SEE FURTHER
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Microsoft Great Plains Dynamics

PAYROLL

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Introduction

Welcome to Payroll, an important component of the Dynamics system. You can use Payroll to set up, enter and maintain records and transactions.

This introduction is divided into the following sections:

- *What's in this manual*
- *Symbols and conventions*
- *Additional resources*

What's in this manual

This manual is designed to give you an in-depth understanding of how to use the features of Payroll, and how it integrates with the Dynamics system.

The manual is divided into the following parts:

- Part 1, **Setup**, describes how to set up Payroll, including department and position codes, pay codes, workers' compensation codes and local and unemployment tax cards. It also explains how to set up deduction codes, benefit codes and employee classes.

- Part 2, **Cards**, describes how to create employee cards, tax cards and deduction and benefit cards. It also describes how to enter beginning balances.

- Part 3, **Transactions**, explains how to create single-use or recurring batches and how to create and process Payroll check transactions.

- Part 4, **Inquiries and Reports**, describes how to view current and historical employee information, employee pay activity and how to use Payroll reports to track changes in employee pay information.

- Part 5, **Utilities**, explains how to help keep your Payroll records current and how to make changes to incorrect tax information.

- Part 6, **Routines**, describes how to create customized checklists of Payroll routines or modify existing checklists. It also describes tasks that you will complete at the end of the month, quarter or year, and tasks that relate to government regulations and required forms.

- Part 7, **Payroll Direct Deposit**, explains how to set up and use Payroll Direct Deposit, create employee direct deposit cards and create the ACH File used to transfer funds to employee bank accounts.

- Appendix A, "Using Editable Pay Rates,", shows typical uses for using editable pay rates.

- Appendix B, "Tracking Tips Wages," explains how to be sure you have Payroll set up to take advantage of the features to track and report tips wages.

Symbols and conventions

This manual was written using U.S. English. For definitions of unfamiliar terms, see the glossary in this manual or refer to the glossary in online help.

This manual uses the following symbols to make specific types of information stand out.

Symbol	Description
💡	The light bulb symbol indicates helpful tips, shortcuts and suggestions.
⚠	The warning symbol indicates situations you should be especially aware of when completing tasks. Typically, this includes cautions about performing steps in their proper order, or important reminders about how other information in Dynamics may be affected.
⇄	The integration symbol points out features that are different between Payroll and Human Resources with Integration to Payroll.

This manual uses the following conventions to refer to sections, navigation and other information.

Convention	Description
Creating a batch	Italicized type indicates the name of a section or procedure.
File >> Print	The (>>) symbol indicates a sequence of actions, such as choosing items from a menu, toolbar, or palette, or pressing buttons in a window. This example directs you to go to the File menu and choose Print.
TAB or ENTER	Small capital letters indicate a key or a key sequence.

Additional resources

Use the following tools to learn how to use Dynamics. Many of the documentation resources are provided in online format, either as an online help file or as an Adobe Acrobat .PDF file.

To learn about Dynamics:

Use the Tutorial lessons (Help >> Tutorial) to learn how to perform basic procedures in each module.

Use the Sample Reports (Help >> Sample Reports) to view samples of Dynamics reports in Adobe Acrobat .PDF format.

To complete day-to-day tasks:

Use the online help (Help >> About This Item –or– press F1) to view context-sensitive assistance for windows, fields, alert messages and procedures.

To find information about a window that's not currently displayed, choose Help >> Index, then type the name of the window and choose Display.

Use the online manuals (Help >> Online Manuals) to view the printed manuals online in Adobe Acrobat .PDF format.

To learn about product support services:

For information about the product support options available to you, refer to the Great Plains Services Guidebook (Help >> Great Plains Products and Services >> Guide to Services), available online in Adobe Acrobat .PDF format.

Part 1: Setup

This part of the documentation describes how to set up Payroll, department codes, position codes and pay codes. It also explains how to set up local and unemployment tax codes, workers' compensation codes and employee classes.

The following information is discussed:

Chapter 1, "Setting Up Payroll," explains how to use the setup routine provided with the accounting system to set up Payroll.

Chapter 2, "Setting Up Codes," describes how to set up department codes, position codes and pay codes. You can then assign these codes to employee records for identification purposes.

Chapter 3, "Setting Up Deductions and Benefits," explains how to set up default deduction and benefit codes that will be used for setting up employee deductions and benefits.

Chapter 4, "Setting Up Taxes and Compensation Codes," describes how to set up default workers' compensation, local and unemployment tax cards that will be used for setting up employee taxes.

Chapter 5, "Setting Up Employee Classes," explains how to set up employee classes according to similar characteristics to help make setting up employee records easier and save data entry time.

Chapter 1: Setting Up Payroll

During the Payroll setup process, you'll create pay cards, benefit cards and deduction cards for each employee and can set up employee classes. Before you begin setting up Payroll, be sure you've completed the System Setup and General Ledger setup procedures. For more information about completing these procedures, refer to the System Setup manual or the General Ledger manual.

If you're using Human Resources, use the Human Resources Installation and Setup manual to set up benefit and deduction cards.

This information is contained in the following sections:

- *Using the Payroll setup routine*
- *Payment and adjustment numbers in Payroll*
- *Overtime in Payroll*
- *Calculating overtime pay*
- *Setting up Payroll default entries*
- *Required Payroll posting accounts*
- *Setting up Payroll posting accounts*

Using the Payroll setup routine

Use this procedure only if you're not using Human Resources.

You can use the setup routines provided with your accounting system to set up Payroll. As you select each step in the setup routine list, the appropriate window used to complete that procedure opens. As you enter information in the window, you can refer to the procedures in this chapter or to the online documentation whenever necessary.

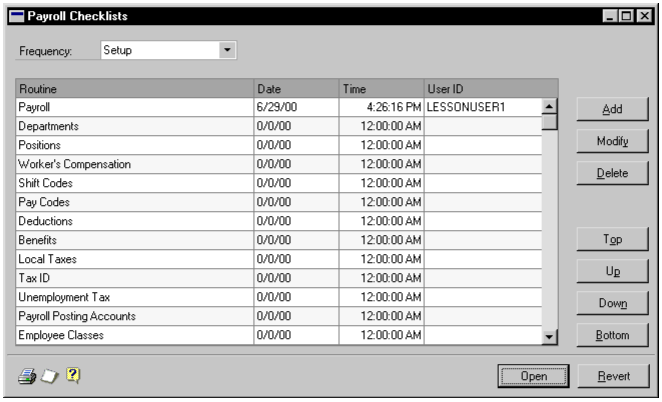
The following table lists the setup routines and windows that you can use as a guide while setting up each component of Payroll.

Routine	**Window and section**
Payroll	Payroll Setup window. Refer to *Setting up Payroll default entries* on page 16.
Departments	Department Setup window. Refer to *Setting up department codes* on page 25
Positions	Position Setup window. Refer to *Setting up position codes* on page 26.

Routine	Window and section
Worker's Compensation	Workers' Compensation Setup window. Refer to *Setting up workers' compensation codes* on page 49.
Shift Codes	Shift Code Setup window. Refer to *Setting up shift codes* on page 32.
Pay Codes	Pay Code Setup window. Refer to *Setting up pay codes* on page 27
Deductions	Deduction Setup window. Refer to *Setting up a deduction* on page 37.
Benefits	Benefit Setup window. Refer to *Setting up a benefit* on page 42.
Local Taxes	Payroll Local Tax Setup window. Refer to *Setting up a local tax* on page 51.
Tax ID	Payroll Tax ID Setup. Refer to *Setting up federal and state tax identification numbers* on page 56.
Unemployment Taxes	Unemployment Tax Setup window. Refer to *Setting up an unemployment tax* on page 55.
Payroll Posting Accounts	Payroll Posting Accounts Setup window. Refer to *Setting up Payroll posting accounts* on page 23.
Employee Classes	Employee Class Setup window. Refer to *Creating an employee class* on page 61.
Employees	Employee Maintenance window. Refer to *Entering an employee card* on page 69.
Employee Taxes	Employee Tax Maintenance window. Refer to Refer to *Entering an employee tax card* on page 83.
Employee State Taxes	Employee State Tax Maintenance window. Refer to *Entering an employee state tax card* on page 85.
Employee Local Taxes	Employee Local Tax Maintenance window. Refer to *Entering an employee local tax card* on page 87.
Quick Employee Assignment	Employee Quick Assignment window. Refer to *Assigning pay, deduction and benefit codes to an employee* on page 71.
Employee Pay Codes	Employee Pay Code Maintenance window. Refer to *Entering an employee pay card* on page 79.
Employee Deductions	Employee Deduction Maintenance window. Refer to *Entering an employee deduction card* on page 89.
Employee Benefits	Employee Benefit Maintenance window. Refer to *Entering an employee benefit card* on page 92.

To use the Payroll setup routine:

1. Open the Payroll Checklists window.
   (Routines >> Payroll >> Checklists)

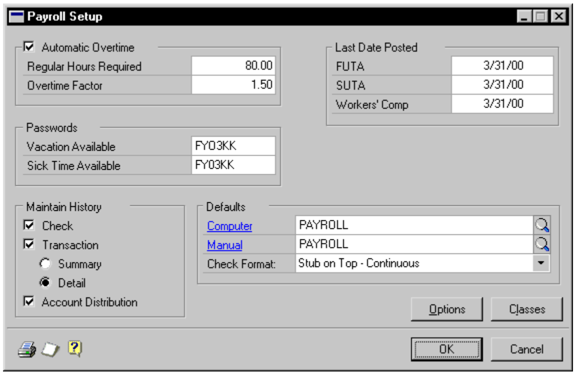


Frequency: Setup

Routine	Date	Time	User ID
Payroll	6/29/00	4:26:16 PM	LESSONUSER1
Departments	0/0/00	12:00:00 AM	
Positions	0/0/00	12:00:00 AM	
Worker's Compensation	0/0/00	12:00:00 AM	
Shift Codes	0/0/00	12:00:00 AM	
Pay Codes	0/0/00	12:00:00 AM	
Deductions	0/0/00	12:00:00 AM	
Benefits	0/0/00	12:00:00 AM	
Local Taxes	0/0/00	12:00:00 AM	
Tax ID	0/0/00	12:00:00 AM	
Unemployment Tax	0/0/00	12:00:00 AM	
Payroll Posting Accounts	0/0/00	12:00:00 AM	
Employee Classes	0/0/00	12:00:00 AM	

2. Select Setup from the Frequency list. The setup checklist appears.

3. Select the first routine, Payroll, and choose Open. The Payroll Setup window opens. Enter the setup information.



☑ Automatic Overtime
Regular Hours Required 80.00
Overtime Factor 1.50

Last Date Posted
FUTA 3/31/00
SUTA 3/31/00
Workers' Comp 3/31/00

Passwords
Vacation Available FY03KK
Sick Time Available FY03KK

Maintain History
☑ Check
☑ Transaction
○ Summary
● Detail
☑ Account Distribution

Defaults
Computer PAYROLL
Manual PAYROLL
Check Format: Stub on Top - Continuous

After you set up each routine, return to the Payroll Checklists window to complete the remaining routines.

Payment and adjustment numbers in Payroll

Use the Payroll Setup Options window to enter or change payment and adjustment numbers.

- A payment number identifies a group of related entries that are posted collectively as a single computer or manual check.
- An adjustment number identifies a group of adjustments that you make in the Payroll Manual Check-Adjustment Entry window. You can use payment and adjustment numbers to trace transactions to the check they originated from in Payroll. These numbers will appear on reports as part of your audit trail.
- A computer check transaction number identifies a specific transaction entered in the Payroll Transaction Entry window.
- A manual check transaction number identifies a specific transaction in the Payroll Manual Check Transaction Entry window.

Each time you enter a transaction, the default numbers will increase by one to the next available number as each number is accepted. You can change the next numbers, but the default numbers will continue to be displayed for new transactions.

If *you use Dynamics on a network where more than one person is entering transactions at the same time, the default number might appear to increase by two or more.*

Overtime in Payroll

When you set up Payroll, you can mark Automatic Overtime and make other selections in the Payroll Setup window to specify how overtime pay should be calculated.

Automatic overtime is based on the total units for a specific pay code. The overtime will reduce the hourly pay code and create an overtime pay transaction for the overtime hours, based upon the transaction that you enter for the hourly pay code and what you've set up in the Regular Hours Required field. If you don't want overtime calculated automatically, you must manually enter overtime pay transactions. For more information, refer to *Entering Payroll computer check transactions* on page 114.

If your company pays overtime wages and you mark Automatic Overtime in the Payroll Setup window, you must enter the number of hours an employee must work in a pay period before overtime will be paid, and the factor of the regular rate of pay to be used for overtime calculation.

For example, you might enter 40 for regular hours required if employees are paid weekly and 1.5 (time-and-a-half) for the overtime factor. Assume you've marked Automatic Overtime for a biweekly pay period and it is based on 40 hours a week. You must enter up two hourly pay code transactions for each employee; each hourly pay code should have a corresponding overtime pay code.

If you enter a pay record transaction for an hourly employee who worked 35 hours the first week and 45 hours the next, you must enter 35 hours in the first hourly pay code transaction and 45 hours in the second hourly pay code transaction. The employee will then receive 75 hours of hourly pay and 5 hours of overtime pay.

If Automatic Overtime is not marked, you must enter transactions for both hourly and overtime two pay codes—one hourly pay code transaction for 75 hours and one overtime pay code transaction for 5 overtime hours.

Total Pay / Total Hours = Average Pay Rate x Overtime Factor for the Overtime Pay Rate.

Calculating overtime pay

There are several ways that overtime can be calculated. Two examples are described in detail here. Refer to online help for additional examples.

Automatic overtime without shifts and without pay rate changes

The following example shows how overtime will be calculated without shifts and without pay rate changes, using the following pay codes and pay rates:

- HOUR pay code set up with a $10.00 pay rate
- HOUR2 pay code set up with a $12.00 pay rate
- OT pay code set up with a $15.00 pay rate for HOUR
- OT2 pay code set up with a $18.00 pay rate for HOUR2
- Payroll Setup has 1.5 Automatic Overtime at 40 hours

.

Pay Code	Hours	X	Hourly calculation	=	Amount Calculation
HOUR	30	X	$10.00	=	$300.00
HOUR	20	X	$10.00	=	$200.00
HOUR2	30	X	$12.00	=	$360.00
HOUR2	15	X	$12.00	=	$180.00

Total gross pay equals $1040.00.

The total pay per pay code is then divided by the number of hours for that pay code to determine the average pay rate for all the transactions. Each pay code is treated individually.

Pay Code	Total pay	÷	Hours	=	Average pay rate
HOUR	$500.00	÷	50	=	$10.00
HOUR2	$540.00	÷	45	=	$12.00

The overtime value is determined by multiplying the overtime hours by the overtime factor from the Payroll Setup window and then multiplying that by the average pay rate. Each pay code is treated individually.

Pay Code	Hours	X	Overtime factor	X	Average pay rate	=	Overtime value
OT	10	X	1.5	X	$10.00	=	$150.00
OT2	5	X	1.5	X	$12.00	=	$90.00

Because we don’t know which pay code should have the 5 hours of overtime removed we need to reduce both pay code transactions by the weight each provides. To do this, the regular pay code hours are multiplied by the overtime hours and divided by the total regular hours to determine the total number of overtime hours. Each pay code is treated individually.

Pay Code	Regular hours	X	Overtime hours	÷	Total regular hours	=	Total overtime hours
HOUR	30	X	5	÷	50	=	3.00
HOUR	20	X	5	÷	50	=	2.00
HOUR2	30	X	5	÷	45	=	3.33
HOUR2	15	X	5	÷	45	=	1.67

Each hourly weight is subtracted from each transaction to determine adjusted hours. Each pay code is treated individually.

Pay Code	Regular hours	-	Total overtime hours	=	Adjusted hours
HOUR	30	-	3.00	=	27.00
HOUR	20	-	2.00	=	18.00
HOUR2	30	-	3.33	=	26.67
HOUR2	15	-	1.67	=	13.33

The adjusted hours are multiplied by the pay rate to determine the transaction dollar value. Each pay code is treated individually.

Pay Code	Adjusted hours	X	Pay Rate	=	Transaction dollar value
HOUR	27.00	X	$10.00	=	$270.00
HOUR	18.00	X	$10.00	=	$180.00
HOUR2	26.67	X	$12.00	=	$320.04
HOUR2	13.33	X	$12.00	=	$159.96

The transaction dollar values are added to the overtime values to calculate the total paid to the employee.

Pay Code	Value	Description
OT	$150.00	Overtime value
OT2	$90.00	Overtime value
HOUR	$270.70	Transaction dollar value
HOUR	$180.00	Transaction dollar value
HOUR2	$320.04	Transaction dollar value
HOUR2	$159.96	Transaction dollar value

Gross pay for this employee is $1035.70.

Automatic overtime with shifts with pay rate change

The following example shows how overtime will be calculated with shifts and with a pay rate change, using the following pay codes and pay rates:

- HOUR pay code set up with a $10.00 pay rate

- HOUR2 pay code set up with a $12.00 pay rate that changes to a $14.00 pay rate
- OT pay code set up with a $15.00 pay rate
- OT2 pay code set up with a $18.00 pay rate that changes to a $21.00 pay rate
- SHIFT1 pay code set up with a $1.00 pay rate
- SHIFT2 pay code set up with a $2.00 pay rate
- Payroll Setup has 1.5 Automatic Overtime at 40 hours

Pay Code	**Hours**	**X**	**Hourly Calculation**	**=**	**Amount Calculation**
HOUR + SHIFT1	20	X	$10.00 + $1.00	=	$220.00
HOUR + SHIFT1	25	X	$10.00 + $1.00	=	$275.00
HOUR2 + SHIFT2	30	X	$12.00 + $2.00	=	$120.00
HOUR2 + SHIFT2	20	X	$14.00 + $2.00	=	$320.00

Since the total hours on the transactions are 45 hours—5 hours over the overtime limit for HOUR—and 50 hours—10 hours over the overtime limit for HOUR2—we need to calculate overtime. However, we do not know which pay rate the overtime needs to apply to so we need to take an average of the 2 pay rates. We also need to add in the Shift pay to the pay rates. Each pay code is treated individually.

The dollar value of each transaction is calculated and the shift value is added to the dollar value. Each pay code is treated individually.

Pay Code	**Hours**	**X**	**Hourly pay with Shift code**	**=**	**Dollar value**
HOUR	20	X	$11.00	=	$220.00
HOUR	25	X	$11.00	=	$275.00

The total dollar value for the HOUR pay code is $495.00.

Pay Code	**Hours**	**X**	**Hourly pay with Shift code**	**=**	**Dollar value**
HOUR2	30	X	$14.00	=	$420.00
HOUR2	20	X	$16.00	=	$320.00

The total dollar value for the HOUR2 pay code is $740.00.

The total dollar value per pay code is divided by the number of hours for that pay code to determine the average pay rate. Each pay code is treated individually

Total dollar value	**÷**	**Hours per pay code**	**=**	**Average pay rate**
$495.00	÷	45	=	$11.00
$740.00	÷	50	=	$14.80

The overtime hours are multiplied by the overtime factor in Payroll Setup window and then multiplied by the average pay code pay rate to determine the overtime pay. Each pay code is treated individually.

Pay Code	**Hours**	**X**	**Overtime factor**	**X**	**Average pay Rate**	**=**	**Overtime pay**
OT	5	X	1.5	X	$11.00	=	$82.50
OT2	10	X	1.5	X	$14.80	=	$222.00

Because we don’t know which pay code should have the 5 hours of overtime removed we need to reduce both pay code transactions by the weight each provides. To do this, the regular pay code hours are multiplied by the overtime hours and divided by the total regular hours to determine the total number of overtime hours. Each pay code is treated individually.

Pay Code	**Regular hours**	**X**	**Overtime hours**	**÷**	**Total regular hours**	**=**	**Total overtime hours**
HOUR	20	X	5	÷	45	=	2.22
HOUR	25	X	5	÷	45	=	2.78
HOUR2	30	X	10	÷	50	=	6.00
HOUR2	20	X	10	÷	50	=	4.00

Each hourly weight is subtracted from each transaction to determine adjusted hours. Each pay code is treated individually

Pay Code	**Regular hours**	**-**	**Total overtime hours**	**=**	**Adjusted hours**
HOUR	20	-	2.22	=	17.78
HOUR	25	-	2.78	=	22.22
HOUR2	30	-	6	=	24.00
HOUR2	20	-	4	=	16.00

The adjusted hours are multiplied by the pay rate to determine the transaction dollar value. Each pay code is treated individually.

Pay Code	Adjusted hours	X	Pay Rate	=	Transaction dollar value
HOUR	17.78	X	$11.00	=	$195.58
HOUR	22.22	X	$21.00	=	$466.62
HOUR2	24	X	$14.00	=	$336.00
HOUR2	16	X	$17.00	=	$272.00

The transaction dollar values are added to the overtime dollar values to calculate the total paid to the employee.

Pay Code	Value	Description
OT	$82.50	Overtime value
OT2	$220.00	Overtime value
HOUR	$195.58	Transaction dollar value
HOUR	$466.62	Transaction dollar value
HOUR2	$336.00	Transaction dollar value
HOUR2	$272.00	Transaction dollar value

Gross pay for this employee is $1374.70.

Refer to online help for additional examples of how you can set up your system to calculate automatic overtime.

Setting up Payroll default entries

You will use the Payroll Setup window to set up default entries that appear throughout Payroll. Payroll history options and employee tracking options that you select can help increase your data entry time and can make compiling historical records easier for you.

History options

You can select options for maintaining historical information for checks, transactions and account distributions in the Payroll Setup window. You can mark any or all of the following options, depending upon the needs of your business.

Check history Check history includes a summary of payroll checks.

Transaction history Transaction history includes pay transaction information—if you choose to keep summary history—or pay, deduction, benefit, state and local tax transaction information—if you choose to keep detailed history.

Account distribution history Account distribution history includes a record of the distributions that have been posted to posting accounts.

You can maintain Payroll history for an unlimited number of years. However, you can view employee financial information only for the current year. To view past-year information, you can print a history report or view check or transaction information using the inquiry windows. For more information, refer to *Printing a report with an option* on page 159, *Viewing historical paycheck information by codes* on page 145, and *Viewing historical pay code information* on page 146.

Since historical information will consume space on your hard disk, you can clear historical information after it's no longer needed, refer to Removing Payroll history on page 175, Removing year-end information on page 176, Removing distribution information on page 177, and Removing journal history on page 178 for more information. However, clearing history might affect your ability to reprint posting journals. Also, to void posted checks, you must keep both check and transaction detail history.

Employee tracking options

You will use the Payroll Setup Options window to select options for tracking an employee's days and weeks worked, edit financial fields throughout the Payroll system and edit pay rates used in transactions.

Track Days Worked To track the number of days each employee worked for each pay code, you must enter the number of days worked during the salary pay period for each transaction you enter during a payrun.

Track Weeks Worked To track the number of weeks each employee worked for each pay code, you must enter the number of weeks worked for each transaction and the number of weeks worked by salaried employees during a pay run. When you enter this information in the Build Payroll Checks window, the days and weeks worked are rolled down to all automatic pay types. This information will be printed on state unemployment reports.

Edit Financial Fields You can choose to edit an employee's financial information, such as benefit summary information. Typically, however, this option shouldn't be marked, to ensure that changes aren't made inadvertently. If you need to make changes, it's a good idea to mark the option, make the changes, then unmark the option again after the changes have been made. This will prevent someone from making changes that you didn't intend to be made.

Display Rate on Trx Mark Display Rate on Trx to edit pay rates in the Payroll Transaction Entry window for the following pay types:

- Hourly
- Piecework
- Overtime, vacation, sick or holiday pay types that are based on hourly or piecework pay types

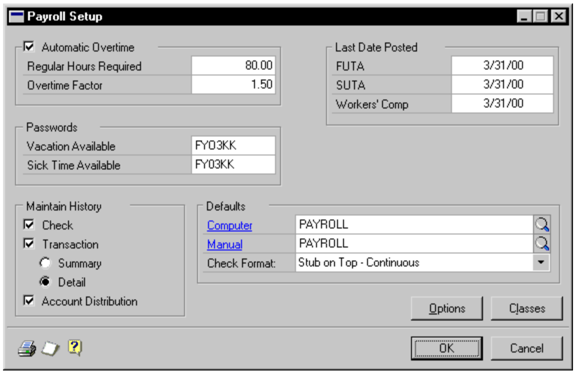
However, the following pay types or pay types based on these cannot be edited in the Payroll Transaction Entry window:

- Salary
- Commission
- Business Expense
- Pension
- Earned Income Credit (EIC)
- Other
- Overtime, vacation, sick or holiday pay types that are based on salary pay types.

Calculate Tip Allocation To track Allocated Tips for all employees with tips wages, you can mark Calculate Tip Allocation and enter a Tip Allocation Rate. Refer to Appendix B, "Tracking Tips Wages," for more information about tracking tips.

To set up Payroll default entries:

1. Open the Payroll Setup window.
   (Setup >> Payroll >> Payroll)



Payroll Setup

☑ Automatic Overtime
Regular Hours Required: 80.00
Overtime Factor: 1.50

Passwords
Vacation Available: FY03KK
Sick Time Available: FY03KK

Last Date Posted
FUTA: 3/31/00
SUTA: 3/31/00
Workers' Comp: 3/31/00

Maintain History
☑ Check
☑ Transaction
○ Summary
● Detail
☑ Account Distribution

Defaults
Computer: PAYROLL
Manual: PAYROLL
Check Format: Stub on Top - Continuous

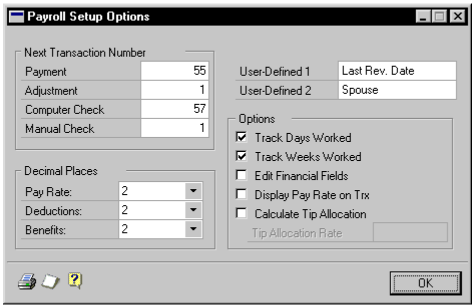
2. Enter overtime information and passwords for vacation and sick time available, if necessary. You will need to enter a password when you create a transaction for more vacation or sick time hours than the employee has available. Refer to *Overtime in Payroll* on page 10 for more information about setting up overtime options.

3. Choose whether to maintain historical information for checks, transactions and account distributions by marking the appropriate options. If you don't mark these options, you won't be able to reprint posting journals or void checks using the void check feature.

4. Enter the last date posted information and enter or select the checkbook from which computer and manual paychecks typically will be issued.

5. Select a check format.

6. Choose Options to open the Payroll Setup Options window to enter additional Payroll default entries.



Payment: 55
Adjustment: 1
Computer Check: 57
Manual Check: 1

Pay Rate: 2
Deductions: 2
Benefits: 2

User-Defined 1: Last Rev. Date
User-Defined 2: Spouse

☑ Track Days Worked
☑ Track Weeks Worked
☐ Edit Financial Fields
☐ Display Pay Rate on Trx
☐ Calculate Tip Allocation
Tip Allocation Rate:

7. Enter the next transaction numbers and select the number of decimal places for pay rates, deductions and benefits.

8. Enter user-defined field prompts for tracking additional employee information that might be specific to your company.

9. Mark Track Days Worked to track the number of days an employee's work was assigned to each pay code.

Depending upon the calculation method used by your state, this information might be needed to calculate workers' compensation tax.

10. Mark Track Weeks Worked to track the number of weeks each employee worked for each pay code.

11. Mark Edit Financial Fields to edit employee financial information throughout the system.

12. Mark Display Pay Rate on Trx to display and edit employee pay rates when you enter transactions.

13. Mark Calculate Tip Allocation and verify the Tip Allocation Rate if you track tips wages for your employees. Refer to Appendix B, "Tracking Tips Wages," for more information.

14. Choose OK in the Payroll Setup Options window to save your changes.

15. Choose File >> Print to print a Payroll Options Report to verify your information.

Although you can create employee classes at this time by choosing Classes to open the Employee Class Setup window, it's a good idea to wait until you've set up department, position, workers' compensation, pay code, deduction, benefit and unemployment tax cards. For more information, refer to Creating an employee class on page 61.

Required Payroll posting accounts

Payroll has several posting accounts that are required and are used only for Payroll transactions. They are:

Gross Pay This account type is an expense account that can be entered for all employees' salaries.

Federal Tax Withholding This account type is a liability account. Transactions will be posted to it for the following tax withholding codes:

- EFIC/M (Employer FICA/Medicare Tax)
- EFIC/S (Employer FICA/Social Security Tax)
- FED (Federal Tax Withholding)
- FICA/M (FICA/Medicare Tax Withholding)
- FICA/S (FICA/Social Security Tax Withholding)

State Tax Withholding This account type is a liability account that can be entered for state tax codes.

Local Tax Withholding This account type is a liability account that can be entered for local tax codes.

Deduction Withholding This account type is a liability account that can be entered for deduction codes.

Employer's Tax Expense This account type is an expense account. Transactions will be posted to it for the following tax expense codes:

- FIC/ME (FICA/Medicare Tax Expense)
- FIC/SE (FICA/Social Security Tax Expense)
- FUTA (FUTA Tax Expense)
- SUTA (SUTA Tax Expense)

Benefits Expense This account type is an expense account that can be entered for benefit codes.

Benefits Payable This account type is a liability account that can be entered for benefit codes.

Taxable Benefits Expense This account type is an expense account that can be entered for taxable benefit codes.

Taxable Benefits Payable This account type is a liability account that can be entered for taxable benefit codes.

SUTA Payable This account type is a liability account that can be entered for state unemployment tax liability.

FUTA Payable This account type is a liability account that will allow only FUTA to be entered for federal unemployment tax liability.

Workers' Compensation Tax Expense This account type is an expense account that can be entered for state codes to record workers' compensation expense.

Workers' Compensation Tax Payable This account type is a liability account that can be entered for state codes to record workers' compensation liability.

It's a good idea to set up default information using the Payroll Setup window before setting up posting accounts. If you haven't set up default information yet, refer to *Setting up Payroll default entries* on page 16 for more information about using the Payroll Setup window.

The following table shows the posting accounts required in Payroll and the departments, positions and codes associated with each.

Payroll Account Type	Dept.	Position	Code
Gross Pay (DR)	ALL	ALL	ALL
Federal Tax Withholding (CR)	ALL ALL ALL ALL ALL	ALL ALL ALL ALL ALL	EFIC/M EFIC/S FED FICA/M FICA/S
State Tax Withholding (CR)	ALL	ALL	ALL
Local Tax Withholding (CR)	ALL	ALL	ALL
Deduction Withholding (CR)	ALL	ALL	ALL

Payroll Account Type	Dept.	Position	Code
Employer’s Tax Expense	ALL ALL ALL ALL	ALL ALL ALL ALL	FIC/ME FIC/SE SUTA FUTA
Benefit Expense (DR)	ALL	ALL	ALL
Benefit Payable (CR)	ALL	ALL	ALL
Taxable Benefit Expense (DR)	ALL	ALL	ALL
Taxable Benefit Payable (DR)	ALL	ALL	ALL
SUTA Payable (CR)	ALL	ALL	ALL
FUTA Payable (CR)	ALL	ALL	FUTA
Workers’ Comp. Tax Exp. (DR)	ALL	ALL	ALL
Workers’ Comp. Tax Pay (CR)	ALL	ALL	ALL

Setting up Payroll posting accounts

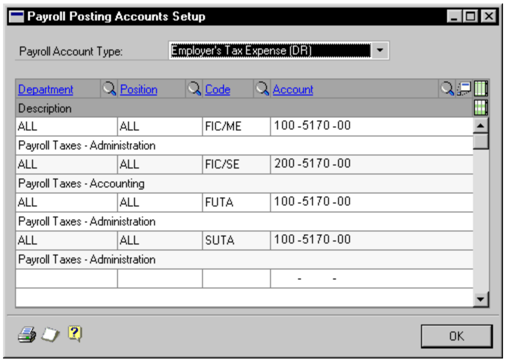
Use the Posting Accounts Setup window to set up Payroll posting accounts. Payroll posting accounts are used to track gross pay, taxes withheld, tax expenses and various benefit and deduction accounts. Transactions posted to these accounts will appear on the Payroll Check Posting Register.

You must set up departments and positions before setting up Payroll posting accounts. Refer to Setting up department codes on page 25 and Setting up position codes on page 26 for more information.

Before you set up posting accounts, be sure to set the account format using the Account Format Setup window. For more information, refer to the System Setup manual. You also should have completed Setting up Payroll default entries on page 16.

To set up Payroll posting accounts:

1. Open the Payroll Posting Accounts Setup window.
   (Setup >> Posting >> Payroll Accts)



Payroll Account Type: Employer's Tax Expense (DR)

Department	Position	Code	Account
Description			
ALL	ALL	FIC/ME	100-5170-00
Payroll Taxes - Administration			
ALL	ALL	FIC/SE	200-5170-00
Payroll Taxes - Accounting			
ALL	ALL	FUTA	100-5170-00
Payroll Taxes - Administration			
ALL	ALL	SUTA	100-5170-00
Payroll Taxes - Administration			

2. Select an account type.

   When you select an account type, existing accounts and an account description for the account type chosen will be displayed in the scrolling window. You can either accept the default entry ALL for Departments and Positions, or you can post with more detail to General Ledger if you enter departments and positions. You also can enter a department and position for the employees' pay code transactions when you enter transactions.

   The Code lookup window will display codes for the selected posting account type. For example, if you selected Gross Pay for the payroll account type, the Code lookup window contains pay codes.

3. Enter or select the posting account that transactions with the selected account type should be posted to.

4. Repeat steps 2 and 3 for all posting accounts.

5. Choose Save to save the posting accounts.

6. Choose File >> Print to print a Posting Accounts List to verify your information.

Chapter 2: Setting Up Codes

You can set up department codes, position codes and pay codes that you can assign employees to for identification purposes.

This information is contained in the following sections:

- *Setting up department codes*
- *Setting up position codes*
- *Setting up pay codes*
- *Setting up shift codes*

Setting up department codes

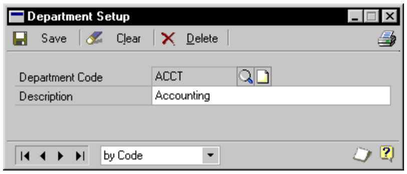
Use the Department Setup window to enter and maintain department codes and descriptions. Department codes help you track employee cards by providing a list of all the departments and their descriptions within your company. The following are some examples of department codes you might use:

- ACTG - Accounting
- SALS - Sales
- PROG - Programming
- MKTG - Marketing
- COMM - Communications
- RSDV - Research/ Development
- SSUP - Sales/Support
- DPT1 - Department 1
- CONT - Contract Work
- SRVC - Service Work
- FDWK - Field Work

Before setting up department codes, you should have completed Setting up Payroll default entries on page 16. To ensure reports are printed in the correct order, each deduction code should have the same number of characters. The characters are sorted from left to right, and numbers take priority over letters.

To set up department codes:

1. Open the Department Setup window.
   (Setup >> Payroll >> Department)



Department Code ACCT
Description Accounting

2. Enter the code and description for a department.

3. Choose Save to save the code. Continue entering codes for all your departments.

4. Choose File >> Print to print a Department Codes List to verify your information.

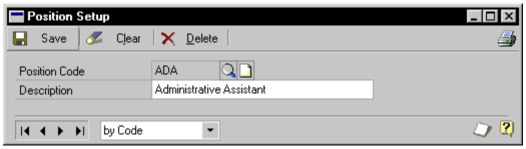
Setting up position codes

Use the Position Setup window to enter and maintain position codes and descriptions. Positions can be used to track employee cards by providing a list of all positions and their descriptions for your company. The following are some examples of position codes you might use:

- ACT - Accounting
- CEO - Chief Executive Officer
- BUY - Buyer
- MFG - Machinist First Grade
- GMR - Group Manager
- LBR - Laborer
- CPR - Computer Programmer
- JB1 - Job 1
- PLM - Plumber
- ELE - Electrician

To set up position codes:

1. Open the Position Setup window.
   (Setup >> Payroll >> Position)



Position Code ADA
Description Administrative Assistant

2. Enter a position code and description.

3. Choose Save to save the code. Continue entering codes for all your positions.

4. Choose File >> Print to print a Position Codes List to verify your information.

Setting up pay codes

Use the Pay Code Setup window to enter and maintain company pay codes. These codes will be used as default entries for setting up employee pay codes, can be used to apply changes to employee pay codes and also can be included in employee classes. You can enter your own identifying pay codes and a description for each type of pay. You also can assign pay types to pay codes. For example, you might assign an hourly pay type to the HOUR pay code. You can set up as many pay codes for each pay type as you need for your business.

The following are some examples of pay codes you might use:

- HOUR - Hourly
- SALY - Salary
- VACN - Vacation
- SICK - Sick time
- PCWK - Piecework
- COMM - Commission
- OVER - Overtime

The pay types include:

Hourly Hourly pay type will be used for employees who are paid by the hour.

Salary Salary pay type will be used for employees who are paid a specific pay amount each pay period. With this pay type, the pay per period is automatically calculated. If you select Salary, you also can enter the amount to be paid for an advance pay run. An advance pay run is a way to pay salaried employees an advance on their regular salary pay. The advanced amount will be subtracted from the employees' net pay in the next salary pay run.

Piecework Piecework pay type will be used for employees who are paid a certain amount per unit made or completed.

Commission Commission pay type will be used for employees who earn their wages according to what and how much they sell. You can enter the maximum earnings per pay period, and you also can enter the amount to be paid for an advance pay run. An advance pay run is a way to pay commissioned employees an advance on their commission pay. The advanced amount will be subtracted from the employees' net pay in the next commission pay run.

Business Expense Business Expense pay type will be used to track the records of employees who are reimbursed for mileage and travel expenses. You can include the pay in the gross wages amount that will be reported on the W-2 statement.

If you mark Report as Wages, the pay will be included in gross wages on the W-2 statement and will be treated as a nonaccountable plan. If you don't mark Report as Wages, the pay won't be included in gross wages on the W-2 statement and will be treated as an accountable plan.

Nonaccountable plans are reported as wages on the W-2 statement and are subject to taxes. Accountable plans aren't subject to taxes and aren't reported on the W-2 statement.

If you pay a per diem or mileage allowance and expenses exceed the Internal Revenue Service guidelines, you must tax the excess amount and report it as wages on the W-2 statement; the non-taxable portion must be reported in box 13. For more information, refer to the W-2 instructions supplied by the IRS.

Overtime Overtime pay type will be used for employees who receive pay for working more than the assigned number of hours and are paid at a different pay rate for the additional hours.

Double Time Double Time pay type will be used for employees who qualify for Double Time pay, normally paid at twice the rate of the Based on Pay Code rate. If you select Double Time, the default rate will be the same as the Based on Pay Code rate; you must change the rate to whatever you have determined to be the Double Time rate.

Vacation Vacation pay type will be used for employees who receive pay while on vacation.

Sick Sick pay type will be used for employees who receive pay while they're sick.

Holiday Holiday pay type will be used for employees who receive paid time off for holidays.

Pension Pension pay type will be used for employees who are retired and receive pension pay from the company.

Other Other pay types can be used to classify additional types of pay. Some examples of other pay types are jury duty, bonus pay, long-term disability and short-term disability.

Earned Income Credit Select Earned Income Credit if the pay code will be used for employees who qualify for earned income credit and have filed a W-5 form.

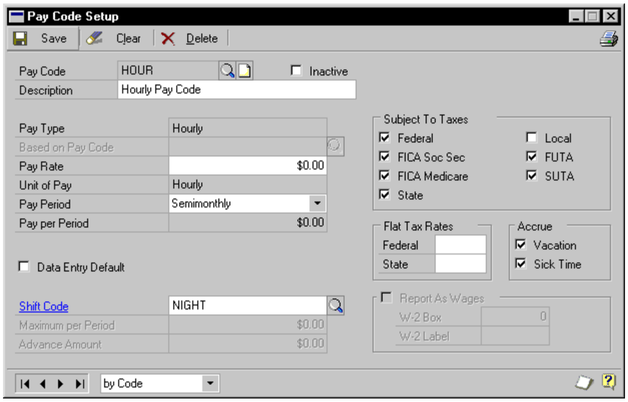
Charged Tips Select Charged Tips if the pay code will be used for employees who receive tips from customers through a charge card or check. This amount will be included in the amount paid to employees. Refer to *Tips pay codes setup options* on page 261 for more information.

Reported Tips Select Reported Tips if the pay code will be used for employees who receive tips (cash) from customers that they report to the employer. This amount will not be included in the amount paid to the employee, but will be used to determine taxes on the reported tips. Refer to *Tips pay codes setup options* on page 261 for more information.

Minimum Wage Balance Select Minimum Wage Balance if the pay type will be used for employees who must earn a specified minimum hourly amount. This is available only for Charged Tip and Reported Tip pay types.

To set up pay codes:

1. Open the Pay Code Setup window.
   (Setup >> Payroll >> Pay Code)



Pay Code: HOUR
☐ Inactive
Description: Hourly Pay Code
Pay Type: Hourly
Based on Pay Code:
Pay Rate: $0.00
Unit of Pay: Hourly
Pay Period: Semimonthly
Pay per Period: $0.00
☐ Data Entry Default
Shift Code: NIGHT
Maximum per Period: $0.00
Advance Amount: $0.00

Subject To Taxes
☑ Federal
☑ FICA Soc Sec
☑ FICA Medicare
☑ State
☐ Local
☑ FUTA
☑ SUTA

Flat Tax Rates
Federal:
State:

Accrue
☑ Vacation
☑ Sick Time

☐ Report As Wages
W-2 Box: 0
W-2 Label:

by Code

2. Enter a pay code and description.

3. Select a pay type. If you're setting up an overtime, vacation, sick time or holiday pay code, choose the pay code the pay type is based on. For example, if you're setting up an overtime pay card for an employee with an hourly pay type, you must base the overtime pay type on the employee's hourly pay, or the wages won't be calculated accurately. Enter the code for a specific hourly, salary or piecework pay code that you're basing the overtime, vacation, sick or holiday pay type on.

When setting up pay codes, select vacation or sick as pay types for vacation and sick time. This ensures that when you enter transactions, they will automatically reduce the available amount of vacation and sick time, unless you choose to add vacation or sick time to an employee's wages.

4. Enter the pay rate for the amount of pay.

   - If Earned Income Credit is the pay type, leave the Pay Rate field blank to use the EIC tables supplied with Payroll to calculate the EIC payment.

- If Overtime is the pay type, enter the overtime pay rate. For example, if the hourly pay rate is $10.00 and the overtime pay rate is $15.00, enter $15.00. Refer to *Overtime in Payroll* on page 10 for more information.

- Enter the name of the unit of work in the Unit of Pay field if the pay type is Piecework. This unit name will be printed on Payroll reports.

- If the pay type is Salary or is based upon a salary pay type, select the unit of pay from the list of pay periods.

- If the pay type is Charged Tips or Reported Tips, the Unit of Pay prompt changes to Tips Received. You can then choose between Directly and Indirectly.

5. Select the pay period for the wages and mark Data Entry Default to automatically use the information in this window when you create a transaction for the pay code during a pay run.

6. Enter or select a shift code to assign to the pay code. For more information, refer to *Setting up shift codes* on page 32.

7. Mark the taxes the pay is subject to.

8. If you selected commission or business expense pay type, enter the maximum amount per pay period.

9. If you selected a salary or commission pay type, enter an amount to pay in advance if the employee is to receive an advance.

10. Enter the federal and state tax rate for the pay if the pay type is subject to federal or state taxes and should be calculated at a flat rate. For example, bonus pay can be taxed at a 20.00% flat rate. You can leave these fields blank to use the tax calculations from the federal and state tax tables instead of a flat tax rate.

11. Mark Vacation and Sick Time to accrue vacation and/or sick time on this pay code.

If you're using Human Resources and have marked Attendance as the accrue type in the Attendance Setup window, these fields will not be available. Refer to the Human Resources Installation and Setup manual for more information.

12. Enter W-2 information.

The Report as Wages field is available only for the Business Expense pay type. You can skip this step if the pay type isn't a business expense.

If the amount of the business expense should be included with gross wages on the W-2 statement, mark Report as Wages. If the business expense should also be printed in a special box on the W-2 statement, enter the number of the box in the W-2 Box field. Then enter a label, if required, to be printed in the box on the W-2 statement.

13. Choose Save to save the pay code.

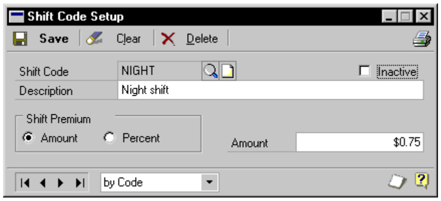
14. Choose File >> Print to print a Company Pay Codes List to verify your information.

Setting up shift codes

Use the Shift Code Setup window to set up a shift code. You can enter a shift premium as an amount or percentage.

To set up shift codes:

1. Open the Shift Code Setup window.
   (Setup >> Payroll >> Shift Code)



Shift Code: NIGHT
☐ Inactive
Description: Night shift
Shift Premium: ● Amount ○ Percent
Amount: $0.75
by Code

2. Enter a code that identifies the shift code and a description.

3. If the employees assigned to the shift code are eligible for additional pay for working this shift, mark Amount or Percent for the shift premium and enter the shift amount or percent.

4. Choose Save.

5. Choose File >> Print to print a Shift Code List to verify your information.

Chapter 3: Setting Up Deductions and Benefits

If you also use Human Resources, use the Human Resources Installation and Setup manual to set up your benefits and deductions.

You can set up deduction and benefit cards that will be used as default entries for entering employee deductions and benefits. These cards also can be used to apply changes to several employees' deduction and benefit cards at once and can be assigned to employee classes.

A deduction is an amount that can be withheld from an employee's net, unit or gross pay. For example, donations to a charity, union dues and contributions to retirement plans could be set up as deductions.

A benefit is an amount paid on the employee's behalf, but never directly to the employee. Benefits can be taxable, that is, the employee can be taxed on the value of the benefit received. Benefits can be calculated from net or gross pay or a deduction, as an amount per unit, or as a fixed amount. Examples of benefits include insurance premiums and 401(k) matching contributions.

Before setting up a deduction or benefit, you should have completed *Setting up Payroll default entries* on page 16. To ensure reports are printed in the correct order, be sure that each deduction and benefit code has the same number of characters. The characters are sorted from left to right, and numbers take priority over letters.

This information is contained in the following sections:

- *Deduction types*
- *Deduction tiers*
- *Setting up a deduction*
- *Setting up a deduction sequence*
- *Benefit types*
- *Benefit tiers*
- *Setting up a benefit*
- *Inactivating or deleting a pay, benefit or deduction code*

Deduction types

A deduction can be based upon a specified percentage or an amount of income. You can use one of the following four calculation methods to calculate deductions.

Percent of Gross Wages Calculates the deduction using total wages before taxes are deducted. Taxes are calculated before deductions are made, so deducting from gross wages won't affect taxable amounts unless the deduction is a tax-sheltered annuity.

Percent of Net Wages Calculates the deduction using gross wages minus taxes. This method isn't available for tax-sheltered deductions or if you're calculating selected pay codes rather than all pay codes.

Fixed Amount Deducts a fixed amount from the employee's wages.

Amount per Unit Calculates the deduction based upon units using piecework, hourly, double time or overtime pay.

Deduction tiers

You can select either a single deduction tier or multiple tiers. The following are some examples of how you might set up your deduction method and tier.

Example 1 If you select Percent of Gross Wages as the calculation method, the tiered deduction might be set up as follows:

- 4.375% on wages up to $2,541.66
- 7.25% on wages over $2,541.66

If the gross wages equaled $3,000, the deduction is calculated as follows:

- $2541.66 x 4.375% = $111.20
- $458.34 x 7.25% = $33.23
- Total deduction = $144.43

Example 2 If you select Fixed Amount as the calculation method, the tiered deduction might be set up as follows:

- $10 on wages up to $1,000

- $15 on wages over $1,000 and up to $2,000
- $20 on wages over $2,000

If the wages equaled $3,000, the deduction is calculated as follows:

- $10 for first $1,000
- $15 on next $1,000
- $20 on next $1,000
- Total deduction = $45

Example 3 If you select Amount per Unit as the calculation method, the tiered deduction might be set up as follows:

- $.10 on units up to 100
- $.20 on units over 100 and up to 500
- $.30 on units over 500

If the number of units equaled 250, the deduction is calculated as follows:

- $.10 x 100 = $10
- $.20 x 150 = $30
- Total deduction = $40

Setting up a deduction

Use the Deduction Setup window to enter and maintain company deduction cards that you can use as default entries for setting up employee deductions. You can apply changes to employee deduction cards and can include them in employee classes. Deductions can be taken from net, unit or gross pay. Examples of deductions include donations to charities, union dues and contributions to pension plans.

The frequency that a deduction is taken depends on selections you make when you build the paychecks. Your selections in the Frequency field in the Deduction Setup window will be used to annualize the tax-sheltered deduction when taxes for paychecks are calculated.

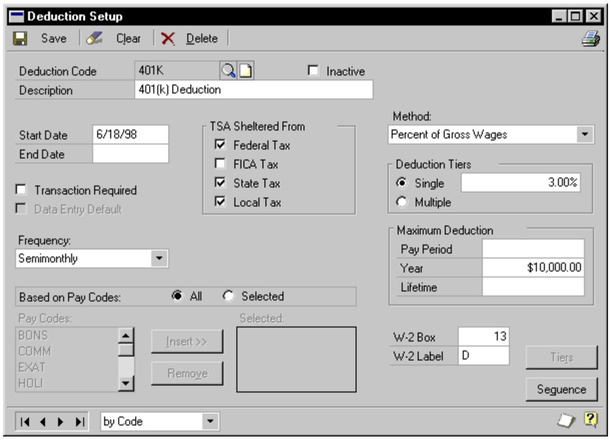
The following are some examples of deduction codes you might use:

- ADV - Advance to Employee
- CHD - Child Care Deduction
- DEP - Family Health

- 401 - 401(k) Contribution
- MED - Medical
- SGL - Single Insurance
- UWY - United Way

To set up a deduction:

1. Open the Deduction Setup window.
   (Setup >> Payroll >> Deduction)



Deduction Code: 401K

Description: 401(k) Deduction

☐ Inactive

Start Date: 6/18/98

End Date:

☐ Transaction Required

☐ Data Entry Default

TSA Sheltered From:
☑ Federal Tax
☐ FICA Tax
☑ State Tax
☑ Local Tax

Method: Percent of Gross Wages

Deduction Tiers:
● Single 3.00%
○ Multiple

Maximum Deduction:
Pay Period:
Year: $10,000.00
Lifetime:

Frequency: Semimonthly

Based on Pay Codes: ● All ○ Selected

Pay Codes:
BONS
COMM
EXAT
HOLI

Selected:

W-2 Box: 13

W-2 Label: D

by Code

2. Enter a deduction code and description.

3. Enter start and end dates for the deduction. The start date should be on or before the ending date of the pay period the first deduction is to be made; otherwise, the deduction won't be taken. If it's a continuous deduction, leave the end date field blank. If the ending date is on or after the ending date for the pay run, the deduction will be taken.

