

The IRS 1099-Misc and 1099-NEC forms were changed last year so that the program now fills in the filing year. The IRS now requires 1099 info to be e-filed if you submit 10 or more W2/1099s. Oklahoma requires 1099-NEC and 1099-Misc info to be e-filed regardless of numbers. These instructions address printing 1099 lists, forms, and the e-filing. ***IMPORTANT: you should be using Budget version 5.34 or higher (8.05 or higher if using the Postgres Budget version). If you don't have that version check to see if you have any unloaded CDs. If not let us know.***

General Information

1099 processing is only done for vendors who have a 1099 type other than "None" (the most common 1099 type would be "Compensation"). "Compensation" means the vendor (including attorneys) has received self-employment compensation while "Rents" means that the vendor has received rent payments, "Attorney" means the vendor has received payments for legal settlements (not legal services), "Medical" means vendor has received medical or health care payments, and "Royalties" means vendor has received royalty payments. Vendors marked with a 1099-type of 'Compensation' will print on the 1099-NEC form while the other types print in different boxes on the 1099-Misc form. The vendor payment amount that prints on the 1099-NEC or 1099-Misc form (or 1099 list) and that is included in the e-file is computed in one of two ways:

- 1) The purchase amounts from the detail records for the entire calendar year (January thru December 2023) are added together and the "Calendar YTD" amount on the vendor screen is ignored. This option assumes last fiscal year has not been closed out and the detail records are still in the system for January thru June 2023.
or
- 2) The purchase amounts from the detail records from the beginning of the current fiscal year (usually July) to the end of December is added to the "**Calendar YTD**" amount stored on the vendor screen. This option assumes last fiscal year has been closed out and the total for the first six months of the calendar year is stored on the vendor screen (since detail records for January thru June 2023 have already been removed).

The method you use is determined by a question in "Options-Form 1099". To use method #1 make sure the question "**Include Vendor Calendar YTD Amts**" is **unchecked** on that screen. To use method #2 the question is checked. **Method #1 is most common.**

There is a "DBA" (Doing Business As) checkbox on the Vendor screen to indicate if the vendor is a sole proprietor. Checking this box will cause the 1099 program to print the vendor's individual name (from Addr-1) as the first name on the 1099. 'DBA' will print in front of the vendor name and it will print below the individual's name.

Ex: JOHN SMITH

DBA: XYZ ENTERPRISES

Options: Form 1099

There are settings for 1099s that must be entered as follows:

- a) Click on "**Options**".
- b) Open "**Form 1099**".
- c) Enter as follows:
 - Cut-off Amount: 600.00
 - Name Control: leave blank
 - Federal ID#: your federal id number (**program will insert dash if you don't enter it**)
 - State-Id#: your state id number (**you must enter any dashes**)
 - Name: name of your city
 - Addr: mailing address of your city
 - City/State/Zip: your city, state, zip as separate fields
 - Phone#: phone number including area code
 - Contact Name: city's contact person's name
 - Contact Phone: contact phone number
 - Contact Email: contact email address
 - 1099 Margins: If you have printed 1099 forms before the below 1099-M and 1099-N settings may be ok unless you are using a different printer than last year in which case you may have to adjust the settings a little

1099-M(ISC): (below settings are subject to change after doing an alignment test)

Left Margin: .48
Top Form 1: .13
Top Form 2: 5.66

1099-N(EC): (below settings are subject to change after doing an alignment test)

Left Margin: .48
Top Form 1: .13
Top Form 2: 3.81
Top Form 3: 7.50

1096

If you have never printed 1096 forms before the below are recommended initial settings. If you have printed 1096 forms before the settings already on the screen may be ok unless you are using a different printer than last year in which case you may have to adjust the settings. **Note: if e-filing 1099s you will not need to print the 1096 form.**

Left Margin: .13
Top Form 1: 1.13

Include Vendor Calendar YTD Amt: check this box if fiscal yr 2022-23 has already been closed. Leave unchecked if January - June 2023 entries are still in detail records.

Include Adjustments/JE: check this box if adjustment entries should be included in arriving at the vendor amounts. If unchecked then only checks will be included.

Include Elect Pymts: applicable to the Postgres version only. Check this box if electronic payments should be included in arriving at the vendor amounts in addition to check amounts.

Include Drct-Pay: applicable to the Postgres version only. Check this box if direct payments should be included in arriving at the vendor amounts in addition to check amounts.

Misc File Name: enter the e-file name as follows: **1099MISC_001_2023_999999999.txt** where 999999999 is your federal-id# without any dashes (enter no more than 31 characters).

