

News From



A Publication for GMS Accounting and Revolving Loan System Clients

GMS, Inc. • 10559 Metropolitan Ave., Kensington, MD 20895 • (800)933-3501 • Fax (301) 933-3502 • www.gmsactg.com

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Tax Form Season is Upon Us

For those of you who have ordered your 2007 tax forms from GMS, we thank you for your order and encourage you to check your order confirmations to ensure that all the proper forms and services ordered from GMS are correct. The appropriate W2, 1099 and 1098 software revisions will be posted with the December 2007 GMS software revisions. GMS will begin shipping forms the second week in December, so that you can expect to receive your forms via UPS by the third week in December.

For clients who have requested GMS to print their forms for them, the normal turn around time is one week once we have received your completed database via email beginning in January. Windows clients who have requested GMS to print their forms for them will zip up their database and email it in. ***GMS will not print any forms using DOS software.*** Remember, if you have requested GMS to print 1099 or 1098 forms, you must use Supplement #330 Complete 1099's or Supplement #804 RLSS 1098's to prepare the table that will be used for printing these forms.

The Help Manual includes all instructions for those clients who have requested that GMS prepare the IRS electronic file for their agency. Most orders will be shipped via UPS unless otherwise specified, and the shipping fee will be applied to the total of your tax form order. UPS delivery usually ranges from 3-5 days.

It is not too late to order your tax forms. GMS will accept all tax form orders up until December 1, 2007, however, we can't guarantee form availability for orders received after October 31, 2007. If you have questions please call the GMS office at ext. 1.

Welcome New Users

Accounting Systems

Ohio Valley Opportunities, Inc. - Madison, IN

Deb Meyers, ED Charles Evans, FD
Janice Peelman, Asst. Dir. Pat Speer, HR Mgr.

Watch for Next Month's Emails and Mailings

During the last month of each quarter we send an email notice that the current quarter revisions to the GMS Accounting software are available on our website. It is important that everyone download and install these revisions in a timely manner each quarter, but this is especially important in December when the updates for W2's, 1099s, and tax changes are included. Also included in the revision will be the updated Help section that includes instructions for W2s and 1099s. If we do not receive the tax changes in time to include them in the December revisions, a separate email will be sent notifying you when these changes are available.

In our normal monthly mailing sent out early each month we include this newsletter, your invoice and occasionally brochures and announcements. Make sure that the newsletter is available to all staff in the accounting and revolving loan departments or print extra copies from our website. Be sure to watch for your monthly mailing from GMS!

Thanksgiving Holiday Schedule

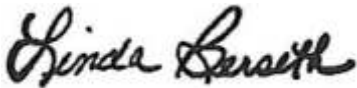
The GMS offices will be closed Thursday, November 22 and Friday, November 23 for the Thanksgiving holiday. The offices will re-open Monday, November 26 at 8:30 am Eastern Standard Time.

In This Issue: Letter from Pres... Service Policy during GMS Staff Meeting...Loan Payoff...

Dear Friends,

Later this month, the GMS Staff will join together in the Cincinnati, Ohio area to hold our annual staff meeting. At this meeting we will be reviewing all of the suggestions we have received this year and will be establishing our 2008 work programs for both the accounting and revolving loan systems. A majority of new features we will be adding will be during the rewrite of our software to VB.net. For RLSS, this process will be done during the next six months. Accounting will be done after that. We will also be finalizing the agenda for next year's annual conference, discussing our service policies and procedures and going over any administrative matters required. We value the input we receive from our clients and appreciate the suggestions we receive. If you have additional comments to make on any of the above topics, please send an email to service4gms@gmsactg.com, attention Linda.

Sincerely,



Linda Berseth

President/CEO

Service Policy during GMS Staff Meeting

The GMS annual staff meeting will be held on November 18-20, 2007. From 9:00 am to 5:00 pm EST on November 19th and from 9:00 am to 12:00 pm EST on November 20th, we will check the service call voice mail and email every two hours and return emergency calls ONLY. One service staff will be available from 1:30 pm - 5:00 pm EST on November 20 since all other GMS staff will be traveling. Service calls sent in by fax will not be responded to until Wednesday.

