



New 1099-MISC Reporting Solution

For October 25, 2012 FMAC

What will agencies use to file IRS Forms 1099-MISC?

- Web Intelligence (WebI) – A new universe titled “AFRS 2013 with TIN” was created to allow agencies access to their transaction data with TIN.
- Account Ability – Agencies will upload their transaction data to this software.



How will this change affect my agency?

Agencies take the following steps to begin transition to the new IRS 1099-MISC reporting solution:

- Fill out security form – <http://www.ofm.wa.gov/isd/erhelp/1099/default.asp>
- Sign up for classes:
 - DES – WHAT'S NEW FOR IRS 1099-MISC REPORTING
 - DES – IRS 1099-MISC REPORTING (You must take the What's New class first)



How has the process changed?

- Differences between WebI and DRS
- Differences between Account Ability and IRS 1099



Differences between Webl and DRS

❖ Differences between Webl and DRS:

NEW	OLD
Download information into an agency secure folder	Data was stored within the AFRS system
Excel spreadsheets will be used for reconciliation	DRS Reports and on-line screens were used for reconciliation
Excel spreadsheets will be used to send data to Account Ability	DRS would summarize data directly into the IRS 1099 database



Differences between Account Ability and IRS 1099

❖ Differences between Account Ability and IRS 1099:

NEW	OLD
DES will print IRS Forms 1099-MISC and mail them out on behalf of the agencies	Agencies printed and mailed their own IRS Forms 1099-MISC.
Agencies should not enter IRS Forms 1099-MISC directly into Account Ability - use the import process	Agencies could manually add IRS Forms 1099-MISC into the IRS 1099 system directly

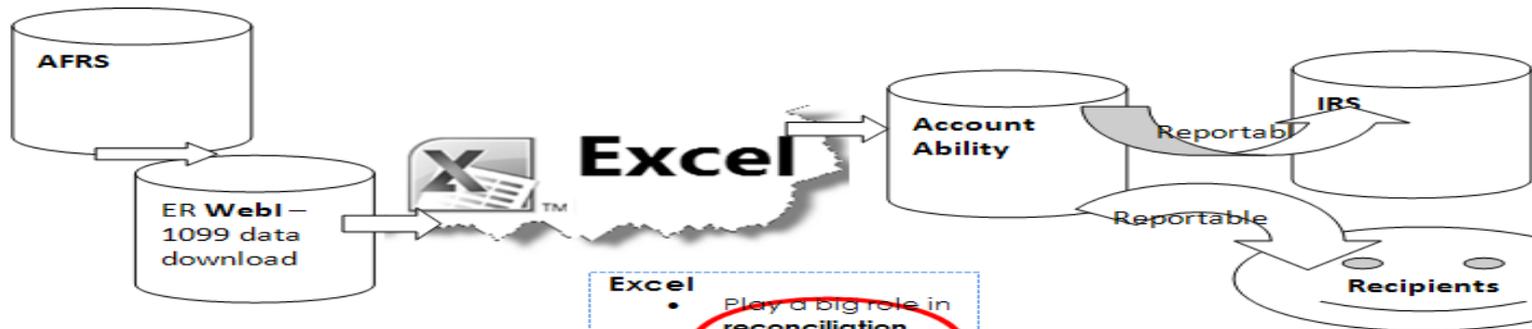


DES will continue the following supports

- Perform TIN matching
- Perform IRS submittal of 1099-MISC on behalf of Agency



Tools for New 1099-MISC Reporting Solution



- AFRS**
- AFRS is where you create the payments
 - AFRS stands for Agency Financial Reports System
 - This is the state's accounting system

- Excel**
- Play a big role in **reconciliation and making changes**
 - Reformat for Account Ability
 - Edit data
 - Add records

- 1099-MISC Reporting Application (Account Ability)**
- Create forms – via **import**
 - Print Forms for selected recipient
 - **If is a password control environment...**
 - **Client data - Master password** needed to edit client (agency)'s profile. DES has this ability. Please contact DES if client's information in Account Ability needs correction
 - **Form password** needed to prepare 1099-MISC form. DES will assign to agency a **distinct password** by agency.

