

1099 WINDOWS SETUP AND PROCESSING

Tax Year 2024

AGENDA

1099 Windows Setup and Processing

- 1099 Overview
- How to perform required setup
- How to process 1099's
- Review/Questions



1099 OVERVIEW

WHAT IS A 1099?



- IRS Tax Document – similar to a W-2
- Reports money paid to an individual/corporation throughout the year
- There are several types of 1099's
 - 1099-DIV: Dividend Income
 - 1099-INT: Interest Income
 - 1099R: Pensions and Annuities
 - **1099-MISC: Miscellaneous Information** (formally Miscellaneous Income)
 - **1099-NEC: Non-Employee Compensation**
- MRI Software only supports the processing and printing of 1099-NEC and 1099-MISC forms
- MRI is only able to process FIRE Transmitter Control Code (TCC). IRIS TCC are not valid
- Reports payments to vendors made in excess of \$600 for tax year

1099-NEC FORM



- 1099-NEC is used for qualifying payments of at least \$600 made to non-employees
- Most qualifying payments processed in MRI will be reported on 1099-NEC, unless a vendor is set up as a Property Payee type or marked as Attorney's Fees
- Starting in tax year 2022, the year will no long be pre-printed on the forms. vX.5.10.2 contains this update

7171 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 <u> </u>	Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$	
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
Street address (including apt. no.)		3	
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$	
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	5 State tax withheld \$	
		6 State/Payer's state no.	7 State income \$
		\$	\$

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

1099-MISC FORM



- 1099-MISC is used for payments of at least \$600 for specific activities
- Most common MRI scenarios are:
 - A vendor is set up as a Property Payee type – payments will be reported in Box 1
 - A vendor has the 1099 Attorney Fees box checked – payments will be reported in Box 10
- Starting in tax year 2022, the year will no longer be pre-printed on the forms. vX.5.10.2 contains this update

9595 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents \$	OMB No. 1545-0115 Form 1099-MISC (Rev. January 2022) For calendar year 20 ____	Miscellaneous Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
		2 Royalties \$		
3 Other income \$	4 Federal income tax withheld \$			
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds \$	6 Medical and health care payments \$	
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$	
Street address (including apt. no.)		9 Crop insurance proceeds \$	10 Gross proceeds paid to an attorney \$	
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale \$	12 Section 409A deferrals \$	
Account number (see instructions)		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	
2nd TIN not <input type="checkbox"/>		15 Nonqualified deferred compensation \$	16 State tax withheld \$	
17 State/Payer's state no.		18 State income \$	18 State income \$	

Form **1099-MISC** (Rev. 1-2022) Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

*Note: only payments made to an attorney in the course of business but not for attorney's services (for example, a settlement agreement) are reported on 1099-MISC. Fees for legal services should be reported in Box 1 on the 1099-NEC form. See IR 119074.
For more information, consult IRS.gov or your tax attorney*

HOW AND WHEN TO FILE



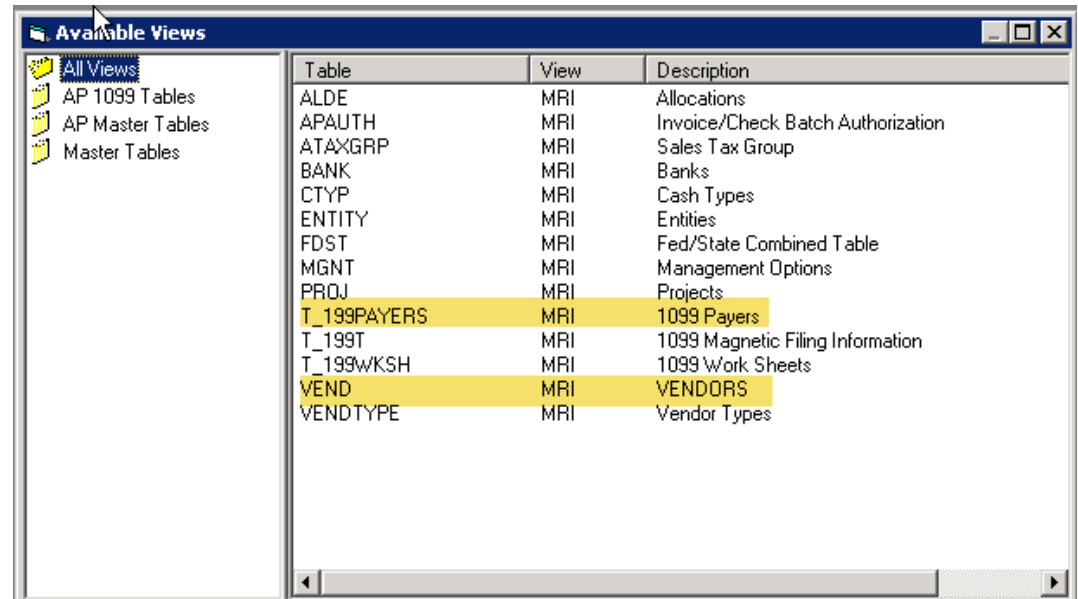
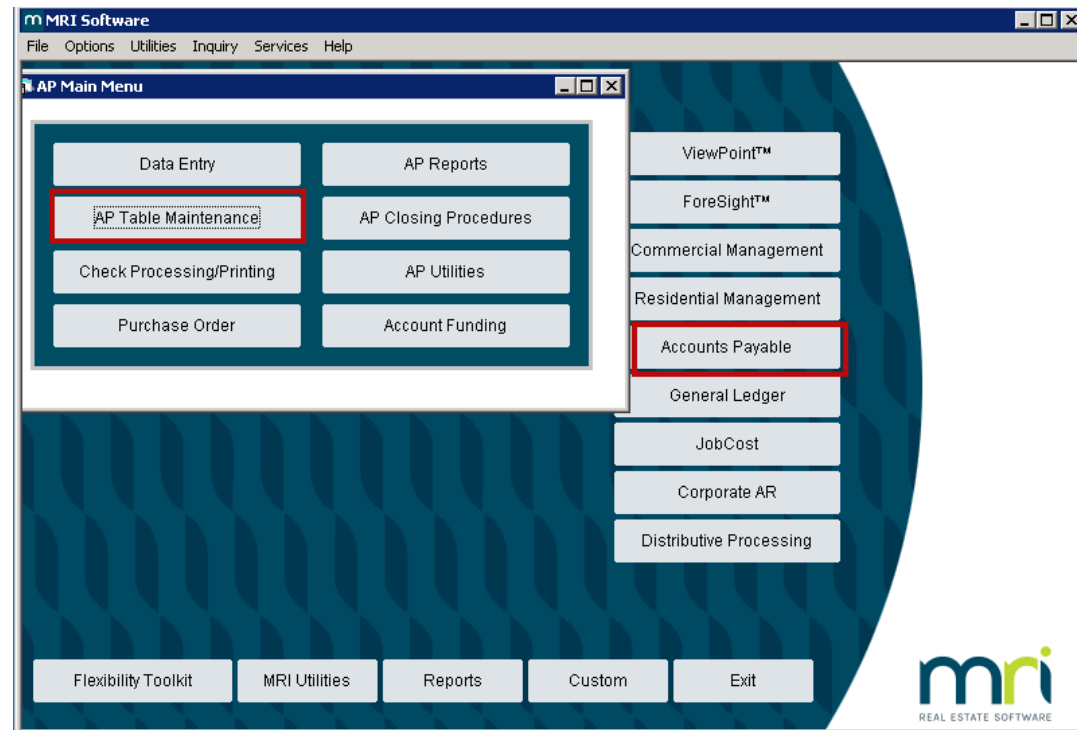
- If payments are reported on 1099-NEC, paper forms and electronic files are due by **1/31/2024**
- If payments are reported on 1099-MISC:
 - Paper filings are due **2/28/2024**
 - Electronic filings are due **3/31/2024**
- If filing more than 10 1099's, electronic filings are required.

