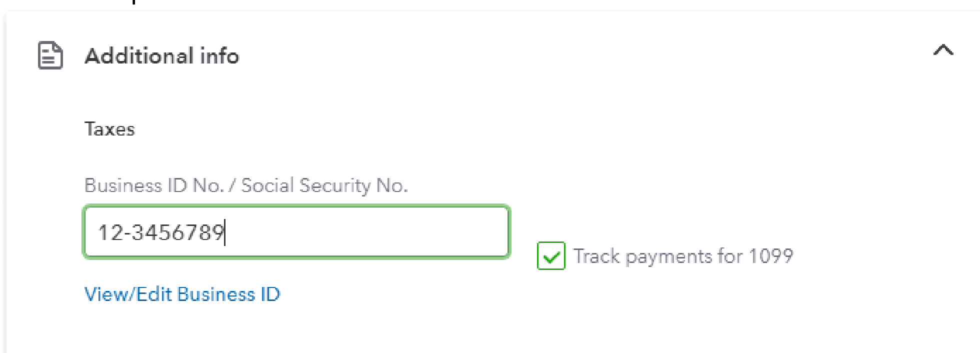
1099 QuickBooks Online

Disclaimer: QBO is constantly changing their software. Procedures or exact wording of menus may have changed.

Procedures

A. Online Procedure throughout the year

a. Throughout the year while reconciling bank accounts, review for potential 1099 vendors.
b. If you feel a vendor requires a 1099, reach out for a copy of the vendors W-9.
c. Before you receive the W-9, mark the vendor in QuickBooks as eligible for 1099.
    i. Go to expenses on the left-hand bar, then vendors
    ii. Search for the applicable vendor, and then select the vendor by clicking on them.
    iii. Edit the applicable vendor, scroll down to the additional info screen and check mark the box "Track payments for 1099"
    iv. Once you have the Vendor Tax ID number, edit the vendor to add the Tax ID in the same spot as above

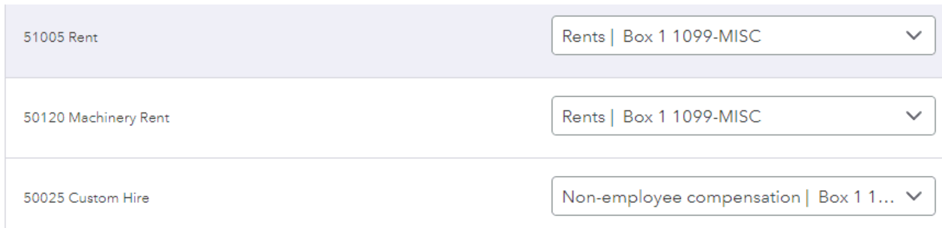


    v.
d. Repeat this process throughout the whole year for all 1099 eligible vendors

B. 1099 year-end process

a. https://www.youtube.com/watch?v=y8BEjLtT-Is
    i. This is an excellent YouTube video presented by QuickBooks.
b. On the left-hand side bar, go to payroll then contractors
c. Select prepare 1099s
d. Verify your company information on this first screen. If you need to make any changes, select the edit pencil on the right-hand side.
    i. Once you have verified all information, you will need to select the green confirm info and start filing button.
e. At this point, you must select the accounts from your chart of accounts that include payments to 1099 vendors that must be reported on 1099s.
    i. Note: These selections carryover every year. After your initial setup you will just be required to review your selections or edit if you have added accounts to your chart of accounts.
    ii. Review the "Run reports of accounts used to pay 1099 vendors" report to help make the decision on which accounts need mapped.

iii. On the right-hand side, click the select accounts button.
iv. Your entire chart of accounts will pop up. You can either search for names or you can just select the accounts you have coded your 1099 contractor payments too.
    1. Click the green add button.
    2. For example: Rent or Veterinary expense.
v. Map each account to the appropriate 1099 box for NEC or MISC
    1. Note: QBO does not support any other form. We recommend Tax1099 for additional forms.



vi. When you are done with all your mapping, select next.

f. The following screen will have a tracked for 1099 and a not tracked for 1099 selection.
    i. Tracked for 1099 includes vendors you have checked the 1099 box from Procedure A and have hit the IRS threshold.
        1. This page will show if you are missing an address or EIN, as long as you have the "Track payments for 1099" checkbox selected on the vendor.
        2. You can toggle to nonreportable payments using the dropdown menu to view vendors who have not hit the IRS threshold.
    ii. You can make changes to the contractor information on this screen by selecting edit.
    iii. You will want to review the not tracked for 1099 list to verify none of these should be tracked. You can add directly to the tracked list from here.
    iv. Go back to the tracked for 1099 tab and select the contractors who should receive a 1099, then select next.
    v. Preview the forms by reviewing names, addresses, EIN, and dollar amounts.
        1. You will need to toggle between the NEC and MISC tabs on the top.
    vi. We recommend selecting the view summary button and printing this for your records.
g. You can file the 1099s straight from here using the E-file 1099s button and QBO will send directly to the IRS and contractors.
    i. Note: Depending on your subscription there may be a fee associated to this.
h. If you e-file directly out of QBO, you will want to view submitted 1099's on the next page and print copies for your records.

C. Recommended Reports

i. It is recommended to print the 1099 transaction detail report before filing 1099's. You can find this under the report and using the find report by name box.