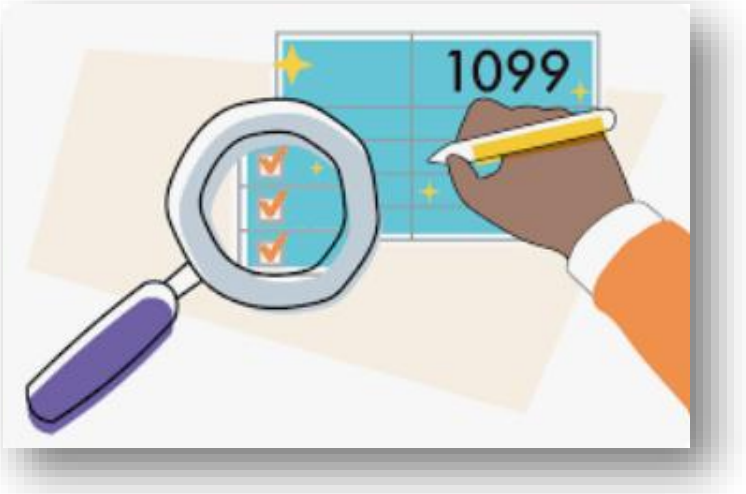
Sonoma County Office of Education

Frontline ERP
1099 Reporting
Calendar Year 2025



`

November 21, 2025

Table of Contents

1099 Verification Timeline 2
Section 1 – 1099 Basic Concepts 3
Independent Contractor vs. Employee 3
Third Party Vendors 6
Hiring CalSTRS and CalPERS Retirees 7
Penalties for Misclassification 8
Hiring a Foreign and California Nonresident Alien Vendor 9
Wire Transfers 9
Section 2 – Form W-9 Request for Taxpayer Identification Number and Certification 10
When is a 1099 Required? 11
1099 Vendor Tips 11
W-9 Sole Proprietor Names 12
Section 3 – Form 1099-NEC and Form 1099-MISC 12
Form 1099-NEC 12
Form 1099-MISC 14
Section 4 – Backup Withholding 17
Backup Withholding 17
IRS B Notices – CP2100/2100A Notice 18
Section 5 – Payments 20
Deceased Employees: Final Payment 20
Incidental Goods and Services 23
Direct Payments 24
Non-Reportable Payments 26
Reporting Settlement Payments 28
Section 6 – Reporting in Frontline ERP 30
1099 Frontline ERP Checklist 30
Review Organization Record 31
Review Account Component Setup 33
Vendor Records and the W9 Relationship 35
Searching and Reviewing Vendors for 1099 Reporting Accuracy 42
Generate and Work The 1099 List 43
1099 Reporting Possible Errors 44
Correcting 1099 Reporting Errors and Manual Adjustments 45
Review Canceled Checks 53
Review Stale Dated Checks 55
Manually Add a Vendor for Services Paid Outside of Frontline ERP 57
Section 7 – Frontline ERP 1099 Verification Reports 58
1099 Snapshot 58
ReqPay16 – Vendor 1099 Detail (With No Restrictions) 59
ReqPay18 – Vendor 1099 Check Detail 61
ReqPay28 – Vendor Activity History 63
Section 8 - Final Submission Checklist and Reports 65

1099 Verification Timeline

- November 21, 2025 – 1099 Workshop
- November 2025 – SCOE IT Install Frontline ERP Tax Updates
- December 2025 – District Generates Vendor 1099 List for 2025
- December 2025 – Review vendors setup and 1099s
- December 18, 2025 – Last AP Production Due by noon
  - District Re-Generates 1099 list after AP Submission
- January 5, 2026 – Verification Reports due to SCOE
  (***Submit Verification Reports by 4:30 pm to SCOE Business Services:*** ***jsarsfield@scoe.org***, ***jliu@scoe.org,*** ***tpham@scoe.org*** and ***carend@scoe.org*** ***)***

- **VERIFICATION REPORTS**
  - **1099 Checklist**
  - **ReqPay07 Vendor 1099 Log**
  - **ReqPay16 Vendor 1099 Detail**
- ****Both Checklist and Final Reports *must* be signed by CBO****

- January 6-16, 2026 - SCOE Business Services Review
- January 26-28, 2026 – 1099s printed
- January 30, 2026 – 1099s are mailed by SCOE Business Services
- January 31, 2026 – Electronic File submitted by SCOE IT



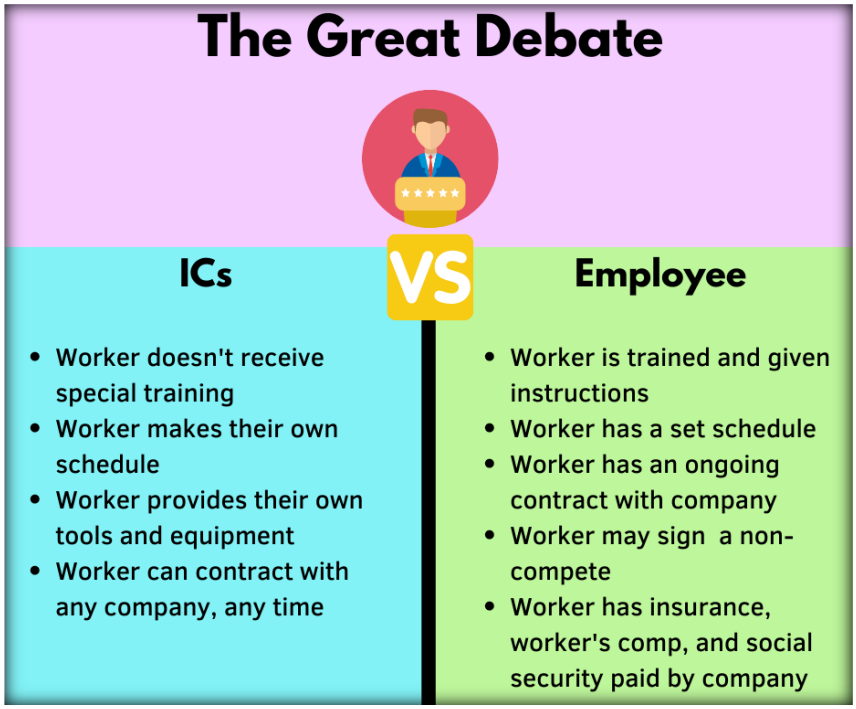
After SCOE has generated the 1099 file, NO new data can be added to 1099 Form by the LEAs. Please contact Christy Arend and Jing Liu for adjustments.

Section 1 – 1099 Basic Concepts

Independent Contractor vs. Employee

In determining whether the person providing service is an employee or an independent contractor, all information that provides evidence of the degree of control and independence must be considered.

Before you can determine how to treat payments you make for services, you must first know the business relationship that exists between the LEA and the person performing the services. Per the IRS, The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work, not *what* will be done and *how* it will be done. Districts should consider all evidence of the degree of control and independence in the employer/worker relationship. Whether a worker is an independent contractor or employee depends on the facts in each situation.



The IRS and State of California assume that a worker is an employee unless proven otherwise.

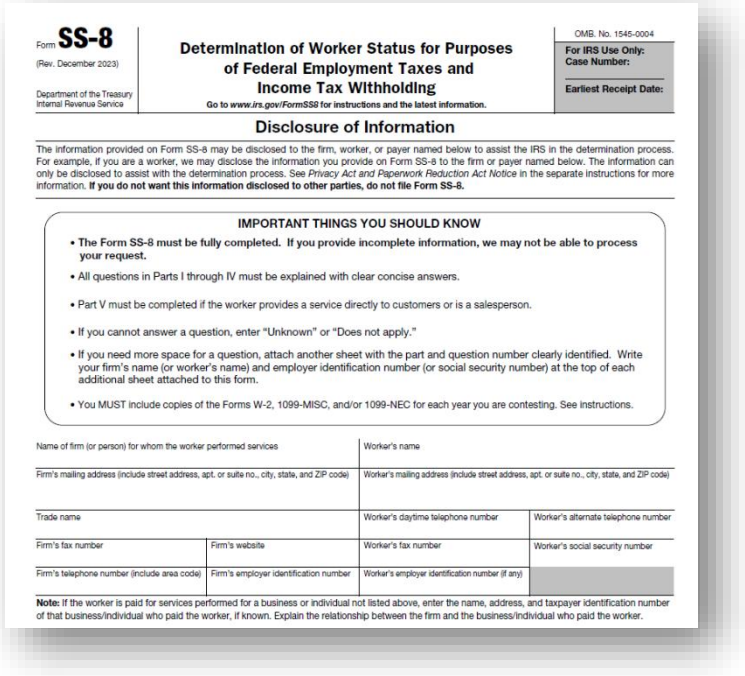
- Education Code has defined many employees' positions
  - Education Code Sections 45100-45139/88000-88040 defines what constitutes Classified service.
  - Education Code Sections 44830-44929/87400-87488 defines Certificated service positions.

IRS Independent Contractor Determination

The IRS follows the **Common Law Rules** for determination. To determine whether an individual is an employee or an independent contractor under the common-law, the relationship of the worker and the business must be examined. In any employee-independent contractor determination, all information that provides evidence of the degree of control and the degree of independence must be considered.

Behavioral	Company has control or has the right to control what the worker does and how the worker does their job
Financial	Are the business aspects of the worker's job controlled by the payer? (These include things like how the worker is paid, whether expenses are reimbursed, who provides the tools/supplies, etc.)
Type of Relationship	Are there written contracts or employee type benefits (example: pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

The IRS has *Form SS-8 – Determination of Worker Status for Purposes of Federal Employee Taxes and Income Tax Withholding* to help employers determine the status of their workers.



Form **SS-8**
(Rev. December 2023)
Department of the Treasury
Internal Revenue Service

Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding
Go to *www.irs.gov/FormSS8* for instructions and the latest information.

OMB No. 1545-0004
For IRS Use Only: Case Number:
Earliest Receipt Date:

Disclosure of Information

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named below to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named below. The information can only be disclosed to assist with the determination process. See *Privacy Act and Paperwork Reduction Act Notice* in the separate instructions for more information. **If you do not want this information disclosed to other parties, do not file Form SS-8.**

IMPORTANT THINGS YOU SHOULD KNOW

- **The Form SS-8 must be fully completed. If you provide incomplete information, we may not be able to process your request.**
- All questions in Parts I through IV must be explained with clear concise answers.
- Part V must be completed if the worker provides a service directly to customers or is a salesperson.
- If you cannot answer a question, enter "Unknown" or "Does not apply."
- If you need more space for a question, attach another sheet with the part and question number clearly identified. Write your firm's name (or worker's name) and employer identification number (or social security number) at the top of each additional sheet attached to this form.
- You MUST include copies of the Forms W-2, 1099-MISC, and/or 1099-NEC for each year you are contesting. See instructions.

Name of firm (or person) for whom the worker performed services		Worker's name	
Firm's mailing address (include street address, apt. or suite no., city, state, and ZIP code)		Worker's mailing address (include street address, apt. or suite no., city, state, and ZIP code)	
Trade name		Worker's daytime telephone number	Worker's alternate telephone number
Firm's fax number	Firm's website	Worker's fax number	Worker's social security number
Firm's telephone number (include area code)	Firm's employer identification number	Worker's employer identification number (if any)	

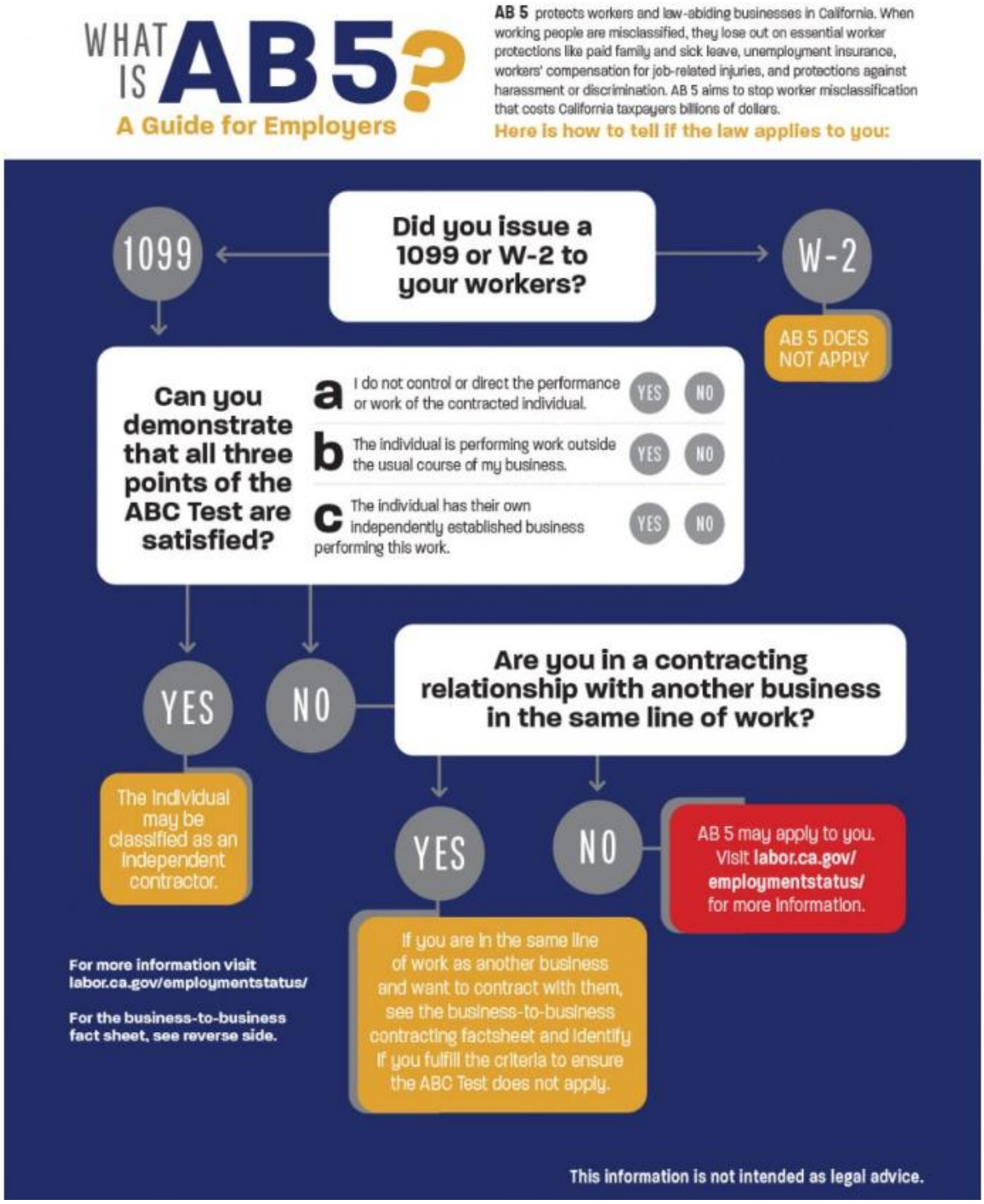
Note: If the worker is paid for services performed for a business or individual not listed above, enter the name, address, and taxpayer identification number of that business/individual who paid the worker, if known. Explain the relationship between the firm and the business/individual who paid the worker.

IRS *Publication 15-A – Employers Supplemental Tax Guide* is also an excellent resource for determination guidelines.

https://www.irs.gov/publications/p15a

California Independent Contractor Determination

Assembly Bill (AB) 5, replaces the common law test with the ABC test to determine whether a worker is an employee or independent contractor in California. Effective January 1, 2020, hiring entities are required to classify workers as employees unless they meet **all three** conditions of the ABC test.



Frequently asked questions on AB 5:
https://www.labor.ca.gov/employmentstatus/faq/

Special Consideration under Condition B of the ABC test for educational entities. The hiring entity must establish that the worker performs work that is outside the usual course of its business. Any services normally provided to the public as part of the scope of the business could be considered "the usual course of business". Contracted workers who provide services in a role comparable to that of an existing employee will likely be viewed as working in the usual course of the hiring entity's business.

Some problem areas for educational entities could be:

- Walk on Coaches
- Nurses
- Bus Drivers
- Language Interpreters
- Occupational Therapists
- Speech Therapists
- Licensed Professional Clinical Counselors
- School Tutors
- Outside instructors in the areas of dance, drama, art, etc.

Third Party Vendors

Be cautious when hiring worker(s) through a third-party vendor. While this seems like it simplifies the independent contractor issues, California Labor Code section 2810.3, covers businesses contracting for services with a third party, and requires that the companies contracting for labor need to ensure that the contractors they are hiring follows wage and hour laws. This could include reviewing the contractor's pay practices.



Hiring CalSTRS and CalPERS Retirees

SPECIAL CONSIDERATIONS WHEN HIRING A RETIREE AS AN INDEPENDENT CONTRACTOR

- CalPERS retirees should NOT be hired into an established or existing position.
- CalSTRS retirees can be hired into a regular CalSTRS position, CalPERS retirees cannot be hired into a regular position.
- Retirees cannot be hired within 180 Days of retirement as an Independent Contractor.
- CalSTRS Retirees cannot work in a classified position except, under certain circumstances as a teacher's aide, per Ed Code 45134.
- Retirees engaged as a true Independent Contractor are not subject to the Hours Limitation for CalPERS.
- Best Practice would be to hire them as an employee, when in doubt, to avoid possible misclassification.
- **CalSTRS Earnings Limitation for 2025-2026 is $80,245** and must be reported to STRS as per Ed Code 22461 no later than 45 days after the end of the pay period. This is done immediately upon retention of services.
    - SCOE requires LEAs to submit the CalSTRS Retiree Earnings Paid Through Accounts Payable form whenever hiring a CalSTRS retiree as an independent contractor.
- **CalPERS Earnings Limitation for 2025-2026 is 960 hours per Fiscal Year**

  https://www.calpers.ca.gov/docs/forms-publications/employee-or-independent-contractor-factsheet.pdf





Penalties for Misclassification



Federal Misclassification Penalties

- 1.5% of Wages
- 20% of worker's SS/Medicare Taxes
- $270 per Form-No W-2 to IRS
- $270 per Form & $1000 fine for not furnishing employee W-2
- Interest on Past-due Deposits
- Civil & Criminal Penalties

California Misclassification Penalties

- Repayment of back payroll taxes including employee and employer shares, subject to interest and a 10% penalty on the unpaid taxes.
- Failure to withhold and pay California Payroll Taxes can also result in a fine up to $1,000 for a misdemeanor or sentence to jail for up to one year, or both willful misclassifications range in penalties from $5,000 to $55,000 per instance.
- Labor Code section 226.8 provides that employers can be liable for civil penalties of $5,000 to $15,000 for each violation of "willful misclassification" of employees as independent contractors.
- In addition, if it is found that the employer has a pattern and practice of misclassifying independent contractors, the penalties can increase to a minimum of $10,000 to $25,000 per violation.



Hiring a Foreign and California Nonresident Alien Vendor

See the separate handout titled: ***"Reporting Foreign and California Nonresident Alien Vendors Providing Services in California"*** provided by SCOE Business Services.

Link to documentation

NOTE: LEAs that need to file Foreign 1042-S Forms will need to apply for a separate TCC (Transmitter Control Code) to electronically file these forms. Electronic filing of Forms 1042-S will be required if your district/charter has an aggregate of 10 or more Information returns including 1099's, 1098's 1042-s, and W-2's

LEAs are responsible for filing their own foreign and out of state forms for reporting.

See IRS Publication 1187 for information on electronic filing.

*State Income Tax (SIT) withholding for foreign vendors will require a manual edit to the 1099 before printing (instructions on page 45)

Wire Transfers

See the separate handout titled: ***"Wire Transfer Procedures for LEA"*** provided by SCOE Business Services.

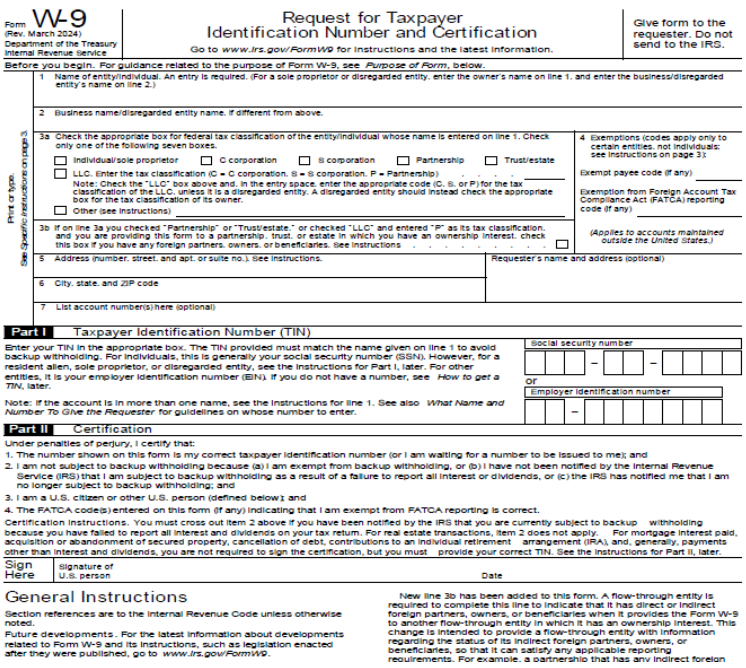
Link to Wire Transfer Procedure

Link to Wire Transfer Form



Section 2 – Form W-9 Request for Taxpayer Identification Number and Certification

The ***W-9 – Request for Taxpayer Identification Number and Certification*** form is an IRS form that provides information needed to verify vendor status and setup the vendor record in Frontline ERP. The recommendation is for districts to require a Form W-9 for every vendor they pay and attach to the Vendor Record in Frontline ERP. W-9 forms are not required to be obtained each year unless there is a change to the information. Changes may include a name change, taxpayer Identification number change or a change of the entity type of the vendor.



Form W-9
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see Purpose of Form, below.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership)

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions ☐

5 Address (number, street, and apt. or suite no.). See instructions. Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Print or type. See Specific Instructions on page 3.

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 generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN, later.

Social security number

or

Employer identification number

Note: If the account is in more than one name, see the instructions for line 1. See also What Name and Number To Give the Requester for guidelines on whose number to enter.

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); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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 for Part II, later.

Sign Here | Signature of U.S. person | Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign

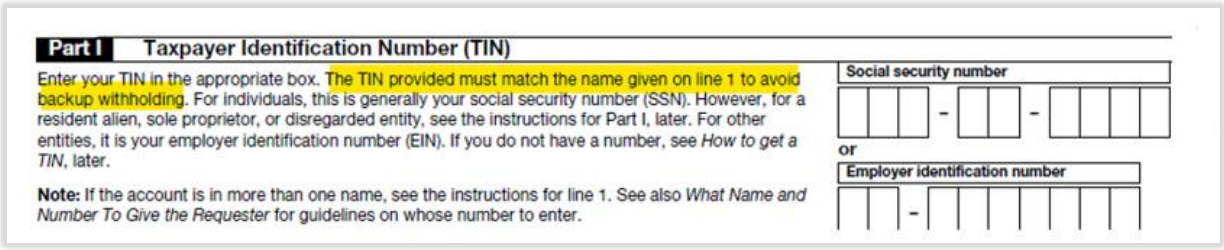
Form W-9

Request for Taxpayer Identification Number and Certification

New Form effective March 2024

- *Revised instructions clarify how the form should be completed by a single-member limited liability company (LLC).*
- *A new check box (3B) was added for Partnerships to disclose if they have any foreign partners, owners, or beneficiaries*

Part 1 – Vendor that require a Form 1099 are required to furnish a taxpayer ID#



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 generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

or

Employer identification number

- Individual/Sole Proprietors
- Limited Liability Partnerships (LLPs)
- Disregarded Limited Liability Companies
- Attorneys
- Health and Medical Services including Corporations
- Trust and Estates

When is a 1099 Required?

Tax Classification	Possible 1099 Reporting	SSN	EIN/TIN
Individual/Sole Proprietor	YES	X	X
C Corporation	NO		X
S Corporation	NO		X
Partnership	YES		X
Trust/Estate	YES		X
Exempt	NO		X
LLC Corporation (C)	NO		X
LLC S Corporation (S)	NO		X
LLC Partnership (P)	YES		X

1099 Vendor Tips

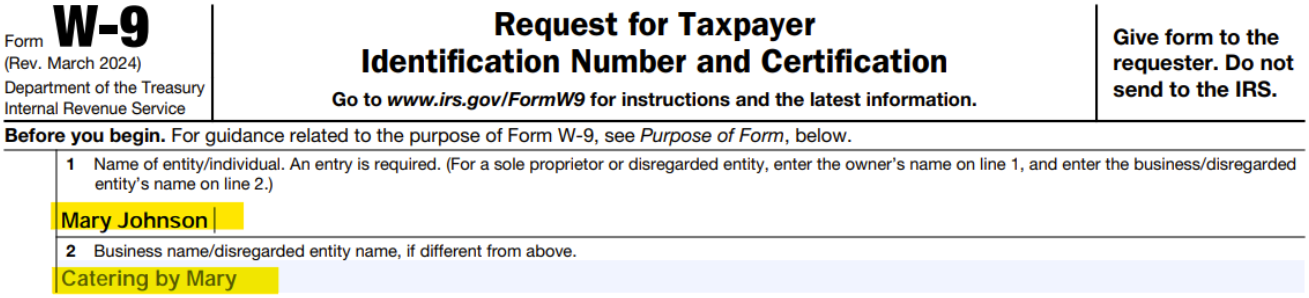
- Minimum Threshold $600 or $10 for Royalties
  - $2,000 threshold beginning with payments made January 1, 2026
- A 1099 vendor can only have one active SSN or TIN
- Vendor can be a Sole Proprietor and not be an Independent Contractor
  - In both cases you must have the 1099 field marked: "Yes"
- A vendor that supplies you with an SSN must supply their full name
- A vendor that supplies you with an EIN/TIN must provide the business name
- If a vendor tax classification changes, it's recommended to create a new vendor and inactivate the old
- An Independent Contractor must provide an SSN for EDD Independent Contractor Reporting requirement
- A Partnership must supply one EIN/TIN associated with the business name
- An LLC must report as either a "P" for partnership or a "C" for corporation, or an "S" for S Corporation

(TIN) Matching Process
IRS Publication 2108A

TIN Matching is part of a suite of Internet based pre-filing e-services that allows "authorized payers" the opportunity to match 1099 payee information against IRS records prior to filing information returns

https://www.irs.gov/tax-professionals/taxpayer-identification-number-tin-matching

W-9 Sole Proprietor Names



Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

Mary Johnson

2 Business name/disregarded entity name, if different from above.

Catering by Mary

Line 1 Sole Proprietor Owner name/Vendor on line 1 as shown on tax return

Line 2 Business name if different from the Sole Proprietor Owner name.

