

**QUICKBOOKS® MADE EASY**

A TRAINING HANDBOOK FOR  
BUSINESSES USING  
QUICKBOOKS® DESKTOP PAYROLL

***QUICKBOOKS® PAYROLL:  
THE ESSENTIALS***

HANDBOOK

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## **About Gregg S. Bossen, CPA**

Gregg is a practicing CPA with a full-service accounting firm located in Atlanta, Georgia. After graduating college from Emory University in 1987, he began his career at KPMG Peat Marwick. In 1989, Gregg started his own firm that currently supports more than 3000 clients.

His firm specializes in tax and accounting for small businesses. Most of his clients are small business owners who use QuickBooks®.

Since 2000, Gregg has been teaching QuickBooks® seminars and webinars around the country for various groups and is considered to be an expert in the program. He has taught both new users as well as other CPAs, who are themselves considered experts in the software.



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# Chapter 1

## **GETTING STARTED**

## GETTING STARTED

➤ Product Choices

- QuickBooks® offers many payroll product choices depending upon which QuickBooks® product you are using:
  - Using a QuickBooks® Desktop product on your PC (Pro, Premier and Enterprise Solutions)
    - Basic Payroll Product – only creates paychecks
    - Enhanced Payroll Product – creates paychecks AND allows you to create and send forms (941's, W-2's, State Forms etc...) from within the program
    - Assisted Payroll Product – you generate the paychecks and QuickBooks® does the rest (drafts your accounts for taxes, creates and sends all forms for you)
    - Full Payroll (web based) – This is an outside of QuickBooks® Payroll Service (like ADP, Paychex, etc...)
  - Using QuickBooks® for the MAC
    - Intuit Online Basic (web based) – only creates paychecks
    - Intuit Online Enhanced (web based) - creates paychecks AND allows you to create and send forms (941's, W-2's, State Forms etc...) from within the program
    - Full Payroll (web based) - This is an outside of QuickBooks® Payroll Service (like ADP, Paychex, etc...)
  - Using the Online Edition of QuickBooks®
    - Basic (web based) – only creates paychecks
    - Enhanced (web based) - creates paychecks AND allows you to create and send forms (941's, W-2's, State Forms etc...) from within the program

➤ Best Time to begin using QuickBooks® to run payroll

- JANUARY 1 is ALWAYS THE BEST!
- At least make it the end of a quarter

## GETTING STARTED

- Walk through of signing up for QuickBooks® Payroll
  - Sign up for Payroll on the Web

### Compare our payroll products

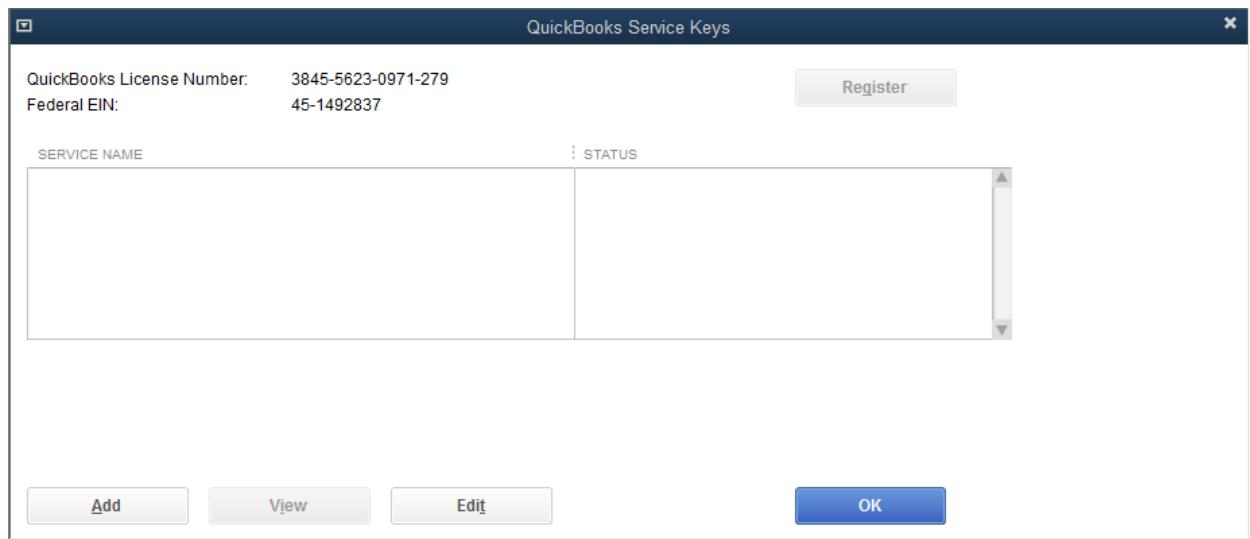
	Basic	Enhanced	Full Service
	<b>\$20.00</b> /month was \$25.00 <b>20% OFF</b> for 6 months  + \$2/employee per month	<b>\$31.20</b> /month was \$39.00 <b>20% OFF</b> for 6 months  + \$2/employee per month	<b>\$79.00</b> /month was \$99.00 <b>20% OFF</b> for 6 months  + \$2/employee per month
	<a href="#">Try It Free</a> <a href="#">Learn More</a>	<a href="#">Try It Free</a> <a href="#">Learn More</a>	<a href="#">Contact Us</a> <a href="#">Learn More</a>
Integrates with QuickBooks	✓	✓	✓
► Easy paychecks: just enter hours	✓	✓	✓
► Pay by check or direct deposit	✓	✓	✓
► Free expert support	✓	✓	✓
► Electronically file W-2's at year-end		✓	✓
► Includes Payroll Tax Forms		✓	✓
We file and pay taxes for you			✓
No tax penalties, guaranteed <sup>2</sup>			✓
Payroll setup completed for you			✓
Free year-end forms included			✓
Still can't decide?			<a href="#">Help Me Choose</a>

### The Steps: Signing Up for QuickBooks® Payroll

- 1) Open a browser on the computer that has QuickBooks® on it
- 2) Type “payroll.intuit.com” in the address bar and press enter
- 3) Once the window appears scroll down to see your choices
- 4) Click the “Try It Free” button for the version you desire (we suggest “Enhanced”)
- 5) Answer the questions in the “Intuit Payroll” interview
- 6) If you already have an Intuit account, click “Sign In”
- 7) If you are new to QuickBooks® then complete the “Contact Information” and “Payment Information” fields
- 8) Click “Review Order” and follow the prompts to order your Payroll Service

## GETTING STARTED

- Once you have signed up you will receive an email from Intuit saying that you have successfully signed up and giving you your Payroll Service Key #.
- Add this number to your QuickBooks® file



### The Steps: Enter your Payroll Service Key into your QuickBooks® Company File

- 1) Retrieve your “Payroll Subscription Service Key” from the email you will receive from QuickBooks®
- 2) Select “Employees >Payroll>Enter Payroll Service Key” from the menu bar at the top of your screen
- 3) Click “OK” to let QuickBooks® close all open screens
- 4) Click ‘Add’
- 5) Enter your Service Key
- 6) Click “Next” and “Finish”

## GETTING STARTED

- All QuickBooks® Payroll services include Direct Deposit capability (for an extra fee, of course).
  - To activate Direct Deposit :

2. Enter Your Bank Information

Deposit paychecks directly to the bank accounts of employees for FREE. Direct Deposit for vendors is \$1.50 per transaction.

NOTE: Transactions from foreign bank accounts are not supported.

All fields are required unless specified as optional.

Bank Account Name:  
(in QB chart of accounts)  [?](#)

Bank Account Type:  Checking  Savings

Bank Legal Name:

Bank Legal Name is required.

Routing Number:

Routing Number is required.

Account Number:



I have read and agree to the terms of service agreement. [View Agreement](#) 

As part of activating this feature, Intuit will make two small one-time withdrawals from your account (less than \$1 each) to validate the account information you enter here

### Step 1: Activating Direct Deposit – Entering Your Bank Information

- 1) Select “Employees>My Payroll Service>Activate Direct Deposit” from the menu bar at the top of your screen
- 2) Scroll down and enter your bank’s name, routing number, and account number in the “2. Enter You Bank Information” fields
- 3) Check the box next to “I have read and agree to the terms of service agreement”
- 4) Answer the questions in the “3. Check Security Limits” section by using the drop down menus
- 5) Click “Submit”

## GETTING STARTED

The screenshot shows a computer window titled "Intuit QuickBooks Payroll- Verify Random Debits". The main title bar says "QuickBooks Direct Deposit". In the top right corner, there is an "intuit" logo and a "Contact Us" link. Below the title bar, the window has a header "Verify Bank" and a sub-header "Confirmation". A message in the center of the window reads: "Check your bank statement to find 2 small charges (less than \$1) from Intuit QuickBooks Payroll. Enter the amounts below in any order (if the amount is \$0.08, enter only the digits 08)." There are two input fields labeled "Amount 1" and "Amount 2", both containing "\$0.00". Below this, instructions for creating a PIN are provided: "Create a unique Personal Identification Number(PIN) that you'll use when paying your employees with Direct Deposit. Your PIN must be between 8 and 12 characters and include at least one letter(a-z, A-Z) and one number(0-9), with no special characters." Two input fields are shown for "PIN" and "Confirm PIN". At the bottom left is a "Cancel" button, and at the bottom right is a "Submit" button.

### Step 2: Activating Direct Deposit – Entering the Bank Debits from Intuit

- 1) Go to your bank's website, log in to your online banking account and look for two small debits (or withdrawals) from "Intuit Payroll Services"
- 2) Then in QuickBooks®, select "Employees>My Payroll Service>Activate Direct Deposit" from the menu bar at the top of your screen
- 3) Enter the amounts of the two small debits (or withdrawals) from Step 1 into the "Amount 1" and "Amount 2" fields
- 4) Create a PIN by entering a PIN of your choosing in the "PIN" field and enter the same PIN in "Confirm PIN" field. You will enter this PIN every time you process payroll.
- 5) Click "Submit" then "Return to QuickBooks"

## **Chapter 2** **SETTING UP**

## SETTING UP: OVERVIEW

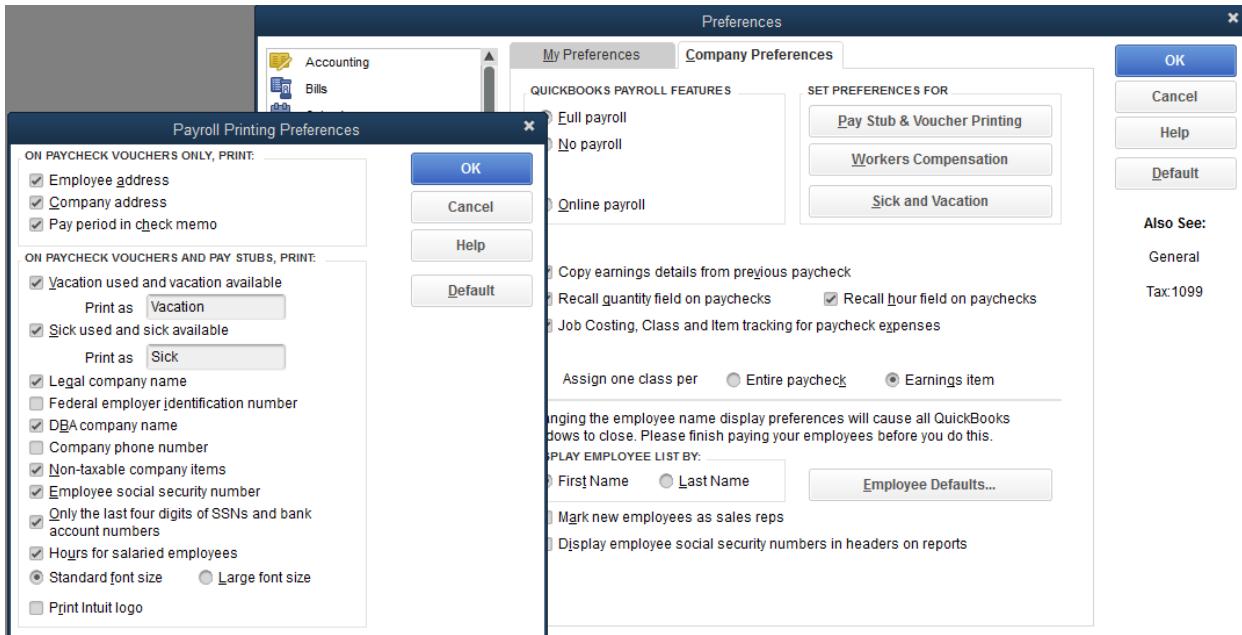
Now that you have signed for payroll, tied your new payroll subscription to your QuickBooks® data file, and activated Direct Deposit (if needed), it is now time to go through the setup process before you can begin running payroll.

- There are two ways to walk through this process:
  - The Payroll Set Up Wizard
  - Manually from within the specific screens in QuickBooks®
- Although the Payroll Setup Wizard may seem easier, we have found it easier to use the manual method as it:
  - allows you to tailor your payroll to your specific needs
  - is the only way to change/add items to your payroll (new employees, new deductions etc...) in the future so you might as well learn and use the manual method now.
- There are 8 stages to setting up your payroll correctly
  - Choosing the **Payroll Preferences**
  - Adding **Accounts** in the Chart of Accounts
  - Adding the **Payroll Items** – These are the “building blocks” of your payroll
  - **Scheduling payments** for Taxes and Other Liabilities (like 401k)
  - **Adding Employees** info and pay rates
  - **Checking for Errors** by using Payroll Setup Wizard
  - **Signing up to pay federal tax payments** online through EFTPS with the IRS (if you are not signed up yet)
  - **Entering Year-To-Date Payroll** (only needed if you have chosen to begin using QuickBooks® payroll in the middle of the year (NOT January 1<sup>st</sup>) and have paid employees during the current year but before you started using QuickBooks® Payroll)
- We will go through each stage in this chapter.

## SETTING UP: PAYROLL PREFERENCES

- Choosing the **Payroll Preferences** – These are features controlling items such as
  - What prints on Pay Stubs
  - How Sick and Vacation should be accrued
  - How Payroll is allocated between “Jobs” (for contractors)
  - How Payroll is allocated between “Classes” (for nonprofits using classes to track programs/grants)
  - New Employee Defaults
  - How employees names appear in QuickBooks® (Last Name, First Name vs. First Name, Last Name)
  
- Setting up these preferences correctly the first time will make the remainder of the set up process easier and result in better reporting.

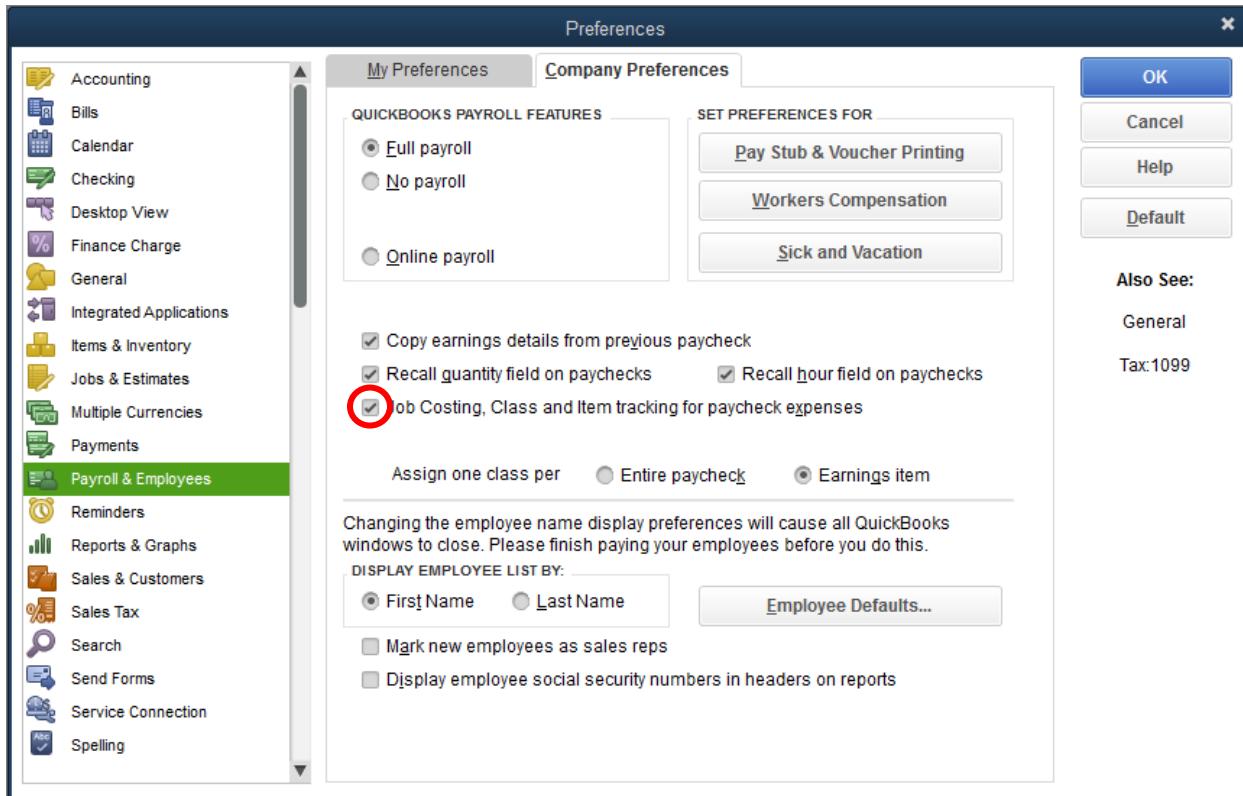
## SETTING UP: PAYROLL PREFERENCES



### **Step 1: Setting Up Defaults - Payroll Printing Preferences**

- 1) Select “Edit>Preferences...” from the menu bar at the top of your screen
- 2) Select “Payroll & Employees” from the left column and select the “Company Preferences” tab
- 3) Click “Pay Stub & Voucher Printing” and check the boxes of the items you want printed in the “ON PAYCHECK VOUCHERS ONLY, PRINT:” and the “ON PAYCHECK VOUCHER AND PAY SUBS, PRINT:” sections
- 4) Click “OK”

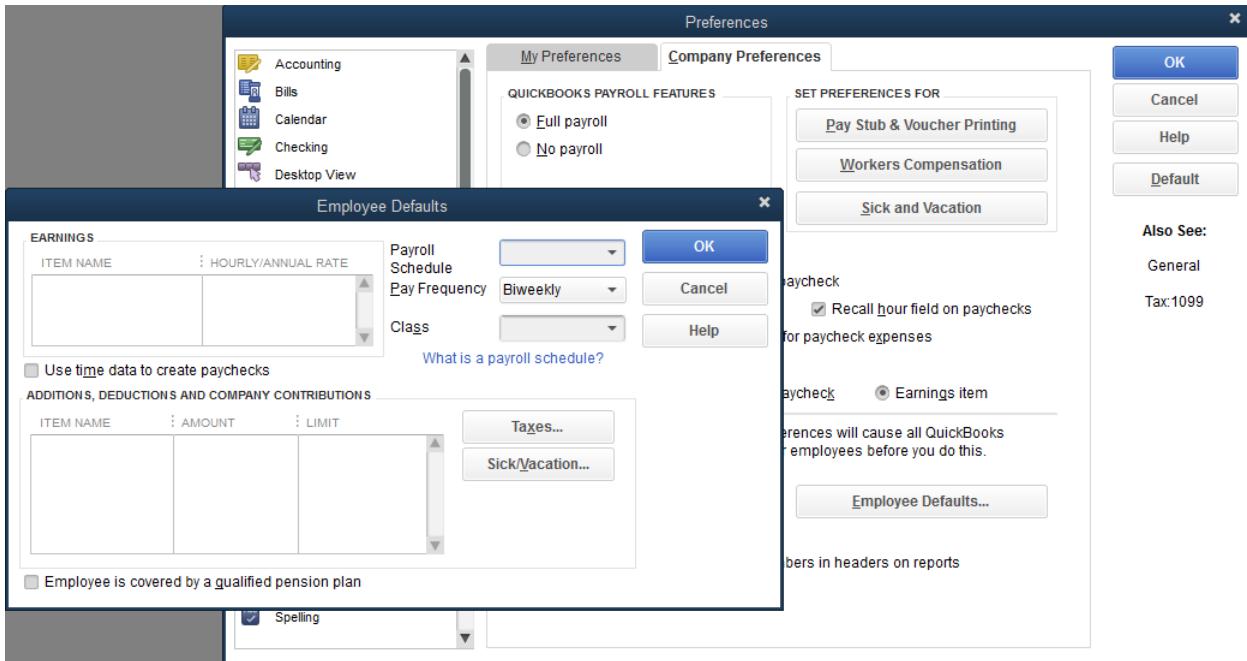
## SETTING UP: PAYROLL PREFERENCES



### Step 2: Setting Up Job Costing Preferences

- 1) Select "Edit>Preferences..." from the menu bar at the top of your screen
- 2) Select "Payroll & Employees" from the left column and select the "Company Preferences" tab
- 3) Check the box next to "Job Costing, Class and Item tracking for paycheck expenses"
- 4) For non-profits, in the "Assign one class per" field, select "Earnings Item"
- 5) Click "OK"

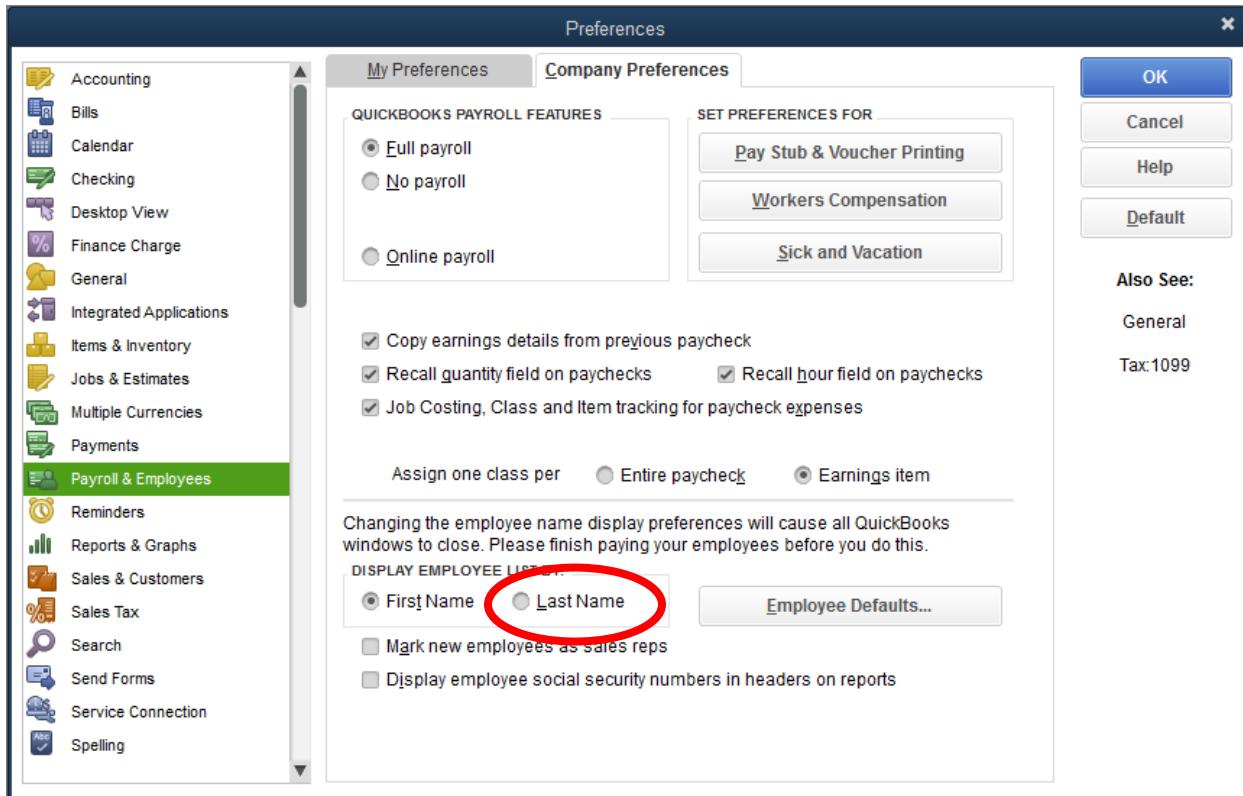
## SETTING UP: PAYROLL PREFERENCES



### Step 3: Setting Up Employee Defaults

- 1) Select “Edit>Preferences...” from the menu bar at the top of your screen
- 2) Select “Payroll & Employees” from the left column and select the “Company Preferences” tab
- 3) Click “Employee Defaults...”
- 4) Check the box next to “Use time data to create paychecks”
- 5) Select the appropriate “Pay Frequency” from the drop down menu
- 6) Click “OK”

## SETTING UP: PAYROLL PREFERENCES



### Step 4: Setting Up Other Defaults

- 1) Select "Edit>Preferences..." from the menu bar at the top of your screen
- 2) Select "Payroll & Employees" from the left column and select the "Company Preferences" tab
- 3) In the "DISPLAY EMPLOYEE LIST BY:" section, select "Last Name"
- 4) Click "OK"

## SETTING UP: ADDING ACCOUNTS

- Adding **Accounts** in the Chart of Accounts for
  - Wages
  - Payroll Taxes
  - Payroll Liabilities
- Below is a Chart of Accounts List with some of the typical payroll accounts that need to be added

Chart of Accounts			
NAME	TYPE	BALANCE TO...	ATT...
↳ Payroll Liabilities			
↳ Federal Withholding	Other Current Li...	2,833.27	
↳ Social Security	Other Current Li...	1,218.33	
↳ Medicare	Other Current Li...	861.88	
↳ State Withholding	Other Current Li...	303.37	
↳ State Unemployment	Other Current Li...	416.13	
↳ 403b Retirement Plan	Other Current Li...	33.56	
	Other Current Li...	0.00	
↳ Bank of America Loan	Long Term Liabi...	38,422.00	
↳ Line of Credit	Long Term Liabi...	0.00	
↳ Opening Bal Equity	Equity	0.00	
↳ Retained Earnings	Equity		
↳ Individual Contributions	Income		
↳ Corporate Grants	Income		
↳ Foundation Grants	Income		
↳ Government Grants	Income		
↳ Program Fees	Income		
↳ Membership Dues	Income		
↳ Miscellaneous Income	Income		
↳ Interest Income	Income		
↳ Employee Gifts	Expense		
↳ Salary & Wages	Expense		
↳ Payroll Tax	Expense		

- On the next page is an example of how to create one of these accounts.

