




Deltek

Deltek Vantagepoint

Year-End Guide

December 1, 2023



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Overview

This guide presents year-end processing guidelines for Vantagepoint.

Note: This guide is not comprehensive. See the Vantagepoint Online Help for additional information.

Year-End Update

The 2023 Year-End Update for Vantagepoint contains tax updates and will be distributed as an Update by late December 2023. In January 2024, any additional changes or tax updates that become available will be released as an Update.

What's New

Note: The Federal tax changes described below were current as of December 2023. If further changes are disclosed, this section will be updated accordingly.

FICA Withholding

OASDI (Social Security)

- Tax Rate: 6.2%
- Wage Base: \$160,200 (Increased from \$147,000 in 2022)

401(k)


Note: Information Only. Vantagepoint does not update 401K type Withholding Codes; this is done manually in the Desktop app, **Settings » Payroll » Withholding Codes**.

- Employee contribution limits: \$22,500 (increased from \$20,500 in 2022)
- Additional catch-up contributions amounts for employees aged 50 and over: \$7,500 (increased from 6,500 in 2022)

Adding Custom Notes to This Guide

If you would like to add custom notes to this guide that are specific to your company, Adobe® Reader® X provides this ability. If you do not already use Adobe Reader X, you can download it [here](#) free from Adobe.

To add a custom note using Adobe Reader X:

1. On the Reader toolbar, click **Comment** at far right.
2. In the **Annotations** pane that displays, click  **Sticky Note**. The cursor changes to match the button.
3. Position the cursor at the location in the guide where you want the note to appear, and click. A note icon is inserted at the location and a text box pops up.

4. Enter your information in the text box.
5. Continue adding notes as needed.
6. Save the document.

Note: Deltek recommends that you save the document to a slightly different filename so as to keep the original from being overwritten.

When reading the document, cursor over a note icon to see the information. Double-click a note icon to edit the information.

Deltek Support Center

To expedite our responses to your questions at year end, we encourage you to use the Deltek Support Center, <https://deltek.custhelp.com>, where you can enter incidents on the Submit a Case page or start a live chat with one of our analysts.

Click the link below to view Year-End Resources, located on the Support Center home page. This site will be updated continuously through February and will contain information such as Year-End Bulletins, FAQs, links to the product releases, additional services that are offered for year-end, and up-to-date tax changes.

You need a valid Deltek Support Account to access this site: <https://deltek.custhelp.com/app/YearEnd>. Alternatively, you can contact Deltek Support Services by calling 1.877.457.7765.

Warning: To ensure that you complete the steps in the correct order, Deltek recommends that you read this entire document before you begin.

Chapter 1: Overview of Year-End Processes

Initialization Utilities

You can run separate initialization utilities to complete the year-end process. For example, you can open the New Year without finishing the old year for Payroll and Accounts Payable purposes. The following sections summarize each initialization utility. **Do not initialize until you review all of the following sections.**

You must perform the initialization step **only once**. If you perform this step more than once, it will be necessary to restore a backup copy of your database. The initialization utility displays the date on which it was last run; Deltek recommends that you make note of that date.

When you run the separate initialization utilities, Vantagepoint records the process on the Posting Log Review report, located under **Transaction Center » Posting Review Report**. The entry displays as an **AL** transaction type, indicating an audit log posting. This information is useful as an audit trail for all changes that updated your database in a specific period. The transaction appears in the period in which the action was performed.

Multicompany

You must run each initialization utility separately for each company. Running the initialization utilities only initializes for the active company. The only exception is the Open New Period utility, which opens for all companies at once. See the Vantagepoint Online Help for more information.

Open New Period (Fiscal Year)

Vantagepoint keeps track of how many periods per fiscal year were designated during installation. Click **Utilities » Periods » Period Setup** to view the current settings. When the new period is in a new fiscal year, it prompts Vantagepoint to set year-to-date reporting values to zero. Open the new fiscal period at the beginning of the General Ledger fiscal year. Click **Utilities » Periods » Period Setup » New Period**.

Open New Absence Accrual Year

The **Open New Absence Accrual Year** utility zeros out all year-to-date absence hour information (the year-to-date hours earned and year-to-date hours taken). If the absences are set up to carry over hours to the next Absence Accrual Year, Vantagepoint adds the current year's unused earned hours to the new Absence Accrual Year's starting balances, based on the limits specified.

If the absence hours are set to pre-accrue at the time that you open the New Absence Accrual Year, Vantagepoint adds these yearly absence hours to the employee's current year earned hours automatically.

You **must** initialize for the New Benefit/Absence Accrual Year **prior to** posting any timesheets or running Payroll for the New Year.

Click **Utilities » Periods » Absence Year**.

1099 Initialization (Accounts Payable users only)

The 1099 Initialization utility resets vendor year-to-date values to zero. The initialization step transfers the **Paid This Year** amount for all vendor records to the **Paid Last Year** field on the Vendor tab of the Firms HUB. The **Paid Last Year** field amounts appear on the 1099-NEC form in box 1.

You **must** complete **all** Accounts Payable payment processing and adjustments before running the 1099 Initialization. You cannot process the 2023 1099-MISC or 1099-NEC forms before initializing a new 1099 year. In the Desktop app, click **Utilities » Periods » 1099 Initialization**.

Open New W-2 Quarter/Year (Payroll Users Only)

Vantagepoint keeps track of which W-2 quarter and W-2 year are open. You must perform quarterly initialization at the end of each calendar quarter and at the beginning of the calendar year. The Open New W-2 Quarter/Year utility resets the employee year-to-date Payroll values to zero.

It is not necessary to process the 2023 W-2s before opening the New W-2 Quarter/Year. However, you **must** complete **all** Payroll processing for 2023 before opening the New W-2 Quarter/Year. Click **Utilities » Periods » W-2 Quarter**.

Processing with Two Fiscal Years Open

Opening Multiple Periods Spanning Different Fiscal Years

Vantagepoint makes it possible for you to open and process in multiple periods. The open periods can span fiscal years. For example, December 2023 can be open at the same time as January 2024. Any adjustments made in the old year automatically update balances in the new fiscal year, regardless of when this occurs. You can open January without completing all of the December processing first, allowing you to begin processing January transactions before closing the December period.

Accounts Payable Payment Processing in the New Fiscal Year

When two fiscal years are open, you **must** complete **all** Accounts Payable payment processing and Accounts Payable disbursements before running the 1099 Initialization utility for the new 1099 year. Once the new 1099 year is open, then it is possible to enter new Accounts Payable payments and Accounts Payable disbursements for the 2024 processing year. This ensures that the year-to-date figures are properly updated for the vendors. It is possible to create and post new Accounts Payable vouchers as usual with two fiscal years open.

Payroll Processing in the New Fiscal Year

When two fiscal years are open, you should complete **all** Payroll processing and Payroll-related adjustments for 2023 in W-2 year 2023 before running the Open New W-2 Quarter/Year utility for the new W-2 year. Once the new W-2 year is open, then it is possible to enter new Payroll payments for the 2024 processing year. This ensures that the year-to-date figures are properly updated for the employees.

Year-End Checklist

At year end, you need to complete the steps listed in the checklist below. You should complete all required activities in the recommended order.

Step	Description	Done?
1.	Make a complete backup.	
2.	Open a New Period (Fiscal Year).	

Step	Description	Done?
3.	Begin to process allowable transactions in the new fiscal year. However, do not process any Accounts Payable disbursements, Accounts Payable payment processing, or Payroll processing.	
4.	Install the 2023 Year-End Update. For Deltek First Vantagepoint Essentials SaaS customers, the Year-End Update is scheduled and installed by Deltek Cloud Operations. The timing and specifics of this update will be communicated to the SaaS Administrators within Deltek First Vantagepoint Essentials SaaS organizations.	
5.	Run the Open New W-2 Quarter utility. Since December is in the fourth quarter, Vantagepoint automatically opens a new W-2 Quarter/Year.	
6.	Print 2023 W-2 forms and, if applicable, generate the Electronic Filing file. You can complete this step at any point after step 5.	
7.	Post all 2023 timesheets and, if applicable, run the Open New Absence Accrual Year utility (see Chapter 6 of the Year-End Guide). You can now begin processing 2024 timesheets and Payroll.	
8.	Complete all 2023 Accounts Payable payment processing, adjustments, and Accounts Payable disbursements in 2023.	
9.	Run the 1099 Initialization utility (see Chapter 7 of the Year-End Guide). You can now begin processing Accounts Payable payments and Accounts Payable disbursements for 2024.	
10.	Print 2023 1099-MISC and 1099-NEC forms and, if applicable, generate the Electronic Filing files. You can complete this step at any time after step 10.	
11.	Process any 2023 accounting adjustments, such as journal entries.	
12.	Print the final 2023 accounting reports.	
13.	Close the 2023 periods and fiscal year.	
14.	Make a complete backup. Deltek recommends that you label this backup with the date and the Vantagepoint version number.	

Chapter 2: Ordering Forms

Vantagepoint supports laser and inkjet printers.

Accounts Payable checks, Employee Expense checks, Payroll checks, 1099-MISC and 1099-NEC forms, and W-2 forms print on specific stock. Vantagepoint generates 1099s to use with the 1099-MISC and W-2 form 2-per page or 2-Up form and generates 1099s to use with the 1099-NEC forms 3-per page or 3-Up form.

Chapter 3: Preparing Your System for Year-End Processing

Establishing a Disaster Recovery Plan

If your database is housed on your own computers, it is critically important that your organization develop and maintain a regular maintenance plan and disaster recovery plan, and that you test it periodically. Year end is a good time to review your backup and recovery procedures.

It is important to understand how to restore data from a backup in the event of a hardware or system failure. Having a disaster recovery plan in place is critical to any successful installation. In the unlikely event of drive failure, you need to have procedures documented that outline the steps necessary to recover from a backup without losing significant data or time.

If your database is hosted by Deltek, a Deltek partner, or other provider, the host organization is responsible for database backups. You can confirm this with your host organization.

Verify the Version of Microsoft SQL and Application Server

To verify the versions, see KB# 38499 for the specific Vantagepoint version being used.

Make MSDE-SQL Server and SQL Server Backups

Deltek recommends that you manually create two complete year-end backup sets and keep them separate from your normal backup media set. Store one of these copies off-site in case of fire or other disaster. Be sure to test a restore of your backup to ensure that it is usable.

For more information about Microsoft SQL procedures for backup and restore, please see the Microsoft Technet Library, starting at this link: <http://technet.microsoft.com/en-us/library/ms187048.aspx>.

Chapter 4: Installing the 2023 Year-End Update

The 2023 Year-End Update contains the 2024 payroll tax tables required for processing in the New Year, along with any changes related to 1099 or W-2 Form processing.

For Deltek First Vantagepoint Essentials SaaS customers, the Year-End Update is scheduled and installed by Deltek Cloud Operations. The timing and specifics of this update will be communicated to the SaaS Administrators within Deltek First Vantagepoint Essentials SaaS organizations.

Before You Install

If you have a standard, **on-premises** Vantagepoint implementation, complete the steps in this section before you install the Year-End Update.

Before installing the Year-End Update:

1. Make a complete backup.
2. Complete all Payroll 2023 processing.

Multicompany

You must complete all Payroll processing for all companies in your enterprise before installing the 2023 Year-End Update. This update will install the updated tax tables for all companies.

Install the Update

To install the update:

1. From your Web\Application server, log into the Deltek Support site at <https://support.deltek.com>. If you cannot run this at the server itself, you can run it on another machine and then later copy the downloaded file to the server.
2. Select the Product Downloads tab and run the Deltek Software Manager. Click Launch Deltek Software Manager.

If you are not familiar with the Deltek Software Manager, you can click **Using the Deltek Software Manager** link in the **Welcome to Deltek Software Manager Tutorial** window. To skip the tutorial, click **Continue**.

3. Click the + next to your Vantagepoint version.
4. Click the + next to Update.
5. Select the checkbox for the Latest Update.

If you do not see the appropriate Update, go to the top menu bar and click **View » Show All Releases (including Downloaded and Hidden)**.

6. Click **Download**. Save the file to an appropriate location.
 - If you are not running this on the server itself, you need to copy the downloaded file to the Web\App server.
 - Typically, Updates are loaded into the folder Vantagepoint\xx\GA\Updates, where xx is the version.

7. Make sure that there are no jobs running that are using the Vantagepoint databases. You can temporarily stop the Deltek Process Server service to make sure that no jobs will fire up while you are running the Update.
8. Make sure all users are logged out of Vantagepoint. The installation will restart IIS, and will kick out any users who are still logged in.
9. Make a manual backup of your Vantagepoint databases.
10. Launch the Update executable file on the Web\Application server.
 - It will upgrade the program files on the server.
 - It will also run a script upon your Vantagepoint databases. You can allow the script to run automatically.
11. If you do not allow the script to run automatically, you need to run it manually on each of your Vantagepoint databases.
 - Typically, the scripts are loaded into the folder ...\\Deltek\\Vantagepoint\\Databases\\Scripts.
 - The script will have the name DeltekVantagepointxxGACUnn.sql, where xx is the version and nn is the Update number.
 - If your database is formatted for UNICODE, the script will be named UnicodeDeltekVantagepointxxGACUnn.sql
 - If your SQL Server services are running on another server, you need to copy the script over to the SQL server and run it there.
12. After the Update is complete, log back in to Vantagepoint and test to make sure that it has been successfully applied.

Note: For more information on how to run SQL Scripts, see KnowledgeBase article 50414 or 63872. Check <https://deltek.custhelp.com> for notifications of additional tax changes. Any changes received after the release of the first Year-End Update will be released in a second update in January and/or thereafter.

Chapter 5: Opening the New Period/Fiscal Year

Prior to Opening the New Period/Fiscal Year

Make a year-end backup before opening the 2023 fiscal year. Label it clearly (including the Vantagepoint version number) and keep it permanently on file. Consider storing an additional copy of the year-end backup off-site.

Perform the Open New Period/Fiscal Year step only once. If you perform this step more than once, it will be necessary to restore to a backup copy of your database.

