S A G E   5 0 0   E R P

Release Notes

Version 2023 1099 Update

Tax Year 2024

Sage Software, Inc.

Contents

1. General

1.1.   Acknowledgments

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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.

Having custom 1099 data in your system that is not provided by Sage Software, or if you have renamed any of your 1099 boxes, may cause the upgrade process to fail. To maintain 1099 integrity, checks and assumptions are made throughout the upgrade process, and any customization can cause failures or unexpected results. ***It is your responsibility to address these issues with your customizing vendor prior to upgrading.***

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 was updated for tax year (TY) 2024 and needs to be updated on any client that it is designated to handle 1099 processing for your company, while the client portion of the 1099 updates is installed on each client when a tax year that has changes.

> Previous to TY 2024, the same version of the Sage 500 ERP Tax Forms Service was used regardless of which version of Sage 500 ERP was being used. Starting with TY 2024, all Sage 500 ERP versions must install the newest version of the Sage 500 ERP Tax Forms Service. This requires that the previous version is uninstalled, and the new version is installed. Do not confuse this with the Aatrix Software auto-update that occurs. Aatrix Software now requires the 2024 version of the Sage 500 ERP Tax Forms Service to function correctly going forward.
>
> ***Note that when Sage 500 ERP Tax Forms Service is installed or uninstalled, the Windows user doing this will likely need administrator privileges.***

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 "<mark>C:\Program Data</mark>\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

There are no IRS driven updates necessary for TY 2024. However, there are Sage 500 ERP applications that need to be update for TY 2024.

3.1.   Files/Objects Modified

3.1.1.   Client

- Apz1099FormsSvc was updated.

- Apz1099FormsSvcLnch was modified for TY 2024. 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 was updated as an enhancement. This application, 1099 Beginning Balances, was enhanced to include filters for the grid. Previous to this enhancement, the grid contained all beginning balance records for all years for all 1099 forms. If there was a need to edit a group or a single record, the user had to navigate the grid to get to the various records. With the new enhanced version for TY 2024, the available filters allow user to narrow down the grid using a Tax Year and/or a Tax Form and/or a Vendor.
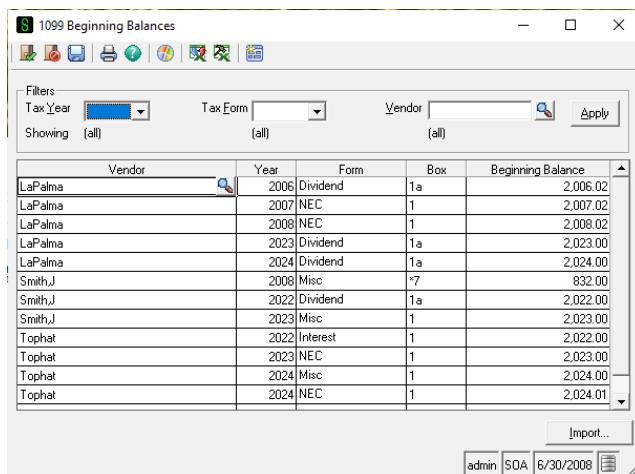
The grid can now be limited to a single Year/Form/Vendor if desired, or to a given tax form and tax year if desired.
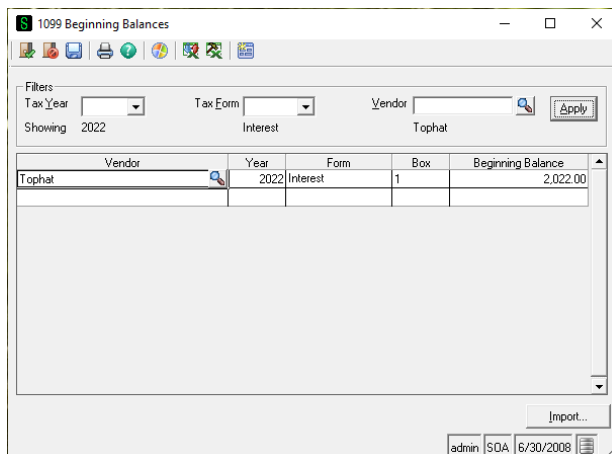
For those who have thousands of entries this should allow editing or analyzing specific entries much, much easier. Note that while this is being delivered for TY 2024, it is not a tied to TY 2024.

3.1.2.   Database

- spAPTempVend1099Bal.sql. A Sage 500 ERP stored procedure that was changed to allow for filtering as part of the 1099 Beginning Balances enhancement.

- There are no IRS driven changes necessary for TY 2024. However, the system needs to reflect the IRS changes for TY 2022. Running 1099 processing on a system that does not have the TY 2022 changes very likely problematic.

