

TECHNOLOGY - DEALING WITH THE YEAR 2000 PROBLEM

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An individual would have to have been completely cut off from modern society to not realize that there is considerable concern over the year 2000 problem. What exactly is this? The year 2000 problem is the inability of certain computer hardware and/or software to properly process computations using dates after the year 1999. This could be very important for Associations as they may face significant problems with their members and/or vendors if they are not certain that they and their business contacts are all year 2000 compliant.

Why Is There a Problem?

The basic problem originates from the two digit representation of the calendar year that was embedded into many computer software systems. Three decades ago, when software programs were first being created, computer disk space and storage were extremely expensive. In order to cut down on the cost and provide an ease in programming, many software programmers elected to give the year only a two-digit field rather than a four-digit field. Hence, it would have read "62" rather than "1962". The underlying theory of many of these individuals was that:

- 1) they would not be around in the year 2000 when this could become a problem,
- 2) it was not an issue they needed to deal with, or
- 3) something would be done to correct this situation long before the year 2000.

Unfortunately, while many software programs have evolved considerably over the years, the basic programs themselves and the size of certain fields has never changed. Consequently, there are many "legacy" software applications in existence which are not year 2000 compliant.

The concern over this problem is very great, particularly for very large institutions such as banks, insurance companies, and the government itself. What will happen in the year 2000? Maybe nothing. Maybe a small blip. Maybe the shutdown of our electronic society until the problem can be fixed. Nobody knows for sure, but

Executive Summary

- **The year 2000 problem is the inability of certain computer hardware and/or software to properly process computations using dates after the year 1999.**
- **The concern is that when the two digit system rolls over to the year 00, that the software will interpret this as being the year 1900, not the year 2000. If this is the case, certain applications will cease to function as planned.**
- **The problem extends outside your organization also, for it will affect every vendor with whom you do business. For instance, if your bank is not year 2000 compliant, how is it going to calculate the interest earned on Association investments?**
- **There are no extensions of this deadline.**
- **Research performed by a year 2000 consulting firm indicates that 93% of personal computers shipped before 1997 had BIOS Software (software built into the hard drive of the computer, which is used to start up the system) installed that exhibited date related problems associated with the new millennium (year 2000).**

several leading technology organizations have estimated the cost to correct the problem to range from \$200 billion to \$600 billion, or more, to solve this problem world wide. The problem we now face is that there so little time left, and there are not enough programmers to resolve this problem in time. In addition, many individuals feel that the problem may hit us in 1998, and certainly in 1999, as programs have built in features rolling over certain dates to the year 2000. The concern is that when the two digit system rolls over to the year 00, that the software will interpret this as being the year 1900, not the year 2000. If this is the case, certain applications will go absolutely haywire (that's a technical term meaning they will cease to function as intended).

An Association must make sure that it carefully considers this issue. For instance, if your software is not year 2000 compliant, and you are attempting to assess dues to all of



Technology - Dealing With The Year 2000 Problem (continued)

your members for the month of January in the year 2000, the system may not accept this information and may be attempting to render bills for the year 1900 instead. What about any prepaid member balances, or member delinquencies that are due? Will these amounts carry forward into the year "1900" accurately? Most programmers think not. Will your entire accounting application simply shut down because it cannot recognize the proper date codes?

The problem extends outside your organization also, for it will affect every vendor with whom you do business. For instance, if your bank is not year 2000 compliant, how is it going to calculate the interest earned on Association investments? Our society has become so dependent on electronic technology that most people do not realize the full extent of this issue. We are all interdependent. Will your vendors be there for you if they are not year 2000 compliant?

What should the Association do to determine if they have any problems?

1. Review and assess internal systems compliance.
2. Research any alternative solutions along with applicable cost considerations.
3. Select and test the best options available. Some associations may find that developing, purchasing upgrades, or a whole new system may best meet their needs due to the cost, difficulty, and time required to identify and correct problems in an existing system (most new software applications being sold today indicate in their marketing material, or on their packaging whether or not they are year 2000 compliant.
4. Implement and install required system modifications.
5. If you have important relationships with vendors on whom you are significantly dependent consider inquiring of them in writing if they are year 2000 compliant. You need to know if your vendors are going to be able to deal with this problem also.

The Association should designate an employee who will be primarily responsible for the coordination and actions with respect to analyzing and responding to the year 2000 problems. Further, you should create an implementation schedule and emphasize the importance of all personnel adhering to the established deadlines. There are no extensions of this deadline.

How Extensive Is This Problem?

Research performed by a year 2000 consulting firm indicates that 93% of personal computers shipped before 1997 had BIOS Software (software built into the hard drive of the computer, which is used to start up the system) installed that exhibited date related problems associated with the new millennium (year 2000).

The nature of potential year 2000 related system problems and the possible solutions for them are continually evolving. The Association should remain vigilant in maintaining current information on this issue, and follow through in addressing the problem. You may wish to hire a consultant to make sure that you are year 2000 compliant. As stated above, even if you have contacted each of your software vendors, and determine that all of your applications are 2000 compliant, if your built-in BIOS Software in your hardware has a problem with the year 2000, having all of your applications in compliance will not do you much good.

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