4. Mark Transaction Required if the dollar amount or percentage of the deduction varies each time it's calculated. For example, if you have an employee purchase plan and the amount you choose to withhold varies each paycheck, or there is no withholding for some paychecks, mark Transaction Required.

If you mark the deduction as Transaction Required, you'll need to enter a transaction for the amount or percentage of the deduction for each pay run that the deduction is taken.

5. Mark Data Entry Default to use the information in this window when you create a transaction for the deduction code during a pay run.

6. Select the deduction frequency.

7. Mark the taxes from which the deduction is sheltered. Taxable wages will be reduced by the amount of the tax-sheltered deduction before taxes are calculated. If federal tax is marked, the amount of the deduction won't be included in the Wages, Tips and Other Comp field on the employee's W-2 form.

8. Choose whether to base the deduction on all pay codes or on a selected list of pay codes. To base the deduction on all pay codes, mark All. If you mark Selected, the pay codes list will be displayed. Highlight each code to base the deduction on and choose Insert to add the pay code to the Selected list.

9. Select a deduction method and choose a single deduction tier or multiple tiers. Refer to *Deduction tiers* on page 36 for more information.

10. Enter deduction maximum amounts. You can enter the maximum amount an employee can have deducted each pay period, each year and for the entire time the employee works for your company.

11. Enter the number of the box in the W-2 Box Field if the deduction amount needs to be printed in a special box on the W-2 statement. Enter a label, if required, to be printed in the W-2 box.

12. Choose Save to save the code. You can then continue to set up more deductions.

You can choose Sequence to open the Deduction Sequence Setup window to specify the order in which the deductions will be deducted from the employee's wages. For more information about setting up deduction sequences, see Setting up a deduction sequence on page 39.

13. Choose File >> Print to print a Company Deduction Codes List to verify your information.

Setting up a deduction sequence

Use the Deduction Sequence Setup window to specify the order that deductions will be deducted from employees' wages. Deductions that are marked as tax-sheltered aren't included in the sequence, but are deducted from gross wages before taxes are calculated, in order by code numbers, then letters. Remaining deductions are subtracted after taxes are deducted. You can specify the order in which deductions are subtracted.

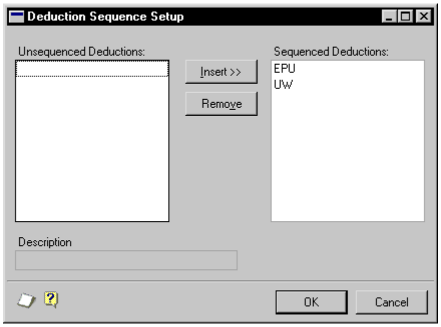
Deductions are withheld in the following order:

- Tax-sheltered annuities—in alphanumeric order by their code
- Sequenced deductions—in sequenced order
- Unsequenced deductions—in alphanumeric order by their code

Before you set up deduction sequences, be sure to set up your deductions. Refer to Setting up a deduction on page 37. You should also set up Payroll default entries.

To set up a deduction sequence:

1. Open the Deduction Sequence Setup window.
   (Setup >> Payroll >> Ded. Sequence)



You can also open this window by choosing Sequence in the Deduction Setup window.

2. Select an unsequenced deduction from the Unsequenced Deductions list and choose Insert to add the deduction to the Sequenced Deductions list.

If you're adding a new deduction in the middle of an existing list of sequenced deductions, highlight the sequenced deduction above where the new one should be. Then highlight the new unsequenced deduction and choose Insert.

3. Choose OK to save the deduction sequence.

Benefit types

A benefit can be based on a specified percentage or an amount of income. You can use one of the following five calculation methods to calculate the benefit.

Percent of Gross Wages Calculates the benefit using total wages before taxes are deducted.

Percent of Net Wages Calculates the benefit using gross wages minus taxes.

Percent of Deduction Calculates the benefit as a percentage of the total deduction it's based on.

Fixed Amount Calculates the benefit as a fixed amount.

Amount per Unit Calculates the benefit based on piecework, hourly or overtime wages.

Benefit tiers

You can select either a single benefit tier or multiple tiers. The following are some examples of how you might set up your calculation method and tier.

Example 1 If you select Percent of Gross Wages as the calculation method, the tiered benefit might be set up as follows:

- 4.375% on wages up to $2,541.66
- 7.25% on wages over $2,541.66

  If the gross wages equaled $3,000, the benefit is calculated as follows:

- $2541.66 x 4.375% = $111.20
- $458.34 x 7.25% = $33.23
- Total benefit = $144.43

Example 2 If you select Fixed Amount as the calculation method, the tiered benefit might be set up as follows:

- $10 on wages up to $1,000
- $15 on wages over $1,000 and up to $2,000

- $20 on wages over $2,000

If the wages equal $3,000, then the benefit is calculated as follows:

- $10 for first $1,000
- $15 on next $1,000
- $20 on next $1,000
- Total benefit = $45

Example 3 If you select Amount per Unit as the calculation method, the tiered benefit might be set up as follows:

- $.10 on units up to 100
- $.20 on units over 100 and up to 500
- $.30 on units over 500

If the number of units equal 250, the benefit is calculated as follows:

- $.10 x 100 = $10
- $.20 x 150 = $30
- Total benefit = $40

Setting up a benefit

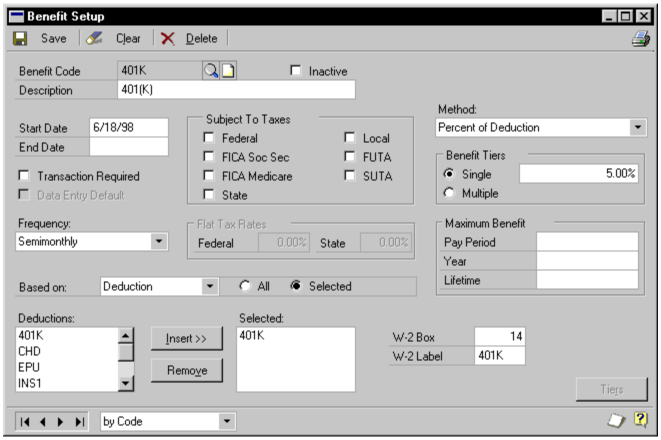
Use the Benefit Setup window to enter and maintain company benefit cards that you can use as default entries for setting up employee benefits. You can apply changes to employee benefit cards and include them in employee classes. Benefits can be calculated on net, unit or gross pay. Examples of benefits include insurance premiums and 401(k) matching contributions.

The following are some examples of benefit codes you might use:

- 401M - 401(k) Employer Match
- CMCH - Contribution Match
- INSU - Insurance

To set up a benefit:

1. Open the Benefit Setup window.
   (Setup >> Payroll >> Benefit)



Benefit Code: 401K
Description: 401(K)
☐ Inactive
Start Date: 6/18/98
End Date:
☐ Transaction Required
☐ Data Entry Default
Frequency: Semimonthly
Subject To Taxes: ☐ Federal ☐ FICA Soc Sec ☐ FICA Medicare ☐ State ☐ Local ☐ FUTA ☐ SUTA
Flat Tax Rates: Federal 0.00% State 0.00%
Method: Percent of Deduction
Benefit Tiers: ● Single 5.00% ○ Multiple
Maximum Benefit: Pay Period / Year / Lifetime
Based on: Deduction ○ All ● Selected
Deductions: 401K, CHD, EPU, INS1
Selected: 401K
W-2 Box: 14
W-2 Label: 401K
by Code

2. Enter a benefit code and description.

3. Enter start and end dates for the benefit. The start date should be on or before the ending date of the pay period the benefit should to take effect; otherwise, the benefit won't be calculated. If it's a continuous benefit, leave the End Date field blank. If the ending date is on or after the ending date for the pay run, the benefit will be taken.

4. Mark Transaction Required if the dollar amount or percentage of the benefit varies each time it's calculated. For example, if the amount of the benefit varies each paycheck, or some paychecks have no benefit amount, mark Transaction Required.

If you mark the benefit as transaction required, you'll need to enter a transaction for the amount or percentage of the benefit for each pay run that the benefit is taken.

5. Mark Data Entry Default to use the information in this window when you create a transaction for the benefit code during a pay run.

6. Select the benefit frequency.

The frequency with which a benefit is taken depends upon selections made when you build paychecks. If you pay your employees biweekly, the benefit should also be calculated biweekly.

7. Mark the taxes to which the benefit is subject. If the benefit is subject to any federal or state taxes, you can enter a flat tax rate.

   Even though a benefit isn't paid to the employee, the employee still will be taxed on the value of the benefit if it's set up as a taxable benefit.

8. Choose whether to base the benefit on all pay codes, a selected list of pay codes or on a selected deduction. To base the benefit on all pay codes, mark All. If you mark Selected, the pay codes list or the deduction codes list will be displayed. Highlight each code to base the benefit on and choose Insert to add the code to the Selected list.

9. Select a calculation method and choose a single benefit tier or multiple tiers. Refer to *Benefit tiers* on page 41 for more information.

10. Enter benefit maximum amounts. You can enter the maximum amount each employee can receive for this benefit for each pay period, year or lifetime.

11. Enter the number of the box in the W-2 Box Field if the benefit amount needs to be printed in a special box on the W-2 statement. Enter a label, if required, to be printed in the W-2 box.

12. Choose Save to save the code.

13. Choose File >> Print to print a Company Benefits List to verify your information.

Inactivating or deleting a pay, benefit or deduction code

Use the Pay Code Setup window, the Deduction Setup window or the Benefit Setup window to inactivate a pay, benefit or deduction code if you're not using it currently, but don't want to delete it because you'll need the code in the future.

You can also delete a pay, benefit or deduction code. For example, perhaps your company had separate insurance plans for medical and dental expenses, but now is using one insurance plan for both. You must delete the medical and dental insurance deduction codes and enter a new code for the combined plan. However, you can’t delete a code if an employee has been paid under the code in the current year.

To inactivate a pay, benefit or deduction code:

1. Open the Payroll palette.
   (Setup >> Payroll)

2. Choose Pay Code, Deduction or Benefit.

3. Select the code to inactivate.

4. Choose Inactive.

5. Choose Save. A message will appear and you’ll have the option to apply the changes to existing records. If you choose Yes, all records based on the record being inactivated also will be inactivated.

You can inactivate pay, benefit and deduction codes at any time; the codes assigned to employees also will be inactivated.

To delete a pay, benefit or deduction code:

1. Open the Payroll palette.
   (Setup >> Payroll)

2. Choose Pay Code, Deduction or Benefit.

3. Select the code to delete.

4. Choose Delete.

If this deduction code is assigned to an employee card, you won’t be able to delete it, even if the employee card has been inactivated.

Chapter 4: Setting Up Taxes and Compensation Codes

You can set up tax codes—including workers' compensation, local and unemployment taxes—that will be used as default entries for setting up employee taxes. You can apply changes to several employees' tax cards at once and assign them to employee classes.

You don't need to set up state and federal taxes, but can download the latest federal, FICA, state and provincial tax tables from the Microsoft Great Plains CustomerSource web site. We recommend that you enroll in an enhancement plan to ensure you will always be able to download the latest tax tables and any changes in supported tax forms.

Before setting up workers' compensation codes, you should have completed *Setting up Payroll default entries* on page 16. To ensure reports are printed in the correct order, be sure that each deduction code has the same number of characters. The characters are sorted from left to right, and numbers take priority over letters.

Workers' compensation codes are used to track the amount of workers' compensation taxes for which your company, as an employer, is liable.

Refer to the Magnetic Media Submitter Information window in online help for MMREF information and other tax information.

This information is contained in the following sections:

- *Worker's compensation tax calculation methods*
- *Workers' compensation tax calculation methods for overtime*
- *Setting up workers' compensation codes*
- *Local tax calculation methods*
- *Setting up a local tax*
- *State and federal unemployment taxes*
- *Setting up an unemployment tax*
- *Setting up federal and state tax identification numbers*

Worker's compensation tax calculation methods

A tax liability can be based on a specified percentage or amount. You can use one of the following four methods to calculate workers' compensation tax.

Percent of Gross Calculates the workers' compensation tax liability as a percentage of gross earnings. If you use this method, indicate how tax on overtime pay—straight pay rate or overtime pay rate—should be calculated. Also, enter the tax percentage and the yearly wage limit established by the state for this code.

Fixed Amount Calculates workers' compensation tax liability as a fixed amount per employee on a monthly or quarterly basis. If you use this method, enter the tax amount per month or quarter. For example, the fixed amount could be $100 per month per employee.

Number of Hours/Units Calculates the workers' compensation tax liability as a fixed amount per hour or unit per employee that you enter. Use the number of units for a piecework pay type. For example, if the fixed amount is $2.00 an hour and the employee works 160 hours in a month, the total workers' compensation would be $320 for this employee.

Days Worked Calculates the workers' compensation tax liability as a fixed amount per days worked per employee. If you select this method, enter the tax amount for each day worked. For example, if the tax amount was $5 per day worked and the employee worked 21 days, the workers' compensation would be $105.

You also must mark Track Days Worked in the Payroll Setup window and enter the number of days worked when entering transactions for taxes to be calculated correctly.

Workers' compensation tax calculation methods for overtime

If you use the Percent of Gross calculation method for workers' compensation taxes, you must select a method for calculating the tax on overtime.

Straight Rate The workers' compensation tax will be calculated using the pay rate assigned to the pay card that the overtime pay is based on. For example, assume the pay rate is $5 per hour, the overtime pay rate is $7.50 per hour and the employee works 5 overtime hours. The workers' compensation tax for overtime pay is calculated on $25 (5 hours x $5 per hour).

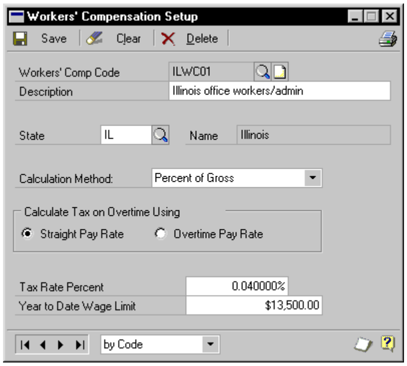
Overtime Pay Rate The workers' compensation tax will be calculated using the overtime pay rate. For example, assume the pay rate is $5 per hour, the overtime pay rate is $7.50 per hour and the employee works 5 overtime hours. The workers' compensation tax for overtime pay is calculated on $37.50 (5 hours x $7.50 per hour).

Setting up workers' compensation codes

Use the Workers' Compensation Setup window to enter and maintain the tax rates and yearly wage limits for workers' compensation codes.

To set up workers' compensation codes:

1. Open the Workers' Compensation Setup window.
   (Setup >> Payroll >> Workers' Comp)



Workers' Comp Code: ILWC01
Description: Illinois office workers/admin
State: IL
Name: Illinois
Calculation Method: Percent of Gross
Calculate Tax on Overtime Using: ● Straight Pay Rate ○ Overtime Pay Rate
Tax Rate Percent: 0.040000%
Year to Date Wage Limit: $13,500.00

2. Enter a workers' compensation code and description assigned by each state.

Some workers' compensation codes have been provided for you. These codes will be displayed in the lookup window. You can view the provided taxes using the Payroll Tax Setup window.

3. Enter the two-character postal abbreviation for the state for which this workers' compensation code is being entered.

4. Select a tax calculation method.

- If you select Percent of Gross, mark a calculation method for tax on overtime pay. You can skip this step if you've selected any of the other calculation methods.
- If you select Fixed Amount, enter the tax rate amount.
- If you select Number of Hours/Units, enter the tax rate per unit.
- If you select Days worked, enter the tax rate per unit.

5. Choose Save to save the code.
6. Choose File >> Print to print a Workers' Compensation Codes List to verify your information.

Local tax calculation methods

Local taxes include city and county income taxes. You can select up to five of the following calculation methods to be used in the calculation sequence.

Subtract Exemption Subtracts employees' local tax exemptions. If you select this calculation, enter the amount that should be multiplied by the number of exemptions specified on each employee's local tax records.

Check Minimum Annualized Taxable Wages You can specify a minimum taxable wages amount. For example, a jurisdiction can't tax an individual's income if that annual income is less than $10,000. If you select this calculation method, enter the minimum wages that must be earned before the tax will be calculated.

Apply Tax Rate Multiplies the annualized taxable wages by the tax rate entered.

Apply Tax Table Calculates the tax based on information in the tax table you've set up for this local tax code.

Subtract Flat Tax Amount Subtracts a flat amount each pay period.

Check Maximum Withholding You can enter a limit on the tax amount to be withheld for the year.

Check Minimum YTD Taxable Wages You can enter a minimum wage at which an employee would begin paying the local tax.

Subtract Standard Deduction Subtracts a specified amount or percentage each pay period.

Check Maximum YTD Taxable Wages You can enter a limit on the taxable wages, so that pay is reduced for the current pay run if the current pay run plus year-to-date wages is greater than the limit.

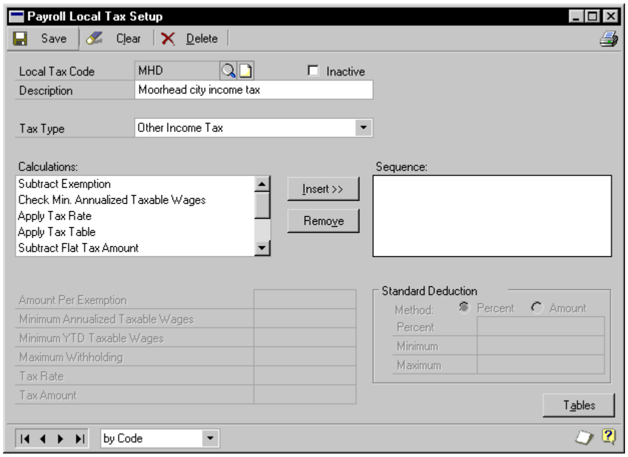
Setting up a local tax

Use the Payroll Local Tax Setup window to maintain tax tables for local taxes. Employees' local taxes can be calculated automatically for each pay run. You can download some local tax tables from the Microsoft Great Plains CustomerSource web site.

The tax calculations will take place in the order that they appear in the Sequence list. Therefore, it is important to be sure the order is correct or the calculations might differ. For example, if the order is Apply Tax Rate followed by Check Maximum Withholding, the tax rate will always be taken. However, if you have Check Maximum Withholding followed by Apply Tax Rate, the tax rate won't be applied when the maximum amount is reached.

To set up a local tax:

1. Open the Payroll Local Tax Setup window.
   (Setup >> Payroll >> Local Tax)


Payroll Local Tax Setup
Save
Clear
Delete
Insert >>
Remove
Tables
Amount Per Exemption
Minimum Annualized Taxable Wages
Minimum YTD Taxable Wages
Maximum Withholding
Tax Rate
Tax Amount
Standard Deduction
Percent
Minimum
Maximum

Local Tax Code: MHD
☐ Inactive
Description: Moorhead city income tax
Tax Type: Other Income Tax

Calculations:
Subtract Exemption
Check Min. Annualized Taxable Wages
Apply Tax Rate
Apply Tax Table
Subtract Flat Tax Amount

Sequence:

Method: ● Percent ○ Amount

by Code

2. Enter or select a local tax code and a description.

Some local tax codes can be downloaded from the Microsoft Great Plains CustomerSource web site. If you've downloaded these codes, they will be displayed in the lookup window. You can view the provided taxes using the Payroll Tax Setup window.

3. Select a tax calculation and choose Insert to insert it in the Sequence list. To remove a calculation from the Sequence list, highlight it and choose Remove.

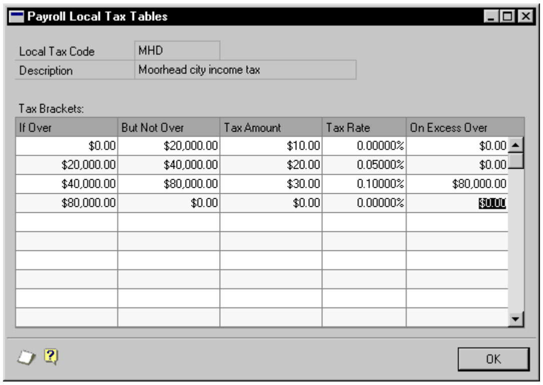
4. Choose Tables to set up tax brackets for the local tax code that you set up in the this window. The Payroll Local Tax Table window will open.

You can choose the Tables button at any time to edit the tax table for a local tax.

5. Enter the amount of the limit in the But Not Over field if an employee's annual wages are in a tax bracket where his or her wages are greater than a certain limit and less than or equal to the upper limit.

6. Enter the amount of tax for the tax bracket and the tax rate that will be applied to taxable wages in excess of the amount subtracted.

7. Enter the amount of wages that will be subtracted from the taxable wages before the tax rate is applied. The following illustration identifies key elements of the window.



Local Tax Code: MHD
Description: Moorhead city income tax

Tax Brackets:

If Over	But Not Over	Tax Amount	Tax Rate	On Excess Over
$0.00	$20,000.00	$10.00	0.00000%	$0.00
$20,000.00	$40,000.00	$20.00	0.05000%	$0.00
$40,000.00	$80,000.00	$30.00	0.10000%	$80,000.00
$80,000.00	$0.00	$0.00	0.00000%	$0.00

8. Choose OK to redisplay the Payroll Local Tax Setup window.

9. Choose Save to save the code.

10. Choose File >> Print to print a Company Local Taxes List to verify your information.

State and federal unemployment taxes

You must download state and federal tax rates and wage limits from the Microsoft Great Plains CustomerSource web site—they are not included when you install Payroll. After you've downloaded the state and federal tax rates and wage limits, the wage limit for the state you entered or the federal wage limit will be displayed automatically in the Wage Limit field when you enter a two-character state abbreviation or FED (for federal unemployment tax) in the Tax Code field in the Unemployment Tax Setup window. You must manually enter the state tax rate that's been applied to your business.

Unemployment tax rates or limits are not included in tax updates. If these change, you'll need to manually enter the state tax rate that's been applied to your business.

Previous state wages

If you're setting up a state unemployment tax (SUTA), you have the option to include wages earned by the employee in other states to determine whether individual employees have met state unemployment wage limits.

For example, assume one of your employees worked at your company's North Dakota branch for a period of time in the current year and he or she earned $5,000. That employee then went to work at your company's California branch, where he or she earned $12,000.

Also, assume the SUTA wage limits for these states are:

- North Dakota $6,000
- California $7,000

If California doesn't allow previously earned wages to be included in determining SUTA wage limits, you—the employer—are required to pay SUTA taxes based upon the following wages.

- To North Dakota based upon $5,000
- To California based upon $7,000

The wages earned in North Dakota can't be included in reaching the $7,000 SUTA wage limit for California. The entire $7,000 wage limit for California must be met using wages earned in California.

However, if California allows previously earned wages to be included in determining SUTA wage limits, you—the employer—are required to pay SUTA taxes based upon the following wages:

- To North Dakota based upon $5,000
- To California based upon $2,000

The $5,000 of wages earned in North Dakota can be used to reach California's SUTA wage limit. An additional $2,000 of wages earned in California is all that's needed to meet the $7,000 limit.

Tax-sheltered annuities

You also have the option to include employees' tax-sheltered annuities (TSA) in the amount of wages subject to unemployment taxes.

For example, assume an employee is paid $800 each pay period, and $20 from each paycheck is put into a tax-sheltered annuity.

If you don't include tax-sheltered annuities in the amount of wages subject to unemployment taxes, the amount that will appear as unemployment taxable wages on the Monthly or Quarterly Unemployment Reports will be $780.

If you do include tax-sheltered annuities in the amount of wages subject to unemployment taxes, the amount that will appear as unemployment taxable wages on the reports will be $800. The $20 TSA amount won't be deducted from the total pay amount when state and federal wage limits are determined.

The TSA Deductions list in the Unemployment Tax Setup window displays all the tax-sheltered annuity deduction codes that have been set up for your company. If TSA deduction amounts are included as taxable wages, highlight each TSA deduction that should be included and choose Insert to insert the deduction in the Include As Taxable Wages list.

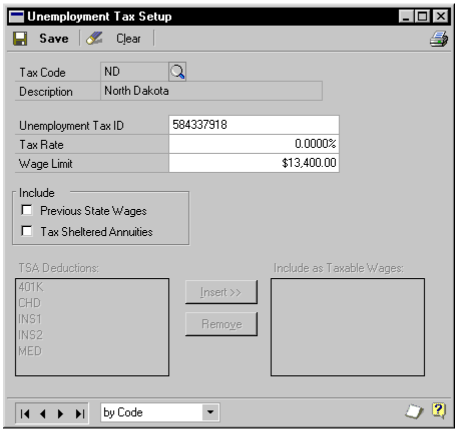
Setting up an unemployment tax

Use the Unemployment Tax Setup window to enter unemployment tax rates used to calculate state and federal unemployment tax amounts for which your company is liable as an employer.

If you're entering a state unemployment tax, enter the two-character postal abbreviation for the state you want to enter unemployment tax information for. If you're entering federal unemployment tax, enter FED as the tax code.

To set up an unemployment tax:

1. Open the Unemployment Tax Setup window.
   (Setup >> Payroll >> Unemployment Tax)



Tax Code: ND
Description: North Dakota
Unemployment Tax ID: 584337918
Tax Rate: 0.0000%
Wage Limit: $13,400.00

Include
☐ Previous State Wages
☐ Tax Sheltered Annuities

TSA Deductions:
401K
CHD
INS1
INS2
MED

Include as Taxable Wages:

2. Enter or select a tax code.

3. Enter your employer ID number.

   - If you're entering federal unemployment tax (FUTA), enter your company's federal employer identification number. This is the number that will be used on W-2 statements for the federal ID number.

   - If you're entering state unemployment tax (SUTA), enter your company's state ID number. This is the number that will be used on W-2 statements for the state ID number.

4. Enter the unemployment tax rate. Enter state and federal unemployment tax rates using four decimal places. For example, if the unemployment tax rate is 5%, enter 5. or 5.0000.

5. Enter a wage limit for the unemployment tax code or accept the default wage limit.

6. Indicate whether to include previous state wages or tax-sheltered annuities.

7. Select the TSA deductions to include as taxable wages.

8. Choose Save to save the code.

9. Choose File >> Print to print an Unemployment Rates List to verify your information.

Setting up federal and state tax identification numbers

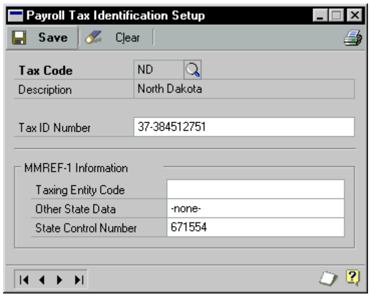
Use the Payroll Tax Identification Setup window to set up assigned federal and state tax identification numbers so they are printed correctly on employee W-2s and employer W-3 forms when you complete Payroll year-end processes. For example, you might have two different state identification numbers—one for filing taxes and another for filing the unemployment forms and taxes. Using this window, you can assign codes for the correct numbers for each of the forms, eliminating the need to edit the form each time you need a different federal or state tax identification number.

Your Payroll system also accommodates states with just one number. If there is no value in the SUTA Unemployment Tax ID when you set up the Tax ID Number, the system will fill the SUTA Unemployment Tax ID with the same value as the Tax ID Number. If there is a value in the SUTA Unemployment Tax ID when you enter the Tax ID Number, however, no change will take place.

The reverse is also true; if there is no value in the Tax ID Number when you set up the SUTA Unemployment Tax ID, the system will fill the Tax ID Number with the same value as the SUTA Unemployment Tax ID. If there is a value in the Tax ID Number when you enter the SUTA Unemployment Tax ID, however, no change will take place.

To set up federal and state tax identification numbers:

1. Open the Payroll Tax Identification Setup window.
   (Setup >> Payroll >> Tax ID)


Payroll Tax Identification Setup
Save
Clear
MMREF-1 Information

Tax Code: ND
Description: North Dakota
Tax ID Number: 37-384512751
Taxing Entity Code:
Other State Data: -none-
State Control Number: 671554

2. Enter or select the tax code to set up.

3. Enter the tax identification number to associate with this code.

4. Choose Save.

5. Choose File > Print to print the Payroll Tax Identification Setup Report.

Chapter 5: Setting Up Employee Classes

You can set up employee classes to make entering employee information easier and to save data entry time. You can use employee classes to group employee information according to common entries. For example, you can create classes for hourly employees, temporary employees, part-time employees or any other similar characteristics. Once you've identified the different classes that you'll need for employee cards, group the employee cards into classes and identify those classes by assigning class IDs. You might find it helpful if you name each class ID something that describes the class. For example, you could name a class CLERKS or MACHINISTS.

By creating and assigning classes, you can speed up data entry for new employee cards and transactions by providing default entries. For each class, you can enter as much information as you need. If default information for the specific class doesn't pertain to a particular employee, you can change the information for that employee in the Employee Maintenance window.

Before creating an employee class, you should have completed Setting up Payroll default entries on page 16.

This information is contained in the following sections:

- *Applying class changes*
- *Accruing methods for vacation and sick time*
- *Creating an employee class*
- *Assigning codes to an employee class*
- *Deleting or changing an employee class*

Applying class changes

When changing information in an employee class card, you can quickly add that information to all the employee cards included in the class by applying the changes to all employee cards. For example, you can change the method of accruing vacation time in a class from Hours Worked to Set Hours and apply the changes so that for all the employee cards in the class, Set Hours is the vacation accrual method.

If you're using Human Resources, changes made to an employee class card will only be applied to deduction cards or benefit cards in Payroll and not Human Resources.

You can choose not to apply the changes to existing employee cards. New employee cards added to the class will have Set Hours as the vacation accrual method, but existing cards won't be affected by the change.

If an employee record from a particular class has been customized and changed from the original class, those changes will be inactive if the employee class is changed and those changes are rolled down.

Accruing methods for vacation and sick time

Use the Employee Vacation-Sick Time Maintenance window to specify an accrual method for vacation and sick time. You have the option to automatically accrue employee vacation and sick time. By doing this, the system will automatically calculate your employees' vacation and sick time and will decrease vacation and sick time as hours are taken, whether you're accruing vacation and sick time or not. You can have a warning displayed when the available vacation or sick time for an employees is below zero.

If you're using Human Resources, you can accrue vacation and sick time using different accrual methods. Refer to the Human Resources Installation and Setup manual for more information.

You also have the option to accrue vacation and/or sick time automatically for some employees and not for others. You can set up your system so each employee's vacation and/or sick time pay can be accrued by different methods. At least two scenarios are possible, as outlined in the following examples. The examples given are for vacation pay, but sick pay can be treated the same way.

Accrue Vacation is not marked If the number of hours per year for vacation is set at the beginning of each year, you must enter the number of vacation hours that can be taken during the year. Then enter the number of vacation hours this employee has available for the year. In this case, all vacation hours will be available to the employee as soon as the new year begins.

Accrue Vacation is marked If an employee can accrue a specified number of vacation hours throughout the year, you must enter the number of vacation hours that can be taken during the year. Then enter the number of vacation hours this employee has remaining for the year—the number of hours currently available to the employee. The hours available will increase as hours are accrued. Employees should be able to take vacation time only as it accrues; you can override this during transaction entry, however, and enter a greater amount of vacation time taken than is available. As a result, the vacation available will be a negative amount.

Hours Worked

To accrue vacation time by the Hours Worked method, the number of hours that accrue each pay period will be calculated using the following formula:

- Hours worked x (Vacation hours per year/Work hours per year) = Hours of vacation accrued

Here, hours worked per year is from your entry in the Employee Maintenance window. For example:

- Hours worked during the pay period = 40
- Vacation hours per year = 80
- Work hours per year = 2080
- (40 x 80) / 2080 = 1.5 hours of vacation accrued

Set Hours

To accrue vacation and sick time by Set Hours, enter the number of hours that should be accrued each pay period for the employee.

Available vacation and sick time might be higher than the hours per year. For example, your employees might be allowed to carry over unused vacation hours into the next year. In this case, an employee might be allowed 40 hours of vacation time each year, but he or she used only 20 hours last year. Hours Per Year would be 40 hours—the amount this employee is allowed each year—but available would be 20 hours. In this example, the Available field will be updated each pay run for the 40 hours for the year.

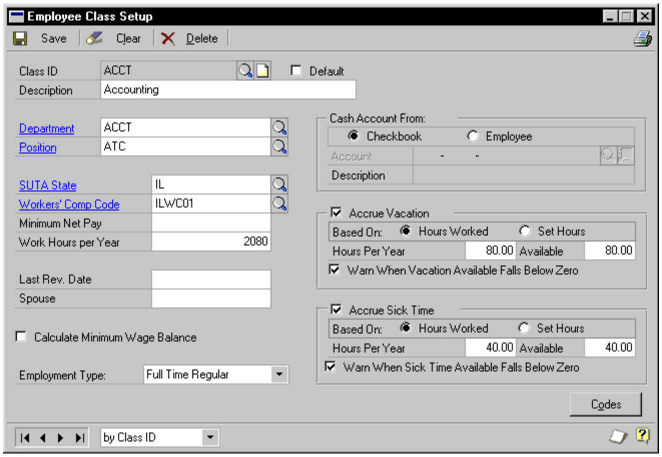
Creating an employee class

Use the Employee Class Setup window to set up and assign your employees to employee classes. You don’t have to enter information in every field. However, the more information you enter, the faster data entry will be when you set up new employee cards using the Employee Maintenance window.

We recommend that you enter the class with the most common entries first and mark this class as your default class. You can mark Default in the Employee Class Setup window and the information you’ve set up for this class automatically appears as the default information for every subsequent class you create. You can have only one default employee class.

To create an employee class

1. Open the Employee Class Setup window.
   (Setup >> Payroll >> Employee Class)



Class ID ACCT
Description Accounting
☐ Default
Department ACCT
Position ATC
SUTA State IL
Workers' Comp Code ILWC01
Minimum Net Pay
Work Hours per Year 2080
Last Rev. Date
Spouse
☐ Calculate Minimum Wage Balance
Employment Type: Full Time Regular
Cash Account From: ● Checkbook ○ Employee
Account - -
Description
☑ Accrue Vacation
Based On: ● Hours Worked ○ Set Hours
Hours Per Year 80.00 Available 80.00
☑ Warn When Vacation Available Falls Below Zero
☑ Accrue Sick Time
Based On: ● Hours Worked ○ Set Hours
Hours Per Year 40.00 Available 40.00
☑ Warn When Sick Time Available Falls Below Zero

2. Enter an ID and description for the class.

3. Enter or select the department and position codes that apply to the majority of employees in the class.

4. Enter or select the state to which unemployment taxes typically are paid and the workers’ compensation code for the employees in the class.

5. Enter the minimum amount that the employees in the class must receive in each paycheck, if any, and the number of hours the employees in the class typically work in a year. This information will be used to calculate accrued vacation, sick time and salary amounts.

6. Enter user-defined information. If you have set up user-defined fields, these fields will be displayed.

7. Mark Calculate Minimum Wage Balance if the majority of employees in the class must be paid at least the minimum wage when their regular wage plus tips does not equal the minimum wage. Calculate Minimum Wage Balance can only be used with pay codes that have charged tips or reported tip pay types.

8. Select an employment type.

9. Choose where to post the net pay for the employees in the class. You can post to the cash account used for the checkbook or to an account that you can specify for each employee. If you choose to post to the account specified for an employee, enter an account to use for each employee in the class.

10. Enter vacation and sick time accrual information. Refer to *Accruing methods for vacation and sick time* on page 60 for more information about accruing vacation and sick time.

11. Choose Codes to assign codes to the class in the Employee Class Code Setup window. For more information, refer to *Assigning codes to an employee class* on page 63.

12. Choose File >> Print to print an Employee Class List to verify your information.

13. Choose Save to save your information.

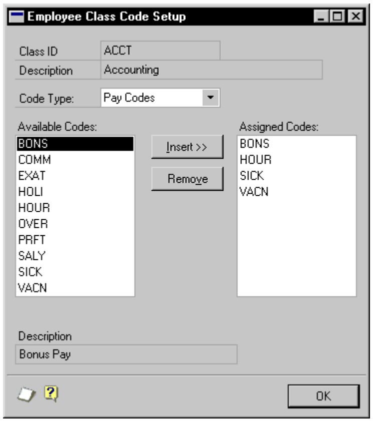
Assigning codes to an employee class

Use the Employee Class Codes Setup window to assign pay codes, deduction codes, benefit codes, state tax codes and local tax codes to an employee class.

To assign codes to an employee class:

1. Open the Employee Class Setup window.
   (Setup >> Payroll >> Employee Class)

2. Enter or select a class ID and choose Codes to open the Employee Class Codes Setup window.



Class ID: ACCT
Description: Accounting
Code Type: Pay Codes

Available Codes:
BONS
COMM
EXAT
HOLI
HOUR
OVER
PRFT
SALY
SICK
VACN

Assigned Codes:
BONS
HOUR
SICK
VACN

Description: Bonus Pay

3. Select a code type to assign to the employee class.

4. Select each code that you want to assign to the class from the Available Codes list.

5. Choose Insert to insert the code into the Assigned Codes list.

6. Choose OK to close the window and return to the Employee Class Setup window.

Deleting or changing an employee class

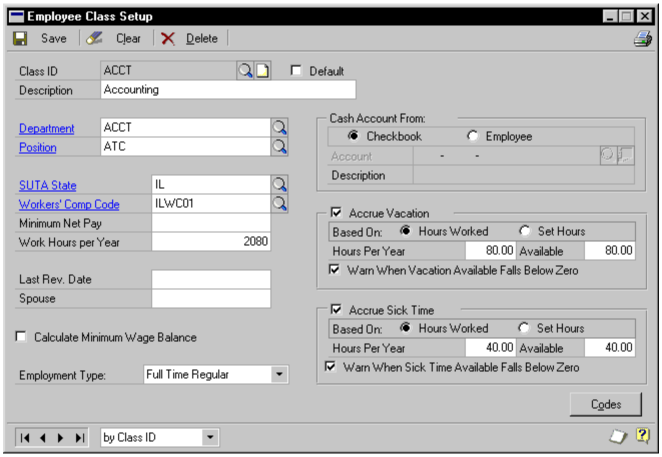
If an employee class has become obsolete and you're not planning to use it again in the future, you can delete it. In some circumstances, you might need to change an existing employee class to reflect changes, such as adding a new pay code. If you choose to change an existing employee class, you'll have the option to apply the changes to all employee cards in the class.

If the class that you want to change has been assigned to employees, we recommend that you print an employee list before making changes to determine how changing the class will affect those employee cards. For information about printing an employee list, see Help >> Index >> Employee Lists window, reports.

If an employee record from a particular class has been customized and changed from the original class, those changes will be inactive if the employee class is changed and those changes are rolled down.

To delete or change an employee class:

1. Open the Employee Class Setup window.
   (Setup >> Payroll >> Employee Class)



Class ID: ACCT
☐ Default
Description: Accounting
Department: ACCT
Position: ATC
SUTA State: IL
Workers' Comp Code: ILWC01
Minimum Net Pay:
Work Hours per Year: 2080
Last Rev. Date:
Spouse:
☐ Calculate Minimum Wage Balance
Employment Type: Full Time Regular
Cash Account From: ● Checkbook ○ Employee
Account: - -
Description:
☑ Accrue Vacation
Based On: ● Hours Worked ○ Set Hours
Hours Per Year: 80.00 Available: 80.00
☑ Warn When Vacation Available Falls Below Zero
☑ Accrue Sick Time
Based On: ● Hours Worked ○ Set Hours
Hours Per Year: 40.00 Available: 40.00
☑ Warn When Sick Time Available Falls Below Zero
by Class ID

2. Enter or select the ID for the employee class you want to delete or change.

3. Choose Delete to delete the class.

Deleting an employee class won't affect the existing employee cards assigned to the class. However, you won't be able to apply changes to this group in the future.

4. To change the class, highlight the field and enter the new information.

5. Choose Save to save the changes made to the class. You'll have the option to apply changes to all the employee cards assigned to the class.

PART 2: CARDS

Part 2: Cards

This part of the documentation describes how to enter employee cards, tax cards, deduction cards and benefit cards, as well as entering beginning balances if you start using Payroll at a time other than the beginning of a calendar year.

The following information is discussed:

Chapter 6, “Employee Cards,” explains how to create employee cards to track the status of employees and to print reports.

Chapter 7, “Tax Cards,” describes how to create tax cards to track your individual employees’ tax liabilities to various government agencies.

Chapter 8, “Deduction and Benefit Cards,” describes how to enter employee deduction and benefit cards based on the company deductions and benefits you have already set up.

Chapter 9, “Beginning Balances,” explains how to enter beginning balances to ensure that your monthly, quarterly and yearly financial amounts are correct, as well as to correctly process W-2 statements at the end of the year.

Chapter 6: Employee Cards

Employee cards are the foundation of your Payroll system. This information is used to track the status of employees and to print reports. It's important to keep this information up-to-date to reflect your company's current activity.

This information is contained in the following sections:

- *Entering an employee card*
- *Assigning pay, deduction and benefit codes to an employee*
- *Inactivating an employee card*
- *Reactivating an employee card*
- *Deleting or changing an employee card*
- *Entering an employee additional information card*
- *Entering an employee address card*
- *Setting up employee Internet information*
- *Entering an employee pay card*

Entering an employee card

Use the Employee Maintenance window to enter an employee card. When entering your first employee cards, consider how to arrange your current and future employee cards. You can assign specific identification numbers or other types of IDs to different groups of employees. Once you've determined the most appropriate numbering system for your employee cards, use it consistently for the best results when printing reports and using other Payroll windows.

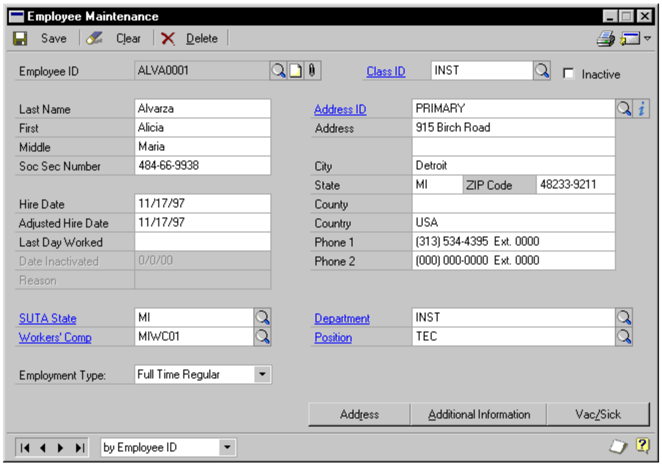
To ensure reports are printed in the correct order, be sure that each employee ID has the same number of characters, if you're using numeric characters. The characters are sorted from left to right, and numbers take priority over letters. If you don't use the same number of characters for employee IDs, the numbering system won't be consistent and your employee IDs might not be listed in the order you intended.

You can categorize employee information by classes when you enter employee cards. A class will supply default values for many fields, making data entry easier and faster. If an individual employee card requires different information, you can override the default information for that employee. Refer to Chapter 5, "Setting Up Employee Classes," for more information.

If you are setting up cards for employees who earn tips in addition to regular wages, refer to Appendix B, “Tracking Tips Wages,” for more information.

To enter an employee card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)



Employee ID: ALVA0001
Class ID: INST
☐ Inactive
Last Name: Alvarza
First: Alicia
Middle: Maria
Soc Sec Number: 484-66-9938
Hire Date: 11/17/97
Adjusted Hire Date: 11/17/97
Last Day Worked:
Date Inactivated: 0/0/00
Reason:
Address ID: PRIMARY
Address: 915 Birch Road
City: Detroit
State: MI
ZIP Code: 48233-9211
County:
Country: USA
Phone 1: (313) 534-4395 Ext. 0000
Phone 2: (000) 000-0000 Ext. 0000
SUTA State: MI
Workers' Comp: MIWC01
Department: INST
Position: TEC
Employment Type: Full Time Regular

2. Enter an employee ID.

3. You can enter or select a class ID to assign this employee to a class.

4. Enter the employee’s full name and Social Security number.

   The system will validate the Social Security number. If it’s an invalid number, an error message will be displayed. If you’re not sure of the number, you can enter all zeros and replace it later with the employee’s Social Security number.

5. Enter the date the employee started working. If you use adjusted hire dates for attendance or reviews, enter the adjusted hire date for the employee. If you don’t enter an adjusted hire date, the hire date will be displayed in the Adjusted Hire Date field.

6. Enter or select the primary state to which unemployment taxes are paid and enter or select the workers’ compensation code for the employee.

7. Select the employee's employment type, and enter an address and phone number.

8. Enter or select the department code for the primary department the employee works in, as well as the position code for the employee's primary position. If you enter a code that doesn't already exist, you'll have the option to enter the information needed to add the code.

If you've selected a class, this information will appear as a default entry. You can override any of the default information, if necessary.

9. Choose Vac/Sick to open the Employee Vacation-Sick Time Maintenance window, where you can enter accrual options. For more information about accruing methods, refer to *Accruing methods for vacation and sick time* on page 60.

If you're using Human Resources and accruing benefit time using attendance, this button will not be available.

10. Choose Additional Information to open the Employee Additional Information maintenance window, where you can enter employee information such as birth date and work hours per year. For more information, refer to *Entering an employee additional information card* on page 75.

11. Choose Address to open the Employee Address Maintenance window, where you can store additional employee addresses. For more information, refer to *Entering an employee address card* on page 77.

12. Choose File >> Print to print a Detailed Employee List to verify your information. Refer to Chapter 14, "Payroll Reports," for more information about printing reports.

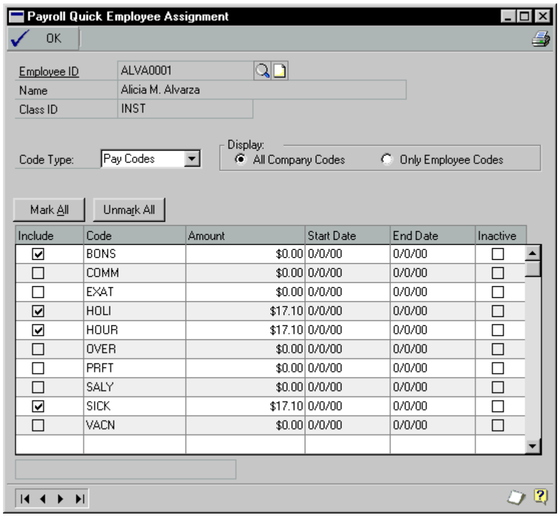
13. Choose Save in the Employee Maintenance window.

Assigning pay, deduction and benefit codes to an employee

Use the Payroll Quick Employee Assignment window to quickly assign active pay codes, deduction codes and benefit codes to an employee.

To assign pay, deduction and benefit codes to an employee:

1. Open the Payroll Quick Employee Assignment window.
   (Cards >> Payroll >> Quick Assignment)



Employee ID: ALVA0001
Name: Alicia M. Alvarza
Class ID: INST
Code Type: Pay Codes
Display: ● All Company Codes ○ Only Employee Codes

Include	Code	Amount	Start Date	End Date	Inactive
☑	BONS	$0.00	0/0/00	0/0/00	☐
☐	COMM	$0.00	0/0/00	0/0/00	☐
☐	EXAT	$0.00	0/0/00	0/0/00	☐
☑	HOLI	$17.10	0/0/00	0/0/00	☐
☑	HOUR	$17.10	0/0/00	0/0/00	☐
☐	OVER	$0.00	0/0/00	0/0/00	☐
☐	PRFT	$0.00	0/0/00	0/0/00	☐
☐	SALY	$0.00	0/0/00	0/0/00	☐
☑	SICK	$17.10	0/0/00	0/0/00	☐
☐	VACN	$0.00	0/0/00	0/0/00	☐

2. Enter or select an employee ID.

3. Select the type of code to display.

4. To view all codes of that type, mark All Company Codes. To view the codes assigned to the employee, mark Only Employee Codes.

5. Mark each code to assign to the employee.

6. Choose Mark All to assign all codes to the employee.

7. Choose OK to save your changes.

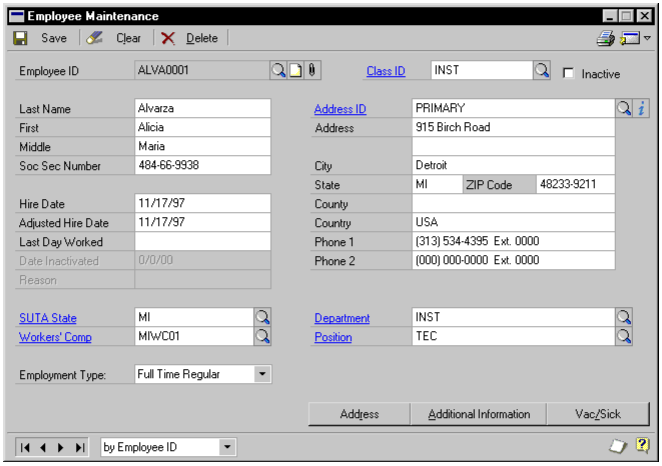
Inactivating an employee card

Use the Employee Maintenance window to inactivate an employee card. You can inactivate an employee card and then reactivate it at a later date.

Inactive employee cards will continue to appear on payroll reports if they have current-year activity. When you print other reports in Payroll, such as employee lists, you can choose whether to include inactive employee cards. Refer to Closing a year on page 193 for information about deleting inactive employee cards.

To inactivate an employee card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)



Employee ID ALVA0001
Class ID INST
☐ Inactive
Last Name Alvarza
First Alicia
Middle Maria
Soc Sec Number 484-66-9938
Hire Date 11/17/97
Adjusted Hire Date 11/17/97
Last Day Worked
Date Inactivated 0/0/00
Reason
SUTA State MI
Workers' Comp MIWC01
Employment Type: Full Time Regular
Address ID PRIMARY
Address 915 Birch Road
City Detroit
State MI ZIP Code 48233-9211
County
Country USA
Phone 1 (313) 534-4395 Ext. 0000
Phone 2 (000) 000-0000 Ext. 0000
Department INST
Position TEC

2. Enter or select an employee ID.

3. Mark Inactive to inactivate the card.

4. Enter the date the card was inactivated and the reason why.

5. Choose Save to save the change.

   You can reactivate an employee card by unmarking Inactive and choosing Save. The Reactivate Employee window will open, where you can reactivate the employee cards. Choose OK when you've finished. For more information, refer to *Reactivating an employee card* on page 73.

Reactivating an employee card

Use the Employee Maintenance window to reactivate an employee card that has been inactivated. You can only reactivate employee cards if the number of active employees is less than the number your company is registered for.

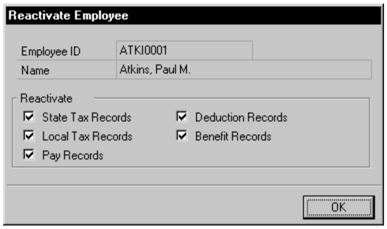
To reactivate an employee card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)

2. Enter or select an employee ID.

3. Unmark Inactive to reactivate the employee card.

4. Choose Save. The Reactivate Employee window will open.



Employee ID ATKI0001
Name Atkins, Paul M.

