



1099 ZERO DOLLAR INVOICES

QUICK REFERENCE GUIDE AP-41

AP

Purpose

The purpose of this Quick Reference Guide (**QRG**) is to provide a step-by-step explanation of how to create a Zero-Dollar Invoice for 1099 corrections in the North Carolina Financial System (**NCFS**).

Introduction and Overview

This QRG covers the steps on how and when to create zero-dollar invoice for 1099 corrections in NCFS. A few of the possible scenarios are provided as examples in this QRG.

The following are a few of possible scenarios discussed in this QRG:

Scenario:

1. Supplier was not flagged in the original 1099.
2. Supplier was flagged with the wrong amount and /or wrong 1099 code.
3. The wrong supplier was flagged, and a new supplier needs to be added.
4. Supplier was flagged in error.



NOTE: 1099 Correction invoices should always have a total amount of \$0. The invoices have an equal positive and negative line amounts. Amounts entered on the 1099 lines are the amount to **add** or **subtract** from the original 1099 amount filed with the IRS.

If **adding** amounts from the initial 1099 amount, the amount must be placed in the positive line with the appropriate 1099 code being increased.

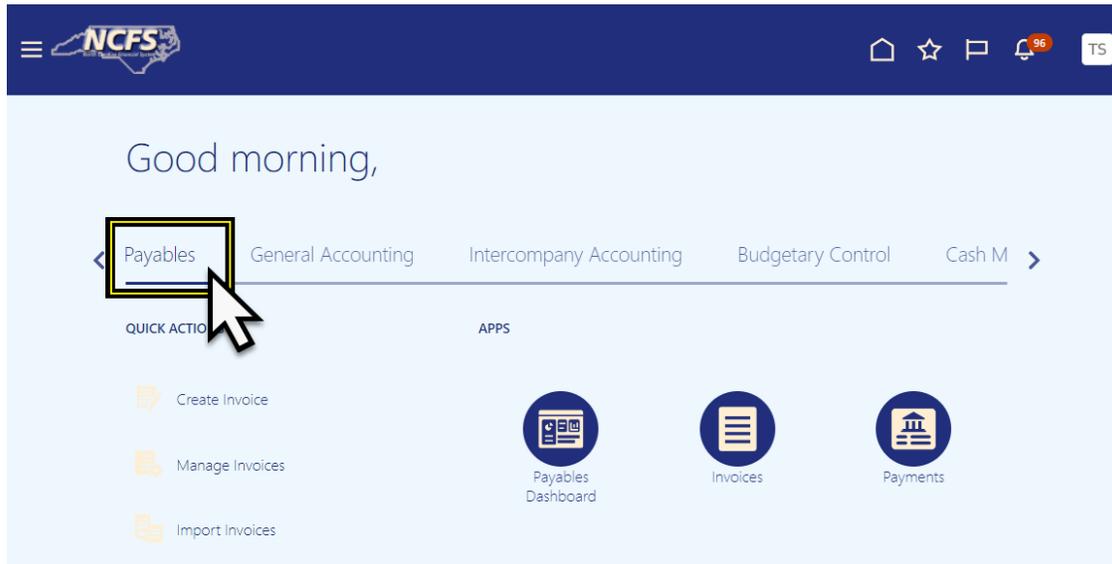
If **subtracting** amounts from the initial 1099 amount, the amount must be placed in the negative line with the appropriate 1099 code being decreased.

The Pay Group used for these \$0 invoices is 1099 Corrections.

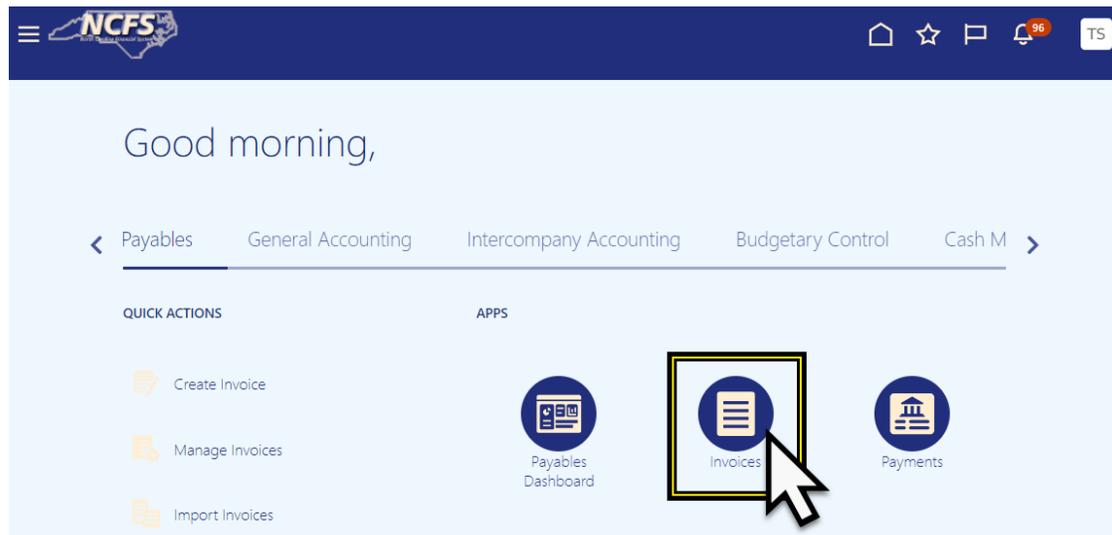
1099 Correction – Zero Dollar Invoice

Each of the following four scenarios requires creating a zero-dollar invoice to begin the process. Follow steps one through five to create a zero-dollar invoice.

