Year End Preparation and Processing

Keith Perkins, CPA
318.213.0375 x106
keith@ascgllc.com

12.07.12
Sage Software User Group Meeting

Accounting Systems Consulting Group, LLC

Year End Topics

- Archiving Prior Year
- IRD?
- Key point for 2012 and 2013
- Payroll Procedures
- 1099 Procedures
- Electronic Reporting
- Closing Modules
- Miscellaneous
- Product changes for the new year
- Software and Services we provide

Archiving Prior Year

Accounting Systems Consulting Group, LLC

Archiving for 4.x

- Instructions found in Help
  - Select LM Main, Company Maintenance
  - In the Company Maintenance window, enter a company code and company name (i.e.: F12 (company code), ABC Distributing 2012 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

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 an 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
  - If using Fed/State Efiling & Reporting, access those programs to force an update on 12/20
  - Logon to Customer Portal to download
- IRD is for Payroll, 1099 & Electronic Filing Modules

IRD Download Instructions

- Use your login into customers.sagenorthamerica.com upper right hand corner login button
- Scroll down to "updates" Choose Sage 100
- Select Interim Release Download
- 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 2012 reporting is finished.

Key Points for 2012 Payroll end of year processing

- Employee payroll paycut is in effect for 2012 at 4.2% Employer is still 6.2%.
- Employer Sponsored health care coverage reporting is required for tax year 2012. This rule is optional for employers that were required to file fewer than 250 Forms W-2 for the preceding calendar year.
- What is included in the "health care coverage" dollar amount? See the chart in the handouts.
- Tip: Ask your health insurer to provide you with this information because each health insurer is required to report this to the IRS (Code Section 6055 reporting). I would bet the IRS is comparing these numbers!
- FICA limit for 2012 is $110,100

Key Points for 2013 Payroll and taxes

- Employee payroll paycut expired and back to 6.2% Employer is same at 6.2%.
- Flexible Spending Accounts limit reduced to $2500 from $5000
- New for 2013; additional Medicare tax withholding of .9% on payroll wages in excess of $200,000 per employee. EE only new marginal rate of 2.35%
- New Medicare Tax on unearned income equal to 3.8% of lessor of net investment income or MAGI over threshold. (FYI, doesn't affect your payroll process but it is a Medicare Tax).
- FICA limit for 2013 is $113,700

Payroll Procedures

First-let's talk about your options….

- Option one-use Mas standard W-2 and 1099 program to print forms and use standard Mas Electronic Reporting module to file with authorities. (easy!)
- Option two-use the "Federal and State E-filing and Reporting options in payroll and accounts payable to print W-2's (prints on 4-up Blank stock W-2's) and 1099's (prints on 4-up Blank stock 1099's). (easier!!)
- Option three-call us to pick up your payroll files remotely and we will print the W-2's for you and e-file for you. (easiest!!!)

Payroll – Printing W-2s

- Changes to W-2s for 2011 & 2012
  - Added box 12 code "DD" for Health Care Value
- Preprinted form printing
  - Test your printing to plain paper to resolve alignment issues and check totals and boxes
- Ensure you have installed the IRD update

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

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 $110,100).

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 2012

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/deduction limits

Payroll – Additional Features

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

But I need to run a Payroll in 2013 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

- <u>Be careful</u> 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
- 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 ($110,100) – OASDI limits before printing of W-2s.
- 941 updates – If your 941 does not have 2012 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 2013.

Employer Sponsored Health Care printing on W-2's

- To add the Code DD Box 12 amount to employee W-2's:
- Create a deduction code "DD" and define as an employer Contribution, file in box 12 code DD.
- Add to each employee and input the health care amount in the Y-T-D field.
- Repeat for each employee
- OR to populate all at once from a spreadsheet,
- Create spreadsheet with department, employee no, and amount
- Apply the deduction code DD to all employees,
- Run Shane's VI import job (email him for it)

Health Care Value in Abra HRMS

- Caution: you should test these setting in test environment before changing your live production system
- For Abra HR linked to mas payroll, use the prior Mas instructions to setup the deduction type employer contribution to pass the amount from Abra to Mas and onto the W-2's.
- For Abra HR/PR, link the HR insurance plan to a deduction for health insurance that uses the Type..

Health Care Value in Abra HRMS

- ...Code DD in the deduction maintenance. For example a medical plan linked to a payroll deduction of medical plan with a type of "Section 125 Cafeteria Code DD" plan. Sage added the "Code DD" designation to several of the deduction types to be applicable to the type of medical plan you offer.
- Once the Q4 update is installed the logic will be in the program to actually print the Code DD amount on the W-2's.

Important Deadlines

Date	Description
December 17, 2012	Interim Release Download available from Sage
December 10, 2012	BSO will begin accepting tax year 2012 submissions
January 1, 2013	Update payroll system to reflect the 2013 wage base rates (TTU after W-2 processing is finished)
January 31, 2013	Deadline for supplying W-2s to employees (a Thursday this year)
February 28, 2013	Deadline for filing paper W-2s; may need to electronically file states by this date, also. (check with individual states) (a Thursday)
April 1, 2013	Deadline for filing electronic W-2s (The SSA will consider electronic annual wage reports for tax year 2012 to be late if submitted after this date.)

Payroll

Questions? Comments?

1099 Procedures

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.)

- 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 <u>all</u> 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

Accounts Payable

Questions? Comments?

