

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**Background**

The Internal Revenue Service requires employers to issue a 1099-MISC Miscellaneous income form to individuals and business partnerships and in some situations corporations. The form is designed to document personal income from payments made outside of regular payroll. In other words, taxable income that is not already included in the individual's W-2(s).

For Minnesota counties, the 1099-MISC form is used to report "Rents" (box 1), "Royalties" (box 2), "Non-Employee Compensation" (box 7) and "Medical and Health Care Payments" (box 6). For Minnesota counties, royalties generally involve payments for gravel dug from private property.

The 1099-S form can also be generated on IFS to report "Proceeds from Real Estate Transactions". For Minnesota Counties this form may be used to report the purchase of highway right of way. Separate rules apply to the 1099-S. Refer to the IRS instructions for specific rules regarding who is responsible for filing the 1099-S and what real estate transactions must be reported. 1099-S forms are primarily a concern for Auditor users on the IFS system.

Total 1099 type payments must exceed \$600 for the calendar year before a 1099 is required. The rule is applied separately to 1099-MISC and 1099-S totals. However, the IRS does accept 1099 forms for smaller amounts.

For specific questions and advice regarding what payments qualify for the 1099-MISC or 1099-S, refer to the IRS instructions or contact the Internal Revenue Service at the following toll-free numbers:

IRS Toll Free Tax Information	1-800-829-1040
IRS Forms	1-800-829-FORM (3676)

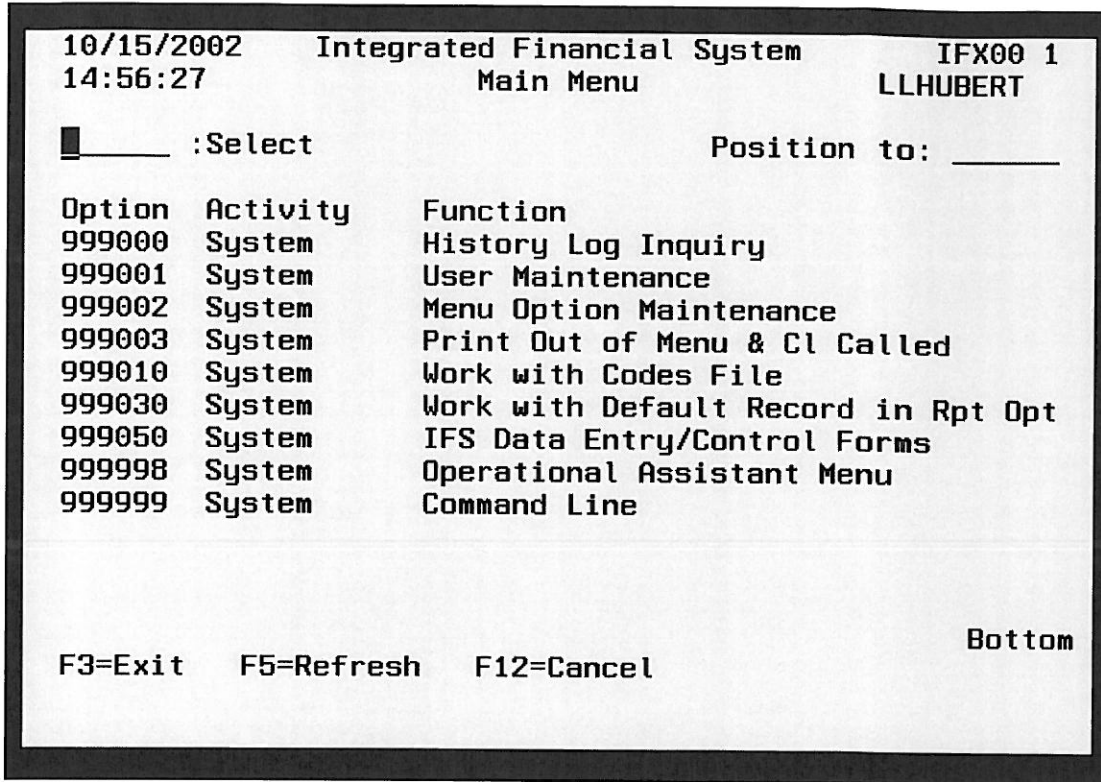
How IFS Generates 1099 Forms

The Integrated Financial System for Minnesota counties is designed to print 1099 forms for a single set of files or consolidated information from several sets of files. If your county has a single Employer Identification Number (EIN) then the Federal Government considers you to be one governmental unit and 1099-MISC (and 1099-S) forms should be generated based on information from every computer system in your county that generates vendor checks.

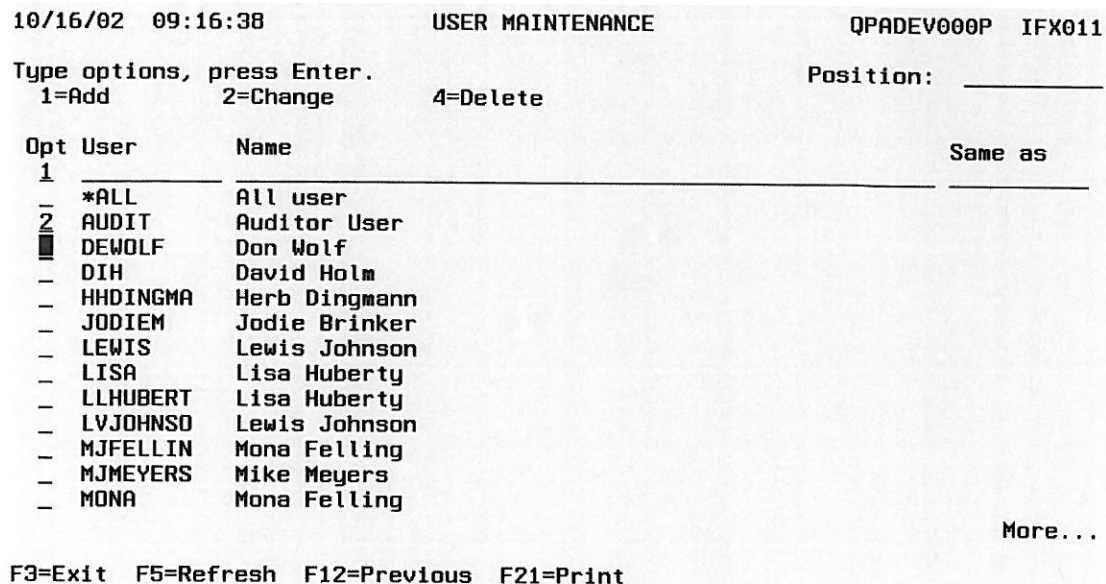
Reporting using the FIRE System is an option for those counties which have more than 250 1099-MISC recipients, and have received authorization from the IRS.

User Maintenance (Menu Options)

Prior to 1099 Processing it may be necessary to add menu options to your IFS User ID. To add the menu options needed for 1099 processing, select option 999001 "User Maintenance".



Upon selecting "User Maintenance" the following screen will appear:



Place a 2 "Change" in front of the IFS User to be modified.

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The screen will present the valid menu options for that user, press F6 "Select", then position to 7430.

```

10/16/02 09:18:48          MENU OPTION SELECTION          QPADEV000P  IFX021
      AUDIT      Auditor User
Type options, press Enter.          Position: 7430
  1=Add      2=Change      4=Delete

-- Security ---
Opt  Option  Inq Add Chg Del  Activity  Function
  1  -----
  -   1010   Y  N  Y  Y  G/L Maint  Work with System Control File
  -   1030   Y  Y  Y  Y  G/L Maint  Work with Elements File
  -   1050   Y  Y  Y  Y  G/L Maint  Work with Chart of Accounts File
  -   1070   Y  Y  Y  Y  G/L Maint  Work with Distribution Formulas
  -   1090   Y  Y  Y  Y  G/L Maint  Work with Range Control File
  -   1110   Y  Y  Y  Y  G/L Maint  Work with Report Model File
  -   1120   Y  Y  Y  Y  G/L Maint  Work with Account Linkage File
  -   1130   Y  Y  Y  Y  G/L Maint  Work with Fund/Dept Security File
  -   1150   Y  Y  Y  Y  G/L Maint  Work with Authorization File
  -   1170   Y  Y  Y  Y  G/L Maint  CSIS/IFS Account Cross-Reference
  -   1190   Y  Y  Y  Y  G/L Maint  Work with Sys Cont File-unprotected
                                          More...
F3=Exit  F5=Refresh  F6=Select  F12=Previous

```

When you have positioned to 7430, the following screen appears:

```

11/02/04 15:15:55          MENU OPTION SELECTION          QPADEV000C  IFX021
      AUDIT      Auditor User
Type options, press Enter.          Position:
  1=Add      2=Change      4=Delete

-- Security ---
Opt  Option  Inq Add Chg Del  Activity  Function
  1  -----
  -   7430   -  -  -  -  Basic 1099  Paid Invoice Report by Vendor
  -   7440   -  -  -  -  Basic 1099  Print 1099-S Legal Descriptions
  -   7450   -  -  -  -  Basic 1099  Work with Disbursement Detail
  -   7470   -  -  -  -  Basic 1099  Build Basic 1099-MISC Process File
  -   7490   -  -  -  -  Basic 1099  Build Basic 1099-S Processing File
  -   7510   -  -  -  -  Basic 1099  Print Basic 1099 Information
  -   7530   -  -  -  -  Basic 1099  Create 1099-MISC file for IRS
  -   7540   -  -  -  -  Basic 1099  Create 1099-S file for IRS
  -   7550   -  -  -  -  Basic 1099  Clear Basic 1099 Processing Files
  -   7610   -  -  -  -  Comb 1099  Build Combined 1099 Detail File
  -   7630   -  -  -  -  Comb 1099  Paid Invoice Report by Vendor
                                          More...
F3=Exit  F5=Refresh  F6=Selections  F12=Previous

```

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To add the menu options for 1099 processing place a 1 "Add" in front of each menu option to be added, also remember to put a "Y" in each of the appropriate fields for each menu option to be added.

```

11/02/04 15:15:55          MENU OPTION SELECTION          QPADEV000C  IFX021
      AUDIT          Auditor User
Type options, press Enter.          Position:
  1=Add          2=Change          4=Delete

-- Security ---
Opt  Option  Inq Add Chg Del  Activity  Function
  1  -----  -  -  -  -
  1  7430     Y  -  Y  -  Basic 1099  Paid Invoice Report by Vendor
  1  7440     Y  -  Y  -  Basic 1099  Print 1099-S Legal Descriptions
  1  7450     Y  Y  Y  Y  Basic 1099  Work with Disbursement Detail
  1  7470     Y  Y  Y  Y  Basic 1099  Build Basic 1099-MISC Process File
  1  7490     Y  Y  Y  Y  Basic 1099  Build Basic 1099-S Processing File
  1  7510     Y  -  Y  -  Basic 1099  Print Basic 1099 Information
  1  7530     Y  Y  Y  Y  Basic 1099  Create 1099-MISC file for IRS
  1  7540     Y  Y  Y  Y  Basic 1099  Create 1099-S file for IRS
  1  7550     Y  Y  Y  Y  Basic 1099  Clear Basic 1099 Processing Files
  -  7610     -  -  -  -  Comb 1099  Build Combined 1099 Detail File
  -  7630     -  -  -  -  Comb 1099  Paid Invoice Report by Vendor
More...
F3=Exit  F5=Refresh  F6=Selections  F12=Previous

