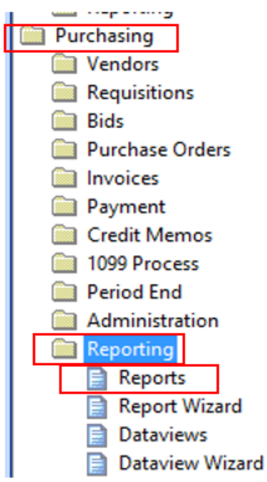
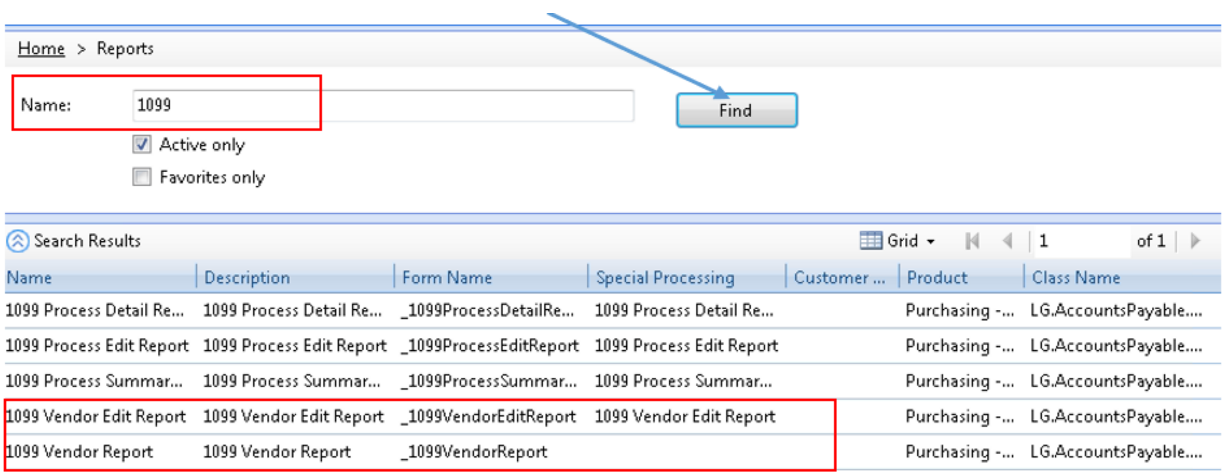
Before You Begin…

It is important to run preliminary reports from the **Report Menu** to verify the 1099 Information.

Purchasing/Reporting/Reports



Enter ***1099*** in the Name search criteria and click ***FIND*** to list all the 1099 related reports.

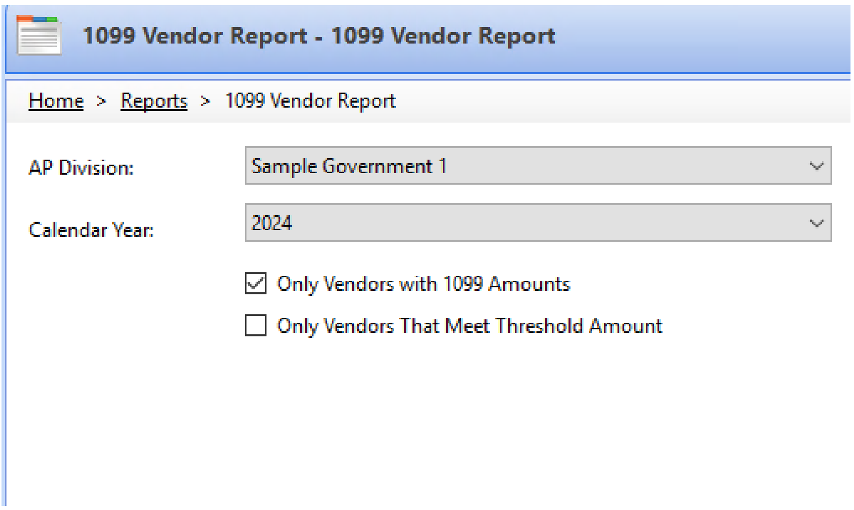


<u>1099 Vendor Report</u>

The AP division will default in unless you have multiple divisions, in this case you will need to select the AP division. The calendar year will default to ***2024.***

If you would like to see 1099 vendors that had amounts paid to them that were ***NOT*** flagged as 1099 ***DO NOT*** check ***Only Vendors With 1099 Amounts***.

If you only want to see the vendors with 1099 Amounts ***DO*** check ***Only Vendors With 1099 Amounts***.

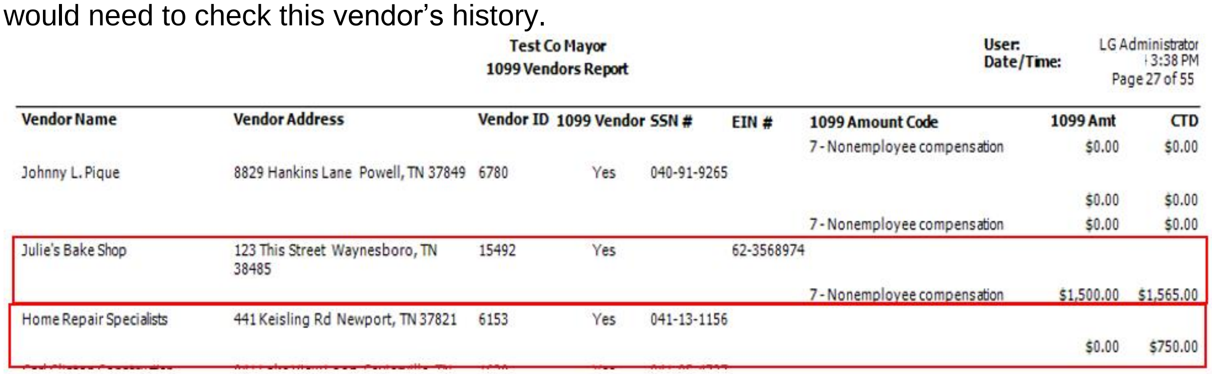


In the following example we did not select *'**Only Vendors with 1099 Amounts**'.*

You can see the vendor ***Julie's Bake Shop*** has a 1099 Amount of $1,500.00 but the CTD (Calendar to Date) Amount is $1,565.00.

This means there was one or more invoices that were paid to this vendor that were not flagged as 1099. This might be an indicator to check that vendor to be sure the invoices were flagged properly at payment time. You will have the option to maintenance these during the 1099 process.

Also, you will notice the vendor ***Home Repair Specialists*** has no 1099 Amount, but the CTD amount is $750.00. This means this vendor is flagged as a 1099 Vendor but none of the invoices that paid to them were flagged for 1099. Again, this might be an indicator that you would need to check this vendor's history.



Test Co Mayor
1099 Vendors Report

User: LG Administrator
Date/Time: 3:38 PM
Page 27 of 55

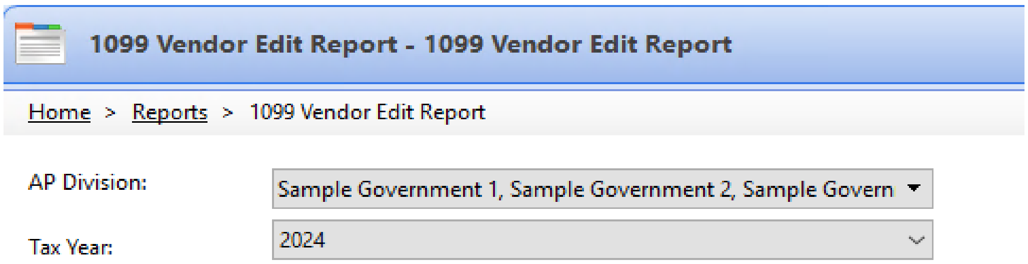
Vendor Name	Vendor Address	Vendor ID	1099 Vendor	SSN #	EIN #	1099 Amount Code	1099 Amt	CTD
						7 - Nonemployee compensation	$0.00	$0.00
Johnny L. Pique	8829 Hankins Lane Powell, TN 37849	6780	Yes	040-91-9265				
							$0.00	$0.00
						7 - Nonemployee compensation	$0.00	$0.00
Julie's Bake Shop	123 This Street Waynesboro, TN 38485	15492	Yes		62-3568974			
						7 - Nonemployee compensation	$1,500.00	$1,565.00
Home Repair Specialists	441 Keisling Rd Newport, TN 37821	6153	Yes	041-13-1156				
							$0.00	$750.00

1099 Vendor Edit Report

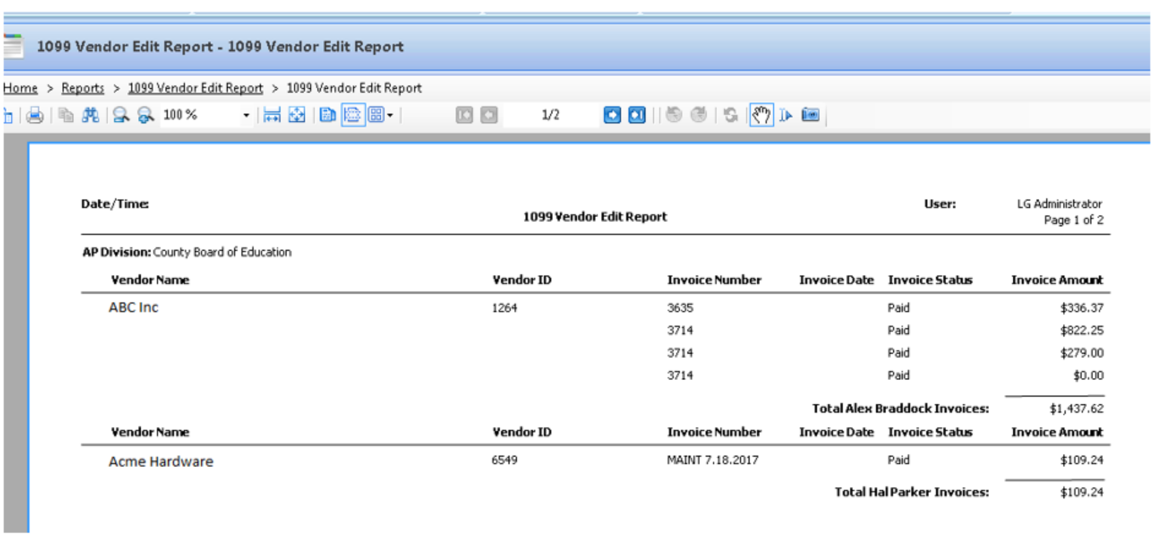
The 1099 Vendor Edit Report will list any vendors that have invoices flagged as 1099, but no 1099 info is selected on the vendor.

