

# News From



A Publication for GMS Accounting and Revolving Loan System Clients

GMS, Inc. • 10559 Metropolitan Avenue, Kensington, MD 20895 (800) 933-3501 • Fax (301) 933-3502 • www.gmsactg.com

Volume 14, No. 2

February 2002

## ***RLSS Supplement #808 Year-to-Date Loan Transactions Has Been Improved!!***

Several clients have requested a report that indicates how many days late each payment was made. **Instead of designing a new supplement, we've included this feature in Supplement 808 Year-to-Date Loan Transactions by adding an additional column on the far right titled "Days".** This will allow you to quickly determine how many times a borrower's payments were late, and by how many days each payment was late.

For those of you who are unfamiliar with Supplement 808 Year-to-date Loan Transactions, it can be a useful tool in many ways.

In the RLSS system, disbursement to borrowers and repayments from borrowers are referred to as 'transactions'. Once posted, they become part of the loan history. The history is consecutive from first transaction to most recent transaction, and can cover several years. Reviewing loan histories will provide figures that contain all transactions posted to each loan.

Sometimes it can be important to have a report that covers a predetermined period of time. This can be especially helpful when reporting to funders or auditors on a monthly, quarterly, semiannual, or annual basis. Supplement 808 Year-to-date Loan Transactions can meet this need.

Supplement 808 Year-to-date Loan Transactions allows the user to input a beginning and ending date (i.e.: 01/01/02 to 03/31/02) and produce a report that reflects activity, or transactions, during that period of time only. It utilizes loan

## ***State Tax Revisions for 2002***

As of this time, we have received notification of 2002 state tax revisions in Oregon, North Carolina, Michigan, Minnesota, Maryland, Utah, Arizona, New Mexico and Maine. These changes, along with loading instructions, have been sent to clients in these states and should be installed. If you have employees in any of the above states and have not received these changes, or your state has made tax rate changes for 2002, please contact the Maryland office at 800/933-3501, ext. 1.

## ***When Does Your Fiscal Year End?***

Many GMS clients request on-site assistance in closing out the books for the fiscal year. However, the GMS staff often find that when they get on-site, the books are no where close to being ready to be closed out for the fiscal year because so many accounts are unreconciled. Many times an entire week will be spent on-site reconciling accounts and making adjustments that they run out of time before they can assist with the closing entries.

If you know your cash account in the General Ledger is not reconciled to the bank statement, or your accounts payable account does not tie to the Accounts Payable Analysis, or any other balance sheet account isn't reconciled as of now, don't wait till after your year ends to start reconciling those accounts. If you are going to request on-site assistance to help with the reconciliations, don't wait until after your fiscal year ends, request assistance now.

***Let us know if you would like our help!***

*Continued on page 4*

***In This Issue: Dual Indirect Cost Pool... W2 Corrections...Program Backup Request***

## ***Year End Procedures / Preparing for Audit***

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

One of the most highly attended post conference intensives held each year is Year End Procedures and Preparing for Audit. It will be held again this year immediately following the Arlington, VA Annual Conference on Thursday, May 23 (9:00 - 4:30) and on Friday, May 24 (9:00 - 12:00 noon).

This 1 1/2 day training program focuses on five important aspects of fiscal year end - setting up the new directory, analyzing balance sheet accounts, closing pools - control accounts - projects, processing closing runs and preparing audit schedules. Each aspect will include what is necessary to do in both the DOS and Windows version of accounting systems.

This session includes the actual preparation and manual posting of all closing entries using sample financial reports and Trial Balance Worksheets that will be provided. Even though most clients do not manually post to a Trial Balance Worksheet anymore, it really helps to understand the accounting concepts of closing the control accounts in the General Ledger to the project equity accounts. Using revenue and expenditures worksheets to record the revenue recognition entries, also helps to understand how and why revenue recognitions are figured differently for the different types of grants and contracts.

All attendees should bring battery operated calculators to assist them with this task (previous experience has taught us not to rely on solar energy or individual electrical plugs in hotel meeting rooms). Supplements to assist you during year end closing will also be demonstrated.

