Overview

Selecting this function allows you to print 1099's on pre-printed laser forms and produce a file for electronic transmission to the IRS.

1099's are printed for vendors. The process can be done at any time but the printing and electronic file preparation should only be run after all transactions are posted for the calendar year. Only the transactions for the selected year will be considered. It is possible to mark only some for printing so that you can print only a few. This does not affect what is reported, only what is printed.

Reporting Requirements

Note that for 2020 and 2021 tax reporting there is a new form to use for vendors, the 1099 NEC rather than the 1099 MISC. in 2021 the form has 3 vendors per page.

When filing for the tax 2021 year, the IRS is requiring that vendor 1099s (paper and electronic) be submitted by January 31.

File for Association or for Management Company

1) If you have multiple associations, 1099's can be printed together or separately for each association. The choice is made in System Security on the Database Directories tab. When you edit the database you can choose to mark or not mark the checkbox File Separate Returns for Each Association and Send 1099s.
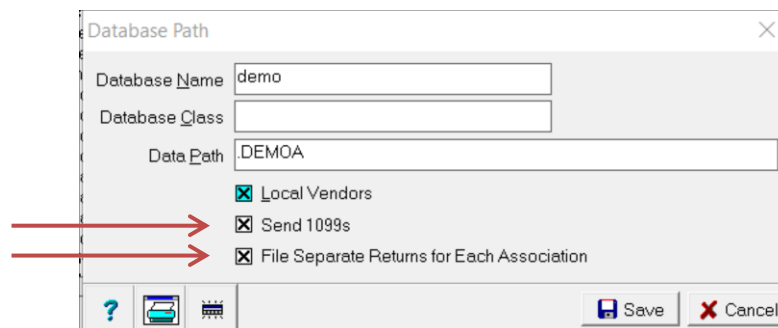
2) Additionally, in the Association Profile on Tab 3 you must enter a unique Tax ID number for each association if you will be filing separate 1099s for each association.

Vendor amounts are determined by the net of all checks written during the year with that vendor as the payee. Checks posted to that vendor using the One Time Payee field are not included. Adjustments to the vendor totals can be posted using AP, Adjust Vendor Payments. The Vendor Profile must contain a Taxpayer ID and the checkbox for Send 1099 must be marked.

Prepare 1099's

Go to Mailings, 1099 (Tax Reporting). Enter the tax year. The minimums are set per the tax code.

There are three options for compiling the tax information. Click the Compile button to perform the option you choose.

Do Not Change Existing 1099 Information
Use this option to print and reprint forms after you have verified that the calculated amounts and taxpayer information are correct.

Calculate 1099 amounts only
The vendor name, address and taxpayer ID information will not be recompiled. Use this option after you have made changes to a taxable amount and are in the process of finalizing your reportable set.

Calculate all 1099 information
This option is used for the initial compilation, or whenever you want to start over.

When the Preview 1099's screen displays you can review the list of potential 1099 recipients. The tabs at the bottom of the form let you view specific subsets of the line items. Clicking on any line will let you view details of that recipient.

Source & Filer
- This column will indicate who the filer is – the management company or the association. If it says "Company Vendor" then the database was not marked to File Separate Returns (see 1 above) or the Association Profile does not contain a Taxpayer ID (see 2 above). All amounts paid to the vendor for all associations will be reported on one 1099.
- If it says "Assoc Vendor" then a separate 1099 will be created for each association that paid the vendor more than $600 for the year.

Click the Below Minimum tab to see those that did not have sufficient reportable income to qualify for a 1099. Click on the line item to view the details.

Click the Not Reportable Due to Error tab. Review each line item and note the changes that may need to be made. The reason for not being reportable is noted in the Error field. The most common reason for not passing the edit criteria is because the taxpayer address was truncated. The field length for reporting is 2 lines of 40 characters.

You cannot print 1099's until all errors are corrected, marked Skip or marked Do Not Print.

While previewing the 1099 list you can print the 1099 report for your records.

Correcting Errors

After compiling the 1099's, click on the Not Reportable Due to Error tab. If there are no line items skipped due to error you can proceed with printing 1099's.

Click on the line item with an error. This will put that line item into edit mode. The reason for the error will be indicated in the [Error] field.

To fix a "Filer Address Truncated" error go to <<Setup, Company>> if it is a Company Vendor or to <<Profiles, Association>> for an Assoc Vendor and adjust the address. When you come back in to the 1099 function, click on <Calculate All 1099 Information> and the error will be gone.

The most common reason is "Taxpayer Address Truncated". PROMAS allows more space for the address than the IRS does. Line 2 and Line 3 of the vendor profile are combined onto one line for the 1099. If the number of characters exceeds 40 (the IRS limit) it is marked as an error.

