

1099 Checklist

January 1, 2017 – December 31, 2017



Presented by ESC, Region 14

Copies, Files and Deadlines:

If you choose not to send the electronic file, create and print Copy A in Step #9. All Copy A's along with a 1096 Form (cover form with totals) must be **post-marked and mailed to the IRS by January 31, 2017**.

Note: We recommend that you send the file electronically at <http://fire.irs.gov>.

DUE DATES

The electronic file created on Step #9 is due to IRS by January 31, 2018. The file must be renamed from IRSTAX_MMDDYY to IRSTAX before transmitting electronically to the IRS.

Print and furnish Copy B to the recipient by January 31, 2018

Copy C may be printed and retained for your records in Step #9.

1. **Verify Finance Options** from **Tables > District Finance Options > Finance Options Tab**. The Current Finance Fiscal Year should be 8; the School Year will be 2017-2018, and the Previous File ID should be a 7. The 1099 process will use two File ID's (7 and C) because it is extracting transactions from January 1, 2017 thru December 31, 2017.



Finance Options	
Current Finance Fiscal Year:	<input type="text" value="8"/>
School Year:	<input type="text" value="2017-2018"/>
Previous Year File ID:	<input type="text" value="7"/>

2. **Create the 1099 Object Code Table** from **Tables > 1099 Object Codes**. Review all object codes that were used when paying 1099 eligible vendors. Add object codes as needed. Common objects include the following:

The screenshot shows the Finance application interface. At the top, there is a navigation bar with 'Tables', 'Maintenance', 'Inquiry', 'Budget Amendment', 'Utilities', and 'Reports'. The current page is 'Tables > 1099 Object Codes'. Below the navigation bar, there are buttons for 'Save', 'Retrieve', and 'Print'. The main content area contains a table with the following data:

Delete	Object Code	Object Description	Type Payment
	6211	LEGAL SERVICES	N - Non-employee compensation
	6212	AUDIT SERVICES	N - Non-employee compensation
	6219	OTHER PROFESSIONAL SERV	N - Non-employee compensation
	6249	CON'T MAINTENANCE AND REPAIR	N - Non-employee compensation
	6269	RENTAL/OPERATING LEASE	N - Non-employee compensation
	6299	MISC. CONTRACTED SERVICES	N - Non-employee compensation
	6319	SUPPLIES FOR MAINTENANCE/OPERA	N - Non-employee compensation
	6399	GENERAL SUPPLIES	N - Non-employee compensation
	6497	MIS/ATH	N - Non-employee compensation
	6499	MISC OPERATING EXPENSES	N - Non-employee compensation
	6629	BUILDING PURCHASE,CONSTRC,FEES	N - Non-employee compensation

Note: The **Type Payment** field determines which box the dollar amount will be added to on the actual 1099 form. The 1099 Instructions on the IRS website will help you determine what payment type option best suits the Object Description.

https://www.irs.gov/pub/irs-prior/i1099msc--2017.pdf?_ga=1.140347825.366040229.1479146717

3. **Create a matching 1099 Object Code Table in File ID 7.** Since amounts spent from January 1, 2017 – August 31, 2017 are documented in File ID 7, the same object codes will be needed there.
4. **Review 1099 eligible vendors to ensure required fields are complete in both File ID C and 7.** You may review vendors individually from **Maintenance > Vendor Information**. Ensure the EIN/SSN is filled out and the 1099 Eligible Flag is checked for all eligible vendors.

Finance Version: 2.0.0005 Build: 0165

Change Application File ID: C Account Period: 10

Maintenance > Vendor Information SessionTimer: 59 min and 39 sec FIN3000

Save

Save Successful

Vendor Number: 98818 Sort Key/Vendor Name: SUPPLIES R US / SUPPLIES R US Retrieve Add Delete Directory

Vendor Name / Address Vendor Miscellaneous

Vendor Number: 98818 Vendor Name: SUPPLIES R US Doing Business As: Last Trans:

Active/Inactive: Active Vendor Sort Key: SUPPLIES R US Fed Code (SBIR): Required Review in Req: Contract Eligible:

EIN/SSN **Flags** **W9 Date** **Local Use** **CIQ**

Type: EIN 1099 Eligible: Bid Eligible: Mailed: 01-05-2016 1: Form Received:

Number: 75-1234567 Local Vendor: Minority Owned: Received: 02-25-2016 2: Received Date: ..

