# News From GMS

A Publication for GMS Accounting and Revolving Loan System Clients


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## *Have You Installed Your 2005 Tax Changes Yet?*

The Windows and DOS 2005 tax changes were posted on the GMS Web site in late December. Windows clients were emailed instructions and DOS clients were mailed instructions on how to download the tax changes from the web site and install the tax changes.

If you are unsure if the 2005 tax changes have been installed, do the following:

- **For Windows clients**, go to Payroll, Quarterly and select Quarterly Reporting Register. If wages subject to social security has 90000.00, then the 2005 tax changes have been installed.
- **For DOS clients**, if your fiscal year began January 1, 2005, be sure you are in your new year directory.

  Go to the Supplement menu and hit the F2 key.

  (type) LOAD "GMSPRUP2 (tap enter)

  (type) LIST 11000 (tap enter)

  If it says 11000 'FICA 1/05, you have installed the 2005 tax changes. Just hit the F2 key and proceed with business as normal.

**If the tax revisions have not been installed, you need to install them now.**

- Go to your web browser, i.e. Internet Explorer. In the web browser address field (Internet Explorer) type: **www/gmsactg.com/downloads.php** and tap enter.
- **For Windows clients**, you need to click on AccountingWindowsTaxes05.ZIP. Follow the instructions in the December 29, 2004 memo that was emailed to you.
- **For DOS clients**, you need to click on AccountingDOSTaxes05.ZIP. Follow the instructions in the December 27, 2004 memo that was mailed to you.

## Reminder!

If you are planning to attend the GMS Annual Conference in May, You MUST have your hotel reservations in by APRIL 29 or earlier to guarantee a room. Rooms are in short supply and our room block has no room to grow!

## *RLSS Windows Supplement 805 Loan Invoicing is Now Available*

This supplement is designed to produce monthly invoices to be forwarded to your borrowers. Invoicing is routinely done once a month for each loan. If you have loan payments all due on the same day of the month, a simple monthly routine utilizing this supplement will result in printed invoices with up-to-date information. If your loans are due on different days of the month, the program can be run more than once a month. The process hinges on the field "payment dates" in the Loan Master file, which holds the day of the month when the payment is due. Invoices can be run for loans due on the 1st and then again for loans that are due on the 15th. Invoicing batches are identified by the due date along with the invoicing cutoff date.

Operating in a manner similar to credit card invoicing, the amount due from the last invoice is shown, as well as any payments received, and a revised amount due which includes the next scheduled payment. The invoice also shows the beginning loan balance, any activity recorded since the last invoice, as well as the loan balance as it is now.

Loans to be invoiced are identified through the supplement's Loan Setup. If a loan is set up as "active", the due date matches the one selected for invoicing, and the loan

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has a balance, it will be included in the batch. The option to mark loans as "inactive" is always available. If you have seasonal loans, marking them "inactive" will eliminate them from the invoicing batch. When payments are to commence again, simply edit back to "active".

The first time invoicing is to be processed, Loan Setup will require a beginning date for invoicing. This means activity recorded prior to that date will not be reflected on the invoices. You also can enter any amount in arrears as of the beginning date, which will appear on the invoice as "previous amount due". From this point forward, calculations are automatic.

A batch report is produced for your review and summarizes the amounts billed. This can then be retained as a record of invoices mailed to borrowers. It also gives you an opportunity to identify any loans nearly repaid, as you likely do not want to invoice for a payment that will exceed the amount needed to bring the loan balance to zero.

**The purchase price is**:

1-2 Users: $480.00/$72.00

3-4 Users: $550.00/$82.50

5+ Users: $620.00/$93.00

Feel free to contact GMS staff if you have questions. Orders may be placed by contacting our Maryland Office at 800-933-3501 or emailing service4gms@gmsactg.com.

## *Training on Windows RLSS*

### *Annual Conference Intensive*

This training will benefit anyone considering converting to the Windows GMS-RLSS or that has already converted. Taught by GMS staffers Karen Secoy and Marilee Floener, this session will cover every aspect of using GMS-RLSS so you can take advantage of all of its features. Among the topics will be setting up new loans, processing loan activity, using database queries, loan reporting and integrating accounting and RLSS. They will also demonstrate how to use the Master Query which is a database search that replaces the "ask for loan information" used in DOS. The Master Query allows the ability to produce reports that include a large variety of data. This is a great way to make sure that your loan policies and procedures are integrated with your RLSS software. This intensive features hands-on training. You will be able to enter new loans, enter and process loan activity and familiarize yourself with all of the functions and proper procedures for running the windows GMS-RLSS. This will be a great opportunity for RLSS staff!

