The Leading Edge

Adaptive Business Solutions, Inc.

Compliance Updates for 2009 End of Year

OSAS

For the upcoming tax year, 2009 W-2s, 2009 1099s, and 2010 tax table updates, Open Systems will be providing Year End Compliance updates for OSAS versions 7.03 and 7.5x. Open Systems will be testing on the current build of each version (with service packs applied) and we strongly recommend that you stay on the most current build of your OSAS version.

The tax update should be applied after the new payroll year has been created but before Calculate Checks has been run for any checks to be dated in the new year. Remember that when the new payroll year has been created, checks can no longer be generated for the prior year even if you <F9> to return to the prior year. You can, however, run all reports and W2s from the prior year data. OSAS versions prior to 7.5 will retain only one year of history. Starting with Version 7.5, OSAS Payroll, like General Ledger, will retain an unlimited number of years of history.

TRAVERSE

For the upcoming tax year, 2009 W-2s, 2009 1099s, and 2010 tax table updates, Open Systems will be providing Year End Compliance updates for TRAVERSE versions 10.2 build 7189, with prior Year End builds installed, TRAVERSE 10.5 build 8175, and build 9092 and TRAVERSE 11. Open Systems will be testing on the current build of each version and we strongly recommend that you stay on the current build of your TRAVERSE version. (Please note that Year End Compliance Updates will not be provided for 10.5 phase one builds 7086 or 7210).

To be eligible to receive any of the above updates, your company must be current on their Maintenance (Continuous Enhancement Subscription) program.

If you will need assistance applying End of Year Updates, please contact ABS in advance with your payroll processing dates for the last payroll in 2009 and the first payroll in 2010 so that we can schedule time and personnel to be available to help you.

Indiana 2010 State Unemployment Wage Limit

The 2009 General Assembly increased the IN state unemployment wage limit to $9500. Gov. Daniels has delayed notification to employers, hoping that the 2010 General Assembly will roll the limit back to the prior limit of $7000. Notifications of the 2010 wage limit would be mailed prior to taxes being payable in March 2010. The OSAS and Traverse tax updates set the limit to $9500 since that is the present law. You may wish to adjust that limit based on your expectations. Any subsequent change to the limit in March would result in an adjustment to the accrued SUI for all employees being paid, but would not adjust unpaid employees. A manual correction to employee history and a GL Journal Entry would be required to correct unpaid employees.

New Trends in Check Processing

Technology has certainly improved the workplace. No longer are boxes of checks ordered for each bank account, but often just blank forms that can be MICR printed. The creative thieves have taken note, and are using the same technology to produce checks that have every appearance of being your company-generated checks, complete with color logos and computer-printed signatures. Until fairly recently, banks had few ways of confirming that a check was genuine. Bank account rules place the risk of loss for a check taken in good faith, and with a valid signature as recorded on their signature card, back on your business. In an effort to stop these losses, a new optional security procedure called "**Positive Pay**" has been developed and incorporated into most bank processing.

Via this process, your company provides the bank with an electronically-transmitted data file containing key pieces of data for every payroll or accounts payable check created. Whenever a check is presented at a bank, the check data can then be validated (normally, date, amount, account number, and sometimes additional fields) against the bank database to confirm that it is a valid check. Naturally, once a check is presented, the check is flagged in the bank's system has having been tendered, and the same check (data) cannot be presented a second time. Checks that are voided or have a stop-payment order placed on them must also be provided to the bank via data transmittals. This makes 3rd-party check forgery much more difficult.

The modules required to support Positive Pay capability include Banking (a new module in OSAS 7.52 and Traverse 10.5), Bank Reconciliation, and a check processing module. such as Accounts Payable or Payroll.

Backup – Monitor Its Success

Remember to check the success of your backup on the same frequency that your backup is being performed (usually, that's daily). When you determine that a backup is needed, it's usually too late to get another one performed. Most backup programs will let you know if there has been a problem: tape going bad, open files (users not logging off!) that are not being backed up, or other issues. While most networks are set up with a file server on which critical files are stored, remember that Outlook (and Outlook Express) usually store their mail and contact files on the local PC unless email is running via Microsoft Exchange Server. Typically, each of the user PCs are not being backed up, so you may wish to copy or export those mail/contact files to the server from time-to-time to ensure periodic backup. Also remember to check your backup whenever new folders are created to confirm that they are either in another folder that is being completely backed up (subfolders are being backed up, too), or that they are specifically added to the backup process as may be required. Contact ABS is you need any assistance with setting up, monitoring or other backup issues.

OSAS 7.52 Service Pack Released

Open Systems has released the first service pack for OSAS 7.52. While OSAS users cannot be in OSAS at the time the service pack is applied, the application thereof usually requires only about ½ hour. After applying it, be sure to confirm that your unemployment rates are correct for each company since any payroll tax table update will reset the default rates (i.e., the SUTIN record in the Tax Tables). You can confirm your OSAS level and last maintenance update by doing <SHIFT>+<F2> at any menu. If this service pack has been applied, the screen will show a "Last Maintenance" date of 6/17/2009.