

Intuit ProLine

QuickBooks 2011 Student Guide

Doing Payroll with QuickBooks

Lesson 12

Lesson Objectives

- To gain an overview of payroll in QuickBooks
- To learn more about payroll setup
- To set up employee payroll information
- To set up payroll schedules
- To practice writing and printing a payroll check
- To learn how QuickBooks tracks your tax liabilities
- To practice paying payroll taxes

Notes

Setting Up for Payroll

By default, the QuickBooks payroll feature is turned on and it is turned on in the exercise file. If you want to turn off payroll in your own company file, follow the procedure below.

To turn payroll off in a company data file:

1. From the Edit menu, choose **Preferences**, and click **Payroll & Employees** in the left panel.
2. Click the **Company Preferences** tab and select **No payroll**.
3. Click **OK**.

Notes

Setting Up for Payroll

QuickBooks maintains a list for everything that affects the amount on a payroll check and for every company expense related to payroll. This list is called the Payroll Item list. There are payroll items for compensation, taxes, other additions and deductions, and employer-paid expenses. QuickBooks uses payroll items to track individual amounts on a paycheck and accumulated year-to-date wage and tax amounts for each employee.

To view the Payroll Item list:

1. From the Employees menu, choose **Manage Payroll Items**, and then choose **View/Edit Payroll Item List**. (You must have payroll turned on to see this choice.)

Item Name	Type	Amount	Annual Limit	Tax Tracking	Payable To	Account ID
Salary	Yearly Salary			Compensation		
Sick Salary	Yearly Salary			Compensation		
Vacation Salary	Yearly Salary			Compensation		
Overtime Pay	Hourly Wage			Compensation		
Regular Pay	Hourly Wage			Compensation		
Sick Hourly	Hourly Wage			Compensation		
Vacation Hourly	Hourly Wage			Compensation		
Bonus	Addition		10,000.00	Compensation		
Mileage Reimb.	Addition	0.32		Compensation		
Health Insurance	Deduction		-1,200.00	None	Sergeant Insurance	
Advance Earned Inco...	Federal Tax			Advance EIC Payment	Great Statewide Bank	00-7904153
Federal Unemployment	Federal Tax	0.8%	7,000.00	FUTA	Great Statewide Bank	00-7904153
Federal Withholding	Federal Tax			Federal	Great Statewide Bank	00-7904153
Medicare Company	Federal Tax	1.45%		Comp. Medicare	Great Statewide Bank	00-7904153

2. Close the Payroll Item list.

Notes

Setting Up for Payroll

You won't add a new payroll item in this lesson, but if you need to add an item after you've set up payroll in QuickBooks, you can use the following procedure.

To add a payroll item:

1. From the Employees menu, choose **Manage Payroll Items**, and then choose **View/Edit Payroll Item List**.
2. Click the **Payroll Item** menu button, and then choose **New**.
3. Leave **EZ Setup** selected and click **Next**.
4. QuickBooks displays the Add new payroll item window, which steps you through the payroll item setup process.



5. Select the type of payroll item you want to create. Then, click **Next**.
6. Follow the onscreen instructions to create the payroll item.
7. When you are done, click **Finish**.
8. Close the Payroll Item list.

Notes

Setting Up Employee Payroll Information

QuickBooks calculates payroll for each employee on the basis of that employee's pay rate, filing marital status, exemptions, and so on. The Employee list stores general information about each employee, as well as payroll information.

To view information stored in the Employee list:

1. Click **Employee Center** on the icon bar.
2. Select **Dan T. Miller** in the list, and then click **Edit Employee**.
3. Click the **Address and Contact** tab.
4. Click the **Additional Info** tab.
5. In the Change tabs drop-down list, select **Payroll and Compensation Info**.

Information for: Dan T. Miller

Change tabs: Payroll and Compensation Info

Payroll Info

Earnings

Item Name	Hourly/Annual Rate
Salary	41,500.00

Payroll Schedule: []
Pay Frequency: Biweekly

Use time data to create paychecks

What is a payroll schedule?

Additions, Deductions and Company Contributions

Item Name	Amount	Limit
Health Insurance	-25.00	-600.00

Employee is covered by a qualified pension plan

Buttons: OK, Cancel, Notes, Help, Employee is inactive, Order Business Cards, Taxes..., Sick/Vacation..., Direct Deposit

6. Click **Taxes**.
7. Click the **State** tab to review the state withholdings.
8. Click **OK** to return to the Edit Employee window.
9. Click **OK** again to return to the Employee Center.

