

News From

A Publication for GMS Accounting and Revolving Loan System Clients

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Windows Software - Things You Should Know....

- ◆ When we send you an update for your database, we send it as a zip file and instruct you to go and unzip it. Then you go into access, open your conversion.mdb file and import the mdb update we emailed to you. It is **very** important that you do not open the mdb file that we send you and try to run one of the queries. If you do that, that query's data link is gone and will cause problems when you are in the accounting software.
- ◆ Make sure that not more than one person is editing a particular document in a batch at the same time as another person. This will cause errors to be formed in that table.
- ◆ At the present time, the pay period ending date that you enter for a timesheet batch is used as the posting period. This presently means if you have bi-weekly payrolls, and your pay period ending date is the first date of a month, it will be charged to that month end. In the future, we are going to add a posting period to the timesheet batch in addition to starting and ending pay periods.
- ◆ **Remember to make backups of your database!** We can't stress that enough. Every night when everyone is done working in GMS, someone should be responsible for copying and pasting your database into the previous backup directory. In the instructions emailed to you with revisions, the first step on the instructions is to copy and paste your database into previous backups before you start installing them. There may be some confusion when talking to some clients and we ask when their last backup was, we sometimes get the answer that they don't have a backup. They may be thinking that they don't have it backed up to a CD, but they still have a

State Tax Revisions for 2003

As of this time, we have received notification of 2003 state tax revisions in California, Louisiana, Kentucky, Maine, Michigan, Minnesota, Missouri, North Dakota, New Mexico, Oklahoma, and Vermont. All DOS clients were sent these changes, along with loading instructions, and should be installed. All windows clients were emailed updated state tax tables in the zip file dated 1-17-03.mdb.

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 2003, please contact the Maryland office at 800/933-3501, ext 1.

Training on Windows RLSS

New Annual Conference Intensive

This training will benefit anyone considering converting to the new Windows GMS-RLSS. Taught by GMS staffers Karen Secoy and Marilee Floener, this session will cover every aspect of using Windows GMS-RLSS so you can take advantage of all of its features. Among the topics will be setting up new loans, processing loan activity, using database queries, loan reporting and integrating accounting and RLSS. This is a great way to make sure that your loan policies and procedures are integrated with your RLSS software. This year features hands-on training. You will be able to enter new loans, enter and process loan activity and familiarize yourself with all of the functions and proper procedures for running the windows GMS-RLSS. This will be a great training opportunity for RLSS staff!

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copy in previous backups. Unfortunately, it may not be a very recent copy. After month end is completed, we recommend that you back up your database to a CD and label it for historical purposes.

DOS Clients - Have You Installed Your 2003 Tax Changes Yet?

The 2003 Federal and FICA tax changes were received in early December of 2002 and they were included on the same diskette as the Accounting Software Revisions/Upgrades, dated December 2002 that was sent out with the mass mailing at the beginning of December to all DOS clients. The 2003 Federal and FICA tax changes and instructions for installing the tax changes were emailed or faxed to all DOS clients beginning on December 20, 2002.

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

- If your fiscal year began January 1, 2003, 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 01/01/03, you have installed the 2003 tax changes. Just hit the F2 key and proceed with business as normal.
- If it does not have the 01/01/03 date, you need to install the 2003 tax revisions now.
- Insert the diskette labeled Accounting Software Revisions/Upgrades dated December, 2002 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:GMSPRUP2.D02
(tap enter) (It should say OK)
- If your diskette drive is the B drive, (type) SHELL
"COPY B:GMSPRUP2.D02
(tap enter) (It should say OK)
- In either case, it should say "1 file copied"*
- (type) LOAD "GMSPRUP2 (tap enter) (It should say OK)
- (type) MERGE "GMSPRUP2.D02(tap enter) (It should say OK)
- (type) SAVE "GMSPRUP2 (tap enter) (It should say OK)
- Hit the F2 key to return to the Supplement menu.

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, Corrected Wage and Tax Statement 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. 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.

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!

DOS Software Program Backup Request

All GMS DOS users should make a program backup and submit it to our Maryland office no later than February 28, 2003. 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 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 GMS system other than the Accounting and Financial Management System or 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 an 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).

