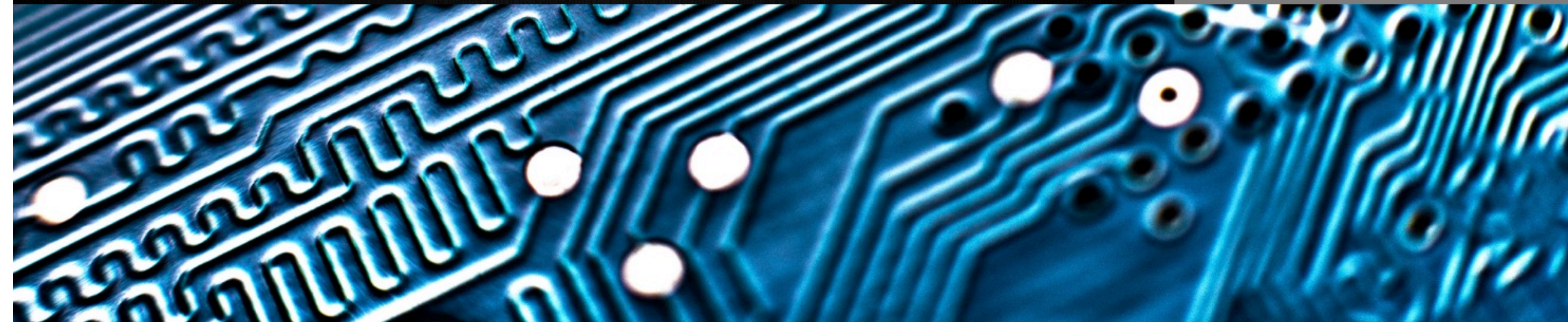


1099 Withholding Information

Jonathan Hemphill

December 7, 2021



Housekeeping

- Please make sure you are muted and camera is turned off
- Session is being recorded
- Please use the chat feature for questions
- Today's recording and meeting materials will be sent out to all participants

Agenda

- Withholding Changes from CY2020
- Withholding Changes for CY2021
- Withholding Process Review
- Additional Withholding Considerations – “1099” Type and SHARE Conversion
- Resources

Withholding Changes from CY2020

IRS Withholding Changes from CY2020

- For CY2020, the IRS changed its reporting methods for Withholding for the 2020 Reporting Calendar Year. There are two withholding forms:
 - 1099-NEC
 - This form is used to report non-employee compensation
 - New Type/Class: Non-employee Compensation – 1099N, Class 01
 - 1099-MISC
 - Due to the creation of form 1099-NEC, the IRS revised form 1099-MISC and rearranged box numbers for reporting certain types of income

PeopleSoft Withholding Changes from CY2020

- Only use 1099N and 1099M Withholding Types/Classes when:
 - Creating or updating new Withholding Suppliers
 - Supplier and Voucher Withholding Options
- In PeopleSoft, we no longer should use or select the obsolete “1099” only Type/Classes for Withholding Suppliers and Vouchers
- Do **not** delete the obsolete “1099” Withholding Type from Suppliers. This must stay in the system in case there are IRS corrections for Withholding Reporting in years prior to CY2020.

Questions



Withholding Changes for CY2021

IRS Withholding Changes for CY2021 – 1099-NEC

For 2021, 1099-NEC Copy Bs:

- **Reminder - Box 1:**
Non-employee Income
- **Box 2:** Payer Made Direct Sales*

*PeopleSoft will not have these Class options, as they do not pertain to Georgia *FIRST* institutions.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. US MANUFACTURING PAYER1 NAME1 US MANUFACTURING PAYER1 NAME2 CANADIAN FIRST AVENUE CIVIC CENTER SUITE 145 VANCOUVER, BC 14003 CANADA 234-948-5603		OMB No. 1545-0116 2021 Form 1099-NEC	Nonemployee Compensation
EIN 123456789	PAYER'S TAX ID 444-55-6666	1 Nonemployee compensation \$ 1,500.00	Copy B For Recipient 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.
RECIPIENT'S name 1099 REPORTING VENDOR- CLASS N 1099 REPORTING VENDOR- CLASS N YEAR 2020 Street address (including apt. no.) 789 N STREET FIRST FLOOR ROOM N City or town, state or province, country, and ZIP or foreign postal code OAKLAND, CA 94588		2 Payer Made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	
Account number (see instructions) USA1099017		4 Federal income tax withheld \$ 0.00	
		5 State tax withheld \$ 0.00	6 State Payer's state no. CA/68219999978
		7 State income \$ 0.00	

