amount	0.01 Yes
62	NEC	5	State Tax Withheld	Amount	0.01 Yes
63	NEC	6	State/Payer's State Number	Text	Yes
64	NEC	7	State Income	Amount	0.01 Yes
65	NEC	FATC	FATCA Filing	Checkbox	Yes

Setup the text for Supplier 1099 boxes (Optional)

- **Declarations > Fee Declaration > United States > Setup > Supplier 1099 box**
 - The 1099 forms function includes this box text when it generates 1099s

The screenshot shows the 'Supplier 1099 box' setup page. At the top, there are search and navigation icons. Below that, the page title is 'Supplier 1099 box'. There are four main fields: 'Year' (2021), 'Company' (NA10 - NA Discrete), 'Supplier' (NA009 - ABC Industrial), and '1099 form' (MISC). Below these is a 'Details' section with a table listing 1099 boxes. The table has columns for '1099 box', 'Description', and 'Text'. The rows are: 1: 16 (State/Payer's State Number), 2: 2TIN (2nd TIN not.), 3: 7 (Direct Sales of \$5000 or more), 4: FATC (FATCA Filing), and 5: (empty).

1099 box	Description	Text
1 : 16	State/Payer's State Number	
2 : 2TIN	2nd TIN not.	
3 : 7	Direct Sales of \$5000 or more	
4 : FATC	FATCA Filing	
5 :		

Create a Supplier Invoice with 1099 information

- **A/P-A/R accounting > Invoicing > Supplier BP Invoices**
 - Only one 1099 box per invoice can be selected.
 - Amounts are included in the 1099 reports based on payment date and not invoice date.
 - The 'Header' tab will default the 1099 information from the Supplier record.

The screenshot shows the 'Supplier BP invoice' creation screen. It has tabs for 'Header' and 'Lines'. The 'Header' tab is active. There are fields for 'Invoice number' and 'Project'. Below that is the 'Payment' section with fields for 'Pay-to' (NA009), 'Address code' (CORP), 'Due date basis' (08/27/21), 'Payment term' (CH30NET - 30 Days), 'Due date' (09/26/21), and 'Discount/Late charge'. There are also 'Comments' text boxes. At the bottom, there is a section for '1099 form' (NEC), '1099 box' (1), and 'Amt. subject to 1099'. Below that is the 'Status' field, 'Tax rule' (NTX), and 'Supplier amount type' with radio buttons for 'Exclude tax' (selected) and 'Include tax'.

- Each line of the invoice can 1099 marked as “Yes” or “No”.

Lines

Details

	Site	Ctrl.	Leg./Ana USA	BP	Amount - tax	1099
1	NA011		70900		1,000.00	Yes

- The Payment section of the invoice will display the Amt. subject to 1099 once the invoice is created.

1099 form	1099 box	Amt. subject to 1099
NEC	1	1,000.00

- Create and Post the Invoice.

Enter a 1099 Beginning Balance for Suppliers (Optional)

- **Declarations > Fee declaration > United States > Setup > 1099 beginning balance**
- Why is this needed?
 - Acquired a company and are combining the accounts
 - Paid BP out of petty cash
 - Division books kept on another system
 - Mistakes
- Entries to the beginning balances go directly to the table and posting or other generation is not required.

All > Declarations > Fee declaration > United States > Setup

↑ ↓ ↕ **1099 beginning balance**

Calendar year *	Company *	Supplier *	Currency
2021	→ NA10 NA Discrete	→ NA009 ABC Industrial	USD

Details

	1099 form	1099 box	Beginning balance
1	MISC	14	2000

Calculate 1099 payments

- **Declarations > Fee declaration > Processings > Calculate 1099 payments**
 - Calculates and populates 1099 tables
 - If **'Default 1099 form and box from supplier'** is checked, the form and box from the supplier will default on the payment record, when the invoice 1099 form is none and the supplier has selected a default 1099 form type on the supplier record. This is useful when a supplier is initially not setup for 1099 tracking and invoices and payments have been processed against the supplier.

All > Declarations > Fee declaration > United States > Processings

Calculate 1099 payments

OK [Menu] X

Selection criteria

Calendar year *
2021

Default 1099 form and box from supplier Log

UTILITIES < +
BROWSING ^ ↗
Reports
HELP < ↗
DIAGNOSIS... < ↗

- Click 'OK'.
- Review the Log.