Areas that Reset to Zero After You Open a New Fiscal Year

Areas that reset year-to-date values to zero after you open a new fiscal year include the following:

- Time Analysis report
- Project reports for overhead type projects
- Overhead Allocation calculation for the new year
- Year-to-date figures on the Key Financial Metrics reports
- Year-to-date values on accounting reports, such as the Cash Journal or Payment Register
- If you have the Accounting application installed, the Income Statement accounts close out to the prior year's Retained Earnings account on the Balance Sheet.
- When you open a new fiscal year, the year-to-date totals zero or are cleared out. However, the transactions are not gone. You can go into the prior period/year and run reports to see the prior year totals.

Open the New Period/Fiscal Year

To open the New Period/Fiscal Year:

1. Click **Utilities » Periods » Period Setup** and click **New Period**.
2. If the current period open is the last period in the fiscal year and you open a new period, Vantagepoint displays the following warning:

WARNING - You are currently in fiscal period 12 of 12 for the year 20xx (current year). If you continue, you will open the first fiscal period for the year 20xx (new year).

Open New Period

WARNING: You are currently in fiscal period 12 of 12 for the year 2021. If you continue, you will open the first fiscal period for the year 2022.

Current Period

Fiscal Period

12/2021

ACCOUNTING PERIOD

Start Date

12/01/2021

End Date

12/31/2021

FISCAL YEAR

Start Date

01/01/2021

End Date

12/31/2021

New Period

Fiscal Period

1/2022

ACCOUNTING PERIOD

Start Date *

01/01/2022

End Date *

01/31/2022

FISCAL YEAR

Start Date *

01/01/2022

End Date *

12/31/2022

Save

Cancel

- If this prompt does not display when expected, do not open the new period. Call Deltek Support Services for assistance.
- When you click **Save** to pass this warning, the following warning displays:

!! WARNING!! - You are initializing for a new fiscal year. Do you want to continue?
- Click **Yes** to open the first period in the new fiscal year.

Multicompany

In Vantagepoint, you can open a new period for **ALL** companies at the same time OR for just the **Active Company** (the company currently logged into). Select either option at the top of the **Open New Period** screen. See the Vantagepoint Online Help for more information.

Chapter 6: Absence Accruals

Absence Accruals Checklist

At year end, there are certain steps that you need to perform for absence accruals, as outlined below. Refer to the following checklist to ensure that you perform all required absence accrual activities in the recommended order.

Step	Description	Done?
1.	Complete all absence processing and adjustments for 2023.	
2.	Post all 2023 timesheets and Payroll, if applicable.	
3.	Create a backup of the database.	
4.	Verify Absence Accruals setup information.	
5.	Run Open New Absence Accrual Year utility.	
6.	Run Accrued Time report to confirm absence totals in Vantagepoint.	
7.	Process timesheets and Payroll, if applicable for 2024.	

Prior to Opening the New Absence Accrual Year

Make a year-end backup before opening the 2024 Absence Accrual Year. Label it clearly (including the Vantagepoint version number), and keep it permanently on file. Consider storing an additional copy of the year-end backup off site. The absence hours taken number is updated through posting timesheets or processing Payroll (depending on your absence accrual setup). It is very important that you post all timesheets and Regular Payroll runs prior to opening the new Absence Accrual Year. Once the new Absence Accrual Year is opened, the tracking of absence hours for the new Absence Accrual Year begins.

Opening the New Absence Accrual Year

Open an Absence Accrual Year when it is needed to start tracking absence accrual hours earned and taken for a new Absence Accrual Year. You can have only one active Absence Accrual Year. The Absence Accrual Year can be calendar year or fiscal year based for your company. However, most Absence Accrual Years match the payroll year and are on a calendar year basis.

You must confirm all of the Absence Accrual setup information. This includes carry-over limits, pre-accrue of hours, schedules, and absence hours per year for the employees.

When you open a New Absence Accrual Year, Vantagepoint zeros out all year-to-date accrual totals for all employees. This process includes year-to-date hours earned and taken. The current year's ending balance for an absence plan becomes the starting balance for the new Absence Accrual Year, based on limits specified.

You must open the New Absence Accrual Year only once. If you perform this step more than once, it may be necessary to restore to a backup copy of your database.

Multicompany

You must run the Open New Absence Accrual Year utility separately for each company. Running the Open New Absence Accrual Year initialization utility only initializes for the active company. See the Vantagepoint Online Help for more information.

Verify Absence Accrual Settings

You verify defaults for absence accruals in Settings. You verify employee-specific settings in the Employee HUB to override those defaults.

To verify default absence accrual settings:

1. Click **Settings » Accounting » Absence Accrual » Accrual Codes** grid.
2. Verify the **Maximum** for each absence code. Use this option to enter the maximum number of hours that an absence accrual code can reach before accruing will stop. When an employee reaches this maximum, Vantagepoint no longer accrues hours for this absence accrual code for the employee until the balance is less than this maximum.
3. If the **Limit Hours Carried over to New Accrual Year** option is selected, verify that the **Carry Over Limit** field is correct. If this field is left blank, Vantagepoint reads this as a zero hours and zeros out all the hours carried over.
4. Verify the **Pre-accrue Hours** for each absence code. If this is selected for an absence code, Vantagepoint accrues the full number of hours for the Absence Accrual Year when you open a new Absence Accrual Year.
5. If you are using an Accrual Schedule, verify that the schedule is set up correctly under **Settings » Accounting » Accrual Schedules**.

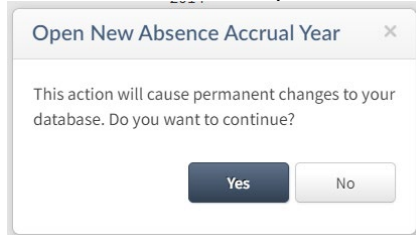
To specify an individual employee's absence accrual settings and overwrite the default settings:

1. Click **HUBS » Employees » Accounting** tab.
2. Verify the **Carry over Limit** for each absence code. You can set up separate carry-over limits for individual employees here that override the default settings under **Settings**.
3. Verify the **Hours Per Year** or **Accrual Schedule** for the employees.
4. Click **My Stuff » Employee Reporting » Accrued Time** to see current absence hours on the Accrued Time report.
5. If there are no carry-over or pre-accrue hours, you must process the first absence accrual for the new Absence Accrual Year (2024) to see the new absence hour amounts in the Accrued Time report.

Open New Absence Accrual Year

To open the Absence Accrual Year:

1. Click **Utilities » Periods » Absence Year**. Vantagepoint displays a warning after **Open** is clicked “This action will cause permanent changes to your database. Do you want to continue?”



2. Clicking **Yes** will open a new Absence Accrual Year. No other screen will show before a new Absence Accrual Year is created. Clicking **No** will stop the process of opening a new Absence Accrual Year.

Audit Trail Implications

When you open a new Absence Accrual Year, Vantagepoint records the opening date on the Posting Log Review report.

To see this report, click **Transaction Center » Posting Review**. The entry displays as an **AL** transaction type, indicating an audit log posting, and is useful as an audit trail for all changes that updated your database in a specific period. The transaction appears in the period in which the action was performed.

Chapter 7: Accounts Payable

Accounts Payable Checklist

At year end, there are certain steps that you need to perform in Accounts Payable, as outlined below. Refer to the following checklist to ensure that you perform all required Accounts Payable activities in the recommended order.

Step	Description	Done?
1.	Complete all Accounts Payable payment processing, adjustments, and Accounts Payable disbursements for 2023.	
2.	Create a backup of the database.	
3.	Install the Vantagepoint 2023 Year-End Update. For Deltek First Vantagepoint Essentials SaaS customers , the Year-End Update is scheduled and installed by Deltek Cloud Operations. The timing and specifics of this update will be communicated to the SaaS Administrators within Deltek First Vantagepoint Essentials SaaS organizations.	
4.	Confirm the Paid This Year 1099 totals, 1099 Required, Federal ID, and Primary Address information for vendors.	
5.	Run the 1099 Initialization for a new 1099 year.	
6.	Generate the 1099 work files and run the Verify Payments Report.	
7.	Print 1099s and, if applicable, generate the Electronic Filing files.	

Initializing for a New 1099 Year

After all vendors have been paid in 2023, but before you pay any vendors in 2024, you must initialize for a new 1099 year. This resets all vendors' **Paid This Year** amounts to zero.

The initialization for a new Accounts Payable 1099 year transfers the **Paid This Year** amount for the vendors to the **Paid Last Year** field on the Accounting tab in Firms HUB. When Vantagepoint generates the 1099 work file, it refers to the **Paid Last Year** field of the vendor and is prefilled into Box 1 on the 1099-NEC form.

You must complete the 1099 initialization before processing any payments or Accounts Payable disbursements in the new year.

You must perform the initialization step only once. If you perform this step more than once, it will be necessary to restore to a backup copy of your database. The 1099 initialization utility displays the date on which it was last run; please make note of that date.

Multicompany

You must run the 1099 Initialization utility separately for each company. Running the 1099 Initialization utility only initializes for the active company. See the Vantagepoint Online Help for more information.

Verify 1099 Settings for Vendors

To verify 1099 settings for vendors:

1. Click **HUBS » Firms » Vendor** tab.
2. Verify the amount in the **Paid This Year** field. This field includes the amount that you paid the vendor during the current calendar year (2023, in this case, which is the year for which you are producing the 1099 form).
3. Review amounts paid to vendors on the Voucher Ledger report. Click **My Stuff » Reporting » Accounts Payable Reporting » Voucher Ledger**.
4. If Vantagepoint was installed mid-year and you did not enter historical amounts (or balances forward) in the **Paid This Year** field in the Firms HUB, the balances may be incorrect. If you have not yet initialized, manually modify the **Paid This Year** field. If you have already initialized, modify the **Paid Last Year** field to reflect these balances.
5. Verify that the **1099 Required** option is selected in the Firms HUB > Vendor tab, to indicate that Vantagepoint should generate a 1099 form for this vendor.
6. Verify that the **Federal ID** field is populated. You can enter a Taxpayer Identification Number (TIN) here or in the Form 1099 editor.
7. Review these settings for vendors on the Vendor List report. Click **My Stuff » Firm Reporting » Firm List**. Select only Firms where the Firm Type = Vendor.
8. On the Overview tab of the Firms HUB, verify that there is a **Primary Address** selected for this vendor. You must specify a Primary Address before you can process a Form 1099 for a vendor.

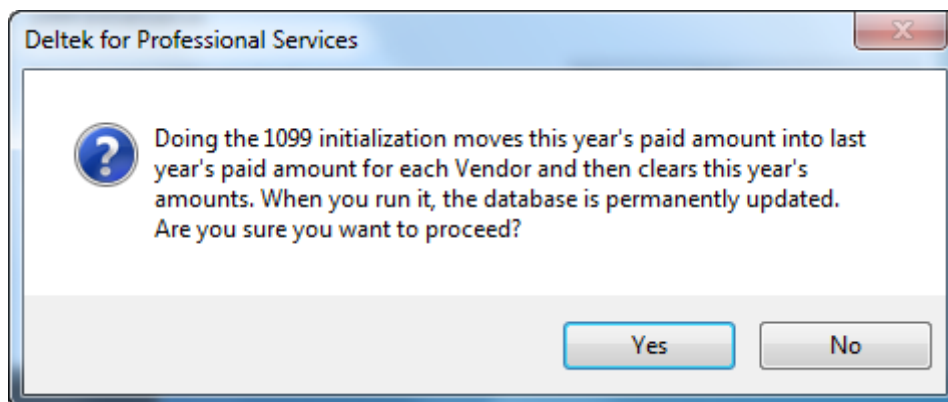
Run the 1099 Initialization Utility

You can run the 1099 initialization while in the December 2023 accounting period or the January 2024 accounting period.

To run the 1099 Initialization utility:

1. In the Desktop app, click **Utilities » Periods » 1099 Initialization**.
2. After verifying the most recent 1099 initialization run, click **Initialize**.

The following message displays:



3. Click **Yes** to continue initialization.

Audit Trail Implications

When the 1099 year is initialized, Vantagepoint records the process on the Posting Log Review report. To see the report, click **Transaction Center » Posting Review**. The entry displays as a VI transaction type, indicating an audit log posting. This information is useful as an audit trail for all changes that updated your database in a specific period. The transaction appears from the period in which you performed the action.

Verify Payments Report

Use the Verify Payments Report after you generate a work file and before you print the 1099 forms for your vendors. The Verify Payments Report examines all vendors whose data matches all of the criteria for sending a 1099 form. The 1099 Verification Report shows only those vendors who have a discrepancy between the total payments processed and the **Paid Last Year** field in the Firms HUB. If there are no vendors listed on the report, no discrepancies exist between the payments processed and the **Paid Last Year** field. Deltak recommends that you run this Verification Report because the numbers that print on your 1099 forms may require that you modify numbers in the Firms HUB or through the Edit feature in Form 1099 Processing.

To run the Verify Payments Report:

1. Click **Accounting » Form 1099 Processing**.
2. Click **Generate Work File**.
3. Click **OK**; then, click **OK**.
4. Select **Other Actions » Verify Payments**.
5. Select the **Year**.
6. Select the **Sort By** options.
7. Click **Print** to see if there are any discrepancies for the vendors.
8. Determine the correct amount and update the vendor **Paid Last Year** field on the Accounting tab of the Firms HUB.
9. To review amounts paid to vendors, run the Voucher Ledger report (**My Stuff » Accounts Payable Reporting » Voucher Ledger**).

Form 1099 Processing

At year-end, you must provide a 1099 Form to any vendors to whom you paid more than a specified amount (as legislated). The 1099 Form displays the amount paid by your company to the vendor. Distribute the five copies of this form as follows:

Copy	Distribute to
A	Internal Revenue Service Center
B	Recipient (vendor)
C	Payer, for the payer's records
1	State tax department
2	Recipient (vendor), for the recipient's state taxes

Printing Guidelines for 1099 Forms

Vantagepoint prints on the 1099-MISC or 1099-NEC Forms. You can print to the 2023 1099-MISC or 1099-NEC forms after installing the Year-End Update.

Deltek performs all printing tests using Laser and Inkjet printers. Because Laser and Inkjet printers do not accommodate carbon copy forms, you can print only one copy of the 1099 form during a single print run. Therefore, you must print multiple copies (see below).