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

IRS Withholding Changes for CY2021 – 1099-MISC

For 2021, 1099-MISC Copy Bs:

- **Renamed:** Miscellaneous Information
- **Box 7:** Payer Made Direct Sales*
- **Box 11:** Fish Proceeds for Resale*

*PeopleSoft will not have these Class options, as they do not pertain to Georgia *FIRST* institutions.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. US MANUFACTURING PAYER1 NAME1 US MANUFACTURING PAYER1 NAME2 CANADIAN FIRST AVENUE CIVIC CENTER		1 Rents \$ 2,300.00	OMB No. 1545-0115 2021	Miscellaneous Information
VANCOUVER, BC 14003 CANADA 234/948-5603		2 Royalties	Form 1099-MISC	
PAYER'S TIN 123456789	RECIPIENT'S TIN 222-33-4444	3 Other income \$ 0.00	4 Federal income tax withheld \$ 0.00	Copy B For Recipient
RECIPIENT'S name 1099 REPORTING VENDOR- CLASS M 1099 REPORTING VENDOR- CLASS M YEAR 2020 Street address (including apt. no.) 123 M STREET ROOM M City or town, state or province, country, and ZIP or foreign postal code PLEASANTON, CA 94588		5 Fishing boat proceeds \$ 0.00	6 Medical and health care payments \$ 0.00	
Account number (see instructions) USA1099016		FATCA filing requirement <input type="checkbox"/>	7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	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.
13 Excess golden parachute payments \$ 0.00		9 Crop insurance proceeds \$ 0.00	8 Substitute payments in lieu of dividends or interest \$ 0.00	
15 State tax withheld \$ 0.00		11 Fish purchased for resale \$ 0.00	10 Gross proceeds paid to an attorney \$ 0.00	
16 State Payer's state no. CA/68219999978		14 Nonqualified deferred compensation \$ 0.00	12 Section 409A deferrals \$ 0.00	
17 State income \$ 0.00				

Form 1099-MISC (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

IRS Withholding Type and Class Conversion

Withholding Type	Withholding Class	Description	Paid at least:
1099N	01	Non-Employee Compensation	\$600.00
1099N	02*	Payer Made Direct Sales Totaling \$5000 or more consumer products to recipient for resale	\$5000.00
1099N	04	Federal Income Tax Withheld	\$0.00
1099M	01	Rents	\$600.00
1099M	02	Royalties	\$10.00
1099M	03	Prizes, Awards, etc.(Other Income)	\$600.00
1099M	04	Federal Income Tax Withheld	\$0.00
1099M	05	Fishing Boat Proceeds	\$600.00
1099M	06	Medical and Health Care Payments	\$600.00
1099M	07*	Payer Made Direct Sales Totaling \$5000 or more consumer products to recipient for resale	\$5000.00
1099M	08	Substitute Payments in lieu of dividends or interest	\$10.00
1099M	09	Crop Insurance Proceeds	\$600.00
1099M	10	Gross Attorney Proceeds	\$600.00
1099M	11*	Fish Purchased for Resale	\$600.00
1099M	12	Section 409A Deferrals	\$600.00
1099M	13	Excess Golden Parachute Payments	\$0.00
1099M	14	Non-qualified Deferred Compensation	\$600.00

*PeopleSoft will not have these Class options, as they do not pertain to GeorgiaFIRST institutions.



