ABILA MIP 1099 PROCESSING

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Abila MIP Training

by Dennis McGovern

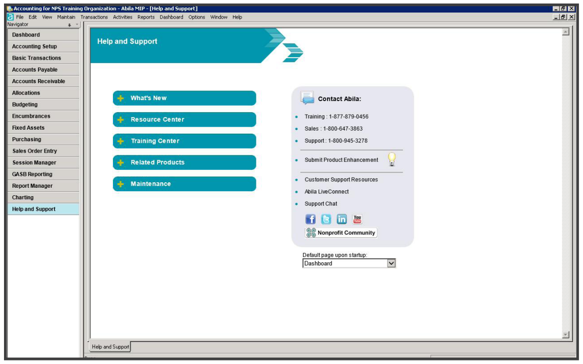
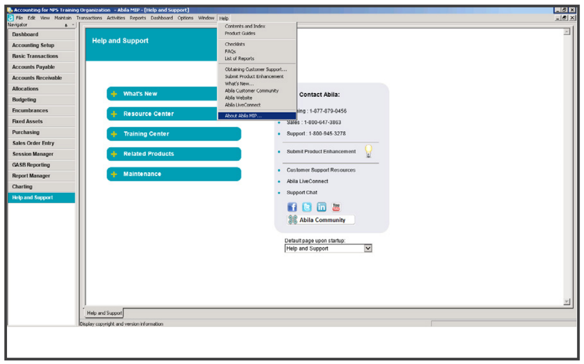


fig. 1



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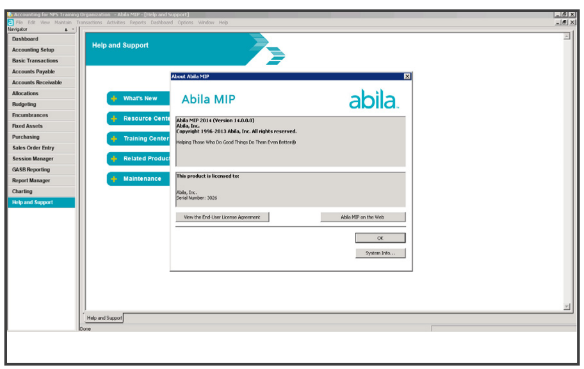


fig. 3

ABILA MIP 1099 PROCESSING

In the following pages you will learn the following about processing 1099's:

- How to confirm the version of Abila MIP you are currently using
- How to see which vendors are marked to receive 1099's
- How to review your Cash Journal to confirm which transactions will be included on the 1099
- How to make adjustments if changes are required
- How to correctly process 1099's through the wizard

Before you start there are important 1099 deadlines that you should be aware of. The first is the deadline to submit 1099 forms to vendors no later than January 31st. An organization must then file a form 1096 with the IRS. If done manually, it must be submitted by February 28th. If your organization files electronically, the deadline for 1096 submission is March 31st. Please visit the IRS website at **http://www.irs.gov** or contact your tax advisor for complete details.

**Have you ordered your forms yet? If not please visit http://abila.checks-andfroms.com/homePage.do*

Step 1

First before you can process your 1099's you must be in the most current version of Abila MIP. To confirm which version you are using, click on Help on the top toolbar. Next click About Abila MIP. A screen will then appear showing which version you are currently working in *(fig. 1, fig. 2, fig. 3)*.

Step 2

To determine what is the most current version of the software, you can visit Abila's website or contact your business partner.

Step 3

If you are not on the current version of the software then you will need to upgrade. There are three ways you can upgrade your software.

- The first is to log in to the Abila Knowledge base located on Abila's website and download the software.
- The second is to use the Abila Auto update feature installed with the version you are currently using. You can do this by clicking Start, Programs, Abila Auto Update, and Abila Auto Update Console.
- The third option is to contact your business partner for upgrade assistance.

Step 4

After you are running the current version of the software, you are ready to begin the process.

