

## Overview

The University of Connecticut is required to file 1099-MISC reporting with the IRS each year. Part of that process is distributing a paper 1099-MISC to vendors and employees that received reportable payments during the prior calendar year. While the mailings much be sent prior to Jan 31<sup>st</sup> in the year after the payments have been made, the 1099-MISC process starts much earlier to allow for extraction, validation, import, printing, and delivery of the 1099-MISC forms.

Throughout the year Tax & Compliance will be running the 1099\_DETAIL report to view reportable payments and make corrections as needed. In addition to AP/Tax's 1099-MISC file, files are also provided by Student Activities (SA) and Athletics (Impute File). All of those files are combined into one using a series of webfocus programs described below. The final output is loaded into the 1099-PRO software, which then produces the PDF file that gets send to document production for printing.

## Approximate Timeline

- Throughout the year – Tax runs 1099 process to clean up transactions marked as reportable
- November – Finance Systems adds the current version of 1099Pro to the Q drive; AP updates the software on their computers
- November – AP order envelopes
- November – perform initial validation on payments through October
- November – reminder emails to Student Activities, Facilities and Husky Bucks
  - Dan will contact Student Activities (Cyndi Morrissette and Sylvie Godbout) to notify them of the timeline and that Brett will be forwarding the template
  - Dan will contact Husky Bucks (Elly Prairie) to notify her of the timeline and remind her to use names exactly as they appear in KFS to ensure proper IRS match
  - Dottie and Nick will reach out to Athletics (Jennie Atkins) to coordinate any items she may have
  - Brett will send the template
- Late November/early December – perform a preliminary TIN match
- December – AP coordinates with Document Production for printing, stuffing and mailing of 1099MISC forms
- January (week 1) – AP extracts payments from Jan 1<sup>st</sup> – Dec 31<sup>st</sup> of the previous year and begins review/correction. Tax will review Athletics Imputes and SA files
- January 6<sup>th</sup> – AP/Tax finalize corrections and sends 3 final files (AP, SA, Athletics) to Finance Systems (Brett). Finance Systems creates the TIN matching file and sends to 1099Pro for validation
- January (week 2) – Finance Systems sends the file back to AP/Tax for one final review. Once confirmed, Finance Systems loads the file into 1099Pro. 1099Pro produces a PDF file for the 1099-MISC, which is then provided to Document Production who prints, stuffs and mails out the 1099MISC forms

After the mailing has gone out

- Notify Dottie if any vendors have contacted us stating that they should not have received a 1099 **OR** if the amount reported was incorrect

## Transferring files for validation

Due to the sensitive nature of the data in the files, only use secure transfer protocols/tools like Filelocker (filelocker.uconn.edu) or secure shared drive Q. Never send this information via email.

## TIN Matching

At the end of November/beginning of December, a preliminary TIN match process is executed. TIN matching consists of extracting all FEIN/SSN's from the 1099 file provided by AP, along with the Name and optional "Account" number, which is simply a UConn identifier. Vendor ID is typically used for the account number. This information is extracted to a .XLS file and uploaded to 1099Pro using the <https://uploads.1099pro.com> website. Full instructions can be found at: [https://www.1099pro.com/serv\\_TIN\\_Matching.asp](https://www.1099pro.com/serv_TIN_Matching.asp). Once the file is uploaded, email 1099Pro and they pick up the file for TIN matching. Typically, within two days, they send you a result file back that outlines which FEIN/SSN's did not match with the names provided, according to the IRS database. This information is forwarded to Accounts Payable, who makes the corrections in their file. While the 1099 Pro Service typically costs \$125, UConn lumps that charge in the PO with the purchase of the 1099Pro software upgrade each year so it won't need to be paid separately (**we will need to increase this amount for next year if we continue to do a preliminary TIN match**). In the email to 1099Pro, provide the order number or invoice number so they can reference it.

## 1099Pro Software

Each year a new version of the 1099Pro software is released as it much be adjusted for new or changing tax laws. AP purchases the upgrade, along with 1 instance of TIN matching (**change this to 2?**) The software is installed on the Q: Drive in the AP TAX folder. AP typically installs the software themselves and you will see a version for every year. You should run the .EXE file to start the program from that folder on the server that pertains to the year for which you are using 1099Pro. This software is typically accessible on 2 machines in AP and on one in the Tax Office. Within the 1099Pro software folder, you will find the upload templates for each of the 1099 types (MISC, K, etc.). These outline the format and field names that the final upload from AP must be in before it can be imported.

