

SFMS Annual 1099 Training TY2023

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1099 IRS Changes Announced

No changes announced by the IRS for forms 1099-MISC or 1099-NEC.

RStars Programming to Receive a 1099 (pg 1 of 6)

Rstars programming determines what vendors will produce a 1099 automatically:

1. Vendor must be eligible to receive a 1099 (52 Screen 1099 Ind = Y).
2. COBJ (D10 1099 other than "N").
3. Meet IRS Box Minimum of \$600.

RStars Programming to Receive a 1099 (pg 2 of 6) ^{SFMS}

1. Vendor must be eligible to receive a 1099 (52 Screen 1099 Ind = Y).

```

S052 UC: 02 STATE OF OREGON 11/30/23 04:01 PM
LINK TO: SYSTEMWIDE VENDOR PROFILE PROD
VENDOR NO: 1260005586 NAME CONTROL: DOGR
VENDOR NAME: DOG RIVER RANCH LLC
SEARCH NAMES: DOG RIVER RANCH LLC DOG R 97041

ALT VENDOR/FID: 1099 IND: Y FEI/SSN IND: F REASON CODE: ADD
VENDOR TYPE: 5 OWNRSHP CD: I TIN MATCH: 1 TIN: 260005586
ADDRESS: PO BOX 445

CITY: PARKDALE ST: OR ZIP: 97041 CNTRY:
VENDOR CONTACT: GORHAM BLAINE TAX OFFSET EXMPT: N
TELEPHONE: 541 806 0065 EXT: FAX: HOLD RSN:
PDT: MA EMAIL: GORHAMBLAINE@GMAIL.COM PNI:
AGY: 691 CONTACT: ABBY HUNGATE PHONE: 503 986 0926
UPDATED BY: LYONS, TAMARA DIR DEP DATE:
ABA NUMBER: ACCT NO/TYPE: FORMAT:
W9 REQUEST DATE: BU/WH EFF DATE: STATUS CODE: A
EFF START DATE: 10232020 EFF END DATE: LAST PROC DATE: 10232020
  
```

RStars Programming to Receive a 1099 (pg 3 of 6)

2. COBJ (D10 1099 other than "N") Form Type NEC.

```

SD10 UC: 02 STATE OF OREGON 11/30/23 04:05 PM
LINK TO: _____ COMPTROLLER OBJECT PROFILE PROD

APPROPRIATION YEAR: 25
COMPTROLLER OBJECT: 4975
TITLE: AGENCY PROGRAM RELATED SERVICES
OBJECT: 4000 (MUST BE IN D01 OBJ PROFILE)
COMPTROLLER SOURCE/GROUP: 4575 (MUST BE IN D09 COMPT SOURCE GROUP PROFILE)
PROP GAAP SOURCE/OBJECT: 4050 (MUST BE IN D08 GAAP SOURCE/OBJ PROFILE)
GOVT GAAP SOURCE/OBJECT: 4000 (MUST BE IN D08 GAAP SOURCE/OBJ PROFILE)
NACUBO SOURCE/OBJECT: 99 (MUST BE IN D34 NACUBO SOURCE/OBJ PROFILE)
CONVERTED OBJECT: _____ (MUST BE IN D80 OTHER SYS COMPT OBJ PROFILE)
OBJECT TYPE: E (E=EXP, R=REV, S=STAT, T=TRANS, O=OTHER)
TRANSFER TYPE: N PROG CATEGORY: 99 CMIA TYPE: 9
1099 IND: 1 FORM: N C/I IND: _ (C=CAP, I=INV, M=MAINT, BLANK=N/A)
PROP GAAP CATEGORY: 06 (SYSTEM GENERATED) NACUBO CAT: 99 (SYSTEM GENERATED)
GOVT GAAP CATEGORY: 05 (SYSTEM GENERATED)

```

RStars Programming to Receive a 1099 (pg 4 of 6)

3. COBJ (D10 1099 other than "N") Form Type MISC.

```

SD10 UC: 02 STATE OF OREGON 11/30/23 04:48 PM
LINK TO: _____ COMPTROLLER OBJECT PROFILE PROD

APPROPRIATION YEAR: 25
COMPTROLLER OBJECT: 4901
TITLE: MEDICAL SERVICES
OBJECT: 4000 (MUST BE IN D01 OBJ PROFILE)
COMPTROLLER SOURCE/GROUP: 4525 (MUST BE IN D09 COMPT SOURCE GROUP PROFILE)
PROP GAAP SOURCE/OBJECT: 4050 (MUST BE IN D08 GAAP SOURCE/OBJ PROFILE)
GOVT GAAP SOURCE/OBJECT: 4000 (MUST BE IN D08 GAAP SOURCE/OBJ PROFILE)
NACUBO SOURCE/OBJECT: 99 (MUST BE IN D34 NACUBO SOURCE/OBJ PROFILE)
CONVERTED OBJECT: _____ (MUST BE IN D80 OTHER SYS COMPT OBJ PROFILE)
OBJECT TYPE: E (E=EXP, R=REV, S=STAT, T=TRANS, O=OTHER)
TRANSFER TYPE: N PROG CATEGORY: 99 CMIA TYPE: 9
1099 IND: 6 FORM: M C/I IND: _ (C=CAP, I=INV, M=MAINT, BLANK=N/A)
PROP GAAP CATEGORY: 06 (SYSTEM GENERATED) NACUBO CAT: 99 (SYSTEM GENERATED)
GOVT GAAP CATEGORY: 05 (SYSTEM GENERATED)

```

RStars Programming to Receive a 1099 (pg 5 of 6)

4. Meets IRS Box Minimum of \$600.

AGENCY	VENDOR NUMBER	IRS BOX	COBJ	AOBJ	TRANSACTION AMOUNT	CUR DOC NO	SFX	REF DOC NO	SFX	VENDOR SUMMARY AMT
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
107	1010523282	01	4515	4515	34,031.00	ZE30208R	001	VP446957	001	
107	1010523282	01	4515	4515	29,396.00	ZE30517A	001	VP449849	001	
107	1010523282	01	4515	4515	29,508.00	ZE30517A	001	VP449849	002	
107	1010523282	01	4515	4515	18,074.00	ZE30627A	001	VP450341	001	
* TOTAL PAYMENTS FOR SUBOBJECT			4515				111,009.00			
** TOTAL PAYMENTS FOR		IRS BOX NO	01							111,009.00