```

When the menu options have been selected and the enter key pressed the screen should refresh and appear as it is in the example below. The IFS user should now have the new menu options on their screen.

```

11/02/04 15:29:00          MENU OPTION SELECTION          QPADEV000C  IFX021
      AUDIT          Auditor User
Type options, press Enter.          Position:
  1=Add          2=Change          4=Delete

-- Security ---
Opt  Option  Inq Add Chg Del  Activity  Function
  1  -----  -  -  -  -
  -  7430     Y  -  Y  -  Basic 1099  Paid Invoice Report by Vendor
  -  7440     Y  -  Y  -  Basic 1099  Print 1099-S Legal Descriptions
  -  7450     Y  Y  Y  Y  Basic 1099  Work with Disbursement Detail
  -  7470     Y  Y  Y  Y  Basic 1099  Build Basic 1099-MISC Process File
  -  7490     Y  Y  Y  Y  Basic 1099  Build Basic 1099-S Processing File
  -  7510     Y  -  Y  -  Basic 1099  Print Basic 1099 Information
  -  7530     Y  Y  Y  Y  Basic 1099  Create 1099-MISC file for IRS
  -  7540     Y  Y  Y  Y  Basic 1099  Create 1099-S file for IRS
  -  7550     Y  Y  Y  Y  Basic 1099  Clear Basic 1099 Processing Files
  -  7610     -  -  -  -  Comb 1099  Build Combined 1099 Detail File
  -  7630     -  -  -  -  Comb 1099  Paid Invoice Report by Vendor
More...
F3=Exit  F5=Refresh  F6=Selections  F12=Previous

```


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Verify System Control File Information

Take option "1010 Work with System Control File", make sure the County Federal ID code is in the "User Indicative Information" and the Phone Number for 1099s is in the "Sales and Use Tax Information". The following screen is the User Indicative Information.

MODE: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFGAB 1
10/15/2002 15:02:06 User Indicative Information QPADEV000J

Type information, press Enter.

Owner Name IFS COUNTY AUDITOR
Address Line 1 100 COUTHUSE SQUARE
Address Line 2 COURTHOUSE, BOX 936
Address Line 3 WAITE PARK, MN 56387
Report Heading Name. . . . ***** COUNTY AUDITOR IFS USER *****
Minn. County Number. . . . 34
FIPS Code. 27067
Federal ID Code. ██████████
State ID Code. ██████████
Owner Type > 4
Check (Warrant) Type . . > 2
Multicounty Envir. . . . > N
Using Encumbrances . . . > N

F3=Exit F4=Prompt F5=Refresh F10=Toggle Mode F12=Previous

The following screen is the Sales and Use Tax Information.

MODE: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFGAG 1
10/15/2002 15:08:19 Sales and Use Tax Information QPADEV000J

Type information, press Enter.

Minn. Sales Tax Rate0650
Minn. Use Tax Rate0650
MN Dept of Rev. Vendor Number . . . 517
Dept of Rev. Remittance option . . > S
Sales Tax ID # ██████████
Sales/Use Tax From Date. 8/01/2000
Sales/Use Tax To Date 7/12/2002
Phone Number for 1099s 1-320-259-5007
Last Update. 8/30/2002 10:39:53 HHDINGMA

F3=Exit F4=Prompt F5=Refresh F10=Toggle Mode F12=Previous

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**Basic Processing versus Consolidated Processing**

Because the federal government considers most counties to be a single employer/ taxpayer, it is necessary to consolidate Auditor and Human Service expenditures before attempting to determine whether a 1099 vendor has met the six hundred dollar threshold. At the same time there are some IFS users who either need not or choose not to consolidate their expenditures for the purpose of determining who should get a 1099 form. Those users only need to take the options presented in Basic 1099 Menu section of IFS.

```

11/02/2004   Integrated Financial System   IFX00 1
15:36:10    Main Menu                       HDDINGMA
                Version: V05R03M00
_____ :Select                               Position to: _____

Option  Activity  Function
7430   Basic 1099   Paid Invoice Report by Vendor
7440   Basic 1099   Print 1099-S Legal Descriptions
7450   Basic 1099   Work with Disbursement Detail
7470   Basic 1099   Build Basic 1099-MISC Process File
7490   Basic 1099   Build Basic 1099-S Processing File
7510   Basic 1099   Print Basic 1099 Information
7530   Basic 1099   Create 1099-MISC file for IRS
7540   Basic 1099   Create 1099-S file for IRS
7550   Basic 1099   Clear Basic 1099 Processing Files

7610   Comb 1099   Build Combined 1099 Detail File
7630   Comb 1099   Paid Invoice Report by Vendor
                                           More...

F3=Exit   F5=Refresh   F12=Cancel

```

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Human Service or Consolidated users who are issuing combined 1099's based on IFS and CSIS should continue on to the Comb 1099 Menu section.

```

11/02/2004   Integrated Financial System   IFX00 1
15:41:49     Main Menu                               HDDINGMA
                                     Version: V05R03M00

_____ :Select                               Position to: _____

Option  Activity   Function
 7610  Comb 1099   Build Combined 1099 Detail File
 7630  Comb 1099   Paid Invoice Report by Vendor
 7650  Comb 1099   Work with Comb Disbursement Detail
 7670  Comb 1099   Build Comb 1099-MISC Process File
 7690  Comb 1099   Build Comb 1099-S Processing File
 7710  Comb 1099   Print Combined 1099 Information
 7730  Comb 1099   Create 1099-MISC file for IRS
 7740  Comb 1099   Create 1099-S file for IRS
 7750  Comb 1099   Clear Combined 1099 Processing File

 7810  Cons 1099   Build Consolidated 1099 Detail File
 7820  Cons 1099   Print Consolidated Vendor File
                                     More...

F3=Exit   F5=Refresh   F12=Cancel

```

Note: 1099-S forms should not be affected by combined processing because county Human Service departments do not generally buy or sell real estate.

For those counties with multiple IFS files, and 1099 expenditures from other systems, consolidation of expenditure information is essential to accurately determine your 1099 reporting obligations. For the individual users within the county, 1099 maintenance and reports should be done from the Basic 1099 Menu section of IFS. Each user should be responsible for initial proofing of their files.

Human Service Users should follow the options in the Comb 1099 Menu section to combine information from the various systems. If the Human Services department is issuing its own 1099's, all options within the Comb 1099 Menu section should be used.

If the combined Human Services information is to be further consolidated with Auditor files, then options 7610 thru 7650 should be run. The actual proof listings, printing of 1099's and (optional) creation of 1099 files will be performed after the combined Human Services payments are consolidated with the Auditor information.

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Generally the county Auditor will be responsible for issuing county-wide 1099-MISC forms. The person responsible for consolidating 1099 information should run the options listed in the Cons 1099 Menu section of IFS.

```

11/02/2004   Integrated Financial System   IFX00 1
15:44:00           Main Menu           HDDINGMA
                        Version: V05R03M00
_____ :Select                               Position to: _____

Option  Activity  Function
7810  Cons 1099  Build Consolidated 1099 Detail File
7820  Cons 1099  Print Consolidated Vendor File
7830  Cons 1099  Paid Invoice Report by Vendor
7850  Cons 1099  Work with Cons Disbursement Detail
7870  Cons 1099  Build Cons 1099-MISC Process File
7890  Cons 1099  Build Cons 1099-S Processing File
7910  Cons 1099  Print Consolidated 1099 Information
7930  Cons 1099  Create 1099-MISC file for IRS
7940  Cons 1099  Create 1099-S file for IRS
7950  Cons 1099  Clear Consolidated 1099 Proc Files

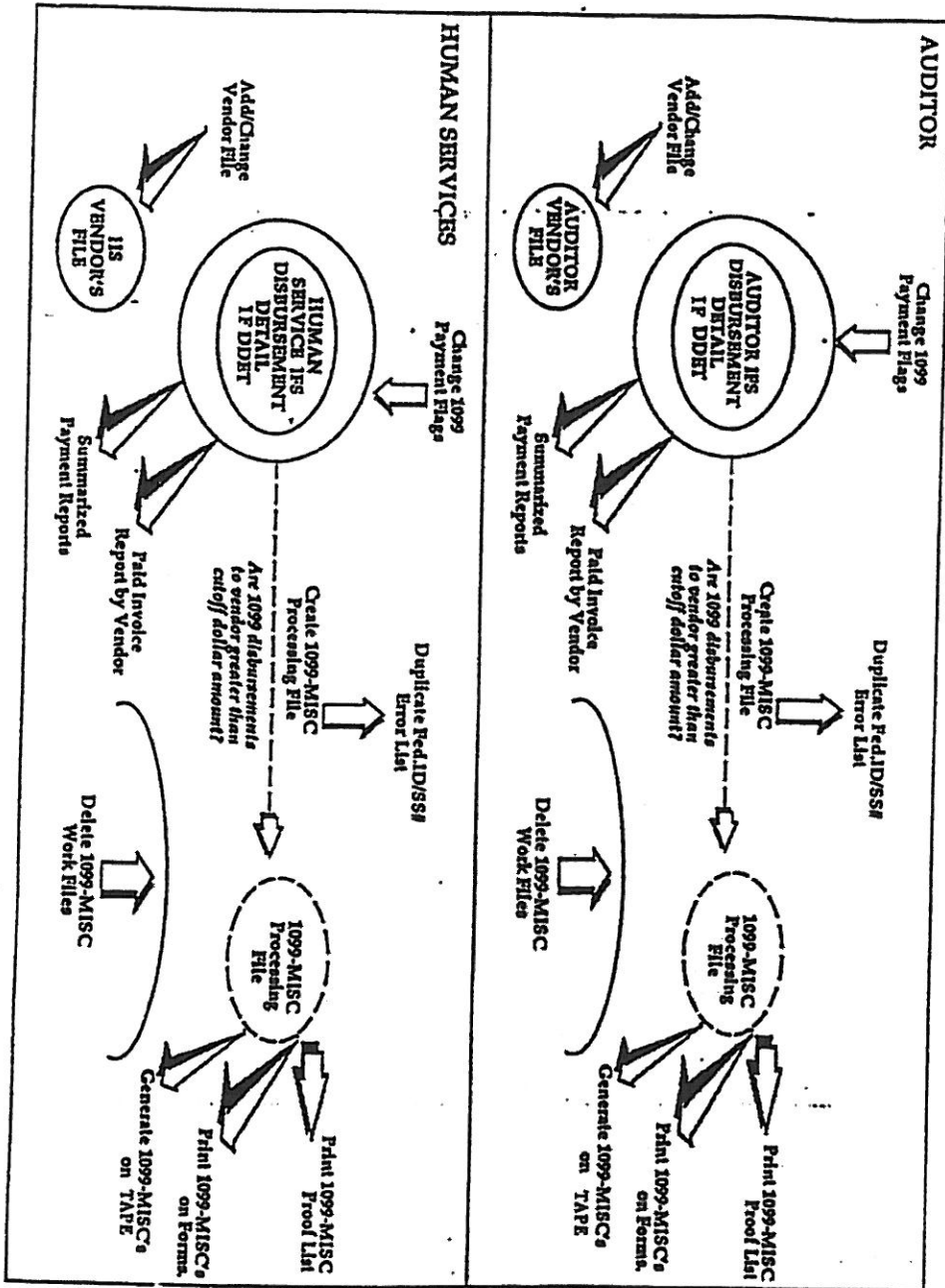
8010  Comb Pmt  Rebuild Comb Pmts Process-Scheduled
                                           More...
F3=Exit  F5=Refresh  F12=Cancel

```

The Auditor's office is also generally responsible for reporting real estate transactions (if any) on form 1099-S.

