Table of Contents

Overview

Policy

The Internal Revenue Service (IRS) requires information returns for federal tax compliance. State agencies and institutions have the option of using DOA's 1099 Adjustment and Reporting System (ARS) to meet the federal requirements for filing the most common types of non-payroll information returns. This CAPP topic describes the procedures for using the ARS.

See CAPP Topic No. 20320, *Information Returns Reporting,* for state and federal compliance requirements, and the "*What's New for 1099 Reporting*" document available on DOA's website at the link shown in the section below.

Federal Statutory Changes and Related Payment Processing Initiatives

*Effective for calendar year 2011, in accordance with statutory changes enacted by the Federal Housing Assistance Tax Act of 2008 (Public Law 110-289), banks and other Purchase Card Settlement Organizations, became responsible for filing information returns for Purchase Card payments and ePayable transactions on the **Form 1099-K**, Merchant Card and Third Party Network Payments.*

*The Department of Accounts began processing ePayable transactions in June 2011. State agencies and institutions are **not** required to add payment card and ePayable transactions to other reportable payment amounts for 1099 reporting purposes.*

However, if an ePayable transaction is rejected by the vendor and subsequently processed as a check or EDI payment, the agency should review the individual line items contained in the payment transaction to determine if any amounts are 1099 reportable. DOA will provide separate communications to each agency identifying any ePayable transactions that are rejected and subsequently processed as a check or EDI payment.

State agencies and institutions are responsible for filing information returns for all qualifying transactions other than payments issued as Purchase Card or ePayable transactions.

DOA will provide additional communication(s) to address future 1099 reporting periods as new guidance becomes available.

Continued on next page

Overview, Continued

DOA's 1099 Adjustment and Reporting System (ARS)

The ARS allows participating state agencies and institutions to:

- Accumulate payments that require information returns reporting on IRS **Forms 1099-A**, **1099-G**, and **1099-MISC**. The ARS does **not** support other 1099's or other types of information returns.
- Process 1099 adjustment transactions.
- Download 1099 data from the Financial Information Downloading System (FINDS).
- Print information returns forms using a PC based software package.
- File information returns by paper, or electronically in an IRS approved format, using a PC based software package.

Features of the 1099 Adjustment and Reporting System (ARS) include:

- Processing adjustment transactions to increase or decrease vendor payment balances without impacting the Commonwealth Accounting and Reporting System (CARS) financial files.
- Viewing online 1099 transactions and adjustments by Vendor ID, Form Type, and Reporting Box Number.
- Accessing 1099 data through FINDS for use in printing information returns or filing electronically.
- Providing participating state agencies with the monthly, quarterly and end of calendar year printouts of the total reportable payments (including ARS adjustments) by reportable recipient by Form Type.

ARS Requirements

Getting Started: Security Access to the ARS

Access to the ARS is controlled through the CARS Security Table and the D09, Descriptor Table, and is restricted to agencies participating in the system. To participate in the ARS, a CARS Security Table Maintenance Form must be completed and signed by the Agency's CARS Security Officer. Agencies must submit an approved CARS Security Table Maintenance Form to General Accounting requesting user access to the Vendor Edit Table and 1099 file inquiry. **Contact DOA's General Accounting Division at (804) 371-7805 to get started.**

Instructions for completing the required security form are located in CAPP Topic No. 70220, *Security*. A separate form is required for each User ID that will access the ARS. A security violation message appears on the online screen when a user selects a function for which he/she does not have access. Individuals authorized to enter data and update the ARS will also be able to process adjustment transactions.

ARS participants will also need authorized security clearance to access FINDS to download the ARS data to the PC based software at the end of the year. See the FINDS Access Subsection in the FINDS Download Section of this CAPP Topic.

Potentially Reportable Object Codes

The Object Code Table (D16) in the Commonwealth's Accounting and Reporting System (CARS) is coded to assist agencies in reporting 1099 reportable payment transactions. DOA has identified those object codes, which are potentially subject to the IRS 1099 reporting requirements and assigned each reportable object code a 2-digit form type and reporting box number on the D16 Table. See Attachment A at the end of this CAPP Topic – *1099 Potentially Reportable Object Codes.*

Most object codes clearly identify the reportable services rendered by the vendor, such as object code 1241, Auditing Services. However, other object codes may be used to identify both reportable and non-reportable payments. For example, object code 1205, Seat Management Services, may be used to code payments for computer hardware and software through a single source contract including support services. Only the portion of the payment that pertains to services is reportable.

Caution: The object code alone is not sufficient to determine if the payment is 1099 reportable. The vendor type (i.e., individual, sole proprietor, etc.) must also be considered.

Continued on next page

ARS Requirements, Continued

1099 Indicator Code

When processing a reportable transaction on a CARS accounting voucher, a 1099 Indicator Code is required. Valid values for this field are:

Y = Yes, the transaction is 1099 reportable

Blank = No, the transaction is not 1099 reportable

Any entry other than Y or Blank will result in an error message.

Coding Reportable Payments

Agencies enter transactions in the following manner:

1. Online Keyed Transactions

If…	***And ….***	***Then ….***
Reportable Payments are coded to a Reportable Object Code	1099 Indicator = Y	Accept
Reportable Payments are coded to a Non Reportable Object Code	1099 Indicator = Y	Error – EG6 1099 Ind. Invalid **Note:** Agencies should review the transaction for proper coding and take appropriate corrective action. Either change the object code or press the space bar to blank the field.

2. Transaction Submitted by Other than Online

If…	***And ….***	***Then ….***
Reportable Payments are coded to a Reportable Object Code	1099 Indicator = Y	Accept
Reportable Payments are coded to a Non Reportable Object Code	1099 Indicator = Y	Go to the CARS error file. It is the agency's responsibility to review the CARS error file and submit the appropriate corrections to the Error Correction Unit in General Accounting at DOA.

<u>Transactions charged to 1099 reportable object codes that are not identified with a **Y** in the 1099 Indicator Field</u> are listed in the monthly **ACTR3005**, *<u>Potentially</u> 1099 Reportable Transactions by Agency Report*. See details in the 1099 Information Returns Reports section of this CAPP topic.

Vendor Edit Table Maintenance Requirements

Establish Reportable Vendors in the Vendor Edit (VE) Table

Vendors must be established in the CARS EDI Vendor Edit Table or the agency's VE Table before a payment can be coded with a "Y" in the 1099 Indicator Field. If not, an online error message will display and the transaction will not be allowed.

Vendor Edit Table Listing (ACTR 0940)

On Reportline, agencies should review the **ACTR0940**, Vendor Edit Table Report, to verify that all potentially reportable vendors are properly coded for vendor type and Taxpayer Identification Number (EIN, SSN, or both). The Reportline ID for this report is "NR0940." To review this report, agencies must request specific security access from General Accounting (GA) at gacct@doa.virginia.gov or call **(804) 371-7805.**

Agencies/institutions must also request that GA include the agency in the ***ACTR0940*** *Report prior to the monthly distribution date of the report.*

Security Requirements

Agencies must submit an approved CARS Security Table Maintenance Form to General Accounting requesting user access to the agency's VE Table or to the control agency's VE Table for table maintenance purposes in accordance with the requirements in CAPP Topic No. 70220, *Security* and CAPP Topic. No. 60111, *Vendor Edit Table*.

Update Data Elements as Required

The 1099 reporting data elements in the VE Table must be updated as changes occur. For example, an update would be required when a vendor reports a change in his or her Vendor Type on the **Form W-9**. Sometimes, for example, a reportable sole proprietor (Vendor Type 7 on the VE Table) will change to a non-reportable corporation (Vendor Type 6 on the VE Table).

