



DECEMBER 2016

YEAR-END GUIDE

Payroll Alerts

FICA rates: For calendar year 2017, the amount of earnings taxable for Social Security will rise from \$118,500 to \$127,200. The employer tax rate will remain unchanged at 6.2%. The maximum Social Security tax payable by an employee will then rise to \$7,886.40. Employers will match the employee's tax. The Medicare rate for calendar year 2017 will be 1.45% with no maximum. Employers will match the employee's tax.

PAUC rate: Beginning January 1, 2017, the first \$9,750 of wages of each employee is subject to employer tax. The PUC office will notify employers of their 2017 employer tax rate on a contributions notice, Form UC-657. The employee rate for 2017 will continue to be .07% with no wage cap.

It is recommended that you update your tax tables in QuickBooks® before running every payroll. You can download a tax table update by choosing the Employees drop down menu and Get Payroll Updates.

Important Changes to W-2 and 1099 Filing Deadlines

Beginning with 2016 forms, employers will now have one filing deadline of January 31 for all Federal W-2s. This deadline is the same for both employee AND agency copies, and is the same whether you file paper or electronic.

The new January 31 deadline also applies to certain types of 1099s. If you're filing Form 1099-MISC and reporting amounts in Box 7: Nonemployee Compensation, then you will need to meet the new filing deadline of January 31. If you do not have amounts in Box 7, then the deadline remains February 28 for paper filings or March 31 for electronic filings.

With this new deadline, it is important for employers to be well prepared to complete year-end tasks. Please see "Prepare and Send 1099 Forms" on page 3 to learn more about Form 1099 requirements.

Prepare Your QuickBooks® File For Year-End

- Reconcile all bank and credit card accounts. Be sure your reconciliations are current.
- Review your year-end bank reconciliations for old outstanding checks or deposits.
- Verify petty cash entries are up-to-date and balance your petty cash account.
- Review Accounts Receivable Summary and Accounts Payable Summary reports for accuracy.
- Review Balance Sheet and Profit and Loss reports for accuracy.
- Compare loan statements with your interest expense account in QuickBooks® to make sure interest is accurately recorded for the fiscal year.
- Check payroll reports for accuracy. If you use an outside payroll service, compare year to date amounts from reports to QuickBooks® totals.
- Review detail of all new assets purchased during the year and make copies of the receipts for your accountant.

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QuickBooks® Tips

QuickBooks® Desktop Tip: Right-click menus are present everywhere throughout QuickBooks Desktop. It is a useful alternative to relying only on the toolbar. For example, highlight an account within the Chart of Accounts and right-click on your mouse to see the different operations available from this menu.

QuickBooks® Online Tip: You can view a list of recent transactions on individual forms. When you are in a transaction, click on the clock in the upper left corner to view recent transactions of the same form.

Need Help?

Contact one of our Certified QuickBooks® ProAdvisors

Barbara Sanborn
bsanborn@troutcpa.com

Donna Patterson
dpatterson@troutcpa.com

Elizabeth Herr
bherr@troutcpa.com

Jackie Wilson
jwilson@troutcpa.com

Michael Carr, CPA
mcarr@troutcpa.com

Sharon Sacks, CPA
ssacks@troutcpa.com

Kristin Antrim
kantrim@troutcpa.com

Jean Havens
jhavens@troutcpa.com

Krista Gagliardo
kgagliardo@troutcpa.com

Jim Steltz
jsteltz@troutcpa.com

Julie Harner
jharner@troutcpa.com

- New treasury regulations regarding repairs and maintenance require capitalization. Please contact your accountant for more information.
- Take a physical inventory and reconcile with your QuickBooks® inventory.
- Verify setup of 1099 vendors and accounts. (See additional 1099 information on page 2)
- File year end forms W-2, W-3, 1099, 1096, 940, 941, PAUC, Local reconciliation returns, and LST returns.
- Set a fiscal year-end closing date in QuickBooks®.
- Create a backup copy of your file for your accountant.

Send Your QuickBooks® File To Your Accountant

The first step is to create a backup copy of your QuickBooks® file. In your company file, go to Backup Company and create a local backup. Click on Options and Browse to your desktop. Save the backup copy to your desktop to make it easier to find when uploading to ShareFile. Next time you backup your company file, be sure to change the Options back to your normal backup location.



There are multiple ways to send your company data:

1. **ShareFile** - The preferred method is to upload your file through our website at www.troutcpa.com. On the home page, you will see a link to our ShareFile portal in the upper right hand corner of the page (there is also a link at the bottom of most emails from TEG employees). Enter your e-mail address and password. If you do not have a password, click “Forgot your password?” and a new password will be sent to your e-mail address. You can then upload your backup to our secure ShareFile portal.
2. **USB Flash Drive** - Save your file to your removable disk drive.
3. **CD** - To save data to a CD, you must have a read-writable CD drive and software for writing to a recordable CD.

Contact a QuickBooks® ProAdvisor for help with transferring your QuickBooks® file.

Review Your Payroll Setup For Year-End

- First, print an Employee Contact List and verify employee addresses and Social Security Numbers are correct.
- Verify your company name, address, EIN, and payroll contact information in the Company Information screen.
- Use the correct tax tracking type on payroll items to help ensure that amounts appear in the correct box on Form W-2 and on other federal and state forms. Review by printing a payroll item listing.
- Download the latest payroll tax forms by going to the Employee drop down list and choose Get Payroll Updates.
- Review each employee’s W-2 form for accuracy before printing.

