

S A G E 5 0 0 E R P

Release Notes

Version 2023 1099 Update

Tax Year 2022

Sage Software, Inc.

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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 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 2022 compared to tax year 2021.

Tax year 2022 brings changes to two forms, 1099-MISC and 1099-DIV:

- 1099-MISC:
 - Adds Box 13, “FATCA filing req.”. This checkbox existed previously on the form without an assigned box number. The IRS has now assigned it a box number.
 - Boxes 13-17 move up one box number to 14-18 to accommodate the newly inserted Box 13 for FATCA.
- 1099-DIV:
 - Adds Box 11, “FATCA filing req.”. This checkbox existed previously on the form without an assigned box number. The IRS has now assigned it a box number.
 - Boxes 11-15 move up one box number to 12-16 to accommodate the newly inserted Box 11 for FATCA.

3.1. Files/Objects Modified

3.1.1. Client

- Apz1099FormsSvcLnch was modified for tax year 2022. 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.

3.1.2. Database

- ap1099Update2022.sql. This is the stand-alone SQL script used to upgrade data from tax year 2021 to tax year 2022. This script will add/update the box changes throughout the database.

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

```
SELECT
    H.EventID
    ,H.DBHistoryKey
    ,H.ErrorCount
    ,H.EventStartTime
    ,HD.DBHistSeqNo
    ,HD.Description
FROM
    tsmDBHistory H WITH (NOLOCK)
    INNER JOIN tsmDBHistoryDet1 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.

- spapProcess1099_TaxSvc.sql. A Sage 500 ERP stored procedure.
- spapSubmit1099_TaxSvc.sql. A Sage 500 ERP stored procedure.

4. Installation Instructions

4.1. Minimum Requirement

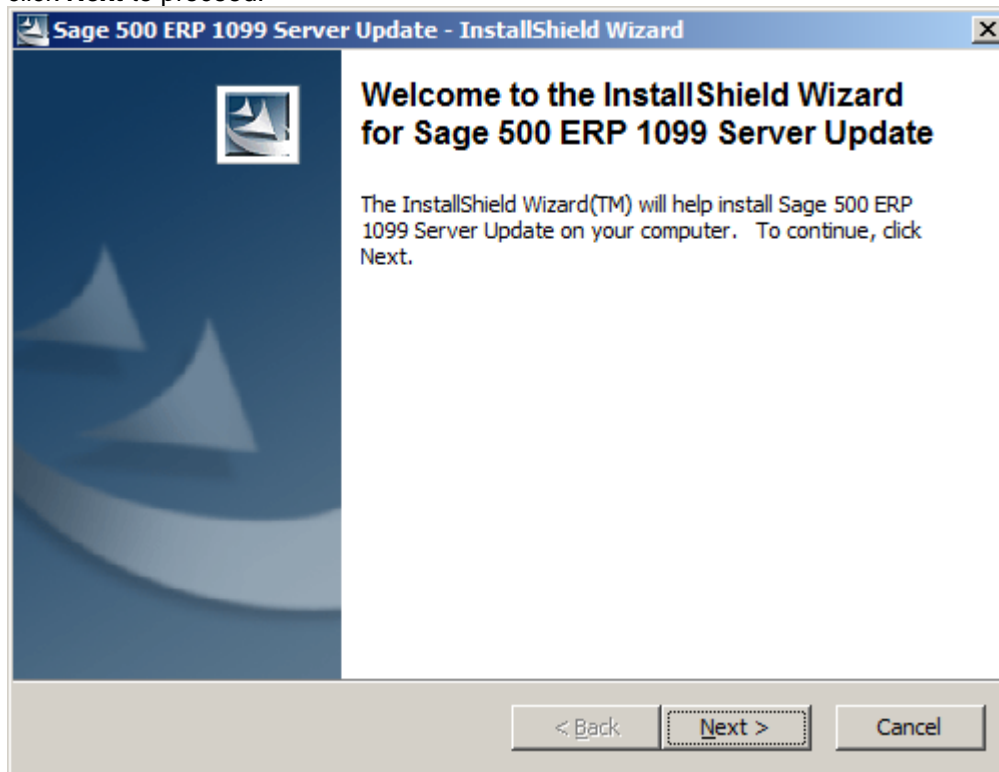
Sage 500 ERP 2023 GA Release (8.20.0) or newer must be installed before the tax year 2022 stand-alone 1099 update can be installed.

