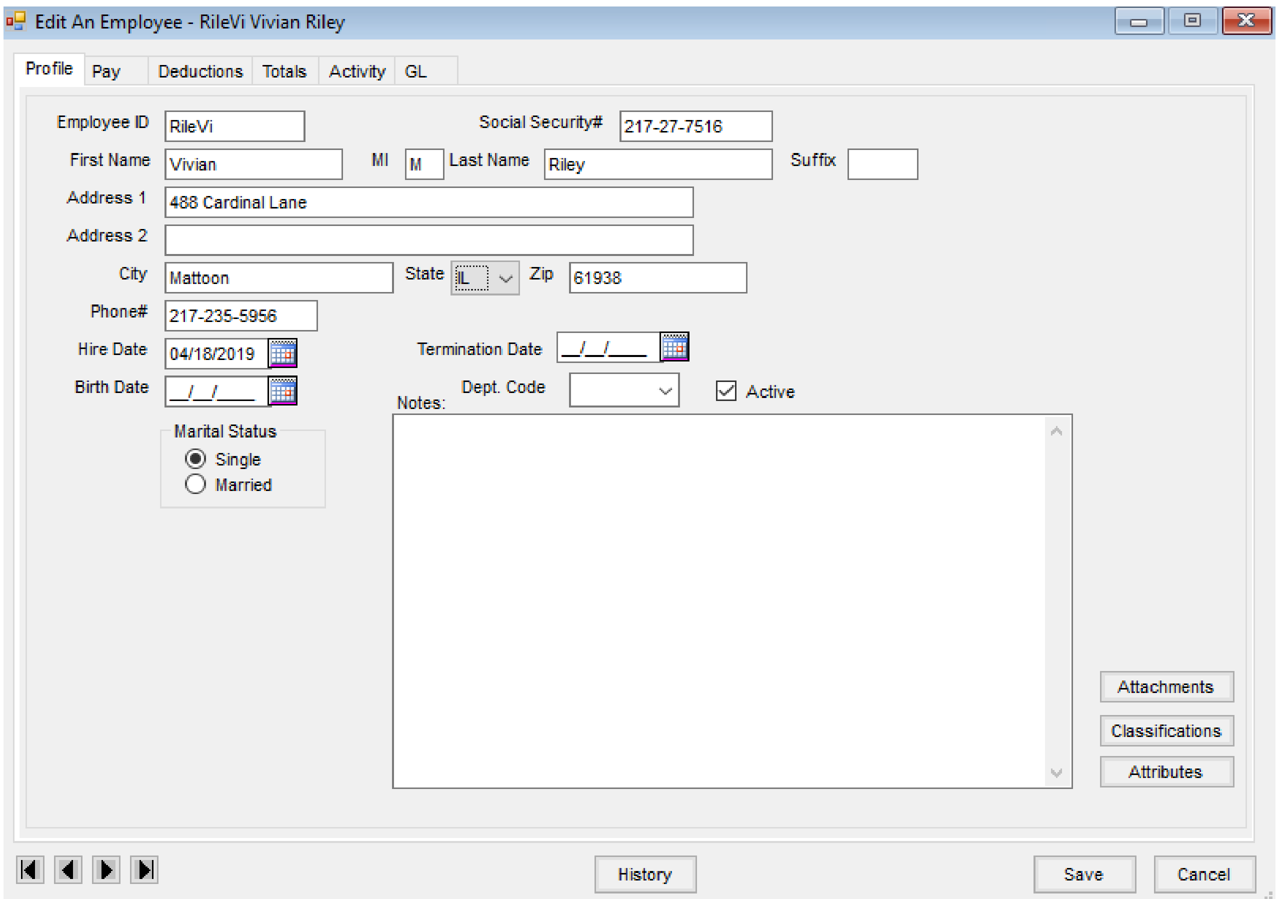
Employee Setup

Last Modified on 04/12/2024 3:56 pm CDT

Any person who was employed by the company during the current calendar year should be entered into the system. Before payroll can be processed, there are several setup steps.

Profile

The **Arrow** icons at the bottom of the screen allow paging forward and backward within the employee file. The icon to the far right goes to the last record in the employee list and the icon to the far left goes to the first record in the employee list.



