1099 Checklist

January 1, 2018 – December 31, 2018

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, 2019.

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

Note: https://www.irs.gov/pub/irs-pdf/f1099msc.pdf

The Copy A of this form is provided for informational purposes only. Copy A appears in red, similar to the official IRS form. The official printed version of Copy A of the IRS form is scannable, but the online version of it, printed from this website is not. Do not print and file copy A downloaded from this website; a penalty may be imposed for filing with the IRS information return forms that can't be scanned.

To order official IRS information returns, which include a scannable Copy A for filing with the IRS and all other applicable copies of the form. visitwww.IRS.gov/orderforms.

Click on Employer and Information Returns. Any forms you request and their instructions, will be mailed from the IRS. The Blank front forms needed can be ordered from most office supply stores. Do not forget to order envelops as well.

DUE DATES

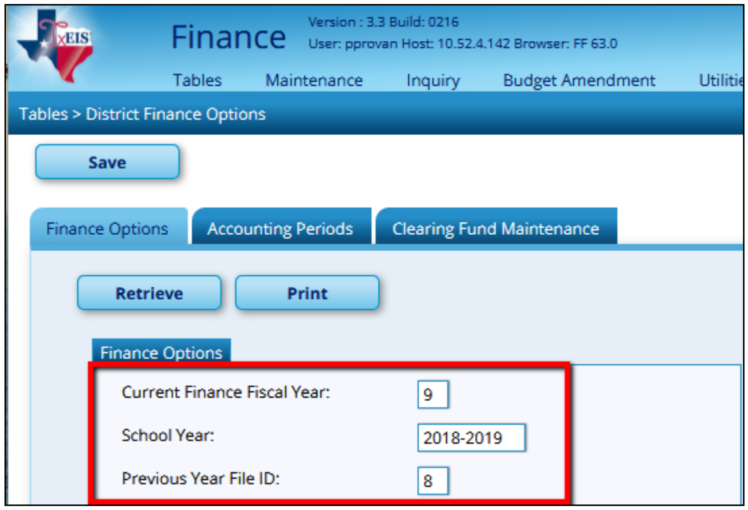
The electronic file created on Step #9 is due to IRS by January 31, 2019. The file must be renamed from IRSTAX_MMDDYYY to IRSTAX before transmitting electronically to the IRS.

Print and furnish Copy B to the recipient by January 31, 2019

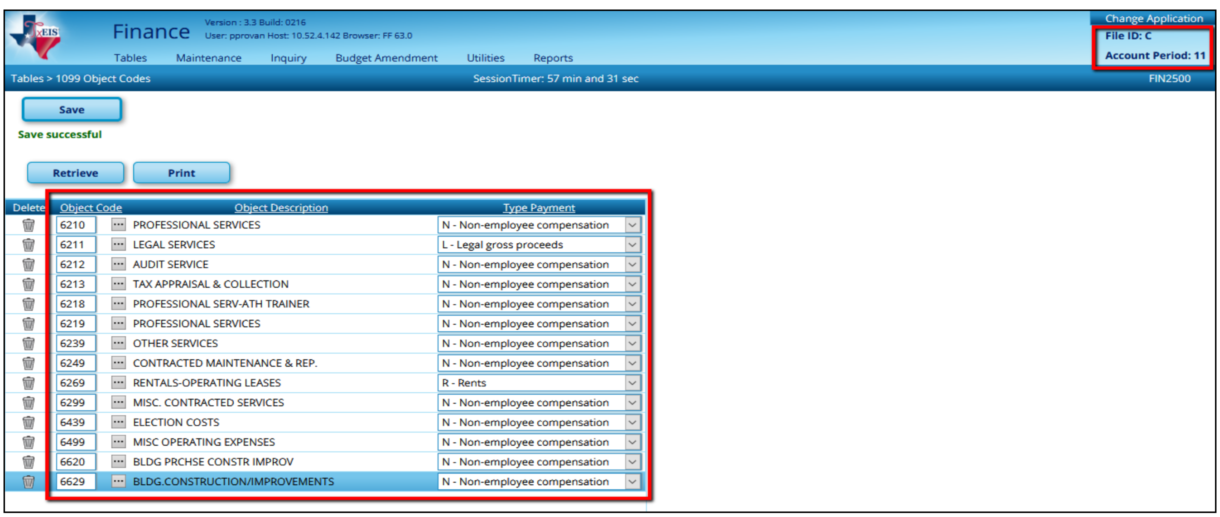
Copy C may be printed and retained for your records in Step #9.

