Accounting
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Group, LLC

Sage MAS 90 and MAS 200
User Group Meeting

December 13, 2010
Year end preparation
And processing

1. Registration – 11:45 – 12:00
2. Presentation – 12:00 – 1:30
   Presenter: Keith Perkins, CPA – **ASC Group**

   - Changes to Mas for the 2010 filing season
   - Procedures for balancing your books
   - Archiving and period end processing
   - Electronic reporting options
   - Services we provide.

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Year End Preparation and Processing in Sage MAS 90 and 200 Systems

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Year End Topics

- Archiving Prior Year
- IRD?
- Payroll Procedures
- 1099 Procedures
- Electronic Reporting
- Closing Modules
- Miscellaneous

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Archiving Prior Year

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Archiving for 4.x

- Copy company replaces SVDATA
- Instructions found in Help
  - Select LM Main, Company Maintenance
  - In the Company Maintenance window, enter a company code and company name (i.e.: F10 (company code), ABC Distributing 2010 backup (company name))
  - Click Copy
  - In the Copy Data window, at the Source Company field, enter the company you are copying FROM
  - Select the Data Check Box corresponding to each module that you want to copy data from
  - Select the Forms Check Box corresponding to each module that you want to copy forms from
  - Click proceed

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Archiving – Copy Company Results for 4.x

- Verify that your company was copied properly, use the PR quarterly tax report
  - Tie the quarterly and annual results between the original (source) company and the archive (target) company
  - Confirm you have complete information

What's an IRD do I need one?

Should I load the IRD?

- IRD – interim release download; see the FAQ's document; available approx 12/17
  - Contains changes for this year's filing season
  - How to determine your version; help/about
  - Check external backup before installing IRD
  - Check your add-ons in MAS that might be affected by the update; see the FAQ's
  - Logon to Sage Software Online to download
- IRD is for AP, Payroll, and Electronic Filing Modules

IRD Download Instructions

- Use your login into www.sagemas.com upper right hand corner login button
- Go to Support Tab, select MAS 90/200
- Select Interim Release Download under Download heading
- Call if you need assistance – 318-213-0375
- Mas version info and TTU; run LM/reports/installed modules listing
- Do not install the TTU until 2010 reporting is finished.

Payroll Procedures

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Payroll – Printing W-2s

- Changes to W-2s for 2010
  - Added box 12 code "CC" for HIRE act wages
- Preprinted form printing
  - Test your printing to plain paper to resolve alignment issues and check totals and boxes
- Ensure you have installed the 2010-Q2 update that modified program for HIRE act

You can verify name/ss# combinations using www.ssa.gov to avoid rejections.

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Payroll – Printing W-2s (cont.)

- Multiple state W-2s print after the federal forms
- Dependent care and non-qualified amounts must be entered prior to printing.
- Remember to include non-cash fringe benefits before last check issued for the year
- Check your Box 12 codes in deduction maintenance and on the W-2 printing window
- Run a report on the pension box in employee maintenance (driven by check box in emp maint)
- Preview your forms to test your totals (FICA limit is $106,800) same as last year.

Payroll – Printing W-2s (cont.)

- Laser forms – 2 per page are not collated (i.e. each copy must be printed for all employees before the next copy can be printed) and activates the No. of Forms field
- Laser forms – 4 per page activates the Tab Right and Skip Lines fields for setting and resetting-Need a copy A if not e-filing.
- Keep employer copy handy for employee requests for W-2 copies
- Preview may not represent printed.
- Verify 941 reads 2010 and HIRE act boxes

Payroll – Closing the Year

- Check your settings in Payroll Setup and Payroll Options
- Archive payroll again if you changed any employee data
- Check your reports and totals before completing the process
- Perform period end when ready
- Change workers comp methods and pension limits before first payroll
- Make any changes to Benefits

Payroll – Additional Features

- Integrated Direct Deposit
- Email D.D. Stubs with paperless office
- Payroll integration with Abra HRMS
- Payroll integration with Galaxy Time and Attendance Software/Hardware

But I need to run a Payroll in 2010 now!

- No problem
- Check your archive, then close your main company
- Proceed as normal in main company
- Process all W-2s and reports from archive
- Be careful – check your company information
- IMPORTANT – do not install Tax Table Updates yet

Payroll Tax Table Updates

- For Q1 2011, versions 3.73 – 4.40
- Be careful of the timing of your update
- Print your W-2s before updating tables, if possible
- Sage will be emailing a reminder to download the latest tax tables – need to have online access to Sage's site in order to download the updates
- Need a profile? Choose "Register Now" at http://sagesoftwareonline.com/eservices.
- If you have modified your tax tables, see us to make sure you do not loose your modifications (ex: local)

Payroll Tax Table Updates (cont.)

- Watch for changes in the FICA ($106,800) – OASDI limits and the printing of W-2s.
- 941 updates – If your 941 does not have 2010 on it, you will need an update.
- Optional – remove quarterly backups and keep annual archive.
- You will need another 941 update before the end of the 1st quarter on 2011.
- The 2010 FICA-OASDI wage base is $106,800

Important Deadlines

Date	Description
December 17, 2010	Interim Release Download available from Sage
Now	BSO will begin accepting tax year 2010 submissions
January 1, 2011	Update payroll system to reflect the 2011 wage base rates – visit www.ssa.gov/pressoffice/factsheets/colafacts2010.htm
January 31, 2011	Deadline for supplying W-2s to employees
February 28, 2011	Deadline for filing paper W-2s; electronically file states-check with the state-LA is Feb 28, 2011.
March 31, 2011	Deadline for filing electronic W-2s (The IRS will consider electronic annual wage reports for tax year 2010 to be late if submitted after this date.)

Payroll

Questions? Comments?

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1099 Procedures

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AP Year End Processing

- Copy Company (4.x)
- Print reports and tie totals as needed for purchases, payments, general ledger balances, etc. Tie AP trial Balance to GL.
- Check your settings in Accounts Payable Setup and Accounts Payable Options-especially 1099 history years.
- Copy Company (4.x) again after changes and also backup

AP Year End Processing (cont.)

- Process the Check History report
  - Sort by vendor number
  - Use to support the 1099 forms totals
- Review Vendor Maintenance additional tab and make changes, as necessary
- Collect Tax ID numbers now!! (W-9's)

AP Year End Processing (cont.)

- Program updates-IRD affects 1099-INT & 1099-DIV
- No Program changes for 1099-MISC
  - In 2006, changes were made to the 1099-INT form for Boxes 8 & 9
  - Since 1099-INT is not commonly used, Box 8 (Tax Exempt Interest) and Box 9 (Specified Private Activity Bond Interest) do not update with data or print on the form.
  - See www.irs.gov for instructions for 1099-INT form (if you business must complete Boxes 8 & 9).