Using Employee Defaults to Store Common Information

QuickBooks stores a wealth of information about each employee, but it doesn't require you to enter the same information over and over. When you have information that applies to most of your employees, you can enter it into your employee defaults. Then, when you add an employee, QuickBooks automatically fills in the information stored with the defaults. You just need to add or change any information that is different for a particular employee.

To view employee defaults:

1. With the Employee Center displayed, choose **Change New Employee Default Settings** from the Manage Employee Information menu button.

Item Name	Hourly/Annual Rate
Regular Pay	

Use time data to create paychecks

Item Name	Amount	Limit

Employee is covered by a qualified pension plan

2. Select the **Use time data to create paychecks** checkbox to include pay for time entered using the time tracking feature.
3. In the Additions, Deductions and Company Contributions area, click in the Item Name column, and then choose **Health Insurance** from the drop-down list.
4. In the Amount column, type **50** and press Tab.
5. Click **Taxes**.
6. Click **Cancel** to close the Taxes Defaults window.
7. Click **Sick/Vacation**.
8. Click **Cancel** to close the Sick & Vacation Defaults window.
9. Click **OK** to close the Employee Defaults window.

Setting Up Payroll Schedules

You can set up payroll schedules to group employees with the same pay frequency (daily, semi-monthly, bi-weekly, and monthly). You define how often you pay your employees, which date their paycheck is due, and which day you run payroll. QuickBooks calculates your upcoming payroll schedule so that you can pay your employees on time.

Using payroll schedules is a quick and convenient way to pay your employees at each pay period. You set up the payroll schedule one time, assign the payroll schedule to the appropriate employees, and QuickBooks calculates the due dates for each upcoming pay period.

To define a payroll schedule:

1. From the Employees menu, choose **Add or Edit Pay Schedules**.
2. Click the Payroll Schedule menu button, and then choose **New**.
3. Type **Monthly** in the “What do you want to name this payroll schedule?” field.
4. Press Tab and select **Monthly** as the pay frequency.
5. Press Tab and select **12/31/2015** as the pay period end date.
6. Press Tab and select **12/31/2015** as the date that should appear on the checks.
7. Press Tab and choose **Last day of the month** from the drop-down menu.

New Payroll Schedule

The information you provide will be used to create a payroll schedule. [What is a payroll schedule?](#)
You can set up multiple payroll schedules if you need to. [Why do I need multiple schedules?](#)

Tell us how you'll be processing payroll using QuickBooks: [How do I set up a payroll schedule?](#)

What do you want to name this payroll schedule? (e.g., "Weekly", "Biweekly", "Monthly", etc)

How often will you pay your employees on this schedule?

What is the pay period end date?

What date should appear on paychecks for this pay period?

What day should appear on paychecks for this pay period?

The following is based on the information supplied above:
You pay your employees on the same day as the pay period end date in this payroll schedule.
The paycheck date for the current month is 12/31/2015 for the pay period ending on 12/31/2015.

Schedule is inactive

Setting Up Payroll Schedules

8. Click **OK**.
9. To define the pay schedule for the employees paid weekly, click the Payroll Schedule menu button, and then choose **New**.
10. Type **Weekly** in the “What do you want to name this payroll schedule?” field.
11. Press Tab and select **Weekly** as the pay frequency.
12. Press Tab and select **12/22/2015** as the pay period end date.
13. Press Tab and select **12/22/2015** as the date that should appear on the checks.
14. Click **OK**.
15. Close the Payroll Schedule List.

Now that you’ve set up the pay schedules, you can assign each employee to the appropriate pay schedule.

Notes

Setting Up Payroll Schedules

To assign employees to a schedule, choose the payroll schedule on the Payroll Compensation Info tab of the employee record. (You can also assign employees during the Payroll Schedule Setup process, but for this exercise, we'll use the employee records.)

To assign a pay schedule:

1. From the Employees menu, choose **Employee Center**.
2. Click the Employees tab if it is not already selected.
3. Select Dan T. Miller and then click **Edit Employee**.
4. In the Edit Employee window, choose **Payroll and Compensation Info** from the Change tabs drop-down list.
5. From the Payroll Schedule drop-down list, select **Monthly**.
6. Click **OK**.
7. Select Elizabeth Mason from the Employee List and click **Edit Employee**.
8. In the Edit Employee window, choose **Payroll and Compensation Info** from the Change tabs drop-down list.
9. From the Payroll Schedule drop-down list, select **Weekly**.
Elizabeth Mason is a non-exempt employee and she is paid weekly. Notice that QuickBooks changes the Pay Frequency to Weekly.
10. Click **OK**.
11. Repeat the steps for Gregg Schnieder and assign him to the Weekly pay schedule.

