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Year-End Processing in Microsoft Dynamics SL

Agenda

- Applying Year-End Updates
- Year-End Processing Topics
  - Payroll
  - Project Controller
  - Accounts Payable

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Year-End Updates

- The year-end updates will be provided for the following Microsoft Dynamics SL versions:

VERSION
SL 2018
SL 2018 CU1
SL 2018 CU2
SL 2018 CU3
SL 2018 CU4

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Year-End Updates - continued

- Obtain Year-End Updates from Microsoft
  - Customer Source/Partner Source
  - Located under Microsoft Dynamics SL | Service Packs area
    - Download and install utilizing installation instructions for your SL version
      - Have all users exit the system
      - Back up SL sys/app databases & custom reports
      - Run install for appropriate SL version at SL server directly (files copied into place)
      - For specific versions only – run SQL script against SL app databases

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Year-End Updates

- Year-End Updates Include:

    - Any current year reports

    - Any year-end resolutions

    - Electronic File changes/AP 1099 changes

    - W-2 changes

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Year-End Updates – continued

- Apply the Year-End Updates after you have closed Payroll for the year
- There is a Year-End Update and a separate Tax Table Update that might need to be applied
  - Tax Table Updates for the new 2021 year should be applied after Payroll module has been closed for the current 2020 year
- Year-End Updates typically released in the December timeframe
- Tax Table Updates are typically released Dec./Jan. timeframe*

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Year-End Considerations

- Tax reporting is done on a calendar year basis

- You are required to do calendar year-end processing in Payroll and Accounts Payable even if you are on a fiscal year setup

- You can post entries to prior periods as needed even if they are closed – must have security enabled to allow that posting

** Go to the GL Setup screen. Click on the Posting Options tab. Make sure 'Prevent Posting to prior fiscal periods' is unchecked.
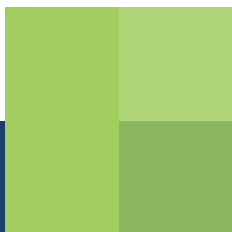
- W-2 and the 1099 amounts are updated based on the check date

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Year-End Updates - continued

- Plumbline Consulting is providing a YE package for Microsoft Dynamics SL 2011 (FP1, SP2, SP3 and all 2015 versions) as an annual subscription
  - Contains all YE updates released for SL 2018 versions, recreated for SL 2015 & SL 2011
  - Contact Valerie Borak at <u>vborak@plumblineconsulting.com</u> for more information
  - Pricing is based on number of Employees and/or Vendors of the organization
  - Annual Subscription Pricing:
    - Under 100 employees/vendors **combined**: $2500
    - Over 100 employees/vendors **combined**: $3000

VERSION
SL 2011 FP
SL 2011 SP2
SL 2011 SP3
ALL VERSIONS OF 2015

Payroll

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Payroll Year-End changes:

- **Review & Edit check** – Supports different marital status for state vs federal
- **Employee Maintenance** – Allows entry of marital status per deduction
- **Deduction Maintenance** – Added support for higher withholding tables for states.
- **Deduction History** – Added support for higher withholding tables for states.
- **Calculation** – Supports different marital status for state vs federal; added support for higher withholding tables for states.

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Payroll Year-End

- Close **year** for Payroll in GL Closing screen
- Reconcile 941 and Unemployment reports
- Print W-2's to plain paper
- Edit W-2 data in Employee W-2 History screen in Initialize Mode
- Print W-2's
- Electronic File

Payroll Year-End - continued

- Confirm all the data for 2020 has been entered and processed

- Review PR Batch Register to make sure all batches have been released and posted

- Reconcile your payroll accounts in PR with GL – Can use Account Distribution and GL Trial Balance

- Print period end reports
  - 941 Quarterly Tax Worksheet
  - Unemployment Tax Worksheet
  - Earnings and Deductions report

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Payroll Closing

- Payroll will be closed with the Year option in GL Closing

- New deduction records are created for the new year in the deduction table

- Make sure to clear all calculations in Payroll before closing year – can cause error in new year

** If you run the clear calculations process and look at your check preview, it should be blank. This ensures you have no open calculations.

