1099 Process in Cardinal Overview

In Cardinal, the terms "1099" and "withholding" are often used interchangeably. The 1099 process uses Supplier payment detail data and creates withholding detail records which are used to report to the Internal Revenue Service (IRS). Transactions flagged for 1099 reporting are posted into the withholding table and are used to create the Calendar Year report (1099).

In order for transactions to properly report as withholding in Cardinal, the Supplier must be flagged as withholding and the transaction must be coded to a reportable ChartField account.

This document describes the 1099 process in Cardinal and includes the steps to review/update/add information to the withholding tables and produce the 1099 documents and file to the IRS.

Refer to Cardinal Commonwealth Accounting Policies and Procedures (CAPP) Topic 20320 Information Returns Reporting for State policies regarding 1099 reporting. Refer to IRS Publication 1220 – Specifications for Electronic Filing of Forms for IRS communication procedures and transmission formats. This should be reviewed each year.

Note: Please note that there may be a **Notify** button at the bottom of various pages utilized while completing the processes within this Job Aid. This "Notify" functionality is not currently turned on to send email notifications to specific users within Cardinal.

Table of Contents

Reportable Suppliers in Cardinal....3
Review Withholding Suppliers in Cardinal....4
Withholding (1099 Reportable) Transactions in Cardinal....10
Adding Withholding Adjustments....15
Setting Up/Reviewing Report Control Information in Cardinal....22
Creating the 1099 IRS Reporting File and the Copy B Statements....28
Creating the 1099 Copy B Reports....38
Running the Withholding Sent File Process....45
Processing Correction Files after IRS Submission and Withholding Sent File Process is Complete....50
Processing Replacement Files after IRS Submission and Withholding Sent File Process is Complete 51
Running the 1099 Extract in Cardinal....52

Reportable Suppliers in Cardinal

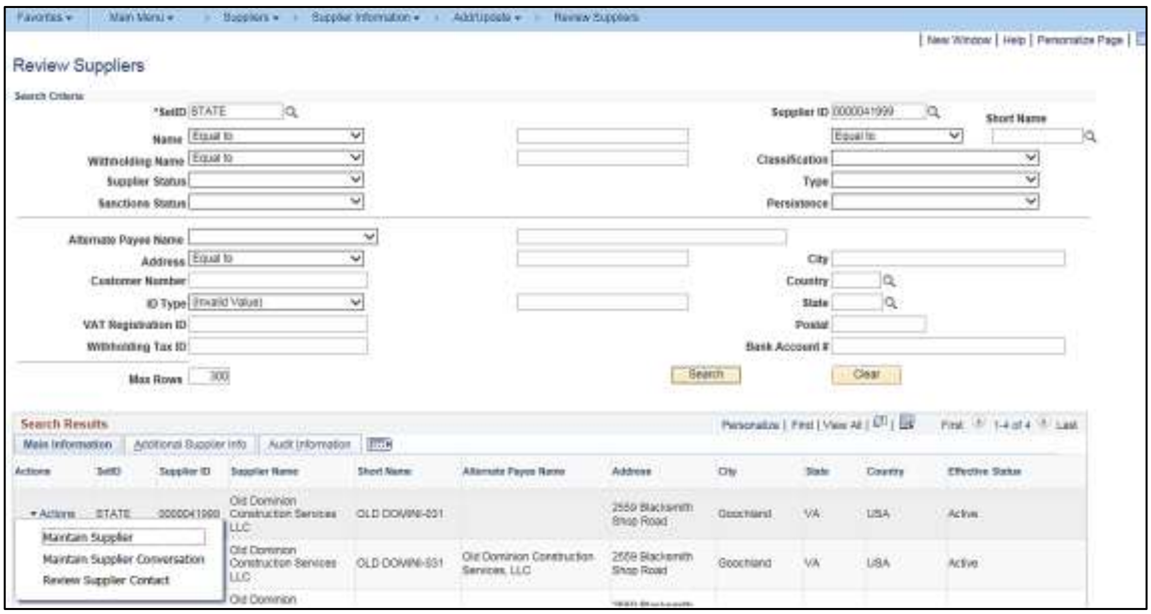
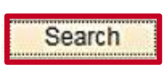
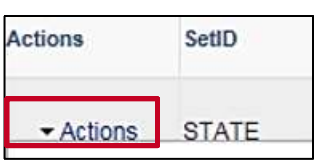
Cardinal automatically determines whether a Supplier is 1099 reportable when the Supplier is created either through the eVA interface or created online by the Commonwealth Vendor Group (CVG). If the Supplier is reportable, Cardinal checks the **Withholding** checkbox option that displays on the **Supplier's Identifying Information** page.

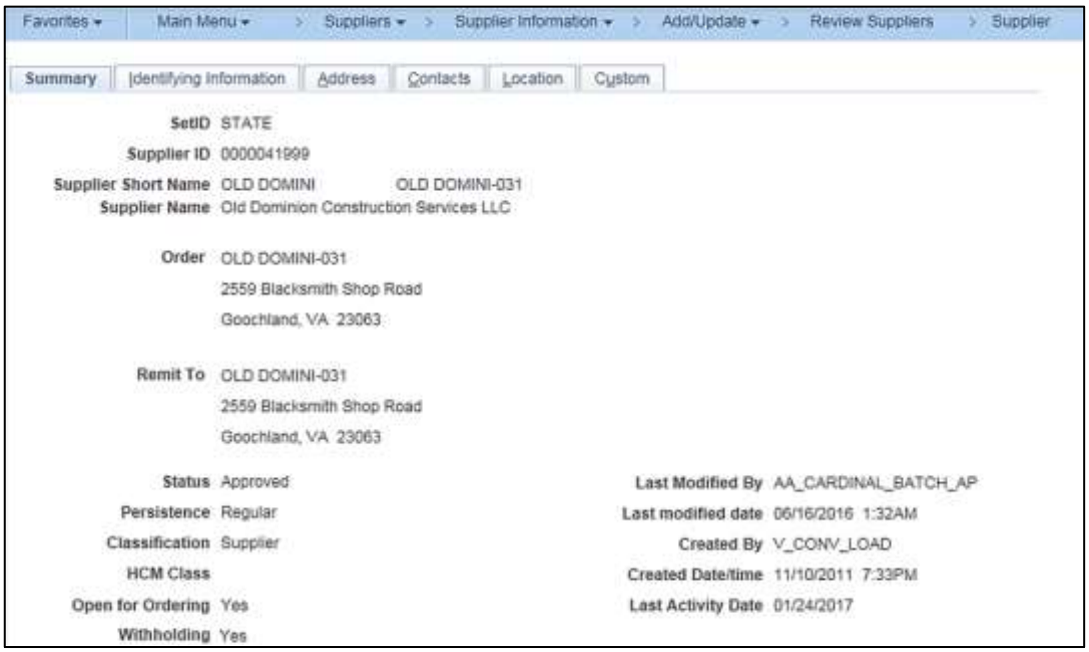
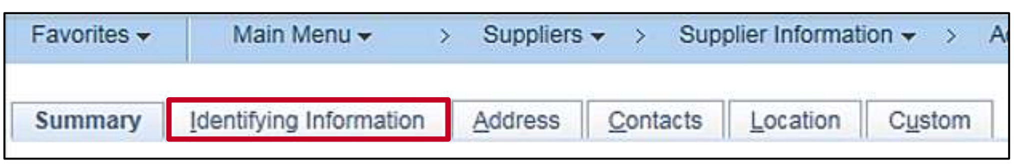
When a Supplier is created in Cardinal with the following combinations of Supplier Class and Supplier Type, Cardinal flags the Supplier as a withholding (1099 reportable) Supplier:

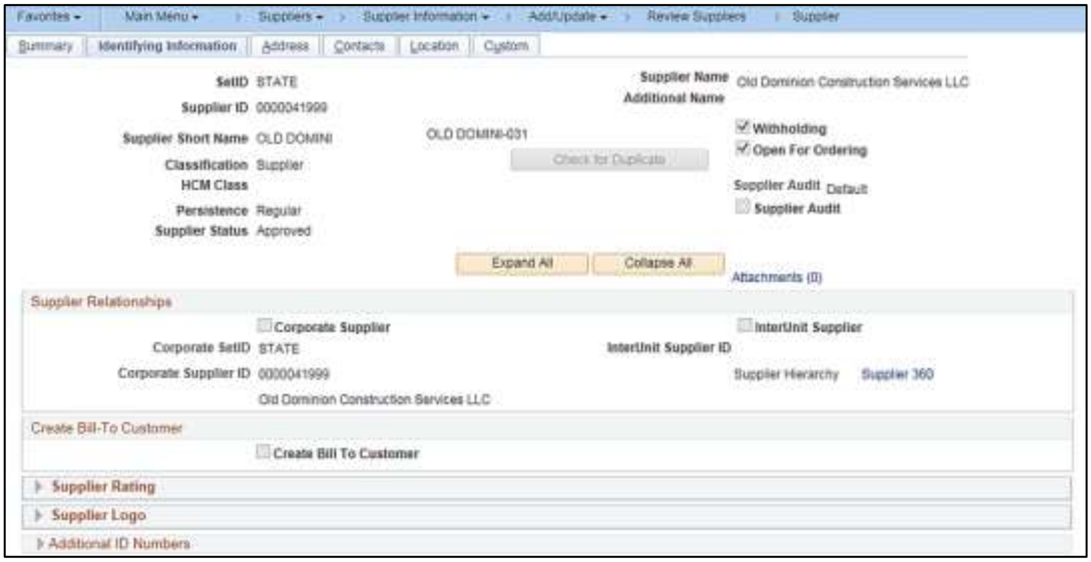
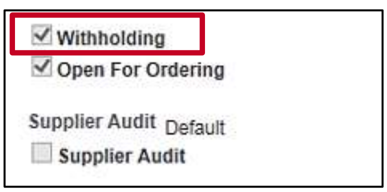
Supplier Class	Supplier Type
Supplier	Proprietorship
Supplier	Partnership
Supplier	Estate
Supplier	Trust
Supplier	Other
Supplier	Reportable Corporation
Board Member	Partnership, Proprietorship, Estate, Trust, Reportable Corporation, Other
Non-Supplier Payee	Partnership, Proprietorship, Estate, Trust, Reportable Corporation, Other

Review Withholding Suppliers in Cardinal

If you need to review a Supplier in Cardinal, follow the steps in this section.

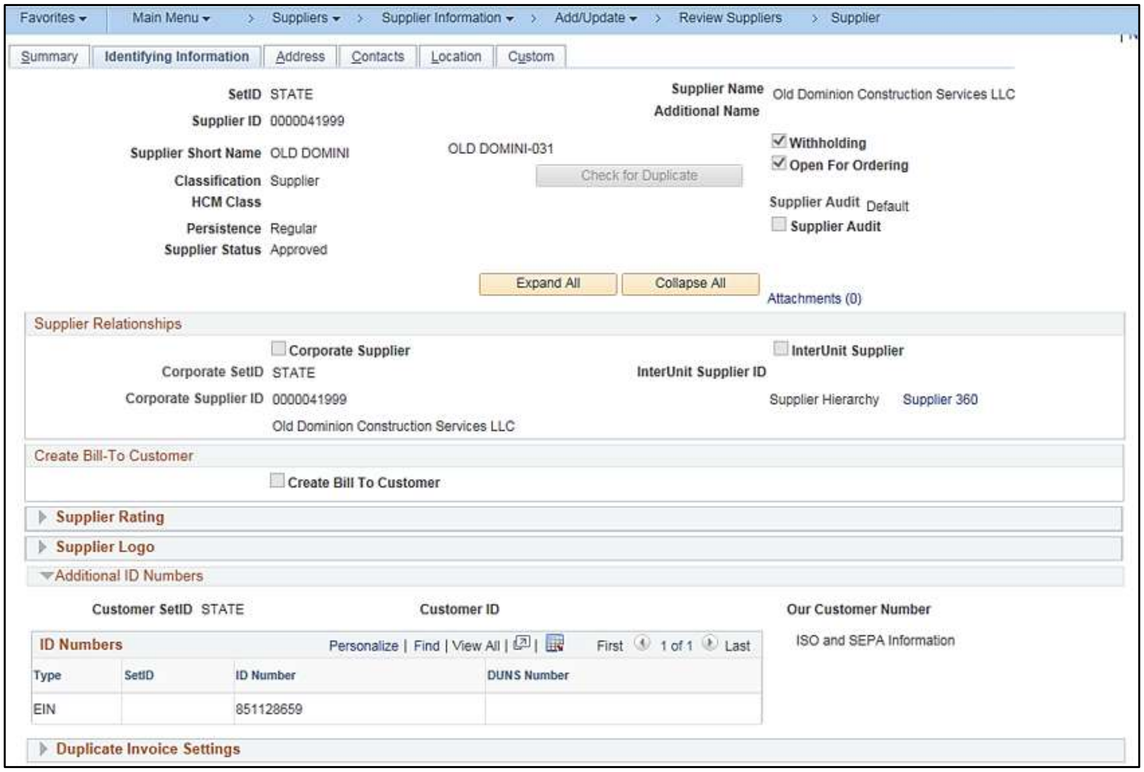
Step	Action
1.	Navigate to the **Review Suppliers** online inquiry page using the following path: **Main Menu > Suppliers > Supplier Information > Add/Update > Review Suppliers**
	The **Review Suppliers** page displays. 
2.	Enter the identifying information (e.g., Supplier ID, Name, ID Type which includes Employer ID Number, or Social Security Number). 
3.	Click the **Search** button. Suppliers that match the criteria display at the bottom of the page. 
4.	Click the **Action** dropdown button. 

Step	Action
5.	Click the **Maintain Supplier** link to view the corresponding Supplier record. 
The **Summary** page displays. 	
6.	Review the information as needed and then click the **Identifying Information** tab. 

Step	Action
The **Identifying Information** page displays. 	
7.	Review the **Withholding** checkbox option to identify whether the Supplier is marked as Withholding. 
8.	Click the **Expand** icon for the **Additional ID Numbers** section. 

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">

The **Additional ID Numbers** section expands and the Supplier's EIN or SSN displays.

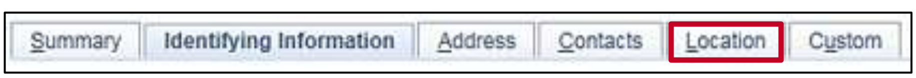


</td></tr>
<tr><td>9.</td><td>

To view the W-9, click the **Attachments** hyperlink. You can tell if the W-9 has been saved to the Supplier if the **Attachments** hyperlink indicates **Attachments (1)**. For this scenario, there is no attachment.

</td></tr>
<tr><td>10.</td><td>

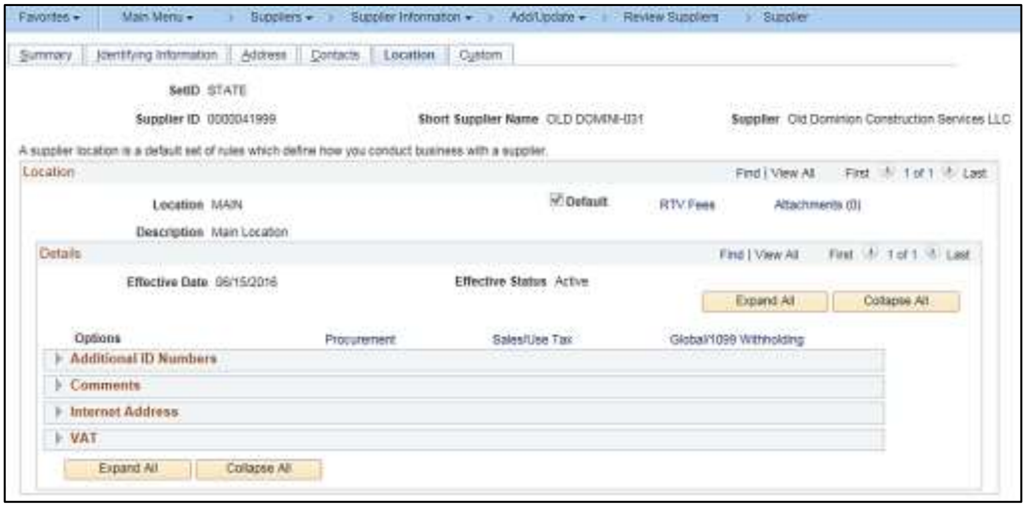
To review the withholding information for the Supplier, click the **Location** tab.



</td></tr>
</table>

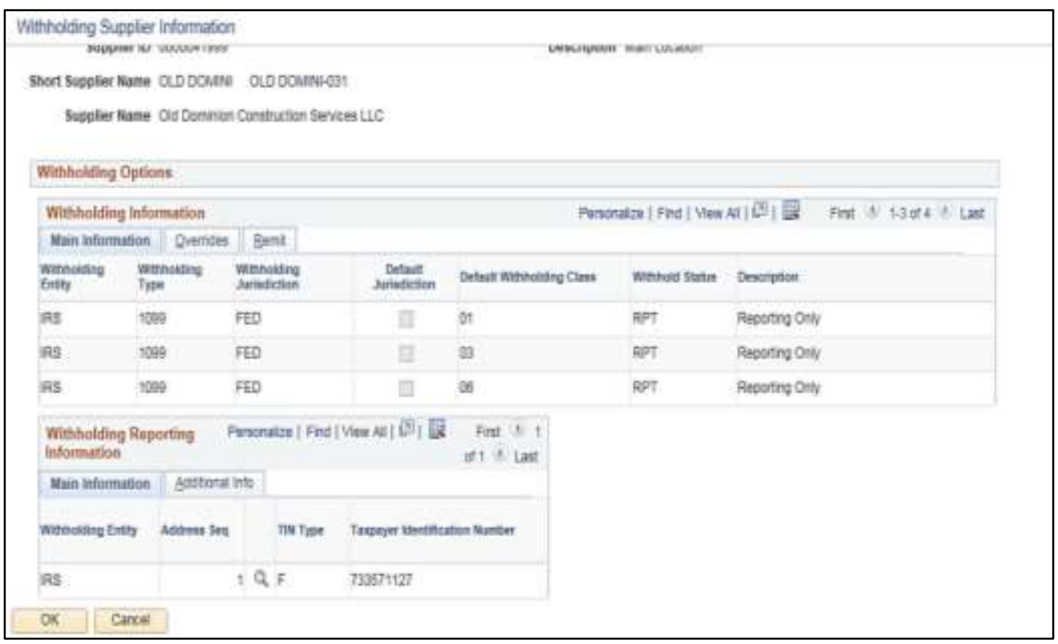
Step	Action

The **Location** tab displays.



Step	Action
11.	Click the **Global/1099 Withholding** link within the **Details** section of the page.