_____1. **Verify Finance Options** from **Tables > District Finance Options > Finance Options Tab.** Verify that the Current Finance Fiscal Year should be 9; the School Year will be 2018-2019, and the Previous File ID should be a 8. The

1099 process will use two File ID’s (8 and C) because it is extracting transactions from January 1, 2018 thru December 31, 2018.



______2. **Create the 1099 Object Code Table in File ID C** from **Tables > 1099 Object Codes.** Review all object codes that were used when paying 1099 eligible vendors. Add object codes as needed. Amounts spent from August 31, 2018 – December 31, 2018 are documented in File ID C.
Common objects include the following:



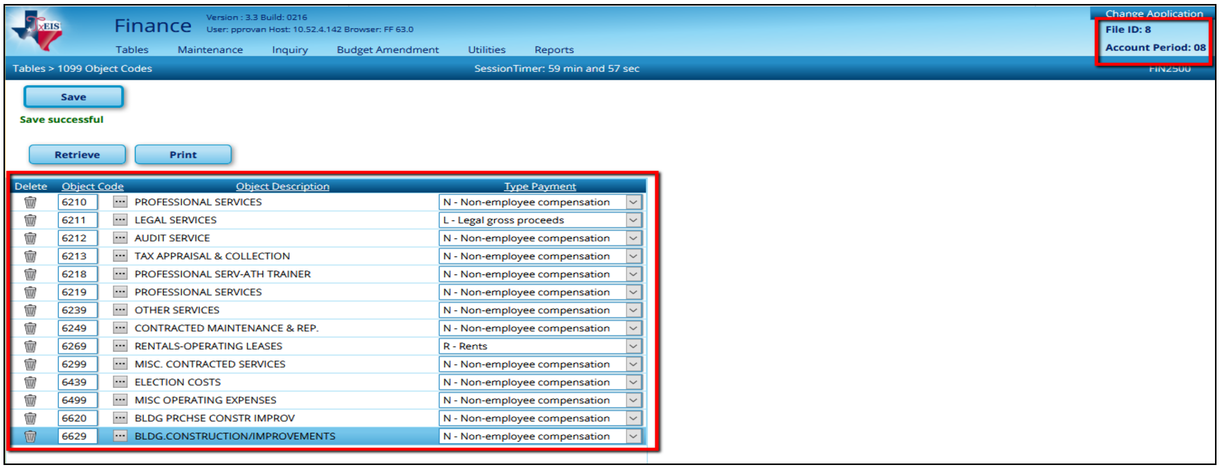
Object Code	Object Description	Type Payment
6210	PROFESSIONAL SERVICES	N - Non-employee compensation
6211	LEGAL SERVICES	L - Legal gross proceeds
6212	AUDIT SERVICE	N - Non-employee compensation
6213	TAX APPRAISAL & COLLECTION	N - Non-employee compensation
6218	PROFESSIONAL SERV-ATH TRAINER	N - Non-employee compensation
6219	PROFESSIONAL SERVICES	N - Non-employee compensation
6239	OTHER SERVICES	N - Non-employee compensation
6249	CONTRACTED MAINTENANCE & REP.	N - Non-employee compensation
6269	RENTALS-OPERATING LEASES	R - Rents
6299	MISC. CONTRACTED SERVICES	N - Non-employee compensation
6439	ELECTION COSTS	N - Non-employee compensation
6499	MISC OPERATING EXPENSES	N - Non-employee compensation
6620	BLDG PRCHSE CONSTR IMPROV	N - Non-employee compensation
6629	BLDG.CONSTRUCTION/IMPROVEMENTS	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.

