

Prepared By	Jon Hall	Date	11/8/2017	Version	V9
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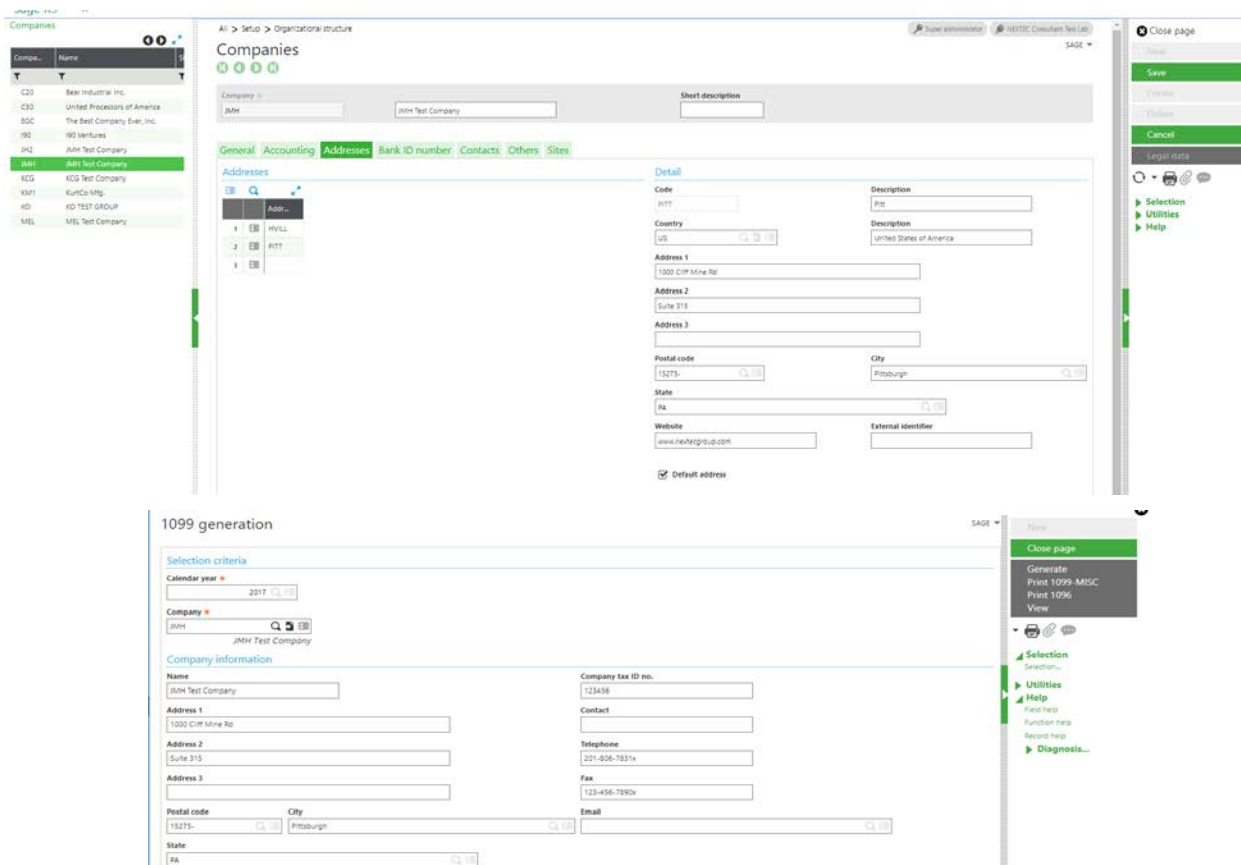
INTRODUCTION

- This document will explain how to configure and execute 1099 generation in Sage X3.
- Screen shots in this document are from Sage X3 version V9 and may differ in appearance with other versions of Sage X3.

