

News From



A Publication for GMS Accounting and Revolving Loan System Clients

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Annual Conference - Which Sessions Will You Attend?

To help you finalize plans for the Buffalo, NY conference, here is a brief preview of the accounting and revolving loan service system sessions. This year we have added four new sessions. Three of the new sessions are payroll and HR related topics. Ron Moser from the American Payroll Association will present sessions titled Regular Rate of Pay/Overtime Issues and Taxable and Non-Taxable Compensation. Attorney Brenden Kelleher will present a session on Hiring and Firing Issues. In addition, the fourth new session will be presented by an auditor, Rich J. Pfentner, titled New Audit Standards/Yellow Book Revisions. Later in this article will be a summary of each session. Each of these four sessions will be presented twice. The outside speaker presentations will allow more GMS staff to be available in the computer clinic to provide one-on-one troubleshooting assistance and training.

Specific dates and times may be found in the enclosed Annual Conference brochure. Sessions are 1 ½ hours in length unless otherwise noted.

- ❖ Designed for GMS Accounting Users
- ⊕ Designed for GMS-RLSS Users
- ◆ General Sessions for All

❖ *Accounting Setups, Master Files and Tools Menu*

During this session, all of the setups included in the accounting system from organization information to payroll, leave, and cost allocation will be reviewed. Proper maintenance of Master Files and the Tools menu will also be reviewed. This session is ideal for new clients and staff who are new to using the GMS accounting system.

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Welcome New Users

Revolving Loan Servicing Systems

Wayne County IDA - Lyons, NY

Margaret Churchill, ED David Richards, CFO

Office of Affordable Housing, Co of Santa Clara - San Jose, CA

Neena Batallones, GMS Contact

Have you Installed Your 2008 Federal Tax Changes Yet?

The 2008 Federal tax changes were posted on the GMS website in December and are also included in the revisions posted on 1/14/2008. All clients were emailed instructions for downloading and installing the tax changes.

If you are unsure if the latest revisions including 2008 Federal tax changes have been installed, go to Help and About. If the version is 1.2.256, you have the latest revisions installed. If that isn't the version listed, go to www.gmsactg.com/downloads.php, download *AccountingWindowsJanuary08.exe*, and follow the instructions emailed to your agency on January 14, 2008.

Reminder!

If you are planning to attend the GMS Annual Conference in April, you MUST have your hotel reservations in by March 28, 2008 or earlier to guarantee a room at the designated rates.

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❖ **AR Processing**

This session is designed to cover the nuts and bolts of the Accounts Receivable system, from data entry to processing the receivables. The session also includes discussion of what types of receivables are appropriate to be tracked on an outstanding accounts receivable analysis and a review of the invoices and statements that can be produced along with the Accounts Receivable History. Common troubleshooting issues will be discussed.

❖ **Basics of Year End - Part 1 and 2**

Here is a primer on closing the books at year end and getting ready for audit. This session will address the mechanics of year end and the actual closing entries. Supplement #398 Year End Closing Entries will be reviewed and demonstrated. Employees responsible for year end close out are encouraged to attend. Find out what needs to be done at year end, issues you will need to consider and proper year end techniques. This is a two-part session presented in two time slots and attendees should plan to attend both sessions.

❖ **GMS Cost Allocation Options**

One of the most important financial management issues GMS clients face is selecting the right cost allocation procedures. This session details the GMS software alternatives available for leave, fringe benefits, indirect costs, dual indirect pool, service unit and special allocations. Learn about “shifts”, “locks”, and “line item cost allocation detail”. How are your cost allocation procedures set up in your accounting system? What is the difference between agency administrative costs and program administrative costs? What cost allocation software can best be used to achieve equitable allocations of your type of support costs?

❖ **Fixed Asset Inventory**

How does the GMS Fixed Asset Inventory software work? This session will focus on how to maintain your fixed asset inventory and running depreciation. Entries to record new fixed assets and the disposition of fixed assets will be covered. What are the recommended asset accounts to be established in the chart of accounts? A review of the fixed asset reports will also be given. This session will only be run one time.

❖ **Overview of RLSS for New Staff**

This session is designed to introduce you to GMS RLSS. We'll be covering the basics of maintaining the system, along with an overview of reports and new features. This is a “must” session for new GMS RLSS clients and staff who are new to using the GMS RLSS system.