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BASIC 1099-MISC PROCESSING



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BASIC 1099-MISC PROCESSING

Initial Year-End Reports To Print

Each IFS user should print the following four reports at year-end to ensure that 1099 payment information is accurate.

(1) Print Vendor File - by Vendor Name.

```

Mode: SELECT ***** COUNTY AUDITOR IFS USER ***** IFD10 1
10/15/2002 15:13:48 Work with Vendor Files By Name QPADEV000J

Vendor Name to position to . . . . . █

Type options, press Enter.
 2=Change 5=Display

Opt Vendor Name Vendor Vendor Record
  - OPEN SYSTEMS INC Number Phone Number Status
  - OPITZ/JEAN 2223
  - ORBACOM SYSTEMS INC 3937
  - ORCHARD KNOLL KENNEL INC 2071
  - ORNELAS/YOLANDA 1802
  - ORSCHELN FARM & HOME, INC. 441
  - ORSON ELECTRIC, INC. 1497
  - ORSTEN/PAT 7167
  - ORTENBLAD/KARA 2125
  - ORTENBLAD/KRESSA 2038
  - 879

F3=Exit F5=Refresh F6=Add F12=Previous F21=Print File More...
F22=Print Labels F23=Print Unused Vendors
    
```

Press the F21=Print File key. Enter '2' and press the F11=Run Report key.

```

Mode: SELECT ***** COUNTY AUDITOR IFS USER ***** IFD11 1
10/15/2002 15:18:22 List Vendor File QPADEV000J

List Vendor File by . . . . .> 2 1 - Vendor Number
                               2 - Vendor Name
                               3 - Vendor SSN/Fed ID.

Vendors to list . . . . .> █ 1 - All Vendors
                               2 - Active Vendors only
                               3 - Inactive/Deleted Vendors only

F3=Exit F4=Prompt F11=Run Report F12=Previous F17=Run Inst.
    
```

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(2) Print Vendor File - by Vendor SSN/Fed ID. Enter '3' and press the F11=Run Report key.

```
Mode: SELECT ***** COUNTY AUDITOR IFS USER ***** IFD11 1
10/15/2002 15:18:22 List Vendor File QPADEV000J
```

```
List Vendor File by . . . . .> 3 1 - Vendor Number
                                2 - Vendor Name
                                3 - Vendor SSN/Fed ID.

Vendors to list . . . . .> 1 1 - All Vendors
                                2 - Active Vendors only
                                3 - Inactive/Deleted Vendors only
```

F3=Exit F4=Prompt F11=Run Report F12=Previous F17=Run Inst.

(3) Paid Invoice Report By Vendor Year-To-Date, for ALL vendors. \$0.00 Minimum. Menu option 7430.

```
Mode: SELECT ***** COUNTY AUDITOR IFS USER ***** IFD70
10/22/2003 10:31:05 Paid Invoice Report by Vendor QPADEV000M
```

```
Type of Report. . . . .> 1 1 - Detail Paid Invoice Report
                                2 - Summarized Report by Vendor
                                3 - Summarized Report by Fund

Type of Vendor. . . . .> 1 1 - All Vendors on File
                                2 - 1099 Vendors on File
                                3 - 1099 Vendors and Only 1099 Payment
                                4 - List or Range of Specific Vendors

Cutoff Amount . . . . . _____ (Normal Cutoff Amount for 1099 is $600)

Print Soc. Sec. No./Fed ID. > Y (Y-Yes, N-No)

Period Covered. . . . .> 1 1 - Year-To-Date Thru Specified Month
                                2 - Specified Month Only
                                3 - All Months On-File

Specified Month (MM/YYYY) . . 12/2003 Specify Year-To-Date or Month Report
```

F3=Exit F4=Prompt F16=Spec Elem F17=Run Inst
All changes have been processed - Press Enter to continue.

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Mode: SELECT ***** HUMAN SERVICES IFS USER ***** IFD70 1
10/17/2001 15:59:38 Paid Invoice Report by Vendor QPADEV001W

Name Reversal > N (Y-Yes, N-No)

Print on Report > 1 1 - Account Description
2 - Service Dates

Additional SORT Order for the Report:

<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>	<u>Field Name</u>	<u>Sort Name</u>
Vendor	Vendor	WAR#	INV#	ACC#	Warrant Number. . . .	WAR#
Name	Number				Invoice Number. . . .	INV#
					Account Number. . . .	ACC#

Save Report Options > N (Y-Yes, N-No)

F3=Exit F4=Prompt F11=Run Report F12=Previous F16=Spec Elem F17=Run Inst

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

10/25/1999 LHMDBERT
13:26:16

COUNTRY AUDITOR IFS USER
IMPREPARED FINANCIAL SYSTEM
PAID INVOICE REPORT BY VENDOR

COUNTRY 27

IPD72 PAGE 0

***** SELECTION PANEL *****

***** RUN INSTRUCTIONS PANEL *****

Type of Report 1

- 1 - Detail Paid Invoice Report
- 2 - Summarized Report by Vendor
- 3 - Summarized Report by Fund

Comment.

Type of Vendor 1

- 1 - All Vendors on File
- 2 - 1099 Vendors on File
- 3 - 1099 Vendors & Only 1099 Payment
- 4 - Last or Range of Spec. Vendors

Copies 1

Cutoff Amount

(Normal Cutoff Amt for 1099 is \$600)

Submt to Batch. YES

Print SSN/Fed. ID. YES

(Y-Yes, N-No)

Print Quality. *STD

Period Covered 1

- 1 - Year-To-Date thru Spec. Month
- 2 - Specified Month Only
- 3 - All Months On-File

Hold Spool File. NO

Specified Month (MSTRY) . . . 12/1996

Specify Year-To-Date or Month Report
(Y-Yes, N-No)

Form Type. *STD

Home Reversal. NO

Overflow Line Number . . . 60

Characters Per Inch. . . . 15

Additional SORT Order for the Report

Lines Per Page 66

Printer Name PRT01

1st Vendor Name

Field Name

Save Spooled File. NO

2nd Vendor Name

Warrant Number.

3rd Vendor Name

Invoice Number.

4th Vendor Name

Account Number.

5th Vendor Name

Sort Name

Vendor Number

WARRANT

INVS

INVS

ACCS

ACCS

Save Report Options NO

***** SPECIFIC ELEMENT PANEL *****

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10/25/1999 12126116	LANDBERT	COUNTY AUDITOR IFS USER	COUNTY 27	IFD72	PAGE 11				

INTEGRATED RECEIPTS AND DISBURSEMENTS SYSTEM									
PAID INVOICE REPORT BY VENDOR									
ALL VENDORS ON FILE									
YEAR--	TO-DATE	THRU	12/1996						
VENDOR NO.	VENDOR NAME	ACCOUNT NO.	INVOICED	AMOUNT	VENDOR NUMBER	DATE	DESCRIPTION	ACCOUNT DESCRIPTION	1099 C
7402	W C G B C	01-005-6245		31.00	338	10/31/96		** DESCRIPTION NOT PO N	
		01-005-6245		31.00-	338	10/31/96		** DESCRIPTION NOT PO N	
				31.00	*VENDOR TOTAL				
7395	[REDACTED]	01-005-6245		25.00	337	10/31/96		SSN/PTD 000-00-0000	NO
		01-005-6245		25.00	339	10/31/96		** DESCRIPTION NOT PO N	
		01-005-6245		25.00-	339	10/31/96		** DESCRIPTION NOT PO N	
				25.00	*VENDOR TOTAL				
7400	[REDACTED]	01-005-6245		29.00	340	10/31/96		SSN/PTD 000-00-0000	NO
		01-005-6245		29.00-	340	10/31/96		** DESCRIPTION NOT PO X	
		01-005-6245		29.00-	340	10/31/96		** DESCRIPTION NOT PO X	
				29.00	*VENDOR TOTAL				
8717	[REDACTED]	01-005-6265		7.86	4572	9/27/96	VACCINATIONS FOR PRE-SCHO	SSN/PTD [REDACTED]	YES
		01-041-6265		7.86	4572	9/27/96	VACCINATIONS FOR PRE-SCHO	PROFESSIONAL SERVICES Y	
		01-055-6265		10.46	4572	9/27/96	VACCINATIONS FOR PRE-SCHO	COUNTY RECORDING FEE Y	
		11-100-6265		336.75	4576	9/27/96	VACCINATIONS FOR PRE-SCHO	PROFESSIONAL SERVICES Y	
				362.92	*VENDOR TOTAL				
1834	[REDACTED]	01-005-6265		995,456.12	4574	9/27/96		SSN/PTD 000-00-0000	NO
								CAPITAL OUTLAY	N
*****				FINAL TOTAL.....		\$1,282,099.44		*****	
				49 VENDORS		405 TRANSACTIONS			

