

# News From

A Publication for GMS Accounting and Revolving Loan System Clients

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## 16th Annual GMS Financial Management Conference

May 20-25, 2001 - St. Petersburg, Florida

Don't forget to mark your calendars and plan to attend the 16th Annual GMS Financial Management Conference to be held in St. Petersburg, Florida on May 20-25. As in previous years the conference will be divided into two segments with the regular conference May 20-23 followed by intensives May 24-25.

Enclosed with this newsletter is a brochure describing all conference sessions, along with registration and reservation forms.

### Who Attends the GMS Conference?

If previous years are an indication, we can expect close to 400 participants from nearly 250 GMS client organizations located throughout the country. Attendees include fiscal staff, auditors, revolving loan management staff, Executive Directors, human resource staff and program managers. Many GMS clients view this as annual in-service training for their fiscal personnel.

From a strictly GMS viewpoint, we wish all GMS clients could attend since the conference is our best way to provide you with the most up-to-date information on using GMS software. Every member of the GMS staff will be at the conference giving you a tremendous opportunity for face to face consultation and assistance.

### Session Highlights

Each year we strive to create a program that offers sessions for the new user as well as the experienced, for management staff as well as the system operator, for accounting and RLSS clients.

*Continued on page 3*

### Welcome New Users

#### Revolving Loan Servicing Systems

LKLP CAC, Inc. - Red Fox, KY

Joe Duke, ED

Debbie Brewer, FO

#### Accounting Software Systems

NCRCAP - Pittsboro, NC

Peter Kittany, ED

Linda Timmons, Office Mgr.

LKLP, CAC, Inc. - Red Fox, KY

Joe Duke, ED

Debbie Brewer, FO

Accomack-Northampton PDC - Accomac, VA

Paul F. Berge, ED

Susan Haycox, Dir. Of Admin.

## FICA/Federal Taxes Revised

On December 21, 2000 all GMS Accounting System clients were mailed loading instructions to implement FICA and Federal tax revisions for payrolls after January 1, 2001. The revised software was included on the 2000 Accounting Revisions/Upgrades diskette that you received with the mass mailing. You should be sure to make these changes prior to running your first payroll in the new year. If you have not received these instructions, please contact the GMS Maryland office at (800) 933-3501.

### What Will These Changes Mean For Your Employees?

- Most employees will find a minor reduction in their federal taxes resulting in a minor increase to their net pay.
- FICA and Medicare rates continue to be unchanged at 6.2% and 1.45% respectively. There continues to be no limit on wages subject to the Medicare tax while the FICA limit has been increased from \$76,200 to \$80,400. Thus, only higher paid employees will be affected by this change.

***In This Issue...State Tax Revisions, EIC Revisions... Program Backup Request...***

## ***Rosalind Sedacca - New Guest Speaker at Annual Conference***

At this coming May's annual conference in St. Petersburg, Florida, we are happy to announce that Roselind Sedacca will be presenting a new concurrent session titled "You Just Don't Get It!": Mastering Communication Between Women and Men in the Workplace. Roselind is a seasoned marketing pro and an award winning advertising copywriter. She speaks, trains and consults on business relationships, communication and gender dynamics in the workplace. Her entertaining and impactful programs WOW audiences with humor, candor and real-world communication strategies that can be put to immediate use in professional and personal relationships.

## ***RLSS - IRS FORM 1099-C FOR 'CANCELLATION OF DEBT'***

IRS Revised Procedure 98-35 indicates that some lenders must provide debtors with a 1099-C if there has been a cancellation of debt of more than \$600.00. You must file these forms by January 31 if you are one of the following lenders:

- 1- A financial institution as described in section 581 or 591(a), such as a domestic bank, trust company, building and loan, or savings and loan association;
- 2- A credit union;
- 3- A Federal Government agency including:
  - a-a department
  - b-an agency
  - c-a court or court administrative office
  - d-an instrument in the executive, judicial, or legislative branch of the government
- 4- One of the following:
  - a-Federal Deposit Insurance Corporation
  - b-Resolution Trust Corporation
  - c-National Credit Union Administration
  - d-Any military department
  - e-US Postal Service
  - f-Postal Rate Commission

Although most of RLSS users are not included in the above descriptions, you as a lender have the option of voluntarily submitting 1099-C's. This can be useful in your collection process related to bad debts.

