Lindsey Software Systems

# Lindsey Software Year End Instructions

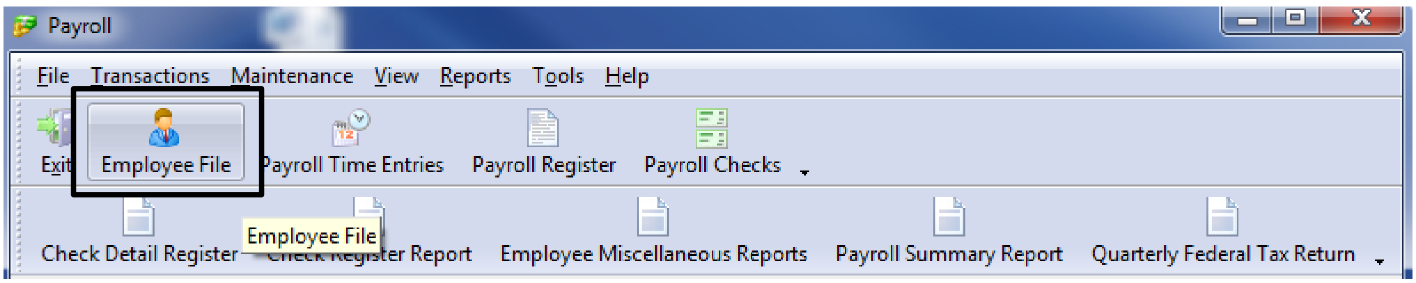
## Helpful Hints to Consider Before Printing W-2s

***December 2011***

**Please read this document carefully and keep it available for reference!!**
**The following information is important and helpful for your preparation of W-2s.**

It is very important that you be on the latest version of the Lindsey Software. If you have an Update ready to install, please do so before you continue with printing 1099s and W2s.

It is also very important that you verify that the employee names and Social Security numbers are correct. This information prints on the employee's W-2 form. Make any necessary corrections in the employee's file.




**Employee's Name:**

1. The employee's name should be the same name that is on the employee's Social Security card.

**Employee's Social Security Number:**

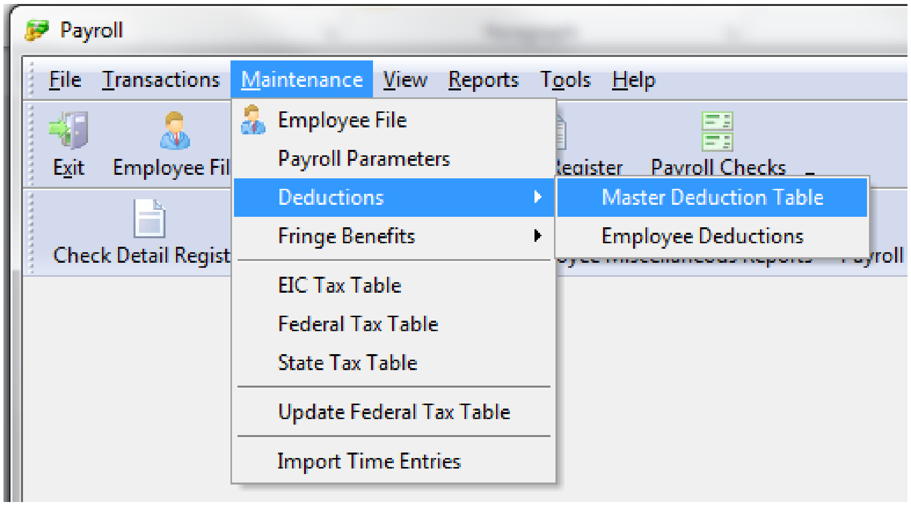
1. The IRS may impose a penalty for missing or incorrect Social Security numbers. A Social Security number is invalid if:
   a. It is all ones or all threes, or
   b. It is 123456789 or
   c. The first three digits are 000, 729, or 800 through 999
2. If there is an invalid Social Security number listed, ask the employee to provide his/her Social Security card for verification. Contact your local Social Security Administration Office if the number is invalid.

**Fringe Benefits:**

1. The value of personal use of company cars or any other taxable cash or non-cash benefit must be included on the Form W-2. If you need to set this up in the Lindsey Software, be sure to set up the Master Fringe Benefit and the Employee Benefit record.

**Pension Plans:**

1. If the Pension Plan needs to be reported in box 12 on the W-2, go to *Payroll / Maintenance / Deductions / Master Deduction Table*. Call up the deduction record, check the Pension Plan checkbox and choose an IRS code from the dropdown. These are the only codes available per the IRS - we cannot add other codes.




**Other Plans:**

The IRS allows employers to use Form W-2, Box 14 (Other) to report information to their employees (e.g., health insurance premiums deducted, union dues deducted, etc.) If the pension plan needs to be reported in box 14 on the W-2, be sure to check Pension Plan and select “Not a Pension Plan” from the IRS Code dropdown. These options are also on the Master Deduction Table.

If you do not know whether you are to mark Box 12 or 14, or if you are unsure which code to use, you should call your plan administrator.

On Form W-2, the IRS requires that Pension Plan in Box 13 be checked if an employee is an active participant for any part of the year in a retirement plan maintained by you. If you are unsure about this box, you should ask your plan administrator. If this box needs to be marked, you can do this by choosing *File / Employee File* under the Payroll menu. Select the employee and access the EIC/W-2 tab.

The most common types of retirement plans requiring the Pension Plan checkbox to be filled in on the W-2 are:

1) Defined Benefit Plan
   This is normally a pension plan. An active participant is an individual who is eligible under the provisions of the plan for the plan year ending anytime during the current calendar year, regardless of whether the individual participated in the plan.

2) Defined Contribution Plan
   This is normally a profit sharing or deferred compensation plan. The individual is an active participant if the employer or employee made contributions or forfeitures were allocated to that individual's account.

