



# Process 1099 Forms



# Table of Contents

<b>ASCENDER - Process 1099 Forms</b> .....	1
<i>Before You Begin</i> .....	1
<i>Process 1099 Forms</i> .....	3



# ASCENDER - Process 1099 Forms

**Created:** 12/07/2018

**Reviewed:** 12/14/2023

**Revised:** 12/14/2023

The purpose of this document is to guide you through the process of verifying and producing 1099-MISC (Miscellaneous Income) and 1099-NEC (Nonemployee Compensation) forms in Finance.

Beginning with the 2020 tax year, nonemployee compensation (i.e., payments to a non-employee, such as an independent contractor) totaling \$600 or more must be reported on the new Form 1099-NEC. **Previously**, nonemployee compensation was reported in box 7 on Form 1099-MISC.

This document assumes you are familiar with the basic features of the ASCENDER Business system and have reviewed the [ASCENDER Business Overview guide](#).



ASCENDER users should continue using the IRS Filing Information Returns Electronically (FIRE) system to electronically file 1099s. The IRIS Taxpayer Portal does **NOT** support ASCENDER files.



Some of the images and/or examples provided in this document are for informational purposes only and may not completely represent your LEA's process.

## Before You Begin

[Before you begin.](#)

Review the following information and/or complete the tasks listed before you begin the 1099 forms processing steps:

**Terms:**

Term	Description
<b>Form 1099-MISC</b>	Reference the following page on the IRS website for specific instructions about Form 1099-MISC: <a href="#">About Form 1099-MISC, Miscellaneous Income</a>
<b>Form 1099-NEC</b>	Reference the following page on the IRS website for specific instructions about Form 1099-NEC: <a href="#">About Form 1099-NEC, Nonemployee Compensation</a>

Term	Description
IRS	Internal Revenue Service
SSA	Social Security Administration
SSN	Social Security Number

Helpful links:

<b>About Form 1099-MISC, Miscellaneous Information</b>	<a href="https://www.irs.gov/forms-pubs/about-form-1099-misc">https://www.irs.gov/forms-pubs/about-form-1099-misc</a>
<b>About Form 1099-NEC, Nonemployee Compensation</b>	<a href="https://www.irs.gov/forms-pubs/about-form-1099-nec">https://www.irs.gov/forms-pubs/about-form-1099-nec</a>
<b>Filing Information Returns Electronically (FIRE)</b>	<a href="https://www.irs.gov/e-file-providers/filing-information-returns-electronically-fire">https://www.irs.gov/e-file-providers/filing-information-returns-electronically-fire</a>
<b>Form 1099-MISC</b>	<a href="https://www.irs.gov/pub/irs-pdf/f1099msc.pdf">https://www.irs.gov/pub/irs-pdf/f1099msc.pdf</a>
<b>Form 1099-NEC</b>	<a href="https://www.irs.gov/pub/irs-pdf/f1099nec.pdf">https://www.irs.gov/pub/irs-pdf/f1099nec.pdf</a>
<b>IRS Homepage</b>	<a href="https://www.irs.gov">https://www.irs.gov</a>
<b>Publication 1220, Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G</b>	<a href="https://www.irs.gov/pub/irs-pdf/p1220.pdf">https://www.irs.gov/pub/irs-pdf/p1220.pdf</a>
<b>Publication 15 (2023), (Circular E), Employer's Tax Guide</b>	<a href="https://www.irs.gov/publications/p15">https://www.irs.gov/publications/p15</a>

- Complete 1099-NEC filing to the IRS by the due date indicated in the 1099-NEC instructions.
- Complete the 1099-MISC filing to the IRS by the due date indicated in the 1099-MISC instructions.



Per IRS, Treasury Decision (TD) 9972 amends the rules for filing returns and other documents electronically (e-file). These regulations reduce the 250-return threshold to generally require electronic filing by filers of 10 or more returns in a calendar year beginning in 2024, tax year 2023.

- If your LEA has more than 10 applicable information returns of any type covered by TD 9972, you MUST file electronically. Refer to the IRS [Filing Information Returns Electronically \(FIRE\)](#) homepage for additional information and a list of applicable information returns covered by TD 9972.