Electronic Reporting Procedures

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 <u>strongly</u> recommended for all entities
  - Mas has links build in on the menu for IRS & BSO

Electronic Reporting (cont.)

- Cost of module – $545.00
- 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

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!!

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.

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.

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 http://customers.sagenorthamerica.com, scroll down to bottom of page, choose Sage 100 , Support Home Page, Year End Processing Information.

Coming in 2013, V 5.0 or 2013

- Hybrid or connected services (web-enabled) as cloud plan.
- Accounts Payable expanded inv. # (20 Characters)
- Vendor and Customer statuses of inactive
- Display cleared checks in AP
- Additional info in item maintenance/inquiry.
- Ability to post ACH info in detail to bank rec.
- Paperless office can now use public mail servers.
- Multiple company codes into one CRM Database.
- Mas order entry screen in CRM without license.

- Credit card processing in Mas moving to Sage Exchange with <u>card swipe</u> capability, charges for repetitive invoices, <u>mobile payments</u>.
- Since Exchange will handle the CC processing, Mas will not longer be subject to PA-DSS compliance.
- Expected to be compatible with Windows 8.

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 <u>very soon</u> with the level of assistance you would like.

Software We Provide

- Core software products:
  - Mas 90 and Mas 200 and Mas200 SQL
  - Sage Abra HRMS &/or Payroll
  - Sage FAS Fixed Assets
  - Sage CRM
  - Insperity Time and Attendance

Services We Provide Continued

- Services we provide:
  - Operational support and consulting
  - Technical support and upgrades
  - Integrations and workflow management
  - Training and User Group Meetings
  - Merchant Services (Credit Cards)
  - Payroll Paycards

Questions?
User Group Meeting Suggestions?

Accounting
Systems
Consulting
Group, LLC

Sage MAS 90 and MAS 200
User Group Meeting

December 07, 2012
Year End User Group
Meeting

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

- Review PPACA and how it is processed in Mas and Abra
- Information Reporting for W-2's and 1099's for 2012
- Archiving and Closing of Modules
- New features in Mas version 5.0 and Abra update
- Software and Services we provide

318-213-0375 x.106 • 318-227-0324 FAX • keith@ascgllc.com
7330 Fern Ave., Suite 202 - Shreveport, LA 71105

IRS

Form W-2 Reporting of Employer-Sponsored Health Coverage

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage.

Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families). However, federally recognized Indian tribal governments are not subject to this requirement.

Transition Relief
For certain employers, types of coverage, and situations, there is transition relief from the requirement to report the value of coverage on the 2012 Forms W-2 (the forms for calendar year 2012 that employers generally are required to provide employees in January 2013). This relief will apply to future calendar years until the IRS publishes additional guidance. However, any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued. See the "Optional Reporting" column in the below chart for the employers, types of coverage and situations eligible for the transition relief.

Reporting on the Form W-2
The value of the health care coverage will be reported in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer's employees.

In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart, below, and the questions and answers for more information.

An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2.

The chart below illustrates the types of coverage that employers must report on the Form W-2. Certain items are listed as "optional" based on transition relief provided by Notice 2012-9 (restating and clarifying Notice 2011-28). Future guidance may revise reporting requirements but will not be applicable until the tax year beginning at least six months after the date of issuance of such guidance.

The chart reviews the reporting requirements for Box 12, Code DD, and has no impact on requirements to report these items elsewhere. For example, while contributions to Health Savings Arrangements (HSA) are not to be reported in Box 12, Code DD, certain HSA contributions are reported in Box 12, Code W (see General Instructions for Forms W-2 and W-3).

Form W-2 Reporting of Employer-Sponsored Health Coverage			
Coverage Type	Form W-2, Box 12, Code DD		
	Report	Do Not Report	Optional
Major medical	X		
Dental or vision plan not integrated into another medical or health plan			X
Dental or vision plan which gives the choice of declining or electing and paying an additional premium			X
Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts		X	
Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits	X		
Health Reimbursement Arrangement (HRA) contributions			X
Health Savings Arrangement (HSA) contributions (employer or employee)		X	
Archer Medical Savings Account (Archer MSA) contributions (employer or employee)		X	
Hospital indemnity or specified illness (insured or self-funded), paid on after-tax basis		X	
Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer	X		
Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium

On-site medical clinics providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Wellness programs providing applicable employer-sponsored healthcare coverage	Required if employer charges a COBRA premium		Optional if employer does not charge a COBRA premium
Multi-employer plans			X
Domestic partner coverage included in gross income	X		
Governmental plans providing coverage primarily for members of the military and their families		X	
Federally recognized Indian tribal government plans and plans of tribally charted corporations wholly owned by a federally recognized Indian tribal government		X	
Self-funded plans not subject to Federal COBRA			X
Accident or disability income		X	
Long-term care		X	
Liability insurance		X	
Supplemental liability insurance		X	
Workers' compensation		X	
Automobile medical payment insurance		X	
Credit-only insurance		X	
Excess reimbursement to highly compensated individual, included in gross income		X	
Payment/reimbursement of health insurance premiums for 2% shareholder-employee, included in gross income		X	

Other Situations	Report	Do Not Report	Optional
Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)			X
Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year			X
Forms W-2 provided by third-party sick-pay provider to employees of other employers			X

The chart was created at the suggestion of and in collaboration with the IRS' Information Reporting Program Advisory Committee (IRPAC). IRPAC's members are representatives of industries responsible for providing information returns, such as Form W-2, to the IRS. IRPAC works with IRS to improve the information reporting process.