- **Employee ID –** Up to 10 characters are used to identify each employee. Apostrophes and spaces are not allowed in the *Employee ID*. It is recommended to establish a pattern such as using the first three letters of the last name followed by the first three letters of the first name.
  Example: Joan Brown would be BroJoa.
- **Social Security # –** Social security numbers are necessary for W-2s.
- **First Name/MI/Last Name/Suffix –** Enter the employee's *First Name*, *Middle Initial*, *Last Name*, and *Suffix* as it should appear on the W-2.

- **Address 1/Address 2/City/State/Zip –** Enter the employee's address, city, state, and zip code. *Address 2* is the primary mailing address.
- **Phone # –** Entering a phone number is optional. If entered, it will print on Reference List reports found at *Accounting Reports / Payroll / Employee*.
- **Hire Date, Birth Date, and Termination Date –** Optionally enter this information.

  Note: If using the Attendance function, the *Hire Date* must be entered.
- **Marital Status –** Indicate the federal tax withholding status of the employee.
- **Dept. Code –** This is an optional way to categorize employees. It might be used to distinguish between shop, applicators, and office personnel. When processing payroll, the employees may be filtered by department code. Also, several of the payroll reports can be grouped by *Department Code*. The codes are user-defined. Once a code is entered, it is available in the drop-down menu as an option for other employees.
- **Active –** Indicate if the employee is actively employed.
- **Notes –** Enter any notes about this employee or payroll situation. The notes print on the Reference List reports found at *Accounting Reports / Payroll / Employee* when using the *General Info* style.
- **History –** This may be used to track employee history such as pay rates or discipline actions. The *Type* is user-defined. Once a Type is saved, it is available to be selected on other employees. The date is for information on the reports. The value is user-defined.

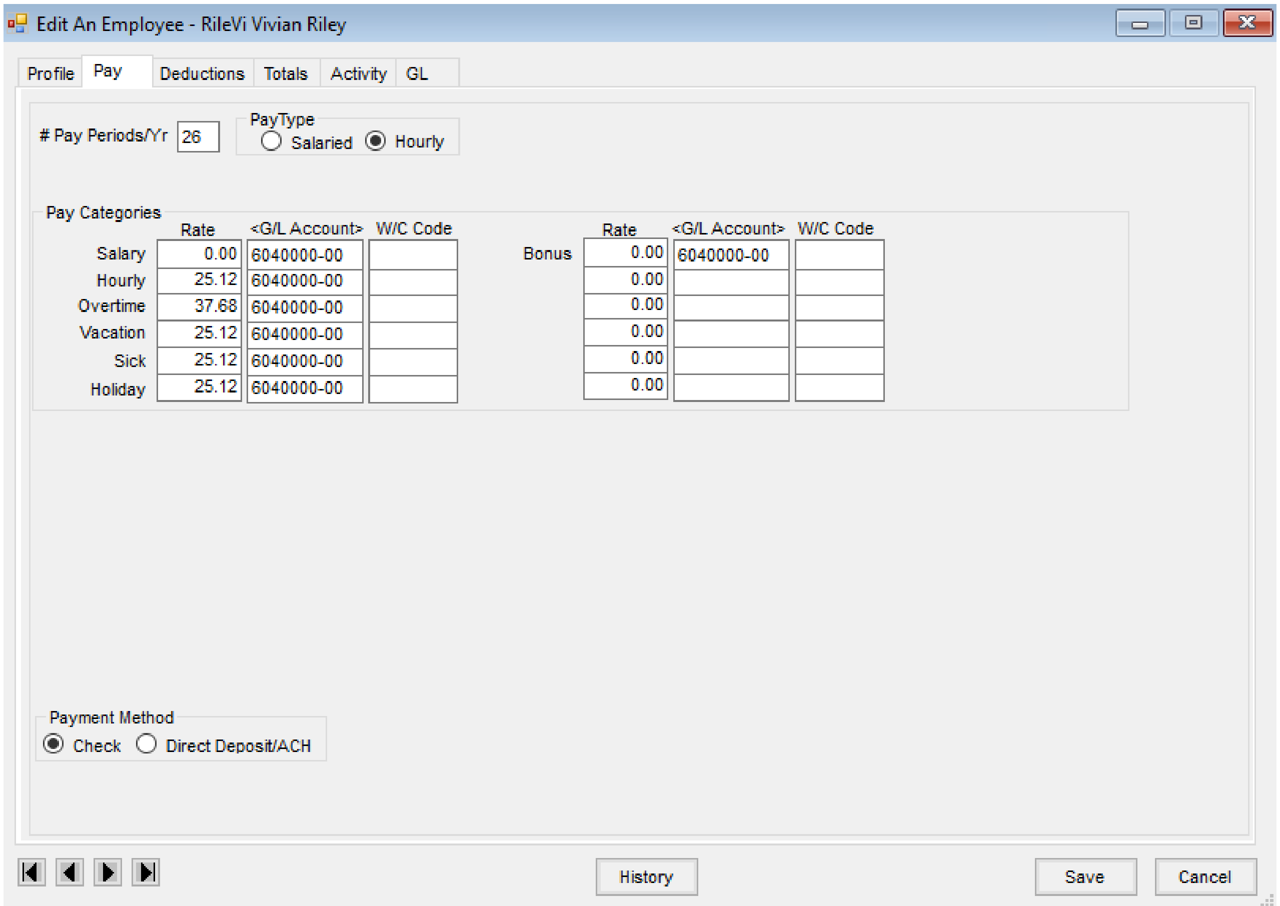
  Example: It could be the new pay rate if the entry was for a pay increase. This information can then be printed on a report by selecting **Reports** on the *History* screen.
- **Attachments –** Files may be attached for future reference. Attachment names are validated to prevent invalid characters.

