The IRS has made changes to how 1099's are to be handled. There are two 1099 forms, the 1099-MISC and the 1099-NEC. The 1099-NEC is for reporting payments totaling \$600 or more to a nonemployee, such as an independent contractor. Nonemployee compensation needs to be reported if they meet the following four conditions:

- 1. The payment is made to someone who is not your employee.
- 2. The payment is made for services in the course of your trade or business.
- 3. The payment is made to an individual, partnership, estate, or corporation.
- 4. The payment total is at least \$600 for the year.

You will also need to file a 1099-NEC

- when you pay an individual at least \$10 in royalties, or
- if the business has withheld any federal income tax under the backup withholding rules regardless of the amount of payments for the year to the nonemployee.

Nonemployee compensation can include

- Fees
- Benefits
- Commissions
- Prizes and awards for services preformed by the nonemployee
- Other forms of compensation for services performed for your trade or business by an individual who is not your employee. Examples include: commission paid to nonemployee salespeople; professional service fees, such as fees to attorneys, accountants, architects, contractors, etc.; referral fees

The 1099-MISC is primarily for reporting rent, but make sure to check with your accountant.

In Lakeshore, you need adjust any of the vendors that are currently marked as Receive 1099 to the correct 1099 form. To do this, follow the steps below.

1. Go to Reference Information - Vendor - Display/Print Vendor Data



2. Once on the screen, set your selection method for "Gets 1099", then click "Display". This will give you an onscreen display of your vendors that are set to receive a 1099.

Report format	⊙List ○Full data * Full data format not a	vail
Selection method:	By "Gets 1099?" flag 🛛 🗸 🗸	
Vendor number range:	Begin with	I
Select if flag checked as:	⊙Yes ⊖No	
For printed reports	☑ Include our account number?	
& EXCELLISTS :	✓ Include Telephone #1?	
	Include Telephone #2? Include EAX number?	
Display	Display/Print Print	Plus

3. On the screen that opens with your list of vendors who receive a 1099, click the Vendor Number to get to the Vendor Overview, then click the Vendor Number on the Overview to get to the Update Vendor Data Screen where you will make your change for that vendor.

Vendor list

"Gets 1099" flag set to Yes

Vendor Name		Line Name	Telephone	Notes	
<u>100000</u>	J. C. S - Use 85670		(504)292-7422/0006	3	
<u>304700</u>	Gary's Test Vendor		(111)222-3333	3	
<u>343100</u>	Aladdin Travel			2	
<u>403750</u>	Better Living Group Inc.		(516)659-7934	<u>تر</u>	
<u>600000</u>	GOLF PLUS	GOLF PLUS	(461)955-1234 (800)555-4321	2	
<u>706650</u>	Merrick Packaging Specialists		(670)222-5105 (718)383-8300	3	
<u>713400</u>	Mills Companies			2	
<u>776400</u>	Scott A. French			2	
<u>900000</u>	WIDGETS, GIZMOS, & GADGETS	WIDGETS & GIZMOS	(053)985-0631/1234 (504)756-9631/5678	<u>ت</u>	

Vendo	r d	ata						
Vendor		304700			1			Terms
Number	r	<u></u>			_		0	ur Account #
Name		Gary's Tes	t Vendo	•	_		N	lessage code
Line Nam	ne				_			Selection
Contact	t	Mr. Donald	d Duck		_			codes
Telephor	ıe	(111)222-	-3333		_			
FAX		(111)222-	-3334					
E-mail/General info@lakeshoregrou		up.com						
E-mail/Orders sales@lakeshoregree		oup.com				Ac		
E-mail/A	rt	<u>ghf@lakes</u>	horegrou	<u>p.com</u>				Ac
Web site	Web site www.lakeshoregrou		p.com					
A/P Vend	lor	<u>304700</u> G	ary's Test	Vendor				
	Def	ault G/L Ao	ccounts					
	A/P /	Address					Orde	r Address
Attention:	Dona	ld Duck				Attention:	Don	ald Duck
Company:	Company: Gary's Test Vendor					Company:	Company: Gary's Test Ven	
Street:	Street: 1837 Quack Lane				Street:	treet: 1837 Quack Lan		
City:	Bato	n Rouge				City:	Bato	on Rouge
Ctata		Postal	70016			Ctato		Postal

4. On the Update Vendor File, scroll the screen down to the Other Information section. Click on the drop-down list for the 1099 selection and choose which 1099 form that this vendor should receive. Click "Save", then exit your way back to the list of vendors and do the same for each one on the list.

Update Vendor File	Vendor Number: 304700	Gary's Test Ve
G/L Accounts (Default):		
1:		
2:		
3:		
4:		
5:		
Other Information: Does this Vendor acknowledge orders?		
 Does this Vendor offer a rebate? 1099 selection Misc 1099 × Does this Venue 1000 edit cards? 		
Do you want Misc 1099 di for an addr	ss when writing checks to this vendor?	
Our Acct NEC 1099 1234	6789-0	
Tax ID:		
Message Code:		

If you have any questions on which form to select for specific vendors, contact your accountant.

When it comes time to print your 1099's, who ever is doing the printing will have to have their menu changed to add the new print options. To do this, go to Utility Functions – Set Up User Menu. Enter the user id of the person that you need to add the new option and click "Submit". The screen that opens has all the possible menu options. Scroll down to the Accounts Payable section and look at the Print A/P Reports subsection. The boxes that need to be checked are Misc 1099 Forms and the Nec 1099 Forms to add them to the person's menu. Click the "Save" button. The next time the person logs in, they will have these options on their menu. See images below.

	Set Up User Menu
 Vtility Functions File reorganization Reprint last Journal/Register Reprint saved Journal/Register Delete codes Set up user menu Set up user options Special program 	User's Login: gary Definition of the second

Set up menu for gary	Uncheck	all Include bo	oxes Uncheck all Favor	ite boxes Check all I	
	Include?	Favorite?		Description	
			Fix vouching on line ite	em of order	
			Fix vouching on line ite	em of orderitem has	
			Fix vouching on charge	e line of order	
			Fix vouching on shippi	ng charges on order	
			Print A	/P Reports	
			Unpaid Invoices (A/P I	Register)	
			Payments Due (Aging)		
			Payment History		
			Vendor Total Purchase	s	
			G/L Account Analysis		
	1		Vondor Analysis		
			MISC 1099 Forms		
			NEC 1099 Forms		
			Check Summary		
			Preliminary Check Aud	it Report	
			Unbilled Costs (use Vo	uching)	
			Unbilled Costs (w/o Vo	ouching)	
			Inventory Purchases n	ases not Received	
			Vendor or A/P notes		
			Compare A/P to	Customer Invoice	

Now that you have added the options to the person's menu, they will be able to print the 1099's. Go to Accounts Payable – Print A/P Reports – and pick which 1099 you want to print.



- MISC 1099 Forms
 NEC 1099 Forms
- Check Summary