

# 1099 WINDOWS SETUP AND PROCESSING

Tax Year 2021

# AGENDA

## 1099 Windows Setup and Processing

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



# 1099 OVERVIEW

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# 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
- 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

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	<b>2021</b>	<b>Nonemployee Compensation</b>	
		Form <b>1099-NEC</b>			
PAYER'S TIN	RECIPIENT'S TIN	<b>1</b> Nonemployee compensation \$		<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> <small>For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.</small>	
RECIPIENT'S name		<b>2</b> Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
Street address (including apt. no.)		<b>3</b>			
City or town, state or province, country, and ZIP or foreign postal code		<b>4</b> Federal income tax withheld \$			
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	<b>5</b> State tax withheld \$	<b>6</b> State/Payer's state no.		<b>7</b> State income \$
		\$			\$
		\$			\$

Form **1099-NEC**      Cat. No. 72590N      [www.irs.gov/Form1099NEC](http://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

*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. For more information, consult IRS.gov or your tax attorney*

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	2021	Miscellaneous Information	
				\$	Form 1099-MISC			
PAYER'S TIN                      RECIPIENT'S TIN				2 Royalties	4 Federal income tax withheld			Copy A For Internal Revenue Service Center
				\$	\$			
RECIPIENT'S name				3 Other income	6 Medical and health care payments	File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2021 General Instructions for Certain Information Returns.		
				\$	\$			
Street address (including apt. no.)				5 Fishing boat proceeds	8 Substitute payments in lieu of dividends or interest			
				\$	\$			
City or town, state or province, country, and ZIP or foreign postal code				7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	10 Gross proceeds paid to an attorney			
				\$	\$			
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>	2nd TIN not. <input type="checkbox"/>	9 Crop insurance proceeds	12 Section 409A deferrals			
				\$	\$			
Form 1099-MISC                      Cat. No. 14425J                      www.irs.gov/Form1099MISC                      Department of the Treasury - Internal Revenue Service				13 Excess golden parachute payments	14 Nonqualified deferred compensation			
				\$	\$			
Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page				15 State tax withheld	16 State/Payer's state no.	17 State income		
				\$	\$	\$		

# HOW AND WHEN TO FILE



- If payments are reported on 1099-NEC, paper forms and electronic files are due by **1/31/2022**
- If payments are reported on 1099-MISC:
  - Paper filings are due **2/28/2022**
  - Electronic filings are due **3/31/2022**
- If filing more than 250 1099's, electronic filings are required.

