State of Louisiana

Division of Administration

Office of Statewide Reporting and Accounting Policy

December 30, 2015

MEMORANDUM OSRAP 16-13

TO: Fiscal Officers
     All ISIS Agencies

FROM: John McLean, CPA
       Interim Director

SUBJECT: 1099 Table Processing – Calendar Year 2015

The AFS 1099 Table will be updated during the December monthly close process on the night of January 6, 2016. This process will create the 1099 Table and BUNDL reports for the 2015 calendar year.

To enable Agencies to begin preparing for the generation of the 1099 forms, the ISIS reports 4G01 (1099 Turnaround Report) and the 4G02 (1099 Adjusting Transactions by Vendor Report) for calendar year 2015 through the November 2015 accounting period have been made available in current report section of BUNDL for your review under mail code **"ISFGFS."** You are encouraged to review them and prepare to make any changes. The reports are sorted by the agency type used on the AFS AGC2 Table. The reports will be updated with December data on January 6, 2016.

Agencies should begin reviewing the December reports and process manual additions, changes, and deletions to their 1099 data on the morning of January 7, 2016, continuing through January 14, 2016. All manual adjustments must be entered in AFS by January 14, 2016.

Each Agency is responsible for retrieving and printing their portion of each report and ensuring that the information listed on the table and reports is correct. After reviewing the 1099 table and BUNDL reports, the Agency is responsible for making the necessary manual adjustments directly to the 1099 table.

The 1099 table will be created for all 1099 reportable payments, regardless of amount. When the 1099 table entries are processed to create the 1099 Forms on the morning of January 15th, a 1099 **will only be generated** for 1099 reportable vendors paid $600 or more using 1099 reportable

objects during the 2015 calendar year or to those vendors subject to backup withholding regardless of income amounts.

The 1099 forms will be emailed to your agency 1099 contact as an Adobe (.pdf) no later than January 19, 2016. If you cannot access the file or would prefer a hard copy of the file be sent to you, please contact the OSRAP Help Desk at (225) 342-1097. Each 1099 should be printed on a single sheet of paper (8.5 x 11). **You (the Agency) are to print the 1099 forms, make a copy of the 1099 forms for your records, and mail the forms to the vendors on or before January 31, 2016.** The forms should be 'Z' folded and placed in a window envelope. Staples has a contract with the State to provide #10 window envelopes with the agency return address pre-printed on them. Information for this contract can be found by searching the Louisiana's Electronic Catalog (LA eCat) on the Office of State Procurement's website (http://www.doa.la.gov/Pages/osp/Index.aspx). You also have the option of producing labels for plain envelopes using Business Objects and/or word processing software.

The 1099's will include all transactions (payment vouchers, journal vouchers, manual warrants, check cancellations, cash receipts, etc.) in accounting periods 07 15 through 06 16 for payments made through December 31, 2015 and/or the transactions accepted in ISIS through January 6, 2016.

If you have paid another State Agency using their 1099 reportable vendor code and a 1099 reportable object code, you need to delete the 1099 Table entry. This also applies to payment vouchers that Agencies recorded to their own 1099 reportable vendor code.

The 1099 electronic file sent to the Internal Revenue Service (IRS) will be generated from the information on the 1099 Table as of the morning of January 15, 2016. If it is necessary to correct the 1099 information on or after January 15th, agencies are to mail the changes to OSRAP at the address below to the attention of Bridget Theriot or you may e-mail her at Bridget.Theriot@la.gov. OSRAP will transmit all corrections to the IRS electronically.

In order for the system to generate entries on the 1099 Table and the BUNDL reports, the following criteria must be met:

1.   The agency type must exist on the AFS AGTP Table and a 1099 reportable master vendor record must exist for the FEIN associated with the agency type on the AGTP Table.

2.   The vendor code that payments were issued to is 1099 reportable.

3.   The payments were coded using a 1099 reportable object code.

4.   The FEIN associated with the vendor has one and only one master vendor code.

MANUAL ADJUSTMENTS TO THE 1099 TABLE

For manual adjustments to the 1099 Table, you must first log on to AFS regardless of which sub-system of ISIS generated the payment. All manual adjustments will require an entry on the 99TX Table of AFS before an entry is added, changed, or deleted from the 1099 Table. New entries to the 1099 Table require that the FEIN exist on the AFS MVEN Table. Vendors may be changed to 1099 reportable and the master vendor indicator may be changed to "Y" during the period of January 7, through January 14, 2016. **OSRAP will not change a vendor to <u>non-1099 reportable</u> or change a vendor's master vendor indicator to "N" during the period of January 7 through January 14, 2016. These types of changes will be held until after the 1099 process is completed. After January 14, the AFS 1099 tables for Calendar Year 2015 cannot be changed.**

Adding Text to the 99TX Table

1.   Type "N" in the ACTION and type "99TX" in the SCREEN. Hit <ENTER>.

2.   Type "A" in the ACTION and enter the following data in the corresponding fields:

   a.   YR – 2 digits. Enter "15" for calendar year 2015.

   b.   RETURN TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.

   c.   AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP Table in AFS for FY 15 in the format, A***.

   d.   FEIN/SSAN – 9 digits. Enter the Tax Payer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSN from the body of the AFS VEN2 or AGPS VENC Tables).
   NOTE: There must be a MVEN record for the FEIN/SSAN entered.

   e.   INCOME TYPE – 1 character. Payee income type being adjusted. For Return Type "A" – 1= Rents, 6= Medical, 7= Non-Employee Compensation, C= Attorney Gross Proceeds. For Return Type "G" – 6= Taxable Grants.

   f.   TEXT – 70 characters per line/11 lines. An explanation of the adjustment being made. For example, "Vendor not paid from 1099 reportable object code in error".
   NOTE: Text does not "wrap".

   g.   LINE – 3-digit line number for the text entered. For example, enter the number '1' for line 1 (the preceding zeros will appear automatically.

