



CLIENT ACCOUNTING

AUDIT & ASSURANCE

TAX SERVICES

BUSINESS ADVISORY

ESTATES & TRUSTS

Client Accounting Services

Extracting Data for Filing 1099 Forms
Using QuickBooks Desktop and Online



200 W. Roseburg Ave. Modesto, CA 95350 | 209.527.4220 | gccpas.net

it's the people behind the numbers®

Table of Contents:

1. Setting up Contractors and Vendors in QuickBooks Desktop	<u>3</u>
2. QuickBooks Online	<u>4</u>
3. Pulling a Vendor List for 1099s	<u>5</u>
4. Reviewing the Vendor List for 1099s	<u>6</u>
5. Reviewing the General Ledger	<u>7</u>
6. Vendor List Report Information	<u>8</u>
7. Sources	<u>9</u>

Setting Up Contractors and Vendors in QuickBooks Desktop

QuickBooks Desktop for Windows

Step 1: Turn on the 1099-MISC Feature to start tracking contractors for 1099 payments.

- Select the Edit menu, then Preferences.
- Select the Tax: 1099 menu, then select the Company Preferences tab.
- Select Yes in the “Do you file 1099-MISC forms” section.
- When done, select OK to save your settings.

Step 2: Add a Contractor as a Vendor.

- Select the Vendors menu, then Vendor Center.
- Select the New Vendor dropdown, then New Vendor.
- Fill out the fields on each tab. You can get this info from a W-9.
- When finished, select OK.

Step 3: Track Contractor Payments for 1099s.

- Once the feature starts tracking payments for 1099s, follow the steps to set up each vendor.
- Select the Vendors menu, then Vendor Center.
- Select a vendor's name, then select Edit.
- Select the Address Info tab and review the info:
 - Make sure you have the correct two-letter state abbreviation and ZIP code.
 - If the vendor is a person, the vendor's legal name should appear in the First Name, M.I., and Last Name fields.
 - If you have the company name but not the person's name, leave the Company Name field blank. This prevents them from showing up twice when you prepare your 1099-MISCs.
- Select the Tax Settings tab.
- Select and checkmark the vendor.
- Enter the vendor's Tax Identification Number (TIN) in the Vendor Tax ID field.
- When finished, select OK.

QuickBooks will start tracking all the contractor's payments behind the scenes. When you are ready to file your 1099s, you can easily add the tracked payments to the form.

QuickBooks Online

Step 1: Add a Contractor as a Vendor.

- If you have not already, enter the contractor as a vendor in QuickBooks.
- Go to Payroll and select Contractors.
- Select Add a Contractor.
- Enter your contractor's info or select the Email This Contractor checkbox so they can fill it out.
- When you are done, select Add Contractor.

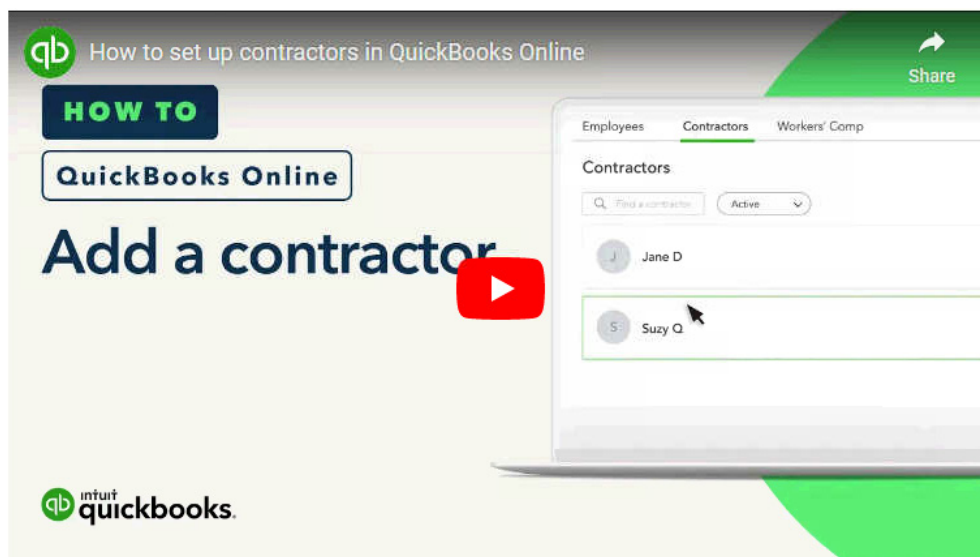
Step 2: Track Contractor Payments for 1099s.

Now that you have entered the contractor as a vendor, you need to start tracking their payments.

