WELCOME TO

Checking Off Your Year End with ActivityHD

Let's Prepare for January!

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1

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Implementation Team

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Implementation Team

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2

Agenda

HERE'S THE PLAN

1. 1099 Production
2. W-2's Processing
3. ACA Process & Reporting
4. ActivityHD End of Year Online Help

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Dates to Remember

Important Filing Deadlines for 2022

Form	Due to recipient by	Mail to IRS by	E-file with IRS by
1099-NEC	January 31st, 2023	January 31st, 2023	January 31st, 2023
1099-MISC	January 31st, 2023	February 28th, 2023	March 31st, 2023
W-2	January 31st, 2023	January 31st, 2023	January 31st, 2023
1095-C	March 2nd, 2023	February 28th, 2023	March 31st, 2023

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Changes for 2022

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Key Changes for 2022 1099s

- Updates for built-in 1099 form designs
  - IRS format is now setup for continuous use.
- FATCA filing option has been added
  - Primarily affects financial entities
  - Adds a checkbox to enable FATCA reporting
  - Vendor code will be account number
- Printing process for 2-step correction
  - No payee TIN
  - Incorrect payee TIN
  - Incorrect payee name
  - Original return filed using wrong return type

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Preparing to Process 1099s

7

What Makes a 1099

1. APCodes are assigned to a Vendor
2. When an invoice is added the APCode is defaulted onto the invoice
3. The APCode is added to the payment from the invoice
4. 1099 reportable amounts become payment history
5. 1099 forms are created and filed

8

1099 Detail Report

Start by Proofing with the 1099 Detail Report

This gives you a snapshot of your 1099 reporting
Can be ran and reviewed throughout the year
Multiple options for helpful feedback

Helps Locate Potential Inaccuracies

Vendors flagged for reporting that should not be
Vendors not flagged for reporting that should be
Vendors missing an appropriate APCode
Errors in reported amounts

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9

Correcting Vendor Records

Vendor Tab	Enter a Vendor's Federal ID number.
Location Tab	Assign the Reporting Flag to the correct address.
Defaults Tab	Assign a new APCode or remove an inappropriate APCode.

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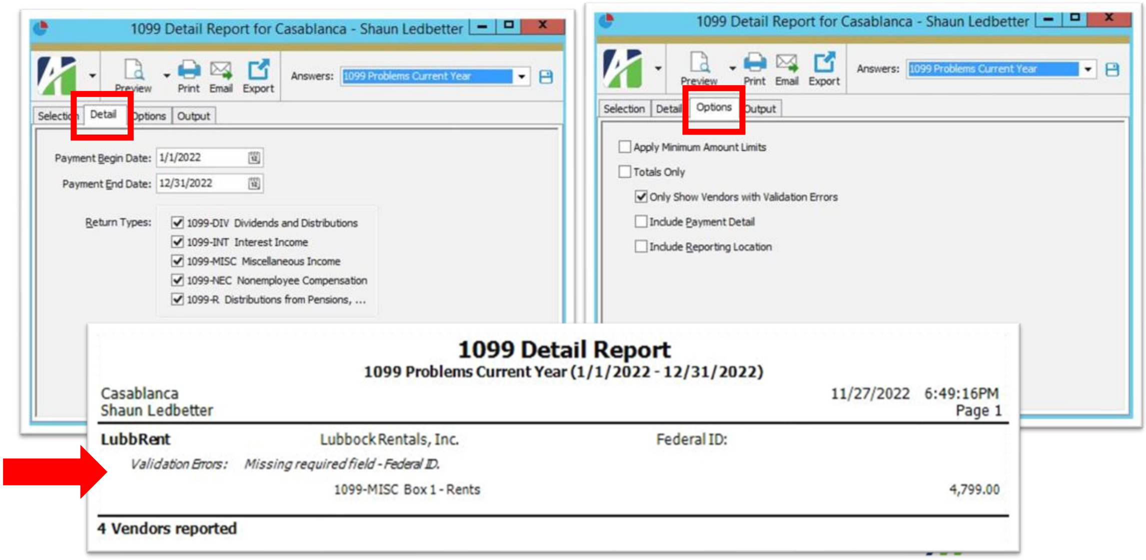
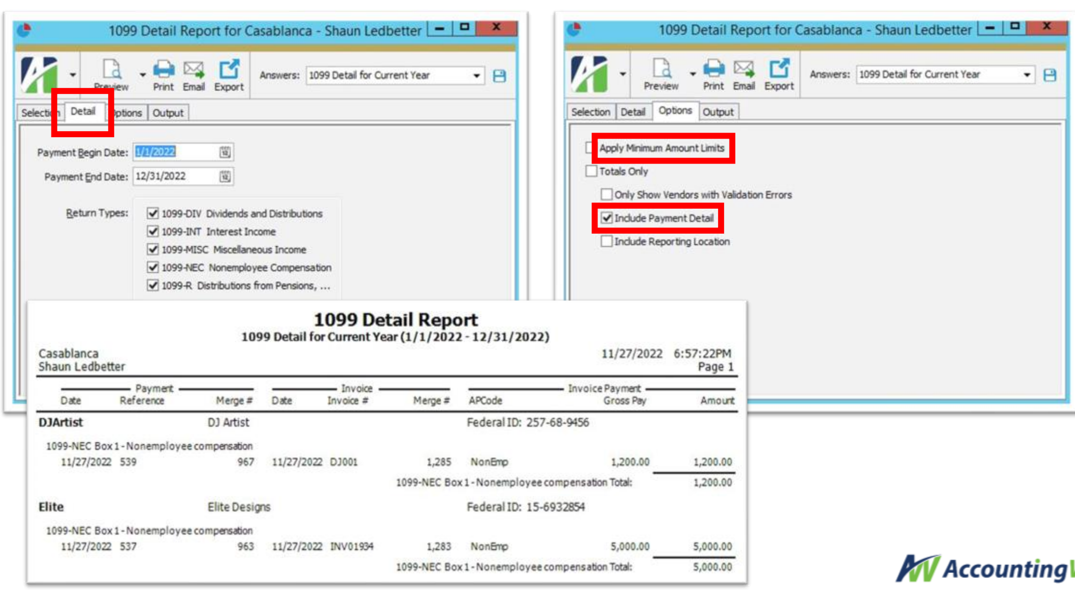
10

1099 Detail Report



11

Accounts Payable: 1099 Detail Report



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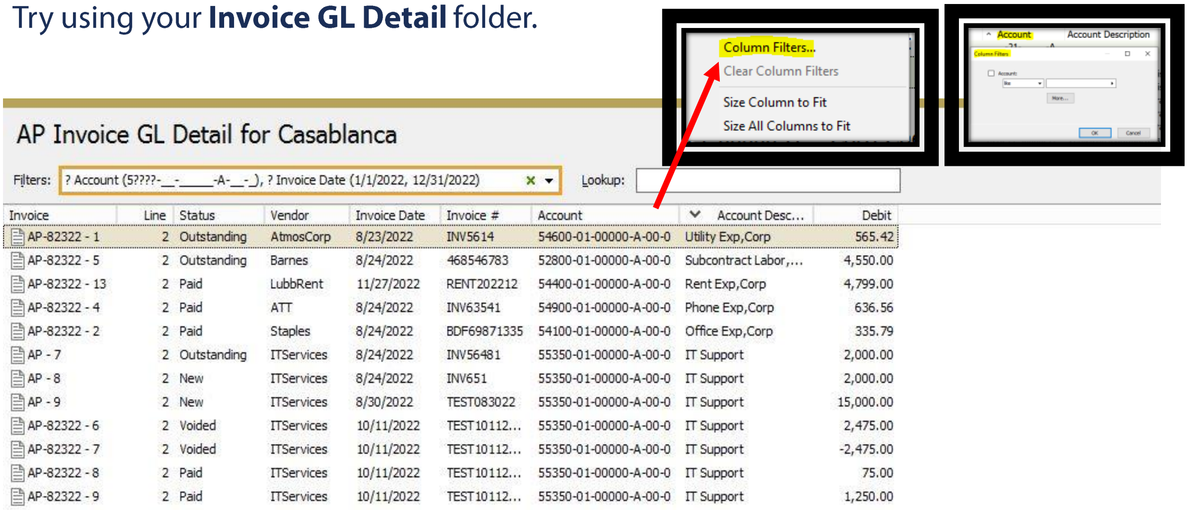
12

Proofing Invoices

Try using your **Invoice GL Detail** folder.



