FINANCE:
Vendors and Withholding

2006 ND HEUG Conference
April 12, 2006
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

SetID: SHARE Vendor: NEXT

Vendor Name
*Name 1: ____________________________
Name 2: ____________________________
*ShortName: ________________________

Vendor Classification
*Classification: Supplier
*Status: Approved
*Persistence: Regular

HR Class: ______________________
VAT Registration: Details...
Withholding: ✔
Open For Ordering: ✔

Vendor Relationships
Corporate Vendor: ________________________
InterUnit Vendor: ________________________
Address Tab

- **Vendor Address**
  - Addr: 001
  - Descr:

- **Address Detail**
  - 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

<table>
<thead>
<tr>
<th>SetID: SHARE</th>
<th>Vendor: NEXT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vendor Location</strong></td>
<td>Find</td>
</tr>
<tr>
<td>*Location:</td>
<td>Descr:</td>
</tr>
<tr>
<td><strong>Location Detail</strong></td>
<td>Find</td>
</tr>
<tr>
<td>*Eff Date: 04/06/2006</td>
<td>Active</td>
</tr>
</tbody>
</table>

**Pricing**
- Vendor: NEXT
- *Location: |

**Ordering**
- Vendor: NEXT
- Location: |

**Invoicing**
- Vendor: NEXT
- Location: |
- Address: |

**Remitting**
- *Vendor: NEXT
- *Location: |
- *Address: |

**Returning**
- *Vendor: NEXT
- Location: |
- Address: |

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

SetID: SHARE  Vendor: NEXT

Vendor Contact

Contact: 1  Description:

Contact Detail

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

Contact Name:
Title:
URL: http://  Open URL
Description:
Email ID:
Address:

Find  View All  First 1 of 1  Last
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 exits and a class is not listed, add the class to the existing vendor as needed.
1099 Information

• Completed Information
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 Vendor Set up
Now What?

- Voucher
  - Applicable
  - Not Applicable
When a 1099 vendor is selected the withholding link automatically appears on a voucher.
**Withholding Link**

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

<table>
<thead>
<tr>
<th>Adjustments</th>
<th>Unit</th>
<th>Entity</th>
<th>Type</th>
<th>Jurisdiction</th>
<th>Class</th>
<th>Rule</th>
<th>Basis Amt</th>
<th>Liability Amt</th>
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</thead>
<tbody>
<tr>
<td>Original</td>
<td>VCSU1</td>
<td>IRS</td>
<td>1099</td>
<td>FED</td>
<td>07</td>
<td>RULE0</td>
<td>18.480</td>
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<tr>
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<td>07</td>
<td>RULE0</td>
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<td>0.000</td>
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<tr>
<td>Original</td>
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<tr>
<td>Original</td>
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<td>IRS</td>
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<td>FED</td>
<td>07</td>
<td>RULE0</td>
<td>19.960</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Basis Amt
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

Withholding Link
Vendor Registry

- Office of Record
- Mailings
- Use of 999999999 in TIN
- Working with Alternate Name
- Name 1 as DBA
- E-mail as of April 28, 2006
  - SPOVENDOR@ND.GOV