  Example: A photo copy of a CDL license can be scanned into the computer and saved as a PDF. That PDF could then be attached to the employee so it could be viewed if necessary.
- **Classifications –** Unlimited classifications are available to group employees. Classifications are set up at *Setup / Preference* on the *Payroll* tab. Some examples of *Employee Classifications* might be: *Full Time, Part Time, 401k Participant*, or *Eligible for Benefits.* This classification is used for selecting a group of employees for reports.
- **Attributes –** Attributes could be used to cross reference employees to another application.

Pay

Set each employee's pay rate for the appropriate Pay Categories at *File / Open / Employee* on the *Pay* tab. If hourly, then the rate is per hour; if they are salaried, it is per paycheck. The G/L accounts default from the preferences but may be changed if necessary.

Additionally, set the number of pay periods per year for this employee.



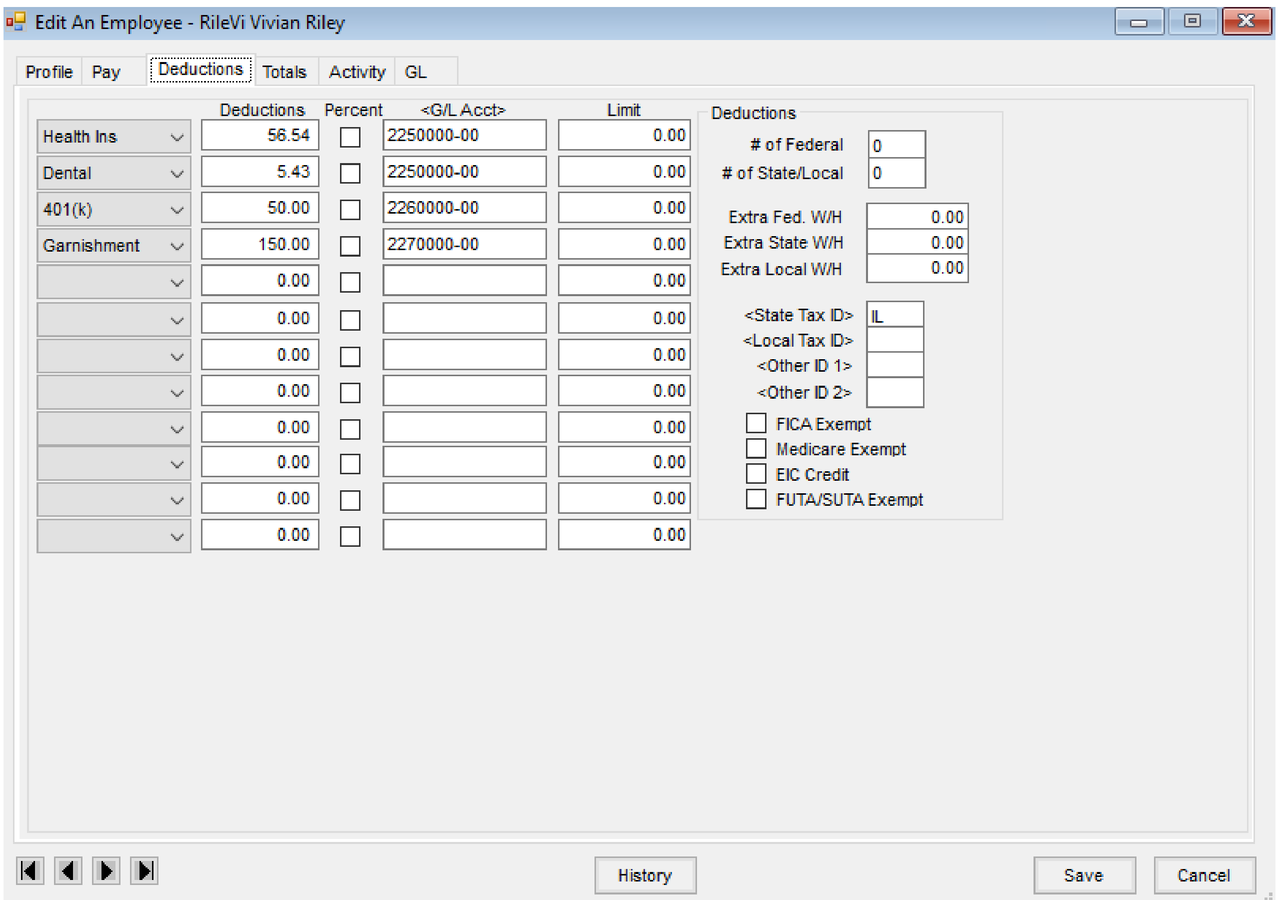
- **# Pay Periods/Yr –** Indicate the number of times this employee is paid per year (52 if weekly, 24 if twice monthly, 26 if every two weeks, etc.). This number is directly related to the calculation of federal and state income taxes. If it is sporadic, enter the number that is closest.
- **Pay Type –** Choose *Hourly* or *Salaried*. If paid with any method other than salaried, select *Hourly*.
- **Pay Categories –** The Pay Category names listed are established at *Setup / Preferences* on the *Payroll* tab along with default G/L posting accounts.
