

**QUICKBOOKS® MADE EASY**

**A TRAINING HANDBOOK FOR  
BUSINESSES USING  
QUICKBOOKS® DESKTOP PAYROLL**

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

**Authored by**  
**Gregg S. Bossen, CPA**

**50 Lenox Pointe NE, Suite C  
Atlanta, GA 30324  
(888) 726-2333**

**[www.quickbooksmadeeasy.com](http://www.quickbooksmadeeasy.com)**

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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.



## **TABLE OF CONTENTS**

### **CHAPTER 1: INTRODUCTION**

GETTING STARTED.....	2
----------------------	---

### **CHAPTER 2: SETTING UP**

SETTING UP OVERVIEW .....	8
PAYROLL PREFERENCES .....	9
ADDING ACCOUNTS.....	14
ADDING PAYROLL ITEMS .....	16
SCHEDULING PAYMENTS .....	36
ADDING EMPLOYEES.....	39
CHECKING FOR ERRORS .....	42
SIGN UP TO PAY FEDERAL TAXES ONLINE (EFTPS) .....	43
SETTING UP: ENTERING YEAR-TO-DATE AMOUNTS .....	44

### **CHAPTER 3: PAYCHECKS**

CREATING PAYCHECKS .....	47
--------------------------	----

### **CHAPTER 4: TAXES & LIABILITIES**

PAYROLL TAXES & LIABILITIES .....	60
-----------------------------------	----

### **CHAPTER 5: REPORTS**

PAYROLL REPORTS.....	67
----------------------	----

### **CHAPTER 6: SPECIAL TOPICS**

SPECIAL TOPICS OVERVIEW .....	75
VOIDING AN INCORRECT NET PAYCHECK.....	77
REISSUING A LOST OR DESTROYED PAYCHECK .....	78
CORRECTING A PAYCHECK .....	80
UNSCHEDULED PAYROLL .....	81
EMPLOYEE ADVANCES .....	83
CORRECTING INCORRECTLY PAID PAYROLL TAXES .....	88



## **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 <span>MOST POPULAR</span>	Full Service
	<b>\$20.00</b> /month was \$26.00 <b>20% OFF</b> for 6 months + \$2/employee per month <a href="#">Try It Free</a> <a href="#">Learn More</a>	<b>\$31.20</b> /month was \$39.00 <b>20% OFF</b> for 6 months + \$2/employee per month <a href="#">Try It Free</a> <a href="#">Learn More</a>	<b>\$79.00</b> /month was \$99.00 <b>20% OFF</b> for 6 months + \$2/employee per month <a href="#">Contact Us</a> <a href="#">Learn More</a>
<a href="#">Expand All</a>   <a href="#">Collapse All</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? [Help Me Choose](#)

### 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

QuickBooks Service Keys

QuickBooks License Number: 3845-5623-0971-279  
Federal EIN: 45-1492837

Register

SERVICE NAME	STATUS
--------------	--------

Add View Edit OK

### **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 :

The screenshot shows the '2. Enter Your Bank Information' form. At the top, it states: 'Deposit paychecks directly to the bank accounts of employees for FREE. Direct Deposit for vendors is \$1.50 per transaction.' Below this is a note: 'NOTE: Transactions from foreign bank accounts are not supported.' A warning says: 'All fields are required unless specified as optional.' The form includes a 'Bank Account Name' dropdown menu with 'CHECKING' selected, a 'Bank Account Type' section with 'Checking' selected (radio buttons), and input fields for 'Bank Legal Name', 'Routing Number', and 'Account Number'. To the right of these fields, red text indicates: 'Bank Legal Name is required.' and 'Routing Number is required.' Below the input fields is a sample check image with callouts for 'Routing Number' and 'Account Number'. At the bottom, there is a checkbox for 'I have read and agree to the terms of service agreement' with a 'View Agreement' link. A mouse cursor is pointing at the 'View Agreement' link. A final note at the bottom states: '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

Intuit QuickBooks Payroll- Verify Random Debits

### QuickBooks Direct Deposit

Intuit  
Contact Us

► **Verify Bank** — Confirmation

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).

Bank Account Number 9860084670600

Amount 1 \$ 0.

Amount 2 \$ 0.

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.

PIN

Confirm PIN

### **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

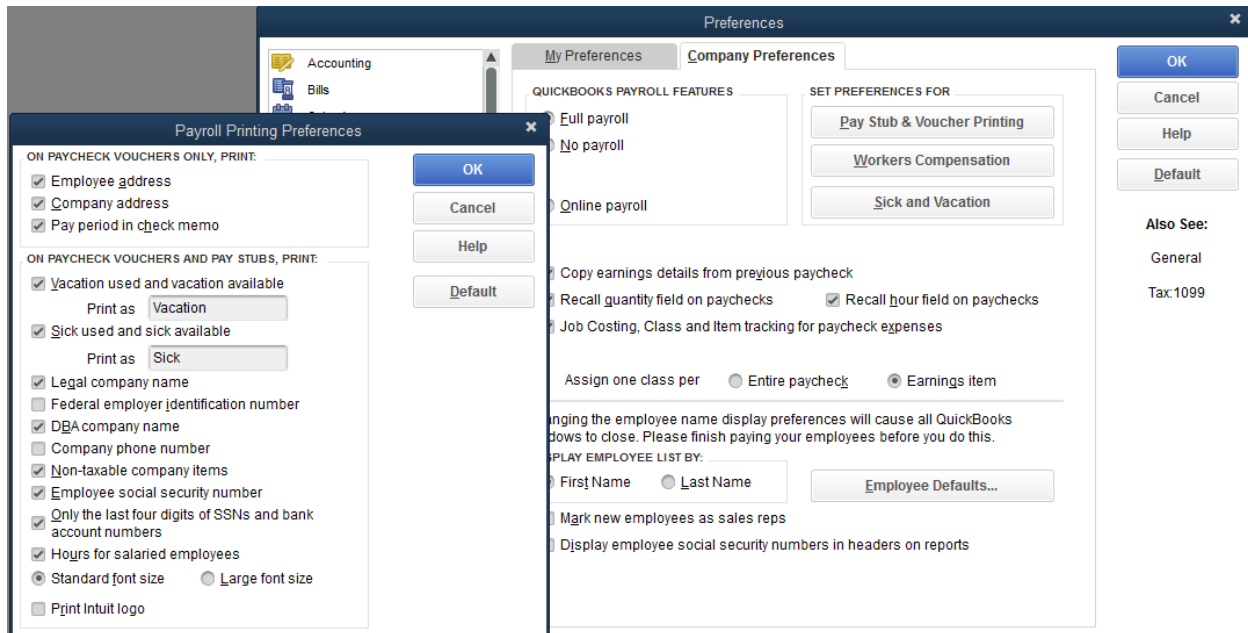
Now that you have signed for payroll, tied your new payroll subscription to your QuickBooks® data file, and activated Direct Deposit (if needed), it is now time to go through the setup process before you can begin running payroll.

- 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

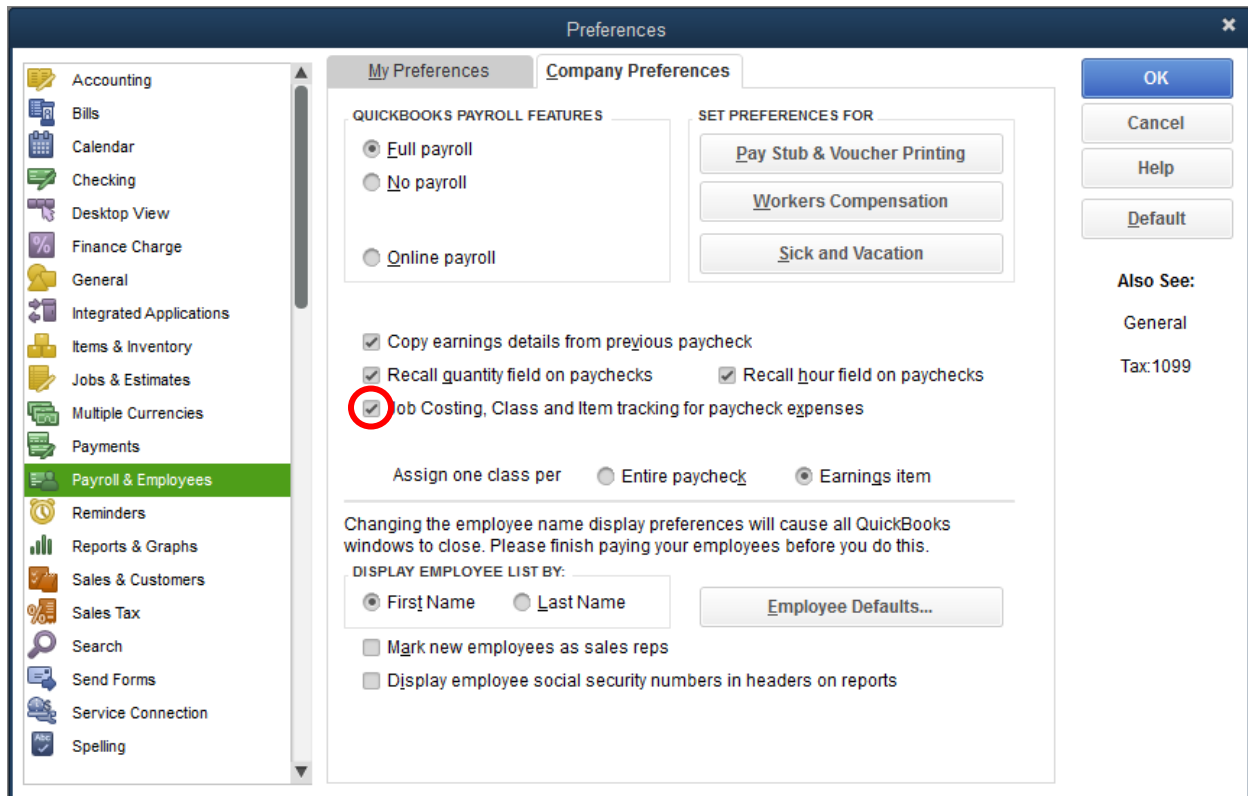


### **Step 1: Setting Up Defaults - Payroll Printing Preferences**

- 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”



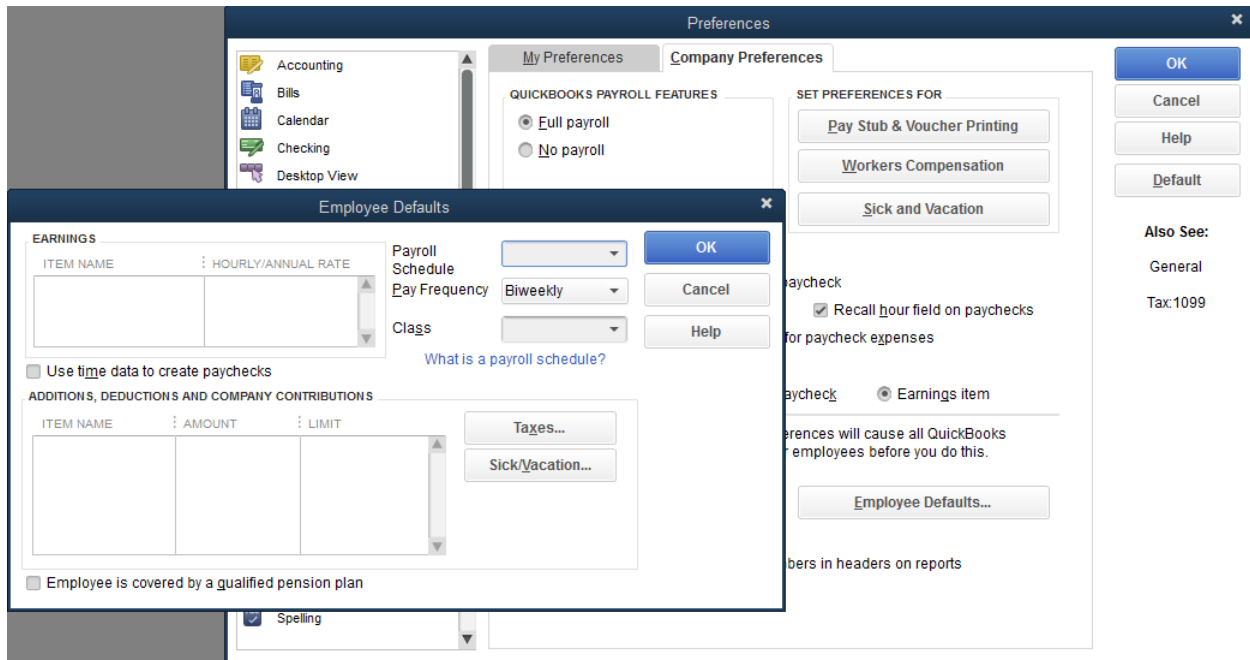
## SETTING UP: PAYROLL PREFERENCES



### 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"

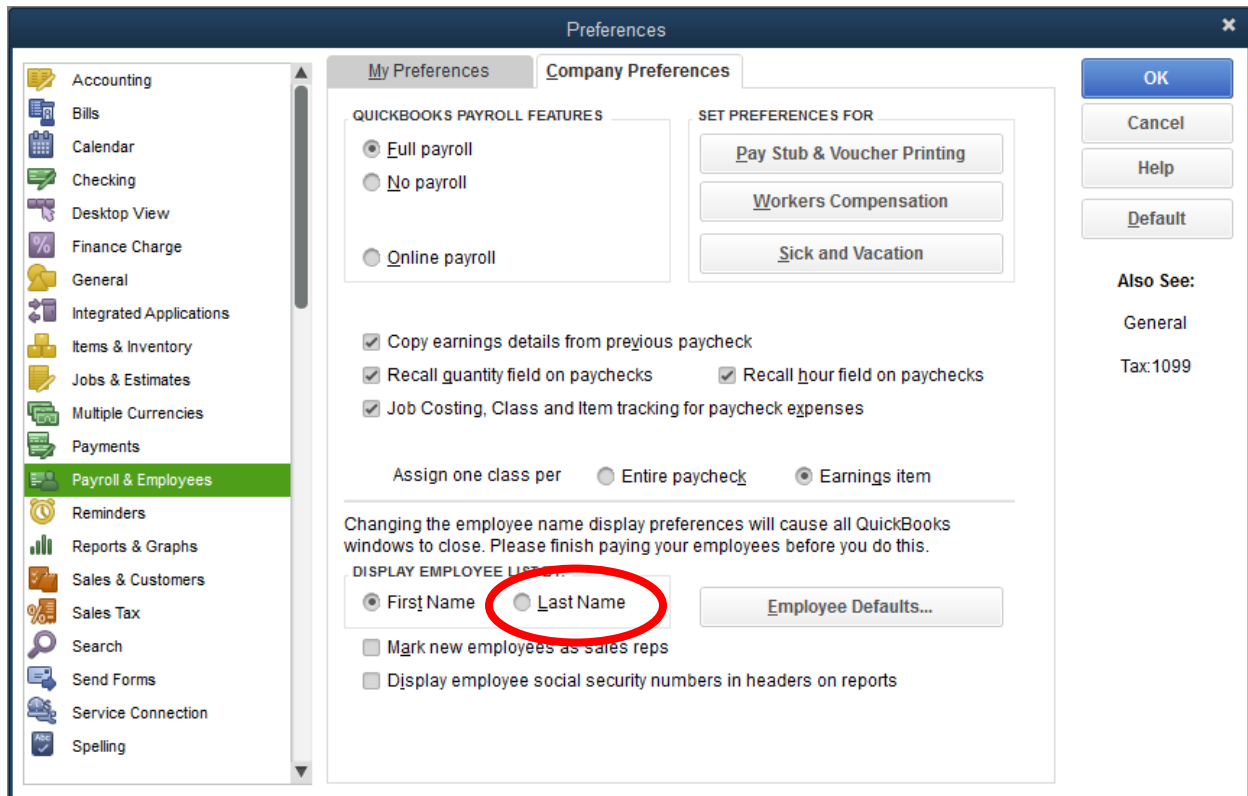
## SETTING UP: PAYROLL PREFERENCES



### 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

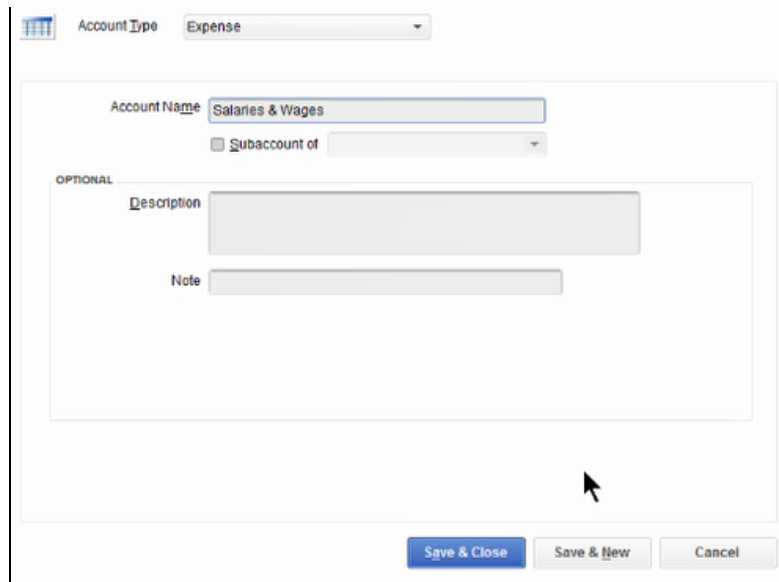
- Adding **Accounts** in the Chart of Accounts for
  - Wages
  - Payroll Taxes
  - Payroll Liabilities
- Below is a Chart of Accounts List with some of the typical payroll accounts that need to be added

Chart of Accounts			
NAME	TYPE	BALANCE TO...	ATT...
Payroll Liabilities	Other Current Li...	2,833.27	
Federal Withholding	Other Current Li...	1,218.33	
Social Security	Other Current Li...	861.88	
Medicare	Other Current Li...	303.37	
State Withholding	Other Current Li...	416.13	
State Unemployment	Other Current Li...	33.56	
403b Retirement Plan	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		

Account Activities Reports Attach Include inactive

- 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 titled "Account Type" with a dropdown menu set to "Expense". Inside the window, there is a text field for "Account Name" containing "Salaries & Wages". Below it is a checkbox labeled "Subaccount of" followed by a dropdown menu. A section labeled "OPTIONAL" contains a "Description" text field and a "Note" text field. At the bottom right, there are three buttons: "Save & Close" (highlighted in blue), "Save & New", and "Cancel". A mouse cursor is pointing at the "Save & New" button.

