Part I – Setup Procedures for 1099 Vendors

- 1099 forms are submitted to the IRS by companies such as yours to report money earned by individuals that has been paid on an untaxed basis.
- It is the responsibility of the individual to file and pay the appropriate taxes. The first 4 steps should be done at the beginning of the year.

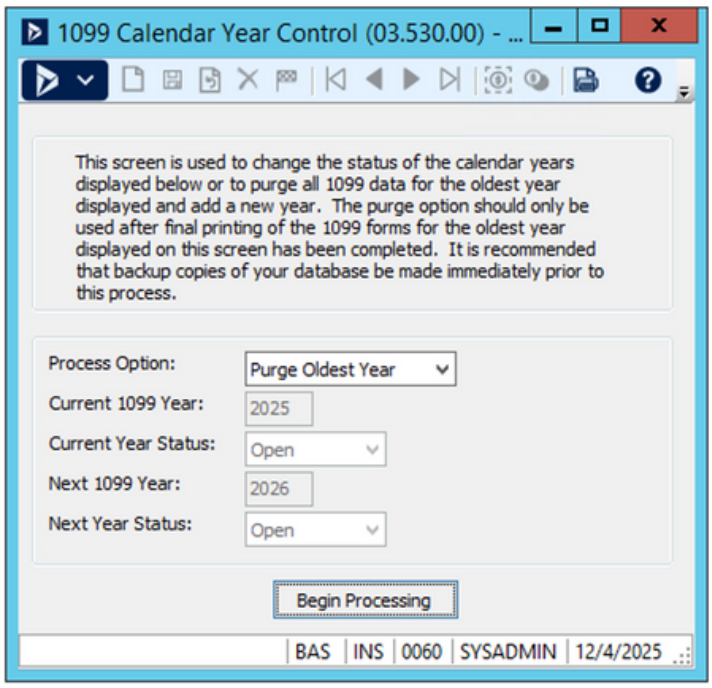
Step 1: Go to the AP 1099 Calendar Year Control screen (03.530.00)

- Verify that the fields are populated with correct data

If the Current 1099 Year field says 2025 you are fine. Skip to Step 2. Otherwise, reset the field until it reads "2025." If for example, it is currently "2024," set the Process Option field to "Purge Oldest Year" and click Begin Processing. We recommend that you do this early in the morning or just after you have run a backup.

WARNING: ***do not "Purge" twice as doing so will delete all 2025 data!!! The *CURRENT* year must be 2025 even if this is done in January.***

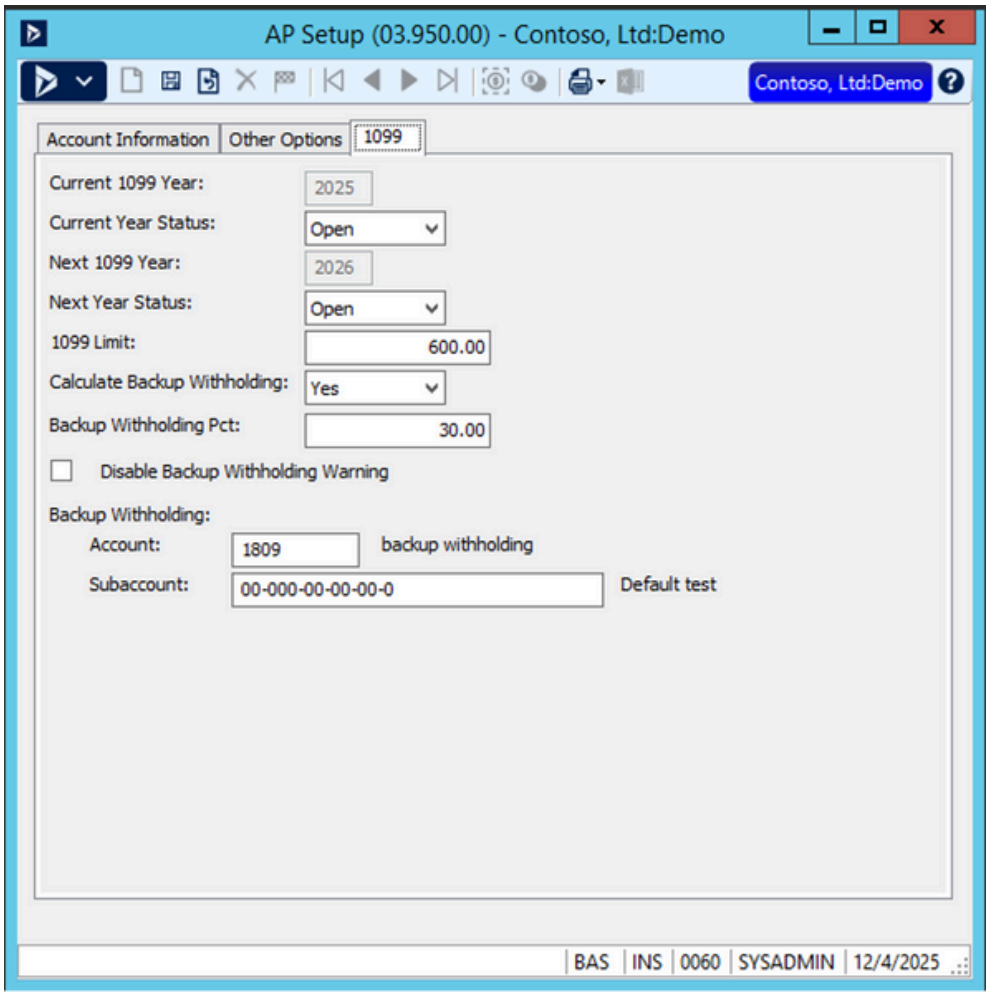
Solomon tracks 1099 information for two years at a time. The 1099 tab displays the years which are currently being tracked, as well as the status of the year and the limit to be used when generating 1099s. Any changes must be made in the 1099 Calendar Year Control screen. When you are finished, the screen should look like this:



Step 2: Go to AP Setup screen (03.950.00) I 1099 Info Tab

- Verify the Current 1099 Year data

Make sure the years agree with the information in the AP 1099 Calendar Year Control screen discussed above.



- Verify that the 1099 Limit is equal to the current IRS minimum amount

Speak to your accountant if you are not certain of your current limit.

Step 3: For each 1099 vendor, Go to the AP Vendor Maintenance screen (03.270.00) 1099 Info Tab

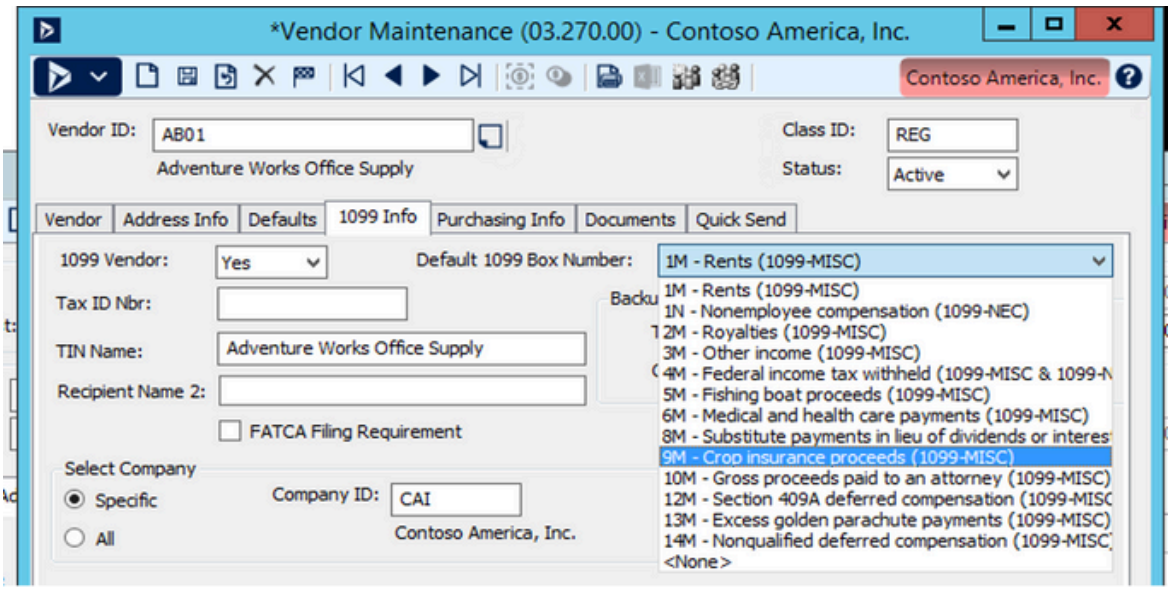
- Verify that the 1099 Vendor field is set to YES

