Entech - END OF YEAR PROCEDURES

BACKUP

Before you begin any end of year procedures you should be sure that you have a current backup of your data.

It is a good idea to have multiple backups on different media to ensure that the backups are correct. If you normally backup to a CD or ZIP then you may also want to make a backup to your hard drive. If you use a Tape Backup then you should make two additional backups, one to the hard drive another to a CD or ZIP.

Entech does not support backup programs nor does it support your Windows Operating System. Please be sure that someone in your office has experience with backups or have a hardware tech come in and help you out.

YEAR END DATE

Before you begin the End of Year procedures, determine what month you will close the year on. For example, some customers do not include December income on the 1099's for the current year because that income is not paid to the owners until January. If that is the case then you need to begin closing your year at the end of November. The only thing you will not do is reset your calendar. This will be done on January 1, 2009.

We can not tell you when to close the year (as far as what income is to be included on the 1099), this is according to your fiscal year.

It is important that you do not post any owner income/charges nor pay out any payables for 2009 until you have completed the end of year procedures

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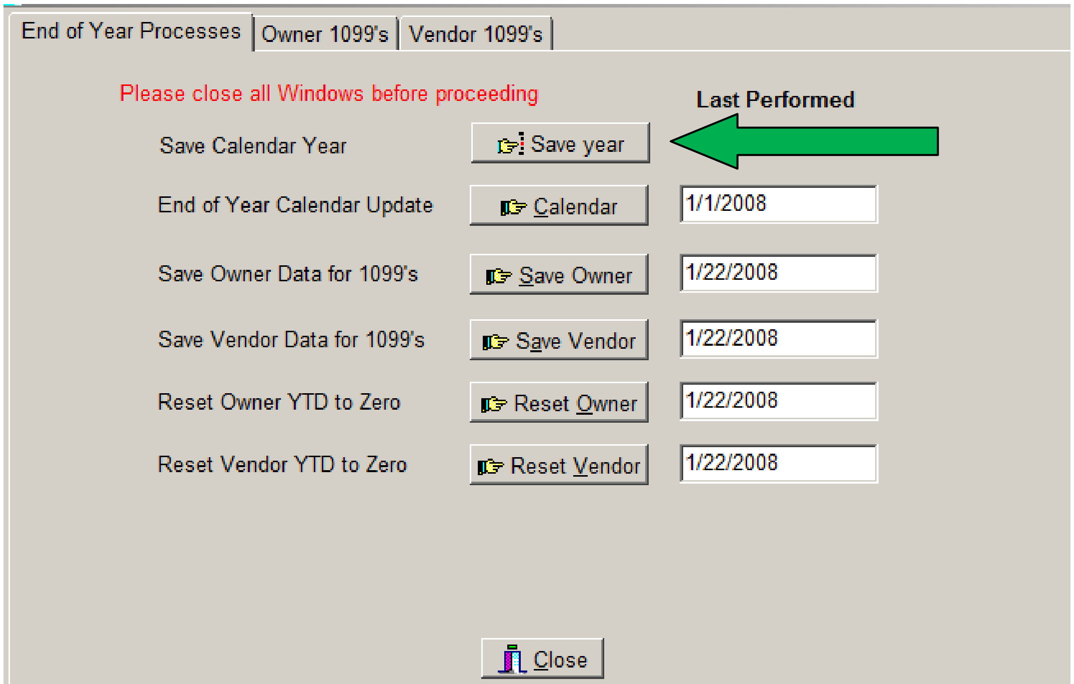
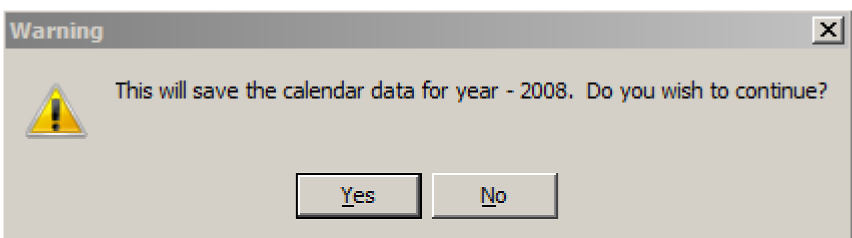
Saving the Calendar Year

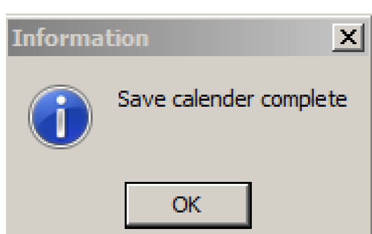


The option to Save Calendar should not be run until January 1, 2009. This option will copy the 2008 calendar into a history file in order for some reports to pull information form the previous year.

When you select this button you will receive the following message:



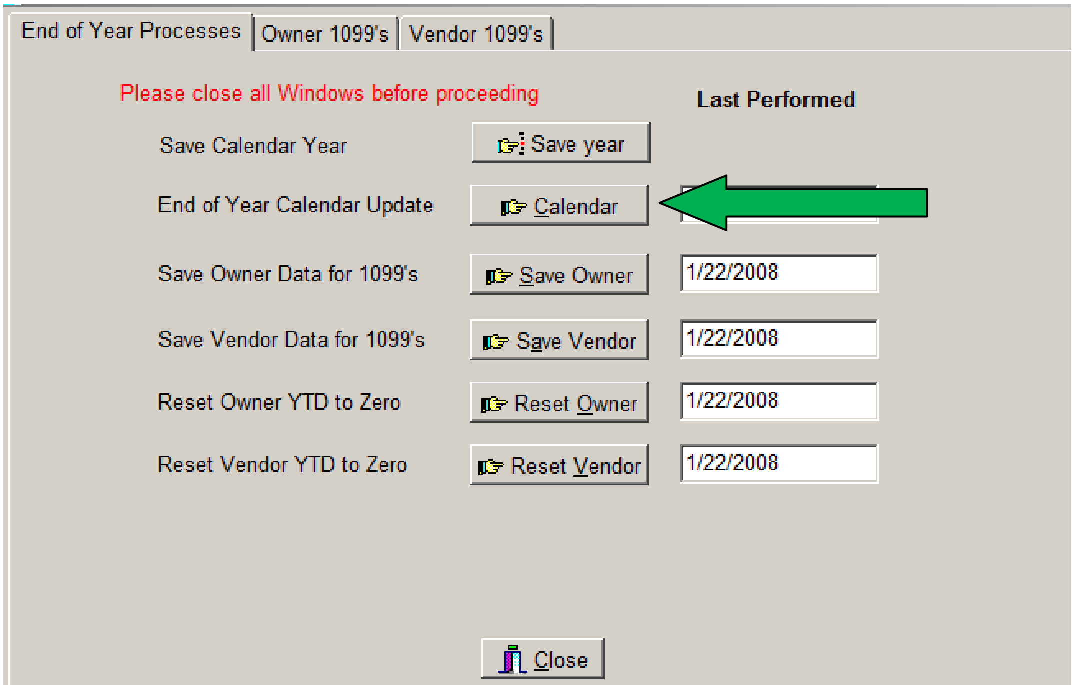
Click Yes, and the following screen will appear.



