Calendar Year End Accounting Procedures

Use this checklist when closing Accounting (USAS-R)
(Additional explanations for each step are attached)

Calendar Year End Accounting Procedures

Pre-Closing Steps

Step 1 – Review 1099 reporting requirements and Supporting Documentation

- o   See document on LACA website: Forms 1099-MISC and 1099-NEC.
- o   See document on LACA website: Deceased Employee Final Payment.
- o   See the IRS Instructions for Form 1099-MISC and 1099-NEC for further details.
- o   Review your vendor records to ensure they are set up correctly for 1099 purposes. The next few steps should assist you in this process.

Step 2 – Validate Tax ID Type of SSN/EIN for all 1099 Vendors

- o   Use the Vendors grid to query Vendors with a 1099 Type & qualifying YTD taxable total.
  - ▪   In the Core>Vendors grid, add the following columns using **More** :

    - ●   **Type 1099**, **Tax ID Type**, **ID #**, **YTD Taxable Total**, & **Last Activity**

  - ▪   Under Active, filter by true.
  - ▪   Under Type 1099, filter by <> non 1099 to query all 1099 vendors.
  - ▪   Under YTD Taxable Total, filter by >=600.
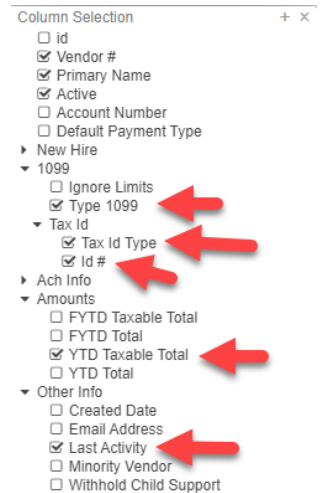
Vendor #	Primary Name	Active	Type 1099	YTD Taxable Total
		true	<>non 1099	>=600

  - ▪   If desired, generate a PDF report of the data in the grid using **Report** .
- o   Review the Tax ID Type (SSN or EIN) for all 1099 vendors to make sure they are correct & identified.
  - ▪   Review the grid, grid report, or run the SSDT 1099 Vendor Report from the Report Manager for an amount greater than or equal to 600.00. Identify vendors missing a Tax ID Type and/or ID #.
  - ▪   Use to update Vendors that do not have a Tax ID Type or ID #.

Step 3 – Verify non 1099 Vendor data

o   Use the Vendors grid to query Vendors that have a qualifying YTD Taxable Total that are not marked to receive a 1099.

- Under Last Activity, filter by >y.
- Under Type 1099, filter by non 1099 to query all non 1099 vendors.
- Under YTD Taxable Total, filter by >=600.

Vendor #		Primary Name		Active	Type 1099	Last Activity	YTD Taxable Total
					Non 1099	>y	>=600

- Generate an Excel-Data or PDF report of the data in the grid using ⬇ Report .

- If Vendors are marked as "Non 1099" but should be receiving a 1099, use ✎ to update the following vendor fields: Type 1099, Tax ID Type, & Tax ID #
  ● Verify the Name and Address marked as the 1099 Location.

Step 4 – Verify vendor names, addresses, & amounts for 1099 reporting

○   Run the **SSDT 1099 Vendor Report** from the Report Manager to check 1099 data in order to ensure 1099 names, addresses, & amounts are correct.
- By default the report includes all 1099 types (but can be specified if desired).
- The report can also be filtered for YTD Taxable Total greater than or equal to 600.
- The Vendor Name and Address used for 1099 reporting is based on the Vendor Location with the 1099 checkbox marked on the Vendor record. To update the address, modify the location or change the 1099 checkmark to use a different location address.

○   Enter Vendor Adjustments to correct YTD Taxable Total amounts if needed.
- If the YTD Taxable Total needs to be updated for a vendor (Void Prior FY Check, Royalties, combining Vendor records, to reflect payments not tracked in USAS), use the Vendor Adjustments option to modify the YTD Taxable Total & YTD Total fields.