You will need to review the report and either edit the vendor to show their 1099 info, or you can remove the 1099 flag from the Invoice.

The Division will default to include all divisions, and the tax year will default in. You can select one AP division or ALL.



The report will list each invoice per vendor that is ***flagged*** for 1099.



Date/Time: 1099 Vendor Edit Report User: LG Administrator Page 1 of 2

AP Division: County Board of Education

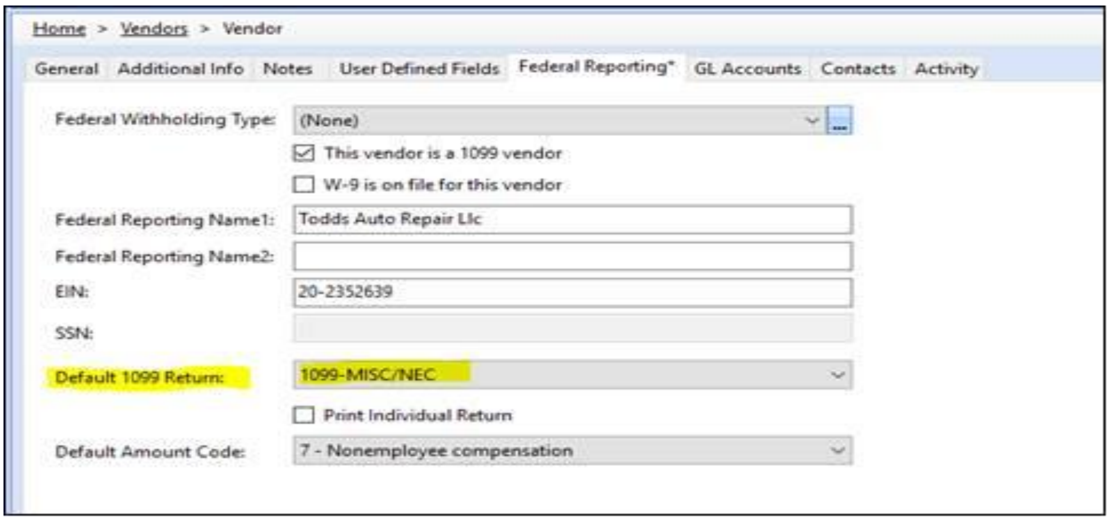
Vendor Name	Vendor ID	Invoice Number	Invoice Date	Invoice Status	Invoice Amount
ABC Inc	1264	3635		Paid	$336.37
		3714		Paid	$822.25
		3714		Paid	$279.00
		3714		Paid	$0.00
				Total Alex Braddock Invoices:	$1,437.62
Vendor Name	**Vendor ID**	**Invoice Number**	**Invoice Date**	**Invoice Status**	**Invoice Amount**
Acme Hardware	6549	MAINT 7.18.2017		Paid	$109.24
				Total Hal Parker Invoices:	$109.24

Vendor File Set up

The 1099 process will only consider vendors who are flagged as 1099 vendors.

While adding your vendors during the year, you must select ***'This vendor is a 1099 vendor'*** and fill in the required info on the ***Federal Reporting*** tab in the Vendor Maintenance, located under Purchasing/Vendors/Vendors.

If there are Vendors missing from the 1099 Vendor Report or Vendors listed on the 1099 Vendor Edit report that should be flagged as 1099 Vendors, you may go ahead and fill out their Federal Reporting info before proceeding. You will also have an opportunity to maintenance their 1099 Amounts during the 1099 process.

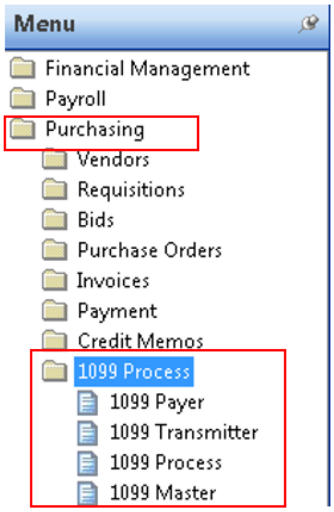


During the year, as invoices are paid, you can determine line by line if an invoice amount is to be considered for 1099 reporting. If the vendor is a 1099 vendor each line of an invoice will be considered as a 1099 amount unless you change the 1099 flag for that line.

Important Tip: It is a good idea to be sure you have a current and accurate W-9 on file for each vendor you have flagged as a 1099 vendor.

1099 Process Menu

Purchasing/1099 Process

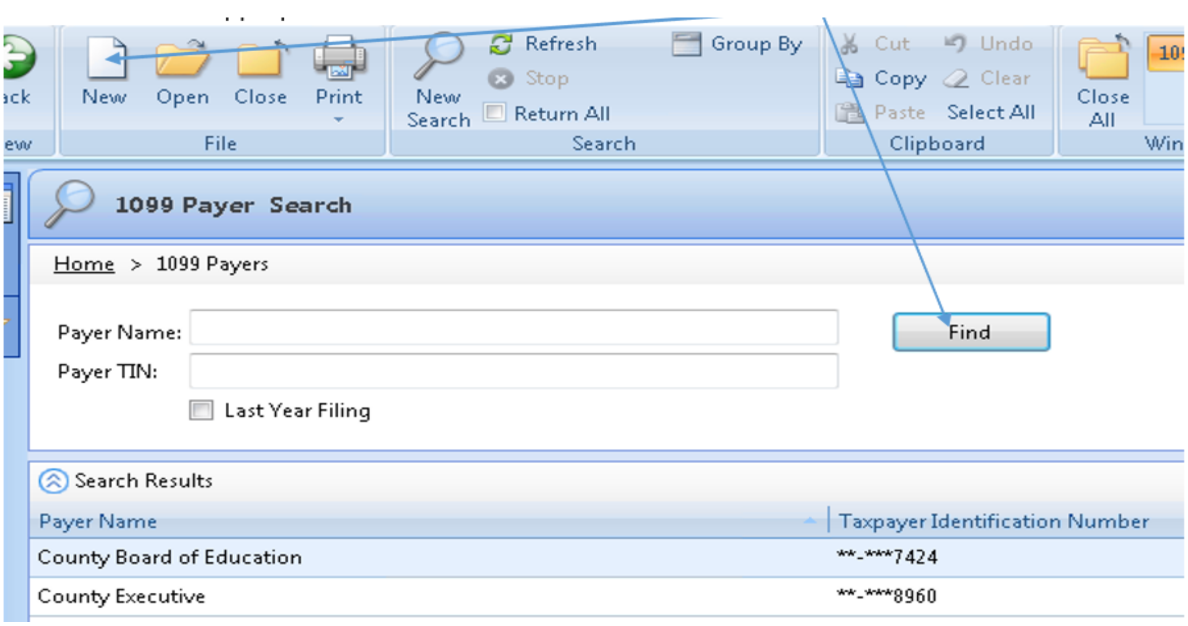


1099 Payer

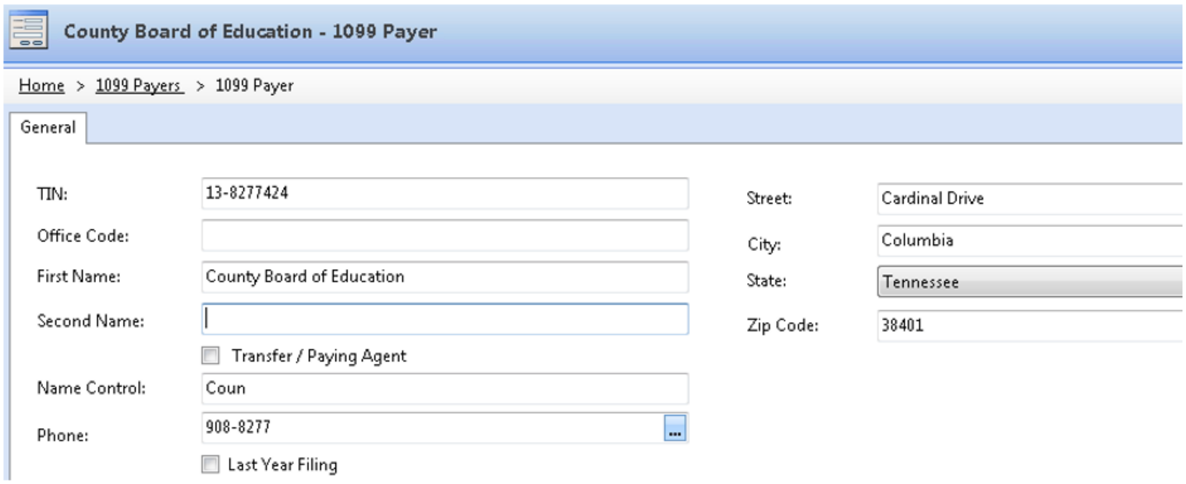
Check the 1099 Payer for accuracy. You may only have one 1099 Payer, but if your office has multiple EIN's then you should have one for each EIN.