When your agency has recognized a loan as a bad debt, and charged off the principal balance, you can then submit a 1099-C at the end of the year. Once you have issued a 1099-C to a debtor, you cannot actively pursue collection, but can receive voluntary contributions from the debtor. These forms are easy to complete, and can be ordered free of charge from the IRS. Information to be completed on 1099-C's includes:

- 1- Debtor's name and address
- 2- Debtor's Social Security Number, or Federal Identification Number
- 3- Your agency's name and address
- 4- Your agency's Federal Identification Number
- 5- The date the debt was canceled
- 6- The amount of debt that was canceled
- 7- A debt description (ex: business loan, housing loan, etc.)
- 8- If the debt was canceled due to a bankruptcy (yes or no)

Three-part 1099-C's obtained from IRS are prepared by the lender. The original copy is sent to IRS along with a 1096 Transmittal Form, a copy is retained for your files, and a copy is mailed to the borrower. If the debt was canceled for reasons other than bankruptcy, the amount of the charge off may become taxable income for the debtor, which can in turn become an incentive for repayment.

A note of caution: Reporting charged off loans on 1099-C's should only be done when all avenues of collection have been exhausted. Because the canceled debt is reported to IRS as potential income, any future recoveries toward that loan must be voluntary.

## ***We Can Print Your W2's and 1099's***

Remember... If you are having problems printing your W2's and 1099's we can help. You just need to send the forms you have left and your prepared processing disk to the Maryland Office. Please call Gladys at ext. 1 if you have further questions.

## ***State Tax Revisions for 2001***

As of this time, we have received notification of 2001 state tax revisions in Maryland. These changes, along with loading instructions, have been sent to clients in this state and should be installed.

If you have employees in Maryland and have not received these changes or your state has made tax rate changes for 2001, please contact the Maryland office at 800/933-3501 ext 1.

Newer system users will find detailed training on all aspects of system operations. This year we will be having a variety of guest speakers who will bring in a wide range of expertise in many different areas of management and personnel issues.

### ***New Sessions this Year***

Panel Discussion on Workforce Investment Issues  
Technology & the Internet “Boot Camp”  
Technology & the Internet for “Technology Warriors”  
Mastering Communications between Women and Men in the Workplace  
Wage and Hour Issues  
Filing Information Returns Electronically (FIRE)  
Accounts Receivable Processing and Related Supplements  
Using Complete Purchase Orders  
Loan Closings: Documents and Techniques-RLSS  
Tips for Collecting Tough Accounts-RLSS

### ***Other Sessions for Accounting System Users***

Accounts Payable Processing  
Payroll Processing  
Month End Processing  
Basics of Year End Closing  
Accounts Payable Supplements  
Payroll and Personnel Supplements  
What Are Your Cost Allocation Options?  
Answers to the Top 10 Service Questions  
Accounting Q & A with GMS Staff

### ***Other Sessions for RLSS System Users***

Accounting for Your Revolving Loans  
What’s New With GMS-RLSS  
RLSS Q&A with GMS Staff  
Understanding RLSS Transactions and Handling Special Situations

### ***Other Sessions***

Introduction to GMS Accounting  
Introduction to GMS-RLSS

With 6 concurrent sessions scheduled at nearly all times, there is always a topic to choose from that is useful to your organization. To make certain that everyone has the opportunity to attend sessions of greatest interest, almost every one is scheduled to be conducted at two different times. The GMS-RLSS sessions are run one time only.

### ***Computer Clinic***

In addition to specific sessions, the Computer Clinic is open throughout the regular conference giving you an opportunity to “test drive” any GMS product. GMS staff members are stationed in the Computer Clinic at all times to provide individualized assistance and support. In the Computer Clinic you can experiment and practice as much as you want!

### ***Intensives***

The six post conference Intensives are always well attended. These 1 1/2 day concentrated courses have been refined with years and years of experience and are in great demand year after year. Choose from any one of these topics:

- ◆ Technology University - New This Year
- ◆ Empowering the Fiscal  
Team/Department:Management 101 for Program Directors- New This Year
- ◆ Year End Procedures/Preparing for Audit
- ◆ Special Training for New Accounting Users
- ◆ Special Training for New RLSS Users
- ◆ Troubleshooting - Pinpointing Issues and Defining Solutions

We hope that we will see you in St. Petersburg. For further information on conference activities please feel free to contact Liz Collins, our Annual Conference Coordinator at extension 2.