Alternatively, you may utilize User Created Reports to ensure that vendors eligible for a 1099 are set-up correctly. From **Reports > User Created Reports > Vendor Reports**, choose the Vendor Name, EIN/SSN Number, and 1099 Flag fields and Create. Once the report is created, sort by the 1099 Eligible Flag. Verify that vendors with a flag are 1099 eligible and that they have an EIN/SSN. Scroll through the vendors that do not have the flag to make sure this is accurate as well. *Remember to do this in both File IDs.*

Finance Version: 2.0.0005 Build: 0165

Reports > User Created Reports > Vendor Report SessionTimer: 59 min and 08 sec

Create Report Report Template Retrieve Save Delete

Report Title

Vendor Nbrs: ...

Vendor Columns

- Vendor Number
- Active/Inactive
- Vendor Name
- Vendor Sort Key
- Doing Business as Name
- Fed Code (SBIR)
- Required Review
- Contract Eligible
- EIN/SSN Type
- EIN/SSN Number
- 1099 Eligible
- Local Vendor Flag
- Bid Eligible Flag
- Minority Owned Flag
- W9 Mail Date
- W9 Received Date
- Local Use 1
- Local Use 2
- CIQ Form Received
- CIQ Form Received Date
- Order Address Line 1
- Order Address Street
- Order Address City
- Order Address State
- Order Address Zip
- Order Address Zip4
- Order Address Country
- Remittance Vendor Name
- Remittance Address Line 1
- Remittance Address Street
- Remittance Address City
- Remittance Address State
- Remittance Address Zip
- Remittance Address Zip4
- Remittance Address Country
- Phone Area Code
- Phone Number
- Phone Ext
- Fax Area Code
- Fax Number
- Fax Ext
- E-mail Link
- EFT E-mail
- Internet Link
- Last Trans Date
- Date Last Check

**** Change File ID to C ****

5. **Clear all previous year 1099 transactions from the Working Table from Utilities > Create 1099 Work Table.** Leave the date ranges as zeros so all data is deleted, and click Delete.

The screenshot shows the 'Finance' application interface. The top navigation bar includes 'Tables', 'Maintenance', 'Inquiry', 'Budget Amendment', 'Utilities', and 'Reports'. The 'Utilities' menu is selected, leading to 'Create 1099 Work Table'. The interface includes a 'Change Application' button, 'File ID: C', and 'Account Period: 10'. The session timer is '59 min and 34 sec' and the user is 'FIN7400'. The main area contains two date input fields: 'Beginning Date' and 'Ending Date', both set to '00-00-0000'. There are 'Add' and 'Delete' buttons. The 'Delete' button is highlighted with a red box. A checkbox labeled 'Use 1099 Object Codes Table' is checked.

6. **Extract transactions.** In this same table, enter the dates for the entire 2017 calendar year, check the box to Use 1099 Object Codes Table, and Add.

The screenshot shows the 'Finance' application interface. The top navigation bar includes 'Tables', 'Maintenance', 'Inquiry', 'Budget Amendment', 'Utilities', and 'Reports'. The 'Utilities' menu is selected, leading to 'Create 1099 Work Table'. The interface includes a 'Change Application' button, 'File ID: C', and 'Account Period: 09'. The session timer is '59 min and 17 sec' and the user is 'FIN7400'. The main area contains two date input fields: 'Beginning Date' and 'Ending Date', set to '01-01-2017' and '12-31-2017' respectively. There are 'Add' and 'Delete' buttons. The 'Add' button is highlighted with a red box. A checkbox labeled 'Use 1099 Object Codes Table' is checked.