PeopleSoft Withholding Changes for CY2021

- 1099 Withholding Copy B Forms layout has changed based on new IRS Classes
 - 1099-MISC Form
 - 1099-NEC Form
- Report Post/Report/Copy B Process
 - Users can create one IRS file containing all 1099-MISC and 1099-NEC data
 - OR users can create separate IRS files for 1099-MISC and 1099-NEC data

PeopleSoft Withholding Changes for CY2021 – 1099-MISC Form

PeopleSoft 1099-MISC Form Example

<input type="checkbox"/> CORRECTED (if checked)					
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	2021 Miscellaneous Information Form 1099-MISC	
		\$ 0.00			
		2 Royalties			
		\$ 0.00		Copy B For Recipient	
		3 Other income	4 Federal income tax withheld		
		\$ 0.00	\$ 0.00		
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments	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.	
		\$ 0.00	\$ 0.00		
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest		
Street address (including apt. no.)		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney		
City or town, state or province, country, and ZIP or foreign postal code		\$ 0.00	\$ 0.00		
		11 Fish purchased for resale	12 Section 409A deferrals		
		\$ 0.00	\$ 0.00		
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments	14 Nonqualified deferred compensation		
		\$ 0.00	\$ 0.00		
		15 State tax withheld	16 State/Payer's state no.	17 State income	
		\$ 0.00		\$ 0.00	
		\$		\$ 0.00	
Form 1099-MISC (keep for your records)		www.irs.gov/Form1099MISC		Department of the Treasury - Internal Revenue Service	



PeopleSoft Withholding Changes for CY2021 – 1099-NEC Form

PeopleSoft 1099-NEC Form Example

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0116		2021	Nonemployee Compensation
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Form 1099-NEC			
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		Copy B For Recipient 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.	
RECIPIENT'S name		2 Payer Made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>			
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			
Account number (see instructions)		5 State tax withheld \$ 0.00	6 State/Payer's state no.	7 State income \$ 0.00	
Form 1099-NEC (keep for your records)		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service	



PeopleSoft Withholding Changes for CY2021 - 1099 Withhold Report Job

- Running Withhold 1099 Report Job for CY2020 and Beyond

Withholding Type Process Options:

- All - Select this option to produce ONE electronic IRS file containing 1099-MISC and 1099-NEC withholding information.
- 1099-MISC, 1099-INT and 1099-G - Select this option to produce one electronic file containing all 1099-MISC withholding information
- 1099-NEC - Select this option to produce one electronic file containing all 1099-NEC withholding information

The screenshot displays the configuration for a 1099 Report Job. Key fields include:

- 1099 Report Post:**
 - *Request ID: WTHD_RPT
 - Description: Withhold Report Job 2021
 - Process Frequency: Always Process
 - Report ID: US_REPORT
 - Report Date: 12/01/2021
 - *Control SetID: 30000
 - *Calendar SetID: SHARE
 - *Fiscal Year: 2021
 - *Period: 1
- 1099 Report:**
 - Type of File/Return: Original/Correction
 - Replacement Character: []
- Withholding Type Process Option:**
 - All
 - 1099-MISC, 1099-INT and 1099-G
 - 1099-NEC

PeopleSoft Withholding Changes for CY2021 – 1099 Withhold Report Job (con.)

- IRS Options will appear different for CY2019 and prior years

Withholding Type

1099 Report Post/Report/Copy

1099 Report Post / Report / Copy B

Run Control ID: WTHD_RPT_JOB Report Manager Process Monitor Run

Language: English

1099 Report Post

*Request ID: WTHD_RPT Description: Withhold Report Job 2021

Process Frequency: Always Process

Report ID: US_REPORT

Report Date: 12/01/2021 Include Manual Overrides

*Control SetID: 30000 *Control ID: CSU_2020 Columbus State University

*Calendar SetID: SHARE *Calendar ID: A1 Annual Calendar-1099

*Fiscal Year: 2019 Use Report Date For Supplier

*Period: 1 1099 Reporting Annual Calendar

1099 Report

Type of File/Return: Replacement Character:

IRS Options

Has the 1099-MISC containing Box 7 Non Employee Compensation file been sent and accepted by the IRS?