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

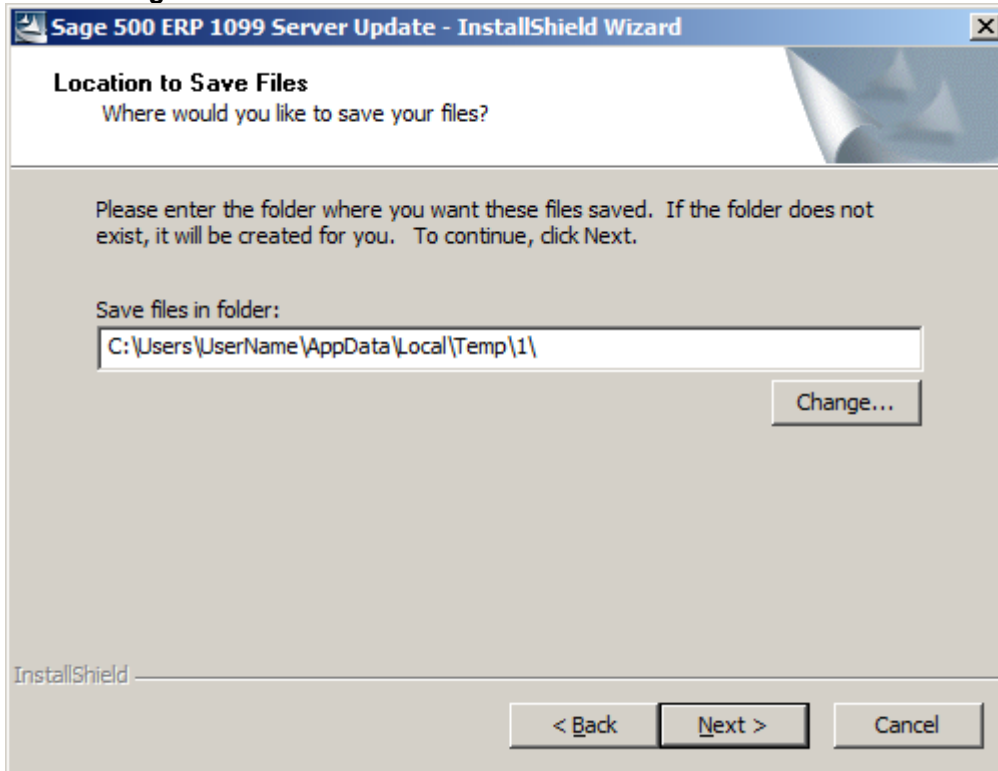
4.2. Installing the Server

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

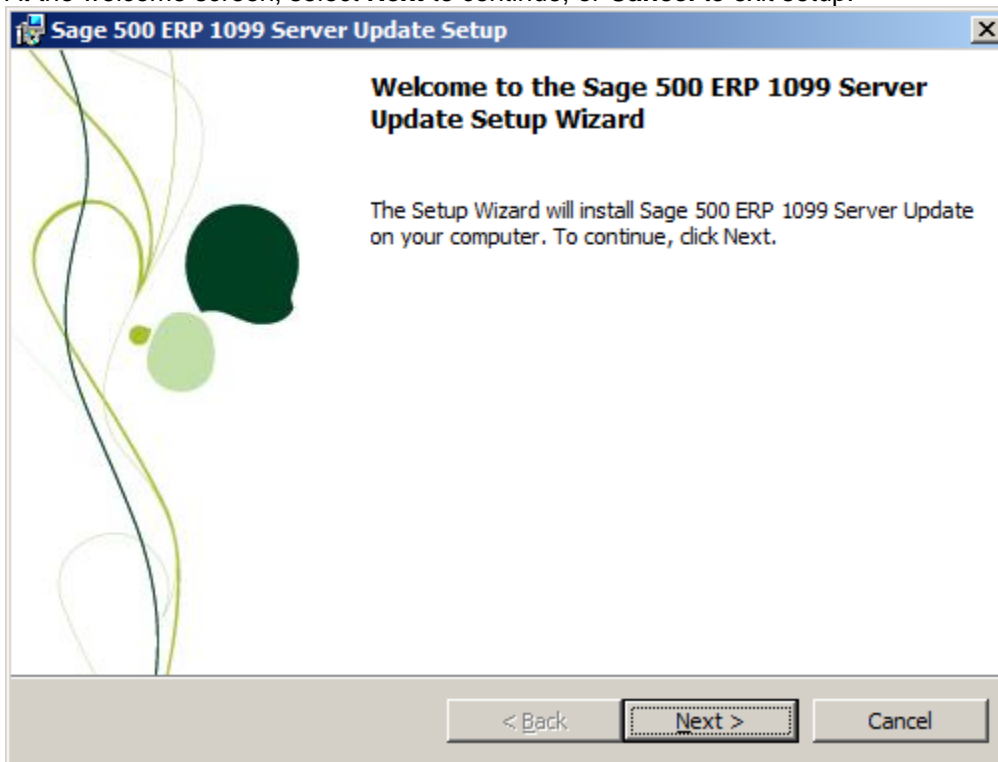
1. To begin the Sage 500 ERP Server installation, double-click v2023_1099Year2022_UpdateS.exe and click **Next** to proceed.