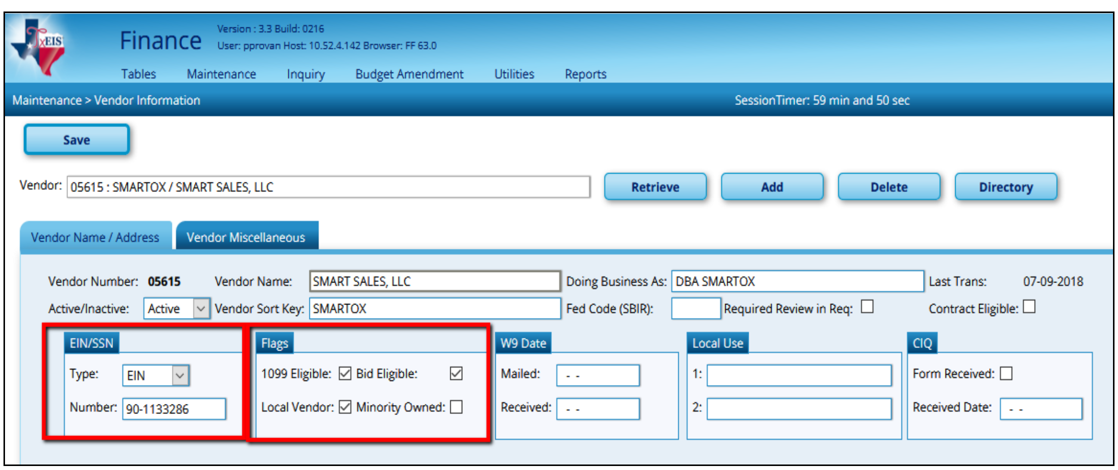
https://www.irs.gov/pub/irs-prior/i1099msc--2017.pdf?_ga=1.140347825.366040229.1479146717)

_____3. **Create a matching 1099 Object Code Table in File ID 8.** Since amounts spent from January 1, 2018 – August 31, 2018 are documented in File ID 8, the same object codes will be needed to be the same in File ID 8.

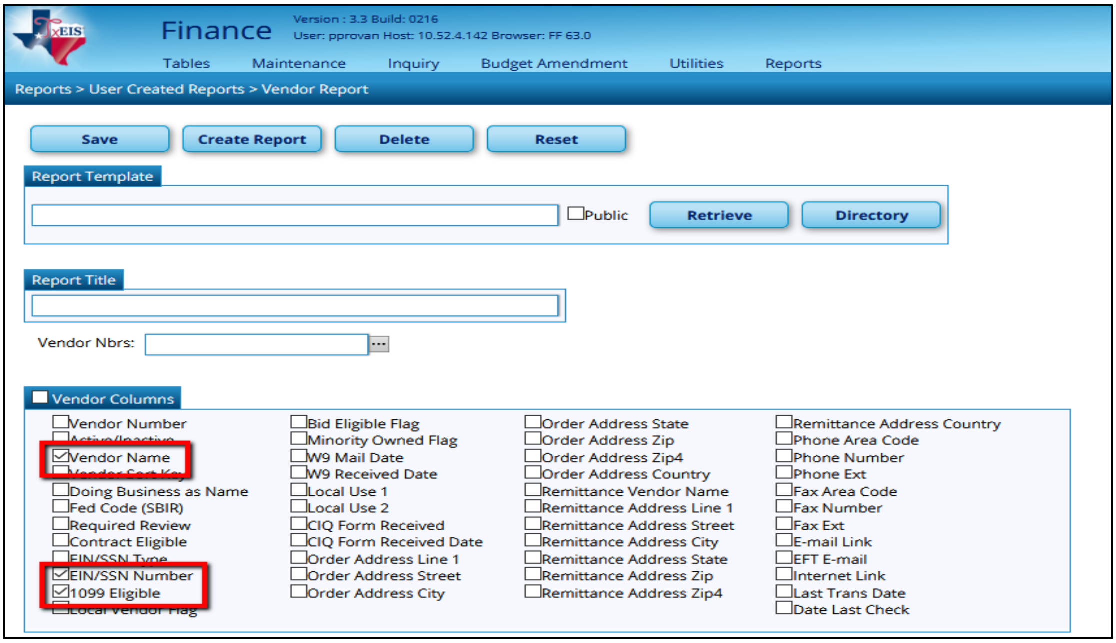
Note: File ID 8 and File ID C need to have the same Object Codes.



