

VOLUME 24 • ISSUE 1
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INSIDE...

2 President's Corner
Employee Recognition

2 Computer Privacy
Screens
Protecting Sensitive
Data

3 Q&A
Windows XP

2015 Training Dates
Announced!

See enclosed flyer for
more information!

In observance of
Memorial Day, PenSoft
will be closed Monday,
May 25th.



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An Insider's Secrets On PenSoft Payroll

Payroll is a data rich environment and organizations are waking up to the value of analyzing this treasure trove of information. Managers report the knowledge gained from this process results in better strategic decisions as it relates to the disbursement of company resources, specifically in the area of payroll.

Data analysis can provide the ability to identify irregularities, fraud, errors and trends in labor cost. The results of your efforts will provide critical data necessary for making adjustments or improvements to the organization's processes.

Where to Start

In PenSoft Payroll there is the ability for users to setup user-defined reports. User-defined reports are available under Summary Reports, Combined Reports, and Management Reports. Setup is as easy as 1, 2, 3! No really, it is.

1. Click Reports on the toolbar
2. Select the desired report category, i.e. Summary Reports
3. Click Report Setup by an available User # button

To create customized reports simply drag the desired item from one of the lists to the appropriate position in the column headings and drop the item in the available field. Once all data elements have been placed in the template grid, click OK and the report will be available on demand.

Who Knew PenSoft Payroll Could Do THAT?!

Why stop there! Save user-defined reports as a file to be effortlessly passed to an external program like Microsoft Excel® by including the name of the file as a parameter. It is important to understand the external program must be installed on your computer. The process to create the report and pass the name parameter is extremely easy.

NOTE: Depending on the category of report selected, the process may be different. For this discussion the steps below are for Summary reports.

See Secrets, page 4

Payroll Reconciliation

We live in a world of "big data" and the first step in the reconciliation process is to understand what information is being collected, its relationship to staying in compliance, and the impact it has on the company's financial statement. Understanding this relationship will improve the processes in payroll and enhance the reports you provide to management.

Benefits of Reconciliation

Payroll is responsible for reviewing the payroll data for accuracy and to validate hours, employees paid, tax entries, and withholdings to ensure transactions are properly recorded and any changes have been posted correctly. Many organizations are reconciling against their budgets to track fluctuations both anticipated and unexpected. The benefits of reconciliation

far outnumber the cost of not reconciling. A few of the benefits include:

- Demonstrating the strength of your internal controls and business practices to ensure all assets are safeguarded and used in the best interest of the company.
- Knowing your company is in regulatory compliance with federal and state taxation agencies.
- Creating excellent tracking tools for identifying changes in workforce trends.
- Providing a clear understanding of the actual workforce costs and opportunity for better financial planning.

Why Reconcile?

Where to Start

The reconciliation process should begin with the first payroll processed in the new year since this is

See Reconciliation, page 3



Leroy Newman
President & CEO

President's Corner

We hope you had a good end of year 2014. 2015 PenSoft Payroll was released and distributed on December 15, 2014. It was a good conversion year but still our phones were very busy, primarily with questions about installation and conversion from 2014 PenSoft Payroll. We apologize for the wait times and appreciated your patience during this extreme call volume season.

2015 PenSoft Payroll

In spite of the delayed IRS and State tax releases 2015 PenSoft Payroll was released on schedule December 15th. As anticipated State tax updates were published after our initial release. The updates are posted on the website for download and affected state specific customers received the updates.

This was another one of our smoothest software conversion years. Due to extensive software testing procedures, there were no major software problems.

Most of the program support calls were to help customers install 2015, convert from 2014, run W-2s from 2014, and resolve data errors. All in all it was a very good conversion.

ETAAC

On November 17, 2014 the Internal Revenue Service announced the selection of three new members and a chairman to the Electronic Tax Administration Advisory Committee (ETAAC).