Payroll Closing

W-2 Payroll Steps for Year-End Processing

- Apply Year-End Updates
- Calculate W-2's
- Review data
- Edit/correct, if needed
- Print W-2 Forms
- Generate electronic file

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Calculating W-2's

- Open W-2 Calculation screen
- Choose current W-2 year
- Select Pay Groups that you wish to calculate for
- Begin Processing

Reviewing Data/Calculations

- Can print W-2 Forms to blank paper to review
  - Plain Paper Copy format will print boxes around the calculated figures
- Use Employee W-2 History to verify individual employees

Correcting W-2's

- Determine the cause of the problem
  - Fed Wages incorrect?
    - Identify Earnings Types that are set up incorrectly
    - Identify missing Exemptions
    - Fix setup and re-calculate W-2's to correct
  - State Wages incorrect?
    - Identify Earnings Types that are set up incorrectly
    - Identify missing Exemptions
    - Use Initialize Mode to correct the YTD Subject Wages in Employee History so that they are correct & re-calculate W-2's
    - Use Initialize Mode to correct the State Wages in Employee W-2 History & DO NOT re-calculate W-2's

Correcting W-2's – continued

- Tax Amount incorrect?
  - Determine the cause of the problem (federal, state or local)
  - Initialize the tax amount to be the correct tax amount

- Important notes:

  - Key to correct setup issues to avoid problems in the following year

  - Use caution when using Initialize Mode to modify Employee History

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Notes on W-2 Calculation

- W-2 Calculation can be run at any time and run multiple times
- Inactive employees will be included
- Specific box numbers – W-2 Control tab in Earnings Maintenance or Deduction Maintenance
- Protect Edited W-2 Information in W-2 Calculation
- Missing State Employer ID – Deduction Maintenance/W-2 Control tab
- Missing Federal Employer ID – Company Maintenance

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Payroll W-2 Forms

- Microsoft Dynamics SL does not have a Copy 1 or Copy 2 report format - use Copy D instead

- Microsoft Dynamics SL uses a standard two-part W-2 form

- There is also a 4 part or 4 Up form

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Payroll W-2 Forms - continued

- Can obtain pre-printed forms from Deluxe

- Can print your own forms using the Copy A, Copy B, Copy C and Copy D formats
    - Copy A for W-2 forms must be printed in a red scannable 2up format ink
    - You can print the 2up forms for the IRS and print the 4up forms for your employees.
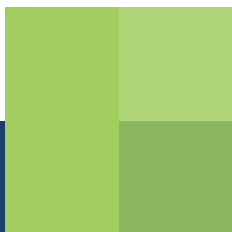
Electronic File

- Use Generate W2 Electronic File screen in Payroll
  - Populate required fields
    - Calendar Year
    - Can change file path to easily locate the generated file
    - Transmitter PIN number provided by SSA
    - Contact Information
  - Company Identification fields default from Company Maintenance, but can be overridden

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Electronic File - continued

- Sending file to Social Security Administration
  - Follow instructions provided by the SSA for W-2 transmittal
  - File format is usable by AccuWage program
    - AccuWage is free software provided by SSA to check the file for formatting accuracy
    - https://www.ssa.gov/employer/accuwage/

Project Controller

Project Year-End Processing

- Year-End Steps
  - Make sure all data has been entered for current period
  - Make sure all other modules have been closed for the current period in the GL Closing
  - Review Timecards
  - Completed Processes
    - Labor Commitment Load
    - GL Labor Posting
    - Pay Labor Interface

Project Year-End - continued

- Review Expense reports

- Run FTT

- Complete Revenue Recognition and Allocation Processor

- Execute Billing Transaction Load

- Complete Invoicing

- Close Period

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Closing Project Controller

- Closed at the end of each fiscal period
- Closing can be fiscal period or year
- Completed in Close Period screen (PA.CLO.00)
- This screen performs a set of control tests
  - Checks that all sub modules have posted to project
  - The accounting modules are closed to additional entries
  - All project charge batches are posted
  - Closing is blocked if any exception is identified
  - Timecards are reviewed and a warning message appears containing the number of unposted items being carried forward