Data Element	Description
1099-Mailing-Address	This field is defined as the vendor's business mailing address and is not valid for foreign vendors. If the vendor's remittance address and the vendor's mailing address are the same, enter only the vendor's address in the remittance address field.
Vendor-Remittance-Address	This field is defined as the business payment remittance address and is valid for foreign vendors.

Continued on next page

Vendor Edit Table Maintenance Requirements, Continued

Data Element	Description
Vendor Type	This one position field is used to denote the type of payee. **Value** **Definition** 0 Vendor Other (e.g.: non-profit organizations) 1 State Employee 2 Federal Agency 3 State Government 4 Local Government 5 Political Subdivision 6 Non-Reportable Corporation **7** **Sole Proprietors and Reportable Individuals** **8** **Reportable Corporation (medical and/or legal)** 9 Non-Reportable Individual **A** **Partnership** **B** **Estates** **C** **Trusts** **D** **Limited Liability Company**

Vendors Types Agreement With the DOA EDI Vendor Edit Table

Vendor type in an agency's CARS Vendor Edit Table record usually agrees with the CARS EDI Vendor Edit Table record for an EDI vendor that is maintained by DOA's eCommerce Unit. Agencies can view the statewide CARS EDI Vendor Edit Table under Agency 000.

Please contact the eCommerce Unit at **edi@doa.virginia.gov** or call **(804) 692-0473** whenever the agency determines that there is a difference between the vendor type shown on the agency's CARS Vendor Edit Table record and the statewide EDI Vendor Edit Table record. Information may also be faxed to (804) 414-9896. Include a copy of the vendor's **Form W-9**, *Request for Taxpayer Identification Number and Certification.*

Types of ARS Adjustments

ARS Adjustments

Agencies must develop procedures to identify all sources of vendor payments and make ARS adjustments to increase or decrease vendor payments recorded in the ARS for transactions from the following sources:

- Petty Cash funds (individual payees not recorded in CARS) **– see Note (1) below**
- Stop payments
- Voided Checks
- Manual Checks (Specials)
- Garnishments for non-employees
- Refunds from payees (Deposit Certificates)
- Adjustments to correct the object code of expenditure or other data entry error adjustments
- Payments from funds not recorded in CARS
- Debt setoff payment reductions, and
- Backup withholding

Note (1): Agencies that pay invoices using petty cash must establish procedures to accumulate 1099 reportable vendor payments incurred through the use of petty cash. If the payment amounts meet or exceed the IRS reportable amounts, the vendor should receive a **Form 1099-MISC**.

ARS Adjustment Procedures

Making ARS Adjustment Transactions

The 1099 Adjustment and Reporting System has three options accessible from the CARS Main Menu screen:

- **Option 70 ADJUSTMENT TRANSACTIONS -** Allows the user to enter 1099 adjustment transactions, correct adjustment transactions as necessary, and inquire as to adjustment transaction status.

Screen 1	BATCH HEADER	(S700)
Screen 2	DETAIL DATA	(S701)
Screen 3	BATCH BALANCE	(S720)
Screen 4	RECALL BATCH	(S710)
Screen 5	VIEW BATCH	(S730)
Screen 6	UNPOSTED BATCHES	(S740)

  Online screens are described in the “Procedures” section of this topic.

- **Option 75 VIEW DETAIL DATA –** Allows the user to view 1099 reportable transactions and adjustments by:
  - TRANSACTION AGENCY
  - VENDOR ID (9 POSITIONS)
  - REPORTING YEAR

  Option 75 is detailed in the subtopic entitled "Viewing Batch Detail by Agency and Vendor ID."

- **Option 76 VIEW SUMMARY DATA -** Allows the user to view 1099 reportable data by:
  - TRANSACTION AGENCY
  - VENDOR ID (9 POSITIONS)
  - IRS FORM TYPE
  - REPORTING BOX NUMBER
  - REPORTING YEAR

  Option 76 is detailed in the subtopic entitled "Viewing Batch Detail by Form Type and Box Number."

Continued on next page

ARS Adjustment Procedures, Continued

Entering and Balancing a Batch

To batch 1099 adjustments, follow similar procedures used for batching expenditure documents in CAPP Topic No. 70235, *Input Batching*. Adjustment transactions are batched with the total transaction amount and batch count summarized on the batch header form. Agencies can design the own batch header document or utilize the CARS Batch Header Form, DA-02-176. A sample of the batch header form is found in CAPP Topic No. 70235, *Input Batching.*

When using the CARS Batch Header form, check the document type as "Other." Compile no more than 25 individual documents per batch to expedite the entry of adjustment transactions.

Do not send the batch source documents to DOA. Retain the batches at the agency with the 1099 year-end work papers for potential review and audit.

How to Process a Batch

Follow these steps to access the 1099 Adjustment and Reporting Program and process adjustment transactions:

Step	Action
1	Select 1099 Adjustment System's **Option 70** from the CARS Main Menu (S100).

Note: Transactions processed through Option 70 **do not post to CARS transaction files**, but are accumulated on a calendar year basis in the 1099 Adjustment Transaction file. 1099 reportable payments and adjustment transactions are accumulated throughout the year and at the end of each calendar year they are reported by:

- Reporting Entity
- Vendor ID (9 positions)
- Object Code
- Form Type
- Box Number, and
- Reporting Year

The Option 70, Adjustment Transactions selection, will access the ACTL700, **1099 Adjustment System Batch Header Data Screen (S700).** The Batch Header Screen serves as the main menu for the adjustment system.

Continued on next page

ARS Adjustment Procedures, Continued

Step	Action
2	Enter the required data, described below, to process a batch transaction.

The following data elements are displayed on the Batch Header Screen:

Data Element	Input	Definition
BATCH AGENCY	Required	Three digit code identifying the agency processing the batch.
BATCH DATE	Required	Date assigned to the adjustment batch.
BATCH NO.	Required	Unique number used to identify the adjustment batch.
AGENCY LIST NO.	Optional	Unique number assigned by the agency and used to further identify the adjustment batch.
ADJUSTMENT YEAR	Required	Four-digit field used to identify the calendar year in which the adjustment transaction is applicable.
BATCH COUNT	Required	Number of transactions in the adjustment batch.
BATCH AMOUNT	Required	Total dollar amount of the transactions in the adjustment batch without decimals.

Step	Action
3	Press **ENTER** to continue to the ACTL701, **1099 Adjustment System Detail Data Screen,** which is divided into two sections, **Detail Data** and **Original Transaction Reference Data (S701). Note: Adjustment transactions are permitted only for those vendors established in the agency's Vendor Edit Table.**
4	Select one of the following functions to begin data entry for **Part I -** Detail Data: **F** — To begin data entry and clear the screen. **N** — To retain the same information for multiple transactions. **PF13 (Batch Header Screen)** — Exits the adjustment transaction and returns to the Batch Header Data Screen. **PF14 (Recall Batch)** — Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance.

