

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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Volume 15, No. 10

October 2003

Getting Ready for W2s - What You Can Do Now

Although three months remain before you need to prepare W2s, here are some things you can do now to get ready.

- Make sure that the year-to-date payroll information is correct. Don't wait until after the last payroll of the year is completed to find out that a payroll is missing or doubled up. Use your YTD Payroll Control Sheet to verify amounts.
- Make certain that terminated employees have a T under their employee status. You should do this for all employees terminating their employment prior to December 1. *Note: Since you may run certain reports in early January which reference employees who worked in December before ending their employment, we recommend that employees terminating in December be retained in the system.* In the eDOS system, terminated employees will be automatically removed as a part of W2 processing.

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Things To Do This Month

- Run End of Quarter Payroll Processing before the first paycheck issued in October
- Clear state/local taxes before first paycheck in October (DOS version)
- Order W2/1099/1098 forms from GMS before October 31. You can order online at www.gmsactg.com!
- Mark your calendars for the 2004 Annual Conference May 23-28, in New Orleans, LA

Welcome New Users

Revolving Loan Servicing Systems

City of Oroville - Oroville, CA

Pat Clark, CO/Hsng. Mgr. Chris Lasik, Analyst

Diane MacMillan, AITM

RLSS Windows Database Maintenance

There are two database maintenance procedures that should be performed on a regular basis. Although we recommend a schedule for completing these two procedures, feel free to do them as often as desired.

Database Backup

When RLSS Windows was installed, a folder was created on the C drive of the primary workstation titled RLSSBACKUP. If the program was installed only on one workstation, backing up the database is vital. If the program was installed on a network that incorporates a method of regular backup (ex: daily tape backup) it is not as vital to take the following steps. However, there are times when tape backups are not easily accessed, and an additional backup in C:\RLSSBACKUP can be helpful. Take the following steps to create a database backup:

1) Close out of GMS-RLSS. Using Windows Explorer, locate the folder named RLSSDATA. If you are using a network, this folder will be on the network drive. If the RLSS system was installed on only one workstation, this folder will be on the C drive.

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- 2) Within the RLSSDATA folder, you will find RLSS.MDB. The file may be identified as RLSS.MDB, or simply as RLSS. If it is only RLSS, there should be a Microsoft Access icon (containing a red key) just before RLSS. Find this file, put the cursor on it, right click and select **Copy**.
- 3) Find and open the folder named RLSSBACKUP. Put the cursor on a clean spot within the folder, right click and select **Paste**. If the screen prompts that the file already exists, select **Yes** to overwrite.
- 4) Backup is now complete and you can exit Windows Explorer.

Database Compact and Repair

The frequency for completing Compact and Repair should be determined by the number of loans within your portfolio and the frequency of activity postings. At the very minimum, we recommend this procedure be done weekly. It only takes a few minutes, so you may want to schedule it on a daily basis, especially if activity is posted each day. Take the following steps to complete the procedure:

- 1) Launch Microsoft Access software and select **File** then **Open**.
- 2) Locate and open the file named RLSS.MDB, which is found in the folder named RLSSDATA. Again, if you are using a network, this folder will be on the network drive. If the program is operating on one workstation only, this folder will be on the C drive.
- 3) Enter the password.
- 4) From the taskbar, select **Tools** and then **Database Utilities**.
- 5) Select **Compact and Repair Database**. Depending on the size of the database and the speed of your computer, this may take as little as five seconds or as long as a minute.
- 6) Close Microsoft Access when the procedure is complete.

Making these two procedures a standard part of your office routine can help eliminate any potential problems with the database, and will also guarantee there is a database backup that can be used for restoration if needed.

As always, please call GMS Service if you have any questions.

Using the Windows Report Writer

How to produce a Site Quarterly Unemployment Summary

In order to prepare this summary for the quarter, it must be prepared **after** you have run the Quarterly Reporting Register and **before** you Prepare for Next Quarter on the Quarterly Payroll menu.

- Open Report Writer
- Click on Select Tables
- In Structure Editor - Click on Clear – Answer yes to clear all tables
- Right click on the blank white window
- Left click on add tables
- Control Click on tblEmpMaster and tblQtrReportingReg and click on OK
- Click on the Tables tab
- Click on tblEmpMaster
- Click on Add
- TblEmpMaster will open and all fields within the table will appear
- Under Join type, click on Inner.
- Click on Employee Code in the left window
- Click on the combo box for Table 2
- Click on tblEmpQtrReportingReg
- Click on ID in the right window
- Click on the add button between the two windows
- Click on OK on the Edit Link form
- If you intend to save this query, click on Save to save the structure on the Structure Editor form.
- Click on OK on the Structure Editor form. This returns you to the Main Screen of Report Writer
- Click on the Edit fields

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Windows Software - Things You Should Know....

- In order to use the scroll wheel on the top of your mouse to move the pages of a report up and down, you need to left click on the displayed report and then move the scroll wheel and your page will move.
- When using report writer and you are in the Edit Field tab, if you have added fields to the result fields and you want them in a different order on your report, just click and hold your mouse on the number to the left of the field you wish to move. Move your mouse to the number of the position you want that field in and release your mouse. It will then put that field in the order you just changed.

