

Alpha Micro Version
PREPARING FOR YEAR-END PROCESSING

The following ‘Checkoff List’ has been designed to help you prepare for Year-End processing. Please read each portion very carefully, and check off each item as it is completed.

Today:

Check to be sure you have a PD disk or tape to be used for Year-End backup. Orders for additional disks or tapes should be sent to Sammy via Program #62 or email sammy@ers2000.com ASAP.

Prior to December 15th:

SECTION #1 is designed to help you insure that 1099 and 1098 IRS reporting is done correctly.

Prior to running Year-End:

SECTION #2 is designed to be sure that there are no internal errors in member histories, that all routines are completed before year-end processing and that dividends are paid properly and statements printed correctly.

After running Year-End

SECTION #3 is designed to be sure that all portions of Year-End processing were completed successfully, that your Backup was successfully completed and stored in a safe location, that your statement and IRS data was successfully transmitted to ERS and that all entries are made prior to closing your General Ledger.

YEAR END PROCEDURES CHECKOFF LIST

SECTION #1

REVIEW AND COMPLETE THE FOLLOWING SECTION BY DECEMBER 15TH.

1099 and 1098 FORMS

1099 and 1098 forms will be created using the information that is on the accounts at the time that you run your December month-end. ERS receives this information with your statement files, prints the forms in numerical order (unless you request zip code order), and reports it to the IRS for you. **It is important that you follow each of the steps below to check these accounts before year-end to be sure that the information to be reported is accurate.**

NOTE: If you print your own statements be sure to use Program #69 Option C, Sub-Option E to transmit year-end IRS 1099 data to ERS for printing. If our phone lines are busy, your computer will continue to redial until our computer is reached. Please transmit this data to ERS as soon as possible after the completion of year-end routines.

Following are some procedures which explain how to check this information prior to reporting it to ERS at year-end. In some instances it will require that we get on your system and make corrections for you.

Please research these things early to allow ample time to schedule corrections. **NOTE: A \$1.00 fee will be charged to the credit union for each 1099 & 1098 Year to Date data ERS is required to correct after your year-end files have been created.**

PLACE A CHECK MARK IN EACH BOX WHEN THAT ITEM IS COMPLETED.

1. If you want your **1099 forms sorted in Zip Code order**, notify ERS via Program #62 well in advance of running Year-End.
2. If you want your **1099 forms shipped to a different address than your member statements** notify ERS via Program #62 or email sammy@ers2000.com well in advance of running Year-End. Note: All 1099's and 1098's will be shipped during the first week of January via UPS or regular mail. They will be shipped to the credit union unless you have notified us prior to December 31 of another shipping address.
3. In **Program #57, Option 10**, create & print a list of possible errors in Social Security Number, City, State, Zip and name. (This program will list accounts that have the information in the wrong format, but **errors in spelling or wrong numbers will not be listed.**) Correct these errors listed by changing the information in Program #3 before year-end.
4. Dividend Penalties- These are reported in a separate field on a 1099. Check Program #5 Option H to be sure that penalties are going to be reported correctly. (You can use Program #36 Option CC to get a list of all accounts with Dividend Penalties.) If corrections need to be made contact ERS and schedule a time for us to get onto your system and make the necessary changes **BEFORE** you run Year-end.

YEAR-END PROCEDURES

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- 5. Mortgage Points - These are reported in a separate field on a 1099R. Check Program #5 to be sure that these will be reported correctly. If corrections need to be made, contact ERS and schedule a time for us to get onto your system and make the necessary changes **BEFORE** you run Year-end.
- 6. Real Estate Loans - Make sure that all real estate loans (those requiring a 1098) have 'RE' listed as the loan type, **or** as one of the collateral codes. **The 'RE' in one of these positions is what causes a 1098 to be issued.**
- 7. Check all IRA accounts (both "I" share types and certificates) to be sure they are coded properly (i.e. Roth, Trad, etc) and have the proper entries in Program #27 history.