Reactivate
☑ State Tax Records
☑ Local Tax Records
☑ Pay Records
☑ Deduction Records
☑ Benefit Records

5. Choose OK. All marked card will be reactivated.

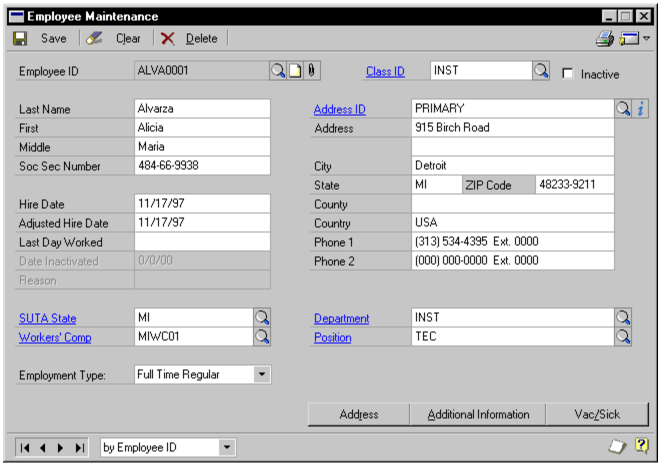
Deleting or changing an employee card

Use the Employee Maintenance window to delete or change an employee card. You can delete an employee card if you're not planning to use it in the future. You also have the option to change information on cards to reflect changes such as a pay rate or the number of exemptions.

If summary information exists for an employee card, such as monthly, quarterly or yearly information, you can't delete the employee card. You can only delete the card at the end of the year after you have cleared financial information. Refer to Closing a year on page 193.

To delete or change an employee card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)



Employee ID: ALVA0001
Class ID: INST
☐ Inactive
Last Name: Alvarza
First: Alicia
Middle: Maria
Soc Sec Number: 484-66-9938
Hire Date: 11/17/97
Adjusted Hire Date: 11/17/97
Last Day Worked:
Date Inactivated: 0/0/00
Reason:
SUTA State: MI
Workers' Comp: MIWC01
Employment Type: Full Time Regular
Address ID: PRIMARY
Address: 915 Birch Road
City: Detroit
State: MI ZIP Code: 48233-9211
County:
Country: USA
Phone 1: (313) 534-4395 Ext. 0000
Phone 2: (000) 000-0000 Ext. 0000
Department: INST
Position: TEC
by Employee ID

2. Select an employee ID.

3. Make the changes. To make changes to the employee card, highlight the fields to change and enter the new information.

4. Choose Delete to delete the card.

5. Choose Save to save the card.

6. While the Employee Maintenance window is displayed, choose File >> Print to print the Detailed Employee List to verify your changes.

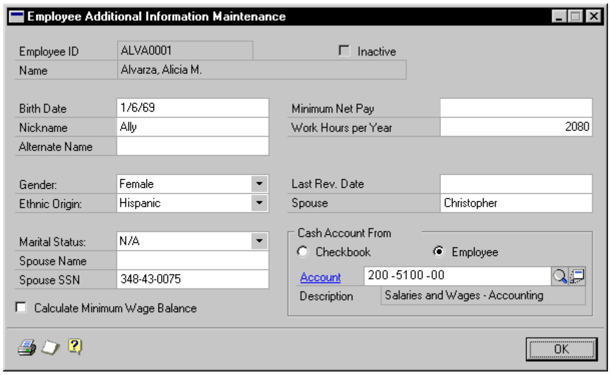
Entering an employee additional information card

Use the Employee Additional Information Maintenance window to enter an employee additional information card. You can enter information such as birth date, work hours per year and posting account information.

To enter an employee additional information card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)

2. Enter or select an employee ID and choose Additional Information to open the Employee Additional Information Maintenance window.



Employee ID: ALVA0001
☐ Inactive
Name: Alvarza, Alicia M.
Birth Date: 1/6/69
Nickname: Ally
Alternate Name:
Gender: Female
Ethnic Origin: Hispanic
Marital Status: N/A
Spouse Name:
Spouse SSN: 348-43-0075
☐ Calculate Minimum Wage Balance
Minimum Net Pay:
Work Hours per Year: 2080
Last Rev. Date:
Spouse: Christopher
Cash Account From: ○ Checkbook ● Employee
Account: 200 -5100 -00
Description: Salaries and Wages - Accounting

3. Enter the employee’s birth date, nickname and alternate name—if applicable—and select the employee’s gender.

4. Select an ethnic origin and the employee’s marital status and enter the employee’s spouse’s name and Social Security number, if applicable.

5. Mark Calculate Minimum Wage Balance if this employee must be paid at least the minimum wage when their regular wage plus tips does not equal the minimum wage.

6. Enter an amount if there is a minimum amount that the employee must receive in each paycheck. Taxes will still be deducted from the employee’s pay; however, some deductions may not be deducted.

7. Enter the number of hours the employee will work in a year.

   This information will be used to calculate accrued vacation and sick time amounts, if you accrue vacation and sick time by hours worked. It also will be used to calculate the hourly rate on salary pay cards when you enter adjustments for salary pay.

8. If you entered information for the user-defined fields in the Payroll Setup window, these fields will be displayed in the Employee Additional Information Maintenance window. You can enter information in these fields.

9. Enter posting account information. You have the option of posting the net pay for this employee to the cash account used for the checkbook or to an account to be specified for the employee. If you post to the account specified for the employee, mark Employee and enter an account to use for the employee.

If you're using Bank Reconciliation, it's a good idea to use the cash account from the checkbook so that you can easily reconcile the cash account entered in the Checkbook Maintenance window for a checkbook with the cash account balance in General Ledger.

10. Choose OK in the Employee Additional Information window to display the Employee Maintenance window.

11. Choose Save.

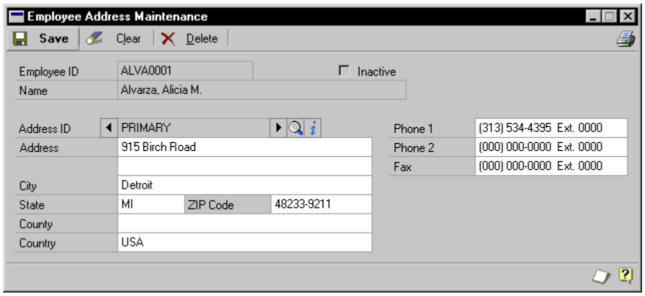
Entering an employee address card

Use the Employee Address Maintenance window to enter an employee address card. You can enter address and phone information.

To enter an employee address card:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)

2. Enter or select an employee ID and choose Address to open the Employee Address Maintenance window.



Employee ID ALVA0001
☐ Inactive
Name Alvarza, Alicia M.
Address ID PRIMARY
Address 915 Birch Road
City Detroit
State MI
ZIP Code 48233-9211
County
Country USA
Phone 1 (313) 534-4395 Ext. 0000
Phone 2 (000) 000-0000 Ext. 0000
Fax (000) 000-0000 Ext. 0000

3. Enter an identification to describe the address and the address information, including city, state and postal code.

4. Enter county and country information and phone and fax numbers.

5. Choose Save.

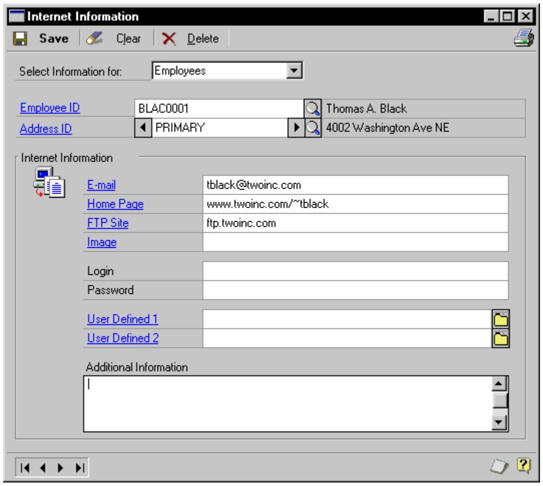
Setting up employee Internet information

Use the Internet Information window to track Internet-related information about an employee, such as e-mail addresses, web page URLs, and FTP sites.

To set up employee Internet information:

1. Open the Employee Maintenance window.
   (Cards >> Payroll >> Employee)

2. Enter or select an employee ID and choose the Address ID Internet icon button to open the Internet Information window.


Internet Information
Save
Clear
Delete
Internet Information
Image
Login
Password
User Defined 1
User Defined 2
Additional Information

Select Information for: Employees
Employee ID: BLAC0001 Thomas A. Black
Address ID: PRIMARY 4002 Washington Ave NE
E-mail: tblack@twoinc.com
Home Page: www.twoinc.com/~tblack
FTP Site: ftp.twoinc.com

3. Select Employees in the Select Information for field.

4. Enter or select an address in the Address ID field, if necessary.

5. Enter Internet information.

6. Choose Save to save your entries.

7. To print Internet information for the current employee, choose File >> Print. The Internet Information Report is printed, showing Internet information for the current employee.

   To print an Internet Information Report showing Internet information for all employees, use the Company General Report Options window. Refer to Help >> Index >> Company General Report Options window for more information.

Entering an employee pay card

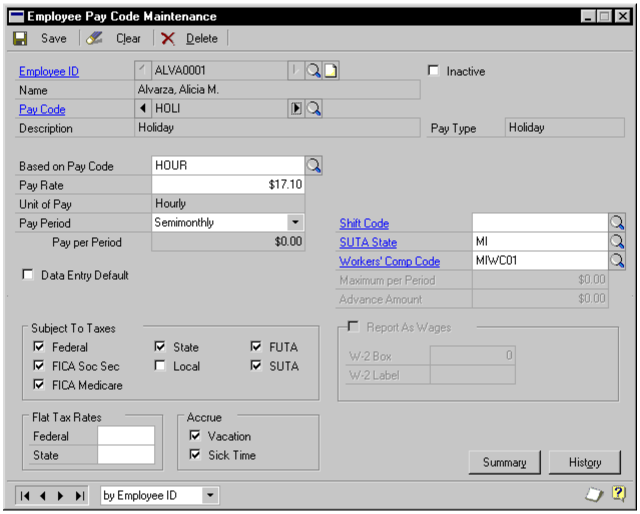
Use the Employee Pay Codes Maintenance window to enter and maintain employee pay cards. You can enter your own identifying pay code and description to describe each type of pay. You also can assign pay types to pay codes. For example, you might assign an hourly pay type to the pay code, HOUR.

For overtime, vacation, sick time and holiday pay types, you must enter another pay code to base these pay types on. For example, if you're setting up an overtime pay card for an employee with an hourly pay type, you need to base the overtime pay type upon the employee's hourly pay. Refer to Setting up pay codes on page 27 for more information about the different pay types.

Before entering an employee pay card, you should have completed Entering an employee card on page 69.

To enter an employee pay card:

1. Open the Employee Pay Code Maintenance window.
(Cards >> Payroll >> Pay Code)



Employee ID: ALVA0001
☐ Inactive
Name: Alvarza, Alicia M.
Pay Code: HOLI
Description: Holiday
Pay Type: Holiday
Based on Pay Code: HOUR
Pay Rate: $17.10
Unit of Pay: Hourly
Pay Period: Semimonthly
Pay per Period: $0.00
☐ Data Entry Default
Shift Code:
SUTA State: MI
Workers' Comp Code: MIWC01
Maximum per Period: $0.00
Advance Amount: $0.00
Subject To Taxes: ☑ Federal ☑ State ☑ FUTA ☑ FICA Soc Sec ☐ Local ☑ SUTA ☑ FICA Medicare
☐ Report As Wages
W-2 Box: 0
W-2 Label:
Flat Tax Rates: Federal, State
Accrue: ☑ Vacation ☑ Sick Time
by Employee ID

2. Enter or select an employee ID.

3. Enter or select a code to identify the pay card.

   - To view the financial information for a pay card, choose Summary to open the Employee Pay Code Summary window. This window will display the monthly, quarterly and yearly totals for the pay code. You can edit those amounts if you marked Edit Financial Fields in the Payroll Setup window.

   - To view individual transactions associated with the pay code, choose History to open the Employee Pay Code History window. You can edit pay code history information if you marked Edit Financial Fields in the Payroll Setup window.

4. Enter the pay rate for the amount of pay.

   - If the pay type is Earned Income Credit, leave the Pay Rate field blank to use the EIC tables supplied with Payroll to calculate the EIC payment. If you don't use the EIC tables that are supplied, enter an amount.

- If the pay type is Piecework, enter the name of the unit of work. This unit name will be printed on Payroll reports.
- If the pay type is Salary or is based upon a Salary pay type, select the unit of pay from the list of pay periods.

5. Select the pay period to determine how the wages will be annualized for tax calculating purposes. After you select a pay period, the pay per period will be displayed. For example, if the pay type is Salary with a rate of $1,000 per month and it is paid semimonthly, the amount per pay period is $500.

6. Mark Data Entry Default to use the information in this window when you create a transaction for the pay code during a payrun.

7. Enter or select a shift code to assign to this pay code, if applicable.

The SUTA state and workers' compensation code entered in the Employee Maintenance window for this employee will appear as default entries. You have the option of changing these codes.

8. Enter the maximum amount per pay period for commission and business expense pay types.

9. Enter an amount to pay in advance for a salary or commission pay type, if the employee is to receive an advance.

10. Mark which taxes the pay is subject to.

11. Enter the federal and state tax rate for the pay if it is subject to federal or state taxes and should be calculated at a flat rate. For example, bonus pay might be taxed at a 20.00% flat rate. You can leave this field blank if you use the federal and state tax tables instead of a flat tax rate.

12. Mark Vacation and Sick Time if vacation and/or sick time should be accrued on this pay code. Your Payroll system must be set up for automatic accrual. For more information about accruing methods, refer to *Accruing methods for vacation and sick time* on page 60.

If you're using Human Resources and have Attendance marked as the accrue type in the Attendance Setup window, these fields will not be available. Refer to the Human Resources Installation and Setup manual for more information.

13. Enter W-2 information if the pay type is Business Expense.

    If the amount of the business expense should be included with gross wages on the W-2 statement, mark Report as Wages. If the business expense should also be printed in a special box on the W-2 statement, enter the number of the box in the W-2 Box field. Then, enter a label, if required, to be printed in the box on the W-2 statement.

14. Choose Save to save the pay code.

Chapter 7: Tax Cards

You can set up tax cards and use them to track your individual employees' tax liabilities to various government agencies.

Before you can set up tax cards, you must download federal, state and local tax tables from the Microsoft Great Plains CustomerSource web site.

Before entering a card, you should have completed Entering an employee card on page 69.

This information is contained in the following sections:

- *Entering an employee tax card*
- *Entering an employee state tax card*
- *Entering an employee local tax card*

Entering an employee tax card

Use the Employee Tax Maintenance window to enter and maintain employee tax cards.

When setting up employee tax cards, you can specify which boxes will appear on the W-2 statement for an employee. The boxes include:

Statutory Employee The employee is subject to FICA withholding but not federal withholding.

Deceased The employee died during the year. If the employee is deceased, you must report wages or other compensation for services he or she performed and that were paid in the year of death.

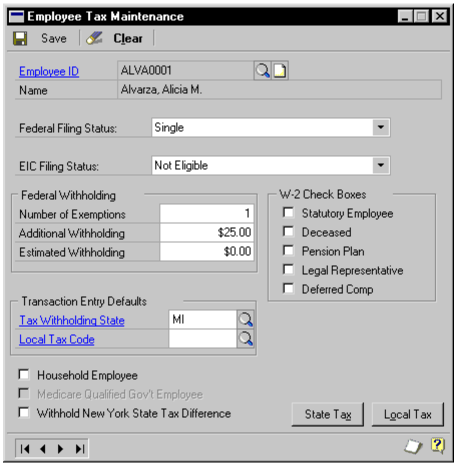
Pension Plan The employee was an active participant in a retirement plan, such as a 401(k) plan.

Legal Representative An employee's name is the only one shown on the W-2 statement but is shown as a trust account, or if another name is shown in addition to the employee's name and the other person is acting on behalf of the employee.

Deferred Comp The employer made contributions on behalf of the employee to a 401(k) or 403(b) retirement plan.

To enter an employee tax card:

1. Open the Employee Tax Maintenance window.
(Cards >> Payroll >> Tax)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.

Federal Filing Status: Single
EIC Filing Status: Not Eligible

Federal Withholding
Number of Exemptions: 1
Additional Withholding: $25.00
Estimated Withholding: $0.00

W-2 Check Boxes
☐ Statutory Employee
☐ Deceased
☐ Pension Plan
☐ Legal Representative
☐ Deferred Comp

Transaction Entry Defaults
Tax Withholding State: MI
Local Tax Code:

☐ Household Employee
☐ Medicare Qualified Gov't Employee
☐ Withhold New York State Tax Difference

2. Enter or select an employee ID.

3. Select the appropriate federal filing status for the employee. This status determines the tax table that will be used to calculate federal taxes. If the only option is Exempt, tax tables aren't installed. Use the Microsoft Great Plains CustomerSource web site to download tax tables.

4. If the employee is eligible for advanced earned income credit payments, select the appropriate Earned Income Credit (EIC) filing status for this employee. This status determines the tax table that will be used to calculate EIC payments. If the only option is Not Eligible, tax tables aren't installed. Use CustomerSource to download tax tables.

5. Enter the number of exemptions the employee has claimed on his or her W-4 form.

6. Enter the additional amount, if any, that the employee specified to be withheld on the W-4 form. This amount will be added to either the calculated or estimated federal withholding to determine the total federal withholding for each pay run.

7. Enter the amount that should be withheld each pay run if the employee estimates his or her federal tax liability instead of using tax table calculations. If you entered an amount in the Additional Federal Withholding field, that additional amount will not be added to the estimated withholding amount to determine the total federal withholding for each pay run.

8. Enter or select the state to which the employee must pay income tax, as well as the locality to which income taxes should be paid for the employee. This information will appear as default entries when you enter pay transactions and will be used for automatic pay cards subject to state or local tax.

9. Mark Household Employee if it applies to the employee and mark Medicare Qualified Government Employee if the employee is exempt from FICA Social Security tax but is subject to FICA Medicare tax.

10. Mark the Withhold New York State Tax Difference if the employee's state of residence is New York, but the tax withholding state is a different state.

11. Mark the W-2 boxes that apply to the employee. These boxes will be marked on the employee's W-2 form when you print W-2 statements.

12. Choose State Tax to open the Employee State Tax Maintenance window where you can enter state tax information. For more information, refer to *Entering an employee state tax card* on page 85.

13. Choose Local Tax to open the Employee Local Tax Maintenance window where you can enter local tax information. For more information, refer to *Entering an employee local tax card* on page 87.

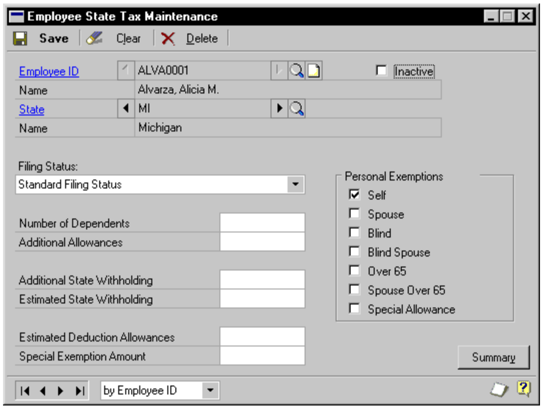
14. Choose Save to save the employee tax information you've entered. The highlight will return to the Employee ID field and you can continue by creating another card.

Entering an employee state tax card

Use the Employee State Tax Maintenance window to enter and maintain employee state tax cards. Employee state tax cards track individual employees' tax liability to various state government agencies. You also have the option of setting up multiple state taxes for each employee. For example, if an employee works in two states, you might need to set up two state tax cards.

To enter an employee state tax card:

1. Open the Employee State Tax Maintenance window. (Cards >> Payroll >> State Tax)



Employee State Tax Maintenance
Save
Clear
Delete
Number of Dependents
Additional Allowances
Additional State Withholding
Estimated State Withholding
Estimated Deduction Allowances
Special Exemption Amount
Summary
by Employee ID

Employee ID ALVA0001
☐ Inactive
Name Alvarza, Alicia M.
State MI
Name Michigan
Filing Status: Standard Filing Status

Personal Exemptions
☑ Self
☐ Spouse
☐ Blind
☐ Blind Spouse
☐ Over 65
☐ Spouse Over 65
☐ Special Allowance

2. Enter or select an employee ID.

3. Enter the state code for which the employee’s income tax is withheld.

4. Select the appropriate filing status for the employee. The options available will depend on the state code you entered.

If no filing status exists for a state, Not Applicable will appear in the Filing Status list.

5. Enter the number of dependents claimed by this employee as exemptions. Don’t count the employee’s own exemption or that of his or her spouse.

6. Enter the number of personal or itemized exemptions claimed by this employee.

7. Enter the amount that should be withheld from each paycheck if the employee indicated on the state's equivalent of the W-4 form that additional taxes should be withheld from each paycheck. This amount will be added to either the calculated or estimated state withholding to determine the total state withholding for each pay run.
8. Enter the amount of estimated state tax to be withheld from each pay run for employees who estimate their state tax liability instead of using tax table calculations.
   - For the state of California, enter the number of additional withholding allowances for estimated deductions claimed on the DE-4 or W-4 forms.
   - For the state of Mississippi, enter the total exemption amount claimed on the 62-420 form.
9. Mark all the exemptions that the employee has claimed on his or her state's equivalent of the W-4 form. These exemptions are for state tax purposes only.

You can choose Summary in the Employee State Tax Maintenance window to view or edit state tax amounts or financial information for an employee. These fields can be changed only if Edit Financial Fields is marked in the Payroll Setup window.

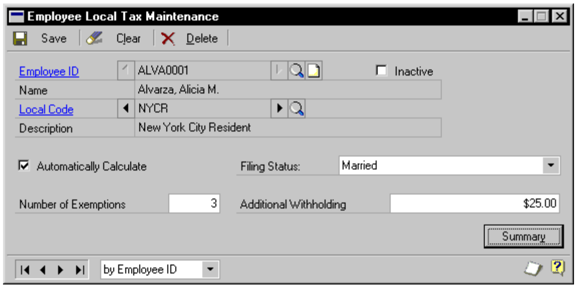
10. Choose Save to save the employee state tax information you've entered.

Entering an employee local tax card

Use the Employee Local Tax Maintenance window to enter and maintain employee local tax cards. Employee local tax cards track individual employees' tax liability to various local government agencies. You also have the option of setting up multiple local taxes for each employee. Refer to *Setting up a local tax* on page 51 for more information.

To enter an employee local tax card:

1. Open the Employee Local Tax Maintenance window.
   (Cards >> Payroll >> Local Tax)



Employee ID: ALVA0001
☐ Inactive
Name: Alvarza, Alicia M.
Local Code: NYCR
Description: New York City Resident
☑ Automatically Calculate
Filing Status: Married
Number of Exemptions: 3
Additional Withholding: $25.00

2. Enter or select an employee ID.

3. Enter or select the code for the local government to which the employee pays taxes.

4. Mark Automatically Calculate if the local tax should be automatically deducted from the pay cards that are subject to local taxes for each pay run. For example, assume you have an employee who lives in a particular city and is subject to that city's tax, regardless of where he or she works.

5. Select a filing status. If you enter a local code that is provided with your accounting system, the Filing Status list will display a description for each filing status. If you entered a new code, Not Applicable will appear in the list.

6. Enter the number of exemptions this employee claims from local taxes if the locality allows exemptions to be taken.

7. Enter any additional withholding the employee requests.

You can choose the Summary button in the Employee Local Tax Maintenance window to view or edit local tax amounts or financial information for an employee. You can edit these fields only if Edit Financial Fields is marked in the Payroll Setup window.

8. Choose Save to save the employee local tax information you've entered.

Chapter 8: Deduction and Benefit Cards

If you also use Human Resources, refer to Chapter 17, "Benefit Enrollment," in the Human Resources People Management manual to enter employee deduction and benefit cards.

After you've set up deduction and benefit codes, you can enter employee deduction and benefit cards based on net, unit or gross pay. Refer to *Setting up a deduction* on page 37 and *Setting up a benefit* on page 42 for more information.

A deduction is an amount that can be withheld from an employee's net, unit or gross pay and a benefit is an amount paid on the employee's behalf, but not directly to the employee.

This information is contained in the following sections:

- *Entering an employee deduction card*
- *Entering an employee benefit card*

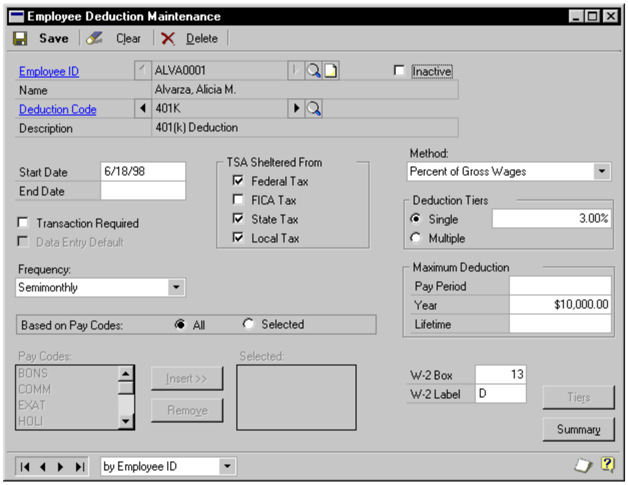
Before entering a card, you should have completed Entering an employee card on page 69.

Entering an employee deduction card

Use the Employee Deduction Maintenance window to enter and maintain employee deduction cards. Deductions can be taken from net, unit or gross pay. Examples of deductions include donations to charities, union dues and contributions to pension plans. You should have set up company deductions already; you can select these deductions for individual employees by entering an employee deduction card.

To enter an employee deduction card:

1. Open the Employee Deduction Maintenance window. (Cards >> Payroll >> Deduction)



Employee ID ALVA0001
☐ Inactive
Name Alvarza, Alicia M.
Deduction Code 401K
Description 401(k) Deduction
Start Date 6/18/98
End Date
☐ Transaction Required
☐ Data Entry Default
Frequency: Semimonthly
TSA Sheltered From
☑ Federal Tax
☐ FICA Tax
☑ State Tax
☑ Local Tax
Method: Percent of Gross Wages
Deduction Tiers
● Single 3.00%
○ Multiple
Maximum Deduction
Pay Period
Year $10,000.00
Lifetime
Based on Pay Codes: ● All ○ Selected
Pay Codes: BONS COMM EXAT HOLI
Selected:
W-2 Box 13
W-2 Label D
by Employee ID

2. Enter or select an employee ID.

3. Enter or select the deduction code for the deduction you’re setting up for this employee.

4. Enter the date that the deduction should take effect. This date should be on or before the ending date of the pay period the first deduction is to be made; otherwise, the deduction won’t be taken.

5. Enter the date that the deduction should end. If it is a continuous deduction, leave this field blank and no ending date will be specified. If the ending date is on or after the ending date for the pay run, the deduction will be taken.

6. Mark Transaction Required if the dollar amount or percentage of the deduction varies each time it’s calculated. For example, if you have an employee purchase plan and the amount you choose to withhold varies each paycheck, or there is no withholding for some paychecks, mark Transaction Required.

If you mark the deduction as transaction required, you'll need to enter a transaction for the amount or percentage of the deduction for each pay run that the deduction is taken.

7. Mark Data Entry Default to use the information in this window when you create a transaction for the deduction code during a payrun.

8. Choose the deduction frequency.

The frequency with which a deduction is taken depends upon selections you make when building paychecks. The selection you make in the Frequency field here will be used to annualize the tax-sheltered deduction when taxes for paychecks are calculated.

9. Mark the taxes from which the deduction is sheltered. If the deduction is a tax-sheltered annuity (TSA), the amount deducted won't be included in the employee's wages when federal, FICA, state or local taxes are calculated. If federal tax is marked, the amount of the deduction won't be included in the Wages, Tips and Other Comp field on the employee's W-2 form.

10. To base the deduction on all pay codes, mark All. If you mark Selected, the pay codes list will be displayed. Highlight each code to base the benefit on and choose Insert to add the pay code to the Selected list.

11. Select a deduction method and choose a single deduction tier or multiple tiers. If you mark Single, enter an amount or percent. If you mark Multiple, choose the Tiers button and the Employee Tiered Deduction Maintenance window will open, where you can enter tiered deductions. Refer to *Deduction tiers* on page 36 for more information.

12. Enter deduction maximums. You can enter the maximum amount an employee can have deducted each pay period, each year and for the entire time the employee works for your company.

13. Enter the number of the box in the W-2 Box Field if the deduction amount needs to be printed in a special box on the W-2 statement. Enter a label, if required, to be printed in the W-2 box.

Choose Summary to view or edit an employee's deduction amounts or financial information. These fields can be changed only if Edit Financial Fields is marked in the Payroll Setup window.

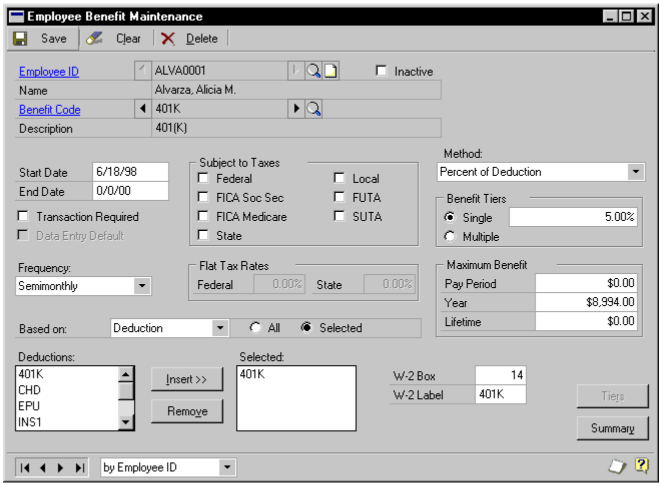
14. Choose Save to save the deduction card.

Entering an employee benefit card

Use the Employee Benefit Maintenance window to enter and maintain employee benefit cards. You can select individual employee cards and apply benefit codes to them by entering an employee benefit card. Benefits can be based upon net, unit or gross pay. Examples of employee benefits include insurance premiums and 401(k) contributions made by the company on behalf of an employee.

To enter an employee benefit card:

1. Open the Employee Benefit Maintenance window. (Cards >> Payroll >> Benefit)



Employee Benefit Maintenance

Employee ID: ALVA0001 ☐ Inactive
Name: Alvarza, Alicia M.
Benefit Code: 401K
Description: 401(K)
Start Date: 6/18/98
End Date: 0/0/00
☐ Transaction Required
☐ Data Entry Default
Subject to Taxes: ☐ Federal ☐ FICA Soc Sec ☐ FICA Medicare ☐ State ☐ Local ☐ FUTA ☐ SUTA
Method: Percent of Deduction
Benefit Tiers: ● Single 5.00% ○ Multiple
Frequency: Semimonthly
Flat Tax Rates: Federal 0.00% State 0.00%
Maximum Benefit: Pay Period $0.00, Year $8,994.00, Lifetime $0.00
Based on: Deduction ○ All ● Selected
Deductions: 401K, CHD, EPU, INS1
Selected: 401K
W-2 Box: 14
W-2 Label: 401K
by Employee ID

2. Enter or select an employee ID.

3. Enter or select the benefit code for the benefit you're setting up.

4. Enter the date that the benefit should take effect. This date should be on or before the ending date of the pay period the first benefit should take effect; otherwise, the benefit won't be calculated.

5. Enter the date that the benefit should end. If it is a continuous benefit, leave this field blank and no ending date will be specified. If the ending date is after or on the ending date for the pay run, the benefit will be taken.

6. Mark Transaction Required if the amount or percentage of the benefit varies each time it's calculated, or there are some paychecks with no benefit. You must enter transactions to include a transaction required benefit in a pay run.

7. Mark Data Entry Default to use the information in this window when you create a transaction for the benefit code during a payrun.

8. Choose the benefit frequency and mark the taxes the benefit is subject to.

9. Select pay codes or deductions to base the benefit on.

   - To base the benefit on all pay codes, select Pay Codes and mark All.

   - To base the benefit on certain pay codes, select Pay Codes and mark Selected. Highlight each code to base the benefit on and choose Insert to add the pay code to the Selected list.

   - To base the benefit on certain deductions, select Deductions and mark Selected. Highlight each code to base the benefit on and choose Insert to add the deduction code to the Selected list.

10. Select a calculation method and choose a single benefit tier or multiple tiers. If you select a single amount or percent, enter an amount or percent. If you select multiple tiers, choose the Tiers button and the Employee Tiered Benefit Maintenance window will open, allowing you to enter tiered benefits. Refer to *Benefit tiers* on page 41 for more information.

11. Enter benefit maximums. You can enter the maximum amount each employee can receive for this benefit for each pay period, year or lifetime.

12. Enter the number of the box in the W-2 Box field if the benefit amount needs to be printed in a special box on the W-2 statement. Enter a label, if required, to be printed in the W-2 box.

Choose Summary to view or edit an employee's benefit amounts or financial information. These fields can be changed only if Edit Financial Fields is marked in the Payroll Setup window.

13. Choose Save to save the benefit card.

Chapter 9: Beginning Balances

If you're setting up Payroll for the first time and the calendar year has already started, you should enter beginning balances to ensure that your monthly, quarterly and yearly financial amounts are correct, as well as to correctly process W-2 statements at the end of the year.

This information is contained in the following sections:

- *Changing posting settings before you enter beginning balances*
- *Entering beginning balances*
- *Posting beginning balances*
- *Resetting posting settings*

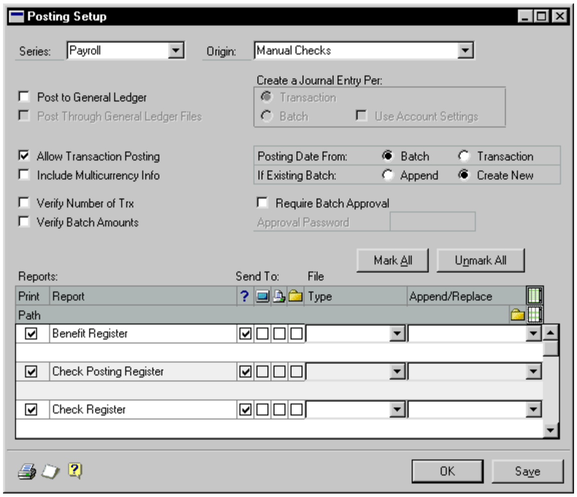
Changing posting settings before you enter beginning balances

Use the Posting Setup window to change the posting settings so the transactions won't post to General Ledger.

Before you change posting settings or beginning balances, be sure to mark the appropriate boxes in the Payroll Setup window for maintaining check, transaction and account distribution history if you plan to save any type of historical information. Historical information will be created as you post transactions, if you've selected to keep history in the Payroll Setup window. Refer to *Setting up Payroll default entries* on page 16 for more information.

To change posting settings:

1. Open the Posting Setup window.
   (Setup >> Posting >> Posting)



Series: Payroll
Origin: Manual Checks

☐ Post to General Ledger
☐ Post Through General Ledger Files

Create a Journal Entry Per:
● Transaction
○ Batch
☐ Use Account Settings

☑ Allow Transaction Posting
☐ Include Multicurrency Info

Posting Date From: ● Batch ○ Transaction
If Existing Batch: ○ Append ● Create New

☐ Verify Number of Trx
☐ Verify Batch Amounts

☐ Require Batch Approval
Approval Password

Reports:

Print	Report	Send To:	File Type	Append/Replace
☑	Benefit Register	☑ ☐ ☐ ☐		
☑	Check Posting Register	☑ ☐ ☐ ☐		
☑	Check Register	☑ ☐ ☐ ☐		

2. Select Payroll as the series and Manual Checks as the origin.

3. Unmark Post to General Ledger, if General Ledger is part of your Payroll system. If you use Bank Reconciliation, transactions will still post to there.

4. Choose Save and close the Posting Setup window.

Entering beginning balances

Use the Payroll Manual Check-Adjustment Entry window to create a batch of transactions for your beginning balances. A batch is a group of transactions identified by a name or number. For more information, refer to *Creating Payroll batches* on page 105.

You have several options when entering beginning balances:

- You can enter every check for each employee that has been paid so far this year.

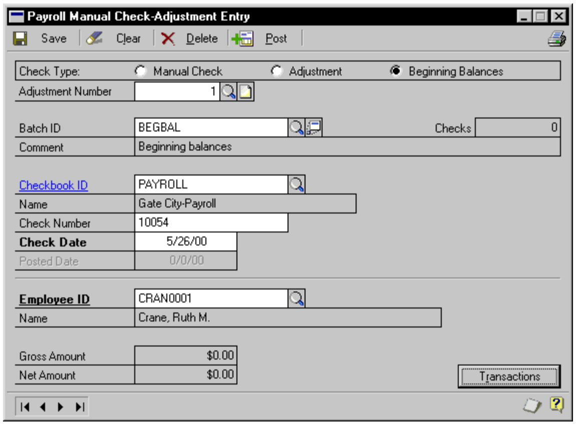
- You can enter an amount for each month for each employee.

- You can enter an amount for each quarter for each employee. If you select this method, you won’t be able to print accurate monthly reports.

- You can enter a total amount for the year to date for each employee. If you select this option, you won’t be able to print accurate monthly or quarterly reports for this time period, but you’ll be able to print accurate W-2 statements at the end of the year.

To enter beginning balances:

1. Open the Payroll Manual Check-Adjustment Entry window. (Transactions >> Payroll >> Manual Checks)



Check Type: ○ Manual Check ○ Adjustment ● Beginning Balances
Adjustment Number 1
Batch ID BEGBAL
Checks 0
Comment Beginning balances
Checkbook ID PAYROLL
Name Gate City-Payroll
Check Number 10054
Check Date 5/26/00
Posted Date 0/0/00
Employee ID CRAN0001
Name Crane, Ruth M.
Gross Amount $0.00
Net Amount $0.00

2. Mark Beginning Balances as the check type.

3. Enter an adjustment number and enter or select a batch ID. A batch ID identifies a group of related entries that are posted collectively as a single, complete transaction.

4. Enter a check number. When entering beginning balances, accept the default check number you set up in the Payroll Setup window.

5. Enter a check date to help you track information about individual transactions. You should enter the posting date for the beginning balance transaction. This date should reflect the month the amounts are posted.

6. Enter or select an employee ID.

7. Choose Transactions to open the Payroll Manual Check Transaction window.

8. Select a transaction type and enter or select a code. Then enter the appropriate information for the code. Continue with additional transaction types and codes.

9. Choose Save and close the Payroll Manual Check Transaction Entry window.

10. The Payroll Manual Check-Adjustment Entry window will be displayed. Choose Save to save the transaction.

11. Enter beginning balance information for another employee. Repeat this process until beginning balances have been entered for all employees.

12. Choose File >> Print to print a Manual Check Edit List to verify your beginning balance information.

If you identify errors in transactions on the edit list, refer to Correcting manual check transactions on page 122 for more information.

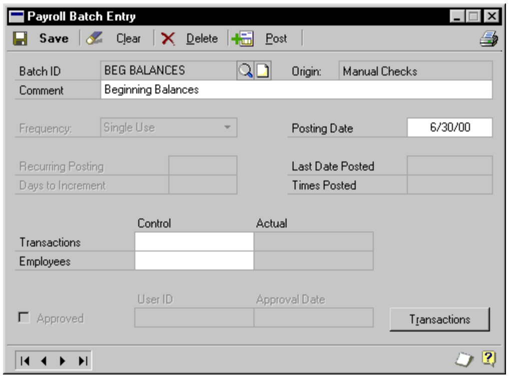
Posting beginning balances

Use the Payroll Batch Entry window to post beginning balances.

Always back up your company's accounting data before posting batches of transactions. If there is a power fluctuation or some other posting problem, you can easily restore your data and begin the posting process again. For more information about making backups, refer to the System Administrator manual.

To post beginning balances:

1. Open the Payroll Batch Entry window.
   (Transactions >> Payroll >> Manual Checks >> Batch ID expansion button)


Payroll Batch Entry
Save
Clear
Delete
Post
Recurring Posting
Days to Increment
Last Date Posted
Times Posted
Control
Actual
Transactions
Employees
User ID
Approval Date
☐ Approved
Transactions

Batch ID BEG BALANCES
Origin: Manual Checks
Comment Beginning Balances
Frequency: Single Use
Posting Date 6/30/00

2. Choose Post. Depending on how you entered the transactions, the posted amount will be reflected for the month and for the year-to-date figure as each employee's beginning balance.

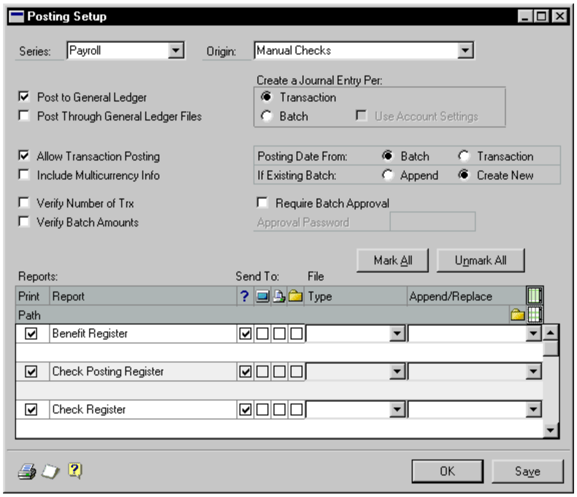
   An audit trail code automatically will be assigned to these transactions as they're posted. You can use audit trail codes to trace the posting sequence of a transaction back to the check. The audit trail code for the beginning balance transactions will have the prefix UPRMC. For more information about how to use audit trail codes, refer to the System User's Guide manual.

Resetting posting settings

Use the Posting Setup window to reset the posting settings after you have entered beginning balances.

To reset the posting settings:

1. Open the Posting Setup window.
   (Setup >> Posting >> Posting)



Posting Setup

Series: Payroll
Origin: Manual Checks

☑ Post to General Ledger
☐ Post Through General Ledger Files

Create a Journal Entry Per:
● Transaction
○ Batch ☐ Use Account Settings

☑ Allow Transaction Posting
☐ Include Multicurrency Info

Posting Date From: ● Batch ○ Transaction
If Existing Batch: ○ Append ● Create New

☐ Verify Number of Trx
☐ Verify Batch Amounts

☐ Require Batch Approval
Approval Password

Reports:

Print	Report	Send To: ?				File Type	Append/Replace
☑	Benefit Register	☑	☐	☐	☐		
☑	Check Posting Register	☑	☐	☐	☐		
☑	Check Register	☑	☐	☐	☐		

2. Choose Payroll as the series and Manual Checks as the origin.

3. Mark Post to General Ledger, if General Ledger is part of your accounting system.

4. Choose Save and close the Posting Setup window.

PART 3: TRANSACTIONS

Part 3: Transactions

This part of the documentation describes how to create Payroll batches and transactions.

The following information is discussed:

Chapter 10, “Payroll Batches,” explains how to create batches to use just one time, or recurring batches for transactions you enter on a regular basis. Batches can be identified as a group of transactions entered by a specific employee, or a group of transactions entered on a particular date.

Chapter 11, “Payroll Transactions,” describes how to create Payroll check transactions including computer check transactions and manual check transactions.

Chapter 10: Payroll Batches

Batches are groups of transactions—accounting entries that change the balance of liability, revenue, asset or expense accounts—identified by a name or a number, that are used for identification purposes and to make the posting process easier. Entering and posting transactions in batches lets you group similar transactions during data entry and review them before posting at a later time. You can create batches that you use just one time, or recurring batches for transactions you enter on a regular basis. Batches can be a group of transactions entered by a specific employee, or a group of transactions entered on a particular date.

Payroll batches have either Manual Check or Computer Check as their origin. Since batches can use only one origin, you can have batches with the same name, but different origins.

For information about entering transactions with different origins, refer to *Entering manual check transactions* on page 119 or *Entering Payroll computer check transactions* on page 114.

This information is contained in the following sections:

- *Batch frequencies*
- *Batch requirements and approval options*
- *Posting transactions*
- *Creating Payroll batches*
- *Deleting or correcting Payroll batches*
- *Posting Payroll batches*

Batch frequencies

You can create both recurring and single-use batches for computer check transactions; however, manual check transactions must be posted in single-use batches.

Individual transactions are entered and used one time only and will be deleted automatically when the posting process is complete.

Recurring transactions can be entered once and then posted an unlimited number of times. You might create a recurring a batch for employees who receive the same pay type each pay period. When you enter a recurring batch, you can select the frequency to post the transactions and specify the number of times to repeat posting. You must post the batch at the interval you select, but you won’t have to enter the transactions in the batch again. You will use the Build Payroll Checks window to enter a recurring batch and post it using the Post Payroll Checks window.

Depending on what you entered in the Posting Setup window, you might not have access to the batch requirements and approval options.

Batch requirements and approval options

You can use batch requirements to ensure the accuracy and security of the batches you’ve entered by specifying a required number of transactions and employees that must be entered before a batch can be posted. These required numbers will appear on edit lists, posting journals and reprint posting journals.

In addition, you can require batches be approved before posting. When all transactions in the batch are complete and accurate, you can mark Approved in the Payroll Batch Entry window and enter the password required. The date that the batch was approved and the user ID for the person who approved the batch will appear on all edit lists, manual check posting journals and reprinted posting journals.

The options to approve batches and to require passwords before posting will be available only if you’ve marked Require Batch Approval and entered a batch approval password in the Posting Setup window. If you haven’t marked Require Batch Approval and entered a password, batches will be assigned a status of either Available or Marked before posting and passwords won’t be required.

Posting transactions

Posting is the process of transferring transactions to permanent records. As transactions are entered, they’re stored in work tables, and can be changed or deleted until they’re posted. A batch of transactions can’t be posted if anyone is making changes to it.

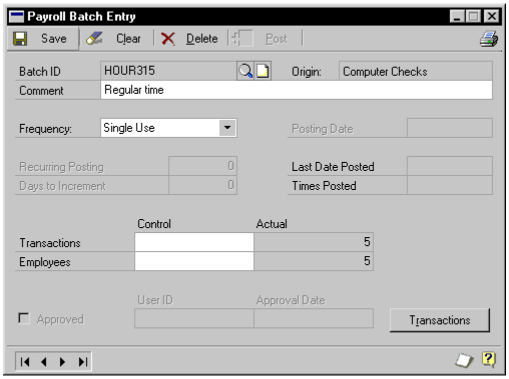
In Payroll, posting updates the balances that are displayed in the Employee Summary window, so you can view up-to-date information for your employees. Your checkbook is also updated when you post, if you’re using Bank Reconciliation. For more information, refer to Bank Reconciliation documentation.

Creating Payroll batches

Use the Payroll Batch Entry window to create a batch—a group of transactions identified by a name or number. Each transaction in a batch must have the same origin. Entering and posting transactions in batches lets you group similar transactions during data entry and review them before posting at a later time.

To create Payroll batches:

1. Open the Payroll Batch Entry window.
   (Transactions >> Payroll >> Batches)


Payroll Batch Entry
Save
Clear
Delete
Post
Posting Date
Last Date Posted
Times Posted
Control
Actual
User ID
Approval Date
☐ Approved
Transactions

Batch ID: HOUR315
Origin: Computer Checks
Comment: Regular time
Frequency: Single Use
Recurring Posting: 0
Days to Increment: 0
Transactions (Actual): 5
Employees (Actual): 5

2. Enter a batch ID to identify the batch and select a batch origin.

3. Enter a batch comment, such as a brief description of the transactions that will be entered in the batch.

4. If you selected Computer Check as the origin, select a frequency.

5. If you selected Manual Check as the origin, enter a posting date. The default posting date is the user date, but it can be changed to post the batch as of a different date. If you assign a manual check to a batch, it will be posted on the posting date, whether Transaction or Batch is marked in the Posting Setup window.

   If you're using a manual check and not using a batch, you must post transactions using the date entered in the Manual Check-Adjustment Entry window.

6. Enter any requirements for posting the batch, such as recurring posting days or transaction totals.

7. Choose Save to save the batch.

8. Enter or select the batch ID and choose Transactions to enter transactions in the batch.

   - If the origin is Manual Check, the Payroll Manual Check-Adjustment Entry window will open.

   - If the origin is Computer Check, the Go To window will open, where you can choose to open the Payroll Transaction Entry window or the Payroll Mass Transaction Entry window.

   For more information, refer to *Entering employee mass transactions* on page 112, *Entering Payroll computer check transactions* on page 114 or *Entering manual check transactions* on page 119.

9. When you've entered and saved all transactions for a batch, return to the Payroll Batch Entry window and select the batch ID.

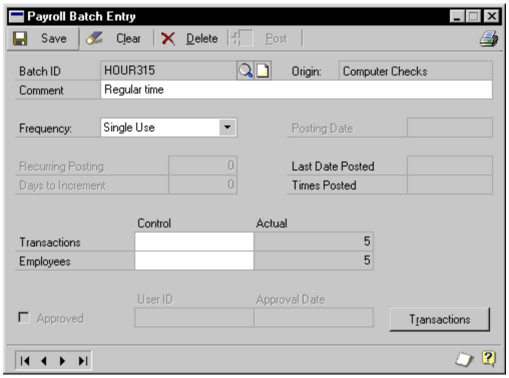
10. Choose File >> Print to print a Transaction Edit List to verify your entries.

Deleting or correcting Payroll batches

Use the Payroll Batch Entry window to change or delete an unposted batch. Recurring batches are deleted automatically after the batch has been posted the number of times you specify in the Recurring Posting field. To make changes to specific transactions in a batch after they're posted, refer to *Correcting Payroll computer check transactions* on page 118 or *Correcting manual check transactions* on page 122 for more information.

To delete or correct Payroll batches:

1. Open the Payroll Batch Entry window.
   (Transactions >> Payroll >> Batches)


Payroll Batch Entry
Save
Clear
Delete
Post
Posting Date
Last Date Posted
Times Posted
Control
Actual
User ID
Approval Date
☐ Approved
Transactions

Batch ID HOUR315
Comment Regular time
Origin: Computer Checks
Frequency: Single Use
Recurring Posting 0
Days to Increment 0
Transactions 5
Employees 5

2. Enter or select a batch ID. If you enter a batch ID, you must also enter the batch origin before information about the batch will be displayed.

3. Make the changes and choose Save.

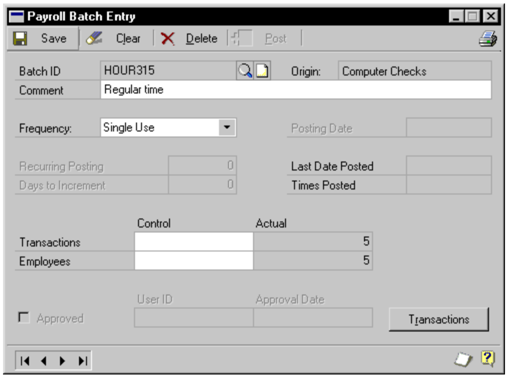
4. To delete the batch, choose Delete.

Posting Payroll batches

Use the Payroll Batch Entry window to post a single batch. Before you post a payroll batch, you should print an edit list and review the transactions in the batch. To print an edit list from the Payroll Batch Entry window, choose File >> Print, with the appropriate batch ID displayed. If you need to make corrections, do so at this time. You also should make a backup of your company's data. Refer to the System Administrator manual for more information about making backups.

