



1099 Web 1099 Setup and Processing

TAX YEAR 2016

Disclaimer

This document is for informational purposes only. It is not legal advice and should not be relied on as such. Please consult appropriate legal or accounting professionals as needed. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described in this document remains at the sole discretion of MRI Software LLC. This document in any form contains proprietary information that is the exclusive property of MRI and may not be disclosed, copied, reproduced or distributed to anyone outside MRI without prior written consent of MRI. This document is not part of your master agreement nor can it be incorporated into any contractual agreement with MRI or its subsidiaries or affiliates.

Agenda

1099's

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

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 Income**
- **MRI Software only supports the processing and printing of 1099-MISC forms**
- **Reports payments to vendors made in excess of \$600 for tax year**

1099-MISC Form

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	
		\$		2016 Form 1099-MISC	
		2 Royalties			
PAYER'S federal identification number		RECIPIENT'S identification number		4 Federal income tax withheld	
		5 Fishing boat proceeds		\$	
RECIPIENT'S name		7 Nonemployee compensation		8 Substitute payments in lieu of dividends or interest	
Street address (including apt. no.)		\$		\$	
City or town, state or province, country, and ZIP or foreign postal code		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds	
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>		11	
13a Section 409A deferrals		13b Section 409A income		12	
\$		\$		\$	
15a Section 409A deferrals		15b Section 409A income		13 Excess golden parachute payments	
\$		\$		\$	
16 State tax withheld		17 State/Payer's state no.		14 Gross proceeds paid to an attorney	
\$		\$		\$	
18 State income					
\$					

**Miscellaneous
Income**

**Copy 1
For State Tax
Department**

Form 1099-MISC

www.irs.gov/form1099misc

Department of the Treasury - Internal Revenue Service

How and When to File

- **1099's must be mailed to vendors by 1/31/2017**
If payer is reporting payments in box 8 or box 14, then **2/15/2017**
- **Copies of 1099's must be sent to the IRS by 1/31/2017, if you are reporting payments in box 7. Otherwise, file by 2/28/17, if you file on paper, or by March 31, 2017 if you file electronically.**
- **If filing more than 250 1099's, required to file electronically**

Setup

In order for 1099 processing to work, the setup must be completed for the following tables:

Tables are accessed Set up and Maintenance > Accounts Payable

- VEND (Vendors)
- GACC (Chart of Accounts)
- T_199PAYERS (1099 Payers)
 - If filing electronically, T_199T (Transmitter) and T_199A (E-Payers)

The screenshot displays the MRI software interface. On the left is a dark blue vertical navigation bar with icons for home, search, and settings (a gear icon highlighted with a red box). The main content area is titled 'Setup and Maintenance' (highlighted with a red box) and is divided into sections: 'Scheduling' (with links for Scheduled Reports, Scheduled Events, and My Events) and 'Information' (with links for MRI Help, myMRI Client Portal, Order Supplies (US Only), MRI Learning Solutions, and About MRI). On the right, the 'My Settings' section is visible, with a link to 'Change Notification Settings'. Below this, the 'Accounts Payable' section (highlighted with a red box) is expanded, showing a list of sub-items: Allocations, Banks, Cash Types, Check Batch Approval, Expense Control Categories, Check Printing Installations, 1099-MISC (with sub-items 1099 Payers, 1099 Fed/State Combi..., and 1099 Electronic Filing In...), Purchase Order, Sales Tax, Vendors (with sub-items Vendors Setup, Vendor Certification Types, Vendor Types, and Vendor Withholding Per...), and Vendor Withholding Per...

Setup- VEND (Vendors)

- Vendor should be active
- Check boxes
 - Indicate vendor should receive a 1099 and what type
 - Attorney Fees – Box 14
- **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 box)
 - Property Payee – box 1
 - Vendor/Tenant – box 7