- Verify that the Tax ID Number field is populated

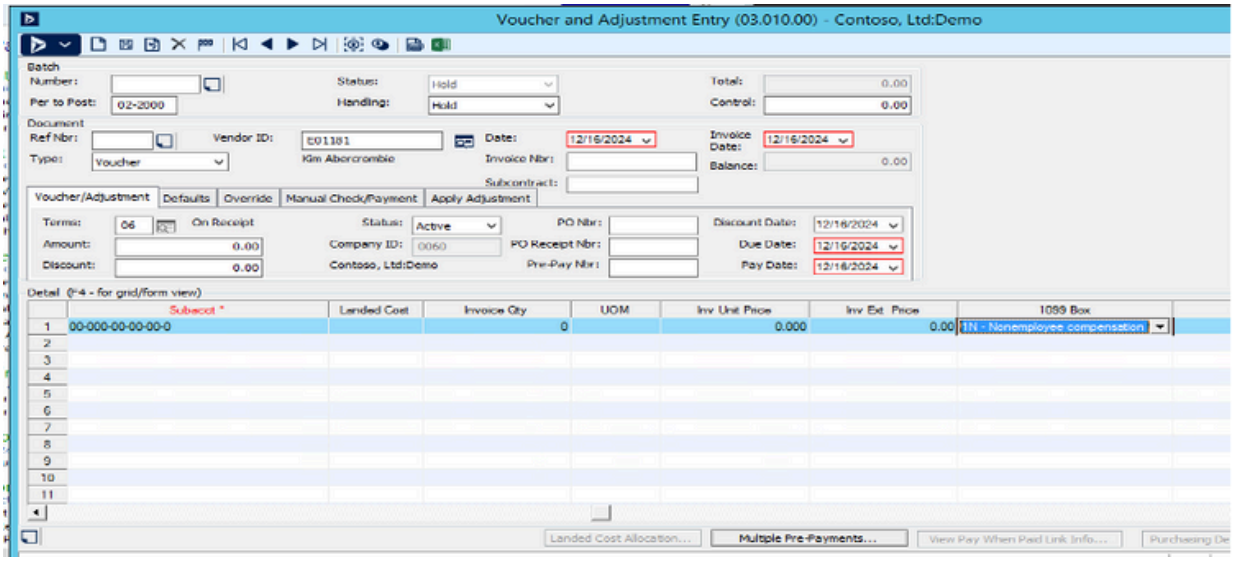
This is either a vendor's Tax Identification Number (TIN), a Social Security number or employer identification number (EIN). If not entered, a 'Request TIN from Vendor' will print on the 1099 Preview Report Tax ID Number must be completed in order to print 1099s, or you may be fined by the IRS.

- Verify that the correct Default 1099 Box Number field is displayed

The scroll menu provides a description of each default type. Consultants for example, have a default type 1N – Non-Employee Compensation. If a 1099 vendor is accidentally set to <NONE>, you will probably see a discrepancy in the reported 1099 numbers. See Step 4 for more information.



WARNING: Selecting the proper Default 1099 Box, does not eliminate the need to verify the box number in the Voucher & Adjustment Entry screen. As you can see in the second screen shot below, the 1099 default type 1N – Non-Employee Compensation should default when entering a $100 voucher for vendor E01181 now that we have set the default for that vendor. If you do NOT wish that line's amount to appear on the vendor's 1099, you must set the box to "None" on the voucher detail line. See example below.



Step 4: 1099 Forms (03.740.00) and Generate 1099 Magnetic Media (03.742.00)

Additional things to consider well in advance of tax season:

- If you have more than 10 forms to print, the IRS requires that the data be posted to an IRS website or sent via email. NOTE: The file can NO LONGER be sent on a “magnetic media” diskette.
- The format and data needed for 1099s are subject to IRS rules and regulations. In years prior Microsoft provided an annual Year-End Update package that incorporates the latest IRS information. Microsoft will not be providing any Year-End Update starting this year (2025).
- You can purchase 1099 forms from any form’s supplier or stationery store. New York State does not require a copy, so you will only need copies for the IRS, the Vendor, and your company's files.