- Go to Get Paid and Pay or Sales, then click Vendors.
- Select the vendor you want to track and open their profile.
- Select Edit.
- Select and check the Track Payments for 1099 checkbox.

QuickBooks will start tracking all the contractor's payments behind the scenes. When you are ready to file your 1099s, you can easily add the tracked payments to the form.

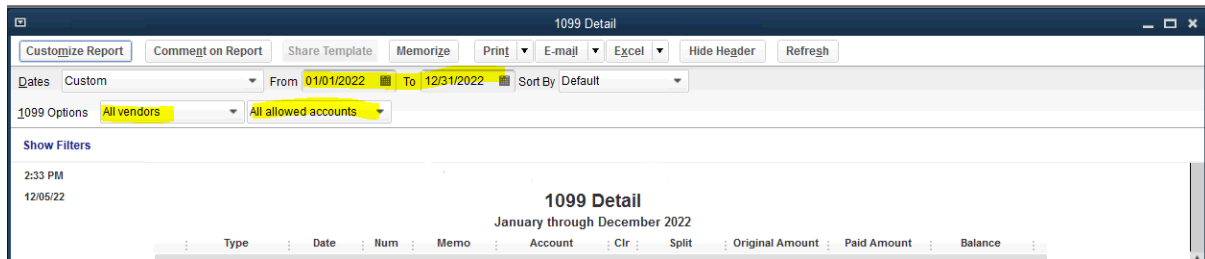
Click on the video below or [here](#) for a tutorial on how to set up a contractor in QuickBooks Online.



Pulling a Vendor List for 1099s

The first step in preparing to file 1099 forms is reviewing the vendor list for filing requirements. Use the [1099 General Information](#) document on our site to determine which vendors should be issued a 1099.

Start with generating the 1099 Detail report. The report can be accessed by selecting Vendors at the top, 1099 Forms, then 1099 Detail. Customize the report to show the dates for the filing year, then select all vendors and all allowed accounts to ensure you have not missed a potential required vendor. This report shows a list of all vendors, payments, and amounts made to vendors, as well as the account where each transaction is coded.



Reviewing the Vendor List for 1099s

Below is a 1099 Detail report for a sample client. Review the payments and types of accounts to determine which payments qualify for a 1099. You can start eliminating vendors that do not fall under the requirements for filing.

Use the [1099 General Information](#) document to determine which vendors should be issued a 1099.

Sample Client								
1099 Detail								
January through December 2022								
	Type	Date	Num	Memo	Account	Paid Amount	Balance	
John Doe								
81-5373078								
	Bill	01/28/2022	Jan 2022 Reimb	NIR January 2022 Locums: 1/15-	9430-00 - Outside Services	11,400.65	11,400.65	
	Bill	05/10/2022	Apr 2022 Reimb	NIR Locums April 2022	9430-00 - Outside Services	10,022.74	21,423.39	
	Bill	06/08/2022	May 2022 Reimb	NIR Locums May 2022	9430-00 - Outside Services	10,019.68	31,443.07	
	Bill	06/22/2022	Jun 2022 Reimb	NIR Locums Jun 2022	9430-00 - Outside Services	9,815.34	41,258.41	
	Bill	09/07/2022	August 2022	NIR Locums 2022 August	9430-00 - Outside Services	9,000.00	50,258.41	
	Bill	09/09/2022	Aug 2022 Reimb	NIR Locums 2022 August Reimb	9430-00 - Outside Services	423.51	50,681.92	
	Bill	09/29/2022	Sep 2022 Reimb	NIR Locums 2022 Reimbursemen	9430-00 - Outside Services	9,565.59	60,247.51	
	Bill	10/31/2022	Oct 2022	Locums 2022 October	9430-00 - Outside Services	9,000.00	69,247.51	
	Bill	11/10/2022	Oct 2022 Reimb	Oct 2022 Reimbursement	9430-00 - Outside Services	707.97	69,955.48	
	Bill	12/01/2022	Nov 2022	November Locums 3.5 days	9430-00 - Outside Services	10,500.00	80,455.48	
Total John Doe							80,455.48	80,455.48
Jane Smith								
(no tax ID on file)								
	Bill	01/10/2022	Nijjar010122	State Medical Board of Ohio 2022	6180-00 - Dues, Memberships & Licenses	308.50	308.50	
	Bill	01/10/2022	Nijjar122921	Xfinity Dec 2021 Internet	6240-00 - Phones & Internet	70.00	378.50	
	Bill	01/10/2022	Nijjar122921	Xfinity Jan 2022 Internet	6240-00 - Phones & Internet	70.00	448.50	
	Bill	01/10/2022	Nijjar010422	RSNA 2022 Membership Dues re	6180-00 - Dues, Memberships & Licenses	640.00	1,088.50	
	Bill	01/19/2022	Nijjar011022	Verizon 12/7/21 - 1/8/22	6240-00 - Phones & Internet	111.71	1,200.21	
	Bill	02/03/2022	Stack 1Q2022	Stack 1st Qtr 2022 Mgmt Fees	6560-00 - Retirement Mgmt Fees	6,378.00	7,578.21	
	Bill	02/03/2022	Nijjar012722	Xfinity February 2022	6240-00 - Phones & Internet	70.00	7,648.21	
	Bill	03/08/2022	e-Anatomy reimb	e-Anatomy thru 3/1/23	6240-00 - Phones & Internet	89.99	7,738.20	
	Bill	03/08/2022	Cell thru 2/7/22	Cell	6240-00 - Phones & Internet	121.89	7,860.09	
	Bill	03/29/2022	CME Course	CME Chest Course	6140-00 - Meetings, Conferences & Con Ed	1,295.00	9,155.09	
	Bill	04/25/2022	Cell thru 4/7/22	Cell March & April	6240-00 - Phones & Internet	224.69	9,379.78	
Total Jane Smith							9,379.78	9,379.78

