Accounts Payable Job Aid

SW AP312B: 1099 Process in Cardinal (2020)

1099 Process in Cardinal Overview

In Cardinal, the terms **1099** and **withholding** are often used interchangeably. The 1099 process uses supplier payment detail data and creates withholding detail records which are used to report to the Internal Revenue Service (IRS). Transactions flagged for 1099 reporting are posted into the withholding table and are used to create the calendar year report (1099).

In order for transactions to properly report as withholding in Cardinal, the supplier must be flagged as withholding and the transaction must be coded to a reportable ChartField account.

This document describes the 1099 process in Cardinal and includes the steps to review/update/add information to the withholding tables and produce the 1099 documents and file to the IRS.

Refer to Cardinal Commonwealth Accounting Policies and Procedures (CAPP) Topic 20320 Information Returns Reporting for State policies regarding 1099 reporting. Refer to IRS Publication 1220 – Specifications for Electronic Filing of Forms for IRS communication procedures and transmission formats. This should be reviewed each year.

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Reportable Suppliers in Cardinal

Cardinal automatically determines whether a supplier is 1099 reportable when the supplier is created either through the eVA interface or created online by the Commonwealth Vendor Group (CVG). If the supplier is reportable, Cardinal checks the **withholding** check-box that displays on the **Supplier's Identifying Information** page.

When a supplier is created in Cardinal with the following combinations of supplier class and supplier type, Cardinal flags the supplier as a withholding (1099 reportable) supplier:

Supplier Class	Supplier Type
Supplier	Proprietorship
Supplier	Partnership
Supplier	Estate
Supplier	Trust
Supplier	Other
Supplier	Reportable Corporation
Board Member	Partnership, Proprietorship, Estate, Trust, Reportable Corporation, Other
Non-Supplier Payee	Partnership, Proprietorship, Estate, Trust, Reportable Corporation, Other

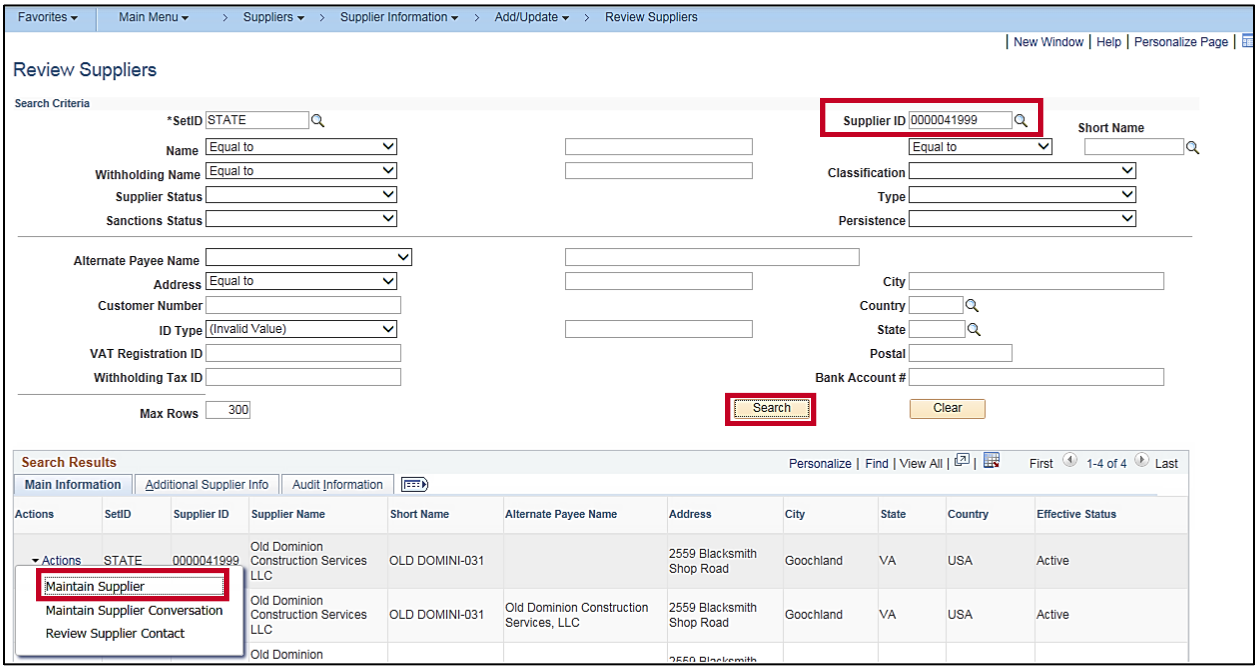
Review Withholding Suppliers in Cardinal

If you need to review a supplier in Cardinal:

1. Navigate to the **Review Suppliers** online inquiry page using the following path:

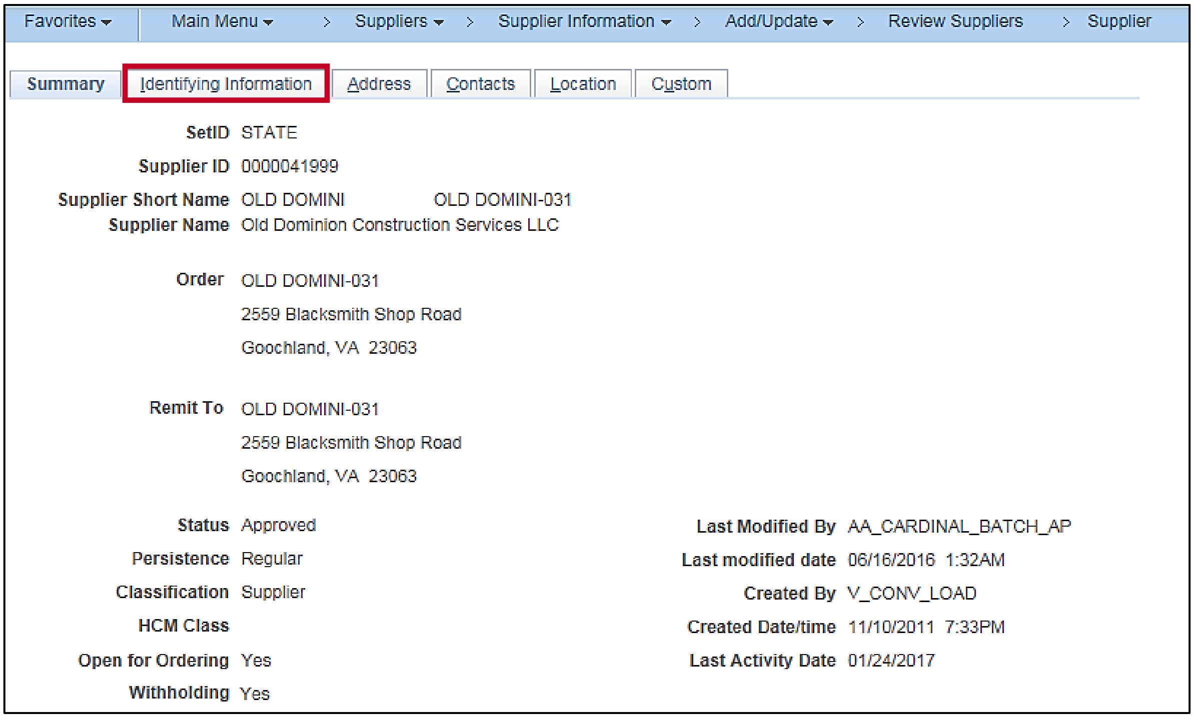
   Main Menu > Suppliers > Supplier Information > Add/Update > Review Suppliers

The **Review Suppliers** page displays.



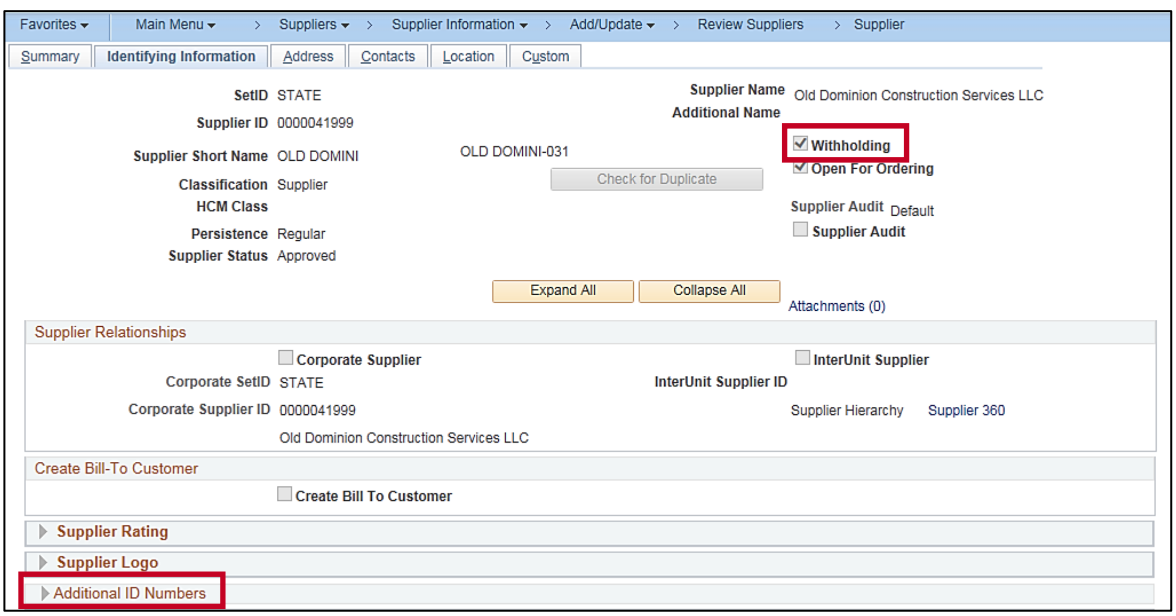
2. Enter the identifying information (e.g., **Supplier ID**, **Name**, **ID Type** which includes **Employer ID Number** or **Social Security Number**). In this scenario, the **Supplier ID** is used.
3. Click the **Search** button. Suppliers that match the criteria display at the bottom of the page.
4. Click the **Action** drop-down arrow.
5. Click the **Maintain Supplier** link to view the Supplier record.

The **Summary** page displays.



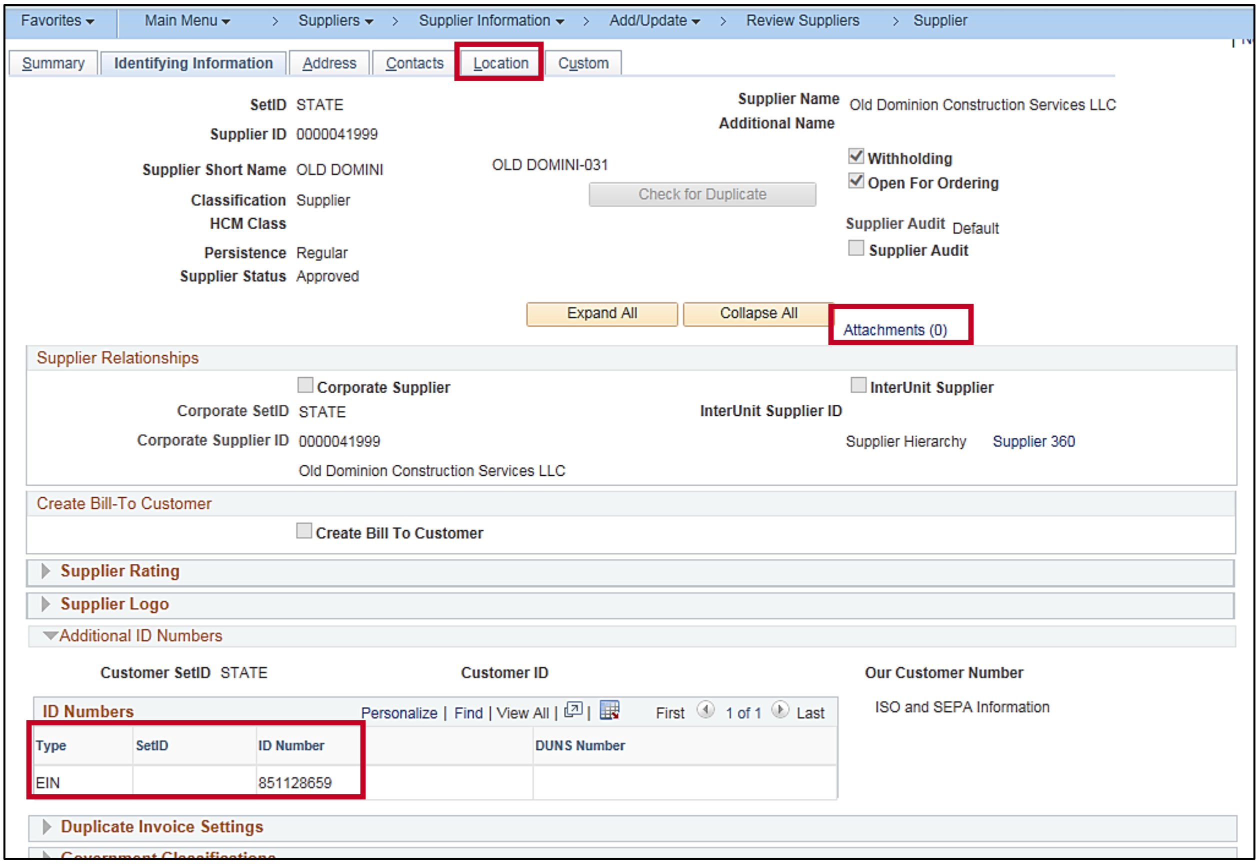
6. Click the **Identifying Information** tab.

The **Identifying Information** page displays.



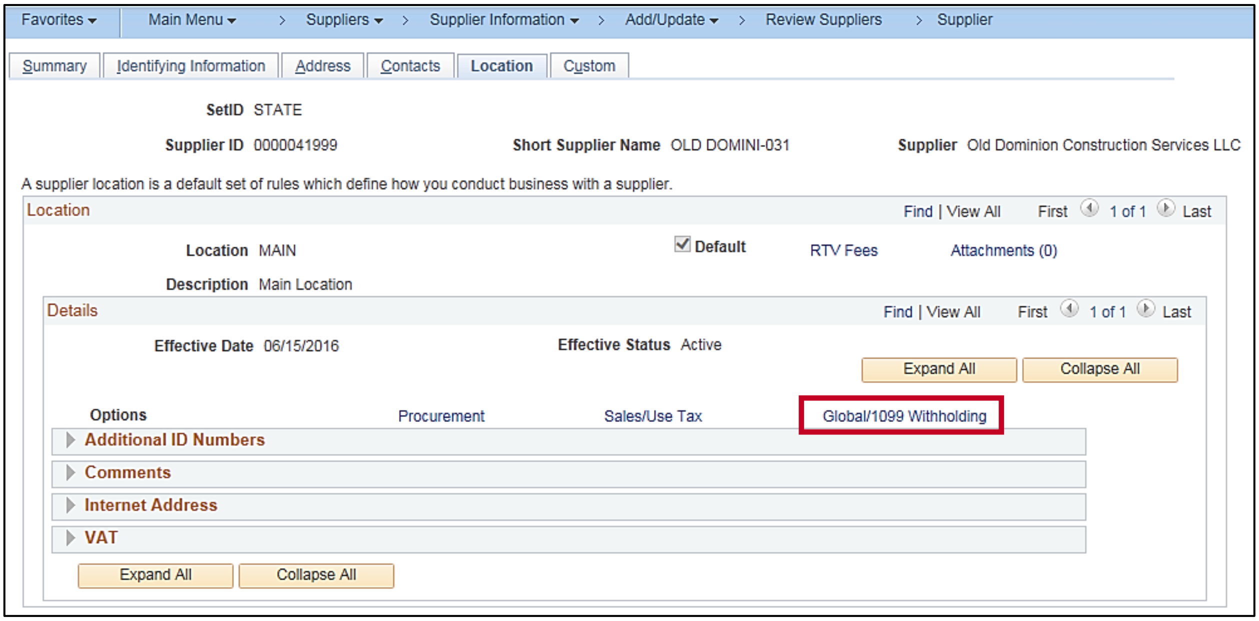
7. Review that the **Withholding** box is checked indicating this supplier is marked as Withholding.
8. Click the **arrow** on the **Additional ID Numbers** line.

The **Additional ID Numbers** section expands and the supplier's **EIN/SSN** number displays. .



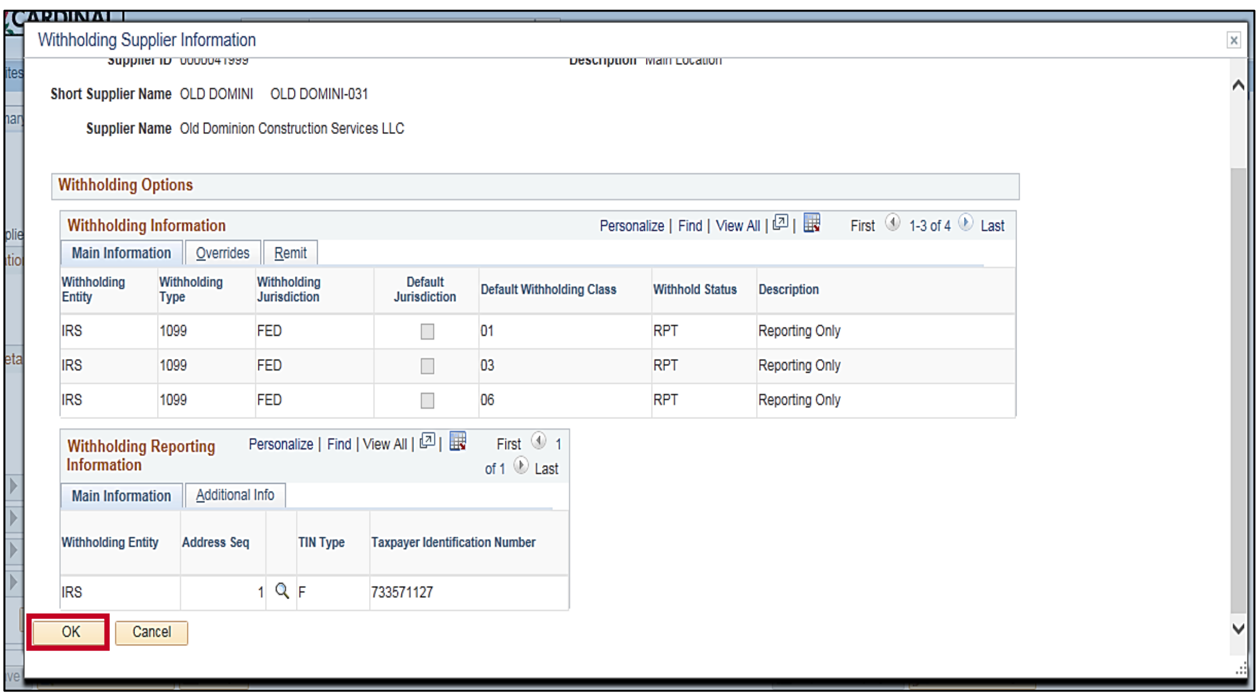
9. To view the W-9, click the **Attachments** hyperlink. You can tell if the W-9 has been saved to the supplier if the **Attachments** hyperlink indicates **Attachments (1)**. For this scenario, there is no attachment.
10. To access the Withholding information, click the **Location** tab on the supplier.

The **Location** tab details display.



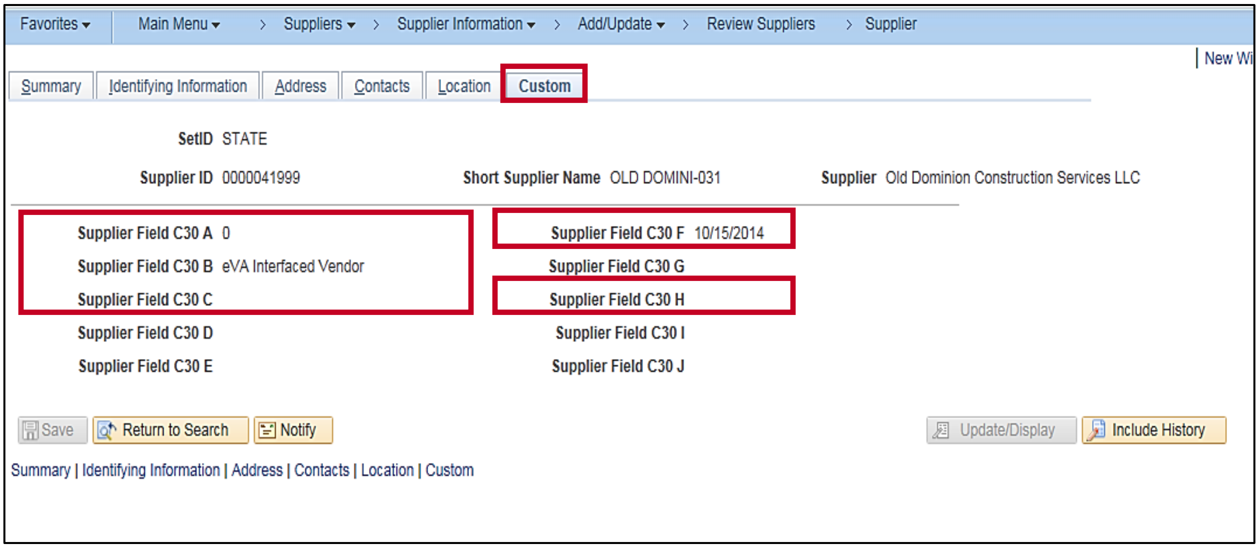
11. Click the **Global/1099 Withholding** hyperlink under the **Details** section of the page.

The **Withholding Supplier Information** pop-up window displays. The 1099 withholding class(es) that have been set up for this supplier display. These are the classes that pull into the 1099 Copy B report that is sent to the supplier and the 1099 file that is sent to the IRS.



