



**Vendor and Voucher Entry
Working with 1099 and 1042S
Transactions**
PeopleSoft Version 8.9

10-25-10

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For account numbers and descriptions included as taxable payments please refer to the table in Appendix 8 at the end of this manual or follow this link to reference the most recent updates:

<http://www.bussvc.wisc.edu/acct/policy/tax/taxpol.html>

Background

Taxable payments (or 1099/1042S reportable payments) to Regular (not Employee) Vendors requires additional set-up at Vendor Entry. It is always best to start with the correct information for a vendor prior to entering a voucher for payment. Link to UW-System Financial Administration Personal Services Payments Policies: <http://www.uwsa.edu/fadmin/fppp/fppp31.htm>

Our policy: "The University of Wisconsin System will report taxable payments to the IRS, Wisconsin Department of Revenue, and the individual receiving the payment and withhold federal and state income taxes from payments as required by Federal and State laws. Also, the University of Wisconsin System will require social security numbers or Individual Tax Identification Numbers (ITINs) for non-resident aliens as required by Federal law."

In general, a taxable payment to a vendor is a payment for a service or work performed, including parts and materials. We are required by law to obtain a tax identification number for all vendors prior to making a tax reportable payment. When a vendor submits a service-related invoice, parts and materials are to be marked as Withholding. Account coding must comply with the rules set by Accounting Leadership at each campus. It is recommended to use the appropriate account for parts and services. In SFS, account codes do not determine 1099 reporting; the vendor set-up determines 1099 reporting.

Exception to the Rule: Payment for Medical Services, account 2630, is reportable for corporations. An excerpt from the IRS instructions for form 1099-MISC. "The exemption from issuing Form 1099-MISC to a corporation does not apply to payments for medical or health care services provided by corporations, including professional corporations. However, you are not required to report payments made to a tax-exempt hospital or extended care facility or to hospital or extended care facility owned and operated by the United States (or its possessions), a state, the District of Columbia, or any of their political subdivisions, agencies, or instrumentalities."

Medical Services (account 2630) must be coded to Withholding Code 6. Payments to Corporations are included and must be reported. Services are always reportable, including supplies, if furnished as part of a service. Regular medical supplies, for example, bandages, medications, etc, that are consumed by campuses are not reportable unless related to a service. **Query UW_89_1099_ACCT_2630_MD_SVC was created to help campuses monitor these payments.** Periodically review these payments to ensure reporting accuracy and compliance

NEW – Payment to Research Subjects, account 2637, is reported as code 3. Identify these payments through this query **UW_89_1099_ACCT_2637_RES_SUB.**

Type of Payment and Reporting Level

Because 1099 and 1042S reporting is consolidated at UW-System as one institution, all 1099 and 1042S payments are to be reported by each campus.

<u>Type of Payment</u>	<u>Federal Law</u>	<u>UW Consolidated Reporting Level</u>
Services, including parts and materials (Code 7)	\$600	\$600
Travel on Account Code 2162	Not Reportable	
Payments to Research Subjects, Prizes and Awards (Code 3)	\$600	\$600
Rentals (Code 1)	\$600	\$600
Royalties (Code 2)	\$ 10	\$ 10
Medical and Health Care payments. (Code 6)	\$600	\$600
Payments of attorney's fees for services (Code 7)	\$600	\$600
Payments of gross proceeds paid to attorneys (Code 14)	All	All
Scholarships/Fellowships (NRAs only, see Appendix 7)	Payments to NRAs are reportable as 1042S	

The following information is required on potentially reportable payments:

- **legal name**
- **permanent home mailing address**
- **United States Taxpayer Identification Number (TIN). This can be a Social Security Number (SSN), Individual Taxpayer Identification number (ITIN) or an Employer Identification Number (EIN).**

Sufficient description about the payment is necessary so the correct classification may be determined. This information is required for all payments on reportable categories listed above, regardless of amount. For Vendor categories of Individual/Sole Proprietor, Partnership/LLC, (whether the campus vendor file classification is used or not). If no social security number or tax ID is provided, payments may be subject to withholding (see [withholding](#)* link for further definition).

Non-reportable payments (scholarships/fellowships and student loans to UW students) require social security number for financial aid reporting purposes. If the student does not have a social security number, student ID number is required. Mailing (Home) address is not required on these payments.

*Withholding link = <http://www.bussvc.wisc.edu/acct/policy/tax/taxwith.html#back>

W-9 and Determining TIN Type

IRS W-9 Form Instructions

Information for internal use only

Direct Vendors to the IRS web site if they have questions <http://www.irs.gov/>

W-9 Form (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification		Give form to the requester. Do not send to the IRS.
	Name (as shown on your income tax return)		Line 1
Print or type See specific instructions on page 2.	Business name, if different from above		Line 2
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶		<input type="checkbox"/> Exempt payee
	Address (number, street, and apt. or suite no.)		Requester's name and address (optional)
	City, state, and ZIP code		
	List account number(s) here (optional)		
	Part I Taxpayer Identification Number (TIN)		
	Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3. Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		Social security number
			or
			Employer identification number
	Part II Certification		
Under penalties of perjury, I certify that:			
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and			
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and			
3. I am a U.S. citizen or other U.S. person (defined below).			
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.			
Sign Here	Signature of U.S. person ▶	Date ▶	

Name on Line 1 is the Withholding Name that must be used to match to the TIN.

Business Name on Line 2 generally must be the name on the vendor file to match invoices and purchase orders.

Remember to select the correct TIN Type. EIN is F, Social Security Number is S. A mismatch occurs when the TIN does not match the name or the TIN type is not correct.

Individual/Sole Proprietor is ALWAYS a Social Security Number. It should not be the "Doing Business As" Name. IRS strongly prefers SSN.

Limited Liability Company – if vendor selects C (Corporation) - not 1099 reportable. If vendor selects P (Partnership) or D (Disregarded Entity), vendor is 1099 reportable.

LLC (Non-Corporations) may have an EIN or and SSN. We must rely on the vendor to follow IRS instructions. If the SSN is given, the Withholding Alternate name must be an Individual's name when the vendor name is a business name.

How to enter 1099 information for a New Vendor

REMEMBER: The PeopleSoft term for 1099 processing is called “Withholding”. This does not imply that tax is withheld from payments to these vendors.

Navigate to Vendors, Vendor Information, Add/Update, Vendor
Click on the “Add a New Value” tab and click Add.

Identifying Information | Address | Contacts | Location

SetID: UWMSN Check for Duplicate

Vendor ID: NEXT

*Vendor Short Name:

*Vendor Name 1:

Vendor Name 2:

*Status: Approved *Classification: Supplier

*Persistence: Regular HCM Class:

VAT Registration Registration VAT Default VAT Service Treatment Setup

Withholding Expand All Collapse All

Open For Ordering

Vendor Relationships

Corporate Vendor InterUnit Vendor

Corporate Vendor ID: InterUnit Vendor ID:

Additional ID Numbers

Customer ID:

Our Customer Number:

Type	SetID	ID Number	DUNS Number
<input type="text"/>		<input type="text"/>	

▶ Duplicate Invoice Settings

▶ Government Classifications

▶ Std Industry Codes

▶ Additional Reporting Elements

Expand All Collapse All

Save Notify Refresh Add Update/Display Include History Correct History

Identifying Information | Address | Contacts | Location
Defaults for vendor entry are shown

Identifying Information | Address | Contacts | Location | Custom

SetID: UWMSN Check for Duplicate

Vendor ID: NEXT

*Vendor Short Name: PUBLICJOHN

*Vendor Name 1: PUBLIC,JOHN Q

Vendor Name 2:

*Status: Approved *Classification: Ind/SolPro Select Ind/SolPro

*Persistence: Regular HCM Class:

VAT Registration Registration VAT Default VAT Service Treatment Setup

Withholding Expand All Collapse All

Open For Ordering

Vendor Relationships

Corporate Vendor InterUnit Vendor

Corporate Vendor ID: InterUnit Vendor ID:

Additional ID Numbers

Customer ID: Our Customer Number:

ID Numbers	SetID	ID Number	DUNS Number

Check the Withholding Box

Do not use this field for tax identification numbers for 1099 vendors. If there is a TaxID in this field it does not have to be removed.

After the Shortname, Name, and Vendor Classification, check the “Withholding” box. This will enable marking vouchers to the vendor as “withholding”

NOTE: The Id Number field is used for non-withholding vendors’ TINs. For example, Employee and Corporation (exception - for Medical or Legal Services) would not use Withholding. A Partnership or Limited Liability Company (LLC) is not necessarily (or usually) a corporation for tax reporting purposes. Tax reportable payments to Employees and Scholarships (57XX account series) to non-resident aliens are appropriately handled through the W-2 or 1042S process – not covered in this manual.

Vendors classified as Student, Attorney, Partnership/LLC or Individual/Sole Proprietor are entered as Withholding if a taxable payment is made. Vendors that exclusively supply parts or goods but never services may be entered without checking the withholding box. This will prevent the necessity of manually unchecking withholding on every voucher with this vendor and the requisite manual clean-up when this is not done correctly. Accounting Leadership determines this policy at each campus.

In the case of a 1099 vendor supplying “vendor value-added” goods, such as printing or custom-imprinted apparel, we would err on the side of caution and include this as a 1099 record. Since the goods are enhanced by the vendor, a service has been provided.

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

SetID: UWMSN
Vendor: NEXT Short Vendor Name: Name: PUBLIC,JOHN Q

Vendor Address Find | View All First 1 of 1 Last

Address ID: 1
Description: REMIT TO

Details Find | View All First 1 of 1 Last

Effective Date: 070205
Status: Active
Country: USA United States
Address 1: 123 REMIT ST
Address 2:
Address 3:
City: REMIT CITY
County: Postal: 53713
State: WI
Email ID:

Payment/Withholding Alt Names

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

*Type	Prefix	Telephone	Extension

Save Notify Refresh Add Update/Display Include History Correct History

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

Click on the Address tab and enter in the payment address and other addresses for the vendor, if applicable. The panel above has the payment address. Click the plus sign (+) of the Vendor Address section to add the permanent address (circled above).

