1099
PLATFORM X
SETUP AND
PROCESSING

Tax Year 2022

REAL ESTATE SOFTWARE

AGENDA

1099 Web Setup and Processing

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

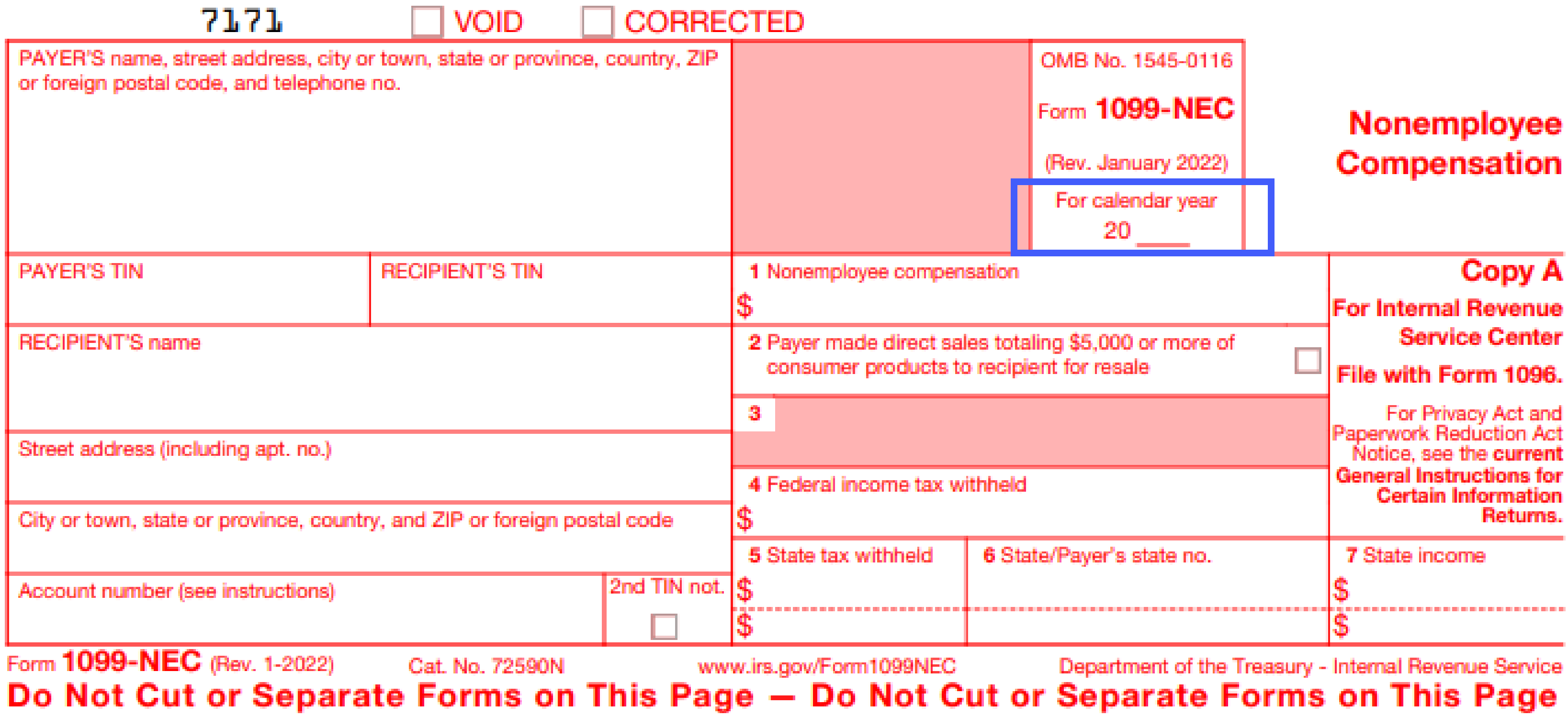
1099 OVERVIEW

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 and1099-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
- 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 ___

Nonemployee Compensation

PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation $

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.**

RECIPIENT'S name

2 Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale

3

Street address (including apt. no.)

4 Federal income tax withheld $

City or town, state or province, country, and ZIP or foreign postal code

Account number (see instructions)

2nd TIN not.

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

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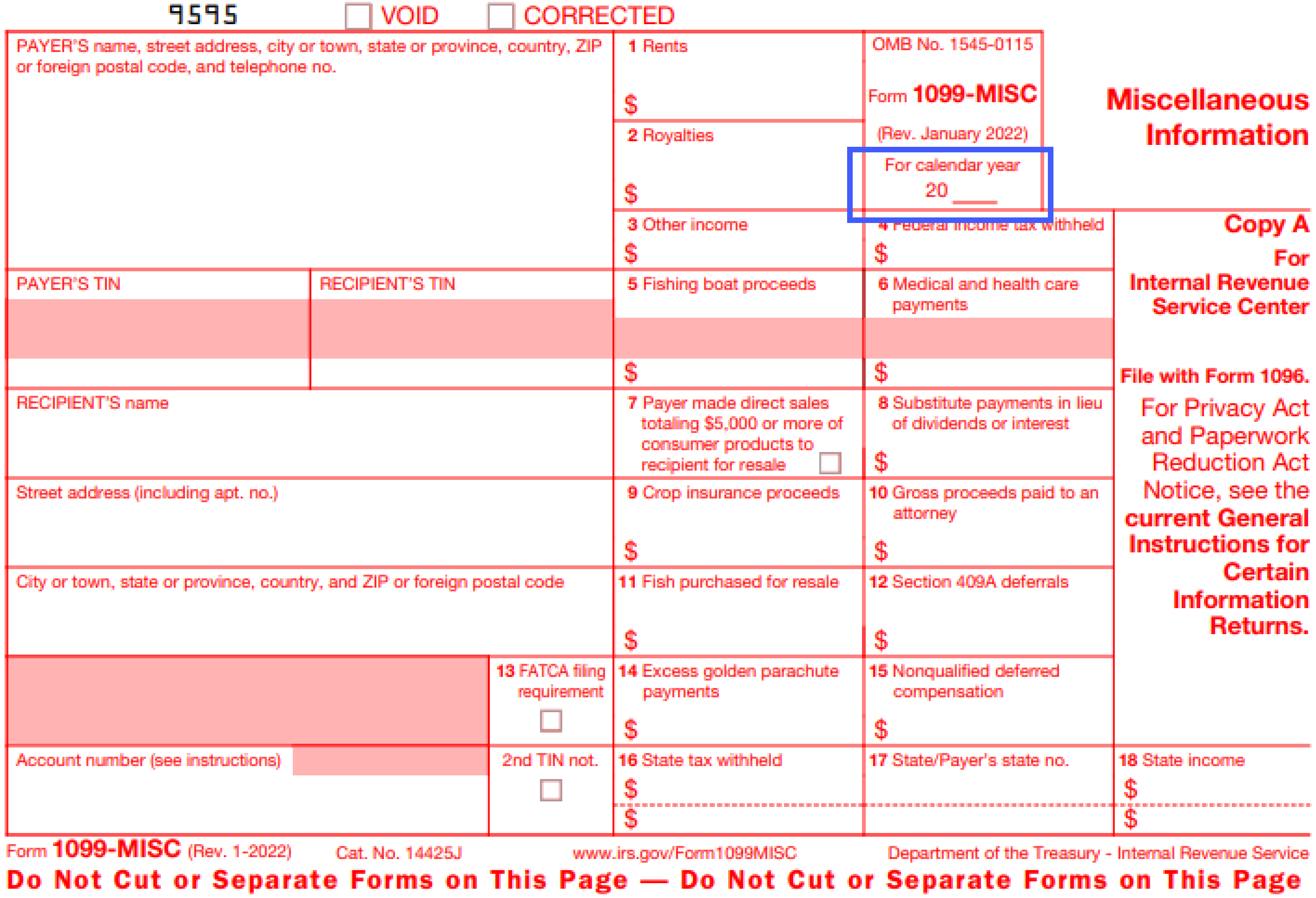
1099-MISC FORM

- 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 long 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 $

2 Royalties $

OMB No. 1545-0115

Form 1099-MISC (Rev. January 2022)

For calendar year 20__

Miscellaneous Information

3 Other income $

4 Federal income tax withheld $

Copy A For Internal Revenue Service Center

PAYER'S TIN

RECIPIENT'S TIN

5 Fishing boat proceeds $

6 Medical and health care payments $

File with Form 1096.