12. Click the **OK** button to return to the **Location** page.

13. Click the **Custom** tab.



14. The **Custom** tab on the supplier displays the following information:

C30 A: TIN Match Code. This is updated by the IRS TIN Update Program. Potential values:

- **0**: Name/TIN combination matches IRS records
- **1**: Missing TIN or TIN not 9-digit numeric
- **2**: TIN not currently issued
- **3**: Name/TIN combination does NOT match IRS records

C30 B: indicates if the supplier is an eVA supplier or a fiscal supplier.

- **eVA Interfaced Supplier**: means the supplier is an eVA supplier
- A blank field or the letter **N**: mean the supplier is a fiscal supplier

C30 C: W-9 Received. Indicates if a W-9 has been received for this supplier.

C30 F: TIN Match Date. Indicates the date that this supplier TIN was matched with IRS records.

C30 H: Date W9 Received. Indicates the date that the supplier W-9 was received.

Withholding (1099 Reportable) Transactions in Cardinal

Suppliers must be marked as Withholding in Cardinal at the time a voucher is created in order for the transaction to be sent to the withholding table if the account on the distribution is reportable. If the supplier is not marked withholding at voucher creation and should have been, an adjustment will be required to the withholding table.

The query **V_AP_1099_REPORTABLE_ACCTS** can be used to review the current accounts set up in Cardinal for 1099 reporting.


V_AP_1099_REPORTABLE_ACCTS - 1099 Reportable Accounts

SetID

Withhold Type (M or N or G)

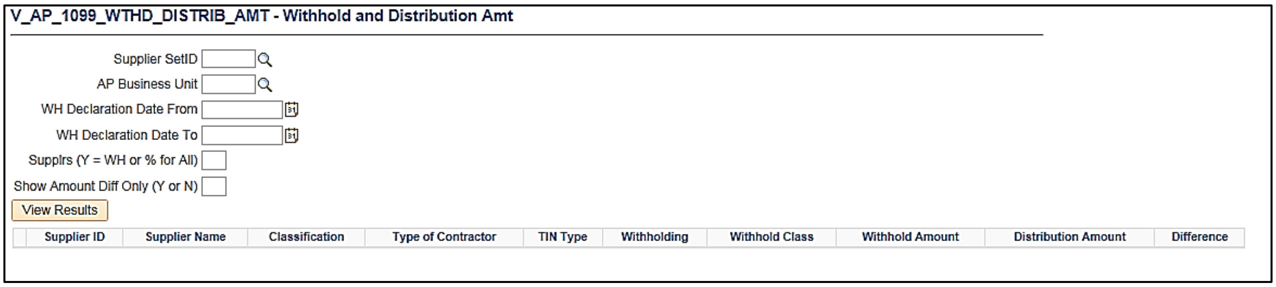
View Results

Row	Account	Account Description	Attribute	Withhold Type	1099 Class Value	1099 Class Value Description

Reviewing Withholding (1099 Reportable) Transactions in Cardinal (Queries)

The following queries were created to assist 1099 Administrators in reviewing their agency withholding data in Cardinal:

V_AP_1099_WTHD_DISTRIB_AMT


V_AP_1099_WTHD_DISTRIB_AMT - Withhold and Distribution Amt

Supplier SetID

AP Business Unit

WH Declaration Date From

WH Declaration Date To

Supplrs (Y = WH or % for All)

Show Amount Diff Only (Y or N)

View Results

Supplier ID	Supplier Name	Classification	Type of Contractor	TIN Type	Withholding	Withhold Class	Withhold Amount	Distribution Amount	Difference

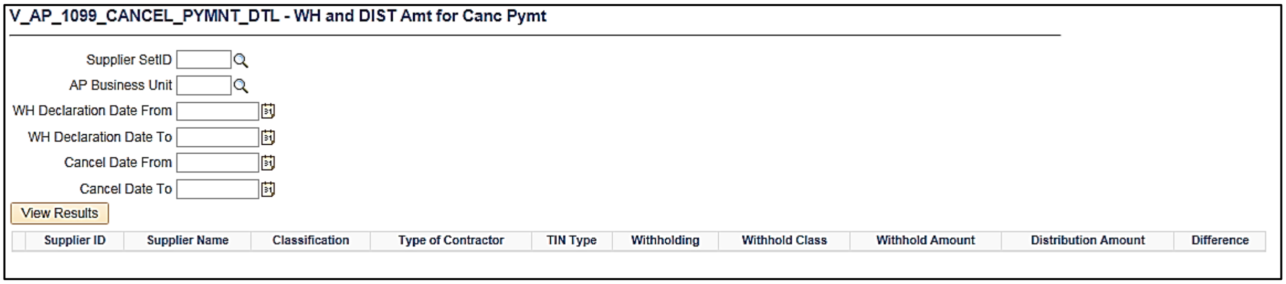
This query displays a listing of suppliers, the total amount posted to the 1099 withholding table for the supplier, the total amount paid on vouchers with reportable accounts for the supplier, the **Withhold Class** the amounts are reported in both on the withholding table and the voucher, and the difference between the two amounts. Any Withhold Adjustments that you make will be reflected in this query in the **Withhold Amount** column.

This query is very useful in your determination of adjustments that may be needed for 1099 reporting.

The following parameters are used on the query:

- Supplier SetID: STATE
- **AP Business Unit**: Your agency business unit.
- **WH Declaration Date From**: (usually first day of the calendar year.)
- **WH Declaration Date To**: (usually last day of the calendar year.)
- **Suppliers (Y = WH or % for All)**: **Y** to show results only for suppliers currently marked withholding, or **%** for all suppliers.
- **Show Amount Diff Only (Y or N)**: **Y** to show all results, **N** to show only those suppliers with differences between voucher amount and amount posted to the withholding table.

V_AP_1099_CANCEL_PYMNT_DTL


V_AP_1099_CANCEL_PYMNT_DTL - WH and DIST Amt for Canc Pymt

Supplier SetID

AP Business Unit

WH Declaration Date From

WH Declaration Date To

Cancel Date From

Cancel Date To

View Results

Supplier ID	Supplier Name	Classification	Type of Contractor	TIN Type	Withholding	Withhold Class	Withhold Amount	Distribution Amount	Difference

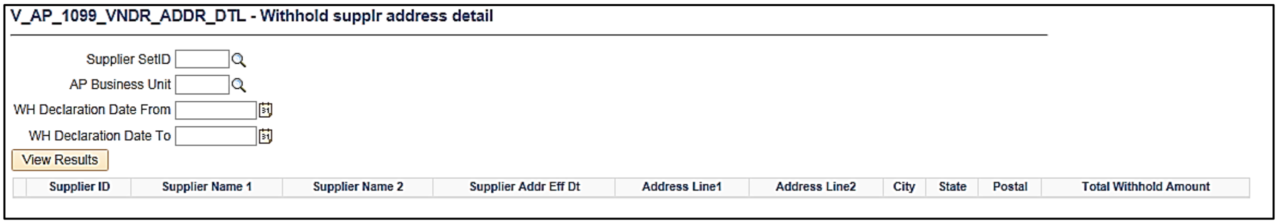
Agencies that stop payment on checks during a calendar year must establish procedures to reduce the amount reported to 1099 reportable suppliers by the amount of the stop payment. Cardinal will post the cancelled payments to the withholding tables, but agencies must verify that the cancel was posted in the correct reporting year.

This query displays a listing of suppliers who had cancelled payments in the date ranges specified and is used to assist with the determination of possible withholding adjustments due to the cancel payments.

The following parameters are used on the query:

- Supplier SetID: STATE
- **AP Business Unit**: Your agency business unit.
- **WH Declaration Date From**: (usually first day of the calendar year.)
- **WH Declaration Date To**: (usually last day of the calendar year.)
- **Cancel Date From**: (choose cancel dates in January of the following calendar year to capture cancellations that may affect the calendar year 1099 reporting.)
- **Cancel Date To**: (choose cancel dates in January of the following calendar year to capture cancellations that may affect the calendar year 1099 reporting.)

V_AP_1099_VNDR_ADDR_DTL



V_AP_1099_VNDR_ADDR_DTL - Withhold supplr address detail

Supplier SetID

AP Business Unit

WH Declaration Date From

WH Declaration Date To

View Results

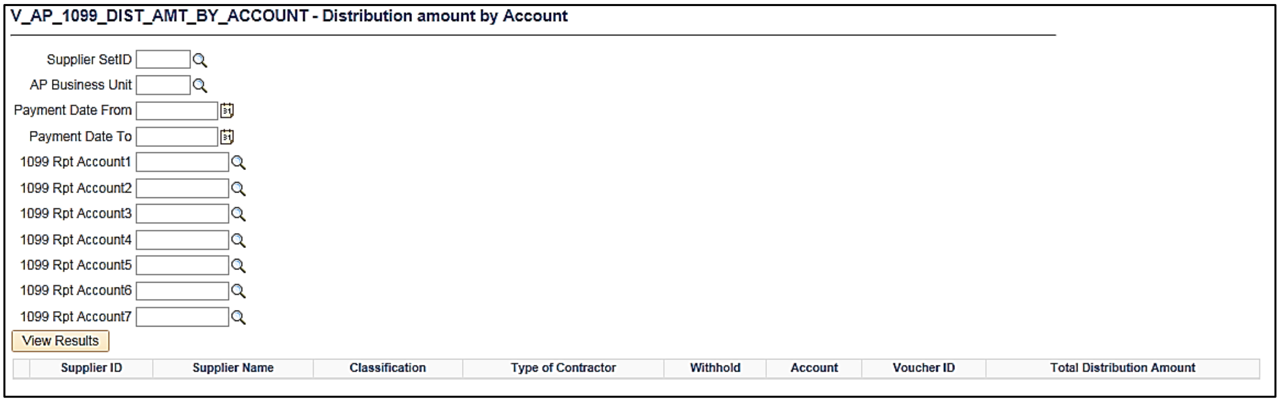
Supplier ID	Supplier Name 1	Supplier Name 2	Supplier Addr Eff Dt	Address Line1	Address Line2	City	State	Postal	Total Withhold Amount

This query displays all withholding supplier address details for a specific Business Unit within a Withholding Declaration Date range. This query is used to assist agencies in verifying the address that will print on the 1099 Copy B reports.

The following parameters are used in the query:

- Supplier SetID: STATE
- **AP Business Unit**: Your agency business unit.
- **WH Declaration Date From**: (usually first day of the calendar year.)
- **WH Declaration Date To**: (usually last day of the calendar year.)

V_AP_1099_DIST_AMT_BY_ACCOUNT



This query displays a listing of suppliers and shows the total amount paid on supplier vouchers for specific reportable accounts.

The following parameters are used in the query:

- Supplier SetID: STATE
- **AP Business Unit**: Your agency business unit.
- **Payment Date From**: (usually first day of the calendar year.)
- **Payment Date To**: (usually last day of the calendar year.)
- **1099 Rpt Account1 – 7**: User can list up to 7 1099 reportable accounts to query the amounts paid to suppliers for the payment period.
- The query **V_AP_1099_REPORTABLE_ACCTS** will list the current 1099 reportable accounts in Cardinal.

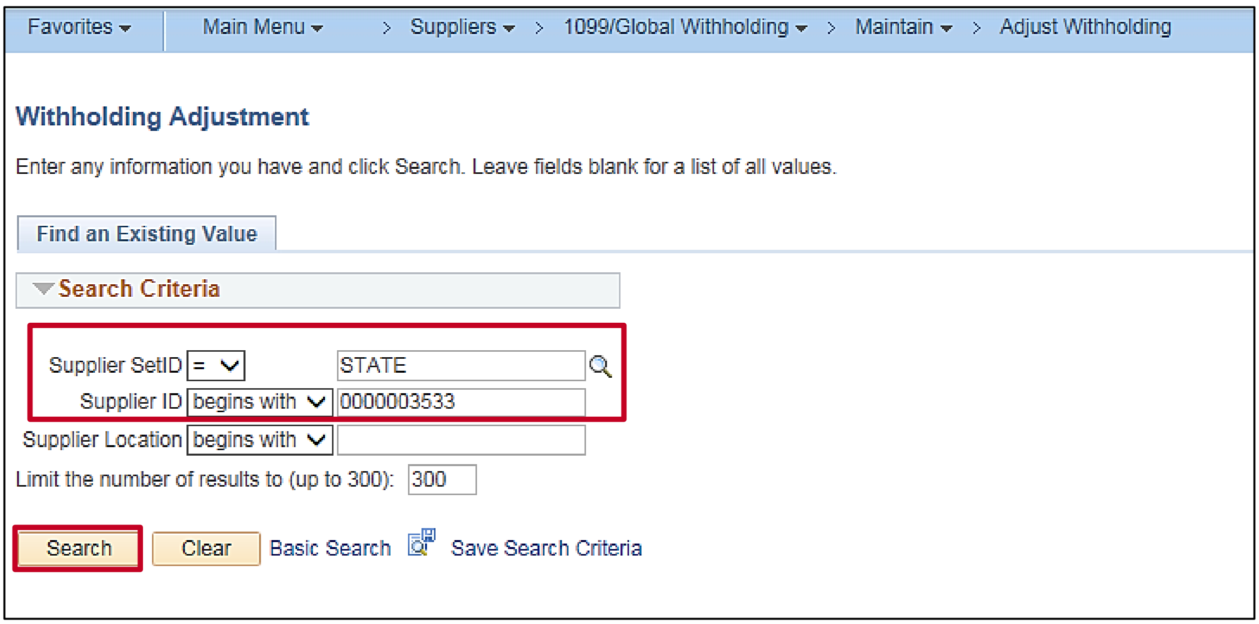
Adding Withholding Adjustments

Entries on the withholding table are based on the supplier being flagged as a withholding supplier and the voucher distribution account being 1099 reportable at the time that the voucher is created. If a supplier is marked as withholding during the year, reportable amounts before that time will not automatically post to the withholding table. An adjustment may be required. The withholding adjustments are made directly to the withholding table in Cardinal. They do not affect the voucher itself. If you need to make an adjustment to the withholding amounts for a supplier, follow these steps:

1. Navigate to the **Withholding Adjustment** page using the following path:

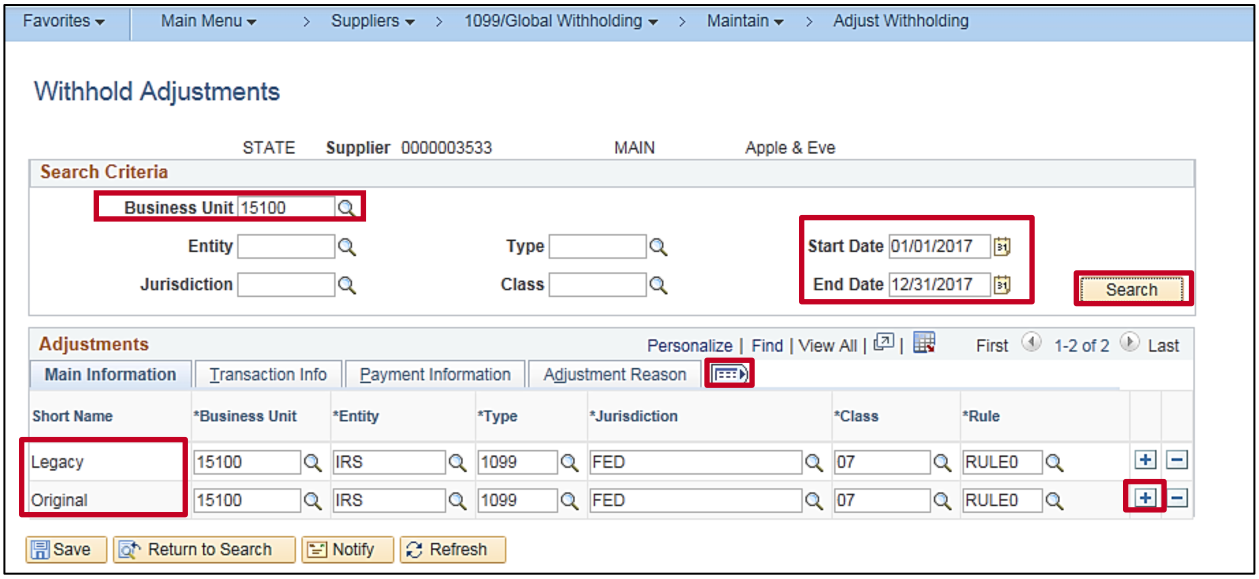
   Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjust Withholding

The **Withholding Adjustment Search** page displays.



2. Verify/enter the **Supplier SetID**: **STATE**.
3. Enter the **Supplier ID** for the supplier you need to make an adjustment for.
4. Click the **Search** button.

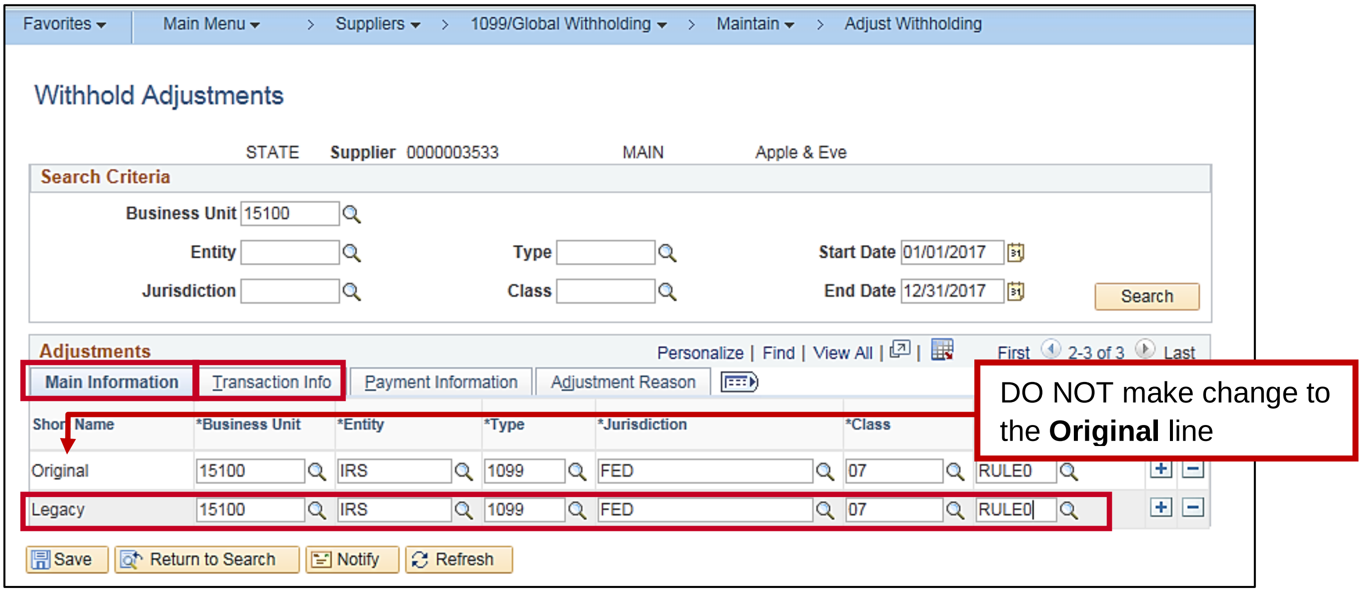
The **Withhold Adjustments** page displays.



Note: This page only displays for suppliers currently flagged as **Withholding**.

5. Enter your agency business unit in the **Business Unit** field.
   Additional fields either may be left blank or may be populated to narrow search results such as **Start Date** and **End Date** to indicate what is being reported in the calendar year.
6. Click the **Search** button.
7. Transactions on the withholding table for the defined supplier and search criteria display.
8. **Legacy** in the **Short Name** field indicates a transaction entered as an adjustment.
9. **Original** in the **Short Name** field indicates the line is from Cardinal payment transactions.
10. Click the **View All** hyperlink or use the **Arrow** to move throughout the listing and view lines not displayed.

    Note: When making an adjustment, **<u>you must</u>** add a new line. DO NOT make any changes to the existing lines.
11. Click the (**+**) button to add a line.



12. In the **Adjustments** section of the page, on the **Main Information** tab enter the <u>adjustment information on the new line that you added</u>.

    a. **Business Unit**: enter your agency's business unit number.

    b. **Entity**: **IRS**

    c. **Type**: **1099M** or **1099N**, as appropriate.

    d. **Jurisdiction**: **FED**

    e. **Class**: Select the appropriate **Class**.

       i. For **Type 1099M**:

          1. **01**: Rents
          2. **03**: Other Income
          3. **06**: Medical and Health Care Payments

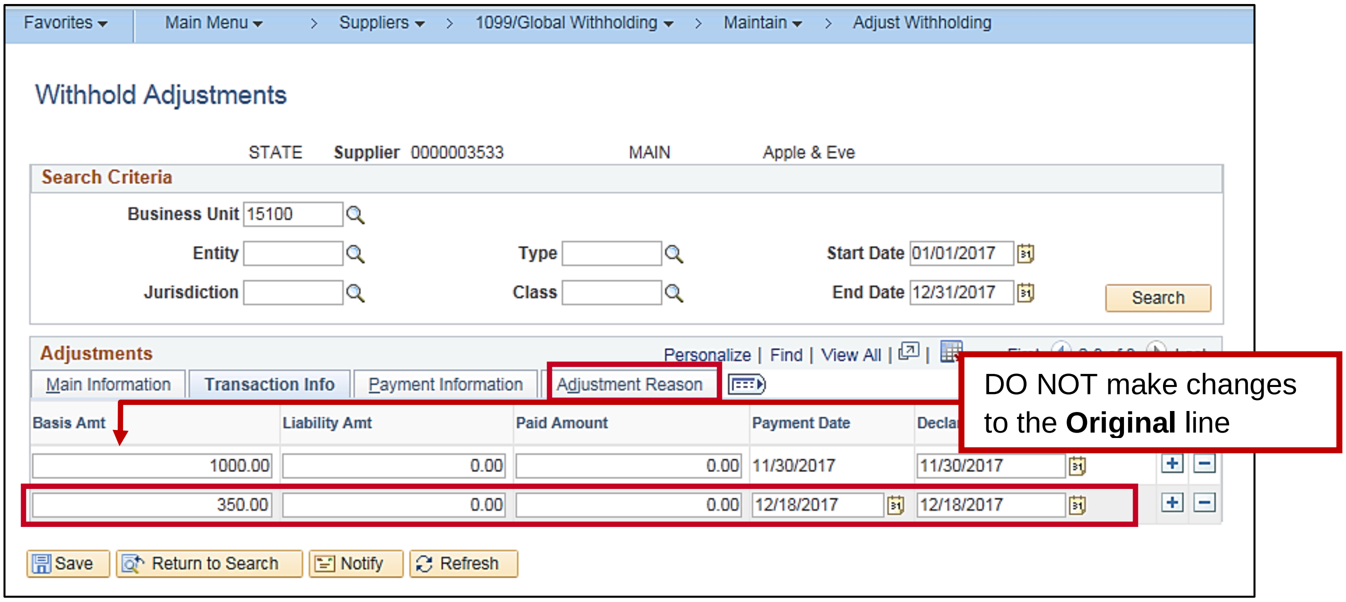
       ii. For **Type 1099N**:

          1. **01**: Non-Employee Compensation

       Note: The type of payment for which you are making an adjustment dictates the **Class** selected.

    f. **Rule**: **RULE0**. The rule used for 1099 – zero percent is withheld from the supplier. We do not withhold any amounts from suppliers for 1099 Reporting.