[Summary](#) | [Identifying Information](#) | [Address](#) | [Contacts](#) | [Location](#)

SetID: UWMSN
 Vendor: 0000500001 Short Vendor Name: LARSONJANE-001 Name: LARSON,JANET M

Vendor Address Find | View All First 2 of 2 Last

Address ID: 2
 Description: WITHHOLDING - HOME CCR Type:

Details Find | View All First 1 of 1 Last

Effective Date: 07/02/2005
 Status: Active
 Country: USA United States
 Address 1:
 Address 2:
 Address 3:
 City:
 County:
 State: WI Wisconsin Postal: 53716
 Email ID:

Address blocked for privacy

Payment/Withholding Alt Names

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

*Type	Prefix	Telephone	Extension

[Save](#) [Return to Search](#) [Notify](#) [Refresh](#) [Add](#) [Update/Display](#) [Include History](#) [Correct History](#)

[Summary](#) | [Identifying Information](#) | [Address](#) | [Contacts](#) | [Location](#)

This is an example of an address used for Withholding purposes. Note that this address's Description starts with "WITHHOLDING." **Every vendor marked for withholding with multiple addresses will need to have the withholding address identified. The address does not have to be labeled "Withholding". The withholding address is shown on page 16.**

THE WITHHOLDING ADDRESS MUST BE SELECTED WHEN ENTERING INFORMATION IN THE 1099 LINK ON THE LOCATION TAB. WHEN THERE ARE MULTIPLE ADDRESSES AND LOCATIONS, IT IS IMPORTANT TO CORRECTLY IDENTIFY THE WITHHOLDING ADDRESS – WHERE THE 1099 IS TO BE MAILED.

[Identifying Information](#) | [Address](#) | [Contacts](#) | **Location**

SetID: UWMSN
 Vendor: NEXT Short Vendor Name: Name: PUBLIC,JOHN Q

A vendor location is a default set of rules which define how you conduct business with a vendor.

Location Find | View All First 1 of 1 Last

*Location: Default

Description: [RTV Fees](#)

Details Find | View All First 1 of 1 Last

*Effective Date:

Status:

Options: [Payables](#) | [Procurement](#) | [Sales/Use Tax](#) | [1099](#) Expand All Collapse All

▶ Additional ID Numbers

▼ Comments

▶ Internet Address

▶ VAT

Expand All Collapse All

Save | Notify | Refresh
Add | Update/Display | Include History | Correct History

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

After entering the Location, Description and Effective Date, click the 1099 link.

Withholding Vendor Information

SetID: UWMSN Location: 0001
Vendor ID: NEXT Description:
Short Vendor Name:
Name 1:

1099 Options

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

Main Information Overrides Remit

*Entity	*Type	*Jurisdiction	Default Jurisdiction	*Default Class	*1099 Status
IRS	1099	FED	<input checked="" type="checkbox"/>	07	NONE

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

Main Information

*Entity	Address	TIN Type	Taxpayer Identification Number	Company	Withholding Control Name
IRS	2	S	123456789	<input type="checkbox"/>	PUBL

OK Cancel Refresh

In the 1099 Information line, enter in the following fields

Entity: IRS

Type: 1099

Jurisdiction: FED

Check the Default Jurisdiction box

Default Class: Enter in the default Withholding Code. This is usually 07, but may be different code based on the type of payment. See page 24, [Taxable Payment Codes by Account Number and Withholding Code](#).

In the 1099 Reporting Information line, enter in the following fields. This is repetitive but necessary.

Entity: IRS

Address: Enter in the address number if there is more than one. In this instance it is address 2.

TIN Type: Enter in S or F. S is for Social Security Numbers and F is for Federal Employer Identification Numbers

Taxpayer Identification Number: Enter in the SSN or FEIN.

Withholding Control Name: Enter in the first four letters of the vendor's name or last name. If the last name is less than four letters, only enter the last name.

Click OK to go back to the Location panel. **DON'T FORGET TO "SAVE" AS USUAL.**

REMEMBER - CLICK ON THE 1099 LINK FOR ALL LOCATIONS YOU ADD FOR A WITHHOLDING VENDOR, ENTER IN THE SAME INFORMATION AS ABOVE. ALWAYS PAY ATTENTION TO THE WITHHODING ADDRESS SO THAT A 1099 IS ISSUED TO THE CORRECT ADDRESS.

Final Message - If you forget to enter in the information on any 1099 tab of a Location for a withholding vendor, this message will appear at Save.

Warning -- Vendor has been set to withholding but withholding information not provided.

The vendor has been marked as withholdable but withholding information has not been provided.



ALWAYS CLICK OK and remember to go back and fill in the missing 1099 information.

Maintaining 1099 information for an Established Vendor

NOTE -TWO TAX IDENTIFICATION NUMBERS SHOULD BE TWO DISTINCT VENDORS.

Frequently, a vendor is identified as 1099 applicable after the vendor has been added to the vendor file. To change and maintain a 1099 vendor always use a new effective dated panel. **Using effective dated location panels will maintain the audit trail and is the preferred method. Do not use Correct History. See Appendix 2 for further information. For withholding updates, use the first day of the calendar year in which the change is effective or a day later than the last effective dated panel.**

In the next example, a vendor is in the system as “John’s Printing”. After receiving the W-9, the vendor has checked Individual/Sole Proprietor so the classification needs to be changed from Supplier. The Withholding name should be John Q. Public.

The screenshot displays two panels of a vendor management system. The top panel shows the vendor 'JOHNSPRINT' with a classification of 'Supplier' and the 'Withholding' checkbox unchecked. A red box highlights the 'Supplier' classification, with an arrow pointing to a text box that says 'Change vendor classification to Ind/SolPro or other appropriate classification'. Another red box highlights the 'Withholding' checkbox, with an arrow pointing to a text box that says 'Check the Withholding Box'. The bottom panel shows the same vendor with a classification of 'Ind/SolPro' and the 'Withholding' checkbox checked. The 'Withholding' checkbox is also highlighted with a red box and an arrow pointing to the 'Check the Withholding Box' text.

Navigate to the vendor. Change vendor classification to Individual/Sole Proprietor or other appropriate classification and check the Withholding box.

Click on Address panel.

Summary Identifying Information **Address** Contacts Location

SetID: UWADM
Vendor: 0000005365 Short Vendor Name: JOHNSPRINT-001 Name: JOHN'S PRINTING

Vendor Address Find | View All First 1 of 1 Last

Address ID: 1
Description: REMIT

Details Find | View All First 1 of 2 Last

Effective Date: 10/17/2007
Status: Active
Country: USA United States
Address 1: 1099 N 1ST STREET
Address 2:
Address 3:
City: MADISON
County:
State: WI Wisconsin Postal: 53716
Email ID:

Payment/Withholding Alt Names

Payment Alternate name
Name 1:
Name 2:

Withholding Alternate name
Withholding Name 1: PUBLIC,JOHN Q
Withholding Name 2:

This is where to add a new effective dated panel.
What effective date to use? Use the first day of the calendar year or the day after the last effective date.

Use the same naming convention as used for vendor name, i.e. Last name, First name.

At the top right hand corner of the **Details** pane – click on the “+” to add a new effective dated address panel. To enter a “Withholding Name”, expand the “Payment/Withholding Alt Names” fields. Enter the individual name in the Withholding Name 1 field.

Click on the Location tab. At the top right hand corner of the Details pane – click on the “+” to add a new effective dated location panel.

Summary Identifying Information Address **Location** Contacts

SetID: UWADM
Vendor: 0000005365 Short Vendor Name: JOHNSPRINT-001 Name: JOHN'S PRINTING

A vendor location is a default set of rules which define how you conduct business with a vendor.

Location Find | View All First 1 of 1 Last

*Location: 00001
Description: REMIT
RTV Fees

Details Find | View

*Effective Date: 10/17/2007
Status: Active
Options: Payables Procurement Sales/Use Tax 1099

Additional ID Numbers
Comments
Internet Address
VAT

Expand All Collapse All

This is where to add a new effective dated panel.
What effective date to use? Use the first day of the calendar year or the day after the last effective date.

Click on the “1099” link.

Withholding Vendor Information

SetID: UWADM **Location:** 00001
Vendor ID: 0000005365 **Description:** REMIT
Short Vendor Name: PUBLICJOHN-001
Name 1: PUBLIC,JOHNQ

1099 Options

The screenshot shows two overlapping windows from a software application. The top window is titled "1099 Information" and has tabs for "Main Information", "Overrides", and "Remit". The "Main Information" tab is active, showing a table with columns: *Entity, *Type, *Jurisdiction, Default Jurisdiction, *Default Class, and *1099 Status. The values entered are: Entity: IRS, Type: 1099, Jurisdiction: FED, Default Jurisdiction: , Default Class: 07, and 1099 Status: NONE. The bottom window is titled "1099 Reporting Information" and has tabs for "Main Information" and "Additional Information". The "Main Information" tab is active, showing a table with columns: *Entity, *Address, TIN Type, Taxpayer Identification Number, and Withholding Control Name. The values entered are: Entity: IRS, Address: 1, TIN Type: S, Taxpayer Identification Number: 991234567, and Withholding Control Name: PUBL.

OK Cancel Refresh

Hint – you can use Customize to select only the mandatory fields.
In the 1099 Information line, enter in the following fields

Entity: IRS

Type: 1099

Jurisdiction: FED

Check the Default Jurisdiction box

Default Class: Enter in the default Withholding Code. This is usually 07, but may be something different. See page 31, [Taxable Payment Codes by Account Number and Withholding Code](#).

