Fitrix

Affordable, Adaptable ERP Software

Payroll
User Guide
Version 5.40

Fitrix™

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Table of Contents

Chapter 1

Introduction to Payroll

This module will allow you to manage all of your payroll needs accurately and efficiently. It has all of the features you will need to handle everything from initial setup, to payroll transactions, through end-of-year reports. Though this product is designed to interface with all Fitrix Modules, it may also be used as a stand-alone package.

General Description

Fitrix Payroll is designed with the flexibility to accommodate almost any payroll requirement while remaining simple to use. Most of the details are managed during setup and maintenance rather than being required for day-to-day operation. The basic data upon which payroll depends is organized to be intuitive and easy to maintain.

The use of the latest database technology means users have unparalleled data access. No longer do users have to search for or memorize hundreds of codes. By using simple "query-by-forms," context-sensitive information is readily available.

Fitrix Payroll permits the creation and processing of disbursements through fully-automated or manual entries. Each record can contain individual or global limits for any deduction or obligation, while allowing user- defined "frequencies" for each deduction. Employee records automate sick leave and vacation pay tracking through managing the accrual and corresponding payment of these hours.

With the flexibility of Fitrix Payroll, you can have daily, weekly, bi-weekly, semimonthly, monthly, semi-annual, or annual pay periods. The system handles both salaried and hourly employees, and gives you the convenience of individual time cards to make payroll processing easy.

You can view payroll entries on-line prior to printing checks in order to verify their accuracy. Payroll entries are completely modifiable prior to printing.

Fitrix Payroll also completely supports direct deposit and is designed to NACHA standards.

Summary of Features

- Deductions/obligations based on gross, taxable, FICA or FUTA wage base

- Custom tax table capability (percentage method)

- User-defined default values

- Expense/liability accounting supported

- Definable income categories

- Garnishment tracking

- Modifiable employee record tables

- Immediate access to employee records

- Unlimited number of employees

- Payroll generation from time cards or default value

- Supports magnetic media reporting

- Pre-printed from alignment capability

- On-line personnel records

- Complete flexibility in maintaining income, deduction, and obligation schedules

- User-defined sick and vacation accrual schedules

- Complete direct deposit capability designed to NACHA standards

- Ability to create bonus/expense/advance checks at anytime

- Flexibility to run reports by department, employee type, job code, or individual employee

- Ability to run reports in the background

Full range of reports, including:

- Annual W-2 data

- Quarterly 941A data

- Unemployment Tax report

- Payroll Analysis Reports

- Wage & Hour Reports

- Employee Recap Report

Chapter 2

Overview

This chapter provides an overview of the major tasks and the flow of information in Payroll. Each of the tasks introduced in this chapter will be discussed in greater detail later in this User Guide.

This chapter covers:

- How the payroll system is organized;

- How employee maintenance uses existing reference tables;

- The flow of information in payroll processing; and

- The relationship between income, deductions, and obligations.

Synopsis of the Payroll Module

Payroll checks are generated from the information contained in Payroll Entries. Payroll Entries combine data contained in Employee Information tables and optional Timecards. You can modify payroll entries as necessary before creating payroll checks.

Payroll Entries are created when you initiate the Create Automatic Payroll process. The system searches the Employee Information records and creates a Payroll Entry for each employee who is due to be paid according to the employee's pay period and the date the employee was last paid (both of which are found in the employee information table).

Alternately, you can create a Payroll Entry when an employee is NOT due to be paid by adding a Payroll Entry manually. You might choose to do this when you need to cut an expense check, for example, or when an employee is leaving the company and will be receiving his or her final paycheck before the next regular pay period.

Regardless of whether you create a Payroll Entry automatically or manually, it will consist of income, deduction, and obligation amounts according to the specific codes in the individual employees' information tables. An automatic Payroll Entry may also contain income information from a Timecard.

Once a Payroll Entry has been created, you can modify it so that it accurately reflects the current pay period. For example, you may need to show that an employee used two days of vacation time, or that he or she worked 16 hours of overtime this period. You would manually enter that information into the Payroll Entry screen program.

Codes

As mentioned, Payroll Entries contain information according to codes found in the employee information table. There are codes for income, deduction, and obligation schedules, as well as for accrual methods. For more information on the concepts of income, deductions, and obligations, see the discussion later in this chapter, "Income, Deductions, and Obligations".

An Income Code represents a specific schedule for accumulating income. Codes can be created for all types of income such as hourly, salaried, expense reimbursement, advance pay, and so forth. An Income Code specifies the rate at which that type of income will be paid, the type of income it represents (such as hourly, salaried, or expense) and other default information. Similarly, a Deduction Code represents a specific schedule for calculating deductions, specifying, among other things, the wage base that the deduction will be based on and the wage base that the deduction will reduce. An Obligation Code represents a specific schedule for calculating an employer's obligation, such as FUTA, FICA, or 401(k) contributions, associated with a particular payroll entry.

An Accrual Code represents a specific method for accruing vacation or sick leave. A particular accrual code specifies how often leave will accrue, how much leave will accrue for a given period of time, and

the amount of time that must elapse after the employee has been hired before he or she begins to accrue sick or vacation leave. The use of Accrual Codes is optional, but using them can simplify data-entry dramatically.

Setup

During set up, each individual code and its defining features is entered into its respective reference table (income codes are entered into the Income Codes reference table, deduction codes are entered into the Deduction Codes reference table, and so forth). Then the appropriate codes are entered into each Employee Information table so that an employee's table contains all of the appropriate income, deduction, obligation, and accrual codes for that employee.

You may also choose to use Employee Types. The use of Employee Types is completely optional. They exist only to save time in setup and in maintaining employee data. The larger the number of employees that you have, the more sense it makes to define and use Employee Types.

An employee type can be thought of as a "template" for setting up information for similar employees. An Employee Type will contain all of the income, deduction, obligation, and accrual information for that type of employee. Then, when you set up an employee, you simply enter the appropriate Employee Type code, and all of that information is automatically entered into the Employee Information table. Using Employee Types can reduce your data-entry burden dramatically.

For example, suppose your company has 20 employees. Fifteen employees are paid with an hourly income code. Five employees are paid with a salaried income code. All other income information is the same for the two employee types.

You could enter the rate information in one of three different ways:

1. You could enter the hourly or salary rate for each employee in his or her employee information table.

2. You could create two different Income Codes: one with an hourly rate and the other with a salary rate. To enter this information at the employee level, you must enter the correct income code at the employee level.

3. Or you could create two different Employee Types: HRLY and SALARY, and define each type by its corresponding pay method. Enter the Employee Type code into the Employee Information table, and the correct income code with its corresponding rate is automatically entered into the employee information table.

Any information from the Employee Type table that is not appropriate for the individual employee can be overridden at the Employee Information level, simply by entering the correct information.

The relationship of the tables in setting up the payroll module using Employee Types can be illustrated as follows:

Setting up Employees
Using Employee Types

Accrual Codes

Income Codes

Deduction Codes

Obligation Codes

Employee Types

Employee Information
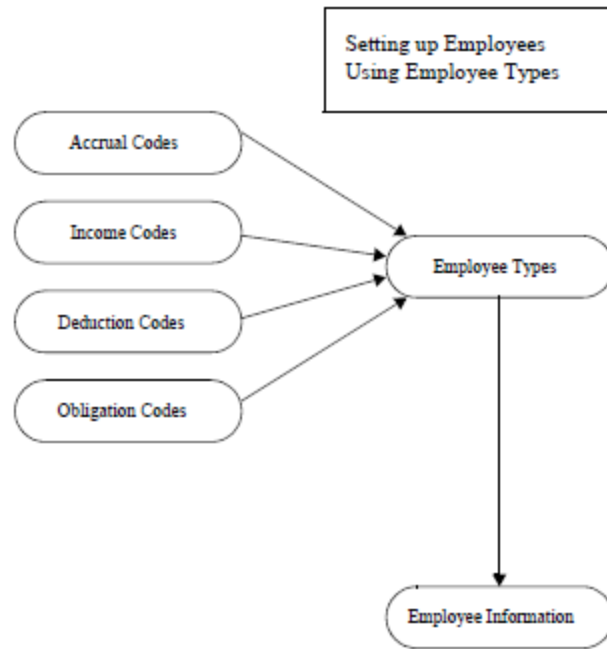
Payroll Defaults

Understanding the structure of the payroll defaults will help you take full advantage of the features of the payroll module while minimizing the amount of maintenance you will have to do.

The default structure determines the information that goes into creating a Payroll Entry. Any information that is not supplied at a particular level is supplied by the next-lowest level where that information is present. The information entered at the codes level (that is the income, deduction, obligation, and accrual codes) becomes part of the Employee Types table (if Employee Types are being used). Specific information that came from the payroll codes can be changed at the Employee Type level, where necessary to suit the employee type. The information from a specified employee type becomes part of an Employee Information table, where it can then be changed, when necessary, to suit the individual employee. When a Payroll Entry is created, the information in the Employee Information table gets carried into the Payroll Entry. The Payroll Entry can be modified where necessary to accurately reflect the employee's information for that particular pay period.

The Payroll Defaults table is the lowest default level. It contains default ledger account information (Account Number and Department). The ledger accounts specified at the System Defaults level will be applied to any payroll created where ledger accounts are not overridden at a higher level.
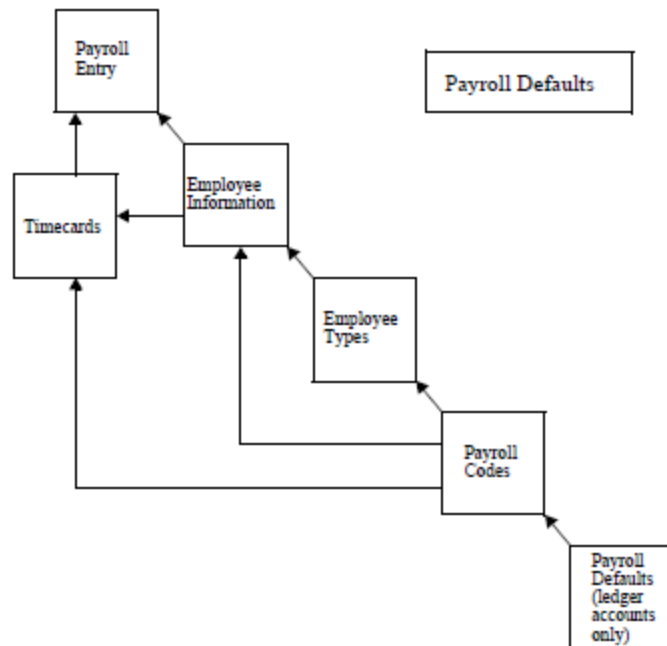
The default system is organized so that you can enter information common to most employees in only one place in order to save yourself the time and effort involved in entering and maintaining that information for every employee.

For example, say your company has 500 employees. Your deduction for State income tax is the same for all employees. You could define that same deduction in each of the 500 employees' records. If the deduction should change, you will have to enter the change in each employee record—500 changes! If you want to take advantage of the system defaults, set up the State income tax at the system level (that is, set up a deduction code for this deduction and then insert this code into the Payroll Defaults table). In the employee records, leave the rate for that deduction null so that the system default will be used.

The default hierarchy can be a very powerful tool. When used correctly it can save time and make data entry and transaction processing much easier. Take the time to plan your strategy and understand your needs BEFORE you set up your defaults.

Employee Maintenance

Once the Income, Deduction, and Obligation Codes have been entered into their reference tables, you can set up the employees. Each employee has his or her own Employee Information table which is identified by a unique Employee ID Code.

An Employee Information table actually consists of five connected screens: the Employee Information Main screen, the Extended Information screen, and Income, Deduction, and Obligation Detail screens into which you enter the codes representing the income, deduction, and obligation schedules that are to be used when a Payroll Entry is created.

If you have set up Employee Types, you will enter the Employee Type code, which will cause the system to automatically enter all the Income, Deduction, and Obligation codes and defaults defined for that Employee Type into the employee's table. Doing this will save you from having to repeatedly enter this information.

Standard employee maintenance transactions are performed using the Update Employee Information option. When a new employee is hired, add the employee into the database. Terminate an employee by entering the employee's last day into the Term field of the Employee Information table. Then cut the final paycheck, if necessary, using the Update Payroll Entries option. If an employee goes on an unpaid leave of absence, set the value in the Hold Pay field to Y. That will prevent the Create Automatic Payroll option from creating a check for that employee. When the employee returns from leave, set the Hold Pay flag back to N.

The Last Pay field in the Employee Information table represents the last date on which the employee was paid. The Create Automatic Payroll program uses this date, together with the employee's pay period, to determine whether an employee is due to be paid. When you run Create Automatic Payroll, or create a payroll check manually, the Last Pay field is automatically updated.

When you create a bonus or expense check, you can prevent the Last Pay field from being updated by answering Y to the Bonus Check prompt, so that the employee will still be paid at the next regular run of Create Automatic Payroll.

You can easily change employee pay rates with the Change Rates option on the Payroll Utilities submenu. You can change rates of an income, deduction, or obligation code by either a percentage or a flat rate. You can update rates for one employee, a group of employees, all employees, an employee type, or a department.

The quarter-to-date and year-to-date accruals are system-maintained and cannot be modified. The Print Accruals Edit List option on the Payroll Utilities submenu can be used to print a copy of the accrual information. Use the Restore Employee Accrual option to verify that the information in the accruals is accurate. The program will compare all of the values in the activity tables with the values in the employee in-

formation tables. If there are any discrepancies, the values in the employee information tables will be up-dated.