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(4) Paid Invoice Report By Vendor Year-To-Date, for 1099 Vendors only, \$0.00 Minimum. Menu option 7430.

```

Mode: SELECT      ***** COUNTY AUDITOR IFS USER ***** IFD70
10/22/2003 10:31:05      Paid Invoice Report by Vendor      QPADEV000M

Type of Report. . . . . > 1      1 - Detail Paid Invoice Report
                                2 - Summarized Report by Vendor
                                3 - Summarized Report by Fund

Type of Vendor. . . . . > 2      1 - All Vendors on File
                                2 - 1099 Vendors on File
                                3 - 1099 Vendors and Only 1099 Payment
                                4 - List or Range of Specific Vendors

Cutoff Amount . . . . . _____ (Normal Cutoff Amount for 1099 is $600)

Print Soc. Sec. No./Fed ID. > Y      (Y-Yes, N-No)

Period Covered. . . . . > 1      1 - Year-To-Date Thru Specified Month
                                2 - Specified Month Only
                                3 - All Months On-File

Specified Month (MM/YYYY) . . 12/2003 Specify Year-To-Date or Month Report

F3=Exit  F4=Prompt  F16=Spec Elem  F17=Run Inst
All changes have been processed - Press Enter to continue.
    
```

(5) Paid Invoice Report By Vendor Year-To-Date, for 1099 Vendors only, \$600 Minimum. Menu option 7430.

```

Mode: SELECT      ***** COUNTY AUDITOR IFS USER ***** IFD70
10/22/2003 10:31:05      Paid Invoice Report by Vendor      QPADEV000M

Type of Report. . . . . > 1      1 - Detail Paid Invoice Report
                                2 - Summarized Report by Vendor
                                3 - Summarized Report by Fund

Type of Vendor. . . . . > 2      1 - All Vendors on File
                                2 - 1099 Vendors on File
                                3 - 1099 Vendors and Only 1099 Payment
                                4 - List or Range of Specific Vendors

Cutoff Amount . . . . . 600      (Normal Cutoff Amount for 1099 is $600)

Print Soc. Sec. No./Fed ID. > Y      (Y-Yes, N-No)

Period Covered. . . . . > 1      1 - Year-To-Date Thru Specified Month
                                2 - Specified Month Only
                                3 - All Months On-File

Specified Month (MM/YYYY) . . 12/2003 Specify Year-To-Date or Month Report

F3=Exit  F4=Prompt  F16=Spec Elem  F17=Run Inst
All changes have been processed - Press Enter to continue.
    
```

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(6) Review Reports:

The first two reports will give you an idea of what vendors you have on file at year-end, what their 1099 status is, and whether they have valid Social Security Numbers (for individuals) or Taxpayer Identification Numbers (for sole proprietorships)

The third report is the standard vendor report that has always been printed at year end. The fourth is useful in checking for all 1099 disbursements, including those to a single individual that did not total up to the \$600 dollar minimum. The final report will show only those 1099 vendors who will be selected to receive a 1099-MISC or 1099-S form if you were to print the forms with information currently available in the files. The report will include both the 1099-MISC and 1099-S amounts.

(7) Work with Vendor File:

```

Mode: UPDATE      ***** COUNTY AUDITOR IFS USER ***** IFD10  2
10/16/2002  9:31:18      Work with Vendor Files By Name      QPADEV000P

Vendor No.  2223      Vendor Name OPEN SYSTEMS INC
                Vendor Name2/Address VENDOR NAME 2/ADDRESS LINE 1
                Vendor Address2 ADDRESS LINE2
City/State . . CITY MN                Zip Code. . 11111 - 0000
E-Mail Address _____
Telephone. . . . . _____
Fax. . . . . _____
Name For 1099. . . . . > 2      (Blank=Vendor Name, 2=Second Name)
1099 Code. . . . . > Y      (Y/N)
Individual/Organization Code > I      (I/O)
SSN/Fed ID . . . . . 999999999

Vendor Category 1. > ___      Vendor Category 2. > ___      Vendor Category 3. > ___
Vendor Category 4. > ___      Vendor Category 5. > ___      Vendor Category 6. > ___
Vendor Category 7. > ___      Vendor Category 8. > ___      Vendor Category 9. > ___
Vendor Category 10 > ___
Record Status. . . . . > _      (Blank=Actv, C=Actv CSIS, I=Inact, D=Del)
Last Update BY . . . . . 15:16:38 10/15/2002 LLHUBERT
F3=Exit F4=Prompt F5=Refresh F12=Previous F13=Financial F14=Soc Svcs
F15=Case
    
```

1099 Name Line Indicator

IFS allows the second name of selected vendors to be printed on Form 1099. You may select the second name by placing a "2" in the 1099 Name Field on the Vendor Master File, a blank will indicate to the system to use the first Vendor name.

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**Missing 1099 Vendor Tax Numbers**

If you have been unable to obtain a valid Social Security or Taxpayer Identification Number from your vendor during the year you should still set them up as a 1099 vendor with a dummy "SSN/Fed ID" number in IFS vendor maintenance. The system requires that a number other than 0 be supplied for 1099 vendors.

The best option is to duplicate the vendor number in this field. By doing so each 1099 vendor, including those with dummy numbers, will have a unique tax number. This will help you to proof 1099-MISC payments and you can ignore those vendors with missing tax numbers who have received less than \$600 in 1099 payments (in either of the two categories 1099-MISC or 1099-S).

Since the vendor numbers are shorter than normal federal tax numbers, those 1099 vendors with dummy numbers will be listed first when you print the vendors in Social Security/Taxpayer Identification Number order.

Avoid "#" in Addresses

When checking the Paid Invoice Report By Vendor reports for 1099 vendors (fourth and fifth reports in the list), look for any "#" characters in addresses. IRS instructions indicate that addresses of 1099-MISC vendors should not contain the symbol "#". If a 1099-MISC vendor's current address in the vendor file contains a pound sign, change it by using "Work With Vendor File". In a later report, the IFS system will issue a warning if any 1099-MISC vendors are found to have "#" in their address.

For example use "RT 2" instead of "Rt.#2".

If A Vendor's Name Changed During The Year

The Paid Invoice Report prints the vendor name as it currently exists on file. If a vendor's name has been changed during the year, all payments will be listed under the current name. The current name is used on the 1099 form even if it is different than the name printed on the original warrants. If you are attempting to reconcile various reports be aware that the Account Activity and Disbursements Journal reports will still show the vendor name as it existed at the time that the vouchers were entered into the system. Due to misspellings, legal name changes, marriages and divorces, the current name may not be the same that existed at the time that a payment was made to the vendor.

Note: The IRS requires that the name of an individual match the spelling on the Social Security Card. For example consider a car wash "Clearwater Car Wash" owned by Betty Basic. You made payments under the business name but reported the payments with a 1099-MISC using Betty Smith's social security number. The IRS will not be able to match up "Clearwater Car Wash" to Betty Basic's number and will notify you of the problem. This situation could be avoided by changing the Vendor Name or by using the second name of in the Vendor Master, make sure in either case "Betty Basic" is the name used for 1099 processing.

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(8) 1099 Payment Flag Maintenance:

You have the option of designating some or all of the disbursements using the "7450 Work with Disbursement Detail" program in the Basic 1099 processing area of IFS.

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD90 1
10/22/2003 10:49:00 Work with Disbursement Detail QPADEV000M

Work with by:
G/L Account Number > _____
G/L MM/YYYY From: _____ Thru: _____
+-----+

Work with by:
Vendor Name > _____
Warrant Dates MM/DD/YYYY From: _____ Thru: _____
+-----+

Work with by:
Vendor Number > 2223
Warrant Dates MM/DD/YYYY From: 01012003 Thru: 12312003
+-----+

Work with by:
Warrant Number _____

F3=Exit F4=Prompt F12=Previous

After selecting the vendor and date range, you will be presented with a list of payments and the option to change one or more 1099 flags using the following screen.

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD94 1
10/22/2003 10:50:19 Work with Disb Detail by Vendor# QPADEV000M

2223 Requested: 2223
OPEN SYSTEMS INC From 1/01/2003 Thru 12/31/2003
Position To War Date w/in Vendor Number █
MMDDYYYY
Type Option, Press Enter: 2=Change 5=Display

Opt	Warr#	War Date	Amount	Description	Account Number
_	5500	10/22/03	555.00	VOUCHER DESC	01-005-6455

F3=Exit F5=Refresh F12=Previous F20=Audit#/GL Mo F21=Codes
F23=Invoice#

Bottom

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

Press F21 to view the codes associated with each payment.

```

Mode: UPDATE      ***** COUNTY AUDITOR IFS USER ***** IFD94  1
10/22/2003 10:50:19      Work with Disb Detail by Vendor#      QPADEV000M

      2223                      Requested:      2223
OPEN SYSTEMS INC                      From 1/01/2003 Thru 12/31/2003
Position To War Date w/in Vendor Number     
                                          MMDDYYYY
Type Option, Press Enter:  2=Change  5=Display

Opt  Warr#  War Date      Amount  Description      Account Number
 2    5500 10/22/03      555.00  VOUCHER DESC      01-005-6455
    
```

Bottom

F3=Exit F5=Refresh F12=Previous F20=Audit#/GL Mo F21=Codes
F23=Invoice#

To change the 1099 code for a payment place a "2" in the option field before the selected payment. Each payment that has been selected will appear on the screen individually.

```

Mode: UPDATE      ***** COUNTY AUDITOR IFS USER ***** IFD94  2
10/22/2003 10:50:19      Work with Disb Detail by Vendor#      QPADEV000M

G/L Account Number. . . . . 01-005-6455
Account Description . . . . . MOTOR FUELS AND LUBE.
Vendor Number . . . . . 2223 Name. . OPEN SYSTEMS INC
Warrant Number. . . . . 5500 Warrant Date. . . 10/22/2003
Audit Number. . . . . 20031022 333 G/L Month/Yr. . . 10/2003
Warr Amount . . . . . 555.00 Invoice Num . . .
Description . . . . . VOUCHER DESC
Purchase Order# . . . . . Full/Partial. . > E
On Behalf-Of. . . . . > Name. .
Service From Dte. . . . . Service Thru Dte. .
Report Cd Accrual Cd 1099 Cd Tax Cd CFDA# MMIS Units User Defined Codes
> _ _ > > Y > _ _ _ _ _
    
```

F3=Exit F4=Prompt F5=Refresh F12=Previous

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

```

10/27/1999  LLHUBERT
11:39:49
***** SELECTION PANEL *****
***** COUNTRY AUDITOR IFS USER ***** COUNTRY 27
***** INTEGRATED FINANCIAL SYSTEM *****
***** SUMMARIZED PAID INVOICE BY VENDOR REPORT *****
***** RUN INSTRUCTIONS PANEL *****
Type of Report . . . . . 2
1 - Detail Paid Invoice Report
2 - Summarized Report by Vendor
3 - Summarized Report by Fund
Type of Vendor . . . . . 3
1 - All Vendors on File
2 - 1099 Vendors on File
3 - 1099 Vendors & Only 1099 Payment
4 - List or Range of Spec. Vendors
Cutoff Amount. . . . . 600
(Normal) Cutoff Amt for 1099 is $600
***** RUN INSTRUCTIONS PANEL *****
Comment. . . . .
Copies . . . . . 1
Submit to Batch. . . . . YES
Print Quality. . . . . STD
Hold Spool File. . . . . NO
Form Type. . . . . STD
Characters Per Inch. . . . . 15
Lines Per Page . . . . . 66
Overflow Line Number . . . . . 60
Lines Per Inch . . . . . 8
Printer Name . . . . . PRT01
Save Spooled File. . . . . NO
***** SPECIFIC REPORT PANEL *****
Period Covered . . . . . 1
1 - Year-To-Date thru Spec. Month
2 - Specified Month Only
3 - All Months On-File
Specified Month (MMYY) . . . 12/1996
Specify Year-To-Date or Month Report
(Y-Yes, N-No)
Memo Reversal. . . . . NO
Save Report Options . . . . . NO
***** SPECIFIC REPORT PANEL *****

