MICROSOFT DYNAMICS GP

2022 year-end information for 1099 processing

December 7, 2022

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RSM resources

RSM National Dynamics GP Support Team
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Course materials

- RSM's year-end manual is available

- Visit the Resource List to the right of your screen to download now

- It will also be available via email following this webcast

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Presenter

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Located in our Boston, MA office

Shirley specializes in Dynamics GP consulting with over 28 years of experience.

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1099 process learning objectives

- Understand how GP records 1099 Amounts

- Learn how to validate and update or correct 1099 information for vendors

- Steps for 1099/1096 forms printing

- Q & A

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1099 CHANGES

Year-end update

- 2022 Year-end Update - Released on November 21, 2022

- Supported versions:

  Dynamics GP versions 18.2, 18.3, 18.4, and 18.5.

  There is not an update for GP2016

Notes:

- Dynamics GP 2015, mainstream support ended on April 14, 2020 (meaning tax, year-end or further product updates for GP 2015 will not be available until an upgrade to a later version is performed and enhancement plan is current).

- Dynamics GP 2016 mainstream support end on July 13, 2021. If utilizing GP 2016 or a prior version, please contact your RSM consultant or account manager to discuss planning and options.

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Year-end update

- 1099-MISC
  - Account number has moved down a box, FACTA filing has moved over, and 2nd TIN has moved down a box

- 1099-INT, 1099-DIV, 1099-MISC, 1099-NEC
  - Add the year to dynamically print on the form (IRS removed this from the pre-printed form)

- Corresponding changes to Form 1096 for 2022

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Year-end update

- The 1099-NEC form sample

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Form 1099-MISC

1099 PROCESSING

1099 functionality

- In prior versions, several enhancements were made to help view and edit 1099 information. These features include:
  - Ability to edit 1099 information at the transaction level
  - Ability to easily change a vendor designation if they were not marked as either a 1099 vendor or a non-1099 vendor before transactions were entered and posted
  - New Address ID on Vendor Maintenance window to be used on the 1099 forms
  - Ability to print the 1096 Summary form
  - Ability to populate the DBA name field added to the Vendor Maintenance Options window and print it under the Vendor Check Name

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Backup company database – "Pre-1099 Edits"

- Make a backup of the company database(s) before starting the year-end processing activities. Label this backup as "Pre-1099 Edits".

- This backup is a permanent record of the company's financial position at year-end.

- This backup allows for quickly restoring the information in the event a problem occurs during the year-end close process.

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Verification of 1099 information

- Review 1099 vendor data – missing tax IDs, addresses, vendors not marked correctly.
  - ➢ Run a SmartList of 1099 vendors with appropriate columns
  - ➢ Run a SmartList of ALL vendors - identify / mark new or additional 1099 vendors
  - ➢ Identify vendors marked as 1099 that should not be
  - ➢ Correct / modify vendor data
  - ➢ Collect W-9 form from vendors

- Review 1099 amounts. Print the 1099 edit list: Go to *Microsoft Dynamics GP >> Tools >> Routines >> Purchasing >> Print 1099, choose 1099 Type and Year, click Printer icon*.
  - – Use this for verifying / reviewing 1099 amounts

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Vendor 1099 Smartlist

- Go to *Microsoft Dynamics GP >> SmartList >> Purchasing >> Vendors >> 1099 Vendors*

  ➢ Review 1099 Tax Type

  ➢ Review Tax ID number

Caution: Do not trust the 1099 amount field. GP displays the amount since last closed, not the calendar YTD