In the 1099 Reporting Information line, enter in the following fields. This is repetitive but necessary.

Entity: IRS

Address: Enter in the address number if there is more than one. In this instance it is address 1.

TIN Type: Enter in S or F. S is for Social Security Numbers and F is for Federal Employer Identification Numbers

Taxpayer Identification Number: Enter in the SSN or FEIN.

Withholding Control Name: Enter in the first four letters of the vendor's name or last name. If the last name is less than four letters, only enter the last name.

Click OK to go back to the Location panel. **REMEMBER - CLICK ON THE 1099 LINK FOR ALL LOCATIONS YOU ADD FOR A WITHHOLDING VENDOR, ENTER IN THE SAME INFORMATION AS ABOVE. ALWAYS PAY ATTENTION TO THE WITHHOLDING ADDRESS SO THAT A 1099 IS ISSUED TO THE CORRECT ADDRESS.**

DON'T FORGET TO "SAVE" AS USUAL. ALL PRIOR VOUCHERS AND PURCHASE ORDERS NEED TO BE REVIEWED. SEE APPENDIX 2.

1099 Voucher Entry Transactions

Voucher entry with one line of taxable coding

Scenario 1: We have a Payment to Individual Report for vendor number 0000527905 in the amount of \$1,000.00 for Professional Services. Vendor set-up is complete. Navigate to voucher entry as usual (Accounts Payable, Vouchers, Add/Update, Regular Entry)

Invoice Information | **Payments** | Voucher Attributes

Business Unit: UWMSN Invoice Number: PIR110705
Voucher ID: NEXT Invoice Date: 11/07/2005
Voucher Style: Regular

Vendor: 0000527905 Misc. Amount: Non Merchandise Summary
Name: PUBLICJOHN-001 Freight Amount: **Withholding**
Location: 0001 Sales Tax: VAT Summary
*Address: 1 VAT: VAT Summary
PUBLIC,JOHN Q Total: 1,000.00
750 FAKE ST Balance: 0.00
Tax Exempt Flag Tax Exempt Flag
Use Tax: 0.00

TEST CITY, WI 53713
[Advanced Vendor Search](#)

*Pay Terms: DUR Accounting Date: 11/07/2005 Action: Run
*Currency: USD
Control Group:

Copy from a Source Document
PO Unit: Purchase Order: Copy PO Worksheet Copy Option: None

Invoice Lines Find | View All First 1 of 1 Last
Line *Distribute by Item Description Quantity UOM Unit Price Extended Amount
1 Amount 1,000.00
Ship To SpeedChart
PETERSC Use One Asset ID Use One Asset ID Sales/Use Tax VAT

Distribution Lines Customize | Find | View 1 | First 1 of 1 Last
GL ChartFields 1 GL ChartFields 2 Exchange Rate Statistics Assets
Amount *Account Fund Dept Program Class Project
1 1,000.00 2620 101 030500 1

Save Notify Refresh Add Update/Display

Invoice Information | Payments | Voucher Attributes

Enter funding information, as usual. Note that a new link is visible at voucher entry.

[Withholding](#) This is the link to the withholding information. Click on the link and the withholding information panel is displayed. Payments to a vendor set up for withholding will automatically be coded to the default code selected at vendor entry in the 1099 link of the Location tab.

NOTE: [Withholding](#) Look for this link whenever entering a taxable transaction. If this box does not appear, the vendor has not been set up for Withholding. Route this information back to Vendor Entry or make the necessary update to the vendor file.

Withholding Information

[Back to Invoice](#)

Unit: UWMSN Invoice: PIR110705 Vendor: PUBLIC,JOHN Q
 Voucher: NEXT Date: 11/07/2005 ID: 0000527905

Withholding Option						
Postpone Withholding <input type="checkbox"/>						

Invoice Line Withhold Information				Find View 1		First	1 of 1	Last
Line	Description	Withholding Code	*Withholding Applicable					
1		<input type="text"/>	<input checked="" type="checkbox"/>					

Withholding Details							Customize Find View All		First	1 of 1	Last
	*Entity	*Type	*Jurisdiction	*Class	Apply Withholding	Applicable					
1	IRS	1099	FED	07	Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

Notice the “Withholding Applicable” and “Applicable” check boxes. These will flag the transaction for 1099 processing. As long as the transaction is coded to a taxable account code, do not make a change to these boxes.

It is extremely important to be sure that BOTH boxes are either checked or unchecked. If both boxes do not match, there will be reconciliation problems and a manual correction will be required later.

Be on the lookout for accounts that should have another Class. The code may be changed if the Class field (Withholding Code) does not match the account – See page 31 for [full account/withholding code crosswalk](#). To change the Class Code, you will need to select the new code in the “Withholding Code” field, located to the left of the Withholding Applicable checkbox. This field overrides the vendor default of the Location Class field.

Note: A vendor must be set-up for each code. If you can not pull in the correct code to a voucher, the vendor file must be updated by adding a new line to 1099 options. See page 21.

[Back to Invoice](#) This link returns to the Voucher Entry Invoice Information panel.

Continue voucher entry, as usual.

Voucher Entry with two lines of coding, one is taxable, the other is not taxable

Scenario 2: We have a Payment to Individual Report for vendor number 0000500001 in the amount of \$325.36. \$300.00 is for Professional Services and \$25.36 is a reimbursement for travel expense. Vendor set-up is complete. Navigate to voucher entry as usual. (Accounts Payable, Vouchers, Add/Update, Regular Entry).

Voucher

Find an Existing Value **Add a New Value**

Business Unit:	<input type="text" value="UWMSI"/>
Voucher ID:	<input type="text" value="NEXT"/>
Voucher Style:	<input type="text" value="Regular Voucher"/>
Short Vendor Name:	<input type="text" value="LARSONJANE-003"/>
Vendor ID:	<input type="text" value="0000500001"/>
Vendor Location:	<input type="text" value="0001"/>
Address Sequence Number:	<input type="text" value="1"/>
Invoice Number:	<input type="text" value="PIR101707"/>
Invoice Date:	<input type="text" value="10/18/2007"/>
Gross Invoice Amount:	<input type="text" value="325.36"/>
Freight Amount:	<input type="text" value="0.00"/>
Misc Charge Amount:	<input type="text" value="0.00"/>
Estimated No. of Invoice Lines:	<input type="text" value="2"/>

This is one situation where you will want to enter in 2 for the “Estimated No. of Invoice Lines”. However, if you forget to enter 2 here, you can add another Invoice line on the following screen.

Invoice Information Payments Voucher Attributes

Business Unit: UWMSN Invoice Number: PIR101707
 Voucher ID: NEXT Invoice Date: 10/18/2007
 Voucher Style: Regular Action: [Run]

Copy from a Source Document

PO Unit: [] Purchase Order: [] Copy PO Worksheet Copy Option: None

Vendor: 0000500001 *Pay Terms: DUR Basis Dt Type: Acct Date
 Name: LARSONJANE-003 Control Group: [] Comments
 Location: 0001 Accounting Date: 10/18/2007
 *Address: 1 *Currency: USD Non Merchandise E
 LARSON, JANET M Total: 325.36 Calculate Withholding

Address blocked for privacy

Packing Slip: []

Invoice Line(s)

Line	*Distribute by	Item	Description	Quantity	UOM	Unit Price	Extended Amount
1	Amount	[]	Professional Services	[]	[]	[]	30

Ship To: NORTHPA SpeedChart: [] Use One Asset ID: []

Distribution Lines

Amount	Quantity	*GL Unit	Account	Fund	Dept	Program	Class
300.00	[]	UWMSM	2620	101	011010	1	[]

Enter voucher as usual. However, we must separate the taxable portion from the non-taxable portion. At the “Distribute by” line – enter ONLY the taxable portion. Enter the coding for the taxable portion. Description is optional but it will assist the Tax Manager in reviewing the transactions for this voucher.

Click the plus icon (+) if you need to add another invoice line, otherwise click the arrow icon (▶) if you want to advance to the next invoice line.

Line	*Distribute by	Item	Description	Quantity	UOM	Unit Price	Extended Amount
2	Amount	[]	Travel - Reimbursement	[]	[]	[]	25.36

Ship To: NORTHPA SpeedChart: [] Use One Asset ID: [] Calculate

Distribution Lines

Amount	Quantity	*GL Unit	Account	Fund	Dept	Program	Class	Project
25.36	[]	UWMSM	2162	101	011010	1	[]	[]

This is a new line. Description is optional but this will assist in reviewing the 1099 processing at the end of the year.

Enter coding information as usual.

Invoice Information | [Payments](#) | [Voucher Attributes](#)

Business Unit: UWMSN Invoice Number: PIR101707
 Voucher ID: NEXT Invoice Date: 10/18/2007
 Voucher Style: Regular Action: [Run]

Copy from a Source Document
 PO Unit: [] Purchase Order: [] Copy PO Worksheet Copy Option: None

Vendor: 0000500001 *Pay Terms: DUR Basis Dt Type: Acct De
 Name: LARSONJANE-003 Control Group: [] Comments
 Location: 0001 Accounting Date: 10/18/2007
 *Address: 1 Advanced Vendor Search *Currency: USD Non Merchant
 LARSON, JANET M Total: 325.36 Calculate **Withholding**

Address blocked for privacy

Because this vendor has been set-up as a withholding vendor the non-taxable portion must be unchecked for the Withholding Applicable checkbox.