**Box 12 W-2 Requirements:**

The following information is required to print on the W-2 in Box 12:

1. Employer contributions to an Archer Medical Savings Account (MSA)
2. Salary reduction contributions to a Savings Incentive Match Plan (SIMPLE) for employees
3. Employer payments under an Adoption Assistance Plan for qualified adoption expenses

If any of the above apply, be sure to have them set up in the Employee's Deduction or Fringe Benefit File Maintenance in Payroll.

LINDSEY SOFTWARE SYSTEMS

# INSTRUCTIONS FOR W-2s

***December 2011***

Please be sure you have carefully reviewed each employee's file as recommended in the document entitled W-2 Hints. The following options can be found under Reports on the Payroll menu.

***REMEMBER! YOU MUST GENERATE W-2 INFORMATION BEFORE CLOSING THE MONTH OF DECEMBER!!***

(You do not need to print the W-2s before closing – only generation is required at this time.)

1. Print Payroll 941 and other Quarterly Reports.

   After all of your calendar year Payrolls are finished, record your Payroll Deposits using *Payroll / Reports / Quarter and Year-End Reports / Payroll Deposit Entry*. Print the quarterly reports using *Payroll /New Reports / Quarter and Year-End Reports / Form 941 Payroll Quarterly Tax Returns*.

2. Generate W-2 information.

   Use the *Payroll / Reports / Quarter and Year-End Reports / Generate W-2 Information* option to generate a W-2 for one specific employee or all employees within a PHA. You must enter the desired PHA to process. Enter the correct tax year. If generating one W-2 for a single employee, enter an employee number. If generating W-2s for all employees, leave the employee number field at 0.

   This option will gather information from your employee file master history screens and the W-2 box 15 information found on your employee master EIC screen. The information will be placed in a file for use in printing W-2s. This option can be rerun if you notice any errors in the employee file master screens.

   Once the W-2s have been generated, you will be asked if you "Want to clear Employee Master Quarter and YTD accumulations for a new year?" We recommend that you DO NOT clear totals at this time. Select “No.” You want to be absolutely sure that the W-2s are correct before you clear the totals. (You may come back to this screen at a later time to clear all employee totals by pressing the “Clear” button on the toolbar. The clear feature will clear totals only - it will not regenerate. Be sure you have a backup before clearing totals!)

   **REMEMBER! YOU CAN EDIT AND PRINT W-2s AFTER CLOSING DECEMBER!**

3. BACKUP and Clear Totals.

   Once you have successfully generated the W-2s, and verified that they are correct, clear the payroll totals for a new year. From the Reports menu, choose the *Generate W-2 Information* option again. Enter the desired PHA to process and select the “Clear” button on the toolbar.

4. Close Payroll for the Month of December.

   You must generate W-2 information and clear the totals before closing Payroll for the month of December. You may Edit W-2 Information Files after generating the W-2 Information even after closing December.

5. Edit W-2 Information Files. (Optional)

   If necessary, this option will allow you to directly edit the W-2, add a new W-2, or delete a W-2 from the information generated above. Enter the W-2 calendar Tax Year. Press the “Lookup” button for a list of employees or enter a specific employee number. Press the “Continue” button to view the W-2 for the selected employee. You may edit any of the fields listed on the W-2. The Box 12/14 button will allow you to edit the data contained in those boxes on the W-2. Be sure to save any changes you make.

The Delete button on the toolbar will allow you to delete the W-2 for the employee you have selected. If you wish to add a W-2 for an employee, enter the employee number and you will be prompted to Cancel or Add New. If you choose to add new, you will be given a blank W-2. Fill in the fields accordingly and save.

Edit W-2 Information Files can be used at any time after generating the information - even after Payroll has been closed for December. Once the information is generated in Step 1, it stays there indefinitely unless you delete forms with this option.

6. Print W-2 Forms.

   It is recommended that you print on white paper before printing on actual W-2 forms. To print/reprint W-2s, enter the desired PHA to process. Enter the Tax Year. You can print all W-2s or one W-2 for a specific employee by entering the employee number. This option may be run as often as necessary.

   If you notice a problem with the information on a W-2, use the Edit W-2 Information Files option to correct the W-2. Once it is corrected, use the Print W-2s option to reprint.

   If printing on Laser forms, and alignment is needed, select the “Configure Form” button from the toolbar. Make changes in inches as needed.

7. Print Laser W-3 Form. (Windows version only)

   Use *Payroll / Reports / Quarterly and Year-End Reports / Print Laser W-3 Form* to generate the W-3 form. First generate to plain paper to be sure it will align properly. If it does not align, use the “Configure Form” button to adjust the form. When correct, use the Laser form that came with your set of Laser W-2 forms. If you did not print Laser Forms, and do not have the Laser W-3 form, use the final W-2 form with totals to create a W-3 form to send to the IRS.