## *Level II Windows Sessions at Conference*

A few questions have come in regarding the content of the Level II sessions planned for the GMS Annual Conference this coming May in San Antonio, Texas. We are designing these sessions to include more of "where to look" types of troubleshooting ideas in addition to the processing steps. Some examples of the types of questions that will be addressed are:

**Q: A balance appears next to a project on the Balance Sheet but the balance is zero on the Revenue and Expenditure Report.**

A: Go to General Ledger, GL Listings, Transaction Code Listing and select dates from the beginning of your fiscal year through the last month processed. Under the list box for GL Codes, select the project number that had a balance on the Balance Sheet. Click on print. Typically, you will find that an entry was made to 997000-(project number).

**Q: This month no indirect costs were allocated but they were the previous month.**

A: Go to Tools, Cost Allocation Setup, Indirect Cost Allocation and check the base. Typically, you'll find that base was accidently unchecked and saved.

**Q: An employee only worked half of the pay period, but on the Leave Balance Report it shows earnings for the entire pay period.**

A: Go into Payroll, Processing, Leave Balance Processing, Setup Leave Assumptions. Select the leave type in question. For the applicable class of employee, you will typically find they were set up with a F for fixed amount and should have been P for prorated.

We do not want to duplicate the "Answers to the Top 10 Service Questions" session that we are also holding. But having these Level II sessions for each type of processing steps - payroll, accounts payable and monthly processing, it will be easy to tie each report to typical problems and where to find the cause. We had several requests last year for these types of sessions as some of our clients have been using the windows version for more than 2 years.

Happy Valentines Day from All of Us at GMS, Inc.!

## *Things to do Now to Prevent Errors on 2005 W2s*

Once again this year, the service staff were flooded with service calls relating to problems encountered with W2's. We thought if we listed a few of the items that you can be checking on now and throughout the year, it may save you time and frustration when you are ready to do the W2's for 2005.

- Learn how to zip files. Whatever software you use to zip files, make sure you know how to use it, how to name a zip file and how to password protect your zipped file. This can vary depending on the zip software used and the version of the windows operating system you have.
- Check your YTD Payroll Register after EVERY payroll. Take last payroll's YTD Register's gross pay plus the gross pay from this pay period's Payroll Register. That is what your new YTD Payroll Register should show. If it is not, stop immediately and research the problem. In the Windows version, assuming you have the latest service packs installed, it is VERY unlikely that the YTD amounts would be incorrect.
- Check your State and Local Tax Analysis EVERY payroll. The tables used to produce these reports are also used on the W2's. This is especially important for clients who upgraded during the calendar year to the windows version. Many clients did not print the State Tax Analysis in DOS if they only withheld state taxes from one state. When we convert the DOS file, the amounts may not be correct. This should be checked immediately when the windows version is installed and every payperiod after that. If deductions that are deferred from state taxable wages are not set up properly at the beginning of the year, then the state taxable wages will be incorrect on the Analysis. This is true for the Local Tax Analysis also.
- Make sure that you have each applicable state code (2 digit postal code) set up in the state tax setup and that it is only listed once. You also need to make sure that the state name and identification number are entered and is correct. To check this in DOS, from the Main Menu select Master File Maintenance, Employee Data, S=Setup files, (A) Maintain State Tax Codes and D to Display. To check this in Windows, select Payroll, Setups, and State Tax. Check the information in the grid.
- If your state does not have any state tax withholding, and you do not want state wages showing on your W2 form, in Windows, click on Tools, Cost Allocation Setup and Class Setup. Make sure under the State column there is a N. However, if you have employees in a certain class that you don't withhold state taxes for, but you do need to report State Taxable wages on their W2, make sure there is a Y under the State column. Then in each of these employee files, next to state dependents, put a large number i.e. 50, so there will be no withholding.

## *DOS Software Program Backup Request*

All GMS DOS users should make a program backup and submit it to our Maryland office no later than February 28. Additional program backups should be made for your files. For those agencies whose fiscal years begin in January, make the backup from your new directory.

Up-to-date program backups make it easy to assist you in getting your accounting, RLSS, HEAP, and Section 8 systems up and running properly should problems occur with your computer. If it is necessary for GMS to redo program revisions due to not having a recent program backup, we will charge $75 per hour.

Program backups are generally requested in February and August. However, if program changes occur during the year, we strongly encourage you to make a new program backup at that time. Below are instructions for preparing program backups. If you need assistance, please contact our service staff.