A sole proprietor may have an SSN or an EIN. However, they must always furnish their name on Line 1, regardless of whether they use an SSN or an EIN.

- **The IRS prefers you use the SSN if provided**
- **If the vendor provides on an EIN, make sure you fill out both lines 1 and 2**
  - **IRS will try to make a match to the TIN using the first 4 digits in each line.**

Section 3 – Form 1099-NEC and Form 1099-MISC

Form 1099-NEC

Enacted beginning with filing year 2020 to report nonemployee payments that were previously reported in Box 7 of Form 1099 Misc.

Examples of 1099-NEC Reportable Payments

- Professional service fees, such as fees to attorneys (including corporations), accountants, architects, contractors, engineers, etc.
- Payment for services, including payment for parts or materials used to perform the services if supplying the parts or materials was incidental to providing the service
- Director's fees and other remuneration
- Prizes and awards for services performed by nonemployees

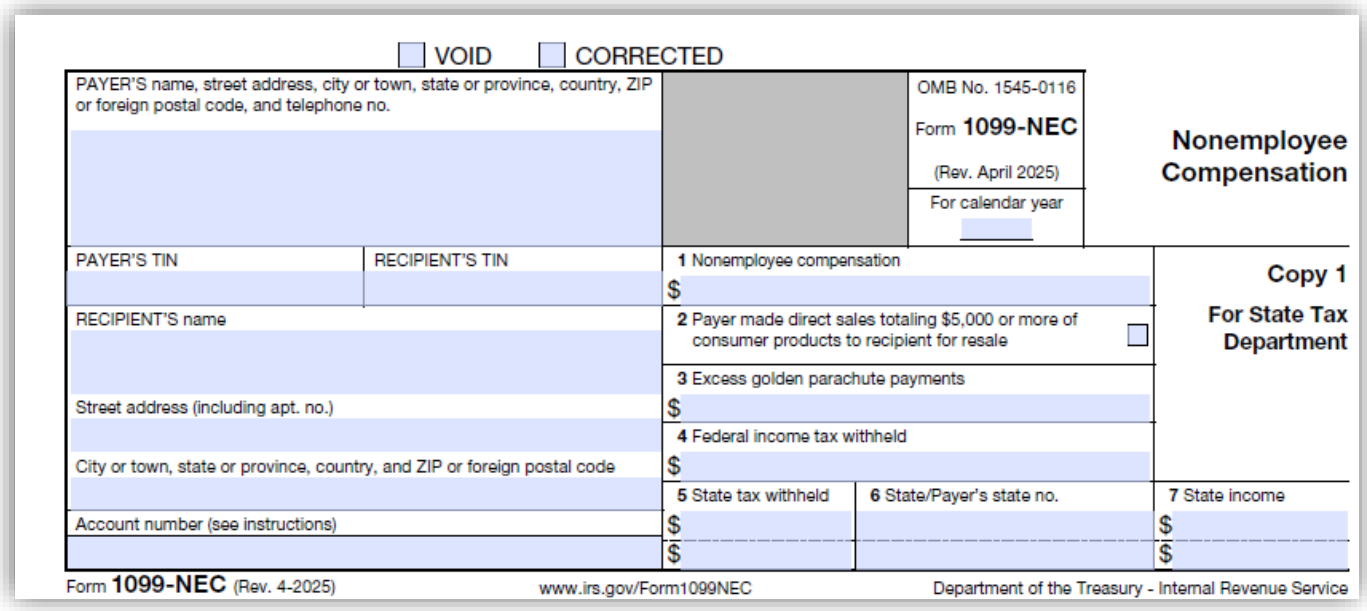
Exceptions to Reporting Form 1099-NEC

Some payments do not have to be reported on Form 1099-NEC, although they may be taxable to the recipient. Payments for which a Form 1099-NEC is not required include all of the following:

- Generally, payments to a corporation (including a limited liability company (LLC) that is treated as a C or S corporation)
- Payments for merchandise, telegrams, telephone, freight, storage, and similar items

- Payments of rent to real estate agents or property managers. However, the real estate agent or property manager must use Form 1099-MISC to report the rent paid over to the property owner. See Regulations sections 1.6041-3(d), 1.6041-1(e)(5), Example 5, and the instructions for box 1
- Wages paid to employees (report on Form W-2, Wage and Tax Statement)
- Military differential wage payments made to employees while they are on active duty in the Armed Forces or other uniformed services (report on Form W-2)
- Business travel allowances paid to employees (may be reportable on Form W-2)
- Cost of current life insurance protection (report on Form W-2 or Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.)
- Payments to a tax-exempt organization including tax-exempt trusts (IRAs, HSAs, Archer MSAs, Coverdell ESAs, and ABLE (529A) accounts), the United States, a state, the District of Columbia, a U.S. possession, or a foreign government.
- Payments made to or for homeowners from the HFA Hardest Hit Fund or similar state program (report on Form 1098-MA).
- Compensation for injuries or sickness by the Department of Justice as a public safety officer disability or survivor's benefit, or under a state program that provides benefits for surviving dependents of a public safety officer who has died as the direct and proximate result of a personal injury sustained in the line of duty.
- Compensation for wrongful incarceration for any criminal offense for which there was a conviction under federal or state law. See section 139F, Certain amounts received by wrongfully incarcerated individuals.

Form 1099-NEC



☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		OMB No. 1545-0116 Form **1099-NEC** (Rev. April 2025) For calendar year	**Nonemployee Compensation**
PAYER'S TIN	RECIPIENT'S TIN	**1** Nonemployee compensation $	**Copy 1** **For State Tax Department**
RECIPIENT'S name		**2** Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale ☐	
Street address (including apt. no.)		**3** Excess golden parachute payments $	
City or town, state or province, country, and ZIP or foreign postal code		**4** Federal income tax withheld $	
Account number (see instructions)		**5** State tax withheld $ $	**6** State/Payer's state no.	**7** State income $ $

Form **1099-NEC** (Rev. 4-2025) www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

Box 1 – Non-Employee Compensation

Services performed by someone who is not your employee. The minimum threshold is $600 for the calendar year.

Examples:

- Services (no Corporation exemption for Medical and Legal)
- Customized merchandise/software
- Catering
- Attorney fees
- Training/Speaker Fees
- Gift cards for Services
- Website programming
- Registration fees for conferences and workshops
- Unsubstantiated Expense/Travel payments and reimbursements to non-Employees
- Software you pay an on-going fee to use through the vendor's server or the "cloud"

NOTE: School & College Legal Services is EXEMPT from 1099 reporting because they are a governmental agency.

Box 4 – Federal Income Tax Withheld

- Amount withheld back to comply with backup withholding requirements

Box 5-7 – State Tax Withheld

- Amount of state income tax withheld

Form 1099-MISC

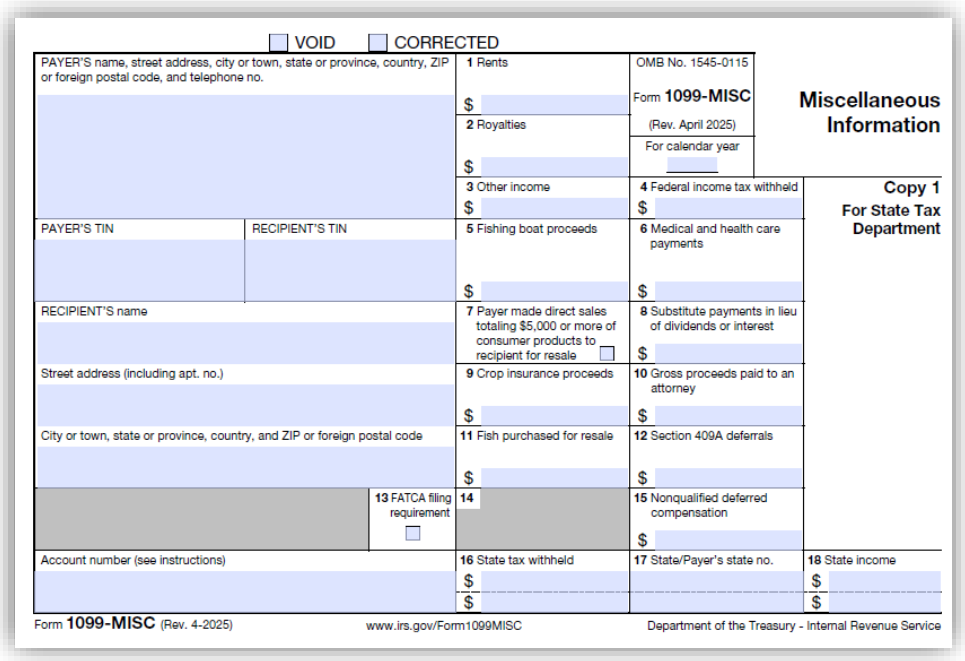
Examples of 1099-Misc. Reportable Payments

When threshold has been met by a Non-Corporation or Exempt Entity

- **Threshold of at least $10 in royalties** (see the instructions for box 2) or broker payments in lieu of dividends or tax-exempt interest (see the instructions for box 8).
- **Threshold of at least $600 in**:
  - Rents (box 1);
  - Prizes and awards (box 3);
  - Other income payments (box 3);
  - Generally, the cash paid from a notional principal contract to an individual, partnership, or estate (box 3);
  - Any fishing boat proceeds (box 5);
  - Medical and health care payments (box 6);
  - Crop insurance proceeds (box 9);

- Payments to an attorney (box 10) (see *Payments to attorneys*, later);
- Section 409A deferrals (box 12); or
- Nonqualified deferred compensation (box 14).

Form 1099-MISC



VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	1 Rents $	OMB No. 1545-0115 Form 1099-MISC (Rev. April 2025) For calendar year	Miscellaneous Information
	2 Royalties $		
	3 Other income $	4 Federal income tax withheld $	Copy 1 For State Tax Department
PAYER'S TIN / RECIPIENT'S TIN	5 Fishing boat proceeds $	6 Medical and health care payments $	
RECIPIENT'S name	7 Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale ☐	8 Substitute payments in lieu of dividends or interest $	
Street address (including apt. no.)	9 Crop insurance proceeds $	10 Gross proceeds paid to an attorney $	
City or town, state or province, country, and ZIP or foreign postal code	11 Fish purchased for resale $	12 Section 409A deferrals $	
13 FATCA filing requirement ☐	14	15 Nonqualified deferred compensation $	
Account number (see instructions)	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form 1099-MISC (Rev. 4-2025) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

Box 1 – Rents

Services performed by someone who is not your employee.

Examples:

- Payments for real estate rental such as office space, lease of a building, rental of parking space unless paid directly to a real estate agent
- Rental or lease payments on copiers, computers, construction equipment
- Some Renewal fees to continue to access Software purchased from a U. S. Non-Corporation
- Payments for rental of space such as rental of meeting space, motel/hotel rooms

Box 2 – Royalties

Examples:

- Payments for the right to use intellectual property such as copyrighted items in performances to the public
- Drama Dept- use of a play

- Band Dept.- use of music
- Literary rights, publishing, licensing fees or copyrighted material

Box 3 – Other Income

Examples:

- Items not specifically reportable in other boxes
- Reportable legal damages; punitive, non-physical injury, discrimination/defamation
- Settlement agreement awarded attorney fees to claimant
- Fair market value of awards/prizes not for services performed
- Honorariums
- Beneficiary or Estate payment of a deceased employee's wages

Box 4 – Federal Tax Withheld

- Report all back-up withholding amounts

Box 6 – Medical and Healthcare

No Corporate Exemption

Examples:

Ambulance Services

- For Profit Hospitals
- X-Rays and Lab Services
- Psychiatrists & Psychologists
- Payments for Emergency Care Clinics and Physicians
- Rehabilitation Centers
- Therapist
- Drug Testing
- Physicals

Box 10 – Gross Proceeds Paid to an Attorney

No Corporate Exemption

Examples:

- Attorney or law firm named as payees on checks for amounts garnished from a contractor payment
- Attorney or law firm named as payees on settlement checks

Note: Attorney and Law Firms that perform services for a district are reportable on Form 1099-NEC in Box 1. SCLS is EXEMPT from 1099 reporting because they are a Governmental agency.

Box 16, 17 & 18 – State Withholding

- Amount of State Income Tax Withheld

Section 4 – Backup Withholding

Backup Withholding



Backup withholding is a type of income tax withheld on specific income types when a payee required to receive a Form 1099 Misc. fails to provide the payer with a correct tax payer identification number (TIN).

If backup withholding is required to the IRS, it is also required to withhold and remit backup withholding to the state of California.

Backup withholding requires a payer to deduct and withhold 24% for the IRS and 7% for the State of California.

Must solicit three times for the TIN in order to avoid a penalty

1. Before the first payment is made to the vendor
2. At the end of the year if vendor has still failed to provide TIN
3. At the end of the 2nd year if the vendor still has not provided TIN

Reporting Backup Withholding to the Payee

You must provide vendors with information on the amounts withheld from each check. This would be reported on Form 1099-Misc, Box 4 or for services paid, report on Form 1099 NEC Box 4. California backup withholding would be reported using Form 592-B.

https://www.ftb.ca.gov/forms/2024/2024-592-b.pdf

Reporting Backup Withholding to the Agencies

Form 945 is an annual report form, used for reporting all federal backup withholding for the year. You can e-file this form or send it by mail. If you send by mail, please read the instructions on where to mail as it differs with and without a payment.

https://www.irs.gov/forms-pubs/about-form-945

Any California backup withholding is reported to the state on annual form 592.

https://www.ftb.ca.gov/forms/misc/592.pdf?refresh=39610



Please contact Christy Arend or Jing Liu, SCOE Business Services if you need additional information or refer to the following IRS webpage: https://www.irs.gov/businesses/small-businesses-self- employed/backup-withholding

IRS B Notices – CP2100/2100A Notice

When the IRS sends a notice indicating a missing or incorrect payee TIN, the payer is required to send the payee a form W-9 packet within 15 business days from the date of the notice, or date of receipt of the notice, whichever is later.

This packet should include a copy of the notice and a blank form W-9. The mailing envelope should be clearly marked with **"Important Tax Information Enclosed".** Send the vendor packet by certified mail for proof of mailing. Vendor must hand sign (no electronic signatures) the newly submitted Form W-9.

The payee must correct the TIN information and respond within 15 days. If the TIN information is not received within 30 days, payers must begin backup withholding at the 24% rate until a Form W-9 is received.

The payer should cease backup withholding no later than 30 days after the payer furnishes a completed form W-9 or TIN validation from the IRS/SSA.

If this is the second time a vendor has been on a B-Notice within three years:

- Send the vendor a "Second B-Notice letter"
- Do not send a Form W-9
    - Vendor must provide a letter from IRS for an EIN or Social Security Card if using an SSN
    - If the TIN is an EIN, the payee must validate their TIN by providing an IRS Letter 147c (This needs to be requested from the IRS by the payee)
    - If no 147c letter is provided, begin backup withholding no later than 30 business days after the date on the second notice

Where to Call IRS for help

For questions about backup withholding, information reporting, Forms 1099, or the B notices:

Technical Services Operation Customer Service Section

- Telephone: (866) 455-7438 (Toll Free) (304) 263-8700 (Not Toll Free)
- Hours 8:30AM to 4:30PM – Monday through Friday – Eastern Time



IRS Penalty Notice 972CG

When an IRS B Notice is sent, the IRS expects the receiver to follow the B Notice instructions and make the proper solicitations to the vendors on the listing. The IRS does not require you to send them information regarding what you have done to follow up on the B notice listing.

The IRS sends out Penalty Notice 972CG randomly. The notice will have a vendor listing similar to the B notice listing of mismatched vendor names and/or TINS. If you should happen to receive a 972CG Penalty Notice, you must follow the instructions and meet the timelines to avoid IRS penalties.
Answering Notice 972CG

The notice must be answered within 45 calendar days from the notice date. If more time is needed, submit a written request to the address listed on the notice before the end of the 45 days. Send in the portion of the payment/correspondence slip that is appropriate to the filer's response (i.e., fully agreeing, partially agreeing, or disagreeing with the proposed penalty). Sign in the space provided and submit payment if the filer fully or partially agrees to the proposed penalty.

If you have followed your B notice requirements you should disagree with the penalty and request a waiver. In seeking a waiver of the proposed penalty, the filer must submit a written statement that explains based on reasonable cause you have acted responsibly and done your required B notice processes. Do not submit copies of the TIN solicitations unless requested.

The IRS may issue Letter 1948C to ask for additional explanation or information to support the request to waive the proposed penalty. If you do not respond by the time indicated in the Letter 1948C, the IRS will deny the waiver request and assess the proposed penalty. If reasonable cause is established, the IRS will issue Closing Letter 6304C stating that the explanation given was accepted and the applicable penalty will not be assessed.

If the filer's written statement does not establish reasonable cause or only partially establishes reasonable cause, a penalty will be assessed. The IRS will send Letter 854C explaining the reason for the denial, including the filer's appeal rights. The assessment will generate a balance due notice (CP15 or CP215) including appeal rights.

Do not pay the penalty if you have done your B-Notice solicitations

- Ask for a waiver of the penalties by submitting a written signed statement under penalties of perjury. Explain you are claiming "reasonable cause" based on the B notice solicitations you have completed.
- The IRS will send a letter responding to the "reasonable cause" statement
    - Letter 1948C- asks for additional information to support your statement
        - Proof of backup withholding or submitting W-9 copies of the new W-9s you received from vendors on the list
    - Letter 6304C – accepting your waiver – no penalties
    - Letter 854C – your waiver is not accepted and the appeal process
    - CP15/215 – Balance due of the Penalty

Section 5 – Payments

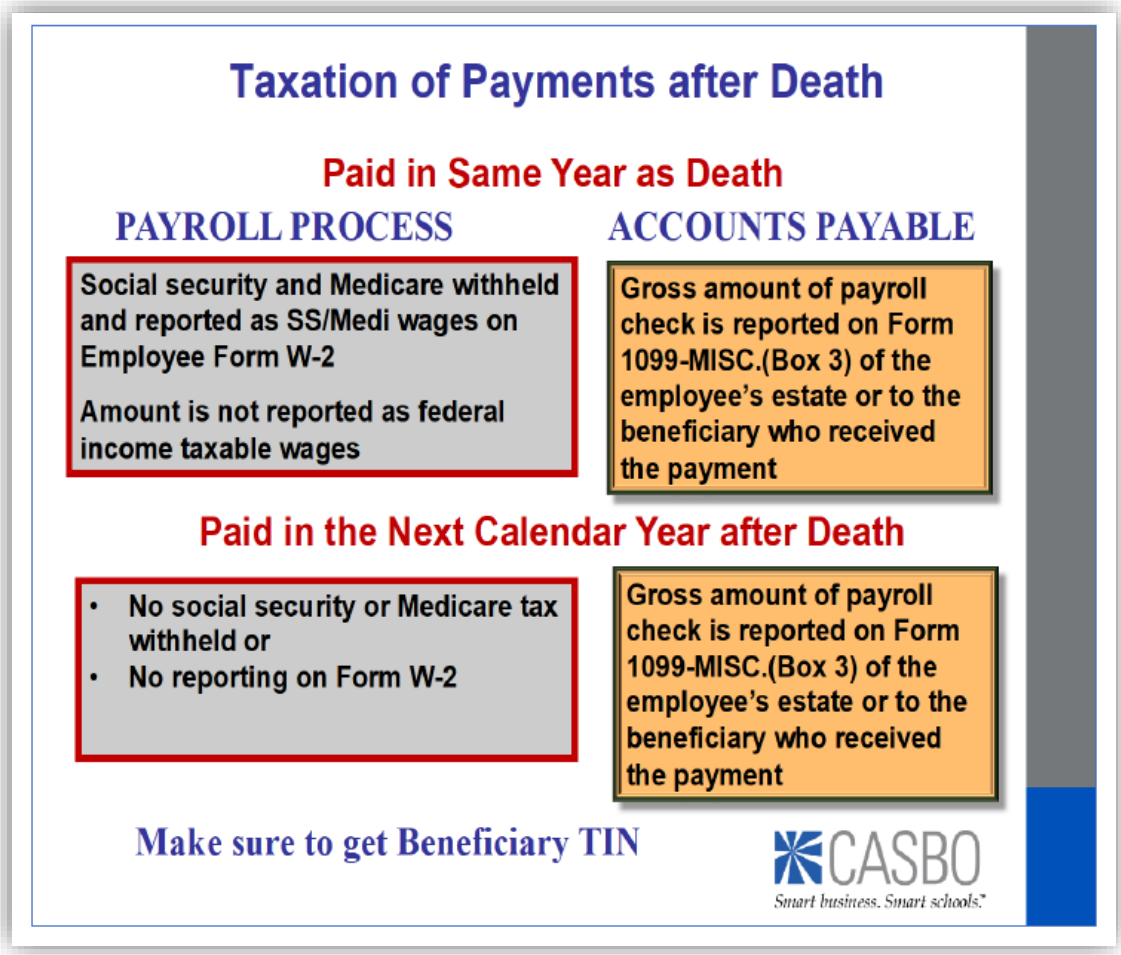
Deceased Employees: Final Payment



It is necessary for Districts to use the correct process for paying and reporting compensation for deceased employees. There are different processes when making payment within the same calendar year versus the next calendar year of death.

Guidelines can be found in IRS Publication 15 and in the Instructions for Form W2. A 1099 Form will be issued to the Estate of the employee for the final compensation.

Contact Christy Arend and Jing Liu in SCOE Business Services (carend@scoe.org 524-2656, and jliu@scoe.org 524-2954) when you have a deceased employee.



Deceased Employees: Checklist

It is necessary for LEAs to use the correct process for paying and reporting compensation for deceased employees. Guidelines can be found in IRS Publication 15 and in the Instructions for Form W2.

Step 1: The employee record will need to be updated and final compensation calculated. It is recommended to review and end tabs *left to right* in Employee Management

Employee Management Tabs:

- ☐ **Pay Cycle** – Should be ended the last day of the pay period
- ☐ **Retirement** – Should be ended the last day of the month of death
- ☐ **ACH** – Should be ended prior to pay date
- ☐ **Deductions** – Should be ended in the current period, with the exception of Union Dues. Union dues should not be deducted in the month of death. (End union dues prior month)
- ☐ **Assignment** – Must be ended effective the date of death
- ☐ **Add-ons** – Review add-ons to determine of any stipends are owed
- ☐ **Leaves** – Enter final leaves taken. Make certain the employee has enough sick leave to be in paid status, or else Payroll should enter a dock. Payroll should adjust leave balance to zero.
- ☐ **Benefit Providers** – Determine the appropriate end date for Benefit Providers. Typically, this is the last day of the pay period which the employee passed away. Refund any additional amounts taken from the start of the fiscal year to the date of death that would have covered any future months of coverage (i.e., July and August premiums).

Step 2: Final Payment Adjustments in Adjust Payroll

- ☐ ***When final payment is made in the SAME year of death***:
  - Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
  - Zero out Gross Pay by using the Regular Addon to reverse compensation
  - Add Z-MEDI, Z-SUI, ZWC, ZSDI, and Z-OASDI Add-ons to report Gross earnings and deductions for Medicare, State Unemployment Insurance, Workers Compensation, State Disability Insurance and OASDI. Please note SDI and OASDI only apply to certain employees. (Christy Arend and Jing Liu need to be notified anytime these Z-addons are used)
  - Add Z-STRS or Z-PERS add-on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)
    - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
    - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
  - Enter REPAY deduction to zero out net pay

☐ ***When final payment is made AFTER the year of death***:

- Calculate pay in Frontline on the next (final) regular payroll, triggering a DNP payout if applicable
- Zero out Gross Pay by using the Regular Addon to reverse compensation
- **Do not** withhold **any** taxes
- Add Z-STRS or Z-PERS add on if applicable (Make sure to notify Alli Britton and Maria Aguayo if you are using these add-ons)
  - Contact CalSTRS directly to report deceased employee. Final sick leave will need to be reported.
  - Fill out CalPERS Change form and turn into Maria Aguayo – the CalPERS appointment will need to be ended with the reason being deceased.
- REPAY deduction code needed to zero out DNP if applicable

Step 3: Create a New vendor to the Estate **or** next of Kin *(Affidavit to Collect Compensation of Deceased needed, up to $5,000.00 net)*

- Have the family complete a W9 in order to obtain the TIN or SSN for the beneficiary or estate
  - It is best to have a Designation of Beneficiary for Pay Warrant form on file for all employees as provided by Government Code 53245
  - In the event of death, the employee may designate a beneficiary to receive all warrants or checks that will be payable to the employee
  - Payments under $5,000.00 can be collected using an Affidavit to Collect Compensation of Deceased – attached
- Finance → Purchasing → Vendors→Section 6: **1099 Form: 3 {Other Income} 1099: YES**

Step 4: Update Department Record under **Finance – Setup – Department – Departments**

☐ Make sure **Account Object Code Filter** is set up to allow salary accounts (1XXX and 2XXX object codes)
☐ When payment is made, change settings back to exclude these objects

Step 5: Create a Vendor Requisition

☐ Create vendor requisition with the Direct Payment Type to issue the warrant to the new vendor "Estate of _____ (Employee name) or next of kin"
☐ Process payment using object code 9213, for net pay *(entered as a negative for REPAY amount)* and object 1XXX (certificated) or 2XXX (classified) for gross pay *(entered as a positive)*
☐ The warrant should be issued no later than the date of the next payroll

NOTE: It is recommended to process the final payment through AP rather than out of the district's revolving account. However, should the district decide to pay the final payment outside of Frontline, using the district's revolving account, **you will need to manually enter the vendor and payment information for 1099 reporting at calendar year end.** Put a tickler in your calendar year end 1099 file as a reminder.