## SETTING UP: ADDING ACCOUNTS

The screenshot shows a software window for creating a new account. At the top, there's a dropdown menu labeled "Account Type" with "Expense" selected. Below that, the "Account Name" field is populated with "Salaries & Wages". There's also a "Subaccount of" dropdown field. Under the heading "OPTIONAL", there are two text input fields: "Description" and "Note". At the bottom of the window, there are three buttons: "Save & Close" (highlighted in blue), "Save & New", and "Cancel". A cursor arrow is visible on the right side of the window.

### The Steps: Creating Payroll Accounts

- 1) From the homepage, double click the “Chart of Accounts” icon in the “COMPANY” section to the right
- 2) Select “Account>New” at the bottom left of you screen
- 3) Select the type of account then click “Continue”
- 4) In the “Account Name” field, type an appropriate name for the account
- 5) Click “Save & New” to create another account or click Save & Close”
- 6) Repeat steps 1-5 to create other additional accounts, as necessary  
(Salaries & Wages, Direct Wages, Payroll Taxes, Payroll Liability accounts)

## SETTING UP: ADDING PAYROLL ITEMS

- Now it is time to create your payroll items.
  - **Payroll Items** – These are the “building blocks” of your payroll.
  - All the lines that appear on a paycheck:
    - Gross Wages
    - Additions (such as mileage reimbursement)
    - Tax Withholdings
    - Other Withholdings (Health ins., 401K, etc...)
  - Company Paid amounts based on payroll (401K match etc...)
  
- Below is a list of typical payroll items needed in order to run payroll. (You may not need all of these)

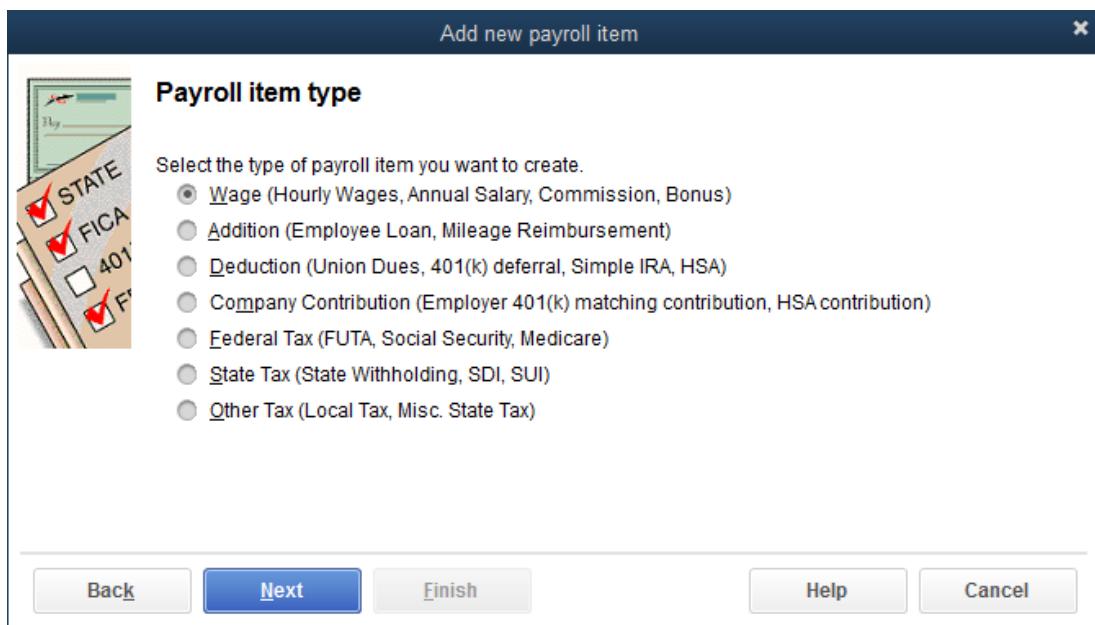
Payroll Item List								
ITEM NAME	TYPE	ACCOUNT ID	EXPENSE ACCOU...	LIABILITY ACCOU...	TAX TRACKING	AMOUNT	LIMIT	PAYABLE TO
Salary	Yearly Salary		Salary & Wages		Compensation			
Sick Salary	Yearly Salary		Salary & Wages		Compensation			
Vacation Salary	Yearly Salary		Salary & Wages		Compensation			
Double-time hourly	Hourly Wage		Salary & Wages		Compensation			
Hourly	Hourly Wage		Salary & Wages		Compensation			
Hourly Rate	Hourly Wage		Salary & Wages		Compensation			
Overtime (x1.5) hourly	Hourly Wage		Salary & Wages		Compensation			
Sick Hourly Rate	Hourly Wage		Salary & Wages		Compensation			
Vacation Hourly Rate	Hourly Wage		Salary & Wages		Compensation			
Mileage Reimbursement	Addition		Salary & Wages		None	0.00		
403(b) Emp.	Deduction	213132		Payroll Liabilities	403(b)	0.00		Fifth/Third Bank
Health Insurance (pre-tax)	Deduction	83712		Payroll Liabilities	Premium Only/125	0.00		Health Insurance is US
Health Insurance Emp (taxable)	Deduction			Payroll Liabilities	None	0.00		
403(b) Co. Match	Company Contribution		Salary & Wages	Payroll Liabilities	None	0.00		
Health Insurance (company pa...	Company Contribution	83712	Salary & Wages	Payroll Liabilities	None	0.00		Health Insurance is US
Advance Earned Income Credit	Federal Tax	53-1234568		Payroll Liabilities	Advance EIC Payment			Union Bank
Federal Unemployment	Federal Tax	53-1234568	Salary & Wages	Payroll Liabilities	FUTA	0.6%	7,000.00	United States Treasury
Federal Withholding	Federal Tax	53-1234568		Payroll Liabilities	Federal			Union Bank
Medicare Company	Federal Tax	53-1234568	Salary & Wages	Payroll Liabilities	Comp. Medicare	1.45%		Union Bank
Medicare Employee	Federal Tax	53-1234568		Payroll Liabilities	Medicare	1.45%		Union Bank
Social Security Company	Federal Tax	53-1234568	Salary & Wages	Payroll Liabilities	Comp. SS Tax	6.2%	118,500.00	Union Bank
Social Security Employee	Federal Tax	53-1234568		Payroll Liabilities	SS Tax	6.2%	-118,500.00	Union Bank
GA - Withholding	State Withholding Tax	9989999-GA		Payroll Liabilities	.... SWH			Georgia State University
GA - Unemployment Company	State Unemployment Tax	878979-00	Salary & Wages	Payroll Liabilities	Comp. SUI	2.7%	9,500.00	Greens Solar Paneling
GA - Admin. Assessment	Other Tax	878979-00	Salary & Wages	Payroll Liabilities	Co. Paid Other Tax	0.08%	9,500.00	Greens Solar Paneling
Medicare Employee Addl Tax	Other Tax	53-1234568		Payroll Liabilities	Medicare Addl Tax	0.9%		Union Bank

## SETTING UP: ADDING PAYROLL ITEMS

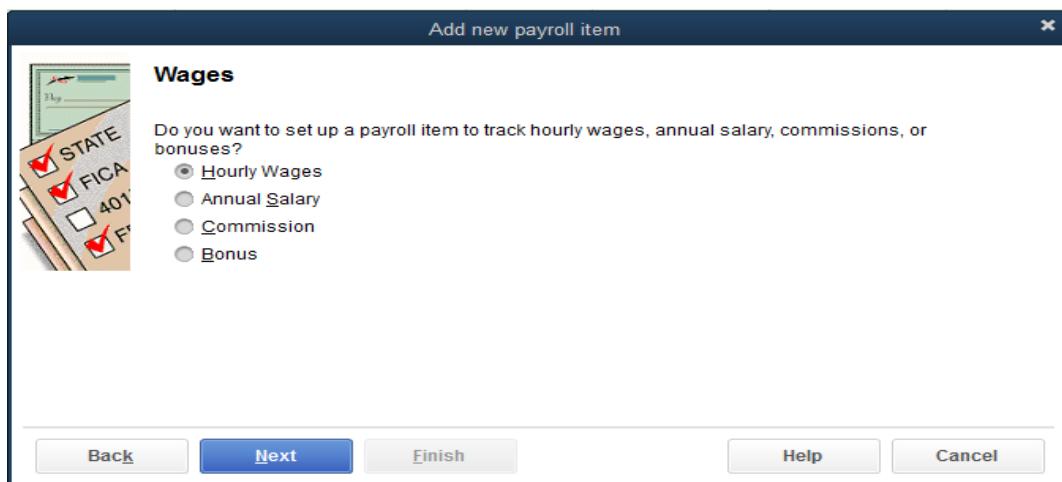
EXAMPLE OF CREATING A WAGE PAYROLL ITEM IS SHOWN BELOW

### **Step 1: Setting Up Wage Payroll Item**

- 1) Select “Lists>Payroll Item List from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” at the bottom left of you screen
- 3) Select “Custom Setup (allows editing of all settings recommended for expert users)” and click “Next”

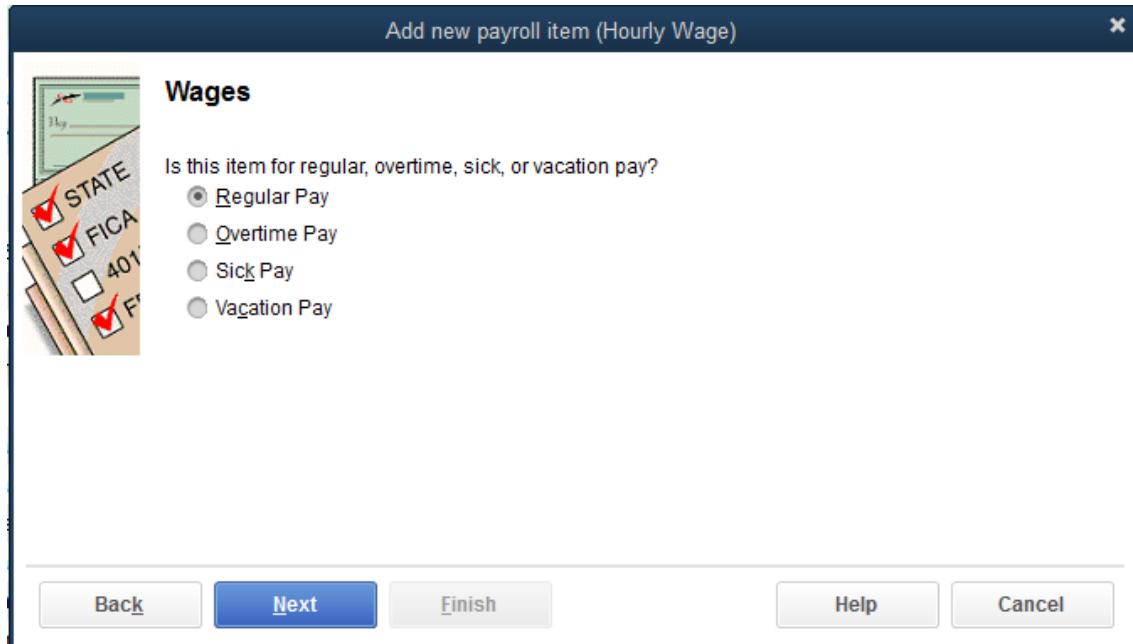


- 4) Select “Wage (Hourly Wages, Annual Salary, Commission, Bonus)” and click “Next”

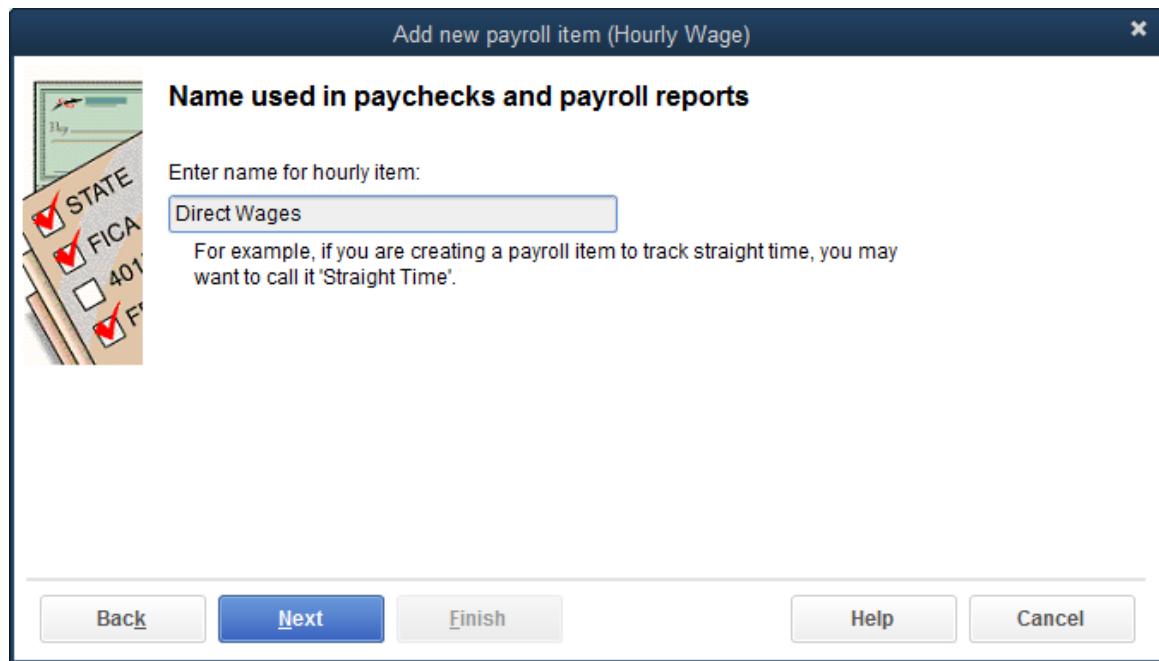


- 5) Select the appropriate type of Wages and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS



- 6) Select the appropriate type of Pay and click "Next"
- 7) Type an appropriate name for the account and click "Next"



- 8) Type an appropriate name for the account and click "Next"

## SETTING UP: ADDING PAYROLL ITEMS



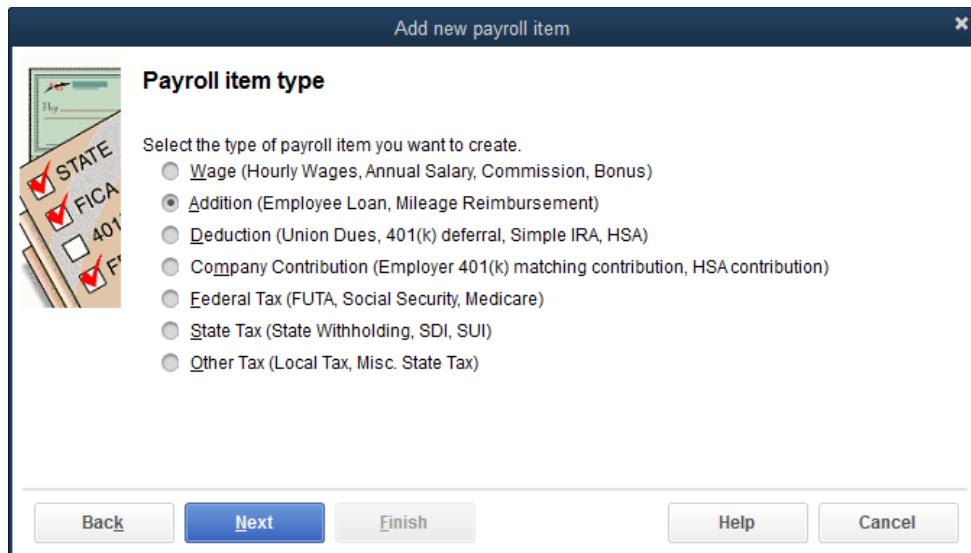
- 9) In the “Enter the account for tracking this expense.” field, select the appropriate type of from the drop down menu and click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS

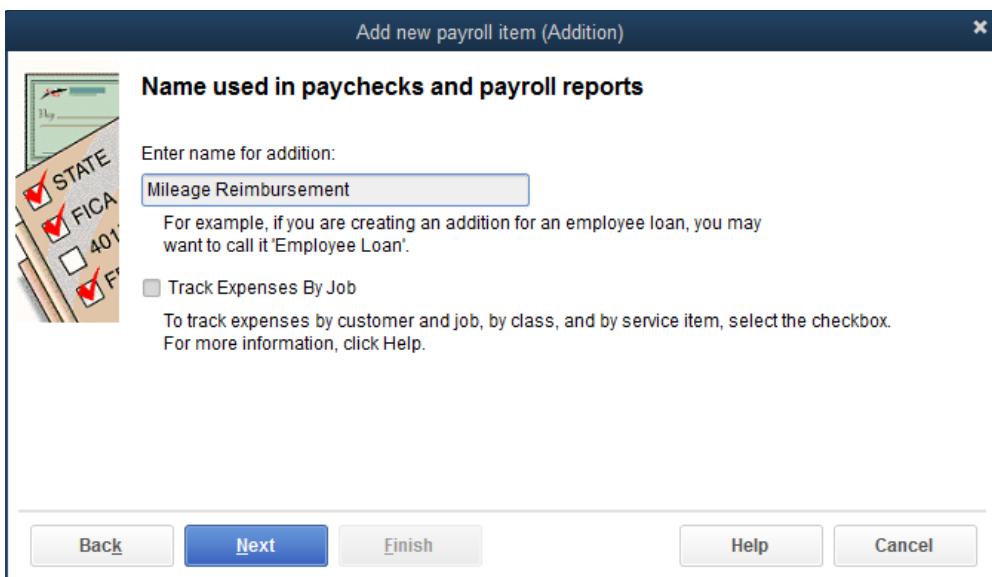
EXAMPLE OF CREATING AN ADDITION PAYROLL ITEM IS SHOWN BELOW

### **Step 2: Setting Up an Addition Payroll Item: Mileage Addition**

- 1) Select “Lists>Payroll Item List from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” at the bottom left of you screen
- 3) Select “Custom Setup (allows editing of all settings recommended for expert users)” and click “Next”

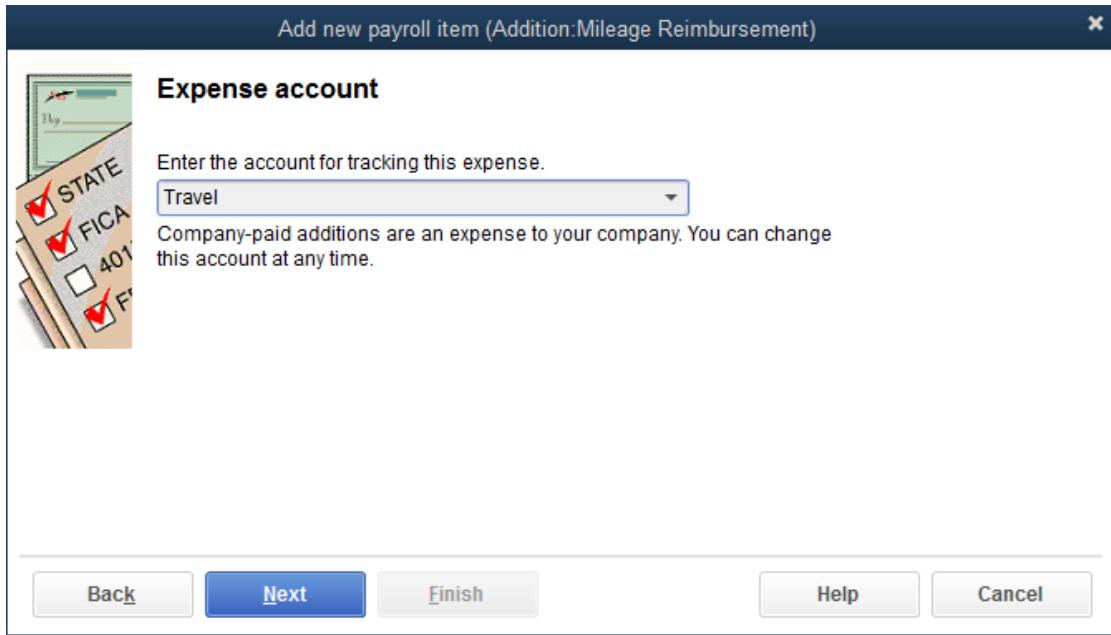


- 4) Select “Addition (Employees Load, Mileage Reimbursement)” and click “Next”

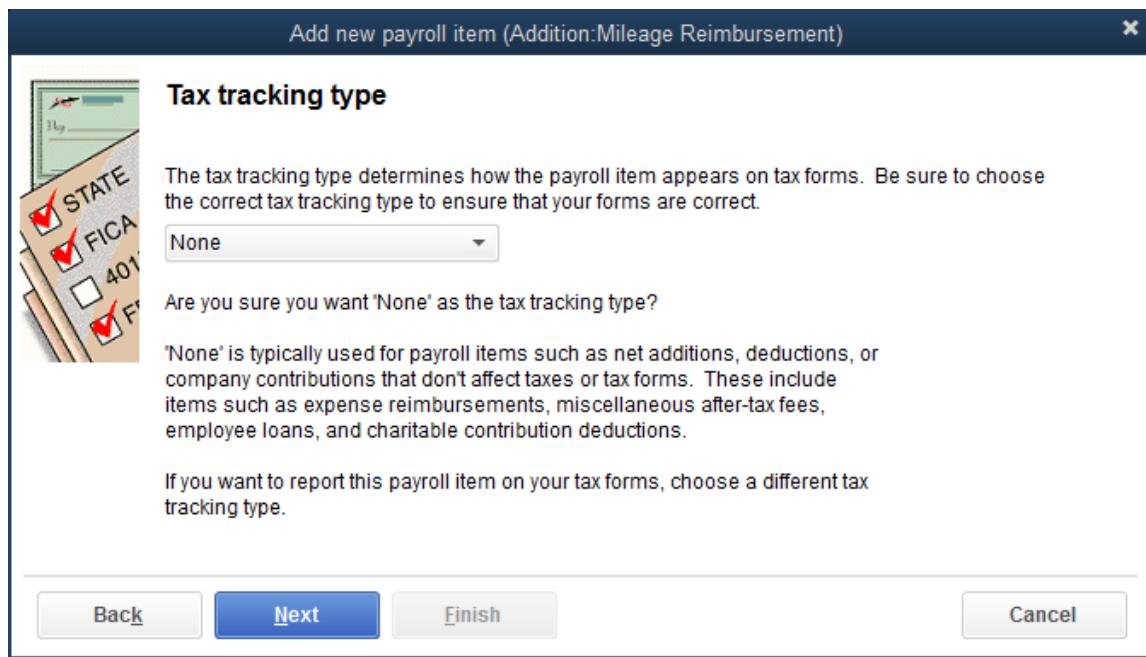


- 5) In the “Enter name for addition:” field, type an appropriate name
- 6) Check the box next to “Track Expenses By Job” if you desire and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

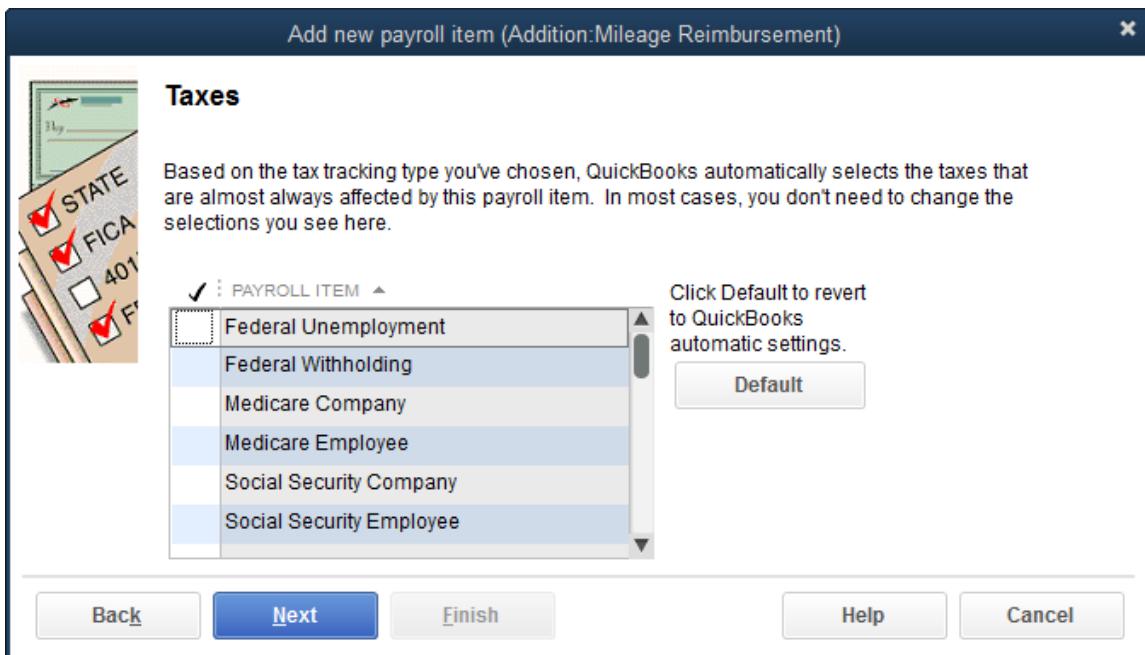


- 7) In the “Enter the account for tracking this expense.” field, select the appropriate account from the drop down menu and click “Next”

