S A G E   5 0 0   E R P

Release Notes

Version 2019 1099 Update

Tax Year 2020

Sage Software, Inc.

Contents

1. General

1.1.   *Acknowledgments*

Information in this document is furnished only under a Customer License Agreement or non-disclosure agreement and may be used or copied only in accordance with the terms of such agreement. The software described in this document is protected by copyright and may not be copied on any medium except as specifically authorized in the license or non-disclosure agreement.

This document is also protected by copyright, and may not be reproduced or transmitted, in whole or in part, by any means, including photocopying, facsimile transmission, or reduction to any electronic medium or machine-readable form, without the express written consent of Sage Software, Inc.

Copyright 2012-2021 Sage Software, Inc. All rights reserved.

Sage 500 ERP is a registered trademark of Sage Software, Inc. Other product names used in this document are trademarks or registered trademarks of their respective owners.

1.2.   *Disclaimer*

Any prior customizations may be altered or overwritten upon installation of this product update. The user assumes all responsibility for corruption or loss of data. Database backups are suggested prior to applying this product update.

2. Best Practices

The section should be reviewed prior to installing the 1099 updates each year that updates are necessary. By following the best practices suggestions, your 1099 processing should go smoothly from tax year to tax year.

2.1.   Sage 500 ERP Tax Forms Service Installation

2.1.1.   General

This application adds the third party 1099 processor's software to the Sage 500 ERP installation. Both are required to complete a 1099 submission. Only install the tax service software on a single Sage 500 ERP client machine because data files are stored on the local machine and not within the tax service. Users sharing a single client machine will generally be OK as any user specific data is not critical to history.

The Sage 500 ERP Tax Forms Service should not be confused with the client install of the 1099 update. The Sage 500 ERP Tax Forms Service should only be installed on one client, while the client portion of the 1099 update should be installed on each client. The Sage 500 ERP Tax Forms Service install has not changed since it was introduced back in the 2016 tax year update, while the client portion of the 1099 updates is usually installed with each tax year that has changes.

Add "C:\Program Data\Aatrix Software\Aatrix Forms\Sage500\Sage500 ERP Data" to the locations to be backed up for that machine (possibly adjusting the path as mentioned in the next section). Recall that almost all the tax service software's data is stored on the client machine and not within the tax service itself. Ideally, this would be done before 1099 submissions are started for the tax year, and again after the submission are complete for that tax year.

If there is existing 1099 data on the submitting client for a tax year, and the later tax years are submitting using a different client machine, then the previous tax year history within the third-party application may not be able to be seen on the current client submitting the data, and the previous tax year client will not be able to see the later years submission(s). If you wish to change the client machine submitting the data, back up the data on the old client machine as described previously and restore it to the new client machine that will be used to submit data.

Using the single client install will cause any other clients to receive a program not installed error when trying to process a 1099 submission, which would be expected since the ideal setup is to only have it on one client. Remember, this help ensure that a single client is used, which is best way for things to be from the third party's software point of view.

2.1.2.   The ProgramData Directory

On most Windows systems, the ProgramData directory will reside in C:\ProgramData. It is possible that this directory may exist in other locations, especially in virtualized environment. Sage 500 ERP uses a Windows' environment variable to determine this location and it is not hard coded in the Sage 500 ERP applications.

Sage 500 ERP will dynamically adjust the ProgramData portion of the paths using the Windows environment variables value. If you wish to confirm the location of the ProgramData directory, do the following:

1. Open a command window (DOS/PowerShell)
2. At the prompt, type "SET ProgramData" (without the quotes).
3. In most installations you would see "ProgramData=C:\ProgramData"
4. If it is not, then the previously mentioned path "C:\Program Data\Aatrix Software\Aatrix Forms\Sage500\Sage500 ERP Data" should have the yellow part replaced with whatever the SET command returned. Note that none of this will exist if the Sage 500 Tax Forms Service has not been installed on a client, so if you are changing client machines, install the Sage 500 Tax Forms Service on the new client before trying to restore data to it.
5. If moving previously filed tax years to a new client, you should do this BEFORE processing the current year's submissions.

3. 1099 Update

The following information describes the 1099 changes for tax year 2020 compared to tax year 2018.

Tax year 2020 brings changes to two forms, 1099-MISC and the addition of the new 1099-NEC form. More objects were changed for tax year 2020 than normal. Keep in mind that a new 1099 tax form has not been added or removed by the IRS since before this product was designed and created.

The 1099-MISC form has some box rearrangements, and also moves the previous year's Box 7 for non-employee compensation to the new 1099-NEC box 1.

The 1099-NEC is a new form (actually revived from the mid-80's) that now primarily is used for non-employee compensation.

The update process, when applied, will adjust all system data accordingly, including transaction data. An example is any system reference to box 7 of 1099-MISC (non-employee compensation) before the update will be changed to a box 1 reference of 1099-NEC. If a vendor had a default 1099 box set to box 7 of 1099-MISC, that would be changed to box 1 of 1099 NEC after the update is applied.

3.1.   Minimum Requirement

An upgrade of Sage 500 ERP for tax year 2020 requires a tax year 2018 data state. Sage 500 ERP 2019 GA Release (8.00.0) already contains the Tax Year 2018 changes in its original release, so any version of 2019 can be upgraded directly provided there has not been any modification to the 1099 database tables.

It is recommended that you backup your system and test this update in a test environment prior to deploying it to a production environment.

