

MICROSOFT DYNAMICS GP

2022 year-end information for 1099 processing



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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

Presenter



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Located in our Boston, MA office

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

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

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.

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

Year-end update

- The 1099-NEC form sample

7171 ☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 ____		Nonemployee Compensation Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		
RECIPIENT'S name Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>		
		3		
Account number (see instructions)		4 Federal income tax withheld \$		
		5 State tax withheld 6 State/Payer's state no.		
2nd TIN not. <input type="checkbox"/>		7 State income \$		

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

Year-end update

Form 1099-MISC

9595		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	Miscellaneous Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.	
		\$	Form 1099-MISC (Rev. January 2022)		
		2 Royalties	For calendar year 20 ____		
		\$			
		3 Other income	4 Federal income tax withheld		
		\$	\$		
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments		
		\$	\$		
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest		
			\$		
Street address (including apt. no.)		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney		
		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale	12 Section 409A deferrals		
		\$	\$		
		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments	15 Nonqualified deferred compensation	
		\$	\$		
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	16 State tax withheld	17 State/Payer's state no.	18 State income	
		\$		\$	
		\$		\$	

Form **1099-MISC** (Rev. 1-2022)

Cat. No. 14425J

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

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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

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.

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

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
DOLECKIC0...	Dolecki Catering	Miscellaneous		\$2,052.98
GARDNERS...	Gardner Services	Miscellaneous	897-615-833	\$24,000.00
GKCLEANIO...	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
SIGNATURO...	Signature Services	Miscellaneous		\$12,217.94
TELECONN...	Teleconnect Systems I...	Miscellaneous		\$0.00
WOODCO...	Wood Consulting	Miscellaneous		\$0.00

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

Print 1099 - TWO (sa)

Clear File Print Forms File **Print** Tools Help Add Note

Company Fabrikam, Inc.
Address ID Primary
Address 4277 West Oak Parkway
City Chicago
State IL
ZIP Code 60601-4277
Phone [312] 436-2671 Ext. 0000

Payer's Federal ID Number 12-4456789

1099 Year 2017
1099 Type Miscellaneous Form Type Continuous

Vendors Vendor ID All From To

Print: Order:
☒ 1099 Form Vendor ID
☐ Alignment Form
☐ 1096 Form

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 Maintenance - TWO (sa)

Save Clear Delete Write Letters Attach Options All-in-One View File Print Available Reports Tools Help

Vendor ID: ACETRAVE0001 Status: Active

Name: A Travel Company

Short Name: A Travel

Check Name: A Travel Company

Class ID: AUS-NSW-M

Primary Address:

Address ID: PRIMARY

Contact: Greg Powell

Address: 123 Riley Street

City: Sydney

State: NSW

ZIP Code: 2086

Country Code: Australia

Phone 1: (298) 555-0101 Ext. 0000

Phone 2: (000) 000-0000 Ext. 0000

Phone 3:

Fax: (294) 555-0101 Ext. 0000

Tax Schedule: AUSNSWST+20

Shipping Method: OVERNIGHT

UPS Zone:

Address IDs:

Purchase: PRIMARY

Remit To: REMIT TO

Ship From: PRIMARY

1099: PRIMARY

Vendor Account:

Comment 1:

Comment 2:

Options Address Accounts E-mail

by Vendor ID

Vendor 1099 information

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

Vendor Maintenance Options - TWO (sa)

OK Options File Tools Help Add Note

Actions Options File Help

Vendor ID: TEST 1099
Name: Test 1099 utility

Currency ID:
Rate Type ID:
Payment Terms:
Discount Grace Period: 0
Due Date Grace Period: 0
Payment Priority:
Minimum Order: \$0.00
Trade Discount: 0.00%
DBA: Testing DBA Name

Tax ID:
Tax Registration:
Checkbook ID:
Type:
User-Defined 2:
Tax Type: Nonemployee Compensation
1099 Box: 1 Nonemployee Compensation
FOB: None
Language: None

One Payment Per: ☒ Vendor ☐ Invoice
Minimum Payment: ☒ No Minimum ☐ Percent ☐ Amount \$0.00
Maximum Invoice Amt: ☒ No Maximum ☐ Amount \$0.00
Credit Limit: ☐ No Credit ☒ Unlimited ☐ Amount \$0.00
Writeoffs: ☐ Not Allowed ☒ Unlimited ☐ Maximum \$0.00
☒ Revalue Vendor Post Results To: ☒ Payables/Discount Acct ☐ Purchasing Offset Acct