Click on the "Withholding" link, circled above. ([Withholding](#))

Withholding Information

[Back to Invoice](#)

Unit: UWMSN Invoice: PIR101707 Vendor: 0000500001 LARSON, JANET M
 VAT Entity: Voucher: NEXT Date: 10/18/2007

Withholding Option
 Postpone Withholding Apply Withhold at Voucher Post

Invoice Line Withhold Information Find | View 1 First 1-2 of 2 Last

Line	Description	Withholding Code	*Withholding Applicable
1	Professional Services	[]	<input checked="" type="checkbox"/>

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

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099	FED	02	[]	[]	[]	Payment	<input checked="" type="checkbox"/>

Line	Description	Withholding Code	*Withholding Applicable
2	Travel - Reimbursement	[]	<input checked="" type="checkbox"/>

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

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099	FED	02	[]	[]	[]	Payment	<input checked="" type="checkbox"/>

Remove Check next to Line 2, Travel Reimbursement.

Withholding Information

[Back to Invoice](#)

Unit: UWMSN Invoice: PIR101707 Vendor: 0000500001 LARSON,JANET M
VAT Entity: Voucher: NEXT Date: 10/18/2007

Withholding Option

Postpone Withholding Apply Withhold at Voucher Post

Invoice Line Withhold Information Find | View 1 First 1-2 of 2 Last

Line	Description	Withholding Code	*Withholding Applicable
1	Professional Services		<input checked="" type="checkbox"/>

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

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099	FED	02				Payment	<input checked="" type="checkbox"/>

Line Description *Withholding Applicable

2	Travel - Reimbursement		<input type="checkbox"/>
---	------------------------	--	--------------------------

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

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099	FED	02				Payment	<input type="checkbox"/>

Note how the use of the “Description” assists in determining which line should not be flagged as a taxable transaction.

It is extremely important to be sure that BOTH boxes are either checked or unchecked. If both boxes do not match, there will be reconciliation problems and a manual correction will be required later.

The withholding flag has been removed from the non-taxable portion of this payment. If the taxable and non-taxable portions of a payment are not separated into different invoice lines, there is not any way to separate the amounts. **ALWAYS** separate taxable and non-taxable portions into two separate **Invoice Lines**. **Distribution Lines** can not be individually checked or not checked for Withholding and the manual adjustment process is tedious.

Click on the “Back to Invoice” link ([Back to Invoice](#)) to return to the Invoice Information panel.

Continue Voucher Entry as usual.

Voucher Entry for Legal Settlements and Payments to Attorneys – 1099 Implications

Background: Legal settlement payments to a claimant are usually coded to non-employee compensation. Proper treatment and reporting of these payments involve keeping up-to-date with latest IRS regulations and are reviewed by UWSA annually. In general, work-related compensation settlements for employees/former employees are handled through payroll. So be aware that there are IRS requirements to pay and report compensation settlements through payroll processing.

When a payment is requested for a legal settlement, each campus must require that the requester also include tax-reporting details of the settlement and verify that the request should be appropriately handled through accounts payable.

Punitive damages are not taxable or reportable **to the claimant** and are appropriately handled through accounts payable for the claimant. When an attorney is included on the payment for the claimant, the attorney is reported for the full amount as **withholding code 14**.

Scenario 1: A legal settlement payment includes both attorney and claimant.

The payment must be coded to Gross Proceeds to an Attorney or Withholding Code 14 and the Claimant named on a payment along with an Attorney is coded to Non-employee compensation, or Withholding Code 7, subject to the provisions of the settlement agreement.

Both the attorney and the claimant are to be reported at the full amount of the payment.

As a suggestion, enter the claimant as the vendor on the voucher. PeopleSoft does not have the capability of using two vendors on a voucher.

The Attorney vendor must be added to the vendor file and the staff performing 1099 maintenance must manually enter the payment information for the attorney vendor. To include all payees on the check, use “Payment Alternate Name”:

Summary Identifying Information **Address** Contacts Location

SetID: UWADM
 Vendor: 0000005365 Short Vendor Name: JOHNSPRINT-001 Name: JOHN'S PRINTING

Vendor Address Find | View All First 1 of 1 Last

Address ID: 1
 Description: REMIT

Details Find | View All First 1 of 2 Last

Effective Date: 10/17/2007
 Status: Active
 Country: USA United States
 Address 1: 1099 N 1ST STREET
 Address 2:
 Address 3:
 City: MADISON
 County:
 State: WI Wisconsin Postal: 53716
 Email ID:

Payment Withholding Alt Names

Payment Alternate name

Name 1: JOHN Q PUBLIC AND LEGAL EAGLES ATTYS
 Name 2:

Enter voucher as usual. Manual Entry of the Attorney 1099 record will be required so have a communication plan in place to transmit this information to the staff performing 1099 clean-up.

Scenario 2: Attorney and Claimant are paid individually on separate checks.

The IRS rules state that when separate checks are issued to the claimant and attorney the proper treatment for reporting is to **report the attorney for only the amount of the check payable to the attorney and the claimant is to be adjusted to report the combined total of the two individual payments.**

For example, a payment to a claimant for \$2,000 along with a separate payment to the attorney for \$1,000 would result in 1099 reporting of \$1,000 to the attorney and \$3,000 (the combined total of the two payments) to the claimant. In this case, the claimant needs to be adjusted by an additional \$1,000.

57XX Account Series to non-resident aliens is not reportable as a 1099 transaction.
See 1042S & W-2 procedures.

Reference - Taxable Payments by Account Number and Withholding Code

Account	Description	WIH Code	Comments
1909	Acad - NonSal Legal Settlement	7	Report settlement payments to any attorney payee as 14
1944	Class-NonSal Legal Settlement	7	
2201	Telecomm Services-Centrex	7	Parts and materials - see note below
2230	Telephone Service-Install, etc	7	
2260	Communication-Miscellaneous	7	
2300	Rental of Land	1	
2305	Lease of Land	1	
2320	Rental of Space-Noncorp	1	
2325	Lease of Space-Noncorp	1	
2330	Rental of DP Equip	1	
2335	Lease of DP Equip	1	
2340	Rental of Vehicles-Dealership	1	
2345	Lease of Vehicle-Dealership	1	
2350	Rental of Aircraft	1	
2355	Lease of Aircraft	1	
2360	Rental Equipment-Noncorp	1	
2370	Lease of Equipment-Noncorp	1	
2410	Leasehold Repairs & Maint	7	
2460	Maintenance & Repair- DP Equip	7	
2470	Maintenance & Repair-Vehicles	7	
2480	Maintenance & Repair-Other	7	
2610	DP Services - Outside Source	7	
2620	Services - Professional-Indiv	7	
2621	Services - Consultants-Indiv	7	
2622	Collection Agency Fees	7	
2625	Services-Guarantees	7	
2626	Services - Athletic Officials	7	
2630	Medical Services	6	Corporations Reportable
2637	Research Subjects	3	NEW reporting code
2675	Printing/Duplicating - Private Vendor	7	Parts & mat'ls – see note
2680	Service-Housekeeping & Janitorial	7	
3111	Eye Exam for Safety Glasses	7	
3710	Freight	7	Parts and materials - see note below
3740	Advertising & Notices	7	
3750	Prizes & Awards	3	
3750	Prizes & Awards-Cash	3	
3760	Claims Awards	3	
3780	Conference/Workshop Exp.	7	NOTE: Service-related parts and materials are marked withholding, coded to the correct account, not a service account.
3781	Conf/Workshop Exp Educ Program	7	
3840	Subcontracts < \$25,000-Indiv	7	
3845	Subcontracts >\$25,000	7	
3860	Royalties	2	
4490	Land Improvements	7	Parts and materials - see note above
4520	Bldg and Attached Fixtures	7	
4525	Bldg & Fixtures-Cap Lease	7	

Appendix 1 – Limited Liability Company - LLC

The LLC is a type of hybrid business structure that is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. A popular choice for sole proprietors who are looking to incorporate simply to protect personal assets or secure additional loans, the LLC is thought to be one of the easiest and least expensive forms of ownership to organize. The Limited Liability Company (LLC) is now a recognized business structure in all 50 states plus the District of Columbia. LLCs are gaining popularity with small business owners because they combine the advantages of a corporation with the tax advantages and management flexibility of a partnership. **In general, this means that an LLC will be reportable for 1099 purposes unless it is also a corporation.**

Important Note: An LLC as defined in this write-up is a United States registered LLC. The distinction needs to be made because other countries have different requirements for companies, corporation, etcetera that might be less than what the United States recognizes. Only a United States LLC can be considered an LLC and treated based on the criteria listed below for United States tax reporting purposes.

What are the main advantages of forming an LLC?

- Owners of an LLC have limited liability for business debts.
- For tax purposes, the allocation of profit and loss of an LLC need not be proportional to ownership interests.
- With an LLC, there is no double taxation threat since the LLC is not a separate taxable entity.
- You do not need to be a US citizen to own or invest in an LLC.

Institutional Requirement for Reporting Payments to an LLC

- Institutions are required to report payments to an LLC in the same manner as payments made to an Individual or Sole Proprietor.
- All payments to an LLC are reported for tax purposes at the end of each calendar year on a 1099-MISC form for U.S. Tax Residents or on a 1042-S form for NonResident Aliens.
- Tax reporting information required for payments made to an LLC are:
 1. Full name of the LLC (i.e., XYZ Clothing LLC)
 2. Home mailing address for the LLC
 3. Employer Identification Number (EIN)

Wisconsin LLC or Corporation status can be verified at the Department of Financial Institutions: <http://www.wdfi.org/apps/CorpSearch/Search.aspx?>

Appendix 2 – Vendor set-up as Withholding or not Withholding in error

Vendors can be set-up as withholding in error or a vendor can incorporate and no longer be withholding applicable. When an established vendor needs to have a change in the Withholding status, you must also review past vouchers in the current calendar year and active Purchase Orders for this vendor in the current fiscal year.

