

NJ Tax EOY



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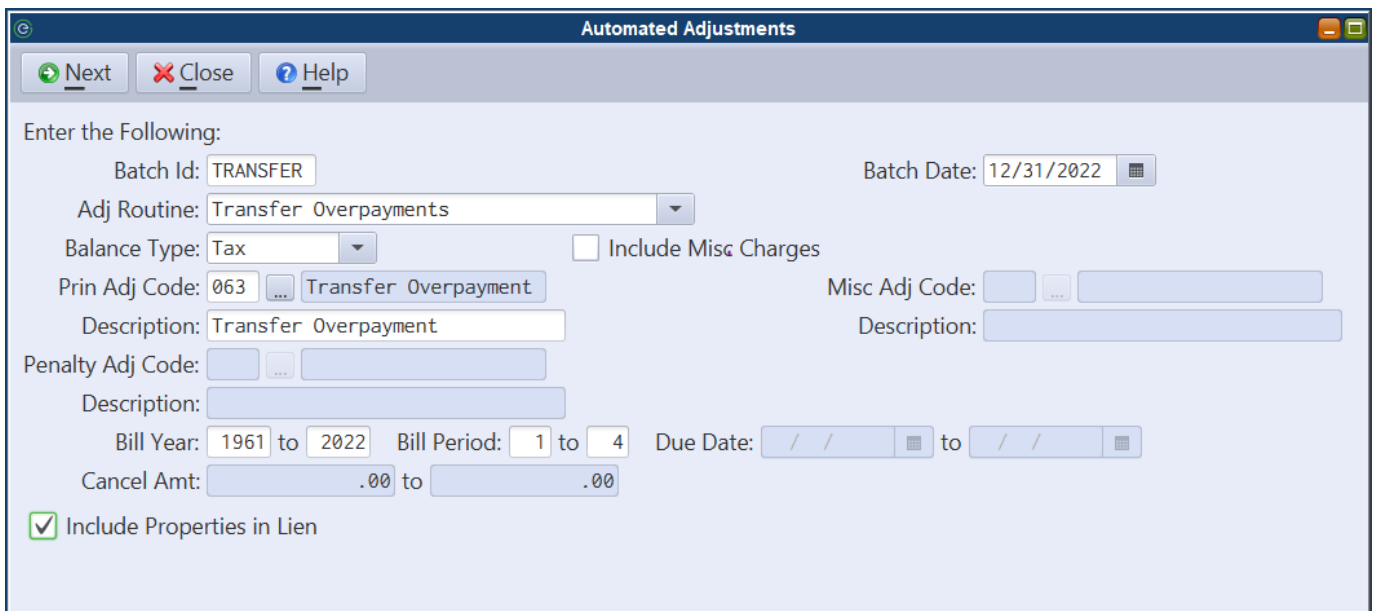
This manual will discuss the recommended year-end procedures for NJ Tax Collection. It will discuss routines that may need to be run, recommended reports, and miscellaneous items that should be updated/reviewed.

Transfer Overpayments

To ensure that year-end reports accurately report delinquencies and overpayments, it is recommended (not required) that users run the automated Transfer Overpayment routine. This routine will clean-up any offsetting debit and credit balances and transfer any remaining credits to the last quarter of the current tax year.

Select *Billing/Collections>Tax Collection>Adjustments>Automated Adjustments*.

Click on the drop down arrow in the **Adj Routine** field and select *Transfer Overpayments*.



Automated Adjustments

Next Close Help

Enter the Following:

Batch Id: TRANSFER Batch Date: 12/31/2022

Adj Routine: Transfer Overpayments

Balance Type: Tax Include Misc Charges

Prin Adj Code: 063 Transfer Overpayment Misc Adj Code:

Description: Transfer Overpayment Description:

Penalty Adj Code: Description:

Bill Year: 1961 to 2022 Bill Period: 1 to 4 Due Date: / / to / /

Cancel Amt: .00 to .00

Include Properties in Lien

Complete the screen as shown above and click **Next**. The routine will create a Tax Adjustment Batch, which should be verified and updated.

Transfer Municipal Subsequents to Lien



This routine should be run throughout the year as each Tax quarter and/or Utility billing period becomes delinquent. If you already adhere to this practice, there is no need to run the routine as a year-end procedure.

