# How To…

# 1099 form generation

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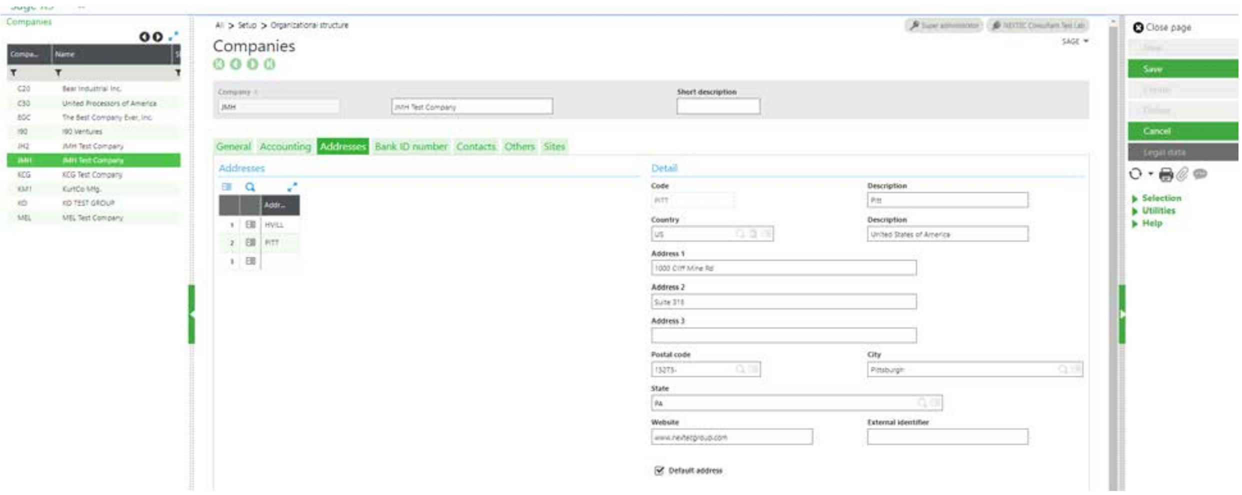
|---|---|---|---|---|---|
| **Prepared By** | **Jon Hall** | **Date** | **11/8/2017** | **Version** | **V9** |

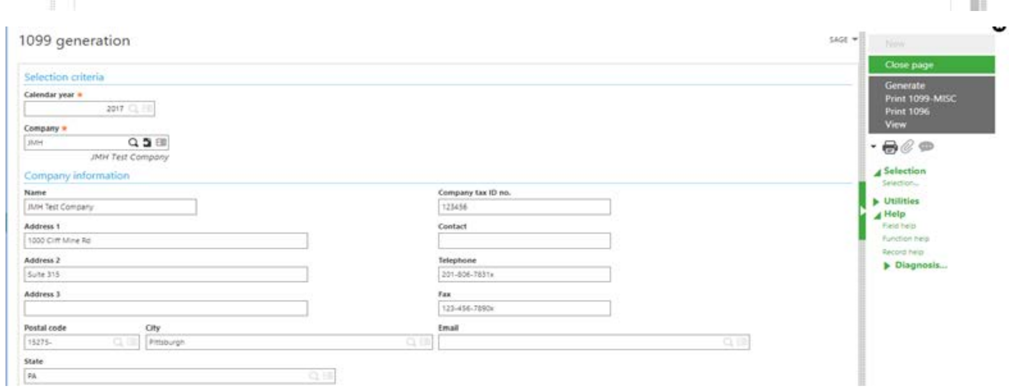
## INTRODUCTION

- 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.

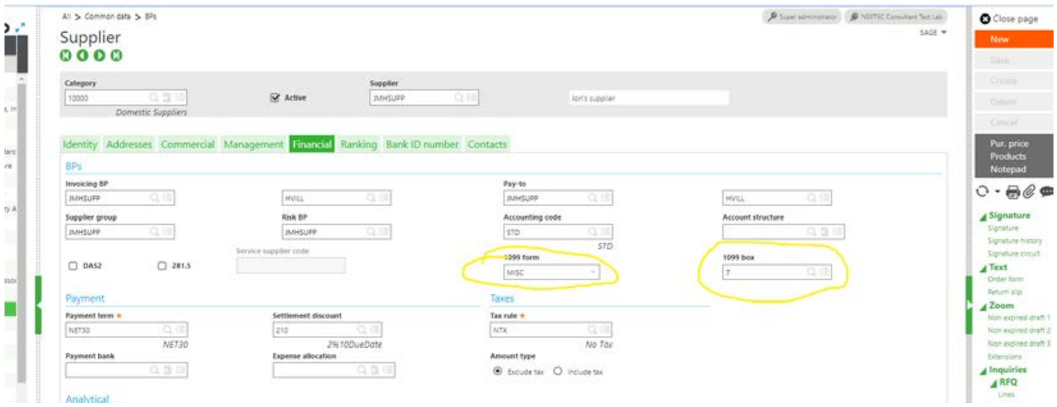
## PROCEDURE (SETUP)

