RS Software

1099K

User Guide

Version: 1.0

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Statement of Confidentiality

Contents

Figures

Tables

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About This Guide

This document describes the 1099K application.

Audience and Purpose

This guide is intended for the admin users who are responsible for generating the 1099K form Data to be uploaded for IRS and the ordinary users who can view various reports on transactions and merchants.

Documents Conventions

Table 1:   Document Conventions

Convention	Description
Bold	
Italics	
Acronyms	
NOTE:	

Table 1 lists the abbreviations used in the document.

Table 1:   Abbreviations

Abbreviations	Description
RS	RS Software
BRD	Business Requirement Document
TIN	Taxpayer Identification Number
MCC	Merchant Category Code
VPN	Virtual Private Network

Document History

Table 2 shows the change history of the document.

Table 2:   Document Changed History

Created on	Created by	Changed On	Changed By	Reviewed By
03/31/2017	RS	mm/dd/yyyy		

1. Introduction

1099K is a sub-application under the Bill2Pay system is designed to automate the printing of IRS 1099K and electronic filing. This will help to avoid penalties incurred due to invalid merchant TIN submission to IRS.

The application summarizes the volume of online transactions of the registered merchants. This data is used by Bill2Pay system to calculate the IRS taxes for various government departments (federal or State.)

1.1 User and User Roles

1099K has two user roles:

- **Admin**–The administrator having access to all modules of the application. This role is mapped to admin@b2p.com. The admin user is responsible for operating the 1099K application and performs various tasks to generate the 1099K form.

- **User** – This user role has view-only access to the modules. This role is mapped to user@b2p.com

1.2 Features

1099K has these functionalities:

- Imports data from Bill2Pay systems.

- Determine the business logic needed to present the data in IRS 1099K form.

- Generate all copies of the IRS 1099K form that can be downloaded and printed as per IRS-specified format.

- It will help to avoid any penalties incurred due to invalid merchant TIN submission to IRS in IRS-specified format.

- Generate the file to be supplied to the IRS Tax Identification Number (TIN) matching website for validating the merchant name and TIN against IRS records.

- Generate the file to be used for IRS 1099K electronic submission.

- Generate IRS form 1099K correction file that will be used for IRS electronic submission.

- Store responses sent by IRS after 1099K form submission.

- Generate reports based on the imported data and IRS responses.
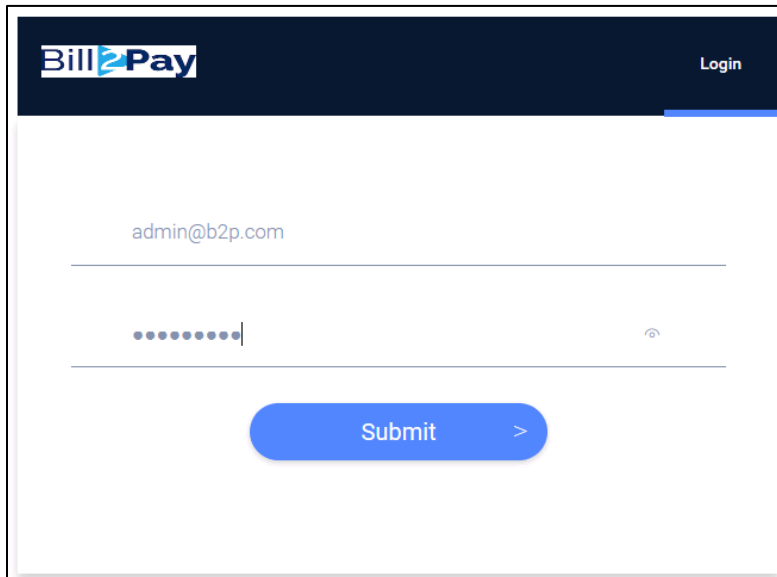
1.3   Log In

Initially the application is configured with two users.

1. Username/Password: admin@b2p.com / Admin@123

2. Username/Password: user@b2p.com / User@123

The users need to log in to the application using the link provided. The log in screen allows the user to enter the ID and password. When accessing the application for the first time the user need to use the default password.

Figure 1-1:   Bill2Pay Log In

Reset Password

During first time log in the application will prompt to change the default password as shown in

Figure 1-2:   Reset Password

NOTE: *It is recommended to change the default password at first login.*

1.4   1099K Listing Page

On a successful log in the users will see the landing page showing the 1099K Listings as shown in Figure 1-3.