This routine must be run individually for Tax, Special Assessment, and Utility accounts. For each Tax and Special Assessment BLQ that has an open Municipal lien, adjustments will be created to transfer balances from the Tax/Special Assessment account to the Lien account. For each Utility account BLQ that has an open Municipal lien, adjustments will be created on the Lien account ONLY.



Utility balances must be adjusted from the Utility account using the Utility module's Balance Adjustment Batch or Automated Adjustment Routine.

Adjustments to the liens will be done using an adjustment date on the due date of the charges (for interest calculation purposes). Adjustments to remove the balances from Tax and Special Assessment accounts will use the batch date as the adjustment date.

Select *Billing/Collections>Tax Collection>Adjustments>Automated Adjustments*.

Click on the drop down arrow in the **Adj Routine** field and select *Transfer Municipal Subsequents to Lien*.

Batch Id - Specify a unique Batch Id to be used when creating the Adjustment Batch.

Batch Date - Any adjustments to remove balances from Tax or Special Assessment accounts will be created with this date. For reporting purposes, this date must be within the fiscal year and must not fall outside the **Due Date** range specified below.

Balance Type - Choose Tax or Special Assessment. If the Utility module is installed, a Utility Service Type (e.g. Water, Sewer) can be selected. The routine must be run individually for each balance type.

Include Misc Charges - This box will be checked unless the Miscellaneous Charges in Sale box says "No" in Tax Sale Parameter Maintenance. Open Misc. Charge balances will be transferred to lien when selected.

Depending on the **Balance Type** selected, the **Prin Adj Code** and **Penalty Adj Code** fields will default with the correct adjustment codes to transfer principal and 6% penalty balances. The default codes may be changed.

Misc Adj Code - When editable for Tax and Special Assessment accounts, a Balance/Misc. Charge adjustment code must be selected to transfer Misc. Charges to lien.

The **Description** field under each adjustment code may be used to enter a description for each adjustment transaction.

A **Due Date** range for the charges to be transferred to Municipal liens must be entered.

Click **Next** to run the routine. A Tax Adjustment Batch will be created with all of the adjustments. For Tax and Special Assessment accounts, adjustments to remove the balances from the account and adjustments to the Municipal lien will be created. For Utility service types, adjustments will only appear on the municipal liens. The batch must be verified and updated.

Utility Adjustments - Transfer to Lien

Utility users should run the Establish/Transfer Lien routine in the Utility module to remove delinquent balances from Utility accounts which have accrued to municipal liens.



Users who transfer subsequents to municipal lien after each delinquent period do NOT need to run this routine again as part of the EOY process.



This routine MUST be run AFTER the Tax - Transfer Municipal Subsequents to Lien routine.

Select *Billing/Collections>Utility Billing>Balance Adjustments>Automated Balance Adjustments*.

Choose the *Establish/Transfer Lien* routine.

Service Type - The routine MUST be run separately for each service.

Due Dates - The routine will transfer any delinquencies in the date range.

Batch Id - A Utility Balance Adjustment Batch will be created with this Id.

Adj. Date - All adjustments will be dated with this date. The date should be within the same year as the delinquencies.

Adj. Code - Enter a "Transfer to Lien" or similar type adjustment code.

Click **Next**. A Utility Balance Adjustment batch will be created. Batch totals should be balanced to the Utility type municipal subsequent adjustments in the Tax Adjustment Batch that was previously created.

Calculate Tax Penalty

This routine calculates 6% penalty on Tax accounts that meet the balance threshold requirements. An Adjustment Batch will be created that can be reviewed and/or modified prior to updating.

When accumulating the total threshold balance for a BLQ, the system will take into account the following balances:

- Tax
- Special Assessment
- Utility
- Lien subsequent adjustments
- Misc. Charges (optional)
- Accelerated Tax Sale (optional)



All 6% Penalty adjustments will be created to the Tax Account. If the 6% penalty should accrue to a lien, the adjustment transaction may be edited prior to updating the batch so it posts to the lien. Instructions for editing the 6% Penalty Adjustment Batch are provided in the next section.

Select *Billing/Collections>Tax Collection>Adjustments>Automated Adjustments*.

Click on the drop down arrow in the **Adj Routine** field and select *Calculate Tax Penalty*.