- **Rate –** Enter the hourly rate if hourly or gross pay per period if salaried for each applicable Pay Category listed.
- **G/L Account –** Indicate the G/L account to which each Pay Category should post for this employee.
- **W/C Code –** Optionally indicate the Worker's Comp code for each Pay Category.
- **Payment Method –** Indicate if the employee's pay is distributed with a *Check* or a *Direct Deposit/ACH*. If using direct deposit, also add the information into the *Direct Deposit Account Information* grid.
- **Direct Deposit Account Information –** This only displays if the *Payment Method* is *Direct Deposit/ACH*. Enter the Routing and Account Number(s) in which to deposit the net wages. The employee may split the deposit among multiple accounts by percent of net wages or by flat dollar amounts. One account must be specified as the *Balance* type account which is the account that receives the remaining money after all percentage and flat dollar amounts are deposited.

Deductions

Select the regular deductions on the *Deductions* tab. The deduction amount may be defined as a flat dollar figure or a percentage of gross wages (by using the *Percent* option). Again, the general ledger accounts default from the preferences but may be changed if necessary.

Fill out the number of federal and state deductions each employee claims plus any extra dollar amount to have withheld according to the W-4 form(s).

Note: The *State Tax ID* must be filled out. If the employee's state of residency does not collect state taxes, set up a one-line state payroll tax table that has zero in the *Percentage* and *Amount* column at *Setup / Payroll / Payroll Tax Tables*.