All > Declarations > Fee declaration > United States > Processings

Log Reading F24932

1	11/05/18 12:54:46 (ADMIN) Calculate 1099 supplier payments
2	Supplier NA009 - ABC Industrial
3	Payment: BSI1806NA011000001
4	Payment: BSI1806NA011000002
5	2 records created
6	
7	Normal end of log file 11/05/18 12:54:46
8	

Review 1099 Payment Summary

- **Declarations > Fee declaration > Processings > 1099 payment summary**
 - Review data and access to Edit 1099 data or Beginning Balance

AI > Declarations > Fee declaration > United States > Processings

1099 payment summary

Selection

Calendar year: 2021, Company: NA10, From supplier: NA009, To supplier: NA009, Currency: USD

1099 payment summary

	Co...	Supplier	Name	1099 form	1099 box	Beginning balance	1099 amount	Total
1	NA10	NA009	ABC Industrial	MISC	14	2,000.00	0.00	2,000.00
2	NA10	NA009	ABC Industrial	MISC	7	0.00	1,610.00	1,610.00
3	NA10	NA009	ABC Industrial	NEC	1	0.00	390.00	390.00
4								

- **Edit 1099 Data** in the 1099 payment summary.

AI > Declarations > Fee declaration > United States > Processings

1099 payment summary

Selection

Calendar year: 2021, Company: NA10, From supplier: NA009, To supplier: NA009, Currency: USD

1099 payment summary

	Co...	Supplier	Name	1099 form	1099 box	Beginning balance	1099 amount	Total
1	NA10	NA009	ABC Industrial	MISC	14	2,000.00	0.00	2,000.00
2	NA10	NA009	ABC Industrial	MISC	7	0.00	1,610.00	1,610.00
3	NA10	NA009	ABC Industrial	NEC	1	0.00	390.00	390.00
4								

Popup view

- Edit 1099 data
- 1099 beginning balance
- Supplier 1099 box

- The amounts can be edited, but cannot exceed the payment amount.

AI > Declarations > Fee declaration > United States > Processings

Edit 1099 data

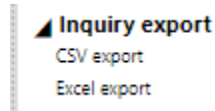
Calendar year: 2021, Company: NA10, Supplier: NA009

1099 form: MISC, 1099 box: 7, Beginning balance: , Ledger currency: USD

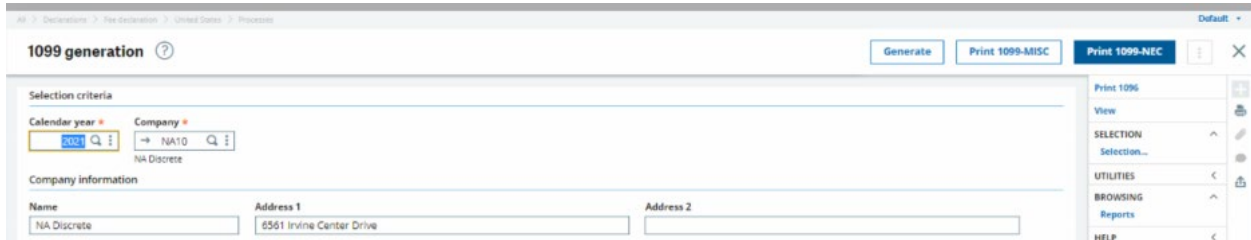
Details

	1099 form	1099 box	Invoice	Payment	Payment date	Payment amount	1099 amount
1	MISC	7	NA0111212CRNB5000001	PAYAT2108NA011000001	08/27/21	490.00	-490.00
2	MISC	7	NA0111303INVB5000001	PAYAT2108NA011000001	08/27/21	1,100.00	1,100.00
3	MISC	7	PIDNA01112-000072	PAYAT2108NA011000001	08/27/21	1,000.00	1,000.00
4							

- From the 1099 query a CVS or Excel format file can be generated.
 - The file can be manipulated to use with 3rd party electronic reporting software



- Click 'Print 1099-MISC', 'Print 1099-NEC', or 'Print 1096' to print the 1099.



NA Discrete

6561 Irvine Center Drive

IRVINE, CA 92618

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1,400.00