You may register for this intensive at the same time as you register for the regular conference by sending your registration form by mail or fax to the GMS office in Maryland or register on line at [www.gmsactg.com](http://www.gmsactg.com).

---

## ***Have You Installed Your 2002 Tax Changes Yet?***

The 2002 Federal and FICA tax changes were NOT received in early December of 2001 as in the last couple of years, therefore they were NOT included on the same diskette as the Accounting Software Revisions/Upgrades, dated December 2001 that was sent out with the mass mailing at the beginning of December. The 2002 Federal and FICA tax changes and instructions for installing the tax changes were mailed out to all clients under separate cover beginning on December 21, 2001.

## ***If you are unsure if the 2002 tax changes have been installed, do the following:***

If your fiscal year began January 1, 2002, be sure you are in your new year directory.

- Go to the Supplement menu and hit the F2 key.
- (type) LOAD "GMSPRUP2 (tap enter)
- (type) LIST 12000 (tap enter)
- If it says 12000 'FEDERAL TAX ROUTINE 01/01/02, you have installed the 2002 tax changes. Just hit the F2 key and proceed with business as normal.
- If it does not have the 01/01/02 date, you need to install the 2002 tax revisions now.
- Insert the diskette labeled 2002 Federal/FICA Tax Updates dated December, 2001 into your diskette drive.
- Go to the Supplement menu and hit the F2 key to clear your screen.
- If your diskette drive is the A drive, (type) SHELL "COPY A:\*. \* (tap enter)  
(It should say OK)
- If your diskette drive is the B drive, (type) SHELL "COPY B:\*. \* (tap enter)  
(It should say OK)

*In either case, it should say "4 files copied"*

- (type) LOAD "GMSPRUP2 (tap enter) (It should say OK)
- (type) MERGE "GMSPRUP2.D01 (tap enter) (It should say OK)
- (type) SAVE "GMSPRUP2 (tap enter) (It should say OK)
- (type) LOAD "GMSW204 (tap enter) (It should say OK)
- (type) MERGE "GMSW204.D01 (tap enter) (It should say OK)
- (type) SAVE "GMSW204 (tap enter) (It should say OK)
- Hit the F2 key to return to the Supplement menu.

## ***Do You Need to Stock Up On Office Forms?***

Enclosed you will find a brochure from Global DocuGraphix - a fantastic place to purchase all of your GMS related forms: laser and dot matrix checks, multi-purpose forms, and RLSS Payment coupon and Payroll direct deposit stubs. GMS has been working with Global DocuGraphix (formally ABP, Inc.) for many years, giving you a one-stop place for all of your forms needs. We hope you find this a helpful option. You will also have the opportunity to meet them at the annual conference!

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

All GMS users should make a program backup and submit it to our Maryland office no later than February 28, 2002. Additional program backups should be made for your files. For those agencies whose fiscal years began 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 February and August. 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.

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.

## ***Need Assistance in Preparing Your Indirect Cost Plan?***

If your agency would like assistance in preparing your Indirect Cost Plan, our field staff can be scheduled to come on-site to assist and train the accounting staff in preparing your plan. We usually estimate 2-3 days on-site to gather all the information and provide training. The plan is put together after leaving your office. A draft plan is sent to your office for review. We will follow up with any changes requested and send a final copy to you for submission to your cognizant agency.

When assistance in preparing an indirect plan is requested, a fixed-priced contract will be sent to your office. The cost for this service is \$2,100 for clients utilizing the GMS system, plus actual travel expenses.

Most agencies who have requested our assistance are preparing their first Indirect Cost Plan or making major revisions to their present plan. Our staff are trained to prepare the plans, so agencies actually save money rather than having their staff spend an enormous amount of time trying to put the first plan together.

If you are interested in receiving assistance in preparing your Indirect Cost Plan, contact Sandy West at the GMS office in Maryland (1-800-933-3501 ext. 2).

---

## ***How do you know if the Dual Indirect Cost Pool approach is for you?***

We believe that many GMS clients may benefit by using the Dual Indirect Cost Pool. Here are some criteria for assessing your situation.

