

Title	1099-MISC Reporting
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Dept./Division	Finance Office AP Process
Get help with this process	Dennis Konkler, RIS Finance Module Lead
Processes	FAM1099 1099 File Build
	FARWHLY 1099 Report/Withholding Audit

1099-MISC Reporting

Overview

Payments to certain vendors must be reported on 1099-MISC if payments meet any of the criteria stated below. According to the law, trade or business is generally an activity to make profit. Personal payments are not reportable. Payments by federal, state, or local government are subject to the reporting requirements. [Refer to Instructions for Form 1099-MISC published on \[www.irs.gov\]\(http://www.irs.gov\).](#)

1099-MISC form to a vendor must be filed if your institution has paid during the year:

- ✓ \$600 or more for rent, services, prizes and awards, and other income payments that are not for service;
- ✓ At least \$10 in royalties or broker payments in lieu of dividends or tax exempt interest;
- ✓ Gross proceeds of \$600 or more paid to an attorney not including reimbursement for mileage, copies, filing fees, etc., regardless if the attorney(s) is incorporated;
- ✓ Payments for services performed for a trade or business by people (i.e. sole proprietor contractor) not treated as employees;
- ✓ At least \$600 cash payments for fish purchased from anyone engaged in the trade or business of catching fish;
- ✓ The cash paid to an estate of a deceased employee (be sure to have conversations with your HR and payroll departments);
- ✓ Direct sales of at least \$5,000 of consumer products to a buyer for resale;
- ✓ Section 409A income from nonqualified deferred compensation plans (NQDCs);
- ✓ Payments to a physician, physicians' corporation, or other supplier of health and medical services which are issued mainly by medical assistance programs or health and accident insurance plans;
- ✓ Crop insurance proceeds; and
- ✓ Substitute dividends and tax-exempt interest payments reportable by brokers.

Exemptions to 1099-MISC Reporting requirement:

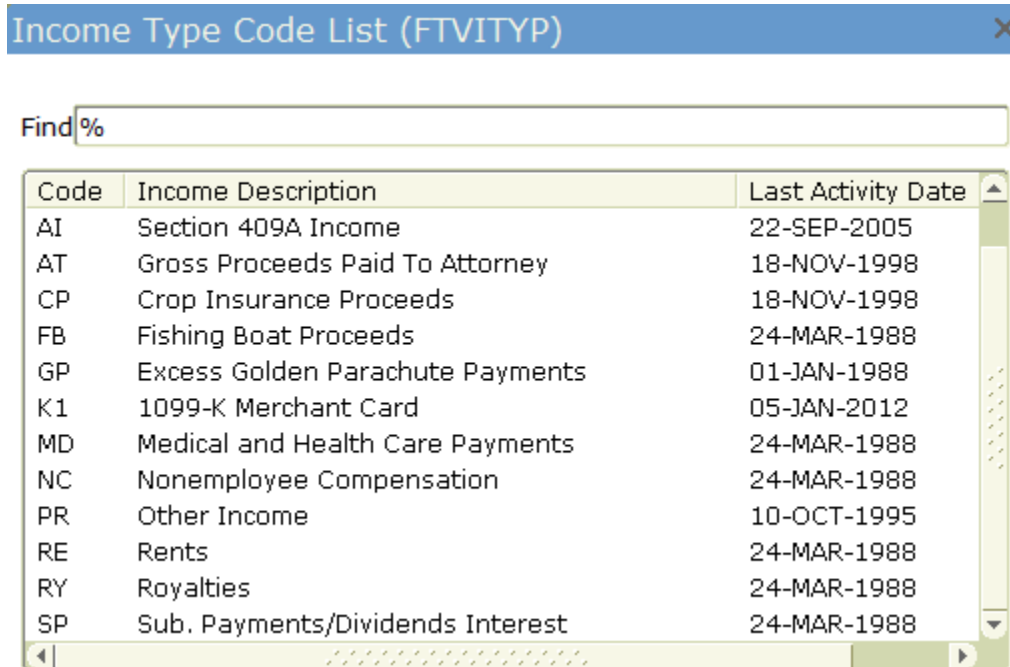
- ✓ Payments to a corporation (including a limited liability company (LLC) that is treated as a C or S Corporation);
- ✓ Payments to merchandise, telegrams, telephone, freight, and storage;
- ✓ Payments of rent to real estate agents;
- ✓ Wages paid to employees;
- ✓ Military differential wage payments made to employees while on active duty in the Armed Forces and uniformed services;
- ✓ Business travel allowances paid to employees;
- ✓ Cost of life insurance protection;
- ✓ Payments to a tax-exempt organization include tax-exempt trusts, the United States, a state, the District of Columbia, a U.S. possession, or a foreign government; and
- ✓ Scholarships or fellowship grants that are taxable to the recipient because they are paid for teaching, research, or other services as a condition for receiving the grant are considered wages and must be reported on Form W-2.