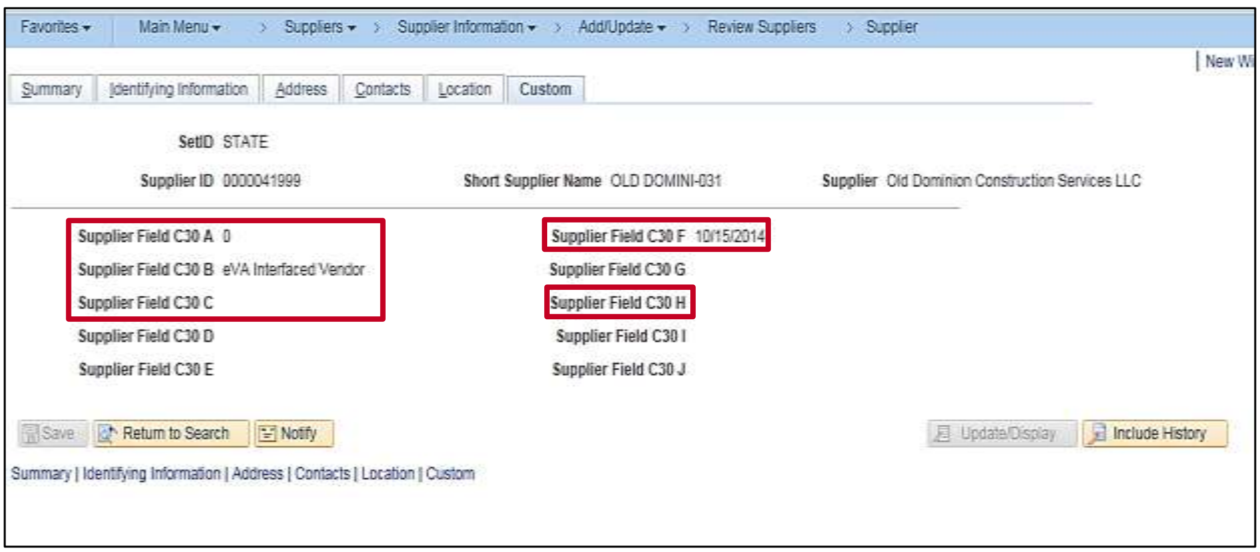
The **Withholding Supplier Information** page displays in a pop-up window.



The 1099 withholding class(es) that have been set up for this Supplier display. These are the classes that pull into the 1099 Copy B report that is sent to the Supplier and the 1099 file that is sent to the IRS.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>12.</td><td>Click the OK button to return to the Location tab.

</td></tr>
<tr><td>13.</td><td>Click the Custom tab.

</td></tr>
<tr><td colspan="2">The Custom tab displays.

</td></tr>
<tr><td>i</td><td>C30 A: TIN Match Code. This is updated by the IRS TIN Update Program. Potential values:

0: Name/TIN combination matches IRS records
1: Missing TIN or TIN not 9-digit numeric
2: TIN not currently issued
3: Name/TIN combination does NOT match IRS records

C30 B: Indicates if the Supplier is an eVA Supplier or a fiscal Supplier

eVA Interfaced Supplier: means the Supplier is an eVA Supplier
A blank field or “N” means the Supplier is a fiscal Supplier

C30 C: W-9 Received. Indicates if a W-9 has been received for this Supplier.
C30 F: TIN Match Date. Indicates the date that this Supplier TIN was matched with IRS records.
C30 H: Date W9 Received. Indicates the date that the Supplier W-9 was received.</td></tr>
</table>

Withholding (1099 Reportable) Transactions in Cardinal

Suppliers must be marked as Withholding in Cardinal at the time a Voucher is created in order for the transaction to be sent to the withholding table if the account on the distribution is reportable. If the Supplier is not marked withholding at Voucher creation and should have been, an adjustment will be required to the withholding table.

The V_AP_1099_REPORTABLE_ACCTS query can be used to review the current accounts set up in Cardinal for 1099 reporting.

Reviewing Withholding (1099 Reportable) Transactions in Cardinal (Queries)

The following queries were created to assist 1099 Administrators in reviewing their Agency's withholding data in Cardinal:

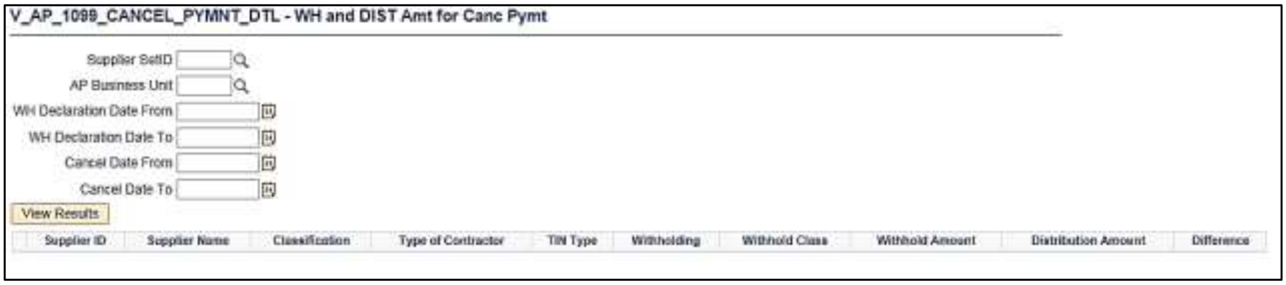
V_AP_1099_WTHD_DISTRIB_AMT

This query displays a listing of Suppliers, the total amount posted to the 1099 withholding table for the Supplier, the total amount paid on Vouchers with reportable accounts for the Supplier, the Withhold Class that the amounts are reported in both on the withholding table and the Voucher, and the difference between the two amounts. Any Withhold Adjustments that are made will be reflected in this query in the **Withhold Amount** column. This query is very useful when determining the adjustments that may be needed for 1099 reporting.

The following parameters are used on the query:

- **Supplier SetID**: "STATE"
- **AP Business Unit**: Agency Business Unit
- **WH Declaration Date From**: usually the first day of the Calendar Year
- **WH Declaration Date To**: usually the last day of the Calendar Year
- **Suppliers (Y = WH or % for All)**: "Y" to show results only for Suppliers currently marked withholding, or "%" for all Suppliers
- **Show Amount Diff Only (Y or N)**: **"**Y" to show only difference amount between withholding amount and withholding distribution amount. "N" to show all withholding transactions during the given period

V_AP_1099_CANCEL_PYMNT_DTL



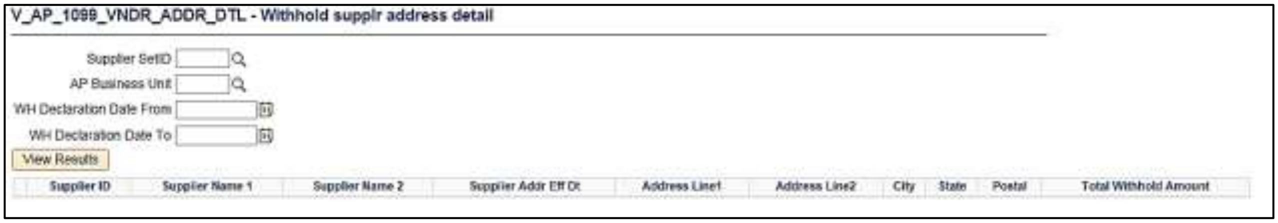
Agencies that stop payment on checks during a Calendar Year must establish procedures to reduce the amount reported to 1099 reportable Suppliers by the amount of the stop payment. Cardinal will post the cancelled payments to the withholding tables, but Agencies must verify that the cancel was posted in the correct reporting year.

This query displays a listing of Suppliers who had cancelled payments in the date ranges specified and is used to assist with the determination of possible withholding adjustments due to the cancel payments.

The following parameters are used on the query:

- **Supplier SetID**: “STATE”
- **AP Business Unit**: Agency Business Unit
- **WH Declaration Date From**: usually the first day of the Calendar Year
- **WH Declaration Date To**: usually the last day of the Calendar Year
- **Cancel Date From**: choose cancel dates in January of the following Calendar Year to capture cancellations that may affect the Calendar Year 1099 reporting
- **Cancel Date To**: choose cancel dates in January of the following Calendar Year to capture cancellations that may affect the Calendar Year 1099 reporting

V_AP_1099_VNDR_ADDR_DTL

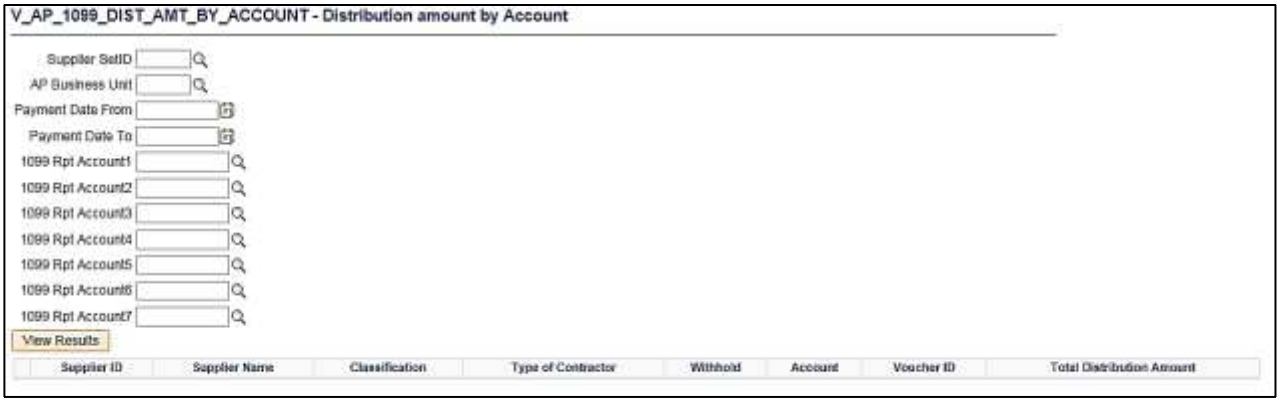


This query displays all withholding Supplier address details for a specific Business Unit within a Withholding Declaration Date range. This query is used to assist Agencies in verifying the address that will print on the 1099 Copy B reports.

The following parameters are used in the query:

- **Supplier SetID**: “STATE”
- **AP Business Unit**: Agency Business Unit
- **WH Declaration Date From**: usually the first day of the Calendar Year
- **WH Declaration Date To**: usually the last day of the Calendar Year

V_AP_1099_DIST_AMT_BY_ACCOUNT



This query displays a listing of Suppliers and shows the total amount paid on Supplier Vouchers for specific reportable accounts.

The following parameters are used in the query:

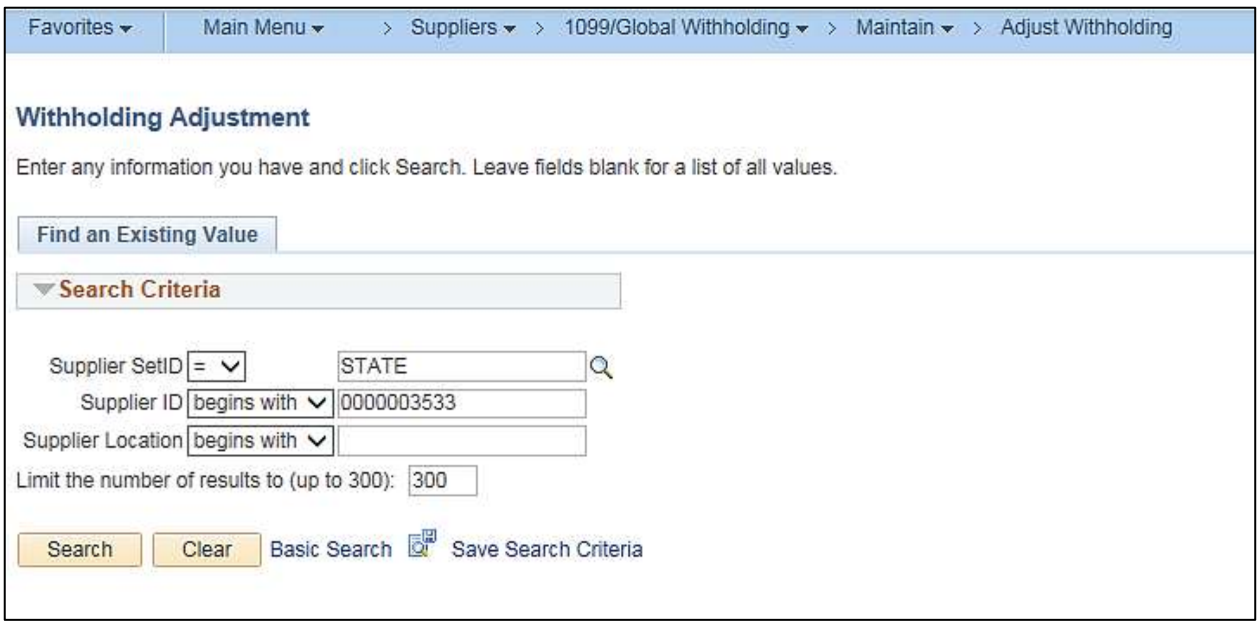
- **Supplier SetID**: “STATE”
- **AP Business Unit**: Agency Business Unit
- **Payment Date From**: usually the first day of the Calendar Year
- **Payment Date To**: usually the last day of the Calendar Year
- **1099 Rpt Account1 – 7**: user can list up to (7) 1099 reportable accounts to query the amounts paid to Suppliers for the payment period

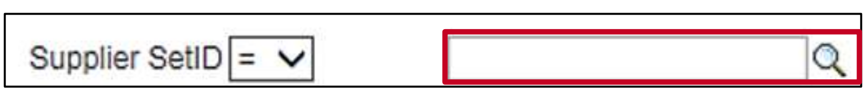
The V_AP_1099_REPORTABLE_ACCTS query can be used to review a list of the current 1099 reportable accounts in Cardinal.

Adding Withholding Adjustments

Entries on the withholding table are based on the Supplier being flagged as a withholding Supplier and the Voucher distribution account being 1099 reportable at the time that the Voucher is created. If a Supplier is marked as withholding during the year, reportable amounts before that time will not automatically post to the withholding table. An adjustment may be required. The withholding adjustments are made directly to the withholding table in Cardinal. They do not affect the Voucher itself. If you need to make an adjustment to the withholding amounts for a Supplier, follow the steps in this section.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the Withholding Adjustment page using the following path:
Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjust Withholding</td></tr>
<tr><td colspan="2">The Withholding Adjustment Search page displays.

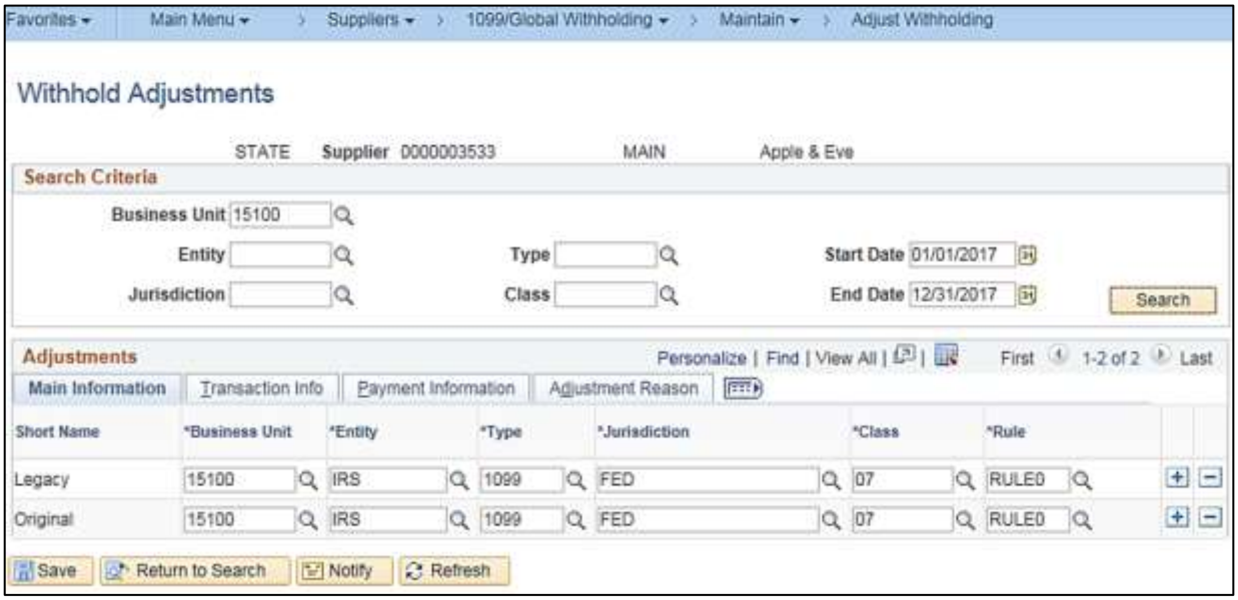

</td></tr>
<tr><td>2.</td><td>Enter “STATE” in the Supplier SetID field as needed.


</td></tr>
<tr><td>3.</td><td>Enter the applicable Supplier ID (Supplier you need to make an adjustment for) in the Supplier ID field.


</td></tr>
</table>

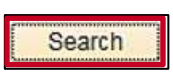
Step	Action
4.	Click the **Search** button.

The **Withhold Adjustments** page displays.

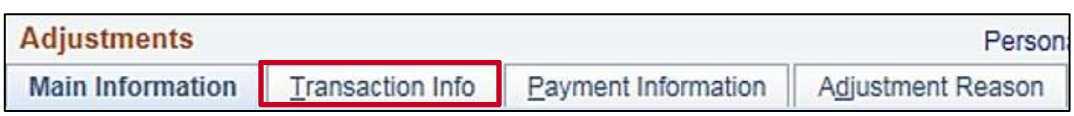


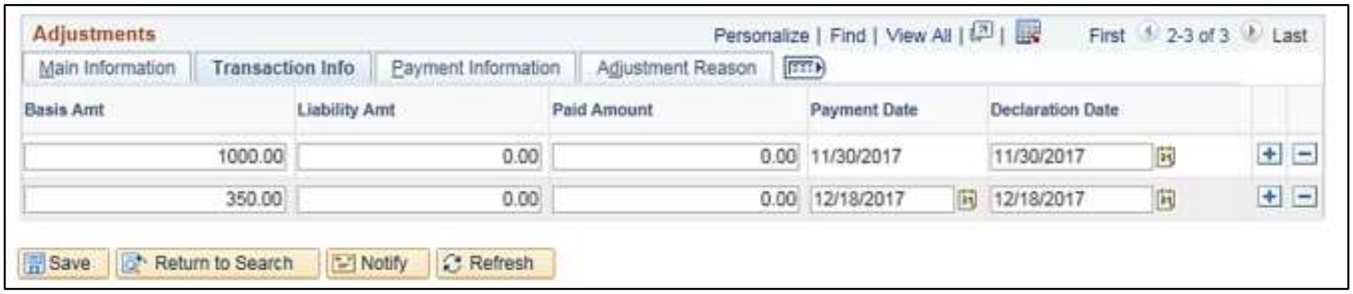
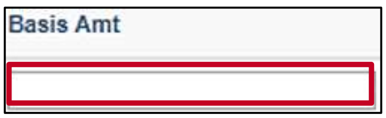
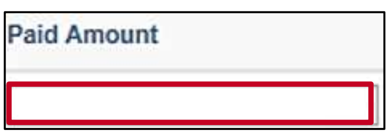
Step	Action
	This page only displays for Suppliers currently flagged as Withholding.
5.	Enter or select the Agency Business Unit in the **Business Unit** field.