1. Format at least 5 diskettes for each set of program backups. (2 for RLSS)
2. Go to the Main Menu of either your Accounting and Financial Management System, or GMS-RLSS system.
3. Choose #8. Backup Procedures, (#6 for GMS-RLSS) Then select #4. Program Backups (#3 for GMS-RLSS).
4. The automatic program backup will begin. Follow screen prompts.
5. Label each diskette with "GMS Program Backup", your agency name, type of system (accounting or RLSS), client number, and current date. Number the diskettes in the order they are used during the backup - this helps us locate programs faster.
6. Mail diskettes to GMS, ATTENTION: BACKUPS.
7. Prepare a second set of program backups for your files - repeat steps 1-5.

If you have a system other than GMS Accounting and Financial Management System or GMS-RLSS and you need assistance preparing program backups, please contact GMS service staff.

## *Need Assistance in Preparing Your Indirect Cost Plan?*

If your agency would like assistance in preparing your Indirect Cost Plan, our field staff can be scheduled to come on-site to assist and train the accounting staff in preparing your plan. We usually estimate 2-3 days on-site to gather all the information and provide training. The plan is put together after GMS staff leaves your office. A draft plan is sent to your office for review. We will follow up with any changes requested and send a final copy to you for submission to your cognizant agency. When assistance in preparing an indirect plan is requested, a fixed-priced contract will be sent to your office. The cost for this service is $3,500 for clients utilizing the GMS system, plus actual travel expenses.

Most agencies who have requested our assistance are preparing their first Indirect Cost Plan or making major revisions to their present plan. Our staff are trained to prepare the plans, so agencies actually save money rather than having their staff spend an enormous amount of time trying to put the first plan together.

If you are interested in receiving assistance in preparing your Indirect Cost Plan, contact Sandy West at the GMS office in Maryland (1-800-933-3501 ext. 2).

# *How To Handle W2 Corrections*

Now that W2 processing is complete, you should know how to handle W2 corrections identified after you have filed your forms or diskette.

1. Use Form W-2c, Corrected Wage and Tax Statement to correct errors on previously filed Forms W-2 and W-2p. Send Form W-3c, Transmittal of Corrected Wage and Tax Statements, with Forms W-2c. File Form W-3c to correct a previously filed Form W-3.
2. If an employee loses or destroys copies, give your employee copies of Form W-2 marked "Reissued Statement". Do not send Copy A of the reissued statement to the Social Security Administration.
3. If a form is corrected before you file Copy A with the Social Security Administration, give the employee the corrected copies. Mark the original Copy A "Void" in the proper box and send the new Copy A to the Social Security Administration. Do not write "corrected" on the new Copy A.
4. If you filed a Form W-2 showing an incorrect address for the employee but all other information on Form W-2 is correct, **do not** file Form W-2c with the Social Security Administration merely to correct the address. However, if the address was incorrect on the Form W-2 furnished to the employee, **you must do one of the following:**

   #Issue a new Form W-2 containing all correct information, including the new address. Indicate "REISSUED STATEMENT" on the new copies. **Do not** send Copy A to the Social Security Administration.

   #Issue a Form W-2c to the employee showing the correct address in box f and all other correct information. **Do not** send Copy A to the Social Security Administration.

   #Mail the Form W-2 with the incorrect address to the employee in an envelope showing the correct address or otherwise deliver it to the employee.
5. If you filed via magnetic media, but need to make corrections, you may do so following the above instructions.

## *What about those annoying RLSS Windows screen messages?*

Windows RLSS strives to be as flexible as the DOS programming in allowing users to make unusual entries and data changes. We also strive to help you avoid recording incorrect entries by mistake. The number one RLSS service call relates to clients posting activity incorrectly and asking for assistance in correcting the loan history. This is the case whether the client is using Windows or the older DOS version of the software.

To assist in limiting activity entry errors, Windows RLSS includes several screen messages that will "pop up" when the Save button is selected. Some examples include:

**the disbursed amount exceeds the loan amount as established in Loan Master file**

**the entry results in negative current interest**

**the entry results in a negative balance**

Sometimes these entries are deliberate, but often they are created when an activity date or activity amount has been entered incorrectly. The messages appear to simply alert the user to the unusual calculations, and will disappear when "ok" is selected or by simply tapping enter.

Please keep in mind that these messages appear for a reason **– *they are important.*** Take a moment to review the message prior to simply tapping enter and saving the entry. A moment of your time used to review the message and make the proper decision about saving the entry can save you time in the long run by possibly avoiding adjusting entries or service calls. Service staff are always available to help you with adjusting entries, but paying closer attention to the screen messages may eliminate the need for you to place a call to GMS for assistance.