Figure 1-3:   1099K Home Page

The home has links for performing various tasks. This page is the default landing page for all users. Once the *import transaction* process is complete, the merchant listing is also shown in this page.

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2. Generating 1099K Data

The admin user is responsible for generating the 1099K data. These are:

- Import data from Bill2Pay systems

- Download TIN Matching File

- TIN matching-Upload file manually to IRS

- IRS test file generation-Upload file manually to IRS

- IRS File Generation-Upload file manually to IRS

- IRS correction file generation-Upload file manually to IRS

- Correction 1 (transaction related), correction 2 (merchant at related info)

2.1 Step 1: Import Transaction Data from Bill2Pay Systems

The import data task is done using the **Import Transaction** menu. Selecting the Import Menu shows the transaction data import options on screen as shown in Figure 2-1.

Figure 2-1: Import Options

From this screen, user can import transaction data for 1099 K filing.

To import transaction data

1. Select the year for which the filing will be made in the **Select Year** field.

2. Select the payer under which merchant belongs in the **Select Payer** field.

3. Navigate to the path where the matching file is located file to be uploaded by clicking **Browse**.

4. Select **Import.**

   The import process runs in the background. The user can navigate through the application while the import process is running. Once the import process is complete, the import status is shown under Last Imported Summary section as marked in Figure 2-1.

2.2 Step2: Download TIN Matching File

To generate TIN matching response from IRS, TIN matching request file need to be generated from the application. Generated file will prompt to save in user local machine.

To Download TIN Matching File

1. In 1099K listing screen select the merchants for who the TIN Matching file will be downloaded.

2. Select TIN Matching Input button.

3. The system will ask for the path where the file will be saved as shown in

Figure 2-2:   Downloaded File Path

2.3   Step 3: Upload IRS TIN Matching Response File

The TIN matching response file needs to be uploaded into the system after receiving from.

To upload the TIN Matching Response File

1.   Select Import TIN Matching menu. The upload TIN matching response file options appear as shown in Figure 2-3.

Figure 2-3:   Upload TIN Matching Response File Options

2.   Select the year for which the filing will take place in **Select Year** field.

3.   Select the file to be uploaded by clicking **Browse** in the browse field and then navigate to the path where the matching file is located.

4.   Select **Import**. The import process start at the backend and when the upload is complete user get a confirmation message.

     Once response is uploaded, the users can view the TIN Matching status on the 1099K listing screen. Following statuses are reflected in the 1099K listing screen:

     ▪   **TIN Match Successful**–This means that IRS has responded with a successful match of TIN and Merchant Name.

     ▪   **TIN Match Unsuccessful**–This means that IRS has responded with an unsuccessful match of TIN and Merchant Name. The reason reported by IRS is shown in the tooltip.

Ideally, all the response codes returned by IRS TIN matching service should be 0. Following are the possible return codes sent by IRS:

•   **0**–Indicates the name/TIN combination matches IRS records.

•   **1**–Indicates TIN was missing or TIN is not a 9 digit number.

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- **2**–Indicates TIN entered is not currently issued.

- **3**–Indicates the name/TIN combination does not match IRS records.

- **4**–Indicates an invalid TIN Matching request.

- **5**–Indicates a duplicate TIN Matching request.

- **6**–This matched on SSN, when the TIN type is (3), unknown, and a Matching TIN and name control is found only on the NAP DM1 database.

- **7**– This is matched on EIN, when the TIN type is (3), unknown, and a matching TIN and name control is found only on the EIN/NC database.

- **8**–This is matched on EIN and SSN, when the TIN type is (3), unknown, and matching TIN and name control is found only on both the EIN/NC and NAP DM1 databases.

2.4   Step 4: Generate IRS Input File

Generate IRS Input file is restricted for the admin user.

This will generate the IRS FIRE Input file in IRS-specified fixed length file format for the selected payee(s)/merchant(s).

IRS Input file will be downloaded into user's local machine and required to be uploaded into the IRS FIRE system manually.

> ***NOTE:*** *IRS FIRE Test service requires registration to be done prior to using the service. For Combined Federal/State filing, IRS requires to submit a test file first to be eligible to submit the actual return for the first year. From the second year onwards it is recommended to submit a test file before actual filing.*

Generate the IRS Input file

Three different type of IRS Input can be generated depend on payee state.