To post Payroll batches:

1. Open the Payroll Batch Entry window.
   (Transactions >> Payroll >> Batches)



Batch ID: HOUR315
Origin: Computer Checks
Comment: Regular time
Frequency: Single Use
Posting Date
Recurring Posting: 0
Days to Increment: 0
Last Date Posted
Times Posted

	Control	Actual
Transactions		5
Employees		5

☐ Approved
User ID
Approval Date

2. Enter or select the batch ID and origin for the batch to post.

   Only batches with a manual check origin can be posted in this window.

3. Approve the batch for posting, if required. Once approved, a batch can't be edited unless you unmark Approved.

4. Choose Post. Your Payroll records will be updated to reflect the information from the transactions and general ledger accounts will be updated, depending on your posting setup selections in the Posting Setup window.

   - If you post to General Ledger, the batch appears in the Financial Series Posting and Master Posting windows. You can edit the transactions in the General Ledger Transactions Entry window before posting them again. Your accounts are updated when you post the transactions in General Ledger.

   - If you post through General Ledger, your accounts are updated at once and you don't need to post the batch again in General Ledger.

If you enter batch total requirements or batch approval requirements in Payroll and post a batch through General Ledger, the batch is posted through regardless of the batch requirement or approval requirements that are selected in General Ledger.

One or more posting journals might be printed, depending on the options marked in the Posting Setup window.

Chapter 11: Payroll Transactions

A paycheck is a group of transactions involving a single employee. You might pay an employee a month's salary, which is one transaction. You might also withhold income taxes and the employee's portion of insurance payments and contributions to a 401(k) plan. You can also record vacation accrued and your company's portion of 401(k) contributions for the employee. Each of these items is a separate transaction and you can have all the transactions that apply to an employee put into a single paycheck.

You can automatically create many of the payroll transactions for your employees during the process of building checks. If you have a group of employees who receive a regular salary, you won't have to enter individual transactions for the salary pay; the build checks process creates them for you, along with transactions for the applicable taxes, benefits and deductions.

Payroll check transactions include computer check transactions and manual check transactions. You must enter Payroll transactions in batches. To print edit lists for transactions, the transactions must be part of a batch. For more information, refer to Chapter 10, "Payroll Batches."

If you're using Human Resources and accruing benefit time using attendance, refer to the People Management manual for information on creating Payroll transactions.

This information is contained in the following sections:

- *Entering employee mass transactions*
- *Entering Payroll computer check transactions*
- *Correcting Payroll computer check transactions*
- *Entering manual check transactions*
- *Correcting manual check transactions*
- *Processing advance pay runs*
- *Building Payroll checks*
- *Calculating Payroll checks*
- *Printing and posting checks*
- *Voiding a Payroll check*

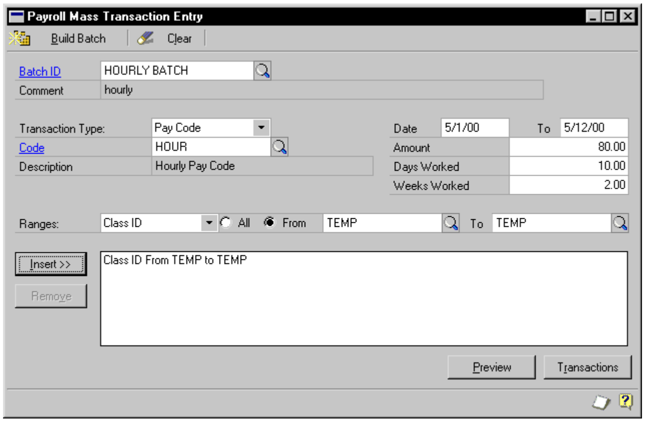
Entering employee mass transactions

Use the Payroll Mass Transaction Entry window to add similar pay transactions, transaction required deductions or transaction required benefits quickly when the same transactions apply to a range of employees.

You can exclude individual employee records from a mass transaction entry. For example, you might be giving all your employees a bonus, but one of them hasn't worked at your company long enough to be eligible for bonus pay.

To enter employee mass transactions:

1. Open the Payroll Mass Transaction Entry window. (Transactions >> Payroll >> Mass Entry)



Batch ID: HOURLY BATCH
Comment: hourly
Transaction Type: Pay Code
Code: HOUR
Description: Hourly Pay Code
Date: 5/1/00 To 5/12/00
Amount: 80.00
Days Worked: 10.00
Weeks Worked: 2.00
Ranges: Class ID ○ All ● From TEMP To TEMP

Class ID From TEMP to TEMP

2. Create or select a batch ID. If you enter a new batch ID, the message, Do you want to add this batch? Choose Add to open the Payroll Batch Entry Window. Refer to *Creating Payroll batches* on page 105 for more information.

3. Select a transaction type and enter or select the appropriate code for the employees.

4. Enter start and end dates for the transaction. To track the number of days and weeks worked for SUTA and workers' compensation purposes, you must have marked the Track Days Worked and Track Weeks Worked options in the Payroll Setup window.

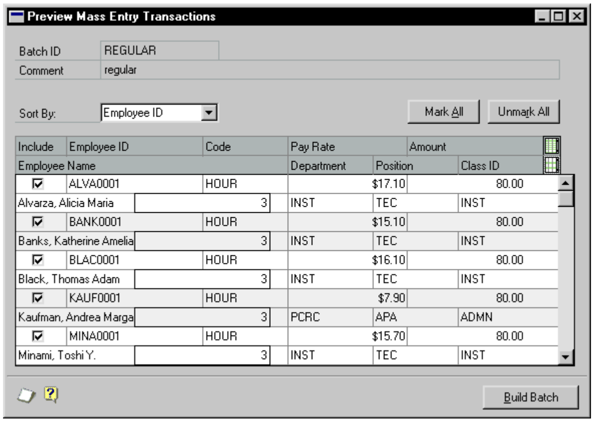
5. Depending on the transaction type and pay code, you might need to enter the pay amount, hours or units, transaction required deduction or transaction required benefit amount, or the transaction required deduction or transaction required benefit percentage.

6. To create transactions for a specific range of employees, enter or select starting and ending ranges or mark All to include all employees.

   The system will create a pay transaction, a transaction required deduction transaction or a transaction required benefit transaction for each employee within the designated range for whom corresponding cards have been set up.

7. Choose Insert to save the range.

8. Choose Preview to open the Preview Mass Entry Transaction window and view or make changes to the transactions that will be created.



Batch ID REGULAR
Comment regular
Sort By: Employee ID

Include	Employee ID	Code	Pay Rate		Amount
Employee Name			Department	Position	Class ID
☑	ALVA0001	HOUR	$17.10		80.00
Alvarza, Alicia Maria		3	INST	TEC	INST
☑	BANK0001	HOUR	$15.10		80.00
Banks, Katherine Amelia		3	INST	TEC	INST
☑	BLAC0001	HOUR	$16.10		80.00
Black, Thomas Adam		3	INST	TEC	INST
☑	KAUF0001	HOUR	$7.90		80.00
Kaufman, Andrea Marga		3	PCRC	APA	ADMN
☑	MINA0001	HOUR	$15.70		80.00
Minami, Toshi Y.		3	INST	TEC	INST

9. When you've finished, close the window to return to the Payroll Mass Transaction Entry window.

10. To edit an individual transaction, choose Transactions. The Payroll Transaction Entry window will open. Enter or select the batch to edit, and change the appropriate information. For more information about changing or deleting transactions, refer to *Correcting Payroll computer check transactions* on page 118.

11. Choose Build Batch in the Payroll Mass Transaction Entry window or the Preview Mass Entry Transaction window to create the transactions for the selected employees. Close the window when you've finished. You'll have the option to print the Payroll Audit Report.

Entering Payroll computer check transactions

Use the Payroll Transaction Entry window to enter computer check transactions and to edit pay rates for hourly and piecework pay types, or overtime, vacation, sick or holiday pay types that are based on hourly or piecework pay types. You must enter Payroll transactions in a batch.

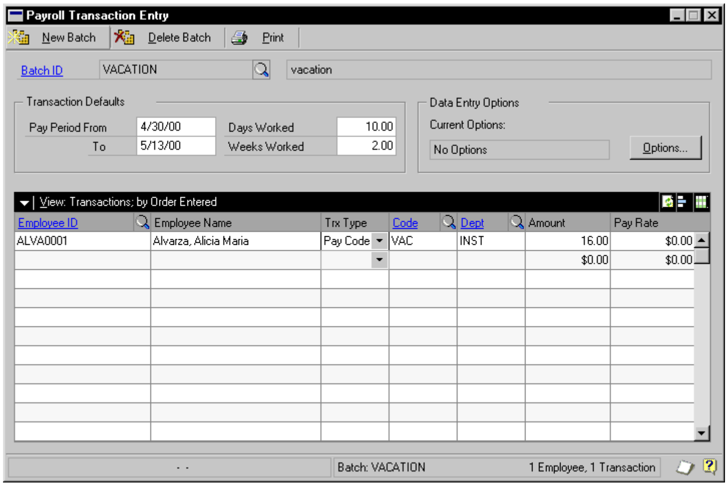
You usually won't need to enter transactions for Salary pay types. Salary pay is included automatically in a pay run. You'll only need to enter transactions for a salary pay type to reduce dollars or hours, reallocate dollars or hours, or add an additional amount of hours. Refer to online help for an explanation for each option. For example, you might need to make a salary reduction if an employee takes a day off without pay, or you might need to reallocate hours if an employee worked in a department or job other than his or her regular department or job. For more information, refer to *Building Payroll checks* on page 127.

A transaction number automatically is assigned to each transaction; the numbers are used to differentiate transactions. The transactions will be removed from the batch when checks are posted—unless they're recurring transactions.

To enter Payroll computer check transactions:

1. Open the Payroll Transaction Entry window.
   (Transactions >> Payroll >> Transaction Entry)

The first time you open the window, you'll have the option to open the Payroll Transaction Entry window or the Payroll Mass Transaction Entry window.


Payroll Transaction Entry
New Batch
Delete Batch
Print
Transaction Defaults
Data Entry Options
Options...
View: Transactions; by Order Entered

Batch ID: VACATION — vacation

Pay Period From: 4/30/00
To: 5/13/00
Days Worked: 10.00
Weeks Worked: 2.00

Current Options: No Options

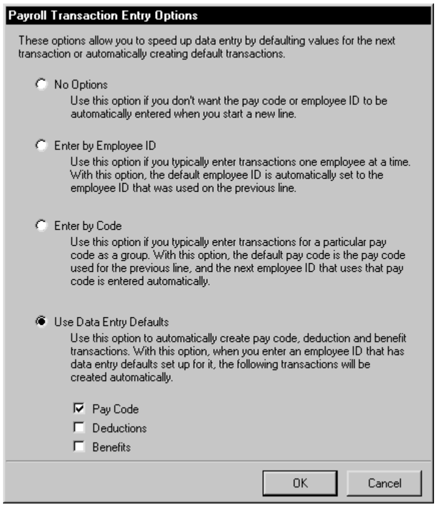
Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
ALVA0001	Alvarza, Alicia Maria	Pay Code	VAC	INST	16.00	$0.00
					$0.00	$0.00

Batch: VACATION   1 Employee, 1 Transaction

2. Create or select a batch ID. For more information, refer to *Creating Payroll batches* on page 105.

3. Enter the pay period dates for the transaction and the default number of days and weeks worked during the pay period, if your company tracks those worked by each employee. You can change the dates for a transaction.

4. Choose Options to open the Payroll Transaction Entry Options window. The option you mark in this window will help speed up your data entry by using default values for the next transaction or automatically creating default transactions. Refer to online help for more information.



These options allow you to speed up data entry by defaulting values for the next transaction or automatically creating default transactions.

○ No Options
Use this option if you don't want the pay code or employee ID to be automatically entered when you start a new line.

○ Enter by Employee ID
Use this option if you typically enter transactions one employee at a time. With this option, the default employee ID is automatically set to the employee ID that was used on the previous line.

○ Enter by Code
Use this option if you typically enter transactions for a particular pay code as a group. With this option, the default pay code is the pay code used for the previous line, and the next employee ID that uses that pay code is entered automatically.

● Use Data Entry Defaults
Use this option to automatically create pay code, deduction and benefit transactions. With this option, when you enter an employee ID that has data entry defaults set up for it, the following transactions will be created automatically.

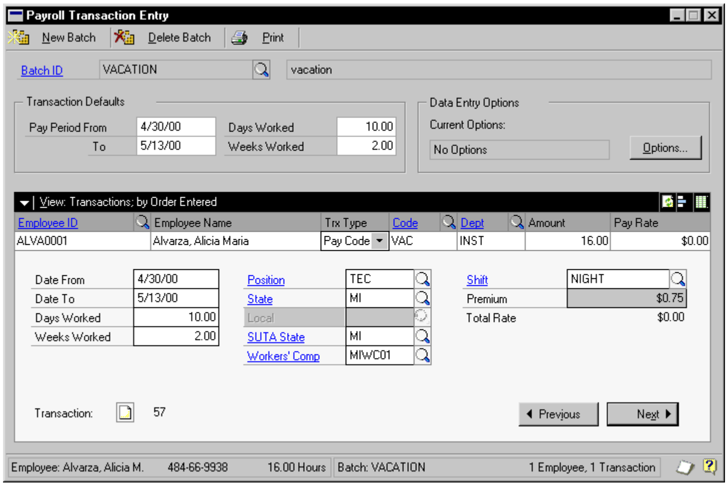
☑ Pay Code
☐ Deductions
☐ Benefits

5. Choose OK in the Payroll Transaction Entry Options window. The Payroll Transaction Entry window will be displayed.

6. Enter or select an employee ID and select a transaction type.

7. Enter or select the appropriate code for the employee.

8. Choose View: Transactions >> Show Detail to display additional fields.



Payroll Transaction Entry

Batch ID: VACATION — vacation

Transaction Defaults
Pay Period From: 4/30/00
To: 5/13/00
Days Worked: 10.00
Weeks Worked: 2.00

Data Entry Options
Current Options: No Options

View: Transactions; by Order Entered

Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
ALVA0001	Alvarza, Alicia Maria	Pay Code	VAC	INST	16.00	$0.00

Date From: 4/30/00
Date To: 5/13/00
Days Worked: 10.00
Weeks Worked: 2.00
Position: TEC
State: MI
Local:
SUTA State: MI
Workers' Comp: MIWC01
Shift: NIGHT
Premium: $0.75
Total Rate: $0.00

Transaction: 57

Employee: Alvarza, Alicia M. 484-66-9938 16.00 Hours Batch: VACATION 1 Employee, 1 Transaction

9. If needed, edit the department, position, state tax, local tax, workers' compensation codes, the unemployment state and shift information; these were previously entered in the Employee Maintenance and Employee Pay Code Maintenance windows and appear as default entries.

10. Enter Receipts if the pay code you've chosen is Charged Tips or Reported Tips. Refer to Appendix B, "Tracking Tips Wages," for complete information about tracking tips in Payroll.

11. Select a salary change option if the pay code you selected is Salary. The Payroll Salary Adjustment window will open where you can select a salary change and enter the amount or number of hours to adjust the salary by. Refer to online help for more information.

12. To delete a transaction in the Payroll Transaction Entry window, select the row and choose Edit >> Delete Row or choose the delete row icon button. If you've identified errors in transactions on the edit list, refer to *Correcting Payroll computer check transactions* on page 118.

13. Choose File >> Print to print a Payroll Transaction Edit List to verify your entries.

You can print the Payroll Transaction Audit report when you close this window. This report shows all the transactions that were added, changed or deleted since the last time you used the Payroll Transaction Entry window.

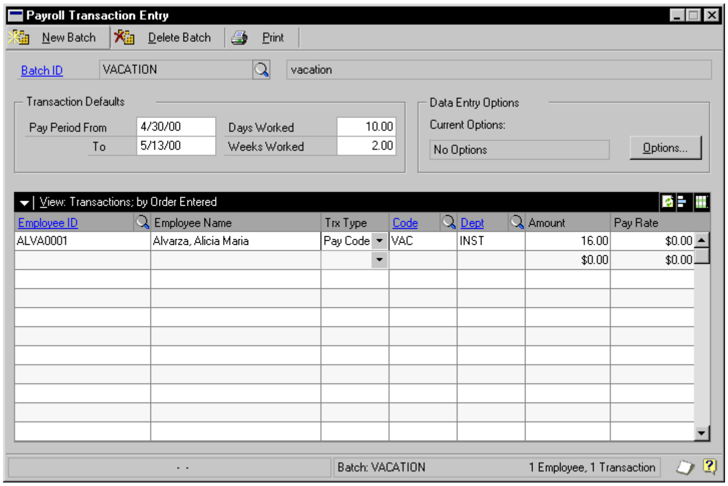
Correcting Payroll computer check transactions

Use the Payroll Transaction Entry window to make corrections to your transactions. If you've identified an error on the Check File Report or the Calculate Checks Report, you must first remove the check build. Use the Build Payroll Checks window to remove the check build. After you remove the check build, you can continue making corrections.

If the errors are due to including the wrong range of employees or you forgot to include a deduction or benefit, make the change using the Build Payroll Checks window, then choose Rebuild. If the transaction has been posted, void the check using the Void Payroll Checks window (Transactions >> Payroll >> Void Checks) and reenter the information. For more information, refer to Voiding a Payroll check on page 133.

To correct Payroll computer check transactions:

1. Open the Payroll Transaction Entry window.
   (Transactions >> Payroll >> Transaction Entry)



Batch ID: VACATION — vacation

Pay Period From: 4/30/00
To: 5/13/00
Days Worked: 10.00
Weeks Worked: 2.00

Current Options: No Options

Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
ALVA0001	Alvarza, Alicia Maria	Pay Code	VAC	INST	16.00	$0.00
					$0.00	$0.00

Batch: VACATION — 1 Employee, 1 Transaction

2. Enter or select a batch ID.

3. Select the row that contains the information to change and change the incorrect information, if the transaction hasn't been posted.

4. Choose File >> Print to print an edit list to verify your entries.

   Once you've checked the entries on the edit list, you can process the computer check run. For more information, refer to Building Payroll checks on page 127.

Depending on how your Payroll system has been set up, posting journals might be printed automatically when you post computer checks. Posting journals provide a record of the changes you've made in transaction entry. For more information about posting options, refer to the System Setup manual.

Entering manual check transactions

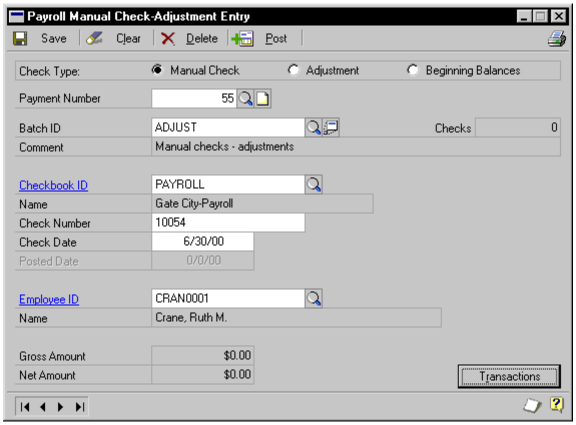
Use the Payroll Manual Check-Adjustment Entry window to record manually written paychecks. You also can reverse a previously written manual or computer check and enter adjustments to make corrections to employee financial information using this window.

A default payment number or adjustment number will be displayed from the Payroll Setup window. A payment number identifies a group of related entries that are posted collectively as a single, complete transaction or check. An adjustment number identifies a group of adjustments that you make in this window that are posted collectively as a single, complete transaction. You can change this number.

An adjustment doesn't affect gross or net wages since you're not issuing a check and can be posted only if the gross and net amounts are zero.

To enter manual check transactions:

1. Open the Payroll Manual Check-Adjustment Entry window. (Transactions >> Payroll >> Manual Checks)



Check Type: ● Manual Check ○ Adjustment ○ Beginning Balances
Payment Number 55
Batch ID ADJUST
Checks 0
Comment Manual checks - adjustments
Checkbook ID PAYROLL
Name Gate City-Payroll
Check Number 10054
Check Date 6/30/00
Posted Date 0/0/00
Employee ID CRAN0001
Name Crane, Ruth M.
Gross Amount $0.00
Net Amount $0.00

2. Select a check type.

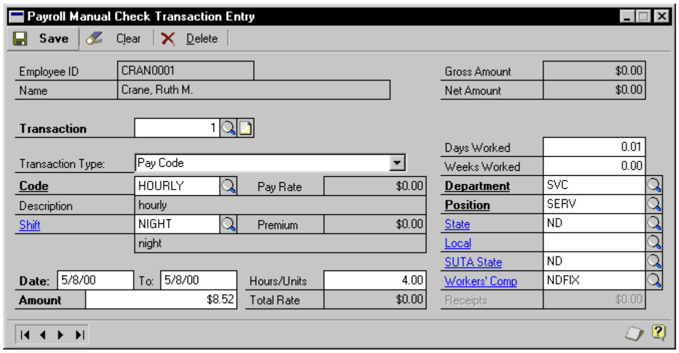
3. Enter or select a batch ID.

4. Enter or select the checkbook ID from which this check was issued. Then, either accept the default number or enter a new check number and the date you issued the check.

   If the transaction doesn't have a batch ID assigned to it, you can enter a Posted Date. If there is a batch ID assigned, the Posted Date comes from the Payroll Batch Entry window.

5. Enter or select the ID of the employee the check was written for.

6. Choose Transactions to open the Payroll Manual Check Transaction Entry window, where you can enter transactions for the manual check.



Employee ID: CRAN0001
Name: Crane, Ruth M.
Gross Amount: $0.00
Net Amount: $0.00
Transaction: 1
Days Worked: 0.01
Weeks Worked: 0.00
Transaction Type: Pay Code
Code: HOURLY
Pay Rate: $0.00
Description: hourly
Shift: NIGHT
Premium: $0.00
night
Department: SVC
Position: SERV
State: ND
Local:
SUTA State: ND
Workers' Comp: NDFIX
Date: 5/8/00 To: 5/8/00
Hours/Units: 4.00
Amount: $8.52
Total Rate: $0.00
Receipts: $0.00

If the manual check entry is being used to reverse a previous check, enter negative amounts. All your entries will be posted as negative amounts, offsetting the amounts of the earlier check.

7. Select the transaction type that applies to this transaction.

8. Enter or select the appropriate transaction code and enter or select the appropriate shift code, if applicable.

9. Enter start and end dates for the transaction and the amount or hours/ units to reverse.

10. Enter the number of days and weeks worked during the pay period if your company tracks those worked by each employee.

11. If needed, edit the department, position, state tax, local tax, workers’ compensation codes, the unemployment state and shift information; these were previously entered in the Employee Maintenance and Employee Tax information windows and appear as default entries. If you’re entering a pay code transaction, you can select other codes.

12. Choose Save in the Payroll Manual Check Transaction Entry window to save the transaction.

13. Choose File >> Print in the Payroll Manual Check-Adjustment Entry window to print a Manual Check Edit List to verify your entries. If you've identified errors in transactions on the edit list, refer to *Correcting manual check transactions* on page 122 for more information.

14. Choose Post to post the check. Depending on the way your Payroll system has been set up, posting journals might be printed when you post batches. When you post transactions individually, the Check Register will be printed when the Payroll Manual Check-Adjustment Entry window is closed.

    To post manual checks individually, the Batch ID field must be blank. Manual checks must be posted at this point using transaction-level posting; transactions entered individually can't be saved and posted later. All transactions posted individually during a single data entry session will have the same audit trail code.

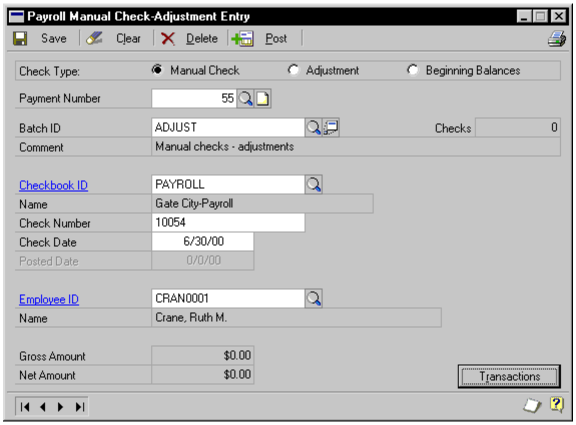
Correcting manual check transactions

Use the Payroll Manual Check-Adjustment Entry window to enter adjustments for manual checks. If you've identified an error on a check that's been posted already, you can void the check using the Void Payroll Checks window.

If you're not keeping check and transaction history or if you're voiding a check from a previous year, you'll need to reverse the check using the Payroll Manual Check-Adjustment Entry and Payroll Manual Check Transaction Entry windows. To reverse a check, enter the check information using negative amounts. After you've entered these amounts you can issue a correct check using either computer or manual check processes.

To correct manual check transactions:

1. Open the Payroll Manual Check-Adjustment Entry window. (Transactions >> Payroll >> Manual Checks)



Check Type: ● Manual Check ○ Adjustment ○ Beginning Balances
Payment Number 55
Batch ID ADJUST
Checks 0
Comment Manual checks - adjustments
Checkbook ID PAYROLL
Name Gate City-Payroll
Check Number 10054
Check Date 6/30/00
Posted Date 0/0/00
Employee ID CRAN0001
Name Crane, Ruth M.
Gross Amount $0.00
Net Amount $0.00

2. Enter or select a batch ID and employee ID.

3. Choose Transactions to change information for an unposted transaction.

4. Choose File >> Print to print a Manual Check Edit List to verify your changes.

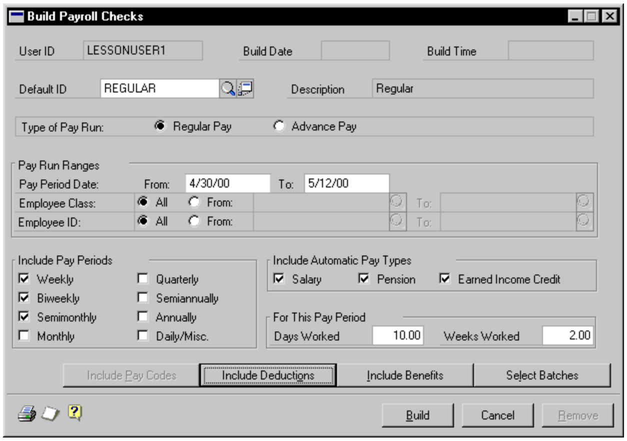
5. Choose Save to save the transaction.

Processing advance pay runs

Use the Build Checks window to process an advance pay run.

To process an advance pay run:

1. Open the Build Payroll Checks window.
   (Transactions >> Payroll >> Build Checks)



Build Payroll Checks

User ID LESSONUSER1 Build Date Build Time

Default ID REGULAR Description Regular

Type of Pay Run: ● Regular Pay ○ Advance Pay

Pay Run Ranges
Pay Period Date: From: 4/30/00 To: 5/12/00
Employee Class: ● All ○ From: To:
Employee ID: ● All ○ From: To:

Include Pay Periods
☑ Weekly ☐ Quarterly
☑ Biweekly ☐ Semiannually
☑ Semimonthly ☐ Annually
☐ Monthly ☐ Daily/Misc.

Include Automatic Pay Types
☑ Salary ☑ Pension ☑ Earned Income Credit

For This Pay Period
Days Worked 10.00 Weeks Worked 2.00

2. Enter or select a default ID. You can enter that default ID the next time you build an identical or similar pay run.

The default ID does not select batches. After entering a default ID, you still must select the batches to process in the Payroll Check Batches window.

3. Mark advance pay. Only salary and commission pay records can be included in an advance pay run.

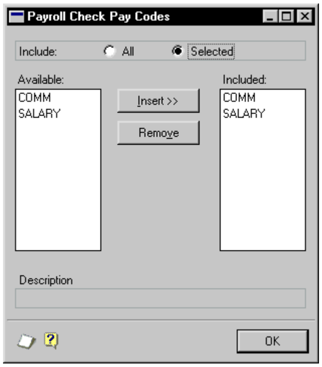
4. Enter the pay period dates and the employee ranges you wish to include in the pay run.

5. Mark the pay periods to include in the pay run if you've selected to include the automatic pay types of salary and pension. For example, if you pay some employees every week and others twice a month, and you're paying both types now, mark both Weekly and Semimonthly.

6. Mark the automatic pay types to be calculated. Refer to online help for an explanation of each type. If you don't select any of these pay codes, checks will be built only for the batches you mark in the Select Batches window.

7. Enter the number of days and weeks worked in this pay period if you’re tracking them. These numbers will be assigned to the automatic pay types, not entered transactions.

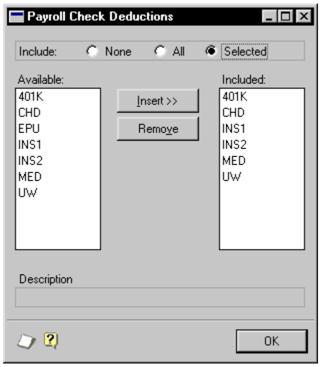
8. Choose Include Pay Codes to open the Payroll Check Pay Codes window where you can select the pay codes to include. When you’ve finished, choose OK to return to the Build Payroll Checks window.


Payroll Check Pay Codes
Insert >>
Remove
Description
OK

Include: ○ All ● Selected

Available:	Included:
COMM	COMM
SALARY	SALARY

9. Choose Include Deductions to open the Payroll Check Deductions window where you can select the deductions to include in this pay run.


Payroll Check Deductions
Insert >>
Remove
Description
OK

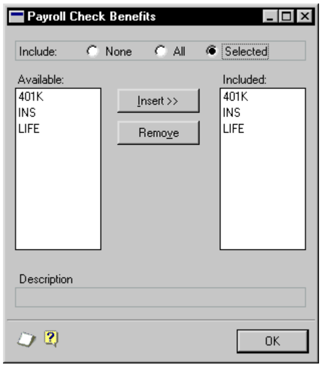
Include: ○ None ○ All ● Selected

Available:	Included:
401K	401K
CHD	CHD
EPU	INS1
INS1	INS2
INS2	MED
MED	UW
UW	

When you’ve finished, choose OK to return to the Build Payroll Checks window.

You must select the deductions and benefits to include in this pay run for the deductions and benefits to be taken. The Include Pay Periods choices you mark have no relevance to the deductions and benefits to include.

10. Choose Include Benefits to open the Payroll Check Benefits window where you can select the benefits to include in this pay run.



Payroll Check Benefits

Include: ○ None ○ All ● Selected

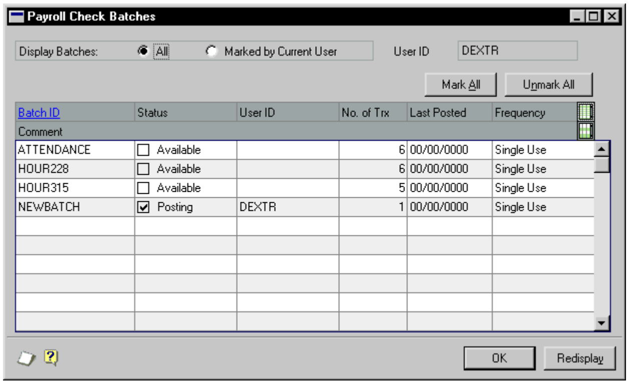
Available:
401K
INS
LIFE

Included:
401K
INS
LIFE

Description

When you've finished, choose OK to return to the Build Payroll Checks window.

11. Choose Select Batches to open the Payroll Check Batches window where you can mark the batches of payroll transactions to process for this pay run.



Payroll Check Batches

Display Batches: ● All ○ Marked by Current User

User ID DEXTR

Batch ID Comment	Status	User ID	No. of Trx	Last Posted	Frequency
ATTENDANCE	☐ Available		6	00/00/0000	Single Use
HOUR228	☐ Available		6	00/00/0000	Single Use
HOUR315	☐ Available		5	00/00/0000	Single Use
NEWBATCH	☑ Posting	DEXTR	1	00/00/0000	Single Use

When you've finished, choose OK to display the Build Payroll Checks window. Any unmarked batches won't be included in the pay run.

12. Choose Build to build the paychecks. The Check File Report will be printed when the build process is complete. This report lists all the transactions that will be included in the pay run.

If the Check File Report contains no errors or warnings, you can proceed with Calculating Payroll checks on page 131. If there are errors, you must correct them in the Transaction Entry window or the Build Checks window. If there are warnings, you can correct them or continue.

Building Payroll checks

Before processing computer checks, you must first build payroll checks. During the check building process, the system will search for all the transactions and employee cards that you've selected to include in the pay run. It also will verify posting accounts and other information.

Use the Build Payroll Checks window to indicate which employees, pay codes, deductions and benefits to include in the pay run. This process is known as building payroll checks and must be done before processing a pay run.

Once the checks have been built, the Check File Report will be printed. This report lists the wages, tax codes, deduction and benefit codes that will affect each employee's paycheck. It also lists any errors or warnings in the build.

- Errors are problems with individual transactions that must be corrected before you can calculate the paychecks.
- Warnings don't prevent you from calculating checks. You'll need to decide whether you should correct the situations causing the warning.

If you decide to ignore the warning, the transaction for which the warning appeared will be either totally or partially ignored, in some cases. For example, if a transaction were subject to local tax, but no local tax code was specified, the transaction would be paid but no local tax would be withheld.

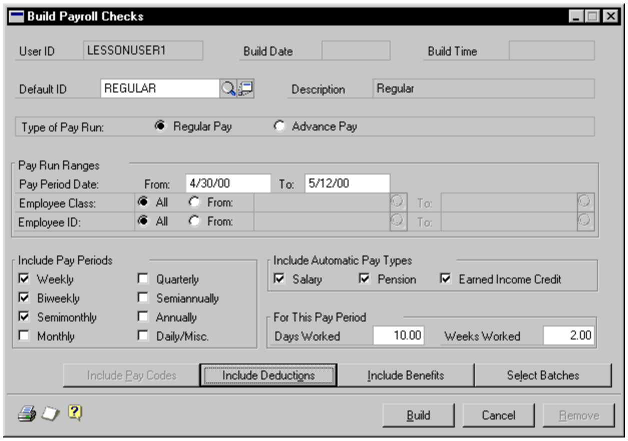
You'll need to remove a build when there are errors that require changes to transactions included in the build.

To remove a build before posting it, choose Remove in the Build Payroll Checks window. Any batches that you marked will be unmarked automatically. Since a batch can't be edited while it's marked, and a batch can't be unmarked if it's included in a build, you must remove the build before editing transactions included in the build. However, when you've finished editing the transaction, you can mark the batch and build the paychecks again.

You can build checks again before they're calculated. Before you build checks, you can change any of the fields in the Build Payroll Checks window. For example, if you forgot to include salary pay in the original build, you can mark the Salary box and then choose Rebuild. A build is removed automatically after the paychecks are calculated, printed and posted.

To build Payroll checks:

1. Open the Build Payroll Checks window.
   (Transactions >> Payroll >> Build Checks)



Build Payroll Checks

User ID: LESSONUSER1
Build Date:
Build Time:
Default ID: REGULAR
Description: Regular
Type of Pay Run: ● Regular Pay ○ Advance Pay

Pay Run Ranges
Pay Period Date: From: 4/30/00 To: 5/12/00
Employee Class: ● All ○ From: To:
Employee ID: ● All ○ From: To:

Include Pay Periods
☑ Weekly ☐ Quarterly
☑ Biweekly ☐ Semiannually
☑ Semimonthly ☐ Annually
☐ Monthly ☐ Daily/Misc.

Include Automatic Pay Types
☑ Salary ☑ Pension ☑ Earned Income Credit

For This Pay Period
Days Worked: 10.00
Weeks Worked: 2.00

2. Enter or select a default ID. You can enter that default ID the next time you build an identical or similar pay run.

The default ID does not select batches. After entering a default ID, you still must select the batches to process in the Payroll Check Batches window.

3. Mark the type of pay run to create; regular pay or advance pay. For more information, refer to Processing advance pay runs on page 123.

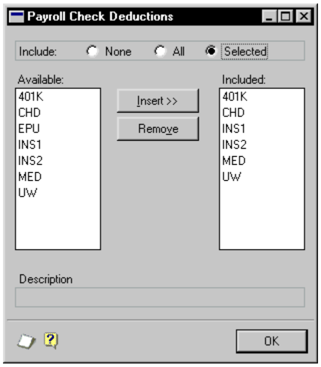
4. Enter the pay period dates and the employee ranges you wish to include in the pay run.

5. Mark the pay periods to include in the pay run if you've selected to include the automatic pay types of salary and pension. For example, if you pay some employees every week and others twice a month, and you're paying both types now, mark both Weekly and Semimonthly.

6. Mark the automatic pay types to be calculated. Refer to online help for an explanation of each type. If you don’t select any of these pay codes, checks will be built only for the batches you mark in the Select Batches window.

7. Enter the number of days and weeks worked in this pay period if you’re tracking them. These numbers will be assigned to the automatic pay types, not entered transactions.

8. Choose Include Deductions to open the Payroll Check Deductions window where you can select the deductions to include in this pay run.



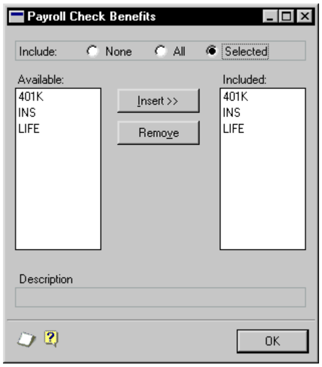
Include: ○ None ○ All ● Selected

Available:	Included:
401K	401K
CHD	CHD
EPU	INS1
INS1	INS2
INS2	MED
MED	UW
UW	

When you’ve finished, choose OK to return to the Build Payroll Checks window

You must select the deductions and benefits to include in this pay run for the deductions and benefits to be taken. The Include Pay Periods choices you chose have no relevance to the deductions and benefits to include.

9. Choose Include Benefits to open the Payroll Check Benefits window where you can select the benefits to include in this pay run.

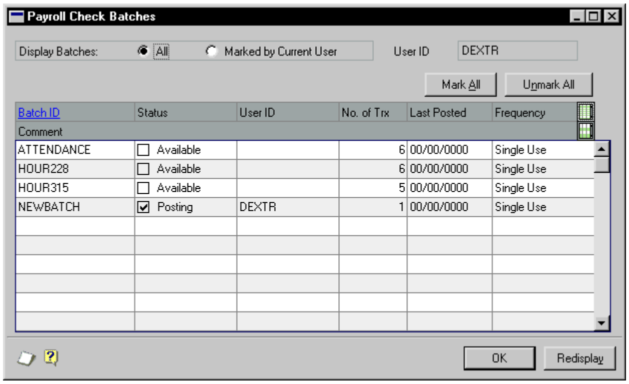


Include: ○ None ○ All ● Selected

Available:	Included:
401K	401K
INS	INS
LIFE	LIFE

When you've finished, choose OK to return to the Build Payroll Checks window.

10. Choose Select Batches to open the Payroll Check Batches window where you can select the batches of payroll transactions to process for this pay run.



Display Batches: ● All ○ Marked by Current User

User ID DEXTR

Batch ID	Status	User ID	No. of Trx	Last Posted	Frequency
Comment					
ATTENDANCE	☐ Available		6	00/00/0000	Single Use
HOUR228	☐ Available		6	00/00/0000	Single Use
HOUR315	☐ Available		5	00/00/0000	Single Use
NEWBATCH	☑ Posting	DEXTR	1	00/00/0000	Single Use

When you've finished, choose OK to display the Build Payroll Checks window. Any unmarked batches won't be included in the pay run.

11. Choose Build to build the paychecks. The Check File Report will be printed when the build process is complete. This report lists all the transactions that will be included in the pay run.

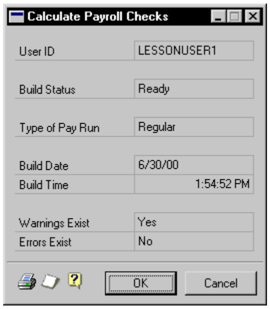
If the Check File Report contains no errors or warnings, you can proceed with *Calculating Payroll checks* on page 131. If there are errors, you must correct them in the Transaction Entry window or the Build Payroll Checks window. If there are warnings, you can correct them or continue.

Calculating Payroll checks

Use the Calculate Payroll Checks window to calculate checks after you build them. This procedure assumes you've completed *Building Payroll checks* on page 127.

To calculate Payroll checks:

1. Open the Calculate Payroll Checks window.
   (Transactions >> Payroll >> Calculate Checks)



User ID: LESSONUSER1
Build Status: Ready
Type of Pay Run: Regular
Build Date: 6/30/00
Build Time: 1:54:52 PM
Warnings Exist: Yes
Errors Exist: No

2. Choose OK to begin calculating the checks.

   The Calculated Checks report will be printed when the checks have been calculated. Verify the information and dollar amounts that will be printed on the employees' paychecks. Continue the Payroll process with *Printing and posting checks* on page 131.

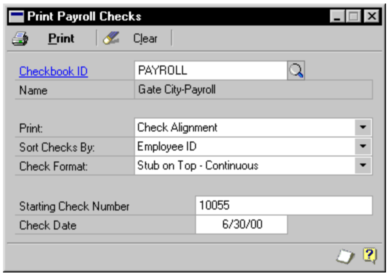
Printing and posting checks

Use the Print Payroll Checks window to print computer paychecks once the Calculate Checks Report has been printed and it contains no errors. You also can use this window to print an alignment form to ensure the checks will be aligned correctly. If you're using Payroll Direct Deposit, refer to *Calculating Payroll Direct Deposit* on page 244, *Printing Direct Deposit earnings statements* on page 245, and *Posting checks using Payroll Direct Deposit* on page 246 for more information. This procedure assumes you've completed Calculating Payroll checks on page 131

If it's necessary to reprint or void any paychecks that have been printed already, you can do so after the paychecks have been printed. However, paychecks can't be printed once they've been posted.

To print and post checks:

1. Open the Print Payroll Checks window.
   (Transactions >> Payroll >> Print Checks)



Checkbook ID: PAYROLL
Name: Gate City-Payroll
Print: Check Alignment
Sort Checks By: Employee ID
Check Format: Stub on Top - Continuous
Starting Check Number: 10055
Check Date: 6/30/00

2. Enter or select a checkbook ID that checks will be posted to.

3. Enter a starting check number. The check date will be printed on the check and is the date that the checks are posted within Payroll and to Bank Reconciliation. The default date is the user date; you can change the date.

4. Select whether you're printing an alignment form or the paychecks.

5. Select a sorting method for the checks to be printed, and select the check format to use or accept the default format.

6. Choose Print. Once you've printed the paychecks, the Post Payroll Checks window will open.

7. Enter the posting date for the check run in the Post Payroll Checks window. This will be the date the checks are posted to General Ledger.

8. Select a process. You can reprint checks, void checks, print an alignment form or post checks.

Voided checks won't be posted to General Ledger. For more information about voiding checks, refer to Voiding a Payroll check on page 133.

9. Select Post Checks and then choose Process to post the check amounts and the transactions associated with them.

   Once the posting process is complete, the Check Register, the Check Posting Register and other registers will be printed.

   Any check numbers that were used during the alignment process will be noted on the Check Register, as well as the numbers for any checks that were reprinted or voided. A summary of the payroll taxes for this pay run will appear at the bottom of the Check Register. The employer FICA tax liability will be calculated and posted, as well.

Voiding a Payroll check

Use the Void Payroll Checks window to void one or more computer or manual checks that have been printed and posted. When you void a check using Void Payroll Checks, all Payroll information, such as gross pay, taxable wages, taxes, deductions, benefits, and sick time and vacation time accrual are automatically updated. Voiding checks using this window reduces the possibility of user errors that might occur if you entered the information manually.

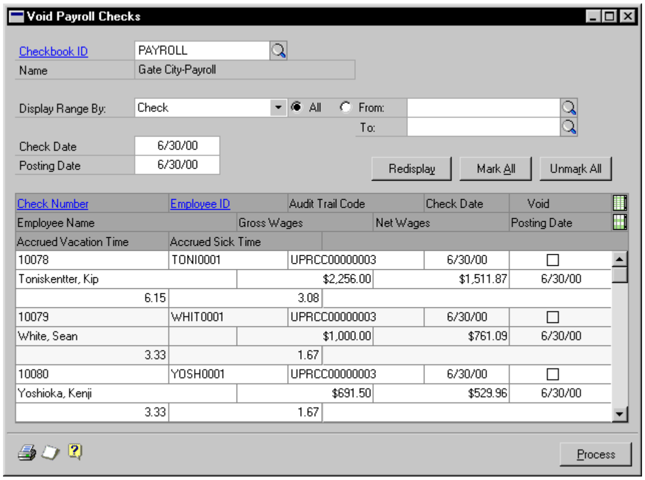
To void checks, the checks must meet several conditions:

- The check can't be reconciled in Bank Reconciliation.
- The check can't be marked for reconciling in Bank Reconciliation.
- Check and transaction detail history must have been kept when the check was issued and the check to void must exist in history.
- The check date must be within the current (calendar) year.

To void a check for a different year—or to void a reconciled check—you must enter a negative check using the Payroll Manual Check-Adjustment Entry window.

To void a Payroll check:

1. Open the Void Payroll Checks window.
   (Transactions >> Payroll >> Void Checks)



Checkbook ID: PAYROLL
Name: Gate City-Payroll
Display Range By: Check ● All ○ From: To:
Check Date: 6/30/00
Posting Date: 6/30/00

Check Number	Employee ID	Audit Trail Code	Check Date	Void	Employee Name	Gross Wages	Net Wages	Posting Date	Accrued Vacation Time	Accrued Sick Time
10078	TONI0001	UPRCC00000003	6/30/00	☐	Toniskentter, Kip	$2,256.00	$1,511.87	6/30/00	6.15	3.08
10079	WHIT0001	UPRCC00000003	6/30/00	☐	White, Sean	$1,000.00	$761.09	6/30/00	3.33	1.67
10080	YOSH0001	UPRCC00000003	6/30/00	☐	Yoshioka, Kenji	$691.50	$529.96	6/30/00	3.33	1.67

2. Enter or select a checkbook ID from which the check or checks to void were issued.

3. Select whether to display all or a range of checks available for voiding, employee IDs or audit trail codes.

4. Enter the check date to appear as the posting date in Payroll for the entries that will be used to reverse the checks. If your system is integrated with Bank Reconciliation, the check date will be used to update Bank Reconciliation.

5. Enter the posting date. This is the date that will appear as the posting date for the reversing entries to the general ledger accounts that offset the original transaction distributions, and is the posted date that is printed on the Payroll Check Posting Register.

6. Choose Redisplay to display the checks within the selected range that are available for voiding. If you make changes to the selected range, you'll need to choose Redisplay again to display the checks within the new range.

If you believe a check meets all the criteria necessary to be voided, but doesn't appear in the scrolling window, another user in the system might have reconciled the check or marked it for reconciling in Bank Reconciliation, or removed history for the check since you opened the window.

7. Mark each check to void or choose Mark All to void all of them. You can't void more than one check for the same employee at a time.

8. Choose File >> Print to print a Void Payroll Checks Edit List. This will show all the checks that are available for voiding, based on the range you entered and the checks that have been marked for voiding—indicated by an X. The edit list also lists the checks that can't be voided and a message explaining why.

   If another user has made changes to checks in the system since you selected a range to display in the scrolling window, such as marking checks for reconciliation in Bank Reconciliation, the edit list will display messages for any checks that are no longer available for voiding.

9. Make a backup of your company payroll data files. For more information, refer to the System Administrator manual.

10. Choose Process to void the selected checks.

    If you're keeping check and transaction history, information for the original check and the voided check will be printed on history reports. The voided check amounts will be negative. The voided checks also will be indicated by an asterisk on the Check History Report.

    Depending on how your Payroll system has been set up, several reports might be printed when you choose Process—including the Check Posting Register and Check Register. The Check Posting Register is similar to the Void Payroll Checks Edit List and shows the details for each transaction that has been posted.

PART 4: INQUIRIES AND REPORTS

Part 4: Inquiries and Reports

This part of the documentation describes how to view employee and pay activity information and how to print Payroll reports.

The following information is discussed:

Chapter 12, “Employee Inquiries,” describes how to quickly view both current and historical employee information and review information in summary or detailed form.

Chapter 13, “Payroll Card Inquiries,” describes how to view important information about employee pay activity.

Chapter 14, “Payroll Reports,” explains how to use Payroll reports as employee records, to track transactions and simplify audits and to view payroll expenses.

Chapter 12: Employee Inquiries

Analyzing your employee activity is an important part of your accounting system. You can view information using the Inquiry windows. These windows provide easy access to detailed and summarized Payroll information and you can quickly view both current and historical employee information. In some of the windows, you can review information in summary or detailed form, and have the option to print the information in the window.

This information is contained in the following sections:

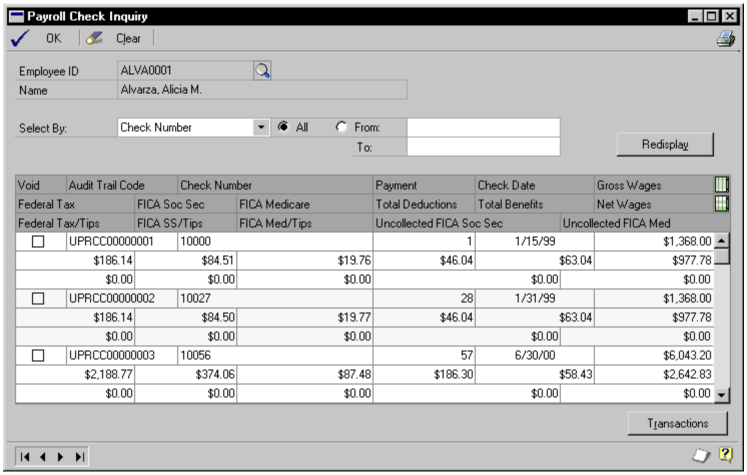
- *Viewing Payroll check history*
- *Viewing transactions*
- *Viewing an employee's personal information*
- *Viewing employee payroll codes*
- *Viewing paycheck summary information by codes*
- *Viewing paycheck breakdown information*
- *Viewing historical paycheck information by codes*
- *Viewing historical pay code information*

Viewing Payroll check history

Use the Payroll Check Inquiry window to view check history information. This window displays the gross pay, federal and FICA taxes and audit trail code, payment number, total deductions withholding, total benefits withholding, net amount, Federal Tax on Tips, FICA Social Security on Tips, FICA Medicare on Tips, uncollected FICA Social Security tax, and uncollected FICA Medicare tax for each check. This window also includes information about any voided checks. You can use this window to view all the checks for one employee, or view a range of checks for one employee.

To view Payroll check history:

1. Open the Payroll Check Inquiry window. (Inquiry >> Payroll >> Check)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.
Select By: Check Number ● All ○ From:
To:

Void	Audit Trail Code	Check Number	Payment	Check Date	Gross Wages
Federal Tax	FICA Soc Sec	FICA Medicare	Total Deductions	Total Benefits	Net Wages
Federal Tax/Tips	FICA SS/Tips	FICA Med/Tips	Uncollected FICA Soc Sec		Uncollected FICA Med
☐	UPRCC00000001	10000	1	1/15/99	$1,368.00
$186.14	$84.51	$19.76	$46.04	$63.04	$977.78
$0.00	$0.00	$0.00	$0.00		$0.00
☐	UPRCC00000002	10027	28	1/31/99	$1,368.00
$186.14	$84.50	$19.77	$46.04	$63.04	$977.78
$0.00	$0.00	$0.00	$0.00		$0.00
☐	UPRCC00000003	10056	57	6/30/00	$6,043.20
$2,188.77	$374.06	$87.48	$186.30	$58.43	$2,642.83
$0.00	$0.00	$0.00	$0.00		$0.00

2. Enter or select an employee ID.

3. Select the range for which to view check history. You can choose to view a range of check numbers, check dates or audit trail codes.