RECIPIENT'S name

7 Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale ☐

8 Substitute payments in lieu of dividends or interest $

For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.

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 $

13 FATCA filing requirement ☐

14 Excess golden parachute payments $

15 Nonqualified deferred compensation $

Account number (see instructions)

2nd TIN not. ☐

16 State tax withheld $ $

17 State/Payer's state no.

18 State income $ $

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

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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 **1/31/2023**

- If payments are reported on 1099-MISC:
  - Paper filings are due **2/28/2023**
  - Electronic filings are due **3/31/2023**

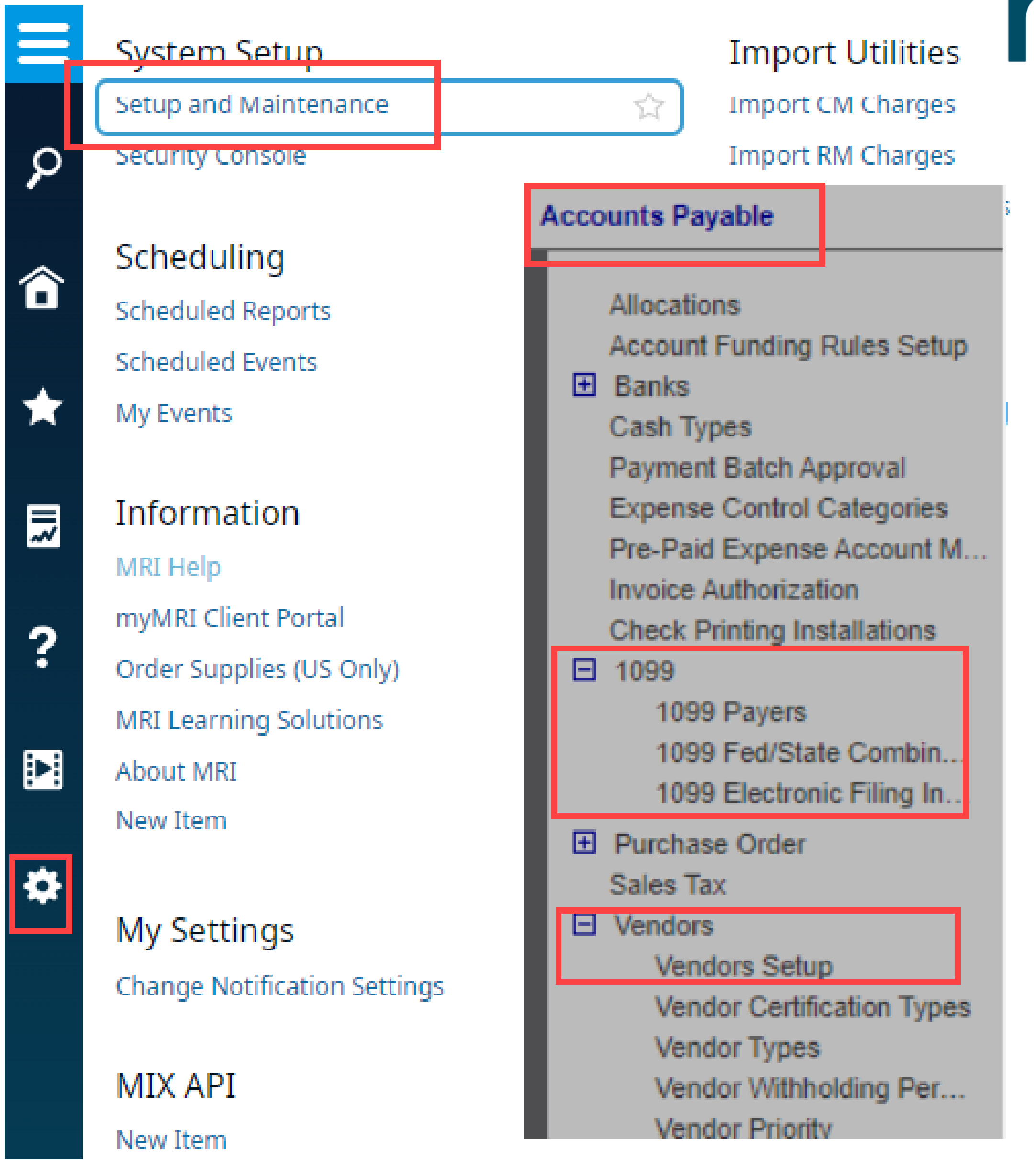
- If filing more than 250 1099's, electronic filings are required.