We are proud to say one of those selected was Stephanie Salavejus, PenSoft Vice President & COO, responsible for software solutions and product requirements for our clients. This is a testament to her professionalism, experience and dedication to the IRS electronic tax system. Her 21 years working with PenSoft clients electronically filing returns will help enhance tax administration on behalf of all taxpayers. It also offers additional insight to IRS policies and procedures resulting in better service to our customers. Congratulations Stephanie!

ETAAC provides an organized forum for discussion of issues in electronic tax administration and supports the goal of increasing electronic transactions between tax professionals and the IRS. ETAAC is responsible for submitting a report to Congress on the progress of the IRS's electronic tax initiatives. ETAAC was created in 1998 by the IRS Restructuring and Reform Act of 1998 (RRA98).

Employees

Joi Taylor, Program Consultant Level II, continued her professional growth path by preparing for and passing the American Payroll Association's Certified Payroll Professional (CPP) test. This is testament to her desire to be an expert in her field and it has served her well. Congratulations Joi and keep up the great work!

Brenda Webb, Program Consultant, became our employee after working with us for four (4) months as a temporary employee. She comes to PenSoft with several years of payroll processing experience and management. In a short time she has learned a great deal about PenSoft Payroll and supporting our clients. Welcome Brenda.

Computer Privacy Screens

PenSoft Payroll has built-in multiple levels of password security to protect against unauthorized access of the software, but employers need to protect sensitive data from potential onlookers from within the office environment.

Dedicating a secure and private environment for the payroll department is not always possible. But to prevent unauthorized individuals from viewing sensitive data, it is important to implement levels of physical and visual privacy.

Visual privacy is the protection of data while it is displayed on a computer screen or electronic device. Very often, visual privacy is overlooked but it is a critical layer in protecting sensitive data. Visual privacy solutions as in computer privacy screens have been used by financial institutions for decades.

The primary purpose of a privacy screen is to protect information displayed on the computer screen especially in office areas of high traffic but other benefits include:

- **Asset Protection:** A computer privacy screen provides a layer of protection from scratches, dust and static. This is extremely valuable for anyone with a delicate LCD monitor.
- **Reduction in Eye Strain:** The anti-glare property can be a life saver in offices with bright lights by reducing eye strain for employees who work at computers for long hours.
- **Cost Effective:** Computer privacy screens are a very affordable solution to protect information displayed on your desktop/laptop both at work and in public. Price points vary from \$27 to \$170. Most are available in a variety of sizes including for wide screen laptops.
- **Easily Accessible:** Privacy screens are available at office specialty and big box stores.
- **Flexibility:** Options for privacy screen protectors include being removable when there is the need to share the screen with others, reversible depending on if you want a glossy or matte finish as well as frame and frameless models.

Q&A

Q. Program Support informed us we need to upgrade our operating system from XP. Can you explain why, since it works?

A. Microsoft stopped support of Windows XP on April 8, 2014. An unsupported version of Windows results in the termination of software updates. These include security updates designed to protect your computer from harmful viruses, spyware, and other malicious software, which can steal personal information, including the information you have saved in PenSoft Payroll.

Window updates also install the latest software updates to improve the reliability of Windows - new drivers for your hardware and more. Without these updates, PenSoft Payroll updates may not work in the same manner as they have in the past.

Q. The Payroll Department creates reports within PenSoft Payroll passing the file name as an argument to the program then saves the workbook as an excel file. How can the excel report be password protected to ensure the security of the personal information contained into the report?

A. All levels of password protection are controlled from within Microsoft Excel. To learn more about password protection options and steps to apply passwords, visit **www.support.microsoft.com** and then search for protect excel worksheets.

Q. Where can I add an additional account number to my general ledger report for a new income I created?

A. To add a new account number to the setup of the general ledger report:

- Click Reports on the toolbar.
- Click Pay Date Reports.
- Click Report Setup under General Ledger.
- Ensure "Include payroll data in the report" box is checked.
- Click Setup Accounts.
- Click into the box for the new income you created.
- Enter the account number of the new income.
- Click OK to save.
- Click OK to exit setup.

Reconciliation, continued from page 1

when it is the easiest to identify user defined incomes or deductions improperly configured or changed since your last reconciliation.