## WebFOCUS Programs

1. **1099DETAIL** – provides 1099detail in Excel format of January through December data for vendors based on a specific date range. This Excel file is what AP validates and manipulates before sending to Finance Systems to merge by vendor using the AP100\_XXXX program. The program ignores vendors contained in the PAYEE\_REMOVAL file which is uploaded to WebFOCUS.
2. **AP100\_20XX** (change the last two digits to adjust for the correct year) – Summarizes January through December data by vendor to one line. Uses the manipulated file that AP provided from 1099DETAIL. It is uploaded through the WebFOCUS Dashboard as filename FILE1099CYXXXX, where XXXX is the year. The program also assigns the box number to the charge based on the number in the BOX field provided by AP.
3. **STACTV\_20XX** (change the last two digits to adjust for the correct year) – Summarizes Student Activities data by vendor to one line. Uses the validated file that AP provided from the Student Activities Office. It is uploaded through the WebFOCUS Dashboard as STDTACTIVITIES\_CYXXXX, where XXXX is the year.

4. **1099TEMLATE** – Creates final 1099 Template file for 1099Pro. It renames the fields from the WebFOCUS field name to the field name 1099ro is expecting. In addition, it cuts out the 1099-MISC files that are not reportable because BOX 2 is less than \$10 or BOX 18 is less than \$600.

### **Technical Process**

*Note: Be sure to save versions of your working files frequently in case you need to revert back or figure out where changes were made. It is also helpful to ensure \$'s have not changed or been assigned to another vendor due to update/delete/sorting error.*

1. AP runs the 1099DETAIL program for the previous Jan-Dec to export all data. They begin making corrections to the data and specifying the boxes for each payment. In addition, they make sure that the Last Name field has either the last name of the individual or the full company name of the payee. The First Name field should only have the first name of individuals. Once these changes are complete, they send this file to Finance Systems to merge using the AP1000\_XXXX program.
2. Finance Systems uploads the Excel file provided by AP to WebFOCUS under d\_accounts\_payable application and file name of FILE1099\_CY20XX (where XX is the calendar year)
3. Finance Systems then runs the AP100\_XXXX program to merge the file. The result should be 1 record per FEIN/SSN. If more than one row of output exists, then it is likely more than one address per vendor was present in the file provided by AP. AP will either fix the address and totals in this file or will send a new file the address fixes.
4. While AP is reviewing the merged AP file, Finance Systems begins working on merging the Student Activities file. Finance Systems uploads the Excel file provided by Student Activities to AP to WebFOCUS under d\_accounts\_payable application and file name STDTACTIVITIES\_CY20XX (where XX is the calendar year).
5. Finance Systems then runs the STACTV\_XXXX program to merge the file. The result should be 1 record per FEIN/SSN. If more than one row of output exists, then it is likely more than one address per vendor was present in the file provided by Student Activities. AP will either fix the address and totals in this file or will send a new file the address fixes.
6. Once AP has validated both the AP Merged file and the Student Activities Merge file, they must be put in the same column format by Finance Systems. Referring to the sample file provided by 1099Pro, create the columns that are missing in each of the templates and move them and their values so they are in exactly the same order (i.e. you should be able to copy and paste the data from one file to the other without losing the column formatting).
7. Copy the data from the Student Activities merge file into the AP merge file. Sort by FEIN/SSN in Excel and use conditional formatting to highlight any duplicates. If duplicates exist, you must add the BOX values together on one line and then delete the line that is a duplicate. For example, if a vendor has two rows and has \$20 in box 2 on row 1 and \$30 in box 2 on row 2, update box 2 on row one to be \$20 and delete the entire row 2. Do this for all boxes that have values on that line. Note: This is a manual process. Another WebFOCUS program could be created to re-sum all these duplicates.
8. At this point, you should revalidate the totals in the file to ensure that they match the original totals given in the two files provided by AP.
9. Sort the Excel file by box 16 (ensure no sorting errors occur). For each record where BOX 16 has a value, enter 8683971-777 into the "Box 17 ID" field and CT into the "Box 17 State" field. Because the file is sorted, if you do this on the first record, you can just drag down the cell to

copy the values into all the other cells that require this value. Resort the Excel file by FEIN when finished.