Printing a Test Run

Before you print a final set of 1099s, you should print a test run. The test run confirms that all of the 1099s print correctly and that all 1099s are properly aligned. Deltek recommends that you perform this step well in advance of your final 1099 run.

To print a test run, print the 1099s on plain paper and then hold the paper over the actual forms to verify the layout.

Form 1099 Processing Checklist

Refer to the following checklist to ensure that you perform all required 1099-MISC and 1099-NEC processing activities in the recommended order.

Step	Description	Done?
1.	Enter vendor information on the Form 1099 Processing Form.	
2.	Enter the Payer State Tax Identification Numbers for state withholdings where state taxes were withheld for the vendors in Other Actions » State IDs .	
3.	Generate the 1099 work file to review the data to be used on the 1099.	
4.	Run the Verify Payments Report by selecting Other Actions » Verify Payments .	
5.	If necessary, edit the work file using the Form 1099 Editor.	
6.	Print or print preview 1099 forms for desired vendors.	
7.	If required, generate the Electronic File under Other Actions .	

Print 1099 Forms

To print 1099 forms:

1. Confirm that all Accounts Payable processing, adjustments, and Accounts Payable disbursements for the 2023 1099 year are complete.
2. Confirm that the 2023 Year-End Update is installed.
3. Create a backup of the database.
4. Click **Accounting » Form 1099 Processing**.

5. Select the appropriate **1099 Year** for processing. The 1099 generation process uses data for the 1099 year setting, so it is important to select the appropriate year prior to generating a 1099 Work File.
6. Enter the **Payer** information, including the **Payer's Federal Identification Number**. The Federal Government assigns this number.
7. Verify the **Minimum Recipient** payments. Enter the minimum amount paid to a vendor to make it necessary to send the vendor a Form 1099.
8. Click **Generate Work File** to create a 1099 information file. Click **OK** to confirm generating the work file.
9. After the work file generates, click **OK**. If a 1099 work file already exists for the selected 1099 year, Vantagepoint asks if you want to overwrite the existing 1099 work file.
 - Click **Yes** to regenerate the 1099 work file for the selected 1099 year. Any manual edits made to the 1099 work file will be lost. Please note that this does not remove any actual Accounts Payable information, it only deletes the previously processed and manually edited 1099 work file.
 - Click **No** if you want to review the previously generated 1099 work file, including any manual edits made to the 1099 work file previously.
10. Select **Other Actions » Verify Payments**.
11. Select the **Year**.
12. Select the **Sort by** options.
13. Click **Print** to review the report; when you are finished, click **Close** to close the preview.
14. Click **Other Actions » Print 1099-MISC** or **Print 1099-NEC** to print the 1099-MISC form or click **Edit** to make additional adjustments to an individual vendor's 1099 information before printing.

Multicompany

The 1099s are generated for vendors within the active company only; you must perform this process within each company.

Form 1099 Processing Toolbar Options

Toolbar Button	Description
Generate Work File	Click to generate a work file that contains a "snapshot" of all the pertinent 1099 data for the vendor processing.
Edit	Click to open the 1099 Form Editor, from which you can edit or print forms for individual vendors. This field is enabled after you successfully generate a work file. You can edit any data on this form by selecting the information and entering the changes. Use the record selector at the top of the form to scroll to the next vendor's 1099.
Electronic Filing	Select Other Actions » Electronic File 1099-MISC or Electronic File 1099-NEC to open the Form 1099 Electronic Filing Reporting Form. This transfers the 1099 data from the work file into the IRSTAX file for electronic filing to the Federal government.

Toolbar Button	Description
Verify Payments	Use the Verify Payments under Other Actions to review vendors who have a discrepancy between processed payments for 2023 and the amount that currently displays in the Paid Last Year field in the Firms HUB.
Print	Click to preview or print 1099s for all vendors in the work file not marked on the Form 1099 Editor to be excluded from 1099 reporting. Other Actions » Print Options are: <ul style="list-style-type: none"> ▪ Print 1099-MISC or Print 1099-NEC: Select to open the Form 1099 Print Options and set Unit of Measure, Layout, and Margin options.

Printing Multiple Copies

To print the 1099s multiple times:

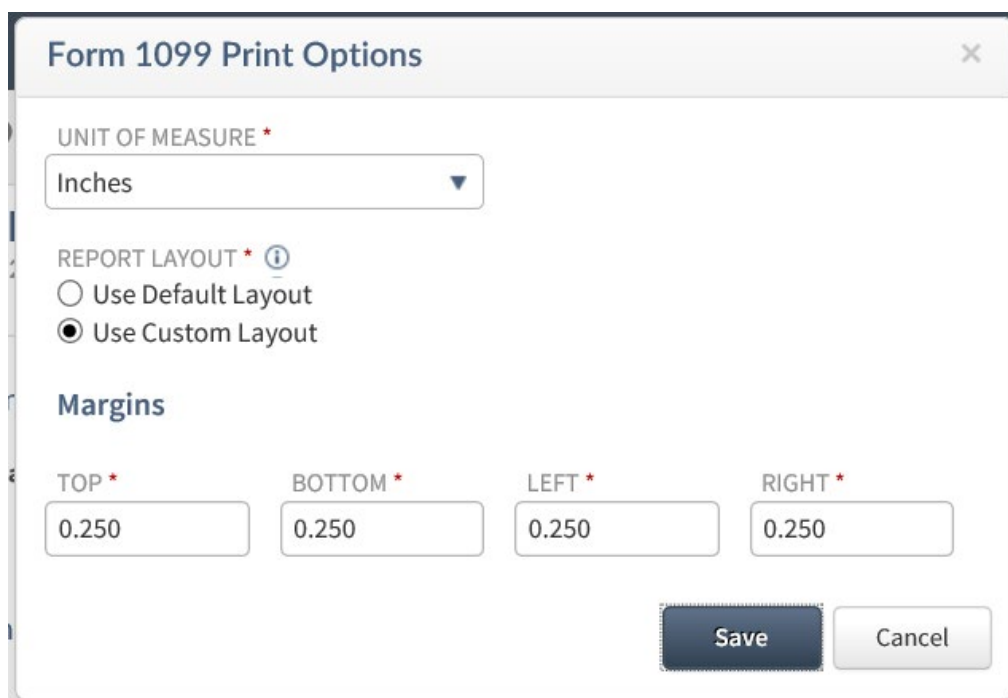
1. Click **Accounting » Form 1099 Processing**.
2. Click **Other Actions » Print 1099-MISC** or **Print 1099-NEC**.
3. Preview the 1099s, and then click the Printer Icon at the top of the previewed report. On the Print dialog box, select the Printer icon at the top of the previewed report **Number of copies to print** option and specify the number that you need.

Form 1099 Print Options

When printing your company's 1099 forms, you can use the **Print Options** dialog box to adjust margins if the forms do not align properly.

To access this dialog box, click **Other Actions » Print 1099-MISC** or **Print 1099-NEC**. This allows you to adjust the 1099 layout to fit the actual 1099-MISC form to your printer.

If you have alignment issues, you can change the margin settings. Select **Use Custom Layout** and specify the new margins. Custom margin settings only apply if the **Use Custom Layout** option is selected. If you do not have alignment issues, you can use the **Use Default Layout** option. You can also specify the **Unit of Measure**. See the example below.



The image shows a 'Form 1099 Print Options' dialog box. It has a title bar with a close button (X). Inside, there's a 'UNIT OF MEASURE' dropdown menu set to 'Inches'. Below that is a 'REPORT LAYOUT' section with two radio buttons: 'Use Default Layout' and 'Use Custom Layout', with 'Use Custom Layout' selected. Underneath is a 'Margins' section with four input fields: 'TOP', 'BOTTOM', 'LEFT', and 'RIGHT', each containing the value '0.250'. At the bottom right are 'Save' and 'Cancel' buttons.

If you continue to have alignment issues:

1. Re-load the reports to confirm that you are working with the current forms.
2. In the Desktop app, click **Utilities » Report Administration**.
3. On the Load Reports tab, set the **Report Type** to **Standard**.
4. Select the **Delete Existing Reports in Each Folder Before Loading** option.
5. Click **Load Reports**.

Note: This can only be done if Vantagepoint is being used in an On-Premises server.

1099 Work File Tips

- You can re-generate the work file for the selected 1099 year at any time by selecting **Generate Work File** again. If you do this, Vantagepoint overwrites all of the 1099 information (created the last time you generated the 1099 work file), including overriding any manual changes made using the Form 1099 Editor in the previously generated in the 1099 work file.
- If you generate a 1099 work file prior to completing all Accounts Payable processing in the current 1099 year, you must generate a new 1099 work file to include any updates since the last time the file was generated (to include the updated information). If you do not re-generate the work file, your changes will not be reflected in the current 1099 work file unless you manually update the information via the Form 1099 Editor.
- Currently, any amounts that need to be printed on the 1099-MISC boxes 1–17 must be entered manually.
- Currently, Vantagepoint only prints on the 1099-MISC and 1099-NEC forms.

- If, after reporting the 1099s to the Government, you realize that you must void a 1099, you can use the **Void** option at the top of the Form 1099 Editor.
- If you select the **Exclude this vendor from 1099 reporting** option on the Form 1099 Editor form, Vantagepoint does not include the 1099 Form in the work file. This may be useful if there are any miscellaneous vendors with Accounts Payable information that you do not need to report.

Electronic Filing for 1099s

Federal Electronic Filing

Vantagepoint 1099s Electronic Filing conforms to Federal Electronic Filing guidelines and for the states that comply with these guidelines.

Note: See the electronic filing guidelines at <http://www.irs.gov> and <http://www.ssa.gov>.

Transfer 1099 Information to Electronic Filing Format

To transfer 1099 information to electronic filing format:

1. Complete the steps in the “Print 1099 Forms” section.
2. Click **Accounting » Form 1099 Processing**.
3. Verify that all 1099 information generated for the vendors is correct. If necessary, manually edit the 1099 work file. Vantagepoint does not verify the accuracy of information in the 1099 work file. You must review all 1099 information and make any necessary changes for individual vendors using the Form 1099 Editor prior to creating the Electronic Filing file.
4. Select **Other Actions » Electronic File 1099 MISC** or **Electronic File 1099-NEC**. Vantagepoint displays the Form 1099 Electronic Filing dialog box. See the field descriptions in the table below.
5. Enter the active company’s information in the fields on the Form 1099 Electronic Filing Reporting form.
6. When you finish filling out information needed, click **Create File**.
7. When the export completes, Vantagepoint displays a dialog box that indicates the number of records exported. Click **OK** and wait for the **File Download** dialog box to display.
8. When the **File Download** dialog box displays, click **Download** and choose a location to save the file, then click **Save**. Do not change the name of this file, which should be **IRSTAX**. Refer to IRS Government publications for additional information.

Form 1099 Electronic Filing Options

Toolbar Option	Description
Processing 1099 Year	This field displays the 1099 Processing Year that was selected when the work file was created.
File Name	Enter the name and path of the Electronic Filing file. The default name for this file is IRSTAX .

Toolbar Option	Description
Contact Name	Enter the name of the person to be contacted by the Government concerning processing questions.
Contact Phone Number	Enter the contact's telephone number, including area code.
Contact Phone Extension	Enter the contact's phone extension.
Contact Email Address	Enter the contact's email address.
Transmitter Control Code	Enter the five-digit number that the Internal Revenue Service provided for use in Electronic Filing reporting.
Transmitter Media Number	When filing by Electronic Filing, enter the number used to identify a particular piece of media. If the media number is not available, this field can stay empty.
Payer Name Control	Enter this information from the label on the 1099 package that is mailed to most Payers each December. If the Payer Name Control is unavailable, this field can stay empty.
Payer Office Code	Enter the office code, if any, of the Payer.
Last Filing Indicator	Select this option if this is the last year that the Payer and this tax identification number combination are filing information returns electronically, magnetically, or on paper.
Test File Indicator	Select this option if this is a test file.
Replacement File Indicator	Select this option if this file is sent as a replacement for a file that the IRS/MCC notified you cannot be processed, or that the FIRE System rejects under File Status.
Create File	Click this button to create the file you will send to the Government. Vantagepoint creates the file in the location specified in the File Name field.
Cancel	Click this button to cancel without creating the file.

Chapter 8: Payroll

Warning: Perform the procedures in this chapter only **after** you complete all Payroll processing for 2023.

Payroll Checklist

Refer to the following checklist to ensure that you perform all required Payroll activities in the recommended order.

Step	Description	Done?
1.	Complete all Payroll year-end payment processing and adjustments for 2023.	
2.	Create a backup of the database.	
3.	Install Vantagepoint 2023 Year-End Update. For Deltek First Vantagepoint Essentials SaaS customers, the Year-End Update is scheduled and installed by Deltek Cloud Operations. The timing and specifics of this update will be communicated to the SaaS Administrators within Deltek First Vantagepoint Essentials SaaS organizations.	
4.	Verify withholdings and contributions to be reset for the new W-2 year.	
5.	Run the Open New W-2 Quarter utility. Since Vantagepoint is in the 4th quarter, it automatically opens a new W-2 Quarter/Year.	
6.	Run Form W-2 Processing.	
7.	Confirm W-2 totals in Vantagepoint.	
8.	Print W-2s. If applicable, generate the Electronic Filing file.	
9.	Generate the W-3 Worksheet to fill out the W-3 form manually.	

Payroll Year-End Processing and Adjustments

With multi-period processing, Payroll is accessible in prior periods. **Once the New W-2 Quarter/Year is opened, regular type Payroll runs, regardless of the period/year in which they are processed, are associated with the new W-2 quarter/year.** For this reason, it is important that you not open the New W-2 quarter/year until all Payroll payment processing and Payroll adjustments are completed in the prior year first.

Updating the FICA Tax Rates and Wage Base

Deltek recommends that you use the **System** method for the FICA Withholdings (FICA-OASDI and FICA-HI). To review the FICA withholding codes, in the Desktop app, click **Settings » Payroll » Withholding Codes**. The FICA Old-Age, Survivors, and Disability Insurance (FICA-OASDI) wage base is \$160,200 for 2023. To receive the updated FICA tax rates and wage base limits, you must install Vantagepoint Year-

End Update. After the Year-End Update is installed, no manual changes are necessary for FICA withholdings. See “Installing the 2023 Year-End Update” on page 8 for related information.