## Process 1099 Forms

### 1. Verify District Finance Options.

[Finance > Tables > District Finance Options > Finance Options](#)

Verify that the following fields contain accurate information:

- **Current Finance Fiscal Year**
- **School Year**
- **Previous Year File ID** - Verify that the **Previous Year File ID** field is not blank. If the field is blank, check transactions cannot be located for the current calendar year in the previous fiscal year. When creating the 1099 work table, only unique transactions are selected from both file IDs
- **Starting Accounting Period**

### 2. Delete the 1099 work table.

**Log on to file ID C.**

[Finance > Utilities > Create 1099 Work Table](#)

Delete 1099 historical data from the tables before creating the new year 1099 work table.

**Note:** The Finance transactions are not affected when the 1099 work table transactions are deleted.

Utilities > Create 1099 Work Table Finance

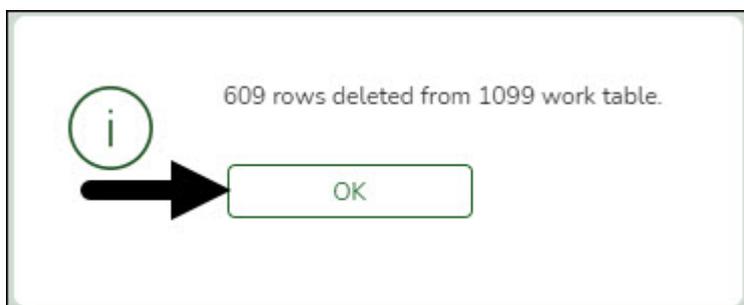
Beginning Date:

Ending Date:

Use 1099 Object Codes Table

Leave the **Beginning Date** and **Ending Date** fields blank to delete all existing 1099 table data.

Click **Delete**. A message is displayed with the number of rows being deleted from the 1099 work table.



Click **OK** to close the message box.

### 3. [Create the 1099 object codes table.](#)

[Finance > Tables > 1099 Object Codes](#)

In file ID C, review all of the object codes that were used when paying 1099-eligible vendors. You can add and/or delete object codes as needed. Generally, 62XX accounts are included.

Ensure that you are appropriately capturing any end-of-year payable transactions from the current or prior year.

Tables > 1099 Object Codes Finance

Save File ID: C

Retrieve Print

Delete	Object Code	Object Description	Type Payment
	2110	ACCOUNTS PAYABLE	N - Non-employee compensation
	6289	ALL OTHER RENTALS	R - Rents
	6212	AUDIT SERVICES	N - Non-employee compensation
	6629	CONSTRUCTION	N - Non-employee compensation
	6291	CONSULTING SVC	N - Non-employee compensation
	2190	DUE TO STUDENT GROUPS	N - Non-employee compensation
	6398	EQUIPMENT	N - Non-employee compensation
	6341	FOOD PURCHASE	N - Non-employee compensation
	6631	FURNITURE	N - Non-employee compensation
	6211	LEGAL SERVICES	N - Non-employee compensation
	2122	LOANS PAYABLE-CURRENT	N - Non-employee compensation
	6499	MISC OPERATING EXPENSES	N - Non-employee compensation
	6342	NON FOOD PURCHASE	N - Non-employee compensation
	2159	OTHER	I - Other income

Refresh Description ➕ Add

**Note:** If the table is not populated with object codes and type payments, all transactions (regardless of object code) for each 1099-eligible vendor are extracted when the Create 1099 Work Table utility is processed. The table must be completed prior to printing the 1099 forms.