1. Login to the NCFS portal.
2. Click the Payables tab from the home page.



3. Click the **Invoices** app.



4. Click **Create** to create a zero-dollar invoice.

Recent 24 Hours
0 Incomplete
0 Complete
0 Total

Holds 7 Days
7 Validation
2 Purchasing
0 Other

Approval
0 Pending
6 Others
38 Rejected

Prepaid
0

View [X] [Grid] [Print] [Detach] **Create** Validate Cancel Post to Ledger

Invoice Number | Amount | Supplier | Supplier Site | Validation Status | Accounting Status

5. The Create Invoice page is displayed.

Create Invoice: ? Invoice Actions [Save and Create Next] [Save] [Save and Close] [Cancel]

Invoice Header Show More

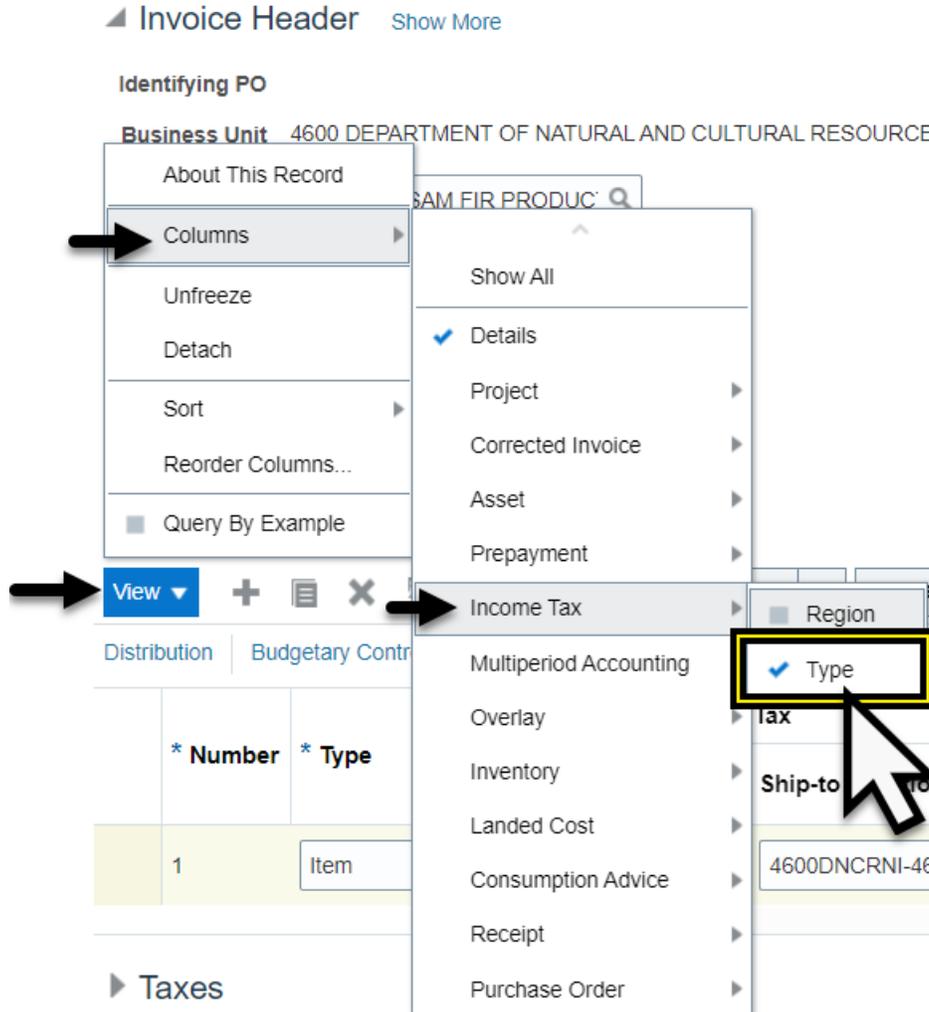
Identifying PO [Search]
* Business Unit [Dropdown]
* Supplier [Search]
Supplier Number
* Supplier Site [Dropdown]
Legal Entity
Invoice Group [Text]

* Number [Text]
* Amount [Dropdown] [Text]
* Type [Standard] [Dropdown]
Description [Text]

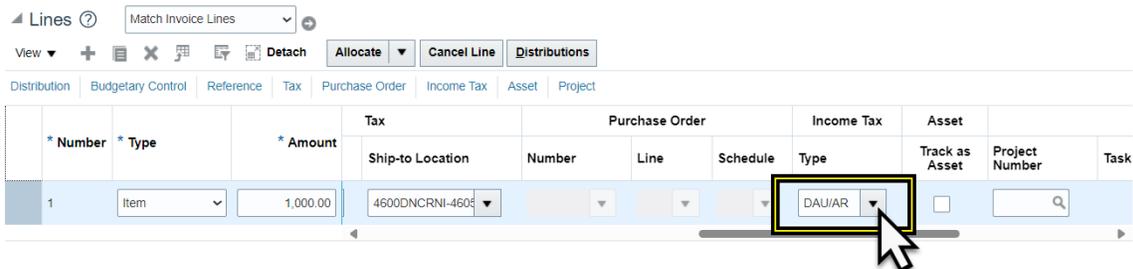
* Date [m/d/yy] [Calendar]
* Payment Terms [Dropdown]
* Terms Date [3/11/24] [Calendar]
Requester [Search]
Attachments None +
Note [Icon]

▶ Lines ? Match Invoice Lines [Dropdown]

Note: If the Income Tax column is not visible. The Income Tax Type column can be added from the View option on the line menu; by selecting the Columns option and then Income Tax and Type.