1. **IRS Test file:** For the selected payee in 1099K listing page, by clicking on "**IRS File Test Input**" button, File will be generated and prompt to download in User local machine as shown in Figure 2-3.

Figure 2-4:   IRS Test File Generation

2. **IRS Fire Input**: For the selected payee in 1099K listing page, by clicking on "**IRS File Input**" button, File will be generated and prompt to download in User local machine as shown in Figure 2-3.

Figure 2-5:   Generated IRS Input File

3. **IRS Fire Correction Input:** For the selected payee in 1099K listing page, by clicking on "**IRS File Correction Input**" button, File will be generated and prompt to download in User local machine as shown in Figure 2-3.

Figure 2-6:   IRS Correction Input

There can be two types of corrections as per IRS specification:

1. **One Transaction Correction**–If the original return was filed with one or more of the following error types:

   –   Incorrect payment amount codes in the Payer **A** record.
   –   Incorrect payment amounts in the Payee **B** record.
   –   Incorrect code in the distribution code field in the Payee "B" Record.
   –   Incorrect payee indicator. (Payee indicators are non-money amount indicator fields located in IRS-specific form record layouts of the Payee **B** record between field positions 544-748.)
   –   Return was not filed.

2. **Two Transaction Correction**–If the original return was filed with one or more of the following error types:

   –   No payee TIN (SSN, EIN, ITIN, QI-EIN, ATIN)
   –   Incorrect payee TIN
   –   Incorrect payee name
   –   Wrong type of return indicator

Depending on what kind of response IRS sends to IRS FIRE filing, the admin needs to update the IRS Status of the merchant in the 1099K listing page. And generate a PDF file.

3. Generate Batch PDF File for 1099K

Generate Batch IRS 1099K PDF file is restricted for the role "Admin" to the system.

1. This will generate the 1099K PDF copy for the selected payee/merchant. PDF File will be generated for the payee who is already in submitted or re-submitted state.

2. Generated PDF File will be stared in Server Specified location. As the download fie location is Configurable for the application. Initially it is pointed at **/App_data/download/K1099/** under application root location.

Figure 3-1:   IRS Correction Input

4. Change Status

Changing Status of 1099K Item is restricted for the role "Admin" to the system. This menu is available to admin users only.

Figure 4-1: **1099K Change Status**
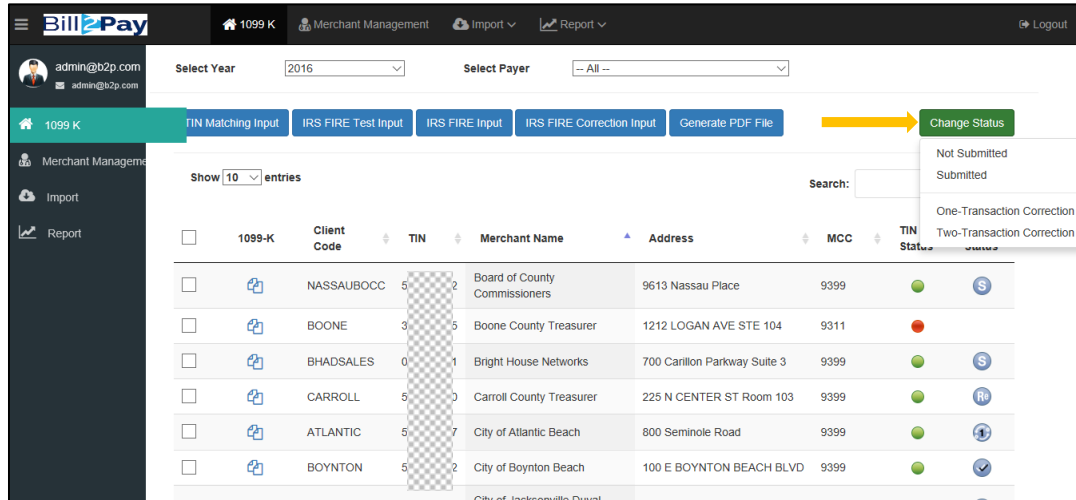
Status of 1099K Item is as follows:

- **Not Submitted**–This is the default Status with no icon. This status means that the IRS FIRE input file submission for this merchant has not taken place.