Step	Action
	Additional fields either may be left blank or may be populated to narrow search results such as the **Start Date** and **End Date** fields to indicate what is being reported in the Calendar Year.
6.	Click the **Search** button.



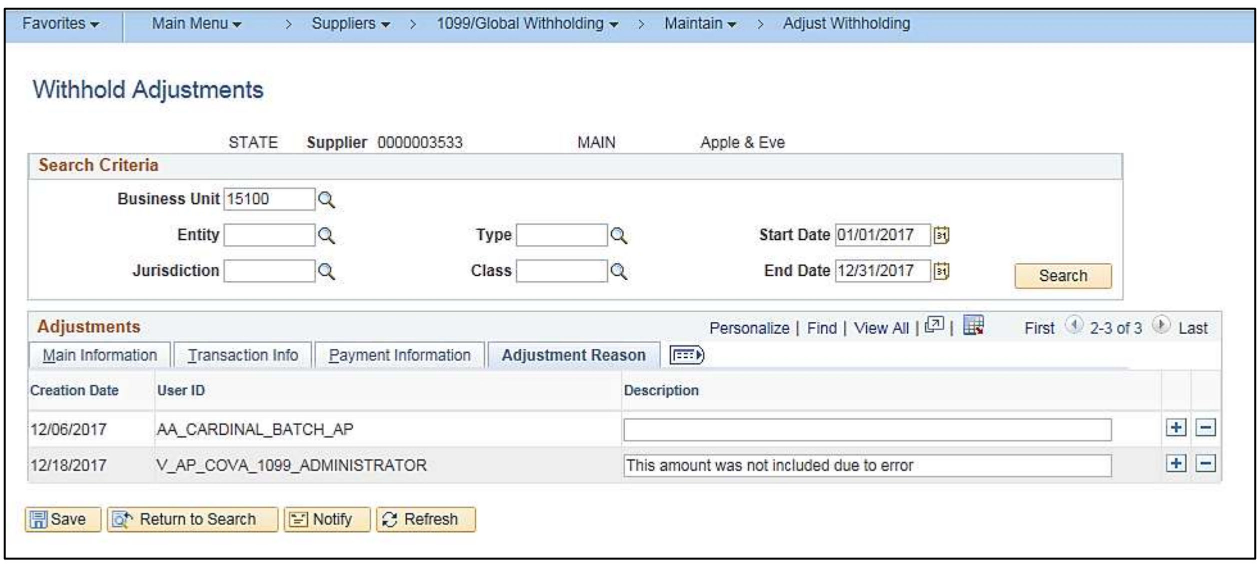
Step	Action
The page refreshes and transactions on the **Withholding table** for the defined Supplier and search criteria displays in the **Adjustments** section. 	
	"Legacy" in the **Short Name** field indicates a transaction entered as an adjustment. "Original" in the **Short Name** field indicates the line is from Cardinal payment transactions.
7.	Click the **View All** link or use the **Arrow** to move throughout the listing and view the Lines not displayed. 
	When making an adjustment, a new Line must be added. Do not make any changes to the existing Lines.
8.	Click the **Add** (**+**) icon to add a Line. 
9.	The page refreshes and a new row displays in the **Adjustments** section. Enter or select the applicable Agency Business Unit in the **Business Unit** field. 
10.	Enter "IRS" in the **Entity** field. 
11.	Enter "1099M" or "1099N" in the **Type** field as applicable. 

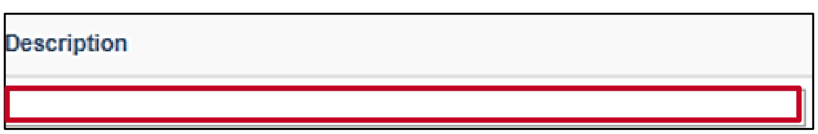
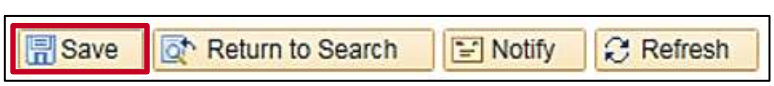
Step	Action
12.	Enter "FED" in the **Jurisdiction** field. 
13.	Enter or select the applicable class in the **Class** field based on the following guidance: For Type "1099M": • **01**: Rents • **03**: Other Income • **06**: Medical and Health Care Payments For Type "1099N": • **01**: Non-Employee Compensation 
	The type of payment for which you are making an adjustment dictates the **Class** selected.
14.	Enter "RULE0" in the **Rule** field. 
	The rule used for 1099 – zero percent is withheld from the Supplier. The Commonwealth does not withhold any amounts from Suppliers for 1099 Reporting.
15.	Click the **Transaction Info** tab. 

Step	Action
	The **Transaction Info** tab displays. 
16.	Enter the reportable payment amount in the **Basis Amt** field. 
	Do not change the **Basis Amt** field on the “Original” Line. To adjust an “Original” Line amount, key the same data as the “Original” Line in the added Line with one exception. The **Basis Amt** field on the new Line is entered as a negative amount to offset or reduce the original amount or a positive number to increase the original amount.
17.	Enter the amount of back up withholding that is owed to the IRS in the **Liability Amount** field. 
18.	Enter the portion of the backup withholding amount that has been paid to the IRS in the **Paid Amount** field. An amount of “0.00” means that no withholding has been paid to the IRS. 
19.	Enter the applicable date in the **Payment Date** field. Defaults to the current date but should be changed as needed to reflect the appropriate reporting year. 

Step	Action
20.	Enter the same date as the payment date in the **Declaration Date** field. For IRS reporting purposes, this date must be the same as the payment date. 
	The **Declaration Date** field must be within the reporting year to be picked up for that year's 1099 reporting. This date must also be on or after the effective date of the Supplier.
21.	Click the **Adjustment Reason** tab. 

The **Adjustment Reason** tab displays.



Step	Action
22.	Enter a descriptive adjustment reason in the **Description** field. 
23.	Click the **Save** button. 

Step	Action
	If you determine that the Class is not correct for a transaction in the Withholding table, follow the previous steps by creating a negative Basis Amt adjustment Line to credit the incorrect Line, and enter a new adjustment Line for the debit amount (inputting the correct class in the **Class** field). **Important Points**: • Adjustments made on the **Withhold Adjustments** page do not update the underlying Voucher tables, only the withholding transaction table • If you have multiple adjustments to a Supplier, but to different classes, make the adjustments using different declaration dates for each class • If the transaction on the withholding tables is from accounts payable payment activity, the **Short Name** field will be “Original”. If the transaction on the withholding table is from an adjustment, the **Short Name** field will be “Legacy”. Adjustments should not be made to the “Original” Line. Always add a Line and follow the steps in this section to make adjustments • If an adjustment is made after the file has been sent to the IRS, the adjustment will be either part of the new Calendar Year reporting or a corrected 1099 will have to be prepared

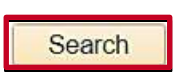
Setting Up/Reviewing Report Control Information in Cardinal

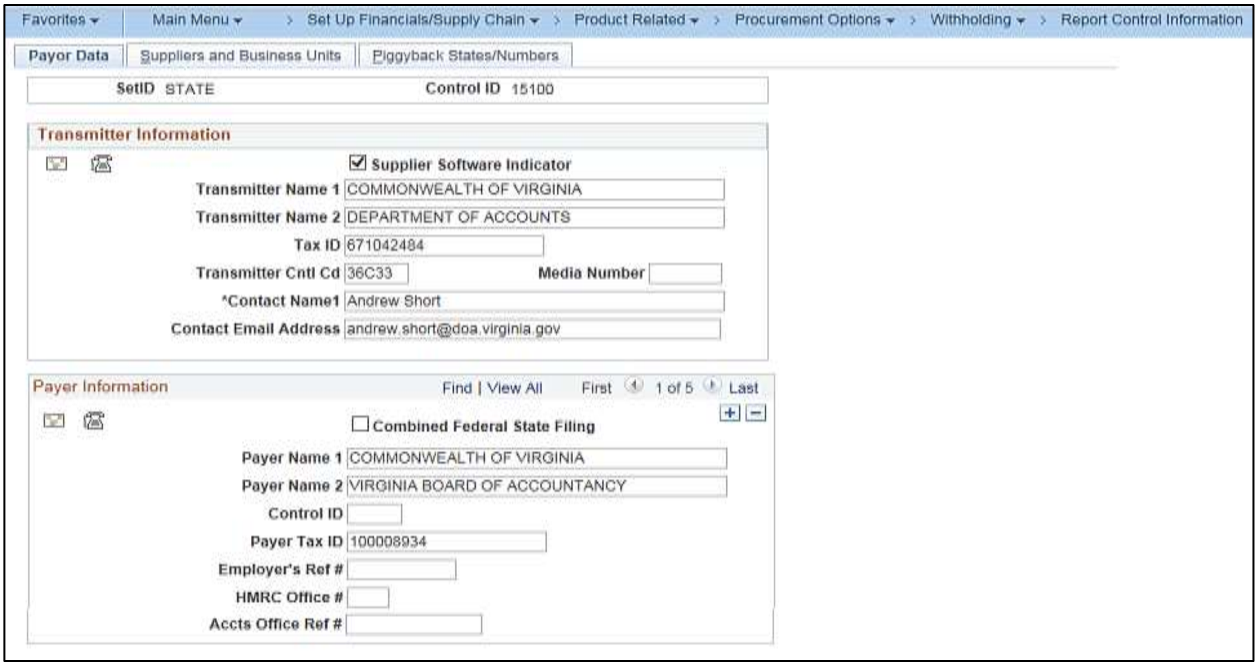
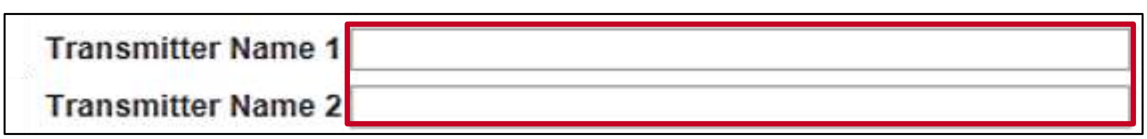
1099 Withholding Report Control is used to set up transmitter and payer information in Cardinal that will be included in the 1099 Copy B reports and the IRS file. This information should be reviewed and updated as necessary each year.

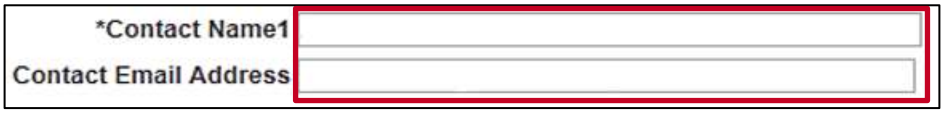
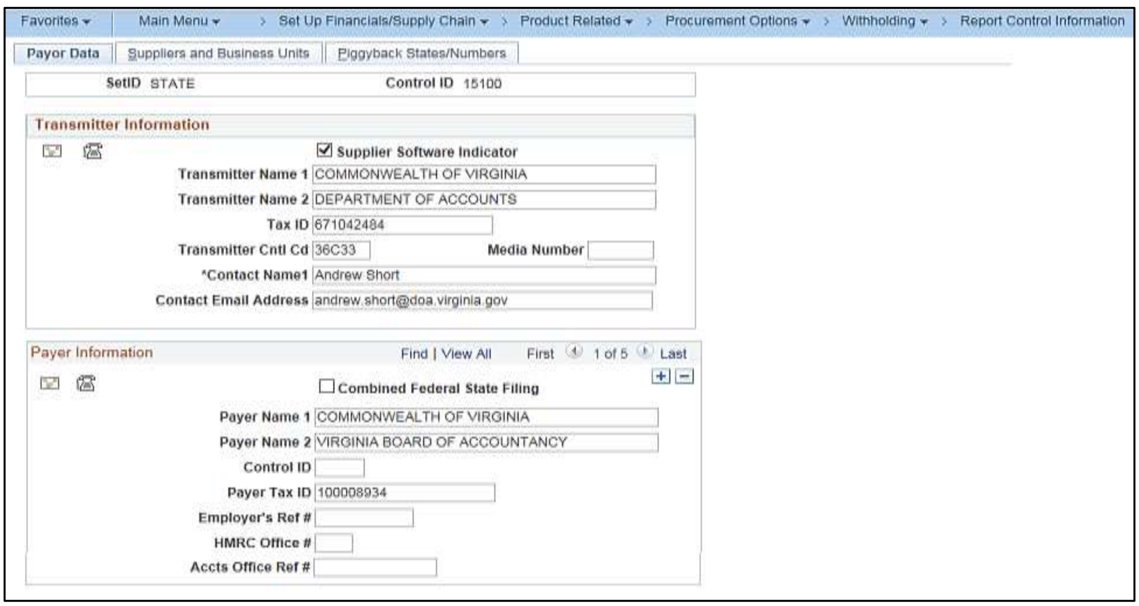
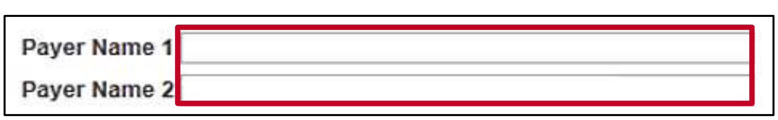
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the Withholding Adjustment page using the following path:
Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjust Withholding</td></tr>
<tr><td colspan="2">The Report Control Information Search page displays.

</td></tr>
<tr><td>2.</td><td>Enter “STATE” in the SetID field.

</td></tr>
<tr><td>3.</td><td>Enter the Agency Control ID in the Control ID field. A Control ID is set up for each reporting entity.

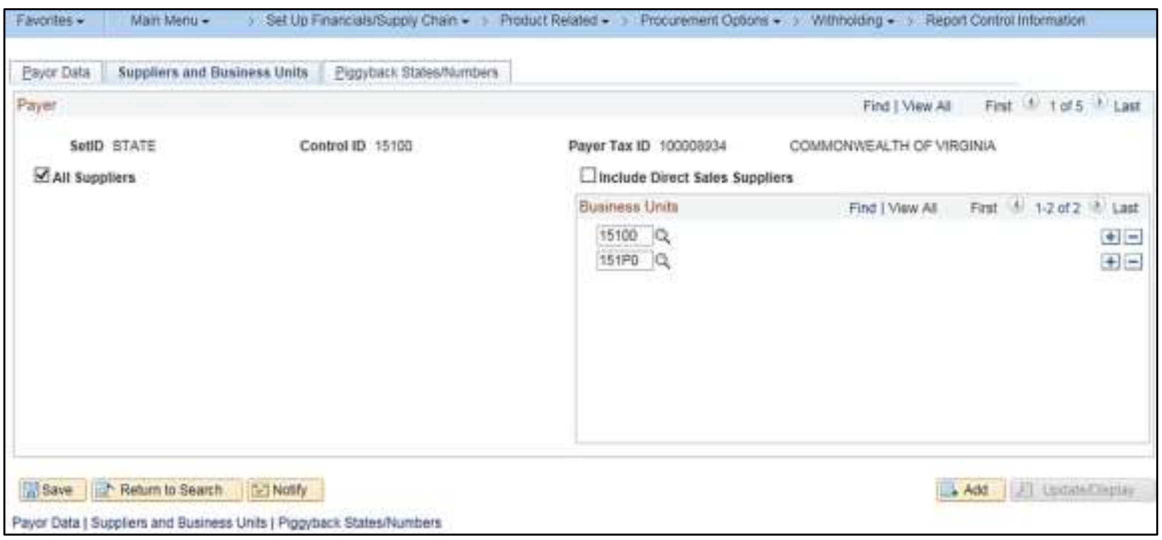
</td></tr>
<tr><td>4.</td><td>Click the Search button.

</td></tr>
</table>

Step	Action
	The **Payor Data** tab displays. 
	The data within the **Transmitter Information** section is sent on the Transmitter (T) record.
5.	The **Supplier Software Indicator** checkbox option must be selected for any Agency using Cardinal to produce their 1099 IRS file and Copy B forms. 
6.	Enter the name of the transmitting Agency in both the **Transmitter Name 1** and **Transmitter Name 2** fields. 
7.	Enter the transmitting Agency's Tax ID in the **Tax ID** field. 
8.	Enter the code that was provided by the IRS upon submission of form 4419 – Application for Filing Information Returns Electronically in the **Transmitter Cntl Cd** field. 

Step	Action
9.	Enter the applicable information for the Agency contact person in the **Contact Name1** and **Contact Email Address** fields. 
	The contact address and phone information is required. To review/update the addresses, click the **Envelope** icon. To review/update the phone numbers, click the **Telephone** icon. The phone number is entered without hyphens. 
	The information in the **Payer Information** section is sent on the Transmitter (A) record. 
10.	The **Combined Federal State Filing** checkbox option must be selected if the Agency is participating in the IRS Combined Federal/State Filing (CF/SF) Program whereby the IRS will forward State copies of information returns to other participating States. 
11.	Enter the Agency's name in both the **Payer Name 1** and **Payer Name 2** fields. 