The calendar has now been successfully saved.

The screen to save the calendar is located under **Accounting**, and **End of Year Procedures**

Updating the Calendar Year



The option for End of Year Calendar Update is an important procedure. Please read this entire section before you run this procedure.

First thing that should be checked is the Last Performed Date. If the date is current (2009) then you should **not** run the Calendar Update. The End of year Calendar update should not be performed more than once a year.

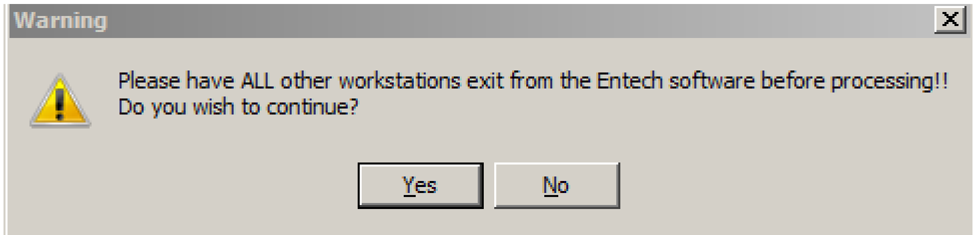
Before running the Calendar Update you will need to make sure that all guests who arrived in 2008 have been checked in and all guests that departed in 2008 have been checked out. We suggest finding the checked in and out status for your guests: run a Due In Report from 1/1/2008 – 12/31/2008 and mark the option for “Yet to Arrive”. Do the same for the Due Out report, marking the option for “Not Checked Out”. If any reservations appear on these reports you will need to make the appropriate adjustments to the reservations before updating the calendar.

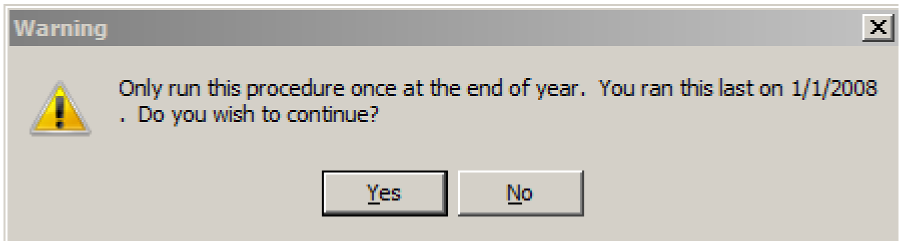
Also, do not check any guests in or out for 2009 until the calendar has been updated.

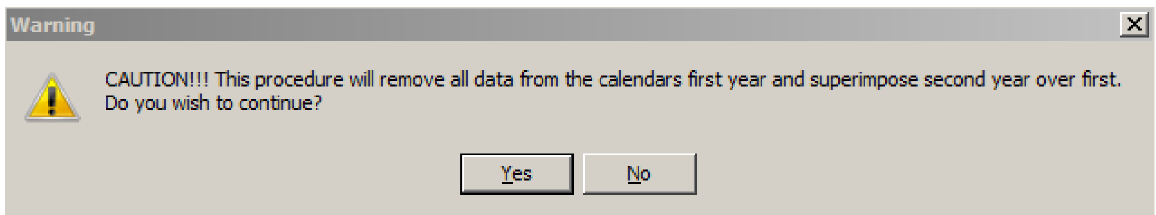
RUN THIS PROCEDURE AS CLOSE TO JANUARY 1, 2009 AS POSSIBLE. DO NOT PERFORM THIS PROCEDURE TWICE.

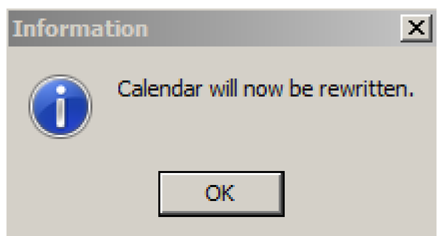
To Run the End of Year Calendar Update go to **Accounting,** and **End of Year Procedures**

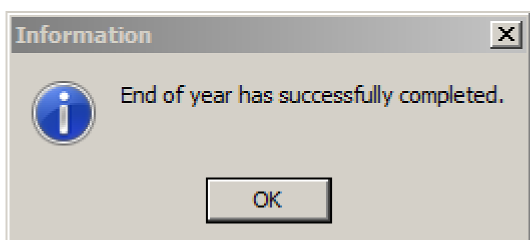
When you select the Calendar button you will receive the following messages:











(If you run this procedure before 1/1/2008 you may receive messages stating that your computer date is not in range with the calendar. This message will go away when the computer date changes to 1/1/2009.)

Your calendar should now be updated to a 2009 and 2010 calendar. Your 2008 calendar can no longer be viewed in the Tape Chart or Property Calendars. At this time you can begin making reservations for 2010.

DO NOT RUN THIS PROCESS AGAIN as it will delete your 2009 calendar.

Saving Owner Data for 1099's

Before you begin saving Owner Data for 1099's you need to be sure of a few things:

A. All owner charges and income for the year MUST be posted to the owner's statement.

B. Make sure your owner's have the correct name, address, and tax id number. The following is an example of an owner master list. If changes need to be made go to Maintain, Database and edit the Owner information from the Owner tab.

