Welcome! The Presentation Will Begin Shortly.
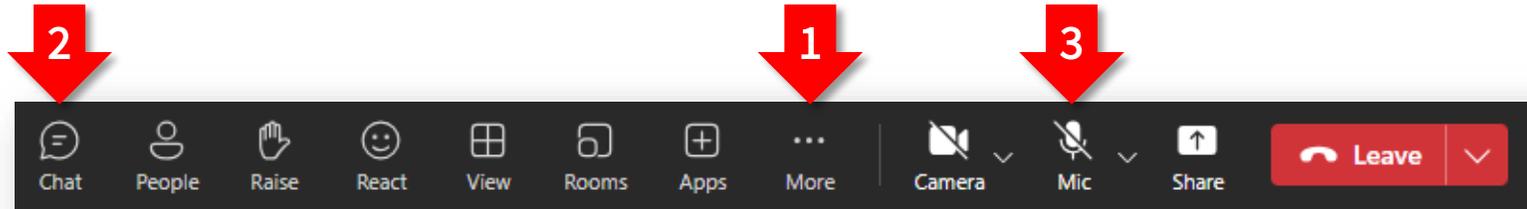

1. To change your speaker, microphone, or camera settings, select **More (…) > Device settings** in the control bar.

   - Test your audio to ensure that it is working correctly.

2. Use **Chat** to open the Meeting chat panel.

   - You can use Meeting chat to ask questions or respond.

3. Please mute your microphone (toggle the **Mic** button) when not speaking.

October 2025

1099 Reporting Virtual Training

Hosted by OFM ITSD

Kara Tillinghast	Systems Analyst
Heather Blankenship	Systems Analyst
Zachary Myers	Systems Analyst
Teena Minning	Systems Analyst
Chris Soots	Enterprise Applications Trainer

WASHINGTON STATE

**OFM**

Office of Financial Management

Agenda

- Welcome Information
- What is 1099 Reporting Training?
- What's New?
- 1099 Process and Demonstrations
- 1099 Reporting Considerations
- More Information and Resources

OFM

We are Happy You're Here!