Nec File Name: enter the e-file name as follows: **1099NEC_001_2023_999999999.txt** where 999999999 is your federal-id# without any dashes (enter no more than 31 characters).

File My Own Electronic 1099: check this box.

Combined Federal/State Reporting: box should be unchecked since you will make a separate submission to OTC.

Transmitter TIN: enter your federal-id# (no dashes).

Transmitter Control Code: if e-filing to the IRS, enter the TCC that was issued to you.

Click on "Save"

1099 List (optional)

User may print a list of 1099 vendors with the amounts to type on the 1099 forms. This way if you prepare 1099s manually (instead of printing the forms in the computer) you can print the report to get the info needed. To do this:

- Open Budget (the mon-yr loaded is not important)
- From the Main Menu open the program "**Vendor**".
- Select "Print" and "Report".
- Leave the questions as is except change the following values:

Select "**Amounts List**".

Check the box "**With 1099s Only**".

If amounts are coming from history and you want to include only a single fund enter the fund# (blank =all)

Calendar Mon-Yr: **Beg: 01-2023 End: 12-2023**

Select "**Print Amt**".

This prints a report of just 1099 vendors with their tax id number and purchases from Jan to Dec 2023. If you also need the addresses of the 1099 vendors run the report again with the "Address List" option selected and "With 1099s Only" box checked.

Printing 1099-NEC, 1099-Misc, and 1096 Forms

The steps to run 1099 forms and the 1096 transmittal form are as follows: (You can print to paper before printing forms to get the feel of the program if desired).

Select **“Reports”–“Vendor 1099s”** and make sure the questions are answered as follows:

Options: Select **“1099 Forms Alignment”** (this allows user to do a form alignment test)

Form Type: Mark either **1099-NEC** or **1099-MISC** depending upon which form is being tested.

Printer: Make sure the printer desired displays

Font: Normally Arial (but Arial Narrow may be used)

Size: 9 or 10 if using Arial, 11 or 12 if using Arial Narrow

Orientation: Must be Portrait

Insert a form. **Click on “Align Forms-NEC” or “Align Forms-MISC” depending upon which form is being aligned.**

The program will print a single alignment form with values in the “Void” box, in the name/address, id, and some amount boxes. Pay attention to where everything prints and also check your city name/address, and id#s for accuracy. Normally if you get an “X” in the middle of the “Void” box everything else will be aligned. If the top or left margins need to be changed exit the program and go back to page 2 and change the top or left margins.

Increasing the left margin will cause the print to move to the right and decreasing it will cause it to move left.

Increasing the top margins will cause the program to print further down the page and decreasing it will cause the print to move up the page. **Note: there is a top margin settings for each form on the 1099 page so changing the margin for the top form does not affect the other forms.** After changing do another alignment test.

Once the alignment is ok change the option to **“Print 1099 Forms”**. Make sure the following is correct:

Report Year: 2023

Form Type: **1099-NEC or 1099-MISC**

Fund#: if amounts are coming from history and you want to include only a single fund enter the fund# (blank =all)

Include Vendor Calendar YTD Amts: this should be checked or unchecked based on prior discussion.

Include Adjustments/JE: this should be checked if adjustments should be included in vendor amounts - leave unchecked to only include checks.

Include Elect Pymts: applicable to the Postgres version only. This should be checked if electronic pymts should be included in vendor amounts along with check amounts.

Include Drct-Pay: applicable to the Postgres version only. This should be checked if direct pymts should be included in vendor amounts along with check amounts.

Beg/End Vendor: normally this is left as the default of 000000 and ZZZZZZ

Beg/End Mon-Yr: If including vendor YTD calendar amts the Mo-Yrs will be 07-2023 and 12-2023. If not including vendor YTD calendar amts the program will display as 01-2023 and 12-2023 but user may change if needed.

Cut-off Amount: normally 600.00

Insert first set of forms making sure the form is inserted correctly. Most will only print copies B and C since e-filing replaces copy A and the 1096 transmittal form. Click on **“Print 1099-NEC”** or **“Print 1099-MISC”** to start. The forms should begin to print. 1099 totals will print on the last 1099 page. You will print copies (B and C) unless you are not e-filing in which case you’ll also print copy A.

If not e-filing, you should print the **1096 transmittal form** by changing the print option to **“Print 1096 Form”**. Insert blank sheet of paper (or use an actual 1096 form if you have extra) and click on **“Print 1096-NEC”** or **“Print 1096-MISC”**. If using blank paper hold paper over a 1096 form to check for alignment. If the alignment is off (an “X” should print in the 1099-NEC box 71 or 1099-Misc box 95) you should change the 1096 margins in Options-Form 1099. Once alignment is ok insert the 1096 Transmittal form and click on **“Print 1096-NEC”** or **“Print 1096-MISC”**.