What’s New in QuickBooks® 2017

Have you heard about the new 2017 version of QuickBooks®? Are you thinking about upgrading? Here are a few of the new features available in all versions of QuickBooks® 2017 for Windows:

- **Scheduled Reports:** The ability to automate sending reports via email at scheduled times.
- **Search Improvements:** Locating the information that you need, quickly and efficiently, can be important if you have a large amount of information to work with in your QuickBooks® file. A number of search and filter improvements have been implemented that may help you with this task.
- **Report Customization Improvements:** You can now view and print information about what filters have been included in the report, as well as make multiple-record filter selections more easily.

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QuickBooks® Training SEMINARS

QuickBooks® Classes taught by the ProAdvisors of Trout, Ebersole & Groff, LLP.

Trout, Ebersole & Groff offers a variety of learning environments to enhance your QuickBooks® knowledge and efficiency:

- Hands-On classes through The Digital Workshop are held at their training facility in Lancaster. The schedule of classes is posted at thedigitalworkshop.com.
- One-on-One training, tailored to your specific needs, is available by appointment.
- As-needed support and troubleshooting, either in person or by phone, is an option many clients find useful for those occasional times of need. Just call the front desk and ask for QuickBooks® support.

Please feel free to contact our office for more information. Details on these learning opportunities are available on our website at troutcpa.com under Services/QuickBooks®.



- **Security Improvements:** Intuit has changed what components are used by the program to improve security, as well as some other security-related issues.
- **Miscellaneous Improvements:** There are a number of smaller improvements, some of which can be significant depending on your situation.
 - The Record Deposits icon shows the number of deposits that are available.
 - A cleared flag shows on cleared credit card charges.
 - If a User is deleted, the deleted user's name will still show on the audit trail.
 - Your company name will print on the deposit summary.
 - You can copy/paste detail lines on weekly timesheets.
 - There are improved notifications when you switch from multi-user mode to single user mode.
 - More features can be used in multi-user mode.
- **Support for high resolution monitors.**

Prepare and Send 1099 Forms

Every business is required to file Form 1099 information returns to recipients before January 31, 2017, for various payments made in the course of a trade or business during 2016. IRS Form W-9 can be used to obtain a vendor's Taxpayer Identification Number and certify that recipients are not subject to backup withholding. Use Form W-9 for new vendors throughout the year to have the necessary information at year-end when preparing 1099 forms. Some examples of types of payments made and dollar limits that must be reported include:



- Interest and Dividend payments of \$600 or more, or \$10 or more in the case of a financial institution.
- Distributions of \$10 or more from pension plans.
- Payments of \$600 or more for services performed for a trade or business such as: rents or royalty payments, subcontractor/independent contractor payments, legal and accounting fees, payments made to physicians or other providers of health care services.

NOTE: Payments for merchandise, payments reported on Form W-2, and payments to one individual totaling less than \$600 in the calendar year are exempt from the Form 1099-MISC reporting requirements.

Based on current rules for 1099 processing, payments made to most corporations are exempt from reporting. See Form 1099 instructions for more details.

Please contact our office for help with setting up your QuickBooks® file for proper 1099 processing.

ALERT: Pennsylvania tax law requires Form 1099-MISC reporting, beginning with reportable payments made in calendar year 2012. Pennsylvania is not a participating state in the IRS Combined Federal/State Filing Program, so reportable 1099-MISC information will have to be filed directly to the Pennsylvania Department of Revenue.

QuickBooks® Sunset Policy

As of May 31, 2017, Intuit will no longer support QuickBooks® Version 2014. In an ongoing effort to provide reliable high-quality products and services, Intuit periodically "sunset" (or retires) older versions of its QuickBooks® products, thereby discontinuing live support and business services for those versions, including QuickBooks® Standard, Enhanced, and Assisted Payroll. Under this policy, the most current version of QuickBooks®, plus the prior two versions, will be supported, subject to certain exceptions.

To view the entire notice on the Intuit web site, go to:

<http://support.quickbooks.intuit.com/support/DiscontinuationPlan.aspx>

While you will still be able to continue using QuickBooks® 2014 after the time frame when Intuit will actively support it, you will no longer be able to get payroll updates, run payroll through QuickBooks®, or access other QuickBooks® online business services. Therefore, we would encourage you to consider upgrading your QuickBooks® software. Please contact one of our QuickBooks® ProAdvisors for assistance in making this transition.

QuickBooks® Trivia QUESTION

Suppose you have a subcontractor who receives a 1099 from your company, which list should you add them to?

E-mail your answer to jwilson@troutcpa.com using "Trivia" as the subject. The first five responders with the correct answer will win a prize!



TE TROUT, EBERSOLE & GROFF LLP
CPAs | BUSINESS ADVISORS

LANCASTER OFFICE:

1705 Oregon Pike
Lancaster, PA 17601
717-569-2900
Fax 717-569-0141

CAPITAL REGION OFFICE:

5000 Ritter Road, Suite 104
Mechanicsburg, PA 17055
717-697-2900
Fax 717-697-2002

www.troutcpa.com

Check out our QuickBooks® Users Year-End Guide!