3.2.   Files/Objects Modified

3.2.1.   Client

- Ap1099FormsSvc.exe was modified for tax year 2020. There are both visible and processing changes to the application this year. Note that the legacy and currently unused code for the unsupported mag file export has been removed as it is now out of date and we do not maintain the older code that does not use the 1099 tax service. Specifically, within the project the following files were updated:
    - o ap1099FormsSvc.frm
    - o ap1099FormsSvc.bas
    - o ProcessData4ATX.bas (removed from project)

    Visually, a new button was added (circled in red) and a caption was changed (circled in blue):
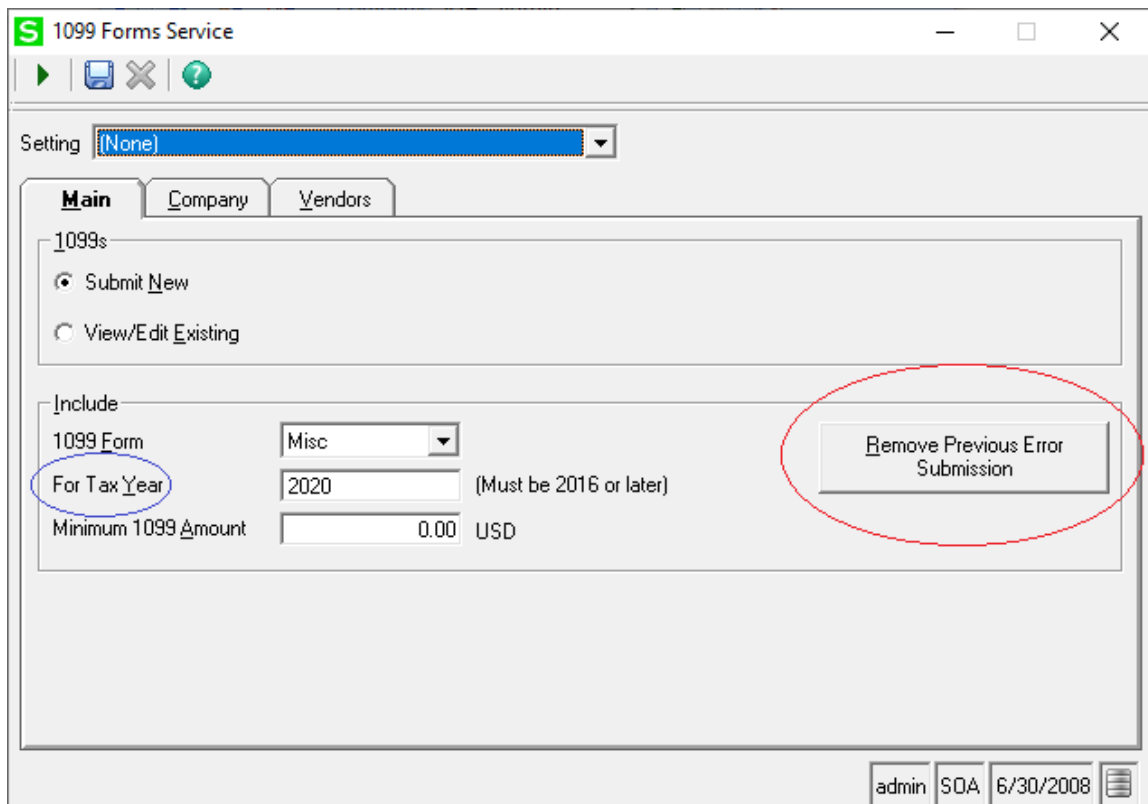
The caption circled in blue used to read "For Calendar Year". Changing it to "For tax year" will hopefully reduce the chance of a submission error. It was found that sometimes when 1099 forms where processed, usually in the calendar month of January following the tax year, users might sometimes enter the calendar year rather than the tax year. An example might be tax year 2020 with forms being processed in January 2021. Starting with this update, if this situation occurs (user system date is January – June of the calendar year and the user has entered the same year in the box instead of the previous year) then a warning message is popped. The user is not prevented from proceeding but must verify that this is what they really want to do.

The button (shown in red circle) was added to allow a user, with the assigned security, to remove a previous submission that was in error. From tax years 2016 to 2020, this functionality was not available via a user interface and had to be done through the backend via an SQL script obtained from Sage Customer Support. While this functionality is now available from the user interface, it should be used with extreme care. If it is misused, a database restore would need to be done to recover. A new permission has been added to the system to be able to use this button, and by default, no one is given permission and it must by assigned by somebody in the Sage 500 ERP system administrator group.

There are two primary reasons that the button may be needed:

- A test submission was done with no intention of using it and the submission was accidentally flagged as valid in Sage 500 ERP after calling the 1099 service provider call was made. This submission may then be showing up in 1099 history.

- A mistake was used when entering the submission by entering an incorrect tax year. An example of this is that a user is entering data for tax year 2020 during January 2021, enters 2021 in the For Tax Year field. This was possibly enabled by the previous caption of "For Calendar Year", which is changed in the tax year 2020 updates (shown in blue circle). It is possible for this type of mistake to prevent the entry of payment data.

The AP permission "Allow 1099 Submission Removal" must be enabled for the user clicking the button. If the user does not have permission, a dialog box will be popped similar to the following:
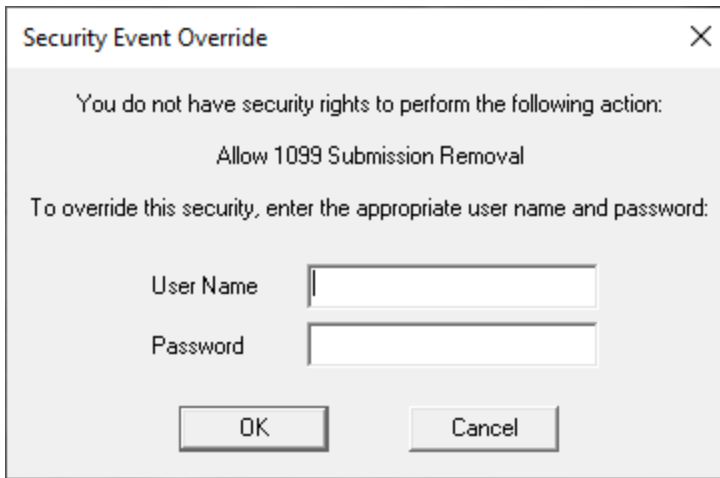
At this point, the current user can ask another user with the permission to override the security event. To exit the security process without an override, click <Cancel> and the box will disappear, and a confirmation message box will appear indicating the process did not remove the submission.