Owner Master List (by owner)

Owner		Phone Numbers	Sort On
bishop	James Bishop 76584 Wateroak Drive St. Augustine, FL 25145	(524) 251-2515 cell	bishopjame
	Pay To: James Bishop	Tax ID: 542859685	
Brown	Jack Brown 3421 Summer Drive Pensacola, FL 32503	(850) 479-6589 home (850) 478-5825 work (850) 458-2562 fax	brownjack
	Pay To: Jack Brown	Tax ID: 354445653	
Jones	Patty Jones P.O. Box 3453 Mary Esther, FL 32256	(850) 452-8569 home	jonespatty
	Pay To: Patty M. Jones	Tax ID: 225425185	

The Owner Master list should be used to check the Name and Address of each owner. You should also check to make sure each owner has a valid Tax ID number. This report is found under **Reports**, **Owner**, and **Master List**

C. If your owners should receive a detailed record of their expenses for tax itemization, be sure to print out the MTD/YTD Balances report found under Reports, Accounting, Owner Reports. If any of the YTD totals on this report are incorrect, they can be corrected before you print 1099's. This report should be run prior to closing the month (End of Month Procedure). After all

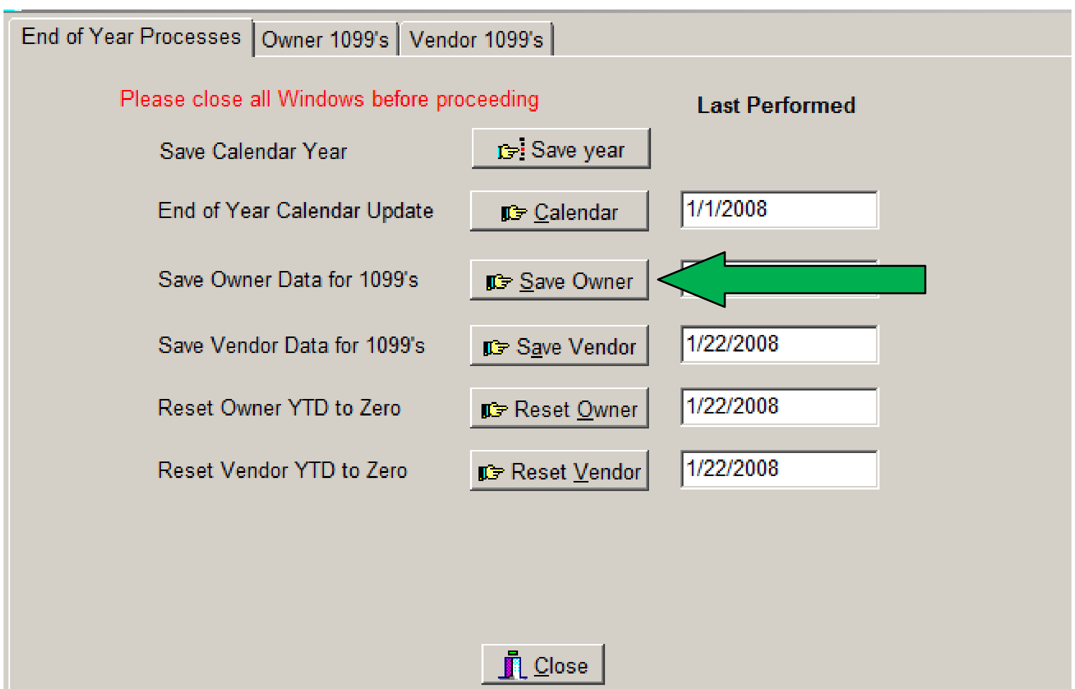
End of Month reports are run including the MTD/YTD totals report you can close the month, however, do not start posting any owner charges or income for the next year until you have reset the totals to 0.

To correct YTD totals before Saving Owner Data for 1099's, go to Accounting, Owners, and View/Edit Owner Information. Select the property that needs to have the totals changed and click on the Current button. This will display the MTD and YTD totals. These figures can be changed here.

D. If any owners need to have their 1099's split with another owner please make sure that a Split for owner checks has been indicated on the property record. If you have questions about this please call for support.

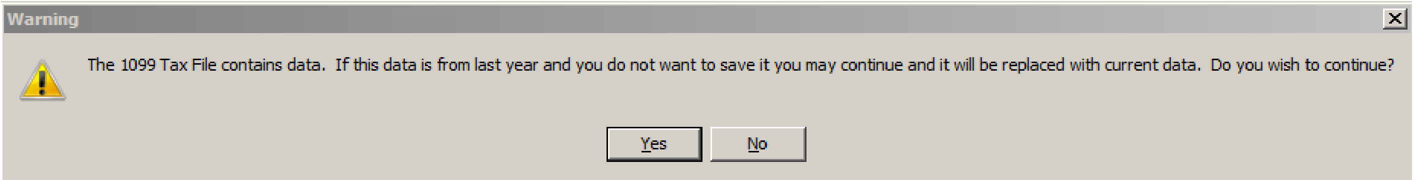
Why would the totals be incorrect?
1. Transactions have been deleted off the owner statements incorrectly.
2. Year-to-Date Totals were not reset correctly last year.
3. Month-to-Date / Year-to-Date Totals have been manually changed.
4. Transactions for 2009 have been posted to the owner's account before closing 2008.

You are now ready to run the Save Owner option for the End of Year Procedures.

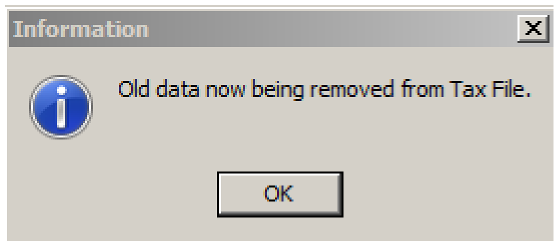


The screen to Save the Owner Data for 1099's is located under **Accounting**, and **End of Year Procedures**

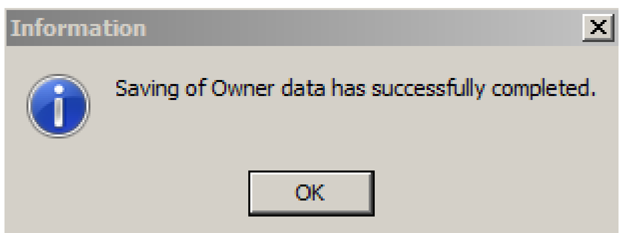
When you select this button (Save Owner) you will receive the following messages:



Click Yes, to replace 2007 totals with 2008 totals.



Click OK to continue



The Owner's Data has now been saved for the 1099's.

YOU CAN RUN THIS OPTION AGAIN ONLY IF YOU HAVE TO MAKE CHANGES TO THE OWNER TOTALS OR TO THE OWNER'S INFORMATION.

THE NEXT STEP IS TO RESET YOUR TOTALS TO ZERO. DO NOT RUN THE SAVE OPTION AGAIN AFTER YOUR TOTALS ARE RESET.