  ● The Vendor Adjustments option can be found by clicking 👁 on the vendor, then 🞑 Vendor Adjustments .
  ● Amounts can be entered as positive or negative to increase/decrease totals.
  ● Check the "Taxable" checkbox to update the YTD Taxable Total.
  ● Vendor Adjustments can only be made in an Open posting period. For more information, see the Vendor Adjustments section of the manual.

Month End Closing

Step 5 – Enter all transactions for the current month

- o All transactions dated December 1st through 31st should be entered in USAS-R.

Step 6 – Prepare Bank Reconciliation

- o Reconcile USAS-R records with your bank(s).
  - ▪ For assistance, refer to the bank reconciliation procedure in the USAS-R manual.
  - ▪ Under the Periodic menu, select "Cash Reconciliation" to enter your cash reconciliation information for the month.

Step 7 – Compare MTD Totals

- o Generate the **SSDT Cash Summary** report & **SSDT Financial Detail Report** from the Report Manager.
  - ▪ The SSDT Financial Detail Report may be run for the month only to compare MTD totals to the Cash Summary Report.
  - ▪ Compare totals from the reports. They should be identical.
  - ▪ *If all above steps are performed and totals all agree, you are in balance and may proceed with the next step.*

Step 8 – Run SSDT Spending Plan Summary (if tracking SM12 figures)

- o Optional Step: Run **SSDT Spending Plan Summary** report from the Report Manager.

Step 9 – Manually run & review any additional Month-End Reports as desired

- o For a list of recommended reports, click here to see the SSDT Month End Checklist in the manual.

Calendar Year End Closing

Step 10 – Verify 1099 Submission Configuration

- o Under System>Configuration>IRS Form 1099 Submission Configuration
  - ▪ Check the box for "District Will Submit 1099 File To IRS".
  - ▪ Type or Verify that the Transmitter Control Code is entered correctly.
  - ▪ Enter Contact information (name, phone number, and email address)
  - ▪ Click Save

Step 11 – Create & Submit 1099 Test File (Required for first year filers, recommended for ALL)

- o Under the Periodic menu, run 1099 Extracts
- o Create the TEST TAP file
  - ▪ Select 2023 as the Payment Year
  - ▪ Select Type of Return (check both **1099-NEC & 1099-MISC**)
  - ▪ Select Output File Type **IRS Format**
  - ▪ Leave all Vendors deselected to ensure all are included
  - ▪ Change file name (add **TEST** to the end of the file name)
  - ▪ Review the TIN, Organization Name and Address information & Contact Information
  - ▪ Select Submission Type (**TEST**)
  - ▪ Ensure "Approved for the Combined Federal/State Filing Program" is checked
  - ▪ Leave Payer Name Control field blank
  - ▪ Click on 'Generate' to generate the selected output file type
    - ● A copy will be added to the Calendar Year End Reports Archive
- o Submit the TEST TAP file to the IRS (_required for first year filers, recommended for ALL)._
  - ▪ To be approved to participate in the Combined Federal/State Filing Program, an electronic test file must be submitted to the FIRE Test System (_**1/4/24 or after**_).
    - ● Log into https://fire.test.irs.gov & create a user account for the test site.
    - ● Click Send Information Returns
    - ● Enter your TCC and EIN, then click Submit
    - ● Verify/Update the district information that is displayed, then click Accept
    - ● Select "Test File"
    - ● Enter your 10-digit PIN, then click Submit
    - ● Browse and upload the previously created TEST TAP file
      - o If not available in the Downloads folder, in USAS-R, go to Utilities/File Archive (Calendar Year Reports Archive Tab) & download a copy of the DISTRICT_NAME_1099 TEST_BOTH_T.tap file from the current year Calendar Year folder.
        - ▪ You may see multiple files depending on the number of times you generated a TEST file (i.e. for 1099-MISC separate from 1099-NEC, or for test and original)
      - o Note: If you created your 1099-MISC and 1099-NEC files separately, we recommend you create a combined test file and upload it.
    - ● After clicking Upload, you should see the total bytes received and the file name uploaded. Print these results for your records.
    - ● Results will be emailed to the address provided during submission within two days.
      - o If the file is "Bad," return to https://fire.test.irs.gov & click Check File Status to review errors. Make corrections and submit a new test file.

o   If the file status is "Good, Federal Reporting," you must recreate the test file in Redesign selecting "Approved for the Combined Federal/State Filing Program"

o   If the file status is "Good, Federal/State Reporting," you can now submit your actual (original) file in https://fire.irs.gov (next step).

