

## BUDGETARY SYSTEM: 1099S

This document will cover how 1099 forms work in the TRIO Budgetary System. It will include both how to set up 1099s and how to print them as part the Calendar End of Year process. Additionally, there are steps for both electronic and regular filing, depending on which system is used.

### Budgetary – 1099 Set Up Process

#### 1. Set Up 1099 Settings for Each Vendor

The first step in setting up the TRIO Budgetary System for using 1099s is to configure the appropriate settings for each eligible vendor. Access the Vendor Maintenance screen by going into **5. Vendor Routines > 1. Vendor Maintenance**, and either entering an existing vendor or adding a new one. On this screen, there are several 1099 options that can be entered. First, if the vendor is eligible to receive a 1099, make sure that option is checked off. The system will only print 1099s for vendors who have earned more than \$600 over the course of the calendar year. If the vendor should receive a 1099 regardless of amount earned, make sure the *1099 is Required* option is selected as well. *Include All Payments* will override account settings and force all payments to this vendor to be used for their 1099 total. Select the *1099 Code* to use if including all payments. Additionally, the Vendor Tax ID# should be filled out, and if the Check and Correspondence Addresses for the Vendor are different, the address that should receive the 1099 should be selected under *1099 Vendor Name*.

The screenshot shows the Vendor Maintenance screen for Vendor # 0391, Status A. It features two address sections: 'Check Address' and 'Correspondence Address', both containing the same information: Name: TRIO SOFTWARE CORPORATION, Address: 56 BANAIK ROAD, C/S/Z: BANGOR ME 04401. Below these are contact details (Tel: (207)000-0000, Fax: Class 1) and 1099-specific settings. The '1099 Eligible' section has '1099 is Required' checked, 'Include All Payments' selected, and '1099 Vendor Name' set to 'Check Name'. The Tax ID# is 01-0440681. A 'One Time Check Message' checkbox is also present.

#### 2. Set Up 1099 Titles

In order to designate that a vendor has been paid income that is eligible for a 1099, the different 1099 income types must be coded in the system. Note that these codes do not directly correspond to the boxes on the 1099 form itself, e.g. Rents, Royalties, or Gross Proceeds Paid to an Attorney. This allows for the setup of multiple codes that could all affect the same 1099 category or box. In order to link these codes to the appropriate boxes, select **M. File Maintenance > 4. 1099 Titles**.

The titles for each code can be typed in and entered under the *Tax Title* field. The *Type* field for each code contains a drop down menu listing the available box options for the 1099 forms. **If these settings are not configured, when 1099s print, all totals will print in the default box, Box 1.**

The screenshot shows the 'Enter 1099 titles' screen with a table of codes and titles. The table has three columns: Code, Tax Title, and Type. The 'Type' column has a dropdown menu open, showing a list of 1099 boxes. The current selection is '1 Rents'.

Code	Tax Title	Type
1	Misc	7
2	Legal	14
3	Accountant	7
4	Rents	1
5		
6		
7		
8		
9		

Available 1099 Boxes:

- 1 Rents
- 2 Royalties
- 3 Other Income
- 4 Federal Income Tax Withheld
- 5 Fishing Boat Proceeds
- 6 Medical and Health Care Payments
- 7 Nonemployee Compensation
- 14 Gross Proceeds Paid to an Attorney

# Budgetary System: 1099 Set Up Process *CONTINUED*

## 3. Set Up Expense and General Ledger Accounts

Just setting up each Vendor as being eligible for 1099s does not mean that all payments to that vendor will be