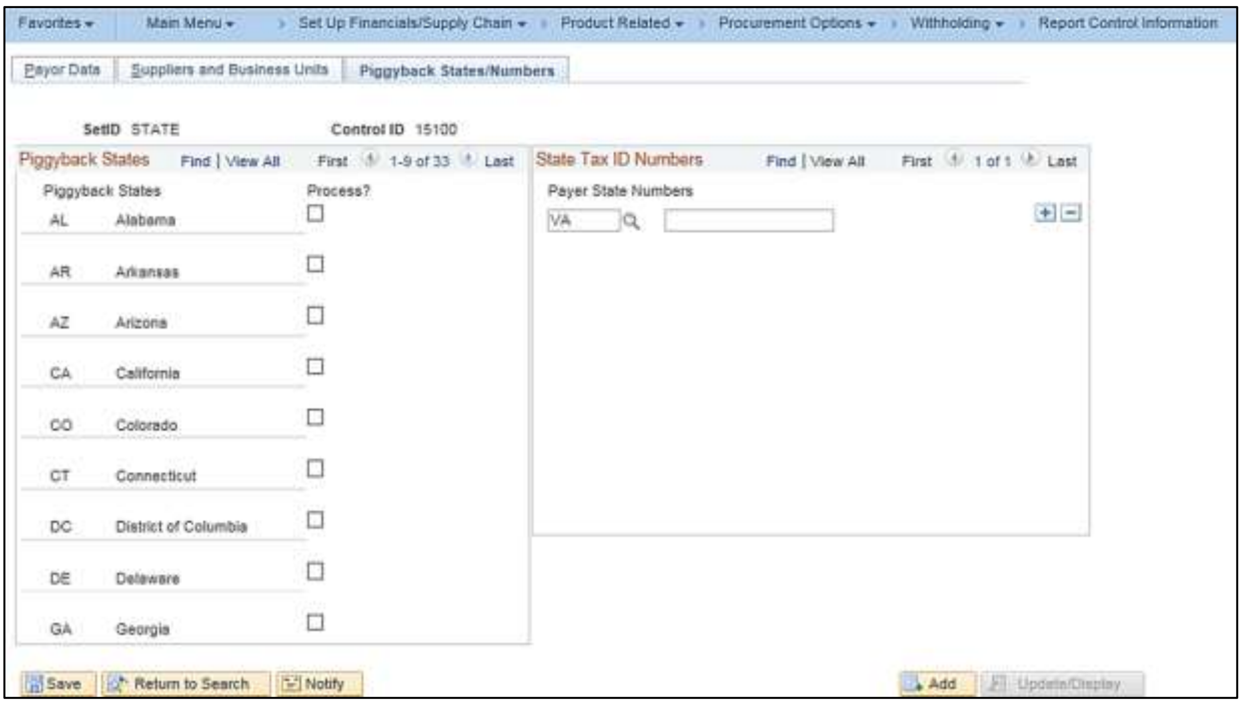
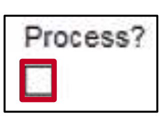
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>12.</td><td>Enter the Agency’s Tax Identification Number (TIN) in the Payer Tax ID field.

</td></tr>
<tr><td></td><td>The payer address and phone information is required. To review/update the addresses, click the Envelope icon. To review/update the phone numbers, click the Telephone icon. The phone number is entered without hyphens.
</td></tr>
<tr><td>13.</td><td>Click the Suppliers and Business Units tab.

</td></tr>
<tr><td colspan="2">The Suppliers and Business Units tab displays.

</td></tr>
<tr><td>14.</td><td>The All Suppliers checkbox option must be checked so that all withholding Suppliers that are associated with the Business Unit are included.

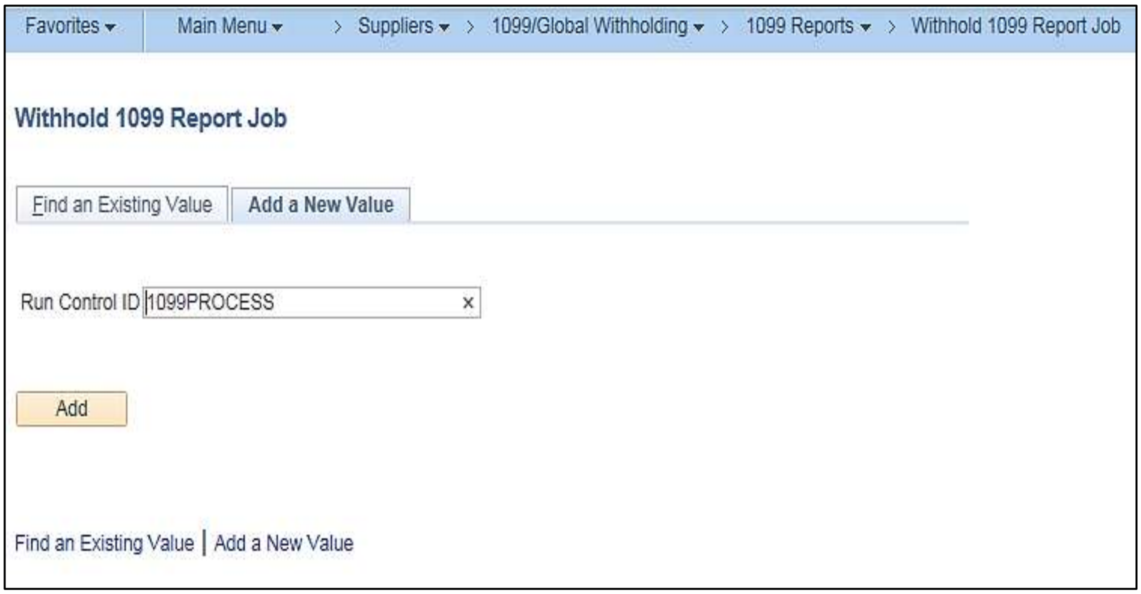
</td></tr>
<tr><td>15.</td><td>The Include Direct Sales Suppliers checkbox option should not be checked. This is not being used in Cardinal.

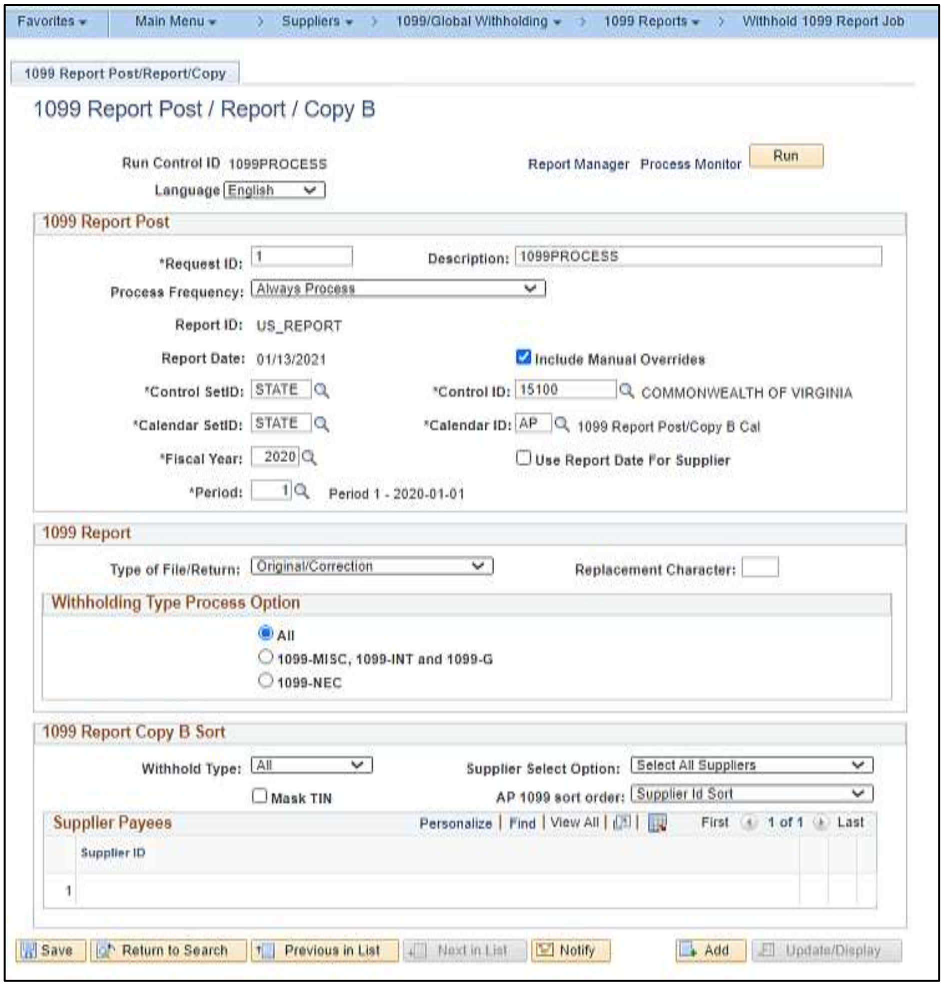
</td></tr>
</table>

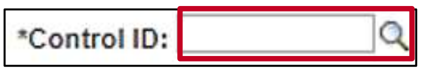
Step	Action
ℹ	**The Business Units Section** lists all Cardinal Accounts Payable Business Units that roll up to the Agency Control ID for 1099 reporting purposes. If multiple Business Units are specified, Cardinal will consolidate the balances of Suppliers that have Vouchers spread out over the selected Business Units for 1099 reporting.
16.	Click the **Piggyback States/Numbers** tab. This page is populated if the Agency is participating in the Combined Federal/State Filing (CF/SF) Program. 
The **Piggyback States/Numbers** Tab displays. 	
ℹ	The **Piggyback States** section displays the States participating in the combined federal and state 1099 filing process.
17.	Select the **Process?** checkbox option for each applicable State. This indicates to the IRS which States need copies. 
ℹ	Be sure to review the IRS Publication 1220 each year for a list of participating States.

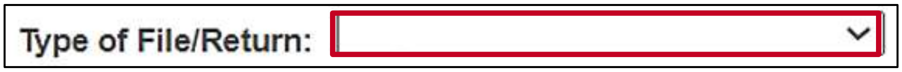
Step	Action
	Do not enter any information in the **Payer State Numbers** fields within the **State Tax ID Numbers Section**. These fields are used if state taxes have been withheld from the Supplier. 

Creating the 1099 IRS Reporting File and the Copy B Statements

Step	Action
1.	Navigate to the **Withhold 1099 Report Job** page using the following path: **Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withhold 1099 Report Job**
	The **Withhold 1099 Report Job** page displays with the **Find an Existing Value** tab displayed by default. 
2.	Enter the applicable information in the **Run Control ID** field. The first time you run this job, select the **Add a New Value** tab and then create the Run Control ID. 
	For subsequent runs of this job, use the **Run Control ID** that was created the first time the job was run (Run Control IDs are unique to each user). You will need to update the appropriate fields on your existing Run Control ID if using the Run Control ID you created for a subsequent run.
3.	Click the **Add** button. 

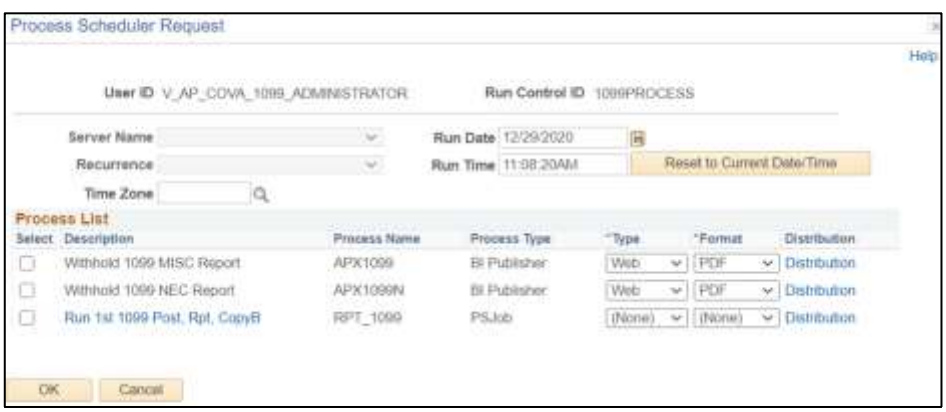
Step	Action
The **1099 Report Post / Report / Copy B** page displays. 	
4.	Enter “1” in the **Request ID** field. This Request ID of “1” can be used repeatedly. It is used internally by Cardinal to track each posting request. 
5.	Enter a brief description for the request in the **Description** field (example: “1099 Process”). 
6.	Click the **Process Frequency** dropdown button and select “Always Process”. 

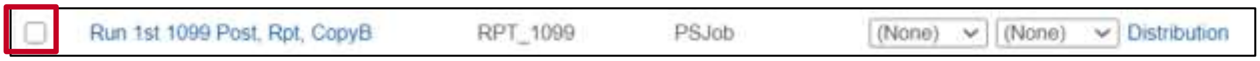
Step	Action
7.	Select the **Include Manual Overrides** checkbox option. This is needed to include manually adjusted or updated withholding transactions. 
8.	Click the **Control SetID Look Up** icon and select "STATE". 
9.	Enter or select the Agency's Control ID in the **Control ID** field. 
10.	Click the **Calendar SetID Look Up** icon and select "STATE". 
11.	Click the **Calendar ID Look Up** icon and select "AP" (1099 Report Post/Copy B Cal). 
12.	Enter or select the Calendar Year being reported in the **Fiscal Year** field. 
13.	Do not select the **Use Report Date for Supplier** checkbox option. 
14.	Enter "1" in the **Period** field. The AP Calendar is an annual calendar and selecting Period 1 encompasses the entire year for this Calendar. 

Step	Action
15.	Click the **Type of File Return** dropdown button within the **1099 Report** section and select “Original/Correction” if the Agency has not yet sent a file to the IRS or if the Agency is sending a Correction file after IRS receipt of the original file. 
16.	Enter the Replacement Character provided by the IRS if they requested a replacement file in the **Replacement Character** field. The IRS will send a Replacement Character to enter on this page when you run the process. 
	It is recommended to send a test file each year to the IRS. A test file is required when applying to participate in the Combined Federal/State Filing Program.
	The options in the **Withholding Type Process Option** section allow the Agency to create the electronic files for reporting 1099-MISC without Nonemployee compensation, 1099-NEC without Miscellaneous transactions, or both 1099-MISC and 1099-NEC. These options include Corrections, if applicable.  Options in this section include: • **All**: Select this option to produce one electronic file containing 1099-MISC and 1099-NEC, and Corrections, if applicable. If the Agency is ready to report all of the Suppliers’ 1099 on or before January 31, choose this option. This will produce a complete set of files for all of the 1099 Suppliers • **1099-MISC**: Select this option to produce one electronic file containing all 1099-MISC without NEC, and Corrections, if applicable. Cardinal does not produce 1099-G or 1099-INT files • **1099-NEC**: Select this option to produce one electronic file containing all 1099-NEC without MISC, and Corrections, if applicable. If the Agency cannot produce all of the 1099’s in order to meet the January 31 IRS reporting requirement for 1099-NEC (Nonemployee compensation), the Agency will need to run the process with the “All” option. Whatever selections made in the **Withholding Type Process Options** section of this page will be marked as “Sent” when the Agency runs the Withhold Sent File. Refer to the Running the Withholding Sent File Process section of this Job Aid. The transactions marked “Sent” will not be produced or generated in any subsequent 1099 Job Process runs.

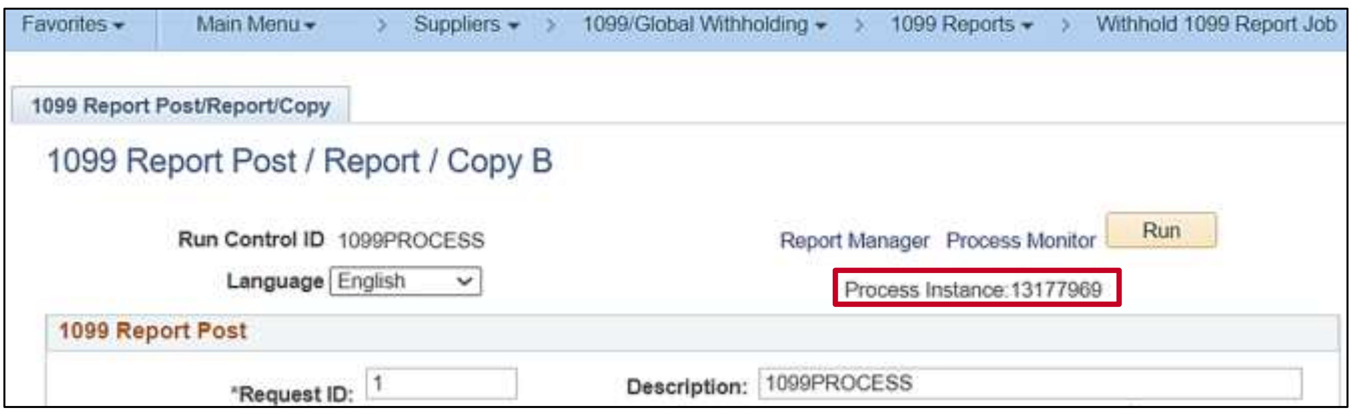
Step	Action
17.	Click the **Withhold Type** dropdown button and select “All”. 
18.	Do not select the **Mask TIN** checkbox option. 
19.	Click the **Supplier Select Option** dropdown button and select “All Suppliers”. 
20.	Click the **AP 1099 sort order** dropdown button and select the applicable list item. “Supplier Id Sort” is recommended, but “TIN Sort” and “Name Sort” are the other available options. 
21.	Click the **Save** button. 
22.	Click the **Run** button. 

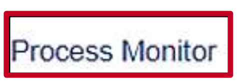
The **Process Scheduler Request** page displays in a pop-up window.

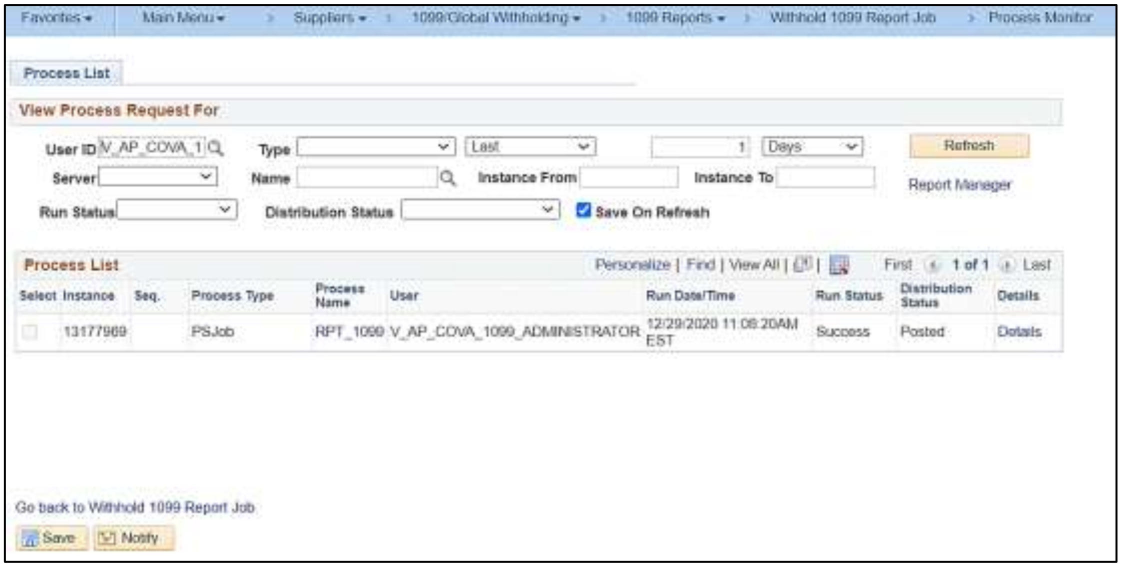
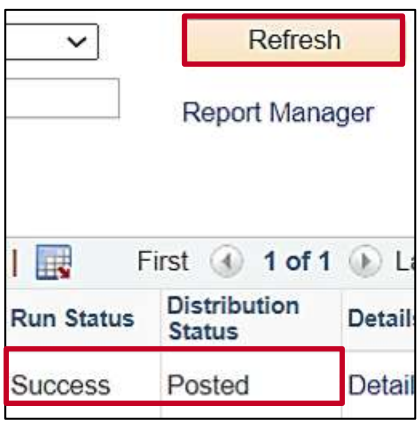


Step	Action
23.	Click the **Select** checkbox for the "Run 1st 1099 Post, Rpt, CopyB**"** row within the **Process List** section to run the IRS file, and to generate data for the Copy B reports. 
	This job needs to be run first to produce the original or corrected Copy B forms.
24.	Click the **OK** button. 