4. Choose Redisplay to display the checks within the selected range that are available for viewing.

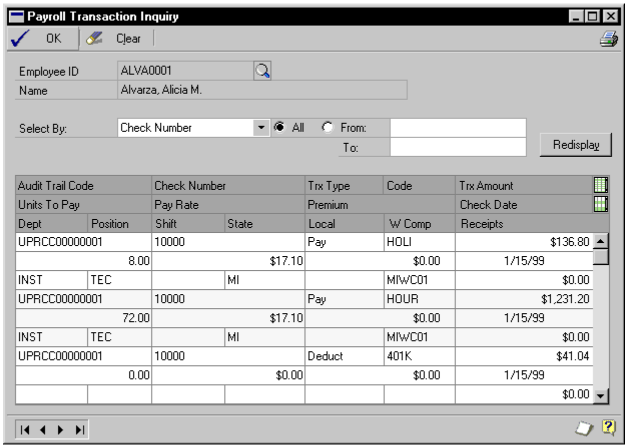
To view detailed information about a particular paycheck, select the check and choose Transactions to open the Payroll Transaction Inquiry window.

Viewing transactions

Use the Payroll Transaction Inquiry window to view Payroll transaction information for an employee.

To view transactions:

1. Open the Payroll Transaction Inquiry window.
   (Inquiry >> Payroll >> Transaction)



Employee ID ALVA0001
Name Alvarza, Alicia M.

Select By: Check Number ● All ○ From:
To:

Audit Trail Code		Check Number		Trx Type	Code	Trx Amount
Units To Pay		Pay Rate		Premium		Check Date
Dept	Position	Shift	State	Local	W Comp	Receipts
UPRCC00000001		10000		Pay	HOLI	$136.80
8.00		$17.10		$0.00		1/15/99
INST	TEC		MI		MIWC01	$0.00
UPRCC00000001		10000		Pay	HOUR	$1,231.20
72.00		$17.10		$0.00		1/15/99
INST	TEC		MI		MIWC01	$0.00
UPRCC00000001		10000		Deduct	401K	$41.04
0.00		$0.00		$0.00		1/15/99
						$0.00

2. Enter or select an employee ID.

3. Select the range for which to view transaction information. You can view a range of check numbers, check dates or audit trail codes.

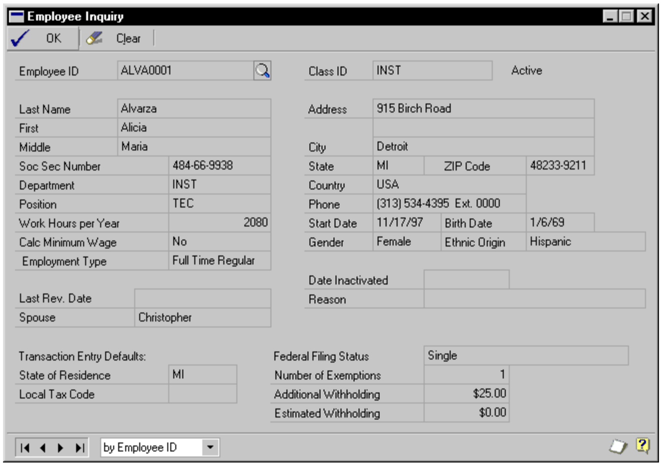
4. Choose Redisplay to display the transactions within the selected range that are available for viewing.

Viewing an employee’s personal information

Use the Employee Inquiry window to view demographic and other information you’ve entered for a particular employee. This window displays the class ID, active status, name, Social Security number, department, position, work hours per year, type of employment, minimum wage, user-defined fields, address, city, state, ZIP or postal code, country, phone, start date, birth date, gender, ethnic origin, date inactivated, federal withholding information and transaction entry default information for the selected employee.

To view an employee’s personal information:

1. Open the Employee Inquiry window.
   (Inquiry >> Payroll >> Employee)



Employee ID	ALVA0001
Last Name	Alvarza
First	Alicia
Middle	Maria
Soc Sec Number	484-66-9938
Department	INST
Position	TEC
Work Hours per Year	2080
Calc Minimum Wage	No
Employment Type	Full Time Regular
Last Rev. Date	
Spouse	Christopher
Transaction Entry Defaults:	
State of Residence	MI
Local Tax Code	

Class ID	INST	Active	
Address	915 Birch Road		
City	Detroit		
State	MI	ZIP Code	48233-9211
Country	USA		
Phone	(313) 534-4395 Ext. 0000		
Start Date	11/17/97	Birth Date	1/6/69
Gender	Female	Ethnic Origin	Hispanic
Date Inactivated			
Reason			

Federal Filing Status	Single
Number of Exemptions	1
Additional Withholding	$25.00
Estimated Withholding	$0.00

2. Enter or select an employee ID.

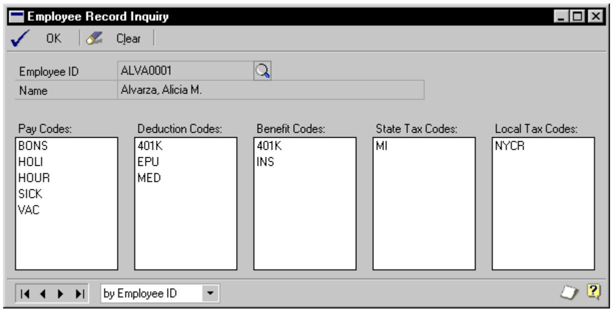
3. When you’ve finished, close the window.

Viewing employee payroll codes

Use the Employee Record Inquiry window to view the pay, deduction, benefit and state and local tax codes assigned to each employee. If any of these cards for the employee have been marked as inactive, an asterisk will follow the code in the list.

To view employee payroll codes:

1. Open the Employee Record Inquiry window.
   (Inquiry >> Payroll >> Employee Record)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.

Pay Codes:	Deduction Codes:	Benefit Codes:	State Tax Codes:	Local Tax Codes:
BONS	401K	401K	MI	NYCR
HOLI	EPU	INS		
HOUR	MED			
SICK				
VAC				

by Employee ID

2. Enter or select an employee ID. You can view the employee card by the ID, last name or first name.

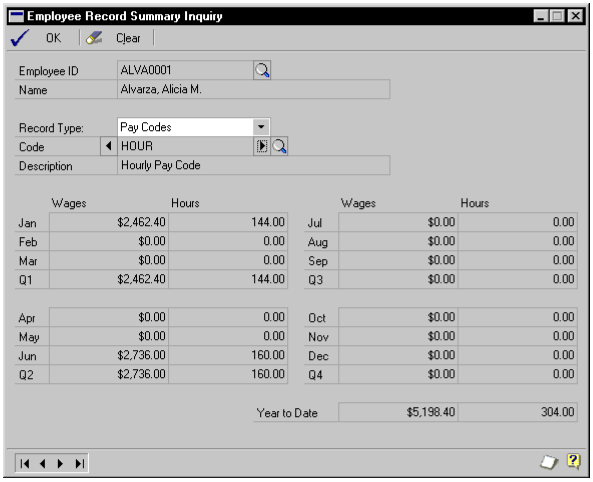
3. When you've finished, close the window.

Viewing paycheck summary information by codes

Use the Employee Record Summary Inquiry window to view summary information for individual pay, deduction, benefit and state and local tax records for each employee. This window displays monthly, quarterly, yearly and life-to-date (for deductions and benefits) amounts for an employee.

To view paycheck summary information by codes:

1. Open the Employee Record Summary Inquiry window. (Inquiry >> Payroll >> Employee Rec Summ)



Employee ID ALVA0001
Name Alvarza, Alicia M.

Record Type: Pay Codes
Code HOUR
Description Hourly Pay Code

	Wages	Hours		Wages	Hours
Jan	$2,462.40	144.00	Jul	$0.00	0.00
Feb	$0.00	0.00	Aug	$0.00	0.00
Mar	$0.00	0.00	Sep	$0.00	0.00
Q1	$2,462.40	144.00	Q3	$0.00	0.00
Apr	$0.00	0.00	Oct	$0.00	0.00
May	$0.00	0.00	Nov	$0.00	0.00
Jun	$2,736.00	160.00	Dec	$0.00	0.00
Q2	$2,736.00	160.00	Q4	$0.00	0.00
			Year to Date	$5,198.40	304.00

2. Enter or select an employee ID.

3. Select the type of record to view. The prompts and summary information displayed in this window will depend on the record type you select.

4. Enter or select a code for the record to view.

5. When you've finished, close the window.

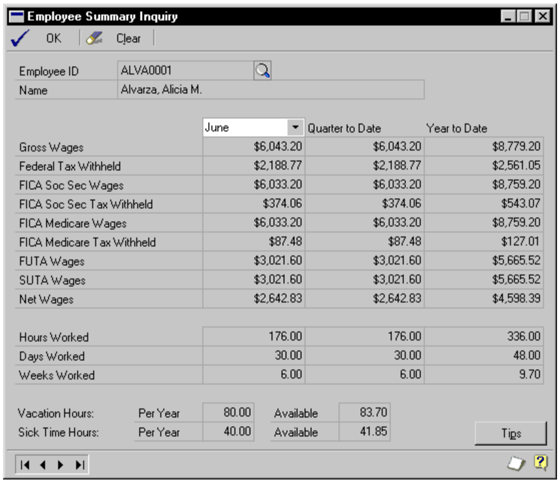
Viewing paycheck breakdown information

Use the Employee Summary Inquiry window to view the monthly, quarterly and yearly gross wages, net wages, federal tax, FUTA wages, SUTA wages, FICA wages and FICA withholding for each employee.

You also can use this window to verify the amount of vacation and sick time available to a particular employee.

To view paycheck breakdown information:

1. Open the Employee Summary Inquiry window.
   (Inquiry >> Payroll >> Employee Summary)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.

	June	Quarter to Date	Year to Date
Gross Wages	$6,043.20	$6,043.20	$8,779.20
Federal Tax Withheld	$2,188.77	$2,188.77	$2,561.05
FICA Soc Sec Wages	$6,033.20	$6,033.20	$8,759.20
FICA Soc Sec Tax Withheld	$374.06	$374.06	$543.07
FICA Medicare Wages	$6,033.20	$6,033.20	$8,759.20
FICA Medicare Tax Withheld	$87.48	$87.48	$127.01
FUTA Wages	$3,021.60	$3,021.60	$5,665.52
SUTA Wages	$3,021.60	$3,021.60	$5,665.52
Net Wages	$2,642.83	$2,642.83	$4,598.39
Hours Worked	176.00	176.00	336.00
Days Worked	30.00	30.00	48.00
Weeks Worked	6.00	6.00	9.70

Vacation Hours:	Per Year	80.00	Available	83.70
Sick Time Hours:	Per Year	40.00	Available	41.85

2. Enter or select an employee ID and a month to view.

3. Choose Tips to open the Employee Tips Summary Inquiry window, where you can view employee tips by month. For more information, refer to *Viewing employee tips wage and tax information* on page 149.

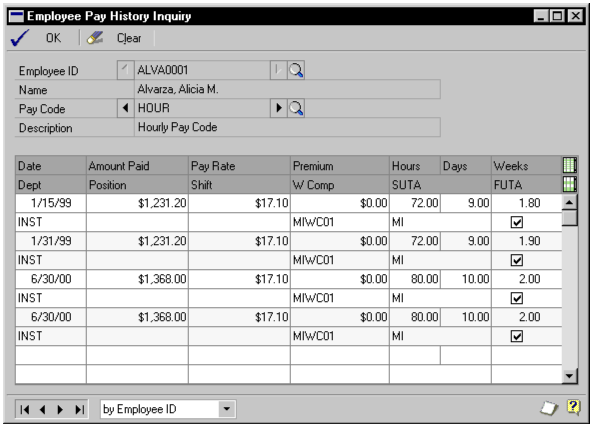
4. When you've finished, close the window.

Viewing historical paycheck information by codes

Use the Employee Pay History Inquiry window to view employee pay history information. For example, the window will display the hours, days and weeks worked for a pay transaction. You also can use this window to view which department, position and workers' compensation code was used for a particular transaction.

To view historical paycheck information by codes:

1. Open the Employee Pay History Inquiry window.
   (Inquiry >> Payroll >> Employee Pay History)



Employee ID ALVA0001
Name Alvarza, Alicia M.
Pay Code HOUR
Description Hourly Pay Code

Date	Amount Paid	Pay Rate	Premium	Hours	Days	Weeks
Dept	Position	Shift	W Comp	SUTA		FUTA
1/15/99	$1,231.20	$17.10	$0.00	72.00	9.00	1.80
INST			MIWC01	MI		☑
1/31/99	$1,231.20	$17.10	$0.00	72.00	9.00	1.90
INST			MIWC01	MI		☑
6/30/00	$1,368.00	$17.10	$0.00	80.00	10.00	2.00
INST			MIWC01	MI		☑
6/30/00	$1,368.00	$17.10	$0.00	80.00	10.00	2.00
INST			MIWC01	MI		☑

2. Enter or select an employee ID and a pay code.

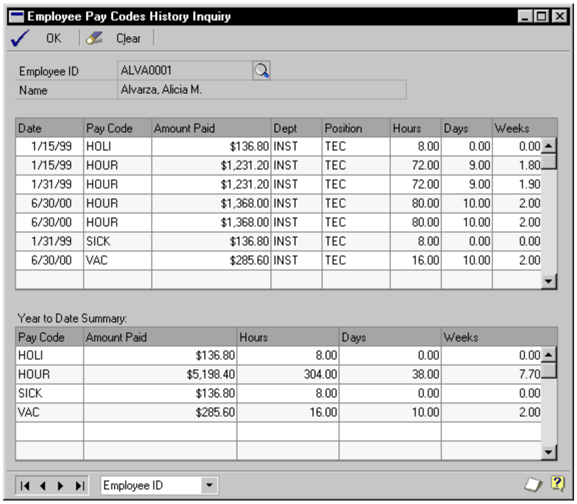
3. When you've finished, close the window.

Viewing historical pay code information

Use the Employee Pay Codes History Inquiry window to view employee pay code history information. For example, the window will display the amount paid for a pay code and view a year-to-date summary of the amount paid for a pay code. You also can use this window to see the hours, days and weeks worked for a specific pay code.

To view historical pay code information:

1. Open the Employee Pay Codes History Inquiry window. (Inquiry >> Payroll >> Pay Codes History)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.

Date	Pay Code	Amount Paid	Dept	Position	Hours	Days	Weeks
1/15/99	HOLI	$136.80	INST	TEC	8.00	0.00	0.00
1/15/99	HOUR	$1,231.20	INST	TEC	72.00	9.00	1.80
1/31/99	HOUR	$1,231.20	INST	TEC	72.00	9.00	1.90
6/30/00	HOUR	$1,368.00	INST	TEC	80.00	10.00	2.00
6/30/00	HOUR	$1,368.00	INST	TEC	80.00	10.00	2.00
1/31/99	SICK	$136.80	INST	TEC	8.00	0.00	0.00
6/30/00	VAC	$285.60	INST	TEC	16.00	10.00	2.00

Year to Date Summary:

Pay Code	Amount Paid	Hours	Days	Weeks
HOLI	$136.80	8.00	0.00	0.00
HOUR	$5,198.40	304.00	38.00	7.70
SICK	$136.80	8.00	0.00	0.00
VAC	$285.60	16.00	10.00	2.00

2. Enter or select an employee ID.

3. When you've finished, close the window.

Chapter 13: Payroll Card Inquiries

Analyzing your payroll activity is an important part of your accounting system. You can view important information about employee pay activity using the Employee Summary Inquiry and Payroll Summary Inquiry windows. These windows provide easy access to detailed and summarized Payroll information.

This information is contained in the following sections:

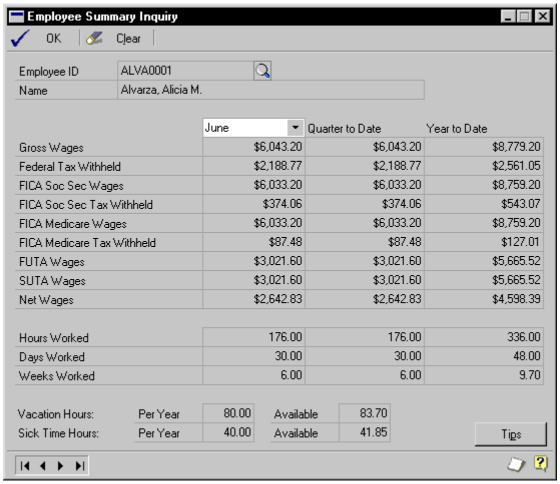
- *Viewing employee tips wage and tax information*
- *Viewing payroll and tips breakdown information*
- *Viewing Payroll audit trail information*

Viewing employee tips wage and tax information

Use the Employee Summary Inquiry window and the Employee Tips Summary Inquiry window to view tips summary information.

To view employee tips wage and tax information:

1. Open the Employee Summary Inquiry window.
   (Inquiry >> Payroll >> Employee Summary)



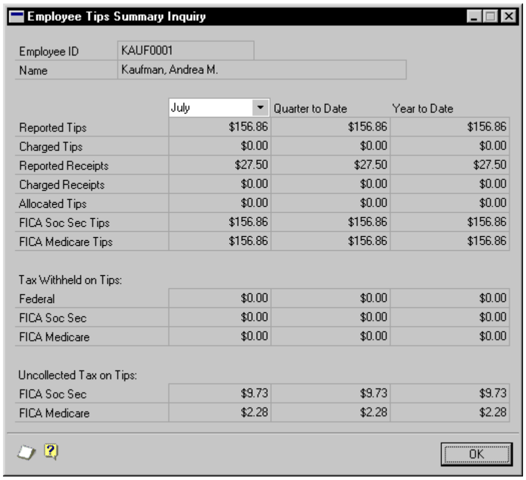
Employee ID: ALVA0001
Name: Alvarza, Alicia M.

	June	Quarter to Date	Year to Date
Gross Wages	$6,043.20	$6,043.20	$8,779.20
Federal Tax Withheld	$2,188.77	$2,188.77	$2,561.05
FICA Soc Sec Wages	$6,033.20	$6,033.20	$8,759.20
FICA Soc Sec Tax Withheld	$374.06	$374.06	$543.07
FICA Medicare Wages	$6,033.20	$6,033.20	$8,759.20
FICA Medicare Tax Withheld	$87.48	$87.48	$127.01
FUTA Wages	$3,021.60	$3,021.60	$5,665.52
SUTA Wages	$3,021.60	$3,021.60	$5,665.52
Net Wages	$2,642.83	$2,642.83	$4,598.39
Hours Worked	176.00	176.00	336.00
Days Worked	30.00	30.00	48.00
Weeks Worked	6.00	6.00	9.70

Vacation Hours:	Per Year	80.00	Available	83.70
Sick Time Hours:	Per Year	40.00	Available	41.85

2. Enter or select an employee ID and a month to view tips wage and tax information for.

3. Choose Tips to open the Employee Tips Summary Inquiry window.



Employee Tips Summary Inquiry

Employee ID KAUF0001
Name Kaufman, Andrea M.

	July	Quarter to Date	Year to Date
Reported Tips	$156.86	$156.86	$156.86
Charged Tips	$0.00	$0.00	$0.00
Reported Receipts	$27.50	$27.50	$27.50
Charged Receipts	$0.00	$0.00	$0.00
Allocated Tips	$0.00	$0.00	$0.00
FICA Soc Sec Tips	$156.86	$156.86	$156.86
FICA Medicare Tips	$156.86	$156.86	$156.86
Tax Withheld on Tips:			
Federal	$0.00	$0.00	$0.00
FICA Soc Sec	$0.00	$0.00	$0.00
FICA Medicare	$0.00	$0.00	$0.00
Uncollected Tax on Tips:			
FICA Soc Sec	$9.73	$9.73	$9.73
FICA Medicare	$2.28	$2.28	$2.28

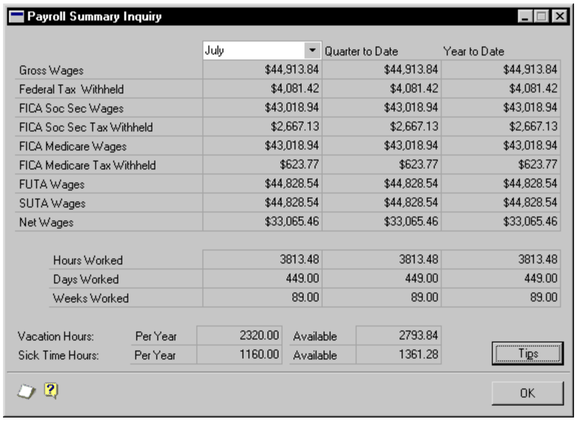
4. Choose OK.

Viewing payroll and tips breakdown information

Use the Payroll Tips Summary Inquiry window to view monthly, quarterly and yearly tips wage and tax information for the entire company.

To view payroll and tips breakdown information:

1. Open the Payroll Summary Inquiry window.
   (Inquiry >> Payroll >> Summary)

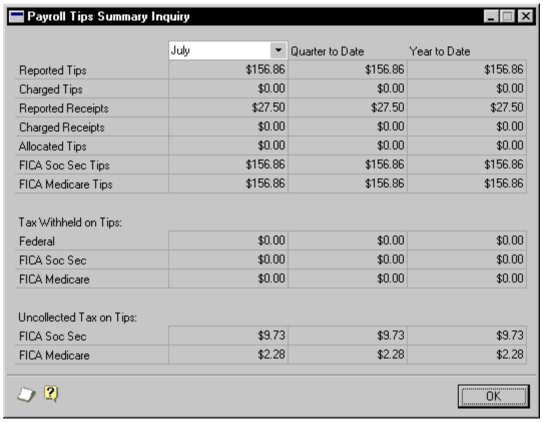


	July	Quarter to Date	Year to Date
Gross Wages	$44,913.84	$44,913.84	$44,913.84
Federal Tax Withheld	$4,081.42	$4,081.42	$4,081.42
FICA Soc Sec Wages	$43,018.94	$43,018.94	$43,018.94
FICA Soc Sec Tax Withheld	$2,667.13	$2,667.13	$2,667.13
FICA Medicare Wages	$43,018.94	$43,018.94	$43,018.94
FICA Medicare Tax Withheld	$623.77	$623.77	$623.77
FUTA Wages	$44,828.54	$44,828.54	$44,828.54
SUTA Wages	$44,828.54	$44,828.54	$44,828.54
Net Wages	$33,065.46	$33,065.46	$33,065.46
Hours Worked	3813.48	3813.48	3813.48
Days Worked	449.00	449.00	449.00
Weeks Worked	89.00	89.00	89.00

Vacation Hours:	Per Year	2320.00	Available	2793.84
Sick Time Hours:	Per Year	1160.00	Available	1361.28

2. Select a month to view.

3. Choose Tips to open the Payroll Tips Summary Inquiry window.



	July	Quarter to Date	Year to Date
Reported Tips	$156.86	$156.86	$156.86
Charged Tips	$0.00	$0.00	$0.00
Reported Receipts	$27.50	$27.50	$27.50
Charged Receipts	$0.00	$0.00	$0.00
Allocated Tips	$0.00	$0.00	$0.00
FICA Soc Sec Tips	$156.86	$156.86	$156.86
FICA Medicare Tips	$156.86	$156.86	$156.86
Tax Withheld on Tips:			
Federal	$0.00	$0.00	$0.00
FICA Soc Sec	$0.00	$0.00	$0.00
FICA Medicare	$0.00	$0.00	$0.00
Uncollected Tax on Tips:			
FICA Soc Sec	$9.73	$9.73	$9.73
FICA Medicare	$2.28	$2.28	$2.28

In addition to tips wage and tax information, all uncollected FICA Social Security and Medicare tax information will be displayed in this window.

4. Choose OK.

Viewing Payroll audit trail information

Use the Payroll Audit Trail Inquiry window to select an existing audit trail code for viewing or editing. The window opens only if you zoom from the Transaction Entry Zoom window in General Ledger and are maintaining summary history.

You must be keeping check history to zoom from General Ledger to Payroll.

If you've posted a computer check or manual check in detail, the Payroll Check Inquiry window will open when you zoom from the Transaction Entry Zoom window in General Ledger.

For more information about posting in summary and detail, refer to Help >> Index >> Posting Setup Window >> Fields >> Create a Journal Entry Per.

You can zoom from General Ledger to Payroll only to view single transactions, not posted month-end or quarter-end information.

Chapter 14: Payroll Reports

You can use Payroll reports to analyze Payroll activity and identify errors in transaction entry. Use the information in this chapter to guide you through printing reports and working with report options and report groups.

This information is divided into the following sections:

- *Using the online sample reports*
- *Payroll report summary*
- *Report destinations and formats*
- *Processing reports on a process server*
- *Creating a report option*
- *Printing a report with an option*
- *Creating or printing a report group*
- *Customizing a report*

Using the online sample reports

For detailed information about specific Payroll reports, choose Help >> Sample Reports to view the online sample reports. The online sample reports contain illustrations and specifications of each report in Dynamics, as well as directions for printing the reports.

The online sample reports also list the technical names of the reports and the tables from which information is extracted, which you might need to know if you choose to customize the report using Report Writer. For more information, refer to *Customizing a report* on page 162.

Payroll report summary

You can print several types of reports using Payroll. Some reports automatically are printed when you complete certain procedures; for example, posting journals can automatically be printed when you post transactions, depending on how your posting options are set up. You can choose to print some reports during procedures; for example, you can print an edit list when entering transactions by choosing Print in the batch entry window.

To print some reports, such as analysis or history reports, you must set up report options to specify sorting options and ranges of information to include on the report. For more information, refer to *Creating a report option* on page 158.

The following table lists the report types available in Payroll and the reports in those categories.

Report type	**Report**	**Printing method**
Employee Lists	Detailed Employee List† Empl w/o Pay Codes Employee Address List List by Benefit List by Class List by Deduction List by Department List by Local Tax List by Pay Code List by Position List by State Tax Personnel List Vacation/Sick Time List	Choose File >> Print in the window you use to complete the procedure **or** create report options in the Employee Lists Options window.
Wage and Hour Reports	Department Wage and Hour Report† State Wage Report† FICA Wage Report† Earnings Register†	Create report options in the Wage and Hour Reports window.
History Reports	Transaction History Check History Employee Pay History Distribution Breakdown History	Create report options in the Payroll History Reports window.
† Indicates reports that can be assigned to named printers. Refer to “Printers” in the System Administrator’s Guide for more information.		

Report type	Report	Printing method
Audit Trail Reports	Employee Mass Update Audit Report Payroll FUTA Posting Journal Payroll Benefit Posting Journal Payroll Check Register Payroll Deduction Posting Journal Position Posting Journal Local Tax Posting Journal State Tax Posting Register Tip Allocation Posting Register Pay Code Posting Journal Shift Code Register SUTA Posting Journal Vacation/Sick Time Accrual Register Workers' Compensation Posting Journal	Choose File >> Print in the window you use to complete the procedure **or** some might automatically be printed when you complete the procedure.
Setup Reports	Benefit Codes Class Codes Deduction Codes Department Codes FUTA/SUTA Rates Local Tax Codes Pay Codes Position Codes Posting Accounts Shift Codes Tax ID Workers' Comp Codes	Choose File >> Print in the setup windows **or** create report options in the Payroll Setup Reports window.
Month-end Reports	Monthly Benefit Summary Monthly Deduction Summary Monthly Department Wage Summary Monthly FUTA Monthly Local Tax Summary Monthly Payroll Summary Monthly Pay Code Summary Monthly Position Summary Monthly State Tax Summary Monthly SUTA Monthly Workers' Compensation	Choose File >> Print in the window you use to complete the procedure **or** create report options in the Month-End Payroll Reports window.
† Indicates reports that can be assigned to named printers. Refer to "Printers" in the System Administrator's Guide for more information.		

Report type	Report	Printing method
Quarter-end Reports	941 Preparation Report 941 Schedule B Preparation Report Form 941 Form 941 Schedule B Quarterly FUTA Quarterly SUTA Quarterly Workers' Compensation	Choose File >> Print in the window you use to complete the procedure **or** create report options in the Quarter-End Payroll Reports window.
Check-processing Reports	Calculate Checks Report† Check File Report† Paychecks†	These reports will be printed when you complete the corresponding procedure.
Edit Lists	Employee Mass Update Edit List Manual Check Edit List Payroll Transaction Audit List Payroll Transaction Edit List Void Checks Edit List	Choose File >> Print in the window you use to complete the procedure.
Year-end Reports	Year-End Employee Wage Report Form 941 Form 1096† Form 8027 1099-R Validation 1099-R statement† W-2 Validation† W-2 statement† W-3 form†	Choose Print in the window you use to complete the printing procedure.
† Indicates reports that can be assigned to named printers. Refer to "Printers" in the System Administrator's Guide for more information.		

Report destinations and formats

You can print reports to a printer, the screen, a file, or any combination of these destinations.

- If you print to the printer, the report is printed to your company's default printer, unless the report has been assigned to a specific printer.
- If you print to the screen, the report appears on the screen and you can then choose to print to the printer. In addition, if you're using MAPI (Microsoft's Mail Application Program Interface), you can e-mail any report that you print to the screen.

- If you print to a file, you can select one of the file formats shown in the following table:

File format	**Description**
Tab-delimited	The tab-separated ASCII character format used by spreadsheet programs, such as Microsoft Excel.
Comma-delimited	The standard comma-separated ASCII character format used by database programs.
Text file	Text with no formatting. Use this option when the application to which you are converting the document is unable to read any of the other file formats.
HTML file	The format used for publishing information on the World Wide Web. Use this format for information that will be posted on your company's intranet or web page.
Adobe PDF file	This format is available if you have the Acrobat PDFWriter print driver installed. This driver is part of the Acrobat package available from Adobe. PDF (Portable Document Format) files can be read using the Acrobat Reader software available from Adobe.

You can select a printing destination in different ways, depending on which printing method you use.

- If you print a report by choosing File >> Print or the Print button while a window is open, the Report Destination window appears, where you can select a destination. (You can select a preferred default destination—Printer or Screen—in the User Preferences window.)
- You can select the destinations for posting journals and utility and audit reports in the Posting Setup window.
- For analysis, history and setup reports and posting journal reprints, you select the destination when you create the report options needed to print these reports.

Processing reports on a process server

If you are using the Distributed Process Server (DPS), you can choose whether to process some reports on your computer or send them to a designated process server on the network. By sending long reports to a process server, you can continue working while the reports are being created. You can select the Dynamics reports to process remotely in the DPS Setup window (Setup >> System >> Process Server). You must have the

Distributed Process Server registered and set up before you can use this option. Refer to the System Administrator's Guide for more details.

Creating a report option

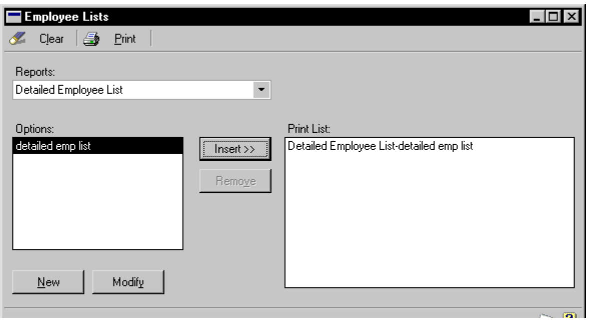
Report options include specifications for sorting options and range restrictions for a particular report. In order to print several Payroll reports, you must first create a report option. Each report can have several different options so that you can easily print the information you need. For example, you can create report options for the employee list that show either detailed or summary information.

A single report option can't be used by multiple reports. You must create identical options for several reports separately.

Use the Payroll report options windows to create sorting, restriction and printing options for the reports that have been included with Payroll.

To create a report option:

1. Open a Payroll reports window. There are separate windows for each report type.
   (Reports >> Payroll >> select a reports window)



Reports: Detailed Employee List

Options: detailed emp list

Print List: Detailed Employee List-detailed emp list

2. Select a report from the Reports list.
3. Choose New to open the report options window. Your selection in step 2 determines which report options window appears.

For report options window information choose Help >> Index; then enter the name of the specific report options window.

4. Name the option and enter information to define the option. The name you choose for the option won't appear on the report. The selections available for defining report options vary, depending on the report type you've selected.

5. Enter range restrictions. The Ranges list shows the available options for each report. The available ranges vary, depending on the type of report.

You can enter only one restriction for each restriction type. For instance, you can insert one employee ID restriction (ALVA001 to LEVI0001) and one date restriction (01/01/200 to 06/30/2000).

6. Choose Insert to insert the range in the Restrictions List. To remove an existing range from the list, select the range and choose Remove.

7. Choose Destination to select a printing destination. Reports can be printed to the screen, to the printer, to a file or to any combination of these options. If you select Ask Each Time, you can select printing options each time you print this report option.

   Refer to *Printing a report with an option* on page 159 for more information about printing reports.

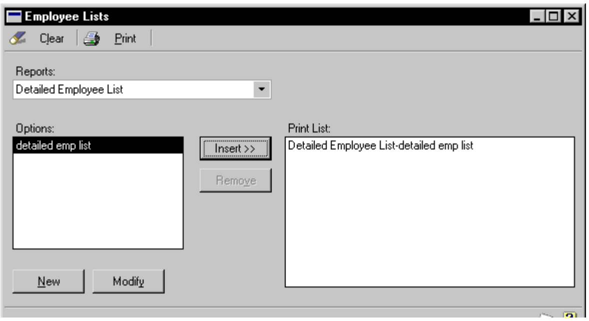
8. To print the report option from the report options window, choose Print before saving it. To print the report option later, choose Save and close the window. The report window will be redisplayed.

Printing a report with an option

Use the Payroll reports windows to print a report for which a report option has been set up.

To print a report with an option:

1. Open a Payroll reports window. There are separate windows for each report type.
   (Reports >> Payroll >> select a reports window)



Reports: Detailed Employee List

Options: detailed emp list

Print List: Detailed Employee List-detailed emp list

2. Select a report from the Reports list.

3. Select a report option and choose Insert to insert the report option in the Print List.

4. Choose Print to print the report options in the Print List.

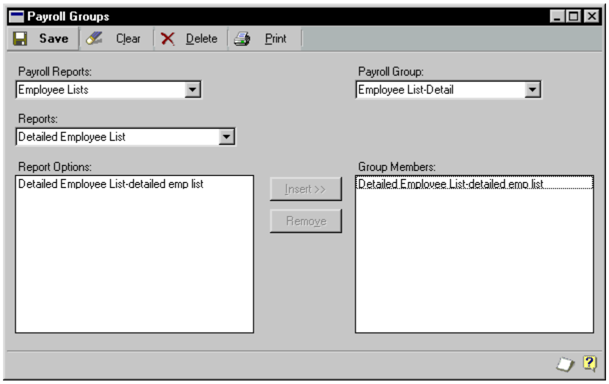
Creating or printing a report group

A report group is a collection of report options from a particular series. Report groups provide a convenient way to print several reports—including reports of different types—at the same time.

Use the Payroll Report Groups window (Reports >> Payroll >> Group) to set up and print report groups for Payroll.

To create a report group:

1. Open the Payroll Report Groups window.
   (Reports >> Payroll >> Groups)



Payroll Reports: Employee Lists
Reports: Detailed Employee List
Report Options: Detailed Employee List-detailed emp list
Payroll Group: Employee List-Detail
Group Members: Detailed Employee List-detailed emp list

2. Select a report category and type from the Payroll Reports list. The Payroll Reports list includes all report categories—setup, analysis, posting journals and history—that can be printed in Payroll.

You can add reports from multiple categories to a report group.

3. Select a report from the Reports list. This list contains the reports that can be printed in the report category you selected.

   When you select a report, all previously created options for that report appear in the Report Options list.

4. To add a report option to the group, highlight the report option and choose Insert. The selected report option will appear in the Group Members list.

5. To remove a report from an existing group, select the report name in the Group Members list and choose Remove.

6. When you've finished making changes, choose Save and name the group. The new group will appear in the Payroll Groups list whenever you open this window.

To print a report group:

1. Open the Payroll Report Groups window.
   (Reports >> Payroll >> Groups)

2. Select the group name in the Payroll Groups list.

3. Choose Print.

   If you marked the Ask Each Time printing option when creating any of the report options included in a group, you'll be asked for printing instructions before any reports are printed.

Customizing a report

Most of the existing reports in Dynamics can be modified to meet your needs. You can add or delete fields, change sorting options, add subtotals or create new custom reports using Report Writer. This procedure describes the simplest method to customize a default report and to set access to it. Refer to Report Writer documentation for detailed instructions about using Report Writer.

To customize a report:

1. Print the report to the screen.

2. While the report is displayed on the screen, choose Tools >> Customize >> Modify Current Report. The Report Layout window will appear with the current report open.

3. In the Report Layout window, make any necessary changes to the appearance of the report.

4. Choose Windows >> Report Definition.

5. In the Report Definition window, change the sorting options, modify the report layout or add report restrictions.

6. Choose OK to save the changes to the report.

7. Choose File >> Microsoft Great Plains Dynamics to return to Dynamics.

8. Choose Setup >> System >> Security and select the user, company and product to grant access for.

9. In the Type field, select Modified Reports.
10. In the Access List, double-click the name of the report you modified. An asterisk (*) appears, indicating that the selected user has access to the report.
11. Choose OK to save the changes to the user’s security settings.

PART 5: UTILITIES

Part 5: Utilities

This part of the documentation describes how you can help keep your Payroll records current and how to edit tax information.

The following information is discussed:

Chapter 15, "Company Record Utilities," describes how to help keep your Payroll records current.

Chapter 16, "Removing Records," describes how you can remove Payroll history information that is no longer useful to your company.

Chapter 17, "Tax Utilities," explains how to edit federal tax liabilities, tax codes and FICA taxes, if the amounts are incorrect.

Chapter 15: Company Record Utilities

You can help keep your Payroll records current using company record utilities. The reconciling process checks for discrepancies in employee financial information and checks for differences between detail records and summary records. Comparing the detail and summary amounts can help you verify the accuracy of your entries when you're setting up Payroll for the first time—or any time you enter or change information in the employee financial fields.

This information is contained in the following sections:

- *Reconciling employee records*
- *Mass updating records*
- *Updating employee records*
- *Updating a range of information for employees*
- *Calculating net to gross wages*

Reconciling employee records

Use the Reconcile Employee Information window to compare information shown in the Employee Summary window and the Employee Tips Summary window, if applicable, to the detail information shown in the Employee Pay Code Summary and the Employee Deduction Summary windows for the selected range of employees.

To determine total gross wages for any one employee, for example, add wages for all pay codes for the employee and subtract all tax-sheltered deductions to determine the value for the month in question. Use values from the Employee Pay Code Summary window and the Employee Deduction Summary window.

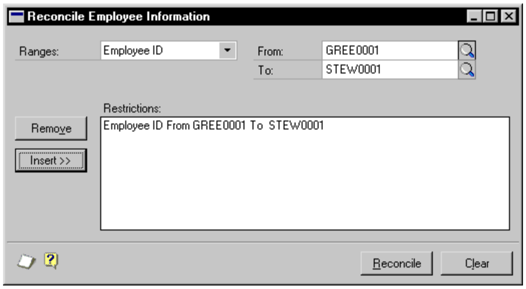
Dynamics generates a report that flags all discrepancies for each month; you must determine which value is correct and make manual adjustments, if necessary.

You should reconcile records if a system problem occurs and you need to verify your Payroll data. The reconcile process also is useful if you discover inconsistencies in reports.

Before reconciling, back up all your company's accounting data. For more information about making backups, refer to the System Administrator manual.

To reconcile employee records:

1. Open the Reconcile Employee Information window.
   (Utilities >> Payroll >> Reconcile)



Ranges: Employee ID
From: GREE0001
To: STEW0001
Restrictions: Employee ID From GREE0001 To STEW0001

2. Select a range of employee IDs to reconcile. If you don't enter a range, all employee records will be reconciled.

3. Choose Insert to insert the range.

4. Choose Reconcile.

   Once the information has been reconciled, the Payroll Reconcile Error Report will be printed. This report will display the amounts for the employees whose detail records don't match the summary records.

Mass updating records

There can be situations where you need to change or adjust information for a range of employees. You can do so by using the Employee Mass Update window. The following are some examples of these situations:

- Your company has decided to give a 5% pay increase to all employees. You can select each hourly or salary pay code and increase the pay rate by 5%, and also select the option to include all pay codes based on that specific pay code. Doing so will update all hourly or salary pay cards—along with any vacation, sick time, holiday and overtime pay cards that are based on those pay codes—for the employees.

- Your company has decided to give pay increases to employees in a specific department, to all employees with a specific position or to a specific class of employees.

- Your company has a policy that vacation accrual rates are increased after five years of service. You could update the accrual amount based on the employee start date.
- Your company has a policy that accrued vacation hours can't exceed 80 hours if vacation isn't used by a certain date. Using the Employee Mass Update window, you could set vacation available hours that are greater than 80 to 80.

Be sure to make a backup of your Payroll data for each company before updating employee information. For more information about making backups, refer to the System Administrator manual.

Updating employee records

You can update employee information in the Employee Mass Update window by using several different methods. The following options are available:

Mass update methods

There are four different mass update methods.

Change by Amount Updates employee cards by increasing or decreasing the current amounts by a specific amount.

For example, suppose you have a group of hourly employees who are paid $10 an hour. To increase their wage to $12 an hour, you'd enter $2 in the Amount field and mark Increase.

Change by Percent Updates employee information, such as a pay rate, based on the current pay rate, increasing or decreasing the amounts by a certain percentage.

For example, if your company has decided to give a range of employees a 5% pay raise, you'd enter 5.00 and mark Increase.

Replace with Amount Updates employee information by replacing an amount with a specific amount.

For example, your company policy may be that the number of vacation hours per year for employees increases from 80 hours to 120 hours after five years of service. In this example, you'd select a range of employees, based on their start date, select Replace with Amount and enter 120 in the Amount field.

Replace with Amount if Greater Than Amount Replaces existing amounts with a specific amount if the existing amount is greater than the amount you enter.

For example, if your company has a policy that employees cannot carry more than 100 hours of vacation from one year to the next, at the end of the year you could set all vacation available hours that are greater than 100 back to 100. By doing so, employees with fewer than 100 hours of vacation will be unaffected.

In this example, you'd select Replace with Amount if Greater Than Amount and enter 100 in the Amount field. If an employee had a vacation available amount of 140 hours, that amount would be replaced with 100.

Mass update limitations

There are some limitations to updating records in the Employee Mass Update window:

- If you're updating a benefit or deduction code and the calculation method for the code is Percent of Gross or Percent of Net, the updated method for the code can't be more than 100%. For example, if you have a deduction percentage that is 20% of gross and you enter 90% to increase the percentage to 110%, the updated amount will be set to 100%.

- You can't update tiered deductions or tiered benefits using the Employee Mass Update window.

- You can't update Charged Tips or Reported Tips pay types.

- If you're updating a pay or benefit code, you can't decrease the current amount to an amount less than zero. However, if you're updating a deduction code, you can decrease the current amount to an amount that is less than zero.

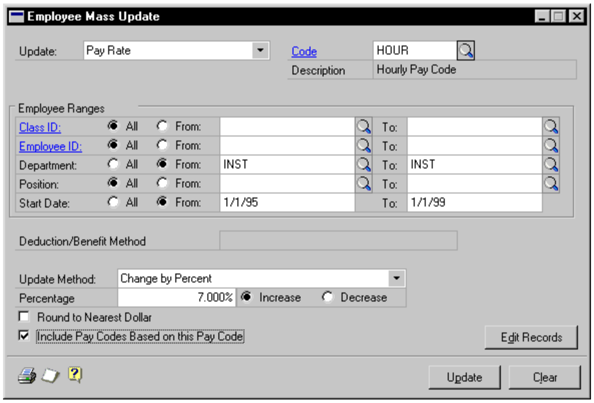
Updating a range of information for employees

Use the Employee Mass Update window to change pay rates, benefit and deduction amounts and sick and vacation amounts for a range of employees. You also can make adjustments to an individual employee's amount within the range using the Edit Employee Mass Update window.

If you're using Human Resources, the Employee Mass Update window will not make changes to benefits or deductions, or sick and vacation amounts if you're accruing sick time and vacation time using Human Resources.

To update a range of information for employees:

1. Open the Employee Mass Update window.
   (Utilities >> Payroll >> Mass Update)



Update: Pay Rate
Code: HOUR
Description: Hourly Pay Code

Employee Ranges

Class ID:	● All	○ From:		To:
Employee ID:	● All	○ From:		To:
Department:	○ All	● From:	INST	To: INST
Position:	● All	○ From:		To:
Start Date:	○ All	● From:	1/1/95	To: 1/1/99

Deduction/Benefit Method

Update Method: Change by Percent
Percentage: 7.000% ● Increase ○ Decrease
☐ Round to Nearest Dollar
☑ Include Pay Codes Based on this Pay Code

2. Select a record type to update.

3. Select a specific code to change. This field is available only if you chose Pay Rate, Deduction Amount or Benefit Amount in the Update field.

4. Enter ranges of class IDs, employee IDs, departments, positions and start dates to include a specific range of employees, or accept the default entry ALL to include all employees in the update.

5. Select a method for updating cards. For more information, refer to *Updating employee records* on page 169.

6. Enter the amount or percentage by which the selected cards are to be adjusted. Depending on the update method you selected, this field is labeled either Amount or Percentage.

7. Mark Increase or Decrease, depending on whether the existing employee cards are to be increased or decreased. This field is available only if you select Change by Amount or Change by Percent as the update method.

8. Mark Round to Nearest Dollar to round the updated amount to the nearest dollar. This field is available only if you select Change by Percent as the update method.

   If you change an amount in the Updated Amount column in the scrolling window of the Edit Employee Mass Update window, the amount you change in that window won't be rounded, even if this selection is marked.

9. Mark Include Pay Codes Based on this Pay Code to update all pay codes that are based on this pay code. For example, if you're changing the pay rate for a salary pay code, you can apply the rate change to all pay codes that are based on the salary pay code, such as vacation or overtime pay types.

10. Choose Edit Records to display the Edit Employee Mass Update window where you can preview and edit the updated information.

    The current information—the amount prior to updating—for the range of employees will be displayed in the Current Amount field in the scrolling window. The updated information, or the proposed amount, will be displayed in the Updated Percent/Amount field in the scrolling window. You can make changes to the Updated Percent/Amount field.

11. Choose File >> Print to print an Employee Mass Update report to verify your changes.

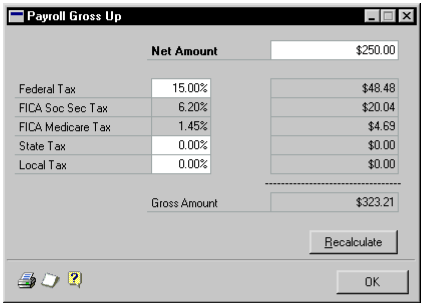
12. Choose Update to save the updated amounts. The Employee Mass Update Audit report will be printed, displaying the employee information that was updated.

Calculating net to gross wages

Use the Payroll Gross Up window to quickly determine the gross pay amount needed for an employee to net a specified dollar amount for bonuses, holiday pay or other special payroll events. For example, if you wanted to award a bonus of $250.00 after taxes to an employee, you can use this window to calculate the amount to include in an employee's pay for the employee to receive $250.00 after taxes.

To calculate net to gross wages:

1. Open the Payroll Gross Up window.
   (Utilities >> Payroll >> Gross Up)



Net Amount		$250.00
Federal Tax	15.00%	$48.48
FICA Soc Sec Tax	6.20%	$20.04
FICA Medicare Tax	1.45%	$4.69
State Tax	0.00%	$0.00
Local Tax	0.00%	$0.00
Gross Amount		$323.21

2. Enter the net amount to pay your employee.

3. Enter the employee’s federal tax percentage.

4. Enter the employee’s state and local tax percentages, if any.

5. Choose Calculate. The gross payroll amount will be calculated and displayed.

6. Choose OK to close the window.

Chapter 16: Removing Records

You can help maintain your records by removing history information from your Payroll that is no longer useful to your company.

This information is contained in the following sections:

- *Removing Payroll history*
- *Removing year-end information*
- *Removing distribution information*
- *Removing journal history*

Removing Payroll history

History records provide useful information for audit purposes. If you're keeping one of the types of history available in Payroll, these records can be maintained for an unlimited number of years. Removing history might affect your ability to reprint posting journals and void posted checks.

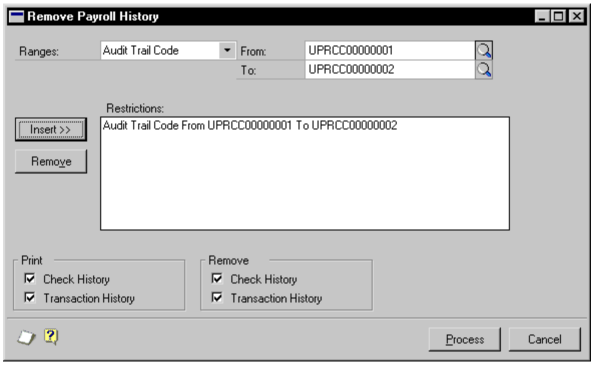
When you choose to remove historical records, the system removes records only for the range you specify. Normally, history is removed after the year-end closing process; however, at other times during the accounting cycle, it might be necessary to remove ranges of history that are no longer useful.

Before removing history, back up your company's accounting data. For more information about making backups in Dynamics, refer to the System Administrator manual.

Use the Remove Payroll History window to remove payroll history. You can remove payroll history for a range of audit trail codes, posting dates or employees. Once you've removed history, you can't void checks or reprint posting journals for computer checks, manual checks or void checks for the range of transactions that were removed.

To remove payroll history:

1. Open the Remove Payroll History window.
   (Utilities >> Payroll >> Remove Payroll Hist.)



Ranges: Audit Trail Code
From: UPRCC00000001
To: UPRCC00000002

Restrictions:
Audit Trail Code From UPRCC00000001 To UPRCC00000002

Print
☑ Check History
☑ Transaction History

Remove
☑ Check History
☑ Transaction History

2. Select a range from the list and enter a range restriction.

3. Choose Insert to insert the range restriction. You can select additional ranges and restrictions. If you've made an error in selecting a range or entering a restriction, highlight the range and choose Remove.

4. Mark Print Check History to print the Check History Report without removing history. Mark Print Transaction History to print the Transaction History Report without removing history.

5. Mark Remove Check History, Remove Transaction History or both to remove Check History or Transaction History.

6. Choose Process to clear distribution history for the selected ranges.

   After you've removed history, you can shrink the Payroll data files to free disk space. For more information about system wide file maintenance procedures, refer to the System Administrator manual.