Continued on next page

ARS Adjustment Procedures, Continued

Step	Action
	Information for the following data elements is retrieved from the ACTL0700, **Adjustment Batch Header Screen**: • B-AGY • B-DATE • B-NO • ADJ YR, and • SEQUENCE NO (automatically assigned by the system to each transaction line).
5	Enter data for **Part I - Detail Data** as required:

Data Element	Input	Definition
VENDOR ID	Required	Twelve position field comprised of the 1-digit Vendor Indicator (T), the 9 digit Vendor Number, and a 2 digit Vendor Suffix. This field represents the vendor's EIN or SSN.
AGENCY LIST	Optional	Unique number assigned by the agency, which is used to further identify the adjustment batch.
NAME	Table lookup	Accessed from the agency's Vendor Edit Table and represents the name of the vendor to be adjusted.
ADDR-1 ADDR-2	Table lookup	Accessed from the agency's Vendor Edit Table and represents the vendor's remittance address.
CITY, STATE, and ZIP	Table lookup	Accessed from the agency's Vendor Edit Table. Foreign vendors are designated with a double asterisk (**) in the State field.
ADJ VOUCHER NO	Required	Unique number assigned by the agency to identify the adjustment transaction.

Continued on next page

ARS Adjustment Procedures, Continued

Step	Action		
	Data Element	**Input**	**Definition**
	ADJ VOUCHER DATE	Required	Date the adjustment voucher was prepared.
	ATC	Required	Adjustment Transaction Code is a one digit indicator used to increase or decrease the total payment balance paid to a vendor for a calendar year. Valid values are: **I** = Increase payment balance; and, **D** = Decrease payment balance.
	ATYP	Required	Adjustment Type is a one digit indicator used to identify the type of 1099 adjustment. Valid values are: 1 = Petty Cash Disbursements 2 = Stop Payments on Checks 3 = Voided Checks 4 = Manual Checks (Specials) 6 = Garnishments for Non-employees 7 = Refunds from Payees (Deposit Certificates) 8 = Adjustments to correct the object code of expenditure or to correct other data entry errors 9 = Payments from funds (i.e., non-state funds) not recorded in CARS A = Debt Setoff Payment Reductions B = Backup Withholding Payments

Continued on next page

ARS Adjustment Procedures, Continued

Step	Action		
	Data Element	**Input**	**Definition**
	AGY	Required	Agency code under which the adjustment transaction is recorded.
	OBJ	Required	Object code of expenditure.
	1099 IND	Permanently Coded	1099 Indicator code is permanently coded with a Y.
	AMT	Required	Dollar amount of the adjustment transaction without decimals.

Part II - Original Transaction Reference Data is optional and is for agency reference only.

Step	Action		
6	Enter data for Part II - Original Transaction Reference Data.		
	Data Element	**Input**	**Definition**
	AGY	Optional	Three digit code identifying the agency code under which the original transaction was recorded.
	DATE	Optional	Date the original transaction was processed (Month/Day/Year).
	NO	Optional	Batch No. of the original transaction to be adjusted.
	SEQ	Optional	Sequence No. of the original transaction to be adjusted.
	AGY LIST	Optional	Agency List Number of the original transaction to be adjusted.
	AGY VOUCHER NO	Optional	Voucher No. of the original transaction to be adjusted.

Continued on next page

ARS Adjustment Procedures, Continued

Step	Action		
	AGY VOUCHER DATE	Optional	Voucher Date of the original transaction to be adjusted (Month/Day/Year).
	CHECK NO.	Optional	Check Number of the original transaction to be adjusted.
	CHECK DATE	Optional	Check Date of the original transaction to be adjusted.
	DC NUMBER	Optional	DC Number of the original transaction to be adjusted.
	DC DATE	Optional	DC Date of the original transaction to be adjusted.
7	After completing the required information, **press ENTER to display the vendor information**.		
8	**Is this the record to update? Y or N**. If the data and vendor information is to be corrected, enter a **Y** on the function line and press **ENTER**.		
9	Enter **N** on the function line for **multiple transactions** and repeat the above procedure until all batch transactions are keyed.		
10	Select **PF15** to access the ACTL720, **1099 Adjustment System Batch Balance Screen (S720)**.		

Determine if the Batch is in Balance

The system automatically compares the number of transactions and the batch amount keyed on the ACTL700, **Batch Header Data Screen**, to the computed number of transactions and the batch amount.

When the batch counts and amounts agree, the system displays the message **Batch in Balance.** Balanced batches automatically post to the Adjustment File during the nightly edit/update.

When the batch count and amounts do not agree, the system displays the error message **Batch not in Balance.** (Refer to the next subtopic entitled “How to Balance a Batch” for instructions on balancing a batch.)

Continued on next page

ARS Adjustment Procedures, Continued

How to Balance a Batch

When the batch count and amounts do not agree, the system displays the error message **Batch not in Balance.** When this occurs, follow the steps below to balance the batch.

Step	Action
1	Select PF14, **Recall Batch Screen (S710),** from the function choices to make corrections. **N** — Retrieves the next adjustment batch for viewing. **D** — Deletes an entire adjustment batch. **PF13 (Batch Header Screen)** — Exits the adjustment transaction and returns the user to the Batch Header Data Screen. **PF14 (Recall Batch)** — Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance. **PF16 (View Batch)** — Views the detail data of a batch.
2	Use the PF 16**, View Batch** screen to verify that the computed number of transactions and the computed amount are correct.
3	Select one of the following options: **PF13** — To return to the Main Menu to key a new adjustment batch. **PF14** — To recall the batch for correction. **PF16** — To view batch detail.

List of Daily Adjustments

The daily adjustment transaction control report is—

ACTB3000, *1099 Adjustment Transmittal Listing:* (See example on next page.)

This report is generated daily for agencies processing adjustment transactions. It lists all adjustment batches keyed for the day, along with any previously-keyed batches which are out of balance.

Note: The agency will continue to receive this report on a daily basis until all "Out of Balance" batches are corrected or deleted. DOA will delete all unposted batches that were entered into the ARS in a prior calendar year.

Continued on next page

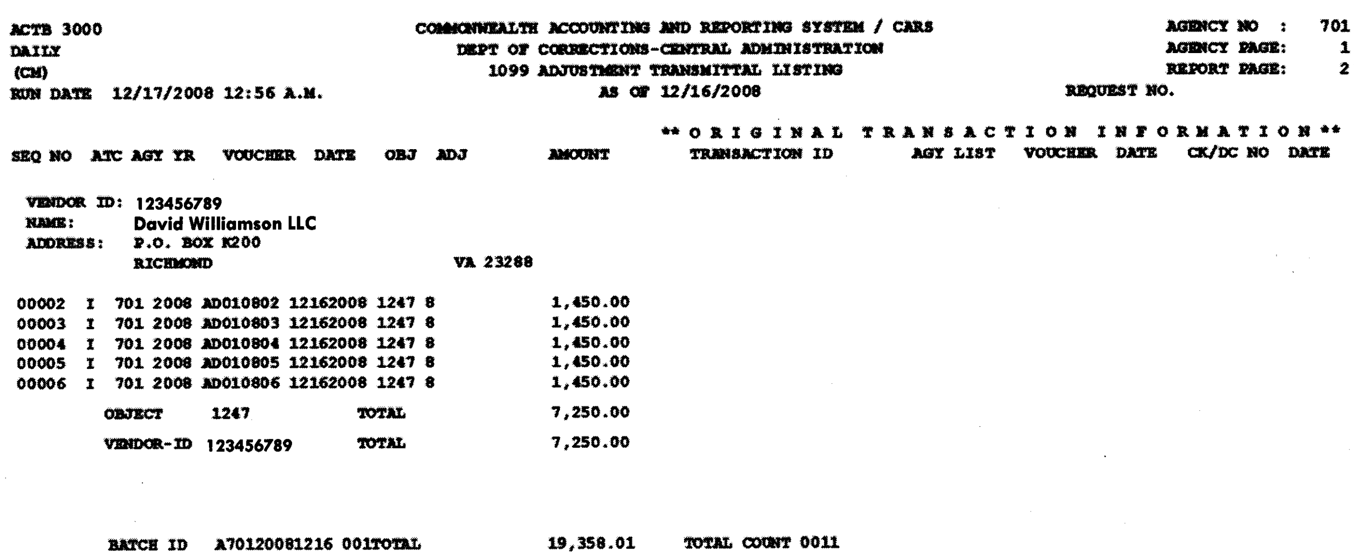
ARS Adjustment Procedures, Continued

When an adjustment batch is in balance, the batch is removed from the **Unposted Batches File** and is posted to the **1099 Adjustment Transaction File**. Posted transactions can be viewed online using Options 75, **View Detail Data,** and Option 76, **View Summary Data**.