### **1. Do you presently direct charge a variety of common costs?**

If you do, then you may find that using the dual indirect cost pool will enable you to significantly reduce the volume of your accounting transactions and to more appropriately allocate these common costs to programs. Often, using a single base for the distribution of these costs (such as personnel costs or modified total direct costs) will result in a

*Continued on page 4*

## ***Computer Requirements for New Software Release***

We want to prepare your organization for the new software release as some of you may have to upgrade your current computer or purchase new equipment. The new software will run under all Windows version environments so it doesn't matter if you have Windows 95, 98, 2000, XP or NT. Your computer must have Microsoft Access installed and we would suggest a Pentium II or higher computer with no less than 32 megs of memory and at least 30 megs of hard drive space just for the GMS system. (That does not include the space you will need for all other applications, ie. Access, operating system, etc.) ***More on the new software in next month's newsletter!***

history data, selecting activity with transaction dates that fall within the date range specified. The newest version includes an option to print the report in (D)etail, which lists each transaction within the selected dates, or (S)ummary, which lists only the totals of activity for each loan. The supplement also allows flexibility in reporting, giving the following options for selection criteria:

All or specific loan ID#

All or specific status

All or specific funding source

Additional options include "print, display, or write-to-file". The write-to-file feature creates a text file that will allow the data to be imported into a spreadsheet, giving greater flexibility of data manipulation and the ability to design your own reports.

The supplement price is \$150.00 with a \$22.50 annual maintenance and license fee. If you think it might be helpful to your organization, please call or fax your order to our Maryland office. As always, there is a 60 day warranty period, during which you may return the supplement for a full refund.

---

## ***How To Handle W2 Corrections***

Now that W2 processing is complete, you should know how to handle W2 corrections identified after you have filed your forms or diskette.

1. Use Form W-2c, Statement of Corrected Income and Tax Amounts to correct errors on previously filed Forms W-2 and W-2p. Send Form W-3c, Transmittal of Corrected Wage and Tax Statements, with Forms W-2c unless you are only correcting a name or social security number. File Form W-3c to correct a previously filed Form W-3.
2. If an employee loses or destroys copies, give your employee copies of Form W-2 marked "Reissued Statement". Do not send Copy A of the reissued statement to the Social Security Administration.
3. If a form is corrected before you file Copy A with the Social Security Administration, give the employee the corrected copies. Mark the original Copy A "Void" in the proper box and send the new Copy A to the Social Security Administration. Do not write "corrected" on the new Copy A.
4. If you filed a Form W-2 showing an incorrect address for the employee but all other information on Form W-2 is correct, **do not** file Form W-2c with the Social Security

Administration merely to correct the address. However, if the address was incorrect on the Form W-2 furnished to the employee, **you must do one of the following:**

- Issue a new Form W-2 containing all correct information, including the new address. Indicate "REISSUED STATEMENT" on the new copies. **Do not** send Copy A to the Social Security Administration.
  - Issue a Form W-2c to the employee showing the correct address in box b and all other correct information. **Do not** send Copy A to the Social Security Administration.
  - Mail the Form W-2 with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.
5. If you filed via magnetic media, but need to make corrections, you may do so following the above instructions.

---

## ***Dual Indirect Cost Pool...*** *continued from page 3*

fair and equitable allocation without the massive amount of work required for direct charging.

2. **Are there common costs which are now in your indirect cost pool which make your indirect costs appear high when compared to other organizations?**

Obviously, this is an issue filled with redundancy since total costs will remain unchanged whether you use one or two indirect cost pools. However, using the dual indirect cost pool will remove common costs from your indirect cost pool possibly reducing your indirect cost rate and making it easier for outsiders to compare the overhead costs between organizations.

3. **Would it simplify budgeting and reporting if you were able to report all common costs under one line item rather than individually identifying each line item of cost?**

Using the dual indirect pool will result in a new line item - common costs, and will generally replace many specific line items such as office supplies, postage, audit and so forth. Many agencies will find that it will be better to budget these individual line items as a single amount and that using a rate for this purpose will improve and simplify budgeting and reporting. Our argument is that these costs are generally distributed using some type of allocation basis anyway - so why not budget in the same manner?

We developed this software to be compatible with many other GMS products and attempted to simplify complying with certain accounting and reporting requirements.