RStars Programming to Receive a 1099 (pg 6/6)

All Transactions on the Cumulative Payment Table (1/1/23 – 12/31/23), Includes:

Warrants

Transfers (BT's)

Cancellations

Stop Payments

Backup Withholding

Direct Deposits (12/29/22 – 12/27/23) different from warrants due to Treasury transfer rules

Vendors Eligible for Reporting

Per the IRS Reportable Vendors Include:

Individuals/Sole Proprietors

Partnerships (LLC or LLP)

Attorneys at Law including Corporations (AAL or PC)

Medical Service Providers (MD, PhD, RN, PT, etc) including Corporations

Trusts

Vendors Not Eligible for Reporting

Per the IRS Non-Reportable Vendors Include:

Corporations – exception Attorneys & Medical Corporations

Not for Profit Organizations – with proof

Government Entities

Employee Reimbursements (reported on W2 if appropriate)

Foreign Vendors (reported on 1042)

Recap of Conditions to Receive a 1099

All conditions must be met for a vendor to receive a 1099 (MISC or NEC):

- 1.** Vendor must be reportable (52 profile 1099 Ind = Y).
- 2.** Must be paid with a reportable COBJ (D10 1099 Ind Other than "N").
- 3.** Aggregate Form/Box amount \geq \$600.
- 4.** If any condition is not met – Vendor does not receive a 1099 form and income is not reported to the IRS/DOR.

D10 Profiles – 1099 MISC

COBJ	TITLE	1099-Misc IRS IND	DESCRIPTION
3126	PAYMENTS OF DECEASED EMPLOYEES WAGES/LV	3	Other Income
3226	SOCIAL SEC TAXES-WAGES OF DECEASED EMPL	3	Other Income
4002	DEATH BENEFITS	3	Other Income
4106	INSTATE LODGING	3	Other Income
4150	OUT-OF-STATE LODGING	3	Other Income
4202	EQUIPMENT RENTAL	1	Rent
4255	PRIZES AND AWARDS	3	Other Income
4302	TELECOM/VOICE EQUIP RENTAL	1	Rent
4355	COMPUTER TECH MAINFRAME EQUIP RENTAL	1	Rent
4370	COMPUTER TECH PERIPHERAL EQUIP RENTAL	1	Rent
4433	PROF DEV INSTATE LODGING	3	Other Income
4434	PROF DEV OUT-OF-STATE LODGING	3	Other Income
4443	EMPLOYEE RECRUITMENT - LODGING	3	Other Income
4685	LIABTY EXPENDITURE-ATTORNEY SETTLEMENT	0	Gross Proceeds Paid to Attc
4800	FACILITIES RENT	1	Rent
4901	MEDICAL SERVICES	6	Medical and Health Care
4902	MEDICAL RENTALS	1	Rent
4952	TRANSITIONAL HOUSING	3	Other Income
6805	CLIENT / BENEFIT PAYMENTS	3	Other Income
6810	RENTAL ASSISTANCE	1	Rent
6905	LOAN REPYMNT ON BEHALF OF GRANT SUBRECIP	3	Other Income

D10 Profiles – 1099 NEC (pg 1 of 4)

COBJ	TITLE	1099-NEC IRS IND	DESCRIPTION
4040	APPROPRIATION BOND COSTS	1	Non-Employee Comp
4045	TAN COSTS	1	Non-Employee Comp
4050	BOND COSTS	1	Non-Employee Comp
4051	BOND RFD DBT PYM-ESCRW AGNT- AGENCY CASH	1	Non-Employee Comp
4055	CERTIFICATE OF PARTICIPATION COSTS	1	Non-Employee Comp
4056	COP RFND DBT PYM-ESCRW AGNT NT/FRM PRCDS	1	Non-Employee Comp
4105	INSTATE MEALS-NO OVERNIGHT STAY	1	Non-Employee Comp
4107	INSTATE AIR TRANSPORTATION	1	Non-Employee Comp
4108	INSTATE GROUND TRANSPORTATION	1	Non-Employee Comp
4149	OUT OF STATE MEAL-NO OVERNIGHT STAY	1	Non-Employee Comp
4159	OUT-OF-STATE AIR TRANSPORTATION	1	Non-Employee Comp
4160	OUT-OF-STATE GROUND TRANSPORTATION	1	Non-Employee Comp
4161	FOREIGN AIR TRANSPORTATION	1	Non-Employee Comp
4201	OFFICE SERVICES	1	Non-Employee Comp
4206	CATERING SERVICES	1	Non-Employee Comp

D10 Profiles – 1099 NEC (pg 2 of 4)

4250	DUES/MEMBERSHIPS	1	Non-Employee Comp
4253	ADVERTISE, PUBLICITY, PUBLISH/PRINT SRVS	1	Non-Employee Comp
4303	TELECOM/VOICE MAINTENANCE	1	Non-Employee Comp
4307	TELECOM/NETWORK SUPPORT	1	Non-Employee Comp
4312	TELECOM/WIRELESS PS SUPPORT	1	Non-Employee Comp
4317	TELECOM/TELECONFERENCE SUPPORT	1	Non-Employee Comp
4357	COMPUTER TECHNOLOGY MAINFRAME SUPPORT	1	Non-Employee Comp
4362	COMPUTER TECHNOLOGY SERVER SUPPORT	1	Non-Employee Comp
4367	COMPUTER TECHNOLOGY PC SUPPORT	1	Non-Employee Comp
4371	COMPUTER TECHNOLOGY PERIPHERAL SUPPORT	1	Non-Employee Comp
4401	TRAINING, EDUCATION OR INSTRUCTION SRVC	1	Non-Employee Comp
4406	PROF DEV INSTATE TUITION/REGISTRATION	1	Non-Employee Comp
4411	PROF DEV OUT-OF-STATE TUITION/REGIST	1	Non-Employee Comp
4430	EMPLOYEE RECRUIT, WELLNESS & SAFETY	1	Non-Employee Comp
4435	PROF DEV INSTATE MEALS-NO OVERNIGHT STAY	1	Non-Employee Comp
4436	PROFDEV OUTFSTATE MEALS-NO OVERNIT STAY	1	Non-Employee Comp
4437	PROF DEV DUES/MEMBERSHIP	1	Non-Employee Comp
4438	PROF DEV INSTATE AIR TRANSPORTATION	1	Non-Employee Comp
4439	PROF DEV INSTATE GROUND TRANSPORTATION	1	Non-Employee Comp
4440	PROF DEV OUT-OF-STATE AIR TRANSPORTATION	1	Non-Employee Comp

