Year-end Frequently Asked Questions

Document #:	3120	Product:	CenterPoint® Accounting for Agriculture

The following topic covers the most common questions the Red Wing Software support team receives during year-end.

Red Wing Software Website

Q. I'm attempting to log into the Red Wing Software website, but it does not recognize my Email and/or Password?

A. Follow the instructions below for information about the Red Wing Software website.

To Log in to the Red Wing Software Website:

1. In your web browser, enter **www.redwingsoftware.com**, and press Enter.
2. In the upper-right of the Red Wing Software home page, click **Log in**.
3. Enter your **Email Address** and your **Password**.
4. Click **Login**.

To Register on the Red Wing Software Website:

If you have not previously registered or logged in on the Red Wing Software website, please follow the steps below:

1. In your web browser, enter **www.redwingsoftware.com**, and press Enter.
2. In the upper-right of the Red Wing Software home page, click **Log in**.
3. Click **Register**.
4. In the **Account Number** box, enter your company Account Number. Your Account Number can be located in a few different places:
   a. From within CenterPoint by selecting **Help** > **About**.
   b. On the Support Certificate that you receive upon renewing Customer Care Membership.
   c. Red Wing Software sends customers a renewal form for Customer Care Membership. This renewal form contains your account number.
   d. Invoices you've received from Red Wing Software contain your account number.
   e. If others at your company have already registered, they can sign into their account and find your company's account number at www.redwingsoftware.com/home/myaccount.
5. Continue entering your **Title**, **First and Last Name**, **Email Address** (which is your login) and a **Password**.
6. Enter the displayed **Security Verification** code, and then click **Submit**.

To Retrieve a Forgotten Password:

1. In your web browser, enter **www.redwingsoftware.com**, and press Enter.
2. In the upper-right of the Red Wing Software home page, click **Log in**.
3. Click the ✉ **Forgot** link.
4. Enter/verify your **Email Address**.

5. Enter the **Security Verification** code, and then click **Send**. Click **Close**.
6. Wait until you receive an email that includes instructions to reset your password.
7. Click the link in the email that you received from Red Wing Software.
8. Enter the **Validation Code** which was included in the email. If you enter the code and it is not recognized, copy and paste the code from the email. The Validation Code expires in 24 hours.
9. Enter a **New Password** and then **Re-enter the New Password**.
10. Click **Submit**.
11. Click **OK**.

To Log Out of the Red Wing Software website:

1. At the top of the Red Wing Software home page, click **Welcome, (Your Name)**.
2. In the displayed menu, select **Logout**.

General Information

Q. What is the year-end procedure in CenterPoint Accounting for Agriculture?

A. There are no month-end or year-end procedures. You can continue entering transactions and running reports just as you've been doing all year. Just be sure to use the correct dates. Transactions in prior years can also be edited, deleted, etc. at any time as long as the period is not locked. Year-to-date reports are managed by the date span selected in the report selection screen.

Q: Is there a way for me to lock a year or period so that the transactions in that period(s) can no longer be edited or deleted?

A: Yes, after a period or year is complete and financial reports have been printed, the period or year can be locked. This is done by selecting **File > Administration > Lock Periods**. Select whether you want to **Lock Periods for All Companies** or **Lock Periods by Company** and then select the company to lock. Select the **period** to lock and click **OK**. The selected period and all prior periods will be locked. If you selected to Lock Periods by Company, repeat for all companies you wish to lock. This menu selection can also be used to unlock a locked period.

Q. How can I get the latest version of CenterPoint installed on my computer?

A. To download the latest version of CenterPoint:

» Select **Help > Online Support Services > Check for CenterPoint Updates**.

or

» Log into the Red Wing Software website at **www.redwingsoftware.com**. From the **Welcome (Your Name)** menu, select **My Account Home**, select the **Downloads** tab, under your product, select **Downloads,** and then select the latest **CenterPoint** update. Click the download file and follow the on-screen instructions.

Q. Do I need to back up my data at the end of the year?

A. We do recommend that you back up your data at year-end, in fact you should make regular backups throughout the year. We recommend that you make more than one backup of your database. Develop a backup rotation system. It is a good idea to store a year-end backup each year. Select **File > Backup Database** to easily backup your databases. Refer to the topics in the Help for step-by-step instructions for more information.