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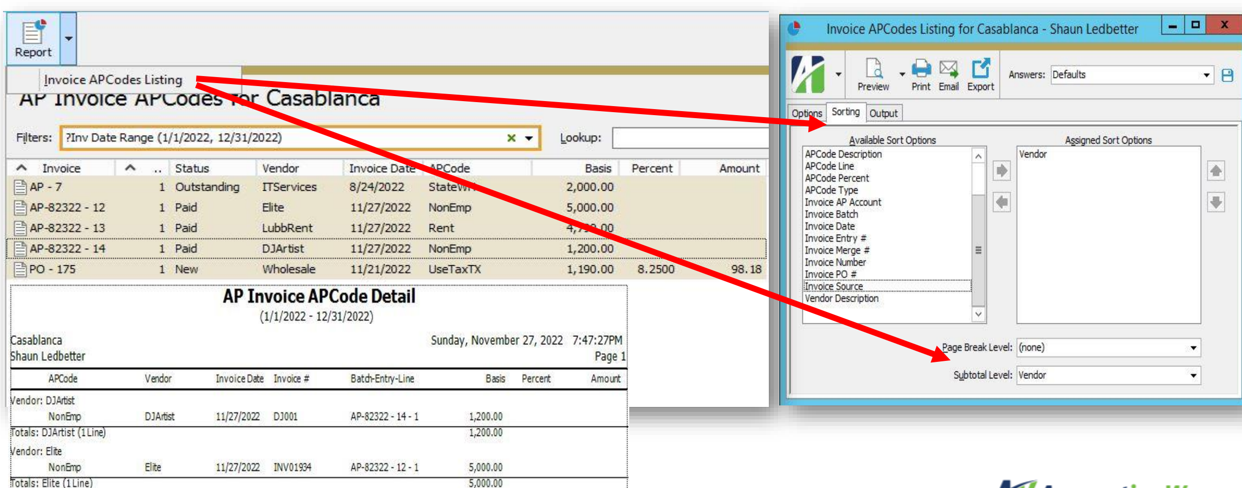
13

Proofing Invoices

Invoice APCode folder & run the Invoice APCodes Listing report



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14

Correcting APCodes on Invoices and Payments

Before making the correction to APCode on invoices, look to see what the status is of this invoice:

- Outstanding?
- Paid?

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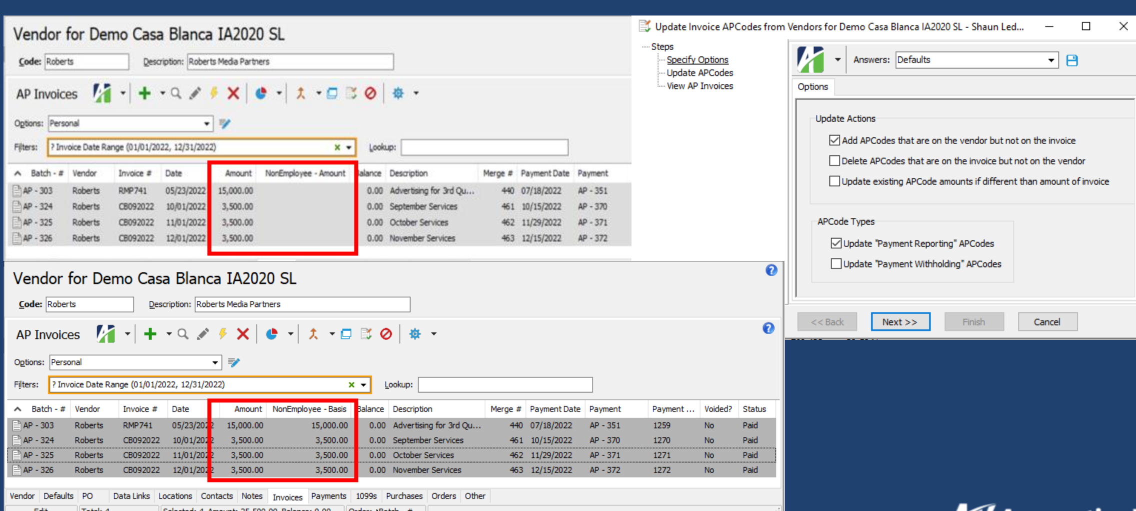
15

Update APCodes Process for Invoices



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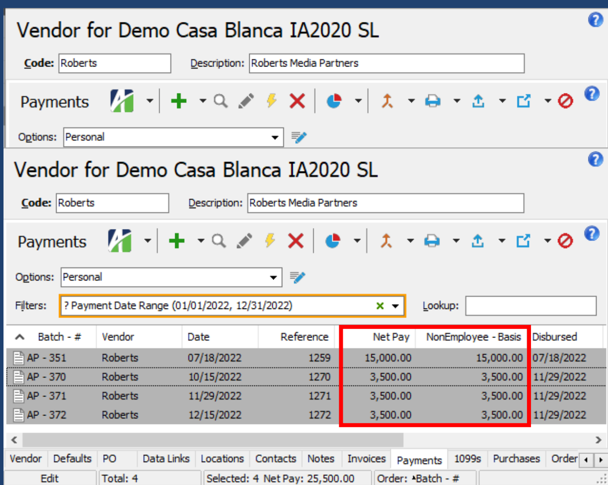
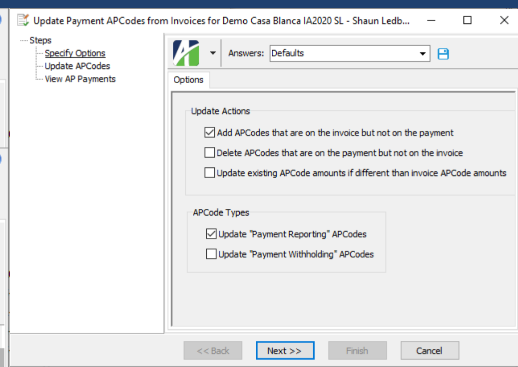
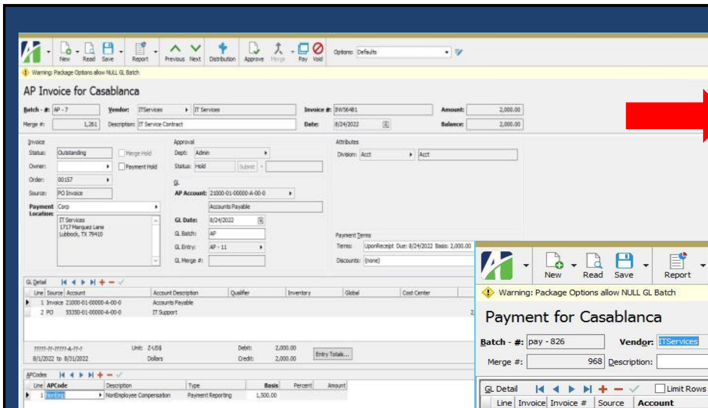
16