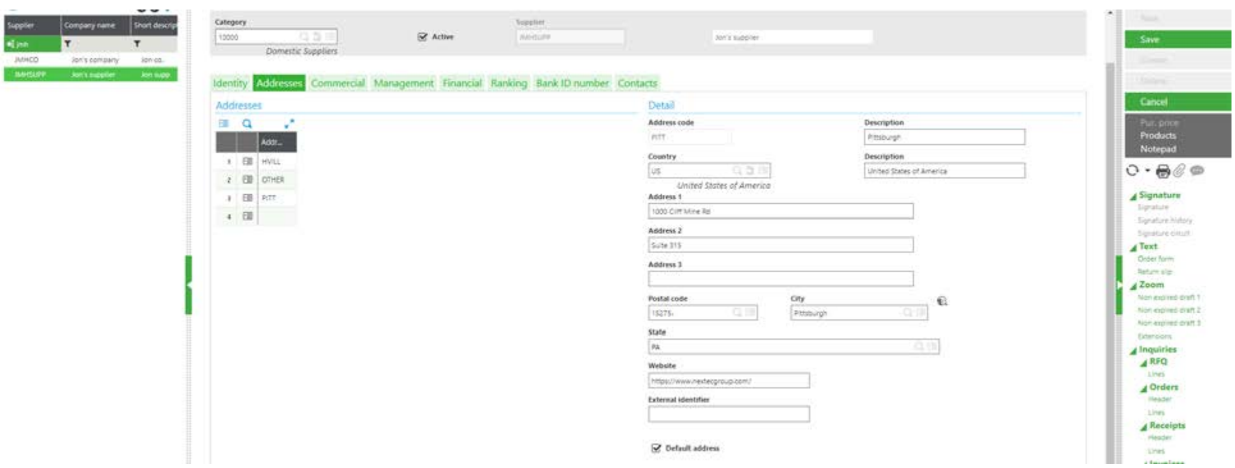
- **Functional Setup**
    - **Company information –** The address that will be reported on the 1099 and 1096 forms for the company is set up in Setup>Organizational Structure>Companies on the Addresses tab. The address that has the “Default address” checkbox checked will be used on the forms. The company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



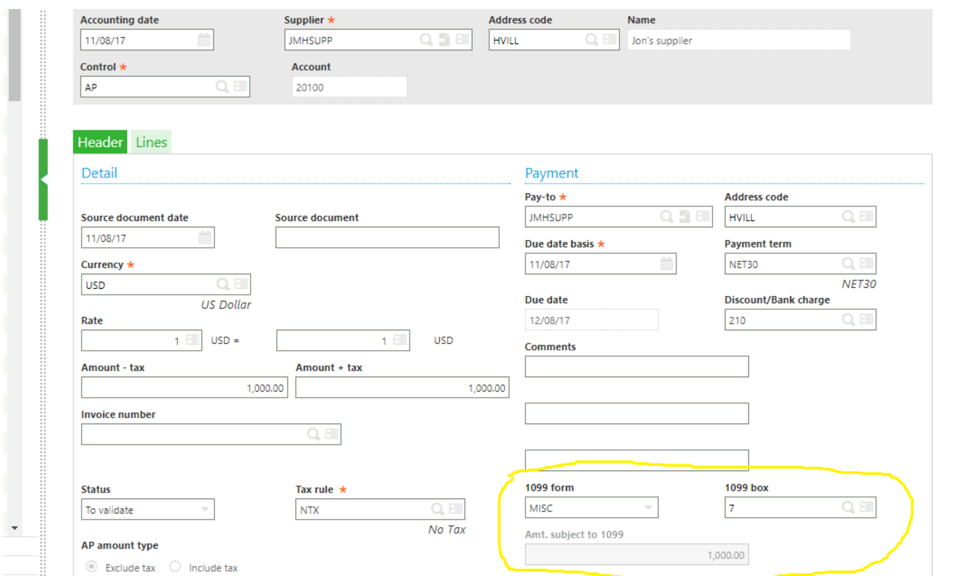
- **Suppliers** – Within the supplier screen, you have the ability to set up a default for each supplier for the 1099 form, as well as the default 1099 box. These fields are located on the Financial tab within the supplier. This can also be defaulted on the supplier category. The address that is specified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