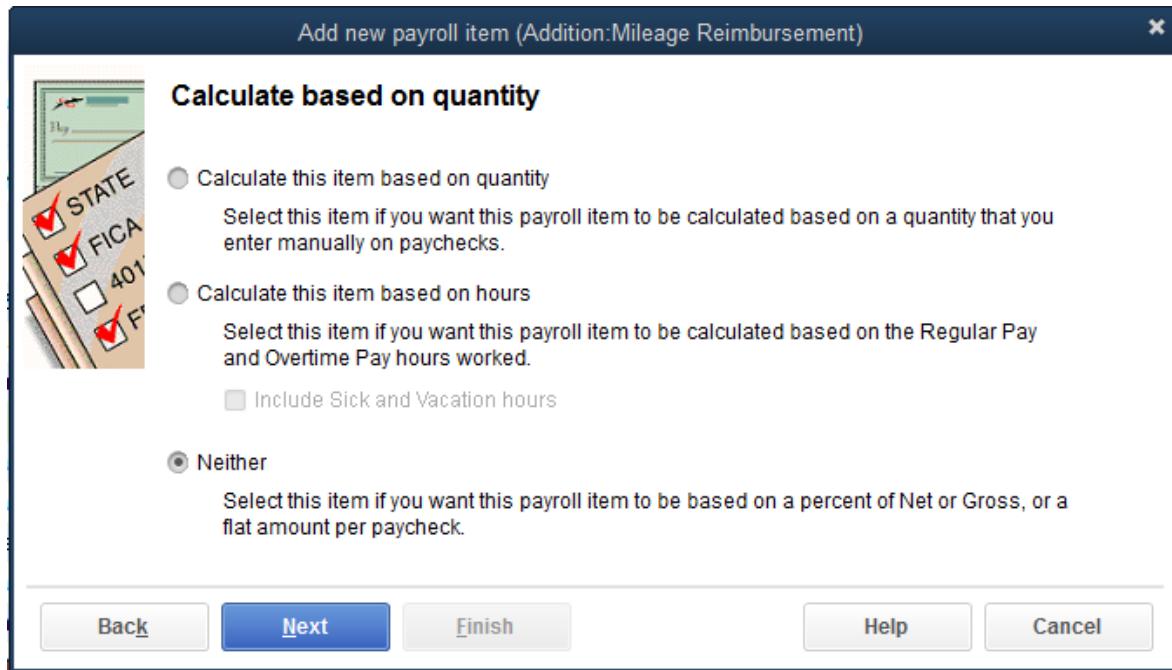


- 8) From the “Tax tracking type” window, select the appropriate type (talk to your Accountant) from the drop down menu and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

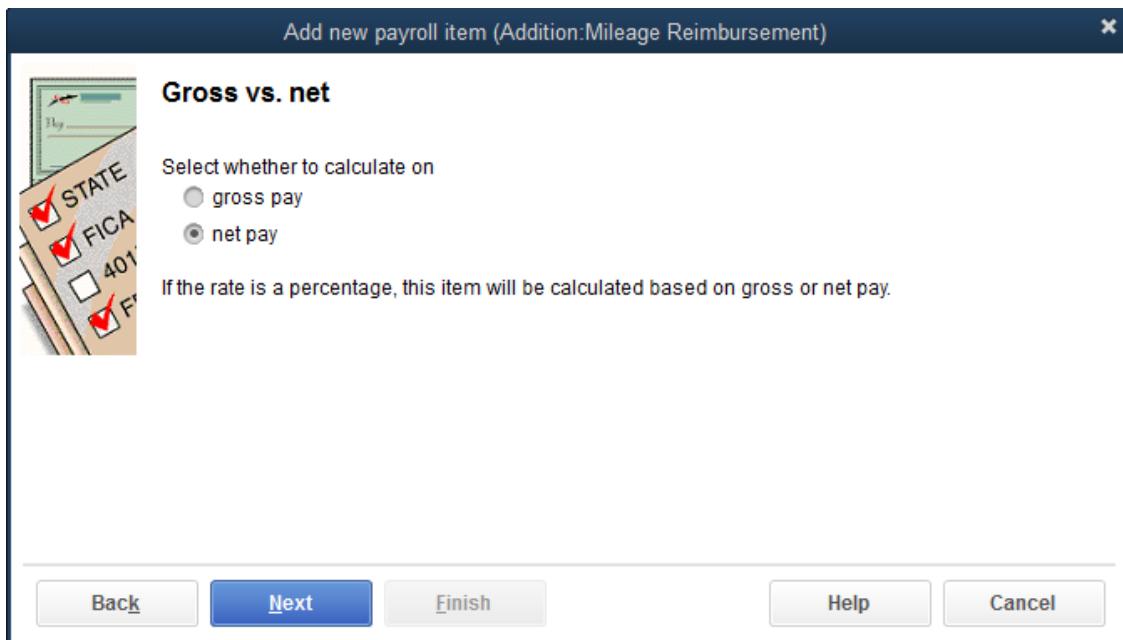


- 9) In the "Taxes" window, select the appropriate items (talk to your Accountant) then click "Next"

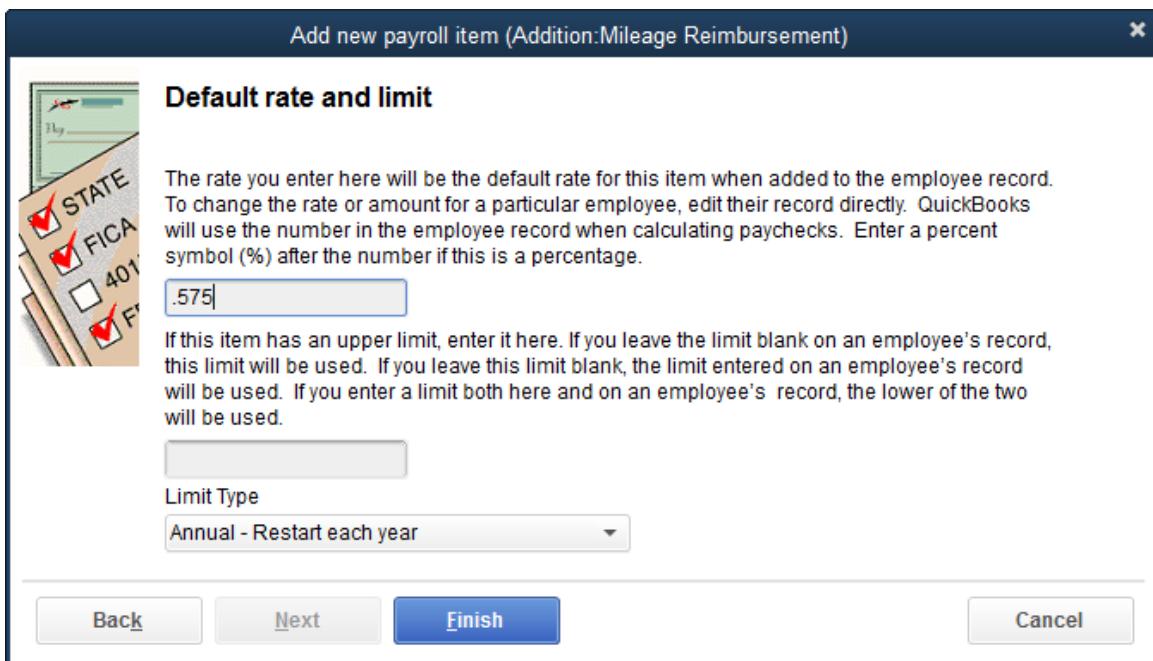


- 10) In the "Calculate based on quantity" window, select the appropriate option, then click "Next"

## SETTING UP: ADDING PAYROLL ITEMS



- 11) In the “Gross vs. net” window, select the appropriate way to calculate this item and click “Next”



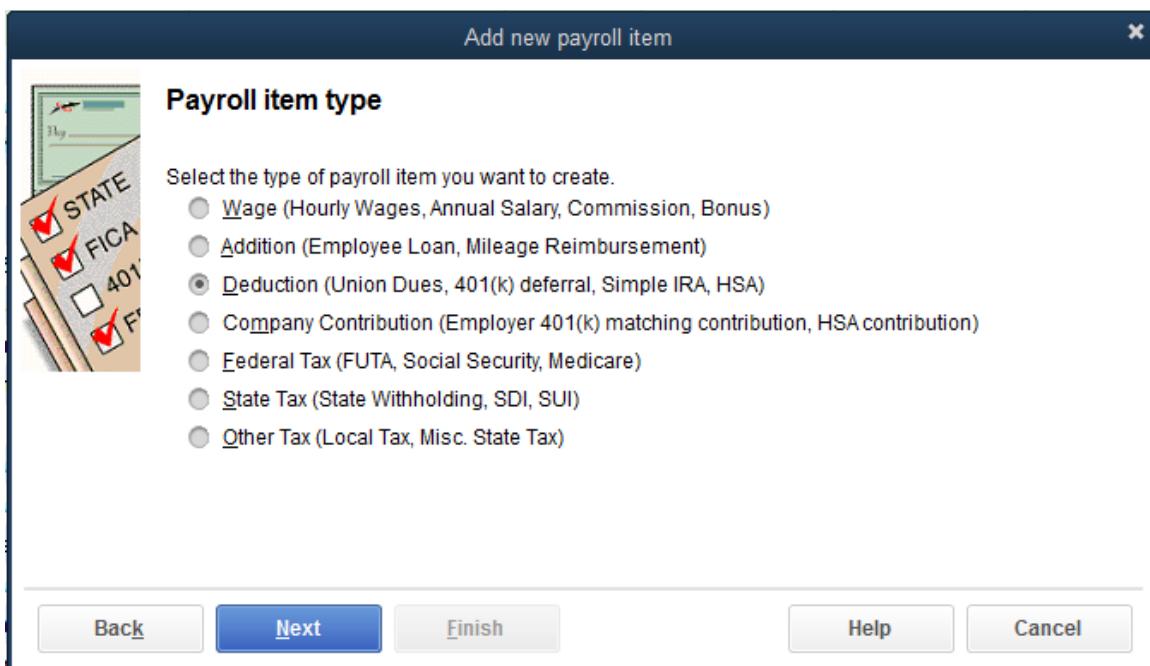
- 12) In the “Default rate and limit” window, enter the mileage rate in the first box then click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS

EXAMPLE OF CREATING A DEDUCTION PAYROLL ITEM IS SHOWN BELOW

### **Step 3: Setting Up a Deduction Payroll Item: Health Insurance Deduction**

- 1) Select “Lists>Payroll Item List from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” at the bottom left of you screen
- 3) Select “Custom Setup (allows editing of all settings recommended for expert users)” and click “Next”



- 4) Select “Deduction (Union Dues, 401(k) deferral, Simple IRA, HSA)” and click “Next”
- 5) In the “Enter name for addition:” field, type an appropriate name
- 6) Check the box next to “Track Expenses By Job” if you desire and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

Add new payroll item (Deduction:Health Ins - Employee Portion) ×

**Agency for employee-paid liability**



Enter name of agency to which liability is paid:

Enter the number that identifies you to agency:

Liability account (employee-paid):

This liability account tracks deductions to be paid. You can change this account at any time.

[Back](#) [Next](#) [Finish](#) [Cancel](#)

- 7) In the “Agency for employee-paid liability” window, select the appropriate agency from the drop down menu and enter the appropriate identifying number
- 8) In the “Liability account (employee-paid):” field, select “<Add New>” from the drop down menu
- 9) In the “Account Type” field, select the appropriate account from the drop down menu and type the name of the account in the “Account Name” field, then click “Save & Close” then click “Next”

Add new payroll item (Deduction:Health Ins - Employee Portion) ×

**Tax tracking type**



The tax tracking type determines how the payroll item appears on tax forms. Be sure to choose the correct tax tracking type to ensure that your forms are correct.

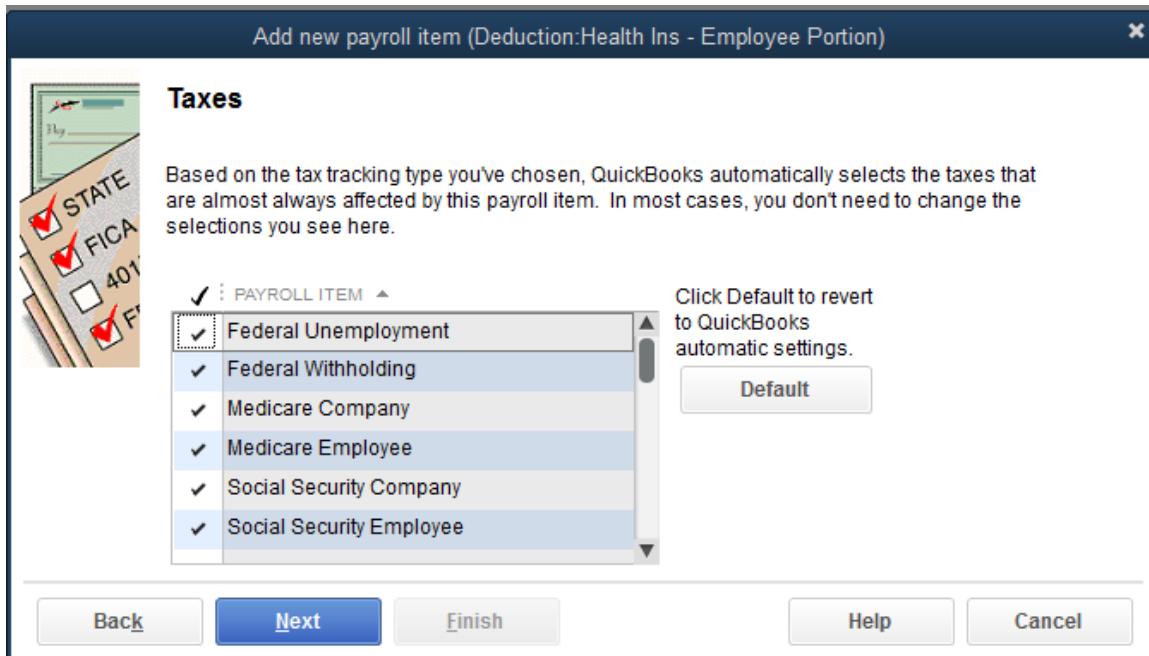
Used for employee pre-tax contributions to premium only plans and cafeteria plans that are associated with a Section 125 plan. This tax tracking type is associated with employee deductions. Effect on Federal forms listed when used as a deduction with default taxability settings:

- 940: Included in wages (line 3), increases exempt payments (line 4)
- 941: Reduces wages (lines 2, 5a, 5c)
- 944: Reduces wages (lines 1, 4a, 4c)
- W-2: Reduces wages (boxes 1, 3, 5)

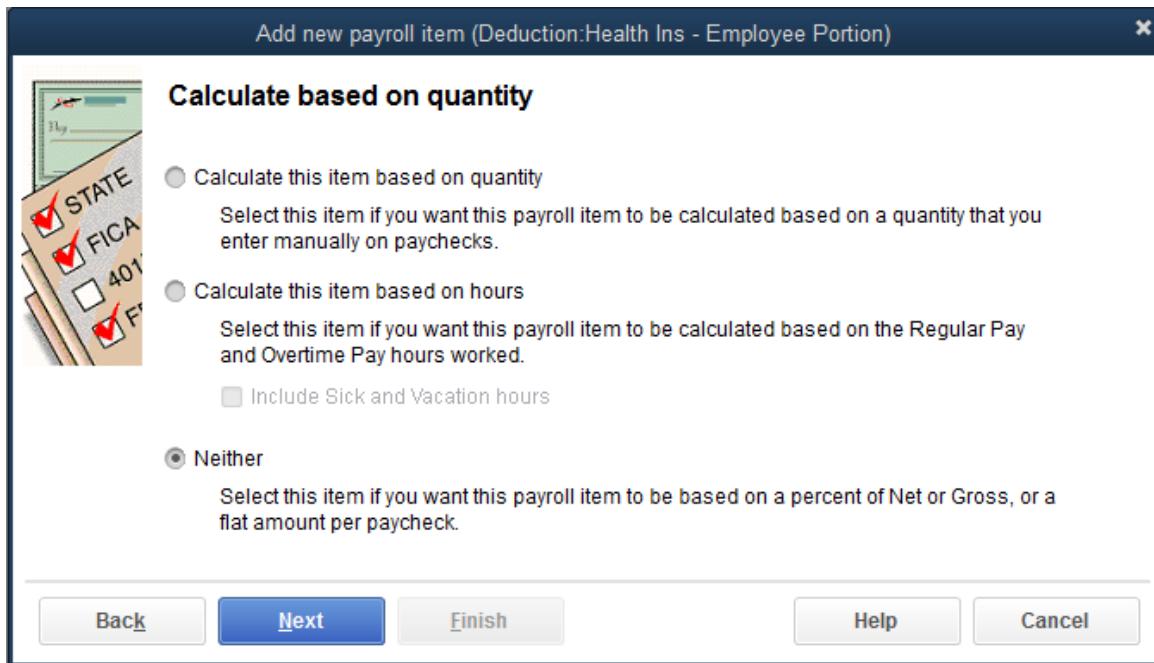
[Back](#) [Next](#) [Finish](#) [Cancel](#)

- 10) From the “Tax tracking type” window, select the appropriate type (talk to your Accountant) from the drop down menu and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

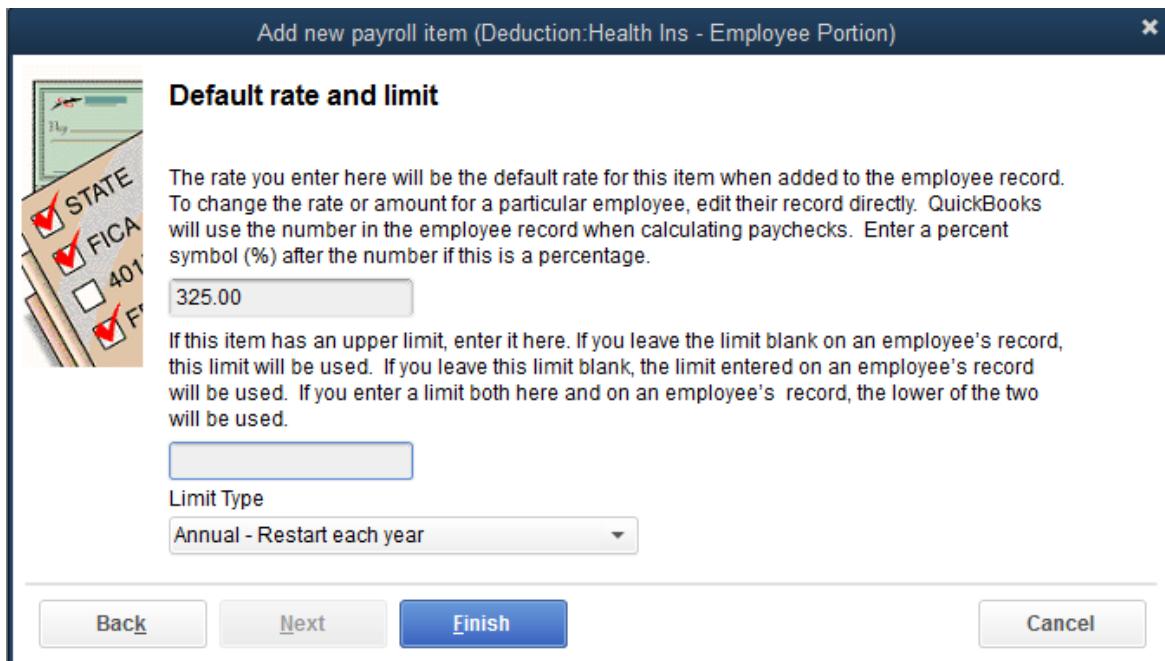


- 11) In the "Taxes" window select the appropriate items (talk to your Accountant) and click "Next"



- 12) In the "Calculate based on quantity" window, select "Neither" then click "Next"

## SETTING UP: ADDING PAYROLL ITEMS



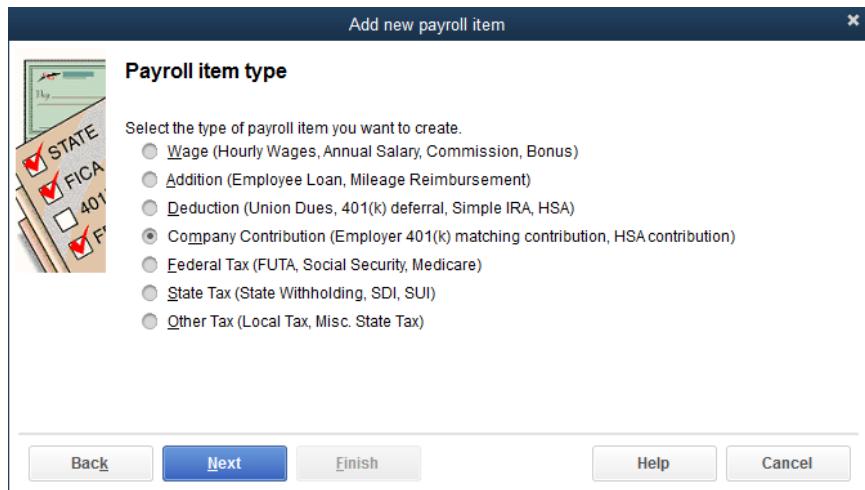
- 13) In the “Default rate and limit” window, enter the appropriate rate in the first box then click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS

EXAMPLE OF CREATING A COMPANY CONTRIBUTION PAYROLL ITEM IS SHOWN BELOW

### Step 4: Setting Up a Company Contribution Payroll Item: Employer Paid Part of Health Insurance

- 1) Select “Lists>Payroll Item List from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” at the bottom left of you screen
- 3) Select “Custom Setup (allows editing of all settings recommended for expert users)” and click “Next”



- 4) Select “Company Contribution (Employer 401(k) matching contribution, HSA contribution” and click “Next”



- 5) In the “Enter name for company contribution:” field, type an appropriate name
- 6) Check the box next to “Track Expenses By Job”, if desired, and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

Add new payroll item (Company Contribution:Health Insurance - Employer Por) ×

**Agency for company-paid liability**



Enter name of agency to which liability is paid:

Enter the number that identifies you to agency:

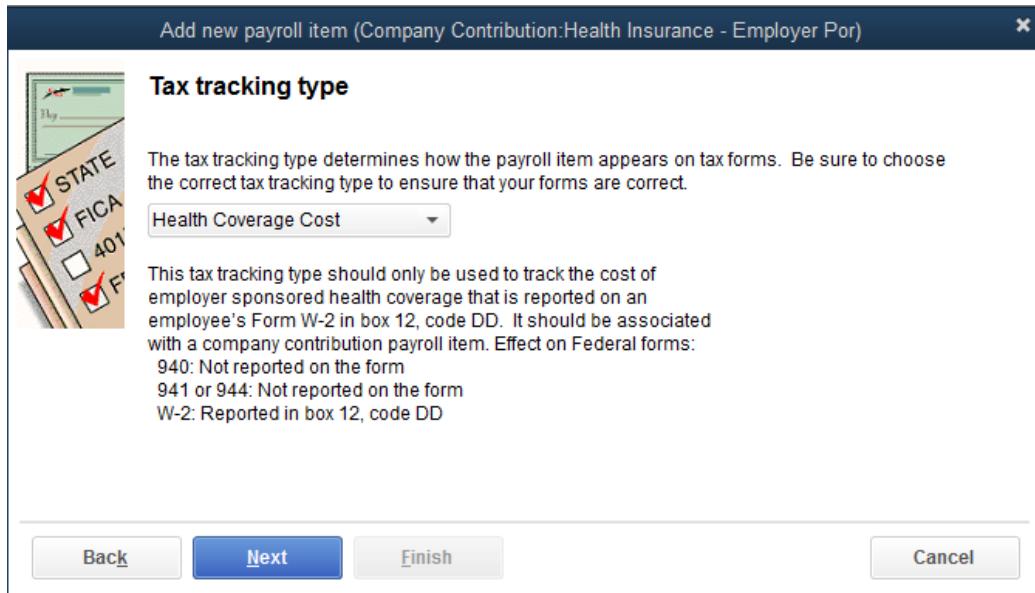
Liability account (company-paid):  This liability account tracks company contributions to be paid. You can change this account at any time.

Expense account:  Company-paid contributions are an expense to your company. You can change this account at any time.