Processing Payroll

At each pay period, you will need to process payroll. All of the options used for processing payroll are found on the Payroll Checks menu. Most of the time, you will create standard payroll entries using the Create Automatic Payroll program. Sometimes, however, standard payroll entries are not appropriate, so you will want to create payroll entries manually.

Creating Standard Payroll Entries

The orders of steps in processing a standard payroll are as follows:

First, if you are using Timecards to enter income information, update the timecards.

Run your payroll using the Create Automatic Payroll option. This program generates a payroll entry for each employee due to be paid according to the date last paid, and the employee's pay period. A payroll entry consists of all of the income, deduction, and obligation information for the employee for this pay period.

If there are current timecards for the employee (those that have a Start Date before the End of Period date on the Payroll Entry), the system will create a Payroll Entry using the income information from the employee's Timecard and the deduction and obligation information from the employee's information table. If no time card exists, the system will take all the information from the Employee Information table. Once a time card is used to create a Payroll Entry, it will not be used again.

After Payroll Entries have been created, modify the information in the payroll entries where necessary using Update Payroll Entries. For example, you may need to modify a payroll entry to include an employee's bonus or commission, or to reflect sick or vacation time used.

Next, you must print an edit list to review the information. You can print out a Detailed Edit List or an Exceptions Report. If any of the information is incorrect, correct the information using the Update Payroll Entries option and run the edit list again. Continue this process until you are satisfied that all the information is correct. Once the information is correct, you are ready to print the paychecks.

Print paychecks using the Print Payroll Checks program. Once a check is printed, the Print Checks flag in the Payroll Entry is set to N, so that you cannot accidentally create a duplicate payroll check.

After the checks have been printed, you can post entries to the General Ledger and the Payroll Activity Tables. Use the Post Payroll Entries program. The posting program removes the posted entries from the payroll entries table. The following diagram illustrates the payroll process:

System Defaults   Employee Defaults

Update timecards
(Optional)

Create
Automatic
Payroll

The Payroll
Process

Payroll Entry

Update
Payroll
Entry

Payroll Entry
Removed

Print checks
Set to No

Print
Payroll
Entries

Review Edit List

Print
Paychecks

Post to
G/L & PY
Activity
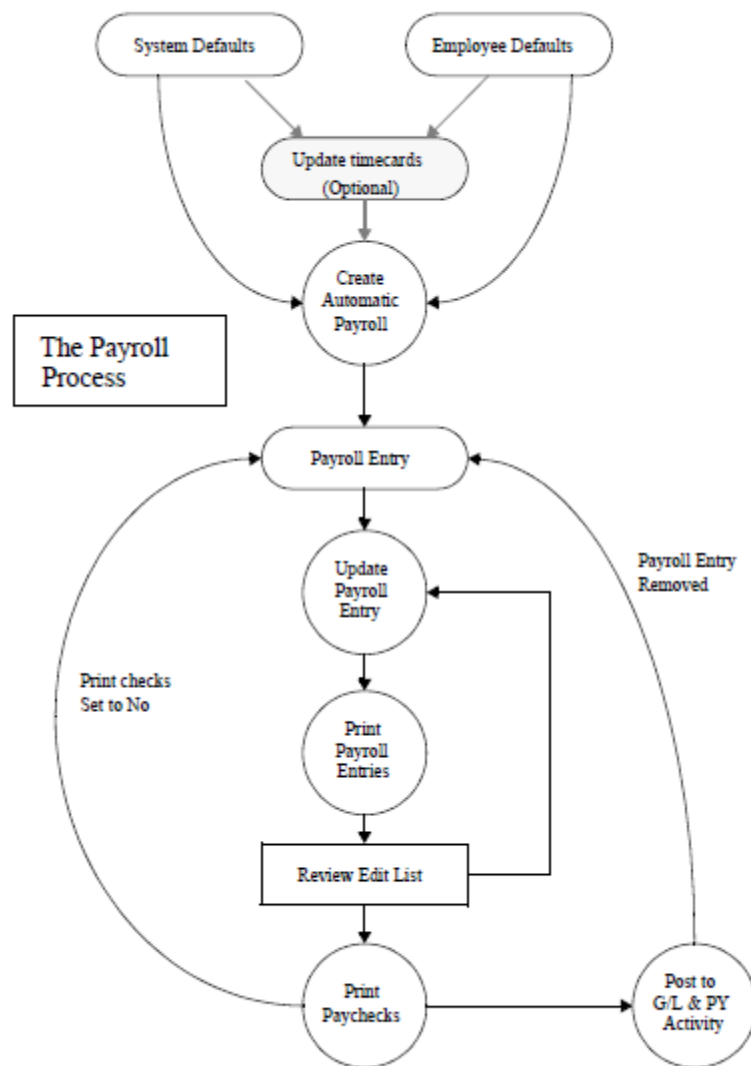
Creating Manual Payroll

In cases where you do not want to create a standard payroll run, you will want to create your payroll entries manually. Instances where it would not be appropriate to use automatic payroll would be expense checks, bonus checks, or where the employee has been terminated and will receive his or her final check before the end of the regular pay period.

Create a manual payroll entry by using the Add command in the Update Payroll Entries program. Run and review the edit list, print the check, and post, following the same steps as in Creating Automatic Payroll.

Direct Deposit

The process of creating Direct Deposit paychecks is essentially the same as that for creating traditional non-direct deposit checks. In addition to the steps above for creating automatic or manual entries, three additional steps are necessary. (First, make sure the Direct Deposit information is correct in the employee's record.) Instead of printing paychecks, print non-negotiable check forms with the Print Payroll Checks program. The program automatically prints the words "Non-Negotiable" on the signature line of a check form.

Then run Create Direct Deposit Entries program which gathers all of the necessary direct deposit information into the correct format and stores the information in a temporary holding table. Finally, run Create Direct Deposit Media program, which transfers the information from the temporary holding table onto media which you then deliver to your bank for processing.

Post the Payroll Entries as you would with traditional payroll checks. Since posting removes the Payroll Entries from the Payroll Entries table, be sure your Direct Deposit is correct before posting, because you will not be able to recreate the Payroll Entries once they have been posted.

The Direct Deposit process is illustrated in the following diagram:
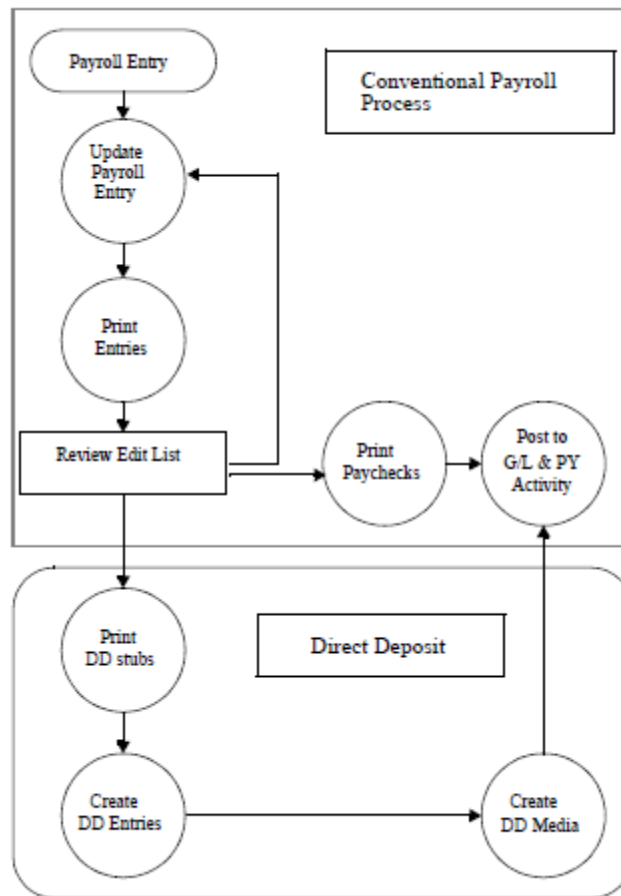
Posting

After you have run payroll and printed the paychecks, use the Post Payroll Entries option to post and to update the records. The following is a list of the effects of posting:

Information updated in the Employee Information table:

- Last Pay Date;

- Accrual Information;

- Last Applied Date for deductions;

- Quarter-to-Date information for income, deductions, obligations;

- Year-to-Date information for income, deductions, obligations.

Information updated in the Payroll Activity Table:

- Each row of the payroll detail gets posted to this table. The check amount posts one row, and then each of the detail rows (income, deduction, obligations) posts here;

- Original Journal (always PY);

- Document Number (used to join to transaction table);

- Type (check/income/deduction/obligation);

- Code (income/deduction/obligation code or "CHECK");

- Amount (amount of the income/deduction/obligation code or check amount);

- Number (used to calculate the amount; applies to income only);

- Hours (only applies to Income Codes);

- Rate;

- Account Number;

- Department Code.

Information updated in the Payroll Transaction Table:

- Original Journal (always PY);

- Document Number (used to join to Transaction Table);

- Check Number;

- Pay Date;

- End-of-Period Date.

Information updated in the Base Tables Transaction Table:

- Original Journal (PY);

- Document Number (used to join to payroll activity/transaction tables);

- Posting Number (one posting number per posting run);

- Posting Date (date of posting);

- Document Date (payroll date);

- Reference Code (employee code);

- Document Description (Payroll Entry, Void of Document: #).

In addition to the above, if the Post to G/L field in the Payroll Defaults table is set to Y: the following information is updated:

Information updated in the G/L Activity Table:

- Each row of the payroll detail gets posted to this table. The Check amount posts one row, and then each of the detail rows (income, deduction, and obligation) posts here;

- Original Journal (PY);

- Document Number (same as PY Tables, Base tables, G/L transaction table);

- Account Number (of check, income/deduction/obligation code);

- Department (of check, income/deduction/obligation code);

- Amount (of check, income/deduction/obligation code);

- Credit/Debit (based on what type of account it is and amount).

Information updated in the G/L Transaction Table:

- Original Journal (PY);

- Document Number (same as payroll tables, Base tables transaction tables);

- Accounting Period (based on Payroll Date);

- Accounting Year (based on Payroll Date;

- Status (status of the Posting—see documentation for G/L).

Posting to Base Tables check register Table:

- Original Journal (PY);

- Document Number (could join it to all other tables);

- Account Number (checking account number—Payroll Entry);

- Department (department of the Payroll Entry);

- Check Number;

- Amount (amount of check or void);

- Debit/Credit (depending on whether it is a check or a void);

- Reconciled (N inserted during posting);

- Check voided (N inserted during posting).

Employee Tables → Timecards

The Posting
Process

Update Qtd/Ytd
Last Pay
Accrual Info

Payroll Tables

Payroll Entry
Removed

Post
Payroll
Entries

Payroll Activity
Table

Base Files Transaction
Table

Payroll Transaction
Table

If Post to G/L = Y

G/L Activity Table   G/L Transaction

Check Register
Table
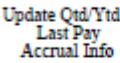
Income, Deductions, and Obligations

To better understand payroll transactions, you will need a basic understanding of the three underlying components of any payroll entry: income, deductions, and employer obligations. Together, these three components form the basic structure of all payroll entries.

Income

Income is any source of wages or reimbursement owed or paid to an employee. Examples of income include simple hourly wages, salaried wages, expense reimbursements, pre-paid income, commissions, fringe benefits, and salary advances. All types of income consist of three parts: the income rate, the number (e.g. hours, pieces, etc...), and the hours (if any) actually worked for the income.

The first two elements, Rate and the Number (also known as the "multiplier"), are multiplied together to get the income dollar amount:

$$\text{Rate x Number = Income}$$

The third element, Hours, is used to calculate an income based on the number of hours worked. In an hourly wage type of income, the Number and the Hours worked will, by definition, be the same. For example, an employee might earn $10.00 per hour worked. If the employee worked 40 hours, the income would be equal to Rate times Hours, where Rate is $10.00 and Hours equals 40. Number and Hours are both equal to 40. In hourly wage cases,

$$\text{Number = Hours}$$

therefore

$$\text{Rate x Hours = Income}$$

However, income rates that are based on an hourly figure but NOT BASED ON THE NUMBER OF HOURS ACTUALLY WORKED, may have different Number and Hours figures. For example, sick leave may be paid at a given rate per hour of sick leave used, but no hours are actually worked for the sick pay. Specifically, sick leave may be paid at a Rate of $8.50 per hour of sick leave used, and the number of sick leave hours used might be 16. The hours worked for this income will be zero. The Rate ($8.50) and the Number (16) will be multiplied together to get sick pay income of $120.00:

$$\$8.50 \text{ x } 16 = \$136.00$$

Number and Hours must be tracked separately, because the Quarterly Wage and Hour Report requires that you report the number of hours actually worked by your employees.

Deductions

A deduction is any amount that reduces the amount actually paid to an employee. Examples of deductions include federal and state income tax, Social Security, Medicare, union dues, repayment of a payroll advance, pension plan contributions, payroll error adjustments, garnishments, and charitable donations. A deduction may be a flat amount, a percentage based on gross or taxable income or some other base, or based on a tax table.

The final payroll check amount is equal to the sum of all the income for a pay period minus the sum of all the deductions for the period.

The myriad of deduction possibilities make deductions the most complex part of payroll. However, the Payroll system makes ample provisions for handling deductions simply and efficiently.

Obligations

An obligation is an amount which an employer must pay as a result of the employer/employee relationship. Obligations do not appear on the employee's paycheck, so they are often overlooked as being part of the payroll process. However, obligations are as much a payroll expense as are wages.

Examples of employer obligations are FUTA, health insurance premiums, and the employer's matching Social Security (FICA) and Medicare liability.