Part II – Processing 1099 Forms

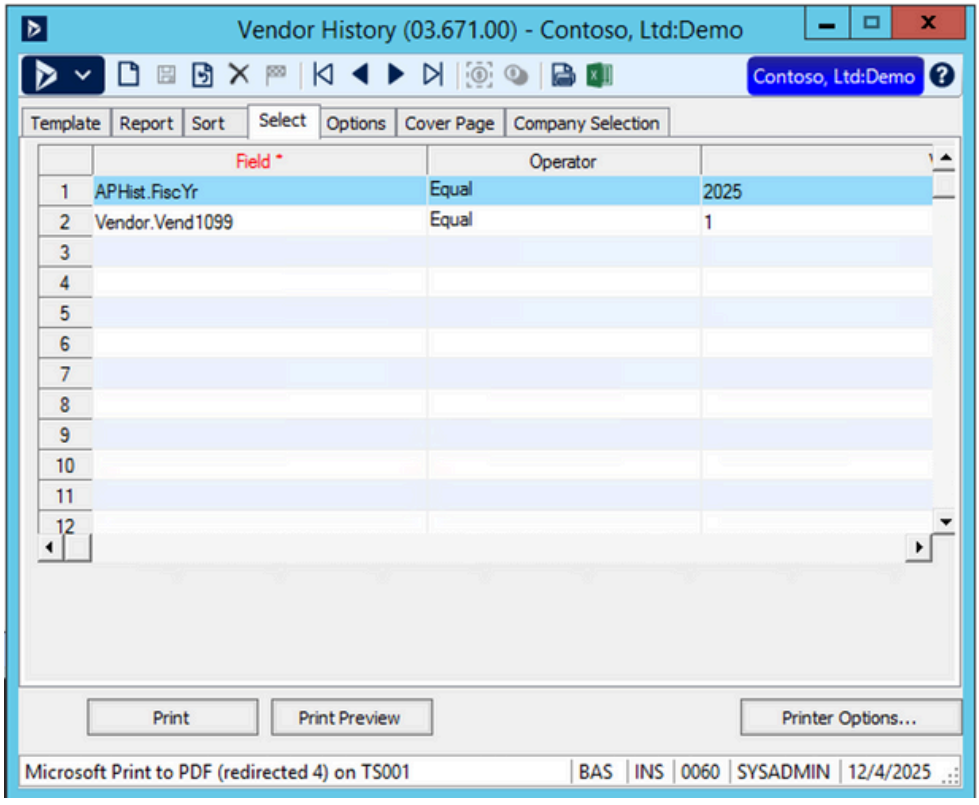
- If the vendors were set up at the beginning of 2025 as outlined above, you should be able to print 1099s for this year.
- To ensure the accuracy of the 1099s, we recommended that you verify the amounts shown in the 1099 boxes.

Step 5: Compare the AP 1099 Preview Report (03.730.00) and the AP Vendor History Report (03.671.00)

- Compare the totals in the 1099 Preview with the payments in Vendor History

On the Vendor History report, remember to add up the fiscal periods that apply to the calendar year if your fiscal year is not the calendar year. The 1099 preview report is for the calendar year. Note also that the 1099 Preview Report is a cash basis report, so the numbers are based on the check date, not the period in which the vouchers and checks were posted.

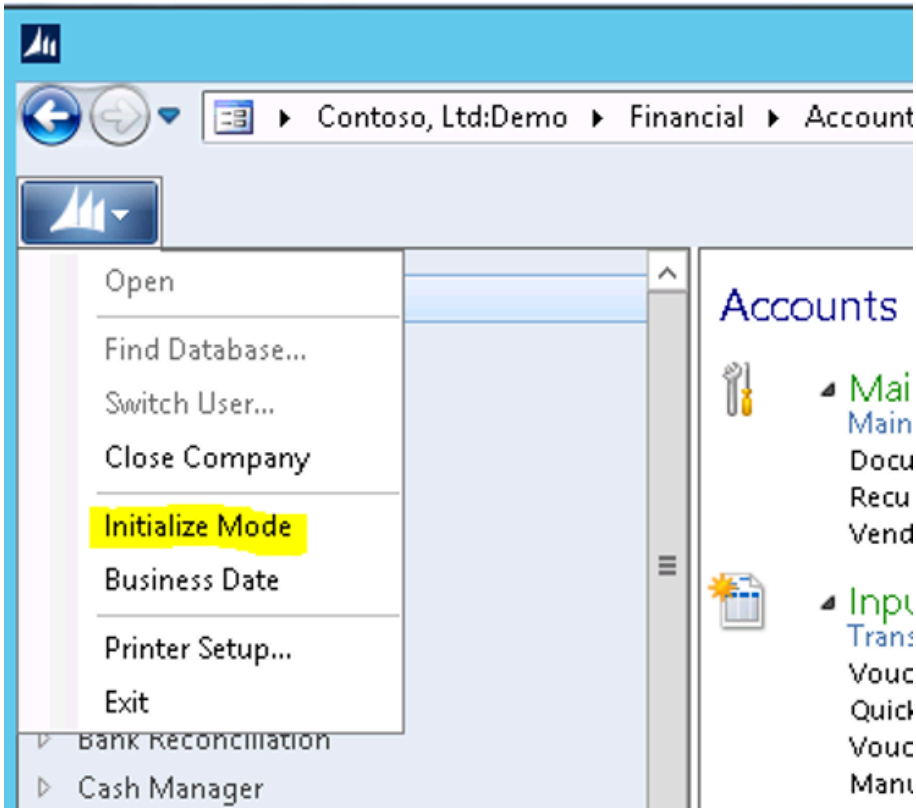
If you are on a calendar fiscal year, the print screen shot on the next page shows how to select both the 1099 year and 1099 vendors from the Vendor History report. Compare the total **payments** made to the 1099 Preview report.