# 1099 WINDOWS SETUP

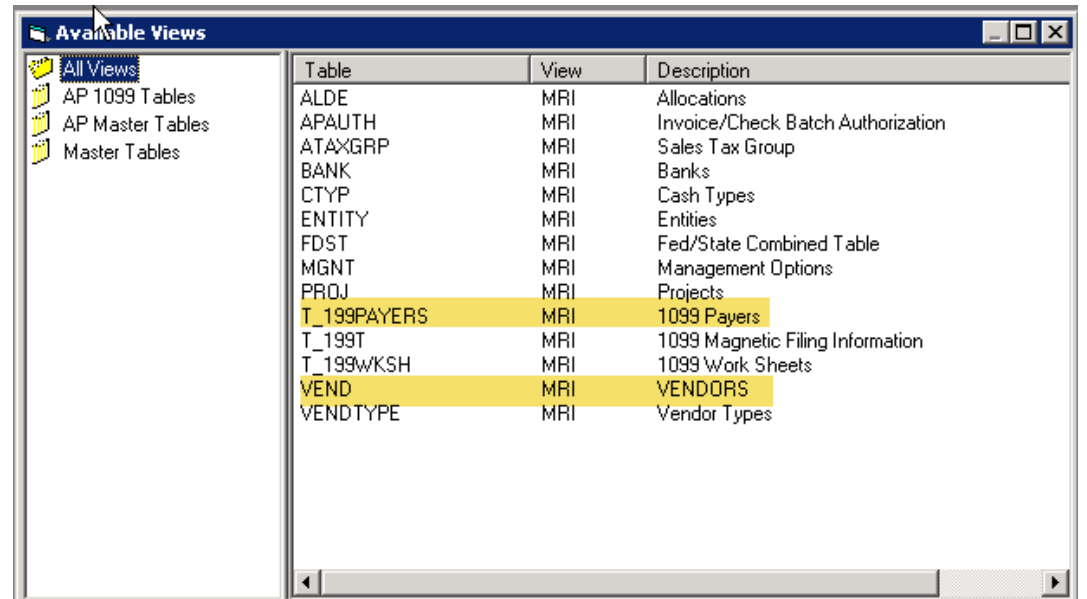
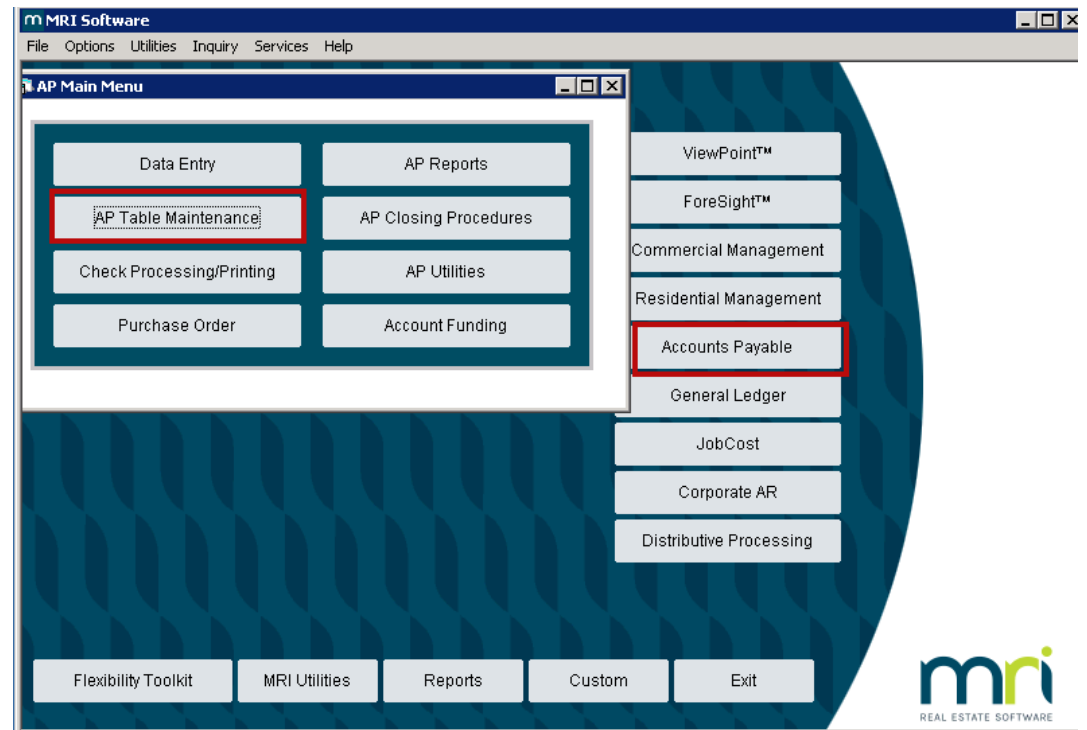
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# SETUP

## 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 features a tree view on the left with 'All Views', 'AP 1099 Tables', 'AP Master Tables', and 'Master Tables'. The main area is a table with columns for 'Table', 'View', and 'Description'. The table lists various tables and their corresponding views and descriptions.

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 the 'Vendors' setup window with the following details:

- Vendor Id:** BANKS
- Vendor Name 1:** Banks and Associates PC
- Address:** 5400 Silver Lake
- City:** Holland, **State:** MI, **Zip:** 43785
- Contact Name:** Robert Stokes
- 1099 Reporting:**  1099 Required,  1099 Attorney Fees
- Payee Type:** Vendor (dropdown)
- Type of Tax Payer:** Business / Corporation (dropdown)
- Federal ID Number:** 99-9999999
- Status:**  Active,  Inactive
- Buttons:** Payment Distribution, Attributes
- Other Fields:** Allow Deletion, Home Office Use Only, Foreign Country, Wire Disbursements to CM, Vendor Priority Id, Vendor Type, Insurance Certificate Expiration, Default Account Number (MR62800000), Default Reference (Accounting Services), P. O. Terms, P. O. Approval Limit, Discount Allowed, Term-1/2/3 Days and Disc %.