Step 5

First you should review which vendors in the system are marked to receive 1099's. As a general rule, you should not issue a payment to any vendor without first having a W9 form on file to ensure that any payments are properly accounted for. Failure to follow this procedure may result in additional work for you and your staff. This may include the need to create additional adjustments during the year-end review process that could otherwise have been avoided.

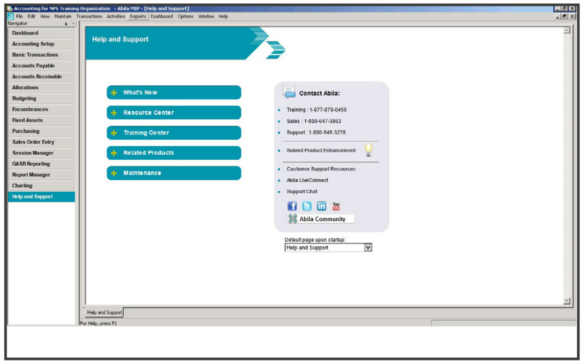
**To learn how to establish vendors as 1099 recipients, please refer to our Vendor Setup and Maintenance Training video*

Step 6

To review your list of 1099 vendors, confirm you are in the Accounting module. Then from the top toolbar, go to Reports, Lists, and Vendor Information *(fig. 4, fig. 5)*.

Step 7

Select from the dropdown menu the Default Report named *Default and 1099 Information (fig. 6)*.



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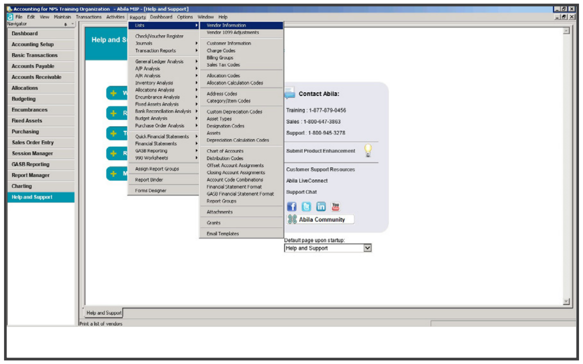

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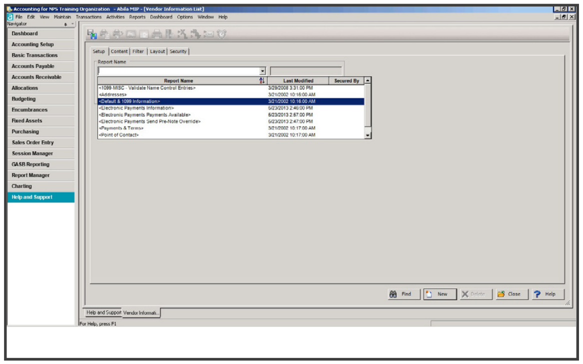

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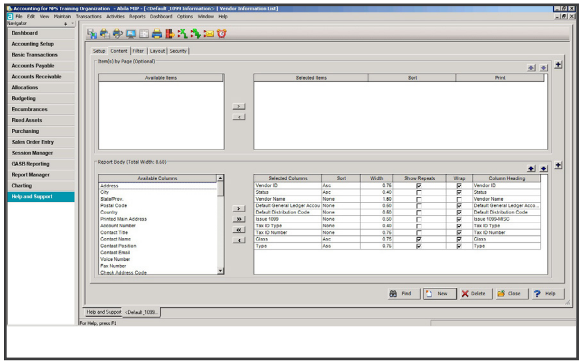

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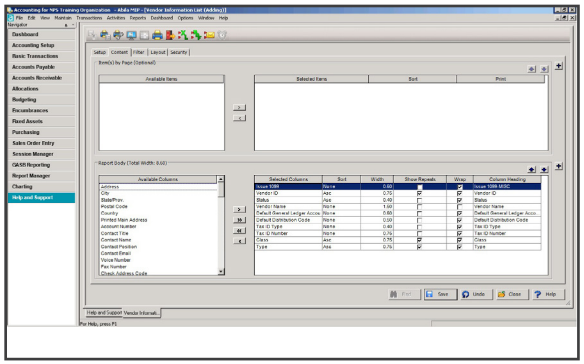