10. The data from the IMPUTES file provided by the Tax area should already be in the standard format. Validate that it is in the correct format to match your merged file and make any necessary changes. Copy and paste the data from the IMPUTES file into your merged AP/Student Activities file.
11. Send this file to AP for final validation.
12. Once this file is validated, you can use the import wizard in 1099Pro to import the data as described above.

### **Additional Information**

- 1099-K reports are provided by AP in the format that is already 1099Pro ready. No manipulation/merging should be required. Just ensure that the template used matches the 1099-K template in the 1099Pro sample folder.
- **PAYEE\_REMOVAL:** This is the file of vendor number to be excluded from 1099 reporting. It is provided by AP in an Excel format and uploaded to the d\_accounts payable domain BEFORE the 1099 focexecs are executed. The only field contained in this file is vendor number and it is uploaded with a field name of "VENNUM" and a format of A25.
- **Errors uploading data to WebFOCUS** – Make sure there aren't any spaces/blanks in the cells that contain the column headers

The current column order and names for the 1099Pro import file are:

Rcp TIN  
Last Name/Company  
First Name  
Name Line 2  
Address Type  
Address Deliv/Street  
Address Apt/Suite  
City  
State  
Zip  
CountryRcp Account  
Rcp Email  
2nd TIN Notice  
Box 1 Amount  
Box 2 Amount  
Box 3 Amount  
Box 4 Amount  
Box 5 Amount  
Box 6 Amount  
Box 7 Amount  
Box 8 Amount  
Box 9 Amount  
Box 10 Amount

Box 13 Amount  
 Box 14 Amount  
 Box 15a Amount  
 Box 15b Amount  
 Box 16 Amount  
 Box 17 ID Number  
 Box 17 State  
 Box 18 Amount  
 Opt Rcp Text Line 1  
 Opt Rcp Text Line 2  
 Form Category  
 Form Source  
 Tax State

The 1099Detail Program uses the following fields/stars:

Report Field	Dimension Field	Dimension
VENNUM	Vendor_Number Disb_Pmt_Grp.Payment_Payee_ID	Disbursement_S Disbursement_Accounting
VENNAME	Vendor_Name Disb_Pmt_Grp.Payment_Payee_NAME	Disbursement_S Disbursement_Accounting
TAXID	Vendor_Taxid	Disbursement_S
TAXTYPE	Vendor_Taxid_Type	Disbursement_S
OWNERSHIPTYP	Vendor_Ownership_Type	Disbursement_S
TAXCIND	Vendor_Tax_Collected_Ind	Disbursement_S
ACCT	Account	Disbursement_Accounting
OBJECT	Object	Disbursement_Accounting
DISBDT	Disbursement_Date	Disbursement_Accounting
DISBNUM	Disbursement_Number	Disbursement_Accounting
SOURCEDOC	Payment_Source_EDOC	Disbursement_Accounting
INVNUM	Payment_Invoice_Number	Disbursement_Accounting
AMT	Disb_Act_Fact.Accounting_Distribution_Amount	Disbursement_Accounting
DOCTYP	Doc_Type_Orig.EDOC_Type	Disbursement_Accounting
ADDR1	Disb_Pmt_Grp.Payment_Address_Line_1	Disbursement_S
ADDR2	Disb_Pmt_Grp.Payment_Address_Line_2	Disbursement_S
CITY	Disb_Pmt_Grp.Payment_Address_City	Disbursement_S
ST	Disb_Pmt_Grp.Payment_Address_State_Code	Disbursement_S
ZIP	Disb_Pmt_Grp.Payment_Address_Postal_Code	Disbursement_S
COUNTRY	Disb_Pmt_Det.DV_SP_Handling_Country	Disbursement_S

- PAYEE\_REMOVAL:** This is the file of vendor numbers to be excluded from 1099 reporting. It is provided by AP in an EXCEL format and uploaded to the **D\_Accounts Payable domain** BEFORE the 1099 focexecs are executed. The only field contained in this file is vendor number and it is uploaded with a field name of 'VENNUM' and a format of **A25**. There were no changes in CY2014.