### **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 your 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)

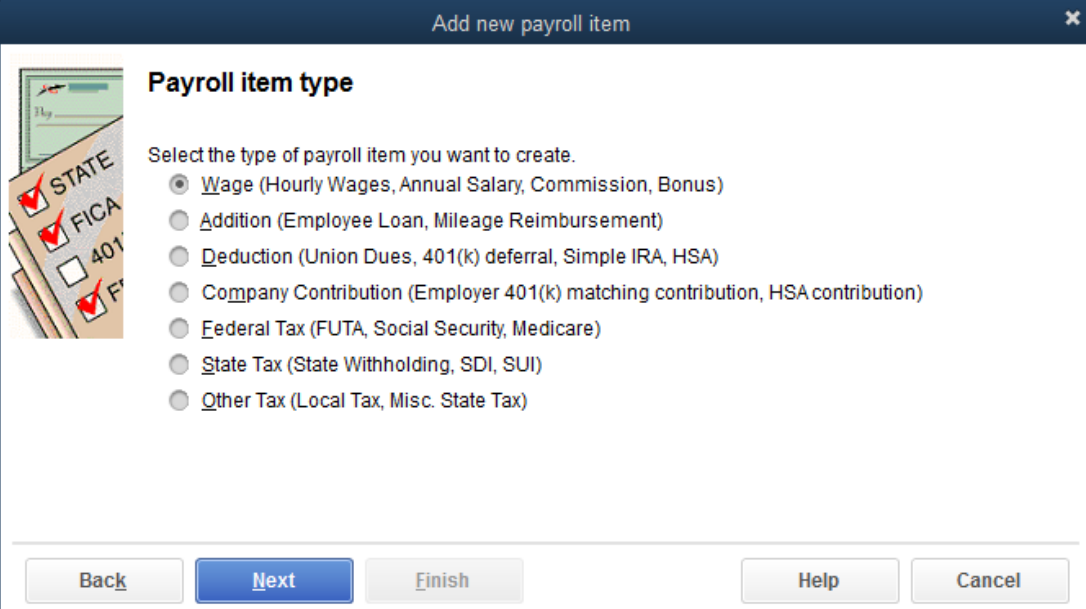
Payroll Item List								
ITEM NAME	TYPE	ACCOUNT ID	EXPENSE ACCOU...	LIABILITY ACCOU...	TAX TRACKING	AMOUNT	LIMIT	PAYABLE TO
Salary	Yearly Salary		Salary & Wages		Compensation			
Sick Salary	Yearly Salary		Salary & Wages		Compensation			
Vacation Salary	Yearly Salary		Salary & Wages		Compensation			
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

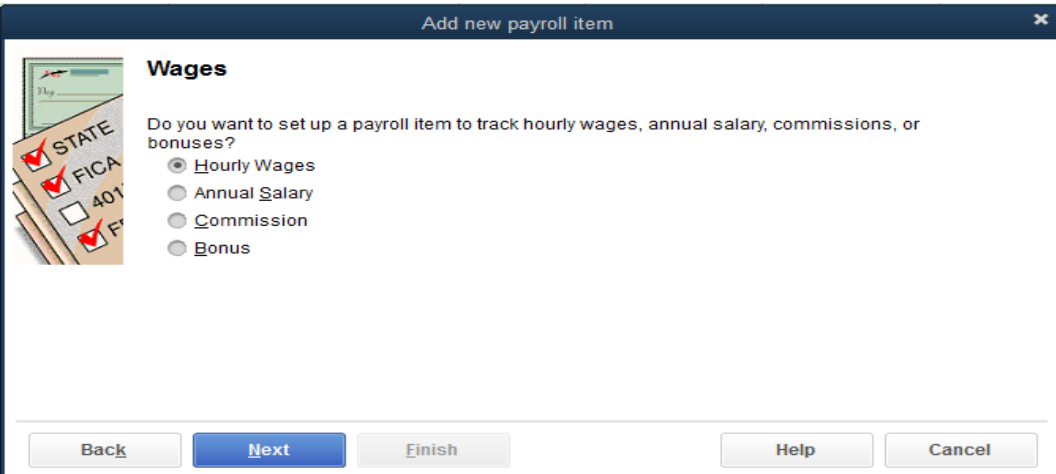
### Step 1: Setting Up Wage Payroll Item

- 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”



The screenshot shows a window titled "Add new payroll item" with a close button (X) in the top right corner. On the left is a graphic of a checklist with items "STATE", "FICA", and "401" each preceded by a red checkmark. The main area is titled "Payroll item type" and contains the instruction "Select the type of payroll item you want to create." Below this are seven radio button options: "Wage (Hourly Wages, Annual Salary, Commission, Bonus)", "Addition (Employee Loan, Mileage Reimbursement)", "Deduction (Union Dues, 401(k) deferral, Simple IRA, HSA)", "Company Contribution (Employer 401(k) matching contribution, HSA contribution)", "Federal Tax (FUTA, Social Security, Medicare)", "State Tax (State Withholding, SDI, SUI)", and "Other Tax (Local Tax, Misc. State Tax)". The "Wage" option is selected. At the bottom are five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

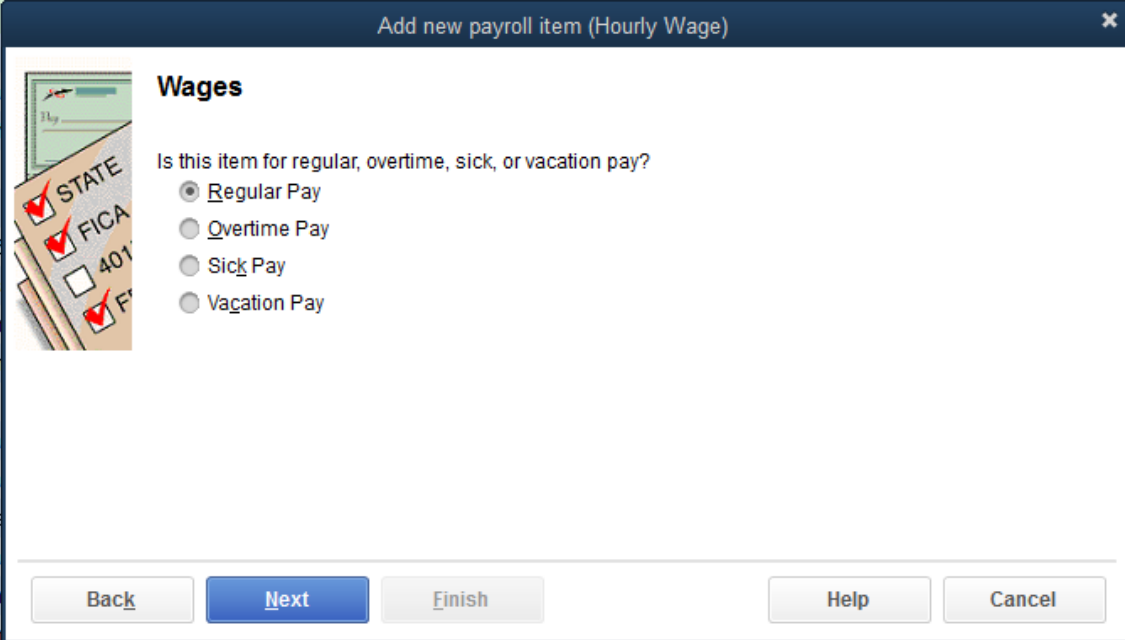
- 4) Select “Wage (Hourly Wages, Annual Salary, Commission, Bonus)” and click “Next”



The screenshot shows the same "Add new payroll item" window, now at the "Wages" step. The left graphic remains the same. The main area is titled "Wages" and contains the question "Do you want to set up a payroll item to track hourly wages, annual salary, commissions, or bonuses?" Below this are four radio button options: "Hourly Wages", "Annual Salary", "Commission", and "Bonus". The "Hourly Wages" option is selected. At the bottom are the same five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

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

## SETTING UP: ADDING PAYROLL ITEMS



The screenshot shows a dialog box titled "Add new payroll item (Hourly Wage)". On the left is an icon of a checklist with items "STATE", "FICA", "401", and "F" checked. The main heading is "Wages". Below it is the question "Is this item for regular, overtime, sick, or vacation pay?". There are four radio button options: "Regular Pay" (selected), "Overtime Pay", "Sick Pay", and "Vacation Pay". At the bottom are five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

**Wages**

Is this item for regular, overtime, sick, or vacation pay?

☒ Regular Pay

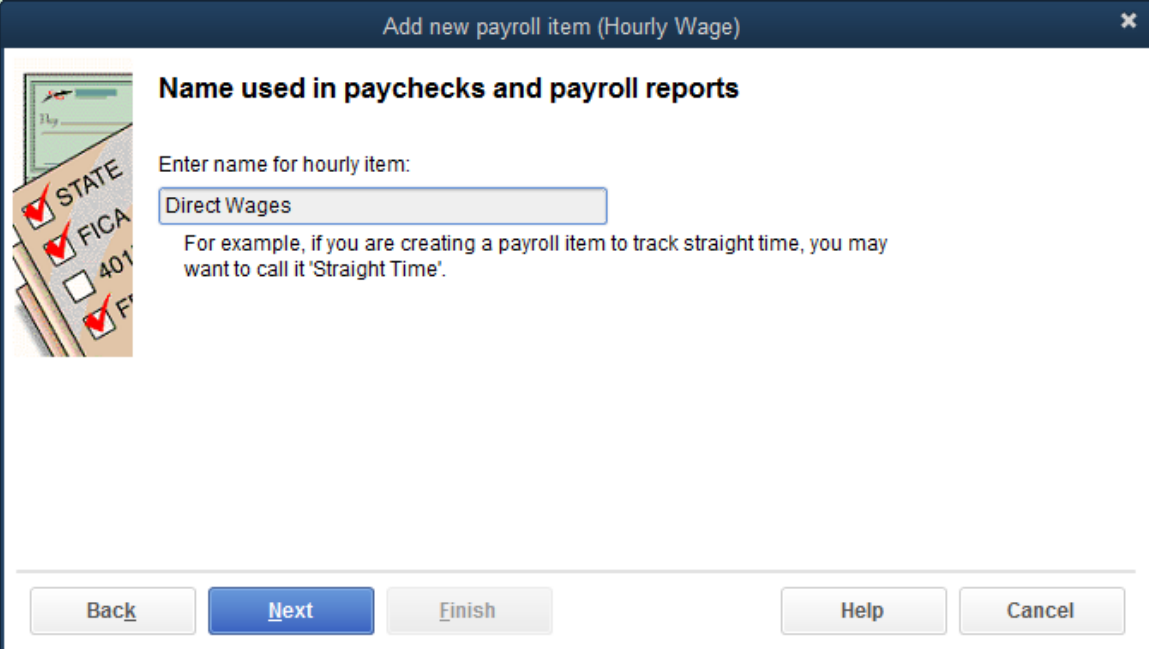
☐ Overtime Pay

☐ Sick Pay

☐ Vacation Pay

Back Next Finish Help Cancel

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



The screenshot shows the same dialog box, now at Step 7. The heading is "Name used in paychecks and payroll reports". Below it is the text "Enter name for hourly item:" followed by a text input field containing "Direct Wages". Below the input field is a note: "For example, if you are creating a payroll item to track straight time, you may want to call it 'Straight Time'". At the bottom are five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

**Name used in paychecks and payroll reports**

Enter name for hourly item:

Direct Wages

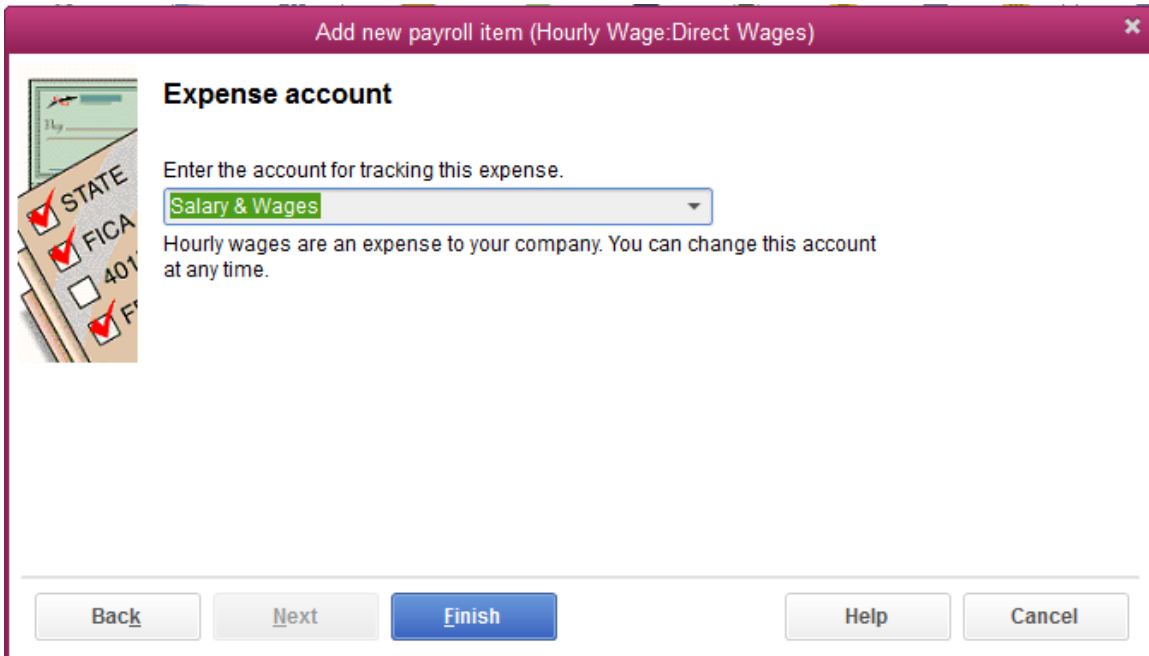
For example, if you are creating a payroll item to track straight time, you may want to call it 'Straight Time'.

