



Payroll Overview Document

for Sage 100 ERP

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Introduction

This document includes overview information about each task in the Payroll module that is accessible from the menus. You can print this document to use as an offline reference.

The information in this document is also available in the Help system in the overview Help topics.

For additional information about the software, refer to the Help system, which also includes the following:

- Overview information for windows that cannot be accessed directly from menus
- Procedures that guide you step-by-step through common activities
- Explanations of important concepts
- Field descriptions
- Flowcharts
- FAQs

Main Menu

Employee Maintenance

Navigation

Select Payroll Main menu > Employee Maintenance.

Overview

Use Employee Maintenance to create and maintain detailed records for each of your employees. This task provides several major functions that allow you to set up, maintain, and inquire about employees by clicking the appropriate buttons on the Main tab.

During System Startup, you build an Employee file containing records for each of your employees. You can access and retrieve information from the files previously established (Earnings Code, Deduction Code, Labor Code, etc.) to speed the data entry process.

NOTE If a pre-note was sent or approved for an employee and you modify the last name or first name, you must send another pre-note for all bank accounts for the employee before processing direct deposits.

WARNING Because of the complexity of the payroll calculations and their dependence on information in the employee records, it is important that all employee records are complete and correct before attempting to process any payroll that relies on them.

You can also view an employee's check history without printing a Payroll Check History Report. If a direct deposit amount exists for a check, the check amount displays as the sum of the check amount and the direct deposit amount, and an asterisk (*) prints after the check amount. If the Paperless Office module is set up, you can view direct deposit stubs in PDF format using Employee Direct Deposit Stub Viewer.

Payroll Data Entry

Navigation

Select Payroll Main menu > Payroll Data Entry.

Overview

Use Payroll Data Entry to enter all earnings and deduction information needed to calculate and print payroll checks for the current payroll cycle. You can automatically apply standard earnings and deductions for salaried and hourly employees working regular hours, or you can use the Selective Payment Entry feature to enter regular and overtime hours, sick pay, vacation, bonuses, and voluntary deductions. Information for manually prepared payroll checks can also be entered in Payroll Data Entry.

If you are currently in System Startup, and you are not installing your Payroll module at the beginning of a calendar year, use Payroll Data Entry to enter year-to-date earnings, deductions, and taxes. This information brings your payroll totals up to date.

You have multiple options for recalculating deductions based on earnings after making changes on the Lines tab. You can click the Recalc Deductions button, or you can set up Payroll Options to either have the deductions automatically recalculated or to receive a message asking if you want to recalculate deductions.

NOTE If you are prepaying employees subject to overtime and bonus pay, you must make sure that their overtime rate is in compliance with Section 7 (e) of the Fair Labor Standards Act. Certain types of bonus pay may require you to manually compute an adjusted overtime rate of pay for your employees.

WARNING All payroll activity updates to the current quarter. To process activity for a future quarter, do not input that information until quarter-end processing has been performed.

NOTE Do not attempt to produce a Payroll check for any employee whose record is incorrect or incomplete. Use Employee Maintenance to correct or complete all employee records before printing Payroll checks.

If you enter data for a payroll cycle, exit Payroll Data Entry, print checks, and then reenter Payroll Data Entry before the payroll cycle is completed, a message appears asking if you want to continue.

If you are beginning a new payroll cycle and a pay cycle appears in the Pay Cycle field in the Pay Cycle window, print the Check Register to determine which records need to be updated.

If any pre-notes have been sent but not approved, a message appears asking if you want to print the Pre-note Approval Register.

When you have specified the pay cycle defaults and completed any automatic payment entries, you can enter payment information for employees not selected for automatic payment. You can also enter changes and/or additions for employees selected for automatic payment. Information can be entered for manual (handwritten) checks and payroll information during System Startup.

You can adjust the header and check line detail for any check that has been entered but not printed and updated to the permanent files. If a fringe benefit earnings code is entered, a corresponding deduction line is added to the end of the list.

You can calculate taxes for the check information entered. Payroll tax calculations must be performed before the checks can be printed and updated for the current pay cycle. You can perform the Automatic Deduction function, which displays and applies all deductions automatically.

If the Job Cost module is integrated with Payroll, automatic payments do not automatically distribute labor for Job Cost. All Job Cost distribution must be entered manually. You can use the Tab feature in Payroll Data Entry to reset the tab positions, allowing access to Job Cost fields during data entry. The workers'

Payroll Overview

compensation code assigned to the job number and cost code in Job Cost, if any, overrides the standard workers' compensation code assigned to the employee in Employee Maintenance.

NOTE The workers' compensation code entered in Job Cost is not used if it is not on file in the Payroll Workers' Compensation file.

Payroll Tax Calculation

Navigation

Select Payroll Main menu > Payroll Tax Calculation. This task can also be accessed at the completion of Payroll Data Entry.

Overview

After Payroll Data Entry is completed, but before the checks are printed, it is necessary to calculate withholding and employer paid taxes. The Payroll module performs federal, state, and local tax calculations automatically for all records selected for payment. For records whose taxes have been manually entered, only the employer taxes are calculated. For direct deposit checks, the amounts allocated to each direct deposit bank account are calculated at this time.