Reviewing the General Ledger

QuickBooks lets you save transactions without a vendor name. Because of this, you might have scenarios where payments to vendors may be recorded without a vendor name and fail to be captured in the 1099 Detail report. For this reason, it is important to review the general ledger accounts for any transactions that are missing a vendor name.

Accounts that usually hold possible recipients are:

- Rent expense (make sure to count the monthly rent payments for accuracy)
- Equipment rental
- Janitorial services
- Repairs and maintenance
- Landscaping
- Outside services
- Professional, accounting, and legal fees
- Sales commission
- Contract labor, machine hire, custom hire, etc.
- Miscellaneous and Other expenses

Example:

In this example, we are reviewing the Rent Expense account details for rental payments that do not have a vendor associated. To file the 1099 form, you will need to make sure that you have the required information for the vendor.

Transaction Detail By Account

January through December 2022

Type	Date	Num	Adj	Name	Memo	Debit	Credit	Balance
9005 - Occupancy Expenses								
9530-00 - Rent -								
Bill	01/18/2022	2022...			Rent	2,027.40		2,027.40
Bill	02/04/2022	Feb2...			Balance due...	50.15		2,077.55
Bill	02/18/2022	2022...			Rent	2,077.55		4,155.10
Bill	03/18/2022	2022...			Rent	2,077.55		6,232.65
Credit	04/06/2022	2021...			2021 actual ...		198.23	6,034.42
Bill	04/18/2022	2022...			Rent	2,077.55		8,111.97
Bill	05/18/2022	2022...			Rent	2,077.55		10,189.52
Bill	06/18/2022	2022...			Rent	2,077.55		12,267.07
Bill	07/18/2022	2022...			Rent	2,077.55		14,344.62
Bill	08/18/2022	2022...			Rent	2,077.55		16,422.17
Bill	09/18/2022	2022...			Rent	2,077.55		18,499.72
Bill	10/18/2022	2022...			Rent	2,077.55		20,577.27
Bill	11/18/2022	2022...			Rent	2,077.55		22,654.82
Total 9530-00 - Rent - Fourth Floor						22,853.05	198.23	22,654.82
Total 9005 - Occupancy Expenses						22,853.05	198.23	22,654.82

Vendor List Report Information

If you enter all the required 1099 information in QuickBooks for all vendors, you will be able to generate a report that lists all vendors with the required 1099 filing information: Legal name, Tax ID, and address.

This report can be found by selecting Vendors at the top, 1099 Forms, and Review 1099 Vendors. If you are missing any information, you will need to obtain a W-9 form from the vendor. You can request one directly from the vendor by downloading the form from the [IRS website](https://www.irs.gov/efile).

You can also search for corporations and LLCs online to determine the entity type for a business using this link: <https://bizfileonline.sos.ca.gov/>.

Use the information on the Review 1099 Vendors report, 1099 Detail report, and General Ledger to complete the GC 1099 Spreadsheet provided on our [Client Resources page](#) under Additional Tools & Templates.

Sources

- https://quickbooks.intuit.com/learn-support/en-us/help-article/payroll-setup/set-contractors-track-1099s-quickbooks/L4wX1Ge0e_US_en_US
- <https://bizfileonline.sos.ca.gov/>
- <https://www.irs.gov/forms-pubs/about-form-w-9>