PROCEDURE (SETUP)

- **Functional Setup**

- **Company information** – The address that will be reported on the 1099 and 1096 forms for the company is set up in Setup>Organizational Structure>Companies on the Addresses tab. The address that has the “Default address” checkbox checked will be used on the forms. The company address can also be changed from the 1099 generation function prior to generating the forms.



The image shows two screenshots from the Sage X3 software interface. The top screenshot displays the 'Companies' setup screen, where the 'Addresses' tab is active. It shows a list of companies on the left and a detailed form for 'JMH Test Company' on the right. The 'Addresses' section lists two addresses, with the first one (1000 Cliff Mine Rd) selected as the 'Default address'. The 'Detail' section includes fields for Code, Description, Country, Address 1-3, Postal code, City, State, Website, and External identifier.

The bottom screenshot shows the '1099 generation' screen. It features a 'Selection criteria' section with a 'Calendar year' dropdown set to 2017 and a 'Company' dropdown set to 'JMH Test Company'. Below this is a 'Company information' section with fields for Name, Company tax ID no., Address 1-3, Postal code, City, State, Contact, Telephone, Fax, and Email.

- **Suppliers** – Within the supplier screen, you have the ability to set up a default for each supplier for the 1099 form, as well as the default 1099 box. These fields are located on the Financial tab within the supplier. This can also be defaulted on the supplier category. The address that is specified as the “Default address” on the addresses tab will be used for the 1099 forms.

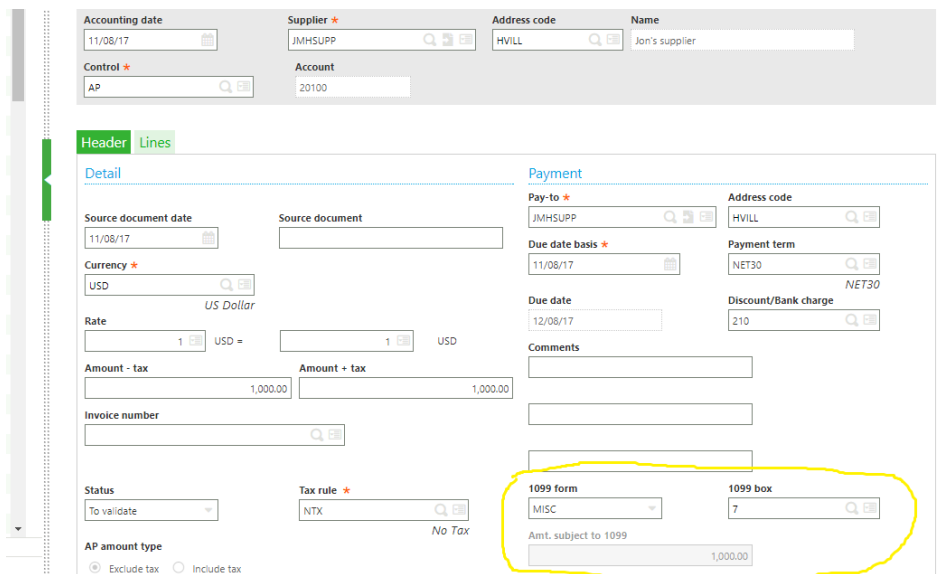
The screenshot shows the 'Supplier' screen with the 'Financial' tab selected. The '1099 form' dropdown is set to 'MISC' and the '1099 box' dropdown is set to '7'. Both dropdowns are circled in yellow. Other fields visible include 'Hooking BP', 'Supplier group', 'Payment terms', 'Settlement discount', 'Expense allocation', 'Pay to', 'Accounting code', and 'Account structure'.

The screenshot shows the 'Supplier' screen with the 'Addresses' tab selected. The 'Default address' checkbox is checked. The address details for 'Address 1' are visible, including '1000 Cliff Mine Rd', 'Pittsburgh', 'PA', and '15275'. Other fields visible include 'Address code', 'Country', 'Address 2', 'Address 3', 'Postal code', 'City', 'State', 'Website', and 'External identifier'.