Notes

Adding a New Employee

To add a new employee:

1. With the Employee Center displayed, click **New Employee**.
2. On the Personal tab, enter the employee data as shown below.

The screenshot shows the 'New Employee' dialog box with the 'Personal' tab selected. The 'Change tabs' dropdown is set to 'Personal Info'. The 'Personal' tab is active, showing fields for Mr./Ms./..., Legal Name (First Name: Michael, M.I.: M., Last Name: Wilhite), Print on Checks as (Michael M. Wilhite), SS No. (555-55-4321), Gender (Male), and Date of Birth (01/21/1975). On the right side, there are buttons for OK, Cancel, Next, and Help, along with a checkbox for 'Employee is inactive' and an 'Order Business Cards' button.

3. On the Address and Contact tab, enter the employee data as shown below.

The screenshot shows the 'New Employee' dialog box with the 'Address and Contact' tab selected. The 'Change tabs' dropdown is still set to 'Personal Info'. The 'Address and Contact' tab is active, showing fields for Home Address (Address: 153 West main Street, City: Bayshore, State: CA, Zip: 94326), Phone (415-555-1234), Cellular (415-555-5678), Alt. Phone, Fax, E-mail (wilhite@samplename.com), and Pager. On the right side, there are buttons for OK, Cancel, Next, and Help, along with a checkbox for 'Employee is inactive' and an 'Order Business Cards' button.

Adding a New Employee

4. In the Change tabs drop-down list, select **Employment Info**.
5. In the Hire Date field, enter **11/28/2015**.
6. In the Change tabs drop-down list, select **Payroll and Compensation Info**.
7. In the Earnings section of the window, click the Item Name column and press Tab.
8. In the Hour/Annual Rate column for the Regular Pay payroll item, type **15**. Then press Tab.
9. From the Pay Schedule drop-down list, choose **Weekly**.

Information for: Michael M. Wilhite

Change tabs: Payroll and Compensation Info

Payroll Info

Earnings

Item Name	Hourly/Annual Rate
Regular Pay	15.00

Payroll Schedule: Weekly

Pay Frequency: Weekly

Use time data to create paychecks

What is a payroll schedule?

Additions, Deductions and Company Contributions

Item Name	Amount	Limit
Health Insurance	-50.00	-1,200.00

Employee is covered by a qualified pension plan

Employee is inactive

Taxes...
Sick/Vacation...
Direct Deposit

Order Business Cards

OK
Cancel
Next
Help

Notes

Adding a New Employee

10. Click **Taxes**.
11. From the Filing Status drop-down list, choose **Married**.
12. Click **State**.
13. In the Filing Status field, choose **Married (two incomes)**.
14. Click **OK**.
15. In the Additions, Deductions, and Company Contributions area, type **15** in the Amount column for Health Insurance and press Tab.

Information for: Michael M. Wilhite

Change tabs: Payroll and Compensation Info

Payroll Info

Earnings

Item Name	Hourly/Annual Rate
Regular Pay	15.00

What is a payroll schedule?
Payroll Schedule: Weekly
Pay Frequency: Weekly

Use time data to create paychecks

Additions, Deductions and Company Contributions

Item Name	Amount	Limit
Health Insurance	-15.00	-1,200.00

Employee is covered by a qualified pension plan

Buttons: OK, Cancel, Next, Help, Employee is inactive, Taxes..., Sick/Vacation..., Direct Deposit, Order Business Cards

16. Click **OK**.
17. When QuickBooks asks whether you want to set up additional payroll information, click **Leave As Is**.
18. Leave the Employee Center open.

Notes

Running a Payroll Schedule

QuickBooks lets you print payroll checks in a batch based on payroll schedules. You may want to process the paychecks of salaried employees in one batch, and do payroll for the weekly employees as another batch.

To run a paycheck:

1. In the Employee Center, click the **Payroll** tab.
2. In the Pay Employees section, choose the **Weekly** pay schedule.
3. Click the **Start Scheduled Payroll** button.