1099 WEB SETUP

SETUP

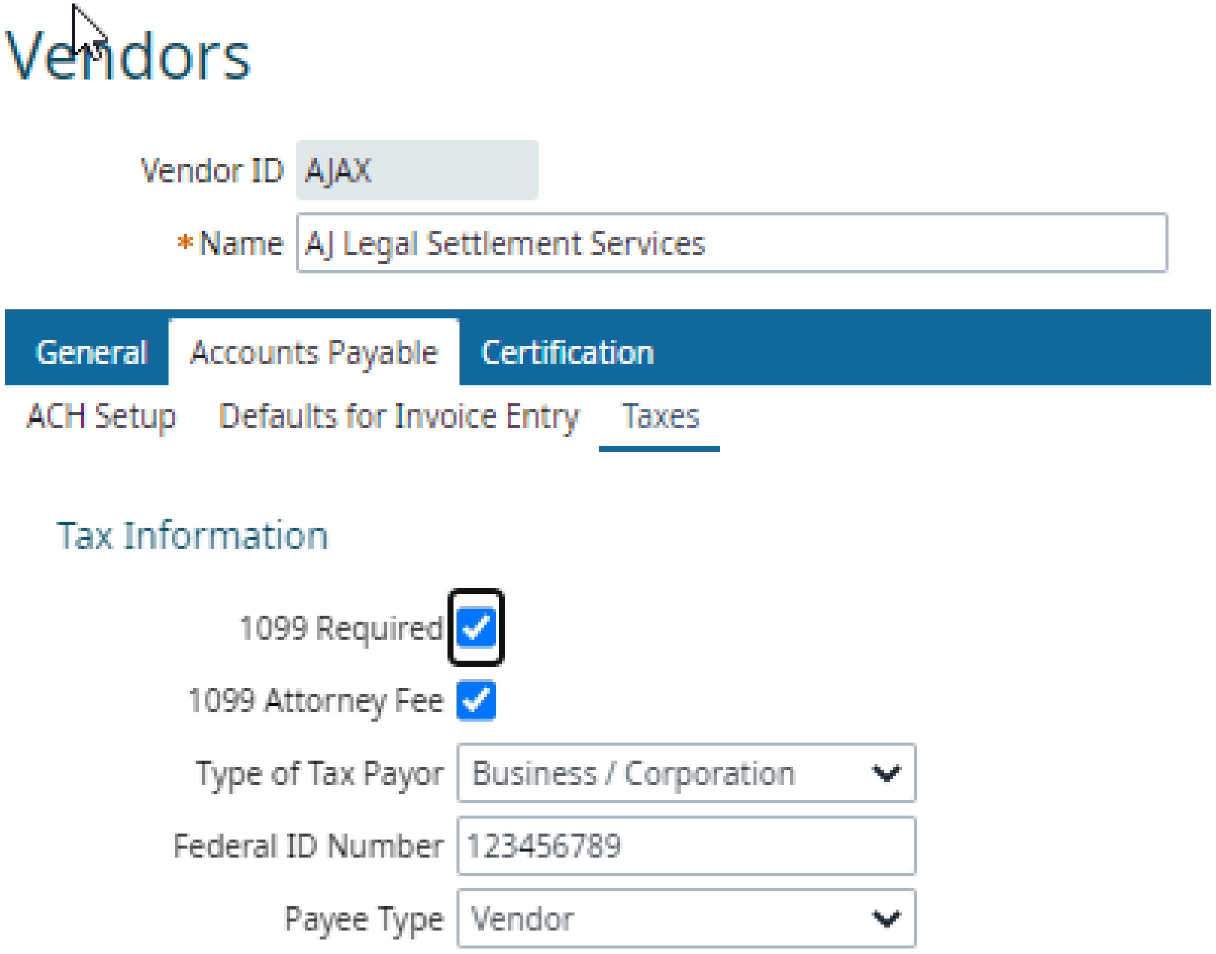
Setup and Maintenance > Accounts Payable

- 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)



SETUP- VEND (VENDORS)

- Vendor should be active
- Check boxes
  - Indicate vendor should receive a 1099 and what type
  - Whether they will report attorney payments in box 10 on 1099-MISC
- 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 and form)
  - Property Payee – box 1 1099-MISC
  - Vendor/Tenant – box 1 1099-NEC



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: MR — MRI DEFAULT

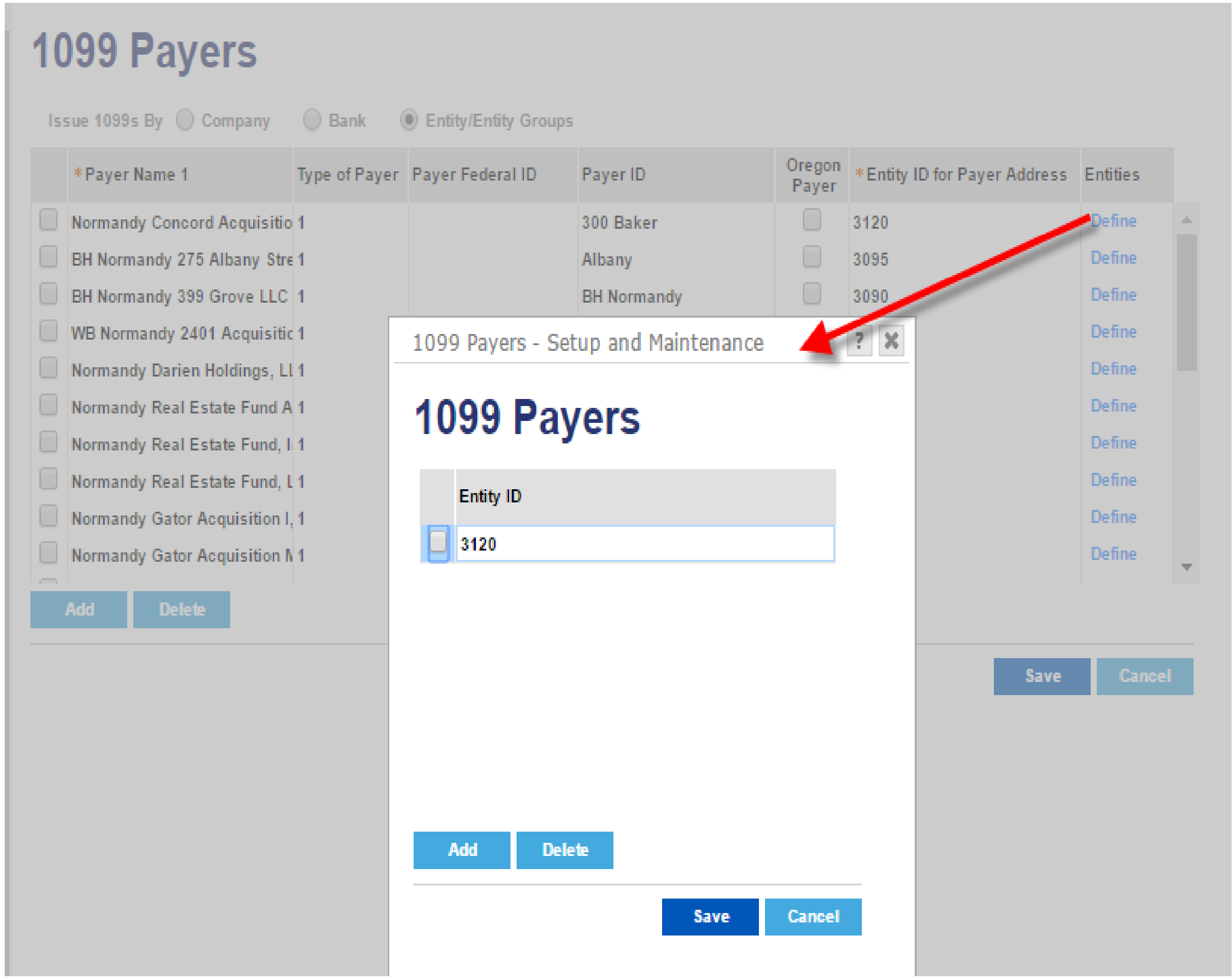
Account Number: 　 Account Name: 　 Search

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

Add　Delete　Page 1 of 2 Go　Retained Earnings Account Number 3901-0000

SETUP – T_199PAYERS (1099 PAYERS)