Obligations are distinct from deductions, although some liabilities have both a deduction and an obligation component such FICA, Medicare, 401(k) contributions, and charitable donations, where both the employee and the employer contribute money. For example, the employer must withhold the employee's FICA amount from the employee's paycheck and then pay that money to the government on a quarterly basis. But the employer must also pay a matching amount for FICA on the employee's behalf. The first is a deduction; the second is an obligation.

Other obligations are the sole responsibility of the employer—such as FUTA, worker's compensation and certain health insurance premiums. Deductions are amounts that are deducted from the employee's income. Obligations are owed by the employer on the employee's behalf, but do not directly affect the employee's wages.

These three elements—income, deductions, and obligations—together with the date of the payroll and the employee to be paid, combine to create a unique payroll entry.

Chapter 3

Setting up Payroll

Setting up the payroll system involves creating codes to represent the various income, deduction, obligation, and accrual schedules that will be used throughout the system. It also involves defining Employee Types if you will be using them.

If you will be using Direct Deposit, you will also need to enter Direct Deposit information and complete a successful pre-notification test with your financial institution.

This chapter covers:

- Setting up Income, Deduction, Obligation Codes, and Employee Types
- Tax Tables
- Using and setting up Accrual Codes
- The payroll default values
- Setting up for Direct Deposit

Income Codes

You will set up your Income Codes reference table to contain codes representing all of the various rates of pay used throughout the Payroll system. Income codes are used to identify all income processed by the Payroll system and to provide default income data to facilitate data entry.

Each Income Code has data describing how that income schedule is to be applied as well as defaults for Rate, Hours, Ledger Accounts and Department numbers. The values specified in the Income Codes reference table will be used to calculate Payroll Entries unless they are overridden for individual employees or individual Payroll Entries.

The Income Codes screen:

Field	Description
Income Code:	Stores unique six character code identifying the income code.
Description:	Describes above code.
Income Type:	H - Hourly: income for which the number of hours paid equals the number of hours worked. N - Non-hourly: all taxable income that is not hourly.

Field	Description
	E - Expense: used to indicate any income for which no deductions should be applied.
	A - Advance: also income for which no deductions are taken. Usually used for issuing pay advances on the employee's normal paycheck.
	F - Non-FICA: income that is included in the gross wages amount for deduction and tax calculations, but which is specifically exempt from FICA.
	U - Non-FUTA: income that is included in the gross wages amount for obligation and tax calculations but is specifically exempt from FUTA.
	B - Non-FICA/FUTA: income which is included in the gross wages amount for deduction, obligation, and tax calculations, but which is exempt from both FICA and FUTA taxes.
Non-qualified?:	Enter Y if this income source represents a distribution from a non-qualified plan. Used in the creation of W-2s.
Default Rate:	This figure represents the rate to be used whenever this income code is applied unless a different rate is indicated specifically in the Employee Information table or Employee Type table, or is overridden in the Payroll Entry.
Default Number:	Together with the Income rate, this number is used to calculate the income amount on payroll entries.
	If the basis for income is hours worked the number in this field should represent the number of hours usually worked for this income. When the entry in the Income Types field is set to H (hourly) the number in this field is automatically carried over into the Hours field.
	For a salary income, set the number in this field to 1.00 if the entry in the Rate field equals the salary for the pay period. For other types of income, this field should represent hours compensated but not worked (for example, sick pay).
	Unless a different number of units is indicated specifically in the Employee Information table, this default value will be used when payroll entries and time cards are created.

Field	Description
Default Hours:	Enter the default number of hours usually worked for this income code.
Low Amount and High Amount (op-tional):	Enter the optional Low and High amounts for this income code. These optional fields are used to flag amounts that fall above or below a certain level. They will be flagged on the Payroll entries Exception Report.
Default Expense Account:	Enter the account number to be debited. If no entry is made here the Payroll Expense Account in the Payroll Defaults program will be used.
Department:	Enter the department code if departmental reporting is being used. If not, enter 000.

To print out a hard copy of the information contained in the Income Codes reference table, choose Print Income Codes from the Print Payroll Codes submenu.

Deduction Codes

You will set up your Deduction Codes reference table to contain codes representing all of the deductions used throughout the payroll system. Deduction codes are used to identify deductions for all payroll entries, to provide default data to facilitate data entry, and to indicate the wage base to use to calculate and apply the deduction.

In some cases, you may want to use a Tax Table rather than a rate to calculate a deduction. To do this, associate the Deduction with a Tax Table by using the same code for each, and leave the Rate field blank in the Deduction Code. Because the deduction rate is blank, the system will look up the corresponding Tax Table whenever that Deduction Code is used.

The Deduction Codes screen:

Field	Description
Deduction Code	Stores unique six character code identifying the deduction code
Description	Describes above code.
Tax Jurisdiction	Enter the tax jurisdiction if this is s state tax. This prints on the W2
EIN Number	Enter the State EIN number if the deduction is a state tax
Deduction Type	Dictates the basis for the deduction. Gross Wages Taxable Income Hours Worked Gross Wages- Taxes- Garnishments Flat Rate FICA Wages FUTA Wages Not Used- deduction code is inactive
Tax Status	Enter the wage base to reduce by the deduction. FICA wages. The deduction reduces the FICA amount by the amount of the deduction. Taxable wages. The deduction reduces the taxable wage base. FUTA wages. The deduction reduces the FUTA amount by the amount of the deduction. All. The deduction reduces the standard income tax, FUTA, and FICA. None; The deduction does not reduce wage amounts subject to tax. FICA and taxable wages. The deduction reduces only FICA and taxable wages FUTA and taxable wages. The deduction reduces only FUTA and taxable wages. FICA and FUTA. The deduction reduces only the FICA and FUTA wages. Not Used
Frequency	Enter the code that represents how often the deduction should be taken. A- Always.

Field	Description
	M- Monthly.
	Q- Quarterly.
	Y- Yearly.
	N- Never automatically apply this deduction. This deduction is entered manually.
Deduction Class	Used to classify the type of deduction so the payroll programs now how to calculate disposable income. Valid classes are Taxes, Garnishments, Levy and Liens. Other, and Not Used (inactive).
Rate	Enter the rate for the deduction code. If the amount of the deduction is to be determined by a tax table, leave this field blank.
Limit	Enter the limit for this deduction (maximum amount to deduct). The automatic payroll creation program will apply the deduction only until that limit is reached.
Frequency	Enter the code that represents how often the deduction should be taken.
	B- Always.
	O- Monthly.
	Q- Quarterly.
	Y- Yearly.
	N- Never automatically apply this deduction. This deduction is entered manually.
Low and High Amount (optional)	Enter the optional Low and High amounts for this deduction code. These optional fields are used to flag amounts that fall above or below a certain level. They will be flagged on the Payroll entries Exception Report.
Threshold Amount	Enter threshold amount for additional Medicare
Garnishment Fee	If you do not enter a dollar amount in the employee record for the fee the employee owes you to process the garnishment, this default value will be used.
Garnishment Code	If you do not enter a code in the employee record for the fee the employee owes you to process the garnishment, this default code will be used.
Liability Account	Enter the GL account number.
Department	Enter the GL department or 000 if departments are not used.

Obligation Codes

You will set up your Obligation Codes reference table to contain codes representing all the employer obligations used throughout the payroll system. Obligation codes are used to identify employer obligations for all payroll entries processed by the payroll system, to provide default data to facilitate data entry, and to indicate the wage base to which the obligation should be applied.

Obligation codes set default figures for such things as rate and limit of employer's FUTA (Federal Unemployment Tax) and FICA (Federal Insurance Contributions Act) obligation.

The Employer Obligation Codes screen:

Field	Description
Obligation Code:	Stores unique six character code identifying the obligation code
Description:	Describes above code.
Obligation Type:	Enter the wage base to reduce by the obligation. F- FICA wages. The obligation reduces the FICA amount by

Field	Description
	the amount of the deduction.
	T- Taxable wages. The obligation reduces the taxable wage base.
	U- FUTA wages. The obligation reduces the FUTA amount by the amount of the deduction.
	A- All. The obligation reduces the standard income tax, FUTA, and FICA.
	N- None; The obligation does not reduce wage amounts subject to tax.
	B- FICA and taxable wages. The obligation reduces only FICA and taxable wages
	C- FUTA and taxable wages. The obligation reduces only FUTA and taxable wages.
	D – FICA and FUTA. The obligation reduces only the FICA and FUTA wages.
Default Rate:	Enter the rate to be used, either a % or a flat dollar amount. The system reads any amount less than 1 as a percentage. Amounts greater than 1 are considered a flat amount. Therefore, if the rate is a percentage, enter it in decimal form. For example, enter 5 1/2% as .055. If the rate is a flat deduction, enter the flat dollar rate. One hundred fifty dollars is entered as 150.00.
Default Limit:	Enter the limit for this obligation (maximum amount of the obligation). The automatic payroll creation program will calculate an obligation amount only until that limit is reached.
Default Expense Account:	Enter the GL expense account.
Department:	Enter the GL department or 000.
Default Liability Account:	Enter the GL liability account.
Department:	Enter the GL department or 000.

To print out a hard copy of the information contained in the Obligation Codes reference table, choose Print Obligation Codes from the Print Payroll Codes submenu (4-g-d). For more information on this submenu, see "Printing Payroll Codes" on page 3-17. See also "Printing Reports" in Section 2 of Learning Fitrix.

Accrual Codes

Payroll gives you a flexible, user-defined system for automating the accrual of sick and vacation hours. You can establish and use as many unique accrual methods as you need. Each employee can be assigned two accrual codes; usually the two codes are used for sick leave and vacation pay accrual.

Accrual Codes represent a specific method of accruing hours of sick or vacation leave earned by employees. The accrual method is based on four factors:

- the units for accrual (Method),

- the rate at which time is accrued (Rate),

- the frequency at which the rate is applied (Frequency), and

- the interval of time (if any) that must pass before accrual of sick leave or vacation time begins (Lapse).

The use of Accrual Codes is optional but could save your payroll department a considerable amount of time in tracking personal time off for your employees.

The Accrual Codes screen:

Field	Description
Accrual Code:	Six character field that must be unique.
Description:	Thirty alphanumeric character description.
Method:	Enter an H (hour) or P (period). For example, you might want to accrue sick leave at the rate of one hour for every 40 hours. In this case, the method will be H, the rate will be 1, and the frequency will be 40.
Rate:	Enter the rate at which leave should accrue. This value represents the number of leave hours that will accrue for every hour that the employee works (if method is H) or for every period the employee works (if method = P).
Frequency:	Enter the frequency with which leave should accrue. For example, if the employee accrues 1 hour of sick time for every 40 hours worked, the frequency will be 40.
Lapse:	Enter the number of pay periods or hours that have to elapse before the leave will begin to accrue. Some companies have a waiting period before the employee can accrue vacation or sick time.

Printing Payroll Codes

The Payroll Codes—Income Codes, Deduction Codes, Obligation, and Accrual Codes—can all be printed from the Print Payroll Codes submenu on the Setup Payroll menu.
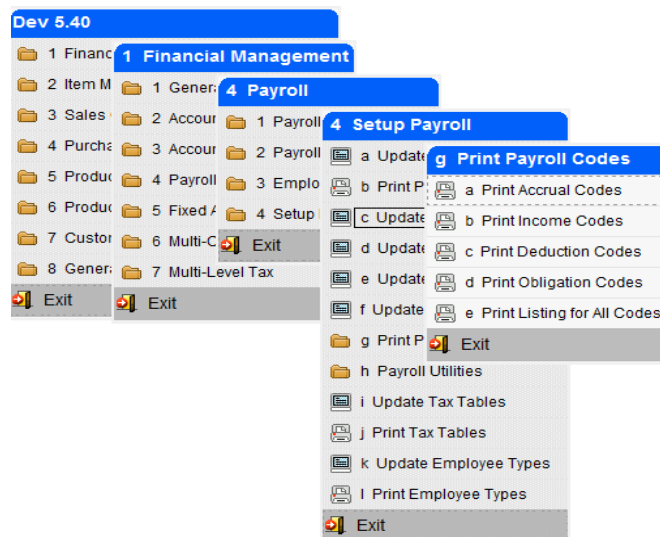
Tax Tables

Tax Tables are records that contain the various rates and withholding amounts for each type of tax. The withholding procedures will require you to update tax tables before the first payroll of each calendar year to properly calculate withholding. For Federal Tax withholding amounts and tax rates go to www.irs.gov and download the Circular E Employer's Tax Guide

The Tax Tables screen:

Field	Description
Tax Year	Enter the tax year.
Tax Table Code	Enter the tax code. This must have been previously set up using the Update Deduction Codes program.
Withholding Allowance Amounts	This section of the screen stores the amount of one withholding allowance for each type of pay period. The Payroll creation program multiples the withholding allowances number found in the employee record and this withholding amount. It then subtracts this amount from the gross income to calculate taxable income.
Pay Period	Enter: W- Weekly. Paid once a week. B- Biweekly. Paid once every two weeks. S- Semi Monthly. Paid twice a month. M- Monthly. Paid once a month. Q- Quarterly. Paid once every quarter. A- Annually. Paid once a year. H- Semiannually. Paid twice a year. D- Daily. Paid every day.
Martial	Enter: S- Single. M- Married. H- Head of household.
Over Amount	The over amount column contains the minimum amount of taxable income needed to apply to a given rate.
Base Amount	This field stores the flat amount of the tax for this tax table entry. To this figure the system will add the product of the tax rate times the taxable amount in excess of the over amount.
Tax Rate	This field stores the tax rate which will be applied to the taxable amount in excess of the over amount. This amount is then added to the Base Amount to get the total tax deduction.

Printing Tax Tables

A hardcopy version of the information in the Tax Tables can be printed with the Print Tax Tables option on the Setup Payroll menu.