Update APCodes Process for Payments

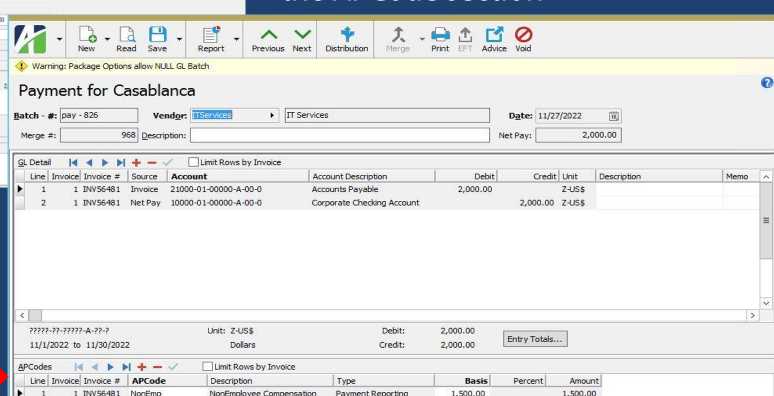




17



AP Invoice for $2000 & $1500 is 1099 reportable changed the basis amount in the APCode section



When payment is processed for this invoice the APCode basis amount is also $1500

18

Processing and Filing Your 1099s

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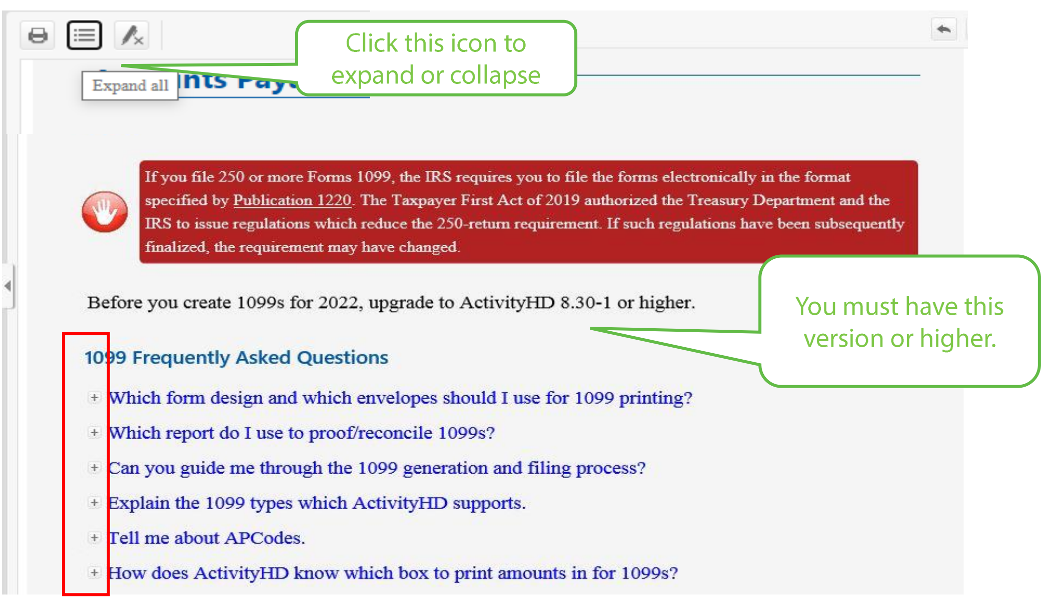
19



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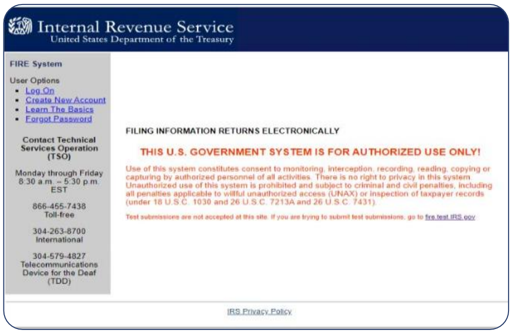
20

Preparing to E-File



- You will use the FIRE system to e-file your 1099s.
  - This is found at https://fire.irs.gov
- You must have a Transmitter Control Code (TCC) to e-file.
  - Use this shortcut IRS Application for TCC to access the application
- After you have received a TCC, make sure you have setup an account on the FIRE website.

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21

1099 Forms and Envelopes

For Recipients/Vendors
- Print on blank paper
- Preprinted forms

For IRS
- Preprinted forms
- Electronically file
- Cannot use blank paper

Envelopes for mailing
- DWMRS for recipients/vendors
- IRS- Big manilla envelope

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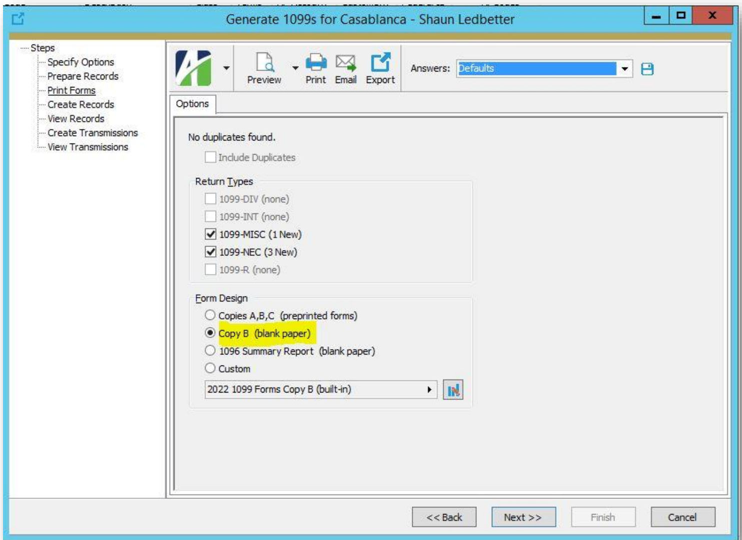
22

1099 Forms and Envelopes



For the Recipients/Vendors use Copy B forms (blank paper). Do not need to purchase the 1099 forms

DWMRS Envelopes for the Recipients 1099's

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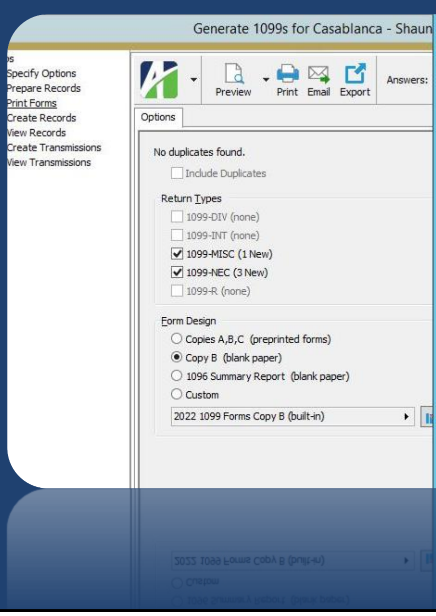
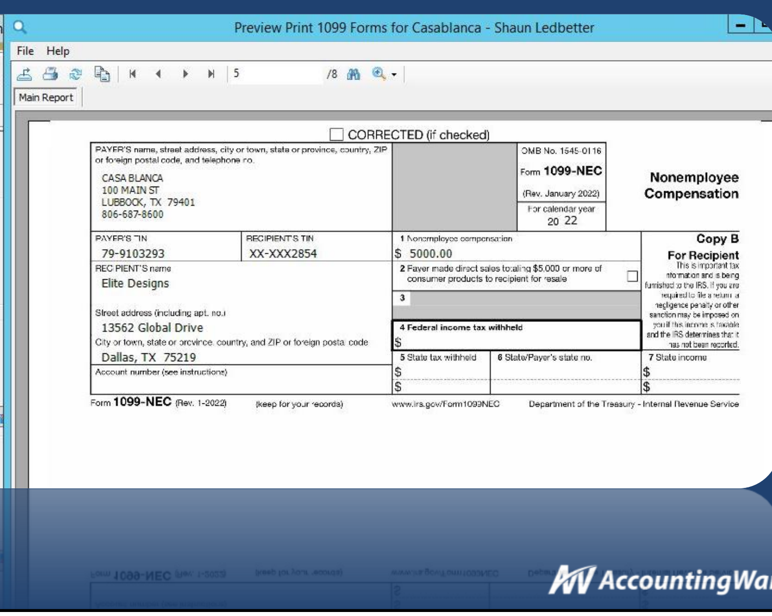
23