  It is suggested that 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 2022'
```

  Look for success status and any warnings or notices. Starting in TY 2022, there may be several rows that list actions processed during the script, ideally terminating with a final success message. If a problem was encountered, the log may help in tracking down the issue.

  Keep in mind that this assumes that the DB history log has not been purged. If you successfully ran 1099s for TY 2023, you will likely have the proper 1099 data state necessary for TY 2024. If this is your first year for running 1099 processing, you will need to need to:

  - be at a PU level dated January 2023 or later for the Sage 500 ERP version being used. The January 2023 PU would include the TY 2022 changes.

  - apply the appropriate 1099 stand-alone compliance updates to get the system up-to-date as far as TY 2022 before performing TY 2024 1099 forms.

4. Installation Instructions

4.1.   Minimum Requirement

Sage 500 ERP 2023 RTM (8.2..0) or greater is required to use this 1099 TY 2024 update. This 1099 update for TY 2024 assumes that the system being updated is at the TY 2022 data state for 1099 processing (the last tax year with IRS driven changes). *1099 updates are not cumulative*

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 v2023_1099Year2024_UpdateS.exe and click **Next** to proceed.
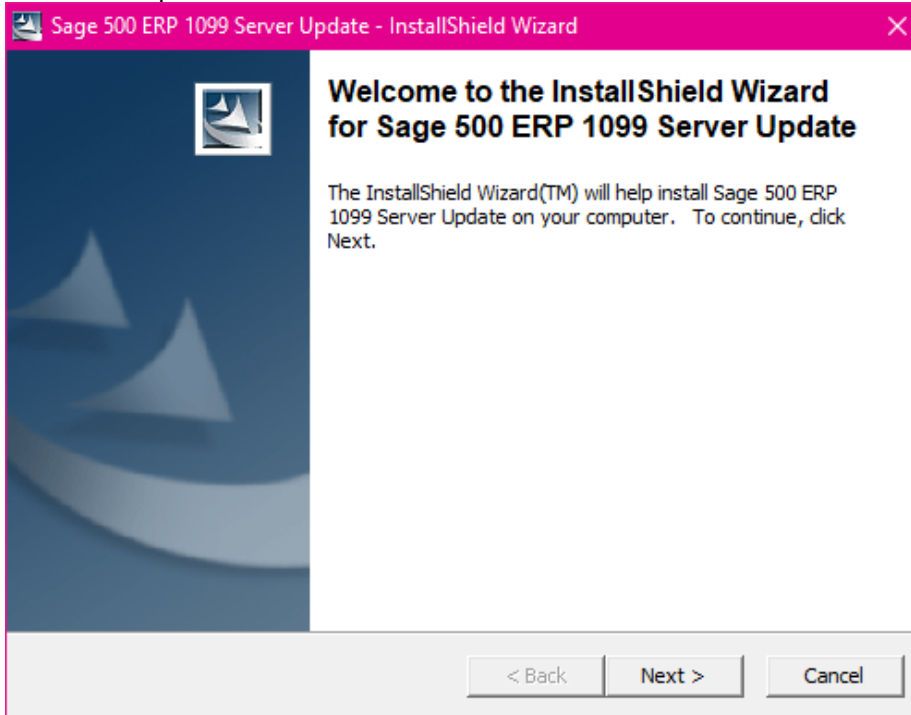
2. Indicate the location to which the installation files should be saved. Select the default location or select **Change** to browse to a different location.
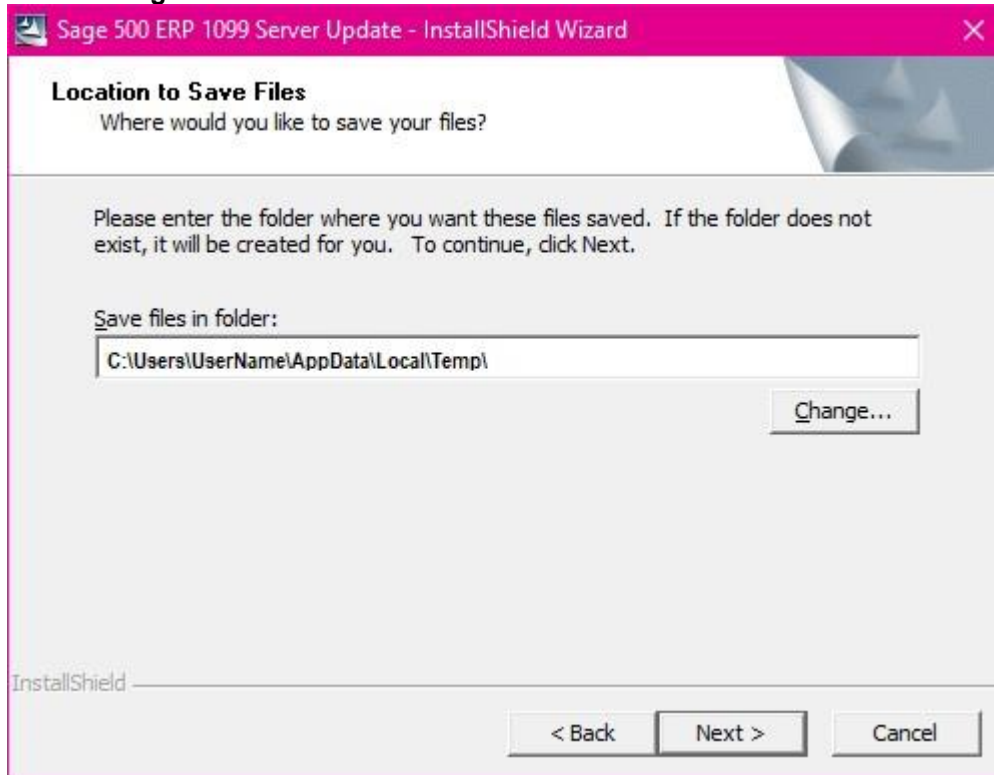
If presented with the following screen, click on the Yes to All button.
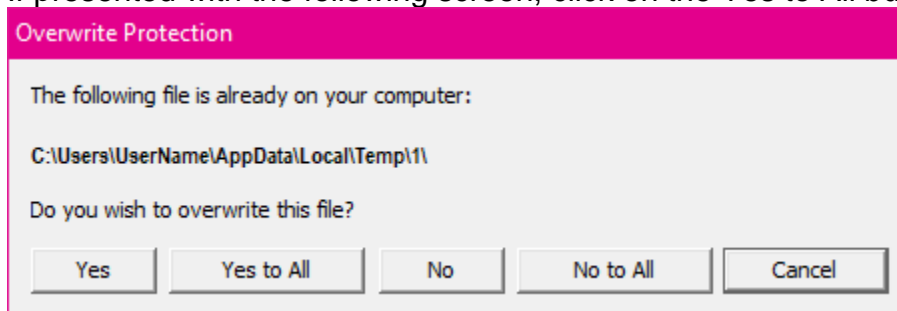
3. At the welcome screen, select **Next** to continue, or **Cancel** to exit setup.