4. Click the **Income Tax Type** drop-down menu.



5. Select the appropriate income tax type. In this example, we selected **MISC3**.

Invoice Header [Show More](#)

Identifying PO

Business Unit 4600 DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

* Number 07544740 * Date 3/11/24

* Amount USD - 0.00 * Payment Terms Immediate

* Supplier MAINE BALSAM FIR PRODUC * Supplier Number 100029 * Terms Date 3/11/24

* Supplier Site R.46PT.01 * Requester

* Legal Entity NC DEPARTMENT OF NATI * Attachments None +

Invoice Group

Note

Lines ? Match Invoice Lines

View + Detach Allocate

Distribution Budgetary Control Reference Tax Purchase Order

* Number	* Type	* Amount	Tax	Ship-to	Asset	Track as Asset	Project Number	Task
1	Item	1,000.00		4600DNCRNI-4605	DAU/AR			

MISC15a T Section 409A taxable deferrals. Report...

MISC15b Nonqualified deferred compensation. ...

MISC2 Royalties

MISC3 Other Income

MISC4 Federal income tax withheld

MISC5 Fishing boat proceeds

MISC6 Medical and health care payments

MISC7 Non-employee compensation. Reporte...

MISC8 Payments in lieu of dividend or interest

MISC9 Consumer Products for Resale. Repor...

6. Add a new line and the negative amount. **(The two lines must net to 0.00)**

Lines ? Match Invoice Lines

View + Detach Allocate Cancel Line Distributions

Distribution Budgetary Control Reference Tax Purchase Order Income Tax Asset Project

* Number	* Type	* Amount	Tax	Ship-to Location	Number	Line	Schedule	Income Tax
2	Item	-1,000.00		4600DNCRNI-4605				DAU/AR
1	Item	1,000.00		4600DNCRNI-4605 MAIL SE				MISC3

7. Click **Save**.

Home Star Flag 96 TS

Not validated Invoice Actions Save and Create Next **Save** Save and Close Cancel

c. Select the top empty description.

* Number

* Amount USD -

Type

Description

Tax	
COMB_FED&STATE_WH_20_1099	24% & 4% Fed & State Backup Withh...
COMB_NRA_FED&STATE_WH_34	& 4% Fed & State NRA Withholdi...
FED_BACKUP_WH_24_1099	Federal Backup Withholding
FED_NRA_WH_10_1042	10% Federal NRA Withholding
FED_NRA_WH_14_1042	Non-qualified scholarship/fellowship t...
FED_NRA_WH_15_1042	15% Federal NRA Withholding
FED_NRA_WH_30_1042	30% Federal NRA Withholding
FED_NRA_WH_5_1042	5% Federal NRA Withholding
STATE_NRA_WH_4_1042	4% State NRA Withholding

Search...

1000NCDACSNI-1 STATE_RES_W MISC4

d. Withholding should appear empty.

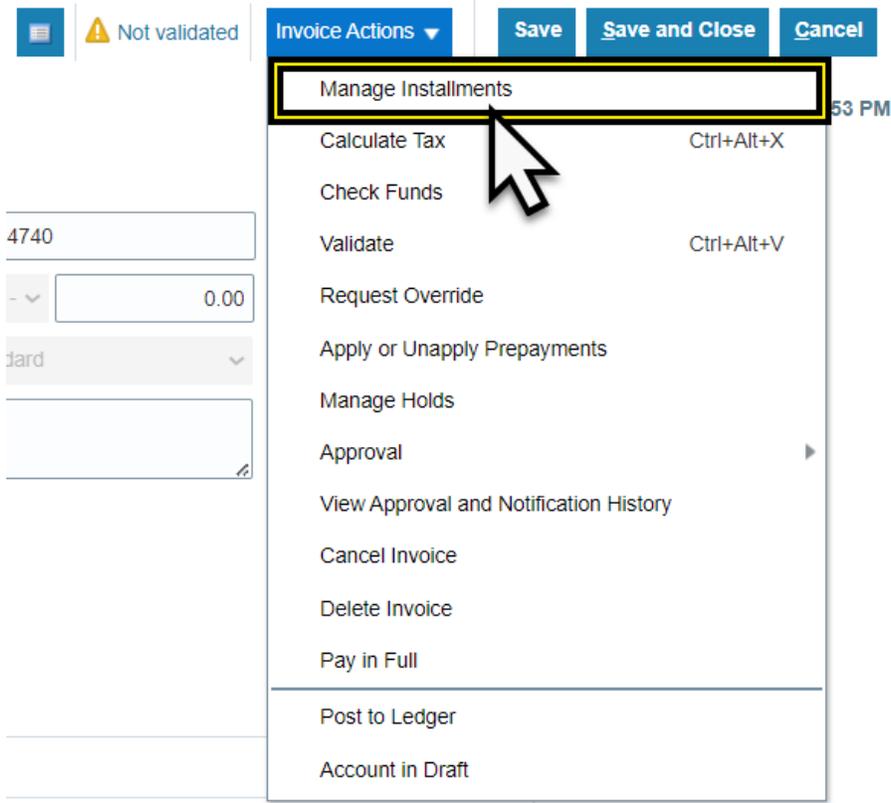
Withholding

- 9. Click **Save** to save the invoice.
- 10. Click the **Invoice Actions** drop-down menu.