Saving Vendor Data for 1099's

Before you begin saving Vendor Data for 1099's you need to be sure of a few things:

A. All vendor checks for the year MUST be posted.

B. Make sure your vendor's have the correct name, address, tax id number, and paid to date amount. Also, if they are to receive a 1099 there must be a "Y" next to the Print 1099 question. The following is an example of a vendor master list. If changes need to be made go to Maintain, Database and edit the Vendor information from the Vendor tab.

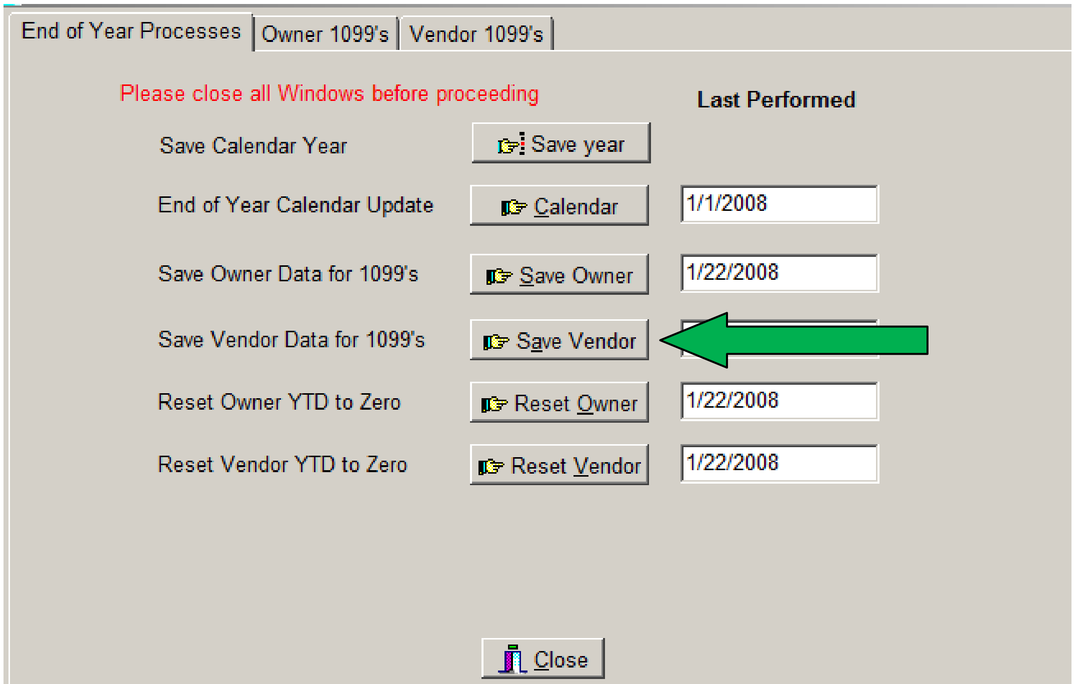
VENDOR MASTER LIST

Code	Name/Address	Phone
ACLEAN	A+ Cleaning Service 74639 Lunar Drive Pensacola Beach, FL 32561 Print1099? Y	(850) 934-2515 Tax No: 25154820569 Paid to Date: $2,230.00
CCFEE	Entech Data Systems, Inc. P.O. Box 30055 Pensacola, FL 32503 Print1099?N	(850) 479-3773 Tax No: Paid to Date: $0.00
COMM	Entech Data Systems, Inc. P.O. Box 30055 Pensacola, FL 32503 Print 1099?N	(850) 479-3773 Tax No: Paid to Date: $9,336.18
EXPRESS	Express Linen Service 8383 Gulf Beach Drive Pensacola Beach, FL 32561 Print 1099?Y	(850) 934-5254 Tax No: 154891346 Paid to Date: $915.00

The Vendor Master List should be used to check the Vendor name and address as well as the Tax ID number. Also, if the vendor is to receive a 1099 then there should be a Y place next to the Print 1099 question. At this time you can also check the Paid to Date, this is the amount that will appear on the Vendor's 1099.

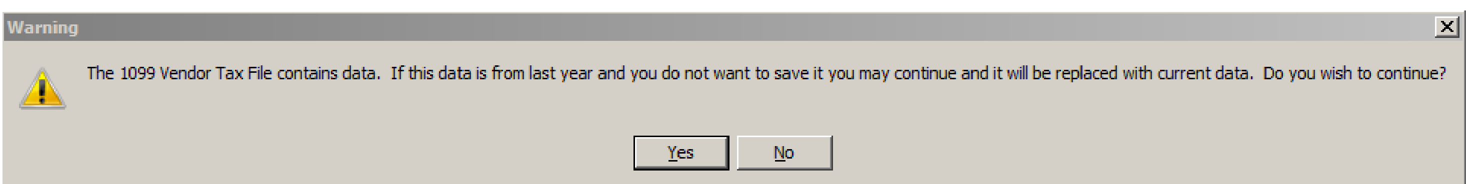
This report if found under **Reports**, **Vendors** and **Master List**

You are now ready to run the Save Vendor option for the End of Year Procedures.

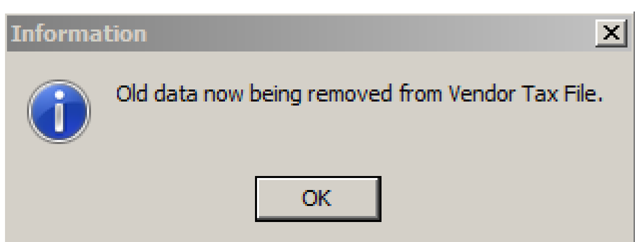


The screen to Save the Vendor Data for 1099's is located under **Accounting**, and **End of Year Procedures**

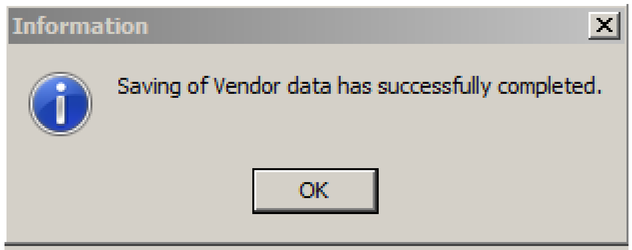
When you select this button (Save Vendor) you will receive the following messages:



Click Yes to replace the 2007 Vendor Totals with 2008 Vendor Totals



Click OK to continue.



The Vendor's Data has now been saved for the 1099's.