Select ***1099 Payer*** from the ***1099 Process*** Menu. Click ***Find*** to list all the 1099 Payer records in your system.

If no payer records exist, select ***NEW*** from the ribbon bar and fill in the appropriate info:



Double click on each payer record to open. Verify all info is correct and make any necessary changes, select ***Save And Close*** from the ribbon bar.



Some Key Fields Explained:

- **TIN:** Tax Identification Number
- **Office Code:** Optional
- **First Name:** This is the name of the payer whose tax number is contained on this 'A' record.
- **Second Name:** If the Transfer/Paying Agent flag is checked this field must contain the name of the transmitter or paying agent. If the Transfer/Paying Agent flag is not checked this field may be left blank.
- **Transfer/Paying Agent:** If this is **NOT** checked this indicates that the information is related to the payer and not a separate transmitter. Whereas, if this **IS** checked, it indicates that the transfer or paying agent is not the transmitter.

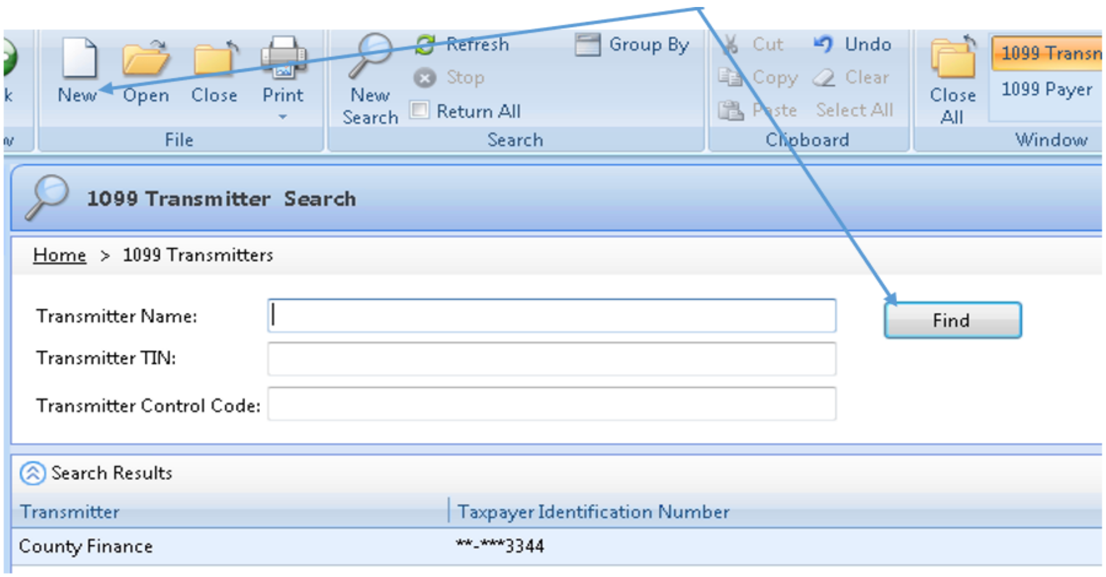
  Example: 'Test County Mayor' is the transmitter, but the 'Test County Highway' is the payer and has its own TIN number.
- **Name Control:** These 4 characters are usually included in a 1099 package sent from the IRS to most payers. This field is only used if the payer is not using magnetic media to report their information. If nothing is entered this field will auto populate with the first 4 characters of the Name 1.
- **Last Year Filing:** This should only be checked if this will be the last year this payer will be filing.

1099 Transmitter

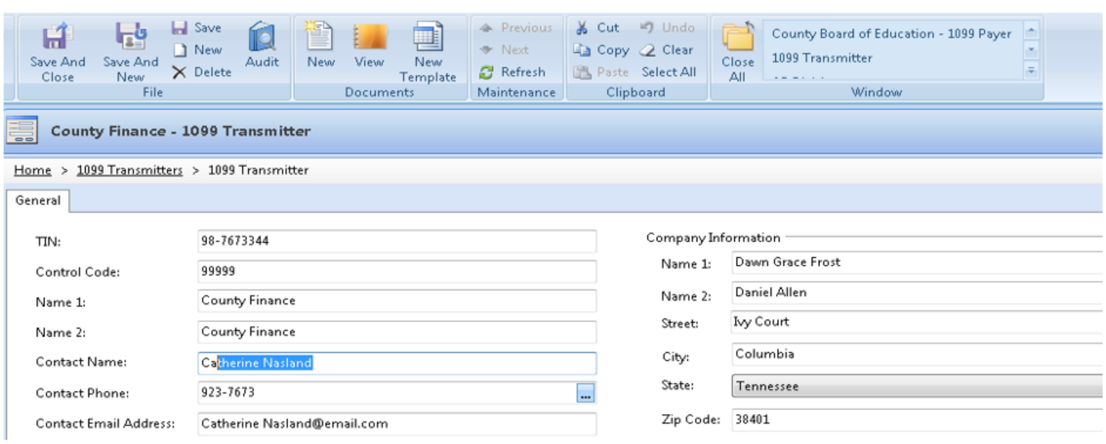
Check the 1099 Transmitter for accuracy. Most offices will only have one ***1099 Transmitter***.

Select ***1099 Transmitter*** from the ***1099 Process*** Menu. Click ***Find*** to list all 1099 Transmitter records in your system.

If no transmitter record exists select ***NEW*** from the ribbon bar and fill in the appropriate info.



Double click on the transmitter record to open. Verify all info is correct and make any necessary changes, select ***Save And Close*** from the ribbon bar.



Some Key Fields Explained

- **TIN:** Tax Identification Number
- **Control Code:** This is a 5-character code assigned by the IRS and must be obtained before you can file electronically.
- **Name 1:** This field should contain the name of the transmitter in the manner in which it is used in normal business.
- **Name 2:** This field is a continuation of the transmitter name.
- **Contact Name:** The name of the person to contact if there is an error in the file.
- **Contact Phone:** The phone number of the person to contact if there is an error in the file.
- **Contact Email:** The email address of the person to contact if there is an error in the file.

Keep in mind, if there have been personnel changes since the last 1099 process, the contact info should be updated.

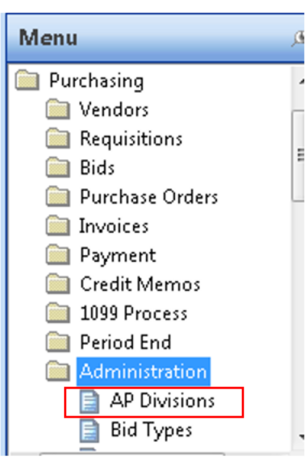
New Account Controls Added this Calendar Year

If you have added any new funds or sub funds, then you ***NEED*** to make sure a 1099 payer and transmitter are selected for that account control on the Federal Reporting Tab under AP Division.

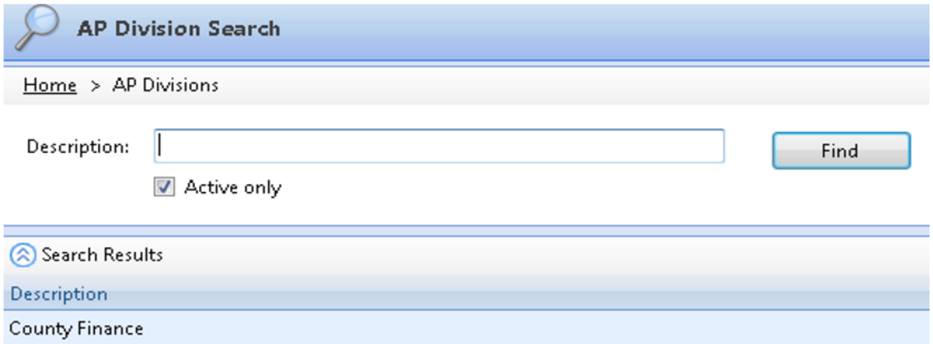
Please follow the highlighted section below for steps to check and make sure they are set.

- 1 EIN, proceed to the ***1099 Process*** steps.
- Multiple EIN's based on the account control, you will need to check the ***AP Division/Federal Reporting Tab*** to ensure that the correct payer and transmitter is associated to the correct Account Control.