The totals should agree. If the balances do not agree, revisit steps 1, 2 and 3 above. Possible reasons include: Solomon is not set to the current 1099 year of 2025; the Default 1099 Box is not set on the Vendor Maintenance screen (so that checks were not posted to 1099s); some vouchers were not intended to update the 1099 (box was set to "none" when entered).

WARNING: if you are not working in the current 1099 year, check off the “Next 1099 Year” feature on the Options Tab of the 1099 Preview report. Once checked off, you will be able to see and compare 1099 balances with the Vendor History report. (See next page)

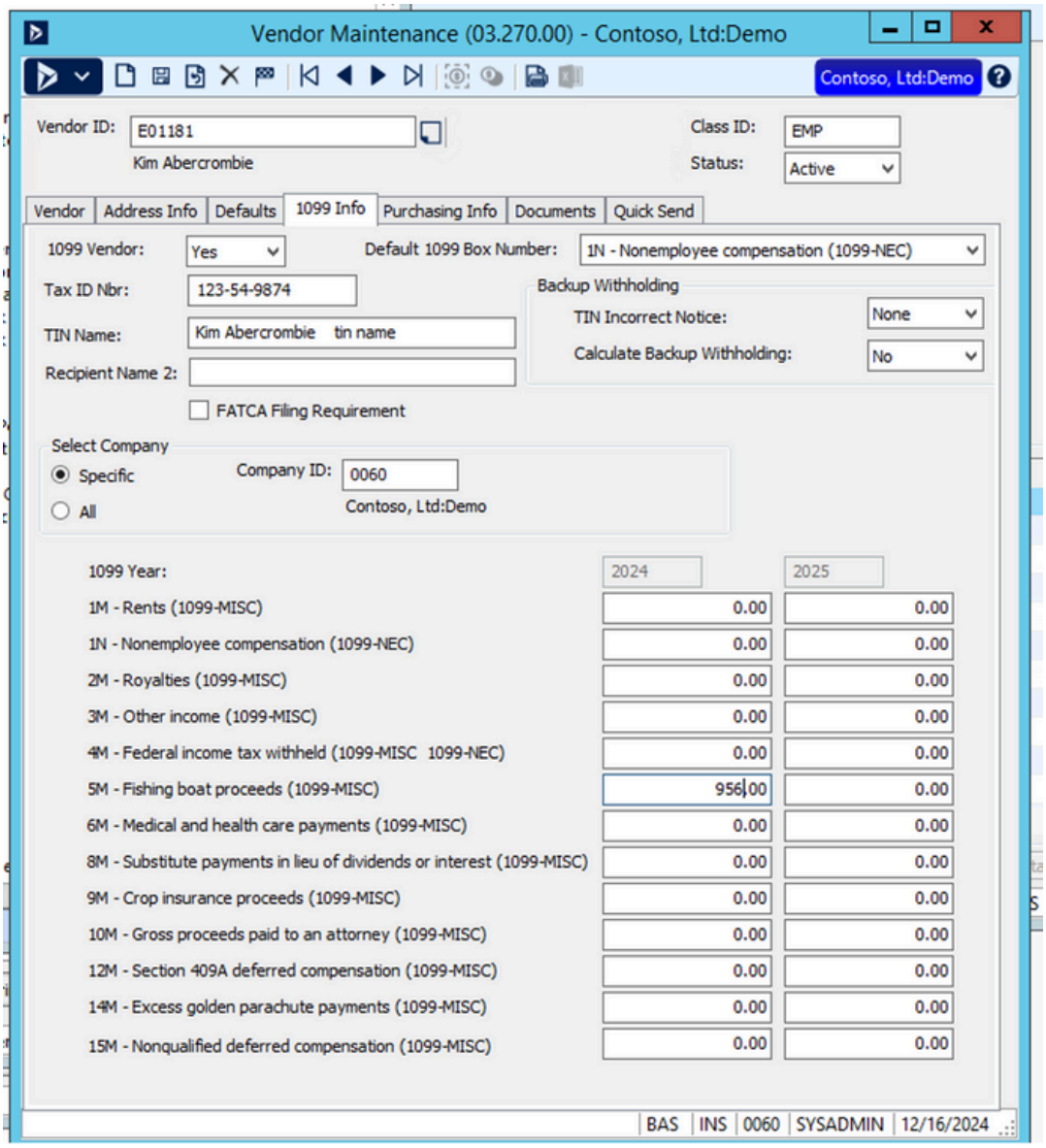
Step 6: If Vendor Totals are wrong - Go to Solomon Toolbar I Option I Check Off Initialize Mode



