



DOI FBMS Standard Operating Procedure (SOP)
Department of the Interior
Managing 1099s

Standard Operating Procedure

This SOP is intended to address the process related to managing 1099s in FBMS. It is assumed that for bureaus which have been active on FBMS for the entire reporting year, 1099's are produced entirely out of FBMS by the NBC. On a quarterly basis, NBC produces a file for each Bureau on FBMS. It is the responsibility of each Bureau to review their records, request Vendor Master Record changes, and make updates to vendor transactions as appropriate.



DOI FBMS Standard Operating Procedure (SOP)
Department of the Interior
Managing 1099s

Table of Contents

UNDERSTANDING THE 1099 PROCESS 4

1.1 OVERVIEW OF THE 1099 PROCESS 4

Yearly Activities 4

Quarterly Activities 4

1.2 MATRIX FOR RECOGNIZING WHEN A 1099 SHOULD BE CREATED 5

1.3 UNDERSTANDING 1099S WHEN PAYMENTS ARE MADE USING CHARGE CARDS OR
 CONVENIENCE CHECKS 6

1.4 UNDERSTANDING HOW CHARGE CARD REALLOCATED TRANSACTIONS ARE HANDLED FOR 1099
 PURPOSES 7

PROCESS FLOW 7

1.5 MANAGING THE 1099 COMMITMENT ITEM TABLE 7

1.6 VERIFYING A VENDOR IS SET UP CORRECTLY 16

1.7 UPDATING VENDOR 1099 INFORMATION ON CONVENIENCE CHECK TRANSACTIONS... 30

1.8 RESEARCHING COMMITMENT ITEMS FROM SINGLE FUNDED LINE ITEMS 39

1.9 RESEARCHING COMMITMENT ITEMS ASSOCIATED WITH INCOMING FI INVOICES..... 44

APPENDIX 49

Business Types 49

Educational Institution Types 50

Native American Entities 52

Organization Types 52

Definition of Terms 53

Version Control 54



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Understanding the 1099 Process

1.1 Overview of the 1099 Process

Yearly Activities

It is assumed that for bureaus which have been active on the Financial Business Management System (FBMS) for the entire reporting year, 1099's are produced entirely out of FBMS by the National Business Center (NBC).

Bureaus, which have not been on FBMS for the entire reporting year, produce their own 1099's. These bureaus receive an extract file from FBMS for the current year's activity to be combined with legacy 1099 data.

A combined 1099 for all Department of Interior (DOI) bureaus will not be issued until all bureaus are on FBMS for an entire calendar year. Until all bureaus are on FBMS, the NBC will produce submissions for each bureau as they are deployed. These submissions, required during this interim process, are independent of the other bureaus and include transactional data and vendor master data. After all bureaus are live on FBMS, there will be one standardized 1099-MISC form per vendor or independent contractor issued at the department level.

At the end of the calendar year, the DOI is required by law to issue 1099s. All vendors and independent contractors who have been paid for rents, non-employee compensation, medical and health services, and other categories of payments as determined by the IRS guidelines totaling more than \$600.00 in a calendar year will receive a 1099-MISC form.

Vendor payments are made using one of the following methods:

- Check
- ACH
- Charge card
- Convenience check

Quarterly Activities

To alleviate many issues at the end of the year, the NBC sends Vendor 1099 information quarterly for the bureaus review. As errors appear on the Business Warehouse (BW) report, these errors are worked and the vendor records are cleaned up. Vendor records are managed by the Master Data Maintenance (MDM) team with input from the Accounting team.

When the bureaus receive the output file from NBC, some of the activities they complete include:

- Ensure all vendors have a Vendor Master Record in FBMS.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

- Determine if there is more than one record for a vendor – if so, these records should be combined into one Vendor Master Record. The MDM team must be notified in order to make the appropriate changes.
- Verify Vendor Master Data is complete and accurate: including TINs, addresses, names, etc.
- Determine if the high-dollar vendors have valid totals.
- Verify convenience checks are included in the file.
- Verify non-profits and other federal agencies are not scheduled to get a 1099. Use the matrix in task 1.2 for more information.

The NBC sends a thorough checklist with each file to help facilitate the required actions.

1.2 Matrix for Recognizing when a 1099 should be Created

The matrix below gives examples of fictional companies and depending on how the Classification Codes are set whether the company should receive a 1099.

Vendor Examples of what they provide	Native American Company	State or Local Government	University or College	Incorporated in the United States?	Corporation	Partnership	Non-Profit Organization	Sole-Proprietorship	Primary Business = Supplies	Primary Business = Services *	1099 Eligible?
Crownpoint Consulting	Y	-	-	-	-	-	-	-	-	-	N
Office Supply Store	N	N	N	Y	Y	-	-	-	Y		N
Central State College	N	N	Y	-	-	-	-	-	-	-	N
Red Cross	N	N	N	Y	N	N	Y	-	-	-	N
AB&C Technical Services	N	N	N	Y	N	Y	-	-	N	Y	Y
Canadian Construction	N	N	N	N	-	-	-	-	-	-	N
John's Technology Support	N	N	N	Y	N	N	N	Y	N	Y	Y
City of Lakewood	N	Y	-	-	-	-	-	-	-	-	N
SSI (Non-employee Compensation)	N	N	N	Y	Y	N	N	N	N	Y	Y



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Dr. Samson (Health Services)	N	N	N	Y	N	N	N	Y	N	Y	Y
Corporate Apartments LLC (Rents)	N	N	N	Y	Y	N	N	N	N	Y	Y

* Services include non-employee compensation, rents, and medical/health services.

1.3 Understanding 1099s when Payments are Made Using Charge Cards or Convenience Checks

Charge card and convenience check payments are not posted to the vendor receiving the 1099 form but to the charge card vendor. Standard charge card processing uses the information maintained on the FBMS vendor master record along with the posted and paid invoice information. The standard FBMS 1099 programs do not pick up the charge card and convenience check purchases. Instead, charge card 1099 data is pulled from the Charge Card custom tables, which are designed for this purpose.

A Merchant Category Code (MCC) is a four-digit number assigned to a business by MasterCard when the business first starts accepting one of these cards as a form of payment. The MCC is used to classify the business by the type of goods or services it provides. In the U.S., the MCC is mapped to a Commitment Item (formerly known as a Business Object Class (BOC)), which is then used to determine if a purchase needs to be reported to the IRS for tax purposes. Within FBMS, the default General Ledger (GL) account code is derived from the MCC. Funds or cost codes are derived based on the defaults in the charge card master records or based on the organizational hierarchy if the cardholder default fails.

Two issues associated with the current 1099 process include:

- 1099 eligibility is determined at the document level, not at the commitment item (CI) level. Posting an invoice to a vendor that is subject to 1099 results in the total amount of the invoice being captured for 1099 reporting. These invoices may contain both goods and services and would not be accurate. 1099 eligibility must be available at the line item level while invoicing.
- Accounting technicians may not easily identify the correct commitment item at the time of invoice. This may result in the overstatement of income on the 1099 form. After issuance of the 1099, vendors are instructed to call the Vendor Master Maintenance team for corrections.

To correct a misclassified payment, the standard process requires the opening of prior accounting periods to back out the payment and re-record the invoice with correct data.

To work around these issues, the DOI has developed a custom 1099 program that:

- Allows the selection of 1099 eligible transactions at the line level on an invoice
- Captures data collected for credit card vendors from the custom Charge Card tables
- Allows the correction of a 1099-MISC form without opening prior accounting periods to re-record invoices with corrected commitment items.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

To facilitate request to the Vendor Master Maintenance team from vendors concerning the issued 1099-MISC forms, a BW report exists to display, by bureau, the documents that comprise the total dollar value on the 1099.

1.4 Understanding how Charge Card Reallocated Transactions are Handled for 1099 Purposes

Users can perform reallocations to transfer charge card transactions from the defaulted commitment item (formerly called Budget Object Class or BOC) to a different commitment item or to a purchase order. The following describes the type of transaction and whether it results in a posting to a 1099:

- When reallocating from a non-reportable commitment item to a reportable commitment item, the transaction quantities **are** included in the 1099.
- When reallocating from a reportable commitment item to a non-reportable commitment item, the transaction quantities **are not** included in the 1099.
- When reallocating to a purchase order and the item is reportable and the vendor on the purchase order is reportable, the transaction quantities **are not** included in the 1099.

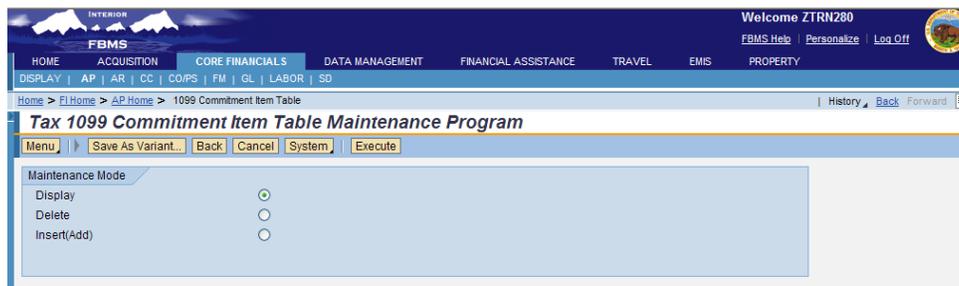
Process Flow

This section describes the steps in the process and could include process flow diagrams, as well as screen shots of the transactions used in the process.

1.5 Managing the 1099 Commitment Item Table

Bureaus have the ability to view the Commitment Item Table. It is the responsibility of the NBC and Project Management Office (PMO) to make all changes to the table only when approved by the Policy Financial Management (PFM) team.

1. Select the portal path **CORE FINANCIALS** → **AP** → **1099** → **1099 Commitment Item Table** to access the *Tax 1099 Commitment Item Table Maintenance Program* screen.



2. Select the radio button depending on the action you want to perform.

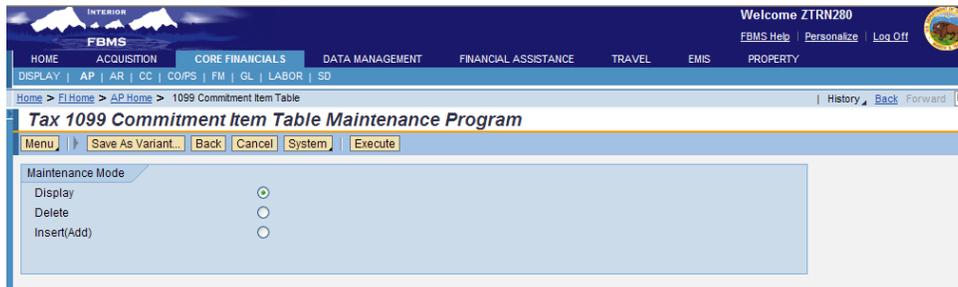


DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

If	Go To
Display Commitment Items	Step 3
Delete Commitment Items	Step 10 ( Restricted to the NBC and the PMO)
Add Commitment Items	Step 15 ( Restricted to the NBC and the PMO)

3. Select **Display** the **Display** radio button.
4. Select **Execute** the **Execute** button to view all Commitment Items currently in the table.



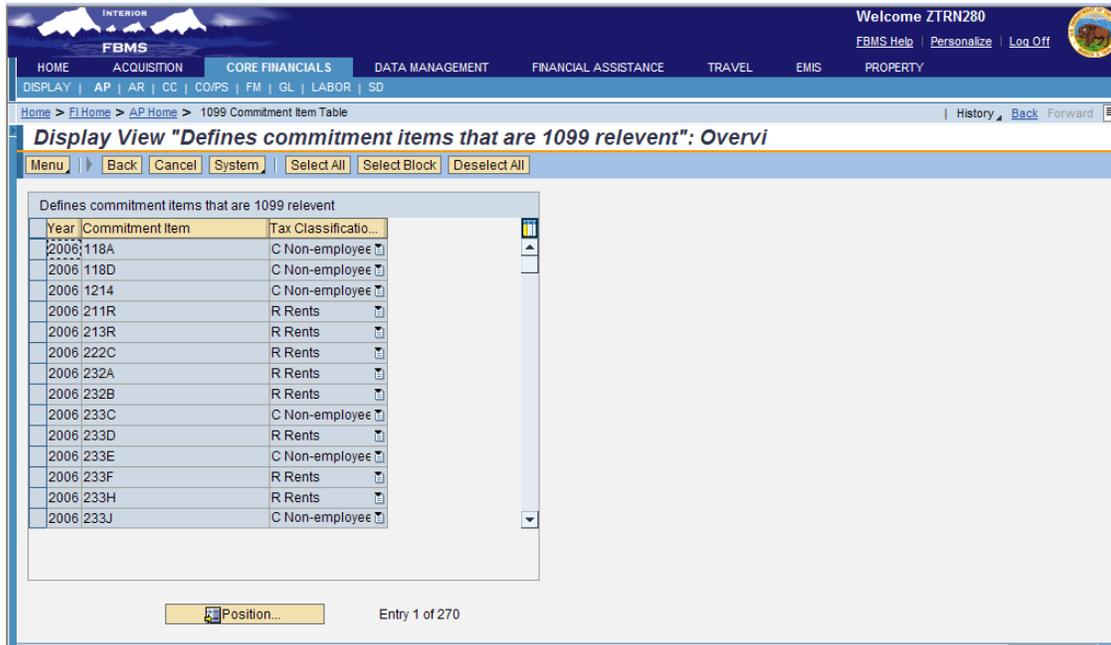
5. On the *Display View Defines commitment items that are 1099 relevant* screen, enter **Position...** the **Position** button to narrow your search.