IRS File Generate Option

All Exclude Non Employee Compensation Include Non Employee Compensation

Questions



Withholding Process Review

1099 Withholding Process Overview

1. Confirm Withholding Sent ran for the previous calendar year (CY2020)**
2. Setup/review new Report Control Information for CY2021 (Ex: CSU_2021, UNG_2021, CCGA_2021, etc.)
3. Pay and post withholding vouchers for CY2021
4. Post withholding Transactions (AP_WTHD)
5. Review 1099 Withholding Vouchers/Payments
6. Adjust 1099 Withholdings, as needed
7. Run Withholding Update Process
8. Run Withholding Job Post
9. Review 1099 Withholding to Send Detail Reports
10. Run Withhold 1099 Report Job to produce IRS File
11. Run Withhold 1099 Report Job to produce Copy B Reports (AP_COPY_B)
12. Send File(s) to IRS (Can produce One File or Multiple Files.)
13. After IRS accepts the file, run Withholding Sent Process for the current calendar year (CY2021)

**This process should be run immediately after the IRS accepts the original IRS Tax File. If not, it causes issues with replacement and correction files. This can also affect the current year's processing.

For more detailed information on the steps listed above, refer to the [1099 Processing User Guide for CY2021](#).

1099 Withholding Process Checklist

A Checklist is provided in the 1099 Processing User's Guide for CY2021.

Before beginning 1099 steps (7-30) for the current calendar year, be sure to

1. Run the BOR_AP_1099_WTHD_SENT_INCOMPL QUERY – Page 13
2. Run Withhold Sent Process (WTHD_SNT) for the previous calendar year – Page 14
3. Setup/Review Report Control Information (**Required for Each Year**) – Page 17
4. Post 1099 Withholding Transactions (AP_WTHD) – Page 32

Review

5. Review 1099 Withholding Suppliers – Page 34
6. Review 1099 Withholding Vouchers by Supplier Inquiry – Page 35
7. Review Payments to Withholding Suppliers – Withhold Payment Inquiry – Page 37
8. Review 1099 Supplier Balances by Class – Page 38
9. Run BOR_AP_1099_PMTS Query – Page 39
10. Run BOR_AP_1099_JE Query – Page 40
11. Run BOR_AP_1099_NONRPT_CONSISTENT Query – Page 41
12. Run BOR_AP_1099_MISMATCH Query – Page 42
13. Run Withholding Balances Control Report (*Optional*) - Page 43
14. Run BOR_AP_1099_ADJUST Query – Page 44
15. Run BORRY010 1099 Reportable Transactions Report: AP.070.300 (*Optional*) – Page 45

If any corrections or adjustments need to be made, complete steps 16-19. Otherwise, skip to step 20.

16. Enter Withholding Invoice Line Update, if needed – Page 48
17. Run Withholding Update Process if adjustments were made in Step 16 or 17 – Page 50
18. Adjust Withholding Manually if needed – Page 52
19. Complete steps 5 - 15 after all adjustments are made to review changes

If additional adjustments need to be made, repeat steps 16-19. Otherwise, proceed to step 20.

20. Run Withhold 1099 Report Post Job (RPT_1099), Generate Withholding Reports (AP_APY1099), and retrieve the IRS_001.TXT file – Page 57
21. Run BORRY010 1099 Reportable Transactions Report – Page 64
22. Run 1099 Withholding to Send Detail Report – Page 66
23. Run BOR_AP_1099_SND_DTL_TOT Query – Page 69
24. Review reports and query from steps 21 – 24

If any adjustments need to be made, repeat steps 16-24. Otherwise, proceed to step 25.