Back Next Finish Help Cancel

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



## SETTING UP: ADDING PAYROLL ITEMS



**Add new payroll item (Hourly Wage:Direct Wages)**

**Expense account**

Enter the account for tracking this expense.

Salary & Wages

Hourly wages are an expense to your company. You can change this account at any time.

Back Next **Finish** Help Cancel

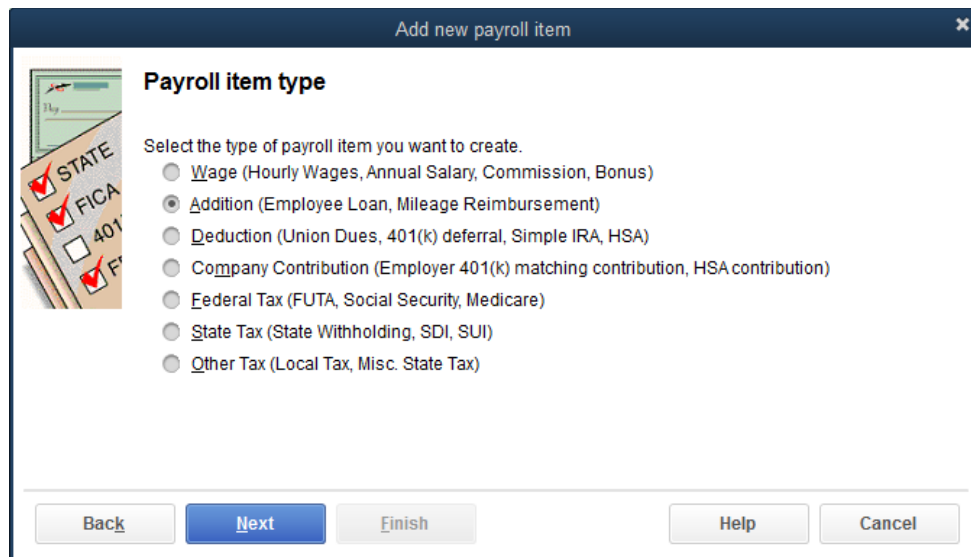
- 9) In the “Enter the account for tracking this expense.” field, select the appropriate type of from the drop down menu and click “Finish”

## SETTING UP: ADDING PAYROLL ITEMS

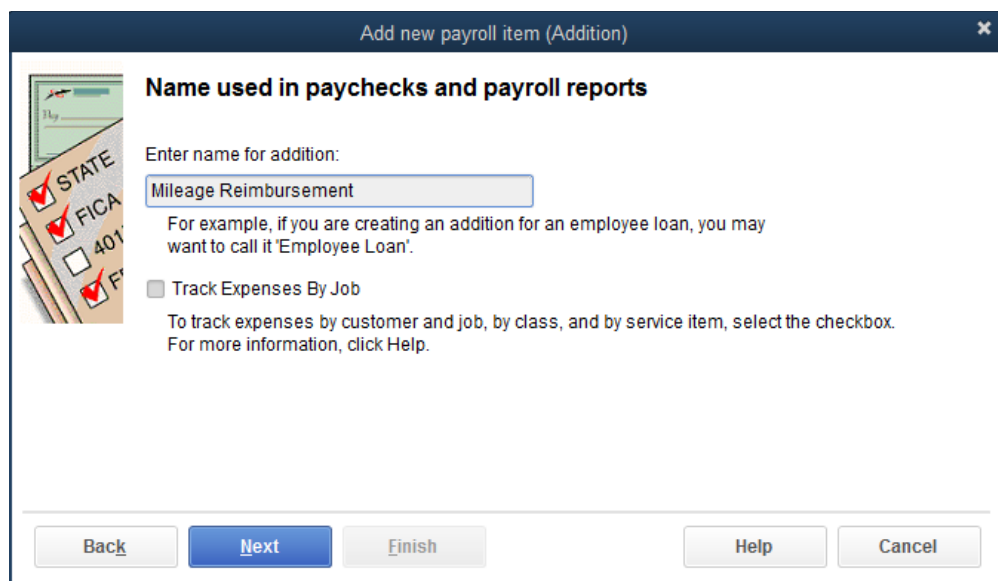
EXAMPLE OF CREATING AN ADDITION PAYROLL ITEM IS SHOWN BELOW

### **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”

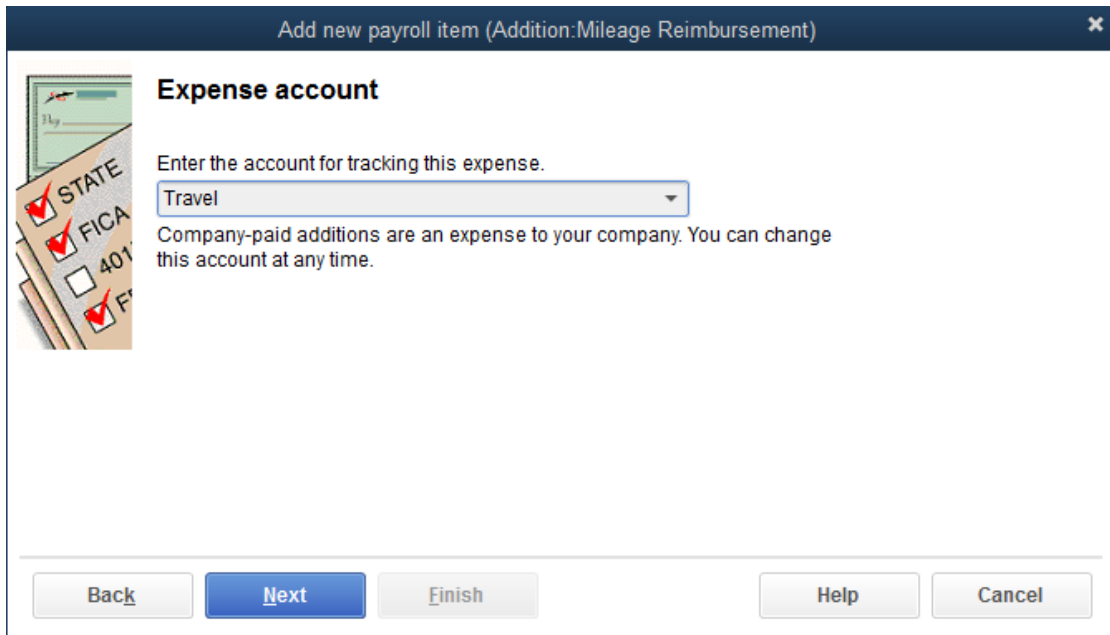


- 4) Select “Addition (Employees Load, Mileage Reimbursement)” and click “Next”



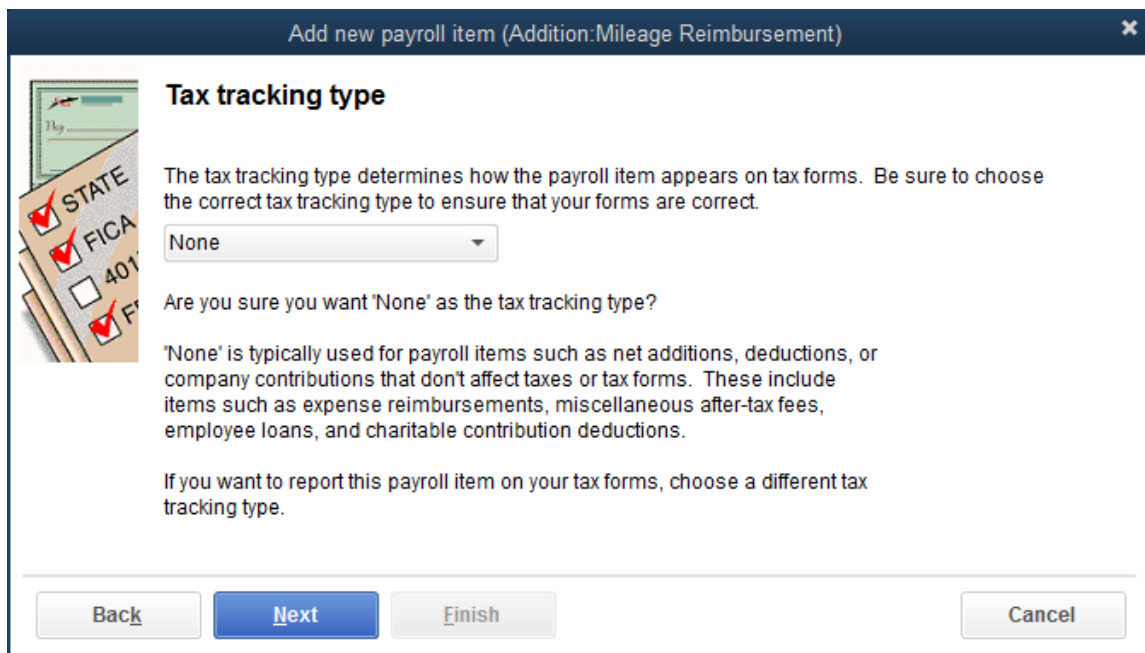
- 5) In the “Enter name for addition:” field, type an appropriate name
- 6) Check the box next to “Track Expenses By Job” if you desire and click “Next”

## SETTING UP: ADDING PAYROLL ITEMS



The screenshot shows a window titled "Add new payroll item (Addition:Mileage Reimbursement)". On the left is an icon of a checklist with items like "STATE", "FICA", "401", and "F". The main heading is "Expense account". Below it, the text says "Enter the account for tracking this expense." followed by a dropdown menu currently showing "Travel". Further text states: "Company-paid additions are an expense to your company. You can change this account at any time." At the bottom are five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

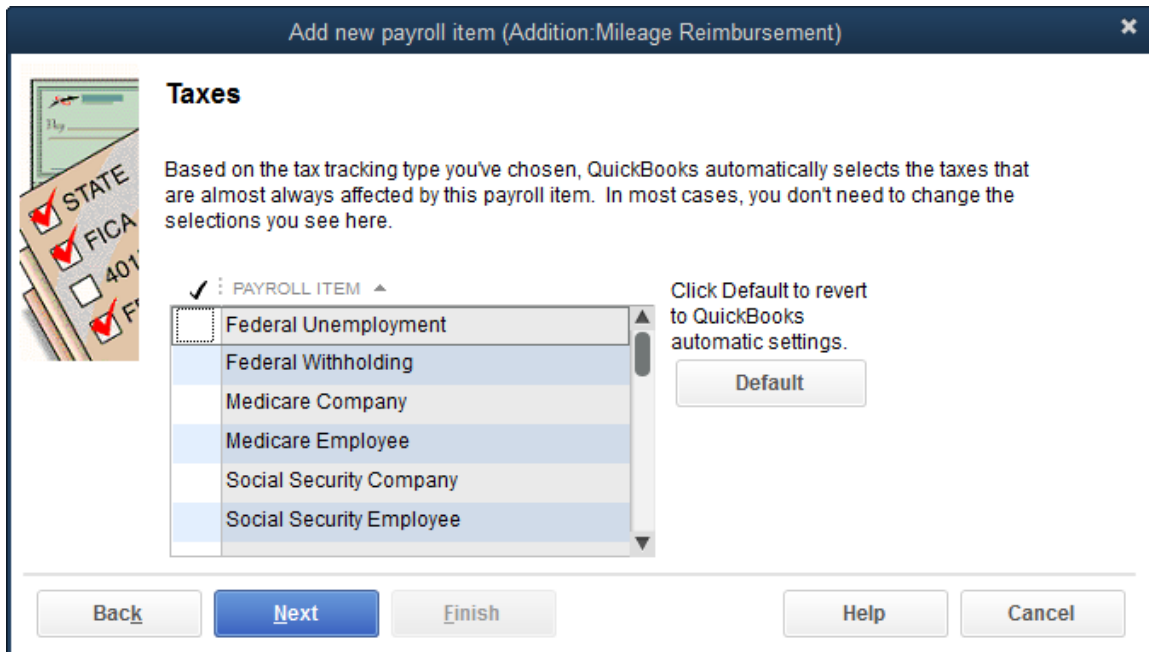
- 7) In the “Enter the account for tracking this expense.” field, select the appropriate account from the drop down menu and click “Next”



The screenshot shows the same window, but at the "Tax tracking type" step. The icon on the left is the same. The heading is "Tax tracking type". The text says: "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." Below this is a dropdown menu showing "None". Further text asks: "Are you sure you want 'None' as the tax tracking type?" and explains: "'None' is typically used for payroll items such as net additions, deductions, or company contributions that don't affect taxes or tax forms. These include items such as expense reimbursements, miscellaneous after-tax fees, employee loans, and charitable contribution deductions." It then states: "If you want to report this payroll item on your tax forms, choose a different tax tracking type." At the bottom are four buttons: "Back", "Next" (highlighted in blue), "Finish", and "Cancel".

- 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



The screenshot shows the 'Add new payroll item' window with the title 'Add new payroll item (Addition: Mileage Reimbursement)'. On the left is an icon of a tax form with checkboxes for STATE, FICA, 401, and F. The main section is titled 'Taxes'. Below the title is a paragraph: 'Based on the tax tracking type you've chosen, QuickBooks automatically selects the taxes that are almost always affected by this payroll item. In most cases, you don't need to change the selections you see here.' Below this is a list of payroll items with checkboxes: Federal Unemployment, Federal Withholding, Medicare Company, Medicare Employee, Social Security Company, and Social Security Employee. To the right of the list is a button labeled 'Default' and a note: 'Click Default to revert to QuickBooks automatic settings.' At the bottom are buttons for 'Back', 'Next', 'Finish', 'Help', and 'Cancel'.

**Taxes**

Based on the tax tracking type you've chosen, QuickBooks automatically selects the taxes that are almost always affected by this payroll item. In most cases, you don't need to change the selections you see here.

☒ PAYROLL ITEM ▲

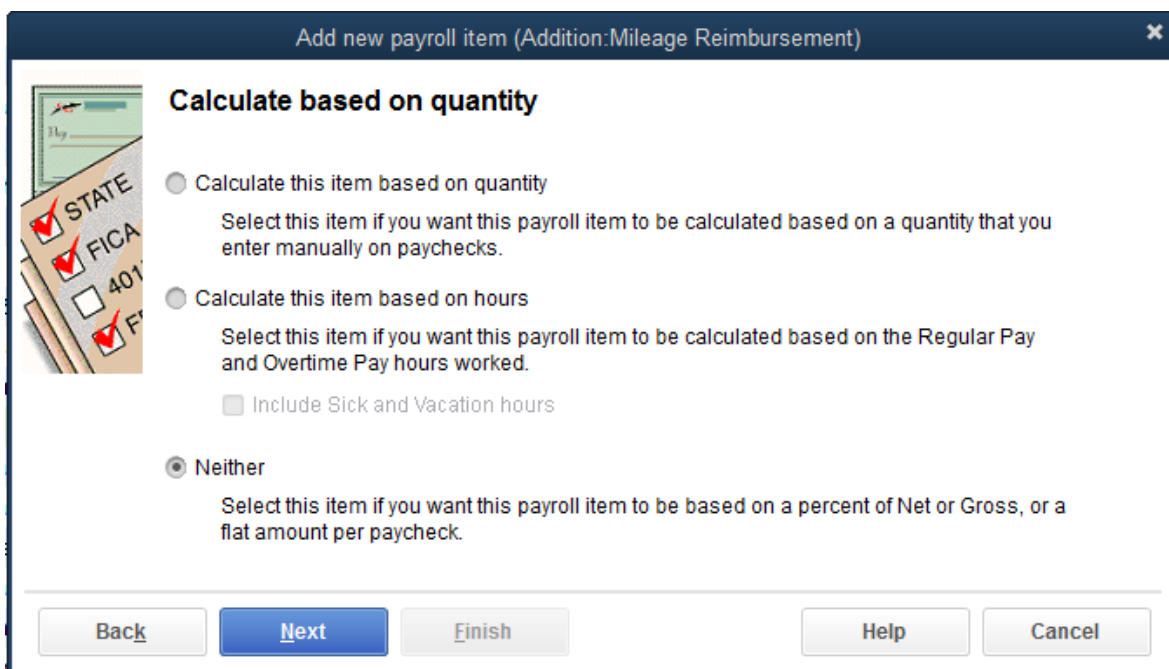
- ☐ Federal Unemployment
- ☐ Federal Withholding
- ☐ Medicare Company
- ☐ Medicare Employee
- ☐ Social Security Company
- ☐ Social Security Employee

Click Default to revert to QuickBooks automatic settings.