● *The test file is required the first year that a filer participates in the program, but the IRS recommends submitting a test file each year.*

Step 12 – Create 1099 Submission & Print files

o   Under the Periodic menu, run 1099 Extracts

o   Create the TAP file (used for IRS submission)
  ▪   Select 2023 as the Payment Year
  ▪   Select Type of Return (recommended to check both 1099-NEC & 1099-MISC)
  ▪   Select Output File Type IRS Format
  ▪   Leave all Vendors deselected to ensure all are included
  ▪   **Review the File Name to ensure it no longer says "TEST"**
  ▪   Review the TIN, Organization Name and Address and Contact information
  ▪   Select Submission Type (**ORIGINAL**)
  ▪   Ensure "Approved for the Combined Federal/State Filing Program" is checked
  ▪   Leave Payer Name Control field blank
  ▪   Click on 'Generate' to generate the selected output file type
      ●   A copy will be added to the Calendar Year End Reports Archive
  ▪   See instructions later in this checklist for 1099 submission.
  ▪   *Repeat this step if you selected only one type of return (1099-NEC or 1099-MISC)*

o   Create the PDF file (LACA will use to print 1099s)
  ▪   Select 2023 as the Payment Year
  ▪   Select Type of Return (recommended to check both 1099-NEC & 1099-MISC)
  ▪   Select Output File Type "Printer/Sealer Copies"
  ▪   Review the File Name to ensure it no longer says "TEST"
  ▪   Review the TIN, Organization Name and Address and Contact information
  ▪   Select Submission Type (Original)
  ▪   Ensure "Approved for the Combined Federal/State Filing Program" is checked
  ▪   Leave Payer Name Control field blank
  ▪   Click on 'Generate' to generate the selected output file type
      ●   A copy will be added to the Calendar Year End Reports Archive
      ●   LACA will download this PDF file from your File Archive and print your 1099s
  ▪   *The 'Print 1099 Report' button will generate the 1099 Extract Report in PDF format that can be reviewed, but this report will also generate when creating the Submission or Printer/Sealer file.*

- *Repeat this step if you selected only one type of return (1099-NEC or 1099-MISC)*
  - o If you need more time to finish your 1099s, please let LACA know.
    - Files need to be ready for printing by end of day, 1/12/2024.

Step 13 – Email fiscal@laca.org to have 1099 forms printed

- o This written request will be used by LACA to use the most recent Printer/Sealer file in your district's File Archive to print 1099s.
- o LACA will have all 1099s printed and ready to pick up no later than January 22nd so that you can meet the January 31st mailing deadline.

Step 14 – Use the Proration Utility to generate a report for creating Workers Comp PO

- ○ See the Proration Utility section of the Manual for additional guidance.

Step 15 – Run the Vendor New Hire Report from the Report menu

- o Verify that all vendors have been reported to the State of Ohio.
- o If vendors are appearing on this report at this time, talk to your staff to see if they have been reported.
- o If you have further questions, please call LACA.

Step 16 – Close the December Posting Period

- o Under the Core menu, click on Posting Periods
- o Click on   📁   to 'Close' December.
- o The Monthly & Calendar Year End Report Bundles will then automatically run. The monthly bundle includes 27 SSDT Template Reports and the calendar bundle includes 15 SSDT Template Reports. Verify that your reports are complete under Utilities>File Archive.