Related Information:

- IR-2011-31, IRS Issues Interim Guidance on Informational Reporting of Employer-Sponsored Health Coverage
- Notice 2010-69, Interim Relief with Respect to Form W-2 Reporting of the Cost of Coverage of Group Health Insurance Under § 6051(a)(14)
- IRS YouTube Video, W-2 Health Insurance Reporting
- Webinar, Reporting of Employer Healthcare Coverage on Form W-2

Page Last Reviewed or Updated: 04-Aug-2012

Keith Perkins

From: Keith R Perkins, CPA [keith@ascgllc.com]
Sent: Tuesday, December 04, 2012 6:22 PM
To: keith@rlscpa.com
Subject: Reminder--Upcoming ASCG User Group Meeting: Year - End

Accounting Systems Consulting Group, LLC

Keith R. Perkins
keith@ascgllc.com
318-213-0375 x106 - 318-227-0324 FAX
7330 Fern Ave., Suite 202 - Shreveport, LA - 71105
P.O. Box 52952 - 71135

Dear Keith,

Once again we are ending another year! To prepare, we have our next User Group Meeting planned. We will review the following agenda items:

- Review PPACA requirements as they pertain to Mas and Abra
- Review Information reporting for W-2's and 1099's for 2012
- Archiving and closing modules
- New features in Mas 5.0 and Abra update
- Software and services we provide.

User Group Meeting Details

Please join us for our next meeting. Meet with other Sage software users.

Topic: Year End User Group Meeting

Date/Time: Friday, December 07, 2012, 12:00 - 1:30 pm (registration begins at 11:45 am)

Cost: $10.00 per person, lunch provided

******* ***Change of Location*** ********

Location: LifeShare Blood Centers (8910 Linwood Avenue at the 3132 interchange)

For those of you eager to order your W-2's for year end, visit https://sage.checks-and-forms.com/homePage.do?client=Mas90 and choose forms that are either 2 per page or 4 per page (4-up). If you would like to add the program to your Mas to print to 4-up blank W-2 stock, call us for pricing.

For Abra payroll, use https://sage.checks-and-forms.com/product/productSelection.do?method=start&classTypeId=3&classId=10&productType=Laser W2's and W3's at this website and choose between 2 per page, 4 per page (4up) or 4-up blank stock (remember to choose the forms with the instructions on the back if needed).

To register now, click here http://www.ascgllc.com/mas90-mas200-user-group/ to go to our website's page for registration, or you can always cut and paste this address into your web browser. We have made many updates to our website so feel free to browse while there!

We hope to see your registration form soon! Call Ruth at 213-0375 x103 if you have any questions regarding this User Group Meeting. If you need help with your system, contact Shane at ext. 105 or Keith at ext. 106.

As always, we value your business and we strive to make the most out of your investment in Sage and Accounting Systems Consulting Group.

Accounting Systems Consulting Group, LLC

110-530260 - How to report Employer-Sponsored Health Care coverage on the W-2

Entry Type: Informational

Product: Sage MAS 90 ERP, Sage MAS 200 ERP

Application: Payroll

Version Reported: 4.30 and higher

Subject:

How to report Employer-Sponsored Health Care coverage on the W-2

Possible Resolution:

The IRS has announced that they would defer the new requirement for employers to report the cost of coverage under an employer-sponsored group health plan by making that reporting by employers optional in 2011. You can see more information in the IRS Newsroom Release located here and the interim guidance for reporting here.

The ability to include **Box 12 Code DD** on W-2 form was included in the **2011** IRD and will provide the required reporting for 2012. For versions 4.30.0.18 through 4.40.0.8, please verify 2011 IRD was installed before installing 2012 IRD. To verify 2011 IRD was installed, run the Activity Log (listed under Library Master > Reports menu) and look for "description" of "Installed 2011 Year End Changes".

Note: Versions 4.50 & 2013 already include these changes.

Create an Employer Contribution deduction:

1. Open Payroll / Setup / Deduction Code Maintenance
2. Enter a new deduction code
3. From the **Deduction Type** drop-down menu, select **Employer Contribution**
4. If applicable, enter **DD** in the **Box 12** Code field.
5. Enter or select the remaining applicable fields and click Accept

Assign the Employer Contribution to employees:

1. Open Payroll / Main / Employee Maintenance
2. Select the applicable Employee No
3. Click the **Deductions** button
4. Select the **Ded Code** created above
5. Enter the **per-payroll contribution amount** in the **Ded Rate** field
6. *If applicable*, check **Automatic** checkbox and click **OK.**

NOTE: If adding these amounts at the end of the year, populate the **Ded. Y-T-D** field with the year to date contribution amount.

7. Click Accept twice
8. Repeat Steps 5-9 for all applicable employees

To display on the W-2:

NOTE: W-2s printed using eFiling and Reporting automatically print the Box 12 code amounts and do not require the steps below.

1. Open Payroll / Period End / W2 Form Printing
2. Enter the DD in the Box 12 Codes field
3. Select the applicable W2 Form to Print
4. Click the 'Form' button and on the Details tab, verify Box 12 is set at 'Y' (yes) to print the data

Accounting Systems Consulting Group, LLC

What's Inside

Sage 100 ERP Year In Review

New Capabilities Available Now And In The Future

As the year comes to a close, it is a good time to review what has taken place with the Sage 100 ERP product line and look ahead to upcoming enhancements.