- Update the 1099 Balances in the Vendor Maintenance screen

Occasionally you may need to adjust amounts reported on 1099 Forms. For example, the amount on a voucher may not have been coded to the appropriate box on the 1099 or a vendor may not have been set up as a 1099 candidate when vouchers were entered. These types of adjustments are made here. This amount represents the checks that were written against vouchers that had the appropriate box selected.

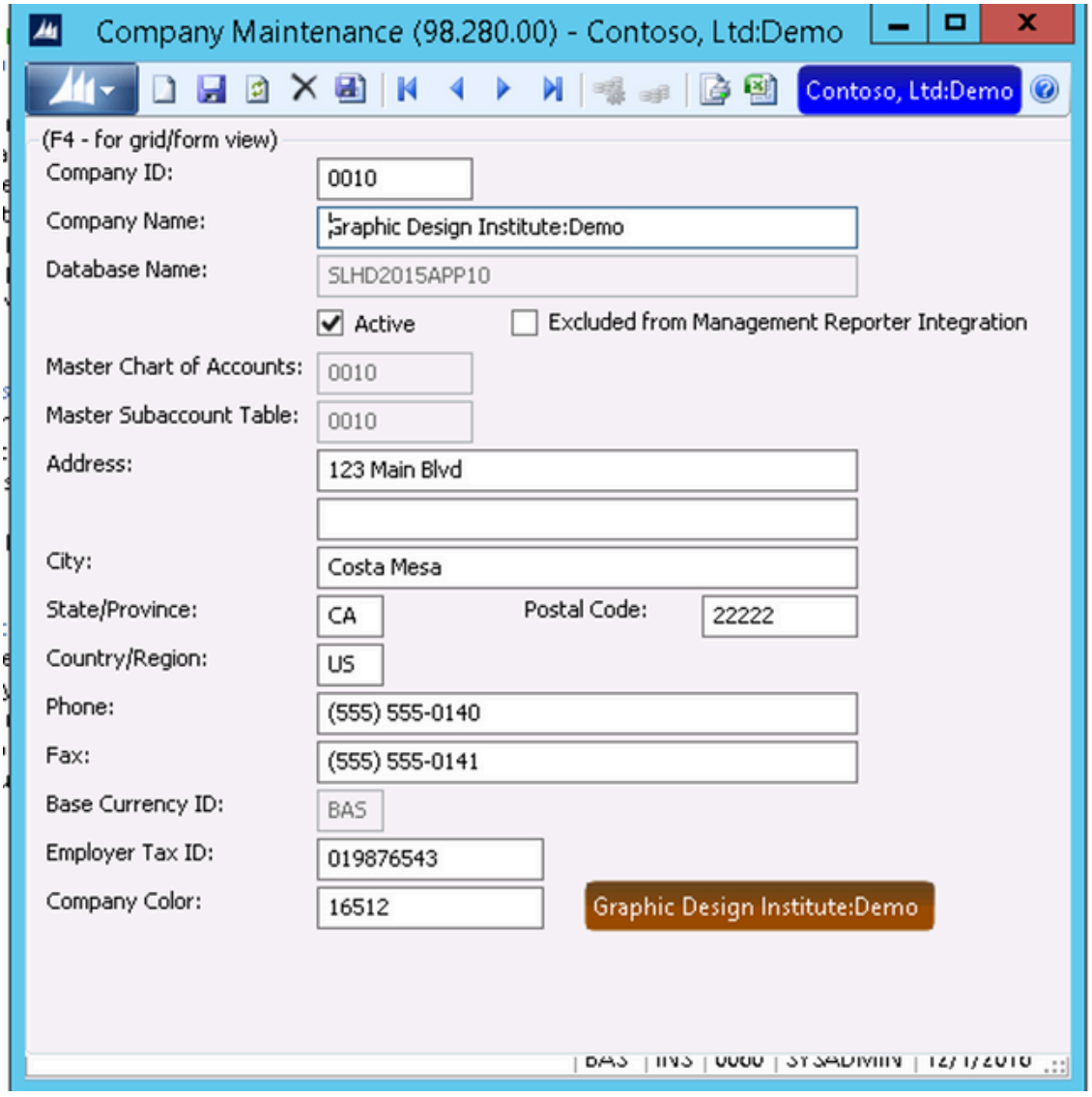
If corrections are needed, they can be made under the 1099 Info Tab in the AP Vendor Maintenance screen using Initialize Mode, or by using Rebuild 1099 History in AP Integrity Check (03.990.00). Please contact helpdesk@queueassoc.com before using the AP Integrity Check. See the screenshot below for Initialize Mode instructions. In the example below, an additional $50.00 has been added to Box 7 bringing the 1099 total for 2024 to $956.00.



