

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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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 DOS system, terminated employees will be automatically removed as a part of W2 processing.*

Continued on page 2

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 2006 Annual Conference May 21-26, in St. Pete Beach, FL!

Welcome New Users

Revolving Loan Servicing Systems

Snowy Mountain Development Corp. - Lewistown, MT

Kathie Bailey, ED

Diane Pennell, Acct.

Montana West Economic Dev. - Kalispell, MT

Liz Marchi, ED

Carol Oberndorfer, Office Mgr.

Gary Winship, Loan Fund Mgr.

January Fiscal Year DOS Accounting Clients

There are only 36 GMS accounting clients with a January fiscal year that are still using the DOS system. In order for us to plan on sufficient staffing for installations, it would be helpful for those that intend to upgrade to the Windows Accounting System as of January, 2006 to order the upgrade soon. If you plan to wait until January, 2007, that is your choice. It would just be helpful in scheduling to know approximately how many agencies will upgrade this coming January.

All January conversions and installations are usually done during the first few weeks of December so that it does not interfere with the holiday season. There is no YTD payroll information that gets converted since W2's will be processed in the old year directory. However, leave balances will have to be updated in the windows database after the last payroll in DOS is completed. This process has worked well over the past three years for January conversions. Clients find that they have sufficient time to enter the chart of accounts, edit leave balances, start entering budgets and familiarize themselves with the new system.

Continued on page 2

In This Issue: EDA Report Available... Client Backups to GMS FTP Site...

*Getting Ready for W2s- What you can do now....
Continued from page 1*

- ◆ 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 Help or electronic users manual. It can be found under Payroll Processing.

*January Fiscal Year DOS Clients....
Continued from page 1*

To order the windows upgrade, go to the GMS website at www.gmsactg.com. Fill out the order form and submit it. Shortly after that you will be sent an email with the conversion instructions attached. It is important that everyone read the instructions carefully and begin checking their employee and vendor files for proper formatting of the names and addresses as described in the memo. Also those clients who intend to continue printing checks on dot matrix checks must make absolutely sure that their printer has the capability of printing a 7" format. Many dot matrix printers do not have that capability. You also need to make sure that your computers are updated with the latest critical updates and service packs for the windows operating system and Microsoft Access.

Is your Agency Located in a Possible High Threat Area?

After the recent unfortunate disaster caused by hurricane Katrina that hit the Gulf Coast area and hearing about the horror stories of what happened to some of the GMS client's offices and homes, we thought it would be appropriate that GMS could do one small thing to help our clients when they are finally back to putting their offices together again. That one thing is to allow any client in a possible threat area to put a copy of their windows database or DOS directory on the GMS FTP site. We have set up a folder called "Client Backups" to hold your backups. You would zip up your database or entire DOS directory and name it as your client #.zip. For example, client 111's backup would be called 111.zip. If it is a DOS directory you are backing up and you are working in both the old and new year directories, you could zip up both directories and specify in the name what each is for. For example, 1112005.zip and 1112006.zip

could be used. Also make sure you save it with a password that you will remember. However, because of the events that may happen, it is easy to forget what password you zipped it as. We recommend that you email service4gms@gmsactg.com and state what password you used when zipping up the database. We will store your password in our client file. This should not replace any of your present backup procedures but is just an added precaution.

GMS, Inc. is not responsible for any data stored on the ftp site, we only pay the rental for it.

Preparing Journal Entries in RLSS Windows

The RLSS program includes the option to create a journal entry at the end of any month. When the Monthly Activity Report is created, the summary totals are held in a temporary table and used to create a journal entry. The entry can then be forwarded to your accounting office for entry into their records. There are a few things that need to be in place prior to actually creating the journal entry.

First of all, the general ledger codes from your agency's chart of accounts need to be entered by selecting Codes from the RLSS task bar, then selecting GL Codes. Each general ledger account that will be utilized when the journal entry is created must be entered, along with a description. This step is required regardless of whether your agency is also using GMS Accounting software. If you do use GMS Accounting, you will likely also want to select Codes, Elements and enter the elements as you will want them to appear on the journal entry. Elements are not required, but should be helpful when the journal entry is actually entered into the GMS Accounting software.

