

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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Ready to order RLSS Windows?

If you are considering upgrading your GMS-RLSS software to windows, here are some issues to consider:

Because RLSS is not connected to a fiscal year, upgrading can take place at the end of any given month. A conversion process has been developed to transfer the majority of the data within RLSS DOS to RLSS Windows. The conversion will include loan profiles, loan histories, and most of the basic setup functions.

Hardware requirements for RLSS Windows operations includes Windows 98, 2000, NT, or XP. You will also need a Pentium II or higher processor, no less than 128 MB of memory, and 30 MB of hard drive space. You must also have Microsoft Access and Microsoft Excel, version 2000 or higher, installed prior to upgrading.

It is **very important** to download and install the most recent upgrades and service packs available from Microsoft for your Windows operating system, Access, and Excel. Microsoft has a website (www.microsoft.com) where these downloads are available at no cost. If you are not using the most recent version, there is potential for damage to the database containing the information about your loans.

Database file backups will become the sole responsibility of each agency once the new software is installed. You will need to have a solid in-house backup device (such as a tape backup system) and a good schedule for processing backups.

The cost to upgrade to the Windows version of RLSS will be \$1,000.00 per directory. There will be a monthly license and warranty fee of \$35.00 per user (workstation). Full service support is required for the first year, at a cost of

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Welcome New Users

Accounting Systems

The Center for Rural Health Development - Dunbar, WV

Sharon Landsdale, ED Jim Toney, CFO

Michelle Steele, Fiscal Asst.

Revolving Loan Servicing Systems

The Center for Rural Health Development - Dunbar, WV

Sharon Landsdale, ED Jim Toney, CFO

Deanne Turley, Loan Servicing Clerk

Econ. Development Co. of Tillamook Co. - Tillamook, OR

Karen Vieitoever., ED Leibit Larson, Admin. Asst.

Ardis Jones, Financial Manager

Have You Installed the Revised Federal Withholding Tax Revision Yet?

The federal withholding tax tables were revised as a result the recently passed Jobs and Growth Tax Relief Reconciliation Act of 2003. We mailed these revisions to all DOS clients with the June newsletter and statement. Windows clients were emailed revisions on 6/23/03. These tax changes should have been installed at the time they were received.

Mark Your Calendars for the 19th Annual
GMS Financial Management Conference!

May 23-28, 2004 In
New Orleans, Louisiana

In This Issue: Year End Closing Entries....Backing Up Your Database...

\$6
5.00 per month. After the first year, limited service will be available at a cost of \$75.00 per hour. A down payment of \$500.00 will be included in your next monthly invoice when the order is received, and the balance will be billed once conversion takes place.

You can order GMS-RLSS Windows version on-line through the GMS website at www.gmsactg.com. When your order is received, an email confirmation will be sent to you which outlines the steps to be taken to complete the conversion process. The website also contains more information regarding data conversion..

If you have questions, please call Liz Collins at 800-933-3501, ext 2, or email liz4gms@gmsactg.com.

Windows Accounting Software - Things You Should Know.....

- When you are doing the Quarterly Reporting Register, remember to enter commas between each class number that you want included on your report. Also, remember to enter all the classes that should be included on the report.
- For any new grants/contracts, you need to set up new projects and elements even if the grant/contract begins and ends on your fiscal year. In DOS, you could use the same projects and elements if the grant ended at the end of your fiscal year because you were running separate directories for each fiscal year. In windows, it all goes into one database until that database is archived.
- To exit from GMS, in addition to clicking on the large X on the top right section of your screen, you can also click on Help and Exit GMS Accounting System.
- The website address to check and update windows service packs for Windows NT operating systems was omitted from the memo on service pack information that was emailed to all clients last month. The address is www.microsoft.com/ntserver/nts/downloads.

Year End Closing Entries is a Great Time Saver!!!

Over 225 GMS accounting clients have found how much time is saved when closing their books at year end by using Supplement #398 Year End Closing Entries. It's not difficult coming up with the correct amounts when closing out the cost allocation pools and control accounts at year end, but it can be very time consuming to manually write out the entries.

The Year End Closing Entries supplement includes software to produce the final posting amounts for leave and comp time accruals, closing the fringe benefit and indirect cost pools and closing the salary, fringe and indirect control accounts to the project equity accounts. For those agencies that use service unit allocations, special allocations/internal base or cost allocation locks, software is also included to produce the appropriate closing entries.