You must perform payroll tax calculations, regardless of the setting in the Manual Tax check box and your selection in the Print Check field on the Payroll Data Entry Main tab. Payroll tax calculations include the calculation of employer tax expenses.

When the tax calculations are complete, a message appears prompting you to print the Data Entry Audit Report. Click Yes to print the report.

Payroll Data Entry Audit Report

Navigation

Access this window using one of the following methods:

- Select Payroll Main menu > Payroll Data Entry Audit Report.
- Select Payroll Main menu > Payroll Tax Calculation. In the Payroll Tax Calculation window, click Proceed. After Payroll Tax Calculation is completed, a message appears asking if you want to print the Data Entry Audit report. Click Yes.

Overview

The Payroll Data Entry Audit Report lists all information entered in Automatic Payment Entry and Selective Payment Entry. This report provides subtotals of earnings, deductions, or tax information (or any combination of the three) following employee number sequence. If the Require Direct Deposit check box is selected in the Payroll Options window, the report includes the direct deposit bank account numbers, descriptions, and amounts for each account, as well as the total of all direct deposits. Use this report to check the accuracy of the payroll data before the checks are printed and updated. Print a hard copy for your internal records.

If you find errors when reviewing this report, make the appropriate corrections in Payroll Data Entry. You can also select Employee Maintenance and change the tax status fields and deduction information for individual employees. If you have made any changes in Payroll Data Entry or changed any employee wage, tax status, earnings and vacation, or voluntary deduction data, you must perform Payroll Tax Calculation again.

If the Payroll module is integrated with Job Cost, the job number and cost code for each employee prints when the report is printed in detail format. Use this report to check the accuracy of the Payroll data before the checks are printed and updated. Print a hard copy for your internal records.

If the Require Departments in Payroll check box is selected in the Payroll Options window, departmental sub totals of earnings, deductions, and/or tax information is included on both the detail and summary versions of the report.

NOTE For employees with tip wages, a separate row will print on the report for the Social Security (FICA) tip tax amount.

NOTE It is the responsibility of the employer to verify that the correct amount is withheld for their employees, and make any adjustments when the wage limit is reached.

Earnings Register

Navigation

Select Payroll Main menu > Earnings Register.

Overview

The Earnings Register lists all earnings entered for the current pay period by department and employee. The register is usually printed as an audit report after the completion of the Payroll Data Entry process. This report is also useful for analyzing departmental salary and wage expenses.

NOTE Print the Earnings Register before updating the Check Register; this information is cleared during the update.

Benefits Register

Navigation

Select Payroll Main menu > Benefits Register.

Overview

The Benefits Register lists all hours to be accrued for the three benefit types for the current pay period by department and employee. If benefit accrual accounts were defined in the Department Maintenance window, the accrued amounts for the three benefit types are also listed, along with the pay rate used to calculate the amounts.

The register is usually printed as an audit report after the completion of the Payroll Data Entry process. This report is useful for analyzing departmental benefit hours and amounts to be accrued.

NOTE Print the Benefits Register before updating the Check Register; this information is cleared during the update.

Deduction Register

Navigation

Select Payroll Main menu > Deduction Register.

Overview

The Deduction Register lists all voluntary deductions for the current pay period by deduction code. The register is usually produced as an audit report after the completion of the Payroll Data Entry process. It is used for reporting union dues, credit union contributions, and other voluntary deductions.

If any deduction plans (for example, pension plan or cafeteria plan) are entered in Payroll Data Entry, a Pension Plan Deduction Register prints. This register provides the gross wages, deduction amount, and percentage of gross information for each employee for whom pension plan deductions are taken.

NOTE Print the Deduction Register before updating the Check Register; this information is cleared during the update.

If any deduction plans were entered in Payroll Data Entry, a message appears asking if you want to print a Pension Plan Deduction Register.

Labor Distribution Report

Navigation

Select Payroll Main menu > Labor Distribution Report.

Overview

The Labor Distribution Report lists all earnings information entered for specific labor codes during the Payroll Data Entry process. It can be produced for all or a range of labor distribution codes. The information provided includes the employee number and name, earnings code, hours worked, and amount earned. Totals are provided by labor code. When sorted by job number, this report can be used to verify the job distribution information before performing the Check Register update.

NOTE Print the Labor Distribution Report before updating the Check Register; this information is cleared during the update.

Employer's Expense Summary

Navigation

Select Payroll Main menu > Employer's Expense Summary.

Overview

Use Employer's Expense Summary to print the Employer's Taxes, Workers' Compensation, and Deposit Liability reports.

The Employer's Taxes and Workers' Compensation reports itemize department totals for gross earnings, earnings subject to Employer FICA /Medicare/Unemployment or Workers' Compensation, and the amount of Employer FICA/Medicare/Unemployment/Workers' Compensation taxes accrued for this payroll period. The Deposit Liability report itemizes the federal, state, and local tax liabilities reported both individually and in total; the net check amount total; cash required for the current Payroll period; Employee and Employer FICA/Medicare withheld; and the total of all EIC, FUTA, state tax liabilities and total tax liabilities.