- Breaks around the top of the hour

- Chat feature and raising hands

- In case we get disconnected…

- Handouts contain usable hyperlinks

- Training evaluations by email
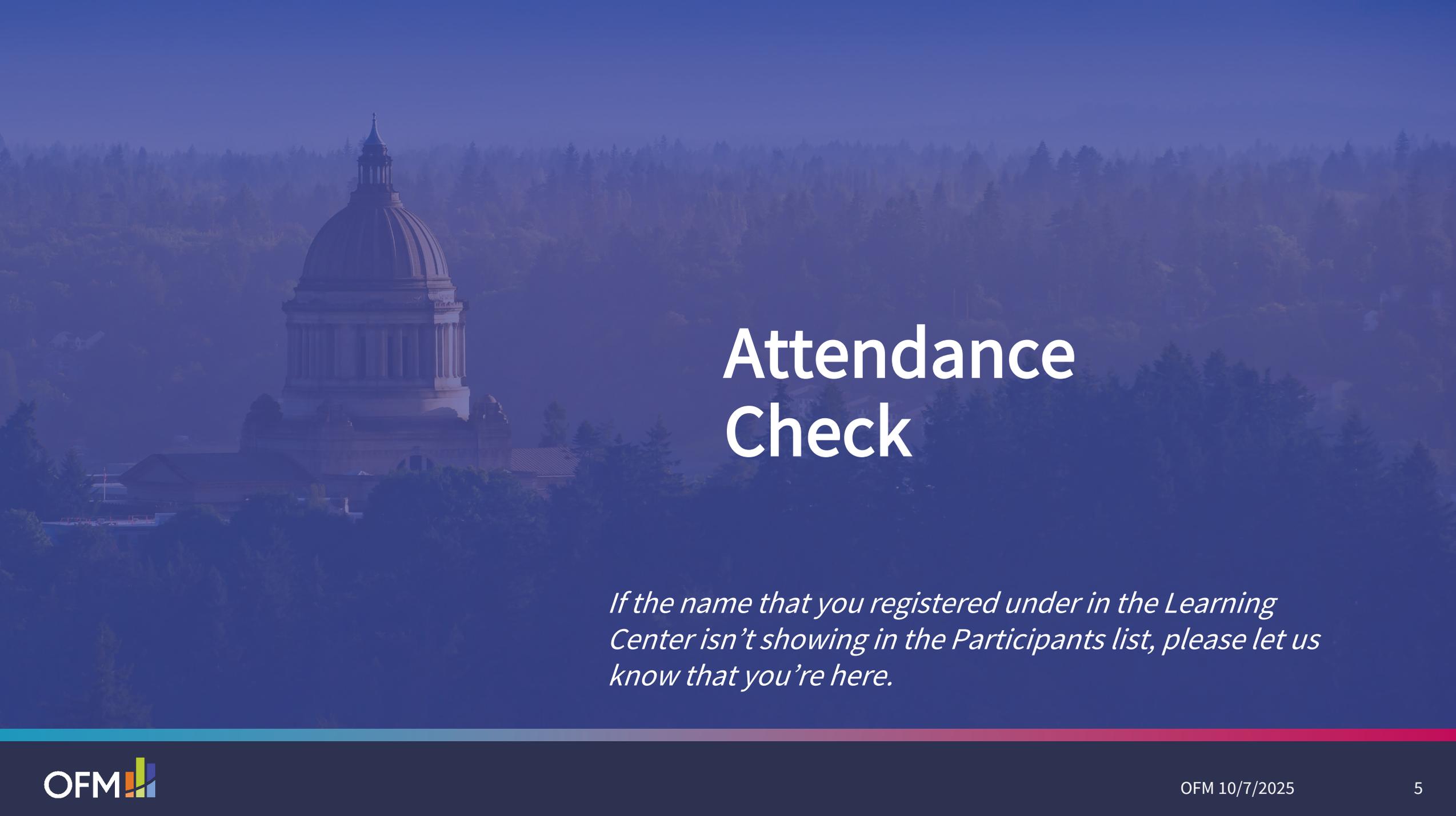
Attendance Check

If the name that you registered under in the Learning Center isn't showing in the Participants list, please let us know that you're here.

Learning Objectives

Important topics include a paired demonstration in a QA environment.

- Understand OFM and the agencies' roles for 1099s
- Understand the due dates and activities for this year's forms
- Understand which expenditures go in which IRS fields
- Understand the 1099 terminology
- Understand the TIN matching process
- Understand the need for proper data analysis
- Understand the tools available for 1099 reporting:
  - ER Web Intelligence – data download application
  - Account Ability – 1099 reporting
- How to import data to the 1099-NEC and 1099-MISC forms

What is 1099 Reporting Training?

- Covering topics that are common when first working with the 1099 reporting process

- Addressing topics that result in frequent calls to the Help Desk

- Explaining the need for the 1099-NEC and 1099-MISC forms

- Addressing your questions

Poll: Who is new to the 1099 Reporting process?

What's New for 2025?

- The IRS requires electronic filing for 10 or more forms.

  - Treasury Decision (T.D.) 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024.

- Business Intelligence (BI) Launch Pad application updated in 2022

  - Formerly known as Web Intelligence or WebI

What is the 1099-NEC?

- File Form 1099-NEC for each person to whom you have paid the following during the year:

    - At least $600 in:

        - Services performed by someone who is not your employee (box 1)

        - Payments to an attorney (box 1)

    - To report sales totaling $5,000 or more of consumer products to a person on a buy-sell, a deposit-commission, or other commission basis for resale (box 2).

    - For each person from whom you have withheld any federal income tax (box 4) under the backup withholding rules regardless of the amount of the payment.

What is the 1099-MISC?

