

1099-MISC
Magnetic Media
Reporting
(Tax Year 2010)

User Guide

1099-MISC Magnetic Media Reporting

(Tax Year 2010)

To the reader

If you are unfamiliar with computers or the IBM AS/400 system, you need to know the following definitions:

- *An application consists of computer programs that perform tasks in a particular business area. The 1099-MISC Magnetic Media Reporting is an application.*
- *Pacioli/400 Accounting Suite contains General Ledger, Accounts Payable, and Accounts Receivable. The Magnetic Media Reporting application interfaces to the Pacioli/400 Accounts Payable application.*
- *MAPICS is the abbreviation (or acronym) for Manufacturing Accounting and Production Control System, a group of applications designed for a wide range of manufacturing industries. The Magnetic Media Reporting application interfaces to the MAPICS Accounts Payable application.*
- *The 1099-MISC Magnetic Media Reporting application is a set of programs that allow you to produce a PC file for reporting 1099 information to the Internal Revenue Service. In addition, it allows you to pull down information from your Pacioli/400 or MAPICS files and perform file maintenance on Federal reportable fields.*

This book contains the instructions you need to run the Magnetic Media Reporting application on your IBM system. The information in this book applies only to the 1099-MISC Magnetic Media Reporting application. Before you use this book, complete the following training if you do not have equivalent knowledge.

- Any prescribed AS/400 training
- Pacioli/400 Accounts Payable
- MAPICS Accounts Payable

How to use this book

This book is divided into two sections.

- In the first section a general description of the application is given.
- In the second section, detail descriptions are given for each of the functions within the application.

If you have any trouble following the directions and instructions in this book, note your problem and mail, FAX, or Email your comments to the address specified on the following page.

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Magnetic Media 1099-MISC Reference Manual

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1099-MISC setup for Tax Year 2010 (STEP-BY-STEP SEQUENCE):

1. Log on as QSECOFR or as someone appropriate authority.
2. Follow the instructions in the Readme.txt document that was included with the package containing this update. Your Tax Year 2009 1099-MISC data will automatically be copied to the Pacioli Archive library. In addition, your Tax Year 2009 1099-MISC data will automatically be set up for Tax Year 2010.
3. **Pacioli/400 Accounts Payable II Customers Only** - Insure that one of the USRLIBnn dataareas in the library PACIOLIPGM contain the value FMSF (the name of your application Accounts Payable files library containing the APMASST file).

You may skip this step if any of the USRLIBnn dataareas already contains the value FMSF.

4. **MAPICS Accounts Payable Customers Only** - Insure that one of the USRLIBnn dataareas in the library PACIOLIPGM contain the value AMFLIB (the name of your application Accounts Payable files library containing the VENNAM file).

You may skip this step if any of the USRLIBnn dataareas already contains the value VENNAM.

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Section 1: What's new in 2010

1. **NOTE: Beginning in Tax Year 2007 (processing year 2008), the IRS/MCC will no longer accept 3.5 inch diskettes for filing information returns.**
2. Files have been updated per the IRS Publication 1220 specifications for Tax Year 2010.

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Section 2: General Information

Introduction

The user of the Advanced Logic Solutions, Inc. 1099 Magnetic Media application will be able to save to standard format the required 1099-MISC information for submittal to the Internal Revenue Service. The application also contains a File Maintenance program, which allows users to modify information in the data file to meet reporting requirements. In addition, 1099-MISC substitute documents can be printed.

Prior to starting it is imperative that the Pacioli/400 APMAS or MAPICS VENNAM file is on your system. Verify that the proper APMAS or VENNAM file is on your system.

We suggest you read this documentation prior to installation of the application. Thank you for purchasing Advanced Logic Solution's Magnetic Media Reporting 1099-MISC application.

Management; Advanced Logic Solutions, Inc.