Batch Id - Specify a unique Batch Id to be used when creating the Adjustment Batch.

Batch Date - Will default to 12/31/XX.



The batch date may show last year's date, but once you change the bill year to the current year the batch date will automatically change to the correct date.

Include Misc Charges - Check to include Misc. Charges in the balance threshold requirements for a BLQ.

Penalty Adj Code - Will default to the standard 6% penalty adjustment code. Another code may be used, but it must be a Billing and 6% *Tax Penalty* type adjustment code.

A **Description** for the 6% penalty adjustment transactions may be entered.

Include Accelerated Tax Sale - If an accelerated Tax Sale was held during the current tax year, check the box and specify the **Sale Date**.

The correct **Bill Year/Period** range should default. The system will look at Tax balances and Lien subsequent adjustments for this range when determining principal balances towards the balance threshold.

The correct **Due Date** range for Special Assessment installments and Utility balances should default. Principal charges that come due within this date range will count towards the balance threshold.

Click **Next** to run the routine. An Adjustment Batch will be created with all of the 6% penalty adjustments to the Tax accounts.

Editing 6% Penalty Adjustment Transactions to Post Against a Lien

All 6% Penalty adjustments will be created to the Tax Account. If the 6% penalty should accrue to a lien, the adjustment transaction may be edited prior to updating the batch so it posts to the lien.

Open the Batch Entry screen for the 6% Penalty Adjustment Batch.

Select the adjustment transaction and click **Edit**. Click on the **File Type** field as shown below and select *Lien*.

	Block	Lot	Qual	File Type	File Type Id	Charge Type	Adj
INS	1.01	1		Lien			076

Use <F3> in the **File Type** field to select the Lien Certificate number.

Click or use <F3> in the **Charge Type** field and select Tax.

Repeat this process for each penalty transaction that needs to be assigned to a lien. Click **Save** when finished. The batch must be verified and updated.

Collections Parameters

The current tax year affects the default years on reports and batches and should be changed in the Collections Parameters.

Select *System Utilities > Collections Parameter Maintenance*.

Edit and change the Tax years.



The Billing Module must be locked in order to change the year.

WIPP Users (End of Calendar Year)

WIPP users must update the Holidays Maintenance to identify the municipal holidays throughout the new calendar year. Doing this will allow the WIPP module to correctly calculate interest to the next business day.

Select *System Utilities>Holidays Maintenance*.

Click **Add**, enter the new year and complete the holiday dates. Click **Save**.

Reports

The following are recommended reports to be run at year-end.

- *Account Status* - Run this report for individual tax years as of the end of the fiscal year. The report shows a balance for each tax year and a summary of all activity that has affected that tax year. Users should realize the report's activity will contain activity from prior fiscal years and is not representative of only current year activity against the tax year.
- *Trial Balance* - Run this report for individual tax years with a current year date range. The report will reflect all current year activity against a tax year.
- *Adjustment Report* - When run for a current year date range, this report will identify all adjustment transactions posted during the year.
- *Overpayment Report* - This report will identify any properties with a credit balance for the specified tax year range. Run the report as of the end of the fiscal year. You may want to run this report from tax year 1961 (beginning of time) to the current tax year to see a total overpayment balance at year end.
- *Delinquent Report* - This report can be run for all delinquent tax years or individual years to see delinquent accounts as of the end of the current fiscal year.
- *Cash Receipts Report* - Run for the current year date range to show all cash receipts during the year. Users may optionally specify tax years.

- *Lien Account Status* - This report can be used to report on lien balances or activity. Most commonly, it is used to report on the municipal lien balance at year end using the parameters shown in the below figure.
- *Special Charges Register* - This report will identify any Special Charge Account balances. It should be run for the current fiscal year date range.

All reports are date driven and can be run at anytime. All year end activity should be updated prior to running these reports.

Lien Holder 1099's (End of Calendar Year)

Forms/Listing/Labels

These forms are used to report interest earned by lien holders on redeemed liens during the calendar year. The system accumulates all payments to interest and penalty charges (if payment codes are specified) on outside liens that were redeemed during the 1099 year. A report identifying the lien holders and their 1099-INT reportable amount can also be printed from this menu option. Mailing labels for lien holders scheduled to receive a 1099 can be printed from this screen.



A laser printer must be used to print these forms.



