

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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21st Annual GMS Financial Management Conference

May 21-26, 2006 - St. Pete Beach, Florida

Don't forget to mark your calendars and plan to attend the 21st Annual GMS Financial Management Conference to be held in St. Pete Beach, Florida on May 21-26. As in previous years the conference will be divided into two segments with the regular conference May 21-24 followed by intensives May 25-26.

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 2006.

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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Daily On-site Rate Will Be Increasing

Effective July 1, 2006, the GMS daily on-site rate will be changed to \$500.00 per day. It has been several years since we have changed that rate. This rate applies to all on-site time including travel time.

Order Supplements On-Line

You can now order supplements on-line at the GMS website at www.gmsactg.com. From the home page menu, select Supplement Orders. Fill in the client/contact information and then choose the supplements you wish to order. After each supplement is selected, click on Add to Order. When you have selected all of the supplements you wish to order, click on Place Order.

There are separate combo boxes for the accounting and RLSS supplements to make it easier for clients to find the ones they want to order. The combo boxes only include those supplements that are available in a windows version. If a DOS client would like to order a supplement that was not rewritten in a windows version, and the name of the supplement is known, click on the menu item labeled "Service Calls, Service Chat and Downloads. Then click on the line that instructs you to order a service call. Fill out the client/contact information and in the subject of the service call, put the supplements that you would like to order.

Holiday Announcement

The GMS Offices will be closed Monday, January 16 in honor of Martin Luther King's Birthday. The offices will reopen at 9:00 am on Tuesday, January 17th.

In This Issue: 2006 Tax Changes...Windows Intensive...New Windows Accounting Supps...

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 four years, we will again be dividing this training into two separate intensives this year so the number of people in the rooms will not be so large.

2006 FICA Maximum Wage Base, EIC & State Taxes Revised

The 2006 FICA, federal, EIC, state and Ohio School District tax revisions were included with the 4th quarter windows revisions posted to the GMS website on December 19, 2005. Windows clients were emailed the instructions for downloading and installing the revisions on December 19, 2005. DOS Accounting System clients were emailed or faxed notification for downloading and installing the instructions and tax revisions posted to our website on December 21, 2005. You should be sure to install the revisions after issuing your last payroll for 2005 and prior to running any of the W2 functions or 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 \$90,000 to \$94,200. 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.
- The Ohio school district tax changes for 2006 include 8 new, 12 changed and 6 that renewed their school district tax. To see this list, go to

http://tax.ohio.gov/divisions/school_district_income/index.stm.

- 2006 state tax changes have been made for the following states: Colorado, Maine, Maryland, Minnesota, Michigan, Missouri, New Mexico, North Dakota, and Ohio. There are also 2005 state tax changes that GMS was not notified about at the time included for the following states: DC, Idaho, Iowa, Montana, Oklahoma and Rhode Island.

All of these tax revisions are located in the revision files on the GMS website. Please follow the instructions that you were given to install these revisions.

New Windows Accounting Supplements Released

Included with the December 2005 windows accounting revisions were two supplements that were re-written in a windows version. They are:

Supplement #411 Timesheet Import

You can create a timesheet batch by importing files from spreadsheet files or time clock software. The format options include Excel, comma delimited or tab delimited. You can select multiple files to put into one batch. Several checks are performed by the software to make sure the coding used in the file exists in the database. Even leave balances are checked to see if leave taken amounts exceed employee balances. Depending on your internal procedures for timesheets, this supplement could save a tremendous amount of data entry time.

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

Supplement #510 Sort by SS# for Taxable Unemployment Wages

If employees have more than one rate of pay due to multiple job classifications with class eligibility being significantly different, you may choose to assign two different employee codes for them. This will result in an employee receiving two pay checks and two W2 forms. However, the salary costs will be reflected in the base for the appropriate class. If this option is chosen, you will want to combine the gross wages paid to this employee under both employee codes when calculating taxable unemployment wages. This supplement accomplishes this by sorting the employees by social security number for the Pay Period Unemployment Analysis, Quarterly Reporting Register, Supplement #414 Quarterly Unemployment Reports and Supplement #504 Site Unemployment Summary.

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

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 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 at ext. 1 if you have further questions.

Announcing the Release of RLSS Windows Supplement 814 Portfolio Analysis

Managers, administrators and funders often ask for a report showing the condition of the lending portfolio in total. This supplement provides an easy-to-read report that reflects loans that are current, those delinquent 1-30 days, 31-60, 61-90 days, and so forth. The report shows the number of loans falling within each category, along with the loan balances for those loans. A calculation is provided indicating the percentage of the total portfolio for each category.

The validity of the report depends on accurate "next payment due" dates being recorded when loan activity is posted, as well as the loan's "status" as recorded in the Loan Master file. There are specific categories on the report for loans with the status of delinquent, default, and write-off. The report will recognize the status of the loan as it is when the report is generated.

The purchase price is:

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

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.

At the 2006 conference, we have again 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. In these sessions the content of the training material is the same as the level I sessions. The difference is that the level I sessions will not address any questions pertaining to the DOS accounting system.

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
Payroll & A/P Supplement Troubleshooting
Month End Processing - Level I
Month End Processing - Level II
Month End Processing in Windows for DOS clients
GL Supplement Troubleshooting
Report Writer - Level I
Report Writer - Level II
Answers to the Top 10 Service Questions
Accounts Receivable Processing
Fixed Asset Inventory
Basics of Year End
Overview of Payroll Supplements
Overview of A/P Supplements
Overview of GL Supplements

Overview of Year End and Related Supplements

Other Sessions for Accounting System Users - Each session held twice

GMS Cost Allocation Concepts
How Financially Fit is Your Organization
Q & A with Accounting Staff

Sessions for RLSS System Users - Sessions held once

- Intro to Windows RLSS
- Incorporating Lending Programs into Accounting
- RLSS Reports and Master Query
- Processing Unusual Loans
- New RLSS Features and Supplements

With 5 concurrent sessions scheduled at most 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 St. Pete Beach. 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. We must receive payment of your billing by the last day of the month received to receive the discount. If not, the billing will be reverted to the original monthly billing amount..