❖ **Overview of A/P Supplements**

This session is being offered again this year providing an overview of the A/P supplements. Many clients are not aware of how certain supplements work and what information can be prepared using these supplements. Often, clients don't realize how much staff time can be saved by using certain supplements.

❖ **Overview of Payroll Supplements**

Based on several requests, we are also offering this session again this year giving an overview of the payroll supplements. There are several supplements that can help provide information needed for internal reporting as well as external reporting including preparation for the Workers Compensation audit, assistance in reporting unemployment claims, and leave histories for program managers, just to name a few.

❖ **Overview of Selected GL Supplements**

There are many GL supplements that cover a variety of financial reporting formats. Preparing reports for the Executive Director and Board of Directors, providing detail of costs charged to individual programs, preparing customized Revenue and Expenditure reports for internal and external reporting are among the supplements that will be reviewed. The Report Writer and cost allocation supplements will not be covered during this session since there are separate concurrent sessions designed specifically for the Report Writer and Cost Allocation Options.

❖ **Overview of Year End and Related Supplements**

Because of the abundant number of GL supplements, we have designed a session specifically for Year End and related supplements. There are many supplements available that can assist you and your auditor with year end closing and preparing the audit report. Find out which supplements may save you staff time when putting the audit schedules together.

❖ **Processing Unusual Loans**

The nature of non-profit lending usually involves high-risk loans. Sometimes it becomes necessary to handle difficult loans in non-traditional ways. Varying interest rates, periods of non-payment or reduced payment, and loan restructuring will all be discussed. This session will provide an opportunity for you to question RLSS staff about how the system can handle your agency's unusual needs.

❖ **Q & A with Accounting Staff**

The participants set the program for this session. Last year we received a wide range of questions covering all aspects of the accounting software, SQL Server version,

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accounting procedures, hardware specifications and more. Any question related to the GMS Accounting System is acceptable, so start making your list. It's a fun session with lots of audience participation and hopefully, lots of answers!

❖ ***RLSS Reports & Master Query***

There are many standard reports available within the RLSS software. One of the most powerful reporting tools available is Master Query, which utilizes the data in Loan Master files and the loan histories to create reports in Microsoft Excel. All of these options will be reviewed during this session.

❖ ***RLSS Features and Supplements - Part 1 and 2***

This session will review the features and supplements in GMS RLSS and how to get the most from each option. You will also be given the opportunity to share your ideas about future supplement development. The session is divided into two parts to allow time to review all of the supplements and features now included in the master version of the software. Attendees should plan to attend both Part 1 and Part 2.

❖ ***Training on the GMS Accounting Software***

These sessions will demonstrate how to perform all functions of the software and will include a review of the Windows controls used, and how to generate the reports. Detail packed, these sessions are designed particularly for GMS accounting system operators and will cover everything from the "how to" basics to troubleshooting issues and finding errors and making the appropriate corrections.

Sessions include:

1. Accounts Payable Processing
2. Payroll Processing
3. Month End Activities
4. Report Writer

◆ ***Ensuring Your Employees are Paid Correctly***

This session will discuss how minimum wage, overtime and regular rate of pay impact an individual's paycheck. We will explain the importance of the Fair Labor Standards Act and its impact on the minimum wage and overtime. You will also learn how payments such as bonuses, shift differentials, on-call pay and other incentive payments affect the regular rate of pay and overtime.

◆ ***Taxable and Non-Taxable Compensation***

This session will provide insight into Internal Revenue Code Section 132. In section 132 Internal Revenue provides what types of fringe benefits are included or excluded from income. Such things as awards and prizes, moving expense reimbursements, gift certificates, etc. We will help you determine whether your company is in compliance with the tax reporting requirements of both taxable and non-taxable compensation items.

◆ ***Hiring and Firing Issues***

This session will address the legal and practical concerns facing employers when adding or subtracting from the workforce. Topics that will be discussed include lawful and unlawful pre-employment inquiries and physicals, progressive discipline, lawful and unlawful employee terminations and the benefits and pitfalls of employee separation agreements.

◆ ***New Audit Standards/Yellow Book Revisions***

In March 2006, the American Institute of Certified Public Accountants issued auditing standard statements numbers 104 through 111. These standards are effective for audits of financial statements with periods beginning after December 15, 2006, or fiscal year end December 31, 2007 audits. These new risk assessment standards change the way your auditors will be conducting your year-end audit. The new standards require more of a risk-based approach, including a more thorough internal control assessment in the planning phase of the audit. By attending this session you will learn what your auditors will be requesting from you and your staff to assist in the audit process.