Sage Focuses On Cloud Computing

While most organizations choose to keep their primary ERP system on-premise, cloud-based solutions enable you to add capabilities without investing in new infrastructure, training new personnel, or licensing new software. Cloud computing encompasses any subscription-based or pay-per-use service that extends existing functionality in real time via the Internet. Cloud-based solutions are especially useful for applications where regulations or rates change frequently, such as payroll and sales taxes, and shipping costs.

Sage has been steadily adding cloud-based solutions to its Connected Services solutions. Today there are many highly useful subscription-based solutions for sales tax, payroll e-filing, credit card processing, e-marketing, and financial and business reporting. Just added in 2012 is Sage ERP Shipping by SmartLinc.

SmartLinc, a replacement for the previous shipping solution, is a subscription-based service that supports up to 2,000 small parcels per month. Virtually all carriers are supported. You also can use it for LTL and truckload shipping, and even your own delivery fleet. Integration with Sage 100 ERP means that shipping labels are populated automatically, and that all shipping information and costs are written back to the Sales Order module. Customers are automatically notified of the shipment and tracking information, and complete shipping history is retained. All of the Connected Services offer similar integration, so you get the benefit of added functionality from right within your Sage 100 ERP workflow.

Sage 100 ERP 2013 Overview

For most of the year, Sage has been working on a new release, Sage 100 ERP 2013. This release is available for early adopters, and will be generally available for download by customers in early December. Here is a high-level overview of what is included.

Sage CRM

Sage 100 ERP 2013 includes integration and workflow enhancements for Sage CRM. Now you can map multiple companies to a

Continued on page 2

Sage 100 ERP Year In Review

(continued from cover)

single Sage CRM system and synchronize user-defined fields between ERP and CRM. It also is possible now for salespeople to enter a quick order in Sage CRM and send it to Sage 100 ERP, without having to open the Sage 100 ERP user interface.

Customer Requested Enhancements

Based on feedback from customers, the module enhancements in Sage 100 ERP 2013 allow you to:

- Use up to 20 characters in the Accounts Payable invoice number
- Place Customers and Vendors in a new status of ***Inactive***
- View Cleared Checks in Vendor Maintenance
- View ACH electronic payment details in Bank Reconciliation
- See the on-hand quantities and prices on the main tab of the Inventory Maintenance Screen

Sage Exchange And Credit Card Processing

With this release, the Credit Card Processing module will run on the Sage Exchange Payment Processing platform. Sage Exchange helps reduce fraud exposure and costs of PA-DSS compliance by storing cardholder data in the secure, cloud-based Sage Exchange vault. There are many enhancements to credit card processing functionality in the release as well, such as the ability to pre-authorize an amount that is different from the sales order, and the ability to accept credit cards during Accounts Receivable invoice creation.

Sage Advisor

Sage Advisor allows for direct communication between Sage and your Sage 100 ERP system. With this release, you have the ability to schedule when to check for updates, view available updates, and download hot fixes and updates.

The initial release of Sage Advisor allowed you to choose to send data on the way you use the software automatically to Sage developers. In less than one year Sage has received 2.6 million uploads for Sage ERP products. This information is used at Sage to identify where the heaviest usage occurs in the software, allowing developers to prioritize their focus. This also assists with operating system support, potential migration concerns, and system capacity.

Paperless Office Easier To Use

A big component of Paperless Office is the ability to send reports and forms by email as needed. With Sage 100 ERP 2013, Paperless Office uses SMTP authentication. As a result, you will no longer need to maintain your own email server and can securely send Paperless Office documents via email services such as Google Mail, Yahoo, AT&T, and Hotmail.

Fixed Asset Enhancements

Fixed Asset product families have been combined, so Fixed Assets now includes functionality for government, nonprofit organizations, Canada, and the U.S. in one product. New with this release, you can edit notes and attach PDF files to assets. For a quick overview and a virtual tour visit: www.sagefixedassets2013.com

Sage Intelligence

Sage is working to make the new Sage 100 ERP Intelligence module easier and faster to use. This release enhances navigation, improves productivity, and is easy to learn.

New Visual Process Flows

A last-minute addition to the 2013 release, Visual Process flows can lower the learning curve for key processes. The Visual Process Workflows are interactive HTML pages that provide a graphical view of the steps in a process, with links to the various tasks along the way. They serve as both a self-help tool and as a launching page for the steps in the process. You can use the included Workflows, or design your own with this intuitive tool. Seven Process Workflows are included in the 2013 release: Sales Order, Returns, Shipping, Inventory, Physical Count, Purchase Order, Accounts Receivable, and Accounts Payable.

SQL-Based Payroll

The stand-alone, SQL-based payroll for Sage 100 Premium ERP became available in the third quarter of 2012 and integrates with the General Ledger. The software includes standard tax tables and electronic media reporting for all states, as well as unlimited direct deposit accounts and automatic ACH file creation. The system utilizes Sage Payroll Tax Forms and eFiling by Aatrix®.

Looking Ahead

Looking ahead, Sage plans to focus on the distribution modules for enhancements to Sage 100 ERP 2014, with a major release scheduled for August 2013. Also planned are Sage CRM Cloud integration, Mobile Payments, ACH Receivables, and additional credit card processing capabilities.

Version Retirements

Please note that support ended for Version 4.2 on September 30, 2012.

Please give us a call with your questions.

