



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

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COMMISSIONER OF ADMINISTRATION

August 6, 2000

MEMORANDUM SA 01-02

TO: Fiscal Officers
All ISIS Agencies

FROM: F. Howard Karlton, CPA
Director

SUBJECT: 1099 Printing

OSRAP is considering changing the way the printing method of the 1099s issued from ISIS. Currently, the 1099s are sent to an outsource vendor and printed on a mailer that is forwarded to the agencies for distribution. This process is expensive, does not resemble current trends in printing these forms, and reduces the time the agencies have to make adjustments in ISIS. This process also produces copies of the 1099 form that are not needed and causes the recipients confusion regarding the proper use of the copies they receive.

The new method will involve laser printing the 1099s on a single sheet of paper using software purchased by the Division of Administration (see attached). Because of this the 1099s will not be pre-sealed in a mailer, the agencies will have to 'Z' fold the 1099s and insert them in a window envelop. When printed on the mailers, the agencies have to remove their copy from the front of the 1099 mailers, burst them and place them in the mail. Changes to the 1099s needed after the forms are mailed have to be made manually by the agencies using a 1099 and 1096 forms. There is no central system record of changes made. These changes are then sent to the vendor and the IRS. Using this software, changes can be made to the data extracted from ISIS at any time. The forms can then be reprinted for the vendor and e filed with the IRS. The agency can request up to 10 changes per year though OSRAP and we will make the changes and file them with the IRS. Under the current method, OSRAP sends the magnetic tape produced from the 1099 process to the IRS through certified mail. Using this software, the 1099s will be sent to the IRS through e filing. This software builds the e-file to the IRS's specifications each year. Therefore, we would also experience cost savings by not having to make ISIS system adjustments for changes in the IRS file format. The agency can elect to make a file copy of the 1099s sent by using a standard copy machine. This file copy would be on an 8.5 X 11 sheet of paper instead of the current 8 X 3 5/8 sheet.

Additionally, the current method cannot generate other 1099 forms needed by the agencies. Using the software we will be able to generate other 1099 forms, such as

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1099Gs, needed for some subsidy payments. The agencies will need to provide us with information that allows us to extract the data from ISIS.

There are several versions of envelopes needed to mail the forms. A to Z Paper has a contract with the State to provide window envelopes with the agency return address pre-printed on them. It is contract number 404053. The envelopes are available for \$17.84 per 1,000. The agencies also have the option of producing labels using InfoMaker and word processing software.

Your input is requested in making this decision. Please inform us in writing of what problems would arise for you agency if OSRAP changes to this new method of producing the 1099s. We need to have **your responses by 8/31/00** so we can have the necessary purchasing documents created for whichever method is selected.

We appreciate your input in this matter and thank you in advance for your prompt response.

FHK: rtj

Attachment