Default

Back Next Finish Help Cancel

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



The screenshot shows the 'Add new payroll item' window with the title 'Add new payroll item (Addition: Mileage Reimbursement)'. On the left is the same tax form icon as in the previous screenshot. The main section is titled 'Calculate based on quantity'. Below the title are three radio button options: 'Calculate this item based on quantity', 'Calculate this item based on hours', and 'Neither'. Each option has a descriptive paragraph. The 'Calculate this item based on quantity' option has a sub-option 'Include Sick and Vacation hours' with a checkbox. At the bottom are buttons for 'Back', 'Next', 'Finish', 'Help', and 'Cancel'.

**Calculate based on quantity**

☐ Calculate this item based on quantity  
Select this item if you want this payroll item to be calculated based on a quantity that you enter manually on paychecks.

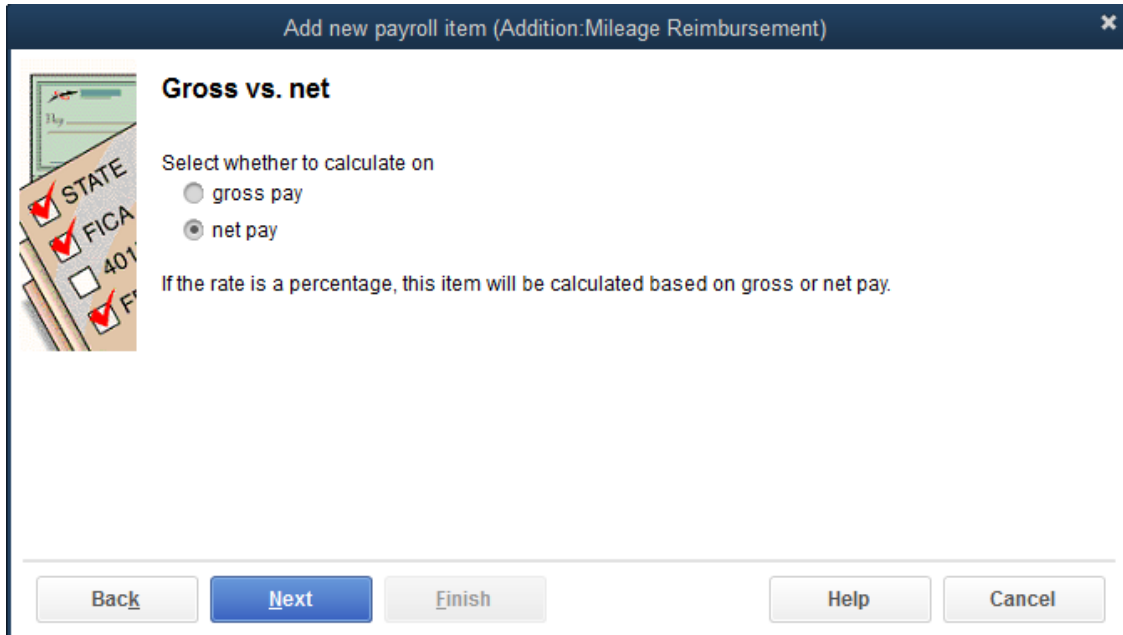
☐ Calculate this item based on hours  
Select this item if you want this payroll item to be calculated based on the Regular Pay and Overtime Pay hours worked.  
☐ Include Sick and Vacation hours

☒ Neither  
Select this item if you want this payroll item to be based on a percent of Net or Gross, or a flat amount per paycheck.

Back Next Finish Help Cancel

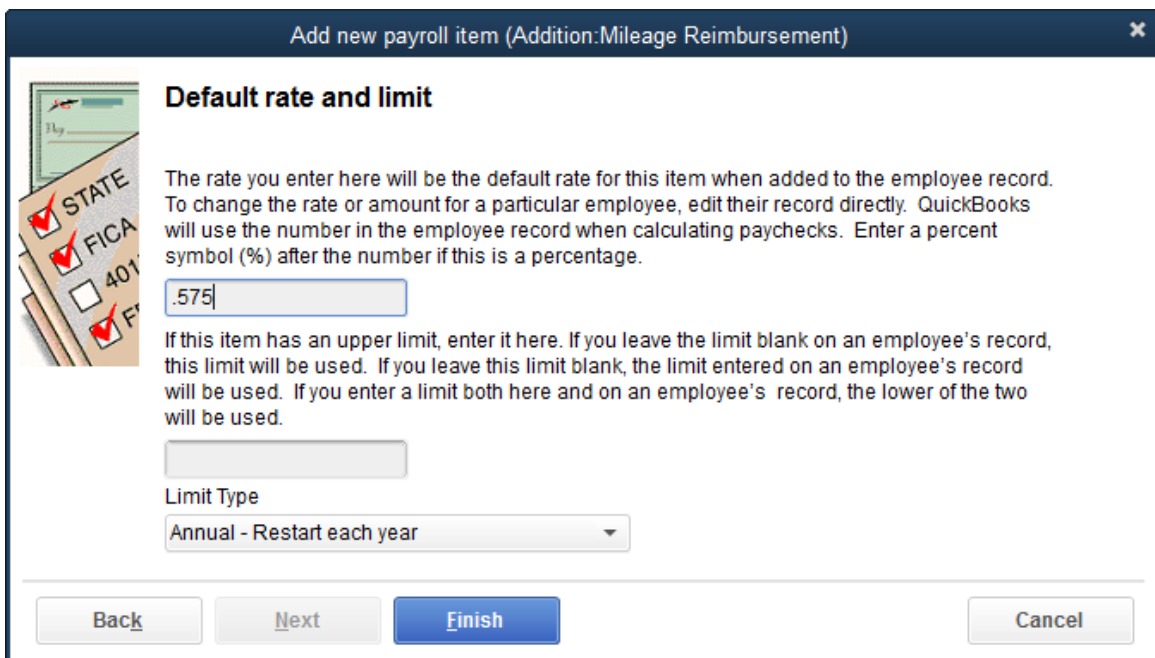
- 10) In the “Calculate based on quantity” window, select the appropriate option, then click “Next”

## SETTING UP: ADDING PAYROLL ITEMS



The screenshot shows a window titled "Add new payroll item (Addition:Mileage Reimbursement)". On the left is an icon of a checklist with items "STATE", "FICA", "401", and "F" checked. The main heading is "Gross vs. net". Below it, the text says "Select whether to calculate on" followed by two radio buttons: "gross pay" (unselected) and "net pay" (selected). A note below the radio buttons states: "If the rate is a percentage, this item will be calculated based on gross or net pay." At the bottom are five buttons: "Back", "Next" (highlighted in blue), "Finish", "Help", and "Cancel".

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



The screenshot shows a window titled "Add new payroll item (Addition:Mileage Reimbursement)". On the left is the same checklist icon as in the previous window. The main heading is "Default rate and limit". Below it, the text explains: "The rate you enter here will be the default rate for this item when added to the employee record. To change the rate or amount for a particular employee, edit their record directly. QuickBooks will use the number in the employee record when calculating paychecks. Enter a percent symbol (%) after the number if this is a percentage." Below this text is a text input field containing ".575". Another paragraph follows: "If this item has an upper limit, enter it here. If you leave the limit blank on an employee's record, this limit will be used. If you leave this limit blank, the limit entered on an employee's record will be used. If you enter a limit both here and on an employee's record, the lower of the two will be used." Below this is another empty text input field. Then, the label "Limit Type" is shown above a dropdown menu currently set to "Annual - Restart each year". At the bottom are four buttons: "Back", "Next", "Finish" (highlighted in blue), and "Cancel".

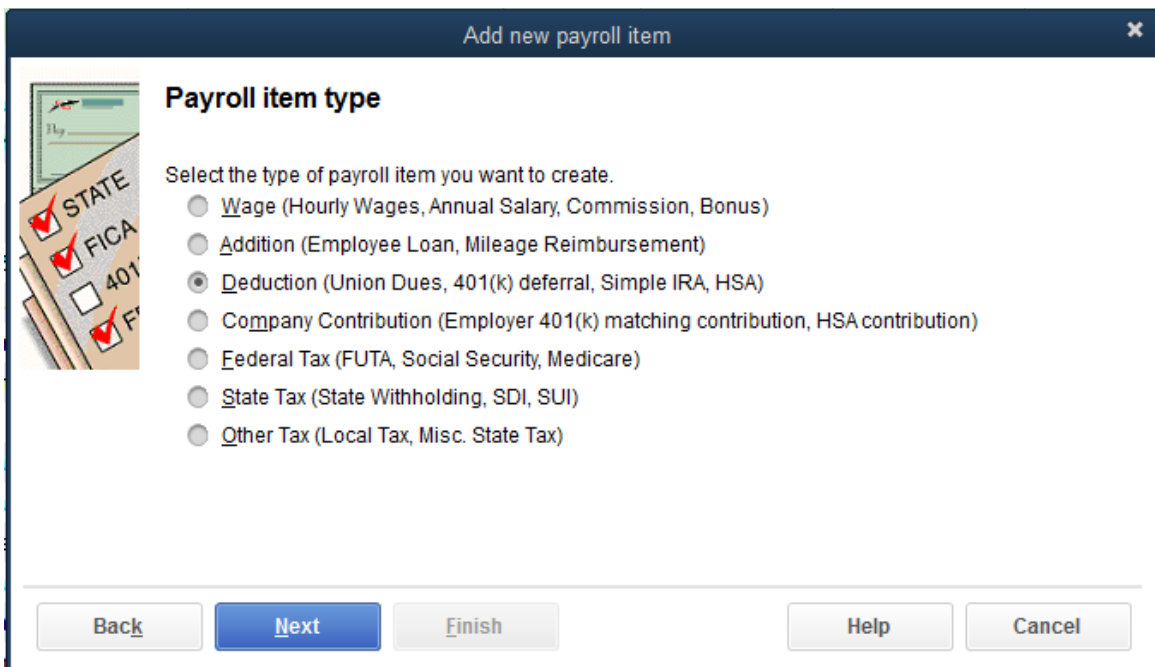
- 12) In the "Default rate and limit" window, enter the mileage rate in the first box then click "Finish"

## SETTING UP: ADDING PAYROLL ITEMS

EXAMPLE OF CREATING A DEDUCTION PAYROLL ITEM IS SHOWN BELOW

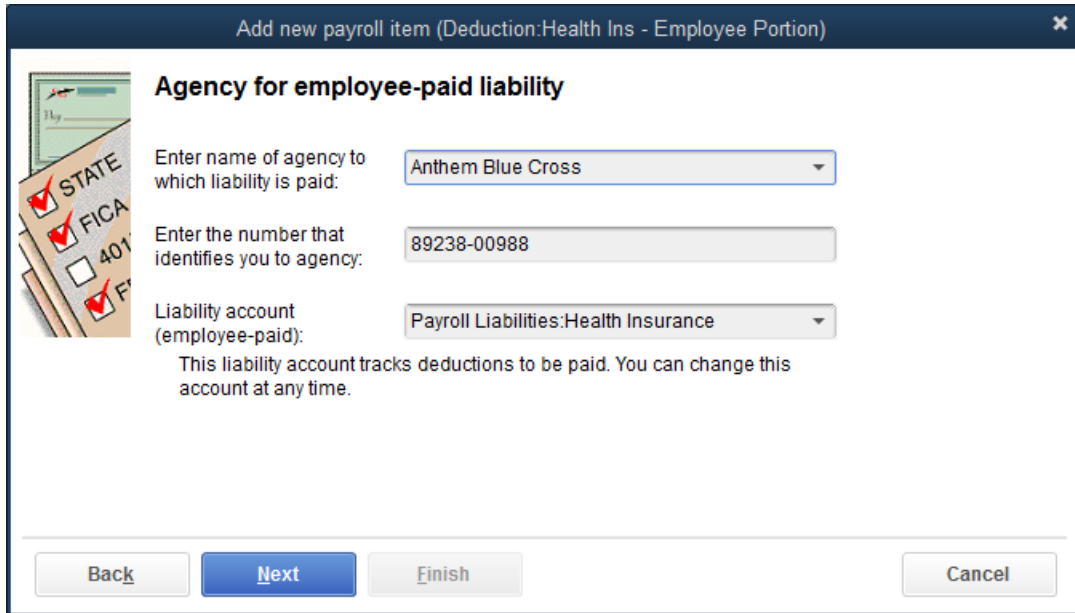
### **Step 3: Setting Up a Deduction Payroll Item: Health Insurance Deduction**

- 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



**Agency for employee-paid liability**

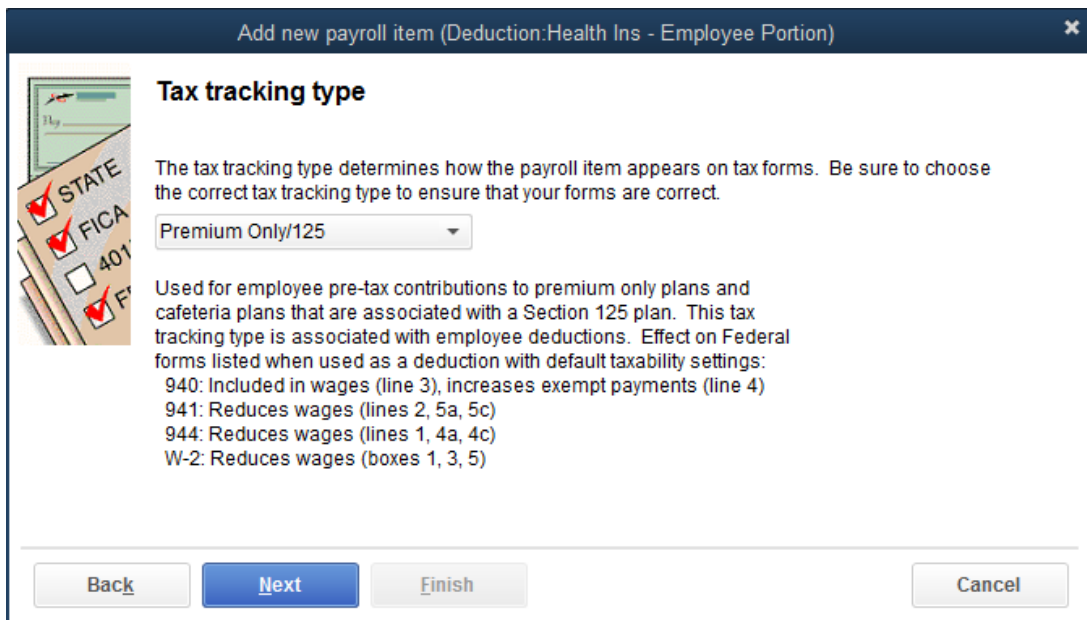
Enter name of agency to which liability is paid:

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.

- 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”



**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)

- 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



The screenshot shows a window titled "Add new payroll item (Deduction:Health Ins - Employee Portion)". On the left is an icon of a checklist with items like "STATE", "FICA", "401", and "F". The main section is titled "Taxes". Below the title is a paragraph: "Based on the tax tracking type you've chosen, QuickBooks automatically selects the taxes that are almost always affected by this payroll item. In most cases, you don't need to change the selections you see here." Below this is a list of payroll items, each with a checkbox and a label: "Federal Unemployment", "Federal Withholding", "Medicare Company", "Medicare Employee", "Social Security Company", and "Social Security Employee". All checkboxes are checked. To the right of the list is a button labeled "Default" and a note: "Click Default to revert to QuickBooks automatic settings." At the bottom are buttons for "Back", "Next", "Finish", "Help", and "Cancel".

**Taxes**

Based on the tax tracking type you've chosen, QuickBooks automatically selects the taxes that are almost always affected by this payroll item. In most cases, you don't need to change the selections you see here.