Revenue recognition worksheets can be displayed for you to make the final adjustments for match, accounts receivable or closing to a net asset account. Work papers can be printed for you and your auditor which leaves a great audit trail and backup support for the final entries that are prepared. Based on all of the calculated amounts discussed above and the revenue recognition entries prepared, you can automatically post and print a trial balance worksheet with all of your adjusting entries for your review of all the accounts before the automatic preparation of the journal entries.

This supplement will allow you to utilize your time in more important financial management activities than hand writing journal entries! This supplement was rewritten in the windows version and released in June of 2003. For more information on the windows version of this supplement, please refer to the Windows Supplement Catalog at our website at www.gmsactg.com. For windows clients, you may read up on it in our help section under GL, GL supplements. For DOS clients, you may read up on it in your electronic user manual under the Year End section in Supplements and Enhancements.

Windows Supplements to be Completed over the Next Few Months.....

- Supplement #337 Monthly Cost Summary and Supplement #342 YTD Cost Summary will be combined into one Supplement #337 Cost Summary
- Supplement #354 Salary, Leave & Fringe Detail by Employee
- Supplement #521 Terminate Elements
- Supplement #362 Cash Receipts History
- Supplement #383 Shift Indirect
- RLSS Supplement #808 Year-to-Date Transactions
- RLSS Supplement #804 IRS 1098's
- RLSS Supplement #816 Direct Deposit

Does your Agency Accrue Leave Costs?

If your agency's personnel policies allow for paying unused leave (such as annual, sick, or PTO) upon termination, you should be charging your grants and contracts with the leave costs at the time they are earned. The reason for doing this is because your personnel policies state that the all applicable leave costs earned will be paid out, whether the employees take the leave or get paid for it upon termination. That qualifies the leave costs as a true liability to the agency and should be expensed at the time it is earned.

If your agency has always charged leave when taken and decides to change your accounting procedures to begin charging the appropriate leave when earned, there are a couple of things that must be done.

❶ A decision must be made on how to handle the unfunded liability. You have a few choices and your auditor may be of assistance in deciding the best method for your agency.

- Expense the entire unfunded liability in your old fiscal year via a journal entry if you haven't closed out your old year books yet and if funds are available. Normally, if this option is chosen, the unrestricted operating account is expensed. The leave accrual matrix would be set up with the actual opening liability by class as of the beginning of your new fiscal year.
- Expense the entire unfunded liability during the first year of the transition. This option would depend on availability of funds and the amount of the unfunded liability. Normally, if you administer any cost reimbursement contracts, you should write to those grantor agencies informing them of your change in accounting procedures for leave. The leave accrual matrix would be set up with zero opening liability amounts.
- Expense the unfunded liability over a period of several years. Usually agencies will choose either two or three years to spread the costs. By setting up the leave accrual matrix properly, the unfunded leave would be expensed along with current leave earned costs automatically. Again, if you administer any cost reimbursement contracts, you should write to those grantor agencies informing them of your change in accounting procedures for leave.

To figure out what amounts to enter in the leave accrual matrix, you would take the total amount of unfunded liability by class of employee and divide it by the number of years you're spreading the expense over. For example, if your unfunded liability was \$30,000 and you decided to spread that cost over the next three years, you would divide the \$30,000 by 3 which equals \$10,000 per year. During the first year of expensing the leave when earned, you would take the true liability of \$30,000 minus \$10,000 and enter a total of \$20,000 in the leave accrual matrix. Of course, that calculation would have to be done by each class of employee. At the end of the first year, say the true liability was at \$25,000, the opening leave accrual you would enter into the leave accrual matrix would be \$25,000 less \$10,000 resulting in \$15,000. After the conclusion of three years, the leave liability

account in your General Ledger would equal the true leave liability.

- Not as common or preferable, another choice is to make a schedule of every employee and their unfunded liability amounts as of the end of your last fiscal year by funding source. Let the software start accruing the leave costs for your new year, and as programs have funds available, direct charge all or a portion of the unfunded liability according to your schedule. Depending upon the number of employees in your agency, this option can be very time consuming and cumbersome to track. Funding sources would also have to be contacted if this option was chosen.
- ❷ Set up the leave accrual matrix according to the option chosen above.

If you have further questions about accruing leave costs, please contact our Service Staff.

Backing Up Your Database

For those of you who have or are converting to the Windows Accounting or RLSS Software now or in the future, we can't stress to you enough how important it is to make sure that you backup your database. Like other windows software, there is no backup procedure within the GMS systems. At a minimum, everyone needs a good backup system, such as a tape backup. I believe most agencies have a tape backup system that is done daily, and we highly recommend that. In addition, we recommend that you back up your database to a CD after month end is closed as a historical backup.