Enter Payroll Information

Enter Payroll Information → Review & Create Paychecks → Print & Distribute Paychecks

How do I pay my employees?

Payroll Information

Payroll Schedule: Weekly | Pay Period Ends: 12/22/2015 | Bank Account: Checking

Employees Selected to Pay: 3 | Check Date: 12/22/2015 | Bank Account Balance: 46,423.98

Uncheck All | Open Paycheck Detail... | Sort By: Employee Name | Show/Hide Columns

Employee	Regular Pay	Overtime Pay	Sick Hourly	Vacation Hourly	Total Hours
✓ Elizabeth N. Mason	40:00				40:00
✓ Gregg O. Schneider					
✓ Michael M. Wilhite					

How do I use this window to enter payroll information?

Continue | Cancel

4. Click in the Regular Pay column for Gregg O. Schneider's name and enter **40**.
5. Click in the Regular Pay column for Michael M. Wilhite's name and enter **25**.

Running a Payroll Schedule

6. Click **Continue**.

Review and Create Paychecks

Enter Payroll Information → **Review & Create Paychecks** → Print & Distribute Paychecks

How do I pay my employees?

Payroll Information

Payroll Schedule: Weekly
Number of Paychecks: 3

Pay Period Ends: 12/22/2015
Check Date: 12/22/2015

Bank Account: Checking
Bank Account Balance: 46,423.98

Paycheck Options

Print paychecks from QuickBooks
 Assign check numbers to handwritten checks

First Check Number: 301

Open Paycheck Detail...

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Tax	Contributions	Total Hours	Direct Dep.
Elizabeth N. Mason	590.00	-270.93	0.00	319.07	45.13	0.00	40:00	
Gregg O. Schneider	690.00	-257.63	-12.50	419.87	52.78	0.00	40:00	
Michael M. Wilhite	375.00	-45.28	-15.00	314.72	51.38	0.00	25:00	
	1,655.00	-573.84	-27.50	1,053.66	149.29	0.00	105:00	

< Back Create Paychecks Cancel

7. In the Employee column, click **Michael M. Wilhite**. (Be sure to click the underlined link for the employee name.)

QuickBooks fills in the Employee Summary area of the Review or Change Paycheck window, showing the gross regular pay and all of the deductions from Michael's paycheck. The net amount of the check appears at the bottom.

8. Click **Save & Close** to return to the Review and Create Paychecks window.
9. Click **Create Paychecks**.

QuickBooks writes a payroll check for each employee in the weekly payroll schedule for the correct net amount, showing the deductions in the voucher area.

QuickBooks confirms that you have created the paychecks. You can then choose to print the paychecks.

10. You don't want to print the paychecks now, so click **Close**.

11. Close the Payroll Center

Notes

.

Viewing the Paycheck

QuickBooks records payroll checks in your QuickBooks checking account register. You can see the check by going to the register.

To view the paycheck from the register:

1. From the Lists menu, choose **Chart of Accounts**.
2. Double-click **Checking**.
3. Select the paycheck transaction for Michael M. Wilhite, and click **Edit Transaction**.

Paycheck - Checking

Bank Account: **Checking** Ending Balance: 45,370.32

Pay to the Order of: **Michael M. Wilhite** No. To Print: **1**
Date: **12/22/2015**
Amount: **\$ 314.72**

Three hundred fourteen and 72/100* ***** Dollars

Address: **Michael M. Wilhite
153 West main Street
Bayshore, CA 94326**

Memo: _____

To be printed

Paycheck Summary		Pay Period 12/16/2015 - 12/22/2015	
Earnings	375.00	Hours Worked	25:00
Additions	0.00		
Taxes	-45.28		
Deductions	-15.00		

Buttons: **Order Checks**, **Paycheck Detail...**, **Save & Close**, **Revert**

4. Click **Save & Close** to close the Paycheck – Checking window.
5. Close the checking account register, but leave the chart of accounts open.

Notes

Printing Paycheck Stubs

You can print paychecks as you would any QuickBooks check. If you use voucher checks, QuickBooks prints the payroll item detail in the voucher area. If you don't use voucher checks, you can print a paystub to give to your employees.

To print a paycheck:

1. From the File menu, choose **Print Forms**, and then choose **Paychecks**.
2. In the First Check Number field, type **301**.

Select Paychecks to Print

Bank Account: First Check Number:

Select Paychecks to print, then click OK.
There are 3 Paychecks to print for \$1,053.66.

