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REVIEWS

2014 Review of W-2 and 1099 Preparation Programs

Oct. 10, 2014

1099-INT - IDMS												
<input type="checkbox"/> VOID <input type="checkbox"/> CORR (G) <input type="checkbox"/> CORR (C) <input checked="" type="checkbox"/> Efile <input checked="" type="checkbox"/> 1096 <input type="checkbox"/> Printed				ID # 2								
PAYER'S name, street address, city, state, ZIP code, and telephone number INTEGRATED DATA MANAGEMENT SYSTEMS, INC. DBA IDMS ACCOUNT ABILITY 555 BROADHOLLOW ROAD STE 273 MELVILLE NY 11747-5001 Telephone: 631-249-7744						Payer's RTN (optional) 021000021		OMB No. 1545-0112 2014 1099-INT		Interest Income		
PAYER'S Federal ID Number 13-3249948						TIN Type SSN ▼		RECIPIENT'S ID Number 102110029		1 Interest income \$285,000.00		
RECIPIENT'S name JOHN DOE						NAME CTRL DOE		2 Early withdrawal penalty \$2,850.00		3 Interest on U.S. Savings Bonds and Treas. obligations \$85,000.00		
Street address 4155 KINGS HIGHWAY APT 4D						APT.		4 Federal income tax withheld \$0.00		5 Investment expenses \$9,250.00		
City BROOKLYN			State NY	Zip Code 11234	Zip Ext. 2039	6 Foreign tax paid \$0.00		7 Foreign country or US poss		8 Tax-exempt interest \$24,500.00		
Account number 40000493D04			CFSP NJ	Foreign <input type="checkbox"/>	USPS DP 44	2nd TIN <input checked="" type="checkbox"/>	9 Private activity bond interest \$7,200.00		10 Market discount \$0.00		11 Bond premium \$188,750.00	
E-Mail JOHN.DOE@ABC.COM						12 Tax-exempt bond CUSIP F4002D20499D3		State1 NY	State #1 ID number NY STATE ID	State #1 tax withheld \$32,500.00		
								State2 NJ	State #2 ID number NJ STATE ID	State #2 tax withheld \$11,500.00		

By Steven Phelan, CPA.CITP

As we approach the end of the year, many tasks are still ahead of accounting professionals. There are year-end tax planning situations to address, year-end

accounting issues required to finalize financial statements and, of course, year-end reporting compliance for W-2s and 1099s.

Although the rules have largely remained the same over the past several years, the importance of this year-end filing remains significant. As a reminder, the Affordable Care Act (ACA) requires certain businesses to report the cost of health care coverage on the annual W-2 filings. The ACA also modified tax forms to include questions regarding the mandate for all businesses to file 1099 forms to recipients as required.

As we look at the current year review of W-2 and 1099 software, it is important to note that not all solutions reflect final 2014 rules and regulations. Some vendors are also in the midst of adding and enhancing features for the upcoming release. Typically, the October thru December timeframe produces final software results. Each product review reflects updates and expected changes as each respective software vendor provided information.

For the current year reviews, there is only one cloud option for W-2 and 1099 processing, After-the-Fact Payroll by AccountantsWorld. All remaining products install locally or in a network environment. Most of the software solutions offer add-on modules that provide functions separate from the core product. Without the add-on modules, many solutions produce only basic functionality.

From a design and usability perspective, most products offer input screens similar to the forms themselves. This, of course, makes data entry much easier, especially for less experienced staff members. Throughout this product category, the data entry screens are generally clean and intuitive. Many of the summary forms, such as the W-2 and 1096, automatically populate to mitigate any additional required data entry.

Reporting aspects of each vendor solution are usually the key differentiating factor. As with many payroll solutions, support for all forms beyond traditional forms is often missing. To enhance the forms capabilities, users will typically need to purchase add-on modules. A similar scenario exists for printing features, with add-on modules required to print on plain paper or generate PDF files.

All vendors support electronic filing of the core federal compliance forms. Some of the state electronic filing compliance is absent, however, in most vendors. Many of the vendors provide functions to assist users in verifying Social Security Numbers through verification programs offered by the IRS and Social Security Administration.

Microsoft Excel and CSV file formats remain the standard for data import.

QuickBooks support is available with some products, but oftentimes requires a separate module. Many of the vendors provide the W-2 and 1099 reporting as a separate product within a suite of other product offerings. When this is the case, tight integration with the other suite products is generally positive.

All products reviewed provide a wide variety of help and support options. Traditional in-program help and manuals are included in addition to searchable tools on vendor maintained websites. Phone, fax and email support is available, but each vendor treats these options differently. Some are favoring email and web chat options over phone-based support. All help and support options are included within the product licensing fees.

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