NOTE:

- For employers reporting tip wages, Social Security (FICA) tip wages and Social Security (FICA) tip tax will print separately on the Employer's Taxes page of the summary.
- For Massachusetts employees, the Employer Medical Assistance Contribution (MAC) is included with the unemployment tax.
- Print the Employer's Expense Summary before updating the Check Register; this information is cleared during the update.

Pre-Check Register

Navigation

Select Payroll Main menu > Pre-Check Register.

Overview

The Pre-Check Register lists a summary of all standard and manual checks entered for the current pay cycle before the checks are printed. The register includes totals for all earnings, taxes, and deductions. Totals for manual checks, printed checks, and direct deposit stubs are also included. This register is used to verify the accuracy of check information prior to printing checks.

Check numbers for standard check entries do not print on this report because they are assigned automatically during the check printing process; however, check numbers for checks that are already printed print on the register. The check numbers entered for manual checks in Payroll Data Entry are printed. Standard checks with negative amounts are noted on the register, and should be corrected using Payroll Data Entry.

Review the Pre-Check Register for accuracy before proceeding with check printing. After the checks print, a message appears prompting you to print the Check Register. Click Yes to print the register.

NOTE For employees with tip wages, the Social Security (FICA) tip tax amount is included in the FICA W/H column of the Pre-Check Register.

Check Printing

Navigation

Access this window using one of the following methods:

- Select Payroll Main menu > Check Printing.
- Select Payroll Main menu > Pre-Check Register. In the Pre-Check Register window, click Print. After the Pre-Check Register is printed, a message appears asking if you want print the checks for this pay period. Click Yes.

Overview

Check Printing uses information entered in Payroll Data Entry and Payroll Tax Calculation to process and print employee paychecks. Before printing checks, be sure the data entered is accurate by printing and reviewing the payroll audit reports. When you complete check printing, print a Check Register. When the Check Register update is completed, the check information is updated to the Employee master file.

If checks were previously printed, a message appears stating that check printing has been completed. If check printing was previously started, a message appears allowing you to print previously printed checks.

Checks are printed according to the forms alignment and print specifications you define.

NOTE If the Summarize Taxes on Check Stubs check box is selected in the Payroll Options window, all state and local lines containing only year-to-date data are summarized into a single line labeled OTHER TAXES on the check stub.

You can also print direct deposit stubs using this task.

NOTE For employees with tip wages, Social Security (FICA) tip tax amounts will print separately on the check stub.

Check Register/Update

Navigation

Select Payroll Main menu > Check Register/Update. This task can also be accessed at the completion of Check Printing.

Overview

The Check Register summarizes all checks printed during the current payroll cycle. Information on the report includes the check and employee numbers, totals for all earnings, taxes, and deductions, and totals for manual, printed, and direct deposit stubs. Any check voided during the print alignment process is also included on the Check Register. A printed copy of the register must be produced before the check information can be updated to the permanent files.

If there are direct deposit participants in the current batch, the Direct Deposit Register window appears.

The *** UNPRINTED CHECK *** message prints under the check number of any unprinted check. The *** NEGATIVE CHECK *** message prints under the check number of any check that prints with a negative amount. A negative check amount does not prevent the register from updating. The ** UNPRINTED NEGATIVE CHECK ** message prints under the check number of any unprinted check that has a negative check amount.

For payroll earnings lines that reference a labor code, if a wage expense account is defined for the labor code in Labor Code Maintenance, that wage expense account is used during the Check Register update process. If a wage expense account is not defined for the labor code in Labor Code Maintenance, the Check Register update process uses the earnings expense account defined in Earnings Code Maintenance or, if that account is not defined, the standard payroll expense account defined in Department Maintenance.

For payroll deduction lines, if a deduction code accrual account is defined for the employee's home department in Department Maintenance, that accrual account is used during the Check Register update process instead of the accrual account defined in Deduction Code Maintenance. If a deduction code accrual account is not defined for the department in Department Maintenance, the accrual account defined in Deduction Code Maintenance is used during the Check Register update process.

If the Job Cost module is integrated with Payroll

After the earnings entries are completed and all checks are printed, you can print the Check Register and perform the update to post the Job Cost distribution to the Daily Job Transaction file.

In addition to the standard Check Register, the Job Cost Burden Allocation Register prints automatically for any Job Cost distributions entered in Payroll Data Entry. The Job Cost Burden Allocation Register is an audit report of all labor burden calculated and posted against jobs for the current pay cycle. Information on the report includes the job number, burden cost code, employee, hours, wages, burden amount, and the general ledger accounts to debit and credit for the burden postings.

After the registers print, continue with the Check Register update. In addition to the standard Payroll update process, all Job Cost transactions are posted to the Daily Job Cost Transaction file. These transactions can be posted to the permanent Job Cost files following the printing of the Daily Transaction Register.

If the Payroll accounting date is in a future Job Cost period, the actual cost-to-date information is updated to the Job Cost future period.

If the TimeCard module is integrated with Payroll

For TimeCard records that reference a Job Cost job number, the Payroll module debits the Earnings/Expense Accrual account that was entered in the Earnings Accrual Account field in the

TimeCard & TimeClock Options window. The update and posting process remains unchanged from standard Payroll processing for TimeCard records that do not reference a job number.

NOTE If the Job Cost module is integrated with TimeCard, no posting to the Job Cost module will occur from Payroll.

