Volume 49 December 2010

psi INNOVATIONS

Windows 7 — Great Features You Will Love!

By Mary Mays

As of October 1, 2010, Windows XP Pro is no longer available pre-installed on computers and is now only available by purchasing a Windows 7 Open License with XP Pro downgrade rights and then reformatting the computer with XP Pro. This does add extra cost to the purchase of a new computer, so we don't recommend this unless it is absolutely necessary to comply with older software programs that may not be compatible with Windows 7.

To comply with older software, Microsoft allows computers to run Windows XP Mode or Windows Virtual PC on Windows 7 Professional and Windows 7 Ultimate. These modes allow you to utilize multiple Windows environments, such as Windows XP Mode, from your Windows 7 desktop. For more detailed info about Windows 7 Virtual PC go to: *http://www.microsoft.com/windows/virtual-pc/*.

Once users learn how to navigate in Windows 7, I think they'll love it. The easiest way to find things is by clicking on the Windows start globe in the lower left corner of the screen. This brings up the menu with the cursor in the search window. Here you can type in what you want to find which saves time since you don't have to hunt through the menus to find

see **Windows 7** - page 2

New Bank Reconciliation Enhancements Added with 4.4 Product Updates 2 and 3

Product Updates 2 and 3 added a number of new enhancements for the Bank Reconciliation module. Update 3 also makes MAS 90 and MAS 200 compatible with Microsoft Office 2010.

- **New features to Bank Reconciliation:Automatically Reconcile Checks** – Use the new Auto Check Reconciliation Wizard to create the proper check setting format for your bank's specifications and be able to download your check information from the bank to Bank Reconciliation.
- **Enter Checks, Deposit, and Adjustments On-the-Fly** – The Reconcile Bank screen now has a quick link button to bring you directly to Check or Deposit and Adjustment Entry for that bank.
- **Recalculate Outstanding Entries Totals Utility** – This utility allows you to recalculate the totals of all outstanding checks, deposits, and adjustment entries that have not been marked as cleared. This is located on the Bank Reconciliation Utilities menu.
- **Positive Pay Export** – Positive Pay assists your financial institution monitor against suspicious check activity by using a file you create and submit for comparison and verification. The Positive Pay file contains key information, such as

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INSIDE

QUICK BYTES

Kansas Food Bank

PSI is proud to announce that Doug Jenkins was recently named to the Kansas Food Bank Board of Directors. The Kansas Food Bank is an important and worthwhile organization that provides critical help to Kansans in need.

PSI Holiday Closings

Christmas - Friday, December 24

New Year's Eve - Friday, December 31

Happy Holidays From PSI

Windows 7

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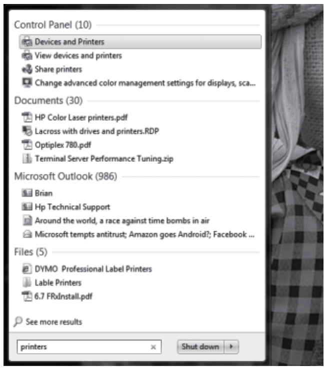


where Microsoft put a specific item! For example, when I click the globe and type in printers, on my computer I get the choices seen to the left.

To add or change a printer setting, click on Devices and Printers. The search displays the results from Windows settings first, then looks in your documents, then your emails and then in files. The results are displayed quickly and usually the first item on the list is what you're looking for.

For easy access to programs, an icon can be 'pinned' to the Start Bar or the task bar (the bar next to the Windows start globe). Right click on an item in your All Programs menu list and an option to 'Pin to Task Bar or 'Pin to Start Menu' will appear. Then you can simply click on the icon in that Task Bar to open the program.