_____4. **Review 1099 eligible vendors to ensure required fields are complete in both File ID C and 8.** 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.

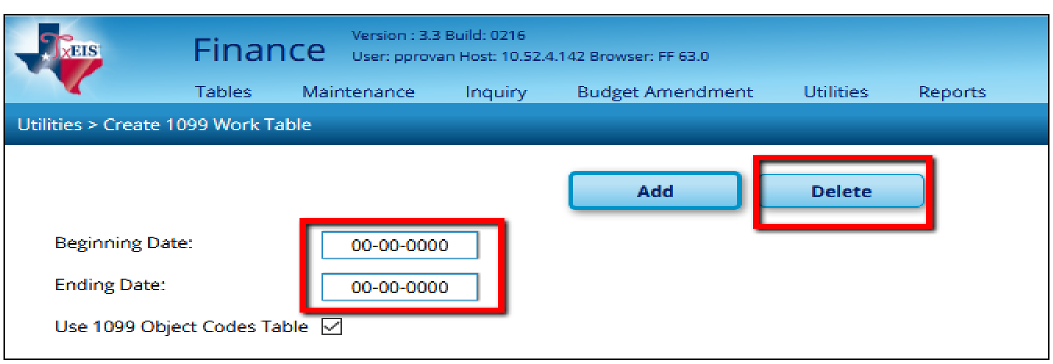


Alternatively, you may utilize User Created Reports to ensure that vendors eligible for a 1099 are set-up correctly. From **Reports > User Created Reports > Vendor Reports**, choose the Vendor Name, EIN/SSN Number, and 1099 Flag fields and Create. Once the report is created, **sort by the 1099 Eligible 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.*