- **Supplier BP invoice/Purchase invoice**

- When creating Supplier BP/Purchasing invoices for 1099 suppliers, the 1099 form and box will default from the supplier setup. The user will have the ability to override the 1099 form and/or box on the header. The invoice will also display the amount subject to 1099 – the sum of the lines with the 1099 flag set to yes. If the supplier is 1099 reportable, the 1099 flag will default to yes on the lines. If the invoice currency differs from the ledger currency, the user will be prompted as such and the amount subject to 1099 will clear and be open for editing. When saving or creating, if the amount subjected to 1099 is zero, the system will give you a prompt and ask if you want to proceed. If a supplier is not set up as a 1099 supplier, no results will be calculated for the supplier for 1099 when the calculate 1099 function is run.

Supplier BP invoice



The screenshot displays the 'Supplier BP invoice' form. The 'Header' tab is active, showing various fields for invoice details. A yellow circle highlights the '1099 form' and '1099 box' fields, which are set to 'MISC' and '7' respectively. The 'Amt. subject to 1099' field is set to '1,000.00'.

Field	Value
Accounting date	11/08/17
Supplier *	JMHSUPP
Address code	HVILL
Name	Joni's supplier
Control *	AP
Account	20100
Source document date	11/08/17
Source document	
Currency *	USD
Rate	1 USD = 1 USD
Amount - tax	1,000.00
Amount + tax	1,000.00
Invoice number	
Status	To validate
Tax rule *	NTX
1099 form	MISC
1099 box	7
Amt. subject to 1099	1,000.00

Site 1

Invoice type * INV Document no. PIN00000162

Accounting date 11/08/17 Supplier * JMHSUPP Address code HVILL Name Jon's supplier

Control * AP Account 20100

Header Lines

Details

	Settlement discount	Amount - tax	1099	Tax	Amount + tax	Purchase type	Comment
1	Yes	1,000.00	Yes		1,000.00	Purchase	
2		0			0		

Purchase invoice

Accounting date 11/08/17

Management Lines Control Costs

Supplier inv. date 11/08/17 Supplier doc no. 12345

Pay-to JMHSUPP Jon supp Currency USD US Dollar

Rate type Daily rate Rate 1 USD = 1 USD

Original invoice Incoterm/Town

Payment and management

Internal reference Due date basis 11/08/17 1st due date 12/08/17

Payment term NET30 Settlement discount 210 2% 10DueDate

Tax rule NTX No Tax

Start service End service

1099 form MISC 1099 box 7 Amt. subject to 1099 2,500.00

Purchase invoice ALL : Full entry

Invoicing site * J01 Site 1

Invoice type * INV PUR INV

Entry number PIN00000160

Accounting date * 11/08/17

Supplier * JMHSUPP AP

Company name Jon's supplier

Pay approval * Authorized to Pay

Reason

Management Lines Control Costs

	Source	Stock cost	Currency	Description	1099	Project	Legal
1	Receipt	2,500.0000	USD	US Dollar	Yes		20200
2		0					