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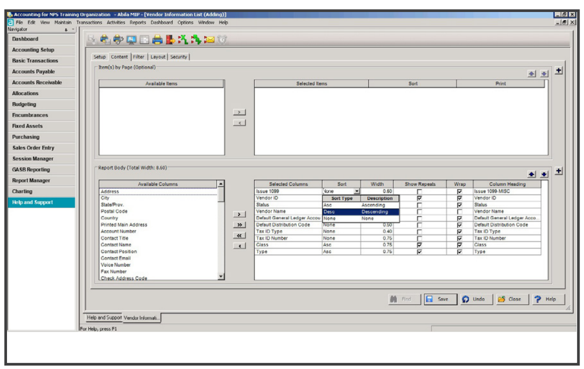


fig. 9

Step 8

Once the report is selected, click on the Content tab. On the lower portion of the Content screen, you will see the Selected Columns for the report. Click on “Issue 1099.” Then move it up to the top position by using the blue up arrow *(fig. 7, fig. 8)*.

**For more information on the Report Content tab please refer to the Report Content Tab Training video*

Step 9

In the selected “Issue 1099” row, change the Sort description column to “Desc” representing descending *(fig. 9)*.

Step 10

Next, since changes were made to the default report you will have to go back to the Setup Tab and rename the report. Our recommended naming convention for reports is your initials and the purpose of the report or what the report means to you.

**For more information on the Setup Tab please refer to the Report Setup Tab Training video*

Step 11

After renaming the report, you can review the information to confirm that the appropriate vendors are marked as 1099’s. To review the report you either can click print preview, print to screen, or print. For information on modifying and editing reports please refer to our report training video series (RPS 10 - RPS 90). After reviewing the 1099 vendors, we strongly recommend that you request an updated W9 from any vendor in which questions may exist. A W9 is an IRS information form in which the vendor provides you their tax payer identification number along with their filing type. We recommend not issuing any checks before you receive a W9 from the vendor, or if you found any issues when reviewing the report. If you found issues go back to update the vendor file, and make the necessary modifications before moving on.

**Special attention should be given to any 1099 vendor on the report in which the Tax ID Type is an “A.” This means the vendor’s Tax Identification number is currently in an “Applied For” status. The correct information needs to be updated in the vendor’s record as soon as possible.*

Step 12

The next step in the 1099 year end processing is to review the Cash Journal. Here is where you go to confirm what box number has been used when processing transactions.

**To learn more about the transaction entry process please refer to our Entering Accounts Payable Invoices Training video*

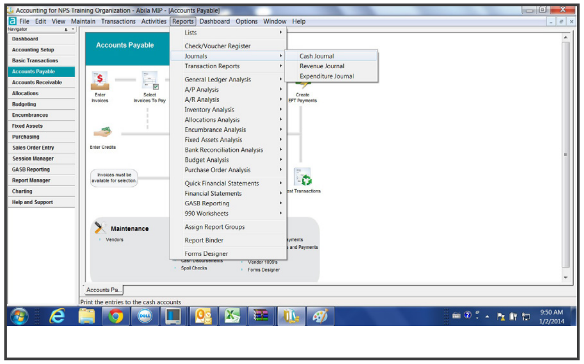


fig. 10

Step 13

The Cash Journal will display the payments that have been made in a given period or throughout the entire year. This will include detail on transactions that have been coded to a specific 1099 box number and those which have not. This process will give you the opportunity to confirm that transactions have been coded correctly and identify items that need to be added, adjusted or removed from the 1099 through adjustments in the vendor file.

