

1099 year-end checklist for Accounts Payable in Microsoft Dynamics SL

TechKnowledge Content

As we approach the end of the calendar year, it is time to get prepared for processing your 1099s. You do not have to wait until your Accounts Payable module is closed. In fact, there are things you can do right now to help ensure a successful and smooth production of 1099s this year. Review the steps in this checklist before running your 1099s.

AP Setup (03.950.00)

- 1099 Info
- Verify the fields are populated with correct data.
- Verify the 1099 Limit is equal to the current IRS minimum amount.

Vendor Maintenance (03.270.00)

- The 1099 Vendor field must be Yes.
- The proper Default 1099 Box Number must be displayed.
- Verify the accuracy of the amounts showing in the 1099 Year Boxes.
- The Tax ID Nbr field should be populated. If not, 'Request TIN from Vendor' will print on the 1099 Preview Report (03.730).

1099 Preview Report (03.730.00) and Vendor Trial Balance Report (03.650.00)

- Generate these reports and compare them before producing 1099s to ensure the accuracy of all 1099 information reported for the current calendar year.

- The 1099 Preview report will display all 1099 information, including Vendor Tax Identification number (TIN), 1099 box amounts, and total payments for Vendors subject to 1099 reporting.

- If corrections are needed, they can be entered in AP Vendor Maintenance (03.270.00)

- 1099 Info with Initialize Mode, or by using Rebuild 1099 History in AP Integrity Check (03.990.00).

AP Integrity Check (03.990.00) – Rebuild 1099 History

- Solomon IV 4.21 and later versions can have 1099 balances rebuilt before producing 1099s.

- AP Integrity Check has a checkbox to Rebuild 1099 History that must be checked.

- During processing, make sure no one is working in Accounts Payable. This would include releasing batches from other modules that create AP batches.

- The 1099 Rebuild process is not going to build 1099 balances if the Vendors were not correctly set up as 1099 Vendors from the beginning. This process rebuilds all 1099 balances from AP transaction information that already contains 1099 data. IF the Voucher was not created using a 1099 box, the 1099 Integrity Check will no update anything. But it will remove any amounts that were initialized. For this reason, the following considerations must be made before executing the rebuild procedure.

- Balance Initialization: If Initialize Mode or any other non-transactional method was used to update 1099 balances during the tax year, they will be lost during the rebuild process. A procedure to update the rebuilt 1099 balances using initialized information will have to be developed.

- Data Retention: If AP detail is retained for less than one year due to the processing of Delete AP Detail (03.540.00), then either restore records which contain tax year information before rebuilding 1099 balances or develop a procedure to update rebuilt 1099 balances using backup information.

- System Conversion: If any tax year information was converted from another system, but not all of the supporting AP balance, batch, document, adjustment, and transaction records were recreated in the new database, then develop a procedure to update rebuilt 1099 balances with conversion information.

1099 Forms (03.740.00) and Generate 1099 Magnetic Media (03.742.00)

- The formats and data needed for the 1099s are subject to IRS rules and regulations.

- Solomon provides an annual Year-End Update package that incorporates the latest IRS information.

- Consult the Solomon Technical Bulletin that comes with the Year-End Update package. It will detail important changes that have been made to the production of 1099s.

1099 Calendar Year Control (03.530.00)

- After completing the 1099 production process, it may be necessary to use this screen to purge obsolete 1099 information or change the status of the current and next 1099 calendar years.

- 1099 amounts for Vendors are accumulated based on Check Date. When trying to print checks in Accounts Payable Checks (03.620.00) that are dated with a calendar year that is not set up as an open 1099 year, System Message 532: 'Date must be in an open 1099 year, please re-enter' will display. When this occurs, there are two Process Options available.

- Purge Oldest Year - if the new calendar year is not shown as the Current or Next 1099 Year, this option will purge the 1099 data of the Current 1099 year and increase the numbers in Current 1099 Year and Next 1099 Year by one. Because you can have two open years of 1099 data, you may want to wait until the end of the new year before purging the oldest year, in the event some of the 1099s need to be corrected and reprinted. **It is recommended that restorable backup copies of your database be made immediately prior to this process.**

- Change Status - change the status of the Current or Next 1099 Year.

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