AP Year End Processing (cont.)

- Select the Form 1099 Printing report option
  - Select Form to adjust printing positions, etc.
  - Select the proper form types to print and the limits on printing ($10 and $600)
  - Include all company information and the federal ID number
  - IMPORTANT – if you file 1099s electronically, you MUST say NO to the prompt "Do you want to increment the default 1099 calendar year field in the accounts payable options window to the next calendar year?"

AP Year End Processing (cont.)

- Completion of forms 1099
  - Select to "increment the calendar year" only if all of the 1099 forms for all vendors and vendor types and form types have been printed and verified, and you have already created your electronic reporting file (if applicable) Possibly calendar for later.
  - Answering 'Yes' to "Do you want to increment the calendar year?" changes the default 1099 calendar year setting in Accounts Payable Options
  - MAS 90 does not print a 1096 form
  - As of version 4.2, it is not necessary to "clear 1099 info".

AP Year End Processing (cont.)

- What happens during period end processing?
  - P/E looks to your AP setup options to determine what to keep and what to clear out.
  - AP setup, additional, days to retain paid invoices
  - Check the history tab settings

AP Year End Processing (cont.)

- What happens when it clears out data?
  - History will be purged according to settings
  - Fiscal year and period settings are incremented by one year and to period one

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Accounts Payable

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Electronic Reporting Procedures

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Electronic Reporting

- Magnetic Media module is now called Electronic Reporting
  - Program update: IRD affects e-file formats
  - Some states still allow magnetic media filing
  - Processes federal and state information
  - Multiple companies are processed separately
  - Required if > 250 W-2s, but strongly recommended for all entities
  - Mas has links build in on the menu for IRS & BSO

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Electronic Reporting (cont.)

- Cost of module – $535.00
- Sign up for PINs
- W-2s – go to SSA-BSO at www.ssa.gov/employer
- 1099s – filed with IRS (go to https://fire.irs.gov/)
- Electronic submissions have varying due dates

Or, Integrated fee for service provided by Sage

- Using the e-filing services on the payroll period end menu or the accounts payable reports menu powered by Aatrix.
- You can, also, pick and choose which forms or reports to file this way. We have had good success with the SUTA report and electronic filing.

Closing Modules

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Order of Closing

1. System Wide Backup	9. TimeCard
2. Bill of Materials	10. Electronic Reporting
3. Work Order	11. Payroll
4. Bar Code	12. Accounts Receivable
5. Purchase Order	13. Accounts Payable
6. Sales Order	14. Job Cost
7. Inventory Management	15. General Ledger
8. MRP	Finished!!

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Year End Processing

- Copy Company (4.x) if not already done
- Full period end check lists are included in the help section of Mas.
- Check each module's setup options for history retention.
- For Sales Order and Purchase Order, run the open sales order and purchase order reports to check for accuracy. Do not included completed orders. Reconcile the purchases clearing account if need be.

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Year End Processing (cont.)

- For inventory management, perform a physical count, then tie the I/M trial balance to the general ledger balance.
- For accounts payable and receivable, tie the module's trial balances back to the general ledger.

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GL Year End Processing

- Copy Company (4.x)
- Print reports and tie totals as needed for journal entries, financial statements, etc.
- Check your settings in 'General Ledger' 'Setup' 'General Ledger Options'
- Copy Company (4.x) again after changes and also backup

Miscellaneous

Miscellaneous Help on Year End

- Forms website – https://sage.checks-and-forms.com or call 877-246-2378
- Use your login into www.sagemas.com, login top right and choose Support
  - select Sage MAS 90 and 200, and scroll down to the bottom of the page for Year End Processing Information

Coming in 2011

- Mas Intelligence module to slowly replace Frx.
- We will be continuing with Service Updates to the 4.40 release-see handout for details of each SU
- Mas 4.5 scheduled for Q3 2011 with more Extended Solutions titles incorporated into the core product
- Also, 4.5 will simplify the reversal process for common transactions.
- Support for 4.0, 4.05, and 4.1 retired 09/30/2011.
- Keep up with what is changing and how your organization can benefit from the updates.

W-2 / 1099 Assistance

- We can take the entire MAS 90 or 200 W-2 and 1099 processing off your hands.
- We can also order forms for you.
- Or we can simply help you troubleshoot your own processing. (form alignments, etc)
- Contact us very soon with the level of assistance you would like.

Questions?

User Group Meeting Suggestions?

Sage ERP MAS 90 and 200

2010 Year End Frequently Asked Questions

Payroll Tax Table Update, Electronic Reporting, & Accounts Payable

1. **Do I need to download the 2010 Interim Release Download (IRD)?**

   For AP 1099 Reporting, customers who use 1099-INT or 1099-DIV forms on versions 4.20, 4.30 and 4.40 the IRD is required. There are no changes to Form 1099-MISC. For Payroll customers running versions 3.73, 3.74. 4.0, 4.05, 4.1, 4.2, 4.3 and 4.4 the IRD is required. For customers who are using Electronic Reporting for 1099 or W-2 filings, the IRD is required.

2. **Do I need to download the 2010 IRD if I'm using the Federal and State eFiling and Reporting feature?**

   You will still need to apply the IRD if you choose to use Sage ERP MAS 90 and 200 Federal and State eFiling and Reporting. Payroll reporting for the Qualified Employee requires that the Payroll Update was installed for second QTR 2010, and also requires the installation of the 2010 year end IRD. In addition, if you upgraded to 4.30 or higher from version 4.20 or below during this payroll year, you will need to manually adjust the Box 12 Code CC amounts for Qualified Employees. See the IRD release notes for details.

3. **When will the year end Sage ERP MAS 90 and 200 Federal and State eFiling and Reporting updates be available?**

   After December 17th you will be able to access Federal and State eFiling and Reporting within Payroll or Accounts Payable to update your W-2s and 1099s. Simply access eFiling and Reporting within Sage ERP MAS 90 and 200 and the system will prompt you to apply the online automated update.

4. **When will the year end Tax Table Update (TTU) and Interim Release Download (IRD) for Sage MAS 90 and 200 be available?**

   The Q1 2011 Tax Table Update (frequently referred to as the year end TTU) and Interim Release Download (IRD) are expected to be available approximately December 17, 2010 for download from Sage Online, Sage MAS Support section, click there by using the "Log On" link in the upper right corner of www.SageMAS.com. We'll also update the TTU with late-breaking changes as necessary each week throughout January 2011.