Incidental Goods and Services

Payments for **services** are generally reportable on Form **1099-NEC, Box 1**, including payments for **parts or materials** if those items are **incidental** to the service provided.

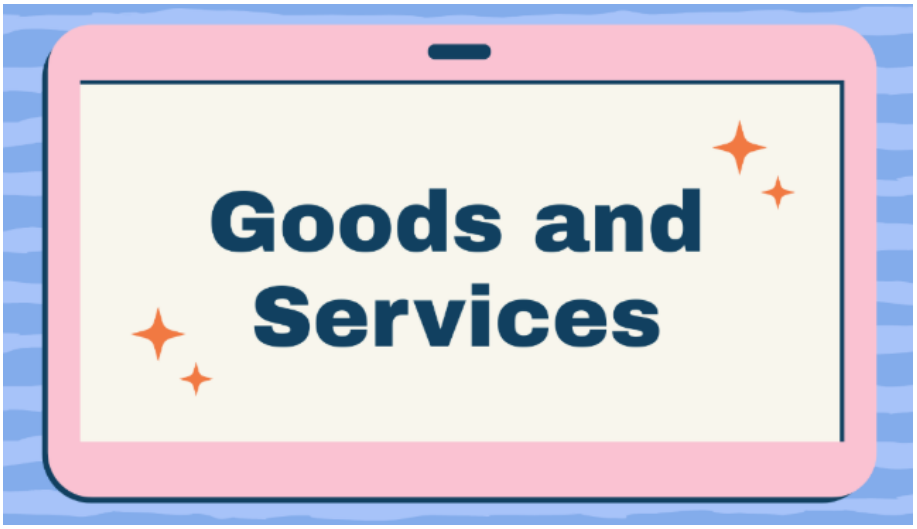
Example: If a plumber bills a client for a service call and includes a minor part, the total payment of $600.00 or more is reportable (including the part).

The IRS does not provide a single definition of “incidental”. Instead, it depends on the circumstances of the transaction. For example:

- A repair service that includes standard parts, is considered a service.
- A company that primarily sells products and includes a minor service as part of the sale may not need to issue a 1099-NEC

If the transaction is a mix of both services and goods and it is difficult to distinguish which is the primary, it is best to report the entire amount on Form 1099-NEC if the service component is significant.

Instructions for Form 1099-MISC and 1099-NEC (Includes note on incidental goods to services)



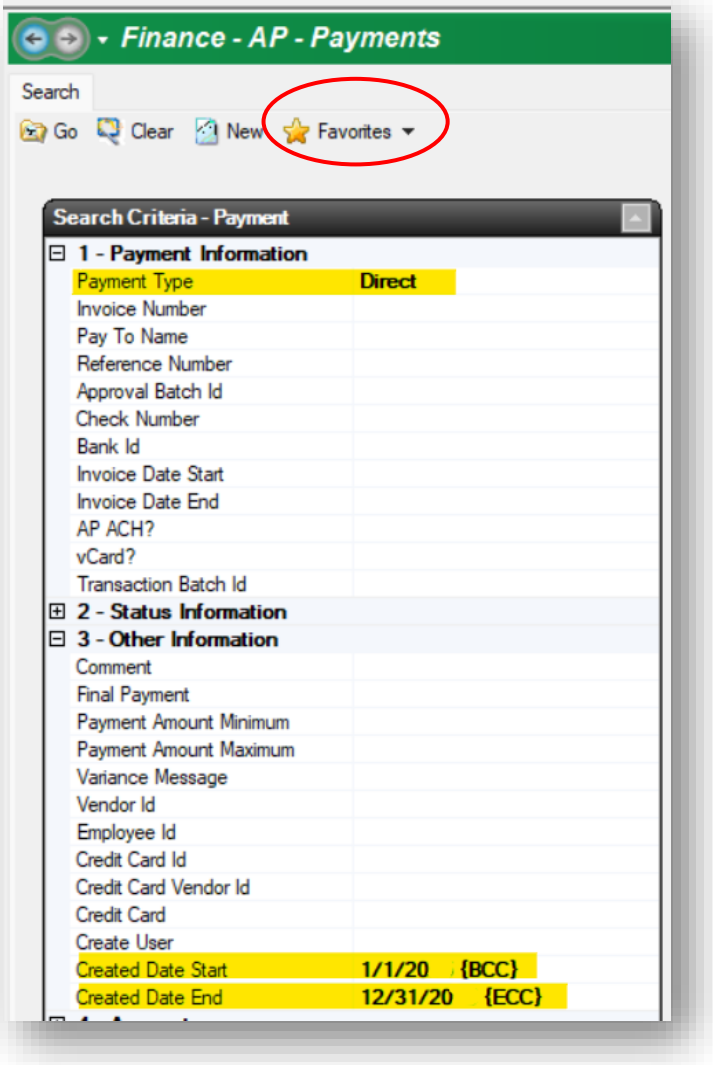
Direct Payments

Direct Payments in Frontline ERP **will not** produce a 1099. It is recommended that the Direct Payment activity in Frontline ERP only be used for one-time non-service-related payments. If there will be multiple payments made to a vendor, there should be a PO set up.

There is a way to perform an audit for all Direct Payments that were made through Frontline ERP with the following filters:

Finance – AP – Payments

- Payment Type: Direct
- Created Date Start: BCC
- Created Date End: ECC
- Click Go to create a list
- Click on Favorites to save search



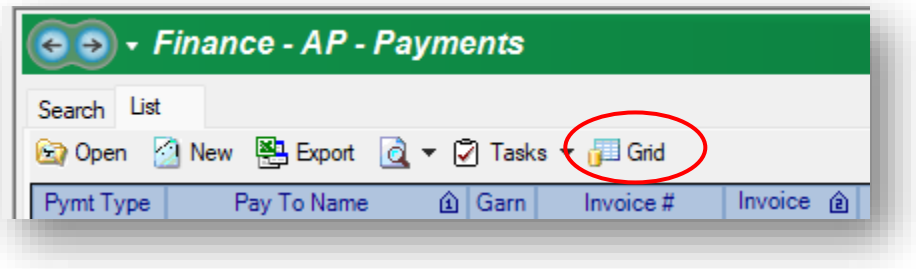
If payments are discovered in this audit that require a 1099, there will need to be a manual 1099 created.

Please contact Christy Arend or Jing Liu with questions

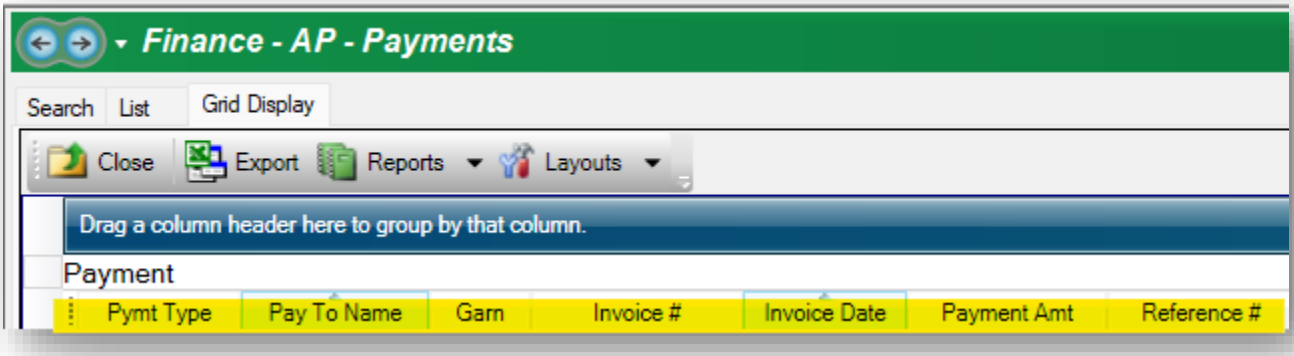


Use the Grid option to review the list of Direct Payments. The Grid allows the option to select the Vendor Id. If there is a missing Vendor Id, then review if this should be a 1099 Vendor.

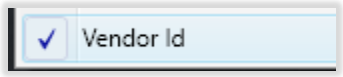
Finance – AP – Payments



- From the list Click on the Grid option



- From the Grid Display, Right Click on the Header row to select and de-select the fields that are needed
- Select the Vendor Id



- Click on the Vendor Id to sort and review if there are missing vendor ids that should receive a 1099 form
- These will need to be manually added to the 1099 list

Non-Reportable Payments

Credit Card Payments

Credit card payments to the U.S. vendors are not reportable on form 1099. These are reported by the credit card companies.

Scholarship Payments



Not reportable on Form 1099 when:

- Given to a U.S. Candidate for a degree at an eligible educational institution
- It is used only for educational expenses excluding room and board
- It doesn't represent payment for teaching, research, or other services required as a condition for receiving the scholarship.
    - Be wary of payments with the wording "scholarship" that is provided for incentive payments.
        - These would be reportable if over the $600 aggregate threshold.

Other examples of non-Reportable payments:

- Payments for utilities
- Purchases of goods unless incidental to services
- Insurance premiums
- Substantiated travel reimbursements to consultants
- Dues/Subscriptions to professional organizations
- Settlements for personal physical injury, medical expenses, property damage claims
- Storage facilities rentals, rent paid to a real estate agent

NOTE: These are examples – if in doubt, mark the payment for reporting



Cloud transaction would be defined as a transaction through which a person obtains on-demand network access to computer hardware, digital content, or other similar resources.



Factors indicating that a cloud transaction is classified as a service for 1099 reporting includes the following:

1. Customer is not in physical possession of the property
2. The customer does not control the property beyond the customer's network access and use of the property
3. The customer does not have a significant economic or possessory interest in the property
4. The service provider bears any risk of substantially diminished receipts or substantially increased expenditures if there is nonperformance under the contract
5. The service provider uses the property concurrently to provide significant services to entities unrelated to the service recipient
6. The total contract price substantially exceeds the rental value of the property for the contract period

Cloud content that doesn't meet the above criteria of a service would be reported as a rental payment.

Reporting of Non-Digital Software from U.S. Vendors

Payment Type		Report
Goods	Purchased as a product with no license requirements.	No
Rental Income	If there is a time limitation to use or renew the license. Includes downloadable Digital content with a time limitation for use.	1099 Misc. Box 1
Royalties $10 Threshold	If you have the right to make copies for distribution or rent/lease to someone else; you are free to make changes to the software and the software is downloaded or installed in the U.S. (very rare)	1099 Misc. Box 2
Services	Custom software, training, or installation, Downloadable Digital Content with no time limitation on use.	1099 NEC Box 1

Reporting Settlement Payments

Reportable:

- Defamation: the action of damaging the good reputation of someone; slander
- Discrimination
- Emotional injuries not arising
- Monetary losses
- Employment settlements



Non-Reportable:

- Payments for damages received due to personal physical injury or physical sickness
- Property claims
- Medical reimbursements

Examples:

1. Was the attorney in the settlement issued a separate check for the attorney fees?
    - If yes, report in box 1 of form 1099-NEC

2. Was the payment made out in the name of both the claimant and attorney?
    - If yes, report the gross amount of the check in Box 10 of form 1099 misc. for the attorney
    - Report on 1099 Misc. Box 3 to the claimant for their reportable amounts.

3. Reportable amounts awarded to the claimant
    - Punitive damages are always taxable and reportable
    - Attorney fees awarded to claimant may be reportable
    - Report both on form 1099 Misc. Box 3
    - The attorney does not need a Form 1099 if the check is written only to the claimant (Reg 1.6045-5(f))

4. If more than one attorney is listed as a payee on the check
    - Issue a Form 1099 Misc. to only the attorney to whom the check is delivered

Special Education Settlements

Form 1099 Misc. reporting of Special Education settlement agreements has not been specifically addressed by the IRS. If the Special Education costs can be related to Medical Expenses, they are not taxable to the parents.

Include in medical expenses:

- Fees you pay on a doctor's recommendation for a child's tutoring by a teacher who is specially trained to work with children who have learning disabilities caused by mental or physical impairments.
- The cost (tuition, meals, and lodging) of attending a school that furnishes special education to help a child overcome learning disabilities. For expenses to be deductible, a doctor must recommend that the child attend the school.

Do not include in medical expenses:

- The cost of sending a child with behavioral problems to a school, if the availability of medical care in the school isn't a principal reason for sending the student there.

Please see IRS Publication 502 for more information regarding medical expenses

https://www.irs.gov/pub/irs-pdf/p502.pdf

Examples:

- Reimbursements to parents – usually not reportable
- Punitive Damages – Reportable Box 3 to claimant
- Attorney Fees – Reportable to Attorney and Claimant if considered taxable
- Interest – Reportable to Claimant on Form 1099 INT.

Note: To protect the LEA from underreporting settlement claims the district may choose to:

- Report the full amount
  - Include information to the claimant that they should seek tax advice (refer to IRS Publication 502)
- Contact a Tax Attorney
  - If the payee attorney requests a correction ask for citing in writing as to why the correction should be made.
  - This may protect you in an audit
- Apply for a private letter ruling from the IRS

DISCLAIMER: The 1099 Basic Concepts information provided above is for general information purposes. LEAs should seek tax/legal counsel when needed.

Section 6 – Reporting in Frontline ERP

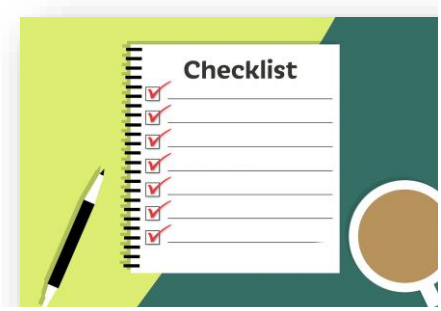
1099 Frontline ERP Checklist

Organization Record

- ☐ Review Section 5 – AP 1099 Setup
  - Verify that the 1099 Address and contact information are correct
  - If changes needed send request to helpdesk@scoe.org

Review Account Component Setup

- ☐ Review Object Codes for correct 1099 Boxes



Vendor Setup based on W-9

- ☐ Flagged for 1099
- ☐ Tax ID or SSN
- ☐ Tax Classification
- ☐ Address
- ☐ Review DBAs
- ☐ Review Foreign Vendors with Christy Arend and Jing Liu, SCOE Business Services
- ☐ TIN Verification

Vendor 1099 List - Searching / Reviewing

- ☐ Check Status and Problem Description
- ☐ Resolve problems
- ☐ Check for duplicate vendors and multiple (TIN) Tax Id Numbers and (SSN) Social Security Numbers
- ☐ Create manual adjustments if needed
- ☐ Manually add vendors paid for services outside of Frontline ERP $600 or more (Example ASB, Revolving Account, Wire Transfers)
- ☐ Rerun 1099 List to update vendor information on list before running reports

Verifications Reports

- ☐ Review Vendor 1099 Snapshots
- ☐ ReqPay18-Vendor Check Detail *(Run throughout the calendar year)*
- ☐ ReqPay07-Vendor Log *(Can only run after 24.04 installed)*
- ☐ ReqPay16-Vendor 1099 Detail *(Can only run after 24.04 installed)*

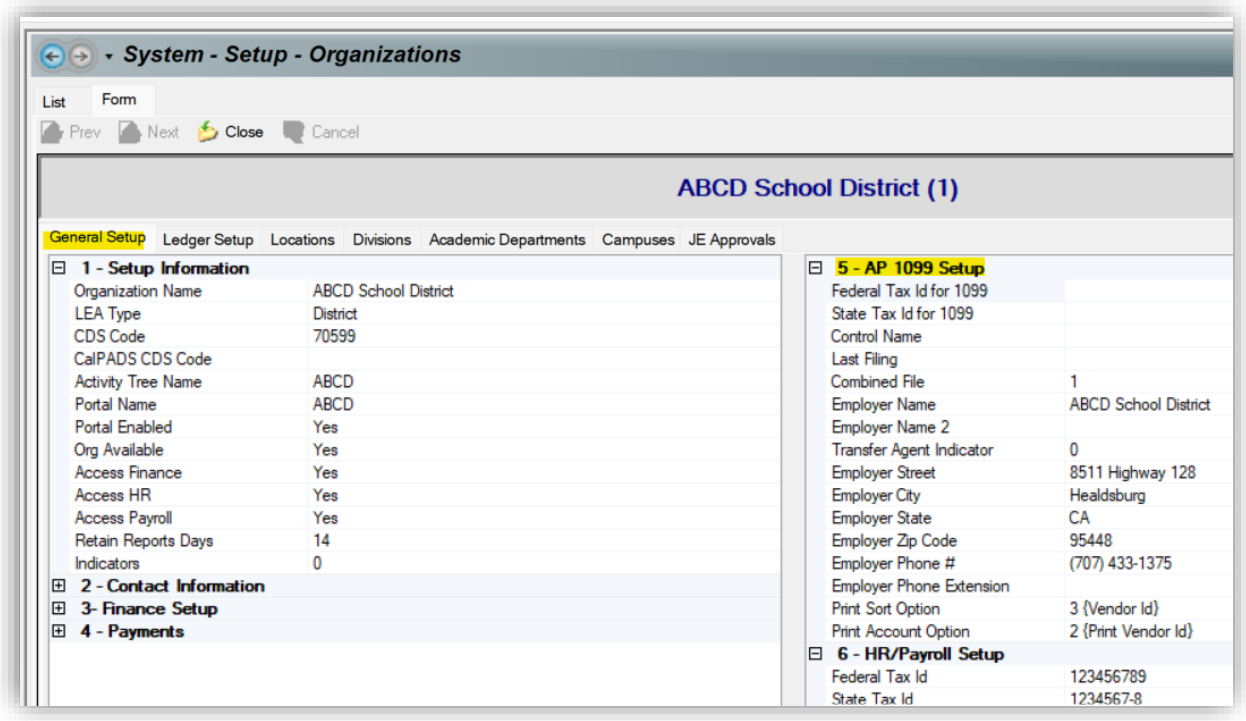
Review Organization Record

The organization record can be used to override the district information from the System table. In addition, this is where the sort option for the printing of 1099s is defined.

Go to System – Setup – Organization

- Review **Section 5** – AP 1099 Setup for
  - Federal and State Tax Id (Defaults from HR/Payroll Setup)
  - Contact Name
  - Employer Name
  - Employer Address
  - Print Sort Option: 3 {Vendor Id} (1099 forms mailed by SCOE)
  - Print Account Option: 2 {Print Vendor Id}

- Send request to helpdesk@scoe.org for any changes that need to be made



Federal Tax ID for 1099

This field is used for processing 1099s. ***Frontline ERP uses cascading logic*** to determine the EIN for a 1099. It will look at the organization record and at the fund component of the account(s) used to pay the vendor. The logic first looks at the Federal Tax ID defined in the Fund component. If this field is not filled out, then it will use the Federal Tax ID for 1099 in the AP 1099 Setup category of the Organization record. If the Federal Tax ID for 1099 in the AP 1099 Setup category is also blank, the software uses the Federal Tax ID for Payroll Processing (under the HR/Payroll Setup category) in the Organization record.

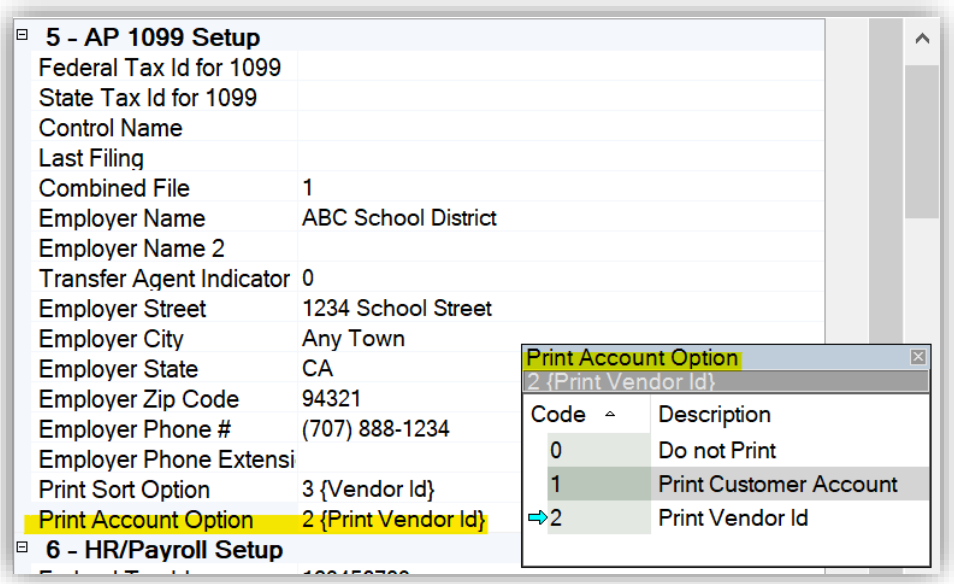
State Tax ID for 1099 – If this field is not filled out, the software uses the State Tax ID for Payroll Processing (under the HR/Payroll Setup category) in the Organization record.

Employer Name – Specific name for the 1099 processing. If this is left blank, the software will use the information from the System table.

Employer Address – Specific address for the 1099 processing. If this is left blank, the software will use the information from the System table.

Print Sort Option – Select the sort order for 1099s. There are three options: Address Name, Zip Code and Vendor ID. *(1099 Forms mailed by SCOE)*

Print Account Option – Select print options for 1099s. You can suppress printing of an account, use the customer account or use the Vendor ID. Printing an account, a customer account or a Vendor ID is helpful if the vendor calls with a question.



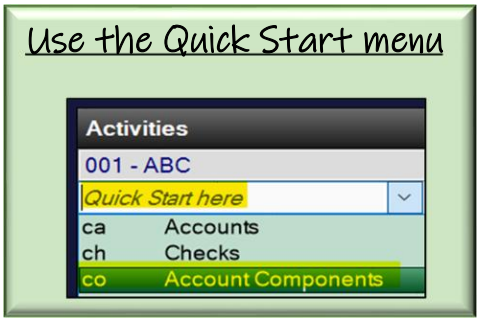
Review Account Component Setup

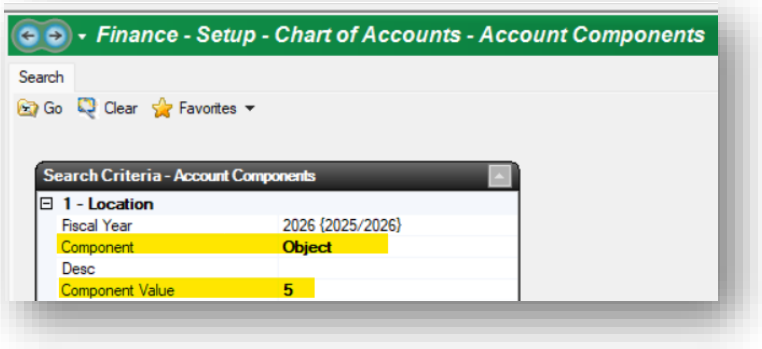
Account Components access is Permission based. Check with an authorized user in your district before making changes in Object Account Components.

During 1099 processing, the software searches through the checks looking for the object, and reports the amounts to the box specified in the Account Component Record. Frontline ERP allows you to control which box a vendor's payments are reported to by specifying the applicable object codes for each box.

Go to Finance – Setup – Chart of Accounts – Account Components

- **Fiscal Year:** 2026 {2025/2026} default
- **Component:** Object
- **Component Value:** 5 for Services
  - Search by other major object codes
- Click **Go**





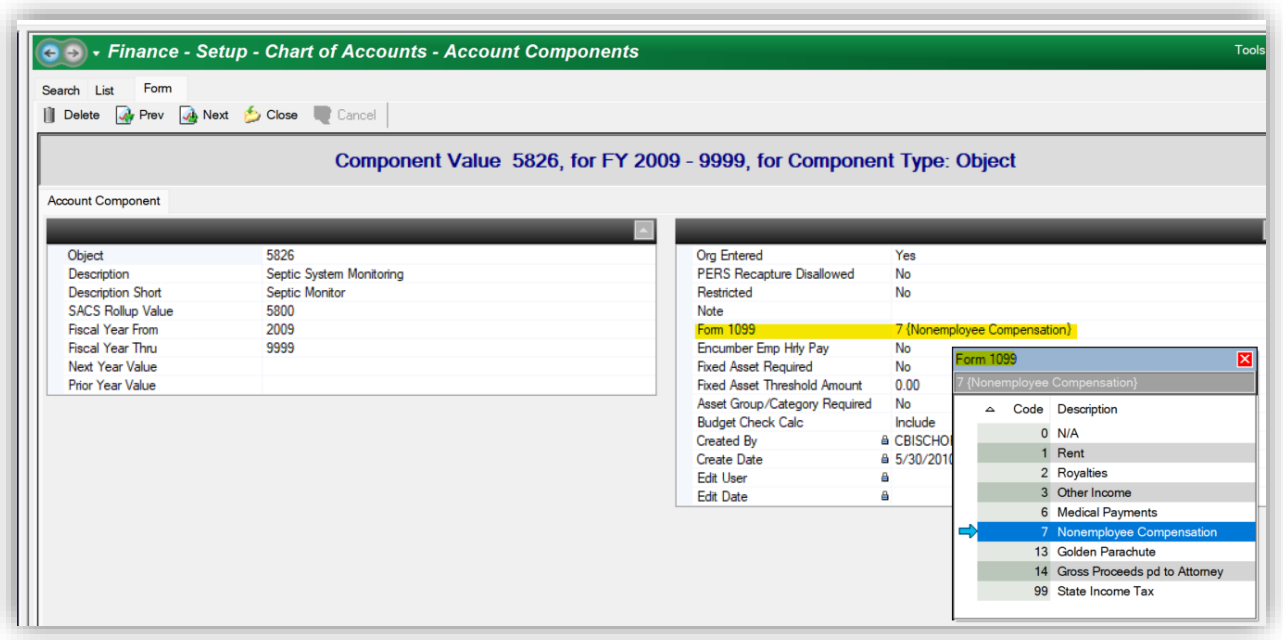
- From the list, click on the 1099 Column to sort by the 1099 Number to review description and 1099 Column. Update as needed.