Remaining batches are displayed on the ACTL740**, Unposted Batches** screen, and can be recalled for correction by selecting PF14, **Recall Batch (S710)**.

ACTB 3000 (Daily)

1099 Adjustment Transmittal Listing



```
ACTB 3000                      COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS          AGENCY NO   :   701
DAILY                             DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION                AGENCY PAGE:      1
(CM)                                1099 ADJUSTMENT TRANSMITTAL LISTING                     REPORT PAGE:      2
RUN DATE  12/17/2008 12:56 A.M.              AS OF 12/16/2008                         REQUEST NO.

                                                         ** O R I G I N A L  T R A N S A C T I O N  I N F O R M A T I O N **
SEQ NO  ATC AGY YR   VOUCHER  DATE   OBJ  ADJ       AMOUNT     TRANSACTION ID      AGY LIST  VOUCHER  DATE  CK/DC NO  DATE

 VENDOR ID: 123456789
 NAME:      David Williamson LLC
 ADDRESS:   P.O. BOX K200
            RICHMOND                        VA 23288

00002  I  701 2008 AD010802 12162008 1247 8          1,450.00
00003  I  701 2008 AD010803 12162008 1247 8          1,450.00
00004  I  701 2008 AD010804 12162008 1247 8          1,450.00
00005  I  701 2008 AD010805 12162008 1247 8          1,450.00
00006  I  701 2008 AD010806 12162008 1247 8          1,450.00

        OBJECT     1247           TOTAL              7,250.00

        VENDOR-ID 123456789       TOTAL              7,250.00


        BATCH ID   A70120081216 001TOTAL            19,358.01     TOTAL COUNT 0011
```

Continued on next page

ARS Adjustment Procedures, Continued

Reviewing Unposted Batches

Determine the batch status by accessing the ACTL740, **1099 Adjustment System Unposted Batches Screen (S740)**.

A nightly edit/update is processed and balanced batches are removed from the Unposted Batches File and posted to the 1099 Adjustment Transaction File.

Batches appearing on the ACTL740**, Unposted Batches (S740) Screen** cannot be queried using Option 75 **(View Detail)** and Option 76 **(View Summary)** because they have not posted to the 1099 Adjustment Transaction File. Follow these steps for reviewing unposted batches:

Step	Action
1	Select the appropriate screen function to review unposted batches: **S** — Reads first screen of selection. **N** — Retrieves the next screen. **C** — Clears the screen. **PF13 (Batch Header Screen)** — Exits the adjustment transaction and returns the user to the Batch Header Data Screen. **PF14 (Recall Batch)** — Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance. **PF16 (View Batch)** — Views the batch detail.
2	Enter the Adjustment Batch ID as the Search Type.
3	Select S and press ENTER. If more than one screen of data exists, select N and press ENTER to continue viewing.

The data elements displayed for ACTL740, **Unposted Batches Screen**, are:

Data Element	Input	Definition
AGY	Provided	Posting agency.
DATE	Provided	Date that the batch was prepared by the agency.
NO	Provided	Batch Number.
ADJ YR	Provided	Year in which adjustment transaction will be posted and reported.
ENTRY DATE	Provided	Date the adjustment transaction is entered in the system.
BATCH COUNT	Provided	Number of transactions in the adjustment batch.

Continued on next page

ARS Adjustment Procedures, Continued

How to Correct a Batch

Recall a batch for correction by selecting PF14 **(Recall Batch)**. This selection accesses the ACTL0710, **Recall Batch Screen (S710).**

Follow the steps below to process a batch requiring ADDITIONS, CHANGES, and DELETIONS.

Step	Action	
1	Select the appropriate screen function:	
	A	Adds data to an existing adjustment transaction.
	B	Changes a Batch Header record.
	C	Changes the detail data for an adjustment transaction.
	D	Deletes the adjustment transaction.
	PF13 (Batch Header Screen)	Exits the adjustment transaction and returns to the Batch Header Data screen.
	PF15 (Batch Balance)	Displays whether or not a batch is in balance. You can VIEW, CHANGE, or DELETE a batch.
	PF16 (View Batch)	Views the detail data of a batch.
	PF17 (Unposted Batches)	Views unposted batches.

Continued on next page

ARS Adjustment Procedures, Continued

<table>
<tr><th>Step</th><th colspan="3">Action</th></tr>
<tr><td rowspan="10">2</td><td colspan="3">Enter the information as required on the ACTL710 screen and press ENTER.</td></tr>
<tr><td>Data Element</td><td>Input</td><td>Definition</td></tr>
<tr><td>BATCH-AGENCY</td><td>Required</td><td>Agency initiating the adjustment transaction.</td></tr>
<tr><td>DATE</td><td>Required</td><td>Date that the adjustment batch was prepared.</td></tr>
<tr><td>NO</td><td>Required</td><td>Batch number.</td></tr>
<tr><td>SEQUENCE</td><td>Required for Function "C" or “D”</td><td>Number automatically assigned to each adjustment transaction by the system.</td></tr>
<tr><td>AGENCY-LIST</td><td>Required for Function "B"</td><td>Number assigned by the agency to further identify the adjustment transaction.</td></tr>
<tr><td>ADJUST-YR</td><td>Required for Function "B"</td><td>Calendar year in which the adjustment should be posted and reported.</td></tr>
<tr><td>NEW-BATCH-COUNT</td><td>Required for Function "B"</td><td>Revised number of transactions contained within a batch.</td></tr>
<tr><td>NEW-BATCH-AMOUNT</td><td>Required for Function “B”</td><td>Revised dollar value of transactions within a batch without decimals.</td></tr>
<tr><td>3</td><td colspan="3">Press ENTER to successfully change the record.</td></tr>
<tr><td>4</td><td colspan="3">Press PF15, Batch Balance (S720) to verify that the data was changed and the batch is in balance.</td></tr>
</table>

Continued on next page

ARS Adjustment Procedures, Continued

How to View Batch Detail by Batch ID

To view the batch detail, access the ACTL730, **1099 Adjustment System View Batch (S730) Screen**.

Follow the steps below to view a batch by Batch ID.

1	Select the appropriate screen function: **F** — Reads the first screen of a selected transaction. **N** — Retrieves the next screen of a selected transaction. **PF13 (Batch Header Screen)** — Exits the adjustment transaction and returns to the Batch Header Data Screen. **PF14 (Recall Batch)** — Allows agencies to ADD, CHANGE, or DELETE an adjustment transaction or the batch header record. This screen also indicates whether or not the batch is in balance. **PF17 (Unposted Batches)** — Views unposted batches.
2	Enter the appropriate search criteria: Batch Agency, Batch Date, and Batch Number and press **ENTER**. The data elements found on the ACTL730 screen are: **Data Element** / **Input** / **Definition** BATCH-AGENCY / Required / The agency initiating the adjustment transaction. DATE / Required / The date that the batch was prepared. BATCH NO / Required / The batch number.

