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## Monthly GMS Newsletter

October 2020

Volume 32, No. 10

### President/CEO Donald Cassady Announces Retirement



Donald L. Cassady, President/CEO

It is with bittersweet emotions that I announce my retirement as President/CEO of GMS, Inc. effective December 31, 2020. This December will mark my 30th anniversary with GMS and I leave a job that is as exciting to me now as it was on day one thirty years ago. Working in the accounting field and how it ties to the computer industry has in itself been an education beyond my wildest dreams and is something for which I will always be grateful. I'm going to keep my thoughts brief here for purposes of this announcement. Please watch for the December 2020 newsletter when I will give you my feelings and experiences on a much more personal level.

Congruent to this notice I am thrilled to announce that Lisa Kraeger, our Training Specialist, will replace me as President/CEO of the company. All of us at GMS have been working together to plan for a seamless transition into 2021. Before Lisa began employment with GMS, she was Finance Director at two non-profit agencies, both of which were GMS clients. She has a history with GMS in one aspect or another that has been beneficial for all parties concerned. She brings with her a business sense and professionalism that will serve GMS and our clients well for many years to come. All of the GMS staff are looking forward to working with Lisa. Please watch for November's newsletter to learn more about her.

I look forward to communicating with you again in December. Please stay safe and healthy.  
Donald Cassady

### Have You Ordered Your Tax Forms Yet?

Don't forget to order your W-2, 1095-C, 1099-NEC, 1099-MISC and/or 1098 forms no later than November 20, 2020.

[Order Your 2020 Tax Forms Here!](#)

#### Getting Ready for W2s and Other Year End Tax Forms

Although three months remain before you need to prepare W2s, here are some things you can do now to get ready.

- Make sure that the year-to-date payroll information is correct. Don't wait until the last payroll of the year is completed to verify this information. A YTD Payroll Control Sheet is an excellent tool to use to verify these amounts, if you maintain one.
- Understand your special W2 requirements particularly for issues such as pension, deferred compensation, dependent care and group life insurance over \$50,000. You may need to review the IRS requirements or consult your CPA.

#### 1099-NEC or 1099-MISC?

The IRS has changed the reporting requirements for Form 1099-MISC and created a new Form 1099-NEC. We will be releasing a revision that will include these changes. In the meantime, we recommend that you review the overview of changes in the following link. Also, now is the time to begin obtaining Form W-9 from anyone that you may need to file either of these forms on.  
<http://www.idmsinc.com/PDF/1099-NEC.pdf>

- Be familiar with any appropriate federal, state and local electronic reporting requirements that must be met.
- Review the IRS guidelines so that you are prepared to report health insurance pursuant to the Affordable Care Act (ACA). Federal forms 1095B and 1095C will need to be filed with the IRS by February 28, 2021 if filing paper forms or by March 31, 2021 if filing electronically. This will be for calendar year 2020 information. We have created tables under Payroll, Annual, 1094/1095 for collecting the information for these forms. These tables do require setups on your part.
- Order sufficient W2 and Affordable Care Act (ACA) Reporting forms, and should you need or desire to, you can arrange for W2 and/or ACA printing or electronic file preparation with GMS.
- Review the W2 processing section in your Help files. These instructions are located under Payroll/Annual.



## Service Policy During GMS Annual Staff Meeting

This year the GMS annual staff meeting will be held on October 12-15, 2020. GMS service hours for these days will be as follows.

Each day service calls will be responded to between 8:30 – 12:30pm ET. We will monitor service calls and be **returning ONLY emergency calls from 1:00-5:00pm ET. Evening service will still be available between 5:00-7:00pm ET Monday-Thursday.**

The GMS Chat Room will be open Monday, October 12 – Thursday, October 15, between 8:30-12:30pm ET. There will be **no** software technical support staff monitoring the **chat room between the hours of 1:00-5:00pm ET on these days. The chat room will be open normal business hours on Friday, October 16, 2020, 8:30-5:00pm ET.**

For emergency calls, we strongly encourage you to send an email, or submit a request for service via our [website](#). If calls can be returned the following week, please help us prioritize our responses and specify so when placing your service call.

One item we will be discussing during the staff meeting is our client service procedures, so if you have suggestions or ideas on how we can improve service, please contact [service@gmsactg.com](mailto:service@gmsactg.com) or place a service call at 800-933-3501 to discuss with a software technical support representative.

We hope that this temporary change in service does not inconvenience your agency. We will resume our normal service hours on Friday, October 16, 2020.