The next step is to set up the Journal Entry, which is found on the Reports menu. Set up can be agencywide or fund-by-fund. If all your lending activity is channeled through one bank account, and there is only one account for each type of lending money (ex: principal, interest, late fees, etc.) agencywide setup is likely adequate for your needs. This is accomplished by clicking on Setup JE, then Setup by Agency, and selecting the appropriate code from the combo box for each category of funds.

If there are separate bank accounts, or separate accounts for interest earned, etc., for each of your loan funds, then select Setup by Fund. Use the combo box to select the fund to be set up, and then select the appropriate account for each type of activity. Repeat this process for each fund.

Continued on page 3

Once the above setups are completed, creating the journal entry becomes a very easy process. At the end of the month, print a Monthly Activity Report for the appropriate activity period. It is *very important* that all dates be included when this final month-end report is pulled. This is accomplished by selecting the activity period and just clicking on “print.” It will then automatically pick up all activity included in that period. Do not type in the beginning and ending dates, because if there are adjustments outside the entered date range, they will not be included.

After the Monthly Activity Report is printed, select Reports, Journal Entry, and you should see the same activity period in the field titled Activity Period. It is automatically completed based on the Monthly Activity Report created just prior to accessing Journal Entry. The batch number is automatic, and cannot be edited. However, the journal entry number is determined by you. It cannot be left blank, so if the journal entry number is unknown, a generic entry (ex: 0905) may be entered.

Amounts found under Debit and Credit on the journal entry will match the summary totals found on the Monthly Activity Report. And remember, the accounts to be debited and credited are controlled by you through JE Setup.

Sometimes it becomes necessary to recreate journal entries because of adjusting entries, etc. Again, it is a very easy process: simply reprint the Monthly Activity Report, and then recreate the journal entry. A screen message will appear indicating the batch already exists – select “yes” to overwrite the old entry with the new one.

When there is a need to reprint an old journal entry, from the Journal Entry screen, click on the Inquiry button. A listing will appear showing all previously saved journal entries. Simply highlight the one desired, and then click on View Journal Entry. There is no consequence to reprinting as needed.

Voiding Accounts Payable Checks

When you void an accounts payable check, the voucher that was originally paid by this check is referenced. After the check is voided, it makes that voucher outstanding again. It has not affected the original voucher at all. You need to then determine the reason you voided the check. If it was voided because it should have never been paid or there was incorrect information on the voucher such as vendor name or amount, you would want to also void that voucher. If the check was voided because it should not have been paid at this time, but it still needs to be paid at a later date, then you would leave the voucher as outstanding. Vouchers and checks are two separate books of entry and are each handled separately.

Verifying Reconciling Items on Your Balance Sheet

Where do the numbers listed under reconciling items on the Balance Sheet come from? This question is asked many times - usually when there is a difference between the reconciling items.

Prior to listing the reconciling items, the Balance Sheet prints the net difference to be reconciled. This amount should match the total reconciling items resulting in an unreconciled balance of zero. If your Balance Sheet has an unreconciled balance, remember the reconciling items have already been accounted for.

Following is a list of each reconciling item and where it pulls the numbers from. Whenever you are researching amounts that print in the difference line, always go to the first month where a difference of more than a few cents appeared, and use the reports from that month to research where the error occurred.

Paid Salaries Are: The balance forward of account 50000 Salaries in the General Ledger with Current Detail.

Timesheets Show: The regular time and overtime columns on the YTD Cost Allocation Summary.

Difference: If there is a difference, it means that the gross salary posted to 997000 50000 in the payroll journal entries do not equal the amount of timesheet charges expensed to programs.

Where to Look? Check to see if a payroll adjustment was done to record a manual payroll check but a corresponding timesheet adjustment was not entered to expense that amount.

