

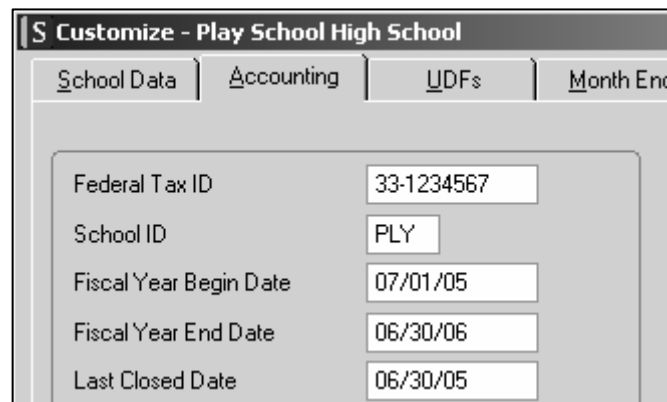
S5: 1099 Processing

Agenda:

1. School settings for 1099 processing
2. Gathering data
3. Editing and adding new records
4. Exporting data
5. Consolidating data
6. Printing 1099 forms
7. Working at the district level
8. Frequently asked questions

Important Concept: Most schools consolidate all their Vendor information and report 1099 data under the District Tax ID number. Therefore, individual schools should NOT concern themselves with any minimum amounts paid to a Vendor. You will only apply the minimum amount criteria to the Vendor AFTER records from all the schools are consolidated.

1. School settings for 1099 processing
 - a. Before getting started you must enter your Tax ID number and assign a School ID (3 character code) to your school.
 - Go to Management\Customize\School Settings – Accounting Tab.
 - School Code must be three characters for each school.

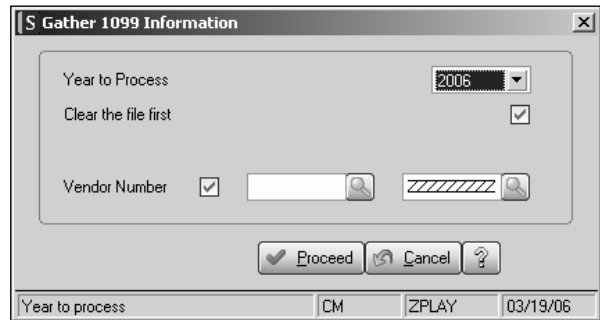


S Customize - Play School High School			
School Data	Accounting	UDFs	Month End
Federal Tax ID	33-1234567		
School ID	PLY		
Fiscal Year Begin Date	07/01/05		
Fiscal Year End Date	06/30/06		
Last Closed Date	06/30/05		

- b. Your Vendor data is safe
 - The program gathers the Vendor data and creates a separate database specifically for 1099s.
 - Data is gathered based on the TAX ID NUMBER of the Vendor (either Social Security number or Business Tax ID number), NOT the Vendor Code.
 - Once you gather your data, any changes you make in either your SchoolBooks data or here in the 1099 program will not affect the other database.

2. Gathering your data – Period End\1099 Processing

- Choose the calendar year for which you are gathering data.
- Clear Files – Use with caution.
 - a. Use this the very first time you gather for the year.



- b. If this is checked, all 1099 records already gathered will be cleared.
- c. If you are the district, do NOT use this if you have already gathered data from another school or if you have made changes to existing 1099 information.
- d. When to Clear:
 - i. Anytime you make major changes to Vendor files in SchoolBooks – ie Tax ID.
 - ii. If you selected the wrong year to gather.
 - iii. If you made changes to the 1099 data but made a mistake. Clear the file and start again.

- Selecting Vendor ranges
 - a. You can now select one or a range of vendors to gather.
 - b. Perfect if you had to make a change to a specific vendor in SchoolBooks and need to re-gather just that vendor.
 - c. DO NOT CLEAR FILE!