D10 Profiles – 1099 NEC (pg 3 of 4)

4441	PROF DEV OUT-OF-STATE GROUND TRANSPRTATN	1	Non-Employee Comp
4442	PROF DEV FOREIGN AIR TRANSPORTATION	1	Non-Employee Comp
4444	EMPLOYEE RECRUITMENT AIR TRANSPORTATION EMPLOYEE RECRUITMENT GROUND	1	Non-Employee Comp
4445	TRANSPORTATN	1	Non-Employee Comp
4500	PROFESSIONAL SERVICES NON-IT	1	Non-Employee Comp
4505	PROFESSIONAL SERVICES NON-IT>\$75K	1	Non-Employee Comp
4510	PROFESSIONAL SERVICES/NETWORK	1	Non-Employee Comp
4511	PROFESSIONAL SERVICES WIRELESS PS	1	Non-Employee Comp
4512	PROFESSIONAL SERVICES TELECONFERENCE	1	Non-Employee Comp
4513	PROFESSIONAL SERVICES APPLICATION NEW	1	Non-Employee Comp
4514	PROFESSIONAL SERVICES APPLICATION MOD	1	Non-Employee Comp
4515	PROFESSIONAL SERVICES APPLICATION MAINT	1	Non-Employee Comp
4516	PROFESSIONAL SERVICES SERVERS	1	Non-Employee Comp
4517	PROFESSIONAL SERVICES IT SECURITY	1	Non-Employee Comp
4518	PROFESSIONAL SERV/IT QUALITY ASSURANCE	1	Non-Employee Comp
4519	PROFESSIONAL SERV/MANAGED SERV PROVIDER	1	Non-Employee Comp
4520	PROFESSIONAL SERV/IT QUALITY CONTROL	1	Non-Employee Comp
4526	DISPUTE RESOLUTION SERVICES	1	Non-Employee Comp
4701	OTHER SERVICES	1	Non-Employee Comp
4705	LAUNDRY SERVICES	1	Non-Employee Comp
4725	COLLECTION FEES - PRIVATE COLLECT AGENT	1	Non-Employee Comp
4730	MERCHANT FEES	1	Non-Employee Comp
4740	INVESTMENT EXPENSE	1	Non-Employee Comp
4850	FACILITIES MAINTENANCE	1	Non-Employee Comp
4950	OTHER CARE OF RESIDENTS/PATIENTS-SERVICE	1	Non-Employee Comp
4975	AGENCY PROGRAM RELATED SERVICES	1	Non-Employee Comp

D10 Profiles – 1099 NEC (pg 4 of 4)

5105	INSTALLATION/FURNITURE & FIXTURES>=\$5K	1	Non-Employee Comp
5125	INSTALLATION/ART & HISTORICAL TREAS>=\$5K	1	Non-Employee Comp
5155	INSTALLATION/EQUIPMENT & MACHINERY>=\$5K	1	Non-Employee Comp
5175	ASSEMBLY/MOTOR VEHICLES>=\$5K	1	Non-Employee Comp
5205	TELECOM/INSTALLATION SERVICES>=\$5K	1	Non-Employee Comp
5255	INSTALLATION/TECHNICAL EQUIPMENT>=\$5K	1	Non-Employee Comp
5305	INFORMATION TECH SOFTWARE SERVICES>=\$5K	1	Non-Employee Comp
5355	COMPUTER TECHNOLOGY INSTALL SERVICE>=\$5K	1	Non-Employee Comp
5405	INSTALL/HOUSEHLD/INSTITUTNL EQUIP>=\$5K	1	Non-Employee Comp
5455	INSTALLATION/INDUSTRIAL&HEAVY EQUIP>=\$5K	1	Non-Employee Comp
5505	ASSEMBLY/AIRCRAFT>=\$5K	1	Non-Employee Comp
5605	INSTALLATION/AGRIC EQUIP & MACH>=\$5K	1	Non-Employee Comp
5705	LAND IMPROVEMENTS>=\$5K	1	Non-Employee Comp
5755	LEASEHOLD IMPROVEMENTS>=\$5K	1	Non-Employee Comp
5775	INSTALLATION/CAPITAL LEASED PROP>=\$5K	1	Non-Employee Comp
5805	BUILDINGS & IMPROVEMENTS>=\$5K	1	Non-Employee Comp
5905	OTHER CAPITAL OUTLAY>=\$5K	1	Non-Employee Comp
5925	STATE HIGHWAYS>=\$5K	1	Non-Employee Comp
5935	OTHER ROADS>=\$5K	1	Non-Employee Comp
5945	TUNNELS AND BRIDGES>=\$5K	1	Non-Employee Comp
5955	AIRPORTS>=\$5K	1	Non-Employee Comp
5965	UTILITY SYSTEMS>=\$5K	1	Non-Employee Comp
5975	DOCKS, DIKES AND DAMS>=\$5K	1	Non-Employee Comp
6740	OTHER DISTRIBUTION TO TAXABLE SUBRECIP	1	Non-Employee Comp
6808	DISTRIBUTIONS TO NON-EMPLOYEES	1	Non-Employee Comp
6900	OTHER SPECIAL PAYMENTS	1	Non-Employee Comp
6910	DISTRIBUTION TO CONTRACT SVC PROVIDER	1	Non-Employee Comp

TY 2023 1099 MISC

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	Miscellaneous Information
		\$	Form 1099-MISC	
		2 Royalties	(Rev. January 2022)	
		\$	For calendar year 20____	Copy B For Recipient
		3 Other income	4 Federal income tax withheld	
PAYER'S TIN	RECIPIENT'S TIN	\$	\$	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name		5 Fishing boat proceeds	6 Medical and health care payments	
		\$	\$	
Street address (including apt. no.)		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest	
		\$	\$	
City or town, state or province, country, and ZIP or foreign postal code		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney	
		\$	\$	
		11 Fish purchased for resale	12 Section 409A deferrals	
		\$	\$	
Account number (see instructions)		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments	
		\$	\$	
		15 Nonqualified deferred compensation		
		16 State tax withheld	17 State/Payer's state no.	18 State income
		\$		\$
		\$		\$

Form **1099-MISC** (Rev. 1-2022)

(keep for your records)

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

TY 2023 1099 MISC (pg 1 of 7)

Box 1 – Rent

Real estate rental – unless paid to a real estate agent

Machinery & equipment rental

If machine rental is part of a contract, includes both the use of the machine and the operator, the rental should be pro-rated between the rent of the machine Box 1 of 1099-MISC form. The operator's charge Box 1 of 1099-NEC form. Same Box 2 different forms!