1099 WINDOWS SETUP

SETUP

Setup and Maintenance > Accounts Payable

- In order for 1099 processing to work, the setup must be completed for the following tables:
 - VEND (Vendors)
 - GACC (Chart of Accounts)
 - T_199PAYERS (1099 Payers)
 - If filing electronically, T_199T (Transmitter) and T_199A (E-Payers)



The screenshot shows the 'Available Views' window in MRI Software. It displays a list of tables and their corresponding views and descriptions. The table is as follows:

Table	View	Description
ALDE	MRI	Allocations
APAUTH	MRI	Invoice/Check Batch Authorization
ATAXGRP	MRI	Sales Tax Group
BANK	MRI	Banks
CTYP	MRI	Cash Types
ENTITY	MRI	Entities
FDST	MRI	Fed/State Combined Table
MGNT	MRI	Management Options
PROJ	MRI	Projects
T_199PAYERS	MRI	1099 Payers
T_199T	MRI	1099 Magnetic Filing Information
T_199WKSH	MRI	1099 Work Sheets
VEND	MRI	VENDORS
VENDTYPE	MRI	Vendor Types

SETUP- VEND (VENDORS)



- Vendor should be active
- Check boxes
 - Indicate vendor should receive a 1099 and what type
 - Whether they will report attorney payments on 1099-MISC Box 10
- Type of Tax Payer
 - Formats the Federal ID Number field
 - Business: xx-xxxxxxx
 - Individual: xxx-xx-xxxx
- Payee Type
 - Determines the type of income reported (which form)
 - Property Payee: 1099-MISC Box 1
 - Vendor: 1099-NEC Box 1

The screenshot shows a 'Vendors' setup window with the following details:

- Vendor Id:** BANKS
- Site Id:** (empty)
- Vendor Name 1:** Banks and Associates PC
- Vendor Name 2:** (empty)
- Address:** 5400 Silver Lake
- City:** Holland
- State:** MI
- Zip:** 43785
- County:** (empty)
- Phone:** (empty)
- Contact Name:** Robert Stokes
- 1099 Required:**
- 1099 Attorney Fees:**
- Sub-Contractor:**
- Certification Required:**
- Subject to Withholding:**
- Payee Type:** Vendor
- Type of Tax Payer:** Business / Corporation
- Federal ID Number:** 99-9999999
- Active:**
- Inactive:**
- Allow Deletion:**
- Home Office Use Only:**
- Foreign Country:**
- Wire Disbursements to CM:**
- Vendor Priority Id:** @
- Vendor Type:** (empty)
- Insurance Certificate Expiration:** (empty)
- Default Account Number:** MR62800000
- Default Reference:** Accounting Services
- P. O. Terms:** (empty)
- P. O. Approval Limit:** (empty)
- Discount Allowed:**
- Term-1 Days:** (empty)
- Term-1 Disc %:** (empty)
- Term-2 Days:** (empty)
- Term-2 Disc %:** (empty)
- Term-3 Days:** (empty)
- Term-3 Disc %:** (empty)
- Last Update:** 12/2/2014 11:52:33 AM
- User Id:** SYSADM

SETUP – GACC (CHART OF ACCOUNTS)