Vendors

Vendor ID

* Name

General **Accounts Payable** Certification

ACH Setup (US) Defaults for Invoice Entry **Taxes**

Tax Information

1099 Required

1099 Attorney Fee

Type of Tax Payor

Federal ID Number

Payee Type

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

Chart of Accounts - Setup and Maintenance

Chart of Accounts Detail

Chart of Accounts

Account Number Account Name

* Account Number	Account Name	* Account Type	1099-MISC	DP Restrictions	Basis Control Type	Active
<input type="checkbox"/> 0999-0000	***ASSETS***	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1000-0000	Operating Account	C	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1050-0000	Money Market Account	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1070-0000	Restricted Cash	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1080-0000	Tenant Security Deposits	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1090-0000	Other Cash Account	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1130-0000	Def Rent Receivable	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1200-0000	Accounts Receivable	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1210-0000	Accounts Receivable-Other	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1220-0000	Due from NREM	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1221-0000	Due to/from South&Elm Adm	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1290-0000	Due To/From Seller	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1295-0000	Interco- Due (To) From	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1299-0000	Due To/From Other	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1300-0000	Allowance for Doubtfl Acct	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1310-0000	Prepaid Real Estate Taxes	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>
<input type="checkbox"/> 1320-0000	Prepaid Property Insuranc	B	<input checked="" type="checkbox"/>		Both Accrual/Cash	<input checked="" type="checkbox"/>

Page 1 of 2 Go

Retained Earnings Account Number

Setup – T_199PAYERS (1099 Payers)

- This identifies the payer and the Payers Fed. ID #
- This information shows on the 1099-MISC form
- 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

1099 Payers

Issue 1099s By Company Bank Entity/Entity Groups

* Payer Name 1	Type of Payer	Payer Federal ID	Payer ID	Oregon Payer	* Entity ID for Payer Address	Entities
<input type="checkbox"/> Normandy Concord Acquisitio 1			300 Baker	<input type="checkbox"/>	3120	Define
<input type="checkbox"/> BH Normandy 275 Albany Stre 1			Albany	<input type="checkbox"/>	3095	Define
<input type="checkbox"/> BH Normandy 399 Grove LLC 1			BH Normandy	<input type="checkbox"/>	3090	Define
<input type="checkbox"/> WB Normandy 2401 Acquisitic 1						Define
<input type="checkbox"/> Normandy Darien Holdings, LL 1						Define
<input type="checkbox"/> Normandy Real Estate Fund A 1						Define
<input type="checkbox"/> Normandy Real Estate Fund, L 1						Define
<input type="checkbox"/> Normandy Real Estate Fund, L 1						Define
<input type="checkbox"/> Normandy Gator Acquisition I, 1						Define
<input type="checkbox"/> Normandy Gator Acquisition N 1						Define

Add Delete

1099 Payers - Setup and Maintenance

1099 Payers

Entity ID

3120

Add Delete

Save Cancel

Setup – T_199PAYERS (1099 Payers)

1099 Payers

Issue 1099s By Company Bank Entity/Entity Groups

	*Payer Name 1	Type of Payer	Payer Federal ID	Payer ID	Oregon Payer	*Entity ID for Payer Address	Entities
<input type="checkbox"/>	Normandy Concord Acquisitic 1			300 Baker	<input type="checkbox"/>	3120	Define
<input type="checkbox"/>	BH Normandy 275 Albany Stre 1			Albany	<input type="checkbox"/>	3095	Define
<input type="checkbox"/>	BH Normandy 399 Grove LLC 1			BH Normandy	<input type="checkbox"/>	3090	Define
<input type="checkbox"/>	WB Normandy 2401 Acquisitic 1			Columbia	<input type="checkbox"/>	0800	Define
<input type="checkbox"/>	Normandy Darien Holdings, LL 1			Darien	<input type="checkbox"/>	3010	Define
<input type="checkbox"/>	Normandy Real Estate Fund A 1			Fund AIV, LP	<input type="checkbox"/>	7200	Define
<input type="checkbox"/>	Normandy Real Estate Fund, I 1			Fund, Inc	<input type="checkbox"/>	7300	Define
<input type="checkbox"/>	Normandy Real Estate Fund, L 1			Fund, LP	<input type="checkbox"/>	7100	Define
<input type="checkbox"/>	Normandy Gator Acquisition I, 1			Gator GE	<input type="checkbox"/>	4010	Define
<input type="checkbox"/>	Normandy Gator Acquisition M 1			Gator Lehman	<input type="checkbox"/>	4080	Define

Add Delete

- A new option has been added to the T_199PAYERS table for payers in the state of Oregon.
- This check box should only be used if the payer is filing for the state of Oregon.