You can find this under ***Purchasing/Administration/AP Divisions***



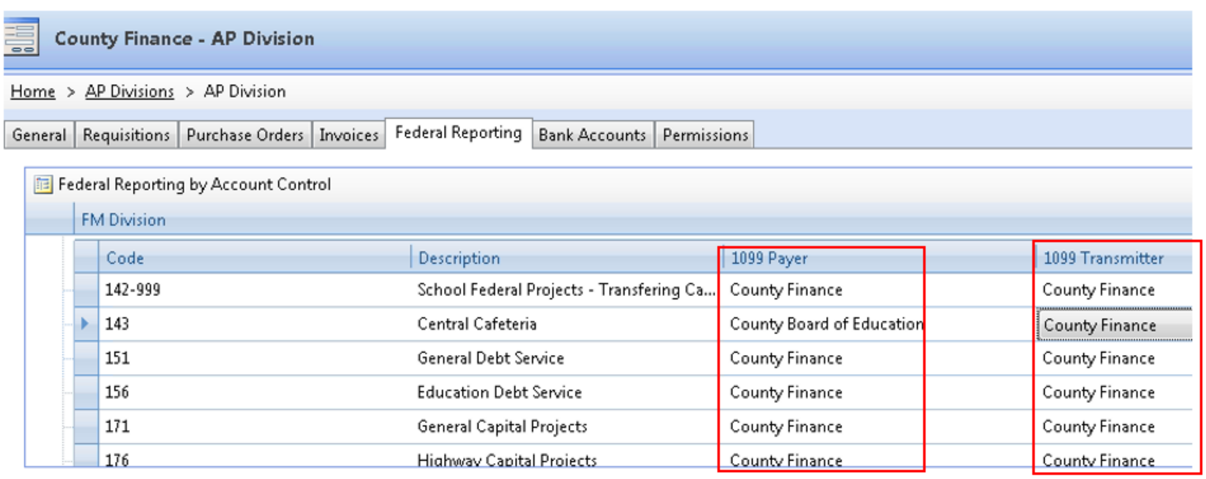
Click on ***Find*** to list your AP Divisions. Double click on the division to open it.



Select the ***Federal Reporting Tab.*** Click on the + next to the FM Division to expand the Account Controls.

Please note, you will see all account controls that are in the system, even ones that may not apply to this division. Verify the ***1099 Payer*** and ***1099 Transmitter*** are correct per Account Control.

Example: 143 Central Cafeteria fund may have a separate EIN than the other school funds. After making the appropriate changes select Save and Close from the ribbon bar.

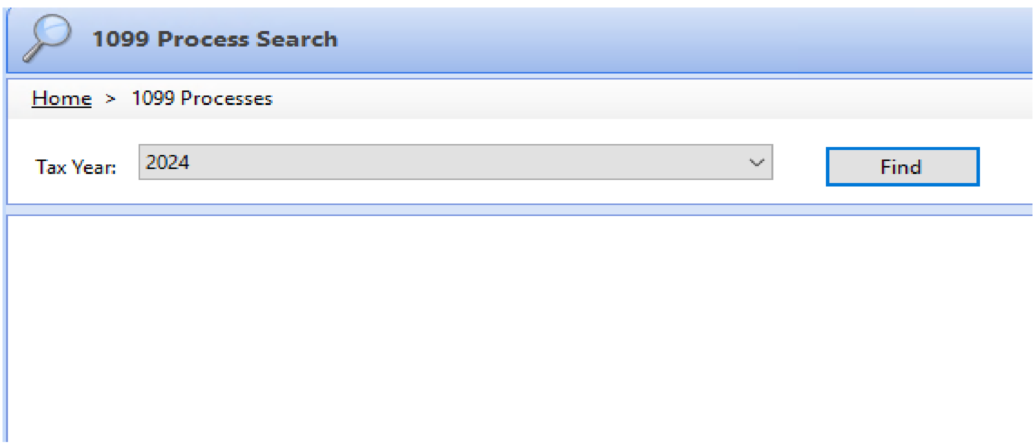


1099 Process- Section 1

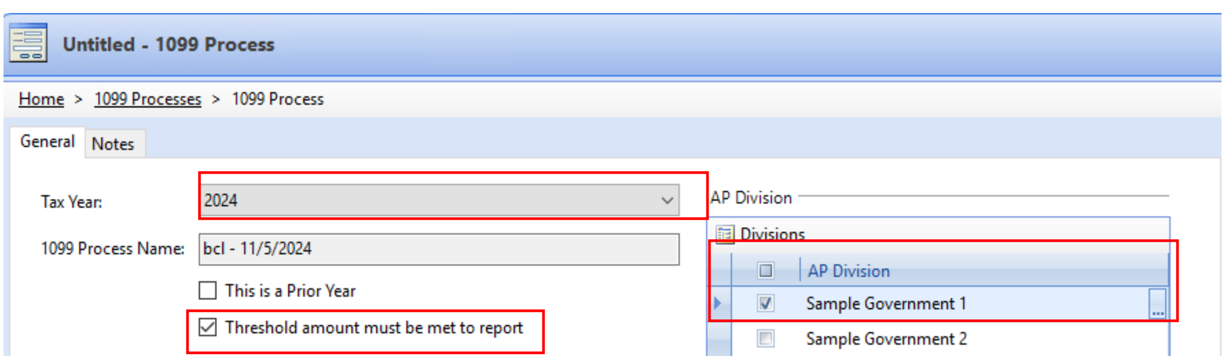
The first time you go to the 1099 Process you will select ***New*** from the Ribbon Bar to start a new batch.

Once you have started, you can save the process and exit.

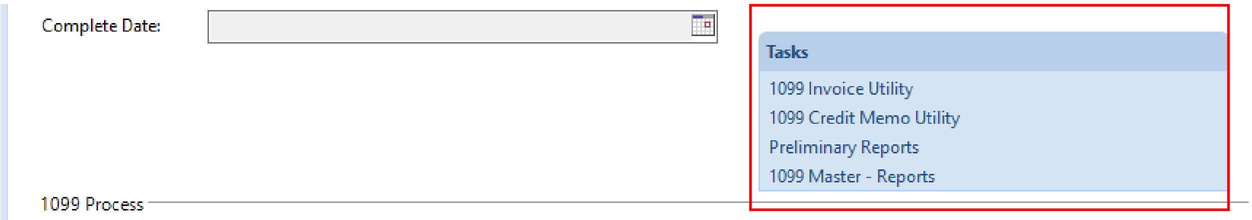
Then you will be able to select ***Find*** to select a previously saved Process.



Select the ***2024 Tax Year*** and choose whether the '***Threshold amount must be met* to report'**, select the ***AP Division or Divisions***.



Notice the ***Tasks Options*** some can be ran prior to building the 1099 Master.



By clicking on these tasks, you can perform various optional tasks to assist you in preparing the 1099's.

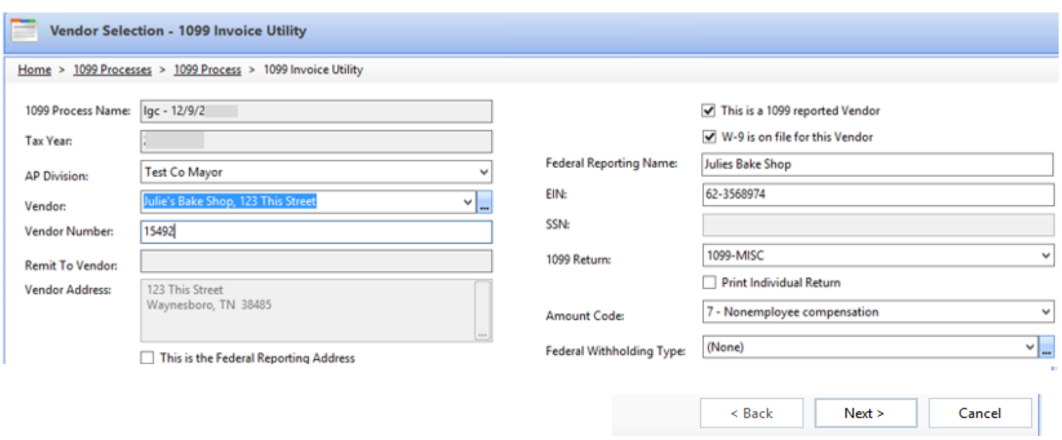
1099 Invoice Utility

Clicking this option will allow you to select a vendor and flag all invoices for that vendor as 1099 or un-flag all invoices as 1099.

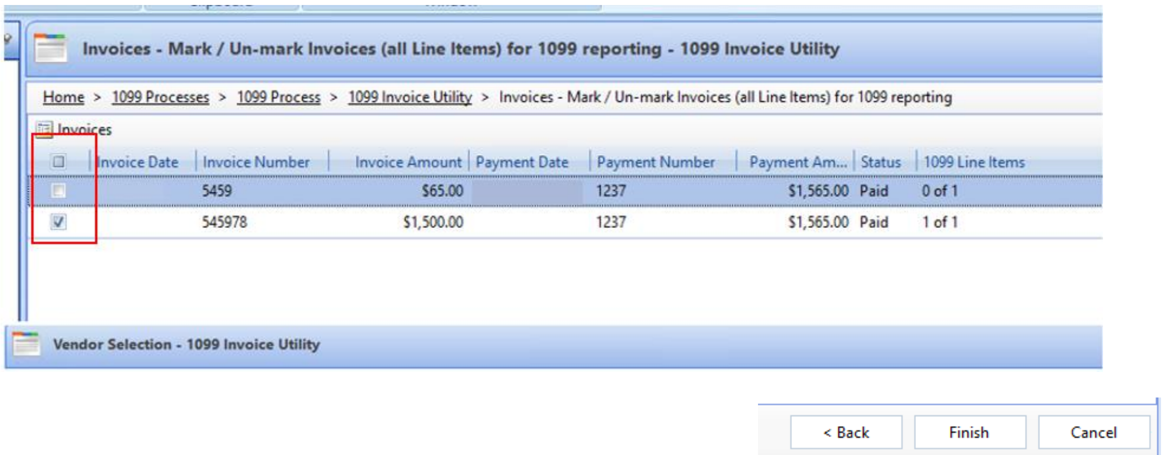
It will also allow you to pick and choose individual invoices to be flagged or un-flagged as 1099. Any changes made will be saved on the Vendor History.

