



## W-9/1099 Misc Instructions for QuickBooks

- I. 1099 Misc forms are given to individuals or companies that provide a service to you as a non-employee or whom you pay rent to. Examples are accounting/bookkeeping, legal service, janitorial service, computer repair, landscaping, subcontractors, and landlords.
- II. Whenever you hire an individual/company to provide a service or pay them rent, have them fill out a W-9. This gives you the information you need to prepare the 1099 at the end of the year. Be sure you are handing out the latest W-9 (Rev. Oct 2007). You can get it at <http://www.irs.gov>, and click on the "Form W-9" under "Most Requested Forms and Publications".
- III. Following these instructions will assure that QuickBooks will fill out the 1099's properly, according to IRS regulations.
- IV. Using the W-9, fill in the boxes in the Edit Vendor or New Vendor screen in QuickBooks as follows:
  - A. Individual/Sole Proprietor
    1. Address Info tab
      - a. Optional – Company Name (don't include apostrophes, asterisks, or other special characters)
      - b. Required – First Name and Last Name (and M.I. if they provide one)
      - c. Be sure their name and address is completed in the Name and Address box

- d.
  2. Additional Info tab
    - a. Tax ID –fill in either their SS# (###-##-####) or EIN# (##-#####), the IRS prefers a SS#
    - b. Check "Vendor eligible for 1099"

- c.
- B. Corporation – exempt from 1099's, except for lawyers ☺
  - 1. Address Info tab
    - a. Vendor Name (at the top) – I recommend putting “Inc.” as part of the name, so that when you look at the 1099 Detail report (below), you’ll remember that this vendor is a corporation and doesn’t get a 1099

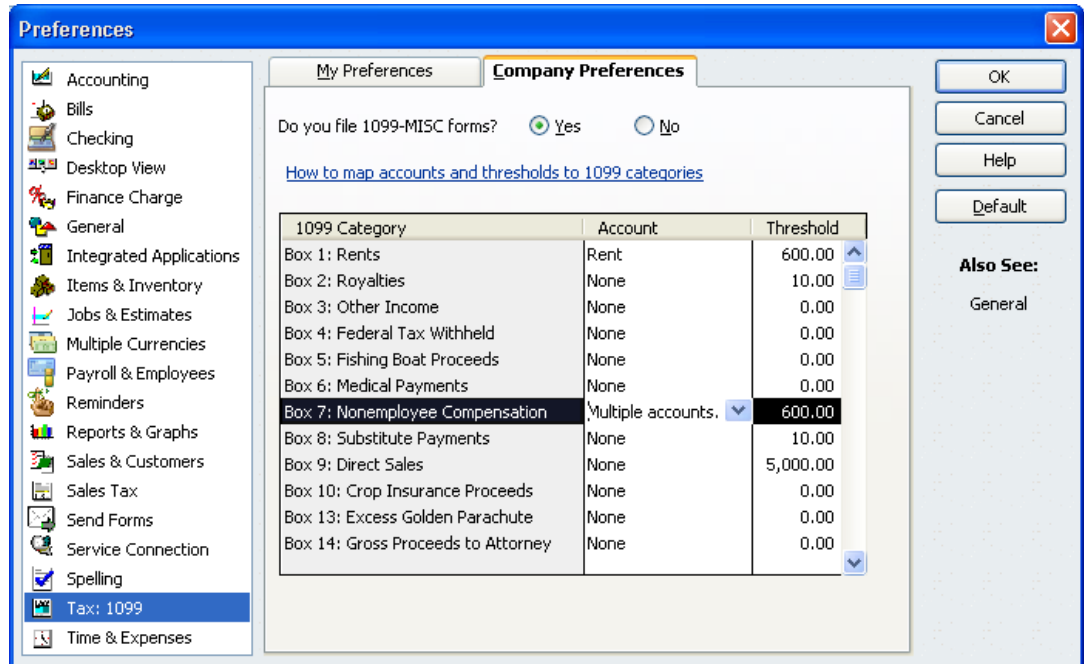
- b.
- 2. Additional Info
  - a. Be sure “Vendor eligible for 1099” is not checked

- b.
- 3. Legal Firms – same as Partnership, below
- C. Partnership
  - 1. Address Info tab
    - a. Required – Company Name, don’t include apostrophes, asterisks, or other special characters
    - b. Leave Blank – First Name and Last Name
    - c. Be sure their company name and address is completed in the Name and Address box