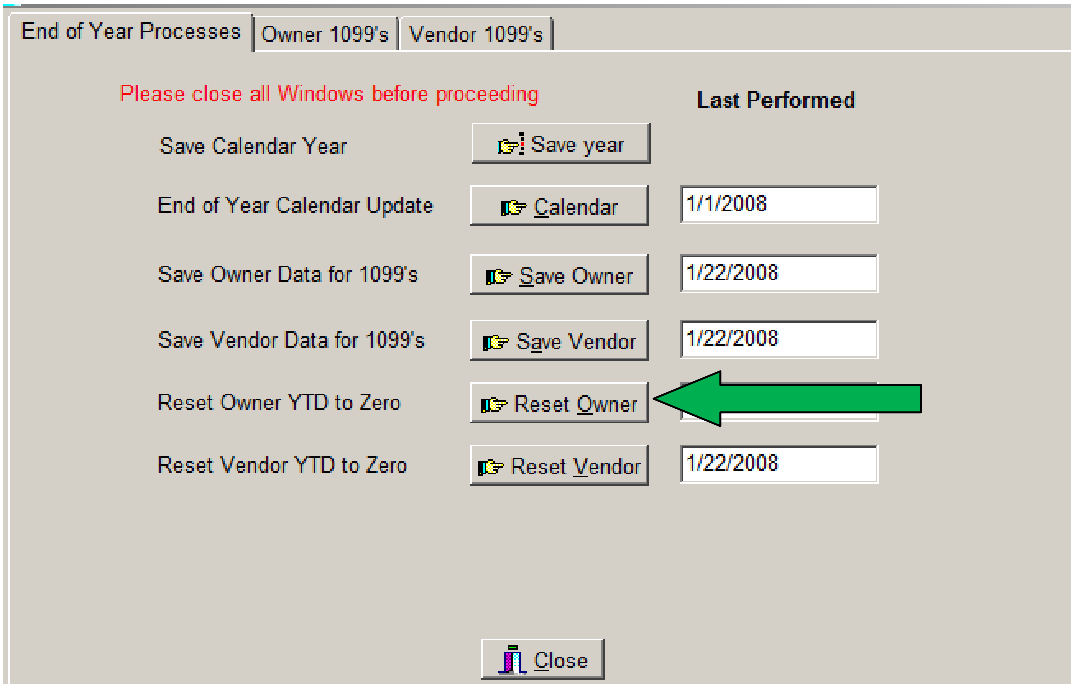
YOU CAN RUN THIS OPTION AGAIN ONLY IF YOU HAVE TO MAKE CHANGES TO THE VENDOR TOTALS OR TO THE VENDOR'S INFORMATION.

THE NEXT STEP IS TO RESET YOUR TOTALS TO ZERO. DO NOT RUN THIS OPTION AGAIN AFTER YOUR TOTALS ARE RESET.

Reset Owner YTD to Zero

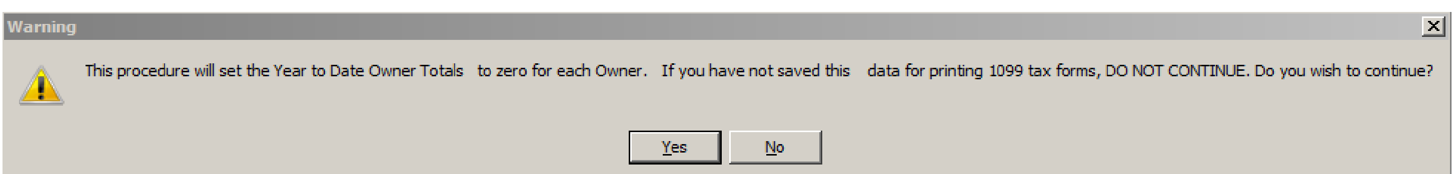
Before you run this option be sure that you have all the End of Year and End of Month Reports that you will need. **DO NOT POST ANYTHING FOR THE NEXT YEAR TO THE OWNER'S STATEMENT UNTIL YOU HAVE RUN THIS OPTION**.

You are now ready to run the Reset Owner option for the End of Year Procedures.

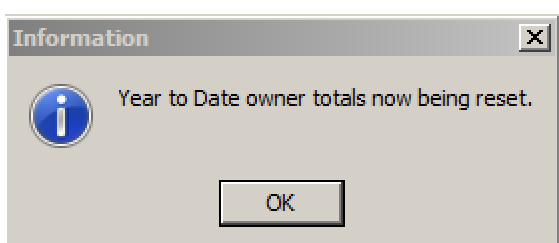


The screen to Reset the Owner YTD to Zero is under **Accounting**, and **End of Year Procedures**

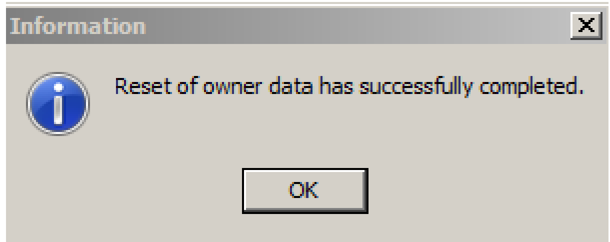
When you select this button (Reset Owner) you will receive the following messages:



Click Yes to Reset Totals for each owner to Zero in order to start 2009 totals.



Click OK to Continue



The Owner YTD Totals have now been reset to zero.

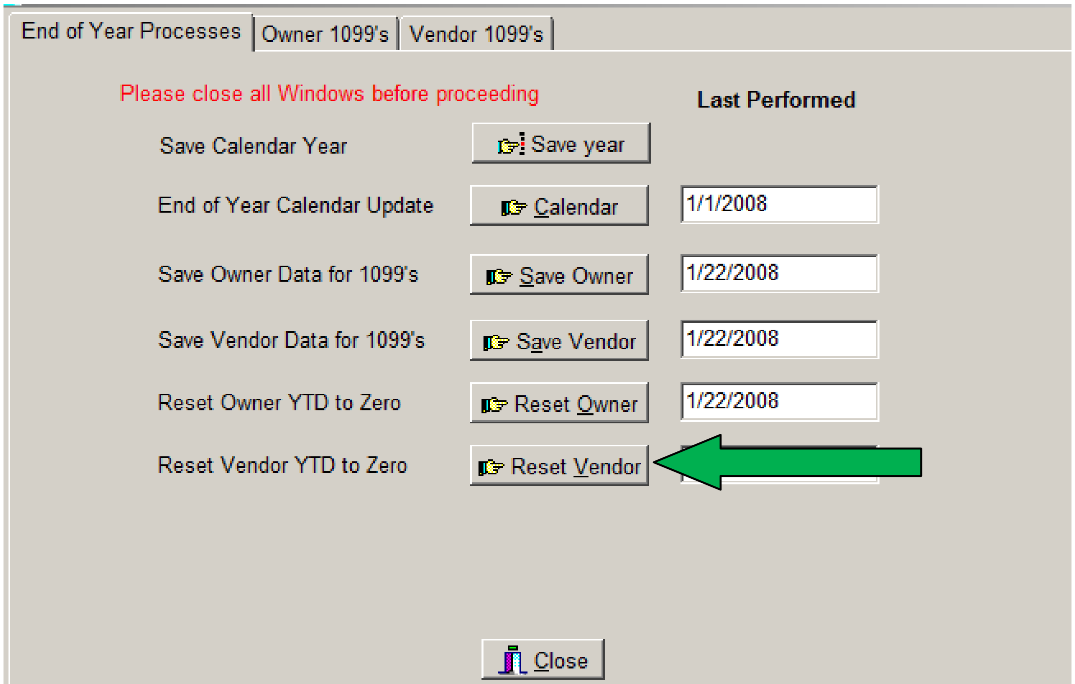
Remember you have already saved the 2008 Totals for your Owners and Vendors so resetting the totals will not affect the 1099's. This will only affect the Owner MTD/YTD Totals to be used for 2009.

