News From GMS

A Publication for GMS Accounting and Revolving Loan System Clients

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Time to Order W2, 1099 and 1098 Forms

Can you believe summer is almost over and it's almost time to order W2's, 1099's and 1098's again! As in the past, GMS will do its best to ease the strain that this time of year can cause in your fiscal department.

In order to assist our clients, GMS will offer the following three services we hope your agency will take advantage of.

W2, 1099 and 1098 forms will be offered to clients for prices lower than if purchased directly from distributors. GMS orders the forms in bulk so we can offer our clients forms that assure compatibility with our software and lower prices.

Reminder: When comparing prices with other vendors, factor in the cost for envelopes and W3 and/or 1096 transmittals as GMS prices include these items at no additional cost to you.

GMS will print W2, 1099 and 1098 forms for agencies who feel uncomfortable doing this on their own or who do not have adequate printers. However, with the types of forms offered again this year, it allows more agencies to print their own W2's. This service is available to both DOS clients and Windows clients.

Agencies required to submit W2, or 1099 information to IRS/SSA using magnetic media may arrange for GMS to prepare diskettes in the required IRS format. You can also prepare your own diskettes by using Supplement #400 W2 Magnetic Media Reporting, or Supplement #401 1099 Magnetic Media Reporting.

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Important Reminder: RLSS Upgrade to Windows is now Available!

Information on upgrading is available on the website at www.gmsactg.com. You can place your order as far in advance as you would like. Placing your order early will mean you will have the instructions for conversion sooner - giving you more time to make sure your portfolio is in order!

RLSS Windows Users: Things You Should Know

In the Windows version of GMS-RLSS, Loan Activity allows you to edit the automatic calculations, just like the DOS version did. However, you should be aware that Loan Activity and "Adjustments" work differently. Adjustments were designed for just that, making adjusting entries to correct loan histories. The only automatic calculation within Adjustments is the calculation of principal and its effect on the loan balance. All other fields calculate based on the manual entries made into the various fields.

The most important thing to remember is to use Adjustments any time you are not posting a routine disbursement, repayment, or escrow activity. We've encountered a few service calls because clients were concerned that the loan histories did not calculate the entries

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In This Issue: Windows Accounting Supplementts Released...

Supplements Released in the Windows Version of Accounting in August

There were four supplements that were rewritten and released in August......

- ◆ Supplement #354 Salary, Leave and Fringe Detail by Employee
- ◆ Supplement #362 Cash Receipts History
- ◆ Supplement #383 Shift Indirect Costs
- ◆ Supplement #521 Terminate Elements

Supplement #354 Salary, Leave and Fringe Detail by Employee

These reports break out the salary, leave and fringe amounts for each employee. There is one report that prints in element order and another report in employee order. It can be useful when required to report to funding sources that require the employee or position detail. The cost to purchase the windows version is:

1-2 users: $220.00/33.00   3-4 users: $250.00/37.50   5+ users: $280.00/42.00

Supplement #362 Cash Receipts History

The Cash Receipts History itemizes each cash receipt identifying the batch and document number and the classification of projects, elements and transaction codes. Payers are printed in alphabetical order with a subtotal for each. The history may be printed for all for specified payers, projects, elements and GL codes. It can be extremely helpful for auditors when tying the confirmation letters received from grantor agencies to the revenue and expenditure reports. The cost to purchase the windows version is:

1-2 users: $160.00/24.00   3-4 users:$200.00/30.00   5+ users: $250.00/37.50

Supplement #383 Shift Indirect Costs

Some grants and contracts require reporting indirect costs under one component (program element) such as administration. Shift Indirect Costs allow you to reflect all indirect costs of designated elements to the desired program elements to assist in preparing your external financial reports. This supplement does not affect or change the proper allocation of indirect costs as set up in accordance with your Indirect Cost Plan, but takes the resulting amounts of the allocation and reports the costs under a specified element. The cost to purchase the windows version is:

1-2 users: $160.00/24.00   3-4 users: $200.00/30.00   5+ users: $250.00/37.50

Supplement #521 Terminate Elements

This supplement may be used to designate those elements, whose grant periods have ended, as terminated by removing the checkmark in the active field in the element master file. When removing the checkmark, you will be asked if you wish to terminate all elements within the same project. If a terminated element is entered under accounting data entry, the screen will prompt the user that this element has been terminated. The user will have the choice to override the terminated element and record the entry or correct the coding. It is intended to alert the user of a possible coding error. The cost to purchase the windows version is:

1-2 users: $100.00/15.00   3-4 users: $125.00/18.75   5+users: $155.00/23.25

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correctly. What we discovered was that they were attempting to make adjusting entries through Loan Activity without clicking on "adjustment" before entering and saving the entry.

In the Help section, Loan Activity, there is a category titled "Handling Special Situations" which will be of assistance to you as the need for adjusting entries arise. You may also want to review "Activity, Adjusting Entries" and "Things You Should Know."

The GMS Supplement Catalog for Windows software is on our website at www.gmsactg.com in pdf format. Print a copy for yourself or just review the supplements that are available . The easy access to the catalog assures you of the most up-to-date information on supplements.

GMS-RLSS Monthly Activity Reports and Frequently Asked Questions

When using GMS-RLSS, there are several kinds of transactions or activity that occur regularly. These include disbursements to the borrowers, repayments from the borrower, adjustments to previous entries, and escrow activity. In order to track the activity and help with reconciling bank deposits and accounting records to the lending programs, these activities are "batched" into a monthly file. This is maintained in the DOS RLSS as a "file" and in Windows RLSS as a "period". Regardless of which system you are using, the title of the file/period is the 2-digit month followed by the 2-digit year, as in 0903 (DOS) or 09/03 (Windows).

At the end of each month, a report is pulled showing all activity within a period. This report is titled "Monthly Transaction Report" in DOS and "Monthly Activity Report" in Windows. The report should be pulled at the end of each month and reviewed carefully to ensure entries were made correctly. It can also be used to verify all funds received were deposited by reconciling the totals with bank statements. Also, this report becomes the basis for any GMS-RLSS generated journal entries.

It is impossible to enter any activity into the RLSS programming without connecting that activity to a "file" or "period". The intention is that the monthly report become a part of your agency's internal control policies and accounting records. When posting activity, try to be constantly aware of the monthly file you are using and post in the appropriate period.

Service staff are often asked: **"Which monthly file should I post into?"** This becomes especially important when a payment was received at the end of the month but not actually posted until the following month. Or a payment posted in one month was returned as NSF the following month. Our best advice is to post within the same month that the activity will appear on the bank statement. If, for example, a payment is received August 31, 2003 but not deposited until September, post in 09/03. You will use August 31 as the activity date, because if the loan is established as daily interest, you want to charge the borrower interest only through the date the payment was actually received. But the activity will appear on the September report, matching the bank statement. Likewise, if a payment received in August was returned as NSF in September, post in the 09/03 file. If you follow procedures for daily interest loans, you may use an August activity date, but the activity is recorded in September to aid in reconciling bank deposits.

Another frequent service call relates to **"Some of my transactions aren't showing in my monthly file."** This is most often because a specified date range was entered when the report was created. Because the above procedures may involve using dates beyond the established activity period (08/03 activity posted in 09/03, etc.) it is especially important that the monthly file pulled at the end of the month include (A)ll dates. Entering a date range of 09/01/03 to 09/30/03 will exclude any activity posted within that file that does not have a September activity date.

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Please note that all forms offered this year come with window envelopes like last year's forms. We found that the extra time it takes to stuff the envelopes is worth it compared to the problems associated with self mailers. Many clients who have run self-mailer forms in the past had numerous complaints from employees that the copies were smeared and unreadable.