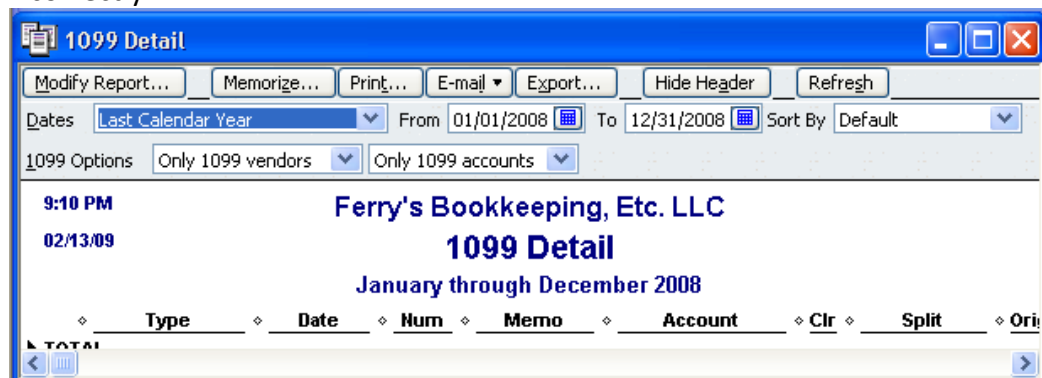
- d.
- 2. Additional Info tab
  - a. Tax ID – fill in their EIN# (##-#####)
  - b. Check “Vendor eligible for 1099”

- c.
- D. LLC Disregarded Entity – same as Individual/Sole Proprietor
- E. LLC Corporation – same as Corporation
- F. LLC Partnership – same as Partnership
- V. 1099's are mailed in January for the previous year's activity.
- VI. Preparation for printing 1099's
  - A. Make sure the 1099 preference is set up properly
    - 1. Edit – Preferences – Tax: 1099 – Company Preferences tab
    - 2. Do you file 1099-MISC forms? – Be sure this is “Yes”
    - 3. Rents
      - a. Click on the Account next to Box 1: Rents
      - b. Choose the Rent account you have in your company
      - c. If you have more than one (Rent and Equipment Rental), choose “Multiple Accounts...”, then go down the list and choose each of your “Rent” accounts
      - d. Leave the threshold at \$600.00
    - 4. Nonemployee Compensation
      - a. Click on the Account next to Box 7: Nonemployee Compensation

- b. Choose "Multiple Accounts..."
  - c. Go down the list and choose every account that is for a service, such as Professional Fees, Repairs and Maintenance, Janitorial, and Subcontractors
  - d. Leave the threshold at \$600.00
5. Click OK



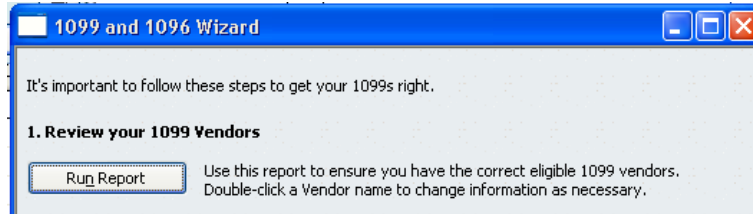
- 6.
- B. Check over your Vendors and their transactions
- 1. Reports – Vendors & Payables – 1099 Detail
  - 2. You can change the dates on this report if you are still in the year you are working on
  - 3. You can toggle between looking at only the vendors you have selected as "Vendor eligible for 1099" and all the vendors – at the top click on "Only 1099 vendors" and change it; now you can look down to see if you have missed any vendors that should be eligible for 1099
  - 4. You can also choose to see "All allowed accounts" instead of the accounts you have selected in your 1099 Preferences – at the top click on "Only 1099 accounts" and change it; this allows you to see if you have posted some transactions to the 1099 vendors incorrectly



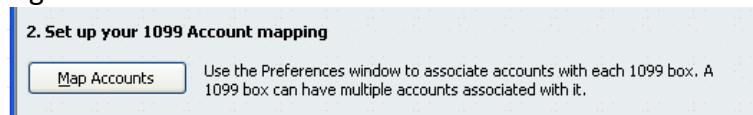
5.

