

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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January 2008

23rd Annual GMS Financial Management Conference

April 21-25, 2008 – Buffalo, New York

Don't forget to mark your calendars and plan to attend the 23rd Annual GMS Financial Management Conference to be held in Buffalo, New York, April 21-25, 2008. As in previous years, the conference will be divided into two segments with the regular conference April 21-23 followed by intensives April 24-25.

Enclosed with this newsletter is a brochure with the agenda of all conference sessions, along with registration and reservation forms. Watch for the February 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 this training is especially important for clients who have recently upgraded to the Windows version of Accounting or Revolving Loan.

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, audit standards, human resource issues and other information important to all GMS clients. Every member of the GMS staff will be at the conference providing a

Continued on page 2

Welcome New Users

Accounting Systems- GL Package

North Central EDA - Staples, MN

Cheryl Lee Hills, ED

Melissa Saarela, FO

Revolving Loan Servicing Systems

Greene Co. Planning & Econ. Development - Catskill, NY

Warren Hart, ED

Frank Alquire, Econ. Dev.

GMS Off-site Services Hourly Rate Change

During 2007, GMS began offering additional off-site services to all GMS accounting clients for such items as bank reconciliations, accounts payable reconciliations, timesheet and paid salary reconciliation or entire Balance Sheet reconciliations. In addition, assistance for new staff with processing payroll, preparing accounts payable checks, or completing month end processing can be scheduled.

These services are an expansion of the off-site services advertised in the past, which has most often been requested for year end closeout assistance. Off-site year end closeout has been a very popular service for many years providing good results at a reasonable cost.

Effective January 1, 2008, the hourly rate for all off-site services will increase from \$75.00 to \$100.00 per hour. If your agency is in need of these types of service, you may schedule an appointment with one of the GMS staff to work one on one with the contact person in your agency.

There are many occasions where our clients have staff turnover and day to day activities fall behind schedule until new staff are hired and trained to maintain the workload that is required. With the service GMS can

Continued on page 2

In This Issue: 2008 Tax Changes...Windows Accounting and RLSS Intensive Sessions...

*Annual Conference...
continued from page 1*

tremendous opportunity for face-to-face consultation and assistance.

Session Highlights

This year, in addition to sessions led by GMS staff featuring training on the GMS Accounting and Financial Management System and Revolving Loan Servicing System, we have added sessions on personnel issues, payroll issues, the new audit standards and yellow book revisions presented by outside speakers and a vendors showcase session providing a preview of services and products offered by GMS partners American Solutions for Business, Better World Telecom and GHG Corporation. 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 an opportunity for hands-on training working personally with GMS software.

New Sessions this Year

- Hiring and Firing Issues
- Taxable and Nontaxable Compensation
- Ensuring Your Employees are Paid Correctly
- New Audit Standards/Yellow Book Revisions
- Vendors Showcase

Accounting Sessions

- Accounting Setups, Master Files and Tools Menu
- A/P Processing
- Overview of A/P Supplements
- Payroll Processing
- Overview of Payroll Supplements
- Month End Processing
- Overview of GL Supplements
- Report Writer - Basics
- Report Writer - Advanced
- Accounts Receivable Processing
- Fixed Asset Inventory
- Basics of Year End – Part 1 & Part 2
- Overview of Year End and Related Supplements

Other Sessions for Accounting System Users

- GMS Cost Allocation Concepts
- Q & A with Accounting Staff

Sessions for RLSS System Users - Sessions held once

- Overview of RLSS for New Staff
- RLSS Reports and Master Query
- Processing Unusual Loans

RLSS Features and Supplements Part 1 & Part 2

Four concurrent sessions are scheduled in each time slot providing a choice of topics useful to your organization.

Computer Clinic

In addition to specific sessions, the Computer Clinic is open throughout the regular conference giving you an opportunity to test drive any GMS product. GMS staff members are available 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 1/2 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 Accounting Software
- Year End Procedures/Preparing for Audit
- Laptop Hands-on with Report Writer
- Training on RLSS

We hope that we will see you in Buffalo. For further information on conference activities please feel free to contact Liz Collins, our Annual Conference Coordinator at 800-933-3501, extension 2.