☒ PAYROLL ITEM ▲

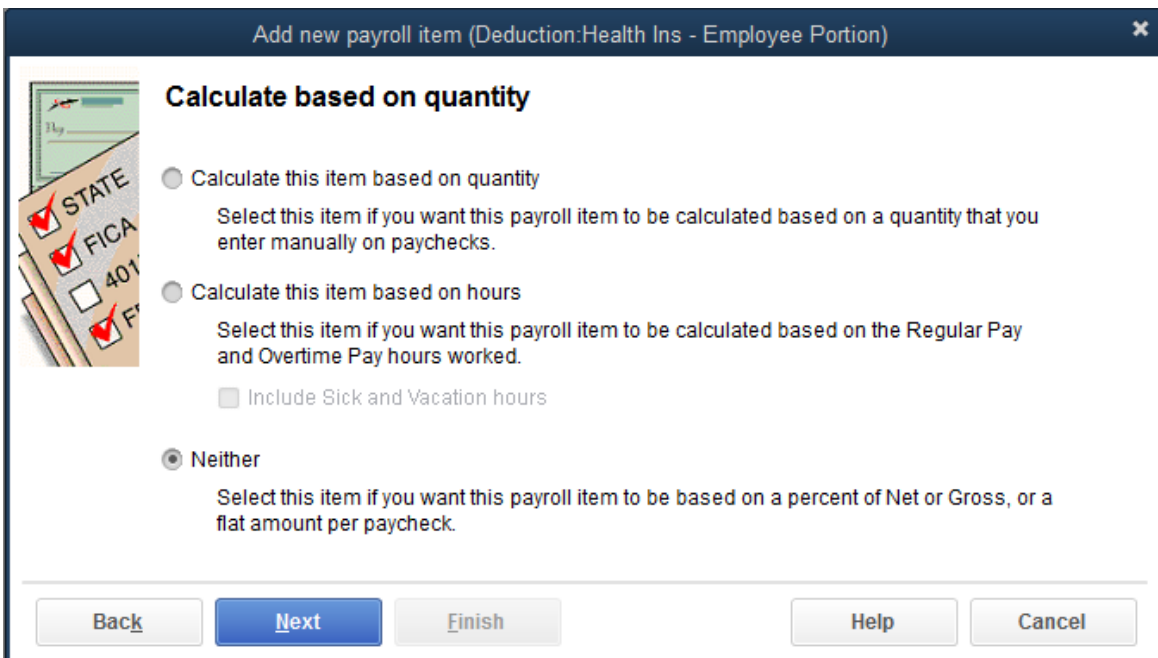
- ☒ Federal Unemployment
- ☒ Federal Withholding
- ☒ Medicare Company
- ☒ Medicare Employee
- ☒ Social Security Company
- ☒ Social Security Employee

Click Default to revert to QuickBooks automatic settings.

Default

Back Next Finish Help Cancel

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



The screenshot shows the same window as before, but the "Calculate based on quantity" section is active. It has three radio button options: "Calculate this item based on quantity", "Calculate this item based on hours", and "Neither". The "Neither" option is selected. Below the "Calculate this item based on quantity" option is a paragraph: "Select this item if you want this payroll item to be calculated based on a quantity that you enter manually on paychecks." Below the "Calculate this item based on hours" option is a paragraph: "Select this item if you want this payroll item to be calculated based on the Regular Pay and Overtime Pay hours worked." Below that is a checkbox labeled "Include Sick and Vacation hours". Below the "Neither" option is a paragraph: "Select this item if you want this payroll item to be based on a percent of Net or Gross, or a flat amount per paycheck." At the bottom are buttons for "Back", "Next", "Finish", "Help", and "Cancel".

**Calculate based on quantity**

☐ Calculate this item based on quantity  
Select this item if you want this payroll item to be calculated based on a quantity that you enter manually on paychecks.

☐ Calculate this item based on hours  
Select this item if you want this payroll item to be calculated based on the Regular Pay and Overtime Pay hours worked.  
☐ Include Sick and Vacation hours

☒ Neither  
Select this item if you want this payroll item to be based on a percent of Net or Gross, or a flat amount per paycheck.

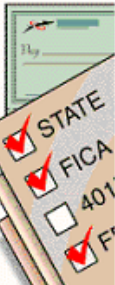
Back Next Finish Help Cancel

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



## SETTING UP: ADDING PAYROLL ITEMS

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



### Default rate and limit

The rate you enter here will be the default rate for this item when added to the employee record. To change the rate or amount for a particular employee, edit their record directly. QuickBooks will use the number in the employee record when calculating paychecks. Enter a percent symbol (%) after the number if this is a percentage.

If this item has an upper limit, enter it here. If you leave the limit blank on an employee's record, this limit will be used. If you leave this limit blank, the limit entered on an employee's record will be used. If you enter a limit both here and on an employee's record, the lower of the two will be used.

Limit Type

Annual - Restart each year ▼

Back Next Finish Cancel

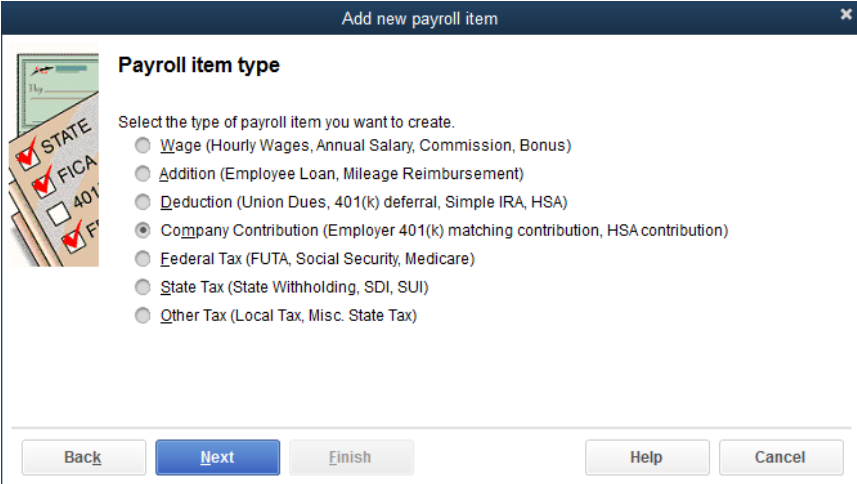
- 13) In the "Default rate and limit" window, enter the appropriate rate in the first box then click "Finish"

## 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”



**Add new payroll item**

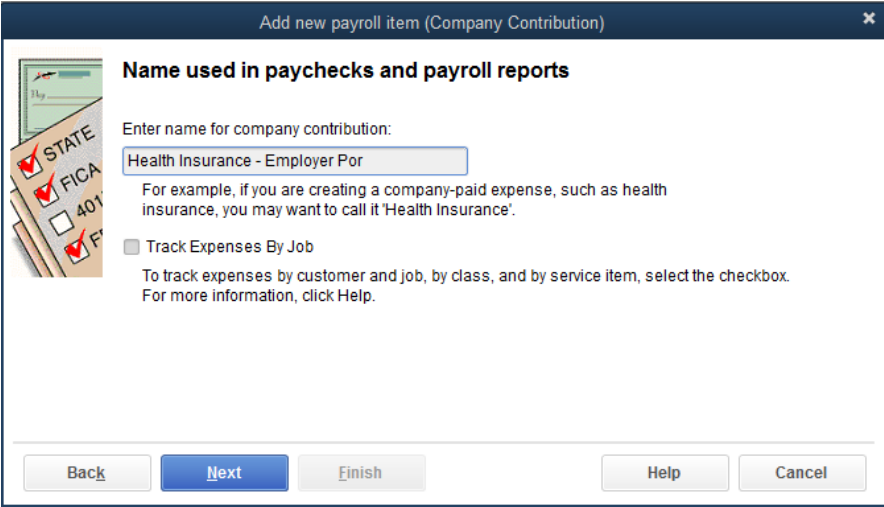
**Payroll item type**

Select the type of payroll item you want to create.

- ☐ Wage (Hourly Wages, Annual Salary, Commission, Bonus)
- ☐ Addition (Employee Loan, Mileage Reimbursement)
- ☐ Deduction (Union Dues, 401(k) deferral, Simple IRA, HSA)
- ☒ Company Contribution (Employer 401(k) matching contribution, HSA contribution)
- ☐ Federal Tax (FUTA, Social Security, Medicare)
- ☐ State Tax (State Withholding, SDI, SUI)
- ☐ Other Tax (Local Tax, Misc. State Tax)

Back Next Finish Help Cancel

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



**Add new payroll item (Company Contribution)**

**Name used in paychecks and payroll reports**

Enter name for company contribution:

Health Insurance - Employer Por

For example, if you are creating a company-paid expense, such as health insurance, you may want to call it 'Health Insurance'.

☐ Track Expenses By Job

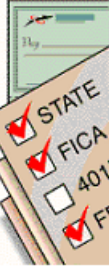
To track expenses by customer and job, by class, and by service item, select the checkbox. For more information, click Help.

Back Next Finish Help Cancel

- 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:

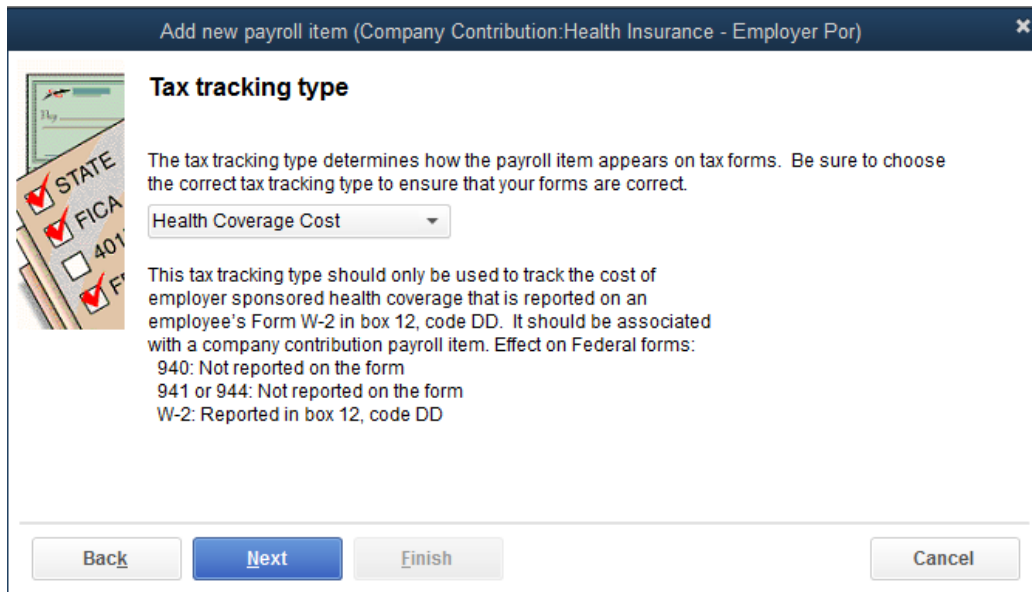
Enter the number that identifies you to agency:

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.

- 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



The screenshot shows a window titled "Add new payroll item (Company Contribution:Health Insurance - Employer Por)". On the left is an icon of a checklist with items "STATE", "FICA", "401", and "F" with checkboxes. The main heading is "Tax tracking type". Below it, a paragraph explains that the tax tracking type determines how the payroll item appears on tax forms. A dropdown menu is set to "Health Coverage Cost". Another paragraph explains that this type is for employer-sponsored health coverage reported on Form W-2 in box 12, code DD. It lists reporting rules: 940: Not reported on the form; 941 or 944: Not reported on the form; W-2: Reported in box 12, code DD. At the bottom are buttons for "Back", "Next", "Finish", and "Cancel".

**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.

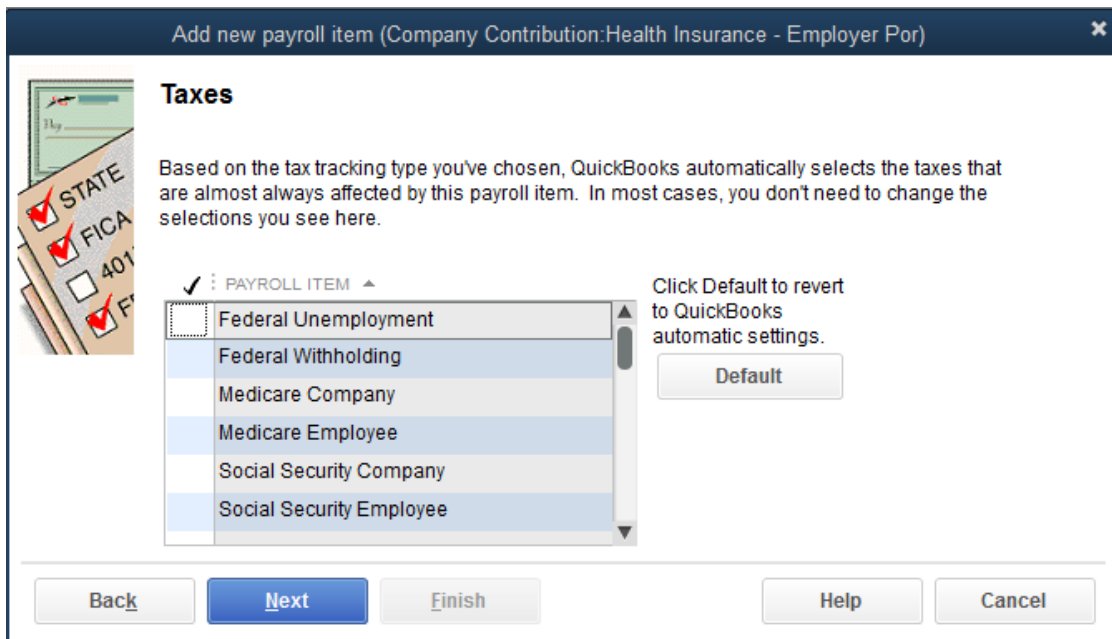
Health Coverage Cost

This tax tracking type should only be used to track the cost of employer sponsored health coverage that is reported on an employee's Form W-2 in box 12, code DD. It should be associated with a company contribution payroll item. Effect on Federal forms:

- 940: Not reported on the form
- 941 or 944: Not reported on the form
- W-2: Reported in box 12, code DD

Back Next Finish Cancel

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



The screenshot shows the same window, now at the "Taxes" step. The icon on the left is the same. The heading is "Taxes". A paragraph explains that QuickBooks automatically selects taxes based on the chosen tracking type. Below this is a list of payroll items with checkboxes: Federal Unemployment, Federal Withholding, Medicare Company, Medicare Employee, Social Security Company, and Social Security Employee. A "Default" button is on the right. At the bottom are buttons for "Back", "Next", "Finish", "Help", and "Cancel".

**Taxes**

Based on the tax tracking type you've chosen, QuickBooks automatically selects the taxes that are almost always affected by this payroll item. In most cases, you don't need to change the selections you see here.

☒ : PAYROLL ITEM ▲

<input type="checkbox"/>	Federal Unemployment
<input type="checkbox"/>	Federal Withholding
<input type="checkbox"/>	Medicare Company
<input type="checkbox"/>	Medicare Employee
<input type="checkbox"/>	Social Security Company
<input type="checkbox"/>	Social Security Employee

Click Default to revert to QuickBooks automatic settings.

Default

Back Next Finish Help Cancel

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

## SETTING UP: ADDING PAYROLL ITEMS

**Calculate based on quantity**

☐ Calculate this item based on quantity  
Select this item if you want this payroll item to be calculated based on a quantity that you enter manually on paychecks.

☐ Calculate this item based on hours  
Select this item if you want this payroll item to be calculated based on the Regular Pay and Overtime Pay hours worked.  
☐ Include Sick and Vacation hours

☒ Neither  
Select this item if you want this payroll item to be based on a percent of Net or Gross, or a flat amount per paycheck.

Back Next Finish Help Cancel

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

**Default rate and limit**

The rate you enter here will be the default rate for this item when added to the employee record. To change the rate or amount for a particular employee, edit their record directly. QuickBooks will use the number in the employee record when calculating paychecks. Enter a percent symbol (%) after the number if this is a percentage.

125.00

If this item has an upper limit, enter it here. If you leave the limit blank on an employee's record, this limit will be used. If you leave this limit blank, the limit entered on an employee's record will be used. If you enter a limit both here and on an employee's record, the lower of the two will be used.

Limit Type  
Annual - Restart each year

Back Next Finish Cancel

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

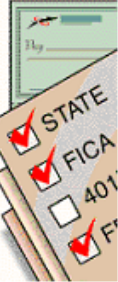
### Step 5: Correcting Federal Withholding Tax Item

- 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.

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

## SETTING UP: ADDING PAYROLL ITEMS

**Edit payroll item (Federal Withholding)**

**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.

**Account Not Found**

Federal Withholding is not in the Account list.

