

Deltek GCS Premier™

Year-End Guide

December 1, 2017

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Overview

This guide presents year-end processing guidelines for Deltek GCS Premier.




See the *Deltek GCS Premier 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 the 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 this document, cursor over a note icon to see the information. Double-click a note icon to edit the information.

Deltek Support Center

The Deltek Support Center is a support Web site for Deltek customers who purchase an Ongoing Support Plan (OSP).

The following are some of the many options that the Deltek Support Center provides:

- Search for product documentation, such as release notes, install guides, technical information, online help topics, and white papers
- Ask questions, exchange ideas, and share knowledge with other Deltek customers through the Deltek Support Center Customer Forums
- Access Cloud-specific documents and forums
- Download the latest versions of your Deltek products
- Search Deltek's knowledge base
- Submit a support case and check on its progress
- Transfer requested files to a Deltek Support Center analyst

- Subscribe to Deltek communications about your products and services
 - Receive alerts of new Deltek releases and hot fixes
 - Use Quick Chat to submit a question to a Deltek Support Center analyst online
-



For more information regarding Deltek Support Center, refer to the online help available from the Web site.

Access the Deltek Support Center

To access the Deltek Support Center, complete the following steps:

1. Go to <http://support.deltek.com>.
 2. Enter your Deltek Support Account **Username** and **Password**.
 3. Click **Login**.
-



If you do not have a username and password for the Deltek Support Center, contact your firm's Product Administrator.

If you forget your username or password, you can click the **Login Help?** button on the login screen for help.

Chapter 1: What's New

- **Close Payroll Year** — Set 2017 tax information data
 - Social Security Limit = \$127,200
 - 401(k) Deferral Limit = \$18,000; Age 50 and older catch up = \$6,000
 - 401(k) Wage Limit = \$270,000
 - Personal Exemption = \$4,050

1099 Changes

Print 1099s — The year was updated to 2017.

W-2 Changes

- **W-2 Overrides** — No changes
- **Create W-2s** — The year was updated to 2017. In the Create W-2s process, we updated State Disability Insurance limits for 2017 for the following states:
 - California \$110,902
 - Hawaii \$1,023.31
 - New Jersey \$33,500
 - Rhode Island \$68,100
- **Edit W-2 Forms** — The year was updated to 2017.
- **Print W-2s** — The year was updated to 2017.
- **Create Federal Magnetic Media** — The year was updated to 2017.
- **Create State Magnetic Media** — The year was updated to 2017.

Federal Regulatory Updates

There are no updates other than the yearly changes in Social Security and 401(k) limits.

Product Changes

The Federal and State Magnetic Media file format continues in the EFW2 format.

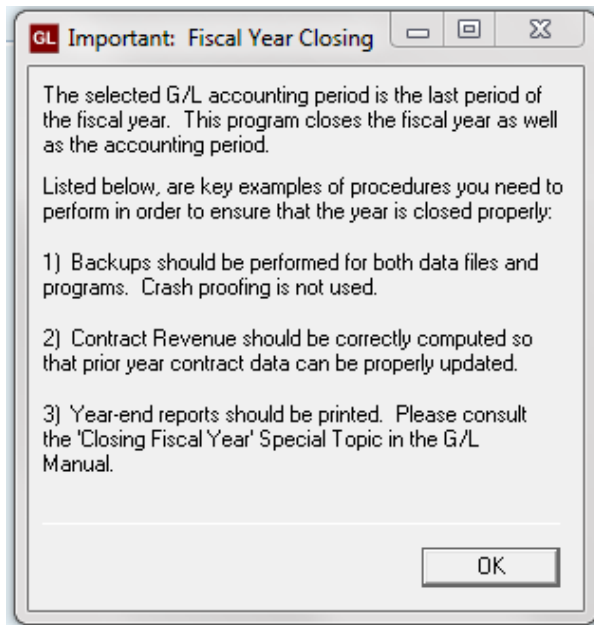
Chapter 2: Ordering Forms

For information about vendors that work with Deltek, complete the following steps to view the vendor page on the Deltek Web site:

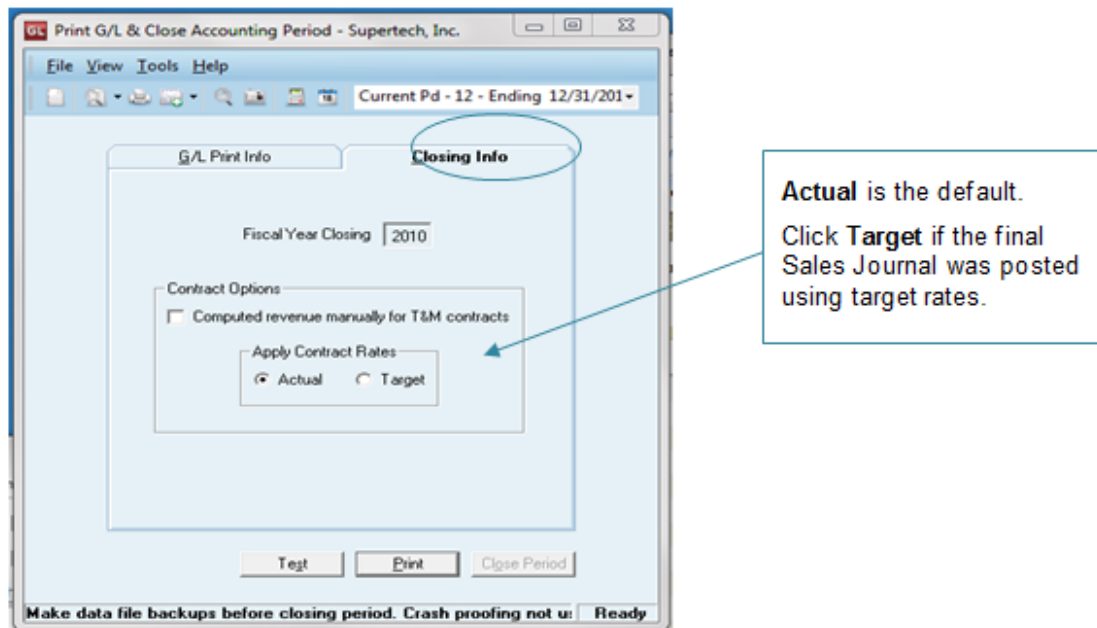
1. Go to <http://www.deltek.com>.
2. From the main menu, click **Partners » Find a Partner**.
3. In the **Partner Category** drop-down list, select **Channel/Forms Vendor**.
4. Click the **Search** button.

Chapter 3: Preparing Your System for Fiscal Year-End Closing

In GCS Premier, when you close the last period of the year, the fiscal year closes automatically. The following screen displays in the last period to remind you of special procedures to perform. These steps are listed in Chapter 4.



When closing the fiscal year, verify that you have selected the correct contract rate method to close the Fiscal Year. This should be the same as your last post of your Revenue/Sales Journal.



This field is enabled only in the final period of the fiscal year. This creates the Prior Year Detail file for the year shown in the **Fiscal Year Closing** field at the top of this screen.

As with other accounting periods throughout the year, you can process the transactions for the next accounting period before closing the current accounting period. This is especially valuable at year-end. The proper time to close the fiscal year—whether you make an Audit Directory or not—is immediately before the date on which the second accounting period must be opened.

You cannot process transactions in period 2 of the new fiscal year until the old fiscal year is closed, since GCS Premier only allows two periods to be open at one time. However, you can enter timesheets into period 2 of the new year but are not able to post the Labor Distribution Journal until period 2 is open.

Do not confuse closing the fiscal year with closing the A/P or Payroll Years. The A/P and Payroll Years are closed on a calendar-year basis; they primarily relate to 1099s and payroll earnings, and do not have any relationship to the fiscal year close.

Chapter 4: Fiscal Year End: Before Closing

Purging

Distribution journals for posted records in the Timesheet, Accounts Payable, Voucher Distribution, Cash Disbursements, and Cash Receipts files are stored in GCS Premier. You can use these files for informational reports prepared through Impromptu or DataPort. However, they are not necessary for processing data, and you can delete them at any time to conserve disk space or increase processing speed.

GCS Premier purges data in these 5 files for all periods other than 1 in the fiscal year closing process. It does not purge period 1 since there are two sets of period 1 data—period 1 of 2017 and period 1 of 2018.

Timing

Choose the period that is best for your company. Whichever method you choose, **you must perform a backup before purging**. The program does not use crash proofing. If you encounter a problem, you will have to restore data from the last backup performed.

- **Purge using toolkits immediately after closing the current fiscal year**

This is the **recommended** method, especially if your company uses Impromptu or DataPort. The complete data files will remain online in the audit directory created immediately prior to closing the fiscal year.

If you choose this method, data from period 1 of 2017 displays on the Voucher Register, Check Register, and Cash Receipt Register reports run in period 1 of 2018 until the records are purged. Those reports can be reprinted before closing period 1. They would no longer include the prior year data which will have been purged by then.

To access these date-driven toolkits, click **System Administration » Miscellaneous Utilities » Miscellaneous Functions**. Each toolkit requires input of only the purge-through date. This can be any date that will include all transactions for period 1 of 2017 but not include transactions for period 1 of 2018. It is suggested to use the ending date of period 2 to include any period 1 transactions that may have been dated in period 2. For example, if your fiscal year ends December 31, 2017, you would use a cutoff date of February 28, 2017 in all 3 purge tool-kits.

- **UPRG-APD** — Accounts Payable Distribution (A/P Voucher Distribution)
- **UPRG-CDF** — Cash Disbursement File (A/P Checks)
- **UPRG-CRF** — Cash Receipts File

- **Purge immediately prior to closing period 11**

This approach is recommended only if your company does not use Impromptu or DataPort. But it prevents you from having access to all of your transaction data for the year, in one data directory. Purging utilities are located in the General Ledger/Utilities tab. Purge records in the 5 files for accounting periods 1–11. Choosing this method eliminates the period 1 2017 data from appearing on reports run in period 1 of 2018.

- **Purge as part of the monthly accounting period close**

This approach is **not recommended** because the data in the files listed above would no longer be online. It is usually not necessary to purge when closing each month since disk drives contain much more space and processing speeds have increased dramatically. This option is controlled by the **Purge Journals through General Ledger Close** check

box in the G/L Control File. Select the box to purge journals at the end of each month. Clear it otherwise.

Before Closing Checklist

Use the following checklist to track steps you must complete before closing at fiscal year end.

Step	Action	Done?
1.	<p>You must enter transactions that update subsidiary ledgers—such as timesheets, payroll and A/P checks, A/P vouchers, billing invoices, and cash receipts—before you create the Audit Directory and close the fiscal year.</p> <p>After you create the Audit Directory, you must enter additional subsidiary ledger transactions into both directories. The update balances utilities bring forward journal entries, revenue, and indirect pool rate changes only. They do not update the subsidiary AP, AR, Timesheet, and Payroll ledgers.</p>	
2.	<p>Run the G/L Reconciliation Report to confirm that the General Ledger and Labor History files reconcile. Print this report from the G/L Reconciliation Report screen and review it for any discrepancies.</p> <p>For optimum comparisons, select the following options:</p> <ul style="list-style-type: none"> ▪ GL Summary to GL Detail and Labor Summary ▪ YTD, Current, and Next Report Period 	
3.	<p>Print the Reference Number Balance Reports for the entire year (use the Reference Number 1 Balance Report and Reference Number 2 Balance Report screens).</p>	
4.	<p>Complete special billing procedures as described in the Billing * Accounts Receivable module Special Topic AR-5, "Billing at the End of the Fiscal Year." Review this topic even if you do not create an Audit Directory.</p> <p>If you do not follow these procedures, you may be required to re-initialize billed costs for CPFF and FP progress payment contracts.</p>	
5.	<p>If it is your policy, post contract revenue at actual rates.</p> <p>When you execute the Print G/L * Close Accounting Period screen in the last period of your fiscal year, additional information is required on the Closing Info tab. Select the correct contract rate to close the revenue file in the Apply Contract Rates group box on the Closing Info tab. The rate choice should match the rate chosen in the final Sales Journal posting of the fiscal year. If it does not, unbilled receivables per the subsidiary files become out of balance with the G/L unbilled suffix accounts.</p>	
6.	<p>If the close includes making adjustments for Government audits of a prior year, read the Contract module Special Topic CT-11, "Updating Government Audit Adjustments."</p>	

Step	Action	Done?
7.	<p>Create a second directory, an Audit Directory, for post-close adjustments if all year-end adjustments cannot be made before the end of the first accounting period.</p> <p>Create the Audit Directory immediately before performing the backup to close the fiscal year. This should guarantee that the Audit Directory contains all subsidiary ledger transactions listed in step 2. Instructions for creating the Audit Directory are listed in Chapter 8.</p>	
8.	<p>The calendar year closing and fiscal year closing programs update the Prior Cal Yr. Early Fiscal Yr. fields of the Employee Master File.</p> <p>The calendar year close program updates these fields with the sum of all deductions and employer contributions from the beginning of the fiscal year through December 31, using paycheck dates in the Earnings Record.</p> <p>The fiscal year close zeroes out these fields.</p> <p>These fields are updated only if they have corresponding codes in the Employer Contributions menu of the Employee Master File. Therefore, if you have deduction codes without corresponding Employer Contributions and you need to track fiscal year data, you must set them up in the Employee Master File Employer Contribution fields with a rate and amount of zero before closing the calendar or fiscal years.</p>	

Chapter 5: Fiscal Year Closing Checklist

See Chapter 8 if you are using the two-directory method for fiscal year closing.

Complete the steps in the following checklist to close your company's fiscal year.

Step	Action	Done?
1.	<p>Verify that the following is true before you close the fiscal year:</p> <ul style="list-style-type: none"> Everyone has exited GCS Premier. You have made a complete backup of your GCS Premier data. You created the Audit Directory immediately before performing the closing backup. 	
2.	<p>In the Current Year directory only, close the Inventory Year if applicable. Click Material Management » Inventory Control » Utilities & Processes » Fiscal Year End Procedure. Enter the fiscal year-ending date and select Process. This resets the inventory data.</p>	
3.	<p>Close the Current Year directory only.</p> <p>The Audit Directory should remain open in the last period of the fiscal year and never be closed.</p>	
4.	<p>Close the fiscal year Print G/L * Close Accounting Period Screen. Screens with special fiscal year-end closing information are shown in Chapter 3.</p> <p>On the G/L Print Info tab, select the desired reports and time periods to print. Deltek recommends that you print the G/L Detail Report for the entire year.</p>	

Chapter 6: After Closing Checklist

Complete the steps listed in the following checklist after you close the fiscal year.

Step	Action	Done?
1.	<p>Update Accounting Period End Dates — Enter the new accounting period end dates in the Set Up Accounting Periods screen and confirm that period 1 is the current month. Do not change the Current Payroll or AP Years.</p> <p>Make sure that you complete this step before posting any transactions once the fiscal year has been closed.</p>	
2.	<p>Review Trial Balance, G/L Detail — To confirm that the closing in the GCS Premier directory was successful, print a Trial Balance and review it to verify that:</p> <ul style="list-style-type: none"> Revenue and expense accounts' beginning balances are zero. Balance sheet accounts' beginning balance equals the prior year's ending balance. <p>You should also print the current period G/L to verify that the future period transactions that you posted are now showing up in the current period and that no prior year transactions are showing up in the new year.</p>	
3.	<p>Retained Earnings</p> <p>If you have two Retained Earning accounts, one for Prior Years' Retained Earnings and one for Current Year's Income, you must zero out the beginning balance of the current year income account on the G/L Beginning Balances screen, and add this amount to the Retained Earnings account. The current year profit/loss is posted to the account with the Financial Statement (FS) code identified for the current year profit/loss (in the G/L Control File screen).</p> <p>Alternatively, you can set up a new income account for each fiscal year. After closing the fiscal year, change the FS code for the income account of the year just closed to the FS code for Prior Years' Retained Earnings. Create a new income account for the current year</p>	
4.	<p>Accounting Period Payroll Hours — This is an optional step if you are recording uncompensated overtime hours in the Employee Master File. Enter the accounting period payroll hours for the new year on the Accounting Period Hours File screen.</p>	
5.	<p>Update the Fiscal Year in Fixed Assets module</p> <p>Make sure that you complete this step before posting the Fixed Asset Journal in Period 1 after the fiscal year closing.</p>	

Step	Action	Done?
6.	<p>Compute Costs and Revenue. Then print the contract revenue and cost summaries to confirm that the following items are correct:</p> <ul style="list-style-type: none"> All prior years' costs and revenue should be summed up. The prior years' contract cost and revenue should equal the contract to date cost and revenue on the last contract revenue summary that was printed just before the fiscal year close. The WIP accounts, including suffix 99 (Relieved from WIP), should be zeroed out, except for new year activity. <p>All the prior year activity for WIP accounts should now be in suffix 81.</p>	
7.	<p>Update Targeted Rates in the Indirect Pool File. You should enter these rates before computing revenue.</p> <p>If you had a rate in the Target Rate, Next Year field, it should have moved to the Target Rate, Current Year field.</p>	
8.	<p>Remove any Revenue Adjustments in the Contract Master File — You may need to zero out the amounts in the Revenue Adjustment field in the Contract Master File. You can run a report through Impromptu or Data Port to find all the adjustments.</p>	
9.	<p>Prior Year Transaction Codes — Review the Prior Year Transaction Code File screen or the ODC Summary By Transaction Code report. The current year contract costs by transaction codes should have been added to the amounts previously there.</p>	
10.	<p>Labor Summary File — Review the update of the Labor Summary File by printing the job status reports. The employees' hours and dollars for the fiscal year just closed should have been added to hours and dollars already there for prior years' hours and dollars.</p>	
11.	<p>Divisional Labor File — If you are a Cross-Charge user, review the Divisional Labor File (XC) screen to ensure that the fiscal year costs were added to the prior year costs.</p>	
12.	<p>Billing Files — For CPFF and fixed price jobs, the year-to-date billings should have been added into the prior year billings and then the year-to-date amounts zeroed out. Compute billings and print the billing worksheets to verify this</p>	
13.	<p>Budgets — Budgets entered on the Non-Labor Budgets by Period screen and the Labor Budgets by Period screen as next year budgets should now be the current year budgets. The next year budgets should be blank. You can review these screens or print the Contract Budget Summary on the Contract Budget Report screen to check this.</p>	
14.	<p>T&M Revenue File — YTD Hours Recognized on the T&M Revenue File screen should have been added to Prior Years Hours Recognized. The YTD Hours Recognized field should be blank.</p>	

Step	Action	Done?
15.	Reference Number Summary Files — Print an Income Statement and Indirect Expense Report to verify that the prior year costs were zeroed out.	
16.	Employee Master File — Check that the Uncompensated Hours Current and the Hours Worked Current fields were moved to the Uncompensated Hours Previous and Hours Worked Previous fields. Review the Employee Master File Report to check that the 401K early fiscal year fields have been zeroed out.	
17.	Customer Master File — Print the Customer Credit Report on the Customer Credit by Customer ID Report screen. Verify that the month-to-date sales and year-to-date sales were zeroed out.	
18.	Service Center Transaction Code Summary File — Look at the SC Transaction Code Summary File screen to verify that: <ul style="list-style-type: none"> ▪ The Beginning Balances and YTD balances were zeroed out. ▪ The Next Period balances became the Current Period balances. 	
19.	G/L & Labor History Reconciliation Report — To confirm that the General Ledger and Labor History files reconcile, print this report in the G/L Reconciliation Report screen and review it for any discrepancies. For optimum comparisons, select the following options: <ul style="list-style-type: none"> ▪ GL Summary to GL Detail and Labor Summary ▪ YTD, Current, and Next Report Period options 	
20.	Run Purging toolkits — Run purging toolkits if you have not already purged.	
21.	Backup — Make a complete backup of the GCS Premier data folder. Keep this backup copy permanently.	

Chapter 7: Functions GCS Premier Performs for the Fiscal Year Close

When you close the fiscal year, GCS Premier:

- Zeros out all income and expense accounts and posts the amounts to retained earnings. In the G/L Summary File, GCS Premier zeros out individual Period Activity amounts.
- Makes year-end balances for Balance Sheet accounts the beginning balances. In the G/L Summary File, GCS Premier zeros out individual Period Activity amounts.
- Clears out all detail transactions in the General Ledger.
- For WIP contracts, adds suffixes 39–77 (direct costs and indirect burden) and suffix 99 (YTD Relieved from WIP) together, then adds them to suffix 81 (Prior Year Balance). GCS Premier then zeros out the Suffix 39–77 and 99 accounts.



See Special Topic CT-20 in the online help for more information.

- Adds current year labor history to prior year labor history on the Labor Summary File screen. If you are using Cross-Charge, on the Divisional Labor File (XC) screen, GCS Premier moves the next period labor history to current period labor history.
- Posts all contract amounts for the current year to the Prior Year Contract Files (the Prior Year Summary File screen and the Prior Year Detail File screen).
- Zeros out current year billing information in the Current Year Billing Data screen and adds the data to the Prior Years' Billable Data screen.
- Makes the next year's contract and pool budgets the current year's budgets.
- Adds all current year transaction code amounts to the cumulative prior years' amounts on the Prior Year Transaction Code File screen.
- Makes next year's targeted indirect rates the current year's targeted rates.
- Moves the **Uncompensated Hours Current** and the **Hours Worked Current** fields in the Employee Master File to the **Uncompensated Hours Previous** and **Hours Worked Previous** fields.
- Adds the **YTD Hours Recognized** on the T&M Revenue File screen (T&M contracts with labor category ceilings on hours) to **Prior Years Hours Recognized**. Since this is the last accounting period, the **YTD Hours Recognized** includes current hours.
- Zeros out the month-to-date and year-to-date sales in the Customer Master File.
- In the T&M Revenue File, adds the year-to-date hours to the prior year's hours and then zeros out the year-to-date hours.
- Updates the Prior Year G/L Summary File with the balances of the year being closed.
- Updates the Prior Year General Ledger File with the G/L Detail transactions of the year being closed.
- In the Reference 1 Budgets File, makes next year's budgets the current year's budgets.
- In the Reference Number 1 and 2 Summary Files, for balance sheet account records, makes the year-to-date balances the beginning balances and then zeros out the year-to-date balances.

- For income statement account records, GCS Premier zeros out the year-to-date balances and beginning balances.
- For all records, GCS Premier zeros out the individual Period Activity.
- Zeros out the balances in the Service Center Transaction Code Summary File.
- Zeros out the Employee Master File fields relating to prior fiscal year employer contributions.
- In the Fixed Asset Master File, adds the fiscal year to date total to the **Prior FY Depreciation** field, and then sets the **FY to Date** field back to zero.

Chapter 8: Closing the Fiscal Year with the Two-Directory Method

Audit Directory and Ongoing Directory

Since GCS Premier maintains the current period and one future accounting period at any one time, you can enter data for one month after your fiscal year end date. Immediately prior to closing the fiscal year, make a second data folder, the **Audit Directory**. The Audit Directory is an exact duplicate of the accounting data immediately prior to the close.

Select one of the following actions:

- Copy the Audit Directory into a separate folder on your network or local hard drive.
- Maintain the Audit Directory on a separate computer or any read-write removable media such as a tape, CD-RW, or ZIP drive.

After you create the Audit Directory, make backups of both the Audit Directory and Ongoing Directory data folders. Immediately after backing up these folders, you should close the year. You should **not** enter any transactions in the Ongoing Directory between the creation of the Audit Directory data folder and the closing of the fiscal year. Then you should:

- Use the Ongoing Directory data folder for all transactions relating to the new year, and
- Use the Audit Directory data folder for fiscal year-end adjustments.

This gives you two sets of books until you finish making adjustments in the prior fiscal year.

Making Adjustments and Changes

After you make all adjustments, you bring the adjustments to balance sheet accounts into the Ongoing Directory using the Update Beginning Balances from Prior Year screen. Bring forward adjustments affecting contract accounts and/or the indirect burden applied to contract costs using the Update Prior Years' Contract Cost feature.

If possible, make all changes in the Audit Directory using journal entries. Changes relating to labor, accounts payable, billed receivables, and employee earnings are not automatically carried forward into the Ongoing Directory. If you have this type of change in the prior year after you closed the year preliminarily and created the Audit Directory folder, speak with a GCS Premier Support consultant. Depending on the nature of the change, you may need to update files manually in the Ongoing Directory data folder. See "Bringing the Audit Directory Adjustments into the Ongoing Directory" later in this section.

Do not delete accounts in the Ongoing Directory that had balances when the year was originally closed. If you are considering moving account balances to other accounts, wait until after the balances are brought forward from the Audit Directory.

If you add new balance sheet accounts in the Audit Directory, you must also add these accounts in the Ongoing Directory, preferably before executing the Update Beginning Balances from Prior Year screen.

Nightly Backups

During the period that you have two active data folders—the Ongoing Directory data folder and the Audit Directory data folder—make sure that nightly backups are made of **both** data folders.

Before You Close the Fiscal Year in the Ongoing Directory

1. Perform Additional Procedures

In addition to your regular month-end procedures, be sure to print the Open A/P Report and the accounting period's journal entries. You need these to help you sort out those transactions which were duplicated in both directories, as opposed to those transactions that are later added to the Audit Directory and which you need to add to the Ongoing Directory.

2. Create the Audit Directory

To create the Audit Directory, complete the following steps:

1. Ensure that the medium you are creating the duplicate folder on has enough free disk space to duplicate the entire Ongoing Directory data folder and that the medium is read-write capable.
2. Have all users exit Delttek GCS Premier and Impromptu.
3. Check the server to see if any Delttek GCS Premier files are still open. If so, have those users showing files open reboot their workstations.
4. Open Microsoft Windows Explorer and create the new Audit Directory data folder.
5. Go to the Ongoing Directory data folder. Highlight all files in the folder, and click **Edit » Copy** on the Microsoft Windows Explorer toolbar.
6. Go to the new Audit Directory data folder, right-click it, and select **Paste**.
7. Find the total bytes in the Audit Directory data folder by completing the following steps:
 - a. In the newly created Audit Directory data folder, highlight all files in the folder, and click **File » Properties** on the Microsoft Windows Explorer toolbar.
 - b. When the Properties dialog box displays, write down the total bytes next to **Size** (not **Size on disk**). Be sure to write down the number in parentheses as this is the total number of bytes, not the rounded MB number.
 - c. Close the Properties window.
8. Find the total bytes in the Ongoing Directory data folder by completing the following steps:
 - a. In the Ongoing Directory data folder, highlight all files in the folder and click **File » Properties** on the Microsoft Windows Explorer toolbar.
 - b. When the Properties dialog box displays, write down the total bytes next to **Size** (not **Size on disk**). Be sure to write down the number in parentheses as this is the total number of bytes, not the rounded MB number.
 - c. Close the Properties window.
9. Compare the two numbers and make certain that they are exactly the same. The number of files does not have to match, but the bytes must match exactly.
10. Make at least one backup of the Audit Directory data folder and keep this backup until you finish all adjustments. If Delttek sends any updates that require data file conversions, you will need both data folders to be converted.
11. Assign to the Audit Directory data folder the necessary rights/permissions for all Delttek GCS Premier users (the same rights that are in place for the Ongoing Directory data folder).

12. Create shares/mappings for all Deltek GCS Premier users to the newly created Audit Directory data folder.
13. Add the newly created Audit Directory data folder to your DTSHARED.INI file to allow all users to select it from their Data Directory drop-down list on the GCS Premier login screen. Use the following instructions:
 - a. Edit the DTSHARED.INI file (located in a folder called **Startup** that resides under the GCS Premier Parent folder on the server). Increase the "Count=" line by 1. Then add a "Name#=" and a "Path#=" for the Audit Directory data folder (see examples below).

The name in the "Name#=" line is the name that displays to users in the **Data Directory** drop-down list when logging into Deltek GCS Premier. The path entered in the "Path#=" section is the actual path to the DATA folder.

DTSHARED.INI (before adding the Audit Directory data folder):

```
[DataDirectories]
Count=1
Name1= Current Data
Path1=\\(ServerName)\(Path to the Deltek GCS Premier DATA Folders)\CurrentData
```

DTSHARED.INI (after adding the Audit Directory data folder):

```
[DataDirectories]
Count=2
Name1= Current Data
Path1=\\(ServerName)\(Path to the Deltek GCS Premier DATA Folders)\CurrentData
Name2= ***AUDIT*** Prior Year Data
Path2=\\(ServerName)\(Path to the Deltek GCS Premier DATA Folders)\PriorYearData
```

- b. Save the changes that you made to DTSHARED.INI. The next time that you execute Deltek GCS Premier, the GCS Premier - Login screen displays the Audit Directory you just added in the **Data Directory** drop-down list. You can also view the changes you made to the DTSHARED.INI file by clicking **Help » About Deltek GCS Premier** within GCS Premier.

3. Change Passwords and Exit Deltek GCS Premier

Now that you have two ledgers, use the Audit Directory to enter any adjustments needed to close the fiscal year. Please note that at a glance both accounting systems look the same, so it would be easy to make a mistake and enter data into the wrong directory.

In the Audit Directory, complete the following steps:

1. Change the ID and/or passwords to ensure that no users accidentally log in to the wrong data folder. You might consider adding the fiscal year to the end of each ID (for example, SMITH2017).
2. Delete all User IDs and passwords for users who should not be accessing prior year data.
3. Ensure that you leave at least one User ID/Password that has full rights to administer that data folder.

When Audit Directory users leave their workstations, it is important that they exit Deltek GCS Premier so that any new user must log in to GCS Premier. This ensures that no users can assume that the data displayed is current and accidentally make changes to your Audit Directory data.

Maintaining a Detailed Audit Directory Log

Deltek recommends that you keep a detailed log for all transactions entered in the Audit Directory.

After the prior fiscal year's financial statements have been approved, you need to review all transactions that occurred in the Audit Directory carefully so that their impact can be reflected in the Ongoing Directory. Your analysis should include subsidiary files.

For example, if a correcting timesheet changed the allocation of direct labor in the Audit Directory, then in the Ongoing Directory you must change the Prior Years' Billable Data screen and the Current Year Billing Data screen to reflect this change for the Billing History Files. You should also correct the Labor Summary File via the Labor Summary File screen.

Closing the Fiscal Year in the Ongoing Directory; Using this Directory for Your Ongoing Accounting System

After creating the Audit Directory data folder, make at least one backup of the Ongoing Directory data folder.

After printing the G/L, close the accounting period using the Print G/L * Close Accounting Period screen. This closes the fiscal year in the Ongoing Directory.

Follow the steps listed in chapter 6, "After Closing Checklist" on page 11. You must perform these steps after executing the Print G/L * Close Accounting Period screen and before you begin entering transactions after closing the fiscal year.

Now the Ongoing Directory data folder is ready to be used as the Ongoing Directory for all accounting needs in the current fiscal year.

Bringing the Audit Directory Adjustments into the Ongoing Directory

You should perform the following steps after making all adjustments in the Audit Directory. The adjustments will have changed the ending balances in the General Ledger, as well as contract costs.

You must transfer these changes to the Ongoing Directory. You may transfer them before completing all adjustments, if desired, to give the most accurate beginning balances and contract backlog for the first few months of the new year.

DO NOT CLOSE THE Audit Directory. This is not necessary and will prevent you from automatically importing the changes into your Ongoing Directory.

See the discussion of purging, on page 7.

When you have not yet closed the fiscal year, but are printing reports for the future accounting period (the first period of the new year), the future period costs are included in the **YTD** columns. These reports include the Job Status Reports, the Employee Labor Summary, and other similar reports. The one exception is the Trial Balance, which you can print for the first Accounting Period of the new year before the fiscal year is closed and has special handling for current and YTD costs.

Complete the steps in the following checklist to bring Audit Directory adjustments into the Ongoing Directory.

Step	Action	Done?
1.	When the prior year's financial statements have been approved, back up the Audit Directory data folder. Do not close the Audit Directory.	
2.	In the Ongoing Directory run the Update Beginning Balances From Prior Year screen. This program changes the beginning balances of balance sheet accounts, including retained earnings. Review the documentation for that screen, especially regarding adjustments that may be required for retained earnings and missing accounts.	
3.	Review the Audit Directory log of all transactions that will affect the Ongoing Directory and make adjustments as needed. Review any changes in the Audit Directory Labor History File, Contract Direct and Indirect Costs, Earnings Records File, Accounts Payable File, and Billed Receivables File.	
4.	Changes in the Audit Directory Labor Summary File (resulting from correcting timesheets) can be made in the Ongoing Directory on the Labor Summary File screen for employee or labor category hours and dollars. Update the Prior Year Hours and Prior Year Labor Cost fields in the Labor Summary File. These changes generally need to be made for CPFF and FP progress type billings in the Prior Year's Billable Data screen and subtracted from the Current Year Billing Data screen.	
5.	You can run the Update Prior Years' Contract Cost screen to update the prior year costs on the Prior Year Summary File screen and the Prior Year Detail File screen. If the Prior Year Summary File screen or the Prior Year Detail File screen are changed and the contract or task is billed as a CPFF or FP progress type billing, then generally the Billing * Accounts Receivable module (the Prior Years' Billable Data screen and the Current Year Billing Data screen) needs to be changed.	
6.	If you want to convert your accounting system in the Audit Directory to the cash basis for income tax purposes, you have the option of copying GCS Premier to another directory and entering a journal entry to accomplish this purpose. You can then print a Trial Balance, financial statements, and a General Ledger on the cash basis.	

Step	Action	Done?
7.	<p>Changes in the Audit Directory Accounts Payable must be reflected in the Ongoing Directory. The Ongoing Directory must have an Open Accounts Payable Report that ties into the General Ledger. You also need to ensure that charges to accounts went to the proper year and proper accounts.</p> <p>For example, if an additional, still unpaid, Accounts Payable voucher has been added to the Audit Directory, either on the Enter/Edit A/P Vouchers screen or with an adjusting journal entry, but never was in the Ongoing Directory Open A/P detail, then you can add this voucher to the Ongoing Directory on the Enter/Edit A/P Vouchers screen, charging it to the A/P Account itself. This both debits and credits A/P, resulting in a net zero effect on the General Ledger. It sets up a voucher to pay, while having no impact on the General Ledger in the Ongoing Directory.</p> <p>Another example is an A/P voucher that was charged as an expense in the new year, then reclassified as a prior year expense. This could be handled by adding the voucher in the Audit Directory; when balances are brought forward to the Ongoing Directory, you would enter a journal entry debiting the A/P account and crediting the expense account charged on the original voucher. Unless this entry is made, the A/P balance brought forward will not tie to the Ongoing Directory Open A/P Detail.</p>	
8.	<p>Review all Audit Directory journal entries and compare them to the Ongoing Directory journal entries to make sure that all adjustments have been carried forward to the Ongoing Directory.</p> <p>Audit Directory adjustments to General Ledger Expense and Revenue accounts net into retained earnings that are updated when you use the Update Beginning Balances from Prior Year screen. If reversing journal entries were entered in the Audit Directory, then you also need to enter the reversal of such entries in the Ongoing Directory.</p>	
9.	<p>You can delete inactive contracts from the Ongoing Directory, if they have no General Ledger receivable balances or activity. Since this deletes all files for contract-to-date data, such as labor history, you should print all job status reports prior to deleting a contract to provide a report for any future use.</p> <p>If you delete an inactive contract, then you cannot print any reports for that contract. These contracts probably still exist in the Audit Directory if reports need to be run in the future.</p> <p>Sometimes you may have an inactive contract with an unbilled receivable balance that will not be resolved for several years, pending audit. If you do not want to keep this contract in GCS Premier until that time, you can enter an adjusting journal entry in the Audit Directory prior to using the Update Beginning Balances from Prior Year screen to move the unbilled balance to a non-contract balance sheet account. Then, after you bring forward all contract balances and G/L balances into the Ongoing Directory, you can delete the contract in the Ongoing Directory.</p>	
10.	<p>You can delete inactive accounts in the Chart of Accounts from the Ongoing Directory if they have no General Ledger beginning balances or current year's activity.</p>	

Step	Action	Done?
11.	<p>You can delete employees at any time.</p> <p>You should not delete inactive employees from the Employee Master File in the Ongoing Directory if they have had activity in the current calendar year or current fiscal year. You may even want to keep them until any contracts on which they worked are no longer active (so that GCS Premier can supply employees' names, rather than just the Employee IDs, on Job Status Labor reports).</p>	

Chapter 9: Accounts Payables Processing

The following checklist contains step-by-step instructions for closing the A/P year and processing 1099s. The checklist can also be found in Special Topic AP-9 in the Special Topics section of your guide.

Timing

Close the A/P Year **after** recording all A/P payments dated in 2017, and **before** recording any payments in 2018, both manual and computer-generated checks. If this is not practical, see step 6 below.

Step	Action	Done?
1.	Enter all A/P Calendar Year 2017 Cash Transactions <ol style="list-style-type: none"> Print and post all 2017 A/P checks in the Print A/P Checks screen. Print and post all 2017 A/P EFT payments in the Print A/P Advices screen. Post all 2017 non-A/P (manual) checks to the A/P Files (Post Vouchers to A/P Files screen). Record any 2017 manual checks that paid A/P vouchers, in the Individual Voucher Selection screen (Pay Now {Manual Check}). 	
2.	Do not record any 2018 payments before closing the AP Year.	
3.	Print and Review the Vendor Master File <ol style="list-style-type: none"> Print the Accounts Payable Vendor Listing (select the Detail option on the Vendor Report screen) so that you will have a report showing the Year to Date Payments amount. Review this report to make sure that all appropriate vendors that should receive 1099s have the Issue 1099 option selected on the Vendor Master File screen, and that the 1099 code and recipient ID were entered. The Year to Date Payments amount prints on the 1099s if the AP year has not yet been closed. After closing the AP year, those amounts have been moved to the Previous Year Payments field, and that is then used for 1099 processing. This review may take place any time before or after the A/P Year Close but before printing 1099s. If GCS Premier was initialized in 2017, manually add the cash payments paid to 1099 vendors before the initialization of GCS Premier, unless the Year To Date Payments field was initialized before using the Accounts Payable module. If you do this after closing, update Previous Year Payments. 	
4.	Make a Backup — Make a complete data backup so that you can restore the pre-close data if necessary.	

Step	Action	Done?
5.	Close the A/P Year — Run the Close A/P Year screen. See the documentation for this screen for more detailed information on the process.	
6.	<p>Update Vendor Master from Vendor History — This application in the Accounts Payable » Utilities menu can be used when the AP year was not closed at the correct time. It should only be run after closing the AP year (that is, the AP year in the Set up Accounting Periods Screen must be 2018). It is run for both possible years. Run it for the current year as 2018 and Last Year as 2017. It should only be used if the Vendor History file contains correct payment data. This utility recalculates the Year to Date Payments and Previous Year Payments in the Vendor Master File from data in the Vendor History File. The Previous Year Payments are printed on 1099s.</p> <p>If GCS Premier was initialized in 2017, verify that all payment records exist in the Vendor History file before running this utility.</p>	
7.	Final Review and Edit of Vendor Master File — Make any final edits to the vendor name, address, 1099 Recipient ID, and Previous Year Payments.	
8.	Print 1099s — Print the 1099s from the Print 1099s screen. You may want to print a copy on blank paper before printing on the 1099 forms. You can print 1099s as many times as necessary.	
9.	Create Magnetic Media — If your company processes more than 250 1099s, your company is required to file electronically for federal and/or state. See the documentation for the Create Federal Magnetic Media screen for more information. You must transmit the files electronically. (Tapes and diskettes are no longer accepted.)	

Chapter 10: Payroll Processing

Payroll Year-End Processing Checklist

Timing notes:

- Run the payroll closing **after** all checks for current year have been printed and posted and **before** the first payroll of the future year has been computed.
- Installing the Calendar Year End update **before** closing the payroll year will cause the Close Payroll Year program to update the Federal Tax Information File with the following for 2017:
 - Social Security limit — \$127,200
 - 401(k) withholding limit — \$18,000
 - 401(k) wage limit — \$270,000
 - Federal exemption amount — \$4,050

If you are making changes for 2018 to the taxability of any deduction codes in the Deduction Code File, or if you move the deduction codes in the Employee Master File (EMF), you will need to create a W-2 directory. The W-2 directory should be a backup created before closing the payroll year. Changes to the EMF and Deduction Code File may seriously affect the taxable wage calculations in Boxes 1, 3, and 5 on the W-2s. You will also need to use the W-2 directory during 2018 to run any reports on 2017 payroll data.

Step	Action	Done?
1.	<p>Prior to the last payroll to be paid in 2017, add any additional gross pay to the Earnings Record file. Add as an adjusting X record preferably on a week-end date. These items may include but are not limited to:</p> <ul style="list-style-type: none"> ▪ Employer contributions for two percent (or more) owners of subchapter S corporations ▪ Third-party sick pay ▪ Taxable moving allowances ▪ Car allowances ▪ Excess life insurance (if not already recorded) <p>Run the UT-FICAA toolkit (System Administration » Miscellaneous Utilities » Miscellaneous Functions menu) to ascertain if any discrepancies exist between the FICA tax amount withheld and the FICA tax liability calculated by GCS Premier. This will include tax on any of the gross pay added above. Adjust the FICA to be withheld in Edit Payroll during the final payroll of the year.</p>	
2.	<p>Compute payroll, print checks and/or Direct Deposit advices, and post the payroll journal for all checks dated in 2017. Verify that FICA for Company provided Group Term Life Insurance over \$50,000 (Excess Life Insurance or EXLI) has been withheld.</p>	
3.	<p>Run the UTESTERA toolkit (System Administration » Miscellaneous Utilities » Miscellaneous Functions menu).</p>	

Step	Action	Done?
	Select D for Diagnostics unless otherwise directed by a Customer Care Analyst. This program validates the Year-To-Date record for each employee in the Earnings Record File.	
4.	Print either the Summary or Detail Employee Earnings Report (on the Payroll Reports menu) and review the report to verify that the information is correct.	
5.	Run the federal and state quarterly reports. Check the FUTA information on the Quarterly Payroll Taxes Report and the SUTA information on the State & Local Reports screen before adding more compensation items to the Earnings Record File not relating to FUTA and SUTA taxable wages.	
6.	Print the Accrued Leave Report. Run this report before closing since the closing program replaces the beginning balance in the Employee Master File with the ending balances from the prior year. You cannot run this report for a prior calendar year.	
7.	Print the Deduction Summary Report. Print this report for all deductions before closing the payroll year. You cannot run this report for a prior calendar year.	
8.	Make a complete backup of all data files before closing, in case problems occur during the close. Important: The closing program does not use crash proofing. If you encounter a problem, you must restore data from the last backup performed.	
9.	<p>Close the Payroll year using the Close Payroll Year screen. Verify that everyone is out of the Payroll module during the closing process.</p> <p>The Leave Accruals to be Carried Forward work as follows:</p> <p><input checked="" type="checkbox"/> No Limit / Default — GCS Premier uses the Carry Over Ceiling set up in the Leave Type File for each Leave Subtype Code. This is the default.</p> <p><input checked="" type="checkbox"/> No Limit / Override — GCS Premier does not enforce Carry Over Ceilings for any Leave Subtype Code, regardless of what is set up in the Leave Type File. No leave will be lost when the payroll year is closed.</p> <p><input type="checkbox"/> No Limit / Default — GCS Premier uses the Carry Over Ceiling set up in the Leave Type File for each Leave Subtype Code unless that Carry Over Ceiling is displayed as No Limit. In that case only, it uses the amount entered here on this screen as the ceiling.</p> <p><input type="checkbox"/> No Limit / Override — GCS Premier uses the amount entered here as the ceiling for all Leave Subtype codes, regardless of what is set up in the Leave Type File.</p> <p>If your fiscal year is not the calendar year, the fiscal year amounts in the Deduction Summary Report may be useful to you. The Paycheck Type selection is used to determine what wages are accumulated in the</p>	

Step	Action	Done?
	Employee Master File for that purpose, for the portion of the 2017 calendar year that is in the 2018 fiscal year.	
10.	<p>If the Calendar Year-End Update was not installed before closing the payroll year, update the Federal Tax Information File with the following:</p> <ul style="list-style-type: none"> ▪ Social Security limit — \$127,200 ▪ 401(k) withholding limit — \$18,000 ▪ 401(k) wage limit — \$270,000 ▪ Federal exemption amount — \$4,050 <p>Update State and Local tax tables with any changes since the previous update. These files are located in Payroll and Human Resources » Control Files » Taxes.</p> <p>If you want to wait, tax table updates are issued twice per year, usually in late February and August. It will probably not be a material difference in tax withheld if the old rates are used for several payrolls.</p>	
	If additional compensation items were not entered in Step 1 above, they may be entered in the Earnings Record File (ERF), located on the Payroll Module/Employee Tab. Steps 11 and 12 are only used if not done in Step 1. Both consist of adding records and posting journal entries to simulate a payroll journal.	
11.	<p>If items added after close are FICA taxable and the employee will receive a paycheck in 2018, complete the following steps:</p> <ol style="list-style-type: none"> 1. Set up an advance or miscellaneous deduction in the Deduction Code File if one does not exist. 2. Add the advance or miscellaneous deduction to the Employee Master File. 3. Add a record to the ERF, dating it in the last quarter. 4. Enter the additional compensation amount in the Gross Pay field. 5. Enter the FICA tax amount in the FICA tax field. 6. Enter a negative amount equal to the FICA tax in the advance or miscellaneous deduction field. 7. Enter a journal entry to record the FICA liability and the employee advance or miscellaneous. 8. Post an adjusting journal entry for the FICA amount only, as follows: <ul style="list-style-type: none"> ▪ Debit advance or miscellaneous deduction account ▪ Credit FICA withholding liability account ▪ Debit FICA expense account ▪ Credit Employer FICA liability account 	

Step	Action	Done?
	9. Enter as a positive amount the advance or miscellaneous deduction in the next payroll (in 2018).	
12.	<p>If additional compensation items that you add are FICA taxable and the employee is no longer employed, complete the following steps:</p> <ol style="list-style-type: none"> 1. In the majority of these situations, the company pays for the FICA tax not withheld from the employee. The FICA paid by the employer is taxable income to the employee and you must add it to the gross pay. To accomplish this, enter a dummy check in the ERF dated in the final quarter. <ol style="list-style-type: none"> a. Calculate the employees total FICA rate (7.65% if the employee has not yet reached the social security limit, 1.45% if Medicare only or 2.35% (Medicare) if the employees taxable FICA wages are more than \$200,000. b. Subtract that rate as a decimal fraction from 1.000. The remainder will be 0.9235, 0.9855 or 0.9765%. c. Divide the amount of FICA being paid on behalf of the employee by the result in step b. d. The result is the amount of both gross pay and FICA withheld. e. The net pay equals zero. 2. Enter a journal entry to record the results of this transaction: <ol style="list-style-type: none"> a. Debit an expense account for the company payment of the employee FICA b. Credit FICA withheld for that same amount. c. The employer FICA is the same as the employee FICA for the first \$200,000 of taxable wages. FICA for wages in excess of \$200,000 should be reduces by 0.9% of the excess over \$200,000. d. Debit the FICA expense account for the amount in step 2c e. Credit the FICA accrual account for that same amount. 3. If the company will not pay the FICA on behalf of the employee,, please contact GCS Premier Application Customer Care for instructions. 	
13.	Reprint the Quarterly Tax Reports. These reports include the additional compensation items, which you should report on Federal Form 941 and any applicable state tax forms. For FUTA and SUTA purposes, use the previous copy that you printed before adding the additional compensation items and changing your tax rates and limits for the new year since changes in rates could affect these amounts.	

Step	Action	Done?
14.	Print the Summary or Detail Earnings Record Report again in order to include the additional compensation items. Remember to select Prior Year since the payroll year has been closed.	
15.	Print the Year-To-Date State and Local Taxes Withheld Reports. Print these reports for the period beginning 1/1 and ending 12/31. These reports support the year-to-date wages and withholdings for each state and locality.	

Preparing and Printing W-2s Checklist

You are now ready to process W-2s. You can do this at any time before or after closing the payroll year and before or after processing the first payroll of the new year. The only limitation is that you **must** install the Year-End Update prior to creating W-2s.

Step	Action	Done?
1.	<p>The W-2 Overrides is an optional file used to specify certain overrides by employee. However for W-2 calculations, it is unlikely that you will need to use this file.</p> <p>Whenever the W-2 File is re-created, edits added on the Edit W-2s screen are lost. However, overrides specified on this screen are kept and added each time W-2s are created.</p> <p>For employees living in foreign countries, you may need to use the foreign postal code and foreign country fields for proper creation of the magnetic media file. This does not apply to any address that includes a US zip code.</p>	
2.	<p>Set up the printing:</p> <ol style="list-style-type: none"> Go to Payroll Control File » Printing & Other Info tab/W-2 Printing. Select either 2 up laser forms or 4 up laser forms. (Impact printing is no longer supported). <p>Forms sent to the Social Security Administration (SSA) must be in the 2-up format. If W-2s sent to employees were in the 4-up format, change the format on this screen before printing forms for the SSA.</p>	
3.	On the Create W-2s screen, create the W-2 File.	
4.	From the Print W-2s screen, print W-2s on plain paper and review.	
5.	Use the Edit W-2 screen to enter any edits required. Note that edits made directly on this screen will be lost if W-2s are created again.	
6.	On the Print W-2s screen, print W-2s on W-2 forms. You can do this as many times as necessary.	

Step	Action	Done?
	<p>You can print W-2s in employee or state order. When printing in State order, those states that do not have an income tax are printed together, since there is no state record for those employees.</p> <p>To print individual W-2s, select the Employee ID field.</p>	
7.	<p>Before creating the Magnetic Media File, you must obtain the following from the Social Security Administration (SSA):</p> <ul style="list-style-type: none"> The document EFW-2, which explains the data requested by screens in GCS Premier The Personal ID Number assigned to your company, which identifies the company's electronic transmission <p>If your company has more than 250 W-2s, you must submit them electronically (tapes and diskettes are no longer accepted).</p> <p>Create the W-2 magnetic media files to submit to the Social Security Administration and state governments:</p> <ul style="list-style-type: none"> Use the Create Federal Magnetic Media screen for the SSA. Use the Create State Magnetic Media screen for each state with which your company files. <p>Both of these screens create the file W2REPORT each time that you execute the screen. Rename or copy the W2REPORT file to another folder or other recording media to avoid overwriting it.</p>	
8.	Go to the Print W-2 Summary Report screen to get your W-3 data. GCS Premier does not print a W-3 form.	

W-2 Box Information

Box	Name	Calculation or Data Source
a.	Employee's Social Security Number	This information is taken from the Employee Master File.
b.	Employer Federal ID Number	This information is taken from the Federal Tax Information File.
c.	Employer's Name, Address, and Zip Code	This information is taken from the General Ledger Control File.
d.	Control Number	The number starts at 000001 and increases consecutively.
e.	Employee's Name	This information is taken from the Employee Master File. The name is shown as First, Middle (if any), Last, and Suffix (If applicable).

Box	Name	Calculation or Data Source
f.	Employee's Address and ZIP Code	This information is taken from the Employee Master File (address information is included in Box e on the 4-up forms).
1.	Wages, Tips, and Other Compensation	<p>This information is taken from the Earnings Record File. All deferred compensation amounts (Codes D–H in Box 12) and other Federal exempt deductions (deduction codes with Taxability of Fed Exempt or Fed and FICA Exempt on the Deduction Codes File screen) are subtracted from Gross Wages to arrive at this amount.</p> <p>Employer contributions to 401K are not a part of the calculation. 401K (Code D) amounts subtracted are limited to the tax-deductible amount from the Federal Tax Information File. 403(B) (Code E) amounts subtracted are also limited to the tax-deductible amount.</p>
2.	Federal Income Tax Withheld	This information is taken from the Total Federal Income Tax withheld in the Earnings Record File.
3.	Social Security Wages	<p>This information is taken from the Earnings Record File.</p> <p>Non-FICA wages and all FICA-exempt deductions (deduction codes with Taxability of FICA Exempt or Fed and FICA Exempt on the Deduction Codes File screen) are subtracted from gross wages to arrive at this amount. If these wages exceed the Social Security ceiling, the Social Security ceiling is used instead.</p> <p>If you select the FICA option in the Exempt from group box for an employee (in the Employee Master File), the Social Security Wages printed will be zero. This is true even if the Earnings Record File shows FICA withholding. GCS Premier assumes that if an employee is not subject to Social Security withholding, the employee has no Social Security wage base.</p>
4.	Social Security Tax Withheld	The employee's Social Security Wages are multiplied by the Social Security Percentage from the Federal Tax Information File, unless the year-to-date FICA withheld is less than this amount. If the year-to-date FICA withheld is less, that amount is printed.
5.	Medicare Wages and Tips	This amount is calculated in the same method as Box 3, except the Medicare Limit from the Federal Tax Information File is used instead of the Social Security Limit.

Box	Name	Calculation or Data Source
6.	Medicare Tax Withheld	The Social Security Tax Withheld printed in Box 4 is subtracted from the Earnings Record File total FICA withheld for the year.
7.	Social Security Tips	This is entered on the Edit W-2s screen only. The sum of this box and Box 3 cannot exceed the Social Security wage limit in the Federal Tax Information File.
8.	Allocated Tips	This is entered on the Edit W-2s screen only.
9.	Advance EIC Payment	No longer used.
10.	Dependent Care Benefits	If, when creating the W-2 File, a deduction type of DCB or FSAD was found, this amount is the Earnings Record File value for those deductions. If an amount was entered for Box 10 on the W-2 Overrides screen or the Edit W-2s screen, that amount is used instead.
11.	Nonqualified Plans	This amount is entered either on the W-2 Overrides screen or the Edit W-2s screen.
12a– 12d	IRS Required Information	<p>Deferred compensation:</p> <p>When creating the W-2 File in the Create W-2s screen, and encountering certain deduction types, the Earnings Record File amounts for these deductions are combined and printed as follows:</p> <p>Deduction type 401K — Code D Deduction type 403B — Code E Deduction type 408K — Code F Deduction type 457 — Code G Deduction type 501C — Code H Deduction type 408P — Code S Deduction type 409A — Code Y Deduction type R401 — Code AA Deduction type R403 — Code BB Deduction type R457 — Code EE</p> <p>These amounts should be limited to the annual tax-deductible limit (the amount deducted from gross wages is limited to the tax-deductible limit).</p> <p>If amounts for any line of Box 12 were entered on the W-2 Overrides screen, those amounts are used instead, for all lines (see the W-2 Overrides screen</p>

Box	Name	Calculation or Data Source
		for more information). You can also edit this amount on the Edit W-2s screen.
A	Uncollected Social Security Tax on employee's tips	
B	Uncollected Medicare Tax on employee's tips	
C	Excess Life Insurance (cost of group term life insurance coverage over \$50,000)	Accumulated based on deduction type EXLI
D	Section 401(K) Deferred Compensation Plan	Accumulated based on deduction type 401K
E	Section 403 (B) Plan	Accumulated based on deduction type 403B
F	Section 408(K) 6 Plan	Accumulated based on deduction type 408K
G	Section 457 Plan	Accumulated based on deduction type 457
H	Section 501(C)18(D) Plan	Accumulated based on deduction type 501C
J	Sick Pay not includible in income	
K	Golden Parachute Payments	
L	Non-taxable Employee Business Expenses (if taxable Employee Business Expenses were included in Box 1)	
M	Uncollected Social Security Tax for Former Employees	
N	Uncollected Medicare Tax for Former Employees	
P	Moving Expenses not includible in income	
Q	Non-taxable Combat Pay	
R	Employer Contributions	

Box	Name	Calculation or Data Source
	S	Section 408(P) Plan
	T	Adoption Benefits
	V	Income for exercise of non-statutory stock option(s)
	W	Health Savings Account
	Y	Section 409(A) Deferrals
	Z	Section 409(A) Income
	AA	Roth 401(K) Contribution Plan
	BB	Roth 401(B) Contribution Plan
	CC	No longer Used
	DD	Cost of Employer Sponsored Health Coverage
	EE	Roth Section 457 Plan
13	Retirement Plan	<p>This box automatically fills with an X for employees who participate in a deferred compensation retirement plan or if you selected the Retirement Plan option on the W-2 Overrides screen.</p> <p>The Put 'X' in Retirement Plan Box option on the Create W-2s screen fills this box with X for all employees.</p> <p>You can enter an X for the Statutory Employee, or Third Party Sick Pay boxes on the Edit W-2s screen.</p>
14	Other	<p>If Deduction Types are indicated for Box 14 when the W-2 File is created, this is the Earnings Record File amount for those deductions. If you entered amounts as Box 14 for any line on the W-2 Overrides screen, those amounts are used instead for all three lines (see the W-2 Overrides screen for information). You can also edit these amounts on the Edit W-2s screen.</p>

Box	Name	Calculation or Data Source
15	Name of State	A two-character abbreviation from the Earnings Record File and the Employer's State ID Number from the State Tax Information File screen. A separate W-2 prints for each state if an employee has state taxable wages in more than one state.
16	State Wages, Tips	<p>This information is from the Earnings Record File.</p> <p>Any of the following amounts not subject to state tax as defined for the state on the State Tax Information File screen (Cafeteria W/H) are subtracted from year-to-date gross wages:</p> <ul style="list-style-type: none"> ▪ All deferred compensation amounts (Codes D–H in Box 12) ▪ Other state tax-exempt deductions (Taxability of Fed Exempt on the Deduction Codes File screen) ▪ FICA-exempt deductions (deduction codes with Taxability of Fed and FICA Exempt on the Deduction Codes File screen) <p>401K (Code D) amounts subtracted are limited to the tax-deductible amount from the Federal Tax Information File. 403(B) (Code E) amounts subtracted are also limited to the tax deductible amount.</p> <p>For employees who had more than one state's tax withheld, the deductions and wages are calculated for each state.</p>
17	State Income Tax	This information is taken from the Earnings Record File. The amount is the total state withholding for all checks in the Earnings Record File with the same taxing state. One W-2 prints for each state for which income taxes were withheld for each employee.

Box	Name	Calculation or Data Source
18	Local Wages, Tips	<p>This information is taken from the Earnings Record File. If Box 21 is an SDI deduction, the wages in the ERF for the state up to the SDI limit print. Amounts for deduction codes with Federal or FICA-exempt Taxability are not subtracted from SDI wages. If Box 20 is not an SDI deduction, the wages in the Earnings Record File for the locality in Box 19 print.</p> <p>Any of the following amounts not subject to local tax as defined for the locality on the Local Tax Information File screen are subtracted from year-to-date gross wages:</p> <ul style="list-style-type: none"> ▪ All deferred compensation amounts (Codes D–H in Box 12) ▪ Other local tax-exempt deductions (Taxability of Fed Exempt on the Deduction Codes File screen) ▪ FICA-exempt deductions (deduction codes with Taxability of FICA Exempt or Fed and FICA Exempt on the Deduction Codes File screen) <p>401K (Code D) amounts subtracted are limited to the tax-deductible amount from the Federal Tax Information. 403(B) (Code E) amounts subtracted are also limited to the tax-deductible amount. Magnetic media does not include local wages, even if there is no SDI.</p>
19	Local Income Tax	<p>This information is taken from Earnings Record File. Enter the SDI deduction codes, states, and wage limits used when you create the W-2 File. (The wage limit defaults in when you enter the state, but you can overwrite it).</p> <ul style="list-style-type: none"> ▪ If there is an SDI deduction for the employee, the amount printed here is the total amount for that deduction. If there is both SDI and Local tax for an employee, a separate W-2 is created for each. ▪ If there is no SDI for the employee, the YTD Local tax withheld prints automatically. <p>Magnetic media only includes Local income tax for Ohio, Indiana, and New York.</p>

Box	Name	Calculation or Data Source
20	Name of Locality	<ul style="list-style-type: none"> ▪ If the amount in Box 20 is an SDI deduction, then the state abbreviation followed by -SDI prints. ▪ If there is no SDI for the employee, the box shows the locality from the Local Tax Information File screen. ▪ If there is an SDI deduction for the employee, the amount printed here is the total amount for that deduction. ▪ If there is both SDI and Local tax for an employee, a separate W-2 is created for each. ▪ If there is no SDI for the employee, the YTD Local tax withheld prints automatically.

Appendix A: Sample 2017 IRS 1099 Form

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

9595		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0115		Miscellaneous Income Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns.
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents		2017 Form 1099-MISC		
		\$				
		2 Royalties				
		\$				
PAYER'S federal identification number		3 Other income		4 Federal income tax withheld		
		\$		\$		
RECIPIENT'S identification number		5 Fishing boat proceeds		6 Medical and health care payments		
		\$		\$		
RECIPIENT'S name		7 Nonemployee compensation		8 Substitute payments in lieu of dividends or interest		
		\$		\$		
Street address (including apt. no.)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds		
				\$		
City or town, state or province, country, and ZIP or foreign postal code		11		12		
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	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.		
\$	\$	\$		\$		
		\$		\$		

Form **1099-MISC** Cat. No. 14425J www.irs.gov/form1099misc Department of the Treasury - Internal Revenue Service

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1099-MISC Form processing information - <http://www.irs.gov/pub/irs-pdf/i1099misc.pdf>

Appendix B: Sample 2017 IRS W-2 Form

W-2 Form example - <http://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 Verification code		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"/>		12b	
			Retirement plan <input type="checkbox"/>		12c	
			Third-party sick pay <input type="checkbox"/>		12d	
14 Other						
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 2017

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

A blue geometric graphic consisting of several overlapping triangles and polygons, located in the top-left corner of the page.

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