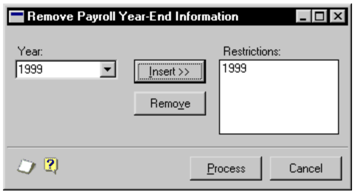
Removing year-end information

Use the Remove Payroll Year-End Information window to remove year-end information. Year-end history information is created when you close the year. All the information for printing W-2 statements and 1099-R forms is included in this type of history.

Don't remove the year-end information until you've printed W-2 statements and 1099-R statements for that year. Once year-end information is removed, you won't be able to reprint W-2 and 1099-R statements.

To remove year-end information:

1. Open the Remove Payroll Year-End Information window. (Utilities >> Payroll >> Remove Year-End Info)



Year: 1999
Restrictions: 1999

2. Select the year to remove year-end history for.

3. Choose Insert to insert the year in the Restrictions window. You can remove year-end information for multiple years. If you've selected the wrong year, highlight the year and choose Remove. The year will be removed from the scrolling window.

4. Choose Process.

   When you've finished removing history, you can shrink the Payroll files to free disk space. For more information about system wide file maintenance procedures, refer to the System Administrator manual.

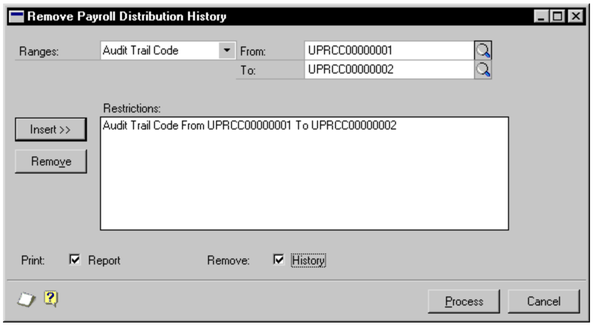
Removing distribution information

Use the Remove Payroll Distribution History window to remove Payroll distribution information. If you're keeping distribution history, there will be detailed records of how Payroll transactions have affected the balances of posting accounts.

Once you've removed history, you won't be able to print the Reprint Check Posting Register, FUTA Posting Register, SUTA Posting Register or Workers' Compensation Posting Register for the audit trail codes that were removed.

To remove distribution information:

1. Open the Remove Payroll Distribution History window.
   (Utilities >> Payroll >> Remove Distributions)



Remove Payroll Distribution History

Ranges: Audit Trail Code

From: UPRCC00000001

To: UPRCC00000002

Restrictions:

Audit Trail Code From UPRCC00000001 To UPRCC00000002

Print: ☑ Report

Remove: ☑ History

2. Select a range from the list and enter a range restriction.

3. Choose Insert to insert the range restriction. You can select additional ranges and restrictions. If you've made an error in selecting a range or entering a restriction, highlight the range and choose Remove.

4. Mark Print Report to print the Distribution History Report without removing history.

5. Mark Remove History to remove distribution history for the range you've entered.

6. Choose Process to clear distribution history for the selected ranges.

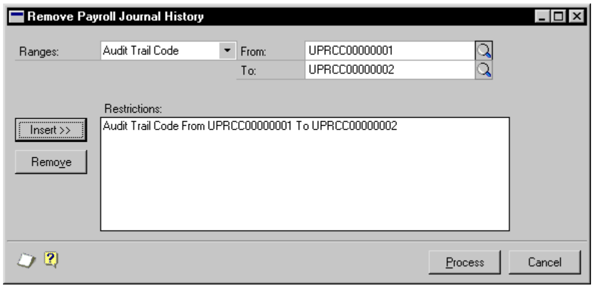
   When you've finished removing history, you can shrink the Payroll data files to free disk space. For more information about system wide file maintenance procedures, refer to the System Administrator manual.

Removing journal history

Use the Remove Payroll Journal History window to remove Payroll journal history. If your posting options have been set up to allow posting journals to be reprinted, you've been able to reprint posting journals for Payroll transactions. Posting journals include the audit trail code that was assigned to transactions during the posting process and are a valuable audit trail tool. Once history has been removed, you won't be able to reprint posting journals for computer checks, manual checks, voided checks, month-end reports or quarter-end reports for the range of transactions that were removed.

To remove journal history:

1. Open the Remove Payroll Journal History window.
   (Utilities >> Payroll >> Remove Journals)



Ranges: Audit Trail Code
From: UPRCC00000001
To: UPRCC00000002
Restrictions:
Audit Trail Code From UPRCC00000001 To UPRCC00000002

2. Select a range from the list and enter a range restriction.

3. Choose Insert to insert the range restriction. You can select additional ranges and restrictions. If you’ve made an error in selecting a range or entering a restriction, highlight the range and choose Remove.

4. Choose Process to clear distribution history for the selected ranges.

   When you’ve finished removing history, you can shrink the Payroll data files to free disk space. For more information about system wide file maintenance procedures, refer to the System Administrator manual.

Chapter 17: Tax Utilities

You can help keep your Payroll records current by using tax utilities to edit federal tax liabilities, tax codes and FICA taxes, if the amounts are incorrect.

This information is contained in the following sections:

- *Editing federal tax liabilities*
- *Viewing and editing payroll taxes*
- *Tax calculation methods*

Editing federal tax liabilities

Use the Payroll Edit Federal Tax Liabilities window to make changes to the federal tax liability amounts if the amounts are incorrect on Form 941 or the Quarterly 941 Preparation Report.

To edit federal tax liabilities, you must have marked the Edit Financial Fields option in the Payroll Setup window.

Differences in tax liability amounts might occur in any of the following circumstances:

- If transaction posting was interrupted at any time.

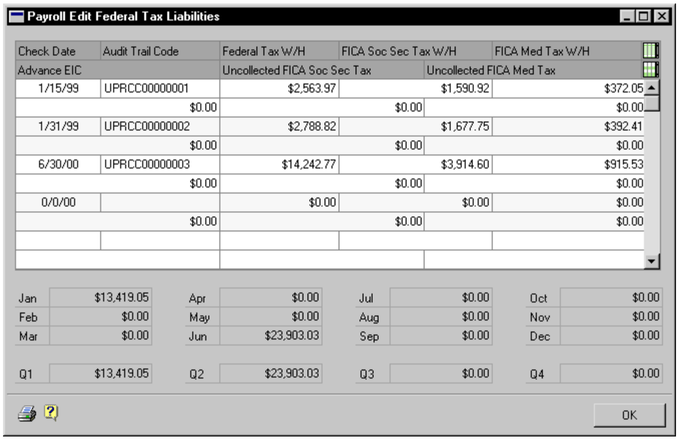
- If you began using Payroll during the year and entered pay run information for your employees using the Employee Summary window—instead of entering the information using the Payroll Manual Checks-Adjustment Entry window.

- If you made any adjustments to the information in the Employee Summary window during the year.

We don’t recommend using the Payroll Edit Federal Tax Liabilities window to edit your liability information except in circumstances such as those described above.

To edit federal tax liabilities:

1. Open the Payroll Edit Federal Tax Liabilities window. (Utilities >> Payroll >> Edit Liabilities)



Check Date	Audit Trail Code	Federal Tax W/H	FICA Soc Sec Tax W/H	FICA Med Tax W/H
Advance EIC		Uncollected FICA Soc Sec Tax		Uncollected FICA Med Tax
1/15/99	UPRCC00000001	$2,563.97	$1,590.92	$372.05
$0.00		$0.00		$0.00
1/31/99	UPRCC00000002	$2,788.82	$1,677.75	$392.41
$0.00		$0.00		$0.00
6/30/00	UPRCC00000003	$14,242.77	$3,914.60	$915.53
$0.00		$0.00		$0.00
0/0/00		$0.00	$0.00	$0.00
$0.00		$0.00		$0.00

Jan	$13,419.05	Apr	$0.00	Jul	$0.00	Oct	$0.00
Feb	$0.00	May	$0.00	Aug	$0.00	Nov	$0.00
Mar	$0.00	Jun	$23,903.03	Sep	$0.00	Dec	$0.00
Q1	$13,419.05	Q2	$23,903.03	Q3	$0.00	Q4	$0.00

2. Move the cursor to the first available line in the scrolling window to enter information for a missing pay run.

3. Move the cursor to the appropriate field in the scrolling window to make changes to an existing pay run.

   The changes you make in this window will be reflected on the following reports:

   - Federal Tax Liabilities List (To print this report, choose File >> Print.)
   - Quarterly 941 Preparation Report
   - Form 941
   - Quarterly 941 Schedule B Preparation Report
   - Quarterly 941 Schedule B

   The Payroll Tax Liability Table table will be updated with these changes. The Payroll Employee Master Table won't be affected. If you make changes using this window, we recommend you print the Federal Tax Liabilities List and keep the report for your records.

4. Choose OK to save your changes.

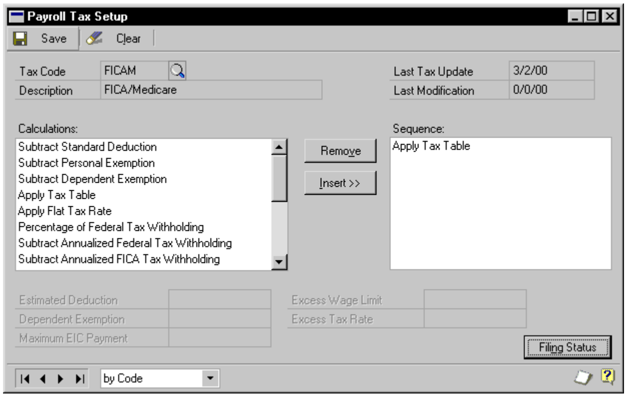
Viewing and editing payroll taxes

Use the Payroll Tax Setup window to view and edit the predefined FICA, federal, state and local taxes tables, if necessary.

You can download predefined tax tables from CustomerSource - Downloads & Updates - Tax Updates to calculate federal tax, FICA tax and state and local tax withholding. You also can use the tax tables for the lesson company. If you've modified the tax tables while working in the lesson company, you'll need to install the tables again.

To view and edit payroll taxes:

1. Open the Payroll Tax Setup window.
   (Setup >> System >> Payroll Tax)



Tax Code: FICAM
Description: FICA/Medicare
Last Tax Update: 3/2/00
Last Modification: 0/0/00

Calculations:
- Subtract Standard Deduction
- Subtract Personal Exemption
- Subtract Dependent Exemption
- Apply Tax Table
- Apply Flat Tax Rate
- Percentage of Federal Tax Withholding
- Subtract Annualized Federal Tax Withholding
- Subtract Annualized FICA Tax Withholding

Sequence:
- Apply Tax Table

Estimated Deduction
Dependent Exemption
Maximum EIC Payment
Excess Wage Limit
Excess Tax Rate

2. Enter or select a tax code. The tax calculations for that code will be displayed in the Sequence list box. For more information, refer to Tax calculation methods on page 184.

   To view the filing status information for the selected tax code, choose Filing Status to open the Payroll Tax Filing Status window. You also can use this window to view personal exemption information, standard deduction information and other tax information.

If the selected tax code uses a calculation that requires a tax table, you can choose Tables after you've entered a filing status to view the tax tables, low income tables, personal exemption tables or special tables for a filing status of a tax code. The Payroll Tax Tables window will open.

3. Close the window.

Tax calculation methods

The following table lists the tax calculation methods and how each method works.

Method	What it does
Subtract Standard Deduction	Subtracts a standard deduction amount from taxable wages.
Subtract Personal Exemption	Subtracts any personal exemptions the tax code allows.
Subtract Dependent Exemption	Subtracts any dependent exemptions the tax code allows. This is a flat amount multiplied by the number of dependents, based on your entries for each employee in the Employee Tax Maintenance window.
Apply Tax Table	Uses the tax table set up for the code.
Apply Flat Tax Rate	Multiplies a flat tax rate by the taxable wages.
Percentage of Federal Tax Withholding	Applies a percentage to the federal tax withholding per filing status for the tax code.
Subtract Annualized Federal Tax Withholding	Subtracts the federal tax withholding.
Subtract Annualized FICA Tax Withholding	Subtracts a percentage of FICA tax withholding.
Check Low Income Tables	Checks taxable wages against a low income table.
No State Tax	Used for states that don't have an income tax.
Subtract Estimated Deductions	Subtracts the amount of the tax for each estimated deduction specified in the Employee State Tax Maintenance window.
Apply Credit Percentage Table	Uses a table to calculate a tax credit.
Calculate Tax On Excess Wages	Determines the tax on excess wages.
Adjust Taxable Wages	Makes a special adjustment on taxable wages.
Check Exception Status	Checks for wage exceptions and applies a flat tax rate.

Method	**What it does**
Apply Special Table For Tax Credit	Displays the calculations that can be performed for the tax.
Round to the Nearest Dollar	Rounds the tax amount for the pay run to the nearest dollar.

Part 6: Routines

This part of the documentation describes how to use Payroll checklists and routines to complete Payroll tasks. It also describes tasks that relate to government regulations.

The following information is discussed:

Chapter 18, “Payroll Checklist Items,” explains how to create, modify and delete customized checklists of Payroll routines or modify existing checklists.

Chapter 19, “Payroll Company Routines,” describes tasks that are done at the end of the month, quarter or year and includes printing period-end reports and closing the year in Payroll.

Chapter 20, “Government Form and Report Routines,” describes tasks that relate to government regulations and required forms, such as the W-2 and 1099-R statements.

Chapter 18: Payroll Checklist Items

You can create customized checklists of Payroll routines or modify existing checklists. For example, you can set up a checklist to ensure that your month-end reports are printed consistently each month.

This information is contained in the following sections:

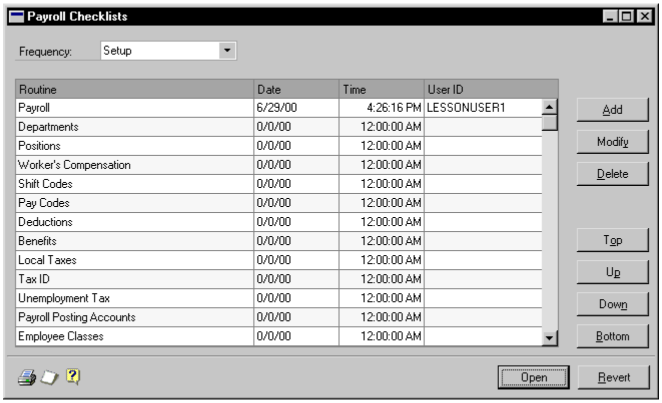
- *Adding or modifying checklist items*
- *Deleting checklist items*

Adding or modifying checklist items

Use the Payroll Checklists window to add or modify checklist items to Payroll routines. You can specify the frequency with which each set of routines should be completed—daily, on payday, at the end of a period, month, quarter, fiscal year or calendar year, or during setup.

To add or modify checklist items:

1. Open the Payroll Checklists window.
   (Routines >> Payroll >> Checklists)



Frequency: Setup

Routine	Date	Time	User ID
Payroll	6/29/00	4:26:16 PM	LESSONUSER1
Departments	0/0/00	12:00:00 AM	
Positions	0/0/00	12:00:00 AM	
Worker's Compensation	0/0/00	12:00:00 AM	
Shift Codes	0/0/00	12:00:00 AM	
Pay Codes	0/0/00	12:00:00 AM	
Deductions	0/0/00	12:00:00 AM	
Benefits	0/0/00	12:00:00 AM	
Local Taxes	0/0/00	12:00:00 AM	
Tax ID	0/0/00	12:00:00 AM	
Unemployment Tax	0/0/00	12:00:00 AM	
Payroll Posting Accounts	0/0/00	12:00:00 AM	
Employee Classes	0/0/00	12:00:00 AM	

2. Select a frequency.

3. Choose Add to add an item or select an item and choose Modify to modify an item. The Add-Modify Payroll Routines window will open.

4. Enter the item information.

5. Choose OK to save the information. The Payroll Checklists window is redisplayed. You can adjust the position of the items in the checklist using Top, Up, Down or Bottom.

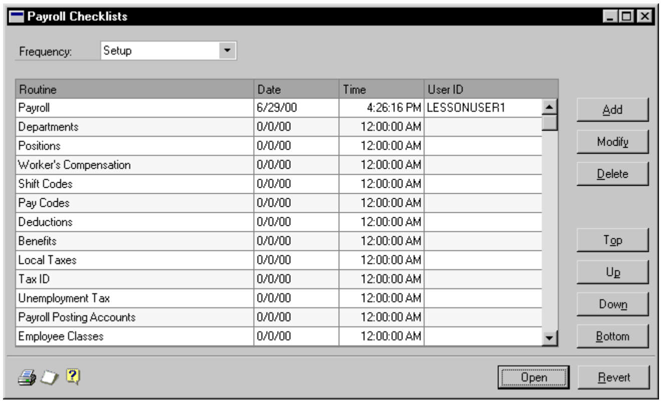
6. Choose Revert to cancel changes and redisplay the window in its original form.

Deleting checklist items

Use the Payroll Checklists window to delete checklist items of Payroll routines. You can specify the frequency with which each set of routines should be completed—daily, on payday, at the end or a period, month, quarter, fiscal year or calendar year, or during setup.

To delete checklist items:

1. Open the Payroll Checklists window.
   (Routines >> Payroll >> Checklists)



Payroll Checklists

Frequency: Setup

Routine	Date	Time	User ID
Payroll	6/29/00	4:26:16 PM	LESSONUSER1
Departments	0/0/00	12:00:00 AM	
Positions	0/0/00	12:00:00 AM	
Worker's Compensation	0/0/00	12:00:00 AM	
Shift Codes	0/0/00	12:00:00 AM	
Pay Codes	0/0/00	12:00:00 AM	
Deductions	0/0/00	12:00:00 AM	
Benefits	0/0/00	12:00:00 AM	
Local Taxes	0/0/00	12:00:00 AM	
Tax ID	0/0/00	12:00:00 AM	
Unemployment Tax	0/0/00	12:00:00 AM	
Payroll Posting Accounts	0/0/00	12:00:00 AM	
Employee Classes	0/0/00	12:00:00 AM	

2. Select a frequency and highlight the checklist item to delete.

3. Choose Delete. You can adjust the position of the items in the checklist using Top, Up, Down or Bottom.

4. Choose Revert to cancel changes and redisplay the window in its original form.

Chapter 19: Payroll Company Routines

There are specific tasks you must complete at the end of the month, quarter or year. They include printing period-end reports and closing the year in Payroll.

This information is contained in the following sections:

- *Printing month-end reports*
- *Printing quarter-end reports*
- *Closing a year*
- *Printing the Year-End Employee Wage Report*

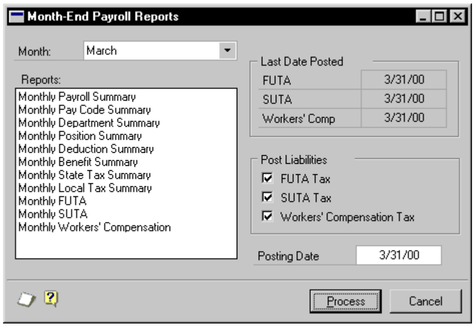
Printing month-end reports

Use the Month-End Payroll Reports window to print any or all of the month-end reports. These reports provide monthly summary information about pay codes, departments, positions, deductions, benefits, state taxes, local taxes, unemployment taxes and workers' compensation.

You also have the option of posting the monthly SUTA, FUTA and Workers' Compensation tax liabilities. These liabilities should be posted either monthly or quarterly, but not both.

To print month-end reports:

1. Open the Month-End Payroll Reports window. (Reports >> Payroll >> Month-End)



Month: March

Reports:
Monthly Payroll Summary
Monthly Pay Code Summary
Monthly Department Summary
Monthly Position Summary
Monthly Deduction Summary
Monthly Benefit Summary
Monthly State Tax Summary
Monthly Local Tax Summary
Monthly FUTA
Monthly SUTA
Monthly Workers' Compensation

Last Date Posted

FUTA	3/31/00
SUTA	3/31/00
Workers' Comp	3/31/00

Post Liabilities
☑ FUTA Tax
☑ SUTA Tax
☑ Workers' Compensation Tax

Posting Date: 3/31/00

2. Select a month.

3. Select the month-end reports to print. For information about each type of report, refer to Chapter 14, “Payroll Reports.”

4. Mark the appropriate options to post FUTA tax, SUTA tax and workers’ compensation tax. When you mark these options, the Posting Date field will display the date that you’re posting these liabilities.

5. Choose Process. The reports you’ve marked will be printed and the tax liabilities will be posted if you selected to post them.

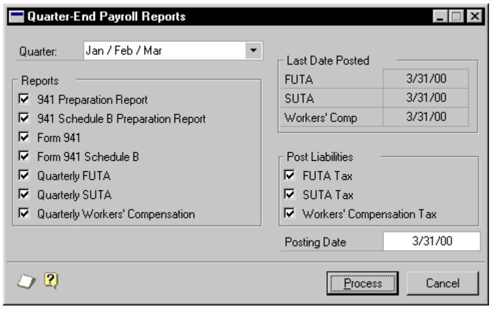
Printing quarter-end reports

Use the Quarter-End Payroll Reports window to print quarter-end reports. These include reports such as the 941 Preparation Report, Form 941, Form 941 Schedule B Preparation Report, Form 941 Schedule B, SUTA and FUTA preparation reports and the Quarterly Workers’ Compensation Report. Print these reports for a quarterly summary of your wages and taxes and to verify their accuracy before posting

You also have the option of posting the quarterly SUTA, FUTA and Workers’ Compensation tax liabilities. These liabilities should be posted either monthly or quarterly, but not both.

To print quarter-end reports:

1. Open the Quarter-End Payroll Reports window. (Reports >> Payroll >> Quarter-End)



Quarter: Jan / Feb / Mar

Reports
☑ 941 Preparation Report
☑ 941 Schedule B Preparation Report
☑ Form 941
☑ Form 941 Schedule B
☑ Quarterly FUTA
☑ Quarterly SUTA
☑ Quarterly Workers' Compensation

Last Date Posted	
FUTA	3/31/00
SUTA	3/31/00
Workers' Comp	3/31/00

Post Liabilities
☑ FUTA Tax
☑ SUTA Tax
☑ Workers' Compensation Tax

Posting Date 3/31/00

2. Select a quarter.

3. Select the quarter-end reports to print. For information about each type of report, refer to Chapter 14, “Payroll Reports.”

4. Mark the appropriate options to post FUTA tax, SUTA tax and workers' compensation tax. When you mark these options, the Posting Date field will display the date that you're posting these liabilities.

5. Choose Process. The reports you've marked will be printed and the tax liabilities will be posted if you selected to post them.

Closing a year

Use the Payroll Year-End Closing window to create a file of annual wage information. This file will be used to print W-2 and 1099-R statements. In addition to creating the file, closing the year will clear all employees' year-to-date information. You also can choose to remove inactive employee and inactive history records and give all employees' vacation and sick time hours for the year.

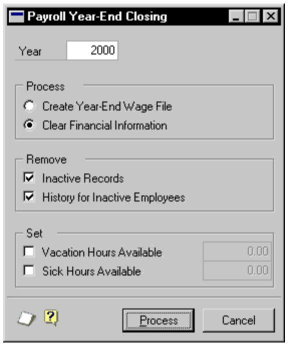
If you're enrolled in a current Dynamics Enhancement Plan, updated year-end and tax information and detailed instructions for closing the year, processing W-2s and running pay runs for the next year will be available to download from CustomerSource. Information in the year-end update supercedes information in this manual.

Before you close the year, be sure you've completed all of your pay runs. Also, make a backup of all company data and store it in a safe place. For more information about making backups in Dynamics, refer to the System Administrator manual.

You can continue to work in your accounting system while year-end processing takes places. You can't void checks or process manual or computer checks during the procedure, or complete Month-End or Quarter-End procedures.

To close a year:

1. Open the Payroll Year-End Closing window.
   (Routines >> Payroll >> Year-End Closing)



Year 2000

Process
○ Create Year-End Wage File
● Clear Financial Information

Remove
☑ Inactive Records
☑ History for Inactive Employees

Set
☐ Vacation Hours Available 0.00
☐ Sick Hours Available 0.00

2. Enter the calendar year to close.

3. Choose a year-end process. If you mark Create Year-End Wage File, a file will be created for printing W-2 statements and 1099-R forms.

   You must create the year-end wage file before you can clear financial information. If you mark Clear Financial Information, all the employees' financial information for Payroll will be removed. You must clear financial information before you can process a pay run in the new year.

4. If you marked Clear Financial Information, you can mark Inactive Records to remove inactive employee records from employee files.

5. If you marked Clear Financial Information, Mark History for Inactive Employees to remove historical records for inactive employees. To remove historical records for inactive employees, you also must remove inactive employee records.

   If you remove inactive employee and history records, reprint journals will not print correct information.

6. Mark Vacation Hours Available and enter the new hours of vacation time that are available to reset the amount for all employees. Mark Sick Hours Available and enter the new sick time hours that are available to reset the amount for all employees.

7. Choose Process to close the year.

   If you've marked Create Year-End Wage File, the Year-End Wage File will be created. If you've marked Clear Financial Information, the monthly and yearly financial information will be cleared and inactive employee records will be removed, depending on your selections.

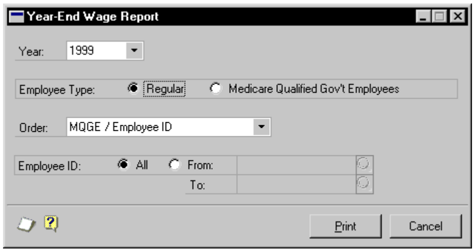
Once you've closed the year, you should shrink your data files to maintain adequate disk space. For more information about shrinking data files, refer to the System Administrator's manual.

Printing the Year-End Employee Wage Report

Use the Year-End Wage Report window to print the Year-End Employee Wage Report to verify W-2 amounts before printing W-2 statements. This report includes the same information that appears on the W-2 statement and includes headings for each field. You can print the Year-End Employee Wage Report only if the year-end wage file exists for the year to use.

To print the Year-End Employee Wage Report:

1. Open the Year-End Wage Report window.
   (Routines >> Payroll >> Year-End Wage Rpt)



Year: 1999

Employee Type: ● Regular ○ Medicare Qualified Gov't Employees

Order: MQGE / Employee ID

Employee ID: ● All ○ From:
To:

2. Select a year.

3. Select the employee type—Regular or Medicare Qualified Government Employees. Employees classified as Medicare Qualified Government Employees (MQGE) always are listed after all Regular employees.

4. Select a sorting option.

5. Enter the range of employee IDs or choose All to include all employees.

6. Choose Print to print the Year-End Employee Wage Report.

Chapter 20: Government Form and Report Routines

There are specific tasks that relate to government regulations and required forms, such as the W-2 and 1099-R statements.

This information is contained in the following sections:

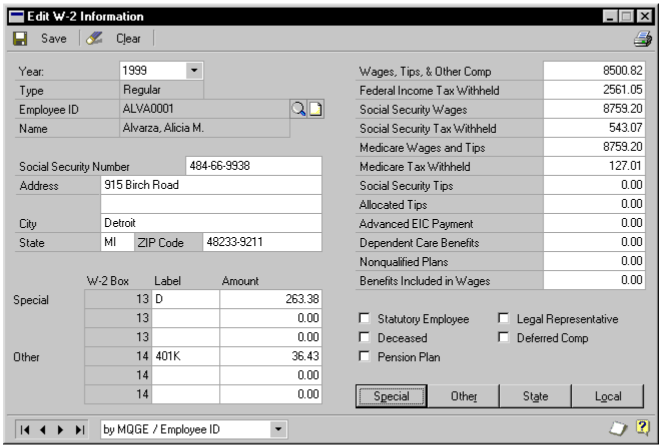
- *Editing W-2 information*
- *Printing W-2 statements*
- *Editing 1099-R information*
- *Printing 1099-R statements*
- *Editing Form 8027 information*
- *Printing Form 8027*

Editing W-2 information

Use the Edit W-2 Information window to verify and make changes to an employee's W-2 information. For example, an employee's address might have changed. You can edit or print W-2 statements for a specific year only if the year-end wage file exists for that year.

To edit W-2 information:

1. Open the Edit W-2 Information window.
   (Routines >> Payroll >> Edit W-2s)



Year:	1999
Type	Regular
Employee ID	ALVA0001
Name	Alvarza, Alicia M.
Social Security Number	484-66-9938
Address	915 Birch Road
City	Detroit
State	MI
ZIP Code	48233-9211

	W-2 Box	Label	Amount
Special	13	D	263.38
	13		0.00
	13		0.00
Other	14	401K	36.43
	14		0.00
	14		0.00

Wages, Tips, & Other Comp	8500.82
Federal Income Tax Withheld	2561.05
Social Security Wages	8759.20
Social Security Tax Withheld	543.07
Medicare Wages and Tips	8759.20
Medicare Tax Withheld	127.01
Social Security Tips	0.00
Allocated Tips	0.00
Advanced EIC Payment	0.00
Dependent Care Benefits	0.00
Nonqualified Plans	0.00
Benefits Included in Wages	0.00

☐ Statutory Employee
☐ Deceased
☐ Pension Plan
☐ Legal Representative
☐ Deferred Comp

by MQGE / Employee ID

2. Select the sorting option. This determines how the employee IDs will be sorted in the lookup window and also the order the records will appear when using the browse buttons.

3. Select the calendar year.

4. Select an employee ID. The employee's Social Security number and address will be displayed. You can edit this information. Changing this information here will not change the information in the Employee Maintenance window.

5. Enter the labels and the amounts that will be printed in the appropriate boxes on the W-2 statement, if required. If you need more than the three fields provided, choose Special to open the Edit W-2 Special Information window, or choose Other to open the Edit W-2 Other Information window.

6. Edit the wage and withholding information for the employee, if necessary.

7. Mark the boxes that apply to the employee whose W-2 information you're editing. Your entries in the Employee Tax Maintenance window will appear as default entries and will appear on the W-2 statement. For more information about each option, refer to *Chapter 7, "Tax Cards."*

8. Choose State or Local to open the Edit W-2 State Tax Information window or the Edit W-2 Local Tax Information window. Use these windows to view and change state and local tax information that will be printed on the W-2 statement.

9. Choose OK to close the window. The Edit W-2 Information window will be redisplayed, and you can continue editing W-2 information.

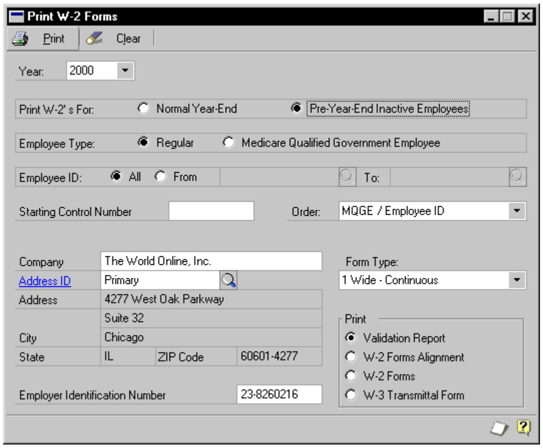
10. Choose Save to save the information you've entered. For more information, refer to *Printing W-2 statements* on page 198.

Printing W-2 statements

Use the Print W-2 Forms window to specify the information to be printed on W-2 statements and then print the statements.

To print W-2 statements:

1. Open the Print W-2 Forms window.
   (Routines >> Payroll >> Print W-2s)



Year: 2000

Print W-2' s For: ○ Normal Year-End ● Pre-Year-End Inactive Employees

Employee Type: ● Regular ○ Medicare Qualified Government Employee

Employee ID: ● All ○ From To:

Starting Control Number

Order: MQGE / Employee ID

Company: The World Online, Inc.

Address ID: Primary

Address: 4277 West Oak Parkway
Suite 32

City: Chicago

State: IL ZIP Code: 60601-4277

Employer Identification Number: 23-8260216

Form Type: 1 Wide - Continuous

Print: ● Validation Report ○ W-2 Forms Alignment ○ W-2 Forms ○ W-3 Transmittal Form

2. Select a year to print W-2 statements for.

3. Select a printing option. To print W-2 statements for employees at the end of the year, mark Normal Year-End. To print W-2 statements for inactive employees before the end of the year, mark Pre-Year-End Inactive Employees.

4. Select an employee type. Choose Regular for employees who are required to pay both FICA Social Security and FICA Medicare taxes. Choose Medicare Qualified Government Employee for employees who are exempt from FICA Social Security tax but subject to FICA Medicare tax.

For Medicare Qualified Government Employee, this must also be selected in the Employee Tax Maintenance window for each employee whose W-2 statement you're printing.

5. Enter a range of employee IDs or mark All to print W-2 statements for all employees.

6. Enter a starting control number. This is the number you can assign to help you track the W-2 statements you print.

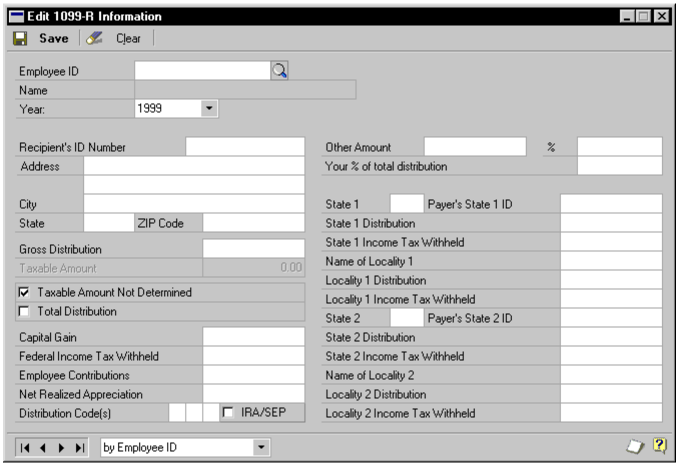
7. Select a sorting order for the W-2 statements.
8. Enter your company name, address and employer identification number.
9. Select a form to print.
   - Mark Validation Report to print a report to verify information, such as employee Social Security numbers.
   - Mark W-2 Forms Alignment to print a test form to ensure the forms are aligned.
   - Mark W-2 Forms to print the W-2 statements.
   - Mark W-3 Transmittal Form to print a summary of the W-2 statements.
10. Print a Validation Report and verify the information before printing W-2 and W-3 statements.
11. Choose Print to print the report or forms you selected. If you're printing W-2 statements, be sure to insert W-2 forms in the printer.

Editing 1099-R information

Use the Edit 1099-R Information window to make changes to a retired employee's 1099-R information. A 1099-R statement shows an employee's distribution from a retirement plan. You can edit or print 1099-R statements for a specific year only if the year-end wage file exists for that year. Only pay codes with a pay type of Pension will be displayed in this window or printed on the 1099-R statement.

To edit 1099-R information:

1. Open the Edit 1099-R Information window.
   (Routines >> Payroll >> Edit 1099-Rs)


Edit 1099-R Information
Save
Clear
Employee ID
Name
Recipient's ID Number
Address
City
State
ZIP Code
Gross Distribution
Capital Gain
Federal Income Tax Withheld
Employee Contributions
Net Realized Appreciation
Distribution Code(s)
IRA/SEP
Other Amount
%
Your % of total distribution
State 1
Payer's State 1 ID
State 1 Distribution
State 1 Income Tax Withheld
Name of Locality 1
Locality 1 Distribution
Locality 1 Income Tax Withheld
State 2
Payer's State 2 ID
State 2 Distribution
State 2 Income Tax Withheld
Name of Locality 2
Locality 2 Distribution
Locality 2 Income Tax Withheld

Year: 1999

Taxable Amount 0.00

☑ Taxable Amount Not Determined

☐ Total Distribution

☐ IRA/SEP

by Employee ID

2. Enter or select an employee ID. The employee’s Social Security number and address will be displayed. You can edit this information. Changing this information here will not change the information in the Employee Maintenance window.

3. Select the calendar year.

4. Change the gross distribution amount of the pension, if necessary. The gross distribution amount is the total amount of pension the employee received in the selected year. If a portion of the distribution is taxable, enter that amount. Otherwise, leave the Taxable Amount Not Determined field marked and the Taxable Amount as 0.

5. Change other distribution information, if necessary.

6. Change the amounts of the federal and state income tax withheld, if necessary. You also can change the state, payer’s state ID, local income tax withheld and the locality to which the tax was paid.

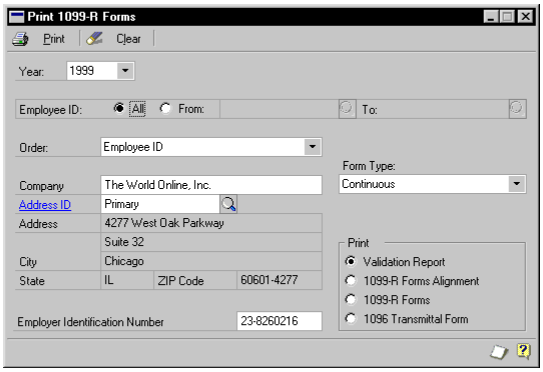
7. Choose Save to save the information you’ve entered. For more information about printing the 1099-R statements, refer to *Printing 1099-R statements* on page 202.

Printing 1099-R statements

Use the Print 1099-R Forms window to print 1099-R statements. These statements show an employee's distribution from a retirement plan.

To print 1099-R statements:

1. Open the Print 1099-R Forms window.
   (Routines >> Payroll >> Print 1099-Rs)



Year: 1999

Employee ID: ● All ○ From: To:

Order: Employee ID

Form Type: Continuous

Company: The World Online, Inc.

Address ID: Primary

Address: 4277 West Oak Parkway
Suite 32

City: Chicago

State: IL ZIP Code: 60601-4277

Employer Identification Number: 23-8260216

Print
● Validation Report
○ 1099-R Forms Alignment
○ 1099-R Forms
○ 1096 Transmittal Form

2. Select the year to print 1099-R statements for.

3. Enter a range of employee IDs or mark All to print 1099-R statements for all employees.

4. Select the sorting order for the 1099-R statements.

5. Enter your company name, address and employer identification number.

6. Select the form type to print.

   - Mark Validation Report to print a report to verify information.

   - Mark 1099-R Forms Alignment to print a test form to ensure the forms are aligned.

   - Mark 1099-R Forms to print the 1099-R statements.

- Mark 1096 Transmittal Form to print a summary of the 1099-R statements.

7. Print a Validation Report and verify the information before printing 1099-R statements.

8. Choose Print to print the report or forms you selected. If you're printing 1099-R statements, be sure to insert 1099-R forms in the printer.

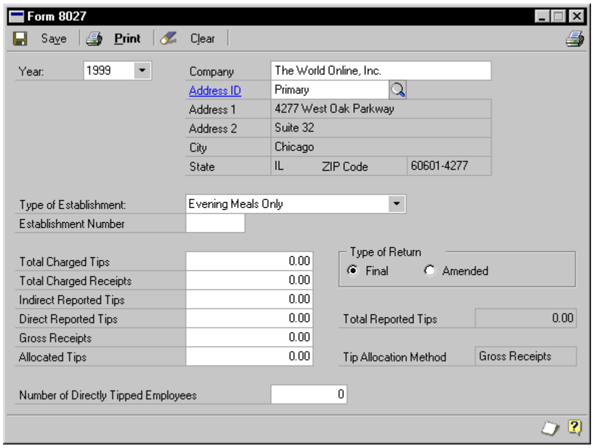
Editing Form 8027 information

Use the Form 8027 window to review the Form 8027 preparation report, and, if necessary, make changes to Form 8027 tips and receipts information before printing Form 8027.

Form 8027 is a form used by large food and beverage establishments to report tips and receipts to the federal government. You can edit or print Form 8027 or its associated preparation report for a specific year, as long as the year-end wage file exists for that year.

To edit Form 8027 information:

1. Open the Form 8027 window.
   (Routines >> Payroll >> Form 8027)



Year: 1999
Company: The World Online, Inc.
Address ID: Primary
Address 1: 4277 West Oak Parkway
Address 2: Suite 32
City: Chicago
State: IL ZIP Code: 60601-4277
Type of Establishment: Evening Meals Only
Establishment Number:
Total Charged Tips: 0.00
Total Charged Receipts: 0.00
Indirect Reported Tips: 0.00
Direct Reported Tips: 0.00
Gross Receipts: 0.00
Allocated Tips: 0.00
Type of Return: ● Final ○ Amended
Total Reported Tips: 0.00
Tip Allocation Method: Gross Receipts
Number of Directly Tipped Employees: 0

2. Select a reporting year. A year-end wage file must exist for that year to prepare Form 8027.

3. Verify company name and address information.

4. Select the Type of Establishment for which you are preparing Form 8027—Evening Meals Only, Evening and Other Meals, Meals Other than Evening Meals or Alcoholic Beverages.

5. You can enter an establishment number.

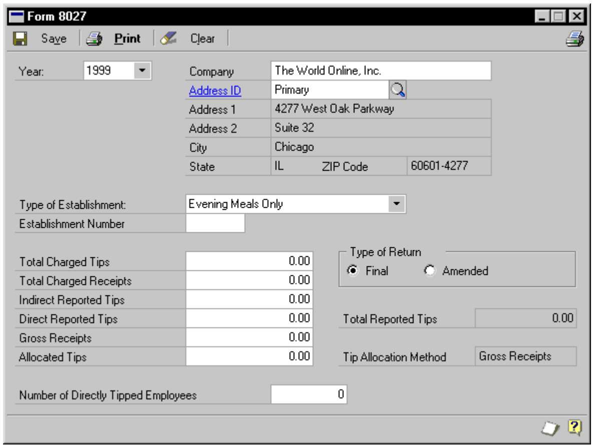
6. Choose File >> Print to verify information before you print Form 8027 to send to the IRS.

Printing Form 8027

Use the Form 8027 window to print Form 8027, which is used by large food and beverage establishments to report tips and receipts to the federal government. You can edit or print Form 8027 or its associated preparation report for a specific year as long as the year-end wage file exists for that year. For more information, refer to *Editing Form 8027 information* on page 203.

To print Form 8027:

1. Open the Form 8027 window.
   (Routines >> Payroll >> Form 8027)



Year: 1999
Company: The World Online, Inc.
Address ID: Primary
Address 1: 4277 West Oak Parkway
Address 2: Suite 32
City: Chicago
State: IL ZIP Code: 60601-4277
Type of Establishment: Evening Meals Only
Establishment Number:
Total Charged Tips: 0.00
Total Charged Receipts: 0.00
Indirect Reported Tips: 0.00
Direct Reported Tips: 0.00
Gross Receipts: 0.00
Allocated Tips: 0.00
Type of Return: ● Final ○ Amended
Total Reported Tips: 0.00
Tip Allocation Method: Gross Receipts
Number of Directly Tipped Employees: 0

2. Select a reporting year. A year-end wage file must exist for the year to print Form 8027.

3. Verify company name and address information. You should have already verified tips information using the Form 8027 Preparation Report.

4. Select the Type of Establishment for which you are preparing Form 8027—Evening Meals Only, Evening and Other Meals, Meals Other than Evening Meals or Alcoholic Beverages.

5. Select the type of return, Final or Amended.

6. Choose Print.

PART 7: PAYROLL DIRECT DEPOSIT

Part 7: Payroll Direct Deposit

This part of the documentation describes how to use Payroll Direct Deposit to process a pay run and deposit employee payroll funds to a bank account or credit union account.

The following information is discussed:

Chapter 21, "Payroll Direct Deposit Setup," explains the differences between regular and deduction direct deposits. It also explains the remainder of net, prenotifications and exceptions, as well as how to set up Direct Deposit and security.

Chapter 22, "ACH File Setup," explains how to define the bank or credit union information used to create the ACH file.

Chapter 23, "Employee Direct Deposit Maintenance," explains how to create employee direct deposit cards when an employee requests his or her payroll funds be directed to a checking or savings account.

Chapter 24, "Deduction Direct Deposit Setup," explains how to set up a direct deposit as a link to a Payroll deduction, rather than as a separate Payroll Direct Deposit account entry.

Chapter 25, "Deduction Direct Deposit Maintenance," describes how to set up employee deduction direct deposit cards if an employee requests having some payroll funds directed to a direct deposit account and the remainder of his or her earnings paid with a check.

Chapter 26, "Payroll Direct Deposit Routine," describes the additional steps required when you add Payroll Direct Deposit to your existing payroll process.

Chapter 27, "Payroll Direct Deposits Reports," describes Payroll Direct Deposit reports you can use to monitor your direct deposit transactions.

Chapter 21: Payroll Direct Deposit Setup

Payroll Direct Deposit is a system of distributing employees' earnings directly to their checking or savings accounts. Direct deposit relies upon the use of a standardized electronic file—called an ACH file—that summarizes basic information about the account your company users for payroll transactions, and it includes basic information about the employees' accounts.

You can use Payroll Direct Deposit to generate the information you need to have payroll funds automatically deposited into employees' accounts at their financial institutions. You can customize the information that is given to your financial institution to meet both your company's needs and the financial institution's needs.

Each employee's pay can be distributed between up to twelve bank accounts. There are two types of direct deposit accounts: direct deposit accounts—the ones most of your employees will use—and deduction direct deposit accounts.

Deduction direct deposit accounts should be used only if you have employees who want a portion of their pay sent to a direct deposit account and the remainder paid to them in a paycheck. For more information about the differences between regular direct deposit accounts and deduction direct deposit accounts, refer to Regular vs. deduction direct deposits on page 210.

When you process a pay run, you can print payroll checks in one print job, then print Payroll Direct Deposit earnings statements in another. This lets you conserve your check stock for printing actual checks.

This information is contained in the following sections:

- *Regular vs. deduction direct deposits*
- *Remainder of net*
- *Payroll Direct Deposit prenotifications*
- *Direct Deposit exceptions*
- *Setting up Payroll Direct Deposit*
- *Entering Payroll Direct Deposit auto-settle line information*
- *Setting up Payroll Direct Deposit security*

Regular vs. deduction direct deposits

A deduction direct deposit account is set up as a link to a Payroll deduction, rather than as a separate Payroll Direct Deposit account entry. You should use deduction direct deposit only if an employee requests to have some payroll funds deposited to a direct deposit account and the remainder of his or her earnings paid with a check. The following table explains the differences between a regular direct deposit and a deduction direct deposit.

	Regular direct deposits	**Deduction direct deposits**
Effect on wages	Sends net wages to direct deposit accounts.	Reduces net wages.
Setup location	Employee Direct Deposit Maintenance window.	Employee Deduction Maintenance window.
Payment order	Paid in the order they appear in the Employee Direct Deposit Maintenance window, after any deduction direct deposits.	Paid first.
Remainder of net pay	Remainder of net pay over the amount of deductions and direct deposits will be sent to the direct deposit account indicated by the Remainder of Net Line Number field in the Employee Direct Deposit Maintenance window.	Net pay over the amount of the direct deposits cannot be sent to any direct deposit account, but is paid with a "real" check.
Checks	If an employee has "regular" direct deposit accounts, any net pay over the amount will be sent to the direct deposit account specified in the Remainder of Net Line Number field; the employee might get a voided check or a direct deposit earnings statement.	If an employee has only a deduction direct deposit account, any net pay over the amount of the deductions will be paid with a "real" check.

Remainder of net

Payroll calculates the net wages for an employee's earnings, which can then be distributed to one or more direct deposit accounts. If all direct deposit accounts are paid and the net wages have not been fully exhausted, the remaining amount is called the remainder of net.

- If the employee is using regular direct deposit accounts, the remainder of net will be added to the amount paid to the account indicated by the

Remainder of Net Line Number on the Employee Direct Deposit Maintenance window.

For example, suppose Jane’s net wages are $1,200. She has two direct deposit accounts:

Line 1	Savings	$500
Line 2	Checking	$500

$1200-$500-$500=$200

The Remainder of Net Line Number is 2, her checking account. The remainder of net is $200. This amount will be added to Jane’s checking account. The total deposits will be $500 to savings and $700 to checking.

- If the employee is using deduction direct deposit, those “deductions” are processed in Payroll just like any other payroll deduction. The amount for a deduction direct deposit is determined by Payroll and is not changed by Payroll Direct Deposit. If an employee is using deduction direct deposit, the employee’s net wages—the amount left after deductions are paid—are paid with a paycheck. For more information, refer to Chapter 24, “Deduction Direct Deposit Setup.”

Payroll Direct Deposit prenotifications

A prenotification or prenote is a test run of direct deposit information to help you verify the financial institution and employee account numbers you’ve entered in Payroll Direct Deposit. If you’re using deduction direct deposits, the effect of prenotes is slightly different. Refer to Chapter 24, “Deduction Direct Deposit Setup,” for more information.

Once you’ve entered an employee’s direct deposit preferences, you might be required by your financial institution to process one or more prenotifications to verify the information in the ACH file. You’ll need to check with your bank or credit union’s guidelines and process as many prenotes as required when an employee adds an account to his or her direct deposit setup.

Each time an employee begins using direct deposit, you’ll probably be required to complete a prenotification for that employee’s distributions. Check with your financial institution for more details about particular requirements.

If you generate an ACH file that includes an employee account that has prenote status, the ACH file line item will include financial institution and account numbers, but a zero dollar value.

Payment to employees who have entries that are in prenote status will depend on whether all or some of the employee's accounts have prenote status:

- If all of an employee's accounts have prenote status, the employee will not be paid by direct deposit. A check will be generated for the employee instead.
- If the employee has a combination of active and prenote status accounts, the employee's distributions to the active accounts will be completed. The remainder of net will be deposited in a direct deposit account; it will not be paid by check.

Direct Deposit exceptions

Occasionally, you will not be able to complete the direct deposit transactions that are specified by your employees. This causes an exception to your direct deposit process. Exceptions are the instances when direct deposit transactions are not completed as you might have intended. Payroll Direct Deposit groups exceptions into three categories:

- Insufficient Funds
- Amount Deducted, Not Deposited
- Other

Situations that might cause each of these exceptions are described here.

Insufficient funds

The employee hasn't earned enough funds in this pay period to pay all deposit accounts.

Situation A The amount scheduled to be directly deposited to the account exceeded the net pay for the employee.

For example, suppose that Kevin's usual net pay is $1,000, and has the following direct deposit account set up:

Line 1	Savings	$600

During one pay period, however, his net wages are only $500. The direct deposit for that payroll would be $500 to the savings account. This amount—even though it is an exception to a typical payroll run—would be transferred to the account with direct deposit.

Situation B Funds were allocated to other direct deposit accounts or deductions, resulting in insufficient funds to pay the direct deposit account referred to in the exception entry.

For example, suppose that Maria's usual net pay is $1,000 and she has the following direct deposit accounts set up:

Line 1	Savings	$400
Line 2	Checking	$600

During one pay period, however, her net wages are only $800. The direct deposits for that payroll would be $400 to the savings account—since accounts are paid in the order they appear in the scrolling window—and $400 to her personal checking account. These amounts—even though they are exceptions to a typical payroll run—would be transferred to the accounts with direct deposit.

Situation C The entire net pay was split by percentage between two or more direct deposit accounts and the net pay couldn't be divided evenly.

For example, suppose that Sam's net pay is $999.99 and he has the following direct deposit accounts set up:

Line 1	Checking	50%
Line 2	Savings	50%

In this scenario, $500 would be sent to the first account listed in the direct deposit setup, and $499.99 would be deposited into the second account listed.

Amount deducted, not deposited

The amount was deducted but not deposited.