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### ***Who’s Going to Challenge the Returning North Carolina Champs?***

Even though we have not received final confirmation, we anticipate that a three time champion North Carolina team will be back to compete in the 2001 Great GMS Challenge Cup competition at the 16th Annual GMS Financial Management Conference.

This is a contest between six three-person teams. Only one person per organization may participate. The contest involves answering questions about various non-profit financial management issues, specific operating procedures and a few trivia-type questions. There will be two preliminary rounds - one Monday afternoon and one Tuesday afternoon. Three teams will compete in each preliminary round and the winners from each will compete for the Championship on Wednesday morning.

Start recruiting a team from your state now! It’s not only educational but a lot of fun. Members of the winning team will each receive \$500 of supplement coupons for their agency. To sign up for the competition or receive a list of other GMS clients in your state, contact Liz Collins at the GMS Maryland office.

## ***Software Program Backup Request***

All GMS users should make a program backup and submit it to our Maryland office no later than January 31, 2001. Additional program backups should be made for your files. For those agencies whose fiscal years begin in January, make the backup from your new directory.

Up-to-date program backups make it easy to assist you in getting your accounting, RLSS, HEAP, and Section 8 systems up and running properly should problems occur with your computer. If it is necessary for GMS to redo program revisions due to not having a recent program backup, we will charge \$75 per hour.

Program backups are generally requested in January and July. However, if program changes occur during the year, we strongly encourage you to make a new program backup at that time. Below are instructions for preparing program backups. If you need assistance, please contact our service staff.

**Please Note: Conversions to the Rev2001 version of accounting software will not be done without receiving a current program backup.**

1. Format at least 5 diskettes for each set of program backups. (2 for RLSS)
2. Go to the Main Menu of either your Accounting and Financial Management System, or GMS-RLSS system.
3. Choose #8 Backup Procedures, (#6 for GMS-RLSS) Then select #4 Program Backups (#3 for GMS-RLSS).
4. The automatic program backup will begin. Follow screen prompts.
5. Label each diskette with "GMS Program Backup", your agency name, type of system (accounting or RLSS), client number, and current date. Number the diskettes in the order they are used during the backup - this helps us locate programs faster.
6. Mail diskettes to GMS, ATTENTION: BACKUPS.
7. Prepare a second set of program backups for your files - repeat steps 1-5.

If you have a system other than GMS Accounting and Financial Management System or GMS-RLSS and you need assistance preparing program backups, please contact GMS service staff.

## ***Empowering the Fiscal Team/Department: Management 101 for Program Directors***

### ***New Annual Conference Intensive***

Dynamic speaker, Pam Pullman, has conducted several human resource management intensives at the GMS conferences over the past several years and has received excellent evaluations from those attending. This year, Pam's new post-conference 1 ½ day intensive will empower financial leadership and staff. The session is geared towards improving your management and team skills through improved understanding of program requirements and the people who operate them. Pam will share some practical tips and suggestions for things you don't find in accounting books. Some dot points she will be covering include...

- How to disagree and keep your sanity and your job
- When to ask for it in writing
- Where does fiscal fit between the Board and the Executive Director?
- What funding sources can and cannot make you do
- What are real grant and contract requirements versus M.U.T. (made up today!)
- Suggestions for improving fiscal operations and knowledge among the management team

Pam Pullman has over 16 years of executive and administrative experience. She holds a Bachelors and Law degree from St. Louis University. Ms. Pullman has teaching experience in the graduate programs at the University of Missouri, Washington University, and the St. Louis Community College District. Her clients include the National Association of Community Action Agencies, United Way of Greater St. Louis, the US Postal Service, the Union Pacific Railroad and the American Cancer Society to name a few. Pam's area of expertise covers the entire human resources arena with special emphasis on conflict resolution and cultural diversity in the workplace.

### ***Advanced EIC Revisions***

The 2001 Advanced EIC (earned income credit) revisions were included in the merge file sent to all clients along with the 2001 federal and FICA tax changes. After installing the software, no additional steps are required to implement these revisions if your software was previously set up to run the Advanced EIC routine. To be eligible to receive the advance payment of the earned income credit in 2001, the employee's expected 2001 earned income and adjusted gross income (including the spouse's income if the employee files a joint return) must each be less than \$28,281. The software has been revised to reflect this and minor changes in the indexing. All other eligibility requirements remain unchanged.