Year-End Information For Payroll Tax Law Changes, Including 1099 And W-2 Form Completion

One of the most time-sensitive parts of year-end processing is the completion of the necessary tax forms and the updating of Sage 100 ERP Payroll software and tax tables in order to be ready to run payroll in the new year. Late-breaking changes by the government often require that this be a last-minute process for both Sage and Sage 100 ERP customers. Here we provide an overview of supported versions, what is needed for Payroll W-2 reporting, and of the timing of availability of the software updates.

Supported Versions

For 2012 year end, Sage is providing updates for Sage 100 ERP Versions 4.3, 4.4, 4.5, and 2013. The Q1 2013 Tax Table Update and Year-End IRD (Interim Release Disk) are the last ones that will be available for Versions 4.3. If you are still running 4.3, please plan to upgrade to a more current version of software during 2013 in order to receive future TTUs.

What Is Needed For Payroll W-2 Reporting?

For Versions 4.3 and 4.4, you will need first make sure you have at least the minimum supported Product Update installed, and then apply the IRD. The minimum supported Product Updates are as follows:

- **Version 4.4:** PU 4.40.0.1
- **Version 4.3:** PU 4.30.0.18

After verifying your PU version number, install the 2012 Year-End IRD before producing W-2 forms.

For Sage 100 ERP Version 4.5 or 2013, you can install either the IRD or the Product Update that is scheduled to be released in December. The PUs that include ther IRD are as follows:

- **Version 4.5:** PU 4.50.5
- **Version 2013:** PU 2013.1

Once year-end Payroll processing is completed, you will need to download and install the Q1 2013 Tax Table Update before processing your first payroll for 2013.

Availability Of Year-End Updates

The Q1 2013 Tax Table Update (Often referred to as the year-end TTU) and IRD will be available for download from the Sage Customer Portal on December 17, 2012. Sage will continue to update the TTU with late-breaking changes as necessary throughout January 2013.

In the same time frame, Federal and Sage eFiling and Reporting also will be updated for both W-2 and 1099 form production. After December 20th, you can access eFiling and Reporting within Sage 100 ERP and the system will prompt you to apply the online automated update.

1099 Reporting

The IRD also includes changes for 1099 forms, so you will need to install the IRD if you need to print 1099s. The minimum version number you must have installed before installing the IRD are the same as those listed for W-2 reporting.

Printing Forms

Federal Forms W-2 and W-3 are not required to be printed on the official form. Sage has incorporated an approved substitute that can be printed on plain paper with an ink jet or laser printer. However, substitute forms should not be printed on red paper.

The Sage Tax Forms Division provides approved 2012 IRS forms that are the only ones guaranteed to be 100 percent compatible with Sage 100 ERP. To order forms, go online at https://sage.checks-and-forms.com or call 800-538-5514. Note: When ordering year-end forms please make sure to specify whether you need e-filing forms or standard Sage 100 ERP forms.

Module Closing Sequence

It is essential to perform year-end closing in the proper module sequence. The period-end and year-end processes performed in one module often write data to another module, so to close the modules out of order may cause damage to your data.

Note: Before you begin any year-end closing procedures, ensure that you have a complete and verified back up of your data.

Modules should be closed in the following order—after you have backed up your data:

- **Bill of Materials**[1]
- **Work Order**[1]

  [1]**Note:** While there is no formal year-end processing procedure in these modules, all transactions should be entered and posted before proceeding with year-end processing in the other distribution modules.
- **Bar Code**
- **Purchase Order**
- **Sales Order**
- **Inventory Management**
- **MRP**
- **TimeCard**[2]
- **Electronic Reporting**[2]

  [2]**Note:** While there is no formal year-end processing procedure in these modules, all transactions should be entered and posted before proceeding with year-end processing in Payroll.
- **Payroll**
- **Accounts Receivable**
- **Accounts Payable**
- **Job Cost**
- **General Ledger**

If you are running modules not on this list, for example e-Business Manager, or a third-party product, there may be special considerations involved in year-end closing. Give us a call and we will advise you on the best procedure for closing your year in Sage 100 ERP.

General Module Closing For Sage 100 ERP

Here we provide general module closing procedures for the most common modules. For your convenience we indicate the modules that have only recently been updated to the Business Framework. Modules that have not been updated to the Business Framework maintain buckets of data by year (year-to-date, prior-year, etc.). These data receptacles are initialized during year-end processing, so year-end processing is time sensitive and must be performed in the first month of the new year. Regardless of your version, the Payroll module is the most time sensitive when it comes to year-end processing because there is no future period.

((Tips & Tricks))

How To Find Your Sage 100 ERP Version Number

To find the version number for Version 4.0 and above:

- **Expand Library Master, Setup, and System Configuration.**
- **Double-click Modules. The version of each module is listed in the Level column.**

Use this document as a guide. We highly recommend that you save time, paper, and filing cabinet space by using Paperless Office to electronically archive the reports. *See Page 8 for more information.*

Purchase Order

Ideally, Sage 100 ERP Purchase Order Year-End Processing should be performed before any transactions are updated for the new year. If that is not possible, remember that for Versions 4.3 and prior the future posting capability for Purchase Order is limited to one accounting period beyond the current period. Failure to close Purchase Order before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports. If you have upgraded to Version 4.4, the limit of one future accounting period no longer applies.

1. Before closing the Purchase Order module for the year, be certain that:

- All purchase orders for the prior year have been entered.
- All receipts, invoices, returns, and issues have been entered and updated.
- The current Purchase Order date agrees with the period-end date.
- A backup of Purchase Order files is made.