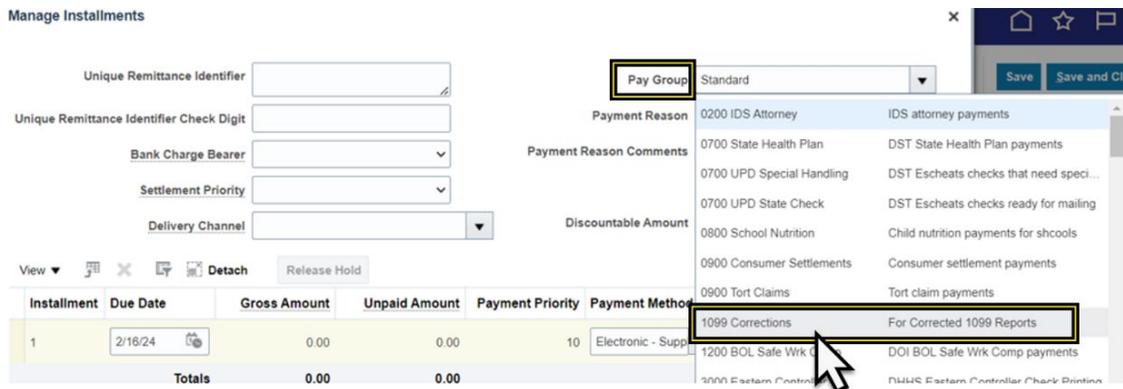
Home Star Flag 96 TS

Not validated **Invoice Actions** Save and Create Next Save Save and Close Cancel

11. Select **Manage Installments**.



12. Select **1099 Corrections** under **Pay Group** from the Manage installments page.



13. Select **Check Supplier** option under **Payment Method**.

View [dropdown] [icon] [icon] [icon] [icon] Detach Release Hold

Installment	Due Date	Gross Amount	Unpaid Amount	Payment Priority	Payment Method	Bank Account	Details
1	2/16/24	0.00	0.00	10	Electronic - Supp	XXXXXXXX152	[icon]
Totals		0.00	0.00				

Check - One Time Payment

Check - Supplier

Electronic - GO

Electronic - One Time Payment

Electronic - Supplier

Search...

Installment 1: Details

Discounts (0) Remittance Messages Holds

1	Date	Discount

14. Click **Save and Close**.

Manage Installments [close]

Unique Remittance Identifier [input]

Unique Remittance Identifier Check Digit [input]

Bank Charge Bearer [dropdown]

Settlement Priority [dropdown]

Delivery Channel [dropdown]

Pay Group 1099 Corrections [dropdown]

Payment Reason [dropdown]

Payment Reason Comments [input]

Pay alone

Discountable Amount 0.00

View [dropdown] [icon] [icon] [icon] [icon] Detach Release Hold

Installment	Due Date	Gross Amount	Unpaid Amount	Payment Priority	Payment Method	Bank Account	Details
1	2/16/24	0.00	0.00	10	Check - Supplier	XXXXXXXX152	[icon]
Totals		0.00	0.00				

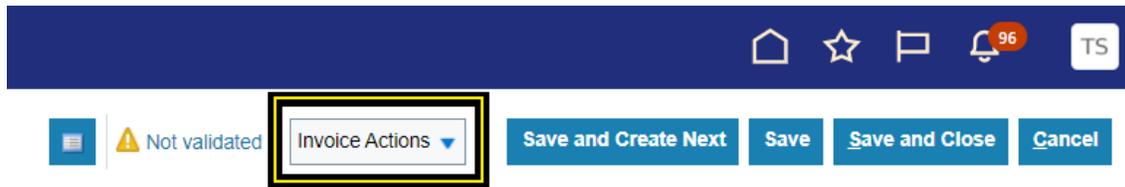
Installment 1: Details

Discounts (0) Remittance Messages Holds

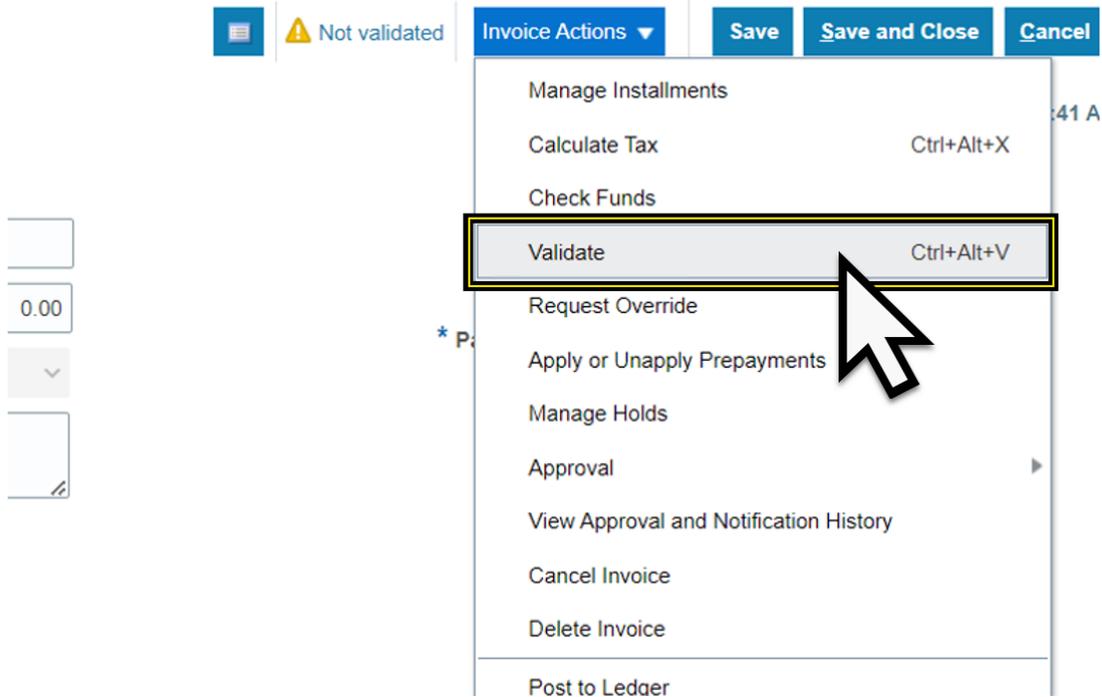
1	Date	Discount	Net Amount
2	Date	Discount	Net Amount
3	Date	Discount	Net Amount

