# University of Missouri Extension County Accounting Manual Pay Payroll Taxes and Benefit Liabilities

**Contents:** Important Issues Select Payroll Liabilities Quarterly Liabilities Print Payroll Liability Check Add Interest Assessment Charge

The Payroll Liabilities account tracks taxes and benefits that are deducted from employees' paychecks and held temporarily until they are paid to the government or a designated bank. Taxes include federal and state income withholding taxes, local taxes, the employee-paid and employer-paid portion of taxes such as social security and Medicare. Benefits may include medical, dental, vision, cancer insurance, or retirement.

#### **Important Issues:**

- ✓ Payroll Items must be updated or completed before paychecks are created. (see "<u>Employer Payroll Items</u>")
- ✓ All employee deductions and employer contributions must be entered in the employee data file and the employee paycheck screen. (See "<u>Setting Up Employees</u>")
- Employee Paychecks must be created before Payroll Liabilities checks can be created. (See "<u>Preparing and Printing Employee Paychecks</u>")

There are several opportunities to make mistakes in the liabilities process, and mistakes are frequently difficult to correct. Please note the following instructions.

#### **Selecting Payroll Liabilities Ready for Payment**

The following procedure is the best approach to selecting the payroll liabilities for payment (**Create Custom Liability Payments**). The alternate method of paying payroll liabilities is the **Scheduled Payroll Liability section under the Payroll Center.** 

- From the Employees Menu, select Payroll Taxes and Liabilities
- Select Create Custom Liability Payments.
- Select the date range for the liabilities you are preparing to pay, click OK, and the following screen will appear. (It is recommended that the beginning date be 01/01/current year)
- **To be printed** box should be checked.
- Make sure the proper bank account is identified.
- "Review liability check to enter expenses/penalty" circle is checked.
- Ensure that the pay period dates entered in the **Payment**

Pay Liabilities	Туре	a help question Ask	V How Do I?
To be printed	Review liability check to		Create
Bank Account	enter expenses/penalties		Cancel
0050 · Checking	Create liability check without	Ī	Payroll Liabilities Report
Check Date		Ī	Help
	5how Payroll Liabilities Dates Custom  From	- 01/01/2007 🔳	Through 08/31/2007
Sort By [Payable To	Pavable To	Balance	Amt To Pay
Eederal Withholding	Bank of Trump Towers	307.0	
Medicare - Employer	Bank of Trump Towers	83.4	47 0.00
Medicare Withholding - Emplo	Bank of Trump Towers	83.4	47 0.00
Soc. Sec Employer	Bank of Trump Towers	356.9	93 0.00
Soc.Sec. Withholding - Emplo	Bank of Trump Towers	356.9	93 0.00
Delta Dental High (employee)	Delta Dental High Ex-Council	10.4	40 0.00
Retirement-Employer (Jones)	Forest T. Jones	120.0	0.00
MO - Unemployment Company	Mo Dept of Revenue	245.4	41 0.00
MO - Withholding	Mo Dept of Revenue	182.0	0.00
Retirement PEBSCO - Employer	University of Missouri	115.0	31 0.00
MCHCP Medical Withholding	University of Missouri Benefits	274.3	30 0.00
Retirement PEBSCO Withlhol	University of Missouri Benefits	131.0	50 0.00
· · · · · · · · · · · · · · · · · · ·		2,267.3	32 0.00

Date, and Show liabilities from and through fields are correct.

It's important that the **Show liabilities from** and **through** fields are correct. If these are not correct, the correct liability amounts will not display. If you change the dates in those fields, press **Tab** key (or click once anywhere in lower half of screen) after the new dates are entered, and the liability numbers will refresh.

• Place a **checkmark** next to the liabilities you are paying at this time.

Some liabilities checks may require employee withholding & employer expenses included in the check. (For example, checks to University of Missouri Benefits will frequently need to include both the liabilities withheld from the employee's paychecks AND the expenses paid by the council in the form of health insurance premiums.)

**Note:** Quarterly Tax or Benefits Liabilities will reflect the cumulated amount due. The Pay period dates for Show Liabilities from and through fields

must include all three months for the Quarter.

- Click Create. A sample check is displayed →
- Review the check before printing to determine accuracy.
- Click **Save & Close**, or **Save & New**, whichever is appropriate. Quick Books will generate a single check for all liabilities and/or expenses to the same vendor.