2. From the Reports Menu the following reports should be created and retained:

- Open Purchase Order
- Open Purchase Order by Item (optional)
- Purchases Clearing by Item and by Product Line Reports (should reconcile to the General Ledger Control account)
- Cash Requirements (optional)
- Receipt History
- Purchase History
- Purchase Order Recap (optional)

3. Purchase Order Full Period and Year-End Processing performs the following housekeeping tasks:

- Sets the PTD and YTD quantity and dollars purchased fields to zero.
- Removes completed purchase orders according to the number of days designated in the Purchase Order Setup options.
- Removes master and repeating orders that have expiration dates on or prior to the period-end date from the open purchase order file.
- Advances current period in Purchase Order Setup Options to the next period and year.

Sales Order

1. Before closing the Sales Order module for the year, be certain that:

- All Sales Order invoices for the current year have been entered and updated.
- The current Sales Order date agrees with the period-end date.
- A backup of the Sales Order data files has been made.

2. From the Reports Menu the following reports should be created and retained:

- Open Sales Orders
- Open Orders By Item (optional)
- Back Order (if applicable)
- Customer Sales History (optional)
- Monthly Recap (optional)

3. Sales Order Full Period and Year End Processing performs the following housekeeping tasks:

- Resets the PTD and YTD Sales, Cost of Goods Sold, and Quantity Sold fields in the daily and monthly Sales Recap files to zero.
- Resets the periods for current year, quantity shipped, dollars sold, and cost of goods sold; and moves current year Quantity Sold to Prior Year Quantity Sold in the Sales Order Customer Sales History file.
- Removes master and repeating orders from the open sales order file that have expiration dates on or prior to the period-end date.
- Advances current period in Sales Order Setup Options to the next period.

Inventory Management

Ideally, Inventory Year-End Processing should be performed before any transactions are updated for the new year. If that is not possible, remember that for Versions 4.3 and prior the future posting capability for Inventory Management is limited to one accounting period beyond the current period. Failure to close Inventory Management before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports. If you have upgraded to Version 4.4, the limit of one future accounting period no longer applies.

General Module Closing For Sage 100 ERP

The Inventory year-end process should occur immediately after Purchase Order and Sales Order year-end processing and before Accounts Receivable year-end processing.

1. Before closing Inventory for the year, be certain that:
- All adjustments have been entered and registers updated.
- Current Inventory date agrees with period-end date.
- A backup of Inventory files has been made.

2. From the Reports Menu the following reports should be created and retained:
- Inventory Trial Balance (should tie to the inventory accounts on the G/L Trial Balance for the same period).
- Stock Status (quantities reflect day printed).
- Inventory Valuation (it should tie to G/L inventory account as of the day it is printed).
- Inventory Negative Tier Adjustment (from Period-End Menu). Be certain to update this report.

Note: Any negative tiers should be resolved before closing and making any new year entries.

3. The Inventory Full Period End and Year End Processing performs the following housekeeping tasks:
- Calculates beginning average cost (by item by warehouse) and average on-hand quantity.
- Resets PTD and YTD quantity sold and issued, quantity returned, dollars sold, and cost of goods sold.
- Moves current year information to prior year fields in the Inventory Item Warehouse Detail file.
- Removes any zero quantity costing tiers for LIFO, FIFO, Lot, or Serial items (if applicable).
- Advances current period in Inventory Setup Options to next period and year.

To perform year-end processing, select the option Full Period End Processing. This ensures that the ending period is the last period of your year.

Payroll

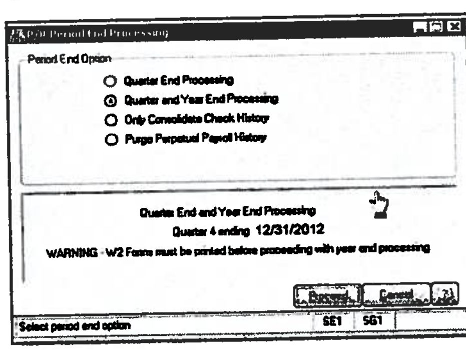
The Payroll module is based on a calendar year. There is no future period in Payroll. You cannot post a payroll with a check date in a future quarter until the current quarter is closed by selecting Quarter and Year End Processing from the Period End menu. Before proceeding with year-end processing, make sure the Quarterly Governmental Report, Quarterly 941 Form, and employee W-2 forms have been printed. Consider creating a company to archive your 2012 information (Page 7) and review year-end update information (Page 3).

1. Before closing the Payroll module for the year, be certain that:
- All payroll cycles have been entered and updated for the quarter.
- All checks written during the quarter (including manual) have been entered and updated.
- Payroll System Date is set to the last day of the calendar year.
- Correct tax tables are installed (2012 for 2012 Year-End Processing).
- W-2 forms are printed and verified.
- Electronic Reporting files, if applicable, are processed and created.
- A backup of the payroll files has been made. Check and double-check the backup.