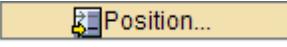


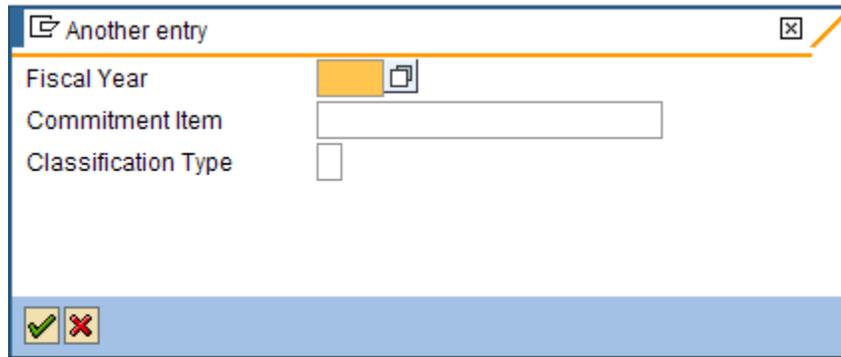
DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



6. On the commitment item search pop-up, select  the **Position** button to narrow your search.



7. As required, complete the following fields:

Field Name	R/O/C	Description
Fiscal Year	R	<p>Calendar Year</p> <p>This field is actually the calendar year in FBMS. All 1099 reporting is based on a calendar year, not the Fiscal Year.</p> <p>Example: 2009</p>



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

Field Name	R/O/C	Description
Commitment Item	R	Commitment items for DOI represent either budget object classes (BOC) or revenue source codes. Commitment items are generally tied to a General Ledger Account and define how each transaction will update in Funds Management. Example: 255C
Classification Type	O	Indicates in which box the commitment item is reported on the 1099-MISC form. Examples: R=Rents C=Non-employee Compensation M= Medical and Health Care Payments

8. Select  the **Continue** button.

9. Select  the **Back** button.



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s

Year	Commitment Item	Tax Classification...
2009	255C	C Non-employee
2009	255D	C Non-employee
2009	256M	M Medical and H
2009	257A	C Non-employee
2009	257B	C Non-employee
2009	257C	C Non-employee
2009	257D	C Non-employee
2009	257E	C Non-employee
2009	257F	C Non-employee
2009	257G	C Non-employee
2009	257H	C Non-employee
2009	257I	C Non-employee
2009	257J	C Non-employee
2009	257K	C Non-employee



The following steps are restricted to users at the NBC and PMO.

10. Select **Delete** the **Delete** radio button.
11. Select **Execute** the **Execute** button to view all Commitment Items currently in the table.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

12. Select the box to the left of the line(s) containing the Commitment Item to be deleted.
13. Select **Delete** the **Delete** button.

The screenshot shows the '1099 Commitment Item Table' in the DOI FBMS system. The table lists commitment items for the year 2006, including their item codes and tax classifications. The row for item 211R is highlighted in yellow. The 'Delete' button in the toolbar is also highlighted in yellow.

Year	Commitment Item	Tax Classificatio...
2006	118A	C Non-employee
2006	118D	C Non-employee
2006	1214	C Non-employee
2006	211R	R Rents
2006	213R	R Rents
2006	222C	R Rents
2006	232A	R Rents
2006	232B	R Rents
2006	233C	C Non-employee
2006	233D	R Rents
2006	233E	C Non-employee
2006	233F	R Rents
2006	233H	R Rents
2006	233J	C Non-employee

Position... Entry 1 of 270

14. Select **Save** the **Save** button to save the deletions.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

The screenshot shows the FBMS web application interface. The top navigation bar includes 'HOME', 'ACQUISITION', 'CORE FINANCIALS', 'DATA MANAGEMENT', 'FINANCIAL ASSISTANCE', and 'TRAVEL'. Below this is a secondary navigation bar with 'DISPLAY | AP | AR | CC | CO/PS | FM | GL | LABOR | SD'. The breadcrumb trail reads 'Home > FI Home > AP Home > 1099 Commitment Item Table'. The main heading is 'Change View "Defines commitment items that are 1099 relevent": Over'. Below the heading is a toolbar with buttons: 'Menu', 'Save', 'Back', 'Cancel', 'System', 'Change -> Display', 'Delete', 'Undo Change', 'Select All', and 'Select E'. The main content area is a table titled 'Defines commitment items that are 1099 relevent' with the following data:

Year	Commitment Item	Tax Classificatio...
2006	118A	C Non-employee
2006	118D	C Non-employee
2006	1214	C Non-employee
2006	213R	R Rents
2006	222C	R Rents
2006	232A	R Rents
2006	232B	R Rents
2006	233C	C Non-employee
2006	233D	R Rents
2006	233E	C Non-employee
2006	233F	R Rents
2006	233H	R Rents
2006	233J	C Non-employee
2006	233K	C Non-employee

Below the table is a 'Position...' button and the text 'Entry 1 of 269'. At the bottom left, there is a message: 'Number of deleted entries: 1'.



Note: FBMS displays the message: "Number of deleted entries: XX".



The following steps are restricted to users at the NBC and PMO

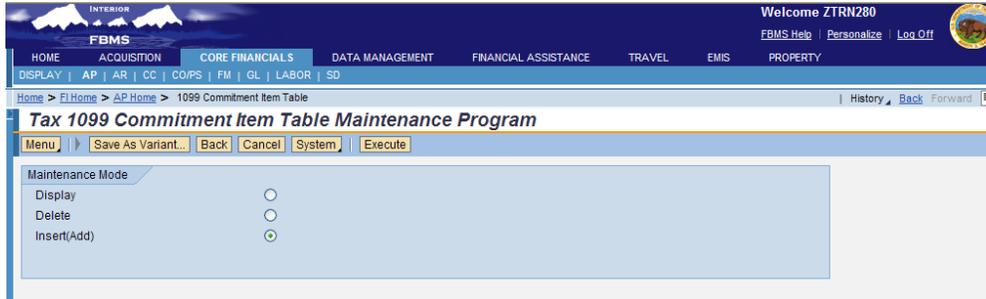
15. Select **Insert(Add)** the **Insert (Add)** radio button.
16. Select **Execute** the **Execute** button to view all Commitment Items currently in the table



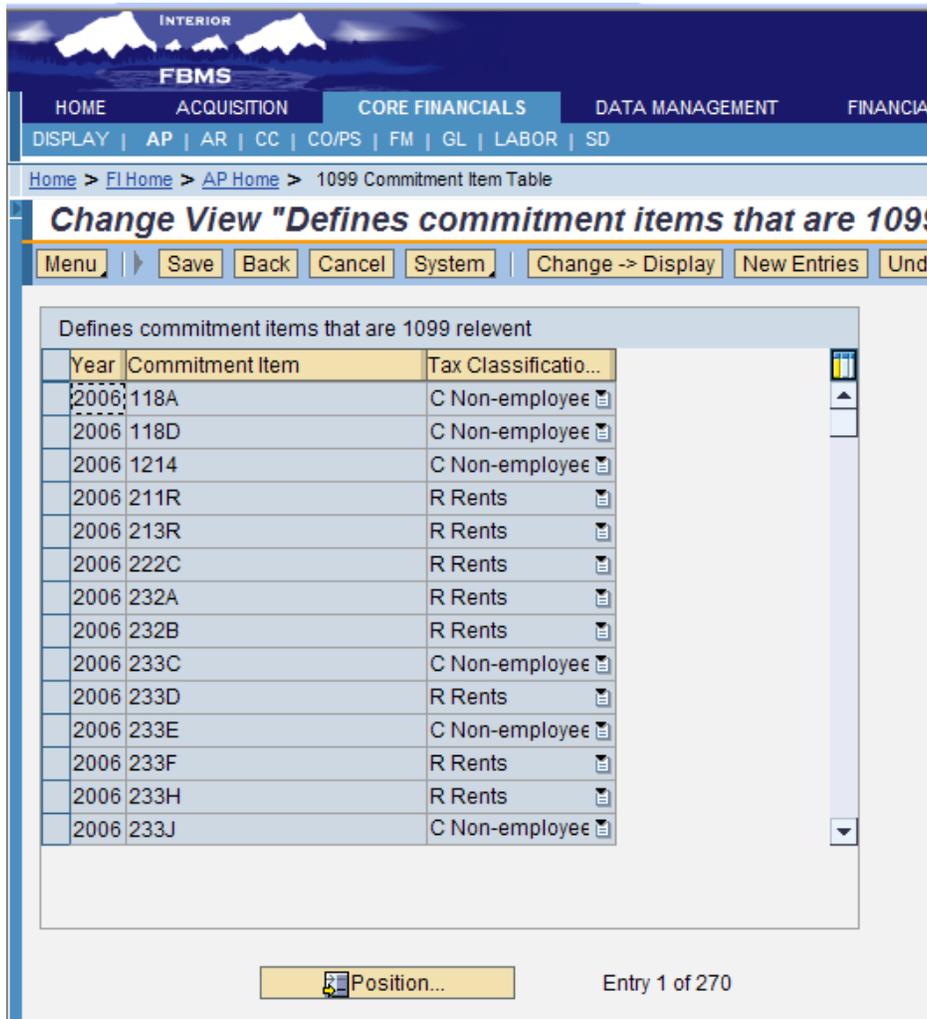
DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



17. Select **New Entries** the **New Entries** button.



18. As required, complete the following fields:



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

Field Name	R/O/C	Description
Fiscal Year	R	Calendar Year This field is actually the calendar year in FBMS. All 1099 reporting is based on a calendar year, not the Fiscal Year. Example: 2010
Commitment Item	R	Commitment items for DOI represent either budget object classes (BOC) or revenue source codes. Commitment items are generally tied to a General Ledger Account and define how each transaction will update in Funds Management. Example: 255C
Tax Classification Type	O	Indicates in which box the commitment item is reported on the 1099-MISC form. Examples: R = Rents are reported in box 1 C = Non-employee Compensation is reported in box 7 M = Medical and Health Care Payments are reported in box 6



Note: Use the drop-down to select the Tax Classification.



Note: Below is an example of a 1099 form. This form is used for reference purposes only.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

9595 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-0115	
PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents	<div style="font-size: 2em; font-weight: bold; color: red;">2009</div> <div style="font-weight: bold; color: red;">Miscellaneous Income</div>		
		2 Royalties			
		3 Other income			
		4 Federal income tax withheld	<div style="font-weight: bold; color: red;">Form 1099-MISC</div>		
		5 Fishing boat proceeds			
PAYER'S federal identification number	RECIPIENT'S identification number	6 Medical and health care payments	<div style="font-weight: bold; color: red;">Copy A</div> <div style="font-weight: bold; color: red;">For Internal Revenue Service Center</div>		
RECIPIENT'S name		7 Nonemployee compensation			
Street address (including apt. no.)		8 Substitute payments in lieu of dividends or interest	<div style="font-weight: bold; color: red;">File with Form 1096.</div>		
City, state, and ZIP code		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>			
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	10 Crop insurance proceeds	<div style="font-weight: bold; color: red;">For Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</div>		
		11			
		12	<div style="font-weight: bold; color: red;">Form 1099-MISC</div>		
		13 Excess golden parachute payments			
15a Section 409A deferrals	15b Section 409A income	14 Gross proceeds paid to an attorney	<div style="font-weight: bold; color: red;">Cat. No. 14425J</div> <div style="font-weight: bold; color: red;">Department of the Treasury - Internal Revenue Service</div>		
		16 State tax withheld			
		17 State/Payer's state no.	<div style="font-weight: bold; color: red;">Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page</div>		
		18 State income			

19. Enter all **Commitment Items** for the tax year and select Save the **Save** button to save the new records.



Note: FBMS displays the message: "Data was saved"

1.6 Verifying a Vendor is Set up Correctly

The Master Data Maintenance (MDM) team is responsible for updating Vendor Master Records (VMRs). If you determine that a Vendor Record is set up incorrectly, you should report the error to the MDM team so that the problem can be corrected.

