

TECH TALKS

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Today's Topic: AP 1099 Processing

JAN CUSHING | FRIEDMAN CUSTOMER SUPPORT

AP 1099 Processing

1099-NEC – This is the new IRS form upon which to put miscellaneous income

EC 53489 – EC to change where the misc. income displays on the forms. Now it will display on the top line.

- New IRS form for Non-employee compensation

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	2020	Nonemployee Compensation
		Form 1099-NEC		
		1 Nonemployee compensation		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.
		\$		
PAYER'S TIN	RECIPIENT'S TIN	2		
RECIPIENT'S name		3		
Street address (including apt. no.)		4 Federal income tax withheld		
		\$		
City or town, state or province, country, and ZIP or foreign postal code				
		FATCA filing requirement		
		<input type="checkbox"/>		
Account number (see instructions)	2nd TIN not.	5 State tax withheld	6 State/Payer's state no.	7 State income
	<input type="checkbox"/>	\$		\$
		\$		\$

Form **1099-NEC** Cat. No. 72590N 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**

AP 1099 Processing

Your 1099 tax codes must be set up in NF68 note type TE

```

ECS040C                                NOTE TYPE MAINTENANCE                                1/14/21
Type  TE                                TAX ELIGIBILITY (1099)                                09:20:58
-----
Numb  Sfx  Description                                Prnt  code
      1  2  3  4  Chg-dt  By
D      -   DIVIDEND                                - - - - 10620
I      -   INTEREST                                - - - - 10620
M      -   MISCELLANEOUS INCOME                    - - - - 10820
N      -   N                                        - - - - 10620
R      -   RENT                                    Y  Y  Y  Y 120320
-----

Type Numb  Sfx
NF68 Beginning note TE - -
F3=Exit  F9=Add  F10=Menu Bar
  
```

AP 1099 Processing

Need to change the parameter to be the current year

The Finalize 1099s code should be N so you can use AP11 (option 370) on APMENU01

- Go to APMENUD
- Selection option 24

```
ECS040C                                A/P 1099 YEAR                                1/14/21
                                           07:21:06

Use this screen to update the A/P 1099 year parameter for
division  JC  JAN'S DIVISION

This screen will change the A/P 1099 year to be selected for
processing.

Make required changes and PRESS ENTER.

Year for 1099 to be run  20
Finalize 1099s           N   (Y or N)

AP02  Division  JC
F3=Exit
```

AP 1099 Processing

Make sure other 1099 parameters are set correctly.

- APMENUD – option 26 A/P 1099 Company Info
- APMENUD – option 40 A/P 1099 Minimum Amount

```
ECS040C          ACCOUNTS PAYABLE 1099 COMPANY INFORMATION          1/14/21
                                                           13:42:25

This screen will change your company name, company address,
and federal identification number. To change this information,
make required changes and PRESS ENTER.

Company Name      FRIEDMAN CORPORATION
Company Address   10275 W HIGGINS ROAD, STE 250
Company City      ROSEMONT
Company State     IL
Company Zip Code  60018
Company Telephone 847-948-7180
Company Federal ID # 12345689
```

```
ECS040C          ACCOUNTS PAYABLE 1099 AMOUNT LIMITATION          1/14/21
                                                           07:30:22

Use this screen to update the minimum amount for 1099
miscellaneous tax type.

Make the required changes and press Enter.

1099 minimum amount  600.00

-
```

AP 1099 Processing

Set parameter for creating a file to send electronically if desired

- APMENUD – option 48 A/P 1099 File Path Maint

```
ECS040C                AP1099 INTERFACE DIRECTORY MAINTENANCE                1/14/21
                                                                07:32:21

Use this screen to update parameter AP1099PATH for
division  JC  JAN'S DIVISION

Specify a non-numeric non-alphabetic non-blank field delimit character.

Fields will be delimited by  ^

Specify an IFS (Integrated File System) path name where FRONTIER will
deposit the AP 1099 interface file. Ensure that the path is a valid
path as it will not be validated.

Path name  /Frontier/1099

AP19  Division  JC
F3=Exit
```

AP 1099 Processing

Begin the process of running 1099 by going to APMENU01 and running option 370 AP 1099 Tax Code Maintenance

This is where you can see all paid invoices for your vendors and what 1099 code is on each invoice