Set Up Cancel

Back Next Finish Help 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.:

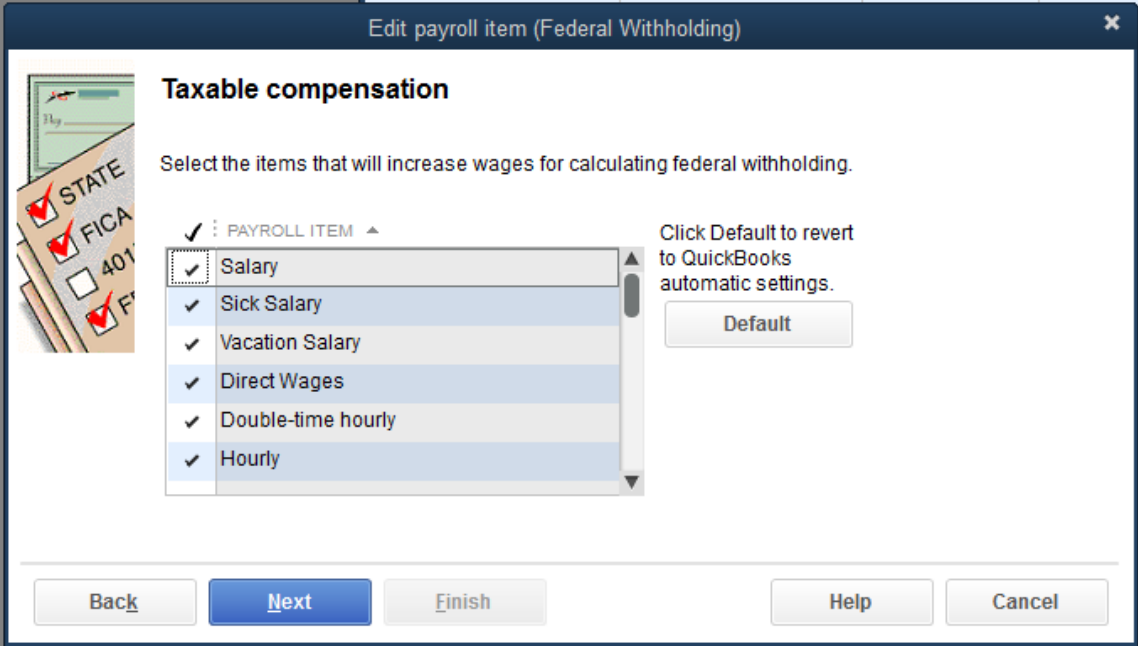
Routing Number:

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



The screenshot shows the 'Taxable compensation' window. On the left is an icon of a checklist with items 'STATE', 'FICA', '401', and 'F'. The main title is 'Taxable compensation'. Below it is the instruction: 'Select the items that will increase wages for calculating federal withholding.' There is a dropdown menu labeled 'PAYROLL ITEM' with a list of items: 'Salary', 'Sick Salary', 'Vacation Salary', 'Direct Wages', 'Double-time hourly', and 'Hourly'. All items are checked. To the right of the list is a button labeled 'Default' and a note: 'Click Default to revert to QuickBooks automatic settings.' At the bottom are buttons for 'Back', 'Next', 'Finish', 'Help', and 'Cancel'.

**Taxable compensation**

Select the items that will increase wages for calculating federal withholding.

☒ PAYROLL ITEM ▲

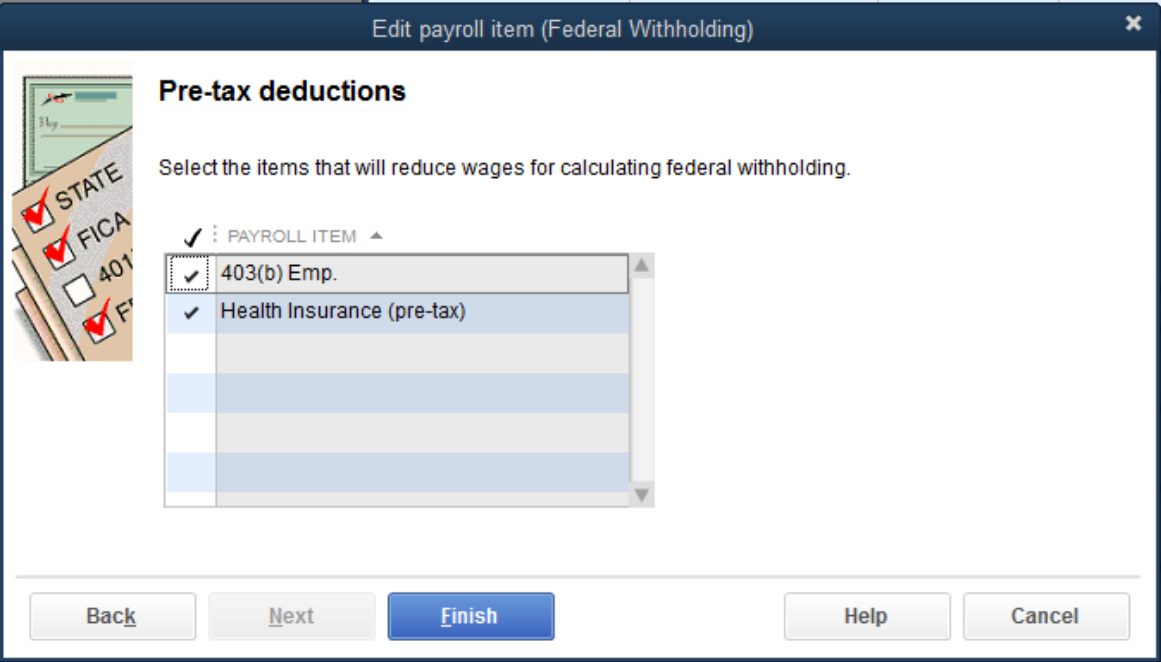
- ☒ Salary
- ☒ Sick Salary
- ☒ Vacation Salary
- ☒ Direct Wages
- ☒ Double-time hourly
- ☒ Hourly

Click Default to revert to QuickBooks automatic settings.

Default

Back Next Finish Help Cancel

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



The screenshot shows the 'Pre-tax deductions' window. On the left is the same checklist icon as in the previous window. The main title is 'Pre-tax deductions'. Below it is the instruction: 'Select the items that will reduce wages for calculating federal withholding.' There is a dropdown menu labeled 'PAYROLL ITEM' with a list of items: '403(b) Emp.' and 'Health Insurance (pre-tax)'. Both items are checked. At the bottom are buttons for 'Back', 'Next', 'Finish', 'Help', and 'Cancel'.

**Pre-tax deductions**

Select the items that will reduce wages for calculating federal withholding.

☒ PAYROLL ITEM ▲

- ☒ 403(b) Emp.
- ☒ Health Insurance (pre-tax)

Back Next Finish Help Cancel

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



## SETTING UP: ADDING PAYROLL ITEMS

Update transactions with new account? ✕

You have changed the employee paid liability account associated with this payroll item.

Please choose an option to continue.

☐ Update all existing transactions to use this new account.

☒ Update transactions starting on

☐ Don't update any transactions.

Note: If you choose the option to update transactions as of a certain date, enter a date that is the beginning of a liability payment period so your paychecks and liability payments will use the same account for that period. Also, pick a date that includes at least all of your unpaid liabilities for this item.

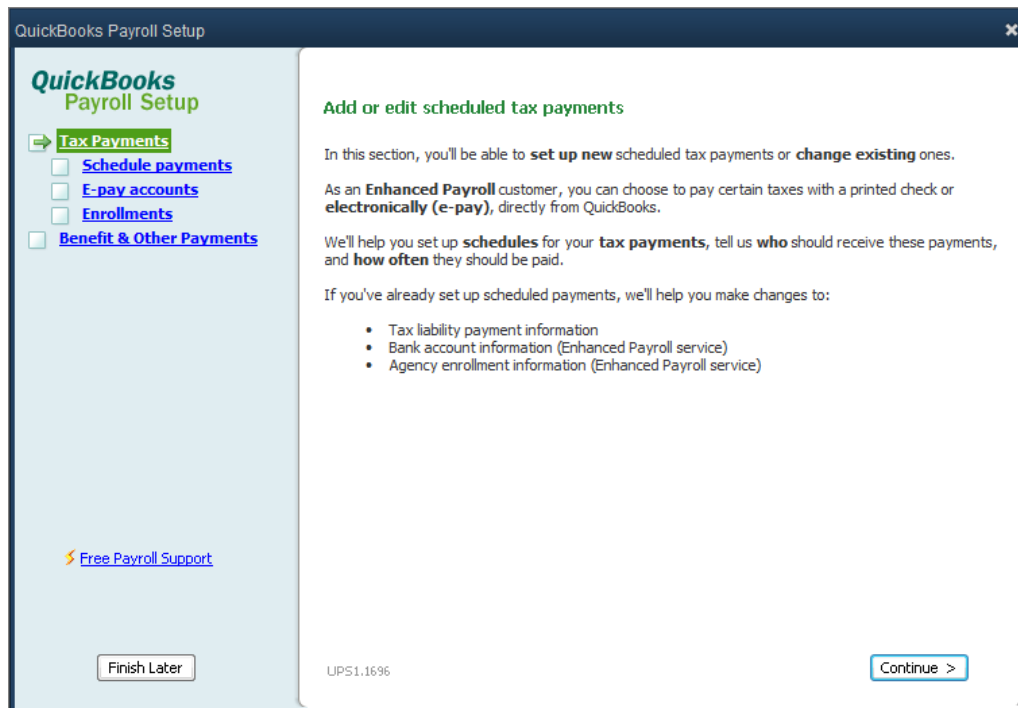
11) In the pop-up window choose the appropriate option and click "OK"

## 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

QuickBooks Payroll Setup

**QuickBooks Payroll Setup**

- ☒ Tax Payments
  - ☒ **Schedule payments**
  - ☐ E-pay accounts
  - ☐ Enrollments
  - ☐ Benefit & Other Payments

[Free Payroll Support](#)

[Finish Later](#)

**Review your Scheduled Tax Payments list**

Scheduled Payments	Description
Federal 940	E-pay\Quarterly (usual frequency)
Federal 941/944/943	E-pay\Monthly
GA UI and Admin Assessment	Check\Quarterly (usual frequency)
GA Withholding	Check\Monthly

[Edit...](#)

[Now that I've set them up, how do I pay my tax liabilities in QuickBooks?](#)

UPS2.2949

[Continue >](#)

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

QuickBooks Payroll Setup

**QuickBooks Payroll Setup**

- ☒ Tax Payments
  - ☒ **Schedule payment**
  - ☐ E-pay accounts
  - ☐ Enrollments
  - ☐ Benefit & Other Payments

[Free Payroll Support](#)

[Finish Later](#)

**Edit Payment Schedule - Federal 941/944/943**

**Set up payment schedule for Federal 941/944/943**

Federal 941/944/943 payments include Federal Withholding, Social Security, and Medicare.

IRS tax payments 100K or more must be paid next day via EFT on the EFTPS site. [Why are these grouped?](#)

Payment (deposit) method ☐ Check ☒ **E-pay**

[What payment method can I use?](#)

Payee United States Treasury

[Who is the right payee?](#)

\* Payment (deposit) frequency Monthly

[How often should I pay these taxes?](#)

Due the 15th of the following month. Example: Due Feb 15 for liabilities accrued in Jan. (E-pay due dates adjust to reflect Intuit's processing time.) [More...](#)

☐ Let me use a different payment (deposit) frequency

[Where can I see the due dates for my deposits?](#)

\* required field

[Cancel](#) [Finish](#)

UPS2.13527

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...”

The screenshot shows the QuickBooks Payroll Setup interface. On the left, a sidebar contains links for 'Tax Payments', 'Benefit & Other Payments', and 'Schedule Payment'. The 'Schedule Payment' link is highlighted. The main window displays the 'Edit DEDUCTION: 401k (Employee)' dialog box. This dialog box has the following fields and options:

- Payee (Vendor):** A dropdown menu with 'Primerica' selected. An 'Explain' link is next to it.
- Account #:** A text field containing '98401-0299'. A note below it says: '(The number the payee uses to identify you. Example: 99-99999X)'.
- Payment frequency:** Four radio button options:
  - ☐ Weekly, on **Monday** for the previous week's liabilities
  - ☐ Monthly, on the **1** day of the month for the previous month's liabilities
  - ☐ Quarterly, on the **1** day of the month for the previous quarter's liabilities
  - ☐ Annually, on **January** **1** for the previous year's liabilities
- ☒ I don't need a regular payment schedule for this item

At the bottom of the dialog box are three buttons: 'Finish' (top left), 'Cancel' (bottom center), and 'Finish' (bottom right).

- 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' form with the 'Personal' tab selected. The form is titled 'New Employee' and 'INFORMATION FOR Max Smith'. The 'Personal' tab is active, showing fields for 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), and ETHNICITY (White). There are also sections for DISABILITY (DISABLED: No, DISABILITY DESCRIPTION), I-9 FORM (ON FILE: Yes, WORK AUTHORIZATION EXPIRES), and MILITARY (U.S. VETERAN: Yes, STATUS: Reserve). At the bottom, there is a checkbox for 'Employee is inactive' and buttons for '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' form with the 'Address & Contact' tab selected. The form is titled 'New Employee' and 'INFORMATION FOR Max Smith'. The 'Address & Contact' tab is active, showing fields for HOME ADDRESS (ADDRESS: 63 Somewhere Street, CITY: Anytown, STATE: GA, ZIP: 89283), MAIN PHONE (405-892-9988), MAIN EMAIL (max@quickbooksrules.com), and a section for EMERGENCY CONTACT INFO (CONTACT NAME, CONTACT PHONE, RELATION). There are also dropdown menus for Work Phone, Mobile, Fax, CC Email, Website, and Other 1. At the bottom, there is a checkbox for 'Employee is inactive' and buttons for '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

**INFORMATION FOR Max Smith**

**Personal**

**Address & Contact**

**Additional Info**

**Payroll Info**

**Employment Info**

PAYROLL SCHEDULE: **Daily**

PAY FREQUENCY: **Daily**

CLASS: **Synergy Conference**

Buttons: **Direct Deposit**, **Taxes...**, **Sick/Vacation...**

**EARNINGS**

ITEM NAME	HOURLY/ANNUAL RATE
Direct Hourly Payroll	12.00

☒ Use time data to create paychecks

**ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS**

ITEM NAME	AMOUNT	LIMIT
Mileage Reimburse...	0.575	
401k (Employee)	-3.0%	
Health Ins Employee...	-175.00	

☐ Employee is covered by a qualified pension plan

☐ Employee is inactive

Buttons: **OK**, **Cancel**, **Help**

- 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

The screenshot shows the 'Edit Employee' window for Max Smith. On the left, there are tabs for Personal, Address & Contact, Additional Info, Payroll Info, and Employment Info. The 'Payroll Info' tab is selected, showing a table for 'EARNINGS' with columns for ITEM NAME and HOURLY/ANNUAL RATE. The 'Taxes for Max Smith' dialog box is open, showing the 'Federal' tab. It includes fields for Filing Status (Single), Allowances (0), and Extra Withholding (0.00). There are checkboxes for Medicare, Social Security, Advance Earned Income Credit, and Federal Unemployment Tax (Company Paid). A link asks 'What if this employee is subject to Nonresident Alien Withholding?'. At the bottom of the dialog are OK, Cancel, and Help buttons.

13) Click on “Taxes...” at the top right

14) Enter the appropriate information in the “Federal”, “State”, and “Other” tabs and click “OK”

The screenshot shows the 'Edit Employee' window for Max Smith. On the left, there are tabs for Personal, Address & Contact, Additional Info, Payroll Info, and Employment Info. The 'Employment Info' tab is selected, showing sub-tabs for Employment, Leave of Absence, and Termination. The 'Termination' sub-tab is active, displaying 'TERMINATION DATES' with fields for LAST DAY WORKED, LAST DAY ON BENEFITS, and RELEASE DATE (LAST DAY ON PAYROLL). There is also a 'SEVERANCE PAY' section with a SEVERANCE PAID dropdown and a text field. Below these are 'TERMINATION DETAILS' with fields for TERMINATION TYPE, TERMINATION REASON, RECOMMEND REHIRE, and PROTEST UNEMPLOYMENT. At the bottom are OK, Cancel, and Help buttons.