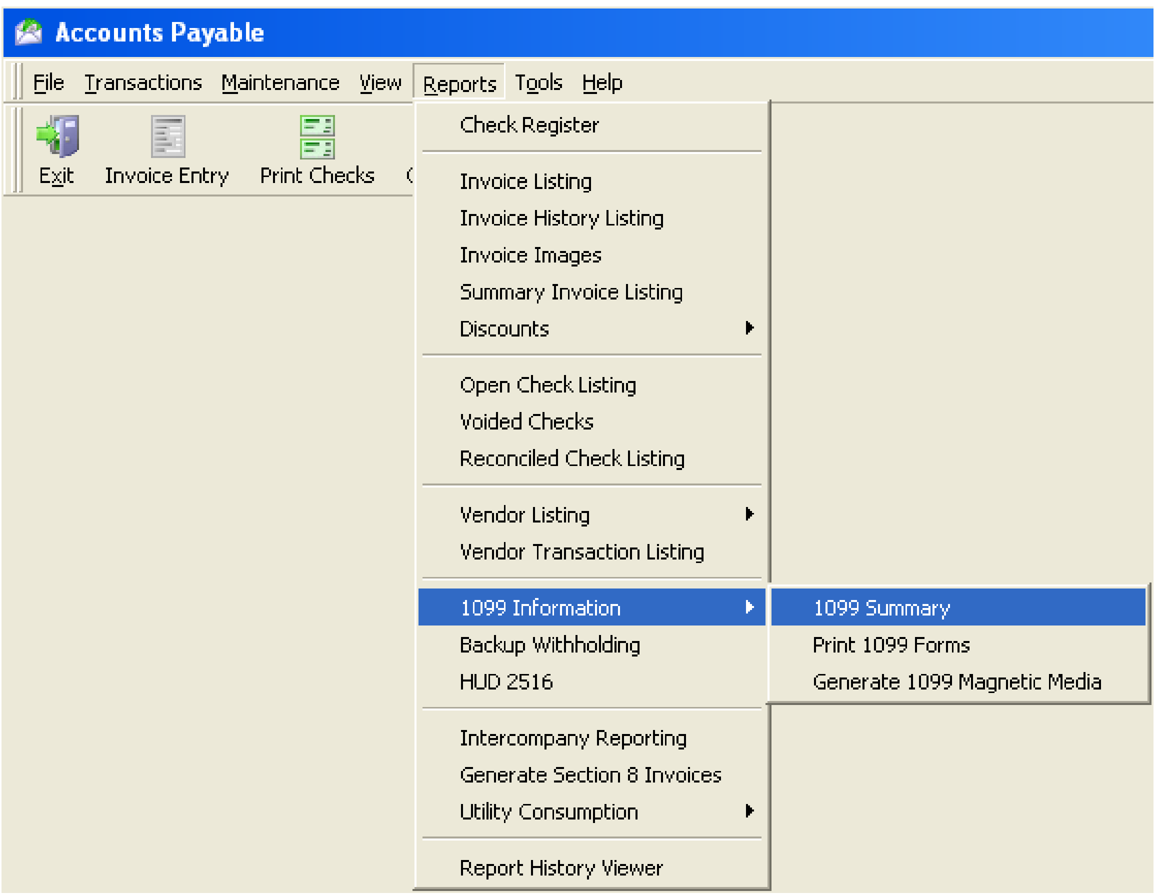
# INSTRUCTIONS FOR 1099 / 1096

***December 2011***

Important dates and amounts:

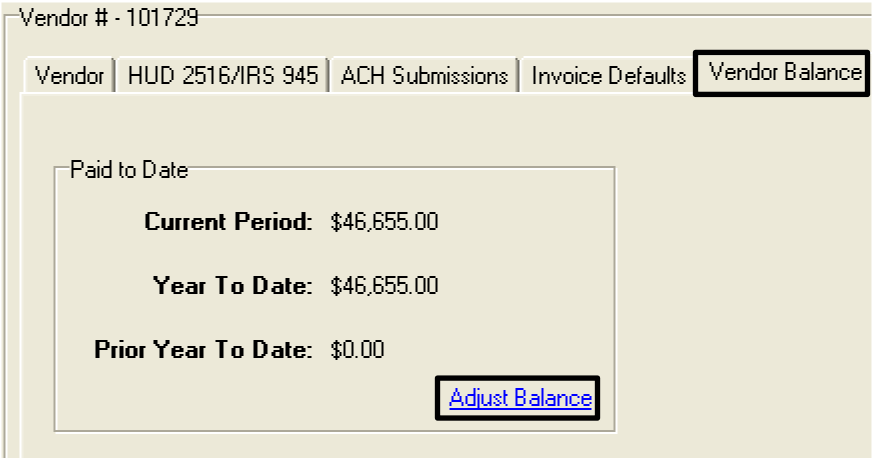
- Paper copies of the 1099 must be submitted to the recipient no later than January 31, 2012.
- Paper or electronic files must be submitted to the IRS no later than February 28, 2012.
- A 1099 must be submitted to the recipient if the amount of rent is $600 or more for a calendar year.
- If you are required to file 250 or more information returns, you must file electronically using the IRS FIRE system. The FIRE system website can be found at: https://fire.irs.gov/firev1r/.
- Details of the dates and amounts can be found at the IRS website: http://www.irs.gov/efile/article/0,,id=98114,00.html

The starting point of the Accounts Payable 1099 process is to print the 1099 Summary Report. This report displays the amount of the 1099 that would be generated to every vendor who is marked as being eligible to receive a 1099. The report is created by opening *Accounts Payable / Reports / 1099 Information / 1099 Summary*.