25. Run Print 1099 Copy B Process (APCOPYB) for 1099-MISC and 1099-NEC – Page 71
26. Review, Print and Send Copy B Reports – Page 74
27. Send IRS_001.TXT file to IRS – Page 76
28. Run Withholding Sent File Process (WTHD_SNT) – Page 77

Running the Withholding Sent Process Prior to Starting CY2021

Institutions that
need to run
Withholding Sent
Process prior to
starting CY2021

Business Unit	WTHD CNTL ID	Fiscal Year
22000	ASU_2020	2020
28000	CSU_2020	2020
30000	CSU_2020	2020
33000	FVSU_2020	2020
36000	GCSU_2019	2019
36000	GCSU_2020	2020
42000	GSW_2020	2020
43000	KSU_2018	2019
43000	KSU_2020	2020
48000	SSU_2020	2020
5300B	UNGB2020	2020
54000	UWG_1099	2020
57000	CONSOL_57	2020
61000	AMSC_2020	2020
63000	CCGA_2020	2020
69000	DSC_2020	2020
73000	GHC_2020	2020
76000	GSC_2020	2020
83000	MGA_2020	2020
88000	SGSC_2020	2020

BOR_AP_1099_WTHD_SENT_INCOMPL:
This query will provide a list of any Control
ID/Reporting Year combinations that are still
awaiting the WTHD_SENT process.

Running the Withholding Sent Process (con.)

****Run the Withholding Sent Process Now for 2020 BEFORE starting 2021****

This process finalizes the Withholding reporting and file creation process. It records all the data in the file you have sent. Do not run this process until after sending the file to the IRS. You can only run it once for each time you run the withholding report. The system uses this information when creating correction or replacement files.

Navigation: Suppliers > 1099/Global Withholding > 1099 Reports > Withholding Sent File

When to Run this process:

- Prior to processing CY2021 items to confirm withholding tables do not include prior year's data.
- After IRS Accepts Original IRS file
- After IRS Accepts Correction File(s)
- After IRS Accepts Replacement File(s) (Run WTHD_SENT process twice for replacements.)

1099 Withhold Report Job – IRS_%.txt File

- There will be only one (1) file created for CY2020 when users run the 1099 Report Job when users select “ALL”
 - The file naming convention is IRS_%.txt
 - The file contains all 1099-NEC and 1099-MISC reporting that institutions will submit to the IRS
- If users run the 1099-MISC process and the 1099-NEC process separately, each file will need to be sent to the IRS.
 - The file naming convention is IRS_%.txt
 - The file is NOT named NEC or MISC.

1099 Withhold Report Job – Copy B's

- The process produces two (2) files for CY2020:
 - 1099-MISC Copy B's: APX1099CT-APX1099CT.pdf
 - 1099-NEC Copy B's: APX1099N-APX1099N.pdf

Questions



Additional Withholding Considerations – “1099” Type and SHARE Conversion

“1099” Incorrect Withholding Type/Class Used for Payments in CY2021

****Withholding Payments With Obsolete “1099” Type Will Not Be In The IRS File****

- As we converted to new Types and Classes, some Suppliers and/or Vouchers were setup with the obsolete “1099” Type/Class and Withholding Payments were made before correcting.
- Users will need to make Manual or Voucher Line Adjustments to correct issue.

Business Unit	Withholding Payments w/ Obsolete "1099" Type
22000	1
30000	11
33000	3
36000	2
39000	2
40000	1
43000	2
51000	1
53000	13
61000	3

2021 SHARE Conversion Institutions

Business Unit	Institution
28000	Clayton State University
30000	Columbus State University
40000	Georgia Gwinnett College
43000	Valdosta State University
48000	Savannah State University
61000	Atlanta Metropolitan State College
63000	College of Coastal Georgia
69000	Dalton State College
72000	East Georgia State College
73000	Georgia Highlands College
76000	Gordon State College

2021 SHARE Conversion Withholding Reporting

- 2021 SHARE Conversion institutions may need to adjust the withholding on some Suppliers
- ITS will run a process and provide a list to each AP contact for Withholding Adjustments by Friday, January 7, 2022

2021 SHARE Conversion Withholding Reporting

- When Suppliers do **not** meet withholding minimums for combined institutional and SHARE SetID
 - Example:
 - Institutional Supplier (TIN 123456789) was paid \$200 for 1099-NEC, Class 01.
 - SHARE Supplier (TIN123456789) was paid \$200 for 1099-NEC, Class 01 from the institutional
 - The supplier (TIN123456789) will not receive any Copy Bs from the institution as the supplier did not meet the combined minimum of \$600 for 1099NEC, Class 01
 - No Withholding Adjustments needed.