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

The screenshot shows the 'QuickBooks Payroll Setup' window. On the left is a sidebar with a list of steps: 1 Introduction, 2 Company Setup, 3 Employee Setup, 4 Taxes, 5 Year-to-Date Payrolls, 6 Data Review, and 7 Finishing Up. Under step 4, 'E-pay accounts' is highlighted with a green box. Below the sidebar are links for 'Free Payroll Support', 'New Employer Guide', and 'Payroll Setup Checklist', along with a 'Finish Later' button. The main area of the window displays the heading 'Here is a list of your bank accounts that can be used for e-payments' and a sub-instruction: 'Select an account then click **Edit** to set it up for e-payments or to make changes to current information'. A table lists the bank accounts:

Bank Account	Status
Checking	Enabled for E-pay
Savings	Not set up for E-pay

At the bottom right of the table is an 'Edit...' button. At the bottom of the window is a 'Continue >' button. The text 'UPS16.2288' is visible in the bottom left corner of the main area.

- 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 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 copy, paste, or insert a row by right-clicking.
- 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 [Customize Columns](#)

Check Date	Pay Period Start	Pay Period End	Check #	Direct Hourly Payroll (Pay)	Mileage Reimbursement (Addition)	Gross Pay	Federal Withholding (Tax)	Social Security Employee (Tax)	Medicare Employee (Tax)	Medicare Employee Add'l Tax (Tax)	GA - Withholding (Tax)	Net Pay
▼ January												
Jan Total				Jan Total	Jan Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
▼ February												
▼ March												
Q1 Total				Q1 Total	Q1 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
▼ April												
04/15/16	04/15/16	04/15/16	8972	500.00	27.62	500.00	-50.00					477.62
Apr Total				Apr Total	Apr Total	500.00	27.62	500.00	-50.00	0.00	0.00	477.62
▼ May												
▼ June												
Q2 Total				Q2 Total	Q2 Total	500.00	27.62	500.00	-50.00	0.00	0.00	477.62
▼ July												
▼ August												
Q3 Total				Q3 Total	Q3 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
▼ September												
Q4 Total				Q4 Total	Q4 Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
▼ October												
▼ November												
▼ December												
2016 Total				2016 Total	2016 Total	500.00	27.62	500.00	-50.00	0.00	0.00	477.62

[View Reports](#) [Finish Later](#) [Done Entering Paychecks](#)

## 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 you 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)

Enter Payroll Information

1 Enter Payroll Information → 2 Review & Create Paychecks → 3 Print & Distribute Paychecks

How do I pay my employees?

**PAYROLL INFORMATION**

PAY PERIOD ENDS: 05/15/2015  
CHECK DATE: 05/15/2015  
BANK ACCOUNT: Checking  
BANK ACCOUNT BALANCE: 56,022.09

**CHECK OPTIONS**

☒ Print paychecks on check stock  
☐ Handwrite & Assign check numbers

First Check#: 1004

Check All Open Paycheck Detail...

SORT BY: Employee Name Show/Hide Columns

✓ EMPLOYEE	HOURLY	DIRECT HOURLY PAYROLL	DOUBLE-TIME HOURLY	OVERTIME (X1.5) HOURLY	SALARY	TOTAL HOURS
Brighton Shaffer						
Eric L Byrnes						
Gregg S Bossen						
Jenny H Maddox						
Max Smith						

How do I use this window to enter payroll information?

Finish Later 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**

**Gregg S Bossen** PAY PERIOD 04/17/2015 - 05/31/2015

☐ Use Direct Deposit

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER JOB	CLASS
Salary	1,000.00	60:00	Ashford, Parker and Faith	Gala Dinner
Salary	1,000.00	60:00	Bona, Chery	The Aware Campaign
TOTALS 2,000.00 120:00 hrs				

SICK AVAILABLE 40:00  
VACATION AVAILABLE 40:00  
SICK ACCRUED  
VAC. ACCRUED  
☐ Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY
Mileage Reimbur...	57.50	

**Company Summary (adjusted)**

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

**Employee Summary (adjusted)**

ITEM NAME	AMOUNT	YTD
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
Check Amount	1,578.83	

Buttons: Save & Previous, Save & Next, Save & Close, Cancel, Help, 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"

**Review and Create Paychecks**

1 Enter Payroll Information → 2 Review & Create Paychecks → 3 Print & Distribute Paychecks

**PAYROLL INFORMATION**

PAY EMPLOYEES: 1 PAY PERIOD ENDS: 06/16/2019 BANK ACCOUNT: Checking  
CHECK DATE: 02/14/2016 BANK ACCOUNT BALANCE: 56,022.09

**CHECK OPTIONS**

☒ Print paychecks on check stock First Check# 1004  
☐ Handwrite & Assign check numbers

Open Paycheck Detail...

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Taxes	Contributions	Total Hours	Direct Dep.
Gregg S Bossen	2,000.00	-478.67	0.00	1,578.83	0.00	0.00		
TOTALS 2,000.00 -478.67 0.00 1,578.83 0.00 0.00 0.00								

Buttons: < Back, Finish Later, Create Paychecks

- 10) Click "Continue" then click "Create Paychecks"



## CREATING PAYCHECKS

The screenshot shows a software window titled "Confirmation and Next Steps" with a close button (X) in the top right corner. At the top, a progress bar shows three steps: 1. Enter Payroll Information, 2. Review & Create Paychecks, and 3. Print Paychecks & Send Payroll to Intuit. Step 3 is highlighted with a green circle. Below the progress bar, a green checkmark icon is followed by the text "You have successfully created 1 paycheck:". Underneath, it says "1 for printing 0 for direct deposit" with a "Learn more" link to the right. A horizontal line separates this from the "Next steps:" section. This section is divided into two columns. The left column has a printer icon and the text "Print your paychecks/stubs, and distribute to employees." Below this are two buttons: "Print Paychecks" (blue) and "Print Pay Stubs" (grey). The right column has a paper plane icon and the text "Send your payroll info to Intuit for processing." Below this is a grey button labeled "Send to Intuit". At the bottom left of the main content area, there is a link that says "Do you want to pay your liabilities now?". At the bottom right of the window is a "Close" button.

- 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

**Profit & Loss by Class**  
June 5, 2015

	Gala Dinner	Synergy Conference	The Aware Campaign	Administrative	TOTAL
<b>Expense</b>					
Salaries & Wages	0.00	0.00	500.00	500.00	1,000.00
Payroll Expenses	230.00	565.00	0.00	0.00	795.00
Payroll Taxes	25.37	62.33	55.15	55.15	198.00
<b>Total Expense</b>	<b>255.37</b>	<b>627.33</b>	<b>555.15</b>	<b>555.15</b>	<b>1,993.00</b>
<b>Net Income</b>	<b>-255.37</b>	<b>-627.33</b>	<b>-555.15</b>	<b>-555.15</b>	<b>-1,993.00</b>

### 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”

**Profit & Loss by Job**  
June 1, 2015

	Ashford, Parker and Faith	Bona, Chery	TOTAL
<b>Expense</b>			
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
<b>Total Expense</b>	<b>1,105.25</b>	<b>1,105.25</b>	<b>2,210.50</b>
<b>Net Income</b>	<b>-1,105.25</b>	<b>-1,105.25</b>	<b>-2,210.50</b>

### 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 the in “First Check #” field
- 6) Select the employee you wish to pay and click “Open Paycheck Detail...”

**Brighton Shaffer** PAY PERIOD 05/18/2015 - 05/31/2015

☐ Use Direct Deposit

**Earnings**

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
TOTALS 475.00 45:00 hrs				

SICK AVAILABLE 0:00  
VACATION AVAIL 0:00  
SICK ACCRUED  
VAC. ACCRUED  
☐ Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY

**Employee Summary** How are these items calculated?

ITEM NAME	AMOUNT	YTD
Hourly	170.00	400.00
Hourly	230.00	400.00
Overtime (x1.5) hourly	75.00	75.00
Medicare Employee Addl T...	0.00	0.00
Federal Withholding	-14.00	-14.00
Social Security Employee	-29.45	-29.45
Medicare Employee	-6.89	-6.89
GA - Withholding	-9.65	-9.65
Check Amount	415.01	

**Company Summary** How are these items calculated?

ITEM NAME	AMOUNT	YTD
GA - Admin. Assessment	0.38	0.38
Social Security Company	29.45	29.45
Medicare Company	6.89	6.89
Federal Unemployment	2.85	2.85

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

- 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

Employee Pay Stub		Check number:	Pay Period: 05/18/2015 - 05/31/2015		Pay Date: 06/01/2015
Employee			SSN	Status (Fed/State)	Allowances/Extra
Brighton Shaffer, 35 Chapel St Atlanta, GA 30327			***-**-2385	Married/Single	Fed-0/0/GA-2
Earnings and Hours					
	Qty	Rate	Current	YTD Amount	
Hourly	40.00	10.00	400.00	400.00	
Overtime (x1.5) hourly	5.00	15.00	75.00	75.00	
	45.00		475.00	475.00	
Taxes			Current	YTD Amount	
Medicare Employee Addl Tax			0.00	0.00	
Federal Withholding			-14.00	-14.00	
Social Security Employee			-29.45	-29.45	
Medicare Employee			-8.89	-8.89	
GA - Withholding			-9.85	-9.85	
			-59.99	-59.99	
Net Pay			415.01	415.01	

EXAMPLE OF A PRINTED PAYSTUB

## CREATING PAYCHECKS

➤ Now we will create paychecks using the Timesheet feature

CUSTOMER JOB	SERVICE ITEM	PAYROLL ITEM	NOTES	CLASS	M 25	TU 26	W 27	TH 28	F 29	SA 30	SU 31	TOTAL	BILLABLE?
Cline, John	Program Fees	Direct Hourly Payroll	Worked on Grant and Programs	Grant Work	8.00	8.00	8.00	8.00	8.00			40.00	<input checked="" type="checkbox"/>
Cline, John	Program Fees	Overtime (x1.5) hourly	Worked late on grant.	Grant Work					4.00			4.00	<input checked="" type="checkbox"/>
Totals					8.00	8.00	8.00	8.00	12.00	0.00	0.00	44.00	

### 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*

CUSTOMER:JOB	SERVICE ITEM	PAYROLL ITEM	NOTES	CLASS	M	TU	W	TH	F	SA	SU	TOTAL	BILLABLE?
The Marvel Foundation	Foundation Gra...	Direct Hourly Payroll		Grant Work	8:00	8:00	8:00	8:00	8:00			40:00	<input checked="" type="checkbox"/>
Totals					8:00	8:00	8:00	8:00	8:00	0:00	0:00	40:00	

### 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 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 x

**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	SICK AVAILABLE 0:00
Overtime (x1.5) hourly	18.00	4:00	Cline, John	Grant Work	Program Fees	VACATION AVAIL. 0:00
						SICK ACCRUED
						VAC. ACCRUED
TOTALS						552.00 44:00 hrs

☐ Do not accrue sick/vac

**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	

☐ 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 the 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

The screenshot shows a web application window titled "Liability Payment - Checking". Inside, there's a sub-window titled "E-pay Login". The "Summary" section displays payment details: Agency: Union Bank, Period: Jun 2015, Withdraw Payment On: 2/17/2016, Reason: Federal 941 Tax Deposit, Payment Amount: \$735.74, Account Type: Checking, Bank Account: \*\*\*\*\*8787, and Bank Routing: 123123123. The "Agency Login Information" section prompts the user to enter their PIN and Internet Password, along with contact information. It includes fields for 4-Digit PIN, Confirm PIN, Internet Password (8-12 chars.), Confirm Internet Password, Contact phone number, and E-mail address (pre-filled with Green@synergy.org). There are links for "Why is this important?", "Forgot your login information?", "What is this used for?", and "What is this used for?". A checkbox for "Remember my information for next time" is checked. At the bottom, there's an authorization statement and "Submit" and "Cancel" buttons. Below the main window, a navigation bar contains buttons for "Recalculate", "E-pay", "Skip", and "Cancel".

**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.

### 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 Print

Bank Account: Checking Ending Balance: 62,469.43

No. Online  
 Date 06/01/2015  
 \$ 185.05

Pay to the Order of Georgia State  
 One hundred eighty-five and 05/100\*\*\*\*\*Dollars  
 Address Georgia State  
 Memo 9989999-GA Conf#89238923892-110

Period: 06/01/15 - 06/30/15 How do I e-pay? ☐ E-payment ☒ Check

Expenses: \$0.00 Payroll Liabilities: **\$185.05** ☐ To be printed

PAYROLL ITEM	AMOUNT	MEMO	CLASS
GA- Withholding	185.05		

Recalculate Save & Close Save & Next 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 Print

Bank Account: Checking Ending Balance: 62,284.38

Pay to the Order of: GADOL No. To Print: 06/01/2015 Date: 06/01/2015 \$ 178.22

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 ☒ To be printed

PAYROLL ITEM	AMOUNT	MEMO	CLASS
<u>Unemployment Company</u>	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


**Liability Payment - Checking**

**Payment 1 of 1** Print

Bank Account: **Checking** Ending Balance: **52,154.64**

Pay to the Order of: **State Health Insurance** No. To Print: **06/01/2015** Date: **06/01/2015** \$ **337.00**

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** ☒ To be printed

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
Health Insurance	162.00	Employer Portion of Heal...			Administra...

Recalculate Save & Close Save & Next Cancel

### 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** Print

Bank Account: Checking Ending Balance: 51,657.04

Pay to the Order of <span>Primerica</span>  Fourteen and 40/100***** Dollars  Address: Primerica  Memo: 98401-0299 Conf#8913881188-11a	No. Online Date 06/15/2015 \$ 14.40
--	---

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

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

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 <b>941</b>	<b>Employer's Quarterly Federal Tax Return</b>	<b>2015</b>
-----------------	--	-------------

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 \_\_\_\_\_

**Report for this Quarter of 2015 (Check one)**

1 January, February, March ..... ☐  
2 April, May, June ..... ☒  
3 July, August, September ..... ☐  
4 October, November, December ..... ☐

**Part 1 – Answer These Questions For This Quarter**

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) .....	1	0
2	Wages, tips, and other compensation .....	2	5,260.00
3	Federal income tax withheld from wages, tips, and other compensation .....	3	286.00
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"/>		
	Column 1	Column 2	
5a	Taxable social security wages ..... 5,290.96 x .124 =	656.08	
b	Taxable social security tips ..... x .124 =		
c	Taxable Medicare wages and tips ..... 5,290.96 x .029 =	153.44	
d	Taxable wages and tips subject to Additional Medicare Tax Withholding ..... x .009 =		
e	Add Column 2 from lines 5a, 5b, 5c, and 5d .....	5e	809.52
f	Section 3121(q) Notice and Demand - Tax due on unreported tips .....	5f	
6	Total taxes before adjustments. Add lines 3, 5e, and 5f .....	6	1,095.52
7	Current quarter's adjustment for fractions of cents .....	7	

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

Save and Close Save as PDF... Print for Your Records... Check for Errors Submit Form...

☒ 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 screenshot shows the 'QuickBooks Payroll Setup' window with the 'e-File Enrollment' sub-window open. On the left, a sidebar lists 'Taxes', 'Filing methods', and 'Enrollments' (highlighted with a green arrow). Below this is a 'Free Payroll Support' link and a 'Finish' button. The main area of the 'e-File Enrollment' window is titled 'Form 940, 941, and 944 e-file enrollment: Summary'. It contains instructions to review company information and click 'Previous' to modify or 'Next' to proceed. Below the instructions is a table of company information:

EIN	53-1234568
Legal Name	Synergy Now
Bus. Name Control	SYNE
Legal Address	1025 Monroe
City	Atlanta
State	GA
Zip Code	30323

At the bottom right of the window are buttons for 'Send Information...', '< Previous', and 'Next >'. A link 'What happens after I submit the enrollment information?' is also present. At the bottom left of the window, the text 'LH52.2.2555' is visible.

### 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

Payroll Tax Form

Form **G-7** Georgia **Quarterly Return** **2015**  
For Quarterly Payer

Georgia Withholding ID <b>9989999-GA</b>	Federal Employer ID No. <b>53-1234568</b>	Period Ending <b>06-30-2015</b>	Due Date <b>07-31-2015</b>	Vendor Code <b>016</b>
---	--	------------------------------------	-------------------------------	---------------------------

**NOTE:** Be sure this is the correct form for your assigned deposit frequency that is on file with Georgia Department of Revenue.