# SETUP – GACC (CHART OF ACCOUNTS)



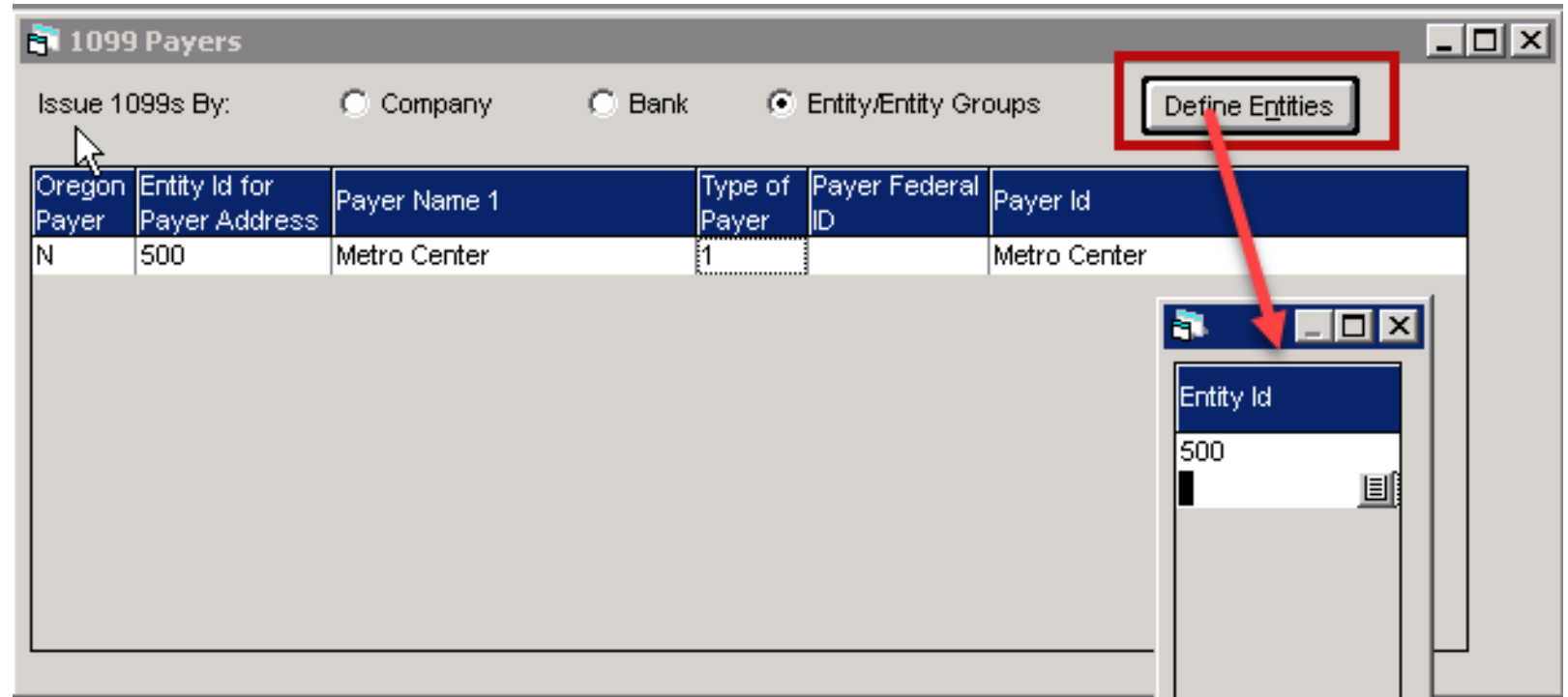
- 1099 Acct field
  - Payments made to this account number are included in 1099 processing
  - Y = includes payments made
  - N = will not include payments made