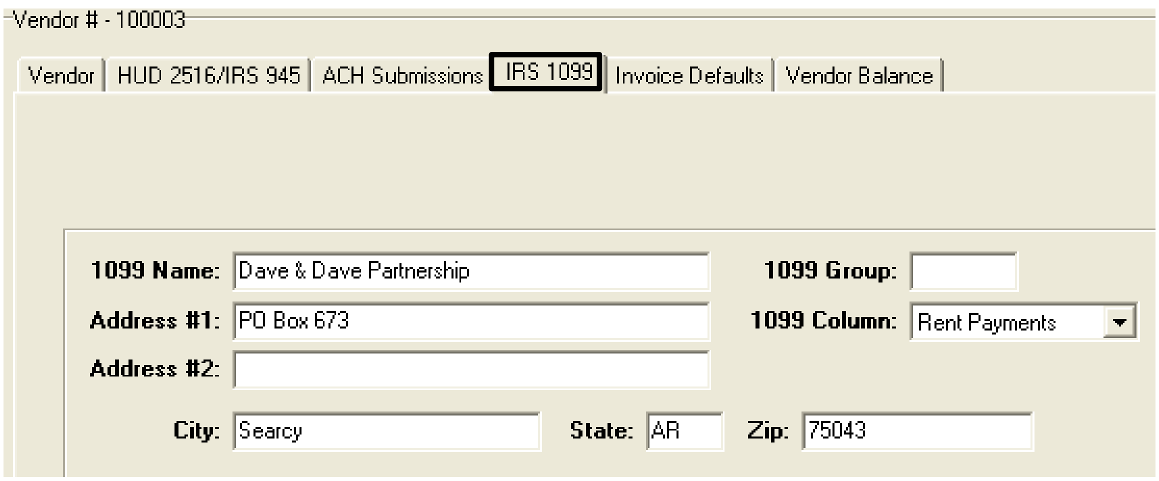

You will be given the option of selecting to generate this report in vendor name or vendor number order. You will also want to select the correct tax year. The correct year would be 2011. The report will generate the 1099 amount for each vendor that was marked as receiving a 1099. The last page shows the total amount of vendors and the total amount that was paid to these vendors. This last page will tell you how many 1099s you will need to

have on hand. As always, you should order more than you need in case something happens to your printer while you are trying to print.
Should you need to modify a vendor's year to date balance, you can open *Accounts Payable / Maintenance / Vendors*. Select the vendor in question and press EDIT. Click the Vendor Balance tab at the top of the screen. Now click the blue Adjust Balance option.



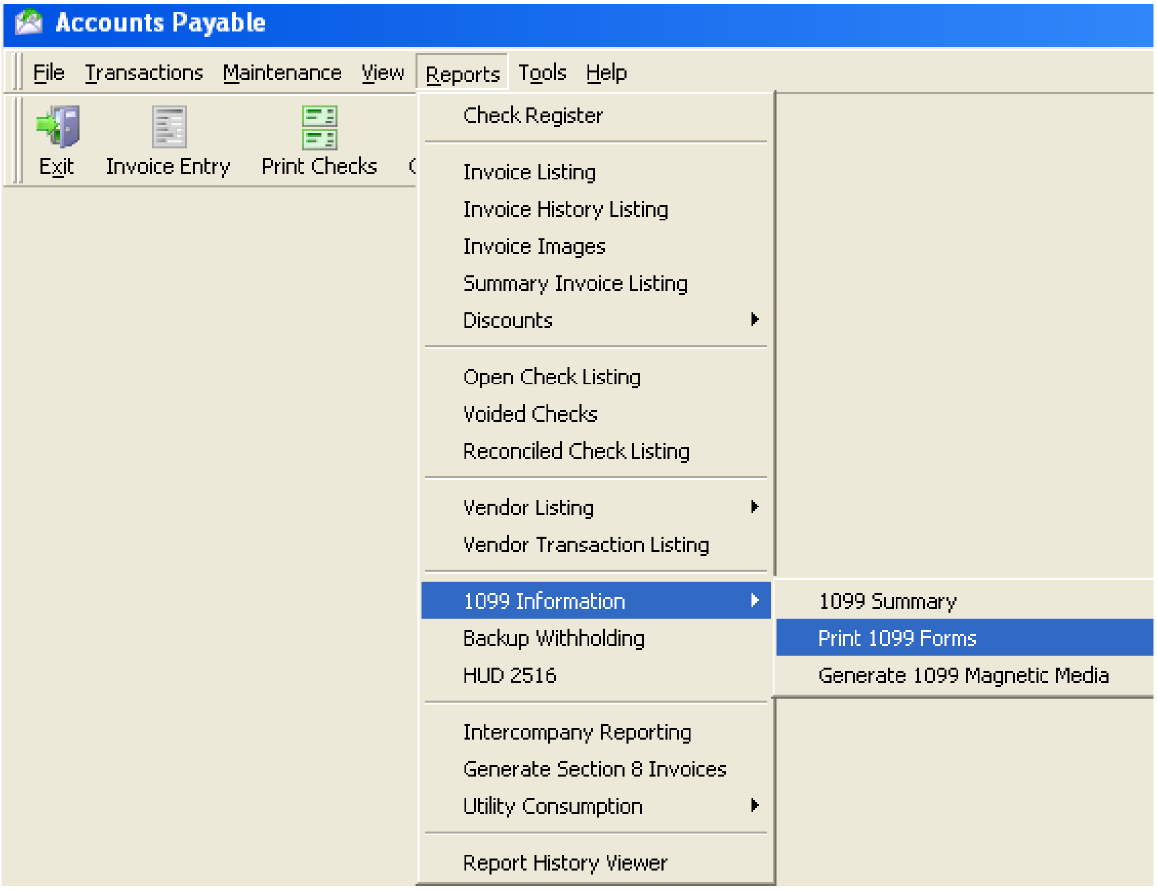

You may modify the balance by changing the balance. This would be necessary if you were a new client that started using Accounts Payable mid-year.

Clicking the 1099 tab at the top of the screen will show you the name and address that will be printed on the 1099 form.