A couple of notes here concerning this permission:

- ○ ***Initially, no user has this permission. It must be granted by a system administrator (even admins do not have this permission by default).*** This can be done using the SM | Maintenance | Maintain Security Groups application and granting the Security Event permission in AP to the appropriate security group for the "Allow 1099 Submission Removal" entry.

- ○ It is possible that when this message is shown that this message box will not get the proper focus and will be hidden behind another window. When this happens, if you click on the main form, you will see something like:
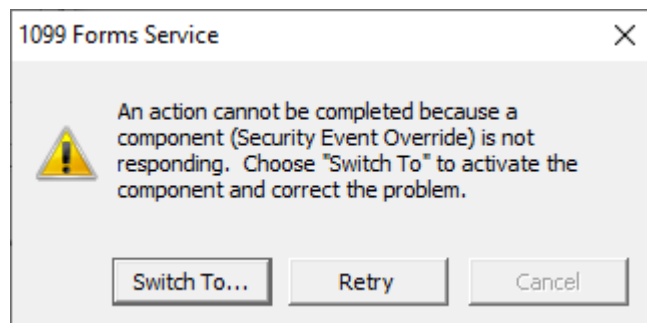
Should this happen, minimize any windows covering the center of the screen and click <Switch To …> button and you should see the Security Event Override form.

You can view the "Sage 500 ERP 1099 Forms Service Guide.pdf" for further information on how this application works. It can likely be found in the user guides folder which is often located at "C:\Program Files (x86)\Sage Software\Sage MAS 500 Client\User Guides\ Sage 500 ERP 1099 Forms Service Guide.pdf".

- Apz1099FormsSvcLnch was modified for tax year 2020. This is a Sage proprietary file that manages the process of converting Sage 500 ERP data into a format that is used by our tax service provider, Aatrix Software. For security reasons, the details and source code for this particular application is never distributed outside of Sage Software.

- Apzdn001.exe was modified for tax year 2020. This application, 1099 Beginning Balances, required modification to be able to accept the new 1099-NEC form for imports.

- Apzdl001 was modified to handle the new 1099 NEC form. When using the Edit Voucher 1099 Data the NEC for would show up in the dropdown, but the dropdown selection would not be handled correctly.

3.2.2.   Database

- ap1099Update2020.sql. A data upgrade script that is part of the upgrade process and not an RTM object. For tax year 2020, this script performs some extra processing compared to previous updates such as modifying database check constraints to allow for the new NEC form. Note that this script is embedded in the database install.

  This script will also add 19 new local strings, 5 new local messages, and a new security event.

  It is suggested that after the database upgrade portion of the product update completes, a SQL query similar to the following be done:

```sql
SELECT
        H.EventID
        ,H.DBHistoryKey
        ,H.ErrorCount
        ,H.EventStartTime
        ,HD.DBHistSeqNo
        ,HD.Description
FROM
        tsmDBHistory H WITH (NOLOCK)
                INNER JOIN tsmDBHistoryDetl HD WITH (NOLOCK) ON
                        HD.DBHistoryKey = H.DBHistoryKey
WHERE
        H.EventID = '1099 Update: TY 2020'
```

  Look for success status and any warnings or notices. Ideally, a single row with a success message would be returned. If more than one row was returned, any warnings or notices may point out data in the system that could not be successfully handled during the upgrade process, such as references to MISC box 15b with amounts.

- spAPapiVendClassIns.sql. A Sage 500 ERP stored procedure.

- spAPapiVendorsIns.sql. A Sage 500 ERP stored procedure.

- spapDMValidatePostedVoucherSet.sql. A Sage 500 ERP stored procedure.

- spapProcess1099_TaxSvc.sql. A Sage 500 ERP stored procedure.

- spapSubmit1099_TaxSvc.sql.   A Sage 500 ERP stored procedure.

- spapUnsubmit1099_TaxSvc.sql. . A Sage 500 ERP stored procedure that is new for TY 2020.

- spapGetVouchDflts.sql. A Sage 500 ERP stored procedure.

- spapVal1099.sql. A Sage 500 ERP stored procedure.

- spPOapiPurchOrdIns.sql. A Sage 500 ERP stored procedure.

4. Installation Instructions

4.1.   Minimum Requirement

Sage 500 ERP 2019 GA Release (8.00.0) or newer must be installed before the tax year 2020 stand-alone 1099 update can be installed.

It is recommended that you backup your system and test this update in a test environment prior to deploying it to a production environment.