Account Number	Account Name	Account Type	1099 Acct	DP Restrictions	Basis Control Type	Date of Last Change
1001-0000	REAL ESTATE	L	Y			1/25/2008 6:54:43 AM
1002-0000	LAND AND LAND IMPROVEM	L	Y			1/25/2008 6:54:43 AM
1100-0000	Land	B	Y			1/25/2008 6:54:43 AM
1101-0000	Land Improvements	B	Y			1/25/2008 6:54:43 AM
1102-0000	Accum Deprec Land Improv	B	Y			1/25/2008 6:54:43 AM
1130-0000	BUILDING AND IMPROVEMEN	L	Y			1/25/2008 6:54:43 AM
1131-0000	Building	B	Y			1/25/2008 6:54:43 AM
1132-0000	Accum Deprec Building	B	Y			1/25/2008 6:54:43 AM
1135-0000	Building Improvements	B	Y			1/25/2008 6:54:43 AM
1136-0000	Accum Deprec Bldg Improv	B	N			12/2/2014 11:56:48 AM
1140-0000	Tenant Improvements	B	Y			1/25/2008 6:54:43 AM
1141-0000	Accum Deprec Tenant Impro	B	Y			1/25/2008 6:54:43 AM
1145-0000	Lease Commissions	B	Y			1/25/2008 6:54:43 AM
1146-0000	Accum Amort. Lease Commi	B	Y			1/25/2008 6:54:43 AM
1150-0000	Construction In Progress	B	Y			1/25/2008 6:54:43 AM
1158-0000	Fair Value Adjustment	B	Y			1/25/2008 6:54:43 AM
1160-0000	FURNITURE, FIXTURE AND E	L	Y			1/25/2008 6:54:43 AM
1161-0000	Furniture and fixtures	B	N			12/2/2014 11:56:48 AM
1162-0000	Accum Deprec Furniture an	B	N			12/2/2014 11:56:48 AM
1163-0000	Computer Equipment	B	Y			1/25/2008 6:54:43 AM
1164-0000	Accum Deprec Computer Ec	B	Y			1/25/2008 6:54:43 AM
1200-0000	INVESTMENT IN PARTNERSH	L	Y			1/25/2008 6:54:43 AM
1200-1000	Investment in A	B	Y			1/25/2008 6:54:43 AM
1200-2000	Investment in B	R	Y			1/25/2008 6:54:43 AM

# 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 (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

Magnetic 1099 Filing Information

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

Test File Indicator:  T      Replacement Alpha Character:

Foreign Entity Indicator:

Prior Year Data Indicator:

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

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# PROCESSING 1099'S



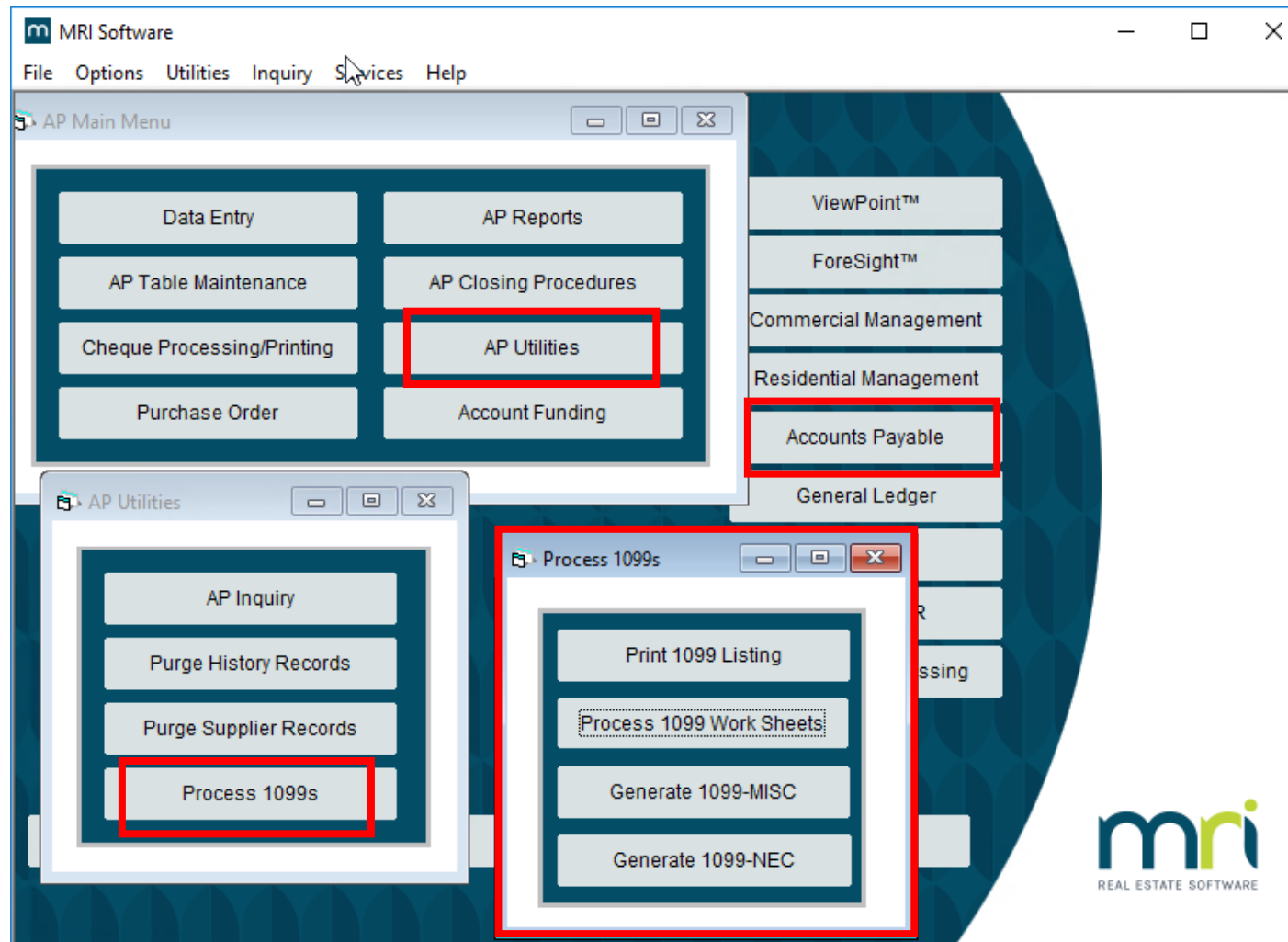
- To process 1099's the following steps are recommended:
  - 1099 Preview Listing Report
    - Review data for accuracy
  - If changes are necessary, Process 1099 Worksheets
    - Override/Add 1099 Amounts
    - Rerun 1099 Listing Report – confirm all changes
- Generate 1099-NEC and 1099-MISC – will 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 [CM On Boarding \*DO NOT USE\*]

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: 2021

Include Vendors

Print Vendors only if 1099 required

Exclude Virtual Credit Card Payments

# 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.

Vendor Number	Vendor Name	Payee Type	Federal Id Number	Filing Status	Manual Worksheet	Original Amount	Worksheet Amount	Reporting Amount
AJAX	AJ Legal Settlement Services 9901 Barber Street Cleveland, OH 44445	Vendor	12-3456789	Y	N	200.00	1,200.00	1,200.00
COLG	Columbia Gas 1235 South Granger Road North Ridge, OH 44225	Property I	12-3456789	Y	N	10,199.04	10,199.04	10,199.04