Have a communication plan in place. Correcting an established vendor that requires a withholding update change, either to set-up withholding or to remove the withholding set-up, will entail cooperation between Purchasing, Accounts Payable and 1099 processing staff. **Always use effective dated panels to update vendors rather than correction mode as described in section:** Maintaining 1099 information for an Established Vendor

Purchase orders entered for a vendor that is Withholding will be automatically marked for withholding. Changing the vendor to non-withholding will not correct purchase orders. Purchase Orders retain the Withholding status effective when the PO is created and must be manually updated. Additionally, copied purchase orders will also copy the withholding status. Copied POs can be monitored for correct withholding status through the queries listed below.

Purchase Orders – When the vendor withholding status does not match the withholding on the PO.

This creates vendor/voucher mismatches.

Query UW_89_LSN_PO_NT_WH_VNDR_WH returns a list of POs and associated vouchers for vendors marked withholding but the PO lines are not marked for withholding. Copied POs retain the withholding status of the PO it is copied from. In other words, there can be issues with copied POs when the vendor has changed from withholding or not withholding. Voucher lines may be marked withholding or not marked withholding. PO description and voucher description are included in this query.

Query UW_89_LSN_PO_NT_WH_VND_WH returns a list of POs and associated vouchers for a vendor marked withholding. Copied POs retain the withholding status of the PO it is copied from. In other words, there can be issues with copied POs when the vendor has changed from withholding or not withholding. Voucher lines may be marked withholding or not marked withholding. PO description and voucher description are included in this query.

If a vendor has been not marked for withholding but should be withholding, POs must be updated to Withholding.

Run these queries periodically to avoid last minute corrections, the following illustrates how to correct the POs.

To correct a Purchase Order that is set to withholding for a non-withholding vendor:

Menu

- ▼ Purchase Orders
 - ▷ Stage/Source Requests
 - ▷ Acknowledgements
 - ▷ Manage Change Orders
 - ▷ Reconcile POs
 - ▷ Review PO Information
 - ▷ Reports
 - ▷ Budget Year End Processing
- Add/Update Express POs
 - Add/Update POs
 - Approve Amounts
 - Approve ChartFields
 - Reserve PO IDs
 - Maintain Distributions
 - Dispatch POs
 - Verify Document Tolerance
 - Budget Check
 - Entry Event Request
 - Create Backorders
 - Approval Workflow
 - Effective Dated UOM PO Update
- ▷ Receipts
- ▷ Return To Vendor
- ▷ Procurement Cards
- ▷ Supplier Schedules
- ▷ Analyze Procurement
- ▷ Inventory
- ▷ eProcurement
- ▷ Services Procurement

Express Purchase Order

Purchase Order

Unit: UWMSN PO Status: Dispatched ▲ ✖

PO ID: B237355001 Budget Status: Valid

Copy From:

Hold From Further Processing

Header

*PO Date: 07/03/2007 Vendor Search Doc Tol Status: Valid

Vendor: GORDONFLES-00 Vendor Details Backorder Status: None [Create BackOrder](#)

*Vendor ID: 0000004757 GORDON FLESCH CO INC Receipt Status: Not Recvd

*Buyer: HRD Hardiman, Mike UWMSN *Dispatch Method: Phone

PO Reference: *PO Type: GEN

[Header Details](#) [PO Activity](#) [Add Sub To Summary](#)

[PO Defaults](#) [Document](#)

[Add Comments](#) [Requisition](#)

Add Items From To Display

[Purchasing Kit](#) [Catalog](#)

Line	Item	Description	PO Qty	*UOM	Category	Amount
1		Maintenance for Canon IR 1630	1.0000	LOT	93927	

Click on the icon next to the Line number.

Express Purchase Order

Details for Line 1

PO ID: B237355001 Vendor: GORDONFLES-001

Line: 1 Item:

Line Details

Category: 93927	Line Status: Active ✖ ▲
Category Desc: Copy Machine Maintenance and R	Backorder Status: None
Category ID: 06746	Amount Summary
Amount to Receive: 60.000 USD	Merchandise Amt: 60.00 USD
Quantity to Receive: 1.0000	Doc. Base Amt: 60.00 USD

Transaction Item Description:

Maintenance for Canon IR 1630 Copier, SN JRK06912 ID M5733 installed 1/6/05 chosen from level 1 of the State Contract and located in 108 AHABS

\$60.00/year includes 6,000 copies per year, all maintenance and supplies, except p

Preferred Language Item Description:

Expand All [Collapse All](#)

Click on “Expand All”.

[Expand All](#) [Collapse All](#)

Item Information

Vendor's Catalog:

Vendor Item ID:

Manufacturer ID:

Manufacturer's Item ID:

UPN ID:

Replenish Code: Standard

Device Tracking

Withholding

Withholding Code:

This is where the Withholding check will default into a PO to a vendor marked for Withholding. All vouchers associated with the PO will continue to be “Withholding Applicable” and require additional work at voucher entry to “uncheck” withholding.

Item Information

Vendor's Catalog:

Vendor Item ID:

Manufacturer ID:

Manufacturer's Item ID:

UPN ID:

Replenish Code: Standard

Device Tracking

Withholding

Withholding Code:

Uncheck the Withholding box. Scroll down and Click the OK button. This will return you to the PO Panel. Remember to SAVE. A change order is not necessary.

To correct a Voucher that is set to withholding for a non-withholding vendor:

For vouchers that need correction, the staff working with 1099 Maintenance need to be notified to make the appropriate changes. Adjusting withholding is discussed in the 1099 8.9 Processing Manual. Or withholding errors can be fixed during regular 1099 maintenance; each campus should decide what is appropriate. Ensuring the correct vendor information is contained in effective dated panels is a best business practice.

Withholding Information

[Back to Invoice](#)

Unit: UWMSN Invoice: Vendor: 0000500001 LARSON,JANET M
 VAT Entity: Voucher: NEXT Date:

Withholding Option

Postpone Withholding Apply Withhold at Voucher Post

Invoice Line Withhold Information Find | View All First 1 of 1 Last

Line	Description	Withholding Code	*Withholding Applicable
1	Supplies	<input type="text"/>	<input type="checkbox"/>

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

	*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable
1	IRS	1099	FED	02	<input type="text"/>	<input type="text"/>	<input type="text"/>	Payment	<input checked="" type="checkbox"/>

Note here that only the second Withholding applicable box is checked. This will be an error on 1099 maintenance. Both boxes must be checked or unchecked – otherwise a manual correction will be necessary.

Withholding Information

[Back to Invoice](#)

Unit: UWMSN Invoice: Vendor: 0000500001 LARSON,JANET M
 VAT Entity: Voucher: NEXT Date:

Withholding Option	
Postpone Withholding <input type="checkbox"/>	Apply Withhold at Voucher Post <input type="checkbox"/>

Invoice Line Withhold Information		Find View All	First 1 of 1 Last
Line	Description	Withholding Code	*Withholding Applicable
1	Supplies	<input type="text"/>	<input checked="" type="checkbox"/>

Withholding Details										Customize Find View All	First 1 of 1 Last
*Entity	*Type	*Jurisdiction	*Class	Withholding Basis Amt Override	Contract Reference	Rule Override	Apply Withholding	Applicable			
1	IRS	1099	FED	02			Payment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Voucher Withholding after PO has been updated.

Updating Voucher Withholding in described in the 1099 processing manual.

Appendix 4 – 1099 Implications - Interpretation and Definition of Non-Resident Entertainer

Entertainers and Entertainment Corporations Not Wisconsin Residents
1099 Implications

NOTE: All Non-resident Entertainers are subject to State of Wisconsin Entertainer Tax. Agents, regardless of the state of residence or corporate status, are required to furnish all information for a Form WT-11 for the Entertainer. State of Wisconsin resident entertainers follow the same rules as other vendors, i.e., non-corporations are marked withholding, but entertainer tax does not apply.

Non-Resident Entertainer Tax for a non-US resident – If the Non-US Resident Entertainer country of residence has a tax treaty with the United States and the income is exempt for federal income tax purposes, the income is also exempt for Wisconsin entertainer tax purposes. Link to UW Service Center Tax Treaty List from IRS Pub 901: <http://www.bussvc.wisc.edu/ECBS/itx-tax-treaty-table-uw1339.pdf>

Non-Resident Entertainers that are corporations, and paid directly, are not issued a 1099 to the corporation even when state entertainer tax is withheld.

To summarize,

- 1. Non- resident individuals and non-resident corporations are all subject to the State of Wisconsin Entertainer tax.**
- 2. Earnings over the cumulative limit of \$3,200 per calendar year are subject to the 6% state withholding tax or a surety bond is required.**
- 3. A WT-11 in the legal name of the entertainer is required, even when payment is made directly to an Agency. This includes Social Security Number.**
- 4. The 6% withholding tax is made according to the WT-11.**
- 5. 1099 reporting is necessary when the 1099 rules apply to the payment, i.e., refer to section on 1099 reporting.**

Examples of nonresident entertainers include:

- The owner (sole proprietor) of a group of individuals who travel from one engagement to the next.
- The individual members of an entertainment group, none of which legally own the group.
- An individual entertainer or public speaker who performs at or competes in one or more entertainment, public speaking, or sporting events in Wisconsin.
- A partnership comprised of corporate and/or individual partners which contracts for one or more appearances of the partners in Wisconsin.
- An agent who provides an entertainer for an entertainment event in Wisconsin and provides arranging or managerial services at the event themselves or through one or more employees in Wisconsin.
- A foreign corporation which contracts for one or more entertainment, public speaking or sporting events in Wisconsin.
- A foreign corporation whose employees appear in one or more entertainment, public speaking or sporting events in Wisconsin.