Save **Save and Close** Cancel

15. Return to the invoice page and click the **Invoice Actions** drop-down menu.



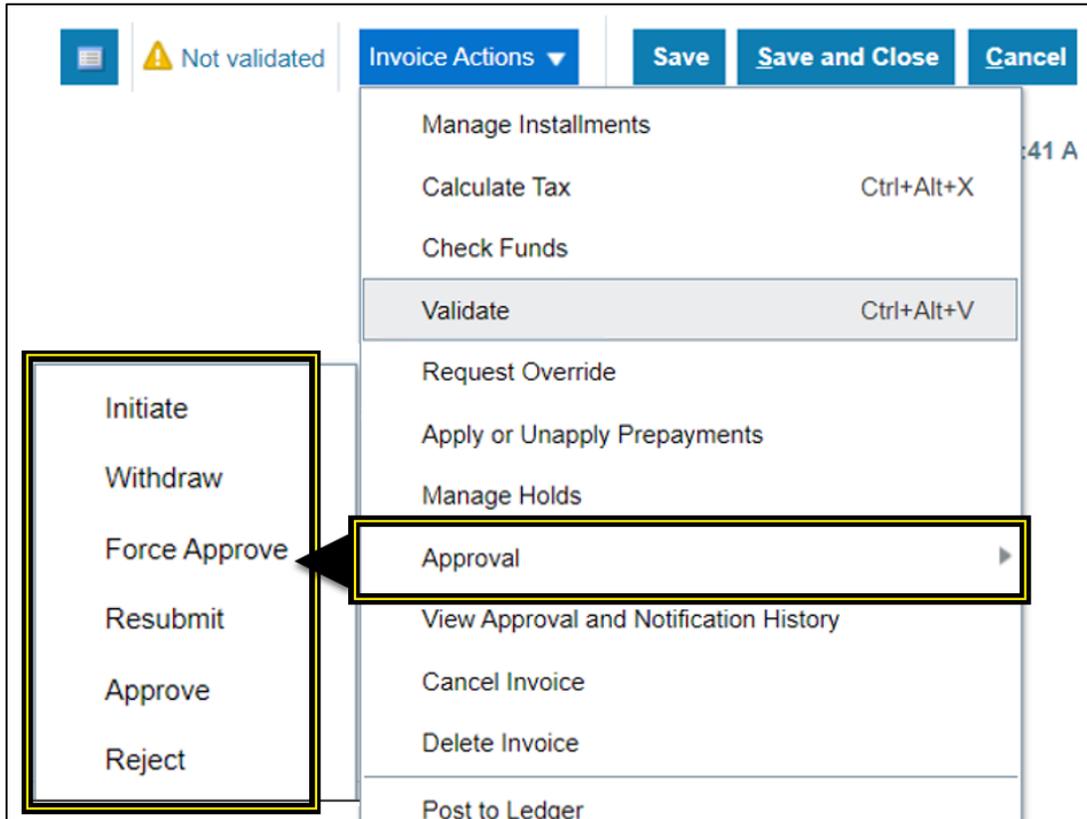
16. Select **Validate**.



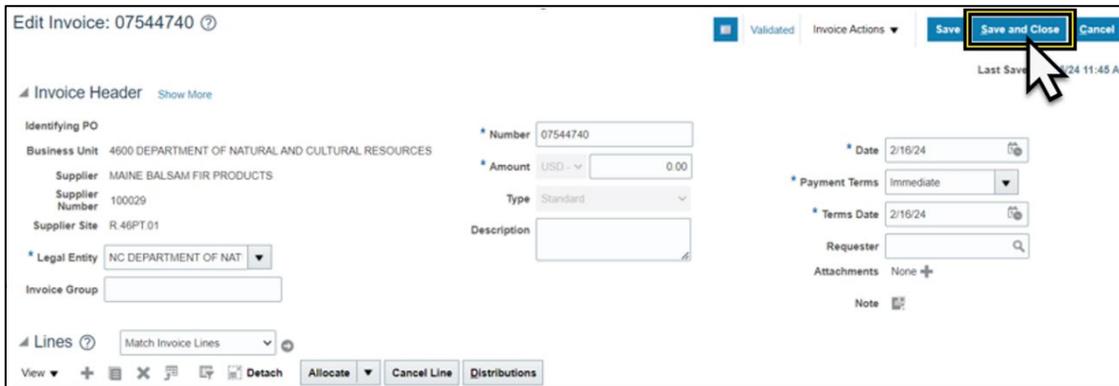
17. Click the **Invoice Actions** drop-down menu.