13. Click the **Transaction Info** tab.



14. Continue to enter the adjustment information:

    a. **Basis Amt**: Payment amount reportable to the IRS.

    Note: Please DO NOT change the **Basis Amt** field on the **Original** line. To adjust an **Original** amount, on the new line that was added, key the same data as the **Original**, except the **Basis Amt** on the new line would be a negative amount to offset or reduce the original amount or a positive number to increase the original amount. For this scenario, the original amount is being increased by **350.00**.

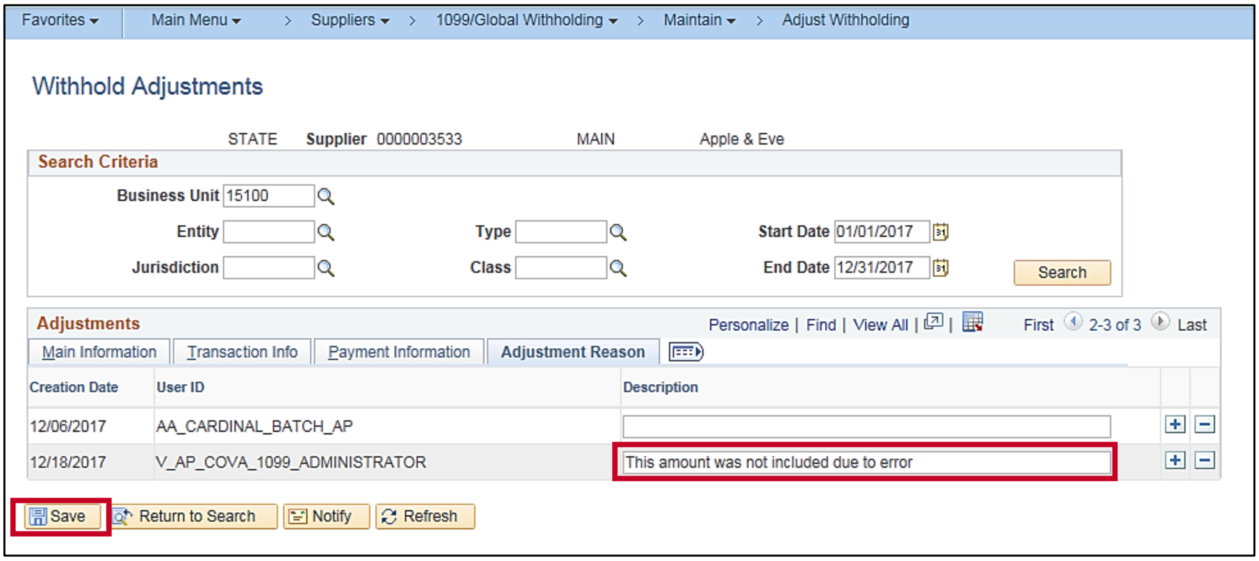
    b. **Liability Amount**: Amount of back up withholding that is owed to the IRS.

    c. **Paid Amount**: Portion of the back up withholding amount that has been paid to the IRS. An amount of 0.00 means that no withholding has been paid to the IRS.

    d. **Payment Date**: Date on which the payment was made. Defaults to the current date but should be changed to reflect the appropriate reporting year.

    e. **Declaration Date**: For IRS reporting purposes, this date is the same as the payment date. The Declaration Date must be within the reporting year to be picked up for that year's 1099 reporting. This date must also be on or after the effective date of the supplier.

15. Click the **Adjustment Reason** tab.



16. Enter a descriptive adjustment reason in the **Description** field.

17. Click the **Save** button.

18. If you determine that the **Class** is not correct for a transaction in the Withholding table, follow the previous steps by creating a negative Basis Amt adjustment line to credit the incorrect line, and enter a new adjustment line for the debit amount, and inputting the correct class in the **Class** field.

Important Points:

Adjustments made on the **Withhold Adjustments** page do not update underlying voucher tables, only the withholding transaction table.

If you have multiple adjustments to a supplier, but to different classes, make the adjustments using different declaration dates for each class.

If the transaction on the withholding tables is from accounts payable payment activity, the **Short Name** will be **Original**. If the transaction on the withholding table is from an adjustment, the **Short Name** will be **Legacy**. Adjustments should not be made to the Original line. Always add a line and follow the steps in this section to make adjustments.

If an adjustment is made after the file has been sent to the IRS, the adjustment will be either part of the new calendar year reporting or a corrected 1099 will have to be prepared.

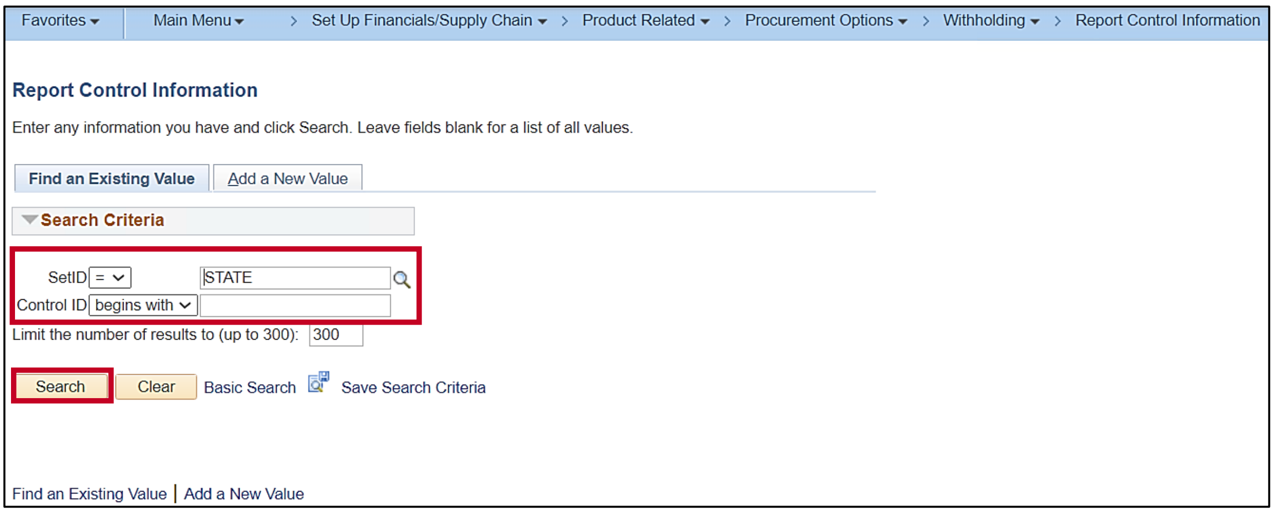
Setting Up/Reviewing Report Control Information in Cardinal

1099 Withholding Report Control is used to set up transmitter and payer information in Cardinal that will be included in the 1099 Copy B reports and the IRS file. This information should be reviewed and updated as necessary each year.

1. Navigate to the **Report Control Information** page using the following path:

   Main Menu > Set Up Financials/Supply Chain > Product Related > Procurement Options > Withholding > Report Control Information

The **Report Control Information** page displays.



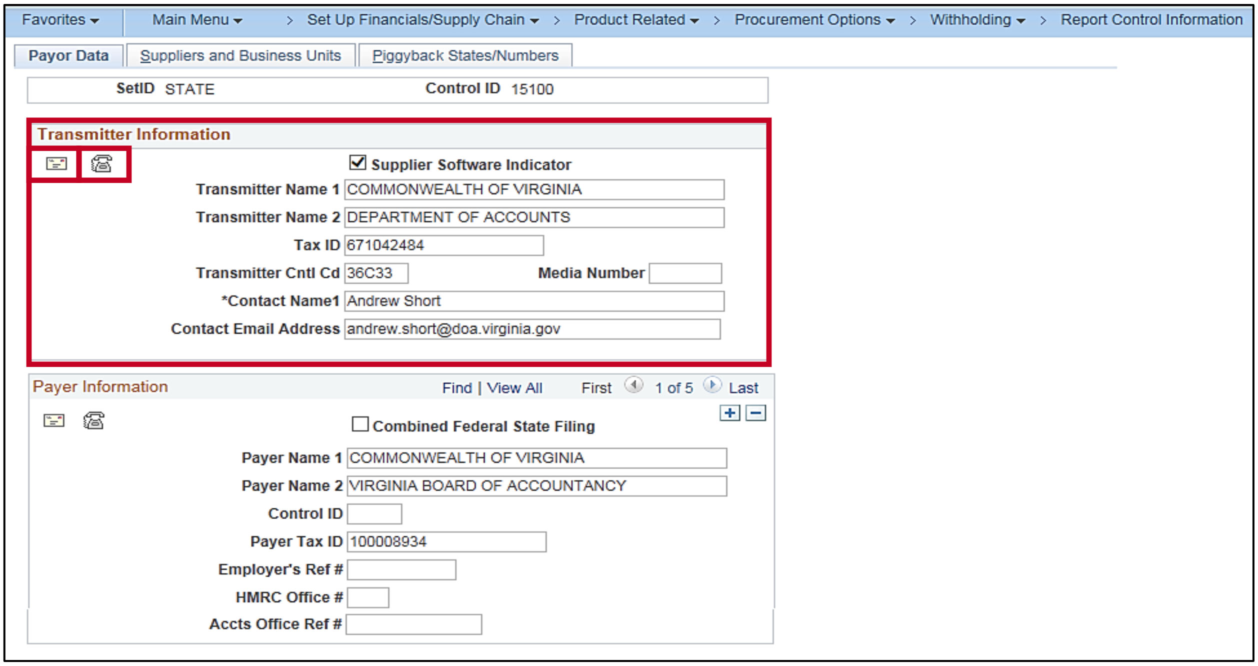
2. Enter the following information:

   a. **SetID**: **STATE**

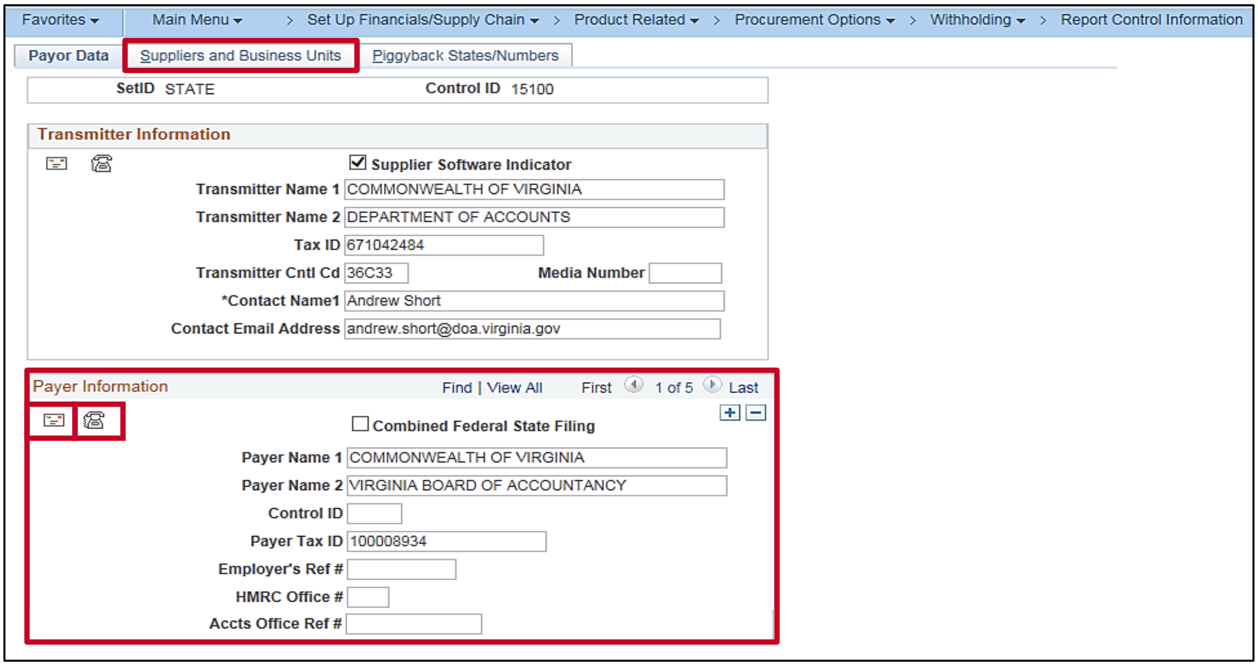
   b. **Control ID**: your agency control id. A control id is set up for each reporting entity.

3. Click the **Search** button.

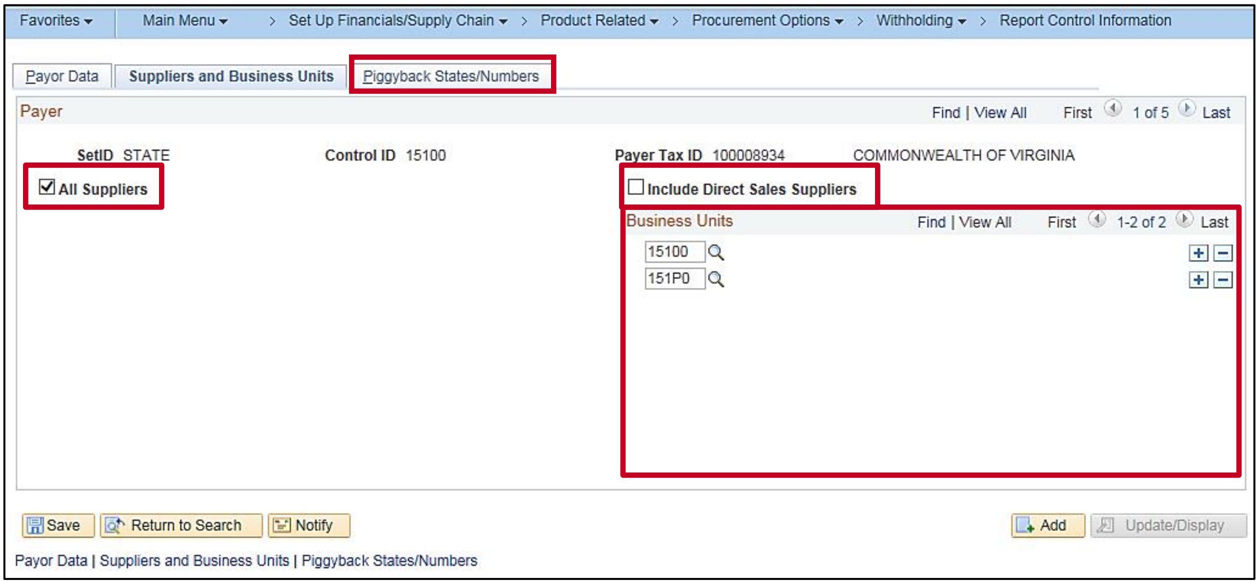
The **Payor Data** page displays.



4. The **Transmitter Information** is sent on the Transmitter (T) record:
   a. **Supplier Software Indicator**: Check-box must be selected for any agency using Cardinal to produce their 1099 IRS file and Copy B forms.
   b. **Transmitter Name 1 and Name 2**: Name of agency transmitting.
   c. **Tax ID**: Enter your Tax ID for this transmitter.
   d. **Transmitter Cntl Cd**: The code that was provided by the IRS upon submission of your form **4419 – Application for Filing Information Returns Electronically**.
   e. **Contact Name1 and Contact Email Address**: Enter the name and email address of your contact person for this transmittal.
   f. **Contact Address and Phone**: You must include the contact address and phone information. To review/update the addresses, click the **envelope** icon. To review/update the phone numbers, click the telephone icon. The phone number is entered without hyphens.



5. The Payer Information is sent on the Transmitter (A) record:
    a. **Combined Federal State Filing**: Check-box must be selected if your agency is participating in the IRS Combined Federal/State Filing (CF/SF) Program whereby the IRS will forward State copies of information returns to other participating States.
    b. **Payer Name 1 and Name 2**: Your agency name.
    c. **Payer Tax ID**: Enter your Tax Identification Number (TIN) for this payer.
    d. **Payer Address and Phone**: You must include the payer address and phone information. To review/update the addresses, click the **envelope** icon. To review/update the phone numbers, click the **telephone** icon. The phone number is entered without hyphens.
6. Click the **Suppliers and Business Units** tab.



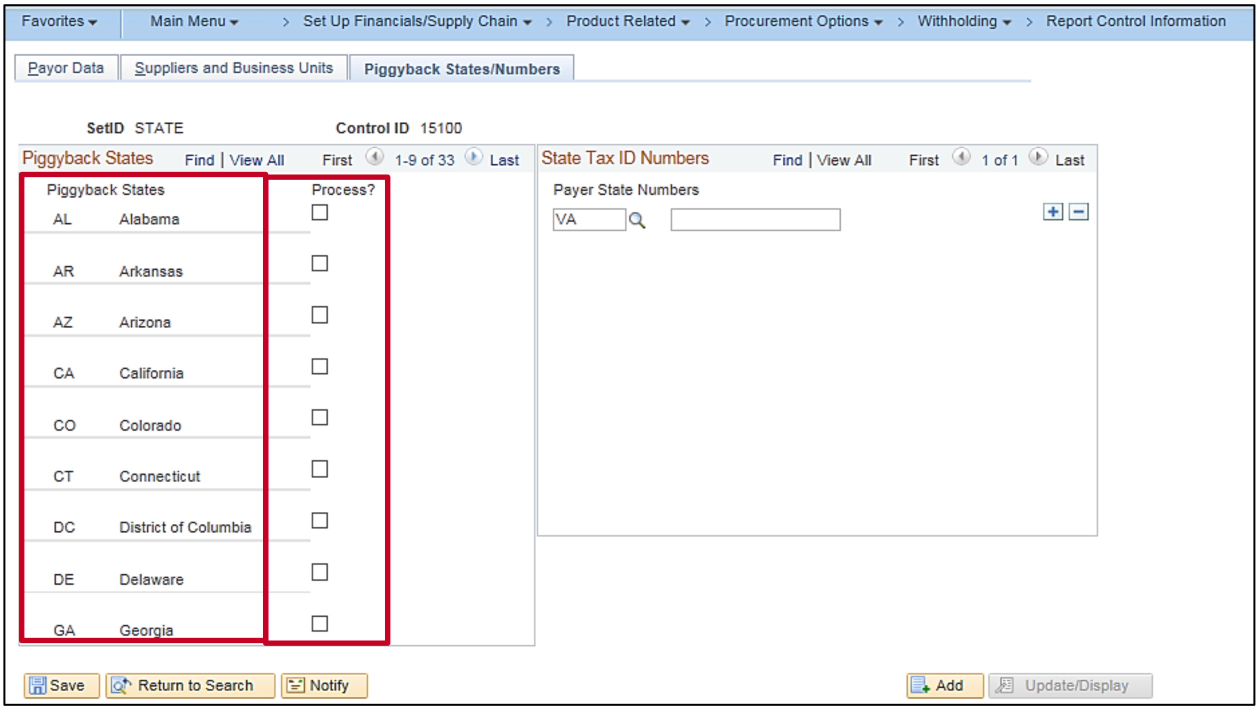
7. Review the fields that need to be addressed below:

    a. **All Suppliers** box: Must be checked so that you will process all withholding suppliers that are associated with the business unit you specify.

    b. **Include Direct Sales Suppliers**: Do not check. This is not being used.

    c. **Business Units**: Lists all Cardinal Accounts Payable Business Units that roll up to your agency Control ID for 1099 reporting purposes. If you specify multiple business units, Cardinal will consolidate the balances of suppliers that have vouchers spread out over the selected business units for your 1099 reporting.

8. Click the **Piggyback States/Numbers** tab: this page is populated if your agency is participating in the Combined Federal/State Filing (CF/SF) Program.



9. **Piggyback States** section:
   a. **Piggyback States**: Displays the states participating in the combined federal and state 1099 filing process.

   b. **Process?**: Select the **Process** check-box for each relevant state name to tell the IRS which states need copies.

   Note: Be sure to review the IRS Publication 1220 each year for a list of participating states.