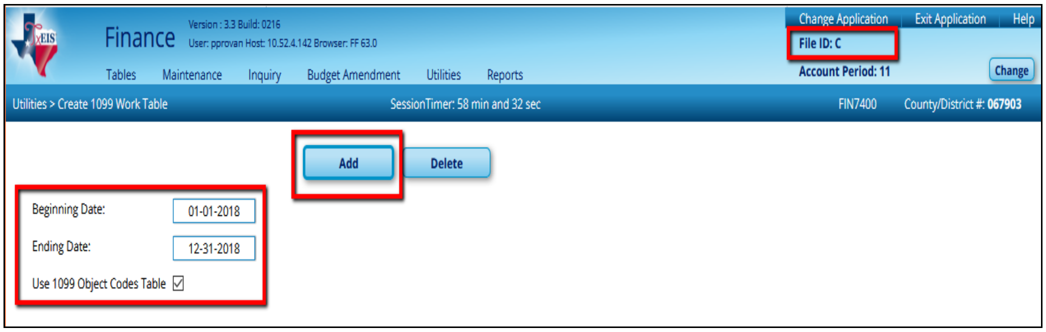


** Change File ID to C **

_____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.

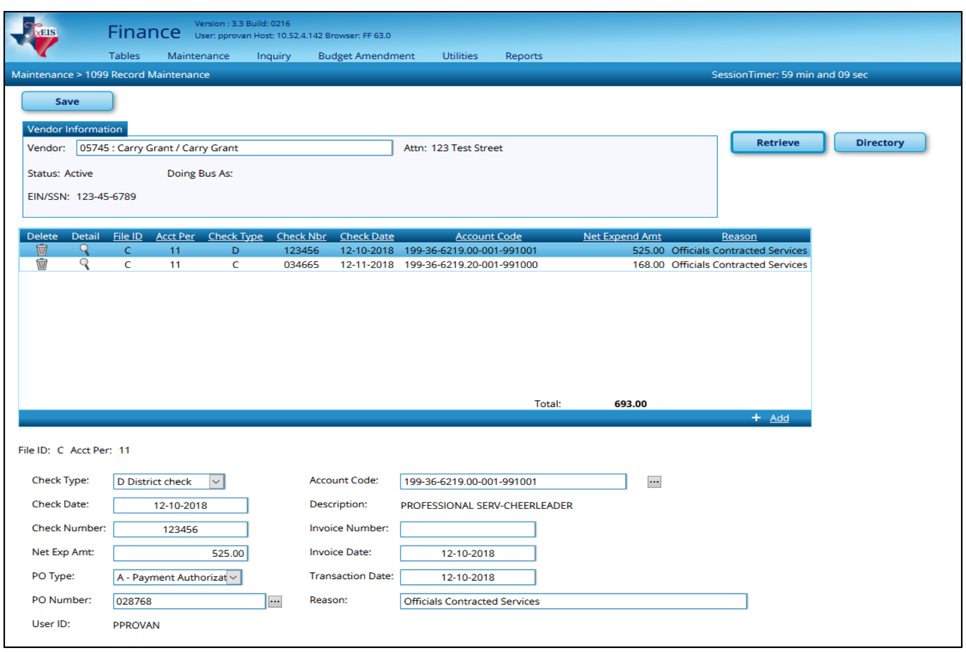


_____6. **Extract transactions.** In this same table, enter the dates for the entire 2018 calendar year, check the box to Use 1099 Object Codes Table, and Add.



_____7. Each vendor's transactions can be adjusted individually from **Maintenance > 1099 Record Maintenance**. Enter the vendor number and Retrieve to see <u>ALL</u> transactions for that vendor. The amounts shown will only include transactions that happened in the 2018 calendar year.

- If the district has not created the 1099 Object Codes table, all transactions for 1099-eligible vendors are displayed.
- If the district's student activity fund is not maintained on the system, you can add transactions for vendors that should be reported as income on the vendor's 1099 MISC forms.
- Delete any transaction(s) that should not be reported.
- You can also add transactions individually in this screen if needed.