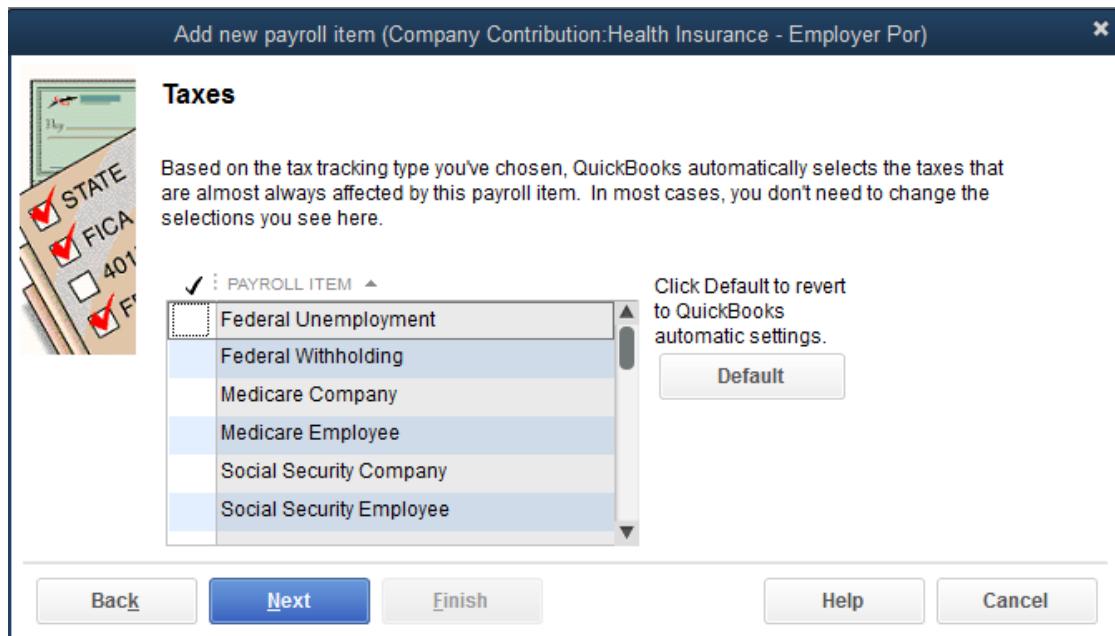
Back Next Finish Cancel

- 7) In the “Agency for employee-paid liability” window, select the appropriate agency from the drop down menu and enter the appropriate identifying number
- 8) In the “Liability account (employee-paid):” field, select “Health Insurance Liability”
- 9) In the “Expense account:” field select “<Add New>” from the drop down menu and click “Next”
- 10) In the “Account Type” field, select the appropriate account from the drop down menu and type the name of the account in the “Account Name” field, then click “Save & Close” then click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

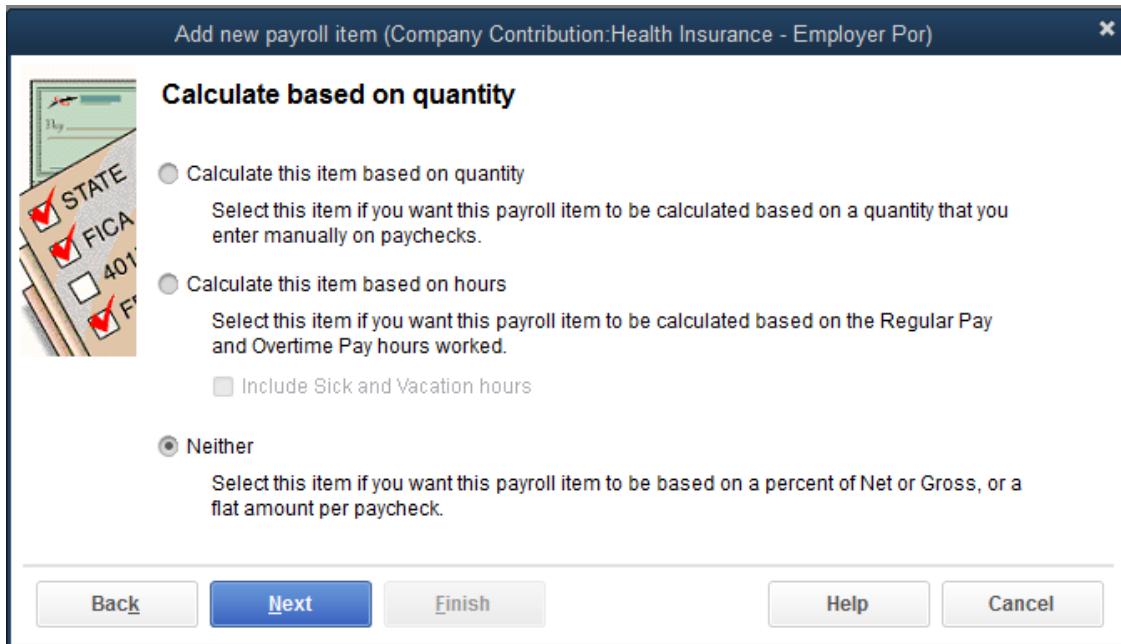


- 11) From the “Tax tracking type” window, select the appropriate type (talk to your Accountant) from the drop down menu and click “Next”

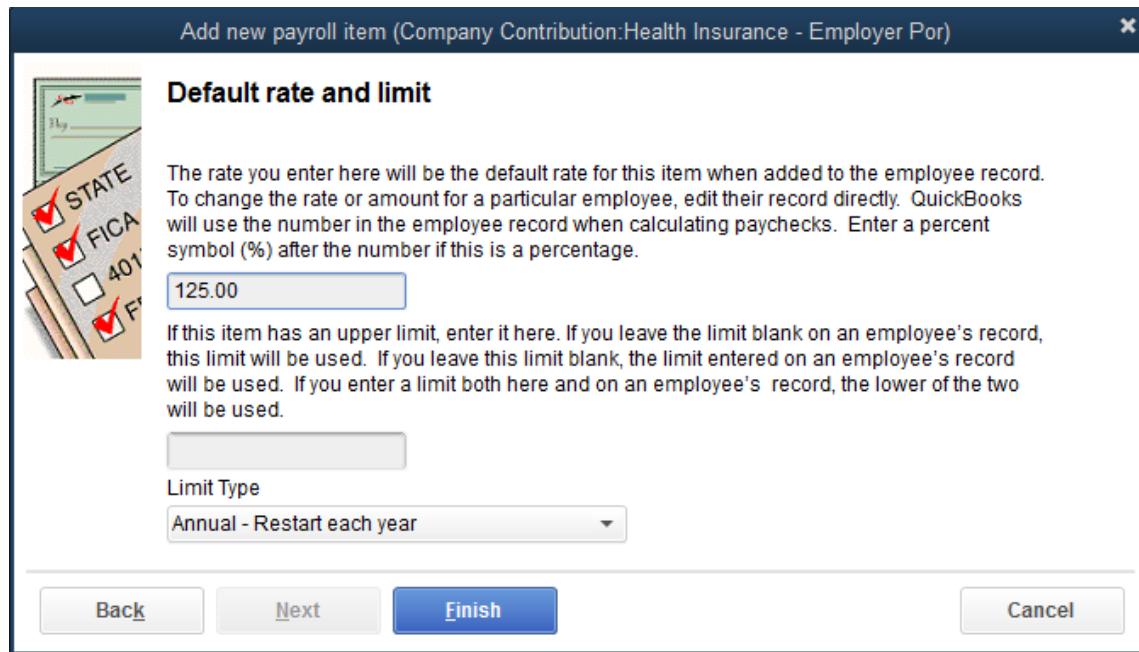


- 12) In the “Taxes” window select the appropriate items (talk to your Accountant) and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS



- 13) In the “Calculate based on quantity” window, select the appropriate option then click “Next”



- 14) In the “Default rate and limit” window, enter the appropriate rate in the first box then click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS

- Now it is time to create the items that deal with taxes. The Federal tax items automatically appear when you activate payroll (covered earlier). You will need to edit them to customize them for your business.

*EXAMPLE OF CUSTOMIZING A FEDERAL PAYROLL TAX ITEM IS SHOWN BELOW*

### **Step 5: Correcting Federal Withholding Tax Item**

- 1) Select “Lists>Payroll Item List from the menu bar at the top of your screen

Federal Withholding	Federal Tax	53-1234568		Payroll Liabilities	Federal		Union Bank
Medicare Company	Federal Tax	53-1234568	Salary & Wages	Payroll Liabilities	Comp. Medicare	1.45%	Union Bank
Medicare Employee	Federal Tax	53-1234568		Payroll Liabilities	Medicare	1.45%	Union Bank
Social Security Company	Federal Tax	53-1234568	Salary & Wages	Payroll Liabilities	Comp. SS Tax	6.2%	118,500.00 Union Bank
Social Security Employee	Federal Tax	53-1234568		Payroll Liabilities	SS Tax	6.2%	-118,500.00 Union Bank
GA- Withholding	State Withholding Tax	9989999-GA		Payroll Liabilities	SWH		Georgia State University
GA- Unemployment Co...	State Unemployment Tax	878979-00	Salary & Wages	Payroll Liabilities	Comp. SUI	2.7%	9,500.00 Greens Solar Paneling
GA-Admin. Assessment	Other Tax	878979-00	Salary & Wages	Payroll Liabilities	Co. Paid Other Tax	0.08%	9,500.00 Greens Solar Paneling
Medicare Employee Addl...	Other Tax	53-1234568		Payroll Liabilities	Medicare Addl Tax	0.9%	Union Bank

Payroll Item ▾ Activities ▾ Reports ▾  Include inactive

- 2) Double click on the Item you would like to edit

Edit payroll item (Federal Withholding)

**Name used in paychecks and payroll reports**



Enter name for federal withholding tax payroll item:

Payroll item is inactive  
To hide this item on the Payroll Item list, select the checkbox.

Back  Finish Help Cancel

- 3) In the “Name used in paychecks and payroll reports” window, type an appropriate name and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS

**Agency for employee-paid liability**

Enter name of agency to which liability is paid: Union Bank

Liability account (employee-paid): Payroll Liabilities:Federal Withholding

This liability account tracks federal withholding tax to be paid. You can change this account at any time.

Back Next Finish Help Cancel

Account Not Found

Federal Withholding is not in the Account list.

Set Up Cancel

- 4) In the “Enter name of agency to which liability is paid” field, select the appropriate agency from the drop down menu
- 5) In the “Liability account (employee-paid):” field, select the appropriate account from the drop down menu.
- 6) If the account has not been set up, in the “Account Not Found” pop-up window, click “Set Up”. If the account has been set up skip to step 9

Add New Account

Account Type: Other Current Liability

Account Name: Federal Withholding

Subaccount of: Payroll Liabilities

OPTIONAL

Description:

Account No.:

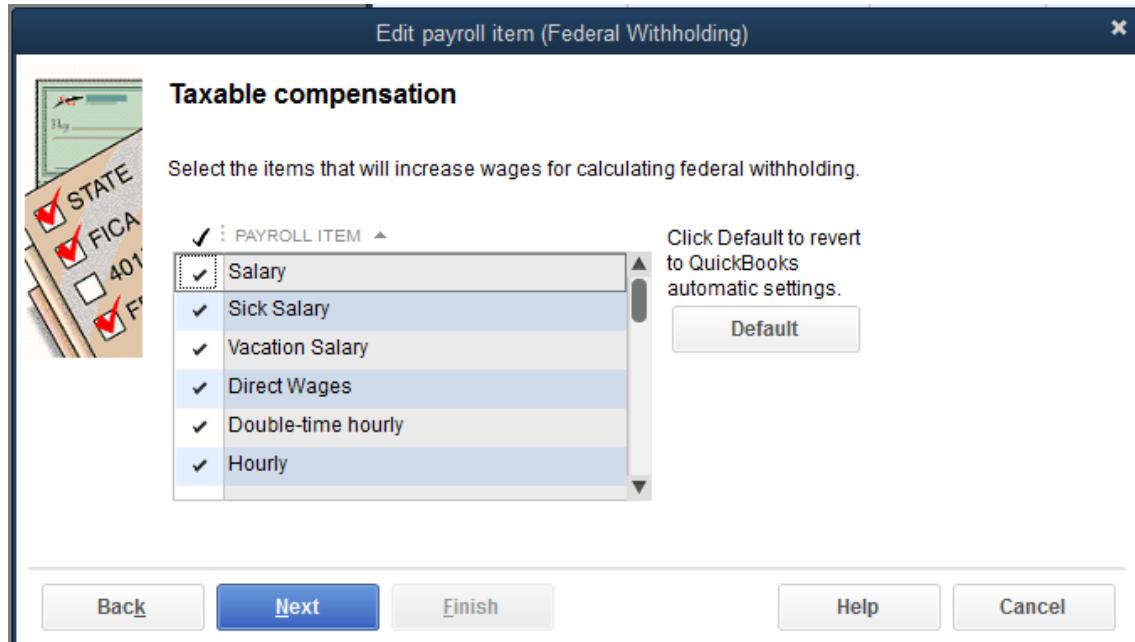
Routing Number:

Enter Opening Balance... Should I enter an opening balance?

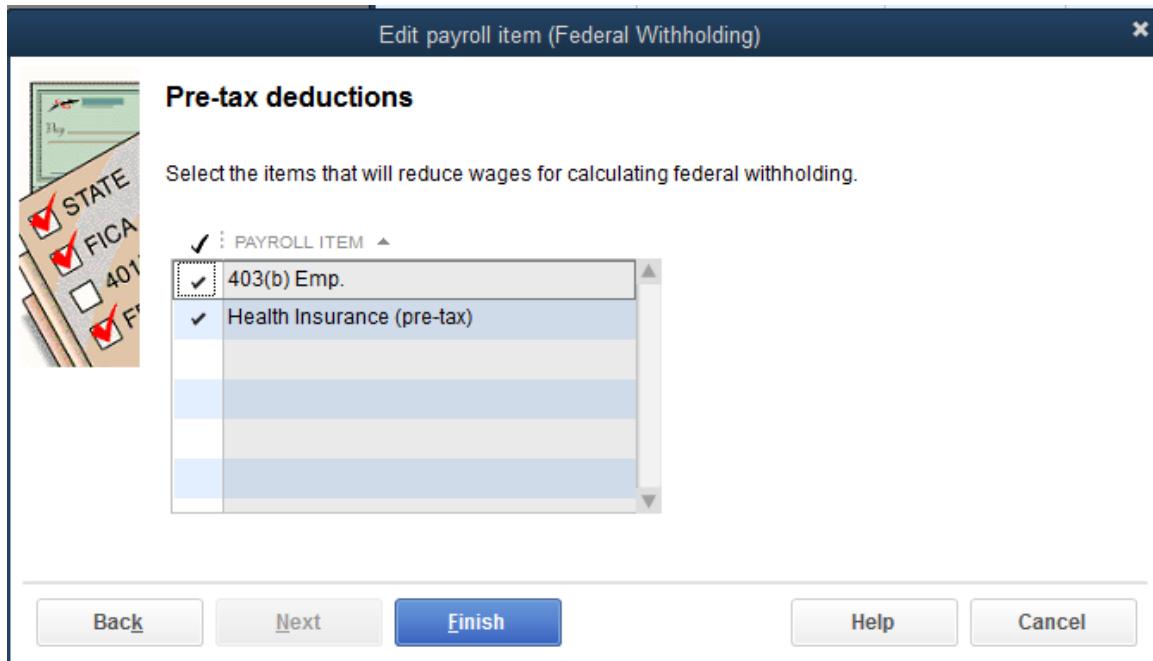
Save & Close Cancel

- 7) In the “Account Type” field, select the appropriate account type and type an appropriate name in the “Account Name” field
- 8) Check the box next to “Subaccount of” and select the appropriate account from the drop down menu, then click “Save & Close”

## SETTING UP: ADDING PAYROLL ITEMS

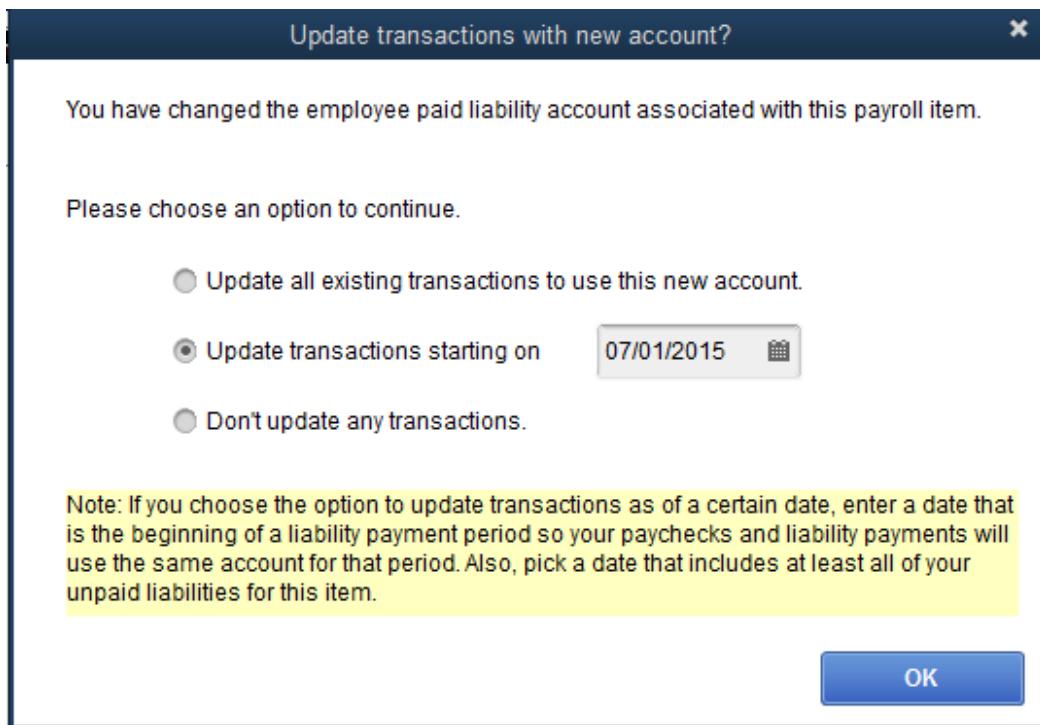


- 9) In the “Taxable compensation” window, select the appropriate items and then click “Next”



- 10) In the “Pre-tax deductions” window, select the appropriate items and click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS



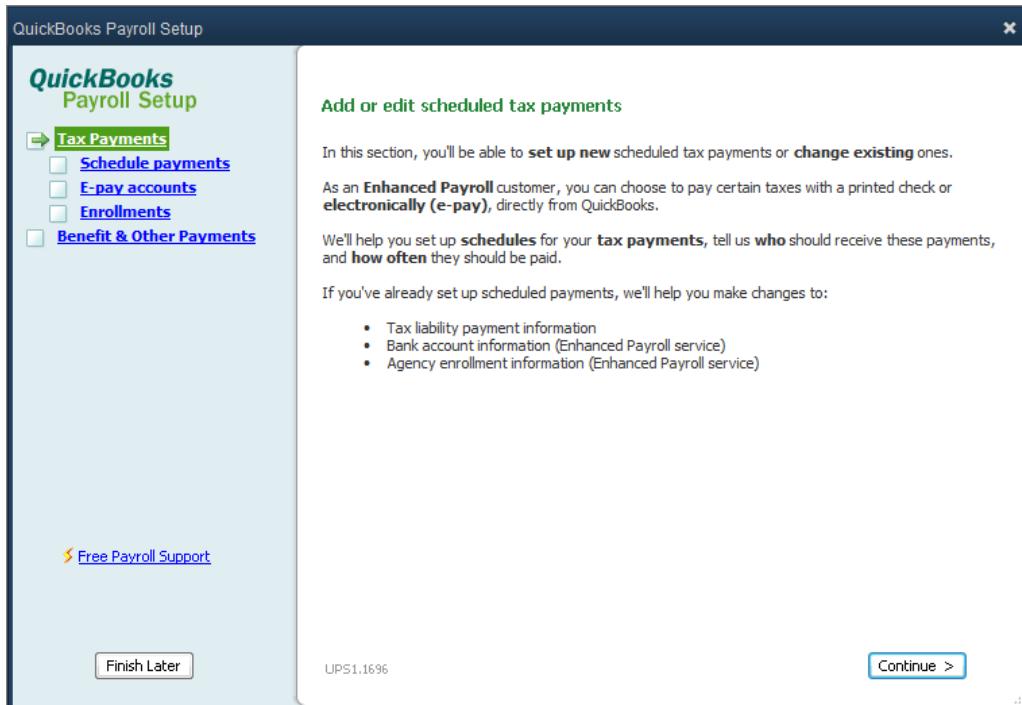
- 11) In the pop-up window choose the appropriate option and click “OK”

## SETTING UP: SCHEDULING PAYMENTS

- Now it is time to set up scheduled payments of
- Payroll Taxes (IRS and State Agencies)
  - Other Payroll Liabilities (Retirement, Health Insurance, etc...)

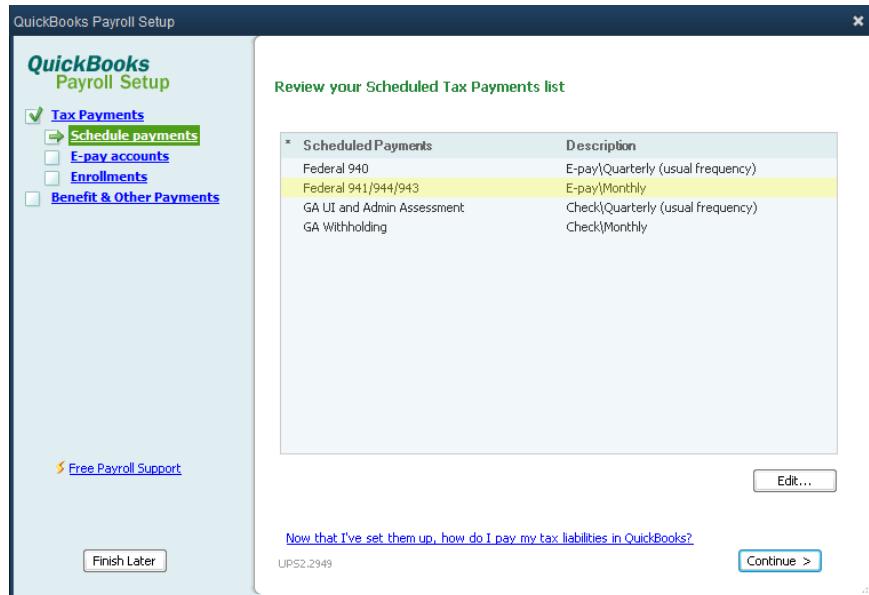
### Step 1: Editing Scheduled Tax Payments

- 1) From the homepage, double click on the “Payroll Center” icon in the “EMPLOYEES” section at the bottom left of your screen
- 2) Click on the “Pay Liabilities” tab
- 3) In the “Other Activities” section at the bottom of your screen, click “Change Payment Method”

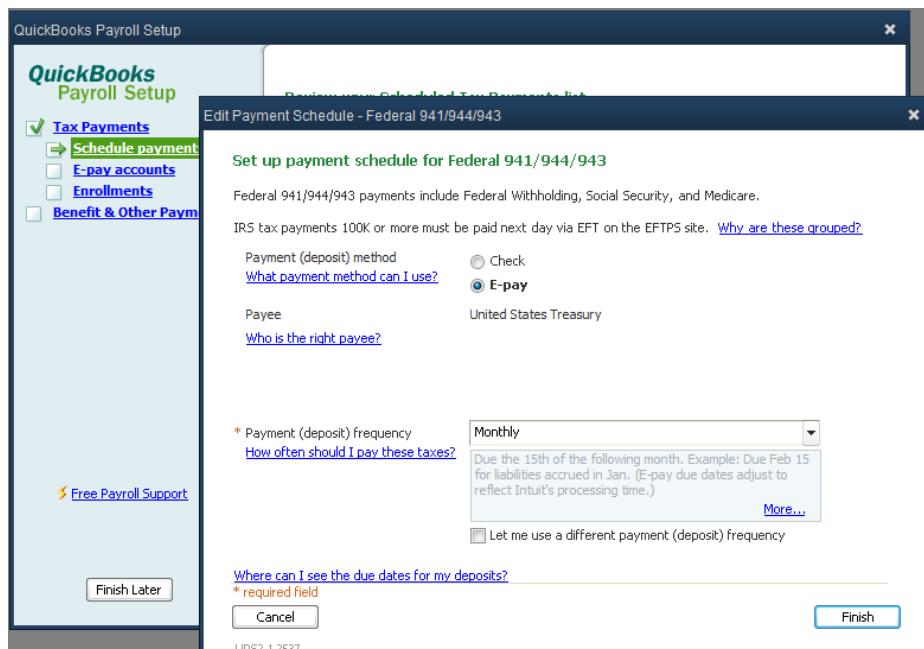


- 4) Click “Continue >”

## SETTING UP: SCHEDULING PAYMENTS



- 5) Select the appropriate option and click “Edit...”

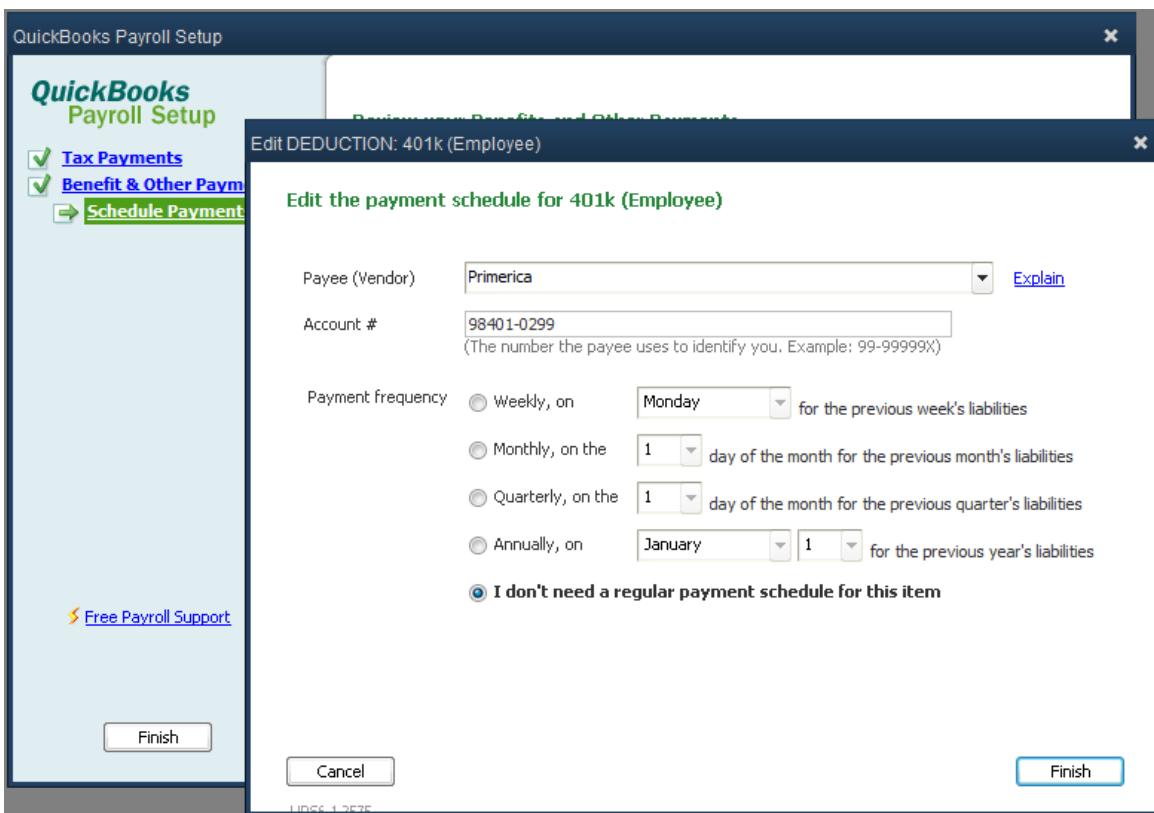


- 6) Select the appropriate payment method and select the appropriate payment frequency from the drop down menu then click “Finish”

## SETTING UP: SCHEDULING PAYMENTS

### Step 2: Editing Payment Schedule for 401(k)

- 1) From the homepage, double click on the “Payroll Center” icon in the “EMPLOYEES” section at the bottom left of your screen
- 2) Click on the “Pay Liabilities” tab
- 3) In the “Other Activities” section at the bottom of your screen, click on “Change Payment Method”
- 4) Select “Enrollments” from the column on the left and click “Continue >” and then “Continue >” again
- 5) Select the appropriate option and click “Edit...”