The **Run Control** page displays and the Process Instance Number has been assigned.



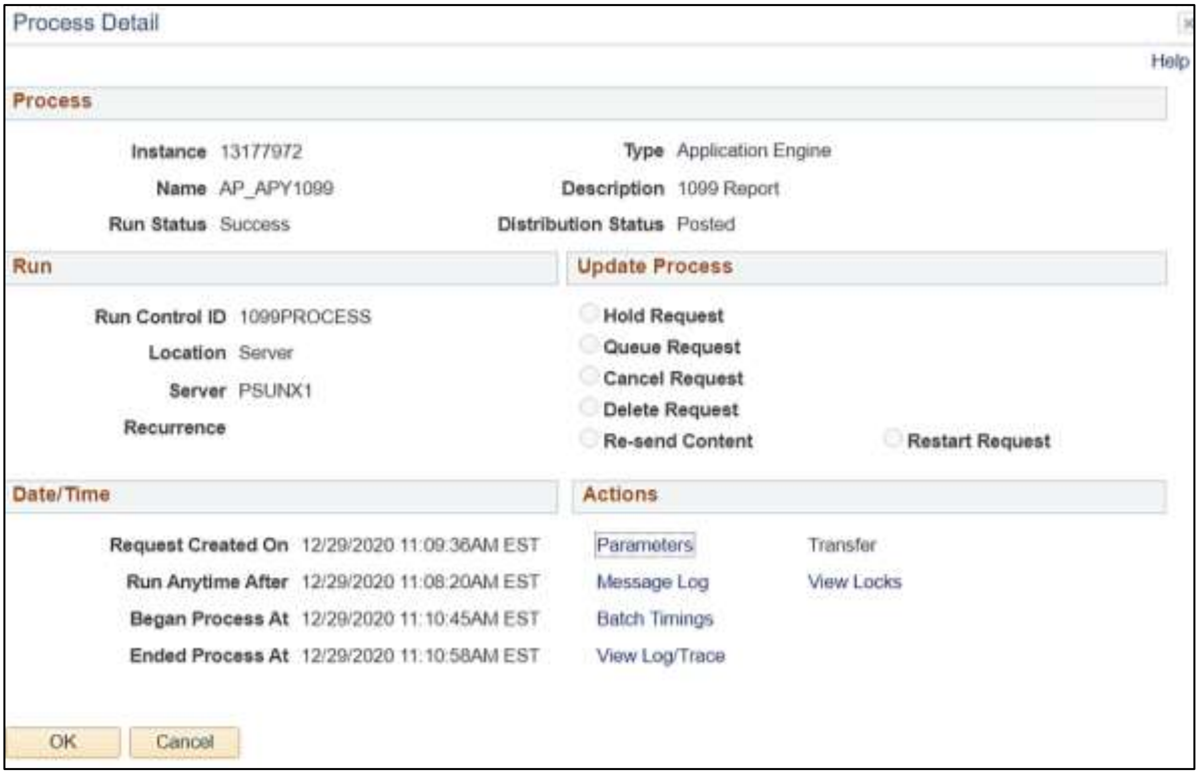
Step	Action
25.	Click the **Process Monitor** link. 

Step	Action
	The **Process List** page displays. 
26.	Click the **Refresh** button periodically until the **Run Status** field displays “Success” and the **Distribution Status** field displays “Posted”. 
27.	Click the **Details** link. 

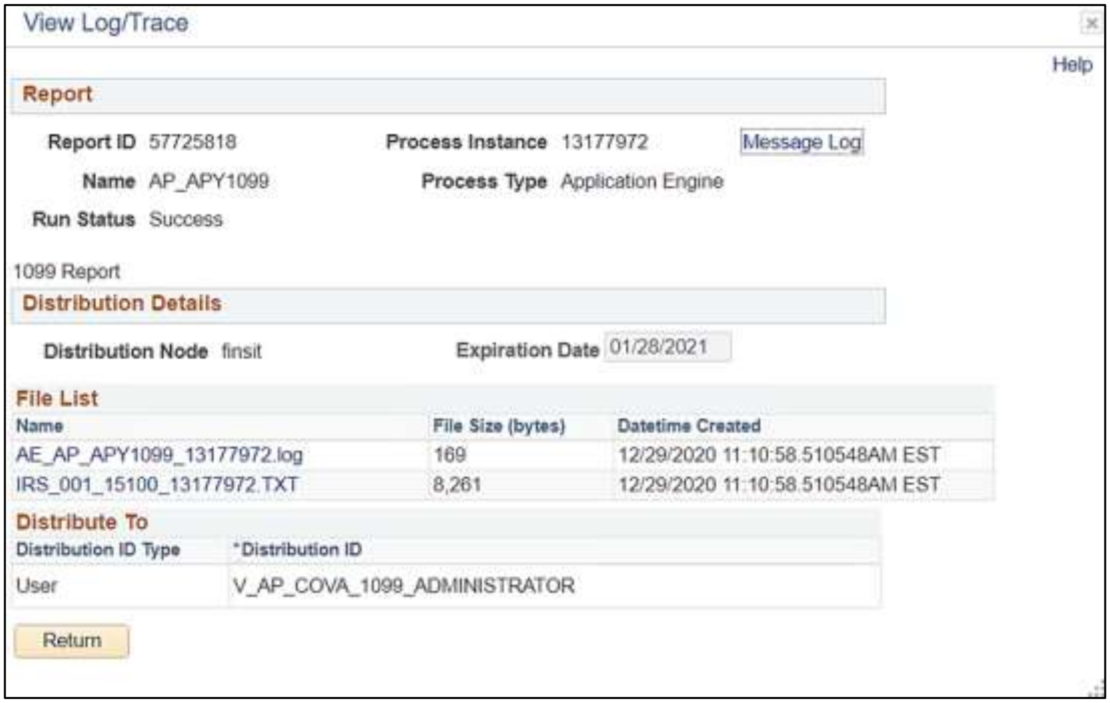
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The **Process Detail** page displays in a pop-up window. This page displays a list of the individual processes that make up the 1099 Job and each RPT or file is accessible.


</td></tr>
<tr><td>28.</td><td>Click the **AP_APY1099 Success** link to view the IRS tax file.


</td></tr>
</table>

Step	Action
The **Process Detail** page refreshes. 	
29.	Click the **View Log/Trace** link. 

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The **View Log/Trace** page displays in a pop-up window.

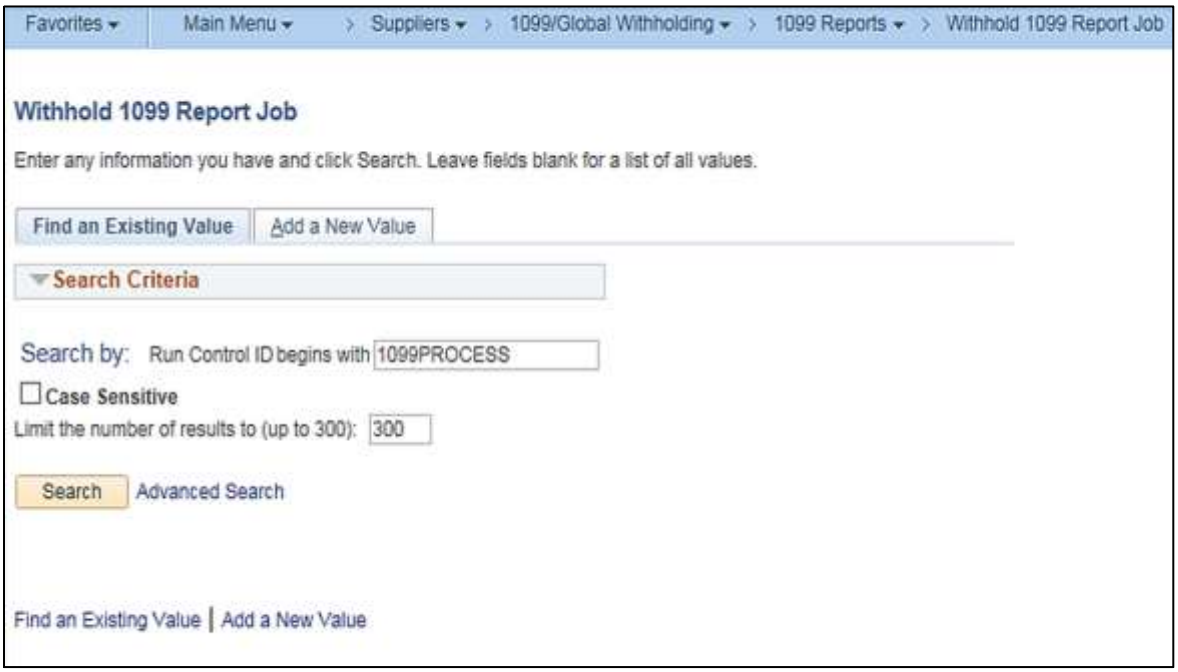


</td></tr>
<tr><td>30.</td><td>Click the **TXT** file under the **File List** section to view the IRS tax files.

</td></tr>
<tr><td></td><td>Save the file to your secure directory as file type Text (*.txt). This text file can then be uploaded to the IRS FIRE Production System. Refer to the IRS Publication 1220 for detailed instructions on sending the file.</td></tr>
</table>

Creating the 1099 Copy B Reports

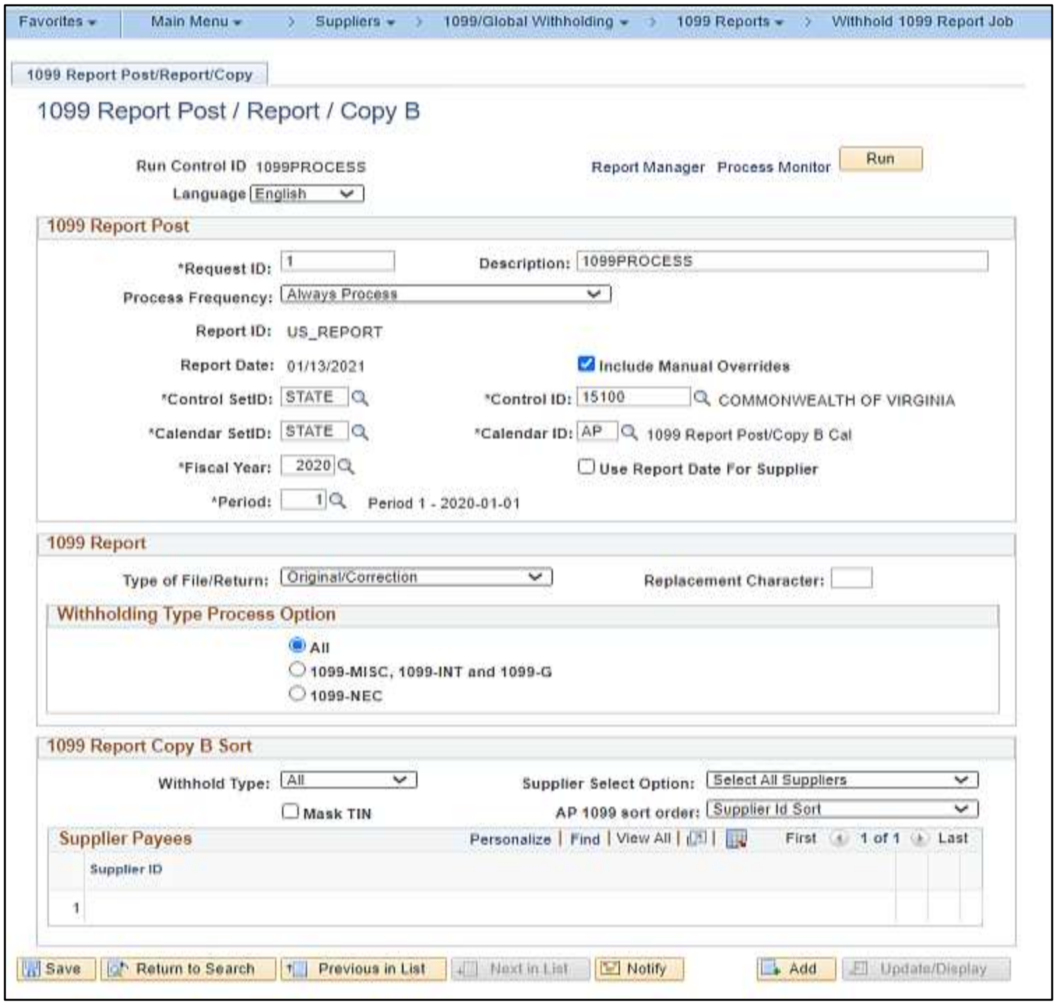
The 1099 report process produces the electronic file and moves data to a reporting table to produce Copy B reports.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1.</td><td>Navigate to the Withhold 1099 Report Job page using the following path:
Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withhold 1099 Report Job</td></tr>
<tr><td colspan="2">The Withhold 1099 Report Job run control page displays with the Find and Existing Value tab displayed by default.

</td></tr>
<tr><td>2.</td><td>Enter the Run Control ID that was used to create the IRS file in the Search by field.

</td></tr>
<tr><td>3.</td><td>Click the Search button.

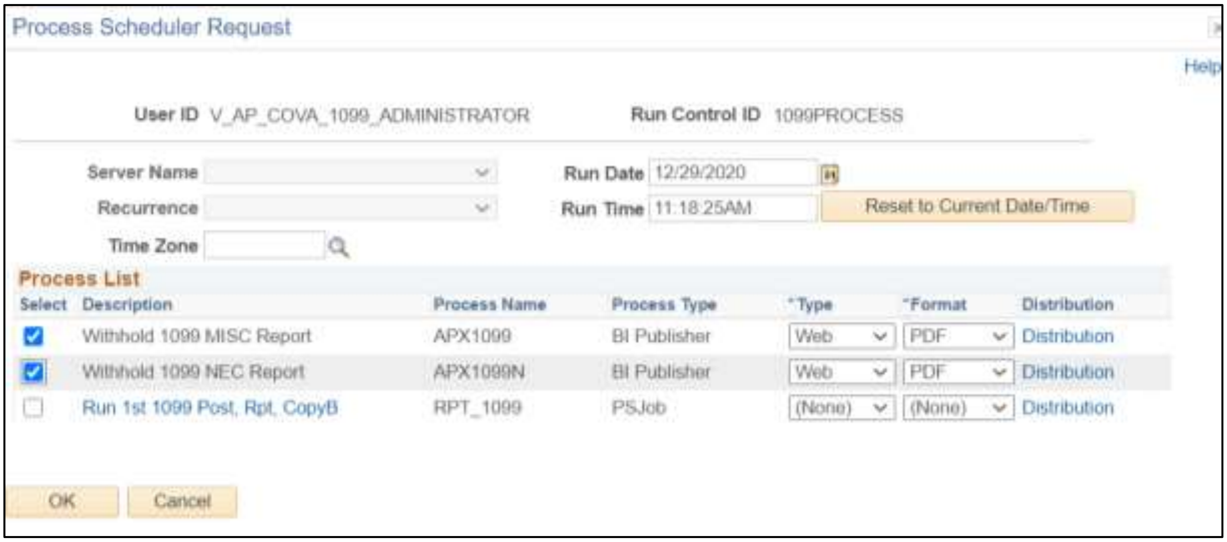
</td></tr>
</table>

Step	Action
The **1099 Report Post / Report / Copy B** page displays with all of the parameters that were established when the IRS file was created.	

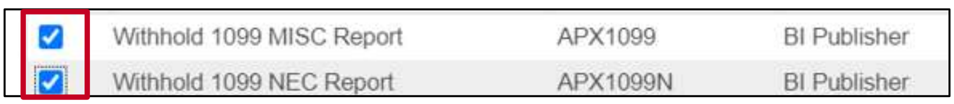


Step	Action
4.	Click the **Run** button. 

Step	Action
	The **Process Scheduler Request** page displays in a pop-up window.

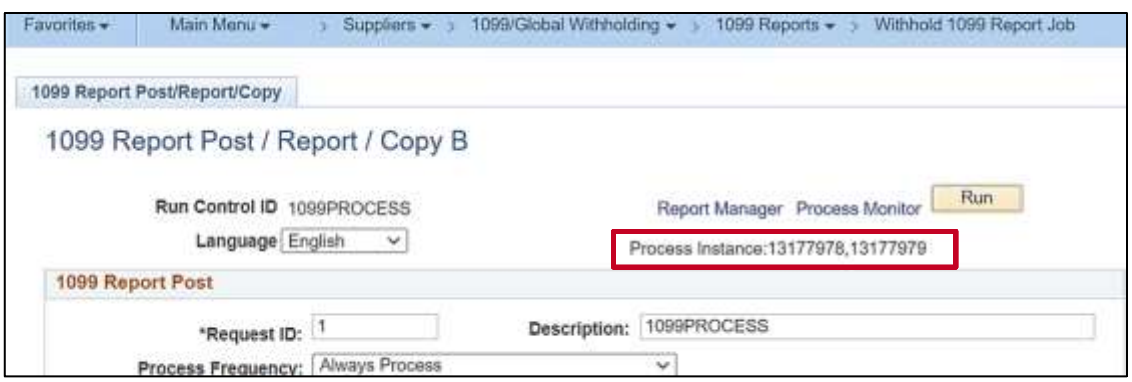


Step	Action
5.	Click the **Select** checkbox option for the Withhold 1099 Report (BI Publisher) job to run the Copy B reports. One or both reports can be selected as appropriate.



Step	Action
6.	Click the **OK** button.