Holiday Announcement

The GMS Offices will be closed Monday, January 21 in honor of Martin Luther King's Birthday. The offices will reopen at 8:30 am on Tuesday, January 22nd.

***Off Site Services Hourly Rate Change...
continued from page 1***

provide, it may take the pressure off your present staff who are trying to meet their own specific job requirements.

If you would like to schedule any off-site assistance and/or training, please send an email to service4gms@gmsactg.com, place a service call on the GMS website at www.gmsactg.com or call 800/933-3501, ext 1.

Training on the Accounting Software

Annual Conference Intensive

If you have recently upgraded to the GMS Accounting Software or if you are a new staff member at your agency, 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 all software updates. 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 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. This is a great session for agencies that have had staff turnover and new staff did not receive on-site training from the GMS staff.

Training on RLSS

Annual Conference Intensive

This training will benefit anyone who is a seasoned user or new to GMS-RLSS. 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. How to use Master Query to produce specialized reports will be demonstrated, plus you'll have the opportunity to use this feature using scenarios provided to you. This session is a great way to make sure that your loan policies and procedures are integrated with your RLSS software. Featuring 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 GMS-RLSS. This will be a great opportunity for RLSS staff!

*Present versions of Windows
Software are:*

Accounting: 1.2.255 RLSS:1.0.304

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-Cs. 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-Cs 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
The date the debt was canceled
The amount of debt that was canceled
- 7-A debt description (ex: business loan, housing loan, etc.)

Client Information Updates – Information Form on the GMS Website

During the November 2007 GMS Staff meeting, a discussion was held regarding how to best keep our client information current. In order to provide faster service, timely delivery of software revisions, and other communication, it is imperative that our information about your agency be correct. It was decided that once a year we will mail a paper copy of the information we have on record and request that you make any necessary corrections. You may make the corrections on the paper copy and return by mail or on our website at www.gmsactg.com in the Client Information Update section.

Meanwhile, if you have new staff or a new mailing or email address we really need to know about it. If you would take a moment when changes occur and enter the new information into the Client Information Update form, it would be greatly appreciated. There is no need to fill out the entire form, just enter your agency name and client number and the information which needs to be added or changed and click submit. We will then update our client system accordingly.

2008 FICA Maximum Wage Base, State Taxes, and Ohio School Tax Revisions

The 2008 maximum FICA wage base, Ohio and Indiana state taxes and Ohio School tax revisions were posted to the GMS website on December 21, 2007. Instructions for downloading and installing the revisions were emailed also on December 21st. You should be sure to install the revisions after issuing your last payroll for 2007 and before 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 \$97,500 to \$102,000 thus, only higher paid employees will be affected by this change.

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.

**Happy New Year from All
of Us at GMS!**

IRS From 1099-C... *continued from page 3*

8-If the debt was canceled due to a bankruptcy (yes or no)

Three-part 1099-Cs 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-Cs 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.

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 by the last working day of the month the bill is received in order for you to receive the discount. If not, the billing will be reverted to the original monthly billing amount.**

Checklists for Rolling Forward and Reversing Roll Forward at Year End

Two new checklists have been added to the Help files in GMS Accounting for your use when rolling forward to your new fiscal year or reversing the roll forward back to your old fiscal year. The checklists have been added as a separate section under General Ledger/Year End. To print the checklists, click on Help/Help/General Ledger/Year End/Roll Forward-Reverse Roll Forward Checklists.

Microsoft Access Version

It is GMS' recommendation that all computers on which GMS Accounting or GMS RLSS are installed have the same version of Microsoft Access installed in order for the programs to run efficiently and to avoid various Access related problems. Please keep in mind that if one computer is updated to a newer version of Microsoft Access all workstations on which GMS programs are installed need to be upgraded to the same version.