



## COMMONWEALTH of VIRGINIA

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### MEMORANDUM

**TO:** Fiscal Officers and 1099 Distribution List

**FROM:** Penny B. Williams, Indirect Cost Coordinator  
Financial Reporting

**SUBJECT:** Information Returns Reporting Schedule for Calendar Year/Tax Year 2015

The Calendar Year/Tax Year 2015 year-end information returns processing schedule is attached. All agencies should adhere to the year-end IRS processing schedule to ensure that all information returns are filed timely. Agencies not participating in the Department of Accounts' (DOA) 1099 Adjustment and Reporting System (ARS) should disregard the ARS references in this memorandum and in the attachment. Cardinal Wave 1 agencies should refer to page 2 of this memorandum. DOA will provide additional communication(s) to address future 1099 reporting periods as new guidance becomes available.

For agencies participating in ARS, the Calendar Year/Tax Year 2015 information returns data is available in three formats: paper CARS reports via Reportline and remote print, an Advanced Micro Solutions, Inc. (AMS) download file, and an ASCII flat file format. The latter two options are accessible through FINDS for downloading on or after January 18, 2015. Downloading requirements vary with the 1099 reporting software used. See CAPP Topic No. 70805, *1099 Adjustment and Reporting System (ARS)*.

The first set of ARS reports contains the 1099 reportable transactions and adjustments processed from January 1, 2015 through November 30, 2015 (no transactions will be processed in CARS after November 30<sup>th</sup> for the month of November). These reports will be posted on Reportline on Tuesday, December 1, 2015. Agencies should review these reports for accuracy and completeness. Agencies should examine all monthly and quarterly Potentially 1099 Reportable Transactions Reports to determine required adjustments. Adjustments to this information should be processed through the ARS by COB, on the final workday of the year, Thursday, December 31, 2015.

DOA will post the second set of ARS reports on Reportline on Friday morning, January 1, 2016. Agencies will have through COB Thursday, January 14, 2016, to process their final ARS adjustments for Calendar Year/Tax Year 2015. The final set of ARS reports will be posted on Reportline on Friday, January 15, 2016.

**For Wave 1 Cardinal Agencies:**

The Cardinal Project converted calendar year 2015 payments for Wave 1 agencies from CARS to Cardinal. Using the CARS Payment History file as the source for the conversion, the 1099 tables in Cardinal were populated with data for payments there were paid to 1099 reportable vendors and paid using 1099 reportable accounts. This converted data and payments made from Cardinal are available in Cardinal for 1099 Misc reporting.

The Cardinal Job Aid, SW AP312 – 1099 Processing is available on the Cardinal website. Please refer to the job aid for assistance with making adjustments to the withholding tables and for information on the Cardinal 1099 process:

[http://www.cardinalproject.virginia.gov/Statewide%20Job%20Aids/Accounts\\_Payable/SW\\_AP312\\_1099\\_Processing.pdf](http://www.cardinalproject.virginia.gov/Statewide%20Job%20Aids/Accounts_Payable/SW_AP312_1099_Processing.pdf)

For All Agencies:

DOA recommends the following procedures when preparing IRS 1099 Information Returns:

- Review the following CAPP topics for the IRS requirements for information returns compliance.
  - CAPP Topic No. 20319, Electronic Federal Tax Payments Processing
  - CAPP Topic No. 20320, Information Returns Reporting
  - CAPP Topic No. 70805, 1099 Adjustment and Reporting System (ARS)
- Issue paper information returns to the recipients by Monday, February 1, 2016 for Calendar Year/Tax Year 2015. The due date is extended to February 16, 2016, if reporting payments in boxes 8 or 14.
- File paper information returns to the IRS using the required transmittal documents by February 29, 2016 for the Calendar Year/Tax Year 2015 or file electronically with the IRS using the FIRE (Filing Information Returns Electronically) system by March 31, 2016.
- Whenever 250 or more of a particular information return type are issued, agencies must submit those returns to the IRS electronically (no paper returns are allowed). Agencies unable to comply with this requirement should contact the IRS immediately and obtain a waiver. Please review the detailed requirements in **IRS Publication 1220** (Rev. 09-2015), *Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G*.