- **Submitted**–After submitting the IRS FIRE input file to IRS FIRE system the user needs to select list of merchants for whom submission has happened and set the status as *Submitted* from the **Change Status** dropdown list. Once the status of a merchant is changed to Submitted, the user cannot generate IRS Fire input file for that merchant.

  NOTE: *Admin user can change status from Submitted or any other status to* ***Not Submitted*** *only if somehow by mistake the admin changed the status of selected merchant/payee to Submitted. To rectify this mistake admin can change the status to "Not Submitted".*

- **One-Transaction Correction**–For a submitted/Resubmitted item, user can set this status if applicable.

- **Two-Transaction Correction**–For a submitted/Resubmitted

- Item–The user can set this status if applicable.

The following statuses are system generated and cannot be manually updated:

- **File Generated**–Will change only if User generates IRS FIRE Input File.

- **One-Transaction Correction Updated**–This is a system generated Status for a merchant. When a merchant is marked as "One-Transaction Correction" and corrected data is uploaded this status will be assigned by system. After this the user can generate an IRS Fire Correction file for this merchant.

- **Two-Transaction Correction Updated**–This is a system generated Status for a merchant. When a merchant is marked as "Two-Transaction Correction" and user changes merchant information then this status will be assigned by the system. After this the user can generate an IRS Fire Correction file for this merchant.

- **Resubmitted**–After re-submitting IRS FIRE Correction file to IRS FIRE system, user will need to select list of merchants and set status as *Submitted*. Since this is a correction and re-submission, the status is distinguished differently from the Submitted status.

5. Non Admin User Options

Users logged in with User Role have limited options. Only the **1099 K** listing is available to the user along with the Report menu. The user also can generate the Copy **1**, Copy **B** and other copies for printing.

Figure 5-1:   1099K Listing Screen

5.1   1099K Details

The user can display all the 1099K copies by clicking over the **Details** ( ) icon in the 1099K listing page. The details will be displayed as follows:

If status of the item is submitted/re-submitted, user can generate printable copy of the IRS 1099K forms by clicking on button. The details page contains five separate tabs for Copa A, Copy 1, Copy B, Copy 2, and Copy C.

Selecting "Copy A" tab will show the "Copy A" details as shown in Figure 5-2.

Figure 5-2:   Copy A

Selecting "Copy 1" tab will show the "Copy 1" details as shown in Figure 5-4.

Figure 5-3:   Copy 1

Selecting "Copy B" tab will show the "Copy B" details as shown in Figure 5-2.

Figure 5-4: Copy B

Selecting "Copy 2" tab will show the "Copy 2" details as shown in Figure 5-5.

Figure 5-5: Copy 2

Selecting "Copy C" tab will show the "Copy C" details as shown in Figure 5-6.

Figure 5-6: Copy C

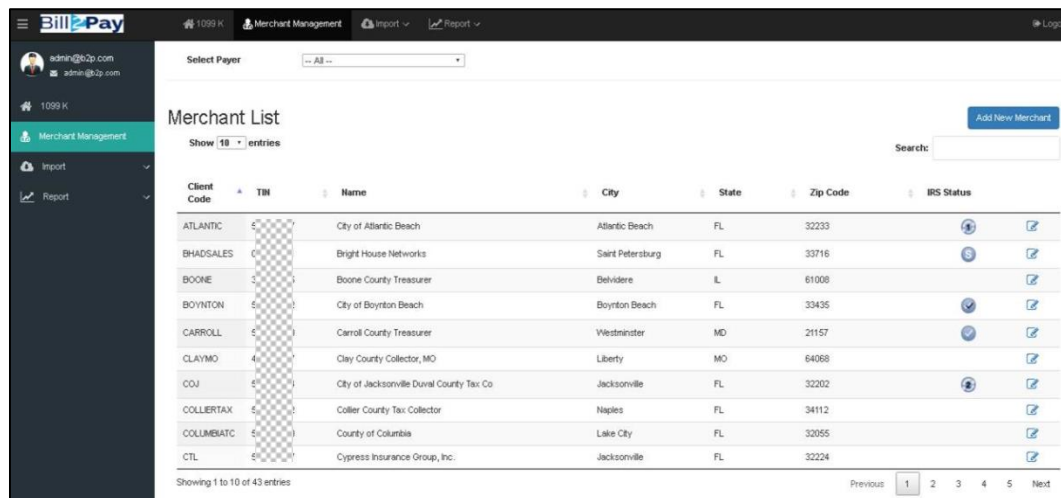Using button user can generate a PDF file and get a print for the same.