Vendors - 1099 Vendors*

| Vendor ID	Vendor Name	1099 Type	Tax ID Number	1099 Amount ...
ACETRAVE...	A Travel Company	Miscellaneous	100304000	$2,226.78
BEAUMON...	Beaumont Constructi...	Miscellaneous	169876654	$3,634.00
BERGERON...	Bergeron Communica...	Miscellaneous		$0.00
COMNETE...	Comnet Enterprises, Inc	Miscellaneous	548-365-557	$31,499.70
COMPUTE...	Computer Training Sy...	Miscellaneous	520388001	$9,395.00
DOLECKICO...	Dolecki Catering	Miscellaneous		$2,052.98
GARDNERS...	Gardner Services	Miscellaneous	897-615-833	$24,000.00
GKCLEANI0...	G & K Cleaning	Miscellaneous		$2,365.99
INLINESE00...	Inline Service Systems	Miscellaneous		$13,768.99
INTERNAT0...	International TeleCo...	Miscellaneous		$8,326.91
INTERNAT0...	International Telephone	Miscellaneous		$12,231.16
MULTINAT...	Multinational Comm...	Miscellaneous		$10,000.00
PERMIERS0...	Premier System, Inc.	Miscellaneous		$0.00
RELIANCE0...	Reliance Systems, Inc.	Miscellaneous		$0.00
SIGNATUR0...	Signature Services	Miscellaneous		$12,217.94
TELECONN...	Teleconnect Systems I...	Miscellaneous		$0.00
WOODCO...	Wood Consulting	Miscellaneous		$0.00

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Printing 1099 Edit Report

- Go to *Microsoft Dynamics GP >> Tools >> Purchasing >> Routines >> Print 1099*

  ➢ Print 1099 Edit Report.