Employee Types

Employee Types provide a means of grouping together employees with similar income, deduction, and obligation information to facilitate data-entry, employee setup, and reporting. Employee types can be thought of as a "template" for setting up employees. The template stores all necessary information for setting up employees, such as federal allowances, sick pay codes, vacation pay codes, accrual information, income codes, deduction codes and obligation codes. If your company has several employees who share some basic information then using employee types is the easiest way to set them up.

Using employee types also facilitates reporting because you can break down reports by employee types.

The Employee Types screen:
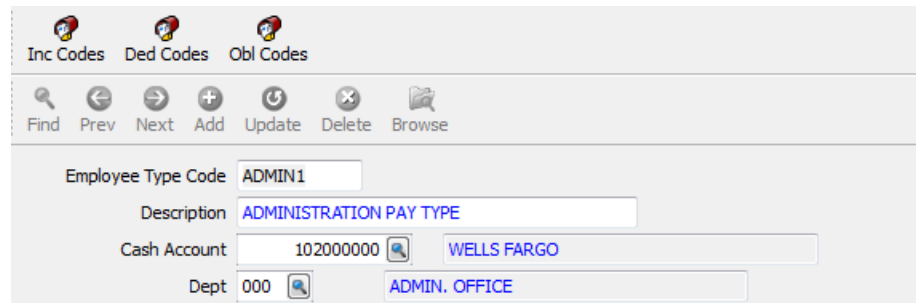
Employee types are made up of a Main Screen and three detail screens. The Main Screen contains basic information on the employee type. The three detail screens contain income, deduction, and obligation information. Access the detail screens from the Employee Types main screen by clicking on the buttons on the toolbar:

Adding an Employee Type

Field	Description
Employee Type Code	Enter a unique code (up to six characters) to identify this Employee Type
Description	Enter a description (up to 30 characters) for this Employee Type
Cash Account	Enter the cash account to which payroll will post
Dept	Enter the department code and if not using departmental reporting enter 000
State Tax Deduction Code	Enter state tax code
Local Tax Code	Enter local tax deduction code
Sick Leave Income Code	Enter income code for sick leave paid
Vacation Income Code	Enter income code for sick leave paid
Sick Accrual Code	Enter the accrual code for accumulating sick time
Vacation Accrual Code	Enter the accrual code for accumulation vacation time
Sick Allowed	Enter then number of sick hours allowed per year
Vacation Allowed	Enter then number of vacation hours allowed per year

Field	Description
Pay Period	Select [W]week, [B]bi-week,[S]semimonthly,[M]month,[Q]quarter,.[A]annual, [D]daily.

The Income Codes and Rates Detail screen

Use this screen to enter income information for this employee type. See the Update Employee Information section in this User Guide for more information on this screen.

The Deduction Codes and Rates Detail screen

Use this screen to enter deduction information for this employee type. See the Update Employee Information section in this User Guide for more information on this screen.

The Obligation Codes and Rates Detail screen

Use this screen to enter employer obligation information for this employee type. See the Update Employee Information section in this User Guide for more information on this screen.

Printing Employee Types

You can print a copy of all the information in the Employee Types reference table.

Payroll Defaults

This screen is divided into four different sections.

In the Payroll Defaults section you will enter your employer ID numbers that will appear on paychecks and on reports for Federal and State agencies.

Also in this section is the Post to General Ledger field where you tell the system whether or not to post payroll transactions to the General Ledger.

The Codes for Reporting Section provides you with a place to identify to the system the names of the codes you have applied to certain types of income, obligations, and deductions. Once the system has been told the name of the code, it can gather information for creating the reports you will run after each payroll, at quarter end, and at year end.

In the Account Numbers and Direct Deposit Information section you will enter default information for posting. When payroll entries are created, the system uses the accounts from the payroll code detail lines in the Employee Information table. If any of these lines do not contain an account number, the account is retrieved from the appropriate payroll codes table. If the account number is still missing when the Post Payroll Entries option is run, the system uses the account from the Payroll Defaults table. This section is also where you enter employer information that will be used during direct deposit transactions.

The Magnetic Media Reporting section contains information for transferring payroll information to media for direct deposit.
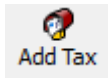
The Payroll Defaults screen:

Field	Description
IRS Identification Number:	This is your Federal Employer Identification Number and this prints on various forms and reports
State Identification Number:	This is your State Employer Identification Number and this prints on various forms and reports
Post to General Ledger:	If General Ledger is installed and set up on your system, an entry of Y causes payroll activity to post to the General Ledger. An entry of N is used if General Ledger is not installed on your system or when you want to prevent posting to the General Ledger. You might want to set the flag to N while you make aggregate postings from prior quarters during midyear setup. This allows you to produce correct reports without affecting ledger information in the General Ledger. Once you are finished with midyear setup, reset the flag to Y. Also set this field to N when you are preparing your Direct Deposit Pre-notification, (see "Setting Up for Direct Deposit")
Federal Tax Deduction:	Enter the default code for an employee's Federal Tax deduction. This code will be used unless overridden at the employee level.
F.I.C.A Deduction:	Enter the default code for an employee's F.I.C.A deduction. This code will be used unless overridden at the employee level.
Medicare Deduction:	Enter the default code for an employee's Medicare deduction. This code will be used unless overridden at the employee level.
State Tax Deduction:	Enter the default code for an employee's State Tax deduction. This code will be used unless overridden at the employee level.
Local Tax Deduction:	Enter the default code for an employee's Local Tax deduction. This code will be used unless overridden at the employee level.
F.U.T.A Obligation:	Enter the default code for an employee's FUTA obligation. This code will be used unless overridden at the employee level.
F.I.C.A Obligation:	Enter the default code for an employee's FICA obligation. This code will be used unless overridden at the employee level.
Medicare Obliga-	Enter the default code for an employee's Medicare obliga-

Field	Description
tion:	tion. This code will be used unless overridden at the employee level.
E.I.C. Income:	Enter the default code for an employees Earned Income Credit. This code will be used unless overridden at the employee level.
Payroll Expense:	This is the expense account that will be debited unless overridden at the employee level.
Payroll Liability:	This is the liability account that will be credited unless overridden at the employee level.
Cash:	This is the cash account that will be credited.
Company DFI:	Enter your company's bank account routing number (needed for Direct Deposit).
Company Check Digit:	Enter your company's check digit (needed for Direct Deposit).
Offset Debit:	Enter a Y if you want the direct deposit amount to be offset with a debit automatically (needed for Direct Deposit).
Company Bank:	Enter Bank Name (needed for Direct Deposit).
Bank Acct:	Enter Bank Account number (needed for Direct Deposit).
Holding File Name:	For Direct Deposit. Enter the name of the temporary file in which the information should be stored before it is copied to media.
Media Creation Command:	For Direct Deposit. Enter the operating system command used to transfer the information from the holding file to the media.
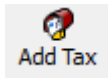
Click on the **Add Tax** button on the toolbar to access this screen:

Additional Federal Withholding:

IRS Form W4 allows for the employee to enter a dollar amount to be withheld from each paycheck in addition to the Federal Taxes calculated from earnings. In addition to the flat amount on Form W4, a percentage of gross earnings will also be accommodated that would allow employees the flexibility to choose how the additional amount would be calculated. Some employees may choose to use a combination of both methods.

Please note that even though you may have two codes in the employee record, one for federal tax withholding and one for additional withholding all taxes withheld will display under the federal tax withholding code not both. This is so the tax amount on the W2s is correct.

Field	Description
Amount Code	Default deduction code to store a flat amount to be added to the federal tax calculated. This code is going to indicate to "Create Automatic Payroll" process which code will add the result to FEDTAX deduction code.
Percent Code	Default deduction code to store a percentage to be multiplied by gross tax wages and added to the federal tax calculated. Create Automatic Payroll program will add the result of this deduction code to FEDTAX deduction code.

Bonus Only Tax:

IRS Tax law requires employers to withhold a minimum of 25% of gross wages for bonus amounts not paid at the same time as a standard payroll. Some employees may wish to withhold at a higher percentage. For system flexibility, a flat amount has been provided for in addition to the percentage.

Field	Description
Tax Percent	Default tax percentage for bonus payroll. If Tax Percent Code below does not have a percentage assigned to it then Create Automatic Payroll will use this value.
Tax Percent Code	Default deduction code to store tax percentage for bonus payroll. Create Automatic Payroll program will add the result of this deduction code to FEDTAX deduction code.
Additional Tax Amount Code	Default deduction code to store additional amount to add to tax calculated with bonus percentage. Create Automatic Payroll program will add the result of this deduction code to FEDTAX deduction code.

Garnishments:

Child Support Garnishments are payroll deductions that are mandated by state and county governments. These deductions take precedence over voluntary deductions and require vendor payments to the Attorney General or other like entities. This deduction is generally a court mandated flat amount, however, the amount of the deduction may not exceed a certain percentage (generally 50%) of the employee's disposable income. Disposable income defined for child support is gross wages minus any applicable taxes. For garnishment deduction codes, there is also a field for the vendor code that is to be paid this deduction. This allows for reporting by the vendor code and also allows for the accounts payable entries to be made automatically by payroll.

Field	Description
Amount Code	Indicates the deduction code that will trigger the calculation of garnishments in "Create Automatic Payroll" process.
Post to Accounts Payable	When this value is set to Y then an accounts payable entry will be generated automatically by payroll for the garnishment deduction.

Printing Payroll Defaults

After you have updated Payroll Defaults you should print the modified data and store the report as a permanent record of the default data.

Setting Up for Direct Deposit

Payroll direct deposit format is designed to the standards of the National Automated Clearing House Association (NACHA).

In order to begin using the Direct Deposit feature for your payroll transactions, you will need to do the following preliminary and setup procedures. Once these setup procedures are complete you can begin the pre-notification procedure.

Preliminary Information

- Contact your bank for the following information:

    Whether or not the bank processes direct deposit transactions

    A copy of their ACH origination record layout

    Where to send the media that will contain the payroll information or how to download the information directly on their secure website

    1. Check for a DOS Shell on your Linux operating System. If your Linux system does not have a DOS Shell, contact your qualified Reseller.

    2. Contact your company bank (that is, the bank where your payroll cash account is located) for the following information:

        a. Whether or not the bank processes Direct Deposit transactions.

        b. What special arrangements need to be made for processing Direct Deposit with your bank.

        c. Where to send the media that will contain the payroll information or how to download the information directly to their website.

        d. A list of all banking holidays for the current year

- You will probably be required to provide the bank with the name of the individual

    in your company who will be responsible for processing Direct Deposit transactions.

- Familiarize yourself with where to find the DFI and check digit on a check or deposit slip.

The DFI (also called the Routing Number or Transit Number) and the check digit are located at the bottom of a check or deposit slip. Together the DFI and check digit make up the "bracketed" group of numbers in Optical Computer Digits (or MICR encoding) at the bottom of a check. The first eight digits constitute the Routing Number. The ninth digit is the check digit. The check digit is in fact the result of a formula applied to the digits of the routing number.
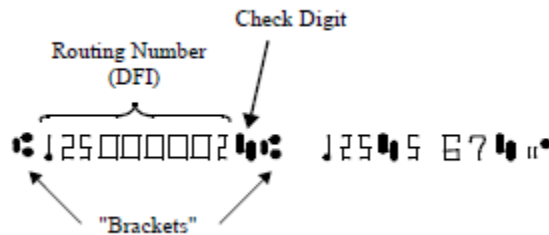
Setting Up Company Information

1. Enter all of the bank holidays using the Update Banking Holidays program on the Run Direct Deposit submenu (PY-1-g-c).

2. Enter the following information in the Account Numbers and Direct Deposit Information section on the Payroll Defaults form (PY-4-a).

   • Your company's bank DFI (routing number)

   • Your company's bank check digit (needed for direct deposit)

   • Whether or not you want an offsetting Direct Deposit amount to be offset with a debit automatically when media is created (needed for direct deposit)

   • Your company's bank

   • Your company's bank account number

3. Enter the Holding File Name

   The holding file is where the direct deposit information will be stored after it has been created and before it gets transferred to media. An example of a Holding File Name might be:

   /tmp/mmedia

4. Enter the Media Creation command

   This is the command that transfers the direct deposit information from the holding file to the media. An example of the media creation command::

   cp /tmp/mmedia /tmp/mmedia_1

Setting Up Employees' Records

1. Collect a personal void check or deposit slips from all employees who want to participate in Direct Deposit.

2. Enter the following information in the Extended Employee Information screen for each employee who will be participating in Direct Deposit:

   • Enter the employee's bank (DFI) check routing number

   • Enter the employee's check digit

   • Employee's bank account number

   • Keep the Direct Deposit Y/N flag set to N until a successful pre-notification has been completed.

Pre-notification Testing

You are required to run through a pre-notification test for each employee at least 10 (preferably 20) days prior to the first live direct deposit transaction. You can do the pre-notification for all your direct deposit employees in one run.

Pre-notification is the process by which you notify your bank and your employees' banks that you intend to use Direct Deposit and that you are authorized to make deposits into your employees' bank accounts. The pre-notification is identical to a real or "live" Direct Deposit transaction except that the dollar amounts are zero. The process for creating a pre-notification the same as creating a "live" direct deposit with the additional step that you must zero out all of the dollar amounts.

The pre-notification gives the banks the opportunity to validate the routing number, check digit, and account numbers and notify you if any of the information is incorrect or insufficient before real funds are transmitted.

NACHA rules require that AT LEAST 10 DAYS (preferably 20 days) elapse between the effective date of the pre-notification and the first "live" entry.

1. Create a manual Payroll Entry for each employee that will participate in direct deposit (see "Creating Manual Payroll Entries" in this user guide), and do the following:

   • On the Income Detail form, change the values in all the Rate fields to 0 (zero).

