Process Name: 1099 Processing
Date: September 29, 2005
Time: 2 pm
Location: ACR207

Participants: Laura Lannom, Liliana Mason
Session Lead: Laura Lannom

Narrative/Description: OIT provides a focus report for all expenses paid to vendors in previous tax year. File contains name, address, tax id, amount, 1099 indicator and other information. If 1099 indicator is “Y”, the item is eligible and is entered in the 1099 prep software. If the vendor name says “Inc.” the item is not eligible and is marked off the report. All others are reviewed individually to determine eligibility, then entered in the prep software if appropriate. FRS 1099 indicator is updated for those vendors who were not previously marked as “Y” but were sent a 1099.

Electronic Inputs: focus report, 1099 form preparation software

Related Policy(s): University currently does not require W-9 to do business with vendor

Web Features: none

Manual/Paper Outputs: 1099 forms

Customer(s): vendors, IRS

Regulatory Items: IRS regulations

Frequency/Volume: less than 100 annually

Potential Break Points: bad info obtained in focus report, unable to obtain forms from IRS timely

Automation: 1099 form prep software

Issues: currently does not require W-9 to do business with vendor-this creates difficulty when trying to determine at year-end whether vendor is 1099 eligible. Even for 1099 eligible vendors, not all amounts paid to that vendor may be 1099 eligible, and our current system does not allow a good way to make that differentiation, so many vendors may get 1099s that are not completely accurate (although very few have complained).