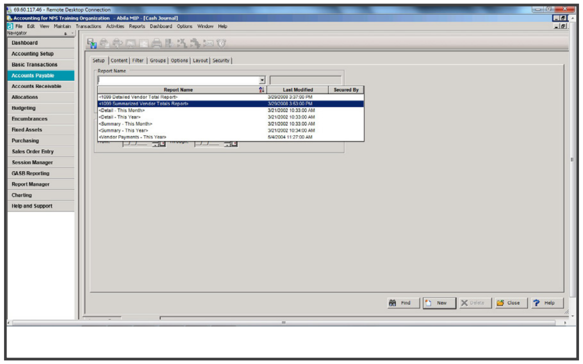


fig. 11

Step 14

To find the Cash Journal from within Accounting Module, go to Reports on the top toolbar, Journals, and Cash Journals. We recommend that you first run the default 1099 Summarized Vendor Report. Running the report in Summary will give you the opportunity to evaluate if you have coded your transactions properly. The default report will display the current year's dates and will need to be changed to last year's dates. After you change the dates you will need to assign a new report name to the default report, since changes were made to the report. Our recommend naming convention for reports is your initials, the purpose of the report or what the report means to you. After running the summary report we recommend that you run the report again but this time without the "Vendor Issue 1099" selected in the filter tab. To unselect this option highlight the item and click the blue arrow pointing to the left. After running both of these Summary reports close out of the form and re-open the Cash Journal. You can do this by going back to Reports on the top toolbar, Journals, and Cash Journals. Once re-opened, we recommend that you run the default 1099 Detail Vendor 1099 report by invoice number. This will show you certain vendors in more detail in which questions may exist. After you review the Cash Journal the default report will display the current year's dates and will need to be changed to last year's dates *(fig. 10, fig. 11, fig. 12)*.

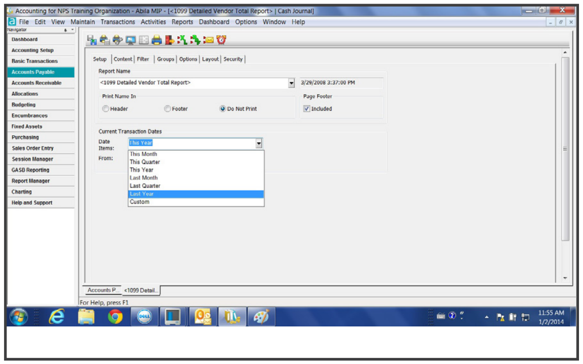
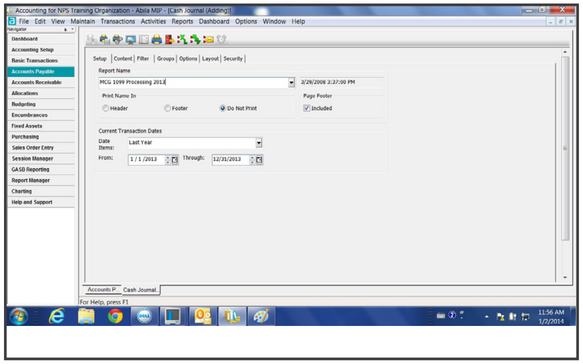


fig. 12



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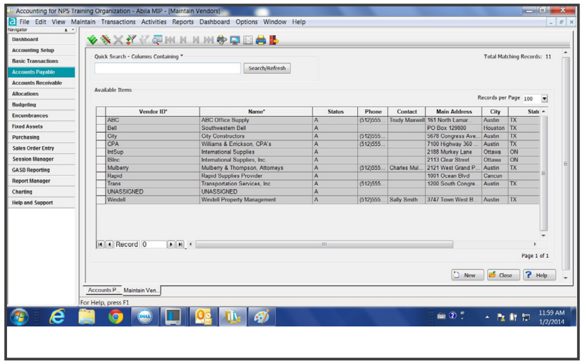

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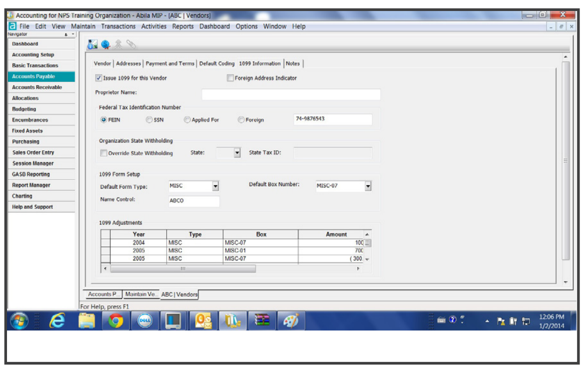


fig. 15

Step 15

After you change the dates you will need to assign a new report name to the default report, since changes were made to the report. Our recommend naming convention for reports is your initials, the purpose of the report or what the report means to you *(fig. 13)*.

