

SECTION 14: SPECIAL PROCESSES – 1099-MISC Tax Reporting Add/Change Override

INTRODUCTION

Add/Change Override provides a general overview to and procedures for processing an override transaction to change vendor and financial data on 1099 reportable payments. ***The Add/Change Override transaction affects 1099 reporting information only. It does not change the actual warrant or any information recorded in AKSAS.***

All 1099 reportable data is available online through the TR - Tax Reporting facility for agency review and correction. Agencies review payments selected during the 1099 selection process, add payments not selected, and correct 1099 data as necessary. Override transactions are recorded using the Add/Change Override screen. This screen is accessed through the LIST SELECTED VENDORS/WARRANTS, LIST WARRANTS WITH NEGATIVE FINANCIAL LINES, and LIST ADDED WARRANTS AWAITING OVERRIDES functions available on the 1099 Tax Reporting - Main Menu.

1099 data can also be changed by selecting the ADD/CHANGE 1099 OVERRIDE function directly from the 1099 Tax Reporting Main Menu. If this option is used, a blank Add/Change Override transaction screen is displayed.

Correct 1099 Data

Add/Change Override transactions are used to change the vendor number and financial line amounts and account codes used in the original warrant transaction.

Override a Vendor Number

An override to the vendor number reports the 1099 tax reportable amount to a vendor code other than the original vendor. A vendor number override may be necessary if a vendor changed ownership during the middle of the year and payments were made to the new owner referencing the previous owner's tax identification number. A vendor number override is necessary if the 1099-MISC tax statement should go to a different address than the original warrant such as payments made to a bank for a vendor.

Vendor number overrides are not used if the 1099 reportable status of a vendor is not correct on the Vendor Master File. The 1099 status is corrected with a 505-20: Change Vendor transaction. Once the change transaction is processed, payments to the vendor are added to (if 1099 status is Yes) or deleted from (if 1099 status is No) the 1099 Online Forms File the next time 1099 selection is run.

Override Financial Lines

Overrides to financial lines can increase or decrease the 1099 tax reportable amount to a vendor. Financial line amounts and accounts can be changed as long as the total of the override financial lines is equal to the original warrant amount.

A warrant manually added to the 1099 Online Forms File requires an override transaction before the warrant can be included as a 1099 reportable payment for the vendor. For more information, refer to the *Add Warrant to 1099 File* procedure in this Section.

AKSAS TRANSACTIONS and SCREENS

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Add/Change Override

PROCEDURES

I. Process an Add/Change Override transaction.

The Add/Change Override screen with warrant information displayed is accessed from several different functions available on the 1099 Tax Reporting - Main Menu. A blank Add/Change Override screen can also be displayed. For more information on entering this transaction, refer to the *Add/Change Override Screen* and *Field Entry Table* following this procedure.

- A. On the TR: 1099 Tax Reporting - Main Menu, enter an **X** immediately preceding one of the following functions to access the Add/Change Override screen.
1. Select **LIST SELECTED VENDORS/WARRANTS** to process an override for a payment selected during the 1099 selection process or a payment for which an override transaction was previously processed. Refer to the *Review & Correct 1099 Data* procedure in this Section for more information on this selection.
 - a. Press <Enter> to display the List Selected Vendors screen.
 - b. On the List Selected Vendors screen, enter the line number for the vendor in the **ENTER SELECTION NUMBER** field. Press <Enter> to display the List Vendor Detail screen.
 - c. On the List Vendor Detail Screen, enter the line number for the warrant requiring the override in the **SELECTION NUMBER** field. Press <PF10> to display the Add/Change Override screen for the warrant. Go to Step B to enter override data.

NOTE: From the List Vendor Detail screen, the View 1099 Warrant can be displayed first and then PF10 pressed to display the Add/Change Override screen.
 2. Select **LIST ADDED WARRANTS AWAITING OVERRIDES** to process an override for a payment added to the 1099 Online Forms File by your agency. Refer to the *Add Warrant to 1099 File* procedure in this Section for more information on this selection.
 - a. Press <Enter> to display the Added Warrant Awaiting Overrides screen.
 - b. On the Added Warrant Awaiting Overrides screen, enter the line number for the warrant in the **SELECTION NUMBER** field. Press <Enter> to display the View 1099 Warrant screen.
 - c. On the View 1099 Warrant screen, press <PF10> to display the Add/Change Override screen for the warrant. Go to Step B to enter override data.
 3. Select **LIST WARRANTS WITH NEGATIVE FINANCIAL LINES** to process an override for a payment with credit (negative) financial line amounts. Refer to the *Warrants with Negative Financial Lines* procedure in this Section for more information on this selection.
 - a. Press <Enter> to display the Warrants w/Negative Fin Lines screen.
 - b. On the Warrants w/Negative Fin Lines screen, enter the line number for the warrant in the **SELECTION NUMBER** field. Press <Enter> to display the View 1099 Warrant screen.

