

Payroll at Year-End in QuickBooks Desktop

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- Certified QuickBooks Enterprise and Point of Sale
- Intuit Premier Reseller

Topics

1. Access the Client's QuickBooks Data
2. Review Payroll for Accuracy
3. Review the Client's Financials
4. Year-End Payroll Process



1: Access to the Client's QuickBooks Data

Learning Objective:

- Determine the proper payroll subscription needed for you and your client to collaborate on payroll

- On-Site – Which Payroll Subscription?
- Copy of File – Added to your QuickBooks Payroll Subscription
- Confirm Payroll Subscription is Active and Current
- Enter After-the-Fact Payroll Records
- Manual Payroll Option

On-Site: Which Payroll Subscription?

- **Basic Payroll**
 - Client creates payroll
 - Accountant prepares and file forms
- **Enhanced Payroll**
 - Client creates payroll
 - Client or accountant prepares and file forms
- **Full Service Payroll**
 - Client creates payroll
 - Intuit files payroll forms



Accountant: Which Payroll Subscription?

- Enhanced Payroll for Accountants
 - Up to 50 client EIN's
 - Prepare payroll at your office
- Intuit Online Payroll for Accounting Professionals
 - Integrates with QuickBooks Desktop
 - Anywhere access/collaboration
 - Wholesale pricing
 - Email alerts

Adding an EIN to an existing payroll subscription:
<http://payroll.intuit.com/support/kb/1000024.html>



Confirm Active Payroll Subscription

- Employees > Payroll Center
- Subscription and status displayed

The screenshot displays the 'My Payroll Service' interface. The 'Payroll' tab is selected, showing 'SUBSCRIPTION STATUSES'. A red box highlights the 'Enhanced Payroll' status, which is active (indicated by a green checkmark) and includes a 'Manage Account' link. Below this, there is a 'Free Payroll Support' button and a note about 'Easier Payments with Direct Deposit'. The right-hand side of the interface shows the 'Create Paychecks' section with a table for 'PROCESS PAYROLL BY' and 'STATUS'. The table has one row with the date '12/29/2015' and a status of '3 Weeks'. A 'Payroll Schedules' dropdown menu is visible below the table.

PROCESS PAYROLL BY	STATUS
12/29/2015	3 Weeks

Enter After-the-Fact Payroll Records

- Included in all QuickBooks Desktop if active payroll subscription
- Efficient method for spreadsheet like entry
- Creates a paycheck transaction type

After-the-Fact Payroll

CALCULATION METHODS

Adjust out of balance paychecks by applying Diff +/- to Fed WIH

Accept Calculated Net Pay if Enter Net Pay is left blank

Customize Columns... What if I don't see the columns I need? Why are some cells gray?

Bank Account: 10100 - Checking

CHK DATE	CHK NUM	EMPLOYEE NAME	GROSS WA	FED	MEDI	SOC	STATE	CA-DISABILITY	EMPLO	MILEAGE REL	HEALTH INSUR	MEDICARE EMPLOYEE ADD	ENTER NET PAY	CALCULAT	DIFF
12/06/2015	1005	Dan T. Miller	1,596.15	-85.00	-23.14	-98.97	-8.10		0.00		0.00	0.00	1,380.94	1,380.94	
12/06/2015															

Delete Paycheck View/Edit Detail... Help Close Record

Printed: 12/06/2015 10:00 AM

Employee: Dan T. Miller

DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
12/06/2015	1005	1,596.15		1,596.15
12/06/2015	1005		85.00	1,511.15
12/06/2015	1005		23.14	1,488.01
12/06/2015	1005		98.97	1,389.04
12/06/2015	1005		8.10	1,380.94
12/06/2015	1005			1,380.94

Total: 1,380.94

Manual Payroll Entry Option

- No automation, no state or federal form-fill
- Small business with same paycheck each period
- Startup payroll records
- To access:
 - Help > About QuickBooks
 - Ctrl + Alt + Y

2016 YTD Adjustment for Dan T. Miller

Bank Account: 10100 - Checking Class: **Historical Paycheck**

Cleared No. 3rd Qtr 15 From: 07/01/2015

Date: 09/30/2015 To: 09/30/2015

To: Dan T. Miller \$ 7,797.60

Memo _____

Next Period

Prev Period

Earnings Items

ITEM NAME	PERIOD AMOUNT	HOURS FOR PERIOD
Salary	9,576.90	

Other Employee and Company Payroll Items

ITEM NAME	PERIOD AMOUNT
Health Insurance	150.00
Federal Withholding	672.00
Social Security Company	593.77
Social Security Employee	593.77

OK

Cancel

Help

Accounts Affected...