Step 16

We recommend reviewing your report so you can identify items that will need adjustments in the vendor file so the correct information will be included on the 1099. These adjustments could be a reclass of a box number, adding items that should be included, or removing items that were coded incorrectly.

**This process does not make any changes to the original transactions in the General Ledger. These adjustments, if any, will only adjust the 1099 processing.*

Step 17

To make any needed adjustments, click on the Accounts Payable tab, and then Vendors at the bottom of the page. Enter the vendor name or vendor ID in the Quick Search form at the top of the page *(fig. 14)*.

Step 18

Next, click the 1099 Information Tab within the vendor record *(fig. 15)*.

Step 19

The 1099 Information Tab is where you can confirm the vendor's tax information, and make any needed adjustments.

Step 20

After making any adjustments and reviewing your results, you are ready to process your 1099s. To process 1099s you will need to go to Accounts Payable on the Navigator toolbar, and then select Vendor 1099's at the bottom of the screen *(fig. 16)*.

Step 21

The 1099 process is performed through Aatrix which is an embedded solution within Abila MIP that allows you to submit electronically or print your forms. Aatrix will automatically start after you select the form type. In most cases, the form will be 1099 MISC, and the year you are processing for. There is an option to filter but most do not use this option unless processing multiple EIN numbers. Please contact your business partner or Abila for further assistance on this process *(fig. 17)*.

Note: *We recommend you always select the update forms button if it is available. If the option is available and you update, you will need to close and then re-open the Vendor 1099's at the bottom of Accounts Payable on the Navigator toolbar (fig. 18).*

Step 22

After you choose the form type, form, and year, click OK. Aatrix will automatically start. If Aatrix does not start or you receive an error message this means you did not upgrade your software. Once Aatrix starts, read each screen carefully and confirm that the information displaying is correct. The information you see in Aatrix is coming directly from your database *(fig. 19)*.

Note: *If you notice the information about your organization is not correct, exit from Aatrix. Then log into the Administration module. From the main toolbar, click on Organization, and then Organization Information to make the necessary corrections (fig. 20).*

Step 23

For organizations that need to process multiple EIN numbers from one -database, you may do so by changing the EIN number in Administration. This will reset the Aatrix process and you can begin again. You will also need to filter when processing for the specific fund you are working with. You will also want to review your Cash Journal by Fund to ensure that the correct amounts were entered by fund. Adjustments will also require an entry to get the dollars in the correct fund and on the correct 1099 entity. re-opened, we recommend that you run the default 1099 Detail Vendor 1099 report by invoice number. This will show you certain vendors in more detail in which questions may exist. After you review the Cash Journal the default report will display the current year's dates and will need to be changed to last year's dates *(fig. 21)*.

Note: *Should you run into any problems during the 1099 process please contact the McGovern Consulting Group for further assistance.*

