Deltek FMS™ 2007 and higher

Year-End Guide

December 1, 2014

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Contents

Overview

This Year-End Guide addresses the year-end processing and common support questions/issues for Deltek FMS.

Please read this document carefully **before** you begin your year-end processing. If your firm does not operate on a calendar year, all the steps and processes described still pertain, but at the appropriate fiscal year-end.

See the *Deltek FMS Frequently Asked Questions* document for related information.

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, complete the following steps:

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.

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.

Customer Care Connect Site

To expedite our responses to your questions at year end, we encourage you to use the Customer Care Connect site, http://support.deltek.com, where you can enter incidents on the Ask Support page.

Click the link below to view the Year-End Info Center, located on the Customer Care Connect site 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 Customer Care Connect login to access this site:

https://deltek.custhelp.com/cgi-bin/deltek.cfg/php/enduser/EndOfYear.php

Alternatively, you can contact Deltek Customer Care by calling 1.877.457.7765.

2010 was the Last Year for FMS Year-End Updates

There are no further Year-End Updates for the FMS product.

Any other tax or forms updates were provided through June 30, 2011, when Deltek FMS moved into a Sustaining Support Phase. After that date, there will not be any more updates to the FMS product, including Payroll. Please plan accordingly.

For more information on how this impacts your firm, visit the Support Assurance Product Lifecycle section of the Customer Care Connect site, http://support.deltek.com, or contact your Account Manager directly.

Chapter 1: What's New

If Your Employees are Subject to Payroll Taxes other than Federal and State Income Tax

Deltek FMS does **not** provide or update tax methods for any state or local taxes other than state income tax. If your employees are subject to payroll taxes other than federal and state income tax, FICA, Medicare, and federal unemployment, it is up to you to set up those tax methods and to keep them current with changes in tax laws. It is also your responsibility to update 401k and other payroll adjustments for changes in maximums or other changes in the rules and regulations governing those adjustments.

1099 Changes

Form 1099

Form 1099 has not been updated for the current year.

940, 941 Changes

Form 940

Deltek FMS dialog boxes and reports have not been updated for changes to Form 940.

Form 941

Deltek FMS dialog boxes and reports have been updated for changes to Form 941 available through June 30, 2011.

W-2, W-3, and Magnetic Media/Electronic Filing

Form W-2

Form W-2 has not been updated for the current year.

Form W-3

Form W-3 has not been updated for the current year.

State Regulatory Updates

Updated State Income Tax Methods

No state income tax methods have been updated for the current year.

Federal Regulatory Updates

Updated Federal Tax Methods

No federal tax methods have been updated for the current year.

Product Changes

There are no further product changes for the FMS product.

Chapter 2: Ordering Forms

For information about vendors that work with Deltek, please follow the steps below to view the vendor page on the Deltek Web site.

1. Go to http://www.deltek.com.
2. From the main menu, click **Partners** » **Find a Partner**.
3. In the **Partner Category** drop-down list, select **Channel**/**Forms Vendor**.
4. Click the **Search** button.

Chapter 3: Year-End Processing Checklist

Year-End Processing Checklist

Use the following checklist as you complete year-end processing tasks.

Step	Action	Done?
Accounts Payable		
1.	Enter all invoices and other AP transactions for the fiscal year.	
2.	Record all payments/checks for the fiscal year.	
3.	Print 1099 Forms (after installing the year-end update).	
Business Management		
1.	Print all final invoices for the fiscal year.	
2.	Enter all debit memos, retainage, and invoice transactions for the fiscal year.	
3.	Enter all project payments, credit memos, retainers, or uncollectibles for the fiscal year. Apply any outstanding retainer or unapplied payments.	
4.	Enter all-time records for the fiscal year.	
5.	If using the Generate WIP Transactions program, generate WIP for the last month of the fiscal year.	
Payroll Plus		
1.	Process final payroll and bonus transactions through Automated Payroll Process (or manually through Manual Payroll Entry/Editing) for the fiscal year.	
2.	Print final payroll checks/advices and any bonus checks/advices applicable for the current fiscal year. Transmit as necessary to your financial institution.	
3.	Print applicable payroll reports.	
4.	You may attempt to print the year end payroll reports, W2, W3, 940 and 941. There is no guarantee that you will be able to get the reports to print properly for the current year.	
General Ledger		
1.	Make final journal entries for the year.	
2.	Generate recurring journal transactions.	