You must reference a unique general ledger account number as the Earnings Accrual account number. This account will be credited when entries are posted to the Job Cost module and debited when payroll is updated.

TimeCard Status Flags

Each TimeCard record contains two status flags: one flag indicates the record's status in regard to the Job Cost module; the other flag indicates the record's status in regard to the Payroll module.

- The N (new/not posted) posting status indicates a new record that has not been posted.
- The C (chosen/not posted) posting status indicates a record selected for posting but not yet posted.
- All records pulled into the Payroll module from TimeCard display a status of C in the P/R Posting Status field on the TimeCard Entry and Edit Additional tab until the Payroll Check Register is updated.
- All records selected in Job Cost Selection display a status of C in the J/C Posting Status field on the TimeCard Entry and Edit Additional tab until the J/C Distribution Register is updated.
- The P (posted) posting status indicates a posted record. A status of P at the P/R Posting Status field on the TimeCard Entry and Edit Additional tab indicates that the Payroll Check Register has been updated, resulting in the posting of the record. A status of P in the J/C Posting Status field on the TimeCard Entry and Edit Additional tab indicates that the TimeCard J/C Distribution Register has been updated, resulting in the posting of the record.

Review the Check Register for accuracy. If there are errors, return to Payroll Data Entry and make the necessary changes. Recalculate taxes and reprint any reports affected by the changes. Reprint the checks affected by the changes and reprint the Check Register. To proceed with the update, all checks must be printed.

WARNING Do NOT, under any circumstances, interrupt the update process.

During the update process, the appropriate check information is updated to the Employee master file, the Check History file, and the General Ledger Transaction file. After the update is completed, you can print the Daily Transaction Register and update the general ledger entries posted from the Check Register.

NOTE This information only applies to employees with tip wages. In order to comply with new government regulations regarding W2 and the Quarterly 941 Reporting of Social Security tips, FICA Tip data will be recorded separately from FICA data. The amounts will display in separate columns on the register.

Reports Menu

Employee Listing

Navigation

Select Payroll Reports menu > Employee Listing.

Overview

The Employee Listing prints a list of employees and related information contained in the Employee file. Based on the print guidelines specified, the listing can be sorted by employee number, sort field, employee name, or Social Security number for all or a range of employees. You can also list currently active or terminated employees only, or all employees in the selected employee number range.

You can specify the degree of detail to print, from a simple name and number listing to a detailed report including the employee name, address, earnings, deductions, check, tax history, and direct deposit information.

NOTE For employees reporting tip wages, Social Security (FICA) tip tax amounts will print separately in the Wages and Taxes section of the listing.

Employee Mailing Labels

Navigation

Select Payroll Reports menu > Employee Mailing Labels.

Overview

Employee Mailing Labels uses information entered using Employee Maintenance to produce labels of employee information onto perforated labels. Options are available for aligning the data to fit the size of your labels and the format of your label sheets. You can also print multiple labels for each employee.

Each new format added to the file must be assigned a unique label form code that is stored with its own set of printing instructions. This code allows you to store information for multiple printing requirements without having to enter new data each time a format change is necessary.

You can print graphical or nongraphical labels based on your selection in the Employee Mailing Labels check box in the Payroll Options window. You can create or modify labels. If you are printing nongraphical labels, you can customize numeric masks that determine how dollar amounts print. If you are printing graphical labels, you can print the label(s) to multiple locations.

Employee Memo Printing

Navigation

Select Payroll Reports menu > Employee Memo Printing.

Overview

Use Employee Memo Printing to print memos containing information pertinent to specific employees. These memos can contain recaps of employee correspondence or specific instructions regarding the handling of individual responsibilities.

Each memo includes a header section containing information specific to the memo itself. This information includes a memo code, subject description, memo date, and reminder date.

You can select to print memos using the employee number, memo code, memo date, and reminder date. Other features include memo detail printing and page breaks between memos.

Quarterly Tax Report

Navigation

Select Payroll Reports menu > Quarterly Tax Report.

Overview

The Quarterly Tax Report produces a summary of each employee's wage and tax information for the current quarter and year for each tax jurisdiction. When the Quarterly Tax Report is printed for the fourth quarter, all employees with any earnings for the year are included on the report.

You can print this report for all employees or a range of employees. Federal tax information prints first, followed by state and, if applicable, local information. If your Payroll is departmental, subtotals are provided by department. If there is at least one employee with an Earned Income Credit (EIC) or taxable tips reported, EIC information and tip earnings print following the federal taxes information. For each employee, a recap of taxable tips reported, tips deemed to be wages, EIC, and allocated tips is provided.

When SUI state codes are used, SUI wages are included in the Gross Wages amount on the Quarterly Tax Report. The State Totals amounts print on the final page of the state report; the State Totals columns reflect the sum of all states for which there are wages recorded.

NOTE For employees reporting tip wages, Social Security (FICA) tips and Social Security (FICA) tip tax amounts will print separately under the Taxes Withheld column in the report.

Payroll Check History Report

Navigation

Select Payroll Reports menu > Payroll Check History Report.