At this point you can now begin posting income and charges to your owner's for 2009.

Reset Vendor YTD to Zero

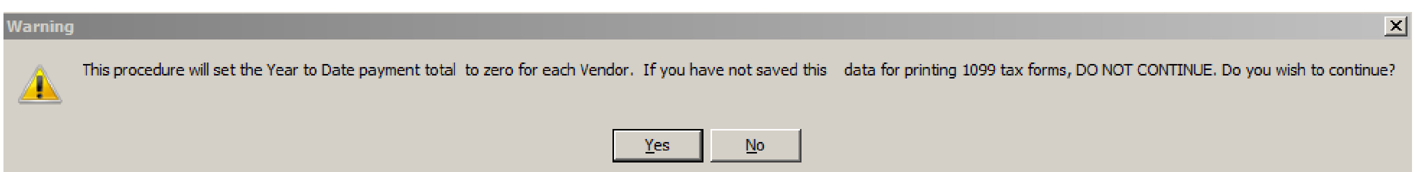
DO NOT POST CHECKS FOR YOUR VENDORS FOR THE NEXT YEAR (2008) UNTIL YOU HAVE RUN THIS OPTION.

You are now ready to run the Reset Vendor option for the End of Year Procedures.

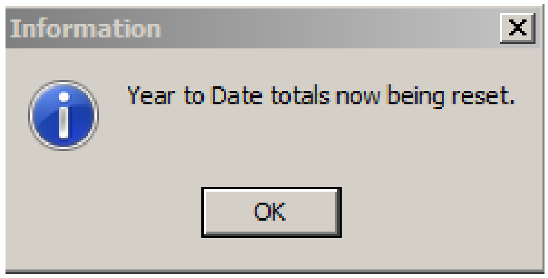


The screen to Reset the Vendor YTD to Zero is located under **Accounting**, and **End of Year Procedures**

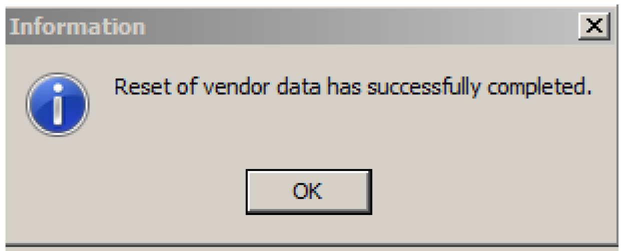
When you select this button (Reset Vendor) you will receive the following messages:



Click Yes to Reset the Totals for each vendor to Zero in order to start the totals for 2009.



Click OK to Continue

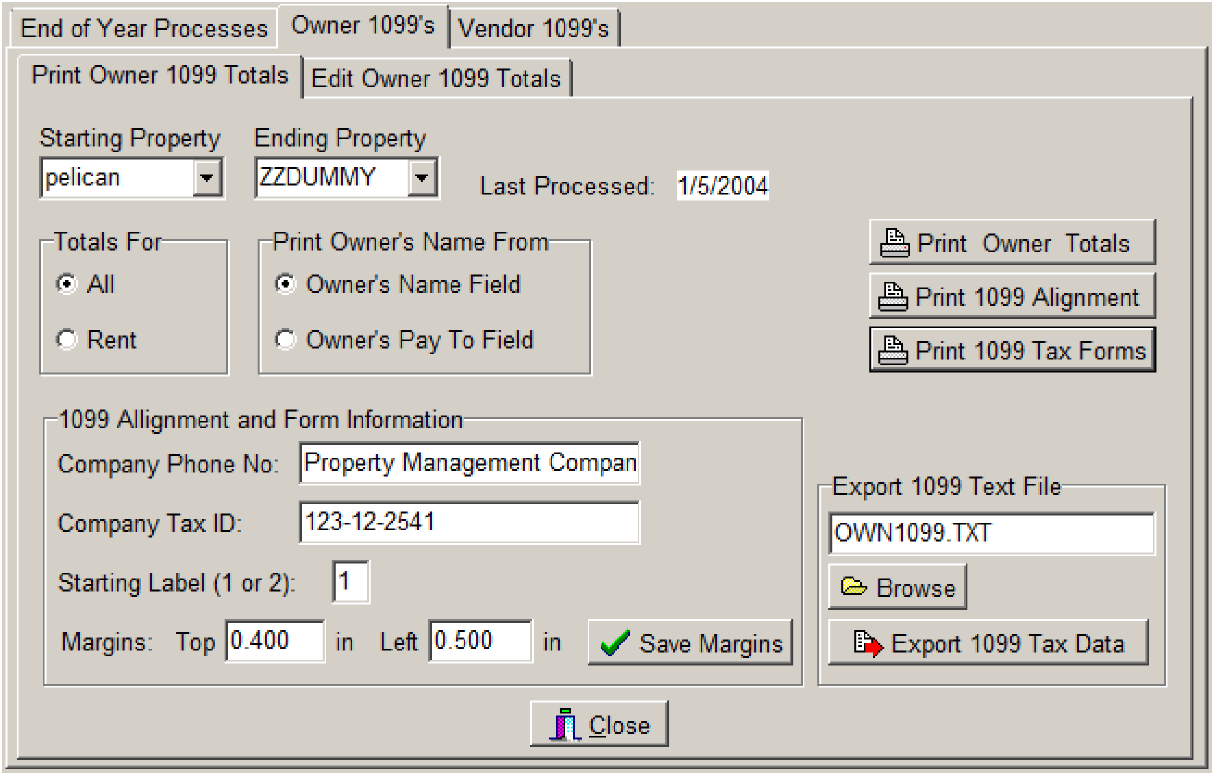


The Vendor YTD Totals have now been reset to zero.