Important Tip*: *If you make changes thru this utility after the 1099 Master has been built you will need to rebuild the 1099 Master, however, keep in mind any changes you made to the 1099 Master File will be lost!

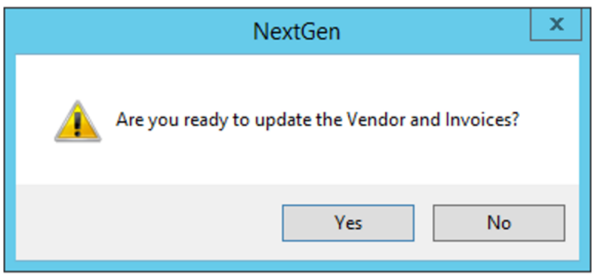
Select the vendor to edit, you may edit the vendor Federal Reporting Info if needed, click ***Next*** to proceed.



Notice this vendor has 2 invoices listed. Invoice 545978 is already flagged as 1099 for all line items. It is checked already. If the invoice 5459 is to be included as 1099, place a check mark in the box and click ***Finish.*** Or, if any invoices need removed from 1099 reporting, simply remove the check.



Click ***Yes*** to Confirm or ***No*** to Cancel.

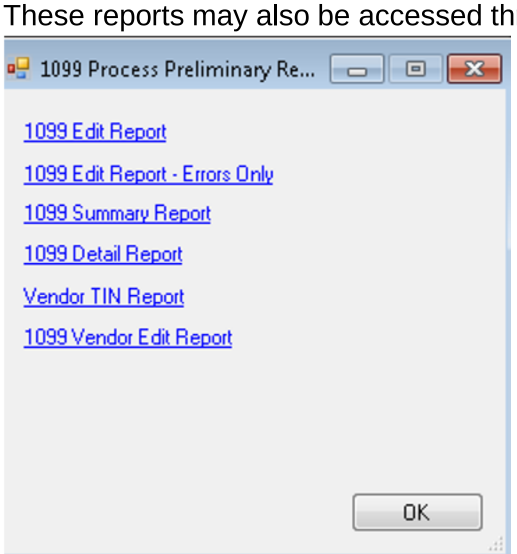


When you have finished with the 1099 Invoice Utility, select ***Cancel*** at the bottom or ***Back*** from the Ribbon Bar, to return to the 1099 Process.

Preliminary Reports

Clicking this option will allow you to run Preliminary Reports prior to building the 1099 Master File, to check for Edits, Errors, Summary and Detail info on vendors flagged as 1099.

These reports may also be accessed thru the report menu.



Be sure to check the preliminary reports for vendors that may have been flagged as 1099 by mistake or invoices that may have been flagged by mistake.

If you find changes that need to be made to the vendors, you can do this now under the Invoice Utility (see instructions above) or under the Vendor Menu.

If these changes are made prior to building the Master File they will be included in the Master File.

1099 Edit Report

This will list any vendors that have at least one invoice flagged as 1099 that have any Errors or Warnings. Vendors with only Warnings will still receive a 1099.

Any Errors will have to be corrected before the Vendor will receive a 1099.

- **1099 Edit Report –Errors Only:** This will list all vendors that have errors and will not receive a 1099 until the error listed is corrected.
- **1099 Summary Report:** This is a listing of all vendors with the total invoice amount, paid and unpaid. As well as the total 1099 Amount, paid and unpaid.
- **1099 Detail Report:** This will list each invoice separately, for all vendors. It shows the Invoice Amount, 1099 Return, Amount Code, and 1099 amount.
- **Vendor TIN Report:** This report will list any vendors that have matching TIN's. (Multiple vendors with the same TIN)
- **1099 Vendor Edit Report:** This report will list show vendors that have invoices flagged as 1099, but the Vendor is not a 1099 vendor. It will also list the invoices that are flagged as 1099.

1099 Master- Reports

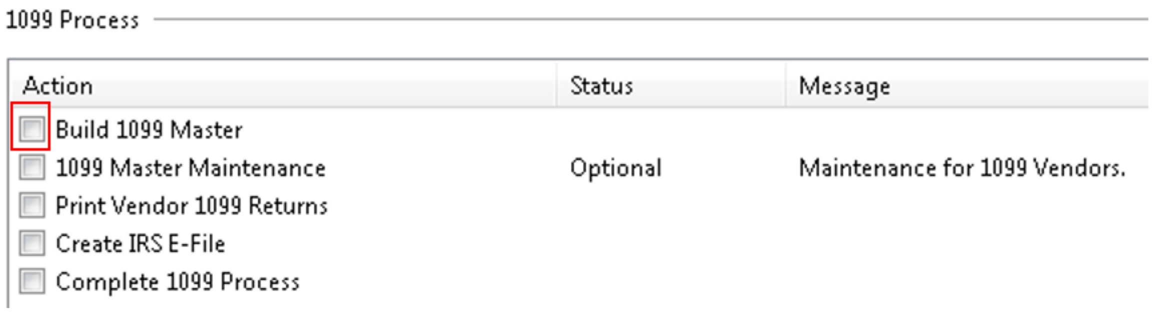
This option can only be ran after the 1099 Master has been built.

This will list the 1099 Master Report and the 1099 Master Edit Report. We will detail this later in the instructions.

*****That ends our Task Options*****

Build 1099 Master-Section 2

Click in the box beside the option.



NOTICE: The 1099 Master File will select all vendors that have invoices paid that have been flagged as 1099 during the reporting Tax Year.

This means a vendor may not be flagged as a 1099 vendor but has had invoice line items flagged for 1099.

You will want to verify these vendors from the Preliminary Reports and correct them prior to building the 1099 Master file.

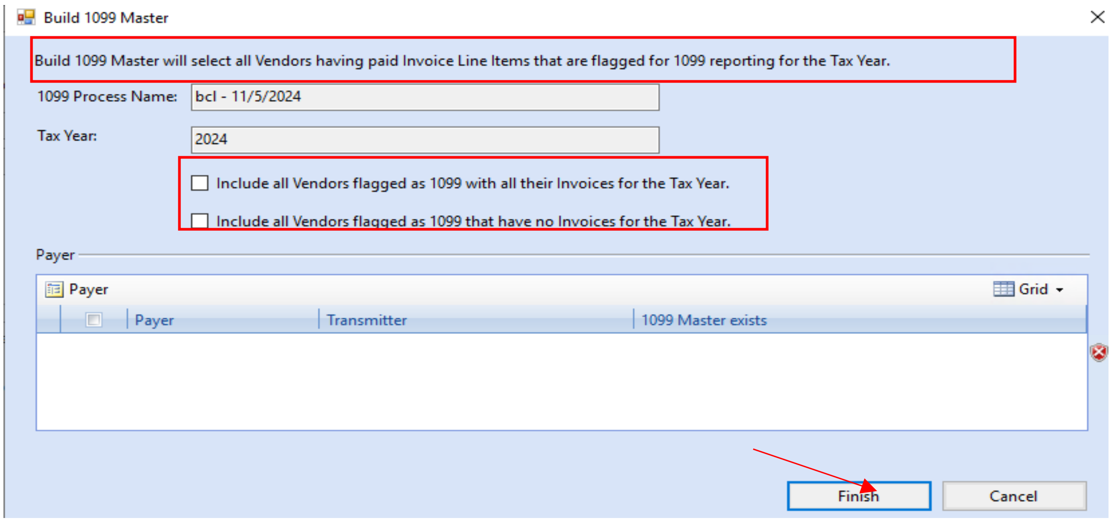
Any changes made thru the Vendor Maintenance or Invoice Utility after building the 1099 Master File will not be reflected.

You may select if you want to ***Include all Vendors flagged as 1099 with all their Invoices for the Tax Year***

Or, if you want to ***Include all Vendors flagged as 1099 that have no Invoices for the Tax Year.***

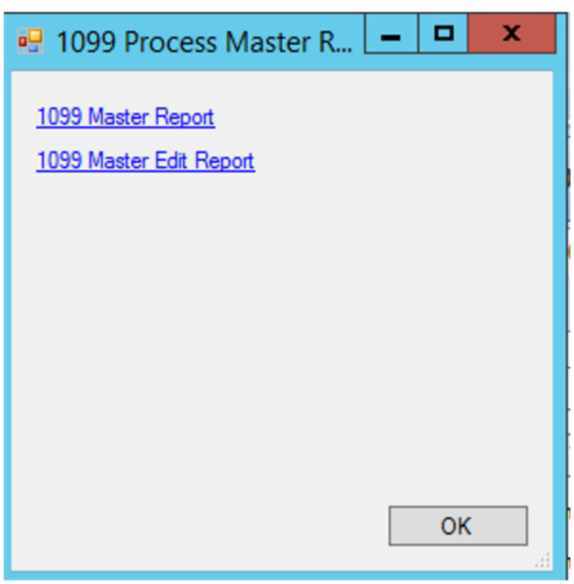
Important Tip: If neither option is checked, the system will select all vendors having paid Invoice Line Items that are flagged as 1099 for the reporting Tax Year.

Click ***Finish*** when all selections are made.



