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Important Issues Create Employee Data File

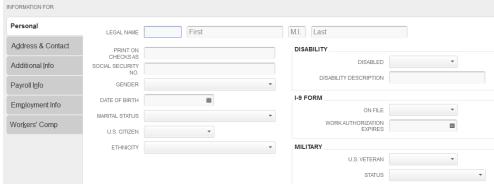
## **Set Up New Employee**

## **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 **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 the **Payroll Info Tab**, and then under the **Earnings Item Name**, select the appropriate Salary type, e.g. Salary Hourly, Salary Monthly.

NOTE: When you click in any Item List column in 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 Frequency, 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, <u>Allocate Salary Between 2 Classes</u>.
- If you want QuickBooks 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, <u>Sick and Vacation Salary</u>.
- Under Additions, Deductions and Company Contributions, select appropriate employee and employer payroll items, as shown in sample employee data screen.

  ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS
- 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
- If QuickBooks **Time Sheet** will be used, then select

   ✓ Use time data to create paychecks

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS ITEM NAME : AMOUNT Health Insurance Reimbursement 300.00 0.00 MCHCP Medical Withholding -20.00 0.00 MCHCP Medical Benefits-Empl... 50.00 0.00 Retirement PEBSCO Withlholding -10.00 0.00 Health Co Contribution 103.85 0.00 (EAP) Employee Assistance Pr... 50.00