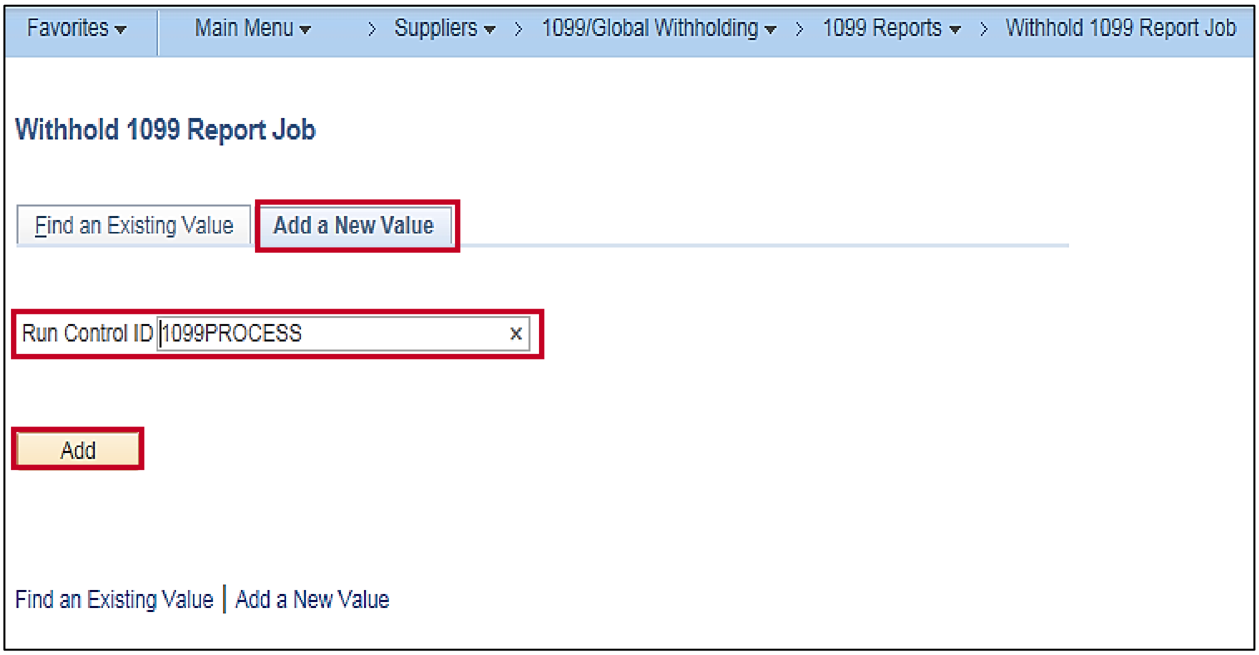
State Tax ID Numbers section:
   a. **Payer State Numbers**: Do not enter any information. These fields are used if state taxes have been withheld from the supplier.

Creating the 1099 IRS Reporting File and the Copy B Statements

Creating the 1099 IRS Reporting File

1. Navigate to the **Withhold 1099 Report Job** page using the following path:

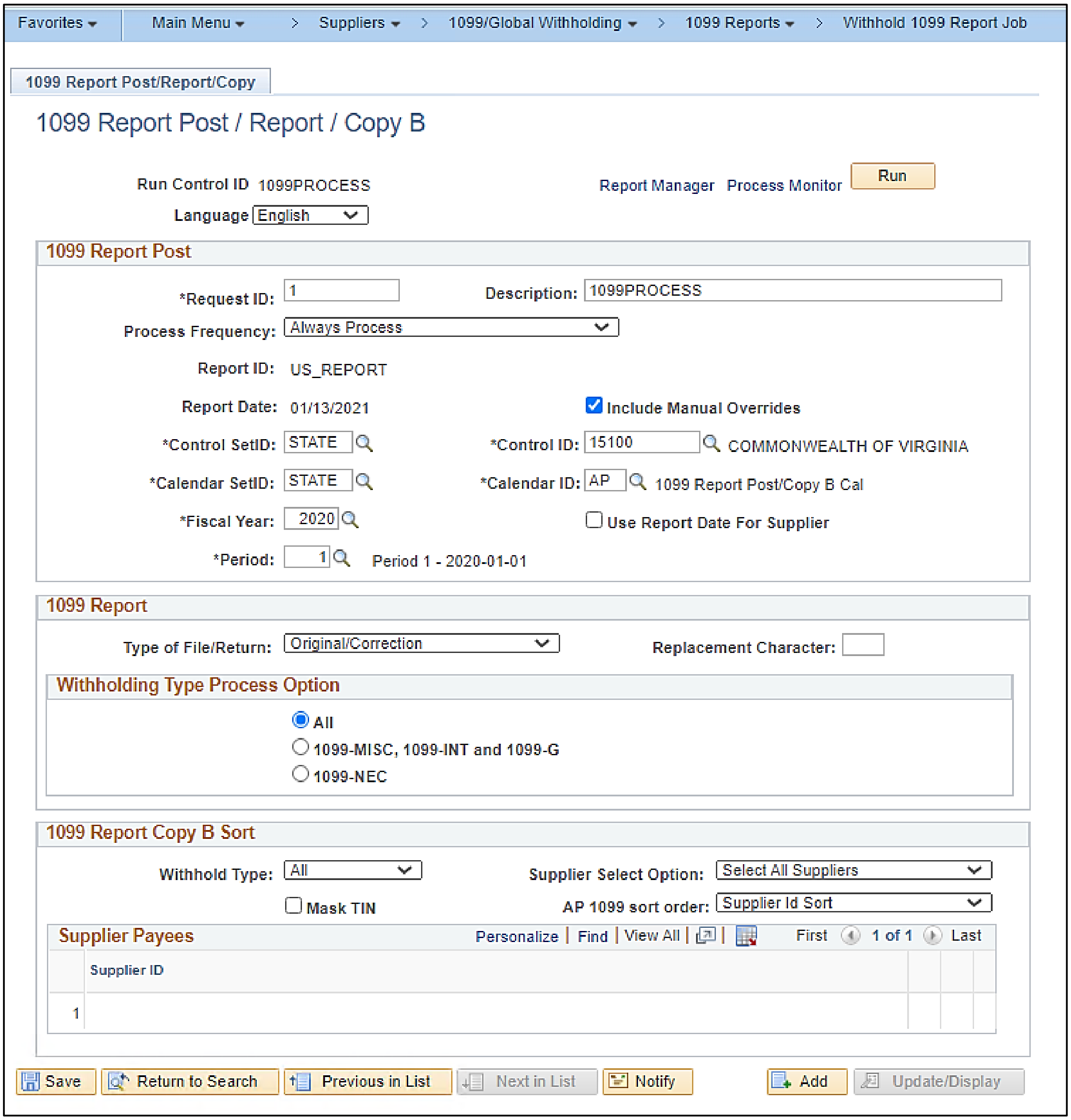
   Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withhold 1099 Report Job



2. The **Withhold 1099 Report Job** run control page displays. Enter the **Run Control ID**. The first time you run this job, select the **Add a New Value** tab then create the **Run Control ID**.

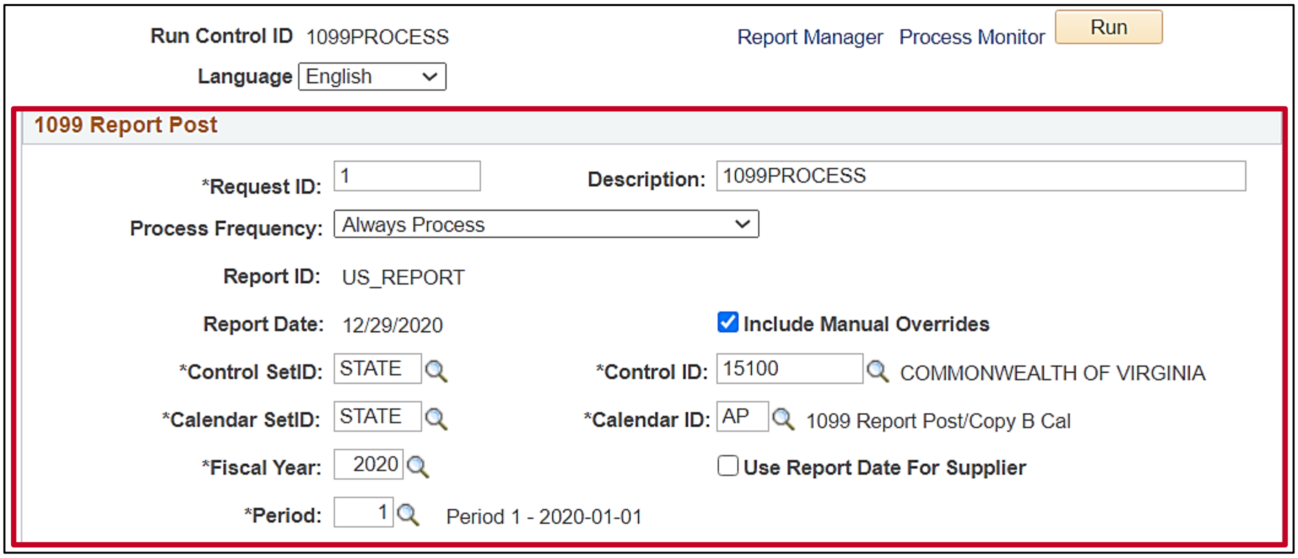
   For subsequent runs of this job, use the **Run Control ID** you created the first time the job was run (**Run Control ID**s are unique to each user). You will need to update the appropriate fields on your existing run control if using the run control ID you created for a subsequent run.

3. Click the **Add** button.



4. The **1099 Report Post/Report/Copy B** page displays. Enter run control information as appropriate. See the descriptions that follow for each section of this page:

1099 Report Post Section



a. **Request ID**: Enter **1**. This Request ID of 1 can be used repeatedly. It is used internally by Cardinal to track each posting request.

b. **Description**: **1099 Process,** for example.

c. **Process Frequency**: Select **Always Process**.

d. **Include Manual Overrides**: **Check** the box. This is needed to include manually adjusted or updated withholding transactions.

e. **Control SetID**: **STATE**

f. **Control ID**: Enter or select your agency's **Control** ID as set up on the **Report Control Information** pages.

g. **Calendar SetID**: **STATE**

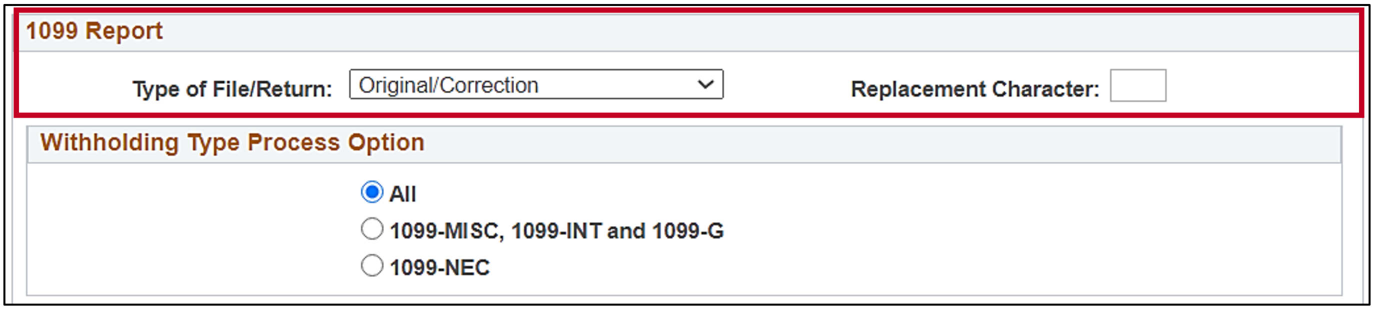
h. **Calendar ID**: **AP (1099 Report Post/Copy B Cal)**

i. **Fiscal Year**: Calendar year for which you are reporting.

j. **Use Report Date for Supplier**: Do not check this box.

k. **Period**: **1 –** The AP Calendar is an annual calendar and selecting period 1 encompasses the entire year for this Calendar.

1099 Report Section



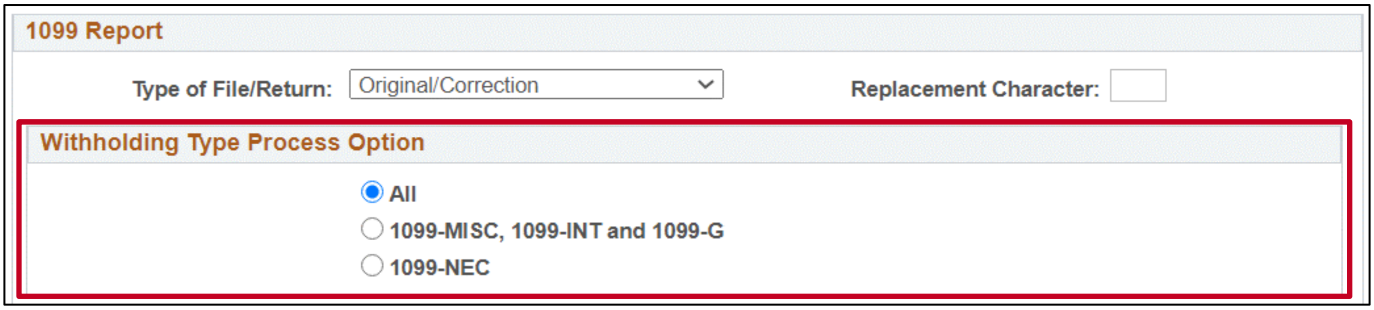
a. **Type of File Return**:

i. **Original/Correction**: select if you have not yet sent a file to the IRS or you are sending a Correction file after IRS receipt of the original file.

ii. **Replacement**: select if the IRS requested a replacement file. The IRS will send a Replacement Character to enter on this page when you run the process.

iii. **Test**: select if you are sending a test file. It is recommended to send a test file each year to the IRS. A test file is required when applying to participate in the Combined Federal/State Filing Program.

Withholding Type Process Option Section



The options in this section allow you to create the electronic files for reporting 1099-MISC without Nonemployee compensation, 1099-NEC without Miscellaneous transactions, or both 1099-MISC and 1099-NEC. These options include Corrections, if applicable.

Options in this section include:

a. **All**: Select this option to produce one electronic file containing 1099-MISC and 1099-NEC, and Corrections, if applicable.

   Note: If you are ready to report all of your Suppliers' 1099 on or before January 31, choose this option. This will produce a complete set of files for all of your 1099 suppliers.

b. **1099-MISC**: Select this option to produce one electronic file containing all 1099-MISC without NEC, and Corrections, if applicable.

   Note: Cardinal does not produce 1099-G or 1099-INT files.

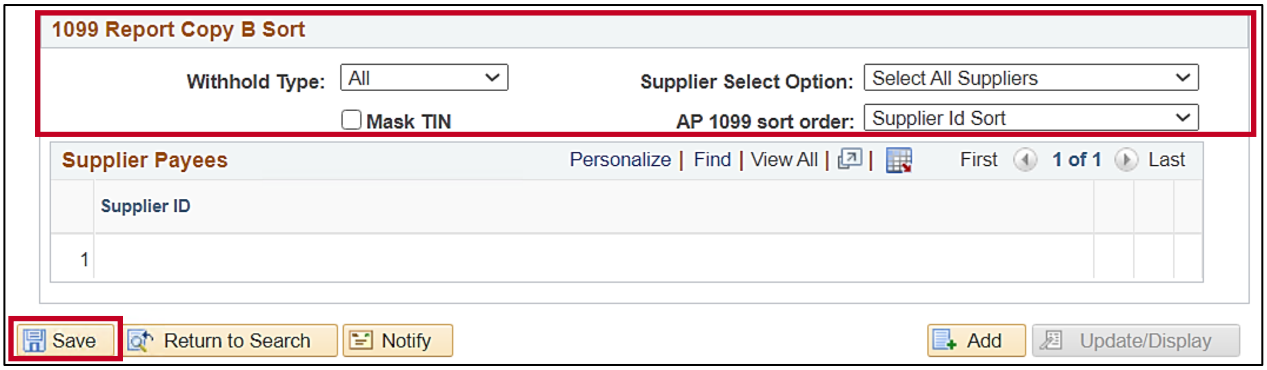
c. **1099-NEC**: Select this option to produce one electronic file containing all 1099-NEC without MISC, and Corrections, if applicable.

Important Notes:

If you cannot produce all your 1099's in order to meet the January 31 IRS reporting requirement for 1099-NEC (Nonemployee compensation), you will need to run the process with the **All** option.

VERY IMPORTANT: Whatever selections you make in the **Withholding Type Process Options** section of this page will be marked as "Sent" when you run the **Withhold Sent File** (see page 42). These transactions marked "Sent" will not be produced or generated in any subsequent 1099 Job Process runs.

1099 Report Copy B Sort Section



a. **Withhold Type**: All

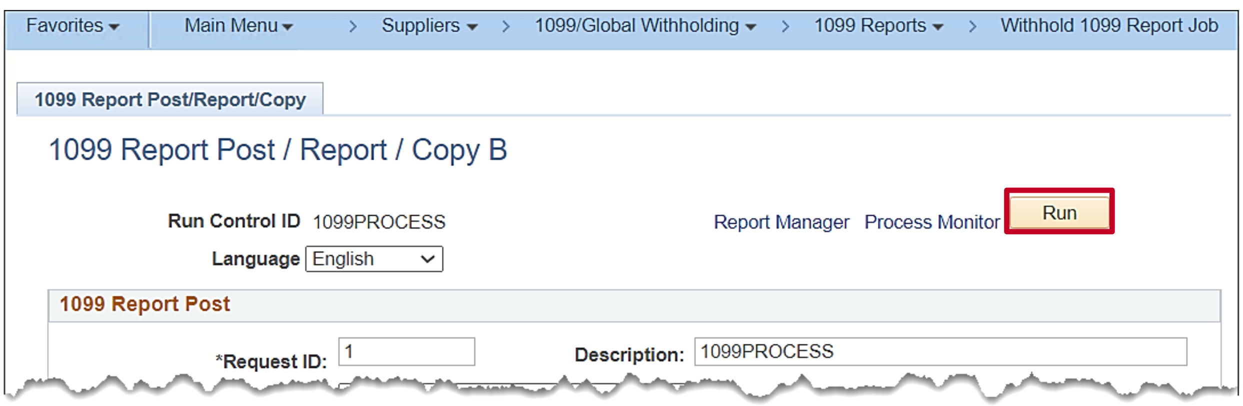
   Note: Selecting the option "**All**" will produce Copy B forms for 1099-MISC,1099-NEC, and Corrections, if applicable.

b. **Mask TIN** check-box: Do not check this box.

c. **Supplier Select Option**: Select All Suppliers

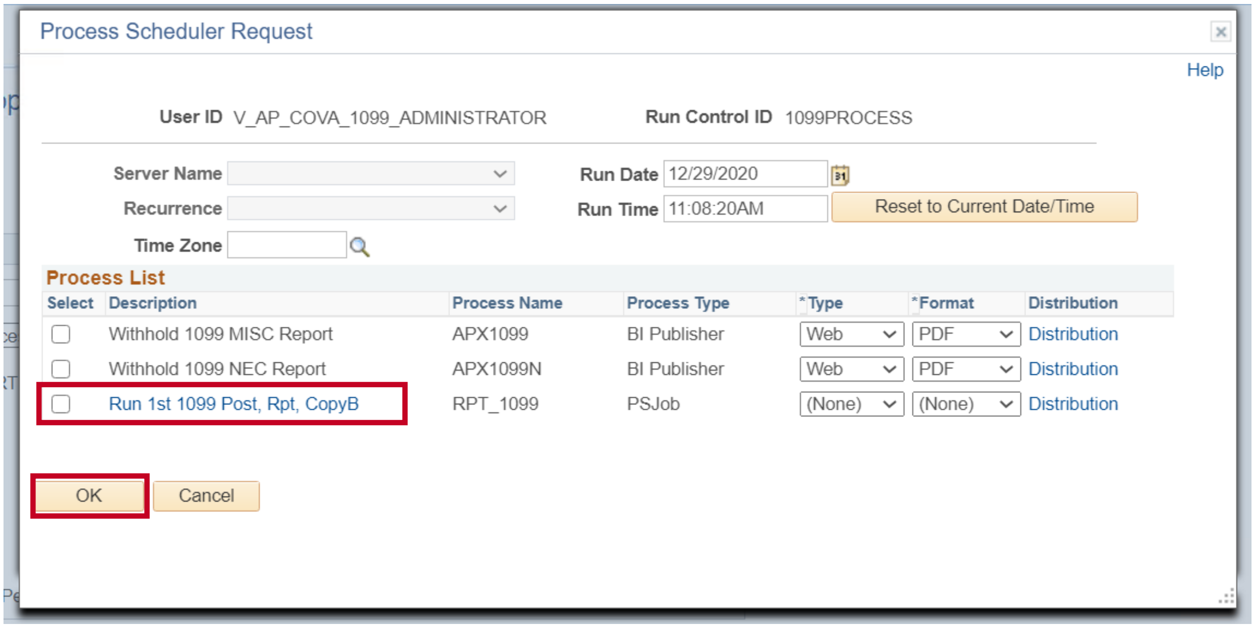
d. **AP 1099 sort order**: **Supplier Id Sort** is recommended, but **TIN sort** and **Name Sort** are other available options.

