

# University of Missouri System Accounting Policies and Procedures



**Policy Number:** APM- 50.35

**Policy Name:** 1099-Misc File Review

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## General Policy and Procedure Overview:

The University as required by the IRS issues the form 1099-Misc form to applicable vendors. It is the responsibility of each campus to review the information in the voucher and payment tables to determine the accuracy of that data and correct any errors. Correction of the errors must be completed before the due date each year. The due date is determined by the Accounts Payable Manager at the System office and is normally around the middle of January. The purpose of this policy is to outline the processes in place to validate 1099 information.

## Definition of Key Terms:

See the [University of Missouri PeopleSoft 1099 Processing Functional Users Guide](#)

1099 Reportable Expenditures: Refer to the following link to the Internal Revenue Service for definitions on what is reportable. <http://www.irs.gov/pub/irs-pdf/i1099msc.pdf>

## Detail Policy and Procedure:

The quality of the University's 1099 reporting depends upon the information entered at the time of voucher and invoice processing and when a vendor is established. A number of tools are used to check the accuracy of the 1099 file. For details on how to run the various reports, and details on the process, refer to the "[University of Missouri PeopleSoft 1099 Processing Functional Users Guide](#)".

- Review vouchers with a mismatch between the vendor withholding flag and the voucher line withholding flag. Make corrections where required.
- Validate that each voucher line that is set up to generate a 1099 is correct ensuring valid 1099 reportable transactions are included on the 1099 reports.
- Validate that a Federal Tax ID Number (TIN) and that a Tax ID type is recorded on the vendor record.
- Ensure the TIN is nine numerical characters long and does not include hyphens or spaces between the numbers.

The Accounts Payable Manager at the System office will also send to an individual at each campus identified as being responsible for the 1099 file review, a report showing vendors who are set to print 1099s with data in multiple reporting categories (boxes). Each of these must be reviewed to determine if the multi-box status is accurate or in error.

In addition the Controller's Office is responsible for:

- Receiving from Risk and Insurance Management, the payments made from the medical malpractice accounts and manually entering the appropriate information into PeopleSoft.
- Obtaining a list of deceased employees from the Payroll Office and manually entering into PeopleSoft the necessary data.
- Reporting the 1099 file electronically to the IRS.

## **Responsibilities:**

### Controller's Office

- Create 1099 file in IRS mandated format and verify data.
- Submit file to the IRS.
- Facilitate a review of 1099s with data in multiple reporting categories (boxes). Each of these must be reviewed to determine if the multi-box status is accurate or in error.
- Responsible for manually entering payments from the Medical Malpractice Accounts.
- Responsible for manually entering payments made to deceased employees.
- Responsible for review of the System and U-Wide Business Unit's 1099-misc files.

### Designated Individuals on Each Campus

- Responsible for review of their Business Unit's 1099-misc file.

*Effective Date: July 1, 2006*

*Revised Date: May 7, 2007*

## **Questions and Comments?**

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.