Do You Have Your Challenge Cup Team Together Yet?

The 2003 Great GMS Challenge Cup competition at the 18th Annual GMS Financial Management Conference is just around the corner - are you on a team? 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, ext 2.

Computer Requirements for New Software Release

If you are upgrading to the new windows accounting or GMS-RLSS this year, 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, Millennium, XP or NT. Your computer must have Microsoft Access, version 2000 or higher installed and we would suggest a Pentium II or higher computer with no less than 32 MB of memory and at least 40 megs (30 for RLSS) of hard drive space just for the GMS system. (That does not include the space you will need for all other applications, i.e.. Access, operating system, etc.)

How to Handle Restructured Loans

Several occurrences can result in the need to restructure a loan. The borrower may want to increase the loan amount, which can result in new terms. Another reason is that a restructure may become part of a negotiated work-out for a delinquent loan by reducing the interest rate or extending terms.

When a loan is restructured, there are two options: **1) the restructured loan is considered a “new” loan, or 2) the restructured loan remains the same loan, but terms are altered.** In either case, attention needs to be paid to the information within the Loan Profile, and transactions may need to be posted to the loan history(s). Your agency will determine which option to use based on negotiations with the borrower and legal documentation of the restructured loan.

Option 1) A New Loan

A Loan Profile will need to be created for the new loan, including the appropriate terms. The status of the previous loan will then be changed to reflect that it has been completed.

Be certain that all activity has been posted to the loan to be restructured so that an accurate balance can be determined. There may be accrued interest, which can be cleared through an adjusting entry if you decide to forgive the accrued interest. To forgive the accrued interest, determine the amount to be forgiven, then process a repayment for zero cash amount. Enter the accrued interest amount as a negative number within the “accrued interest” field and enter the same negative number in the “interest” field. This should have no impact on the loan balance. Once recorded, this transaction will reduce, or zero, the accrued interest within the loan’s history. Another option you may select is to capitalize the interest by including it in the disbursement to the new loan. Again, this decision will be based on your agency’s policies and negotiations with the borrower.

Once the total amount to be restructured is determined, a disbursement for that amount is posted to the new loan to create an opening balance. If accrued interest will be included as part of the principal in the new loan, it can be combined with this disbursement, or recorded as a second disbursement.

A repayment is posted to the old loan to zero the balance. Both disbursement and repayment should be posted as of the date the restructure takes place. Since these transactions become a part of the Monthly Loan Activity Report, a notation may be required clarifying that it was a non-cash transaction before end-of-month figures are forwarded to accounting.

Using this option and creating a new loan will impact reports. Because there are two separate loans, it will be reflected as such on statistical reports.

Option 2) Altering an Existing Loan

The Loan Profile may be edited to include new terms, such as an extended repayment date, reduced payments, reduced interest rate, etc. The status can be changed to #4, Restructured Loan, if you wish to monitor the loan more closely. This is merely an option, not a requirement.

If the interest rate does not change, no transactions need to be posted until the next activity takes place. However, if the interest rate does change, a zero repayment should be posted to accrue any interest due at the old rate **prior to editing the loan profile to reflect the revised interest rate.** If the loan is established within the profile as (D)aily Interest, this is accomplished by entering a repayment with the restructure date as the transaction date, and cash amount of zero.

If the loan has been established as an (A)mortized loan, and the interest rate changes, additional steps are required to accrue the interest correctly. From the (S)upplement Menu, select Loan Payoff. Use the date of restructure as the payoff date, and the program will calculate accrued interest through that date. Once the accrued interest amount is determined (the amount in the field titled “Accrued Interest (Additional)” on the loan payoff screen), that amount is added to the loan history through an adjusting entry. Use the restructure date as the transaction date, select (R)epayment, and enter zero in the “cash amount” field. Enter the accrued interest as a positive number in both the “accrued interest” and the “interest” fields.

Whether the loan is (D)aily interest or (A)mortized, posting accrued interest to the loan will result in the program collecting the accrued interest from future repayments. When posting repayment transactions, you can expect to see negative numbers in the “accrued interest” field until it is all collected. The program will never automatically post accrued interest below a zero balance.

Once the interest rate is edited within the Loan Profile, any future transactions will be calculated at the new interest rate.