- tblEmpMaster and tblEmpQtrReportingReg will appear in the left window
- Left click on the + sign to the left of tblEmpMaster and all fields within the table will appear
- Double click on SiteCode
- Left click on the + sign to the left of tblQtrReportingReg and all fields within that table will appear.
- Highlight ID and click on the add button in the middle of the screen. Click on Count.
- Highlight Unemployment and click on the add button in the middle of the screen. Click on Sum.
- Make certain that all the fields appear in the window on the right
- Click OK
- This returns you to the Main Screen of Report Writer
- Click on Run SQL. All of your site codes will be listed in the first column. The second column is the number of employees who have taxable unemployment wages for each site in this quarter.
- Click on Print Preview to print the report or you may export the information to Excel or spreadsheet to get a total of the column to make sure it matches the unemployment taxable wages on your Quarterly Reporting Register.

To Export the Information to Excel:

1. Highlight the entire table by first clicking on Line 1 under Site Code. Move the cursor to the Unemployment field of the last site on that list. Hold down the shift key and click. The entire table should be highlighted.
2. Hold down the control key and type c (control c is the same as copy)
3. Open Microsoft Excel. Hold down the control key and type v. (control v is the same as paste).
4. The file will be exported into Excel.

*Mark Your Calendars for the 19th
Annual GMS Financial Management
Conference!
May 23-28, 2004 In New Orleans,
Louisiana
Astor Crowne Plaza Hotel!*

Determining Revenue Recognitions

For not-for-profits operating under accounting standards established by the Financial Accounting Standards Board (FASB)

Perhaps the single most important “final close” issue at fiscal year end is revenue recognition -determining earned federal, state, local and other revenues and the amount of change in permanently restricted net assets, temporarily restricted net assets and unrestricted net assets for the fiscal year.

Before adjusting for earned revenue, you need to know several things about each grant/contract. Some of these include:

- 1) What is the grant/contract’s fiscal year?
- 2) Are there local match requirements? If so, are they In-Kind Contributions, Cash or both?
- 3) Is the program a cost reimbursement, performance based or fixed price contract?
- 4) If project income was received, how is it to be applied - as a reduction of expenses or used as match?
- 5) If more than one federal and/or state revenue source is received, what are the cost sharing requirements?
- 6) What needs to be done with unearned cash for projects that end on or before your fiscal year ends - returned to the grantor agency or applied to the next year’s contract?
- 7) If the project ended during the fiscal year, can a revised final financial report be submitted? If not, what revenue is going to cover or gain from any variance in cost allocation amounts?

Since earned revenue is usually defined differently for each type of contract, all of the above questions may pertain to some contracts but not for all. Below are general definitions of earned revenue for the different types of contracts. There may be exceptions to these definitions, so please refer to the specifications in your particular contract.

◆ Cost Reimbursement Grants and Contracts

Earned revenue is based on actual allowable expenses, up to the award and is classified as a contribution (auditors may classify these contributions separately, such as governmental contributions). To adjust revenue, typically a contribution receivable, grants payable or refundable advance offsetting entry will be made. Posting final entries should result in a zero project balance.

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◆ Performance Based Contracts

Earned revenue is normally based on the number of units provided times the fee per unit up to the award. This revenue is classified as fees (auditors may classify these fees separately, such as governmental fees). Typically you will have to set up a receivable for the unreimbursed units of service provided in the last month or quarter of the fiscal year. In most cases, these projects will have a debit or credit balance reflecting the excess earned revenue or expense.

You would normally close the project balance to Unrestricted Net Assets unless program guidelines or contract specifications require that excess revenue over expense be restricted to be used for this functional program area only. In that case, it should be closed to Temporarily Restricted Net Assets. Also, if management's policy or practice is to restrict this balance to be used only for this program, it should be closed to Unrestricted-designated Net Assets.

◆ Fixed Price Contracts

Earned revenue is based on the completion of the product or service agreed upon and is classified as fees (auditors may include these with other governmental fees). If completed, a receivable would be set up for the amount due based on the contract award. If the terms of the agreement have not been fulfilled, it may be necessary to establish the percentage of completion in order to determine the earned revenue. We recommend that you consult with your auditor if this percentage of completion needs to be established.

If there is excess revenue or expense after recognizing earned revenue on the completed project, it would normally be closed to unrestricted net assets.

If the contract did not end during the agency fiscal year, you may choose not to close the project balance to a net asset account for internal balance sheet purposes.

Also, see Supplement #398 Year End Closing Entries which produces the revenue recognition worksheets after you have entered the appropriate entries using this supplement.

If you wish to schedule year end closeout assistance you can do so by placing a service call. GMS offers two types of year end closeout assistance. You may schedule a field staff representative to come on-site and train and assist in all of the year end functions, including reconciliations, closing cost allocation control accounts and determining revenue recognitions. We also offer off-site telephone assistance. Both services are billed at our prevailing rate.

- Understand your special W2 requirements particularly for issues such as pension, deferred compensation, dependent care and group life insurance over \$50,000. You may need to check with the IRS or your CPA.
- Be familiar with any appropriate federal and state magnetic media reporting requirements that must be met.
- Order W2 forms. And, if you need to, arrange for W2 printing or disk preparation with GMS.
- Review the W2 processing section in your electronic users manual. It can be found under Payroll Processing.

Job Opportunity

Chemung County Community Action Agency with \$7,000,000 budget is looking for a Finance Director to oversee a 3 person finance dept. Duties include, but not limited to: preparing Agency-wide Budget, cash flows analysis, forecasting, assuring preparation and timely submission of all financial reports, supervision of staff, advising Executive Director and Board on financial issues, and maintaining and updating cost allocations. Requirement: minimum BS degree plus 3-5 years experience in financial management. Not for profit background preferred. Send resumes either by email to: ewohl@cseop.org or mail to: Ellen Wohl, EOP, 650 Baldwin Street, Elmira, N.Y. 14901