A requirement for success in creating reconciliation reports is having knowledge of the incomes and deductions in use and knowing what the incomes/deductions are subject to or exempt from. PenSoft Payroll provides pre-defined incomes and categories but only you know the setup for user-defined incomes and deductions. Depending on your organizational structure, you may need to coordinate with other departments like Human Resource to obtain the information. This independent list will be useful when creating user-defined summary reports.

Stages of Reconciliation

Reconciliation reports are as unique as the organizations that use them. The direct relationship payroll reports, tax deposits, tax returns, and information statements have to each other makes it critical to reconcile data at various stages in the payroll process.

- Payroll Period Reconciliation – Performed after each payroll is processed.
- Tax Deposits Reconciliation – Performed prior to transmitting tax deposits.
- Quarterly (Form 941) Reconciliation – Performed before the last deposit for the quarter is transmitted.
- Annual (Form 941/W-2) Reconciliation – Performed before the last deposit of the year is transmitted. Wages and taxes, as reported on Form W-2, are compared to year-end report totals and the Form 941's filed for the year.
- Federal and State Unemployment Reconciliation – Performed before the Form 940 or fourth quarter state unemployment returns are filed.

Creating User-Defined Summary Reports

User-defined summary reports are important in reconciling the information back to the source documents and reconciling the information reported on the various federal and state tax returns.

Depending on the data elements to be reconciled, the report can be simple or complex. The reconciliation report can include income amounts, hours worked, tax/deduction amounts, amounts of income subject to specific taxes, and numerous other miscellaneous data elements. In instances where there are a large number of user-defined incomes and deductions, the best approach is to setup separate

Secrets, continued from page 1

- Select your user-defined summary report
- Select the date range for the report
- Click OK
- Click File
- Enter a file name for the report (i.e. C:\Program Files\PenSoft\Payroll 2015\Ghosts.txt)
- Click Create File
- In the “Program” field under External Program enter “Excel”
- Check “Pass the exported file name as an argument to the program”
- Check “Surround the file name with quotation marks”
- Click Run Program

Tag Teaming PenSoft Payroll with Microsoft Excel

So are you asking yourself, if I can create the report in PenSoft Payroll then why would I then open the report in excel? Let’s get to the point and answer the pressing question “What is the benefit of importing PenSoft Payroll data into Excel?”

- The flexibility to expand your capabilities by utilizing the robust features such as conditional formatting, filtering and sorting of your data sets.
- The access to analytical tools designed to streamline the process of analyzing and validating information from PenSoft Payroll.
- The advantage of importing external data from other departments for identifying material differences that warrant further investigation.
- The presentation of data that is understandable for both text and visual comprehension by incorporating the use of charts and illustrations.

No Cost Webinar

PenSoft understands it takes time to identify and learn how to use every feature in PenSoft Payroll. We invite you to join us Thursday March 12th at 1:00 pm Eastern time for an informal presentation. The discussion will focus on how to set up user-defined summary reports in PenSoft Payroll and the process of passing payroll data directly into a Microsoft Excel spreadsheet.

There is no charge for the 60 minute webinar but register early; seating is limited to the first 50 registered attendees. Register today!
<https://attendeegotowebinar.com/register/7654731047055002881>

Screens, continued from page 2

The protection against unauthorized release of sensitive information must be a priority for both employers and employees. Companies need to explore all solutions available to secure the office environment regardless of where it physically resides. Whether employees work in an open office or are a part of the ever growing mobile workforce, computer privacy screens are a best practice in protecting sensitive data from unauthorized viewing.

Reconciliation, continued from page 3

user-defined reports for incomes and deductions.

PenSoft recommends keeping each reconciliation report simple. Multiple reports are easier to manage when reconciling large volumes of data and it avoids comingling the results of unrelated data elements.

A strong reconciliation process ensures the integrity of wage and tax data from the first payroll of the year to the final reports filed at year-end.

See An Insider’s Secrets On PenSoft Payroll on page one for a free webinar!

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