  - It is recommended to verify that all reports are completed before making January 'Current' so that all report headers state "December"

- o Click on   **+ Create**   to create the new posting period. Select January, enter the calendar year, & check mark the 'Current' box to make the new posting period the current period.
- o You are now closed for the month and calendar year.

Post Calendar Year End Closing

Step 17 – Begin January processing

- o Your staff can log in and start entering transactions for January.
- o If you are in January processing & want to generate reports containing prior calendar year-end amounts, you can search the File Archive, use the "As of Period" on account-based reports, or temporarily change the Current Period.
  - ▪ *Note: The "As of Period'' parameter is relevant to account-based reports, such as the Budget Summary, Appropriation Summary, Cash Summary, and Revenue Summary reports. The "As Of Period'' parameter will return amounts as of the last day of a specific period (ex. FYTD or MTD totals).*
  - ▪ *Instead, for Outstanding reports, you can temporarily change the current period to December without reopening the period. Once you are finished running your reports, remember to switch the current period back to January.*
  - ▪ *If a Posting Period is re-opened, the Monthly CD Bundle will automatically run again when the period is closed. If a monthly report bundle already exists in the archive, a second copy of the reports will be added to the existing Monthly CD reports. To avoid this, LACA can delete the first Monthly CD Reports bundle <u>before</u> re-closing the reopened posting period to prevent duplicate copies of reports from being stored for that month OR LACA can disable the Monthly CD Reports bundle <u>prior to</u> re-closing the posting period to retain the original reports. Currently, individual reports cannot be deleted from within a monthly archive.*

Step 18 – Run SSDT Account Validation Report from the Report Manager

- o The report will list accounts that are invalid with an explanation.
- o Review the report and correct errors as needed.

Step 19 – Post any Pending Transactions for January

- o Go to Transactions>Pending Transactions to post any Pending Transactions for January.

Step 20 – Finalize 1099 files by (end of day) January 12, 2023

- o If you requested additional time earlier, work with LACA now to finalize your 1099 files for printing and submission.

Step 21 – Obtain printed 1099s from LACA and distribute 1099s to vendors by January 31

- o LACA will have printed copies of 1099s available by January 22, 2024 along with your district's W2s.
- o 1099s must be mailed/distributed to all vendors by January 31.

Step 22 – Submit 1099 Information

- o Submit a copy of your 1099s electronically to the IRS *(only after receiving the approval email from your test submission)*. 1099-NEC submission is due by January 31. 1099-MISC submission is due by March 31. If submitting all information in one file, be sure to submit by January 31. (***The fire.irs.gov website will be available for submissions on 1/8/24***)
  - Log into https://fire.irs.gov *(all login information must be typed exactly as submitted on the Application for TCC)*
  - Click Start the FIRE Application
  - Click Send Information Returns
  - Enter your TCC and EIN, then click Submit
  - Verify/Update the district information that is displayed, then click Accept
  - Select Original File
  - Enter your 10-digit PIN, then click Submit
  - Browse and upload your file
    - In USAS-R, go to Utilities/File Archive (Calendar Year Reports Archive Tab) and download a copy of the DISTRICT_NAME_1099_BOTH.tap file from the Calendar Year folder.
      - o You may see multiple files depending on the number of times you generated a tape file (i.e. for 1099-MISC separate from 1099-NEC, or for test and original)
    - Note: If you created your 1099-MISC and 1099-NEC files separately, you will have to upload both files.
  - After clicking Upload, you should see the total bytes received and the file name uploaded. Print these results for your records.
  - If you wish to verify the status of your submission, go to Check File Status on the Main Menu
    - Enter your TCC and EIN, then click Search
    - If results indicate "Good, Not Released" or "Good, Released," you should be finished
    - If results indicate "Bad," make corrections & resubmit the "Replacement" file
    - If results indicate "Not yet processed," check status again in a few days
- o Submit a copy of your 1099s to Ohio
  - If you were approved for the Combined Federal/State Filing Program, your 1099-MISC and 1099-NEC information was submitted via the IRS Fire step above.
- o Submit copies of 1099s to RITA, CCA, and other cities/entities as required.