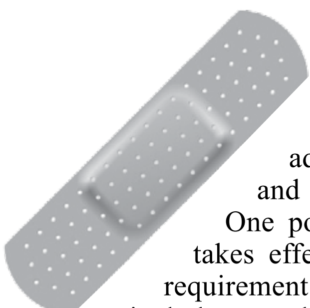
If you want to open more than one instance of a program from the task bar, right click on the icon in the task bar. A menu pops up that lists Recent pages, any tasks associated with the program, and the option to 'unpin' the icon. If you want to open another IE window, left click on Internet Explorer on this menu and another window opens.

Another Windows 7 feature I love is the task bar preview feature. When you have multiple instances of a program open, hovering your mouse over the task bar item brings up a preview of the programs contents. You can click on the item to bring it up or you can close it from this view.

For more information and to watch live demos of Windows 7 features visit *http://www.microsoft.com/windows/windows-7/default.aspx* psi

Impact of Health Care Reform on 1099 and W-2 Reporting

by Ann Jenkins



As we are all aware, the Affordable Care Act impacts employers in many ways. The two areas addressed here are the 1099 and W-2 reporting requirements. One portion of the new law, which takes effect in 2012, will broaden the requirement for filing a 1099-MISC to include not only individuals and partnerships, but all corporations (except tax-exempt organizations) from which a business or nonprofit has purchased $600 or more in goods, as well as rents, services, and financial transactions. These provisions were enacted to reduce noncompliance with tax laws by businesses under-reporting revenues and in turn raise tax revenues to help fund the health care law.

But the business community has come out against these new requirements due to the burden that the additional recordkeeping places on businesses. As of this writing, members of both political parties are working to either repeal or reduce the requirements of this piece of the Act. MAS 90 and MAS 200 Accounts Payable does, of course, support the 1099 reporting.

Keep in mind if the expanded requirements increase the number of 1099s your business will be reporting to 250 or more for federal reporting or to 50 or more for Kansas reporting, you will be required to file electronically. If you don't already have the Electronic Reporting module, you will need to purchase it. In anticipation of this expanded requirement, we suggest you begin requesting W-9 information from all of your vendors in 2011, so that with the start of 2012 your vendor information is updated with Tax ID Numbers and 1099 payments can be tracked for all your vendors from the first of the year.

The other reporting change is on the W-2 form and this requires employers to report the value of the health insurance coverage provided to each employee on his or her Form W-2. This requirement will be optional in 2011 and mandatory in 2012. Keep in mind that the value of the health insurance is not considered taxable income and will not be added to an employee's gross or taxable income. The reporting is for informational purposes only to show employees the value of their health care benefits. Salary reduction contributions to a Health FSA (cafeteria plan) and stand-alone dental or vision plans are excluded. Sage assures us that they are working on this reporting requirement and will be updating Payroll to accommodate this, but availability is not yet known.

This information is subject to change and we will keep you updated on any new developments.

YEAREND 2010

PAYROLL PROCESSING TIPS

By Ann Jenkins

Your first step in Yearend processing should be to make a backup of your company data. Yearend processing in Payroll can only be "reversed" by restoring from a backup, so be sure the backup is readable and is kept in a safe, accessible location. Following are a few reminders:

- Dependent Care Benefits (deducted through a Section 125 Cafeteria Plan) must be manually entered into the Dependent Care box on the FED Tax Summary screen for each employee for these amounts to print on the W-2 form in Box 10. These amounts can be retrieved by printing a Deduction Report for the year for the Dependent Care deduction code.
- Any yearend bonuses or fringe benefits (such as Life Insurance over $50,000 or the personal use of a company car) must be processed through Payroll data entry prior to printing W-2s or closing your Payroll year. These additional items are much easier to process with a regular payroll since FICA and Medicare must be withheld on these wages. Fringe benefits are non-cash benefits and, as such, have no additional dollar amount available from which to actually withhold the employee portion of FICA and Medicare taxes.
- Third Party Sick Pay must be included on the employee's W-2 and on your Quarterly 941, so these transactions must be done through Payroll data entry prior to printing W-2s. The Third Party Sick Pay check box on the employee W-2 must be manually checked.
- When printing your W-2s, be sure to enter the Box 12 code for your Pension Plan on the W-2 Form Printing screen - D for 401(k), E for 403(b), S for Simple IRA, AA for Roth 401(k), BB for Roth 403(b).
- If your company has a Pension Plan, verify that the Retirement Plan check box is checked on the participating employees' W-2s. If it is not checked and the employee has a Pension Plan deduction in Box 12, go to Employee Maintenance and check the Pension Plan/Profit Sharing check box on the Main tab.
- W-2s and yearend reports must be run and your Payroll yearend processing must be completed before beginning your first 2011 Payroll.
- If you are not ready to print W-2s and must begin 2011 Payroll data entry, you can archive your 2010 Payroll data to a new company, close out your 2010 Payroll for the year, and run your W-2s and file electronically at a later date from the new company. Even if you are able to complete yearend processing before your first 2011 payroll, we still recommend creating a new company to archive your 2010 payroll data. The process used to copy company data is version dependent. Please see the article on copying company data.
- The 2011 FICA wage limit will stay the same as the 2010 limit: $106,800.