Database: CMMASTER  
Tax Year: 2021  
Payer Federal Id: 50-0555555

1099 Preview Listing  
CM On Boarding \*DO NOT USE\*  
Five Hundred

Page: 1  
Date: 12/15/2021  
Time: 03:59 PM

# 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

File Edit Style Options Help

Report: MRI\_1099WKSH 1099 Work Sheet Preview

Style: @

Output

Video  Printer  E-mail  Html

Archive Report

Selection

All  Range  Include List  Exclude List

Payee Type:  Vendor  Entity  All

Year: 2020

Include Vendors with amounts less than minimum

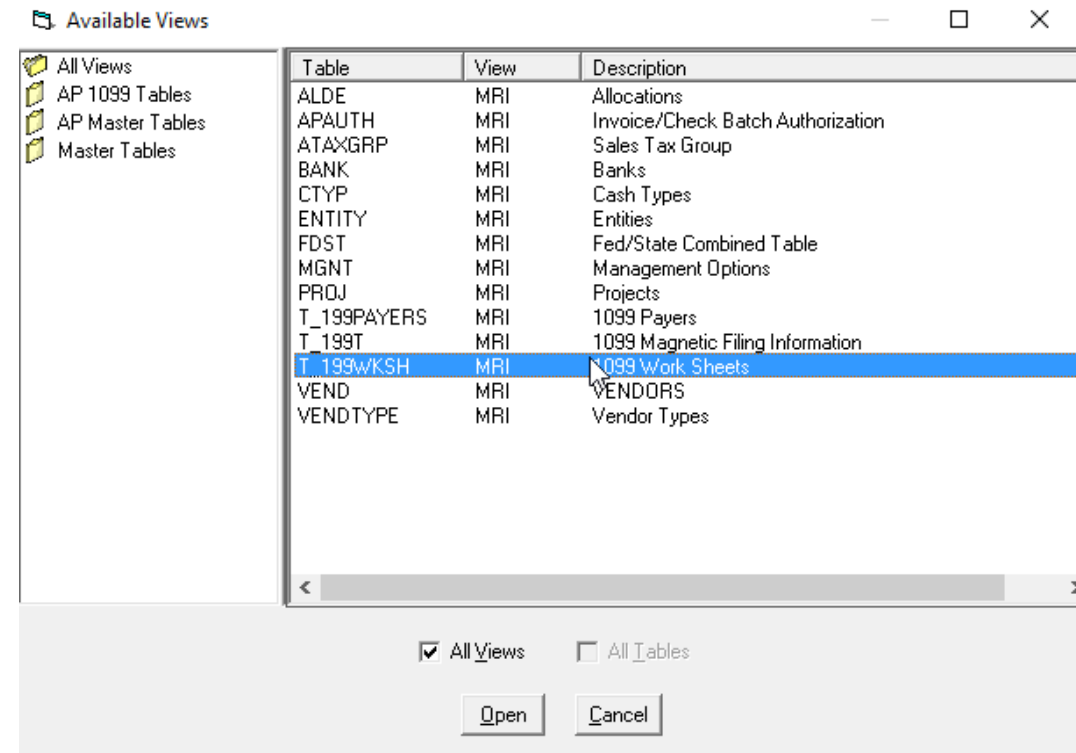
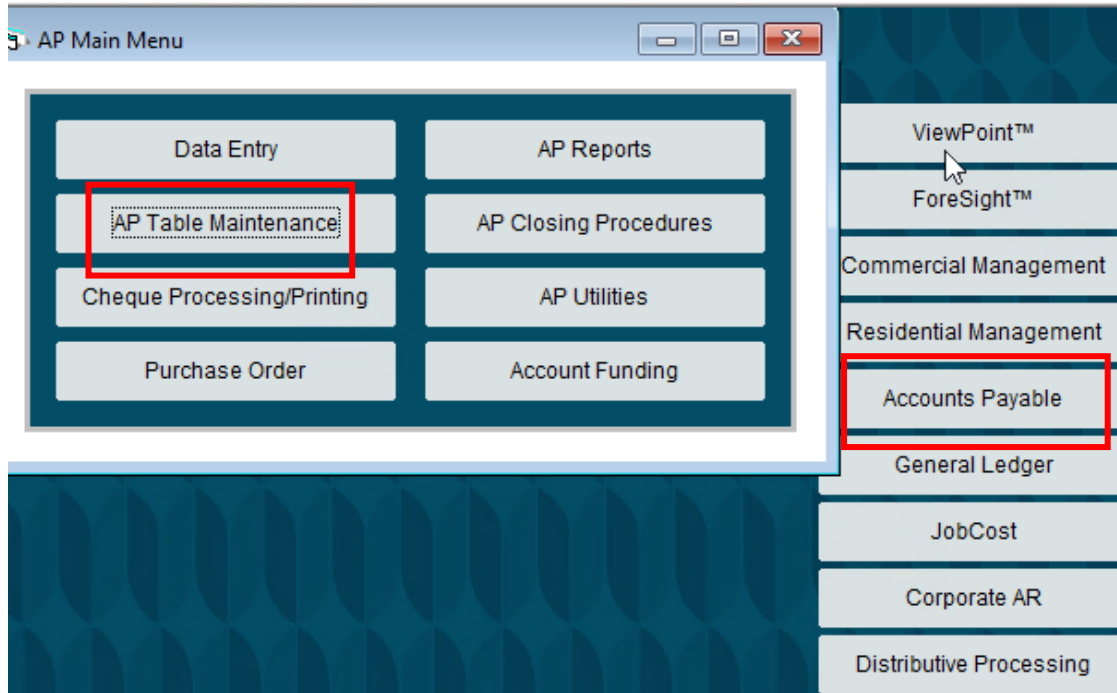
Exclude Virtual Credit Card Payments