Maintain History:
☒ Calendar Year ☒ Transaction
☒ Fiscal Year ☒ Distribution

Not a 1099 Vendor
Dividend
Interest
Miscellaneous
Nonemployee Compensation
1 Nonemployee Compensation
4 Federal Tax Withheld
5 State Tax
7 State Income

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*

Update 1099 Information - TWO (sa)

Process Clear File Print Tools Help Add Note

Actions File Tools Help

Update: ☐ Vendor ☐ 1099 Transactions ☒ Vendor and 1099 Transactions

From To

Tax Type Miscellaneous Tax Type Not a 1099 vendor

1099 Box Number 7 Nonemployee Cor 1099 Box Number

Ranges: Vendor ID From: COMNETEN0001 To: COMNETEN0001

Insert >> Remove

Vendor ID From COMNETEN0001 To COMNETEN0001

Note:

In version 2013 and higher, Not a 1099 Vendor is an option in the drop down list.

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 1099 Transaction Information - TWO (sa)

Process Clear Redisplay File Tools Help Add Note

Vendor ID: COMNETEN0001
Name: Comnet Enterprises, Inc

Documents: by Voucher Number ☒ All ☐ From: To:

Include: ☒ 1099 Debit Transactions ☐ All Debit Transactions ☐ All Credit Transactions

Voucher Number	Document Number	Type	Doc. Date	Tax Type	Box	1099 Description	1099 Amount
00000000000000176	5000	INV	07/11/2023	Nonemployee	1	Nonemployee Compensation	\$1,500.00
00000000000000177	5001	INV	09/26/2023	Nonemployee	1	Nonemployee Compensation	\$1,554.60
00000000000000178	5002	INV	10/28/2023	Nonemployee	1	Nonemployee Compensation	\$3,595.00
00000000000000179	5003	INV	11/21/2023	Nonemployee	1	Nonemployee Compensation	\$1,150.50
00000000000000180	5004	INV	12/16/2023	Nonemployee	1	Nonemployee Compensation	\$4,400.00
00000000000000259	15001	INV	01/15/2024	Nonemployee	1	Nonemployee Compensation	\$15,000.00

by Vendor ID

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

The screenshot shows the '1099 Details - TWO (sa)' window. The top menu bar includes 'Save', 'Clear', 'File', 'Print', 'Tools', 'Help', and 'Add Note'. The main form contains the following fields:

- Vendor ID:** ACETRAVE0001
- Name:** A Travel Company
- Tax Type:** Miscellaneous
- Display:** ☒ Month ☐ Year
- Month:** April
- Year:** 2017
- Payer made Direct Sales of \$5,000 or more etc.:** ☐
- FATCA Filing Requirement:** ☐
- State/Payer's State No.:**

Below the form is a table with 1099 boxes and their corresponding amounts:

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

At the bottom, there are navigation arrows and a dropdown menu set to 'by Vendor ID'.

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

Print 1099 - TWO (sa)

Clear File Print Forms File Tools Help Add Note Help

Company: Fabrikam, Inc.
Address ID: Primary
Address: 4277 West Oak Parkway
City: Chicago
State: IL
ZIP Code: 60601-4277
Phone: (312) 436-2671 Ext. 0000
Email Address:

Payer's Federal ID Number:

1099 Year: 2027
1099 Type: Miscellaneous
Form Type: Single Feed

Vendors: [Dropdown menu showing Dividend, Interest, Miscellaneous, Nonemployee Compensation]

Print: ☒ 1099 Form ☐ Alignment Form ☐ 1096 Form
Order: Vendor ID

Printing Form 1096

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

Print 1099 - TWO (sa)


Clear File Print Forms File Tools Help Add Note Help

Company: Fabrikam, Inc.
Address ID: Primary
Address: 4277 West Oak Parkway
City: Chicago
State: IL
ZIP Code: 60601-4277
Phone: (312) 436-2671 Ext. 0000
Email Address:
Payer's Federal ID Number:
1099 Year: 2027
1099 Type: Miscellaneous
Form Type: Single Feed
Vendors:
Print:
1099 Form
Alignment Form
1096 Form
Order: Vendor ID