W-2 and 1099 forms can be purchased through Sage Software, Deluxe Check and at any of the office supply stores or if you prefer to purchase locally, we recommend Superior Computer Supply at 942-5577. If you file electronically with the federal and state government, you can print your employee copies on the laser 4 per page. Sage MAS 90 and MAS 200 accommodates the 4 up forms, not the horizontal 4 per page forms. If you are not filing electronically, please note that the 4 per page will **not** give you a federal copy for the SSA or a state employer copy to file. Versions 4.3 and 4.4x also give you an eFiling option and the ability to utilize blank, perforated W-2 and 1099 forms, available from the Sage Software Forms Division. The eFiling Service through Aatrix is offered on a transaction-fee basis of around $2 per employee to create and mail the employee forms along with filing your federal and state employer forms. For more information, go to *www.aatrix.com.*

The Social Security Administration site and the State of Kansas Department of Revenue site allow you to manually file your W-2s by keying in the W-2 data online. The *ssa.gov* site also gives you the option to print your employee W-2 forms once the data is keyed in. You can get more information on this option is at *www.socialsecurity.gov/employer* under Business Services Online.

If you need help with W-2 form printing or any yearend processing questions, give our office a call.

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ELECTRONIC W-2 and 1099 FILING

If you will be filing 250 or more federal W-2s or 1099s, you are required to file electronically. **Please note**: This means the actual number of W-2s, not the number of active employees. The State of Kansas requires employers who are filing 51 or more W-2s to file electronically. If you filed electronically to the federal government last year, you should receive an Electronic Filing packet from the federal government. All filers are required to have an assigned User ID (PIN) and password. This User ID is valid indefinitely, but your password must be changed yearly. Keep in mind the User ID is assigned to a specific person and if that person is no longer employed by your company or is no longer responsible for electronically filing, then the individual who will be doing the filing must get their own User ID. The SSA website is *www.ssa.gov/employer* and the phone number is 800-772-6270. The State of Kansas accepts the Federal EFW2 format.

If you did not file electronically last year, but will have 250 or more federal W-2s or 1099s to file this year, you will need to purchase the MAS 90 Electronic Reporting module and apply to file electronically with the Social Security Administration. Information on this can be found at the above website for W-2s and at *www.irs.gov* for 1099s. The W-2 Electronic File is submitted electronically online at the *www.ssa.gov/employer* at the Business Services Online site. Instructions are available at this site.

1099 Electronic Filing is done at the IRS site at FIRE – Filing Information Returns Electronically. New users are required to submit Form 4419, Application for Filing Returns with the IRS Electronically, to request authorization to file Information Returns with the IRS. This form should be submitted to the IRS at least 30 days before the due date of the returns for the current processing year. You will receive a TCC (Transmitter Control Code) once your application is processed. You will also need to create a FIRE account at the IRS site. With MAS 90 and MAS 200 versions 4.2 and above, the links to the SSA and IRS filing sites are now a menu item in the Electronic Reporting module.