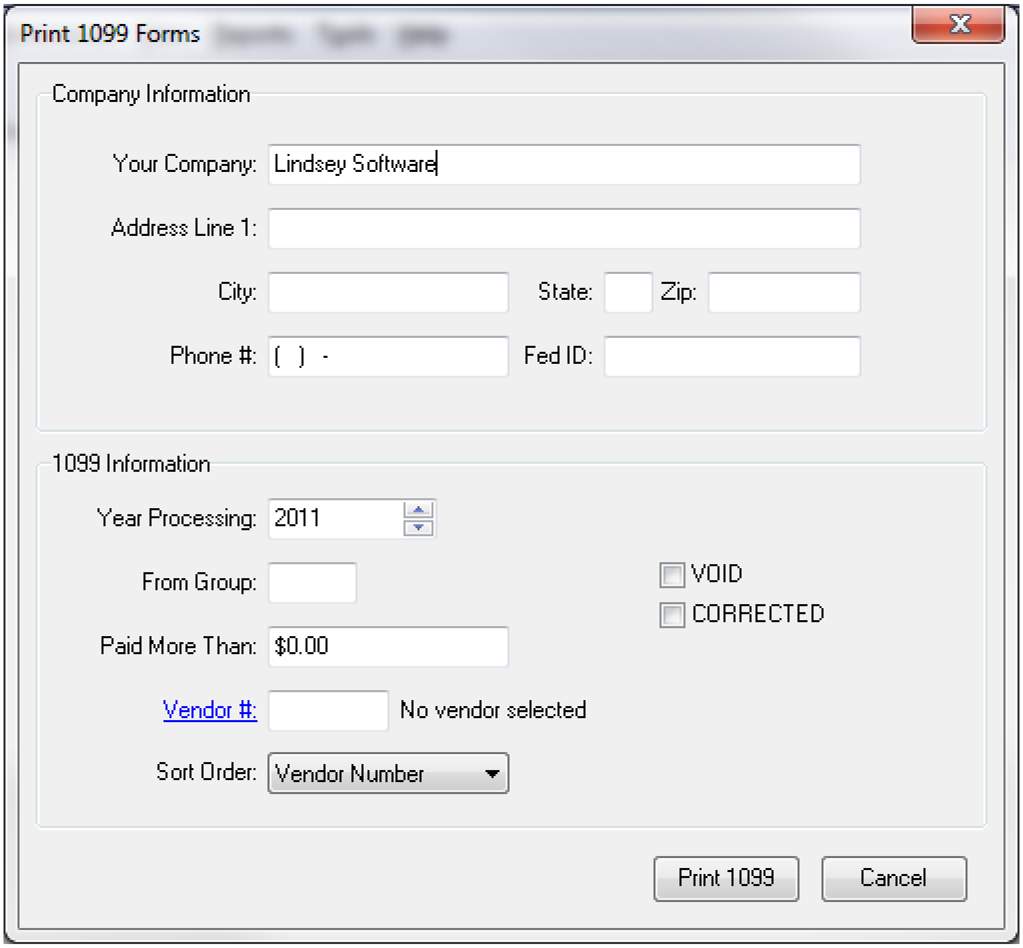



If you need to modify the name, address, or amount you may make all of these adjustments and then re-generate the 1099 Summary to see a complete list of your 1099 vendors including your changes.

When you are prepared to print your 1099 forms, select *Accounts Payable / Reports / 1099 Information / Print 1099 Forms*.



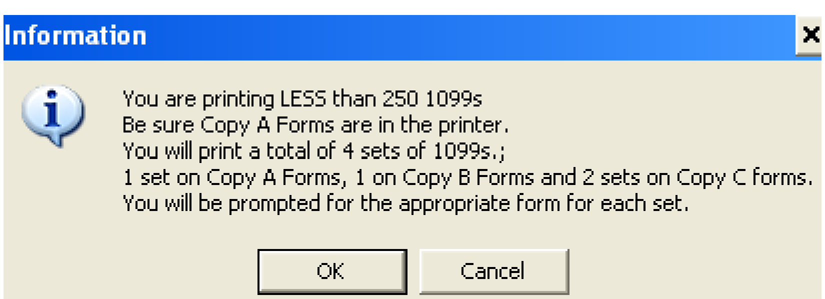
Fill out the screen with your agency name, address, and Federal ID number.



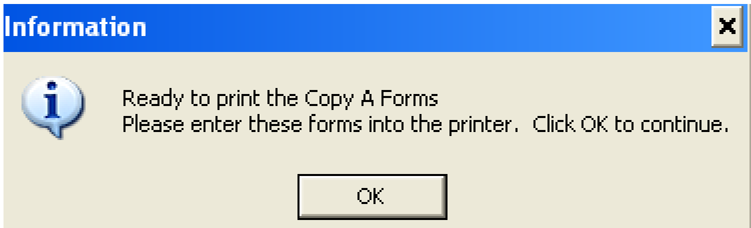

If you need to separate your 1099s into groups, you may opt to populate the From Group field. Using the From Group field is optional and only if you need to print a separate batch of 1099s. Usually this is only used for agencies that manage multiple corporations and have different Federal ID numbers.

Most agencies enter 600 in the Paid More Than field. This 600 tells the software to only print a 1099 to vendors who received more than $600 in a calendar year.