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Section 3: Notes

1. Extensive Help Text is available for all menus and screens. Press F1 to review the available Help Text.
2. Some screens for the 1099 product are initially displayed without detail data. Press F5=Refresh to see detail information.
3. During conversion of the Pacioli/400 APMAS data to the 1099 function, a vendor's foreign address indicator is set on if the state code cannot be determined.
4. During conversion of the Pacioli/400 APMAS data to the 1099 function, a vendor's Name Control field is extracted from the four left-most positions of the Vendor Short Name field. The Tax Year 2010 IRS 1099 publication 1220 contains specific rules about the Name Control field. **Be sure to read and understand the IRS 1099 document.**
5. During conversion of the MAPICS VENNAM data to the 1099 function, a vendor's foreign address indicator is set on under the following conditions:
 - The VENNAM state code field is blank.
 - The VENNAM country code is not blank, "US", or "USA". Then, the State code field in the 1099 file is set to blank.
6. During conversion of the MAPICS VENNAM data to 1099 function, a vendor's Name Control field is extracted from the four left-most positions of the Vendor Name Abbreviation field. The Tax Year 2010 IRS 1099 publication 1220 contains specific rules about the Name Control field. **Be sure to read and understand the IRS 1099 document.**
7. *Do NOT throw away the 1099 book or envelope. These documents contain vital labels and codes.*
8. *Please read and understand the IRS 1099 document about attorney fees and Box 13*
9. *Please read and understand the IRS 1099 document about Section 409A and Boxes 15a/15b.*

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Section 4: User Setup

Start 1099 processing ==> STRPACIOLI

When the **Pacioli/400 Main Menu** appears, take menu option **6-1099-MISC Magnetic Media Reporting**. The 1099 menu appears. Perform the menu options in the order needed.

```
PMRMNU          Pacioli/400 1099-MISC Magnetic Media Reporting
                                                    System:   S1234567

Select one of the following:

Processing Tax Year
  1. Work with Transmitters
  2. Work with Payers (i.e. Companies)
  3. Work with Pacioli/400 A/P Vendor 1099 Information
  4. Build 1099 vendor Payee information
  5. Work with vendor Payee data
  6. Print a 1099 Register for a Company
  7. Print a 1099-MISC Substitute Form for a Company
  8. Save to Magnetic Media for Reporting to IRS

Perform Reset Functions
 21. Reset a Transmitter and All Associated Payers
 22. Reset a Transmitter Only
 23. Reset a Payer

Work with the PC Transfer File
 41. Browse the PC Transfer File
 43. Display User Authority to the PC Transfer File
 44. Grant Authority to the PC Transfer File
 45. Revoke Authority to the PC Transfer File

Support
 74. Work with Application Job History

Services
 80. Work with Your Printed Output
 81. Work with Your Submitted Jobs
 82. About Pacioli/400 1099-MISC Magnetic Media
 83. Work with User Jobs
 89. Display User Messages

Selection or command
==>

F3=Exit   F5=Refresh   F9=Cmd Line   F12=Cancel   F17=Options
```

The user MUST be authorized in Pacioli to perform specific menu options and to access specific companies.

If the user does not have authorization to any MMR 1099-MISC functions, menu options 1 through 45 on the PMRMNU screen will NOT be displayed. Only functions a user is authorized to will be displayed.

A user can be authorized to a specific company or a specific set of companies. In addition, the user can be **LOCKED IN** to a specific company so they are not allowed to view any other company.

From the *Pacioli/400* Main Menu

- Select System Administrator Menu (Option 1), press <enter>
- Select Work with User Profiles (Option 2), press <enter>

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On the Work with User Profiles screen you are able to **F6=Add** or **2=Change** users. Here you can **Lock In** a user to a specific company. In addition, you can deny them access to the **F17=Options key**.

On the Work with User Profiles screen you are able to authorize users to specific companies using option **9=Company Access**.