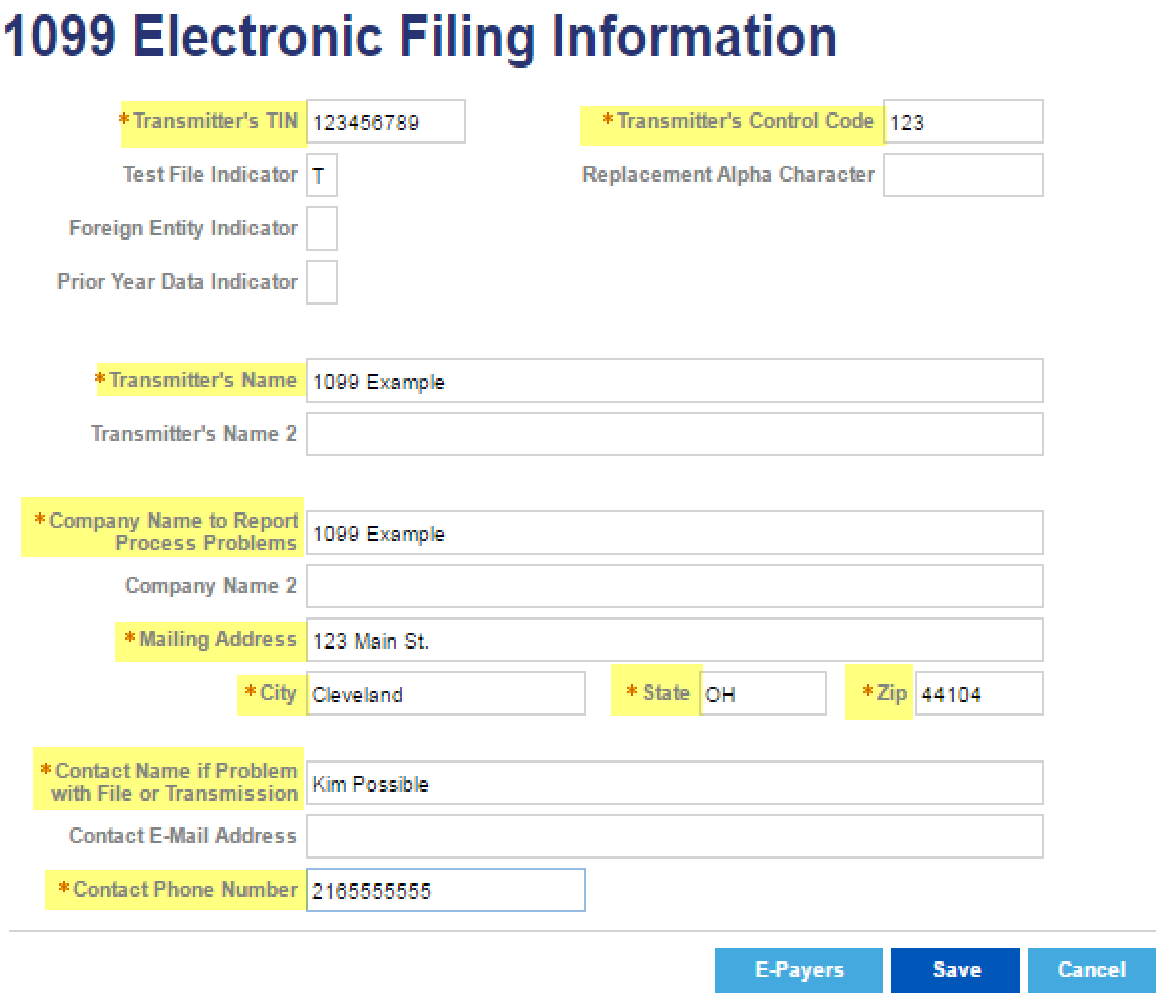
- This identifies the payer and the Payers Fed. ID #
- This information shows on the 1099 form under Payer's information
- A company can choose to report by Company Name, Bank or Entity/Entity Group
  - If reporting by Entity Group, you must select the Define Entities button
- Check 'Oregon Payer' box if the payer is filing for the state of Oregon.



SETUP – T_199PAYERS (TRANSMITTER INFO)

Only required if filing electronically

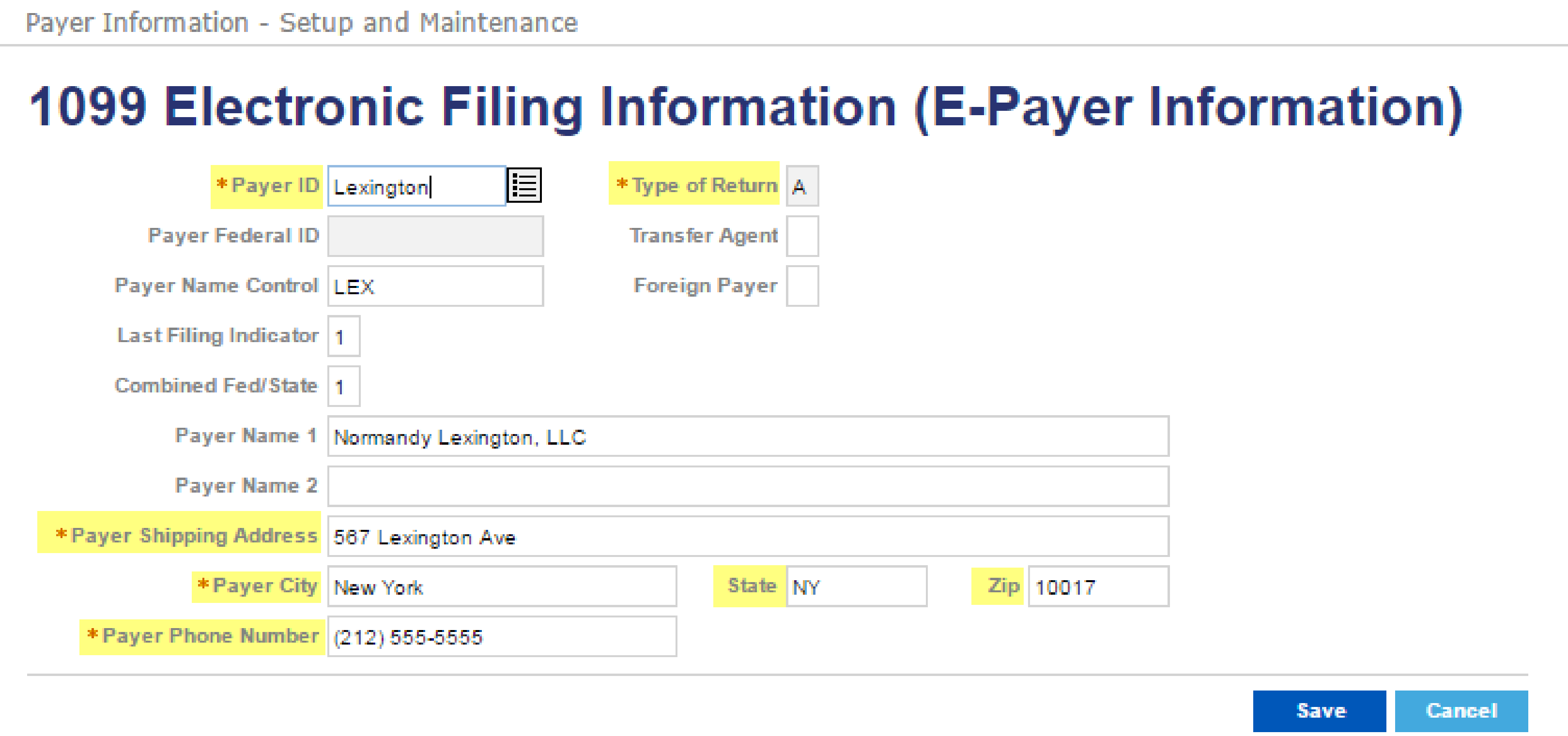
- Electronic File Name and Transmitters Media Number fields are no longer used
- Transmitter may be the company or a service provider
- Transmitter’s TIN is the Fed ID number of the Transmitter
- Transmitter Control Code
  - Supplied by the IRS



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
  - Payer must be set up on the T_199PAYERS table first



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
☐	AZ	11	800.00
☐	NE	28	750.00