  ➢ Review 1099 Address and Amounts

* Further validate amounts using Payables Transaction SmartList and compare to the Edit 1099 report
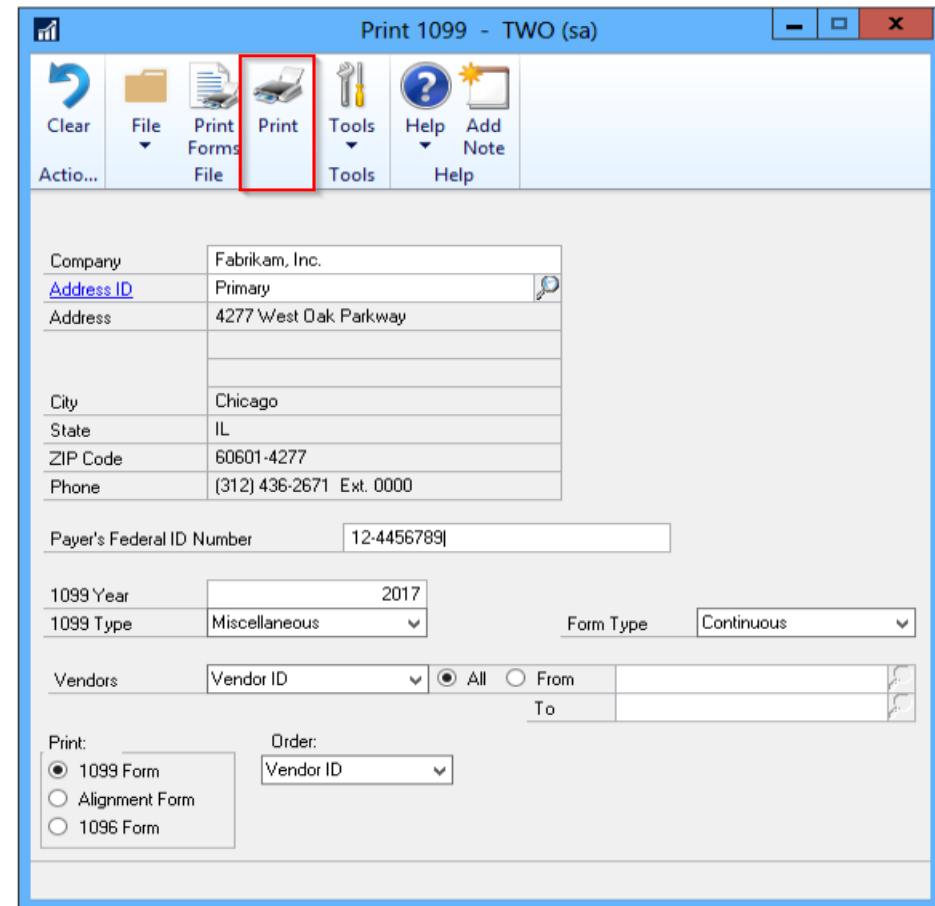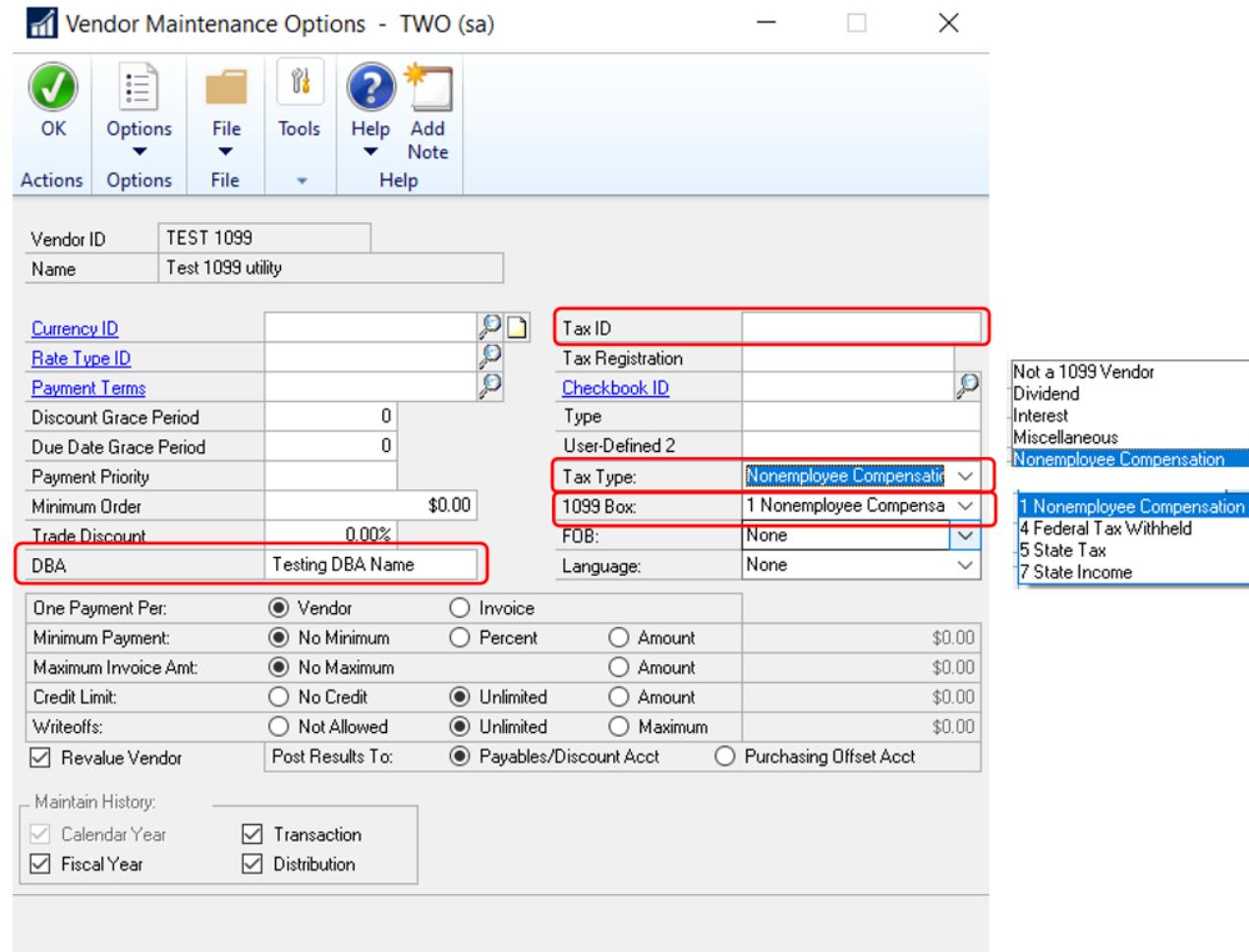
Vendor 1099 information

- New 1099 Address ID field on the Vendor Maintenance screen will be used for printing 1099s.