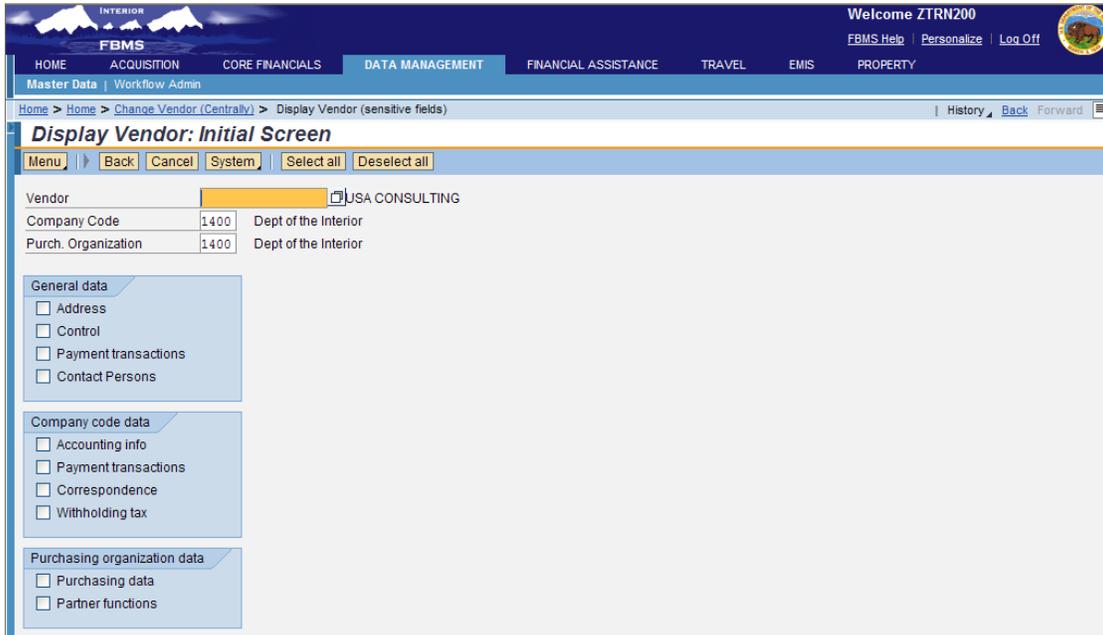
1. To review a vendor master record, select the portal path **CORE FINANCIALS** → **AP** → **1099** → **Display Vendor (Centrally)** to access the *Display Vendor Initial* screen.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



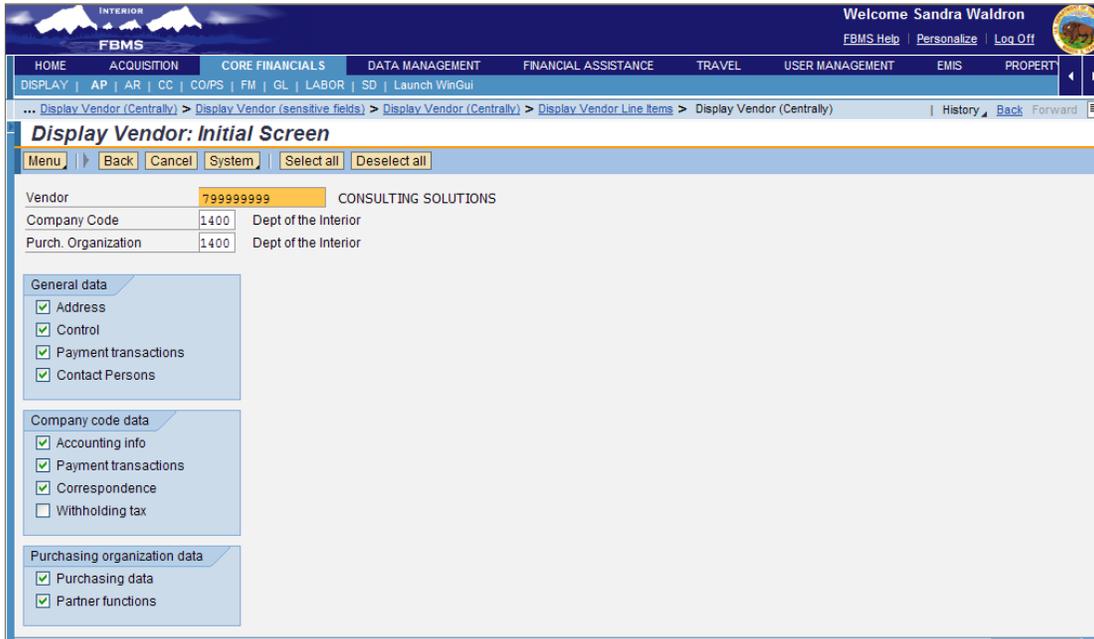
2. As required, complete the following field:

Field Name	R/O/C	Description
Vendor	R	A business partner to whom amounts are payable for goods delivered or services performed Example: 799999999

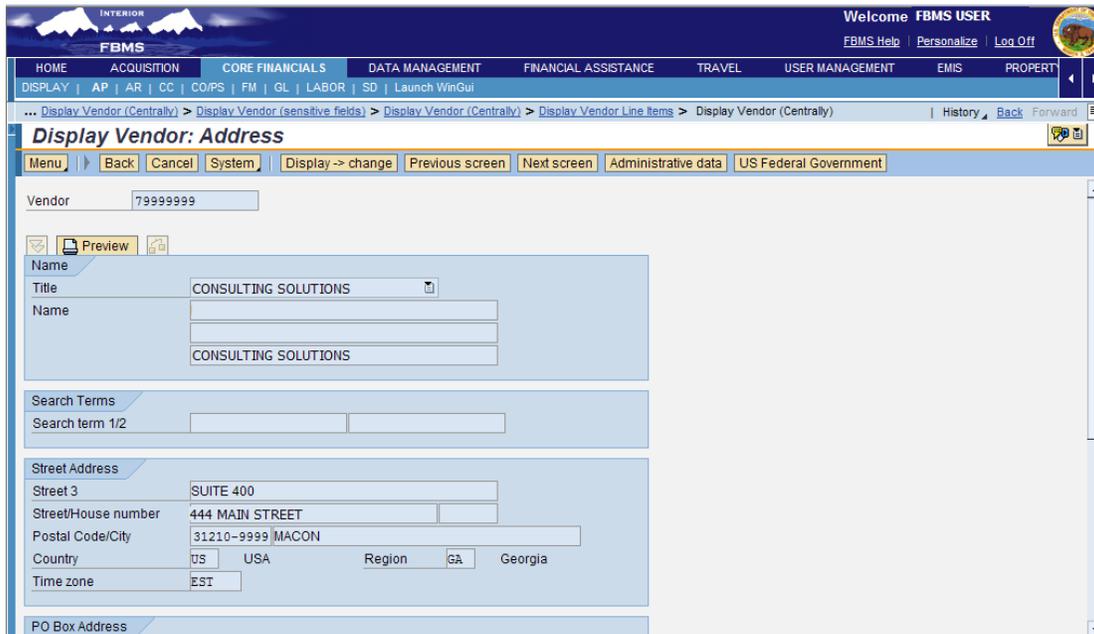
3. Click **Select all** the **Select all** button to view all pages on the Vendor Master record.



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s



4. Press the **Enter** key on your keyboard.
5. Review the information on the *Display Vendor Address* screen.



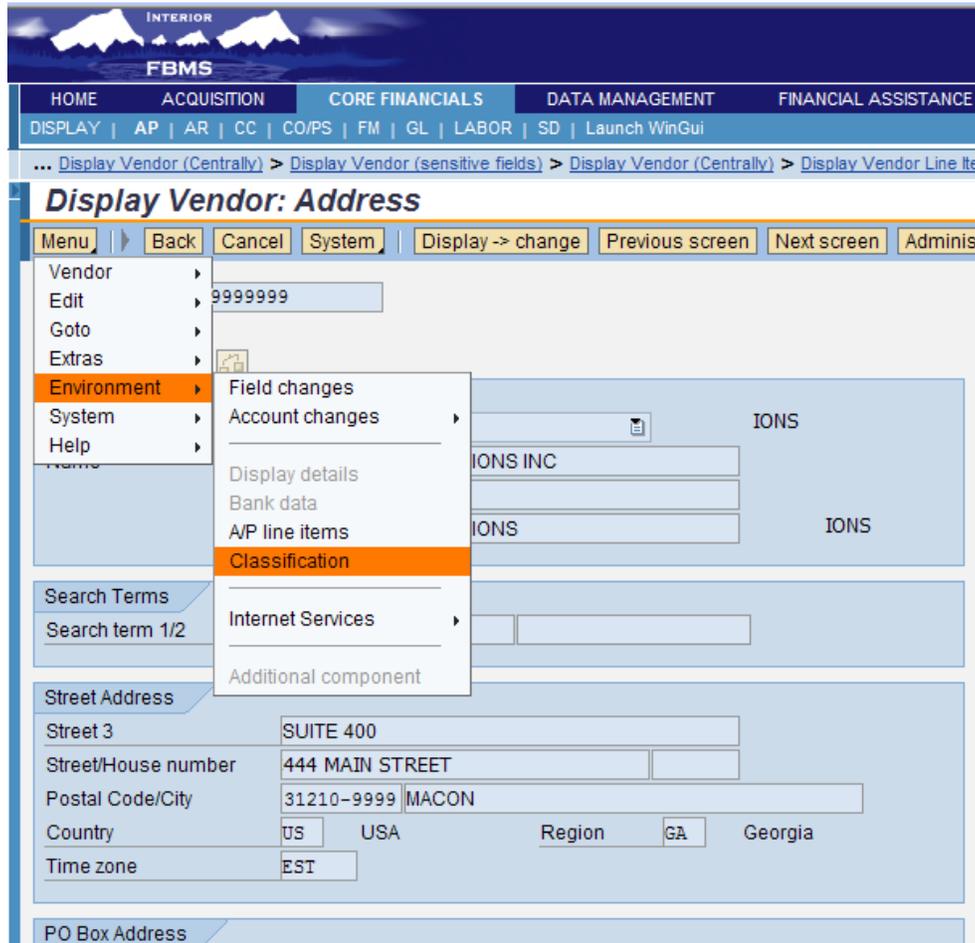


DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

- To review the **Classification Codes**, from the *Display Vendor* screen, select **Menu** → **Environment** → **Classification**.



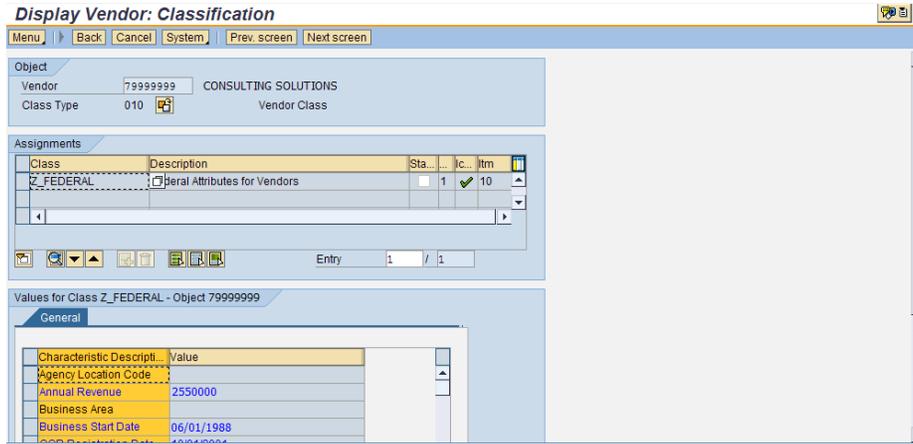
- On the *Display Vendor Classification* screen, use the scroll bar on the right side of the General tab to view the **Characteristic Descriptions** and associated **values**.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



8. On the **General** tab, Vendors that need to receive 1099s should have the following fields:

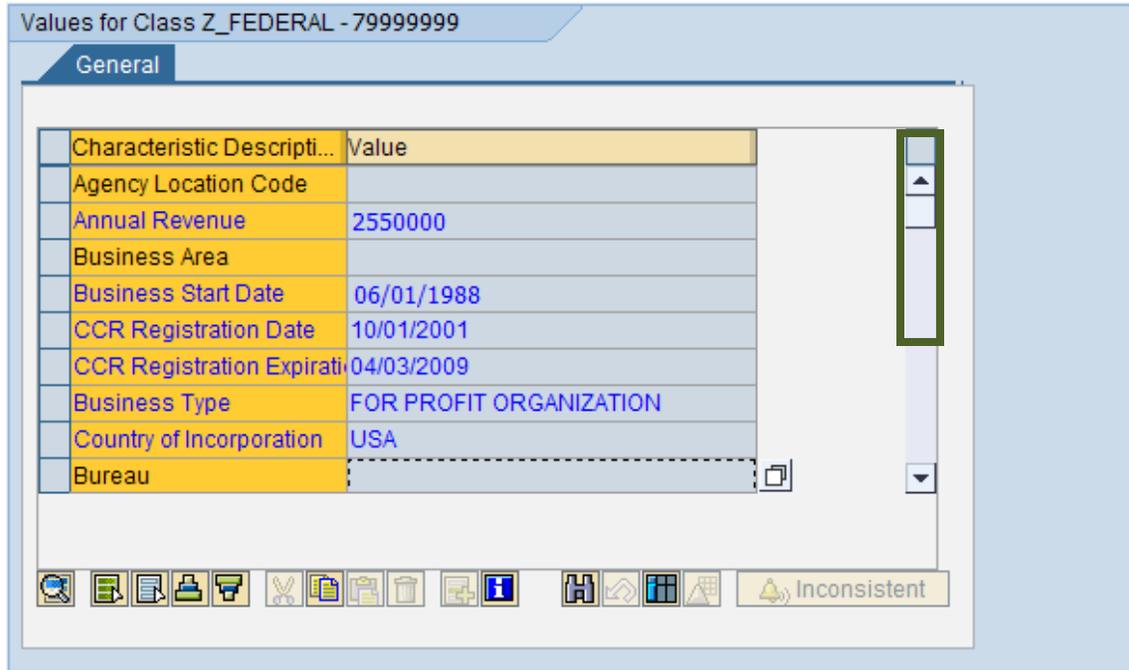
Field Name	R/O/C	Description
Business Type	R	<p>Business type describes how this organization operates.</p> <p>Examples of business types that will not receive 1099s include: Non-profit organizations, Foundations, etc.</p> <p>Examples of business types that will receive 1099s include: For-profit organizations, construction firms, service providers, etc.</p> <p>Note: See Appendix A for a list of all valid Business Types.</p> <p>Example: FOR PROFIT ORGANIZATION</p>
Country of Incorporation	R	<p>Country where the business is incorporated.</p> <p>When a company is incorporated outside of the United States, they should not receive a 1099. For instance, a Canadian company would not receive a 1099 from an organization in the U.S.</p> <p>Example: USA</p>