To file with the State of Kansas you must have a user logon and password. Information and registration can be found at *www.ksrevenue.org/kswebtax.htm*. Along with the electronic filing requirement for employers with 51 or more W-2s, the State of Kansas also requires that the KW-3 withholding reconciliation form be submitted online at this same site. Since the State of Kansas accepts the Federal EFW2 format, we recommend that those employers affected by the filing requirement change purchase the MAS 90 Electronic Reporting module. This module creates a W-2 report file that meets both Federal and State of Kansas filing requirements.

There are changes to the 2010 Electronic Filing formats for both W-2s and for 1099s, so there will be a Sage Yearend Interim Release Download for both of these programs which should be available online approximately December 17.

The filing deadline for 2010 Electronic Filing for W-2s and 1099s is March 31, 2011. Note: this filing deadline is different than the filing deadline for paper returns, which is February 28, 2011.

401(k) LIMITS

Following are the 2011 Annual Contribution Limits and the Catch-Up Contribution Limits for 401(k) and Simple IRA Plans. 403(b) limits are the same as the 401(k) limits. Note: These limits did not change from last year. If you need to update these, you can make the changes on each of your 401(k) Employee Deduction Codes in Deduction Code Maintenance and there is an option to apply the change to only those employees already using that Deduction Code.

Plan	Annual Contribution Limit	Catch-up Contribution
401(k)	$16,500	$5,500
Simple IRA	$11,500	$2,500

If you have a Roth 401(k), keep in mind the 401(k) limits apply to the combined Roth 401(k) and standard 401(k) deductions for each employee.

FILING DEADLINES

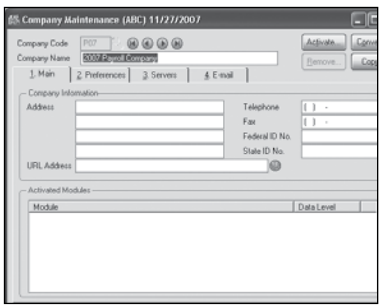
January 31 – Deadline for supplying W-2s to employees

February 28 – Deadline for paper filing of W-2s and 1099s to the federal and state agencies.

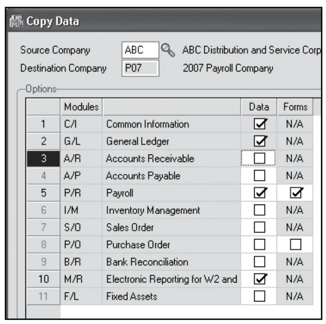
March 31 – Deadline for electronic filing of W-2s and 1099s to federal and state agencies.

COPYING COMPANY DATA

It is a simple task to create a new company in MAS 90 and MAS 200 and then to copy the data from an existing company into the new company. In Company Maintenance on the Library Master's Main Menu you will need to create a new company code for your archived company. In order to easily recognize the Payroll archived companies, it's a good idea to include the last two digits of the year to be archived in the company code. If you will be printing W-2s or creating your Electronic Reporting file from this company, be sure to fill in all of the appropriate company information, including Federal and State Tax ID numbers. Next, from this new company's Company Maintenance screen, click on the *Copy* button and type in or select the Company Code of your current year's live company. You will be given a list of installed modules from which to select the modules you wish to copy to the new archive company.



1. Set up a New Company



2. Modules to Copy

If you are on MAS 90 version 3.71 or older, this company copy procedure is through File/Run in MAS 90 using the program name SVDATA.

After you've finished either process, be sure to change companies to the new company and verify that your Payroll data copied successfully.

TAX TABLE UPDATES

2011 Tax Table changes will be available for download around December 17 on the Sage Online support page to users on current subscription plans. Sage will also be updating the Tax Table Updates with late breaking changes as necessary each week throughout January. These Tax Table downloads are compatible with all 4.x versions. Please note that version 3.71 is no longer supported.