Show Wage Bases...

Show-and-Tell

- View QuickBooks Desktop payroll subscription offerings
- Confirm status of subscription
- Enter After-the-Fact payroll
- Manual payroll option



2: Review Payroll Accuracy

Learning Objective:

- Identify considerations when reviewing the payroll setup for accuracy in your client's QuickBooks file

- Review Uncleared Payroll Checks
- Verify Payroll Items Accuracy
- Compare Prior Quarter Payroll Reports
- Confirm all Payroll Liabilities are Scheduled
- Properly Adjust Payroll Liabilities
- Correct Payroll Liability Payment Errors

Review Data for Uncleared Payroll Checks

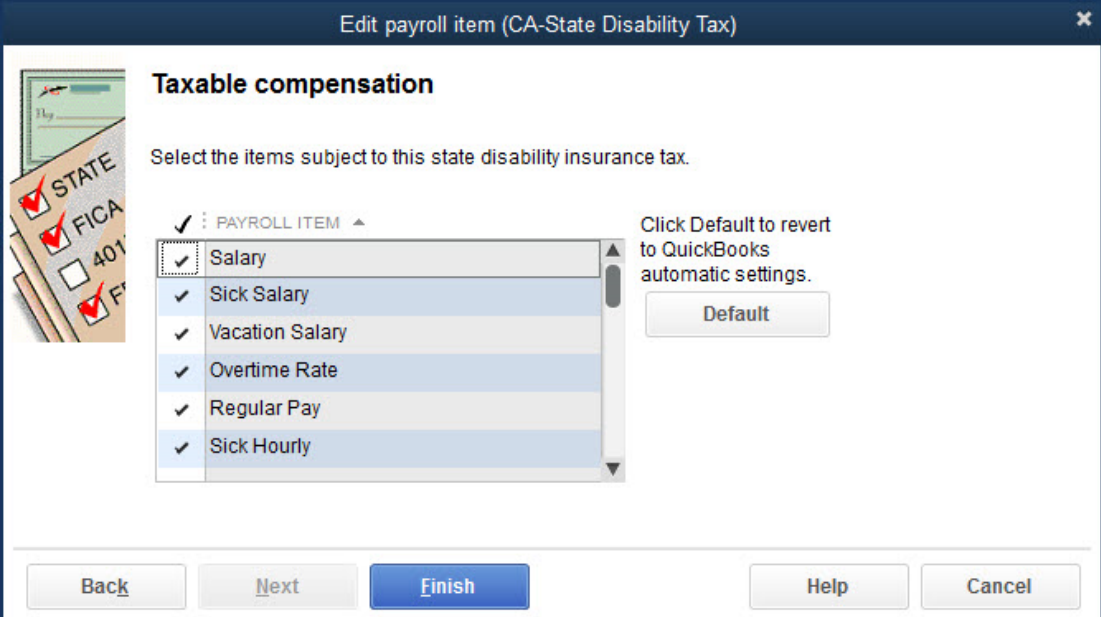
- Uncleared payroll checks can represent process problems:
 - Duplicate payroll prepared
 - Inaccurate payroll correcting records
 - Replaced lost paychecks without voiding original check