- File Form 1099-MISC for each person to whom you have paid the following during the year:

  - At least $600 in:
    - Rents (box 1)
    - Prizes and awards or other income payments (box 3)
    - Medical and health care payments (box 6)
    - Crop insurance proceeds (box 9)
    - Gross proceeds paid to an attorney (box 10)
    - Section 409A deferrals (box 12)
    - Nonqualified deferred compensation (box 15)
  - At least $10 in royalties (box 2) or broker payments in lieu of dividends or tax-exempt interest (box 8).
  - For each person from whom you have withheld any federal income tax under the backup withholding rules (box 4) regardless of the amount of the payment.
  - To report sales totaling $5,000 or more of consumer products to a person on a buy-sell, a deposit-commission, or other commission basis for resale (box 7).
  - For substitute payments in lieu of dividends or tax-exempt interest (box 8)
  - For any Cash payments for the purchase of fish for resale (box 11)

The 1099 Reporting Process

| Do you need to report 1099s? | Run BI Launch Pad reports | Analyze the data | Extract the data and put into Account Ability | DES prints and mails the forms | Adjustment period | 1099 data delivered to the IRS |

This training showcases this part of the process.

OFM and Agency Roles

OFM Responsibilities

- Maintenance of processes to support the agencies in the preparation of the 1099 forms
  - Initial printing and mailing of the 1099 forms to recipients by DES
  - TIN matching of recipient's information on the 1099 forms with the IRS database
  - Timely transmission of the 1099 information to the IRS

Agencies' Responsibilities

- Accurate and timely preparation of the 1099 forms
  - Accuracy of the 1099 data imported into Account Ability
  - Printing and mailing of corrected 1099 forms to recipients
  - Strict adherence to the OFM Due Dates

Due Dates & Activities

Task	OFM Due Dates	IRS Due Dates
• Review and correct monthly 1099 records. • Agencies can begin loading their 1099 data into Account Ability.	Beginning in April and throughout the calendar year.	
• Review 1099 Agency Profiles for accuracy before 1099s are printed. • Notify OFM of any discrepancy: HereToHelp@ofm.wa.gov.	When access to new Account Ability for this tax year is available.	
Current reporting year 1099 forms are available in Account Ability.	December 2025	
The tax year reporting cycle ends.		December 31, 2025
Due date for agencies to complete all 1099 imports into Account Ability for printing and mailing.	January 9, 2026	
• OFM uploads 1099 forms to Managed File Transfer (MFT) location. • DES prints & mails the IRS 1099 forms by 1/10/25. • Agencies will not be able to work in Account Ability.	January 10, 2026	

Due Dates & Activities

Task	OFM Due Dates	IRS Due Dates
OFM performs 1099 TIN matching and notifies Agencies with TIN mismatches.	January 12 - 13, 2026	
Agencies have this time to make corrections to 1099-NEC forms before submission to the IRS.	January 14 - 23, 2026	
Agencies finalize all updates in Account Ability to prepare for the filing of the 1099-NEC forms.	January 23, 2026	
• OFM prepares the IRS 1099-NEC forms for submission to the IRS. • **Agencies will not be able to work in Account Ability.**	January 26, 2026	
• Due date for mailing 1099 forms to recipients. • Due date for filing 1099-NECs to the IRS.		February 2, 2026
Agencies have this time to make corrections to 1099-MISC forms before submission to the IRS.	February 2 – March 20, 2026	

Due Dates & Activities

Task	OFM Due Dates	IRS Due Dates
Agencies finalize all updates in Account Ability to prepare for the filing of the 1099-MISC forms	**March 20, 2026**	
• OFM prepares the IRS 1099-MISC forms for submission to the IRS • **Agencies will not be able to work in Account Ability**	**March 23, 2026**	
Due date for filing 1099-MISCs to the IRS		**March 31, 2026**

See this document for a downloadable list of dates:

1099_NEC_MISC_Processing_Schedule.pdf

Don't Miss the Deadlines!

- Agencies that miss the OFM printing and mailing due dates will be required to print and mail all missed forms when Account Ability re-opens.

- Agencies that miss the OFM electronic filing deadlines will not have access to Account Ability until it re-opens and will be required to determine how to proceed and satisfy all IRS requirements.

- OFM will not re-open Account Ability prior to the dates listed on the 1099 Processing Calendar.

When Should I Begin?

Start now!

- Early preparation means:

  - Fewer upload problems

  - Fewer TIN mismatches

  - Fewer vendor calls once 1099 forms go out

  - Fewer 1099 corrections required

Where Should I Begin?

