year-end wage and information reporting, fortunately, there is an abundance of inexpensive systems available specifically for W-2 and 1099 processing.

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From the Oct. 2009 Issue

Despite all of the advances made in business accounting technology over the past decade, many small businesses and household employers still lack a system that provides year-end wage and information reporting. Whether this is because the company uses "shoebox" bookkeeping practices or is running a program without those capabilities (or with one but not the other), the fact remains that each year these businesses face the time-consuming and penalty-laden tasks associated with W-2 and 1099 compliance.

And although these two tasks are distinctly separate (one is payroll, the other AP), they remain tied together, at least in the minds of those charged with managing the compliance processes, since they both occur at the end of the year and often involve reporting to the same agencies. With the continuing growth of payroll services being offered by accounting firms, the tasks are increasingly being handled by these firms, or at least guided.

EXECUTIVE SUMMARY
Penalties Associated With Information Returns

- $15 per information return if you correctly file within 30 days of the due date of

Fortunately, there is an abundance of inexpensive systems available specifically for W-2 and 1099 processing, some that also offer after-the-fact payroll capabilities, but all of which can be used to manage the basics of providing employers and contractors with recipient copies and also filing to the IRS and SSA. They also all provide

electronic filing mechanisms that take advantage

per year ($~~50,000 for small~~
businesses).

- $50 per information return if you file after August 1 or you do not file required information returns; maximum penalty $250,000 per year ($100,000 for small businesses).

processes are followed? What reporting is offered? How about batch printing and output of mailing labels for recipient copies?

These can certainly be tedious processes, especially when working with higher volumes. But if you look at the potential penalties for late or non-compliance, year-end reporting is not a chore to be underappreciated.

Whether the ability to produce W-2s and 1099s is included in your clients' bookkeeping software or you manage these functions for them, it's crucial that a system is in place that helps streamline the tasks involved and helps ensure compliance.

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1099 Express – 1099 Express & W-2 Express Enterprise 2009

The 1099 Express program was developed using an Excel interface to offer 1099 compliance, while its sibling product W-2 Express offers the same for employer reporting

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AccountantsWorld – After-the-Fact Payroll

The partially web-based After-the-Fact payroll system from AccountantsWorld provides both payroll processing capabilities along with year-end wage and information reporting for most forms 1099 and W-2, along with generation federal forms W-3, 940, 941, 943, 944 and 945.

AMS Software offers 1099-Etc as the core system for year-end wage reporting as well as optional modules for payroll, electronic filing and laser forms generation. The system includes support for forms W-2, W-3 and all versions of 1099, with the ability to manage up to 1,999 client businesses (payers) and 9,999 recipients for each client.

CCH Small Firm Services – ATX & TaxWise Payroll Compliance

For users of the ATX and TaxWise professional compliance systems, CCH Small Firm Services offers two options, Payroll Compliance Reporting and a W-2/1099 program, both of which can be used as a stand-alone system or as an integrated part of the ATX or TaxWise accounting suite.

Convey Compliance Systems, Inc. – 1099Convey

The 1099Convey reporting system is designed for business entities or professional firms managing reporting for multiple entities, providing year-end wage and information reporting to the IRS, SSA, states and recipient copies.

EG Systems, Inc. – The W-2/1099 Filer

Designed for professionals managing year-end payroll and payables compliance for multiple entities, the W-2/1099 Filer program provides support for all wage and information reporting requirements for the IRS, SSA and all states. The system includes options for preparation of all versions of form 1099 and 1098, as well as W-2, W-3, 1096, 1042s and 5498.

Form Magic, Inc. – Tax-Mate 1099

With the ability to manage any number of payers and recipients, the Tax-Mate

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IDMS, Inc.- Account Ability Tax Form Preparation

Designed for use by either professionals serving multiple business entities or by small businesses, the Account Ability wage and information reporting system supports any number of business units with unlimited recipients and employees each.

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NewportWave, Inc. – Year End Solutions (YES) Software Professional

The Year End Solutions (YES) Software Professional system from NewportWave is a W-2 and 1099 preparation and year-end compliance program for professional accountants managing multiple clients.

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Spokane Computer, Inc. – MAG-FILER

MAG-FILER is a comprehensive year-end wage and information reporting system that offers multi-client management and compliance for all versions of forms in the 1099, 1098, W-2, W-3 and 5498 form families.

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WageFiling LLC – WageFiling.com

WageFiling.com is a recent addition to the W-2/1099 marketplace, providing a totally web-based year-end reporting and compliance solution that can be used by individual businesses or firms managing these processes for several entities.

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Real Business Solutions – W2 Mate

2009 Review of W-2/1099 Compliance Systems — Comparison Chart

Technology