

# News From



A Publication for GMS Accounting and Revolving Loan System Clients

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## ***Time to Order W2, 1099 and 1098 Forms***

Can you believe summer is over and it's time to order W2's, 1099's and 1098's again? As in the past, GMS will do its best to ease the strain that this time of year can cause in your fiscal department.

In order to assist our clients, GMS will again offer the following three services.

W2, 1099 and 1098 forms will be offered to clients for prices lower than if purchased directly from distributors. GMS orders the forms in bulk so we can offer our clients forms that assure compatibility with our software and at lower prices.

Reminder: When comparing prices with other vendors, factor in the cost for envelopes and W3 and/or 1096 transmittals as GMS prices include these items at no additional cost to you.

GMS will print W2, 1099 and 1098 forms for agencies who feel uncomfortable doing this on their own or who do not have adequate printers. However, with the types of forms offered again this year, it allows more agencies to print their own W2's. This service is available to both DOS clients and Windows clients. ***However, starting this year, GMS will only print laser forms for those agencies requesting GMS to print.***

Agencies required to submit W2 or 1099 information to IRS/SSA using magnetic media may arrange for GMS to prepare diskettes in the required IRS format. You can also prepare your own diskettes by using Supplement #400 W2 Magnetic Media Reporting, or Supplement #401 1099 Magnetic Media Reporting.

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## ***Welcome New Users***

### ***Accounting Systems***

***Fulton County Career Link - McConnellsburg, PA***

**Steven Foor, Controller      Loretta Wilson, Fiscal Mgr.**

***Peninsula Agency on Aging - Newport News, VA***

**William S. Massey, ED      Patricia Gorman, CFO  
Kathleen Ames, Finance Asst.**

## ***Field Staff Opening***

GMS is presently accepting resumes for a field staff position. Responsibilities include on-site client visits for training on the Windows GMS Accounting and Financial Reporting System, year end closing assistance, on-site client assistance and reconciliation and participation at the annual GMS conference.

Qualifications required are 5 or more years experience with GMS Accounting Software and at least 2 years of experience using the Windows version of accounting. In addition, a good background in non-profit accounting is important along with to good communication skills. Two to four weeks of travel will be required each month.

Those interested should email their resume to [service4gms@gmsactg.com](mailto:service4gms@gmsactg.com) to the attention of Linda Berseth. We are hoping to have the new field staff available for training by September 25, 2006.

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**DON'T FORGET TO BACK  
UP YOUR DATABASE!**

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***In This Issue: Client Success Story w/ Timesheet Import.. RLSS Interest Calculation Methods***

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## ***RLSS Interest Calculation Methods: How They Work and How to Edit***

When a new loan is input into the RLSS system, there are entries made that determine the method to be used when the interest for that loan is calculated. The method can be either daily or amortized, and is a required field, meaning a selection must be made before the master file can be saved. If daily interest is chosen, you must also indicate whether the interest is to be calculated on 360 or 365 days (per year). The method used by the majority of GMS clients is daily, but the choice is dictated by your loan closing documents. Since closing documents are legally binding, we suggest you talk to your auditor or attorney before changing the method of calculation.

### **When posting repayments in Loan Activity, the interest is calculated as follows:**

Daily Interest: The loan balance multiplied by the interest rate and then divided by either 360 or 365 (as entered in the master file) will determine a daily interest amount. The daily interest amount is then multiplied by the days that have elapsed (passed) since the most recent activity was recorded.

Amortized Loans: The loan balance is multiplied by the interest rate to determine an annual interest amount. The annual interest amount is then divided by the payment frequency (number of payments expected in a year, usually 12) to determine the amount of interest to be allocated to the repayment being posted.

Circumstances may result in the need to change a loan's terms. One change might be the way interest is calculated. For example, some agencies have closing documents that allow them to switch from amortized to daily when the loan becomes delinquent. There are also times a loan is switched from daily interest calculation to following an amortization schedule.

Whether the loan is being switched from daily to amortized or vice versa, it is important to determine 1) the date of the change, and 2) what is to happen to any interest due on the loan as of that date. The supplement menu includes Loan Catch-up which can be printed to show how much interest is due. Use the date of the method change as the catch-up date, and review the interest fields on the report. "Past Due Accrued Interest" reflects interest that is currently a part of the loan history, and "Additional Accrued Interest" reflects interest that has accrued since the last activity was posted. Knowing how much interest is due may assist with the decision as to whether or not to accrue it for collection at a later time.

### **If the decision is to not collect accrued interest, take the following steps:**

Using Loan Activity, *Adjustments*, enter a repayment. Use the date of the interest calculation change as the activity date, and enter zero as the activity total. Leave all other fields as zero. This entry should have no impact on the loan balance.