OFM's 1099 Reporting page:

- https://www.ofm.wa.gov/it-systems/accounting-systems/1099-nec-1099-misc-reporting

- One-stop shop for 1099 information, including:

  - Login links to BI Launch Pad (WebI) and Account Ability

  - Frequently Asked Questions (FAQs)

  - Links to user documentation and training material

Break -
Return at 10:00 AM

Accurate and Timely Reporting

- What are the penalties for missing filing dates?

Delinquency	Penalty
Up to 30 days late:	$60/return, maximum of $683,000
31 days late through August 1st:	$130/return, maximum of $2,049,000
After 8/1 or not filed:	$340/return, maximum of $4,098,500
Intentional disregard:	$680/return with no maximum penalty

- The penalties are the same for inaccurate reporting!

Understanding TIN Matching process

- Electronic submittal of the TIN-matched 1099 forms is due to the IRS by:

  - January 10 for the 1099-NEC

- OFM performs TIN matching on SWVs on behalf of all agencies

  - For Exception Code Payments: TIN_MatchingRequestsForNonSWVs.pdf

- When there are TIN mismatches, OFM will communicate with the agencies involved

- Agencies have until 1/23/2026 (for NEC) and 3/20/2026 (for MISC) to finalize all updates into Account Ability

The 2025 IRS 1099-NEC Form

☐ VOID   ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form **1099-NEC** (Rev. April 2025) For calendar year _____	**Nonemployee Compensation**
PAYER'S TIN	RECIPIENT'S TIN	**1** Nonemployee compensation $	**Copy 1** **For State Tax Department**
RECIPIENT'S name		**2** Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale ☐	
		3 Excess golden parachute payments $	
Street address (including apt. no.)		**4** Federal income tax withheld $	
City or town, state or province, country, and ZIP or foreign postal code		**5** State tax withheld / **6** State/Payer's state no. / **7** State income	
Account number (see instructions)		$ / / $ $ / / $	

Form **1099-NEC** (Rev. 4-2025)   www.irs.gov/Form1099NEC   Department of the Treasury - Internal Revenue Service

Box 1 - Nonemployee compensation

Examples include:

- Contract work payments
- Services rendered as non-employee
- Payments typically subject to self-employment taxes
- Attorney fees (Gross proceeds go on the 1099-MISC)

1 Nonemployee compensation

$

The 2024 IRS 1099-MISC Form

Box 1 - Rents

Examples include:

- Rental payments to owners
- Office space
- Meeting rooms
- Machines/equipment
- Land/pasture
- Payments for public housing assistance

1 Rents
$

Box 3 - Other income

Examples include:

- Prize winnings (excludes gambling)
- Award money without services performed
- Punitive damage payments
- Deceased employee wages
- Income not included in other boxes

3 Other income

$

Box 6 - Medical and health care payments

- Examples include:
  - Health care/medical payments
  - Recipient is a health care provider
  - Flexible spending plans are exempt

6 Medical and health care payments

$

Box 10 – Gross proceeds paid to an attorney

Examples include:

- Payments made to attorneys which contain settlement proceeds
- Attorney might not be the sole payee

10 Gross proceeds paid to an attorney

$

Tips for Analyzing Your Data

- All payments for legal or medical services are reportable (regardless of how you go about making this determination).

- Payments can be analyzed by Vendor Type.

- Payments can be analyzed by type of payment (based on sub/subsubobject).

- Refer to the IRS for what is and is not 1099 Reportable.

- 1099 Data Analysis Decision Matrix: 1099 Data Analysis Decision Matrix.pdf

Reportable and Non-Reportable Payments

- AFRS is a great resource for confirming reportability of payments.

- The combination of the Vendor Type and the subobject will indicate if payments to that vendor are reportable.

- Confirm IRS box values on the AFRS table options: IRS Box (D76), Vendor Type (D77) and IRS Type (D78).