**Uploading to WebFOCUS – Field Formats (may need to be adjusted if data size differs)**

Name	Title	Alias	Format	Segment	Filename	Description
<input type="checkbox"/> VENNUM	VENNUM	VENNUM	A8	FILE1099_201	FILE1099_201	VENNUM
<input type="checkbox"/> VENNAME	VENNAME	VENNAME	A50	FILE1099_201	FILE1099_201	VENNAME
<input type="checkbox"/> FNAME	FNAME	FNAME	A30	FILE1099_201	FILE1099_201	FNAME
<input type="checkbox"/> TAXID	TAXID	TAXID	A10	FILE1099_201	FILE1099_201	TAXID
<input type="checkbox"/> TPCD	TPCD	TPCD	A4	FILE1099_201	FILE1099_201	TPCD
<input type="checkbox"/> OTYPE	OTYPE	OTYPE	A2	FILE1099_201	FILE1099_201	OTYPE
<input type="checkbox"/> TXCID	TXCID	TXCID	A1	FILE1099_201	FILE1099_201	TXCID
<input type="checkbox"/> SRCDOC	SRCDOC	SRCDOC	A7	FILE1099_201	FILE1099_201	SRCDOC
<input type="checkbox"/> ACCT	ACCT	ACCT	A7	FILE1099_201	FILE1099_201	ACCT
<input type="checkbox"/> OBJ	OBJ	OBJ	A4	FILE1099_201	FILE1099_201	OBJ
<input type="checkbox"/> BOX	BOX	BOX	A3	FILE1099_201	FILE1099_201	BOX
<input type="checkbox"/> DISBDT	DISBDT	DISBDT	A10	FILE1099_201	FILE1099_201	DISBDT
<input type="checkbox"/> DISBNUM	DISBNUM	DISBNUM	A8	FILE1099_201	FILE1099_201	DISBNUM
<input type="checkbox"/> INVNUM	INVNUM	INVNUM	A22	FILE1099_201	FILE1099_201	INVNUM
<input type="checkbox"/> DOCTYP	DOCTYP	DOCTYP	A4	FILE1099_201	FILE1099_201	DOCTYP
<input type="checkbox"/> ADDR1	ADDR1	ADDR1	A45	FILE1099_201	FILE1099_201	ADDR1
<input type="checkbox"/> ADDR2	ADDR2	ADDR2	A45	FILE1099_201	FILE1099_201	ADDR2
<input type="checkbox"/> CITY	CITY	CITY	A20	FILE1099_201	FILE1099_201	CITY
<input type="checkbox"/> ST	ST	ST	A2	FILE1099_201	FILE1099_201	ST
<input type="checkbox"/> ZIP	ZIP	ZIP	A10	FILE1099_201	FILE1099_201	ZIP
<input type="checkbox"/> SHCNTRY	SHCNTRY	SHCNTRY	A5	FILE1099_201	FILE1099_201	SHCNTRY
<input type="checkbox"/> NETAMT	NETAMT	NETAMT	D12.25	FILE1099_201	FILE1099_201	NETAMT

**Errors uploading data to WebFOCUS**

Make sure there aren't any spaces/blanks in the cells that contain the column headers.

## Appendix 1: Documentation provided for the 2013 1099 Reporting

### 1099 REPORTING FOR 2013

#### **Overview of Process:**

There are currently 4 main focexecs that were used in the 2013 1099 process. Details for each focexec will be noted in the "SPECIFICS" section. The focexecs are as follows:

1. **1099DETAIL** – provides 1099 detail of January through December data for vendors based on a specified date range.
2. **AP100\_2013** – Summarizes January through December data by vendor to one line.
3. **SACTV\_2013** – Summarizes Student Activities data by vendor to one line.
4. **1099TEMPLATE** – Creates final 1099 Template file for HRS PRO.