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



9. Use the scroll bar on the right of the General tab to view additional Characteristics and values.

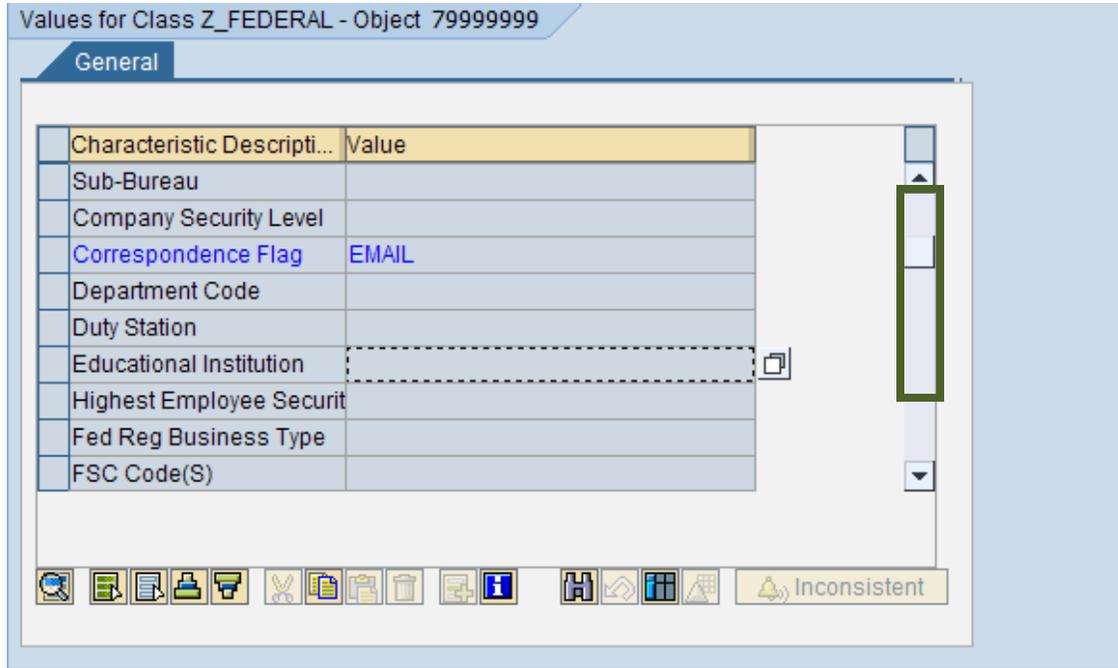
Field Name	R/O/C	Description
Educational Institution	O	<p>A value in this field automatically excludes the company from receiving a 1099.</p> <p>Note: See Appendix A for a list of all valid Educational Institution types.</p> <p>Example: PRIVATE COLLEGE/UNIVERSITY</p>



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



10. Use the scroll bar on the right of the General tab to view additional Characteristics and values.

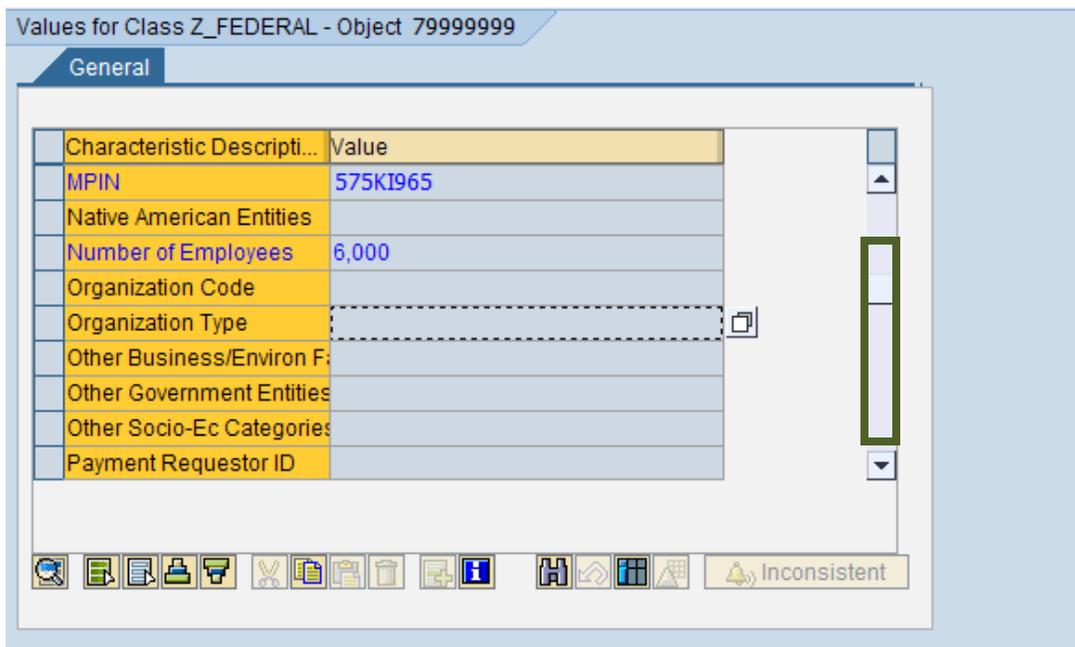
Field Name	R/O/C	Description
Native American Entities	O	<p>A value in this field automatically excludes the company from receiving a 1099.</p> <p>Note: See Appendix A for a list of all valid Native American Entities.</p> <p>Example: TRIBALLY OWNED FIRM</p>
Organization Type	O	<p>Used to defined whether the organization is part of the Government (Local, State, Federal, or Foreign), a Corporation, Partnership, or Sole Proprietor.</p> <p>Note: See Appendix A for a list of all valid Organization Types.</p> <p>Example: CORP ENTITY (NOT TAX EXEMPT)</p>



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

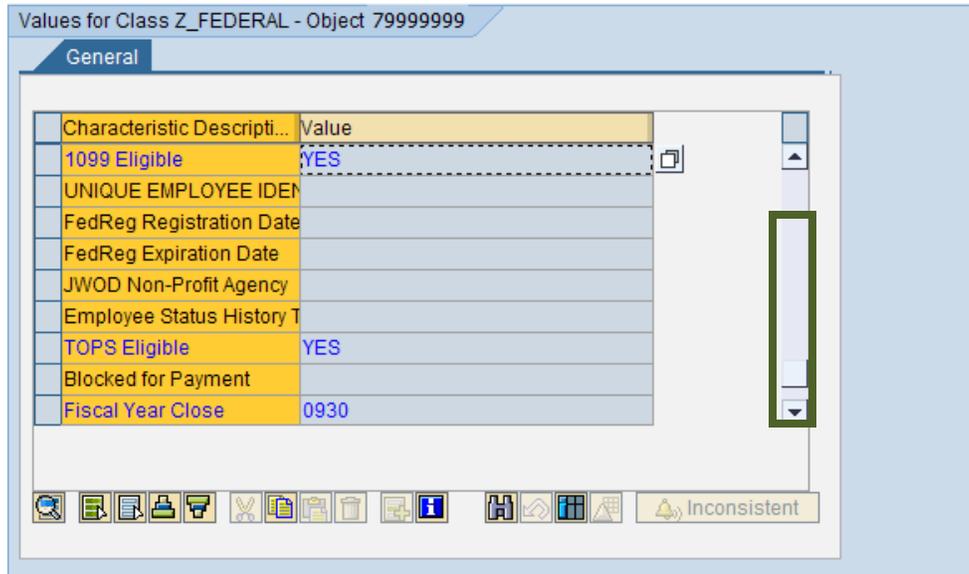


- Continue using the scroll bar on the right side of the General tab to view additional fields required for 1099 setup.

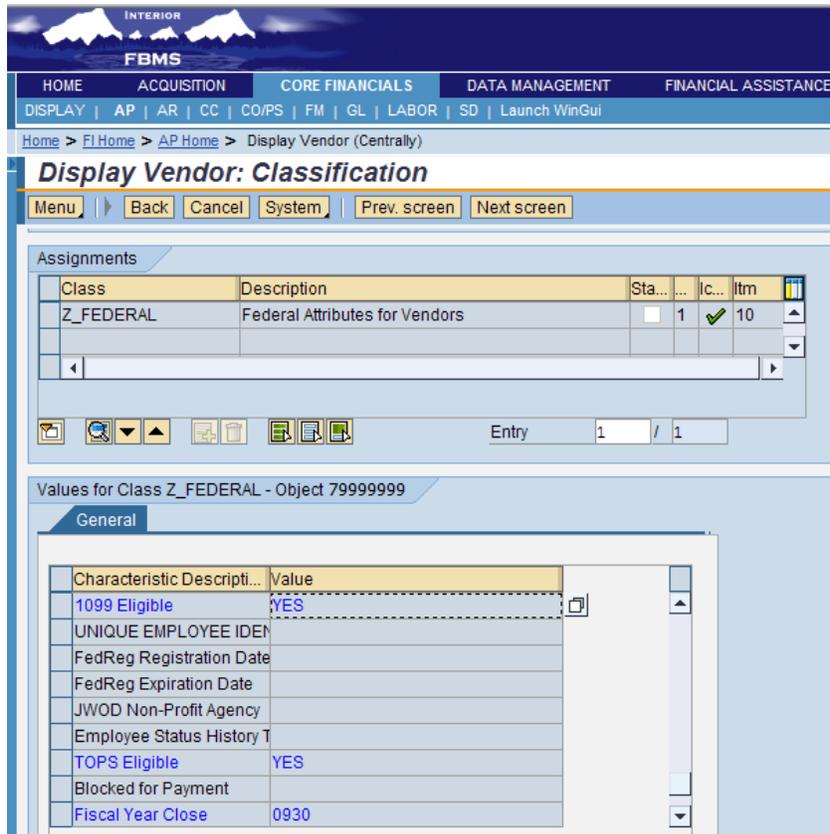
Field Name	R/O/C	Description
1099	R	<p>This value specifies whether the vendor or independent contractor is flagged for receiving a 1099-MISC form.</p> <p> Note: If you suspect that a vendor or independent contractor should be receiving a 1099 and this is set to NO, you should verify the fields on the vendor master to ensure the fields are set up correctly. If you determine that this vendor or independent contractor should be receiving a 1099, notify the MDM team and give them the required changes to the Vendor Master Record.</p> <p>Example: YES</p>



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s



12. Select **Cancel** the **Cancel** button to return to the *Display Vendor Address* screen.





DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

13. Optionally, select **Next screen** the **Next screen** button.

The screenshot displays the 'Display Vendor: Address' screen in the FBMS system. The top navigation bar includes 'HOME', 'ACQUISITION', 'CORE FINANCIALS', 'DATA MANAGEMENT', 'FINANCIAL ASSISTANCE', 'TRAVEL', 'USER MANAGEMENT', 'EMIS', and 'PROPERTY'. The breadcrumb trail shows the path: 'Display Vendor (Centrally) > Display Vendor (sensitive fields) > Display Vendor (Centrally) > Display Vendor Line Items > Display Vendor (Centrally)'. The main form area is titled 'Display Vendor: Address' and contains the following fields:

- Vendor: 79999999
- Name: CONSULTING SOLUTIONS
- Search Terms: Search term 1/2
- Street Address: SUITE 400, 444 MAIN STREET
- Postal Code/City: 31210-9999, MACON
- Country: US, USA; Region: GA, Georgia
- Time zone: EST

Navigation buttons at the top of the form include: Menu, Back, Cancel, System, Display -> change, Previous screen, Next screen, Administrative data, and US Federal Government.