```

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

***** COUNTY AUDITOR IFS USER ***** IYU72
10/27/1999 LAURET INTEGRATED RECEIPTS AND DISBURSEMENTS SYSTEM PAGE 1
11,391.49 QUART 27 SUMMARIZED PAYMENTS BY VENDOR YTD THRU 12/19/96
1099 VENDORS AND OMT 1099 PAYMENTS 500 \$ CUTOFF

VENDOR NO.	NAME	AMOUNT
1000	[REDACTED]	608.00
----- 4 VENDORS LESS THAN \$500		1,153.81
**** 1 VENDORS	CUTOFF TOTAL..	\$608.00****
**** 5 VENDORS	FINAL TOTAL...	\$1,771.81****

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(10) Build Basic 1099-MISC Processing File

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFT11 1
10/22/2003 13:10:38 Build 1099-MISC Processing File QPADEV000M

Payment Year. 2003

Transmitter Information

Transmitter Control Code. HERB
Federal Identification No. [REDACTED]
Transmitter Name. IFS COUNTY AUDITOR
Name Continuation. 100 COURTHOUSE SQUARE
Company Name. IFS COUNTY AUDITOR
Name Continuation. 100 COURTHOUSE SQUARE
Address. COURTHOUSE, BOX 936
City. WAITE PARK
State and Zip. MN 56387 -
Contact Name. HERB DINGMANN
Contact Phone. [REDACTED] Ext: _____

F3=Exit F12=Previous F17=Run Instructions

Press enter to go to the second screen.

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFT11 2
10/22/2003 13:10:38 Build 1099-MISC Processing File QPADEV000M

Payer Information

Federal Identification No. [REDACTED]
Name Control. _____
Name. IFS COUNTY AUDITOR
Name Continuation. 100 COURTHOUSE SQUARE
Address. COURTHOUSE, BOX 936
City. WAITE PARK
State and Zip Code. MN 56387 -
Phone #. [REDACTED] Ext: _____

Dollar Cutoff Amount. 600

Save Report Options > N

F3=Exit F11=Process Trans F12=Previous F17=Run Instructions
All Changes processed - Press enter to continue

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

***** COUNTY AUDITOR IFS USER ***** COUNTY 27
IFREROLATED RECEIPTS AND DISBURSEMENTS SYSTEM IFT12 PAGE 0
CREATE 1099 PROCESSING FILES

10/27/1999
11:45:58
***** SELECTOR PANEL *****

Payment Year 1999
Transmitter Control Code . . . HENB

Transmitter Information

Federal Identification No
Transmitter Name
Name Continuation
Company Name
Name Continuation
Address
City
State and Zip
Contact Name
Contact Phone

Payor Information

Federal Identification No
Name Control
Name
Name Continuation
Address
City
State and Zip
Phone #

Dollar Cutoff Amount 0
Save Report Options NO

***** RUN INSTRUCTIONS PANEL *****

Comment
Copies 1
Submt To Batch NO
Print Quality STD
Hold Spooled File NO
Form Type STD
Character Per Inch 15
Lines Per Page 66
Overflow Line Number 60
Lines Per Inch 8
Printer Name PRT01
Save Spooled File NO

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

10/27/1999
11459158
VENDOR VENDOR
NUMBER NAME
1044

***** COUNTRY AUDITOR IS USER ***** COUNTRY 27
INTEGRATED RECEIPTS AND DISBURSEMENTS SYSTEM
1099-MISC DUPLICATE FID. ID/SOC. SEC. NUMBER
FID. ID. / DUP. DUP.
SOC. SEC. VENDOR VENDOR NAME
1001

IF112 PAGE 1
* ERROR * DUPLICATE

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

10/27/1999
11,491.58

VENDOR
337
1001
1044

LAST NAME

FIRST NAME AND MI

NAME ON VENDOR FILE

***** COUNTRY AUDITOR IFS USER *****
INTEGRATED RECEIPTS AND DISBURSEMENTS SYSTEM
1099-MISC PAYER NAME PROOF LISTING

COUNTRY 27

IT113 PAGE 1

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(11) Print Basic 1099-MISC Proof Listing:

```

Mode: SELECT      ***** COUNTY AUDITOR IFS USER ***** IFT22  1
10/16/2002 10:12:10  Print Basic 1099 Information                QPADEV000P

Type of Report. . . . . > 1  1 - 1099 Proof List
                               2 - 1099 MISC Forms
                               3 - 1099-S Forms
                               4 - 1099 MISC Mailing Labels
                               5 - 1099-S Mailing Labels
+-----+-----+-----+-----+-----+-----+-----+-----+-----+-----+
                                     1099 Proof List Options

Proof List Sequence . . . . > 1  1 - By Taxpayer Name
                               2 - By Taxpayer Identification Number
                               3 - By Zipcode

Type of Proof Listing . . . > 1  1 - 1099-MISC Only
                               2 - 1099-S Only
                               3 - Both 1099-MISC and 1099-S

Save Report Options . . . . > N (Y/N)

F3=Exit F4=Prompt F11=Run Report F17=Run Inst.
    
```

(12) Review 1099-Misc Proof Listing:

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

10/27/1999 12:16:47 ***** COUNTY AUDITOR IFS USER ***** COUNTY 27
INTEGRATED FINANCIAL SYSTEM 1099-MISC PROOF LISTING IFT27 PAGE 0

***** SELECTION PANEL *****

Type of Report 1 1 - 1099 Proof List
2 - 1099 MISC Forms
3 - 1099-S Forms

Proof List Sequence 1 1 - By Tempover Name
2 - By Tempover Identification Number
3 - By Slip Code

Type of Proof Listing 1 1 - 1099-MISC only
2 - 1099-S only
3 - both 1099-MISC and 1099-S

Save Report Options NO Y/N

***** RUN INSTRUCTIONS PANEL *****

Comment

Copies 1

Submit to Batch YES

Print Quality STD

Hold Spool File NO

Form Type STD

Characters Per Inch 15

Lines Per Page 66

Overflow Line Number 60

Lines Per Inch 8

Printer Name PRT01

Save Spooled File NO

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

10/27/1999
12116147

***** COUNTY AUDITOR IFS USER *****
INTEGRATED RECEIPTS AND DISBURSEMENTS SYSTEM
1099-MISC PROOF LISTING
BY PAYER NAME

COUNTY 27

1P727 PAGE 1

Payment Year..... 1999
Transmitter Control Code... HERB

Transmitter Information

Transmitter Name..... IFS COUNTY AUDITOR
Name Continuation..... 100 COURTHOUSE SQUARE
Company Name..... IFS COUNTY AUDITOR
Name Continuation..... 100 COURTHOUSE SQUARE
Address..... COURTHOUSE, BOX 336
City..... WAITE PARK
State and Zip..... MI 48397-0000
Contact Name..... Janna Auzanawer
Contact Phone #.....

Payer Information

Federal ID.....
Name Control.....
Payer Name..... IFS COUNTY AUDITOR
Name Continuation..... 100 COURTHOUSE SQUARE
Address..... COURTHOUSE, BOX 336
City..... WAITE PARK
State and Zip..... MI 48397-
Payer Phone #.....

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

***** COUNTY AUDITOR IFS USER ***** COUNTY 27 IFT27 PAGE 2
 INFORMATION RECEIPTS AND DISBURSEMENTS SYSTEM
 1099-MISC PROOF LISTING
 BY PAIRS NAME

10/27/1999
 13:16:47

Payment Year: 1999
 Federal ID.: 41-6005816

Payee Address Info... Payee TIN Vendor Number

411-6-2613 000000337
 MR 56201

13-3456789 000001001
 MR 55075-2420

Docu Code	Amount 1 Amount B	Amount 2 Amount C	Amount 3 Amount 8	Amount 4 Amount 9	Amount 5 Amount A
	.00 .00	.00 500.00	.00 .00	.00 .00	.00 .00
	.00 .00	.00 150.00	.00 .00	.00 .00	.00 .00
Amount 1	.00	.00	.00	.00	.00
Amount 6	.00	.00	.00	.00	.00
Amount B	.00	550.00	.00	.00	.00

Payee Totals...

Records Printed - 2

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

(13) Print Basic 1099-Misc Forms

```

Mode: SELECT      ***** COUNTY AUDITOR IFS USER ***** IFT22  1
10/16/2002  10:12:10      Print Basic 1099 Information      QPADEV000P

Type of Report. . . . . > 2  1 - 1099 Proof List
                               2 - 1099 MISC Forms
                               3 - 1099-S Forms
                               4 - 1099 MISC Mailing Labels
                               5 - 1099-S Mailing Labels
+-----+-----+-----+-----+-----+-----+-----+-----+-----+
                                1099 Proof List Options

Proof List Sequence . . . . > 1  1 - By Taxpayer Name
                               2 - By Taxpayer Identification Number
                               3 - By Zipcode

Type of Proof Listing . . . > 1  1 - 1099-MISC Only
                               2 - 1099-S Only
                               3 - Both 1099-MISC and 1099-S

Save Report Options . . . . > N (Y/N)

F3=Exit  F4=Prompt  F11=Run Report  F17=Run Inst.
    
```

(14) Create 1099 file for electronic transmission.

```

Mode:      ***** COUNTY AUDITOR IFS USER ***** IFT40  1
11/02/2004 14:51:55      1099-MISC Form 4804 Information      QPADEV000C

This option builds file IFIRSF in library IFXG35

After running this option, transfer file IFIRSF to the PC
where you plan to use the IRS's FIRE system to submit 1099's.
More information about the FIRE system can be found in
Publication 1220 Part B and/or Publication 3609
at http://www.irs.gov.

Type of files represented by this transmittal
Key an "X" next to appropriate condition
  _ Original      _ Correction      _ Replacement      _ Test

Name, address, telephone number of person to contact about electronic
media files (include street, city, state, and zip code)
_____
_____
_____ Telephone No.  ____  ____  ____

F3=Exit  F12=Previous
    
```

(15) Clear Basic 1099 Processing Files, (optional).