Tax Table changes can also be done manually through the Payroll Setup menu in Tax Table Maintenance by using FED code at the State field. Once we receive the new tax tables we will email them to our payroll users along with the EIC Tables if needed. The FICA employer and employee limits are the same as the 2010 limits ($106,800) and at this time, there have been no changes announced to the Kansas withholding tax tables. Don't forget to also change your Kansas Unemployment rate on the KS Tax Table screen. You should receive your Kansas 2011 unemployment experience rate notice in the mail prior to the end of 2010.

2010 YEAREND FAQs

When will the yearend Interim Release Download (IRD) and Tax Table Update (TTU) be available?
The Q1 TTU and IRD are expected to be available around December 17, 2010, as a download on Sage Online to end users who are on current subscription plans. This update will support the reporting of the New Hire Credit in Box 12 on the 2010 W-2s. Payroll users must have previously installed the Q2 2010 Payroll Update.

Are there required changes this year for 1099 Form printing?
There are no changes to the 1099-MISC form for 2010. Form 1099-DIV has an alignment change and Form 1099-INT has a new Box 10. These 1099 changes are included with version 4.3 or higher. Version 4.2 or lower will require a 1099 update for the 1099-DIV or 1099-INT changes.

What if Congress doesn't come to a decision on the extension of the Bush-era tax cuts before the end of the year?
Sage will update the Tax Tables each week in January with any late breaking tax table changes.

If I file using the Federal and State eFiling option, is an update required and when will it be available?
You will still need to apply the IRD if you use the eFiling options. After December 17, updates specific to eFiling will be available within the Payroll or Accounts Payable modules.

Are there changes to the Electronic Reporting module?
There are required changes to this module for both 1099 and W-2 Electronic Reporting which will be included with the install of the Yearend IRD for Electronic Reporting.

What if I'm not on a current subscription plan and can't download the IRD, but I need to report the New Hire Credit on my W-2 forms?
Give our office a call, so we can help you with a workaround. psi

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Bank Reconciliation

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check numbers and dollar amounts to identify checks you have issued and authorized for payment.

- **Positive Pay Export Wizard** – With this Wizard you can create the proper export file format specified by your bank. Included is a reference document that outlines the most commonly used field formatting and export details required by financial institutions.
- **Post to General Ledger** – This feature allows the user to enter checks, deposits and adjustments for bank fees and interest and post to the General Ledger directly from the Check, Deposit and Adjustment Entry screen and from the Reconcile Bank screen.
- **New columns have been added** – Select for General Ledger Posting, Distribution Account Number, and Comments for Checks. Information entered on the comment field will flow through to the General Ledger when the transaction is posted.
- **Transaction Register** – This new task has been added to the Bank Reconciliation Main menu as well as to the Check, Deposit, Adjustment Entry and Reconcile Bank to provide the ability to post selected transactions entered in Bank Reconciliation to the General Ledger module.
- **Security Events for Bank Reconciliation** – These new features plus access to Bank Code Maintenance have been added as security events in Role Maintenance to limit access to adjusting balance entries and GL posting capabilities.
- **Paperless Office Options for Bank Reconciliation** – The Bank Reconciliation Report and the Bank Reconciliation Transaction Register have been added to the Paperless Office options. psi

Crystal Reports - Tips & Tricks

by Barbara Elder

Changing Orientation

The orientation on a new Crystal Report defaults to Portrait. Sometimes this format is not large enough to fit all of the information needed. This can be changed in the Designer mode.
In Crystal 11.5, go to File, Page Setup and change to Landscape.

In Crystal 10, go to File, Printer Setup and change to Landscape.

Formatting Fonts

Each version of Crystal Reports defaults to a different font and size. For example: Crystal Report version 11.5 defaults to Microsoft Sans Serif and Crystal 10 defaults to Arial. Both default to a Font size 8.

To set a default font when creating a new report or form you would need to make a global change. To accomplish this, go to File, Options, Font Tab and click on each of the buttons to check/change the Font default. Changing the fonts on an existing report requires a different process.