Note: Use the scroll bar on the right to view additional information such as Communication methods (e.g. phone numbers, email address).

14. Review the information on the *Display Vendor Control* screen.
15. Select **Next screen** the **Next screen** button.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Display Vendor: Control

Vendor: 79999999 CONSULTING SOLUTIONS MACON

Account control

Customer: [] Authorization: []
 Trading Partner: [] Corporate Group: CCR

Tax information

Tax Number 1: [] Tax number type: [] Equalizatr tax:
 Tax Number 2: 233445566 Tax type: [] Sole Proprietr:
 Tax Number 3: 608908848 Sales/pur.tax:
 Tax Number 4: [] Tax base: 0 Tax split:
 Fiscal address: 70017001-2 Soc. Ins. Code: [] Socinsurance:
 Tax Jur.: [] VAT Reg. No.: [] Other...: []
 Rep's Name: [] Type of Busines: []
 Tax office: [] Type of Industr: []
 Tax Number: []

Reference data

Location no. 1: 0000000 Location no. 2: 00000 Check digit: 0
 Cred.info no.: [] Last ext.review: []



Note: Use the scroll bar on the right to view additional information such as additional Reference data and Person subject to withholding tax information. All 1099 vendors should not have anything filled out in the Person subject to withholding tax section.

16. Review the information on the *Display Vendor Payment transaction* screen.

17. Select **Next screen** the **Next screen** button.

Display Vendor: Payment transactions

Vendor: 79999999 CONSULTING SOLUTIONS MACON

Bank Details

Ctry	Bank Key	Bank Account	Acct holder	...	IBAN	IBANValue	BnkT Referen
US	129359688	1688598880000			C		

Bank Data...

Payment transactions

DME Indicator: []
 Instruction key: []
 ISR Number: []



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

18. Review the information on the *Display Vendor Accounting information Accounting* screen.
19. Select **Next screen** the **Next screen** button.

The screenshot shows the 'Display Vendor: Accounting information Accounting' screen. At the top, there is a navigation bar with 'HOME', 'ACQUISITION', 'CORE FINANCIALS', 'DATA MANAGEMENT', 'FINANCIAL ASSISTANCE', 'TRAVEL', 'USER MANAGEMENT', 'EMIS', and 'PROPERTY'. Below this is a breadcrumb trail: 'Display Vendor (Centrally) > Display Vendor (sensitive fields) > Display Vendor (Centrally) > Display Vendor Line Items > Display Vendor (Centrally)'. The main title is 'Display Vendor: Accounting information Accounting'. Below the title is a menu bar with buttons: 'Menu', 'Back', 'Cancel', 'System', 'Display -> change', 'Previous screen', 'Next screen', 'Administrative data', and 'US Federal Government'. The main content area is divided into several sections:

- Vendor Information:** Vendor 79999999, CONSULTING SOLUTIONS, MACON; Company Code 1400, Dept of the Interior.
- Accounting information:** Recon. account 2110. IIR000, Head office, Authorization, Minority indic., Sort key, Subsidy indic., Cash mgmnt group, Release group, Certificatn date.
- Interest calculation:** Interest indic. 99, Interest freq. 0, Last key date, Last interest run.
- Withholding tax:** W. Tax Code, WH Tax Country, Recipient type, Exemption number, Valid until, Exmpt.authority.
- Reference data:** (Empty section)

20. Review the information on the *Display Vendor Payment transactions Accounting* screen.
21. Select **Next screen** the **Next screen** button.

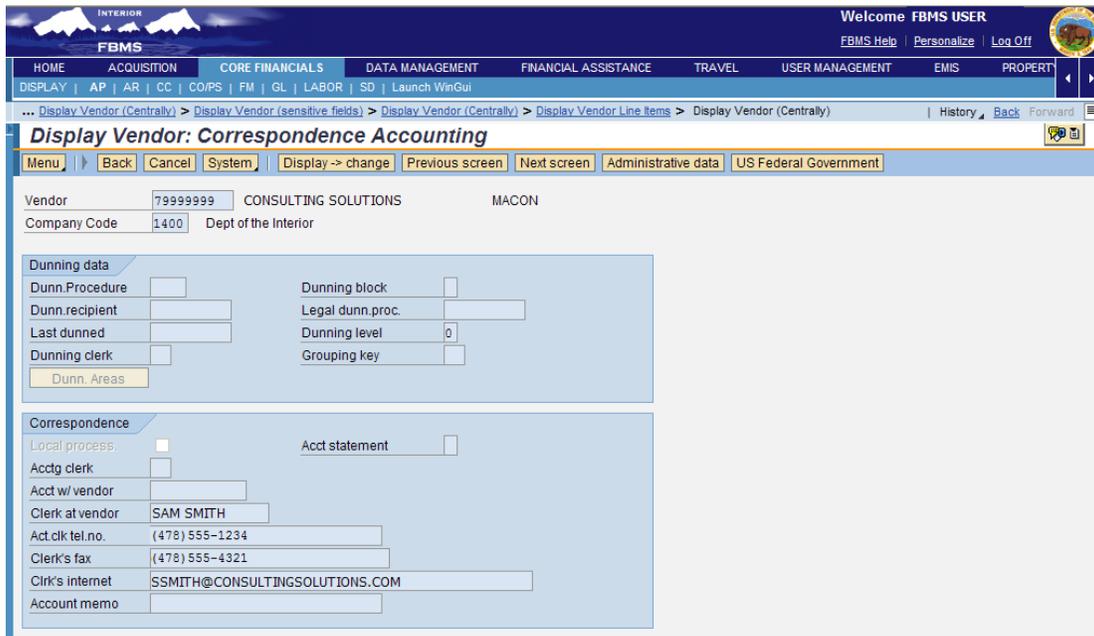
The screenshot shows the 'Display Vendor: Payment transactions Accounting' screen. It has the same navigation and breadcrumb structure as the previous screen. The main title is 'Display Vendor: Payment transactions Accounting'. Below the title is the same menu bar. The main content area is divided into several sections:

- Vendor Information:** Vendor 79999999, CONSULTING SOLUTIONS, MACON; Company Code 1400, Dept of the Interior.
- Payment data:** Payt Terms PP30, Cr memo terms, Chk cashing time 0, Tolerance group, Chk double inv. (checked).
- Automatic payment transactions:** Payment methods A, Individual print (checked), B/exch.limit 0.00 USD, Pmt adv. by EDI (unchecked), Payment block, Free for payment, House Bank TREAS, Grouping key 02, Document Number, Pmt meth. suppl. (unchecked).
- Invoice verification:** Tolerance group, Prepayment (unchecked).



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s

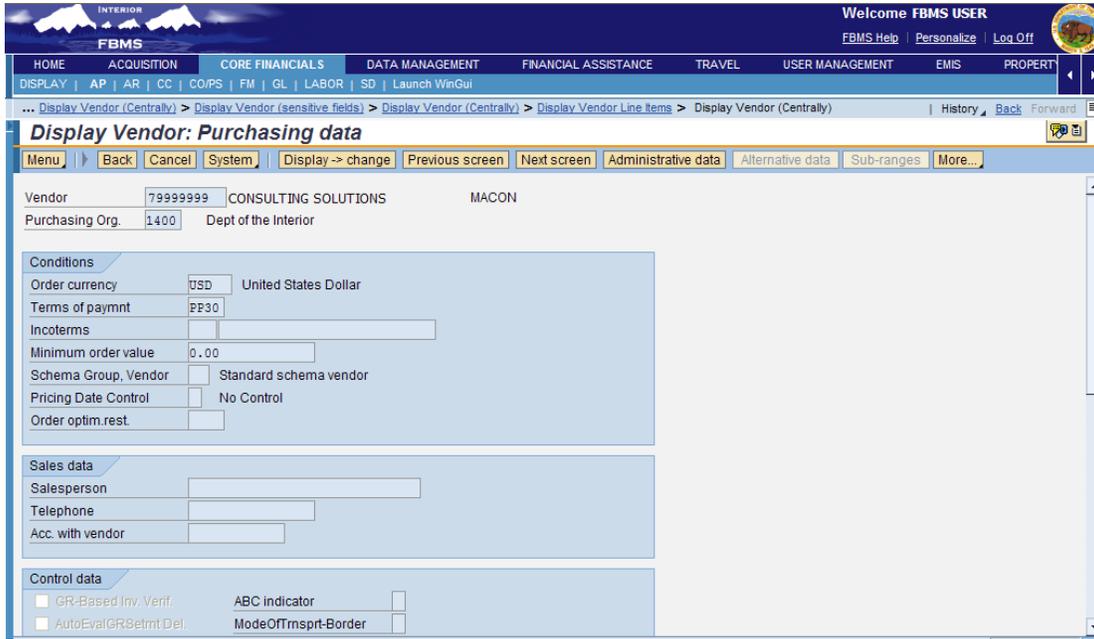
- 22. Review the information on the *Display Vendor Correspondence Accounting* screen.
- 23. Select **Next screen** the **Next screen** button.



- 24. Review the information on the *Display Vendor Purchasing Data* screen.
- 25. Select **Next screen** the **Next screen** button.



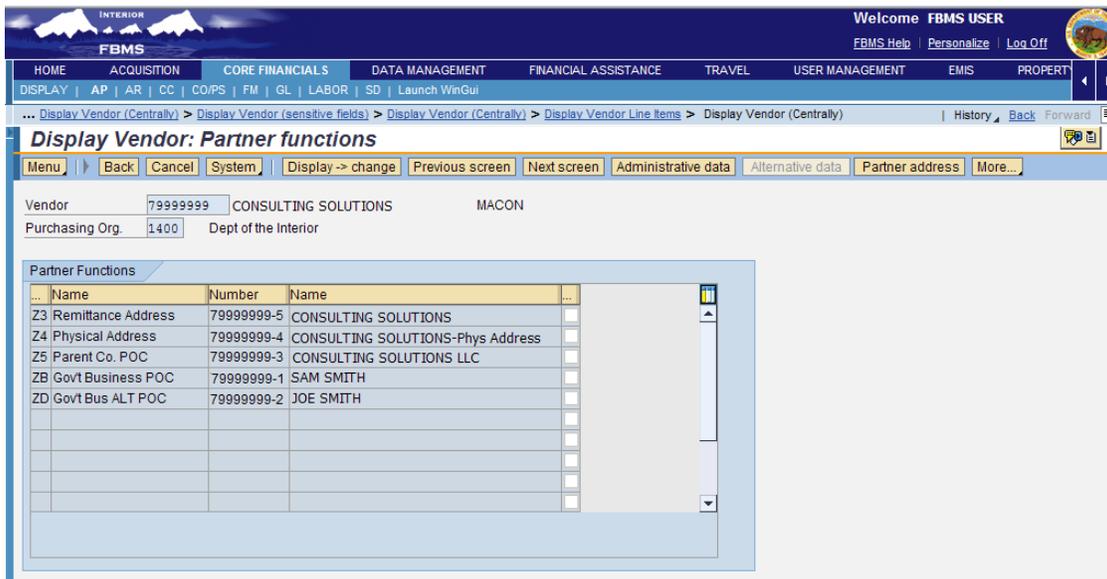
DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s



Note: Use the scroll bar on the right to view additional information such as Control data and Default data material.

26. Review the information on the *Display Vendor Partner functions* screen.

27. Select **Next screen** the **Next screen** button.



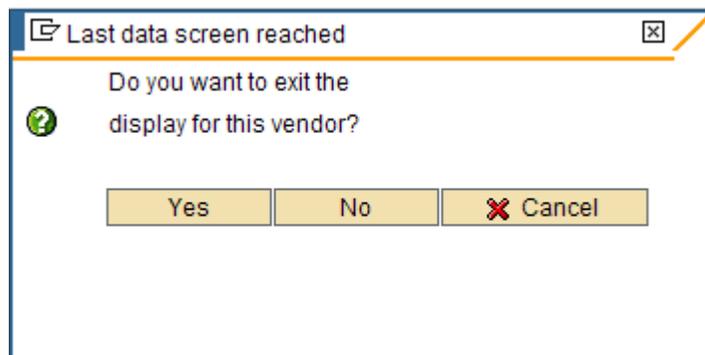


DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

28. Review the information on the *Display Vendor Partner functions* screen.
29. Select Next screen the **Next screen** button.
30. Select Yes the **Yes** button on the Last data screen reached pop-up.



1.7 Updating Vendor 1099 Information on Convenience Check Transactions

When a convenience check is used for a transaction, the vendor 1099 information needs to be created or updated in FBMS to ensure accurate tax reporting. All convenience check writers are responsible for creating or updating 1099 information for convenience check purchases.

Vendor information on the charge card transactions comes from the MasterCard interface program. This information may not always be accurate. When we receive corrected Vendor information and FBMS is subsequently updated, users can pull in the updated vendor information into the charge card transaction to ensure accurate 1099 reporting.