EXECUTION

- **Beginning balance function**

- **Overview**

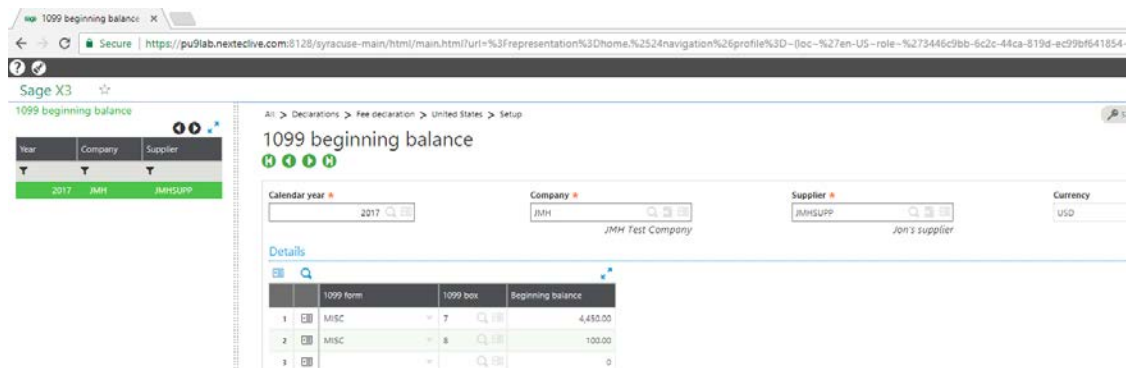
- The 1099 beginning balance function is used to set 1099 beginning balances by Year, Company, Supplier, Form and Box. This is useful when a company initially implements X3 in the middle of a calendar year. Rather than processing prior invoices and payment applications for each supplier in order to calculate accurate 1099 balances, a single balance can be set during this process. The 1099 generation process will include this balance in the generation of 1099's.
 - This function can be opened independently from the menu by navigating to Declarations>Fee Declaration>United States>1099 Beginning Balance, or drilled into from the 1099 payment summary workbench when a user clicks on the action button in the grid on a summary supplier record.
 - Because the supplier can have multiple 1099 form types and/or box numbers, X3 allows multiple beginning balances for different forms and boxes.
 - The beginning balance function can be found under declarations>Fee declaration>United States>Setup>1099 Beginning balance.

- **Selection**

- The calendar year control is mandatory and must be specified
 - The company is mandatory and must be specified.
 - The supplier is mandatory and must be specified.
 - The supplier name should be displayed under the supplier.
 - Display the ledger currency of the company selected.

- **Grid**

- The grid should contain form, box and beginning balance amount.



	1099 form	1099 box	Beginning balance
1	MISC	7	4,450.00
2	MISC	8	100.00
3			0

1099 form generation

- **Supplier 1099 box**

- Allows you to fill in the State/Payer's state no.
- Allows you to select whether or not to check box 9 on the form
- Allows you to fill out other fields for DIV and INT as well

- **1099 box**

- This is where you set up minimum limits for amounts to report on 1099. If the total calculated 1099 payments value for a supplier is less than the minimum value set in this function, the payments to the supplier will still show up in the 1099 payments summary workbench, but a 1099 form will not be generated.
- This function can be found under Declarations>Fee declaration>United States>Setup>1099 box.

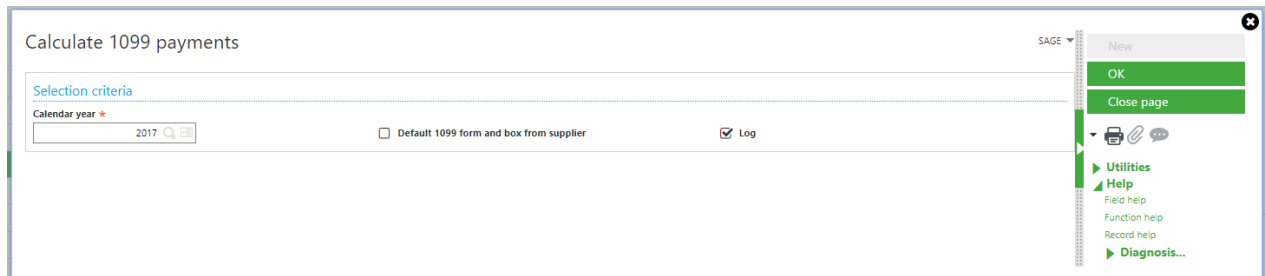
All > Declarations > Fee declaration > United States > Setup