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- c. On the View 1099 Warrant screen, press <PF10> to display the Add/Change Override screen for the warrant. Go to Step B to enter override data.
 4. Select **ADD/CHANGE 1099 OVERRIDE** and press <Enter> to display a blank Add/Change Override screen.
 - a. On the Add/Change 1099 Override screen, enter the eight-digit warrant number to be modified in the **WRNT NUM** field.
 - b. Press <Enter> to display 1099 payment data for the warrant. Go to Step B to enter override data.
- B. On the Add/Change Override screen, enter override data as follows:
 1. **RPTING VNDR NUM** - To override the vendor to whom the 1099 will be issued, enter the correct eight-character vendor number. The vendor number must be 1099 reportable on the Vendor Master File and have a tax identification number in order for this payment to be 1099 reportable.

NOTE: When payments are issued to a third party on behalf of a vendor such as a payment sent directly to the vendor's bank, the 1099-MISC tax statement must be sent to the vendor, not to the third party. An override must be processed to change the RPTING VNDR NUM to the vendor's vendor number.
 2. **OVERRIDE FINANCIAL LINES** - Enter override data in these fields if changing incorrect account and amount data. If information for one financial line is changed, **all** financial lines from the original warrant must be entered in the override fields. The sum of the override financial line AMOUNT fields must equal the WRNT AMT displayed for the warrant.
 - a. **AMOUNT** - Enter the 1099 dollar amount for this override financial line as a positive number.

NOTE: Negative amounts cannot be entered. To override a negative (credit) financial line, sum the override amounts by tax types. Enter an override financial line for each tax type for the net amount. The sum of all override lines must equal the WRNT AMT field.
 - b. **SY** - Enter a two-digit year for this financial line.
 - c. **ACCT** - Enter the five-digit account that identifies the tax type for this override financial line.
 - d. Repeat Steps a - c as necessary until the override financial line amounts are equal to the WRNT AMT.
- C. Press <PF3> to update the screen. The TAX TOTALS fields are updated with the override amounts. If any errors or warnings exist, a message is displayed at the top of the screen. Correct errors until no error messages are displayed. Refer to *Error Codes and Messages* in this Section for a list of online errors, warning messages, and corrective actions.

NOTE: If the vendor number entered is not 1099 reportable on the Vendor Master File or all account codes entered are not 1099 reportable, the message OVERRIDE CANCELS 1099 REPORTABILITY - PF3 TO SUBMIT is displayed. Verify the intent of this override is to cancel 1099 reportability for this warrant.
- D. Press <PF3> again to submit the Add/Change Override transaction.

II. View or change an Add/Change Override record.

Use the LIST SELECTED VENDORS/WARRANTS function to view processed overrides. Override records are identified as record type OVRD (override) on the List Vendor Detail screen accessible through this function.

- A. On the 1099 Tax Reporting Main Menu, enter an **X** in the space immediately preceding **LIST SELECTED VENDORS/WARRANTS**. Press <Enter> to display the List Selected Vendors screen.
- B. On the List Selected Vendors screen, enter the line number immediately preceding the **VENDOR NUMBER** in the **ENTER SELECTION NUMBER** field.

***NOTE:** If the vendor number is not listed, press <PF3> to page forward until the vendor number is displayed. To display a new list beginning with a specific vendor number, enter the vendor number in the **VENDOR NUMBER** field and press <Enter>.*

- C. Press <Enter> to display the List Vendor Detail screen. All warrants paid to the vendor by your agency are displayed. Warrants for which an Add/Change Override transaction has been processed display OVRD (override) in the REC TYPE column.

1. **Display a 1099 warrant and override detail:** Enter the line number immediately preceding the warrant number in the **SELECTION NUMBER** field. Press <Enter> to display the View 1099 Warrant screen. The screen displays the original 1099 payment data and override data is displayed in the RPTING VNDR NUM field and the **OVERRIDE FINANCIAL LINES** fields.

***NOTE:** If the override changed the vendor number to a vendor who is not 1099 reportable, the warrant is not displayed on the List Vendor Detail screen.*

2. **Correct an override transaction:** Press <PF10> to display the Add/Change Override screen. Enter new data over data displayed according to Step I.B of this procedure.

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Add/Change Override Screen										
TR: 1099 Tax Reporting - Add/Change Override					Date: 10/15/2000					
Wrnt Num _____	Wrnt Class			Rptng Vndr Num _____						
Wrnt Amt	0.00	Source RD		Orig Vndr Num						
Payee Name										
Payee Addr										
City			State		Zip Code					
Tax Totals---										
Taxable Amount:			0.00	Non-taxable Amount:			0.00			
*** Warrant Financial Lines ***					*** Override Financial Lines ***					
Fin	Amount	SY	Acct	TT	Fin	Amount	SY	Acct	TT	
					1	_____	---	---	---	
					2	_____	---	---	---	
					3	_____	---	---	---	
					4	_____	---	---	---	
					5	_____	---	---	---	
					6	_____	---	---	---	
					7	_____	---	---	---	
					8	_____	---	---	---	
					9	_____	---	---	---	
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---										
UPDT	QUIT	SUBMT		AMTS	VWRNT	VVNR	PFKYS	HELP		

SCREEN ACCESS

Use the TR - 1099 Tax Reporting - Add/Change Override screen to override vendor and financial line information for a 1099 reportable payment.