7. Each vendor's transactions can be adjusted individually from **Maintenance > 1099 Record Maintenance**. Enter the vendor number and Retrieve to see ALL transactions for that vendor. The amounts shown will only include transactions that happened in the 2017 calendar year. Delete any transaction(s) that should not be reported. You can also add transactions individually in this screen if needed.

Finance Version : 3.1 Build: 0327
 Tables Maintenance Inquiry Budget Amendment Utilities Reports
 Maintenance > 1099 Record Maintenance SessionTimer: 59 min and 42 sec

Save

Save successful

Vendor Information

Vendor: 02975 : CARRY GRANT / CARRY GRANT Attn: 123 TEST STREET **Retrieve** **Directory**

Status: Active Doing Bus As:
 EIN/SSN: 123-45-6789

Delete	Detail	File ID	Acct Per	Check Type	Check Nbr	Check Date	Account Code	Net Expend Amt	Reason
		C	12	C	012345	12-01-2017	199-36-6219.00-001-891000	168.00	
		C	12	D	654321	12-01-2017	199-36-6219.00-001-891000	168.00	

Total: **336.00** + Add

File ID: C Acct Per: 12

Check Type: C Computer check Account Code: 199-36-6219.00-001-891000
 Check Date: 12-01-2017 Description: OFFICIALS, CONTRACTED SERVICES
 Check Number: 012345 Invoice Number:
 Net Exp Amt: 168.00 Invoice Date: 12-01-2017
 PO Type: A - Payment Authorizat Transaction Date: 12-01-2017
 PO Number: Reason:
 User ID: PPROVAN

REMINDER: If the Student Activity check transactions are not maintained in TxEIS, you will need to manually enter information on any vendors involved with transactions that require a 1099, in the 1099 Record Maintenance screen.

8. **Print 1099 MISC forms.** Once all information has been verified, the actual 1099 MISC Form can be printed from **Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form (FIN2100).**

Finance Version : 3.1 Build: 0327

Tables Maintenance Inquiry Budget Amendment Utilities Reports

Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form

[Return to Reports](#)

Report ID: **FIN2100**
 File ID: **C**
 User ID: **PPROVAN**
 Curr Per: **11**
 Next Per: **12**

Parameter Description	Value
Sort by Alpha (A), EIN/SSN (N), Zip Code (Z)	<input type="text" value="A"/>
Print 1099 Form only (1), 1099 form including 1099 file (2), Non-preprinted Copy B (B) or Copy C (C)	<input type="text" value="B"/>
Tax Year (####)	<input type="text" value="2017"/>
Control Name (4 char, only required for 1099 file)	<input type="text" value="TISD"/>
Contact Name (40 char, only required for 1099 file)	<input type="text" value="BETTE DAVIS"/>
Control Code (5 char for 1099 file)	<input type="text" value="12345"/>
Select Vendor(s), or blank for ALL	<input type="text"/> <input type="button" value="..."/>

[Run Preview](#)
[Clear Options](#)

- Sort by Alpha (A)
- Non-preprinted Copy B (B)
- Tax Year will be 2017
- In the Control Name field, type the Payer Name Control Code from the mail label on the 1099 Packet that is mailed to you in December. If a 1099 Packet has not been received, use the first four significant characters of the district name. A dash (-) and an ampersand (&) are the only acceptable special characters.
- In the Contact Name field, type the name of the person who will send the electronic file to the IRS.
- In the Control Code field, type the five-character alpha/numeric Transmittal Control Code (TCC) assigned by the IRS/MCC. A Transmittal Control Code must be obtained to file data with this program.

These forms are due to vendors by January 31, 2018. Adjustments may be made and new forms printed as needed until your district file is sent to the IRS.

9. **Create electronic file.** If submitting your district file electronically, this step should be completed once all adjustments have been made, but before January 31, 2018. From **Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form (FIN2100)**, change the second option from B to 2.