2. Editing and adding new records - Period End\1099 Processing\Maintenance

a. Understanding records

- You can edit your data, add new 1099 records and/or edit existing records.
- You can find existing records with the lookup button.
- There should be only one 1099 record for each vendor for each school. Fields that are disabled (grayed-out) may not be edited.
- If you delete a record, the record is deleted from the 1099 processing file, but not from SchoolBooks.

b. Editing amounts

- To change the amount to be reported, enter the adjustment amount in the field called Other Amount Paid (positive or negative amount).
- Make these edits in 1099 for any payments you paid to this vendor BEFORE starting to use SchoolBooks. (You want to report ALL payments for the reporting year, not just the payments you make through SchoolBooks.)

c. Adding records

- Vendor Tax ID: Enter the federal taxpayer ID number for this Vendor. This will be either a business ID number like #33-4567877, or a Social Security number like #789-45-4567. You can either enter the dashes in the right places or not; the program will prompt you!
- 1099 Box: Enter the box number on the 1099 where the amount for this vendor should print. This will normally be Box 7 Non-Employee Compensation.
- School Code: Enter a 3-character code for this school.
- Name and Address Information: Enter name and address information for this Vendor. You must fill out this information completely, including City, State and Zip. The government wants to know where to find this person or business. (Thought for the day: If you're having a hard time tracking down the addresses for some of your 1099 vendors, consider a new policy: DON'T ISSUE CHECKS WITHOUT TAX ID # AND ADDRESSES.)
- Year: Enter the 1099-reporting year.
- Other Amount Paid: Enter the amount paid to this Vendor. The program then recalculates the total paid to this Vendor. The amount shown in Total 1099 Amount is the amount that will be printed on the 1099.
- Notes 1 and 2: Enter any notes for this vendor.

d. Understanding multiple boxes. 1099 Processing allows printing amounts in multiple boxes for the same vendor.

- SchoolBooks will print amounts in multiple boxes on one 1099 form.
- You must enter a separate Vendor record in SchoolBooks (with a different Vendor Number) for each box you want to print.
- SchoolBooks will print these amounts on one 1099 form using the correct boxes.

3. Printing the 1099 Report

a. Use the 1099 Report to check the data for 1099 processing and to keep a permanent record that includes your notes (backup for auditors is always nice!). You can attach the report to your copies of the 1099 forms.

b. Report Selections:

- Minimum Amount: Enter the minimum amount for 1099s for this year. For the year 2006, you should enter \$_____.
- Sort By: Tax ID, Name, or Code.
- Type of Report: There are two types of reports - Summary or Detail. Select Summary to consolidate all Vendor detail and print only one record for each Vendor. Select Detail to print all the records for each Vendor.
- School Selection: Check All Schools to include vendors from all schools. Or select a range of schools to see only Vendors from a particular school or range of schools.
- Include Notes: Check to include notes (from the 1099 Maintenance screen) about this Vendor.

- Print, Preview, or Send to Excel: Mark the selection criteria describing how you want the report to preview or print.

4. Exporting your data

- Exporting your report to Excel - Exports a copy of the 1099 report to Excel in report format.
- Creating a Text Output File - This allows you to create an output file in Excel format for use with 1099 programs other than SchoolBooks.
- Exporting to the District - Allows you to export your data to combine with other schools at the district level.

5. Consolidating your data

- You must do the Consolidate function before you can print.
- SB creates a new consolidated record for each Vendor (combines some if necessary).
- Consolidate happens in the background. You will not see anything on the screen.
- Ensure your data is complete BEFORE consolidating your data. Consolidating data is the final step before printing. You cannot unconsolidate.
- If you find you need to make changes to data after consolidating, you will need to start over with step one (gather data and clear all information). ICK!

6. Printing 1099 Forms

- Minimum Amount: Enter the minimum amount for 1099s this year. For 2006 the amount is \$_____.
- Copies: This might also be called “What kind of forms are you using?” or “What kind of printer are you using?”
- Print a Test Only: If you check this box, SchoolBooks will print the 1099 for the first FOUR Vendors only so you can make sure you have your forms set up and aligned correctly.
- Federal ID #: Enter the federal taxpayer ID number for the entity filing these forms.
- Name and Address information: If you are producing 1099s for only one school and you have imported the data from your school, SchoolBooks should have already gathered the data for your school.