   • On the Deduction Detail form, change the values in all the Deduction fields to 0 (zero).

- • On the Obligation Detail form, change the values in all the Obligation fields to 0 (zero).

- • Set the value in the Direct Deposit field to Y. The Direct Deposit field is found on the Extended Employee Information screen accessed from the Update Employee Information toolbar.

2. Print Payroll Entries (option (e) on the Payroll Checks submenu. Choose Print Detailed Edit List from the submenu.

3. Verify that the income, deduction, and obligation amounts are zero.

4. Print the Direct Deposit checks with the Print Payroll Checks option. Be sure to set the Direct Deposit Checks flag to Y.
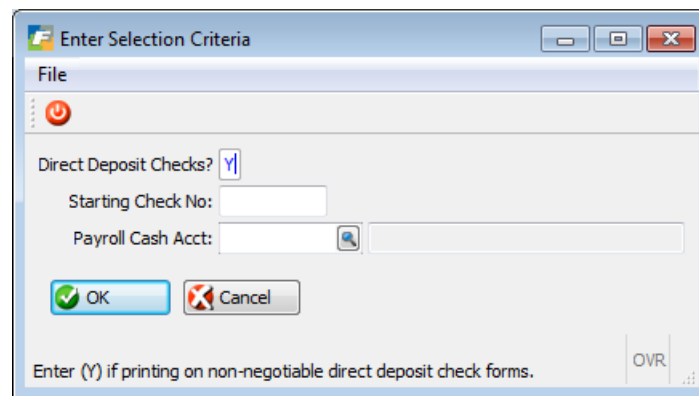
5. Run Create Direct Deposit Entries from the Run Direct Deposit submenu (1-g-a).

   The Direct Deposit flag on each of the payroll entries will automatically be set to N to prevent multiple entries from being created.

6. Run the Create Direct Deposit Media command to create the pre-notification file (1-g-b).

7. Deliver the file to the bank for results.

8. Delete all of the Payroll Entries that have been zeroed out.

   This prevents the entries from being posted.

9. Once the bank determines that the pre-notification is good, and at least 10 days have passed since the effective entry of the pre-notification, you are ready to go "live" with Direct Deposit (for those employees whose accounts successfully pre-noted).

You must follow the same pre-notification procedure for each employee who decides to use Direct Deposit *after* your successful company pre-notification (in other words, new employees, or employees who initially chose to opt out of Direct Deposit). The only entry that needs to be included in the supplemental pre-notification is that of the new employee(s).

There are two important points about Direct Deposit worth noting at this point. First, not everyone in your company needs to use direct deposit. You can have a portion of your employees using Direct Deposit and the rest receiving traditional paychecks. Second, you may enter all of the relevant Direct Deposit information—even have a successful pre-notification—and continue to use traditional paychecks. You may even choose not to go "live" with direct deposit. The existence of direct deposit information will not affect your payroll processing.

Chapter 4

Maintaining Employee Information

Most maintenance issues will involve changing, adding, or deleting information from the employee's information table. These tasks will use the Update Employee Information program on the Employee Information menu.

This chapter covers:

- Entering employee information into the system
- Setting up the system midyear
- Changing employee pay rates
- Terminating an employee
- Maintaining on-line employee notes
- Verifying employee quarterly and year-to-date information.

Adding Employees

Whether you are setting up the system for the first time, or adding a newly hired employee, you will need to add employee Information for each employee. If you are entering employee information as part of your system setup and you are setting up in the middle of your fiscal year, you will need to follow some additional steps. For more information, see the section in this guide "Midyear Setup".

Each employee is made up of a main screen and five detail screens. The main screen is what you see when you select Update Employee Information. This screen shows basic employee information such as the employee's name, position, department, and address. You access the detail screens from the employee information main screen by clicking on the buttons on the toolbar:
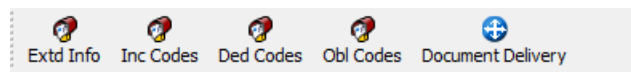
Extended Info - contains information on allowances and accruals.

Inc Codes – contains information on the employee's income.

Ded Codes – contains information on the deductions made from the employees check.

Obl Codes - contains information on the company's payroll obligations for this employee like FUTA, etc.

The main Employee Information screen:

Field	Description
Employee Code	Enter unique six character code.
Social Security #	Enter the social security number.
Employee Type	Enter employee type if you have set up types to group employees. Upon entry of a type the program will fill in many of the fields for you. These can be overridden.
Job Code	Job codes can be used as a classification category to help sort employees during payroll processing and on various reports.
Title	Enter the employee's title.
Payroll Account	Enter the GL account number for the cash account you want to use for payroll checks. If left blank, the cash account in the Update Payroll Defaults program will be used.
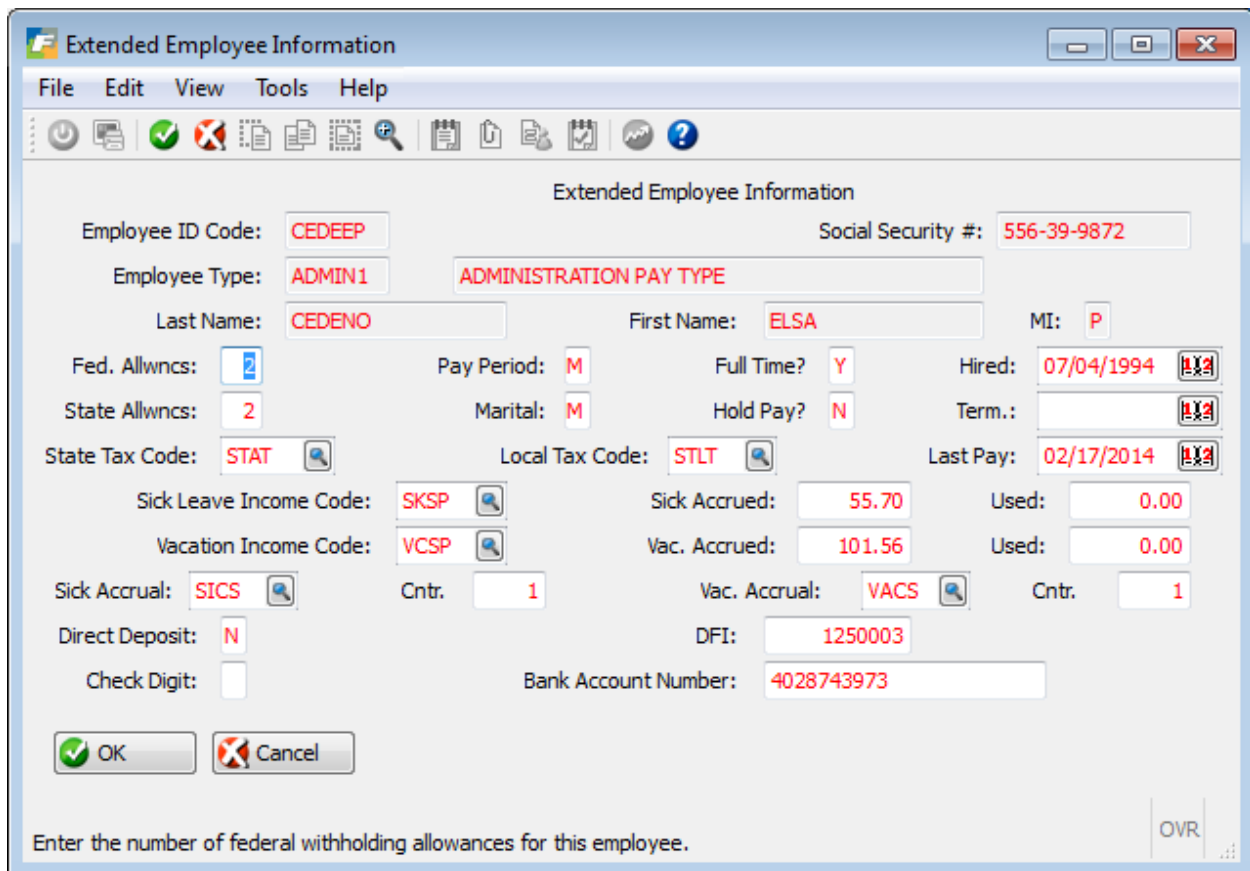
Field	Description
Dept	Enter a GL department or if departments are not used, enter 000.
Name and Address Fields	Enter name and address information.
Birthdate	Enter the employee's birth date.

The Extended Employee Information screen

The Extended Employee Information screen contains information such as the number of allowances claimed by the employee, the date hired, date last paid, sick and vacation days accrued, as well as direct deposit information.

To access the Extended Information screen, click on the Extd Info button on the toolbar.

The Extended Employee Information screen:

Field	Description
Fed Allwncs	Enter the number of federal allowances.
Pay Period	Enter: W- weekly B- Biweekly S- Semi-Monthly M- Monthly Q- Quarterly A- Annually H- Semi-Annually D- Daily
Full Time	Enter Y or N
Hired	Enter hired date.
State Allwncs	Enter the number of state allowances.
Marital	Enter employee's marital status.
Hold Pay	Enter a Y to hold pay and no payroll entry will be made by the Create Automatic Payroll program. This field is useful if an employee is on a leave of absence without pay
Term	Enter termination date. In most cases this field will be used only when an employee is terminated. However, there are other instances for entering a date in this field. For example, if an employee moves from one state to another, but remains with your company, close out the employee's entry by entering the last date in the old state in the Term. field. Then set up a new Employee Information table with a new Employee Code for the employee. This will ensure that state and local taxes for the employee are reported consistently.
State Tax Code	Enter state tax deduction code or leave blank to use the tax code in the defaults table.
Local Tax Code	Enter local tax deduction code or leave blank to use the tax code in the defaults table.
Last Pay	If you are adding employees during Payroll setup, enter the

Field	Description
	date on which the employee was last paid. This date will be used by the system to determine whether the employee will be eligible for an automatic payroll entry. If you are adding a newly-hired employee to the system, leave this field blank. In either case, the entry in this field will automatically be updated by the system when you post a payroll entry for this employee.
Sick Leave Income Code	Enter income code for sick leave. When payroll is processed and this income code is used when the employee took paid sick time off the "Used" hours are updated.
Sick Accrued	Accrued sick leave hours maintained by the system.
Used	Sick leave time used maintained by the system.
Vacation Income Code	Enter income code for vacation leave. When payroll is processed and this income code is used when employee took paid vacation time off the "Used" hours are updated.
Vac Accrued	Accrued vacation leave hours maintained by the system.
Used	Vacation leave time used maintained by the system.
Sick Accrual	Enter the accrual code for sick leave.
Cntr:	If the accrual method specifies a lapse period before the accrual begins (i.e. – employee must work 90 days before sick time begins accruing) , this counter field accumulates the posted pay periods or hours until the number specified for the lapse is reached.
Vac Accrual:	Enter the accrual code for vacation leave.
Cntr:	If the accrual method specifies a lapse period before the accrual begins, this counter field accumulates the posted pay periods or hours until the number specified for the lapse is reached.
Direct Deposit:	Enter Y if the employee is paid via direct deposit.
DFI:	Enter the routing number for the employee's checking account.
Check Digit:	This field stores the check digit, another identification number for direct deposits.
Bank Account	Enter the employee's bank account number.

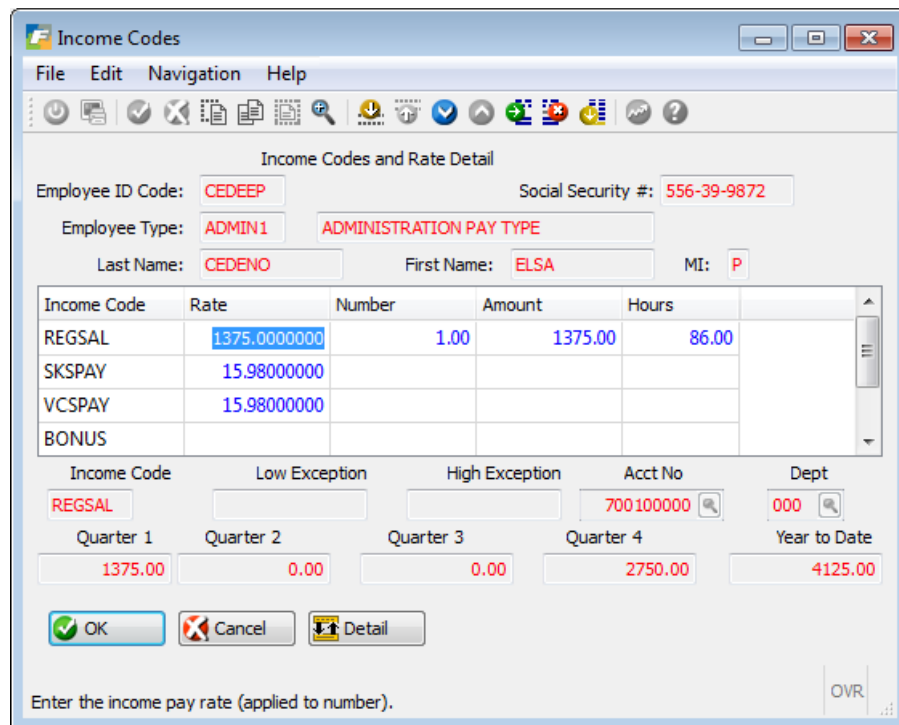| Field	Description
Number:	

Income Codes Screen

To access this screen, click on the Inc Codes button on the toolbar.

If you have entered a code in the Employee Type field, the income information from that employee type will automatically be entered into the Income Codes screen. That information can be modified as needed.

