

How to Quickly Identify Your 1099-MISC Payments

By Irene Wachslar, CPA

By Jan. 31, all nonprofits must submit a completed Form 1099-MISC to any individual, as well as any lawyer or law firm, to whom they paid \$600 or more for services during the previous calendar year or face financial penalties imposed by the Internal Revenue Service.

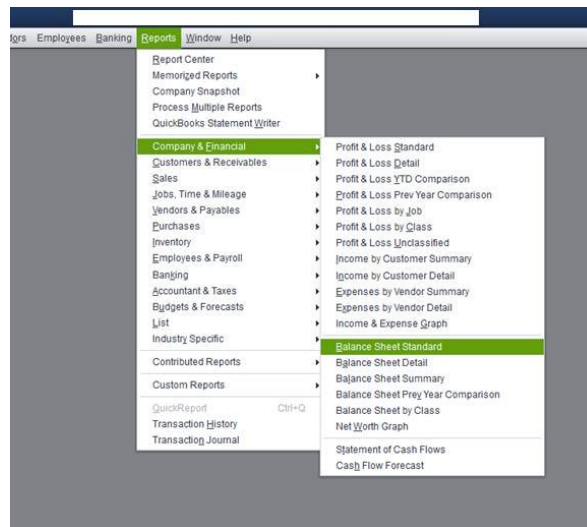
As a general practice, it is recommended that you obtain a completed W9 from service providers before you pay for their services. It is also recommended that organizations withhold payments until they receive a W-9.

(Remember that, in order to comply with the Mass. Data Privacy Law, all W9s must be stored in a locked area. If you are storing this information on your computer, then that computer must be encrypted.)

7 Easy Steps in Collating the Necessary Information, Using Quickbooks

Step 1

In QuickBooks, under the menu Reports/Company & Financial, select the **Balance Sheet Standard** report.



Step 2

Change the Balance Sheet date to as of **12/31/2013**

Employees Banking Reports Window Help

Memorize Print E-mail Excel Hide Header Collapse Refresh

As of 12/31/2013 Columns Total only Sort By Default

Balance Sheet

As of December 31, 2013

Dec 31, 13

ASSETS	
Current Assets	
Checking/Savings	
10010 - Cash	
10100 - Eastern Bank - General Fund	
10110 - Funds for	4,075.00
10100 - Eastern Bank - General Fund - Other	337,229.79
Total 10100 - Eastern Bank - General Fund	341,304.79

Step 3

Double-click on the amount that is shown for your bank account that your nonprofit organization uses to pay its bills.

Employees Banking Reports Window Help

Memorize Print E-mail Excel Hide Header Collapse Refresh

As of 12/31/2013 Columns Total only Sort By Default

Balance Sheet

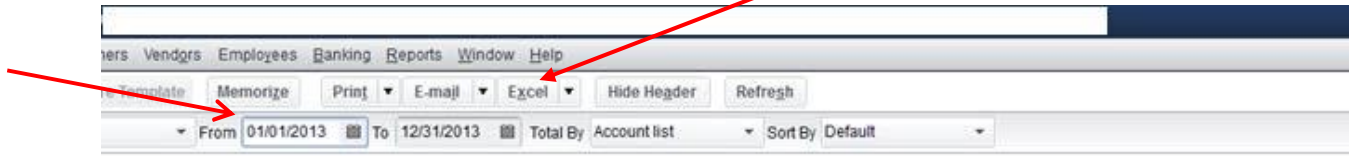
As of December 31, 2013

Dec 31, 13

ASSETS	
Current Assets	
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10010 - Cash	
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10110 - Funds for	4,075.00
10100 - Eastern Bank - General Fund - Other	337,229.79
Total 10100 - Eastern Bank - General Fund	341,304.79

Step 4

The Transactions Account Report Window should pop up. Change the date range from **1/1/2013 to 12/31/2013**