Once you have built the 1099 Master file you can select the ***1099 Master-Reports*** from the Tasks Option:

Your choices are:

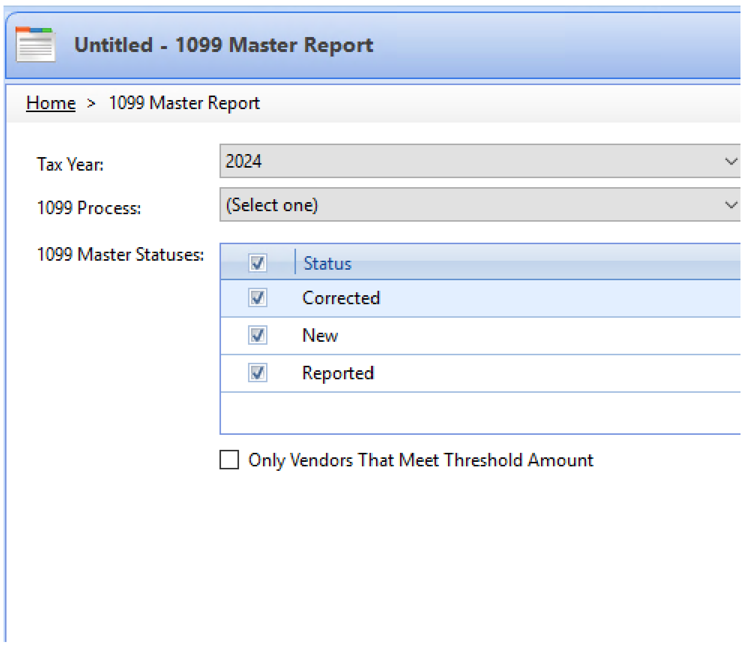


1099 Master Report

A listing of all vendors that are on the 1099 Master.

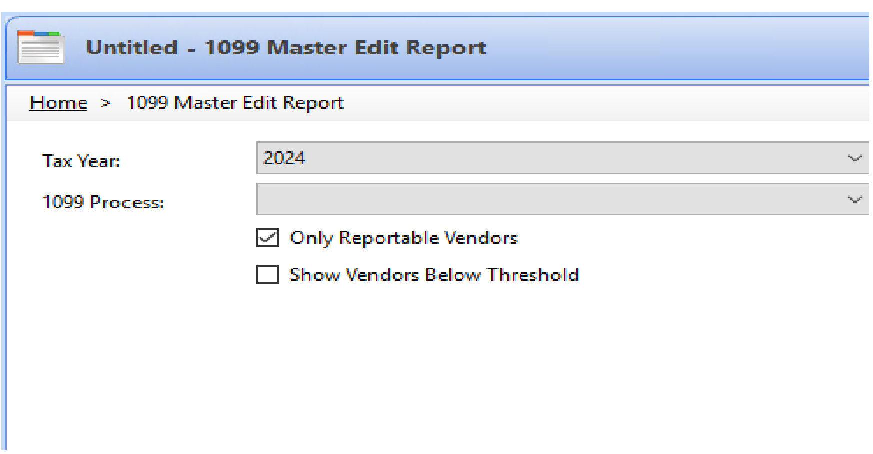
You will have the option select by the Master Status, and this can be ran multiple times.

For example, if you make changes on a 1099 Master record you may want to run the report and see correct only.



1099 Master Edit Report

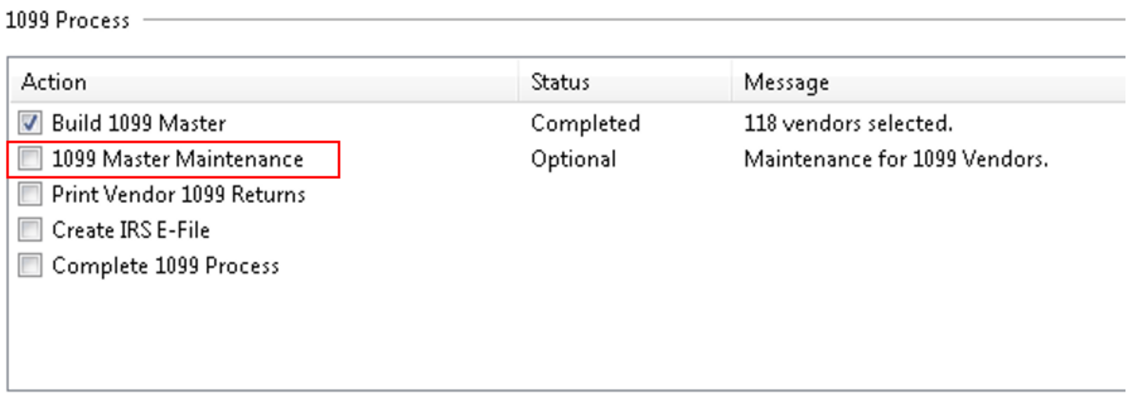
This report will show any edits that will need to be correct before continuing. You may select ***Only Reportable Vendors*** or you may also select to ***Show Vendors Below the Threshold.***



1099 Master Maintenance-Section 3

This option can be used to add, delete or maintain vendor information on the Master File.

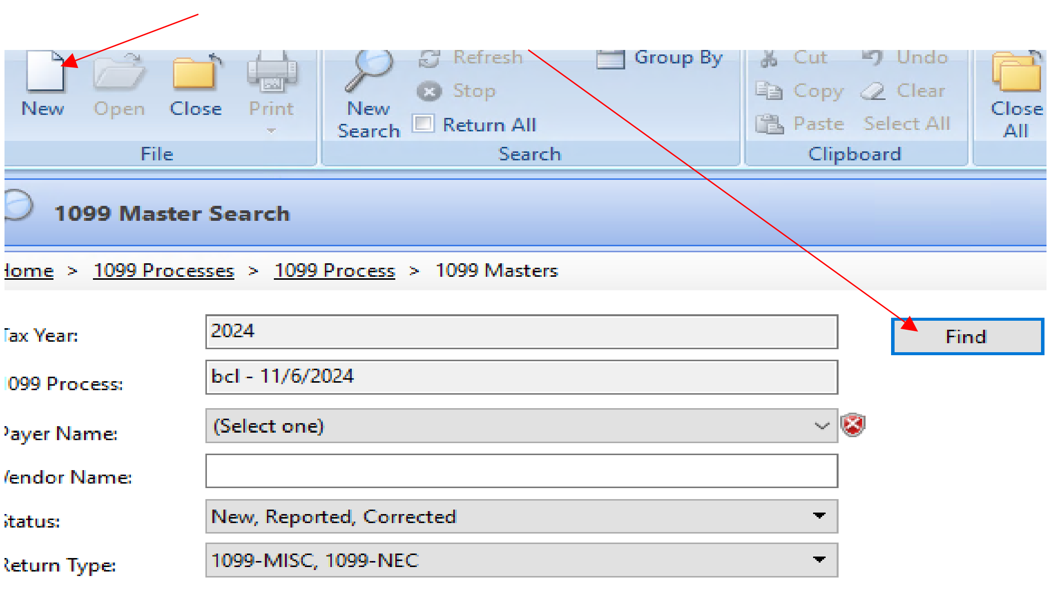
Any information added here will not be saved on the Vendor History.

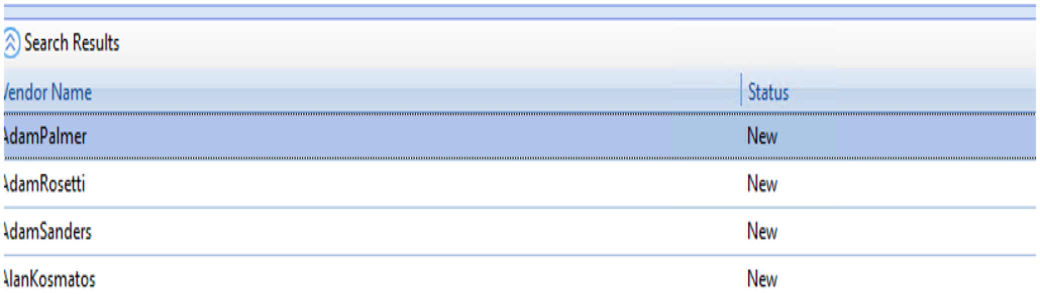


When you select 1099 Master Maintenance you will be brought to the search screen.

You can select ***Find*** to list all Vendors on the 1099 Master, or you can enter a vendor name and select ***Find*** to pull up that vendor.

If you would like to add a Vendor to the Master File, select ***New*** from the ribbon bar and follow the prompts.





After making any changes or additions to the Master File you should go back and run the 1099 Master File Reports again for verification.

Also keep in mind if you rebuild the Master File after changes are made, these changes will be reversed.

<u>Print 1099 Returns-Section 4</u>

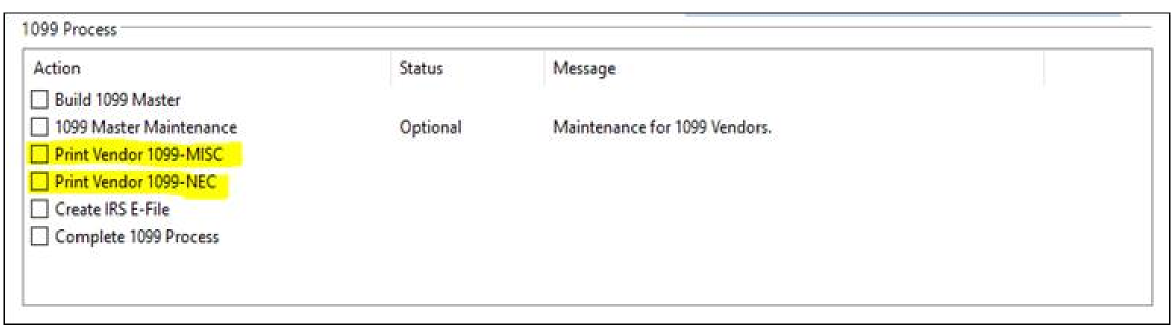
This step will print the 1099 forms.