Save Work Sheets

# T\_199WKSH (OVERRIDE DATA)

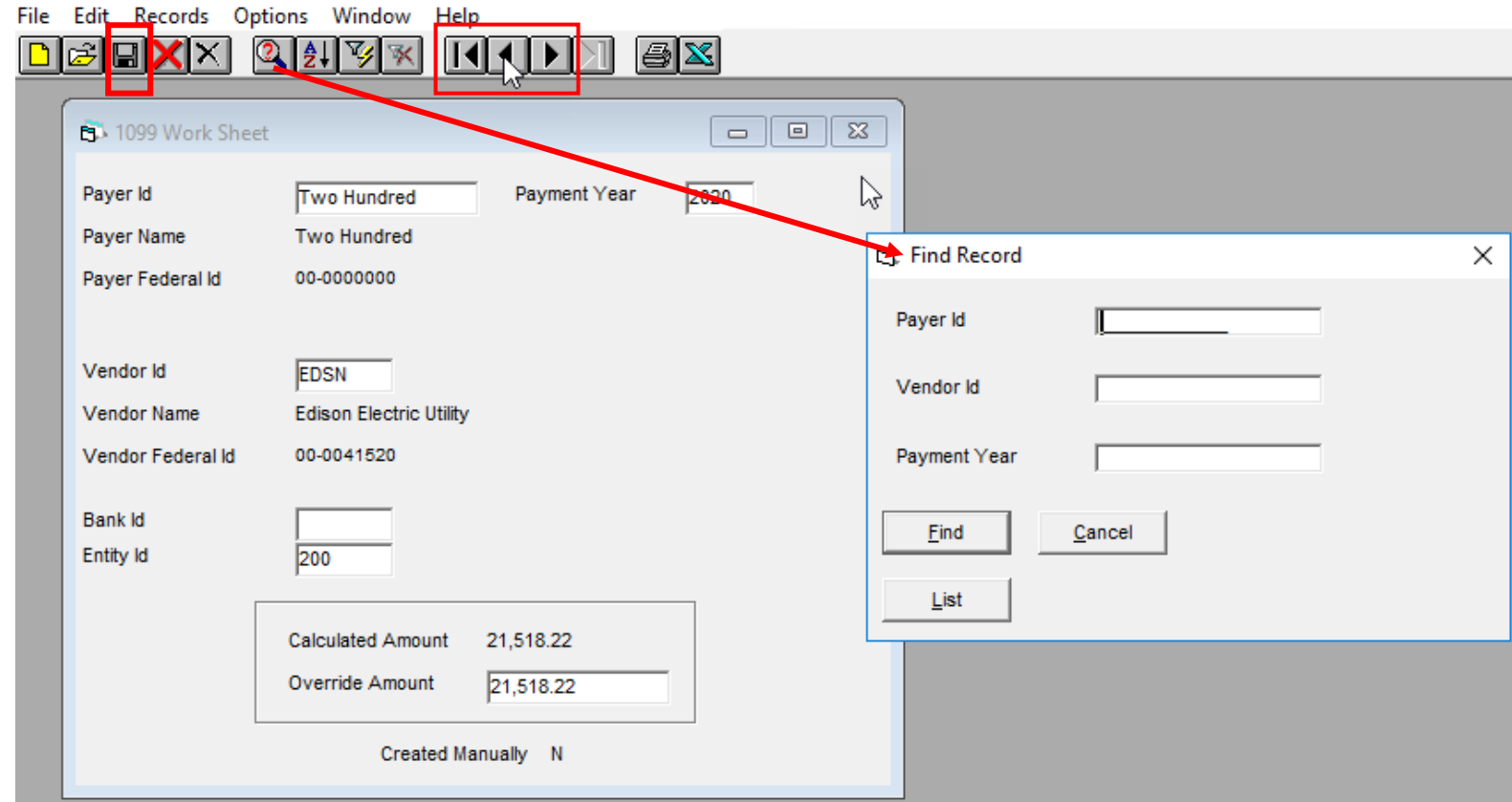


To access the Worksheets, click Accounts Payable > AP Table Maintenance > T\_199WKSH