How to View Batch Detail By Transaction Agency and Vendor ID

Access the ACTL750, **1099 Adjustment System Detail (S750) Screen**, to view batch detail by transaction agency and vendor ID.

This screen displays 1099 reportable payments and adjustment transactions by Transaction Agency, Vendor ID, and Reporting Year. Only transactions meeting specific 1099 reporting criteria are displayed on this screen.

Continued on next page

ARS Adjustment Procedures, Continued

The screen detail supports the summary information printed on the **ACTR3015,** *Reportable 1099 Transactions with Adjustments*, and the information displayed through Option 76, ACTL760**, 1099 Adjustment System – View Summary Data.**

Follow these steps to query 1099 reportable transactions and adjustments:

Step	Action
1	Select Option 75**, View Detail** from the CARS Main Menu to access the ACTL750**, 1099 Adjustment System Detail Screen**.
2	The following functions may be selected: **S** Selects a new vendor. **N** Views the next screen for the same vendor. **PF13** Returns to the CARS Main Menu.
3	To select a new vendor (Function S), enter the following data: • Transaction Agency • Vendor ID (9 positions) • Reporting Year
4	Complete the required information for the following data and press **ENTER**. **Data Element** — **Definition** AGENCY — Agencies must **enter the transaction agency and not the batch agency** in this field. The transaction agency represents the agency charged with the reportable payment or adjustment transaction. This distinction is especially important when querying transactions involving a control agency/transaction agency relationship. VENDOR ID — This is a nine position field which represents the Vendor's ID. REPORTING YR — A four position field representing the calendar year in which the payment or adjustment is applicable.

Continued on next page

ARS Adjustment Procedures, Continued

The following data elements are displayed on the ACTL750, **1099 Adjustment System Detail (S750) Screen:**

Data Element

SOLE PROP NAME
NAME
TYPE
EIN/SSN
OBJECT CODE
TRANSACTION ID
AMOUNT
PYMT NO
DATE
ATYP

How to View Batch Detail By Form Type and Box Number

Access the ACTL760, **1099 Adjustment Summary (S760) Screen**, to view batch detail by form type and box number.

This screen displays 1099 reportable payments and adjustment transactions by Form Type, Box Number, Total Box Amount, and Total Form Amount:

The detail displayed on the ACTL760 screen mirrors the summary information printed on the **ACTR3015**, *Reportable 1099 Transactions with Adjustments*, and the detail information displayed through Option 75, ACTL750, **1099 Adjustment System – View Detail Data.** Follow these steps to query summary 1099 reporting balances:

Step	Action
1	Select Option 76, **View Summary Detail**, from the CARS Main Menu.
2	Select from the following functions: **S** Selects a new vendor. **PF13** Returns the user to the CARS Main Menu.

Continued on next page

ARS Adjustment Procedures, Continued

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>3</td><td>To select a new vendor (Function S), enter the required information and press ENTER.

<table>
<tr><th>Data Element</th><th>Input</th><th>Definition</th></tr>
<tr><td>AGENCY</td><td>Required</td><td>Agencies must enter the transaction agency and not the batch agency in this field. The transaction agency represents the agency charged with the reportable payment or adjustment transaction. This distinction is especially important when querying transactions involving a control agency/transaction agency relationship.</td></tr>
<tr><td>VENDOR ID</td><td>Required</td><td>This is a nine position field which represents the Vendor's ID.</td></tr>
<tr><td>REPORTING YEAR</td><td>Required</td><td>Four-position field representing the calendar year in which the payment or adjustment is applicable.</td></tr>
</table></td></tr>
<tr><td>4</td><td>The following data elements are displayed on this screen:

<u>Data Element</u>

Sole Prop Name
Vendor Name
Vendor Type
EIN/SSN
1099 Type/Box
Total Box Amount
Total Form Amount</td></tr>
</table>

1099 Information Returns Reports

Year End ARS CARS Reports

Batches that are error free and balanced will post to the Adjustment Transaction File for inclusion in the following calendar year-end reports:

- **ACTR3005**, *Reportable (and Potentially Reportable) Transaction Report*
- **ACTR3010**, *Quarterly Detail Reportable 1099 Transactions With Adjustments*
- **ACTR3015**, *Summary Reportable 1099 Transactions With Adjustments*
- **ACTB3035**, *Vendor Payments Subject to Information Returns Reporting*
- **ACTB3040**, *Vendor Payments Subject to Information Returns Reporting by State*
- **ACTB3045**, *Annual Report of Vendor Backup Withholdings*

Reportline 1099 Reports Identified by Prefixes and Suffixes

1099 reports are identified in Reportline by the prefixes and suffixes.

In the example below, the end of year's **ACTR3005,** *Potentially 1099 Reportable Transactions by Agency* is listed in Reportline under the **Report ID** of **JR 3005 1212.**

Reportline PREFIXES (where R = Report)

JR End of Year Report
XR Monthly Report
IR Quarterly Report

Reportline SUFFIXES

Numeric suffixes are shown in Reportline without the corresponding Alpha designation found on the upper, left-hand of the ARS CARS reports.

Reportline "Silent" (not printed) alphabetical letters represent the Numeric Report ID positions and are as follows:

A (precedes the **first** number)
B (precedes the **second** number)
C (precedes the **third** number)
D (precedes the **fourth** number)

Continued on next page

1099 Information Returns Reports, Continued

These **silent/non-printed letters** are combined **with numbers** to define the following data as follows:

A 1 = Current Year
A 2 = Prior Year
B 1 = Monthly
B 2 = Entire Year
C 1 = Agency
C 2 = Control Agency
D 1 = Reportable Transactions
D 2 = Potentially-Reportable Transactions

Report ID Example = **JR 3005 1212**

JR = End of Year Report

3005 = Report Number from CARS as in ACTR3005

1 = A 1 (first numeric suffix position) = Current Year
2 = B 2 (second numeric suffix position) = Entire Year
1 = C 1 (third numeric suffix position) = Agency
2 = D 2 (fourth numeric suffix position) = Potentially-Reportable Transactions

Reportable and Potentially Reportable Transactions

The **ACTR3005**, *1099 Reportable Transactions Report*, lists detailed payment transaction information by agency and reporting entity.

The **ACTR3005** Report is generated on a monthly and year-end basis and distributed to the agencies participating in the Department of Accounts' Adjustment and Reporting System (ARS).

The options available for this report are A1 (Current Calendar Year); A2 (Prior Calendar Year); B1 (Monthly); B2 (Entire Year – See **Note**); C1 (Agency); C2 (Control Agency); D1 (Reportable Transactions), and D2 (Potentially Reportable Transactions). The latter two reports are discussed next.

Continued on next page

1099 Information Returns Reports, Continued

- **Option D1 – 1099 Reportable Transactions** is by Reporting Entity, Vendor ID, and object code. This report includes payments coded to a reportable object code and a 1099 Reportable Indicator equal to "Y". Agencies are required to review this report for the proper accumulation of data by reporting entity, agency, Vendor ID, and object code. When corrections are warranted, agencies should process adjustment transactions through the 1099 Adjustment and Reporting System.
- **Option D2 – Potentially 1099 Reportable Transactions** is by Reporting Entity, Vendor ID and object code. It includes payments that were coded as a reportable object code, but the 1099 Reportable Indicator was left BLANK on the payment voucher. Agencies need to research the payments listed on this report to determine if any are 1099 reportable. When corrections are warranted, process the adjustment transactions through the 1099 Adjustment and Reporting System.
- **NOTE**: **Since potentially 1099 reportable transactions are purged from the ARS after 3 months, the Entire Year D2 Report, which is run at the end of the calendar year, contains only the latest 3 months of data.** *Agencies should review the previous monthly D2 Reports that were not included in the year-end D2 report.*
- **An example of this report is shown at the end of this Section**.