## **Print Payroll Liability Check**

• Under File, Select Print Forms, then select Print Checks.

Liability Check - Checkir	ig		V Ho	w Dol?
<b>⇔</b> Previous <b>⇒</b> Next ⊚P	rin <u>t</u> 👻			
Bank Account 0050 · Checkin	g 🔹	Ending	Balance	18,417.94
-				
Print Ac	. University of Missouri		No. 494	
Pay to the Order Univers	itu of Missouri Benefits		■ Date U9/	28/2001
Two how doed eighty six and	04/100××××××××××××		• <u>200</u>	*****
1 wo nundred eighty-six and	34/100			Dollars
802 Clark Hall Columbia MD 6	5211			
Address				
Memo				
Memo				
Memo	ough 09/30/2001 🖩			To be printed
Memo Payment for payroll liabilities the Expenses	ough 09/30/2001	abilities	\$286.34	To be printed
Payment for payroll liabilities the Expenses	rough 09/30/2001 III \$0.00 Payroll Li Amount	abilities : Memo	\$286.34	To be printed
Payment for payroll liabilities the Expenses Payroll Item MCHCP Medical Withholding	ough 09/30/2001 III \$0.00 Payroll Li Amount 186.34	abilities : Memo	\$286.34	To be printed
Memo           Payment for payroll liabilities the           Expenses           Payroll Item           MCHCP Medical Withholding           Retirement PEBSCO Withhold	ough 09/30/2001 \$0.00 Payroll Li Amount 186.34 100.00	<b>abilities</b> : Memo	\$286.34	To be printed
Payment for payroll liabilities the Expenses Payroll Item MCHCP Medical Withholding Retirement PEBSCO Withhol	ough 09/30/2001	<b>abilities</b> : Memo	\$286.34	To be printed
Memo Payment for payroll liabilities the Expenses Payroll Item MCHCP Medical Withholding Retirement PEBSCD Withhol	ough 09/30/2001 \$0.00 Payroll Li Amount 186.34 100.00	abilities : Memo	\$286.34	To be printed
Memo Payment for payroll liabilities the Expenses Payroll Item MCHCP Medical Withholding Retirement PEBSCO Withhol	ough 09/30/2001 \$0.00 Payroll Li Amount 186.34 100.00	abilities : Memo	\$286.34	To be printed
Memo       Payment for paynoll liabilities the       Expenses       Paynoll Item       MCHCP Medical Withholding       Retirement PEBSCO Withhol       Clear Splits       Recalculate	ough 09/30/2001 \$0.00 Payroll Li Amount 186.34 100.00	abilities : Memo Save & Close	\$286.34	Class
Memo Payment for payroll liabilities the Expenses Payroll Item MCHCP Medical Withholding Retirement PEBSCD Withhol Clear Splits Recalculate We'll register a unique domain n	ough (09/30/2001 ) ) \$0.00 Payroll Li Amount 196.34 100.00	abilities : Memo Save & Close	\$286.34	To be printed

Note: The Payroll liability checks will be added to the list of "regular" checks waiting to be paid.

### Add the Annual Interest Assessment Charge to State Unemployment Tax

The annual Interest Assessment Charge may be added to the State Unemployment Tax liability check as follows. With this procedure, only **one check is written** to the Mo. Dept of Revenue.

- Click the **Expenses Tab** in the Missouri Dept of Reveneue liability tranaction.
- Select **2870-**Unemployment Compensation account
- Enter the Interest Assessment Charge in Amount field
- Complete the Memo field
- Select appropriate class code. This is an employer expense. Expense must have a class code. Liability tax amount is not assigned a class code.

Bank Account 0050 · Checking	ry Ending Balance 6,151.61	_
Print As: Mo. Dept of Revenue Pay to the Order of Mo Dept of Revenue One hundred twenty-three and 00/100********* P.O. Box 999 Jefferson City. MO 65108-0999 Address Memo 14261120	No. 7525 Date 06/30/2005	Check Total must reflect the combined Total of the Interest Assessment and the Tax Liability Amounts.
Payment for payroll liabilities through 06/30/2005	To be printe	ed
Account Amount ses:2\$70 · Unemployment C( ▼ 18.0	Memo 00 Annual Interest Assesment Charge	Customer:Job 🔛 Class