- Attachments for W9 Forms can be added to the Vendor Maintenance window
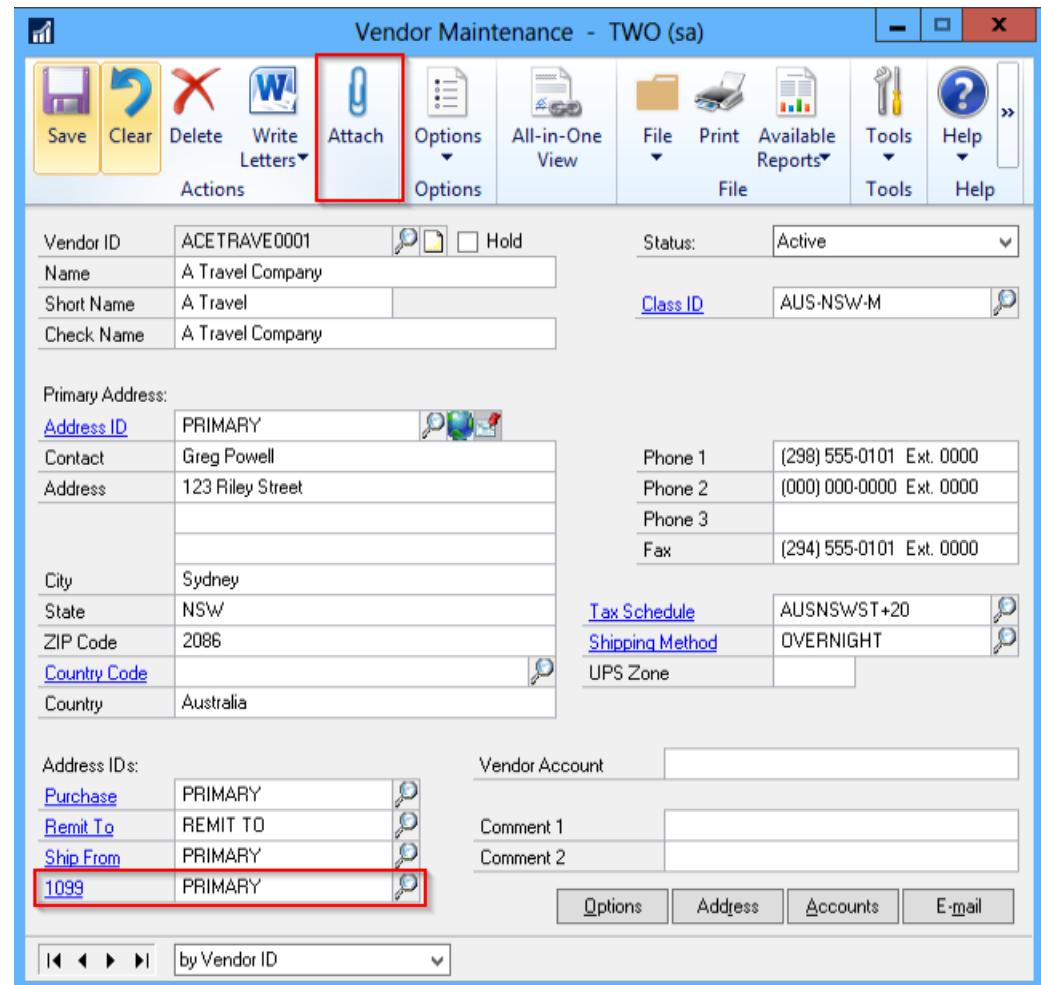
Vendor 1099 information