<input checked="" type="checkbox"/>	Date	Employee	Amount
<input checked="" type="checkbox"/>	12/22/2015	Elizabeth N. Mason	319.07
<input checked="" type="checkbox"/>	12/22/2015	Gregg O. Schneider	419.87
<input checked="" type="checkbox"/>	12/22/2015	Michael M. Wilhite	314.72

Show: Both Paychecks Direct Deposit

Company Message to be printed on all paystubs:

Buttons: OK, Cancel, Help, Select All, Select None, Preferences

3. Make sure there's a checkmark next to all the employee names, and then click **OK**.
4. Click **Print**.

Notes

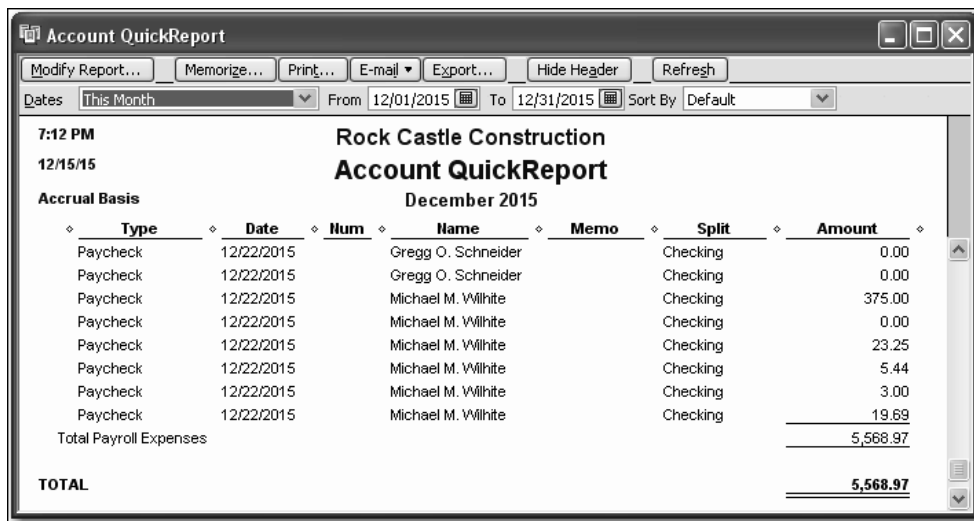
Tracking Your Tax Liabilities

As an employer, you need to track both payroll expenses and payroll liabilities. These are the company payroll expenses you need to track:

- Employees' gross pay
- Employer payroll taxes, such as contributions to social security (FICA), Medicare, federal and state unemployment insurance, and state disability insurance

To display the payroll expenses QuickReport:

1. In the Chart of Accounts window, select the **Payroll Expenses** account.
2. From the Reports menu button, choose **QuickReport: Payroll Expenses**.
3. From the Dates drop-down menu, choose **This Month**.



7:12 PM
12/15/15

Rock Castle Construction
Account QuickReport
December 2015

Accrual Basis

Type	Date	Num	Name	Memo	Split	Amount
Paycheck	12/22/2015		Gregg O. Schneider		Checking	0.00
Paycheck	12/22/2015		Gregg O. Schneider		Checking	0.00
Paycheck	12/22/2015		Michael M. Wilhite		Checking	375.00
Paycheck	12/22/2015		Michael M. Wilhite		Checking	0.00
Paycheck	12/22/2015		Michael M. Wilhite		Checking	23.25
Paycheck	12/22/2015		Michael M. Wilhite		Checking	5.44
Paycheck	12/22/2015		Michael M. Wilhite		Checking	3.00
Paycheck	12/22/2015		Michael M. Wilhite		Checking	19.69
Total Payroll Expenses						5,568.97
TOTAL						5,568.97

4. Close the QuickReport.
5. In the chart of accounts, double-click the **Payroll Liabilities** account.
6. Close the register.
7. Close the chart of accounts.

