

3 Tips to Help with Your 1099 Process

January has arrived and the busyness of annual tasks begin! Reconciling accounts, filing W-2s, preparing for tax returns, reviewing accounting system processes, and of course the 1099 process. We've listed three tips to help ensure your 1099 filing is accurate. After the 3 tips, we've shared how to generate a few reports in SL and Intacct that might help with the 1099 review process.

Tip #1 - Take the time to review 1099 reports.

Don't take shortcuts! Taking the appropriate amount of time to review reports can help you spot transactions that might be inaccurate. It takes far more time to file amended 1099s than to ensure they are right in the first place. In some instances, companies can get fined by State and Local agencies for not issuing 1099s, or for issuing them with the wrong amount. A few extra minutes on the front end is well worth the effort.

Tip#2 – Verify all appropriate vendors are tagged to receive 1099s.

If a vendor isn't tagged to receive 1099s, then that vendor won't be included in 1099 reports. This step involves two tasks. First, take a few minutes to review the vendor list to ensure all appropriate vendors have been marked as 1099 eligible. Second, look through the vendors that were coded to applicable GL accounts to ensure those vendors are tagged as 1099 vendors.

Tip#3 – Don't file the IRS copy until closer to the IRS filing deadline.

What's your hurry? Recipient copies need to be postmarked by 02/01/2016 this year. Once you have verified the 1099 information in your accounting system is accurate, you should print and send the 1099s to the recipients by the deadline. However, the IRS copy doesn't need postmarked until 02/29/2016, or 03/31/2016 if you're filing electronically. Give recipients time to review their 1099 and notify you if there are any corrections. If they notify you before you have filed the IRS copy, you won't need to go through the process of amending the 1099 because you haven't it filed yet. Reprint the 1099 with the correct amount for the recipient and then when you print or file your 1099s the amounts will be accurate.

Microsoft Dynamics SL

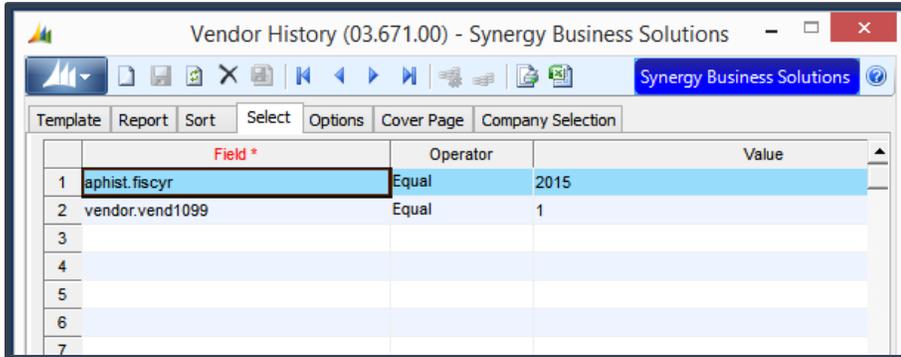
Following is information that you may find helpful as you process your 1099s.

Compare the 1099 Preview to the Vendor History report.

The 1099 Preview report shows the 1099 amounts for each vendor. The Vendor History report shows the total payments to vendors by fiscal year. Generate the two reports for the same year and compare the totals to make sure all 1099 amounts are being included in the 1099 Preview report. One thing to watch for is if a vendor was changed to be a 1099 vendor mid-year. Their total may not be correct in that scenario.

Filter the Vendor History report to display only 1099 vendors and amounts for the applicable 1099 fiscal year.