5. Click the **Save** button.



6. Click the **Run** button.

7. The **Process Scheduler Request** page displays in a pop-up window.

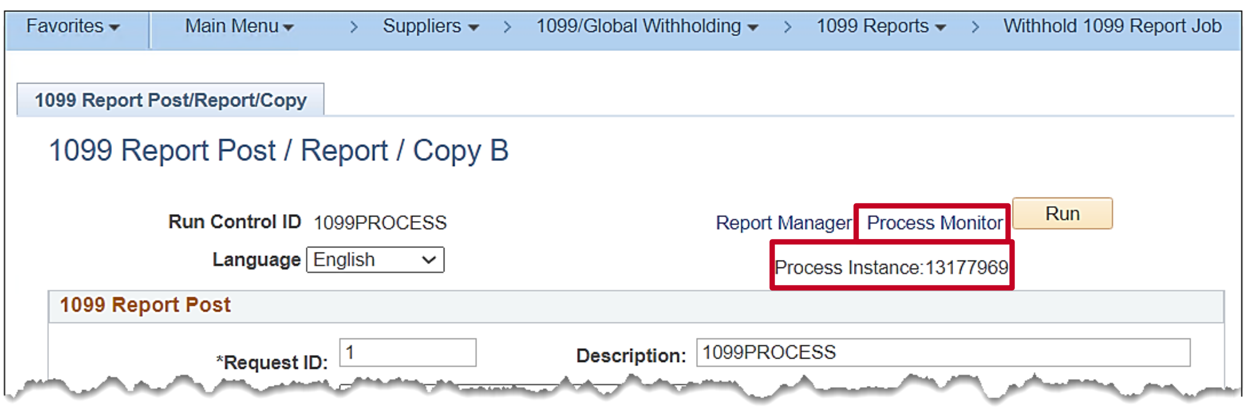


8. Select the **Run 1st 1099 Post, Rpt, CopyB**, **Process Type: PSJob** to run the IRS file, and to generate data for the Copy B reports.

   Note: This job needs to be run first to produce original or corrected Copy B forms.

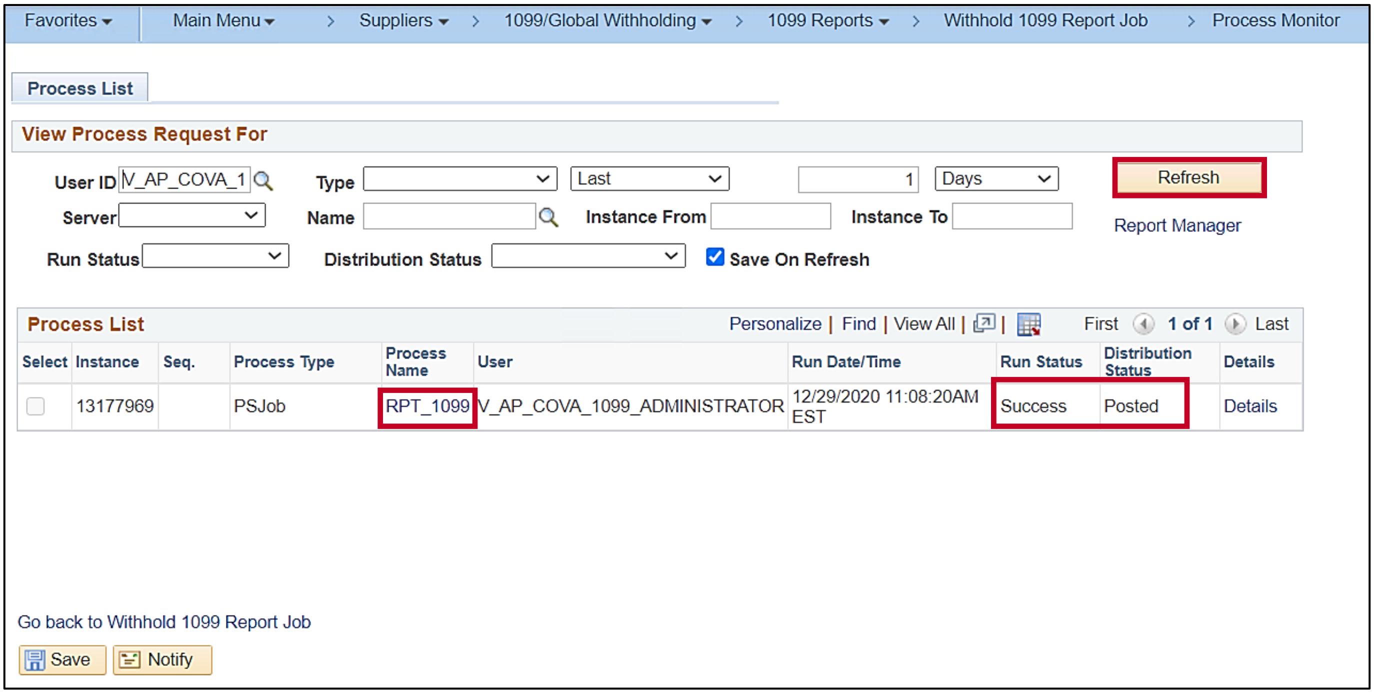
9. Click the **OK** button.

The **Run Control** page displays and the **Process Instance** number displays.

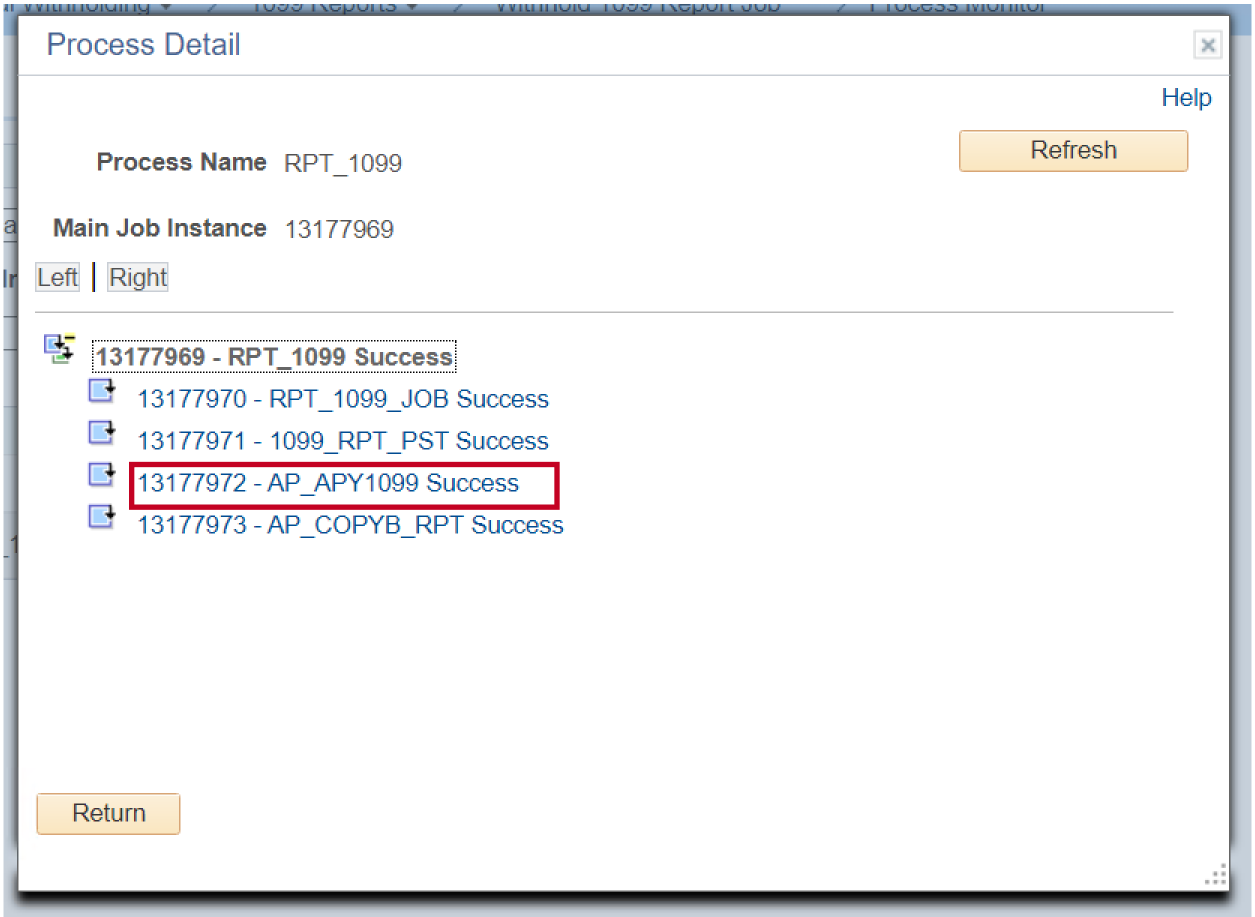


10. Click the **Process Monitor** hyperlink.

The **Process List** page displays.

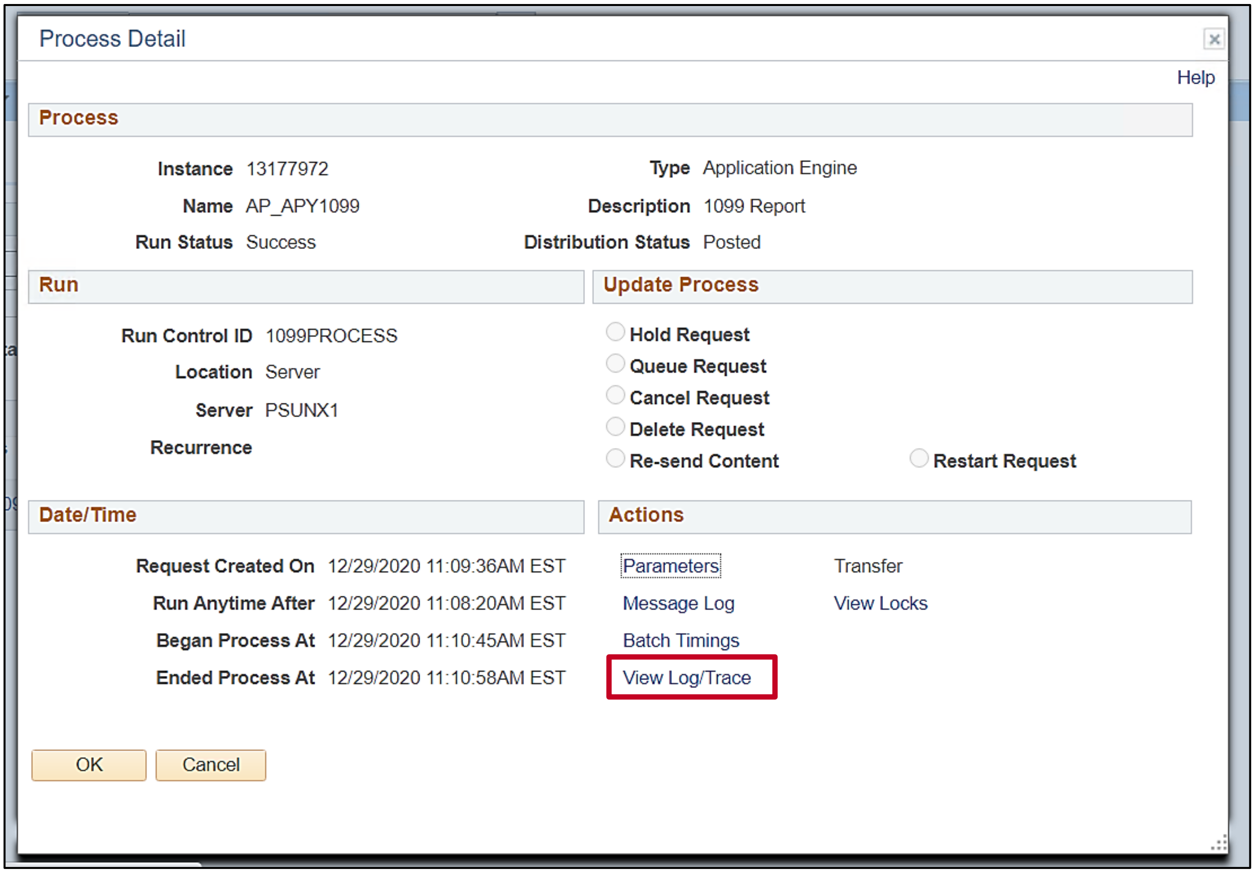


11. Click the **Refresh** button until **Run Status** is **Success** and **Distribution Status** is **Posted**.
12. In the **Process Name** field, click the **RPT_1099** hyperlink.



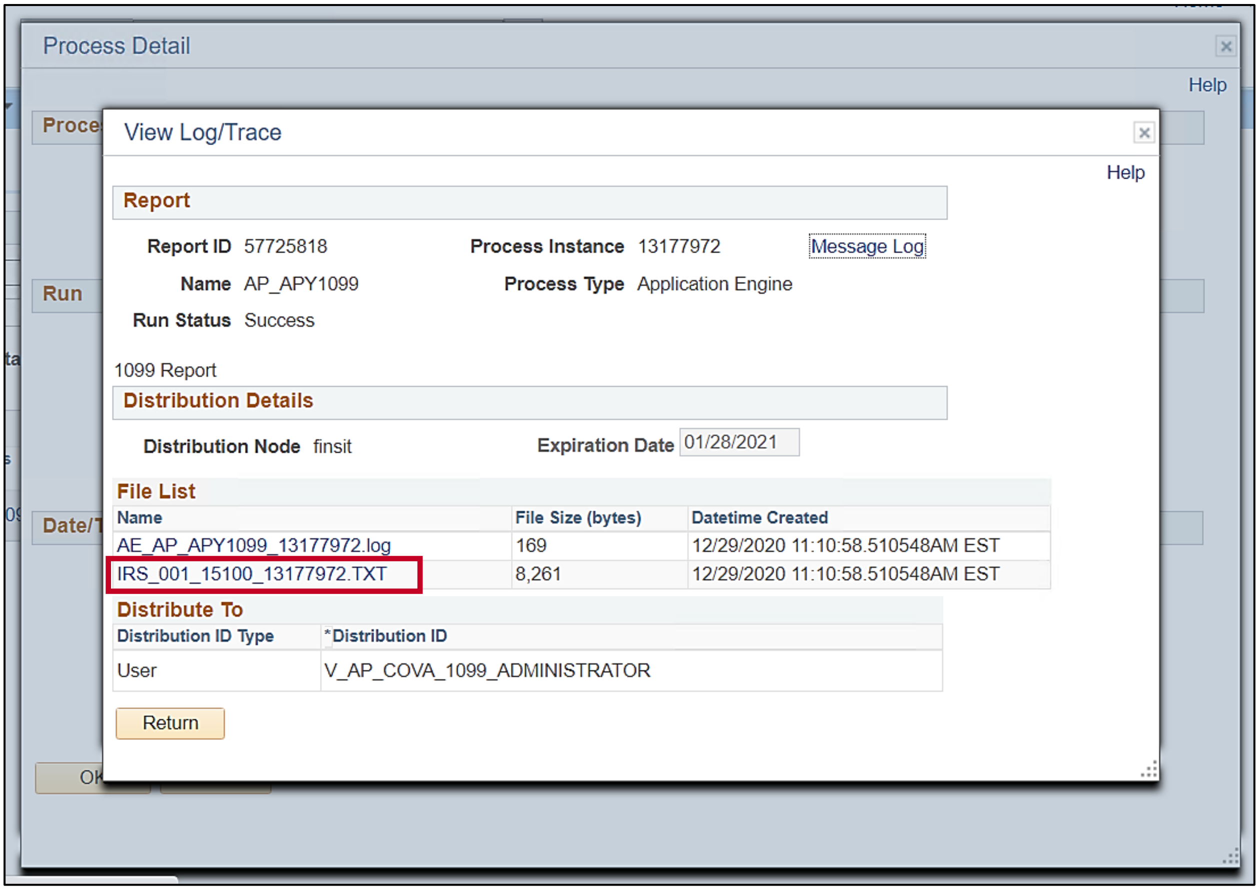
13. A pop-up window displays with a list of individual processes that make up the 1099 Job display and each **RPT** or file is accessible.
14. Click the **AP_APY1099 Success** link to view the IRS tax file.

The **Process Detail** page displays in a pop-up window.



15. Click the **View Log/Trace** hyperlink.

The **View Log/Trace** page displays in a pop-up window.



16. Click the **TXT** file under the **File List** section to view the IRS tax files.
17. Save the file to your secure directory as file type Text (*.txt). This text file can then be uploaded to the IRS FIRE Production System. (See IRS Publication 1220 for detailed instructions on sending the file.)

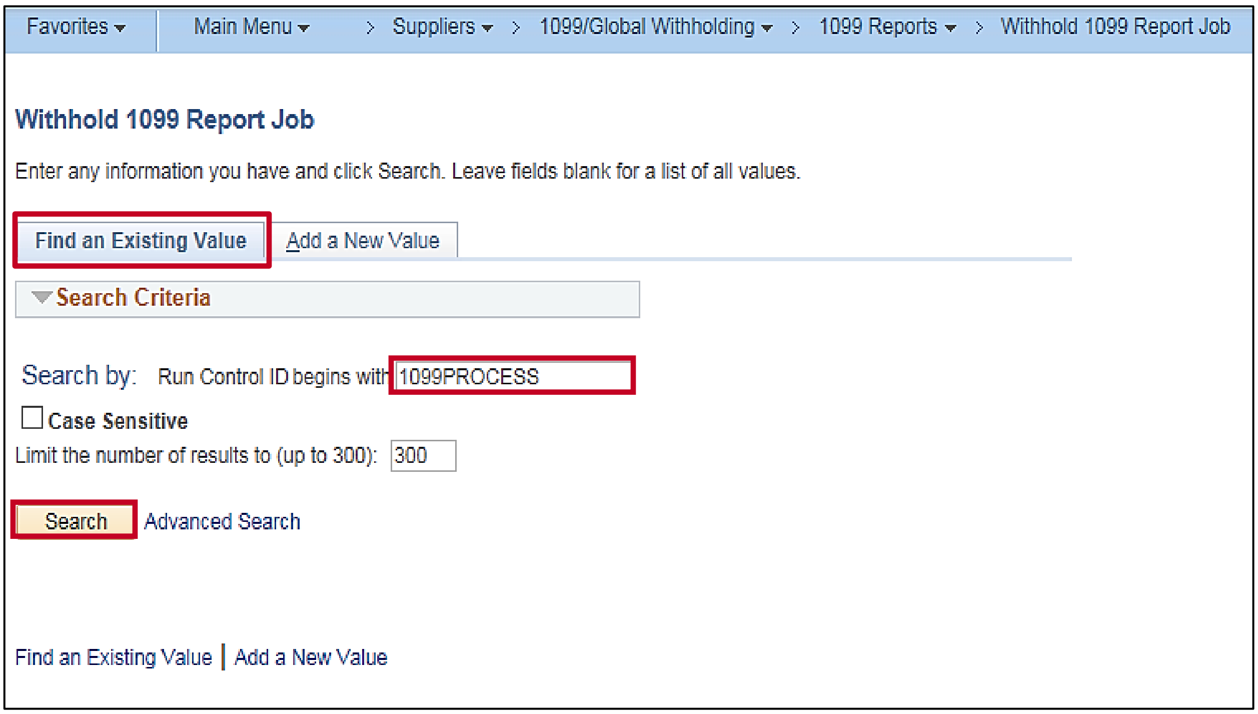
Creating the 1099 Copy B Reports

The 1099 report process produces the electronic file and moves data to a reporting table to produce Copy B reports.

1. Navigate to the **Withhold 1099 Report Job** page using the following path:

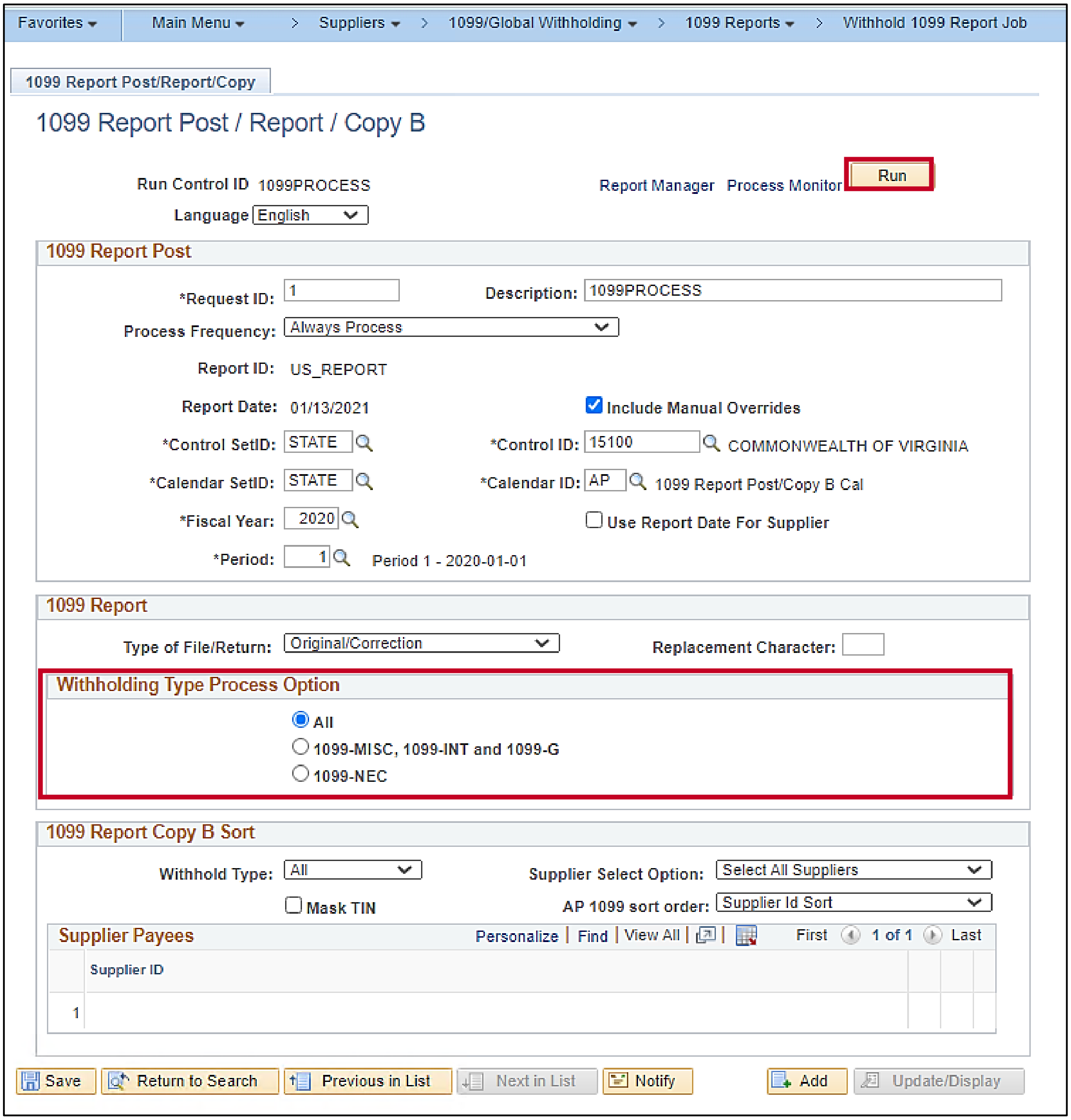
   Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withhold 1099 Report Job

The **Withhold 1099 Report Job** run control page displays.