Pasture Rental

Operating Leases

Coin operated amusements

Rental Assistance – payments made to owners of housing projects

TY 2023 1099 MISC (pg 2 of 7)

Box 3 – Other Income

Prizes and Awards -Only when no service was performed to receive the prize/award

Deceased Employee Wages

Punitive Damages

Claimant settlement payments

Report the gross amount of the payment

The vendor must work with their attorney for the attorney fees related to their claim.

Payments to dependent care providers

If only providing care for a relative

TY 2023 1099 MISC (pg 3 of 7)

Box 3 – Other Income (cont)

LODGING

Payments made to lodging facilities are reportable to the lodging business regardless of the person who benefits from the lodging.

If lodging is paid for a contractor/consultant, the payment is reportable to them on form 1099-NEC Box 1. This is part of the compensation for performing a service (non-employee compensation). This compensation can be offset as a business expense for the consultant.

If reimbursing a state employee, then the payment is not reportable to the employee on a 1099-MISC form. May be reportable on the W2.

TY 2023 1099 MISC (pg 4 of 7)

Box 4 – Federal Income Tax Withheld

Backup Withholding Amounts

24% of the payment

Bu/Wh amount is included in the 'gross amount' of the payment reported to a vendor.

Example: \$1000 payment with bu/wh

Report \$1000 in box (per D10)

Report \$240 in box 4

TY 2023 1099 MISC (pg 5 of 7)

Box 6 – Medical and Health Care Payments

NO CORPORATE EXEMPTION for this box

Physician or other supplier or provider of medical or health care services

Physical therapists, massage therapists, psychotherapists, mental health counselors, acupuncturists, employee assistance, executive physicals, etc.

Pre-employment physicals, drug screening, or expert testimony

Counseling, mental health and drug/alcohol treatment, diagnostic or therapeutic services

TY 2023 1099 MISC (pg 6 of 7)

Box 6 – Medical and Health Care Payments (cont)

Health care services that include charges for injections, drugs, dentures, and similar items

In these cases, the entire payment is subject to information reporting.

Payments made by medical & health care insurers under health, accident, and sickness insurance programs

You are not required to send a 1099-MISC to a tax-exempt hospital (non-profit), an extended care facility or a facility owned and operated by a government entity.

Do NOT include payments for prescription drugs without service included.

TY 2023 1099 MISC (pg 7 of 7)

Box 10 – Gross Proceeds Paid to an Attorney

Attorney performed services for someone else not the state

Payments to an attorney AND Joe Public

No corporate exemption

This box is unique in that the payment will be reported twice for 1099-MISC filing.

For the Attorney in box 10

For the vendor in box 3

TY 2023 1099 NEC

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 ____		Nonemployee Compensation
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>		Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Street address (including apt. no.)		3		
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$		
Account number (see instructions)		5 State tax withheld \$	6 State/Payer's state no.	

Form **1099-NEC** (Rev. 1-2022)

(keep for your records)

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service

TY 2023 1099 NEC (pg 1 of 5)

Box 1 – Non-Employee Compensation

Payment to someone who is not your employee

Payment for services in the course of your trade or business

Payment to an individual, partnership, estate, or, in some cases, a corporation

Payments to the payee of at least \$600 during the year

TY 2023 1099 NEC (pg 2 of 5)

Box 1 – Non-Employee Compensation (cont)

Any payment for services (not medical)

Include parts/material used to provide the service.

Professional service fees (including attorney fees, state/agency is the client)

Independent contractor or volunteer

Payments to care providers who care for persons other than relatives

Operator charge included with machinery rental.

TY 2023 1099 NEC (pg 3 of 5)

Box 1 – Non-Employee Compensation (cont)

Fees paid by one professional to another

Payments for witnesses or expert in legal adjudication

Payments to nonemployee entertainers

Exchange of services

Taxable fringe benefits for nonemployees

Amounts in excess of 14 cents per mile paid to volunteer drivers

Meals

Payments made to vendors, or volunteers for meals are 1099-NEC reportable unless it is necessary for the payee to be away from home overnight

TY 2023 1099 NEC (pg 4 of 5)

Fixed Asset Charges Reportable on 1099 NEC

Occasionally charges can be both 1099-NEC reportable and capitalized as a fixed asset(s).

Costs to prepare a site to receive a new piece of equipment

Costs to repair a capital asset if that repair will materially add to the value, life or functionality of the asset

Costs may be charged to a capital outlay account and capitalized.

If costs are charged to service and supplies accounts and then capitalized, please use the comptroller object that is 1099 reportable (5105 -5905).

TY 2023 1099 NEC (pg 5 of 5)

Fixed Asset Charges Reportable on 1099 NEC

Allows the costs to be captured for 1099-NEC reporting and capitalization.

The accounts payable personnel responsible for 1099-NEC reporting should collaborate with the fixed asset accountant to verify that all reportable sums are captured for reporting.

DAFR7940 Example

AGENCY	VENDOR NUMBER	IRS BOX	COBJ	AOBJ	TRANSACTION AMOUNT	CUR DOC NO	SFX	REF DOC NO	SFX	VENDOR SUMMARY AMT
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
070	1134282357	N	4976	4983	244.34	ZE30320R	001	VP304703	001	
070	1134282357	N	4976	4983	169.88	ZE30420R	001	VP307097	003	
070	1134282357	N	4976	4983	313.34	ZE30630R	001	VP311919	001	
070	1134282357	N	4976	4983	108.98	ZE30630R	001	VP311919	002	
070	1134282357	N	4976	4983	91.55	ZE30630R	001	VP311919	003	
070	1134282357	N	4976	4983	54.71	ZE30706R	001	VP312381	001	
*	TOTAL PAYMENTS FOR SUBOBJECT			4976			982.80			
**	TOTAL PAYMENTS FOR IRS BOX NO			N					982.80	
***	TOTAL PAYMENTS FOR VENDOR 1134282357			SFC HOLDINGS LLC						982.80
070	1141989936	06	4901	4904	741.00	ZE30404R	001	VP305633	001	
070	1141989936	06	4901	4904	200.00	ZE30412R	001	VP306560	001	
070	1141989936	06	4901	4904	788.50	ZE30412R	001	VP306560	002	
070	1141989936	06	4901	4904	902.50	ZE30420R	001	VP307091	001	
070	1141989936	06	4901	4904	389.50	ZE30613R	001	VP310355	001	
070	1141989936	06	4901	4904	978.50	ZE30707R	001	VP312340	001	
070	1141989936	06	4901	4904	598.50	ZE30821R	001	VP314856	001	
070	1141989936	06	4901	4904	750.50	ZE30831R	001	VP315848	001	
070	1141989936	06	4901	4904	1,159.00	ZE31003R	001	VP317824	001	
070	1141989936	06	4901	4904	902.50	ZE31024R	001	VP319130	001	
*	TOTAL PAYMENTS FOR SUBOBJECT			4901			7,410.50			
**	TOTAL PAYMENTS FOR IRS BOX NO			06					7,410.50	
***	TOTAL PAYMENTS FOR VENDOR 1141989936			TELERADIOLOGY SPECIALISTS LLC						7,410.50