- *Cards >> Vendor >> Options* window used to assign Tax ID, Tax Type and 1099 Box

- DBA name is optional

Edit of 1099 information

- Use the Update 1099 Information window to fix vendors not marked correctly (use this method if ALL transactions for the vendor(s) should be updated)
- Go to *Microsoft Dynamics GP >> Purchasing >> Utilities >> Update 1099 Information*
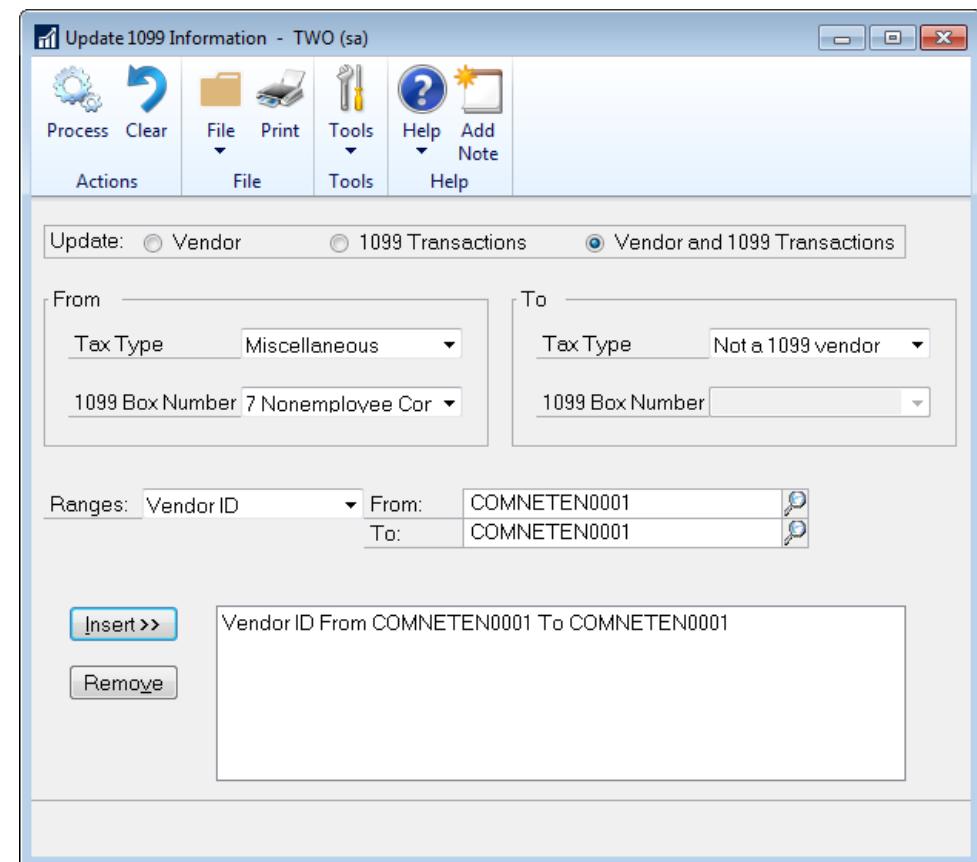
Note:
In version 2013 and higher, Not a 1099 Vendor is an option in the drop down list.

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Edit of 1099 information

- Use the Edit 1099 Transaction Information window (use this method if only specific transactions for specific vendors require editing)

- Go to *Transactions >> Purchasing >> Edit 1099 Transaction Information*
  - Edit the fields as needed
  - Click Process

Edit of 1099 information

- While users CAN edit the information from the 1099 Details window shown here, it is not recommended – it is better to correct the underlying transactions using one of the previously described options

- If a Reconcile of 1099 information is later performed, the changes made directly to this window will be lost

