

AP.020.040 – ENTERING 1099 WITHHOLDING VOUCHERS

Purpose	<ul style="list-style-type: none"> To view and enter 1099 Withholding information when entering Withholding Vouchers. To identify additional fields to be populated for 1099 Withholding processing.
Description	<p>1099 reportable items are payable to unincorporated entities (individuals, sole proprietors, or partnerships) for services, non-employee compensation, rents, royalties, or prizes/awards. The Internal Revenue Service requires that a vendor receive a 1099 form to report these payments. For a voucher amount to be included on the 1099 form, the Withholding checkbox must be selected on the voucher line.</p>
Security Role	BOR_AP_VOUCHER_ENTRY
Assumptions	Supplier was setup as Withholding at the location level. For more information, see SP.020.030: Adding 1099 Information to a Supplier
Dependencies/ Constraints	<ul style="list-style-type: none"> The supplier must be marked as a 1099/Withholding vendor. 1099 Vouchers are entered using the Regular Voucher style. All voucher lines default as 1099 reportable when entering vouchers for a 1099 marked vendor. Users can override 1099 reporting and/or reporting class by voucher line. Discounts taken on vouchers are not prorated to 1099 reportable lines for 1099 purposes. The gross line amount (without reductions for discounts taken) is included in the 1099 totals. User preferences are required to define the user's authority for entry of each of the voucher styles.

Additional Information	<p>Security Note: AP Users must have Commitment Control Security Rule BUDG_DT_AP to allow updating of the Voucher Budget Date and Security Rule OVRD_AP to allow Budget Override for AP budget check errors. For more information, see KK.010.013 – Defining Budget Security – Associating Rules to User for Additional information</p>
-------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Procedure

Below are step by step instructions on how to verify and enter Withholding information on a voucher.

Step	Action
1.	Click the NavBar icon.
2.	Click the Menu icon.
3.	Click the Accounts Payable link.
4.	Click the Vouchers link.
5.	Click the Add/Update link.
6.	Click the Regular Entry link. <i>Note: 1099 Vouchers are entered using the Regular Voucher style.</i>
7.	Click in the Supplier ID field.
8.	Enter Supplier ID in the Supplier ID field. <i>Note: The Supplier should be setup as a Withholding Supplier with at least one Withholding location. For more information, see SP.020.030: Adding 1099 Information to a Supplier.</i>
9.	Navigate to the location field.
10.	Select an entry in the Vendor Location column. <i>Note: If the Vendor Location is not the correct location for this voucher, click the magnifying glass and select an alternative Withholding location.</i>
11.	Click in the Invoice Number field.
12.	Enter the Supplier's Invoice Number in the Invoice Number field.
13.	Click in the Invoice Date field.
14.	Enter the Supplier's invoice date in the Invoice Date field.

Step	Action
15.	Click in the Gross Invoice Amount field. <i>Note: If Vouchers for this Supplier will be created from Receivers or Purchase Orders, do not use the Gross Invoice Amount field.</i>
16.	Click the Add button. <i>Note: For vouchers created from Receivers or Purchase orders, users can copy in that information and then skip to Step 20. For more information, see AP.020.011 – Entering Regular Vouchers from a PO.</i>
17.	Click the Pay Terms list.
18.	Enter the Payment Terms (NOW, NET30, etc.)
19.	Click in the Description field.
20.	Enter a Description to enter an invoice line description.
21.	In the distribution line, enter the Account, Fund, Dept, Program, Class, and Project ID , as needed
22.	Click the Withholding link. If there is a default withholding class setup on the supplier, that information will populate on the Withholding Information tab.
23.	The Withholding Code option may be defined in the PeopleSoft setup tables and may be selected to override the default values. However, ITS currently does not use this feature.
24.	The Withholding Applicable checkbox defaults to 'selected' if the vendor was set up as being Withholding Applicable. This indicates that the payment for the voucher line will be included on the 1099 form issued for this vendor. The checkbox may be deselected from this page from the Invoice Line Withhold Information. However, if this checkbox is not selected, the voucher line will not be included in the 1099 Withholding amount.
25.	Verify or add the Withholding Details on the Withholding Details line. <i>Note: Some Suppliers may have multiple withholding types and classes. Make sure to choose the correct Withholding type and Class for this specific line item.</i>
26.	Verify or add the Entity: “IRS”
27.	Verify or add the Type: “1099N” or “1099M.”

Step	Action
28.	<p>Verify or add the Withholding Class.</p> <p><i>Note: If the withholding type or class needed is not available, confirm the correct location was chosen. If the correct location was chosen and the correct type/class is not available, modify the Supplier 1099 Withholding information for that location. For more information, see SP.020.030: Adding 1099 Information to a Supplier.</i></p>
29.	<p>Check the Applicable checkbox in the Withholding Details line to select/deselect the corresponding Entity/Type/Class combination.</p> <p>Use this check box to control withholding applicability for the specific withholding class combination for a voucher line. If multiple withholding class combinations are listed, users can deselect this checkbox for one or more line item(s) so that withholding does not occur for that withholding class combination on this voucher line.</p>
30.	After Withholding settings are verified, click the Back to Invoice link.
31.	Click the Save button.
32.	Confirm that the voucher successfully saved and a Voucher ID was assigned.
33.	<p>The voucher must be budget checked to be available for voucher posting and payment.</p> <p>You will also need to run Document Tolerance Checking and Matching if applicable for the voucher prior to payment.</p>