5. **Will I be required to print my W-3 on the red, preprinted form when using Federal and State eFiling and Reporting?**

   The Federal W-3 is not required to be printed on the official form. We have incorporated an approved substitute that can be printed on plain paper with an inkjet or laser printer. It should not be printed in Red. You can identify the approved form by looking for the numbers 0000/1048 under "year" on the form.

6. **How will the year end Tax Table Update (TTU) and Interim Release Download (IRD) for Sage ERP MAS 90 and 200 be made available to Customers, Business Partners or Sage Software Accountants Network members?**

   It will be available as a download from Sage Online, Sage MAS support **section, click there by using the upper right corner "Log On" from www.SageMAS.com.** This download will ensure that you will have the most up-to-date tax rates for the new tax year. Since Sage must wait for states to announce tax rate changes before we can create the new tax tables, and legislative tendency is for last minute changes, we'll also update as necessary through January 2011.

7. **I do not have access to the Internet from my Sage ERP MAS 90 or 200 server. How can I obtain the year end Interim Release Download program update and TTU to install them on my server?**

   The programs can be downloaded from any computer with Internet access and copied onto a CD or flash drive, then loaded onto your Sage ERP MAS 90 or 200 server.

8. **How can I obtain the TTU or IRD if I do not own a current Subscription plan?**

   You must be a Customer with a current Subscription or Business Care plan, a Business Partner with a current Business Partner agreement, or an Accountants Network member with a current membership agreement in order to access Sage Online, Sage MAS Support. Click there by using the upper right corner "Log On" from www.SageMAS.com and download the TTU or IRD. If your plan or agreement has expired, please contact our Client Care department for Customer renewals at 888-924-8989, Business Partner renewals at 800-854-3415, and Accountants Network enrollment at 866-565-2726.

9. **I've never been to Sage MAS support, and I don't know if anyone else from my company has either. What do I do to get a login and access the information I need?**

   If you do not have a current login to Sage MAS support, go to the following URL and click on the Register Now link: http://www.sagesoftwareonline.com/eServices.

You'll need your Sage account number to register. Please note that to access the support tools of Sage MAS support, you must have a current agreement or subscription plan with Sage. If you have issues with obtaining a login, please email us at tools.na@sage.com for assistance.

10. **After I download my TTU and IRD, do I install it on my workstation or on my server?**

    It is recommended that you install the TTU and IRD onto your server. For detailed installation instructions, please read the Installation and System Configuration Guide, or contact your Sage ERP MAS 90 and 200 Business Partner.

11. **We file Local Withholding Tax on our W-2s and we're using Federal and State eFiling and Reporting, what extra steps do I need to take?**

    You will need to download the IRD from Sage Online before running W2s. It will be available December 17th as a download from Sage MAS support. Once the IRD is installed, you will need to select the local tax type in Tax Table Maintenance to activate local tax codes to ensure they are available for Federal and State eFiling and Reporting.

12. **What changes were applied to the Electronic Reporting module?**

    1099 Electronic Reporting has been modified according to the Internal Revenue Service's 2010 Publication 1220. In the "A" Record the Combined Federal/State Indicator position has been moved and the Type of Return position has been expanded to 2 fields. In the "B" Record for Form 1099-INT a new field has been added for CUSIP Number.

    W2 Electronic Reporting has been modified according to the Social Security Administration's 2010 Specifications for Filing Forms W-2 Electronically (EFW2). In the "RO" and "RU" Records a position for HIRE Exempt Wages and Tips has been added.

13. **Previously, I've filed employees W-2's via Magnetic Media. Are there any changes?**

    The Social Security Administration (SSA) will not accept W-2 information from employers on any type of magnetic media. Instead, they require electronic filing of W-2 information. Sage ERP MAS 90 or 200 versions 4.0, 4.05, and 4.10, and Sage ERP MAS 200 for SQL versions 3.73 and 3.74 Magnetic Media module and Sage ERP MAS 90 and 200 versions 4.2, 4.3 and 4.4 Electronic Reporting module will allow you to create a MMREF-1 (EFW2) format file for uploading to the SSA's website (www.ssa.gov/employer). The MMREF-1 file is formatted to the SSA's Electronic Filing and Magnetic Media Reporting specifications provided the applicable IRD has been downloaded from Sage Online and properly installed on your system. File will be created in directory EFW2/"company code" as file name "W2REPORT.TXT".

Some states may still accept magnetic media filings; please check the information your state has provided to you for their policies. If your state accepts magnetic media filings and uses the Federal MMREF-1 format, you can use the Electronic Reporting module to create the media for your state filing.

14. I'm supposed to electronically file my W-2s in the EFW2 format, so why does Sage ERP MAS 90 and 200 show a MMREF-1 format?

The Social Security Administration has replaced all references to MMREF-1 with a new acronym "EFW2". There is no need for concern, because even though your Sage ERP MAS 90 and 200 software will still reflect the historical MMREF-1 acronym, the file format is the same as EFW2, and will be accepted by the Social Security Administration.

15. For companies who must print 1099 forms, are changes required this year?

There are no new changes to 1099-MISC Form reporting in 2010. Form1099 – DIV has form alignment changes for versions 4.20, 4.30, 4.40 and 4.45. With Form 1099-INT, a new box, Box 10, has been added to the forms and will be available in Vendor Maintenance in the grid to enter the CUSIP number.
If you are on version 4.3 or higher, these changes are included in your software. If you are on version 4.2 or below, and your business has the need to complete Box 8 & 9, please see www.irs.gov for instructions.

16. I was formerly required to file Form 1099's via Magnetic Media, but now need to file 1099's via Electronic filing using the Internet. What do I need to know?

To support the changes with 1099 electronic filing you must be running one of the supported versions listed in the chart at the end of these FAQs with the 2010 IRD downloaded from the support tools section on Sage Online, Sage MAS support, or click on the upper right corner "Log On" from www.SageMAS.com, and properly install it on your system.

Reminder: After printing your 1099 forms to distribute at year end, you MUST say NO to the prompt "Do you want to clear all 1099 payments?" in order to retain the information for electronic filing.

17. Where can I find information on how to do year-end processing for any module?

Year end processing information, including checklists and the order in which to close modules can be found on Sage MAS support, or using the upper right corner "logon" from www.SageMAS.com. After logging in from the link on the top right, select 'Support', then under Customer Support, Support Options and Resources select 'Sage MAS 90 and 200'. Scroll down to find the Year End Processing Information 2010. Also, Year-end training classes and Self-Study Guides are available. For schedule details or to purchase a Self-Study Guide, visit our web site at www.SageU.com/ACS.