Remember you have already saved the 2008 Totals for your Owners and Vendors so resetting the totals will not affect the 1099's. This will only affect the the Vendor YTD totals to be used for 2009.

At this point you can now begin posting Vendor checks for 2009.

Owner 1099's



In order to view the Owner 1099 screen you must select the appropriate tab under End of Year Procedures. This tab will allow you to print totals for the owners, edit owner YTD totals, and print the 1099's (or export the 1099 data).

You will need to pick your Property Range, it will default to all properties staring with the first property and ending with the last property.

Next you must select whether All Income (rent plus telephone income, cleaning income, etc.) is to appear on the Owners 1099 or just the Rental Income. This is not Entech's decision, you must find out what is supposed to appear on the 1099's from a source other than Entech.

Select where the name should come from, either the Owner's Name or the Owner's Pay to Name.

It is a good idea to print the Owner Totals first. This will give you one more chance to pick up any mistakes to the Totals before printing the tax forms. If you need to make a change to the Totals for an owner you can make that change under the Edit Owner 1099 Totals tab. DO NO RESAVE TOTALS FOR 1099's once the 2007 totals have been reset to zero.

Below is an example of an Owner Totals Report:

1099 Tax Totals

Run Date: 01/02/2009 12:27:50 AM   Property Range: pelican To ZZDUMMY

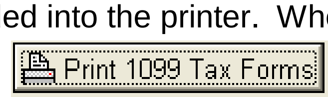
Property	Owner Name	Tax Number	Total	Has Split
PELICAN	James Bishop	542859685	$9,120.00	YES
pirates	Mallory Young	876754354	$6,830.00	
Pretty1	Mallory Young	876754354	$7,800.00	
REDBARN	Patty Jones	225425185	$5,180.00	
sb101	Paul Willam	254125251	$3,690.00	
SB104	Beth Spaulding	524152635	$3,100.00	
SB201	Carol Brown	354445653	$7,200.00	
SB208	James Bishop	542859685	$4,650.00	
SUNUP	Margaret Sayre	876540986	$5,399.00	
we-a3	James Bishop	542859685	$4,000.00	
WE-a7	Scott Jefferson	254253698	$3,660.00	
WE-C5	Margaret Sayre	876540986	$2,400.00	
WE-D8	Mallory Young	876754354	$4,560.00	
		TOTAL:	$67,589.00	
		NUMBER PROPERTIES:	13	
		TOTAL 1099'S INCLUDES SPLITS:	14	

This report can be run by clicking the Print Owner Totals button 

We recommend that you run an alignment test. Before printing the Alignment Test or the 1099's please fill in Company Phone Number, Company Tax ID Number and Start Label. To run the test click the Print 1099 Alignment button

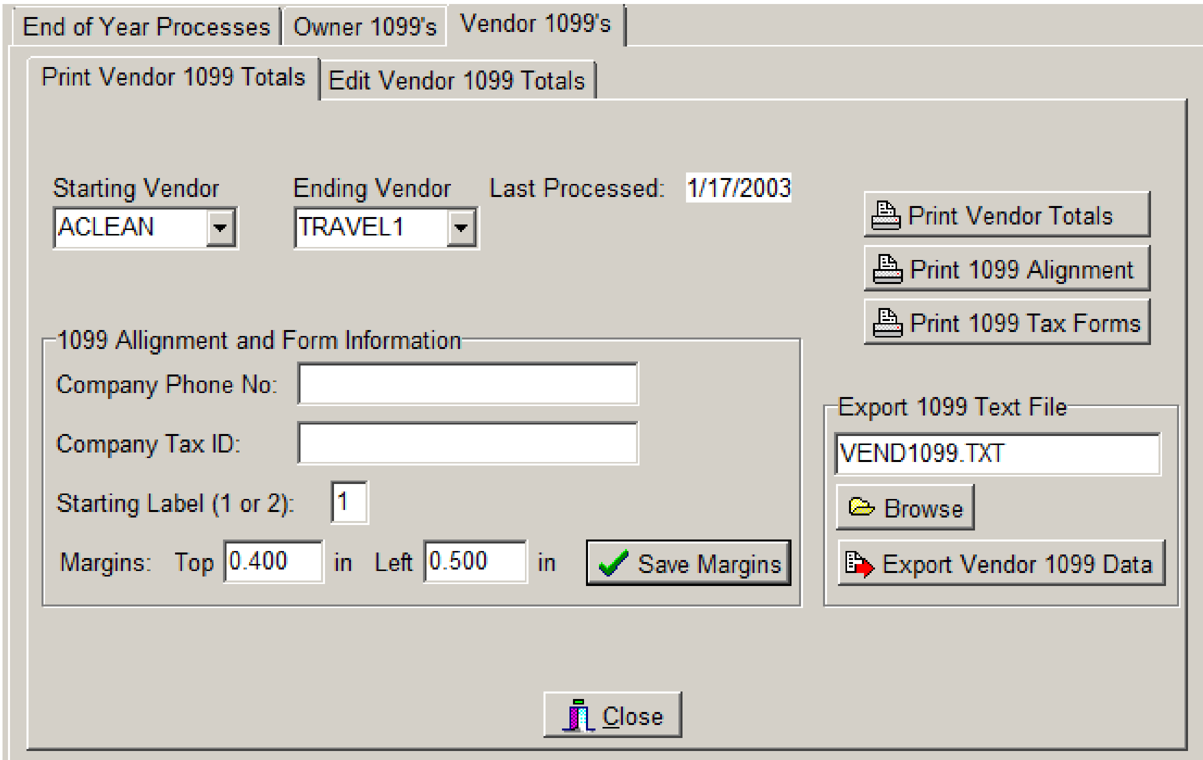
If the alignment is off you can adjust the margins then run the alignment test again. If you adjust the margins please be sure to click the Save Margins button.

Once the alignment test is complete you can then begin printing the Owner 1099's.

Be sure that your 1099 forms are loaded into the printer. When you are ready click the Print 1099 Tax Forms button 

Vendor 1099's

In order to view the Vendor 1099 screen you must select the appropriate tab under End of Year Procedures. This tab will allow you to print totals for the vendors, edit vendor YTD totals, and print the 1099's (or export the 1099 data).