- Vendor Type definitions are available here: Definitions_for_VendorTypes_in_AFRS.pdf

Reportable and Non-Reportable Payments

Example: If a payment shows a Type A vendor and AA for the Sub Object, it registers as non-reportable (box 0) as defined on the D78 table in AFRS.


```
=== AFRS =(TM.5)============= IRS TYPE VIEW (D78) ============== C105P060 ====
TR: _____                          LAST UPDATE: 10/20/10


        FUNCTION: N (V=VIEW, N=NEXT, B=BACK)


        AGENCY: 0000              BIENNIUM: 00

        SUB OBJECT: AA           SUB-SUB OBJECT: ____

        VENDOR TYPE: A

        IRS BOX: 0               OMWBE TYPE: 0


        TITLE: _____


                F3=RETURN, F12=MESSAGE, CLEAR=EXIT
NEXT RECORD READ
```
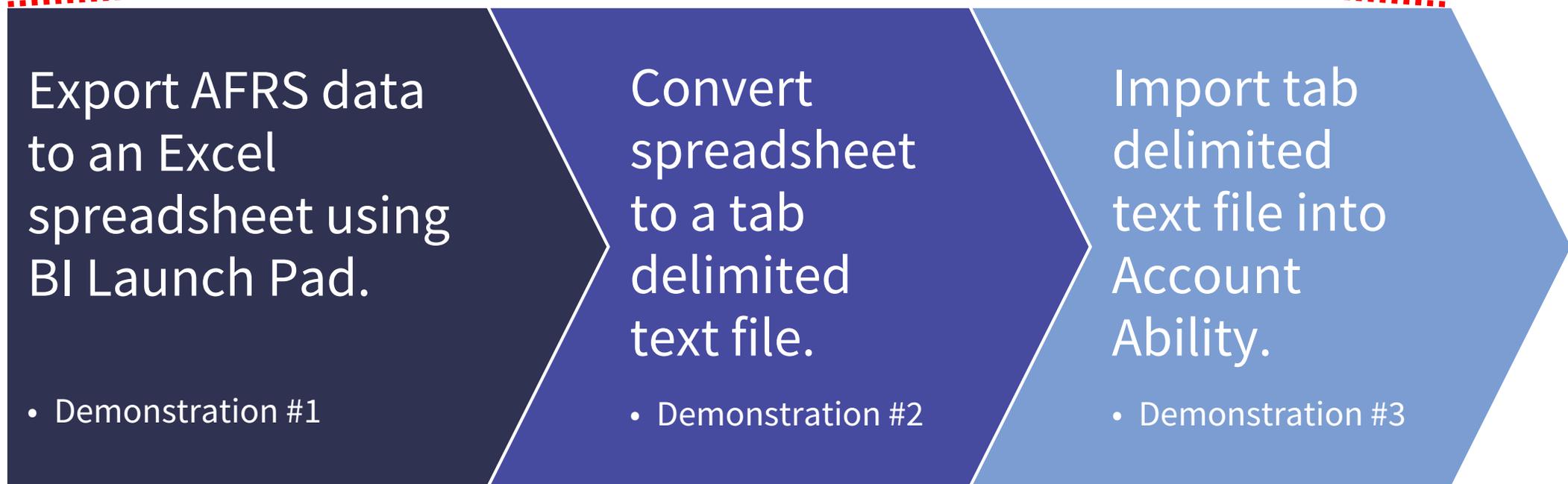
Reportable and Non-Reportable Payments

Example: If a payment shows a Type S vendor and CG for the Sub Object, it registers as reportable (box 7) as defined on the D78 table in AFRS.

```
=== AFRS =(TM.5)============== IRS TYPE VIEW (D78) ============== C105P060 ====
TR: _____                        LAST UPDATE: 10/20/10


        FUNCTION: N (V=VIEW, N=NEXT, B=BACK)


          AGENCY: 0000              BIENNIUM: 00

          SUB OBJECT: CG            SUB-SUB OBJECT: ____

          VENDOR TYPE: S

          IRS BOX: 7               OMWBE TYPE: B


            TITLE: _____




                    F3=RETURN, F12=MESSAGE, CLEAR=EXIT
NEXT RECORD READ
```

The 1099 Reporting Process

The 1099 Reporting Process

Do you need to report 1099s?	Run BI Launch Pad reports	Analyze the data	Extract the data and put into Account Ability	DES prints and mails the forms	Adjustment period	1099 data delivered to the IRS

Export AFRS data to an Excel spreadsheet using BI Launch Pad.