3.   Press <ENTER>. You should receive the message "ALL LINES ADDED" at the bottom of the screen. If an error message appears, correct the error and re-press <ENTER>.

Adding a New Entry to the 1099 Table (Enter one line of data per income type).

1.   Type "N" in the ACTION and type "1099" in the SCREEN. Hit <ENTER>.

2.   Type "A" in the ACTION and enter the following data in the corresponding fields:

   a.   CAL YR – 2 digits. Type "15" for calendar year 2015.

   b.   RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.

   c.   AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP Table in AFS for FY 15 in the format, A***.

   d.   FEIN/SSAN – 9 digits. Enter the Tax Payer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC Tables). **NOTE: There must be a MVEN record for the FEIN/SSAN entered.**

   e.   INCOME TYPE – 1 character. Payee income type being adjusted. For Return Type "A" – 1= Rents, 6= Medical, 7= Non-Employee Compensation, C= Attorney Gross Proceeds. For Return Type "G" – 6 = Taxable Grants.

   f.   MISAPPLIED AMT – 15, 2 digits. Adjustment amounts from a transaction which is recorded in AFS, and/or

   g.   OUTSIDE AMT – 15, 2 digits. Adjustment amount attributable to a transaction not recorded in ISIS (i.e., Agency side system). **NOTE: Enter either the decimal place or include a value for cents in the MISAPPLIED AMT and OUTSIDE AMT fields. For example, if 2815 is entered, the system records it as $28.15. If 281500 is entered, the system will record it as $2815.00.**

3.   Press <ENTER>. You should receive the message "ALL LINES ADDED" at the bottom of the screen. If an error message appears, correct the error and re-press <ENTER>.

4.   Verify that the ADJUSTED 1099 field contains the correct amount. **NOTE: The "1099 Amt Revised field" is optional. There are no edits on the amount entered. You may use it to compare expected totals to the system generated totals in the "Adjusted 1099 field."**

Changing an existing 1099 Table Entry

1.   Type "N" in the ACTION and type "1099" in the SCREEN. Hit <ENTER>.

2.   Type "G" in the ACTION to access the applicable 1099 record and enter the following data in the corresponding fields:

      a.   CAL YR – 2 digits. Type "15" for calendar year 2015.

      b.   RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.

      c.   AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP Table in AFS for FY 15 in the format, A***.

      d.   FEIN/SSAN – 9 digits. Enter the Taxpayer Identification Number associated with the vendor to whom adjustments to the 1099 reportable income are to be made. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC Tables). **NOTE: There must be a MVEN record for the FEIN/SSAN entered.**

      e.   INCOME TYPE – 1 digit. Payee income type being adjusted. For Return Type "A" – 1= Rents, 6= Medical, 7= Non-Employee Compensation, C= Attorney Gross Proceeds. For Return Type G – 6= Taxable Grants

3.   Press <ENTER>. The requested record will appear on the screen.

4.   Type "C" in the ACTION and enter the following data in the corresponding fields:

      a.   MISAPPLIED AMT – 15, 2 digits. Adjustment amounts from a transaction which is recorded in AFS, and/or

      b.   OUTSIDE AMT – 15, 2 digits. Adjustment amount attributable to a transaction not recorded in ISIS (i.e., Agency side system). **NOTE: Enter either the decimal place or include a value for cents in the MISAPPLIED AMT and OUTSIDE AMT fields. For example, when 2815 is entered, the system will record it as $28.15. If 281500 is entered, the system will record it as $2815.00. If the amount recorded needs to be reduced, precede the amount with the negative sign (-). For example, to reduce a vendor's income by $234.00 enter –234.00 or –23400.**

5.   Press <ENTER>. You should receive the message "ALL LINES CHANGED" at the bottom of the screen. If an error message appears, correct the error and re-press <ENTER>.

6.   Verify that the ADJUSTED 1099 field contains the correct amount.

Deleting an Existing 1099 Table Record

1.   Type "N" in the ACTION and type "1099" in the SCREEN. Hit <ENTER>.

2.   Type "G" in the ACTION and enter the following data in the corresponding fields:

   a.   CAL YR – 2 digits. Type "15" for calendar year 2015.

   b.   RET TYPE – 1 character. Enter "A" for 1099-MISC or "G" for 1099-G.

   c.   AGCY TYPE – 4 characters. Enter your agency type as determined from the AGTP Table in AFS for FY 15 in the format, A***.

   d.   FEIN/SSAN – 9 digits. Enter the Taxpayer Identification Number of the vendor whose 1099 reportable income is being adjusted. (The FEIN/SSAN from the body of the AFS VEN2 or AGPS VENC tables.)
   NOTE: There must be a MVEN record for the FEIN/SSAN entered.

   e.   INCOME TYPE – 1 digit. Payee income type being adjusted. For Return Type "A" – 1= Rents, 6=Medical, 7= Non-Employee Compensation, C= Attorney Gross Proceeds. For Return Type G – 6= Taxable Grants.

3.   Press <ENTER>. The requested record will be displayed on the screen.

4.   Type "D" in the ACTION.

5.   Press <ENTER>. Receive the message "ALL LINES DELETED" at the bottom of the screen. If error message appears, correct the error and re-press <ENTER>.

Please provide copies of this memorandum to the individuals at your agency who actually perform the tasks detailed above.

If you have questions concerning this memorandum, please call Bridget Theriot with the OSRAP Help Desk at (225) 342-1097.

JM:brt