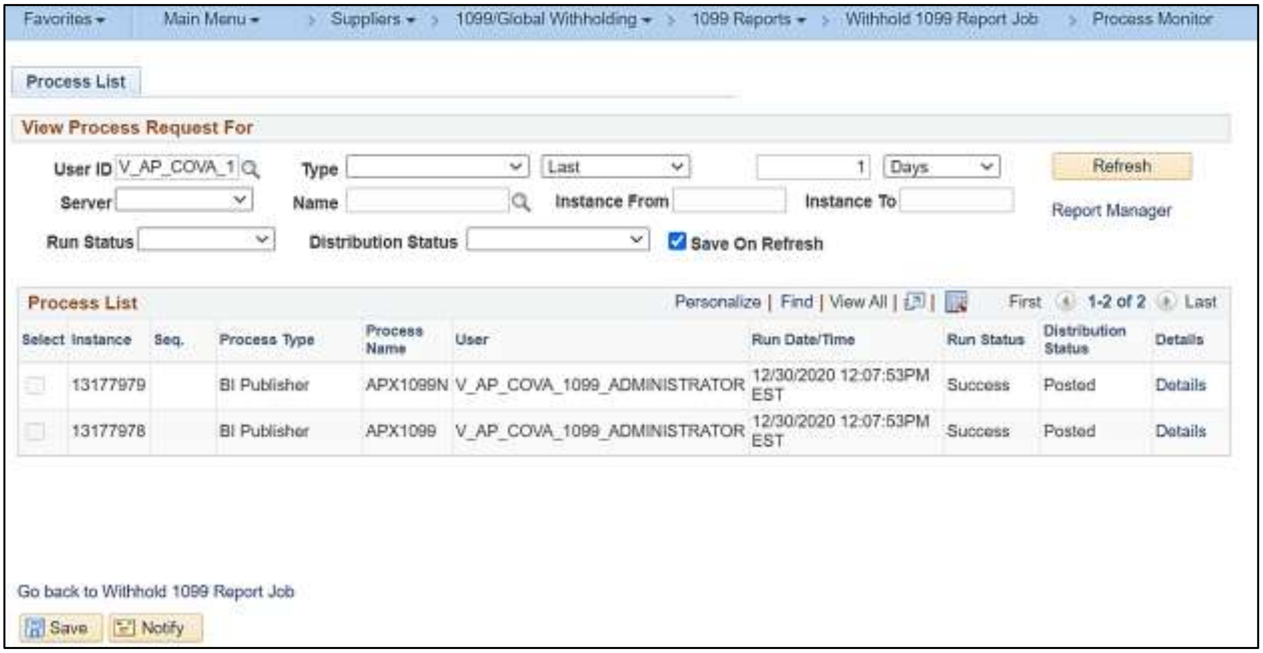
The **1099 Report Post / Report / Copy B** page displays with the assigned Process Instance Number(s).



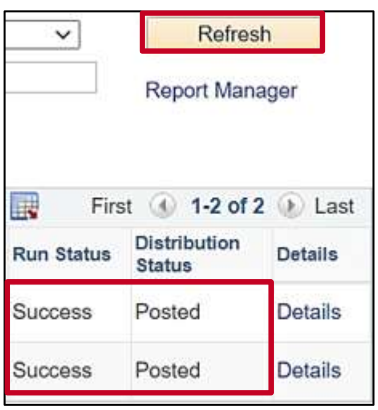
Step	Action
8.	Click the **Process Monitor** link.

Step	Action

The **Process List** displays.



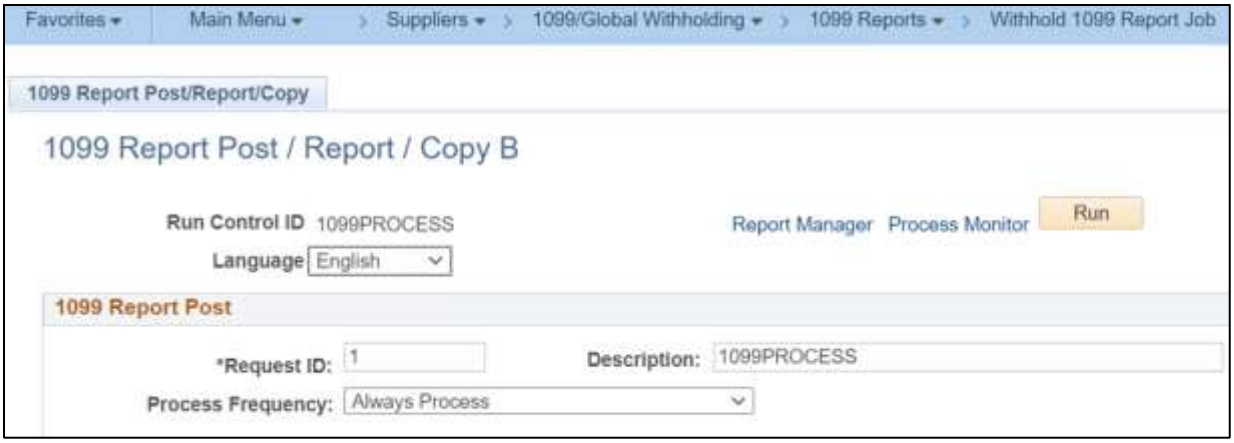
9. Click the **Refresh** button periodically until the **Run Status** field displays “Success” and the **Distribution Status** field displays “Posted”.



10. Click the **Go back to Withhold 1099 Report Job** link.

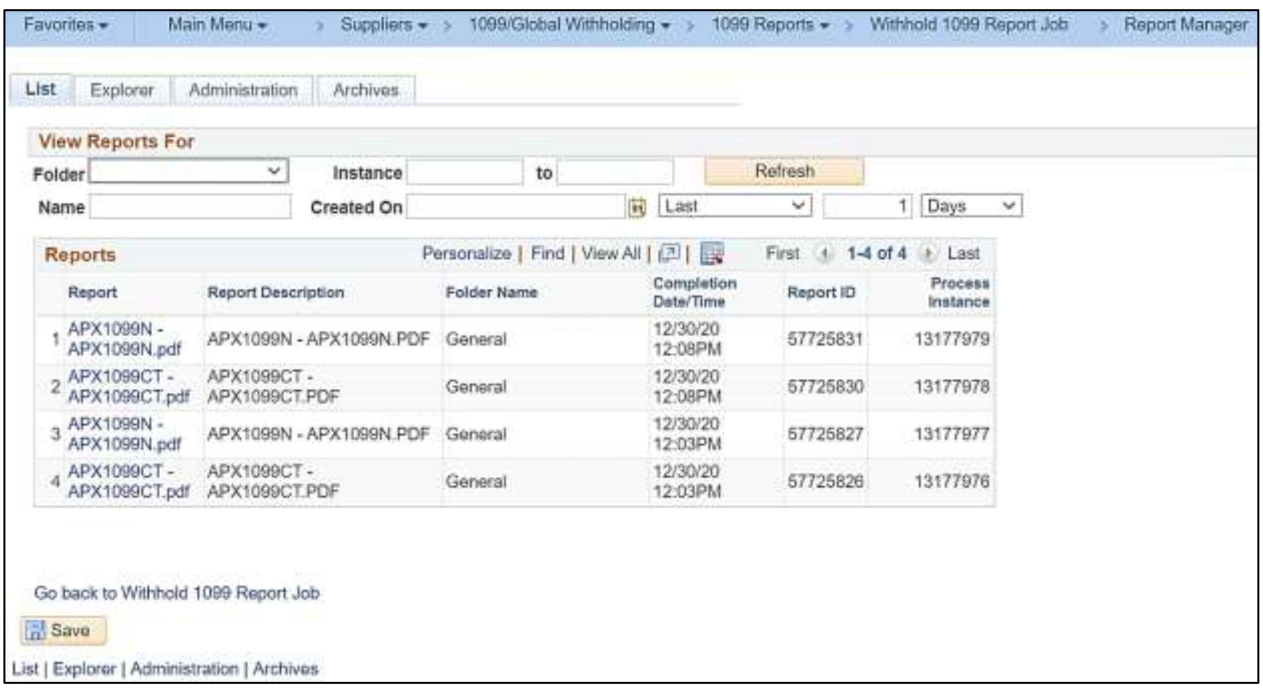
Step	Action

The **1099 Report Post/Report/Copy B** page redisplays.



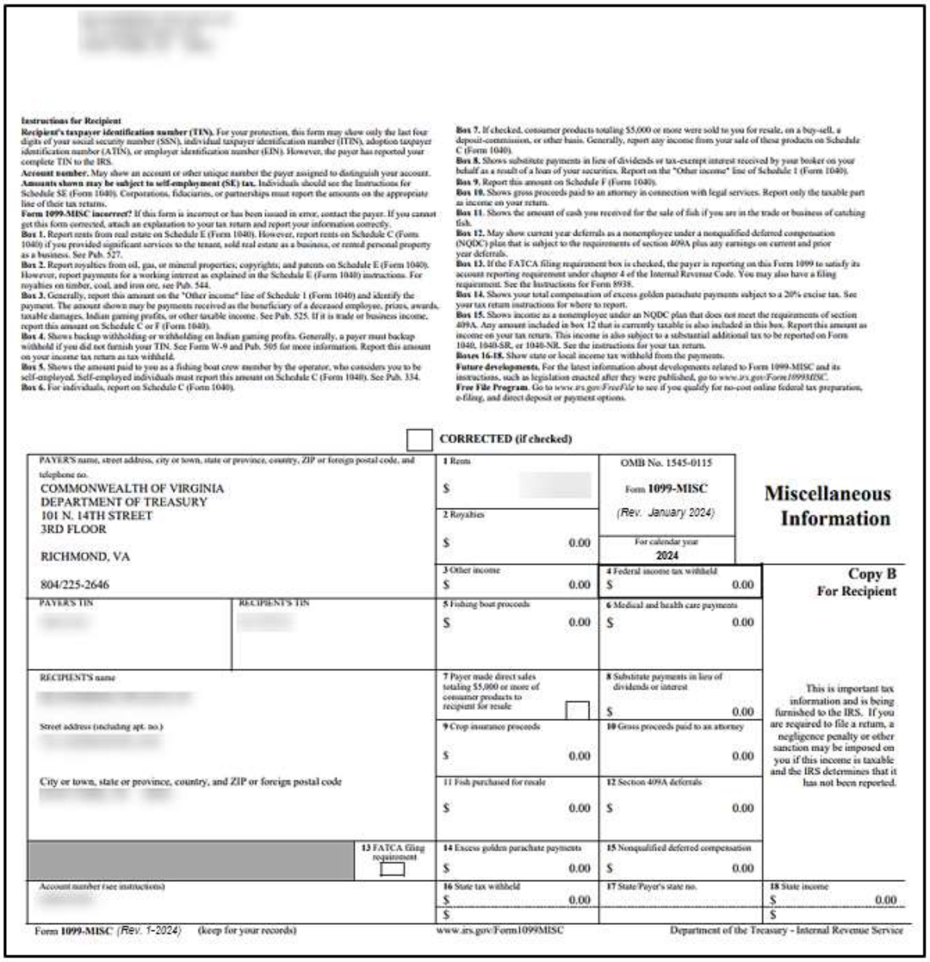
11. Click the **Report Manager** link.

The **List** tab displays.



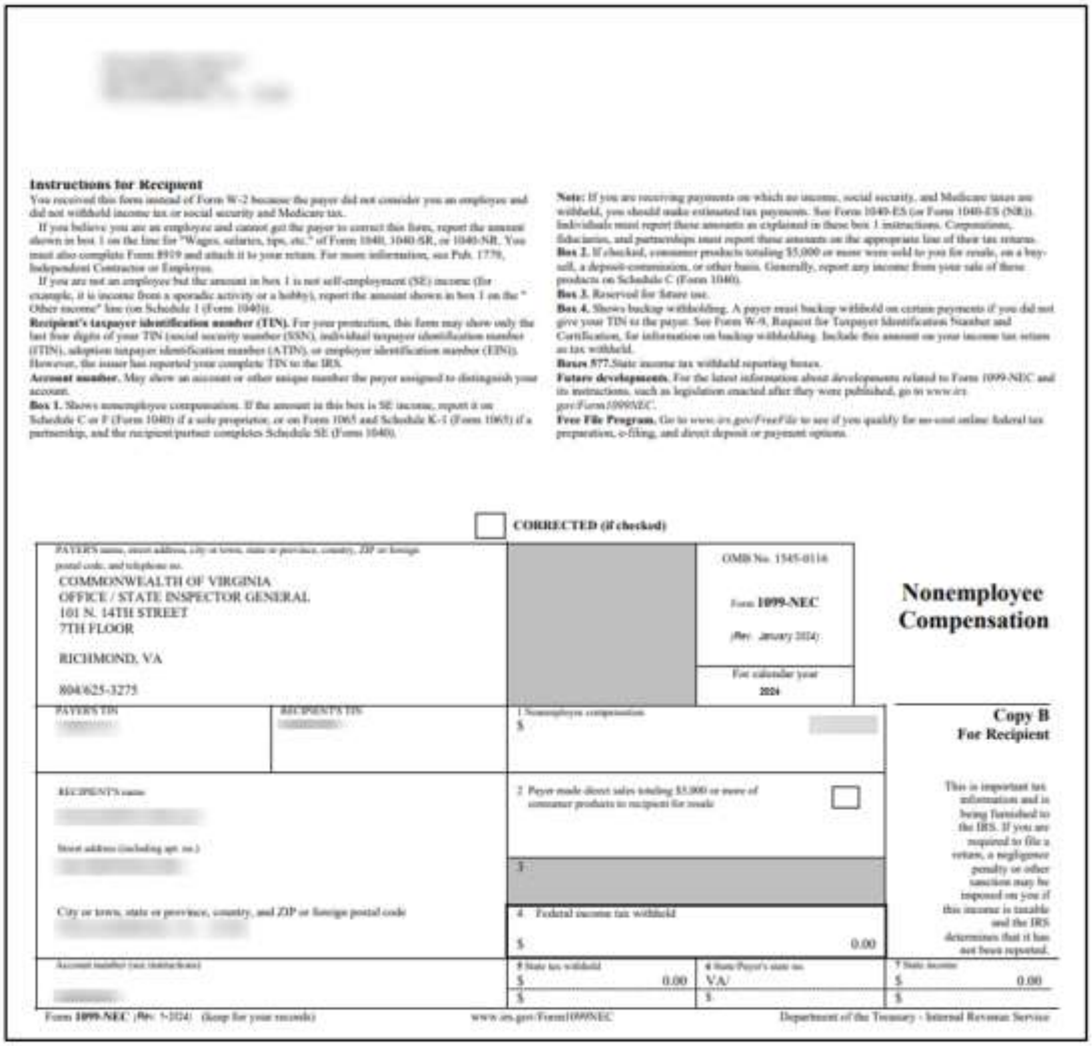
12. Click the **APX1099CT - APX1099CT.PDF** link.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td></td><td>The PDF will display information for the appropriate 1099 (MISC or NEC) Copy B or may be blank if there is no 1099 data to display.


</td></tr>
<tr><td>13.</td><td>Review the 1099-MISC Copy Bs as needed.</td></tr>
<tr><td></td><td>If adjustments are needed, refer to the Adding Withholding Adjustments section of this Job Aid for instructions on how to enter any adjustments identified to the withholding amounts for the required Suppliers and rerun the Withhold 1099 Jobs to create the IRS file and the 1099-MISC Copy Bs.

Repeat Steps 12-13 for the 1099-NEC Copy Bs.</td></tr>
</table>

Step	Action
The **1099 Copy B** displays.	



Instructions for Recipient

You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax.

If you believe you are an employee and cannot get the payer to correct this form, report the amount shown in box 1 on the line for "Wages, salaries, tips, etc." of Form 1040, 1040-SR, or 1040-NR. You must also complete Form 8919 and attach it to your return. For more information, see Pub. 1779, Independent Contractor or Employee.

If you are not an employee but the amount in box 1 is not self-employment (SE) income (for example, it is income from a sporadic activity or a hobby), report the amount shown in box 1 on the "Other income" line (on Schedule 1 (Form 1040)).

Recipient's taxpayer identification number (TIN). For your protection, this form may show only the last four digits of your TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)). However, the issuer has reported your complete TIN to the IRS.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1. Shows nonemployee compensation. If the amount in this box is SE income, report it on Schedule C or F (Form 1040) if a sole proprietor, or on Form 1065 and Schedule K-1 (Form 1065) if a partnership, and the recipient/partner completes Schedule SE (Form 1040).

Note: If you are receiving payments on which no income, social security, and Medicare taxes are withheld, you should make estimated tax payments. See Form 1040-ES (or Form 1040-ES (NR)). Individuals must report these amounts as explained in these box 1 instructions. Corporations, fiduciaries, and partnerships must report these amounts on the appropriate line of their tax returns.

Box 2. If checked, consumer products totaling $5,000 or more were sold to you for resale, on a buy-sell, a deposit-commission, or other basis. Generally, report any income from your sale of these products on Schedule C (Form 1040).

Box 3. Reserved for future use.

Box 4. Shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Boxes 5–7. State income tax withheld reporting boxes.

Future developments. For the latest information about developments related to Form 1099-NEC and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/Form1099NEC*.

Free File Program. Go to *www.irs.gov/FreeFile* to see if you qualify for no-cost online federal tax preparation, e-filing, and direct deposit or payment options.

☐ **CORRECTED (if checked)**

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

COMMONWEALTH OF VIRGINIA
OFFICE / STATE INSPECTOR GENERAL
101 N. 14TH STREET
7TH FLOOR

RICHMOND, VA

804/625-3275

OMB No. 1545-0116

Form **1099-NEC**

(Rev. January 2024)

For calendar year **2024**

Nonemployee Compensation

PAYER'S TIN

RECIPIENT'S TIN

1 Nonemployee compensation
$

Copy B
For Recipient

RECIPIENT'S name

2 Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale ☐

Street address (including apt. no.)