18. Select **Approval** and approve the invoice, based on your agency policy for the approval process.



19. Click **Save and Close**. The process is complete.



- If the original 1099 amount needs to be decreased, enter the amount to decrease on the negative line of the invoice with the 1099 code, and a positive line for the same amount, with the 1099 default DAU/AR in the Income Tax Type column.

* Number	* Type	* Amount
1	Item	-722.96
2	Item	722.96

- If the original 1099 amount is correct but the 1099 code needs to be changed. Enter the amount on the positive line of the invoice with the 1099 code to change it **to**, and a negative line for the same amount with the 1099 code to change it **from**.

Create Invoice: ?

Invoice Actions: Save and Create Next, Save, Save and Close, Cancel

Invoice Header

Identifying PO: []
 Business Unit: 4600 DEPARTMENT OF NA
 Supplier: MAINE BALSAM FIR PRODUCT
 Supplier Number: 100029
 Supplier Site: R.46PT.01
 Legal Entity: NC DEPARTMENT OF NAT
 Invoice Group: []

* Number: 56879-8768
 Amount: USD - 0.00
 * Type: Standard
 Description: []

* Date: 2/16/24
 Payment Terms: Immediate
 * Terms Date: 2/16/24
 Requester: []
 Attachments: None
 Note: []

Lines

* Number	* Type	* Amount	Purchase Order	Income Tax	Asset	Project
			Number	Line	Schedule	Type
1	Item	1,500.00	AIL SE			MISC3
2	Item	-1,500.00				MISC6

- Follow steps 7 through step 14 in scenario 1 to change the pay group to 1099 Corrections from the Manage Installments page.
- Use steps 15 through 19 in scenario 1 to **Validate** and **Approve** the zero-dollar invoice.

Scenario 3- Wrong supplier was flagged and new supplier needs to be added.

This scenario requires 2 zero-dollar invoices to correct. One invoice to zero out the 1099 for the wrong supplier and one zero-dollar invoice to flag the correct supplier with the correct 1099 code.

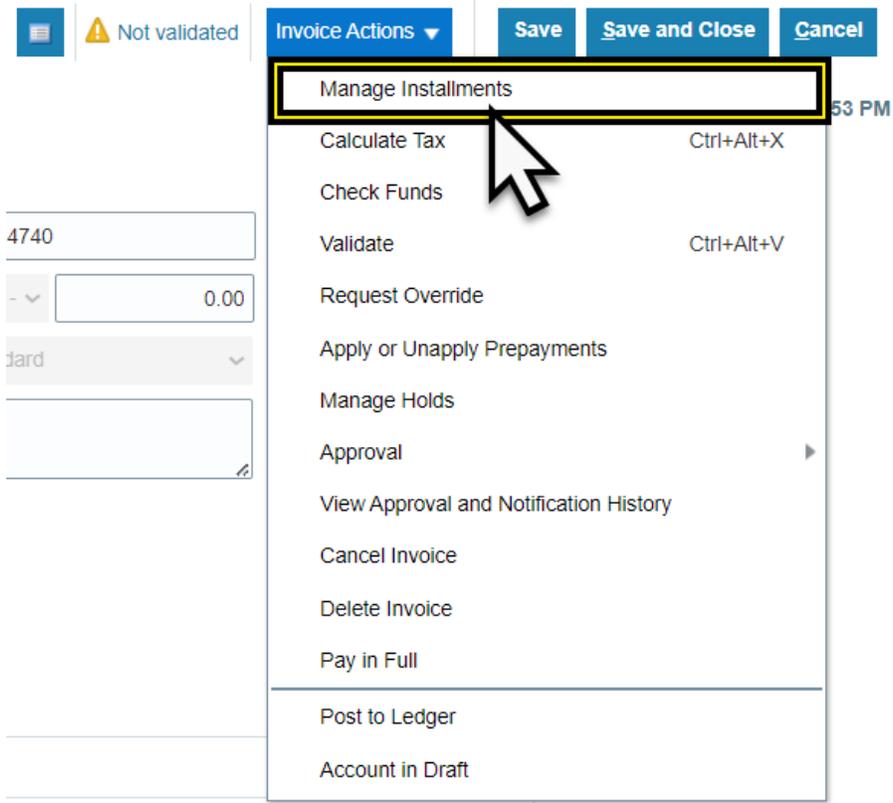
1. Select the supplier that was flagged incorrectly.
2. Enter the supplier information, Invoice Number, amount set to \$0.00, and set the payment terms to Immediate on the create invoice header.
3. The zero-dollar invoice for this supplier should have the **total amount to zero** the **initial reported** amount on the **negative line** of the invoice with the 1099 code that is being removed for this supplier.
4. Click **Save**.



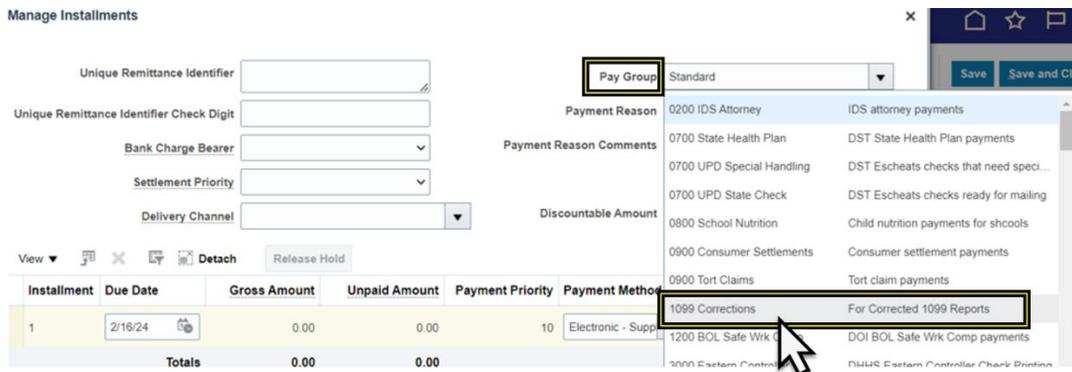
5. Click the **Invoice Actions** drop-down menu.