Detail Reportable Transactions With Adjustments

The **ACTR3010**, *Quarterly Detail Reportable 1099 Transactions with Adjustments*, lists detailed payment and adjustment transaction information by agency and reporting entity. The detail information is reported by Vendor ID, Vendor Type, and Object Code and is further summarized by Form Type and Reporting Box Number.

The year-end report includes a detailed listing of all payment and adjustment transactions processed during the reporting year. The **ACTR3010** report is generated quarterly and at calendar year end.

An example of this report is shown at the end of this Section.

Continued on next page

1099 Information Returns Reports, Continued

Summary Reportable Transactions With Adjustments

The **ACTR3015**, *Summary Reportable 1099 Transactions with Adjustments*, summarizes the information reported on the **ACTR3005**, *1099 Reportable Transactions Report*, and the **ACTB3000**, *1099 Adjustment Transmittal Listing*, by Reporting Entity, Vendor ID, Vendor Type, Object Code, Form Type and Reporting Box Number.

This summary report is a calendar year end report only. An example is shown at the end of this Section.

Vendor Payments Subject to Information Returns Reporting

The **ACTB3035**, *Vendor Payments Subject to Information Returns Reporting,* summarizes for the year the reportable information as reported on the **ACTR3005**, *1099 Reportable Transactions Report,* and the **ACTB3000**, *1099 Adjustment Transmittal Listing*, by Vendor ID, Vendor Type, Form Type, and Reporting Box Number.

The **ACTB3035** reports only those reportable vendors whose aggregate payments for the calendar year meet the IRS prescribed dollar reporting thresholds. **Total dollars reported by Form Type on this report should mirror the total dollars by Form Type downloaded through FINDS and transferred to the information returns reporting software.**

The report frequency is calendar year in mid-January after the close of the year. An example of this report is shown at the end of this Section.

Vendor Payments Subject to Information Returns Reporting By State

The **ACTB 3040**, *Vendor Payments Subject to Information Returns Reporting by State*, summarizes for the year the reportable information by State as reported on the **ACTR3005**, *1099 Reportable Transactions Report*, and the **ACTB3000**, *1099 Adjustment Transmittal Listing*, by Vendor ID, Vendor Type, Form Type, and Reporting Box Number by the State in which the Vendor has his/her mailing address.

The **ACTB3040** reports only those reportable vendors whose aggregate payments for the calendar year meet the federal dollar reporting threshold.

The report frequency is calendar year. An example of this report is shown at the end of this Section.

Continued on next page

1099 Information Returns Reports, Continued

Vendor Payments Subject to Backup Withholding

The **ACTB3045**, *Annual Report of Vendor Backup Withholdings*, is a year-end report only for those ARS participating agencies that process backup withholding payments. An example is not shown at the end of this Section because to date the ARS participating agencies have not processed backup withholding payments.

Adjustment Schedule

Starting in early December and ending in the middle of January, year-end 3000 series ARS reports are run on three different dates in accordance with the annual schedule promulgated by the Director of Financial Reporting by electronic memorandum in the first week of December. Agencies participating in the ARS must strictly adhere to this annual schedule that varies only slightly each year depending upon the precise dates of weekends and holidays.

The **first set of ARS reports** is distributed via Reportline in early December. These contain all reportable transactions and adjustments processed from January 1 through the end of November. Agencies should review these reports for accuracy and completeness. Adjustments to this information should be processed through the ARS by the end of December.

*All **potentially**1099 reportable payments should be reviewed to determine if adjustments are necessary.*

The **second set of ARS reports** will be posted into Reportline on the first business day in January. These contain all reportable transactions and adjustments processed from January 1 through December 31 of the Calendar Year just ended.

Agencies will have only until the middle of January to process the final adjustments through the ARS.

The **final set of ARS reports** will be posted into Reportline the day after the final adjustments are processed. The 1099 dataset will be made available on that date for downloading to the information returns software through FINDS.

Continued on next page

1099 Information Returns Reports, Continued

Current-Year Reports in December

- **ACTR3005,** *Reportable (and Potentially Reportable) 1099 Transactions*, Options A1 (Current Year), B2 (Entire Year), C1 (Agency) and C2 (Control Agency), D1 (Reportable Transactions) and D2 (Potentially Reportable Transactions)
- **ACTR3010,** *Quarterly Detail Reportable 1099 Transactions With Adjustments* and **ACTR3015,** *Annual Summary 1099 Transactions With Adjustments* Options A1 (Current Year), B5 (Entire Year) are run twice as follows:

1. First business day in December for transactions and/or adjustments through the end of November and
2. Last business day in December for transactions and/or adjustments through the end of December

Final Reports in January for Prior Year

ACTR3010, *Quarterly Detail Reportable 1099 Transactions With Adjustments* and **ACTR3015,** *Annual Summary 1099 Transactions With Adjustments***,** Options A2 (Prior Year), B5 (Entire Year) are run in the middle of January.

Annual reports—**ACTB3035,** *Vendor Payments Subject to Information Returns Reporting* and **ACTB3040,** *Vendor Payments Subject to Information Returns Reporting by State*—are run in the middle of January.

Reportline: Examples of ARS Adjustments

The following end-of-year Reportline examples — illustrated on the next several pages; consist of ARS adjustments that track a series of adjustments to identify potentially-reportable payments made to a reportable vendor.

Example	CARS Report No.	Report Title
1	**ACTR3005** (Monthly)	*Potentially 1099 Reportable Transactions by Agency*
2	**ACTR3010** (Quarterly)	*Detail Reportable 1099 Transactions With Adjustments*
3	**ACTR3015** (Annual)	*Summary Reportable 1099 Transactions With Adjustments*
4	**ACTB3035** (Annual)	*Vendor Payments Subject to Information Returns Reporting*
5	**ACTB3040** (Annual)	*Vendor Payments Subject to Information Returns by State*

Continued on next page

1099 Information Returns Reports, Continued

Example 1: ACTR 3005 (Monthly)

Potentially 1099 Reportable Transactions by Agency

```
ACTR 3005 OPTIONS: A1 B1 C1 D2        COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS                  AGENCY NO   :    701
MONTHLY                                    DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION                      AGENCY PAGE:        1
(PM)-CYCLE X                          POTENTIALLY 1099 REPORTABLE TRANSACTIONS BY AGENCY FOR  2008         REPORT PAGE:      113
RUN DATE   12/08/2008 11:27 P.M.                          AS OF 11/30/2008                            REQUEST NO. ACTR3005 A  01

AGY   VENDOR-ID  V-SFX      VENDOR-NAME         OBJECT          AMOUNT       BATCH-ID          VOUCHER  CDS    CK-NO     PYMT-DATE

701   123456789  00     David Williamson LLC     1247         1,450.00   70120081029310100001  0190472         43714629   20081112
                                                              1,450.00   70120081112310000003  0190516         43731141   20081118
                                                              1,450.00   70120081112310000004  0190517         43744223   20081121
                                                              1,450.00   70120081112310000005  0190518         43744223   20081121

                             *   TOTAL OBJECT       *         5,800.00
   EIN-123456789            **   TOTAL VENDOR-ID   **         5,800.00
                           ***   TOTAL AGENCY     ***        19,354.32
```

Continued on next page

1099 Information Returns Reports, Continued

Example 2: ACTR 3010 (Quarterly)