18. **Where can I purchase W-2 and 1099 forms 100% compatible with my Sage ERP MAS 90 or 200 software?**

The Sage Tax Forms Division provides approved 2010 IRS forms that are the only ones guaranteed to be 100% compatible with Sage ERP MAS 90 and 200. To order forms, go online at https://sage.checks-and-forms.com or call 800-538-5514.

19. **I have an Extended Solutions enhancement. Will I need to update it after installing the 2010 Interim Release Download?**

If you own a Sage ERP MAS 90 or 200 Extended Solutions title you may need to update it because of 2010 year-end changes. To review the titles affected, click on Sage MAS support, or use the upper right corner "logon" from www.SageMAS.com. Under Support for Sage MAS 90 and 200, go to Year End Processing Information for 2010, Interim Release Download, then choose Extended Solutions affected by the 2010 Q4 IRD. Please make sure to follow the instructions outlined in that document that will be posted on Sage Online by December 17th.

20. **I am using Sage ERP MAS 200 SQL v 4.45 and need to file 1099s. What do I need to do?**

There is no IRD required, all programs necessary for creation of 1099 forms for 2010 are included in the initial Sage ERP MAS 200 SQL v 4.45 release. To file your 1099 forms, use eFiling and Reporting accessed from the Accounts Payable Reports menu.

21. **Does the IRD contain changes to Payroll to support the Qualified Employee reporting as allowed by the HIRE Act?**

Yes. Customers running one of the supported versions of Payroll must have previously installed the Q2 2110 Payroll Update before installing the 2010 Year End IRD. The Year End IRD includes additional changes to report Code CC in Box 12. A 2010 W-2 HIRE Act Instruction Document will be displayed at the end of the installation of the IRD. It will also be available on Sage Online, Sage MAS support, with the IRD. These instructions should be printed and delivered to your Payroll Department before W-2s are printed.

22. **What is new in eFiling and Reporting this year?**

To make it easier to use and understand the eFiling and Reporting process, there is a new 'test drive' feature that allows you to walk through the process of filing without making any permanent changes or edits. Also new in eFiling and Reporting is eFiling options for the territories of America Samoa, Guam, Virgin Islands and Puerto Rico. The changes required to process Qualified Employees under the HIRE act are also included.

23. **Will the IRD be included in a Product Update or Service Update?**

The IRD is expected to be available about December 17, 2010 for download. Also, all of the program changes in the IRD will be included in Sage ERP MAS 90 and 200 4.4 PU4, and Sage ERP MAS 90 and 200 4.3 SU21, expected to be available the week of December 27, 2010. If you install PU4 or SU21 instead of the IRD, you will still need to download and install the Q1 2011 Tax Table Update before processing your first payroll for 2011.

Supported Versions of Sage ERP MAS 90 and 200 for 2010 Year End with Planned Availability of Program Changes

2010	**Sage ERP MAS 90 and 200**	**Sage ERP MAS 200 SQL**	**Sage ERP MAS 200 SQL**	
Available Programs	**v4.0/4.05/4.1/4.2/ 4.3/4.4**	**v3.73/3.74**	**V4.45**	**When to Install**
1099 printing	Dec 17, 2010 IRD* Versions 4.2-4.4 only	N/A	Included in initial release, no IRD required	Prior to printing 1099s DIV & INT forms
W-2 printing	Dec 17, 2010 IRD	Dec 17, 2010 IRD*	N/A	Prior to first payroll run for 2011
Electronic Reporting for 1099s (formerly Magnetic Media)	Dec 17, 2010 IRD	Dec 17, 2010 IRD	See question #20 above	Prior to Creating year-end electronic reporting file
Q1-2011 TTU's	Download latest TTU from Sage Online Click on Sage MAS support, or use the upper right corner "logon" from www.SageMAS.com		N/A	After W-2 forms have been created, and the Electronic Reporting file has been completed, and prior to first payroll run for 2011

2010 2nd Quarter Payroll Update

Product Group:	Sage MAS 90 and 200
Product Affected:	941Form Updates and Payroll Updates Payroll module version 3.71, 4.00, 4.05, 4.10, 4.20, 4.30 with SU 17 or higher, 4.40, 4.40 with PU1 also included versions 3.73 and 3.74 for SQL.
Number:	PR3035-KBA
Date:	June 30, 2010
Subject:	**2010 2nd Quarter Payroll Changes**

2010 2nd Quarter Payroll Update for 941 reporting will require following the steps below to ensure successfuly printing amounts for Qualified Employees on 941 forms.

Resolution: **Install the 2010 Q2 Payroll Update**

Prior to performing Payroll period-end processing and Quarterly 941 Printing for the 2nd quarter 2010, the following steps are required:

1. Complete all Quarter 2 payroll entries and update.
2. Install the 2010 Q2 Payroll Update.exe.
3. Using Windows Explorer, browse to ..\MAS90\Reports\.
4. Rename the following files in the ..\###-###\ and ..\###-xxx\ folders (where xxx = company code):
   - PR941A.rpt
   - PR941P.rpt
   - PRSCHB.rpt
   - PRSCHP.rpt
5. If you have used Custom Office and have user-defined fields (UDFs) in Employee Maintenance or Payroll Options, follow the steps in Resolution ID 2414..

Look for this option to see if installed →

6. Select Payroll Setup menu > Payroll Options and select the Implement Qualified Employee Reporting check box.
   Note: This check box should be selected even if you do not have any employees that meet the Federal guidelines for a qualified employee.
7. Select Payroll Main menu > Employee Maintenance and select the Qualified (W-11) check box for any employee that meets the Federal guidelines for a qualified employee.
8. Select Payroll Period End menu > Quarterly 941 Printing.
   Note: If an exempt earnings code was used, the Fractions of Cents field may need to be adjusted.
9. If you have qualified employees, click Qualified Employee.
10. Verify the amounts are correct for line 6b and 6c, and manually enter the amounts for line 12c and 12d. When all information is entered and correct, click Accept.
    - Line 6a - Number of qualified employees first paid exempt wages/tips this quarter
    - Line 6b - Number of qualified employees paid exempt wages/tips this quarter
    - Line 6c - Exempt wages/tips paid to qualified employees this quarter
    - Line 12c - Number of qualified employees paid exempt wages/tips March 19-31
    - Line 12d - Exempt wages/tips paid to qualified employees March 19-31
11. Print your 2010 2nd Quarter 941 Report and follow your normal quarter end process.

Note: Payroll updates will need to be reinstalled if you upgrade your Sage MAS 90 and 200 system.