1099 Details - TWO (sa)

1099 Box	Description	Amount
1	1 Rents	$0.00
2	2 Royalties	$0.00
3	3 Other Income	$0.00
4	4 Federal Tax Withheld	$0.00
5	5 Fishing Boat Proceeds	$0.00
6	6 Medical Payments	$0.00
7	7 Nonemployee Compensation	$2,176.78
8	8 Substitute Payments	$0.00
10	10 Crop Insurance	$0.00
13	13 Golden Parachute	$0.00
14	14 Attorney Proceeds	$0.00
15a	15a Section 409A Deferrals	$0.00
15b	15b Section 409A Income	$0.00
16	16 State Tax Withheld	$0.00
18	18 State Income	$0.00

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Printing 1099 statements

- Go to *Microsoft Dynamics GP >> Tools >> Purchasing >> Routines >> Print 1099*

  - ➢ Fill in Payers Federal Tax Id #

  - ➢ Print a few pages to blank paper to check alignment before running to forms (Print Forms button)

  - ➢ Recommend 2-up laser forms

  - ➢ Print each 1099 type separately

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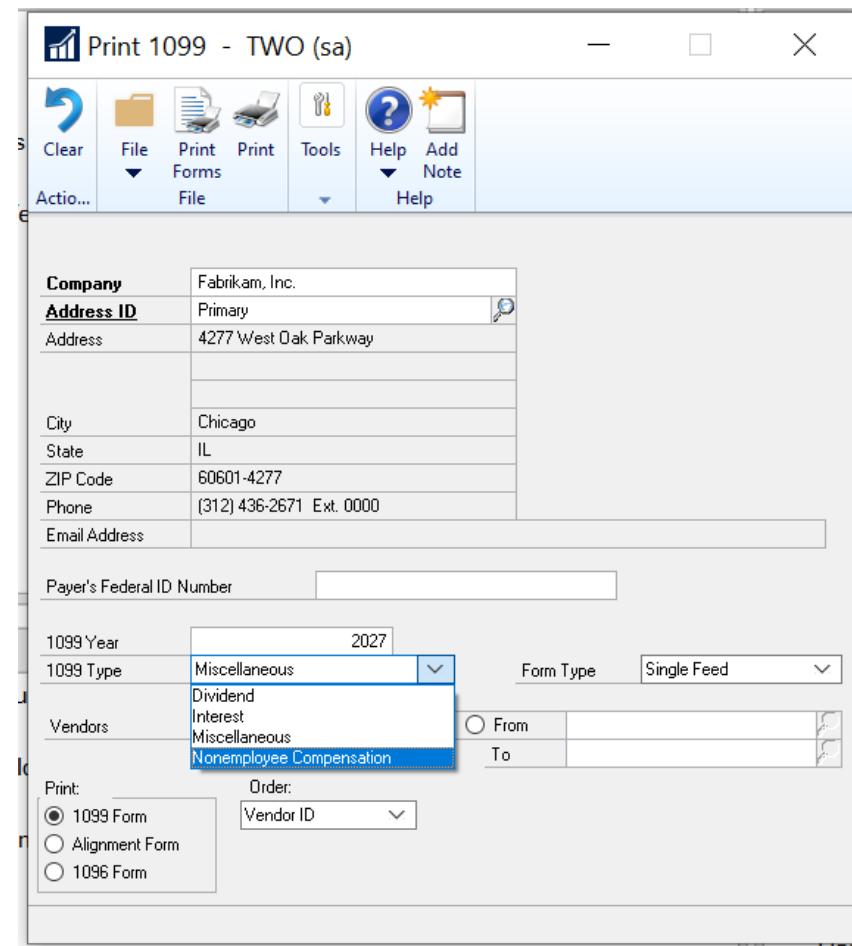
Printing Form 1096