Interpretation and Definition of Entertainer Tax applicability. This is distinct from 1099 reportable transactions. For example, athletic officials are reported as 1099, Non-employee compensation, but Entertainer Tax does not apply

Entertainer Tax Does Apply in the Following Circumstances

1. A dance or theatre troupe performs at a campus location.
2. A professional football team plays at Camp Randall. Includes the team and coaches.
3. A person is hired to be an announcer for a radio or television broadcast.
4. A concert is performed by a musician or a group of musicians. Includes the musician(s) and conductor.
5. An opera or a play is performed by a group of performers.
6. An alumnus, who regularly speaks for a fee, agrees to speak at the campus. S/he does not charge a fee, but we reimburse travel expenses. If the expenses exceed \$3,200, the tax would apply.
7. An individual speaks or reads poetry at an event, such as commencement ceremonies or a public lecture, which is open to the general public. This does not apply to seminars or colloquia.
8. An individual performs a combination of services, including a public performance and teaching master classes. If the total payment for these services exceeds \$3,200.00, it is all subject to the Entertainer tax.

Entertainer Tax Does Not Apply in the Following Circumstances (These payments would still be reported as 1099 if there is a payment for services.)

1. An individual writes music or poetry or a play.
2. A visiting professor or scientist speaks to a group mainly comprised of faculty and graduate students about his/her area of research.
3. An individual is hired as a consultant for a research project and speaks to a group of persons working on the project.
4. A musician speaks to a group of music students and may perform some music as part of the lecture.
5. An individual speaks in a classroom or workshop setting, and the audience is strictly members of the class or workshop.
6. A department presents a seminar or colloquium series, during which faculty, graduate students, and/or visitors speak to colleagues.
7. A professional engineer speaks on his/her area of expertise at a seminar sponsored by Engineering and Professional Development, for the benefit of other engineers.
8. An individual is hired as an athletic official for a sporting event.

Link to State of Wisconsin Form WT-11 Nonresident Entertainer's Application AND receipt for Surety Bond, Cash Deposit or Withholding by Employer.
<http://www.dor.state.wi.us/forms/with/w-011.pdf> Special Reporting and Voucher Entry for a Non-resident Entertainer when payment is sent to an Agent or Agency

The State of Wisconsin has specified that when a payment to a non-resident entertainer is made to an Agent or Agency, 100% the payment must be associated to the Agent and the Entertainer is associated to the Entertainer tax deduction via the WT-11 and payment submitted for entertainer tax.

**How to handle non-resident entertainer paid through an agency:
Invoicing vendor = Agent. Entertainer is not required to be set-up as a separate vendor but the Entertainer must fill out the WT-11 when contract (or accumulated payments for a calendar year) exceeds \$3,200.**

Split the payment:

**1st Remit to vendor = Agency. Agent of Entertainer set up as a separate vendor
2nd Remit to vendor = WI Dept of Revenue for 6% state tax, if applicable**

See Page 39

Issuing 1099s to Agents/Agencies

According to 1099 instructions from the IRS general instructions for form 1099 when payments are made to an Agent or Agency. These entities are defined as Nominee/Middleman.

<http://www.irs.gov/instructions/i1099gi/ar02.html#d0e388>

Instructions to the Nominee/middleman for 1099s received. Generally, if you receive a Form 1099 for amounts that actually belong to another person, you are considered a nominee recipient. You must file a Form 1099 with the IRS (the same type of Form 1099 you received) for each of the other owners showing the amounts allocable to each. You must also furnish a Form 1099 to each of the other owners. File the new Form 1099 with Form 1096 with the Internal Revenue Service Center for your area. On each new Form 1099, list yourself as the "payer" and the other owner as the "recipient." On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099 to show the amount allocable to each owner.

In other words, if an Agent or Agency is paid for Entertainment services (inclusive of Total Contract Price) on behalf of an Entertainer, the status of the Entertainer determines if a 1099 is issued to the entertainer.

FORM WT-11

Nonresident Entertainer's Application AND Receipt for Surety Bond, Cash Deposit, or Withholding by Employer

PART 1 – Department Copy

- 1. Type or print all information – press firmly. This is a three-part form, no carbon paper required.
2. Read instructions on reverse side of Part 3 before completing this form.
3. Mail to Wisconsin Department of Revenue, along with the bond, deposit, or withholding.

Mail to: Wisconsin Department of Revenue, PO Box 8906, Madison WI 53708-8906

Form with sections A (Entertainer Information), B (Employer Information), and C (Performance Information). Includes fields for name, address, date of performance, contract price, and signature.

Sample WT-11 indicates the Entertainer status.

How to handle non-resident entertainer paid directly: Invoicing vendor = Entertainer is set-up as a separate vendor and the Entertainer must fill out the WT-11 when contract exceeds \$3,200.

Split the payment: 1st Remit to vendor = Entertainer set up as a separate vendor, 2nd Remit to vendor = WI Dept of Revenue for 6% state tax withholding, if applicable

See Page 39

Appendix 5 – Important Links and information

UW-System Substitute W-9

The Internal Revenue Services (IRS) approved University of Wisconsin System Substitute W-9 is located at <http://www.bussvc.wisc.edu/purch/forms.html#tax>. Look under Tax Related for the link to the document. This document has all the University of Wisconsin System numbers.

IRS Individual Taxpayer Identification Number (ITIN) Acceptance Agent

The Internal Revenue Services (IRS) only allows the UW to issue Individual Taxpayer Identification Number (ITIN) to people that we make payments to.

State of Wisconsin Instructions for Form WT-11

<http://www.revenue.wi.gov/pubs/pb508.pdf>

Tax Compliance:

UW-Madison Tax web page: www.bussvc.wisc.edu/acct/tax.html . This web page has useful information regarding tax issues and concerns that are important to campuses.

Tax Advice

University of Wisconsin System institutions do not provide personal tax advice due to legal ramifications. Taxpayers should consult the Internal Revenue Services (IRS) or their personal tax preparer to obtain tax advice.

Any tax information contained in this document is not intended or written by University of Wisconsin System or its employees to be used, and cannot be used, by the recipients or any other person or entity for the purpose of avoiding penalties that may be imposed on any taxpayer.

Appendix 6 – Withholding, Tax Levies, Entertainer Tax, 1042S and Creating a Voucher with Split Payments for Withholding

In the case of a Tax Levy or State or Federal Withholding, splitting the payment between the vendor and the tax entity can be handled on one voucher. The following rules apply to each situation. Campus should have a DOR vendor, IRS vendor and a UWSA vendor for tax levies.

Type of Withholding	Pay to and send tax W/H check and/or forms to	Additional Information
Wisconsin Non-Resident Entertainer Tax	Payable to and send check to WI DOR with a completed WT-11. (Do not send a copy to UWSA.)	<p>Institutions must withhold 6% of payments based on the total contract price to nonresident entertainers if accumulated payments for entertainment services exceed \$3,200 (including travel reimbursements) in a calendar year and the entertainer has not filed WT-11 with a surety bond or cash deposit, or provided a waiver from the Department of Revenue. Each institution must institute a procedure for accumulating payments to nonresident entertainers to determine if the \$3,200 limit has been reached.</p> <p>The 6% withholding must be sent to the Department of Revenue with a completed WT-11 and a copy of the WT-11 must also be sent to UW-System. Payees must be marked withholding, unless a corporation, and we must issue a 1099-MISC, according to the status of the payee. The WT-11 and instructions are located at http://www.revenue.wi.gov/forms/with/w-011.pdf.</p> <p>See Appendix 4 for additional information.</p>
IRS Tax Levies	Payable to IRS Send the check to UW-System Attn: Bryan Peters or Eric Engbloom	<p>UW-System receives IRS Tax Levies and posts a list of names to a secure file. Campuses must review the list of IRS tax levies weekly. When a campus determines that an individual or company in the levy list is on their vendor file, mark the vendor “Hold for Payment” and immediately contact UW-System. UW-System will contact the IRS to verify that the levy is still active. UW-System will, in turn, notify the campus. The campus will then withhold all future payments to the vendor until notice of release of the tax levy is received or verified with the IRS or take the vendor off withhold for payment if the levy is no longer in force.</p>

Type of Withholding	Pay to and send tax W/H check and/or forms to	Additional Information
28% IRS Back-up Withholding when vendor will not supply a Tax Identification Number	Payable to UW-System Send the check to UW-System Attn: Bryan Peters or Eric Engbloom	UW-System manages all payments to the IRS. Be sure to include vendor information. All Vendors must be marked withholding and we must issue a 1099-MISC. IRS Link: http://www.irs.gov/govt/fslg/article/0.,id=110339,00.html The UW Tax Information web page at http://www.bussvc.wisc.edu/acct/tax.html has the UW Backup Withholding (28%) for Payments to U.S. Tax Residents procedure. This Tax Information web page has more easily understood specific information for campus users
1042S Non-Resident Alien (NRA) payments	Payable to UW-System Send the 1042S worksheet and the check for NRA tax deduction to UW-System, Attn: Bryan Peters or Eric Engbloom	UW-System manages all payments to the IRS. Be sure to include vendor information when sending a payment for taxes to UW-System. Follow instructions on the Tax Information web page at http://www.bussvc.wisc.edu/acct/tax.html under the flowchart in the How-To section. This flowchart will guide you through (1) what documentation is required for payments to NRA's, (2) what taxes are applicable if no tax treaties exist between the U.S. and the NRA's country of residence for tax purposes, and (3) if a tax treaty exists then what forms are required to take advantage of the tax treaty. UW-System must report all payments made to NRA's. See The UW Tax Information web page at http://www.bussvc.wisc.edu/acct/tax.html under Year End Tax Reporting/Responsibilities.