1099 box

	1099 form	10...	Description	Box type	Lower limit	Active
1	MISC	1	Rents	Amount	600.00	Yes
2	MISC	10	Crop Insurance Proceeds	Amount	600.00	Yes
3	MISC	13	Excess Golden Parachute Payments	Amount	0.01	Yes
4	MISC	14	Gross Proceeds to an Attorney	Amount	600.00	Yes
5	MISC	15a	Section 409a Deferrals	Amount	600.00	Yes
6	MISC	15b	Section 409a Income	Amount	0.01	Yes
7	MISC	16	State Tax Withheld	Amount	0.01	Yes
8	MISC	17	State/Payer's State Number	Text		Yes
9	MISC	18	State Income	Amount	0.01	Yes
10	MISC	2	Royalties	Amount	10.00	Yes
11	MISC	3	Other Income	Amount	600.00	Yes
12	MISC	4	Federal Income Tax Withheld	Amount	0.01	Yes
13	MISC	5	Fishing Boats Proceeds	Amount	0.01	Yes
14	MISC	6	Medical/Health Care Payments	Amount	600.00	Yes
15	MISC	7	Nonemployee Compensation	Amount	600.00	Yes
16	MISC	8	Substitute Payments	Amount	10.00	Yes
17	MISC	9	Direct Sales of \$5000 or more	Checkbox		Yes
18	INT	1	Interest Income	Amount	10.00	Yes
19	INT	10	Market Discount	Amount	0.01	Yes
20	INT	11	Bond Premium	Amount	0.01	Yes
21	INT	12	Tax-exempt bond CUSIP no.	Text		Yes
22	INT	13	State	Text		Yes
23	INT	14	State Identification No.	Text		Yes
24	INT	15	State Tax Withheld	Amount	0.01	Yes
25	INT	2	Early Withdrawal Penalty	Amount	0.01	Yes

- **Calculate 1099 payments**

- X3 provides a utility for tracking 1099 supplier payments and calculating the 1099 amount associated with the payment.
- This function can be found under Declarations>Fee declaration>United States>Processings>Calculate 1099 payments.



- **1099 payments summary [workbench]**

- **Overview**

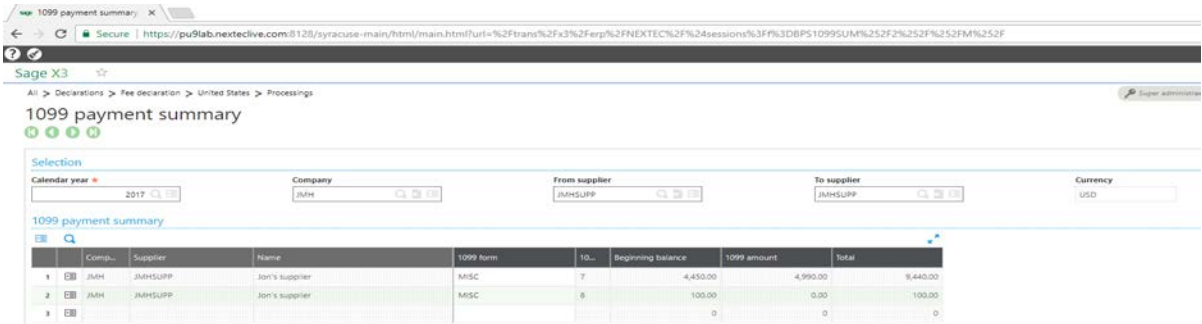
- This workbench will summarize the 1099 supplier payment records that were generated by running Calculate 1099 payments. The calculation must be executed prior to reviewing 1099 payment summary. The 1099 payment summary records will be grouped by year, company, supplier, 1099 form and box.
 - This function can be found under Declarations>Fee declaration>United States>Processings>1099 payment summary

- **Selection**

- The year control is mandatory and must be specified
 - Allow user to optionally enter the company and supplier
 - Display the ledger currency of the company selected

- **Grid**

- Display Company, Supplier, Name, 1099 form, 1099 box, Beginning Balance, 1099 amount and total amount in the grid.
 - From this function, provide the ability to drill into the following functions by clicking on the action button on the grid line and drilling into;
 - Edit 1099 data function
 - 1099 Beginning balance function
 - Supplier 1099 box