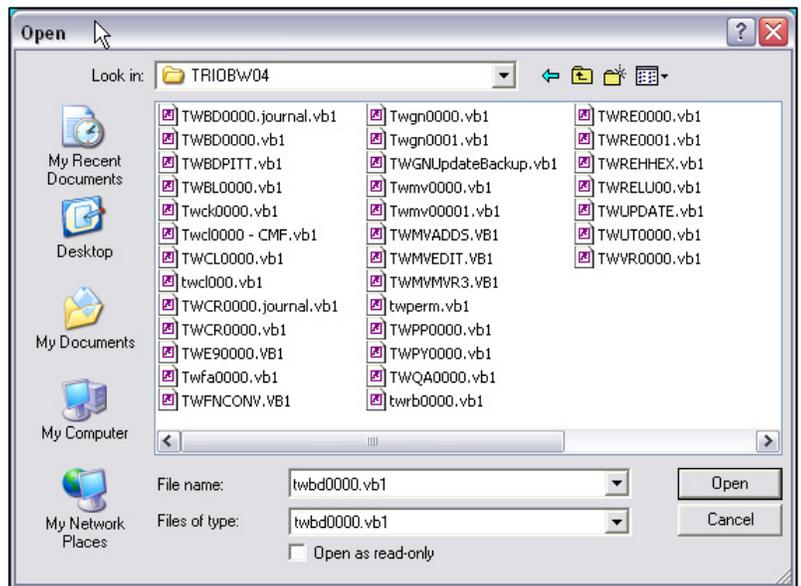
05	PROFESSIONAL	PROFESSIONAL FEES	
01	LEGAL FEES	LEGAL FEES	2
05	AUDIT FEES	AUDIT FEES	3
06	FED GRANTS	FEDERAL GRANTS AUDIT	1
10	MMA DUES	MMA DUES	N

automatically put toward their 1099 total – **each Expense and General Ledger account must also be configured to be used towards 1099s.** To do so, select **6. Account Setup > 2. Expense/Object Titles** or **6. Account Setup > 4. General Ledger Titles** and expand the listing out so that all of the individual Objects or accounts are showing. Each Object or account can be set under the *1099* column so that it either does not count towards the 1099 total (“N”) or has a 1099 title code entered (1-9). These codes are not the boxes that are on the 1099 form – these are the titles that are set up under step number 2. Whenever a 1099 eligible Vendor is paid using an account that is set to something other than “N”, that total will be included in their 1099 total. If this needs to be selected on a case by case basis, the *A/P Data Entry* screen has a similar *1099* column that can be used to designate if a 1099 code should be used or not – if that field is left as a **D**, the Default setting on the *Expense/Object Titles* screen will be used. **What is entered on the A/P Data Entry screen will override the setting entered on the Expense/Object Titles and General Ledger Titles screens.**

## Budgetary – 1099 Processing for Regular (Non-Electronic) Filing

### 1. Extract 1099 Information

The first step in actually running 1099s at the end of the calendar year is to extract all of the vendor payment history for that year. To do so, select **9. 1099 Processing > 1. Extract Information.** The system will prompt what year to run the extract for – because of this, it is not required that this step be run at any specific time. It is even possible to run the 1099 Extract after the Fiscal End of Year process has been done. If the fiscal year for the town does not end on December 31<sup>st</sup>, the system will prompt if additional information from the previous fiscal year should be included in the extract. For example, if the fiscal year runs July to June, this prompt will come up – *Yes* should only be selected if A/P entries were made in the past year’s data after the closeout of the last fiscal year. **Selecting *No* will still include the totals from the previous fiscal year.** That information is archived in the Fiscal End of Year process. If *Yes* is selected, however, the program will want to load the data from the prior fiscal year – when the system runs the Fiscal End of Year, the data gets saved to the \TRIOBWXX folder on the same drive as the current data (where XX is the last 2 digits of the year that was archived). So, if 2004 was the prior fiscal year, and current data is stored in U:\TRIOData, the archived year’s data would be located in the U:\TRIOBW04 directory. Change the Look In location to the appropriate archive directory and click on *Open* – the program will then start the extract process. Once the extract is complete, click OK to the prompt that displays.



# Budgetary System: 1099 Processing *CONTINUED*

## 2. Print the 1099 Edit Report

Once the data is extracted, the 1099 Edit Report should be run. This report will preview all of the info that will print on the actual 1099 forms. To print the report, select **9. 1099 Processing > 2. Print Edit Report**. The system will prompt for the town's contact and employer information. Fill out all fields, except for the *TCC* field – that is only used for electronic filing. Similarly, for the regular 1099 process there is no need to check off the *Filing Electronically* option. The 1099 codes listed at the bottom of the screen are not editable from this screen – this is just a summary of what the current codes are. After processing the town information, the program will prompt for the year and a minimum amount to process. The Edit Report lists all vendors that have been paid 1099 eligible income, regardless of the amount of money earned. The actual 1099s will only print for those vendors who have earned over \$600. So, if comparing the Edit Report to the actual printed 1099 forms, the minimum option can be set to \$600 to get a matching list. However, it can be useful to view all vendors who have been paid, so leaving this setting on \$0 is an option as well. This step can be run as many times as desired, so it is possible to get a report for each scenario that is needed. The report will list each vendor, with each payment that they have received – including dates, amounts, journal numbers, and descriptions. At the end of the report, an error report will list any potential vendor problems, including missing Tax ID numbers and address problems. **Again, this report can be run as many times as needed.**