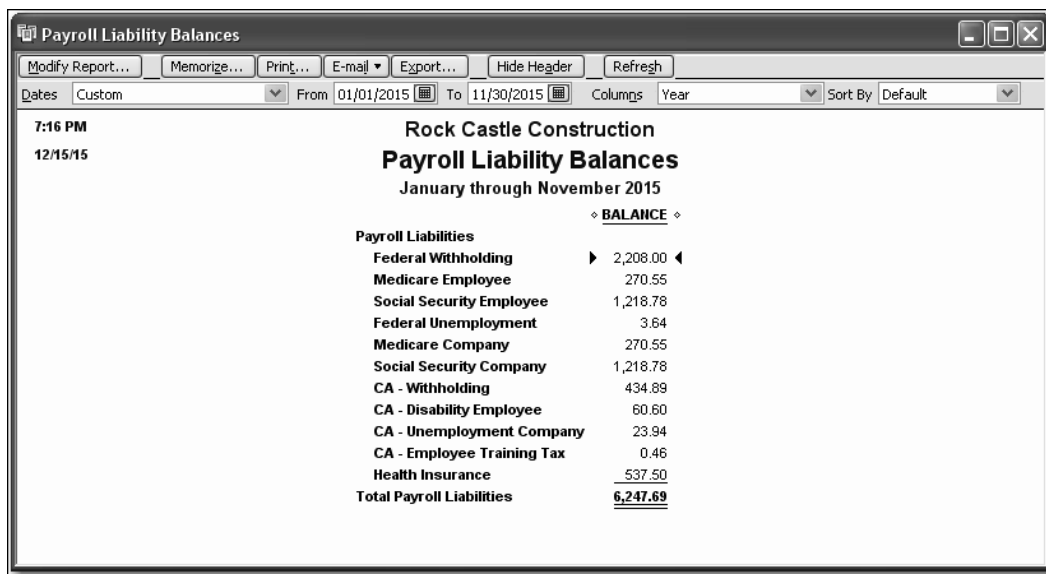
Notes

Paying Payroll Taxes

If you're about to pay taxes or other liabilities, the payroll liabilities report shows you how much to pay. Suppose you are ready to make a tax payment, and you want to see how much you owe.

To create a payroll liabilities report:

1. From the Reports menu, choose **Employees & Payroll**, and then choose **Payroll Liability Balances**.
2. Click **Modify Report**, select **Display columns by Year across the top**, and then click **OK**.



The screenshot shows a software window titled "Payroll Liability Balances" for "Rock Castle Construction". The report covers the period from 01/01/2015 to 11/30/2015. The data is presented in a table with columns for liability types and their respective amounts. The total payroll liabilities are 6,247.69.

Rock Castle Construction	
Payroll Liability Balances	
January through November 2015	
	◇ BALANCE ◇
Payroll Liabilities	
Federal Withholding	2,208.00
Medicare Employee	270.55
Social Security Employee	1,218.78
Federal Unemployment	3.64
Medicare Company	270.55
Social Security Company	1,218.78
CA - Withholding	434.89
CA - Disability Employee	60.60
CA - Unemployment Company	23.94
CA - Employee Training Tax	0.46
Health Insurance	537.50
Total Payroll Liabilities	<u>6,247.69</u>

3. Close the report.
4. Click **No** at the message asking if you'd like to memorize the report.

Notes

Writing a Check for Payroll Taxes

When it's time to deposit payroll taxes with your deposit institution, use the Liability Check window to fill out a QuickBooks check.

To pay payroll liabilities:

1. From the Employees menu, choose **Payroll Taxes and Liabilities**, and then click **Create Custom Liability Payments**.
2. In the "From" field type **11/30/2015**, and then type **12/15/2015** in the "Through" field.
3. Click **OK**.
4. Click in the column to the left of the Federal Withholding payroll item.
5. Click in the column to the left of the Medicare Company payroll item.
6. Click in the column to the left of the Social Security Company payroll item.

The screenshot shows the 'Pay Liabilities' window in QuickBooks. The window title is 'Pay Liabilities'. It has several sections:

- Options:** To be printed. Radio buttons for 'Review liability check to enter expenses/penalties' (selected) and 'Create liability check without reviewing'.
- Buttons:** Create, Cancel, Payroll Liabilities Report, Help.
- Bank Account:** Checking (dropdown).
- Check Date:** 12/15/2015 (calendar icon).
- Show Payroll Liabilities:** Dates: Custom (dropdown), From: 11/30/2015 (calendar icon), Through: 12/15/2015 (calendar icon).
- Table:** A table with columns: Payroll Item, Payable To, Balance, Amt. To Pay. The 'Social Security Company' row is highlighted.
- Summary:** Total Balance: 1,007.03; Total Amt. To Pay: 907.06.
- Ending Bank Balance:** 44,463.26.