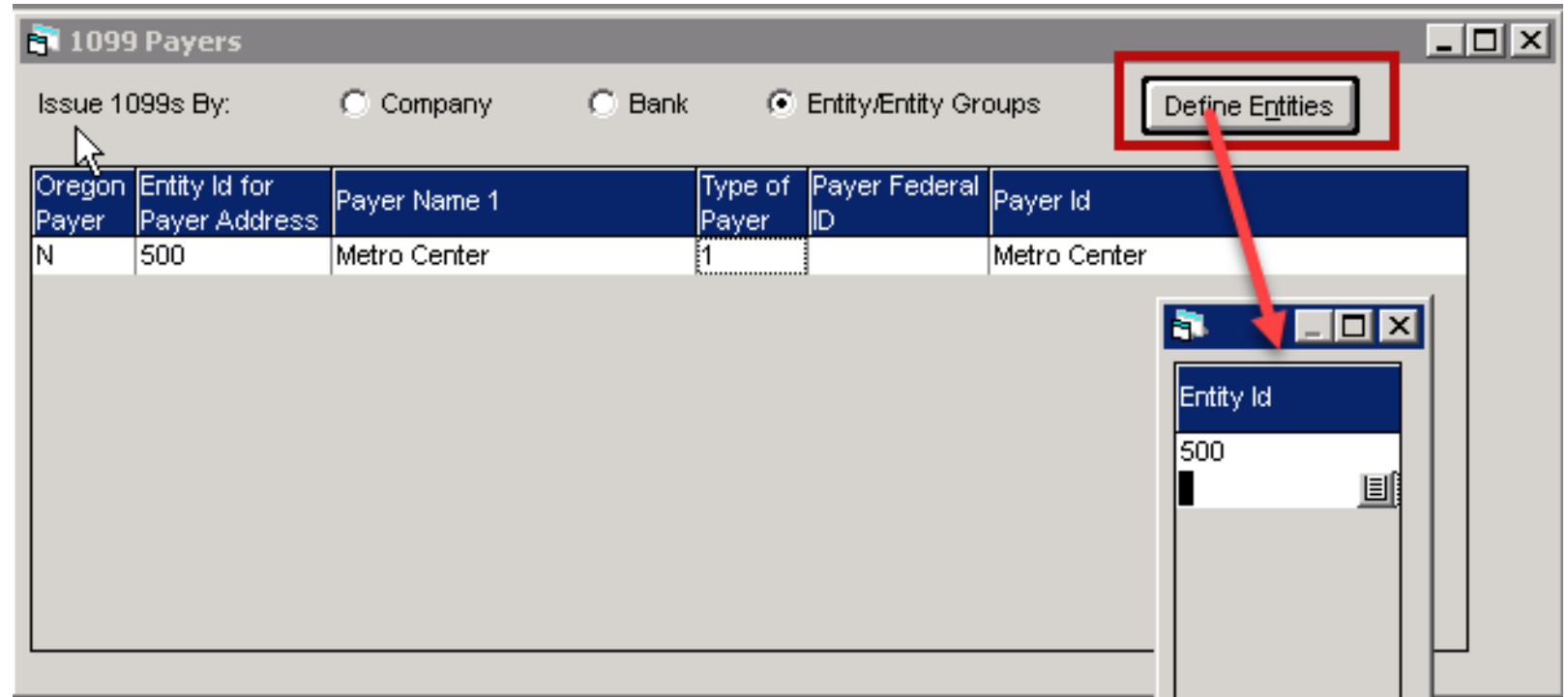
- 1099 Acct field
 - Payments made to this account number are included in 1099 processing
 - Y = includes payments made
 - N = will not include payments made

Account Number	Account Name	Account Type	1099 Acct	DP Restrictions
4800-200	Kiosk Sales Income	I	N	
4800-300	Vending Income	I	N	
5000-000	NR Expenses	I	N	
5000-100	Office Supplies	I	N	
5000-200	Equipment	I	N	
5000-201	Equipment Maintenance	I	Y	
5000-202	Maintenace Supplies	I	N	
5000-300	Management Fees	I	Y	
5000-500	Property Taxes - NR	I	N	
5000-600	Property Insurance - NR	I	N	
5000-999	Other NR Expenses	I	N	
5100-000	Payroll Salaries	I	N	
5100-001	Payroll Benefits	I	N	
5100-002	Payroll Taxes	I	N	
5100-100	Legal Fees	I	Y	
5100-150	Bank Fees	I	N	
5100-200	Accounting Services	I	Y	
5100-300	Property Manager Fees	I	Y	
5100-310	Leasing Salaries	I	N	
5100-400	Consulting Services	I	Y	
5100-500	Office Support Services	I	Y	
5100-999	Other Payroll Expenses	I	N	
5300-000	Advertising Expenses	I	Y	
5300-100	MLS Listing Fees	I	N	
5300-200	Marketing Materials	I	N	
5300-300	SEO Services	I	Y	
5600-000	Utilities - NR	I	N	
5600-001	Gas - NR	I	N	
5600-002	Elec - NR	I	N	
5600-003	Water - NR	I	N	

SETUP – T_199PAYERS (1099 PAYERS)



- This identifies the payer and the Payers Fed. ID #
- This information shows on the 1099 form under Payer's Information
- A company can choose to report by Company Name, Bank or Entity/Entity Group
 - If reporting by Entity Group – must select the Define Entities button
- If the Payer is located in Oregon, indicate this with a Y in the Oregon Payer column



SETUP – T_199PAYERS (1099 PAYERS)



PAYERS table set up to issue by Company:

The screenshot shows the '1099 Payers' window with a table of payer information. A red annotation points to the 'Payer Name 1' field, stating 'Payer Name pulls from T199_PAYERS table'. Below this, the 'Management Options [1099 Training DB]' window is open, showing fields for 'Management Name', 'Address', 'City', 'State', and 'Zip Code'. A red annotation points to the address field, stating 'Payers Address pulls from MGNT table'. At the bottom of the Management Options window, a red box highlights the text 'Table: MGNT'.

Oregon Payer	Payer Name 1	Type of Payer	Payer Federal ID	Payer Id
N	Client Management Copmay	1	123456789	Client Manag

Client Management Copmay
28925 Fountain Parkway
Solon, OH 44139

12-3456789	12-3456789	24520.00
AJAX Cleaning Service		
9901 Barber Street		
Cleveland, OH 44445		
AJAX		

SETUP – T_199PAYERS (1099 PAYERS)



PAYERS table set up to issue by Bank:

1099 Payers

Issue 1099s By: Company Bank Entity/Entity Groups

Payer Name pulls from T199_PAYERS table

Oregon Payer	Bank Id	Payer Name 1	Type of Payer	Payer Federal ID	Payer Id
N	200OP	Bank of America	1	999999999	200 BOA
N	201OP	Bank of America	1	999999999	201 BOA
N	510OP	PNC Bank	1	999999999	510 PNC

Banks [1099 Training DB]

File Edit Records Options Window Help

Bank Account Information

Bank Id: 200OP
 Bank Account Status: 0
 Bank Account Number: 9999999999999
 Last Check # Used: 238
 Date of Last Check: 3/20/2021

Interentity Entity Id:
 CM Interentity Bldg Id:
 RM Interentity Property Id:
 State of Bank:

Bank Name: Bank of America
 Address: 100 Avenue of the Americas
 New York, NY 10101

Payor Name: Two Hundred Bank
 Address: 100 Avenue of the Americas
 New York, NY 10101

Check Options
 Auto Clearing Setup

Phone Number:
 Site Id:

Table: BANK

Bank of America
 100 Avenue of the Americas
 New York, NY 10101

99-9999999 12-3456789 24520.00

AJAX Cleaning Service

9901 Barber Street

Cleveland, OH 44445

AJAX

SETUP – T_199PAYERS (TRANSMITTER INFO)



Only required if filing electronically

- Electronic File Name and Transmitters Media Number fields are no longer used
- Transmitter may be the company or a service provider
- Transmitter's TIN is the Fed ID number of the Transmitter
- Transmitter Control Code
 - Supplied by the IRS
 - MRI only supports FIRE TCC

Magnetic 1099 Filing Information

Transmitter's TIN: 123456789
Transmitter's Control Code: 123

Test File Indicator: T
Foreign Entity Indicator:
Prior Year Data Indicator:

Replacement Alpha Character:

Transmitter's Name: Example Company
Transmitter's Name 2:

Company Name to report process problems: Example Company
Company Name 2:

Mailing Address: 123 Main St.

Company City: Cleveland
Company State: OH
Company Zip: 44122

Contact Name if problem with file or transmission: John Example
Contact Phone Number: 216-999-9999

Contact E-Mail Address: John.Example@example.com

E-Payers

SETUP – T_199PAYERS (E-PAYER INFO)



Only required if filing electronically

- Identifies the e-payer (company) in the electronic file
- One record for each payer
- In addition to, not in lieu of, the T_199Payers table
 - Payer must first be set up on the Payer's table

Magnetic 1099 Filing Information (E-Payer Information)

Payer Id	AWH Limited	Payer Federal ID	123465789
Payer Name Control	1234	Type of Return	A
Last Filing Indicator	<input type="checkbox"/>	Transfer Agent	0
Combined Fed/State	<input type="checkbox"/>	Foreign Payer	<input type="checkbox"/>
Payer Name 1	AWH Limited		
Payer Name 2			
Payer Shipping Address	4100 Smith		
Payer City	Houston	Payer State	TX
Payer Phone Number	(713) 850-2400	Payer Zip Code	77002
Last Update	12/9/2008 11:29:22 AM		
User Id	SYSADM		

SETUP – T_199PAYERS (FEDERAL/STATE COMBINED) ***Not Required***

- Federal/State Combined program
 - All applicable states must be set up
 - State Code information can be found in IRS Publication 1220

State Abbreviation	State Code	1099 Default Amount	Last Update	User Id
AZ	11	800.00	12/3/2015 12:57:57 PM	SYSADM
NE	28	750.00	12/3/2015 12:57:57 PM	SYSADM

1099 WINDOWS PROCESSING

PROCESSING 1099'S



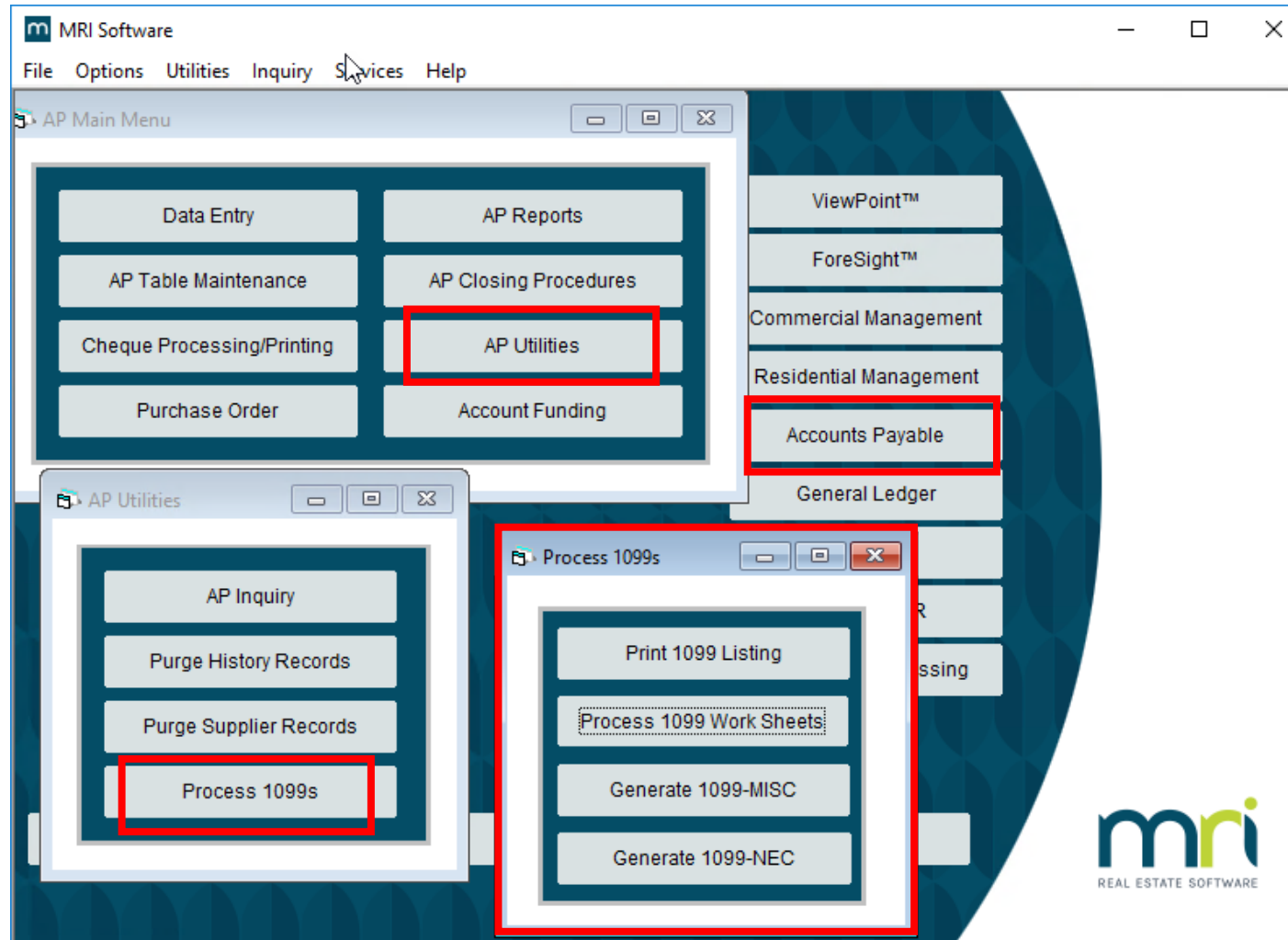
- To process 1099's the following steps are recommended:
 - 1099 Preview Listing Report
 - Review data for accuracy
 - If changes are necessary, Process 1099 Worksheets
 - Override/Add 1099 Amounts
 - Rerun 1099 Listing Report – confirm all changes
- Generate 1099-NEC and 1099-MISC – will generate 1099's on paper or electronically

