

Linux 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.

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.**

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 at sammy@ers2000.com well in advance of running Year-End. **NOTE: This is not necessary if A1 Mailing processes your member statements for you.**
2. If you want your 1099 forms shipped to a different address than your member statements notify ERS via 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 the 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 (Continued)

- 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, as one of the collateral codes, or the 'IRS 1098 INTEREST DEDUCTIBLE' flag in Program #4, Page 3 of 9 set to 'Y'. **Any one of these options will cause a 1098 to be printed and interest reported to the IRS.**
- 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 - Don will be checking this file for you to be sure there were no errors that need to be addressed before statements are printed.
- 10. 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
- 11. 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
- 12. 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.**

YEAR-END PROCEDURES

(Continued)

- 13. 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.)
- 14. 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.
- 15. 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.)
- 16. 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.)
- 17. 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.
- 18. **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:

- 19. 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.

- 20. 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.

 - _____ Be sure that Total Shares and Total Loans in Option G agree with the Share Account Breakdown Report and Loan Account Breakdown Report.