- Report backup withholding taxes to the IRS, on the **Form 945**, *Annual Return of Withheld Federal Income Tax* by Monday, February 1, 2016 for Calendar Year/Tax Year 2015. Refer to CAPP Topic No. 20319, *Electronic Federal Tax Payment Processing*, for further guidance.
- To report taxable payments made to foreign citizens, file the annual **Forms 1042-S**, *Foreign Person's U. S. Source Income Subject to Withholding*, and the summary **Form 1042**, *Annual Withholding Tax Return for U. S. Source Income of Foreign Persons* with both the recipient(s) and the IRS on the same annual due date, which is March 15, 2016.
- Use **Form 1042-T** to transmit paper **Forms 1042-S**. For filing 250 or more forms electronically, refer to **IRS Publication 1187**, *Specifications for Electronic Filing of Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding*. Also review the requirements in **IRS Publication 515**, *Withholding of Tax on Nonresident Aliens and Foreign Entities* (for use in 2015). Refer to CAPP Topic No. 20319, *Electronic Federal Tax Payment Processing*, for payment processing procedures through CARS and EDI.

Please contact me should you have any questions via e-mail at

[Penny.Williams@doa.virginia.gov](mailto:Penny.Williams@doa.virginia.gov) or at (804) 225-3804. Please review the Due Dates Attachment shown on the next page.

**ATTACHMENT**

<b>Selected 2015 IRS Due Dates and Information Returns Year-End Processing Schedule</b>		
<b><u>IRS Due Dates</u></b>	<b><u>Report Period</u></b>	<b><u>Due Dates</u></b>
1099 Information Returns <b>to Recipients</b>	Jan. – Dec. 2015	February 1, 2016
<b>Form 945, Annual Return of Withheld Federal Income Tax</b>	Jan. – Dec. 2015	February 1, 2016
1099 Information Returns <b>to IRS</b> (Paper)	Jan. – Dec. 2015	February 29, 2016
1099 Information Returns <b>to IRS</b> (Electronic Filing)	Jan. – Dec. 2015	March 31, 2016
Forms 1042, 1042-T & 1042-S to the IRS and recipients	Jan. – Dec. 2015	March 15, 2016
<b><u>First Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Nov. 2015	December 1, 2015
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Nov. 2015	December 1, 2015
<b>ACTR3015, Summarized 1099 Reportable Trans. with Adj.</b>	Jan. - Nov. 2015	December 1, 2015
<b><u>Adjustments to First Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Adjustment Processing Dates</u></b>
Review ARS Reports & Process Adjustments	Jan. - Nov. 2015	Dec. 1 - Dec. 31
<b><u>Second Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Dec. 2015	January 1, 2016
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2015	January 1, 2016
<b>ACTR3015, Summary 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2015	January 1, 2016
<b><u>Adjustments to Second Set of ARS Reports</u></b>	<b><u>Report Period</u></b>	<b><u>Adjustment Processing Dates</u></b>
Review 2nd Set of ARS Reports & Process Adjustments	Jan. - Dec. 2015	Jan 1- Jan 14, 2016
<b><u>Final Set of ARS Reports and Download Files</u></b>	<b><u>Report Period</u></b>	<b><u>Distribution Dates</u></b>
<b>ACTR3005, 1099 Reportable Transactions</b>	Jan. - Dec. 2015	January 15, 2016
<b>ACTR3010, Detailed 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2015	January 15, 2016
<b>ACTR3015, Summarized 1099 Reportable Trans. with Adj.</b>	Jan. - Dec. 2015	January 15, 2016
<b>ACTB3035, Vendor Payments Subject to Information Returns Reporting</b>	Jan. - Dec. 2015	January 15, 2016
<b>ACTB3040, Vendor Payments Subject to Information Returns Reporting by State</b>	Jan. - Dec. 2015	January 15, 2016
<b>ACTB3045, Backup Withholding Payments by Agency</b>	Jan. - Dec. 2015	January 15, 2016
<b>FINDS - 1099 Files Available for Downloading</b>	Jan. - Dec. 2015	January 18, 2016