Finance Version : 3.1 Build: 0327

Tables Maintenance Inquiry Budget Amendment Utilities Reports

Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form

[Return to Reports](#)

Report ID: **FIN2100**
 File ID: **C**
 User ID: **PPROVAN**
 Curr Per: **11**
 Next Per: **12**

Parameter Description	Value
Sort by Alpha (A), EIN/SSN (N), Zip Code (Z)	A
Print 1099 Form only (1), 1099 form including 1099 file (2), Non-preprinted Copy B (B) or Copy C (C)	2
Tax Year (####)	2017
Control Name (4 char, only required for 1099 file)	TISD
Contact Name (40 char, only required for 1099 file)	BETTE DAVIS
Control Code (5 char for 1099 file)	12345
Select Vendor(s), or blank for ALL	<input type="text"/> ...

[Run Preview](#)
[Clear Options](#)

After clicking **Run Preview**, the pop-up will show that **Text** has already been selected. You will click **Export** than **Save** file. The file must be renamed from **IRSTAX_MMDDYYYY.txt** to **IRSTAX** before transmitting electronically to the IRS. You will be able to send this file electronically to IRS (see the Due Date Note on page 9). The 1099 forms are displayed, but you may simply close the report since we already printed 1099s.

Save as type:

Text
 CSV

[Export](#) [Cancel](#)

Opening IRSTAX_12012017.txt

You have chosen to open:

IRSTAX_12012017.txt
 which is: Text Document (8.1 KB)
 from: https://txeistest.txeis14.net:8443

What should Firefox do with this file?

Open with Notepad (default)
 Save File

Do this automatically for files like this from now on.

[OK](#) [Cancel](#)

1099 Forms - Due Dates

Due to Recipients:

January 31, 2018- Copy B

Due to IRS:

January 31, 2018 – paper submission (Copy A along with the 1096 Form)

Department of the Treasury
Internal Revenue Service Center
Austin, Texas 73301

-OR-

Note: We recommend that you send the file electronically at <http://fire.irs.gov>

January 31, 2018 – electronic submission* required if filing 250 or more 1099 forms and is recommended for all. Any filer of Information Returns may file their returns electronically. IRS instructions for filing electronically can be found at the following link: [http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Filing-Information>Returns-Electronically-\(FIRE\)](http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Filing-Information>Returns-Electronically-(FIRE))

Which vendors should receive a 1099?

In general, if a vendor meets all of the following four conditions then that vendor should receive a 1099.

- The vendor is not an employee of the school district
- Payment was made to the vendor in the course of your business
- Payment was made to an individual, partnership, estate, or in some cases, a corporation
- Payments made to the vendor during calendar year 2017 totaled \$600 or more

Common Examples of Vendors Who Get a 1099?

This list has been comprised based on the most common questions presented by school districts and is therefore, not exhaustive. If you have questions about other individuals or companies you made payments to, we recommend you contact the IRS.

2017 Instructions for Form 1099-MISC

<https://www.irs.gov/pub/irs-prior/i1099gi--2017.pdf>

Description	Yes	No
Royalties (ie one act plays, music, etc...)	If over \$10	
Professional Services Payments (examples: attorneys, accountants, architects, contractors, etc...)	If over \$600	
Deceased employee wages pd after death	If pd in same year	
Employee Wages, travel reimbursements, benefits		Use W-2
Pmt to Independent Contractor, including travel reimbursements	If over \$600	
Employee business expense reimbursements		Use W-2
Rent pd by district for real estate, machines, land, etc...	If over \$600	
Medical/Health Care Pmts (examples: physicals for athletes)	If over \$600	
Payments to Auditors	If over \$600 & independent contractor	If part of a LLC or Corp
Companies, corporations, etc...		X
Employees who do addl work for you after hours (example: painting a building during the summer)		Unless they have a true business outside of school employment

Corrections

Corrections to Form 1099-MISC

If you need to correct a Form 1099-MISC that you have already sent to the IRS.

- For paper forms, see the **2017 General Instructions for Certain Information Returns, part H**; <https://www.irs.gov/pub/irs-pdf/i1099gi.pdf> see page 10.
or
- For **electronic corrections**, see Pub. 1220.
<https://www.irs.gov/pub/irs-pdf/p1220.pdf>

Sec. 10 Corrected Returns (continued)

.04 Corrections and Penalties

Generally, the following penalties apply to the person required to file information returns. The penalties apply to both paper and electronic filers:

- **Failure to File Correct Information Returns by the Due Date (Section 6721)** - If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty.
- **Failure to Furnish Correct Payee Statements (Section 6722)** - If you fail to provide correct payee statements and you cannot show reasonable cause, you may be subject to a penalty.