In July 2007, the Government Accounting Office (GAO) issued a complete revision to the "Yellow Book" which are the guidelines used to establish "Government Auditing Standards". These guidelines seek to develop high quality standards that are well understood, widely used and serve as a model for other environments such as the private sector and other governments. They also encourage the development of consistent, core auditing standards for both the private and public sector. These "Government Auditing Standards" also incorporate many of the new audit risk standards mentioned above. We will provide a summary of the revisions to the new "Yellow Book" and how they will impact your organization.

◆ ***Vendors Showcase***

GHG, Inc., BetterWorld Telecom, and American Solutions for Business will be showcasing the products and services that they have available. For more information on these companies click on Links to GMS partners on the GMS Website.

Present versions of Windows
Software are:

Accounting: 1.2.256 RLSS:1.0.306

Year End Procedures/Preparing for Audit Annual Conference Intensive

Again this year the Year End Procedures and Preparing for Audit intensive will be held immediately following the Annual Conference in Buffalo, NY on Thursday April 24, 2008 (9:00-4:30) and on Friday April 25, 2008 (9:00-12:00 Noon). This 1 ½ day training program focuses on four important aspects of fiscal year end – analyzing balance sheet accounts, closing pools – control accounts – projects, processing closing runs and preparing audit schedules. Instructions will be given on what needs to be done to work on new year activity before the old fiscal year activity is closed out.

This intensive will be taught by, Deann Hasbrouck of the GMS Field Staff and Donn Blank, CPA. Donn will share his expertise on what you can do to make the audit go as smoothly as possible and what items you should prepare prior to the auditor's arrival. Both Donn and Deann will cover items to be included in a Balance Sheet Analysis and what documentation should be attached. Deann will review processing procedures for closing the old year. Supplements to assist with year end closing will also be demonstrated with emphasis on Supplement #398 Year End Closing Entries.

RLSS: Writing-off Loans (Bad Debts)

There are several events that occur when a loan has become uncollectible. These events may occur in any order. They may happen all at once or over several months. The first event is usually legal action taken with the assistance of an attorney. In the Loan Master file, the loan status is usually changed to Write-off. The date the loan is written-off is also entered. You should also take some time at this point to review the terms of the loan as reflected in the Master File. Should any of the terms of the loan be changed at this time? For example, will interest stop accruing? If so, change the interest rate to 0.0%.

When ready to bring the loan balance to zero, follow these steps:

- Print a Loan Master file report including both Master File and Loan History to help determine what entries need to be made.
- If there is accrued interest outstanding, enter an adjusting repayment with activity date as the date the loan is being written off and the activity total as zero. Enter the accrued

interest to be written off under “current interest” as a negative. Enter the same negative number under “accrued interest”. All other fields should be blank.

The net effect on “principal” should be zero.

- Again using adjustments, enter a negative disbursement of the amount to be written off. If this is the loan balance, the result should be a new balance of zero. In order for the loan to be accurately reflected on reports, it is **very important** the activity date on this adjustment be the same as the write-off date entered in the Loan Master file.

The next major event is writing the loan off in accounting records. You will need to adjust the balance of either Notes Receivable or Loans Disbursed, depending on the method used by your agency to account for revolving loan funds. Credit either Loans Disbursed or Notes Receivable, and debit either Loans Written Off (an expense account) or Allowance for Bad Debts (a liability account).

If using the Journal Entry created by RLSS, it will need to be edited before posting to the accounting system. The Journal Entry will post the amount of the loan written off as a debit to cash, which will need to be changed to a debit to either Loans Written Off or Allowance for Bad Debts.

If there is subsequent recovery of some of the amount written off, use Loan Activity to disburse the amount being recovered. Then use Loan Activity again to post the recovered funds as a repayment.

Field Staff Opening

GMS is presently accepting resumes for a field staff position that will be available starting June 1, 2008. Responsibilities include on-site client visits for training on the 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 five or more years experience with GMS Accounting Software and at least two years of experience using the Windows version of the accounting. A good background in non-profit accounting is important in addition to good communication skills. Two to four weeks of travel will be required each month (normally by air).

Those interested should email with their resume to service4gms@gmsactg.com to the attention of Linda Berseth.