



DECEMBER 2011

## YEAR-END GUIDE

### Payroll Alerts:

It is always important to ensure you are using the most current payroll tax tables. However, the potential for changes in the upcoming weeks and months as Congress negotiates the minefield of payroll tax stimulus is very high. As a result, Trout, Ebersole, & Groff is recommending that you check for payroll tax table updates before running **every** payroll at the beginning of 2012.

On the state front, we have been informed that the 2012 PA Unemployment rate for employers will not be available until sometime in March. This means that most of the first quarter's payroll will be done using unemployment calculated with the outdated rate. Adjustments will be needed when the first quarter payroll tax returns are filed. **Contact one of our ProAdvisors for assistance.**

### Prepare Your QuickBooks® File For Year-End:

- Reconcile all bank and credit card accounts. Be sure your reconciliations are current.
- Review your year-end bank reconciliations for old outstanding checks or deposits.
- Verify petty cash entries are up-to-date and balance your petty cash account.
- Review Accounts Receivable Summary and Accounts Payable Summary reports for accuracy.
- Review Balance Sheet and Profit and Loss reports for accuracy.
- Compare loan statements with your interest expense account in QuickBooks® to make sure interest is accurately recorded for the fiscal year.
- Check payroll reports for accuracy. If you use an outside payroll service, compare year to date amounts from reports to QuickBooks® totals.
- Review detail of all new assets purchased during the year and make copies of the receipts for your accountant.
- Take a physical inventory and reconcile with your QuickBooks® inventory.
- Verify setup of 1099 vendors and accounts. (See additional 1099 information on page 2)
- File year end forms W-2, W-3, 1099, 1096, 940, 941, PAUC, Local reconciliation returns, and LST returns.
- Enter a fiscal year-end closing date in QuickBooks®.
- Create a backup copy of your file for your accountant.

### QuickBooks® Tip:

**Calculate On The Fly** – Click in an account field, enter a number or highlight the whole number, and simply tap a calculating key (+, -, \*, /, %) and you can add, subtract, multiply, divide, or calculate a percentage in a field.

## Need Help?

Contact one of our Certified QuickBooks® ProAdvisors

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## Send Your QuickBooks® File To Your Accountant

The preferred method of transferring your QuickBooks® data to your accountant is to use either the **backup or portable company file** options. Creating an Accountant's copy is not recommended because there are limits to what you can do while your accountant has a copy and because the firm's policy is to not return data files to clients.



There are multiple ways to send your company data:

1. The preferred method is to upload your file through our website at [www.troutcpa.com](http://www.troutcpa.com). On the home page, you will see a Client Login area. If you do not have a Client Portal login, click the button where it says "To request a client portal account, please click here" and a portal will be set up for you. You will receive login instructions by e-mail.
2. **USB flash drive** - save your file to your removable disk drive.
3. **CD** - to save data to a CD, you must have a read-writable CD drive and software for writing to a recordable CD.

Contact a QuickBooks® ProAdvisor for help with transferring your QuickBooks® file.

## Review Your Payroll Setup For Year-End

- First, print an Employee Contact List and verify employee addresses and Social Security Numbers are correct.
- Verify your company name, address, EIN number, and payroll contact information in the Company Information screen.
- Use the correct tax tracking type on payroll items to help ensure that amounts appear in the correct box on Form W-2 and on other federal and state forms. Review by printing a payroll item listing.
- Download the latest payroll tax forms by going to the Employee drop down list and choose Get Payroll Updates.
- Review each employee's W-2 form for accuracy before printing.