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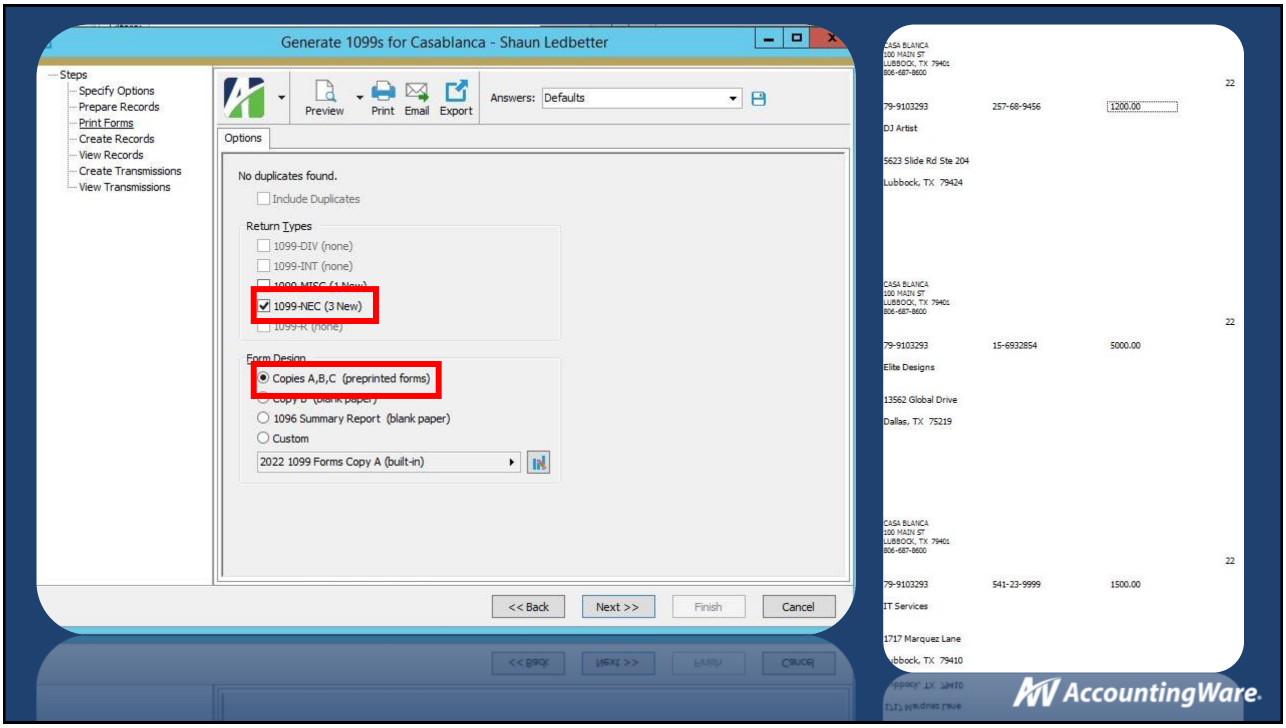
24



25

Accounts Payable

1099 Frequently Asked Questions

- Which form design and which envelopes should I use for 1099 printing?
- Which report do I use to proof/reconcile 1099s?
- Can you guide me through the 1099 generation and filing process?
- Explain the 1099 types which ActivityHD supports.
- Tell me about APCodes.
- How does ActivityHD know which box to print amounts in for 1099s?

Expand this topic to get a step-by-step walk through the 1099 generating process. The "start" is to right-click on the Vendors folder to **Select and Generate 1099s**.

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26

Generate 1099s

- Steps
  - Specify Options
  - Prepare Records
  - Print Forms
  - Create Records
  - View Records
  - Create Transmissions
  - View Transmissions

The dialog walks you through these steps:

1. Specify Options and Generate 1099 data.
2. Prepare Records
3. Print the 1099 forms for your vendors.
4. Create 1099 Records and attach a pdf of the form to each vendor.
5. View the 1099 Records
6. Create Transmission Records and file to be submitted to the IRS.
7. View Transmission Records

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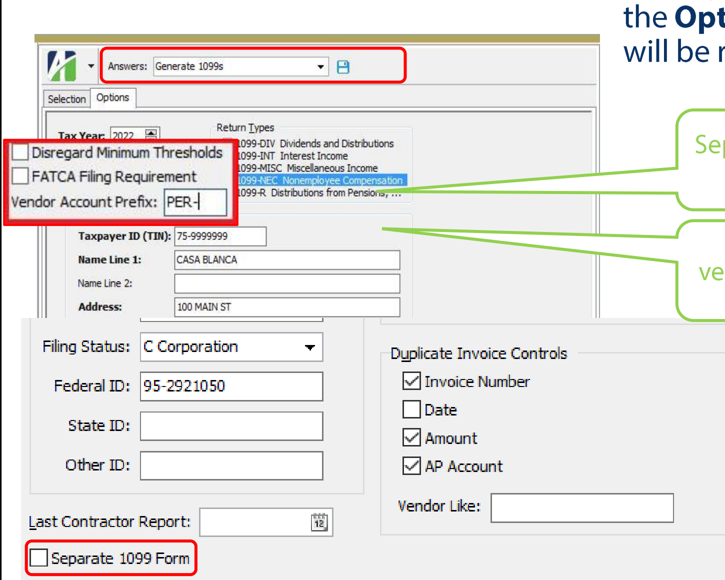
27

Generating 1099s

If you are generating 1099s for the first time in ActivityHD, after answering these questions in the **Options** dialog, save your answers so they will be remembered next year.



Separate vendors with one tax ID.

The prefix helps your vendor know the origin of each 1099 amount.

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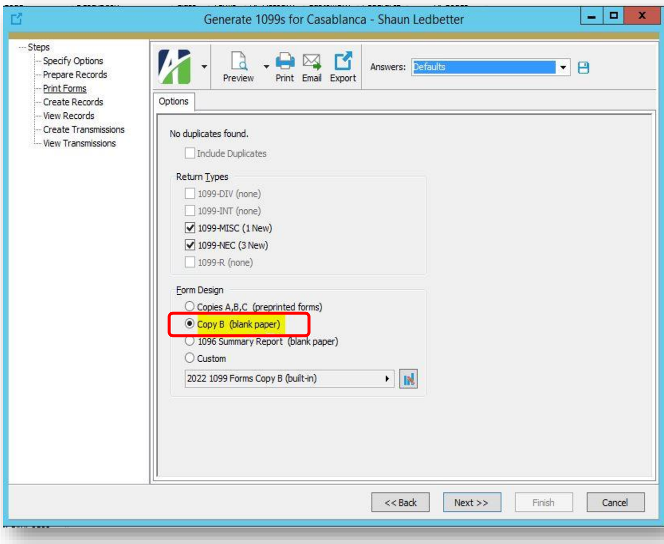
28

Generating 1099s



This is the dialog window to do your printing, where you can select what forms will be produced.

You can print on blank paper for the vendor 1099 forms.