The screenshot shows the Sage X3 web interface for the '1099 payment summary' workbench. The interface includes a navigation bar with 'All > Declarations > Fee declaration > United States > Processings' and a 'Super administrator' user indicator. Below the title, there are selection filters for 'Calendar year' (2017), 'Company' (JMH), 'From supplier' (JMH SUPP), 'To supplier' (JMH SUPP), and 'Currency' (USD). The main area displays a table with the following data:

	Com...	Supplier	Name	1099 form	10...	Beginning balance	1099 amount	Total
1	JMH	JMH SUPP	Jon's supplier	MISC	7	4,430.00	4,990.00	8,440.00
2	JMH	JMH SUPP	Jon's supplier	MISC	8	100.00	0.00	100.00
3						0	0	0

- **Edit 1099 data**

- **Overview**

- Edit 1099 data is drilled into from the 1099 payment summary workbench and displays the detail records that were created during the Calculate 1099 payments function. This function will be used to review or modify supplier 1099 data prior to submitting the 1099 form. You can rapidly make changes to several invoices (form and box) and related payments (amount) for a supplier. You can specify or change the 1099 form, 1099 box and 1099 amount in the grid of the Edit 1099 data function.
 - This function can only be drilled into from the 1099 payment summary workbench, when a user clicks on the action button on a grid row of a 1099 payment summary record. This function cannot be launched on its own.

- **Selection**

- The Year, company, supplier, form and box will be automatically passed into the selection, since this function is drilled into from 1099 payment summary. The user will click on the action button on the line in 1099 payment summary and we will only pass in the related records.
 - Also display the beginning balance amount based on the year, company, supplier, form and box selected. From the beginning balance field, allow the user to drill into the 1099 beginning balance function.
 - Display the ledger currency of the company selected.

- **Grid**

- Display 1099 form, 1099 box, Invoice, Payment, Payment date, Payment amount, and 1099 amount in the grid.
 - Provides ability to click on the action button on a grid line and drill into both the source invoice and payment

Manual edits:

- A single invoice cannot be associated with more than one form and box.
- When a user edits the 1099 amount field, there will be no write back or any updates to the amount subject to 1099 on the invoice.

Edit 1099 data

Calendar year: 2017
 Company: JMH
 Supplier: JAMSJUP
 1099 form: MISC
 1099 box: 7
 Beginning balance: 4,450.00
 Ledger currency: USD

	1099 form	1099 box	Invoice	Payment	Payment date	Payment amount	1099 amount
1	MISC	7	PN00000114	PAKAT000014	10/17/17	490.00	490.00
2	MISC	7	PN00000118	PAKAT000018	10/17/17	900.00	900.00
3	MISC	7	PN00000102	PAKAT000018	10/23/17	1,200.00	1,200.00
4	MISC	7	PN00000111	PAKAT000018	10/23/17	300.00	300.00
5	MISC	7	PN00000113	PAKAT000018	10/23/17	400.00	400.00
6	MISC	7	PN00000119	PAKAT000018	10/23/17	900.00	900.00
7	MISC	7	PN00000163	PAKAT000031	11/08/17	1,000.00	1,000.00
8						0	0

- **Beginning Balance Import Template**

- An import/export template is provided to allow a user to import 1099 supplier beginning balances
- This function can be found under Setup>Usage>import/exports > Import/Export templates

AI > Setup > Usage > imports / exports

Import/export templates

Template: 898 Description: 1099 beginning balance Active

Header Fields

General
 Object: 898
 Function: G55898
 Activity code: 1099
 Standard script: 1099

Module
 Module: Financials
 Access code:
 Specific script:

Structure
 File type: Delimited
 Field separator:
 Record separator: 010
 Field delimiter:
 File format: ASCII