✓	Payroll Item	Payable To	Balance	Amt. To Pay
	CA - Disability Employee	Employment Development Department	9.50	0.00
	CA - Employee Training Tax	Employment Development Department	0.00	0.00
	CA - Unemployment Company	Employment Development Department	0.00	0.00
	CA - Withholding	Employment Development Department	77.97	0.00
✓	Advance Earned Income Credit	Great Statewide Bank	-25.00	-25.00
	Federal Unemployment	Great Statewide Bank	0.00	0.00
✓	Federal Withholding	Great Statewide Bank	397.00	397.00
✓	Medicare Company	Great Statewide Bank	50.71	50.71
✓	Medicare Employee	Great Statewide Bank	50.71	50.71
✓	Social Security Company	Great Statewide Bank	216.82	216.82
✓	Social Security Employee	Great Statewide Bank	216.82	216.82
	Health Insurance	Sergeant Insurance	12.50	0.00
			1,007.03	907.06

Hide zero balances Ending Bank Balance 44,463.26

7. Make sure **Review liability check to enter expenses/penalties** is selected and then click **Create**.

Liability Check - Checking

Bank Account: **Checking** Ending Balance: 44,463.26

Pay to the Order of: **Great Statewide Bank** No. To Print: **1**
 Date: **12/15/2015**
 \$ **907.06**

Nine hundred seven and 06/100***** Dollars

Address: **Great Statewide Bank
 P.O. Box 522
 Bayshore CA 94326**

Memo: **00-7904153**

Period: **11/30/2015** - **12/15/2015** To be printed

Expenses: \$0.00 Payroll Liabilities: **\$907.06**

Payroll Item	Amount	Memo
Advance Earned Income ...	-25.00	
Federal Withholding	397.00	
Medicare Company	50.71	

Buttons: Clear Splits, Recalculate, Save & Close, Revert

8. In the Memo field, type **EIN 96-4820567, Form 941**.
9. Click **Save & Close** to record the check.
10. Click **Yes** if QuickBooks asks if you wish to save changes made to this transaction.
11. Close the Payroll Center.

Notes

Lesson 12: Doing Payroll with QuickBooks

Review questions

1. What is required in order for QuickBooks to calculate payroll? _____

2. Which two accounts are typically linked to payroll items?
 - a _____
 - b _____
3. Which of the following are QuickBooks payroll item types?
 - a Wage
 - b Addition
 - c Deduction
 - d All of the above
4. What report would you run to determine how much you owe in payroll taxes? _____
5. What QuickBooks feature would you use to make setting up payroll easier when a number of employees have the same hourly wage, pay period, and base deductions?
 - a Tax tables
 - b Employee defaults
 - c Payroll items
 - d Assisted payroll
6. True or false: Payroll schedules are required to run payroll in QuickBooks.
 - a True
 - b False
7. Payroll schedules help you do which of the following?
 - a Group employees with the same pay frequency
 - b Write bonus checks
 - c Prepare termination checks
 - d Pay payroll tax liabilities

Review activities

1. Add a salaried employee to the Employee Center. Enter the employee's personal information, federal and state tax information, and at least one additional paycheck deduction. Assign the employee to the Monthly payroll schedule.
2. Run the Monthly payroll schedule and process a paycheck for the new employee. Then, view the check in QuickBooks. Open at least one payroll liability account register to see how the paycheck changes the account's balance.
3. Select one of the payroll expense accounts from the chart of accounts. Create a QuickReport for that expense account.

Answers to review questions

1. What is required in order for QuickBooks to calculate payroll?
Tax tables.
2. Which two accounts are typically linked to payroll items?
a *Payroll Liabilities*
b *Payroll Expenses*
3. Which of the following are QuickBooks payroll item types?
a Wage
b Addition
c Deduction
 d *All of the above*
4. What report would you run to determine how much you owe in payroll taxes?
Payroll Liabilities Balance
5. What QuickBooks feature would you use to make setting up payroll easier when a number of employees have the same hourly wage, pay period, and base deductions?
a Tax tables
 b *Employee defaults*
c Payroll items
d Assisted payroll
6. True or false: Payroll schedules are required to run payroll in QuickBooks.
a True
 b *False You can still run payroll using Special Payroll in the Payroll Center.*
7. Payroll schedules help you do which of the following?
a *Group employees with the same pay frequency*
b Write bonus checks
c Prepare termination checks
d Pay payroll tax liabilities