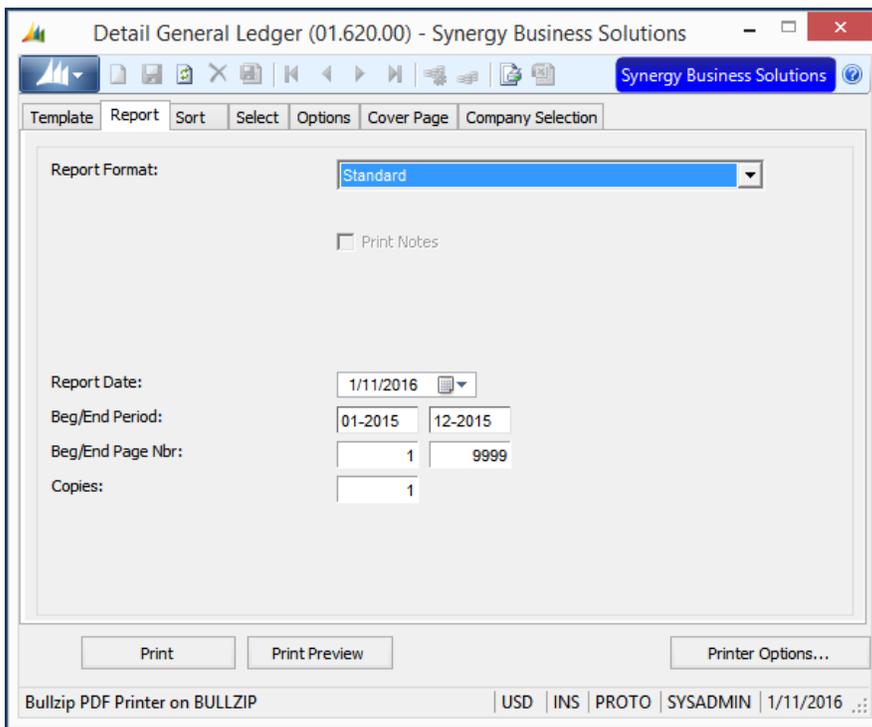
- a. On the Select tab, enter two filters:
 - Choose aphist.fiscyr for the Field, Equal for the operator, and 2015 for the Value.
 - Choose vendor.vend1099 for the Value, Equal for the Operator, and 1 for the Value.



Review transactions in specific GL accounts looking for possible vendors that aren't flagged as 1099 vendors.

If your vendor list is very big, it may not be feasible to scan your entire vendor list looking for missed 1099 vendors. Reviewing the Detail General Ledger report filtered for specific accounts where 1099 transactions are coded can help you spot missing 1099 flagged vendors.

- b. Select the Detail General Ledger report from the General Ledger menu.
- c. On the Report tab, enter the Beg/End Period dates that will include the 1099 calendar year.



- d. On the Select tab, filter the report for accounts where transactions for 1099 vendors are normally coded. These include accounts such as prepaids, rents, services, maintenance, repairs, contract labor, etc.
- e. Scan the report and compare it to the 1099 Report to ensure all appropriate vendors are flagged for receiving 1099s.

Correct 1099 amounts using Initialize Mode in the Vendor Maintenance screen.

If it is determined that payments were missed in the 1099 year and are not included in the 1099 amounts, you can adjust the amounts prior to printing the 1099 forms. In SL, you'll use the Initialize Mode feature to correct a 1099 amount in the Vendor Maintenance screen.

- a. Select the Application button and check Initialize Mode.
- b. Open the Vendor Maintenance screen, select the desired vendor and choose the 1099 Info tab. If Initialize Mode is set correctly, the amount fields will be available.
- c. Verify the 1099 Vendor field is set to Yes.
- d. Enter the correct amounts to be reported in the appropriate 1099 box.
- e. Save the changes made and close the screen.

Vendor Maintenance (03.270.00) - Synergy Business Solutions

Vendor ID: ABC Temp Agency Class ID: Status:

1099 Vendor: Default 1099 Box Number:

Tax ID Nbr: TIN Incorrect Notice:

Tin Name:

Recipient Name 2:

Select Company

Specific Company ID: Synergy Business Solutions

All

| 1099 Year: | <input type="text" value="2014"/> | <input type="text" value="2015"/> |
|--|--------------------------------------|--|
| Box 1 - Rents: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 2 - Royalties: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 3 - Prizes and Awards: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 4 - Federal Income Tax: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 5 - Fishing Boat Proceeds: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 6 - Medical Payments: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 7 - Nonemployee Compensation: | <input type="text" value="1000.00"/> | <input type="text" value="157110.00"/> |
| Box 8 - Payments in Lieu of Interest: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 10 - Crop Insurance Proceeds: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 13 - Excess Golden Parachute Payments: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 14 - Gross Proceeds Paid to an Attorney: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 15a - Section 409A Deferrals: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Box 15b - Section 409A Income: | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |

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We hope you found at least one or two golden nuggets from this article that will help with your 1099 process. Please don't hesitate to contact us if you have any questions as you prepare your 1099s. We have 1099 expert consultants here at Synergy Business Solutions available to assist. Email support@synergybusiness.com or call us at 503.601.4100.

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