

ADJUSTMENTS IN LAKESHORE FOR NEW 1099 FORMS

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.

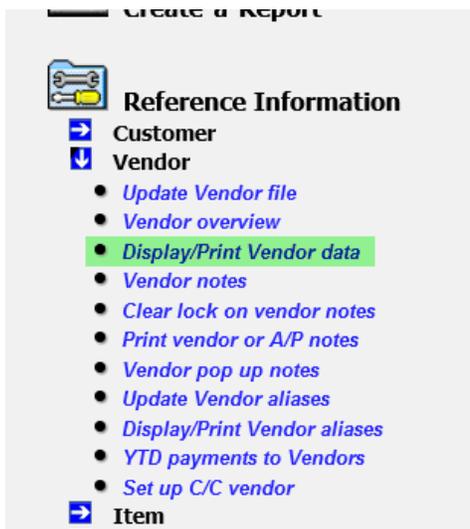
Nonemployee compensation can include

- Fees
- Benefits
- Commissions
- Prizes and awards for services performed 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



ADJUSTMENTS IN LAKESHORE FOR NEW 1099 FORMS

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.

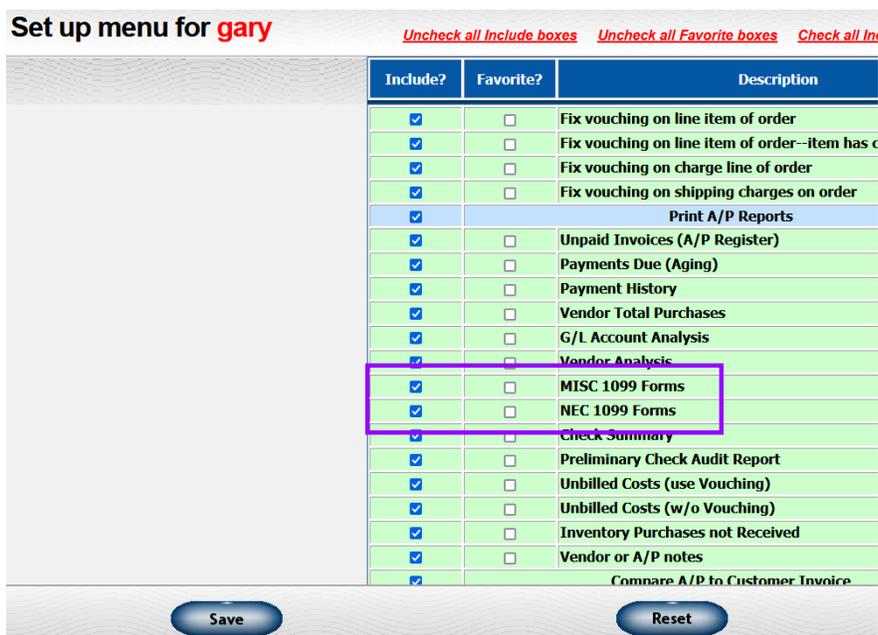
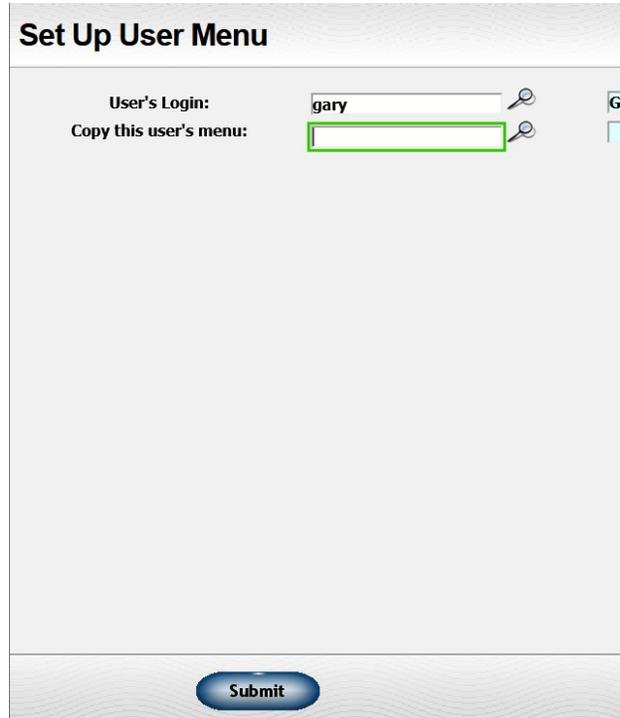
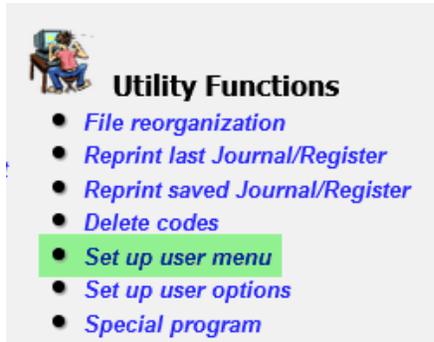
The screenshot shows a web interface titled "Display/Print Vendor Data". It contains several configuration options for generating a vendor report:

- Report format:** Radio buttons for "List" (selected) and "Full data". A red asterisk and text "* Full data format not available" are next to the "Full data" option.
- Selection method:** A dropdown menu with "By 'Gets 1099?' flag" selected.
- Vendor number range:** A "Begin with" text input field with a magnifying glass icon to its right.
- Select if flag checked as:** Radio buttons for "Yes" (selected) and "No".
- For printed reports & Excel lists:** Four checked checkboxes:
 - Include our account number?
 - Include Telephone #1?
 - Include Telephone #2?
 - Include FAX number?

At the bottom of the interface, there are three buttons: "Display", "Display/Print", and "Print Plus".

ADJUSTMENTS IN LAKESHORE FOR NEW 1099 FORMS

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.



ADJUSTMENTS IN LAKESHORE FOR NEW 1099 FORMS

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.