IMPORTANT: These steps performed out of order can cause data to be incorrect/reverted

PROCESSING 1099'S



To process 1099s click Accounts Payable > AP Utilities > Process 1099s



1099 LISTING REPORT



- Allows user to preview the data in the system that is set to be reported
- Its is recommended that you run by 'All' Payee types
 - If running by Vendor Payee type, only Vendor Payee types will be included
 - If running by Entity Payee Type, only Property Payees will be included
- Its is recommended that each report be run separately, to confirm the payments are reported on the proper form.

Print 1099 Listing [Support Onboarding Test]

File Edit Style Options Help

Report: MRI_1099LST 1099 Preview Listing

Style: @

Output

Video Printer E-mail Html

Archive Report

Selection

All Range Include List Exclude List

1099 Type of Form: 1099-MISC

Year: 2024

Include Vendors

Print Vendors only if 1099 required

Exclude Virtual Credit Card Payments

1099 LISTING REPORT



- Data to be checked on this report include:
- Vendor contact information
- Fed. ID (formatting)
- Filing Status
- Amounts
- Payee Type
 - **NOTE:** If Payee Type 'Vendor' is on the 1099-MISC Preview Report, this indicates the 'Attorney's Fees' box is checked on the vendor record

Vendor Number	Vendor Name	Payee Type	Federal Id Number	Filing Status	Manual Worksheet	Original Amount	Worksheet Amount	Reporting Amount
BJON	Barbara Jones - Attorney At La	Vendor	12-3456789	Y	N	27,733.78	27,733.78	27,733.78
LLEE	Laura Lee 2000 Property Ave Property, IN 40404	Property F	12-3456789	Y	N	3,003.73	3,003.73	3,003.73
Number of 1099s:		2			Total:	30,737.51	30,737.51	30,737.51

Database: 2022BR
 Tax Year: 2024
 Payer Federal Id: 51-0510510

1099 Preview Listing
 5100P 2022 BR
 Five Ten

Page: 5
 Date: 11/14/2023
 Time: 11:15 AM

PROCESS 1099 WORKSHEETS

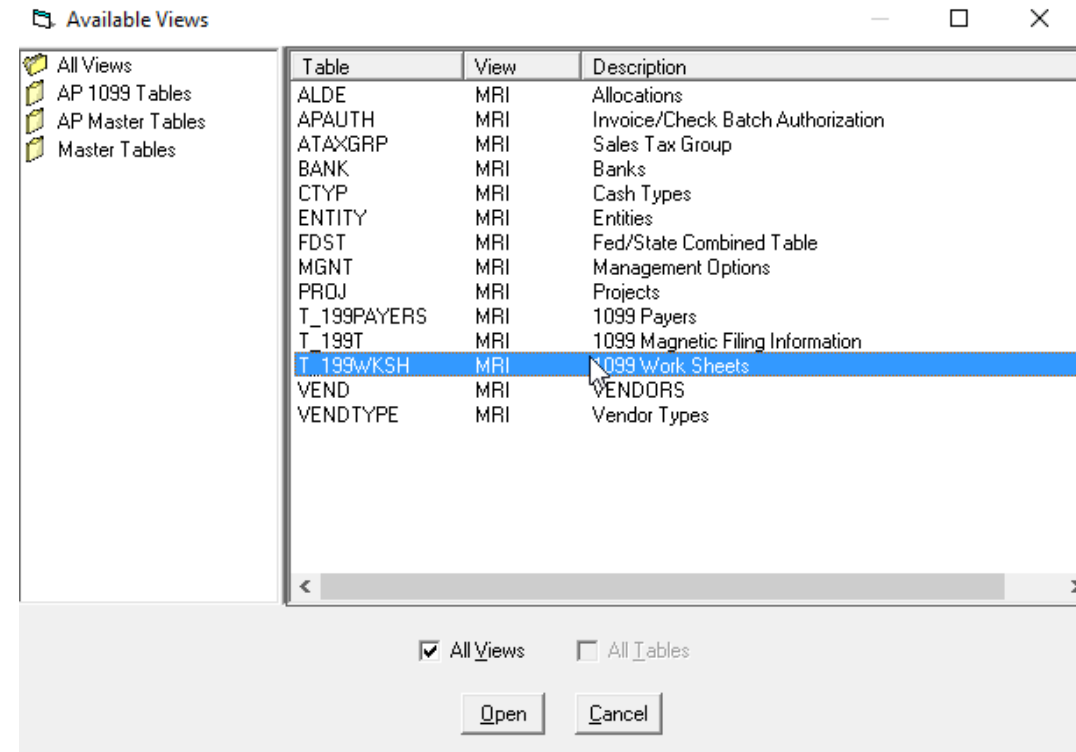
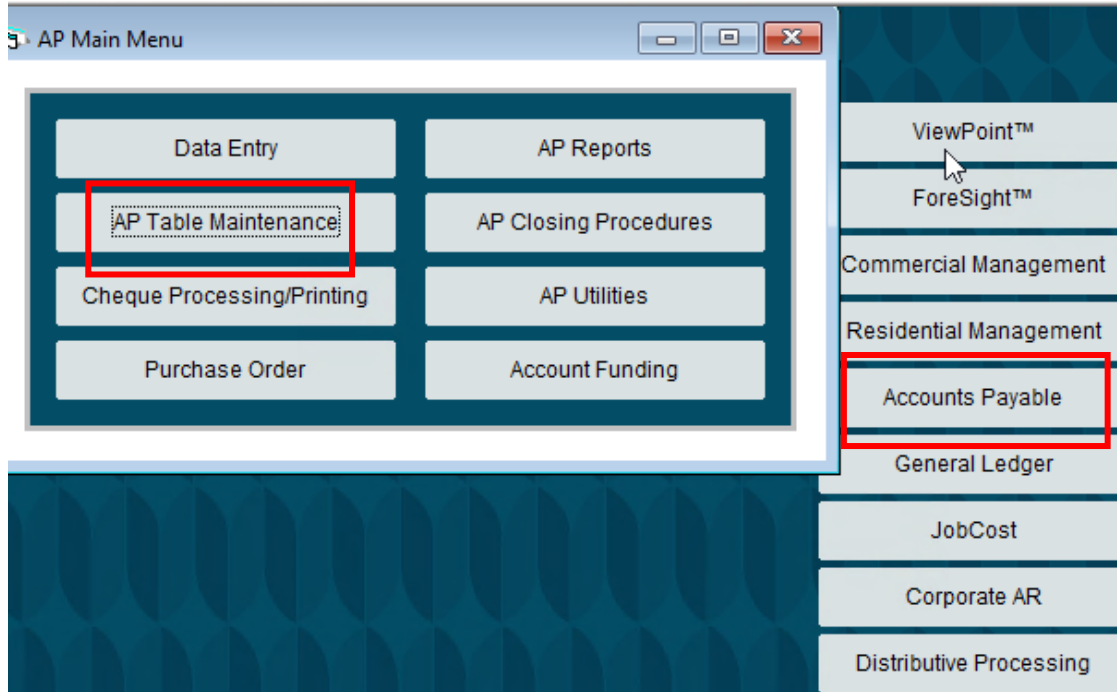