- Go to *Microsoft Dynamics GP >> Tools >> Purchasing >> Routines >> Print 1099*
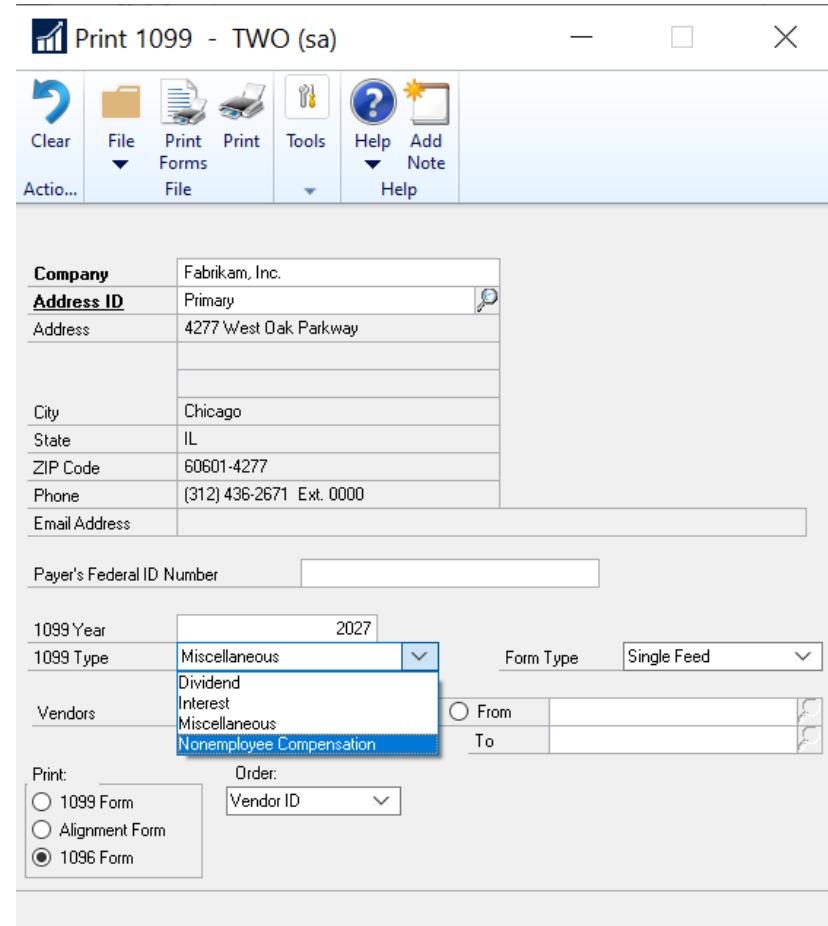
Printing Form 1096

- The 1096 form has been updated to include the 1099-NEC summary amounts

- Box 1099-NEC 71 has been inserted on the bottom line

Closing Payables Management Calendar Year

- ## The calendar year-end process:
    - Clears the 1099 amount year-to-date field
    - Transfers the Current Year 1099 amount to the Last Year 1099 amount field for all vendors.
        - These are the summary fields that are used in some SmartLists and other reports.
        - Due to timing of completing the year end process and finalizing entry of payables transactions, these summary numbers may not reflect transactions based on document dates.
        - If specific and accurate total dollars for a year are required, use transaction detail reports or SmartLists to summarize the required data.

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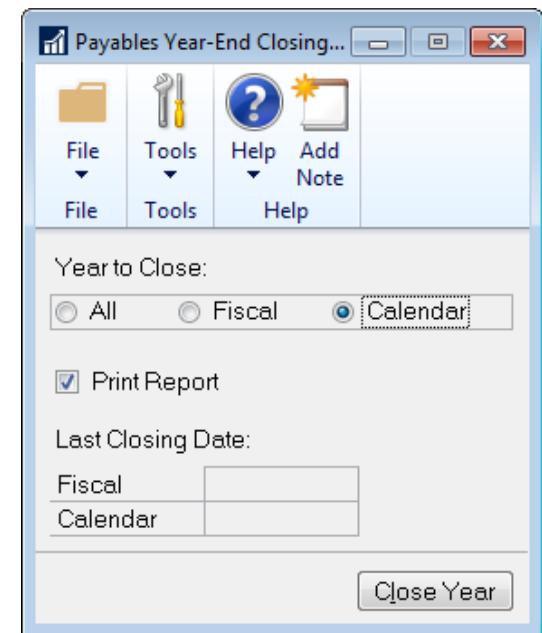
Closing Payables Management Calendar Year