Rock Castle Construction
Custom Transaction Detail Report
All Transactions

Type	Date	Num	Name	Clr	Amount
10100 - Checking					
▶ Paycheck	12/01/2015	10070	Dan T. Miller		-1,325.15 ◀
Paycheck	12/01/2015	10071	Elizabeth N. Mason		-890.57
Paycheck	12/01/2015	10072	Gregg O. Schneider		-1,033.99
Paycheck	12/06/2015	1005	Dan T. Miller		-1,380.94
Paycheck	12/15/2015	10073	Dan T. Miller		-1,299.60
Paycheck	12/15/2015	10074	Elizabeth N. Mason		-907.92
Paycheck	12/15/2015	10075	Gregg O. Schneider		-1,033.98
Paycheck	12/15/2015	10076	Dan T. Miller		-1,350.15
Paycheck	12/15/2015	10077	Elizabeth N. Mason		-932.92
Paycheck	12/15/2015	10078	Gregg O. Schneider		-1,062.12
Paycheck	12/15/2015	10079	Gregg O. Schneider		-1,062.12
Total 10100 - Checking					-12,279.46
TOTAL					-12,279.46

Verify Payroll Item Setup for Accuracy

- Confirm payroll items are setup correctly:
 - Rates are correct
 - General ledger setup is accurate
 - 941 payroll tax treatment is correct
 - Any missing company expense payroll items?



Edit payroll item (CA-State Disability Tax)

Taxable compensation

Select the items subject to this state disability insurance tax.

PAYROLL ITEM ▲

<input checked="" type="checkbox"/>	Salary
<input checked="" type="checkbox"/>	Sick Salary
<input checked="" type="checkbox"/>	Vacation Salary
<input checked="" type="checkbox"/>	Overtime Rate
<input checked="" type="checkbox"/>	Regular Pay
<input checked="" type="checkbox"/>	Sick Hourly

Click Default to revert to QuickBooks automatic settings.

Default

Back Next Finish Help Cancel

Compare Prior Quarter Payroll Reports

- QuickBooks users can easily change prior period payroll transactions
- Compare filed returns with the same payroll details if the return was prepared today
- QuickBooks stores previously saved payroll forms

Payroll Tax Form

Part I - Answer these questions for this quarter

1	Number of employees who received wages, tips, or other compensation for the pay period including March 12 (Quarter 1), June 12 (Quarter 2), September 12 (Quarter 3), December 12 (Quarter 4)	1	0
2	Wages, tips, and other compensation	2	25,176.95
3	Federal income tax withheld from wages, tips, and other compensation	3	2,509.00
4	If no wages, tips, and other compensation are subject to social security or Medicare tax, check here and go to line 6 <input type="checkbox"/>		
		Column 1	Column 2
5a	Taxable social security wages	25,176.95	3,121.94
b	Taxable social security tips		
c	Taxable Medicare wages and tips	25,176.95	730.13
d	Taxable wages and tips subject to Additional Medicare Tax Withholding		
e	Add Column 2 from lines 5a, 5b, 5c, and 5d		3,852.07
f	Section 3121(q) Notice and Demand - Tax due on unreported tips		
6	Total taxes before adjustments. Add lines 3, 5e, and 5f		6,361.07
7	Current quarter's adjustment for fractions of cents		-0.01
8	Current quarter's adjustment for sick pay		
9	Current quarter's adjustments for tips and group-term life insurance		
10	Total taxes after adjustments. Combine lines 6 through 9		6,361.06
11	Total deposits for this quarter, including overpayment applied from a prior		

View details about this form | View filing and printing instructions | View Saved Tax Forms

Save and Close | Save as PDF... | Print for Your Records... | Check for Errors | Submit Form...

Automatically create an archive when I e-file or print

Verify all Payroll Liabilities are Scheduled

- Only Scheduled payroll liability amounts display on the liabilities payment window
- Visual reminder - forgetful client
- Not necessary if no “liability” is incurred, such as allocating overhead costs to payroll

✓ SEND BY	STATUS	PAYMENT	METHOD	PERIOD	AMOUNT DUE
01/15/16	5 Weeks	CA Withholding and Disability Insura...	Check	Dec 2015	355.42
01/15/16	5 Weeks	Federal 941/944/943	Check	Dec 2015	3,812.04
01/20/16	6 Weeks	Health Insurance	Check	Q4 2015	150.00