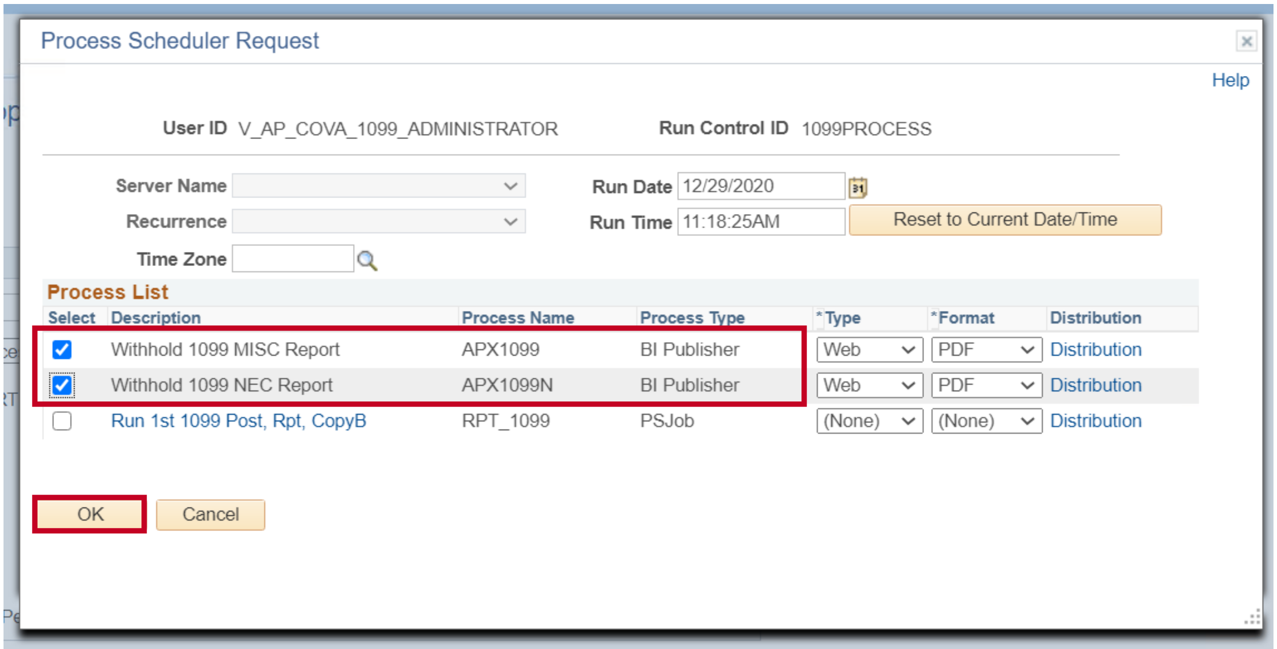
2. On the **Find an Existing Value** tab, enter the **Run Control ID** that you used to create the IRS file.
3. Click the **Search** button.

The **1099 Report Post / Report / Copy B** page displays.



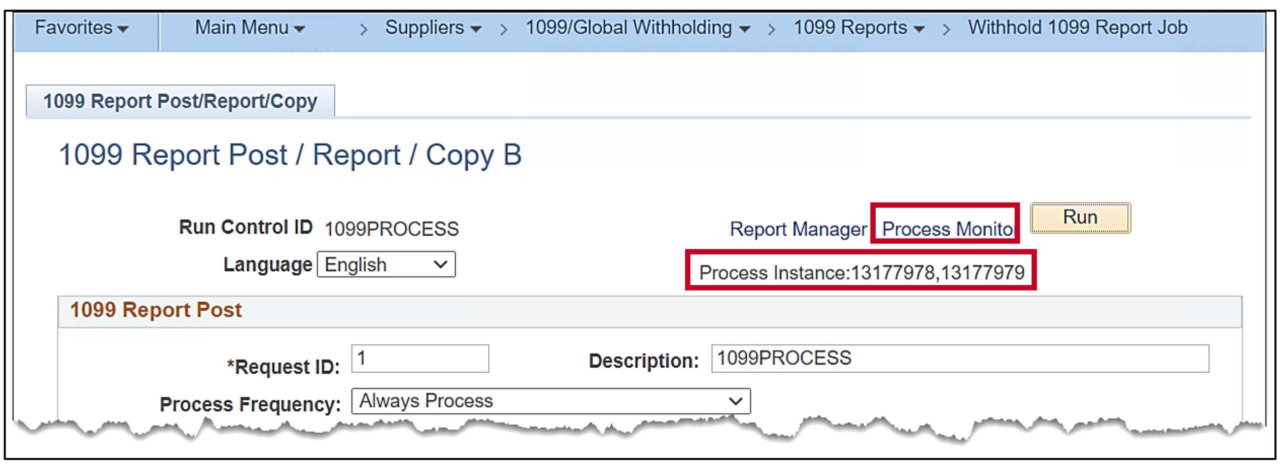
4. Click the **Run** button.

The **Process Scheduler Request** page displays in a pop-up window.



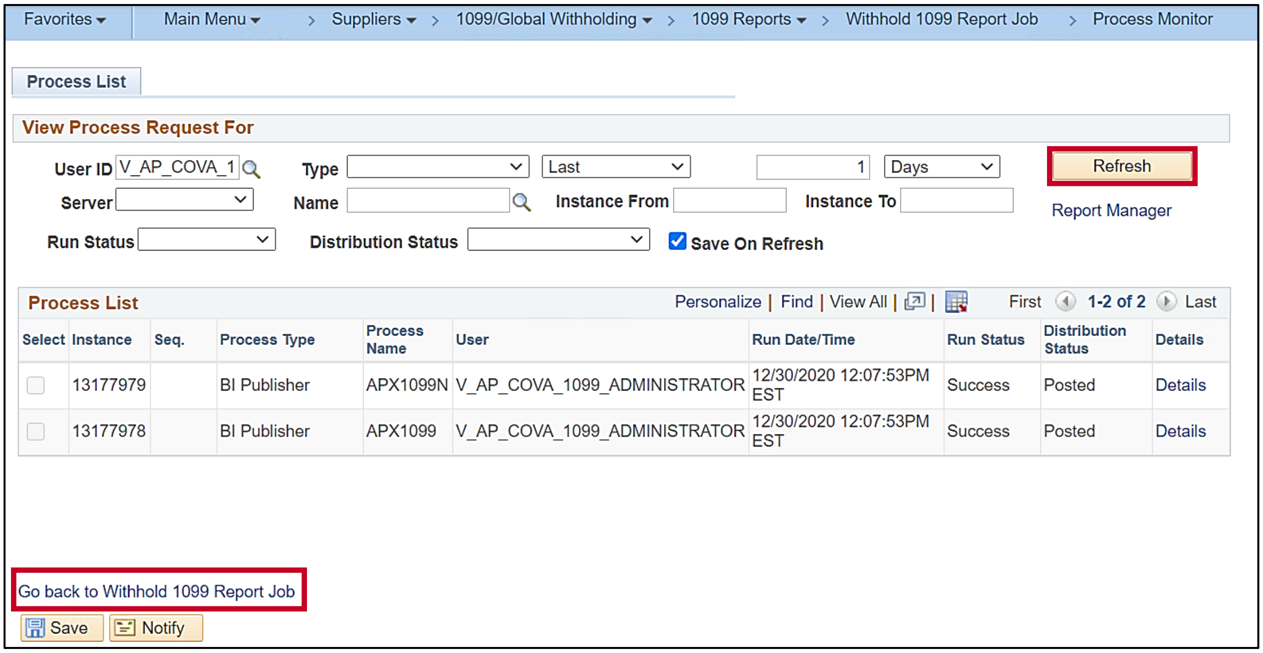
5. Select the **Withhold 1099 Report** (**BI Publisher**) job to run the Copy B reports. You may select one or both reports, as appropriate.
6. Click the **OK** button.

The **1099 Report Post/Report/Copy B** page displays.



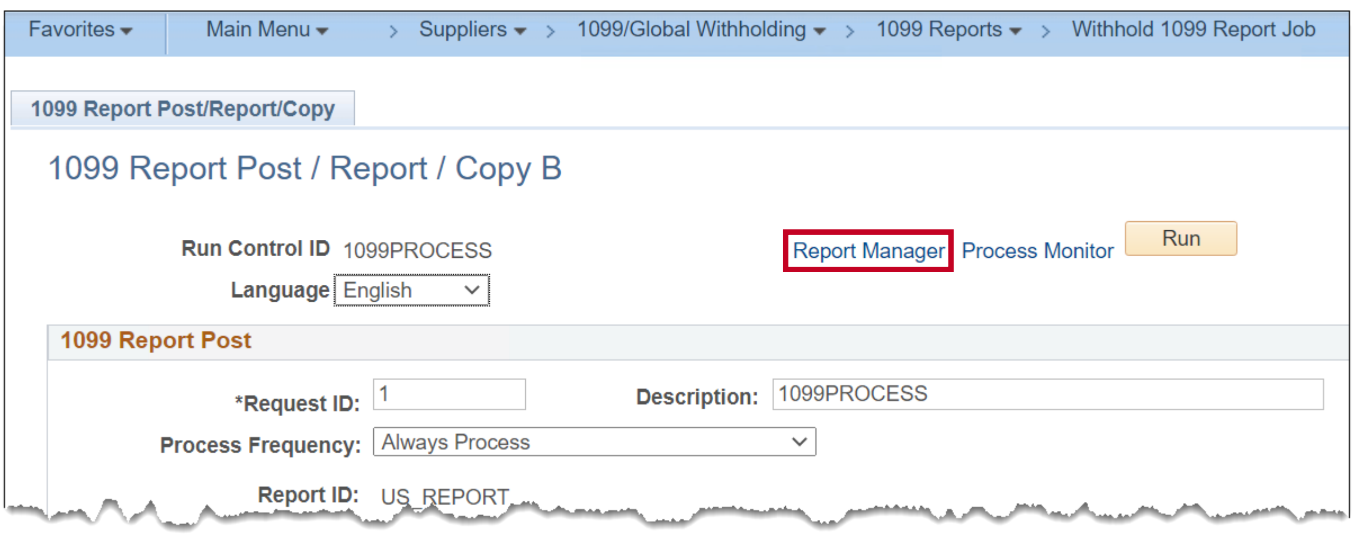
7. The **Process Instance** number(s) displays.
8. Click the **Process Monitor** hyperlink.

The **Process List** displays.



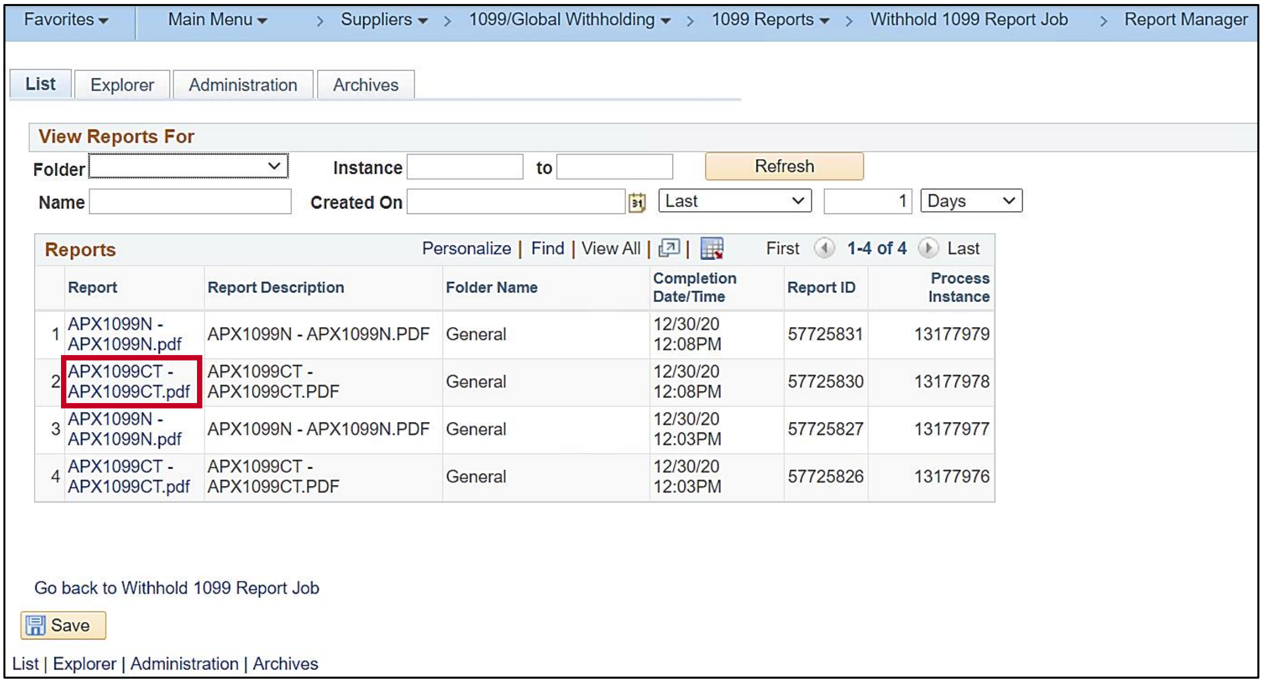
9. Click the **Refresh** button until **Run Status** is **Success** and **Distribution Status** is **Posted**.
10. Click the **Go back to Withhold 1099 Report Job** link.

The **1099 Report Post/Report/Copy B** page returns.

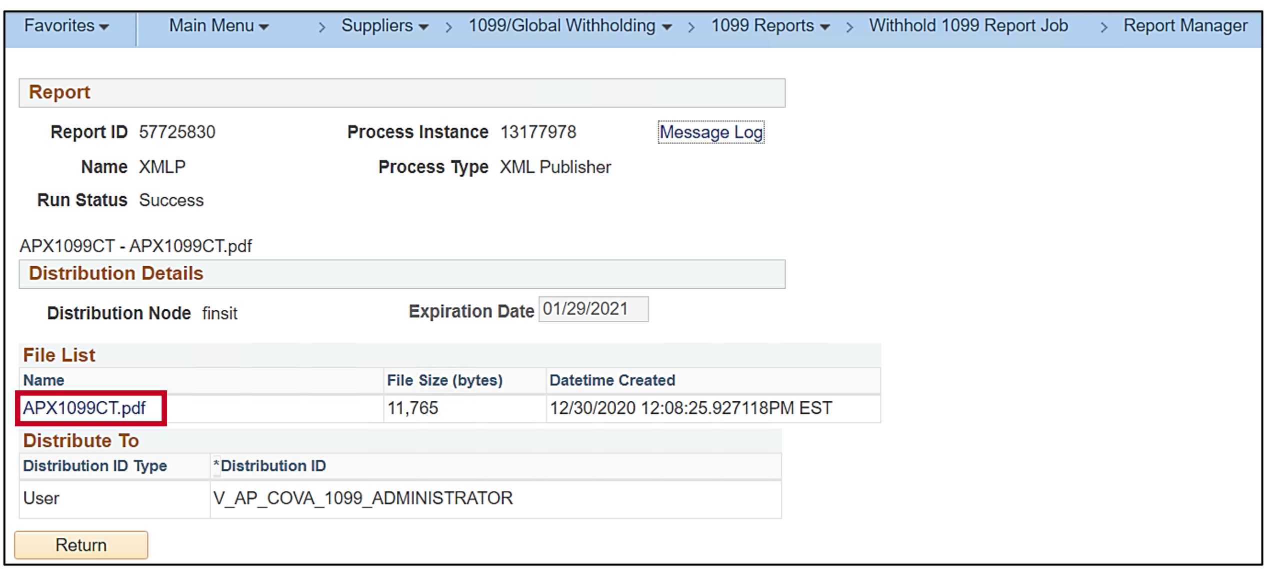


11. Click the **Report Manager** link.

The **Reports List** displays.



12. Click the **APX1099CT - APX1099CT.PDF** link.



13. Click the **APX1099CT.pdf** link to view the 1099-MISC Copy Bs.

Note: The PDF will display information for the appropriate 1099 (MISC or NEC) Copy B or may be blank if there is no 1099 data to display.

Instructions for Recipient

Recipient's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the payer has reported your complete TIN to the IRS.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

FATCA filing requirement. If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement. You may also have a filing requirement. See the Instructions for Form 8938.

Amounts shown may be subject to self-employment (SE) tax. If your net income from SE is $400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040 or 1040-SR). See Pub. 334 for more information. **Note**: If you are still receiving payments on which no income, social security, and Medicare taxes are withheld, you should make estimated tax payments. See Form 1040-ES (or Form 1040-ES-NR). Individuals must report these amounts as explained in the box 14 instructions on this page. Corporations, fiduciaries, or partnerships must report the amounts on the proper line of their tax returns.

Form 1099-MISC incorrect? If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your income correctly.

Box 1. Report rents from real estate on Schedule E (Form 1040 or 1040-SR). However, report rents on Schedule C (Form 1040 or 1040-SR) if you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business. See Pub. 527.

Box 2. Report royalties from oil, gas, or mineral properties; copyrights; and patents on Schedule E (Form 1040 or 1040-SR). However, report payments for a working interest as explained in the Schedule E (Form 1040 or 1040-SR) instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

Box 3. Generally, report this amount on the "Other income" line of Schedule 1 (Form 1040 or 1040-SR), or Form 1040-NR and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C or F (Form 1040 or 1040-SR).

Box 4. Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold if you did not furnish your TIN. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

Box 5. An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C (Form 1040 or 1040-SR). See Pub. 334.

Box 6. For individuals, report on Schedule C (Form 1040 or 1040-SR).

Box 7. If checked, $5,000 or more of sales of consumer products was sold to you on buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C (Form 1040 or 1040-SR).

Box 8. Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Schedule 1 (Form 1040 or 1040-SR), or Form 1040-NR.

Box 9. Report this amount on Schedule F (Form 1040 or 1040-SR).

Box 10. Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

Box 12. May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A plus any earnings on current and prior year deferrals. This amount is also shown in box 1 of Form 1099-NEC.

Box 13. Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See your tax return instructions for where to report.

Box 14. Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. This amount is also included in box 1, Form 1099-NEC as nonemployee compensation. Any amount included in box 12 that is currently taxable is also included in this box. This income is also subject to a substantial additional tax to be reported on Form 1040, 1040-SR, or 1040-NR. See the Instructions for Forms 1040 and 1040-SR, or the Instructions for Form 1040-NR.

Boxes 15-17. Shows state or local income tax withheld from the payments.

Future developments. For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form1099MISC.

☐ **CORRECTED (if checked)**

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ACCOUNTS
PO BOX 1971

RICHMOND, VA 23218-1971

804/225-2646

1 Rents: $ 1,000.00
2 Royalties: $ 0.00
3 Other income: $ 0.00
4 Federal income tax withheld: $ 0.00

OMB No. 1545-0115

2020

Form **1099-MISC**

Miscellaneous Income

Copy B For Recipient

PAYER'S TIN: 100109478
RECIPIENT'S TIN: 14-4689411

5 Fishing boat proceeds: $ 0.00
6 Medical and health care payments: $ 0.00

RECIPIENT'S name

Street address (including apt. no.)

City or town, state or province, country, and ZIP or foreign postal code

7 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ☐
8 Substitute payments in lieu of dividends or interest: $ 0.00
9 Crop insurance proceeds: $ 0.00
10 Gross proceeds paid to an attorney: 0.00
11
12 Section 409A deferrals: $ 0.00

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Account number (see instructions): 0000076989
FATCA filing requirement ☐

13 Excess golden parachute payments: $ 0.00
14 Nonqualified deferred compensation: $ 0.00
15 State tax withheld: $ 0.00 / $
16 State/Payer's state no.
17 State income: $ 0.00 / $

Form 1099-MISC (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

14. Review the 1099-MISC Copy Bs.

15. If adjustments are needed, follow the section in this job aid entitled Adding Withholding Adjustments to enter any adjustments identified to the withholding amounts for the required suppliers and rerun the Withhold 1099 Jobs to create the IRS file and the 1099-MISC Copy Bs.

16. Using the **APX1099N - APX1099N.PDF** link from Step 11, repeat Steps 12-15 for the 1099-NEC Copy Bs.

The 1099 Copy B displays.

Instructions for Recipient

Recipient's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)). However, the issuer has reported your complete TIN to the IRS.

FATCA filing requirement. If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement. You may also have a filing requirement. See the Instructions for Form 8938.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1. Shows nonemployee compensation and/or nonqualified deferred compensation (NQDC). If you are in the trade or business of catching fish, box 1 may show cash you received for the sale of fish. If the amount in this box is self-employment (SE) income, report it on Schedule C or F (Form 1040 or 1040-SR), and complete Schedule SE (Form 1040 or 1040-SR). You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax. If you believe you are an employee and cannot get the payer to correct this form, report this amount on the line for "Wages, salaries, tips, etc." of Form 1040, 1040-SR, or 1040-NR.