This is where can add or change the tax code on a paid invoice

- APMENU01 – option 370 AP 1099 Code Maintenance

```

ECS040C                1099 TAX CODE MAINTENANCE SELECTION                1/14/21
                                                                    08:29:43

Division                JC

Vendor from              _____ (blank for ALL)
Vendor to                _____

*and*
Invoice number from    _____ (blank for ALL)
Invoice number to      _____

*and*
Payment date from      10120 (blank for ALL)
Payment date to        123120

*and*
GL account number from _____ (blank for ALL)
GL account number to   _____

*and*
Existing 1099 code from _____ (blank for ALL, *blanks
Existing 1099 code to   _____ for NO 1099 Code)

Update (U) to submit job, Review (R) to display records R (R/U)
Update_ existing 1099 code to _

AP11
F3=Process  F10=Menu Bar  F12=Cancel
  
```

- APMENU01 – option 370 AP 1099 Code Maintenance

AP 1099 Processing

This is the results you will see when you hit F3 on option 370 on APMENU01.

Here you can manually change the 1099 code on your invoices

If there are a lot of invoices that need to be changed then you can go back to the parameter screen and run an automatic update

```

ECS040C                               1099 Tax Code Maintenance Selection                               1/14/21
                                                                                               08:32:03
Division JC JAN'S DIVISION                               US
1099 Code
Cur Rev Vendor                               Invoice                               Seq GL Account
M   -   JLC   JAN'S VENDOR                               crdt                               1 99-01-006
M   -   JLC   JAN'S VENDOR                               process                            1 99-01-006
M   -   JLC   JAN'S VENDOR                               12303507                           1 99-01-006
M   -   JLC   JAN'S VENDOR                               12303508                           1 241000
M   -   JLC   JAN'S VENDOR                               12303510                           1 241000
    -   JLC   JAN'S VENDOR                               12303510z                          2 241000
    -   JLC   JAN'S VENDOR                               12303510z                          1 99-01-006
    -   JLC   JAN'S VENDOR                               19630                               1 99-04-101
    -   JLC   JAN'S VENDOR                               19631                               1 99-04-101
    -   JLC   JAN'S VENDOR                               19632                               1 99-04-101
M   -   JLC   JAN'S VENDOR                               19632   _a                          1 99-04-101
    -   JLC   JAN'S VENDOR                               19632   Va                          1 99-04-101
    -   JLC   JAN'S VENDOR                               19633                               1 99-04-101
M   -   JLC   JAN'S VENDOR                               19633   _a                          1 99-04-101
    -   JLC   JAN'S VENDOR                               19633   Va                          1 99-04-101
    -   JLC   JAN'S VENDOR                               19634                               1 99-04-101
AP11 Vendor _____ Invoice _____
F2=Select F3=Exit F6=Fold/Unfold F10=Menu Bar F12=Cancel
  
```

AP 1099 Processing

You can automatically update the 1099 code on your paid AP invoices using multiple criteria:

By vendor

By vendor and invoice # range

By vendor, invoice #, GL acct number

By vendor and existing 1099 code

This functionality is very flexible, and you can select whatever combination of criteria that you desire.

- APMENU01 – option 370 AP 1099 Code Maintenance

```

ECS040C                                1099 TAX CODE MAINTENANCE SELECTION                                1/14/21
                                                                                               08:38:27

Division                                JC

Vendor from                               JLC                                (blank for ALL)
Vendor to                                 JLC

*and*
Invoice number from                       _____                                (blank for ALL)
Invoice number to                         _____

*and*
Payment date from                         10120                                (blank for ALL)
Payment date to                           123120

*and*
GL account number from                    _____                                (blank for ALL)
GL account number to                      _____

*and*
Existing 1099 code from                    _____                                (blank for ALL, *blanks
Existing 1099 code to                      _____                                for NO 1099 Code)

Update (U) to submit job, Review (R) to display records U (R/U)
Update existing 1099 code to M

AP11
F3=Process  F10=Menu Bar  F12=Cancel
  
```

- APMENU01 – option 360 Print AP 1099 Forms

AP 1099 Processing

After maintaining your 1099 codes now you can run your 1099

Can be run by a specific 1099 code or all code

Can be run for a specific vendor or all vendors

The 1099s will not actually print but this will create a spool file, or an electronic file based on what code you put in the Create option field.

```

ECS040C                                SUBMIT PRINT A/P 1099 FORMS                                1/14/21
                                                                                               08:45:56

Use this screen to indicate the company(s) or the division(s)
and 1099 code to be processed. Leave 1099 code blank
to process all types.

Company          _____
+ for more values _____

or

Division        _____
+ for more values _____

1099 code          _____ (blank for ALL)

Vendor range     _____ To _____ (blank for ALL)

Create option     N (Y = create file only)
                  (N = print only)
                  (B = create file and print)

GL12
F3=Submit and exit  F12=Cancel
  