Total Selected Items: 0.00

View/Pay

Properly Adjust Payroll Liabilities

- When correcting payroll mistakes, use the proper method to:
 - Correctly affect general ledger and all payroll forms

Liability Adjustment

Date: 09/30/2015 Effective Date: 09/30/2015

Adjustment is for:
 Company Employee Dan T. Miller Class: [Empty]

Taxes and Liabilities

ITEM NAME	AMOUNT	WAGE BASE	INCOME S...	MEMO
Federal Unemployment	105.20	8,000.00	8,000.00	to agree with actual liability

Buttons: Next Adjustment, Prev Adjustment, OK, Cancel, Accounts Affected...

Correct Payroll Liability Payment Errors

- Compare payroll to general ledger
- Requires that you first determine both accounting sides of the error
- Verify banking first, will help with the rest of the data review

Liability Payment - Checking

Payment 1 of 1

Bank Account: 10100 - Checking Ending Balance: 45,588.16

Pay to the Order of: Employment Development Department

No. Correcting
Date: 12/07/2015
\$ 0.00

Address: Employment Development Department
P.O. Box 123456
Sacramento CA 94280

Memo: 987-6543-2

Period: 12/01/15 - 12/31/15 How do I e-pay? E-payment Check

Expenses -\$355.42 Payroll Liabilities \$355.42 To be printed

ACCOUNT	AMOUNT	MEMO	CUSTOMER:JOB	BILLA...	CLASS
64500 - Taxes:64540 - Local	-355.42				

Show-and-Tell

- Review uncleared paychecks
- Payroll item accuracy
- Review prior period payroll totals
- Confirm payroll liabilities scheduled
- Adjust payroll liabilities
- Correct payroll liability payment errors



3: Review Financials

Learning Objective:

- List the reports that are useful when reviewing payroll financials

- Review Payroll Item List
- Financial Reports to Review
- Helpful Excel Payroll Pivot Table Reports

Review Payroll Item List

- Payroll Items control posting to the general ledger
- Customize the Payroll Item List view
- Know the proper tax treatment requirements for each payroll item

ITEM NAME	TYPE	AMOUNT	LIMIT	TAX TRACKI...	PAYABLE TO	ACCOUNT ID
Salary	Yearly Salary			Compensati...		
Sick Salary	Yearly Salary			Compensati...		
Vacation Salary	Yearly Salary			Compensati...		
Overtime Rate	Hourly Wage			Compensati...		
Regular Pay	Hourly Wage			Compensati...		
Sick Hourly	Hourly Wage			Compensati...		
Vacation Hourly	Hourly Wage			Compensati...		
Bonus	Bonus	0.00		Compensati...		
Mileage Reimb.	Addition	0.45		Compensati...		
Health Insurance	Deduction		-1,200.00	None	State Fund	
Workers Compensation	Company ...			None	State Fund	
Advance Earned Incom...	Federal Tax			Advance EIC ...	Great Statew	
Federal Unemployment	Federal Tax	0.6%	7,000.00	FUTA	Great Statew	
Federal Withholding	Federal Tax			Federal	Great Statew	
Medicare Company	Federal Tax	1.45%		Comp. Medic...	Great Statew	
Medicare Employee	Federal Tax	1.45%		Medicare	Great Statew	
Social Security Company	Federal Tax	6.2%	118,500.00	Comp. SS Tax	Great Statew	