Your present accounting database is stored in a folder on your network drive named convert. The database name is conversion.mdb. The RLSS database is named rlss.mdb and is stored in rlssdata. During your installation of the windows accounting software, we set up a folder called previous backups on each workstation. We recommend that at the end of each work day when everyone is out of GMS, someone is in charge of doing the compact and repair, and copying and pasting your database into the previous backups folder. To do the compact and repair, in Access click on Tools, database utilities and compact and repair. Also, when doing payroll, after timesheets, payroll adjustments and expenses have been entered, get everyone out of the system and the person in charge of payroll should copy and paste the database into the previous backup folder on their work station. This is an extra precaution so that if the database is damaged during payroll processing you have a good starting point to go back to without having to redo all of the data entry.

We Need Your Conference Evaluations Please!

We rely on the evaluations turned in by attendees of the GMS Conferences in a big way! Suggestions for new sessions are discussed every year by the GMS staff and comments about sessions held are reviewed and discussed to attempt to make them better the next year. Ideas about general topics also helps us when we are looking for outside guest speakers. However, if we only receive evaluations from only 10% of the attendees and 1 or 2 people didn't like a session or want to add a new session, it's not a very good average of opinion for the staff to use when making decisions on. The same is true when rating sessions. If a particular session got an average rating of 3, but no one recommended removing the session from the agenda, does that tell us we need to improve the session and maybe the speaker presenting the session or wasn't it a good representation of opinions from those who attended the session? We also know that some people never give a rating of a 5, because no session or speaker is perfect. With all of the comments and ratings, the staff really look hard at what you liked and didn't like and what new things you are looking for. We know that the more training and education you can get at the conferences not only help you in your position but it makes life easier for our staff!

If you attended the Annual Conference at Snowbird Resort and haven't had a chance to return your evaluation, please mail or fax it to the Maryland office. A copy of the "official form" is enclosed in the mailing. If you wish to talk about your ideas, please call Liz Collins at extension 2.

DOS Backup Reminder!

There are certain files in your accounting directory that do not get backed up when you do a master file and accumulator backup. The backup procedure for the following programs are located within that program itself. You need to make sure that if you use these programs and/or supplements, that the person responsible for using those programs are doing the individual backups at the appropriate times.

- _ Payment History
- _ Year to Date General Ledger
- _ Supplement #327 Complete Purchase Orders
- _ Supplement #350 Complete Budgets
- _ Supplement #357 Fixed Assets
- _ Supplement #402 FASB 117 Worksheets

Also, don't forget that batches should be backed up daily and a master file and accumulator backup should be done at least weekly.

RLSS Frequently Asked Question DOS:

Is there anything special I should watch for when posting a final payment?

GMS-RLSS provides a valuable tool for calculating loan payoffs, and the final scheduled payment is, in effect, a loan payoff. Try to be aware of which loans are due to payoff. A good tool to assist with the calculation of what amount the final payment should be is Loan Payoff, included in the Supplement Menu. This program can be used to determine principal due, accrued (past due) interest due, and any interest that has accrued since the most recent activity was posted.

When calculating final payment, Loan Payoff requests a date, and will include interest through that date. However, unless the payment is received on that same date, the interest portion of the final payment calculated when the payment is actually posted will likely be a different amount. This is especially evident if the loan has been set within the profile for (D)aily interest.

When posting the transaction, review the calculations for interest and principal as they appear on screen. If the "new balance" is not zero, use the backspace key to move to the interest field and increase/decrease it as necessary to create a zero balance.

It is advised that you discuss this procedure with your auditor or comptroller. By decreasing the interest amount in order to zero the balance, you are basically waiving interest due your agency. If the amount is small, this will probably be acceptable. Likewise, increasing the interest portion may mean you are charging the borrower too much interest, but again, a very small amount may be acceptable.

If final payment has already been recorded, and the loan balance is now a small negative or positive number, an adjusting entry can be done to zero the balance. Using the adjustment screen, and the same transaction date as used to post the final payment, enter (R)epayment and zero for cash amount. Entering a positive number within the interest field will result in a negative to principal, netting a balance increase. Entering a negative number within the interest field will result in a positive to principal, netting a balance reduction. By editing interest and reviewing the "new balance" and reediting if needed, you should be able to easily zero the loan balance.



**In honor of
the 4th of
July Holiday**