Overview

The Payroll Check History Report lists all checks written for a specified period by employee. This period can include a specific range of check dates, the quarter to date, or the year to date. The check history information can be retained for either the current quarter only or the entire year, based on the selections in Payroll Options. Year-to-date reports provide totals for each quarter to date, as well as the year-to-date totals. This report reflects regular hours and overtime hours only. Earning types such as sick leave and vacation are not reflected as hours in this report but are reflected as dollar amounts in the Gross Wages column; therefore, this report does not reflect the total hours paid to an employee. Use this report for reference purposes. This report may not be appropriate for all reconciling purposes.

The report can be printed for all employees or for a selected range of employees, and can be produced in summary or detail form. If the Require Departments in Payroll check box is selected in the Payroll Options window, subtotals are provided for each department.

NOTE For employees with tip wages, the Social Security (FICA) tip tax amounts will be combined into the FICA W/H column of the report.

Quarterly Pay Period Recap

Navigation

Select Payroll Reports menu > Quarterly Pay Period Recap.

Overview

The Quarterly Pay Period Recap produces a recap by pay period of wage and tax information for all pay periods processed during the quarter. This report lists regular and overtime hours; wages; tips; FICA, Medicare, and SDI taxes; EIC, Other Local, and employee SUI deductions; net payments; and period and quarterly totals. The pay period information can be provided in detail by department or in summary by pay period.

Printing the report at the end of each pay period and prior to quarter-end processing provides a convenient period summary of payroll tax deposit information to be reviewed before printing the Quarterly 941.

NOTE For employees reporting tip wages, Social Security (FICA) tip wages and Social Security (FICA) tip tax amounts will print separately under the Tips and FICA/Disability tax columns in the report.

Earnings Report

Navigation

Select Payroll Reports menu > Earnings Report.

Overview

The Earnings Report provides a month-to-date, quarter-to-date and year-to-date summary of employee earnings information detailed by hours and amounts. You can print information for up to five earnings codes at a time. The report includes employees who have earnings for the selected codes by employee number, sort field, employee name, or Social Security number. This report is updated using the pay period ending date entered in Payroll Data Entry.

Deduction Reports

Navigation

Select Payroll Reports menu > Deduction Reports. In the Deduction Reports Menu window, select the Deduction Report option.

Overview

The Deduction Report provides a month-to-date, quarter-to-date, and year-to-date summary of employee deduction information for up to six deduction codes. The report can be sorted by employee number, sort field, name, or Social Security number. This report is updated using the pay period ending date entered in Payroll Data Entry.

Benefit Accrual Report

Navigation

Select Payroll Report menu > Benefit Accrual Report.

Overview

The Benefit Accrual Report provides a year-to-date summary of accrued benefit hours and amounts, by employee, for the three types of benefits (vacation, sick pay, and the third benefit type defined in Payroll Options). If a the third benefit type is not defined in Payroll Options, the fields for this benefit type do not print.

Workers' Compensation Report

Navigation

Select Payroll Report menu > Workers' Compensation Report.

Overview

The Workers' Compensation Report provides a recap of workers' compensation tax calculations. This report can be printed with employee detail or can be summarized by workers' compensation code. The number of paychecks, wages, and hours applying to specific codes are reported, as well as the tax extension for each employee. Total tax liability for a workers' compensation code can differ from the report totals due to rounding based on varying calculation methods. In the Workers' Compensation Maintenance window, when Monthly is selected in the Type of Limit field, the Workers' Compensation Report prints for the month defined in the Payroll Accounting Date field.

Perpetual History Report

Navigation

Select Payroll Report menu > Perpetual History Report.

This report is available only if the Retain Perpetual Payroll History check box is selected in the Payroll Options window.

Overview

The Perpetual History Report lists payroll check detail retained by employee and check numbers. This report includes detailed earnings and deduction code information and can be retained indefinitely.

The report can be printed for all employees or for a selected range of employees, by check date or a specific range of check dates, by a specific pay period ending date or a range of pay period ending dates. The report is sorted and subtotaled by employee number and department and can be produced in a summary or detail format. In addition, you can print the report with a page break by employee or department, or print without page breaks.

NOTE For employees reporting tip wages, the Social Security (FICA) Tip Tax amount will be combined into the FICA Withheld column on the report.

Pay Rate Change Report

Navigation

Select Payroll Report menu > Pay Rate Change Report.

This report is available only if the Track Changes to Employee Pay Rate 1 check box is selected in the Payroll Options window.

Overview

The Pay Rate Change Report tracks changes to the Pay Rate 1 field on the Employee Maintenance Wages tab. This report consists of Employee Number, Name, Change Date, Prior Pay Rate 1, Current Pay Rate 1, User Code, and Comment columns listing all changes made to the Pay Rate 1 field.

Employee Masterfile Audit Report

Navigation

Select Payroll Report menu > Employee Masterfile Audit Report.

This report is available only if the Track changes made to Employee Masterfile check box is selected in the Payroll Options window.

Overview

The Employee Masterfile Audit Report tracks changes, deletions, and additions to the Employee master file. This report prints changes made to data fields and notes the date and user code or workstation ID. The audit report can be printed for a specific range of user codes/workstation IDs and transaction dates.