3

City or town, state or province, country, and ZIP or foreign postal code

4 Federal income tax withheld
$ 0.00

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Account number (see instructions)

5 State tax withheld	6 State/Payer's state no.	7 State income
$ 0.00	VA/	$ 0.00
$	$	$

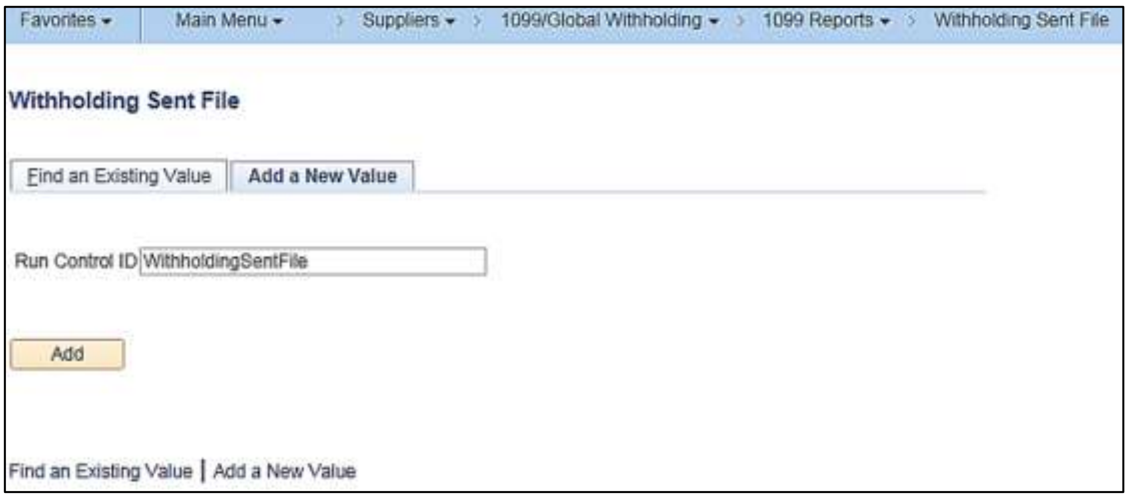
Form **1099-NEC** (Rev. 1-2024) (keep for your records) www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

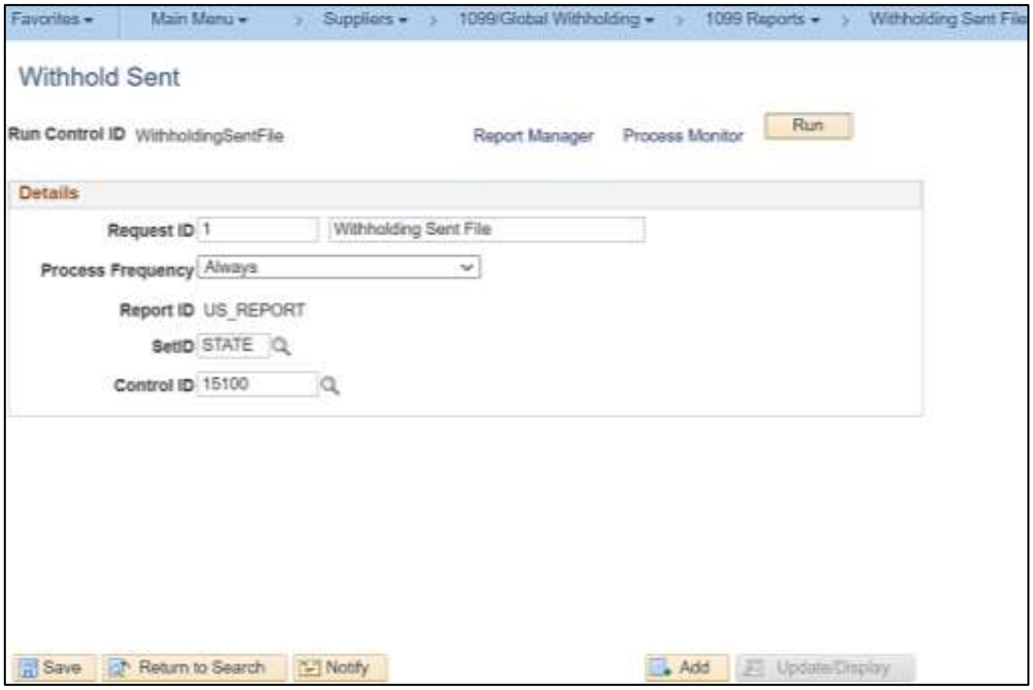
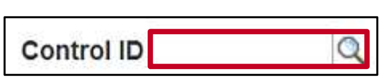
Step	Action
14.	Open and save the final 1099 Copy B PDF copies.
15.	Print the 1099 Copy B forms for mailing.

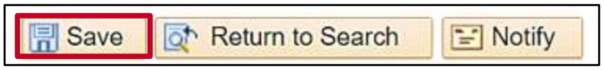
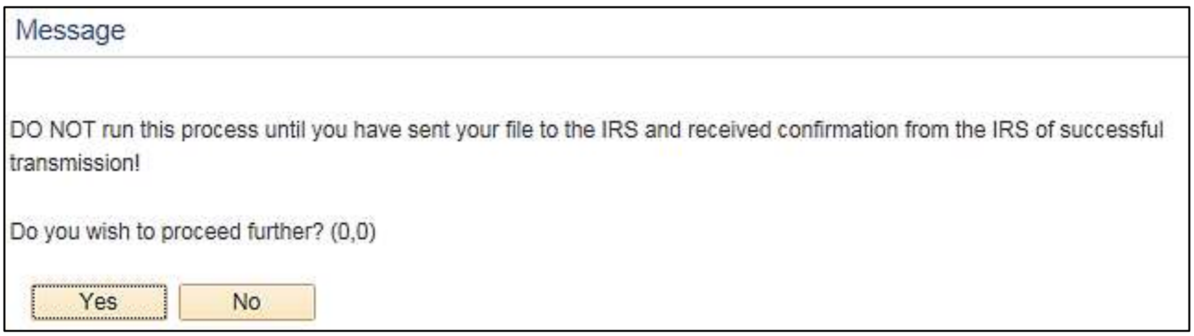
Running the Withholding Sent File Process

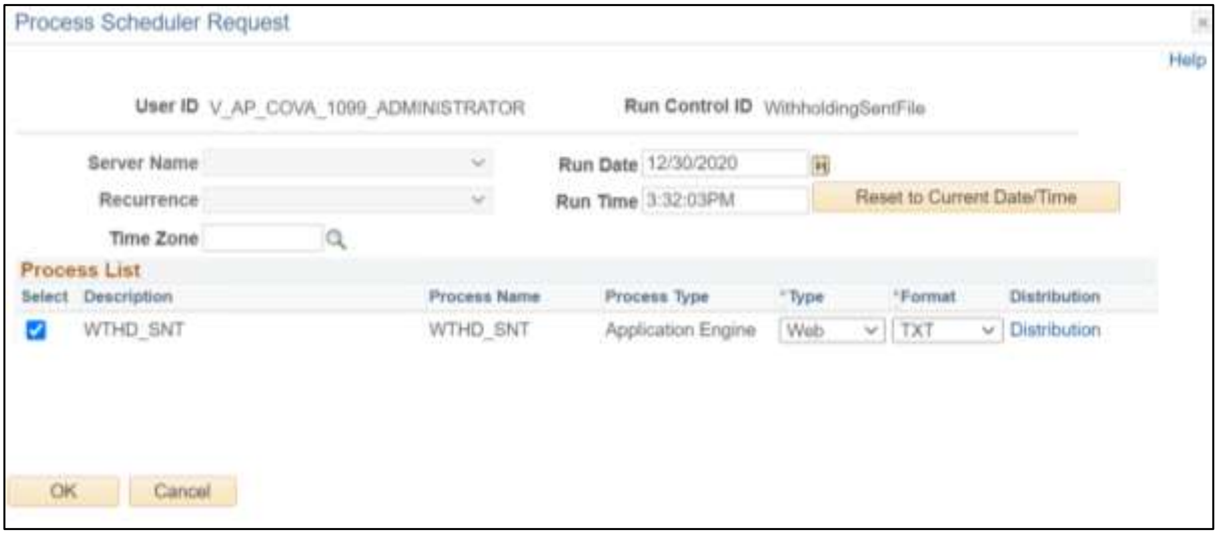
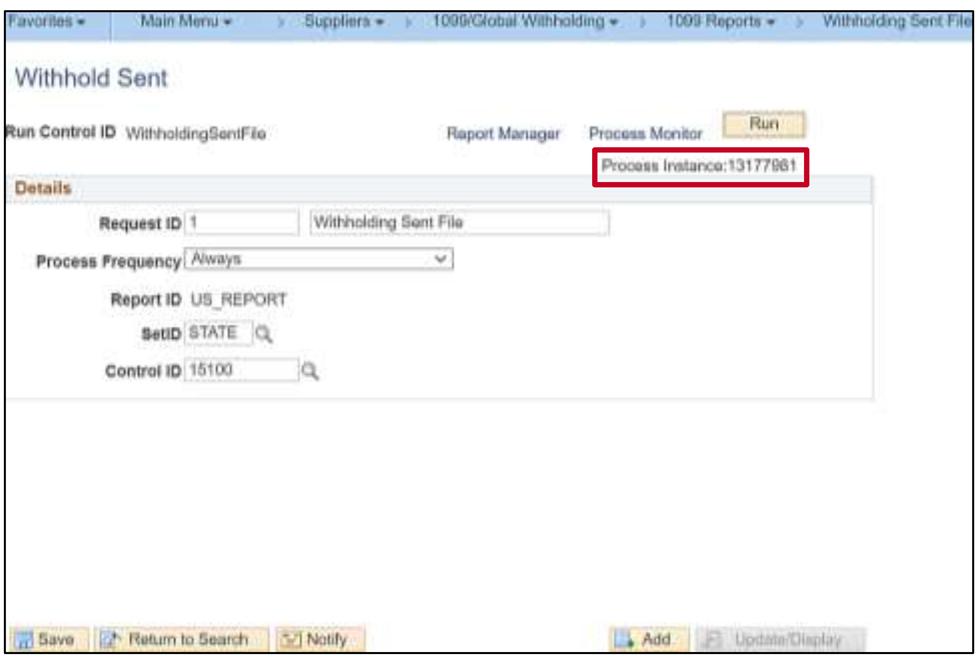
The final step in the 1099 process is to run the Withholding Sent (WTHD_SENT) process. This process finalizes the 1099 reporting and file creation process.

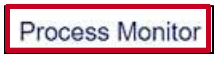
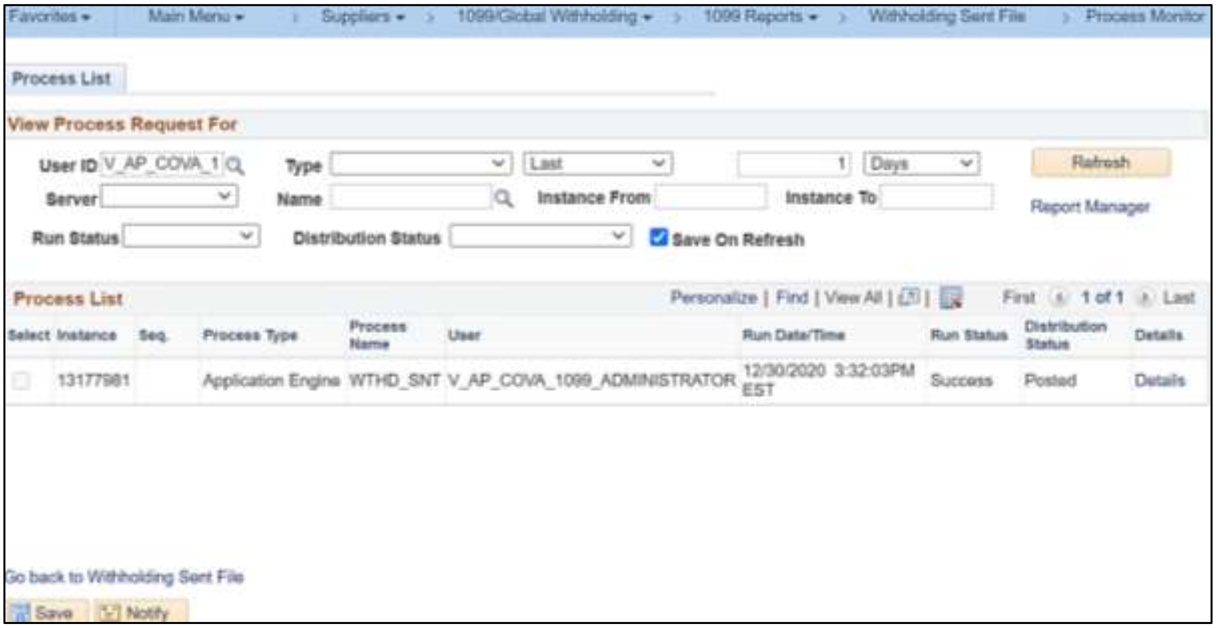
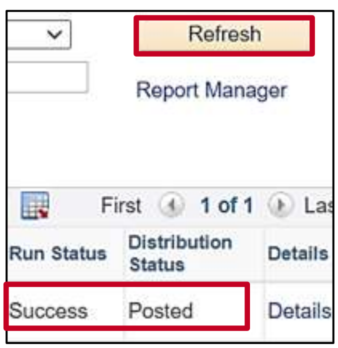
It is important that the Agency does not run this process until the Agency has sent their file to the IRS and received confirmation from the IRS of successful transmission.

Step	Action
1.	Navigate to the **Withholding Sent File** page using the following path: **Main Menu > Suppliers > 1099/Global Withholding > 1099 Reports > Withholding Sent File**
	The **Withholding Sent File** page displays with the **Find an Existing Value** tab displayed by default. 
2.	Enter the applicable information in the **Run Control ID** field. The first time you run this job, select the **Add a New Value** tab and then create the Run Control ID. 
	For subsequent runs of this job, use the **Run Control ID** that was created the first time the job was run (Run Control IDs are unique to each user). You will need to update the appropriate fields on your existing Run Control ID if using the Run Control ID you created for a subsequent run.
3.	Click the **Add** button. 

Step	Action
	The **Withhold Sent** page displays. 
4.	Enter “1” in the **Request ID** field. This Request ID of “1” can be used repeatedly. It is used internally by Cardinal to track each posting request. 
5.	Enter a brief description for the request in the **Description** field (field to the right of the **Request ID** field) (example: “Withholding Sent File”). 
6.	Click the **Process Frequency** dropdown button and select “Always Process”. 
7.	Click the **SetID Look Up** icon and select “STATE”. 
8.	Enter or select the Agency’s Control ID in the **Control ID** field. 

Step	Action
9.	Click the **Save** button. 
10.	Click the **Run** button. 
A Message displays in a pop-up window.	
11.	Select the appropriate answer based on the following guidance: • Click the **Yes** button if the Agency has sent the file to the IRS and received a confirmation from the IRS that the file was successfully transmitted • Click the **No** button if the Agency has not sent the file to the IRS and received a confirmation from the IRS that the file was successfully transmitted. DO NOT PROCEED UNTIL THIS STEP IS COMPLETED For this scenario, the file has been sent and successfully confirmed. Click the **Yes** button. 
i	Whatever selections were made in the **Withholding Type Process Options** section when the IRS file was created will be marked as "Sent" when this process is run. The transactions marked "Sent" will not be produced or generated in any subsequent 1099 Job Process runs.

Step	Action
	The **Process Scheduler Request** page displays in a pop-up window. 
12.	Click the **OK** button. 
	The **Withhold Sent** page redisplays with the assigned Process Instance Number. 

Step	Action
13.	Click the **Process Monitor** link. 
The **Process List** page displays.  	
14.	Click the **Refresh** button periodically until the **Run Status** field displays “Success” and the **Distribution Status** field displays “Posted”. 
	A **Run Status** of “Success” means that the files have been marked in Cardinal as sent to the IRS.

Processing Correction Files after IRS Submission and Withholding Sent File Process is Complete

If the Agency determines that incorrect data was reported for a Supplier or a group of Suppliers after the initial submission, a Correction file must be created. To correct the transaction data, complete the following:

1. Enter an adjustment on the **Withhold Adjustments** page. Refer to the Adding Withholding Adjustments section of this Job Aid for instructions on how to make the adjustments.
2. Run the 1099 Jobs to produce the IRS file and the corrected Copy B forms. The system generates the 1099 report showing only the corrections and the appropriate 1099 Copy B forms. Refer to the Creating the 1099 IRS Reporting File and the Copy B Statements section of this Job Aid for instructions on how to create the Correction file.
3. Run the Withholding Sent File process after confirmation is received from the IRS. Remember that the selections used in the **Withholding Type Process Option** section of the page must match the selections used when the Agency created the 1099 IRS Reporting File.

Processing Replacement Files after IRS Submission and Withholding Sent File Process is Complete

A replacement file is an information return file sent by the filer/transmitter at the request of the IRS because of errors encountered by the IRS while processing the filer's original file or correction file. In that case, the IRS may tell the Agency what is invalid in the file either through contact information provided by the Agency or on their Internet page, where the file is stored. Make the necessary changes and resubmit the file.

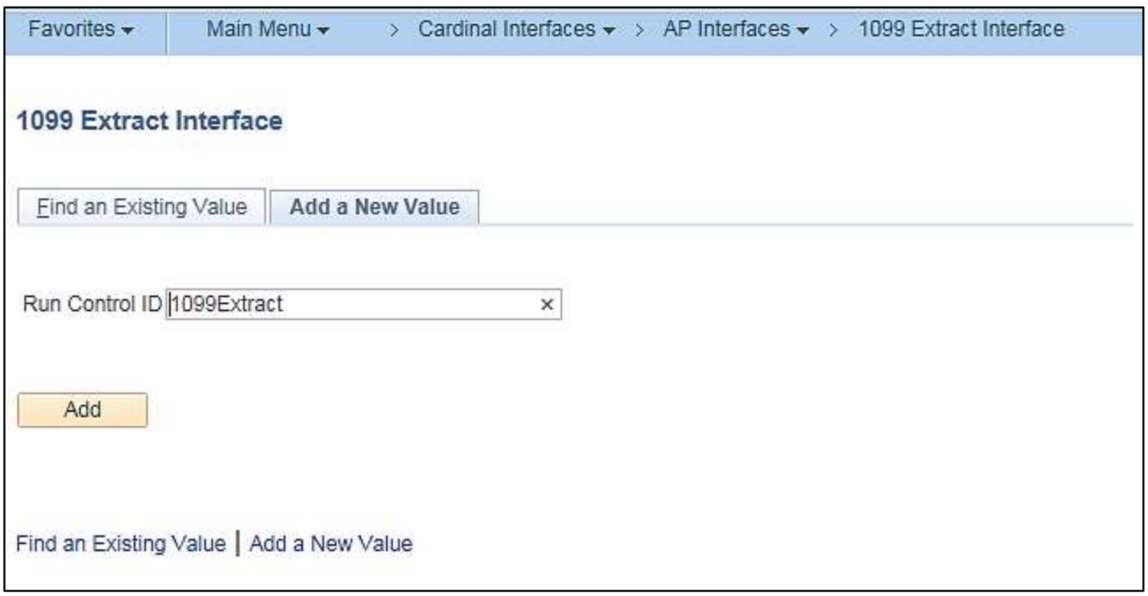
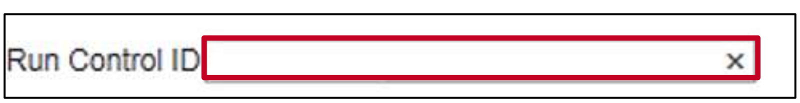
The Agency can create a replacement file only if one and only one original file was sent to the IRS.