Object	Description	SACS	1099	FY From	FY Thru
5911	Telephone	5900		2006	9999
5950	Postage	5900		2006	9999
5600	Rentals And Leases	5600	1 {Rent}	2006	9999
5632	Copier Repairs & Mainte	5600	1 {Rent}	2006	9999
5101	Business Services >2500	5100	6 {Medical Payments}	2011	9999
5128	Speech Therapy >25000	5100	6 {Medical Payments}	2011	9999
5828	Speech Therapy	5800	6 {Medical Payments}	2011	9999
5872	Legal Settlements (Medic	5800	6 {Medical Payments}	2006	9999
5100	Services		7 {Nonemployee Compens	2006	
5200	Travel & Conferences	5200	7 {Nonemployee Compens	2006	9999

Designations have been made in Account Components to allow the system to automatically flag anything paid to these object codes and will be populated into the correct 1099 form boxes **(<u>Frontline ERP looks for 1099 coding first</u>).**

In all cases vendors **<u>must be flagged</u>** in the vendor record as Yes in order to receive a 1099.

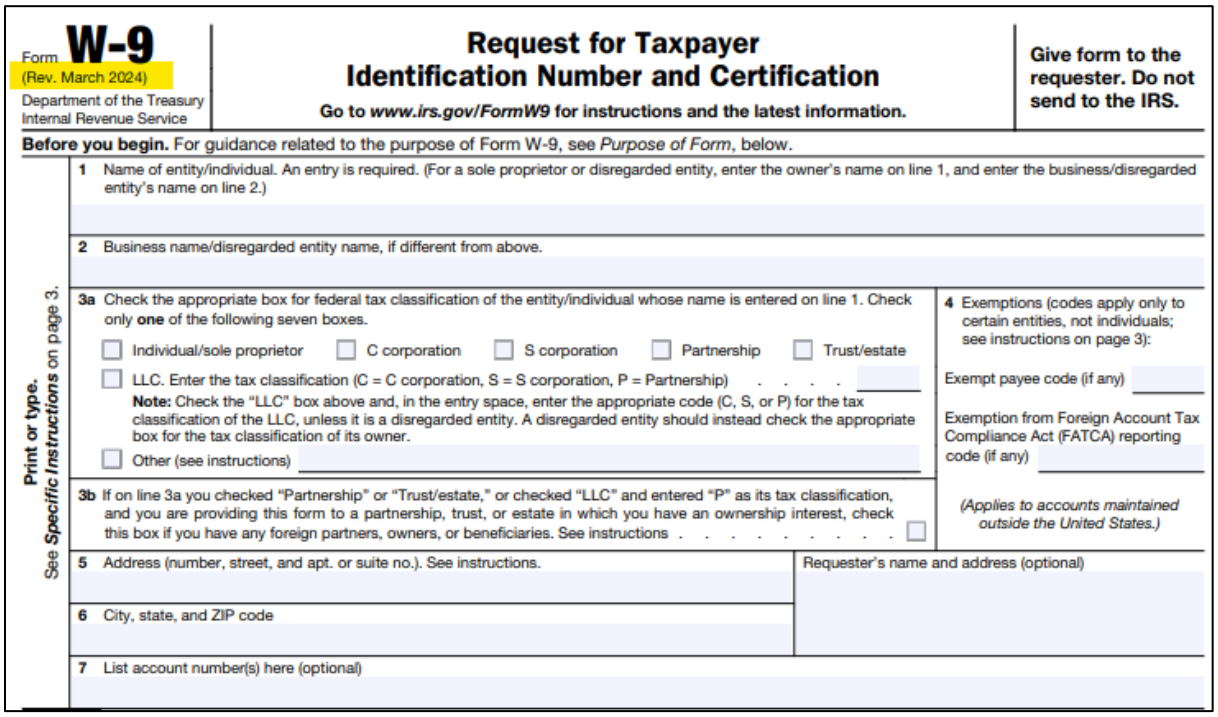
- Click on the record to open and review or make changes



The software is intuitive and knows that if the Form 1099 field is a 7 {Nonemployee Compensation} a <u>Form 1099-NEC will be produced</u>. All other Form 1099 codes will produce a 1099-MISC.

Vendor Records and the W9 Relationship

The Vendor Name, SSN/TIN, Classification and Address are **entered into Frontline ERP as indicated on the W-9 Form.** Be sure to review the vendor has completed all the information correctly. There can't be any edits or corrections made to the form, a new form must be submitted by vendor.



Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

5 Address (number, street, and apt. or suite no.). See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

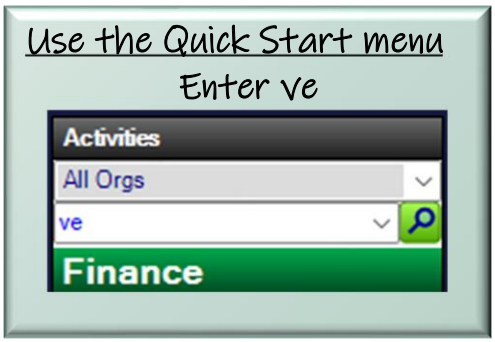
7 List account number(s) here (optional)

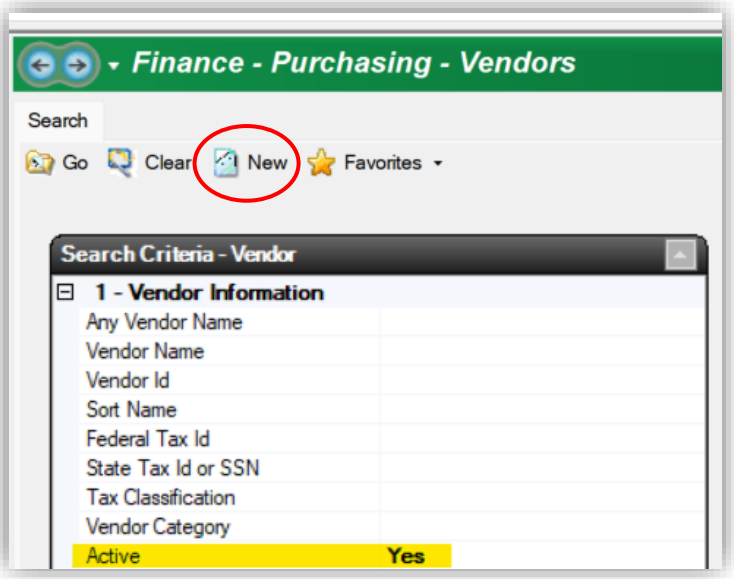
W9 Form Section Information Detail		ERP Vendor Record Field
Section 1	**Name** (as shown on their tax return, cannot be blank)	**Vendor Name - Section 1**
Section 2	**Business Name** (If different from above. This does include Trade Name, DBA Name or Disregarded Entity Name)	**Vendor Name – Section 1** **Addresses**
Section 3	**Federal Tax Classification** (Person whose name is entered in Section 1 – They can ONLY ✓ one box)	**Tax Classification – Section 1**
Section 4	**Exemptions** (does not apply to individuals-see W9 Instructions)	**1099** (mark Yes or No) **– Section 3**
Section 5	**Address** (Number, Street, Apartment or Suite No.)	**Addresses**
Section 6	**Address** (City, State, and Zip Code)	**Addresses**
Part 1	**Social Security Number** (must provide full name with SSN)	State Tax Id or SSN – **Section 1**
	EIN/TIN (must provide business name with EIN/TIN)	Federal Tax Id – **Section 1**
Part II	Certification Signature (Must be signed)	

Vendor Records

Vendor records identify the companies from whom you purchase products. Each vendor is assigned a code — alpha or numeric.

Go to Finance – Purchasing – Vendors

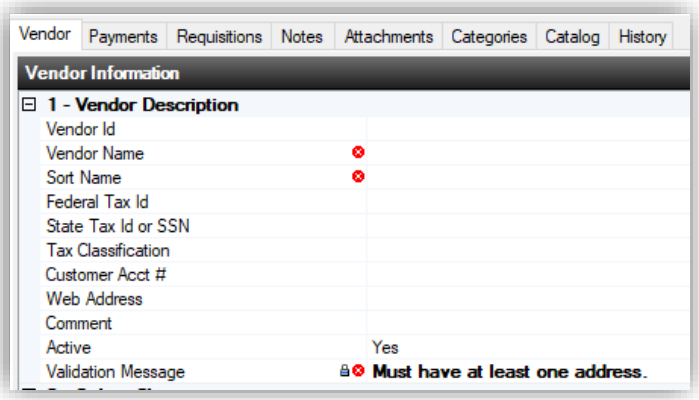




- Click New to Create a vendor record
- To get a list of current vendors
- Active: Yes
- Click Go to generate list

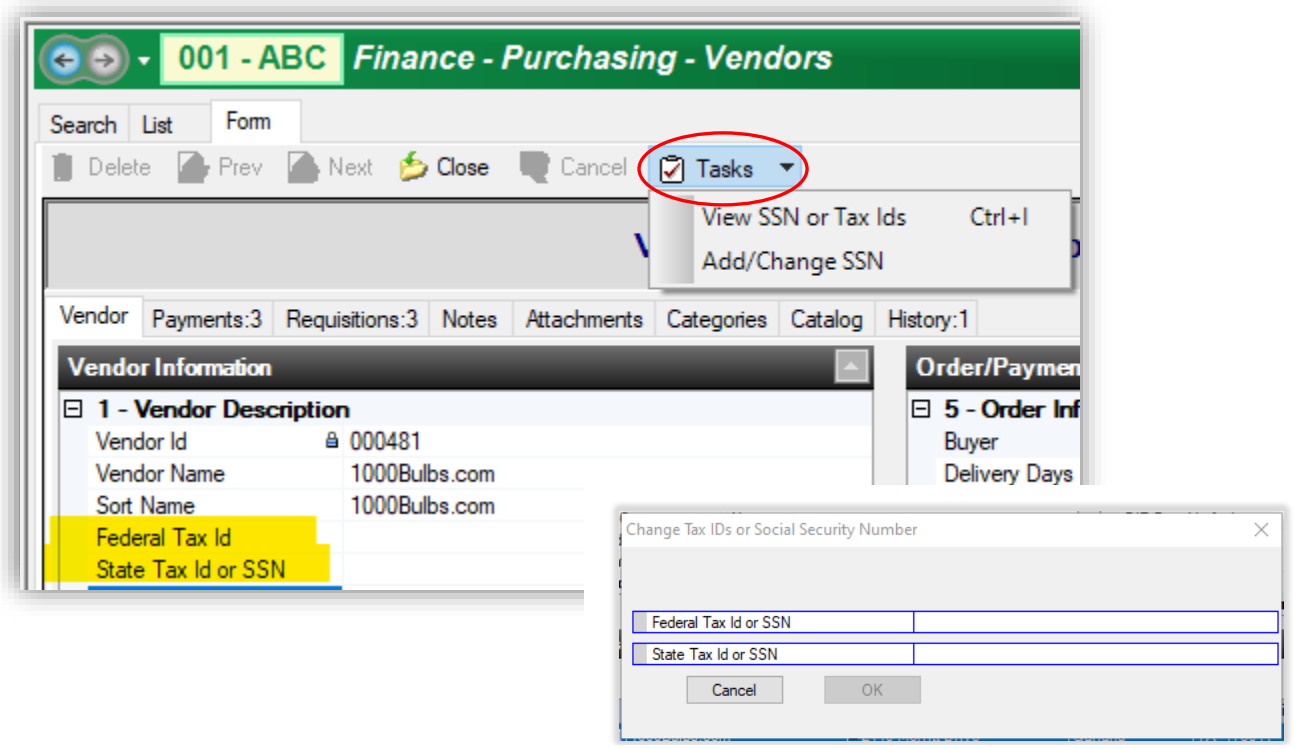
Vendor Description

- Vendor Id is generated when record is saved or it can be manually entered
- Enter the **Vendor Name** and **Sort Name**
  - These can be the same or different
- Go to Tasks to enter the Federal Tax Id, State Tax Id or SSN
  - See example next page



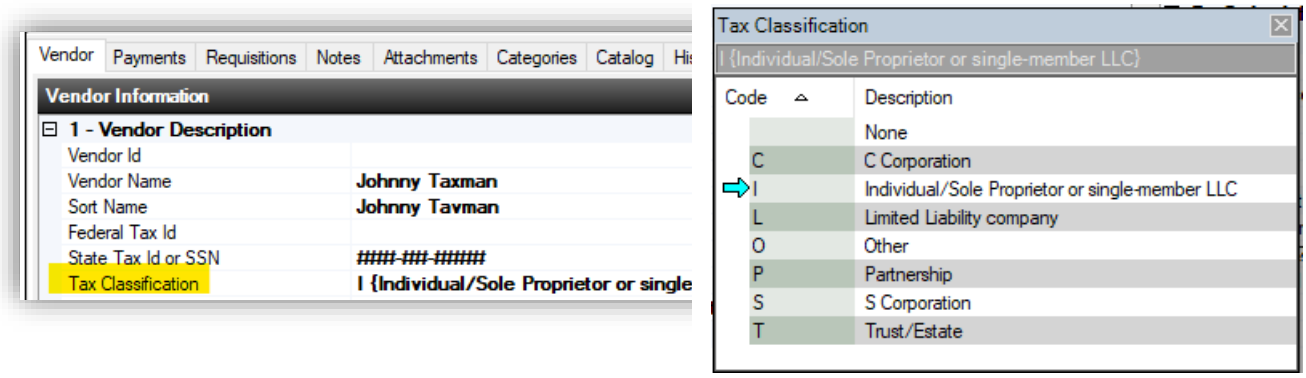
Enter the **Federal Tax Id, or State Tax Id or SSN** from the W9 form.

- Go to Tasks to enter, select Add/Change SSN
- This will open a window for Federal Tax Id, State Id or SSN



- Enter the Id with the correct formatting: xx-xxxxxx TIN or xxx-xx-xxxx SSN. If nine characters are entered without a dash, the software assumes that the number is a social security number.
- The Federal Tax Id and the State Tax Id fields are used for reporting. The software looks first at the Federal Tax Id field. If it is blank, the software uses the entry in the State Tax Id or SSN field. For independent contractor reporting, the software first looks at the State Tax Id or SSN field. If it is blank, the software uses the entry to Federal Tax Id.

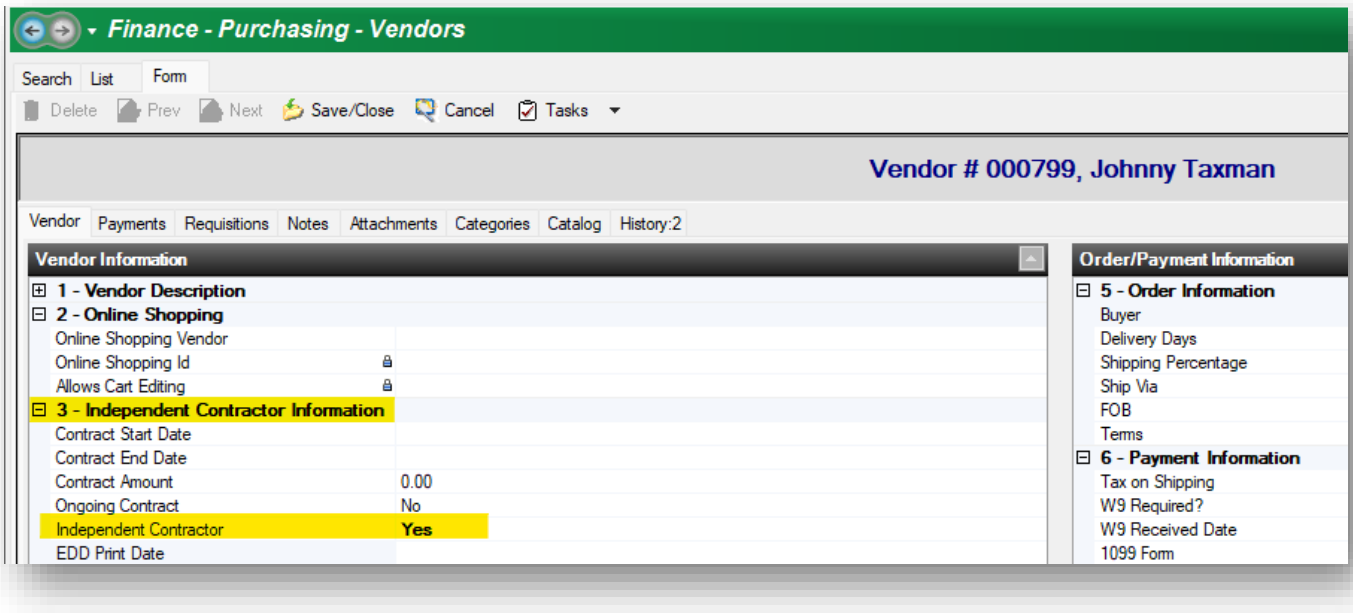
- Enter **Tax Classification** from the W9 Form



Independent Contractor Information

To determine if the vendor is an independent contractor, ask the question, does the vendor require a 1099 based on services provided? If the answer is yes, they very likely could be an independent contractor. The exception would be a franchise owner, like A1 Party Rentals, or other vendors with Federal Tax Ids. In that case, the vendor would require a 1099 but would not be considered an independent contractor. Independent contractors have special logic for reporting their social security number. The software looks first at the State Tax ID field in the vendor record to see if it is formatted as a social security number. If it is not, the software looks at the Federal Tax ID field. If that field is not formatted as an SSN either, the report shows zeros as the tax id.

- **Independent Contractor:** Yes



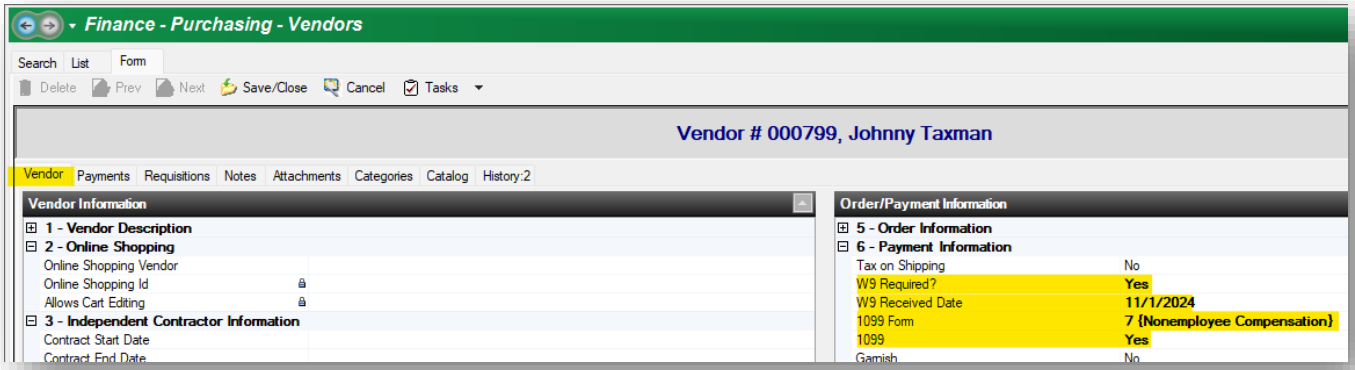
- **EDD Print Date:** This is the date reported the vendor to EDD. The software automatically inserts this date during the Independent Contractor reporting process.

See separate handout "Independent Contractor Reporting" for steps to report 1099 Vendors to EDD found in *Frontline – SCOE Resources – Forms – Accounts Payable*

https://www.scoe.org/files/Independent_Contractor_Reporting.pdf

Payment Information

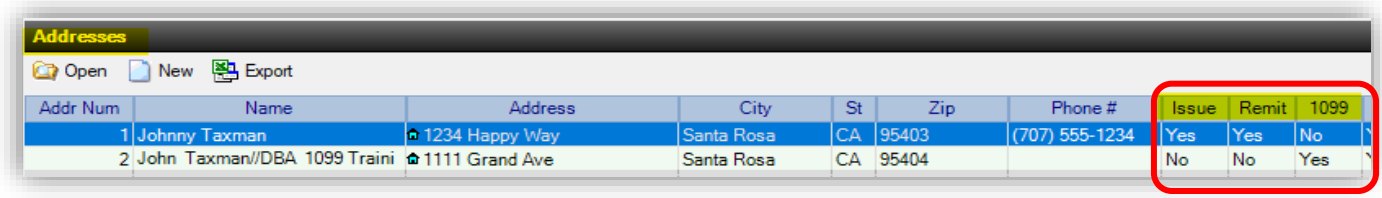
- **W9 Required:** Yes
- **W9 Received Date:** MM/DD/YYYY
- **1099 Form Box:** Use Drop Down Menu
  - Enter the 1099 info for reporting all payments made to this vendor
  - This field overrides 1099 Form field defined in the account object
  - A vendor that has several types of payments, such as services and supplies, should leave this field blank
  - If field is left blank or 0 (zero) the software bases the 1099 payment search on account components
- **1099:** Yes



Addresses

The lower portion of the **Vendor Tab** in the Vendor Record is dedicated to the address information. 1099 Reporting Address Rules that apply:

- Vendor must have at least one address marked as the **issue default** and one address marked as the **remit default**
- Only one address can be designated as each type (i.e., cannot have two addresses as the remit default), but could have one address tagged for both issue and remit.
- **Only one address can be marked as 1099**
- If there is no address marked as 1099, the following logic will prevail:
  - The first address record encountered marked as 1099
  - The last check address
  - The first address record encountered marked as Remit address
  - If only one address, use it
  - Mark as an error if none can be determined

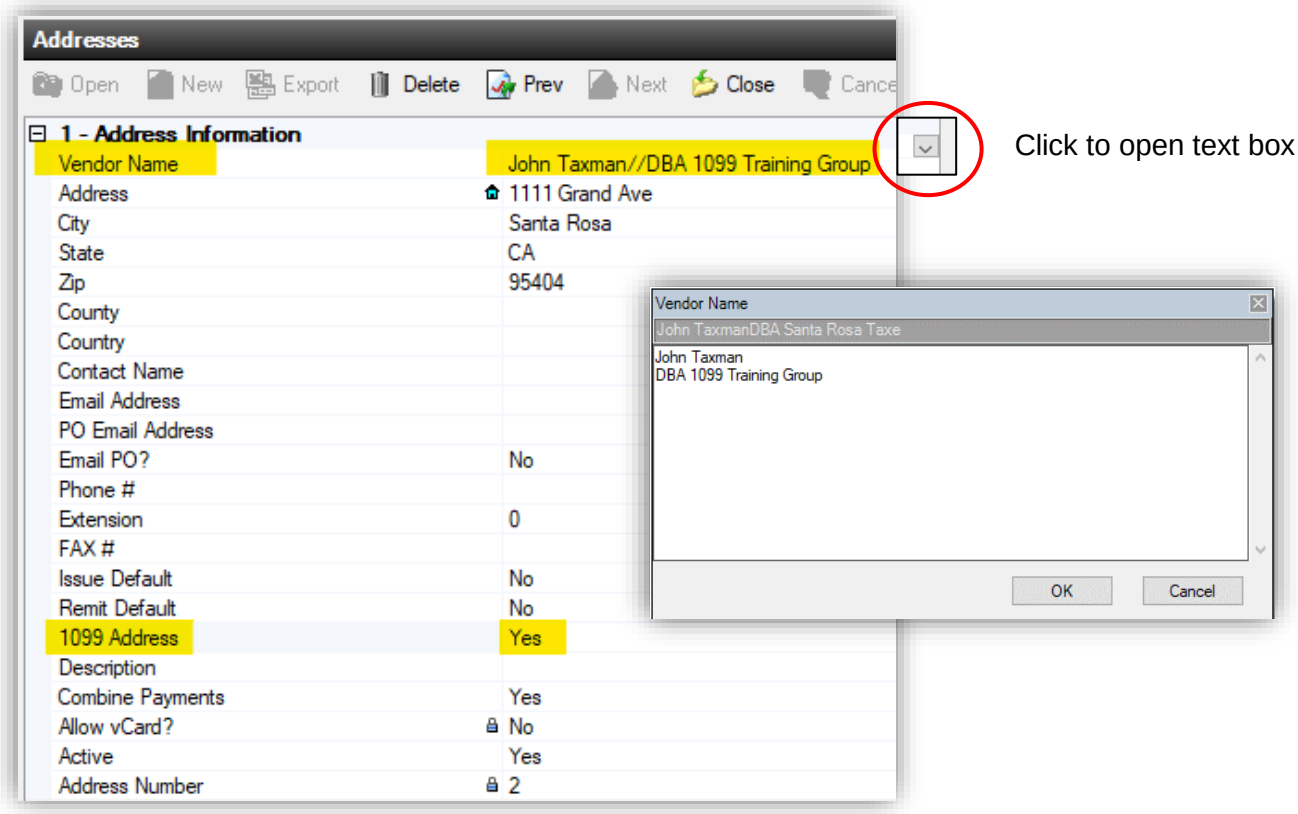


Addr Num	Name	Address	City	St	Zip	Phone #	Issue	Remit	1099
1	Johnny Taxman	1234 Happy Way	Santa Rosa	CA	95403	(707) 555-1234	Yes	Yes	No
2	John Taxman//DBA 1099 Traini	1111 Grand Ave	Santa Rosa	CA	95404		No	No	Yes

Addresses with a DBA

The individual's name must appear on the first name line of the 1099 Tax Form. **On the second name line enter the "Doing Business As" (DBA) name**. Do NOT enter the DBA name only. For the TIN, enter either the individual's SSN or the EIN of the business (sole proprietorship).

In the Vendor Name field will designate the line break by entering a double-slash (//) OR use the down arrow at end of the field to open a text box to enter the DBA for the Vendor Name. This will automatically add the //. This also works in the Address for addresses over 30 characters.



