

# End of Year 1099-PATR Box 3 Considerations

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If the company will be reporting Per-Unit Retain Allocations (1099-PATR Box 3), below are some items that should be discussed with the auditor and suggestions for options on the Domestic Product Report found in Agvance at *Grain / Grain Reports / Settlements / Domestic Production Report*.

The screenshot shows the 'Settlements' window with the following configuration:

- Report Criteria:**
  - Select Customers: All
  - Select Locations: All
  - Select Eligible Ded / Add: 0
  - Box 3 Grain Purchases
    - Start Date: 01/01/2023
    - End Date: 12/31/2023
    - Minimum Amount: 0
  - Box 6 Deduction
    - Start Date: 01/01/2023
    - End Date: 12/31/2023
    - Minimum Amount: 0
- Options:**
  - Include Grain Advance Payments
  - Use Gross Amount of DP and Installments
  - Include Deferred Payment and Installment Sales
  - Suppress Deductions/Additions Column
  - Post Box 3 and/or Box 6 Customer
  - Print Summary
- Other Settings:**
  - Last Year DB: (None)
  - Use Last Year Patronage Status
  - Active Only
  - Sort By: Name

Sales Description	<Classification>	Total	Total Distribution	Pass Through %
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## 1. Is reporting done on a fiscal year or calendar year basis?

- If reporting on the calendar year, use the January-December date range. If reporting on the fiscal year, use the fiscal year as the date range.

## 2. Are all patrons eligible or do the patrons need to be filtered?

- If needing to filter the patrons who will receive an amount, filtering options are available at the *Select Customer* window.

## 3. When is the income reported for the patron?

- If the answer is when the Patron receives the check, use the option *Use Gross Amount of DP and Installments*.
- If the answer is when the Deferral Contract was made, use the option *Include Deferred Payment and Installment Sales*.

## 4. Should Customer advances be included in the calculation?

- If yes, use the option *Include Grain Advance Payments*.

## 5. Is there a minimum amount to be reported?

Additional Information for Options when using the Agvance Domestic Production Report for 1099-PATR Box 3

The screenshot shows the 'Settlements' application window. On the left is a list of report types, with 'Domestic Production Report' selected. The main area is titled 'Report Criteria' and contains several sections:

- Select Customers:** 'All' button, 'Select' button, 'Class.' button.
- Select Locations:** 'All' button, 'Select' button.
- Select Eligible Ded / Add:** '0' input, 'Select' button.
- Box 3 Grain Purchases:**
  - Box 3 Grain Purchases
  - Start Date: 01/01/2023
  - End Date: 12/31/2023
  - Minimum Amount: 0
  - Last Year DB: (None)
  - Use Last Year Patronage Status
  - Active Only
  - Sort By:  Name,  ID,  Zip
- Box 6 Deduction:**
  - Box 6 Deduction
  - Start Date: 01/01/2023
  - End Date: 12/31/2023
  - Minimum Amount: 0
  - Company Total: [ ]
  - Company Total Distribution: [ ]
  - Pass Through Deduction %: 0.000000
- Global Options:**
  - Include Grain Advance Payments
  - Use Gross Amount of DP and Installments
  - Include Deferred Payment and Installment Sales
  - Suppress Deductions/Additions Column
  - Post Box 3 and/or Box 6 Customer
  - Print Summary

At the bottom left are buttons for 'Print', 'Preview', 'Load Set', 'Save Set', 'OK', and 'Cancel'. At the bottom right is a table header:

Sales Description	<Classification>	Total	Total Distribution	Pass Through %
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- **Select Customers** – Select the Customers to be reported for Box 3. Filter the Customers by selecting a list of customers. Many times, it is preferable to only include active Patrons.
- **Select Eligible Ded/Add** – If specific Settlement Deductions/Additions are to be included in the calculation of gross purchases, select the Settlement Deductions/Additions. This option would be used if a Customer has a deduction that would normally come off the price being paid, but, to make it easier for the farmer to understand, the company shows it as a deduction on the Settlement (test weight, damage, protein, etc.).
- **Box 3 Grain Purchases** – Indicate if a statement is needed for Box 3 or there is a need to post Box 3 amounts to the Customer for 1099 reporting. Enter the date range for which gross purchases should be included.
- **Minimum Amount** – Any Customer with gross grain sales below the amount entered here will not be included on the report or for posting Box 3.
- **Include Grain Advance Payments** – Optionally select to include Grain Advances in the calculation of gross purchases for the Customer.
- **Use Gross amount of DP and Installments** – When a priced Settlement's Source is a Deferred Payment/Installment Sale and this is checked, it will use the gross amount of the Deferred Payment/Installment Sale in the calculation of gross purchases (Cash Basis option).
- **Include Deferred Payment and Installment Sales** – Select to include Deferred Payments, Installment Sales, and Priced Settlements in the calculation of gross purchases (works like Patronage capture).
- **Suppress Deductions/Additions Column** – Select this option to not print the *Settlement Deduction* column.
- **Post Box 3 and/or Box 6 Customer** – Choose to update the 1099 amount to be reported for Box 3 and/or Box 6 on the Customer. This will only update Box 3 and Box 6 amounts when these options are checked on the *Report* screen. When posting occurs, previous Box 3 and/or Box 6 totals will be removed for every Customer, even if only one customer is selected.
- **Print Summary** – Select to print a *Summary* page that will give the grand total for Box 3, Box 6 gross

purchases, and Box 6 amounts.