# Welcome to Ceterus 1099 Services

Whether this is your first year having Ceterus file 1099s on your behalf or you've been using our 1099 service for years, we are happy to assist you during this critical time of year. While you are always welcome to **reach out to us directly** with any questions, we hope this guide empowers you in understanding how Ceterus operates 1099 filings and recipient information gathering.

## Guide Contents



## 1099 Education

### *What are 1099s?*

- The IRS wants to know what income individuals and companies receive. Annual 1099s are required by the IRS to track income paid to individuals and certain businesses (broadly, organizations that are not incorporated). Companies that pay for goods or services are required to file 1099s annually letting the IRS know who they paid
- The IRS compares taxpayers' reported income on Form 1040 (or other tax forms) against the information reported on 1099 forms
- For the most part, individual taxpayers don't complete 1099 forms. However, small businesses who hire certain independent contractors may be required to provide a 1099
- To file a 1099, a Form W-9 is required as it provides all the information needed for the eligible recipient

### *When are 1099s due?*

- The IRS requires 1099s to be filed the beginning of each year for the prior year. Since Ceterus must obtain information prior to the filing, the key deadlines are a little sooner to ensure we can file these on your behalf in time. Please see the below chart for key deadlines during the 1099 season

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|---|---|---|
| **January 15, 2021**<br>1099 Opt Out Deadline | **January 20, 2021**<br>Final Vendor Amounts Listed in Edge 1099 Manager | **January 22, 2021**<br>Vendor Edits in Edge 1099 Manager Deadline |

| | |
|---|---|
| **January 28, 2021**<br>1099 Filings Begin for Complete Vendor Data | **January 31, 2021**<br>IRS Filing Deadline for 1099s |

## *Who is Required to File a 1099?*

- A **1099-MISC** is required for any person whom you have paid during the year:
  - At least **$10 in royalties or broker payments** in lieu of dividends or tax-exempt interest
  - At least **$600 in**:
    - Rents
    - Prizes and awards
    - Other income payments
    - Medical and health care payments
    - Crop insurance proceeds
    - Cash payments for fish (or aquatic life) you purchase from anyone engaged in the trade or business of catching fish
    - Cash paid from a notional principal contract to an individual partnership or estate
    - Payments to any attorney
    - Any fishing boat proceeds
  - At least **$5,000 in direct sales of consumer products to a buyer for resale** anywhere other than a permanent retail establishment

- A **1099-NEC** is required for nonemployee compensation; for example, monies paid to a freelancer.

- **Exemptions** to filing a 1099: (*A long list can be found directly on the IRS website, but these are especially relevant)*
  - Not a credit card
  - Any vendor who is registered as an LLC (S-Corp or C-Corp)
  - Payments of rent to real estate agents or property managers
  - Wages paid to employees
  - Payments to a tax-exempt organization

You may be thinking "This seems like a *lot* to remember - how can I possibly keep track of who is eligible and who isn't during everything else I am trying to organize this time of the year?" Don't worry, we get it. That's why we've made it as simple as we can in order to gather this information from you with our **Edge 1099 Manager**. We'll take care of the eligible vendors and filings - you take care of gathering the correct info we need and get back to running your business!

# Vendor Information in Edge 1099 Manager

- We know this is a busy time for you. This year and moving forward, you will be able to update and make edits to your 1099 eligible vendors (that we've determined for you!) directly in Edge through our new **1099 Manager** tool

- The 1099 Manager page allows you to:
  - Opt out of 1099 service
  - Review and edit vendor (**1099 recipient**) information
  - Review and edit location associations for legal business(es) (**payers**)
  - Track and edit incomplete recipient information
  - Track the 1099 filing status

## *Step 1: Opt In or Out of Ceterus 1099 Service*

- Log into **Edge Web**
- On the left sidebar, choose **Action Center > 1099 Manager**
- Ensure you are on the **Legal Business Manager** tab on the 1099 Manager page
- A list of payers (your businesses) we have associated with your Ceterus account should appear
- For any payers you wish to **opt-out** of 1099 services, check the box under **Opt-Out**. This will auto-save as soon as you check the box, so there is no need to hit a Save button. Leaving this blank will keep you opted-in to 1099 services with Ceterus
- If you choose Opt-Out, Ceterus will not file 1099s on this legal business' behalf