- 6) In the “Payee (Vendor) field, select the appropriate vendor from the drop down menu
- 7) Type the appropriate Account number in the “Account #” field
- 8) In the “Payment frequency” field, select the appropriate frequency and then click “Finish”
- 9) Repeat Steps 1-8 to edit additional payment schedules
- 10) Then click “Finish”

## SETTING UP: ADDING EMPLOYEES

### The Steps: Setting Up Employees

- 1) From the homepage, double click in the “Payroll Center” icon in the “EMPLOYEES” section at the bottom left of your screen
- 2) Click on the “Employees” tab at the left of your screen
- 3) Click “New Employee..” at the top left of your screen

The screenshot shows the 'New Employee' dialog box with the title 'INFORMATION FOR Max Smith'. On the left, there is a vertical tab bar with 'Personal', 'Address & Contact', 'Additional Info', 'Payroll Info', and 'Employment Info'. The 'Personal' tab is selected. The main area contains the following fields:

- Legal Name: Mr./Ms. J. Max M.I. Smith
- Print on Checks As: Max Smith
- Social Security No.: 999-98-9999
- Gender: Male
- Date of Birth: 06/15/2001
- Marital Status: Single
- U.S. Citizen: Yes
- Ethnicity: White
- Disability: Disabled (No)
- I-9 Form: On File (Yes)
- Military: U.S. Veteran (Yes), Status (Reserve)

At the bottom, there is a checkbox for 'Employee is inactive' and three buttons: 'OK', 'Cancel', and 'Help'.

- 4) Select “Personal” tab on the left and enter the appropriate information in the fields

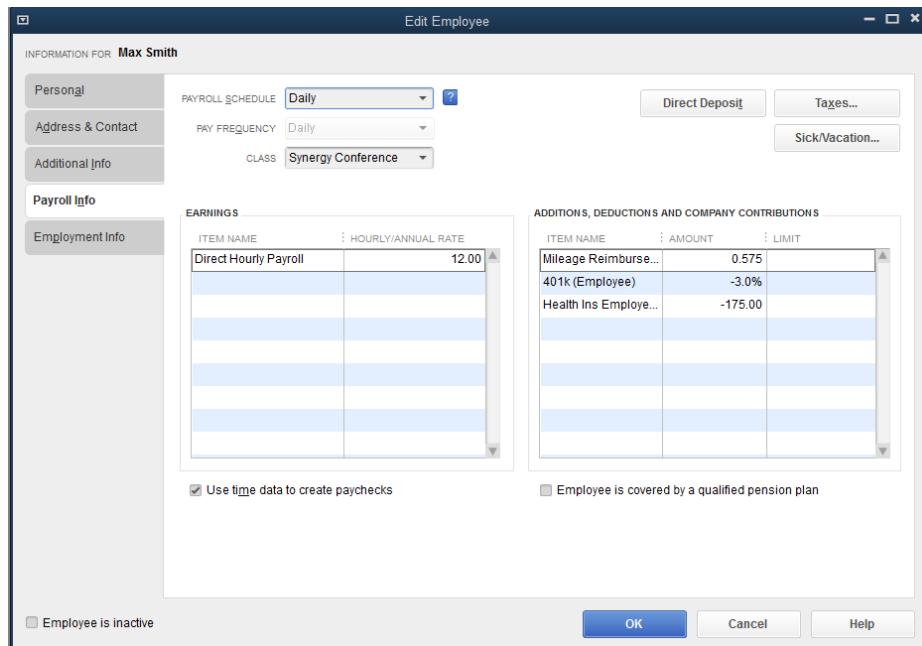
The screenshot shows the 'New Employee' dialog box with the title 'INFORMATION FOR Max Smith'. The 'Address & Contact' tab is selected. The main area contains the following fields:

- Home Address: ADDRESS 63 Somewhere Street, CITY Anytown, STATE GA, ZIP 89283
- Phone and Email: MAIN PHONE 405-892-9988, MAIN EMAIL max@quickbooksrules.com, Work Phone, Mobile, Fax, CC Email, Website, Other 1
- Emergency Contact Info: CONTACT NAME (Primary Contact, Secondary Contact), CONTACT PHONE, RELATION

At the bottom, there is a checkbox for 'Employee is inactive' and three buttons: 'OK', 'Cancel', and 'Help'.

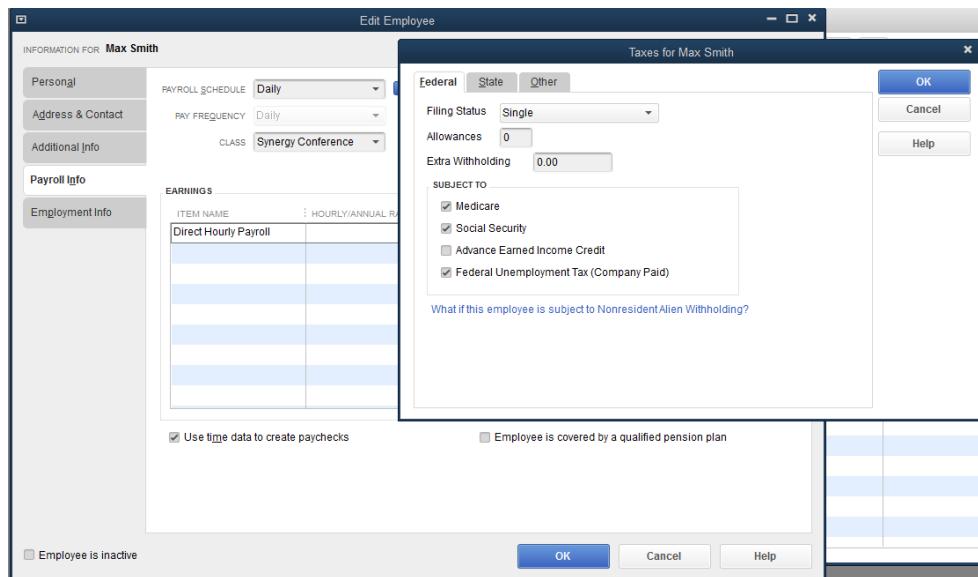
- 5) Select the “Address & Contact” tab on the left and enter the appropriate information in the fields

## SETTING UP: ADDING EMPLOYEES

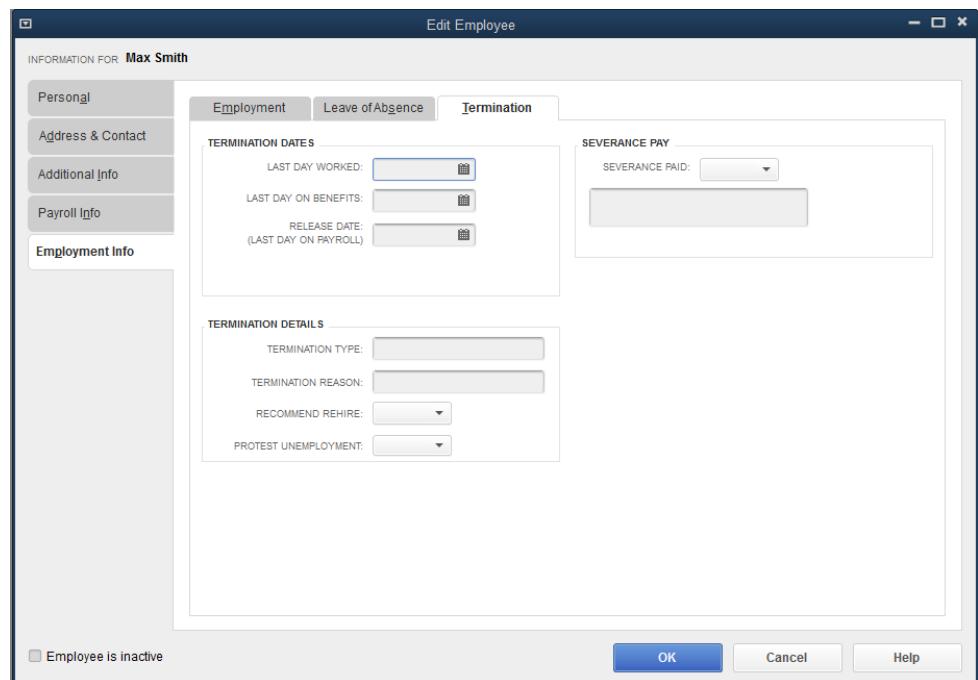


- 6) Select the “Payroll Info” tab on the left
- 7) In the “PAYROLL SCHEDULE” field, select the appropriate pay frequency from the drop down menu or click “< Add New >” to create a new pay frequency
- 8) In the “CLASS” field, select the appropriate class from the drop down menu, if applicable
- 9) In the “EARNINGS” section, click in the “ITEM NAME” field and select the appropriate option from the drop down menu and type the appropriate rate in the “HOURLY/ANNUAL RATE” field, if applicable
- 10) Check the box next to “Use time data to create paychecks”, if you desire
- 11) Click in the “ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS” section and select the appropriate items from the drop down menu and type in the appropriate amounts and limits in the “AMOUNT” and “LIMIT” fields, if applicable
- 12) If you desire, you can set up direct deposit by click “Direct Deposit” at the top right

## SETTING UP: ADDING EMPLOYEES



- 13) Click on “Taxes...” at the top right
- 14) Enter the appropriate information in the “Federal”, “State”, and “Other” tabs and click “OK”



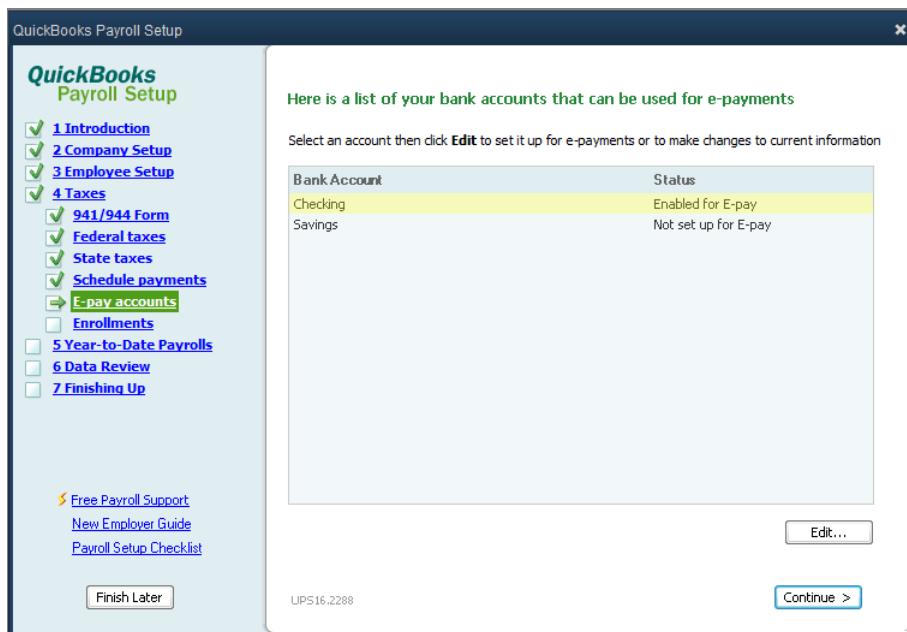
- 15) Select the “Employment Info” tab on the left
- 16) Enter the appropriate information in the “Employment”, “Leave of Absence”, and “Termination” tabs, if applicable
- 17) Click “OK”

## SETTING UP: CHECKING FOR ERRORS

- Use the Payroll Wizard to review the steps that you completed to ensure there are no errors or incomplete steps.

### The Steps: Setting Up Payroll Wizard

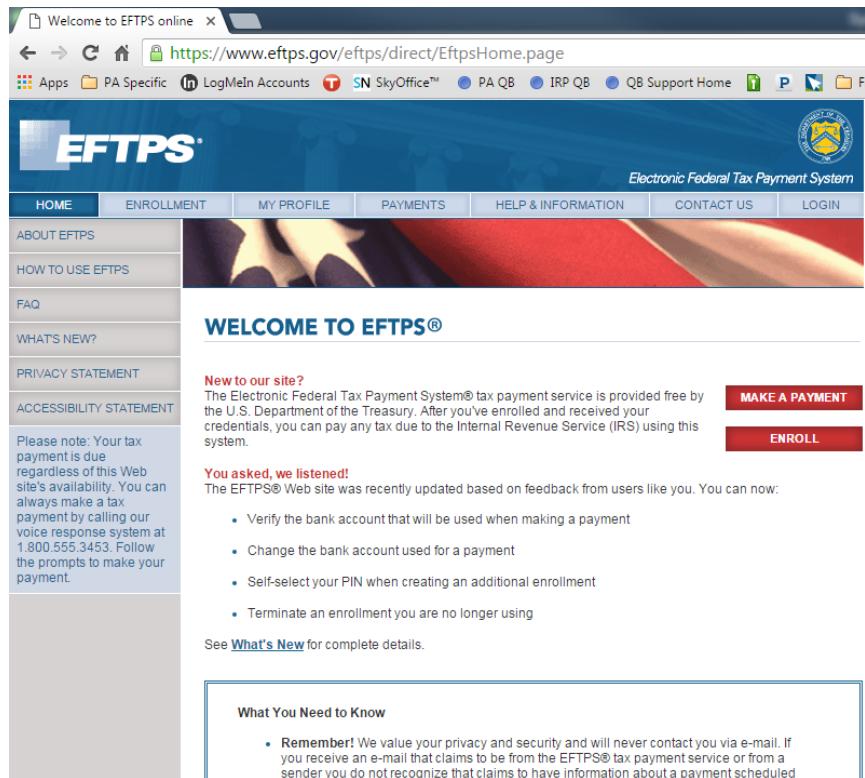
- 1) Select “Employees>Payroll Setup” from the menu bar at the top of your screen
- 2) Click “Continue >”
- 3) Review all the information to ensure accuracy and click “Continue >” through each section



- 4) Click “Go to Payroll Center” when you are finished

## SETTING UP: SIGN UP TO PAY FEDERAL TAXES ONLINE (EFTPS)

- This step occurs outside of QuickBooks® but it is vital as it allows you to make federal tax payments from within QuickBooks®



### The Steps: Signing Up to Pay Federal Taxes Online (EFTPS)

- 1) Open a browser and type <https://www.eftps.gov/eftps>
- 2) Click "ENROLL"
- 3) Check the box next to "I accept the Privacy Act and Paperwork Reduction Act" and then under "Enroll me as a:", click "Business"
- 4) Enter your information in the "Business information", "Contact information", and "Financial information" sections then click "Review"
- 5) Then "Submit" the application
- 6) In 5-7 business days you will receive a letter in the mail with your PIN

## **SETTING UP: ENTERING YEAR-TO-DATE AMOUNTS**

- You **may** need to enter year-to-date amounts to tell QuickBooks® about payroll already run during the calendar year.
- This step is only needed if :
  - you have chosen to begin using QuickBooks® payroll in the middle of the year (NOT January 1<sup>st</sup>)  
*- and -*
  - have paid employees during the current calendar year but before you started using QuickBooks® Payroll
- **If you begin running payroll in QuickBooks® January 1st, this step can be skipped!**

## SETTING UP: ENTERING YEAR-TO-DATE AMOUNTS

Enter Paychecks by Employee

Enter the paychecks you paid this year before using QuickBooks Payroll

- Select the name of the employee whose checks you want to enter.
- If you need to add, move or rearrange columns, click **Customize Columns**. You can also click **Print Preview**.
- When you finish entering checks for one employee, select the next employee's name. **Tip:** Information is saved as you enter it.
- When you finish entering checks for all employees, click **Done Entering Paychecks**.

Show Steps • Click for a step-by-step guide to completing this task.

You're entering paychecks for: Max Smith III Customize Columns

Check Date	Pay Period Start	Pay Period End	Check #	Direct Hourly Payroll (Pay)	Manage Payment Adjustment (Addition)	Gross Pay	Federal Withholding (Tax)	Social Security Employee (Tax)	Medicare Employee (Tax)	Medicare Employee Add Tax (Tax)	GA - Withholding (Tax)	Net Pay
<b>January</b>												
Jan Total	Jan Total	Jan Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>February</b>												
Feb Total	Feb Total	Feb Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>March</b>												
Mar Total	Mar Total	Mar Total	8972	500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>April</b>												
Apr Total	Apr Total	Apr Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>May</b>												
May Total	May Total	May Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>June</b>												
Jun Total	Jun Total	Jun Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>July</b>												
Jul Total	Jul Total	Jul Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>August</b>												
Aug Total	Aug Total	Aug Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>September</b>												
Sep Total	Sep Total	Sep Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>October</b>												
Oct Total	Oct Total	Oct Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>November</b>												
Nov Total	Nov Total	Nov Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
<b>December</b>												
Dec Total	Dec Total	Dec Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62
2016 Total	2016 Total	2016 Total		500.00	27.62	500.00	-50.00	0.00	0.00	0.00	0.00	477.62

### The Steps: Entering Year-to-Date Payroll Wage Info

- 1) Select “Employees>Payroll Setup” from the menu bar at the top of your screen
- 2) Select “Year to Date Payrolls” from the left column and click then click “Continue >”
- 3) Answer the question and click “Continue>”
- 4) Click “Edit” in the “Paychecks” field
- 5) In the “You’re entering paychecks for:” field, select the appropriate name from the drop down list
- 6) Enter the appropriate dates in the “Check Date”, “Pay Period Start”, an “Pay Period End” fields for the appropriate month or quarter
- 7) Then fill in the rest of the applicable fields with the appropriate information
- 8) Click “Finish Later” or “Done Entering Paychecks”
- 9) Back in the “Payroll Summary Window” click “Edit” in the “Tax Payments” or “Non-Tax Payments”, if applicable, and fill in the appropriate information then click “Continue >”
- 10) Select “Yes” under “Would you like QuickBooks® to help you check your payroll data?” then click “Continue >”
- 11) Answer the questions and click “Continue >” through the all the windows then click “Finish”
- 12) Ensure that you have green check marks in the Payroll Set Up Wizard and click “Go to Payroll Center”



## Chapter 3

### **CREATING PAYCHECKS**

## CREATING PAYCHECKS

- In this Chapter we will go through the process of entering paychecks into QuickBooks®.
  - There are **two ways** to enter paychecks for both hourly and salaried employees
    - One way involves going **directly to a paycheck** screen and entering details
    - The second utilizes the timesheet feature in QuickBooks®. In this technique, time is **initially entered on a timesheet**. Then QuickBooks® is prompted by the user to create the paychecks based on the information entered on the timesheets. Some advantages are:
      - Employees can enter their own time throughout the pay period
      - The time entered can also be used to later bill customers for time worked.
  - Regardless of which method is used, QuickBooks® allows the check to be split by both:
    - Class (Program, Department, Division, Location etc...)
    - Customer: Job (Customer, Project, Grant etc....)
  - Be sure to utilize the payroll preferences that recall hours or all earnings details from the previous paycheck when creating a new paycheck. This is perfect for employees whose hours, department splits etc. are generally the same from paycheck to paycheck.
  - Once paychecks have been created they can be either be
    - printed
    - directly deposited

## CREATING PAYCHECKS

- First we will create paychecks for both Salary and Hourly Employees by going directly to the paycheck (NOT using timesheets)

### The Steps: Creating Paychecks for Salary Employees (NOT using timesheets)

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Employees” tab
- 3) Under “Create Paychecks” double click on the appropriate payment schedule (Monthly, Biweekly, Weekly)

The screenshot shows the 'Enter Payroll Information' window. At the top, there are three tabs: 'Enter Payroll Information' (selected), 'Review & Create Paychecks', and 'Print & Distribute Paychecks'. Below the tabs, there's a section titled 'How do I pay my employees?' with fields for 'PAY EMPLOYEES' (0 selected), 'PAY PERIOD ENDS' (05/15/2015), 'BANK ACCOUNT' (Checking), 'EMPLOYEES SELECTED TO PAY' (0), 'CHECK DATE' (05/15/2015), and 'BANK ACCOUNT BALANCE' (56,022.09). There's also a link 'Explain Printing Options'. In the 'CHECK OPTIONS' section, two radio buttons are shown: 'Print paychecks on check stock' (selected) with 'First Check#' (1004) and 'Handwrite & Assign check numbers'. Below these are buttons for 'Check All' and 'Open Paycheck Detail...'. A 'SORT BY' dropdown is set to 'Employee Name'. The main area displays a grid of employees with columns for Employee Name, Hourly, Direct Hourly Payroll, Double-Time Hourly, Overtime (X1.5) Hourly, Salary, and Total Hours. The employee 'Gregg S Bosson' is highlighted with a yellow background. At the bottom, there are buttons for 'How do I use this window to enter payroll information?', 'Finish Later', and 'Continue'.

- 4) Select the appropriate Pay Period date and Bank Account
- 5) Select the appropriate option in the “CHECK OPTIONS” section. If you are handwriting the check, enter the check number the in “First Check #” field
- 6) Select the employee you wish to pay and click “Open Paycheck Detail...”

# CREATING PAYCHECKS

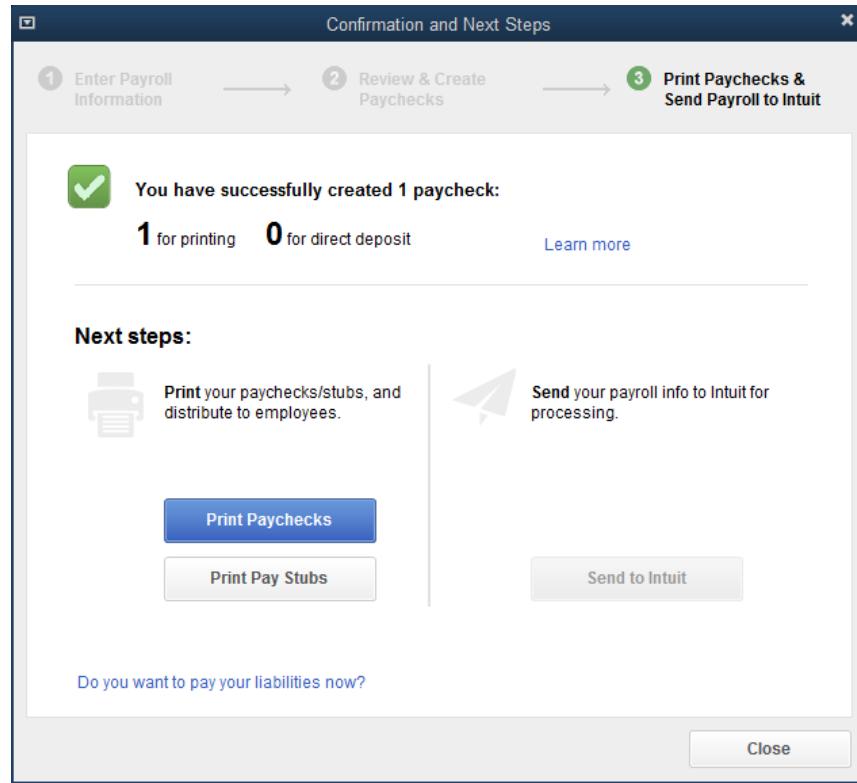
Preview Paycheck

<b>Gregg S Bossen</b>				PAY PERIOD <input type="text" value="04/17/2015"/> - <input type="text" value="05/31/2015"/>	<input type="checkbox"/> Use Direct Deposit
Earnings					
ITEM NAME	RATE	HOURS	CUSTOMER:JOB	CLASS	
Salary	1,000.00	60:00	Ashford, Parker and Faith	Gala Dinner	SICK AVAILABLE 40:00
Salary	1,000.00	60:00	Bona, Chery	The Aware Campaign	VACATION AVAIL. 40:00
					SICK ACCRUED
					VAC. ACCRUED
					<input type="checkbox"/> Do not accrue sick/vac
TOTALS		2,000.00	120:00 hrs		
Other Payroll Items					
ITEM NAME	RATE	QUANTITY	Employee Summary (adjusted) How are these items calculated?		
Mileage Reimburs..	57.50		ITEM NAME	AMOUNT	
			Salary	1,000.00	2,000.00
			Salary	1,000.00	2,000.00
			Mileage Reimbursement	57.50	57.50
			Medicare Employee Addl T...	0.00	0.00
			Federal Withholding	-233.00	-233.00
			Social Security Employee	-124.00	-124.00
			Medicare Employee	-29.00	-29.00
			GA- Withholding	-92.67	-92.67
Company Summary (adjusted) How are these items calculated?					
ITEM NAME	AMOUNT	YTD			
GA- Admin. Assessment	0.00	0.00			
Social Security Company	0.00	0.00			
Medicare Company	0.00	0.00			
Federal Unemployment	0.00	0.00			
Check Amount:			1,578.83		
			What's this? Enter net/Calculate gross		

- 7) Enter the appropriate amount of hours in the "HOURS" field and select the appropriate job and class from the drop down menus in the "CUSTOMER JOB" and "CLASS" fields. If the hours are split between different jobs, enter the hours, job, and class in the next lines and QuickBooks® will automatically calculate the amount of the salary attributed to each job based on the hours.
  - 8) Check the box next to "Use Direct Deposit", if applicable
  - 9) Enter additional information in the other fields, if applicable and click "Save & Close"

- 10) Click “Continue” then click “Create Paychecks”

## CREATING PAYCHECKS



- 11) Select either “Print Paychecks” , “Print Pay Stubs”, or “Send to Intuit” if you are doing direct deposit

## CREATING PAYCHECKS

*LET'S SEE HOW A SPLIT PAYCHECK APPEARS ON REPORTS*

The screenshot shows a software interface titled "Profit & Loss by Class". The report is for Synergy Now on June 5, 2015, using Accrual Basis. It displays expense categories like Salaries & Wages, Payroll Expenses, and Payroll Taxes across four projects: Gala Dinner, Synergy Conference, The Aware Campaign, and Administrative. The total expense is \$1,993.00, and the net income is -\$55.15.

Profit & Loss by Class					
<a href="#">Customize Report</a> <a href="#">Comment on Report</a> <a href="#">Share Template</a> <a href="#">Memorize</a> <a href="#">Print</a> <a href="#">E-mail</a> <a href="#">Excel</a> <a href="#">Hide Header</a> <a href="#">Collapse</a> <a href="#">Refresh</a>					
Dates	Custom	From	06/05/2015	To	06/05/2015
Synergy Now					
06/01/15		<b>Profit &amp; Loss by Class</b>			
Accrual Basis		June 5, 2015			
		Gala Dinner	Synergy Conference	The Aware Campaign	Administrative
		TOTAL			
		Expense			
		Salaries & Wages	0.00	500.00	500.00
		Payroll Expenses	230.00	565.00	0.00
		Payroll Taxes	25.37	62.33	55.15
		Total Expense	255.37	627.33	555.15
		Net Income	-255.37	-627.33	-555.15

### The Steps: Generating a P&L by Class

- 1) Select “Reports>Company & Financial>Profit & Loss by Class” from the menu bar at the top of your screen
- 2) Select the appropriate dates in the “From” and “To” fields
- 3) Click “Refresh”

The screenshot shows a software interface titled "Profit & Loss by Job". The report is for Synergy Now on June 1, 2015, using Accrual Basis. It displays expense categories like Salary & Wages, Payroll Taxes, and Travel across two jobs: Ashford, Parker and Faith and Bona, Chery. The total expense is \$2,210.50, and the net income is -\$2,210.50. A yellow "WHAT'S NEW" button is visible on the right side.