4.2.   Installing the Server

**Note: All users must log out of the Sage 500 ERP applications prior to installing the server update.**

1. To begin the Sage 500 ERP Server installation, double-click v2019_1099Year2020_UpdateS.exe and click **Next** to proceed.
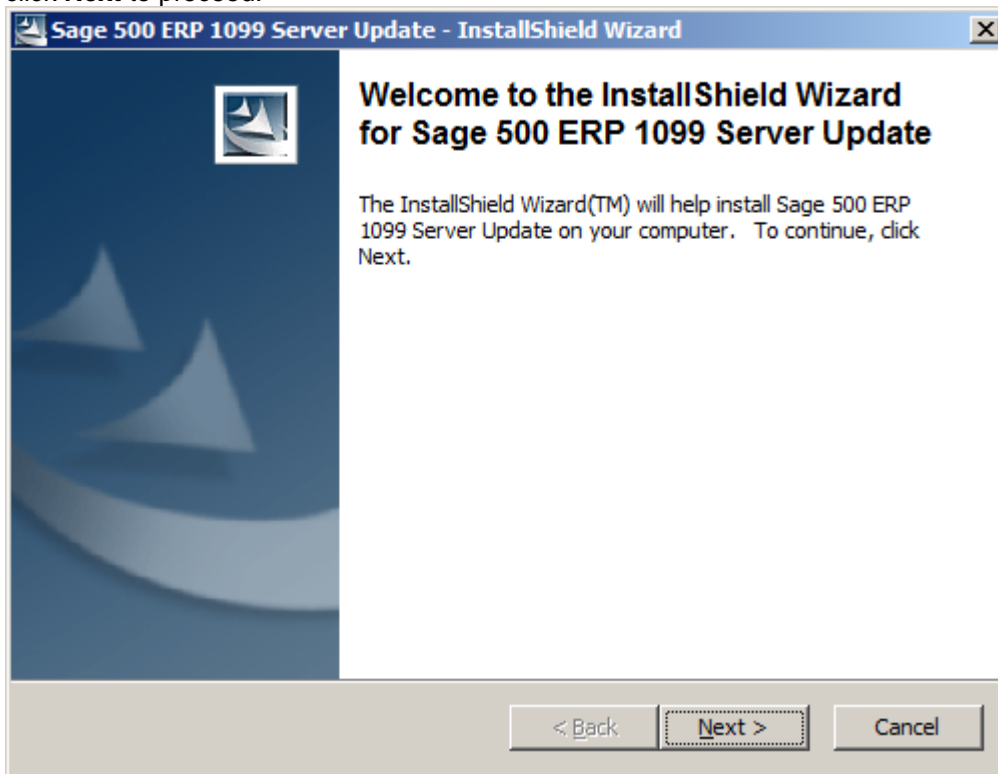
2. Indicate the location to which the installation files should be saved. Select the default location or select **Change** to browse to a different location.
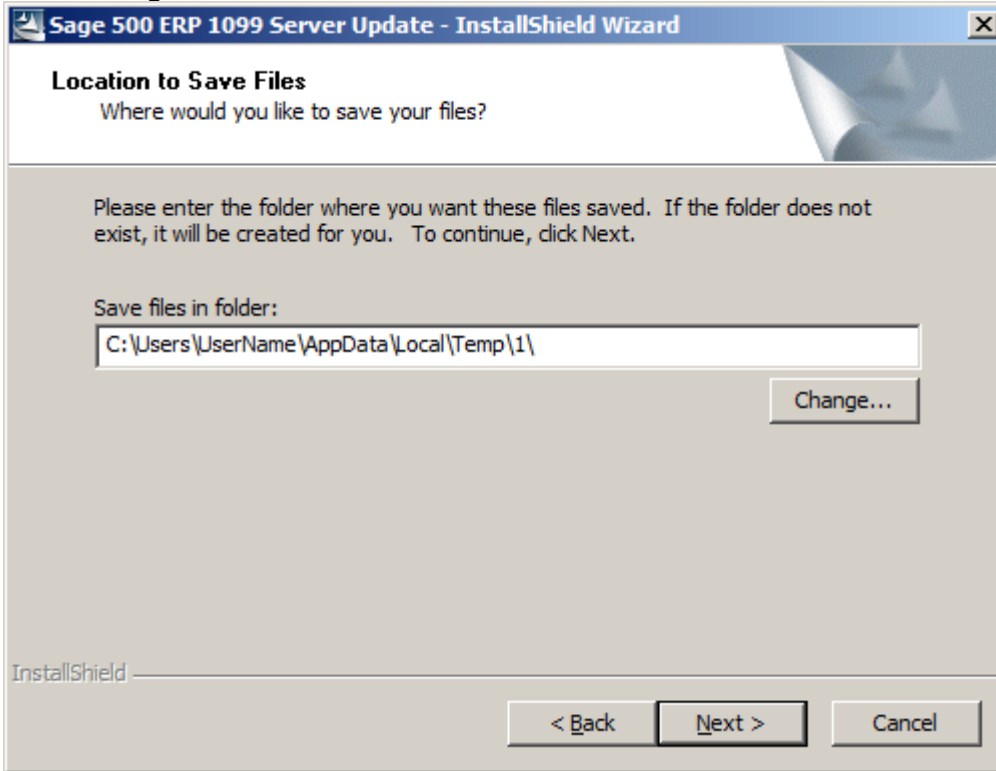
3. At the welcome screen, select **Next** to continue, or **Cancel** to exit setup.
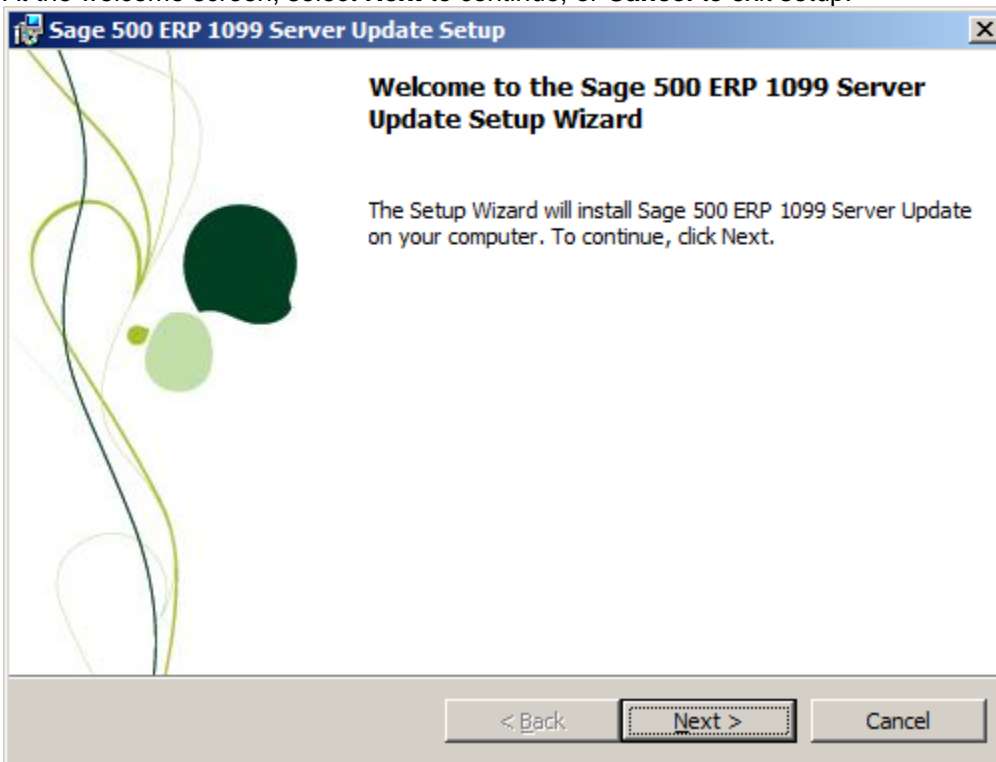
4. Read the License Agreement, select the Accept option and click **Next** to continue.