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

1099 Electronic Filing Information

* Transmitter's TIN	123456789	* Transmitter's Control Code	123
Test File Indicator	<input type="text" value="T"/>	Replacement Alpha Character	<input type="text"/>
Foreign Entity Indicator	<input type="text"/>		
Prior Year Data Indicator	<input type="text"/>		
* Transmitter's Name	1099 Example		
Transmitter's Name 2	<input type="text"/>		
* Company Name to Report Process Problems	1099 Example		
Company Name 2	<input type="text"/>		
* Mailing Address	123 Main St.		
* City	Cleveland	* State	OH
		* Zip	44104
* Contact Name if Problem with File or Transmission	Kim Possible		
Contact E-Mail Address	<input type="text"/>		
* Contact Phone Number	2185555555		

Setup – T_199PAYERS (E-Payer Info)

*****Only required if filing electronically*****

Payer Information - Setup and Maintenance

1099 Electronic Filing Information (E-Payer Information)

* Payer ID	Lexington	* Type of Return	A
Payer Federal ID		Transfer Agent	<input type="checkbox"/>
Payer Name Control	LEX	Foreign Payer	<input type="checkbox"/>
Last Filing Indicator	1		
Combined Fed/State	1		
Payer Name 1	Normandy Lexington, LLC		
Payer Name 2			
* Payer Shipping Address	567 Lexington Ave		
* Payer City	New York	State	NY
		Zip	10017
* Payer Phone Number	(212) 555-5555		

- Identifies the e-payer (company) in the electronic file
- One record for each payer

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

Federal/State Combined Table

	State Abbreviation	State Code	1099 Default Amount
<input type="checkbox"/>	AZ	11	800.00
<input type="checkbox"/>	NE	28	750.00

Processing 1099's

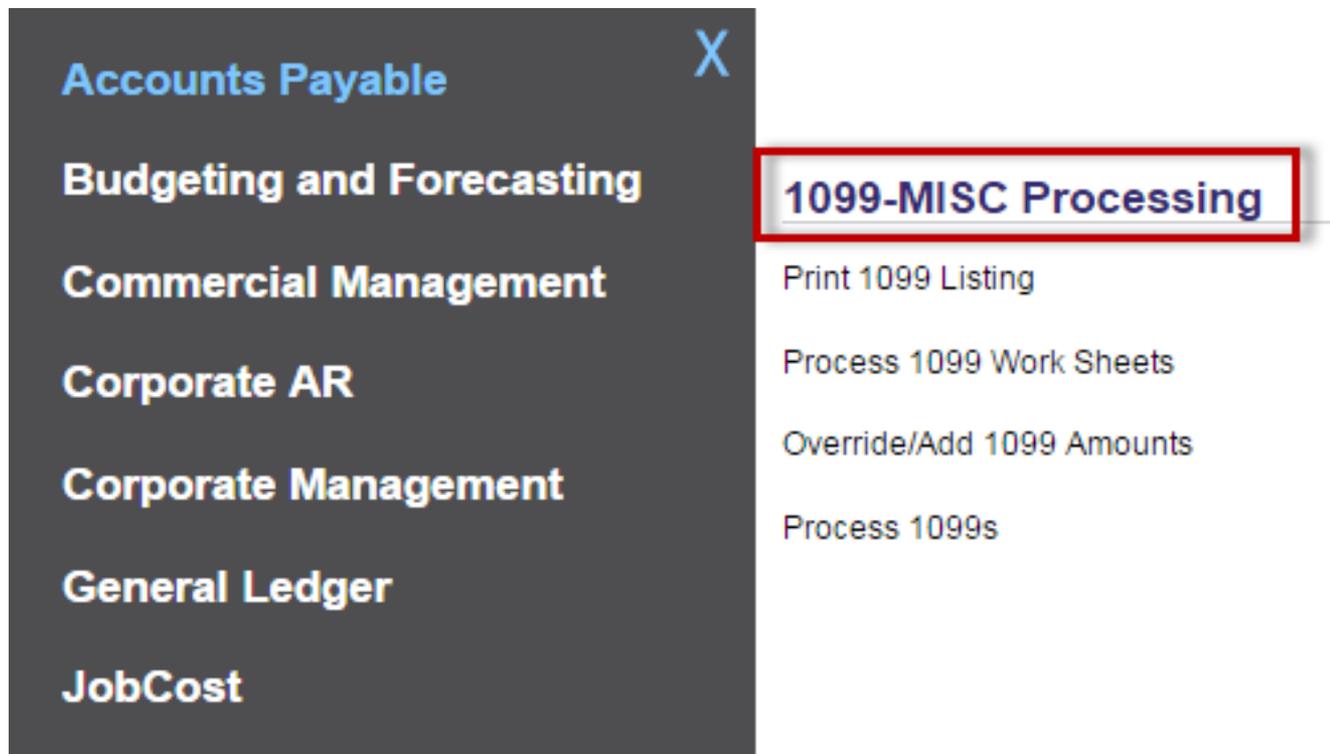
To process 1099's the following steps are recommended:

1. Preview Report – this will generate the preview list of vendors and the amounts to report for 1099's
2. Worksheet Report– provided as a utility for a user to adjust the amounts that will appear on 1099's
Overrides – manually override amounts on 1099's
Worksheet Exception Report – generated if overrides are performed
3. Generate 1099's – this 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 1099's click Accounts Payable >
1099-MISC Processing



The screenshot shows a dark grey menu with a white 'X' in the top right corner. The menu items are listed vertically: Accounts Payable, Budgeting and Forecasting, Commercial Management, Corporate AR, Corporate Management, General Ledger, and JobCost. A red rectangular box highlights the '1099-MISC Processing' option, which is positioned to the right of the 'Budgeting and Forecasting' menu item. Below this highlighted option, a list of sub-options is visible: Print 1099 Listing, Process 1099 Work Sheets, Override/Add 1099 Amounts, and Process 1099s.

- Accounts Payable
- Budgeting and Forecasting
- Commercial Management
- Corporate AR
- Corporate Management
- General Ledger
- JobCost

- 1099-MISC Processing
 - Print 1099 Listing
 - Process 1099 Work Sheets
 - Override/Add 1099 Amounts
 - Process 1099s

Preview Report

- Allows user to preview the data in the system that is set to be reported
- Data to be checked on this report include:

Fed. ID (formatting)
 Amounts
 Address
 Payee Type

MRI_1099LST - Report Options

1099 Preview Listing

Style: Last Run Options Save Style Save Style As Remove Style

All
 Include List
 Exclude List
 Range

Select by: 1099 Payers

Payer Id	Payer Name 1

Add Clear

Recipients Setup

Export a copy on Run Report

PDF
 Excel with page layout
 Excel with table layout

Run Report Schedule Cancel

Payee Type

Vendor
 Entity
 All

Display Options

Include Vendors with amounts less than minimum
 Print Vendor only if 1099 is required

1099 Year

2016 Year (YYYY)

1-21 MRI_1099LST 1 of 4 100%

Database: CL_X4	1099 Preview Listing	Page: 1
Tax Year: 2007	CL_X4	Date: 1/2/2017
Payer Federal Id: Foreign Entity	Sample Payer	Time: 9:45 PM

Vendor Number	Vendor Name	Payee Type	Federal Id Number	Filing Status	Original Amount	Worksheet Amount
051501	1501 Joint Venture 3901 N. Mesa, Suite 200A El Paso, TX 79902	Property Payee	12-3456789	Y	241.21	0.00
05AD01	ADT Security Services PO Box 371956 Pittsburgh, PA 15250	Vendor		N	2,156.00	0.00
05AM03	American Building Maintenance 2632 W. 10th Place Tempe, AZ 85281	Vendor		N	209,000.00	0.00



Worksheet Report

- Generates a report just like the Preview Report
- Saves data to the T_199WKSH table
 - Allows the data to be overridden if necessary
 - Overrides can be made from Override/Add 1099 Amounts

MRI_1099WKSH - Report Options

1099 Work Sheet Preview

Style:

All Include List Exclude List Range

Select by:

Bank ID	Bank Name

Recipients Setup

Export a copy on Run Report

PDF

Excel with page layout

Excel with table layout

Payee Type

Vendor

Entity

All

Display Options

Include Vendors with amounts less than minimum

Save Work Sheets

Save

1099 Year

Year (YYYY)

T_199WKSH (Override Data)

- Click on a PayerID to enter an override amount
- Click on Add to add a record
- Vendor must exist in the system

1099 Worksheet (Select Worksheet)

Payer ID	Vendor ID	Payment Year	Payer Federal ID	Vendor Federal ID	Calculated 1099 Amount
<input type="checkbox"/> 01	05JE02	2006			
<input type="checkbox"/> 01	05LA03	2006			
<input type="checkbox"/> 01	05MP01	2006			
<input type="checkbox"/> 01	05PH04	2006			
<input type="checkbox"/> 01	05PM01	2006			
<input type="checkbox"/> 01	05UN01	2006			
<input type="checkbox"/> 01	05WE09	2006			

1099 Work Sheet

Override/Add 1099 Amounts

* Payer ID 01
Payer Name Sample Payer
Payer Federal ID
* Payment Year 2006
* Vendor ID 05JE02
Vendor Name JEN - RE - CO
Vendor Federal ID
Bank ID
Entity ID
Calculated Amount 1,200.00
Override Amount 450
Created Manually N

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

Worksheet Exception Report

- If changes have been made, only **Worksheet Exception Report** should be run
 - Displays all changes saved in the T_199WKSH table
- Re-running the **Worksheet Report** with **Save** option checked will clear all data in the T_199WKSH table

1-8 MRI_1099WSEP 1 of 1					
Database: CL_X4		1099 Work Sheet Exception Report		Page: 1	
Tax Year: 2006		CL_X4		Date: 1/2/2017	
Payer Federal ID: All 1099's shown		Sample Payer		Time: 10:00 PM	
Vendor Number	Vendor Name	Federal Id Number	Original Amount	New Amount	Difference
05JE02	JEN - RE - CO P.O. Box 65352 Salt Lake City, UT 84165-0352		1,200.00	450.00	-750.00
05LA03	Lawyer Trane 3040 So. Valley View Blvd. Las Vegas, NV 891027875		100.00	100.00	
05MP01	San Jose Med Plaza Assoc 4420 Connecticut Ave NW Washington, DC 20008		100.00	100.00	
05PH04	Phoenix Regional Medical Center 1947 East Thomas Rd. Phoenix, AZ 85016		450,000.00	450,000.00	
05PM01	PM Realty Group 910 Travis Ste. 1000 Houston, TX 77002		98,158.20	98,158.20	
05UN01	Universal Building Services 3120 Pierce Street Richmond, CA 94804		1,050.00	1,050.00	
05WE09	Western Exterminator Company PO Box 11881 Santa Ana, CA 92711-1881		12,600.00	12,600.00	
TOTALS			563,208.20	562,458.20	-750.00

Generate 1099's

- **Generated on paper or electronically**
 - If electronically, file path needs to be specified
 - If on paper, 1099-MISC form is selected from Alternate Form dropdown
 - 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

Generate 1099s for all fedid types

Style:

All Include List Exclude List Range

Select by:

Payer Id	Payer Name 1

Recipients Setup

Export a copy on Run Report

PDF

Excel with page layout

Excel with table layout

Payee Type

- Vendor
- Entity
- All

1099 Year

Year (YYYY)

Alternate Form

Output Type

- Print 1099-MISC Forms Print Alignment Only
- Write to Electronic File

Display Options

- Include Vendors with amounts less than minimum
- Include Vendor Name 2 in recipient's name box

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-MISC form is 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
 - FDST – Federal/State Combined

Review

Recommended steps for processing:

- Preview Report
- Worksheet Report
 - Changes can be made in the T_199WKSH table/view
- Worksheet Exception Report
- 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)

Important Links

- **Ordering 1099-MISC Forms from MRI**
<http://www.mrisoftware.com/order-supplies/>
- **All 1099 Information**
<http://www.mrisoftware.com/form1099/>

Thank you!

Please contact MRI Support via our myMRI Client Portal or phone for questions and issues related to 1099 Setup and Processing:

<http://myMRI.mrisoftware.com>

or

(877) 579-8896