**Log on to the prior year file ID.**

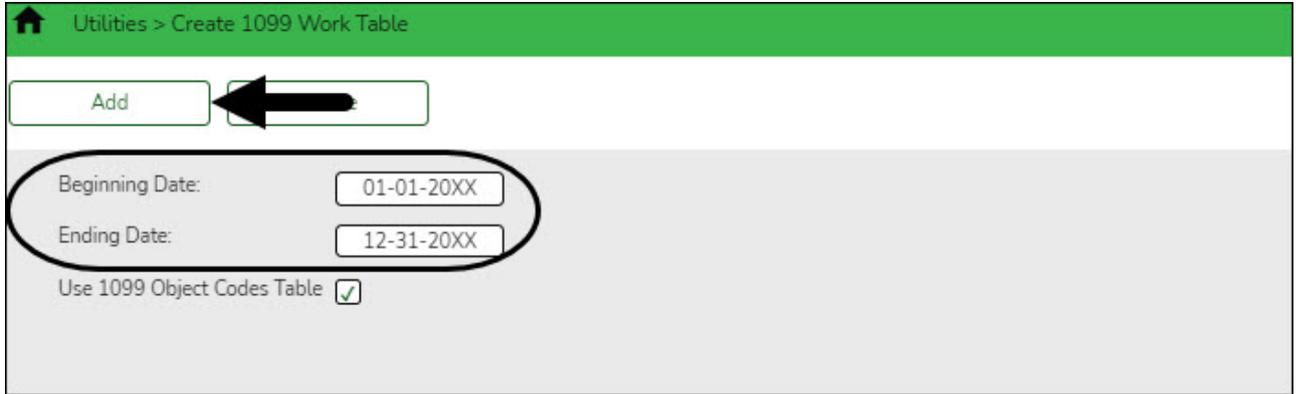
Ensure that the prior and current year file ID object code tables have the same object codes since the amounts spent from January 1 - August 31 exist in the prior year file ID.

4. Create the 1099 work table.

Finance > Utilities > Create 1099 Work Table

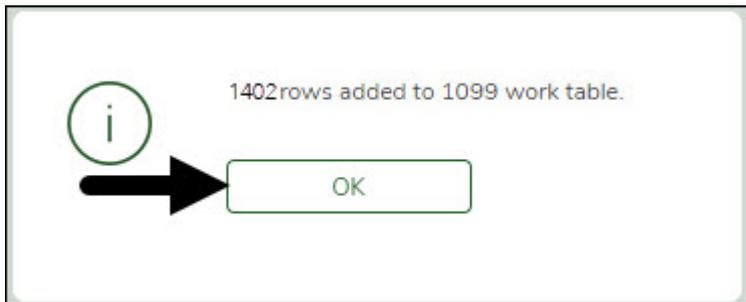
Process this utility to populate the work table from the check transactions. The table populates the Finance > Maintenance > 1099 Record Maintenance page and allows you to modify entries.

The create 1099 work table process uses file ID C and the file ID in the **Previous Year File ID** field on the [Finance > Tables > District Finance Options > Finance Options](#) tab for file ID C to determine which file IDs to use. After this utility is processed, if check transactions are identified for a file ID other than C and the **Previous Year File ID** field is blank on the Finance Options tab in file ID C, a warning message asking for confirmation to continue is displayed. Click **Yes** to continue (only file ID C is processed).



Type a **Beginning** and **Ending Date** range.

Click **Add** to create a 1099 work table. A message is displayed with the number of rows being added to the 1099 work table.



Click **OK** to close the message box.

5. [Generate the 1099 report.](#)

[Finance > Finance Reports > Vendor/Purchase Order Reports > FIN2050 - 1099 Report](#)

Generate this report to review the vendors and transactions for accuracy. **It is recommended** to sort the report by the Employer Identification Number (EIN)/Social Security Number (SSN). This sorting option allows those vendors without an EIN/SSN to be displayed at the beginning of the report. A 1099 form is not generated for vendors without an EIN/SSN.

Reports > Finance Reports > Vendor/Purchase Order Reports > 1099 Report Finance

Preview PDF CSV Clear Options

File ID: C  
User ID:  
Curr Per:  
Next Per:

Vendor/Purchase Order Reports

- [FIN2000 - Vendor List](#)
- [FIN2050 - 1099 Report](#)
- [FIN2100 - 1099 Forms](#)
- [FIN2150 - Outstanding Purchase Orders](#)
- [FIN2200 - Aged Purchase Orders](#)
- [FIN2250 - Purchase Order History Report](#)
- [FIN2300 - Outstanding Credit Memo Listing](#)
- [FIN2400 - Vendor W9 Reference Listing](#)
- [FIN2500 - Print Vendor Label](#)