```

AP 1099 Processing

Create option:

Y = Will create only an electronic file if you have option 48 on APMENUD set up

B = Will create an electronic file only if option 48 on APMENUD is set up and will produce spool file reports

N = Will only create spool file reports one for each different 1099 code

- APMENU01 – option 360 Print AP 1099 Forms

```
Create option      Y      (Y = create file only)
                  (N = print only)
                  (B = create file and print)
```

```
Create option      B      (Y = create file only)
                  (N = print only)
                  (B = create file and print)
```

```
Create option      N      (Y = create file only)
                  (N = print only)
                  (B = create file and print)
```

AP 1099 Processing

With EC 53489 the spool files will now contain the 1099 code to make it easier to find the output you want for a specific 1099 code

- APMENU01 – option 360 Print AP 1099 Forms

Opt	File	Device or Queue	User Data	Status	Total Pages	Current Page	Copies
—	QSYSPRT2	FRNPRT	1099D	HLD	1		1
—	QSYSPRT1	FRNPRT	1099I	HLD	1		1
—	QSYSPRT	FRNPRT	1099M	HLD	1		1
—	QSYSPRT	FRNPRT	1099M	HLD	1		1
—	QSYSPRT4	FRNPRT	1099R	HLD	1		1

AP 1099 Processing

After you have run option 360 once if you need to rerun your 1099s you will need to now run option 400

If you ran option 360 by a specific 1099 code, you could run option 360 again for a different 1099 code but if you need to run the 1099s again for a code you have already processed through option 360 you will then need to run option 400

If you ran option 360 the first time with the 1099 code field blank, meaning for all 1099 codes, in order to run again you will need to run option 400

- APMENU01 – option 400 Reprint AP 1099 Forms

```
* Reprint 1099 Forms *  
400. Reprint AP 1099 Forms      AP1099
```

AP 1099 Processing

As mentioned earlier running either option 360 or option 400 on APMENU01 does not actually print your 1099s but create a spool file or electronic file

- APMENU01 – option 360 and/or option 400 does not Print 1099 forms just creates a spool file which can be sent to a company that prints 1099s or your IT dept can convert that spool file so you can print 1099s.
- If you create an electronic file you can send this directly to the IRS or to a company that prints 1099s

```
360. Print AP 1099 Forms      AP1099
370. AP 1099 Code Maintenance  AP11
      * Reprint 1099 Forms *
400. Reprint AP 1099 Forms    AP1099
```

AP 1099 Processing

If you want to confirm the amount is correct for your 1099s you can have a query set up over the IDP file based on the IDPYM (paid period) being within the year you are running 1099s on.

You could run it first to show all checks paid sorted by vendor

Then you could add the parameter for the 1099 code which is IDTAX

- The 1099 information comes from the IDP file based on the IDTAX (1099 code) field being populated with a code from your TE note type

AP 1099 Processing

After you have made all your adjustments to the tax codes for your invoices and are ready to run the last and final 1099 go back to APMENUD option 24 and change the Finalize 1099s to Y

This will prevent anyone from using option 370 on APMENU01 to change the tax code on invoices

Run option 400 on APMENU01 one last time

- APMENUD – option 24 Change Finalize 1099s to Y

```
ECS040C                                A/P 1099 YEAR                                1/14/21
                                           09:27:25

Use this screen to update the A/P 1099 year parameter for
division  JC  JAN'S DIVISION

This screen will change the A/P 1099 year to be selected for
processing.

Make required changes and PRESS ENTER.

Year for 1099 to be run  20
Finalize 1099s           Y  (Y or N)

AP02  Division  JC
F3=Exit
```

AP 1099 Processing

Get your 1099s printed

Or send electronic file

- Send your 1099 spool files off to be printed
- Or send your electronic file off to either the IRS or company that will print your 1099s
- The electronic file name uses the format 1099xxyymmdd, where:
 - xx is the division
 - t is the 1099 type
 - yymmdd is the creation year, month, and day

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QUESTIONS?

QUESTIONS