Export
 Export Export sequence no.: 0

Import
 Import Update allowed Temp storage space Workflow

Identifiers

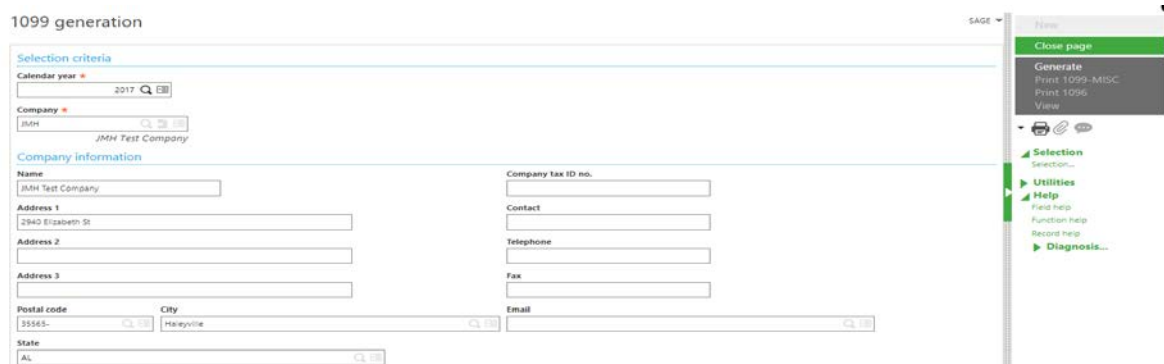
	Seq.	Indicator	Title	Key	Link	Temp.
1			SP1099REGAL	898		
2						

- **1099 Generation**

- **Overview**

- This function is used to generate and print 1099-MISC and summary form 1096 at year-end. This function will also produce an inquiry (View button) that can be used to export the 1099 data for use with a third party electronic filing provider. If the inquiry is used to export data, some manual manipulation of the export may be necessary to meet import requirements for the third party provider.

- This function can be found under Declarations>Fee declaration>United States>Processings>1099 generation
- **Selection**
 - The calendar year control is mandatory and must be specified
 - The company is mandatory and must be specified.
- **Company Information**
 - This section will be used for printing the payer information required on forms 1099-MISC and 1096. The data will default from the company record, but can be overridden. The changes made will be used for printing forms 1099-MISC and 1096, but the changes will not be saved.
- **Buttons**
 - Generate
 - Print 1099-MISC
 - Print 1096
 - View
- **Generate**
 - 1099s are generated by summing the 1099 amounts in the BPS1099PAY.AMT1099 field for the Year, Company, Supplier, Form and Box, and adding any beginning balance amount from BP1099BEGBAL.BegBal for that same Year, Company, Supplier, Form and Box. When the user clicks on the generate button, the total amount will be written to the BPS1099GEN table and used to print forms 1099-MISC and 1096. Records will only be included in the table, if they meet the lower limit threshold amount specified in the Box 1099 table.



- **Inquiries (view button)**

- **Overview**
 - The view button is provided to provide a view of the 1099 history for a given year, company and form for reviewing and exporting the 1099 data to excel. This will provide the starting point for any customers who want to use a 3rd party 1099 provider for electronic filing to the IRS and/or 1099 form printing, if that provider



1099 form generation

supports import of excel data. The user would select the criteria in the inquiry and export the data to excel. This is the same results that would appear on the printed forms, and will display one row for each unique year, company, supplier, form record.

