

News From

A Publication for GMS Accounting and Revolving Loan System Clients

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19th Annual GMS Financial Management Conference

May 23-28, 2004 - New Orleans, LA

Don't forget to mark your calendars and plan to attend the 19th Annual GMS Financial Management Conference to be held in New Orleans, LA on May 23-28. As in previous years the conference will be divided into two segments with the regular conference May 23-26 followed by intensives May 27-28.

Enclosed with this newsletter is a brochure with the agenda of all conference sessions, along with registration and reservation forms. Watch for the March issue of News from GMS for a brief description of each session.

Who Attends the GMS Conference?

If previous years are an indication, we can expect close to 300 participants from over 200 GMS client organizations located throughout the country. Attendees include fiscal staff, auditors, revolving loan management staff, Executive Directors, human resource staff and program managers. Many GMS clients view this as annual in-service training for their fiscal personnel and now it is especially important for those that have upgraded to the windows version of accounting or plan on upgrading during 2004.

From a strictly GMS viewpoint, we wish all GMS clients could attend since the conference is our best way to provide you with the most up-to-date information on using GMS software. Every member of the GMS staff will be at the conference giving you a tremendous opportunity for face to face consultation and assistance.

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Welcome New Users

Accounting Systems

Meeker County Community Homes, Inc.

Deb Sandell, ED

Tarja Brown, CFO

Heidi Johnson, Admin Asst.

2004 FICA Maximum Wage Base, EIC & State Taxes Revised

GMS Windows clients were emailed the 2004 FICA, EIC, Ohio School District and state tax changes the last week in December. DOS Accounting System clients were mailed instructions for downloading the 2004 tax changes from the GMS ftp site and installing the revisions the last week in December. You should be sure to install the tax revisions prior to running your first payroll in the new year using the instructions you received.. If you have not received these instructions, please contact the GMS Maryland office at (800) 933-3501.

What Will These Changes Mean For Your Employees?

FICA and Medicare rates continue to be unchanged at 6.2% and 1.45% respectively. There continues to be no limit on wages subject to the Medicare tax while the FICA limit has been increased from

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\$87,000 to \$87,900. Thus, only higher paid employees will be affected by this change. GMS clients who have employees that qualify for advanced EIC, will see slight changes due to indexing of tax rates.

There were 15 school districts in Ohio where the school taxes were revised.

We have been notified of 12 state tax changes as of this time. They are California, Kentucky, Maine, Maryland, Michigan, Minnesota, New Mexico, New York, North Carolina, North Dakota, Vermont and Pennsylvania.

All of these tax revisions are located at the GMS ftp site. Please follow the instructions that you were sent to install these revisions.

Windows Accounting Supplements Released

There were three supplements that were rewritten and released in December, 2003...

- Supplement #304 Timesheet Labels
- Supplement #311 YTD Workers Comp Analysis
- Supplement #404 Recurring Batches

Supplement #304 Timesheet Labels

Timesheet Labels allow you to print laser labels to be affixed to timesheets to assure that the timesheets include the correct employee codes and pay period. Site and department codes and descriptions are also printed on the labels.

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

Supplement #311 YTD Workers Comp Analysis

The YTD Workers Comp Analysis allows you to maintain employee information on your workers comp insurance plan year to be used for the workers comp audit. Either a salary or paid hour base can be used with this supplement.

1-2 Users: \$300.00/45.00 3-4 Users: \$350.00/52.50
5+ Users: \$410.00/61.50

Supplement #404 Recurring Batches

This supplement allows you to use an existing GJ, TI, VR or AR batch and create a new batch identical to the original only with a new batch number and new document numbers.

1-2 Users: \$200.00/30.00 3-4 Users: \$250.00/37.50
5+ Users: \$310.00/46.50

For more information on these supplements, refer to the Windows Supplement Catalog on-line at www.gmsactg.com and the help section in your accounting system.

Employment and Personnel Issues

New Annual Conference Intensive

Attorney Denny Bryce will present this comprehensive intensive on employment and personnel issues. This 1 ½ day intensive will cover the latest information regarding the following topics:

- ◆ Hiring and Firing
- ◆ Fair Labor Standards Act
- ◆ Record Keeping
- ◆ Writing the Best Personnel Manual for You
- ◆ Family Medical Leave Act
- ◆ Sexual Harassment

Denny Bryce will cover many areas under each topic including the new proposed Fair Labor Standards Act legislation. It should be a very beneficial 1 ½ day session for Human Resource staff, Executive Directors and anyone with supervisory responsibilities. Refer to the Annual Conference brochure that was included with this newsletter for more details on the session.

Windows Systems... Things You Should Know

If you find that certain updates or reports are not correct on one work station but on the other work stations they work properly, it could mean that the one work station does not have the latest dll files or may be missing some Microsoft patches or service packs. If you are encountering any of these problems and your agency does not use other database applications, you can download the Jet 4.0 (SP8) and MDAC 2.8 from the Microsoft web site to the workstation that is encountering the problem.