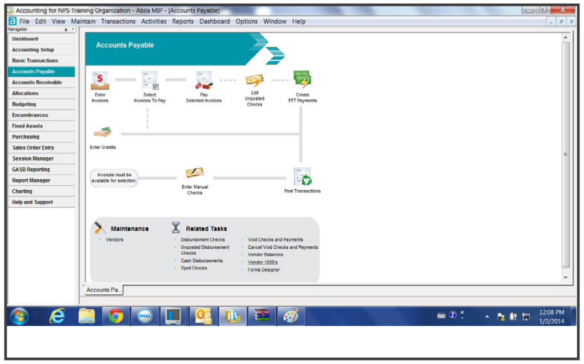
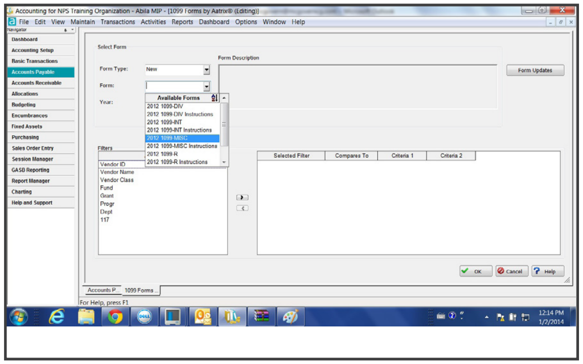


fig. 16



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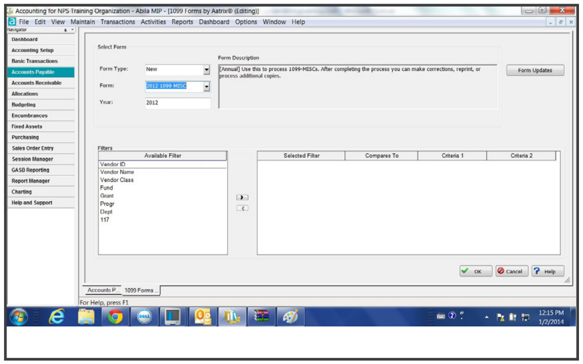

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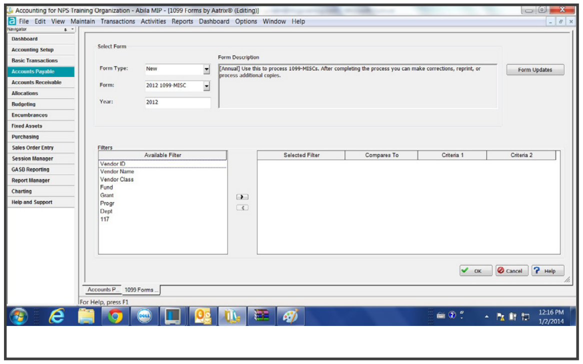

fig. 19

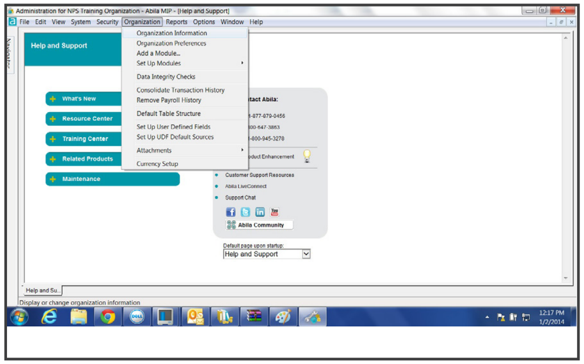

fig. 20

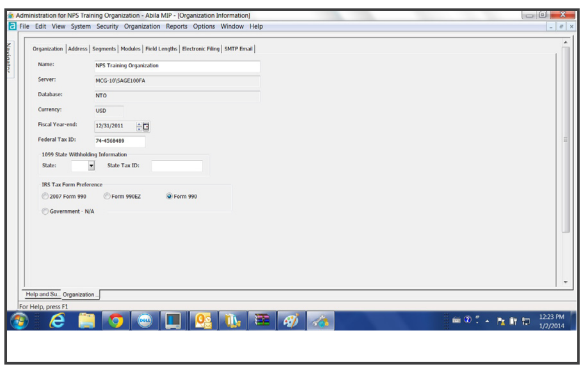

fig. 21

Conclusion

To recap this training document on 1099 processing, you have learned where to find the version of Abila MIP currently installed on your system. You have seen how and where a vendor is marked to receive a 1099, how to review your cash journal, how to make adjustments that may need to be made, and the steps to begin the actual processing of 1099's through the Aatrix wizard.