Q. I have some names and accounts that are no longer used. Can I get rid of them?

A. Names and accounts that have been used in a transaction cannot be deleted, but they can be deactivated. Deactivating an item on a list provides a way to hide the item from the list WITHOUT altering past transactions to the item. Lists throughout CenterPoint include a filter option that can be used to show only active items. The active status allows you to manage the lists. To inactivate an item, right-click on the item in the Setup list, for example, in **Setup > Accounts > Accounts**, right-click on the account to be deactivated and select **Activate/Deactivate**. From the Available Companies list on the left side of the screen, select the companies the item should be deactivated for and then use the green arrow to move the companies to the right side of the screen. Select the **Deactivate** button to inactivate the item for all selected companies.

Q. How do I compare last year's data to this year's data?

A. There are several ways financial data can be compared, but the easiest option is to use the comparison financial statements. For Income Statements, we have a 3 Year Comparison, a 5 Year Comparison and a Current vs Year-to-date report that can all be

used for data comparison. These are accessible from **Reports** > **Reports** > **Financial Statements**. Similarly, for Balance Sheets, we have a 5 Year Comparison and a Current vs Prior Period report available.

Q. I have some account adjustments from my accountant. How do I enter them?

A. Processes > General Journal Entries is the easiest way to record adjusting entries that involve multiple accounts. The general journal grid uses a debit / credit format. Select the account in the **Account** column. Enter the value in the **Debit** column or **Credit** column. Always enter a positive number. Entering the value in the Debit column or Credit column determines the adjustment to the account. Optional details can be entered on each line. If the detail you wish to enter is not available, right-click and select **Add/Remove Columns**. Select the **item** and click **OK** to display the column in the grid. Continue on the next line to select an **Account**. Enter the value in the **Debit** column or **Credit** column. Total debits MUST equal total credits to save the transaction. Click **Save**.

PLEASE NOTE: General Journals using accounts in the account categories of Accounts Payable, Accounts Receivable, and Payroll Liabilities will create invoice transactions in CenterPoint. Selecting an Accounts Payable, Accounts Receivable, or Payroll Liabilities account requires assigning a vendor/customer name and an offset account. These account categories store subledger balances based on the vendor/customer name. We recommend entering separate general journals for an Accounts Payable, Accounts Receivable, or Payroll Liabilities account.

If your general journal adjustment includes one or more of these type accounts, omit them from the main general journal and select Retained Earnings equity account as your final account in the main general journal. Click the Difference button in the lower right to balance the main general journal. The amount posted to Retained Earnings will equal the net amount of the Accounts Payable, Accounts Receivable, and Payroll Liabilities accounts that were part of the overall general journal.

Enter a separate general journal for each Accounts Payable, Accounts Receivable, or Payroll Liabilities account. After selecting the account, you will be prompted to select the offset account. Select the same Retained Earnings equity account used in the main general journal. You will also need to select a vendor/customer name to associate to the Accounts Payable, Accounts Receivable, or Payroll Liabilities account. If the Name field does not appear in your general journal grid, right-click in the grid and select Add/Remove Columns. Select Name and click OK. Select the vendor /customer name in the grid and in the general journal "Name" field at the top of the screen. The general journals will have only one row filled in the grid, but will post a balanced transaction between the selected account and Retained Earnings. The invoices created can be cleared using the normal process of paying payables or receiving receivables.

Q. I want my Retained Earnings account to represent my net profit for the current year only. How do I begin with zero in the Retained Earnings account in January?

A. A journal entry can be done to move the balance as of December 2020 to a different owner equity account. You will want to enter the journal entry after you have completed ALL transactions in 2020. The journal entry can be entered after entering transactions for 2021. To find the balance of the Retained Earnings account, select **Setup > Accounts > Accounts > Balances** tab. Select the Company. Expand **Equity**. Select the period **December 2020**.

Note the balance for Retained Earnings. Select **Processes > General Journal Entries**. Select **January 1, 2021** in the **Date** field. The journal entry grid uses a Debit / Credit format. Select the Retained Earnings account in the **Account** column. Enter the value in the Debit column if Retained Earnings is a positive value in December 2020. Enter the value in the Credit column if Retained Earnings is a negative value in December 2020. Always enter the value as a positive number. Continue on the next line to select the Owner Equity account that stores the prior profit / loss for this company. Enter the value in the opposite column used for Retained Earnings. Total debits MUST equal total credits to save the transaction. Click the **Save** button to save the transaction. When you begin posting transactions in January 2021, Retained Earnings will represent the net profit / loss for 2021.