- Generates a report similar to Preview Listing Report
- Check the 'Save Work Sheets' option to save data to the T_199WKSH table
 - Allows the data to be modified, if necessary
- If you need to increase a payment amount to a vendor, check the 'Include Vendors with amounts less than minimum' box to ensure a record is created on the worksheet

T_199WKSH (OVERRIDE DATA)

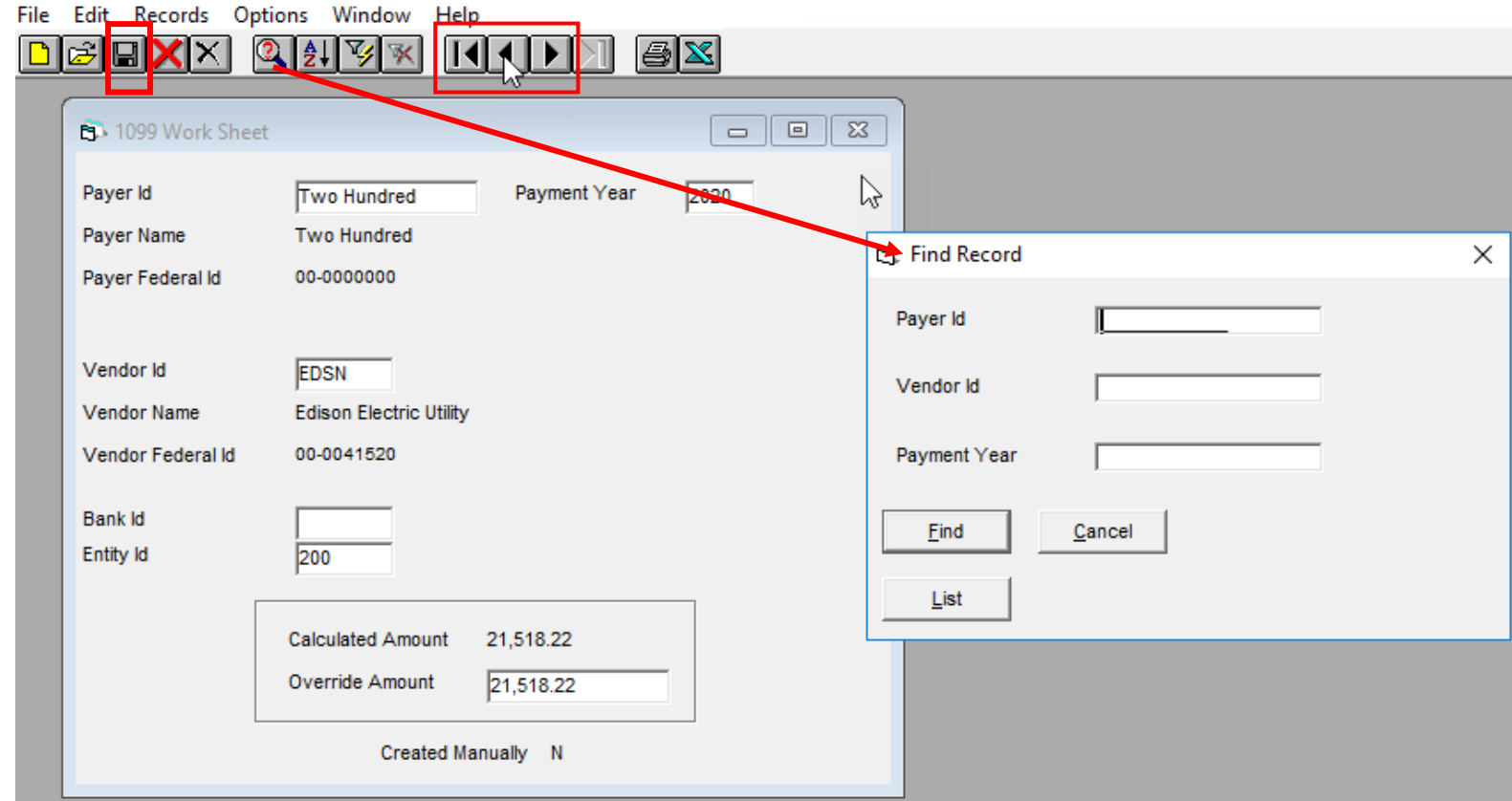


To access the Worksheets, click Accounts Payable > AP Table Maintenance > T_199WKSH



T_199WKSH (OVERRIDE DATA)

- Use the black arrows to scroll through the records or click on the magnifying glass to search for a record
- Pay attention to the correct payment year
- Enter the Override Amount
- Click the Save icon



CAUTION: If a user re-runs the Worksheet report with the Save option checked again, all changes will be reverted

T_199WKSH (OVERRIDE DATA)