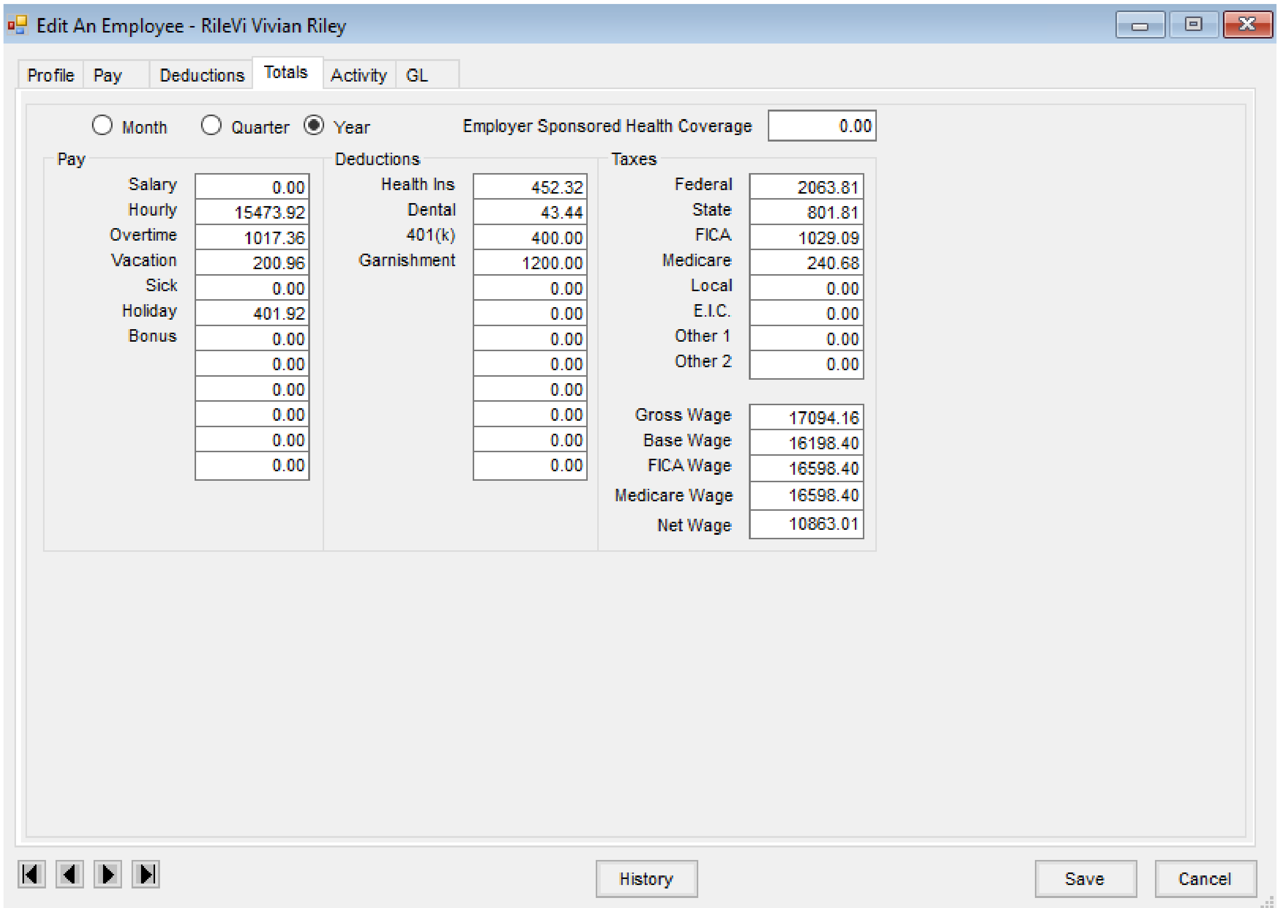
- **Voluntary Deduction Setup –** The voluntary deductions defined at *Setup / Preferences* on the *Payroll* tab are available to be selected.
- **Deductions –** Deductions specific to the employee are selected at this screen. Enter any regular deductions here either in dollars or percentage of gross wages. Percentages are entered with 2-decimal accuracy. An entry of 4.25 will withhold 4.25% of net wages, 0.5 withholds 0.5% of net wages. If the deduction amount is to be a percentage, place a check in the *Percent* column. If the amount to withhold is a set dollar amount, enter the amount in the *Deductions* column and do not place a checkmark in the *Percent* column.