1099 WEB PROCESSING

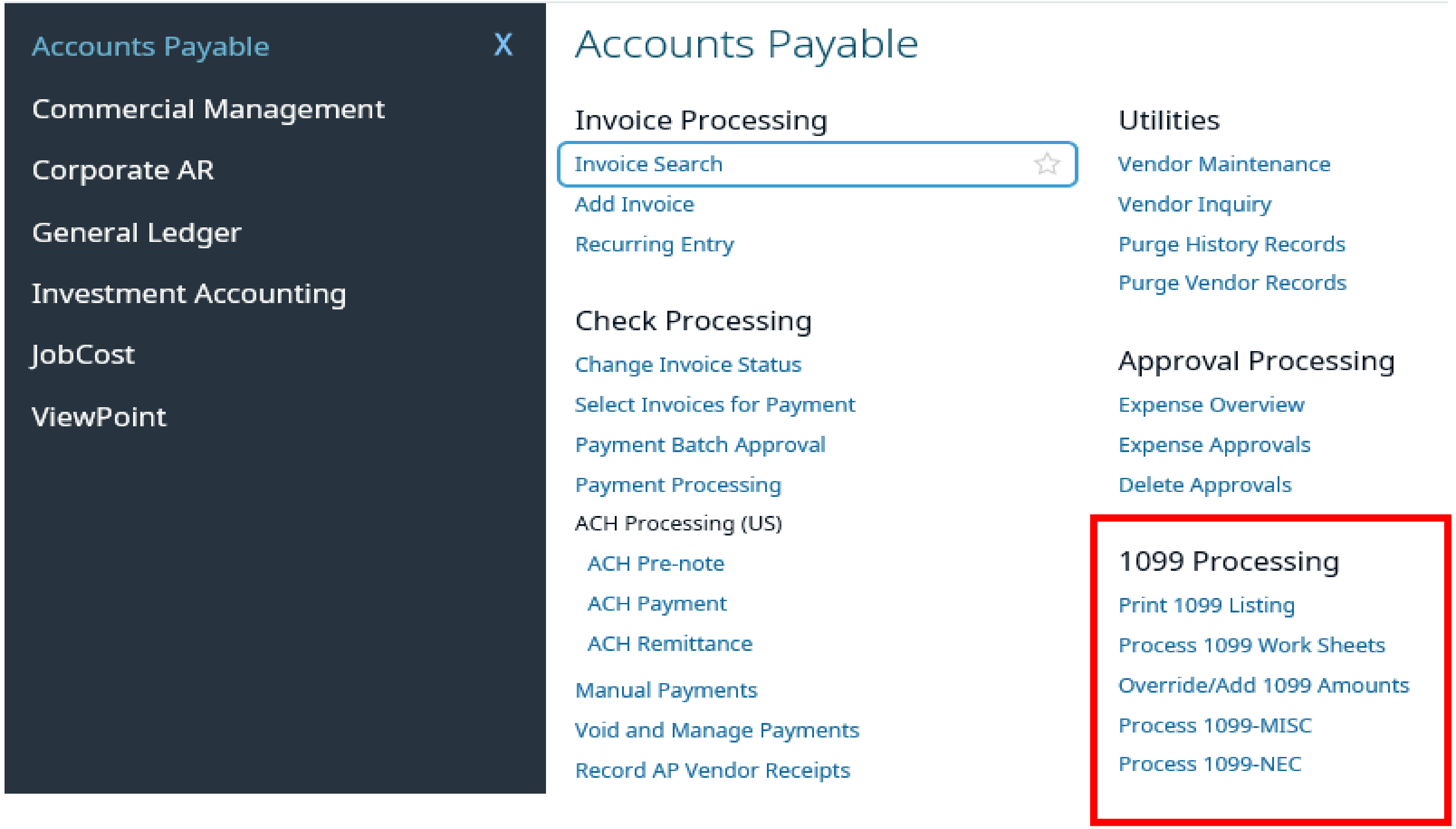
PROCESSING 1099'S

- To process 1099's the following steps are recommended:
  - Print 1099 Listing
    - 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

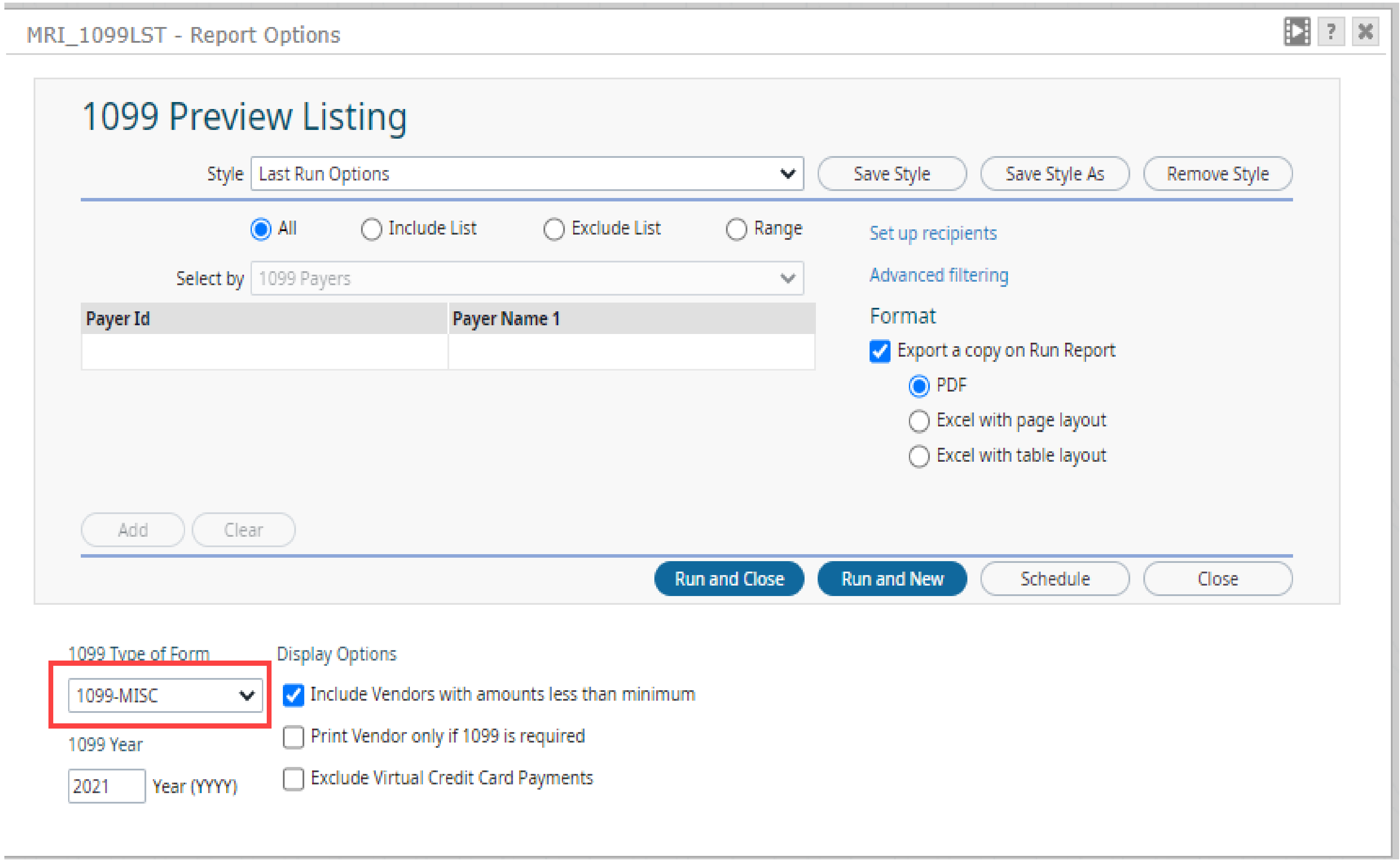
PROCESSING 1099'S

To process 1099's click Accounts Payable > 1099 Processing



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.