Also check to see if a payroll adjustment was done to void a payroll check that was not re-issued or reissued for a new gross amount. Corresponding timesheet adjustments also have to be made in this circumstance to void the original sheet and re-enter a new timesheet with the correct gross amounts.

Leave Accrued: If you accrue annual or sick leave costs and/or account for comp time, the change in liability is reflected here and adjusted only at year end.

Where to Look? The amount of leave accrued for the year should match the Leave accrual column plus comp time column on the YTD Cost Allocation Summary. This amount should also be reflected in Section 2 on the total page of the Leave Rate Computation and Analysis.

Fringe Pool is: This is the total of all costs coded to 998000 as reflected in the year-to-date column on the Fringe Benefit Rate Computation and Analysis.

Continued on page 4

Fringe Allocated is: This represents the amount of fringe benefits allocated as reflected on the YTD Cost Allocation Summary under the Benefits column.

Difference: Normally there should not be more than a few cents difference between the pool and the allocated amounts. If there is, it typically means that something has been coded to 998000 but is not included in the fringe benefit matrix.

Where to Look? Refer to your Fringe Benefit Rate Computation and Analysis. Compare each fringe benefit line item from the top section to the Fringe Benefit Allocation Procedures section. If a line item appears in the top section only, it means that it has not been added to the fringe benefit matrix. Refer to your Help manual or electronic user manual for instructions on setting up the matrix.

Indirect Pool is: This is the total of all costs coded to 999000-999900 as shown under the year-to-date column on the Indirect Rate Computation and Analysis.

Indirect Allocated: This represents the amount of indirect costs allocated as reflected on the YTD Cost Allocation Summary under the Indirect column.

Difference: Normally there should not be more than a few cents difference between the pool and the allocated amounts. If there is, please contact the GMS Service Staff.

Also remember, every month, to compare Section 1 of the Leave Rate Computation and Analysis to the Current and YTD Timesheet Charges by Activity report and compare the Fringe Benefit Rate Computation and Analysis and Indirect Rate Computation and Analysis to the General Ledger with Current Detail.

RLSS Supplement #833 EDA Semi-Annual Reporting

This supplement assists with preparation of an EDA Semi-Annual Report by using information in the RLSS database. Data is moved from the database into a Microsoft Excel spreadsheet template. This data is pulled from the Loan Master file, and includes pertinent information related to loan status, job creation/retention, usage of funds, and loan type. The loan's history is reviewed for disbursement and repayment figures.

Because an Excel spreadsheet format is used, data can be edited and additional information added prior to submitting the report. This is especially important as some information is not tracked within the RLSS program, specifically those items that relate to your original proposal and utilization. The Excel format allows this additional information to be manually added, with formulas already in place to calculate percentages and totals.

Our standard report, Borrower Profiles, has been enhanced to include all information required by the EDA reporting format. It can be printed and attached to the report as Part IV: Portfolio Loan List.

Utilizing this supplement requires you have Microsoft Excel 2000 or higher installed, and basic Excel skills. Establishment of an Optional Field to track which EDA loans are Direct and which are Guaranteed is also necessary.

The purchase price is:

- 1-2 Users:** \$300.00 and \$45.00 annual license/maintenance
- 3-4 Users:** \$350.00 and \$52.50 annual license/maintenance
- 5+ Users:** \$410.00 and \$61.50 annual license/maintenance

Contact GMS staff if you have questions. Place orders by emailing: service4gms@gmsactg.com.

Archive Database Software Recently Added

After you have been using the Windows Accounting System for several fiscal years, you will notice that it takes longer to find data in the tables when you are processing reports. That is because your tables have so many records that it needs to search through. We have added an option under Tools that will allow you to archive your database and remove records from your current database. Some of you may want to archive your database, which basically means you will save a copy of your entire database and then it will delete records as of the dates you enter. When you archive, it will delete all records from the earliest date through the cutoff date.

When you archive your database, records will be removed from tables in three groups:

- ☛ Monthly Processing
- ☛ Payroll and 1099 Information
- ☛ Inactive Master files

For detailed instructions, refer to your Help manual under Tools.