- Demonstration #1

Convert spreadsheet to a tab delimited text file.

- Demonstration #2

**Import tab delimited text file into Account Ability.**

- Demonstration #3

Step-by-step Instructions

Web Intelligence (WebI) Extract - 1099 Reporting:
051099_DownloadApplicationERWebI.pdf

Account Ability - 1099 Reporting:
Account_Ability_1099_Reporting.pdf

- Both documents include helpful crosswalks for the data conversion process.

You may need to do this process for both 1099-MISC and the 1099-NEC forms!
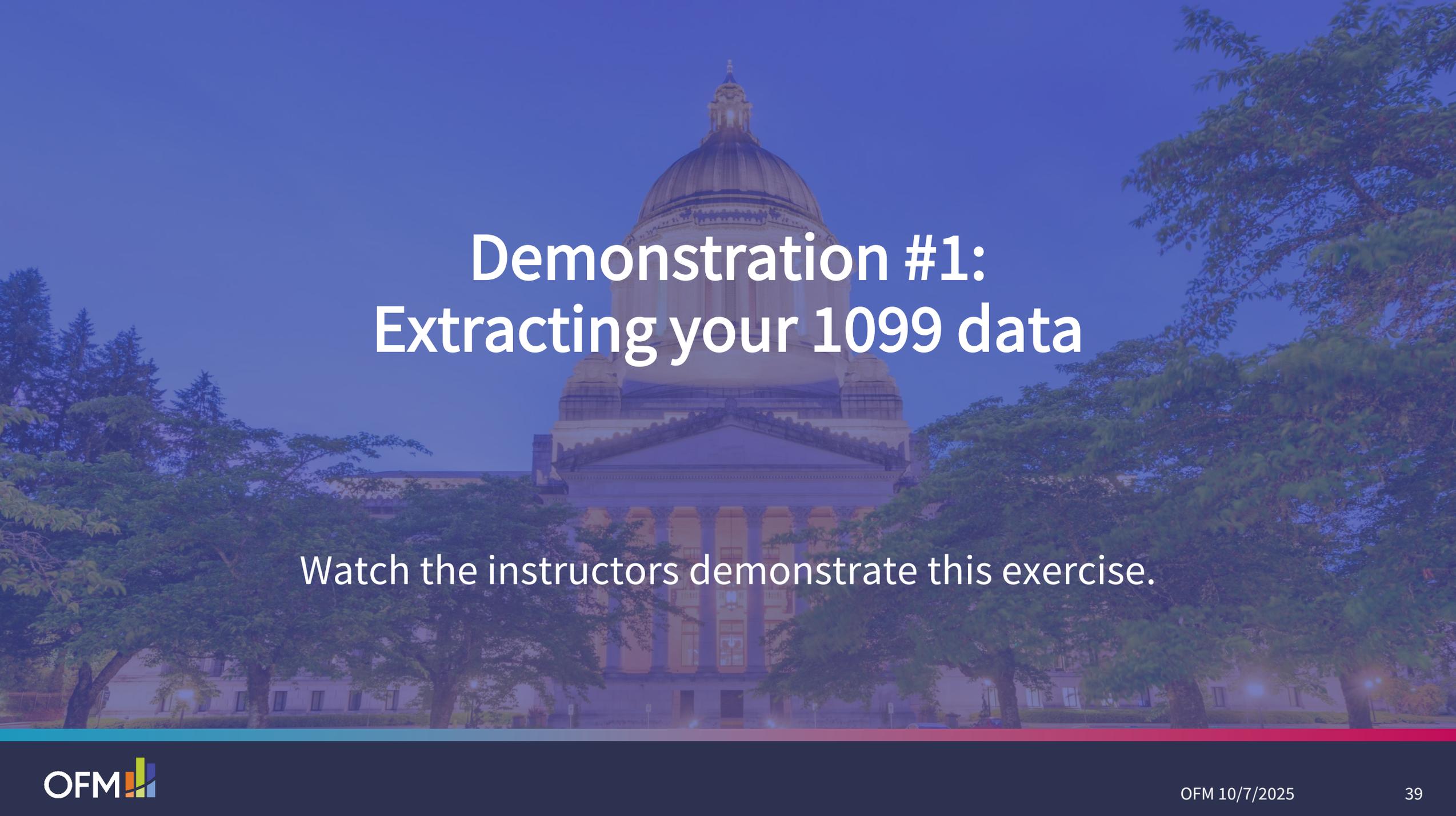
Demonstration #1: Extracting your 1099 data

Watch the instructors demonstrate this exercise.