Click to open text box

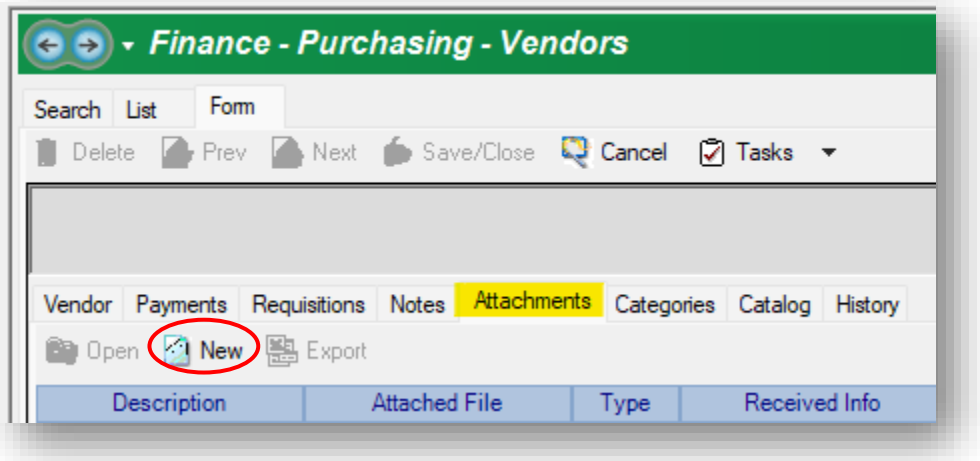
DBA Address will print on the 1099 as shown

RECIPIENT'S name, street address (including apt. no.), city, state
John Taxman
DBA 1099 Training Group
1111 Grand Ave
Santa Rosa, CA 95404

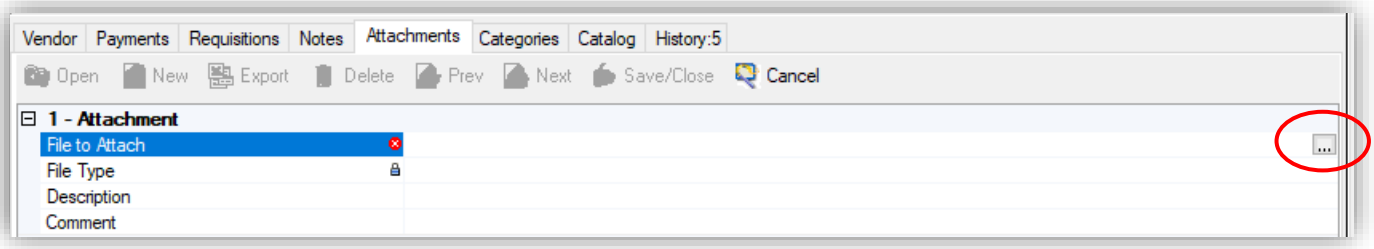
Attachments Tab

It is recommended to upload the W9 form to the Attachments Tab in the Vendor Record. Documents can be attached in various formats, pdf, excel, word, etc. Be sure to close the document file before trying to attach or there will be an error.

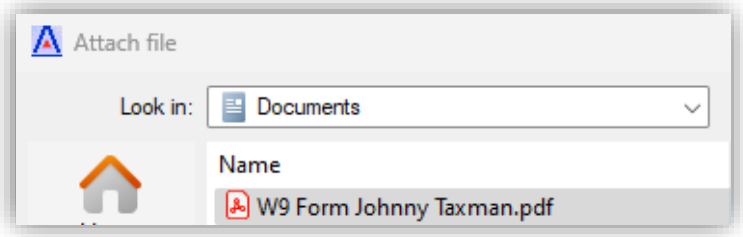
- Click New to add an attachment file



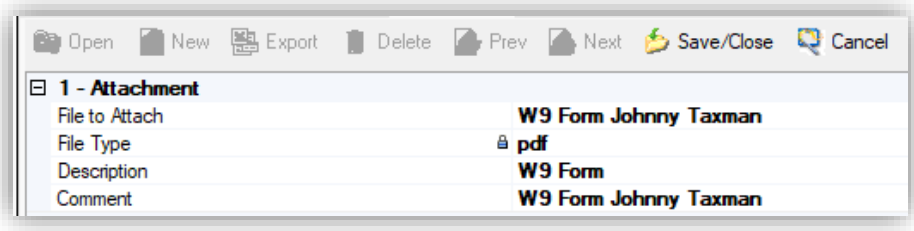
- Click in the File to Attach field to locate the file



- Click on the file to upload, then click open to attach



- File Name and File Type will show
- Enter a Comment
- Comment field is searchable

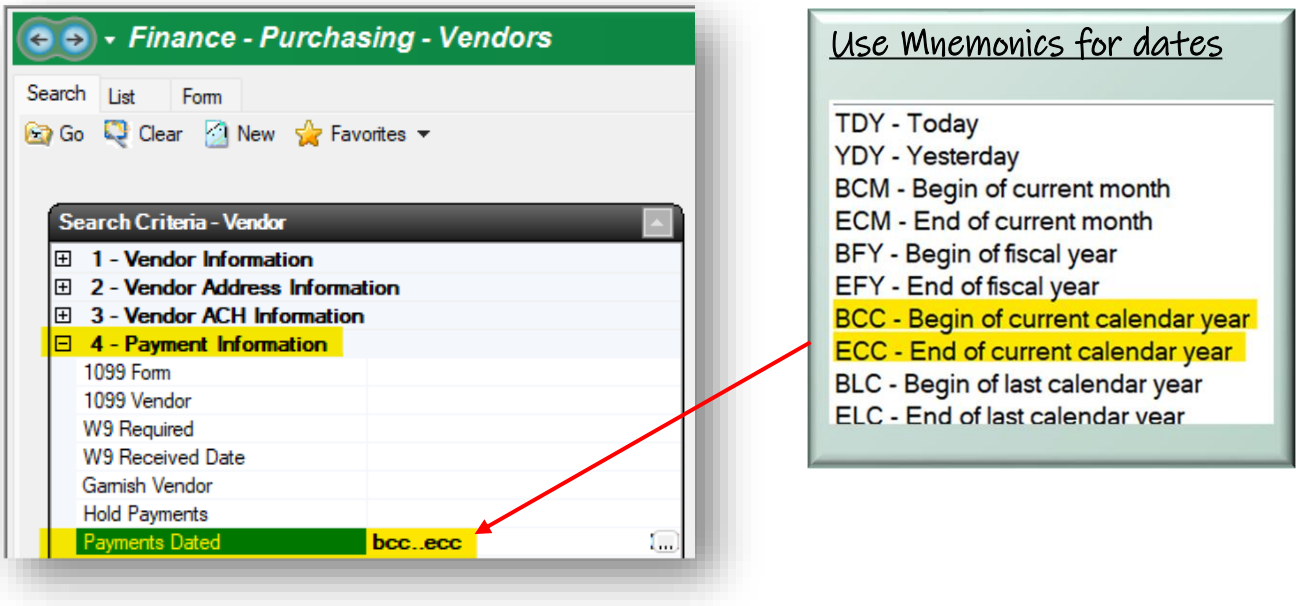


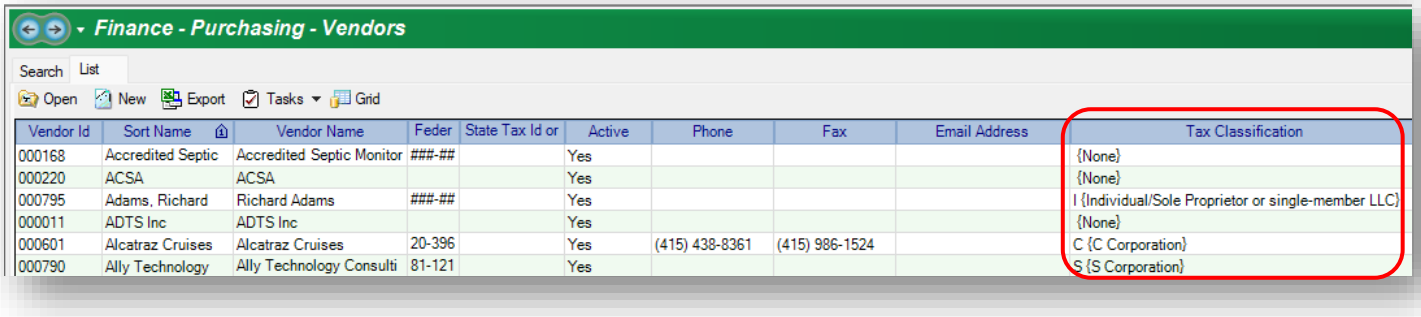
Searching and Reviewing Vendors for 1099 Reporting Accuracy

Review Vendor records to verify they are flagged for 1099, have all fields populated for 1099 reporting and are error free.

Go to Finance – Purchasing – Vendors

- **Payments Dated:** BCC...ECC (01/01/2025-12/31/2025)
- Click **Go** to generate the list





Review list in Frontline ERP for missing Tax ID's, missing Tax Classification, duplicate Tax IDs, duplicate Vendors for Tax Classifications that require a 1099 form.

List can be exported to Excel and conditional formatting applied to help in determining duplicate Tax Id's and duplicate Vendors.

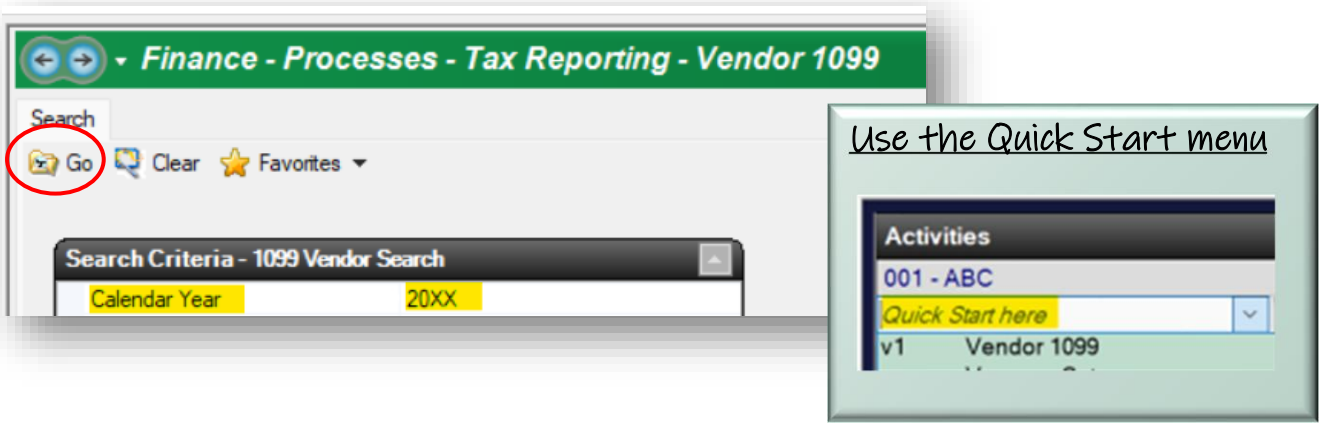
Note: The social security numbers are masked on the list. You must have permissions to view the full security number in the Vendor record under the Tasks activities.

Generate and Work The 1099 List

Each District will generate their own 1099's in the Vendor 1099 activity. This is where you review for accuracy and make any additional manual adjustments if needed. Vendor reports will also be a way to review in order to create the 1099 forms. The snapshot reports for 1099 forms will be available after the next Frontline ERP release with regulatory tax changes mid-December.

Go to Finance – Processes – Tax Reporting – Vendor 1099

- **Calendar Year:** 2025
- Click **Go** to generate the list



- Review the list, paying special attention to the **Status** and **Problem Desc** column

Status	Problem Desc
Needed	1099-NEC Needed
Needed	1099-MISC: Needed
Incorrectly formatted or m	1099-NEC: Incorrectly formatted or missing Tax Id
Needed	1099-NEC Needed
Needed	1099-MISC: Needed
Needed	1099-NEC Needed

Note: Not <u>all</u> entries in *Problem Description* Column and *Status* Column are problems that need to be corrected. Ie. "Under Min $" is a notification; "Needed" means a form is needed to be printed. However, "Incorrectly formatted or missing Tax ID" must be corrected as these will prevent all 1099s from printing. Review Status and Problem Desc columns carefully.

1099 Reporting Possible Errors

Tax ID number or address is missing for a vendor

- This will prevent the printing of 1099s for those vendors

Negative amounts

- This will prevent the printing of 1099s, since negative amounts cannot be reported

No 1099 Form Created when should have

- This vendor will not receive a 1099 because there is a No in the 1099 field in the Vendor record, or their payments did not reach the reporting minimum

Duplicate Vendors

- Vendor records will need to be “combined” for 1099 Reporting

Duplicate Tax ID

- Vendor records will need to be “combined” for 1099 Reporting

Multiple 1099 box values

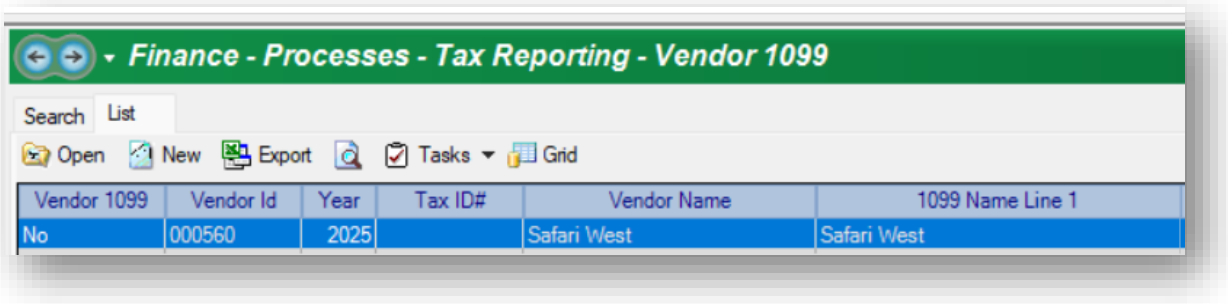
- This occurs when a liability account is used to pay for a requisition and at least one account points to a 1099 box. When a liability account is used to pay for a requisition, the software reads the requisition accounts to determine if any of the other accounts for the prior fiscal year are reportable on 1099s. If there is an account, the software maps the entire amount of the requisition to the account with the highest 1099 box.

Go to Finance – Processes – Tax Reporting – Vendor 1099

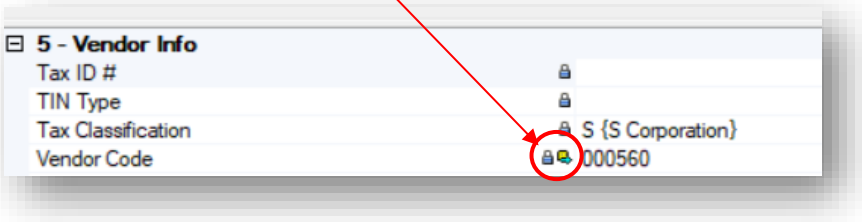


Correcting 1099 Reporting Errors and Manual Adjustments

If there are changes that need to be made to a Vendor record, they can be done from the 1099 list using the Quick link within Vendor 1099 or in the Vendor record.

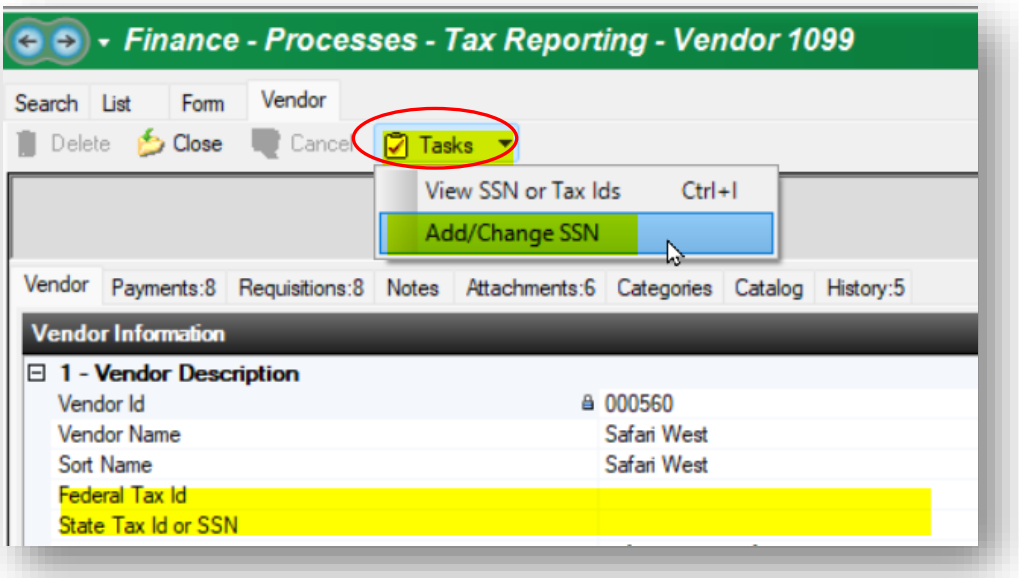


- Highlight vendor on list
- Open the record or double click
- Click on Quick link  in Section 5 of the 1099 Record

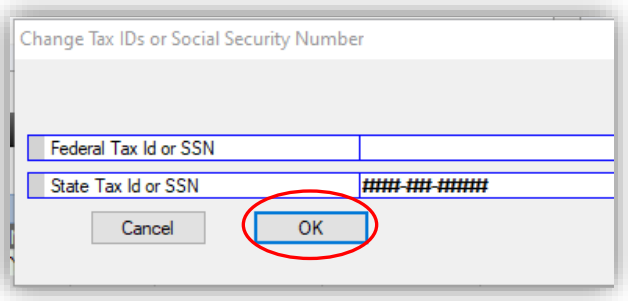


Incorrectly Formatted Tax Id/Missing Tax Id

- The Quick link will open the vendor record
- Go to Tasks to select Add/Change SSN
- This will open a window for Federal Tax Id, State Id or SSN



- Enter the Tax Id from W9 form
- Click OK to update
- Save/Close



Refresh 1099 List to Verify Correction

- Click on Search Tab, Click Go
- Verify Error is corrected



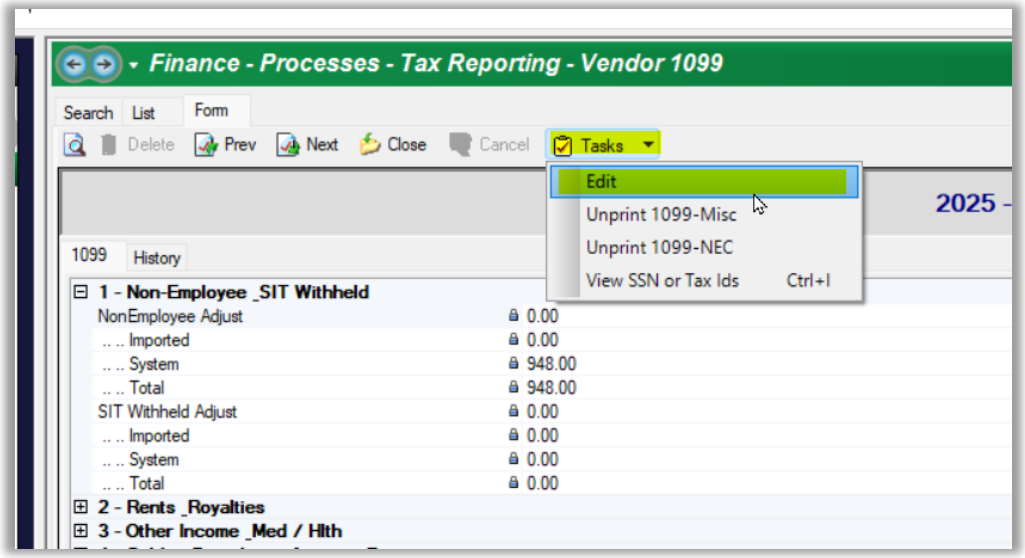


Foreign & Out of State Tax Withholding – 1099 Manual Edit Required

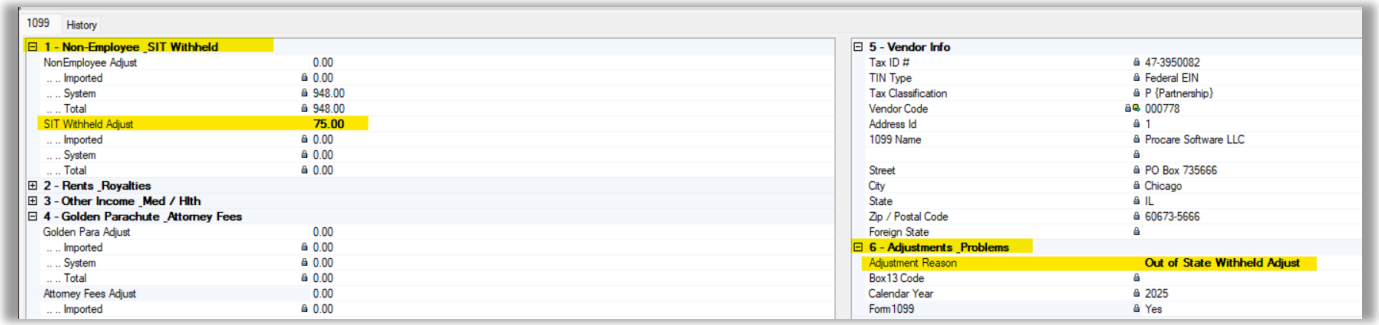
When State Income Tax is withheld for a Foreign or Out-of-State vendor, the withholding amount will **not** automatically populate on the 1099 form. In these cases, the 1099 must be manually updated to include the withholding in **Section 1** and **Section 6**.

Go to Finance – Processes – Tax Reporting – Vendor 1099

- **Search for 1099**
- Click **Open**
- From the **Tasks** – choose **Edit**



- Box 1 Non-Employee- SIT Withheld -Manually enter SIT Withheld Adjust
- Box 6 Adjustments - Problems Adjustment Reason



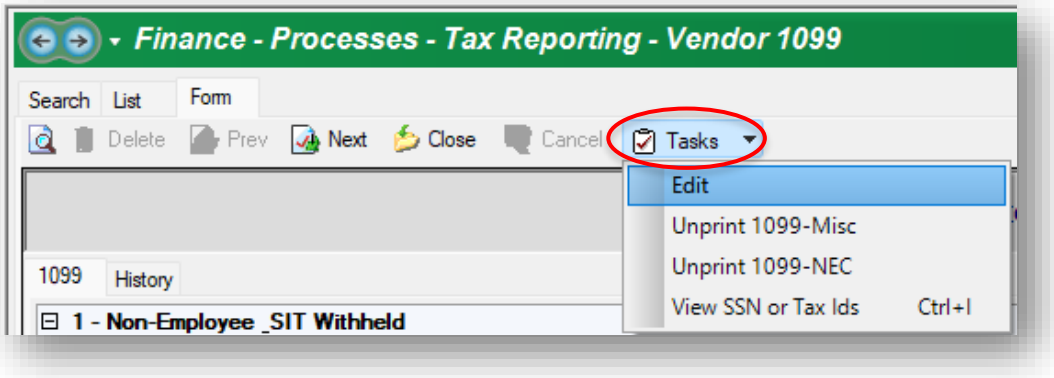
- Save/Close

Negative Amounts

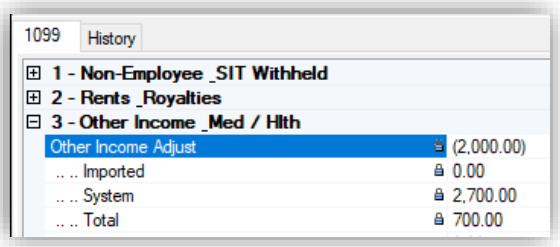
This will prevent the printing of 1099s, since you cannot report negative amounts. The possible reason could be related to a credit memo (a negative invoice) that used a different object code than the object code used in the original invoice.

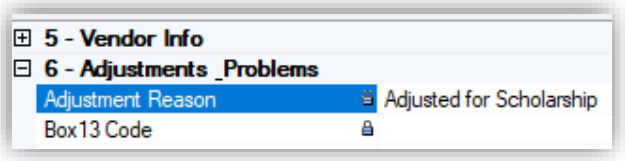
Go to Finance – Processes – Tax Reporting – Vendor 1099

- Review these vendors to determine why the amount was negative and make an adjustment with a detailed reason in the Vendor 1099 record
- From the **Tasks menu** drop down in the Vendor Record in the 1099 Processing
  - Select edit and the fields will open
- Note that only the first box in each section will open. The remaining fields are locked as those amounts came in from system generated activities

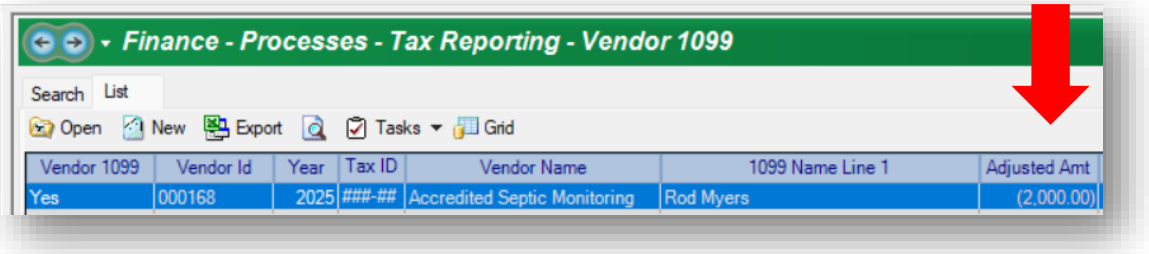


- Enter negative and /or positive adjustments Adjust field
- ***Make sure to use the Adjustment Reason field for description of change***





- Save/Close the record
- Go to Search to refresh list and view changes
- The adjusted amounts will be in Adjusted Amount Column



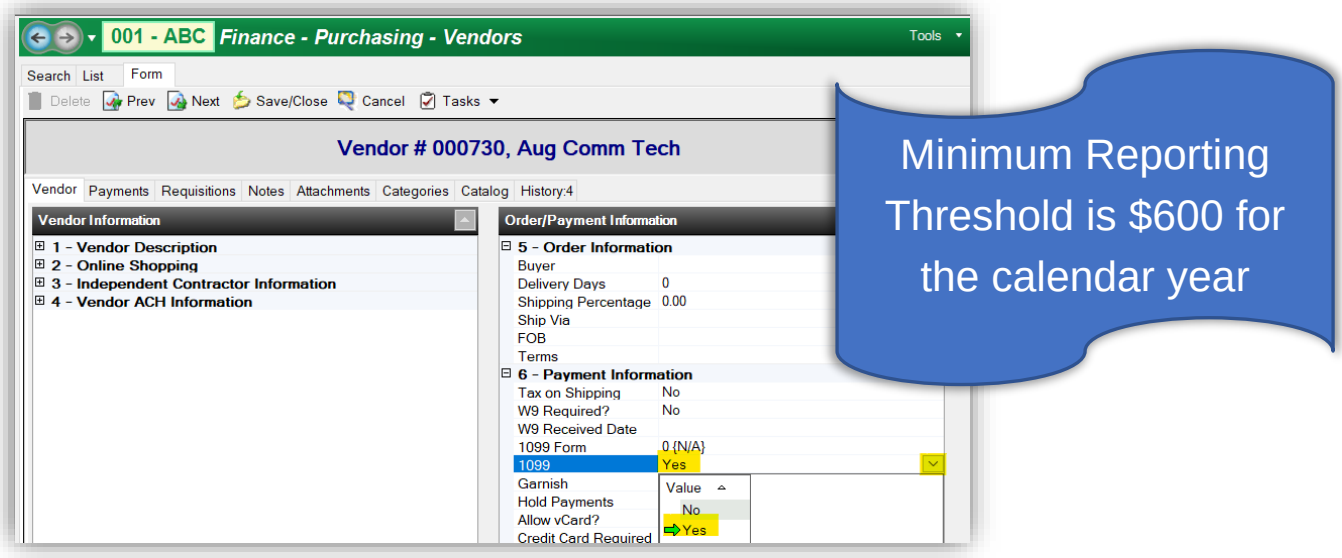
No 1099 Form Created When Should Have

Vendor will not receive a 1099 because there is a *No* in the 1099 field in the Vendor record or their payments did not reach the reporting minimum.