1. On the TR: 1099 Tax Reporting - View 1099 Warrant screen, press <PF10> to display the Add/Change Override screen for the warrant displayed.

OR

2. To display a blank Add/Change Override screen, enter an **X** in the space immediately preceding the **ADD/CHANGE 1099 OVERRIDE** selection on the 1099 Tax Reporting - Main Menu.
3. Press <Enter> to display a blank Add/Change 1099 Override screen.

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Add/Change Override Field Entry Table		
Field Name	Field Value	Comments
DATE:	DISPLAY ONLY	Displays the current date.
WRNT NUM	REQUIRED, if field is blank. Enter the 8-digit warrant number for the warrant you want to modify. Press <Enter> to display current information for the warrant.	Identifies the warrant to be changed. If the Add/Change Override screen was accessed from the View 1099 Warrant screen, this field displays the warrant number. If the screen was accessed from the ADD/CHANGE OVERRIDE function on the 1099 Tax Reporting - Main Menu, this field is blank.
WRNT CLASS	DISPLAY ONLY	Identifies the AKSAS warrant class. Only warrant classes GN (general), FW (field), and HW (handwrite) are 1099 reportable.
RPTING VNDR NUM	REQUIRED, to override the vendor associated with the original warrant. Enter the 8-character vendor number to which this payment should be associated.	Identifies the override payee for this warrant.
WRNT AMT	DISPLAY ONLY	Total dollar amount of the original warrant.
SOURCE RD	DISPLAY ONLY	Identifies the individual who recorded the original warrant transaction.
ORIG VNDR NUM	DISPLAY ONLY	Displays the original vendor number to whom this payment was issued.
PAYEE NAME	DISPLAY ONLY	The vendor to whom the original warrant was issued.
PAYEE ADDR	DISPLAY ONLY	The address of the vendor to whom the original warrant was issued.
CITY	DISPLAY ONLY	The city name for the payee address.
STATE	DISPLAY ONLY	The state postal abbreviation for the payee address.
ZIP CODE	DISPLAY ONLY	The 5- or 9-digit zip code for the payee address.
TAX TOTALS - The total taxable and non-taxable amounts for this warrant.		
TAXABLE AMOUNT	DISPLAY ONLY	The total amount of this warrant that is 1099 tax reportable.
NON-TAXABLE AMOUNT	DISPLAY ONLY	The total amount of this warrant that is not 1099 tax reportable.
WARRANT FINANCIAL LINES - The following fields display the account(s) to which the original payment was recorded and the dollar amount for each account charged. Use these fields as references when changing financial line information.		
FIN	DISPLAY ONLY	The line number of this original financial line.
AMOUNT	DISPLAY ONLY	The dollar amount originally recorded for this financial line.
SY	DISPLAY ONLY	The 2-digit set-up year originally recorded for this financial line.

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Add/Change Override Field Entry Table		
Field Name	Field Value	Comments
ACCT	DISPLAY ONLY	The 5-digit account to which the AMOUNT on this financial line was originally charged.
TT	DISPLAY ONLY	The tax code associated with this financial line. Refer to <i>Exhibit 14.A: 1099 Misc Tax Code Table</i> for a list of tax codes and descriptions.
 OVERRIDE FINANCIAL LINES - Enter data in the following fields to override information originally recorded for the warrant. If information for one financial line is changed, all financial lines from the original warrant must be entered in the override fields. The sum of the override financial line AMOUNTs must equal the WRNT AMT field.		
FIN	DISPLAY ONLY	The line number of this override financial line.
AMOUNT	REQUIRED, if overriding a financial line. Enter the dollar amount for this financial line as a positive number. Up to 11 digits (9 to the left of the decimal, 2 to the right). Negative amounts cannot be entered. To override a negative (credit) financial line, sum the override amounts by tax types. Enter an override financial line for each tax type for the net amount.	The dollar amount associated with this override financial line. The sum of the override financial line AMOUNTs must equal the WRNT AMT field.
SY	REQUIRED, to override a financial line. Enter the 2-digit current or prior set-up year.	The set-up year associated with this override financial line.
ACCT	REQUIRED, to override a financial line. Enter the 5-digit account code that identifies the 1099 tax type for this override financial line.	The account code for this override financial line.
TT	DISPLAY ONLY	The tax code associated with this financial line. Refer to <i>Exhibit 14.A: 1099 Misc Tax Code Table</i> for a list of tax codes and descriptions.

NOTE: To process an override, press <PF10> to display the Add/Change Override screen for the warrant displayed. Refer to Add/Change Override, Step I.B in this Section for information on entering override data.