5. Enter the User Name, Organization, Installation option and click **Next** to continue.

6. Select **Complete** and click **Next** to continue.
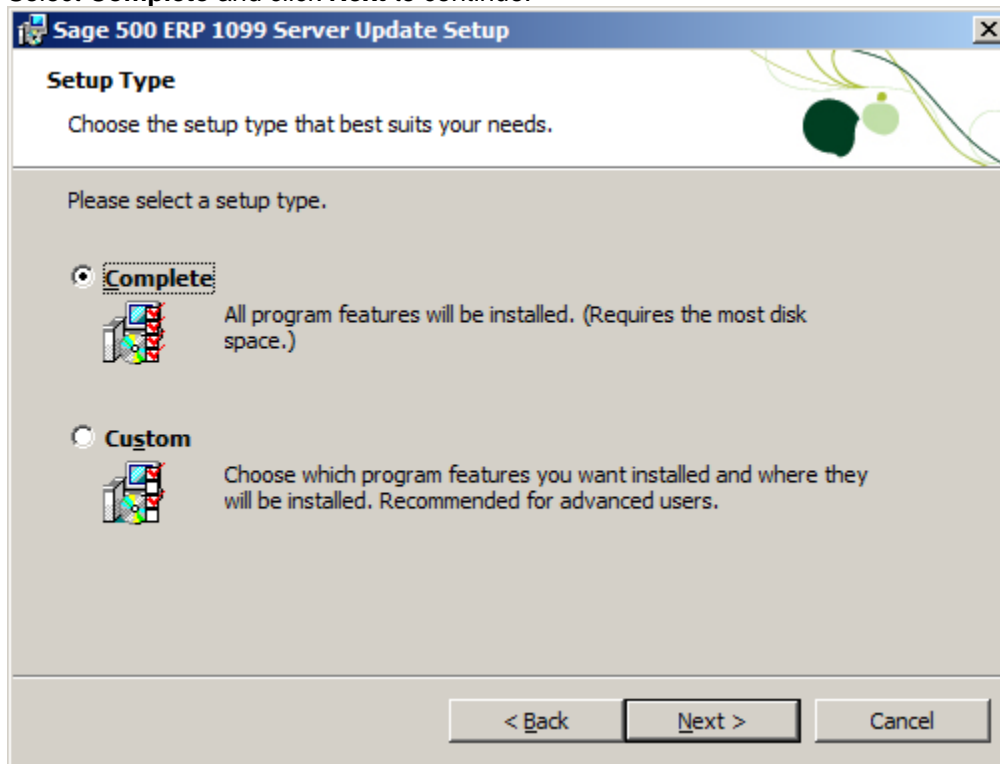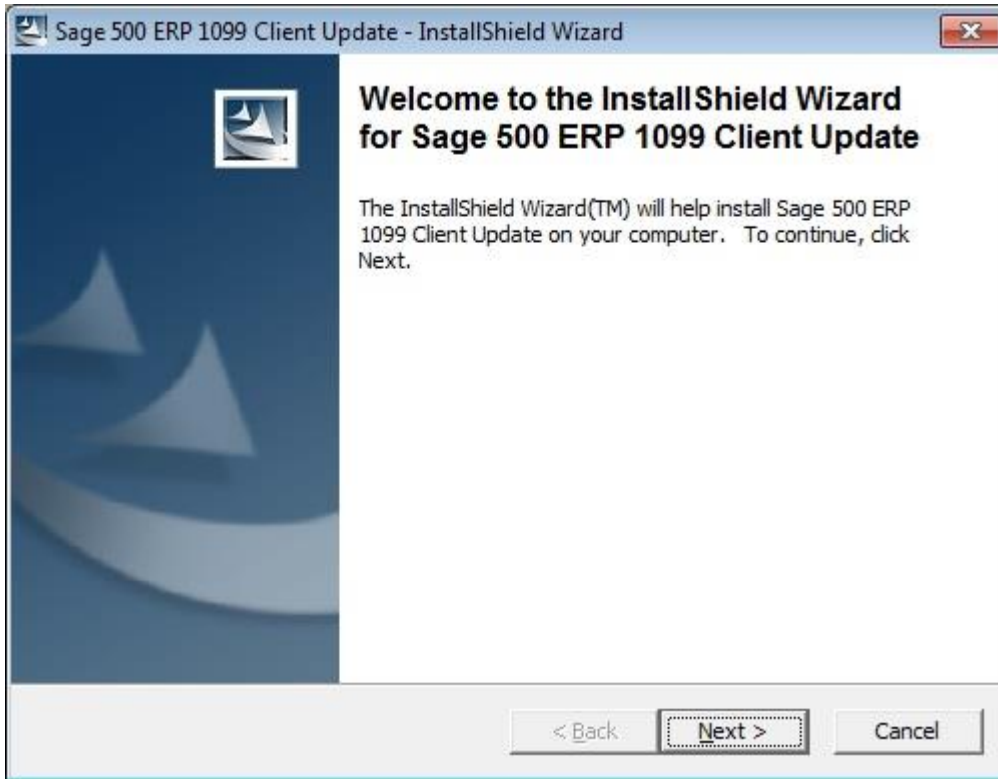