Banner Application

With invoicing and check processing, the FABCHKA (run daily by Accounts Payable Shared Services) process will update the data repository for 1099 reportable transactions. If the invoice is marked 1099-MISC on FAAINVE, all payments are automatically captured for the current tax year and would appear in FAA1099. If the invoice is not marked as 1099, the data will need to be entered on FAA1099 manually.

Income Type Code

The table below provides the appropriate coding for the above referenced criteria:



AI	Section 409A Income	Section 409A income from nonqualified deferred compensation plans (NQDCs)
AT	Gross Proceeds Paid to Attorney	Gross proceeds of \$600 or more paid to an attorney
CP	Crop Insurance Proceeds	Crop insurance proceeds
FB	Fishing Boat Proceeds	At least \$600 cash payments for fish purchased from anyone engaged in the trade or business of catching fish
GP	Golder Parachute Payments	Excess Golden Parachute Payments
K1	1099-K Merchant Card	Merchant Card Sales Proceeds
MD	Medical and Health Care Payments	At least \$600 payments to a physician, physicians' corporation, or other supplier of health and medical services which are issued mainly by medical assistance programs or health and accident insurance plans
NC	Nonemployee Compensation	\$600 or more paid to an attorney paid in the course of your trade or business not including reimbursement for mileage, copies, filing fees, etc.
NC	Nonemployee Compensation	At least \$600 for payments for services performed for a trade or business by people not treated as employees
PR	Other Income	At least \$600 for services (including parts & materials)

PR	Other Income	At least \$600 for other income payments that are not for service
PR	Other Income	At least \$600 for prizes and awards
PR	Royalties	At least \$10 in broker payments in lieu of dividends or tax exempt interest
PR	Other Income	The cash paid from principal contract to an individual, partnership or estate
PR	Other Income	Direct sales of at least \$5,000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment
RE	Rents	At least \$600 for rents
RT	Royalties	At least \$10 in royalties
SP	Sub. Payments/Dividends Interest	Substitute dividends and tax-exempt interest payments reportable by brokers

1099 Prep

To assist with preparing and verifying data for 1099 reporting, there are four reports in Discoverer:

1. FZRN 1099 DI – 1099 Verification or FZRC1099 – 1099 Verification

1099 Verification Report										
Page Items: <input type="text"/>										
Vendor_Id	Vendor_Name	Inv	Date	Fund	Account	I 1099	I Inv	P Error	rpt amt	campus

This report provides the Vendor A-ID, Vendor Name, Banner Invoice, Transaction Date, Banner Fund and Account, Income Type 1099 (Income Type Reported on 1099) Income Type Code based on the account code (See Appendix A), Possible Error (If 'I 1099' and 'I Inv' do not match), Report Amount, and Campus (Numeric Code for the Institution). If there is an error, one must determine which Income Type is appropriate for this transaction. If there is a change required, it must be entered on FAA1099.

1099 Verification Report										
Select reporting year : '15' , Select campus : '1'										
Page Items: <input type="text"/>										
▶ Vendor_Id	▶ Vendor_Name	▶ Inv	▶ Date	▶ Fund	▶ Account	▶ I 1099	▶ I Inv	▶ P Error	▶ rpt amt	▶ campus
A00008016	Balancing Professionals	I1171032	17-FEB-2015	111408	744960	NC	RY or NC	Error	1816.33	1
A00008016	Balancing Professionals	I1274504	16-NOV-2015	111409	755618	NC		Error	1244.90	1
A00117377	Barry I Milavetz	I1245209	31-AUG-2015	111006	744130	NC	NC		1500.00	1
A00014608	Chapman and Cutler Llp	I1233698	23-JUL-2015	139800	744080	PR	AT	Error	5610.54	1
A00014608	Chapman and Cutler Llp	I1233698	23-JUL-2015	139800	744960	PR	RY or NC	Error	5610.54	1
A00103914	Christian J Johannsen	I1244817	31-AUG-2015	111006	744130	NC	NC		1500.00	1

2. FZRC INV1099 DI Check Invoices for 1099 or FZRCINV1099 –Check Invoices for 1099

Invoices not marked for 1099											
Page Items:											
Invoice	Vendor_Id	Vendor_Name	Fund	Acct	Tran Date	Appr_Amt	Vendor 1099	Check	Check_Date	Tax Id	Campus

The report compares the invoices not marked for 1099 against the vendor marked to have a 1099 issued.