On the Work with User Profiles screen you are able to authorize users to specific MMR 1099-MISC functions using option **8=User Functions**. The functions and their associated menu options are:

App ID	Function	Description	Menu Option
MR	IMPORT	Import Payee Data	4
MR	MAGMED	Manage 1099 MagMedia	8, 41, 43, 44, 45
MR	PRINT	Print 1099 Reports	
MR	PRINTR	Print 1099 Register	6
MR	PRINTS	Print 1099-MISC Sub	7
MR	RESET	Reset MMR Status	21, 22, 23
MR	VENDOR	Manage Payee Data	3, 5
MR	WPAYER	Manage Payers	2
MR	WTRANS	Manage Transmitters	1

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Section 5: Processing

1. Make sure the Accounts Payable application is “closed” for the Tax Year. That is, the period close process, if any, has been run for December for each company that you will be processing through the 1099-Misc Magnetic Media reporting.
2. On the **Build 1099 vendor Payee information** menu option, you are prompted to convert your vendor data:

```
Date: mm/dd/yy          1099 Misc Processing          uuuuuuuuuuu
Time: hh:mm:ss         Payee Processing Prompt          FED11-AA

Company number..... 001 COMPANY NAME

Rebuild Vendor 1099 File (Y/N) . Y
Clear Vendor 1099 File? (Y/N) .. N
Update Vendor Master? (Y/N) .... N
Use Vendor# as Account#? (Y/N) . Y

F3=Exit
```

- The company number you selected is displayed.
- **Rebuild Vendor 1099 File (Y/N).....**
(You may rerun the menu option to maintain vendors without rebuilding or clearing the Vendor 1099 file. To do so, you must key “N” as your choices.)
- **Clear Vendor 1099 File (Y/N).....**
(If you specify “Y”, all of your payee (vendor) records for the company will be cleared from the 1099-MISC files before they are reloaded.)
- **Update Vendor Master (Y/N).....** (If you specified “Y” when you created a Payer record, vendor changes you make will also occur either in the Pacioli/400 APMAS or MAPICS VENNAM file.)
- **Use Vendor# as Account#? (Y/N).....** (Do you want to use the vendor account number on the 1099-MISC? If you specified “Y” when you created a Payer record, an account number in the format “co#-acct#” will be created where “co#” is company number and “acct#” is vendor account number. **If you specify NO, you MUST manually enter all account numbers. This field is required.**

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3. On the 1099 Payee Maintenance screen:

```

PMR051L          Magnetic Media for 1099-MISC          mm/dd/yy
USERID          Work With Payees                    hh:mm:ss

Payer   01 COMPANY NAME

Type options, press Enter.
  2=Change  4=Delete

Find: _____
      Payee
Opt  Number  Payee Name          Federal ID  Ctrl
  -
F3=Exit  F5=Refresh  F6=Add  F12=Cancel  F21=Print List
  
```

- You may type various information on the **Find:** line to subset the list of Payees displayed. Clear the **Find:** line and press F5=Refresh to see all payees.

On the 1099 Payee Maintenance screen you may use:

- Options 2 or 4 to change or delete an existing vendor entry.
- F3=Exit to return to the Select Payers screen.
- F6=Add to add a new payee (vendor) record.
- F21=Print List for a list of payees for this company.

On the **Work with Payees** (Change Record / Add New Record) screen (if you took option=2 or F6=Add), you can update information for the vendor. Refer to the Internal Revenue Service publication "*Specifications for filing Forms 1098, 1099 series, 5498 and W-2G Magnetically or Electronically*", Publication 1220, for specifics about an individual entry. You may use:

- F12=Return to go back to the Work With screen.

4. Print a 1099 Register for a company:

```

Date:  2/18/xx          1099 Misc Processing          MMQADM
Time:  9:09:39         1099 Register Printing          SELECT

Start Display at Company #...  001
Select Code Values...: 2=Print Register

SC  Company Payer Name          Federal ID State ID          Count          Sts
  -   1          987654321  xxxxxx          4
  
```

On the 1099 Register Printing options screen:

- Start Display at Company #.....** Type the first company number you want to display and press Enter or press F5=Refresh to see all companies.