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

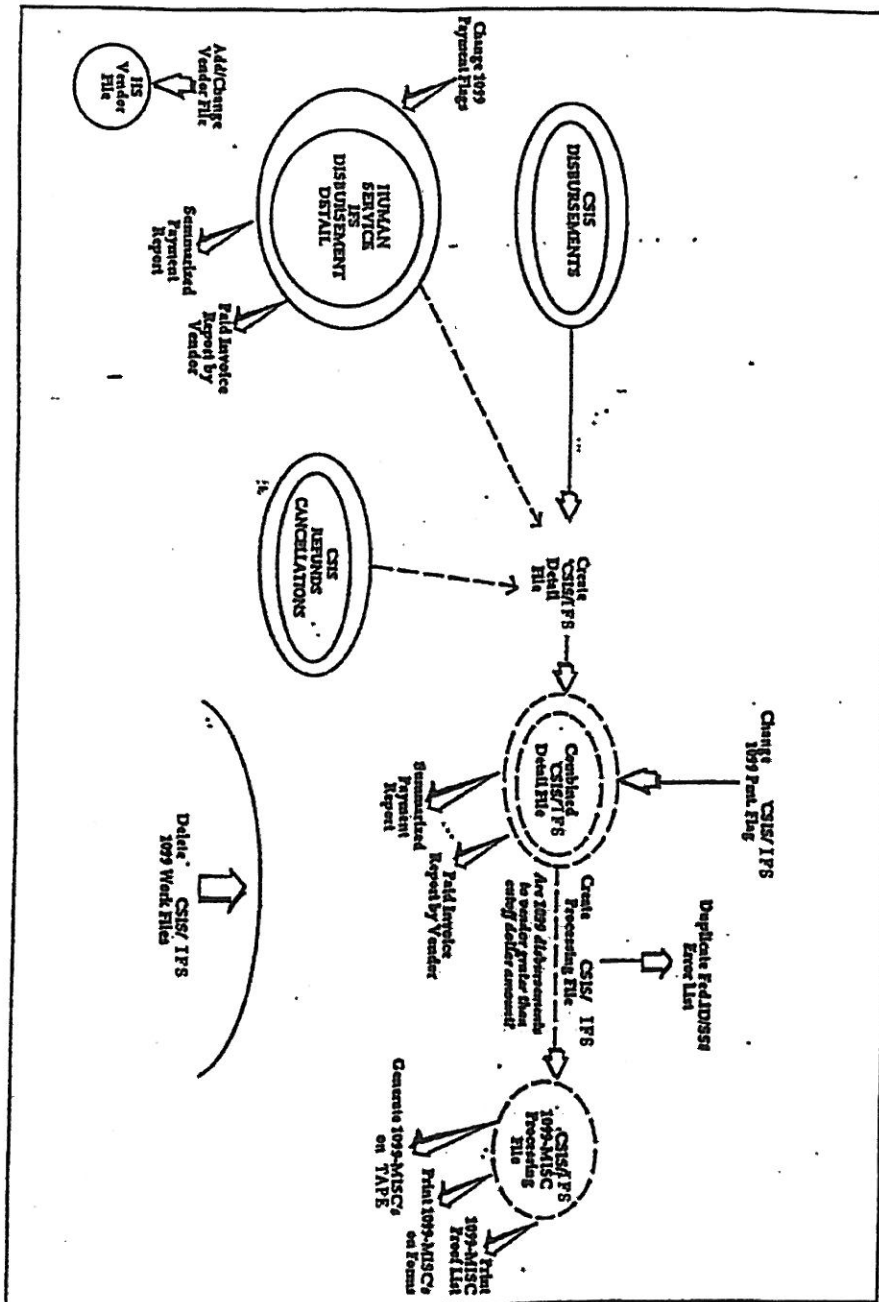
Form 4804 (Rev. May 2002)		Department of the Treasury - Internal Revenue Service TRANSMITTAL OF INFORMATION RETURNS REPORTED MAGNETICALLY		IRS Use Only : OMB No. 1545-0367	
1. Type of file represented by this transmittal X Original : : Test Replacement : : Correction			2. Tax year for which media is submitted 1996		
5. Transmitter control code (TCC) (Required) HERB			4. Name of transmitter (Owner of TCC) IFS COUNTY AUDITOR		
5. Name/address of company and name/title of person who should receive correspondence on problem files (should be the same information as in 'I' record) Company Name: IFS COUNTY AUDITOR Address : COURTHOUSE, BOX 936 City : WAITE PARK Contact Person: HERB DINGMANN XXXXXX E-mail Address: State : MN Zip : 563070000 Telephone Number: 320-555-5555					
6. Forms 1099, 1099-S, 5498, W-2G Combined total of 'B' records 4		7. Form 1042-S Total number of 'Q' records Affidavit		8. Form 8027 Total number of establishment(s) reported	
9. Transmitter in-house media number(s)					
Under penalties of perjury, I declare that I have examined this transmittal, including accompanying documents, and, to the best of my knowledge and belief, it is correct and complete. (Normally, the payer must sign the affidavit above. The authorized agent of the payer may sign if all conditions are met as stated on the back.)					
Signature (Required)			IRS Use Only		
Title		Date			

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**1099-MISC Basic Processing Run Sequence**

- ___ (1) Print Vendor File - by Vendor Name.
Menu Option – 5010
- ___ (2) Print Vendor File - by Vendor SSN/Fed ID.
Menu Option – 5010
- ___ (3) Paid Invoice Report by Vendor Year-To-Date, ALL Vendors, \$0.00 Minimum.
Menu Option – 7430
- ___ (4) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors ONLY, \$0.00 Minimum. Menu Option – 7430
- ___ (5) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors ONLY, \$600 Minimum. Menu Option - 7430
- ___ (6) Review Reports.
- ___ (7) Work with Vendor File, maintain address, 1099 flag.
Menu Option – 5010
- ___ (8) Work with Disbursement Detail, 1099 Flag Maintenance.
Menu Option – 7450
- ___ (9) Paid Invoice Report by Vendor Year-To-Date, Summarized by Vendor, \$600 minimum. Menu Option – 7430
- ___ (10) Build Basic 1099-MISC Processing File.
Menu Option – 7470
- ___ (11) Print Basic 1099-MISC Proof Listing.
Menu Option – 7510
- ___ (12) Review 1099-MISC Proof Listing.
- ___ (13) Print 1099-MISC Forms.
Menu Option – 7510
- ___ (14) Create 1099 file for electronic transmission.
Menu Option – 7530
- ___ (15) Clear Basic 1099 Processing Files, optional.
Menu Option – 7550

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

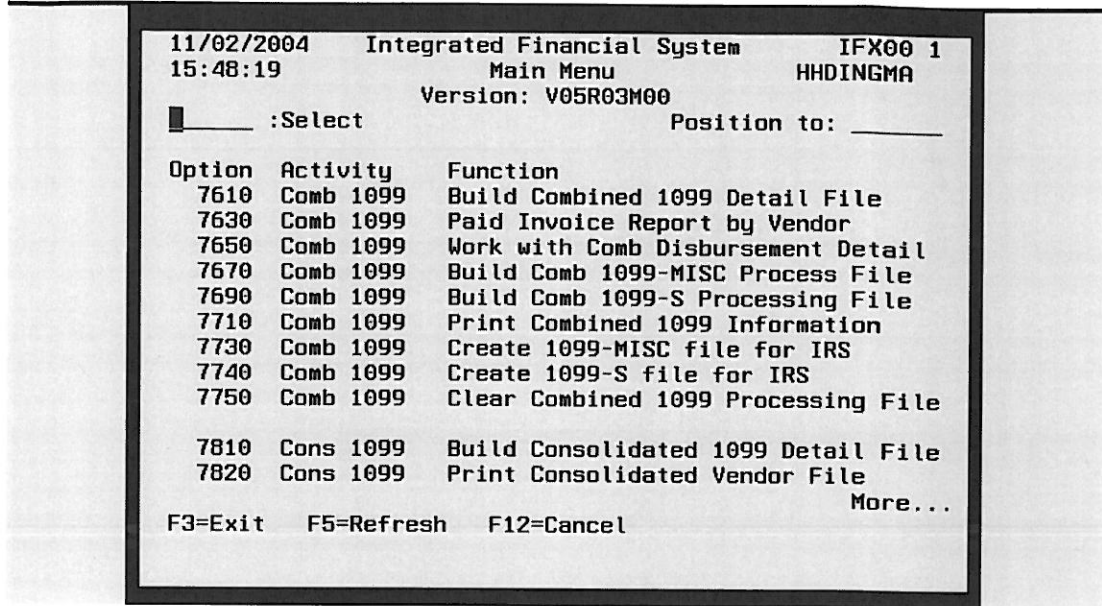
HUMAN SERVICES COMBINED 1099-MISC PROCESSING
WITHOUT CONSOLIDATION WITH OTHER IFS FILES



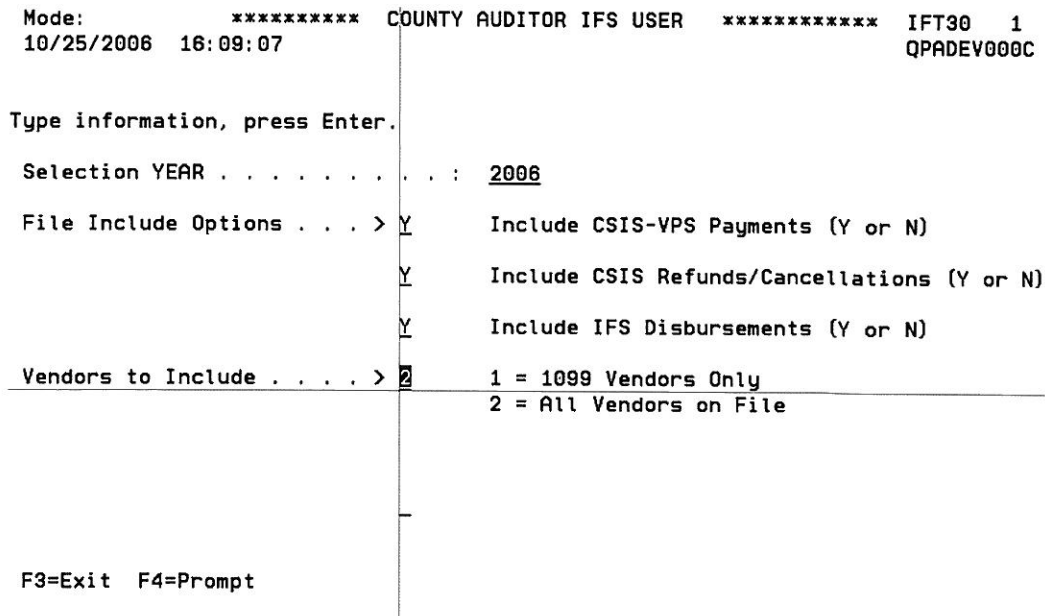
IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

COMBINED 1099-MISC PROCESSING

Combined 1099-MISC processing is almost identical to basic, it has one additional step, 7610 "Build Combined 1099 Detail File". You will be using the Comb 1099 section of IFS, options 7610 - 7750.