Click on the <Edit 1099> button and then mark the <Override 1099 Information> checkbox. That will let you edit the information to make the necessary changes.

After making the adjustments, unmark the <Error in 1099 (will be skipped)> checkbox. Make the necessary adjustments to each of the Not Reportable line items.

These adjustments will not change the vendor profile. Therefore, every time you compile with the "Recalculate All 1099 Information" radio button marked, it will undo any adjustment you make. Once you start making corrections, compile using a radio button selection other than Recalculate All 1099 Information.

Steps to Correct an Error

1. Select the Not Reportable Due to Error tab
2. Click on the line item
3. Click <Edit 1099> button
4. Mark the Override 1099 Information checkbox.
5. Make the necessary adjustments
6. Unmark the Error in 1099 (will be Skipped) button
7. Click Save

Once you have all the errors corrected you are ready to print the 1099s and create the electronic file if you choose to file that way.

NOTE: Once you make changes while editing, DO NOT use the <Calculate All 1099 Information> when reentering the 1099 function as it will undo your edits. If you <Calculate 1099 Amounts Only> your changes will be intact.

Test Printing

When you want to print test 1099's or only want to print 2 or 3 pages (printing only one page - 2 1099's - is not a good test), which is 6 or 9 1099's, do the following:
1. Compile the 1099's
2. Click the Mark All for No Printing button
3. Click on a line item you want to print
4. Unmark the Do Not Print checkbox for the ones you want to print
5. Click on the Printable tab to view the ones you have chosen to print.
6. Click on one of the Print buttons.

When testing, use plain paper or copies of a set you don't need.

Print 1099's

Click either the Print Laser 1099s.

To print a subset of the recipients use the Mark All for No Printing button, then unclick the Do Not Print check box for each one you want to print.

Click <OK> to the Notice message that displays. That will bring up the Ready to Print 1099s screen.
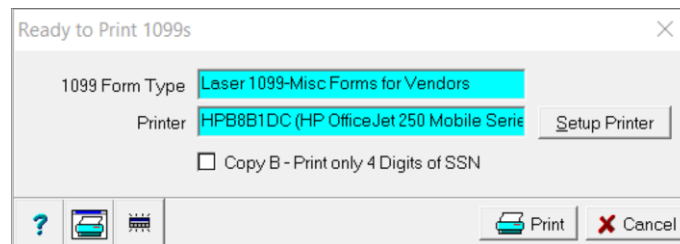
You can change the printer by clicking the <Setup Printer> button.

Laser Forms

Laser forms have two 1099s per page. The 1099 consists of a four sets: A-IRS copy; B-Recipients copy; C-payers copy; Copy 2-State copy. If your state requires five parts use a second Copy 2-State copy. *Laser forms are printed one set at a time*. First print the 1099s using the Copy 2-State copy set. Then print the other sets. You can print or reprint the 1099s as many times as you want.

Create File for Transmission to the IRS

If you file more than 250 records, you are required to file electronically. We recommend that because of the ease and convenience of filing electronically, everyone, regardless of the number or records, do so. The file created can either be uploaded to the IRS FIRE system.

Prior to submitting a file electronically you must have received a Transmitter Control Number and Name Control from the IRS. The form number used to get the codes is IRS form 4419. You can download this form from www.IRS.gov by doing a search on 4419. The PDF document is printable.

- Click on the Create Electronic Filing Output File button.

- Review the terms and click the <OK> button.

- The File Location designates the folder on your computer in which the IRSTAX file will be created. This is the file you will send to the IRS.

- Fill in the Electronic Filing Output File form.

    o Transmitter Control Number – supplied by the IRS.
    o Name Control – supplied by IRS. From IRS instructions:"The Payer Name Control can be obtained only from the mail label on the Package 1096 that is mailed to most payers each December. If a Package 1096 has not been received, you can determine your name control using the following simple rules or you can leave it blank: Use the first four significant characters of the business name. Disregard the word "the" when it is the first word of the name, unless there are only two words in the name. A hyphen (-) and an ampersand (&) are the only acceptable special characters. Names of less than four characters should be left-justified, filling the unused positions with a blank."
    o Contact Name – your name
    o Contact Phone Number – your phone number
    o Contact Email Address – your email address
    o Create a Test File – mark this checkbox if you want to send a test file to the IRS before sending the real file (optional).

- Verify the information in the protected fields.

- Click <Compile>.

- An information screen displays indicating the number of records and the file name and location of the file created. Make note of it and click <OK>.

- Click <Close>.

Transmit the Electronic File to the IRS Fire System

- On the main menu, select Links > IRS Fire System.

- Follow the IRS instructions.