On the 1099 Register Printing screen you may use:

- Option 2=Print Register for selected payers.
- F3=Exit to return to the 1099 Reporting Functions Menu.
- F5=Refresh to redisplay the 1099 Register Printing screen.

5. Print 1099-MISC substitute forms for a company:

- You can print substitute 1099-MISC Copy B for Recipient forms. One 1099-

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MISC Copy B for Recipient will be printed per page. Before using the substitute 1099-MISC form, you should review this form to insure that it is appropriate for your company.

```

Date: 2/18/xx          1099 Misc Processing          MMQADM
Time: 9:09:39         1099-MISC Printing          SELECT

Start Display at Company #... 001
Select Code Values..: 2=Print 1099 substitute form

SC  Company Payer Name          Federal ID State ID          Count          Sts
--  -----
   1
   1
  
```

On the 1099-MISC Printing screen:

- **Start Display at Company #.....** Type the first company number you want to display and press Enter or press F5=Refresh to see all companies.

On the 1099-MISC Printing screen you may use:

- Option 2=Print 1099 Form.
- F3=Exit to return to the 1099 Reporting Functions Menu.
- F5=Refresh to redisplay the 1099-MISC Printing screen.

6. NOTE: On the Work with Payers (i.e. companies) panel, be sure to delete all companies with zero payees for the Transmitter Control Code to being processed before proceeding to the next step.
7. Save to Magnetic Media for Reporting to IRS

```

Date: mm/dd/yy          1099 Misc Processing          MMQADM
Time: 10:07:58         Transmit Control Screen          PROMPT

Transmitter Control Code : X98SE THE TRANSMITTER PERSON

Payment Year . . . . . : 2010

Select Transmit Media . . . 1
1=For PC file (see IRSTAX in PACIOLIDTA lib)

F3=Exit
  
```

On the Transmit Control Screen, you may use:

- F3=Exit to return to the Save to Magnetic Media screen
- **Transmitter Control Code.....** (This five-position field is required and was assigned to your company by the IRS. You specified this code when you created the Transmitter Control Code record.)
- **Payment Year.....** As specified on the created Transmitter Control record.
- **Select Transmit Media.....**
 - **1=For PC file (see IRSTAX in PACIOLIDTA)** A file named IRSTAX in the PACIOLIDTA library is available for you to send to the IRS FIRE

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system. Be sure to read and understand the IRS 1099 document.

NOTE: If you select multiple “1=Select” from the “Save to Magnetic Media” screen for Payers and multiple “1=For PC file”, only the ***last*** payer information will exist in the IRSTAX file in the PACIOLIDTA library. Be sure to save each occurrence of the IRSTAX file before proceeding with the next payer.

NOTE: Be sure to review your PC IRSTAX file for correctness before sending it to the IRS. For example, you can use the PC DOS command “type c:irstax \more” or “edit c:irstax” to review your data.

The following two (2) lines are keyed for OS/400 V3R7 or greater:
[Client Access Data Transfer]
ForceTranslation=1;

NOTE: Please make a copy of your PC file for your company's records before you send a copy to the IRS.

NOTE: During the magnetic media build, two reports will be printed. You should use these reports to help you fill out the IRS Form 4804 **Transmittal of Information Returns Reported Magnetically**.

8. Perform Reset Functions

When needed, you can reset the progress indicator to reprocess the 1099-Misc Magnetic Media:

- 21. Reset a Transmitter and All Associated Payers. Allows you to work with ALL the transmitter's payers and ALL the individual vendor information.
- 22. Reset a Transmitter Only. Allows you to rerun the option to “Save to Magnetic Media for Reporting to the IRS”.
- 23. Reset a Payer. Allows you to work with ALL the individual vendor information for the payer.

End of Document