Refer to [General Instructions for Certain Information Returns](#) for additional information on penalty specifications and guidelines.

.05 Corrected Returns Procedures

There are numerous types of errors, and in some cases, more than one transaction may be required to correct the initial error. Review the "One-transaction Correction" and "Two-transaction Correction" tables below before transmitting a corrected file.

One-transaction Correction	
<p>If ...</p> <p>The original return was filed with one or more of the following error types:</p> <ul style="list-style-type: none"> a. Incorrect payment amount codes in the Payer "A" Record. b. Incorrect payment amounts in the Payee "B" Record. c. Incorrect code in the distribution code field in the Payee "B" Record. d. Incorrect payee indicator. (Payee indicators are non-money amount indicator fields located in the specific form record layouts of the Payee "B" Record between field positions 544-748.) e. Return should not have been filed. <p>Note: To correct a TIN and/or payee name, follow the instructions under Two-transaction Correction.</p>	<p>Then ...</p> <p>Follow the steps below for one-transaction correction:</p> <ol style="list-style-type: none"> 1. Prepare a new file. The first record on the file will be the Transmitter "T" Record. 2. Make a separate "A" Record for each type of return and each payer being reported. Payer information in the "A" Record must be the same as it was in the original submission. 3. The Payee "B" Records must show the correct record information as well as a Corrected Return Indicator Code of "G" in field position 6. 4. Corrected returns using "G" coded "B" Records may be on the same file as original returns; however, separate "A" Records are required. 5. Prepare a separate "C" Record for each type of return and each payer being reported. 6. The last record on the file must be the End of Transmission "F" Record.

Sec. 10 Corrected Returns (continued)

Two separate transactions are required to submit a two-transaction correction. You must follow the directions for both transactions.

Note: Do not use this correction process for money amount corrections.

Two-transaction Correction	
<p>If ... The original return was filed with one or more of the following error types:</p> <ol style="list-style-type: none"> a. No payee TIN (SSN, EIN, ITIN, QI-EIN, ATIN) b. Incorrect payee TIN c. Incorrect payee name d. Wrong type of return indicator 	<p>Then ... Follow the steps below for two-transaction correction:</p> <p>Transaction 1:</p> <ol style="list-style-type: none"> 1. Prepare a new file. The first record on the file will be the Transmitter "T" Record. 2. Make a separate "A" Record for each type of return and each payer being reported. The information in the "A" Record will be exactly the same as it was in the original submission. (See Note below). 3. The Payee "B" Records must contain exactly the same information as submitted previously. Exception: Insert a Corrected Return indicator Code of "G" in field position 6 of the "B" Records, and enter "0" (zeros) in all payment amounts. (See Note below.) 4. Corrected returns using "G" coded "B" Records may be on the same file as those returns filed with a "C" code; however, separate "A" Records are required. 5. Prepare a separate "C" Record for each type of return and each payer being reported. <p>Note: Although the "A" and "B" Records will be exactly the same as the original submission, the Record Sequence Number will be different because this is a counter number and is unique to each file. For Form 1099-R corrections, if the amounts are zeros, certain indicators will not be used.</p> <p>Then . . . Follow the steps below for two-transaction correction:</p> <p>Transaction 2:</p> <ol style="list-style-type: none"> 1. Make a separate "A" Record for each type of return and each payer being reported. 2. The Payee "B" Records must show the correct information as well as a Corrected Return Indicator Code of "C" in field position 6. Corrected returns filed with the IRS using "C" coded "B" Records may be on the same file as those returns submitted with "G" codes; however, separate "A" Records are required. 3. Prepare a separate "C" Record for each type of return and each payer being reported. 4. The last record on the file must be the End of Transmission "F" Record.