Data need adjusting entries?
Create journal vouchers, correcting accounting data

- 1099 Download Application (ER Web Intelligence)**
- **Secure access** to your 1099-MISC data
 - Where you download payments data with TIN information.
 - Determine what's

Data ready for creation of 1099-MISC form?



1099 Download Application (secure dataset)



Baseline 1099 Report Template

- Using prompts to pull payment data
- Agency
- Calendar
- Transaction Type
- Agency asked for these data to facilitate reconciliation



Account Ability Input Template

IRS Box – not needed for the form; but need to pull for mapping of source amount to the appropriate IRS box on the 1099-MISC form.

The following data elements are needed for the 1099-MISC form:

- Taxpayer ID
- Tax Type [T] and [S]
- Vendor Name
- Vendor Address 1
- Vendor Address 2
- Vendor Address 3
- Vendor City
- Vendor State
- Vendor Zip code
- Amount



Account Ability for 1099-MISC reporting

Account Ability



1099-MISC - INSTRUCT

File is empty VOID CORR CORR Efile 1096 Printed

PAYER'S name, street address, city, state, ZIP code, and telephone number

AGENCY NAME
AGENCY NAME LINE 02
ADDRESS LINE 1
ADDRESS LINE 2
CITY WA 98504

Telephone: 360-407-8011

PAYER'S Federal ID Number: 01-2345678 TIN Type: [dropdown]

RECIPIENT'S ID Number

RECIPIENT'S name NAME CTRL

Street address APT.

City State Zip Code Zip Ext. 11 12

Account number Foreign CFSP USPS DP 2nd TIN

15a Section 409A deferrals 15b Section 409A income

E-Mail: [input]

1 Rents	4 Federal income tax withheld
2 Royalties	5 Medical and health care
3 Other income	6 Substitute payments...
5 Fishing boat proceeds	8 Crop insurance proceeds
7 Nonemployee compensation	10 Gross proceeds paid to...
9 Payer made direct sales of \$5000 or more of consumer products to a buyer (recipient) for resale => <input checked="" type="checkbox"/>	14 State 1 income
13 Excess golden parachute	15 State 2 income
16 State 1 tax withheld	
17 State 2 tax withheld	

OMB No. 1545-0115
2011
1099-MISC



DES and IRS Due Dates

1. Throughout the calendar year	Review and correct monthly 1099 records
2. When access to Account Ability is available	Review 1099 Agency Contact List for accuracy before 1099's are printed (only the phone number will be printed on the 1099, names and extensions will not be shown). Notify DES (qfrshelpdesk@ofm.wa.gov) of any discrepancy
3. December 2012	Account Ability upgrades to 2012 IRS 1099-MISC forms
4. December 31, 2012	The 2012 tax year reporting cycle ends
5. January 1 – January 22, 2013	Agencies can begin loading their 1099 data into Account Ability through the import process.
6. January 22, 2013	Agencies finalize all imports into Account Ability
7. January 23 - 31, 2013	DES will begin the Printing & mailing of the IRS 1099-MISC forms. AGENCIES WILL NOT BE ALLOWED TO WORK IN ACCOUNT ABILITY UNTIL FEBRUARY 1, 2013.
8. February 1 – 8, 2013	DES will get the IRS 1099-MISC file ready for submission of TIN matching to the IRS.
9. February – March 15, 2013	Agencies will have this time to make corrections to 1099's before submission to the IRS. Correction must be done using the import process.
10. January 24 – March 15, 2013	Agencies update Account Ability for IRS electronic filing.
11. January 31	This is the due date for issuing 1099 forms to recipients
12. March 18, 2013	DES will prepare the IRS 1099-MISC form for submission to the IRS through the electronic filing process. AGENCIES WILL NOT BE ALLOWED TO WORK IN ACCOUNT ABILITY.
13. March 31, 2013	This is the due date for filing electronically to the IRS