Invoices not marked for 1099											
Transaction starting date : '01-JAN-2015' , Transaction ending date : '31-DEC-2015' , Select Campus : '1'											
Page Items:											
Invoice	Vendor_Id	Vendor_Name	Fund	Acct	Tran Date	Appr_Amt	Vendor 1099	Check	Check_Date	Tax Id	Campus
I1217595	A00007281	Armstrong Extinguisher	111404	744220	04-JUN-2015	3434.00	N	13276083	11-JUN-2015		1
I1173255	A00007299	Simplex Grinnell LP	111402	744230	13-FEB-2015	605.50	Y	10411200	23-FEB-2015		1
I1278996	A00007299	Simplex Grinnell LP	111402	744960	10-NOV-2015	7882.00	Y	10456749	19-NOV-2015		1
I1279038	A00007299	Simplex Grinnell LP	111402	744960	10-NOV-2015	318.00	Y	10457033	20-NOV-2015		1
I1283552	A00007299	Simplex Grinnell LP	111402	744960	20-NOV-2015	1431.00	Y	10457317	23-NOV-2015		1
I1283560	A00007299	Simplex Grinnell LP	111402	744960	20-NOV-2015	260.00	Y	10457317	23-NOV-2015		1
I1286888	A00007299	Simplex Grinnell LP	111402	744960	02-DEC-2015	1237.50	Y	10458678	07-DEC-2015		1
I1158355	A00007305	Pitney Bowes Inc	110000	744460	05-JAN-2015	140.40	N	13244488	08-JAN-2015		1
I1165573	A00007305	Pitney Bowes Inc	110000	744460	26-JAN-2015	140.40	N	13250158	28-JAN-2015		1
I1224446	A00007305	Pitney Bowes Inc	131999	744460	19-JUN-2015	140.40	N	13278554	22-JUN-2015		1
I1271291	A00007305	Pitney Bowes Inc	110000	744460	22-OCT-2015	140.40	N	13305372	30-OCT-2015		1
I1165538	A00007323	Young Broadcasting of Sioux Falls, Inc	132000	744380	26-JAN-2015	109.00	N	13249797	27-JAN-2015		1

Note: The vendor tax identification number (TIN) has been redacted from the screen shot of the report.

This report provides the Banner Invoice, Vendor A-ID, Vendor Name, Banner Fund and Account, Transaction Date, Approved Amount, Vendor 1099 Indicator, Check Number, Check Date, Tax ID and Campus (Numeric Code for the Institution). The cell is highlighted if the FTMVEND Vendor 1099 indicator is “Y” but the 1099 Vendor is not checked on the Banner invoice.

Document: I1279038 Multiple Direct Pay

Vendor: A00007299 Simplex Grinnell LP Vendor Hold

Invoice/Credit Memo Header FAIINVE 8.6 (PROD)

Invoice Date: 29-JUL-2015 Transaction: 10-NOV-2015 Cancel: Document Accounting

Check Vendor:

Address Code: RT Sequence Number: 1 Collects Tax: N (Collects no taxes) City: Palatine State or Province: IL ZIP or Postal Code: 60055-0320 Nation: US United States of America

Discount Code: Payment Due: 10-NOV-2015

Bank: SS Shared Services Cash

Vendor Invoice: 77999174 1099 Vendor

1099 Tax ID: Direct Deposit Status: Yes IAT ACH Transaction Type: Income Type: Direct Deposit Override

User ID: CLBRANAUGH Activity Date: 20-NOV-2015

Vendor Maintenance FTMVEND 8.9.0.2 (PROD)

Vendor: A00007299 Generate ID: Corporation: Simplex Grinnell LP Last Name: First Name: Middle Name:

Vendor Maintenance Additional Information Vendor Types Address E-mail Taxes Collected

1099 Information

Tax ID: 582608861 Address Defaults

Income Type: NC Nonemployee Compensation Type Code: Federal Withholding: State Withholding: Sequence:


Base Currency: SSN/SIN/TIN: 582608861 Name Type: Tax Form Status: Status Date:

Carrier Type: Domestic Carrier Foreign Carrier None

State Indicator: In State Vendor Out of State Vendor None



Invoice Grouping: (M)any invoices per check E-Procurement Vendor: Yes

FAA1099 Screen

 **Caution!** The Board of Regents has a shared vendor file. All documents (invoices) for a vendor will appear. Make sure you are selecting the correct document.