The initial steps involved running a detail report for Accounts Payable (AP) over specified time frames, which provided payments made to vendors that were 1099 reportable. This report may be requested several times by AP. The 'detail' report provided to AP for 2013 reporting covered the following periods:

- 01/01/13 – 10/31/13
- 11/01/13 – 11/30/13
- 12/01/13 – 12/31/13

AP also supplied an EXCEL file of Vendor numbers to exclude from the 1099 reporting. The file was named PAYEE\_REMOVAL and was uploaded to the Webfocus domain D-Accounts Payable. The exclusion data is used by the 1099DETAIL, AP100\_2013 & SACTVT\_2013 focexecs.

**Step 1** involves executing the 1099DETAIL focexec and is based on date ranges requested by AP. It brings back 1099 reportable payment detail for each vendor. The report is formatted as an Excel worksheet, which is placed on a secure drive. AP reviews the file and corrects any of the vendor information in the KFS system. This report may be requested several times. The final worksheet is saved and uploaded to the Webfocus domain as FILE1099\_2013 .

**Step 2** then summarizes the data in FILE1099\_2013 so that each vendor appears only once. This is done by the focexec AP100\_2013. Student Activities also sends an Excel file to AP, which needs to be uploaded and summarized. This worksheet is uploaded as STDTACTIVITIES and is summarized by the focexec SACTVT\_2013. Both focexecs create EXCEL worksheets, which are reviewed by AP.

**NOTE:** *Make sure columns in each worksheet correspond to each other.*

**Step 3** concatenates the 2 worksheets into one. This final worksheet is uploaded to Webfocus as 1099TEMP and used by the focexec 1099TEMPLATE to create the final file formatted for use by the HRS PRO reporting software. The resultant file is saved in EXCEL format.

**Step 4** adds the IMPUTES Excel file, which already is in the 1099 Template format, to the final template file to complete the reportable 1099 data file. AP is then notified of the completion of the template file, which has been placed on the secure drive.

#### **Specifics**

- **FIELDS REPORTED**

The table below displays the reported fields and the dimension that they were taken from. Either the Disbursement\_Accounting dimension or the Disbursement\_S dimension was used.

<b>Report Field</b>	<b>Dimension Field</b>	<b>Dimension</b>
VENNUM	Vendor_Number	Disbursement_S
	Disb_Pmt_Grp.Payment_Payee_ID	Disbursement_Accounting

VENNAME	Vendor_Name Disb_Pmt_Grp.Payment_Payee_NAME	Disbursement_S Disbursement_Accounting
TAXID	Vendor_Taxid	Disbursement_S
TAXTYPE	Vendor_Taxid_Type	Disbursement_S
OWNERSHIPTYP	Vendor_Ownership_Type	Disbursement_S
TAXCIND	Vendor_Tax_Collected_Ind	Disbursement_S
ACCT	Account	Disbursement_Accounting
OBJECT	Object	Disbursement_Accounting
DISBDT	Disbursement_Date	Disbursement_Accounting
DISBNUM	Disbursement_Number	Disbursement_Accounting
SOURCEDOC	Payment_Source_EDOC	Disbursement_Accounting
INVNUM	Payment_Invoice_Number	Disbursement_Accounting
AMT	Disb_Act_Fact.Accounting_Distribution_Amount	Disbursement_Accounting
DOCTYP	Doc_Type_Orig.EDOC_Type	Disbursement_Accounting
ADDR1	Disb_Pmt_Grp.Payment_Address_Line_1	Disbursement_S
ADDR2	Disb_Pmt_Grp.Payment_Address_Line_2	Disbursement_S
CITY	Disb_Pmt_Grp.Payment_Address_City	Disbursement_S
ST	Disb_Pmt_Grp.Payment_Address_State_Code	Disbursement_S
ZIP	Disb_Pmt_Grp.Payment_Address_Postal_Code	Disbursement_S
COUNTRY	Disb_Pmt_Det.DV_SP_Handling_Country	Disbursement_S