- Amounts in the Year to Date column are updated when a payables transaction is posted, regardless of posting and transaction dates.
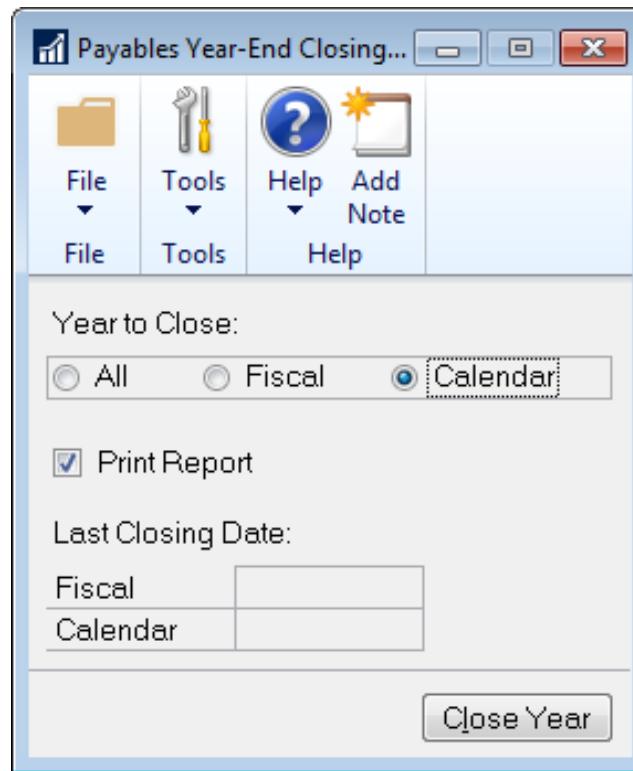
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Close PM Year / backup database

- Year-end close for Payables Management:
  - ➤ If the financial accounting year-end coincides with the calendar year, the user can choose to close "All".
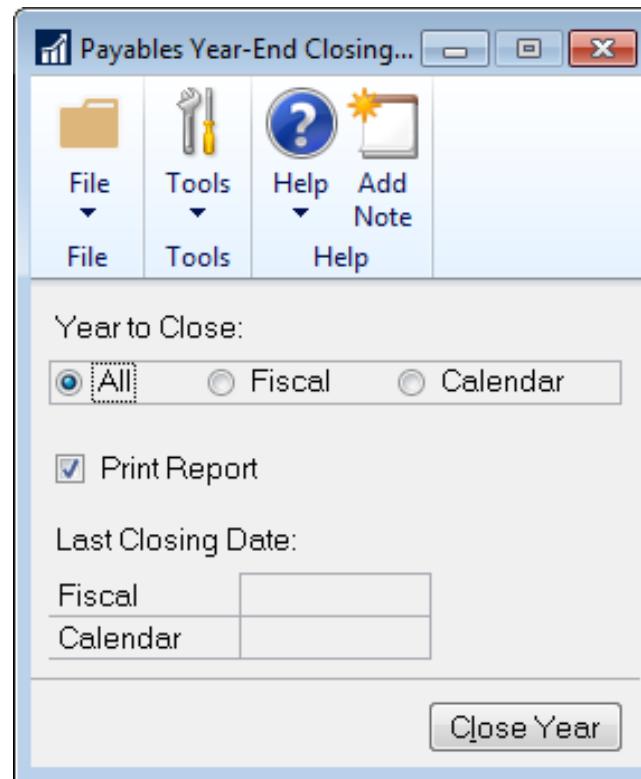
Close PM Year

➢ If the financial accounting year-end is not a December year-end, close only the calendar year:

Note

Refer to RSM's 2022 GP year-end closing procedures for more details.

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THANK YOU FOR YOUR TIME AND ATTENTION

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QUESTIONS AND ANSWERS?

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