

Important 1099 Updates for Sage Intacct

Have you heard that the IRS will use a new Form 1099-NEC this year to report nonemployee compensation?

Form 1099-NEC for nonemployee compensation is a new requirement for the 2020 tax year. Now, instead of reporting compensation that you pay to nonemployees (such as lawn care providers, office cleaning staff, and other independent contractors) on Form 1099-MISC in box 7, that information will be reported on Form 1099-NEC. Due to the creation of Form 1099-NEC, there will also be a revised Form 1099-MISC, where the box numbers are rearranged for reporting certain income.

Please Note:

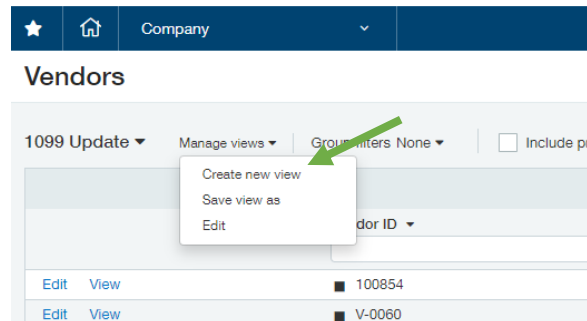
We have just been made aware of the impact 2020 Release 3 will have on creating vendor bills starting Saturday, August 22nd. You will not be able to enter any bills for 1099-MISC box 7 vendors starting Saturday, August 22nd. In order to prevent error messages upon entering non-employee compensation related Vendor bills, view our detailed instructions below for guidance on updating your vendors.


We do not recommend updating your vendors individually and selecting the "Update previous transactions" option. If you select to "Update all transactions", all lines on every bill that has one or more lines of 1099-able data will transfer to the 1099-NEC box 1 selection, even if that line was not previously 1099-able.

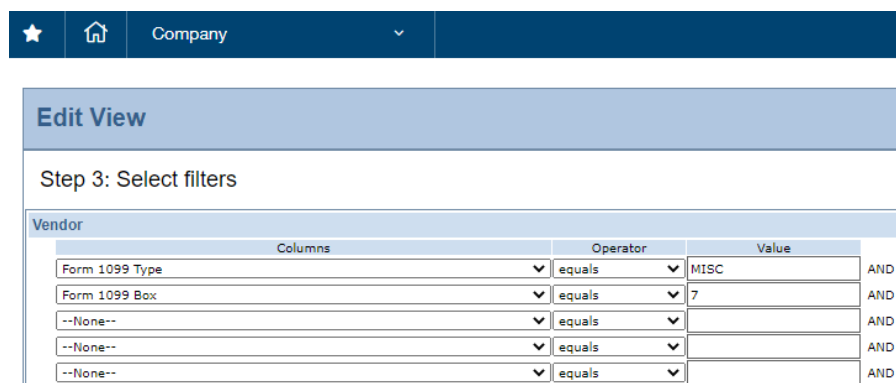
For example, if you have an attorney bill that included service fees and filing fees, but only the service fees were previously coded as 1099-able, when selecting the "Update all transactions" option after changing the form type on the Vendor, both lines on the bill will be coded to 1099-NEC, regardless of the fact that one line was originally not 1099-able.

First, determine which Vendors need to be updated

- Create a new view for your Vendor List for Export (Accounts Payable > All > Vendors)
 - Manage Views > Create New View



- In step 1, select only the following fields (deselect all others)
 - Vendor ID
 - Vendor Name
 - Form 1099 Type
 - Form 1099 Box
- Select the chevron button  to move to step 3 of 5 "Select Filters" and select the following:
 - Form 1099 Type = MISC
 - Form 1099 Box = 7