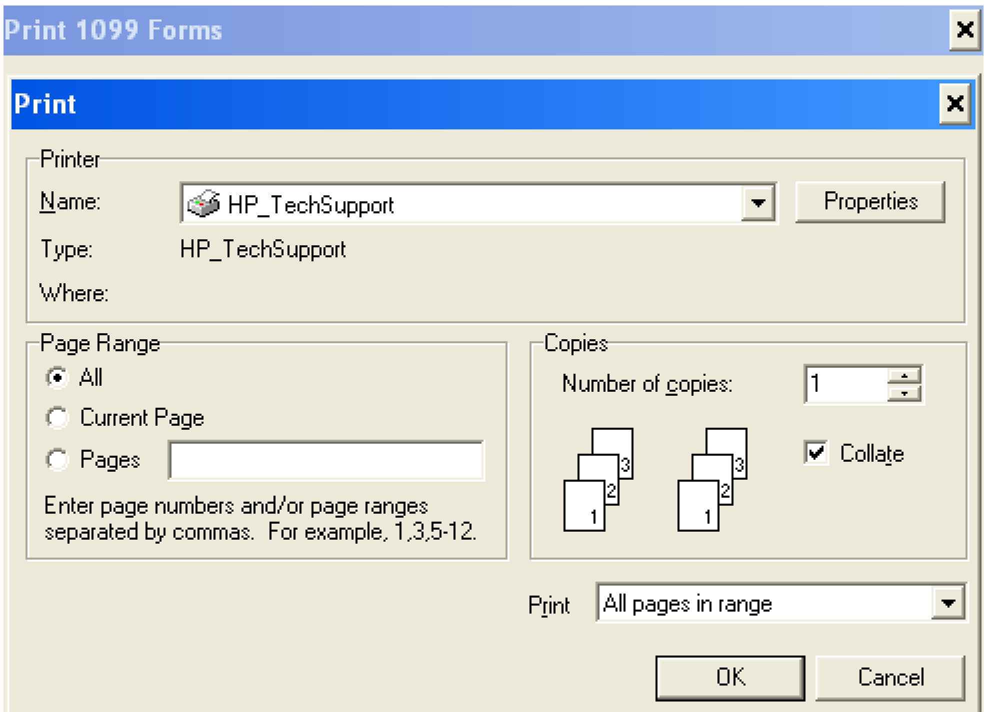
When you press the Print 1099 button at the bottom of the screen, you will receive a popup message alerting you that you will be prompted to load the individual sets (Copy A, Copy B, etc).



Once you press OK you will be prompted to load Copy A in your printer.

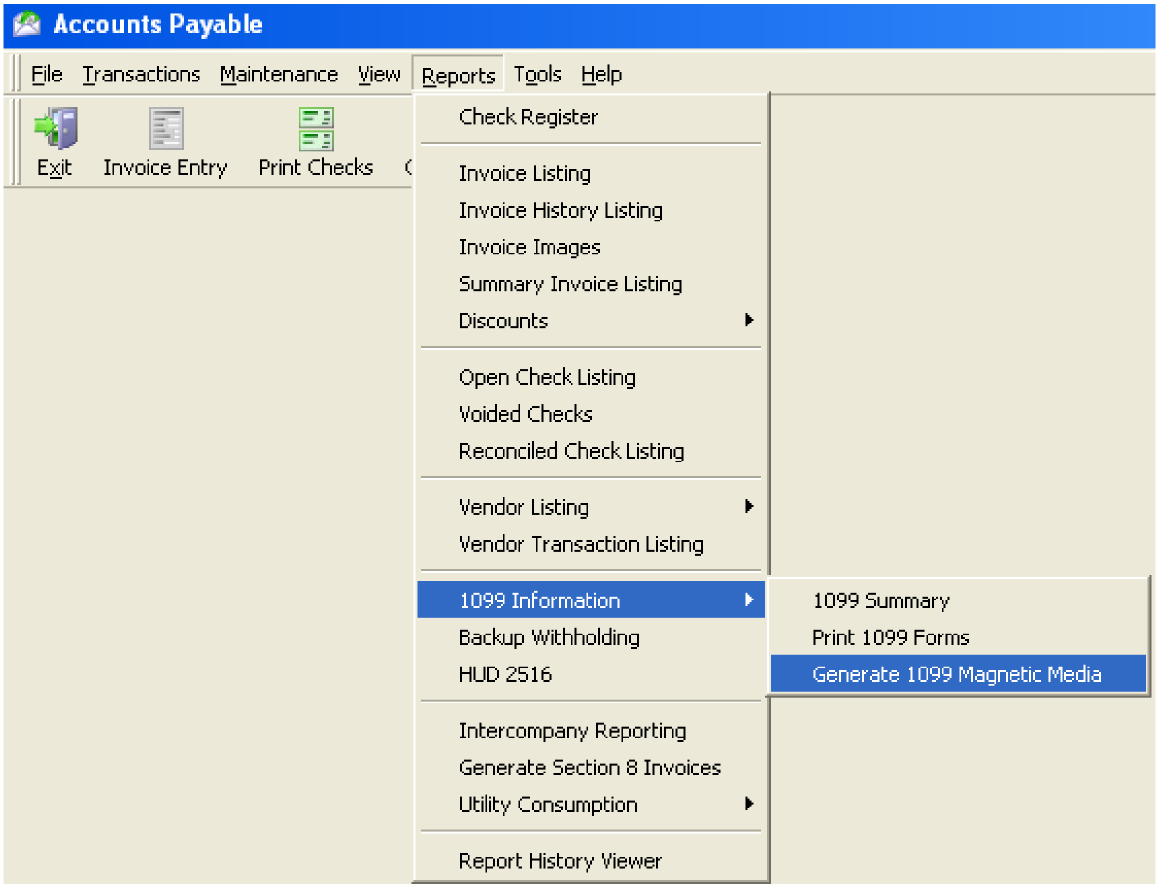



Select your printer and press OK. Leave the copies to 1.