For emergency calls, you should call the toll free number and leave a message or send an email. There will NOT be service available after 5:00 pm EST during those two days. If calls can be returned on Wednesday, November 21st or the following week, please specify so when placing your service call.

There will be no service staff monitoring the Service Chat Room on Monday or Tuesday of that week. We will be discussing our client service during the staff meeting, so if you have suggestions or ideas on how we can improve service, please contact any member of the GMS Service Staff.

We hope that this two day temporary change in service does not inconvenience your agency greatly. We will resume our normal service hours on Wednesday, November 21, 2007.

Client Information Update Available on the GMS Website

If a change in staff, address, telephone numbers or extensions, email addresses, etc. has occurred at your agency, please complete the Client Information Update form available on our website at www.gmsactg.com. Having accurate information in our client system enables us to contact you more quickly when you request our assistance. To update your information, go to our website and click on the menu item titled Client Information Update - New. The information form will appear. Please fill out the new or changed client information and click Submit at the bottom of the page. Once we receive the information form we will then update our client system. Your assistance with keeping our information current is greatly appreciated.

GMS Service Call Numbers:

Voice Mail: 800/933-3501

GMS Website: www.gmsactg.com

Email: service4gms@gmsactg.com



Plan Now to
attend the 23rd
Annual GMS Financial
Management Conference
April 21-25, 2008
in Buffalo,
New York!

*Present versions of Windows
Software are:*

Accounting: 1.2.254 RLSS:1.0.303

Balance Sheet Reconciliation

GMS strongly recommends that you reconcile your balance sheet accounts monthly and not wait until the end of the year when the task becomes overwhelming. All Asset and Liability accounts should be reviewed for accuracy each month.

Bank statements should be reconciled to the GL Cash account(s). Other assets, such as prepaid expense, receivables, fixed assets, etc. should match your backup documentation. If you use Supplement #336, Accounts Receivable, the Accounts Receivable GL balance should tie to the Accounts Receivable Analysis.

The Accounts Payable GL account should reconcile to the Accounts Payable Analysis. Payroll withholding accounts should match the unpaid amounts withheld. Accrued Leave accounts should match the opening amounts in the Leave Allocation Setup. Accrued Unemployment and Accrued Workers Compensation should be reviewed carefully to assure that payments are being properly recorded to the accrual account. One frequent error is that Workers Compensation is prepaid and debited to Prepaid Expense. Subsequently, the automatic journal entry to record workers compensation expense, run either during payroll processing or month end processing, is set up to credit the liability account, Accrued Worker's Compensation, rather than the Prepaid Expense account.

Project Balances on the Balance Sheet should match Project Balances on the Revenue and Expenditure Report.

If assistance is needed with any of the these reconciliations you may schedule an appointment for GMS staff to assist with these reconciliations by calling 800-933-3501, Ext 1, faxing a service call or placing a service call on our website at gmsactg.com. The charge for this assistance is currently \$75 per hour charged in quarter hour increments.

The GMS Supplement Catalog is on our website at www.gmsactg.com. The catalog is in pdf format. You may download the catalog, print a copy if you would like, or just review the supplements that are available. This easy access to the catalog assures you of the most up-to-date information on available supplements.

Electronic Filing Requirements for W2 's to States

Make sure you know what your state requirements are for filing W2 magnetic media. Most states have a requirement that W2s must be reported electronically if a certain number of employee's W2's need to be reported and other states encourage reporting electronically. In Supplement #400 W2 Magnetic Media Reporting, the W2Report file that is formed is in a mmref-1 file format and contains the RS record which can be used for submission to many states and local units of government. This supplement also contains special formats for the states of AL, PA and KY. There is also a special format available for submitting electronically to the City of Warren in Ohio.

Before submitting paper copies of the 2007 W2s to your state, make sure you know the number of W2s allowed to be submitted by paper copy. You can always order the supplement if you don't presently have the ability to prepare this file. GMS also provides this service for a fee for any client requesting it. Also make sure you know the magnetic media filing requirements for 1099s to states. Place your order from our website at www.gmsactg.com, and click on Supplement Orders.