- **PAYEE\_REMOVAL:** This is the file of vendor numbers to be excluded from 1099 reporting. It is provided by AP in an EXCEL format and uploaded to the **D\_Accounts Payable domain** BEFORE the 1099 focexecs are executed. The only field contained in this file is vendor number and it is uploaded with a field name of 'VENNUM' and a format of **A25**.
- **1099DETAIL FOCEXEC:** This is the first focexec executed in the reporting process. It provides 1099 payment detail for all vendors that are 1099 reportable. Where applicable, the focexec will assign 1099 box numbers to each amount based on the object code. AP will supply the box numbers associated with each object code. The start and end dates are prompts allowing the execution of this focexec to occur as often as necessary for any timeframe of the reportable year. **NOTE:** The value of "PAYYR" & PAYYR2 must be changed each 7/1 to the 1099 reporting year in Sections 2 & 4. The final worksheet is saved and uploaded to the Webfocus **D\_Accounts Payable domain** as FILE1099\_2013.
- **AP100\_2013 FOCEXEC:** Once the FILE1099\_2013 has been finalized and uploaded to Webfocus, the AP100\_2013 focexec is executed. This focexec takes the detail data from FILE1099\_2013 and condenses it to one line per vendor, i.e.; all data is summarized to one line for each vendor. The report is saved as an Excel worksheet for AP to review. If any changes need to be made, they are done on the upload file used to create the FILE1099\_2013. Once done, the file is once again uploaded to Webfocus as FILE1099\_2013 to be run through this focexec.
- **STACTV\_2013 FOCEXEC:** 1099 reporting also includes Student Activities (S.A.). S.A. sends a detail file to AP for the 1099 template, which needs to be summarized. The STACTV\_2013 focexec does the summarizing. For the year 2013 we needed to reorganize the columns in the S.A. Excel file to correspond to those in the AP file.
- **1099TEMPLATE** – Creates final 1099 Template file for HRS PRO. This is placed in an Excel file and saved to the secure Skywalker drive. AP will upload to HRS PRO software for reporting to the state of CT.

**ACCOUNTS PAYABLE SUPPLIED THE FOLLOWING INFO FOR THE 2013 1099 REPORTING:**

- PAYEE\_REMOVAL file of vendors to exclude from the focus reports.
- OBJECT CODES and the template box numbers they are associated with.
- Corrections to the files that are uploaded for use by the focexecs **AP100\_2013 FOCEXEC** and **STACTV\_2013 FOCEXEC**.

#### **FUTURE 1099 REPORTING**

- All focexecs have been shared from the D\_Accounts Payable domain.
- Accounts Payable now has the capability to run the 1099DETAIL focexec on a monthly basis, which will allow them to make corrections to KFS throughout the year.
- Object code box # assignments may be updated continuously for the 1099DETAIL focexec.
- The PAYEE\_REMOVAL file may be updated at any point through uploading a new file.
- Accounts Payable should explain to Student Activities the file format from S.A. must show one line per vendor.

## IS IT REPORTABLE?

### Yes (unless the vendor is incorporated or tax-exempt)

1. Compensation for personal and/or professional “services” (including parts & materials used in performing service)
2. Rental fees (e.g., equipment, building space, lodging, banquet rooms, booth space, etc.)
3. Copyright, license, and royalty fees
4. Catering
5. Registration fees for conferences, training, workshops, etc.
6. Membership dues
7. Honorariums, speaker fees, entertainment, etc.
8. Transportation (e.g., airfare, taxi, motor coach, etc.)
9. Merchandise that is custom-made or contains UConn logo
10. Advertising – where the ads are “created” by the vendor (e.g., display ads, billboards, etc.)
11. Payments for medical/healthcare and legal services regardless of whether or not the entity is incorporated
12. Gross proceeds paid to an attorney or law firm regardless of whether or not they are incorporated (e.g., legal settlement or garnishment payment)

### No

1. Expense Reimbursements to non-employees/students substantiated by original receipts – where required
2. Utilities (e.g., telephone, gas, electric, cable, etc.)
3. Merchandise -when no service, such as installation, training, technical support, customizing, etc., is included in the purchase
4. Freight
5. Subscriptions
6. Rental of “storage units”
7. Food/Meals purchased that are not catered and not part of a banquet, workshop, etc.)
8. Classified ads and T.V. or radio promotional ads where ads are “created”/ provided by UConn and vendor just runs the ads
9. Scholarships
10. Software – when no software support is provided or where no annual renewal fee is required to continue using software
11. Payments made to a school, college, university, church, or other recognizable tax-exempt entity
12. Payments to a corporation – *with the exception of payments for medical/healthcare and legal services and gross proceeds paid to an attorney or law firm*