Federal ID	123456789
State ID Code	987654321
TCC	12345 (for electronic filing)
Municipality	TRIOVILLE
Address 1	56 BANAIR ROAD
Address 2	
C/S/Z	BANGOR ME 04401
Contact	TRIO SUPPORT
Email Address	info@triosoftwarecorp.com
Phone	(207)942-6222 Ext
Fax	(207)942-0872

Filing Electronically

Code	Type
1	7 - Nonemployee Compensation
2	1 - Rents
3	7 - Nonemployee Compensation
4	6 - Medical and Health Care Payments
5	7 - Nonemployee Compensation
6	7 - Nonemployee Compensation
7	7 - Nonemployee Compensation
8	7 - Nonemployee Compensation

## 3. Verify and Adjust Vendor Totals

Now that the 1099 Edit Report is printed, all vendor totals should be verified for accuracy. What is listed on this report is what will print on the 1099 forms. If it is found that adjustments need to be made, these can be done through *1099 Adjustments* on the *Vendor Maintenance* screen. If it is known ahead of time that there are adjustments to be done, these can be entered before running steps 1 or 2. Before entering adjustments, all past adjustments can be cleared by selecting **5. Vendor Routines > 5. Clear 1099 Adjustments**. **If 1099 vendor adjustments have been made in prior years, it is recommended that this step be run, regardless of whether or not new adjustments are being entered.** If this step is not run, adjustments for prior years will carry over on vendors, and incorrect totals could be reported. To input adjustments, select

	Adjustment	+/-	Code
1.	600.00	+	1
2.		+	0
3.		+	0
4.		+	0
5.		+	0

**5. Vendor Routines > 1. Vendor Maintenance** and enter the vendor number that needs to be updated. On the bottom left corner of the screen is the *1099 Adjustments* section. It is possible to enter up to five adjustments here. Each adjustment should have a code 1-9, just like the Expense Accounts or A/P Data Entry process. The adjustments can be either negative or positive – to change the sign on the adjustment, click once on the +/- symbol to the right of the amount. Once these are entered, the extract process will need to be run again to include the changes. It is recommended that the 1099 Edit Report also be run again to verify the vendor totals.

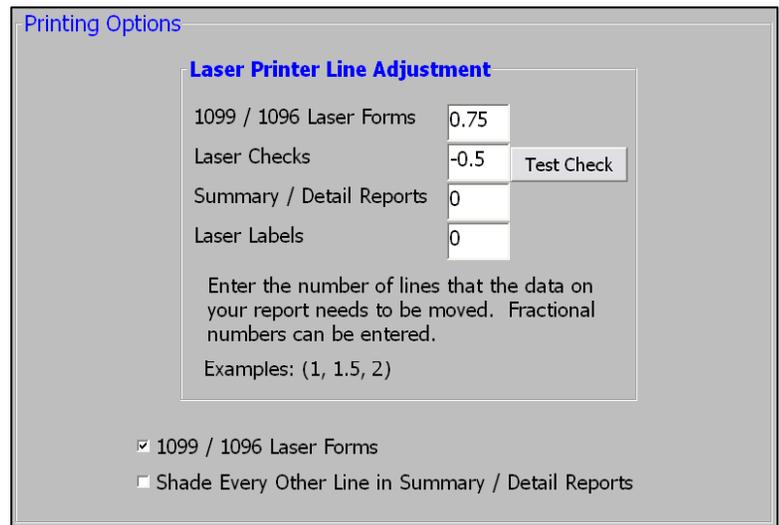
## Budgetary System: 1099 Processing *CONTINUED*

