



Monthly GMS Newsletter

January 2020

Volume 32, No. 1

Reminder

The GMS Offices will be closed December 31, 2019 and January 1, 2020.
We will resume regular hours on Thursday, January 2, 2020.

Happy New Year!

Accounting .net Software Revisions

Accounting .net Software Revision 2.4.66.145 will be released on Thursday, January 2. It is very important that you install this revision after your last payroll has been processed for 2019 but before you process your first payroll in 2020 as this revision contains the new payroll tax rates for 2020. The Federal Tax Tables have changed along with the FICA maximum. State tax tables have also changed for CA, HI, IA, KY, ME, MI, MN, MO, NC, ND, NM, NY, OR, SC, and VT along with Ohio School District and Maryland Local Taxes. If state tax tables have changed for your state but it is not listed here, please let us know as soon as possible.

Service orders via email

As you know, GMS strives to provide the best possible service and support to our clients. To help us manage our service, we record all service calls from clients and our responses in our client tracking system. In order to make sure everything is recorded and nothing is overlooked, please make sure that if you send an email about a service issue it is sent to service@gmsactg.com. This will assure it is logged in properly. Even if you have been working with a particular Software Technical Support Specialist regarding an ongoing issue, please send the email to the above address rather than directly to GMS staff. Feel free to reference in your email that you have been working with a particular person. This will help us provide the best service possible. Thank you.

RLSS Software Revisions

RLSS Software Revision 1.1.1.18 was released on Thursday, December 20. You will need to be certain to install this revision before you print your 1098 forms as the IRS has made changes to the boxes that information is printed in.

Some of the highlights in this revision are:

1. Monthly Activity Report can now be viewed/printed in Loan number order.
2. In the Loan Master File, below the Status box, the date field is available to be used for all Status codes. The date field is a mandatory data entry field for Status types of Default, Write-off and Repaid and is optional for all other Status types.
3. Supplement #814 Portfolio Analysis has been improved to include a Portfolio Analysis Detail spreadsheet. This Excel spreadsheet is the subsidiary ledger for the Analysis, listing all loans along with their status, loan amount and days late for every loan being reported in each category.
4. On the Features menu, Conversations can be entered for different loans without the need to exit first.
5. Box 11 Mortgage Acquisition Date has been added to 1098 forms.
6. Box 5 on Form 1096 will include the totals for amounts reported in boxes 1 and 6.

IRS Redesigns Form W-4 for 2020

Form W-4 for 2020 has been redesigned by the IRS. Employee files have been revised in GMS Accounting software revision 2.4.66.145 to accommodate employees completing this new form. Please consult the GMS Help Manual if you have any questions as to how to enter the new W-4 information in the employee files.

Following are answers to three of the most frequently asked questions of the IRS regarding this redesign:

1. Why redesign Form W-4?

The new design reduces the form's complexity and increases the transparency and accuracy of the withholding system. While it uses the same underlying information as the old design, it replaces complicated worksheets with more straightforward questions that make accurate withholding easier for employees.

2. What happened to withholding allowances?

Allowances are no longer used for the redesigned Form W-4. This change is meant to increase transparency, simplicity, and accuracy of the form. In the past, the value of a withholding allowance was tied to the amount of the personal exemption. Due to changes in law, currently you cannot claim personal exemptions or dependency exemptions.

3. Are all employees required to furnish a new Form W-4?

No. Employees who have furnished Form W-4 in any year before 2020 are not required to furnish a new form merely because of the redesign. Employers will continue to compute withholding based on the information from the employee's most recently furnished Form W-4.

Additional frequently asked questions can be viewed at the following link:

<https://www.irs.gov/newsroom/faqs-on-the-2020-form-w-4>

The new 2020 Form W-4 can be downloaded from this link:

<https://www.irs.gov/pub/irs-pdf/fw4.pdf>

2019 IRS Links

Below are links to instructions for various IRS forms that you may need to complete for calendar year 2019.