The Income Codes screen:

Field	Description
Code	Enter the income code.
Rate	Enter either a salaried rate or hourly rate.
Number	For salaried employees enter 1. For hourly employees enter the number of hours typically worked.
Amount	Calculation (rate x number).
Hours	Enter the number of hours in the employee's pay period (ie – 40 for weekly) for non-hourly employees.

While your cursor is in a field in an Income Code row, additional information for that income code will be displayed in the detail (bottom) section of the form. You can modify that information for the employee by clicking on the detail button located at the bottom of the screen..

Quarterly and Year-to-Date totals for the employee for the Income code will also be displayed at the bottom of the form. This information is display-only.

Deduction Codes screen

To access this screen, click on the ![Ded Codes] button on the toolbar.

If you have entered a code in the Employee Type field, the deduction information from that employee type will automatically be entered into the Deduction Codes screen. That information can be modified in the employee information screen as necessary.

The Deduction Codes screen:

Field	Description
Deduction Code	Enter the deduction code.
Rate	Enter the rate for this deduction code. If the deduction code is based on a tax table, leave this field blank as the rate will be retrieved from the tax table.
Limit	Enter the limit for this deduction. For example , the social security deduction for 2008 is limited to $6324.00 per employee. Once this limit is reached the deduction will no longer be taken.
Applied	System maintained date filed of the last time the deduction was taken.
Frequency	Frequency to take this deduction. Enter: M- Monthly Q- Quarterly Y-Yearly A- Always N- Never automatically apply.
Fee	If the deduction is a garnishment, enter the amount of the fee the employee must pay the employer to process this garnishment.
Code	Enter the garnishment fee code this fee goes to. If left blank it will use the garnishment fee code found with the deduction code.
Garnishment	If this box is checked the garnishment data screen discussed next will display.

The bottom of this screen will display the quarterly totals for each deduction code and the account number and department code.

Garnishment Data screen

Field	Description
Effective Date	Date garnishment goes into effect.
Received Date	Date your company received notification of the garnishment.
Garnishment Active	Check this box of this is an active garnishment.
Garnishment Category	A freeform two character code that is used to sort and print garnishment information. Uses might be FT for federal tax lien, CS for child support, etc.
Document Data	Optionally enter data about where this garnishment originated.
Payee Data	Enter the vendor code the garnishment check should be sent to. When payroll is posted and if the Post to AP check box in the deduction codes program is checked, an open AP item

Field	Description
	will automatically be created in AP for this vendor.

Obligation Codes screen

To access this screen, click on the [Obl Codes] button on the toolbar.

If you have entered a code in the Employee Type field, the obligation information from that employee type will automatically be entered into the Obligation Codes screen. That information can be modified in the employee information screen as necessary.

The Obligation Codes screen:

Field	Description
Obligation Code	Enter the obligation code.
Rate	Enter the rate for this obligation code.
Limit	Enter the limit for this obligation. For example, the social security obligation for 2012 is limited to $6,826.20 per employee. Once this limit is reached the deduction will no longer be accrued.

The bottom of this screen will display the quarterly totals for each obligation code and the account number and department code.

Document Delivery

Click on the **Document Delivery** button to set it up so that direct deposit employees will receive their non-negotiable check via email
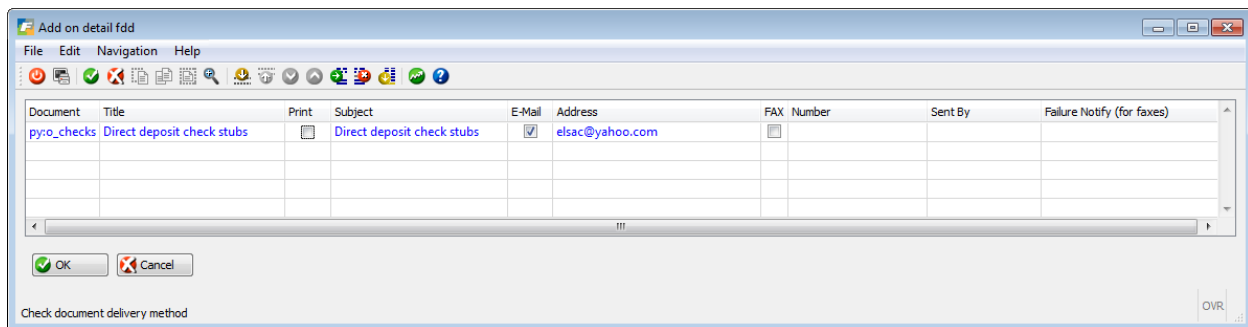
Mfg Labor

Click on the **Mfg Labor** icon on the toolbar to launch the Manufacturing Labor program.

Department

The department the employee works in (not to be confused with the department codes used when recoding accounting transactions). These departments are set up using the Department program located on the Standard Routing File Maintenance menu. To view a list of departments press [CTRL]-[z] or click on magnifying glass.

Job Class

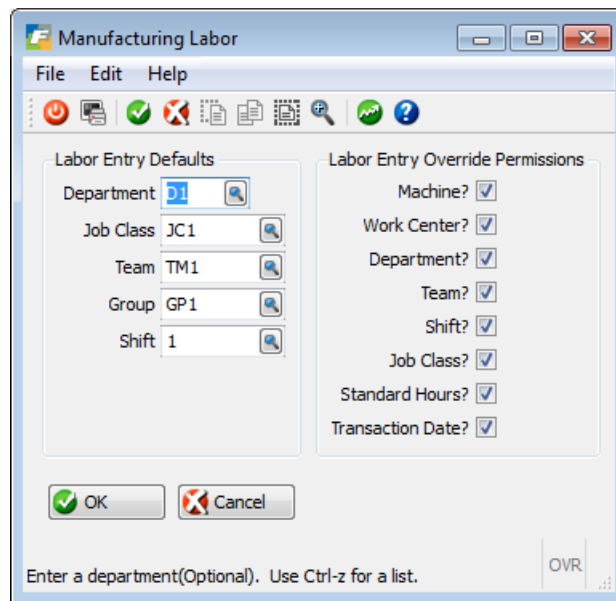The job class to which this employee is assigned. To view a list of job classes press [CTRL]-[z] or click on magnifying glass

Team

The team to which this employee is assigned. A team is a resource that is used for planning and scheduling activities. To view a list of teams press [CTRL]-[z] or click on magnifying glass.

Group

The group to which this employee is assigned. Employees may be assigned to a group so that a transaction for the group will be propagated to each employee in the group. This reduces the number of transactions required. A group is different from a team in that a group is used only in this application for transaction processing. A team is a resource that is used for planning and scheduling activities. To view a list of groups press [CTRL]-[z] or click on the magnifying glass.

Shift

The shift this employee usually works. To view a list of shifts press [CTRL]-[z] or click on the magnifying glass.

Labor Entry Override Permissions

The default value is Yes (checked). A checked box = Y, not checked = N.

Machine

Machines are set up using the Machine program located on the Standard Routing File Maintenance menu.

Y	indicates the machine that this employee is assigned to in the employee table can be changed when entering the labor transactions. This is the default.
N	indicates the machine that this employee is assigned to in the employee table cannot be changed when entering labor transactions.

Work Center

Work Centers are set up using the Work Center program located on the Standard Routing File Maintenance menu.

Y	indicates the cost center that this employee is assigned to in the employee table can be changed when entering the labor transactions. This is the default.
N	indicates the cost center that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Department

Y	indicates the department that this employee is assigned to in the employee table can be changed when entering the labor transactions.
N	indicates the department that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Team

Y	indicates the team that this employee is assigned to in the employee table can be changed when entering the labor transactions.
N	indicates the team that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Shift

> Y   indicates the shift that this employee is assigned to in the employee table can be changed when entering the labor transactions.

> N   indicates the shift that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Job Class

> Y   indicates the job class that this employee is assigned to in the employee table can be changed when entering the labor transactions.

> N   indicates the change the job class that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Standard Hours

> Y   indicates the standard hours that this employee is assigned to in the employee table can be changed when entering the labor transactions.

> N   indicates the standard hours that this employee is assigned to in the employee table cannot be changed when entering labor transaction.

Transaction Date

> Y   indicates the date that this employee worked can be changed when entering the labor transaction.

> N   indicates the date that this employee worked cannot be changed when entering the labor transaction.

If you are not using payroll to process your payroll and are just adding employees to use Labor Processing when you save the employee record the Extended Employee Information screen displays. Enter these required values:

> Fed Allwncs = 0
> Marital = M or S
> Direct Deposit = N

Printing Employee Information

The Print Employee Information option gives you four choices for viewing or printing out employee information: Summary by Name, Summary by Code, Detail by Name, and Detail by Code.

The Summary forms of the report show the employee's name, job title, Social Security Number, date of hire, and telephone number.

The Detail reports contain, in addition to the Summary information, the employee's Income, Deduction and Obligation codes, payroll parameters such as Pay Period, number of allowances and marital status, and the applicable Accrual Codes and accrual statistics.

Midyear Setup

If you are setting up your system in the middle of your fiscal year, you will need to take some additional steps while entering data into the Employee Information Tables. These additional steps will accurately transfer all of your payroll information from your old system, and ensure that your reports, as well as the accrued information in employees' quarterly and year-to-date buckets, will be correct.

Payroll data is quarter sensitive. That is, it is important to keep payroll data in the quarter in which it belongs. This will ensure that your accruals and your reports are accurate.

The steps are as follows:

1. In the Payroll Defaults screen, set the Post to G/L flag to N (no).

   This will allow you to run the Post option without actually affecting your Chart of Accounts. (You don't want to duplicate the information that is already in your Chart of Accounts.)

2. From your previous system, gather the aggregate quarterly data for each employee for each income type, obligation type and deduction type.

   Make sure you have the information for each quarter of the current fiscal year. If you are presently in the middle of a quarter, get the quarter-to-date information for that quarter, too.

3. Create a manual payroll entry for each employee by using the Update Payroll Entries program.

4. In the Payroll Date and Ending Date fields, enter the ending date of the quarter you are working on.

   You will probably get an error message, saying this date is outside the normal range. This is normal, since you are entering data from outside a normal payroll date. Simply press [ENTER] to continue.

5. Set the value in the Print Checks field to N. Enter a "dummy" check number in the Check Number field.

This check number will be posted. You will want to assign a number such as 0000 which does not correspond to an actual check number.

6. Enter the First Quarter data into each Payroll Entry for each Income, Deduction, and Obligation code.

   Enter the aggregate number of hours (or units) worked by that employee.

   For more information on how to create a Payroll Entry manually, see "Creating Manual Payroll Entries" .

7. Print an edit list with the Print Payroll Entries option.

   Be sure to carefully review the edit list for accuracy.

8. Post the Payroll entries. Use the Post Payroll Entries program.

   Since the Post to G/L flag is set to N (no) the data will not post to your general ledger. However, it will update the employee buckets for that quarter, and it will ensure the accuracy of your reports.

   The updated accruals will appear in the Employee Information table.

9. Repeat steps 3 through 8 for each quarter, including the quarter-to-date information for the current quarter.

10. Set the Post to G/L flag in the Payroll Defaults table to Y.

Terminating Employees

To terminate an employee, use the Update Employee Information program. Enter the termination date in the Term date field.

1. Choose the Update Employee Information program from the Employee Information menu.

2. Use the Find command to locate the record for the employee who is being terminated.

3. Choose Update from the toolbar.

4. Access the Extended Employee Information Screen by clicking on the button on the toolbar.

5. In the Term. field, enter the last day this employee will work.

An automatic payroll entry will still be generated for this employee if the date of termination is after the end of the next pay period. If you do not want an automatic payroll entry to be generated, set the Hold Pay field to Y.

If the employee's last day worked is not the end of a pay period, you will need to create a manual payroll entry to pay the employee for time worked between the end of the previous pay period and the last day of employment. For information on creating payroll checks manually, see "Creating Manual Payroll .

Relocating to a New State

If an employee relocates to different sites within your company, and the sites are in different states, you must follow the procedures for terminating an employee, then set up a new employee record for the employee using a different Employee Code. Be sure that the social security number remains the same.

In this way, the W-2 form will show the proper state tax and state wages information.

Changing Compensation for Employees

You will frequently need to change compensation rates for your employees. You will need to do this when one or more employees has a change in compensation, or when deduction or obligation information changes.

Changing Rates

Payroll gives you the ability to change employee compensation quickly and easily. You can change income, deduction, or obligation rates for one employee, a whole department, an employee type, all full time employees, all part time employees, or any combination of factors.