FIN2050 - 1099 Report

Parameter Description	Value
Sort by Alpha (A), EIN/SSN (N)	N
Print Account Nbr (A), Reason (R)	A
Include EIN/SSN on Report? (Y/N)	Y
For Tax Year > 2019, Print 1099-MISC (M), 1099-NEC (N), or blank for ALL	
From Date (MMDDYYYY), or blank for ALL	
To Date (MMDDYYYY), or blank for ALL	
Select Vendor(s), or blank for ALL	

**Notes:**

The 1099-MISC (M) form prints the sum of all transactions (if at least \$600) in the 1099 work file except those tied to an object code with a **Type Payment** of *N - Non-employee compensation* on the [Finance > Tables > 1099 Object Codes](#) page.

The 1099-NEC (N) form prints the sum of all transactions (if at least \$600, excluding credit card transactions) in the 1099 work file that are tied to an object code with a **Type Payment** of *N - Non-employee compensation* on the [Finance > Tables > 1099 Object Codes](#) page.

If a vendor is not displayed on the report and should be, verify the following:

- The EIN or SSN is populated and the **1099 Eligible** field is selected on the [Finance > Maintenance > Vendor Information > Vendor Name/Address](#) tab.
- The object code used to pay the vendor exists in the object codes table in both the current and prior year file IDs.

If 1099 transactions exist for objects that you do not want to be included in the 1099s, update the 1099 object code table. If you remove a code from the [Finance > Tables > 1099 Object Codes](#) page, it is not included on the 1099 form or the 1099 file, but it is displayed on the 1099 Report without a payment type description.

Transactions can be deleted and added by running the Create 1099 Work Table utility again or manually deleting and adding transactions on the [Finance > Maintenance > 1099 Record Maintenance](#) page. If you delete a transaction from a vendor and the Create 1099 Work Table utility is processed again, delete the transaction on the [Finance > Maintenance > 1099 Record Maintenance](#) tab.

If the student activity check transactions are not maintained in ASCENDER, you must manually enter the information on the [Finance > Maintenance > 1099 Record Maintenance](#) page.

In addition to using the FIN2050 - 1099 Report, run the [Finance > Inquiry > Vendor Inquiry > Vendor YTD Amounts Inquiry](#) to verify that all 1099 eligible vendors are being reported.

- Generate the report in the prior file ID.
- In the **From Date** field, type 01-01-20XX.
- In the **To Date** field, type 12-31-20XX. This retrieves data from both file IDs.
- In the **Greater Than Amount** field, type 599.00.
- Click **Retrieve**.

This report displays all vendors that were paid 600.00 or more in the calendar year. These vendors are not necessarily 1099 eligible but the LEA can verify from which accounts the vendors are being paid to ensure that the 1099 object code table is accurate in both file IDs, and then compare this information to the FIN2050 - 1099 Report.

## 6. [Perform 1099 record maintenance.](#)

### [Finance > Maintenance > 1099 Record Maintenance](#)

Perform any necessary updates to the payment information in the 1099 work file. You can verify, add, delete, or update check transactions for each vendor to ensure the accuracy of the vendor 1099 records.

Only transactions that occurred in the prior year with object codes from the 1099 object codes table are displayed.

Be sure to delete any transactions that should not be reported (e.g., reimbursements).

**Reminder:** Any items added or deleted will revert back to the original state if any extract is performed.

Maintenance > 1099 Record Maintenance Finance

Save

**Vendor Information**

Vendor:  Attr:

Status: Active Doing Bus As:

EIN/SSN: 316-17-

Delete	Detail	File ID	Acct Per	Check Type	Check Nbr	Check Date	Account Code	Net Expend Amt	Reason
		C	09	C	040813	10-02-20	199-11-6269.01-001-11000	300.00	FB BROADCASTING
Total:								300.00	

File ID: C Acct Per: 09

Check Type:

Check Date:

Check Number:

Net Exp Amt:

PO Type:

PO Number:

User ID:

Account Code:

Description: RENTALS - GRADUATION STAGE

Invoice Number:

Invoice Date:

Transaction Date:

Reason:

7. Verify the 1099 report.

Finance > Finance Reports > Vendor/Purchase Order Reports > FIN2050 - 1099 Report