7. Click **Install** to continue.
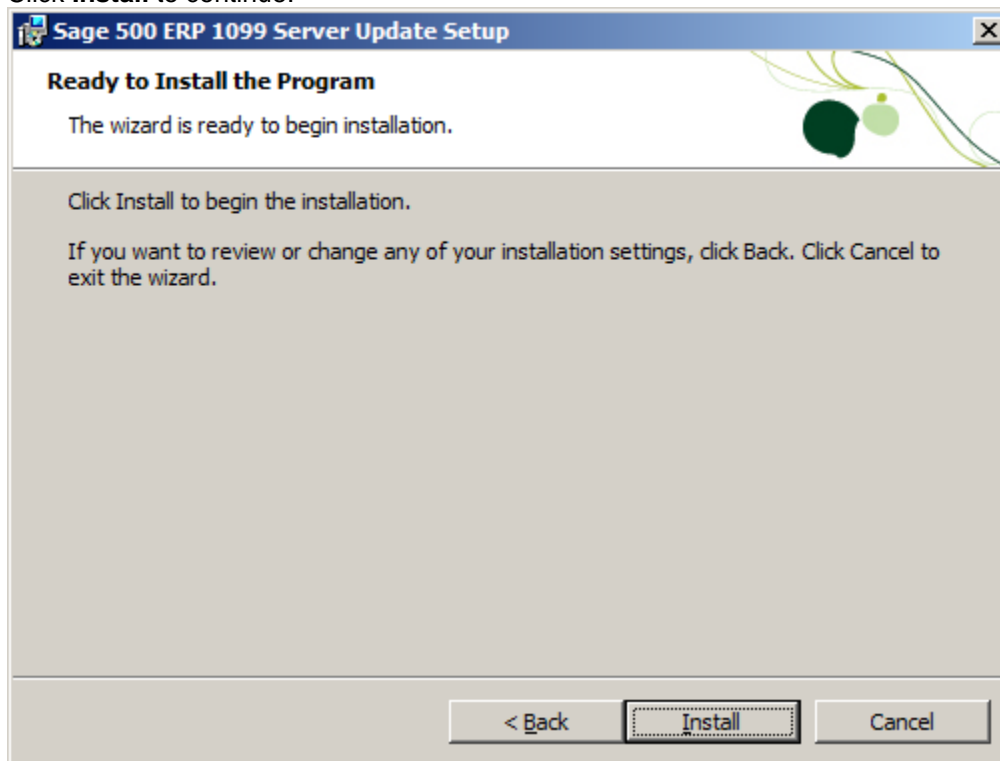
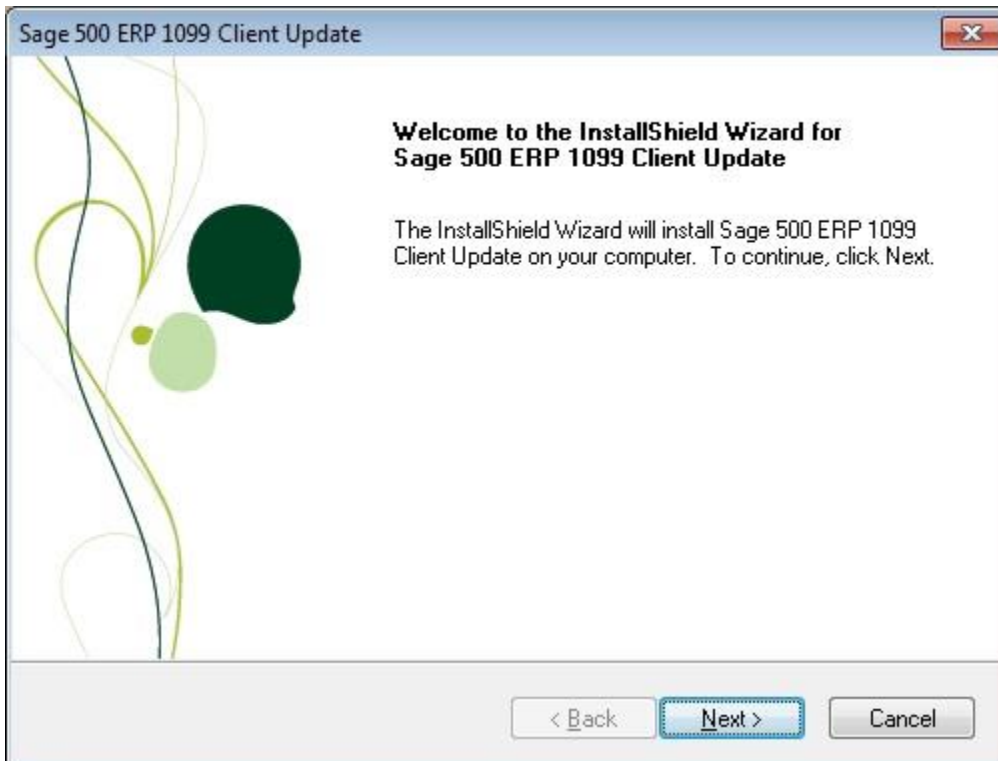8. At the completion screen, click **Finish** to complete the Sage 500 ERP Server installation.
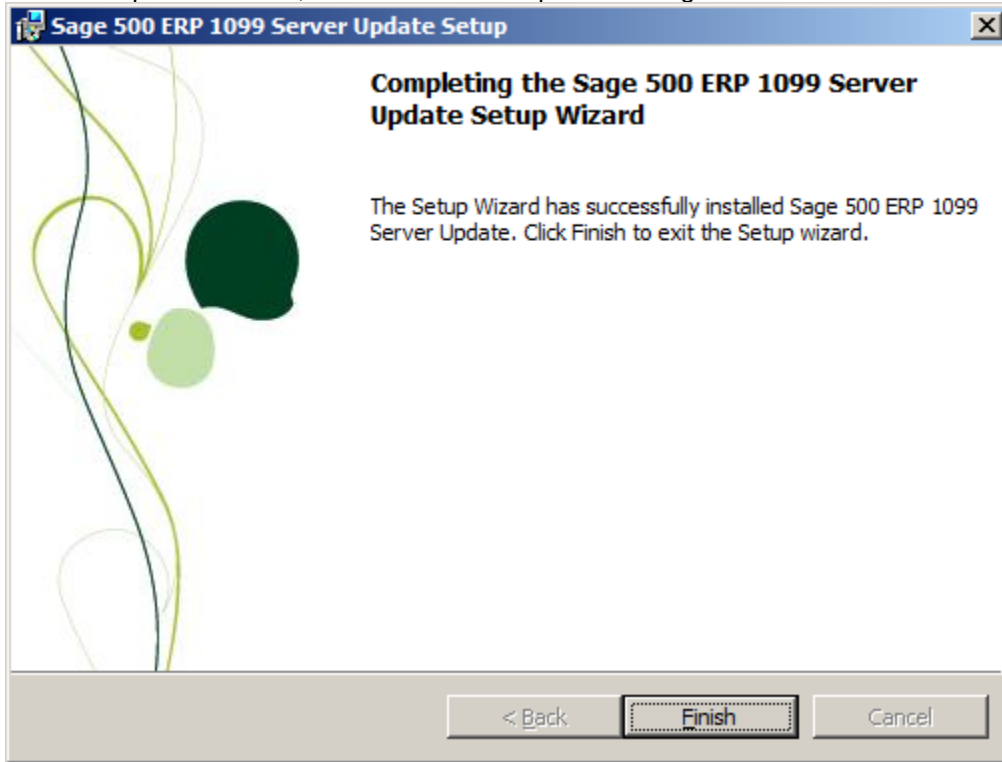
4.3. Installing the Client