The IRS has brough back the 1099-NEC (non-employee compensation) forms.

Where we have been accustomed to having amount code 7 print on the 1099-MISC form in box 7, as of 2020, that amount now needs to print on the 1099- NEC form in box 1.

You will first print the 1099-Misc forms and then the 1099-NEC forms.

They will be in two different steps like below.



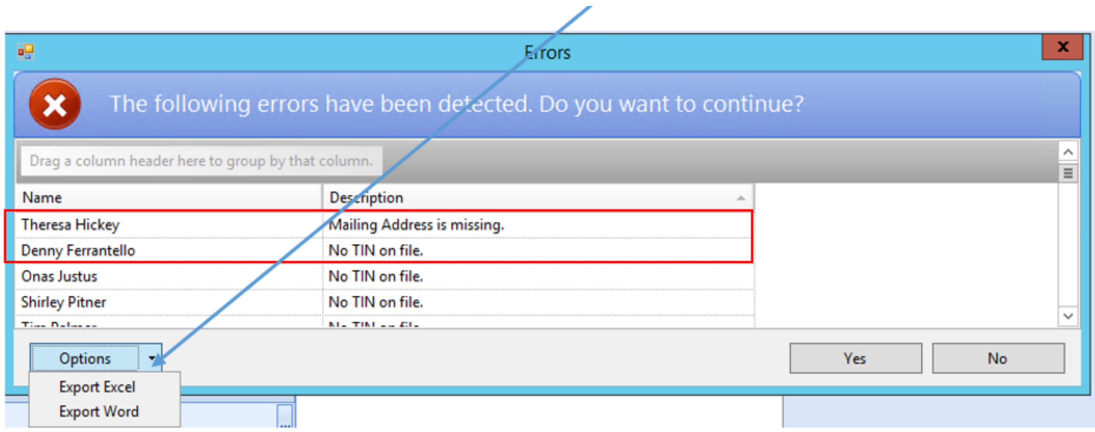
If there are errors, you will be prompted by an ***Errors Box*** containing the errors.

If you select to continue those listed will ***NOT*** receive a 1099.

You may select the ***Options*** and export the errors to Excel or Word if you would like.

Select **NO** if you wish to stop and correct the errors.

Select **YES,** if you wish to continue and not correct the errors:



Each 1099 Payer will be listed separately.

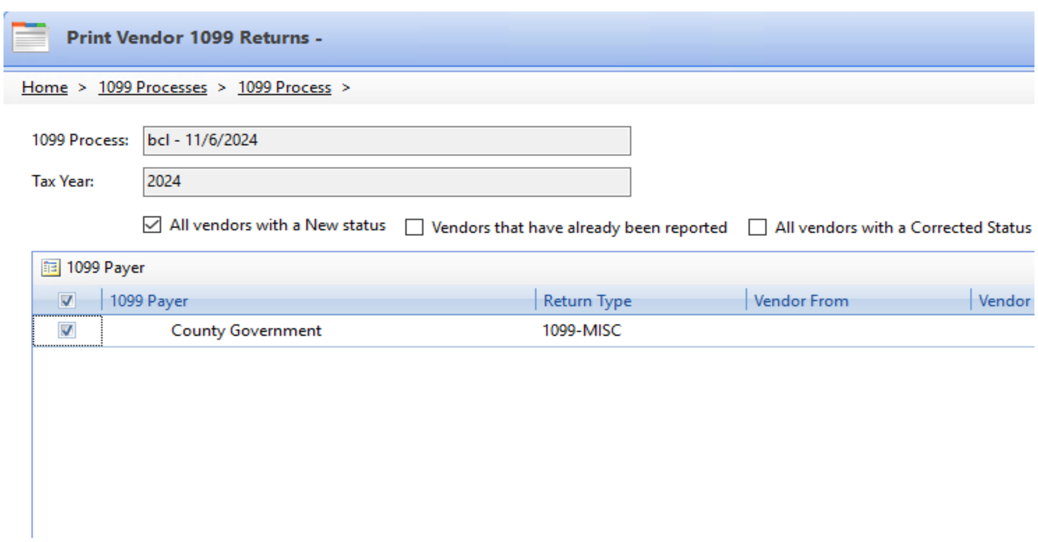
You will have the option to print the 1099's for:

- ***All vendors with New Status***
- ***Vendors that have already been reported***
- ***All Vendors with Corrected Status***

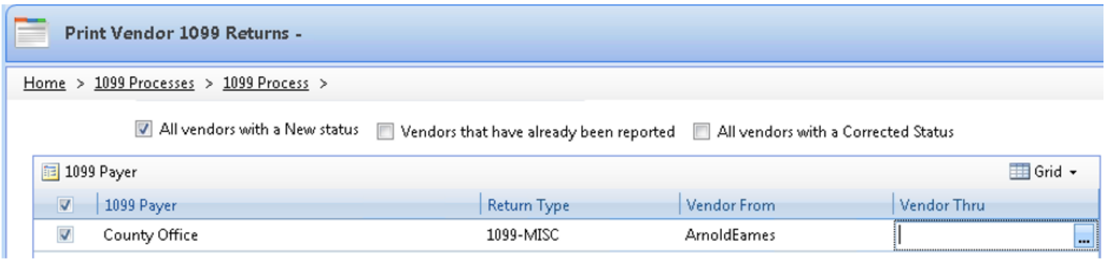
NOTE: If this is your first run thru of the process, they will all be ***All Vendors with New Status.***

If you are printing a corrected 1099 then you would select Correct Status.

After making your selection click ***NEXT.***



If you would like to print a range of vendors or just one individual vendor, click on the ***Ellipses*** in the Vendor from and Vendor Thru boxes to bring up a vendor selection screen:



We suggest you do a ***Test Print*** first.

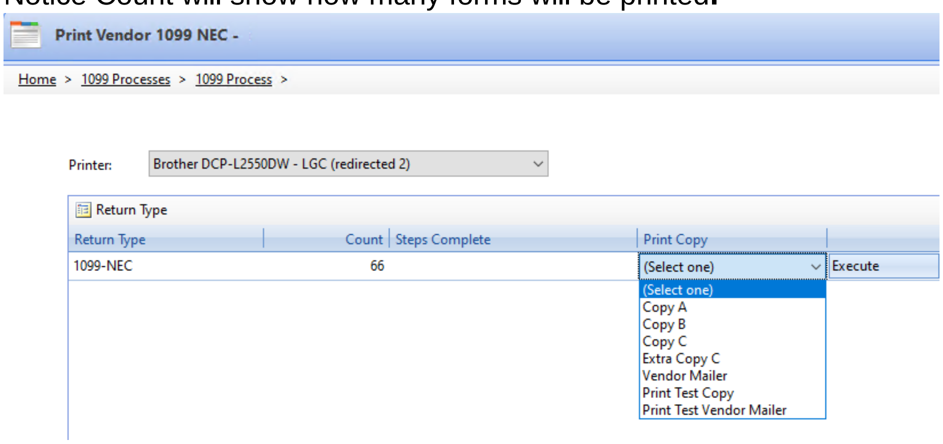
You can do this by selecting 'Print Test' for whichever style of 1099 you print. Two pages of test data will be printed. Confirm amounts are lining up in the boxes correctly and the tax year prints on your form.

After that, you are all set to start printing.

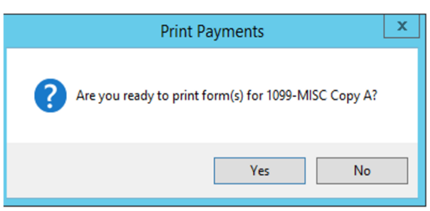
Load your printer with the 1099 forms.

- ***select the correct Printer***
- ***select the Print Copy***
- ***click Execute***

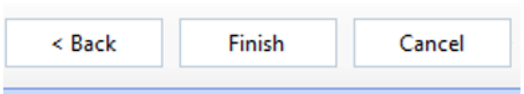
Notice Count will show how many forms will be printed**.**



Confirm if you are ready to print.



You may change the Print Copy type to each copy until all have been printed. Once you have completed printing all the desired copies, click ***Finish*** at the bottom:



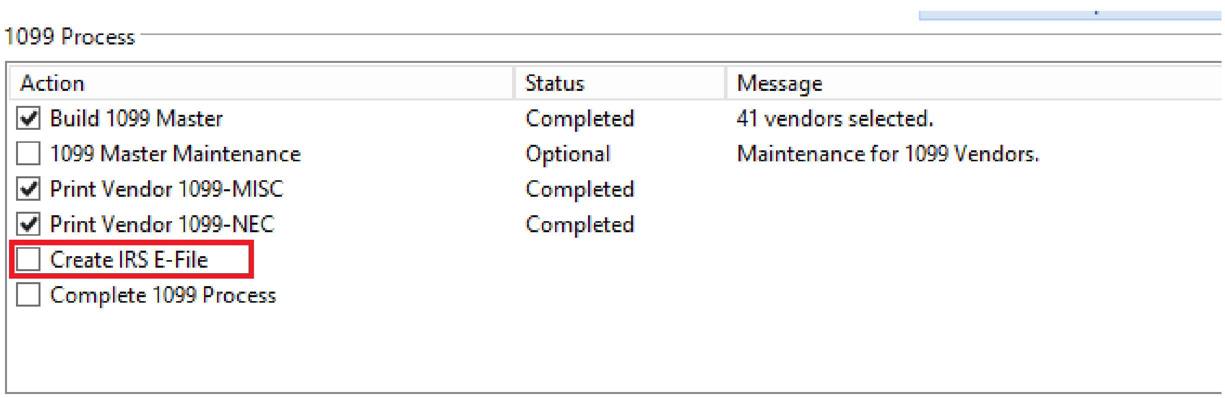
The 1099- NEC printing process is the same. Only difference is you will see 1099-NEC as the Return Type instead.