## What's New in QuickBooks® 2012:

New features available in QuickBooks® 2012 Pro include:

1. **Batched Time Sheets** – Save time and money with Batched Time Sheets for multiple employees or vendors. This feature will now let you enter time for multiple employees or vendors.
2. **Calendar** – Quickly scan invoices, billing, past transactions and more items at a glance all displayed in a calendar format. Click on any given day and you will see the detail of transactions for that day.
3. **Document Center** – Get organized by attaching receipts, estimates, and other documents to invoices, bills, customer or vendor files with a drag and drop feature. This was fee-based before, now it's free and documents are stored on your computer or server.
4. **Just 1-click** – With one click, you can now create a credit memo for a customer without having to manually enter all the individual line items. You can also receive a payment, memorize the transaction or even write a letter with just one click.
5. **Memorized Transactions** – Now you can see which transactions will be entered and choose to enter some or all now or later.

## QuickBooks® Training

SEMINARS

Trout, Ebersole & Groff, LLP will again be offering QuickBooks® seminars in 2012. Designed for all levels of users, our seminars are presented by our own Certified QuickBooks® ProAdvisors.

We offer the following classes:

- Accounts Payable and Banking
- Accounts Receivable
- Payroll
- Introduction overview for new users

Our ProAdvisors are also available for one-on-one training in our office or at your place of business.

For more information, contact our office. Check our website for 2012 QuickBooks® seminar updates.



## Prepare and Send 1099 Forms

Every business is required to file Form 1099 information returns to recipients before January 31, 2012, for various payments made in the course of a trade or business during 2011. IRS Form W-9 can be used to obtain a vendor's Taxpayer Identification Number and certify that recipients are not subject to backup withholding. Use Form W-9 for new vendors throughout the year to have the necessary information at year-end when preparing 1099 forms. Some examples of types of payments made and dollar limits that must be reported include:



- Interest and Dividend payments of \$600 or more, or \$10 or more in the case of a financial institution.
- Distributions of \$10 or more from pension plans.
- Payments of \$600 or more for services performed for a trade or business such as: rents or royalty payments, subcontractor/independent contractor payments, legal and accounting fees, payments made to physicians or other providers of health care services.

**NOTE:** Payments for merchandise, payments reported on Form W-2, and payments to one individual totaling less than \$600 in the calendar year are exempt from the Form 1099 Misc reporting requirements.

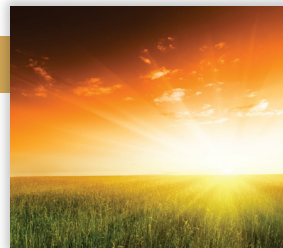
Based on current rules for 1099 processing, payments made to most corporations are exempt from reporting. See Form 1099 instructions for more details.

Please contact our office for help with setting up your QuickBooks® file for proper 1099 processing.

**ALERT:** The changes made last year requiring 1099s to be issued to all companies and individuals has been repealed by Congress. The old rules are in place and are described above. The only change effective for 2011 is that rental activities are now required to issue 1099s for services paid for during 2011.

## QuickBooks® Sunset Policy

As of May 31, 2012, Intuit will no longer support QuickBooks® Version 2009. In an ongoing effort to provide reliable high-quality products and services, Intuit periodically “sunset” (or retires) older versions of its QuickBooks® products, thereby discontinuing live support and business services for those versions, including QuickBooks® Standard, Enhanced, and Assisted Payroll. Under this policy, the most current version of QuickBooks®, plus the prior two versions, will be supported, subject to certain exceptions.



To view the entire notice on the Intuit web site, go to:

<http://support.quickbooks.intuit.com/support/DiscontinuationPlan.aspx>

While you will still be able to continue using QuickBooks® 2009 after the time frame when Intuit will actively support it, you will no longer be able to get payroll updates, run payroll through QuickBooks®, or access other QuickBooks® online business services. Therefore, we would encourage you to consider upgrading your QuickBooks® software. Please contact one of our QuickBooks® ProAdvisors for assistance in making this transition.



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## QuickBooks® Trivia QUESTION

**Why does a customer with a zero balance show up on the Accounts Receivable Summary Report, and how do you remove it?**

E-mail your answer to [jwilson@troutcpa.com](mailto:jwilson@troutcpa.com) using “Trivia” as the subject. The first five responders with the correct answer will win a prize!



Check out the QuickBooks® Users Year-End Guide!