Step	Action	Done?
3.	Verify transactions from all sources by printing the applicable journals for unposted transactions for all periods you plan to post.	
4.	Make any necessary changes and reprint the appropriate journals.	
5.	Make a complete backup of your Deltek FMS system. (See Chapter 4 for detailed instructions.)	
6.	Post all source journals and print the General Journal report as an audit report.	
7.	Process the appropriate Consolidation accounts for any consolidation companies.	
8.	Print your financial statements: Balance Sheet, Income Statement, and Trial Balance.	
9.	In each module, print the appropriate period-ending reports.	
10.	Close accounting periods as you usually do.	
11.	Set up the accounting periods for the new year. You can do this at any time but you must set up the accounting periods before you begin processing data in the new fiscal year.	

Chapter 4: Preparing Your System for Year-End

Supported Versions

To Print 1099, 940, W2 and W3 Forms

You may not be able to print these forms for the current year.

If You Have Not Purchased Version 2007.x or a Later Version

Support for FMS version 2006 and earlier ended December 31, 2008. For information on upgrading to the current version or to the Vision product, please contact your Account Manager.

Backups

Because the year-end process affects numerous data tables, Deltek strongly recommends that you make a backup prior to starting your year-end procedures. If you lose your financial data for any reason, the accounting and project management cycle comes to a halt until you recover or re-enter the data.

It is important that you make regular backups of the entire Deltek FMS system.

- **For a SQL version, Microsoft SQL Server 2000 or MSDE** (FMS version 2007.0.01 and later) — You must back up all of your SQL databases. The SQL Agent service should be running backup jobs on the machine that functions as your SQL server. The jobs create files with the extension .BAK.

  You can back up the .BAK files to disk, tape, or other media. You can also create .BAK files manually, by using SQL Enterprise Manager, DBAMGR2K, or SQL Management Studio.

- **For a Visual FoxPro version** — You must back up the entire Deltek FMS (or Wind2 FMS) folder (including all files and subfolders). The Deltek FMS (or Wind2 FMS) folder resides either on the server (for a networked configuration), or on your own computer (for a standalone configuration). It may be called "Deltek FMS," the default folder name, or "Wind2 FMS," but could have a different name.

To determine the correct folder for your configuration, check the WIND2.INI file on your computer (located in your c:\windows or c:\winnt folder). This file contains a SYSPATH statement that lists the path of the folder where FMS is installed. You must back up this entire folder.

Deltek strongly recommends **daily** full backups, rather than incremental or differential backups. Partial backups depend on the integrity of all previous backups, thus increasing the possibility that you will not be able to restore your database successfully.

Deltek also recommends that you have a disaster recovery strategy in place, and that you take your backup files offsite on a regular basis. It is also a good idea to test the restore process, to make sure that you are familiar with the procedure in case of emergency.

If you have any questions about backing up or restoring your data, please contact Technical Support at 1.877.457.7765.

Chapter 5: Accounts Payable Processing

Accounts Payable Checklist

Use the following checklist to track your year-end Accounts Payable processing steps.

Step	Action	Done?
1.	Enter all invoices and other AP transactions for the current fiscal year.	
2.	Record all payments for the current fiscal year	
3.	Print 1099 Forms. FMS maintains 1099 payments on a calendar year basis, even if your firm does not operate on a calendar fiscal year. Note: You may not be able to print the 1099 forms for the current year.	

Before You Print 1099s

You may not be able to print the 1099 forms for the current year since the forms have not been updated. FMS prints only the 1099 data, not the forms themselves. See Chapter 2, “Ordering Forms,” for more information.

Before you print 1099s, complete the following steps:

1. Make sure that all invoices and other Accounts Payable transactions for the calendar year have been entered and paid.
2. Print the 1099 Report and review it for incorrect information. Filter the report for the calendar year you want to print 1099 forms for. Use the same sort order that you will use to print the forms themselves, so that you can easily compare the printed forms to the 1099 Report, to confirm that all were printed.
3. If the 1099 Report reveals the need for corrections, make the necessary changes and repeat this process. You can edit payment amounts on the Vendor Information tab on the Firms dialog box, using the 1099 tab.

For detailed instructions for printing the 1099 Report and forms, see the *Accounts Payable User’s Guide*, Chapter 27, or see the Help system.

Chapter 6: Business Management Tasks

Business Management Checklist

Use the following checklist to track your year-end Business Management tasks.

Step	Action	Done?
1.	Print all final invoices for the current fiscal year.	
2.	Enter all debit memos, retainage, and invoice transactions for the current fiscal year.	
3.	Enter all project payments, credit memos, retainers, or uncollectibles for the current fiscal year. Apply any outstanding retainer or unapplied payments.	
4.	Enter all-time records for the current fiscal year.	
5.	If using the Generate WIP Transactions program, generate WIP for the last month of the fiscal year.	
6.	If accruing payroll taxes, generate the payroll tax accrual transaction.	

Chapter 7: Payroll Processing

Payroll Checklist

Use the following checklist to track your year-end Payroll processing tasks.

Step	Action	Done?
1.	Process final payroll and bonus transactions through Automated Payroll Process (or manually through Manual Payroll Entry/Editing) for the fiscal year.	
2.	Print final payroll checks/advices and any bonus checks/advices applicable to the current fiscal year. Transmit these items to your financial institution, as necessary.	
3.	Print applicable payroll reports.	
4.	Print the year end payroll government reports, W2, W3, 941 and 940 (after installing the year-end update). Note: You may not be able to print these forms for the current year.	

Payroll Government Reports

You may not be able to print these forms for the current year since the forms have not been updated.

If you have questions about verifying amounts, see the "Government Forms and Employee Wage Report Format" white paper. Go to the Ask Support page of the Customer Care Connect site, http://support.deltek.com, and search for FMS Whitepapers.

W-2

1. Verify that the wage basis amounts in the Employee Payroll History are correct. Your wage basis may be wrong if one of the following things happened:
   - You entered employee history incorrectly.
   - You changed the tax treatment on a payroll adjustment after it was used on a paycheck and never made correcting entries.
2. Verify amounts on the W-2 Verification Report.

941

Verify amounts on the 941 Verification Report Summary or 941 Verification Detail Report.

940

Verify amounts on the 940 Verification Report or the 940 Verification Detail Report.

W-3

Verify amounts on the W-3 Verification Report.

Chapter 8: General Ledger Tasks

General Ledger Checklist

Use the following checklist to track your year-end General Ledger tasks.

Step	Action	Done?
1.	Make final journal entries.	
2.	Generate recurring journal transactions.	
3.	Verify the entries by printing the General Journal report using the Unposted filter and set the reporting period to include all periods for which you plan to post.	
4.	Verify transactions from all sources by printing the following journals using a filter for Unposted Transactions and set the reporting period to include all periods for which you plan to post. You can also print the Unposted Records report in the GL; however this report does not show the GL transactions involved as the journals mentioned below do. ▪ **Business Management** — AR Journal, AR Cash Receipts/Credit Memo Journal, Time Record Journal (if posting the Labor source journal) ▪ **Accounts Payable** — AP Invoices/Employee Expense Journal and Cash Disbursement Journal ▪ **Payroll** — Payroll Journal ▪ **General Ledger** — General Journal	
5.	Make any necessary changes to transactions and reprint the necessary journals.	
6.	Back up your Deltek FMS system (see page 8). Because posting updates many tables, Deltek recommends that you make a full backup before posting transactions to the General Ledger.	
7.	Post all Source Journals that you use and select the option to print the General Journal report as an audit trail.	
8.	If the company is a consolidation company, use the Post To Consolidation Accounts dialog box to update consolidation account balances based on period-end account balances in the relevant business units.	
9.	Print the following financial statements ▪ GL Trial Balance ▪ Balance Sheet ▪ Income Statement	

<table>
<tr><th>Step</th><th>Action</th><th>Done?</th></tr>
<tr><td>10.</td><td>In each module, print the usual period-ending reports:
▪ Business Management — Print the Accounts Receivable Aging report using the Effective Date report option. Make sure the report totals match the accounts receivable general ledger account balances on the Trial Balance.
▪ Accounts Payable — Print the Accounts Payable Aging report using the Effective Date report option. Make sure the report totals match the accounts payable general ledger account balances on the Trial Balance.
▪ Payroll Plus — Print the Payroll Register and any other Payroll reports you would usually print.
▪ General Ledger — Print the Trial Balance Worksheet to note any adjustments needed, and enter the required transaction(s), repost transactions, and so on to make the adjustments.
Print other audit trail reports, such as the General Ledger and General Ledger Detail reports.</td><td></td></tr>
<tr><td>11.</td><td>After you complete steps 1 through 10, you may want to mark the accounting periods for the fiscal year as closed. To do so, use the Accounting Periods dialog box. If prior period entries are required later, you can re-open the period and repeat the preceding steps.</td><td></td></tr>
<tr><td>12.</td><td>Set up the accounting periods for the new year. Although you can do this at any time, you must set them up before you can enter any transactions dated with a new fiscal year date. Because this process updates many tables, Deltek strongly recommends that you make a complete backup before you start this process. See the section about backups on page 8 for more information.</td><td></td></tr>
</table>

Appendix A: Sample IRS 1099 Form

1099-MISC Form example - http://www.irs.gov/pub/irs-pdf/f1099msc.pdf

1099-MISC Form processing information - http://www.irs.gov/pub/irs-pdf/i1099msc.pdf

9595 ☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Rents $ 2 Royalties $	OMB No. 1545-0115 2012 Form 1099-MISC	**Miscellaneous Income**
		3 Other income $	4 Federal income tax withheld $	**Copy A For Internal Revenue Service Center**
PAYER'S federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds $	6 Medical and health care payments $	**File with Form 1096.**
RECIPIENT'S name		7 Nonemployee compensation $	8 Substitute payments in lieu of dividends or interest $	For Privacy Act and Paperwork Reduction Act Notice, see the **2012 General Instructions for Certain Information Returns.**
Street address (including apt. no.)		9 Payer made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale ▶ ☐	10 Crop insurance proceeds $	
City, state, and ZIP code		11	12	
Account number (see instructions)	2nd TIN not. ☐	13 Excess golden parachute payments $	14 Gross proceeds paid to an attorney $	
15a Section 409A deferrals $	15b Section 409A income $	16 State tax withheld $ $	17 State/Payer's state no.	18 State income $ $

Form **1099-MISC** Cat. No. 14425J Department of the Treasury - Internal Revenue Service

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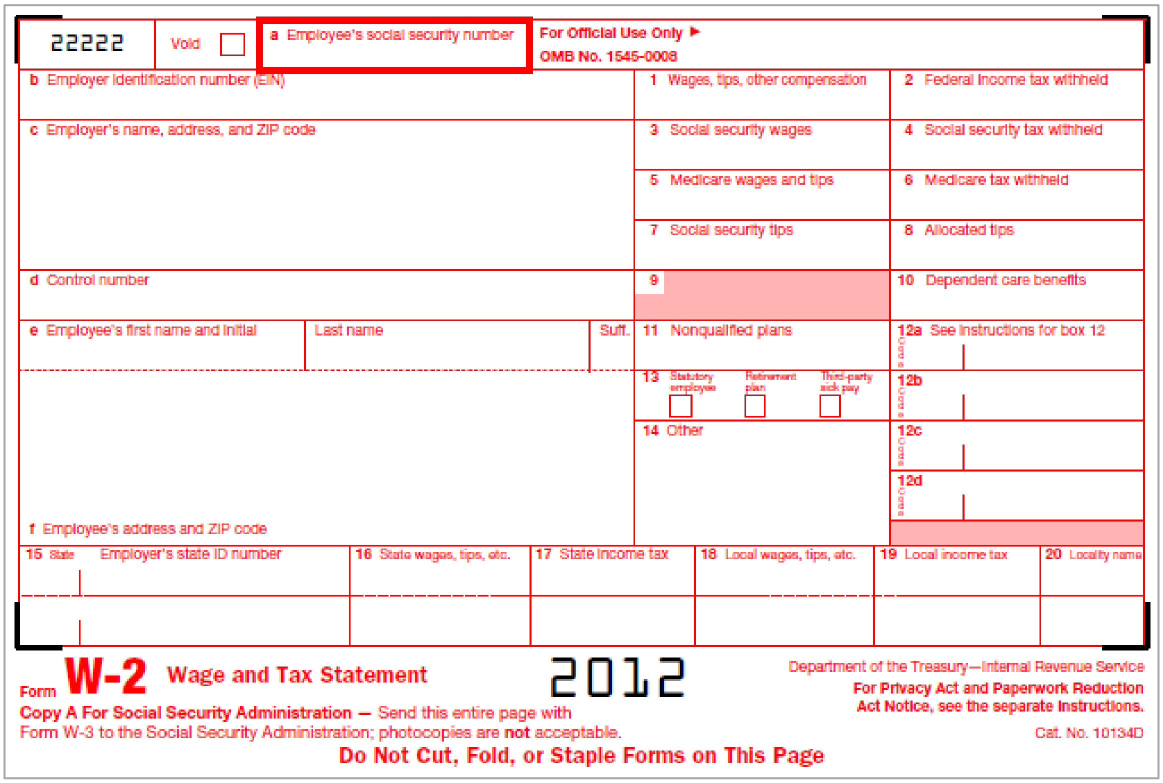
Appendix B: Sample IRS W-2 Form

W-2 Form example - http://www.irs.gov/pub/irs-pdf/fw2.pdf

W-2 Form processing information - http://www.irs.gov/pub/irs-pdf/iw2w3.pdf


22222 Void
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
13 Statutory employee Retirement plan Third-party sick pay
12b
14 Other
12c
12d
f Employee's address and ZIP code
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 2012

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10134D

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

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