AP9 – Review and Correct 1099 Withholdings

Source Document: FI$Cal Reportable Payments Report
                     Payment Report By Status
                     Supplier Profile

Module: Suppliers (S)
                     Accounts Payable (AP)

Roles: AP 1099 Withholding Processor
                     AP Processor

In FI$Cal, a withholding flag is marked on Supplier profiles that are subject to tax withholdings. These suppliers normally have a Vendor Classification status of Individual Sole Proprietor, Partnership, Trust, Estate, or Corporation (Medical or Legal fees).

The FI$Cal Reportable Payments Report helps identify withholding errors.

If a withholding adjustment is needed, the AP 1099 Withholding Processor will do this in the Supplier module.

Early each January, FI$Cal submits a reportable payment file to Franchise Tax Board (FTB) who produces the 1099s.

Milestone 3 – TC-50 Claim Schedule Interface Entries

After December 9, 2018, Departments that submit claim schedules to the State Controller's Office (SCO) containing 1099 reportable suppliers, will need to track 1099 reportable amounts per supplier outside of FI$Cal.

The interface process creates GL journal entries at the SCO high-level account detail. Departments are required to reclassify these interfaced entries to lower-level department detail accounts. FI$Cal.404 Job Aid provides instruction to reclassify interfaced transactions in the GL module.

All interfaced claim schedule transactions which are 1099 reportable will need to be manually adjusted on the Adjustment Withholding page.

Quarterly, FI$Cal CMO sends out a communication to departments to review their reportable payments and make adjustments if necessary.

To validate the departments reportable payments, the following steps should be performed.

1. Order Reportable Payments Report for the current withholding year (calendar year).
    Navigate to: **Main Menu > FI$Cal Processes > FI$Cal Report > AP Reports > Reportable Payments**
    When running the report, in the report request parameters, ensure that the withholding type is "1099," jurisdiction is "FED," and make sure the payments reflect the correct calendar year (e.g. 01/01/2018 to 12/31/2018.)

2. Run the Detail Payment Report by Status to get payment history. (Other AP Reports are available for the same purpose.)
    Navigate to: **Main Menu > FI$Cal Processes > FI$Cal Report > AP Reports > Detail Payment Rprt by Status**
    If supplier amounts that fall into the same calendar year do not match the Reportable Payments Report, withholding adjustment will be needed.
    Note: The Reportable Payment Report may be run multiple times as corrections are made.

3. Make adjustment in the Supplier Module.
    Navigate to: **Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjustment Withholding**
    Detailed Steps are outlined in the following slides.

4. Contact the Vendor Management Unit, if the Supplier's profile is set up incorrectly to avoid future reporting issues.

The **AP 1099 Withholding Processor** will do the following if withholding adjustments are needed:

Navigate to: **Main Menu > Suppliers > 1099/Global Withholding > Maintain > Adjust Withholding**

  1 - In the Withholding Adjustment page, input the Supplier ID that needs to be corrected

  2 - Click the **Search** Button to access in the input fields**.**

Enter the Department's **BU**, **Start Date**, **End Date** and click the **Search** Button.

Click the **Transaction Info** tab to see the amounts that will be reported. To view all transactions, click the "**View All**" link. If adjustments are needed, click the Plus + icon to add or the Minus - icon to delete a transaction amount.

Note: You may find it helpful to click the "Show all columns" icon. ▭▶

After clicking the adjustment icon, a new adjustment line appears.

1 - Enter the adjustment amount on the blank **Basis Amt** line.

2 - Note: You will also be prompted to add the Entity, Type, Jurisdiction, Class, Rule, Payment Date, and Declaration Date along with the amount.   -

3 - Click the **Save** button.

To validate that the adjustment was successful, rerun the Reportable Payment Report and search for vendor. You should now see the adjustment.

Report ID:RPTAP020

FI$Cal
REPORTABLE PAYMENTS REPORT

Contains confidential information and unauthorized use or disclosure is prohibited by State law.

AP Business Unit: 8860   Department of Finance   **Payment Method:** ALL   All Methods
Payment From Date: 01/01/2019   **Jurisdiction:** FED
Payment Through Date: 03/31/2019   **Withholding Type:** 1099
Chartfield Attributes
Account: All   **Fund:** All   **GL Business Unit:** All

Vendor ID	Vendor Name	Vendor Class	Withholding Vendor
0000003115	EDDIES TAXI SVC	S	Y

Class	Class Description	Withholding Summary Amount	Payment Ref
7	Non-Employee Compensation	88.9	60513964
7	Non-Employee Compensation	54	60630856

Total by Vendor : $142.90