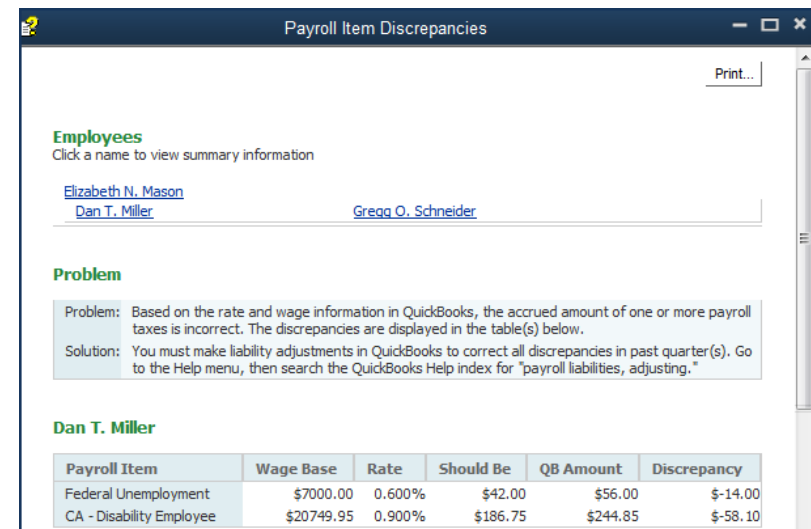
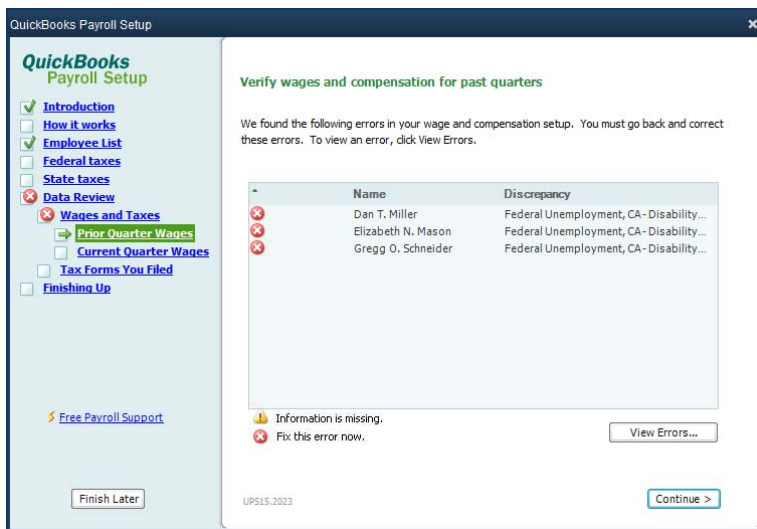
Payroll Item List

Find...
Refresh
New
Edit Payroll Item
Delete Payroll Item
Make Payroll Item Inactive
Customize Columns...
Set Up Payroll...
Pay Employees...
Edit/Void Paychecks...
Pay Liabilities/Taxes...
Adjust Liabilities...

Payroll Item Activities Reports Include inactive

Use the Payroll Checkup Tool

- Verify missing information
- Verify calculated totals
- Recommend to run before preparing payroll reporting forms



Financial Reports to Review

- Compare Balance Sheet accounts to Payroll Liability reports
- Compare wage totals and tax totals to company Profit & Loss report

Dates	This Fiscal Year	As of	12/31/2015	Show Columns	Total only	Dates	This Calendar Year	From	01/01/2015	To	12/31/2015	Show Columns
7:46 PM	Rock Castle Construction					7:47 PM	Rock Castle Construction					
12/07/15	Balance Sheet					12/07/15	Payroll Liability Balances					
Accrual Basis	As of December 31, 2015						January through December 2015					
			Dec 31, 15								BALANCE	
▼	Credit Cards					▼	Payroll Liabilities					
	20500 · QuickBooks Credit Card		94.20				Advance Earned Income Credit				0.00	
	20600 · CalOil Credit Card		382.62				Federal Withholding				1,449.00	
	Total Credit Cards		476.82				Medicare Employee				223.95	
▼	Other Current Liabilities						Social Security Employee				957.57	
▼	24000 · Payroll Liabilities						Federal Unemployment				100.00	
	24010 · Federal Withholding		1,449.00				Medicare Company				223.95	
	24020 · FICA Payable		2,363.04				Social Security Company				957.57	
	24040 · FUTA Payable		100.00				CA - Withholding				307.29	
	24050 · State Withholding		307.29				CA - Disability Employee				48.13	
	24060 · SUTA Payable		110.00				CA - Unemployment Company				100.00	
	24070 · State Disability Payable		48.13				Medicare Employee Addl Tax				0.00	
	24080 · Worker's Compensation		1,214.31				CA - Employee Training Tax				10.00	
	24100 · Emp. Health Ins Payable		150.00				Health Insurance				150.00	
	Total 24000 · Payroll Liabilities		5,741.77				Workers Compensation				1,214.31	
	25500 · Sales Tax Payable		957.63				Total Payroll Liabilities				5,741.77	