1042S – Special Reporting Requirements and Monitoring

Campuses must keep track of payments made to NRA's so that at the end of the tax reporting year these payment can be marked as 1042-S reportable on the 1099 Tax Table. After each campus certifies the 1099 transactions, tax reportable data is downloaded from SFS to the 1099 Tax Tables for IRS reporting. The campus tracking process must keep track of the individual's information (Name, home mailing address, type of payment, account code, amount) plus all the information required for 1042-S reporting. This includes the type of income (Independent Personal Service, Scholarships, Royalties, etc.), person's country of tax residence, type of tax payer (individual, entertainer, etc.), tax rate or exemption code, and taxes withheld, if any.

After UWSA loads the records from SFS to the 1099 Tax Tables, campuses are responsible for updating 1099-MISC transactions to 1042S reportable on the 1099 Tax Tables. UWSA sends each campus a notification e-mail after the records are loaded along with links to the instructions for updating 1099 and 1042S records. The 1042S indicator is also used to enter state tax withheld.

How to classify a vendor as Foreign Non-Supplier (Optional - This is not required)
 Classifying NRAs as “Foreign Non-supplier” under vendor type options (Located under Location, Payables, Vendor Type Options) is a convenient place to identify NRA vendors.

Summary | Identifying Information | Address | Contacts | Location | Custom

SetID: UWMSN
 Vendor: 000050 Short Vendor Name: Name:

A vendor location is a default set of rules which define how you conduct business with a vendor.

Location Find | View All First 1 of 2 Last
 *Location: 0001 Default
 Description: REMIT TO CAMPUS RTV Fees

Details Find | View All First 1 of 1 Last
 *Effective Date: 07/02/2005
 Status: Active
 Options: Payables Procurement Sales/Use Tax 1099 Expand All Collapse All
 Additional ID Numbers
 Comments
 Internet Address
 VAT
 Expand All Collapse All

Click on Payables Link.

*Location: 0001 Description:

Additional Payables Options
 Matching/Approval Options
 EFT Options
 Self-Billed Invoice Options
 Vendor Bank Account Options
 Vendor Type Options
 HIPAA Information
 Debit Memo Options

Expand Vendor Type Options

Vendor Type Options

Preferred Language:

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

Primary	*Type	Service Type
<input type="checkbox"/>		

FN Foreign Non-Supplier

Select as Vendor Type from the drop-down. Queries can be created to monitor these vendors if a campus decides to use this feature.

Using the split payment process

How to create a voucher with split payments

[Summary](#) | [Invoice Information](#) | [Payments](#) | [Voucher Attributes](#) | [Error Summary](#)

Business Unit: UWMSN Invoice Number: TESTWHSPLIT
 Voucher ID: 00544934 Invoice Date: 09/30/2008
 Voucher Style: Regular Action:

Copy from a Source Document
 PO Unit: Purchase Order: Worksheet Copy Option:

Vendor: 0000500001 *Pay Terms: DUR Basis Dt Type: Acct Date
 Name: LARSONJANE-003 Control Group: [Comments](#)
 Location: 0001 Accounting Date: 10/01/2008
 *Address: 1 [Advanced Vendor Search](#) *Currency: USD [Non Merchandise Summary](#)
 LARSON, JANET M Total: 500.00 [Withholding](#)

This vendor is the Invoicing vendor. 1099 withholding status of the payment and reporting is determined by this vendor set-up. 1099 payments are reported for the invoicing vendor not the remit to vendor. If the payment is issued to an Agency/Agent – the invoicing vendor is the Agent/Agency. Entertainers not paid directly are not required to be in the vendor file, however, a WT-11 in the entertainer legal name is required.

1 Amount Entertainer - 6% wh 500.00
 Ship To: NORTHPA SpeedChart: Use One Asset ID

Distribution Lines [Customize](#) | [Find](#) | [View All](#) | [First](#) 1 of 1

GL Chart	Exchange Rate	Statistics	Assets	Assets
Amount	Quantity	*GL Unit	Account	OpenItem Fund Dept Program Class
1	500.00		UWMSI 2620	101 030500 1

Create Voucher. Click on Payments tab, before or after save. Amount of voucher is for demonstration purposes only.

Business Unit: UWMSN Invoice Number: TESTWHSPPLIT
 Voucher ID: 00544934 Invoice Date: 09/30/2008
 Voucher Style: Regular Action: Run
 Total: 500.00
 Vendor: LARSON, JANET M *Pay Terms: DUR Schedule Payments

Click "+" sign to add another payment.

Payment Information Find | View All First 1 of 1 Last

Scheduled Payment: 1

*Remit to: 0000500001
 Location: 0001
 *Address: 1
 LARSON, JANET M

Gross Amount: 470.00 USD
 Discount: 0.00 USD Discount Denied
[Late Charge](#)

Scheduled Due: 10/01/2008
 Net Due: 10/01/2008
 Discount Due:
 Accounting Date:

Payment Method

*Bank: USBAN Pay Group:
 *Account: CHK *Handling: CM
 *Method: CHK Check *Netting: N
 Message: [Messages](#)
 Message will appear on remittance advice.

Since this entertainer will have to pay \$30.00 in taxes to the State of Wisconsin, the net payment to the vendor is \$470.00. To add another panel to pay to the state, click on the plus sign. The remaining balance is automatically calculated.

Payment Information Find | View All First 2 of 2 Last

Scheduled Payment: 2

*Remit to: 0000500001
 Location: 0001
 *Address: 1
 LARSON, JANET M

Gross Amount: 30.00 USD
 Discount: 0.00 USD Discount Denied
[Late Charge](#)

Scheduled Due: 10/01/2008
 Net Due: 10/01/2008
 Discount Due:
 Accounting Date:

Payment Method

*Bank: USBAN Pay Group:
 *Account: CHK *Handling: CM
 *Method: CHK Check *Netting: N
 Message: [Messages](#)
 Message will appear on remittance advice.

Schedule Payment

*Action: Schedule Payment Date:
 Pay: Reference:
 Reference Voucher:
 Reference Payment:

Payment Options

Hold Payment Separate Payment
 Hold Reason:
 Letter of Credit:

Vendor: LARSON, JANET M *Pay Terms: DUR Schedule Payments

Payment Information		Find View All	First 1 of 2 2 Last
Scheduled Payment: 2			
*Remit to: <input type="text" value="0000514788"/>	Gross Amount: <input type="text" value="30.00"/> USD		
Location: <input type="text" value="0002"/>	Discount: <input type="text" value="0.00"/> USD <input type="checkbox"/> Discount Denied		
*Address: <input type="text" value="1"/>	Scheduled Due: <input type="text" value="10/01/2008"/>	Late Charge	
WISCONSIN DEPARTMENT OF REVENUE ATTENTION JOSE CARUS SUITE 6234 21 N. PARK MADISON, WI 53706			
Net Due: <input type="text" value="10/01/2008"/> Discount Due: <input type="text"/> Accounting Date: <input type="text"/>			
Payment Method			
*Bank: <input type="text" value="USBAN"/>	Pay Group: <input type="text"/>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> Recommended to use separate payment for all withheld portions. </div>	
*Account: <input type="text" value="CHK"/>	*Handling: <input type="text" value="CO"/>		
*Method: <input type="text" value="CHK"/> Check	*Netting: <input type="text" value="N"/>		
Message: <input type="text" value="VND 0000514788 6% withholding"/> Messages			
Message will appear on remittance advice.			
Schedule Payment		Payment Options	
*Action: Schedule	Payment Date: <input type="text"/>	<input type="checkbox"/> Hold Payment	
Pay: <input type="text"/>	Reference: <input type="text"/>	<input type="checkbox"/> Hold Reason: <input type="text"/>	
Reference Voucher: <input type="text"/>		<input type="text"/> Letter of Credit: <input type="text"/>	
Reference Payment: <input type="text"/>		<div style="border: 2px solid red; border-radius: 50%; padding: 5px; display: inline-block;"> <input checked="" type="checkbox"/> Separate Payment </div>	

Change remit to vendor for the tax withheld to the appropriate vendor. NOTE: The search function at “Remit to” is limited, so the vendor for the withholding portion needs to be looked up in another manner. Since there should only be two vendors receiving withholding portions, this is not a problem.

The second payment panel can be changed for handling code, scheduled due date, payment message and even selected for separate or hold payment. Depending on the preference of the campus – a separate or combined payment can be accommodated by vendor set-up. It is recommended to handle withholding portions as separate payments so that withholding is not combined but you will need to check the total reported so the amount paid to the entertainer is fully declared on the 1099.

Withholding Invoice Line Update

Vendor			
Vendor SetID:	UWMSN	Vendor Name:	LARSON,JANET M
Vendor ID:	0000500001	Location:	0001
		Withholding:	Y
Criteria			
*Business Unit:	UWMSN	*From Date:	01/01/2008
<input type="checkbox"/> Clear Updated Withholding		*To Date:	12/31/2008
Defaults			
Withhold Entity:	IRS	Jurisdiction:	
Withhold Type:		Class:	
Tax Reporting Year			
*Start Date:	01/01/2008	*End Date:	12/31/2008

Details												
Current Withhold Details												
Current Withhold	New Withhold	Entity	Type	Jurisdiction	Class	Business Unit	Voucher	Line	Invoice	New Withhold	Payment Date	Amount
1	<input checked="" type="checkbox"/>	IRS	1099	FED	07	UWMSN	00544934	1	TESTWHSPLIT		10/01/2008	500.000

Final Processing:

Do not forget - 1099 record will still require a manual update for the amount withheld at year-end.

1042S records must be updated after the 1099 records are loaded to the 1099 tables.

State tax withheld for Non-resident Entertainers is not reported on a 1099.

Useful Tools

Query: UW_89_RMT_VNDR_NT_INV_VNDR

This query returns a list of payments to remit vendors that are not the invoicing vendor when the voucher gross total is greater than the payment, i.e., when split payments exist. There is a prompt for Business Unit and greater than Payment Date.

Monitoring specific withholding instances is much easier using the split payment method of voucher entry.