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Printing and Mailing

A. Bulk Printing and Mailing Deadlines – By January 31

- DES is responsible for printing and mailing of your 1099-MISC forms.
- Check the “**1099 Processing Schedule for Calendar Year 2012**” calendar - Pay attention to when is the last day to make changes to 1099 data in Account Ability.
- Prior to cut-off date, Agency needs to make sure that the forms are ready for printing and mailing.
- How does Agency ensure that forms are ready for printing by cut-off date? **“Uncheck Printed”** checkbox is the key – these forms are ready for printing and mailing.
- Agency can uncheck one by one through navigation of each form.
- Agency can also use the **Tools \ Clear Print Indicators** option.
- DES will prepare for printing and mailing of recipients’ 1099 (**January 23 - 31, 2013**).
- After DES completed the printing and mailing of agencies 1099-MISC forms, any corrected or reprinting will be done by the agencies.



Agencies can reprint IRS 1099-MISC

B. Request for Re-Print of IRS 1099-MISC

What if agency needs to print a selected form? Use **File\Print Forms** for selected record

Follow these steps to create an individual copy:

- Open up your Client Agency
- Open the 1099-MISC forms for your agency
- Locate the 1099-MISC that you wish to print
- Click on "File" to open up the dropdown menu
- Click on **Print Forms** from Selected Record and you will receive the following message:
 - You are requesting to print forms for the selected recipient only. Okay to Proceed?
 - Yes – allows you to proceed
 - No – returns you to the 1099-MISC forms
- The Print Setup screen will be visible. From this screen you will need to locate your printer in the NAME dropdown and select it. Press OK.
- You now have the GDI Print Options screen at this screen you will need to click the box next to the type of form you wish to print under the "Designated Forms" section. The required form for recipient would be COPY B FOR RECIPIENT. Click Print. (Agency has the option to choose Copy C for Payer to keep on file.) **Note: Do not select any of the other form types for this process as they have other requirements.**
- Click the close button to complete the process.



DES will TIN-match on behalf of agencies

TIN Matching and Report to 1099-MISC Forms to IRS – by March 31

- DES performs **TIN-matching** on behalf of Agencies



Completing 1099-MISC Processing for the year

- DES will produce 1099-MISC electronic file for filing with IRS.
- DES will set due date – so Agencies will know when to have all 1099-MISC's ready.
- Be on a look out for due date—(tentatively set for **March 18, 2013**).
- **Single Transmitter Information** - The filing will be e-filed in a single transmittal file containing all Agencies' 1099-MISC.
 - Agencies need to verify that Payer Information and Contact is correct!
- **E-file Indicator:** This is how Agencies know that 1099-MISC's have been e-filed.
- Forms will be locked for review only after final submission to IRS.
- **March 21 & forward** – Agency will produce manual 1099 Corrections and manually report those to IRS.



Review of Agencies/DES Responsibilities

Agencies' Responsibilities

- Accurate & Timely Preparation
- Accuracy of data imported into Account Ability
- Accuracy of data submitted to IRS

DES' Responsibilities

- Maintenance of processes to support agency – Web1 & Account Ability
- Printing and mailing to recipients
- TIN Matching of IRS 1099-MISC forms
- Timely Transmission to the IRS



Review of Class Objectives

Class Description:	This is four-hour class that will provide employees information on why we do 1099's and how to prepare them. It will give you an overview of the forms that are required, terms that are used, and instruction on using the Account Ability to create the IRS 1099-MISC forms.
Target Group:	Fiscal and other agency personnel that will be involved with preparing 1099-MISC forms.
Class Objectives:	At the conclusion of this class, participants should be able to: 14. Understand the importance of accurate 1099 data 15. Understand which forms are required 16. Understand 1099 terminology 17. Understand where to get tax information 18. Understand tools available for 1099-MISC reporting 19. ER Web Intelligence – 1099 Download Application – How to get to your 1099 data 20. Account Ability – 1099-MISC reporting 21. Understand how to import data on to the IRS 1099-MISC form 22. Understand how to enter data on the IRS 1099-MISC form 23. Understand how to make changes as necessary 24. Understand the importance of DES and IRS deadlines 25. Understand TIN matching process 26. Understand 1099-MISC reporting to the IRS

Did we meet these objectives? Please fill out training evaluation form



Thank you

Questions?

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