How do Deduction Maximums Work in the Windows Accounting System?

Under Payroll Setups, you can designate deductions to be used in conjunction with YTD or pay period maximums. If the YTD maximum option is selected, you may put maximums in the employee file and the deduction will be withheld until such time as the maximum is reached. For the pay period maximum, this option can only be used with a percentage of gross wage deduction. If this option has a Yes in the setup grid, enter the Pay Period maximum amount for this deduction in the grid in the employee file. During payroll processing, as this percentage deduction is calculated based on the gross wages, the result will not exceed the maximum as defined. To turn either maximum option off, just edit the deduction grid and change the applicable maximum to No. Then the deduction amount will be withheld each pay period.

Using the maximum fields can be very useful for deductions such as garnishment, Christmas funds or any deduction where you are to withhold amounts up to a set amount.

RLSS Loan Catch-up Feature and Calculations

One of the features of RLSS Windows is the Loan Catch-up report. It is designed to calculate the amount required to bring an account current. This can be especially helpful when dealing with delinquent loans or negotiating work-out agreements. Printing in the style of a memo, it can be forwarded to borrowers, loan counselors, or attorneys.

When you enter the loan number and a “catch-up date”, the resulting report will include a variety of helpful information:

Last Activity Date

Retrieved from the loan history, this reflects the activity date of the most recently recorded activity prior to the catch-up date entered. Although it’s highly unlikely a catch-up will ever need to be run retroactively, that option is available.

Last Paid-through Date

This is also retrieved by reviewing the most recently recorded activity prior to the catch-up date.

Maturity Date

In order for the feature to accurately calculate the catch-up figures, the Loan Master must contain a valid Maturity Date.

Days to Catch-up

Amortized Loans: Days that have elapsed since the Last Paid-through Date listed above

Daily Interest Loans: Days that have elapsed since the Last Activity Date listed above

Planned Balance

An amortization schedule is run based on the loan terms found in the Loan Master file. The planned balance is the balance projected by that schedule (effective as of the catch-up date).

Principal Balance

The actual loan balance as of the catch-up date

Annual Interest Rate %

Retrieved from the Loan Master file

Daily Interest Rate %

The annual rate divided by 360 or 365, again based on the terms found in the Loan Master file.

Daily Interest Amount

If the loan is set for Daily Interest, this can be used to determine an increase/decrease in the total due if an actual

catch-up payment is made on a date other than the catch-up date.

Principal Required

The difference between the planned balance and the actual principal balance is the principal required. In some situations, a negative amount may appear under principal required. This indicates the loan is actually ahead of the projected amortization schedule.

Past Due Accrued Interest

Any outstanding accrued interest in the loan history totals as of the catch-up date

Additional Accrued Interest

Amortized Loans: calculated by multiplying the loan balance by the annual rate, dividing by payment frequency (usually 12 payments per year) to determine the monthly interest amount, then multiplying that figure by the number of payments delinquent, based on days to catch-up

Daily Interest Loans: calculated by multiplying the daily interest amount by days to catch-up

Late Fees

Determined by the late fee and late fee days contained within the Loan Master file, and the number of payments missed

Total Due

Sum of principal required, past due accrued interest, additional accrued interest, and late fees

It is important to consider that calculations are always determined by the loan terms found in the Loan Master file. We received a service call recently because a loan was scheduled for a final balloon payment, and the catch-up calculations were in question. However, reviewing the recorded terms indicated the report was accurate. A balloon payment cannot be predicted and included in the catch-up figures.

Along with solid information in the Loan Master file, accurate and timely recording of loan activity is likewise vital. Keep in mind that activity recorded subsequent to the catch-up date will not be reflected in the calculations.

If you feel a report is inaccurate, review the Loan Master file and loan history for clues. GMS Service is always available to assist with report interpretation if needed.

All of Us at GMS would like to wish you a Very Happy Thanksgiving!