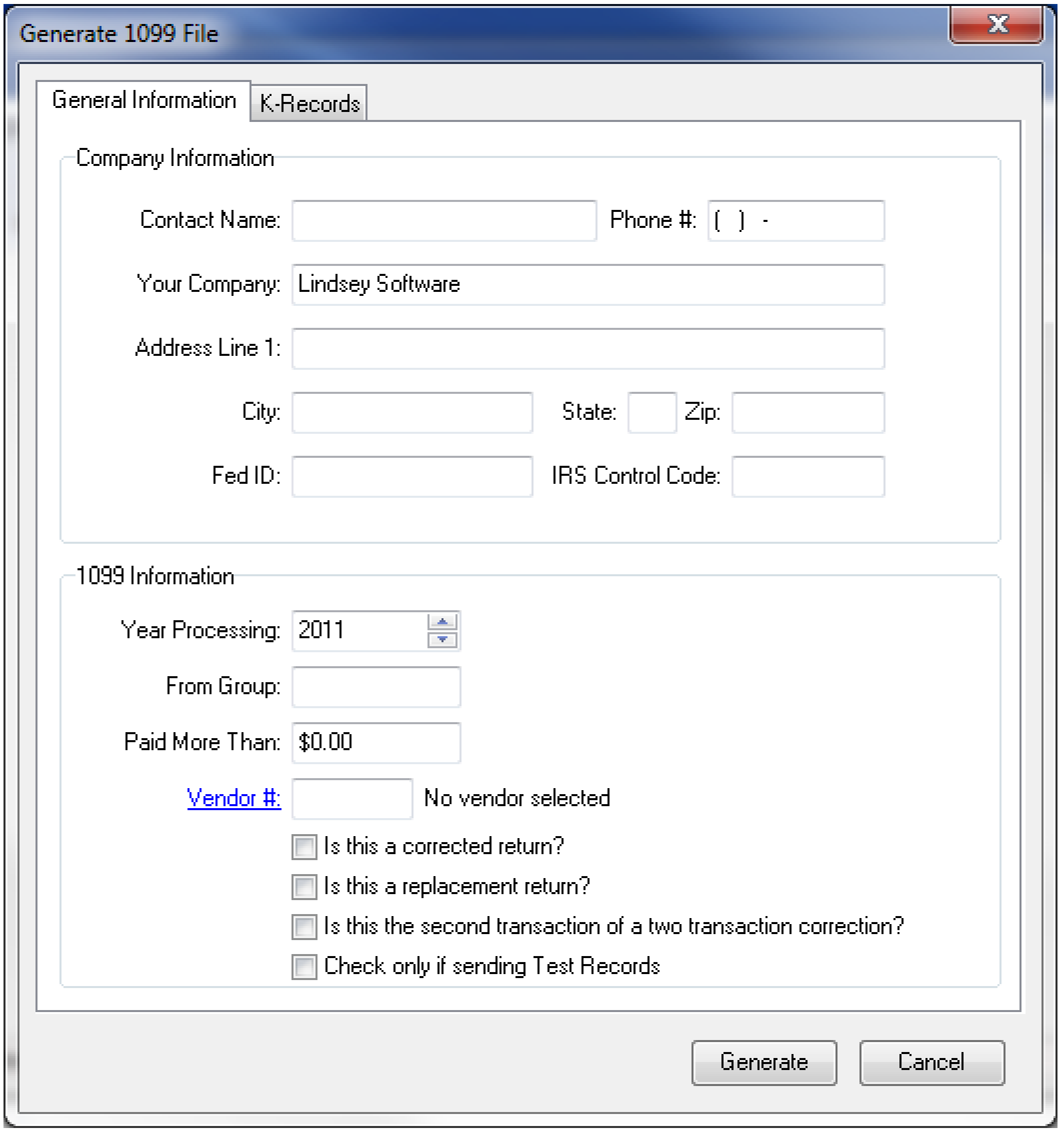



Continue through the process until you have printed all of your copies. At the end of the process, the 1096 worksheet will print. Do not load your original 1096 in your printer - let the 1096 worksheet print on paper. It is strongly advised that you use a typewriter to fill in the true 1096 form as the IRS will ONLY accept their form and not forms that are printed from a website.

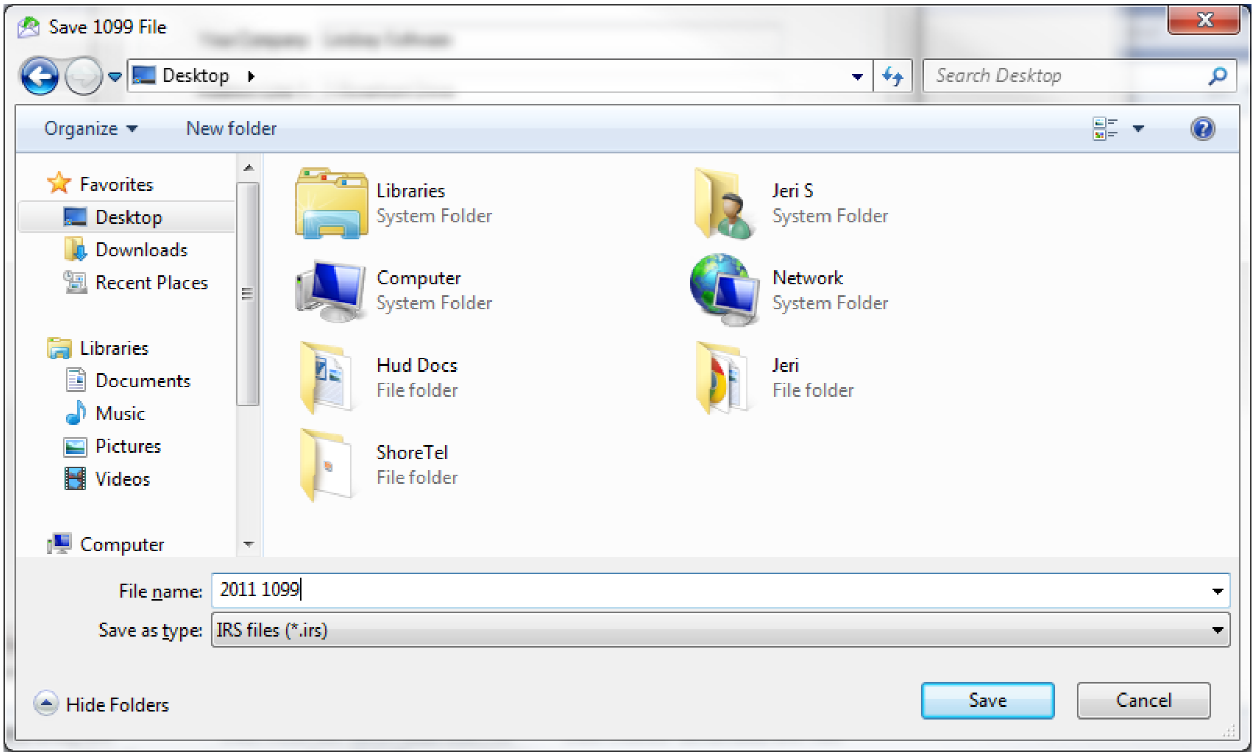
If you generate more than 250 1099 forms you will need to create an electronic file to submit to the IRS' FIRE website. This electronic file can be created by selecting *Accounts Payable / Reports / 1099 Information / Generate 1099 Magnetic Media*.