Ready-Made Payroll Pivot Table Reports

- QuickBooks Accountant Desktop software offers a variety of client-ready payroll reports
- Client's have ready-made payroll Excel pivot table reports that can be sent to you

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Employee YTD Summary				Jan 1 - Dec 31, 2015 (last pay on Dec 15)								
2	Employee	Period	Hours	Gross	Fed W/H	Soc Sec	Med Care	Med Care Addl	AEIC	State W/H	SDI	Other	Net Pay
3	Dan T. Miller	MTD	-	6,384.60	-413.00	-395.85	-92.58	-	-	-58.49	-18.84	-50.00	5,355.84
4	333-44-5555	QTD	-	12,769.20	-861.00	-791.69	-185.15	-	-	-132.93	-94.17	-125.00	10,579.26
		YTD	-	43,096.05	-2,989.00	-2,671.96	-624.89	-	-	-486.52	-452.03	-600.00	35,271.65
5													
6	Elizabeth N. Mason	MTD	240.00	3,540.00	-388.00	-219.48	-51.33	-	-	-85.86	-13.92	-50.00	2,731.41
7	569-87-1234	QTD	565.00	8,370.65	-925.00	-518.98	-121.38	-	-	-213.45	-70.92	-125.00	6,395.92
		YTD	2,100.00	31,122.60	-3,446.00	-1,929.60	-451.28	-	-	-807.90	-339.39	-600.00	23,548.43
8													
9	Gregg O. Schneider	MTD	320.00	5,520.00	-656.00	-342.24	-80.04	-	-	-166.94	-32.57	-50.00	4,192.21
10	444-55-6666	QTD	645.00	11,169.40	-1,352.00	-692.50	-161.96	-	-	-347.93	-82.04	-100.00	8,432.97
		YTD	2,180.00	37,777.60	-4,640.00	-2,342.21	-547.78	-	-	-1,208.52	-396.01	-337.50	28,305.58
11													
12													
13													
14	Company Totals	MTD	560.00	15,444.60	-1,457.00	-957.57	-223.95	-	-	-311.29	-65.33	-150.00	12,279.46
15		QTD	1,210.00	32,309.25	-3,138.00	-2,003.17	-468.49	-	-	-694.31	-247.13	-350.00	25,408.15
16		YTD	4,280.00	111,996.25	-11,075.00	-6,943.77	-1,623.95	-	-	-2,502.94	-1,187.43	-1,537.50	87,125.66
17													



Show-and-Tell

- Customizing the Payroll Item List view
- Use the Payroll Checkup Tool
- Comparing business financials to payroll reports
- Using the ready-made payroll pivot table reports



4: Year-End Payroll Process

Learning Objective:

- Identify the process for completing year-end payroll tasks

- Prepare Bonus Net-to-Gross Checks
- Sign up for E-Pay and E-File
- Adjust Reported Totals on Payroll Forms
- Print or E-File Payroll Forms for Federal and State

Prepare Bonus – Net to Gross Checks

- Use for Bonus payments
- Requires an active payroll subscription
- Enter the desired net amount and QuickBooks payroll will gross-up the amount per the employee's profile settings

Preview Paycheck

Dan T. Miller PAY PERIOD 11/18/2015 - 12/01/2015

Use Direct Deposit CLASS

Earnings

ITEM NAME	RATE	HOURS	CUSTOMER JOB
Bonus	7,441.42		
TOTALS 0.00 0:00 hrs			

SICK AVAILABLE 40:00
VACATION AVAIL 269:00
SICK ACCRUED 40:00
VAC. ACCRUED 6:45
 Do not accrue sick/vac

