



December 2012 Newsletter

Year End in a Nutshell

We have attached two additional PDF documents – They are a “Year End in a Nutshell” summary for both the 10.5 and v11 versions of TRAVERSE. Note that these are not intended to replace the full year end checklists that we provide, these are just highlights and help focus on the most important steps.

Year End Checklists are available again this year. Call or email us and we can email you an electronic copy, or send you printed copies.

Optionally, we can schedule training on year end steps or review the steps with you ahead of time. Some of these steps can vary a bit from company to company, so a personalized review is best.

Year End support is available as needed, just call us or email support@businesswc.com



From Our Family To Yours

This time of year I like to take a moment to stop and reflect upon this past year as I prepare for the New Year.

I want to thank YOU for your dedication to TRAVERSE and to especially thank you for your support of, and confidence in all of us at BWC.

As we enter this New Year together please know that I am here to assist you with all your accounting and technology needs.

I wish you, your business, and your family health and prosperity during 2013 and beyond.

-Bill

2013 TRAVERSE Customer Conference Announced

If you're planning to join us for the 2013 Customer Excellence Conference, now is a great time to register and to make room arrangements! The conference will be held May 8 - 9 at the Rio Hotel and Casino in Las Vegas. [Visit our conference page](#) to learn more about the conference, to sign up for early bird registration, and to learn how to reserve your room. We're currently planning breakout sessions, so [please send an email message](#) to let us know what you would like to learn more about. We look forward to seeing you there.

General Ledger Budgets

You can be getting a jump on the New Year by entering your 2013 Budget amounts now.

In the Budget Setup you have the ability to either manually enter each month's budgeted amount, duplicate an amount to each month, allocate an amount amongst all twelve months, or, increase or decrease by percentage or dollar amount the actual amounts from this current year.

Budgets can also be done outside of your software in an Excel spreadsheet and imported into your software as a complete budget rather than entering each account inside the software.



Customer Receivables

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This is the time of year when 'cleaning up receivables' is a high priority so that at year end the amounts that your customer's owe you are accurate.

- * Sales tax that was charged and not paid by the customer must be written off using a credit memo against the original taxed invoice and issuing an invoice without the sales tax. This way the Tax Reporting of taxable, non-taxable, and tax amounts will be accurate. You can set up a 'method of payment' as a write off to the sales-tax liability account but this will NOT update the Tax reporting.
- * Invoices and credit memos' that did not have the original invoice number applied or did not have the same invoice number as the original can be tied together by either doing a Split/Reapply in Hold/Release or by doing a negative and a positive cash receipt in the Cash Receipts function.
- * Writing off accounts that will not be collected can be done in this current year by setting up a method of payment that is a write off to the Bad Debt expense account. If you do not know what your bad debt write off's will be until your CPA gives you back the figures you can make the manual adjusting entry in General Ledger the CPA gives you and then when you do the write off in the New Year you will reverse that manual General Ledger entry in the same period you actually do the invoice write off.
- * Remember that many of these adjustments can be done after 1/1/13 and posted back to 2012. To get an accurate subsidiary file you must run the Aged Trial Balance by Period.

1099-Should Knows

Starting in 2012, payments by credit card and debit cards from the payee to vendors that typically would qualify to be on a 1099 would not receive a 1099 for those payments made by credit/debit card. The merchant (credit/debit card) company would be responsible for that portion of the 1099.

Legislation had been in the process to have the payee (you) report all payment no matter how the payment was made (check, ACH, debit/credit card) on a 1099. This legislation did not go into effect, and you are only required to report 1099 information for non-corporations for payments you made by ACH or check.

Open Systems plans are not finalized for the year end update yet, but they do anticipate a change in the 1099 Processing function. OSI intends to add the filtering of Bank ID's to the function. Using this functionality, a user can exclude certain payment methods; presumably the credit card (account (s) from the 1099 processing.

In both OSAS and TRAVERSE you do have the ability to adjust the amounts that qualify for 1099 payment reporting, if you had not had the vendor set-up all year for 1099 reporting and only a portion of the payments you made were recorded as 1099 payments, or if you do have some payments made by credit/debit cards and some payments made by check and ACH. You can get a jump on year end by printing out the 1099 Worksheet for the year. This work sheet will list all vendors that are set up for 1099 reporting, along with their Identification number (either Social Security number for an individual or Federal ID number for an un-incorporated business). From this worksheet you can then run Detail Payment reports to get the figures you need to adjust the 1099 reporting for.

Treasury Decision 9496 can provide information on 1099's.

Payroll Should-Knows

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The maximum amount of earnings subject to the Social Security tax will increase to \$113,700 from \$110,100 as of January 1, 2013, the Social Security Administration (SSA) announced on October 16, 2012.

The inflation-based increase in wages subject to Social Security withholding is separate from the *scheduled expiration of the temporary 2-percentage-point cut* of the federal Social Security tax that was part of an economic and jobs package enacted at the end of 2010 and subsequently extended through the end of 2012.

In 2013, with the higher income ceiling and (absent congressional action) the return to the 6.2 percent withholding rate, the maximum yearly Social Security tax withholding will rise from \$4,624.20 (4.2 percent on income up to \$110,100) to \$7,049.40 (6.2 percent on income up to \$113,700).

The health care law generally had required employers to report the cost of employer-provided health coverage on Forms W2 starting with W-2's issued in 2012 for the 2011 tax year. In notice 2010-69 the IRS made reporting of employer-provided health coverage on W-2's optional for 2011. In Notice 2012-9, the IRS provided transitional relief under which qualified small employers (with fewer than 250 W2's) will not be required to report health coverage on 2012 W2's for small employers (W-2's provided to employees in 2013). Other employers however, must prepare for reporting on W2's sent in January 2013.

Open systems has issued a document on how to report these employer paid insurance amounts, whether you are required to report them for W2 year 2012, or if you want to voluntarily report these amounts this year. If you are signed up with Open Systems to receive emails you have already received this document. If you are not signed up with Open Systems to receive emails then you will receive a printed copy of this document along with the Year End Updates that will be sent out in mid-December.

Does your state require you to file your payroll data electronically? Do you have employees in multiple states and find filing takes more and more of your time? Whether your company is required to file electronically or you're just looking for a secure, time-saving process, OSAS/TRAVERSE Enhanced Payroll Tax Reporting (EPTR) system streamlines the reporting process of state and federal payroll using the data already in your software. The EPTR application eliminates manually typing the payroll data to each state filing site saving time and accuracy. You have the option to print the reports—or file them electronically. To learn more about the EPTR application just give us a call or go to www.osas.com and log into the Customer Portal to download the brochure. Standard OSAS/TRAVERSE does generate Federal Mag Media as required by the Social Security Administration, but not all state accept the Federal format.

AccuWage 2012 is free software from the Social Security Administration to test you W2 Magnetic Media submissions for errors before filing. To download go to: www.ssa.gov/employer/accuwage

Locking Periods

January is the time of year when we all try consciously to correctly type in dates. Since TRAVERSE allow postings to various applications by DATES (Period/Year) rather than BATCHES we are posting it is very important that you get both the month (period) and Year correct when entering Sales Orders, Purchase Orders and Invoices.

To prevent posting to January 2012 when you meant January 2013, or to December 2013 when you meant December 2012 I recommend that if you do not usually close periods that you at least close January 2012 and December 2013 in all applications so that posting can not happen to those periods.

With the ability to close periods it is recommended you close a period once you are completely done processing that period.