6. Merchant Management

Merchant Management feature allows users to add and update Merchant information. This option is available only available to the users with Admin role. Selecting the Merchant Management menu shows the Merchant Management screen (Figure 6-1.)

Figure 6-1: **Merchant Management Screen**

6.1 Add a New Merchant

Admin users can add new merchants through the Merchant Management menu.

To add new merchant

Select **Add New Merchant** on the Merchant Management screen. The Add New Merchant screen appears as shown in Figure 6-2.

Figure 6-2:   **Add New Merchant**

Enter the details of the merchant in the fields provided.

Select **Save** when all the fields have been entered. Clicking on Save the system will validate the data and save the merchant details into the database if the entries are correct. Clicking on **Cancel** will take user back to the Merchant List page.

6.2   Update Merchant

To update merchant detail

1.   Select on the Merchant List page after select the merchant. The merchant details will be shown (Figure 6-3.)

Figure 6-3:   **Update Merchant**

2.   Make the necessary changes and select **Save**.

There are few system validations and messages while editing a merchant based on the 1099K submission status of the merchant as described in Table 6-1.

Table 6-1:   Update Merchant-System Validations

Merchant Status	Validation Messages
Not Submitted	N/A
File Generated	N/A
One-Transaction Correction	1099K is already submitted for the merchant. For these cases, the updated information will not reflect in IRS until the next submission.
One-Transaction Correction Updated	
Resubmitted	
Submitted	
Two-Transaction Correction Updated	This merchant is marked as Two-Transaction Correction. The updated information will reflect after re-submission.

7. Reports

The **Report**s menu is available for admin and non admin user roles. Using this menu has these options:

- TIN Matching Status Report
- IRS 1099K Submission Report
- Merchant Details Report

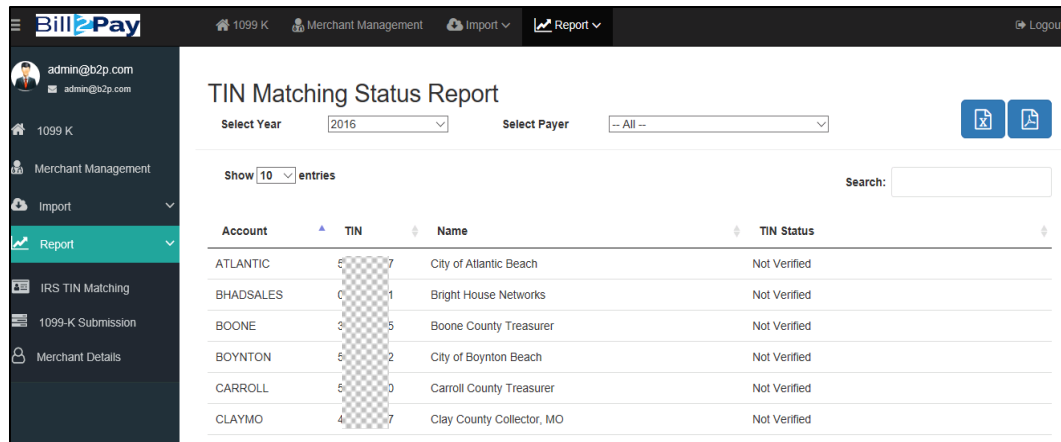The reports are available both online and downloadable format.

CSV can be generated by clicking on 🗎 button

PDF can be generated by clicking on 🗎 button

7.1 TIN Matching Status Report

Selecting the **IRS TIN Matching** option shows the TIN Matching Status Report (Figure 7-1.)

Figure 7-1: **TIN Matching Status Report**

7.2 IRS 1099K Submission Report

Selecting the **1099K Submission** shows the 1099K Submission report as shown (Figure 7-2.)

Figure 7-2: **IRS 1099K Submission Report**

7.3 Merchant Details Report

Selecting the Merchant Details shows the Merchant Details report as shown (Figure 7-2.)

Figure 7-3: **Merchant Details Report**

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