2. The following reports should be created and retained:
- Quarterly Tax
- Payroll Check History
- Quarterly Pay Period Recap
- Earnings
- Deductions
- Quarterly Governmental
- Quarterly 941 Form
- Benefit Accrual
- Workers' Compensation

3. Be certain to reconcile QTD and YTD totals on all reports.

4. Payroll Period-End Processing performs the following housekeeping tasks:
- Resets the QTD and YTD employee fields to zero.
- Increments the current year to the next year.
- Changes the current quarter from 4 to 1.
- Resets employee benefit limits according to Payroll Options Setup.
- Resets Pension Plan, Cafeteria Plan Deduction, Allocated Tips, Fringe Benefits, Non-Qualified Plan, and Dependent Care Benefits fields to zero.
- Sets all quarterly/yearly reports to zero.
- Removes check history and perpetual history depending upon your system settings.
- Purges terminated employees.
- Purges standard deductions that have met goals.



Once you have completed year-end processing for Payroll, be certain to install the Q1 2013 TTU (tax table update) for 2013 before the first payroll run of the year.

Accounts Receivable

1. Before closing the Accounts Receivable module for the year, be certain that:
- All invoices and cash receipts have been

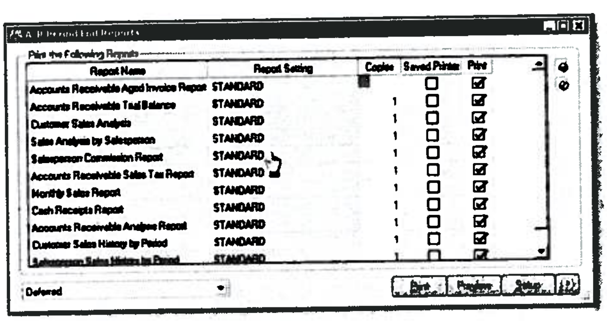
General Module Closing For Sage 100 ERP

entered and updated.

- Finance charges have been run and updated (if applicable).
- Customer statements have been printed (if applicable).
- The Accounts Receivable System Date is set to the last day of your fiscal year.
- A backup of the Accounts Receivable files has been made.
- Any AP from AR Clearing has been processed.

2. From the Reports Menu the following reports should be created and retained:

- Aged Invoice
- Trial Balance (this amount should agree and be reconciled to the General Ledger account before completing year-end processing)
- Customer Sales Analysis
- Cash Receipt Report
- Sales Analysis by Salesperson
- Salesperson Commission
- Sales Tax (if applicable, this report should be printed and cleared each month)
- Monthly Sales Analysis (optional)
- Monthly Cash Receipts
- Accounts Receivable Analysis



3. Accounts Receivable Full Period and Year End Processing performs the following housekeeping tasks:

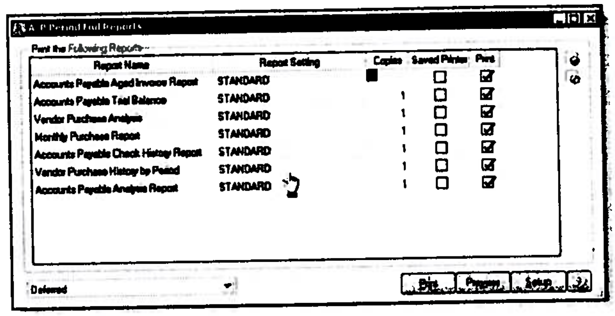
- Purges AR Monthly Cash Receipts file (unless retained in AR Options).
- All PTD and YTD fields in the Customer Masterfile are reset.
- Purges PTD and YTD COG in AR Analysis by Salesperson. Moves current year information to prior year. PTD and YTD sales, gross profit, and commission amounts are reset in the AR Salesperson masterfile. YTD information is moved to the prior-year field.
- Purges all temporary customers with zero balances.
- Purges various customer history files according to the parameters you selected in Accounts Receivable Options. We recommend you check these parameters prior to performing year-end processing.
- Sets current fiscal year to next sequential year and the current period changes to 1.

Accounts Payable

You do not need to print 1099 forms before proceeding with the Accounts Payable year-end processing because Sage 100 ERP has a separate 1099 calendar year in Accounts Payable options.

1. Before closing the Accounts Payable module for the year, be certain that:

- All invoices have been recorded in both the Accounts Payable and Purchase Order modules.
- All checks are printed and updated.
- All manual checks written during the month have been entered.
- The current Accounts Payable date agrees with the period-end date.
- Accounts Payable files are backed up.
- AP from AR clearing has been processed.
- 1099 data for the calendar year is verified.



Note: If your 1099 information is not correct, please check with us for instructions before proceeding with year-end closing.

2. From the Reports Menu the following reports should be created and retained:

- Aged Invoice
- Trial Balance (this amount should agree and be reconciled to the General Ledger account before completing period-end processing)
- Vendor Purchase Analysis
- Monthly Purchase
- Check History
- Accounts Payable Analysis
- 1099 printing to paper (verification only)

3. Year-end processing takes place automatically when period-end processing is performed for the last period of the fiscal year. Accounts Payable Full Period End and Year End Processing performs the following housekeeping tasks:

- Resets the PTD and YTD purchases, payments, and discounts fields in the vendor master file to zero. Moves current year information to prior-year fields.
- Removes all temporary vendors, and any associated memos, with zero balances from the vendor master file.
- Purges vendor, 1099, and check history according to the number of days to retain history in Accounts Payable Setup Options.
- Sets current fiscal year to next sequential year and the current period changes to 1.

General Module Closing

General Ledger

Sage 100 ERP allows you to post to unlimited future periods/years; however, you can only print accurate financial statements for one future year.

