**University of Missouri Extension**

*County Accounting Manual*

# Payroll Corrections

**Scenario #1**:   An employee's paycheck transaction included an incorrect social security tax amount for employee and employer.   Paycheck and Payroll Tax Liability Check have not yet been written.

**Correction - Edit the paycheck transaction to make the correction.**
- Locate the paycheck in the checking register.  **Double-click** in the paycheck transaction.
- Click the **paycheck detail button** to edit the employee paycheck screen.
- Change the social security amounts for both **employee deduction** and **employer contribution.**
- Click **OK**
- Click **Save and close** button
- Click **Record Button** in the checking register.

*The employee paycheck is adjusted with new net salary.  The Social Security Tax liabilities for both employee and employer have been updated in the Payroll Tax Liability Screen.*

**Scenario #2:**   The incorrect employee or employer tax or benefit was entered in the paycheck transaction. Payroll Liability check  and employee paycheck were written and mailed.

**Correction -  Make adjustment on next employee paycheck.**

*Increase or decrease the appropriate tax or benefit amount on the next employee paycheck.  Add or subtract the difference of the tax to the employee's Paycheck screen.*
*Payroll Liability screen will display the adjusted amounts.*

**Scenario #3:**   The employee's paycheck screen did not include the employer's social security and medicare contributions.  Payroll liability check has not been written.

**Correction  -  Edit the employee paycheck transacton and add the employer's contributions.**
- Locate the paycheck in the checking register.  **Double-click** in the paycheck transaction.
- Click the **paycheck detail button** to edit the employee paycheck screen.
- Enter the social security and medicare amounts for **employer contribution.**
- Click **OK**
- Click **Save and close** button
- Click **Record Button** in the checking register.

*The Social Security and Medicare Tax liabilities for the employer have been updated in the Pay Payroll Tax Liability Screen.*

**Scenario #4:** **Same as Scenario #3, except the original payroll liability check was written, printed, and mailed.**

**Correction** – **Edit the employee paycheck transaction and add the employer's contributions.**
- Locate the paycheck in the checking register. **Double-click** in the paycheck transaction.
- Click the **paycheck detail button** to edit the employee paycheck screen.
- Enter the social security and medicare amounts for **employer contribution.**
- Click **OK**
- Click **Save and close** button
- Click **Record Button** in the checking register.

*The Social Security and Medicare Tax liabilities for the employer have been added to the Pay Payroll Tax Liability Screen.*

- Select the tax amounts in the Liability screen and write a **second check** to your Bank or IRS for the additional tax deposit.


**Scenario #5:** **An employee inadvertently washed her paycheck in the laundry. Remnants of the paycheck were returned to the County Bookkeeper to be kept on file in Council records. Employee and Employer monthly Payroll Taxes and Benefits have already been paid to the bank or IRS. A new paycheck is re-issued.**

**Correction** – **Void Paycheck transaction.**
- Make note of the amounts for salary, taxes, benefits for both employee and employer.
- Locate the paycheck in the **Checking register** and **click once** in the transaction.
- Select **Edit** from menu bar
- Select **Void Paycheck**

*QB will change the amount to zero and insert the word "VOID" in the Memo field.*
*In **Payroll Liabilities** screen, the employee and employer tax and benefits liabilities will reappear (but only temporarily). Don't even go there!*

**Re-issue a new Paycheck**
- Select **Employees** from menu bar.
- Select **Payroll Center**
- Click **Pay Employees** button.
- Select the employee's name
- Select **Open Paycheck Detail button.** Review and make changes if needed.
- Click Save. Then continue.
- Click the **Create Paycheck button** to create the payroll transactions.
- Select **File** from menu bar
- Select **Print forms**
- Select **Paycheck**
- Print the new paycheck - with new check number.

*In **Payroll Liabilities** screen, the employee and employer tax and benefits liability data will be zero again. Since the tax and benefit liabilities were already paid, the process of voiding the paycheck and reissuing the paycheck resulted in offsetting tax liabilities.*

*There should be **no change in the Checkbook balance** since the void paycheck process reversed the payroll check and added the amount to the Checking balance. The new payroll check subtracted the amount from the Checking balance.*