1. To review vendor line item detail, select the portal path **CORE FINANCIALS → CC → Reallocate Charge Card Costs** to access the *Charge card reallocation cost Initial* screen.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

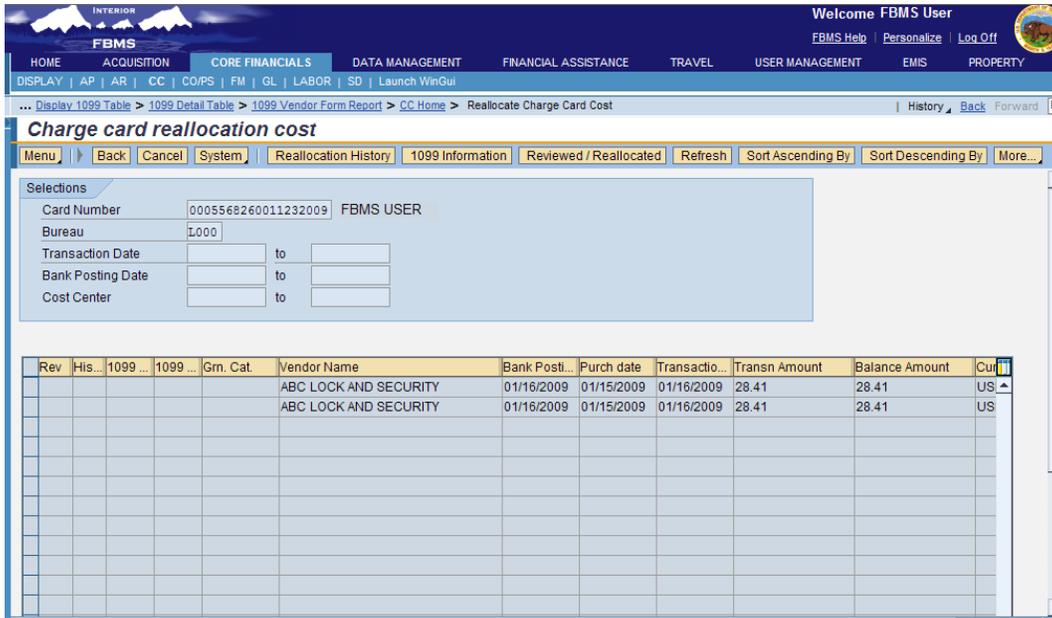
Managing 1099s

2. In the Authorization Access section, **select** the appropriate **radio button** based on your role. Type the **charge card number** in the Charge card number field, or search for the card number using the drop-down icon to the right of the field.

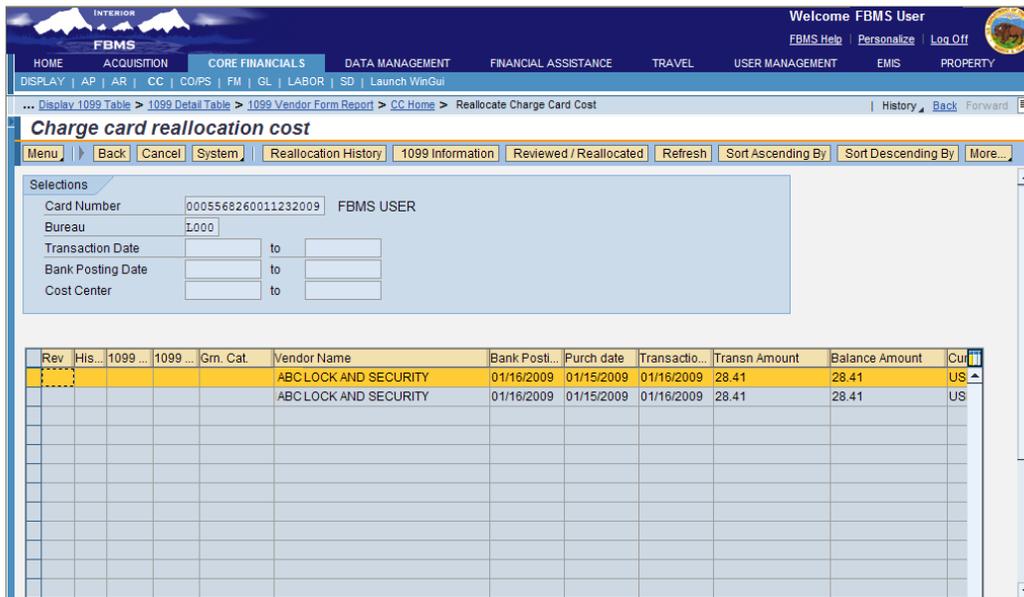
3. Select **Execute** the **Execute** button.



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s



4. Select the **box to the left of the transaction** line item that you want to add the vendor 1099 information.

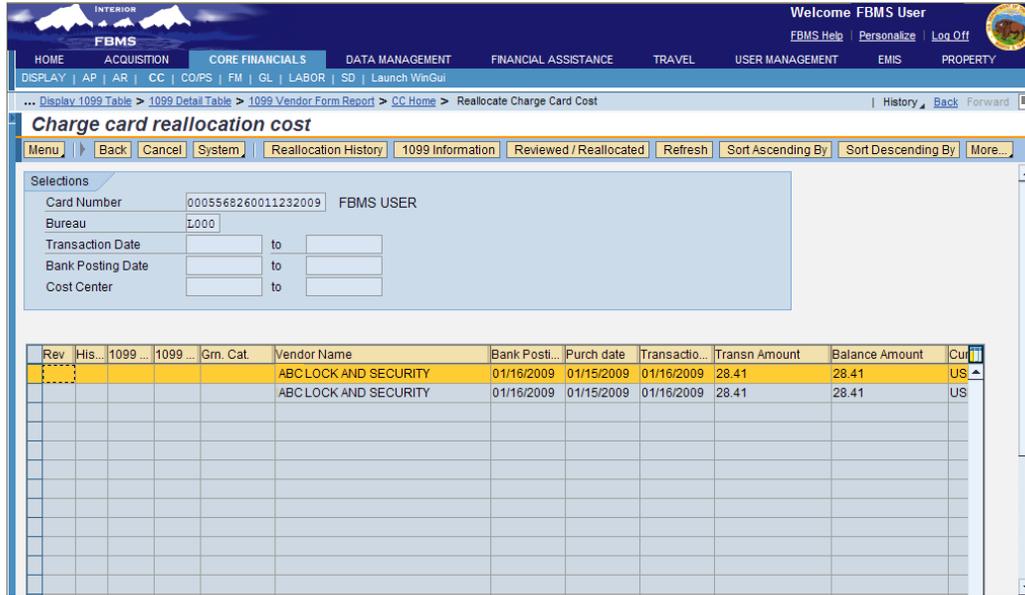


When the box is selected, the entire line is highlighted.

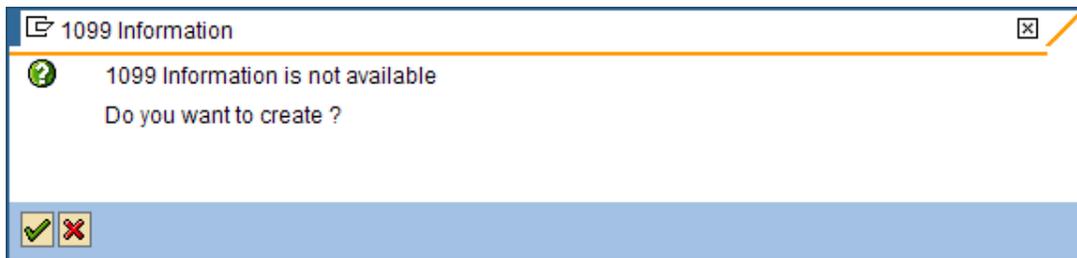
5. Select **1099 Information** the **1099 Information** button.



DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s



6. If vendor 1099 information does not exist, FBMS displays a window asking if you want to create the information. Select the **Continue** button to create the 1099 information.



 FBMS displays the Create new Vendor 1099 Information screen.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

7. If the vendor information is blank, type the **Vendor Tax ID** in the Vendor Tax ID field. If the Vendor Tax ID is unknown, you can use the **search** button to find the Vendor Tax ID.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

Vendor 1099 Information

Record ID: 992009011500000

Vendor Tax ID: 574912345

Tax Id Type:

Vendor Name:

Individual Name:

Address1:

Address2:

PO Box:

Zip Code:

City:

State:

Country: US

Telephone:

Payee 1099 Reportable?

8. Select **Get Vendor Info** the **Get Vendor Info** button.

Select Vendor 1099 address for the Tax Id on the transaction

Transaction Information

Transaction ID: 992009011500000

Trans Tax ID: 574912345

TI	AD	VENDOR NAME	ADDRESS1
01	VENDOR MASTE	ROBERT SMITH	PO BOX 22



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

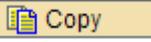
Managing 1099s



A vendor may have more than one vendor record for their Tax ID, so you can use the scroll bar on the bottom of the window to view the vendor information and then select the appropriate records.



If you cannot see the **Copy** and **Cancel** buttons on the bottom of the *Select Vendor 1099 address for the Tax ID on the transaction* screen, use the scrollbar on the right or your mouse to reposition the screen until the buttons on the bottom of the screen are displayed.

9. Select the **box to the left of the Vendor record** you want. Select  the **Copy** button to bring the information into the *Vendor 1099 Information* screen.

TI	AD	VENDOR NAME	ADDRESS1
01	<input type="checkbox"/>	VENDOR MASTE	ROBERT SMITH PO BOX 22

10. Make any necessary updates and select  the **Save** button.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Create new Vendor 1099 Information

Menu | Save | Back | Cancel | System | Get Vendor Info | Refresh

Vendor 1099 Information

Record ID	992009011500000
Vendor Tax ID	574912345
Tax Id Type	02
Vendor Name	ROBERT SMITH
Individual Name	ROBERT SMITH
Address1	PO BOX 22
Address2	
PO Box	
Zip Code	80223-0000
City	DENVER
State	CO
Country	US
Telephone	
Payee 1099 Reportable?	<input checked="" type="checkbox"/> Y

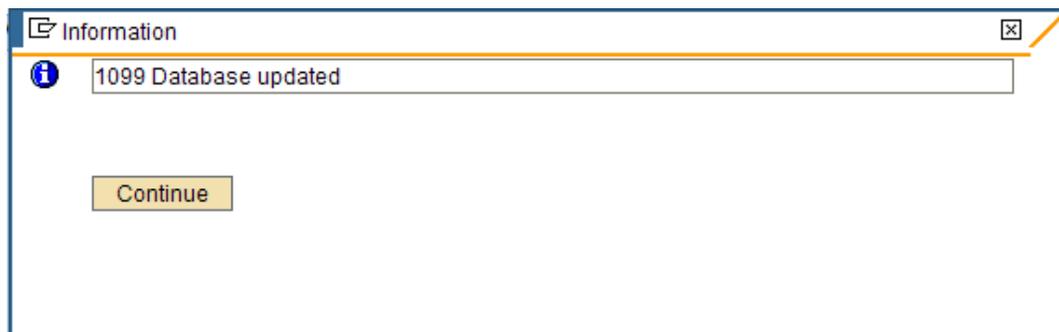


Make sure the Payee 1099 Reportable Flag is set appropriately for the vendor transaction. If a vendor is not subject to 1099 Reporting, but the transaction is flagged as 1099 reportable, then this flag should be set to 'N'. If the vendor is subject to 1099 reporting, this field should be set to 'Y'.



PayPal transactions should be treated similar to these Convenience Check transactions. Transactions for services, rents, etc. that are 1099 reportable, should have the vendor information updated and the Payee 1099 Reportable? Flag set appropriately to facilitate accurate 1099 reporting.

11. Select **Continue** the **Continue** button when FBMS displays the message 1099 Database updated.





DOI FBMS Standard Operating Procedure (SOP) Department of the Interior Managing 1099s

- 12. On the *Charge card reallocation cost* screen, select **Refresh** the **Refresh** button to update the 1099 Info column.

The screenshot shows the 'Charge card reallocation cost' screen. The 'Refresh' button is highlighted in the top navigation bar. Below the selection fields, a table displays transaction data:

Rev	His...	1099 ...	1099 ...	Gm. Cat	Vendor Name	Bank Posti...	Purch date	Transactio...	Transn Amount	Balance Amount	Cur
					ABC LOCK AND SECURITY	01/16/2009	01/15/2009	01/16/2009	28.41	28.41	US
					ABC LOCK AND SECURITY	01/16/2009	01/15/2009	01/16/2009	28.41	28.41	US

- 13. The **Vendor Info** column shows a green checkmark, indicating the Vendor 1099 information is updated.

The screenshot shows the 'Charge card reallocation cost' screen after a refresh. A green checkmark is visible in the '1099' column of the first row in the table, indicating that the vendor information is updated.

