

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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20th Annual GMS Financial Management Conference

May 22-27, 2005 - San Antonio, TX

Don't forget to mark your calendars and plan to attend the 20th Annual GMS Financial Management Conference to be held in San Antonio, TX on May 22-27. As in previous years the conference will be divided into two segments with the regular conference May 22-25 followed by intensives May 26-27.

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 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 2005.

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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Holiday Announcement

The GMS Offices will be closed Monday January 17 in honor of Martin Luther King's Birthday. The offices will reopen at 9:00 am on Tuesday, January 18th.

2005 FICA Maximum Wage Base, EIC & State Taxes Revised

The 2005 FICA, federal, EIC, state and Ohio School District tax revisions were posted to the GMS website on December 29, 2004. Windows clients were emailed the instructions for downloading and installing the tax revisions on December 29, 2004. DOS Accounting System clients were mailed instructions for downloading and installing the tax revisions December 27, 2004. 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 service4gms@gmsactg.com or (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 \$87,900 to \$90,000. 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.

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2005 FICA Maximum Wage Base...
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- There were several school districts in Ohio where the school taxes were revised.
- We have been notified of 8 state tax changes as of this time. They are Kentucky, Maine, Montana, New Jersey, New Mexico, North Dakota, Vermont and Virginia.

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

**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 of 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 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.

***Training on the Windows
Accounting Software***

Annual Conference Intensive

If you already have or are planning to upgrade to the GMS Windows Accounting Software during the next year or so or just want to see how the entire system works, this intensive will give you a complete overview of the accounting system. You will see all aspects of the accounting system from the setup files to processing steps and how the GMS accounting integrity has been maintained in the windows version. All aspects of the books of entry, accounts payable processing, payroll processing, general ledger activities, cost allocation and report generation will be shown. Even though concurrent sessions on certain areas of the Windows Accounting Software will take place during the regular annual conference, this 1 ½ day intensive allows more time to spend on all aspects of the system. Due to the large number of registrations for this intensive the past two years, we will be dividing this training into two separate intensives this year so the number of people in the rooms will not be as many.

Windows Accounting Supplements Released

There were 8 new supplements that were rewritten and released in December, 2004 and an A/R History was added to Supplement #336 Accounts Receivable Processing.

Supplement #316 Executive Director's Report

This report provides your Executive Director with a concise analysis of project activity showing the budget, current, project total, under/over and percent of budget for the expenditures, total revenues and the balance of revenues over expenditures of each project.

1-2 Users: \$120.00/\$18.00 3-4 Users: \$150.00/\$22.50
5+ Users: \$190.00/\$28.25

Supplement #319 Balance Sheet Categories

This enhanced version of the Balance Sheet allows you to organize your balance sheet accounts into categories. Several different formats of category assignments can be saved so you have formats for your Board of Directors, audit report, etc. You may print the Balance Sheet with or without GL account detail.

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

Supplement #320 Agency Program Analysis Spreadsheet

With this supplement you can create spreadsheet presentations of project or element financial activity by line item or cost category. Any one of the following columns can be requested – budgets, prior year, current month, current year or project to date.

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

Supplement #364 Quarterly Financials

You can enter the quarter's beginning and ending date for the period you need to prepare quarterly information for and print Revenue and Expenditure reports by element and by project for all or specified projects and elements. You can only prepare quarterly information for the current fiscal year.

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

Supplement #384 Audit Check Sampler

You simply specify the beginning and ending dates, bank account and check numbers and the software will find the information requested in the tables. A listing is printed showing the check date, check number, name and check amount. For non-payroll checks, the voucher batch, document number and expense distribution amounts are included on the report. For payroll checks, it prints "Payroll" under the voucher column.

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

Supplement #385 Schedule of Federal Assistance

Maintain contract master files for all grants and contracts with the Schedule of Federal Assistance supplement. Contract profiles, current year worksheets and the Schedule of Federal Financial Assistance may be printed for all or specific grant/contract numbers, federal agency numbers, state/local agency numbers and CFDA numbers.

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

Supplement #393 Paycheck Signout Log

The Paycheck Signout Log can be printed in alpha order to receive a listing of all employees who received a paycheck from the current payroll with their check number and blank lines for the signature and date that they picked up their check. If printed by site or department code, you will get an additional summary page listing each site or department code with a signature and date line to be signed when the site or department manager picks up the checks.

1-2 Users: \$120.00/\$18.00 3-4 Users: \$150.00/\$22.50
5+ Users: \$190.00/\$28.50

Supplement #504 Site Unemployment Summary

Site Unemployment Summary provides information on the number of employees and wages paid by site code for each pay period and for each quarter. This fulfills the unemployment reporting requirement in many states.

1-2 Users: \$120.00/18.00 3-4 Users: \$150.00/\$22.50
5+ Users: \$190.00/\$28.50

Accounts Receivable History

We have added an Accounts Receivable History to Supplement #336 Accounts Receivable Processing. Anyone who has the Accounts Receivable Processing installed will automatically have an additional menu item for the Accounts Receivable History.

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 at ext. 1 if you have further questions.

Session Highlights

This year again, our main focus will be training on the GMS Windows Accounting and Financial Management System and Windows RLSS. Training will take place during the regular session and also in the intensives to be held immediately after the regular conference. The computer clinic provides for hands-on opportunity which is an excellent opportunity to personally work with any GMS software.

For newer staff using the DOS versions of GMS software, you will also find detailed training on the DOS Accounting and Financial Management System. There will also be one GMS-RLSS session on training on the DOS version for newer staff.

At the 2005 conference, we have split several of the windows accounting processing training sessions into two levels - level I for clients who have recently upgraded to windows or want to learn the basics of the processing function and level II for clients who are familiar with the basics and want to learn more about trouble shooting and special circumstances. We also added sessions on windows training for accounts payable, payroll and month end for clients who are still using the DOS version but want to see how the windows version works and find out how they accomplish certain things in the windows version that they are presently doing in DOS.

Windows Accounting Sessions this Year

- Intro to the GMS Accounting System
- Accounting Setups, Master Files and Books of Entry
- A/P Processing - Level I
- A/P Processing - Level II
- A/P Processing in Windows for DOS clients
- Payroll Processing - Level I
- Payroll Processing - Level II
- Payroll Processing in Windows for DOS clients
- Month End Activities - Level I
- Month End Activities - Level II
- Month End Activities in Windows for DOS clients
- Windows Report Writer - Level I
- Windows Report Writer - Level II
- Answers to the Top 10 Service Questions
- Accounts Receivable Processing
- Fixed Asset Inventory
- Using Complete PO's
- Basics of Year End
- Learning the Database Tables
- Overview of Payroll and A/P Supplements
- Overview of Selected GL Supplements

- Overview of Year End and Related Supplements

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
- Update on the Fair Labor Standards Act

Sessions for RLSS System Users - Sessions held once

- Into to Windows RLSS
- Incorporating Lending Programs into Accounting
- Q&A with RLSS Staff
- RLSS Reports & Master Query
- Processing Requests from Creative Loan Counselors
- RLSS Supplements and New Features
- Finding, Marketing & Managing Loan Funds (Part I & II)
- 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.

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 four post conference Intensives are always well attended. These 1 ½ day concentrated courses have been refined with 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

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

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.