Note

Do not use this approach to change generic codes like FUTA, FICA, Medicare, etc. Any code whose rate is the same for all employees should be updated in the appropriate system defaults table. The consequence of using this program to do this is to set the rate at the employee level, making all future maintenance painstaking.
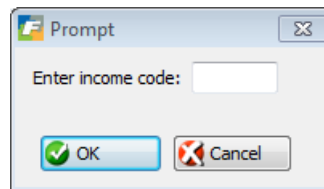
To change rates, use the Change Employee Rates option on the Payroll Utilities submenu (4-h-a).
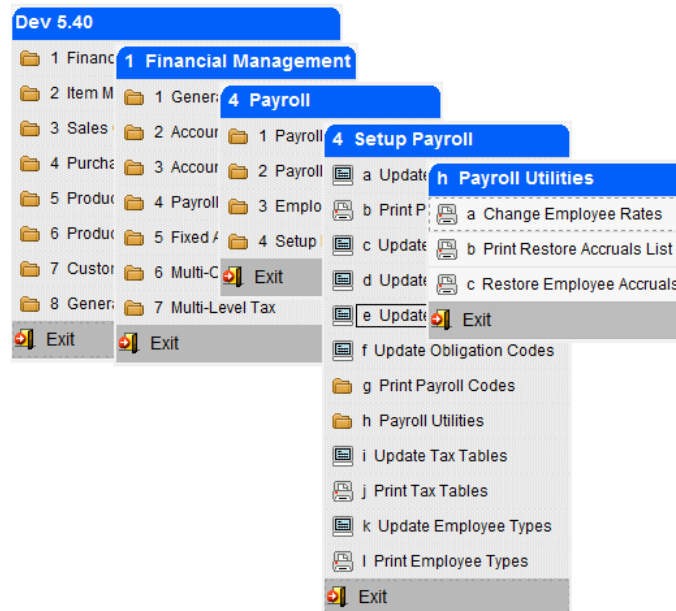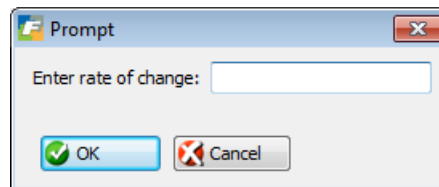
1. Choose print option.
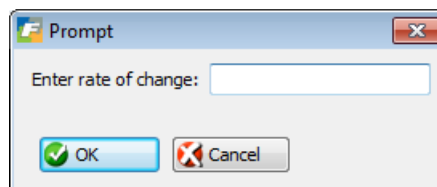2. This prompt will display. Enter I, D, or O:
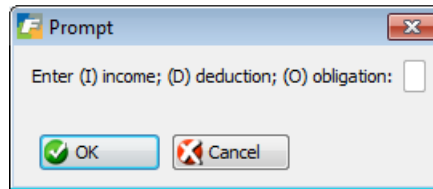
3. Next you will see this prompt: Enter the code you want to change.

4. This prompt then displays. You may enter a negative amount if the rate is to decrease.

5. Enter whether the amount is a percentage or a flat rate.

6. Finally, a selection criteria screen will display. Enter the selection criteria information for the employees whose rates you want to change. The rates will be changed and a report generated.

Changing Employee Types

You can also change rates for an employee by changing the employee's Employee Type.

After payrolls have been run for the employee, changing the employee type replaces information such as Pay Period, Hold Pay, Accruals, Sick Code, and so on with the values set up for the new type specified. Income, Deduction, and Obligation Codes that are new are appended to the employee record.

To change an employee's type, choose Update Employee Information from the Employee Information menu.

1. Use the Find command to select the employee whose type you wish to update.

2. Choose Update.

3. Move to the Employee Type field, and select the new Employee Type for this employee.

Employee History

The Update Employee History program enables you to store information for individual employees in your company. Use this program to store notes on your employees, such as performance reviews, a summary of an employee's experience, recognition for outstanding contributions, and so on. The Employee History report sorts this information according to Employee Code and organizes the employee history notes chronologically for each employee.

The Employee History screen:

Printing Employee History

You can print a copy of the information entered using the Employee History program.

1. Select Print Employee History Notes from the Employee Information menu (3-d).

2. Choose a print option on the print dialog box.

Bonus and Expense Checks

You will occasionally need to print out checks that are not part of a regular payroll run. This is likely to occur when you need to print bonus or expense checks.

To print a check that is not part of a regular payroll run, simply create the check manually using the Update Payroll Entries options. For more information on printing a check manually, see "Creating Manual Payroll Entries". When you cut a payroll or expense check that is not part of a regular payroll run, be sure to check the Bonus Check check box on the Additional Information screen accessed from the toolbar in the Update Payroll Entries screen.

By doing this you tell the system that this check should not update the Last Pay field in the employee information table. This way, cutting a bonus or expense check in the middle of a pay period will not upset the employee's regular pay cycle. If the value in the Bonus Check field is N, the next Automatic Payroll will exclude this employee.

You must also decide whether or not the bonus or expense check should update the employee's vacation or sick leave accrual. When you run a manual payroll entry, these values default to Y, but you may change them to N if you don't want this check to update the employee's accruals.

Continue with the steps for creating a payroll entry manually.

You can also use the Create Automatic Payroll option to print bonus or expense checks. You might choose to do this if you have a large number of checks to write. Simply enter a Y in the Bonus Checks field as shown here:

When you write checks in this manner, the system ignores the last Pay field in the employment record and will create checks regardless of whether or not the employee is due to be paid. The bonus checks will not update the Last Pay date in the employee records.

Verifying Employee Information (Restoring Employee Accruals)

From time to time you may want to verify that the values in employees' quarterly and year-to-date accruals are accurate. To verify the values, use the Print Accruals Edit List and Restore Employee Accruals options on the Payroll Utilities submenu.
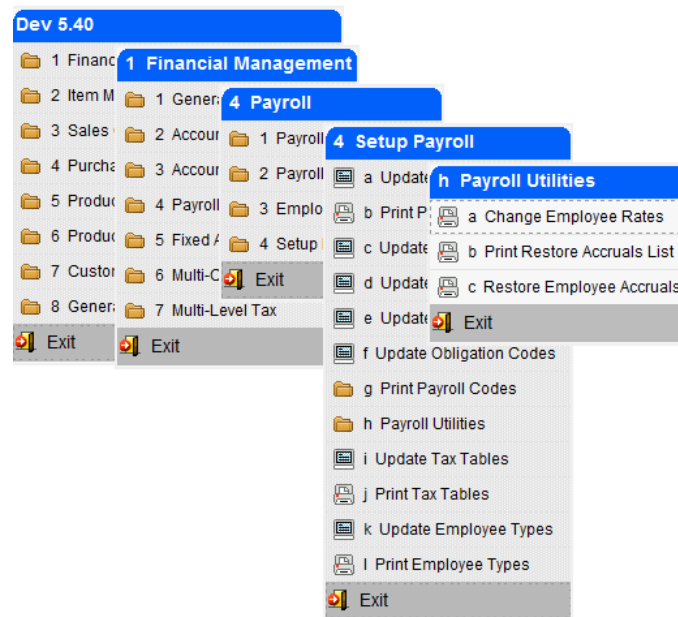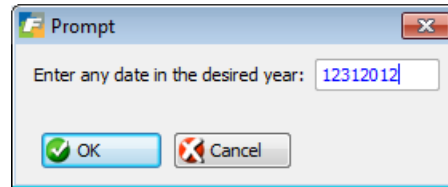
The program gathers all activity for the year specified and compares the values in the activity tables against the quarter-to-date accruals (buckets) in the employee detail tables. If there is a difference, the value from the posted activity will replace the amount in the bucket. If there are duplicate codes in the employee detail, the program will put all of the quarter-to-date and year-to-date information into the first occurrence of the code and will assign zero quarter-to-date and year-to-date figures for all other occurrences of the code.

Unlike all the other edit lists in the Payroll module, it is not necessary to run the accruals edit list prior to running the accruals posting program. The Edit List does not update the employee buckets; it is purely informational.
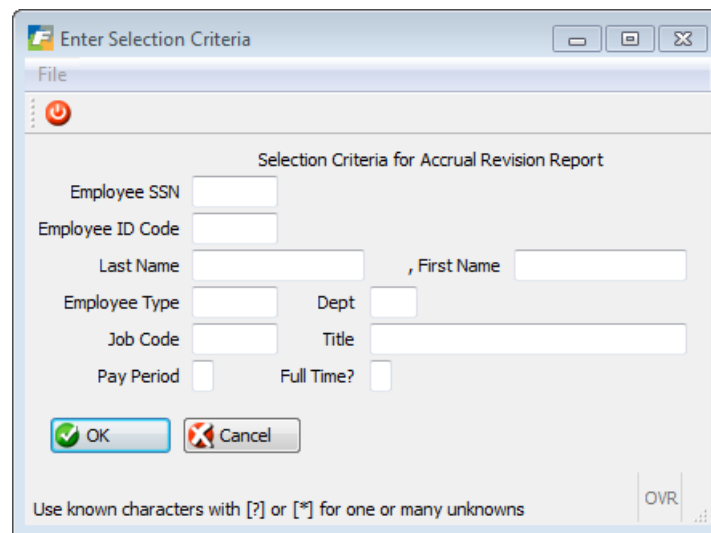
To restore the employee buckets, select Restore Employee Accruals from the Payroll Utilities submenu (4-h-c).

1. At the prompt, enter any date that falls within the year whose accruals you wish to verify.

2. Enter your selection criteria in the Selection Criteria screen.

Chapter 5

Processing Payroll Transactions

Most of the work you will be doing with the payroll module will be processing payroll transactions. In this chapter you will learn how to use the Payroll Checks menu.

This chapter covers:

- Creating regular payroll
- Using Timecards
- Creating payroll manually
- Printing a payroll edit list
- Direct deposit
- Correcting payroll mistakes

Payroll Check Processing

Every pay period, you will want to run Create Automatic Payroll to create payroll entries. This option creates payroll entries for both salaried and hourly employee types; however, for employees who are paid on an hourly basis, you may also want to use the Timecard program.

In most cases you will want to let the Payroll system automatically generate payroll entries. You can then make the necessary adjustments to those payroll entries to reflect sick or vacation time used, bonuses, and so forth.

In some cases, however, you will not want to use the Automatic Payroll feature. In those cases, you will manually create individual payroll entries.

Summary of the Payroll Process

Fitrix Payroll provides the capability of automatically generating payroll checks. After automatically creating payroll entries, you print an edit list to verify that the entries are correct. Any necessary modifications or deletions can be made to the entries before the payroll checks are printed.

The use of time cards is optional. Using the Update Timecards option on the Payroll Checks menu, you can enter timecards for some or all of your employees. Setting up a time card for an employee makes sense in certain circumstances: when the employee is paid on an hourly basis; when an employee's hourly wage varies with each pay period; or when you want to track hours worked on different jobs. You can set up as many timecards per period as you like. For more information on using timecards, see "Timecards" in this chapter.

You can limit Automatic Payroll to generate entries for employees who have timecards only, or for both timecard and non-timecard employees. When you run Create Automatic Payroll, the program first looks to see if there is an unused timecard set up for a particular employee. If there is, the information on the timecard will be used. After a timecard is used by the Payroll programs to automatically generate an entry, that timecard is flagged as having been used and will not be used again by the program.

If no timecard exists, the Employee table is used to determine the income, deduction, and obligation codes to use with this employee's Payroll Entry. The rate can come from the Employee table (if specified there), the Employee Type (if this employee uses a type that specifies a rate), or from the module defaults.

Next, verify that the payroll entries are correct. The Print Payroll Entries option prints an edit list that enables you to check for accuracy. Make any necessary changes with the Update Payroll Entries. If you make any changes, print another edit list for the modified entries. If you answer N to the field "Print Entire List" at the bottom of the Selection Criteria form, only those entries which you have modified will be printed.

After you have verified the accuracy of the information, print the payroll checks on your company's check forms. Use the Print Payroll Checks option.

If you are using direct deposit, print out the non-negotiable check forms. Run Create Direct Deposit Entries to assemble the data. Then run Create Direct Deposit Media to transfer the data onto media that will then be sent to your bank.
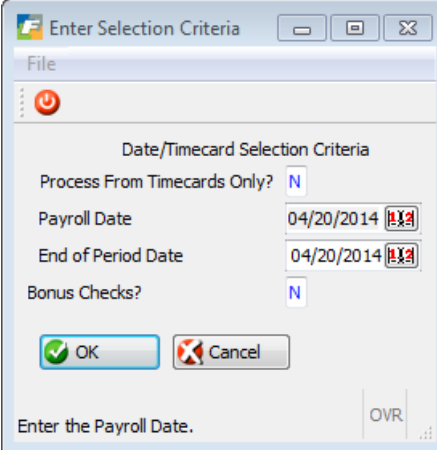
The next step is to post payroll checks. The posting program posts debits and credits to the Payroll Activity table. If the General Ledger module is installed, debits and credits are also posted to your General Ledger Activity table. To update ledger account balances to reflect the amounts in the G/L Activity table, you must post to the ledger through an option in the G/L module. Posting also updates employee records (in the Employee Information table) with information pertaining to the latest payroll run.

The following is a summary of the steps necessary to create payroll checks automatically:

1. Update Timecards (1-b): enter Timecards for employees (optional).

2. Print Timecards (1-c): print edit list; verify data-entry accuracy.

3. Create Automatic Payroll (1-a): automatically create online checks.

4. Print Payroll Entries (1-e): print an edit list; make sure checks are correct.

5. Update Payroll Entries (1-d): make any necessary modifications to online checks.

6. Print Payroll Entries (1- e): print edit list again, if necessary; verify accuracy of data entry.

7. Print Payroll Checks (1-f): print payroll checks; print Direct Deposit checks.

8. Create Direct Deposit Entries (1-g-a): (if using Direct Deposit) to assemble Direct Deposit data.

9. Create Direct Deposit Media (1-g-b): (if using Direct Deposit), to transfer data to media.

10. Post Payroll Entries (1-h): post payroll entries.

Creating Automatic Payroll

1. To create a Payroll Entry automatically, choose Create Automatic Payroll from the Payroll Checks menu (1-a).

2. The first selection criteria screen contains general prompts for the payroll process

> If the dates you enter are not today's date you will receive this message alerting you of this so you can confirm the dates you entered are correct before proceeding.

> In answer to the prompt "Process from Timecards Only?" answer Y for yes or N for no.
>
> You may create payroll for employees who use timecards only, or you may create payroll both for employees who use timecards and those who do not.
>
> **Enter the Payroll Date.**
>
> This is the date that will appear on the printed checks. It is also the date that will be used when posting the payroll check to the General Ledger.

The field defaults to the current system date. To accept the default, press [ENTER].

Enter the End of Period Date.

The date specified dictates whether an entry is created for employees. The system examines the pay period defined for each employee and checks the last paid date. If it is not yet time to pay the employee (according to the pay period information) no entry is created.

