

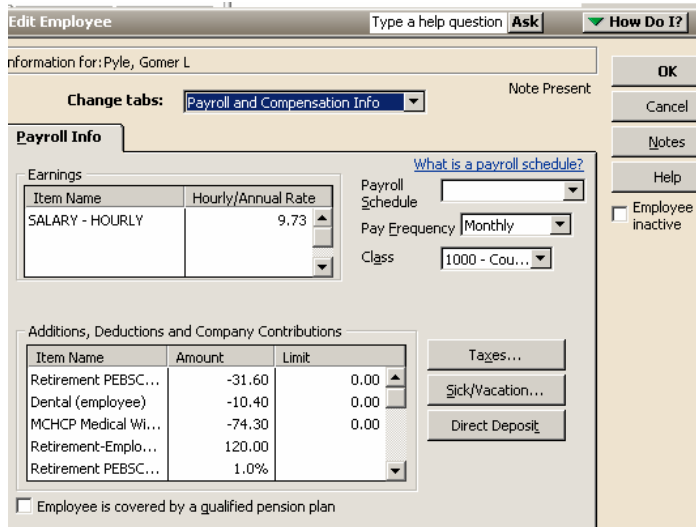
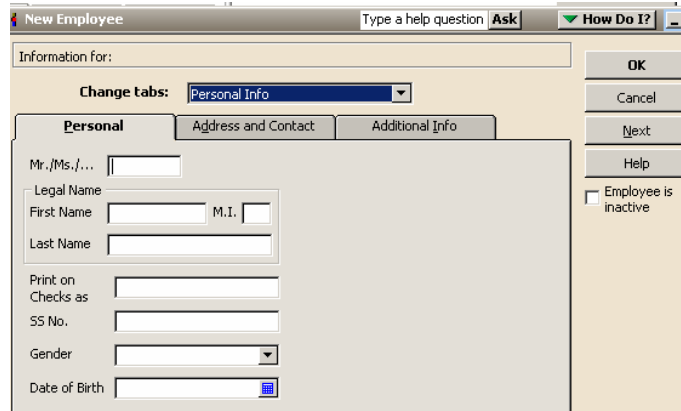
Set Up New Employee

Important Issues:

- ✓ Payroll Items and employee data must be updated or completed before payroll data is entered.
- ✓ Assign a Class code
- ✓ Enter appropriate hourly or annual rate
- ✓ Select appropriate employee deductions and employer contributions.
- ✓ Enter all tax withholding information.

If you are a Council-paid employee, one of the first things you need to do in Quick Books is set yourself up as an employee in the system. **Create an Employee Data File**, as outlined below.

- Select **Employees** from the menu bar.
- Select **Employer Center**
- Click **Create New Employee**. The following dialog box should appear.
- Enter the appropriate information under the **Personal and Address & Contact tabs**.
- Do NOT enter information under the **Additional Info Tab**.
- Under **Change Tab**, change to **Payroll and Compensation**.



Under the **Payroll Info Tab**, and then under the **Item Name**, select the appropriate Salary type, e.g. Salary Hourly, Salary Monthly. NOTE: When you click in any Item List column at the Payroll Info tab, a drop down arrow will appear. Left clicking on that drop down arrow will cause the entire Payroll Item List to appear. You may then select the appropriate payroll item.

- For Hourly-Paid Employee, enter the **hourly rate**.
- For Salary-Paid Employees, enter the **annual salary**.
- Make sure to select the **appropriate pay period**, and identify the proper class.

NOTE: If there is a need to allocate Salary and Employer Payroll Expenses between two or more classes, to comply with Council or CPD recommendations, review procedure, [Allocate Salary Between 2 Classes](#).

- If you want Quick Books to track your **sick leave and annual leave** usage and balances, enter the rate for sick and vacation pay. Then click on the Sick/Vacation button to enter beginning balances. When finished entering the beginning balances, click **OK** to return to the **Payroll Info** tab. For details, review procedure, [Sick and Vacation Salary](#).
- Under **Additions, Deductions and Company Contributions**, select appropriate employee and employer payroll items, as shown in sample employee data screen.
- Under the **Taxes** button, enter appropriate employee tax withholding information.
 - The Federal Unemployment tax, "FUTA" should **NOT be checked**.
 - Under State, "Subject to SUI," should be checked if the Council is required to pay State Unemployment tax.