Sage 500 ERP 1099 Server Update Setup

Welcome to the Sage 500 ERP 1099 Server Update Setup Wizard

The Setup Wizard will allow you to modify, repair, or remove Sage 500 ERP 1099 Server Update. To continue, click Next.

[< Back] [Next >] [Cancel]
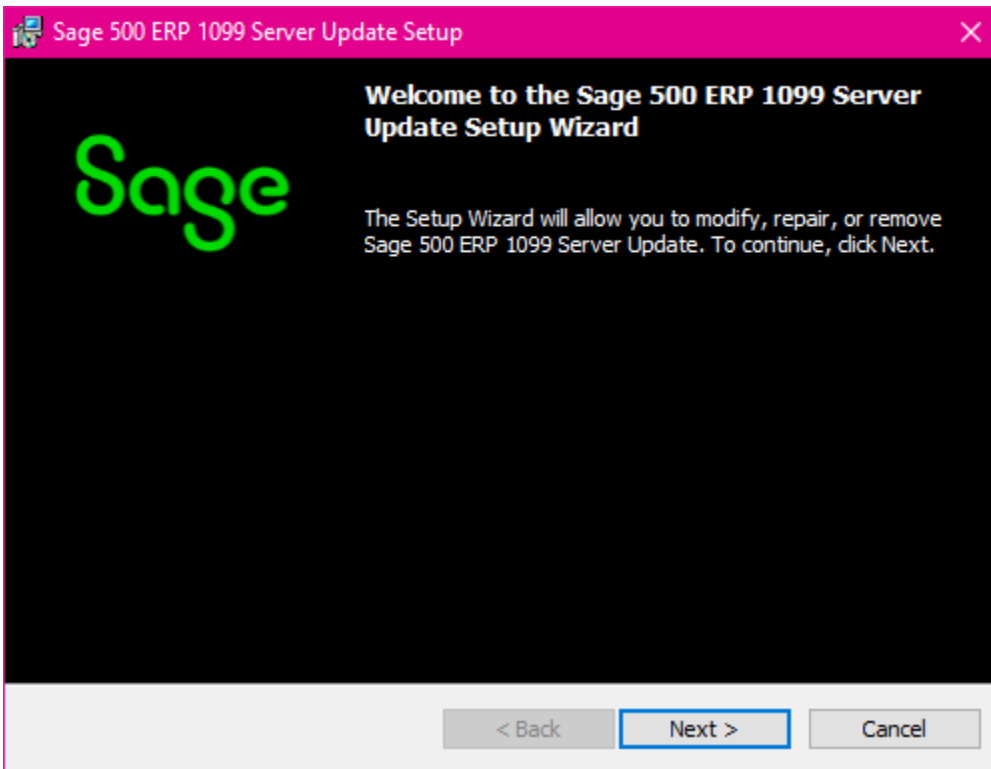
4. Read the License Agreement, select the Accept option and click **Next** to continue.

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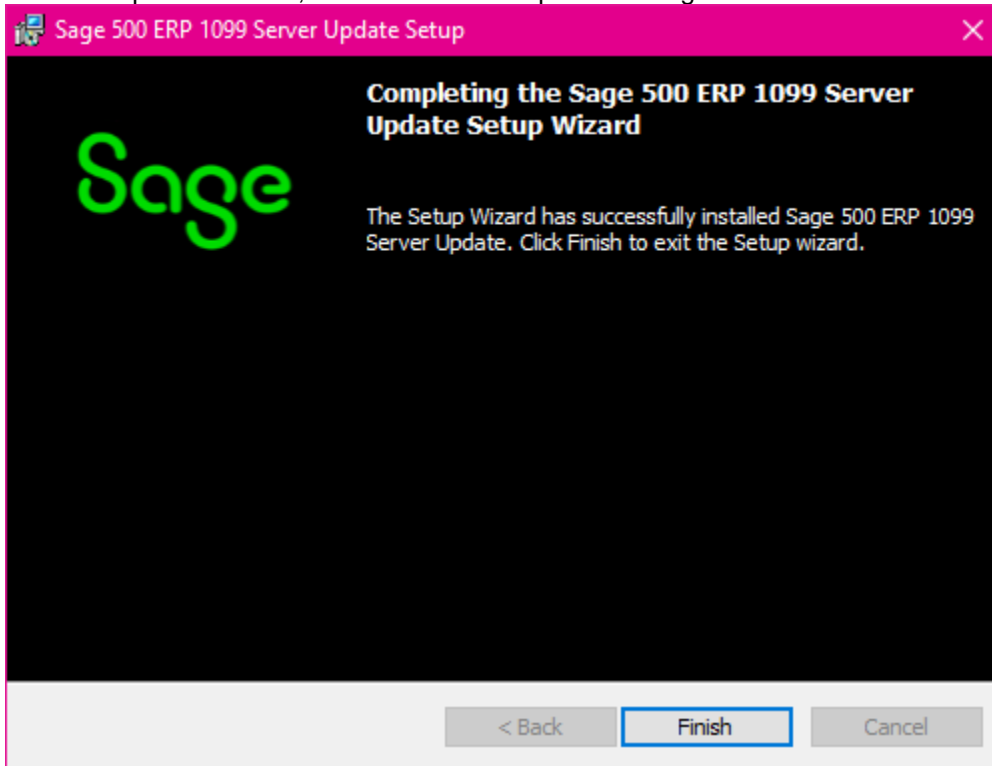
6. Select **Complete** and click **Next** to continue.
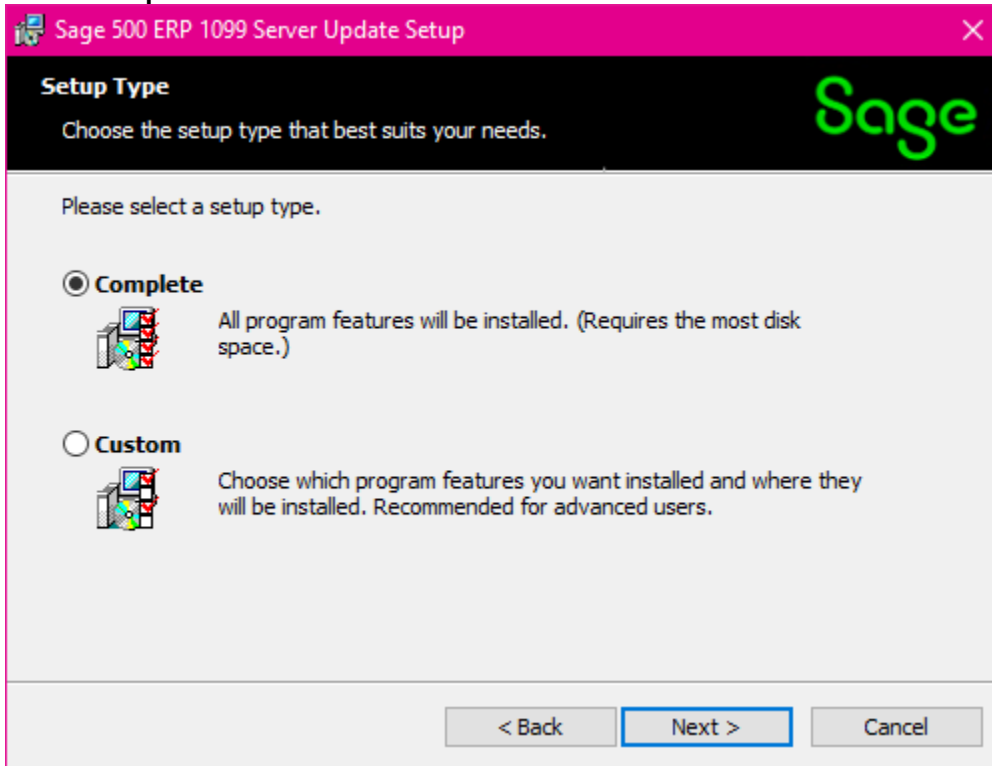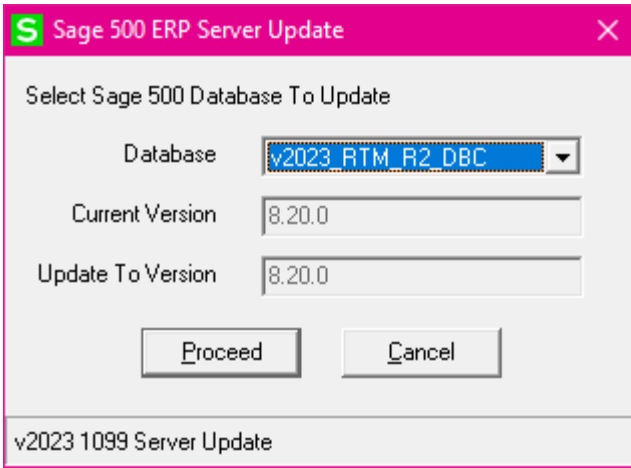

7. Click **Install** to continue.
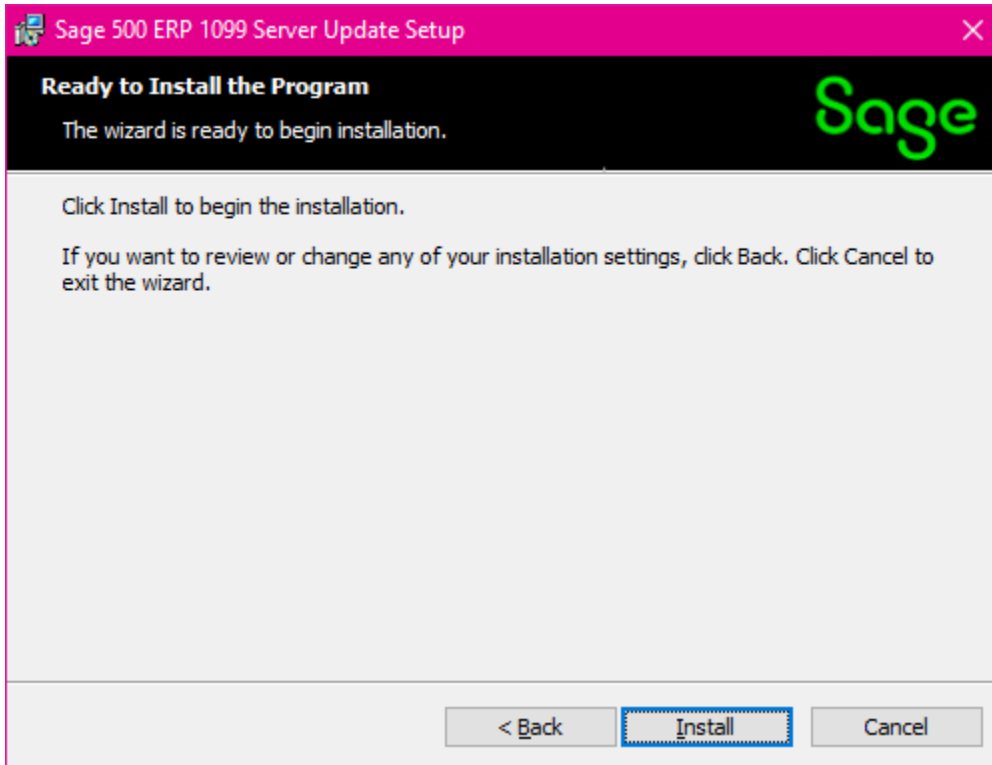
8. At the completion screen, click **Finish** to complete the Sage 500 ERP Server installation.
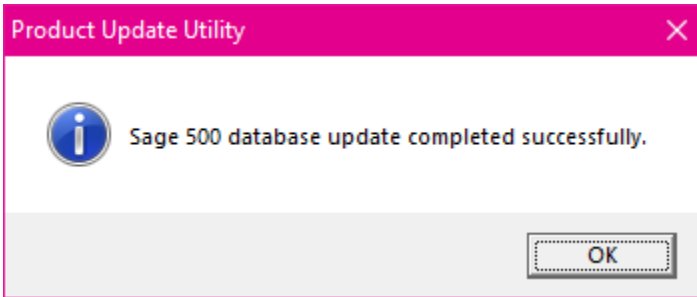