Reports > Finance Reports > Vendor/Purchase Order Reports > 1099 Report Finance

Preview PDF CSV Clear Options

File ID: C  
User ID:  
Curr Per:  
Next Per:

**Vendor/Purchase Order Reports**

- [FIN2000 - Vendor List](#)
- [FIN2050 - 1099 Report](#)
- [FIN2100 - 1099 Forms](#)
- [FIN2150 - Outstanding Purchase Orders](#)
- [FIN2200 - Aged Purchase Orders](#)
- [FIN2250 - Purchase Order History Report](#)
- [FIN2300 - Outstanding Credit Memo Listing](#)
- [FIN2400 - Vendor W9 Reference Listing](#)
- [FIN2500 - Print Vendor Label](#)

**FIN2050 - 1099 Report**

Parameter Description	Value
Sort by Alpha (A), EIN/SSN (N)	<input type="text" value="N"/>
Print Account Nbr (A), Reason (R)	<input type="text" value="A"/>
Include EIN/SSN on Report? (Y/N)	<input type="text" value="Y"/>
For Tax Year > 2019, Print 1099-MISC (M), 1099-NEC (N), or blank for ALL	<input type="text"/>
From Date (MMDDYYYY), or blank for ALL	<input type="text"/>
To Date (MMDDYYYY), or blank for ALL	<input type="text"/>
Select Vendor(s), or blank for ALL	<input type="text"/>

Generate this report again and continue reviewing vendors and transactions for accuracy.

If any vendors and/or transactions are missing, you can manually enter any exceptions on the [Finance > Maintenance > 1099 Record Maintenance](#) page, or make the corrections on the [Finance > Maintenance > Vendor Name/Address](#) tab and the [Finance > Tables > 1099 Object Codes](#) page (if extracting transactions again).

## 8. Print the 1099 forms.

Finance > Reports > Finance Reports > Vendor/Purchase Order Reports > FIN2100 - 1099 Forms

Reports > Finance Reports > Vendor/Purchase Order Reports > 1099 Forms

Preview PDF CSV Clear Options

File ID: C  
User ID:  
Curr Per:  
Next Per:

Vendor/Purchase Order Reports

- FIN2000 - Vendor List
- FIN2050 - 1099 Report
- FIN2100 - 1099 Forms
- FIN2150 - Outstanding Purchase Orders
- FIN2200 - Aged Purchase Orders
- FIN2250 - Purchase Order History Report
- FIN2300 - Outstanding Credit Memo Listing
- FIN2400 - Vendor W9 Reference Listing
- FIN2500 - Print Vendor Label

FIN2100 - 1099 Forms

Parameter Description	Value
Sort by Alpha (A), EIN/SSN (N), Zip Code (Z)	A
Print 1099 Form only (1), 1099 form including 1099 file (2), Non-preprinted Copy B and C (3)	2
Tax Year (####)	20
For Tax Year > 2019, Print 1099-MISC (M) or 1099-NEC (N)	M
Control Name (4 char, only required for 1099 file)	MVB1
Contact Name (40 char, only required for 1099 file)	Steve Smith
Control Code (5 char for 1099 file)	33333
Select Vendor(s), or blank for ALL	

Generate this report after all of the necessary information is verified.

If more than 10 information returns will be filed, you are required to create a 1099 file for electronic submission to the IRS.

All LEAs should run this report using options **2** and **3** in the **Print 1099 Form only (1), 1099 form including 1099 file (2), Non-preprinted Copy B and C (3)** parameter. The following parameters are required when generating the report with option 2 (1099 form including 1099 file):

- **Control Name (4 char, only required for 1099 file)**
- **Contact Name (40 char, only required for 1099 file)**
- **Control Code (5 char for 1099 file)**

## 9. File 1099 forms.

Use the IRS Filing Information Returns Electronically (FIRE) system to file electronically.

Click [here](#) for more information about electronic filing.

If filing by paper, mail all Copy A forms along with a 1096 Form. The submission must be postmarked and mailed to the IRS generally by January 31st. Refer to the IRS website for the exact reporting deadline dates.



## Back Cover