You must also complete Form 8919 and attach it to your return. If you are not an employee but the amount in this box is not SE income (for example, it is income from a sporadic activity or a hobby), report this amount on the "Other income" line (on Schedule 1 (Form 1040 or 1040-SR); or on Form 1040-NR).

The amounts being reported as NQDC are includible in gross income for failure to meet the requirements under section 409A. This amount is also reported on Form 1099-MISC for additional tax calculation. See the Instructions for Forms 1040 and 1040-SR, or the Instructions for Form 1040-NR.

Box 2. Reserved.

Box 3. Reserved.

Box 4. Shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Boxes 5–7. State income tax withheld reporting boxes.

Future developments. For the latest information about developments related to Form 1099-NEC and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form1099NEC.

☐ **CORRECTED (if checked)**

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TREASURY
101 N. 14TH STREET
3RD FLOOR

RICHMOND, VA

804/225-2646

OMB No. 1545-0116

2020

Form **1099-NEC**

Nonemployee Compensation

PAYER'S TIN: 100110855	RECIPIENT'S TIN: 14-4689411	1 Nonemployee compensation: $ 80,610.57
RECIPIENT'S name		2
Street address (including apt. no.)		3
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld: $ 0.00
	FATCA filing requirement ☐	
Account number (see instructions): 0000076989		

5 State tax withheld	6 State/Payer's state no.	7 State income
$ 0.00		$ 0.00
$	$	$

Copy B
For Recipient

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-NEC** (keep for your records) www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

17. Open and Save the final **1099 Copy B PDF** copies.
18. Print the 1099 Copy B forms for mailing.

Running the Withholding Sent File Process

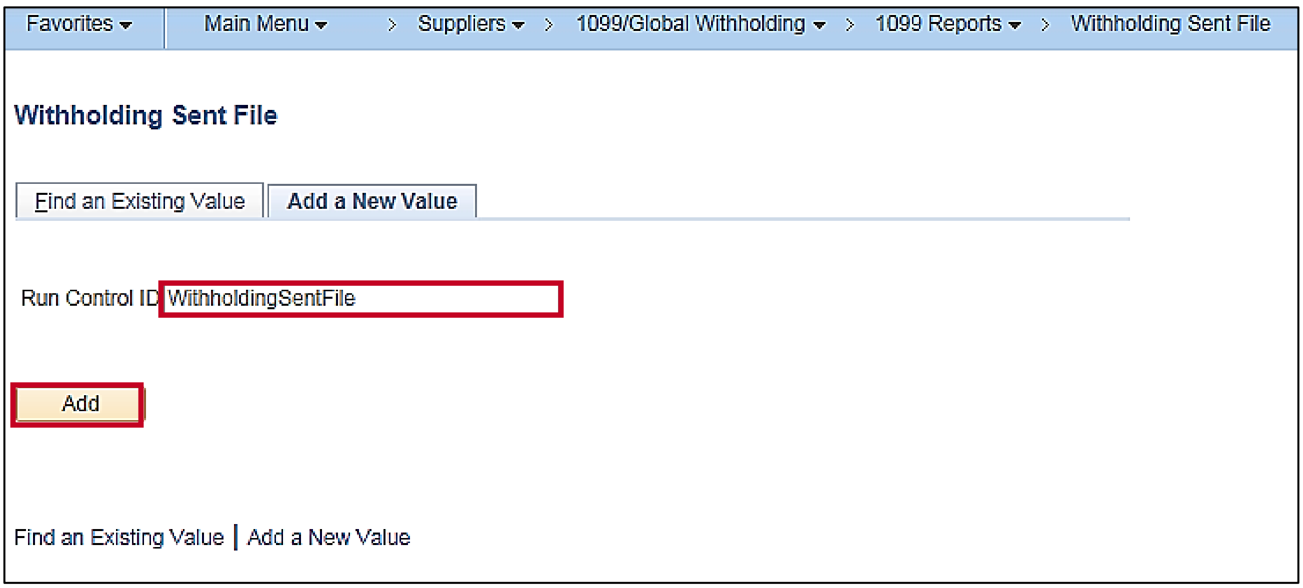
The final step in the 1099 process is to run the Withholding Sent (WTHD_SENT) process. The process finalizes the 1099 reporting and file creation process.

It is important that you Do Not run this process until you have sent your file to the IRS and received confirmation from the IRS of successful transmission. Cardinal uses this information that you have already sent a file if you need to create correction or replacement files.

1. Navigate to the **Withholding Sent File** page using the following path:

   Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withholding Sent File

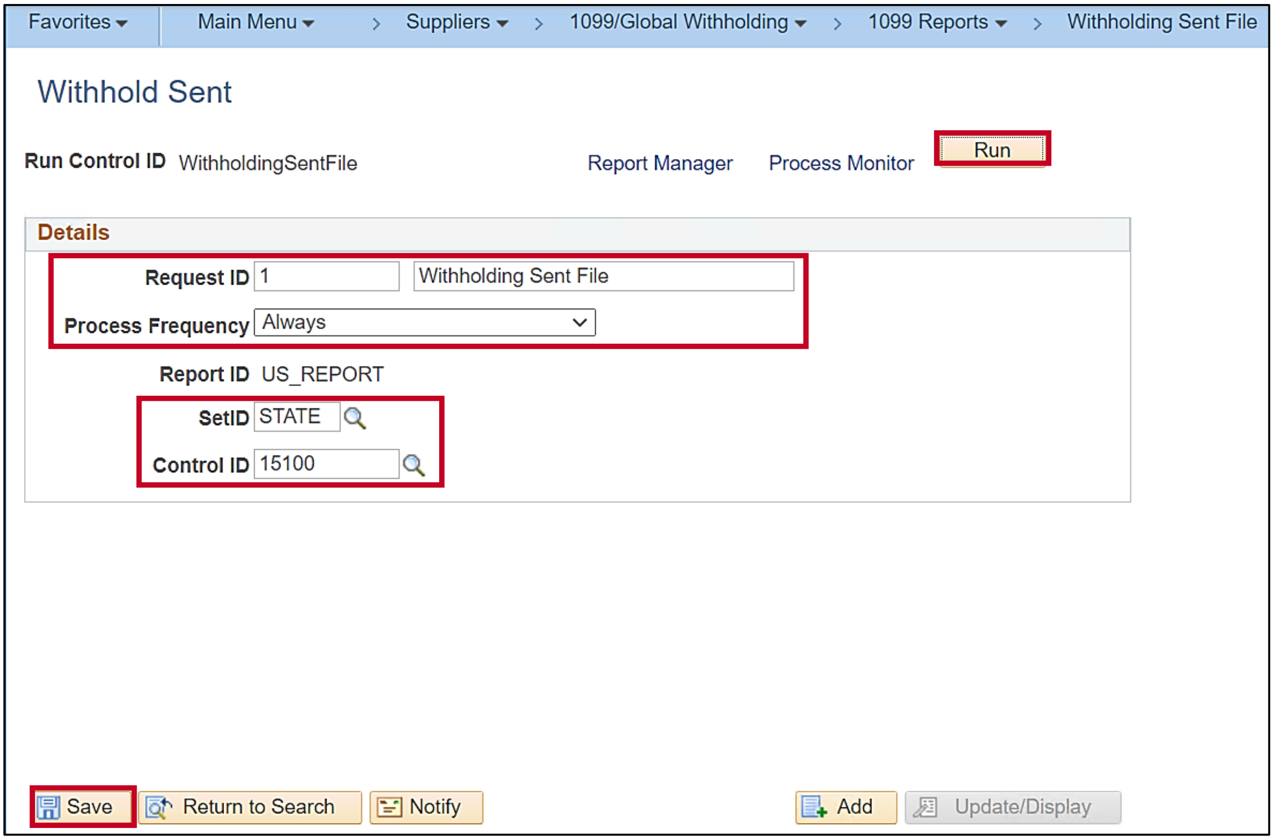
The **Withholding Sent File** run control search page displays.



2. If this is the first time you run this job, click the **Add a New Value** tab to create a **Run Control ID**.
3. Enter a **Run Control ID**.

   Note: For subsequent runs of this job, the **Run Control ID** is the ID you created the first time the job was run (**Run Control IDs** are unique to each user). You will need to update the appropriate fields on your existing run control if using the **Run Control ID** you created for a subsequent run.
4. Click the **Add** button.

The **Withhold Sent** page displays.



5. Enter run control information in the **Details** section:

   a. **Request ID**: **1**. This **Request ID** of 1 can be used repeatedly. It is used internally by Cardinal to track each posting request.

   b. Text field next to **Request ID**: **Withholding Sent File**

   c. **Process Frequency**: Select **Always**

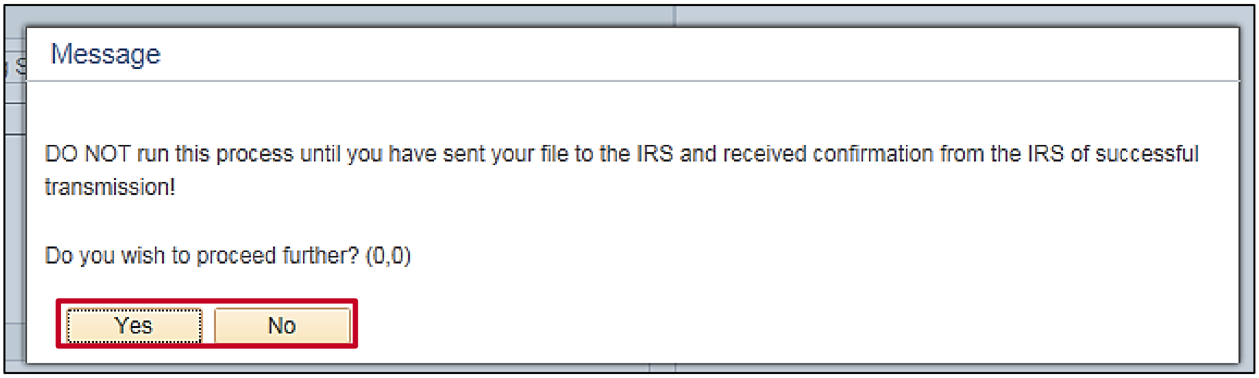
   d. **SetID**: **STATE**

   e. **Control ID**: Enter or select your agency's **Control ID** as set up on the **Report Control Information** pages.

6. Click the **Save** button.

7. Click the **Run** button.

8. A pop-up message displays..



9. Select the appropriate answer:

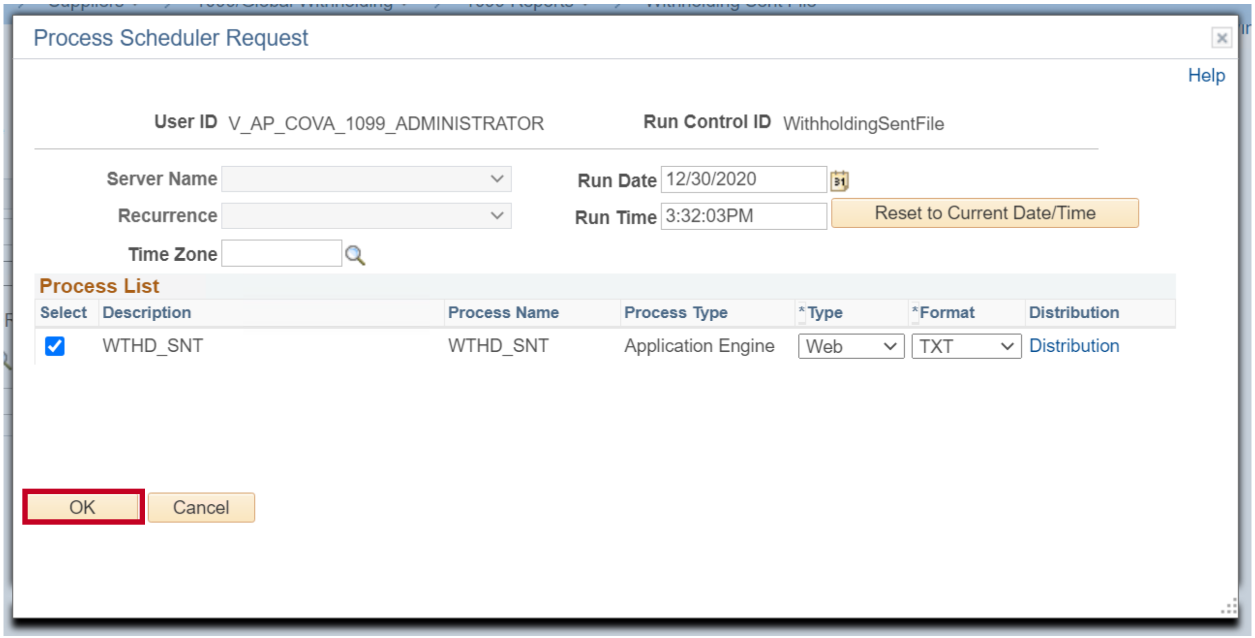
   a. Click **Yes** if you have sent the file to the IRS and received a confirmation from the IRS that the file was successfully transmitted.

   b. Click **No** if you have not sent the file to the IRS and received a confirmation from the IRS that the file was successfully transmitted. <u>DO NOT PROCEED UNTIL THIS STEP IS COMPLETED.</u>

Note: VERY IMPORTANT: Whatever selections you make in the **Withholding Type Process Options** section of this page will be marked as "Sent" when you run the **Withhold Sent File**. These transactions marked "Sent" will not be produced or generated in any subsequent 1099 Job Process runs.

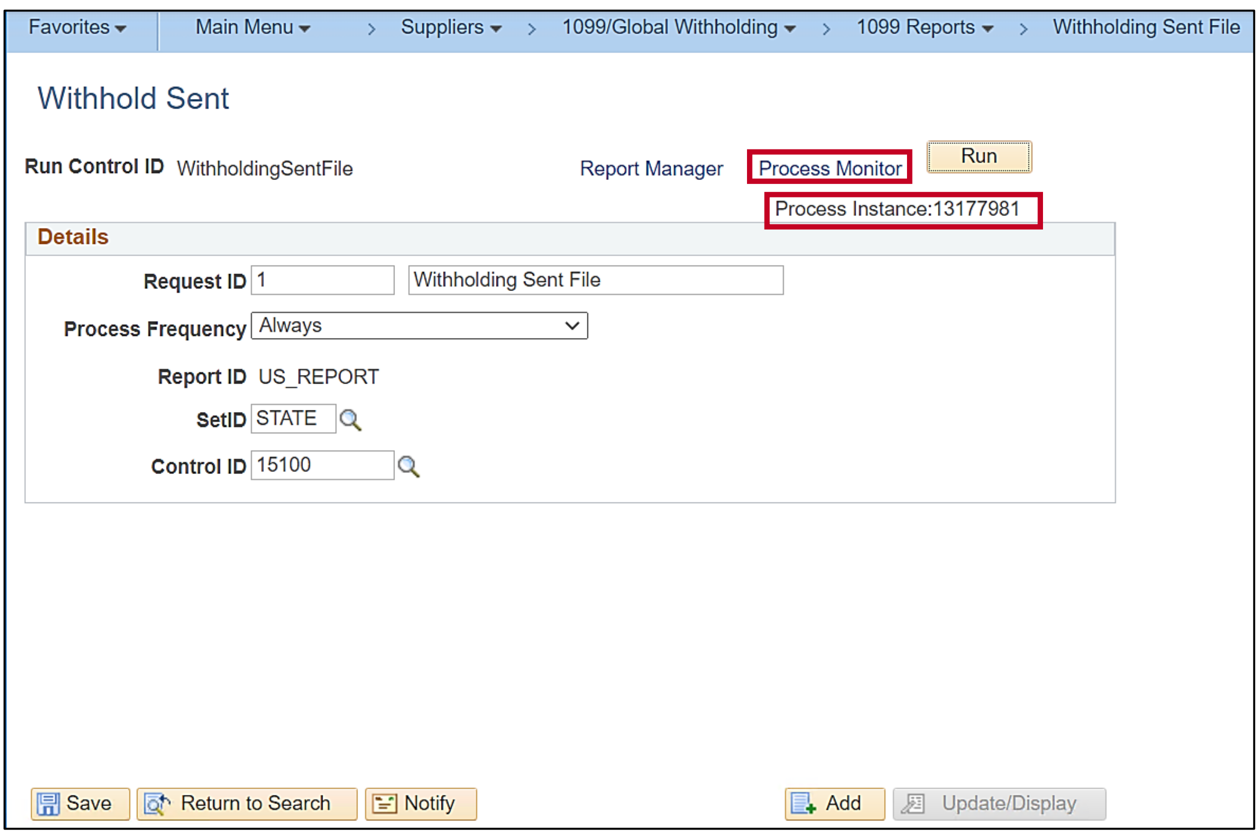
For this scenario, the file has been sent and successfully confirmed.

The **Process Scheduler Request** page displays in a pop-up window.



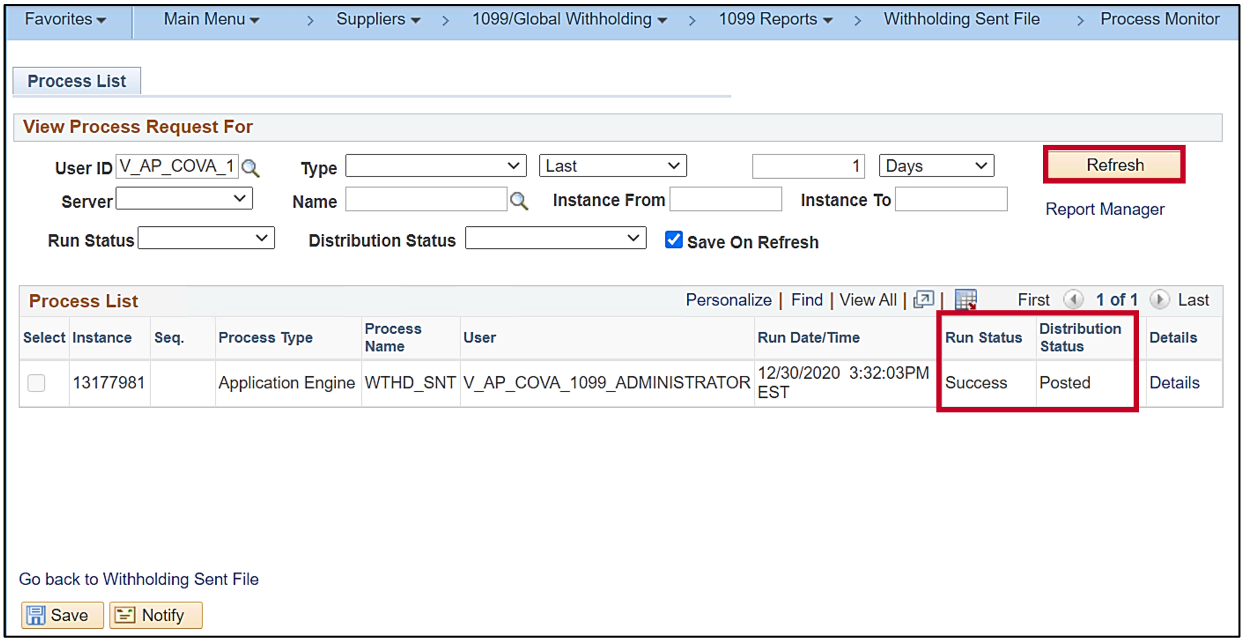
10. Click the **OK** button.

The **Run Control** page displays.



11. The **Process Instance** number displays.
12. Click the **Process Monitor** hyperlink.

The **Process List** page displays.



13. Click the **Refresh** button until **Run Status** is **Success** and **Distribution Status** is **Posted**.

    Note: A **Run Status** of **Success** means the files have been marked in Cardinal as sent to the IRS.

Processing Correction Files after IRS Submission and Withholding Sent File Process is Complete

If you determine that you reported incorrect data for a supplier or a group of suppliers after your initial submission, you need to create a correction file. To correct the transaction data within the Cardinal Oct2002!Payables system:

1. Enter an adjustment on the **Withhold Adjustments** page. Follow the section in this job aid entitled **Adding Withholding Adjustments** to make your adjustments.
2. Run the 1099 Jobs to produce the IRS file and the corrected Copy B forms. The system generates the 1099 report showing only the corrections and the appropriate 1099 Copy B forms. Follow the section in this job aid entitled **Creating the 1099 IRS Reporting File and the Copy B Statements** to create the Correction file.

Run the Withholding Sent File process after confirmation is received from the IRS. Remember that the selections used in the **Withholding Type Process Option** section of the page must match the selections used when you created the 1099 IRS Reporting File.

Processing Replacement Files after IRS Submission and Withholding Sent File Process is Complete

A replacement file is an information return file sent by the filer/transmitter at the request of the IRS because of errors encountered by the IRS while processing the filer's original file or correction file. In that case, the IRS may tell you what is invalid in the file either through contact information you provide or on their Internet page, where the file is stored. Make the necessary changes and resubmit the file.

You can create a replacement file only if one and only one original file was sent to the IRS.

1. Follow the section in this job aid entitled **Creating the 1099 IRS reporting file and the Copy B statements** to create the Replacement file.
2. In the 1099 Report group box, select Replacement in the Type of File/Return field, and enter the replacement character provided to you by the IRS in the Replacement Character field.
3. Run the 1099 Report Post and the 1099 Report processes. The system generates a new replacement file that you can send to the IRS.
4. Run the Withholding Sent File process after creating the replacement file and confirmation is received from the IRS. Remember that the selections used in the Withholding Type Process Option section of the page must match the selections used when you created the 1099 IRS Reporting File.