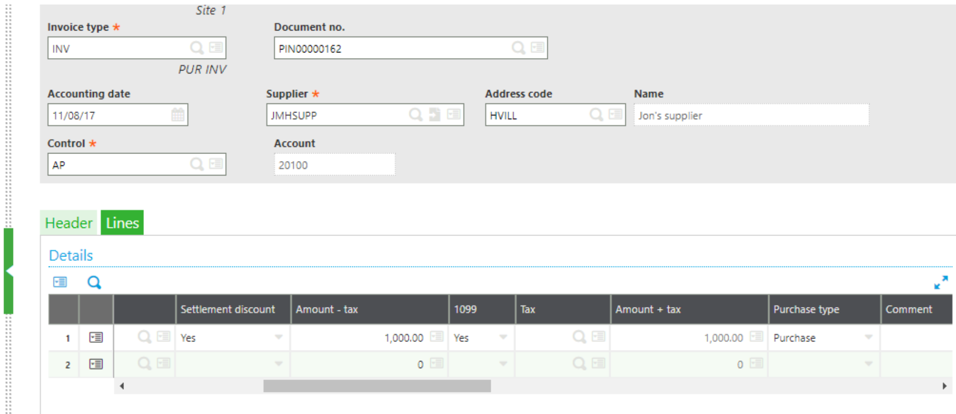




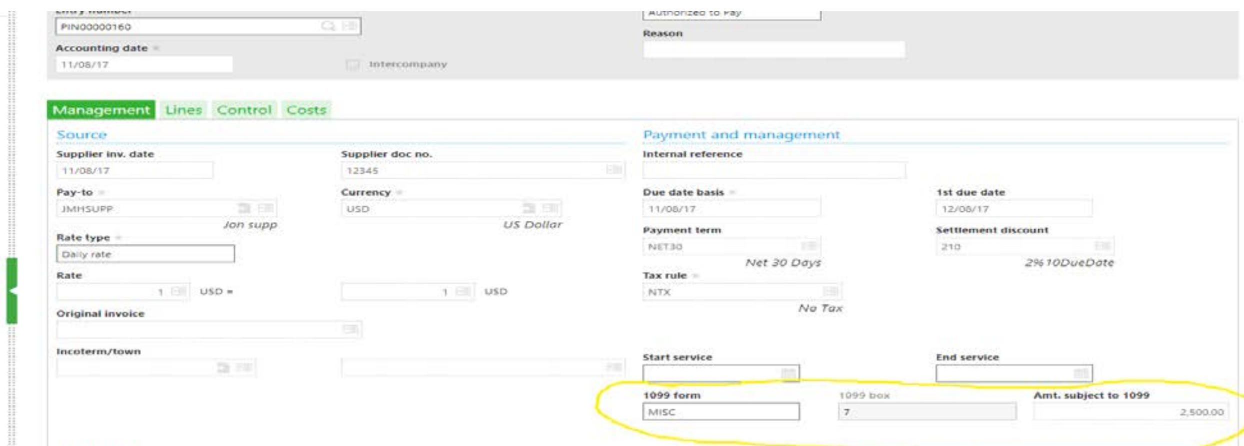
- **Supplier BP invoice/Purchase invoice**
    - When creating Supplier BP/Purchasing invoices for 1099 suppliers, the 1099 form and box will default from the supplier setup. The user will have the ability to override the 1099 form and/or box on the header. The invoice will also display the amount subject 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.