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

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

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

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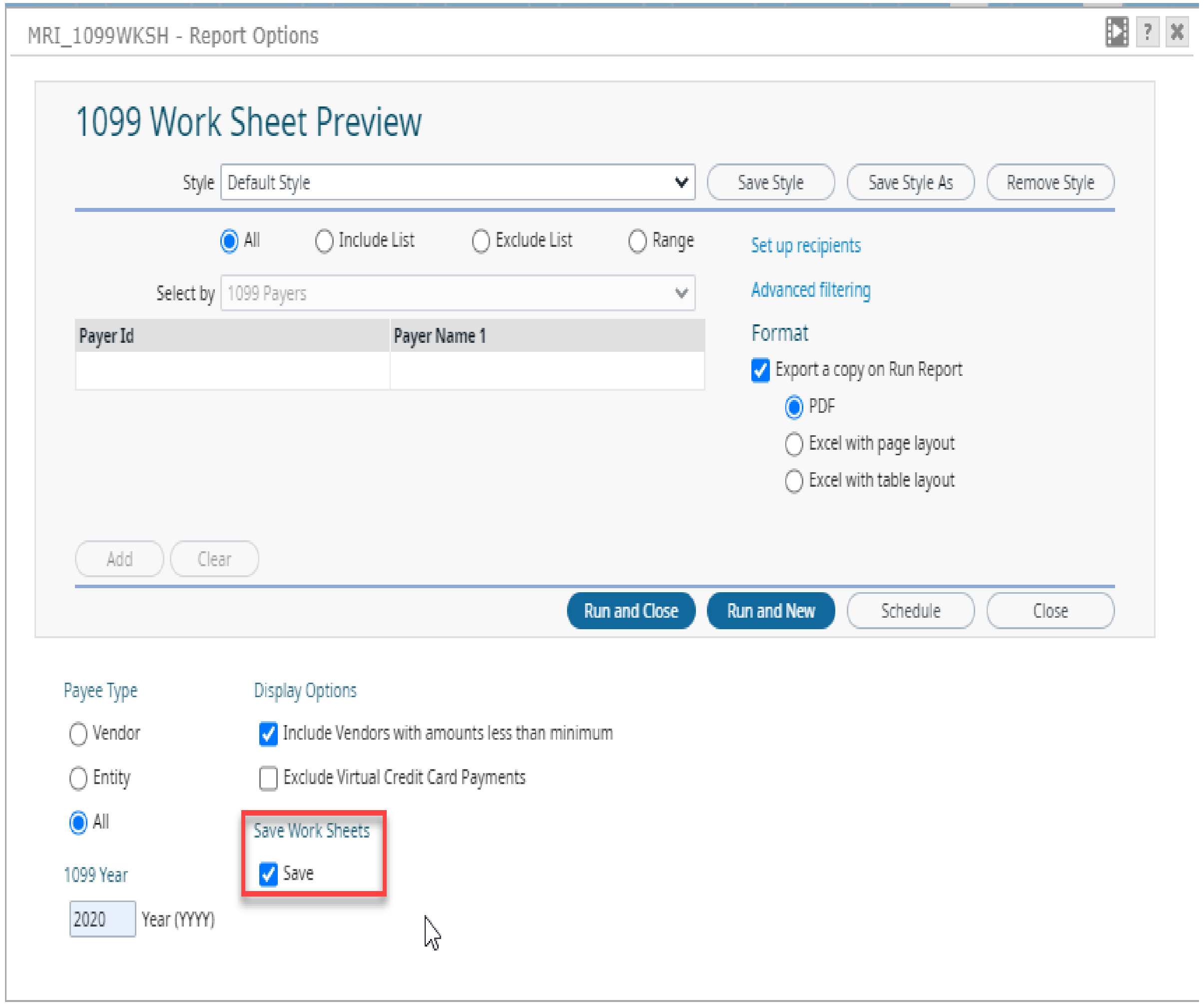
Date: 12/15/2021
Time: 3:24 PM

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 F	12-3456789	Y	N	10,199.04	10,199.04	10,199.04