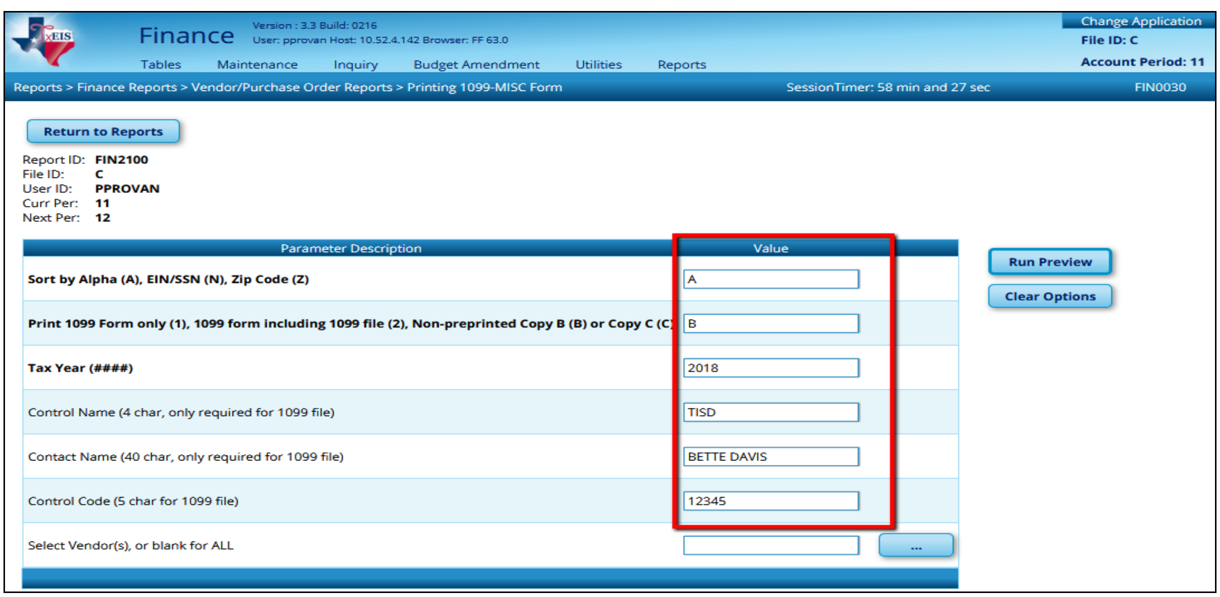


REMINDER: If the Student Activity check transactions are not maintained in TxEIS, you will need to manually enter information on any vendors involved with transactions that require a 1099, in the 1099 Record Maintenance screen.

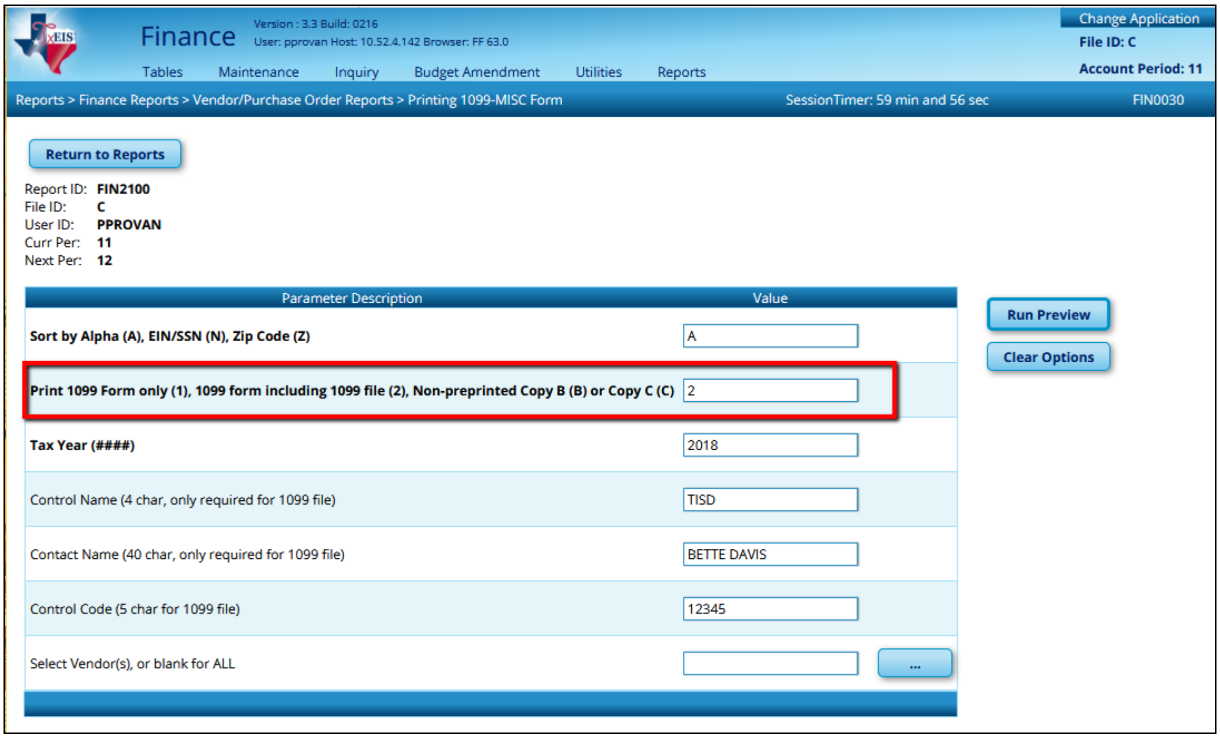
_____8. **Print 1099 MISC forms.** Once all information has been verified, the actual 1099 MISC Form can be printed from **Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form (FIN2100).**

