



MUNICIPAL ACCOUNTING USERS

2011 Year-End Instructions



Year-End Instructions for All Municipalities

READ your newsletter from TownHall Software.

TAX JOURNAL ENTRIES should be done by APRIL 2012!

Please note that if you need help from us *and* the entries are done after July 2012, additional support fees will apply.

VERY IMPORTANT: SEND a "TCOPY" (backup) to TownHall Software BEFORE you begin! (Send another after you have completed this process.)

REAL ESTATE TAX COLLECTION ENTRIES

It is very important that **ALL** account numbers between **24000-00** and **27000-00** have a zero (0) balance before you enter any tax receipts for this year. Call us if you are having any problems or have questions. The procedures for zeroing these balances can be found on the "Current Customer Service" portion of the website.

The best way we have found to handle tax collections is as follows:

- 1. Treasurer collects and receipts taxes.**
- 2. Treasurer deposits collections in bank account in batches and writes a numbered municipal receipt for each batch. Money, such as Dog Licenses, which the treasurer may not include with the "batch totals" should have separate, written, numbered receipts (one receipt per dog owner).**
- 3. Each numbered receipt and batch printout is given to the clerk as the money is deposited WITH A COPY OF THE BANK DEPOSIT SLIP.**
- 4. The clerk enters each receipt (the same as for any other receipt), paying special attention to the checking account number and the distribution account number. The checking account number should be the same as the account the money was deposited in and the distribution account should be **26101-00**. All money that is deposited as part of "batch totals" should be handled this way. Money, such as dog licenses, which the treasurer may not include with the "batch totals" can be entered separately into the proper account number and should have separate, written, numbered receipts.**

The 24xxx-xx through 26101-00 accounts should only be used at tax collection time, that being December through January 31st. NEVER AT ANY OTHER TIME!

MAKE BACKUP FILES & SENDING FILE TO TOWNHALL

Make a backup (also referred to as a "TCOPY" just BEFORE you close the Payroll, Receipts, Disbursements & General Ledger year BUT AFTER all 2011 entries are complete & posted.

Rename these files to "NAME 2011 BACKUP" (i.e. BADGER 2011 BACKUP.zip). If using disks, mark these as "2011 backup" and store them safely. Please e-mail to: support@townhallinc.com

We will make these available to your "Last Year" data button for you. When we do so, *you cannot make new entries to these files, however, you can lookup details or print W2s or any other 2011 reports from this data.*

W-2 FORMS AND 1099 FORMS

W-2 or 1099 forms are available from Office Depot, Office Max etc. They can supply you with forms that will work well in almost any printer. You can also print out the W-2 report from the program and enter it into the IRS and DOR websites and print from there.

For MARGE Accounting Software, you need **6 part W-2 forms, two 8½" x 5½" forms on a 8½" x 11" page for laser or ink jet printers.** We recommend getting them from the IRS for FREE.

IRS: You can get them FREE from the IRS (1-800-829-3676 or online at www.irs.gov). Order soon!

Office Depot, Office Max, Staples: Search "w2 forms 2011" in the search field on their websites. We suggest Quill Office Products (most reasonable pricing):

<http://www.quill.com>

Item # 901-5650 Model # 22991Q ~ 50 count for \$25.99

Office supply stores also have 1099 Forms & Envelopes available. Check with your local business supply store as they may sell smaller quantities at a reasonable price.

UPDATE FROM TOWNHALL SOFTWARE

Payroll Update and Withholding Guide is available on the website now!

Go to <http://www.townhallinc.com> and click on the "Current Customer Access" link at the top of the page.

You will see all the needed updates and information on that page.

PLEASE NOTE: FICA/Social Security will remain at 6.2% for Employers and 4.2% for Employees – but only for a period of 60 days unless it is extended. If it changes – be sure to change the amounts in your Payroll module.

If you are on dial-up, or no Internet at your hall, please let us know and we will prepare and send a CD.

Year-End Instructions for Municipalities Operating on a “Cash” Basis

COMPLETE THE INSTALLATION OF ANY UPDATES AS LISTED ABOVE.

PAYROLL

1. Make sure all payrolls for the year are posted to GL.
2. Under reports, print “Payroll history by date or period” by period and select periods from 0 through 99.
3. Under Maintenance, click on “Quarter end processing”, print all necessary reports, and then close the quarter.
4. Under Maintenance, click on “Year end processing”, print W-2 forms - these can be printed as often as you wish. We suggest that you print one set on plain paper and check them to be sure they are correct.
You MUST print your 2011 W2 forms before you close the payroll year!
5. Under Maintenance, click on “Year end processing”, and then close year. When the "Close Year-End Payroll Setup Form" comes up, make sure you type **YES - not just Y** or the year will not close! After this process is complete - go to Maintenance, click on “Year end processing”, print W-2 forms – **Make sure all amounts are zero. IF THEY ARE NOT ZERO - CALL US AND GO NO FURTHER IN THIS PROCESS.**
6. Click on “Maintenance,” and then “System Information”. Set the GL period to 1, GL period end date to 01/31/2012 and fiscal year to 2012. Set the PR period to 1 and enter the appropriate PR period end date for your next payroll.
7. Click on “Maintenance” then “Year End Processing”. Select “Remove Payroll history that is older than 2 years.”
8. Download the Payroll Tax Update from the website prior to entering any 2012 payroll.

REMEMBER PR period numbers are not important except that EACH PAYROLL MUST BE A NEW PERIOD.
THESE CHANGES MUST BE DONE BEFORE ANY NEW PAYROLL ENTRIES ARE MADE FOR YEAR 2012.

DISBURSEMENTS

1. Make sure all disbursements are posted to GL.
2. Under Maintenance, click on “End of Year” - this will close the year.
3. Under Maintenance click on “System Information”. Set the Reporting period to 1, period end date to 01/31/2012, and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW DISBURSEMENT ENTRIES ARE MADE FOR YEAR 2012.

RECEIPTS

1. Make sure all Receipts are posted to GL.
2. Under Maintenance, click on “System Information.” Set the Reporting period to 1, period end date to 01/31/2012 and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW RECEIPT ENTRIES ARE MADE FOR YEAR 2012.

CHECK BOOK

1. Make sure all TRANSFERS are posted to GL.
2. Under Maintenance, click on “Check book information” Set the GL period to 1, GL period end date to 01/31/2012 and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW TRANSFER ENTRIES ARE MADE FOR YEAR 2012.

GENERAL LEDGER

1. Make sure all Batches for 2011 are posted to GL.
2. Under Maintenance, click on "System Information". Make sure "Current Earnings Account" is 34301-00. If it is not 34301-00, add that account with budget category UNF, description as "Current Earnings" and type as "Capital". Make it "Active".
IF YOU HAVE ANY PROBLEM WITH THIS, DO NOT GO ANY FURTHER UNTIL YOU CONTACT US! !
3. Under Maintenance, click on "Recalculate." Click on "Reports" and print two reports as follows:
 - a. "Print General Ledger" for periods 0 through 13 for all accounts from 00000-00 through 99999-99.
Make sure the number under two "nets" match at the end of the report.

IF THEY DO NOT MATCH – DO NOT GO ANY FURTHER UNTIL YOU CONTACT US!

- b. "Print Trial Balance" for period 13.
4. Under Maintenance, click on **Close Fiscal Year**. CHANGE THE YEAR TO CLOSE FROM 2010 TO **2011**. Type "YES" to confirm closing. CHOOSE "OK." (This may take some time.)
THEN under Maintenance, click on "System Information." Set the current period to 12, period end date to 12/31/2012. The fiscal year should be 2012 if the the current year closed successfully. IF FISCAL YEAR DOES NOT SAY **2012**, CALL TOWNHALL IMMEDIATELY!
 5. Under Maintenance, click on "Update Budget Year" - type YES (not just Y) and click "OK".
 6. Under Maintenance, click on "Recalculate."

THESE CHANGES SHOULD BE DONE BEFORE ANY NEW BATCHES ARE POSTED IN GL FOR YEAR 2012.

Year End Instructions For Municipalities Operating on a "Modified Accrual" basis

COMPLETE THE INSTALLATION OF ANY UPDATES AS LISTED ABOVE.

PAYROLL

1. Make sure all payrolls for the year are posted to GL.
2. Under reports, print "Payroll history by date or period" by period and select periods from 0 through 99.
3. Under Maintenance, click on "Quarter end processing", print all necessary reports, and then close the quarter.
4. Under Maintenance, click on "Year end processing", print W-2 forms - these can be printed as often as you wish.
We suggest that you print one set on plain paper and check them to be sure they are correct.
You MUST print your 2011 W2 forms before you close the payroll year!!!
5. Under Maintenance, click on "Year end processing", and then close year. When the "Close Year-End Payroll Setup Form" comes up, make sure you type **YES - not just Y** or the year will not close! After this process complete - go to Maintenance, click on "Year end processing", print W-2 forms – **Make sure all amounts are zero.**
IF THEY ARE NOT ZERO - CALL US AND GO NO FURTHER IN THIS PROCESS.
6. Click on "Maintenance," and then "System Information". Set the GL period to 1, GL period end date to 01/31/2012 and fiscal year to 2012. Set the PR period to 1 and enter the appropriate PR period end date for your next payroll. REMEMBER PR period numbers are not important except that EACH PAYROLL MUST BE A NEW PERIOD.
7. Download the Payroll Tax Update from the website prior to entering any 2012 payroll.

THESE CHANGES MUST BE DONE BEFORE ANY NEW PAYROLL ENTRIES ARE MADE FOR YEAR 2012.

DISBURSEMENTS

The best approach to use for modified accrual entries follows:

1. Allow invoices to be charged to expense accounts and accounts payable (21000-00) for period 12 in the current year.
2. The checks can be dated after Jan. 1. And posted into period 1 of the next year.
 - A. Enter all invoices for December. In the "Due Date" field, enter a date after Dec. 31, but before the date you will PRINT these checks in the next year.
 - B. After the invoices are entered, click on "Checks", "Check Setup" and enter the check date for next year when these checks will be written.
 - C. Complete the "Build candidate", "Print Checks" (none will print), "Check Register", "Posting Detail", Build GL Batch" and "End of Run" steps. Many of these steps will show that there is no data to process - this is normal.
 - a. Make sure all disbursements are posted to GL.
 - b. Under Maintenance, click on "End of Year" - this will close the year.
 - D. Under Maintenance, click on "System Information". Set the Reporting period to 1, period end date to 01/31/2012 and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW DISBURSEMENT ENTRIES ARE MADE FOR YEAR 2012.

If you wish to print any checks for 2011 BEFORE you close the GENERAL LEDGER for 2011:

3. After ALL of the above steps, click on "Checks", "Check Setup" and make sure the check date is on or beyond the "due date" on the invoices that were previously entered. Make sure to set the "Next Check Number" correctly.
4. Complete the "Build candidate," "Print Checks," "Check Register," "Posting Detail," Build GL Batch," And "End of Run" steps. These procedures will send the check information to the checkbook, and a new batch to the GL. This batch will charge the checks to the Accounts Payable (21000-00) account and to the cash (11010-00) or other checking account for the new year. If you have not already posted all batches in the GL and closed the year, **You must restrict posting of this new batch until the year is closed.**

RECEIPTS

1. Make sure all Receipts are posted to GL.
2. Under Maintenance, click on "System Information." Set the Reporting period to 1, period end date to 01/31/2012 and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW RECEIPT ENTRIES ARE MADE FOR YEAR 2012.

CHECK BOOK

1. Make sure all TRANSFERS are posted to GL.
2. Under Maintenance, click on "Check book Information" Set the GL period to 1, GL period end date to 01/31/2012 and fiscal year to 2012.

THESE CHANGES MUST BE DONE BEFORE ANY NEW TRANSFER ENTRIES ARE MADE FOR YEAR 2012.

GENERAL LEDGER

1. Make sure all Batches for the current year are posted to GL - AND that ANY batches for the new year are "Restricted" (Status 3). – VERY IMPORTANT!!!!
2. Under Maintenance, click on "System Information". Make sure "Current Earnings Account" is 34301-00. If it is not 34301-00, add that account with budget category "UNF", description "Current Earnings" and type as "Capital". Make it "Active". IF YOU HAVE ANY PROBLEM WITH THIS, DO NOT GO ANY FURTHER UNTIL YOU CONTACT US!!
3. Under Maintenance, click on "Recalculate". Click on "Reports" and print two reports as follows:
 - A. "Print General Ledger" for periods 0 through 13 for all accounts from 00000-00 through 99999-99.
 - B. "Print Trial Balance" for period 13.
4. Under Maintenance, click on "Close Fiscal Year". CHANGE THE YEAR TO CLOSE FROM 2010 TO **2011**. CHOOSE "OK". Type "YES" to confirm closing. THEN under Maintenance, click on "System Information". Set the Current period to **12**, period end date to **12/31/2012**.
IF FISCAL YEAR DOES NOT SAY 2011, CALL TOWNHALL IMMEDIATELY!
5. Under Maintenance, click on "Update Budget Year", type YES (not just Y) and click "OK".
6. Under Maintenance, click on "Recalculate."

THESE CHANGES SHOULD BE DONE BEFORE ANY NEW BATCHES ARE POSTED IN GL FOR YEAR 2012.

**If you have any questions, suggestions or problems, call us at
TownHall Software, Inc. 1-800-528-9086**

**Or e-mail to: support@townhallinc.com
We are here to help you!**