(1) Build Combined 1099 Detail File

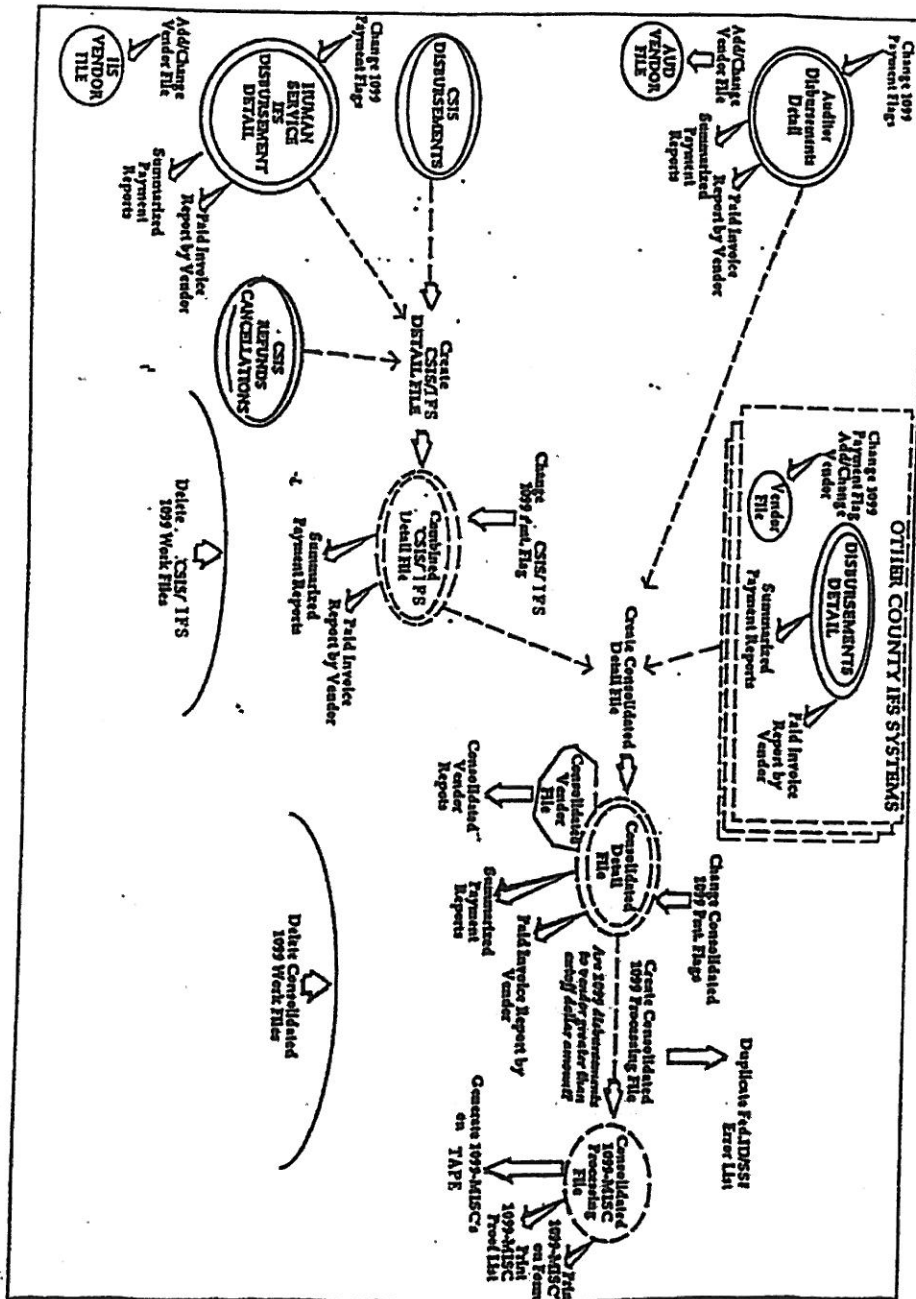


IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**1099-MISC Combined Processing Run Sequence**

- ___ (1) Build Combined 1099 Detail File.
Menu Option – 7610
- ___ (2) Print Vendor File - by Vendor Name.
Menu Option – 5010
- ___ (3) Print Vendor File - by Vendor SSN/Fed ID.
Menu Option – 5010
- ___ (4) Paid Invoice Report by Vendor Year-To-Date, ALL Vendors,
\$0.00 Minimum. Menu Option - 7630
- ___ (5) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors
ONLY, \$0.00 Minimum. Menu Option - 7630
- ___ (6) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors
ONLY, \$600 Minimum. Menu Option - 7630
- ___ (7) Review Reports.
- ___ (8) Work with Vendor File, maintain address, 1099 flag.
Menu Option – 5010
- ___ (9) Work with Combined Disbursement Detail, 1099 Flag
Maintenance. Menu Option - 7650
- ___ (10) Paid Invoice Report by Vendor Year-To-Date, Summarized by
Vendor, \$600 minimum. Menu Option - 7630
- ___ (11) Build Combined 1099-MISC Processing File.
Menu Option – 7670
- ___ (12) Print Combined 1099-MISC Proof Listing.
Menu Option – 7710
- ___ (13) Review 1099-MISC Proof Listing.
- ___ (14) Print 1099-MISC Forms.
Menu Option – 7710
- ___ (15) Create 1099 file for electronic transmission.
Menu Option – 7730
- ___ (16) Clear Combined 1099 Processing Files, optional.
Menu Option - 7750

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

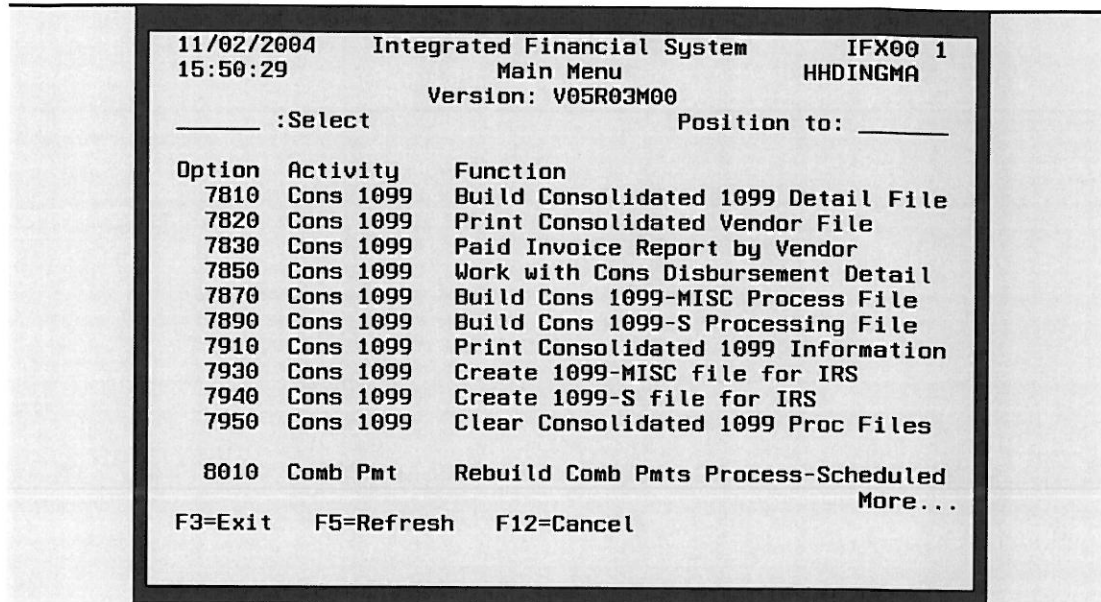
FULL CONSOLIDATED 1099-MISC PROCESSING



IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing

CONSOLIDATED 1099-MISC PROCESSING

Prior to Consolidated 1099-MISC Processing, all IFS file sets should have done the Basic 1099-MISC Processing steps 1 thru 8. Consolidated 1099-MISC processing is almost identical to basic, it has one additional step, 7810 "Build Consolidated 1099 Detail File". You will be using the Cons 1099 section of IFS, options 7810 - 7950.



(1) Build Consolidated 1099 Detail File

Mode: ***** COUNTY AUDITOR IFS USER ***** IFT35 1
 10/16/2002 14:11:07 Consolidation of 1099's QPADEV000P

Type information, press Enter. File Group

1. Primary 1099 Selection Source. . . . G34
2. Secondary 1099 Selection Source. . .
3. Secondary 1099 Selection Source. . .
4. Secondary 1099 Selection Source. . .
5. Secondary 1099 Selection Source. . .
6. Secondary 1099 Selection Source. . .
7. Secondary 1099 Selection Source. . .
8. Secondary 1099 Selection Source. . .
9. Secondary 1099 Selection Source. . .

WARNING - Consolidated 1099 File already exists!
 Do you wish to delete it and
 create a new file? (Y or N)

F3=Exit

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**1099-MISC Consolidated Processing Run Sequence**

- ___ (1) Build Consolidated 1099 Detail File.
Menu Option – 7810
- ___ (2) Print Vendor File - by Vendor Name.
Menu Option – 7820
- ___ (3) Print Vendor File - by Vendor SSN/Fed ID.
Menu Option – 7820
- ___ (4) Paid Invoice Report by Vendor Year-To-Date, ALL Vendors,
\$0.00 Minimum. Menu Option - 7830
- ___ (5) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors
ONLY, \$0.00 Minimum. Menu Option - 7830
- ___ (6) Paid Invoice Report by Vendor Year-To-Date, 1099 Vendors
ONLY, \$600 Minimum. Menu Option - 7830
- ___ (7) Review Reports.
- ___ (8) Work with Vendor File, maintain address, 1099 flag.
Menu Option – 5010
- ___ (9) Work with Consolidated Disbursement Detail, 1099 Flag
Maintenance. Menu Option - 7850
- ___ (10) Paid Invoice Report by Vendor Year-To-Date, Summarized by
Vendor, \$600 minimum. Menu Option - 7830
- ___ (11) Build Consolidated 1099-MISC Processing File.
Menu Option – 7870
- ___ (12) Print Consolidated 1099-MISC Proof Listing.
Menu Option – 7910
- ___ (13) Review 1099-MISC Proof Listing.
- ___ (14) Print 1099-MISC Forms.
Menu Option – 7910
- ___ (15) Create 1099 file for electronic transmission.
Menu Option – 7930
- ___ (16) Clear Consolidated 1099 Processing Files, optional.
Menu Option - 7950

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1099-S PROCESSING

Special considerations for 1099-S Processing:

(1) 1099-S Legal Description Maintenance:

Take option 7450 "Work with Disbursement Detail, maintain the 1099 Code, if the code is an "S" the system will prompt you for a Legal Description.

```
Mode: UPDATE          ***** COUNTY AUDITOR IFS USER ***** IFD94 2
10/22/2003 13:40:39          Work with Disb Detail by Vendor#      QPADEV000M
```

```
G/L Account Number . . . . . 01-005-6455
Account Description . . . . . MOTOR FUELS AND LUBE.
Vendor Number . . . . . 2223 Name . OPEN SYSTEMS INC
Warrant Number . . . 5500 Warrant Date . . . 10/22/2003
Audit Number . . . 20031022 333 G/L Month/Yr. . . 10/2003
Warr Amount . . . . . 555.00 Invoice Num . . .
Description . . . . . VOUCHER DESC
Purchase Order# . . . . . _____ Full/Partial. . . > E
On Behalf-Of. . . > _____ Name . .
Service From Dte. _____ Service Thru Dte. _____
Report Cd Accural Cd 1099 Cd Tax Cd CFDA# MMIS Units User Defined Codes
> _ _ > > S > _ _ _ _ _
Legal Description . . . . . LEGAL DESCRIPTION
```

```
_____
_____
_____
_____ Date of Closing
```

F3=Exit F4=Prompt F5=Refresh F12=Previous
All changes have been processed - Press Enter to continue.