Profit & Loss by Job					
<a href="#">Customize Report</a> <a href="#">Comment on Report</a> <a href="#">Share Template</a> <a href="#">Memorize</a> <a href="#">Print</a> <a href="#">E-mail</a> <a href="#">Excel</a> <a href="#">Hide Header</a> <a href="#">Collapse</a> <a href="#">Refresh</a>					
Dates	Custom	From	06/01/2015	To	06/01/2015
Synergy Now					
Accrual Basis		<b>Profit &amp; Loss by Job</b>			
		June 1, 2015			
		Ashford, Parker and Faith	Bona, Chery	TOTAL	
		Expense			
		Salary & Wa... ▶	1,000.00 ▲	1,000.00	2,000.00
		Payroll Taxes	76.50	76.50	153.00
		Travel	28.75	28.75	57.50
		Total Expense	1,105.25	1,105.25	2,210.50
		Net Income	-1,105.25	-1,105.25	-2,210.50

### The Steps: Generating a P&L by Job

- 1) Select “Reports>Company & Financial>Profit & Loss by Job” from the menu bar at the top of your screen
- 2) Select the appropriate dates in the “From” and “To” fields
- 3) Click “Refresh”

## **CREATING PAYCHECKS**

## **The Steps: Creating Paychecks for Hourly Employees (NOT using timesheets)**

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
  - 2) Select the “Pay Employees” tab
  - 3) Under “Create Paychecks” double click on the appropriate payment schedule (Monthly, Biweekly, Weekly)
  - 4) Select the appropriate Pay Period date and Bank Account
  - 5) Select the appropriate option in the “CHECK OPTIONS” section. If you are handwriting the check, enter the check number in “First Check #” field
  - 6) Select the employee you wish to pay and click “Open Paycheck Detail...”

Preview Paycheck

<b>Brighton Shaffer</b>					PAY PERIOD <input type="text" value="05/18/2015"/> <input type="button" value="..."/> - <input type="text" value="05/31/2015"/> <input type="button" value="..."/>																																	
<b>Earnings</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>ITEM NAME</th> <th>RATE</th> <th>HOURS</th> <th>CUSTOMER-JOB</th> <th>CLASS</th> </tr> </thead> <tbody> <tr> <td>Hourly</td> <td>10.00</td> <td>17:00</td> <td>Ashford, Parker and Faith</td> <td>Synergy Conference</td> </tr> <tr> <td>Hourly</td> <td>10.00</td> <td>23:00</td> <td>Bona, Chery</td> <td>Gala Dinner</td> </tr> <tr> <td>Overtime (x1.5) hourly</td> <td>15.00</td> <td>5:00</td> <td>Ashford, Parker and Faith</td> <td>Synergy Conference</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					ITEM NAME	RATE	HOURS	CUSTOMER-JOB	CLASS	Hourly	10.00	17:00	Ashford, Parker and Faith	Synergy Conference	Hourly	10.00	23:00	Bona, Chery	Gala Dinner	Overtime (x1.5) hourly	15.00	5:00	Ashford, Parker and Faith	Synergy Conference											<input type="checkbox"/> Use Direct Deposit			
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<b>Check Amount:</b> <input type="text" value="415.01"/>																																						
<input type="button" value="Save &amp; Previous"/>		<input type="button" value="Save &amp; Close"/>		<input type="button" value="Cancel"/>	<input type="button" value="Help"/>																																	
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- 7) Enter the appropriate Rate and amount of hours in the “RATE” and “HOURS” field and select the appropriate job and class from the drop down menus in the “CUSTOMER JOB” and “CLASS” fields. If the hours are split between different job, enter the rate, hours, job, and class in the next lines
  - 8) Check the box next to “Use Direct Deposit”, if applicable
  - 9) Enter additional information in the other fields, if applicable and click “Save & Next” for additional employees or click “Save & Close”
  - 10) Click “Continue” then click “Create Paychecks”
  - 11) Select either “Print Paychecks”, “Print Pay Stubs”, or “Send to Intuit” if you are doing direct deposit

## CREATING PAYCHECKS

Synergy Now 1025 Monroe Atlanta, GA 30323	Brighton Shaffer 35 Chapel St Atlanta, GA 30327																																																																																																																								
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*EXAMPLE OF A PRINTED PAYSTUB*

## CREATING PAYCHECKS

- Now we will create paychecks using the Timesheet feature

The screenshot shows the 'Weekly Timesheet' application window. At the top, there are navigation buttons for 'Previous', 'Next', 'Print', and 'Edit Single Activity'. The title bar says 'Weekly Timesheet'. Below the title bar, the 'NAME' field is set to 'Max Smith' and the 'WEEK OF' field is set to 'May 25 to May 31, 2015'. The main area is titled 'Timesheet' and contains a grid for entering time data. The columns include 'CUSTOMER-JOB', 'SERVICE ITEM', 'PAYROLL ITEM', 'NOTES', 'CLASS', and days from 'M 25' to 'SU 31'. The 'TOTAL' column shows the sum of hours for each row. A yellow vertical bar on the right is labeled 'WHAT'S NEW' with a small 'X' icon. At the bottom, there are buttons for 'Wrap text in Notes field', 'Copy Last Sheet', 'Save & Close', 'Save & New', and 'Clear'.

### Step 1: Creating Timesheets

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select “Time Tracking”
- 3) Select the appropriate employee from the drop down menu in the “NAME” field and select the appropriate pay period in the “WEEK OF” field by clicking the calendar icon and choosing the appropriate date
- 4) Enter the appropriate “Customer Job”, “Service Item”, “Payroll Item”, and “Class” by using the drop down menus in each field
- 5) Type in the amount of hours worked each day in the appropriate fields
- 6) Click “Save & New” for additional employees or click “Save &Close”

## CREATING PAYCHECKS

*NONPROFIT ORGANIZATIONS USING THE CUSTOMER:JOB FIELD TO TRACK RESTRICTED GRANTS CAN ASSIGN PAYROLL COSTS TO GRANTS VIA THE TIMESHEET*

The screenshot shows the 'Weekly Timesheet' application window. At the top, there are navigation buttons for 'Previous', 'Next', 'Print', and 'Edit Single Activity'. The title bar says 'Weekly Timesheet'. Below the title bar, the window is titled 'Timesheet' and shows 'NAME: Max Smith' and 'WEEK OF: Jun 1 to Jun 7, 2015'. The main area is a grid for tracking hours. The columns are labeled: CUSTOMER:JOB, SERVICE ITEM, PAYROLL ITEM, NOTES, CLASS, M\_1, TU\_2, W\_3, TH\_4, F\_5, SA\_6, SU\_7, TOTAL, and BILLABLE?. The first row contains dropdown menus for 'Customer:Job' (The Marvel Foundation), 'Service Item' (Foundation Gra...), 'Payroll Item' (Direct Hourly Payroll), 'Notes' (Grant Work), and 'Class' (Grant Work). The 'TOTAL' column shows '40:00' with a checked 'Billable?' checkbox. The 'BILLABLE?' checkbox is highlighted with a yellow border. The bottom of the grid has a 'Totals' row with values: 8:00, 8:00, 8:00, 8:00, 8:00, 0:00, 0:00, 40:00. At the bottom left, there is a checked checkbox for 'Wrap text in Notes field'. At the bottom right, there are buttons for 'Save & Close', 'Save & New', and 'Clear'. A 'WHAT'S NEW' button is located on the right side of the grid.

### The Steps: Creating Timesheets- Grant Specific

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select “Time Tracking”
- 3) Select the appropriate employee from the drop down menu in the “NAME” field and select the appropriate pay period in the “WEEK OF” field by clicking the calendar icon and choosing the appropriate date
- 4) Select the appropriate grant from the drop down menu in the “Customer Job” field
- 5) Enter the appropriate information in the “Service Item”, “Payroll Item”, and “Class” by using the drop down menus in each field
- 6) Type in the amount of hours worked each day in the appropriate fields
- 7) Click “Save & New” for additional employees or click “Save &Close”

## CREATING PAYCHECKS

*CONTRACTORS USING THE CUSTOMER: JOB FIELD TO TRACK JOBS CAN ASSIGN PAYROLL COSTS TO JOBS VIA THE TIMESHEET*

The screenshot shows a software interface titled "Weekly Timesheet". At the top, there are navigation buttons for "Previous", "Next", "Print", and "Edit Single Activity". Below that, the title "Timesheet" is displayed, followed by "NAME: Eric L Byrnes" and "WEEK OF: Jun 1 to Jun 7, 2015". The main area is a grid for entering time. The columns are labeled: CUSTOMER:JOB, SERVICE ITEM, PAYROLL ITEM, NOTES, CLASS, M\_1, TU\_2, W\_3, TH\_4, F\_5, SA\_6, SU\_7, TOTAL, and BILLABLE?. A yellow box highlights the "BILLABLE?" checkbox. The grid rows represent different entries for "Greyson, Elliot". At the bottom of the grid, there are "Totals" for each day and a final total for "29:00". On the left side of the grid, there is a note "Wrap text in Notes field" with a checked checkbox. At the bottom right, there are buttons for "Save & Close", "Save & New", and "Clear". A vertical bar on the right is labeled "WHAT'S NEW".

### The Steps: Creating Timesheets – Job Specific

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select “Time Tracking”
- 3) Select the appropriate employee from the drop down menu in the “NAME” field and select the appropriate pay period in the “WEEK OF” field by clicking the calendar icon and choosing the appropriate date
- 4) In the “Service Item field, select “<Add New>” from the drop down menu
- 5) Select “Service” from the drop down menu in the “Type” field and type “Labor Costs” in the “Item Name/Number” field
- 6) Check the box next to “This service is used in assemblies or is performed by a subcontractor or partner”
- 7) Select the appropriate accounts from the drop down menus in the “Expense Account” and “Income Account” fields and click “OK”
- 8) Enter the appropriate “Customer Job”, “Payroll Item”, and “Class” by using the drop down menus in each field
- 9) Type in the amount of hours worked each day in the appropriate fields
- 10) Click “Save & New” for additional employees or click “Save &Close”

## **CREATING PAYCHECKS**

Preview Paycheck

**Max Smith**

PAY PERIOD 05/31/2015 - 05/31/2015

Use Direct Deposit

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER:JOB	CLASS	SERVICE ITEM
Direct Hourly Payroll	12.00	40:00	Cline, John	Grant Work	Program Fees
Overtime (x1.5) hourly	18.00	4:00	Cline, John	Grant Work	Program Fees
TOTALS		552.00		44:00 hrs	

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Mileage Reimbur...	0.575	
401k (Employee)	-3.0%	
Health Ins Emplo...	-175.00	

**Company Summary**

ITEM NAME	AMOUNT	YTD
GA- Admin. Assessment	0.44	0.44
Social Security Company	34.22	34.22
Medicare Company	8.00	8.00
Federal Unemployment	3.31	3.31

**Employee Summary (adjusted)**

ITEM NAME	AMOUNT	YTD
Direct Hourly Payroll	480.00	480.00
Overtime (x1.5) hourly	72.00	72.00
Mileage Reimbursement	0.00	0.00
401k (Employee)	-16.56	-16.56
Health Ins Employee (taxa...)	-175.00	-175.00
Medicare Employee Addl T...	0.00	0.00
Federal Withholding	-39.00	-39.00
Social Security Employee	-23.37	-23.37
Medicare Employee	-5.47	-5.47
GA- Withholding	-15.32	-15.32
Check Amount:	277.28	

**How are these items calculated?**

SICK AVAILABLE 0:00

VACATION AVAIL. 0:00

SICK ACCRUED

VAC. ACCRUED

Do not accrue sick/vac

Save & Previous Save & Next Save & Close Cancel Help Enter net/Calculate gross

## Step 2: Creating Paychecks for Hourly Employees off of a Timesheet

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
  - 2) Select the “Pay Employees” tab
  - 3) Under “Create Paychecks” double click on the appropriate payment schedule (Monthly, Biweekly, Weekly)
  - 4) Select the appropriate Pay Period date and Bank Account
  - 5) Select the appropriate option in the “CHECK OPTIONS” section. If you are handwriting the check, enter the check number in “First Check #” field
  - 6) Select the employee you wish to pay and click “Open Paycheck Detail...”
  - 7) The information from the Timesheet will automatically show in the “Earnings” fields
  - 8) Enter additional information in the other fields, if applicable and click “Save & Next” for additional employees or click “Save & Close”
  - 9) Click “Continue” then click “Create Paychecks”
  - 10) Enter additional information in the other fields, if applicable and click “Save & Next” for additional employees or click “Save & Close”
  - 11) Click “Continue” then click “Create Paychecks”
  - 12) Select either “Print Paychecks”, “Print Pay Stubs”, or “Send to Intuit” if you are doing direct deposit

## Chapter 4

### **PAYROLL TAXES & LIABILITIES**

## PAYROLL TAXES & LIABILITIES

- In this Chapter we will go through the process of paying the payroll tax payments and any other payroll liabilities.
  - Payroll Taxes to be paid specifically are
    - Federal Payroll Taxes (941/944) including Social Security Taxes (both employee and employer shares), Medicare Taxes (both employee and employer shares) and Federal Withholding
      - These taxes are paid either
        - Annually (annual payment is under <\$1,000)
        - Quarterly (\$1,000 to \$2,500 per Qtr.)
        - Monthly (more than \$2,500 per Qtr.)
        - Semi-Weekly (more than \$50,000 per year)
      - Paid via E-payment through QuickBooks®
    - Federal Unemployment Taxes (940)
      - Nonprofit Organizations are typically exempt
      - These taxes are paid either
        - Annually (if the annual tax is \$500 or less)
        - Quarterly (all others)
      - Paid via E-payment through QuickBooks®
    - State Withholding Tax
      - Usually paid Monthly or Quarterly depending on your state
      - Paid via
        - Check
        - Electronically at state website
        - Some states allow E-payment through QuickBooks®
    - State Unemployment Tax (SUTA/SUI)
      - Usually paid Monthly or Quarterly depending on your state
      - Paid via
        - Check
        - Electronically at state website
        - Some states allow E-payment through QuickBooks®

## **PAYROLL TAXES & LIABILITIES**

- Other payroll liability payments include such items as
  - Health Insurance
  - Retirement (401k/403b/Simple)
  - Union Dues
  - Garnishment
  - Etc...
  
- In the rest of this chapter we will walk through the paying of taxes and other liabilities

## PAYROLL TAXES & LIABILITIES

**Summary**

**Agency:** Union Bank      **Payment Amount:** \$735.74  
**Period:** Jun 2015      **Account Type:** Checking  
**Withdraw Payment On:** 2/17/2016      **Bank Account:** \*\*\*\*\*8787  
**Reason:** Federal 941 Tax Deposit      **Bank Routing:** 123123123

**Agency Login Information**

Enter the PIN and Internet Password you received from EFTPS, and your contact information.

[Why is this important?](#)

4-Digit PIN:  [Forgot your login information?](#)  
 Confirm PIN:   
 Internet Password (8-12 chars.):   
 Confirm Internet Password:   
 Contact phone number:  [What is this used for?](#)  
 E-mail address:  [What is this used for?](#)  
 Remember my information for next time

I authorize the agency to electronically debit the amount identified in the Summary section from my bank account for this payment.  
 I verify that I'm legally authorized to make this payment to the agency on behalf of this company.

**Buttons:** Submit, Cancel, Recalculate, E-pay, Skip, Cancel

### The Steps: Paying for 941 and 940 Payments

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Liabilities” tab
- 3) Select the 941/940 payment in the “Pay Taxes & Other Liabilities” section and click “View/Pay”
- 4) Select the appropriate “Bank Account” from the drop down menu
- 5) Next to “Which option should I choose?” select “E-payment”
- 6) If you would like to post-date the payment, select the date you desire from the calendar in the “Withdraw On:” field
- 7) Click “E-pay”
- 8) Enter the PIN number you received in the mail after enrolling in EFTPS in the “4-Digit PIN:” and “Confirm PIN:” fields
- 9) Enter your Internet Password, phone number and e-mail address in the appropriate fields
- 10) Check the box next to “Remember my information for next time”, if you desire
- 11) Click “Submit” then click “Save & Close”

## PAYROLL TAXES & LIABILITIES

**Liability Payment - Checking**

**Payment 1 of 1**

Bank Account: Checking      Ending Balance: 62,469.43

Pay to the Order of <u>Georgia State</u>		No. <u>Online</u> Date <u>06/01/2015</u>																				
<u>One hundred eighty-five and 05/100***** Dollars</u>		\$ <u>185.05</u>																				
Address	Georgia State																					
Memo	9989999-GA_Conf#89238923892-110																					
Period: 06/01/15 - 06/30/15		How do I e-pay? <input type="radio"/> E-payment <input checked="" type="radio"/> Check																				
Expenses	\$0.00	Payroll Liabilities \$185.05 <input type="checkbox"/> To be printed																				
<table border="1"> <thead> <tr> <th>PAYROLL ITEM</th> <th>AMOUNT</th> <th>MEMO</th> <th>CLASS</th> </tr> </thead> <tbody> <tr> <td>GA - Withholding</td> <td>185.05</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			PAYROLL ITEM	AMOUNT	MEMO	CLASS	GA - Withholding	185.05														
PAYROLL ITEM	AMOUNT	MEMO	CLASS																			
GA - Withholding	185.05																					
<input type="button" value="Recalculate"/>		<input type="button" value="Save &amp; Close"/> <input type="button" value="Save &amp; Next"/> <input type="button" value="Cancel"/>																				

### The Steps: Paying State Withholding

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Liabilities” tab
- 3) Select your state Withholding in the “Pay Taxes & Other Liabilities” section and click “View/Pay”
- 4) Select the appropriate “Bank Account” from the drop down menu
- 5) Type “Online” in the Check “No.” field if paying electronically
- 6) Uncheck the box next to “To be printed”
- 7) Next to “Which option should I choose?” select “Check”
- 8) Click “Save & Close”

## PAYROLL TAXES & LIABILITIES

Liability Payment - Checking

Payment 1 of 1

Bank Account: Checking      Ending Balance: 62,284.38

No. To Print: Date: 06/01/2015      \$ 178.22

Pay to the Order of GADOL

One hundred seventy-eight and 22/100\* Dollars

Address: GADOL  
652 Cheshire Bridge Rd  
Atlanta, GA 30324-0265

Memo: 878979-00

Period: 04/01/15 - 06/30/15

Expenses	\$7.00	Payroll Liabilities	\$171.22	<input checked="" type="checkbox"/> To be printed
PAYROLL ITEM	AMOUNT	MEMO	CLASS	
Unemployment Company	167.02			
GA- Admin. Assessment	4.20			

Recalculate      Save & Close      Save & Next      Cancel

### The Steps: Paying State Unemployment

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Liabilities” tab
- 3) Select the appropriate State Unemployment payment in the “Pay Taxes & Other Liabilities” section and click “View/Pay”
- 4) Select the appropriate “Bank Account” from the drop down menu
- 5) Enter the appropriate Vendor, dollar amount, and date on the check
- 6) Click the box next to “To be printed”
- 7) Click “Save & Close”

## PAYROLL TAXES & LIABILITIES

**Payment 1 of 1**

Bank Account: Checking      Ending Balance: 52,154.64

No. To Print  
Date 06/01/2015

Pay to the Order of State Health Insurance  
Three hundred thirty-seven and 00/100\*\*\*\*\* Dollars

Address: 

Memo: 8329819283

Period: 06/01/15 - 06/30/15

Expenses	\$162.00	Payroll Liabilities	\$175.00	<input checked="" type="checkbox"/> To be printed	
ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
Health Insurance	162.00	Employer Portion of Heal...			Administr...

### The Steps: Paying Health Insurance

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Liabilities” tab
- 3) Select the Health Insurance payment in the “Pay Taxes & Other Liabilities” section and click “View/Pay”
- 4) Select the appropriate “Bank Account” from the drop down menu
- 5) Type in the amount due in the “\$” field on the check
- 6) In the “Expenses” tab select the appropriate “Account” from the drop down menu
- 7) In the “Amount” field, enter the Employer portion of the Health Insurance
- 8) Enter the appropriate information in the “Memo”, “Customer Job”, and “Class” fields, if applicable
- 9) Check the box next to “To be printed”
- 10) Click “Save & Close”

## PAYROLL TAXES & LIABILITIES

**Liability Payment - Checking**

**Payment 1 of 1**

Bank Account: Checking      Ending Balance: 51,657.04

No. Online  
Date 06/15/2015  
\$ 14.40

Pay to the Order of Primerica

Fourteen and 40/100\*\*\*\*\* Dollars

Primerica

Address:

Memo: 98401-0299 Conf#8913881188-11a

Period: 05/01/15 - 05/31/15

Expenses	\$0.00	Payroll Liabilities	\$14.40	<input type="checkbox"/> To be printed
PAYOUT ITEM	AMOUNT	MEMO	CLASS	
401k (Employee)	14.40			

**Buttons:**

- Recalculate
- Save & Close
- Save & Next
- Cancel

### The Steps: Paying 401k and 403b Payments

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Liabilities” tab
- 3) Select the 401k and 403b payment in the “Pay Taxes & Other Liabilities” section and click “View/Pay”
- 4) Select the appropriate “Bank Account” from the drop down menu
- 5) Type “Online” in the Check “No.” field
- 6) Select the appropriate date on the check
- 7) Uncheck the box next to “To be printed”
- 8) Click “Save & Close”

**Chapter 5**  
**PAYROLL REPORTS**

## PAYROLL REPORTS

- In this Chapter we will walk through the process of creating and filing required Payroll Reports
  - Once a Quarter the following reports are required to be filed
    - Federal Form 941- This report summarizes wages and federal taxes and can be sent
      - By printing and mailing
      - Filed Electronically through QuickBooks®
    - State Withholding Report- This report summarizes wages and state taxes withheld and can be sent
      - By printing and mailing
      - Filed Electronically through QuickBooks®
    - State Unemployment Report (SUTA/SUI)- This report summarizes wages and State Unemployment Taxes Owed and can be sent
      - By printing and mailing
      - Filed Electronically through your State Unemployment Agencies website (some states)
  - At year end (12/31) the following reports are required to be filed
    - The 3 forms listed above - Since it is also the end of a quarter
    - Federal Form 940 - This report summarizes annual wages and Federal Unemployment Taxes owed
      - Nonprofit organizations are typically exempt
      - This form can be sent
        - By printing and mailing
        - Filed Electronically through QuickBooks®
    - W-2's/W-3 summary - (These can be printed on blank paper)
      - The copies for the IRS form can be sent
        - By printing and mailing
        - Filed Electronically through QuickBooks®
      - The copy for the state can be sent
        - By printing and mailing
        - Filed Electronically through QuickBooks® (some states)

## PAYROLL REPORTS

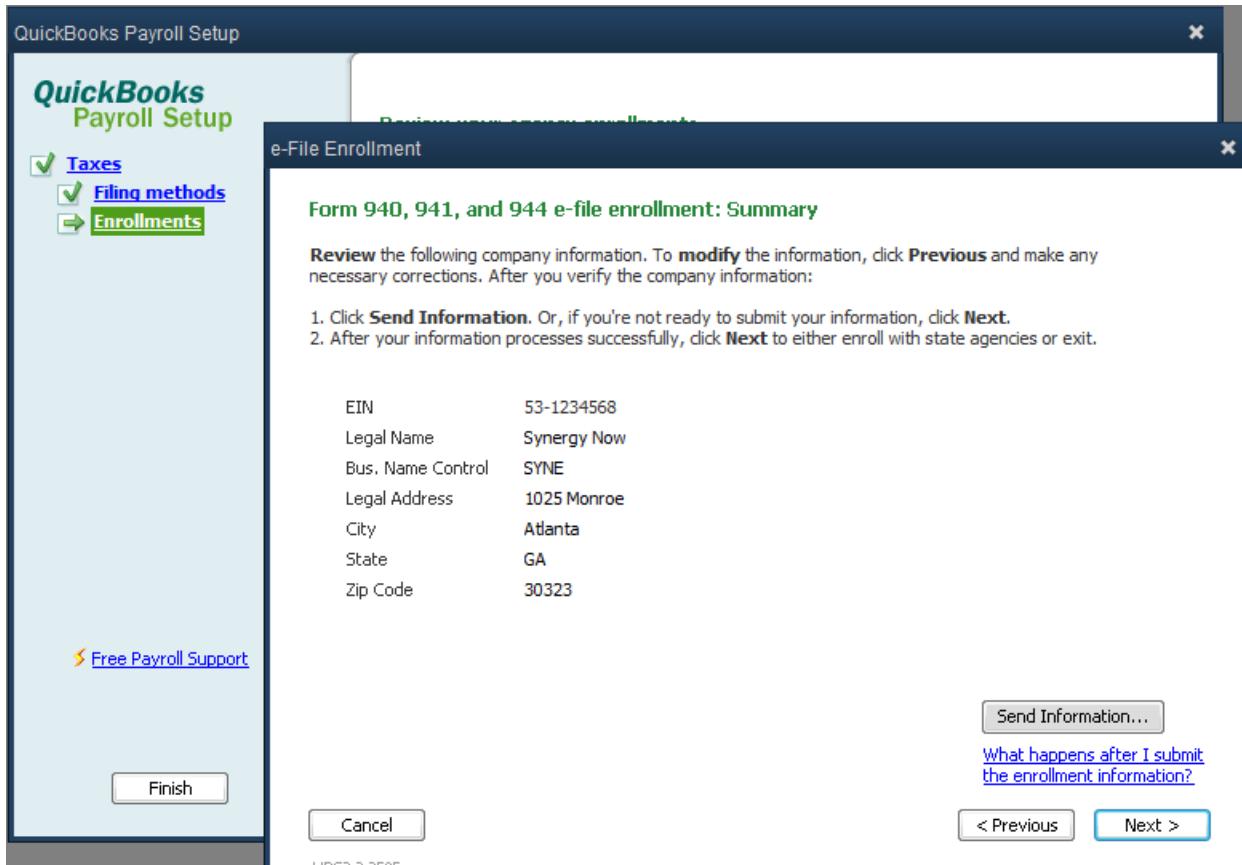
**Payroll Tax Form**

Form 941	Employer's Quarterly Federal Tax Return		2015
Name (not your trade name) Synergy Now			Employer Identification No. (EIN) 53-1234568
Trade Name (if any)			
Address 1025 Monroe	City Atlanta	State GA	ZIP Code 30323
Foreign Country Name	Foreign Province/County	Foreign Postal Code	
<b>Report for this Quarter of 2015 (Check one)</b>			
1 January, February, March ..... <input type="checkbox"/> 2 April, May, June ..... <input checked="" type="checkbox"/> 3 July, August, September ..... <input type="checkbox"/> 4 October, November, December ..... <input type="checkbox"/>			
<b>Part 1 – Answer These Questions For This Quarter</b>			
1 Number of employees who received wages, tips, or other compensation for the pay period including March 12 (Quarter 1), June 12 (Quarter 2), September 12 (Quarter 3), December 12 (Quarter 4) ..... 2 Wages, tips, and other compensation ..... 3 Federal income tax withheld from wages, tips, and other compensation ..... 4 If no wages, tips, and other compensation are subject to social security or Medicare tax, check here and go to line 6 ..... <input type="checkbox"/>		1	0
5 a Taxable social security wages ..... <u>5,290.96</u> x .124 = <u>656.08</u> b Taxable social security tips ..... <u></u> x .124 = <u></u> c Taxable Medicare wages and tips ..... <u>5,290.96</u> x .029 = <u>153.44</u> d Taxable wages and tips subject to Additional Medicare Tax Withholding ..... <u></u> x .009 = <u></u> e Add Column 2 from lines 5a, 5b, 5c, and 5d ..... f Section 3121(q) Notice and Demand - Tax due on unreported tips ..... 6 Total taxes before adjustments. Add lines 3, 5e, and 5f ..... 7 Current quarter's adjustment for fractions of cents		2	<u>5,260.00</u>
		3	<u>286.00</u>
		5 e	<u>809.52</u>
		5 f	<u></u>
		6	<u>1,095.52</u>
		7	<u></u>
<a href="#">View details about this form</a> <a href="#">View filing and printing instructions</a> <a href="#">Save and Close</a> <a href="#">Save as PDF...</a> <a href="#">Print for Your Records...</a> <a href="#">Check for Errors</a> <a href="#">Submit Form...</a> <input checked="" type="checkbox"/> Automatically create an archive when I e-file or print			

### The Steps: Preparing Form 941 Using Autofill Option

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen, then select the “File Forms” tab
- 2) Select the appropriate quarterly 941 form in the “File Forms” section and click “Create Form”
- 3) Click “Auto-Fill Contact Info...” and fill in all fields with the appropriate information and click “OK”
- 4) Select the appropriate quarter using the drop down menu in the “Quarter” field and the appropriate “Quarter Ending” date using the calendar icon and click “OK”
- 5) Review all the information on the form for accuracy and fill in the remaining fields, if applicable. Click “Next >>>” to go through each page
- 6) Click “Check for Errors” and correct any errors, if applicable
- 7) Click “Save and Close”, “Save as PDF”, “Print for you Records....” or “Submit Form...”