1099 Extract

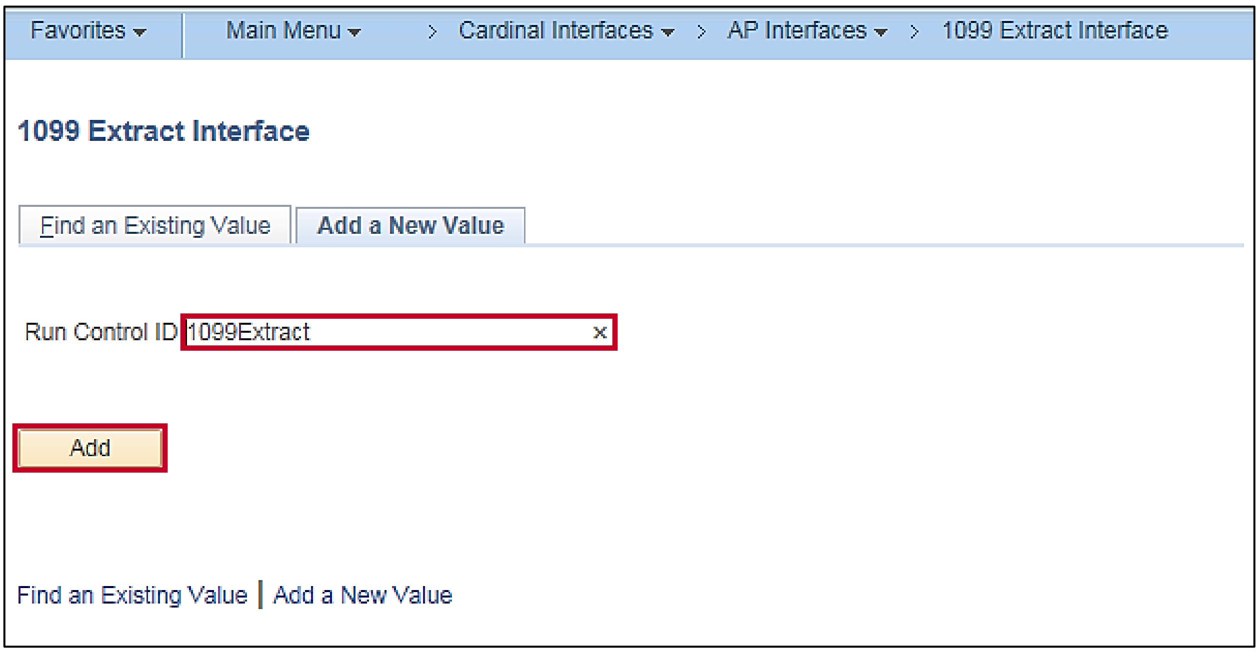
The 1099 Extract is generated and used to view 1099 reportable information. The 1099 Extract file can be used for different purposes, such as, processing in an agency system, loading into tax software, or 1099 data analysis. The 1099 Extract is generated manually by agency users online.

Running the 1099 Extract in Cardinal

1. Navigate to the **1099 Extract Interface** page using the following path:

   Main Menu > Cardinal Interfaces > AP Interfaces > 1099 Extract Interface

The **1099 Extract Interface** page displays.

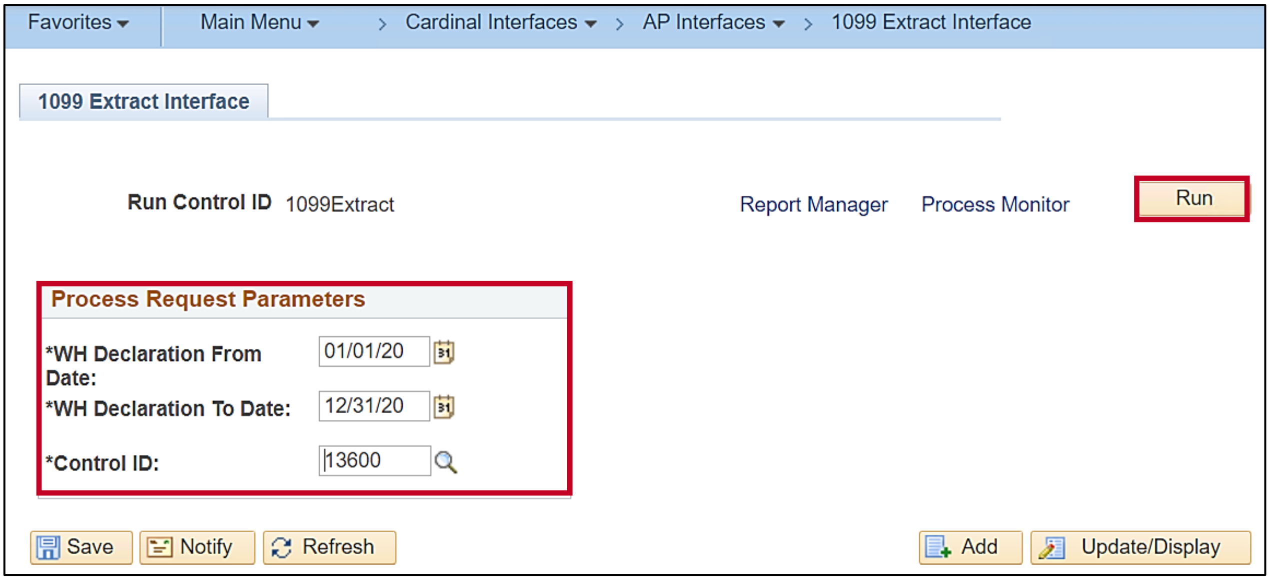


2. Enter a **Run Control ID** on the **Add a New Value** tab.

   Note: For subsequent runs of this job, the **Run Control ID** is the ID you created the first time the job was run (**Run Control ID**s are unique to each user). You will need to update the appropriate fields on your existing run control if using the run control ID you created for a subsequent run.

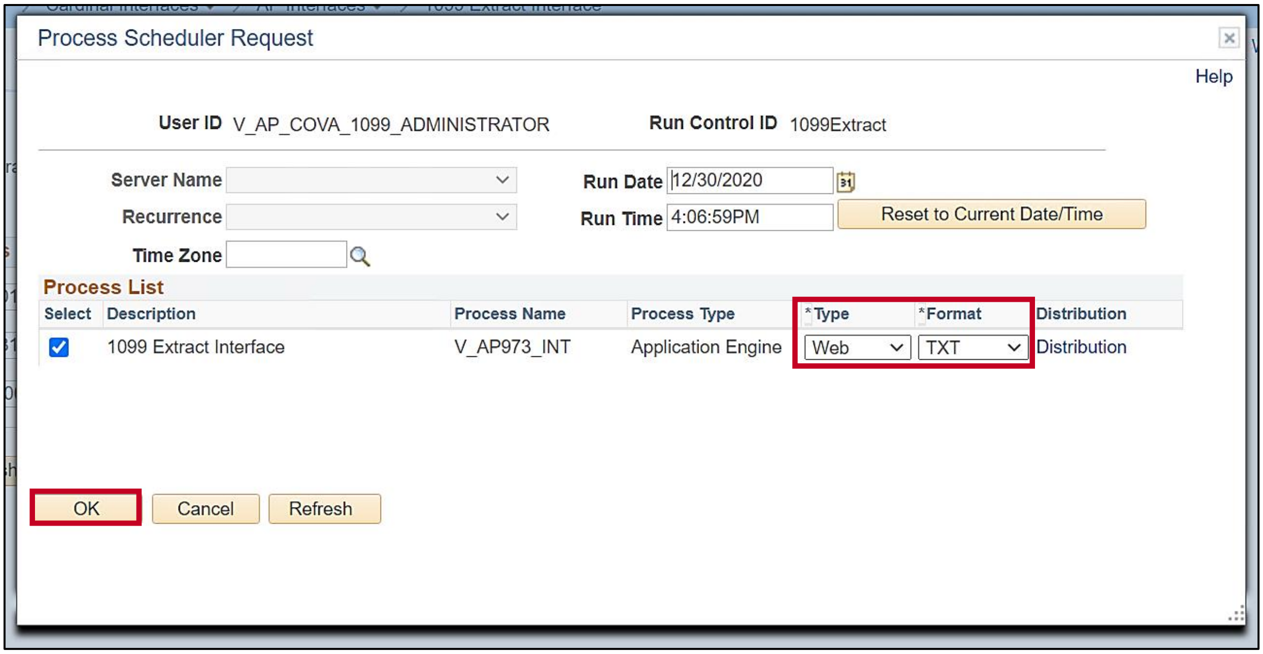
3. Click the **Add** button.

The **1099 Extract Interface** Run Control page displays.



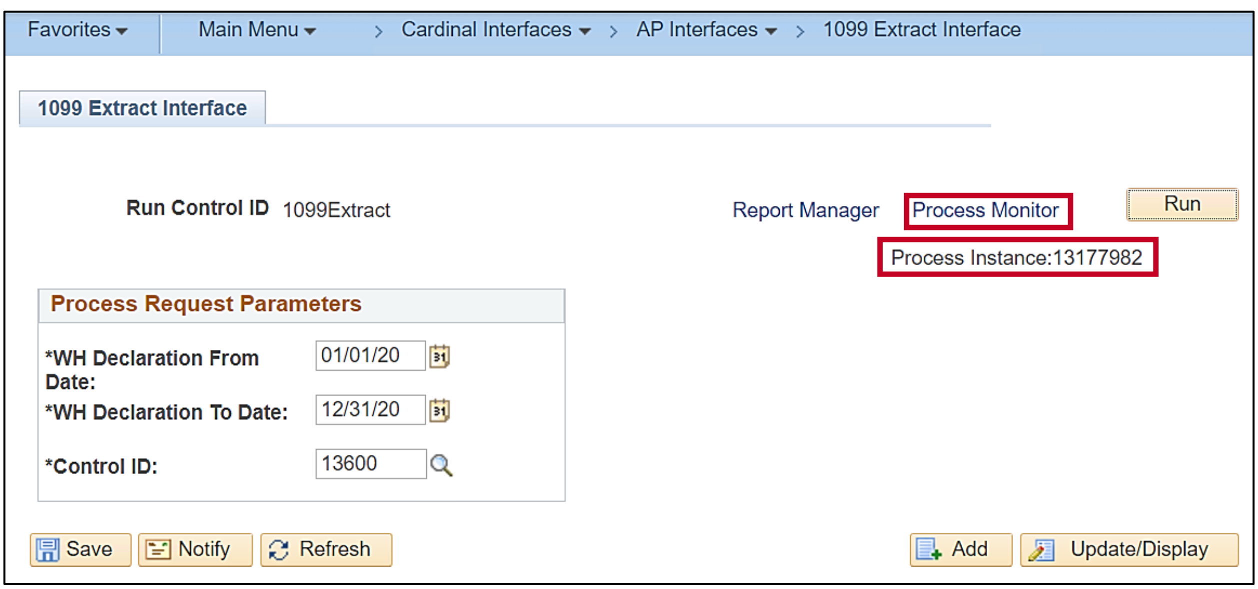
4. Enter values in the following fields within the **Process Request Parameters** section:
   a. **WH Declaration From Date**: Start date for 1099 reporting.
   b. **WH Declaration To Date**: End date for 1099 reporting.
   c. **Control ID**: Enter your agency's assigned Control ID.
5. Click the **Run** button.

The **Process Scheduler Request** page displays in a pop-up window.



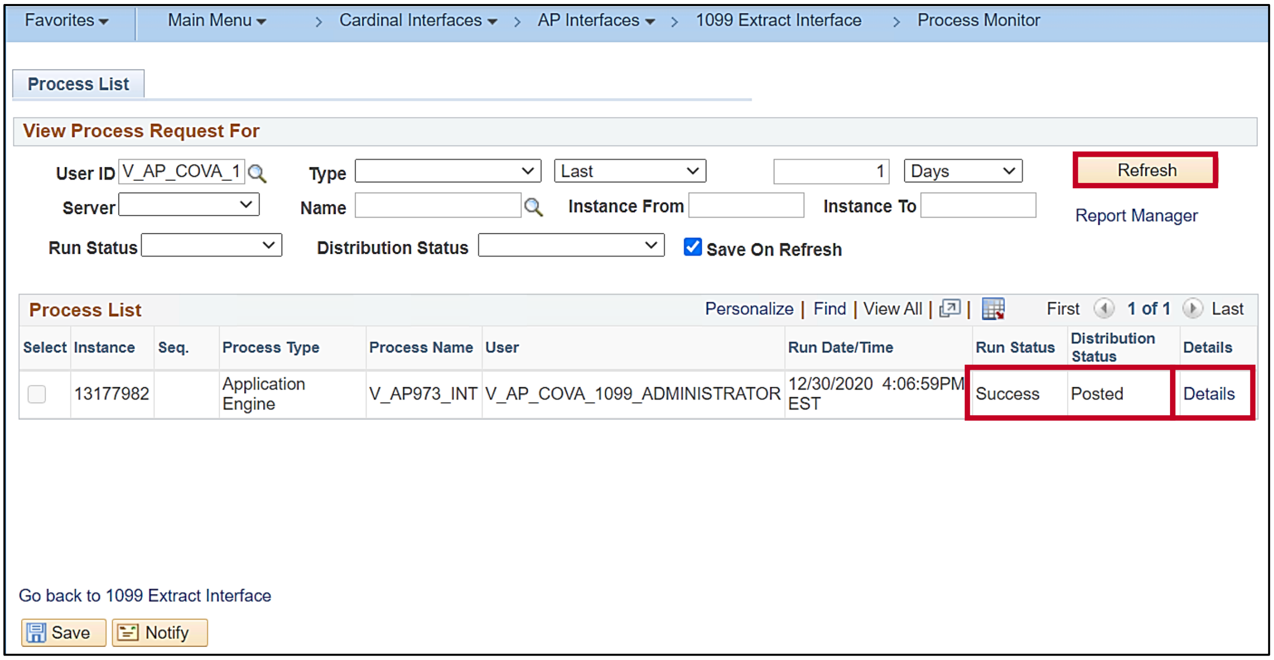
6. The 1099 Extract Interface can only be run with **Web** selected as the **Type**, and **TXT** selected as the **Format**. The output will be in a .DAT format.
7. Click the **OK** button.

The **Run Control Page** displays.



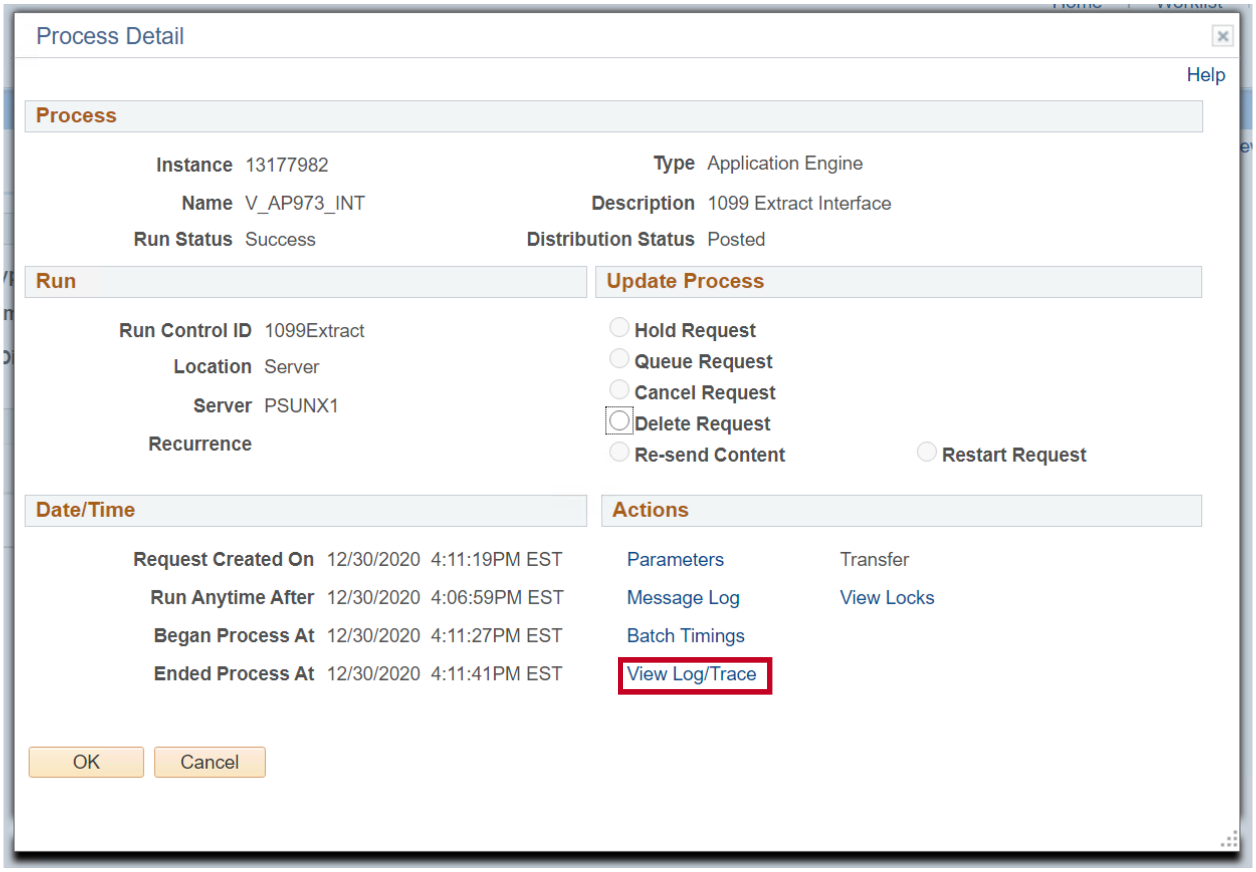
8. The **Process Instance** number is shown.
9. Click the **Process Monitor** hyperlink.

The **Process List** page displays.



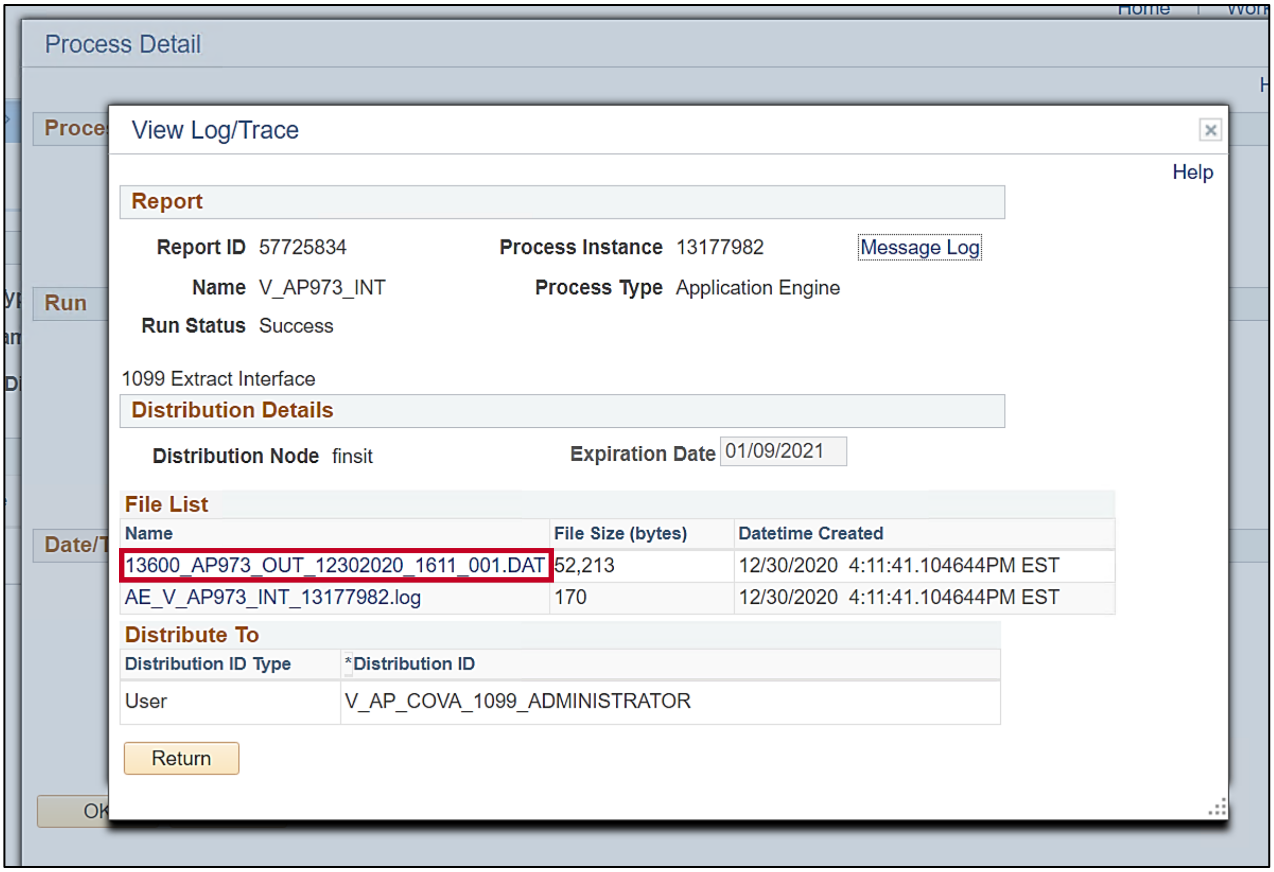
10. Click the **Refresh** button until the **Run Status** is **Success** and the **Distribution Status** is **Posted**.
11. Click the **Details** link.

The **Process Detail** page displays in a pop-up window.



12. Click the **View Log/Trace** link.

The **View Log/Trace** page displays in a pop-up window.



13. Click the **.DAT** link for the file to review 1099 reportable data.

    The extract file may be used for different purposes, depending on your agency (e.g., processing in an agency system, loading into tax software, or other data analysis.).

    An agency interface template of the file layout, entitled **AP973 1099 Extract**, is located on the Cardinal website in **Security** under **Resources**.