

Federal Tax Online

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Federal Tax Payments

Some local banks recently notified employers that they either will no longer accept monthly tax deposits for Federal Income, Social Security, and Medicare taxes. The Extension council may elect to use the online Federal Tax Payment system.

EFTPS (Electronic Federal Tax Payment System)

Enrollment for the **EFTPS** online is located at to transfer monthly Federal Income, Social Security, and Medicare taxes from the Council’s bank account to the U.S. Treasury account. This is a **free service** provided by the U.S. Department of the Treasury.

Council approval is required for enrollment and should be reflected in the Council’s Minutes. **Council approval/signature** is also required when making online tax payments.

To enroll for either the **EFTPS Online** or **EFTPS-By Phone**, the following information is required.

- a. Employer Identification Number (EIN)
- b. Financial Institution’s RTN (Routing Transit Number). This is the 9-digit number that appears along with your account number on your checks. Call your Bank to determine if they participate in the electronic withdrawal.
- c. Bank account number
- d. Account Type (checking or savings)

Taxpayer Enrollment

For the Primary Contact Name, enter “**Extension Council Officer**” or the **County Program Director’s name**. Do not enter the Bookkeeper’s name.

For the Primary Contact E-Mail Address, enter the **Extension office’s email address**.

Within 15 days, a **Personal Identification Number (PIN)** and Confirmation Materials will be mailed to your IRS Address of Record. The confirmation materials will explain how to obtain your **Internet Password if you use the EFTPS-Online** method. No password is required for the Phone method.

EFTPS Payments may be accomplished in two ways and are interchangeable.

- **EFTPS-Online**
Make Online Bank Transfers. You will be able to review and sort payment history, check payment status, and make enrollment changes online.
- **By Phone-EFTPS Voice Response System**
This voice automated system allows you to make tax payments using the telephone. Bank Transfer.

Edit the federal payroll items to change the payroll vendor name.

- Select **List** from the menu bar.
- Select **Payroll Item list**
- Right click **Federal Withholding**
- Left click **Edit Payroll Item**
- Click **Next**
- Change the **Agency name** to **Internal Revenue Service**. Select from the vendor list.
- Select **Next, Next**, then **Finish**.

Federal Withholding	Federal Tax	
Medicare - Employer	Federal Tax	1.45%
Medicare Withholding - Employee	Federal Tax	1.45%
Soc. Sec. - Employer	Federal Tax	6.2%
Soc.Sec. Withholding - Employee	Federal Tax	4.2%

The Medicare and Social Security payroll items automatically will change to Internal Revenue Service.

Monthly Tax Payments

- In the QuickBooks **Process Payroll Liabilities screen**, select the Federal Income, Social Security and Medicare tax amounts and create the payroll liability check transaction.
- Uncheck the "to be printed" field.
- In the Check Number field, enter EFTPS, or EFTPS followed by the calendar month the liability tax payment was transferred. i.e. EFTPS Sept. Keep Transaction open!
- **Print the Transaction in Journal format.** You will not write a check! Do not click the Print button displayed in the Liability Check transaction.
 - **Save** the liability check transaction.
 - **Open the Checking Register.**
 - **Click once in the liability federal tax payment transaction to select it. Do not open the transaction!**
 - Click **Reports** from the menu bar.
 - Select **Transaction Journal** (at bottom of list)
 - Click on **Print button** at the top of the Journal report.
 - Change to **Landscape** Orientation.
 - Click **Print button** to print the Journal report.
 - Close the Journal report to return to the Liability Check transaction.

- Go to the EFTPS Online web site <https://www.eftps.com/eftps/>
- Click Login button
- Enter your EIN, PIN, and Internet Password
- Enter tax data as requested.

After submitting EFTPS-Online monthly tax payments, you will receive an EFT Acknowledgment Number and a confirmation.

- Print the confirmation report and attach the report to the Transaction Journal report printed from QuickBooks.
- **A Council Officer should sign and date the confirmation report.**
- File the signed confirmation report and the journal report.

Note: All online payments must be approved and signed by appropriate Council Officers, just as if they were signing a check payment.