The 1099-INT Report Listing should be reviewed prior to printing forms.

Select *Billing/Collections>Liens>Lien Holders>Lien Holder 1099 Forms/Listing/Labels*.

A **Range of Lien Holder Id's** may be specified in case a form/report/label needs to be generated for a single lien holder.

Print Type - *Laser Printer Forms* should default. Choose *Report Listing* to review the 1099-INT information for lien holders in a report format or *Laser Labels - Avery 5160* when printing labels. A *1096 form* (1099 Summary Form) can be printed if you're not electronically filing.

If desired, you may change the **Minimum 1099 Reportable Amt**. By leaving 10.00 in this field, lien holders whose total interest earnings are under \$10 will be excluded.

Specify the 1099 year in the **Payment Year** field.

The **Date Range** field allows users to include/exclude redemptions that were not refunded until the subsequent calendar year. There are two options:

Redemption Date - Includes only liens with a redemption date in the range. This allows the user to include liens redeemed in a prior year and/or exclude liens redeemed at the end of the year. The date range applies to all liens.

Check Cleared Date - This option works in conjunction with the **Redemption Check Cleared** date found on the Lien Maintenance. If this date is entered on a lien, it must fall within the Check Cleared Date range to be included in the 1099 totals.

When printing forms, enter your municipality's Federal Tax Id number in the **Payer Id** field.



In order for the lien holder's Tax Id to print on the form, it must be specified in Lien Holder Maintenance.

Your municipality name and address information will default from the system parameters. It may be edited.

The payment codes that were used to redeem the 6% penalty adjusted on to liens **MUST** be specified using the available **6% Penalty Pay Codes** picklists. The codes must be a *Lien Tax Penalty* type.



It is not necessary to specify any payment codes if your lien holders paid the 6% penalty on the tax account and received the penalty when the lien was redeemed. This is not 1099 interest.

The alignment of the forms and/or labels may be tested by clicking the **Print Alignment 1099-INT** button. The X and Y Offset are used to adjust the alignment of the forms/labels. X adjusts to the right. Y adjusts up and down.

Lien Holder 1099 Magnetic Media

This routine will create the 1099-INT file required for electronic submission.

Select *Billing/Collections>Liens>Lien Holders>Lien Holder 1099 Magnetic Media*.

Lien Holder 1099 Magnetic Media

Next Close Help

Enter the Following:

Range of Lien Holder Ids (Blank for All):
 to

Payment Year: 2022 Date Range: Redemption Date 01/01/2022 to 12/31/2022

Payer Id: Minimum 1099 Reportable Amount: 10.00

Payer Name: CITY OF ANYWHERE 6% Penalty Pay Codes:

Address: 1234 Street Road Lane 1.

City/St/Zip: SOMEWHERE NJ 01234- 2.

Phone: (555)555-0720 Ext: 3.

Contact Name: 4.

Contact Phone: () - Ext: 5.

Contact Email:

File Type: Original Transmitter Control Code:

Output File Name: importFiles\IRSTAX Create Combined Filer file (requires approval)

Report parameters should be completed identically to how the 1099-INT forms were printed.

Enter your municipality's contact information.

Specify the **File Type** being sent.

A **Transmitter Control Code** must be entered. This is supplied by the IRS and should be provided when registering to file electronically.



Edmunds GovTech does not know your code.

Create Combined Filer file (requires approval) - If your organization has been approved to participate in the Combined Federal/State Filing Program, check the box to have the IRS forward original and corrected returns to participating states.



For further information on Combined Filers refer to IRS Publication 1220 (PDF), Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically.

The file generated by the routine will be created in the MCSJ\importfiles directory and will be named IRSTAX. The Output File Name may not be changed.

Click **Next** to create the file.

Payment Revenue Interface

If payments are automatically updated to revenue, the revenue accounts on payment codes will be updated at the time of the Finance system rollover. Therefore, it is important that all payment batches for the current fiscal year are updated prior to the Finance rollover (including WIPP downloads) in order for the payments to update to revenue.

In order to ensure automatic revenue posting, payment batches for the new fiscal year should not be posted until the Finance rollover is complete.



If payments are not automatically updated to revenue, the verification listing will still print the warning "Payment date is not in current year" until Finance rolls over. These payments will still post to the appropriate Tax accounts.