9. The server update utility is now installed. However, the changes have not been applied to any database. A Sage 500 ERP Database Update Login screen was probably launched (and may be behind the install window above). If not, run the 1099 Server Update application from your start menu.
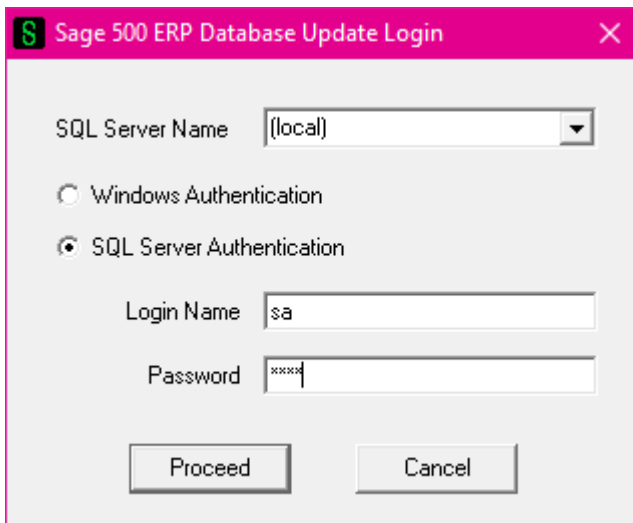
10. Login as appropriate for your system. After logging in, select the database where the 1099 Server Update should be applied and click the Proceed button. Note that any versions shown below may change depending upon your version of Sage 500 ERP and your database names and are shown for example only.

Sage 500 ERP Server Update

Select Sage 500 Database To Update

Database: v2023_RTM_R2_DBC

Current Version: 8.20.0

Update To Version: 8.20.0

[Proceed] [Cancel]

v2023 1099 Server Update

11. Upon success, click the OK button.

Product Update Utility

Sage 500 database update completed successfully.

[OK]

