



PROCEDURE 41B:

CORRECTING WITHHOLDING FOR 1099 TRANSACTIONS

Job Aid AP01-41B

AP01

The purpose of this job aid is to explain how to correct withholding for 1099 Transactions in NCAS.

Use this procedure when the invoice still should be 1099 reportable and the payment was erroneously withheld.

1. If the vendor is a non-trade vendor, type **VPN** in the NEXT FUNCTION field and press **ENTER** to access the *Vendor Payable Information (VPN)* screen.
2. Verify that the TAX ID EXPIRATION DATE field has an expired date.
3. Verify that the 1099 WITHHOLDING RATE field contains the appropriate withholding percentage.
4. Type **VDD** in the NEXT FUNCTION field and press **ENTER** to access the *Vendor Default Distribution (VDD)* screen.
5. Verify that the 1099 WITHHOLD field contains the appropriate indicator.
 - a. Refer to **Procedure 40: Setting Up a Non-Trade Vendor for Withholding** to set up the TAX ID EXPIRATION DATE and 1099 WITHHOLDING RATE fields, if necessary. If the vendor is a trade vendor, contact OSC Support Services at (919) 707-0795 to verify the information.
6. Type **CDE** in the NEXT FUNCTION field and press **ENTER** to access the *Control Document Entry (CDE)* screen.
7. Type the **paying entity (XXPT or XXPN)** in the PAY ENTITY field.
8. Type the **control group number** in the CONTROL NUMBER field.
9. Type **.00** in the CNTL AMT field. Since the invoice is a zero-dollar invoice, the control group total is zero.
10. Type the **first and last initials** in the APPL AREA field.
11. Type **D** in the ENTRY METHOD field to indicate this is a direct invoice.
12. Type the **bank account payment code** in the BANK ACCT PYMT IND field and press **ENTER** to access the *Invoice Worksheet 1 (IWS-1T)* screen.
 - a. Do not type ZRO in the BANK ACCT PYMT IND field.
13. Type the invoice information on the *IWS-1T* screen. Use the same vendor as the original invoice.
14. Type **NET** in the TERMS CODE field.
15. On line 0001, type the **positive dollar amount** in the AMOUNT/PERCENT field.
16. Type the **company number** in the CO field.
17. Type the **account number** in the ACCOUNT field.

18. Type the **center number** in the CENTER field.
 - a. Use the same accounting distribution as the original invoice.
19. Type **NO** in the 99 field.
20. On line 0002, type the **negative dollar amount** in the AMOUNT/PERCENT field.
21. Type the **company number** in the CO field.
22. Type the **account number** in the ACCOUNT field.
23. Type the **center number** in the CENTER field.
 - a. Use the same accounting distribution as the first line.
24. Type **the same 1099 code that was keyed on the original invoice** in the 99 field.
25. Type **R** in the REQUEST field and press **ENTER** to access the *Invoice Worksheet 2 (IWS-2T)* screen.

Verify that the BANK PYMT field contains your BAP code (not ZRO).
26. Type **N** or **NEXT** in the REQUEST field and press **ENTER** to balance the invoice.
27. After the check has been produced for the amount withheld in error, access the *Invoice Maintenance 1 (IMW-1T)* screen and **change the 1099 field on line 0001 to the same 1099 code used on line 0002.**
 - a. Step 27 will ensure that the 1099 reports reflect that the withholding is zeroed out and will have zero net effect on the 1099 totals for this vendor.