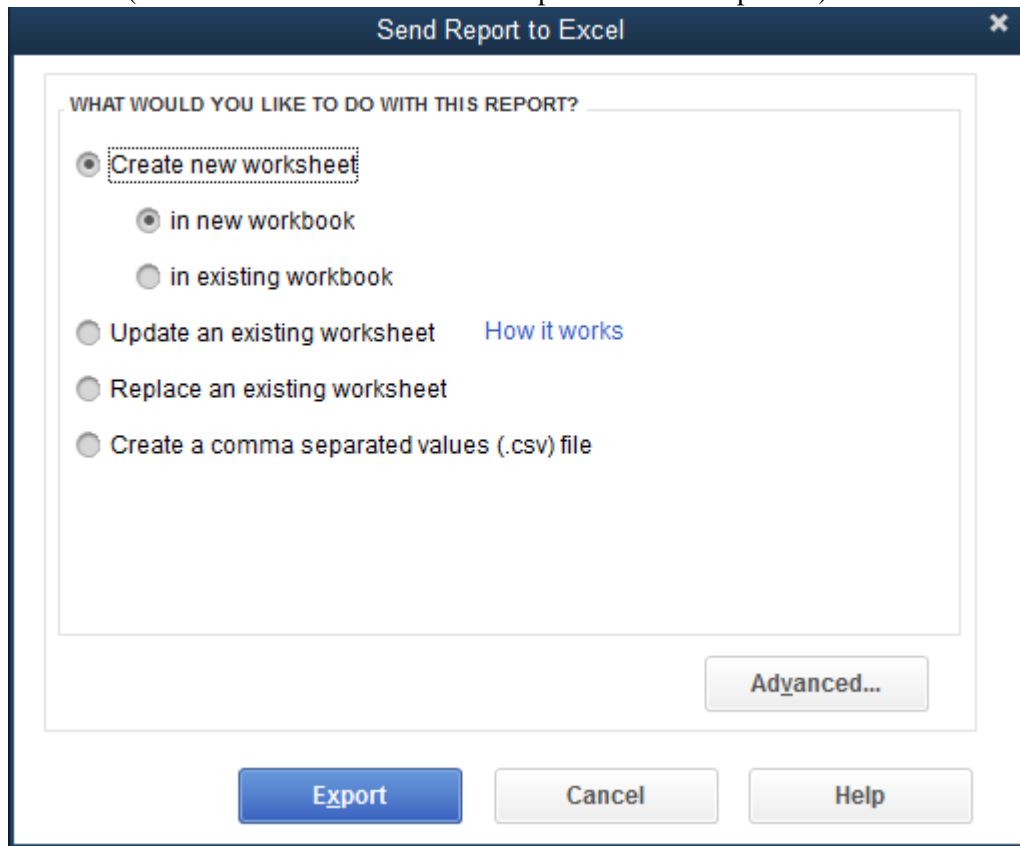
Transactions by Account

As of December 31, 2013

Type	Date	Num	Name	Memo	Class	Ctr	Split	Amount	Balance
10010 - Cash									53,168.64
10100 - Eastern Bank - General Fund									53,168.64
General Journal	01/02/2013	CP01...			General	✓	11010 - A/R ...	320.00	53,488.64
General Journal	01/03/2013	CP01...			General	✓	11809 - A/R ...	1,119.00	54,607.64
General Journal	01/03/2013	CP01...			General	✓	11010 - A/R ...	284.38	54,892.02
General Journal	01/03/2013	CP01...			General	✓	11010 - A/R ...	1,268.00	56,160.02
Check	01/03/2013		Automated Mercha...			✓	51200 - Cred...	-695.43	55,464.59
Bill Pmt -Check	01/03/2013	On line	Blue Cross Blue S...			✓	2010 - Accou...	-11,662.62	43,801.97
General Journal	01/07/2013	CP01...			General	✓	11010 - A/R ...	767.00	44,568.97
General Journal	01/07/2013	CP01...			General	✓	11010 - A/R ...	379.13	44,948.10
General Journal	01/07/2013	CP01...			General	✓	11010 - A/R ...	123.21	45,071.31
General Journal	01/07/2013	CP01...			General	✓	11010 - A/R ...	98.00	45,169.31
Deposit	01/07/2013			Deposit		✓	-SPLIT-	116.10	45,287.41
General Journal	01/07/2013	CP01...			General	✓	11199 - A/R ...	1,000.00	46,287.41
Bill Pmt -Check	01/08/2013	On line	Visa			✓	2010 - Accou...	-2,938.57	43,348.84
Bill Pmt -Check	01/08/2013	On line	Visa2			✓	2010 - Accou...	-799.26	42,549.56
Transfer	01/08/2013			Funds Trans...		✓	10200 - Easte...	50,000.00	92,549.56
General Journal	01/09/2013	CP01...			General	✓	11809 - A/R ...	588.00	93,137.56