Closing Project Controller - continued

- If Close Period (PA.CLO.00) detects that the current period is also the last period of the fiscal year, the title of Begin Processing changes to Begin Year End Close, and Close Period closes the year

- If a year-end close takes place, balance forward amounts are calculated for those projects that have their balance forward switch on and summary records are written for the new year

Closing Project Controller - continued
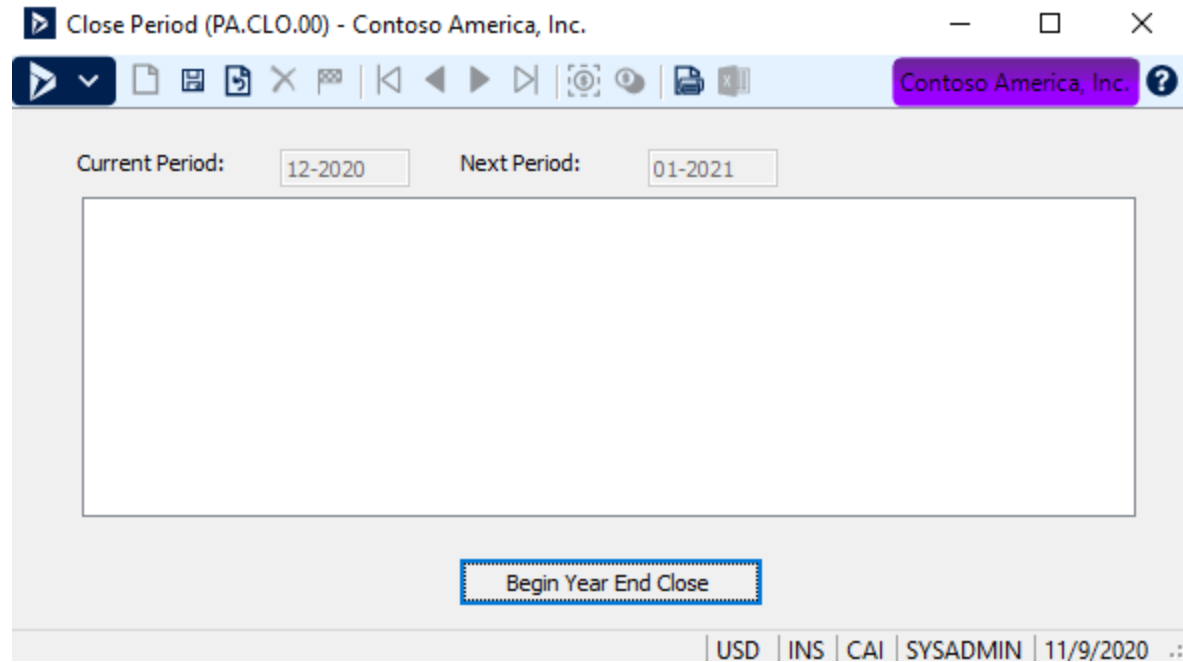
Closing in Project Controller – continued

- Prior to running Closing process:
  - Review the Project Maintenance records for open projects
  - Any open projects that should have their balances carried forward should have the 'Balance Forward at Year-End' option selected
    - 'Balance Forward at Year-End' = year-end total of a project's budgets and actuals are rolled forward as the beginning balance for the coming year
    - Projects that span multiple fiscal years should have this checkbox selected
    - For annual projects or those that are re-budgeted each year without regard to previous years, this checkbox should be clear

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Closing Project Controller - continued

- If year is closed and projects were not marked as Balance Forward:
    - Balances can be corrected by changing the current period in PC Setup back to the last period of the pervious year, marking the Balance Forward option in Project Maintenance and running the Closing process again

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Closing Project Controller - continued

- Review the Fiscal Period Maintenance to set up the fiscal periods for the new year. This in the PC module.

- Review Week Maintenance to set up the week ending dates for the new year. This is in the Time and Expense module.