If the vendor is less than the reporting threshold, no further action is necessary. If they should receive a 1099, edit the Vendor record

Go to Finance – Purchasing – Vendors

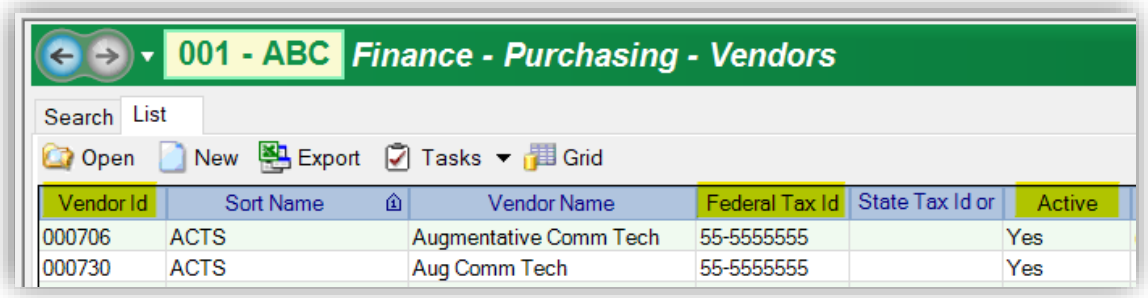
- **Active:** Yes
- Click **Go**
- Open Vendor Record and change 1099 Flag to Yes



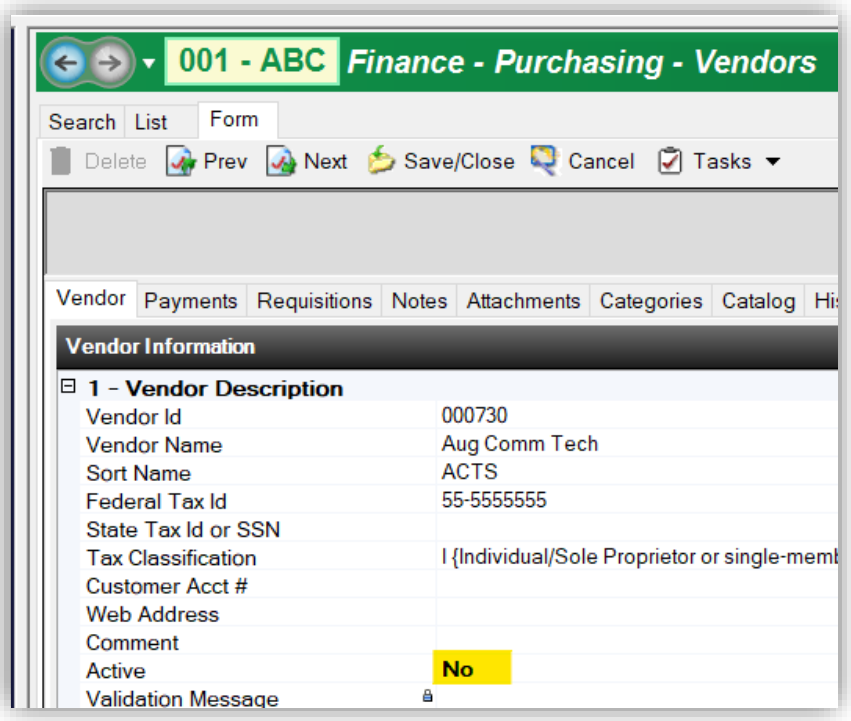
Duplicate Vendors

Go to Finance – Purchasing – Vendors

- **Active:** Yes
- Click **Go** to get list



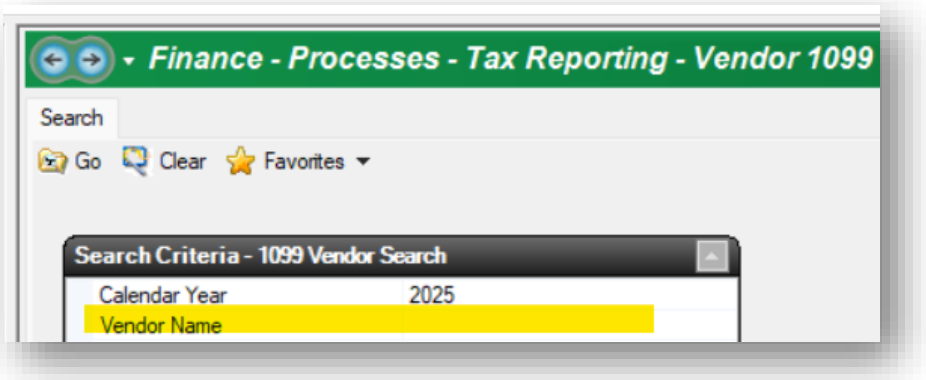
- Determine which Vendor record has more requisitions recorded against it and inactivate the other record by changing the vendor's Active flag to No



After inactivating the duplicate Vendor record, the Vendor 1099 forms for both vendors will need to be adjusted in the Vendor 1099 activity.

Go to Finance – Processes – Tax Reporting – Vendor 1099

- **Calendar Year**: 2025
- **Vendor Name:** Enter Vendor Name
- Click **Go**

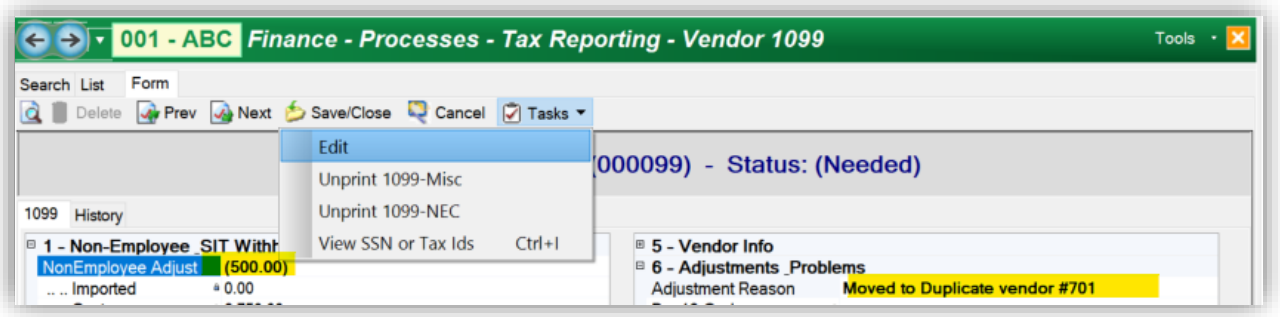


Edit Vendor 1099 Records

The duplicate 1099 forms will need to be adjusted. The inactive vendor record will need to be adjusted to 0.00 and the active vendor will need to be increased. This can be done in the Vendor 1099 activity in Tasks by selecting Edit. This will unlock the form boxes in order to edit.

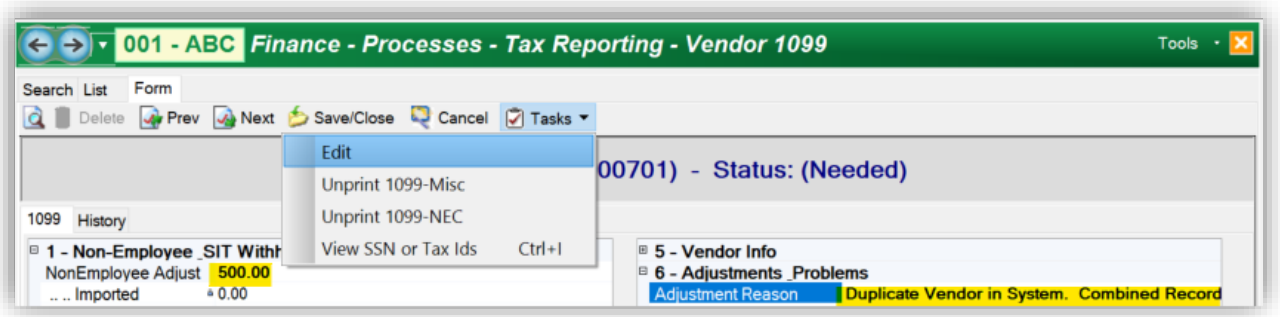
Inactive Vendor Record

- Open the Vendor 1099
- Go to Tasks to select Edit
- Go to the appropriate Sections 1 - 4 to edit
    - Enter the negative amount to adjust the 1099 form to 0.00
- Go to Section 6 – Adjustment Reason
    - Enter a description for the adjustment referring to the active vendor code



Active Vendor Record

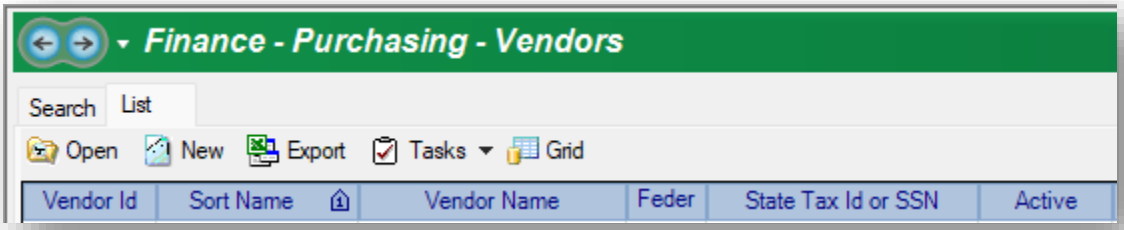
- Open the Vendor 1099
- Go to Tasks to select Edit
- Go to the appropriate Sections 1 - 4 to edit
    - Enter a positive amount to increase the 1099 form
- Go to Section 6 – Adjustment Reason
    - Enter a description for the adjustment referring to the inactive vendor code



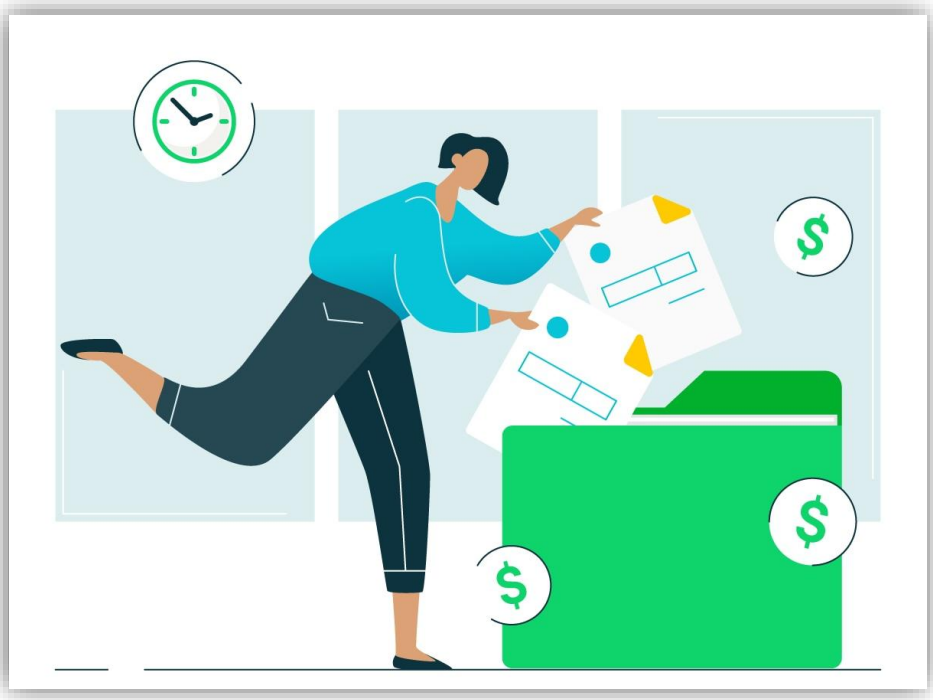
Duplicate Tax ID

Go to Finance – Purchasing – Vendors

- **Active:** Yes
- Click **Go** to get list
- Click on List Tab
- Click on header Federal Tax Id to sort by this column
- Click on header State Tax Id or SSN to sort by this column



- If there are duplicates need to research
- Open Vendor Records and update according to W9 form that is attached to the Vendor Record
- If payments need to be combined, then manual adjustments are needed on the 1099 in both records
- Follow same steps as a duplicate vendor

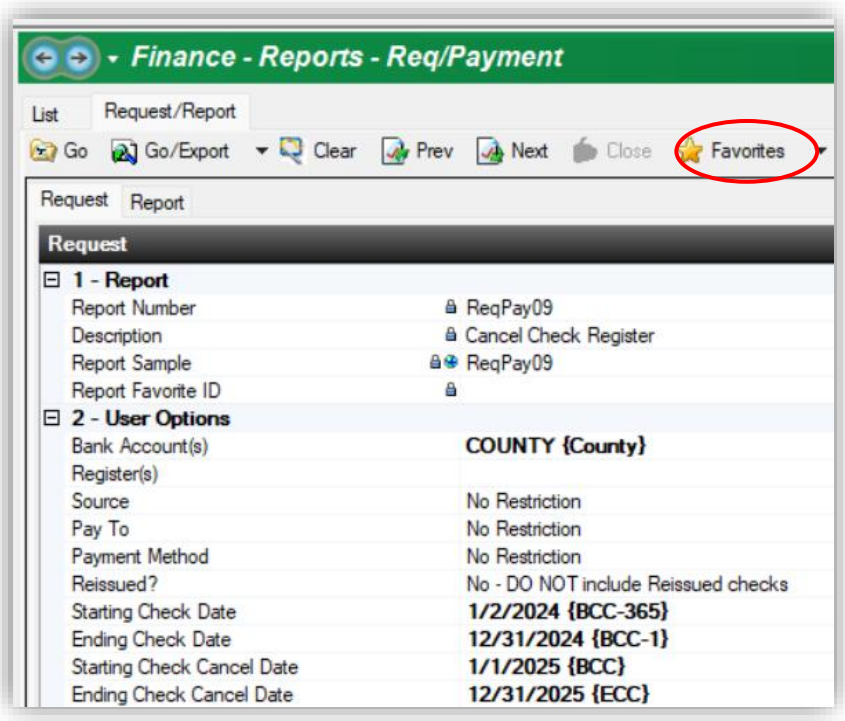


Review Canceled Checks

Run a ***ReqPay09 – Cancel Check Register*** to determine if any checks were reported in ***prior*** calendar year and canceled and reissued in ***current*** calendar year. A manual adjustment will need to be made for the canceled amount in current calendar year.

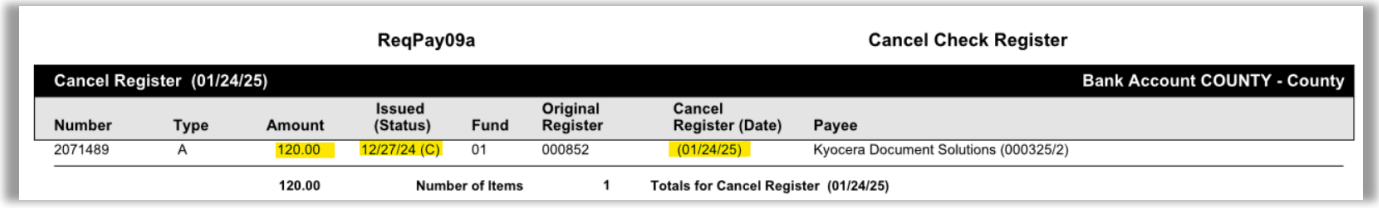
Go to Finance – Reports – Req/Payment

- **Reissued?** Yes – include Reissued Checks
- **Starting Check Date:** 01/01/2024
- **Ending Check Dates:** 12/31/2024
- **Starting Check Cancel Date:** 01/01/2025
- **Ending Check Cancel Date:** 12/31/2025



This is a great report to create a Favorite and use Mnemonics

- Report will list ***all*** vendors with canceled checks.
- Identify 1099 Vendors
- Review Issued Date and Canceled Date
- Note ***Amount*** to post as 1099 Adjustment
- Enter Adjustment to 1099



ReqPay09a — Cancel Check Register

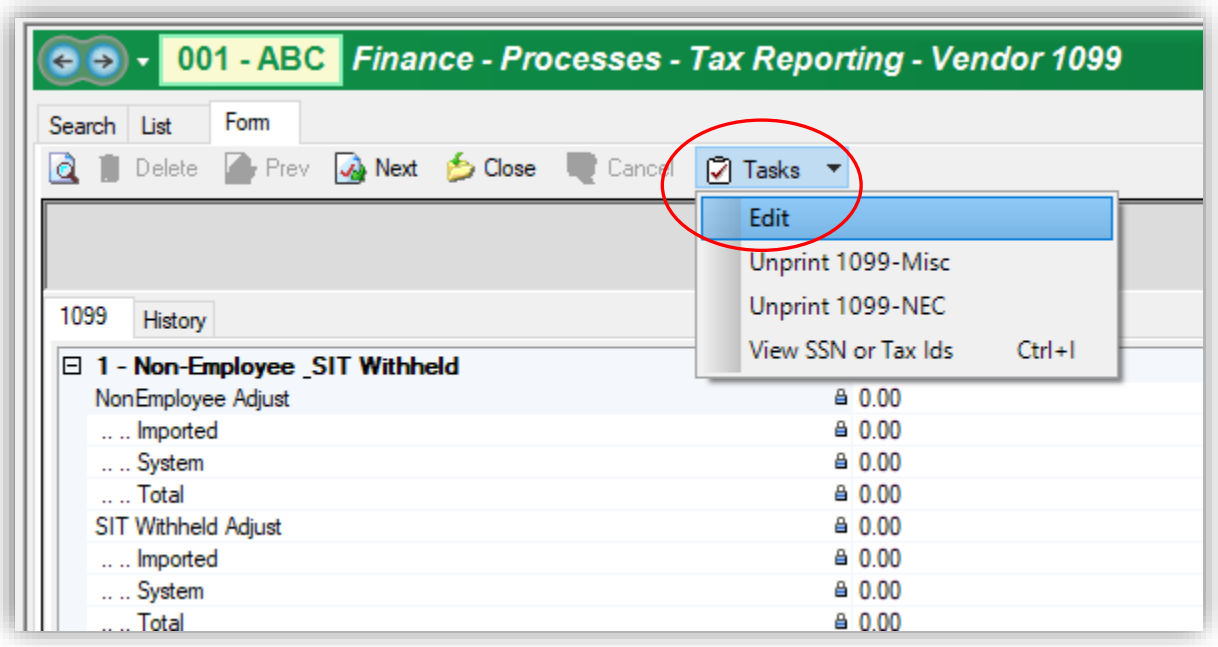
Cancel Register (01/24/25) — Bank Account COUNTY - County

Number	Type	Amount	Issued (Status)	Fund	Original Register	Cancel Register (Date)	Payee
2071489	A	120.00	12/27/24 (C)	01	000852	(01/24/25)	Kyocera Document Solutions (000325/2)

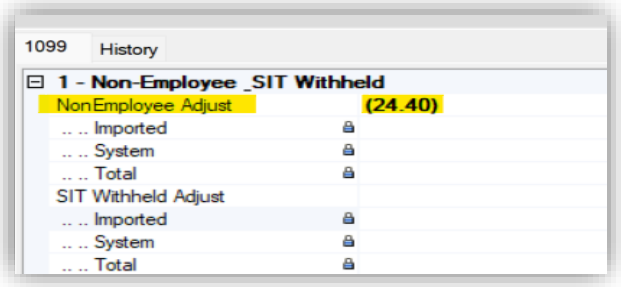
120.00 Number of Items 1 Totals for Cancel Register (01/24/25)

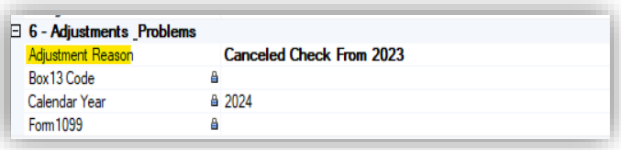
Go to Finance – Processes – Tax Reporting – Vendor 1099

- **Calendar Year:** 2025
- Click **Go** to generate the list
- Open Vendor Record, Go to Tasks to select Edit
- This will “Unlock” the fields



- Enter a negative adjustment for the amount of the canceled check in appropriate box
- Enter Adjustment Reason for history purposes



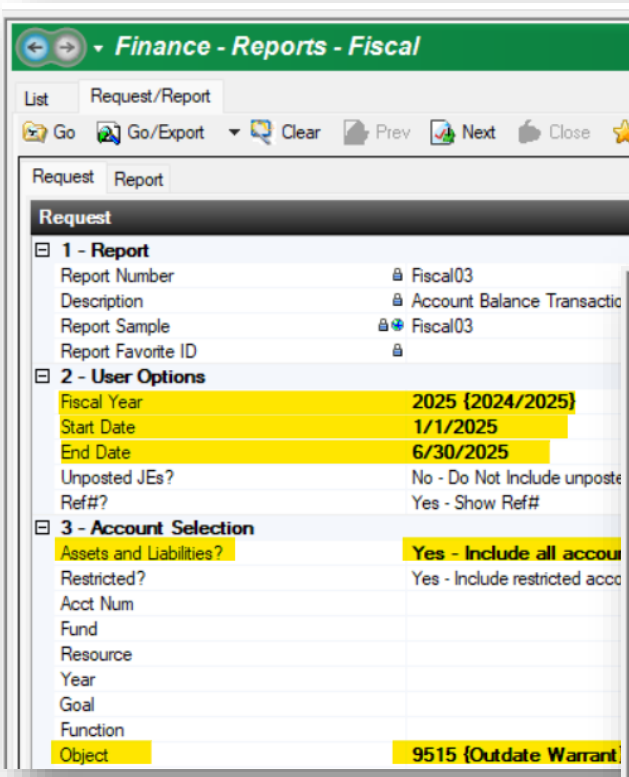


Review Stale Dated Checks

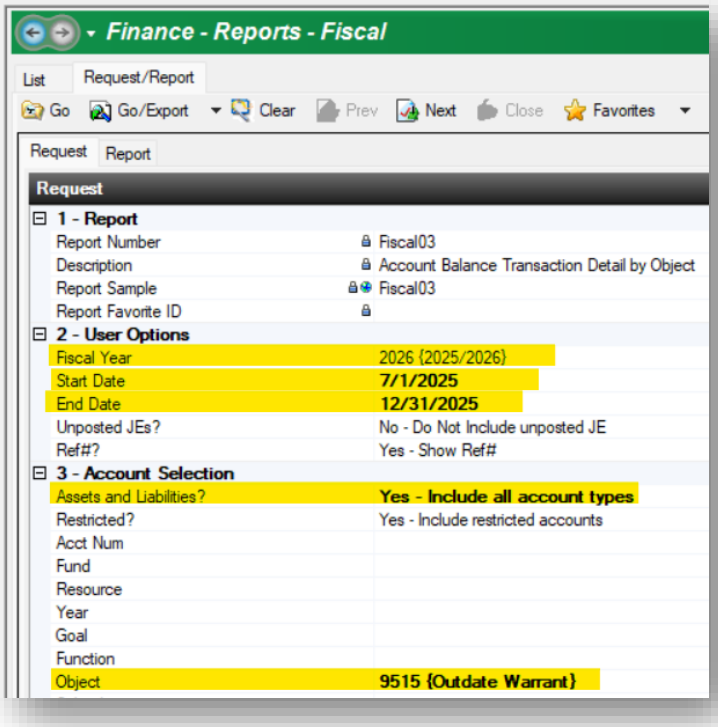
Stale dated checks that were reissued will need to be reviewed for 1099 vendors. The payments would have been reported when the payment was originally created. These will need to be manually adjusted for current 2025 calendar year based on constructive receipt when funds were available. **The Fiscal03 report must be run twice since it is driven by the fiscal year; otherwise, part of the year's data will be missed.**

Go to Finance – Reports – Fiscal – Fiscal03





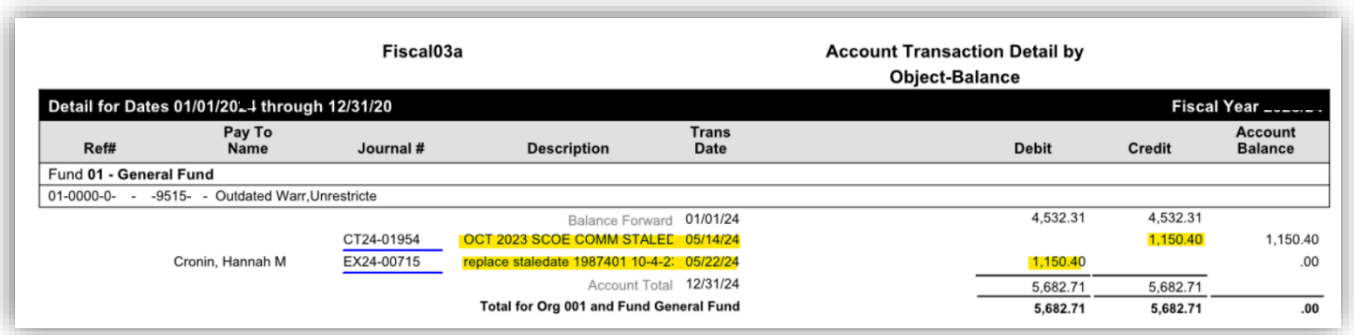
- **Fiscal Year:** 2025
- **Start Date:** 1/1/2025
- **End Date:** 6/30/2025
- **Assets and Liabilities:** Yes
- **Object:** 9515
- Click **Go**



- **Fiscal Year:** 2026
- **Start Date:** 7/1/2025
- **End Date:** 12/31/2025
- **Assets and Liabilities:** Yes
- **Object:** 9515
- Click **Go**

Example Fiscal03 Account Transaction Detail by Object-Balance

Review the stale dated check reports. Check to see if any of the reissues are to 1099 vendors. These will need to be manually updated to decrease the 1099 Form for amount of the stale date for the calendar year.