- **G/L Acct –** Indicate the account where each deduction will post in the general ledger. The G/L account defaults from the deduction setup but can be changed if necessary. Double-click to display the list of G/L accounts from which to select.
- **Limit** – If there is a dollar limit on this deduction, enter it here. Examples for this limit might be a limit on a retirement account investment or a wage garnishment. Once the year-to-date for this deduction reaches this amount, it will no longer be deducted when processing payroll.
  Note: If limits are set on deductions, these limits should be reviewed periodically for accuracy.
- **Tax Deductions** – On the right side of the screen, set the tax deduction status of this employee. Beginning in 2020, the federal government W-4 includes the standard allowances built into the tax tables. There is no longer a separate standard withholding allowance. Therefore, setting the *# of Federal* deductions on the *Deductions* tab of the Employee profile will have no effect on the calculation for Federal Withholding. Enter the *# of State* deductions claimed on the employee's W-4 form(s). The *Extra Fed W/H*, *Extra State W/H*, or *Extra Local W/H* areas are used to adjust the withholding amounts based on how the W-4 form(s) are populated. These extra amounts are added to the normally calculated taxes. A *State Tax ID* must be selected. If the employee resides in a state that does not have a state income tax, set up a State Tax ID with a zero dollar deduction at *Setup / Payroll / Payroll Tax Tables*. There are also options to indicate if an employee is *FICA* or *Medicare Exempt*, claims *Earned Income Credit*, or is *FUTA/SUTA Exempt*.
  Note: To set an employee as exempt from federal tax, enter *999* for the *# of Federal*.

Totals

Leave this screen blank. The Implementation Team will help establish the month, quarter, and year-to-date totals by entering a large check for each employee that represent entire periods of payroll that have taken place this year.

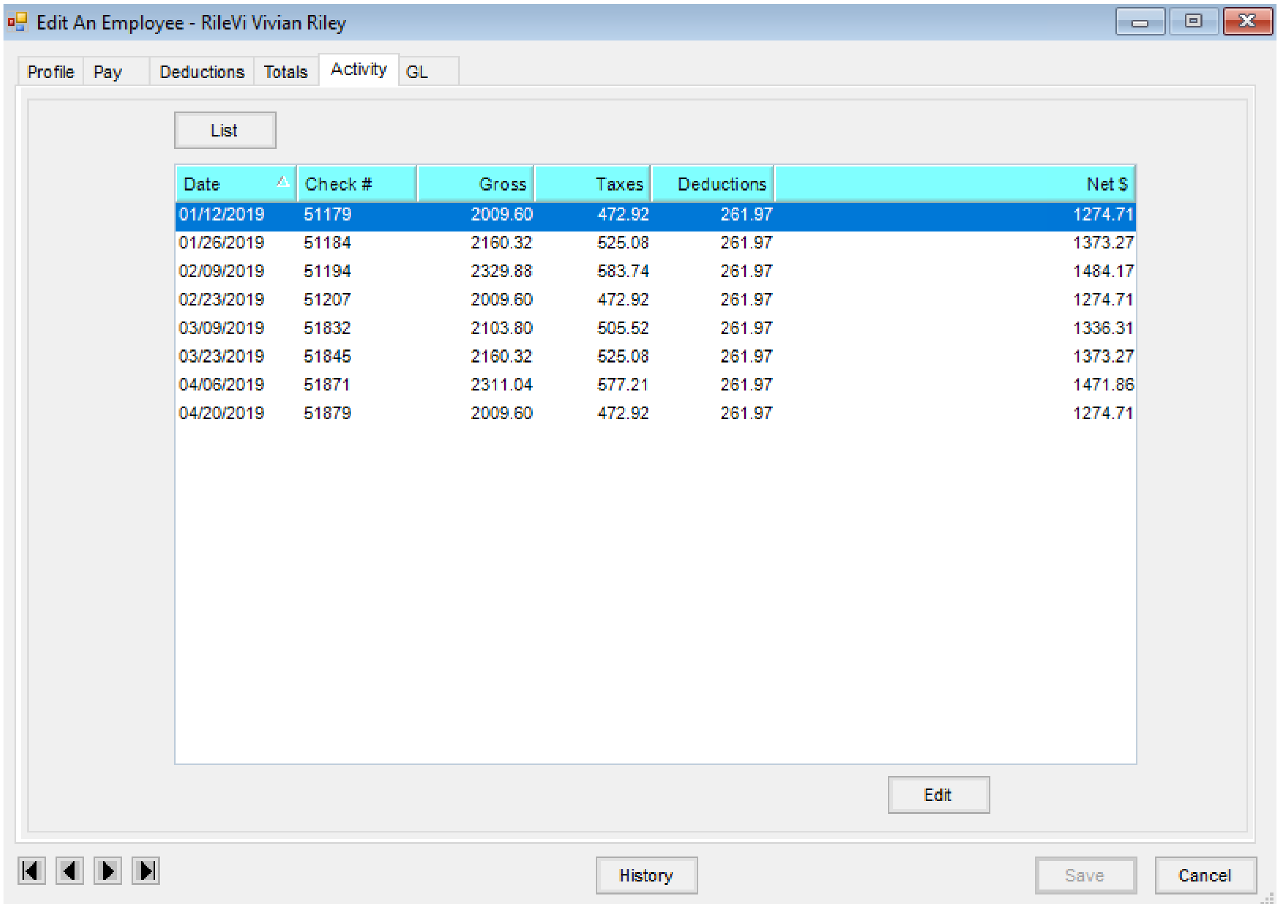
Most of this screen is automatically updated as each paycheck is processed. *Month*, *Quarter*, or *Year* totals may be displayed. This screen is affected as the payroll months are ended.



