

SOUTHERN UNIVERSITY

COMPTROLLER'S OFFICE

AP 405

POLICIES AND PROCEDURES GOVERNING VALIDATING 1099 TRANSACTIONS

PURPOSE

The purpose of this Operating Policy/Procedure (OP) is to establish the procedures and guidelines to ensure that 1099 transactions are accurate and that reconciling items are processed in a timely manner. This policy sets forth guidelines to ensure that the reconciling items are corrected, submitted and monitored timely to ensure these accounts maintain accurate 1099 transactions and remain in compliance with university regulations.

OVERVIEW

The Financial Accounting and Reporting Section of the Comptrollers Office has the vested responsibility for the financial administration of the Accounts Payable Section for the Southern University and A. & M. College and related campuses. Accordingly, the staff must keep abreast of constantly changing policies and procedures to ensure compliance with the policies and procedures of the Federal and State agencies and the University. The accountants in this office functions as the financial liaisons between funding agencies, project directors the faculty, staff, and other campus administrative offices on financial matters related to ensuring that the 1099 transactions are processed in a timely manner.

DEFINITION

None.

AUTHORITY FOR WRITING, UPDATING AND INTERPRETATION

The authority for writing, updating and interpreting the applicable policies and procedures is vested with the Office of the Vice Chancellor for Finance and Administration.

The authority for compliance with these requirements rest with the Office of the Comptroller, Division of Financial Accounting and Reporting through the Associate Comptroller and the Associate Vice Chancellor for Financial Operations and Comptroller.

RESPONSIBILITY FOR NOTIFICATION OF CHANGES

The responsibility for notification of changes in applicable regulations, policies and procedures is vested with the Office of the Comptroller: Accounts Payable Section.

DUTIES AND RESPONSIBILITIES

The Accounts Payable Section within the Comptroller's Office is responsible for the preparation and submission of correspondence validating the accuracy of the 1099 transactions. The steps required for processing are outlined below.

Procedures to Reconcile FOCUS and 110 Report

Quarterly and Final Reconciliation For Calendar Year

1. Request FOCUS report from Mary Tillage for the quarter you are reconciling.
 - a. Open FOCUS report
 - b. Sort on Campus and place SUBR campus in a separate worksheet
 - c. Sort on Amount and place all transactions that are greater than \$600 in a separate spreadsheet
 - d. Sort on Ctl Object and make sure we are using the same Ctl objects to pull transactions from the 100 report to the 110 report.
2. Request the 100, 105, and 110 reports for the quarter ending period. The report will be cumulative including the other quarters that have been reconciled. Remember there may be some accounts that were less than \$600 last quarter that are now \$600 or greater. Perform the following procedures for the 110 Report.
 - a. Open 110 report in Monarch
 - b. Use monarch model and create a table
 - c. Export table to excel file
 - d. Create worksheets as follows:
 - i. Original (add headers and do not make any other changes to this worksheet)
 - ii. Working Copy (Copy original to this worksheet and use to add totals)
 - iii. FOCUS (Copy the FOCUS report to this worksheet)
 - iv. Comparison of 110 and FOCUS report (Copy 110 Report first then copy the FOCUS report directly underneath the 110 Report)

Make sure the vendor number and amount are directly underneath each other; add a column "Type of Report" and type in 110 beside the 110

transactions and FOCUS beside the FOCUS transactions.

Change the amounts on the FOCUS reports to negative amounts

v. Create a pivot table using worksheet #iv above. Select the following

columns to create the pivot table.

Type of Report (Column)

Vendor Number (Row)

1099 Amount (Row)

3. Compare the 110 report to the 100 report for validation purposes.

- a. Open 100 report in monarch
- b. Create table using monarch model
- c. Export table to Excel spreadsheet
- d. Create worksheets as follows:
 - i. Original 100 report
 - ii. Working copy of 100 report with the 110 report

copied beneath the 100 report; include a column

with the "Type of Report" and type 100 by 100

report transactions and 110 by 110 report transactions.

The reports should agree with the exception of transactions

less than \$600.00. If any other discrepancies occur they must

be researched immediately.

4. Usually the 105 report is so small you can manually review and correct.

5. Reconciling the FOCUS to the 110 using the Pivot Table schedule. Print the Pivot Table.

The transactions that do not equal zero must be researched.

6. Research transactions by performing the following:

Open Extra and go to screen 113 and enter vendor number.

Find the transaction that was not included on the 110 report or

the FOCUS report. The transaction may have not been included

on the 110 report for the following reasons:

transaction less than \$600 (reconciling item)

transaction was not flagged on screen 103 (correction required)

transaction was not flagged on screen 133 (correction required)

transaction was not entered on screen 132 (correction required)

The transaction may have not been included on the FOCUS report for the

following reasons:

transaction was a void (reconciling item)

Ctl object should not have been included as 1099 reportable

The correct screens were not flagged

7. Finalize the comparison by including the reconciling items and print the schedule for the file.
8. Prepare correspondence to Accounts Payable Department and Purchasing if required.