PR3035-KBA

All support documents, Knowledgebase articles, and program corrections are available on the Sage Web site (http://www.sagesoftwareonline.com) after registering for and logging on to Sage Online.

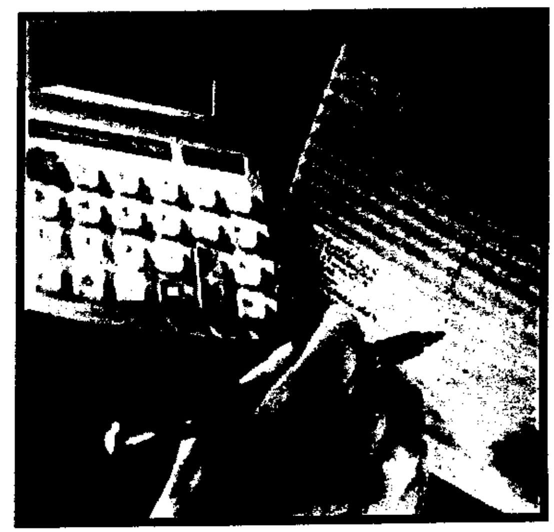
Sage MAS 90 and 200 4.4
Product Update 1

- Targeting March 2010
- Increase Efficiency in Accounts Payable & Accounts Receivable
  - Enter cash receipts by invoice number (AR 1200*)
  - Ability to search by additional fields (AR 1027*)
  - Enter wire transfers in Accounts Payable Manual Check Entry
- Improve Accuracy with Streamlined Sales Order Processes
  - Prevent accidental re-use of a customer Purchase Order number in history (SO 1096*)
  - Control which items customers may purchase (SO 1271*)
  - Print a picking sheet with backorder line items
  - Prevent accidental printing of picking sheets twice
  - Quick print a picking sheet from sales order (SO 1035*)
- Boost Productivity in Payroll and Job Cost
  - Automatic application of multiple earnings codes per employee during a payroll run (PR 1018*)
  - Prevent accidental posting of costs to a closed job (JC 1046*)
- Capturing Timely User Feedback: In product Survey
- Credit Card Processing Industry Security Compliance: Targeting PA-DSS Certification

** The main features and functionality of these Extended Solutions titles will be incorporated.*

Sage MAS 90 and 200 4.4 Product Update 2

- Targeting June 2010
- Save Time with efficient Bank Reconciliation
  - Improve bank reconciliation usability
  - Electronically reconcile your BR transactions between your software and bank (BR 1005*)
  - Utilize Positive Pay to verify check information (amount, payee, etc.) prior to the company's financial institution's payment, which helps protects companies against check fraud (BR 1004*)
- Electronic Payments
  - ACH Electronic Payments (AP 1063*)
  - Paperless Office: AP Checks & Deposit (AP 1095*)



* The main features and functionality of these Extended Solutions titles will be incorporated.

Sage MAS 90 and 200 4.4 Product Update 3

- Targeting September 2010
- The main features and functionality of the following Extended Solutions titles will be incorporated:
  - Customers with National Accounts (AR 1068)
  - Price Level By Customer/Product Line (SO 1005)

Sage MAS 90 and 200 4.4 Product Update 4

- Targeting December 2010
- The main features and functionality of the following Extended Solutions titles will be incorporated:
  - Contract Pricing By Valid Date (IM 1069)
  - Additional Pricing Tiers for Item Pricing (IM 1097)
  - Customer Discount Rate by Line Item (SO 1069)
  - Item Pricing By Total Quantity (SO 1173)

Sage MAS 90 and 200 4.4 Product Update 5

- Targeting March 2011
- The main features and functionality of the following Extended Solutions titles will be incorporated:
  - Distribution Table For Invoice Entry (AP 1043)
  - Additional Check Printing Sort Option (AP 1077)
  - Multiple Company Aged Invoice Report (AP 1101)
  - Multiple Company Bank Reconciliation (BR 1002)
  - Security For Inventory Inquiry (IM 1111)
  - 'Inactive' Item Designation (IM 1244)
  - Background Color by Company Code (LM 1028)
  - Enhanced Faxing for Paperless Office (LM 1033)
  - Enhanced Batch Processing (SO 1100)
  - Back Orders Allowed By Customer (SO 1269)

Sage MAS Intelligence

- Targeting July 2010
- New advanced analytics and financial reporting as an alternative to FRx
  - FRx supported by Microsoft until Dec 31, 2012
  - Sage MAS 90 and 200 will maintain backward compatibility with FRx
- Complex reporting and analysis in a familiar Microsoft Excel interface
- Sage MAS Intelligence and Single User License Bundled (Free)
  - FRx users can trade in add on FRx licenses for equivalent Intelligence licenses

older document but alot still pertains

Payroll Files Affected During Year-end Processing

Important Points to Remember

- The Payroll module maintains one Payroll year at a time.
- Prior years' history may be retained if the Retain Perpetual Payroll History check box is selected.
- It is important to close the current Payroll year before you begin the first Payroll cycle of the next year.
- Make sure the Quarterly Governmental Report, Quarterly 941, and the employee W-2 Forms have been printed before proceeding with Year-end Processing.
- If you are using Magnetic Media, make sure that your disks have been created before completing Year-end Processing.
- After Year-end Processing is completed, verify the accuracy of the state Unemployment Tax Rate in Tax Table Maintenance before processing the next quarter's Payroll.

Select **Payroll Options** from the Payroll **Setup** menu to view the data affected during Year-end Processing.

Payroll Options (PR0)

MAIN TAB

Current Processing Year: Increments current year to the next year.

Current Processing Period: Changes current quarter from 4 to 1.

Retain Year to Date Check History: If selected, the Check History file is purged in Year-end Processing only. If not selected, the Check History file is purged during each Quarter-end Processing.

Retain Perpetual Payroll History: If selected, retains check history indefinitely. To manually clear perpetual history, select and perform **Purge Perpetual Payroll History** from the **Period End** menu.

ADDITIONAL TAB

Reset Employee Benefits Limits at Year End: If selected, modifies the Benefits section of the Earnings and Vacation Inquiry screen in Employee Maintenance as follows.

- The Hrs Accrued column is set to zero.
- The Hrs Used column is set to zero.
- The Carry-Over column is supplemented by the difference of the Hrs Accrued column minus the Hrs Used column.

If the **Base Benefit Availability** is set to ***Accrual*** and the employees benefit code does not have an Eligibility Wait period defined in Benefit Maintenance, the **Available** column is populated based on the formula:

(Hrs Accrued - Hrs Used) + Carry-Over

If the **Base Benefit Availability** is set to ***Limit***, the **Available** column is populated based on the formula:

(Annual Limit - Hrs Used) + Carry-Over.