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.



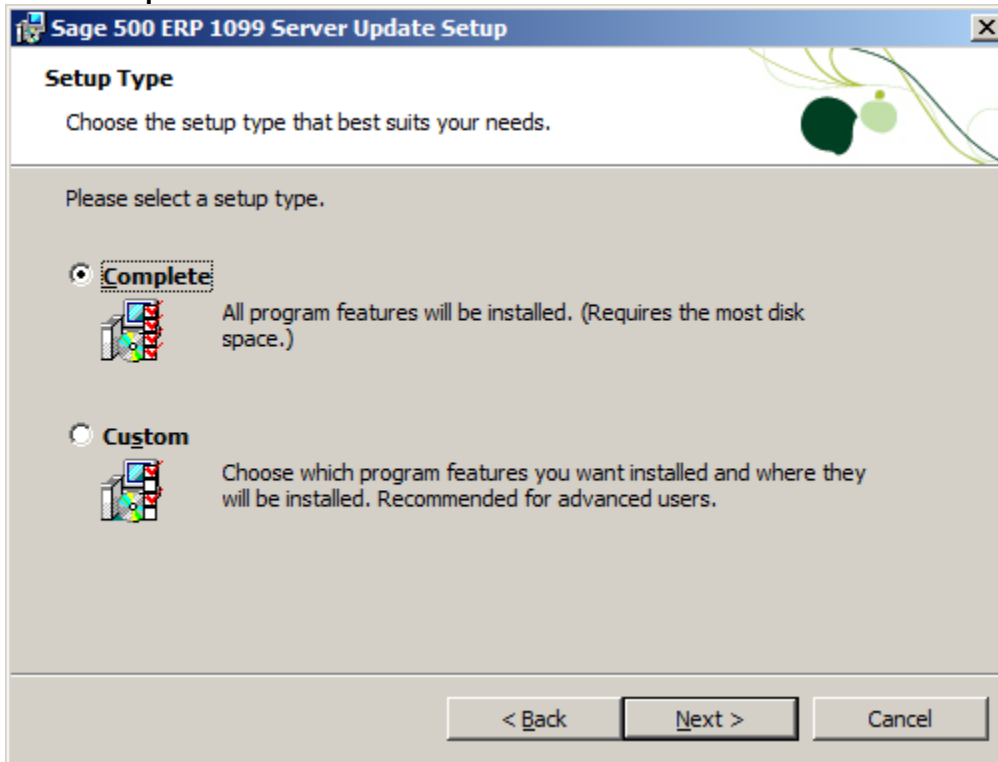
4. Read the License Agreement, select the Accept option and click **Next** to continue.

The screenshot shows a Windows-style dialog box titled "Sage 500 ERP 1099 Server Update Setup". The main heading is "License Agreement". Below the heading, it says "Please read the following license agreement carefully." The central area contains the text of the license agreement, starting with "SAGE END USER LICENSE AND SUPPORT AGREEMENT" and "IMPORTANT-SCROLL THROUGH AND READ ALL OF THE FOLLOWING TERMS AND CONDITIONS". The first section is "1. GRANT OF LICENSE. Sage ('Sage' and other capitalized terms are defined below) grants You a limited, non-exclusive, non-transferable (except as set forth in Section 3(b) below), non-sublicensable license of the scope described in this Agreement to Use the Software only upon the following conditions: a. You or someone acting on Your behalf and at Your direction, such as Your Reseller has:". At the bottom of the dialog, there are two radio button options: "I accept the terms in the license agreement" (which is selected) and "I do not accept the terms in the license agreement". At the very bottom, there are three buttons: "< Back", "Next >", and "Cancel".