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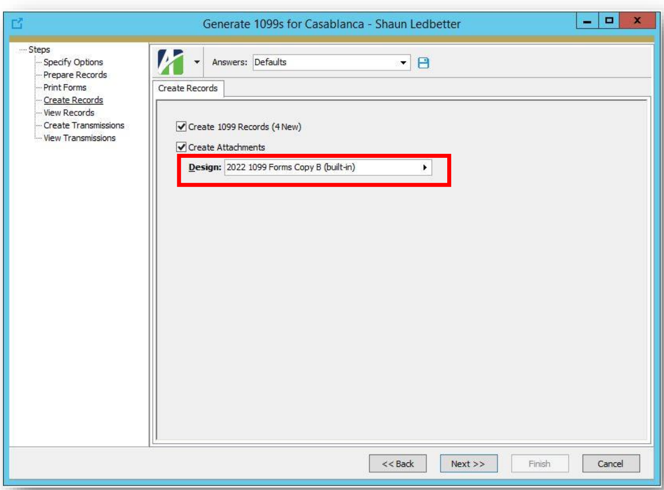
29

Generating 1099s



This is the Create records step where you can also create attachments. Be sure and check that box and use the 2022 1099 Form Copy B (built-in) Design to attach to the 1099 Records

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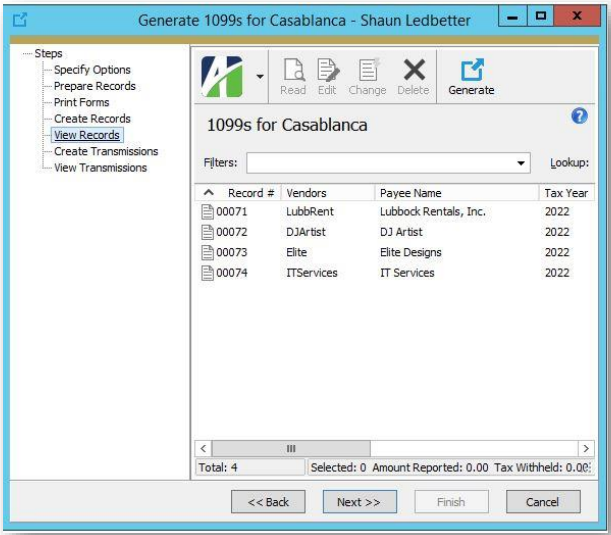
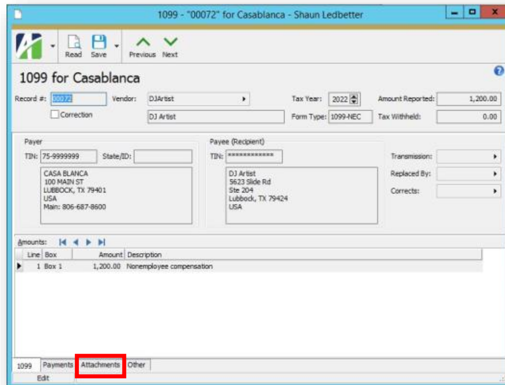
30

Generating 1099s



This is the view 1099 records step where you can open the records and you can see the attachments.



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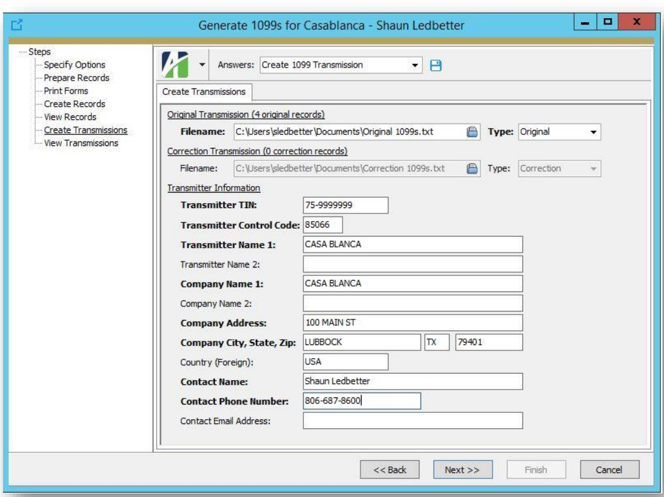
31

Generating 1099s



This step will create a 1099 Transmission record in ActivityHD and also create the file that can be submitted to the IRS.

Again, save your answers so they are remembered next year.

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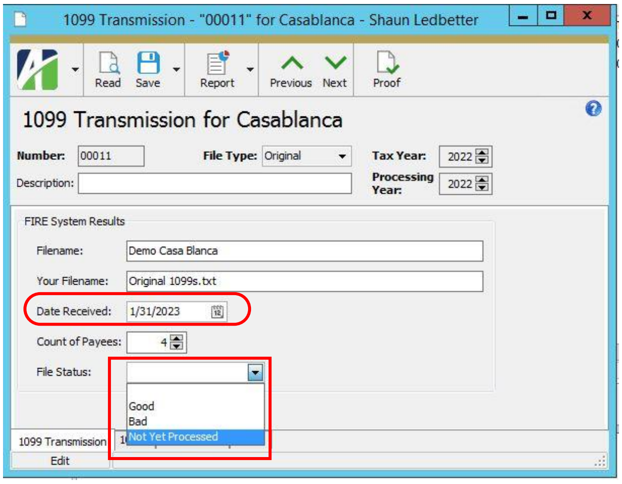
32

Generating 1099s



This is the Transmission record. We recommend the following:

- Enter the File name – assigned by the FIRE system
- Enter the Date received by the IRS.
- Choose the appropriate file status. Log in about Feb. 5th and check the file status to make sure it has been "Released".

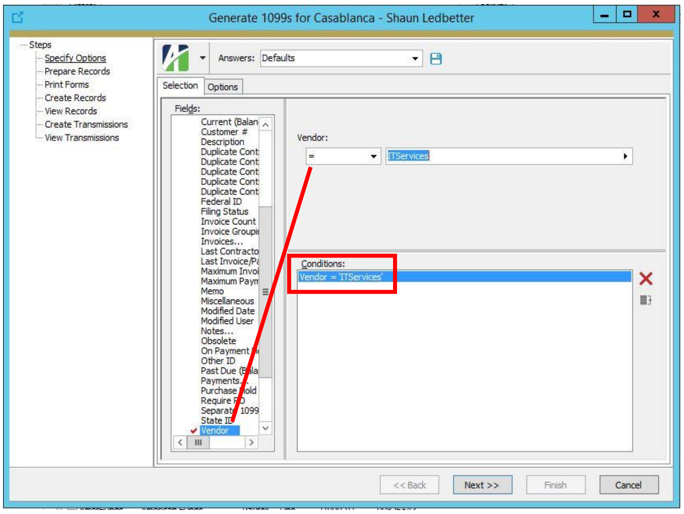
33

Correcting 1099s

1. Correct the APCode amount for that vendor.
2. Make sure Status on 1099 Transmission record is correct
3. Go to the Vendor folder and right click and select Generate 1099s.
4. Follow the steps, and you will create a correcting 1099 form and 1099 record.
5. The Transmission screen will indicate that you want to create a correction file for 1099. Note: This will only happen if you have marked the original transmission record as "Good, Released".

34

Generating Corrections 1099s



Corrections

On the Specify Options step go to the Selection tab and select the Vendor or Vendors that need corrections.

Make sure the Option tab is filled in and then go through all the steps.

Send the Vendor the new 1099 and submit to the IRS

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35

Payroll

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36

Generating W-2s

Payroll

W-2s

Electronic filing is required if you file ten or more Forms W-2. For more information, see "Specifications for Filing Forms W-2 Electronically (EFW2)" at the Social Security Administration (SSA) website. To register to file electronically, go to the SSA's Business Services Online and click "Register".

To file electronically from ActivityHD, use the "USA 2022 EFW2" export control. After you've upgraded to version 8.30-1 or later, you can import the export control from the distribution folder path "\Extras\Payroll\Export Controls\USA 2022 EFW2.XML". Contact AccountingWare Support if you need assistance.

We always recommend sending a file to the IRS about your W-2s.