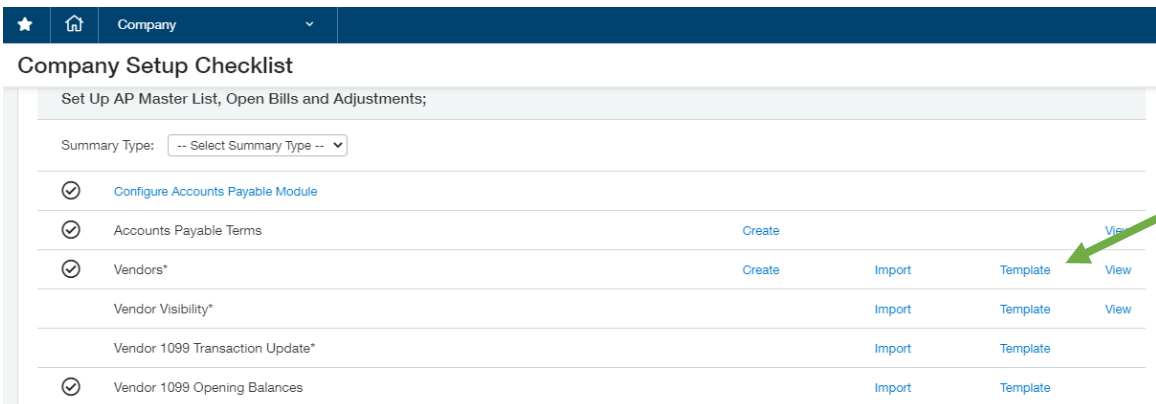


- Select the Save button and enter a name such as "1099 Updates" for this new view.

- Export and format the Vendor list requiring updates
 - Select the newly created view in the Vendor List
 - Within the Vendor List, select the "All" dropdown and select the new "1099 Updates" view.
 - Export this Vendor List
 - Select Export > Excel in the top right of the vendor list view.
 - Update the exported Vendor List
 - Update the Form 1099 Type field to "NEC" instead of "MISC"
 - Update the Form 1099 Box to "1" instead of "7"

Second, put the 1099-NEC Vendor information in the Import Template for updating the Vendor form.

- Download the Vendor Template from Company > Setup > Import Data > Set Up AP Master List, Open Bills and Adjustments section.



Company Setup Checklist

Set Up AP Master List, Open Bills and Adjustments;

Summary Type: -- Select Summary Type --

✓	Configure Accounts Payable Module				
✓	Accounts Payable Terms	Create			View
✓	Vendors*	Create	Import	Template	View
	Vendor Visibility*		Import	Template	View
	Vendor 1099 Transaction Update*		Import	Template	
✓	Vendor 1099 Opening Balances		Import	Template	

- Keep only these 3 columns in the template (delete all other columns):
 - Vendor_ID
 - FORM1099TYPE
 - FORM1099BOX
- Copy these three columns of data from the Vendor export file and paste into this import template.


Note: It is very important that only vendors that have 1099-MISC box 7 are included in this file, as importing updates to other vendors may cause incorrect 1099 mapping at year end.

- Save the file as a CSV (Comma Delimited) type file for import.

Next, update the Vendors to ensure bills can continue to be entered correctly in Sage Intacct.

- On Monday, August 24, 2020 or after, import the vendor updates to move the appropriate vendors from 1099-MISC box 7 to 1099-NEC box 1.
 - Import the formatted vendor file from the previous steps in Company > Setup > Import Data.
 - In the "Set Up AP Master List, Open Bills and Adjustments" section, select "Import" for "Vendors".

The screenshot shows the 'Company Setup Checklist' in Sage Intacct. The top navigation bar includes a star icon, a home icon, a 'Company' dropdown, and a search bar. The checklist title is 'Company Setup Checklist'. Below the title, there are tabs for 'Budgets', 'Create', 'Import', and 'Template'. The main section is titled 'Set Up AP Master List, Open Bills and Adjustments;'. It contains a 'Summary Type' dropdown menu with the text '-- Select Summary Type --'. Below this, there are three checklist items, each with a checked checkbox and a corresponding button: 'Configure Accounts Payable Module' (no button), 'Accounts Payable Terms' (Create), and 'Vendors*' (Create, Import, Template). A green arrow points to the 'Import' button for 'Vendors*'. The 'Import' button is highlighted in blue.