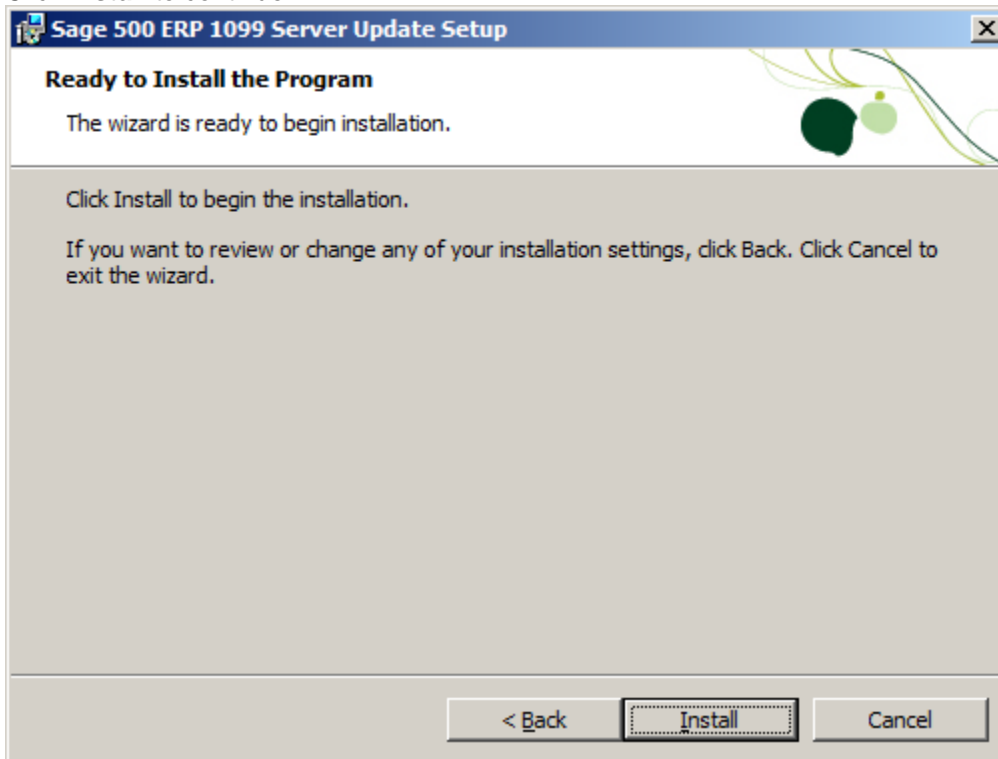
5. Enter the User Name, Organization, Installation option and click **Next** to continue.

The screenshot shows a Windows-style dialog box titled "Sage 500 ERP 1099 Server Update Setup". The main heading is "Customer Information". Below the heading, it says "Please enter your information." The dialog contains two text input fields: "User Name:" with the text "User\Name" entered, and "Organization:" with the text "Sage Software" entered. Below these fields, there is a section titled "Install this application for:" with two radio button options: "Anyone who uses this computer (all users)" (which is selected) and "Only for me (Windows User)". At the bottom of the dialog, there are three buttons: "< Back", "Next >", and "Cancel".