- To add a record, click on the Add icon
 - Vendor must exist in the system
- Select the Payer ID, and Vendor ID, enter the Payment and the Override Amount. Click the Save icon
- Any vendor with qualifying payments in the system must be modified through the worksheet

File Edit Records Options Window Help

1099 Work Sheet

Payer Id Payment Year

Payer Name

Payer Federal Id

Vendor Id

Vendor Name

Vendor Federal Id

Bank Id

Entity Id

Calculated Amount

Override Amount

Created Manually Y

CAUTION: If a user re-runs the Worksheet report with the Save option checked again, all changes will be reverted

RERUN 1099 LISTING REPORT

- If changes have been made, rerun the 1099 Listing Report
 - Displays all changes saved in the T_199WKSH table
 - Verify the data is correct
- **CAUTION:** reprocessing the 1099 Worksheets with the Save option checked will revert all changes made in the worksheets

Vendor Number	Vendor Name	Payee Type	Federal Id Number	Filing Status	Manual Worksheet	Original Amount	Worksheet Amount	Reporting Amount
AJAX	AJAX Cleaning Service 9901 Barber Street Cleveland, OH 44445	Vendor	12-3456781	Y	N	14,990.00	7,000.00	7,000.00
COLL	Collins Elevator Repair 6358 Granger Road Independence, OH 45454	Vendor	11-2365987	Y	N	10,760.00	10,760.00	10,760.00
EDSN	Edison Electric Utility 8522 Water Street Bainbridge, OH 44111	Vendor	00-0041520	Y	N	21,518.22	21,518.22	21,518.22
HDPT	Home Depot 741859 Wooster Street Birmingham, AL 65999	Vendor		Y	N	7,700.46	7,700.46	7,700.46
NEOS	NE Ohio Sewer District 700 Roust Street Parma, OH 44556	Vendor	45-6789012	Y	N	700.00	700.00	700.00

1099-NEC



Generated on paper or electronically

- If electronically, file path needs to be specified
- If on paper, 1099-NEC form is selected from Alternate Form dropdown
- Select payee type VENDOR or ALL
 - **DO NOT RUN 1099-NEC for Payee Type 'Entity'**
- Forms can be ordered from IRS or 3rd party provider

If a paper copy is used, the report can be run multiple times

Select 'Print Full Tax Year' to have four-digit year printed on the forms; otherwise, the last two digits will print

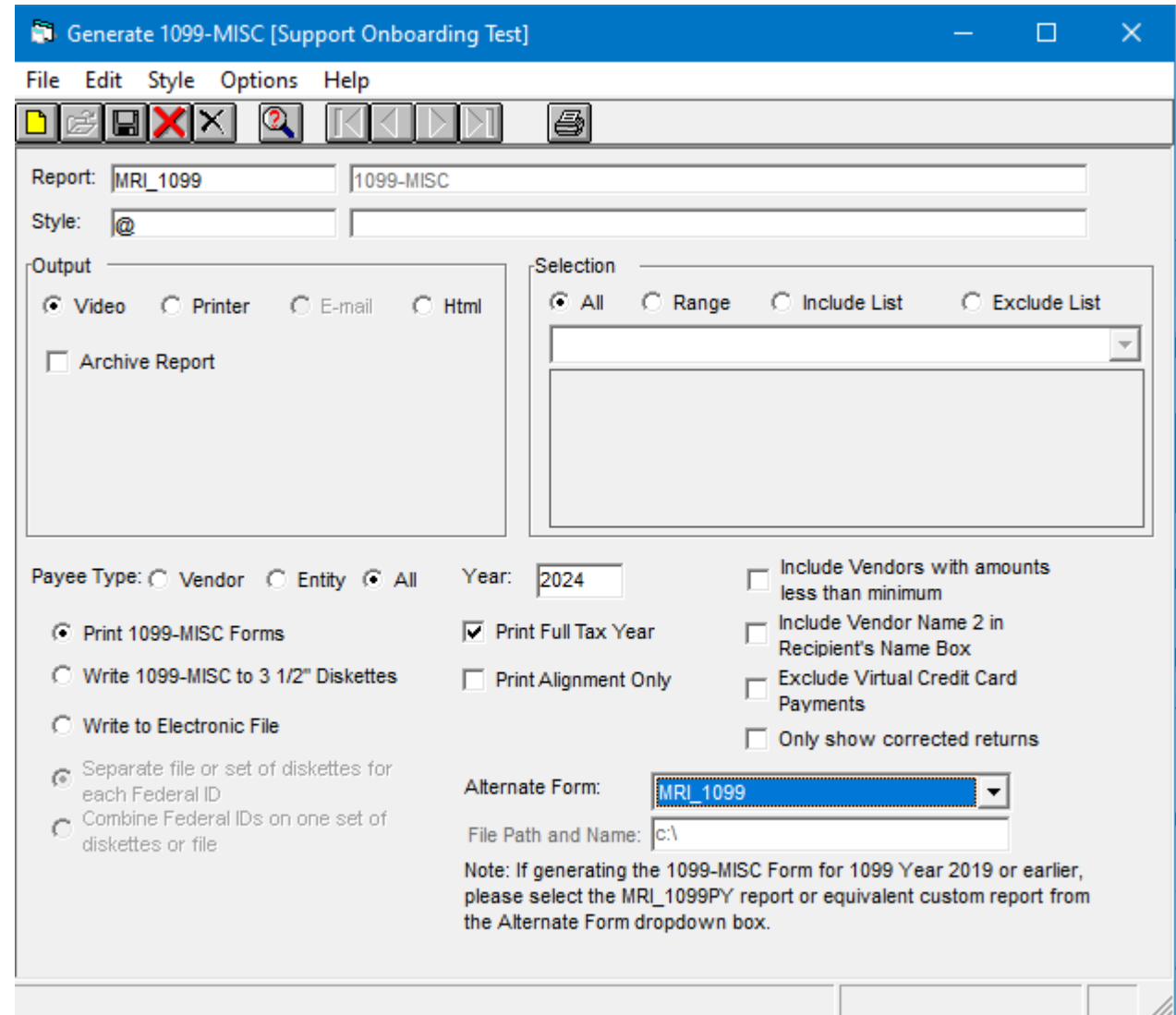
1099-MISC

Generated on paper or electronically

- If electronically, file path needs to be specified
- If on paper, MRI_1099 is selected from Alternate Form dropdown
- Select payee type ENTITY or ALL
 - **DO NOT RUN 1099-MISC for Payee Type 'Vendor'**
- Forms can be ordered from IRS or 3rd party provider