Verifying that Withholding and Contribution Limits Will Be Reset for the New W-2 Year

You must verify withholding and contribution codes if their values should be reset to zero for the new calendar year. If you do not reset the limits, Vantagepoint continues to accumulate amounts withheld until the limit is reached, instead of starting at zero for the new calendar year. For example, 401(k) plan limits and amounts should generally be reset each year.

To reset limits for withholding and contribution codes:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. Edit withholding codes, and then select **Reset limit at time of W-2 initialization**.
3. Click **OK**, and then click **Save**.
4. Repeat steps 1–3 for the contribution codes.

Verifying the 401(k) Withholding Code Limit

The 401(k) limit can be set as a default for all employees in the **Overall limit** field on the 401(k) withholding code. By using this option, you do not have to add this limit to each employee's HUB record. However, for employees who have a separate limit, you can enter it on that employee's record (click **HUBS » Employees » Payroll** tab, and use the **Withholding** grid). The amount that you enter in the **Limit** column on the employee record overrides the **Overall** limit on the 401(k) withholding code in Settings.

- For employees under the age of 50, the 2023 401(k) limit is \$22,500.
- For employees over age 50 who want to do catch-up, the 2023 401(k) limit is \$7,500.

Note: For more information about withholdings and contributions, see the Vantagepoint Online Help. For more information on 401(k) limits, see the IRS website at: <http://www.irs.gov/>.

Verify the Default 401(k) Limit in Settings

To verify the default 401(k) limit:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. Select the line for 401(k).
3. Click **Edit**.
4. Review the limit in the **Overall Limit** field for all employees who use this withholding code and change it if necessary.
5. Click **OK** and then click **Save**.

Verify an Employee's 401(k) Limit in the Employee HUB

To verify an individual employee's 401(k) limit:

1. Click **HUBS » Employees » Payroll** tab.
2. Select the line in the **Withholding** grid for the 401(k) withholding code.
3. Review the amount in the **Limit** column and change it if necessary.
4. The record changes will be saved automatically.

Link 401(k) Withholding Codes

Vantagepoint can accommodate a combined limit for two separate withholding codes. If the employees have two 401(k) withholdings for example, one 401(k) is a percentage, and another 401(k) is a flat amount, you can link this limit for a combined limit for both withholdings.

To link 401(k) withholdings:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. Select the withholding code that you want to link to.
3. Click **Edit**.
4. Click the **Link to calculate Overall Limit** option.
5. Click the **Find** icon to link the other withholding code. See the following example.

The screenshot shows the 'Payroll Withholding Setup' window. On the left, there are input fields for various withholding details. The 'Link to calculate Overall Limit' button is highlighted with a red rectangle. On the right, there is a table for 'Additional Deductions from Wages' and a section for 'Deduct before calculating withholding' with a checkbox for 'Taxable Benefit'.

Seq	Code	Description	Credit account	Type	Method	Locale	Amount/percent	Wage base	Overall limit
20	401K	401 (k)	237.00	401(k)	Percentage		15.0000		19,000.00

Withholding Code	Description

Opening a New W-2 Quarter/Year

You must open a new W-2 quarter/year after the last Payroll and all absence adjustments of 2023 have been completed, and before processing the first Payroll of 2024.

You must open a New W-2 quarter/year to track any data accumulated by Vantagepoint Payroll. When you do so, Vantagepoint resets all employees' year-to-date Payroll information to zero and starts tracking Payroll data for the new calendar year.

Perform the Open New W-2 Quarter/Year procedure only once. If you perform this step more than once, it will be necessary to restore from a backup copy of your database. The Open New W-2 Quarter/Year utility displays the date on which it was last run; please make note of that date.

Multicompany

You must run the Open New W-2 Quarter/Year utility separately for each company. This utility only initializes for the active company. See the Vantagepoint Online Help for more information.

To open a new W-2 Quarter/Year:

1. Click **Utilities » Periods » W2 Quarter**.
2. After verifying the dates, click **Open**.

Open new W2 Quarter

Note - You are currently in quarter 4 for the year 2021. If you continue you will open quarter 1 for the year 2022. Open

Current W2 Quarter		
W2 Quarter 4	W2 Quarter Start 10/1/2021	W2 Year Start 1/1/2021
W2 Year 2021	W2 Quarter End 12/31/2021	W2 Year End 12/31/2021

New W2 Quarter		
W2 Quarter 1	W2 Quarter Start 1/1/2022	W2 Year Start 1/1/2022
W2 Year 2022	W2 Quarter End 3/31/2022	W2 Year End 12/31/2022

Audit Trail Implications

When you open a new W-2 quarter, Vantagepoint records the opening of the quarter on the Posting Log Review report (**Transaction Center » Posting Review**). The entry displays as an **AL** transaction type, indicating an audit log posting. This information is useful as an audit trail for all changes that updated your database during a specific period. The transaction appears in the period in which the action was performed.

Form W-2 Processing Checklist

Refer to the following checklist to ensure that you perform all required W-2 processing activities in the recommended order. In the Desktop app...

Step	Description	Done?
1.	Enter employer information on the Form W-2 Processing Form.	
2.	Enter the employer state tax identification numbers for state withholdings where state taxes were withheld for the employees.	
3.	Generate the W-2 work file to review the data that will be used on the W-2.	
4.	If necessary, edit the work file using the Form W-2 Editor.	
5.	Print or print preview W-2 forms for desired employees.	
6.	If required, generate the Electronic Filing file.	
7.	Generate the W-3 Worksheet to fill out the W-3 form manually.	

Form W-2 Processing

The W-2s are used to report each employee's earnings and tax withholdings for the calendar year. Most firms will use six copies of each employee's W-2s. Distribute the six copies as follows:

Copy	Distribute to
A	Social Security Administration
B	The employee, for the employee's Federal Tax Return
C	The employee, for the Employee's Records
D	The employer, for the Employer's Records
1	State, City, or Local Taxes Departments
2	The employee, for the Employee's State, City, or Local Tax Return

W-2 Processing Guidelines

The IRS requires that you file a W-2 for an employee if your firm paid the employee any amount during the year, or if you withheld income tax, Medicare, or Social Security for the employee.

When an employee leaves the firm, your firm is obligated to supply the employee with a W-2 within 30 days if the employee requests one. You can produce W-2s at any time during the year without affecting the database. You can print W-2s for as many or as few employees as needed.

W-2 Printing Guidelines

Vantagepoint prints on the W-2 form 2-per-page form or the 2-Up form exclusively. Print the 2023 W-2 forms after installing the Year-End Update. You can also print W-2 forms for prior years, if necessary. Deltak performs all printing tests using Laser and Inkjet printers. Because Laser and Inkjet printers do not

accommodate carbon copy forms, you can print only one copy of the W-2 form during a single print run. Therefore, you must print multiple copies (see below).

Printing a Test Run

Before printing a final set of W-2s, you should print a test run. The test run confirms that all W-2s print correctly and that all W-2s are properly aligned. Deltek recommends that you perform this step well in advance of your final W-2 run. To print a test run, print the W-2s on plain paper, and then hold the paper over the actual forms to verify the layout.

Printing W-2 Forms

To print W-2 forms:

1. Confirm that all Payroll processing and adjustments for the 2023 W-2 year are complete.
2. Confirm that the 2023 Year-End Update is installed. To do this, click **Help » About**, and verify that it displays the latest version of Vantagepoint.
3. Create a backup of the database.
4. In the Desktop app, click **Payroll » Form W-2 Processing**.
5. Select the appropriate **W-2 Year** for processing. The **Processing W-2** year field defaults to the W-2 year currently open. W-2 generation process uses data from the W-2 year setting, so it is important to select the appropriate year prior to generating a W-2 work file.
6. Enter the **Employer** information and verify the **FICA** settings for the W-2 year.
7. Select **State IDs** from the toolbar. See the field descriptions in the table below.
8. Click **Insert** to enter the State and the Employer's State Tax I.D. for all states for which you have withheld state taxes for employees. Click **Close**.

Warning: Vantagepoint checks the **FICA Taxable** and **Withheld** amounts when generating the W-2 work file. If the amounts in Box 4 (Social Security Tax Withheld) and Box 6 (Medicare Tax Withheld) do not equal the amount expected based on actual taxable earnings times the appropriate percentages in the FICA settings, Vantagepoint displays a warning message.

If this warning displays, you should investigate the reason for the difference between the actual and expected amounts and take the appropriate steps to resolve the discrepancy. If necessary, you can use the Form W-2 Editor to change the values only in the employee's W-2 form. See the Vantagepoint Online Help for more information.

9. Select **Generate Work File** to create a W-2 work file. Click **OK** to confirm generating the work file.
10. Once completed, a message will tell you how many W-2s were created in this work file. Click **OK**. If a W-2 work file already exists for the selected W-2 year, Vantagepoint asks if you want to overwrite the existing W-2 work file.
 - Click **Yes** to regenerate the W-2 work file for the selected W-2 year. Any manual edits made to the W-2 work file will be lost. Please note that this does not remove any actual Payroll information, it only deletes the previously processed and manually edited W-2 work file.
 - Click **No** to review the previously generated W-2 work file, including any manual edits made to the W-2 work file previously.

11. Click **Print** to preview or print the W-2 form, or click **Edit** to make additional adjustments to an individual employee's W-2 information.

Multicompany

Because W-2s are generated for an employee within the active company only, you must perform this process within each company.

Form W-2 Processing Toolbar Options

Toolbar Option	Description
Generate Work File	Select to generate a work file that contains a "snapshot" of all the pertinent W-2 data from the employee payrolls.
Edit	<p>Select to open the W-2 Form Editor, to edit or print forms for individual employees. This field is only enabled after you have successfully generated a work file. You can edit any data on this form by selecting the information and entering the desired changes. Use the record selector at the top of the form to scroll to the next employee's W-2.</p> <p>Make sure to reprint the W-3 worksheet if you make manual edits to the W-2 work file. Please note that changes made to the W-2 work file only affect the work file, and do not affect the General Ledger, the actual employee Payroll records on file, or the quarter-to-date Payroll reports.</p>
Electronic Filing	Select to open the Form W-2 Electronic Filing Reporting form, which you use to transfer W-2 data from the work file into the W2REPORT file for electronic filing to the Federal Government. Electronic Filing W-2 (EFW2) reporting is not available for clients in Puerto Rico, the US Virgin Islands, Guam, or American Samoa.
State IDs	Select to open the State ID List, to insert state tax identification numbers for states which state taxes were withheld from the employees. Deltek recommends that you establish an ID for each state withholding on file. Be sure to complete this step before generating a W-2 work file.
Print	<p>Preview or print W-2s for all employees in the work file not flagged on the Form W-2 Editor to be excluded from W-2 reporting. Options are:</p> <ul style="list-style-type: none"> ▪ Advanced Printing: Select to open the Form W-2 Advanced Printing Options and set layout, sort, and margin options. ▪ Preview W-2 Form: Select to open the W-2 form in a preview page window. From this window you can review, download, print, or email the report using preview page options. ▪ Print W-2 Form: Select to open the Print dialog box and select your printing options. ▪ Preview W-3 Worksheet: Select to open the W-3 Worksheet in a preview page window. From this window you can review, download, print, or email the report using preview page options. ▪ Print W-3 Worksheet: Select to open the Print dialog box and select your printing options.

Printing Multiple Copies

To print the W-2s multiple times:

1. In the Desktop app, click **Payroll » Form W-2 Processing**.
2. Click **Print » Print W-2 Form**.
3. On the Print dialog box, specify the **Number of copies to print**.

Form W-2 Advanced Printing Options

When printing the W-2 forms, you can use the Advanced Printing Options dialog box to adjust margins. To access this dialog box, click **Payroll » Form W-2 Processing** and then click **Print » Advanced Printing** on the toolbar. This allows you to adjust the W-2 layout to best fit the actual W-2 form to your printer.

- If you have alignment issues, select **Use Custom Layout** and specify the margins to customize the printing. Custom margin settings apply only if the **Use Custom Layout** option is selected.
- If you do not have alignment issues, you can use the **Use Default Layout** option. This is also where you can specify the **Unit of Measure** and the different sorting options. See the example below.
- If you continue to have alignment issues:
 1. Re-load the reports to confirm that you are working with the current forms.
 2. Click **Utilities » Report Administration**.
 3. On the Load Reports tab, set the **Report Type** to **Standard**.
 4. Select the **Delete existing reports in each folder before loading** option.
 5. Click **Load Reports**.

Note: This can only be done if Vantagepoint is being used in an On-Premises server.

W-2 Work File Tips

You can re-generate the work file for the selected W-2 year at any time by selecting **Generate Work File** again. If you do this, Vantagepoint overwrites all of the W-2 information (created the last time you generated the W-2 work file), including overriding any manual changes made using the Form W-2 Editor in the previously generated in the W-2 work file.

If you generate a W-2 work file prior to completing all Payroll processing in the current W-2 year, you must re-generate a new W-2 work file to include any updates since the last time the file was generated, to include the updated information. Otherwise, these changes will not be reflected in the current W-2 work file without manually updating this information in the Form W-2 Editor.

If, after reporting the W-2s and W-3 to the Government you realize that you must void a W-2, you can select the **Void** option at the top of the Form W-2 Editor.

If you select the **Exclude this employee from W-2 reporting** field at the top of the Form W-2 Editor form, Vantagepoint does not include the W-2 Form in the work file. This may be useful if there are any miscellaneous employees with Payroll information that you do not need to report.

Electronic Filing for W-2s

Federal Electronic Filing

Vantagepoint W-2 Electronic Filing (EFW2) conforms to Federal Electronic Filing guidelines and for the States that comply with these guidelines.

Note: For additional information, see the section “Changes and Ordering for the 1099-MISC and W-2 Forms”, or see the electronic filing guidelines at <http://www.irs.gov/> and <http://www.ssa.gov>.