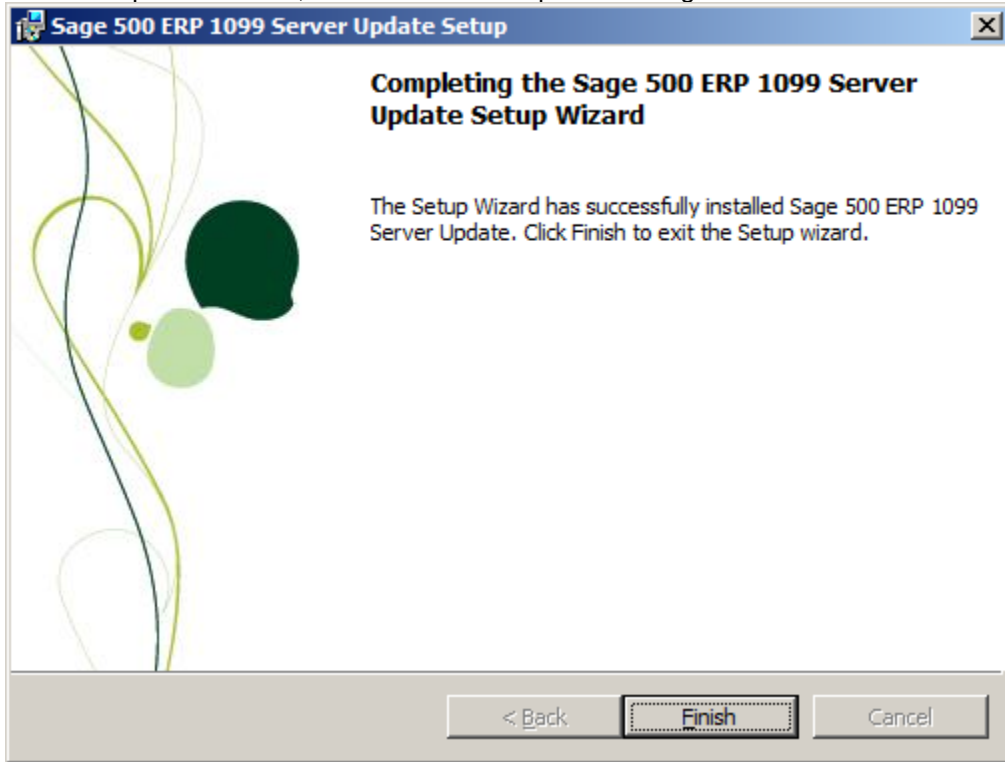
6. Select **Complete** and click **Next** to continue.



7. Click **Install** to continue.

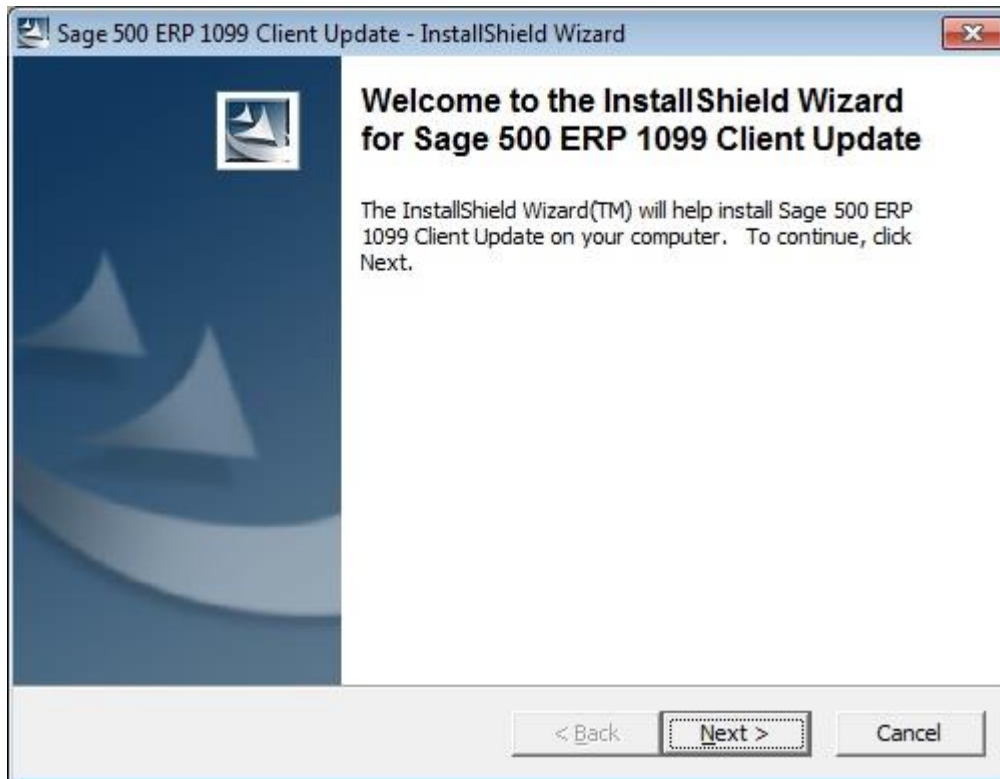