Remove an invoice reported on FAA1099 that is not 1099 reportable

There two options of removing an invoice on FAA1099

1. The amount can be changed to zero.
 - a) Enter vendor A-ID and Year
 - b) Next Block
 - c) Locate the document via query
 - d) Tab through to the reported amount field and change number to zero
 - e) Save 
2. The record can be deleted.
 - a. Select the document
 - b. Click on Record Drop Menu – Click on “Remove” twice
 - c. Save 

Change the invoice amount reported on FAA1099 that are not 1099 reportable

Example: Invoice I1187745
 Lynn, Jackson, Schultz & Lebrun, P.C.
 The copies are not reportable.
 The reported amount needs to be reduced by \$50.00

<div style="border: 1px solid black; padding: 5px; width: fit-content;"> BILL BACK TO CAMPUS </div>	<p>STATEMENT</p> <p>LAW OFFICES LYNN, JACKSON, SHULTZ & LEBRUN, P.C. P.O. BOX 8250 RAPID CITY, SOUTH DAKOTA 57709-8250 Employers Tax ID No. 46-0332707 (605) 342-2592</p>	<p>RECEIVED</p> <p>MAR 13 2015</p> <p>SD Board of Regents</p>	
<p>South Dakota Board of Regents Attn: Ms. Barbara A. Basel 306 East Capitol, #200 Pierre, SD 57501</p>	<p>March 11, 2015 Bill Number: 980090-6-72607-JWP</p>		
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> BOR Banner Doc# I1187745 </div>			
<p><i>Contract 15-1500-003</i></p> <p>CLIENT: 980090 South Dakota Board of Regents</p>			
<p>Summary Of Services</p>			
Hours		Rate	Amount
0.50		0.00	0.00
10.35		200.00	2,070.00
0.80		65.00	52.00
Date	Expenses		Amount
02/28/15	Copies (200)		50.00
	Total For Expenses		\$50.00
Total for Services and Expenses			\$2,172.00
Amount Due			\$2,172.00

\$50 not reportable

1099 Reporting FAA1099 8.6.1.3 (PROD)

Vendor: A00016193 Lynn, Jackson, Shultz and Lebrun, P.C. Year: 15

Owner Vendor ID: [] Payer TIN: []

1099 Reporting ID: []


Document	Check Date	Check Number	Income Type	Bank
I1187745	26-MAR-2015	I0415741	AT Gross Proceeds Paid To A	SS Shared Services Cash

Chart: S South Dakota Board of Regents Payer TIN: [] State of South Dakota

Reported Amount: 2,172.00 1099 Reporting ID: []

Federal Withheld: 0.00 State Withheld: 0.00

Federal Previously Paid: [] State Previously Paid: []

1. Enter vendor A-ID and Year (1099 Reporting ID will populate)
2. Next Block
3. Locate the document via query
4. Tab through to the reported amount field and change number to the correct amount
5. Save 

1099 Reporting FAA1099 8.6.1.3 (PROD)

Vendor: A00016193 Lynn, Jackson, Shultz and Lebrun, P.C. Year: 15

Owner Vendor ID: [] Payer TIN: []

1099 Reporting ID: []

Document	Check Date	Check Number	Income Type	Bank
I1187745	26-MAR-2015	I0415741	AT Gross Proceeds Paid To A	SS Shared Services Cash

Chart: S South Dakota Board of Regents Payer TIN: [] State of South Dakota

Reported Amount: 2,122.00 1099 Reporting ID: []

Federal Withheld: 0.00 State Withheld: 0.00

Federal Previously Paid: [] State Previously Paid: []

Add an invoice that should be reported on FAA1099

Example: Invoice I1279038
Simplex Grinnell LP
The 1099 Vendor was not checked on the Banner invoice.
I1279038 needs to be added to the 1099 extract file.