Transfer W-2 Information to Electronic Format (EFW2)

To transfer W-2 information to electronic format:

1. Follow steps 1 through 9 in the “Printing W-2 Forms” section.
2. In the Desktop app, click **Payroll » Form W-2 Processing**.
3. Verify that all W-2 information generated for your employees is correct. If necessary, manually edit the W-2 work file.
4. Vantagepoint does not verify the accuracy of information in the W-2 work file. You must review all W-2 information and make any necessary changes for individual employees using the Form W-2 Editor prior to creating the Electronic Filing (EFW2) file.
5. On the Form W-2 Processing toolbar, select **Electronic Filing**. Vantagepoint displays the Form W-2 Electronic Filing form. See the field descriptions in the table below.
6. Enter your company’s information in the fields on the Form W-2 Electronic Filing form.
7. Select the **Electronic Filing Type**. For example, select **FE** for Federal. If selecting a State Electronic File Type, enter your State Employer Account Number.


Note: Create separate files for Federal and State.

8. When finished, select **Create File**.
9. When export of the file is complete, Vantagepoint displays a dialog box that indicates the number of records exported. Click **OK** and wait for the File Download dialog box to display.
10. When the File Download dialog box displays, choose a location to save the file, then click **Save**.
11. Once the download is completed, click **Cancel** to close out of the Electronic Filing window. Do not change the name of this file, which should show a file name of **W2REPORT**.

Note: See “SSA Publication Number 42-007 Specifications for Filing Forms W-2 Electronically (EFW2)” for additional information.

Form W-2 Electronic Filing

Field	Description
Processing W-2 Year	This field displays the W-2 Processing Year that was selected when the work file was created.
File Name	Enter the name and path of the Electronic Filing file. The default name for this file is W2REPORT .
User ID	Enter the User ID (Personal Identification Number (PIN)) field. This user identification is provided by the Social Security Administration, for the person responsible for the file and attesting to its accuracy. Typically, this is the same individual who signs the attestation statement on the Form W-3.
Contact Name	Enter the name of the person to be contacted by the Social Security Administration (SSA) concerning processing questions.
Contact Phone Number	Enter the contact's telephone number, including area code.
Contact Phone Extension	Enter the contact's phone extension, if necessary.
Contact Email	Enter the contact's email address, if any. This field is required if you select 1 from the Preferred Method of Notification Code field.
Contact FAX	Enter the contact's FAX number, including area code. This field is for United States and United States territories only.
Preferred Method of Notification Code	Select one of the following codes to indicate how you would like to be contacted with questions: <ul style="list-style-type: none"> 1: Email/Internet 2: Postal Service
Resub Indicator	Select this option if the file is being resubmitted.
Resub WFID	If you selected the Resub Indicator option, enter in this field the WFID (Wage File Identifier) displayed on the notice sent to you by the Social Security Administration.
Terminating Business Indicator	Select this option if you terminated your business during this tax year.

Field	Description
Electronic Filing Type	 <p>In addition to Federal (FE), Vantagepoint currently supports the following states for Electronic Filing (EFW2) format: AL, AR, CO, CT, DC, DE, GA, ID, IL, IN, IO, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NJ, NM, OH, OK, OR, PA, RI, SC, UT, VA, VT, WI, and WV.</p>
State Employer Account Number	If you selected a state in the Electronic Filing Type field, enter the identification number assigned to you by your state for the purpose of filing wage and tax reports to State or Local Government Taxing agencies.
Create File	Select to create the file you will send to the Social Security Administration. Vantagepoint creates the file in the location specified in the File Name field.
Cancel	Select to cancel without creating the file.

Process a Bonus Payroll

To process a bonus Payroll for an employee, Vantagepoint increases an employee's gross pay, and applies the appropriate withholding amounts for the taxes. There are two different ways to process a bonus payroll:

- **Option A:** Use Gross Pay or Net Pay
- **Option B:** Use Other Pay

You should process a taxable bonus before opening the new W-2 Year and before applying the Year-End Update.

Example

In the following example, we will process a bonus Payroll. The procedure includes the following steps:

- Step I: Set Up or Verify a General Ledger Account
- Step II: Set Up or Verify Default Bonus using Gross Pay (Option A)
- Step III: Set Up or Verify an Other Pay (Option B)
- Step IV: Verify the Withholding and Contribution Codes
- Step V: Determine if Check or Direct Deposit
- Step VI: Processing the Bonus Payroll

Step I: Set Up or Verify a General Ledger Account

To set up or verify a General Ledger account:

1. Click **Settings » General Ledger » Chart of Accounts**.
2. In the **Find** field, click the drop-down arrow. Review the current accounts to see if you have existing accounts that can be used for this bonus Payroll or if you need to set up a new General Ledger account.
3. If you need to set up a new General Ledger account, click **+New Account**. Vantagepoint displays a blank form for creating a new record.
 - a. Enter **Account Name**.
 - b. In the **Number** field, enter an indirect account (a 700.00 level account from the Standard Chart of Accounts).
 - c. Enter the **Type** of account. In this example, we will use a 703.01 account named Bonus Cost Account and are selecting the account type of **Indirect**. However, you should check with your tax advisor for the correct account type to use for recording this bonus.
 - d. Click **Save**.

The screenshot shows the 'Accounts' section of a software interface. At the top, there is a search bar labeled 'Find account' and a 'Selection' dropdown menu. Below this, the 'Bonus Cost Account' is displayed with the number '703.01'. There are two tabs: 'OVERVIEW' (selected) and 'SORT/SELECT'. Under the 'OVERVIEW' tab, there is a table with three columns: 'Number', 'Type', and 'Status'. The table contains one row with the values '703.01', 'Indirect', and 'Active'. Below the table, there is a section for 'Cash Basis Account' with the value 'None'. At the bottom, there is a section for 'General Ledger Properties' with a 'Report Detail' link and a 'Show Detail' button.

Number	Type	Status
703.01	Indirect	Active

Step II: Set Up or Verify a Bonus using Gross Pay – Option A

When processing a Run Type of Bonus, you can use the **Gross Pay** field or the **Net Pay** field for the bonus pay amount. If you choose this option (Option A), follow the items below for Step II. If you want to use an Other Pay for the bonus pay amount option (Option B), skip to Step III.

To set up or verify a bonus using gross pay:

1. In the Desktop app, click **Settings » Payroll » General** tab.
2. In the **Bonus Cost** section, enter the indirect account enter 703.01 (the account specified in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this account field.
3. In this example we are selecting the account type of **Indirect**. However, you should check with your tax advisor for the correct account to use for recording this bonus.

4. In the **Project** field, enter an overhead project number (and phase or task if required). For access to the Project List Lookup, click the **Find** icon in this field.
5. Click **Save**. See the example below.

Payroll Setup

Save ? Help

General Checks FICA Other Pay Setup

Current W-2 Year: 2018 Current W-2 Quarter: 4

Payroll Frequency: Semi-monthly

Bank Code: Baybank - Corporate

☐ Post net payroll directly to bank

Salaries Payable Account: 231.00

	Account	Project	Phase	Task
Bonus Cost	703.01	0000001.00	000	

☐ Direct deposit for bonus/adjustments

☒ Allow changes to payroll history

☐ Enable date ranges for regular hours and overtime hours

☐ Allow Project's tax locale to be overridden on timesheet

Step III: Set Up or Verify an Other Pay – Option B

When processing the bonus run, you can use the **Other Pay** field for the bonus pay amount. If you choose this option (Option B), follow the items below for Step III. If want to use a Run Type of Bonus, using the Gross Pay or Net Pay for the bonus pay amount (Option A), return to Step II.

To set up or verify a bonus using Other Pay:

1. In the Desktop app, click **Settings » Payroll » Other Pay Setup** tab.
2. In the **Other Pay** sections enter or verify one of the five **Other Pay** fields and enter a description such as Bonus.
3. In the indirect account enter 703.01 (the account specified in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this account field.
4. In this example we are selecting the account type of **Indirect**. However, you should check with your tax advisor for the correct account to use for recording this bonus.
5. In the **Project** field, enter an overhead project number (and phase or task if required). For access to the Project List Lookup, click the **Find** icon in this field.
6. Click **Save**. See the example below.

	Label	Account	Project	Phase	Task
Other Pay 1	Bonus	703.01	0000001.00	000	
Other Pay 2	Severance	735.00	0000001.00	000	
Other Pay 3					
Other Pay 4					
Other Pay 5					

Step IV: Verify the Withholding and Contribution Codes

When processing with a Run Type of Bonus, only the Withholding and Contribution codes selected to be applied during a Bonus Payroll will be calculated on the Bonus Payroll run. When using an Other Pay for the bonus, you can have Vantagepoint calculate on a Bonus run type or a Regular run type. If you specify a Regular run type, Vantagepoint calculates all of the normal withholdings and contributions on the Payroll run.

To verify the withholding and contribution codes:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. Select the **Withholding Code** that you want to view.
3. For any withholdings not to be calculated on this bonus run, select the **Default to zero for bonus** option. See the example below.

Se	Code	Description	Credit Account	Type	Method	Locale	Amount/percent	Wage base	Overall limit	Default for new employees	Inactivate	Exclude 401(k)	Exclude cafeteria	Reset limit	Default to zero for bonus	Print
10	125/CAFE	125/cafe	235.00	Cafeteria	Amount					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
20	401K	401(k)	237.00	401(k)	Percentage		15.0000			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
30	FICA - HI	FICA - HI	232.00	FICA-HI	System					<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30	FICA-OASDI	FICA - OASDI	232.00	FICA-OASDI	System					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
40	FEDERAL	Federal	233.00	Federal	System	FE				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
50	CA	California State Tax	234.00	State	System	CA				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
50	CT	Connecticut State Tax	234.00	State	System	CT				<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
50	MA	Massachusetts State Tax	234.00	State	System	MA				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
70	BC/BS	Blue Cross Blue Shield	236.00	Other	Amount		36.0000			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
70	BENEFIT	Benefit	703.02	Other	Amount					<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

4. Repeat steps 1–3 for each withholding code you do not want to deduct during the Bonus Payroll run.
5. Click **Save**.
6. If Contribution Codes are applicable, in the Desktop app, click **Settings » Payroll » Contribution Codes**.
7. Select the **Contribution Code** that you want to view.
8. For any contributions not to be calculated on this bonus run, select the **Default to zero for bonus** option.
9. Repeat steps 6–8 for each contribution code that you do not want to deduct during the Bonus Payroll run.
10. Click **Save**.

Step V: Determine if Check or Direct Deposit

By default, the Bonus Payroll run prints checks.

To specify that bonus checks are to be direct deposited:

1. In the Desktop app, click **Settings » Payroll » General** tab.
2. Select the **Direct deposit for bonus/adjustments** option.
3. Click **Save**.

Step VI: Processing the Bonus Payroll

To process the bonus payroll:

1. Click **Payroll » Payroll Payments** to start a new Payroll run.
2. Set the **Run Type** to **Bonus**. Vantagepoint defaults the **Process Type** to **Manual Select**. You can only run a Bonus Payroll for manually selected employees. When using an Other Pay type for the bonus, Vantagepoint can calculate a Bonus type or a Regular type. However, for a Regular run type, Vantagepoint calculates all of the normal withholdings and contributions on the Payroll run. If your Role security allows, you can specify the W-2 Quarter and Year for the Bonus run's payment date.

3. Enter the **Payroll** and **Payment Dates** that this run covers.
4. Select **Employees** for whom you want in this Bonus run.
5. Then, click **Create New Run** to open a new run or, if you previously worked on the run, select it in the drop-down menu. The run opens on the Payroll Payments form.
6. Enter the bonus pay amount in one of the following fields:

▪ Option A

Gross Pay field: Select the magnifying glass for each employee and fill the **Gross Pay** field. If you enter the bonus pay amount in the **Gross Pay** field, Vantagepoint posts the amount to the account specified in the **Bonus Cost** field from Step II. Vantagepoint records the pay as Bonus Pay for the employee.

Employee Review - Herbert Smithfield, PE

BANK Baybank - Corporate	PAY RATE 1,920.00 per Period	NET PAY 326.75
OVERTIME PERCENT 0.00	OVERTIME-2 PERCENT 0.00	<input type="checkbox"/> Net to Gross

Hours and Pay Detail		Other Pay	
	REGULAR	TYPE	AMOUNT
Gross Pay	500.00	Bonus	0.00
		Benefits	0.00

- If you select the **Net to Gross** option, you can enter an amount in the **Net Pay** field and Vantagepoint automatically calculates the **Gross Pay**, **Withholding**, and **Contributions** amounts. Vantagepoint records the pay as Bonus Pay for the employee.

Employee Review - Herbert Smithfield, PE

BANK Baybank - Corporate	PAY RATE 1,920.00 per Period	NET PAY 500.00
OVERTIME PERCENT 0.00	OVERTIME-2 PERCENT 0.00	<input checked="" type="checkbox"/> Net to Gross

Option B

Other Pay field: If you enter the bonus pay amount in one of the **Other Pay** fields, Vantagepoint records the pay as Other Pay for the employee.

Employee Review - Herbert Smithfield, PE

BANK Baybank - Corporate	PAY RATE 1,920.00 per Period	NET PAY 326.75
OVERTIME PERCENT 0.00	OVERTIME-2 PERCENT 0.00	<input type="checkbox"/> Net to Gross

Hours and Pay Detail		Other Pay	
	REGULAR	TYPE	AMOUNT
Gross Pay	0.00	Bonus	500.00
		Benefits	0.00

- Verify and modify the employee's withholding and contribution information. Only withholdings and contributions set up to be applied during bonus Payrolls have associated amounts. See Step IV for additional information. Federal Withholding taxes calculate at a higher rate with bonus Payrolls. For additional information, review the Vantagepoint Online Help or review the "Why is the Federal Withholding so high for the bonus run?" section in the *Deltak Vantagepoint Frequently Asked Questions* document.
- Click **OK**.
- If more than one employee was selected for this process, select the next employee record by clicking the magnifying glass icon. Repeat the preceding steps for each employee to be included.
- Click **Draft Run**. Review the Draft Payroll Journal for this bonus Payroll run and then close the report.
- Modify any bonus paychecks or direct deposits as needed.
- Click **Process Payments**. Click **Yes** to continue.
- Select **Print Payments** to preview or print the bonus payments.

