

An IRS Form 1099 is sent annually by Finance to vendors who are not incorporated and provide service/labor. In order to track the right amount for the calendar year, we need the staff that are entering requisitions or invoices to pay attention to the 1099 box.

Following are some screen shots, as well as a narrative below.

This paragraph is just background information. You don't need to concern yourself with it, but I wanted to explain it in case you are interested. When Deb in Accounts Payable sets up new vendors, she identifies whether they are 1099 eligible. This is based on what information the vendor sends to us on the IRS Form W-9. They certify how their business is set up (for example, if they are a sole proprietor, partnership, corporation, etc.). The following are criteria for when a vendor is 1099 eligible: (1) Receive rent payments and not incorporated, (2) Receive medical payments or attorney payments regardless if incorporated or not, and (3) Receive non-employee compensation for labor/service and are not incorporated.

The Tyler users making entries need to pay attention to the 1099 box on the general screen when they input the vendor into Purchasing and/or Accounts Payable. If the "Subject to 1099" box is not checked, then you don't need to do anything further regarding this issue. If the box is checked, then that should signal you to break out service/labor separately from goods/units, if there are any. For the service entry, make sure the "Subject to 1099" box is checked. For the goods entry, make sure the "Subject to 1099" box is unchecked.

Usually, the vendors we have huge contracts with are going to be incorporated, so you won't need to worry about them. The small payments for snow removal, lawn care, aerobics instructors, and certain repair work are probably not going to be incorporated. As part of the Finance Department review on your invoices, we will let you know if you missed breaking it out, but it will save time if you enter it correctly when making the initial entry.

Payable Input: APPK10058 - 1099 Example

Vendor Name: BDH INFORMATION TECHNOLOGY LLC
 Vendor Number: 121016
 Vendor Set: BL - Vendor Set 01

19 S CENTER STREET STE 6
 MARSHALLTOWN IA 50158-2873
 USA

Use Default Post Date: 11/9/2016
 Change Remittance Address

Total Payable: 30

Payable Details

Vendor: 121016
 Payable Type: Invoice
 Payable ID: INV0001478
 Reference: 1099 EXAMPLE
 Bank Code: Operating - UB&T Operating
 Payable Description: Example of 1099 vendor

Payable Date: 11/9/2016
 Post Date: 11/9/2016
 Due Date: 11/9/2016
 Discount Date: 11/9/2016

Subject to 1099 *When Deb sets up vendor, if they are eligible this box will be checked. If not checked, do nothing different.*

Print on Separate Check

On Hold

Stub Comment: [Empty]

Notes: [Empty]

Payable Totals	
Amount	0.00
Shipping	0.00
Sales Tax	0.00
Total Payable	0.00
Term Discount	0.00

1099 Vendors -

- ① Rent Payments if vendor not incorporated,
- ② Medical Payments
- ③ Attorney Payments
- ④ Non-Employee Compensation for service or labor if vendor is not incorporated

Payable Entry: APPX100037 - BDH test

Vendor Name: BDH INFORMATION TECHNOLOGY LLC
 Vendor Number: 121016
 Vendor Set: 01 - Vendor Set 01

19 S CENTER STREET, STE 6
 MARSHALLTOWN, IA 50158 2073
 USA

Use Default Post Date: 7/16/2016
 Change Remittance Address
 Total Payable: \$10,000.00

Commodity: Service - Service
 Purchased from: 121016
 Item Description: BDH service

	Units	Price	Amount
Invoiced	0.000000	0.000000	10,000.00
Shipping			0.00
Sales Tax			0.00
Override Sales Tax	<input type="checkbox"/>		
Total Item			10,000.00
Term Discount	0.00		

Account: 001.6012.5347.000 CONTRACT-CMPTR TE
 Vendor Part No:
 Project Account:
 Split Distribution:
 Subject To 1099: 1099 Form Box: Non Employee

Non Employee
 Rent
 Medical
 Attorney

Commodity Code	Item Description	Amount	Shipping Amount	Tax Amount	Term Discount	Total Amount	Account	Project A
1 Service	BDH service	10,000.00	0.00	0.00	0.00	10,000.00	001.6012.5347.0	
Totals		10,000.00	0.00	0.00	0.00	10,000.00		

If this is an eligible 1099 vendor and you are paying for service, rent, medical or attorney, check the 1099 box.

Payable Input: APPK100058 - 1099 Example

Vendor Name: BDH INFORMATION TECHNOLOGY LLC
 Vendor Number: 121018
 Vendor Set: 01 - Vendor Set 01

195 CENTER STREET STE 6
 MARSHALLTOWN IA 50158 2873
 U.S.A.

Use Default Post Date: 1/18/2018
 Change Remittance Address

Total Payable: 300.00

Commodity: Units - Units
 Purchased From: 121018
 Item Description: Example of 1099 vendor - Goods

Units: 1.000000
 Price: 300.000000
 Amount: 300.00

Shipping: 0.00
 Sales Tax: 0.00
 Override Sales Tax:

Total Item: 300.00

Term Discount: 0.00

Account: 001.6021.5702.000
 Project Account:

Subject To 1099: 1099 Form Box

Commodity Code	Item Description	Amount	Shipping Amount	Tax Amount	Term Discount	Total Amount	Account	Project Account
Units	Example of 1099	300.00	0.00	0.00	0.00	300.00	001.6021.5702.000	
Totals		300.00	0.00	0.00	0.00	300.00		

If you are buying goods from the 1099 vendor, uncheck the box.