8. At the completion screen, click **Finish** to complete the Sage 500 ERP Server installation.

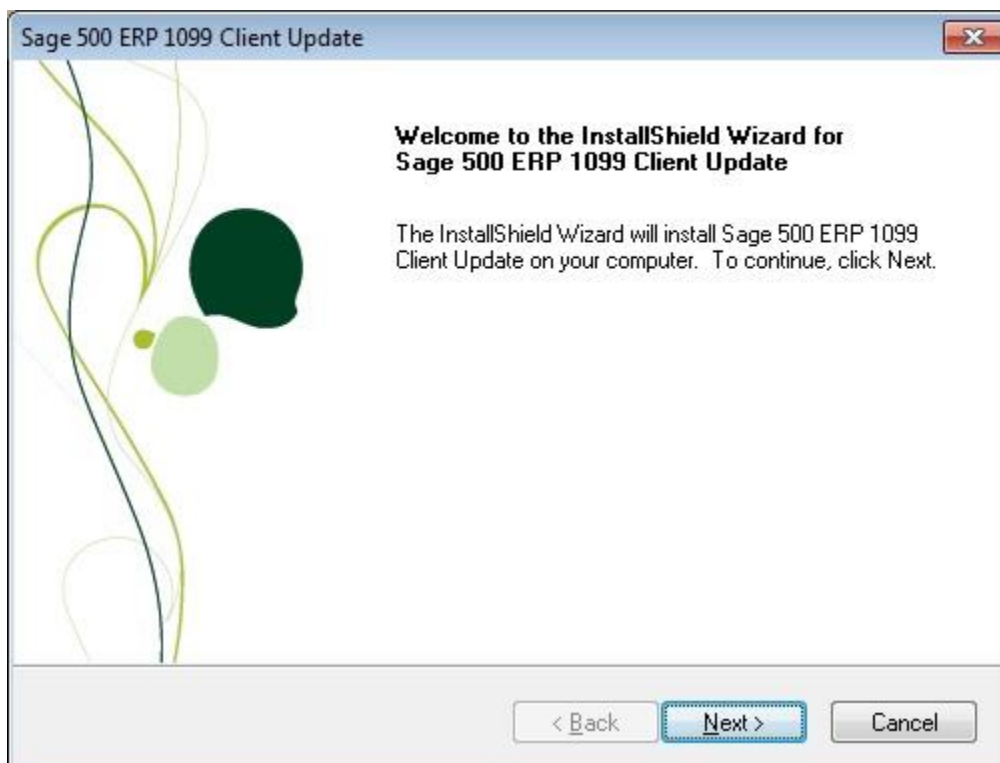


4.3. Installing the Client

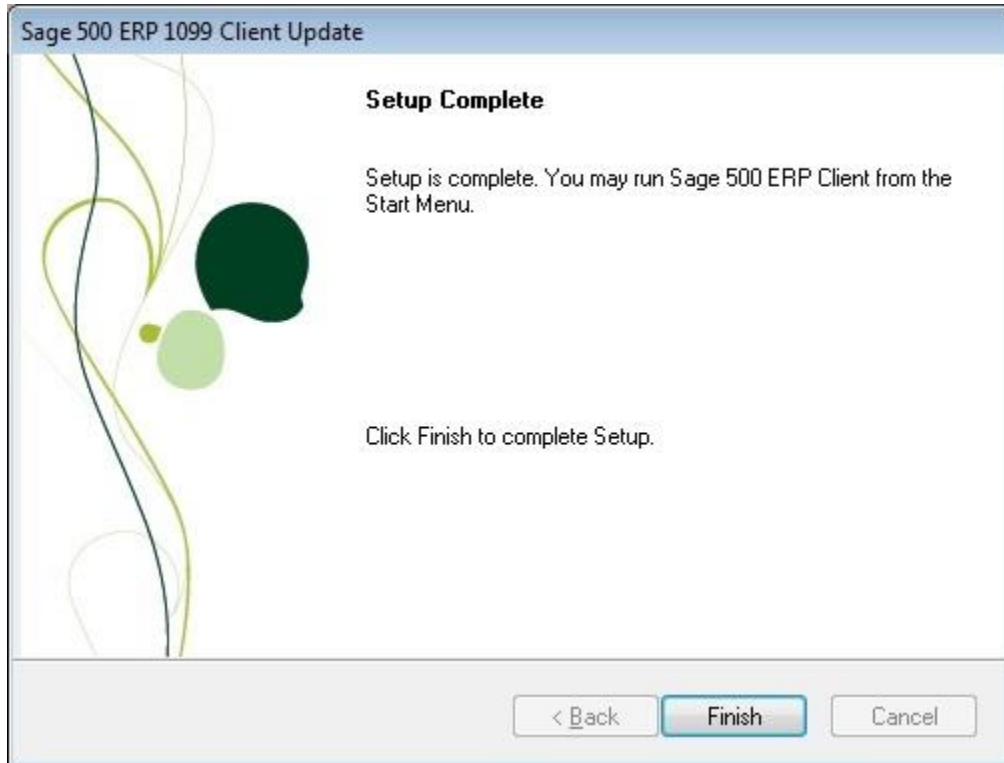
1. Review the section entitled Best Practices. This is the install that should be done for each client.
2. To begin the Sage 500 ERP Client installation, double-click the v2023_1099Year2022_UpdateC.exe. A screen similar to the one below will display, click **Continue** to proceed.