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 v2023_1099Year2024_UpdateC.exe. A screen similar to the one below will display, click **Continue** to proceed.
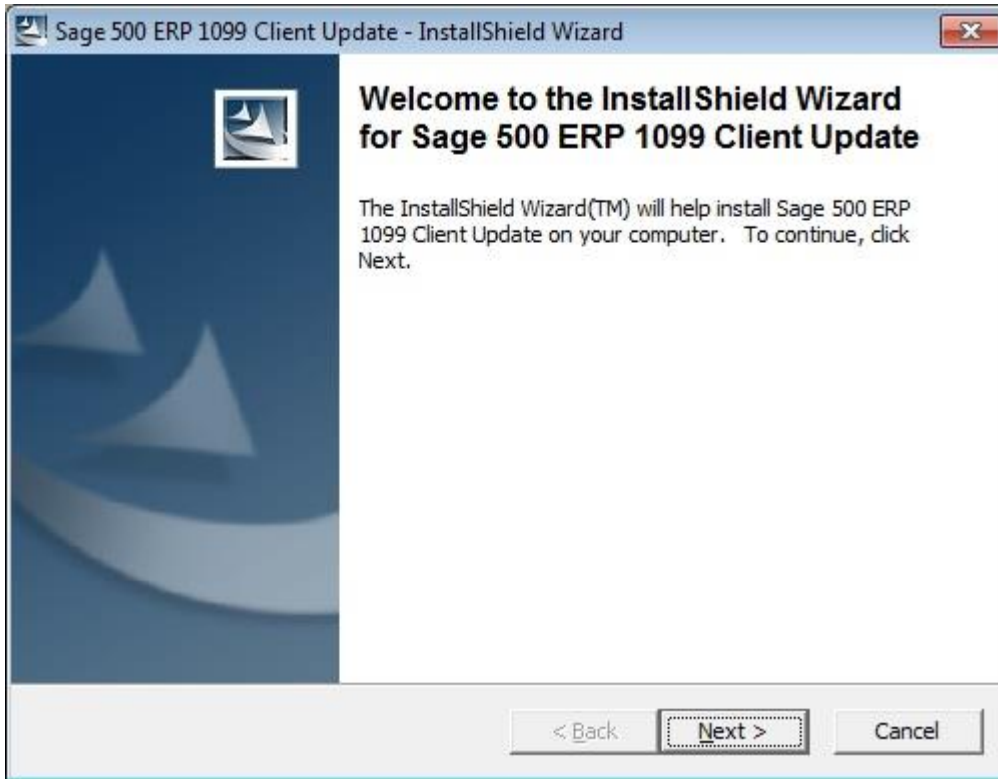
3. At the Welcome screen, click **Next** to continue.
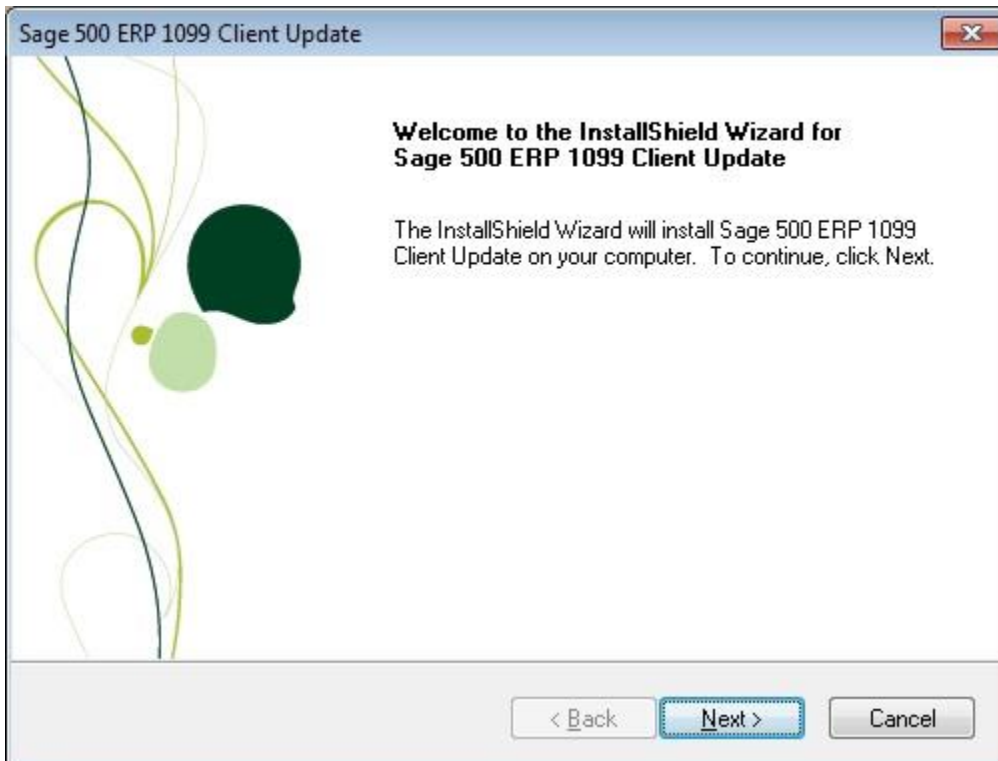
4. At the completion screen, click **Finish** to complete the Sage 500 ERP Client update installation.
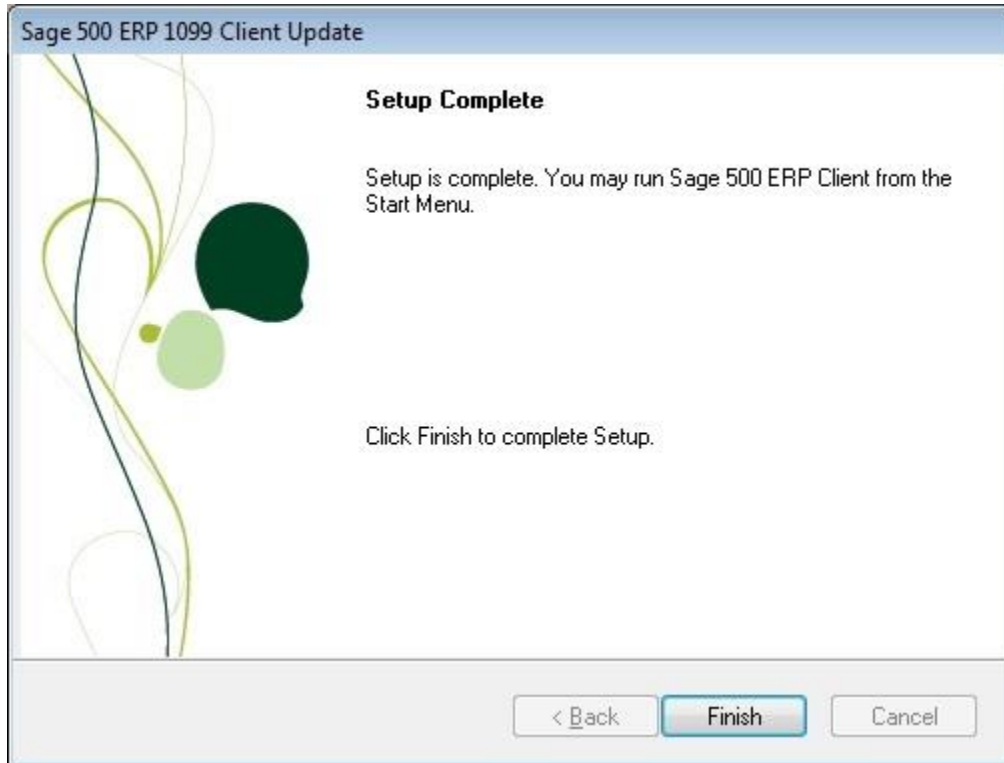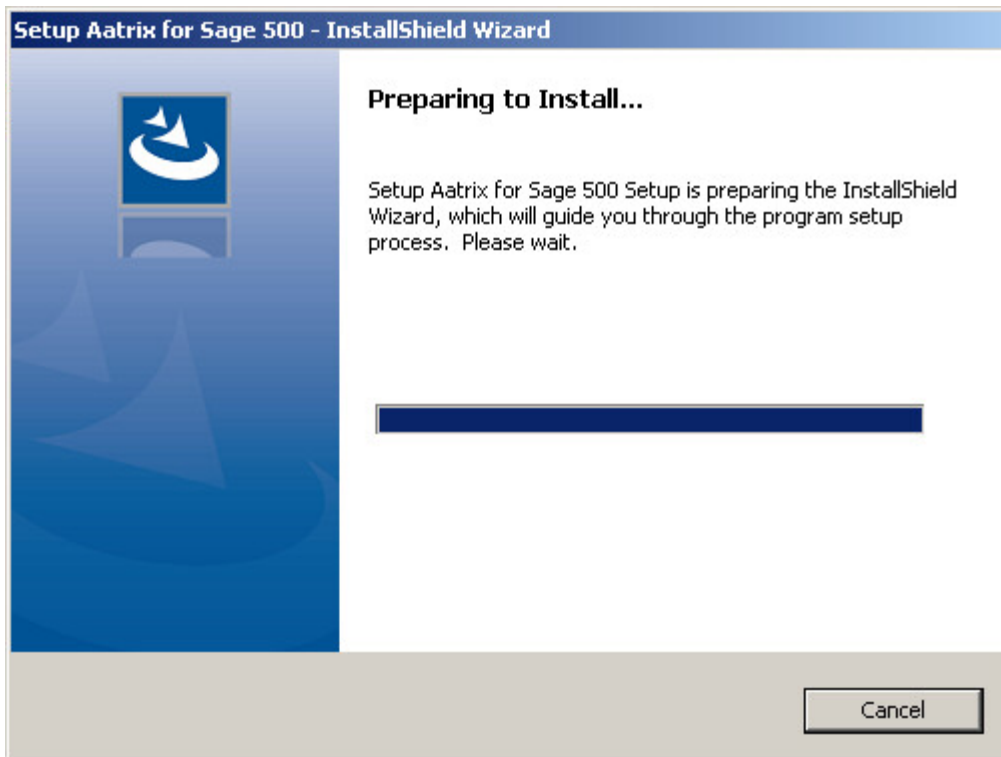

4.4.   Installing the Sage 500 Tax Forms Service

Even if you have the Sage 500 Tax Forms Service installed on your 1099 processing workstation, you will need to uninstall the current version and install the TY 2024 version. 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. The user performing this process will likely need to be a Windows Administrator.

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 is available Sage download site. A screen similar to the one shown below will display, please let it proceed.