When displaying the *Year* totals, the *Employer Sponsored Health Coverage* displays. The premium amount to be included on the employee's W-2 for health coverage may be entered in this area.

Activity

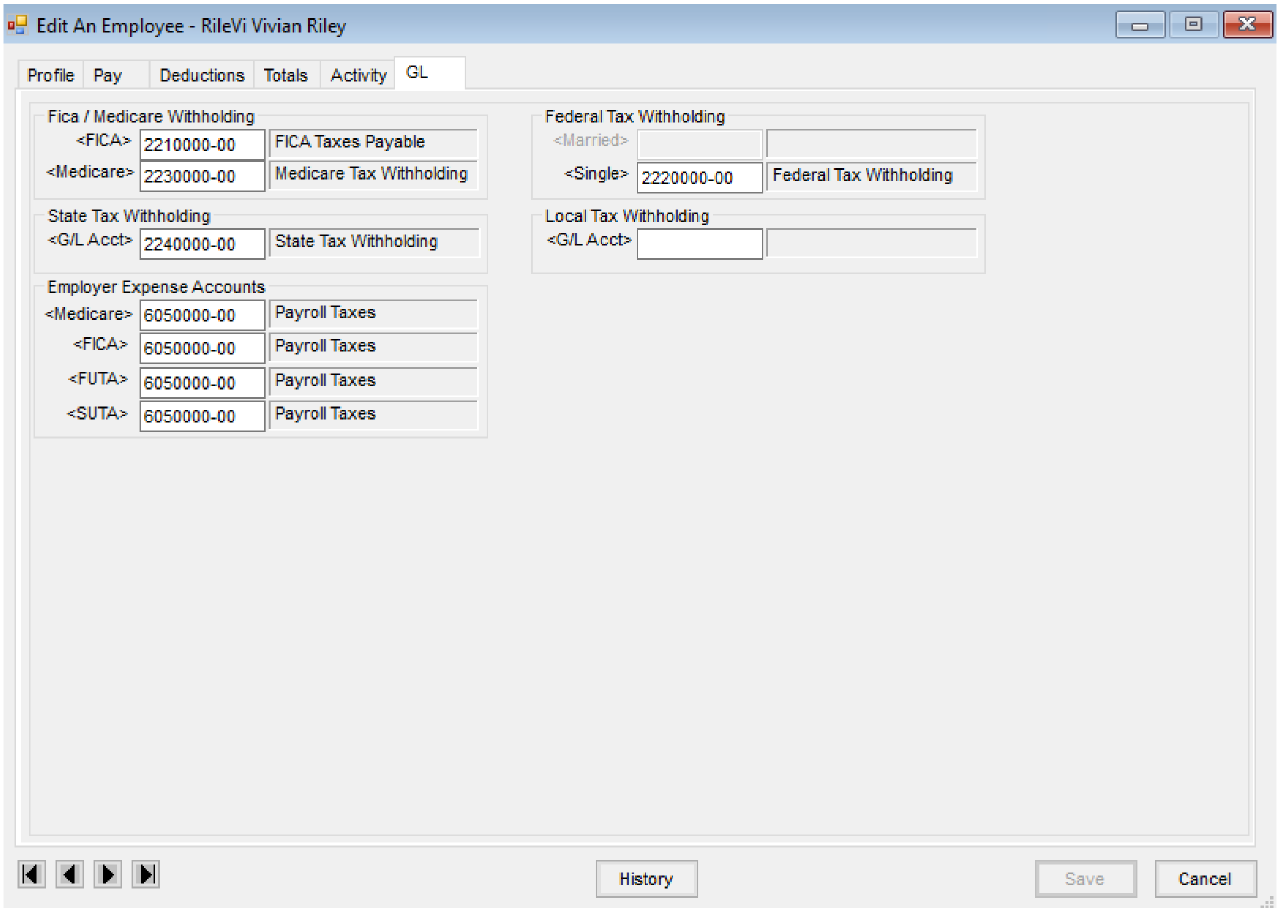
Display the employee's checks for the current year by choosing **List**. A check may be edited or voided by highlighting it and selecting **Edit**. The check detail displays. The *Check #*, *Check Date*, *Period Ending*, and *Comment* may be edited. There are also options to **Void** or **Print** which are the same options available at the *Payroll / Edit a Paycheck* screen.



Date	Check #	Gross	Taxes	Deductions	Net $
01/12/2019	51179	2009.60	472.92	261.97	1274.71
01/26/2019	51184	2160.32	525.08	261.97	1373.27
02/09/2019	51194	2329.88	583.74	261.97	1484.17
02/23/2019	51207	2009.60	472.92	261.97	1274.71
03/09/2019	51832	2103.80	505.52	261.97	1336.31
03/23/2019	51845	2160.32	525.08	261.97	1373.27
04/06/2019	51871	2311.04	577.21	261.97	1471.86
04/20/2019	51879	2009.60	472.92	261.97	1274.71

GL

The general ledger accounts for the taxes and employer expenses are shown on this tab. Most default from the payroll tax tables but may be overridden at this screen if necessary. The liability general ledger accounts default from the preferences and the tax tables but may be changed if necessary. The employer expense accounts for FICA and Medicare must be selected.



- **FICA Withholding** – This is the liability account where the FICA tax withheld from the employee should post. This account defaults from **FICA/Medicare** at *Setup / Payroll / Payroll Tax Tables* but may be changed if necessary.
- **Medicare Withholding** – This is the liability account where the Medicare tax that is withheld from the employee paycheck should post. This account defaults from **FICA/Medicare** at *Setup / Payroll / Payroll Tax Tables* but may be changed if necessary.
- **State Tax Withholding** – This is the liability account where the state tax withheld from the employee paycheck should post. This number defaults from the state tax table selected on the employee file but may be changed if necessary.
- **Employer Expense Accounts** – Enter the Payroll Tax expense account where the employer's portion of the FICA and Medicare is posted. These are expense accounts for the matching portion, not the withholding liability account. The FUTA/SUTA accounts are not used at this time for any automatic posting.
- **Federal Tax Withholding** – This is the liability account where the employee’s federal tax withheld should post. This defaults from the federal tax table found at *Setup / Payroll / Payroll Tax Tables*.
- **Local Tax Withholding** – If local tax is withheld from the employee paycheck, this is the liability account where the local tax posts.