1. Review the section entitled Best Practices. This is the install that should be done for each client.
2. To begin the Sage 500 ERP Client installation, double-click the v2019_1099Year2020_UpdateC.exe. A screen similar to the one below will display, click **Continue** to proceed.

3. At the Welcome screen, click **Next** to continue.

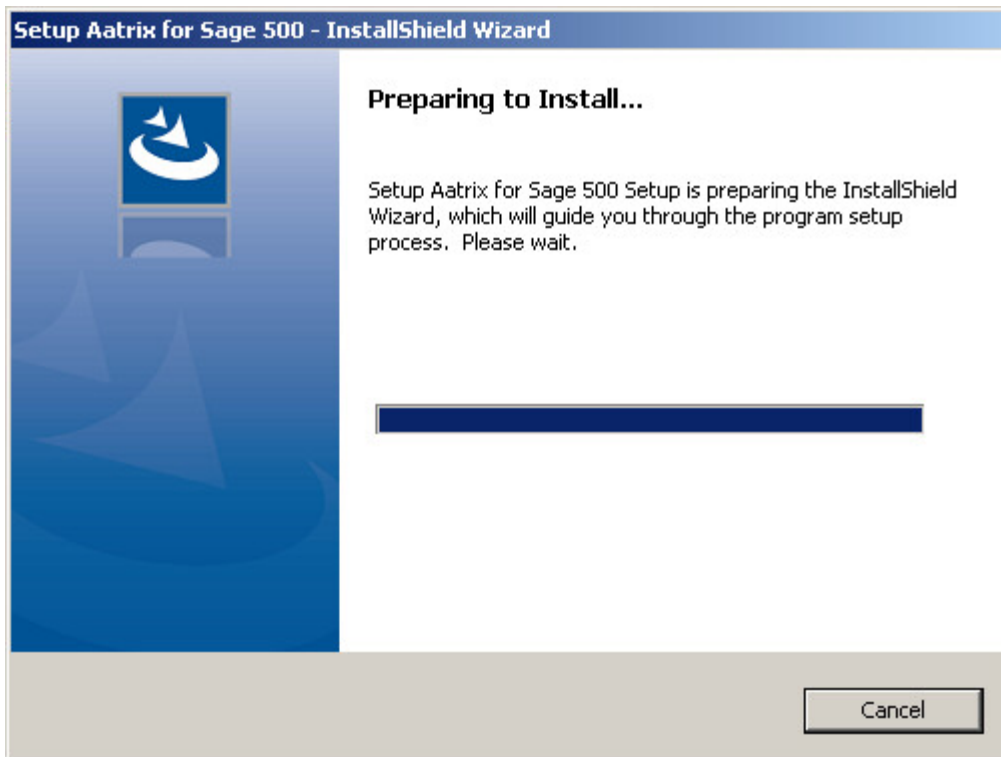4. At the completion screen, click **Finish** to complete the Sage 500 ERP Client update installation.
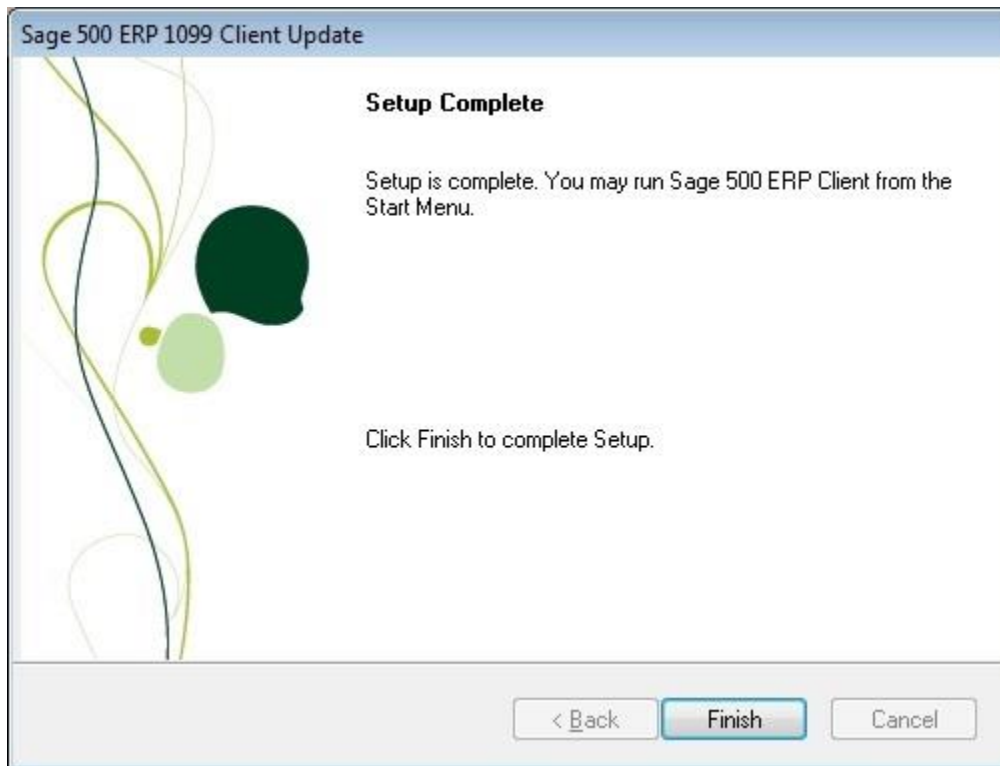
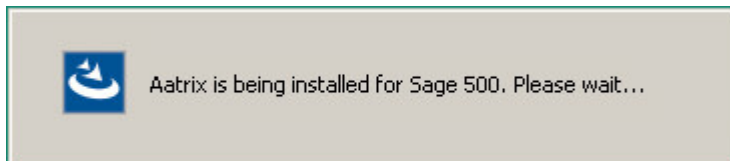## 4.4.   *Installing the Sage 500 Tax Forms Service*