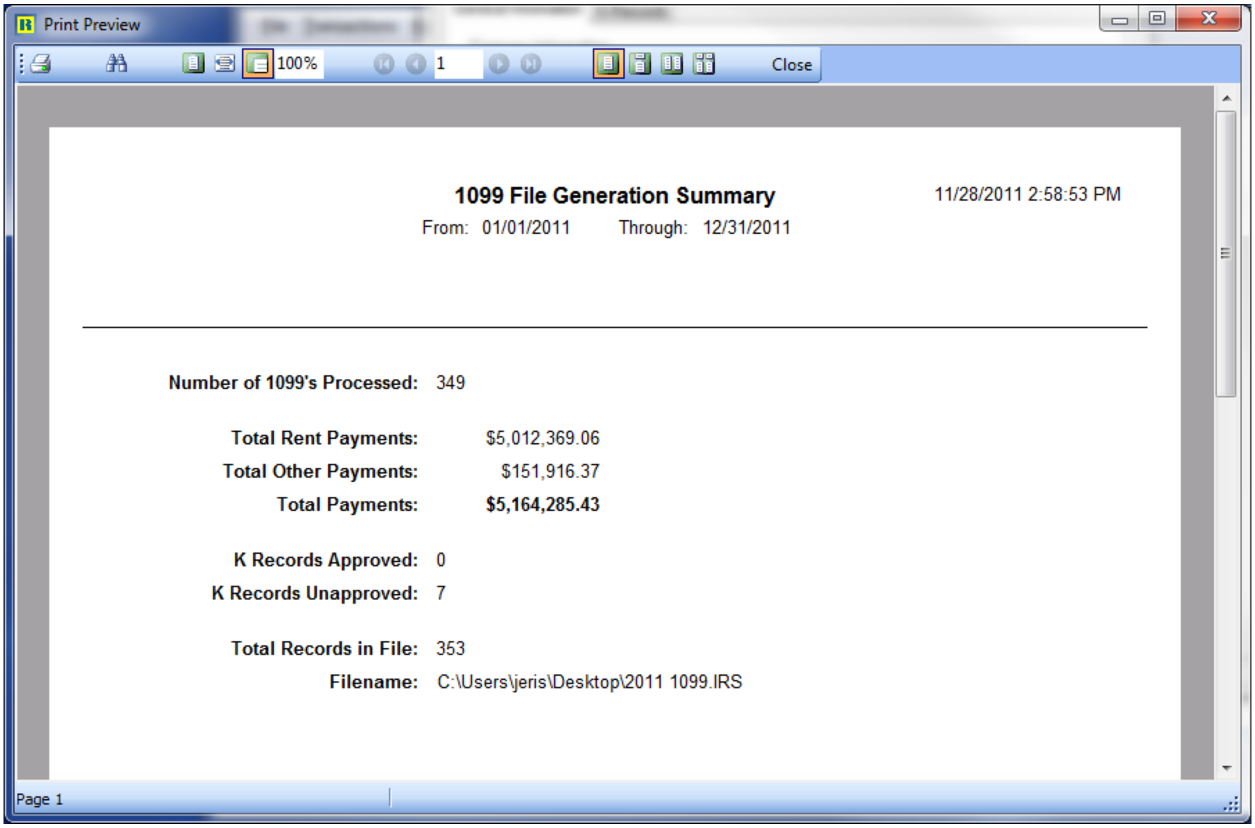
Enter the information and click the “Generate” button at the bottom of the screen.  The IRS control code is a code that is assigned to each Federal ID.  If you do not know this number, look in the 1099s that were submitted from last year or contact the IRS.  The Lindsey staff will not know what this code is.



You may also select the K-records (state) if needed.  You will receive the normal Microsoft “Save As” screen. Make sure you save this file to a location you can find again and LEAVE THE EXTENSION of .irs alone!  It is very important that this file ends with the extension of .irs.



You will receive a report that you can print out showing the amount of files, the total amount and the location of your file.




**1099 File Generation Summary** 11/28/2011 2:58:53 PM

From: 01/01/2011 Through: 12/31/2011

**Number of 1099's Processed:** 349

**Total Rent Payments:** $5,012,369.06

**Total Other Payments:** $151,916.37

**Total Payments:** **$5,164,285.43**

**K Records Approved:** 0

**K Records Unapproved:** 7

**Total Records in File:** 353

**Filename:** C:\Users\jeris\Desktop\2011 1099.IRS

To submit to the IRS FIRE system, open your internet and go to the FIRE website at: https://fire.irs.gov/firev1r/.

You will need to establish an account with the IRS. Log in with the username and password provided by the IRS. You will then upload your file just as you would submit tenant files to the PIC system. Use the filename that is printed on the report that printed when you electronically generated the file.

Print the confirmation that the IRS system provides to you.

Should you find that you need to Void a 1099 and submit a Corrected 1099, please refer to the instructions provided by the IRS at this website: http://www.irs.gov/instructions/i1099gi/index.html.

Sections H and I of the above website address Void and Corrected forms.