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37

Generating W-2s

Before You W-2

Before you begin W-2 processing, it's good to verify that the following information is accurate/up-to-date:

- Export employers
- Export submitters
- Company address
- Employer tax ID on the Payroll USA tax entity (and state tax IDs if applicable)
- Payroll groups and the PRCodes assigned to them. In particular, filter the **Segment Items** or **PRCodes** HD view and apply the "? Has Group" filter to verify the PRCodes assigned to the following groups:
  - Compensation (Pay PRCodes)
  - IncomeTax (Tax PRCodes)
  - PreIncomeTax, PreMedicare, PreSocialSecurity (Deduction PRCodes)
  - 401k, Roth401k, 403b, 457b, etc. (Deduction PRCodes)
  - ThirdPartySickPay (Pay PRCodes)
  - Employer-sponsored health plans (Deduction PRCodes)
  - COVID sick pay (Pay PRCodes)

If this is your first W-2 generation with ActivityHD, you should verify the underlined setup items are correct.

During Implementation, the groups should be set correctly for your PRCodes' taxation.

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38

Verifying Taxable Wages

- Taxable wages. Import and use the Taxable Wages export control (found in your "Extras" distribution folder). Use "Verify" filters to locate problem checks. (You can copy existing "Proof" filters on the **Checks** folder and change the value of the **Merged** flag from "0" to "1" in the conditions.) Look for these types of problems:
  - Federal taxes (income tax, Medicare, social security). Make correcting checks to fix discrepancies. Call AccountingWare Support for assistance with correcting checks.
  - State taxes (income tax, miscellaneous state taxes). Make correcting checks to fix discrepancies.

There are two methods of verifying your taxable wages:

- Use the **Taxable Wages** export control to build a file to verify them.
- Use multiple **Verify xxx Tax filters** on your Checks folder.

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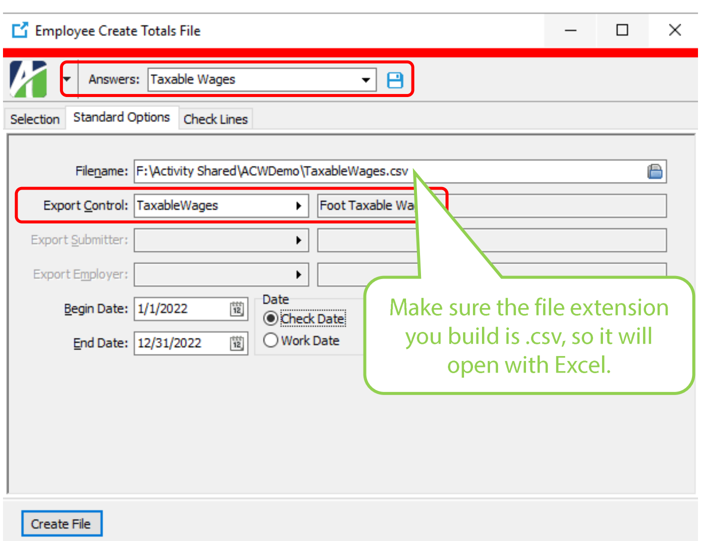
39

Creating Taxable Wages File



Right-click on the Employees folder to **Select and Create Totals File**.

If this is the first time to generate W-2s using ActivityHD, you might not have a Taxable Wages saved answer.

And, if you don't yet have the Taxable Wages export control, contact Support.

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40

Creating Taxable Wages File

When you open the .csv file, it will look like this…

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	Employee	Name	Compensa	PreIncom	Calc Taxab	Actual USA	USA Diff	Actual CA	CA Diff	PreMedica	Calc Med '	Actual Me	Med Diff	PreSocialS	Calc SS Wa	Actual SS '	SS Diff	SUTA Wag	SDI Wages	ETT Wage	FUTA Wages
41			895.48	0	895.48	895.48	0	895.48	0	0	895.48	895.48	0	0	895.48	895.48	0	895.48	895.48	895.48	895.48
42			61636.4	5747.03	55889.37	55889.37	0	55889.37	0	1392.07	60244.33	60244.33	0	1392.07	60244.33	60244.33	0	7000	61636.4	7000	7000
43			9264.33	0	9264.33	9264.33	0	9264.33	0	0	9264.33	9264.33	0	0	9264.33	9264.33	0	7000	9264.33	7000	7000
44			18447.3	0	18447.3	18447.3	0	18447.3	0	0	18447.3	18447.3	0	0	18447.3	18447.3	0	7000	18447.3	7000	7000

Each employee's checks are totaled for the year.

The same calculations are done for your state income tax. If your state isn't shown, it can be added.

The compensation less pre-income-tax amount is calculated by the file and then compared to the amount that is on checks in ActivityHD.

And the analysis is continued for Medicare and Social Security, etc.

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41

Creating Taxable Wages File

When you open the .csv file, it will look like this…

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
1	Employee	Name	Compensa	PreIncom	Calc Taxab	Actual USA	USA Diff	Actual CA	CA Diff	PreMedica	Calc Med '	Actual Me	Med Diff	PreSocialS	Calc SS Wa	Actual SS	SS Diff	SUTA Wag	SDI Wages	ETT Wage	FUTA Wages
41			895.48	0	895.48	895.48	0	895.48	0	0	895.48	895.4	0	0	895.48	895.4	0	895.48	895.48	895.48	895.48
42			61636.4	5747.03	55889.37	55889.37	0	55889.37	0	1392.07	60244.33	60244.3	0	1392.07	60244.33	60244.3	0	7000	61636.4	7000	7000
43			9264.33	0	9264.33	9264.33	0	9264.33	0	0	9264.33	9264.3	0	0	9264.33	9264.3	0	7000	9264.33	7000	7000
44			18447.3	0	18447.3	18447.3	0	18447.3	0	0	18447.3	18447.	0	0	18447.3	18447.	0	7000	18447.3	7000	7000

You want zeros in all the columns calculating the difference between the Activity checks and these calculations.

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42

Verifying Taxable Wages

There are two methods of verifying your taxable wages:

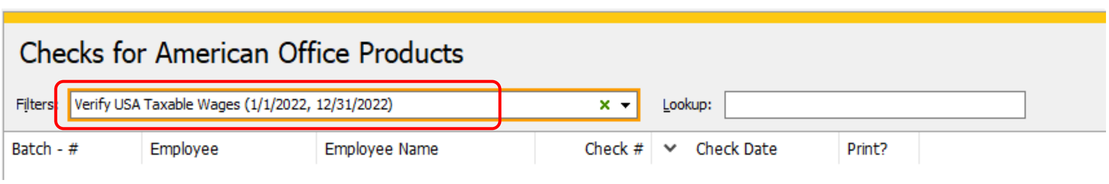
- Use the Taxable Wages export control to build a file to verify them.
- Use multiple **Verify xxx Tax filters** on your **Checks** folder.

You already have proofing filters for your new checks that make sure the various taxable wages totals are correct.

If you don't have any filters named "Verify" then contact AccountingWare Support to get them added.

43

Verifying Taxable Wages



When using any of the Verify filters, if no checks are presented, that means you have no problem with the taxable wages for that tax.

If either the Taxable Wages workbook or one of the Verify filters shows problems, call AccountingWare Support and we will help you create correcting checks.

44

Generating W-2s

⊟ Which report design and which envelopes should I use to print W-2s?

AccountingWare recommends using the L4BL blank 4-up forms (with pre-printed instructions on the back) and DW-4S envelopes. These forms are available from Safeguard Business Systems.

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45

Generating W-2s

[Create an export totals file]

Why is this first? Because you should build this file, then use the SSA site to run AccuWage Online on your file to verify your employee addresses are correct and identify other types of employee setup problems.

W-2 Frequently Asked Questions

- How do I generate W-2 forms?
- How do I file electronically using the export control USA 2022 EFW2?
- Why don't the amounts on the W-2 match actual wages?
- How do I replace the W-2 records currently attached in Self-serve?
- How do I change the company address that prints on W-2s?
- Which report design and which envelopes should I use to print W-2s?
- Can W-2s be e-mailed to employees?
- How do I get the 2022 EFW2 file?
- What is AccuWage?

You also need to be registered in the Business Services Online (BSO) system to run AccuWage Online.

Just like creating the Taxable Wages file, you need the latest USA 2022 EFW2 export control.