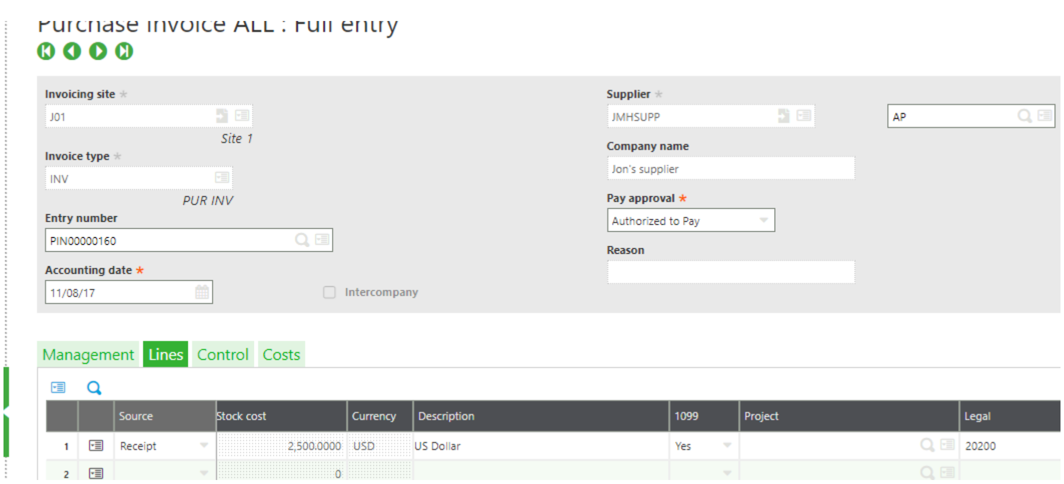
**Supplier BP invoice**





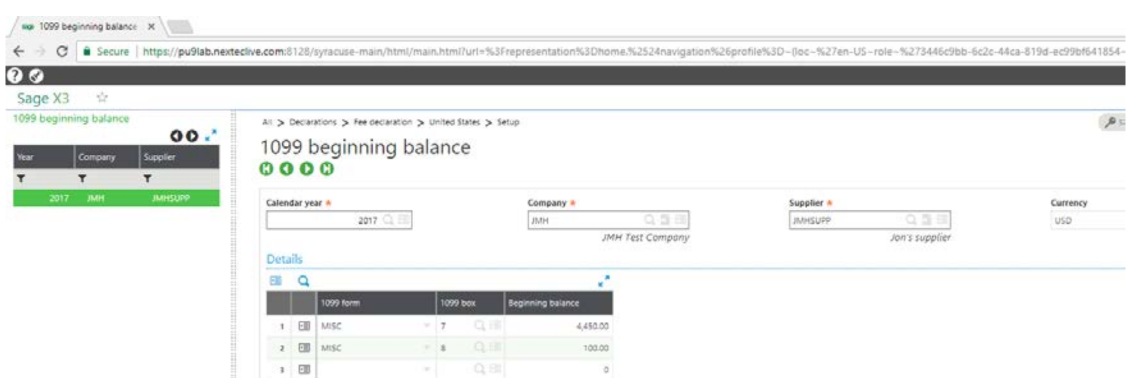

## Purchase invoice



## 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.



- **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

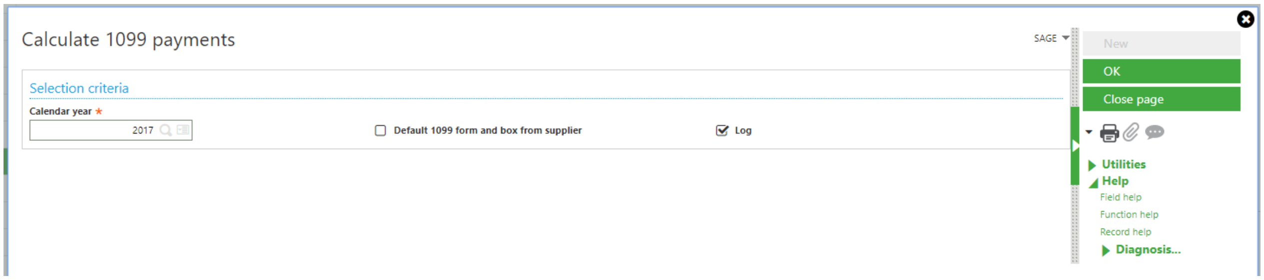
1099 box

50 Results Display: 25 1 2 3

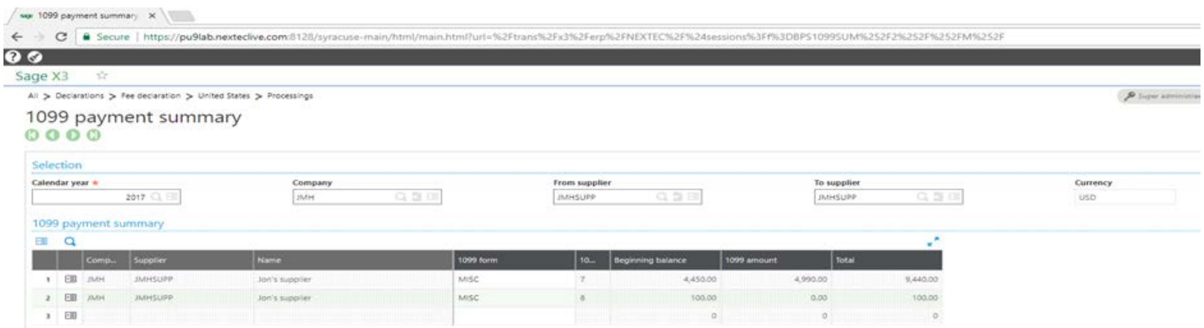
| | 1099 form | 10... | Description | Box type | Lower limit | Active |
|---|---|---|---|---|---|---|
| 1 | MISC | 1 | Rents | Amount | 600.00 | Yes |
| 2 | MISC | 10 | Crop Insurance Proceeds | Amount | 600.00 | Yes |