Edit/Save the Loan Master file, Loan Terms tab, to reflect the new interest calculation.

Note: If there is accrued interest outstanding on the loan history which is not to be collected, an adjusting entry is required to clear that interest. Please refer to Help, Loan Activity, Handling Special Situations, Adjusting Accrued Interest for instructions on making this entry.

### **If the decision is to collect accrued interest, take the following steps:**

#### **Daily Interest loan being switched to Amortized:**

1. Using Loan Activity, enter a repayment. Use the date of the interest calculation change as the activity date, and enter zero as the activity total. This entry should have no impact on the loan balance. However, you will see a positive amount in the "accrued interest" field. This reflects the interest that has accrued on a daily basis from the last recorded activity date to the date used for this activity. Once the entry is saved, this accrued interest will be a part of the loan's history and will be collected automatically from future repayments.
2. Edit/Save the Loan Master file, Loan Terms tab, to reflect the new interest calculation.

#### **Amortized loan being switched to Daily Interest:**

1. Using Loan Activity, *Adjustments*, enter a repayment. Use the date of the interest calculation change as the activity date, and enter zero as the activity total. Manually enter the amount listed as "additional accrued interest" from the Loan Catch-up report (see above) under both "current interest" and "accrued interest". This entry should have no impact on the loan balance. Once the entry is saved, this accrued interest will be a part of the loan's history and will be collected automatically from future repayments.
2. Edit/Save the Loan Master file, Loan Terms tab, to reflect the new interest calculation.

Regardless of the entry being made, please pay close attention to the "new paid-thru date" and the "next payment due" fields and be certain they are accurate before saving the entry. Sometimes terms change as a part of a work-out agreement, and that agreement may also affect these dates. Remember, "next payment due" determines when a loan appears as delinquent on reports. These entries are necessary to have a record in the loan history that reflects the date of the interest calculation change and to allow interest to be collected accurately from subsequently recorded activity.

*Time to Order W2's, 1099's, 1098's...  
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If you are requesting GMS to either print or form the magnetic media file for 1099's, you must have purchased Supplement #330 Complete 1099's. If you are requesting GMS to either print or form the magnetic media file for 1098's, you must have purchased Supplement #804 RLSS 1098's.

Please note that all forms offered this year come with window envelopes like last year's forms. We found that the extra time it takes to stuff the envelopes is worth it compared to the problems associated with self mailers. Many clients who have run self-mailer forms in the past had numerous complaints from employees that the copies were smeared and unreadable.

Following is information about W2, 1099 and 1098 forms that we will offer this year:

## **W2 Forms**

### **Dot Matrix W2 Forms**

This year's "twin sets" style will have two carbonless 4 part sets collated so the employer's and employee's forms are separated. An employer set and a separate employee set are run through the printer in two passes. This design enables the form to run on printers with limited carriage width, and when legibility through 5 or more plies is a problem. The non-mailer employee set is easily inserted into a double window W-2 envelope and mailed to the employee.

The single-wide, carbonless employee set includes Copy B to be filed with employee's federal tax return, Copy C for employee's file, and Copy 2 to be filed with employee's state, city or local income tax return.

The single-wide, carbonless employer set includes Copy A for Social Security Administration, Copy 1 for state, city or local tax department, and Copy D for employer.

This will accommodate cities in states that require 8 part W2's. These will include an additional Copy 1 for state, city or local tax department and Copy 2 for employee's state, city or local income tax.

### **Laser W2 Forms**

This year, we will offer two options for Laser W2 forms for Windows clients only. The standard option is a 6-part form identical to last Year's style and is available for DOS and Windows clients. The 2 up laser W2 contains filing information for two employees. (1 sheet = 2 forms). These forms are run through the printer one part at a time. These forms are compatible for those agencies with 250 or less employees who must submit the Federal IRS Copy A to the Social Security Administration.

The second option is a 4-up condensed version for Windows clients only. Each 8 ½" X 11" sheet contains four copies for one employee printed 8 lines per inch. The employee's copies and employer's copies are each run through one time.

Envelopes are also included with laser form orders.

## **1099 Forms**

### **Dot matrix 1099 forms**

The dot matrix version is a single-wide 4-part carbonless form which comes with window envelopes. The 1099 includes 4 forms - Copy A for IRS, Copy 1 for state tax department, Copy C for payer, and Copy B for recipient in the mailer. Since they are carbonless and do not include a self-mailer, this version should eliminate the smearing problem encountered in previous years.

### **Laser 1099 forms**

The laser form that we will offer includes 4 forms just like the dot matrix version, including window envelopes with each order. These forms are also compatible with standard laser print programs.