14. Select **Assign Numbers**, enter the check or direct deposit number, select **Assign**, and then click **Yes**.
15. If bonus payments are being paid using direct deposit advices, select **Email Remittance » Recipients**.
16. Select **Post Payment**, click **Post**, and then click **OK**.
17. If applicable, process the Payroll direct deposits for this bonus run.

Additional Taxable Income in the Form of a Benefit

To process additional taxable income in the form of a benefit, Vantagepoint increases an employee's gross pay, applying the appropriate withholding for any selected Federal (including FICA), State, City and Local taxes. This is also known as an "in and out" pay; the employee does not receive the amount of the benefit, although taxable earnings are increased by the amount of this benefit.

Because the following procedures combine the additional taxes with those withheld from the standard Payroll check or direct deposit amount, you should process this taxable benefit income **before** completing the final payroll for 2023.

Example

A company car, moving expenses, or life insurance premiums over \$50,000 are examples of this type of benefit. In the following example, we will process a company car benefit. The procedure includes the following steps:

- Step I: Set Up or Verify a General Ledger Account
- Step II: Set Up or Verify a Withholding Code
- Step III: Set Up or Verify an Other Pay
- Step IV: Update the Employee HUB record
- Step V: Processing the Taxable Benefit
- Step VI: After Processing
- Step VII: Reclassify the Payroll Expense to Recognize the Original Expense

Step I: Set Up or Verify a General Ledger Account

To set up or verify a General Ledger account:

1. Click **Settings » General Ledger » Chart of Accounts**.
2. In the **Find** field, review the current accounts to see if you have existing accounts that can be used for this taxable benefit or if you need to set up a new General Ledger account.
3. If you need to set up a new General Ledger Account, click **+New Account**. Vantagepoint displays a blank form for creating a new record.
 - a. In the **Account Number** field, enter a liability account (a 200.00 level account from the Standard Chart of Accounts).
 - b. In the **Name** field, enter an account name.
 - c. In the **Type** of account field, select **Liability**.
 - d. Click **Save**. In this example, we use a 240.00 account named Benefit Income.

- In this example, we are selecting the account type of **Liability**. You should check with your tax advisor for the correct account to use for recording this benefit.

Accounts All ▾ Find account ◀ 36 of 100+ ▶

Benefit Income
240.00

GENERAL

Number	Type	Status
240.00	Liability	Active

General Ledger Properties

Report Detail
Show Detail

- Create a second account. Enter an indirect account (a 700.00 level account from the Standard Chart of Accounts) in the **Account Number** field and an account name in the **Name** field. Then specify the **Type** of account. In this example, we will use a 729.00 account named Misc Payroll Expenses. See the example below.
 - To have the amount from the indirect go to the standard payroll expense account, for example the Job Cost Variance account (703.00), review the account at **Settings » Accounting » Posting Accounts, Labor Credit** account.
 - In this example we are selecting the account type of **Indirect**. You should check with your tax advisor for the correct account to use for recording this benefit.

Accounts All ▾ 729 ◀ 1 of 1 ▶

Misc Payroll Expenses
729.00

GENERAL

Number	Type	Status
729.00	Indirect	Active

General Ledger Properties

Report Detail
Show Detail

- Click **Save**.

Step II: Set Up or Verify a Withholding Code

To set up a withholding code:

- In the Desktop app, click **Settings » Payroll » Withholding Codes**.
- Click **Insert** and then enter a sequence number that is higher than the 401k, Cafeteria, Federal and FICA and State Withholding codes. For our example, enter Seq 70. See the example below.
- For our example, enter **Benefits** in the **Code** field. Then enter a description of the withholding code, for example Benefit Income, in the **Description** field.

4. In the **Credit Account** field, enter 240.00 (the account entered in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this credit account field. In this example we are selecting the liability account of 240.00. However, there can be benefits for which you will want to use the same account for the Other Pay and the withholding code, to create a washing entry for the liability and indirect accounts. Check with your tax advisor for the correct accounts to use for recording this benefit.
5. In the **Type** field, select **Other** from the drop-down list.
6. In the **Method** field, select **Amount** from the drop-down list.
7. Select one of the following actions:
 - If the taxable benefit amount varies among employees, leave the **Amount/Percent** field blank. Enter the amount for each employee in the **Employee Hub**.
 - If the taxable benefit amount is the same for all employees, enter the value in the **Amount/Percent** field.
8. Select the **Reset limit at time of W-2 Initialization** option.

9. Click **OK**, and then click **Save**.
10. Verify with your taxing authority whether this Withholding code needs to be added to the W-2. If so, select the area of the W-2 and the specific reporting code.

Step III: Set Up or Verify the Other Pay

To set up the Other Pay:

1. In the Desktop app, click **Settings » Payroll » General » Other Pay Setup** tab.
2. Select one of the five Other Pay fields, and enter a description in the **Label** field. For our example, we will use Benefits.
3. In the **Account** field, enter indirect account 729.00 (the account entered in Step I for the General Ledger account). To access the Account List lookup, click the **Find** icon.
4. In this example we are selecting the indirect account of 729.00. However, there can be benefits for which you want to use the same account for the Other Pay and the withholding code, to create a washing entry for the liability and indirect accounts. Check with your tax advisor for the correct accounts to use for recording this benefit.
5. To have the amount from the indirect expense go to the standard Payroll expense account, for example the Job Cost Variance account (703.00), review the account at **Settings » Accounting » Posting Accounts, Labor Credit** account.
6. In the **Project** field, enter an overhead project number (and phase or task if required). For access to the Project List lookup, click the **Find** icon in this field.
7. Click **Save**.

	Label	Account	Project	Phase	Task
Other Pay 1	Bonus	703.01	0000001.00	000	
Other Pay 2	Severance	735.00	0000001.00	000	
Other Pay 3	Benefits	729.00	0000001.00	000	
Other Pay 4					
Other Pay 5					

Step IV: Update the Employee HUB Record

To update the Employee Hub record:

1. Click **HUBS » Employees » Payroll** tab.
2. In the **Find** field, enter the employee name or ID, or click the **Find** icon to search for the employee's record.
3. In the **Benefits Other Pay** field, enter the value of the benefit. In this example, we entered \$1,000.00. This step increases the gross pay for the employee.

4. Under the Withholding grid, click **Insert** to add the Benefits withholding code entered in Step II. This ensures that the employee does not receive the taxable benefit amount of \$1,000.00 as extra pay, but the amount is still taxed on this benefit.
5. Select one of the following actions:
 - To add the taxable income amount to the employee, select the Benefits withholding code created in Step II. Change the **Method** to **Amount**, and in the **Amount/Percent** field, enter \$1,000.00. This entry directs Vantagepoint to withhold the benefit.
 - If you entered an amount for the Benefits withholding code in Step II, confirm that the **Method** of **System** is showing in the withholding grid.
6. Click **Save**.
7. Repeat Steps 1–6 for each employee who is to receive this taxable benefit.

Step V: Processing the Taxable Benefit

To process the taxable benefit:

1. Verify that Vantagepoint is in the period in which this benefit needs to be posted.
2. Click **Payroll » Payroll Payments** to start a new Payroll run.
3. Click **New** to open a new run.
4. Enter the **Check** and **Payroll Dates** that this run covers.
5. Set the **Run Type** to **Regular**.
6. Set the **Process Type** to **Manual**.
7. If this is a direct deposit employee, select the **Create checks instead of direct deposit for this run** option, if necessary.
8. In the **Find** field, enter the employee name or ID, or click the **Find** icon to search for the employee's record. If an employee is already selected in another pending Payroll run, you cannot include that employee in the bonus run until the pending run completes.
9. Select the **Include in Run** option. The following example shows the net pay and total withholdings **before** adding the Benefits withholding and taxable Benefit income.

Chapter 8: Payroll

Employee Review - Tina Barrett

Hours and Pay Detail					Other Pay		
	REGULAR	OVERTIME	OVERTIME-2	TOTAL	TYPE	AMOUNT	OVERRIDE
Time Hours	0.00	0.00	0.00	0.00	Bonus	0.00	<input type="checkbox"/>
Pay Hours	0.00	0.00	0.00	0.00	Benefits	0.00	<input checked="" type="checkbox"/>
Gross Pay	2,200.00	0.00	0.00	2,200.00			

Withholdings						
CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE	
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>	
BENEFITS	Amount		1,000.00	0.00	<input checked="" type="checkbox"/>	
FEDERAL	System		0.00	267.15	<input type="checkbox"/>	
FICA - HI	System		0.00	31.46	<input type="checkbox"/>	
FICA-OASDI	System		0.00	134.54	<input type="checkbox"/>	
MA	System		0.00	104.33	<input type="checkbox"/>	
				567.48		

OK

After applying the Benefits Other Pay and Benefits withholding code, the net pay decreases and total withholdings increase.

See the example below. Notice the FICA-HI calculation was \$31.46 before and \$45.96 after. The difference is \$14.50 which is 1.45% * \$1,000. FICA-OASDI was \$134.54 before and \$196.54 after. The difference is \$62 or 6.2% * \$1,000. We have accomplished the goal of taxing this benefit.

Hours and Pay Detail					Other Pay		
	REGULAR	OVERTIME	OVERTIME-2	TOTAL	TYPE	AMOUNT	OVERRIDE
Time Hours	0.00	0.00	0.00	0.00	Bonus	0.00	<input type="checkbox"/>
Pay Hours	0.00	0.00	0.00	0.00	Benefits	1,000.00	<input type="checkbox"/>
Gross Pay	2,200.00	0.00	0.00	2,200.00			

Withholdings						
CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE	
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>	
BENEFITS	Amount		1,000.00	1,000.00	<input type="checkbox"/>	
FEDERAL	System		0.00	267.15	<input type="checkbox"/>	
FICA - HI	System		0.00	45.96	<input type="checkbox"/>	
FICA-OASDI	System		0.00	196.54	<input type="checkbox"/>	
MA	System		0.00	154.33	<input type="checkbox"/>	
				1,693.98		

OK

10. Click **OK**.
11. If more than one employee was selected, repeat the preceding steps for each employee to be included.
12. Click **Print Drafts**. Review the Draft Payroll Journal and then close the report.
13. Modify any paychecks or direct deposits as needed.
14. Click **Process Payments**. Click **Yes**, and click **Yes** again to continue.

15. Select **Print Payments** to preview the payment, if applicable. From the Preview screen, click the printer icon to print the payments.
16. Select **Assign Numbers**, enter the check or direct deposit number, and click **Assign**.
17. Click **Post Payments**, click **Post**, and then click **OK**.
18. If applicable, process the Payroll direct deposits for this run.

Step VI: After Processing

This example was for a one-time process. After the Benefit income has been processed, you must enter 0 (zero) in the **Benefits** Other Pay field on the Payroll tab of the Employee Hub and for the **Benefit** withholding code before processing the next Payroll run.

The alternative is to set up a recurring process. For example, you might use a recurring process for living expenses. To do this, set up a prorated amount in one of the **Benefits** Other Pay fields and in the **Benefits** withholding code on the Payroll tab of the Employee Hub.

The benefit for the employer is that paychecks have less fluctuation because Vantagepoint calculates the benefit on each check for each pay period, rather than in one lump sum. The benefit for the employee in prorating the amount over several pay periods is that the amount of tax withheld is less noticeable because it is spread over several months.

Step VII: Reclassifying the Payroll Expense to Recognize the Original Expense

To prevent Vantagepoint from recognizing the benefit as an additional Payroll expense, a Journal Entry is recommended. You would do this if, for example, in Step III on the Other Pay the indirect account used was the standard Payroll expense account, such as the Job Cost Variance account (703.00).

To reclassify this Payroll expense:

1. Click **Transaction Center » Transaction Entry**.
2. From the drop-down list for the **Transaction Type** field, select **Journal Entries**.
3. Click **+New Journal Entry File**. A New File dialog box displays.
4. Enter a file name (for example, Reclass Payroll Expense) and the **End Date**, then click **OK**. The Journal Entry File form displays. (Do not select **Recurring** unless you want to pro-rate the amount, as discussed in Step VI.)
5. Enter a Reference number, Date, and Description.
6. In the **Type** field, select either **Accrual** or **Accrual and Cash**. (This depends on whether your firm is using Cash Basis Accounting.)
7. To move the Payroll expense from the Job Cost Variance Account using an Overhead Project, enter the value of the benefit. In this example, we entered \$1,000.00 in the **Debit** field for account 240.00 (the account entered in Step I for the General Ledger account). For access to the Account List lookup, click the **Find** icon in this field. Then, enter 1,000.00 in the **Credit** field for account 703.00 (Job Cost Variance Account). This will offset the debit to 703.00 that Payroll produced.
8. To verify the Job Cost Variance Account, click **Settings » Accounting » Posting Accounts, Labor Credit** account. With the additional **Other Pay** fields, you can use an **Other Pay** field specifically for this purpose. You can map an **Other Pay** field to the same account specified in

the withholding for the benefit. Then the Other Pay and withholding will net to zero on the General Ledger.

9. Click **File » Control Totals**, verify and update the amounts, click **OK**, and then click **Save**.
10. Select the file just created and select **Post**.

Additional Part Taxable Income in the Form of a Benefit

To process additional part taxable income in the form of a benefit, Vantagepoint increases an employee's gross pay, applying the appropriate withholding for any selected Federal (including FICA), State, City and Local taxes. This is also known as an "in and out" pay, because the employee does not receive the amount of the benefit, although their taxable earnings for the selected taxes are increased by the amount of this benefit.

Because the following procedures combine the additional taxes with those withheld from the standard Payroll check or direct deposit, you should process this part taxable benefit income before completing the final Payroll for 2023.