6. Select **Manage Installments**.



7. Select **1099 Corrections** under **Pay Group** from the Manage installments page.



8. Select **Check - Supplier** option under **Payment Method**.

The screenshot shows the 'Manage Installments' interface. At the top, there are buttons for 'View', 'Detach', and 'Release Hold'. Below is a table with columns: 'Installment', 'Due Date', 'Gross Amount', 'Unpaid Amount', 'Payment Priority', 'Payment Method', 'Bank Account', and 'Details'. The first row shows installment 1 with a due date of 2/16/24, gross and unpaid amounts of 0.00, and a payment priority of 10. The 'Payment Method' dropdown is open, showing options: 'Electronic - Supp', 'Check - One Time Payment', 'Check - Supplier' (highlighted with a yellow box and a mouse cursor), 'Electronic - GO', 'Electronic - One Time Payment', 'Electronic - Supplier', and 'Search...'. Below the table, there are tabs for 'Discounts (0)', 'Remittance Messages', and 'Holds'. The 'Discounts (0)' tab is active, showing a table with columns for 'Date' and 'Discount'.

9. Click **Save and Close**.

This screenshot shows the 'Manage Installments' form. It includes fields for 'Unique Remittance Identifier', 'Unique Remittance Identifier Check Digit', 'Bank Charge Bearer', 'Settlement Priority', and 'Delivery Channel'. On the right side, there are dropdowns for 'Pay Group' (set to '1099 Corrections') and 'Payment Reason', along with a 'Payment Reason Comments' field, a 'Pay alone' checkbox, and a 'Discountable Amount' field set to 0.00. Below the form is a table with columns: 'Installment', 'Due Date', 'Gross Amount', 'Unpaid Amount', 'Payment Priority', 'Payment Method', 'Bank Account', and 'Details'. The first row shows installment 1 with a due date of 2/16/24, gross and unpaid amounts of 0.00, and a payment priority of 10. The 'Payment Method' dropdown is set to 'Check - Supplier'. Below the table, there are tabs for 'Discounts (0)', 'Remittance Messages', and 'Holds'. The 'Discounts (0)' tab is active, showing a table with columns for 'Date', 'Discount', and 'Net Amount'. At the bottom right, there are three buttons: 'Save', 'Save and Close' (highlighted with a yellow box and a mouse cursor), and 'Cancel'.

10. Use **steps 15 through 19 in scenario 1** to Validate and Approve the zero-dollar invoice.

11. Create a second zero-dollar invoice from the Invoices app in the Payables tab.

12. Choose the correct supplier to be flagged.

13. Enter the supplier information, Invoice Number, amount set to \$0.00, and set the payment terms to Immediate on the create invoice header.

14. Enter the invoice lines. The zero-dollar invoice for this supplier should have the **total amount to zero** the amount to report to the new supplier on the positive line of the invoice with the 1099 code that is being added for this supplier.

15. Follow steps 7 through step 14 in scenario 1 to change the pay group to 1099 Corrections from the Manage Installments page.

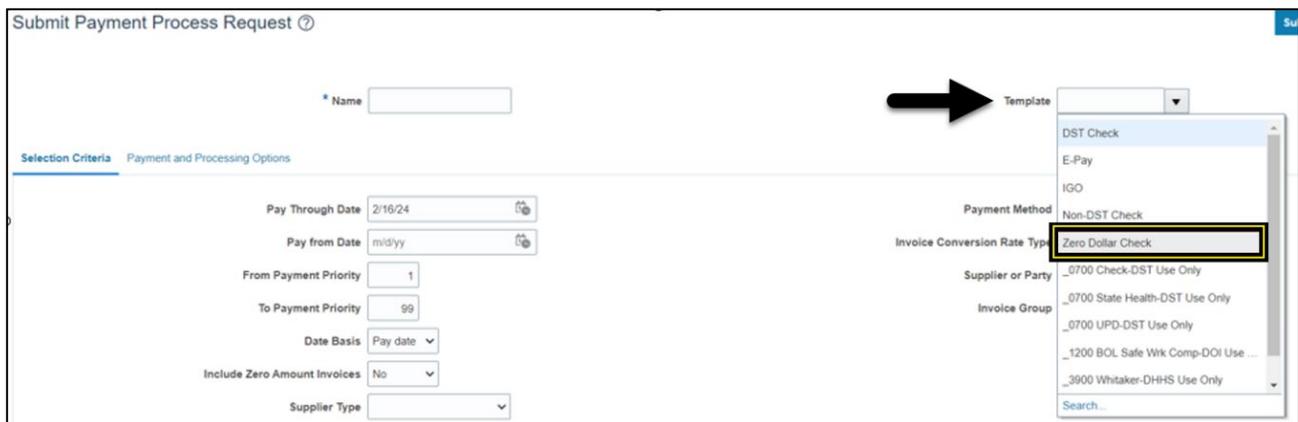
16. Make sure to click on Manage installments and select the **1099 corrections Pay Group and change the Payment method to Check-Supplier.**
17. Use **steps 15 through 19 in scenario 1** to Validate and Approve the zero-dollar invoice.