DAFRNE40 Example

AGENCY	VENDOR NUMBER	IRS BOX	COBJ	AOBJ	TRANSACTION AMOUNT	CUR DOC NO	SFX	REF DOC NO	SFX	VENDOR SUMMARY AMT
						OBJECT	SUMMARY	IRS BOX	SUMMARY	AMT
107	1061454513	01	4515	4515	142,800.00	ZE31013A	001	VP451360	002	
107	1061454513	01	4515	4515	60,900.00	ZE31013A	001	VP451360	003	
107	1061454513	01	4515	4515	79,800.00	ZE31013A	001	VP451360	004	
* TOTAL PAYMENTS FOR SUBOBJECT 4515							439,300.00			
** TOTAL PAYMENTS FOR IRS BOX NO 01									439,300.00	
*** TOTAL PAYMENTS FOR VENDOR 1061454513					DELOITTE COUNSULTING LLP					439,300.00
107	1061746660	01	4401	4700	2,990.00	ZE30306R	001	VP447389	001	
* TOTAL PAYMENTS FOR SUBOBJECT 4401							2,990.00			
** TOTAL PAYMENTS FOR IRS BOX NO 01									2,990.00	
*** TOTAL PAYMENTS FOR VENDOR 1061746660					FAST LANE CONSULTING AND EDUCATION SERVICES INC					2,990.00
107	1113686311	01	4975	5817	50.00	ZE30124A	001	VP446810	001	
107	1113686311	01	4975	5811	10,333.26	ZE30922B	001	VP451235	045	
107	1113686311	01	4975	5811	280.00	ZE31012R	001	VP451362	005	
* TOTAL PAYMENTS FOR SUBOBJECT 4975							10,663.26			
** TOTAL PAYMENTS FOR IRS BOX NO 01									10,663.26	
*** TOTAL PAYMENTS FOR VENDOR 1113686311					1ST CHOICE AUTO BODY					10,663.26

Information on DAFR7940 & DAFRNE40 (pg 1 of 5)

DAFR7940 & DAFRNE40 Reports will include all payment transactions to vendors that have been identified as reportable to the IRS with a 'Y' in the 1099-IND field on the 52 screen.

This includes:

All D10 reportable payments

All D10 non-reportable payments

BT Transfers

Payments to non-reportable vendors are not included on either report

Information on DAFR7940 & DAFRNE40 (pg 2 of 5)

Vendor Number

IRS Box

01, 03, 04, 06,10 (reportable 1099 MISC DAFR7940)

01, 04 (reportable 1099 NEC DAFRNE40)

'N' (not reportable)

All payments to the vendor will be listed but only those payments that are identified with other than 'N' will be eligible to be reported to the IRS.

COBJ (D10 Profile)

AOBJ (D11 Profile)

Information on DAFR7940 & DAFRNE40 (pg 3 of 5)

Payment Amounts:

Totals by COBJ, IRS Box, & Vendor Number

Cur Document Number/sfx

ZE documents (liquidation)

The ZE document number contains the payment date.

Example: ZE30411R

This document number is 2023/04/11 Regular cycle.

This may be helpful when reviewing and comparing payments issued since the last DAFR7940.

Information on DAFR7940 & DAFRNE40 (pg 4 of 5)

Ref Document Number/sfx = VP, VX, VI, BT, BI

Total Payments

By COBJ

By IRS Box number

By Vendor Number

Vendor Name

When requesting a manual correction to the reportable amount always use the Total Payments by IRS Box Numbers as the 'CHANGE FROM' amount.

Information on DAFR7940 & DAFRNE40 (pg 5 of 5)

VENDOR NAME –Appears to be a non-reportable vendor.

Name Includes CORP or INC

Vendors who have not returned a valid Form W-9 are considered reportable entities and will be included on DAFR7940 and DAFRNE40.

These are noted on 52 Vendor Profile screen with Vendor Type '8' or '9.'

The vendor profile cannot be updated without a W-9 Form.

SFMS Responsibilities

Printing and mailing of original and corrected forms, both 1099 MISC & 1099 NEC to the eligible vendors.

Federal and State Electronic Filing

Meeting all reporting deadlines for the reporting of the forms

- a. January 31, 2024 for reporting 1099 NEC
- b. March 31, 2024 for reporting 1099 MISC

Agency Responsibilities (pg 1 of 2)



Accuracy of all information reported on the 1099 MISC and 1099 NEC forms

- a. Assured through review of DAFR7940 and DAFRNE40 reports
- b. Mindful of BT transactions and Cancelled/Stop Payment Timing Impacts



All payments issued through the agency sub-systems

All 1099 forms filed with the Vendor and IRS due to agency sub-systems



Other 1099's:

- a. Scholarships/Qualified Tuition Programs (1099-Q)
- b. Grant Payments (1099-G)

Agency Responsibilities (pg 2 of 2)

Penalties if assessed due to statements not being generated and reported to the IRS can be \$250 per statement.