Rev	His...	1099 ...	1099 ...	Gm. Cat	Vendor Name	Bank Posti...	Purch date	Transactio...	Transn Amount	Balance Amount	Cur
			✓		ABC LOCK AND SECURITY	01/16/2009	01/15/2009	01/16/2009	28.41	28.41	US
					ABC LOCK AND SECURITY	01/16/2009	01/15/2009	01/16/2009	28.41	28.41	US



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

1.8 Researching Commitment Items from Single Funded Line Items

Use this task to determine a Commitment Item for a service that was created when an invoice for a single-funded line item on a purchase order was created in PRISM, AutoChoice, or a miscellaneous obligation. FBMS automatically assigns document numbers beginning with 52 to transactions created using the Enter Logistics Invoice Single Funded Line Item transaction.

1. To review vendor line item detail, select the portal path **CORE FINANCIALS** → **AP** → **Vendor Information** → **Display Vendor Line Items** to access the *Vendor Line Item Display* screen.

The screenshot shows the 'Vendor Line Item Display' screen. At the top, there is a navigation bar with tabs: HOME, ACQUISITION, CORE FINANCIALS, DATA MANAGEMENT, FINANCIAL ASSISTANCE, TRAVEL, USER MANAGEMENT, EMIS, and PROPERTY. Below this is a breadcrumb trail: 'Display Vendor (Central) > Display Vendor Line Items > 1099 Detail Table > Display 1099 Table > Display Vendor Line Items'. The main content area is titled 'Vendor Line Item Display' and contains three sections: 'Vendor selection' with fields for 'Vendor account' and 'Company code' (1400); 'Selection using search help' with 'Search help ID' and 'Search string' fields and a 'Search help' button; and 'Line item selection' with radio buttons for 'Open Items', 'Cleared Items', and 'All items', and corresponding date fields for 'Open at key date', 'Clearing date', and 'Posting date'. The 'Execute' button is highlighted in yellow.

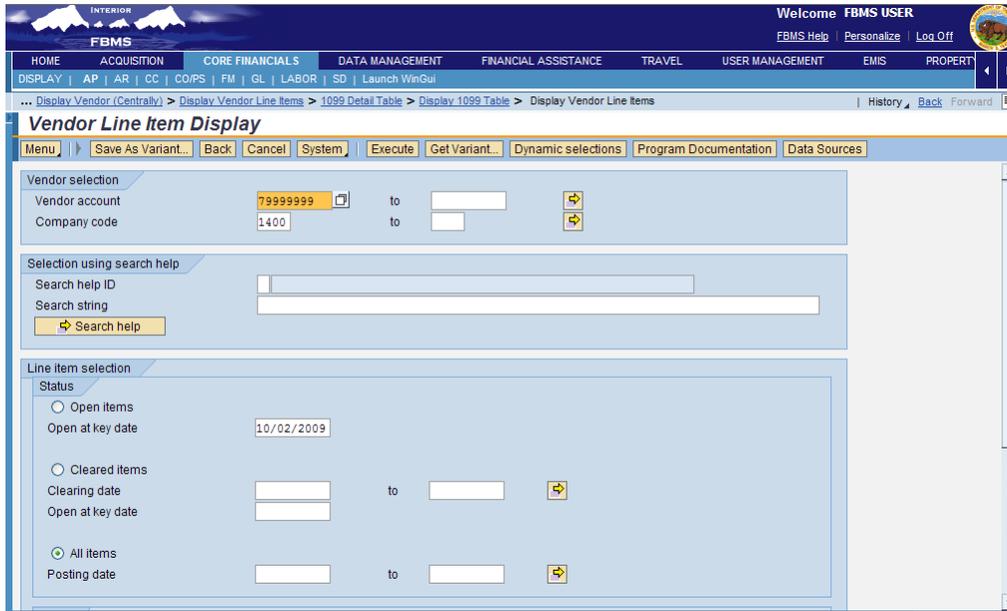
2. On the *Vendor Line Item Display* screen, enter the **Vendor account** and select the **All items** radio button. Select **Execute** the **Execute** button.



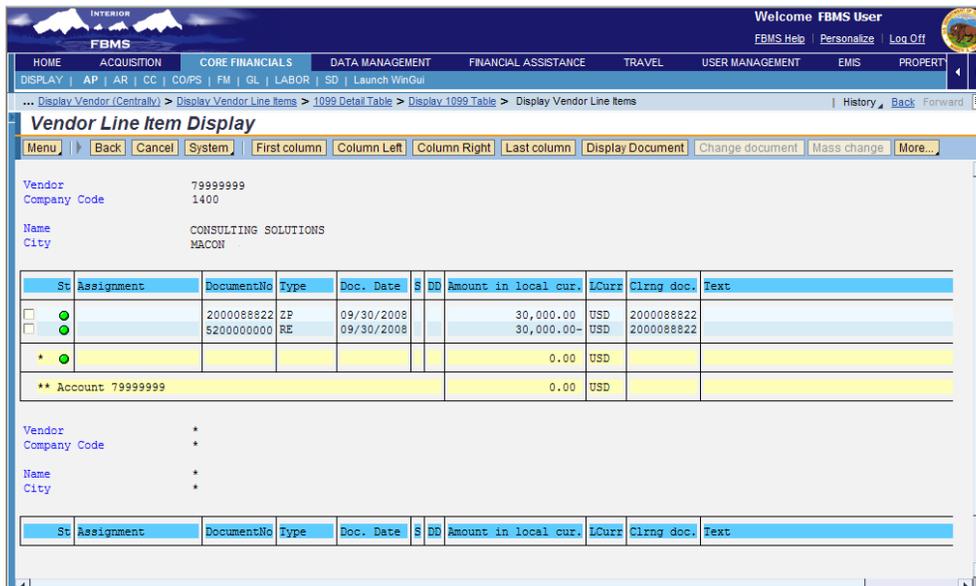
DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



- On the *Vendor Line Item Display* screen, double-click the **Document No** for the **Document Type** of RE (Invoice – General). Document type ZP is for clearing accounts and won't provide you with the commitment item information.



Note: This invoice is a single-funded line item and will show two lines items: one for the clearing account and the other for the invoice transaction.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Display Document Line Item Information

The screenshot shows the 'Display Document: Line Item 002' screen in the FBMS system. The interface includes a navigation menu at the top with options like HOME, ACQUISITION, CORE FINANCIALS, DATA MANAGEMENT, and FINANCIAL ASSISTANCE. Below the menu, there are several buttons: Menu, Back, Cancel, System, Display Another Document, Call Up Document Overview, and Next. The main data area is divided into sections: Vendor information (79999999, CONSULTING SERVICES, G/L Acc 2110.IN000), Company Code (1400, 444 MAIN STREET), Dept of the Interior (MACON, Doc. no. 5200000000), and Line Item 2 / Invoice / 31 (Amount 30,000.00 USD). An 'Additional Data' section contains fields for Bus. Area (1000), Disc. base (30,000.00 USD), Disc. amount (0.00 USD), Pay Terms (PP30), Days/percent (28 0.000 % 0 0.000 % 0), Bline Date (09/30/2008), Fixed (checkbox), Pmnt Block (checkbox), Invoice ref. (/ / 0), Pmt Method (X Pmt meth. supl. 48), Clearing (09/30/2008 / 2000088822), and Assignment (Text field with a Long text button).

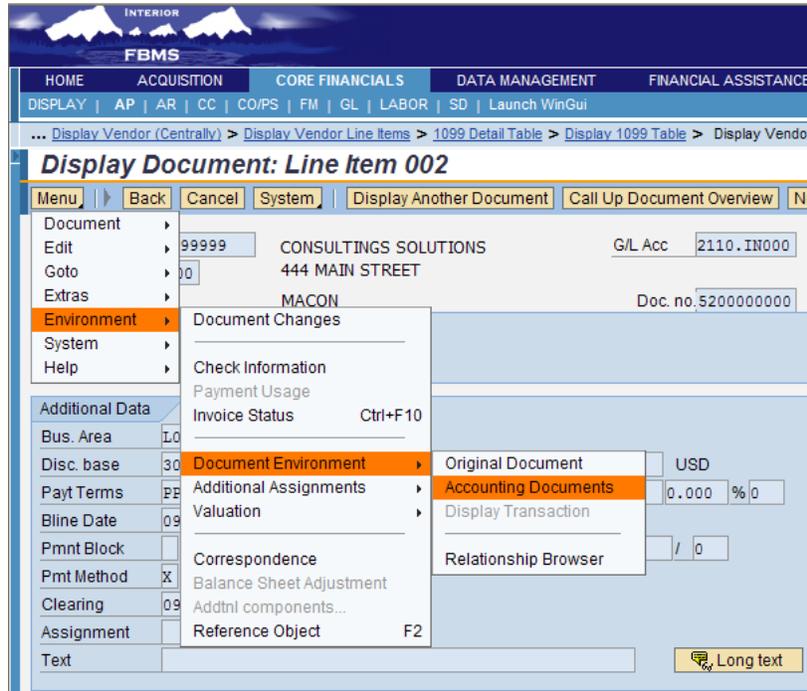
4. Select **Menu** → **Environment** → **Document Environment** → **Accounting Documents** to display the Documents in Accounting pop-up.



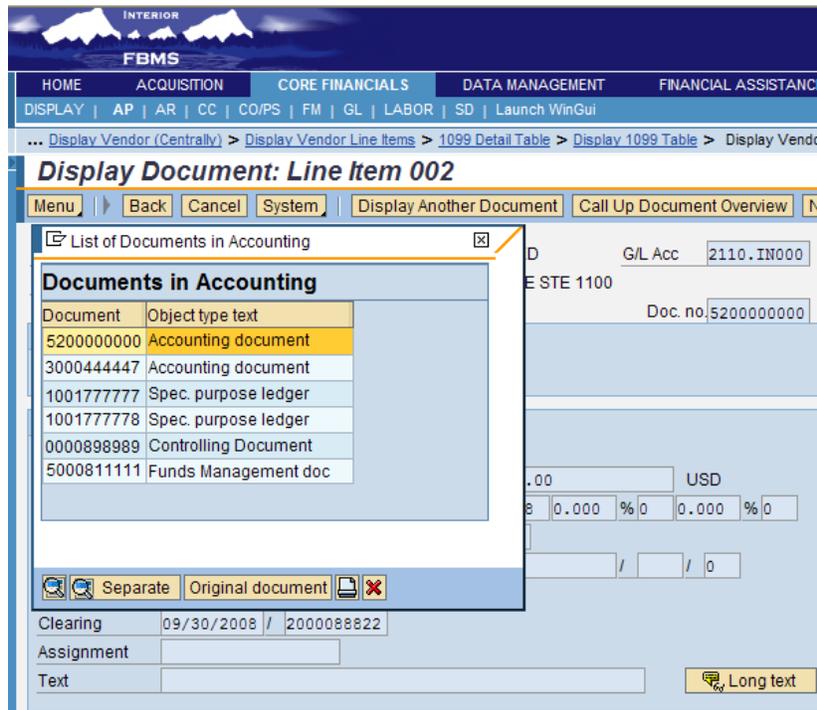
DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



5. Double-click the **Accounting Document Number** that matches the **Document Number** (Doc. No.) on the Document Line Item screen.





DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

6. Review the account where this transaction was posted. Double-click the **Account** number.

The screenshot shows the 'Document Overview - Display' screen in the FBMS system. At the top, there are navigation tabs: HOME, ACQUISITION, CORE FINANCIALS, DATA MANAGEMENT, and FINANCIAL ASSISTANCE. Below these are sub-tabs: DISPLAY, AP, AR, CC, CO/PS, FM, GL, LABOR, SD, and Launch WinGui. The breadcrumb trail indicates the current path: ... Display Vendor (Centrally) > Display Vendor Line Items > 1099 Detail Table > Display 1099 Table > Display Vendor Li.

The main content area is titled 'Document Overview - Display' and contains several buttons: Menu, Back, Cancel, System, Select Individual Object, Change Individual Line Items, and Display. Below the buttons, the document details are displayed:

```

Doc.Type : RE ( Invoice - General ) Normal document
Doc. Number 5200000000 Company code 1400 Fiscal year 2008
Doc. date 09/30/2008 Posting date 09/30/2008 Period 12
Calculate Tax 
Ref.doc. CONVERSION
Doc.currency USD
    
```

At the bottom of the screen, there is a table with the following data:

Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	81	6100.251B0	IT Support Services	20080930	I0	30,000.00
2	31	799999999	CONSULTING SOLUTIONS		I0	30,000.00-



Note: FBMS Displays the Detail Line Item screen. Review the **Commitment Item** and the last 5 digits of the **G/L Account**. Most Commitment Items beginning with the number 25 represent a service and should therefore be included in 1099s.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

- Optionally, you can select  the **Search box** to the right of the **Commitment Item** field to bring up a search window. Use the search window to review commitment items.

1.9 Researching Commitment Items Associated with Incoming FI Invoices

Use this task to determine a Commitment Item for a service that was created when an invoice does not reference a purchase order created through PRISM or a miscellaneous purchase order. FBMS automatically assigns document numbers beginning with 19 to transactions created using the Enter Incoming FI Invoices transaction.