Other Payroll Items

ITEM NAME	RATE	QUANTITY
Health Insurance	-25.00	

Company Summary

ITEM NAME	AMOUNT	YTD
CA- Employee Training Tax	0.00	7.00
Social Security Company	461.36	3,133.32
Medicare Company	107.90	732.79
Federal Unemployment	0.00	56.00

Employee Summary

ITEM NAME	AMOUNT	YTD
Bonus	7,441.42	7,441.42
Health Insurance	0.00	-600.00
Medicare Employee Addl Tax	0.00	0.00
Federal Withholding	-1,364.00	-4,353.00
Advance Earned Income Cr...	0.00	0.00
Social Security Employee	-461.36	-3,133.32
Medicare Employee	-107.90	-732.79
CA- Withholding	-505.35	-991.87
CA- Disability Employee	-2.81	-454.84
CheckAmount:	5,000.00	

How are these items calculated?

Save & Previous Save & Next Save & Close Cancel Help Enter net/Calculate gross

Sign Up for E-Pay and E-File

- Requires EFTPS (Electronic Federal Tax Payment System) access
- Requires sign up within QuickBooks
- Online PIN is mailed (so can be slow)
- Can't e-file late returns

QuickBooks Payroll Setup

QuickBooks Payroll Setup

- Taxes
- Filing methods**
- Enrollments

[Free Payroll Support](#)

Review your filing methods

This list includes the **forms that are available for e-file** and the **method you've selected** for filing each one.

To change the filing method, click the form and then click the **Edit** button.

Form	Description
Federal Form 940 (Reporting Agents)	E-file
Federal Form 941 (Reporting Agents)	E-file
Federal Form 944 (Reporting Agents)	E-file
Federal Form W-2/W-3	E-file
California Form DE 34	E-file
California Form DE 9	E-file
California Form DE 9C	E-file

Click here for a complete list of [Supported Tax Forms](#)