Adjusting your form - If after your first print test, the forms do not line up correctly, go to Print 1099 Forms/Positions tab. The Positions Tab gives you the opportunity to align the forms correctly on your printer.

1099 Checklist

School sites reporting directly to IRS with less than 250 Vendors

- Run Vendor Check History Report
- Gather 1099 Data
- Print 1099 Report
- Make corrections or editions
- Print 1099 Report
- Consolidate
- Print 1099 forms

7. Working at the district level

a. Importing and combining school data.

- If you are a district office, or are assigning one school to consolidate all 1099s, you can import 1099 data from other schools to process one single batch of 1099s. If you use SchoolBooks yourself, you can prepare 1099 information for your school on your own system and then import data from other schools in your district.
- We recommend that you create a 1099 school to use for combining the data for all your schools.
- Note: If you are the district and have not gathered information in your SchoolBooks program, you will need to do one “Gather” in order to set the files for your import files.

b. Consolidating combined data.

- Check for data inconsistencies across schools. If one school has hyphens in the Tax ID field and another school does not, the program will see these as two DIFFERENT vendors. You’ll get NO 1099 at all instead of one for \$650.00.

SCHOOL ID	VENDOR CODE	VENDOR NAME	TAX ID	AMOUNT PAID
PHS	SMITHJO	JOHN SMITH	599-98-9876	\$400.00
PMS	SMITHJO	JOHN SMITH	599989876	\$250.00

- It is up to you to check the report and make corrections before you print your actual 1099 forms. In the case above, the easiest way to fix the problem is to go into Vendor Maintenance in the middle school (PMS) and add the hyphens. Then when you gather data again, SchoolBooks will know that both these Vendors should be combined.

c. Filing electronically

- Choose “Make disk for IRS: and complete the following selection screens. If you are reporting for 250 or more vendors, the IRS REQUIRES that you file electronically. You MUST also print a sample form to ensure the data is stored correctly.
- Select the location that you would like the program to export your IRS information to (as shown below). It is recommended that you accept the default location, which is your floppy A: drive. Make sure you have a blank floppy diskette in your drive before clicking on “Proceed.”

d. Making an IRS disk - Before you can make a disk, you must supply the Payee information required by the IRS. You will need to complete the information in this screen:

- Transmitter Control Code: The IRS provides this information.
- Contact Name: Enter the name of the person who is responsible for the 1099s.
- Email Address: Enter the Email address for the contact person.
- Contacts Phone & Extension: Enter the phone information requested.

- Office Code: Enter a code for your office.

Check IRS File/Information – you can view the information on the diskette by using this function from the 1099 menu.

1099 Checklist Working at the District level

- Create a 1099 school in SchoolBooks
- Import "VEND1099.pvk" file from each school
- Run1099 Report
- Edit or add new records
- Print 1099 Report
- Consolidate combined data
- Print 1099 forms
- File electronically with the IRS

8. Frequently asked questions

- a. Print 1099s on both laser and dot matrix printers? YES
- b. Can I combine data for more than one school and print a 1099 for the combined total? YES – for unlimited number of schools.
- c. If I'm going to combine data, can I do the combining on any computer, or does it have to be the computer at a certain location? YES – on any computer running SchoolBooks 5.x.
- d. Can I add Vendor information for a school that doesn't use SchoolBooks?
 - Absolutely! You can add any additional information, including new Vendors, into the 1099 program.
 - Note: You cannot export data FROM the 1099 program back into SchoolBooks. If you need the data to show up on your books, you should still enter the data into SchoolBooks.
- e. Can I enter amounts that I paid the Vendor before I started using SchoolBooks?
 - Sure, you can! Suppose you only started using SchoolBooks in July 2005. You'll need to make an entry in the 1099 program to indicate the amount you paid vendors during the January to June 2005 time period.
- f. Will the program print the actual form for me?
 - No, you must use pre-printed forms either dot matrix or laser. If you use laser forms, you will need to print the forms several times to end up with the correct number of copies you need.
 - Why? The IRS requires the use of the standard pre-printed RED form for scanning purposes!

NOTES:
