

FINANCE: Vendors and Withholding

2006 ND HEUG Conference
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Minot, North Dakota

The NDUS Inter-Functional Team, in Conjunction with the various ConnectND,
User Groups Presents North Dakota Higher Education's First User Group Conference



Presenter

Linda Romuld – ConnectND

Agenda

- Setting up a Withholding Vendor
- Withholding on a Voucher
- Withholding Changes
 - Voucher Line Applicable or Non-Applicable
 - Voucher Line Amount is incorrect.
 - Vendor Reporting Change within calendar year.
- Periodic Withholding Maintenance
- End Result: Accurate 1099 Reporting

Setting up Vendor Withholding

- Complete Search for existing value first.
- Example is for a new vendor – information applies to existing as well
 - Identifying Information
 - Addresses
 - Location
 - Contact
 - 1099

Identifying Information Tab Vendor Classification

Identifying Information [Address](#) [Location](#) [Contacts](#) [1099](#)

SetID: SHARE Vendor: NEXT

Vendor Name

*Name 1:

Name 2:

*ShortName:


Vendor Classification


*Classification: HR Class:

*Status: VAT Registration [Details...](#)

*Persistence: Withholding Open For Ordering

Vendor Relationships

Corporate Vendor 

InterUnit Vendor 

Address Tab

Identifying Information | **Address** | Location | Contacts | 1099

SetID: SHARE Vendor: NEXT

Vendor Address Find | First 1 of 1 Last

Addr: 001 Descr: **MAIN**

Address Detail Find | First 1 of 1 Last

Effective Date: 04/06/2006 Status: Active

Country: USA United States

Address 1:

Address 2:

Address 3:

City:

County: Postal:

State:

Email ID:

[Payment/Withholding Alternate Names](#) [Telephone...](#)

Location Tab

Identifying Information **Address** Location Contacts 1099

SetID: SHARE Vendor: NEXT

Vendor Location Find | View All First 1 of 1 Last

*Location: Descr: Default

Location Detail Find | View All First 1 of 1 Last

*Eff Date: 04/06/2006 Active

Pricing

Vendor	NEXT	*Location:	<input type="text"/>
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Doc Type

<input checked="" type="radio"/> Default	<input type="radio"/> Specify	<input type="text"/>
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Ordering

Vendor:	NEXT	Location:	<input type="text"/>	*Address:	1
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Invoicing

Vendor:	NEXT	Location:	<input type="text"/>	Address:	1
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Remitting

*Vendor	NEXT	*Location:	<input type="text"/>	*Address:	1
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Returning

*Vendor:	NEXT	Location:	<input type="text"/>	*Address:	1
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Go To: [Bank Accounts](#) [EFT Options](#) [Matching](#) [Payment Options](#) [Procurement Options](#) [RTV Options](#)
[Sales/Use Tax Options](#) [Self-Billed Invoice Info](#) [VAT Options](#) [Withholding Setup](#) ...More...

Contacts Tab

Identifying Information Address Location **Contacts** 1099

SetID: SHARE Vendor: NEXT

Vendor Contact Find | View All First 1 of 1 Last

Contact: 1 Description:

Contact Detail Find | View All First 1 of 1 Last

Eff Date: 04/06/2006 Status: Active Telephone...

Contact Name: Type:

Title:

URL: http:// [Open URL](#)

Description:

Email ID:

Address: [Address](#)

1099 Tab

Identifying Information Address Location Contacts 1099

SetID: SHARE Vendor: NEXT

Vendor Location

Location: Description: 1.

Location 1099 Detail

Effective Date: 04/06/2006 Active

1099 Information Customize | Find | Vie

Main Information Overrides Remit

*Entity	*Type	*Jurisdiction	Default Jurisdiction	*Default Class	*1099 Status
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>

1099 Reporting Information




*Entity	*Address	TIN Type	Taxpayer Identification Number	Gender	Date of Birth	Birth
<input type="text"/>	<input type="text"/> 1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

1099 Information






- Use the class you need. Generally Higher Education uses the following:
 - 01 – Rents
 - 02 – Royalties
 - 03 – Other Income
 - 07 – Non-Employee Compensation
 - 10 – Crop Insurance Proceeds
- If a 1099 vendor exists and a class is not listed, add the class to the existing vendor as needed.