Direct Deposit Menu

Pre-Note Selection Register

Navigation

Select Payroll Direct Deposit menu > Pre-Note Selection Register.

Overview

The Pre-Note Selection Register lists all employee bank accounts that require a pre-note to be sent for approval. Employee bank accounts for which No is selected in the Pre-Note Sent field in the Direct Deposits window in Employee Maintenance are included on this register. The Pre-Note Selection Register update changes this field to Yes and updates the date on which the pre-note was sent.

After the Pre-Note Selection Register prints, a message appears asking if you want to update the pre-note selection register.

NOTE The Direct Deposit tasks are available only if the Require Direct Deposit check box is selected in the Payroll Options window.

Pre-Note Approval Register

Navigation

Select Payroll Direct Deposit menu > Pre-Note Approval Register.

Overview

The Pre-Note Approval Register allows you to enter the date on which a pre-note was approved for employee bank accounts. Employee bank accounts for the selected range are included on this register. The Pre-Note Approval Register update changes the Pre-Note Sent field selection in the Employee Maintenance Direct Deposits window to Approved and updates the date on which the pre-note was approved.

NOTE The Direct Deposit tasks are available only if the Require Direct Deposit check box is selected in the Payroll Options window.

WARNING Do NOT, under any circumstances, interrupt the update process!

Direct Deposit Processing

Navigation

Select Payroll Direct Deposit menu > Direct Deposit Processing.

Overview

Use Direct Deposit Processing to select whether to create a direct deposit interface file or purge processed payroll data.

NOTE Direct Deposit Processing is available only if the Require Direct Deposit check box is selected and Sage is selected from the Direct Deposit Interface field in the Payroll Options window.

Direct Deposit Interface Setup

Navigation

Access this window using one of the following methods:

- Select Payroll Direct Deposit menu > Direct Deposit Interface Setup.
- Select Payroll Setup menu > Bank Code Maintenance. In the Bank Code Maintenance window, click Direct Dep.
- Select Common Information Main menu > Bank Code Maintenance. In the Bank Code Maintenance window, click Direct Dep.

Overview

Use Direct Deposit Interface Setup to enter the setup information which may be required by the Sage Direct Deposit Interface module to generate and transmit direct deposit transactions to your financial institution.

NOTE Direct Deposit Interface Setup is available only if the Require Direct Deposit check box is selected and Sage is selected in the Direct Deposit Interface field in the Payroll Options window.

Period End Menu

Federal eFiling and Reporting

Navigation

To access Federal eFiling and Reporting, select Payroll Period End menu > Federal eFiling and Reporting.

To access State eFiling and Reporting, select Payroll Period End menu > State eFiling and Reporting.

Overview

Use Federal eFiling and Reporting to print signature-ready plain paper federal tax forms. You can also use this task to electronically file federal tax forms.

Use State eFiling and Reporting to print signature-ready plain paper state tax forms. You can also use this task to electronically file state tax forms.

These tasks also allow you to open previously printed tax forms to preview or print.

The eFiling system transfers federal, state, and local forms electronically to the appropriate federal, state, or local agencies by an approved method (including but not limited to fax or mail). To use this system, the online enrollment process must be completed as well as a signed authorization form from each company, taxpayer, or authorized representative of the company or taxpayer.

NOTE To use this task you must have an Internet connection and a current Sage Client Care plan.

WARNING Only one session of eFiling and Reporting can be run per workstation at any time.

NOTE If you are prompted to install a mandatory or an optional update, click Yes and then follow the on-screen instructions. You must install mandatory updates to continue processing, and you must install optional updates to maintain current forms and programs. Updates must be installed on each workstation. Administrative permissions in Windows is recommended to perform the update. On terminal server, all users must exit eFiling and Reporting, and updates must be run by a single-user session with administrative permissions.

State eFiling and Reporting

Navigation

To access Federal eFiling and Reporting, select Payroll Period End menu > Federal eFiling and Reporting.

To access State eFiling and Reporting, select Payroll Period End menu > State eFiling and Reporting.

Overview

Use Federal eFiling and Reporting to print signature-ready plain paper federal tax forms. You can also use this task to electronically file federal tax forms.

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Quarterly Governmental Report

Navigation

Select Payroll Period End menu > Quarterly Governmental Report.

Overview

Use the Quarterly Governmental Report for reporting quarterly income and tax information to various governmental agencies. The default format supplied with your Payroll module accommodates the original federal Form 941A. This federal form is not required, but may be applicable for some state requirements.

If your company requires Quarterly Governmental reports to be filed electronically, you can use Federal eFiling and Reporting.

NOTE Employees with negative wage amounts for the quarter are not included on the report.

Period End Processing

Navigation

Select Payroll Period End menu > Period End Processing.

Overview

Use Period End Processing to automatically perform either quarter or year-end processing based on the quarter entered in the Current Quarter field in the Payroll Options window.

Period End Processing allows you to close the current quarter and cycle the accounting period forward to the next period. Quarter-end processing is usually performed at the end of each quarter. Year-end processing takes place automatically when period-end processing is performed for the last quarter of the fiscal year.

NOTE Fields in the Payroll Options window are used to determine the current quarter, if retaining year-to-date check history and perpetual payroll history, and the number of years to retain eFiling check history after year-end processing.