General Journal	01/09/2013	CP01...			General	✓	11010 - A/R ...	930.00	94,067.56
Check	01/10/2013	8281	Juan Guzman	12/29/12		✓	50300 - Comp...	-80.00	93,987.56
Bill Pmt -Check	01/10/2013	8282	Saul K			✓	2010 - Accou...	-2,280.00	91,707.56
Bill Pmt -Check	01/10/2013	8283	Saul K			✓	2010 - Accou...	-600.00	91,107.56
Check	01/10/2013	8284	Alexar			✓	50300 - Comp...	-160.00	90,947.56
General Journal	01/10/2013	CP01...			General	✓	11199 - A/R ...	1,427.83	92,375.39
General Journal	01/10/2013	CP01...			General	✓	11809 - A/R ...	40.00	92,415.39
General Journal	01/10/2013	CP01...			General	✓	11010 - A/R ...	829.22	93,244.61
General Journal	01/10/2013	CP01...			General	✓	11009 - A/R ...	902.00	94,146.61
Check	01/10/2013			Funds Trans...		✓	-SPLIT-	-59,114.71	35,031.90
Check	01/10/2013	8943	Daniel			✓	21005 - Payr...	-75.00	34,956.90
Check	01/10/2013	8944	Stein			✓	21005 - Payr...	-1,834.81	33,122.09
Check	01/10/2013	8945	Yanira			✓	21005 - Payr...	-535.06	32,587.03
Check	01/10/2013	8946	Gusta			✓	21005 - Payr...	-1,020.20	31,566.83
Check	01/10/2013	8947	Gusta			✓	21005 - Payr...	-941.11	30,625.72
Check	01/10/2013	8948	Eridan			✓	21005 - Payr...	-784.50	29,841.22
Check	01/10/2013	8949	Christi			✓	21005 - Payr...	-380.22	29,461.00
Check	01/10/2013	8950	Marcy			✓	21005 - Payr...	-950.71	28,510.29
Check	01/10/2013	8951	Andja			✓	21005 - Payr...	-320.07	28,190.22
Check	01/10/2013	8952	My Lit			✓	21005 - Payr...	-175.00	28,015.22