| 3 | MISC | 13 | Excess Golden Parachute Payments | Amount | 0.01 | Yes |
| 4 | MISC | 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 |

sage Legal notice

- **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.



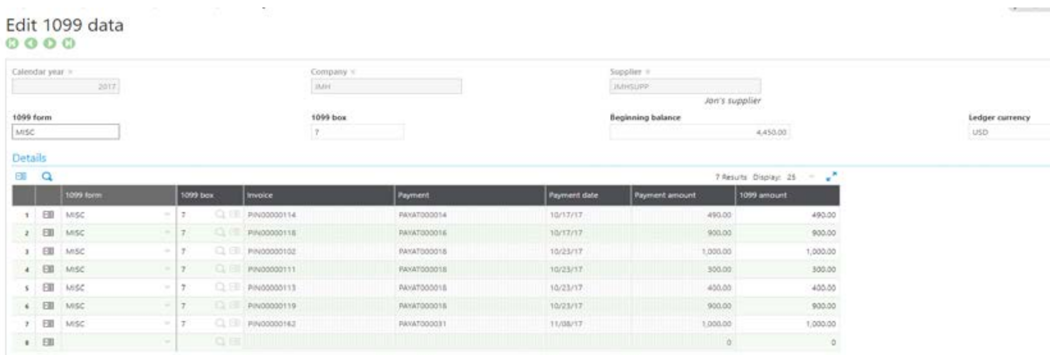

- **1099 payments summary [workbench]**
  - **Overview**
    - This workbench will summarize the 1099 supplier payment records that were generated by running Calculate 1099 payments. The calculation must be executed prior to reviewing 1099 payment summary. The 1099 payment summary records will be grouped 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



