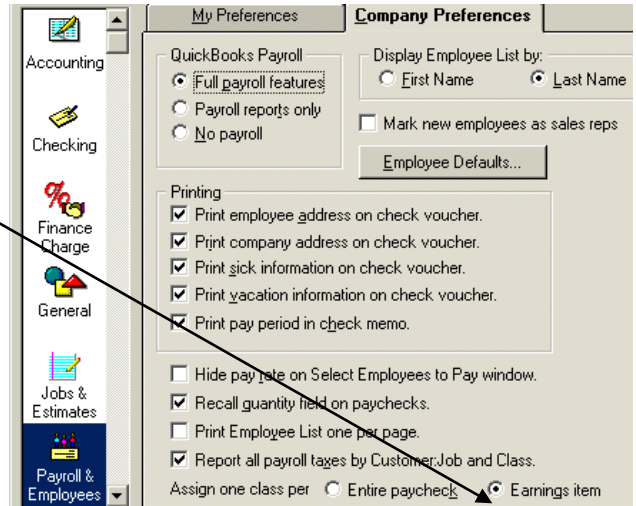


Employer Payroll Items

Important Issues:

- ✓ Payroll Items and Employee Data must be updated or completed before payroll data is entered.
- ✓ Under Edit, Preference, Payroll, "earnings Item" must be checked to allow for class tracking.
- ✓ A Payroll Vendor must be specified as a liability agency for each Payroll item.
- ✓ For Taxes, a payroll liability account must be specified.
- ✓ For Employer-paid benefits, a payroll liability account and an expense account must be specified.



Payroll Item List:

The payroll item list in Quick Books covers includes salaries, employee deductions, and employer contributions for Council-paid employees.

To review the list,

- Select **Lists** menu
- Select **Payroll Item List**.

Item Name	Type	Amount	Annual Limit	Tax Tracking
SALARY - MONTHLY	Yearly Salary			Compensation
Salary - Weekly	Yearly Salary			Compensation
Sick Salary	Yearly Salary			Compensation
Vacation Salary	Yearly Salary			Compensation
SALARY - HOURLY	Hourly Wage			Compensation
Sick Hourly Rate	Hourly Wage			Compensation
Vacation Hourly Rate	Hourly Wage			Compensation
Dental Withholding	Deduction	0.00		None
Health Insurance (taxable)	Deduction	0.00		None
MCHCP Medical Withholding	Deduction	0.00		None
Other Benefits Payable	Deduction	0.00		None
Pre-Tax Medical Withholding	Deduction	0.00		None
Retirement Other Withholding	Deduction	0.00		403(b)
Retirement PEBSCO Withh...	Deduction	0.00		Elective 457(b)
United Way Withholding	Deduction	0.00		None
Vision Insurance (taxable)	Deduction	0.00		None
Dental Insurance-Employer	Company Contribution	0.00		None
MCHCP Medical Benefits-Em...	Company Contribution	0.00		None
Other Benefits-Employer	Company Contribution	0.00		None
Pre-Tax Medical Benefits	Company Contribution	0.00		None
Retirement Other-Employer	Company Contribution	0.00		Other
Retirement PEBSCO -Emplo...	Company Contribution	0.00		Elective 457(b)
Vision Insurance (company ...	Company Contribution	0.00		None
Advance Earned Income Cr...	Federal Tax			Advance EIC Payment
Federal Withholding	Federal Tax			Federal
Medicare - Employer	Federal Tax	1.45%		Comp. Medicare
Medicare Withholding - Emp...	Federal Tax	1.45%		Medicare
Soc. Sec. - Employer	Federal Tax	6.2%	97,500.00	Comp. SS Tax
Soc. Sec. Withholding - Empl...	Federal Tax	6.2%	-97,500.00	SS Tax
MO - Withholding	State Withholding Tax			SWH
MO - Unemployment Company	State Unemployment Tax	0.26%	11,000.00	Comp. SUI
City Tax Withholding	Other Tax	-1.0%		Local Income Tax

Create New Payroll Items

- Select **Payroll Item button** at bottom of screen.
- Select **New, Customer Setup, Next.**

Depending on the Payroll Item Expense, proceed with one of the following:

A) To create a new Salary Type:

- Select **Wage** (hourly or salary) . Click Next.
- Select the appropriate **Wage type** (hourly, salary, sick, vacation). Click Next.
- Type a **Salary Name**, i.e. Education Assistant Hourly.
(Include "hourly, salary, sick, or vacation" in the Salary Name field)
- Place a checkmark preceding "**Track Expenses by Job.**" This also tracks by Class. Click Next.
- Select appropriate **Salary Expense Account.** (2700, 2730...)
- Click Finish

B) To Create a new Employer Contribution:

- Select **Company Contribution.** Click Next.
- Type a Payroll Item Name, i.e. Vision Insurance.
- Place a checkmark preceding "**Track Expenses by Job.**" This also tracks by Class. Click Next.
- Select or Create a new **Agency Name** for the Payroll Vendor.
- Type Agency **identifying number**, if appropriate. (Optional)
- Select or Create a new **Payroll Liability Account.**
- Select or Create a new **Employer Payroll Expense.**

When appropriate, select **Tax Tracking Type.** Consult with QB Administrator, Trainer, or your IRS office. (Tax tracking determines if adjustments are required to Taxable Wages.)

- In most instances, select "**None.**" Click Next until Finish.
- OR-
- If Tax Tracking Type is a specific tax-related employer contribution, select the **appropriate type.** Click Next. (Some payroll items may increase or decrease wages.)
 - Select which taxes are affected. Click Next.
 - Skip "Calculate Based on Quantity." Click Next.
 - Enter Default Rate and Limits only if appropriate for all employees. Otherwise, Skip. Click **Finish.**

C) To Create a New Employee Deduction:

Class Codes are not assigned to Employee Deductions.

- Select **Deduction.** Click Next.
- Type a Payroll Item Name, i.e. Vision Insurance. Click Next.
- Select or Create a new **Agency Name** for the Payroll Vendor.
- Type Agency **identifying number**, if appropriate. (Optional)
- Select or Create a new **Payroll Liability Account.** Click Next.

When appropriate, select **Tax Tracking Type.** Consult with QB Administrator, CAST Trainer, or your IRS office. (Tax tracking determines if adjustments are required to Taxable Wages.)

- In most instances, select "**None.**" Click Next until Finish.
- OR-
- If Tax Tracking Type is a specific tax-related employee deduction, select the **appropriate type.** Click Next. (Some payroll items may increase or decrease wages.)
 - Select which taxes are affected. Click Next.
 - Skip "Calculate Based on Quantity." Click Next.
 - Enter Default Rate and Limits only if appropriate for all employees. Otherwise, Skip. Click **Finish.**

Change Payroll Vendor

Under Lists, select the **Payroll Item List** to change the payroll vendor for tax-related or benefit-related payroll items.

Example: to change the Payroll Vendor from Internal Revenue Service to your local bank name for Tax deposits.

- Click **Lists** on the menu bar.
- Click **Payroll Items**
- For each of the payroll item item, perform the following:
 - Right Click on appropriate payroll item.
 - Left Click on **Edit**.
 - Click **Next** to skip first window.
 - On second window, Click on the down arrow under "**Liability Agency**." Select or add your bank's name.
 - Click **Next** buttons on remaining windows until you see a Finish button.
 - Click on **Finish** button.

Note: Do not change any of the accounts numbers or other settings. All payroll items have been pre-set with appropriate tax codes.

Repeat the above procedure for each payroll item that requires a vendor adjustment.