AccountMate
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AccountMate Year-End Preparations

Technical Note: Reports Affected by the W-2/1099 Year-End Closing and Period-End Closing for the Last Period of the Current Fiscal Year

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 6.5 for SQL and MSDE, AccountMate 6.5 for LAN

Module(s) Affected: Payroll

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DESCRIPTION

It is again that time of the year when companies close their books and try to get their businesses in order before starting out the new fiscal year. What makes this more challenging is that for many companies the fiscal year ends right in the middle of the holidays. Instead of enjoying the fragrance of the holiday season, the smell of stress is what permeates the air. The best way to manage the stress is to start getting ready right now. This article will help you prepare for this event in your annual business cycle.

One of the steps that will help solidify your year-end process is to make a checklist. A checklist will help to keep you from missing anything, from the start of process right up to the generation of reports. AccountMate Payroll reports may change after performing W-2/1099 Year-End Closing and Period-End Closing for the last period of the current fiscal year. This article lists the reports that will not be available after a tax year is closed; and identifies certain reports that provide limited transaction details following the last period-end closing for the current fiscal year.

SOLUTION

I. Reports Affected by W-2/1099 Year-End Closing

The following reports must be generated before running the **W-2/1099 Year-End Closing function** to close the current tax year.

1. **Employee Reports**

   The Employee Reports provide information about your employees and independent contractors. This information includes year-to-date earnings, withholding amounts and leave accruals for the current tax year. Performing the W-2/1099 Year-End Closing affects some of the Employee Reports by resetting the year-to-date information such as employee earnings, tax withholding amounts and leave accruals to zero so that the system can start accumulating data for the next fiscal year. The following reports are affected:

a) Employee Detail Listing

In addition to the employee's personal, wages and tax data, this report also shows the employee's leave benefits and deduction amounts for the current tax year.

b) Employee Salary/Wage Listing

The Employee Salary/Wage Listing includes information about each selected employee's pay type, pay period, pay rate, regular hours per week, performance and salary review dates, and settings for overtime, tips, and electronic payments. You can include or exclude information about each selected employee's vacation, holiday, personal and sick time hours.

This report shows the Year-To-Date Regular Hours and Overtime Hours for the current tax year. Information from the previous tax year will not be generated.

c) Employee Deductions Listing

The Employee Deductions Listing provides information about each selected employee's payroll deduction settings and the year-to-date amounts deducted for the current tax year. The previous tax year's deduction amounts are not included in this report.

d) Employee Earnings and Tax Withholdings Listing

The Employee Earnings and Tax Withholdings Listing provides quarterly and year-to-date information about each selected employee's earnings and payroll taxes for the current tax year.

2. **Payroll Entry Reports**

The Payroll Entry Reports show information about payroll transactions recorded in the system using the Time Card/Piece Work and the Additional/1099 Payment functions. These reports provide information for the current tax year only. As such, it is recommended that you keep the printed reports even after closing the current tax year for audit purposes.

a) Time Card Entry Report

The Time Card Entry Report provides details about the hours worked by time card employees in the current tax year.

b) Piece Work Entry Report

The Piece Work Entry Report lists the projects or work pieces that time card employees worked on during the current tax year.

c) Additional/1099 Payment Report

The Additional/1099 Payment Report identifies the current tax year's additional employee earnings such as bonuses and commissions, and payments for 1099 services rendered by independent contractors.

3. **Quarterly Reports**

The Quarterly Reports function allows you to generate quarter-to-date tax withholding reports and facilitates filing of quarterly federal, state, and local payroll tax returns. These reports provide information for the current tax year only. We recommend that you keep the printed reports even after closing the current tax year for audit purposes.

a) QTD Tax Withholdings Report

The QTD Tax Withholdings Report provides information about employee earning, withholdings, and deductions, as well as the employer payroll taxes for each quarter of the current tax year.

b) Form 941 Quarterly Tax Return

The Form 941 Quarterly Tax Return provides the required information to fill in Form 941 and Schedule B of Form 941. You can use this report to print Form 941 and Schedule B of Form 941 for submission to the Internal Revenue Service in compliance with federal tax filing requirements.

c) State Quarterly Return

The State Quarterly Return shows the information required to fill in the payroll tax return of a tax state during a quarter.

d) Local Quarterly Return

The Local Quarterly Return provides the information required to fill in the payroll tax return for a local tax jurisdiction during a quarter.

4. **Annual Reports**

The Annual Reports provide the information you need to complete the annual federal and state payroll tax returns as well as the W-2 and 1099 forms. Just as with the Quarterly Reports, some of the Annual Reports can be generated for the current tax year only. It is highly recommended that you retain the printed copies of these reports even after closing the current tax year for audit purposes.

a) YTD Tax Withholdings Report

The YTD Tax Withholdings Report shows employee earnings, tax withholdings and deductions, and the employer's share in payroll taxes. This report shows information pertaining only to the current tax year.

b) Form 940-EZ Annual Tax Return

The Form 940-EZ Annual Tax Return report function prints FUTA data on Form 940-EZ for submission to the Internal Revenue Service. This report shows only the current tax year information.

c) W-2 Report

This provides an option to generate the report for either the current year or the year before. Print this report for the previous tax year before closing the current tax year so you can keep the previous year's record for audit purposes.

d) 1099 Report

This report shows paid 1099 amounts for the current and previous tax years. To facilitate audits, print this report before closing the current tax year.

5. **Other Reports**
There are other reports that are affected by the W-2/1099 Year-End Closing function. These reports are listed below:

a) Report of Wages

The Report of Wages provides information about the employees' quarterly gross earnings for the current tax year only. This report is useful in printing DE 6 Forms (for the state of California only) and in preparing the quarterly payroll tax returns.

b) Print W-2 Form

The Print W-2 Form function allows you to print the W-2 forms for your employees. You can use this function to print on pre-printed W-2 Forms to comply with the Internal Revenue Service's tax filing requirements. This function provides the option to print on forms for the current or previous tax years only. In case of an audit, we recommend that you print this form before closing the current tax year.

c) Print 1099 Form

The Print 1099 Form function prints the 1099-MISC forms for your independent contractors. You can use this function to print on pre-printed 1099-MISC forms to comply with the Internal Revenue Service's tax filing requirements. You can print on forms for the current or previous tax years only. In case of an audit, we recommend that you print this form before closing the current tax year.

d) Deduction Listing

This report comes with an option to show the accumulated quarterly deduction amount. When this option is selected, the report will show the quarterly and year-to-date deduction figures for the current tax year.

II. Reports Affected by Performing Period-End Closing for the Last Period of the Current Fiscal Year

The following reports should be generated before performing **Period-End Closing** for the last period of the current fiscal year. Data is automatically purged when closing the last period of the current fiscal year after which the information in these reports will change.

1. **Payroll Check Register Report**

   This report provides information about checks that were printed or recorded in the Payroll module for the current fiscal year only. Summary information pertaining to prior tax year paychecks can be generated using the Payroll Check Summary report.

2. **Deduction Transactions Report**

   This report shows the deduction amounts taken from each employee's earnings for the current fiscal year.

3. **Management Reports**

   Management Reports provide information that is useful in analyzing the hours worked by each employee and department as well as the corresponding earnings and payroll tax expenses. These reports will only show information pertaining to the current fiscal year.

   a) Departmental Analysis Report

      The Departmental Analysis report shows each department's actual figure and percentage share in the company's total paid employee hours, earnings, and payroll costs.

   b) Work Hours Analysis Report

      The Work Hours Analysis report allows you to compare each employee's total earnings against a break down of each one's work hours.

Preparation is the key to a successful year-end. With this checklist of reports, you are now a step ahead on your year-end preparations. By adhering to the suggestions in this document, you will substantially reduce your stress knowing that you have printed and stored the necessary reports for the previous tax years so that they are available anytime someone wants them for audit and other purposes.