If a paper copy is used, the report can be run multiple times

Select 'Print Full Tax Year' to have four-digit year printed on the forms; otherwise, the last two digits will print



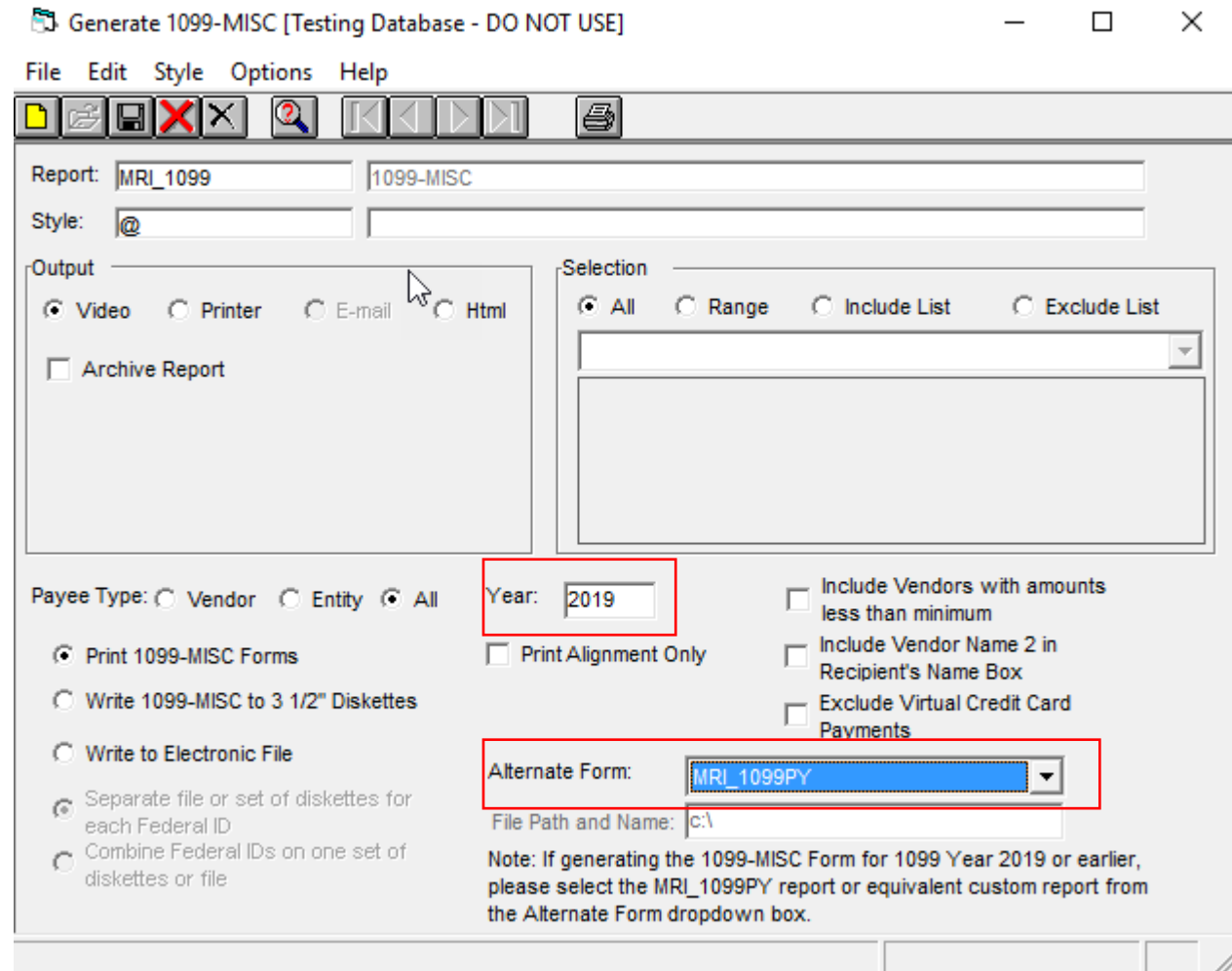
1099-MISC

Generated on paper or electronically

- If electronically, file path needs to be specified
- If on paper, MRI_1099 is selected from Alternate Form dropdown
- Select payee type ENTITY or ALL
 - **DO NOT RUN 1099-MISC for Payee Type 'Vendor'**
- Forms can be ordered from MRI or 3rd party provider

If a paper copy is used, the report will be run a minimum of 3 times

- IRS - copy
- STATE - copy
- VENDOR - copy



Please note: if you are running 1099s for 2019 or prior, select the MRI_1099PY report from the Alternate Form dropdown

1099 REVIEW

REVIEW



- 1099's are a statement from a company to a service provider on payments made to that vendor for qualifying work
- 1099's are similar to a W-2 that an employer provides to an employee – statement of earnings
- Only the 1099-NEC and 1099-MISC forms are supported in MRI
- Setup is required to generate 1099's:
 - VEND (Vendors)
 - GACC (Chart of Accounts)
 - T_199PAYERS (1099 Payers)
- To electronically file, additional setup is required:
 - T_199T – Transmitter info
 - T_199A – E-Payer info
- Optional setup of FDST – Federal/State Combined

REVIEW



Recommended steps for processing:

- 1099 Preview Listing Report
 - Review data for accuracy
- If changes are necessary, Process 1099 Worksheets
 - Access the T_199WKSH table to make changes or add additional records
 - Rerun 1099 Listing Report – confirm all changes
- Generate 1099's - 3 copies at minimum will need to be generated if printing on paper
 - IRS
 - State
 - Vendor
 - Copy for your own records (if applicable)

THANK YOU!



- For additional MRI 1099 resources, including copies of this presentation, please visit

MRIsoftware.com/form-1099

- Please contact MRI Support using our myMRI Client portal or phone for questions and issues related to 1099 Setup and Processing:

<https://mymri.force.com/ClientPortal/login>

or

(877) 579-8896