Employee Masterfile (PR1)
MAIN TAB **Termination Date**: This field changes based on employee status. If a termination date exists, the employee will be purged. However, if an inactive date exists, the employee will be not purged. **MAIN TAB – EARNINGS BUTTON** **Vacation Carry-Over Hours** = Vacation Hours Accrued – Vacation Hours Used **Vacation Hours Accrued** is reset to zero **Vacation Hours Used** is reset to zero **Sick Carry-Over Hours** = Sick Hours Accrued – Sick Hours Used **Sick Hours Accrued** is reset to zero **Sick Hours Used** is reset to zero **3rd Benefit Carry-Over Hours** = 3rd Benefit Hours Accrued – 3rd Benefit Hours Used **3rd Benefit Hours Accrued** is reset to zero **3rd Benefit Hours Used** is reset to zero If the Reset Employee Benefit Limits at Year-end flag is is selected in P/R options. **MAIN TAB – TAX SUMMARY BUTTON – FEDERAL BUTTON** Pension Plan **field** is reset to zero Cafeteria Plan Deduction **field** is reset to zero Allocated Tips **field** is reset to zero Fringe Benefits **field** is reset to zero Non-Qualified Plan **field** is reset to zero Dependent Care Benefits **field** is reset to zero If the Reset Employee Benefit Limits at Year End flag is selected in P/R Options: • **Annual Limit hours (Vacation)** is reset to Benefit Schedule Code defaults • **Annual Limit hours (Sick)** is reset to Benefit Schedule Code defaults • **Annual Limit hours (3rd Benefit)** is reset to Benefit Schedule Code defaults
Employee Tax Summary (PR3)
Federal Tax records: QTD & YTD fields for wages and taxes are reset to zero **State Tax records**: QTD & YTD fields for wages and taxes are reset to zero **Local Tax records**: QTD & YTD fields for wages and taxes are reset to zero

Employee Earnings/Deductions Summary (PR4)
Earnings Records All Earnings Codes records are removed. New records get created upon posting the initial payroll for the new year **Deductions records** • The QTD, YTD Deduction Amount fields are set to zero for all Deduction Codes • The Month 1, 2, and 3 fields are set to zero for all Deduction Codes • Deduction Codes that have achieved their Deduction Goals are purged. The exception to this is for pension-type deductions with a standard limit amount. The flag in Deduction Code Maintenance allowsyou to reset pension-type deduction balances at year-end equal to the goal.

Check History (PR5)
The Check History file is cleared.

Worker's Comp Detail File (PRM)
The Worker's Compensation Detail file is cleared.

Quarterly Tax Recap (PRO)
The Quarterly Tax Recap file is cleared.

941 Form File (PRR)
The 941 Form File is cleared.

W-2 Helpful Hints

Make sure all W-2s, Governmental Reports, 941s, and other reports have been printed with the proper past year Tax Table installed before performing Year-end Processing.

- From the Payroll **Setup** menu, select **Payroll Options**. Select the Retain Year to Date Check History check box.
- Also select the Retain Perpetual Payroll History check box. Quarter-end doesn't affect this field, but it is important when updating checks.

W-2 Printing

- Before the first Payroll of the new year, you must print your W-2 forms.
- Any new year Payroll data updated before the W-2 forms are printed will be included in the employees' past year payroll totals.
- If you are unable to print the W-2 forms before the first pay period of the new year, back up your Payroll data files so they can be restored in their entirety. Then change your new year Tax Table limits back to the past year limits when you are ready to print the W-2 forms.
- W-2s do not print in alphabetical order by state. If you wish to print in this fashion, enter the state in the Sort field on the Employee Maintenance screen. On the W-2 Form Printing screen, choose to sort printing based on the Sort field.
- Subtotals are no longer required for the reporting of Federal W-2 information. Enter *zero* (0) in the Sub-Total on Form field on the W-2 Form Printing screen.
- The last W-2 form printed is not a grand total. It is the final sub-total of the forms that have been printed since the prior sub-total was printed.
- The 4 Per Page W-2 option does not provide a Copy A. If you purchase 4 Per Page W-2s you must also purchase a set of 2 Per Page to meet filing requirements.

Use the PRZRK2 utility for laser W-2 printer alignment. More information can be found in PR3000-ABC.

NOTE

Printing in Windows to a local printer can cause difficulty when the printer becomes jammed, runs out of paper, or receives an off-line message. This is because MAS 90 may print directly to the printer port and Windows does not return an off-line message when printing to a local driver. Because of this, we strongly recommend that you:

- Print to a network printer whenever possible.
- Always keep enough forms available so the print job does not have to be restarted.
- Always perform a direct print. DO NOT print from preview or to deferred printing.

  If your forms get jammed or you run out of paper when printing W-2 forms, stop the print job, then fix the paper jam or fill your paper supply. Set the same selection criteria as the original print run and enter the specific employee to restart printing. Failure to use the same selection criteria may result in incorrect sub-total information for W-2 forms.

Tax Table Maintenance

When you install the new year Payroll Tax Table Update, all the current State and Federal tax tables will be replaced with new tables supplied by Sage Software, Inc. All Federal and State tax tables for the new year will be updated automatically unless you have specifically excluded a state tax table from the update by selecting the Exclude This Table From Tax Update check box in Tax Table Maintenance.

Local tax information will not be updated. You must manually enter changes in local tax ranges using Tax Table Maintenance. For more information, refer to *Tax Table Maintenance* in your Payroll manual.

Make sure you have printed tax tables for any special changes that were made to any State or Federal tax table so that you can reenter that information in Tax Table Maintenance after the new year Payroll Tax Table Update has been completed.

Three important facts to remember

- There is no future period in Payroll
- Tax tables are system-wide files, therefore changes made to the tax tables affect all company codes
- Limits printed on W-2 forms come from the tax tables

Payroll Year-end Example 1

Completing Year-end Processing prior to running new year Payroll:

1. Back up the Payroll data files after all past year payroll data have been entered and updated.
2. Print W-2 forms and all payroll reports.
3. Process W-2 Magnetic Media Reporting, if applicable, and verify that the file(s) were created.
4. Run Year-end Processing. When complete, verify that the P/R Options have incremented correctly to Quarter 1.
5. Install the new year Tax Tables.
6. Process new year Payroll checks.

Payroll Year-end Example 2

You must run Payroll for the new year before printing W-2s.