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

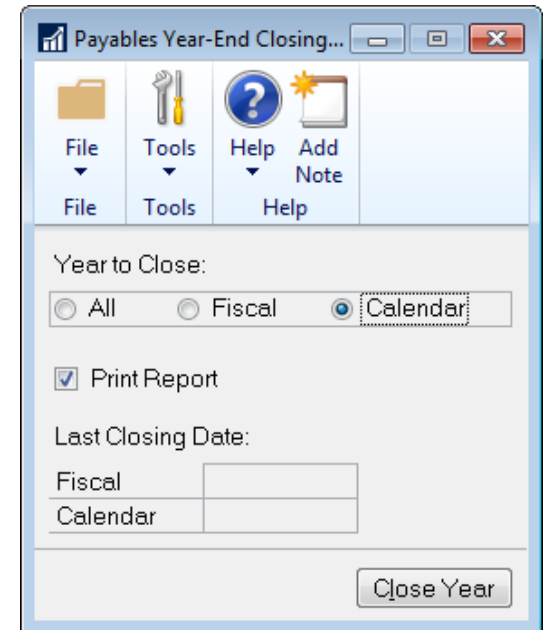
Do Not Staple 6969

Form 1096 Department of the Treasury Internal Revenue Service	Annual Summary and Transmittal of U.S. Information Returns		OMB No. 1545-0108 2022													
FILER'S name																
Street address (including room or suite number)																
City or town, state or province, country, and ZIP or foreign postal code																
Name of person to contact			Telephone number													
Email address			Fax number													
1 Employer identification number			2 Social security number													
3 Total number of forms			4 Federal income tax withheld \$													
5 Total amount reported with this Form 1096 \$			For Official Use Only 													
6 Enter an "X" in only one box below to indicate the type of form being filed.																
W-2G 32	1097-BTC 50	1098 81	1098-C 78	1098-E 84	1098-F 03	1098-Q 74	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-INT 92	1099-K 10	1099-LS 16
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-LTC 93	1099-MISC 95	1099-NEC 71	1099-OID 96	1099-PATR 97	1099-Q 31	1099-QA 1A	1099-R 98	1099-S 75	1099-SA 94	1099-SB 43	3921 25	3922 26	5498 28	5498-ESA 72	5498-QA 2A	5498-SA 27
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.
Send this form, with the copies of the form checked in box 6, to the IRS in a flat mailer (not folded).

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.



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.

Vendor Yearly Summary - TWO (sa)

OK File Print Tools Help Add Note

Actions File Tools Help

Vendor ID: ACETRAVE0001
Name: A Travel Company

Summary View: Calendar Year
Year: Amounts Since Last Close
Fiscal Year
Calendar Year

From: 0
To: 0

Calculate

	Year to Date	Last Year	Life to Date
Amount Billed	\$1,271.17	\$0.00	\$9,434.44
Amount Paid	\$1,019.30	\$0.00	\$2,419.30
1099 Amount	\$2,226.78	\$0.00	\$2,226.78
Withholding	\$0.00	\$0.00	\$0.00
Terms Disc Avail	\$0.00	\$0.00	\$0.00
Terms Disc Taken	\$0.00	\$0.00	\$0.00
Terms Disc Lost	\$0.00	\$0.00	\$0.00
Finance Charges	\$0.00	\$0.00	\$0.00
Writeoffs	\$0.00	\$0.00	\$0.00
Returns	\$0.00	\$0.00	\$0.00
Trade Discounts	\$0.00	\$0.00	\$0.00
No. Finance Charges	0	0	0
Number Invoices	6	0	14

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”.

Payables Year-End Closing...

File Tools Help Add Note

Year to Close:

☒ All ☐ Fiscal ☐ Calendar

☒ Print Report

Last Closing Date:

Fiscal	
Calendar	

Close Year

Close PM Year

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

Payables Year-End Closing...

File Tools Help Add Note

Year to Close:

☐ All ☐ Fiscal ☒ Calendar

☒ Print Report

Last Closing Date:

Fiscal	
Calendar	

Close Year

Note

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

THANK YOU FOR
YOUR TIME AND
ATTENTION

QUESTIONS AND ANSWERS?



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