## **1098 Mortgage Interest Statement Forms**

### **Dot Matrix 1098 forms**

The dot matrix 1098 form we will offer is a 3-part carbonless form including window envelopes with each order. The 1098 includes Copy A for the Internal Revenue Service, Copy B for payer and Copy C for recipient or state.

### **Laser 1098 forms**

Identical to last year, we are offering a laser 1098 form which includes 3 forms just like the dot matrix version, including window envelopes with each order.

### **Arranging for GMS to Print W2s, 1099s, and 1098s**

A number of agencies have experienced printer problems when printing W2, 1099 and 1098 forms because of the thickness of these documents.

However, with the style of forms being offered again this year, many agencies will be able to print their own forms that haven't been able to in the past. GMS will still make this service available to all clients. Turn around time will be approximately one week from the time the files are received.

Printed forms will be shipped via the service specified on the transmittal form. You may send your files to GMS using email to [sara4gms@gmsactg.com](mailto:sara4gms@gmsactg.com)

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## ***A Client's Success Story with Timesheet Import***

*The following story is from GMS Client, Judy Hahn who is with Workforce (First Coast Workforce Development Consortium) in Orange Park, Florida. She explains how she simplified the payroll process in her agency. These programs work well for her agency because all of her employees have access to a computer on the job. However, these programs would work in other environments as well by simply providing a kiosk for the employees who do not have access to a computer on the job.*

I use a company called GHG - they are absolutely terrific to work with. They have timesheet, paystub and Human Resources programs - I purchased all three. With the timesheet program, employee files are set up in the GHG program by center location and the same employee codes that are used in GMS are set up. Also, program element codes are set up that match the ones used in GMS. Each center location is assigned a supervisor who is authorized to approve the timesheets. The employee goes online and enters the hours worked and any leave taken, clicks on save and submit. When they submit it, their signature is electronically placed on the timesheet. After the employee submits the timesheet, it is ready for the assigned supervisor to approve for accuracy and then approves it by clicking on "approve timesheet". At the end of the pay period I go in and simply download the timesheets (export) to a diskette. The timesheets could be imported directly into GMS at this point, however I have found it best to export to a diskette so I can review the timesheets and make sure they are correct prior to importing into GMS. After I have reviewed the timesheets, I use the GMS timesheet import supplement and import the timesheets into the GMS database. That is it. The employee can print the timesheet if they want, they can go back and review prior timesheets, they can complete the timesheet in advance if they are going on vacation, etc. I can also go in and print the timesheets for auditors and monitors as requested. It is great. Most importantly, the timesheet import supplement saves time by eliminating the need for manual data entry.

Another program I utilize from GHG in conjunction with GMS is the electronic pay statement program which the employees absolutely love. After payroll is prepared and the direct deposit file has been created, I export it to a diskette and import it into the GHG system. As soon as I import the file, the pay statements are accessible to the employees. They can immediately view their pay statements and can print it off if they want to. I no longer need to print the pay stubs and distribute them to the employees which is a considerable savings in both time and money. There may be times when a pay stub needs to be printed, such as when an

employee is no longer working for us. I still retain the capability of printing the statement should the need arise. The employees like it because if they are applying for a loan, etc., they can go in and print off as many pay stubs as they need without my assistance. They have ready access to their leave balances and tax information. My next "work in progress" is to provide W2's to the employees electronically this year.

### ***Latest Versions of GMS Windows Software***

At the time you receive this newsletter, the latest versions of GMS Windows software you should be using are:

➔ Accounting: 1.2.247    ☐ RLSS: 1.0.30

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### **W2 and 1099 Diskettes**

Magnetic media submission is required for organizations submitting 250 or more W2 or 1099 forms. GMS provides this service for a fee for any client requesting it. It does not matter whether we print your forms. Supplements #400 and #401 are available to prepare W2 and 1099 diskettes.

### **1098 Forms**

Supplement #804 RLSS 1098's is available for those agencies who are required to issue 1098's. It also allows creation of a file that must be formed if GMS is requested to print forms for you.

### **Placing your Order**

Orders may be placed using the order form included with this newsletter or order on-line at [www.gmsactg.com](http://www.gmsactg.com). All orders must be placed by October 31st to avoid an additional price increase of 10%. Please note: If GMS is printing your forms or preparing a diskette, your order must still be placed by October 31st to guarantee form availability.

You may want to order more than the number of required forms in the event of printer malfunctions or data errors. GMS orders the forms in bulk based on the number of orders received by clients. If you need to reprint your forms for any reason, GMS may not be able to receive more forms at the bulk price we originally received them.

Should you have any questions or need further assistance, please do not hesitate to contact the GMS office