Generating 1099 E-file

- 1) Click on “**Reports**”- “**Vendor 1099s**”.
- 2) Mark “**Build Electronic Report File**”.
Mark which type is being built.... 1099-NEC or 1099-MISC
Make sure the following is correct:
Report Year: 2023
Fund#: if amounts are coming from history and you want to include only a single fund enter the fund# (blank =all)
Include Vendor Calendar YTD Amts: this should be checked or unchecked based on discussion on page 1.
Include Adjustments/JE: this should be checked if adjustments should be included in vendor amounts - leave unchecked to only include checks.
Include Elect Pymts: applicable to the Postgres version only. This should be checked if electronic pymts should be included in vendor amounts along with check amounts.
Include Drcr-Pay: applicable to the Postgres version only. This should be checked if direct pymts should be included in vendor amounts along with check amounts.
Beg/End Vendor: normally this is left as the default of 000000 and ZZZZZZ
Beg/End Mo-Yr: if including vendor YTD calendar amts the dates will be 07-2023 and 12-2023. If not including vendor YTD calendar amts the program will display as 01-2023 and 12-2023 but user may change if needed.
File Name: If 1099-NEC.... **1099NEC_001_2023_999999999.txt** (999999999 is your fed-id#).
or
If 1099-MISC...**1099MISC_001_2023_999999999.txt** (999999999 is your fed-id#).
Cut-off Amount: normally 600.00
- 3) Click on “**Bld Mag File**”. A page will print showing 1099 totals.

Transmitting 1099 E-files to IRS FIRE

- 1) Open the site “**fire.irs.gov**”
 - 2) Note you set up an account to apply for a TCC but a new account must be set up to submit a file.
Therefore you will need to click on the “**Create New Account**” command on left side and enter your account info.
 - 3) After your submission account has been set up, click on “**Log on**” command on left side of screen.
Enter TCC, EIN, Company Name, User ID, and Password previously set up and click on “**Login**”.
 - 4) An information screen displays. Click on “**Continue >>**” at top.
 - 5) Click on “**Send Information Returns**” command on left side of screen.
 - 6) A screen with your TCC and EIN will display. Click on “**Submit**”.
 - 7) A screen displaying your filing information will display - click on “**Accept**”.
 - 8) Click on the “**Original File**” command on left side of screen (or click on “**Test File**” to submit a file for testing).
 - 9) Enter your 10 digit PIN and click on “**Submit**”.
 - 10) Click on “**Browse**”. Search and select the file which is in the same folder as Budget files on either your local C drive or your network drive (ex: F, G, J, M, T, Z) (file name will be **1099NEC_001_2023_999999999.txt** or **1099MISC_001_2023_999999999.txt** where 999999999 is your fed-id#)
 - 11) After file is displayed click on “**Upload**”.
 - 12) If there is another file to submit, click on “**File Another?**” and select the file - otherwise click on “**Log Out**” and “**OK**”.
- If a file was submitted for testing you should receive an email in 2-3 days and if ok then submit the file again as an original file.
If you have questions contact the IRS at 1-866-455-7438.

Transmitting 1099 E-files to OKTAP

- 1) Open https://oktap.tax.ok.gov/OkTAP/Web/_/
- 2) Log in using your **User ID and Password**.
- 3) On the line below your organization address and city/state, click on the command “**More...**”.
- 4) In the section titled “**Filing Center**” click on “**W2/1099/500-B filing center**”.
Then click on “**1099 Import Files**”.
- 5) A “**Bulk 1099 Upload**” screen should display.
In the section “**Attachments**” on the far right side of the screen click on “**Add**”.

- 6) Browse and select the file which is in the same folder as Budget files on either your local C drive or your network drive (ex: F, G, J, M, T, Z) (file name will be **1099NEC_001_2023_999999999.txt** or **1099MISC_001_2023_999999999.txt** where 999999999 is your fed-id#)
- 7) Type a meaningful description (ex: *CityName* OK 1099-NEC file) and click on OK.
- 8) Click on “**Submit**” (if errors display and you don’t understand what they mean call GFC Data Systems at 405-570-2821)
- 9) Once the submission is successful you should print the confirmation page and keep it.

If any errors are detected attach the file to an email and send to **gfcddata@aol.com**.

If you have questions or problems email: W2ExtensionRequest@tax.ok.gov

or go to web-site: <https://www.ok.gov/tax/faqs.html#c551>

or phone: (405) 521-3160