## PAYROLL REPORTS



### The Steps: Setting Up Federal 941 and 940 E-File Form Option

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “File Forms” tab
- 3) Select “Manage Filing Methods” in the “Other Activities” section at the bottom of your screen
- 4) Click “Continue >” until you get to the “Form 940 and 941 e-file enrollment “ window then click “Next >”
- 5) Fill in the appropriate information about your company then click “Next >”
- 6) Review the information and click “Send Information...”
- 7) Then QuickBooks® will send you an e-mail if the IRS has accepted or rejected your application
- 8) If your enrollment application has been accepted, you will receive a 10-digit Pin in the mail within 45 days
- 9) Sign and return the PIN acknowledgement

## PAYROLL REPORTS

### The Steps: Preparing State Withholding Form

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “File Forms” tab
- 3) Select the appropriate State Withholding form in the “File Forms” field and click “Create Form”
- 4) Click “Auto-Fill Contact Info...” and fill in all fields with the appropriate information and click “OK”
- 5) Select the appropriate quarter using the drop down menu in the “Quarter” field and the appropriate “Quarter Ending” date using the calendar icon and click “OK”
- 6) Review all the information on the form for accuracy and fill in the remaining fields, if applicable. Click “Next >>>” to go through each page
- 7) Click “Check for Errors” and correct any errors, if applicable
- 8) Click “Save and Close”, “Save as PDF”, “Print for you Records....” or “Submit Form...” to submit electronically (if your state allows)

## PAYROLL REPORTS

**Payroll Tax Form**

Form **DOL-4N** Georgia **Employer's Quarterly Tax and Wage Report – Part II**  
Report for the quarter ending **06/30/2015**

DOL Account No. 878979-00	Quarter/Year 215	Total Tax Rate 2.7800	Form must be Filed By 07-31-2015
------------------------------	---------------------	--------------------------	-------------------------------------

**Parts I and II of this report must always be submitted. Enter zeroes on line 2 if no wages were paid for this quarter.**

1 For each month, report the number of covered workers who worked during or received pay for the payroll period which includes the 12th of the month	1st Month	2nd Month	3rd Month
		1	

2 Total reportable gross wages paid this quarter (combine all wages into one total) .....	2	\$ 5,260.00
3 Minus non-taxable wages paid this quarter .....	3	- 0.00
4 Taxable wages paid this quarter .....	4	\$ 5,260.00

**Note:** If you change tax rates on this form, the changes only apply to this form. They do **not** change tax rates for payroll items in QuickBooks. For more information, click "View details about this form" below.

5 Contribution tax due: 2.7000 % times taxable wages (line 4) .....	5	142.02
6 Administrative assessment due: 0.0800 % times taxable wages (line 4) .....	6	4.21
7 Interest on lines 5 and 6: due after 07/31/15 .....	7	
8 Penalty for filing late, not based on total amount due: due after 07/31/15 .....	8	
9 Balance as of .....	9	
10 Total amount due: (sum of lines 5 through 9) .....	10	\$ 146.23

Unless parts I and II of this report are filed and the total amount due is paid, a F.I. FA. (tax lien) will be issued as required by law.

**Employer Change Request –** If any of the following items have changed, please complete the appropriate information below.

A If you are a new employer, or the name of your business or **mailing address** has changed, or is incorrect, enter the correct information below:

Business Name \_\_\_\_\_  
Street Address \_\_\_\_\_

[View details about this form](#) [View filing and printing instructions](#) [<< Previous](#)

Automatically create an archive when I e-file or print

### The Steps: Preparing State Unemployment Form

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “File Forms” tab
- 3) Select the appropriate State Unemployment form in the “File Forms” field and click “Create Form”
- 4) Click “Auto-Fill Contact Info...” and fill in all fields with the appropriate information and click “OK”
- 5) Select the appropriate quarter using the drop down menu in the “Quarter” field and the appropriate “Quarter Ending” date using the calendar icon and click “OK”
- 6) Review all the information on the form for accuracy and fill in the remaining fields, if applicable. Click “Next >>>” to go through each page
- 7) Click “Check for Errors” and correct any errors, if applicable
- 8) Click “Save and Close”, “Save as PDF”, or “Print...”

## PAYROLL REPORTS

The screenshot shows the Payroll Tax Form software interface. The form is for the year 2015. Key fields include:

- Name (not your trade name):** Synergy Now
- Employer Identification No. (EIN):** 53-1234568
- Address:** 1025 Monroe
- City:** Atlanta
- State:** GA
- ZIP Code:** 30323
- Type of Return:** Check all that apply:
  - a  Amended
  - b  Successor employer
  - c  No payments to employees in 2015
  - d  Final: Business closed or stopped paying wages
- Part I Tell Us About Your Return** (If any line does Not apply, leave it blank)
  - 1a If you had to pay state unemployment tax in one state only, enter the state abbreviation ..... 1a GA
  - 1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer. Check here. Complete Schedule A (Form 940) ..... 1b
  - 2 If you paid wages in a state that is subject to Credit Reduction. Check here. Complete Schedule A (Form 940) ..... 2
- Part 2 Determine Your FUTA Tax Before Adjustments for 2015** (If any line does Not apply, leave it blank)
- Note:** Line 4 will be calculated from the Interview for Forms 940/Schedule A and 940-V.
- Line 3:** Total payments to all employees ..... 3 | 7,435.00
- Line 4:** Payments exempt from FUTA tax
 

Check all that apply:	4	5
<ul style="list-style-type: none"> <li>a <input type="checkbox"/> Fringe benefits</li> <li>b <input type="checkbox"/> Group-term life insurance</li> <li>c <input type="checkbox"/> Retirement/Pension</li> <li>d <input type="checkbox"/> Dependent care</li> <li>e <input type="checkbox"/> Other</li> </ul>		
- Line 5:** Total of payments made to each employee in

Buttons at the bottom include: View details about this form, View filing and printing instructions, Save and Close, Save as PDF..., Print for Your Records..., Check for Errors, Next >>>, and Submit Form... There is also a checkbox for Automatically create an archive when I e-file or print.

### Step 1: Preparing W-2's and W-3's

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “File Forms” tab
- 3) Select the appropriate 940 form in the “File Forms” field and click “Create Form”
- 4) Click “Auto-Fill Contact Info...” and fill in all fields with the appropriate information and click “OK”
- 5) Under “Select Filing Period”, type in the appropriate year in the “Year” field click “OK”
- 6) Review all the information on the form for accuracy and fill in the remaining fields, if applicable. Click “Next >>>” to go through each page
- 7) Click “Check for Errors” and correct any errors, if applicable
- 8) Click “Save and Close”, “Save as PDF”, “Print for you Records....” or “Submit Form...” to submit electronically

# PAYROLL REPORTS

The screenshot shows the Payroll Tax Form software interface. At the top, there's a menu bar with items 1. Interview, 2. Form W-2, 3. Form W-3, and 4. Printing Instructions. Below the menu, it says "Employees with last names A through Z" and "3 of 3 employees selected". The main area is titled "Step 2: Form W-2 Worksheet" for the year 2015. It displays employee information: Displaying: SMITH, MAX, Employee 3 of 3. The employer information includes SYNERGY NOW, address 1025 MONROE, ATLANTA, 30323, and control number 1234567890. The employee information includes SSN 999-98-9999, ID 53-1234568, first name MAX, last name SMITH, and address 63 SOMEWHERE STRE ANYTOWN 89283. The form also shows employer state information: GA 9989999-GA. A modal dialog box titled "Print W-2 and W-3 Forms" is open, asking to select paper (Blank / Perforated Paper or Preprinted Forms), item to print (W-2 forms, Copy D, Employer filing instructions, or W-3 forms), and government filing instructions (W-3.1 per page, W-2 - Copy A, or W-2 - Copy T). The printer selected is Brother HL-5470DW series (Copy 1) on USB002. At the bottom, there are buttons for View details about this form, Select Employees..., Previous, Next, Save and Close, Save as PDF..., Print for Your Records..., Check for Errors, Submit Form..., and a checkbox for Automatically create an archive when I e-file or print.

## Step 2: Preparing W-2's and W-3's

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “File Forms” tab
- 3) Select the appropriate W-2/W-3 form in the “File Forms” field and click “Create Form”
- 4) Click “Auto-Fill Contact Info...” and fill in all fields with the appropriate information and click “OK”
- 5) Under “Select Filing Period”, type in the appropriate year in the “Year” field click “OK”
- 6) Select the appropriate Employees by checking the boxes next to each name and click “Review/Edit”
- 7) Review all the information on the form for accuracy and fill in the remaining fields, if applicable. Click “Next >>>” to go through each page
- 8) Click “Check for Errors” and correct any errors, if applicable
- 9) Click “Print for you Records....”
- 10) Select the appropriate options and click “Print”

**Chapter 6**  
**SPECIAL TOPICS**

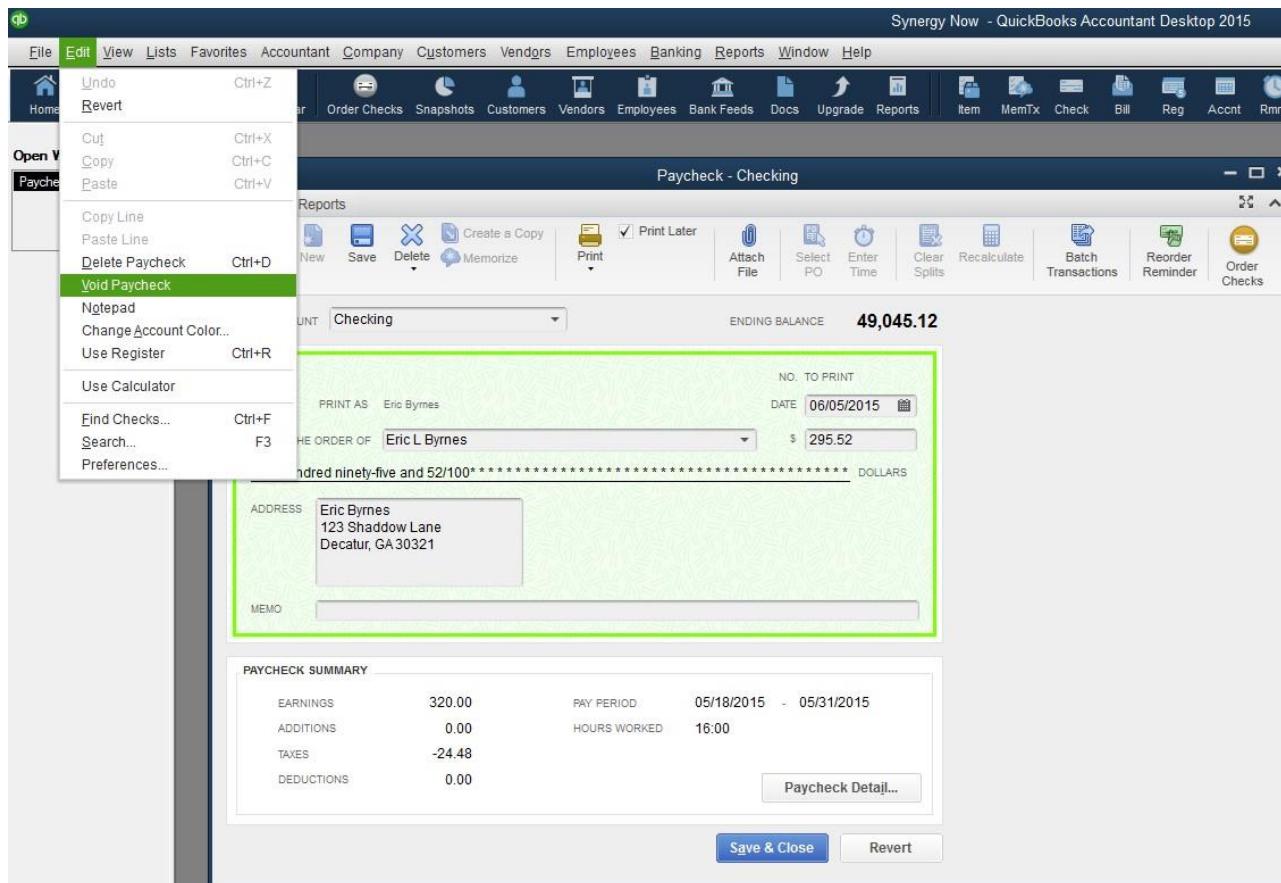
## SPECIAL TOPICS: OVERVIEW

- In this Chapter we will explore special situations that may arise during the year regarding payroll. These include the following topics:
  - Voiding a paycheck entered that is incorrect in dollar amounts (assuming the check has not been sent to the employee)
  - Reissuing a lost or destroyed paycheck (amounts were correct)
  - Correcting a Paycheck
    - whose total is correct but whose allocations between class/program/jobs is wrong
    - for an Overpayment
    - for an Underpayment
  - Recording an Unscheduled Payroll (example; Bonus check)
  - Correcting an Incorrectly Paid Payroll Liability

## SPECIAL TOPICS: VOIDING AN INCORRECT NET PAYCHECK

### ➤ Voiding a paycheck (that has incorrect net pay)

- Only void a paycheck due to an incorrect net pay if
  - The check has not been deposited **AND**
  - You can ensure the check won't be deposited because
    - You haven't given it to the employee
    - You can get it back from them **OR**
    - You can cancel the direct deposit
- If the employee has deposited the check: DO NOT VOID IT and instead see the "CORRECTING A PAYCHECK" topic in this chapter.



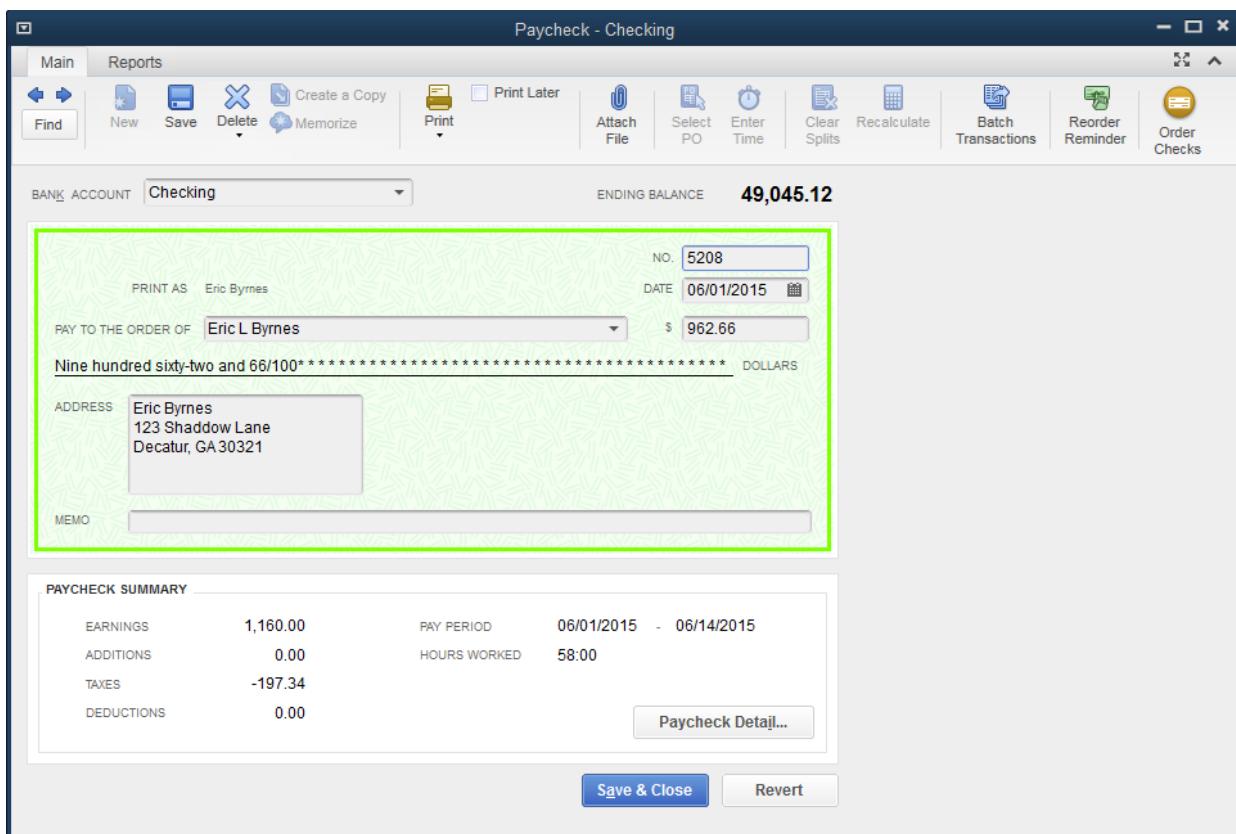
### The Steps: Voiding a Check

- 1) Select “Employees>Employee Center” from the menu bar at the top of your screen
- 2) Select the “Employees” on the left of your screen
- 3) Select the appropriate employee
- 4) In the “Transactions” tab, double click the appropriate “Paycheck”
- 5) Select “Edit>Void Paycheck” from the menu bar at the top of your screen
- 6) Click “Save & Close” and in the “Recording Transaction” pop-up window, click “Yes”

## SPECIAL TOPICS: REISSUING A LOST OR DESTROYED PAYCHECK

### ➤ Reissuing a paycheck that was lost or destroyed

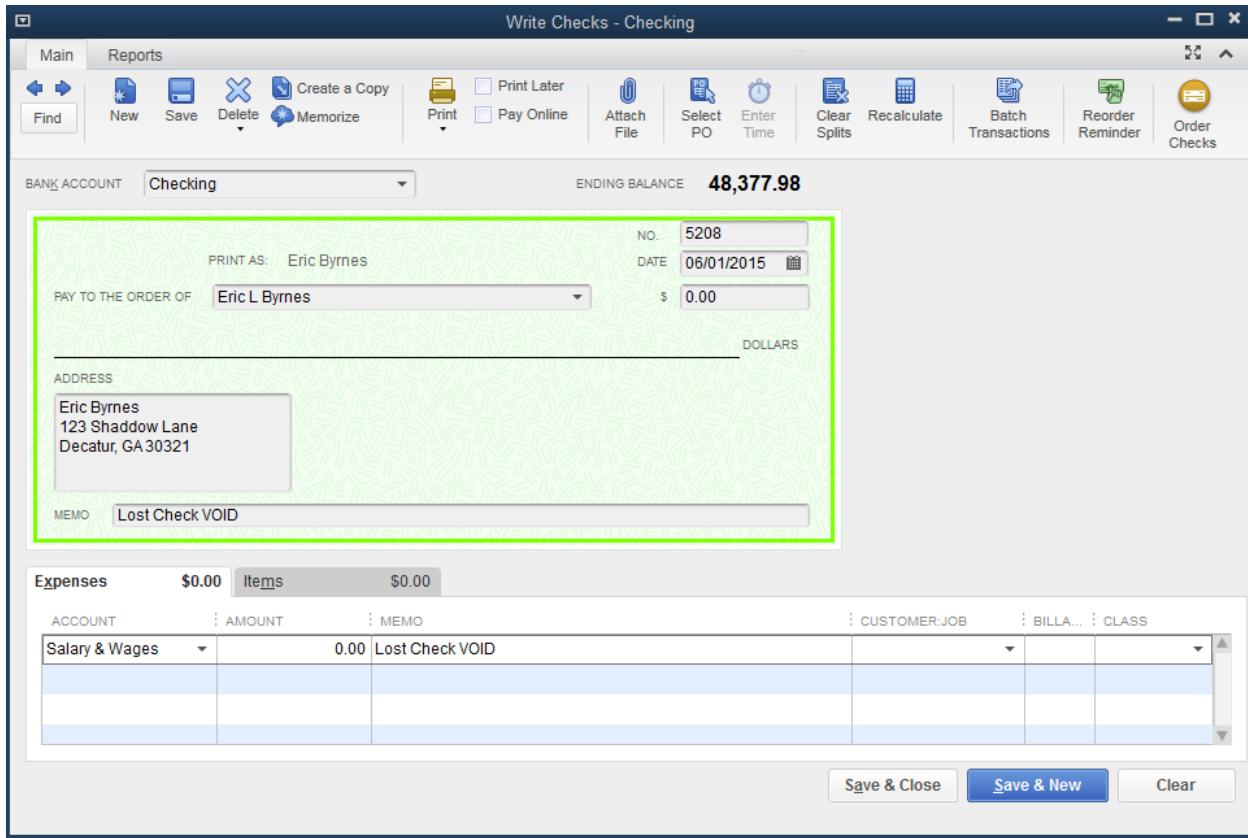
- In this case it is not a good idea to void the check itself. Instead it is best to:
  - Change the original check to a “to be printed” status and then reprint)
  - Create a check in the “Write Checks” window with the original check number and then void it.



### Step 1: Reissuing a Lost or Destroyed Paycheck – Reprint the Check

- 1) Select “Employees>Employee Center” from the menu bar at the top of your screen
- 2) Select the “Employees” on the left of your screen
- 3) Select the appropriate employee
- 4) In the “Transactions” tab, double click the appropriate “Paycheck”
- 5) Check the box next to “Print Later”
- 6) Click the “Print” icon then click “OK”
- 7) Type in the new check number in the “Printed Check Number” field and click “OK”
- 8) Select the appropriate “Printer name:” from the drop down menu and click “Print”
- 9) If your checks printed correctly, click “OK” and then click “Save & Close”

## SPECIAL TOPICS: REISSUING A LOST OR DESTROYED PAYCHECK



### **Step 2: Reissuing a Lost or Destroyed Paycheck – Create a Void for the Original Check**

- 1) Select “Banking>Write Checks” from the menu bar at the top of your screen
- 2) On the check, in the “No.” field, type in the check number of the original paycheck
- 3) Select the appropriate date
- 4) Type in “0.00” in the “\$” field
- 5) Type “VOID” in the “Memo” field
- 6) In the “Expenses” tab, choose “Salaries & Wages” from the drop down menu in the “Account” field and type “0.00” in the “Amount” field and “VOID” in the “Memo” field
- 7) Click “Save & Close”

## SPECIAL TOPICS: CORRECTING A PAYCHECK

### ➤ Correcting an incorrect paycheck already deposited by the employee

- Correcting a check that has already been deposited is accomplished in different ways depending on what the error was.
  - If the employee was overpaid or underpaid – simply correct the error on the next check
  - If the net amount on the check was correct but it was allocated incorrectly between classes/programs/jobs in QuickBooks® – edit the paycheck itself by “unlocking” it. Make sure that any changes **DO NOT** change the net pay.