- Sort by Alpha (A)
- Non-preprinted Copy B (B)
- Tax Year will be 2018
- 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, 2019. Adjustments may be made and new forms printed as needed until your district file is sent to the IRS.

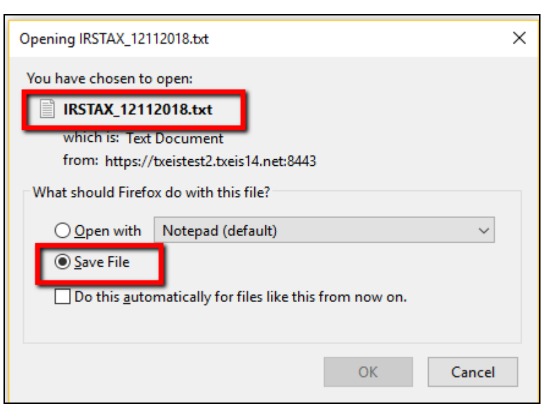


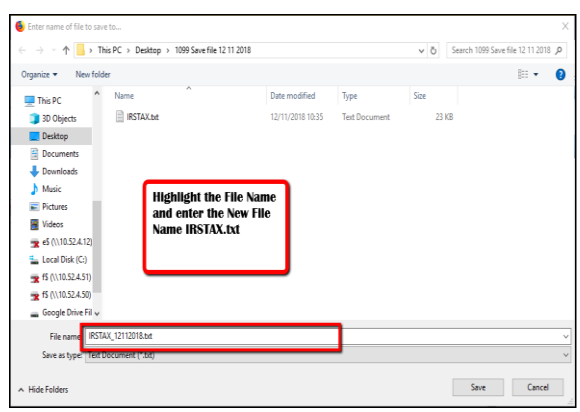
_____9. **Create electronic file.** If submitting your district file electronically, this step should be completed once all adjustments have been made, but before January 31, 2019. From **Reports > Finance Reports > Vendor/Purchase Order Reports > Printing 1099-MISC Form (FIN2100)**, change the second option from B to 2.



After clicking **Run Preview**,

- You will click **Save File**.
- The file must be renamed from **IRSTAX_MMDDYYYY.txt** to **IRSTAX** before transmitting electronically to the IRS. When you save the file you will highlight the File Name and rename is IRSTAX. 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.





1099 Forms - Due Dates

Due to Recipients:

January 31, 2019- Copy B

Due to IRS:

January 31, 2019 – 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, 2019 – 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:
https://www.irs.gov/Tax-Professionals/e-File-Providers-&-Partners/Filing-Information-Returns-Electronically-(FIRE)

Note: The most efficient way to apply to file information returns electronically is to submit the Fill-in Form 4419, Application for Filing Information Returns Electronically (FIRE), from the FIRE home page. You may also go to Forms and Pubs: at https://www.irs.gov/forms-instructions,
and select the paper version of Form 4419. Be sure to submit your application at least 45 days prior to the due date of your information returns.

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 2018 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.

2018 Instructions for Form 1099-MISC

https://www.irs.gov/pub/irs-prior/i1099gi--2018.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 **2018 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 – Sec. 11 – Corrected Returns. **https://www.irs.gov/pub/irs-pdf/p1220.pdf**