You will need to pick your Vendor Range, it will default to all vendors staring with the first vendor and ending with the last vendor.

It is a good idea to print the Vendor Totals first. This will give you one more chance to pick up any mistakes to the Totals before printing the tax forms. If you need to make a change to the Totals for a vendor you can make that change under the Edit Vendor 1099 Totals tab. DO NOT RESAVE VENDOR TOTALS FOR 1099's once the 2007 totals have been reset to zero. Next is an example of a Vendor Totals Report:

1099 Vendor Tax Totals

Run Date: 01/02/2009 12:38:13 AM

Vendor Range: ACLEAN To TRAVEL1

Vendor	Name	Tax Number	Total	Print 1099?
ACLEAN	A+ Cleaning Service	25154820569	$2,320.00	YES
BOB	Bob's Cleaning Service	132-45-4568	$50.00	YES
COMM	Entech Data Systems, Inc.		$8,631.80	
EXPRESS	Express Linen Service	154891346	$625.00	
GOLD	Gold Quality Manintenance Co.	2516415825	$75.00	YES
MGMT	Entech Data Systems, Inc.	21565182052	$29,326.89	YES
TAXCNTY	Escambia County Tax Department		$445.99	
TAXCTY	Pensacola City Tax Department		$791.98	
TAXST	Florida State Tax Department		$3,121.93	

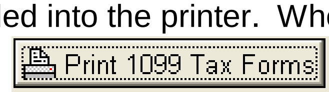
REPORT TOTAL:	$45,388.59
1099 REPORT TOTAL:	$31,771.89
NUMBER 1099's to PRINT:	4

This report can be run by clicking the Print Owner Totals button 

We recommend that you run an alignment test. Before printing the Alignment Test or the 1099's please fill in Company Phone Number, Company Tax ID Number and Start Label. To run the test click the Print 1099 Alignment button

If the alignment is off you can adjust the margins then run the alignment test again. If you adjust the margins please be sure to click the Save Margins button.

Once the alignment test is complete you can then begin printing the Vendor 1099's.

Be sure that your 1099 forms are loaded into the printer. When you are ready click the Print 1099 Tax Forms button 

Some More Things to Consider

There are a couple of things that you also may need to update now. Check your rates in the rate table under Maintain, Databases and be sure that you have added rates for the year 2010. If you have not updated the rates for 2010, be sure that you do so in order for the rent to calculate properly for reservations booked in 2010. Please note, there is a Adjust/ Copy Rate feature under Maintain, System Utilities, and Property Utilities.

Also if you are using trip insurance, be sure that you have added rates for the 2010 year. This needs to be done only if the Trip Insurance rates change for 2010.

Common EOY questions

What do I do first? Read the End of Year Procedures! If you still aren't sure then follow these basic guidelines below.

1. **BACK UP YOUR DATA**

2. **Reports to Pull:**
   Daily Revenue – Reports, Forecasting Daily Revenue.
   Property Info Sheet – Reports, Properties, Property Info.
   Reservation Reports – Reservation List, Due in and Due Out Reports.
   Occupancy Reports – Reports, Reservations, Statistics, Occupancy.
   MTD/YTD Reports – Reports, Accounting, Owner Reports.

3. Make sure all 2008 guests are checked in. Make sure all guests who departed in 2008 are checked out.

4. Under the End Of Year (EOY) menu option run the Save calendar feature. Then the Update calendar feature (this should be done on the 1st or as soon after as possible). Do not run the Update feature more than once!

5. You can (before or after the calendar update) close the month of December. (Remember that performing a backup before closing the month is part of the End of Month procedures so don't forget to do that). It is important that you run and check accuracy of all necessary reports (MTD/TYD, end of month summary, etc.) before closing the month because these will not only be the EOM reports but also the EOY reports. What reports will you have to run? You should run all of the normal EOM reports but if you think there is any information you may want for EOY reporting then you will need to run those as well.

6. Next, they will Save owner and vendor totals (you need to make sure all owners and vendors have been paid for the year). Then you can print the owner and vendor totals under the owner 1099's/vendor 1099's. Check for accuracy in the totals as well as owner/vendor names, addresses, tax ID numbers, etc. These procedures are done under Accounting/End of Year.

7. Once everything is accurate for the 1099's you can reset the owner and vendor totals. It is important that you reset these totals before you start posting transactions to the owner accounts for January. Once you have Reset the Totals <u>DO NOT</u> run the Save Totals option again!

8. Final step is to run the 1099 forms.

Does Entech print the actual 1099 form? No. Entech just fills in the blanks of the preprinted 1099 forms.

What kind of 1099 form do I need? You will need the Misc. 1099 form that is compatible with your printer. Forms for dot matrix printers may be different then forms for an ink jet or laser printers.

Where do I purchase the 1099 forms? They can usually be purchased at any office supply store.

How do I know if my owner totals are correct? Good question. The totals will be correct unless the totals were not reset correctly last year or if transactions were deleted incorrectly. The only accurate way to check the totals is to add up the income from the owner statements manually to see if that total matches the 1099 totals. 1099's are based on GROSS revenue, not the amount of the checks that are sent out.

What if my totals are wrong, how do I correct them? If you have found a mistake in the income total for your owners and you **<u>have not yet reset the totals</u>** then you can manually make changes to the figures under Accounting, Owners, View/Edit Owner Information. Select the property that needs to be adjusted then click the Current button to change any of the necessary totals. Once all changes are made you should re-run any month end/year end reports then re-save owner totals under the End of Year menu.
However, **<u>if you have already reset the totals then you will have to make modifications under the owner 1099's menu.</u>** Under the End of Year menu, select the Owner 1099 tab and you will see another tab for editing the totals. If you are making changes this way DO NOT run the save owner totals option again. If you have found a mistake in the total for a vendor then under the End of Year menu select the Vendor 1099 tab then the tab for editing the totals. If you make any changes here DO NOT run the save vendor totals option again.

What do I include on the Owner 1099's, All Income or Rental Income only? Not a question for us. You need to ask your accountant.

Do I have to report my 1099's electronically? Not a question for us. Ask the IRS or your accountant. (electronic report depends on the number of units you manage).

How do I report my 1099's electronically? You would need to purchase and use a third party product that does electronically filing of 1099's to the IRS such as Convey. Their web site is www.1099convey.com. We DO NOT support Convey or any other programs that you purchase. If you need to report the 1099's electronically then you can use the Export option under 1099's in the End of Year menu instead of printing them. The exported file can then be imported into the other software.