- Select "Choose File" and browse to the formatted file saved in the previous steps.
 - Enter your email address to ensure the results of the import are emailed to you.
 - Select "Import" to complete the import and update the vendors with the correct 1099 Form.
- Review the results in Accounts Payable > All > Vendors
 - Select the "1099 Update" view and ensure no vendors display.
 - Select "Manage views" and choose "Edit".
 - Select the chevron button  to move to step 3 of 5 "Select Filters" and select the following:
 - Form 1099 Type = NEC
 - Form 1099 Box = 1
 - Select the Save button.
 - Select "All" and choose the "1099 Update" view to verify that all applicable vendors now display 1099-NEC and box 1.

Finally, update Beginning Balances, so all 2020 1099-MISC box 7 bills are included in 1099-NEC box 1.

- Run the 1099 Report (Accounts Payable > All > Reports > 1096/1099 > 1099 Reports)
 - Select a Start Date of 1/1/2020 and an End Date of 12/31/2020
 - If you have multiple entities, we suggest running 1 report per entity.
 - Select Summary for the "Summary/Detail" option to view only the 1099 totals per vendor without the bill detail.

Note: Run the report first in detail to verify the information included is accurate.

- Ensure only 1099-MISC is selected for "Form Type"
 - Select the Export option to Export the report to Excel and select "download the file" when prompted.
- Format the data for import as "1099 Opening Balances"
 - Select Company > Setup > Import Data.
 - In the "Setup AP Master List, Open Bills and Adjustments" section, select "Template" for Vendor 1099 Opening Balances.

Company Setup Checklist	
Set Up AP Master List, Open Bills and Adjustments;	
Summary Type:	-- Select Summary Type --
<input checked="" type="checkbox"/> Configure Accounts Payable Module	
<input checked="" type="checkbox"/> Accounts Payable Terms	Create View
<input checked="" type="checkbox"/> Vendors*	Create Import Template View
Vendor Visibility*	Import Template View
Vendor 1099 Transaction Update*	Import Template
<input checked="" type="checkbox"/> Vendor 1099 Opening Balances	Import Template

- Enter the following details for the vendors who had bills in the calendar year 2020 coded to 1099-MISC box 7 per the previously run report:
 - VENDORID
 - ENTITY
 - FORM1099TYPE = NEC

- FORM1099BOX = 1
 - AMOUNT = Total 1099-MISC box 7 amount from 1099 Report.
- Save the Excel file as a CSV (Comma Delimited) type file for importing.
- Import the 1099 Opening Balances by navigating to Company > Setup > Import Data > Set Up AP Master List, Open Bills and Adjustments section.
 - Select "Import" for the Vendor 1099 Opening Balances row.

Company Setup Checklist				
Set Up AP Master List, Open Bills and Adjustments;				
Summary Type: -- Select Summary Type --				
<input checked="" type="checkbox"/>	Configure Accounts Payable Module			
<input checked="" type="checkbox"/>	Accounts Payable Terms	Create		View
<input checked="" type="checkbox"/>	Vendors*	Create	Import	Template View
	Vendor Visibility*		Import	Template View
	Vendor 1099 Transaction Update*		Import	Template
<input checked="" type="checkbox"/>	Vendor 1099 Opening Balances		Import	Template

- Select "Choose File" and browse to the formatted file saved in the previous steps.
- Enter your email address to ensure the results of the import are emailed to you.
- Select "Import" to complete the import and update the vendors with the correct 1099 Form.
- Review the results in Accounts Payable > All > Vendors
 - Run the 1099 Report (Accounts Payable > All > Reports > 1096/1099 > 1099 Reports)
 - Select a Start Date of 1/1/2020 and an End Date of 12/31/2020
 - If you have multiple entities, we suggest running 1 report per entity.
 - Select Summary for the "Summary/Detail" option to view only the 1099 totals per vendor without the bill detail.
 - Ensure 1099-NEC is selected for 1099 Form Type.
 - Confirm results are as expected.