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.

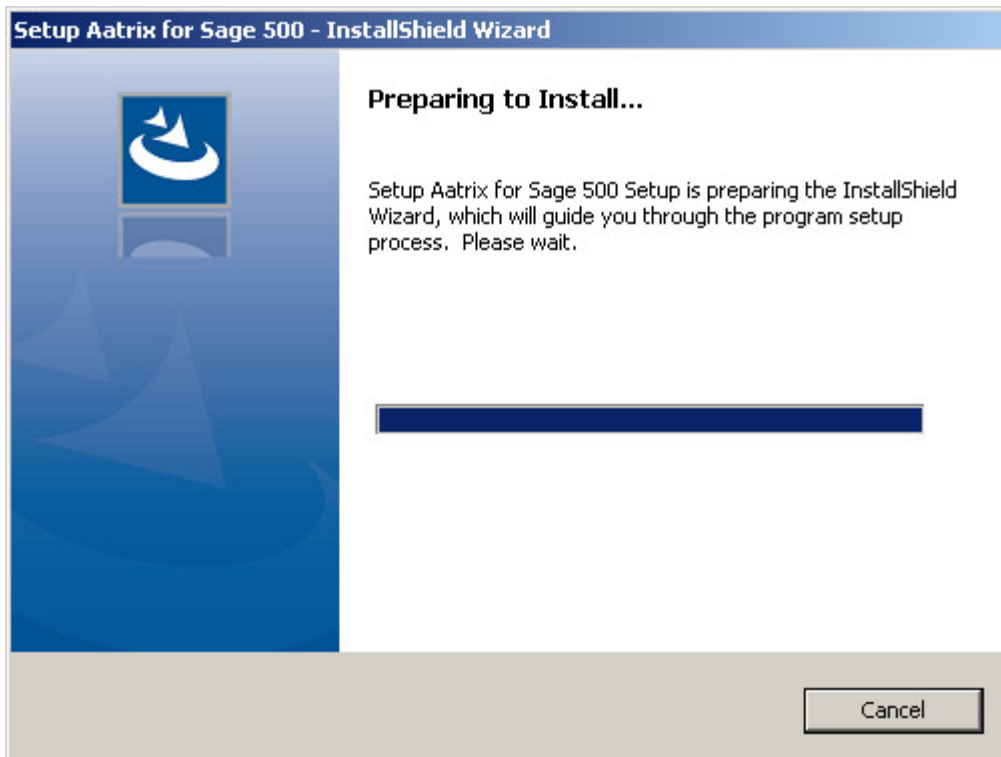


4.4. Installing the Sage 500 Tax Forms Service

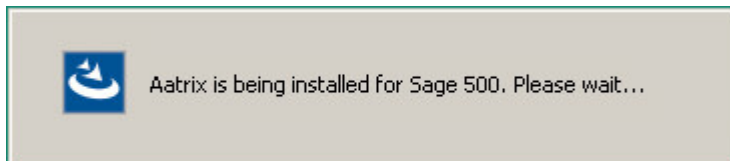
If you already have the Sage 500 Tax Forms Service application installed, you may skip this. This application installs the Aatrix Software application for use by Sage 500 ERP. The Aatrix Software will update itself when needed, so once installed, no further installation is necessary from a Sage 500 ERP 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.