WARNING: Remember to uncheck Initialize Mode once necessary corrections have been made

Step 7: Verify the Company information that will print on the 1099 forms

- Under the Administration Menu, choose System Manager and then open the Company Maintenance screen. Click on your company and press the F4 key.



- The Name, Address, telephone number and Tax ID are all required to be correct on the 1099s. The telephone number should be the one you wish vendors to call if they have problems with their 1099s.

Step 8: Go to the 1099 Forms screen (03.740.00) to print the1099 forms

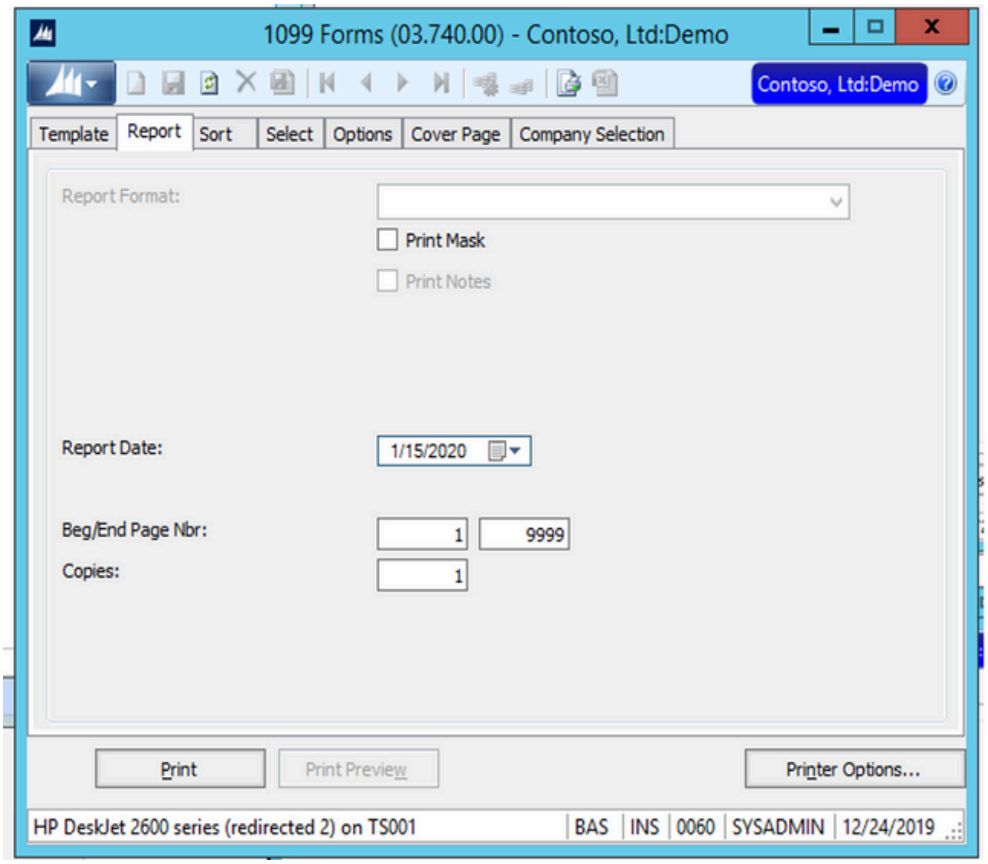
- Check the Next 1099 Year if you are not working in the Current 1099 year