Following is information about W2, 1099 and 1098 Forms that we will offer this year:

W2 Forms

Dot Matrix W2 Forms

Identical to last year's "twin sets" style they have separated the carbonless 6 part one-wide form to make two carbonless 3 part sets collated so the employer's and employee's forms are separated. An employer set and a separate employee set are run through the printer in two passes. This design enables the form to run on printers with limited carriage width, and when legibility through 5 or more plies is a problem. The non-mailer employee set is easily inserted into a double window W-2 envelope and mailed to the employee.

The single-wide, carbonless employee set includes Copy B to be filed with employee's federal tax return, Copy C for employee's file, and Copy 2 to be filed with employee's state, city or local income tax return.

The single-wide, carbonless employer set includes Copy A for Social Security Administration, Copy 1 for State, City or Local Tax Department, and Copy D for employer.

For cities in states that require 8 part W2's, we will have the 4 part "Twin Sets" available. These will include an additional Copy 1 for State, City or Local Tax Department and Copy 2 for employee's state, city or local income tax. Clients who reside in the state of Alabama, Delaware, Kentucky, Michigan, Missouri, Ohio and Pennsylvania will

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be asked to specify whether the 4 part "Twin Set" is required or not.

Laser W2 Forms

The laser form we will offer is a 6-part form identical to last year's style. The 2 up Laser W2 contains filing information for two employees. (1 sheet = 2 forms). These forms are run through the printer one part at a time. These forms are compatible for those agencies with 250 or less employees who must submit the Federal IRS Copy A to the Social Security Administration. Envelopes are also included with laser form orders.

1099 Forms

Dot matrix 1099 forms

The dot matrix version is a single-wide 4-part carbonless form which comes with window envelopes. The 1099 includes 4 forms - Copy A for IRS, Copy 1 for State Tax Department, Copy C for payer, and Copy B for recipient in the mailer. Since they are carbonless and do not include a self-mailer, this version should eliminate the smearing problem encountered in previous years.

Laser 1099 forms

The laser form that we will offer includes 4 forms just like the dot matrix version, including window envelopes with each order. These forms are also compatible with standard laser print programs.

1098 Mortgage Interest Statement Forms

Dot Matrix 1098 forms

The dot matrix 1098 form we will offer is a 3-part carbonless form including window envelopes with each order. The 1098 includes Copy A for the Internal Revenue Service, Copy B for payer and Copy C for recipient or State.

Laser 1098 forms

Identical to last year, we are offering a laser 1098 form which includes 3 forms just like the dot matrix version, including window envelopes with each order.

We suggest that you order twice the number of forms you need as a precaution in the event of printer malfunctions or data errors.

Arranging for GMS to Print W2s, 1099s, and 1098s

A number of agencies have experienced printer problems when printing W2, 1099 and 1098 forms because of the thickness of these documents. However, with the style of forms being offered again this year, many agencies will be able to print their own forms that haven't been able to in the past. GMS will still make this service available to all clients. Turn around time is routinely 2-3 days in the GMS office. Printed forms will be shipped via the service specified on the transmittal form. You may send your files to GMS using email to sara4gms@gmsactg.com

W2 and 1099 Diskettes

Magnetic media submission is required for organizations submitting 250 or more W2 or 1099 forms. GMS provides this service for a fee for any client requesting it. It does not matter whether we print your forms. Supplements #400 and #401 are available to prepare W2 and 1099 diskettes.

1098 Forms

Supplement #804 RLSS 1098's is available for those agencies who wish to print their own 1098's. It also allows creation of disc GMS requires to print forms for you.

Placing your Order

Orders may be placed using the order form included with this newsletter or order on-line at www.gmsactg.com. All orders must be placed by October 31st to avoid an additional price increase of 10%. **Please note: If GMS is printing your forms or preparing a diskette, your order must still be placed by October 31st to guarantee form availability.**

Should you have any questions or need further assistance, please do not hesitate to contact the GMS office at (800) 933-3501 ext. 1.

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

May 23-28, 2004 In New Orleans, Louisiana

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

For Supplement #517 Retirement Report, the current pay period amounts get posted to the year-to-date table after doing the payroll journal entry. Therefore, the payroll journal entry needs to be prepared for each pay period.