RLSS Form 1098

https://www.irs.gov/pub/irs-pdf/i1098_19.pdf

Form 1099-MISC

https://www.irs.gov/pub/irs-pdf/i1099misc_19.pdf

W-2 & W-3

<https://www.irs.gov/pub/irs-pdf/iw2w3.pdf>

Forms 1094/1095

<https://www.irs.gov/pub/irs-pdf/i109495b.pdf>

Special Pay and How it Can Affect Payroll Processing and the Employee Files

Special Pay is a feature within Payroll Processing in the GMS Accounting System where the main purpose is to have an effect on gross pay or taxes by something that is not timesheet driven. Two (of many) examples of this would be payment to an employee in lieu of health insurance which would affect gross wages or recording a car allowance for personal use of a company vehicle which would not affect gross wages but is taxable to an employee.

There are various questions that need to be answered when setting up a special pay such as the taxability for all levels as well as whether or not this pay affects Unemployment, Workers Comp or Retirement eligible wages. Please see the Help Manual for further details. Another very important question is whether or not the special pay affects net pay. What this means very simply is whether or not the employee actually receives the money as an addition to the regular pay check.

Our first example is payment in lieu of health. Typically this is a payment to an employee because he/she is waiving membership to the employer's health insurance coverage due to spousal coverage or another health plan the employee already has in place. In this case you want the amount of the special pay to be added to gross wages and the employee's check, **so you would check the Aff Net Pay box**. The employee will then receive this amount as part of the payroll check.

Our second example is recording of a car allowance for personal use of a company vehicle. This is typically a result of an employee that has access to an agency vehicle and not only does the employee use it for business functions, he/she also drives it back and forth from home to the office. The cost of driving to and from home as well as any personal errands the car may be used for can be calculated on a cost per mile basis and is considered taxable income to the employee. This amount is then entered as Special Pay. In this case, the actual cash is not added to the employee's paycheck, however, the amount needs to be added to the employee file so it will appear as taxable income on their W2. So in this example when setting up the special pay **the box Aff Net Pay will not be checked**.

Another item to consider when setting up special pay is whether or not this amount is to be taken into consideration when percentage based deductions are calculated. The default in the system is to include special pay as part of the gross pay to which a percentage deduction is applied. If, however, you have a case where a special pay amount is not to be included in the base for a percentage based deduction, go to Payroll\Set Up and select Deduction. On the bottom of the form select Wage Base and then the appropriate deduction from the combo box. At that point you can unselect the Include All Wages box, then select Regular Salaries, Overtime Salaries and/or any appropriate Special Pay amounts to be included in the base for this deduction.

For more detailed information about Special Pay and its characteristics please see the Help Manual under Payroll\Payroll Set Up\Special Pay.

Off-Site Accounting Services Available

GMS offers a wide variety of off-site services for our clients. Two of the more popular ones are year-end assistance and training on a specific feature or procedure in GMS. However, there are also other areas in which we may be of assistance. As you know, bank reconciliations being done timely are critical in order to produce accurate financial reports. Other accounts on the Balance Sheet are not to be taken lightly either. Not having your Accounts Payable Analysis reconciled to your General Ledger or not knowing the detail behind any asset or liability account on your Balance Sheet can have a dramatic impact on your financial reports.

One of the services we offer is to reconcile these accounts for your agency. We know that there can be a variety of reasons that these reconciliations may have gotten behind. Why not let us help you get current with your procedures? We are also available to create some of the more involved Report Writer exercises for you. **Don't wait until your fiscal year ends to request these services.**

Should you require off-site assistance in any of these areas, please contact us at service@gmsactg.com to schedule these services.



ANNUAL SUMMITS

[GMS ACCOUNTING SUMMIT 2020 - MAY 17 - 20, 2020 - MEMPHIS, TN](#)

[GMS RLSS SUMMIT 2020 - MAY 21 - 22, 2020 - MEMPHIS, TN](#)

REGIONAL TRAININGS

OVERVIEW OF THE GMS ACCOUNTING SYSTEM - MARCH 12, 2020 - CHARLOTTE, NC

YEAR END PROCEDURES/PREPARING FOR AUDIT - OCTOBER 8, 2020 - LOUISVILLE, KY

WEBINARS

RLSS MASTER FILE QUERY - FEBRUARY 19, 2020

FIXED ASSETS - JULY 15, 2020

COST ALLOCATION - NOVEMBER 18, 2020