If you already have the Sage 500 Tax Forms Service application installed, you may skip this. This application installs the Aatrix Software application for use by Sage 500 ERP. The Aatrix Software will update itself when needed, so once installed, no further installation is necessary from a Sage 500 ERP perspective. If this service is not installed yet, then follow the following instructions.

This application need only be installed on a single client machine. The same client machine should be used from year-to-year to process 1099s through the third-party 1099 vendor. The third-party 1099 vendor does use some local storage on the client machine. Using the same client machine from year-to-year enables full history functionality. This being the case, it is probably best to only install it on a single client machine. Review the section of this document titled "Best Practices" for backup and other information.

1. To begin the Sage 500 Tax Forms Services installation, double-click the "Install Sage 500 Tax Forms Service.exe". This install program may be available on a CD or from the Sage download site. A screen similar to the one shown below will display, please let it proceed.

2. In the middle of process, a message box similar to the one below will display, please let it proceed.

3. At the completion screen, click **Finish** to complete the Sage 500 Tax Forms Services installation.
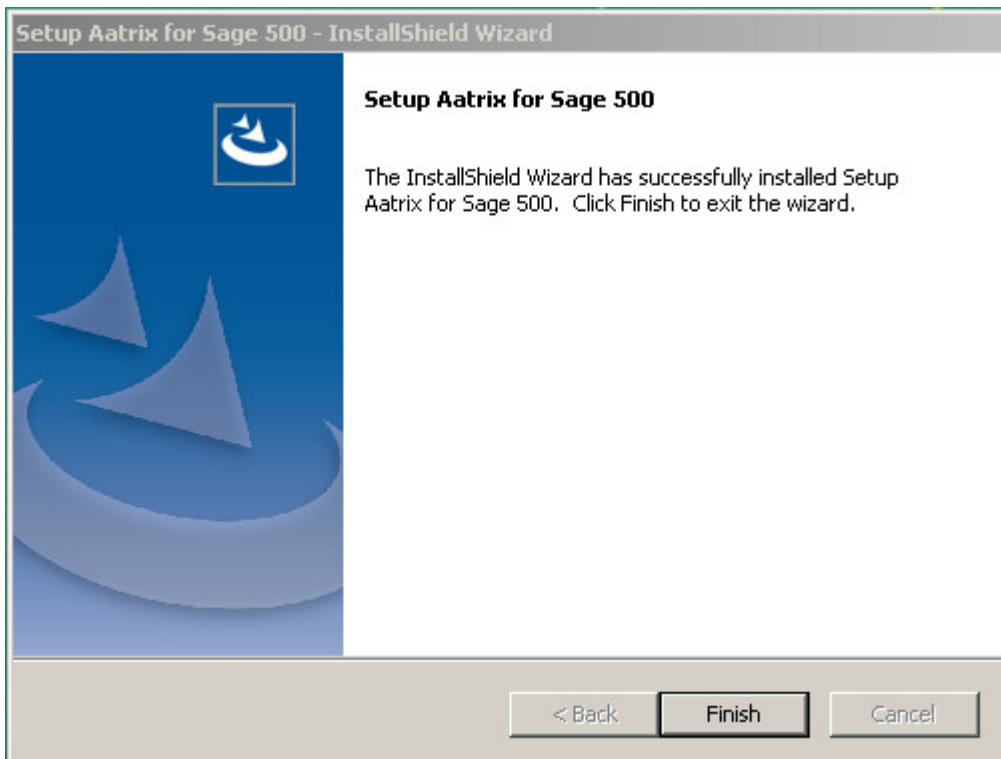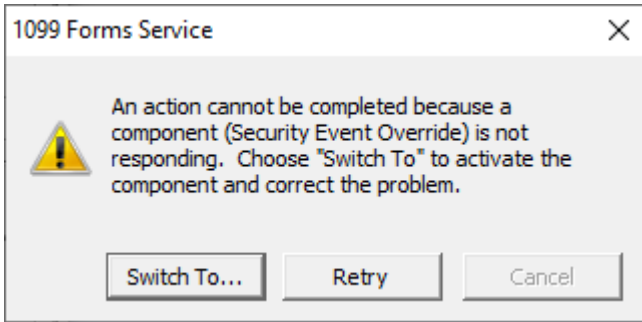
5. Known Issues

- If you encounter an error while trying to launch the 1099 Forms (2016+) application in a Microsoft Windows 10 system, then please set the compatibility level for ap1099FormsSvc.exe to Windows 7 on the client that has an issue. This file can typically be found in the "$\Program Files\Sage Software\Sage MAS 500 Client\AP\" or "$\Program Files (x86)\Sage Software\Sage MAS 500 Client\AP\" directory.

- As mentioned in section 2 it is possible that after clicking the <Remove Previous Error Submission> button and a security event message is shown that this message box will not get the proper focus and will be hidden behind another window. When this happens, if you click on the main form, you will see something like:

Should this happen, minimize any windows covering the center of the screen and click <Switch To ...> button and you should see the Security Event Override form.