1. After all Payroll data has been entered and updated, back up the Payroll data files.
2. Create a new company code in Company Maintenance. Use SVDATA to copy data files for P/R, G/L, and M/R from one company to another.
3. Perform Year-end Processing. When complete, verify that the P/R Options have incremented to Quarter 1.
4. Install the new year Tax Tables.
5. Process Payroll for the new year as usual in the live company.
6. When ready to print W-2 forms and year-end reports for past year Payroll, reinstall the past year Tax Tables. Access the company you created using SVDATA. Print W-2s and all reports.
7. Process W-2 Magnetic Media Reporting, if applicable, and verify the file(s) were created.
8. Install the new year Tax Tables before processing another payroll.

Allocated Tips

W-2 Box 8

Definition: Calculated tip amount allocated to all employees if the tips reported are less than the specified percentage of the establishment's gross receipts for a given pay period. The specified percentage is entered in Payroll Options.

- Gross receipts for a given period are entered through Payroll Data Entry so the files are properly updated.
- Allocated tip amount is printed for informational purposes only.
- An earnings code is set up, flagged as not subject to any taxes by default.
- Not included in the wages, tips, and other compensation amount (Box 1).
- Not included in Social Security wages (Box 3), Social Security tips (Box 7), and Medicare wages & tips (Box 5)

Deceased Employee's Wages

- If an employee dies during the year, then accrued wages, vacation pay, and other compensation paid after the date of death are not reported in Box 1 of the W-2.
- The income must be reported in Box 3, 1099-MISC.
- If the payment is made in the same year as the death, then Social Security wages (Box 3), Social Security tax withheld (Box 4), Medicare wages & tips (Box 5), and Medicare tax withheld (Box 6) must be withheld and reported.
- All wages paid to the employee during the current year but prior to death are also reported on the W-2 and are subject to the appropriate taxes.

For payments made after death

- Set up a new earnings code that is subject only to FICA, Medicare, and state taxes (if applicable).
- Payments made after death are not subject to federal withholding or FUTA.
- Perform Payroll data entry and update.
- Payments made after the year of death are not reported on the W-2 and no taxes are withheld.
- The W-2 must reflect the appropriate wages in Box 1 and Box 3, and Box 5, as well as withholdings in Box 2, Box 4, and Box 6.
- W-2s must include all wages and withholdings prior to death.
- W-2s must also include wages subject to FICA and Medicare as well as withholdings for FICA and Medicare made after death within the calendar year of that person's death.

Dependent Care Benefits

Qualified Plan

- A qualified plan allows the dependent care benefits to be set up as a cafeteria plan. The total amount of dependent care benefits is reported in Box 10. Any amounts over $5,000.00 must be reported in Boxes 1, 3, 5, 16, and 18
- Two deduction codes may be needed. The first deduction code is set up as a cafeteria deduction to reduce the taxable wages until the $5,000.00 maximum exclusion has been reached. This amount is not subject to federal withholding, unemployment, social security, or Medicare. After the $5,000.00 maximum exclusion has been reached, a new cafeteria deduction code must be set up so that taxes are no longer reduced.
- The deductions must be taken out during Payroll data entry and updated to correctly to report all amounts over the $5,000.00 exclusion limit in Boxes 1, 3, 5, 16, and 18.
- This amount must be entered manually in the Dependent Care field in Employee Maintenance to be reported in Box 10 of the W-2. Open the employee record in Employee Maintenance. Click the **Tax Summary** button. In the Tax Summary window type *FED* in the State field. Enter the amount in the Dependent Care field.
- This type of deduction is not reported on the W-2 in Box 12.

Nonqualified Plan

- A nonqualified plan does not meet the requirements for tax-favored status. Taxable wages are not reduced, therefore the deduction code cannot be set up as a cafeteria plan. The amount deducted must be reported on the W-2 in Box 11.
- This amount must be entered manually. In Employee Maintenance, click the **Tax Summary** button, type *FED* in the State field, and enter the amount in the Nonqualified field so it will be reported on the W-2 in Box 11.
- Do not assign a Box 12 label to the W-2 Box 12 Label field in Deduction Code Maintenance.

Fringe Benefits

- All taxable fringe benefits are reported in Box 1 and, if applicable, in Boxes 3, 5, 16, and 18.
- Set up an earnings code as a type "F".
- You can set up as many "Fringe" type earnings codes as you need but only one offsetting deduction code can be used. MAS 90 will automatically create an "FB" deduction code for the amount of the earnings.
- If you have already processed the last check of the year, a manual check with zero taxes and a net amount of zero must be entered. MAS 90 will not allow a negative check.

  NOTE

  "Fringe benefit" is not a maintainable field on the Federal Tax Summary screen in Employee Maintenance. Use the correct procedural method to record this amount. The **Fix** button (available to users with Supervisor rights) will allow access to this field.

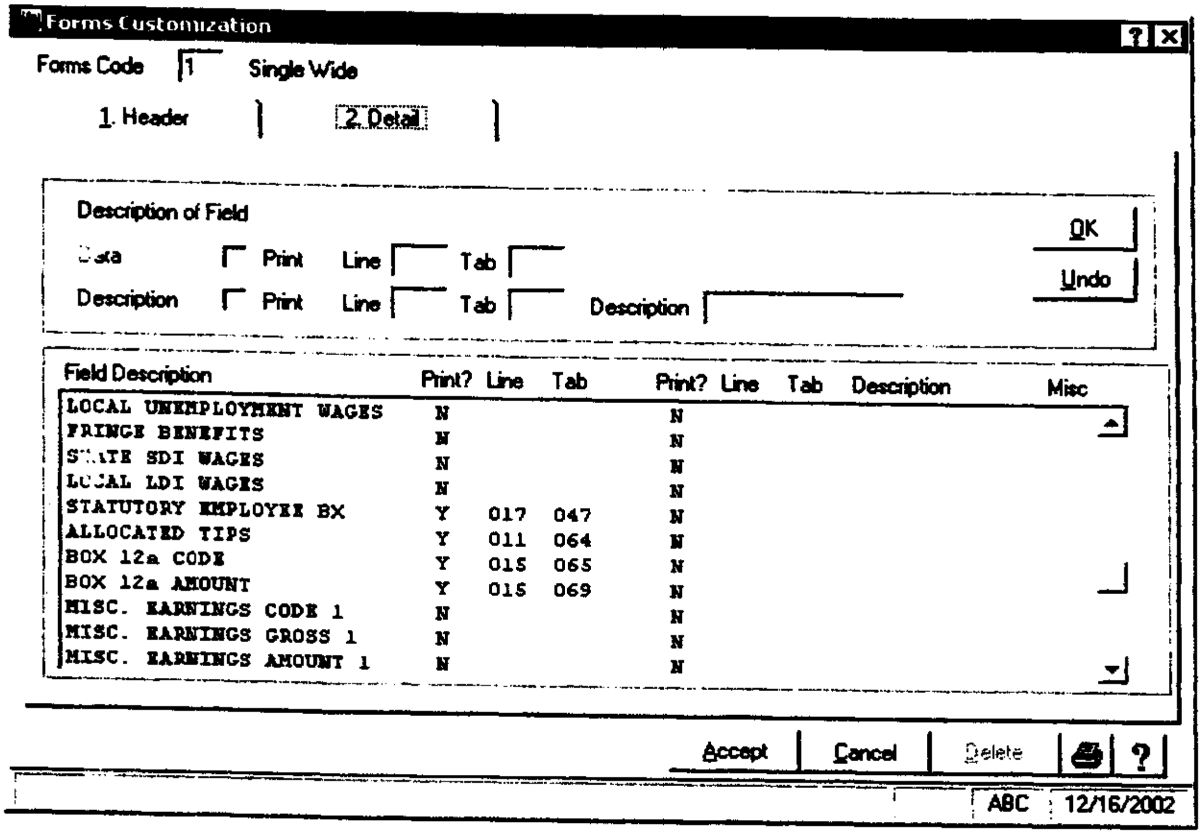
There is only one Fringe Benefits box, to which all fringe benefit earnings will update. See the Payroll manual's *Helpful Hints* section for additional information on fringe benefits.