1099 Information

■ Completed Information

1099 Information Customize | Find | View All |  First  1 of 1  Last

Main Information Overrides Remit

<u>Entity</u>	<u>*Type</u>	<u>*Jurisdiction</u>	<u>Default Jurisdiction</u>	<u>*Default Class</u>	<u>*1099 Status</u>
IRS 	1099 	FED 	<input checked="" type="checkbox"/>	03 	RPT  Reporting Only + -

1099 Reporting Information

- Data to be added is minimal:
 - Entity (at this point number of data fields decrease)
 - Address (verify address, default is 1) This address is the 1099 mailing address.
 - Tin Type, SSN or FED Use S or F
 - Tax ID number
 - NO DASHES, PLEASE
 - Verify 9 digits are used
 - No other info is required

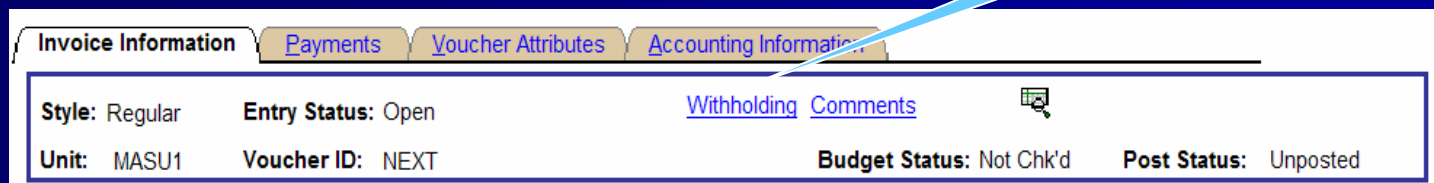
1099 Reporting Information							Customize	Find	View All	First	1 of 1	Last
*Entity	*Address	TIN Type	Taxpayer Identification Number	IRS Notified Twice of Invalid	State Income Tax Withheld	Withholding Control Name						
IRS	1			<input type="checkbox"/>								<input type="button" value="+"/> <input type="button" value="-"/>

1099 Vendor Set up Now What?


- Voucher
 - Applicable
 - Not Applicable

Applicable or Non-Applicable Withholding

- When a 1099 vendor is selected the withholding link automatically appears on a voucher.



The screenshot shows a software interface for a voucher. At the top, there are four tabs: 'Invoice Information', 'Payments', 'Voucher Attributes', and 'Accounting Information'. Below the tabs, the form contains the following fields and links:

Style: Regular	Entry Status: Open	Withholding	Comments	
Unit: MASU1	Voucher ID: NEXT	Budget Status: Not Chk'd	Post Status: Unposted	

A blue callout bubble with the text 'Whhld Link' points to the 'Withholding' link in the first row.

Withholding Link

- The withholding link automatically defaults to applicable withholding.
- To change Class use *Class. (do not use Withholding Code)

[Back to Invoice](#)

Unit: MASU1 Invoice: Vendor: THRIFTY WHITE DRUG
Voucher: NEXT Date: ID: 000008888

Prepayment Options

Postpone Withholding?

Line	Descr	Withholding Code	Withholding Applicable
1		<input type="text"/>	<input checked="" type="checkbox"/>

Customize | Find | View All | First 1 of 1 Last

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Rule Ovr	Applicable
1	IRS	1099	FED	07			<input checked="" type="checkbox"/>

Withholding Link

- Withholding Override

- Example if voucher line is \$7,000 and only \$5,000 is reportable, enter the \$5,000 amount which will be the amount reported.

[Back to Invoice](#)

Unit: MASU1 Invoice: Vendor: THRIFTY WHITE DRUG
Voucher: NEXT Date: ID: 0000008888

Prepayment Options

Postpone Withholding?

Line	Descr	Withholding Code	Withholding Applicable
1		<input type="text"/>	<input checked="" type="checkbox"/>

*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Rule Ovr	Applicable
1	IRS	1099	FED	07	<input type="text"/>	<input checked="" type="checkbox"/>

Withholding Changes or Corrections

- Causes requiring withholding changes or corrections.
 - Pay cycle exceptions
 - Error on voucher
 - Vendor was set up without withholding, now must be updated.
 - How does one know of this change?

Withholding Exception on a Pay Cycle

- Withholding exceptions on a pay cycle are shown on the pay cycle manager page, when that link is active (blue).
- Click on the link to review the error.
 - Generally a class was selected, but the vendor was not set up with that class.
 - Correct vendor set up by adding the class needed.

Pay Cycle Exceptions		
Discount Lost	Withholding Exceptions	Discount Denied

Whhld
Exceptions

Withholding Error on a Voucher

- Voucher Line Amount should or should not apply for 1099 reporting.
- Amount is incorrect for 1099 reporting
- Vendor requires 1099 reporting and vouchers have already been paid.

Correcting Voucher 1099 Reporting Error

- This can be done anytime throughout the calendar year.
- Use the Update Vchr Line Withholdings process.
 - Use Y for withholding or N for not withholding.

Incorrect 1099 Voucher Amount

- This can be corrected throughout the calendar year.
- Use the Withholding Adjustment Process
- On the appropriated voucher line, the basis amount is the only item to be changed in order to correct the amount to be reported.
- Note: at year end, the declaration date must be within the calendar year.

Incorrect 1099 Voucher Amount

Basis Amt

Adjustments

Vendor: SHARE 000008888 REMITT- THRIFTY WHITE DRUG
VAL

Search Criteria

Unit: VCSU1
Entity: Type: Jurisdiction: Class:
Start Date: 01/01/2005 End Date: 12/31/2005 Search

Adjustments

	*Unit	*Entity	*Type	*Jurisdiction	*Class	*Rule	Basis Amt	Liability Amt
Original	VCSU1	IRS	1099	FED	07	RULE0	18.480	0.000
Original	VCSU1	IRS	1099	FED	07	RULE0	39.800	0.000
Original	VCSU1	IRS	1099	FED	07	RULE0	267.930	0.000
Original	VCSU1	IRS	1099	FED	07	RULE0	19.960	0.000

Vendor 1099 Set-up

- A vendor requires 1099 reporting during the calendar year and vouchers have already been paid.
- Report this requirement (HelpDesk Ticket) and provide documentation to ConnectND. The changes will be made Centrally as all Business Units will be affected by this change.
- Upon set up, your responsibility will be to correct the voucher amounts / applicable or non applicable reporting.

Periodic Withholding Maintenance

- Business Processes to include periodic 1099 withholding maintenance
 - Pay cycle clean up on withholding exceptions done when they occur
 - Voucher invoice lines applicable/non-applicable
 - Voucher invoice line amounts

Periodic Withholding Maintenance

- Nightly batch includes withholding post
- Withholding update
 - Completed by ConnectND Office
 - During year – request this via HelpDesk
 - During December this is scheduled on a daily basis.

Periodic Withholding Maintenance Tools

- Mismatch report do on a regular basis, monthly or quarterly is recommended
 - Note that the mismatch report will not 'clear' up some data, due to applicable or non-applicable use for a vendor.
- Run available queries for 1099 information
 - Query NDU_AP_1099_PMT_DETAIL
 - Query NDU_AP_1099_LINES
 - The 1099 Report Process creates lines in the WTHD_1099_TBL, and when the dollar amount criteria for a withholding class is met, will be reported on this query.
 - Query NDU_AP36_VOUCHERS_BY_VENDOR
 - Query NDU_GL53_VOUCHERS_FOR_ACCT

Periodic Withholding Maintenance Tools

- PeopleSoft Report
Vendor Balance by Class
 - Note: All Business Units will be reported.

Periodic Withholding Maintenance

- Change in 1099 Reporting for a vendor.
 - Work with ConnectND or Vendor Registry so all 1099 reporting can be adjusted for the vendor.
 - ConnectND or Vendor Registry to notify all Business Units of the vendor change so that corrections can be made by the Business Units.

Accurate 1099 Reporting

- Vendor set up correctly
- Vendor class selected is correct
- Correct voucher reporting for 1099 vendors: applicable or non-applicable
- Correct voucher amounts for 1099 reporting
- Use ConnectND – HECN as point of contact for 1099 issues/concerns.

Other 1099 Issues

- New Address added to an existing 1099 Vendor during the calendar year.
 - Be sure the location selected for the address has 1099 reporting.
- New Location added to an existing 1099 vendor during the calendar year.
 - Be sure the new location has 1099 reporting. Use the Withholding Set up link at the bottom of the page.

Other 1099 Issues

The screenshot displays a software interface with the following components:

- Navigation Tabs:** Identifying Information, Address, Location (selected), Contacts, 1099
- SetID:** SHARE **Vendor:** NEXT
- Vendor Location Section:** Includes fields for *Location and Descr, and a checked 'Def' checkbox.
- Location Detail Section:** Includes an *Eff Date field (04/06/2006) and an Active status dropdown.
- Configuration Sections:** Pricing, Ordering, Invoicing, Remitting, and Returning. Each section contains fields for Vendor, Location, and Address.
- Doc Type Section:** Includes radio buttons for Default (selected) and Specify, and an associated search field.
- Footer Menu:** Go To: Bank Accounts, EFT Options, Matching, Payment Options, Procurement Options, RTV Options, Sales/Use Tax Options, Self-Billed Invoice Info, VAT Options, Withholding Setup, and a dropdown menu for '...More...'. A blue callout bubble points to the 'Withholding Setup' link.

Vendor Registry

- Office of Record
- Mailings
- Use of 9999999999 in TIN
- Working with Alternate Name
- Name 1 as DBA
- E-mail as of April 28, 2006
 - SPOVENDOR@ND.GOV