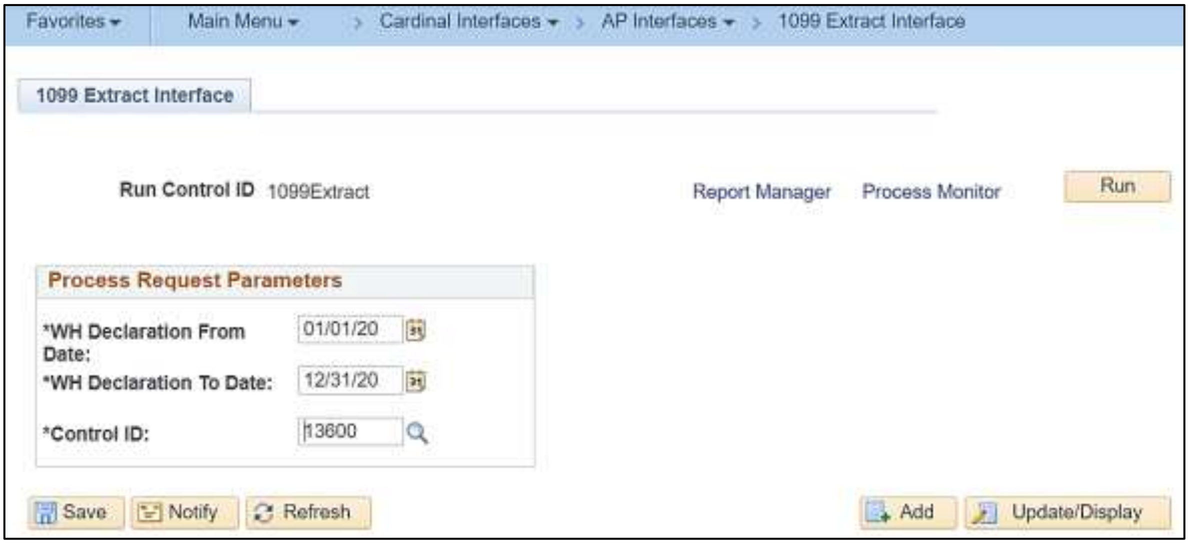
1. Create the Replacement file. Refer to the Creating the 1099 IRS Reporting File and the Copy B Statements section of this Job Aid for additional information and instructions.
2. In the **1099 Report Group** section, select "Replacement" in the **Type of File/Return** field and enter the replacement character provided by the IRS in the **Replacement Character** field.
3. Run the 1099 Report Post and the 1099 Report processes. The system generates a new replacement file that the Agency can send to the IRS.
4. Run the Withholding Sent File process after creating the replacement file and confirmation is received from the IRS. Remember that the selections used in the **Withholding Type Process Option** section of the page must match the selections used when the 1099 IRS Reporting File was created.

1099 Extract

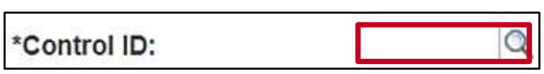
The 1099 Extract is generated and used to view 1099 reportable information. The 1099 Extract file can be used for different purposes, such as, processing in an Agency system, loading into tax software, or 1099 data analysis. The 1099 Extract is generated manually by Agency users online.

Running the 1099 Extract in Cardinal

Step	Action
1.	Navigate to the **1099 Extract Interface** page using the following path: **Main Menu > Cardinal Interfaces > AP Interfaces > 1099 Extract Interface**
The **1099 Extract Interface** page displays with the Find a New Value tab displayed by default. 	
2.	Enter the applicable information in the **Run Control ID** field. The first time you run this job, select the **Add a New Value** tab and then create the Run Control ID. 
	For subsequent runs of this job, use the **Run Control ID** that was created the first time the job was run (Run Control IDs are unique to each user). You will need to update the appropriate fields on your existing Run Control ID if using the Run Control ID you created for a subsequent run.
3.	Click the **Add** button. 

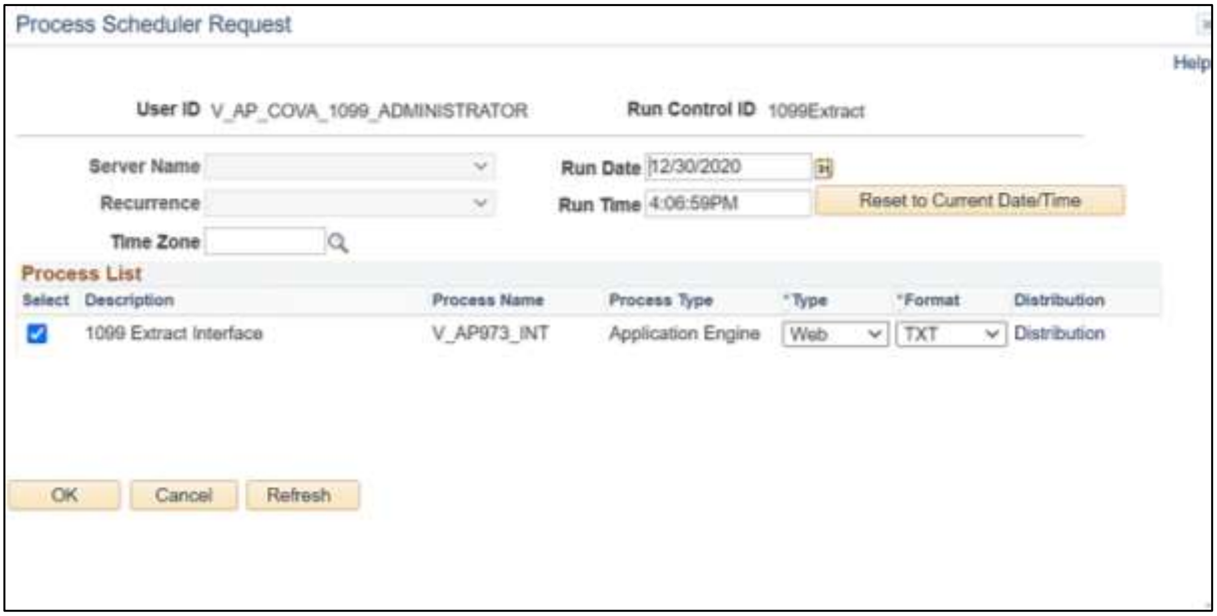
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The 1099 Extract Interface tab displays.

</td></tr>
<tr><td>4.</td><td>Enter or select the start date for 1099 reporting in the WH Declaration From Date field.

</td></tr>
<tr><td>5.</td><td>Enter or select the end date for 1099 reporting in the WH Declaration To Date field.

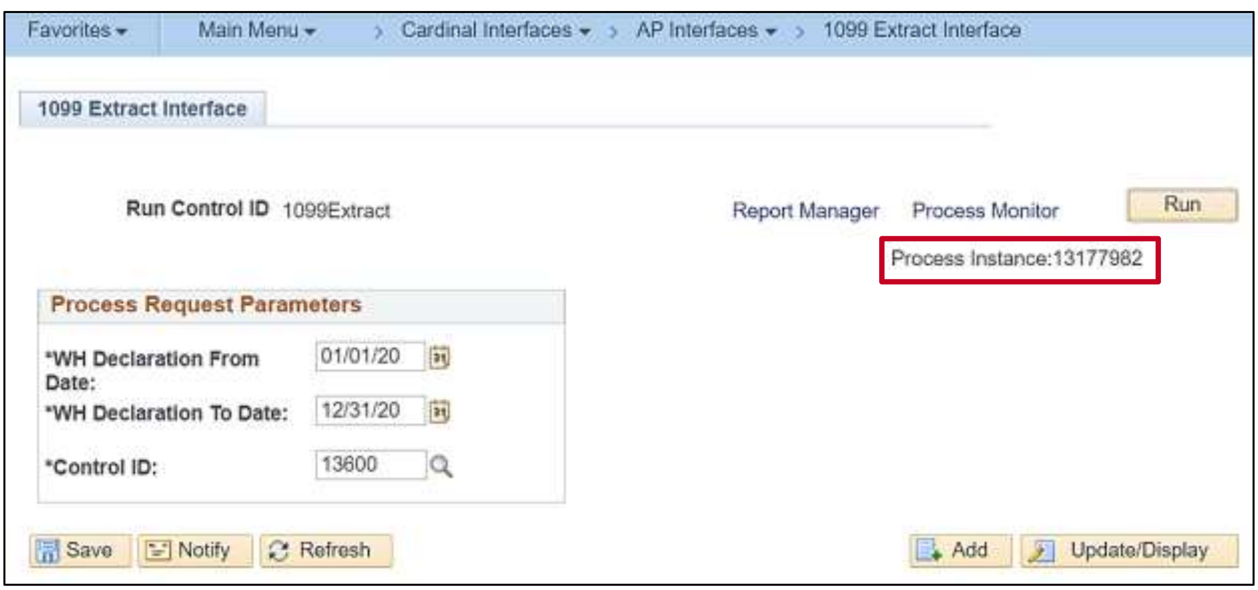
</td></tr>
<tr><td>6.</td><td>Enter or select the Agency’s Control ID in the Control ID field.

</td></tr>
<tr><td>7.</td><td>Click the Run button.

</td></tr>
</table>

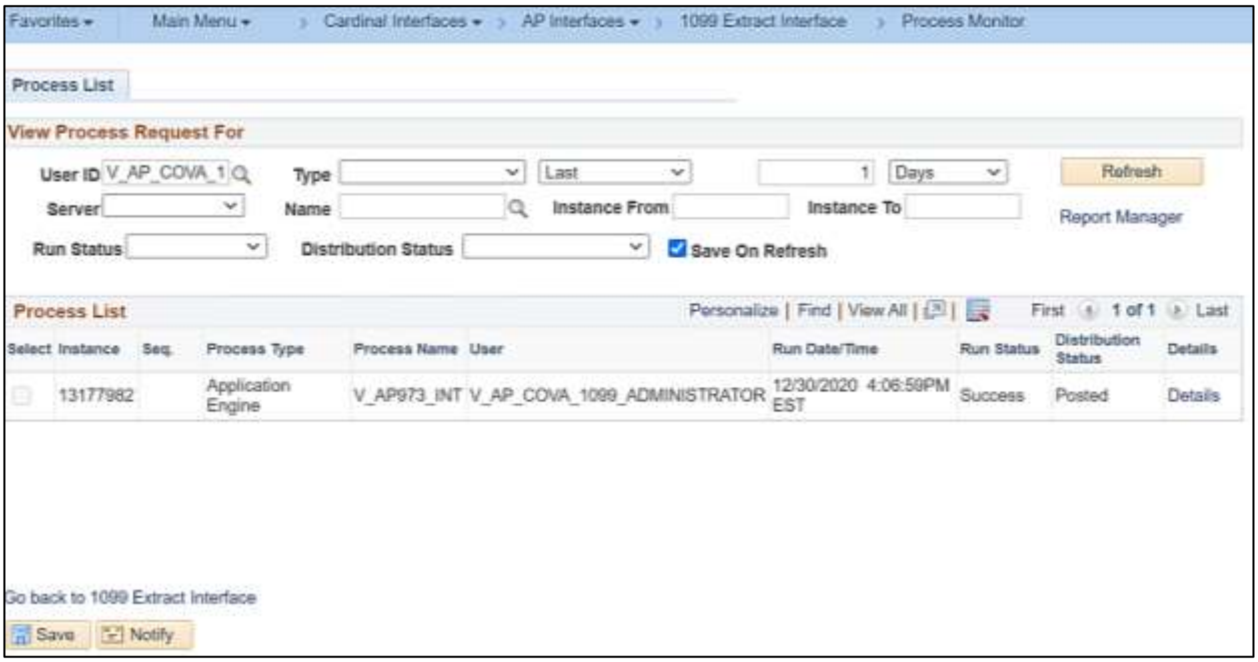
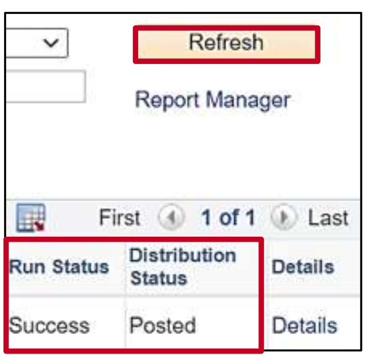
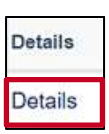
<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td colspan="2">The Process Scheduler Request page displays in a pop-up window.

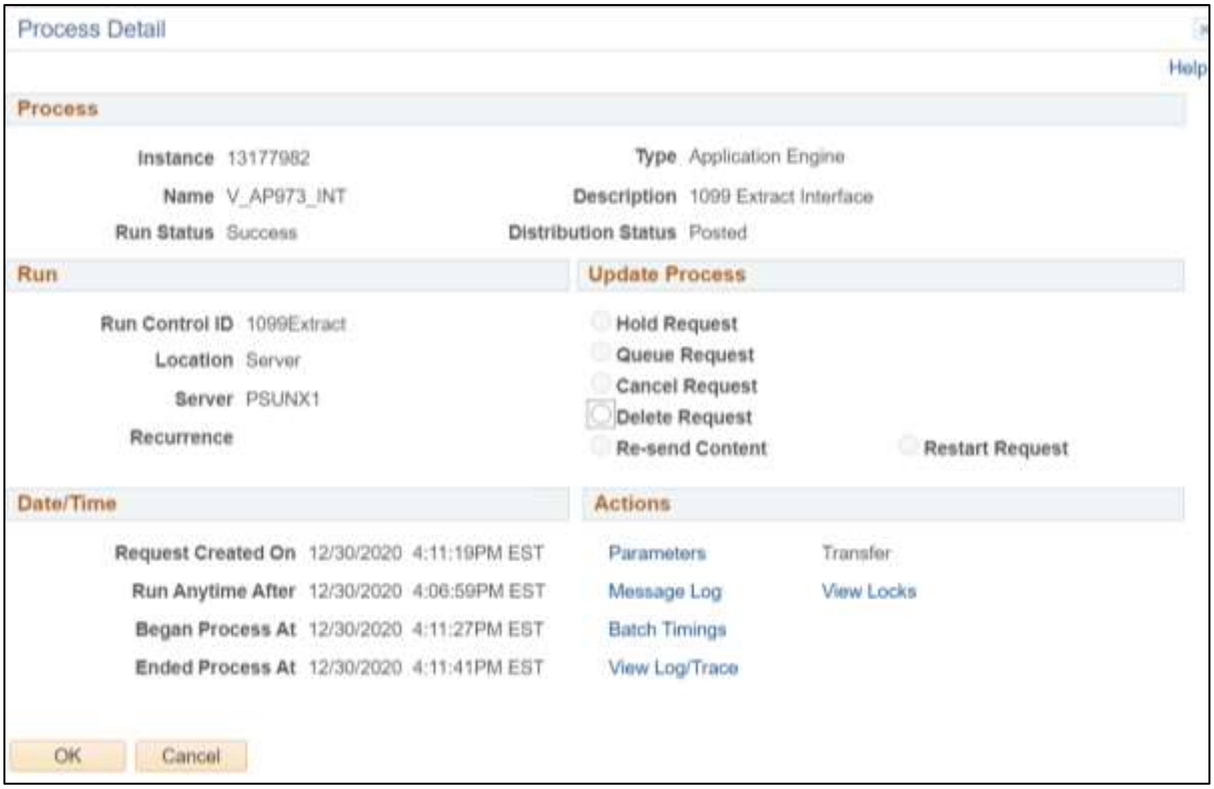

</td></tr>
<tr><td></td><td>The 1099 Extract Interface can only be run with “Web” selected in the Type field and “TXT” selected in the Format field. The output will be in a .DAT format.</td></tr>
<tr><td>8.</td><td>Click the OK button.

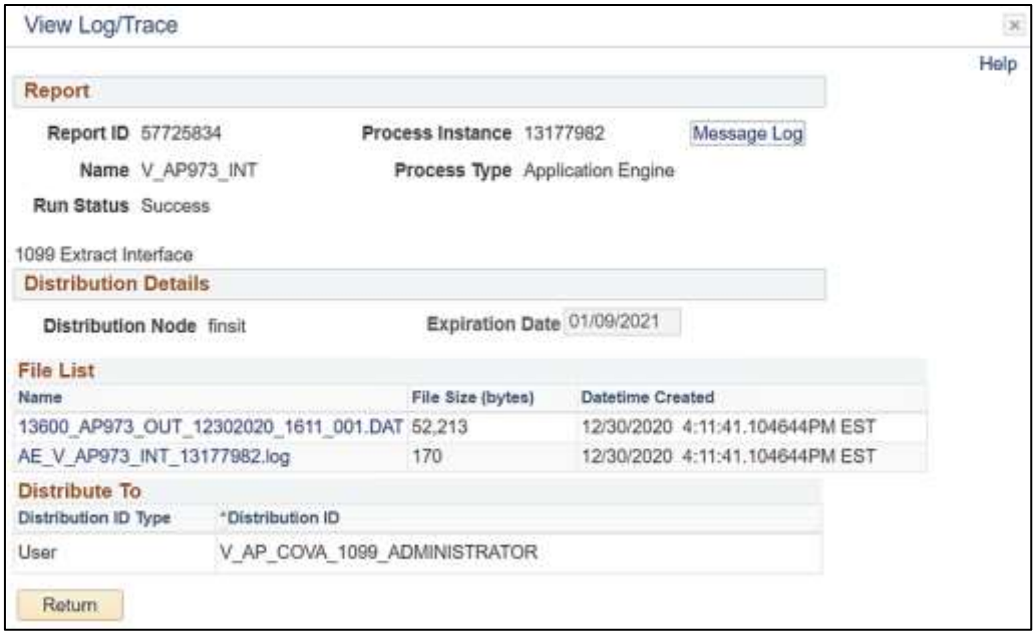
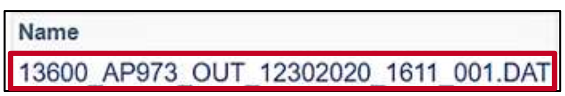

</td></tr>
<tr><td colspan="2">The 1099 Extract Interface tab redisplays with the assigned Process Instance Number.


</td></tr>
</table>

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>9.</td><td>Click the Process Monitor link.

</td></tr>
<tr><td colspan="2">The Process List page displays.

</td></tr>
<tr><td>10.</td><td>Click the Refresh button periodically until the Run Status field displays “Success” and the Distribution Status field displays “Posted”.

</td></tr>
<tr><td>11.</td><td>Click the Details link.

</td></tr>
</table>

Step	Action
	The **Process Detail** page displays in a pop-up window. 
12.	Click the **View Log/Trace** link. 

Step	Action
The **View Log/Trace** page displays in a pop-up window.	
	
13.	Click the **.DAT** link for the file to review 1099 reportable data. 
	The extract file may be used for different purposes, depending on the Agency (e.g., processing in an Agency system, loading into tax software, or other data analysis). An Agency interface template of the file layout titled AP973 1099 Extract is located on the Cardinal website in **Security** under **Resources**.