If the total real estate transaction for the vendor exceed 600 dollars, a 1099-S form must be issued. If this occurs you must provide the legal description, the legal description field appears on the screen when the 1099 code is an "S".

NOTE: The IRS requires the closing date of the real estate transaction to appear on the 1099-S form.

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Print the 1099-S Legal Descriptions Listing menu option 7440.

```

11/02/2004   Integrated Financial System   IFX00 1
15:52:58           Main Menu           HDDINGMA
                        Version: V05R03M00

█          :Select          Position to: _____

Option  Activity  Function
7430  Basic 1099  Paid Invoice Report by Vendor
7440  Basic 1099  Print 1099-S Legal Descriptions
7450  Basic 1099  Work with Disbursement Detail
7470  Basic 1099  Build Basic 1099-MISC Process File
7490  Basic 1099  Build Basic 1099-S Processing File
7510  Basic 1099  Print Basic 1099 Information
7530  Basic 1099  Create 1099-MISC file for IRS
7540  Basic 1099  Create 1099-S file for IRS
7550  Basic 1099  Clear Basic 1099 Processing Files

7610  Comb 1099  Build Combined 1099 Detail File
7630  Comb 1099  Paid Invoice Report by Vendor

More...
F3=Exit  F5=Refresh  F12=Cancel

```

```

Mode:          ***** COUNTY AUDITOR IFS USER ***** IFD97 1
10/22/2003 13:42:38          Print Legal Description File          QPADEV000M

```

Enter Legal Description Year to Print: 2003

F3=Exit F12=Previous F17=Run Instructions

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**Special Concerns Regarding 1099's**

Several situations have been identified that could potentially cause inaccurate or incomplete information to be printed on 1099-MISC forms. These are exceptional situations and may not apply to your county. Nevertheless all counties should check to ensure these problems either don't exist or have been corrected.

Consider the following questions:

1. Are there individuals who received 1099-type income from your county who were never designated as 1099 vendors?
2. Are there disbursements on file that were paid to a 1099 vendor but were not marked as 1099 disbursements during data entry?
3. Were rent, royalty, health care payments or real estate transactions involved in some of the disbursements to 1099 vendors?
4. Has the 1099 vendor status been changed for any vendor during the year? If so, is it possible that there are disbursements to this individual that were not marked as 1099 type disbursements but should have been?
5. Is there more than one vendor sharing the same Fed ID number? Perhaps a dummy SSN/Fed ID number was used for several individuals and the first vendor (alphabetically) is set to receive a 1099 for the sum of the payments?
6. The I.R.S. no longer will accept magnetic media on tape reel, 1/4 inch tape cartridge or 8mm tape.

The following sections include suggestions on dealing with these potential problems.

Problem: Vendor or Payments Not Marked For 1099

- #1. An individual should have been designated a 1099 Vendor, and
- #2. Not all 1099 type disbursements are flagged, and
- #3. Rent, royalty, health care payments or real estate transactions to a 1099 vendor.

How to Investigate:

Study the "Paid Invoice By Vendor" report that was printed out for ALL vendors. Look for individuals who received more than \$600 dollars in disbursements and see if the "1099" column in the right hand side of the report indicates "YES" or "NO". For any 1099 vendors ("YES") check if all disbursements to them are marked as 1099 disbursements.

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Solution:

All individuals or businesses that should be considered a potential 1099 recipient must be designated as a 1099 vendor in your vendor file. To change the status of an individual vendor, use option "5010 Work with Vendor File".

After an individual has been properly set up as a 1099 vendor, then you must also change the 1099 status for each of the payments that were made to that individual. You have the option of designating some or all of the disbursements using the "7450 Work with Disbursement Detail" program in the Basic 1099 processing area of IFS.

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD90 1
10/22/2003 10:49:00 Work with Disbursement Detail QPADEV000M

Work with by:
G/L Account Number > _____
G/L MM/YYYY From: _____ Thru: _____
+-----+

Work with by:
Vendor Name > _____
Warrant Dates MM/DD/YYYY From: _____ Thru: _____
+-----+

Work with by:
Vendor Number > 2223
Warrant Dates MM/DD/YYYY From: 01012003 Thru: 12312003
+-----+

Work with by:
Warrant Number _____

F3=Exit F4=Prompt F12=Previous

After selecting the vendor and date range, you will be presented with a list of payments and the option to change one or more 1099 flags using the following screen.

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Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD94 1
 10/22/2003 10:50:19 Work with Disb Detail by Vendor# QPADEV000M

2223 Requested: 2223
 OPEN SYSTEMS INC From 1/01/2003 Thru 12/31/2003
 Position To War Date w/in Vendor Number █

Type Option, Press Enter: 2=Change 5=Display
 MMDDYYYY

Opt	Warr#	War Date	Amount	Description	Account Number
_	5500	10/22/03	555.00	VOUCHER DESC	01-005-6455

F3=Exit F5=Refresh F12=Previous F20=Audit#/GL Mo F21=Codes Bottom
 F23=Invoice#

Press F21 to view the codes associated with each payment.

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD94 1
 10/22/2003 10:50:19 Work with Disb Detail by Vendor# QPADEV000M

2223 Requested: 2223
 OPEN SYSTEMS INC From 1/01/2003 Thru 12/31/2003
 Position To War Date w/in Vendor Number █

Type Option, Press Enter: 2=Change 5=Display
 MMDDYYYY

Opt	Warr#	War Date	Amount	Description	Account Number
2	5500	10/22/03	555.00	VOUCHER DESC	01-005-6455

F3=Exit F5=Refresh F12=Previous F20=Audit#/GL Mo F21=Codes Bottom
 F23=Invoice#

To change the 1099 code for a payment place a "2" in the option field before the selected payment. Each payment that has been selected will appear on the screen individually.

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```

Mode: UPDATE ***** COUNTY AUDITOR IFS USER ***** IFD94 2
10/22/2003 10:50:19 Work with Disb Detail by Vendor# QPADEV000M

G/L Account Number. . . . . 01-005-6455
Account Description . . . . . MOTOR FUELS AND LUBE.
Vendor Number . . . . . 2223 Name. . OPEN SYSTEMS INC
Warrant Number. . . . . 5500 Warrant Date. . . 10/22/2003
Audit Number. . . 20031022 333 G/L Month/Yr. . . 10/2003
Warr Amount . . . . . 555.00 Invoice Num . . .
Description . . . . . VOUCHER DESC
Purchase Order# . . . . . Full/Partial. . > E
On Behalf-Of. . . . . Name. .
Service From Dte. . . . . Service Thru Dte. .
Report Cd Accrual Cd 1099 Cd Tax Cd CFDA# MMIS Units User Defined Codes
> - - > > Y > - - - - -
    
```

F3=Exit F4=Prompt F5=Refresh F12=Previous

Individual expenditure line items may be designated 1099-MISC transactions by changing the flag to one of the following:

- “Y” Report in 1099-MISC Box 7 as non-employee compensation
- “N” NOT a 1099 payment
- “1” Report in 1099-MISC Box 1 as rent payments
- “2” Report in 1099-MISC Box 2 as royalties "
- “6” Report in 1099-MISC Box 6 as health care payments
- “S” Report as a 1099-S Real Estate Payment

If the total 1099-MISC disbursements to this vendor exceed 600 dollars, the portion designated as rent will print in box one on the 1099-MISC form, royalties in box 2, health care payments will print in box 6 and non-employee compensation in box 7.

IFS 2007 Year-End Seminar 1099-MISC & 1099-S Processing**Problem: The Vendor Status Changed During 2007**

CAUTION: Changing the 1099 status of a vendor late in the year does not retroactively change the status of disbursements that were made earlier in the same year. Consider the following example:

At mid-year it was determined that an individual should have been designated a 1099 vendor. Disbursements had already been made to that individual creating miscellaneous income that should be reported on a 1099 form. Marking the individual as a 1099 vendor later in the year has no automatic affect on those prior disbursements. The change in status only affects disbursements issued after the change took place, and the disbursements still must be designated as 1099 payments during data entry.

If 1099 disbursements have been made to a 1099 vendor at a time when that vendor was not marked as a 1099 vendor, the disbursements will not be properly included in the year-end total. This situation can be easily corrected at year end by performing maintenance on the individual disbursements to indicate that they should be included in the total for either 1099-MISC or 1099-S.

See the instructions above for more information.

Problem: More Than One Vendor Shares The Same Federal Tax Number

Some counties set up vendors more than once under different vendor numbers. If 1099 vendors are involved all 1099 payments will be listed with the first occurrence of the Tax ID Number on the "1099-Proof Listing By Tax ID Number". (1099-MISC payments and 1099-S payments will list separately.

If one vendor has been split into more than one Vendor Number for some reason, IFS will consolidate the payments into one total. If more than one vendor accidentally shares the same tax ID number, this situation can potentially generate a 1099 with a large dollar amount for the first vendor.

How to investigate:

During 1099 processing you will receive a "Duplicate Fed. ID/Soc. Sec. Number" report if this situation exists. The report is generated when you "Create 1099 Processing File".

Solution:

You must redo Vendor File Maintenance to correct or modify the Tax ID numbers if necessary, then "Create 1099 Processing File" again. If the vendors involved have less than \$600 in 1099 payments (either miscellaneous income or real estate transactions) you might fill in the vendor's Vendor Number as the Tax ID number. In this way the system will keep each vendor's payments separate. If a vendor involved in the duplicate Tax ID problem has more than \$600 dollars in 1099-MISC payments you must supply a correct Tax ID number in the vendor file to generate a legal 1099.