### GMS Service Call Information:

Email: [service@gmsactg.com](mailto:service@gmsactg.com)

GMS Website: [www.gmsactg.com/request-service-call](http://www.gmsactg.com/request-service-call)

Voice Mail: 800.933.3501 ext 1

## Setting Up and Processing Interest Only Loans

We often receive questions regarding how to handle interest only loans. These loans aren't much different from a loan that is going to start making full payments right away. The only difference is the amount of payment they are going to make in the first months of the loan. Of course, there are some ramifications to activity associated with these loans, so it really isn't quite that simple.

When dealing with the issue of loans that don't start out with regular payments of principal and interest, it is important to remember that the Loan Master file is intended to be a document that changes as the circumstances of the loan change. The regular payment amount, the method of interest calculation, the percentage of interest calculation and the frequency of payment should all reflect the situation as it exists at this point in time. When circumstances change, the Loan Master file should be edited to reflect those changes. For a complete audit trail, GMS recommends that whenever the loan data is changed, the Loan Master should be printed prior to editing, then again following editing. These can then be filed with the documentation that required the change and also you may wish to create .pdf's and attach them to the loan.

### Regular Payment Amount

When entering the Loan Master file for a loan that will be making interest only payments for a period of time, override the computer-generated regular payment amount and enter the amount the borrower will actually be paying. This amount will usually be one payment cycle's interest. If you would like to have GMS calculate this amount for you, before you enter the Loan Master select Amortizations. Enter the loan amount, the interest rate, the number of payments per year, and the term of the loan. When the amortization schedule is reviewed, the interest for the first payment will be the payment amount while the loan is paying interest only. This is the amount entered as the regular payment. When the borrower begins making full payments, the regular payment amount should be edited to the full payment.

### Method of Calculating Interest

The internal management policies of your agency will dictate which method of interest calculation you will use.

If using Amortization, each payment will be applied 100% to interest.

If using Daily interest, there may be some differences in the amount of interest collected from each payment. This is due to timing differences. If the payment is received a few days early, there may be a small amount applied to principal. If the payment is late, there may not be enough to pay all the interest, thus accrued interest will be calculated and carried forward. In either case, GMS-RLSS software will apply the correct amount of interest.

### Frequency of Payment

If it will be several months before the first payment is to be made, the First Payment Due date in the Loan Master file should reflect that interval. If this is done, the delinquency and aging reports will not reflect past due payments when the client is abiding by the terms agreed upon. Also, as disbursements are posted, review the

Next Payment Due Date carefully prior to saving the activity. If the loan appears inappropriately on a delinquency report, review the history for Paid-thru Dates and Next Payment Due dates. Either of these may be edited through Tools, Build History.

### October – Breast Cancer Awareness Month



As we are all aware, October is Breast Cancer Awareness Month. We all hear that there are advances being made in the treatment of this horrible disease on a regular basis, but we certainly still have a long way to go. Breast Cancer Awareness is a very important issue here at GMS, and on a very personal level for some of us. We want you all to know that if you, a family member, or a friend have had to fight this disease, or are currently fighting it, you have our never ending support and are in our thoughts and prayers.

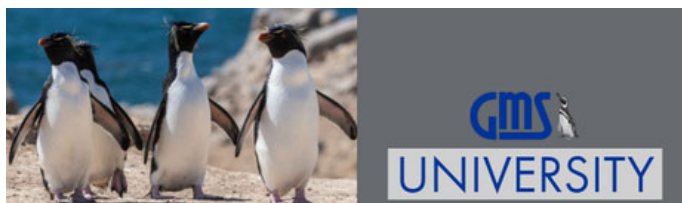


**Heidi Buchmann** from **Northwest Regional Planning Commission** in Spooner, WI is retiring on October 2, 2020. She wore many hats during her 22 years there and most recently was their Financial Specialist and Loan Processor. We will miss you greatly, Heidi.

Enjoy this upcoming new chapter of your life.

**Joyce Hall**, Financial Specialist at **South Florida RPC** in Hollywood, FL retired in late September. Best wishes, Joyce! Enjoy your free time!

Welcome to Kate Costello who is transitioning to take over Heidi's duties. We look forward to working with you, Kate!



### WEBINARS

COST ALLOCATION - NOVEMBER 18, 2020

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Since 1980, GMS, Inc. (Grants Management Systems, Inc.) has designed specialized software with a demonstrated record of success for nonprofit and public organizations throughout the United States. For over 30 years GMS has successfully implemented accounting and revolving loan systems for grant and contract recipients, and continues to provide support long after the initial implementation of these systems, setting us apart from our competitors.

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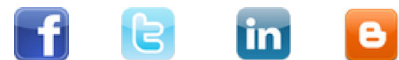
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