Invoice/Credit Memo Query FAIINVE 8.6 (PROD)

Document: I1279038 Multiple Direct Pay

Vendor: A00007299 Simplex Grinnell LP Vendor Hold

Invoice/Credit Memo Header FAIINVE 8.6 (PROD)

Invoice Date: 29-JUL-2015 Transaction: 10-NOV-2015 Cancel: [] Document Accounting

Check Vendor: []

Address Code: RT Sequence Number: 1 Collects Tax: N Collects no taxes

City: Palatine State or Province: IL ZIP or Postal Code: 60055-0320 Nation: US United States of America

Street Line 1: Dept Ch 10320

Street Line 2: []

Street Line 3: []

Discount Code: [] Payment Due: 10-NOV-2015

Bank: SS Shared Services Cash

Vendor Invoice: 77999174 1099 Vendor

1099 Tax ID: [] Direct Deposit Status: Yes IAT ACH Transaction Type: []

Income Type: [] Direct Deposit Override

User ID: CLBRANAUGH

Activity Date: 20-NOV-2015


The following information can be obtained from the FZRC_INV1099_DI_Check Invoices for 1099 or FZRCINV1099 –Check Invoices for 1099 reports or from FAIVNDH – Vendor Detail History screen.

- ✓ Vendor A-ID
- ✓ Year (calendar)
- ✓ Document Number
- ✓ Check Date
- ✓ Check Number
- ✓ Income Type
- ✓ Reported Amount
- ✓

Vendor: A00007299 Simplex Grinnell LP Vendor Hold Selection: All

Fiscal Year: 16 Invoice Date From: Invoice Date To:

Vendor Invoice	Invoice	Approval	VIC	Indicators Credit Memo	Open/ Paid	Cancel	Vendor Invoice Amt	Due Date	Check Date	Check Number
77999174	I1279038	Y	N	N	P	N	1,118.00	10-NOV-2015	20-NOV-2015	10457033

1. Enter vendor A-ID and Year (1099 Reporting ID will populate)
2. Next Block
3. Enter:
 - a. Document
 - b. Check Date
 - c. Check Number
 - d. Income Type
 - e. Bank (SS)
 - f. Chart (S)
 - g. Payer TIN (SDBOR TIN)
 - h. Reported Amount
 - i. 1099 Reporting ID (Vendor TIN)
 - j.
4. Save 

Vendor: A00007299 Simplex Grinnell LP Year: 15

Owner Vendor ID: Payer TIN:

1099 Reporting ID:

Document	Check Date	Check Number	Income Type	Bank
I1279038	20-NOV-2015	10457033	NC	SS

Chart: S Payer TIN:

Reported Amount: 1,118.00 1099 Reporting ID:

Federal Withheld: State Withheld:

Federal Previously Paid: State Previously Paid:

Vendor TIN (EIN) and Name Matching

The payees' TIN (EIN) and business name must be verified. The Internal Revenue Service provides a Taxpayer Identification Number (TIN) Matching Program to ensure the Forms 1099-K have the correct TIN. The Accounts Payable Shared Services works with the Bureau of Finance and Management. Institutions should work with APSS Center to correct the TIN/Names in the vendor files.

Failure to submit correct TIN/Names will result in penalties and, beginning in tax year 2013; incorrect payee information on Forms 1099-MISC may result in back-up withholdings.

✓✓Check the Vendor file to make sure the address to receive the statement is correct. (ARAMARK's RT address is a campus address).

Verification of Address and Zip+4

Periodically during December and the first week of January, RIS submits the vendor file to Runner Technologies CLEAN Address software to verify the addresses and zip+4 data is correct. This software helps maintain our addresses to US Postal Standards.

Printing the 1099 Forms and filings with the Internal Revenue Service

All state agencies, including the Board of Regents have one federal taxpayer id. For this reason, RIS converts the Banner 1099-MISC file to the BFM 1099 format and transmits the file to BFM. BFM combines the Regental file with the State's file and prints and mails the 1099-MISC forms.