## *Step 2: Review and Edit Payer (Legal Business) Information*

- Log into **Edge Web**
- On the left sidebar, choose **Action Center > 1099 Manager**
- Ensure you are on the **Legal Business Manager** tab on the 1099 Manager page
- If a payer (legal business) needs edited, a **red x** (screenshot) will appear in the Status column
- To edit, choose **Edit** under the Edit column
- Fill in the fields in the Editing Pop Up. You **must** include **all** information in the required fields at the same time in order to save. Our functionality does not allow you to edit parts and return later to fill in information you are unsure about or do not have
- When all required fields are inputted, the **Save Changes** button will turn blue to save
- You will have the ability to edit payer information directly in Edge until **January 15, 2021**. Any changes after then will need to be submitted to **support@ceterus.com**

### *Step 3: Review and edit Recipient (Vendor) Information*

- Log into **Edge Web**
- On the left sidebar, choose **Action Center > 1099 Manager**
- Ensure you are on the **Filing Status** tab on the 1099 Manager page
- A list of recipients (vendors) will appear. If you believe any of the vendors listed are ineligible for 1099 filings, please let us know at **support@ceterus.com** so we can remove them for you.
- Note that we are presenting this information to you in draft form prior to finalizing your books for the year. If Ceterus does not have complete information for the vendor, the **Vendor W9 Status** will say **Incomplete** in red. This is a preview to give you time to gather payee information.
- If and when complete, the **Filing Status** column will say **To Be Filed**
- To edit, choose **View/Edit** under the Actions column
- Fill in the required fields according to your recipients W-9 Form. Remember that all fields must be input at the same time to save your progress, so best practice is to obtain all the information you need prior to inputting any fields
- When all required fields are inputted, the **Save Changes** button will turn blue to save. You will have the ability to edit vendor information directly in Edge until **January, 22, 2021**. Any changes after then will need to be submitted to **support@ceterus.com**

### *Step 4: Review Amounts for Recipients*

- Log into **Edge Web**
- On the left sidebar, choose **Action Center > 1099 Manager**
- Ensure you are on the **Filing Status** tab on the 1099 Manager page
- A list of recipients (vendors) will appear. To the left of each recipient name, an **+** will be present. Click the **+** to expand the recipient amount values
- The amounts will populate for any appropriate breakdowns for the recipient. **Keep in mind that amounts will not be finalized until you've been notified December books are complete**. We recommend waiting to review these amounts once you've received your financials closed notification for all locations for December books
- If you notice the amounts are incorrect, please email **support@ceterus.com** immediately with the correct amounts and any other relevant information so we can address these corrections with your financial team
- If we do not receive any corrections from you regarding amounts, we will file complete recipients according to the amounts we have recorded in Edge

## Tracking 1099 Filings in Edge 1099 Manager

When filing has begun, you will be able to check the Filing status for each of your recipients 1099s directly in Edge 1099 Manager.

- Log into **Edge Web**
- On the left sidebar, choose **Action Center > 1099 Manager**
- Ensure you are on the **Filing Status** tab on the 1099 Manager page
- Under the Filing Status column, you will see statuses of either **Filed** or **To Be Filed**. These statuses will update as we complete the filings
- You can also confirm the date the Recipients 1099 was filed in the **Filing Date** column
- If the **Filing Status** says **To Be Filed** with a **Filing Date** of **Not Filed**, it could be that we do not have complete recipient information. We recommend checking the **Vendor W9 Status** before reaching out to Ceterus with troubleshooting issues. If the Vendor W9 Status says **Incomplete**, follow **these steps** to provide us the correct details for that vendor
- Once a recipient's 1099 has been filed, vendor data can no longer be edited. If changes need to be adjusted to the 1099 amounts or a new 1099 filing recorded needs submitted entirely, please email **support@ceterus.com** so we can look into this for you.

## Can I just send Ceterus a copy of my recipient's W-9 instead of typing this into Edge 1099 Manager myself?

We definitely recommend inputting this information directly into Edge 1099 Manager as much as you can. That being said, you can certainly send us a copy of your recipient's W-9 information directly and we can manually input this for you. Our intent with Edge 1099 Manager is to allow you to instantly make changes as you have received the information whereas having our team handle and upload the information could cause delays depending on the volume of W-9s we receive.

Should you have any additional questions or would like to schedule a call, please submit a request to **support@ceterus.com**. Happy filing!