The screenshot shows the 'Review Paycheck' dialog box for Eric L Byrnes. The dialog is divided into several sections:

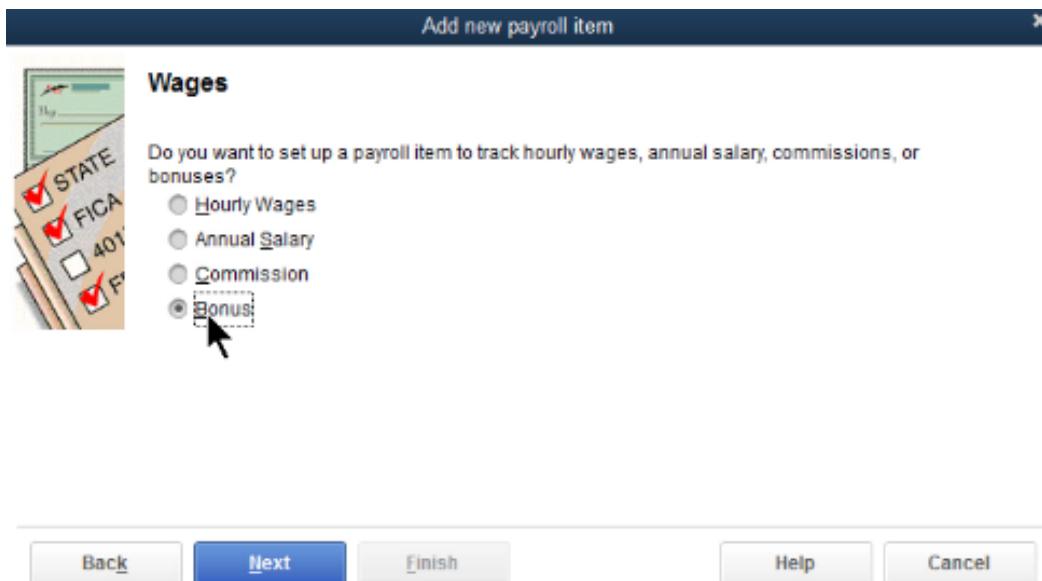
- Earnings:** Shows a table with columns for Item Name, Rate, Hours, Customer:Job, Class, and Service Item. One row is visible for "Direct Hourly Payroll" at 20.00 rate and 58:00 hours.
- Other Payroll Items:** Shows a table with columns for Item Name, Rate, and Quantity. It lists various deductions like Medicare, Federal Withholding, Social Security, and GA Withholding.
- Company Summary:** Shows a table with columns for Item Name, Amount, and YTD. It includes contributions from the company for Admin. Assessment, Social Security, Medicare, and Federal Unemployment.
- Employee Summary:** Shows a table with columns for Item Name, Amount, and YTD. It details the net pay components: Direct Hourly Payroll (1,160.00), Medicare Employee Addl T... (0.00), Federal Withholding (-68.00), Social Security Employee (-71.92), Medicare Employee (-16.82), and GA- Withholding (-40.60). The total Check Amount is 962.66.
- Buttons:** At the bottom are OK, Cancel, and Help buttons. To the right are checkboxes for Lock Net Pay (unchecked), Unlock Net Pay (checked), and Enter net/Calculate gross (unchecked).

### The Steps: Correcting a Paycheck

- 1) Select “Employees>Employee Center” from the menu bar at the top of your screen
- 2) Select the “Employees” tab on the left of your screen
- 3) Select the appropriate employee
- 4) In the “Transactions” tab, double click the appropriate “Paycheck”
- 5) Click “Paycheck Detail...”
- 6) Select “Unlock Net Pay” at the bottom of the window and click “OK”
- 7) Make the appropriate changes and make sure the “Check Amount:” stays the same
- 8) Click “OK”, then click “Save & Close”

## SPECIAL TOPICS: UNSCHEDULED PAYROLL

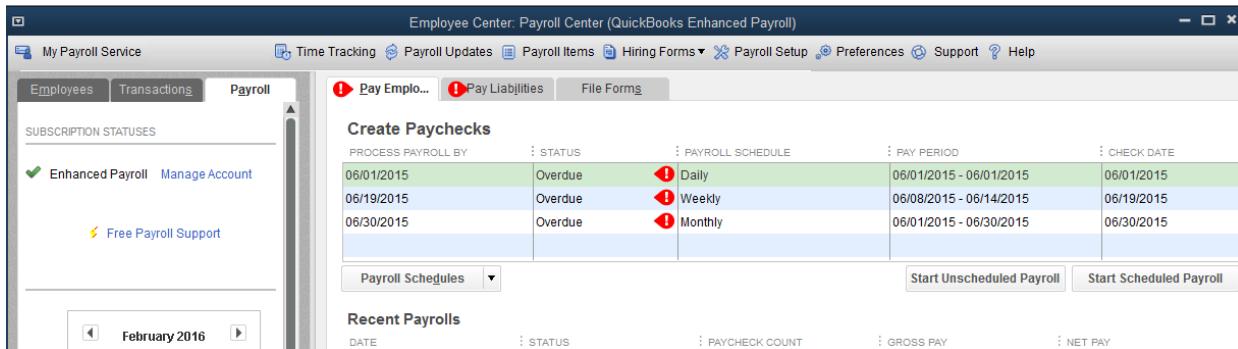
- **There are many reasons why it may become necessary to create a paycheck during the time between your traditional scheduled payrolls**
  - Perhaps an employee was underpaid (i.e. shorted hours) and can't wait until the next scheduled payroll to get the amount he was shorted
  - Maybe an employee was late turning in his/her timesheet
  - Perhaps you are just really nice and wish to give your employees a bonus check
- We will show you how to generate an unscheduled payroll using the bonus check here (Note: Bonus checks require the additional step of creating a Bonus Payroll Item).



### Step 1: Create Bonus Payroll Item

- 1) Select “Lists>Payroll Item List” from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” from the bottom of your screen
- 3) Select “Custom Setup (allows editing of all settings: recommended for expert users) and click “Next”
- 4) Select “Wage (Hourly Wages, Annual Salary, Commission, Bonus) and click “Next”
- 5) Select “Bonus” and click “Next”
- 6) Type an appropriate name in the “Enter name for bonus:” field and click “Next”
- 7) Select “Salaries & Wages” from the drop down menu and click “Finish”

## SPECIAL TOPICS: UNSCHEDULED PAYROLL



### Step 2: Unscheduled Payroll for a Bonus Check

- 1) Select “Employees>Payroll Center” from the menu bar at the top of your screen
- 2) Select the “Pay Employees” tab and click “Start Unscheduled Payroll”
- 3) Select the appropriate Pay Period date and Bank Account
- 4) Select the appropriate option in the “CHECK OPTIONS” section. If you are handwriting the check, enter the check number the in “First Check #” field
- 5) Select the employee you wish to pay and click “Open Paycheck Detail...”

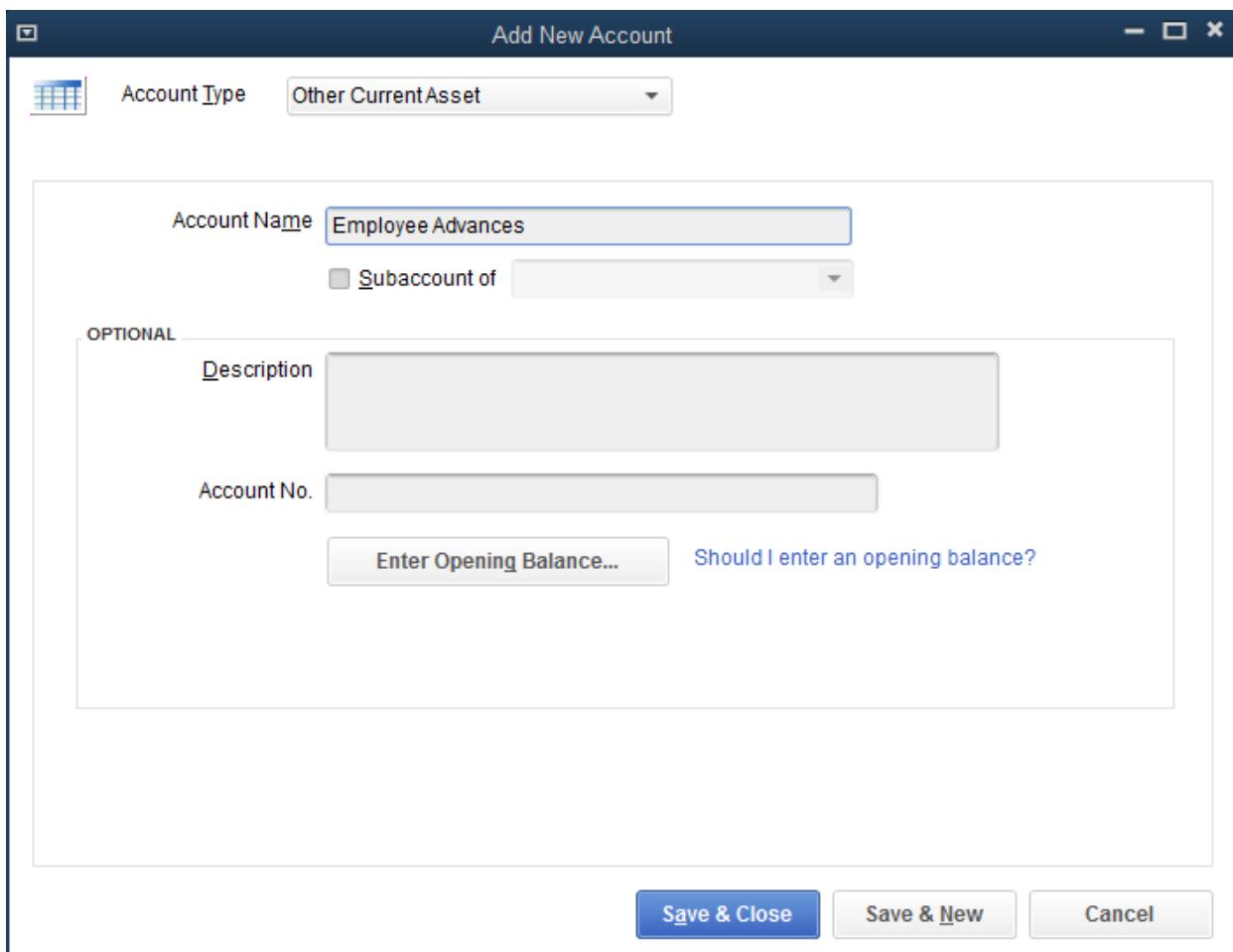
Preview Paycheck

Eric L Byrnes				PAY PERIOD: 05/19/2015 - 06/01/2015	<input type="checkbox"/> Use Direct Deposit
<b>Earnings</b> ITEM NAME : RATE : HOURS : CUSTOMER/JOB : CLASS : SERVICE ITEM Bonus : 500.00 : : : :				SICK AVAILABLE: 0.00	
				VACATION AVAIL.: 0.00	
				SICK ACCRUED:	
				VAC. ACCRUED:	
				<input type="checkbox"/> Do not accrue sick/vac	
TOTALS: 500.00 0.00 hrs					
<b>Other Payroll Items</b> ITEM NAME : RATE : QUANTITY				<b>Employee Summary</b> ITEM NAME : AMOUNT : YTD Bonus: 500.00 500.00 Medicare Employee Addl T...: 0.00 0.00 Federal Withholding: -2.00 -70.00 Social Security Employee: -31.00 -102.92 Medicare Employee: -7.25 -24.07 GA- Withholding: -2.27 -42.87	
				How are these items calculated?	
<b>Company Summary</b> ITEM NAME : AMOUNT : YTD				How are these items calculated? ITEM NAME : AMOUNT : YTD GA- Admin. Assessment: 0.40 1.33 Social Security Company: 31.00 102.92 Medicare Company: 7.25 24.07 Federal Unemployment: 3.00 9.96	
				Check Amount: 457.48	
<input type="button" value="Save &amp; Previous"/> <input type="button" value="Save &amp; Next"/>				<input type="button" value="Save &amp; Close"/> <input type="button" value="Cancel"/> <input type="button" value="Help"/>	<input type="checkbox"/> Enter net/Calculate gross

- 6) Choose “Bonus” from the drop down menu in the “Item Name” field
- 7) Type in the amount of the bonus in the “Rate” field
- 8) Check the box next to “Do not accrue sick/vac”
- 9) Check the box next to “Enter net/Calculate gross”, if you desire
- 10) Check the box next to “Use Direct Deposit”, if applicable
- 11) Enter additional information in the other fields, if applicable and click “Save & Close”
- 12) Click “Continue” then click “Create Paychecks”

## SPECIAL TOPICS: EMPLOYEE ADVANCES

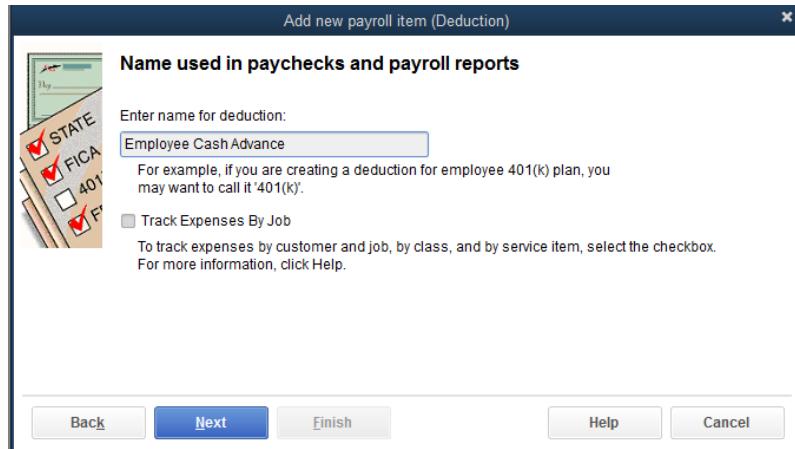
- Employee Advances are essentially loans made to employees with subsequent repayments made through a deduction from the employees paychecks
- Employee Advance accounts and P/R items must be created
  - Then the advance check needs to be generated
  - Then the subsequent payroll deduction can be set-up and used



### Step 1: Creating an Employee Advance Account

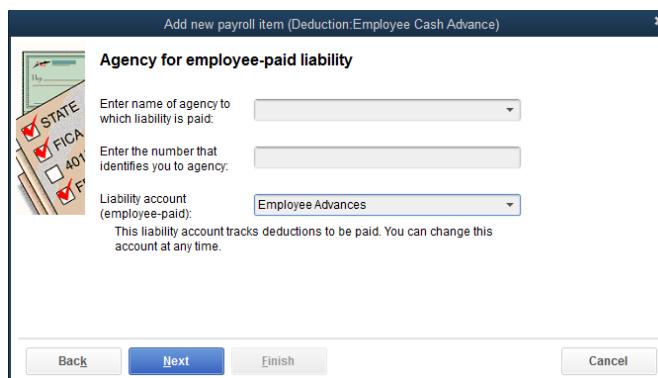
- 1) From the homepage, double click the “Chart of Accounts” icon in the “COMPANY” section to the right
- 2) Select “Account>New” at the bottom left of you screen
- 3) Select “Other Account Types” then select “Other Current Asset” from the drop down menu and click “Continue”
- 4) Type an appropriate name in the “Account Name” field and click “Save & Close”

## SPECIAL TOPICS: EMPLOYEE ADVANCES



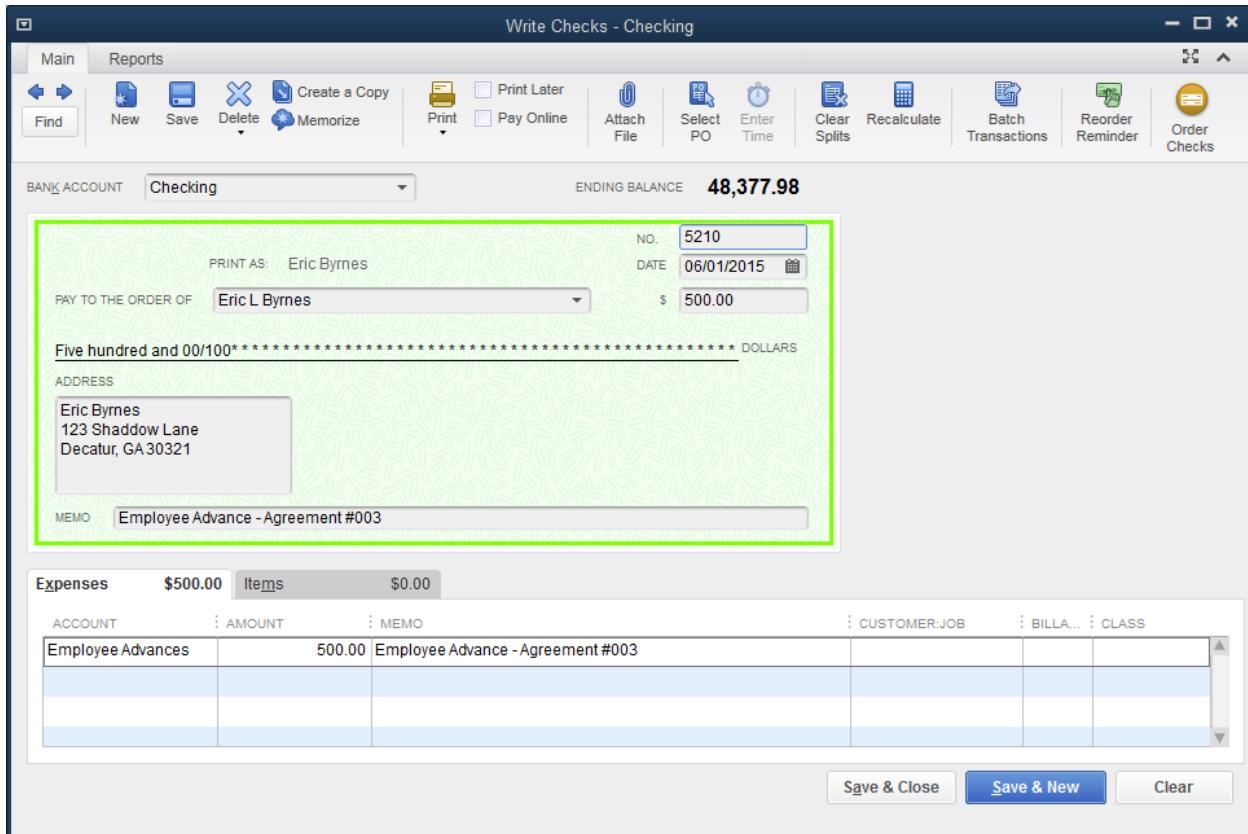
### Step 2: Creating an Employee Advance Payroll Item

- 1) Select “Lists>Payroll Item List” from the menu bar at the top of your screen
- 2) Select “Payroll Item>New” at the bottom left of you screen
- 3) Select “Custom Setup (allows editing of all settings, recommended for expert users) and click “Next”
- 4) Select “Deduction (Union Dues, 401(K) matching contribution, HAS contribution)” and click “Next”
- 5) Type an appropriate name in the “Enter name for deduction:” field and click “Next”



- 6) In the “Liability account (employee-paid):” field, select “Employee Advances” (the account you created in the Chart of Accounts) from the drop down menu and click “Next”
- 7) In the “Tax tracking type” window, select “None” from the drop down menu and click “Next”
- 8) In the “Taxes” window, click “Next”
- 9) In the “Calculate based on quantity” window, select “Neither” and click “Next”
- 10) In the “Gross vs. net” window, select “net pay” and click “Next”
- 11) In the “Default rate and limit window, click “Finish”

## SPECIAL TOPICS: EMPLOYEE ADVANCES



### Step 3: Issuing an Advance Check

- 1) From the homepage, double click the “Write Checks” icon in the “BANKING” section to the right
- 2) Select the appropriate employee from the drop down menu in the “PAY TO THE ORDER OF” field
- 3) Enter the appropriate check number in the “NO.” field
- 4) Enter the appropriate dollar amount in the “\$” field
- 5) Type an appropriate memo in the “MEMO” field
- 6) In the “Expenses” tab below the check, select “Employee Advances” (the account you created in the Chart of Accounts) from the drop down menu in the “ACCOUNT” field
- 7) Enter the dollar amount and memo in the “AMOUNT” and “MEMO” fields respectively
- 8) Click “Save & Close”

## **SPECIAL TOPICS: EMPLOYEE ADVANCES**

## **Step 4: Setting up a Employee Advance Payroll Deduction**

- 1) Select “Employees>Employee Center” from the menu bar at the top of your screen
  - 2) Select the “Employees” tab on the left
  - 3) Double click on the appropriate employee’s name
  - 4) Select the “Payroll Info” tab on the left
  - 5) Under “ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS” to the right, select “Employee Cash Advances” from the drop down menu in the “ITEM NAME” field
  - 6) Enter the amount to be taken out of each paycheck in the “AMOUNT” field and the enter the total amount of the advance in the “LIMIT” field
  - 7) Click “OK”

## SPECIAL TOPICS: EMPLOYEE ADVANCES

**Review Paycheck**

**Eric L Byrnes**

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER:JOB	CLASS	SERVICE ITEM
Direct Hourly Pay...	20.00	40:00	Greyson, Elliot	New Construction	Labor Costs

TOTALS      800.00      40:00 hrs

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Employee Cash A...	-100.00	

**Employee Summary (adjusted)**

ITEM NAME	AMOUNT	YTD
Direct Hourly Payroll	800.00	1,960.00
Employee Cash Advance	-100.00	-100.00
Medicare Employee Addl T...	0.00	0.00
Federal Withholding	-32.00	-100.00
Social Security Employee	-49.60	-121.52
Medicare Employee	-11.60	-28.42
GA- Withholding	-19.00	-59.60
Check Amount:		587.80

**Company Summary**

ITEM NAME	AMOUNT	YTD
GA- Admin. Assessment	0.64	1.57
Social Security Company	49.60	121.52
Medicare Company	11.60	28.42
Federal Unemployment	4.80	11.76

**How are these items calculated?**

**OK**    **Cancel**    **Help**     Lock Net Pay     Unlock Net Pay     Enter net/Calculate gross

### Step 5: Using the Employee Advance Deduction on a Paycheck

- 1) Select “Employees>Employee Center” from the menu bar at the top of your screen
- 2) Select the “Payroll” tab on the left
- 3) Double click on the appropriate payroll schedule
- 4) Select the appropriate employee and click “Open Paycheck Detail...”
- 5) Select the appropriate “Item Name” from the drop down menu
- 6) Enter the appropriate Rate and amount of hours in the “RATE” and “HOURS” field and select the appropriate job and class from the drop down menus in the “CUSTOMER JOB” and “CLASS” fields.
- 7) In the “Other Payroll Items” section, the “Employee Cash Advance” will automatically populate until the advance is paid off
- 8) Enter additional information in the other fields, if applicable and click “Save & Next” for additional employees or click “Save & Close”
- 9) Click “Continue” then click “Create Paychecks”

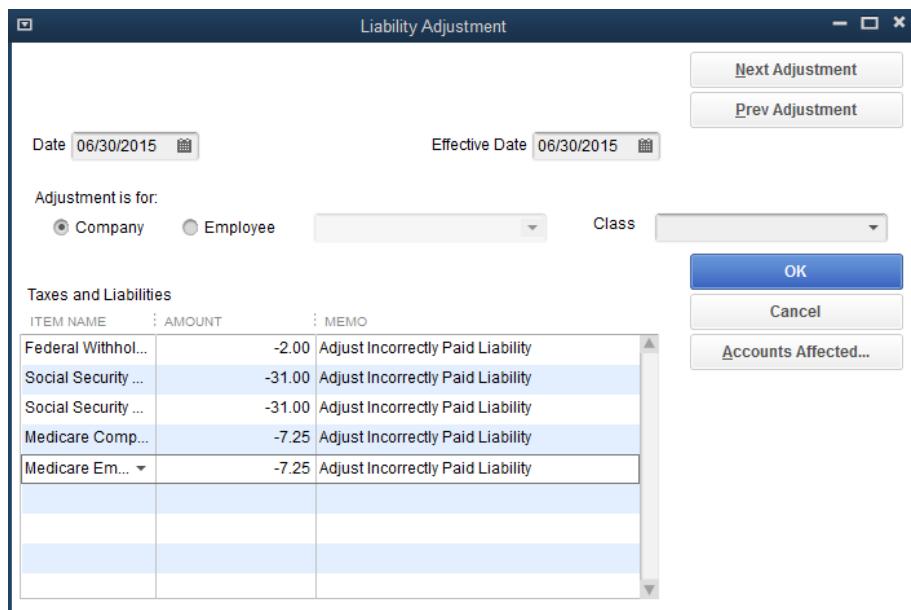
## **SPECIAL TOPICS: CORRECTING INCORRECTLY PAID PAYROLL TAXES/OTHER LIABILITIES**

- All payroll taxes and other payroll liabilities should be paid through the “Pay Liabilities” tab within the “Payroll Center” portion of QuickBooks®
- Many users incorrectly pay taxes and other P/R liabilities through either the “Enter Bills/Pay Bills” windows, directly on the bank register OR through the “Write Checks” window. This is incorrect and will result in QuickBooks® showing amounts past due for taxes and other payroll liabilities when in reality, the payments have been made.
- In the next steps, we will walk through correcting these types of errors through the use of the “Adjust Payroll Liabilities” feature.

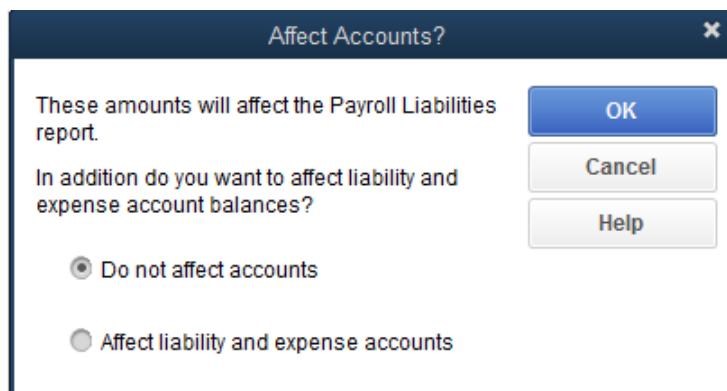
## SPECIAL TOPICS: CORRECTING INCORRECTLY PAID PAYROLL TAXES/OTHER LIABILITIES

### The Steps: Adjusting Incorrectly Paid Liability

- 1) From the homepage, double click on the “Payroll Center” icon in the “EMPLOYEES” section at the bottom left of your screen
- 2) Click on the “Pay Liabilities” tab
- 3) In the “Other Activities” section at the bottom of your screen, click “Adjust Payroll Liabilities”



- 4) Enter the date that the Liability check was made in the “Date” field
- 5) Select the appropriate item from the drop down menu in the “ITEM NAME” field
- 6) Enter the adjustment amount in the “AMOUNT” field
- 7) Repeat steps 5-6 for additional adjustments, if necessary



- 8) Click “Accounts Affected...”
- 9) Select “Do not affect accounts” and click “OK”