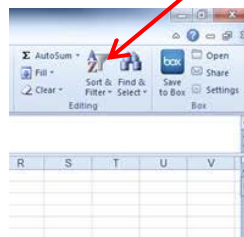
Step 5

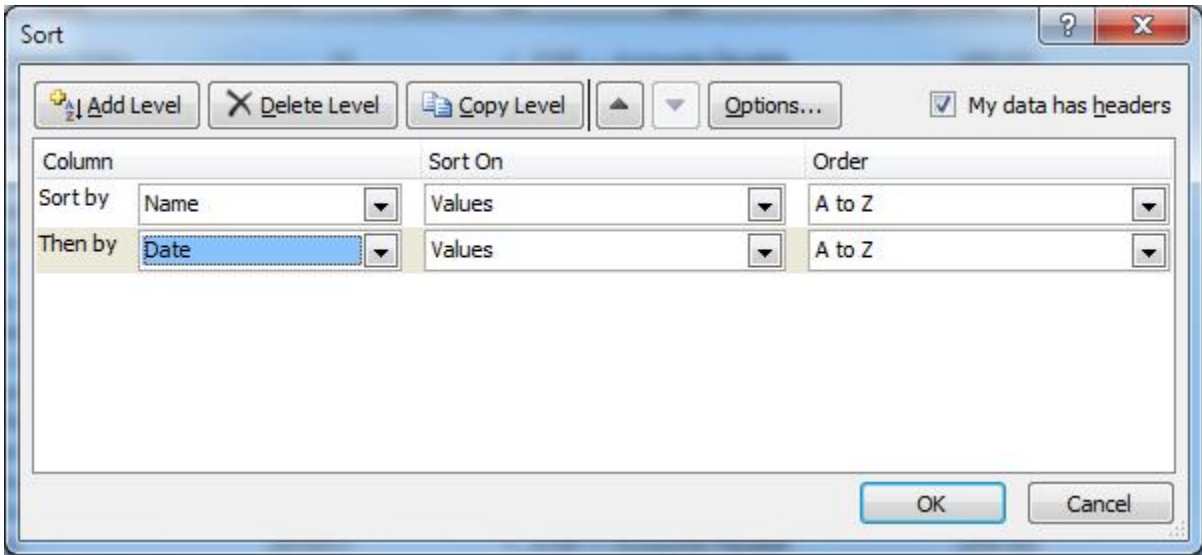
Export the Transactions by Account Report to MS Excel from the drop down menu **Excel/Create New Worksheet** (under the Transaction Account Report ó see above picture)



Step 6

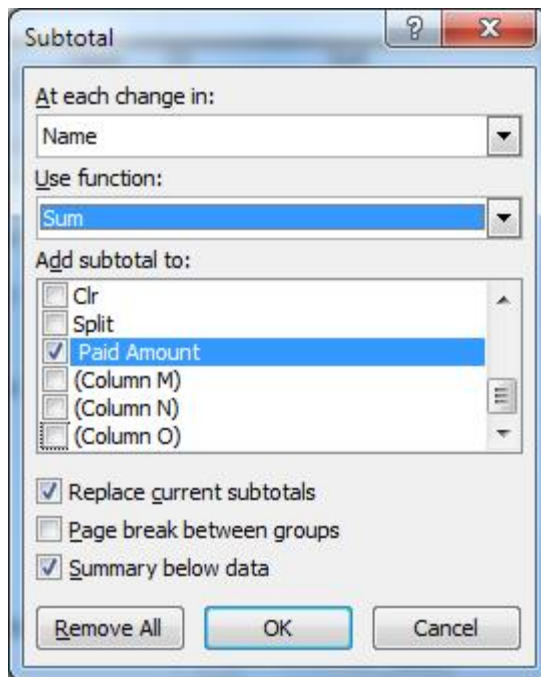
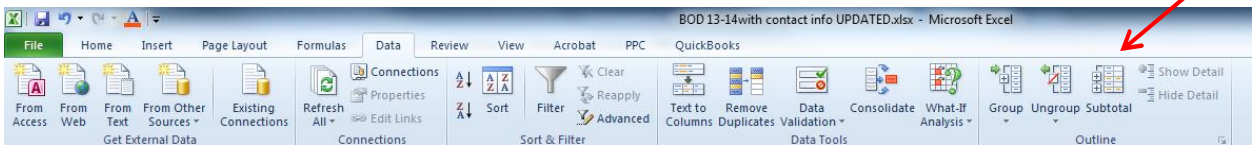
In Excel, sort the data in the newly created spreadsheet by Vendor name and then by date. The Sort feature can be found under Home/Sort:





Step 7

After you have finished sorting the data, use the Excel **subtotal** feature (Data/Subtotal) and Excel will automatically total the amounts that your organization paid to each vendor.



You're finished! Review the totals and determine who you paid \$600 or more to the calendar year.

If an Organization Does Not Comply with the Form 1099-MISC Reporting Requirements...

If a business, including a nonprofit organization, fails to provide the required informational returns, the organization could face a \$50 penalty for each informational return. This penalty could be doubled if the IRS believes that the organization's failure to comply is intentional.

There is also a \$50 penalty for each informational return that contains either incomplete or incorrect information.

Lastly, the IRS will assess interest on the above penalties. Failure to comply may result in the Organization owing thousands of dollars to the IRS.

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