Detail Reportable 1099 Transactions With Adjustments

```
ACTR 3010 OPTIONS: A1 B5          COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS        AGENCY NO   :  701
MONTHLY                                 DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION            AGENCY PAGE:   19
(PM)-CYCLE J                   QUARTERLY DETAIL REPORTABLE 1099 TRANS WITH ADJUSTMENTS FOR 2008  REPORT PAGE:  324
RUN DATE  12/31/2008 03:37 P.M.                     AS OF 12/31/2008                       REQUEST NO. ACTR3010 A  00
                                           REPORTING ENTITY - 546001735

VENDOR-ID:  123456789      EIN/SSN: 123456789      VENDOR TYPE: D
NAME      :  David Williamson LLC                  SOLE PROPRIETOR NAME:
ADDRESS1  :  P.O. BOX K200
ADDRESS2  :
CITY      :  RICHMOND                                   STATE:  VA     ZIP:  23288
```

1099 TYPE /	BOX	OBJECT	AMOUNT	TOTAL BOX AMOUNT	BATCH ID	DC/CK NO	DC/CK DATE	ATYPE
M	07	1247	1,450.00		701200801243102	42553128	20080131	
M	07	1247	1,450.00		70120081216 001			8
M	07	1247	1,450.00		70120081216 001			8
M	07	1247	1,450.00		70120081216 001			8
M	07	1247	1,450.00		70120081216 001			8
M	07	1247	1,450.00		70120081216 001			8
M	07	1247	2,175.00		76920080819 001			8
M	07	1247	1,450.00		701200807173100	43372018	20080722	
				12,325.00				

Continued on next page

1099 Information Returns Reports, Continued

Example 3: ACTR 3015 (Annual)

Summary Reportable 1099 Transactions With Adjustments

```
ACTR 3015 OPTIONS: A1 B5              COMMONWEALTH ACCOUNTING AND REPORTING SYSTEM / CARS          AGENCY NO    :    701
MONTHLY                                  DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION                AGENCY PAGE:       10
(PM)-CYCLE J                        SUMMARY REPORTABLE 1099 TRANSACTIONS WITH ADJUSTMENTS FOR 2008  REPORT PAGE:      225
RUN DATE  12/31/2008 03:39 P.M.                        AS OF 12/31/2008                      REQUEST NO. ACTR3015 A  00
                                                REPORTING ENTITY - 546001735

VENDOR-ID:   123456789         EIN/SSN:   123456789        VENDOR TYPE:   D
NAME       :  David Williamson LLC                         SOLE PROPRIETOR NAME:
ADDRESS1 :   P.O. BOX K200
ADDRESS2 :
CITY       :  RICHMOND                                        STATE:   VA      ZIP:   23288
1099 TYPE / BOX           OBJECT                  AMOUNT              TOTAL BOX AMOUNT
    M         07            1247               12,325.00                    12,325.00
```

Continued on next page

1099 Information Returns Reports, Continued

Example 4: ACTB 3035 (Annual)

Vendor Payments Subject to Information Returns Reporting

```
ACTB3035          C O M M O N W E A L T H   A C C O U N T I N G   A N D   R E P O R T I N G   S Y S T E M     AGENCY NO  :   701
                                     DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION
RUN ON 01/15/2009 (03:30)            VENDOR PAYMENTS SUBJECT TO INFORMATION RETURNS REPORTING                    PAGE:      24
                                              REPORTING ENTITY - 546001735

 VENDOR-ID:  123456789        EIN/SSN: 123456789        VENDOR TYPE:  D
 NAME        David Williamson LLC                     SOLE PROPRIETOR NAME:
 ADDRESS1 :  P.O. BOX K200
 ADDRESS2 :
 CITY     :  RICHMOND                                    STATE:  VA       ZIP:  23288
 1099 TYPE / BOX        OBJECT                    AMOUNT              TOTAL BOX AMOUNT

   M        07           1243                  1,450.00

   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  1,450.00
   M        07           1247                  2,175.00
                                                                 13,775.00

   TOTAL AMOUNT FOR 1099- A                          48,950.00    TOTAL PAYEES FOR 1099-A                        1
   TOTAL AMOUNT FOR 1099- M                      71,452,622.69    TOTAL PAYEES FOR 1099-M                      218
   TOTAL AMOUNT FOR 1099- G                           1,366.00    TOTAL PAYEES FOR 1099-G                        1

   TOTAL AMOUNT FOR REPORTING ENTITY 546001735   71,502,938.69    TOTAL PAYEES FOR REPORTING ENTITY 546001735  220
```

Continued on next page

1099 Information Returns Reports, Continued

Example 5: ACTB 3040 (Annual)

Vendor Payments Subject to Information Returns by State

```
ACTB3040          C O M M O N W E A L T H   A C C O U N T I N G   A N D   R E P O R T I N G   S Y S T E M     AGENCY NO  :   701
                                      DEPT OF CORRECTIONS-CENTRAL ADMINISTRATION
RUN ON 01/15/2009 (03:30)        VENDOR PAYMENTS SUBJECT TO INFORMATION RETURNS REPORTING BY STATE             PAGE:       38
                                              REPORTING ENTITY - 546001735
 VENDOR-ID: 123456789         EIN/SSN: 123456789       VENDOR TYPE:  D
 NAME      :  David Williamson LLC                        SOLE PROPRIETOR NAME:
 ADDRESS1 :  P.O. BOX K200
 ADDRESS2 :
 CITY      :  RICHMOND                                      STATE:  VA     ZIP:  23288
 1099 TYPE / BOX        OBJECT                  AMOUNT              TOTAL BOX AMOUNT
    M         07          1243                1,450.00

    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                1,450.00
    M         07          1247                2,175.00
                                                                    13,775.00


 TOTAL AMOUNT FOR 1099-A                              48,950.00    TOTAL PAYEES FOR 1099-A                                1
 TOTAL AMOUNT FOR 1099-M                          71,452,622.69    TOTAL PAYEES FOR 1099-M                              218
 TOTAL AMOUNT FOR 1099-G                               1,366.00    TOTAL PAYEES FOR 1099-G                                1

 TOTAL AMOUNT FOR REPORTING ENTITY 546001735      71,502,938.69    TOTAL PAYEES FOR REPORTING ENTITY 546001735          220
```

Continued on next page

FINDS Download

Overview

Agencies participating in ARS can electronically access the 1099 data through FINDS and download the data. See CAPP Topic No. 70705, *FINDS: CARS and 1099 Downloading*. Data downloaded through FINDS can be used to print information returns and to generate magnetic media or data for electronic transmission using a PC based software package. To accommodate PC based software packages for printing 1099 information returns, two file format options are available. **Agencies can access these files through FINDS starting the third week in January through March 31** of each year.

The two file formats are described below:

- The **Advanced Micro Solutions, Inc. (AMS) 1099-Etc software** contains the necessary data elements for importing data from the 1099 Adjustment and Reporting System into the AMS 1099-Etc software.
- The **ASCII flat file** contains calendar year 1099 payment and adjustment transactions summarized by Vendor ID. To assist agencies in identifying the downloaded data, comma separators and title headings were added. This file can be imported into any software package accepting an ASCII file format.

The data summarized in each file format should agree to the information contained in the **ACTB3035**, *Vendor Payments Subject to Information Returns Reporting*. The **ACTB3035** reports only those vendors whose aggregate payments for the calendar year meet the IRS dollar reporting thresholds.

FINDS Access

User Access To FINDS

ARS participating agencies must submit a FINDS security form to Database Administration at DOA for each User ID requesting access to Option 31, **1099 Reporting,** on the **FINDS Master Menu**. When access has been established, users may select Option 31 to download the 1099 data in either the AMS or flat file format.