- **View selection criteria**
 - Year – Single Value (Mandatory)
 - Company– Single Value (Mandatory)
 - Only include companies that have the DCLFEES company parameter = 1099 in the selection results.
 - Supplier – Range
 - Only include suppliers where BPSUPPLIER.FRM1099 <> None in the selection results.
 - 1099 form – Single Value (Mandatory)
 -
- **Reports**
 - **Supplier 1099 Activity report**
 - Allows the user to get a detailed listing of 1099 payments made to suppliers. It can be used as an audit trail prior to printing the actual 1099 forms. Payments to suppliers are grouped by supplier, form and by Box for any range of suppliers.
 - **Selection criteria**
 - Year – Single Value (Mandatory)
 - Company– Single Value (Mandatory)
 - Supplier – Range
 - Supplier Name – Range
 - 1099 form

Supplier 1099 Activity Report For 2017								11/13/2017
Company	Supplier	Supplier Name	Invoice	Invoice Date	Payment	Payment Date	Payment Amount	1099 Amount
JMH	JMHSUPP	Jon's supplier	1099 Form					
			MISC					
			7					
			Invoice					
			Beginning Balance					
				11/8/2017	PAYAT000031	11/8/2017	1,000.00	1,000.00
				10/17/2017	PAYAT000014	10/17/2017	400.00	400.00
				10/17/2017	PAYAT000016	10/17/2017	900.00	900.00
				10/9/2017	PAYAT000018	10/23/2017	1,000.00	1,000.00
				10/11/2017	PAYAT000018	10/23/2017	300.00	300.00
				10/17/2017	PAYAT000018	10/23/2017	400.00	400.00
				10/17/2017	PAYAT000018	10/23/2017	900.00	900.00
				11/9/2017	PAYAT000033	11/9/2017	980.00	980.00
							1099-MISC Box 7 Total	10,420.00 USD
							Supplier Total	10,420.00 USD

1099 form generation

- **1099-MISC**

- The 1099-MISC form is not launch able from the reports function. It can only be launched from the 1099 forms function. Selecting the 1099-MISC button will print a pre-printed form 1099-MISC as specified below:

- **Selection criteria**

- Year – Single Value (Mandatory)
- Company– Single Value (Mandatory)
 - Only include companies that have the DCLFEES company parameter = 1099 in the selection results.
 - This parameter is found in setup>general parameters>parameter values in the CPT chapter DAS group
- Supplier – Range
 - Only include suppliers where BPSUPPLIER.FRM1099 <> None in the selection results. (or where there is a box specified on the supplier setup)
- Name – Range
- Use Supplier Code as Account Number – Yes/No
 - Default this value to No. Selecting Yes will print the BPSNUM on the form in the Account Number field
- Alignment – Yes/No
 - Default this value to No. Selecting Yes prints an alignment form of the pre-printed 1099-MISC form. (Sample to be provided)

```

JMH Test Company
1000 Cliff Mine Rd
Suite 315
Pittsburgh, PA 15275
201-806-7831

123456
Jon's supplier
1000 Cliff Mine Rd
Suite 315
Pittsburgh, PA 15275
10,420.00      100.00
  
```

Note:

- Forms should use 12-point Courier font (please contact support if the forms do not line up)
- Data should be printed in the middle of the blocks
- All dollar entries should be printed without the dollar sign, but include the decimal point (00000.00). Show the cents portion of the money amounts.
- If a box does not apply, leave it blank
- If an amount box has a zero amount, leave it blank



How To...

1099 form generation

- 1096 form
 - Selection criteria
 - Year – Single Value (Mandatory)
 - Company – Single Value (Mandatory)
 - Taxpayer type
 - Employer ID number
 - Social security number
 - Alignment – Yes/No
 - Default this value to No. Selecting Yes will print an alignment page.

```
123456 JMH Test Company
      1000 Cliff Mine Rd
      Suite 315
      Pittsburgh, PA 15275
      201 806-7831
      123 456-7890
      3
      23,860.00
      x
```

Note: Once a 1099 has been generated, the user should not make changes to beginning balances for that year. Although X3 cannot prevent a user from making the changes, X3 generates a yes/no message indicating that the 1099's have been generated. If the user attempts to enter a beginning balance, X3 checks for generation records for the selected year and company and if any exist, it generates the following message: "Warning: 1099 history record exists. Proceed with update?"