Q. How do I get my crop input purchases (WIP) off of the Balance Sheet?

A. There are two options that will remove crop input purchases from the Balance Sheet:

Option 1: Used if you are not using the Products feature

The crop input purchases increase work in process inventory accounts at the time of the purchase. Expensing the crop inputs decreases the work in process or inventory accounts and transfers the values to cost of goods accounts. The expense transactions should be in the same time period as the new production transactions.

Select **Processes > Production > Expense Work In Process Inventories**. Select the **Company** and the **WIP Inventory account**. If the offsetting account was identified in the Work in Process Account Detail screen, the Expense account is displayed for you. If not, select the Expense account. For example, if the work in process account is a fertilizer input, select the fertilizer cost of goods account in the Expense box.

The grid at the bottom of the screen allows you to identify the production details on the applications of this crop input. The production center detail represents the various combinations of profit center, production center and production year. If you select the production center detail, the profit center, production center and production year are filled in for you. Enter the quantity used. The dollar amount is calculated by the quantity used times the price per unit of this work in process account.

Continue distributing the crop input as many ways as needed. The entire balance does not need to be expensed at one time. Click **Save** when you are ready to post the transaction.

> Note: For more information on production center details, profit center, production centers, operator / owners, and lease agreements, refer to the documentation on our website at www.redwingsoftware.com. From the home page select **Menu** > **CenterPoint Accounting for Agriculture** >**Help**

OR

Option 2: Used if you are using the Products feature

Processes > **Production** > **Expense Applied Work in Process Products** transfers all crop inputs used to grow the harvested crop from the Work in Process asset accounts to cost of goods accounts.

Harvesting your crop generates revenue to the operation whether it is stored or sold. We recommend using the same time frame to expense the products applied to grow the crop. Both the New Crop Production entries and the Expense Applied Work in Process Products entries are assigned crop production center details. The crop revenue and the cost of product inputs represent a large portion of the crop production center detail's net profit.

» The process expenses Work in Process assets with a crop production center and product balance details.
» The values in the Work in Process assets are transferred to expense or cost of goods accounts.

1. Select **Processes** > **Production** > **Expense Applied Work in Process Products**.
2. Click **Create New**.
3. Select the **Company**.
4. Enter the harvest date in **Transaction Date**.
5. Select a **Production Center Detail** you wish to expense.
6. All Work in Process accounts with a balance detail for the selected Production Center Detail display in the grid.

7. Each WIP Product is listed with its offsetting Expense/Cost of Goods Account, Product, Units (for this PC Detail), Unit of Measure, Cost (for this PC Detail), and Cost/Acre. The Cost/Acre is calculated based on the WIP Product's Cost divided by Acres.
8. Changes cannot be made from this screen. If any changes are needed, return to Processes > Production > Apply Crop Inputs by Field.

   a. In Apply Crop Inputs by Field, select the Production Center Detail at the top of the screen.
   b. The products will list in the grid. Edit advances you to the original entry screen to make any modifications.

9. Click **Post** to complete the expensing of all products assigned to the selected crop production center detail.

   a. The Work in Process asset balance(s) for the selected crop production center detail and product are credited (decreased).
   b. The Expense/Cost of Goods accounts for each product are debited (increased) WITH the crop production center detail and product.

10. The posted transactions display in the List tab.

Q. How can I see a list of my depreciable asset balances that are summarized on the Balance Sheet?
A. Select **Reports > Reports > Financial Statements > Account Balances > Fixed Asset Balances**. The Fixed Asset Balances report includes asset details and the values of each item.

Q. What if I don't remember if I recorded depreciation and accrued interest every month during the year?
A. The transaction screens for depreciation, accrued interest, distributions, and current portion of long-term debt show a list of transactions that can be reviewed. Select **Processes** > **Periodic Transactions** > and then select **Depreciation Transactions**, **Accrued Interest Transactions**, **Apply Distributions**, or **Adjust Current Portion Long Term Debt** to review the transactions.

Q: Why is my report blank when I run an Income Statement using the Reporting Method of Cash rather than Accrual?

A: The Income Statement determines what is Cash based on the user-defined report the company is using for tax purposes. The user-defined report is assigned in the company setup. If that hasn't been assigned, then the Cash Income Statement will be blank. To assign the user-defined report to a company, select **Setup > Companies**. Select your company and go to the **Tax Report** tab. In the **User Defined Report Used for Tax Reporting** field, select the appropriate report. This will generally be the **Schedule F**.