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Accounts Payable & 1099 Processing
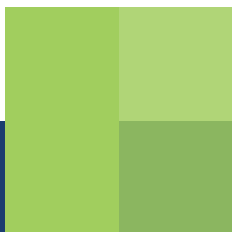
Accounts Payable Year-End changes:

- The following screens have an updated 1099 box number in the grid; **Voucher and Adjustment, Quick Voucher & Prepayment, Voucher Entry- Distributed Liability, Document Maintenance, Recurring Voucher Maintenance**

- **Vendor Maintenance** – 1099 Info Tab: Update default 1099 box number list and added tabs for 1099-MISC and 1099-NEC and added/edited fields as needed

- **Generate 1099 Electronic File** – Added support for 1099-NEC

- **1099 Preview-MISC** – Changes to existing report

- **1099 Preview-NEC** – New report is created

- **1099 MISC form** – Changes to existing report

- **1099 NEC form** – New report is created

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Accounts Payable Year-End Processing

- Review open Accounts Payable files

- Print AP Batch Register report and review statuses

- Post Transactions in GL module

- Print Vendor Period Trial Balance and AP Period Sensitive Aged AP reports

- Tie both reports to GL Trial Balance report

- Confirm recurring entries have been generated and released

- Print Check Register and Aged AP reports

- Close the year

- Close 1099 calendar year

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Accounts Payable Year-End - continued

- 1099 Calendar Year Control

- Vendor amounts can manually be updated in Initialize Mode

- 1099 amounts are calculated based on check date

- AP Integrity Check can be used to rebuild 1099 history

- 1099 Preview will contain all vendors

- 1099 Forms will print only for vendors that hit specified limit

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AP 1099 Processing

- 1099 information is updated throughout the year
    - No extra process required to print
    - Only need to run a process if generating electronic file for sending to IRS

AP 1099 Processing - continued

- 2 years can be open at any given time for 1099 processing
  - Typically leave the prior year open and the current year open:
    - For this year, that would mean Current Year = 2020 and Next Year = 2021

AP 1099 Processing - continued

- Click the Options tab and select the box for Next 1099 year, if the year you wish to report isn't the 'Current Year'. Look at your 1099 Calendar Year Control screen to see which applies to you.

AP 1099 Processing - continued

- Change Processing Option to 'Purge Oldest Year'

- Begin Processing
  - This process gets rid of the 'Current Year' information and cycles the vendors to the 'Next Year', leaving the new year open. In our example, information from 2019 will go away, 2020 will remain and 2021 will be open for new information.

  ** You cannot print checks in 2021 until the Next Year is open.

AP 1099 Processing - continued

- **1099 Edits**
  - If editing is needed, correct the 1099 totals in Vendor Maintenance
  - Need Initialize Mode access rights to Vendor Maintenance screen

AP 1099 Processing - continued

- Generate 1099 Electronic File

- Can generate for either of 2 years open

AP 1099 Processing - continued

*** TIP***

You can compare your Vendor History total PTD payments for the year and compare to Vendor Maintenance\Preview report. They should match.

Vendor History shows ALL payments made for the year regardless if the voucher was marked as 1099 applicable.

** Your 1099 Preview report will be off if you have processed a voucher in 2020 that did not have the 1099 box selected during entry.

AP 1099 Processing - continued

*** TIP***

There are few ways you determine that all your batches are posted for the year:

1. Run the Unreleased AP Batches report for the entire year.

2. Use Quick Query to search for all unfinished batches. (Use the General Ledger | Batches query)

The benefit of this query allows you to see all batches not finished from all modules. You can use this for month-end processes too.

Common AP 1099 Processing Issues

- System Message 532 – Close 1099 Year

- 1099 balances are incorrect for a vendor
  - Manual/Integrity Check

- Current 1099 year was purged by mistake – SQL to update periods and years

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Q&A

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Thank you for joining today!

- For more information contact your CSM directly
  - Cindy Smith CSmith@Velosio.com
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  - Bob Green RGreen@Velosio.com

  For assistance with installing the YE updates, you can send your requests to Slsupport@velosio.com

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