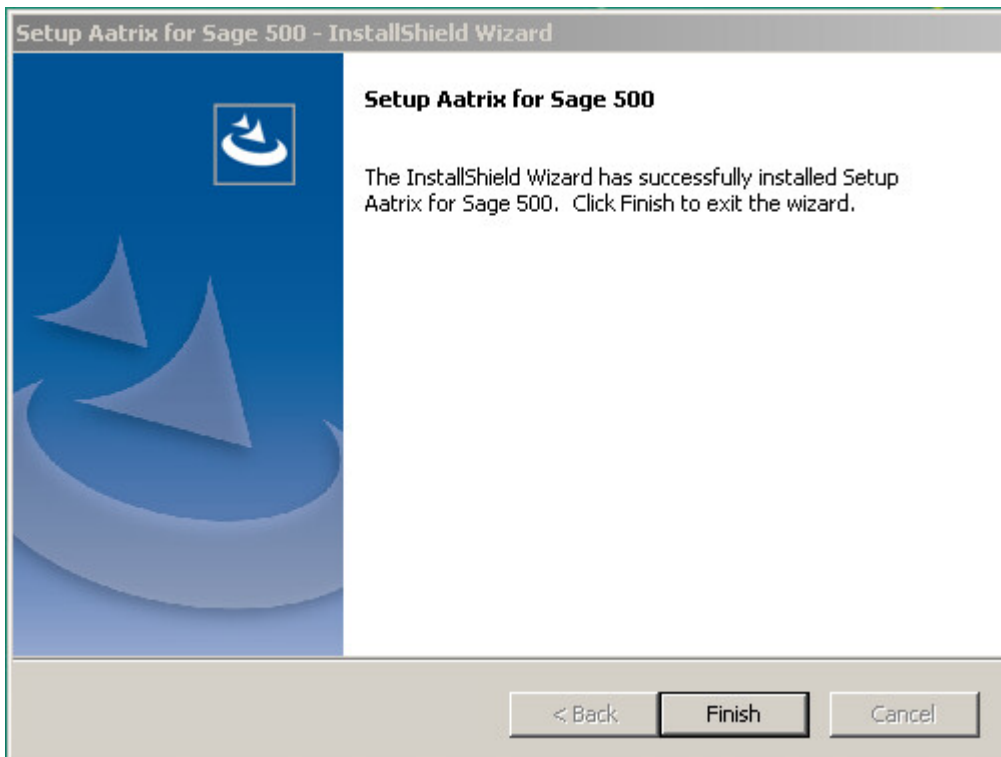
2. In the middle of process, a message box similar to the one below will display, please let it proceed.
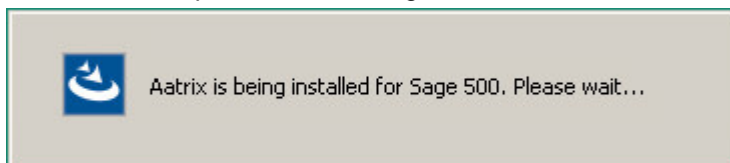

3. At the completion screen, click **Finish** to complete the Sage 500 Tax Forms Services installation.

5. Known Issues

- Having custom 1099 data in your system that is not provided by Sage Software, or if you have renamed any of your 1099 boxes, may cause the upgrade process to fail. To maintain 1099 integrity, checks and assumptions are made throughout the upgrade process, and any customization can cause failures or unexpected results. ***It is your responsibility to address these issues with your customizing vendor.***

- If you encounter an error while trying to launch the 1099 Forms application (1099 Forms (2016+) on older versions of Sage 500 ERP) 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.