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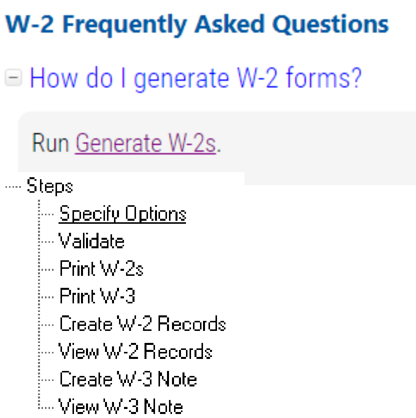
46

Generating W-2s



The Activity Help is very detailed and thorough concerning the generation of W-2s.

The general steps in the dialog are shown here, and include the following:

1. Generate your W-2 data.
2. Print the W-2 forms.
3. Create a W-2 Record for each employee and attach a pdf of each form to the record.
4. Create a W-3 note and attach the W-3 report of amounts to the note.

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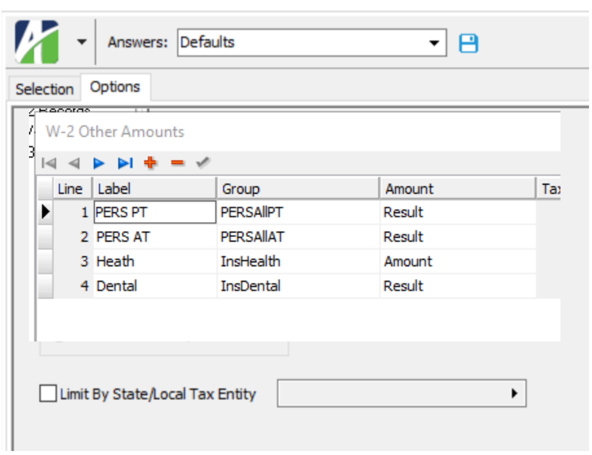
47

Generating W-2s



Right-click on Employees to Select and Generate W-2s.

The Other Amounts will print in box 14 that is only for employee information. The IRS does NOT read this information, and it is not included in the electronic file.

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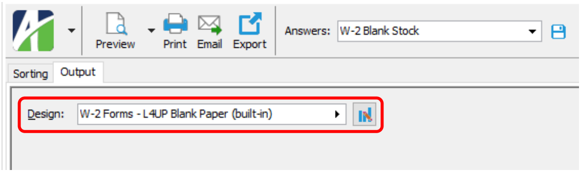
48

Generating W-2s



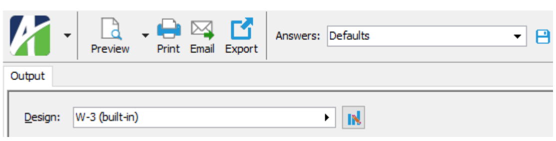
This dialog occurs after generating the W-2 data and is where you print your W-2 forms. Use blank stock – it is much simpler!

Tip: Load just one W-2 form (note how you loaded it in your printer) and print just the first form. See the results and you'll know how to load all your forms for correct printing.

If you are using Activity Self-Serve, you might not be printing any W-2 forms. This requires fulfillment of the IRS requirements for employees to receive electronic W-2s. If true, simply click **Preview**, then click **Next** to go to the next dialog window.

49

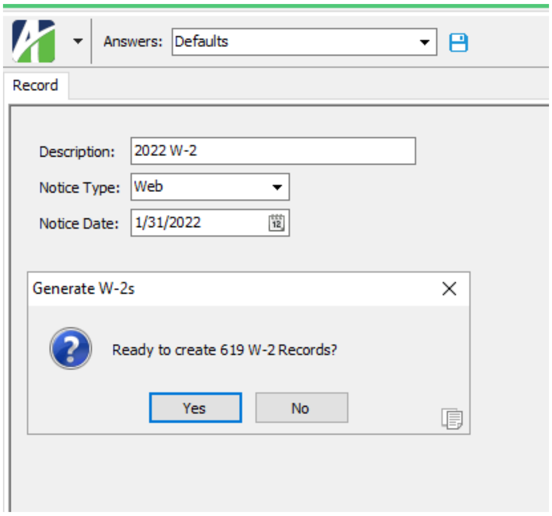
Printing the W-3 Numbers



You can print if you wish, but it's just as easy to click **Next** and create the W-3 Note (which will have the W-3 attached to it).

50

Generating W-2 Records



W-2 Records are valuable for two reasons:

1. If you are using Activity Self-Serve, this is how the W-2s are "published" there. When the records are created, the employees can automatically see them.
2. If you have a request for a copy/reprint of a W-2, you can open and print the attached pdf.

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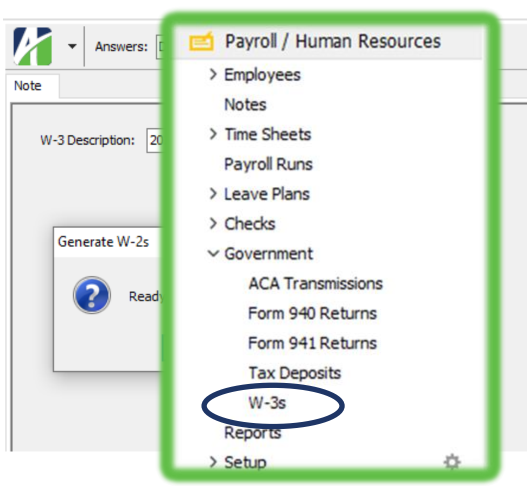
51

Creating the W-3 Note



The W-3 Note will contain a pdf of the W-3 "report" which presents the totals of the numbers on W-2 forms.

NEW FEATURE

Beginning in Version 8.26 or later

- W-3 Records are available under the Government Folder.
- Historical W-3's will be available.

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52

Creating the W-2 Electronic File

- How do I file electronically using the export control USA 2022 EFW2?
- Why don't the amounts on the W-2 match actual wages?
- How do I replace the W-2 records currently attached in Self-serve?
- How do I change the company address that prints on W-2s?
- Which report design and which envelopes should I use to print W-2s?
- Can W-2s be e-mailed to employees?
- How do I get the 2022 EFW2 file?
- What is AccuWage?

You need the USA 2022 EFW2 export control.

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53

Creating the W-2 Electronic File

Just like the other files…

1. Right-click on the **Employees** folder to **Select and Create Totals File.**
2. In the dialog, you should have a W-2 Electronic File saved answer. If not, you probably don't yet have the export control for 2022!
3. Once the file is generated, log into the BSO system and download it there.

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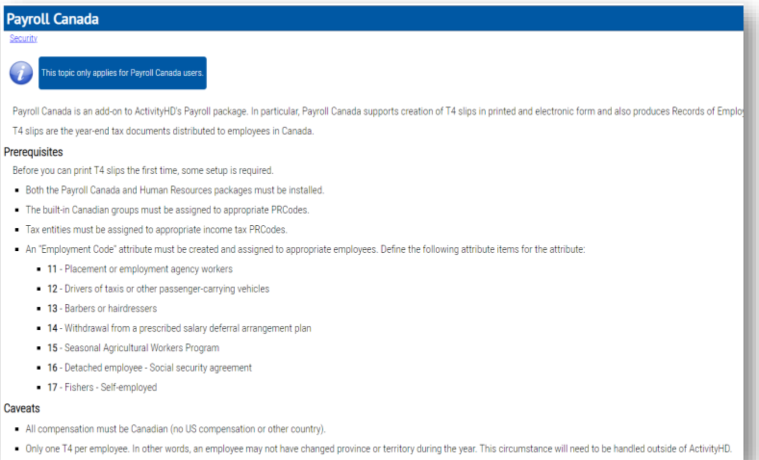
54

(CANADA) T4 Slips



Payroll Canada

Security

This topic only applies for Payroll Canada users.