Create IRS E-file-Section 5

After you print your forms, you will have the option to create the e-file to be sent to the IRS.

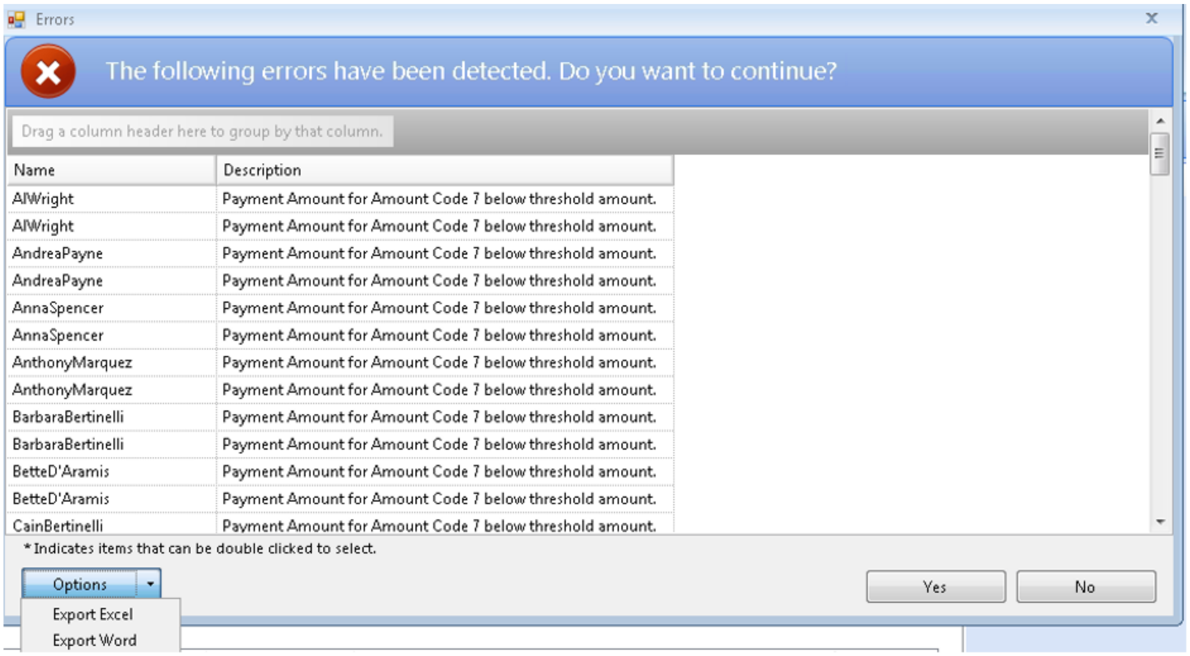
Click in the box beside of Create IRS File.

If the site has 1099-NEC and 1099-MISC forms, there will be only one electronic file, but the different return types will be separated in the electronic file.



If there are vendors on the Master File that will not receive a 1099 they will be listed in the grid with the Description of the error.

You can click on Options to export the list if you wish. If this is correct you may click ***Yes*** to continue.

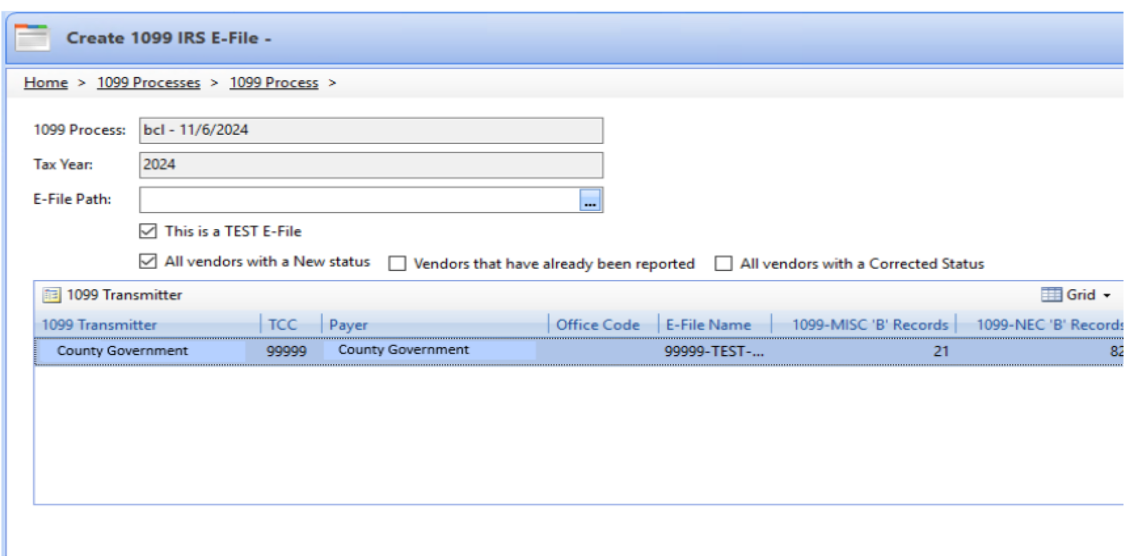


Click on the ellipses on E-file Path to browse your computer and select the location to save the e-file.

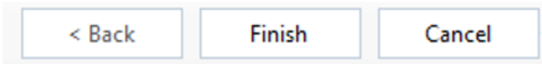
You may choose ***This is a TEST E-file*** if you would like to run a test file first.

Select **All Vendors with New Status** if this is not a Corrected file or if you are not recreating a file, you have already reported.

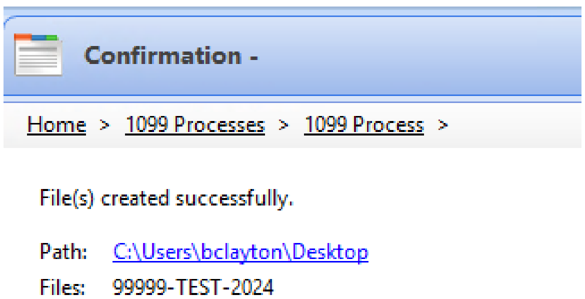
Each 1099 Payer will be listed separately with the 1099 Transmitter listed. You will see the number of 'B' records per payer.



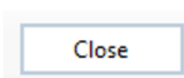
Once you have made your selections click ***Finish***.



You will receive confirmation of the file created and the path it is located. This is the file you will submit to the IRS. Please make note of the filename and location as you will have to access this when you file.

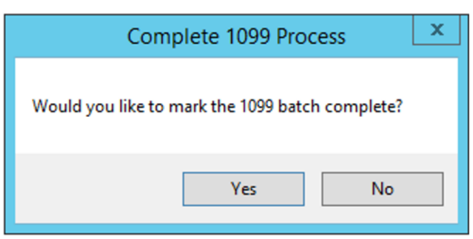


Click ***Close***.



You will be prompted with the following screen, if you would like to complete the batch select ***Yes***.

If you would like to leave the batch open for possible corrections and changes, click ***No***.



You will be returned to the 1099 Process screen select ***Save And Close*** from the Ribbon Bar to Exit.

Congratulations you have completed the *NextGen 1099 Process*!

Contacting LGC Support

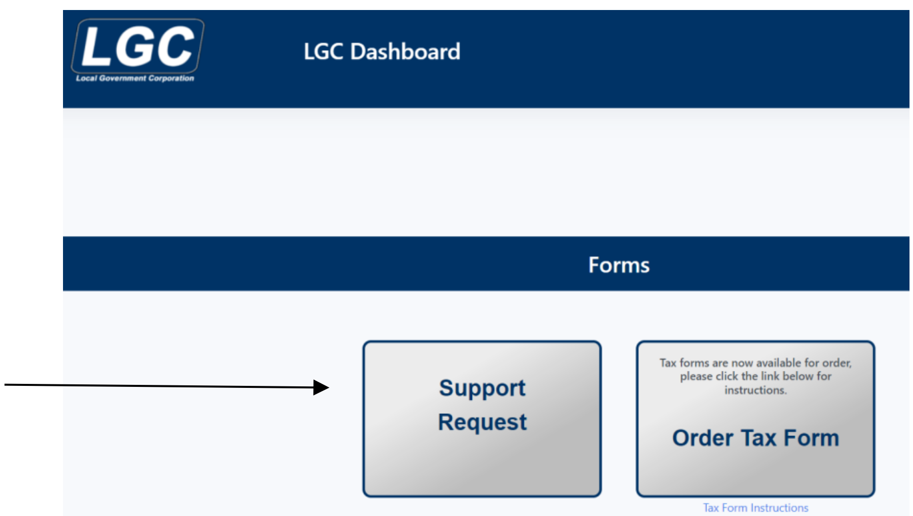
You may contact LGC Support by phone or by submitting a support request on our website:

800-737-1826
7:00 a.m. - 5:00 p.m.
Central Standard Time

Online request from our LGC website for assistance:

https://www.lgc-tn.com

Login to our website and under the *LGC Dashboard* on the left side of the screen, select the "Support Request".



The LGC website contains additional information about our products, training, and support services. You may also submit online support requests from our website.