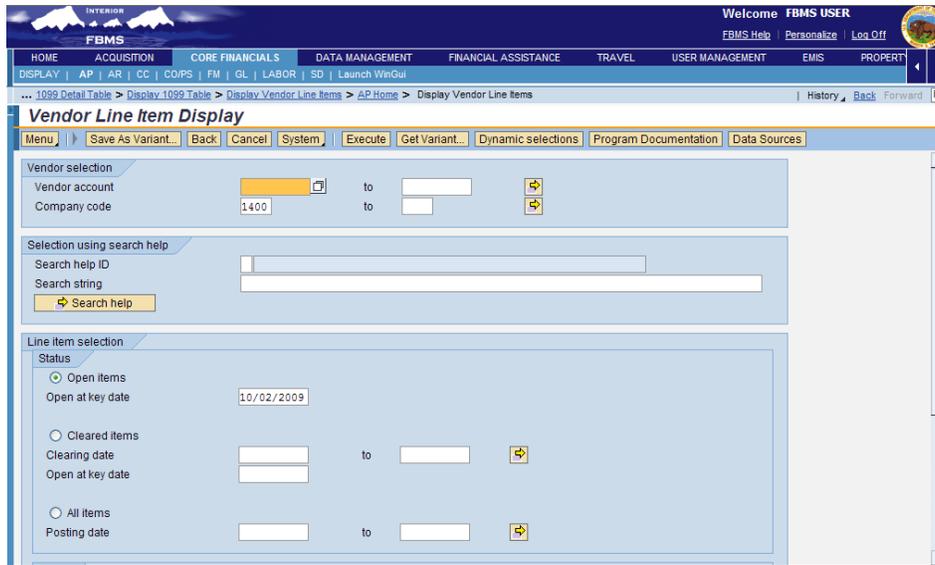
- To review vendor line item detail, select the portal path **CORE FINANCIALS** → **AP** → **Vendor Information** → **Display Vendor Line Items** to access the *Vendor Line Item Display* screen.



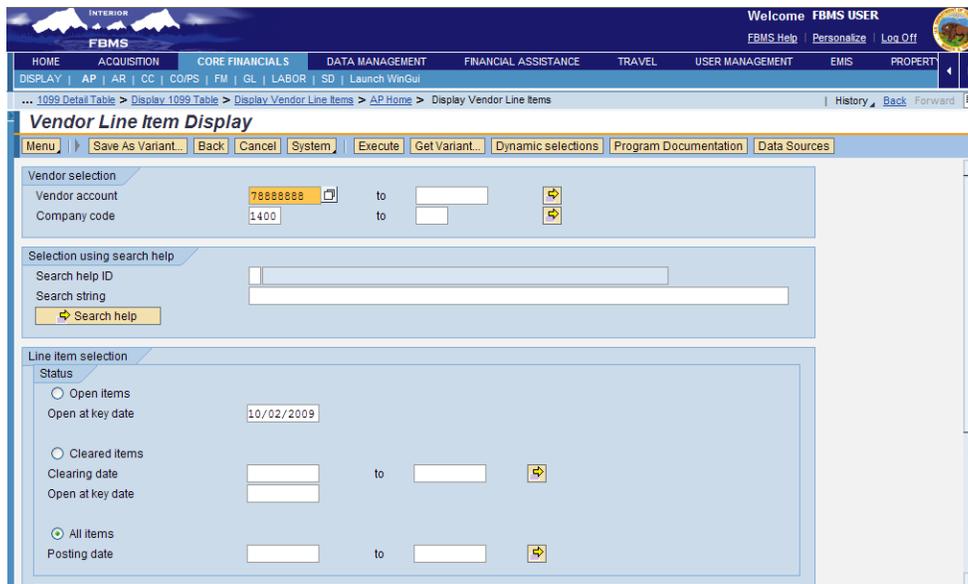
DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



2. On the *Vendor Line Item Display* screen, enter the **Vendor account** and select the **All items** radio button. Select **Execute** the **Execute** button.



3. On the *Vendor Line Item Display* screen, double-click the **Document No** for the **Document Type** of KR (). Document type ZP is for clearing accounts and won't provide you with the commitment item information.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Se	Assignment	DocumentNo	Type	Doc. Date	S	DD	Amount in local cur.	LCurr	Clrng doc.	Text
<input type="checkbox"/>	0LA09010201	1900000000	KR	07/22/2009			1.92-	USD		
<input checked="" type="checkbox"/>							1.92-	USD		
<input type="checkbox"/>		2000055554	ZP	10/31/2008			4,100.00	USD	2000055554	
<input type="checkbox"/>	200908012 M	1911111111	KR	10/27/2008			4,100.00-	USD	2000055554	
<input checked="" type="checkbox"/>							0.00	USD		
** Account 78888888							1.92-	USD		



Note: This invoice may show multiple line items. The line items shown with the green circle settled correctly. Line items shown with a red square are in error.

Display Document: Line Item 002

Vendor: 78888888 JAMES ROBERTS G/L Acc: 2110.IN000
 Company Code: 1400 123 MAIN STREET
 Dept of the Interior: BILLINGS Doc. no: 1911111111
 Line Item 2 / Invoice / 31
 Amount: 4,100.00 USD

Additional Data

Bus. Area: L000
 Disc. base: 4,100.00 USD Disc. amount: 0.00 USD
 Payt Terms: Days/percent: 0 0.000 % 0 0.000 % 0
 Bline Date: 10/27/2008 Fixed:
 Pmnt Block: Invoice ref.: / / 0
 Pmt Method: Pmt meth. suppl. 48
 Clearing: 10/31/2008 / 2000055554
 Assignment: 200908012 M
 Text: Long text

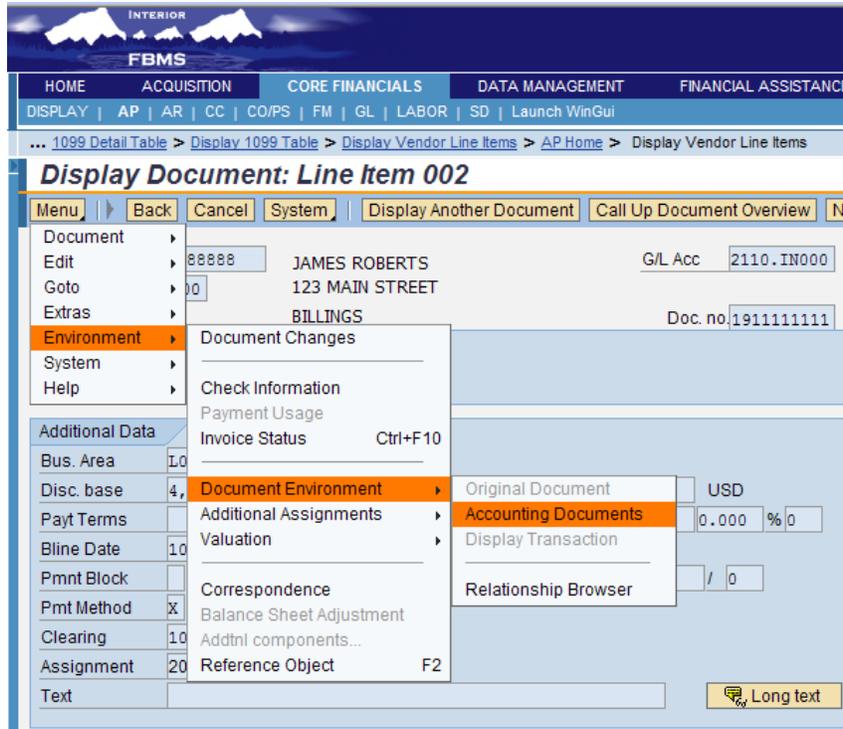
4. Select **Menu** → **Environment** → **Document Environment** → **Accounting Documents** to display the Documents in Accounting pop-up.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



5. Double-click the **Accounting Document Number** that matches the **Document Number** (Doc. no.) on the *Document Line Item* screen.



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Display Document: Line Item 002

Menu | Back | Cancel | System | Display Another Document | Call Up Document Overview | Ne

List of Documents in Accounting

Document	Object type text
3000017761	Accounting document
1911111111	Accounting document
1000098765	Spec. purpose ledger
1000098766	Spec. purpose ledger
0000776655	Controlling Document
5000868686	Funds Management doc

Separate | Original document

Clearing: 10/31/2008 / 2000055554
 Assignment: 200908012 M
 Text: []

G/L Acc: 2110.IN000
 Doc. no.: 1911111111
 .00 USD
 0.000 %0 0.000 %0

Long text

6. Review the account where the transaction was posted. Double-click the **Account** number.

Document Overview - Display

Menu | Back | Cancel | System | Select Individual Object | Change Individual Line Items | Displa

Doc.Type : KR (Vendor Invoice) Normal document

Doc. Number: 1911111111 Company code: 1400 Fiscal year: 2009
 Doc. date: 10/27/2008 Posting date: 10/29/2008 Period: 01
 Calculate Tax:
 Ref.doc.: 02227866
 Doc.currency: USD
 Doc. Hdr Text: OCT/NOV 08 LEASE BLM

Itm	PK	Account	Account short text	Assignment	Tx	Amount
1	40	6100.232A0	Space Rental - Other	200908012 M		4,100.00
2	31	788888888	ROBERTS, JAMES	200908012 M		4,100.00-



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s



Note: FBMS Displays the Detail Line Item screen. Review the **Commitment Item** and the last 5 digits of the **G/L Account**. Most Commitment Items beginning with the number 23 represent a service and should therefore be included in 1099s

7. Optionally, you can select the **Search box** to the right of the Commitment Item field to bring up a search window. Use the search window to review commitment items.

Appendix

Business Types

Valid **Business Types in FBMS** are listed below:

Characteristic Value	1099 Eligible?
Service Provider	Y
Research and Development	Y



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

Characteristic Value	1099 Eligible?
JWOD Non-profit Agency	N
Construction Firm	Y
Educational Institution	N
Manufacturer of Goods	N
Foundation	Y
Hispanic Servicing Institution	Y
Hospital	Y
Veterinary Hospital	Y
Architecture and Engineering	Y
Domestic Shelter	N
For Profit Organization	Y
Other Not-for-profit Organization	N

Educational Institution Types

Valid **Educational Institution types in FBMS** are listed below:

Characteristic Value	1099 Eligible?
Historically Black College/University	N
School of Forestry	N
Veterinary College	N
1862 Land Grant College	N
1890 Land Grant College	N
1994 Land Grant College	N
Private College/University	N
State Higher Learning Institute	N
Tribal College, Non-1994	N
Minority Institution	N



DOI FBMS Standard Operating Procedure (SOP)
Department of the Interior
Managing 1099s



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

Native American Entities

Valid **Native American Entities in FBMS** are listed below:

Characteristic Value	1099 Eligible?
Tribal Government	N
American Indian Owned	N
Alaskan Native Corp. Owned	N
Tribally Owned Firm	N
Indian Trice (Fed Recognized)	N
Native Hawaiian Org. Owned	N

Organization Types

Valid **Organization Types in FBMS** are listed below:

Characteristic Value	1099 Eligible?
Local Government	N
State Government	N
Federal Government	N
School District	N
Federal Agency	N
Federally Funded R&D Corp	N
City	N
County	N
Inter-Municipal	N
Local Government Owned	N
Township	N
Sole Proprietorship	Y
Partnership	Y
Corp Entity (Non Tax Exempt)	Y
Corp Entity (Tax Exempt)	N



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior

Managing 1099s

Characteristic Value	1099 Eligible?
US Government Entity	N
Foreign Government	N
International Organization	N
Municipality	N

Definition of Terms

<i>Terminology</i>	<i>Description</i>
1099-MISC Form	A Federal form issued to independent contractors and vendors to whom your business has made payments greater than \$600 total for the applicable tax year. This form is also used to report earned income to the Internal Revenue Service (IRS). Federal and State income taxes are not deducted from the recipient's wages. It is the responsibility of the recipient to pay his or her tax payments to the IRS. See: http://www.irs.gov/pub/irs-pdf/i1099misc.pdf
AP	Accounts Payable
BLM	Bureau of Land Management
BOC	Business Object Class – now called a Commitment Item
BW	Business Warehouse
CI	Commitment Item
DOI	Department of Interior
FBMS	Financial and Business Management System
GL	General Ledger
Independent Contractor	A person or company that is generally compensated on a “per job” basis and is not treated as an employee.
JPMC	JP Morgan Chase
MCC	Merchant Category Code
MMS	Minerals Management Services



DOI FBMS Standard Operating Procedure (SOP)

Department of the Interior
Managing 1099s

<i>Terminology</i>	<i>Description</i>
NBC	National Business Center
OSM	Office of Surface Mining
PFM	Policy Financial Management
PMO	Project Management Office
Vendor	A business partner to whom amounts are payable for goods delivered or services performed.

Version Control

<i>Date</i>	<i>Description of change</i>	<i>Name</i>	<i>Reference</i>
10/02/2009	Document creation	Sandy Waldron	Request
11/25/2009	Incorporated suggestions received from Debra Los	Sandy Waldron	NBC Changes
02/10/2010	Updates included from NBC	Sandy Waldron	NBC Changes