Incorrect reporting - \$30-100 per statement

- a. Provide correct payee statements without reasonable cause
- b. Reporting in the correct box on the correct form
- c. Reporting the correct amounts

Intentional disregard of payee statement requirements - \$530 per statement without maximum

Changes Identified prior to Jan 12, 2024 (pg 1 of 3)

AGENCY	VENDOR NUMBER	IRS BOX	COBJ	AOBJ	TRANSACTION AMOUNT	CUR DOC NO	SFX	REF DOC NO	SFX	VENDOR SUMMARY AMT
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
070	1134282357	N	4976	4983	244.34	ZE30320R	001	VP304703	001	
070	1134282357	N	4976	4983	169.88	ZE30420R	001	VP307097	003	
070	1134282357	N	4976	4983	313.34	ZE30630R	001	VP311919	001	
070	1134282357	N	4976	4983	108.98	ZE30630R	001	VP311919	002	
070	1134282357	N	4976	4983	91.55	ZE30630R	001	VP311919	003	
070	1134282357	N	4976	4983	54.71	ZE30706R	001	VP312381	001	
* TOTAL PAYMENTS FOR SUBOBJECT 4976							982.80			
** TOTAL PAYMENTS FOR IRS BOX NO N								982.80		
*** TOTAL PAYMENTS FOR VENDOR 1134282357					SFC HOLDINGS LLC					982.80

COBJ/AOBJ

If an incorrect comptroller object (COBJ –D10) was used on an expenditure:

Use T/C 415/416 to Process a Transfer to Correct COBJ/AOBJ.

Include the vendor number on the reclass transaction so the change will be reflected on the next DAFR7940 or DAFRNE40.

Changes Identified prior to Jan 12, 2024 (pg 2 of 3)



ALL TCode 415/416 transactions with a 2024 effective date will be included on **NEXT** years DAFR7940 and DARNE40 report.

Effective date must be no later than December 31, 2023.

Changes Identified prior to Jan 12, 2024 (pg 3 of 3)

COBJ (D10)/AOBJ (D11) changes for 2023 1099 reporting can only be processed before December month-end close on 1/12/2024.

December Transactions entered January 2 through January 12, 2024 must have a **December 2023 EFFECTIVE Date**.

DO NOT process a tcode 415/416 transfer for a 2023 transaction that includes a Vendor # after this date as it will affect 2024 1099 reporting.

Changes Identified After Jan 12, 2024 (pg 1 of 5)

1099 Change Request Forms: <https://www.Oregon.gov/das/Financial/AcctgSys/Pages/SFMSForms.aspx>

Use either the 1099-MISC Change Request form or 1099-NEC Change Request form for:

- Changing a payment amounts

- Adding a payment amount

- Removing payment amount

- Moving payment amounts to a different box

- Change in Vendor TIN

Email: karlene.hancock@das.oregon.gov

Changes Identified After Jan 12, 2024 (pg 2 of 5)

1099-MISC Change Request

To: Karlene Hancock

Agency Name: _____ Agency Number: _____

Requested By: _____ Date: _____

Authorized Signature: _____

Phone Number: _____ Email: _____

Vendor Name: _____

Tax Year: 20 Vendor Number: _____ Alt ID: _____
(YYYY)

Reason for Change:

<u>Box Reported In</u>	<u>Change From</u> Current Amount Reported on DAFR7940	<u>Change To</u> Correct Amount to Report on 1099-MISC
1 – Rents	_____	_____
3 – Other Income	_____	_____
4 – Backup Withholding	_____	_____
6 – Medical/Health Care	_____	_____
10 – Gross Proceeds Paid to an Attorney	_____	_____

Changes Identified After Jan 12, 2024 (pg 3 of 5)

1099-NEC Change Request

To: Karlene Hancock

Agency Name: _____ Agency Number: _____

Requested By: _____ Date: _____

Authorized Signature: _____

Phone Number: _____ Email: _____

Vendor Name: _____

Tax Year: 20 Vendor Number: _____ Alt ID: _____
(YYYY)

Reason for Change:

<u>Box Reported In</u>	<u>Change From</u> Current Amount Reported on DAFRNE40	<u>Change To</u> Correct Amount to Report on 1099-NEC
1 – Nonemployee Compensation	_____	_____
4 – Backup Withholding	_____	_____

Changes Identified After Jan 12, 2024 (pg 4 of 5)

Vendor Should not be reported:

If a vendor has received a 1099 MISC or 1099 NEC for a payment that is not reportable:

Submit the appropriate 1099 Change Request Form.

Change FROM \$\$\$ TO the reduced amount or \$0.00 if appropriate.

The amount of the change will be determined by the difference between the FROM amount listed and the TO amount **for your agency only**.

Use the IRS BOX Number Total from DAFR7940 or DAFRNE40 for the "Change From" amount.

Changes Identified After Jan 12, 2024 (pg 5 of 5)

If the change is due to a vendor organizational change:

The vendor will be required to submit documentation of their change in reportable to non-reportable status before reporting is removed.

Proof of incorporation or not-for-profit status change

Proof of Date of Sale of the entity

Valid W-9 Form

Manual Change Requests After Jan 12, 2024 (pg 1 of 2)

Add reporting for vendor after 1/12/24.

If a vendor payment needs to be included for 1099-MISC or 1099-NEC reporting but was not:

Verify that the vendor is included on the 52 profile.

If not, add the vendor to the 52.

Submit an appropriate change request form.

Change FROM 0.00 TO \$\$\$ (amount to be reported).

Manual Change Requests After Jan 12, 2024

(pg 2 of 2)

Change Vendor number for reporting AFTER 1/12/24:

Process requires two Change Request Forms:

One 1099 change request form with the incorrect Vendor number.

Change FROM \$\$\$ TO 0.00.

One 1099 change request form with the correct Vendor Number.

Change FROM 0.00 TO \$\$\$.

or

Change FROM \$\$\$ TO \$\$\$.

These two forms should be sent together.

If an agency has a large number of changes (10 or more per form type) they may be submitted on a spreadsheet, with permission from SFMS.

Vendor Profile Updates

For vendor changes:

- Tammy Lyons
- Email: SFMS1.Vendor@das.oregon.gov
- Please use a Vendor Change Request Form for all vendor changes/updates.

Common Vendor Issues (pg 1 of 4)

If you have received information that the vendor name is incorrect:

All TIN numbers must have a valid match with the vendor name on the IRS TIN Match website.

If the vendor TIN Number changed during the year:

- Report on the vendor number that was paid up to the date that the vendors ID was changed with the IRS if any other day than 1/1/23.
- Update the 52 with the updated vendor information (new EIN), this may also change the vendor to ineligible to report.
- Cross-referenced vendor numbers will automatically roll payments into the current, valid vendor number.