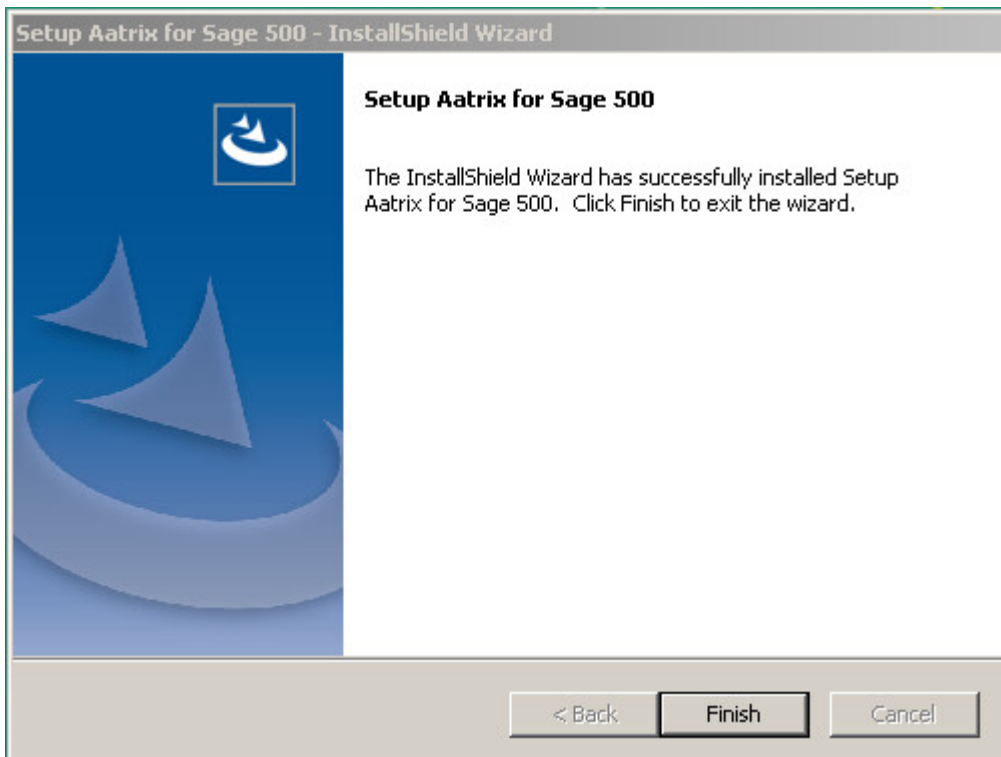
1. To begin the Sage 500 Tax Forms Services installation, double-click the "Install Sage 500 Tax Forms Service.exe". This install program may be available on a CD or from the Sage download site. A screen similar to the one shown below will display, please let it proceed.



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

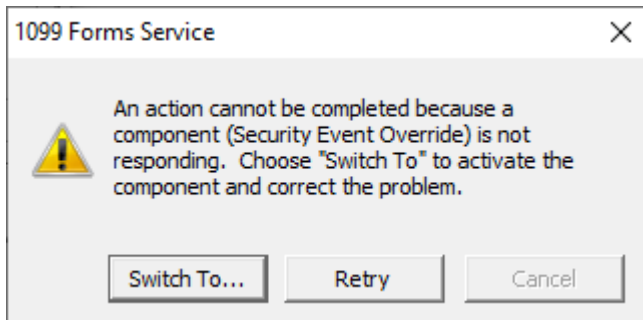


3. At the completion screen, click **Finish** to complete the Sage 500 Tax Forms Services installation.



5. Known Issues

- 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 (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.
- 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.

- 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.