> Note: When you run the Income Statement make sure to select your company even if you have only one company in the database.

1099 Information

Q. What is the 1099-NEC form used for and is the form new?

A. The IRS reintroduced Form 1099-NEC as the new way to report self-employment income instead of Form 1099-MISC which traditionally has been used. This was done to help clarify the separate filing deadlines on Form 1099-MISC. The new 1099-NEC form will be used starting with the 2020 tax year.

Beginning with the 2020 tax year, the IRS will require business taxpayers to report non-employee compensation on the new Form 1099-NEC instead of on Form 1099-MISC. Businesses will need to use this form if they made payments totaling $600 or more to a non-employee, such as an independent contractor.

Q. Why did the IRS reintroduce 1099-NEC?

A. Before its reintroduction, the last time form 1099-NEC was used was in 1982. Since then, prior to tax year 2020, businesses typically filed Form 1099-MISC to report payments totaling $600 or more to a non-employee for certain payments from the trade or business. These payments generally represented non-employee compensation and, up until now, would typically appear in box 7 of 1099-MISC. In order to help clarify the separate filing deadlines when reporting different types of payments on Form 1099-MISC, the IRS decided to reintroduce Form 1099-NEC which has a single filing deadline for all payments that use the form.

Q. Did the 2020 Form 1099-MISC change due to the reintroduction of Form 1099-NEC?

A. Yes, because the IRS removed reporting for non-employee compensation from Form 1099-MISC for tax year 2020 and onward, the IRS redesigned Form 1099-MISC as well. The biggest adjustment comes to Box 7, which previously reported non-employee compensation but now reports direct sales of $5,000 or more. Other information reported on the form will now show in renumbered boxes. To ensure you see the changes to Form 1099-MISC, be sure to select 1099-MISC **not** 1099-MISC (OLD).

Q. When is the filing deadline for 2020 1099 forms?

A. The Internal Revenue Service filing deadline for 1099 forms can be located by using the Search feature on the Internal Revenue Service website at www.irs.gov. In the Search box on the IRS website, enter the specific form name, for example 1099-MISC, 1099-NEC, etc. to locate the specific form instructions and deadlines.

Q. Do I need to order 1099 forms, or can I print them on plain paper?

A. The majority of your 1099 copies will be printed on plain paper; but the Federal government does require that the Copy A (often called the "red copy") be printed on a preprinted form. These forms are available from Computer Forms, Inc. at http://redwing.computerforms.biz/shop_category.aspx?cid=131 or by calling 800-458-0158. The IRS does require that you also print your 1096 information on a preprinted red copy. CenterPoint/Aatrix will print the data onto the preprinted forms for the 1099 and 1096 red copies and will print the data and the form onto plain paper for all other copies.

> **Note:** If you choose to use the Complete 1099 eFiling Service through Aatrix, you do not need to purchase or print any 1099 or preprinted red copy forms.

Q. How do I print the 1099 forms?

A. Step-by-step instructions (documents and videos) are available in the Help on the website. Within CenterPoint, select **Help** >

CenterPoint Help. Within the Help from the **Search** bar, enter **1099**, click to view all topics. There are three steps to printing the tax forms:

1. Transferring Information from CenterPoint to Federal/State Tax Forms (Select **Reports** > **Reports** > **User-defined/Tax Reports** > select the appropriate **1099 Form**, verify all **Report Selections** on the right side of the screen, for example Transaction Date, Company, etc., click **Print**, and then click **Print Tax Forms**.)
2. Review the transferred information using the Federal/State Tax Forms viewer and make any needed changes.
3. Print or eFile the forms.

> **Note:** If you choose to eFile with Aatrix, you do not need to purchase or print any 1099 or preprinted red copy forms.

Q. I do not see the 1099 form I need on my User-Defined Reports list.

A. All 1099 tax form types that you are required to print need to be added to the list. Select **Setup > User-defined/Tax Reports**. Click the **Tax Reports** button. Select a **1099 form** and click **OK**. The form is added to the list. Select the form and click the **Detail** tab. Click the **Account Assignment** tab to review accounts/account categories assigned to the 1099 form. After all accounts/account categories are assigned to the 1099 form, click **Save**.