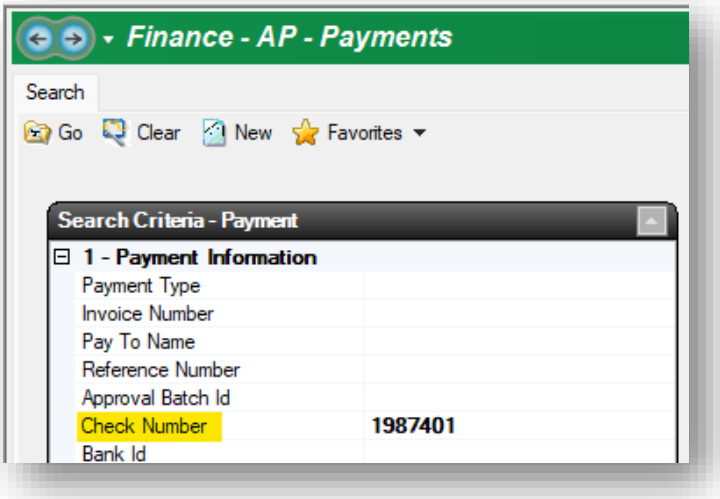


Fiscal03a — Account Transaction Detail by Object-Balance

Detail for Dates 01/01/20_4 through 12/31/20 — Fiscal Year _____

Ref#	Pay To Name	Journal #	Description	Trans Date	Debit	Credit	Account Balance
Fund **01 - General Fund**							
01-0000-0- - -9515- - Outdated Warr,Unrestricte							
			Balance Forward	01/01/24	4,532.31	4,532.31	
		CT24-01954	OCT 2023 SCOE COMM STALEI	05/14/24		1,150.40	1,150.40
	Cronin, Hannah M	EX24-00715	replace staledate 1987401 10-4-2:	05/22/24	1,150.40		.00
			Account Total	12/31/24	5,682.71	5,682.71	
			Total for Org 001 and Fund General Fund		**5,682.71**	**5,682.71**	**.00**

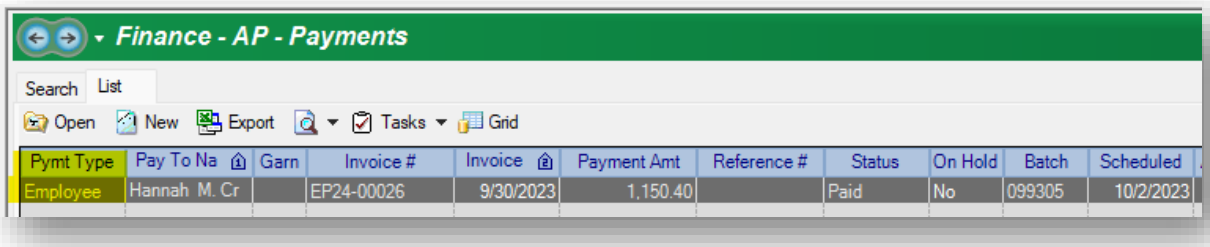
Go to Finance – AP – Payments



- Enter Check Number
- Click Go to review issue date

Example Review Check Payment

This example is an Employee Payment Type; therefore, it wouldn't require a 1099 Form so no adjustment is needed.



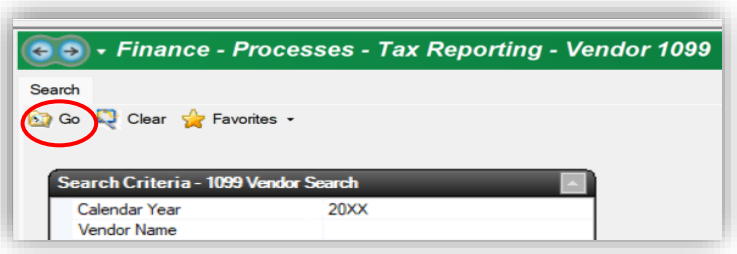
Manually Add a Vendor for Services Paid Outside of Frontline ERP

Payments for services made outside Frontline ERP, such as Revolving, Petty Cash, ASB (Associated Student Body), Wire Transfers, or one-time payees paid through a Direct payment, must be manually added to the Vendor 1099 Record. The vendor must be active in Frontline ERP first and flagged for 1099.

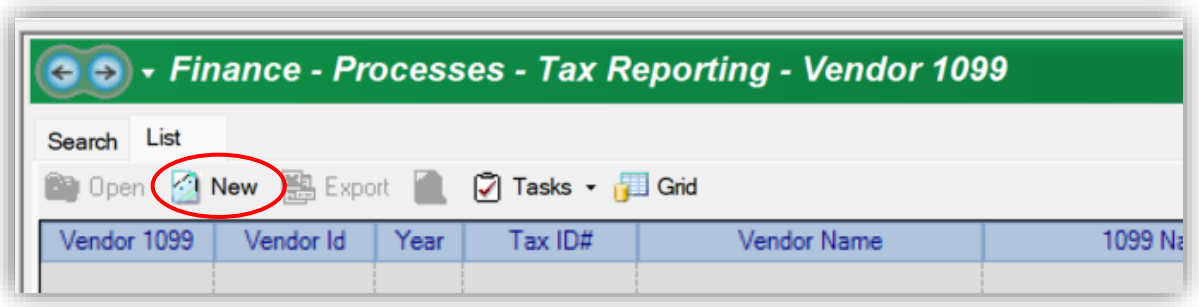
Direct Payments made for Services that are subject to 1099 reporting, they will not show up on the 1099 Vendor list even if object code is flagged as 1099 reportable. Districts will need to be manually added to the 1099 activity.

Go to Finance – Process – Tax Reporting – Vendor 1099

- **Calendar Year:** 2025
- Click **Go** to generate the list



- From the List Tab click New to add vendor to the 1099 Vendor list



- Enter the Vendor Code **(Vendor must already exist and flagged as 1099)**
- Enter all necessary 1099 data for the vendor
- Enter Adjustment Reason
- Save/Close

For the manually added vendor to show on your 1099 vendor list, be sure to do a new search to refresh the 1099 list to show the changes

This manual vendor record may still need some editing to report correctly

- Review if vendor flagged for 1099
- Review Tax Id

Section 7 – Frontline ERP 1099 Verification Reports

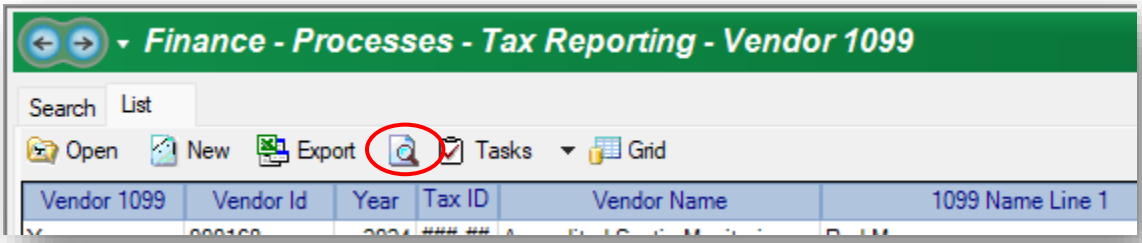
1099 Snapshot

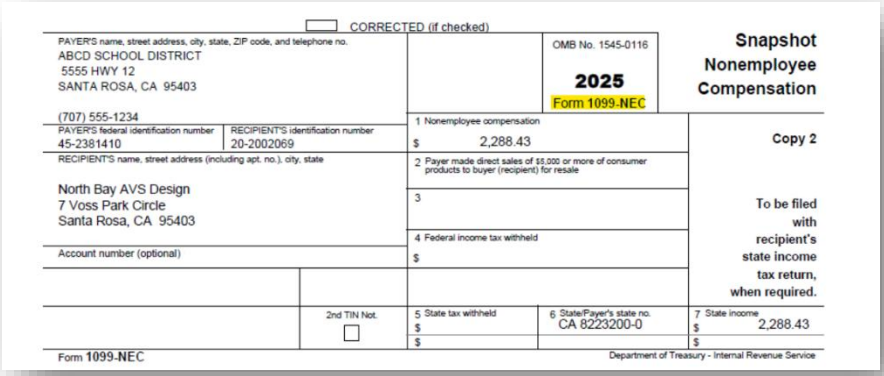
The 1099 Snapshot is available after the new Frontline ERP release in mid-December.

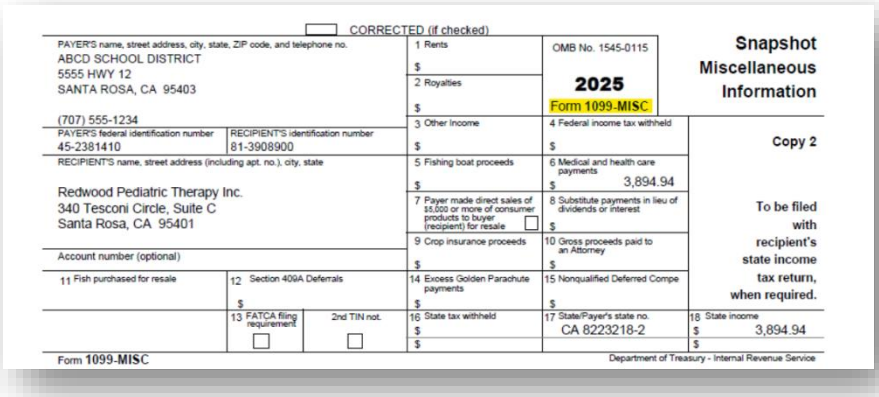
Go to Finance - Process –Tax Reporting –Vendor 1099

Copy of the proposed 1099 form is available from the list

- Highlight vendor
- Click on Preview Button Magnifying Glass in tool bar to open snapshot







ReqPay16 – Vendor 1099 Detail (With No Restrictions)

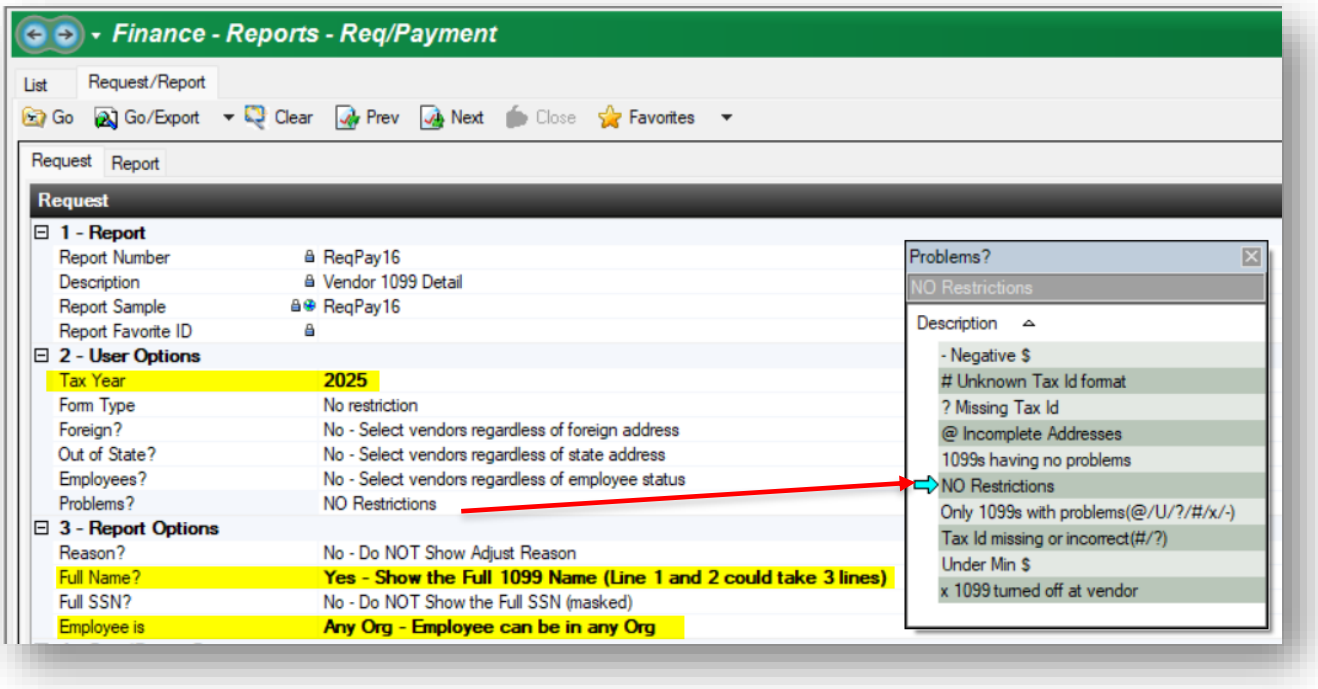
For District Review Only, DO NOT SUBMIT

About the Report
The report provides a detailed list of vendors who will be receiving 1099 MISC and/or 1099 NEC forms from your district. It marks those with incomplete addresses, amounts under the minimum, missing tax IDs, the 1099 flag turned off in the vendor record, negative dollar amounts, and vendors with foreign addresses. At the end of the report, it also includes a listing of all the objects set up for 1099 processing.

Purpose
The purpose of this report is to help you work through 1099 errors and provide a document of 1099s generated.

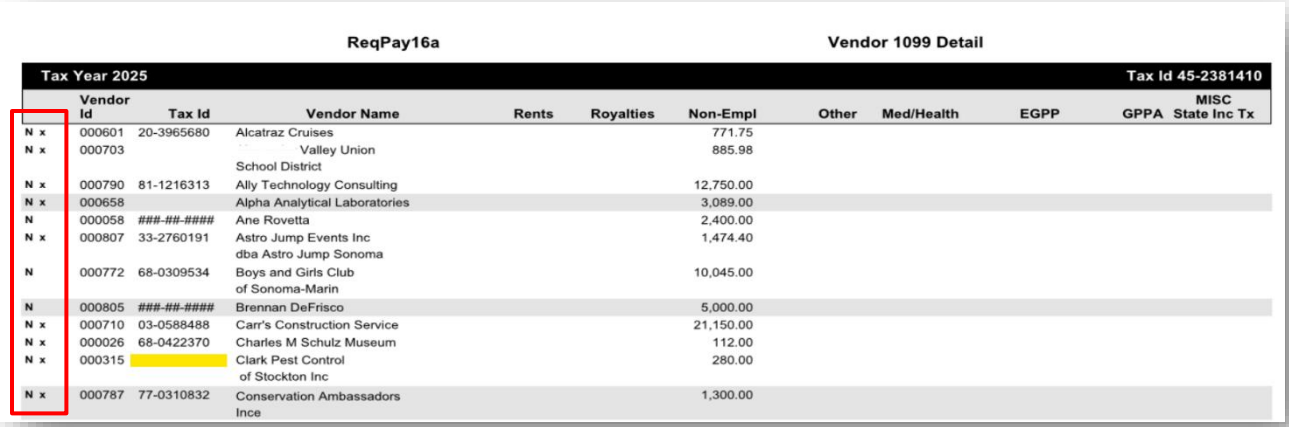
Who Should Use
The person responsible for 1099 processing (e.g., AP, Accounting, or Information Services staff member) would print this report.

- Run list with no restrictions
  - **Tax Year:** 2025
  - **Problems:** NO Restrictions
    - Use this filter to run the report for specific problems when first working the list, e.g., Incomplete addresses, Missing Tax Id, 1099 Turned off
  - **Full Name:** Yes – Show the Full 1099 Name
  - **Employee is:** Any Org – Employee can be in any Org



ReqPay16 Vendor 1099 Detail

- This report is not intended to match the 1099 list. It is built using the same logic that builds the 1099 file. Therefore, your list and the report may not match. If you make any changes to the 1099 setup (e.g., changing components), you will need to reload the list in the Vendor 1099 activity in order for those changes to be reflected in the report.
- The report determines which form the vendor should receive based on the payment types in the 1099 boxes:
- 1099 MISC = Vendor has payments for Rents (Box 1), Royalties (Box 2), Other (Box 3), Med/Health (Box 6), EGPP (Box 13), GPPA (Box 14), or State Income Tax (Box 16) boxes.
- 1099 NEC = Vendor with payments for Non-employee Compensation (previously Box 7).
- 1099 vendors with zero amounts in all boxes will not be included in the report.
- The report uses the address in the vendor record flagged as 1099. If no address is flagged, the report will use the address in the Vendor record. If more than one address is in the record but none is flagged as 1099, the report will use the default remit to or the default issue.



ReqPay16a — Vendor 1099 Detail

Tax Year 2025 — Tax Id 45-2381410

	Vendor Id	Tax Id	Vendor Name	Rents	Royalties	Non-Empl	Other	Med/Health	EGPP	GPPA	MISC State Inc Tx
N x	000601	20-3965680	Alcatraz Cruises			771.75					
N x	000703		Valley Union School District			885.98					
N x	000790	81-1216313	Ally Technology Consulting			12,750.00					
N x	000658		Alpha Analytical Laboratories			3,089.00					
N	000058	###-##-####	Ane Rovetta			2,400.00					
N x	000807	33-2760191	Astro Jump Events Inc dba Astro Jump Sonoma			1,474.40					
N	000772	68-0309534	Boys and Girls Club of Sonoma-Marin			10,045.00					
N	000805	###-##-####	Brennan DeFrisco			5,000.00					
N x	000710	03-0588488	Carr's Construction Service			21,150.00					
N x	000026	68-0422370	Charles M Schulz Museum			112.00					
N x	000315		Clark Pest Control of Stockton Inc			280.00					
N x	000787	77-0310832	Conservation Ambassadors Ince			1,300.00					

REPORT ERROR LEGEND

B = both forms
M = 1099 MISC form
N = 1099 NEC form
* = Out of state. The vendor address is out of state
@ = Incomplete Address
& = Employee also. The Vendor SSN matches an employee SSN, where the employee was on a payroll in the same calendar year
< = Under Min $
? = Missing Tax Id
x = 1099 turned off at vendor
- = Negative $
! = Foreign Corporation
= Unknown TIN Format

ReqPay18 – Vendor 1099 Check Detail

For District Review Only, DO NOT SUBMIT

About the Report
The report provides a listing of those vendors who will be receiving 1099s from your district. It lists the vendor ID/Tax ID, vendor name, check numbers and dollar amounts.

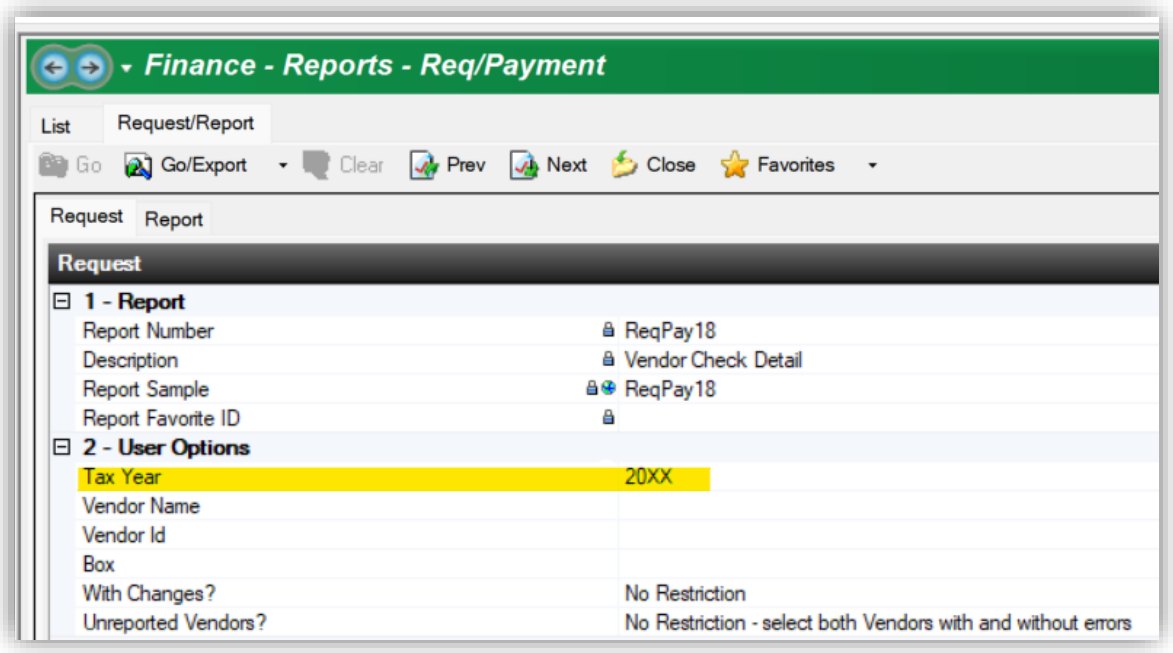
Purpose
The purpose of this report is to review vendor checks that are included in 1099s and show the check detail for reconciling the 1099 "system" amounts.

Who Should Use
The person responsible for 1099 processing at your district would print this report. This may be an AP, Accounting or Information Services staff member.

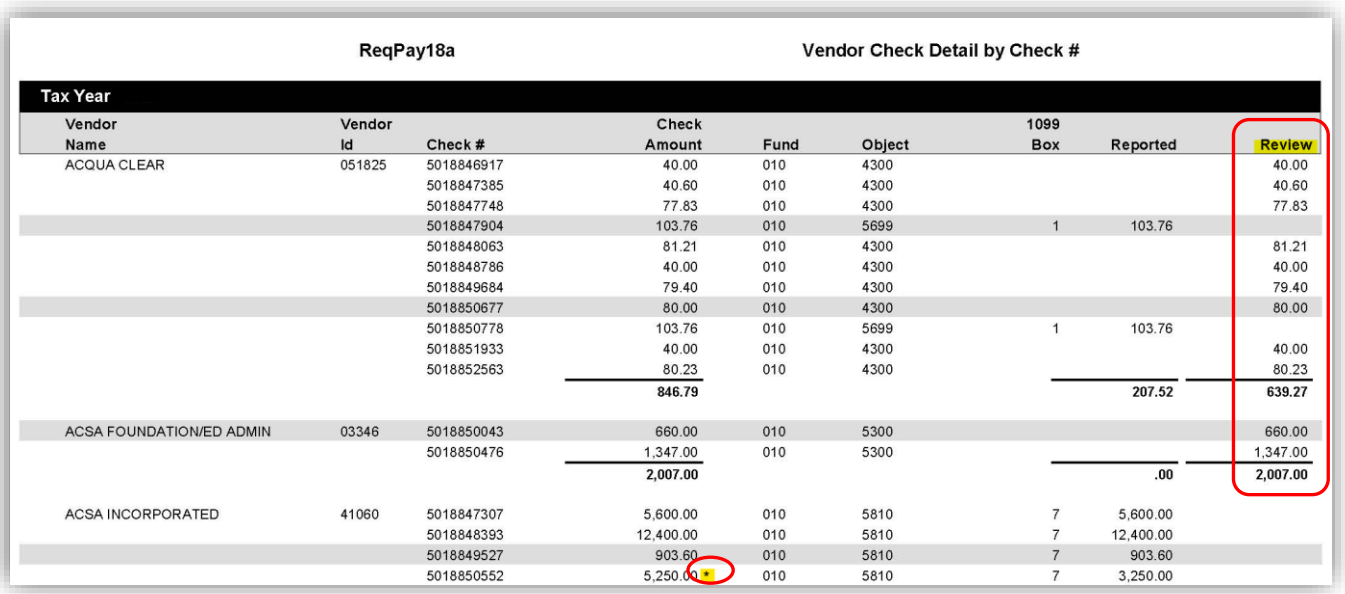
This report is not intended to match the 1099 list. It will report all checks written to a vendor where the 1099 flag is set to Yes, AND find all checks for an account with object where the 1099 flag is set to Yes.