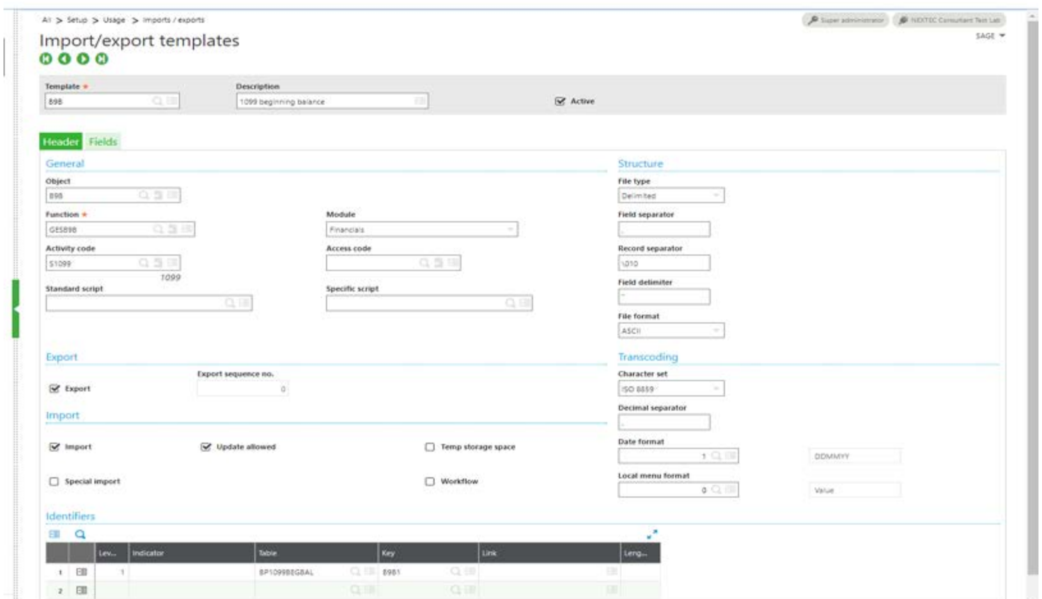

- **Edit 1099 data**
  - **Overview**
    - Edit 1099 data is drilled into from the 1099 payment summary workbench and displays the detail records that were created during the Calculate 1099 payments function.  This function will be used to review or modify supplier 1099 data prior to submitting the 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.



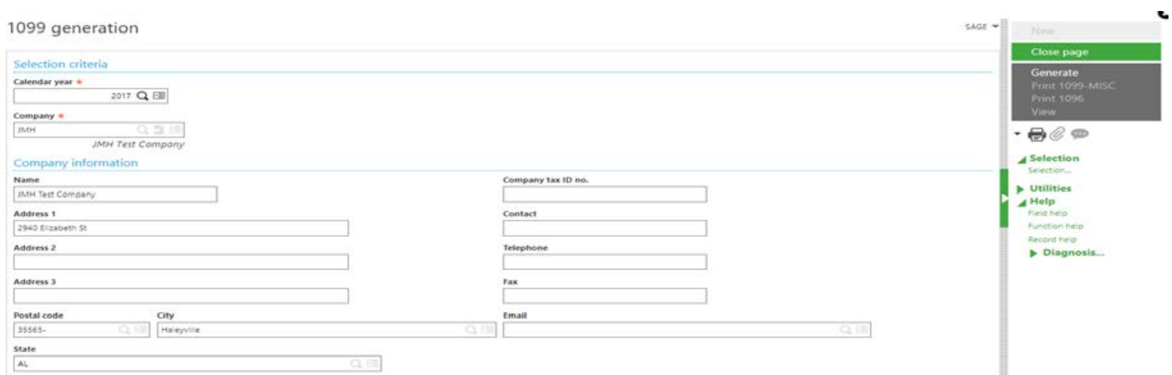

- **Beginning Balance Import Template**
  - An import/export template is provided to allow a user to import 1099 supplier beginning balances
  - This function can be found under Setup>Usage>import/exports > Import/Export templates




- **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, same 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

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 BPSUPPIER.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 | Tax ID |
|---|---|---|---|
| JMH | JMHSUPP | Jon's supplier | |

| 1099 Form | 1099 Box | Invoice | Invoice Date | Payment | Payment Date | Payment Amount | 1099 Amount |
|---|---|---|---|---|---|---|---|
| MISC | 7 | Beginning Balance | | | | | 4,450.00 |
| MISC | 7 | PIN00000162 | 11/8/2017 | PAYAT000031 | 11/8/2017 | 1,000.00 | 1,000.00 |
| MISC | 7 | PIN00000114 | 10/17/2017 | PAYAT000014 | 10/17/2017 | 490.00 | 490.00 |
| MISC | 7 | PIN00000118 | 10/17/2017 | PAYAT000016 | 10/17/2017 | 900.00 | 900.00 |
| MISC | 7 | PIN00000102 | 10/9/2017 | PAYAT000018 | 10/23/2017 | 1,000.00 | 1,000.00 |
| MISC | 7 | PIN00000111 | 10/11/2017 | PAYAT000018 | 10/23/2017 | 300.00 | 300.00 |
| MISC | 7 | PIN00000113 | 10/17/2017 | PAYAT000018 | 10/23/2017 | 400.00 | 400.00 |
| MISC | 7 | PIN00000119 | 10/17/2017 | PAYAT000018 | 10/23/2017 | 900.00 | 900.00 |
| MISC | 7 | PIN00000163 | 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-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 BPSUPPIER.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 10,420.00 100.00

Pittsburgh, PA 15275

**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

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

JMH Test Company

1000 Cliff Mine Rd
Suite 315

Pittsburgh, PA 15275

201 806-7831

123 456-7890

| | | |
|---|---|---|
| 123456 | 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?"