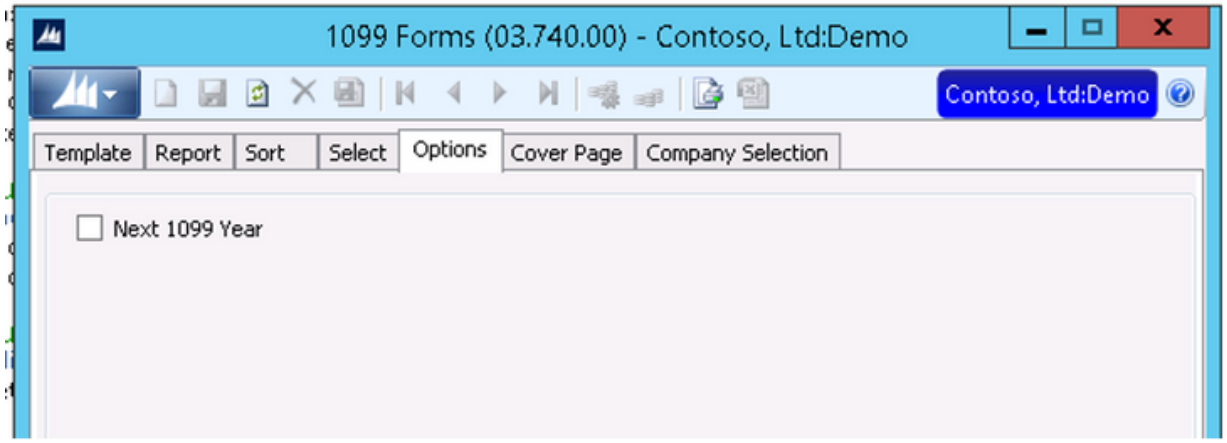
We recommended you make a test-run first by printing your forms on plain paper. Hold the printed page and the actual 1099 form up against the light to make sure the data is printing properly. If it does not, this may be due to the printer settings. Queue can also modify the report itself to line up for your printer.

- You can print these forms as many times as needed, but do them all at once, to avoid data being changed from one copy to the next.

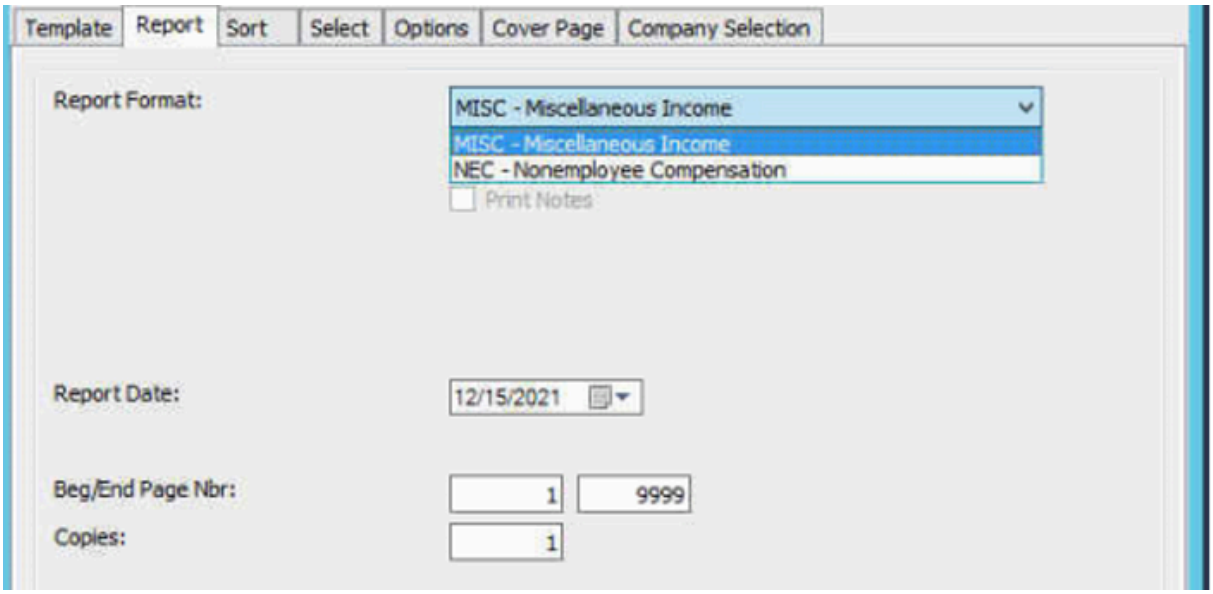
- Solomon does NOT provide a 1098 cover sheet, but it will print the data for it at the end of 1099's.

- **WARNING:** The last form will show a "Box 5" which is not the total of your fishing boat proceeds, but it is what goes in box 5 of the 1098 form (i.e., the total of all boxes).





- Both the 1099 preview and 1099 Reports will have 2 report options. If you click on the drop down, you will see MISC and NEC forms available.



Step 9: (LATER in year 2025): Go to the AP 1099 Calendar Year Control screen (03.530.00) and purge data for 2024

- **WARNING**: do not purge 2025 data until August or September of NEXT year. This is because many people do not do their taxes until August 15, and vendors may call on August 14 to say that the 1099 is wrong. You will want to be able to retrieve the 2025 data.