The following occurs during quarter-end or year-end:

- Quarter-to-date or year-to date information is cleared.
- Check history is cleared if not retaining check history in the Payroll Options window.
- The Quarterly Tax Recap is purged.
- Workers' compensation information is purged.
- All terminated employees are removed at year end.
- All employee deductions with met goals are removed at year end.
- Benefit accruals for each employee are reset based on the options selected in the Payroll Options window at year end.

WARNING Backing up your data is an important part of your daily, quarter-end, and year-end procedures. Back up all Payroll data before proceeding.

Periodic Benefit Accrual

Navigation

Select Payroll Period End menu > Periodic Benefit Accrual.

Overview

Periodic Benefit Accrual allows the accrual of employee benefits based on user-defined intervals (for example, on a monthly basis or on an employee review date) rather than, or in addition to, the normal payroll processing cycle.

Employee Totals Verification

Navigation

Select Payroll Period End menu > Employee Totals Verification.

Overview

Use the Employee Totals Verification report to determine if calculated values of check totals for employees are equal to employee totals. The report lists only employees that have a discrepancy, and only employee totals that differ from check totals.

Use this report before printing W-2 forms to verify the correct information is reported to the Internal Revenue Service (IRS). The report lists only the pay and withholding amounts that appear on W-2 forms.

Setup Menu

Payroll Options

Navigation

Select Payroll Setup menu > Payroll Options.

Overview

Payroll Options presents a series of options that allow you to select features most appropriate for your business.

Earnings Code Maintenance

Navigation

Select Payroll Setup menu > Earnings Code Maintenance.

Overview

Use Earnings Code Maintenance to establish separate codes for each earnings type used in the Payroll Data Entry process (regular, overtime, sick pay, etc.). In addition, you can specify calculation methods, General Ledger expense account numbers, and tax information for each earnings code. This data, combined with specific employee earnings information, is used to calculate the employee's actual wages. When you have entered earnings code information, you can print an Earnings Code Listing.

Deduction Code Maintenance

Navigation

Select Payroll Setup menu > Deduction Code Maintenance.

Overview

Use Deduction Code Maintenance to establish codes for voluntary payroll deductions (credit union deposits, insurance, etc.), and to establish calculation methods for each deduction. Voluntary deductions can be permanent and ongoing, or temporary and discontinued after the maximum amount of the deduction specified in the employee record has been reached (for example, repayment of a salary advance).

Do not use Deduction Code Maintenance for nonvoluntary deductions (federal and state withholding, FICA, etc.). Nonvoluntary deductions are a permanent part of the Payroll module and are maintained using Tax Table Maintenance.

You can click the Apply button to validate a record and automatically write it to the Employee file for a specified range of employees. This saves time if you want to apply a deduction code or change the standard limit amount or rate for a group of employees.

You can calculate deductions based on specified earnings types by clicking the Earnings button and selecting the earnings types to use in the calculation.

You can display federal, state, and local taxes for pension plan or cafeteria plan deduction codes. The federal government allows employee contributions for qualified pension plans to be deducted from taxable wages before federal taxes are calculated. Most state and local jurisdictions also allow a reduction of taxable wages by pension plan deductions. Two types of deduction plans can be tax exempt: pension plans and cafeteria plans. For information detailing the requirements of qualified pension plan deductions, consult your accountant.

After entering deduction codes, you can click the Print button to print the Deduction Code Listing.

NOTE When a deduction using the Percentage of Net Wages calculation method causes the check amount to be negative, the deduction amount is adjusted so that the check amount is equal to zero.

Department Maintenance

Navigation

Select Payroll Setup menu > Department Maintenance.

Overview

Use Department Maintenance to organize your Payroll system by department, branch, division, store location, or profit center. Up to 1,296 departments can be established. Each department can maintain its own payroll account numbers for purposes of reporting and posting to the general ledger. This task allows you to assign a number and name to each department and to specify the general ledger accounts to be posted to when checks are processed for an employee within a department. You can also specify the associated general ledger account numbers for Standard Salary Expense, Employer's Tax Expense, and Salary Expense accounts for up to 10 separate earnings codes for each department.

Departments also affect the numbering of your employees. The department number precedes the employee number entered in Employee Maintenance. The department number assigned to each employee determines which general ledger accounts are posted to when a check is issued to the employee. Additionally, all reports containing employee information provide subtotals by department.

By assigning unique Salary Expense and Employer's Tax Expense accounts to each department, amounts posted to each account reflect the activities for that department only. If you are integrating the General Ledger module with Payroll, the payroll expense amounts for each department are reflected on your financial statements and other General Ledger reports.

You can maintain departments other than 00 if the Require Departments in Payroll check box is selected in the Payroll Options window. If the Require Departments in Payroll check box is cleared, you can enter information for department 00 only. Prior to processing payroll for the first time, you must enter general ledger account numbers for department 00.

You can enter deduction codes for each department. If a deduction code accrual account is defined for the employee's home department, that accrual account is used during the Daily Transaction Register update process instead of the accrual account defined in Deduction Code Maintenance. If a deduction code accrual account is not defined for the department in Department Maintenance, the accrual account defined in Deduction Code Maintenance is used during the Daily Transaction Register update process.