Break -
Return at 11:05 AM

Demonstration #2:
Creating a Tab-delimited 1099 Source File

Watch the instructors demonstrate this exercise.

Demonstration #3:
Using Account Ability to Report 1099s

Watch the instructors demonstrate this exercise.

1099 Reporting Considerations

Constructive Receipt for EFT and Warrants

- Constructive Receipt of income is a tax term which determines when a cash-basis taxpayer has received income.

- Payment by warrant is 1 business day after the release date, but Constructive Receipt for electronic funds transfer (EFT) is 2 business days after the release date.

  - December payments to add to Calendar Reporting Year 2025
    - Day 1 (Friday, December 27, 2024) – Batch is released
    - Day 3 (Thursday, January 2, 2025) – EFT deposit date
  - December payments to remove from Calendar Reporting Year 2025
    - Day 1 (Monday, December 29, 2025) – Batch is released
    - Day 3 (Friday, January 2, 2026) – EFT deposit date

- For more information: DetermineCorrect_1099_ReportingYear-EFT_Payments.pdf

Other Considerations

When analyzing data:

- EFT reversals, refunds, and coding corrections are not captured in 1099 data

- Use of SWV# for all corrections, refunds, and reversals can minimize the impact

- GL 7110 is associated with receivables and is not captured in the 1099 Extract template

- IRS Box Type can be changed using Financial Toolbox (intentionally or unintentionally)

- Use of exception codes can significantly increase analysis

  - When using an exception code, agencies need to enter the IRS box value, or it will show up on the BI query as IRS box 0

Other Considerations (Cont.)

When working in Account Ability:

- SWV addresses are current as of BI data pull—some may change

- We have 99 licenses for Account Ability—log out when not using

- 1099 corrections after due dates—contact OFM Help Desk

  - 1099 Correction Instructions: 1099CorrectionInstructions.pdf

- Account Ability treats all amounts as absolute amount

- Payments to a lock box—contact your vendor(s) to let them know about 1099s

Staying Informed

- To get copies of the latest system documentation: [OFM's 1099 Reporting Process Page](#)

- State Administrative and Accounting Manual: http://www.ofm.wa.gov/policy/default.asp

- Sign up for GovDelivery: https://public.govdelivery.com/accounts/WAGOV/subscriber/new

Who to contact with questions?

- OFM:

  - OFM Help Desk

    - Phone: 360.407.9100

    - Email: HereToHelp@ofm.wa.gov

- Accounting Policies and Procedures:

  - OFM Accounting Consultant

  - Follow the link to find your OFM Accounting Consultant: http://www.ofm.wa.gov/accounting/swa/swacontactsbyagency.asp

Resources

- Internal Revenue Service:

  - General Instructions for Certain Information Returns:
    https://www.irs.gov/pub/irs-pdf/i1099gi.pdf

  - Instructions for Forms 1099-MISC and 1099-NEC:
    https://www.irs.gov/pub/irs-pdf/i1099mec.pdf

  - Taxable and Non-Taxable Income: https://www.irs.gov/pub/irs-pdf/p525.pdf

  - Taxable Fringe Benefits: https://www.irs.gov/publications/p15b

Recommended Training

- The following course is recommended for 1099 Reporting:

    - 1099 Misc. and NEC Form Data Analysis: https://ofm.wa.gov/sites/default/files/public/articulate/accounting/1099-Misc-NEC-Form-Data-Analysis/story.html

- OFM Statewide Accounting has created several eLearning courses: https://ofm.wa.gov/accounting/training-accounting-and-budget-staff

Please Complete Our Survey

Contact:

Chris Soots | Enterprise Applications Trainer
OFM ITSD

chris.soots@ofm.wa.gov

Scan the QR code to visit ofm.wa.gov or find us on social media.

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