### 4. Print 1099s

Once all vendor totals and information is verified, the next step is to print the 1099 forms. Before the actual printing, the system needs to be set up to use either dot matrix or laser/inkjet 1099s. To do so, select **M. File Maintenance > 1. Customize**. If using laser or inkjet forms check off the *1099/1096 Laser Forms* option – otherwise leave this blank. There is also an alignment option for the laser/inkjet forms on the left hand side of this screen – if the 1099s are not lining up, i.e. either printing too high or low on the page, this can be adjusted here. After the form type is set up, select **9. 1099 Processing > 3. Print 1099s** – again, verify the town's contact and employer information and process. Select the printer to be used and click *Print* – the forms will not preview, they will just print automatically at this point. If using dot matrix forms, the system will print an 'X' to align the printer with. After the 1099s have printed, verify all totals and vendor information – assuming that everything is correct, the 1099 process is complete. The 1099 forms can be printed as many times as needed, however. So, if a problem is found, adjustments and corrections can be made, and the forms printed again.

### 5. Print Form 1096

In addition to the 1099s, the IRS also requires the submission of Form 1096 – *Annual Summary and Transmittal of U.S. Information Returns*. The system can print the required information onto this form through **9. 1099 Processing > 4. Print 1096**. Like the 1099s, the 1096 form can be printed in either Laser/Inkjet or Dot Matrix format. To set this up, select **M. File Maintenance > 6. Customize** and check off the *1099/1096 Laser Forms* option, if necessary. Again, like the 1099s, there is also a printing alignment option for 1096s on the *Customize* screen. When printing the form, simply select the printer and the system will print the form out. If using Dot Matrix forms, the program will run through an alignment routine before printing.



Printing Options

**Laser Printer Line Adjustment**

1099 / 1096 Laser Forms	0.75	
Laser Checks	-0.5	Test Check
Summary / Detail Reports	0	
Laser Labels	0	

Enter the number of lines that the data on your report needs to be moved. Fractional numbers can be entered.  
Examples: (1, 1.5, 2)

1099 / 1096 Laser Forms  
 Shade Every Other Line in Summary / Detail Reports

### 6. Archive Extract File

It could be necessary, at a future date, to look at the data that was used to generate 1099s for a year. The data for a past year will always be available in a prior year directory, but to make things more convenient, there is an *Archive Extract File* option in the 1099 process. Once done printing 1099s, select **9. 1099 Processing > 6. Archive Extract File**. This will save the data that has been extracted and used. To restore the file select **9. 1099 Processing > 7. Restore Archive Extract File** and select the year to restore. This overwrites the existing extract file, so make sure that the current data is not needed for anything and can be recreated or restored.

## **Budgetary System: 1099 Processing *CONTINUED***

### **Budgetary – 1099 Processing for Electronic Filing**

#### **1. Extract 1099 Information**

The first step in filing 1099s electronically is the same as the regular 1099 process – extracting the 1099 info. Follow the steps under the non-electronic process to extract the information for filing.

#### **2. Print the 1099 Edit Report**

The Edit Report step is largely the same for electronic filing as it is for regular filing. The only differences are with the town information set up screen. For electronic filers, the IRS requires a TCC (Transmitter Control Code) to be entered in the file, so this field needs to be filled out. Also, the actual *Filing Electronically* option should be checked off. A TCC code can be acquired from the IRS by filing Form 4419 – more information can be found at [www.irs.gov](http://www.irs.gov).

#### **3. Verify and Adjust Vendor Totals**

This step is the same for both regular and electronic filing – simply make sure that vendor totals and information are correct, and make sure that any needed adjustments are entered as well.

#### **4. Print Form 1096**

When filing 1099s electronically, it is not necessary to print out the 1099 forms as well. However, the IRS may require a copy of Form 1096 – *Annual Summary and Transmittal of U.S. Information Returns*. The system can print the required information onto this form through **9. 1099 Processing > 4. Print 1096**, using the same steps as for regular 1099s.

#### **5. Create Electronic 1099 File**

The final step in creating the electronic 1099 file can be accessed by going to **9. 1099 Processing > 5. Create Electronic 1099 File**. The system will prompt to verify the town information again, make sure that the TCC code is filled out correctly, and process. A Save File window will display – navigate to the location where the file should be saved. By, default, the file that is generated is named IRSTAX.txt, but can be renamed if desired. If submitting the file online through the [fire.irs.gov](http://fire.irs.gov) website, the file can be simply uploaded from the saved location to the site.

#### **6. Archive Extract File**

This step serves the same function as in the non-electronic filing process.