TIN Number changed in a previous year but did not get updated:

No updated 1099 for TY2022 will be issued.

Add Updated vendor information to 52 for any TY2023 changes.

Common Vendor Issues (pg 2 of 4)

Vendor/TIN number

Payment was made to the incorrect vendor.

A correction cannot be processed. The payment is reportable to the vendor that received and redeemed the payment.

Payment was made to the right vendor but the wrong vendor number.

Before January 12, 2024: Process Tcode 415/416 Transfer.

After January 12, 2024: Request a manual 1099-MISC or 1099-NEC correction.

Common Vendor Issues (pg 3 of 4)

VENDOR CODING

If the vendor appears to have incorrect coding on the 52 profile, verify the following:

A Corporation or Non-Profit that is coded as 1099 eligible, should be 1099 Ind = N.

If the vendor has not returned a valid Form W-9, they will still be coded as reportable.

No Vendor coding change is necessary.

Attorney coded incorrectly as not reportable

Send a Vendor Change Request form to request a correction as soon as possible.

Common Vendor Issues (pg 4 of 4)

Reminder:

Changes on the vendor profile may require revised 1099-MISC and 1099-NEC forms to be generated.

Vendor name updates after 1/12/24

Vendor organization type updates after 1/12/24

A 1099-MISC and 1099-NEC Change Request form is required for all reporting changes after 1/12/24.

Changes Recap

Prior to 1/12/24:

Agencies responsible for making all known changes using Tcode 415/416 where possible.
Report all known Vendor updates.

After December month-end close (1/12/24) ALL changes to 1099-MISC and 1099-NEC filing must be made manually by SFMS.

Complete a 1099-MISC or 1099-NEC Change Request Form:

To move amounts between boxes or potentially forms.

To change reportable amount to the correct TIN number.

To remove a reportable amount.

To add reporting for a vendor not already on file.

Undeliverable 1099's

1099 MISC and 1099 NEC forms will be produced and mailed from PnD to the name and address on the vendor 52 profile (51 Screen mail code 000) the week of 1/22/24.

It does not matter if the payment was made to a different mail code, SFMA uses the "Parent" profile.

If a 1099-MISC or 1099-NEC form is returned undeliverable:

- a. SFMS will contact the paying agency to request that the vendor information be corrected on the 52 as soon as possible.
- b. SFMS will inactivate all associated MC's for the vendor until the profile is brought up to date.
- c. SFMS will update the vendor profile, re-mail the original 1099-MISC form to the vendor and activate the affected profiles previously inactivated.

1099 Copy Requests (pg 1 of 2)

If a vendor requests a copy of Form 1099-MISC or 1099-NEC:

Confirm that the Vendor received a 1099 from the State of Oregon (DAFR7940/DAFRNE40/43M/43N).

Send the request for a copy via email include the following information:

- Vendor number – FEIN or algorithm number

- Vendor name

- Tax year requested

- Verification that the address on the 52 Vendor profile is correct

1099-MISC forms and 1099-NEC are held for 4 tax years.

1099 Copy Requests (pg 2 of 2)

New for TY 2023

SFMS has made changes to both 1099 forms:

- Vendor EIN/SSN is now masking the first 5 digits.
- Allows for greater security for mailed forms for the vendor.
- Allows SFMS to email copy requests to the vendor (TY 2023 only) versus using USPS which can take up to two weeks for delivery.

TY2019 – TY2022 will still need to be mailed, so please check the 52 screen to verify correct address and with the update.

TY2023 request addition to the 52 screen of valid email address if this information is missing or request an update if the information is incorrect.

Volunteer Payments (pg 1 of 2)

Meals are reportable to volunteers but not if there is an overnight stay.

Volunteer drivers are NOT medical transport.

Volunteers do not provide medical services.

Volunteer Payments (pg 2 of 2)

Non-Reportable Travel COBJ's for Volunteers and Board Members when agencies do not want to split out meals and lodging on a reimbursement basis:

4104 –Instate Travel Miscellaneous Expense

4111 –Instate Mileage Reimbursement-Volunteers

4112 –Instate Mileage Reimbursement-Nonemployee

4154 –Out-Of-State Travel Misc Expense

4164 –Out-of-state Mileage Reimb-Volunteers

4165 –Out-of-state Mileage Reimb-Nonemployee

4446 –Employee Recruit Travel Reimb

You may re-class payments to volunteers or Board Members to these non-reportable COBJ's before December month-end close.

Prior Year Corrections

If you determine that a corrected Form 1099-MISC or 1099-NEC is needed for a prior year:

Send the appropriate 1099-MISC or 1099-NEC change request form. Specify and highlight the tax year.

Prior year corrections will not be processed until the current year 1099 scheduled processing is complete in April.

Eogg Report Example

10/29/20 DAFRE099

PAGE 1

EMPLOYEE VENDORS WITH REPORTABLE COMP OBJECT PAYMENTS
TRANSACTION YEAR 2020

AGENCY VENDOR NO	NAME	COMP #	D10 COMP # TITLE	DOC#	SFX	WW DATE	AMOUNT
248 10R0162024	MIKE KERN	4685	LIABTY EXPENDITURE-ATTORNEY	VP248045	001	20201013	109.00
	MIKE KERN	4500	PROFESSIONAL SERVICES NON-IT	VP248044	001	20201013	107.00
	MIKE KERN	4901	MEDICAL SERVICES	VP248043	001	20201013	105.00
	MIKE KERN	4255	PRIZES AND AWARDS	VP248042	001	20201013	103.00
	MIKE KERN	4800	FACILITIES RENT	VP248041	001	20201013	100.00
248 10R0162024							524.00
248							524.00

Eogg Report (pg 1 of 2)

The Eogg report: Only state employees that received payments using reportable comptroller objects (D10-COBJ).

No 1099 MISC or 1099 NEC will be issued to an OR#.

No SSN or algorithm number payments should be listed on the DAFREogg report.

If there are reportable payments made to employees that did not pertain to their job, these payments should be reported on form 1099-NEC.

- a. An employee provides services through their established business not paid using SSN
- b. Add employee to 52 using SSN#.
- c. Complete a 1099-NEC Change Request form to ADD the income to be reported.

Eogg Report (pg 2 of 2)

Reimbursements for employee travel (on an accountable plan), fringe benefits, and awards are not reportable to the employee on form 1099-MISC.

Payments are employee expenses and if reportable after review, please report them to your payroll team as they would be included on the employee form W-2.