Situation A A Payroll deduction was linked to Direct Deposit in the Direct Deposit Setup window, but when the accounts were set up for the employee in the Employee Direct Deposit Maintenance window, no link was established between the deduction and the employee’s direct deposit accounts.

Situation B A deduction direct deposit account was set to Inactive or Prenote, or was deleted in the Employee Direct Deposit Maintenance window.

Other exceptions

These are exceptions not covered in Type 1: Insufficient Funds or Type 2: Amount Deducted, Not Deposited.

Situation A The entire net pay had been exhausted for payment other than deductions—which may or may not have been deduction direct deposits—and no funds remained for the last deduction direct deposit.

Situation B A deduction direct deposit was not on the list of deductions to be included when checks were built for the pay run.

Situation C The amount to be directed to a deduction direct deposit exceeded net pay, so funds were deducted.

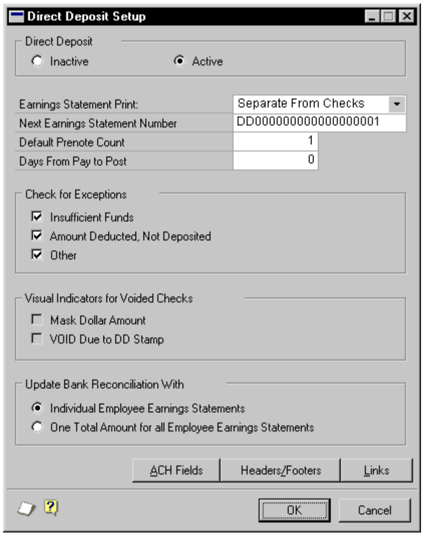
Situation D A deduction direct deposit account was set to Inactive or was deleted in the Employee Deduction Maintenance window.

Setting up Payroll Direct Deposit

Use the Direct Deposit Setup window to enter direct deposit information, such as the number of days between pay periods, the type of printing method to use and the next earnings statement number.

To set up Payroll Direct Deposit:

1. Open the Direct Deposit Setup window.
   (Setup >> Payroll >> Direct Deposit)



Direct Deposit
○ Inactive ● Active

Earnings Statement Print: Separate From Checks
Next Earnings Statement Number DD000000000000000001
Default Prenote Count 1
Days From Pay to Post 0

Check for Exceptions
☑ Insufficient Funds
☑ Amount Deducted, Not Deposited
☑ Other

Visual Indicators for Voided Checks
☐ Mask Dollar Amount
☐ VOID Due to DD Stamp

Update Bank Reconciliation With
● Individual Employee Earnings Statements
○ One Total Amount for all Employee Earnings Statements

2. Mark Active to turn on Payroll Direct Deposit.

You can mark Inactive to turn off Direct Deposit for a single pay run. However, we recommend that you select No Deposits this Payroll in the Deposit Method drop-down list in the Direct Deposit Print window.

3. Select an Earnings Statement Print option.

Separate From Checks Generates separate print jobs—one for employees who receive actual checks, and another for employees whose entire paychecks are deposited directly. With this option, you aren’t required to print voided checks for employees whose entire earnings are deposited directly; earnings statements for employees using direct deposit are printed.

As Voided Checks Generates a single payroll print job that will print a payroll check for every employee. The print job will include voided checks for employees whose pay is entirely dispersed using direct deposit.

4. Enter the next earnings statement number that should appear on the next deposit slip. This number will increase automatically.

5. Enter the number of prenotes required of new employee direct deposit accounts.

6. In the Days From Pay to Post field, enter the number of days after the end of the pay period that the direct deposit funds will be available to your employees. For example, if your pay period ends on Friday and the funds need to be available on the following Monday, you would enter “3” in the Days From Pay to Post field.

7. Mark the type of exceptions to check for. We recommend that you mark all three types.

8. If you choose to print voided checks, mark one or both of the Visual Indicators for Voided Checks.

    - Mark Mask Dollar Amount to place a row of X’s on the line typically used to spell out the check amount on the check portion of the paycheck. The amount displayed in the other amount field on the check will be $00.00.

    - Mark VOID Due to DD Stamp for those words to appear in large letters on the signature line of the payroll check.

9. Choose to update bank reconciliation with individual employee earnings statements or with one total amount for all employee earning statements.

10. Choose ACH Fields to open the ACH Fields Setup window. For more information, refer to *Setting up the ACH fields* on page 221.

11. Choose Headers/Footers to open the ACH File Header and Footer window. For more information, refer to *Creating ACH headers and footers* on page 224.

12. Choose Links to open the Link Deduction Setups to Direct Deposit window. For more information, refer to *Linking Payroll Direct Deposit deductions to direct deposits* on page 237.

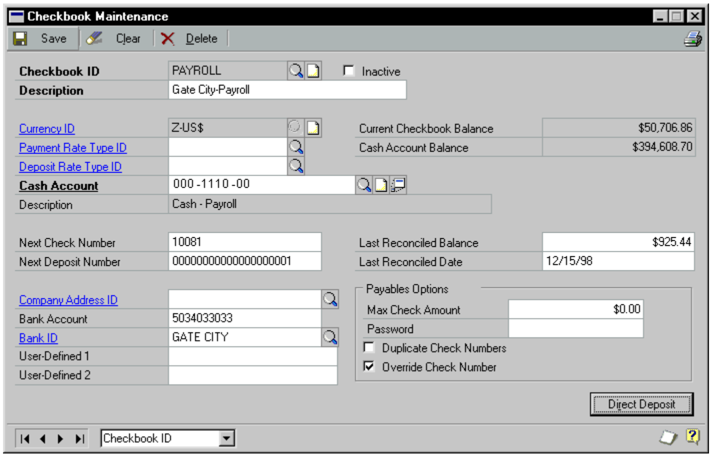
13. Choose OK.

Entering Payroll Direct Deposit auto-settle line information

Use the Direct Deposit Checkbook Maintenance window and the Bank Maintenance window to enter Payroll Direct Deposit auto-settle line information.

To enter Payroll Direct Deposit auto-settle line information:

1. Open the Checkbook Maintenance window.
   (Cards >> Financial >> Checkbook)



Checkbook ID	PAYROLL
☐ Inactive	
Description	Gate City-Payroll
Currency ID	Z-US$
Payment Rate Type ID	
Deposit Rate Type ID	
Cash Account	000 -1110 -00
Description	Cash - Payroll
Next Check Number	10081
Next Deposit Number	00000000000000000001
Company Address ID	
Bank Account	5034033033
Bank ID	GATE CITY
User-Defined 1	
User-Defined 2	
Current Checkbook Balance	$50,706.86
Cash Account Balance	$394,608.70
Last Reconciled Balance	$925.44
Last Reconciled Date	12/15/98

Payables Options

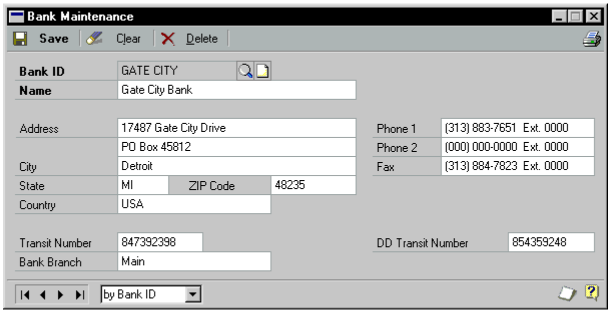
Max Check Amount	$0.00
Password	

☐ Duplicate Check Numbers
☑ Override Check Number

Checkbook ID

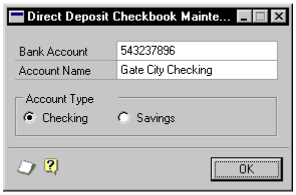
2. Enter or select a checkbook ID.

3. From the Bank ID field, zoom to the Bank Maintenance window, enter the DD Transit Number and choose Save. The Checkbook Maintenance window will be displayed.



Bank ID GATE CITY
Name Gate City Bank
Address 17487 Gate City Drive
PO Box 45812
City Detroit
State MI
ZIP Code 48235
Country USA
Phone 1 (313) 883-7651 Ext. 0000
Phone 2 (000) 000-0000 Ext. 0000
Fax (313) 884-7823 Ext. 0000
Transit Number 847392398
Bank Branch Main
DD Transit Number 854359248
by Bank ID

4. Choose Direct Deposit in the Checkbook Maintenance window to open the Direct Deposit Checkbook Maintenance window.



Bank Account 543237896
Account Name Gate City Checking
Account Type
● Checking ○ Savings

5. Enter a bank account and account name.

6. Mark the type of account—checking or savings.

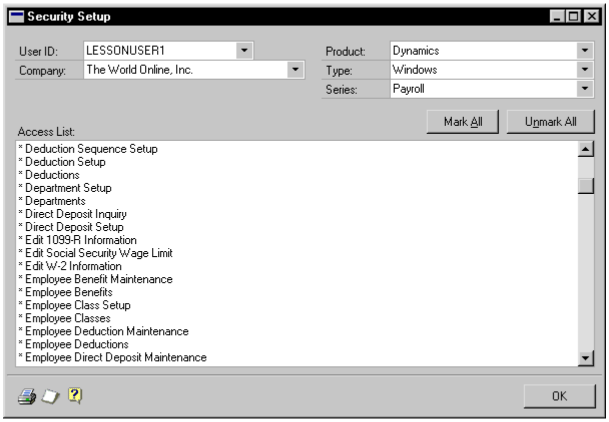
7. Choose OK to save your changes.

Setting up Payroll Direct Deposit security

To use Payroll Direct Deposit, you must have access to the Payroll Direct Deposit windows.

To set up Payroll Direct Deposit security:

1. Open the Security Setup window.
   (Setup >> System >> enter system password >> Security)



User ID: LESSONUSER1
Company: The World Online, Inc.
Product: Dynamics
Type: Windows
Series: Payroll

Access List:
* Deduction Sequence Setup
* Deduction Setup
* Deductions
* Department Setup
* Departments
* Direct Deposit Inquiry
* Direct Deposit Setup
* Edit 1099-R Information
* Edit Social Security Wage Limit
* Edit W-2 Information
* Employee Benefit Maintenance
* Employee Benefits
* Employee Class Setup
* Employee Classes
* Employee Deduction Maintenance
* Employee Deductions
* Employee Direct Deposit Maintenance

2. Select a user ID and a company. The security you set up will apply to the user only when the user is logged into that company.

3. Select Dynamics from the Product list and select Windows from the Type list.

4. From the Series list, select Payroll. When you select a series, the Access List displays the items for the product, type and series you selected. Each item appears marked with an asterisk (*), which means the item is available to the user.

5. Using the Access List, remove or grant access to individual items.

   - To restrict access to an item for this user, double-click the item and the asterisk will disappear.

   - To grant access to an item for this user, double-click the item and the asterisk will appear.

   - Choose Unmark All to restrict access to all items in the list, or Mark All to grant access to all items in the list.

6. Choose OK.

Chapter 22: ACH File Setup

An ACH file is an Automated Clearing House transaction file—a text file containing a group of electronic payments that will be deposited into employee bank accounts in lieu of paper checks.

You will submit ACH files to a financial institution that is a member of the National Automated Clearing House Association (NACHA) to transmit the payments contained in the ACH file. You can transfer the file to the bank or credit union on a computer diskette or by modem.

This information is contained in the following sections:

- *Setting up the ACH fields*
- *Creating ACH headers and footers*

Setting up the ACH fields

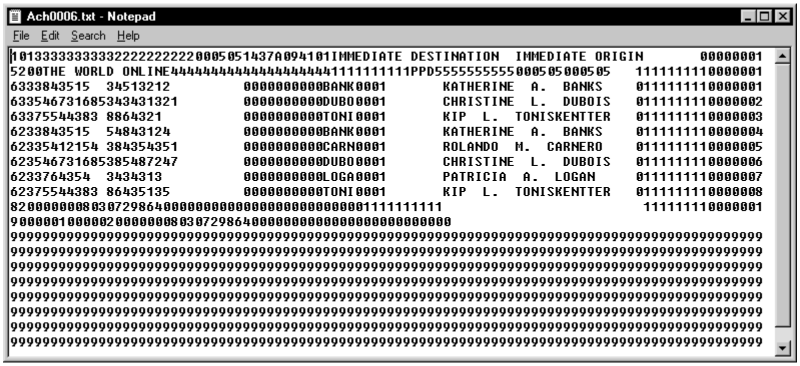
Use the ACH Fields Setup window to enter specific information about the bank or credit union account that your company uses to generate its payroll. When you enter direct deposit information for your employees, it is entered into a special format that can be interpreted by banks and credit unions to complete the transactions.

Members of NACHA use the following codes to specify each type of ACH transaction:

- Checking Credits (22)
- Checking Credit Prenotifications (23)
- Checking Debits (27)
- Checking Debit Prenotifications (28)
- Savings Credits (32)
- Savings Credit Prenotifications (33)
- Savings Debits (37)
- Savings Debit Prenotifications (38)

Part of the information you enter, like your company’s identification number, probably won’t change from one pay run to the next. You can enter that information in the ACH Fields Setup window so it is automatically included in the ACH files you generate.