Name  
**SYNERGY NOW**

Address  
**1025 MONROE**

City  
**ATLANTA** State  
**GA** ZIP Code  
**30323**

Check box if:  
This is an amended return ☒

**Worksheet for Adjustments to Tax Withheld**  
*Enter adjustments to the tax withheld for the quarter. It is not necessary to enter an overpayment if the adjustment falls within the same quarter. All adjustments are subject to verification.*  
**Note:** Enter amounts as positive numbers.

Overpayment from prior quarter .....

Job Tax Credit .....

Headquarters Credit .....

Film Credit .....

Additional Tax Due this period .....

**Net Adjustment to Tax** ..... **Net Adj to Tax Calculation**

Tax withheld this period ..... **398.64**

Net adjustment to tax (from above worksheet) ..... **Tax due calculation**

Tax due ..... **398.64**

Tax paid ..... **175.00**

**Additional tax amount paid (limited to zero)** ..... \$ **223.64**

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

☒ Automatically create an archive when I e-file or print

### 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 2	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.**

<b>1</b> 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	<b>1st Month</b>	<b>2nd Month</b>	<b>3rd Month</b>
		1	

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

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

**Unless parts I and II of this report are filed and the total amount due is paid, a FI. 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 Next >>>

Save and Close Save as PDF... Check for Errors Print...

☒ 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

**Payroll Tax Form**

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 \_\_\_\_\_

**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

**1 a** If you had to pay state unemployment tax in one state only, enter the state abbreviation ..... **1 a** GA

**b** 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) ..... **1 b** ☐

**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.

<b>3</b> Total payments to all employees .....	<b>3</b> <u>7,435.00</u>
<b>4</b> Payments exempt from FUTA tax .....	

Check all that apply:

☐ a Fringe benefits

☐ b Group-term life insurance

☐ c Retirement/Pension

☐ d Dependent care

☐ e Other

**5** Total of payments made to each employee in .....

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

<<< Previous Next >>>

Save and Close Save as PDF... Print for Your Records... Check for Errors Submit Form...

☒ 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' application window. At the top, there are tabs for '1. Interview', '2. Form W-2', '3. Form W-3', and '4. Printing Instructions'. The main form is titled 'Step 2: Form W-2 Worksheet' for the year '2015'. It displays 'Tax Form for EIN: 53-1234568' and 'Employees with last names A through Z' (3 of 3 employees selected). The employee being displayed is 'SMITH, MAX' (Employee 3 of 3).

The form fields include:

- Employer's Name(s) as Shown on Forms: SYNERGY NOW
- Federal ID Number: 53-1234568
- Employee's SSN: 999-98-9999
- Employee's ID number: 53-1234568
- Employee's name, address, and ZIP: 1025 MONROE, ATLANTA, 30323
- Control number: d
- Employee's name: First MAX, Last SMITH
- Employee's address and ZIP: 63 SOMEWHERE STREET, ANYTOWN, 89283
- Employer's state identification no.: GA 9989999-GA

A 'Print W-2 and W-3 Forms' dialog box is open, showing options for paper type and items to print. The dialog box has two main sections: '1. Select paper:' and '2. Select item to print:'. The '1. Select paper:' section has two options: 'Blank / Perforated Paper' (selected) and 'Preprinted Forms: May require alignment'. The '2. Select item to print:' section has three sub-sections: 'For employees', 'For employer', and 'For government'. The 'For employees' section has two options: 'W-2 forms - Copies B, 2, and C: for Federal tax return, State, and Employee' (selected) and '3 per page: copies B, 2, C'. The 'For employer' section has two options: 'W-2 - Copy D: for your records, 2 per page (1 per page if only 1 employee)' and 'Employer filing instructions: for W-2 and W-3 forms'. The 'For government' section has three options: 'W-3, 1 per page (Can be e-filed)', 'W-2 - Copy A: for the SSA, 2 per page (1 per page if only 1 employee) (Can be e-filed)', and 'W-2 - Copy 1: for your State or Local Tax Department, 2 per page (1 per page if only 1 employee)'. The dialog box also includes a 'Print' button and a 'Close Window' button.

## 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**

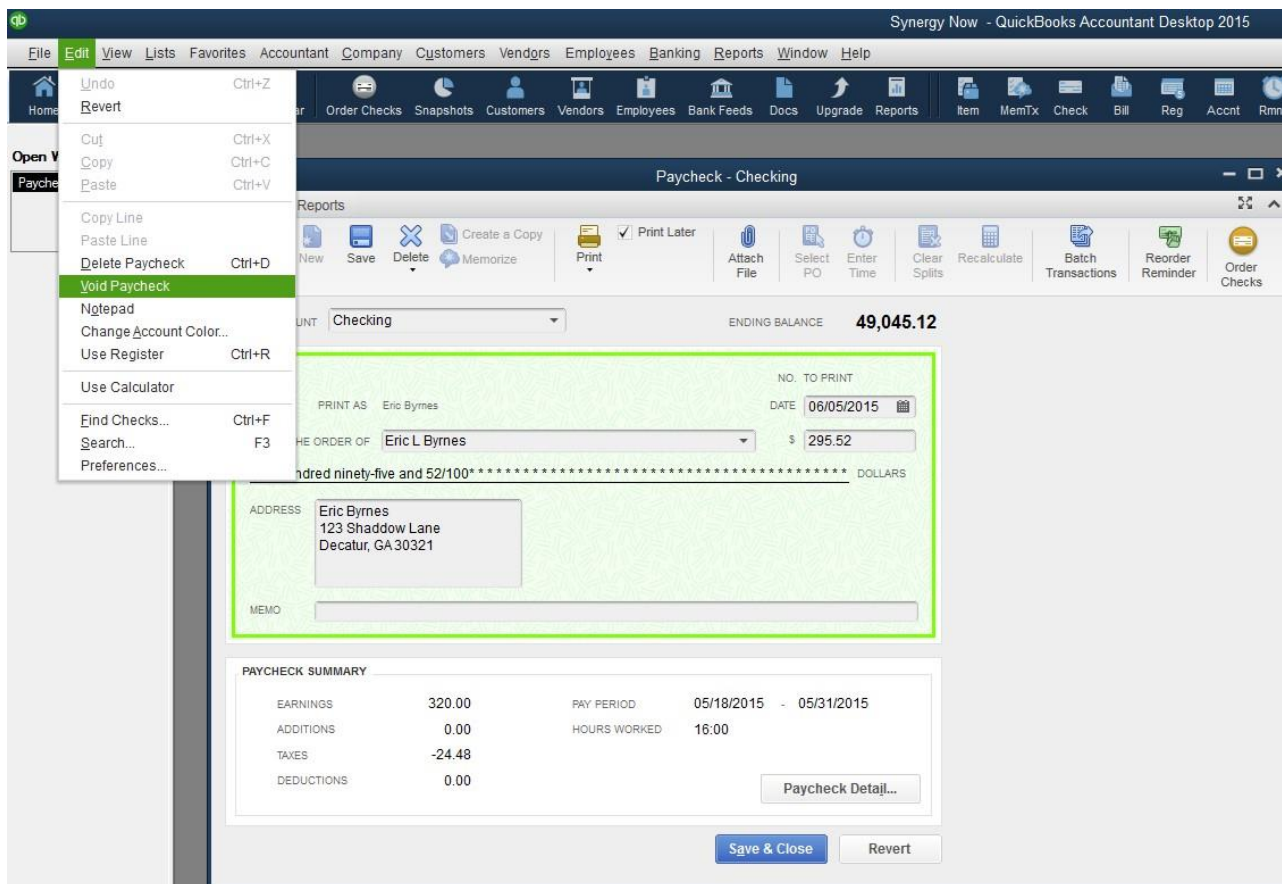
## **SPECIAL TOPICS: OVERVIEW**

- 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.

**Paycheck - Checking**

Main Reports

Find New Save Delete Create a Copy Memorize Print Print Later Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 49,045.12

PRINT AS: Eric Byrnes NO.: 5208 DATE: 06/01/2015

PAY TO THE ORDER OF: Eric L Byrnes \$ 962.66

Nine hundred sixty-two and 66/100\* DOLLARS

ADDRESS: Eric Byrnes  
123 Shaddow Lane  
Decatur, GA 30321

MEMO:

**PAYCHECK SUMMARY**

EARNINGS	1,160.00	PAY PERIOD	06/01/2015 - 06/14/2015
ADDITIONS	0.00	HOURS WORKED	58:00
TAXES	-197.34		
DEDUCTIONS	0.00		

Paycheck Detail...

Save & Close Revert

### 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

**Write Checks - Checking**

Main Reports

Find New Save Delete Create a Copy Memorize Print Print Later Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 48,377.98

PRINT AS: Eric Byrnes NO. 5208 DATE 06/01/2015

PAY TO THE ORDER OF: Eric L Byrnes \$ 0.00 DOLLARS

ADDRESS: Eric Byrnes, 123 Shadow Lane, Decatur, GA 30321

MEMO: Lost Check VOID

Expenses \$0.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER JOB	BILLA...	CLASS
Salary & Wages	0.00	Lost Check VOID			

Save & Close Save & New Clear

### **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.

**Review Paycheck**

**Eric L. Byrnes** PAY PERIOD: 06/01/2015 - 06/14/2015

☐ Use Direct Deposit

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER/JOB	CLASS	SERVICE ITEM
Direct Hourly Payroll	20.00	58:00	Greyson, Elliot	New Construction	Labor Costs
TOTALS 1,160.00 58:00 hrs					

SICK AVAILABLE: 0:00  
VACATION AVAIL: 0:00  
SICK ACCRUED  
VAC. ACCRUED  
☐ Do not accrue sick/vac

**Other Payroll Items**

ITEM NAME	RATE	QUANTITY

**Company Summary**

ITEM NAME	AMOUNT	YTD
GA - Admin. Assessment	0.93	0.93
Social Security Company	71.92	71.92
Medicare Company	16.82	16.82
Federal Unemployment	6.96	6.96

**Employee Summary**

ITEM NAME	AMOUNT	YTD
Direct Hourly Payroll	1,160.00	1,160.00
Medicare Employee Addl T...	0.00	0.00
Federal Withholding	-68.00	-68.00
Social Security Employee	-71.92	-71.92
Medicare Employee	-16.82	-16.82
GA - Withholding	-40.60	-40.60
Check Amount:		962.66

☐ Lock Net Pay
 ☒ Unlock Net Pay
 ☐ Enter net/Calculate gross

OK Cancel Help

### 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).

**Add new payroll item**

**Wages**

Do you want to set up a payroll item to track hourly wages, annual salary, commissions, or bonuses?

☐ Hourly Wages

☐ Annual Salary

☐ Commission

☒ Bonus

### **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..."

- 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

Account Type: Other Current Asset

Account Name: Employee Advances

☐ Subaccount of

OPTIONAL

Description:

Account No.:

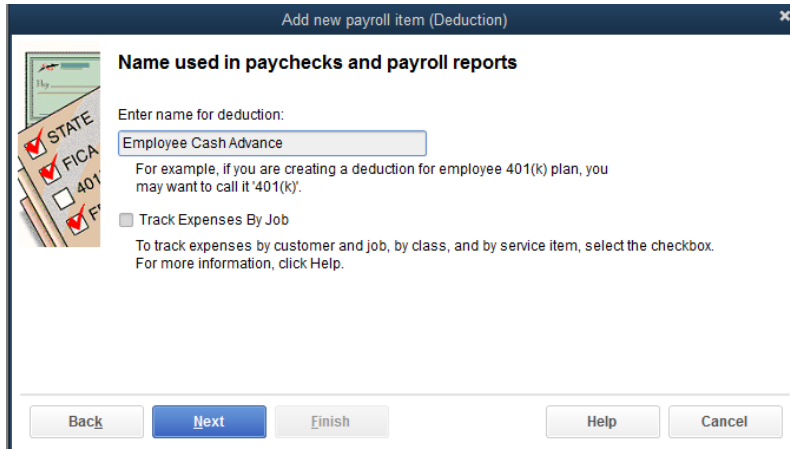
Enter Opening Balance... Should I enter an opening balance?

Save & Close Save & New Cancel

### **Step 1: Creating an Employee Advance Account**

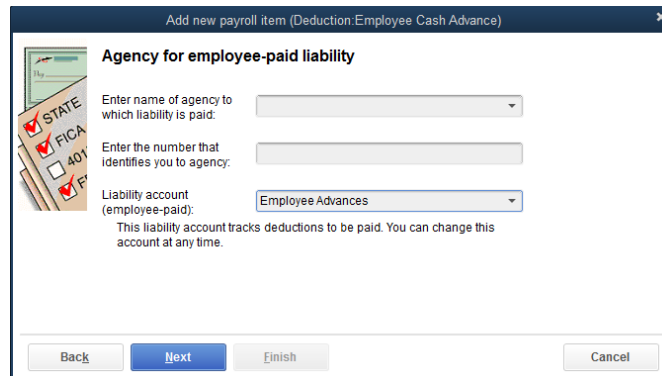
- 1) From the homepage, double click the "Chart of Accounts" icon in the "COMPANY" section to the right
- 2) Select "Account>New" at the bottom left of your screen
- 3) Select "Other Account Types" then select "Other Current Asset" from the drop down menu and click "Continue"
- 4) Type an appropriate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

Write Checks - Checking

Main Reports

Find New Save Delete Create a Copy Memorize Print Print Later Pay Online Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Checks

BANK ACCOUNT: Checking ENDING BALANCE: 48,377.98

PRINT AS: Eric Byrnes NO. 5210 DATE 06/01/2015

PAY TO THE ORDER OF: Eric L Byrnes \$ 500.00

Five hundred and 00/100\*\*\*\*\* DOLLARS

ADDRESS: Eric Byrnes, 123 Shaddow Lane, Decatur, GA 30321

MEMO: Employee Advance - Agreement #003

Expenses \$500.00 Items \$0.00

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
Employee Advances	500.00	Employee Advance - Agreement #003			

Save & Close Save & New Clear

### 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

Edit Employee

INFORMATION FOR **Eric L Byrnes**

Personal  
Address & Contact  
Additional Info

PAYROLL SCHEDULE: Weekly ?  
PAY FREQUENCY: Weekly  
CLASS:

Direct Deposit Taxes...  
Sick/Vacation...

Payroll Info

Employment Info  
Workers' Comp

**EARNINGS**

ITEM NAME	HOURLY/ANNUAL RATE
Hourly	20.00
Overtime (x1.5) hourly	30.00

☒ Use time data to create paychecks

**ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS**

ITEM NAME	AMOUNT	LIMIT
Employee Cash Ad...	-100.00	-500.00

☐ Employee is covered by a qualified pension plan

☐ Employee is inactive

OK Cancel Help

### 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** PAY PERIOD 06/22/2015 - 06/28/2015

☐ Use Direct Deposit

**Earnings**

ITEM NAME	RATE	HOURS	CUSTOMER JOB	CLASS	SERVICE ITEM
Direct Hourly Payr...	20.00	40:00	Greyson, Elliot	New Construction	Labor Costs
TOTALS		800.00	40:00 hrs		

SICK AVAILABLE 0:00  
VACATION AVAIL. 0:00  
SICK ACCRUED  
VAC. ACCRUED  
☐ Do not accrue sick/vac

**Other Payroll Items**

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

**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

**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	

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 though 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”

Liability Adjustment

Date: 06/30/2015 Effective Date: 06/30/2015

Adjustment is for:  
☒ Company ☐ Employee   Class:  

**Taxes and Liabilities**

ITEM NAME	AMOUNT	MEMO
Federal Withhol...	-2.00	Adjust Incorrectly Paid Liability
Social Security ...	-31.00	Adjust Incorrectly Paid Liability
Social Security ...	-31.00	Adjust Incorrectly Paid Liability
Medicare Comp...	-7.25	Adjust Incorrectly Paid Liability
Medicare Em...	-7.25	Adjust Incorrectly Paid Liability

OK  
Cancel  
Accounts Affected...

- 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

Affect Accounts?

These amounts will affect the Payroll Liabilities report.  
 In addition do you want to affect liability and expense account balances?

☒ Do not affect accounts  
☐ Affect liability and expense accounts

OK  
Cancel  
Help

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