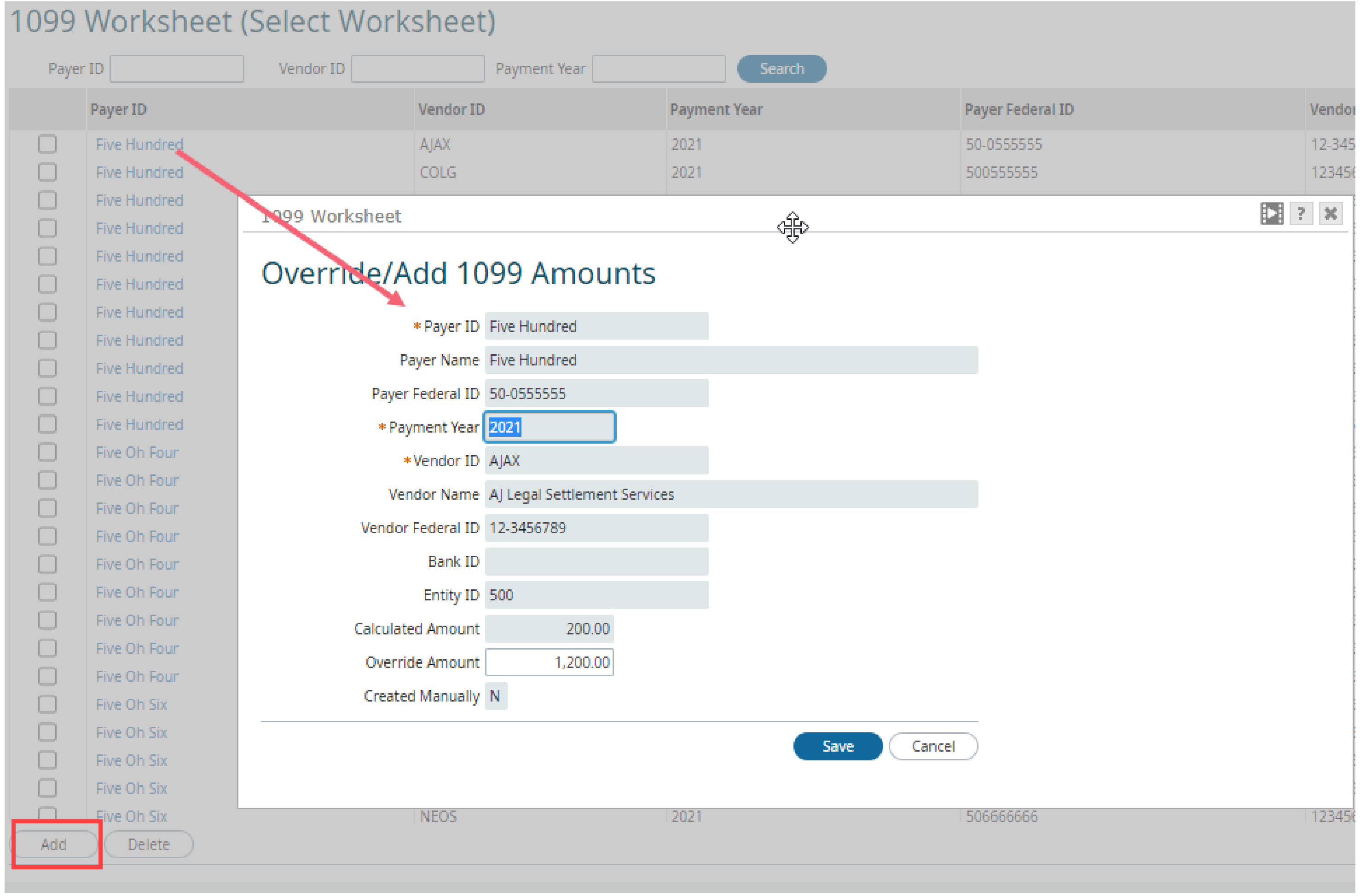
PROCESS 1099 WORKSHEETS

- Generates a report similar to Preview Listing Report
- Saves data to the T_199WKSH table
  - Allows the data to be overridden if necessary
  - Edits can be made from Override/Add 1099 Amounts
- If you need to increase a payment amount to a vendor, check the 'Include Vendors with amounts less than minimum' box



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
- 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

4-1642 MRI_1099LST | 1 of 3 | 100%

Database: QTEST1
Tax Year: 2020
Payer Federal Id: 00-0000000

1099 Preview Listing
Testing Database - DO NOT USE
Two Hundred

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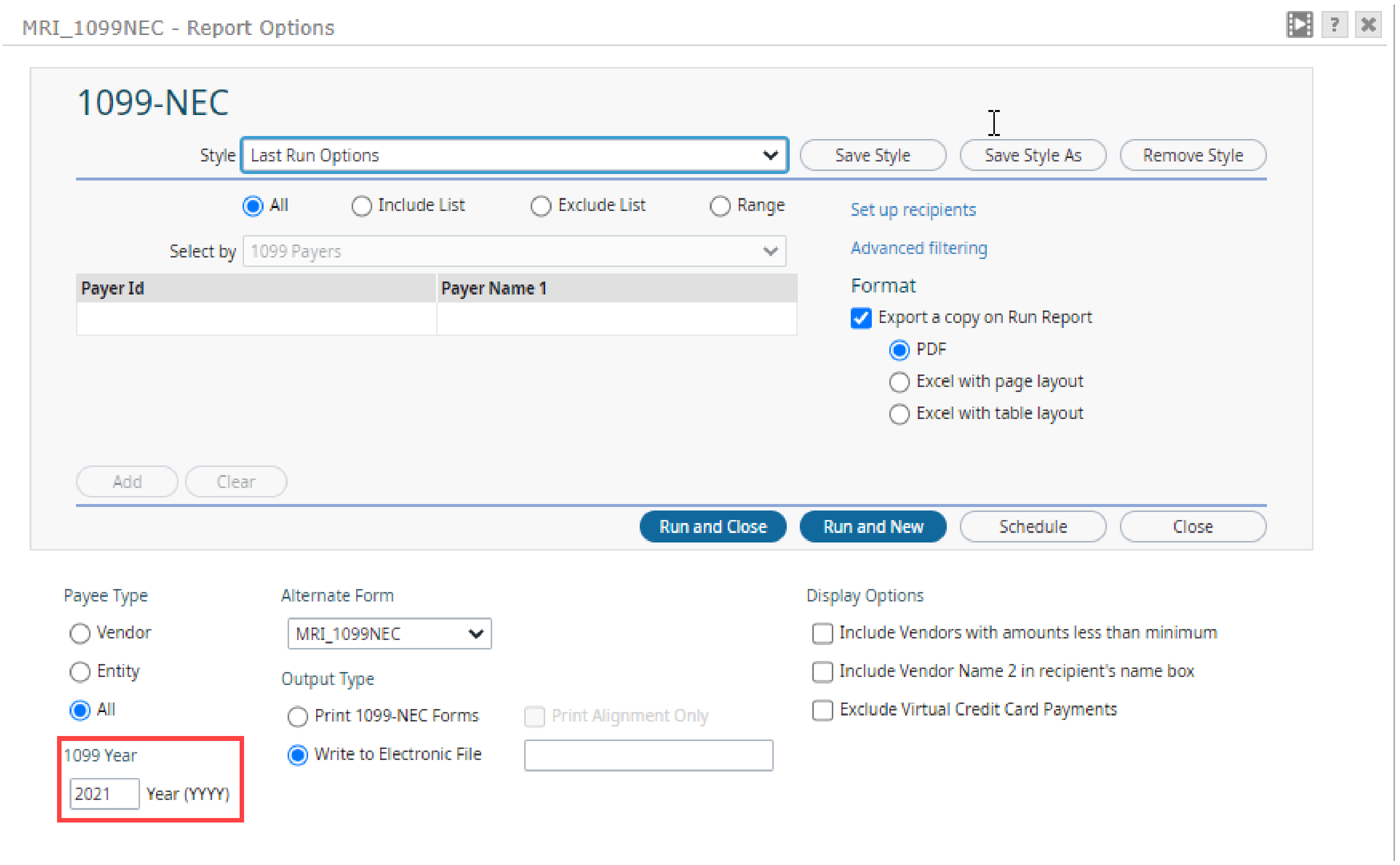
Vendor Number	Vendor Name	Payee Type	Federal Id Number	Filing Status	Manual Worksheet	Original Amount	Worksheet Amount	Reporting Amount
AJAX	AJAX Cleaning Service 9901 Barber Street Cleveland, OH 44445	Vendor	12-3456781	Y	N	14,990.00	7,000.00	7,000.00
COLL	Collins Elevator Repair 6358 Granger Road Independence, 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 processing an electronic file, a filepath is not required; the file can be accessed in the Communication Center
- If an alternate form has been created for alignment purposes when printing on paper, select it from Alternate Form dropdown
- Select payee type VENDOR or ALL
  - DO NOT RUN 1099-NEC for Payee Type ‘Entity’