To see how the information you enter in the ACH Fields Setup window will affect the ACH files you generate, you can refer to the following illustrations. The information displayed in the following ACH file was generated from the ACH Fields Setup window shown.



```
101333333333322222222220005051437A094101IMMEDIATE DESTINATION  IMMEDIATE ORIGIN       00000001
5200THE WORLD ONLINE444444444444444444441111111111PPD5555555555000505000505   1111111110000001
6333843515  34513212        0000000000BANK0001       KATHERINE  A.  BANKS    0111111110000001
63354673168534431321        0000000000DUBO0001       CHRISTINE  L.  DUBOIS   0111111110000002
63375544383 8864321         0000000000TONI0001       KIP  L.  TONISKENTTER   0111111110000003
6233843515  54843124        0000000000BANK0001       KATHERINE  A.  BANKS    0111111110000004
62335412154 384354351       0000000000CARN0001       ROLANDO  M.  CARNERO    0111111110000005
623546731685385487247       0000000000DUBO0001       CHRISTINE  L.  DUBOIS   0111111110000006
6233764354  3434313         0000000000LOGA0001       PATRICIA  A.  LOGAN     0111111110000007
62375544383 86435135        0000000000TONI0001       KIP  L.  TONISKENTTER   0111111110000008
820000000803072986400000000000000000000000001111111111                         111111110000001
9000001000002000000080307298640000000000000000000000000
9999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999
9999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999
9999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999
9999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999999
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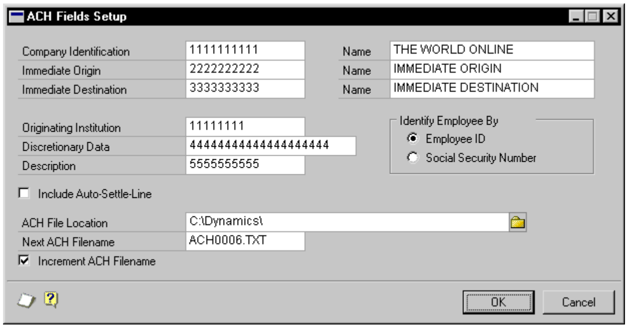


Company Identification 1111111111 Name THE WORLD ONLINE

Immediate Origin 2222222222 Name IMMEDIATE ORIGIN

Immediate Destination 3333333333 Name IMMEDIATE DESTINATION

Originating Institution 11111111

Discretionary Data 44444444444444444444

Description 5555555555

Identify Employee By
● Employee ID
○ Social Security Number

☐ Include Auto-Settle-Line

ACH File Location C:\Dynamics\

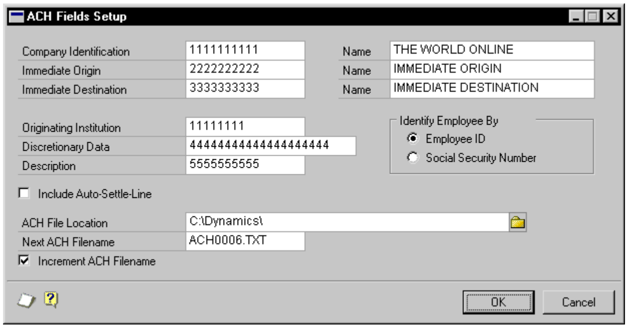
Next ACH Filename ACH0006.TXT

☑ Increment ACH Filename

To set up the ACH fields:

1. Open the Direct Deposit Setup window.
   (Setup >> Payroll >> Direct Deposit)

2. Choose ACH Fields to open the ACH Fields Setup window.



ACH Fields Setup

Company Identification	1111111111	Name	THE WORLD ONLINE
Immediate Origin	2222222222	Name	IMMEDIATE ORIGIN
Immediate Destination	3333333333	Name	IMMEDIATE DESTINATION
Originating Institution	11111111		
Discretionary Data	44444444444444444444		
Description	5555555555		

Identify Employee By
● Employee ID
○ Social Security Number

☐ Include Auto-Settle-Line

ACH File Location	C:\Dynamics\
Next ACH Filename	ACH0006.TXT

☑ Increment ACH Filename

3. Enter information about your company and the financial institution in the available fields. This information will be provided by the financial institution receiving your ACH File.

4. Choose whether to identify the employee in the ACH file by the employee ID or Social Security number.

5. Mark Include Auto-Settle-Line if your financial institution requires this. If it isn't marked, the financial institution will create the balancing line. For more information, refer to *Entering Payroll Direct Deposit auto-settle line information* on page 217.

⚠ *You cannot generate an ACH file that includes some payroll runs with the Auto-Settle Line option and some without; they must all have the Auto-Settle Line or all be without it.*

6. In the ACH File Location field, enter or select the path where the generated ACH file will be stored.

7. Enter the file name to use for your first ACH file in the Next ACH Filename field.

8. Mark Increment ACH Filename to save each ACH file you generate. To generate a new file name for each payroll run, you can have your ACH file names automatically incremented (ACH001.TXT, ACH002.TXT, etc.).

9. Choose OK.

Creating ACH headers and footers

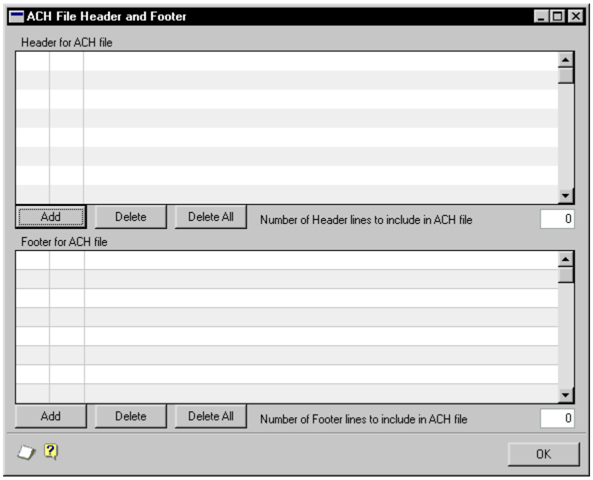
Use the ACH File Header and Footer window to define headers and footers for your ACH File. Headers and footers are lines of data that you can create to be added to the beginning or the end of the ACH File.

Headers and footers can be used for extra information needed in the ACH File and automatically will be added to your file each time it's generated. The lines will appear exactly as shown in the ACH File Header and Footer window and will become part of the ACH File. Some banks or credit unions might require that you include additional information in your ACH file, such as a password or account number. Be sure to check with your financial institution for more information about specific requirements for these files.

To create an ACH header or footer:

1. Open the Direct Deposit Setup window.

2. Choose the Headers/Footers button to open the ACH File Header and Footer window.



Number of Header lines to include in ACH file 0

Number of Footer lines to include in ACH file 0

3. Choose Add beneath the appropriate scrolling window.

4. Enter your information on the first available line in the scrolling window.

Be sure to check with your financial institution financial institution for more information about specific requirements for ACH file headers and footers.

5. Repeat Steps 3 and 4 to continue creating header and footer information.

6. Enter the number of header lines and footer lines to include in the ACH file.

7. Choose Delete beneath the appropriate scrolling window to delete a header or footer. Choose Delete All beneath the appropriate scrolling window to delete all headers or footers.

8. Choose OK.

Chapter 23: Employee Direct Deposit Maintenance

You'll need to enter employee direct deposit information when an employee requests his or her payroll funds be directed to a direct deposit account. To set up an employee's records so that some payroll funds are deposited into a direct deposit account and also print a check for the employee, refer to *Regular vs. deduction direct deposits* on page 210.

This information is contained in the following sections:

- *Creating an employee Direct Deposit record*
- *Updating an employee direct deposit account status*
- *Inactivating employee direct deposit accounts*
- *Reactivating an employee direct deposit account*

Creating an employee Direct Deposit record

There are two types of direct deposit distributions: single-account distributions and multiple-account distributions.

- **Single-account distributions** Used when only one account line is entered for an employee and the entire net wages from the pay run will be deposited to that account. If you're using a single-account distribution, it's best to use the percentage field and set it to 100%. This makes distribution of any unusual payroll amounts—for employees who earn overtime, for example—easier.

- **Multiple-account distributions** Used when more than one account is set up for an employee and net wages are to be distributed into the accounts in a certain order. Because Payroll Direct Deposit pays each account in order, it is possible to have some accounts receive less than the entered amount.

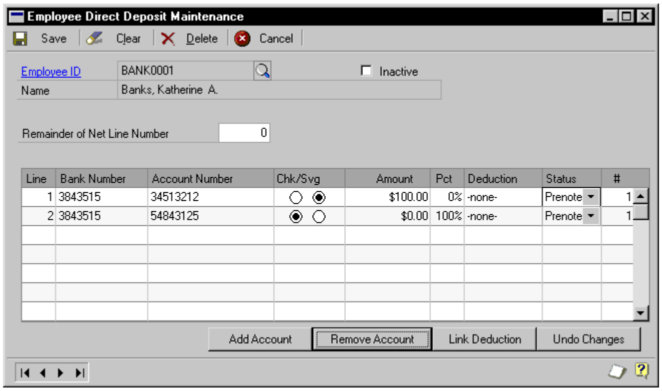
If you specify an amount when using multiple-account distributions, the employee's net wages will be reduced by that amount. If you enter a percent, the employee's net wages will be multiplied by that percent. Each time an account is paid, net wages for the employee are reduced. This continues until all the net wages have been deposited or until all lines have been paid. Any funds remaining are called remainder of net and are added to the account indicated in the Remainder of Net Line Number field.

If an employee's net wages for the pay period are not sufficient to pay all items defined for an employee, the items are paid in full from top to bottom until all net wages are deposited. In no circumstance will an employee have more or less money paid to accounts than the net wages in the pay run.

Guidelines in this section do not apply to direct deposit entries that are linked to Dynamics deductions. For more information, refer to Chapter 24, "Deduction Direct Deposit Setup."

To create an Employee Direct Deposit record:

1. Open the Employee Direct Deposit Maintenance window. (Cards >> Payroll >> Direct Deposit)



Employee ID: BANK0001
Name: Banks, Katherine A.
☐ Inactive
Remainder of Net Line Number: 0

Line	Bank Number	Account Number	Chk/Svg	Amount	Pct	Deduction	Status	#
1	3843515	34513212	○ ●	$100.00	0%	-none-	Prenote	1
2	3843515	54843125	● ○	$0.00	100%	-none-	Prenote	1

2. Select an Employee ID.

3. Choose Add Accounts to create a new line item. Each line will be numbered automatically.

4. Enter the bank and account numbers in the appropriate fields and indicate if the account is a savings or checking account.

5. Enter amount or percentage information for this account. For example, suppose an employee wants to split his or her paycheck in the following way:

   - $800 to a personal checking account
   - $400 (and remainder of net) to a credit union savings account

When the employee has to take one week without pay, the employee's net pay for that period is only $600. The entire $600 will be deposited to the personal checking account because it is listed first in the Employee Direct Deposit Maintenance window. No payments are made to the second account—the credit union account.

To have this noted in the exceptions report, you must mark Insufficient Funds in the Direct Deposit Setup window.

6. Select a Status option.

   Prenote Use this option if this is a trial run to verify the entries are properly set up.

   Consult your bank or credit union representative to see how many prenotes are required for each account.

   Active Use this option to make an actual deposit to the account.

   Inactive Use this option to temporarily stop direct deposits to this account.

   No deposits can be made to accounts that are marked Inactive or Prenote. If the account is marked Prenote, however, a line will be displayed in the ACH file to show a transfer of $00.00 to that account.

7. If the Status is Prenote, enter the number of prenotes that are required in the # field.

   The number of prenotes that must still be completed will be tracked. If you need to complete three prenotes, for example, this number will be adjusted to 2 after you complete the first prenotification.

   A prenote status does not automatically change to Active. This must be done manually.

8. If you are using a multiple-account distribution, be sure the Remainder of Net Line Number field references the line number where any remainder of net should be deposited.

9. Repeat steps 3-8 for each account for this employee.

10. Choose Save.

Updating an employee direct deposit account status

You can use the Default Prenote Count field in the Direct Deposit Setup window to track the number of prenotifications that are required for each employee's direct deposit account. Each time you generate an ACH file, the prenote count will change in the Employee Direct Deposit Maintenance window.

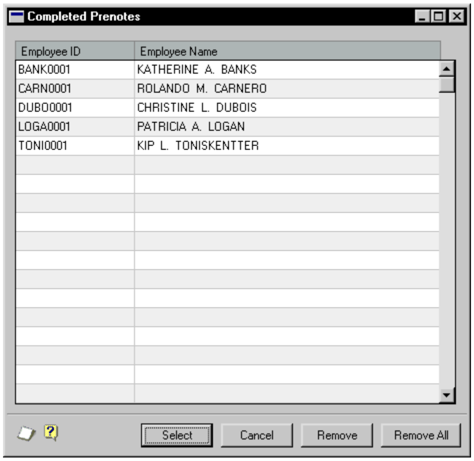
When the # field in the Employee Direct Deposit Maintenance window is zero and the status is prenote, the Employee ID and Employee Name will appear in the Completed Prenotes window.

Use the Completed Prenotes window to update an employee direct deposit account status. The Completed Prenotes window is a shortcut to the Employee Direct Deposit Maintenance window, where you can change the employee's account status from Prenote to Active.

To update an employee direct deposit account status:

1. Open the Generate ACH File window.
   (Transactions >> Payroll >> Generate ACH File)

2. Choose View Completed Prenotes to open the Completed Prenotes window.



Employee ID	Employee Name
BANK0001	KATHERINE A. BANKS
CARN0001	ROLANDO M. CARNERO
DUBO0001	CHRISTINE L. DUBOIS
LOGA0001	PATRICIA A. LOGAN
TONI0001	KIP L. TONISKENTTER

3. Highlight an employee ID and choose Select. The Direct Deposit Employee Maintenance window will open.

4. Update the status of the appropriate account or accounts. You might want to look for accounts that have zeroes in the # column but are still set to Prenote status; those accounts have completed prenotes.

5. Choose Save. The Employee Direct Deposit Maintenance window will close and the Completed Prenotes window will be displayed.

6. Repeat Steps 3 through 5 for each employee whose records you are updating.

Once you select an employee record in the Completed Prenotes window, the employee's name will be removed from the scrolling window whether or not you changed the employee's account status.

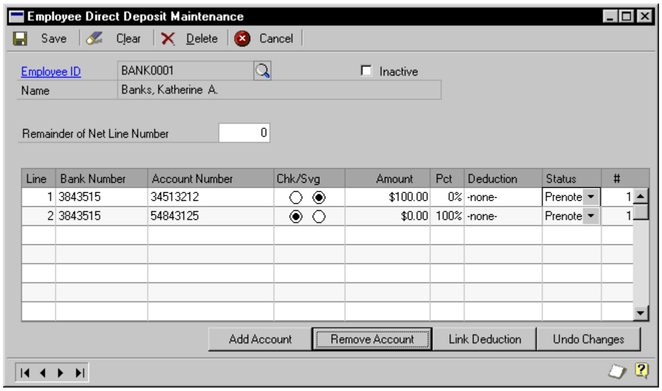
7. When you've finished, close the Completed Prenotes window.

Inactivating employee direct deposit accounts

The Employee Direct Deposit Maintenance window provides you with two ways to inactivate employees' direct deposit accounts—inactivating an employee's entire direct deposit record and inactivating individual employee direct deposit accounts.

To inactivate all direct deposit accounts for an employee:

1. Open the Employee Direct Deposit Maintenance window. (Cards >> Payroll >> Direct Deposit)


Employee Direct Deposit Maintenance
Save
Clear
Delete
Cancel
Add Account
Remove Account
Link Deduction
Undo Changes

Employee ID: BANK0001
Name: Banks, Katherine A.
☐ Inactive
Remainder of Net Line Number: 0

Line	Bank Number	Account Number	Chk/Svg	Amount	Pct	Deduction	Status	#
1	3843515	34513212	○ ●	$100.00	0%	-none-	Prenote	1
2	3843515	54843125	● ○	$0.00	100%	-none-	Prenote	1

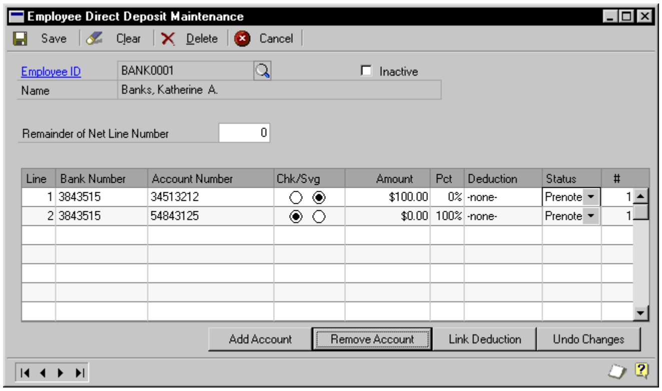
2. Enter or select an employee ID.

3. Mark Inactive to inactivate all direct deposit accounts for this employee.

4. Choose Save.

To inactivate specific employee direct deposit accounts:

1. Open the Employee Direct Deposit Maintenance window.
   (Cards >> Payroll >> Direct Deposit)


Employee Direct Deposit Maintenance
Save
Clear
Delete
Cancel
Add Account
Remove Account
Link Deduction
Undo Changes

Employee ID: BANK0001

☐ Inactive

Name: Banks, Katherine A.

Remainder of Net Line Number: 0

Line	Bank Number	Account Number	Chk/Svg	Amount	Pct	Deduction	Status	#
1	3843515	34513212	○ ●	$100.00	0%	-none-	Prenote	1
2	3843515	54843125	● ○	$0.00	100%	-none-	Prenote	1

2. Enter or select an employee ID.

3. Change the Status field to Inactive for each account to inactivate.

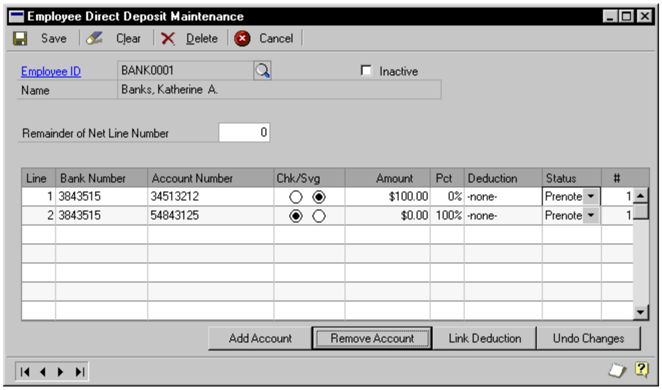
4. Choose Save.

Reactivating an employee direct deposit account

If an account has been inactive and then is reactivated, you might need to complete more prenotifications. Rules vary, so be sure to check with your financial institution.

To reactivate an employee direct deposit account:

1. Open the Employee Direct Deposit Maintenance window. (Cards >> Payroll >> Direct Deposit)


Employee Direct Deposit Maintenance
Save
Clear
Delete
Cancel
Add Account
Remove Account
Link Deduction
Undo Changes

Employee ID BANK0001

☐ Inactive

Name Banks, Katherine A.

Remainder of Net Line Number 0

Line	Bank Number	Account Number	Chk/Svg	Amount	Pct	Deduction	Status	#
1	3843515	34513212	○ ●	$100.00	0%	-none-	Prenote	1
2	3843515	54843125	● ○	$0.00	100%	-none-	Prenote	1

2. Enter or select an employee ID.

3. Unmark Inactive to activate all accounts for this employee, or change the appropriate Status field, to activate individual accounts.

4. Choose Save.

Chapter 24: Deduction Direct Deposit Setup

A deduction direct deposit account is set up as a link to a Payroll deduction, rather than as a separate Payroll Direct Deposit account entry. You should use deduction direct deposit only if an employee requests to have some payroll funds deposited to a direct deposit account and the remainder of his or her earnings paid with a check. For more information, refer to *Regular vs. deduction direct deposits* on page 210.

If you use deduction direct deposits, you must complete the following procedures to complete a Payroll deduction setup routine. The setup routine will include:

- Creating Payroll deductions and setting the sequence for the deductions
- Establishing a link between deductions and Direct Deposit
- Enrolling individual employees in the deduction direct deposits
- Entering the information for employees' specific account setups

The key difference between direct deposit accounts and deduction direct deposit accounts is the setup of each. Once you've completed the setup, you can generate ACH files just as you would if there were regular direct deposit accounts.

This information is contained in the following sections:

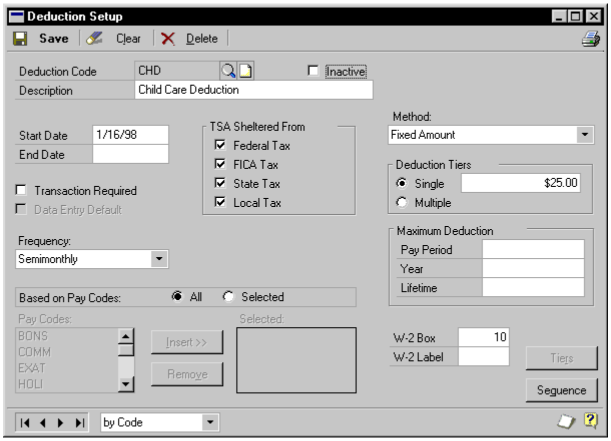
- *Creating a Payroll Direct Deposit deduction*
- *Linking Payroll Direct Deposit deductions to direct deposits*
- *Prenotification and deduction direct deposits*

Creating a Payroll Direct Deposit deduction

Use the Deduction Setup window to enter and maintain company deduction cards. Examples of Payroll Direct deposit deductions include savings deductions and checking deductions. Be sure to include the deduction with your pay run in the Build Payroll Checks window.

To create a Payroll Direct Deposit deduction:

1. Open the Deduction Setup window.
   (Setup >> Payroll >> Deduction)

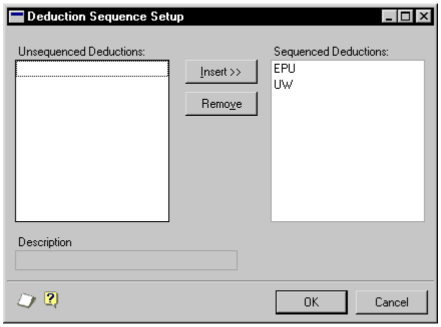


Deduction Code: CHD
Description: Child Care Deduction
☐ Inactive
Start Date: 1/16/98
End Date:
☐ Transaction Required
☐ Data Entry Default
Frequency: Semimonthly
TSA Sheltered From: ☑ Federal Tax ☑ FICA Tax ☑ State Tax ☑ Local Tax
Method: Fixed Amount
Deduction Tiers: ● Single $25.00 ○ Multiple
Maximum Deduction: Pay Period, Year, Lifetime
Based on Pay Codes: ● All ○ Selected
Pay Codes: BONS, COMM, EXAT, HOLI
W-2 Box: 10
W-2 Label:
by Code

2. Create a Payroll deduction and verify that the deduction is not sheltered from taxes. For more information about setting up payroll deductions, refer to *Setting up a deduction* on page 37.

3. Choose Save.

4. Select the deduction you created and choose Sequence to open the Deduction Sequence Setup window.


Deduction Sequence Setup
Unsequenced Deductions:
Insert >>
Remove
Sequenced Deductions:
EPU
UW
Description
OK
Cancel

5. Add the direct deposit deductions to the list of Sequenced Deductions by highlighting the Unsequenced Deduction and choosing Insert.

6. Choose OK.

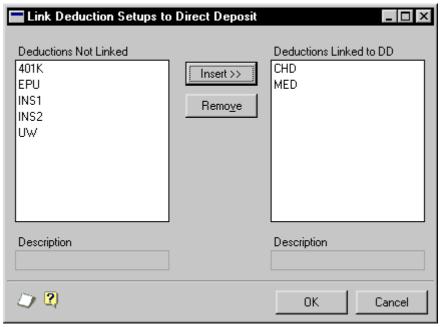
Linking Payroll Direct Deposit deductions to direct deposits

Use the Link Deduction Setups to Direct Deposit window to link the deduction to Payroll Direct Deposit after setting up the payroll direct deposit deduction.

To link Payroll Direct Deposit deductions to direct deposits:

1. Open the Direct Deposit Setup window.
   (Setup >> Payroll >> Direct Deposit)

2. Choose Links to open the Link Deduction Setups to Direct Deposit window.



Deductions Not Linked: 401K, EPU, INS1, INS2, UW

Deductions Linked to DD: CHD, MED

3. Select the deduction to link to direct deposit from the Deductions Not Linked list and Choose Insert. The deduction will move to the Deductions Linked to DD list.

   You only have to link a direct deposit option to the payroll process once. Once the link has been established, it will be available for future pay runs.

Do not link all deductions, only those you created to use with Payroll Direct Deposit.

4. Choose OK.

Prenotification and deduction direct deposits

Your financial institution will require one or more prenotifications for deduction direct deposits, as they do for regular direct deposits. For more information, refer to on page 211.

If you must complete a prenotification for a deduction direct deposit account, follow the procedure in *Generating an ACH file with prenotes only* on page 248. If a deduction direct deposit account is set to prenote status during a regular pay run, the amount will be deducted, but will not be transferred into an account.

During a regular pay run, deduction direct deposit accounts with prenote status will be noted in the Exceptions Report.

Chapter 25: Deduction Direct Deposit Maintenance

Employee deduction direct deposits should be only used if an employee requests having some payroll funds deposited into a direct deposit account and the remainder of his or her earnings paid with a check.

This information is contained in the following sections:

- *Enrolling an employee in a Payroll Direct Deposit deduction*
- *Creating an employee deduction direct deposit record*

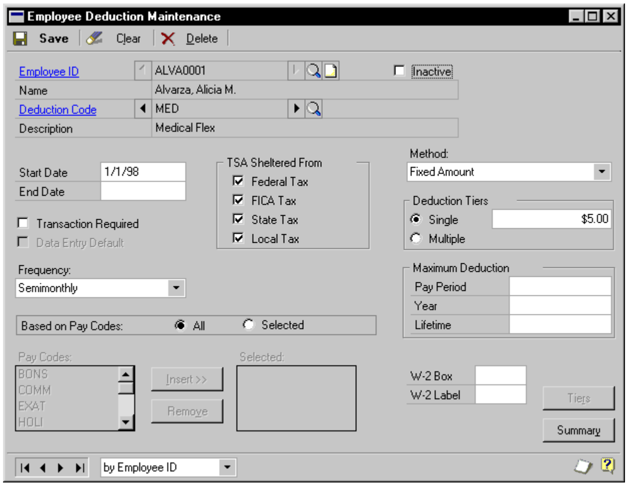
Enrolling an employee in a Payroll Direct Deposit deduction

These instructions assume that you have already created Dynamics deductions, set the sequence for the deductions and established a link between those deductions and Payroll Direct Deposit. For more information, refer to *Creating a Payroll Direct Deposit deduction* on page 236 and *Linking Payroll Direct Deposit deductions to direct deposits* on page 237.

After creating the Payroll Direct Deposit deduction and linking it to Payroll Direct Deposit, you can enroll employees in that Payroll Direct Deposit deduction.

To enroll an employee in a Payroll Direct Deposit deduction:

1. Open the Employee Deduction Maintenance window. (Cards >> Payroll >> Deduction)



Employee ID: ALVA0001
Name: Alvarza, Alicia M.
Deduction Code: MED
Description: Medical Flex
☐ Inactive
Start Date: 1/1/98
End Date:
☐ Transaction Required
☐ Data Entry Default
Frequency: Semimonthly
Based on Pay Codes: ● All ○ Selected
Pay Codes: BONS, COMM, EXAT, HOLI
Selected:
TSA Sheltered From: ☑ Federal Tax ☑ FICA Tax ☑ State Tax ☑ Local Tax
Method: Fixed Amount
Deduction Tiers: ● Single $5.00 ○ Multiple
Maximum Deduction: Pay Period, Year, Lifetime
W-2 Box:
W-2 Label:
by Employee ID

2. Select an employee ID.

3. Enter or select the appropriate Dynamics deduction.

4. Choose Save.

Creating an employee deduction direct deposit record

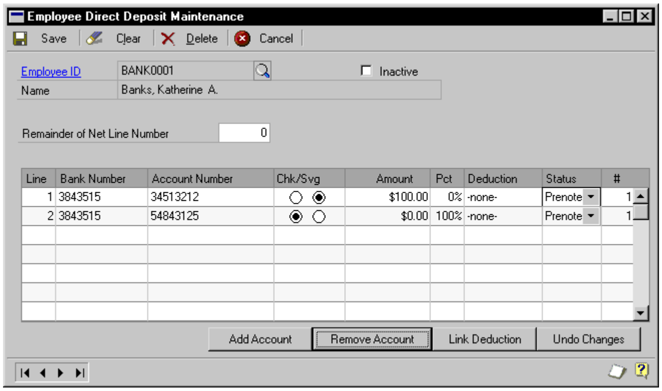
Once the Dynamics deduction has been created and linked to Payroll Direct Deposit, you can enter employee-specific deduction direct deposit information.

Inactivating deduction direct deposit accounts can be done in either of the two ways outlined in the *Inactivating employee direct deposit accounts* on page 231.

Deduction direct deposit accounts marked Inactive will be noted in the Exceptions Report.

To create an employee deduction direct deposit record:

1. Open the Employee Direct Deposit Maintenance window. (Cards >> Payroll >> Direct Deposit)

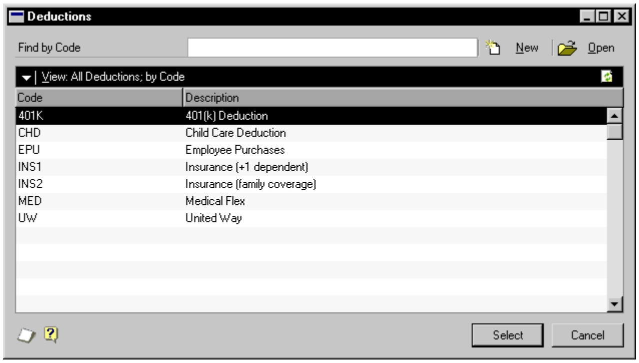

Employee Direct Deposit Maintenance
Save
Clear
Delete
Cancel
Add Account
Remove Account
Link Deduction
Undo Changes

Employee ID: BANK0001
Name: Banks, Katherine A.
☐ Inactive

Remainder of Net Line Number: 0

Line	Bank Number	Account Number	Chk/Svg	Amount	Pct	Deduction	Status	#
1	3843515	34513212	○ ●	$100.00	0%	-none-	Prenote	1
2	3843515	54843125	● ○	$0.00	100%	-none-	Prenote	1

2. Select an employee ID and choose Link Deduction to open the Deductions window.


Deductions
Find by Code
New
Open
View: All Deductions; by Code
Select
Cancel

Code	Description
401K	401(k) Deduction
CHD	Child Care Deduction
EPU	Employee Purchases
INS1	Insurance (+1 dependent)
INS2	Insurance (family coverage)
MED	Medical Flex
UW	United Way

3. Select a deduction and choose Select. The deduction direct deposit record will be displayed in the Employee Direct Deposit Maintenance window.

4. Enter a bank number and an account number for the deduction.

5. Mark checking or savings to indicate the type of bank account the deduction will be deposited to.

6. Verify the amount or percentage for this account. You cannot change the amount or percentage in this window. Use the Employee Deduction Maintenance window to make changes.

7. Select a status for the account.

8. Enter a Remainder of Net Line Number. This should be the last line number with bank account information.

Be sure the Remainder of Net Line Number does not reference a deduction direct deposit account.

9. Choose Save.

Chapter 26: Payroll Direct Deposit Routine

Adding Payroll Direct Deposit to Payroll will require you to vary the typical payroll process routine. In addition to building, calculating, printing and posting checks, you'll need to calculate direct deposit transactions, print earnings statements or voided checks for employees using direct deposit and generate an ACH file to transmit to your financial institution.

This information is contained in the following sections:

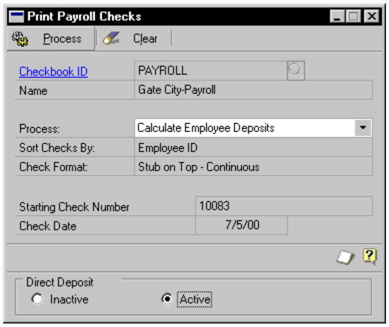
- *Calculating Payroll Direct Deposit*
- *Printing Direct Deposit earnings statements*
- *Posting checks using Payroll Direct Deposit*
- *Generating an ACH file*
- *Generating an ACH file with prenotes only*

Calculating Payroll Direct Deposit

Payroll Direct Deposit changes the payroll process for Dynamics. After building and calculating checks, you'll need to complete some additional tasks if you're using Direct Deposit. Use the Print Payroll Checks window to calculate direct deposit and print checks and earnings statements. After you have printed checks using the Print Payroll Checks window, the Post Payroll Checks window will open. Refer to *Posting checks using Payroll Direct Deposit* on page 246 for more information.

To calculate Payroll Direct Deposit:

1. Open the Print Payroll Checks window.
   (Transaction >> Payroll >> Print Checks)



Checkbook ID: PAYROLL
Name: Gate City-Payroll
Process: Calculate Employee Deposits
Sort Checks By: Employee ID
Check Format: Stub on Top - Continuous
Starting Check Number: 10083
Check Date: 7/5/00
Direct Deposit: ○ Inactive ● Active

2. Choose Process to calculate the direct deposit information.

   If some of the direct deposits weren't made, an exceptions report will be printed. If you have exceptions, you can change them now and recalculate payroll; however you aren't required to change any exceptions before continuing with the payroll process.

3. If you set your Earnings Statements to print Separate from Checks in the Direct Deposit Setup window, you must print checks now. Later you can print the earnings statements.

   Proceed with *Posting checks using Payroll Direct Deposit* on page 246.

Printing Direct Deposit earnings statements

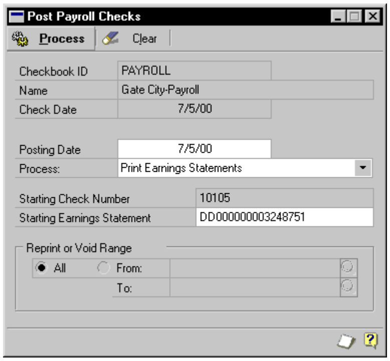
Use the Post Payroll Checks window to print Direct Deposit earnings statements. If you set your Earnings Statements to print Separate from Checks in the Direct Deposit window, you must print checks before you can print earnings statements.

If it's necessary to reprint any earnings statements that have been printed already, you can do so after the earnings statements have been printed. However, earnings statements can't be printed once they've been posted.

To print Direct Deposit earnings statements:

1. After you have printed checks using the Print Payroll Checks window, the Post Payroll Checks window will open. Refer to Calculating Payroll Direct Deposit on page 244 for more information.

   If your Deposit Method is Separate from Checks you must print the earnings statements now. You will not be able to print earnings statements after posting.



Checkbook ID: PAYROLL
Name: Gate City-Payroll
Check Date: 7/5/00
Posting Date: 7/5/00
Process: Print Earnings Statements
Starting Check Number: 10105
Starting Earnings Statement: DD000000003248751
Reprint or Void Range: ● All ○ From: To:

2. Enter a posting date or accept the default date and select Print Earnings Statements in the Process field.

3. You can change the number in the Starting Earnings Statements field.

4. Choose Process to print direct deposit earnings statements.

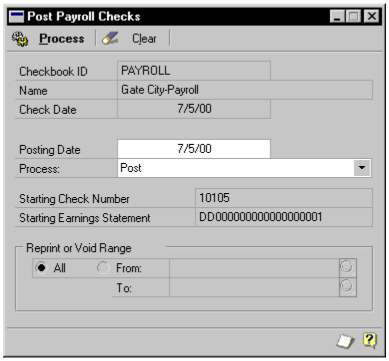
   After the earnings statements have been printed, the Post Payroll Checks window will be displayed. Continue the payroll process with Posting checks using Payroll Direct Deposit on page 246.

Posting checks using Payroll Direct Deposit

Use the Post Payroll Checks window to post checks. If your deposit method is Separate from Checks, you must print the earnings statements before posting checks. Refer to *Printing Direct Deposit earnings statements* on page 245.

To post checks using Payroll Direct Deposit:

1. The Post Payroll Checks window will be displayed after you print checks or earnings statements.



Checkbook ID: PAYROLL
Name: Gate City-Payroll
Check Date: 7/5/00
Posting Date: 7/5/00
Process: Post
Starting Check Number: 10105
Starting Earnings Statement: DD000000000000000001
Reprint or Void Range: ● All ○ From: To:

2. Enter a posting date or accept the default date and select Post in the Process field.

3. Choose Process to post your payroll checks.

   Continue the payroll process with *Generating an ACH file* on page 246.

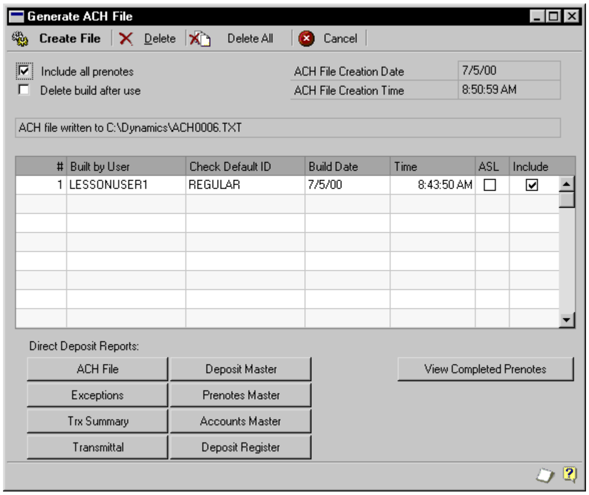
Generating an ACH file

After posting payroll, you're ready to generate your ACH file. An ACH file is an Automated Clearing House transaction file—a text file containing a group of electronic payments. The electronic payments are deposited into employee bank accounts in lieu of paper checks. Use the Generate ACH File window to create the text file that your bank can use to transfer electronic payments into employee back accounts.

These instructions assume that you have already completed the following processes— building checks, calculating checks and direct deposit, printing checks and earnings statements, and posting checks.

To generate an ACH file:

1. Open the Generate ACH File window.
   (Transactions >> Payroll >> Generate ACH File)


Generate ACH File
Create File
Delete
Delete All
Cancel
Direct Deposit Reports:
ACH File
Deposit Master
Exceptions
Prenotes Master
Trx Summary
Accounts Master
Transmittal
Deposit Register
View Completed Prenotes

☑ Include all prenotes
☐ Delete build after use

ACH File Creation Date 7/5/00
ACH File Creation Time 8:50:59 AM

ACH file written to C:\Dynamics\ACH0006.TXT

#	Built by User	Check Default ID	Build Date	Time	ASL	Include
1	LESSONUSER1	REGULAR	7/5/00	8:43:50 AM	☐	☑

2. Mark Include all prenotes to include all existing prenotes for employees, including those not part of this pay run.

3. Mark Delete build after use to delete the direct deposit data file after the ACH file is generated. The direct deposit information will be deleted after the Generate ACH File window is closed and the information will not be stored anywhere after the window closes.

   If Delete build after use is not marked, the build will be available if you should need to generate the ACH file again.

4. Mark Include in the scrolling window for each entry to include in the ACH file.

Whether or not Include is automatically marked for a particular set of payroll data will depend on if you marked Include Auto Settle Line in the ACH Fields Setup window when the data was generated. You can generate ACH files with payroll data that includes that line, and you can generate ACH files with payroll data that does not include that line. If you try to create an ACH file from a group of payroll data files including some payroll files with the line and some without, alert messages will be displayed.

5. Choose Create File to generate an ACH file. The ACH file will be written to the location you specified in the ACH File Location field. For more information, refer to *Setting up Payroll Direct Deposit* on page 214. The Report Destination window will open.

6. Choose a print destination for the ACH Transmittal report.

This report is not the ACH file. The ACH file that you transmit to your financial institution will be written to the location specified in the ACH File Location field in the ACH Fields Setup window.

Generating an ACH file with prenotes only

Use the Generate ACH File window to generate an ACH file that includes only prenote accounts.

A prenotes-only ACH file includes all employee accounts that have the prenote status. To generate a prenotes-only ACH file, you don't need to complete the payroll portion of the process. Because no payroll builds will be included in this ACH file, marking Delete build after use will have no effect on this process.

To generate an ACH file with prenotes only:

1. Open the Generate ACH File window.
   (Transactions >> Payroll >> Generate ACH File)

2. Mark Include all prenotes.

3. Unmark the Include checkbox on each line in the scrolling window. This ensures that no payroll builds are used in the ACH file.

4. Choose Create File. The Report Destination window will open.

5. Choose a print destination for the ACH Transmittal report.

This report is not the ACH file. The ACH file that you transmit to your financial institution will be written to the location specified in the ACH File Location field in the ACH Fields Setup window. For more information, refer to Setting up the ACH fields on page 221.

Chapter 27: Payroll Direct Deposits Reports

Payroll Direct Deposit contains many reports to help you monitor your direct deposit transactions. Use the information in this chapter to view the reports available for Payroll Direct Deposit.

This information is contained in the following sections:

- *Using the online sample reports*
- *Available Payroll Direct Deposit reports*
- *Payroll Direct Deposit check forms*

Using the online sample reports

For detailed information about specific Payroll Direct Deposit reports, choose Help >> Sample Reports to view the online sample reports. The online sample reports contain illustrations and specifications of each report in Dynamics, as well as directions for printing the reports.

The online sample reports also list the technical names of the reports and the tables from which information is extracted, which you might need to know if you choose to customize the report using Report Writer. For more information about Report Writer, refer to *Customizing a report* on page 162.

Available Payroll Direct Deposit reports

Payroll Direct Deposit reports are printed from the Generate ACH File window. Additional reports, such as payroll checks, earnings statements and the Check Register are printed during the payroll process.

Payroll Direct Deposit reports available are:

Report	**Report information**
Direct Deposit ACH File Report	A printout of the ACH file. Creating a printout at the time you generate your ACH file saves you the work of opening and printing your ACH destination file later.
† Indicates reports that can be assigned to named printers. Refer to “Printers” in the System Administrator’s Guide for more information.	

Report	Report information
Direct Deposit ACH Transmittal Report	A combination of smaller reports, based on information you've entered during the payroll process. Use transmittal reports to see the effect of the direct deposit transactions on your company's accounts, and your employees' savings and checking accounts. Each report is separated from the others with a page break.
Direct Deposit Check Register	A check register with an asterisk (*) next to checks that have been voided during the payroll process. A "D" indicates a check that has been voided due to direct deposit.
Direct Deposit Detail List	A list of all employee accounts—including those belonging to the employees who aren't part of the current pay run—that have "prenote" status for any account in the Status dropdown list in the Employee Direct Deposit Maintenance window. A descriptive summary of all employee accounts that are involved in Payroll Direct Deposit. In this report, one line is created for each employee account. If an employee is using two direct deposit accounts, for example, there will be two lines in the report representing that employee's line items.
Direct Deposit Exceptions Report	Lists any employee direct deposits that were not completed. Exceptions are divided into three categories—Insufficient Funds, Amount Deducted, Not Deposited and Other.
Direct Deposit List	A list of all employees and their direct deposit status. In this report, one line item is created for each employee. It is possible for an employee to have an Active status even if their account status is set to Inactive. For an employee to have an Inactive status, Inactive must be marked in the Employee Direct Deposit Maintenance window.
Direct Deposit Register	Shows the amount deposited for each employee. The report lists the employee ID, Social Security number, gross pay, net pay and check number.
† Indicates reports that can be assigned to named printers. Refer to "Printers" in the System Administrator's Guide for more information.	

Report	Report information
Direct Deposit Statement of Earnings†	Generated when payroll checks are posted. Instead of printing voided checks for employees who have all their earnings deposited using direct deposit, users can print checks for only those employees who are paid with a "real" payroll check. Employees paid entirely through direct deposit transactions can be given earnings statements that can be printed on regular printer paper. The direct deposit earnings statements include the same information as the payroll checks and check stubs.
Direct Deposit Trxs Register	A list of all direct deposit transactions completed during the pay period. The report lists all employees who were enrolled in either type of direct deposit transaction in alphabetical order. Other information is included for each employee record. The employee's Social Security or employee ID number; the types of accounts to which the funds were deposited; and the amount deposited to each account. Prenotification transactions will also appear on this report.
† Indicates reports that can be assigned to named printers. Refer to "Printers" in the System Administrator's Guide for more information.	

The Direct Deposit ACH Transmittal Report is a combination of smaller reports, based on information you've entered during the payroll process. These are the available Transmittal reports, along with their bank transaction codes:

- Checking Credits (22)
- Checking Credit Prenotifications (23)
- Checking Debits (27)
- Checking Debit Prenotifications (28)
- Savings Credits (32)
- Savings Credit Prenotifications (33)
- Savings Debits (37)
- Savings Debit Prenotifications (38)
- Summary Table

The summary table—always the last page of the report—follows the format of a report required by many financial institutions to accompany the ACH file.

Payroll Direct Deposit check forms

Microsoft Great Plains Dynamics provides five different check forms. The report you use will depend on the type of check stock you use. The Payroll Direct Deposit check forms use the same format as the standard Dynamics checks. The five Payroll Direct Deposit check forms and the corresponding standard Dynamics check forms are listed in the following table.

Payroll Direct Deposit check form:	Standard Dynamics check form:
Direct Deposit Employee Checks Stub on Top-D	Employee Checks Stub on Top - Continuous
Direct Deposit Employee Checks Stub on Bottom-D	Employee Checks Stub on Bottom - Continuous
Direct Deposit Employee Checks Stub on Top and Bottom-L	Employee Checks Stub on Top and Bottom - Single Feed
Direct Deposit Employee Checks Other-D	Employee Checks Other - Continuous
Direct Deposit Employee Checks Other-L	Employee Checks Other - Single Feed

The Payroll Direct Deposit changes made to each of the five standard Dynamics check forms are listed here:

- A restriction called Suppress Check lets you split the check-printing process into two processes—one for pay checks and one for direct deposit earnings statements.
- The array DD String30 Array10 will print “VOID Due to Direct Deposit” on the signature line of voided checks because all earnings were deposited directly.
- The following calculated fields will be created to mask the amounts on the check form in the numerical and text fields, respectively.
  - DD_Mask_Dollar
  - DD_Mask_Words

APPENDIX

Appendix

This part of the documentation show typical uses for using editable pay rates and explains how to be sure you have Payroll set up to take advantage of the features to track and report tips wages.

The following information is discussed:

Appendix A, "Using Editable Pay Rates," explains how common pay situations are treated when using editable pay rates and uses examples to show different uses for this feature.

Appendix B, "Tracking Tips Wages," describes how to set up Payroll to track tips wages and help provide the correct figures and forms to the Internal Revenue Service.

Appendix A: Using Editable Pay Rates

The following examples show typical uses for the Editable Pay Rate feature and explain how common pay situations are treated when you use this feature.

This appendix contains the following sections:

- *Hospitality industry example*
- *Manufacturing industry example*
- *Contract services industry example*

Hospitality industry example

Sam works as server or host in a restaurant, depending on scheduling and other commitments. If Sam works as a server, the pay rate is $2.13 per hour (the minimum wage for servers). If Sam works as a host, the pay rate is $9.50 per hour. In a typical week, daily pay transactions for Sam might include:

- 5 hours at $2.13 per hour on Monday
- 3 hours at $9.50 per hour on Tuesday
- 5 hours at $2.13 per hour on Wednesday
- 3 hours at $9.50 per hour on Thursday
- 5 hours at $2.13 per hour on Friday
- 8 hours at $2.13 per hour on Saturday

Since Sam is paid hourly, all of these transactions might use the pay code HOUR and the hourly pay type, but you could edit the pay rate to reflect the rate for the job Sam performed.

When these transactions are posted and the Check File Report printed, Sam’s pay would show two different pay categories:

- 23 hours at $2.13 per hour
- 6 hours at $9.50 per hour

The gross pay amount would equal $105.99.

Manufacturing industry example

Erin normally works as an assembler in a manufacturing plant at a pay rate of $16.50 per hour. Erin sometimes also works as a machinist, with a pay rate of $18.10 per hour, depending on work load at the plant.

In this two-week pay period, Erin worked at both jobs, so pay transactions for Erin include the following:

- 24 hours as a machinist at $18.10 per hour
- 16 hours as an assembler at $16.50 per hour
- 28 hours as a machinist at $18.10 per hour
- 16 hours as an assembler at $16.50 per hour

Because Erin is paid hourly, all of these transactions might use the pay code HOUR and the hourly pay type. If you did not edit the pay rate for those hours worked as a machinist, Erin would be paid the normal pay rate of $16.50 per hour for all hours worked in this period. In addition, pay for this period would be paid based on the rate of $16.50 per hour, as well, even though Erin's overtime work was as a machinist.

If the pay rates for the transactions as a machinist are edited, the resulting pay still depends on whether Automatic Overtime is marked in the Payroll Setup window.

With Automatic Overtime option

If Automatic Overtime is marked in the Payroll Setup window, automatic overtime is based on the total units for a specific pay code; in this case, HOUR. An automatic overtime transaction is created, using the weighted average multiplied by the pay factor for the overtime pay rate specified in the Employee Pay Code Maintenance window.

This might not reflect the correct—or expected—overtime rate.

Without Automatic Overtime option

If Automatic Overtime is not marked in the Payroll Setup window, you must create an overtime transaction, using whichever rate you choose. If Erin worked the overtime while performing the job paid at $18.10 per hour, you could pay an overtime rate based on 1.5 times $18.10, or $27.15 per hour. You would then enter the following transactions for Erin:

- 24 hours at $18.10 per hour
- 16 hours at $16.50 per hour

- 24 hours at $18.10 per hour
- 16 hours at $16.50 per hour
- 4 hours at $27.15 per hour

Contract services industry example

In a typical contract services environment, there might be many employees who are all classed as hourly workers. You could use a single pay code, HOUR, with an hourly pay type for all employees, but edit the rate depending on the job being performed. By editing the pay rate, you can avoid setting up an hourly pay type for each job or pay rate you need.

Appendix B: Tracking Tips Wages

If you have employees who receive tips, you can set up Payroll to track tips wages and help provide the correct figures and forms to the Internal Revenue Service. Use this appendix as a reference to be sure you have Payroll set up to take advantage of the features to track and report tips wages.

This appendix contains the following sections:

- *Payroll setup options for tips*
- *Employee classes and position setup options*
- *Tips pay codes setup options*
- *How Payroll calculates the minimum wage balance*
- *Year-end procedures for reporting tips*
- *Verifying W-2s for tipped employees*

Payroll setup options for tips

Some of the tasks you'll need to do to take advantage of tips wage tracking involve setting up various options and codes. Be sure you complete the following in the Payroll Setup window:

- Mark the Calculate Tip Allocation option.

- Verify the Tip Allocation Rate. Check IRS regulations for the current rate if you are unsure of what it should be.

Payroll uses the gross receipts method to calculate the tip allocation. When setting up Charged and Reported Tips, be sure the Tips Received field is set up correctly, as it is used to determine the allocated tip amount.

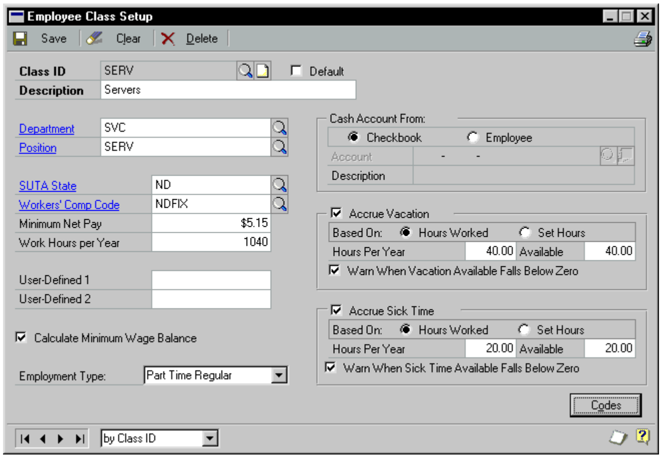
Employee classes and position setup options

If you have many employees who receive tips, directly or indirectly, set up employee classes for these employees in the Employee Class Setup window.

For example, if you have servers who receive tips directly, as well as bus persons or hosts who share tips indirectly, you might set up the following classes:

Class	Position
SERV	Servers
BUS	Bus persons, salad bar workers
HOST	Hosts and hostesses

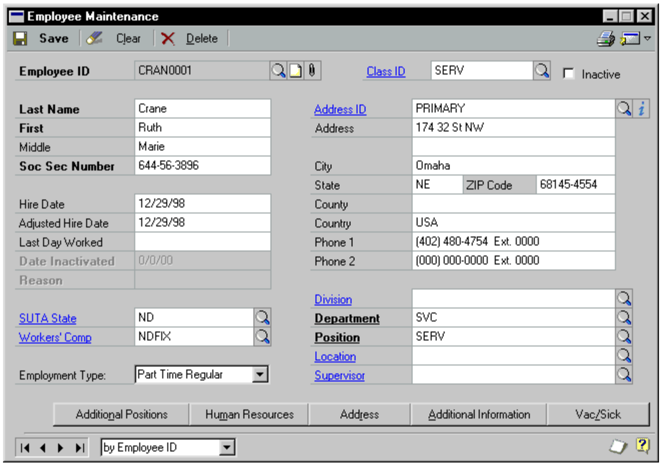
The following window shows how class setup might be used to set up the SERV class:



Class ID SERV ☐ Default
Description Servers
Department SVC
Position SERV
SUTA State ND
Workers' Comp Code NDFIX
Minimum Net Pay $5.15
Work Hours per Year 1040
User-Defined 1
User-Defined 2
☑ Calculate Minimum Wage Balance
Employment Type: Part Time Regular
Cash Account From: ● Checkbook ○ Employee
Account - -
Description
☑ Accrue Vacation
Based On: ● Hours Worked ○ Set Hours
Hours Per Year 40.00 Available 40.00
☑ Warn When Vacation Available Falls Below Zero
☑ Accrue Sick Time
Based On: ● Hours Worked ○ Set Hours
Hours Per Year 20.00 Available 20.00
☑ Warn When Sick Time Available Falls Below Zero

Refer to *Creating an employee class* on page 61 and *Setting up position codes* on page 26 for more information.

The following window shows the employee records for one employee who is in the employee class SERV.



Employee ID CRAN0001
Class ID SERV
☐ Inactive

Last Name Crane
First Ruth
Middle Marie
Soc Sec Number 644-56-3896

Hire Date 12/29/98
Adjusted Hire Date 12/29/98
Last Day Worked
Date Inactivated 0/0/00
Reason

SUTA State ND
Workers' Comp NDFIX

Employment Type: Part Time Regular

Address ID PRIMARY
Address 174 32 St NW
City Omaha
State NE ZIP Code 68145-4554
County
Country USA
Phone 1 (402) 480-4754 Ext. 0000
Phone 2 (000) 000-0000 Ext. 0000

Division
Department SVC
Position SERV
Location
Supervisor

by Employee ID

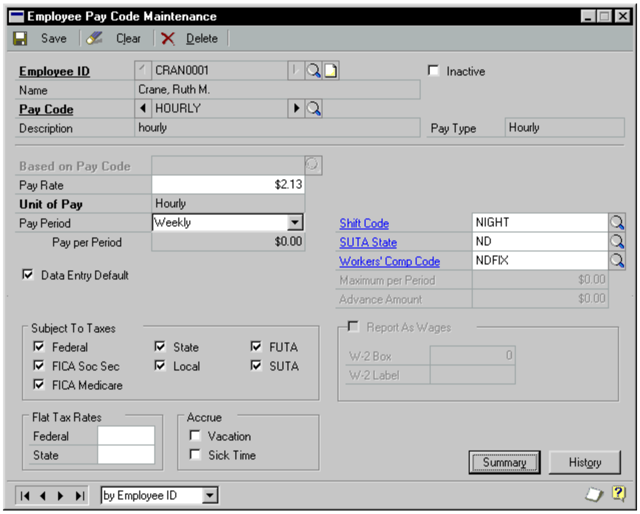
Tips pay codes setup options

Use the Pay Code Setup window to set up pay codes for Charged Tips, Reported Tips and Minimum Wage Balance, in addition to your regular hourly pay code. The following table shows possible pay codes and descriptions:

Pay code	Description
CTIPS	Charged tips
RTIPS	Reported tips
MINWG	Minimum wage balance
HR-W	Hourly weekly

Refer to *Setting up pay codes* on page 27 for more information.

Suppose an employee has the four pay codes listed above—hourly weekly, minimum wage balance, charged tips and reported tips. The first pay code would be the normal hourly pay rate and weekly pay period, as shown in the following Employee Pay Code Maintenance window.



Employee ID: CRAN0001
☐ Inactive
Name: Crane, Ruth M.
Pay Code: HOURLY
Description: hourly
Pay Type: Hourly
Based on Pay Code:
Pay Rate: $2.13
Unit of Pay: Hourly
Pay Period: Weekly
Pay per Period: $0.00
☑ Data Entry Default
Shift Code: NIGHT
SUTA State: ND
Workers' Comp Code: NDFIX
Maximum per Period: $0.00
Advance Amount: $0.00

Subject To Taxes
☑ Federal ☑ State ☑ FUTA
☑ FICA Soc Sec ☑ Local ☑ SUTA
☑ FICA Medicare

☐ Report As Wages
W-2 Box: 0
W-2 Label:

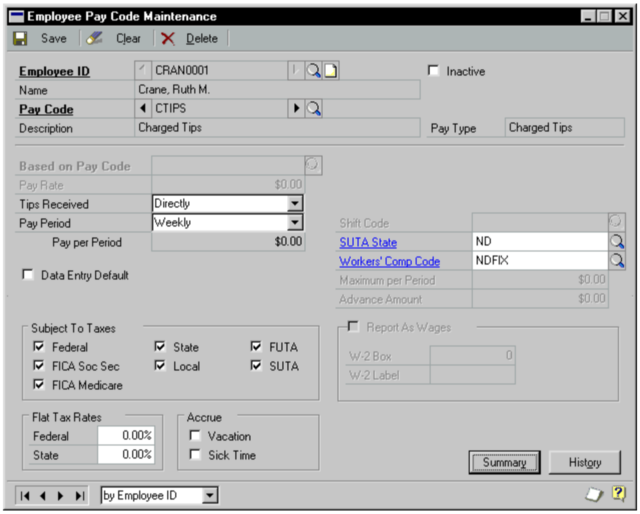
Flat Tax Rates
Federal:
State:

Accrue
☐ Vacation
☐ Sick Time

by Employee ID

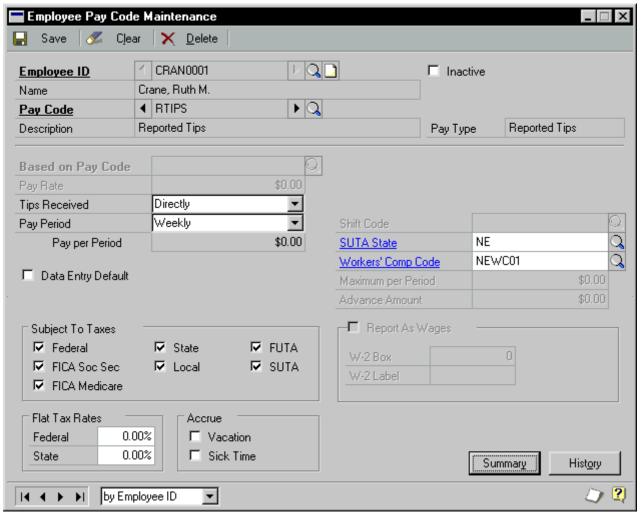
The setup information shows that the employee’s minimum wage should be $2.13 per hour. Because her wages are derived primarily from tips, she also needs a charged tips and reported tips pay code.

The charged tips pay code is used to report tips included in charge cards or checks, not cash paid directly to the employee. Generally, these are paid to the employee in the paycheck on a regularly scheduled basis, in this case, weekly. The following is an example of how you could set up the charged tips pay code:


Employee Pay Code Maintenance
Save
Clear
Delete
Summary
History
by Employee ID

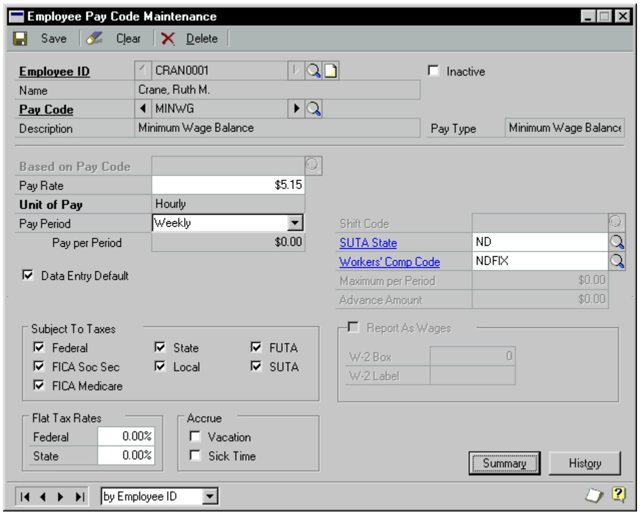
Employee ID: CRAN0001
☐ Inactive
Name: Crane, Ruth M.
Pay Code: CTIPS
Description: Charged Tips
Pay Type: Charged Tips
Based on Pay Code:
Pay Rate: $0.00
Tips Received: Directly
Pay Period: Weekly
Pay per Period: $0.00
☐ Data Entry Default
Shift Code:
SUTA State: ND
Workers' Comp Code: NDFIX
Maximum per Period: $0.00
Advance Amount: $0.00
Subject To Taxes: ☑ Federal ☑ State ☑ FUTA ☑ FICA Soc Sec ☑ Local ☑ SUTA ☑ FICA Medicare
☐ Report As Wages
W-2 Box: 0
W-2 Label:
Flat Tax Rates: Federal 0.00% State 0.00%
Accrue: ☐ Vacation ☐ Sick Time

Reported tips are tips the employee receives from patrons in cash. Employees need to report this amount to employers on a regular basis so that a transaction can be entered for these tips. Taxes are calculated on the tips wages and reported on the employee's W-2, but not withheld from the employee's paycheck. So, the employee also needs a pay code for reported tips, as shown in the following Employee Pay Code Maintenance window.


Employee Pay Code Maintenance
Save
Clear
Delete
Summary
History
by Employee ID

Employee ID: CRAN0001
☐ Inactive
Name: Crane, Ruth M.
Pay Code: RTIPS
Description: Reported Tips
Pay Type: Reported Tips
Based on Pay Code:
Pay Rate: $0.00
Tips Received: Directly
Pay Period: Weekly
Pay per Period: $0.00
☐ Data Entry Default
Shift Code:
SUTA State: NE
Workers' Comp Code: NEWC01
Maximum per Period: $0.00
Advance Amount: $0.00
Subject To Taxes: ☑ Federal ☑ State ☑ FUTA ☑ FICA Soc Sec ☑ Local ☑ SUTA ☑ FICA Medicare
☐ Report As Wages
W-2 Box: 0
W-2 Label:
Flat Tax Rates: Federal 0.00% State 0.00%
Accrue: ☐ Vacation ☐ Sick Time

The employee also is guaranteed a minimum hourly wage, so she needs a minimum wage balance pay code in addition to the three pay codes already assigned to her. The following is an example of how you could set up the minimum wage balance pay code.



Employee ID: CRAN0001
☐ Inactive
Name: Crane, Ruth M.
Pay Code: MINWG
Description: Minimum Wage Balance
Pay Type: Minimum Wage Balanc
Based on Pay Code:
Pay Rate: $5.15
Unit of Pay: Hourly
Pay Period: Weekly
Pay per Period: $0.00
☑ Data Entry Default
Shift Code:
SUTA State: ND
Workers' Comp Code: NDFIX
Maximum per Period: $0.00
Advance Amount: $0.00

Subject To Taxes
☑ Federal ☑ State ☑ FUTA
☑ FICA Soc Sec ☑ Local ☑ SUTA
☑ FICA Medicare

☐ Report As Wages
W-2 Box: 0
W-2 Label:

Flat Tax Rates
Federal: 0.00%
State: 0.00%

Accrue
☐ Vacation
☐ Sick Time

by Employee ID

How Payroll calculates the minimum wage balance

If you have employees whose income is derived primarily from tips or piecework, but who are also guaranteed a minimum hourly wage, you can use Payroll to automatically calculate that minimum wage and generate a payroll transaction to make up the difference, if any.

Payroll calculates the amount for the pay rate entered for the minimum wage balance pay code in the Pay Code Setup window times the hours entered for a pay period. Then the same calculation is done using the minimum wage balance pay rate entered in the Employee Maintenance window. Any other income—including Charged Tips and Reported tips but excluding EIC—is added to the amount from the Employee Maintenance window calculation, and the two totals are compared. An employee must earn at least the amount from the minimum wage balance pay code calculation. If the amount is less than the minimum wage balance pay code amount, an automatic transaction is generated for the difference.

To ensure the correct minimum wage balance record is used, you should only have one active minimum wage record active for each employee at a time.

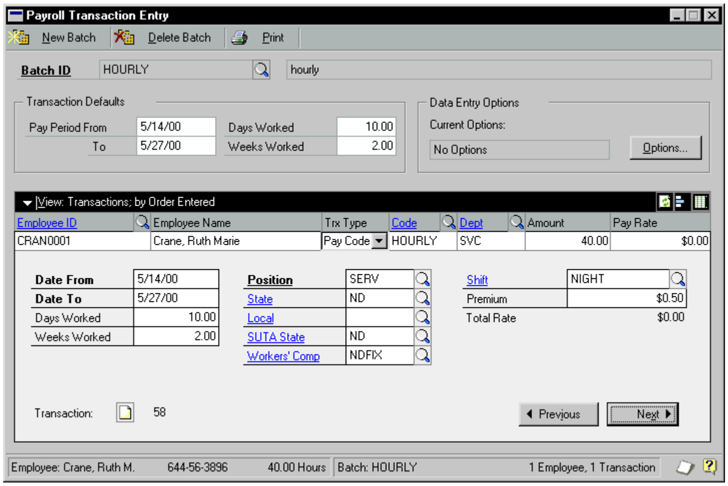
Using the previous example, suppose the employee worked 40 hours in a given pay period. The minimum wage balance calculation would be:

Amount	From
$85.20	Calculated from the Payroll Transaction Entry window (40 hours multiplied by $2.13)
$150.00	Reported tips
$200.00	Charged tips
$435.20	Total compensation before minimum wage balance is taken into consideration
$206.00	Calculated from minimum wage balance pay code (40 hours multiplied by $5.15)
None	Amount of automatic transaction for minimum wage balance.
$435.20	Gross wages for pay period

In a different pay period, the employee worked only 10 hours during a period when business was very light. The minimum wage balance calculation would be:

Amount	From
$21.30	Calculated from Employee Maintenance card (10 hours multiplied by $2.13)
$10.00	Reported tips
$0.00	Charged tips
$31.30	Total compensation before minimum wage balance is taken into consideration
$51.50	Calculated from minimum wage balance pay code (10 hours multiplied by $5.15)
$20.20	Amount of automatic transaction for minimum wage balance
$51.50	Gross wages for pay period

The following windows illustrate transactions for first minimum wage balance example. The first transaction is the normal hourly pay code for the employee:


Payroll Transaction Entry
New Batch
Delete Batch
Print
Options...
Previous
Next

Batch ID HOURLY hourly

Transaction Defaults
Pay Period From 5/14/00
To 5/27/00
Days Worked 10.00
Weeks Worked 2.00

Data Entry Options
Current Options: No Options

View: Transactions; by Order Entered

Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
CRAN0001	Crane, Ruth Marie	Pay Code	HOURLY	SVC	40.00	$0.00

Date From 5/14/00
Date To 5/27/00
Days Worked 10.00
Weeks Worked 2.00

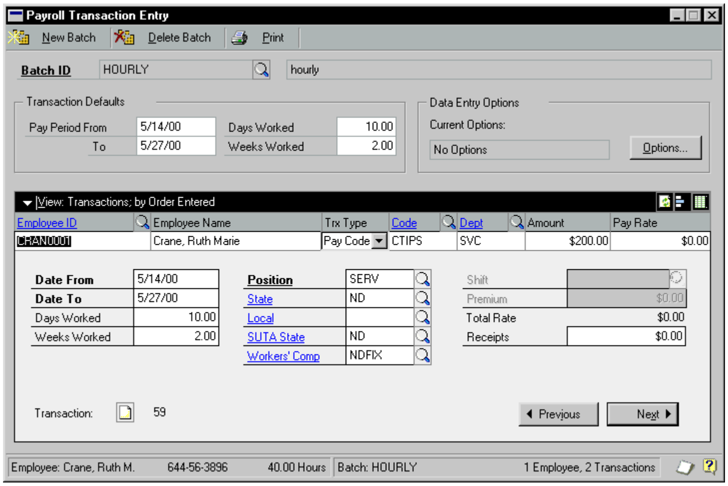
Position SERV
State ND
Local
SUTA State ND
Workers' Comp NDFIX

Shift NIGHT
Premium $0.50
Total Rate $0.00

Transaction: 58

Employee: Crane, Ruth M. 644-56-3896 40.00 Hours Batch: HOURLY 1 Employee, 1 Transaction

The second transaction reflects charged tips for the employee for the same period:


Payroll Transaction Entry
New Batch
Delete Batch
Print
Options...
Previous
Next

Batch ID HOURLY hourly

Transaction Defaults
Pay Period From 5/14/00
To 5/27/00
Days Worked 10.00
Weeks Worked 2.00

Data Entry Options
Current Options: No Options

View: Transactions; by Order Entered

Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
CRAN0001	Crane, Ruth Marie	Pay Code	CTIPS	SVC	$200.00	$0.00

Date From 5/14/00
Date To 5/27/00
Days Worked 10.00
Weeks Worked 2.00

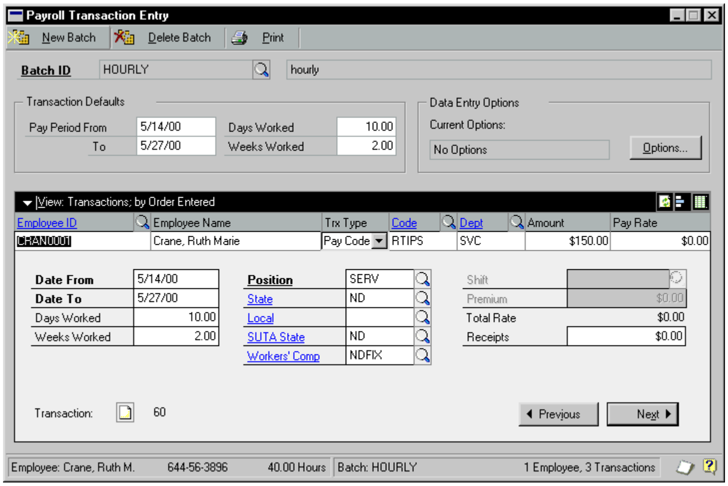
Position SERV
State ND
Local
SUTA State ND
Workers' Comp NDFIX

Shift
Premium $0.00
Total Rate $0.00
Receipts $0.00

Transaction: 59

Employee: Crane, Ruth M. 644-56-3896 40.00 Hours Batch: HOURLY 1 Employee, 2 Transactions

The third transaction is for reported tips for the same period, an amount the employee provides to her employer:



Batch ID: HOURLY hourly

Pay Period From: 5/14/00 To: 5/27/00

Days Worked: 10.00

Weeks Worked: 2.00

Current Options: No Options

Employee ID	Employee Name	Trx Type	Code	Dept	Amount	Pay Rate
CRAN0001	Crane, Ruth Marie	Pay Code	RTIPS	SVC	$150.00	$0.00

Date From: 5/14/00

Date To: 5/27/00

Days Worked: 10.00

Weeks Worked: 2.00

Position: SERV

State: ND

Local:

SUTA State: ND

Workers' Comp: NDFIX

Shift:

Premium: $0.00

Total Rate: $0.00

Receipts: $0.00

Transaction: 60

Employee: Crane, Ruth M. 644-56-3896 40.00 Hours Batch: HOURLY 1 Employee, 3 Transactions

No automatic transaction would be generated for minimum wage balance. This transaction would result in gross wages of $435.20.

Year-end procedures for reporting tips

Only one additional year-end form is required by the IRS if you are reporting tips wages, but additional information is printed on W-2 statements for tipped employees.

Form 8027 is a form used by large food and beverage establishments to report tips and receipts to the federal government. You can edit or print Form 8027 or its associated preparation report for a specific year as long as the year-end wage file exists for that year.

Be sure to print the preparation report and verify your information before you print the form for the IRS. For more information, refer to the Editing Form 8027 information and *Printing Form 8027* on page 204.

Verifying W-2s for tipped employees

Tipped employees require no extra W-2 procedures, but because additional information is printed on W-2 statements, it is a good idea to verify information for tipped employees on a random basis.

Be sure that the following items are included in the correct boxes on W-2 statements for tipped employees:

Box	**Information**
Allocated tips check box	This box should be marked
5 and 7	Gross wages and tips
13A and 13B	Uncollected FICA Medicare and Social Security

Glossary

1099-R statement

A statement showing an employee's distribution from retirement, profit-sharing or pension plans.

Account alias

A 20-character "short name" for a posting account in the chart of accounts. If the account format has a large number of segments, using aliases can speed data entry.

ACH (Automated Clearing House) file

A text file containing a group of electronic payments, which are deposited into employee bank accounts in lieu of paper checks. The ACH file is submitted to a financial institution who is a member of NACHA and will act as the ACH operator to transmit the payments contained in the ACH file. The file can be transmitted to the bank or credit union on a computer diskette or by modem.

Adjustment number

A number that identifies an adjustment transaction made in the Payroll Manual Check-Adjustment Entry window.

Allocated tips

Dynamics uses the Gross Receipts method and is calculated per pay run. The allocated tips amount equals the difference between tips received and employee gross receipts divided by company gross receipts, multiplied by the tip allocation rate, provided the difference is more. Made to each directly tipped employee.

Automated Clearing House (ACH)

The Automated Clearing House (ACH) is a nationwide electronic payments system used by more than 22,000 participating financial institutions in the United States. This network is regulated by the National Automated Clearing House Association (NACHA).

Auto-Settle Line (ASL)

A line that can be added to ACH files generated by Direct Deposit to bring the ACH into balance. Most ACH files generated for deposits to employee accounts include many credits to employee accounts. The auto settle line in those instances would be a debit to the company's payroll account that is equal to the sum of the credits.

Some financial institutions require an unbalanced ACH file containing only credits, and create the debit themselves. Other institutions require a balanced ACH file. (Check with your financial institution for more details.)

Background processing

A processing system that allows users to continue working while transactions are being posted or reports are being printed.

Batch

A group of transactions identified by a unique name or number. Batches are used in computerized accounting to conveniently group transactions, both for identification purposes and to make posting the transactions easier.

Batch approval

Allows users to choose whether to approve batches of transactions before posting. If the batch approval option is being used, the ID of the user who approved the batch and the approval date will appear on edit lists and posting reports.

Batch control

Values for both the number of transactions in a batch and the number of employees in the batch. As transactions are entered, the actual totals will be displayed. These totals can be verified periodically as transactions are entered to ensure that the control number and amount of transactions match the actual number and amount that was entered.

Batch frequency

A selection that determines how often a recurring batch will be posted, such as weekly, monthly or quarterly.

Batch-level posting

A posting method that allows transactions to be saved in batches and posts the batch whenever convenient. There are three types of batch-level posting: batch posting, series posting and master posting. *See also* Posting.

Benefit

A contribution provided by the company that may be calculated on net, unit or gross pay. Examples of benefits include insurance premiums and 401 (k) contributions.

Building checks

The process of indicating which employees, pay records, deductions and benefits should be included in the pay run.

Business expense

A pay code that's used to pay employees who are reimbursed for expenses incurred while doing business, such as meals, mileage and travel expenses.

Charged receipts

Gross sales for the employee or establishment from sales that were charged, used to calculate allocated tips.

Charged tip

Money (a gratuity) that the employee receives from customers through a charge card or check. The employer must include this money on an employee's payroll check because it was not received as cash.

Charged tips are added into gross wages on the check, and are subject to FICA Social Security and Medicare, Federal, and FUTA taxes. Generally, charged tips also are subject to State, Local and SUTA taxes.

Check link

A program used to re-create missing data after a file has been rebuilt. Checking links examines related information in the physical files within a logical file group.

Check number

A number assigned to a check. Payroll usually assigns check numbers automatically, but you can override the default and assign another number.

Class

A feature that allows customers, vendors, users or items to be grouped according to common characteristics. For example, a customer class could be created to group customers according to credit limit or location.

Clear data

A procedure used to remove data from a file, usually because the file has become damaged. Information is cleared by logical file group, with an option to clear by physical file within that group. Clearing data should be performed only as a last resort.

Comma-delimited field

The standard comma-separated ASCII character format used when exporting a report so that it can be read by database programs.

Commissions

The amount, usually a percentage of the sale amount, paid to the salesperson making the sale.

Computer check

Paychecks that are calculated and printed using the Dynamics system.

Data entry fields

Specific areas in a window, from which you can make a selection, enter information or access more information. For example, areas where you can type in a customer ID or a transaction amount are data entry fields. *See also* Field.

Deduction

An amount that may be withheld from an employee's net, unit or gross pay. For example, a donation to a charity could be set up as a deduction.

Deduction direct deposit

A deduction direct deposit account is set up as a link to a Payroll deduction, rather than as a separate Direct Deposit account entry. Deduction direct deposits should be used only if an employee requests having some payroll funds directed to a direct deposit account and the remainder of his or her earnings paid with a check.

Default

A suggested entry that is used by Dynamics, unless you make a different entry in its place.

Default class

A class whose values are used for the creation of new classes.

Department code

A unique alphanumeric name used to identify a department.

Direct deposit

Direct deposit is a system of distributing employees' earnings directly to their checking or savings accounts. Direct deposit relies on the use of a standardized account from which your company pays its payroll, and includes basic information about employees' accounts.

Directly tipped employee

Employees, such as waiters or waitresses, who receive tips directly from the customer. Used to calculate allocated tips.

Earned Income Credit

See EIC.

Earnings statement

A report generated by Payroll Direct Deposit that summarizes payroll information for employees who will have all their earnings deposited with direct deposit transfers.

Edit list

A list of transactions in an unposted batch that you can print to check the accuracy of the transaction entries before posting.

EIC

An abbreviation for Earned Income Credit. A pay code that's used to make advance payments to employees who qualify for earned income credit and have filed a W-5 form.

EIN

An abbreviation for Employer Identification Number, a number issued to companies operating in the United States. The EIN usually is used as a tax ID number for state and federal taxing agencies.

Employee Identification Number

See EIN.

Exceptions

Exceptions are the instances when direct deposit transactions are not completed as the user may have intended. Direct Deposit groups exceptions into three categories: no funds, deducted but not deposited and other.

Federal Insurance Contributions Act

See FICA.

Federal Unemployment Tax Act

See FUTA.

FICA

An acronym for Federal Insurance Contributions Act. An employee deduction for Social Security and Medicare. The employer matches the withholding.

FICA Medicare tip

Tips that are subject to FICA Medicare tax.

FICA Social Security tip

Tips that are subject to FICA Social Security tax.

Field
An area in a window where you can enter a single piece of information. For instance, the area in the Employee Maintenance window where you enter the employee's name is a field.

Footers
Footers are lines of data which you create to be appended to the end of the ACH file. The lines will appear exactly as shown in the ACH File Header and Footer window and will become part of the ACH file. Some financial institutions require additional information about the ACH file, such as identifying strings or passwords. If your financial institution has no such requirements, you may not need to use this window.

Form 1096
A form report that summarizes the 1099-R information.

Form 8027
An IRS form used by large food and beverage establishments to report tips and receipts to the US government.

FUTA
An acronym for Federal Unemployment Tax Act. This, along with state unemployment taxes, provides for payments of unemployment compensation to workers who have lost their jobs.

Gross wages
The wages an employee earns before any deductions or taxes are taken out.

Group printing
Saving and printing reports in groups. For example, you can create a report group that is used to print all employee lists before closing a year. You can create groups of reports within the same series and groups of series report groups.

Headers
Headers are lines of data which you create to be appended to the top of the ACH file. The lines will appear exactly as shown in the ACH File Header and Footer window and will become part of the ACH file. Some financial institutions require additional information about the ACH file, such as identifying strings or passwords. If your financial institution has no such requirements, you may not need to use this window.

Help
Documentation of Dynamics features placed online for quick access. Also referred to as online documentation.

Holiday pay
A pay code that's used to pay employees who receive paid time off for holidays.

Hourly pay
A pay code that's used to pay employees an amount per hour worked.

Inactivate
The process of making employee records inactive. If you inactivate an employee record, all of the employee's pay, deduction and benefit records will be inactivated, as well, and paychecks will no longer be printed for the individual.

Indirectly tipped employee
Employees who do not receive tips directly from the customer, such as cooks or people who clean tables. Used to calculate allocated tips.

Inquiry
The Dynamics feature that allows you to review open-year and historical information.

Integrate
To join two or more accounting modules to form a system in which data is shared among modules. All Dynamics modules are automatically integrated.

Local tax
A tax paid to local government agencies. You can set up multiple local taxes for each employee, if you wish.

Main segment
The segment of posting accounts that has been designated as the sorting option for accounts on financial statements. Typically, the main segment is used to indicate whether the account is an asset, liability, owners' equity, revenue or expense account.

Manual check
A manually written paycheck; manual checks can be recorded in the Dynamics system.

Mass transaction entry
The process of quickly entering similar pay transactions, variable deductions or variable benefits for many employees.

Minimum wage balance
A pay code used to make up the difference between the amount of wages, tips, and other compensation, and the minimum wage.

Multiple-account distributions
Multiple-account distributions are employee direct deposit setups for which more than one account is set up and net wages are to be distributed into the accounts in a certain order. If you specify an amount when using multiple-account distributions, direct deposit will attempt to pay that amount. If a percent is chosen, then direct deposit will multiply the percent by the employee's net wages in the payroll run and attempt to pay that amount. Each time an account is paid, net wages for the individual are reduced. This continues until all the net wages are exhausted or until all lines have been paid. Any funds remaining are called remainder of net.

Multiple companies
Companies for which separate data folders have been established. Great Plains Dynamics' multiple-company feature allows you to keep a separate set of financial information for each company you operate.

National Automated Clearing House Association (NACHA)
The National Automated Clearing House Association (NACHA) is the national regulatory body of the Automated Clearing House Network (ACH), a nationwide electronics payments system used by more than 22,000 participating financial institutions in the United States.

Net wages
The payment amount an employee receives after all deductions and taxes have been taken out of his or her paycheck.

Notes
The Dynamics feature that is used to attach messages to windows and records throughout the Dynamics system. The note button shows whether a note is attached to a window. Notes can be edited and reattached, deleted or printed.

Option
Printing specifications set up for reports. A variety of options can be used with each report.

Origin
A transaction entry window within a specific Dynamics module. Certain options, such as closing fiscal periods, can be selected for each transaction origin. Also, the transaction origin appears as part of the audit trail code on all posting reports in Dynamics.

Overtime pay
A pay code that's used to pay employees for working more than the assigned number of hours and are reimbursed at a different pay rate for the additional hours.

Pay code
A code used to identify a specific type and rate of pay. For example, an employee who is paid a specific salary may have the pay code SAL assigned to him or her.

Pay period
The time period between regularly scheduled pay runs.

Pay rate
The amount an employee is paid for a specified period or amount of work.

Pay record
A Payroll record that tracks money paid to an employee, showing pay expenses by pay code, department or job.

Pay type
A general category used to identify different kinds of pay, such as hourly or salary. For example, if an employee is paid a set amount per unit made or job completed, the pay type would be piecework.

Paycheck
A printed form that is issued to employees as payment of wages earned.

Payment number
A number that identifies a group of related entries for a computer or manual check that are posted collectively as a single, complete transaction.

Pension
A payment to a retired employee from a retirement plan.

Piecework
A pay code that's used to pay employees a certain amount per unit made or completed.

Position
A unique alphanumeric name used to identify a position.

Posting
A procedure that makes temporary transactions a part of your business records; permanent records are updated with the amount of these transactions. In manual accounting, to transfer journal totals to the appropriate accounts in a ledger.

Posting account
A financial account that tracks assets, liabilities, revenue or expenses. Amounts posted to these accounts appear on the Profit and Loss Statement, the Balance Sheet and other financial reports if you are using Dynamics General Ledger.

Posting date
The date on which a specific transaction was posted to your company's posting accounts.

Posting journal
A report printed following the posting process that shows the detail for each transaction that has been posted. Posting journals also include the audit trail code, which provides a precise record of where each transaction has been posted within Dynamics.

Prenotification
A prenotification or "prenote" is a test-run of direct deposit information. Once you've entered an employee's direct deposit preferences, you will probably be required by your financial institution to have a prenotification run or runs to verify the information in the ACH file.

Process server
The Dynamics application that allows a user to direct the processing of some accounting functions and maintenance procedures to another computer on a network. No additional actions are required by the user. Once tasks have been sent to a process server, users can begin other tasks immediately.

Range
A selection used to narrow the amount of records that are printed on a report. For example, a selected range of employee IDs could be those between 1001 and 9999.

Reactivate
The process of making employee records active. If you reactivate an employee record, all of the employee's pay, deduction and benefit records can be activated, as well, and paychecks can be printed for the individual.

Rebuild
A procedure used to check files for damaged data and remove it. Damaged data is caused by a number of factors, including hardware failures and power outages. A rebuild report is printed showing which fields contain data that's been removed; you can use the report to determine which records need to be reentered.

Recurring batch
A batch that can be posted repeatedly.

Remainder of net
Remainder of net refers to any amount owed to the employee after any deductions and direct deposit totals.

Removing history
A procedure used to erase ranges of account or transaction history that are no longer useful.

Report option
A collection of entries that specify the amount of information or the type of information that appears on a report. Multiple report options can be created.

Reported tip
Money—cash—the employee receives from customers that they report to the employer.

Reported tips are not added into gross wages on the check, but are subject to FICA Social Security and Medicare, Federal, and FUTA taxes. Generally, reported tips are also subject to State, Local and SUTA taxes.

Roll down
To apply changes you've made to a class record to all customer records within the class. For example, if you change the payment terms for the class from Net 30 to 2%-10/Net 30, you can roll down the change to all records in the customer class.

Salary pay
A pay code that's used for employees who are paid a specific pay amount each pay period.

Sample data
Data that can be used to practice Dynamics procedures by entering the information listed in the online lessons. Sample data can be accessed using the lesson company, The World Online, Inc., (TWO, Inc.).

Series
A group of Dynamics modules that form an interrelated set of applications. Receivables Management is part of the Sales series, for example.

Shift code
A code used to identify a specific type and rate of pay given for different times of work. For example, an employee who works a night shift might receive an additional $1.00 per hour.

Shrinking
A procedure used to remove unused space from tables. Shrinking tables makes more hard disk or network drive space available for use.

Sick time
A pay code that's used to pay employees for time off due to sickness.

Single-account distributions
Single-account distributions are employee direct deposit setups for which only one account line is entered and the entire net wages from the payroll will go to that account.

Sorting
A method of arranging data based on the order of specified information. For example, records sorted by document list all items on a document before listing the items on the next document.

State tax
A tax paid to state government agencies. You can set up multiple state taxes for each employee, if you wish.

State unemployment tax.
See SUTA.

SUTA
An acronym for "state unemployment tax." This is the state unemployment tax paid by an employer to provide for payments of unemployment compensation to workers who have lost their jobs.

Tax table
In Payroll, where tax information is stored for federal, EIC, FICA, state and pre-defined local taxes.

Taxable benefit
Benefits paid on the employee's behalf, but not directly to the employee that are subject to income tax.

Tax-sheltered annuity (TSA)
An employee deduction that is not included in the employee's wages when calculating tax. It also isn't included in the employee's gross wages on the year-end W-2 statements.

Text file (text only)

A file format that saves reports as text without formatting. This option should be used when the application to which you're converting the document is unable to read any of the other file formats.

Tip

Money an employee receives from customers as an acknowledgement of services rendered. Tips include both Charged Tips and Reported Tips and are tracked directly or indirectly.

Tip allocation rate

The rate—set by the IRS—used to determine the tip allocation amount.

Transaction edit list

See Edit list.

Transaction-level posting

A posting method that allows you to enter and post transactions individually without having to create a batch.

Transaction required benefit

A benefit that you must create a transaction for

Transaction required deduction

A deduction that you must create a transaction for

TSA

See Tax-sheltered annuity (TSA).

Uncollected FICA Medicare tax on tips

FICA Medicare tax on tips that could not be collected from the employee. This information must be reported on the employee's W-2 form.

Uncollected FICA Social Security tax on tips

FICA Social Security tax on tips that could not be collected from the employee. This information must be reported on the employee's W-2 form.

User-defined field

Two fields in the Employee Additional Information Maintenance window that you can define to track information specific to your business.

Vacation pay

A pay code that's used to pay employees while on vacation.

Voiding

The process of recording an equal and opposite transaction to undo the effect of a posted transaction.

W-2 statement

Wage and tax statement.

W-3 form

A report that summarizes the W-2 information.

Workers' compensation tax

Taxes paid by the employer for insurance covering injuries incurred on the job. Workers' compensation is paid to the state government.

Year-end closing

The process used to transfer current-year amounts to last-year amounts.

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May 2001

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