RLSS - IRS FORM 1099-C FOR 'CANCELLATION OF DEBT'

IRS Revised Procedure 98-35 indicates that some lenders must provide debtors with a 1099-C if there has been a cancellation of debt of more than \$600.00. You must file these forms by January 31 if you are one of the following lenders:

- 1-A financial institution as described in section 581 or 591(a), such as a domestic bank, trust company, building and loan, or savings and loan association;
- 2-A credit union;
- 3-A Federal Government agency including:
 - a-a department
 - b-an agency
 - c-a court or court administrative office
 - d-an instrument in the executive, judicial, or legislative branch of the government
- 4-One of the following:
 - a-Federal Deposit Insurance Corporation
 - b-Resolution Trust Corporation
 - c-National Credit Union Administration
 - d-Any military department
 - e-US Postal Service
 - f-Postal Rate Commission

Although most RLSS users are not included in the above descriptions, you as a lender have the option of voluntarily submitting 1099-C's. This can be useful in your collection process related to bad debts. When your agency has recognized a loan as a bad debt, and charged off the principal balance, you can then submit a 1099-C at the end of the year. Once you have issued a 1099-C to a debtor, you cannot actively pursue collection, but can receive voluntary contributions from the debtor. These forms are easy to complete, and can be ordered free of charge from the IRS. Information to be completed on 1099-C's includes:

- 1-Debtor's name and address
- 2-Debtor's Social Security Number, or Federal Identification Number
- 3-Your agency's name and address
- 4-Your agency's Federal Identification Number

- 5-The date the debt was canceled
- 6-The amount of debt that was canceled
- 7-A debt description (ex: business loan, housing loan, etc.)
- 8-If the debt was canceled due to a bankruptcy (yes or no)

Three-part 1099-C's obtained from the IRS are prepared by the lender. The original copy is sent to IRS along with a 1096 Transmittal Form, a copy is retained for your files, and a copy is mailed to the borrower. If the debt was canceled for reasons other than bankruptcy, the amount of the charge off may become taxable income for the debtor, which can in turn become an incentive for repayment. A note of caution: Reporting charged off loans on 1099-C's should only be done when all avenues of collection have been exhausted. Because the canceled debt is reported to IRS as potential income, any future recoveries toward that loan must be voluntary.

We Can Print Your W2's and 1099's

Remember... If you are having problems printing your W2's and 1099's we can help. You just need to send the forms you have left and your prepared processing disk to the Maryland Office. Please call 800/933-3501, ext. 1 if you have further questions.

Prepaid Maintenance Saves You Money!

Prepay a year's worth of maintenance fees and save 7.5%. If your fiscal year is getting ready to start, now is the time to contact Sara Drury at (800)933-3501 ext. 3 for further details or to request billing for a whole year.

State Tax Revisions for 2004

As of this time, we have received notification on 2004 state tax changes for the following states: California, Kentucky, Maine, Maryland, Michigan, Minnesota, New Mexico, New York, North Carolina, North Dakota, Vermont and Pennsylvania.

If and when you receive notification of any changes in your state tax, please contact our Maryland office at 800/933-3501, ext. 1.

Mark Your Calendars to attend the 19th Annual GMS Financial Management Conference May 23-28, 2004 in New Orleans, Louisiana at the Astor Crowne Plaza

Session Highlights

This year again, our main focus will be training on the new GMS Windows Accounting and Financial Management System. Training will take place during the regular session and also in two intensives to be held immediately after the regular conference. The computer clinic also provides for hands-on opportunity.

For newer system users, you will also find detailed training on the DOS Accounting and Financial Management System. There will also be GMS-RLSS sessions during most of the concurrent sessions slots demonstrating the windows RLSS software.

Windows Accounting Sessions this Year-Each session held twice

- Intro to GMS Accounting
- Accounts Payable Processing
- Payroll Processing
- GL and Related Activities (Part 1 & 2)
- Accounts Receivable Processing
- Fixed Asset Inventory
- Using Complete Purchase Orders
- Intro to Report Writer
- Basics of Year End
- Answers to the Top 10 Service Questions
- Windows Accounting... Things You Should Know

DOS Sessions this Year - Each session held once

- A/P Processing
- Payroll Processing
- Month End Processing (Part 1 & 2)
- Basics of Year End

Other Sessions for Accounting System Users-Each session held twice

- GMS Cost Allocation Concepts
- Q & A with Accounting Staff
- Flexible Benefit Plans and Cafeteria Plans - American Payroll Association
- Deferred Compensation Plans - American Payroll Association

Sessions for RLSS System Users-Most sessions held once

- Intro to Windows RLSS (held twice)

- Incorporating Lending Programs into Accounting Q&A with RLSS Staff
- RLSS Windows Reports & Master Query
- Bankruptcy Issues - Gerard Salassi, Lawyer
- Processing Unusual Loans
- RLSS DOS Overview for New User

With 5 concurrent sessions scheduled at all times, there is always a topic to choose from that is useful to your organization. To make certain that everyone has the opportunity to attend sessions of greatest interest, every windows accounting session will be conducted at two different times. Intro to Windows RLSS will also be conducted twice and all other GMS-RLSS sessions are run one time only.

Computer Clinic

In addition to specific sessions, the Computer Clinic is open throughout the conference giving you an opportunity to "test drive" any GMS product. GMS staff members are stationed in the Computer Clinic at all times to provide individualized assistance and support. In the Computer Clinic you can experiment and practice as much as you want!

Intensives

The five post conference Intensives are always well attended. These 1 ½ day concentrated courses have been refined with years and years of experience and are in great demand year after year. Choose from any one of these topics:

- Training on the Windows Accounting Software
- Year End Procedures/Preparing for Audit
- Laptop hands-on with Windows Report Writer
- Training on Windows RLSS
- Employment and Personnel Issues - Attorney - *New this year*

We hope that we will see you in New Orleans. For further information on conference activities please feel free to contact Liz Collins, our Annual Conference Coordinator at 800-933-3501, extension 2.

Holiday Announcement

The GMS Offices will be closed Monday January 19 in honor of Martin Luther King's Birthday. The offices will reopen at 9:00 am on Tuesday, January 20th.