Year End Preparation and Processing

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12.11.13
Sage Software User Group Meeting

Accounting Systems Consulting Group, LLC

Year End Topics

- Archiving Prior Year
- IRD?
- Key points for 2013 and 2014
- Payroll Procedures
- 1099 Procedures
- Electronic Reporting
- Closing Modules
- Miscellaneous
- Product changes for the new year
- Software and Services we provide

Archiving Prior Year

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Archiving for 4.x & 2013

- Instructions found in Help
  - Select LM Main, Company Maintenance
  - In the Company Maintenance window, enter a company code and company name (i.e.: F13 (company code), ABC Distributing 2013 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 & 2013

- 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?

- 2013 IRD - Supported Versions:
- · 4.40.0.1 – 4.40.0.10
- · 4.50.0.0 - 4.50.0.7 / 2013 PU 3-4
- IRD – interim release download; see the FAQ's document; available approx 12/20
  - Contains changes for this year's filing season
  - Check external backup before installing IRD
  - If using Fed/State Efiling & Reporting, access those programs to force an update on 12/20

IRD Download Instructions

- Logon to Customer Portal to download

- IRD is for Payroll, 1099 & Electronic Filing Modules
- Instructions are included in the FAQ provided
- 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 2013 reporting is finished.

Key Points for 2013 Payroll EOY & Obamacare

- Health Insurance reporting on W-2's (box 12 code DD):
- From IRS Notice 2012-9:" **Q4. What transition relief is being provided by Notice 2012-9? To which employers and types of coverage does it apply and how long does it last?**
- A. For certain employers and with respect to certain types of coverage listed below, the requirement to report the cost of coverage will not apply for the 2012 Forms W-2 (the forms required for the calendar year 2012 that employers generally are required to provide employees in January 2013) and will not apply for future calendar years until the IRS publishes guidance giving at least **six months** of advance notice of any change to the transition relief. However, reporting by these employers and for these types of coverages may be made on a voluntary basis.
- The transition relief applies to the following:
- (1) employers filing fewer than 250 Forms W-2 for the previous calendar year ."

Key Points for 2013 Payroll/taxes/ObamaCare

- Employer Sponsored health care coverage reporting is required for tax year 2013. 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 2013 is $113,700/2014 limit is $117,000
- Flexible Spending Accounts limit reduced to $2500 from $5000
- Recall that the FUTA tax rate had been dropped from .8% to .6%

Key Points for 2013 Payroll/taxes/ObamaCare

- 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).

Payroll Procedures

Who is Aatrix?

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!) 2013 is the last year for this option. If on Sage 100 2013 version you can still use this. Do file run..*unhidetaxforms
- 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 2013
  – No form changes!
- 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 $113,700).

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 2013

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 2014 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

- 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
- 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 ($113,700) – OASDI limits before printing of W-2s.
- 941 updates – If your 941 does not have 2013 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 2014.

- You can order the forms from www.sagechecks.com

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.

Important Deadlines

Date	Description
December 20, 2013	Interim Release Download available from Sage
December 23, 2013	BSO will begin accepting tax year 2013 submissions
January 1, 2014	Update payroll system to reflect the 2014 wage base rates (TTU after W-2 processing is finished)
January 31, 2014	Deadline for supplying W-2s to employees (a Friday)
February 28, 2014	Deadline for filing paper W-2s; may need to electronically file states by this date, also. (check with individual states) (a Friday)
March 31, 2014	Deadline for filing electronic W-2s (The SSA will consider electronic annual wage reports for tax year 2013 to be late if submitted after this date.)

Payroll

Questions? Comments?

1099 Procedures

AP Year End Processing

- Copy Company
- 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 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)
- Decide whether to use Aatrix's E-filing to print and/or efile or the standard program.

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

Accounts Payable

Questions? Comments?

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

Electronic Reporting (cont.)

- 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 if not already done
- Full period end check lists are included in the help section of Sage 100.
- 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
- 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 again after changes and also backup

Miscellaneous

Miscellaneous Help on Year End

- Forms website –www.sagechecks.com or call 800-617-3224

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

Came 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 card swipe capability, charges for repetitive invoices, mobile payments.
- Since Exchange will handle the CC processing, Mas will not longer be subject to PA-DSS compliance.
- Compatible with Windows 8.

Changes for version 2014

- Available End of 1st Qtr 2014
- Selected Auto-Complete, new searches
- Sage Intelligence added to menus
- PR-added more box 12 codes
- Sage Data Cloud and AR billing & payment
- Sage Mobile Sales for iPad
- Sage Mobile Service

Personnel Update

Shane's new addition…..

Alyssa Michal Lafitte!

W-2 / 1099 Assistance

- We can take the entire Sage 100 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 soon with the level of assistance you would like.

Software We Provide

- Core software products:
  - Sage 100 Std/Advanced/Premium
  - Sage Abra HRMS &/or Payroll
  - Sage FAS Fixed Assets
  - Sage CRM
  - Insperity Time and Attendance
  - See website for much more

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?