Payroll Canada is an add-on to ActivityHD's Payroll package. In particular, Payroll Canada supports creation of T4 slips in printed and electronic form and also produces Records of Emplo

T4 slips are the year-end tax documents distributed to employees in Canada.

Prerequisites

Before you can print T4 slips the first time, some setup is required.

- Both the Payroll Canada and Human Resources packages must be installed.
- The built-in Canadian groups must be assigned to appropriate PRCodes.
- Tax entities must be assigned to appropriate income tax PRCodes.
- An "Employment Code" attribute must be created and assigned to appropriate employees. Define the following attribute items for the attribute:
  - **11** - Placement or employment agency workers
  - **12** - Drivers of taxis or other passenger-carrying vehicles
  - **13** - Barbers or hairdressers
  - **14** - Withdrawal from a prescribed salary deferral arrangement plan
  - **15** - Seasonal Agricultural Workers Program
  - **16** - Detached employee - Social security agreement
  - **17** - Fishers - Self-employed

Caveats

- All compensation must be Canadian (no US compensation or other country).
- Only one T4 per employee. In other words, an employee may not have changed province or territory during the year. This circumstance will need to be handled outside of ActivityHD.

Right-click on the Employees folder and choose Select and Create Totals File

See help text "Prepare electronic T4 slips" for additional guidance

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940 & 1095's

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56

Form 940 Return

Form 940 Returns

Security

IRS Form 940 is used to report annual Federal Unemployment Tax Act (FUTA) tax. FUTA tax, along with state unemployment taxes, is used to pay unemployment compensation to workers who have lost their jobs.

⊞ Expand this link to see prerequisites for using ActivityHD to produce Form 940.

Actions | Field definitions

⊞ Generate a 940 return

⊞ Maintain a 940 return

⊞ Print a 940 return

⊞ Reprint a 940 return

⊞ Manually clear the "Submitted" flag on a 940 return

Generating the 940 return is well-documented in Activity Help.

Expand this article to get complete information on the generation.

Expand this article to help print your 940 form.

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57

ACA Monthly Operations

ACA Monthly Operations

Monthly Operations

1. Verify that ACA Designation Records exist for all New Hires, Terminations or Changes between Full-Time and Part-Time.
   - 1 - Employees with missing ACA Designation record for Hire Status since the beginning of last year
   - 2 - Employees with missing ACA Designation record for Termination Status since the beginning of last year
   - 0 - Employee Type Attributes that switched to or from FT since the beginning of last year but are missing ACA Designation records
     - **Create ACA Result Records for the Measurement Period that just ended**
       - **12- ACA Calendar Detail ready to Process**
       - **12- ACA Calendar Detail Mark Calendar as Processed**
       - **0- ACA Result Record(s) Created this month**

   a. **ACA Result Records needing attention:**

   Instructions for Notification Steps ▼
   - **101 - Pending Notification of Offer**
   - **0 - Pending Notification of Expiration**
   - **0 - Waiting Response**

Stability Period Statistics

	Standard Stability Periods		
	Previous	Active	Upcoming
PT as ACA Full-Time	2	0	0
Pending Notification	0	0	0
Waiting Response	0	0	0
Selected	0	0	0
Declined	0	0	0
Expired	0	0	0

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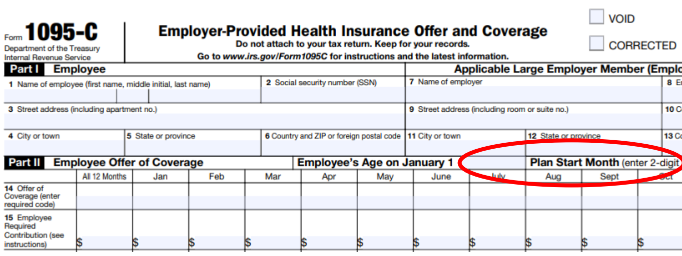
58

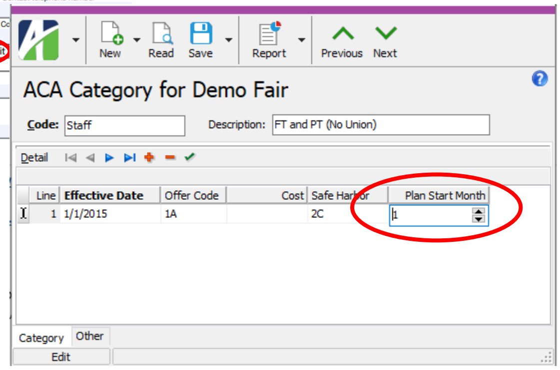
Plan Start Month: **Required**


Form **1095-C**
Department of the Treasury Internal Revenue Service
Employer-Provided Health Insurance Offer and Coverage
Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.
VOID
CORRECTED
OMB No. 1545-2251
2022

Part I Employee | Applicable Large Employer Member (Employer)
1 Name of employee (first name, middle initial, last name)
2 Social security number (SSN)
7 Name of employer
8 Employer identification number (EIN)
3 Street address (including apartment no.)
9 Street address (including room or suite no.)
10 Contact telephone number
4 City or town
5 State or province
6 Country and ZIP or foreign postal code
11 City or town
12 State or province

Part II Employee Offer of Coverage | Employee's Age on January 1 | Plan Start Month (enter 2-digit

	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
14 Offer of Coverage (enter required code)											
15 Employee Required Contribution (see instructions)	$	$	$	$	$	$	$	$	$	$	$



Go to this folder:

- Payroll/Human Resources
  - Setup
    - ACA
      - **Categories**

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ACA Reporting of 1095-Cs

Affordable Care Act (ACA) Reporting: 1095-Cs

Best practices for processing 1095-C forms:

- Review your ACA records. Verify that all employees have a designation record and that all months have been processed (use date filters).
- Create records for any missing periods and update the calendar.
- Update result records
- Extend offers as needed and update employees
- Review employer setup. If it's a new reporting year, you'll probably only need to roll the year forward.
- Proof 1095-C results. Revise ACA records as needed.
- Print 1095-C forms for employees. Forms are due to employees by 3/2/2023.
- Generate IRS file and submit. The file is due to the IRS by 3/31/2023 (2/28/2023 if filing paper forms).

Again, ActivityHD Help is very complete on this subject.

If you are new to ActivityPR and you want to use the ACA system, you will need to contact AccountingWare Support to book implementation and training of this.

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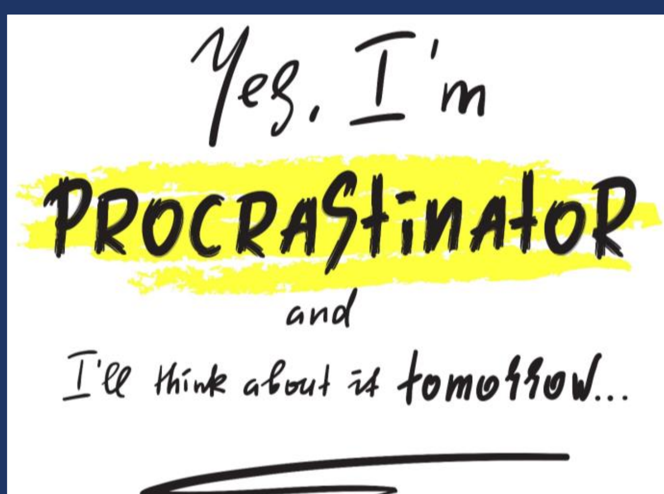
61

Don’t Let Deadlines Creep Up



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62

InterActiv
CONFERENCE

REGISTRATION IS OPEN

2023 InterActiv Conference

April 24 – April 26

Las Vegas, Nevada

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Fill out the survey at the end of the webinar!

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64

THANKS FOR JOINING

Checking Off Your Year-End with ActivityHD

Shaun Ledbetter – Implementation Team

Elizabeth Hudspeth – Implementation Team

support@accountingware.com

Release Notes: www.accountingware.com/rn
Webinars: www.accountingware.com/help

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65