The report can be run as many times as necessary. It does not update any date

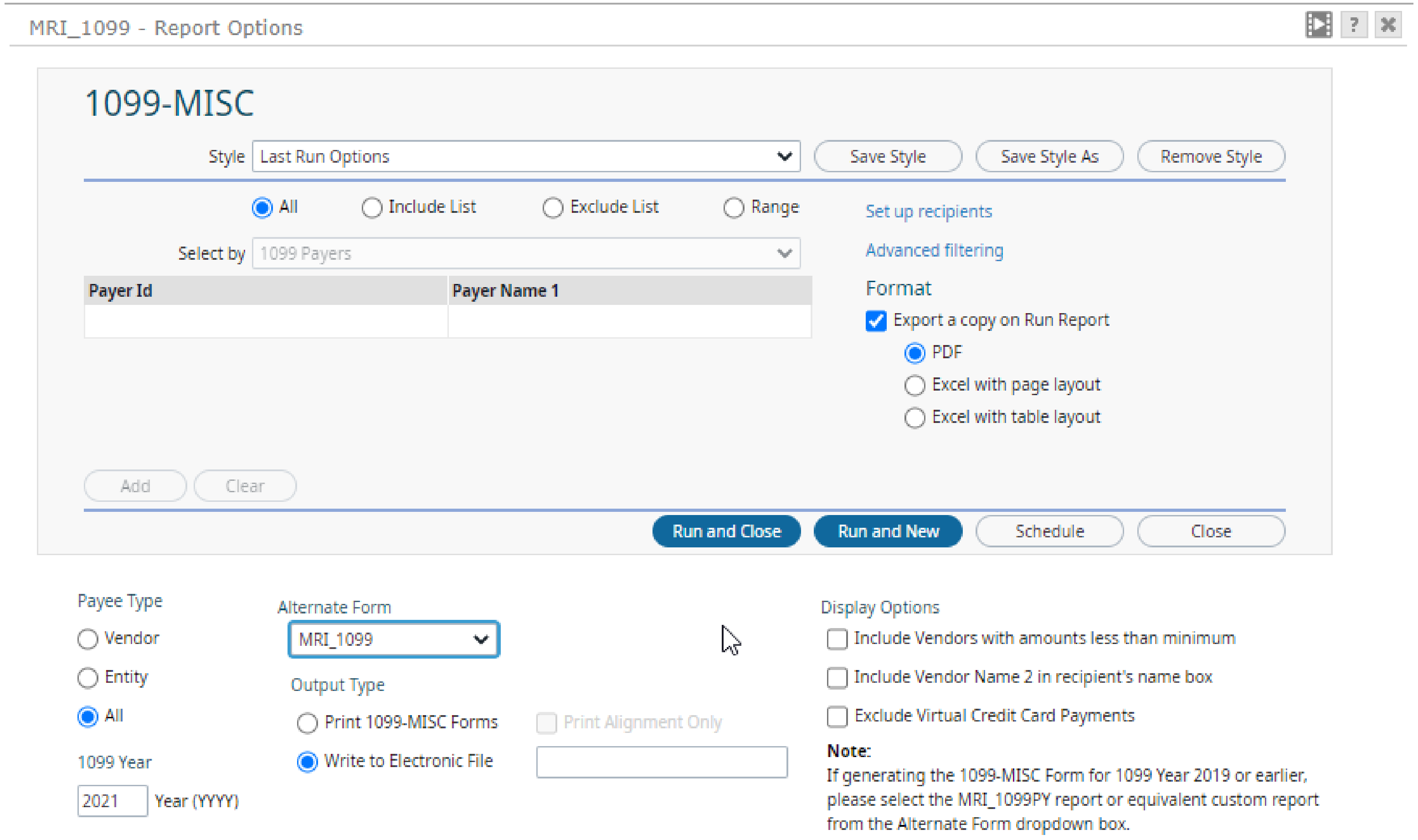


1099-MISC

Generated on paper or electronically

- If processing an electronic file, a filepath is not required; the file can be accessed in the Communication Center
- If an alternate form has been created for alignment purposes when printing on paper, select it from Alternate Form dropdown
- Select payee type ENTITY or ALL
  - DO NOT RUN 1099-MISC for Payee Type ‘Vendor’

The report can be run as many times as necessary. It does not update any date

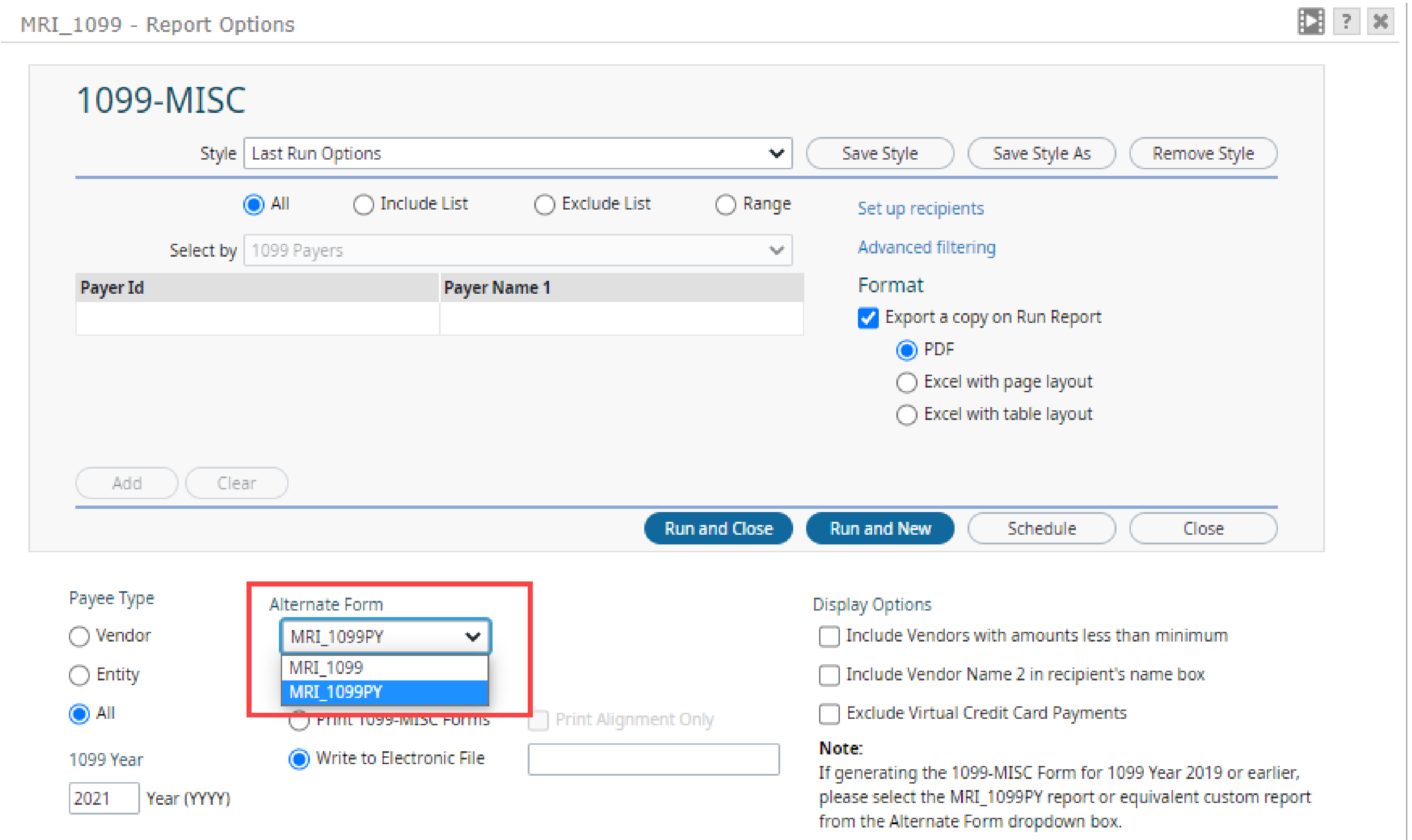


1099-MISC

Generated on paper or electronically

- If processing an electronic file, a filepath is not required; the file can be accessed in the Communication Center
- If an alternate form has been created for alignment purposes when printing on paper, select it from Alternate Form dropdown
- Select payee type ENTITY or ALL
    - DO NOT RUN 1099-MISC for Payee Type ‘Vendor’

The report can be run as many times as necessary. It does not update any date



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 and1099-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 on FDST – Federal/State Combined

REVIEW

Recommended steps for processing:

- 1099 Listing Report
- Process Worksheets if 1099 information needs to be edited
  - Changes can be made from the Override/Add 1099 Amount
  - Rerun 1099 Listing Report to confirm data
- 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