1099 Checklist (pg 1 of 2)

SFMS Suggested Checklist for Agency Review prior to 1099 Production:

- ✓ Identify which vendors your agency uses that are 1099-Misc and 1099-NEC reportable.
- ✓ Review IRS regulations (or enclosed filing guideline) to become familiar with what type of taxpayer identification number is required for each type of entity and how to ask a payee for the correct number.
- ✓ Review 1099-MISC and 1099-NEC reportable vendors for possible changes in name, address, or entity type.
- ✓ Contact vendors with possible changes (from 2 above) to verify correct information on file, or to update information to be accurate for reporting.
- ✓ Review vendor activity to verify 1099-MISC and 1099-NEC reportable payments are coded to the correct expenditure object codes.

1099 Checklist (pg 2 of 2)

SFMS Suggested Checklist for Agency Review prior to 1099 Production (cont):

- ✓ Review purchases or confer with other accounting staff, to verify 1099-MISC and 1099-NEC reportable activity has not been buried in capital outlay or other expenditure object not captured by accounting system as reportable.
- ✓ Verify adjustments made manually such as warrants returned for cancellation or stop pay are reflected on the DAFR7940 and DARFNE40 report.
- ✓ Correct reporting for warrant cancel and stop pay transactions processed in 2023 for warrants issued in 2022.

TY2023 1099 Processing Timeline

DAFR7940 & DAFRNE40 reports will be generated last working day of December 12/30/23 and December month-end close in January (1/12/24).

We request that the report generated on 1/12/24 is saved by the agency, as previously noted in the training, these reports will continue to be used for any research or questions that arise from the vendors.

These reports will be accessible electronically by the agency as a control report.

If you do not receive your reports, contact your SFMS Analyst or me as soon as possible.

TY2023 1099 Processing Timeline - January

1/12/2024

Final day for agency online corrections (Tcode 415/416)

43M Screen populated for agency viewing (after batch cycle)

Final DAFR7940 & DAFRNE40 Reports produced.

1/16/2024

Run report of employee vendors with reportable payments –E099 Report.

E099 report is now an agency Electronic CNTL Report however SFMS keeps one copy for files.

1/19/2024

Last day to request changes to 1099 MISC and 1099 NEC forms before the forms are printed and sent to the vendor.

1/31/2024

1099 NEC Electronically Filed with IRS/DOR (IWIRE).

TY2023 1099 Processing Timeline - February

2/8/2024

Corrected 1099-NEC forms mailed to vendors from PnD.

Adjusted 1099-MISC forms mailed to vendors from the PnD.

2/22/2024

Corrected 1099-NEC forms mailed to vendors from PnD.

Adjusted 1099-MISC forms mailed to vendors from the PnD.

2/29/2024

1099 NEC Electronically File Corrections with IRS/DOR (IWIRE).

TY2023 1099 Processing Timeline - March

3/7/2024

Corrected 1099-NEC forms mailed to vendors from PnD.

Adjusted 1099-MISC forms mailed to vendors from the PnD.

3/21/2024

Corrected 1099-NEC forms mailed to vendors from PnD.

Adjusted 1099-MISC forms mailed to vendors from the PnD.

3/29/2024

1099 MISC Electronically File with IRS/DOR (IWIRE).

1099 NEC Electronically File Corrections with IRS/DOR (IWIRE).

TY2023 1099 Processing Timeline - April

4/11/2024

Corrected 1099-NEC forms mailed to vendors from PnD.

Corrected 1099-MISC forms mailed to vendors from the PnD.

4/25/2024 – Final Date for Scheduled Corrections

Corrected 1099-NEC forms mailed to vendors from PnD.

Corrected 1099-MISC forms mailed to vendors from the PnD.

4/30/2024 – FINAL PLANNED Filing for TY2023

1099 MISC Electronically File Corrections with IRS/DOR (IWIRE).

1099 NEC Electronically File Corrections with IRS/DOR (IWIRE).

Reporting Information Returns to DAS

Dept of Administrative Services does not process or maintain a system for entities to file 1099 forms with the State or Oregon.

Please see Dept of Revenue websites for information regarding filing 1099 forms with the State of Oregon.

Agency FAQ's – Question #1

Why does SFMS send vendor questions about reporting to agencies?

SFMS does not have a relationship with the vendor.

SFMS does not have any documentation regarding what payments are issued for.

Services or supplies or reimbursements

SFMS will not change a reporting amount without an agency completed 1099 Change Request Form, signed by an agency authorized signer.

Agency FAQ's – Question #2

We have two outside consultants helping us with a capital IT project. They are providing us consulting services so I think they should get a 1099-MISC but the COBJ that we were instructed to use for the capital project is flagged as 1099 - N. I need some advice. COBJ used is 5915 = Other Intangible Assets >\$5K.

Check the 52 Screen to confirm Vendor is 1099 eligible. If they are not, then no need to proceed further.

If the Vendor is eligible to receive a 1099 and the agency determines that services paid for were for $\geq \$600$ then prior to December Close 1/12/24, BT entry using TC 415/416 using a COBJ 5105-5905 whatever is the most appropriate. If after 1/12/24, submit the appropriate 1099 Change Request form after 1/12/24.

Agency FAQ's – Question #3

We have a few contractors whose travel reimbursements are in turn reimbursed by the Federal Government through a grant. Should we be coding their reimbursements such as out of state meals and lodging as 1099 reportable?

SFMS takes the position that these types of reimbursements should be reportable to an outside vendor as part of the services that they are providing.

Short answer is yes, the vendor should be reported on a 1099 NEC form as income to the vendor.

Agency FAQ's – Question #4

Can you confirm that rental of equipment or machinery is 1099 MISC, box 1 reportable. I just wanted to clarify as to what that means. If we were to rent a forklift, or a boom that would be equipment, but I was wondering if this applied to all rentals – such as tent rental for an event.

If the rent for the tent alone on an itemized invoice was \$600 or more? Then yes, it would be Box 1 (Rental Income) of 1099MISC.

If the services to setup the tent were also \$600 or more and itemized on the invoice, then those would be Box 1 of a 1099NEC.

If the tent Rental and setup were all one bill and not itemized and the cost was \$600 or more, Box 1 (Rental Income) of 1099MISC.

Wrap Up

Where can I find more information about 1099's?

Forms and publications

www.irs.gov/formspubs

Link to download forms and publications and other educational resources