Query: UW_89_SPLT_PYMNT_VCHR

This query will return all vouchers where the Gross Voucher amount is greater than the payment.

Appendix 7 – 57XX Accounts paid to non-resident aliens

Payments to Non U.S. Residents from accounts 57XX must be reported correctly. The Worksheet must be used to calculate the amounts to be reported and withheld.

Link to the current forms: [Payment for Scholarships, Fellowships, Participant Support \(Class 57XX\)](#)

Follow instructions for all payments from 57XX accounts made to non-resident aliens.

Excerpt from most recent notification on 2009 rates:
2010 Rates and Forms for Calculating Withholding Tax
for Taxable Payments to Non-Resident Aliens

The IRS has announced that the 2010 personal withholding exemption amount has been increased to \$3,650.00 (<http://www.irs.gov/newsroom/article/0,,id=187825,00.html>). This will result in an increase in the daily prorated exemption amount used for calculating withholding on payments to non-resident aliens to \$10.00 per day (the 2009 rate was \$10.00 per day). The updated forms which reflect the change in the daily exemption rate are now available at the Accounting Services website at <http://www.bussvc.wisc.edu/acct/forms.html>. The forms reflecting this change are the Payment for Services and Research Subjects and the Payment for Scholarships, Fellowships, Participant Support (Class 57XX).

Please pass on this information to the appropriate individuals as you deem necessary, and instruct them to begin using the new exemption amount for payments made in calendar year 2010.

View this information at this link <http://www.bussvc.wisc.edu/acct/tax.html> for reference purposes.

**Message from
José Carus, Jr.**

Appendix 8 – Vendor with Withholding Alternate Name

Withholding names: When a withholding name is entered for a vendor it must be different from the vendor name AND the name must follow vendor naming conventions. For individuals this means the format is last name, first name. The address that has the withholding alternate name MUST be the 1099 default (reporting) address, otherwise, the withholding alternate name will not be selected.

Summary Identifying Information **Address** Contacts Location

SetID: UWADM
 Vendor: 0000005365 Short Vendor Name: JOHNSPRINT-001 Name: JOHN'S PRINTING

Vendor Address Find | View All First 1 of 1 Last

Address ID: 1
 Description: REMIT

Details

Effective Date: 10/17/2007
 Status: Active
 Country: USA United States
 Address 1: 1099 N 1ST STREET
 Address 2:
 Address 3:
 City: MADISON
 County:
 State: WI Wisconsin Postal: 53716
 Email ID:

Payment/Withholding Alt Names

Payment Alternate name
 Name 1:
 Name 2:

Withholding Alternate name
 Withholding Name 1: PUBLIC,JOHN Q
 Withholding Name 2:

Use Query: UW_1099_VNDR_WTHD_NAME_CK

This query returns a list of vendors with information in Withholding Name 1. When the 1099 transactions are printed, Withholding Name 1 and Withholding Name 2 will be printed on the 1099. If a vendor has more than one address, you may get more than one line per vendor. It is important to review this list and look for any anomalies.

For example,

- An individual name must be associated to any tax identification number that is flagged “S” or a social security number. FEINs can be associated to a business name or an individual.
- Names of individuals in Withholding Name 1 or 2 must follow the naming convention of last name, first name.
 - Fixing the vendor file before January 1, 2011 will help to avoid last-minute corrections.
 - Acronyms must be spelled out according to the W9 in the Withholding Alternate name – For example – IRS in the vendor file would be Internal Revenue Service as withholding alternate name.

1099 print names are determined by presence of Withholding Name1 and Withholding Name2. Otherwise, Vendor Name1 and Name2 are printed on the 1099.

Appendix 9 - Service and Other Taxable Account Codes and Account Descriptions

SFS Account Number	CODE/ACCOUNT DESCRIPTION	Taxable?	CODE/ACCOUNT DESCRIPTION Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. (Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)
1909	Acad - NonSal Legal Settlement	YES --->	All non-salary related legal settlement payments to Academic Personnel. Requirements to account for settlement payments made to an attorney or attorney and claimant on page 29.
1944	Class-NonSal Legal Settlement	YES --->	All non-salary related legal settlement payments to Classified Personnel. Requirements to account for settlement payments made to an attorney or attorney and claimant on page 29.
2620	Services - Professional-Indiv	YES --->	All services (Professional, Educational, or Vocational) performed by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2621	Services - Consultants-Indiv	YES --->	All services provided by consultants who are Individuals, Sole Proprietorships, Partnerships, or Limited Liability Corporations (LLC). Corporations are not reportable.
2622	Collection Agency Fees	YES --->	Collection Agency Fees if paid to an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). (Only Services portion is reportable). Corporations are not reportable.
2625	Services-Guarantees	YES --->	All Services - Guarantees
2626	Services - Athletic Officials	YES --->	All services provided by Athletic Officials (for example, referee services, etc.)
2201	Telecomm Services-Centrex	YES --->	Charges for all telecommunication services purchased from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.

SFS Account Number	CODE/ACCOUNT DESCRIPTION	Taxable?	CODE/ACCOUNT DESCRIPTION Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. (Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)
2260	Communication-Miscellaneous	YES --->	Miscellaneous Communication services not covered by other account codes which are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2230	Telephone Service-Install, etc	YES --->	Non-recurring services charges for installations, moves and changes for Centrex and non-Centrex local service, voice access circuit charges (STS access lines) and the Consolidated Data Network that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
3740	Advertising & Notices	YES --->	All payments to newspapers, magazines, advertising agencies, radio stations, television stations, etc that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2680	Serv-Houskeeping & Janitorial	YES --->	All expenditures for services such as rubbish, garbage, and snow removal, sanitation services, window washing, floor cleaning and exterminator service that are provided by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
3750	Prizes & Awards	YES --->	All Non-Cash Prizes and Awards (Note: Gift Certificates are considered cash.)
3750	Prizes & Awards-Cash	YES --->	All Cash Prizes and Awards (Note: Gift Certificates are considered cash.)
3760	Claims Awards	YES --->	All Claims Awards

SFS Account Number	CODE/ACCOUNT DESCRIPTION	Taxable?	CODE/ACCOUNT DESCRIPTION Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. (Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)
2320	Rental of Space-Noncorp	YES --->	All rental of privately owned space from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2325	Lease of SpaceNoncorp	YES --->	All lease of privately owned space from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2305	Lease of Land	YES --->	All lease of privately owned land from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2300	Rental of Land	YES --->	All rental of privately owned land from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2335	Lease of DP Equip	YES --->	All Lease of Data Communication/Data Processing Equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2330	Rental of DP Equip	YES --->	All Rental of Data Communication/Data Processing Equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2340	Rental of Vehicles-Dealership	YES --->	All Charges for rental of vehicles from non-corporations
2345	Lease of Vehicle-Dealership	YES --->	All Charges for lease of vehicles from non-corporations
2350	Rental of Aircraft	YES --->	All Charges for rental of aircraft from non-corporations
2355	Lease of Aircraft	YES --->	All Lease of rental of aircraft from non-corporations
2360	Rental Equipment-Noncorp	YES --->	All Rental of equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.

SFS Account Number	CODE/ACCOUNT DESCRIPTION	Taxable?	CODE/ACCOUNT DESCRIPTION Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. (Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)
2370	Lease of Equipment-Noncorp	YES --->	All Lease of equipment from an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2410	Leasehold Repairs & Maint	YES --->	All Repairs, maintenance or improvements to leased buildings, equipment and land, including fencing and highway signs by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2460	Maintenance & Repair-DP Equip	YES --->	Services and parts from maintenance agreements, labor, or other costs associated with maintaining or repairing data/word processing equipment including software by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable
2480	Maintenance & Repair-Other	YES --->	Services and parts from maintenance agreements, labor, or other costs associated with maintaining or repairing other equipment (excluding vehicles and DP Equipment) by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable
2470	Maintenance & Repair-Vehicles	YES --->	Services and parts paid to private vendors (non-corporations) for repair and maintenance of UW/state automobiles, trucks, tractors, heavy equipment, snowmobiles, all terrain vehicles and other similar equipment. Include payments for maintenance, repair, replacement parts, tune-up, tire rotation, lubrication, washing, towing, registration fees, accessory installation and other related expenses. Corporations are not reportable.

SFS Account Number	CODE/ACCOUNT DESCRIPTION	Taxable?	CODE/ACCOUNT DESCRIPTION Check appropriate box on the processing form you are submitting (PIR, etc.) if the payment you are making is one of the payments listed below as tax reportable. (Note: The word Services as used below means services performed by a person not services in the sense of Utility Services, etc.)
2630	Medical Services	YES --->	All costs, including supplies , for medical services provided by hospitals, doctors, dentists, chiropractors, etc (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). EXCEPTION TO THE RULE: Corporations are reportable and supplies related to the service must be reported.
3840	Subcontracts < \$25,000-Indiv	YES --->	All Sub-Grant And Subcontract Payments to Non-UW Employee (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). Corporations are not reportable.
3845	Subcontracts >\$25,000	YES --->	All Sub-Grant And Subcontract Payments to Non-UW Employee (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)). Corporations are not reportable.
3710	Freight	YES --->	All Charges for incoming and outgoing freight shipments by an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
3860	Royalties	YES --->	All Royalty payments to an Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC). Corporations are not reportable.
2637	Research Subjects	YES --->	All direct payments to individuals who serve as a research subjects or provides blood, bone marrow, urine or other body specimens.
2610	DP Services - Outside Source	YES --->	All Services and parts paid for work performed by private contractors or vendors (Individual, Sole Proprietorship, Partnership, or Limited Liability Corporation (LLC)) (Corporations are not reportable.) who provide keypunch service or data processing service, the cost for use of central processing units on a time/shared basis; the cost of hookups with central information systems, tape cleaning, microfilm and microfiche services; COWL-related charges.

Notes: