

# Focus

## on Client Ledger System™ Software

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### CLS II 2.11 Update is Scheduled for Release December 5<sup>th</sup>

CLS II 2.11 contains a number of payroll forms that have been updated for year-end and fourth quarter filing. See *Page 2* for more details.

CLS has been updated to accommodate new state filing requirements. Make sure that you order the add-ons needed to get the job done! Here are a few of the this year's additions:

- *W-2/1099 Magnetic Media (TM)* has been modified to support the file layouts required for the following states:
  - **Iowa:** Electronic filing of W-2s and 1099s will be required for all employers.
  - **Maryland:** Electronic filing of W-2s will be required for all employers. These filings also include form *MW508* reconciliation information.
  - **Missouri:** Electronic filing of W-2s will be required for employers with 250+ employees. These filings also include the reconciliation information reported on form *MO W-3*.
- *SUTA Magnetic Media (SM)* and *Unemployment Plus (UP)* will be updated for Q1, 2018 to support **North Dakota** when that state will require electronic filing of SUTA wage detail information for all employers. **SM** will support the electronic submissions and **UP** will provide a file copy of the tax return form *12643*.

Following the initial release of 2.11, these additional non-payroll features will be included in CLS:

- **AT 3** will contain new routines for importing comma-delimited and fixed-length transaction file formats. Save multiple formats, which can then be selected when importing transaction files.
- An **SI** option will allow you to choose the location where CLS saves PDF reports and payroll tax forms.
- The *Trial Balance, Leadsheets, Income Tax Summary, Cash-Flow Statement* and *Statement of Changes in Financial Position* will provide an option to be exported to Excel.
- **TR 7** will allow you to print both current period and year-to-date transactions in entry order - for YTD, you may select a specific period or a range of periods.

### To celebrate our 40th year in business, CLS is on sale!

CLS is an excellent, fully-featured write-up package with a proven track-record. If you know of someone who needs new write-up software, now is the time to recommend CLS. Remember, when you refer a new CLS user they get a 10% discount (even off of sales prices), and you get a 20% discount on your next purchase. Sale prices are valid through 1/31/18.

- *CLS General Ledger* – reg. \$395, now \$295 (3-user networkable version, all financial statements, no payroll)
- *CLS Limited Edition* – reg. \$595, now \$495 (non-networkable, but can be installed on multiple workstations)
- *CLS Single-User Version* – reg. \$995, now \$795 (5-user networkable version)
- *CLS Network Version* – reg. \$1,295, now \$995 (10-user networkable version, expandable to 255 users)

# 2017 Year-end Payroll Tax Form Changes

New formats for the 2017 W-2 and 1099/1098 laser-printed plain-paper and preprinted forms are included in CLS II 2.11. **Remember, you must update CLS II if you plan to print federal or state payroll tax forms on plain paper.**

*For W-2/W-3 forms, and for any 1099-MISC forms that include Non-Employee Compensation or Federal Withholding, the federal filing deadline is now 1/31/18.*

All W-2 and W-3 forms (**including Copy A**) may be printed on plain-paper.

For 1099, 1098 and 1096 forms, all copies (**except Copy A**) may be printed on plain paper. When filing using paper forms, Copy A must be filed using "official" scannable forms – the IRS may impose a penalty if black & white forms are used.

Submittable 940, 941, 943, 944 and 945 forms may also be printed on plain paper.

The 941 form for **2018** will be part of the March 2018 update. For more specific information about the changes affecting federal and state forms, please refer to the online version of CLS Release Notes.

## Nelco Web Reporting Center

As you begin to plan the year-end services that you'll provide to your customers, we'd like to highlight a CLS II add-on product which provides a W-2 and 1099 filing option that could make this year's processing less time-consuming and stressful.

Using **Nelco's Web Reporting Center** transfers the burdens of printing, mailing and filing W-2s and 1099s to *Nelco*, FMSI's preferred forms provider for many years. The *CLS Nelco Web Reporting Center (NW)* add-on supports W-2, 1099-MISC, 1099-INT, 1099-DIV and 1099-R reporting, and it provides a simple interface for transferring your data between CLS and the Web Reporting Center.

**NW** and the *CLS W-2/1099 Magnetic Media (eFile) (TM)* add-ons both help with W-2 and 1099 filing, and both cost the same amount to purchase. So which one is the better option for you? That depends on how much of the year-end filing process you would like to be handled by someone else. When using **NW** you'll also pay *Nelco's* processing fees, so **NW** may be most appealing to firms that prepare a very large number of forms; the more forms processed, the greater the savings in time and money. *Nelco* uses a tiered pricing model that is based on the services selected and the number of W-2s and 1099s processed.

For those already familiar with the **TM** add-on, using **NW** is very similar. In **NW**, as with **TM**, you create an intermediate file, select the ledgers and payroll series to be included, and build a file containing the W-2 or 1099 data to be submitted. From within CLS, **NW** then connects to *Nelco's* website and transfers the data file(s), and you select the services you want *Nelco* to perform. Available services include recipient processing (which includes printing, mailing and providing immediate online retrieval of W-2 and 1099 forms) and federal and state electronic filing.

In both cases, the same amount of effort goes into getting the forms ready for submission, but here are the main differences between the two approaches:

- **NW:** You select the filing services you want. Depending on the services selected, federal and state filing can be done automatically, and recipient copies can be printed, mailed *and made available for immediate online retrieval – a feature not provided by the TM program*. Providing online access to employee W-2 forms could be a new billable service you can offer your clients!

Once you've transmitted the files and submitted the batch, your work is done! *Nelco* takes care of filing with federal and state agencies and printing and distributing all employee copies. Employer copies of the forms are made available to you as PDF files. The cost of the forms, envelopes and postage (and the labor involved in the printing and mailing process) is all included.

Because *Nelco* handles your W-2 and 1099 processing and reporting, you also have a bit more time to prepare the data for submission by the January 31<sup>st</sup> deadline. As long as you transfer the file to *Nelco* by 12:00 noon, EST on January 31, federal filings and recipient copies are guaranteed to be mailed and completed on time! But don't wait until the last day to submit your files for processing – the price goes up beginning January 31<sup>st</sup>. (Note: *Submissions to be filed with state agencies must be received at least two days prior to the state's due-date in order to be filed timely.*)

*continued on page 3*

Your benefits continue throughout the year *at no additional cost to you*. If an employee requests another copy of his or her W-2, simply login, select the form, and enter the employee's email address; an email will be immediately sent to the recipient allowing online access to the form.

- **TM:** *You do it all*. For file(s) you've created, you'll submit federal and state filings using the allowable filing method (via website upload or mailed magnetic media) for each agency and you'll print and mail the recipient copies of forms. You buy the forms and envelopes, print the forms, pay the postage, stuff the envelopes and mail them.

<b>Nelco Processing Fees for Tax Year 2017 – Per Form</b>						
<i>Peak season pricing is effective beginning 1/31/18.</i>						
<b>Service</b>	<b>Number of W-2/1099s Processed</b>					
	<b>1-50</b>	<b>51-100</b>	<b>101-250</b>	<b>251-500</b>	<b>501-1000</b>	<b>1001+</b>
Federal e-File	\$1.22	\$0.92	\$0.71	\$0.56	\$0.51	\$0.46
State e-File	\$1.63	\$1.17	\$0.92	\$0.82	\$0.71	\$0.66
Recipient Print/Mail/Online Retrieval	\$4.18	\$3.21	\$2.50	\$2.04	\$1.48	\$1.17
<i>Recipient Print/Mail/Online Retrieval (peak season)</i>	\$5.18	\$4.21	\$3.50	\$3.04	\$2.48	\$2.17
Federal/State e-File & Print/Mail/Online Retrieval	\$5.36	\$4.54	\$3.67	\$2.91	\$2.09	\$1.58
<i>Federal/State e-File &amp; Print/Mail/Online Retrieval (peak season)</i>	\$6.36	\$5.54	\$4.67	\$3.91	\$3.09	\$2.58
Federal e-File & Print/Mail/Online Retrieval	\$4.85	\$4.03	\$3.21	\$2.55	\$1.84	\$1.43
<i>Federal e-File &amp; Print/Mail/Online Retrieval (peak season)</i>	\$5.85	\$5.03	\$4.21	\$3.55	\$2.84	\$2.43

So, just how does the “tiered pricing” method work? Here’s an example using the service listed below...

<b>Service</b>	<b>Number of W-2/1099s Processed</b>					
	<b>1-50</b>	<b>51-100</b>	<b>101-250</b>	<b>251-500</b>	<b>501-1000</b>	<b>1001+</b>
Federal/State e-File & Print/Mail/Online Retrieval	\$5.36	\$4.54	\$3.67	\$2.91	\$2.09	\$1.58

Because the fees for Web Reporting Center are based on the volume of forms processed, there are noticeable financial benefits to processing large batches of forms. Instead of submitting employers individually, consider submitting a single batch containing multiple ledgers. If that’s not practical, you can also benefit greatly from submitting your largest clients first.

For example, assume you have two companies to report: For the first company, you will submit 50 employee W-2s and 20 vendor 1099s and for the second company, 100 employee W-2s.

If each set of forms is submitted separately (and in the order listed), the cost will be:

- Batch 1 (50 W-2s): 50 @ 5.36 = \$268.00 (Fees will be based on pricing for 1-50 forms.)
- Batch 2 (20 1099s): 20 @ 4.54 = \$90.80 (Fees will be priced at the 51-100 level because your total number of forms for this tax year is now 70.)
- Batch 3 (100 W-2s): 100 @ 3.67 = \$367.00 (Fees will be priced at the 101-250 level based on a cumulative total of 170 forms.)
- *Your total cost: \$725.80 (\$4.27 per form)*

But, because Web Reporting Center allows you to transfer multiple files, save them as a batch, select the services, and then complete your order when you’re ready, you can save money by submitting all of your W-2s and 1099s together:

- Batch 1 (170 forms): 170 @ 3.67 = \$623.90 (You will receive the 101-250 pricing for each form to be processed.)
- *Your total cost: \$623.90 (\$3.67 per form)*

## CLS Tips and Tricks

Since CLS is very easy to use, it's also easy to overlook new features that could make you more productive. Here are a few features we've introduced over the last several years that you may have missed:

**CLS Documentation** – All CLS documentation is available by pressing F1 at the CLS Main Menu. For new users, Chapter 3 of *The Getting Started Guide* provides a step-by-step tutorial; Chapter 4 gives an overview of how to use CLS; and Chapter 5 explains (along with other features) how the chart of accounts setup is used to create financial statement formats.

**CLS PDF Printer** – Remember the CLS PDF Printer may be used with any Windows program; it's not just limited to CLS.

**Batch Processing (BP)** – allows you to print one or more "sets" of financial statements and supporting reports, without having to print them individually. *Hint:* If you want to save the set to a "paperless office" program, display the set first, then print or save it to the "paperless office".

**Create a "custom" P&L format** by using PL 9, *Special Format P&L*, to select which columns you want to appear.

**Save reports to Excel** – Currently, Balance Sheets (BS), Profit & Loss Statements (PL), General Ledgers (TB 1 & 2), and Transaction Registers can all be saved to Excel. In these programs, where you would normally "print" or "display" the report, just enter "X" to start the transfer.

**To "spruce-up" your financial statements** – SI 1,2,1 lets you easily add **bold**, *italics* or underlines to your financial statements. SI 1,2,2 lets you apply case-settings to all of your financial statements without having to edit the chart of accounts of each ledger.

**While entering transactions (ET)** – Did you know that you can view the transactions for account or an employee while you are entering them? Just press F10 in the *Description* or *Employee* field or in the *Account* field. You can also press F11 in any ET field to view all current-period transactions.

**You can print a Payroll Journal (PJ) or Query an Employee (QE)** for a period that begins in the previous calendar year. Just select PJ 3 or QE 3 and enter the beginning and ending dates (don't change the default payroll year).

## Updates for CLS II Payroll Add-on Packages

If you are using any of these add-on payroll packages, they must be kept "current". All add-ons have been updated to reflect current forms and file formats.

The **Affordable Care Act Reporting (AC)** program allows printing and electronic filing of the ACA forms required to be filed by employers. *Forms 1094/1095-B* must be issued by all self-insured employers with fewer than 50 full-time employees. *Forms 1094/1095-C* must be issued by all large employers with 50 or more full-time employees.

The **Nelco Web Reporting Center (NW)** program simplifies W-2 and 1099 filing and the distribution of employer and recipient copies. Supported forms include *W-2*, *1099-MISC*, *-INT*, *-DIV* and *-R*. This add-on allows a third-party to handle electronic filing of federal and state returns, creation of employer "file copy" forms, and recipient form distribution, which includes online form retrieval and a print and mail service.

The **W-2/1099 Magnetic Media (TM)** program creates W-2 files that can be transmitted to the SSA and 1099/1098 files that can be transmitted to the IRS. Additionally, files may be created for state submissions, for states which accept the federal format.

The **XML Filing of 94x Forms (XM)** program lets you create 940, 941, 943, 944 and 945 XML files to be submitted to the IRS electronically. **Note:** New **XM** users must complete the online IRS application 45 days prior to filing returns electronically.

The **SUTA Magnetic Media (SM)** program allows you to submit wage continuation sheet information electronically to selected states. A few states also require a printed tax return, which may be printed using **UP**. State filing requirements are listed on *Page 5*.

The **Unemployment Plus (UP)** program provides the ability to print submittable unemployment tax cover pages for certain states. Supported state are listed on *Page 5*.

For more information on these add-on packages, product manuals are available by selecting **DOC 5** or by pressing **F1** from the CLS menu.

# SM and UP Filing Requirements

Below is a list of the states supported by the **SUTA Magnetic Media (SM)** and **Unemployment Plus (UP)** add-on packages.

**SUTA Magnetic Media (SM):** e-Filing requirements are listed for each state. Most states with an e-Filing threshold specify the number of employees per employer. Filing requirements for **Kansas** and **South Carolina** are based on the total number of employees for all employers being filed by your office. States which also require a printed tax return (**UP**) are indicated in the list below.

**Unemployment Plus (UP):** For states which require electronic filing for all employers and those electronic submissions contain both wage and tax information, you may only use **UP** to print a *file copy* of the tax return. Those states are indicated below.

SUTA Magnetic Media (SM)			Unemployment Plus (UP)	
State	e-Filing Requirement	UP Form Required	Form(s)	File Copy Only
Alabama	All employers		UC-CR4	Yes
Arizona	Not required	Yes	UC-018	
Arkansas	250+ employees		DWS-ARK209B	
California	All employers		DE-9	Yes
Colorado	Not required	Yes	UITR-1	
Connecticut	All employers		UC-2	Yes
District of Columbia	5+ employees		DOES-UC30	
Florida	All agents, 10+ employees		RT-6	
Georgia	100+ employees	Yes	DOL-4	
Idaho	All employers		TAX-020	Yes
Illinois	25+ employees		UI 3/40	
Iowa	All employers		65-5300	Yes
Kansas	50+ employees (all employers)		K-CNS-100	
Kentucky	10+ employees		UI-3	
Louisiana	All employers		ES4-B/C	Yes
Maryland	All employers		DLLR/OU-15	Yes
Massachusetts	All employers		*Not supported by UP*	
Michigan	All employers		UIA-1020	Yes
Minnesota	All employers		DEED-1	Yes
Mississippi	250+ employees	Yes	UI-2/3	
Nebraska	Payroll of \$100,000 or more	Yes	UI-11T	
Nevada	*Not supported by SM*		NUCS-4072	
New Jersey	All employers		*Not supported by UP*	
New Mexico	All employers		ES903A	Yes
New York	All employers		NYS-45	Yes
North Carolina	100+ employees		UI-101	
North Dakota	All employers		12643	Yes
Ohio	Not required		JFS-66111	
Oklahoma	All employers		*Not supported by UP*	
Pennsylvania	All employers		*Not supported by UP*	
South Carolina	100+ employees (all employers)	Yes	UCE-120/101	
Tennessee	10+ employees	Yes, unless filing online	LB-0456/0851	
Texas	All employers		C-3	Yes
Utah	*Not supported by SM*		33H	
Vermont	All employers		VTC-1011	Yes
Virginia	100+ employees		VEC-FC-20	
Wisconsin	All agents, 25+ employees		UCT-101	
Wyoming	Not required	Yes, unless filing online	*Not supported by UP*	

## FAQs: Year-End Tax Forms

**Can I submit plain-paper W-2, W-3, 1099, 1098 and 1096 Forms?** For the most part, yes - however, Copy A of the 1099, 1098 and 1096 Forms *may only be submitted on pre-printed forms!* This is an IRS requirement, not a CLS limitation, and the penalty for not using the correct forms is severe.

**Can I submit W-2 and 1099 forms electronically using CLS II?** Yes, a CLS II add-on (*W-2/1099 Magnetic Media eFile*) is available for this purpose.

**My firm's information isn't being automatically included on the 940 and 941 forms - why not?** Be sure that the correct firm information has been entered using program **SI**, menu selections **1,3,1** and **1,3,2**. Also check your settings in **SI** menu selection **1,3,5**. If CLS II is installed on multiple workstations, be sure to check these settings on each one.

**On federal payroll tax forms (940, 941, W-2 and 1099 Forms), CLS II normally leaves zero-amount-fields blank; can I print zeros instead?** Yes, use program **SI**, menu selection **1,3,5** to choose this option.

**Can I get an estimate of the number of W-2 and 1099 forms I need to order?** You can use program **TF**, menu selection **6** (*W-2 and 1099 Worksheets*) for this purpose. You can also use this selection to check for missing employee or vendor information or to see how employee names will be printed on different copies of the W-2 forms.

## CLS~CheckWriter Payroll Tax Updates

CW 3.61 includes new federal and state payroll tax tables for 2018. The new version will be released just before Christmas.

## FMSI Holidays

Please take note! Financial MicroSystems will be closed on November 23<sup>rd</sup> - 24<sup>th</sup> for Thanksgiving, and December 25<sup>th</sup> and January 1<sup>st</sup> for the holidays.

## Update Reminders

- Order confirmations will be emailed as orders are entered. Please verify that the correct email address is listed on your order form.
- CLS II add-on programs are compatible *only* with the CLS II version for which they are released. If you use the *Affordable Care Act Reporting, Nelco Web Reporting Center, Tax Package Interface, W-2/1099 Magnetic Media, Unemployment Plus, SUTA Magnetic Media* or *XML Filing of 94x Forms* add-on products, remember to update them also. Update prices for add-on products apply *only* if you own licensed versions of those products.
- Place your order early! Orders are processed and shipped in the order received. Once CLS II is released, orders are processed *during* shipping, which increases the turn-around time. During the holiday season, delivery delays are beyond our control.
- Updates for CLS II bug fixes are available free of charge from our website. If you would prefer to receive those bug fixes by US Postal First-Class Mail, you may subscribe to CLS II updates-by-mail for \$99. Please note that only "important" updates will be mailed.
- Review your order form for accuracy. Is your credit card number correct, including the expiration date and CVV code? If you charge the update to a personal credit card, be sure to provide the billing address associated with that card.
- Do not include sales tax *unless* you are located in *Georgia* and are *not* downloading the CLS II update.

## Save \$\$\$

### ... on your CLS II update

On your order form you can choose to download your CLS II update and save the shipping charges. Plus, you get your software faster by eliminating shipping time. For customers in Georgia, there is an added benefit: *no sales tax is charged on downloaded software.*

### ... on your first Nelco order

We wanted to remind you of a valuable resource available to you as a user of CLS. Nelco is our AUTHORIZED SOURCE for CLS-compatible W-2 & 1099 forms, checks and envelopes.

We are excited to announce a special offer for CLS users - you can get **15% off** your first order of compatible W-2, 1099 & ACA 1095 forms, checks or envelopes. Order by 12/31/2017 and mention code **CT4** to receive this discount on your first order.

To order CLS-compatible forms and supplies:  
Online.....<http://ClientLedgerSystem.NelcoSolutions.com>  
Email.....[Nelco@NelcoSolutions.com](mailto:Nelco@NelcoSolutions.com)  
Call.....800.266.4669

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