1. Before closing General Ledger for the year, be certain that:

- The current General Ledger date agrees with the year-end date.
- Balance Sheet is in balance.
- Budget revisions are entered through Budget Revision Entry and the Budget Revision Register is run.
- All activity and adjustments in modules integrated with General Ledger are complete in the year to be closed.
- Recurring Journals have been printed and updated.
- Allocations have been posted if necessary and the Allocation Journal has been updated.
- General Journal adjustments have been entered.

  Note: The General Ledger Worksheet is a useful tool in determining which adjustments to make.
- Daily Transaction Register is printed and updated.
- A backup of the General Ledger files has been made. This is even more important for General Ledger than the other modules. Do not neglect this step. Label and store the backup for safekeeping.
- A second backup has been performed. Label and store the backup for safekeeping, once year-end processing is completed.

2. From the Period End Report Selection menu confirm the list of reports you wish to print during year-end processing. The reports you select here will print automatically during year-end processing if you check the Print Period End Reports box on the Period End Processing window. At a minimum, the following reports should be created and retained:

- General Ledger Detail (the reports for periods 01–12 should be printed and retained)
- Trial Balance
- Standard Financial Statements
- General Ledger Analysis
- General Ledger Worksheet
- Balance Sheet

3. Year-end processing takes place automatically when period-end processing is performed for the last period of the fiscal year. Year-end processing performs the following housekeeping tasks:

- Sets current fiscal year to next sequential year and the current period changes to 1.
- Clears all income and expense account balances and posts net profit to the Retained Earnings account.
- Creates next year's budget based on your setup options in the Auto Budget feature in General Ledger Options.

  Note: Options determine how you create next year's Current Budget. The options are: copy this year's Actual or do nothing to next year's Current Budget.
- Transaction history may be purged based on how you have set the Number of Years to Retain General Ledger History setting in the General Ledger Options. It is advisable to retain at least seven years of history.
- To perform period-end processing, select the option Period-End Processing from the General Ledger period-end menu, ensuring that the period number displayed is your final period of the year.

Please call us if you have any questions or concerns regarding year-end processing—we would be happy to assist you.

Create An Archive Company In Three Easy Steps

At year end, it is useful to establish an archive company for the year's data using the Copy Company feature. This gives you a readily accessible copy of the current year's data even after you perform year-end processing in your live company. To make a copy, select the Company Maintenance task from the Library Master module, Main Menu. Create a company code that is easy to identify, such as A for archive and the last two digits of the year—A12 for the year 2012. Next, from the new company's Company Maintenance screen, click on the *Copy* button and enter the Company Code of your current year's live company. You will be presented with a list of the installed modules in that company and you can select which modules you wish to copy to your archive company. The steps below provide an overview of the process.

1. Set Up A New Company:

Create a new (archive) Company Code into which your 2012 data will be copied. Next, enter in the source company code (your current live company) to copy the data from.

2. Select Modules To Copy:

For the purpose of creating an archive company, we suggest you select all modules and copy them to your new company code.

3. Confirm:

After you have confirmed your selection, answer *Yes* to the prompt to copy all selected data files to the archive company. It is that easy.

Housekeeping

If you have been archiving companies for more than seven years, now might be a good time to delete older ones you no longer need.

IN THE SPOTLIGHT:

Paperless Year-End Processing

At year end it is important to generate and retain many reports from your Sage 100 ERP system for audit purposes. But if you are still printing those reports to paper, you can realize substantial cost savings by using Paperless Office. Let's learn more.

The Cost Of Printed Reports

The financial costs of printing out all the documents we use every day are measured not just in paper cost, but also the printer and copier maintenance and ink/toner, postage, recycling, storage, and disposal costs. Storage costs in particular add up quickly because your business may need to rent storage space needed for your archived documents.

Another significant cost is labor. Studies show that 40 to 60 percent of an office worker's time is spent handling paper, which translates to 20 to 45 percent of an organization's labor costs and 12-15 percent of an organization's expenses.

Another study reported that on average 7.5 percent of documents are lost, and another 3 percent are misfiled. And it costs an average of $120 in labor to find a single misfiled document and $250 to recreate a lost document.

Paperless Year-End Processing

So if your year-end journals and reports are taking hours to print and requiring a huge amount of cabinet space, now may be a good time to establish procedures for producing and storing reports using Paperless Office and to save them as PDF files. When your documents are stored electronically, they can be quickly and easily retrieved if needed for an audit. When reports are generated from a period-end menu, the file name includes the company code, the module, the report name, and the period-end date, making it easy to find reports when needed.

Paperless Office includes the ability to choose which documents can be viewed, delivered, and stored. You have the option to keep only the latest copy of a period-end report. Regenerating a report will overwrite the last copy. If you decide to keep every copy of the report generated, a sequence number will be appended to the filename so you can tell which is the most recent copy.

View Paperless Reports

The **View Paperless Period End Reports** option allows you to view your reports generated in all modules and all company codes. Naturally, all reports respect the standard Sage 100 ERP security—a user not authorized for a report menu option will not be able to view that report in Paperless Office. You also can delete reports from this view. It provides a central place for you to refer to all your audit reports.

Make A Physical Archive

After you have generated all your period-end reports, don't forget the all-important step of making a backup. We recommend saving the reports twice to writeable CD or other removable media. Store one copy at a secure off-site location. Give us a call for assistance.

Contact Information

Accounting Systems Consulting Group, LLC

7330 Fern Avenue
Suite 202
Shreveport, LA 71105
318-213-0375
318-227-0324 fax
keith@ascgllc.com
www.ascgllc.com

Authorized Partner