SECTION #2

ALSO CHECK THE FOLLOWING BEFORE RUNNING YEAR-END

- 8. Program #38 - As near to year-end as possible run a Dividend Estimation on each share type used by your credit union. (Press Page Down for more share types.) If any account histories are out of balance the account number will be displayed on the screen during the estimation, and will be retained in Program #32.
- 9. Program #32 - Check the system status report in Program #32 the last week of the year, and fax a printout of any error messages **dated during the current quarter** to ERS at 321-254-5472.
- 10. **If you have an Optical Disc storage system, be sure to change the 'CUTOFF' date in Program #90 to the current date and back up all reports on the system prior to running Year-end. This frees up disc space which may be needed to run the Year-end Programs.**
- 11. Program #46 - Verify all dividend information for each share type (via OPTION 2 and OPTION 3) (Check Program #61J for a current explanation of all dividend methods possible).
 - _____ Check the dividend method
 - _____ Check the rate for each split
- 12. Program #47 - Verify month-end automatic fee parameters.
 - _____ Check OPTION B to be sure that all fees are set up correctly
 - _____ If you have loan add-on insurance, check OPTION C to be sure that it is set correctly

YEAR-END PROCEDURES

(Continued)

- 13. Program #45 - Statement Messages - Use OPTION 1 to enter your Quarterly statement message (share and loan accounts) and OPTION 2 to enter your share draft statement message. **NOTE: If you use the option which prints draft statements on the same paper as the share statements, the Quarterly statement message is the one that will be used.**
- 14. Program #45 - Month-end Parameters - Use OPTION 3 to go thru a trial of the Month-end. This will let you look at the various options available (statement printing order, etc) and make any changes needed. These changes will be saved when you escape from the program. **(Be sure that you have instructed the system to call the ERS computer to telecommunicate your statement data.)**
- 15. Program #50 - If you need to do loan interest rebates, do those prior to running Year-end. A new option to this program allows you to do "Test" runs to determine who will receive a rebate, and what the amount will be as well as the total affect to the credit union.
- 16. Make sure that all routines such as ACH, ATM, Debit Cards, Payroll, Automatic Loan Transfers and Share Draft postings have been completed. If you have ATM cards, be sure to post future ACH credits with effective dates up to the next date you will be open. **(EXAMPLE: Go to Program #25 Option A. Choose Index #5. Enter the next date you will be open. Press ENTER to post.)**
- 17. Be sure that the computer SYSTEM DATE (Program #1) is **December 31st** on the terminal you will use to run year-end. If your credit union will not be open on that date, and you are running Year-end prior to December 31, go to the Main Password Screen (Program #1) and change the date there. (You need only change the date on the terminal you are using to run Year-end.)
- 18. Print a list of all accounts with balances greater than \$100,000.00 (Program #36 Option K) to be used for January 5300 Call Report.
- 19. **Use Program #31 to perform Year-end routines.** This is done exactly the same as any other Month-end.

NOTE: When you choose this program, be sure that the screen says ‘ALL YEAR END routines’ will be performed’. If you do not see this message, check the system date in Program #1 before proceeding.

If you have instructed the computer to call ERS to telecommunicate your statement data, we will receive your 1099 and 1098 information at the same time. (This is a toll free call.) We will have your statements and 1099 IRS forms printed, fold them if requested and send them to the address you indicated in Program #45 OPTION 3 unless you have notified us of another shipping address. Your 1098 forms will be shipped directly to your credit union approximately 1 week later . We will also send your 1099 & 1098 data to the IRS for you near the end of January.

YEAR END PROCEDURES (CONTINUED)

SECTION #3

AFTER YEAR-END HAS BEEN COMPLETED:

- 20. Check the status of your Month-end (displayed on the screen, or in Program #33 OPTION 5) to be sure that all fields indicate 'N/A' or 'OK'. *If not call ERS immediately.*
- 21. Check the status of your backup, mark the tape 'YEAR END 2005' and store it off premises indefinitely. **NO NOT REUSE OR ERASE THIS BACKUP TAPE!!** (Be sure to order another tape to replace it in your normal rotation.)
- 22. If you print your own member statements, use Program #69, OPTION C, then OPTION E to send your 1099 and 1098 data to us so that we can have the forms printed and report to the IRS for you.
- 23. Reports - Either use Program #33 OPTION 1 to print all regular and Month-end reports, or transfer them to your Optical disc. NOTE: You have a bit larger volume of reports than normal and it is advisable to print or transfer them as soon as possible to avoid the possibility of them dropping off the system and being lost.
- 24. Before closing your General Ledger for the year be sure that:
 - _____ Dividend expense has been posted and accruals reversed
 - _____ If you use Option P to do your employee payroll, be sure that you have paid the payroll tax withholdings for the last quarter of the year and included them in your December entries, before you close the General Ledger. (New year MUST begin with 0 total in all tax accounts.)
 - _____ Be sure that the 'Year-ending G.L. accumulator OFFSET' accounts have been set up for the Employee withholding taxes payable accounts. **PLEASE SEE "ERS2000" MANUAL: VOL 4 TAB #3 PAGE 79.** For a list of all G.L. accounts with a 'Year-ending G.L. Accumulator OFFSET' use Program #35 Option B and enter '99999' for the account number.