An additional level of security can be added on a department-by-department basis.

You can enter the earnings codes and general ledger expense accounts for earnings codes to which you do not want to post the Standard Payroll expense account for this department. An unlimited number of earnings codes can be entered.

When you have entered department information, you can print a Department Listing.

Tax Table Maintenance

Navigation

Select Payroll Setup menu > Tax Table Maintenance.

Overview

Use Tax Table Maintenance to set up and maintain tax information for federal, state, and local tax jurisdictions. Multiple state and local tax codes can be assigned to each employee. Tax codes are used to calculate payroll taxes for each paycheck.

WARNING Tax tables are system wide, not company specific. If you delete a tax code or filing status for one company, it affects all companies.

The current tax tables for all 50 states, the District of Columbia, Puerto Rico, Virgin Islands, and the United States Federal Tax Jurisdictions are an integral part of the Payroll module. If the tax tables have not changed or if you have no local or special tax codes to add to the file, it is not necessary for you to use this task for more than entering your company's federal tax identification number, entering General Ledger accrual accounts, and reviewing the tax calculation information.

Because changes in tax laws affecting the calculation process often occur, Tax Table Maintenance allows you to adjust the federal and state tax tables and to add any new tax codes. For tax table update information, contact Sage.

Because of the changing nature of tax law and the ability of the user to change the tax calculation information provided in this package, Sage cannot be responsible for the accuracy of the tax calculations performed by this Payroll system.

WARNING It is the user's responsibility to be aware of the tax obligations and the accuracy of the tax information used. It is the responsibility of the employer to verify that the correct amount is withheld for their employees, and make any adjustments when the wage limit is reached.

During system startup, you must:

- Access the federal tax record to enter your federal tax identification number and general ledger account information.
- Set up a minimum of one state tax code, even if your state does not have withholding tax.
- Enter all other state and local codes you will use to establish the proper tax and general ledger information.

Some tax jurisdictions require special procedures for allowing personal and dependent exemptions.

Print the Tax Table Listing before exiting this task to verify the accuracy of your tax tables. If your tax tables require adjustments, you must complete System Startup, and then return to Tax Table Maintenance to make corrections.

Labor Code Maintenance

Navigation

Select Payroll Setup menu > Labor Code Maintenance.

Overview

Use Labor Code Maintenance to create and maintain labor codes identifying the type of work performed by each employee. These codes are used to produce the Labor Distribution Report, which recaps labor costs by labor code.

You can enter an override wage expense account number to use in place of the wage expense account number defined in Department Maintenance or Earnings Code Maintenance. If the Job Cost module is integrated with Payroll, you can also use Labor Code Maintenance to enter an override burden rate to use in place of the standard burden rate defined in the Job Cost module. Labor codes can represent a type of work performed, a union affiliation, or a special code to speed data entry of a frequently used job number and cost code combination. Labor codes can be assigned to employees in Employee Maintenance. The labor code and associated information is applied automatically for each employee in Payroll Data Entry. Labor codes are also used to sort employee earnings information on the Labor Distribution Report.

When you have entered labor code information, you can print a Labor Code Listing.

Workers' Compensation Maintenance

Navigation

Select Payroll Setup menu > Workers' Compensation Maintenance.

Overview

Use Workers' Compensation Maintenance to create and maintain workers' compensation codes. These codes are used to calculate the workers' compensation tax amounts and produce the Workers' Compensation Report. Workers' Compensation Maintenance allows you to set up the employer's portion of the Workers' Compensation tax.

NOTE If your state requires an employee deduction, you must set up and apply the appropriate deduction using Deduction Code Maintenance.

To calculate workers' compensation for the SUI state instead of the primary state, you must set up a workers' compensation code under the primary state, but enter the description, calculation method, rate, etc., of the SUI state.

After records are posted for a workers' compensation code, the calculation method and overtime calculation methods cannot be changed until year-end processing is completed. The rate can be changed; however, wait until the last payroll for the period selected in the Type of Limit field has been processed before making any changes. Changes to the rate are not retroactive for previously processed payrolls; the change only affects future payrolls.

If the Job Cost module is integrated with Payroll, you can enter cost codes for each workers' compensation code in Workers' Compensation Cost Code Maintenance. Cost codes entered in Workers' Compensation Cost Code Maintenance are used to determine the default workers' compensation code for each cost code and state entered in Payroll Data Entry.

When you have entered workers' compensation information, you can print a Workers' Compensation Code Listing.

Benefit Schedule Maintenance

Navigation

Select Payroll Setup menu > Benefit Schedule Maintenance.

Overview

Use Benefit Schedule Maintenance to establish and maintain schedule codes to identify benefit accrual methods, limits, and carry-over allowances for all three benefit types. When these codes are assigned to each employee in Employee Maintenance, benefits can be accrued automatically during the payroll update and during year-end processing, or benefits can be accrued at any user-defined interval using Periodic Benefit Accrual.

NOTE If a third user-defined benefit type is not defined in Payroll Options, the fields for the third benefit type will not appear.

Click Apply to apply benefit schedule changes to a group of employees already assigned to that specific benefit schedule. After entering benefit schedules, click the Print button to print the Benefit Schedule Listing.