Appendix A
Income Type Code based on the account code

Income Type	Income Type Code	Acct Code	Account Code Description
AT	Gross Proceeds Paid to Attorney	744080	Consultant Fees - Legal
MD	Medical & Health Care Payments	744660	Care at Non-state Hospitals
MD	Medical & Health Care Payments	744670	Care at Non-state Nursing
MD	Medical & Health Care Payments	766100	Podiatrists Services
MD	Medical & Health Care Payments	766110	Physicians Services
MD	Medical & Health Care Payments	766120	Chiropractic Services
MD	Medical & Health Care Payments	766130	Dentists Services
MD	Medical & Health Care Payments	766140	Nursing Services
MD	Medical & Health Care Payments	766150	Optometrists Services
MD	Medical & Health Care Payments	766170	In-Patient Hospital Services
MD	Medical & Health Care Payments	766180	Out Patient Hospital Services
MD	Medical & Health Care Payments	766190	Nursing Home Services
MD	Medical & Health Care Payments	766200	Retirement Home Services
MD	Medical & Health Care Payments	766230	Ambulance Services
MD	Medical & Health Care Payments	766270	Laboratory & X-Ray
NC	Nonemployee Compensation	733060	Air - Commercial Carrier - Instate
NC	Nonemployee Compensation	733070	Air - Charter Flights - In State
NC	Nonemployee Compensation	733260	Air – Commercial Carrier-Out of State
NC	Nonemployee Compensation	733270	Air - Charter Flights-Out of State
NC	Nonemployee Compensation	744030	Legal Document Fees
NC	Nonemployee Compensation	744040	Consultant Fees - Accounting
NC	Nonemployee Compensation	744050	Consultant Fees - Computer
NC	Nonemployee Compensation	744060	Consultant Fees - Ed and Training
NC	Nonemployee Compensation	744070	Consultant Fees - Engineer and Architect
NC	Nonemployee Compensation	744090	Consultant Fees - Management
NC	Nonemployee Compensation	744100	Consultant Fees - Medical
NC	Nonemployee Compensation	744110	Consultant Fees - Pub Rel and Advertising
NC	Nonemployee Compensation	744120	Consultant Fees - Res and Analysis
NC	Nonemployee Compensation	744130	Consultant Fees - Other
NC	Nonemployee Compensation	744150	Honorariums
NC	Nonemployee Compensation	744170	Broker & Underwriter Fees
NC	Nonemployee Compensation	744190	Computer Services - Private
NC	Nonemployee Compensation	744220	Equipment Service and Maintenance
NC	Nonemployee Compensation	744230	Janitorial & Maintenance Service
NC	Nonemployee Compensation	744240	Laundry & Dry Cleaning Service
NC	Nonemployee Compensation	744260	Livestock Inspection & Service
NC	Nonemployee Compensation	744280	Livestock Testing Service
NC	Nonemployee Compensation	744290	Off-Campus Laboratory Service
NC	Nonemployee Compensation	744320	Audit Services - Private
NC	Nonemployee Compensation	744340	Computer Software Maintenance
NC	Nonemployee Compensation	744350	Advertising - Magazines
NC	Nonemployee Compensation	744360	Advertising - Newspaper
NC	Nonemployee Compensation	744370	Advertising - Radio
NC	Nonemployee Compensation	744380	Advertising - TV
NC	Nonemployee Compensation	744390	Advertising - Brochures

Income Type	Income Type Code	Acct Code	Account Code Description
NC	Nonemployee Compensation	744400	Advertising - Internet
NC	Nonemployee Compensation	744410	Advertising - Miscellaneous
NC	Nonemployee Compensation	744420	Radio, TV, & Film Production
NC	Nonemployee Compensation	744430	Publishing
NC	Nonemployee Compensation	744450	Manual Costs
NC	Nonemployee Compensation	744480	Microfilm & Photography
NC	Nonemployee Compensation	744600	Wash & Clean
NC	Nonemployee Compensation	744630	Room and/or Board
NC	Nonemployee Compensation	744680	Incentive Payments or Guarantees
NC	Nonemployee Compensation	744720	Construction Contracts
NC	Nonemployee Compensation	744730	Maintenance Contracts
NC	Nonemployee Compensation	755320	Printing & Dup - Commercial - PA
NC	Nonemployee Compensation	755328	Printing & Dup - Commercial
NC	Nonemployee Compensation	766450	Premiums Awards
RE	Rents	744330	Computer Software Lease
RE	Rents	744460	Equipment Rental
RE	Rents	744470	Film Rental
RE	Rents	744490	Rents - Private Owned Property
RE	Rents	744500	Rents - County/Municipal Property
RE	Rents	744510	Rents - Other
RY OR NC	Royalties	744960	Other Contractual Services
RY	Royalties	744961	Royalty Payments-Intellectual Prop
SP	Sub. Payments/Dividends Interest	781014	Interest - Loans
SP	Sub. Payments/Dividends Interest	781015	Interest - Late Vendor Payments
SP	Sub. Payments/Dividends Interest	781016	Interest - Installment Contacts
SP	Sub. Payments/Dividends Interest	781017	Interest - Revenue Bonds
SP	Sub. Payments/Dividends Interest	781018	Interest - Retirement Payments
SP	Sub. Payments/Dividends Interest	781019	Interest - Other