Example

In the following example, we will process a third-party sick pay benefit. The procedure includes the following steps:

- Step I: Set Up or Verify a General Ledger Account
- Step II: Set Up or Verify a Withholding Code
- Step III: Set Up or Verify an Other Pay
- Step IV: Update Tax Withholding Codes to be considered Non-Taxable
- Step V: Update the Employee Hub Record
- Step VI: Processing the Part Taxable Benefit.
- Step VII: After Processing
- Step VIII: Reclassify the Payroll Expense to Recognize the Original Expense

Step I: Set Up or Verify a General Ledger Account

To set up a General Ledger account:

1. Click **Settings » General Ledger » Chart of Accounts**.
2. In the **Find** field, click the dropdown arrow. Review the current accounts to see if you have existing accounts that can be used for this part taxable benefit or if you need to set up new General Ledger accounts.
3. If you need to set up a new General Ledger Account, click **+ New Account**. Vantagepoint displays a blank form for creating a new record.
 - a. In the **Account Number** field, enter a liability account (a 200.00 level account from the Standard Chart of Accounts).
 - b. In the **Name** field, enter an account name.
 - c. Specify the **Type** of account.
 - d. Click **Save**. In this example, we will use 240.00 account named Benefit Income.

4. In this example, we are selecting the account type of liability. You should check with your tax advisor for the correct account to use for recording this benefit.
5. In the **Account Number** field, enter an indirect account (a 700.00 level account from the Standard Chart of Accounts).
6. In the **Name** field, enter an account name.
7. Specify the **Type** of account. In this example, we will use a 729.00 account named Misc Payroll Expenses. See the example below.
8. To have the amount from the indirect go to the standard Payroll expense account, for example the Job Cost Variance account, review the account at **Settings » Accounting » Company » Posting** tab, **Labor Credit** account.
9. In this example, we are selecting the account type of **Indirect**. You should check with your tax advisor for the correct account to use for recording this benefit.

The screenshot shows the 'Accounts' form in the Deltek software. At the top, there's a search bar with '729' entered. Below it, the account name 'Misc Payroll Expenses' is entered in the 'Name' field, and '729.00' is entered in the 'Account Number' field. The 'Type' dropdown menu is highlighted in yellow and shows 'Indirect' selected. The 'Status' dropdown menu shows 'Active' selected. There are 'Save' and 'Cancel' buttons on the right side of the form.

10. Click **Save**.

Step II: Set Up or Verify a Withholding Code

To set up a withholding:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. Click **Insert** and then enter a sequence number that is higher than the 401k, Cafeteria, Federal and FICA and State Withholding codes. For our example, enter **Seq 70**. See the example below.
3. For our example, enter **Benefits** in the **Code** field, and a description of the withholding code, such as **Benefit Income**, in the **Description** field.
4. In the **Credit Account** field, enter 240.00 (the account entered in Step I for the General Ledger account). To access the Account List Lookup, click the **Find** icon in this field.

Payroll Withholding Setup

Seq: 70

Code: BENEFIT

Description: Benefit Income

Credit account: 240.00

Type: Other

Method: Amount

Locale:

Amount/percent:

Wage base:

Overall limit:

Link to calculate:

Overall Limit:

☐ Default withholding for new employees

☐ Inactivate when processing payroll

☐ Exclude 401(k) amounts

☐ Exclude cafeteria plan amounts

☒ Reset limit at time of W-2 initialization

☐ Default withholding amount to zero for bonus payroll

☐ Print on paycheck

Benefit Income

Project: Phase: Task:

Box to include on W-2: None

Additional Deductions from Wages

Withholding Code	Description
------------------	-------------

Deduct before calculating withholding

☐ Taxable Benefit

OK Cancel Help

5. In this example we are selecting the liability account of 240.00. However, there can be benefits for which you will want to use the same account for the Other Pay and the withholding code, to create a washing entry for the liability and indirect accounts. Check with your tax advisor for the correct accounts to use for recording this benefit.
6. In the **Type** field, select **Other** from the drop-down list.
7. In the **Method** field, select **Amount** from the drop-down list.
8. Select one of the following actions:
 - If the part taxable benefit amount varies among employees, leave the **Amount/Percent** field blank. You can enter the amount for each employee in the Employee HUB.
 - If the part taxable benefit amount is the same for all employees, enter the value in the **Amount/Percent** field.
9. Select the **Reset limit at time of W-2 Initialization** option.
10. Click **OK**.
11. Click **Save**.
12. Verify with your taxing authority whether or this withholding code needs to be added to the W-2. If so, select the area of the W-2 and the specific reporting code.

Step III: Set Up or Verify the Other Pay

To set up the Other Pay:

1. In the Desktop app, click **Settings » Payroll » General » Other Pay Setup** tab.
2. Select one of the five Other Pay fields and enter a description in the **Label** field. For our example, we will use **Benefits**.
3. In the **Account** field, enter an indirect account enter 729.00 (the account entered in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this field.
4. In this example we are selecting the indirect account of 729.00. However, there can be benefits for which you will want to use the same account for the Other Pay and the withholding code, to create a washing entry for the liability and indirect accounts. Check with your tax advisor for the correct accounts to use for recording this benefit.
5. To have the amount from the indirect expense go to the standard Payroll expense account, for example the Job Cost Variance account (703.00), review the account at **Settings » Accounting » Posting Accounts, Labor Credit** account.
6. In the **Project** field, enter an overhead project number (and phase or task if required). For access to the Project List Lookup, click the **Find** icon in this field.
7. Click **Save**.

	Label	Account	Project	Phase	Task
Other Pay 1	Bonus	703.01	0000001.00	000	
Other Pay 2	Severance	735.00	0000001.00	000	
Other Pay 3	Benefits	729.00	0000001.00	000	
Other Pay 4					
Other Pay 5					

Step IV: Update Tax Withholding Codes to be considered Non-Taxable

To update the tax withholding codes to be considered non-taxable:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. In the Withholding grid, select the first tax withholding code to be considered non-taxable. For our example, select the **Federal Withholding code** row and then click **Edit**.
3. On the Payroll Withholding Setup dialog, select the **Benefits** Other Pay (entered in Step III above) in the **Deduct before calculating withholding** section. Vantagepoint deducts this part taxable pay from the employee's gross wages before calculating the additional withholdings. See the example below.

4. Click **OK** to save the change.
5. Repeat steps 1–4 for any applicable Federal (including FICA) State, City, or Local tax Withholding codes that are not to be taxed against this part taxable benefit income amount.
6. Click **Save**.

Step V: Update the Employee Hub Record

To update the employee record:

1. Click **HUBS » Employees » Payroll** tab.
2. In the **Find** field, enter the employee name or ID or click the **Find** icon to search for the employee's record.
3. In the **Benefits** Other Pay field, enter the value of the benefit. In this example, we entered \$1,000.00. This step increases the gross pay for the employee.
4. Under the Withholding grid, click **Insert** to add the **Benefit** withholding code entered in Step II. This ensures that the employee does not receive the part taxable benefit amount of \$1,000.00 as extra pay, yet is taxed as selected on this benefit.
5. Select one of the following actions:
 - To add the part taxable income amount to the employee, select the **Benefits** withholding code created in Step II. Change the **Method** to **Amount**, and in the **Amount/Percent** field, enter \$1,000.00. This entry directs Vantagepoint to withhold the benefit.

- If you entered an amount for the Benefits withholding code in Step II, confirm that the **Method** is set to **System** (as shown in the withholding grid).
6. Repeat steps 1–5 for each employee that is to receive this part taxable benefit.

Step VI: Processing the Part Taxable Benefit

To process the part taxable benefit:

1. Click **Payroll » Payroll Payments** to start a new Payroll run.
2. Select **Regular** for **Run Type**.
3. Select a **Process Type** of **Manual**.
4. Enter the **Check** and **Payroll Dates** that this run covers.
5. Verify that Vantagepoint is in the period in which this benefit needs to be posted.
6. If this is a direct deposit employee, select the **Create checks instead of direct deposit for this run** option, if necessary.
7. In the **Employee Selections** field, enter the employee name or ID, or click the **Find** icon to search for the employee's record.

If an employee is already selected in a pending Payroll run, you cannot include that employee in this payment run until the pending run completes.

8. Select the employee(s) and click **Apply**.
9. Click **Create New Run**.

The following example shows the net pay and total withholdings before adding the Benefits withholding and part taxable benefit income (which has been set up to be exempt from Federal tax).

The screenshot displays the 'Employee Review - Tina Barrett' window. It includes fields for BANK (Baybank - Corporate), PAY RATE (2,200.00 per Period), and NET PAY (1,632.51). Below these are OVERTIME PERCENT (150.00) and OVERTIME-2 PERCENT (0.00). The 'Hours and Pay Detail' table shows Time Hours (0.00), Pay Hours (88.00), and Gross Pay (2,200.00). The 'Other Pay' table shows Bonus (0.00) and Benefits (0.00). The 'Withholdings' table lists various codes and their amounts, with the Benefits withholding code highlighted.

CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>
BENEFITS	Amount		1,000.00	0.00	<input checked="" type="checkbox"/>
FEDERAL	System		0.00	267.15	<input type="checkbox"/>
FICA - HI	System		0.00	31.47	<input type="checkbox"/>
FICA-OASDI	System		0.00	134.54	<input type="checkbox"/>
MA	System		0.00	104.33	<input type="checkbox"/>

After you enter the **Benefits** Other Pay amount and the **Benefits** withholding code amount, the net pay decreases and total withholdings increase. Except for the Federal

Withholding, where this was selected as non-taxable, this amount stayed the same. See the example below.

Note the Federal Withholding calculation. It was \$267.15 before and \$267.15 after, with a difference of zero. We have accomplished the goal of not taxing the Federal Withholding for this benefit amount and the other taxes calculated as desired.

	REGULAR	OVERTIME	OVERTIME-2	TOTAL	TYPE	AMOUNT	OVERRIDE
Time Hours	0.00	0.00	0.00	0.00	Bonus	0.00	<input type="checkbox"/>
Pay Hours	88.00	0.00	0.00	88.00	Benefits	1,000.00	<input type="checkbox"/>
Gross Pay	2,200.00	0.00	0.00	2,200.00			

Withholdings					
CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>
BENEFITS	Amount		1,000.00	1,000.00	<input type="checkbox"/>
FEDERAL	System		0.00	267.15	<input type="checkbox"/>
FICA - HI	System		0.00	45.97	<input type="checkbox"/>
FICA-OASDI	System		0.00	196.54	<input type="checkbox"/>
MA	System		0.00	154.33	<input type="checkbox"/>
				1,693.99	

10. Click **Save**.
11. If you selected more than one employee, click **OK** to close the screen and select the next employee's record. Repeat the steps above for each employee to be included.
12. Click **Print Drafts**. Review the Draft Payroll Journal for this Payroll run, and then close the report.
13. Modify any paychecks or direct deposits as needed.
14. Click **Process Payments** and click **Yes**.
15. Select **Print Payments** to preview or print the bonus payments.
16. Select **Assign Numbers**, enter the check or direct deposit number, select **Assign**, and then click **Yes**.
17. Select **Post Payment**, click **Post**, and then click **OK**.
18. If applicable, process the Payroll direct deposits for this run.

If this **Benefits** Other Pay will be used as a taxable pay in the future. Deltek recommends that you clear this **Benefits** Other Pay in the Tax Withholding codes selected in Step IV.

Step VII: After Processing

This example was for a one-time process. After the Benefit income has been processed, enter **0** (zero) in the **Benefits** Other Pay field on the Payroll tab of the Employee Hub and for the **Benefits** withholding code before processing the next Payroll run.

The alternative is to set up a recurring process. Short-term disability is one example where a recurring process might be useful. To do this, set up a prorated amount in the **Benefits** Other Pay field and the **Benefits** withholding code on the Payroll tab of the Employee HUB.

The benefit for the employer is that paychecks have less fluctuation because Vantagepoint calculates the benefit on each check for each pay period, rather than in one lump sum. The benefit for the employee in prorating the amount over several pay periods is that the amount of tax withheld is less noticeable as it is spread over several months.

Step VIII: Reclassifying the Payroll Expense to Recognize the Original Expense

To prevent Vantagepoint from recognizing the benefit as an additional Payroll expense, a Journal Entry is recommended. You might reclassify an expense if, for example, you used the Job Cost Variance account in Step III.

To reclassify this Payroll expense:

1. Click **Transaction Center » Transaction Entry » Journal Entries**.
2. Click **+New Journal Entry File**. A New File dialog box displays.
3. Enter a file name (for example, Reclass Payroll Expense).
4. Specify the **End Date**.
5. Click **OK**. The Journal Entry File form displays. (Do not select **Recurring** unless you are prorating the amount, as discussed in Step VII.)
6. Enter a **Reference number**, **Date**, and **Description**.
7. In the **Type** field, select either **Accrual** or **Accrual and Cash**. (This depends on whether or not your firm is using Cash Basis Accounting.)
8. To move the Payroll expense from the Job Cost Variance Account using an Overhead Project, enter 1,000.00 (the value of the benefit) in the **Debit** field for account 240.00 (the account entered in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this field. Then, enter 1,000.00 in the **Credit** field for account 703.00 (Job Cost Variance Account). This will offset the debit to 703.00 that Payroll produced.
9. To verify the Job Cost Variance Account go to **Settings » Accounting » Posting Accounts**, **Labor Credit** account. With the additional **Other Pay** fields, you can use an **Other Pay** field specifically for this purpose. You could map an **Other Pay** field to the same account that you specified in the withholding for the benefit. Then the Other Pay and withholding will net to zero on the General Ledger.
10. Click **Other Actions » Control Totals**.
11. Verify and update the amounts.
12. Click **Save**, and then **Save** again.
13. Click the file just created on the Journal Entries screen. Then, select **Post**.

Additional Non-Taxable Income in the Form of a Benefit

To process additional non-taxable income in the form of a benefit for an employee, Vantagepoint increases an employee's gross and net pay by the amount of the benefit, without withholding Federal (including FICA), State, City, and Local taxes. Examples of this type of pay would include, but are not limited to, educational assistance, living expenses, or health care benefits.

You must process this non-taxable benefit income before completing the final payroll for 2023.