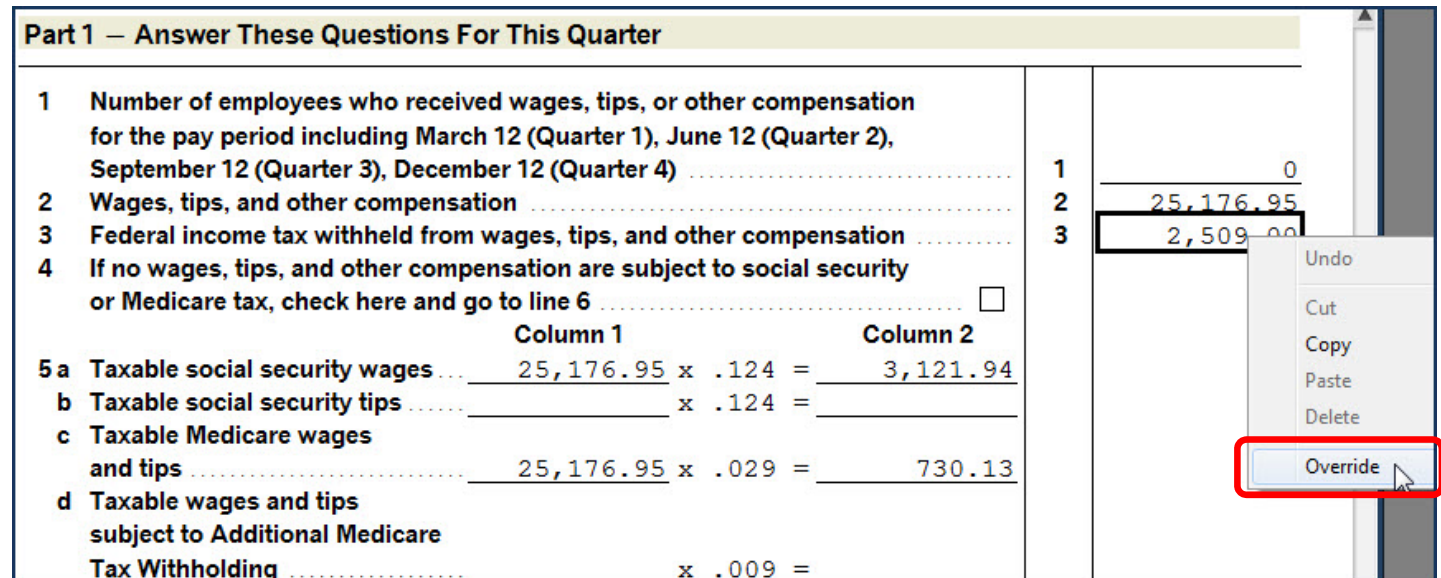
UPS2.2516

Adjust Reported Totals on Payroll Forms

- Use only as a last resort
- Right-click and select Override

Part 1 – Answer These Questions For This Quarter

1	Number of employees who received wages, tips, or other compensation for the pay period including March 12 (Quarter 1), June 12 (Quarter 2), September 12 (Quarter 3), December 12 (Quarter 4)	1	0
2	Wages, tips, and other compensation	2	25,176.95
3	Federal income tax withheld from wages, tips, and other compensation	3	2,509.00
4	If no wages, tips, and other compensation are subject to social security or Medicare tax, check here and go to line 6		<input type="checkbox"/>
	Column 1		Column 2
5 a	Taxable social security wages ... 25,176.95 x .124 =		3,121.94
b	Taxable social security tips x .124 =		
c	Taxable Medicare wages and tips 25,176.95 x .029 =		730.13
d	Taxable wages and tips subject to Additional Medicare Tax Withholding x .009 =		



The screenshot shows a payroll form with a context menu open over the 'Override' button. The menu options are: Undo, Cut, Copy, Paste, Delete, and Override. The 'Override' button is highlighted with a red box.

Print or E-File Payroll Forms for Federal and State

- Takes just minutes to complete
- Add your own contact information for the forms
- Check for errors
- Save as a PDF

Form 941	Employer's Quarterly Federal Tax Return	2015	
Name (not your trade name) Rock Castle Construction, Inc.		Employer Identification No. (EIN) _____	
Trade Name (if any) Rock Castle Construction			
Address 1735 County Road			
City Bayshore	State CA	ZIP Code 94326	
Foreign Country Name	Foreign Province/County	Foreign Postal Code	
Report for this Quarter of 2015 (Check one)			
1	January, February, March	<input type="checkbox"/>	
2	April, May, June	<input type="checkbox"/>	
3	July, August, September	<input checked="" type="checkbox"/>	
4	October, November, December	<input type="checkbox"/>	
Part 1 – Answer These Questions For This Quarter			
1	Number of employees who received wages, tips, or other compensation for the pay period including March 12 (Quarter 1), June 12 (Quarter 2), September 12 (Quarter 3), December 12 (Quarter 4)	1	0
2	Wages, tips, and other compensation	2	25,176.95
3	Federal income tax withheld from wages, tips, and other compensation	3	0.500.00
View details about this form View filing and printing instructions			<input type="button" value="Previous"/> <input type="button" value="Next"/>
<input type="button" value="Save and Close"/> <input type="button" value="Save as PDF..."/> <input type="button" value="Print for Your Records..."/>			<input type="button" value="Check for Errors"/> <input type="button" value="Submit Form..."/>
<input checked="" type="checkbox"/> Automatically create an archive when I e-file or print.			

Show-and-Tell

- Prepare a Bonus Check
- Signup for E-File and E-Pay
- Adjust Payroll Forms
- Print or E-File Payroll Forms



Resources

- Link to Intuit Payroll home page: www.payroll.com
- Link to Intuit Payroll comparison chart:
<http://payroll.intuit.com/compare/compare-quickbooks-payroll.jsp>
- Intuit Enhanced Payroll for Accountants:
<https://accountants.intuit.com/payroll-payments/payroll-for-accountants/payroll-enhanced-for-accountants/>
- E-File and Pay Availability List:
http://payroll.intuit.com/support/compliance/quicklist.jsp?cid=VAN_fi_leandpay
- Adding an EIN to an existing payroll subscription:
<http://payroll.intuit.com/support/kb/1000024.html>

Closing

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