VII. Printing your 1099's

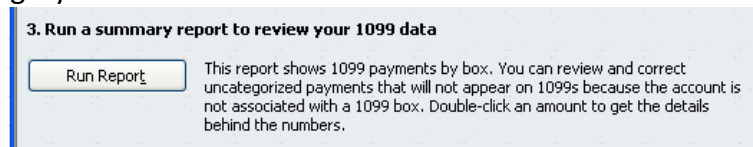
- A. You will need to purchase 1099 forms for the year you are reporting – Copy A to send to the IRS, Copy B to send to the vendor, and Copy C to either send to the vendor also or keep for your records, and a 1096 (usually comes with the Copy A); the IRS does not accept copies, they must be the original red Copy A
- B. Vendors – Print 1099s/1096
  - 1. Review your 1099 Vendors – Run Report to see a list of all your vendors and whether they are selected as “Eligible for 1099”; you can also check to make sure you have complete addresses for your vendors.



- a.
- 2. Set up your 1099 Account mapping – Map Accounts – this is a repeat of VI.A. above, setting the 1099 Preferences



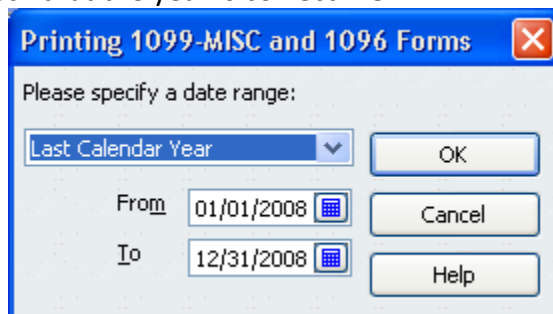
- a.
- 3. Run a summary report to review your 1099 data – Run Report – click here to see a summary report of each vendor eligible to receive a 1099, how much the 1099 will print in each category, and if there are transactions posted for each vendor in a non-1099 category



- a.
- 4. Print 1099s and 1096 Summary – Print 1099s – click it

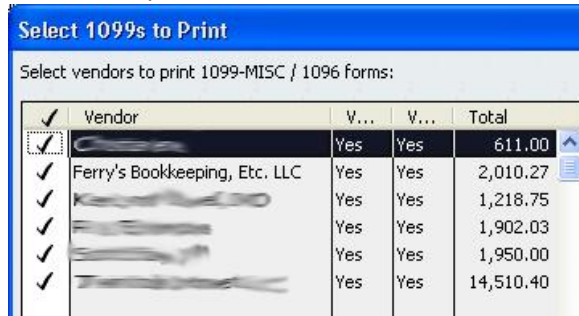


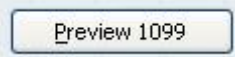
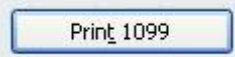
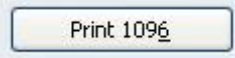
- a.
- b. Check that the year is correct – OK



- i.

- c. Select the vendors you want to print 1099s for (or leave them all selected – recommended)



- i.  – click here to look through what the 1099’s will look like
- d.
  - i. Check each name and address to be sure they look correct – if something doesn’t look right, close out of the Preview window and go back to Edit Vendor to fix any problems
- e. 
  - i. I recommend putting all your Copy C’s in the printer and print 1 copy, check them over for accuracy, then put Copy B in printer and print 1 copy, then put Copy A in printer and print 1 copy
- f. 
  - i. I recommend printing all your 1099’s at once, then printing your 1096, but you can split them up, but don’t print your 1096 until you have all 1099’s printed, then make sure you have all the vendors checked before printing the 1096
  - ii. Put your 1096 in the printer and print 1 copy
  - iii. Make sure you sign, put your title, and date the 1096
  - iv. Make a copy of it before mailing
  - v. If you didn’t keep Copy C of the 1099’s, make sure you make a copy of them
- 5. Mail the 1099’s Copy B to the vendors
  - a. It is best to purchase envelopes made for 1099’s
  - b. If you use your own envelopes, they must have “Important Tax Return Document Enclosed” printed on them
  - c. Mail by January 31.
- 6. Mail the 1096 and Copy A 1099’s
  - a. Tear off the right side before mailing
  - b. Do not fold or separate the forms, and do not staple, tear, or tape them
  - c. Address a full-size Manila Envelope (9x12, for example) to:
    - Department of the Treasury
    - Internal Revenue Service
    - Kansas City, MO 64999
  - d. Mail by February 28.