# 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

**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	Tenant	12-3456781	Y	N	14,990.00	7,000.00	7,000.00
COLL	Collins Elevator Repair 6358 Granger Road Independence, OH 45454	Property F	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

# 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 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

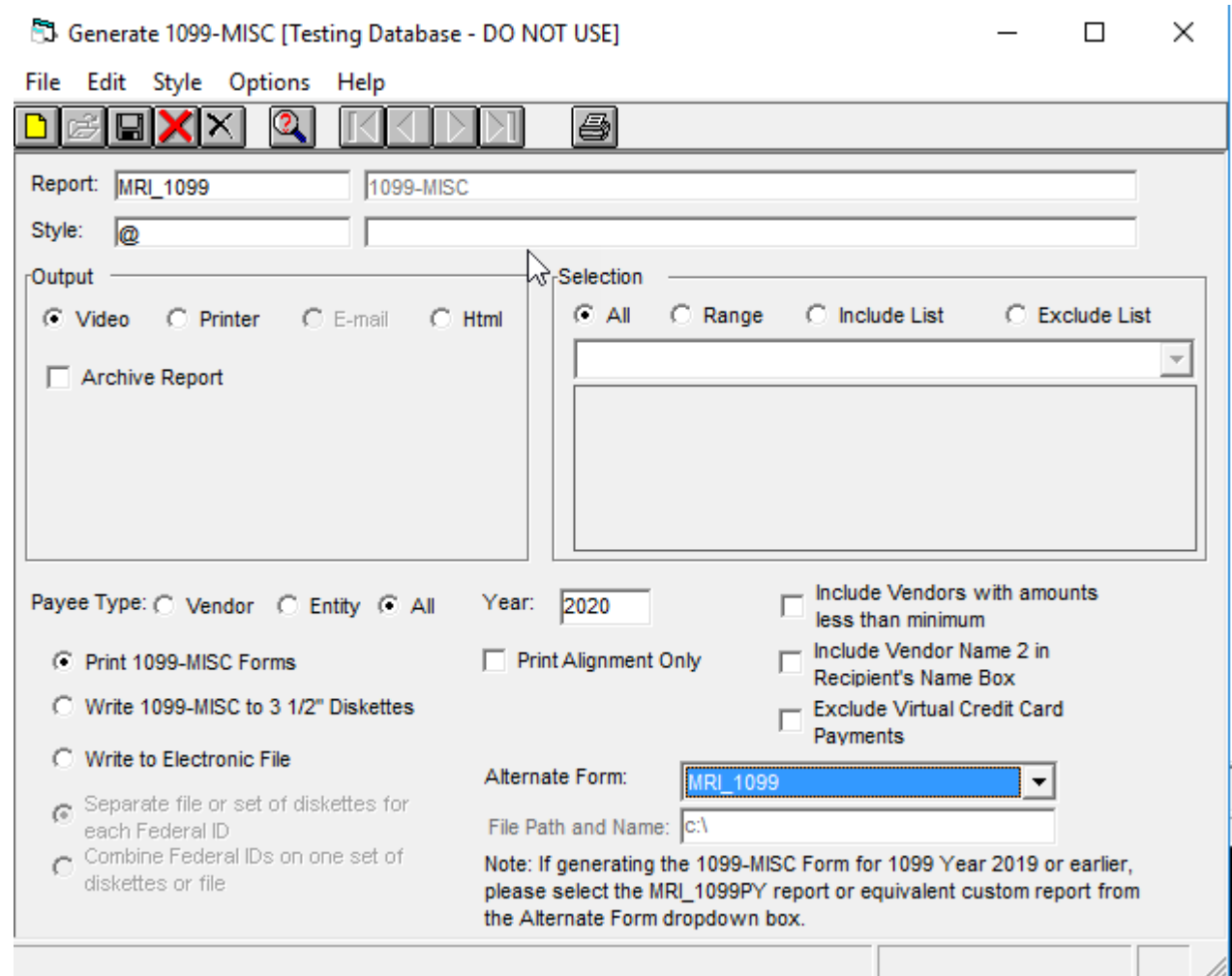
# 1099-MISC

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



# 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

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# 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](https://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**