2021 SHARE Conversion Withholding Reporting

- When Suppliers do meet withholding minimums separately for institutional and SHARE SetID, institutions will send multiple Copy B's to a Supplier
 - Example:
 - Institutional Supplier (TIN123456789) was paid \$800 for 1099-NEC, Class 01.
 - SHARE Supplier (TIN123456789) was paid \$1200 for 1099-NEC, Class 01 from the institution
 - In this case, the Supplier will receive two (2) Copy B's from the institution
 - No Withholding Adjustments needed.

2021 SHARE Conversion Withholding Reporting

- When Suppliers meet withholding minimums for combined institutional and SHARE SetID payments, institutions will need to make withholding adjustments:
 - Example One:
 - Institutional Supplier (TIN 123456789) was paid \$600 for 1099NEC Class 01.
 - SHARE Supplier (TIN 123456789) was paid \$100 for 1099NEC, Class 01 from your institution.
 - The SHARE supplier should be adjusted to a total of \$700, whereas the Institutional Supplier should be adjusted to \$0.
 - Example Two:
 - Institutional Supplier (TIN 123456789) was paid \$300 for 1099NEC Class 01.
 - SHARE Supplier (TIN 123456789) was paid \$600 for 1099NEC, Class 01 from your institution.
 - The SHARE supplier should be adjusted to a total of \$900, whereas the Institutional Supplier should be adjusted to \$0.
 - Example Three:
 - Institutional Supplier (TIN 123456789) was paid \$300 for 1099NEC Class 01.
 - SHARE Supplier (TIN 123456789) was paid \$300 for 1099NEC, Class 01 from your institution.
 - The SHARE supplier should be adjusted to a total of \$600, whereas the Institutional Supplier should be adjusted to \$0.
- Withholding Adjustments are required.

Questions



Resources



Important Dates

Date	Item
December 7, 2021	1099 Meeting with Institutions
December 7, 2021	1099 Processing User's Guide for CY2021 will be available
By January 5, 2022	PeopleSoft Update will have been applied with new 2021 Forms
By January 7, 2022	ITS (Jonathan) to provide SHARE Conversion Institutions a list of Withholding Updates that need to be made
By January 7, 2022	ITS (Jonathan) to provide institutions a list of payments made to Suppliers using the OLD 1099 Withholding type
January 31, 2022	1099-MISC/1099-NEC Filing with IRS for CY2021

- **Contact Information:**
 - Support Tickets: helpdesk@usg.edu
 - To contact directly: jonathan.hemphill@usg.edu
- The following are available in the AP section of the GeorgiaFIRST website [here](#):
 - 1099 User's Guide for CY2021
 - CY2021 Withholding Review Meeting PowerPoint Presentation
 - CY2021 Withholding Review Meeting Recording
- **Queries & Reports:**
 - BOR_AP_1099_WTHD_SENT_INCOMPL: provides a list of any Control ID/Reporting Year combinations that are still awaiting the WTHD_SENT process to be run
 - 1099 Withhold to Send Detail Report (APX8056.pdf): delivered from Oracle and does not show the Withholding Type but does show the Class Description.
 - BORRY010 Report

- Internal Revenue Service Contact Info:
 - Website: www.irs.gov
 - Phone: 1-866-455-7438
 - Email: irs.e-helpmail@irs.gov
- 2021 Instructions for Forms 1099-MISC and 1099-NEC located [here](#).
- Publication 1220 (Rev. 9-2020) Catalog Number 61275P located [here](#).

Questions



thank you!





UNIVERSITY SYSTEM OF GEORGIA

Information Technology Services