Scenario 4 - Supplier was flagged in error.

1. Choose the supplier that was flagged incorrectly.
2. Enter the supplier information, Invoice Number, amount set to \$0.00, and set the payment terms to Immediate on the create invoice header.
3. The zero-dollar invoice for this supplier should have the amount to zero out on the negative line with the 1099 code that is being removed for this supplier.
4. Follow **steps 7 through step 14 in scenario 1** to change the pay group to 1099 Corrections from the Manage Installments page.
5. Use **steps 15 through 19 in scenario 1** to Validate and Approve the zero-dollar invoice.

Payment Process Request (PPR) Template for 1099 corrections

1. Login in to NCFS using your credentials.
2. Navigate to the **Payables** tab from the home page.
3. Click the **Payments** app.
4. Click the Tasks icon.
5. Click **Submit Payment Process Request** from the Payments section of the Task panel.
6. Select the Template – **Zero Dollar Check (Use this template to pay zero-dollar invoices without checks being printed)**



7. Scroll down in the Selection Criteria.

8. Click the radio button **Specific** next to the Pay Groups option.

* Name Template Zero Dollar Check ▼

Pay Through Date 3/13/24  Payment Method ▼

Pay from Date m/d/yy  Invoice Conversion Rate Type ▼

From Payment Priority 1 Supplier or Party 

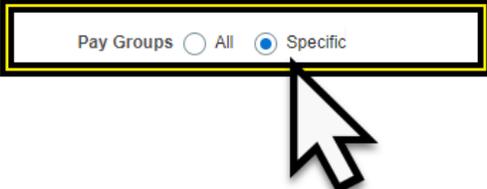
To Payment Priority 99 Invoice Group ▼

Date Basis Pay date ▼

Include Zero Amount Invoices No ▼

Supplier Type ▼

Pay Groups All Specific



9. Click the + (add) sign in the menu that expands below Pay Groups.

Pay Through Date 3/13/24 

Pay from Date m/d/yy 

From Payment Priority 1

To Payment Priority 99

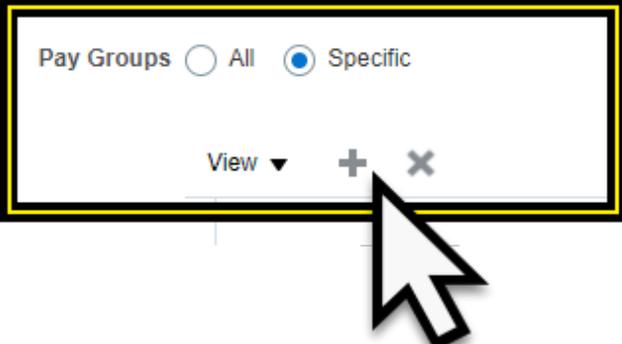
Date Basis Pay date ▼

Include Zero Amount Invoices No ▼

Supplier Type ▼

Pay Groups All Specific

View ▼ + ×



10. Click the drop-down menu under the Pay Groups.

Date Basis

Include Zero Amount Invoices

Supplier Type

Pay Groups All Specific

View + ×

Currencies All Payment Invoice

11. Select the 1099 Corrections from the drop-down menu in the Pay Groups option to pay only the \$0 1099 Correction Invoices.

Pay Through Date

Pay from Date

From Payment Priority

To Payment Priority

Date Basis

Include Zero Amount Invoices

Supplier Type

Pay Groups All Specific

0200 IDS Attorney	IDS attorney payments
0700 State Health Plan	DST State Health Plan payments
0700 UPD Special Handling	DST Escheats checks that need special ...
0700 UPD State Check	DST Escheats checks ready for mailing
0800 School Nutrition	Child nutrition payments for shools
0900 Consumer Settlements	Consumer settlement payments
0900 Tort Claims	Tort claim payments
1099 Corrections	For Corrected 1099 Reports
1200 BOL Safe Wrk Comp	DOI BOL Safe Wrk Comp payments
3000 Eastern Controller	DOHS Eastern Controller Check Printing
Search...	

* Name

Template Zero Dollar Check ▼

S

Pay Through Date	<input type="text" value="3/13/24"/>	Payment Method	<input type="text"/>
Pay from Date	<input type="text" value="m/d/yy"/>	Invoice Conversion Rate Type	<input type="text"/>
From Payment Priority	<input type="text" value="1"/>	Supplier or Party	<input type="text"/>
To Payment Priority	<input type="text" value="99"/>	Invoice Group	<input type="text"/>
Date Basis	<input type="text" value="Pay date"/>		
Include Zero Amount Invoices	<input type="text" value="No"/>		
Supplier Type	<input type="text"/>		
Pay Groups	<input type="radio"/> All <input checked="" type="radio"/> Specific		
View	<input type="text" value="1099 Corrections"/>		
Currencies	<input checked="" type="radio"/> All <input type="radio"/> Payment <input type="radio"/> Invoice		
Business Units	<input checked="" type="radio"/> All <input type="radio"/> Payment <input type="radio"/> Invoice		

Note: Complete all the stages of the PPR. The PPR will not have to be approved by the cash management team. The PPR will be completed with a payment file that has no checks to print. This payment file does not need to be recorded.