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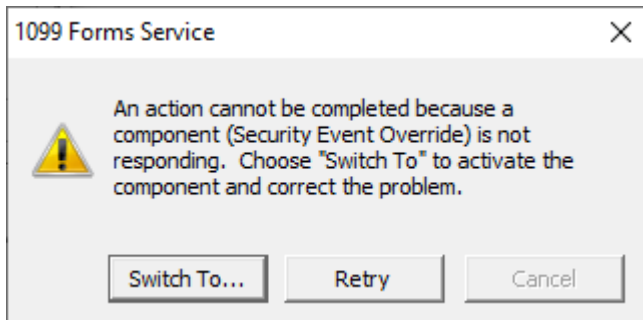
Should this happen, minimize any windows covering the center of the screen and click <Switch To …> button and you should see the Security Event Override form.

Note that by default, no group has the Sage 500 ERP permission to do this, and at least one group must be granted access to the "Allow 1099 Submission Removal" permission.
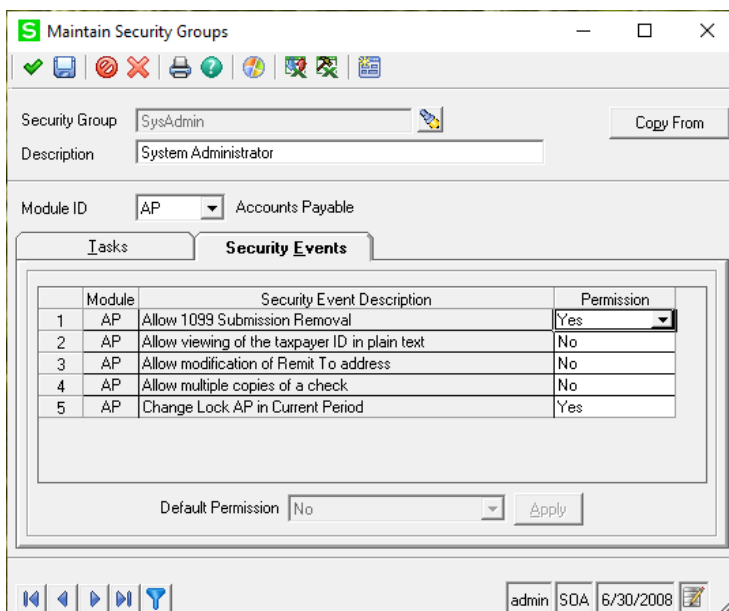
- The Direct Sales entries (1099-MISC Box 7) fields are not calculated by Sage 500 ERP. Should you have vendors who are also customers and meet the criteria for checking these boxes, you will need to check these boxes within Aatrix where appropriate. Sage 500 ERP sends these boxes unchecked.to Aatrix. Please review the IRS 1099-MISC and 1099-NEC instructions for further information.