Go to Finance – Reports – Req/Payment – ReqPay18

- **Tax Year:** 2025
- Click **Go**



Example ReqPay18 Vendor Check Detail by Check #:



ReqPay18a — Vendor Check Detail by Check #

Tax Year

Vendor Name	Vendor Id	Check #	Check Amount	Fund	Object	1099 Box	Reported	Review
ACQUA CLEAR	051825	5018846917	40.00	010	4300			40.00
		5018847385	40.60	010	4300			40.60
		5018847748	77.83	010	4300			77.83
		5018847904	103.76	010	5699	1	103.76	
		5018848063	81.21	010	4300			81.21
		5018848786	40.00	010	4300			40.00
		5018849684	79.40	010	4300			79.40
		5018850677	80.00	010	4300			80.00
		5018850778	103.76	010	5699	1	103.76	
		5018851933	40.00	010	4300			40.00
		5018852563	80.23	010	4300			80.23
			846.79				**207.52**	**639.27**
ACSA FOUNDATION/ED ADMIN	03346	5018850043	660.00	010	5300			660.00
		5018850476	1,347.00	010	5300			1,347.00
			2,007.00				**.00**	**2,007.00**
ACSA INCORPORATED	41060	5018847307	5,600.00	010	5810	7	5,600.00	
		5018848393	12,400.00	010	5810	7	12,400.00	
		5018849527	903.60	010	5810	7	903.60	
		5018850552	5,250.00*	010	5810	7	3,250.00	

- If there is an amount in the **Review column** and not in the **Reported Column** then the transaction will need to be reviewed to confirm amount should or should not be included in the 1099 reported.

- The check amount and/or vendor total line will display an **asterisk (*)** if the check amount(s) does not equal the reported amount(s) plus the review amount(s). This does not necessarily mean there is a problem, simply that there is a difference, but the amount should be verified.



If changes are made to a vendor record, you must refresh the Vendor 1099 List by performing a "New Search" in the Vendor 1099 activity to reflect changes 1099 Reports

Finance – Processing – Tax Reporting – Vendor 1099

ReqPay28 – Vendor Activity History

For District Review Only, DO NOT SUBMIT

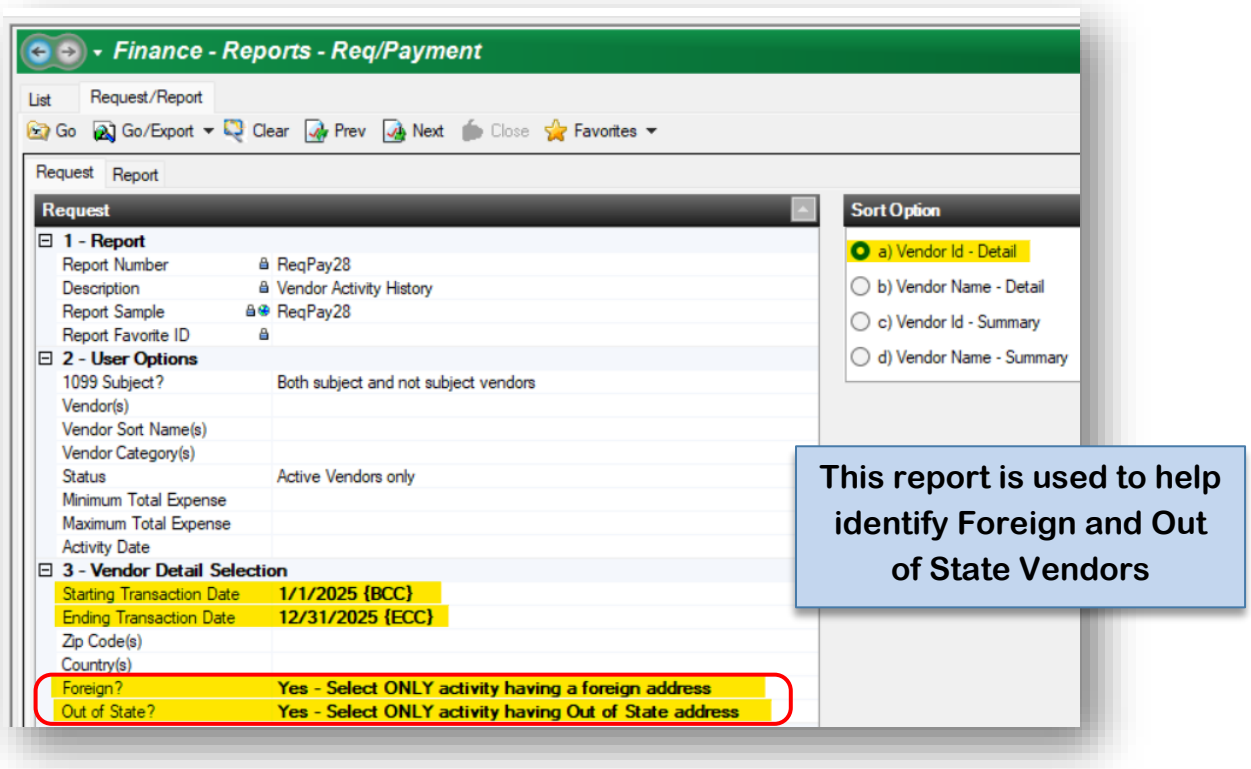
About the Report
The report details the vendor activity, gathering data through location information. This report is based on requisition and payment data. In addition to the detail reports, this report also has two summary options, one sorted by vendor name, the other by vendor ID. These options collapse all detail into a single line for a vendor.

Purpose
The purpose of this report is to review vendor detail.

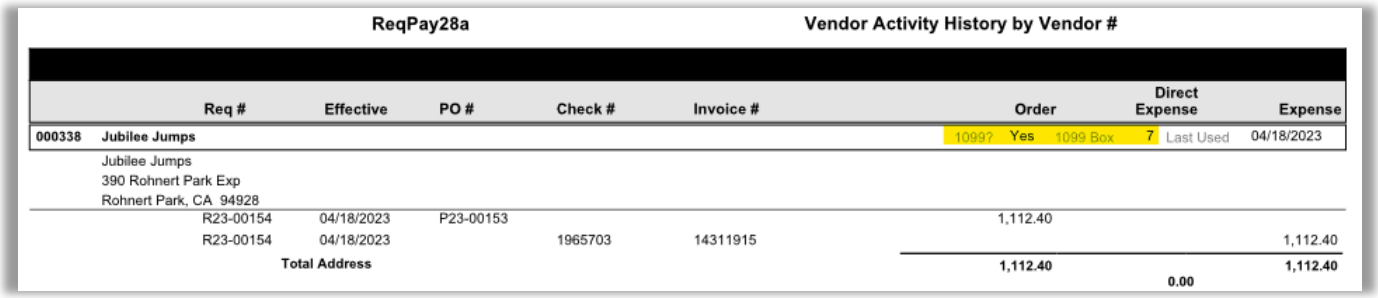
Who Should Use
AP, Accounting, or Information Services staff member responsible for vendor reconciliation would print this report.

Go to Finance – Reports – Req/Payment – Req/Pay28

- **1099 Subject?** Use the lookup to either include ONLY vendors subject to 1099 reporting or ONLY vendors that are NOT subject to 1099 reporting or BOTH. (Defaults to both types.)
- **Starting Transaction Date:** 1/1/2025 {BCC}
- **Ending Transaction Date:** 12/31/2025 {ECC}



Example ReqPay28 Vendor Activity History by Vendor:



ReqPay28a — Vendor Activity History by Vendor #

		Req #	Effective	PO #	Check #	Invoice #	Order	Direct Expense	Expense
000338	Jubilee Jumps						1099? Yes 1099 Box 7	Last Used	04/18/2023
	Jubilee Jumps 390 Rohnert Park Exp Rohnert Park, CA 94928								
		R23-00154	04/18/2023	P23-00153			1,112.40		
		R23-00154	04/18/2023		1965703	14311915			1,112.40
		Total Address					1,112.40	0.00	1,112.40

In the line where the Vendor name is reflected, the report will indicate if a 1099 Vendor, and if Yes, Box number.

Below the Vendor name and address will be a list of payments made to the vendor for the calendar year.

See Section 1 - Hiring a Foreign and California Nonresident Alien Vendor for detailed instructions for foreign vendor/out of state reporting.



If changes are made to a vendor record, must refresh the Vendor 1099 List by performing a "New Search" in the Vendor 1099 activity to reflect changes 1099 Reports

Finance – Processing – Tax Reporting – Vendor 1099

Section 8 - Final Submission Checklist and Reports

1099 REVIEW CHECK-OFF LIST FOR 2025

LEA has reviewed and verified the following:

___ Vendors requiring a Form 1099 have been flagged for 1099

___ Vendors whose Form W9 provided an SSN have been set up in Frontline ERP with their full name

___ Vendors whose Form W9 provided a TIN have been set up in Frontline ERP with their business names

___ Vendors whose Form W9 provided a TIN and their full name have been set up in Frontline ERP with their DBA

___ Independent Contractors have been set up in Frontline ERP with their SSN

___ Vendors marked "&" indicating that they are also an employee, have been verified:

- The vendor meets the ABC Test ***OR***
- It was determined payments should have been processed through payroll and payroll history has been created

___ All Frontline ERP identified Problems have been resolved

Listed below are a few:

- Missing Tax ID
- Negative amounts
- Incomplete address
- SSN or TIN invalid format

___ STRS retiree payments have been reported to SCOE, STRS Retirement Analyst, Alli Britton

___ Vendors who had a change in reporting status or ownership have been set up correctly in Frontline ERP for 1099 reporting

___ Foreign and Out-of-State Vendors whose payments total $1,500 or more, are being furnished with Form 592-B; Form 592 has been filed quarterly and payments sent to the Franchise Tax Board

___ Foreign Vendors are being furnished with Form 1042 by March 15 and all Federal deposits have been made

___ Number of 1099-MISC Forms _____ Number of 1099-NEC Forms _____

_____

LEA **CBO/Business Manager Signature** **Date**

Submit to Jsarsfield@scoe.org, Tpham@scoe.org, Carend@scoe.org, Jliu@scoe.org

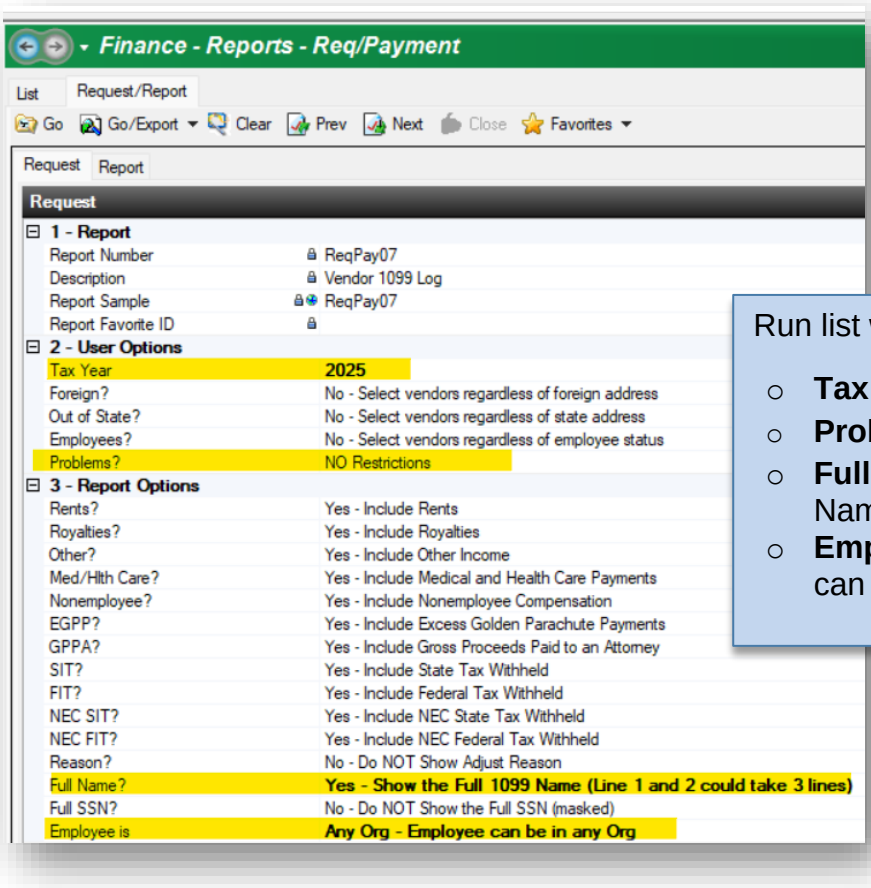
ReqPay07 – Vendor 1099 Log (With No Restrictions)

The FINAL search for "1099's with no restrictions" should be ran in order to get the final 1099 total forms to be printed. This will need to be entered on the Final Submission Checklist. These reports do not need to be submitted to SCOE Business Services with the checklist, it is for review purposes only.

About the Report
The report provides a listing of those vendors who will be receiving 1099 MISC and/or 1099 NEC forms from your district. It lists the vendor ID/Tax ID, vendor name, the amount calculated from the 1099 process, the imported amount, any adjustments, and the total. It also includes a summary of Federal and California State returns at the end of the report.

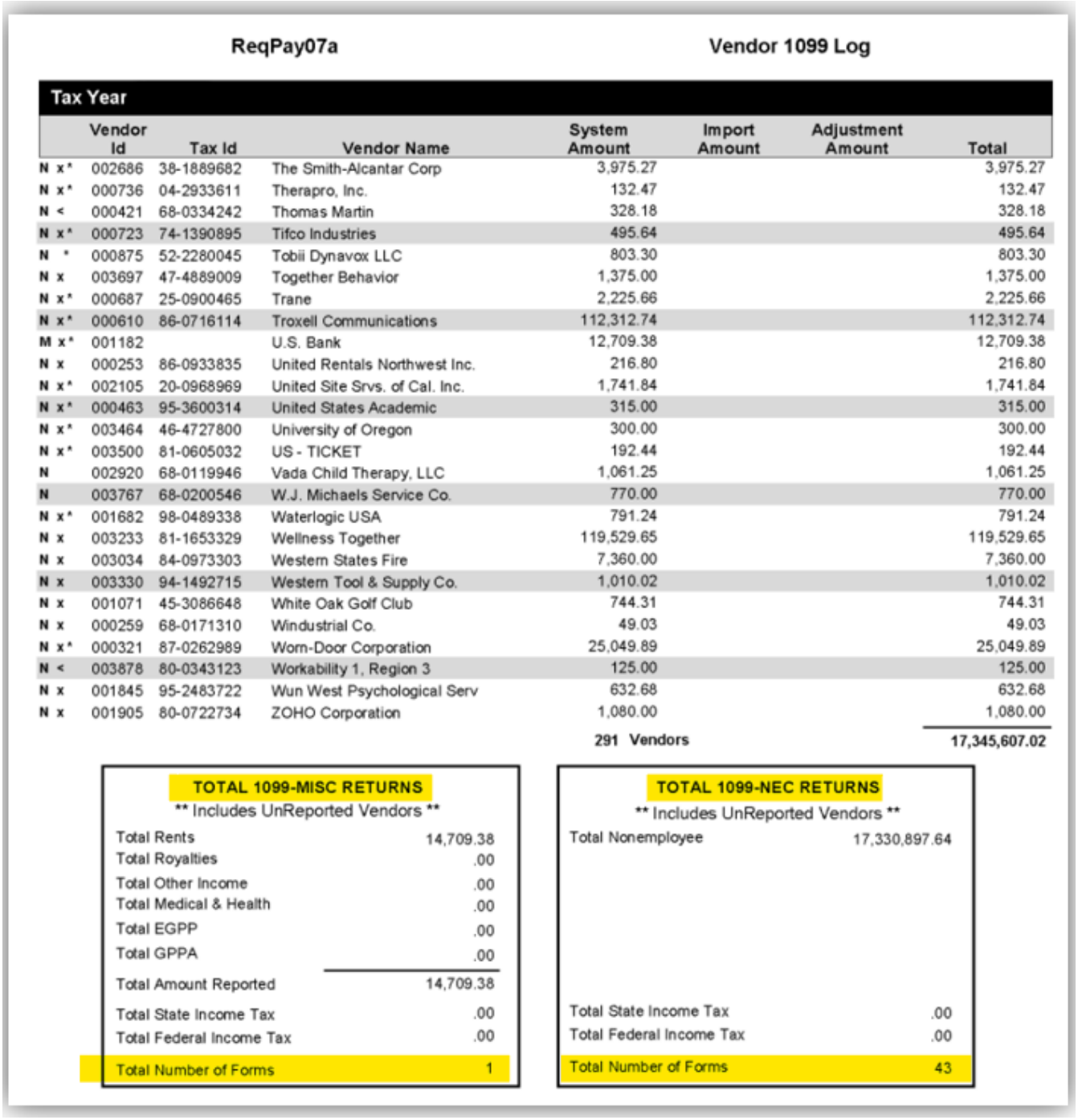
Purpose
The purpose of this report is to review vendor amounts that are included in 1099s.

Who Should Use
The person responsible for 1099 processing at your district would print this report. This may be an AP, Accounting, or Information Services staff member.



Run list with no restrictions

- **Tax Year:** 2025
- **Problems:** NO restrictions
- **Full Name:** Yes – Show the Full 1099 Name
- **Employee is:** Any Org – Employee can be in any Org



ReqPay07a **Vendor 1099 Log**

Tax Year

	Vendor Id	Tax Id	Vendor Name	System Amount	Import Amount	Adjustment Amount	Total
N x*	002686	38-1889682	The Smith-Alcantar Corp	3,975.27			3,975.27
N x*	000736	04-2933611	Therapro, Inc.	132.47			132.47
N <	000421	68-0334242	Thomas Martin	328.18			328.18
N x*	000723	74-1390895	Tifco Industries	495.64			495.64
N *	000875	52-2280045	Tobii Dynavox LLC	803.30			803.30
N x	003697	47-4889009	Together Behavior	1,375.00			1,375.00
N x*	000687	25-0900465	Trane	2,225.66			2,225.66
N x*	000610	86-0716114	Troxell Communications	112,312.74			112,312.74
M x*	001182		U.S. Bank	12,709.38			12,709.38
N x	000253	86-0933835	United Rentals Northwest Inc.	216.80			216.80
N x*	002105	20-0968969	United Site Srvs. of Cal. Inc.	1,741.84			1,741.84
N x*	000463	95-3600314	United States Academic	315.00			315.00
N x*	003464	46-4727800	University of Oregon	300.00			300.00
N x*	003500	81-0605032	US - TICKET	192.44			192.44
N	002920	68-0119946	Vada Child Therapy, LLC	1,061.25			1,061.25
N	003767	68-0200546	W.J. Michaels Service Co.	770.00			770.00
N x*	001682	98-0489338	Waterlogic USA	791.24			791.24
N x	003233	81-1653329	Wellness Together	119,529.65			119,529.65
N x	003034	84-0973303	Western States Fire	7,360.00			7,360.00
N x	003330	94-1492715	Western Tool & Supply Co.	1,010.02			1,010.02
N x	001071	45-3086648	White Oak Golf Club	744.31			744.31
N x	000259	68-0171310	Windustrial Co.	49.03			49.03
N x*	000321	87-0262989	Worn-Door Corporation	25,049.89			25,049.89
N <	003878	80-0343123	Workability 1, Region 3	125.00			125.00
N x	001845	95-2483722	Wun West Psychological Serv	632.68			632.68
N x	001905	80-0722734	ZOHO Corporation	1,080.00			1,080.00
				291 Vendors			**17,345,607.02**

TOTAL 1099-MISC RETURNS

** Includes UnReported Vendors **

Total Rents	14,709.38
Total Royalties	.00
Total Other Income	.00
Total Medical & Health	.00
Total EGPP	.00
Total GPPA	.00
Total Amount Reported	14,709.38
Total State Income Tax	.00
Total Federal Income Tax	.00
Total Number of Forms	1

TOTAL 1099-NEC RETURNS

** Includes UnReported Vendors **

Total Nonemployee	17,330,897.64
Total State Income Tax	.00
Total Federal Income Tax	.00
Total Number of Forms	43

REPORT ERROR LEGEND

N = 1099 NEC form
M = 1099 MISC form
B = both forms
x = 1099 turned off at vendor
@ = Incomplete Address
< = Under Min $
? = Missing Tax Id
= Unknown TIN Format

- = Negative $
! = Foreign Corporation
* = Out of state. The vendor address is out of state
& = Employee also. The Vendor SSN matches an employee SSN, where the employee was on a payroll in the same calendar year

ReqPay16 – Vendor 1099 Detail (With No Restrictions)

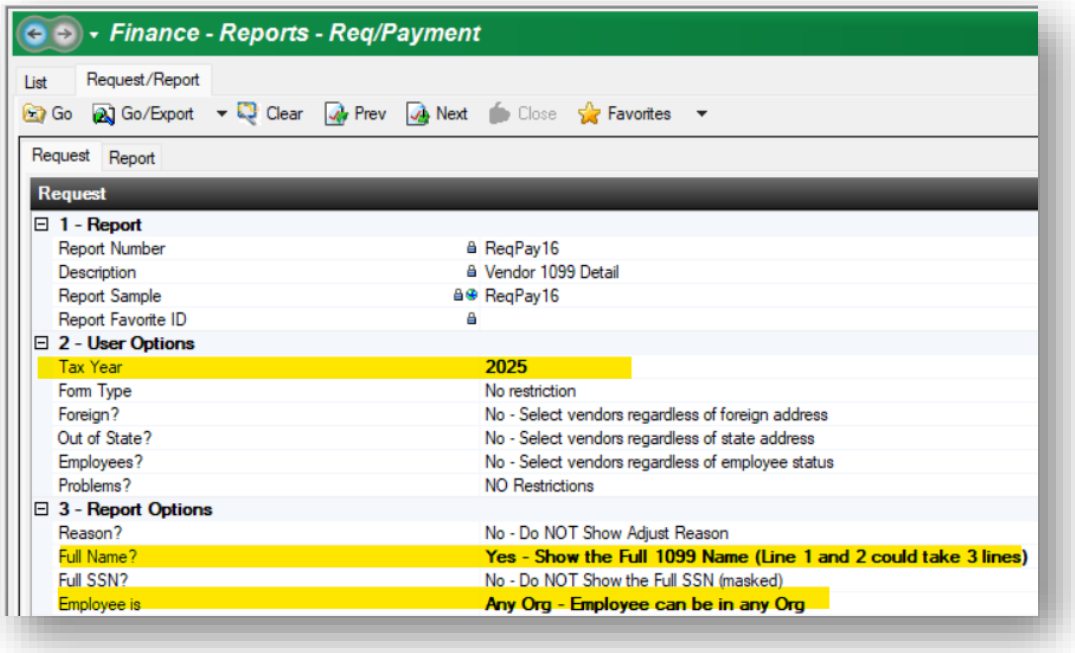
The FINAL search for “1099’s having no restrictions” ReqPay16 report must be reviewed for accuracy. This does not need to be submitted to SCOE Business Services it is for review purposes only.

About the Report
The report provides a detailed list of vendors who will be receiving 1099 MISC and/or 1099 NEC forms from your district. It marks those with incomplete addresses, amounts under the minimum, missing tax IDs, the 1099 flag turned off in the vendor record, negative dollar amounts, and vendors with foreign addresses. At the end of the report, it also includes a listing of all the objects set up for 1099 processing.

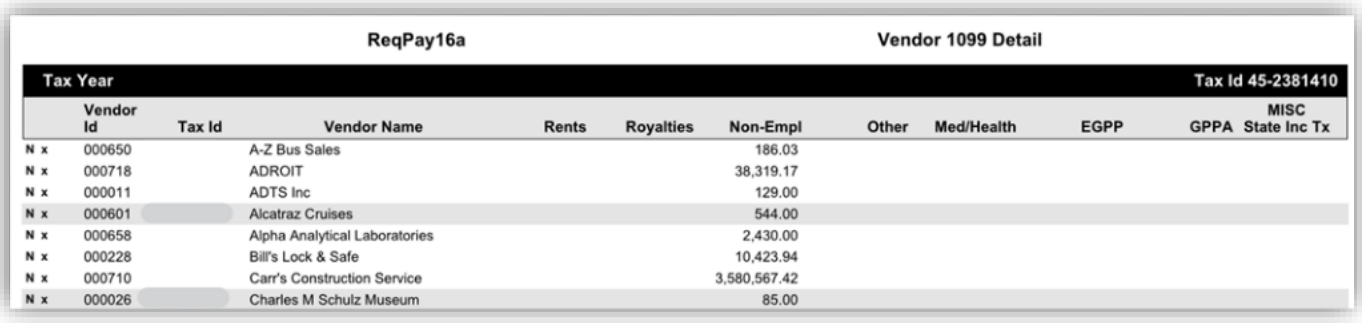
Purpose
The purpose of this report is to help you work through 1099 errors and provide a document of 1099s generated.

Who Should Use
The person responsible for 1099 processing (e.g., AP, Accounting, or Information Services staff member) would print this report.

- Run list with no restrictions
  - **Tax Year:** 2025
  - **Problems:** Only 1099’s with no restrictions
  - **Full Name:** Yes – Show the Full 1099 Name (Line 1 and 2 could take 3 lines)
  - **Employee is:** Any Org – Employee can be in any Org



- This report is not intended to match the 1099 list. It is built using the same logic that builds the 1099 file. Therefore, your list and the report may not match. If you make any changes to the 1099 setup (e.g., changing components), you will need to refresh the list in the Vendor 1099 activity in order for those changes to be reflected in the



ReqPay16a — Vendor 1099 Detail

Tax Year — Tax Id 45-2381410

	Vendor Id	Tax Id	Vendor Name	Rents	Royalties	Non-Empl	Other	Med/Health	EGPP	GPPA	MISC State Inc Tx
N x	000650		A-Z Bus Sales			186.03					
N x	000718		ADROIT			38,319.17					
N x	000011		ADTS Inc			129.00					
N x	000601		Alcatraz Cruises			544.00					
N x	000658		Alpha Analytical Laboratories			2,430.00					
N x	000228		Bill's Lock & Safe			10,423.94					
N x	000710		Carr's Construction Service			3,580,567.42					
N x	000026		Charles M Schulz Museum			85.00					

REPORT ERROR LEGEND

B = both forms
M = 1099 MISC form
N = 1099 NEC form
* = Out of state. The vendor address is out of state
@ = Incomplete Address
& = Employee also. The Vendor SSN matches an employee SSN, where the employee was on a payroll in the same calendar year
< = Under Min $
? = Missing Tax Id
x = 1099 turned off at vendor
- = Negative $
! = Foreign Corporation
= Unknown TIN Format

FINAL CHECKLIST must be

Signed by the CBO and Submitted to

jsarsfield@scoe.org, *jliu@scoe.org, tpham@scoe.org* and *carend@scoe.org*

January 5, 2026 by 4:30 p.m.