Q. My 1099-MISC form is displaying amounts in the wrong boxes, why?

A. Process your 1099-MISC again and verify that the 1099-MISC form is selected, not the 1099-MISC (OLD) form.

Q. My 1099 statement is missing a vendor?

A. There are three factors to check.

1. The vendor that requires a 1099 must have the **Issue 1099 for this vendor** check box selected in **Setup > Names > Names**. Select the vendor and click **Edit**. Select the **Issue 1099 for this vendor** check box.

2. The account used to pay the vendor needs to be assigned to the 1099 User-Defined report. Select **Setup > User-defined/Tax Reports**. Select the **Account Assignment** tab. On the left side, select the appropriate **1099 row**. On the right side of the screen, right-click and select **Expand All**. Select the **account or account category**. Click the **Assign** button. Click the **Save** button.
3. The total amount paid to the vendor must exceed the minimum amount for the 1099.

Income Tax Preparation

Q. What report do I need for tax preparation?

A. The 1040 Schedule F is the recommended report for tax preparation. Select **Reports > Reports > User-defined/Tax Reports**. Select **1040-Sched F** in the report list. Select **Preview** or **Print**.

Q. Where do I print the 1040 Schedule F report?

A. Prior to printing the report, first verify that it is listed in **Setup > User-defined/Tax Reports**. If it is not listed, click the **Tax Reports** button. Select the **1040-Sched F** report and click **OK**. The form is added to the list. Select the form and click the **Detail** tab. Click the **Account Assignment** tab to review accounts/account categories assigned to the 1040-Schedule F form. After all accounts/account categories are assigned to the form, click **Save**.

The 1040 Schedule F report is printed from **Reports** > **Reports** > **User-defined/Tax Reports**. Select the 1040-Sched F report. On the right side of the screen, select the **Transaction Dates** and the **Company**. Click the **Preview** button. The report is generated and can be printed from the preview screen.

Q. How can I see the account details for information included in the Schedule F?

A. The 1040 Schedule F report can be printed with details. Select **Reports** > **Reports** > **User- defined/Tax Reports**. Select the **1040-Sched F** report. On the right side of the screen, select the **Transaction Date**s and the **Company**. In the **Display Level** field select either **Account Total** or **Individual Transactions**, depending on how much detail is preferred. Click the **Preview** button. The report is generated and can be printed from the Preview screen.

Processing Federal/State Tax Forms

Q. I'm trying to process my Federal forms (W-2s, 1099s, etc.), but I keep getting the message "Would you like to register now, or evaluate?"

A. You'll need to register your Federal tax forms. If you have an internet connection, choose **Help > Product Registration > Federal/State Tax Forms Registration**. Your login is your Red Wing Software Email Address and will be recognized from the

Red Wing Software website, follow the prompts to create your registration code. If you have not registered on the Red Wing Software website or forgot your password, please see the *Red Wing Software website* section in this document. If you don't have an internet connection, call 800-732-9464 and request an Aatrix registration code. If a registration code is faxed to you, do not enter the hyphen included in the number. Enter just the letters and numbers.

Q. Why am I getting a "forms update" message, and what do I need to do?

A. At least once a quarter, Aatrix updates the tax forms for the new quarter. You can either follow the prompts to do the mandatory update though the program, or you can log into the Red Wing Software website at www.redwingsoftware.com, from the **Welcome (Your Name)** menu, select **My Account Home**, select the **Downloads** tab, under **CenterPoint Accounting for Agriculture**, select **Downloads**, download and install the **Federal/State Tax Forms (Aatrix)** update. If you don't have an internet connection, you can call the Red Wing Software Sales department at 800-732-9464, and we'll send the updates to you on a CD once a quarter for a minimal annual fee.

Other Information

Q: How can I get the Year-End Frequently Asked Questions document for another Red Wing Software program?

A. If you have Red Wing Software products that are not covered by this document, you may be able to find a document for your specific product by looking at our website. Log into www.redwingsoftware.com. From the My Member Account page displayed, select **End of Year**. Under your product, select the appropriate end of year document.

Q. What hours of the day will I be able to contact Red Wing Software support?

A. We will be open our normal hours of operation, 8am to 5pm CST, Monday through Friday. Red Wing Software will be closed Thursday, December 24, 2020, Friday, December 25, 2020, Friday, January 1, 2021, and will be closing at noon on Thursday, December 31, 2020.