Group Term Life

Coverage over $50,000.00

- If the employer paid for group-term life insurance in excess of $50,000.00 for an employee, the employer must report the amount determined on the W-2 (refer to IRS publications 15 and 15-A as well as the applicable state publication). The amount must also be reported in Box 12 with a code of "C".
- Create a type "M" earnings code and flag the applicable taxes.
- Create a deduction code with the amount equal to the earnings code and a Box 12 label of "C".
- The label "C" must also be entered on the W-2 Form Printing screen.

Select **W-2 Form Printing** from the **Period End** menu. Click the **Form** button to open the Forms Customization screen, then click the **Details** tab. Scroll through the list and select BOX 12a, verify the Print check box on the Data line is selected.



Coverage under $50,000.00

- Create an earnings code with type "M" and flag the applicable taxes.
- Create a deduction code with the amount equal to the earnings code.
- On the W-2 Form Printing screen, enter the appropriate Misc. Earnings code to print.
- Select **W-2 Form Printing** from the **Period End** menu. Click the **Form** button to open the Forms Customization screen, then click the **Details** tab. Scroll through the list and select the Misc. Code 1 and Misc. Deduction Amount 1 list options, then select the Print check box in the Data line.
- The deduction code and amount will print in Box 14 of the W-2.

Moving Expenses

- Qualified moving expense reimbursements are excluded from wages and reported in Box 12 of the W-2.

- Create a deduction code with the Deduction Type set to *Standard Deduction* and a W2-Box 12 Label of "P".
- In Payroll Data Entry enter the deduction code with a negative amount.
- In the W-2 Form Printing screen type *P* in one of the Box 12 Label boxes.
- Make sure that the Print check box on the Data line for Box 12 is selected.

Reimbursements

The MAS 90 system is designed to handle reimbursements in Accounts Payable. You can set up a negative deduction code as a workaround to provide a reimbursement to the employee in Payroll. Using a negative deduction will increase the net amount of the check without affecting gross wages.

401(k) Plans

Qualified Plan

- To print an "X" in the Retirement Plan field for Box 13, select the Pension/Profit Sharing check box on the **Main** tab in P/R Employee Maintenance.
- To disable printing an "X" in the Retirement Plan field of Box 13 for all employees, clear the Print check box on the Data line for the Retirement Plan Box list option on the **Detail** tab.

Other Pension Plans

- If pension plans other than 401(k) are used, Box 12 labels must be set in Deduction Code Maintenance.
- In W-2 Forms Customization on the **Detail** tab, the Print check box on the Data line for Box 12 list option must be selected in order to print on the W-2 form. The Box 12 label must be entered manually on the W-2 Form Printing screen.

SDI-State Disability Insurance

- Many states require that the SDI amount be printed on the W-2 form.
- This amount is normally printed in the Local Tax box.
- In W-2 Forms Customization on the **Detail** tab, the Print check box on the Data line for State Disability Withheld and State SDI Wages must be selected.
- Select the Print check box on the Description line for State SDI Wages and enter a description.

Box 12

- To print information in Box 12 of the W-2, set up a deduction code with a Box 12 label in Deduction Code Maintenance.
- When printing W-2 forms, enter the label in one of the boxes for the Box 12 Label field in the W-2 Form Printing screen.
- In W-2 Forms Customization on the **Detail** tab, the Print checkbox on the Data line for the Box 12 list option must be selected.

3rd Party Sick Pay Reporting

- MAS 90 does not support 3rd party sick pay.
- An insurance company is usually responsible for making this payment to the employee. Depending upon the sick pay plan, it may be required that this information is reported on the W-2. Refer to the IRS publication 15-A. If you determine that this information is to be reported, you must identify which boxes need to contain this information. In most instances you will be able to use the following resolution.
- Create an Earnings Code with the Type of Earnings field set to *Miscellaneous* and flag all applicable taxes.
- Create a Deduction Code with the Calculation Method field set to *Equal to Earnings Code(s).*
- If you have Supervisor rights, click the **Fix** button in the Tax Summary window in Employee Maintenance to make corrections in the Federal and State screens and increase the FED W/H, Employee FICA, Employee Medicare, and State W/H taxes.
- The user must manually check the Third-Party Sick Pay box (Box 13) on the W2 form itself.

Period-end Reports

Quarterly Governmental Report

- Reads information from the PR3 file based on the record type (Federal, State, and Local).
- Fields can be changed in Forms Customization to display wage information like gross wages, withholding wages, or FICA wages.

Quarterly 941 Report

- You can print the Quarterly 941 Report using plain paper or a preprinted form.
- This report cannot be modified in Forms Customization.
- You can modify the data within the report by using PRZDRR. Select **Run** from the **File** menu, then type *PRZDRR* and click **OK**.

DE6 Report (California only)

Although MAS 90 does not support the California DE6 report, you can design the report using Forms Customization. The following documents provide information about configuring your DE6.

- Resolution ID: 414519
- PR3004-A
- RA#7726
- The form requires modifications to the Quarterly Governmental Report. See Resolution ID: 414519 for an explanation of the modifications.