Example

In the following example we will process a reimbursement for educational assistance. The procedure includes the following steps:

- Step I: Set Up or Verify a General Ledger Account
- Step II: Set Up or Verify a Non-Taxable Other Pay
- Step III: Update Federal (including FICA), State, City, and Local Tax Withholding Codes
- Step IV: Update the Employee HUB Record
- Step V: Processing the Non-Taxable Benefit.
- Step VI: After Processing

Step I: Set Up or Verify a General Ledger Account

To set up a General Ledger account:

1. Click **Settings » General Ledger » Chart of Accounts**.
2. In the **Find** field, click the dropdown arrow. Review the current accounts to see if you have existing accounts that can be used for this non-taxable benefit or if you need to set up new General Ledger account.
3. If you need to set up a new General Ledger account, click **+New Account**. Vantagepoint displays a blank form for creating a new record.
 - a. In the **Account Number** field, enter an indirect account (a 700.00 level account from the Standard Chart of Accounts).
 - b. In the **Name** field, enter an account name.
 - c. Enter the **Type** of account. In this example, we will use a 729.00 account named Misc Payroll Expenses See the example below.
4. In this example we are selecting the account type of **Indirect**; you should check with your tax advisor for the correct account to use for recording this benefit.

The screenshot shows the 'Accounts' setup interface. At the top, there's a search bar with 'All' and '729'. Below it, the account name 'Misc Payroll Expenses' and number '729.00' are entered. The 'GENERAL' tab is active. A table shows the account details: Number (729.00), Type (Indirect, highlighted with a red box), and Status (Active). Below the table, there's a section for 'General Ledger Properties' with a 'Report Detail' link and a 'Show Detail' button.

5. Click **Save**.

Step II: Set Up or Verify a Non-Taxable Other Pay

To set up a non-taxable Other Pay:

1. In the Desktop app, click **Settings » Payroll » General » Other Pay Setup** tab.

2. Select one of the five Other Pay fields and enter a description in the **Label** field. For our example, we will use **Benefits**.
3. In the **Account** field, enter an indirect account 729.00 (the account entered in Step I for the General Ledger account). For access to the Account List Lookup, click the **Find** icon in this field.
4. In this example we are selecting the account type of **Indirect**. You should check with your tax advisor for the correct account to use for recording this benefit.
5. In the **Project** field, enter an overhead project number (and phase or task if required). For access to the Project List Lookup, click the **Find** icon in this field.
6. Click **Save**.

Step III: Update Federal (including FICA), State, City, and Local Tax Withholding Codes

To update withholding codes:

1. In the Desktop app, click **Settings » Payroll » Withholding Codes**.
2. In the Withholding grid, select the first tax withholding code. In our example we will select Federal Withholding code row. Then click **Edit**.
3. On the Payroll Withholding Setup dialog box, select the Benefits other pay entered in Step I in the **Deduct before calculating withholding** section.

Vantagepoint will deduct this non-taxable pay from the employee's gross wages before calculating the additional withholdings. See the example below.

The screenshot shows the 'Payroll Withholding Setup' dialog box. The 'Federal Withholding' section is active. The 'Deduct before calculating withholding' section is expanded, showing a list of checkboxes. The 'Benefits' checkbox is checked and highlighted with a red box. Other checkboxes include 'Bonus', 'Inactivate when processing payroll', 'Exclude 401(k) amounts', 'Exclude cafeteria plan amounts', 'Reset limit at time of W-2 initialization', 'Default withholding amount to zero for bonus payroll', and 'Print on paycheck'. The 'Additional Deductions from Wages' section is also visible, showing a table with 'Withholding Code' and 'Description' columns.

4. Click **OK** to save the change.
5. Repeat steps 1–4 for any applicable Federal (including FICA) State, City, or Local tax Withholding code that is not to be taxed against this benefit income amount.
6. Click **Save**.

Step IV: Update the Employee HUB Record

To update the employee record:

1. Click **HUBS » Employees » Payroll** tab.
2. In the **Find** field, enter the employee name or ID, or click the **Find** icon to search for the employee's record.
3. In the **Benefits Other Pay** field, enter the value of the benefit. In this example, we entered \$1000.00. This step increases the gross pay for the employee. However, because the **Benefits Other Pay** has been selected to be deducted before calculating any applicable Federal (including FICA), State, City or Local tax Withholding codes, the **Benefits Other Pay** does not increase the taxable wages for any of these withholding codes.
4. Click **Save**.
5. Repeat steps 1–4 for each employee that is to receive this non-taxable benefit.

Step V: Processing the Non-Taxable Benefit

To process the non-taxable benefit:

1. Click **Payroll » Payroll Processing** to start a new Payroll run.
2. Select **Regular** for **Run Type**.
3. Select a **Process Type** of **Manual**.
4. Enter the **Check** and **Payroll Dates** that this run covers.
5. Verify that Vantagepoint is in the period in which this benefit needs to be posted.
6. If this is a direct deposit employee, select the **Create checks instead of direct deposit for this run** option, if necessary.
7. In the **Employee Selections** field, enter the employee name or ID, or click the **Find** icon to search for the employee's record.

If an employee is already selected in another pending Payroll run, you cannot include that employee in this payment run until the prior pending run completes.
8. Select the employee(s) and click **Apply**.
9. Click **Create New Run**.
10. The **Benefits Other Pay** is added to the gross of the employee's pay but does not increase the taxable wages for any selected Federal (including FICA), State, City, or Local tax Withholding codes.

The following example shows the employee's gross pay, net pay, and total withholding amounts before the **Benefits Other Pay** is applied.

Chapter 8: Payroll

Employee Review - Tina Barrett

BANK: Baybank - Corporate PAY RATE: 2,200.00 per Period NET PAY: 1,632.51

OVERTIME PERCENT: 150.00 OVERTIME-2 PERCENT: 0.00 ☐ Net to Gross

Hours and Pay Detail					Other Pay		
	REGULAR	OVERTIME	OVERTIME-2	TOTAL	TYPE	AMOUNT	OVERRIDE
Time Hours	0.00	0.00	0.00	0.00	Bonus	0.00	<input type="checkbox"/>
Pay Hours	0.00	0.00	0.00	0.00	Benefits	0.00	<input checked="" type="checkbox"/>
Gross Pay	2,200.00	0.00	0.00	2,200.00			

Withholdings					
CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>
BENEFITS	Amount		1,000.00	0.00	<input checked="" type="checkbox"/>
FEDERAL	System		0.00	267.15	<input type="checkbox"/>
FICA - HI	System		0.00	31.47	<input type="checkbox"/>
FICA-OASDI	System		0.00	134.54	<input type="checkbox"/>
MA	System		0.00	104.33	<input type="checkbox"/>
				1,567.49	

OK

After the non-taxable **Benefits** Other Pay is added, notice that the Federal (including FICA), State, City, or Local tax Withholding amounts are unchanged.

Employee Review - Tina Barrett

BANK: Baybank - Corporate PAY RATE: 2,200.00 per Period NET PAY: 1,632.51

OVERTIME PERCENT: 150.00 OVERTIME-2 PERCENT: 0.00 ☐ Net to Gross

Hours and Pay Detail					Other Pay		
	REGULAR	OVERTIME	OVERTIME-2	TOTAL	TYPE	AMOUNT	OVERRIDE
Time Hours	0.00	0.00	0.00	0.00	Bonus	0.00	<input type="checkbox"/>
Pay Hours	0.00	0.00	0.00	0.00	Benefits	1,000.00	<input type="checkbox"/>
Gross Pay	2,200.00	0.00	0.00	2,200.00			

Withholdings					
CODE	METHOD	SUPPRESSED	AMOUNT/PERCENT	CURRENT	OVERRIDE
125/CAFE	Amount		30.00	30.00	<input type="checkbox"/>
BENEFITS	Amount		1,000.00	1,000.00	<input type="checkbox"/>
FEDERAL	System		0.00	267.15	<input type="checkbox"/>
FICA - HI	System		0.00	31.47	<input type="checkbox"/>
FICA-OASDI	System		0.00	134.54	<input type="checkbox"/>
MA	System		0.00	104.33	<input type="checkbox"/>
				1,567.49	

OK

- If you selected more than one employee, click **OK** to close the screen and select the next employee's record. Repeat the steps above for each employee to be included.

12. Click **Print Drafts**. Review the Draft Payroll Journal for this Payroll run, and then close the report.
13. Modify any paychecks or direct deposits as needed.
14. Click **Process Payments**. Click **Yes** to continue.
15. Select **Print Payments** to preview or print the bonus payments.
16. Select **Assign Numbers**, enter the check or direct deposit number, select **Assign**, and then click **Yes**.
17. Select **Post Payment**, click **Post**, and then click **OK**.
18. If applicable, process the Payroll direct deposits for this run.
19. If this **Benefits** Other Pay will be used as a taxable pay in the future. Deltek recommends that you clear this **Benefits** Other Pay in the tax Withholding codes selected in Step III of this process.

Step VI: After Processing

This example was for a one-time process. After the Benefit income has been processed, you must enter **0** (zero) in the **Benefits** Other Pay field on the Payroll tab of the Employee Hub before processing the next Payroll run.

The alternative is to set up a recurring process. Living expenses is one example where a recurring process might be useful. To do this, set up a prorated amount in one of the **Benefits** Other Pay field on the Payroll tab of the Employee HUB.

The benefit for the employer is that paychecks have less fluctuation because Vantagepoint calculates the benefit on each check for each pay a period at a time as opposed to in one lump sum hitting the Income Statement. The benefit for the employee in prorating the amount over several pay periods is that the amount of tax withheld is less noticeable as it is spread over several months.

Chapter 9: Closing the 2023 Fiscal Year

Prior to Closing the Fiscal Year

Make a year-end backup before opening the 2024 fiscal year. Label it clearly (including the date and Vantagepoint version number) and keep it on file permanently. Consider storing an additional copy of the year-end backup offsite.

Before closing the fiscal year:

1. Run the Open New Period utility to open the new fiscal year.
2. If using Vantagepoint to calculate overhead for your regular projects, click **Accounting » Overhead Allocation** to run the Overhead Allocation program.
3. If using Vantagepoint to calculate revenue, click **Accounting » Revenue Generation**. Then post the resulting Journal Entry file labeled RevGen with the date.
4. If applicable, click **Accounting » Adjust Salaried Job Cost** and run the process.
5. If applicable, click **Accounting » Consultant Accruals** and run the process.
6. Print a full batch of the year-end accounting reports, label them Year-End 2023, and keep them in a safe place.

You can complete adjustments in a prior period. However, if those adjustments affect 2023 amounts, you will need to re-run these processes when Vantagepoint is in the prior period/year.

Closing the Fiscal Year/Period

Although it is not required that you close a period in Vantagepoint, Deltek recommends that you close a period after you process all data and print all reports for the period. This prevents users from posting transactions in the incorrect period / year.

To close the fiscal year:

1. Click **Utilities » Periods » Period Setup**. Vantagepoint displays the **Period** form.
2. Select the **Period** to close.
3. Select the **Closed** option to close the selected period.
4. Click **Save**.

Multicompany

Use the **Active Company Closed** and **All Companies Closed** checkboxes (multiple company configuration) to open or close accounting periods.

Calendar Year-End Tasks

The beginning of a new fiscal or calendar year is an ideal time to perform the following year-end tasks. Keep in mind however, that these steps can be performed at any time.

Warning: Make frequent backups while performing these maintenance steps.

To perform calendar year-end tasks:

1. Re-evaluate account number ranges for your General Ledger (**Settings » General Ledger » Chart of Accounts**).
2. Review default account mappings (**Settings » Accounting » Posting Accounts**).
3. Review Accounts Receivable mapping of accounts (**Settings » Billing » Accounts Receivable, Invoice Mapping Accounts** tab and **Cash Receipts Mapping Accounts** grids).
4. If applicable for your firm, enable Cash-Basis Reporting (**Settings » General Ledger » Options**). Please note that there are additional steps to activating this feature; see the Vantagepoint Online Help for more information.
5. Re-evaluate the Overhead calculations for the New Year. Review the Method, Basis, or Overhead Rate (**Settings » Accounting » Overhead Allocation**).
6. Re-evaluate Billing tables with the rates for the New Year. You may also want to change the tables referenced in your Default Billing Terms and the Project Reporting Default Terms (**Settings » Billing**).
7. Review Consultant Accruals account (**Settings » Accounting » Posting Accounts**).
8. Review Adjust Salary Job Cost (**Settings » Accounting » Labor Options**).
9. Review Labor Cross Charge (**Settings » Accounting » Labor Options**).
10. Review Timesheet periods (**Settings » Time » Time Periods**).

Appendix A: Sample IRS 1099-MISC Form

1099-MISC Form example: <http://www.irs.gov/pub/irs-pdf/f1099misc.pdf>

9595		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115
		2 Royalties	Form 1099-MISC (Rev. January 2022)
		3 Other income	For calendar year 20
		4 Federal income tax withheld	Miscellaneous Information Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	
		6 Medical and health care payments	
		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	
RECIPIENT'S name		8 Substitute payments in lieu of dividends or interest	
Street address (including apt. no.)		9 Crop insurance proceeds	
City or town, state or province, country, and ZIP or foreign postal code		10 Gross proceeds paid to an attorney	
		11 Fish purchased for resale	
		12 Section 409A deferrals	
		13 FATCA filing requirement <input type="checkbox"/>	
		14 Excess golden parachute payments	
		15 Nonqualified deferred compensation	
Account number (see instructions)		2nd TIN not. <input type="checkbox"/>	16 State tax withheld
		17 State/Payer's state no.	18 State income

Form 1099-MISC (Rev. 1-2022) Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

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Appendix B: Sample IRS 1099-NEC Form

1099-NEC Form example: <https://www.irs.gov/pub/irs-pdf/f1099nec.pdf>

7171 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2022) For calendar year 20 ____		Nonemployee Compensation
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the current General Instructions for Certain Information Returns.
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>		
Street address (including apt. no.)		3		
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$		
Account number (see instructions)	2nd TIN not <input type="checkbox"/>	5 State tax withheld \$	6 State/Payer's state no. \$	
		7 State income \$		

Form **1099-NEC** (Rev. 1-2022) Cat. No. 72590N www.irs.gov/Form1099NEC Department of the Treasury - Internal Revenue Service

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Appendix C: Sample IRS W-2 Form

W-2 Form example: <https://www.irs.gov/pub/irs-pdf/fw2.pdf>

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9		10 Dependent care benefits	
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
15 State Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2023** Department of the Treasury—Internal Revenue Service
Copy A—For Social Security Administration. Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.
Do Not Cut, Fold, or Staple Forms on This Page



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