Continued on next page

FINDS Download, Continued

FINDS 1099 Reporting Extract

Access the ACTL2001, **FINDS – Master Menu Screen,** to download 1099 Information Returns data.

Step	Action
1	Enter Option 31, **1099 Reporting,** in the function line and press **Enter** to access the ACTL260, **FINDS – 1099 Reporting Extract Screen**.
2	Enter "**9" = Execute Request** in the Function Line
3	Complete the following fields to select the 1099 data. **Data Elements** — **Description** AGENCY — Enter the three digit agency code for the requesting agency REQUEST NO — A three digit agency assigned number which is unique to a specific download request. TITLE — An agency assigned title which is descriptive of the request to be performed. Example: Form M AGENCY — Enter the three digit control agency or agency code for which the records are being extracted. REPORTING ENTITY — Enter the 11 digit TIN for the reporting entity (agency or control agency grouping) for which the records are being extracted.

Continued on next page

FINDS Download, Continued

Step	Action	
	FORM TYPE	Enter the type of 1099 form for which data is being extracted. Valid Values for this field are: **A** = 1099-A, Acquisition and Abandonment of Secured Property **G** = 1099-G, Governmental Payments **M** = 1099-M, Miscellaneous Income **Note:** The Form Type field is not required for agencies that select the flat file format option because the flat file contains all 1099 records and is not form specific.
4	Verify that the data keyed is correct and press **Enter**.	
5	The next screen you will view is the ACTL2006, **FINDS - Dataset Information Screen**.	
6	Insert **"9"** = **Execute Request** in the Function Line	
7	Complete the following fields.	
	Data Elements	**Description**
	DATASET NAME	Enter a unique dataset name for the records to be selected. **Note**: Each segment of the dataset name cannot be more than 8 characters, must always start with an alpha character, and is separated with a period (.). Agencies should use the following format to enter the dataset name: User's Logon File format Option Form Type
	Example: ACT1111.FLTA.FORMA, or ACT1111.AMS.FORMA	
	OUTPUT FILE FORMAT	Enter the file format option in which you want the 1099 data to be downloaded: **A** = AMS format **F** = Flat file format

Continued on next page

FINDS Download, Continued

Step	Action
8	Verify that the data keyed is correct and press **Enter**.
9	The number of detailed items selected from the database will be displayed. Enter a **Y** in the function field to continue and press **Enter**.
10	At this point, you will be returned to the **FINDS Main Menu**. The number of records written to the download file, along with the dataset name will be listed at the bottom left hand corner of this screen.

Note: Select Option 20 to view the selected data set on the screen. This option can be used to view the report prior to printing or downloading.

11	To begin downloading another form type, select Option 31. To exit FINDS and begin the PC download process select Option 99. **Note:** Agencies using the AMS file format must repeat this process for each 1099 form type to be filed.

Downloading to Software Packages Using ASCII Flat File

Due to the complexities of various types of software, DOA recommends that agencies refer to the instructions for the packaged software for guidance on importing ASCII flat file formats. In the ASCII flat file format, title heading and comma delimiters are used to format the file.

Agencies can use a spreadsheet such as EXCEL, database software, or the DOS Editor function to view the downloaded data. While data elements such as the Vendor ID, Vendor Type, Form Type, Reporting Box Number, and dollar amount are included in the ASCII flat file format, the data is not sorted using these data elements. Therefore, agencies will need to perform several data sorts to organize the 1099 information prior to importing the data into the software.

Agencies Must Test The Download from FINDS to The 1099 Software

DOA does not provide support for any specific 1099 information return software product. However, agencies may continue to use the most current version of AMS 1099-Etc software that is compatible with FINDS. Each year, agencies are responsible for testing the download from FINDS to the AMS 1099-Etc software, or other compatible software, to ensure that the information is correctly mapped.

Electronic Filing Required

Electronic Filing Required

When 250 or more of any one type of 1099 Information Return is required to be filed with the IRS, they must be filed electronically with the Internal Revenue Service/Information Returns Branch (IRS/IRB) via the **F**iling **I**nformation **R**eturns **E**lectronically (**FIRE**) System.

The **FIRE** system is available online by clicking on https://fire.irs.gov. Technical assistance is available Monday through Friday between 8:30 a.m. and 4:30 p.m. EST by calling toll-free 1-866-455-7438.

The FIRE system will be down for upgrading from late December until early January in accordance with the schedule in the latest edition of **Pub 1220**, *Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically*. In addition, it may be down for maintenance on Wednesdays from 2:00 am to 5:00 am.

The due date for filing the IRS copy electronically through the FIRE System is March 31. The IRS encourages you to request a 30-day extension via the FIRE system using the online, fill-in extension form in lieu of **Form 8809**. You will receive an instant response.

Testing of **FIRE** System Files is encouraged for all new electronic filers to test hardware and software between November of the reporting year and February of the following year as scheduled in the latest edition of **Pub 1220**. In addition to **Pub 1220**, the following references and Forms for electronic filing are available at www.irs.gov

1. *General Instructions for Certain Information Returns (Forms 1098, 1099, 3921, 3922, 5498 and W-2G)*
2. **Form 4419**, *Application for Filing Information Returns Electronically*
3. **Form 8809**, *Application for Extension of Time to File Information Returns*
4. **Form 8508,** *Request for Waiver From Filing Information Returns Electronically*

Penalty: If a payer has 250 or more returns required to be filed electronically, fails to do so, and does not have an approved waiver on record, the payer is subject to a penalty of $100 per return in excess of 250. For additional penalty information, refer to the Penalty Section of the *General Instructions*.

Paper Returns Allowed if Less Than 250 Returns

Paper returns are still acceptable if you are filing less than 250 returns, but the IRS encourages you to file electronically even though you are filing less than 250 returns. Do not mail paper returns to IRS/IRB, because that office does not process paper returns. Paper returns must be mailed to the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301**.**

Records Retention

Records Retention

Retain all documentation, reports, and workpapers for a period of 3 years for potential review and audit.

Agencies are required to maintain copies of Information Returns and supporting documentation for at least 3 years from the due date of the returns. Keep copies of the Information Returns for 4 years if backup withholding is imposed.

Contacts

IRS Call Site(s)

Electronic Filing and Other Questions:
Call (304) 263-8700 or call toll free at (866) 455-7438.

During the busy season, you may have to wait for a response. For this reason, it is suggested that you call early in the day. Hours are open from 8:30 am to 4:30 pm, Monday through Friday.

DOA

DOA web site: http://www.doa.virginia.gov/
Click "Accounting and Reporting" link
Click "Financial Reporting" link
Click "IRS Information Returns – 1099 Reporting" link

1099 Coordinator
Telephone: (804) 225-2257
FAX: (804) 225-4250
E-Mail: 1099@doa.virginia.gov

FINDS Support Help Desk
Telephone (804) 371-0199

Subject Cross References

References

DOA References

CAPP Topic No. 20320, *Information Returns Reporting*
CAPP Topic No. 20355, *Purchasing Charge Card*
CAPP Topic No. 60111, *Vendor Edit Table*
CAPP Topic No. 70220, *Security*
CAPP Topic No. 70235, *Input Batching*
CAPP Topic No. 70705, *FINDS: CARS and 1099 Downloading*

IRS References

General Instructions for Certain Information Returns (Forms 1098, 1099, 3921, 3922, 5498, and W-2G).

Publication 1220, *Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 8935, 5498 and W-2G Electronically*.