Enter a date that includes the last work day to be included in this payroll run.

The field defaults to the current system date. To accept the default, press [ENTER].

Answer the Prompt "Bonus Check?"

Enter Y for yes or N for no. Designating a check as a Bonus Check prevents the Last Pay Date field (in Employee Information) from incrementing.

Press [Enter] or click OK to store the Date/Timecard Selection Criteria.

3.   Enter your selection criteria for employees to be paid.

Payroll entries are generated and a report is printed. The report lists gross and net wages, deductions from the employee's gross wages, and employer obligations accrued at the time of payroll.

At this point you can modify the payroll information that has been generated **(see section below on Creating Manual Entries. This same program is used to update automatic entries).** You might do this to reflect sick or vacation time used, bonuses, commissions, or other information that is not reflected in the basic income, deduction, and obligation information that is set up in the employee information table.

Timecards

The Timecards feature allows you to easily track employee hours. You can use timecards in several circumstances:

- For hourly employees

- For employees whose wage varies with each pay period

- For employees whose wages vary with different jobs

- To track hours worked on different jobs.

The use of the Timecards feature is optional. If you use timecards, you can create payroll entries for only those employees for whom Timecards have been entered, or for both Timecard and non-timecard employees.

When you run Create Automatic Payroll, the system looks for Timecards for each employee. If a Timecard is found, the income information from that timecard is used, along with the deduction and obligation information from the Employee Information reference table, to create the payroll entry for the employee.

The system will condense multiple unused cards. All unused Timecards for an employee will be pulled into the Income Codes section of the Payroll Entry. You will want to use multiple timecards in certain circumstances. For example, your company is a temporary agency. One of your employees worked 16 hours for one company at a rate of $10 per hour, and 24 hours for another company at a rate of $12 an hour. Create two different timecards, each reflecting one job.

Once a time card is used, it is flagged by the system as posted and cannot be used again.

The Timecards screen:

Adding a Timecard

1. To add a timecard, choose Update Timecards from the Payroll Checks menu (1-b).

2. Execute the Add command.

3. In the Employee field, enter the code for the employee for whom you want to create a timecard.

   Zoom is available in this field.

   When you enter a valid employee code, the employee's name is automatically filled in by the system. The income information in the detail section of the form is also filled in. This information is retrieved from the employee's Income Information table.

   The income information can be modified as needed. If you happen to change the rate you will receive this message as an added precaution:
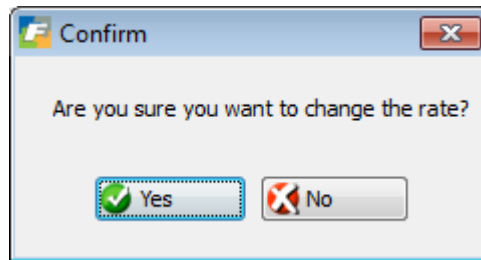
4. Enter the Starting Date.

    This date is used to determine if a Timecard should be used during automatic payroll creation. If the card starting date is the same as or earlier than the End of Period date you enter when you run Create Automatic Payroll, the Timecard will be used for that payroll creation.

    This field defaults to the current system date.

5. Enter the Ending Date.

    This date represents the last day covered by the hours entered on this Timecard. This field is used for your reference only and defaults to the current system date.

6. In the Income Code field, add an income code if necessary. Enter the code for the type of income to be paid.

    Zoom is available in this field.

7. Modify the information in the Rate and Number field if necessary. If you change the rate you will be prompted "Are you sure you want to change the rate Y/N?" as a safeguard.

    The entry in the Rate field will be multiplied by the entry in the Number field and the result is displayed in the Amount field. The Amount field is display only and cannot be modified.

    If the Rate is an Hourly type, the amount entered in the Number field is automatically carried over into the Hours field.

8. In the Hours field, enter the number of hours actually worked for this type of income.

    The value in this field defaults to the number of hours usually worked, as entered in the Employee's Income Information table.

9. The Totals: Number field displays the total number of work units paid on this Timecard.

    This total is calculated automatically and no entry is allowed in this field.

Note

> If income types other than income with hourly rates are included on this Timecard, this
> total will not accurately reflect the number of hours being paid.

10. The Totals: Amount field displays the total income indicated on this Timecard.

    The total is calculated automatically and no entry is allowed in this field.

11. The Totals: Hours field displays the total number of hours paid on this Timecard.

    The total is calculated automatically and no entry is allowed in this field.

Print Timecard Report

The Timecard report allows you to print all Timecards in the Timecard table. A Selection Criteria screen
allows you to designate which Timecards to include on the report.

Creating Manual Payroll Entries

Note: You also use this program to update entries made with the Create Automatic Payroll program if any changes are needed before checks are printed.

You will want to bypass the Create Automatic Payroll under certain circumstances (terminations, bonus
checks, expense reimbursements, and so on). You create payroll entries manually with the Update Payroll
Entries option. You can have any number of un-posted Payroll Entries per employee. A separate check
will be printed for each Payroll Entry. You might use this feature to create a regular payroll check for an
employee, and then create a separate bonus check. However, if there is an un-posted Payroll Entry for an
employee, Create Automatic Payroll will NOT create another Payroll Entry for that employee, even if the

Last Pay and Pay Period data indicate that it should. Therefore, be sure to post your manual Payroll Entries before you run Create Automatic Payroll.

The Update Payroll Entries screen:

1. To create a check manually, choose Update Payroll Entries from the Payroll Checks Menu (1-d).

2. Execute the Add command.

3. In the Payroll Date field, enter the date on which the check is to be recorded as having been printed.

   This date will determine which quarter in the employee record will be updated by the income, deductions, and obligations. This date is also used as the check date and all accounting postings to ledger accounts (recording this transaction) will use this date. It is important to select the correct accounting date so that your government tax liabilities will be recorded properly.

4. In the Ending Date, enter the ending date of the current pay period.

   This date is used to determine whether to include deductions with special frequencies for the employee. This date also becomes the new Last Pay Date for the employee and the last applied date for deductions.

5. Enter the employee code for the employee.

When a valid employee code is entered, the employee's name is displayed to the right of the employee's code and several fields are automatically filled in. The information is retrieved from the Employee Information reference table and the Payroll Defaults reference table. Much of this information is display-only and cannot be modified on this screen.

6. In the Cash Account field, enter the account number of the ledger account that you want to draw the cash from.

   Zoom is available in this field.

   The Cash Account and Department fields are also filled in from the information in the reference tables.

   To accept the default entry, press TAB.

7. In the Dept field, enter the three-digit code for the department which corresponds to the account entered in the Cash Account field.

   Zoom is available in this field.

8. In the Print Check field, enter Y or N.

   This field defaults to Y. Press TAB to accept the default value.

   If you do not wish to print a check, set this field to N. For tracking and reporting purposes, and for setup, you must use a check number (see below) for the payroll entry even if the entry in this field is N. A "dummy" number such as 0000 can be used for such transactions. A check number is mandatory in order for the entry to post.

   When checks are printed, this field is automatically set to N to prevent an accidental reprint of a payroll check. If you need to reprint the check for any reason, you can change the value back to Y. You will also need to reset the check number if you want a new number assigned. For information on reprinting checks, see "Reprinting Checks".

   When you write a check by hand (rather than using the Print Payroll Checks option), enter N in this field to suppress the automatic printing of the payroll check and enter the check number from the manual check in the Check Number field.

9. In the Check Number field, enter the number of the check you are printing.

   If you want the check number to be generated automatically when the check is printed, leave this field blank. If you do not enter a check number, the system assigns a number when the check is printed. The number assigned during printing will then display in this field.

10. The Check Amount field is display only; no entry is allowed.

   The check amount is automatically calculated from net wages plus any expense reimbursements plus any pay advances.

The information in the remainder of the form is display only. The fields show the total amounts for the income, deduction, and employer obligation information that are in the detail screens.
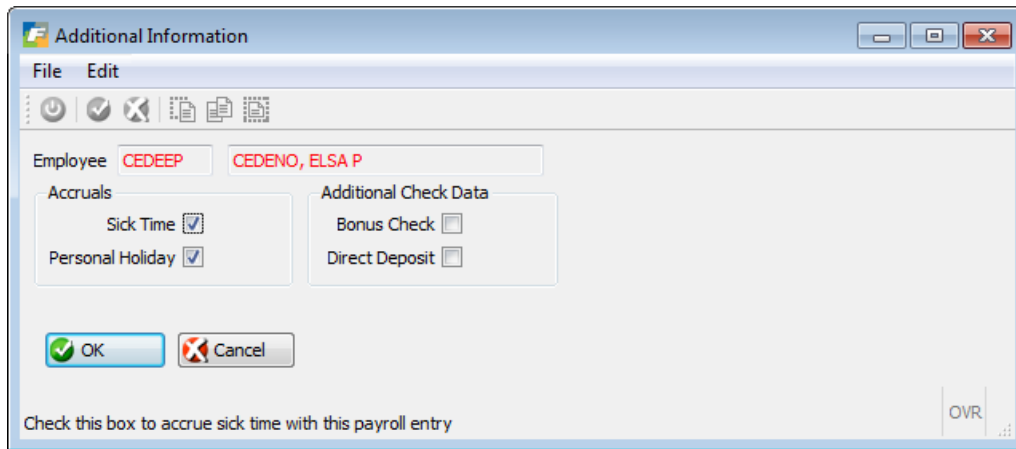
The display-only fields show the following information:

1. Gross Wages: This field shows the total income minus any expense or advance income.

2. Taxable Wages: This field displays the amount of wages that are subject to Federal Income Tax with-holding.

3. Employee FICA: This field shows the amount withheld from the employee's wages for Social Security.

4. Employee Medicare: This field shows the amount withheld for the Medicare portion of FICA.

5. Federal Income Tax: This field shows the amount withheld from the employee's wages for Federal Income Tax.

6. State Income Tax: This field shows the amount withheld from the employee's wages for State Income Tax.

7. Local Taxes: This field displays the amount withheld from the employee's wages for local taxes.

8. Other Deductions: This field displays the total of all deductions not included in the amounts above.

9. FUTA Liability: This field shows the employer liability incurred for this payroll entry for Unemployment Insurance.

10. FICA Liability: This field shows the FICA liability for Social Security incurred for this payroll entry apart from the amount withheld from the employee's wages.

11. Medicare Liability: This field shows the amount of the employer liability for the Medicare portion of FICA.

12. Other Liabilities: This field displays the total of all employer obligations not included in the amounts above.

13. Total Liabilities: This field displays the total of all employer obligations incurred as a result of this payroll entry.

14. Net Wages: This field displays the employee's net wages. The figure is the result of the employee's gross wages minus all deductions.

15. Exp/Advn: This field displays the total of all expense reimbursements (exp) and advance income (Advn) included as part of the payroll entry.

16. Hours Worked: This field shows the total number of hours actually on the job. The number is the total of the hours worked for all income codes.

To modify the information in the detail screens, use the buttons on the toolbar:
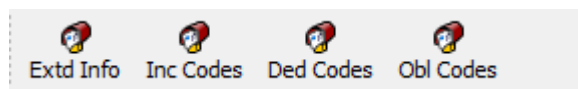
Additional Payroll Entry Information screen

1. Click on the **Extd Info** button on the toolbar.

2. In the Accrue Sick field, enter Y or N.

   Enter Y to allow the accrual of sick leave for this payroll entry. Enter N to prevent the accrual of sick leave for this Payroll Entry, and this entry will have no effect on the sick leave accrual process. This field defaults to N when you create a manual Payroll Entry (and when you create a bonus check with Create Automatic Payroll).

3. In the Accrue Vacation field, enter Y or N.

   Enter Y to allow the accrual of vacation leave for this payroll entry. Enter N to prevent the accrual of vacation leave for this payroll entry, and this entry will have no effect on the vacation leave accrual process. This field defaults to N when you create a manual Payroll Entry (and when you create a bonus check with Create Automatic Payroll).

4. In the Bonus Check field, enter Y or N.

   Enter Y to prevent the system from updating the Last Pay Date field in the employee information table. You will want to do this if this check is a supplemental or additional check, and not part of a regular payroll run. Enter N if you want the printing of this check to update the Last Pay Date field. This field defaults to Y, as shown, when you create a manual Payroll Entry.

5. In the Direct Deposit field, enter Y or N.

    Enter Y if this check is waiting for direct deposit; enter N if this check will not use the Direct Deposit feature. This field defaults to N when you create a manual Payroll Entry.

    This field defaults to N based on two assumptions:

    a. Since you are creating only a small number of checks, you probably do not want to have to go to the trouble of creating a direct deposit disk and delivering it to the bank. (If you are creating a large number of documents, use Create Automatic Payroll. See "Bonus and Expense Checks" on page 4-24).

    b. In most instances of cutting non-regular checks, your employees need the checks immediately. Therefore you do not have the time to create the direct deposit disk and transmit it to the bank.

    Remember, you can always override the default value where necessary.

7. Press Enter or click OK to store your entries on this screen. You will be returned to the Payroll Entries main screen

Income Codes screen

1. Click on the ![Inc Codes] button to access this screen.

2. In the Income Code field, enter an additional Income Code, if necessary.

   Zoom is available in this field.

   Whenever a new income code is entered on a line, the default data from the Income table is loaded, erasing all previous data on that line.

3. Modify the information in the Rate field, if necessary.

   The default information in this field is supplied from a Timecard, the Employee Information table, or the Income Code table. When you make a modification in this field, the system automatically recalculates the entry in the Amount field.

4. Modify the information in the Number field, if necessary.

   The default information in this field is supplied from a Timecard, the Employee Information table, or the Income Code table. When you make a modification in this field, the system automatically recalculates the entry in the Amount field.

5. The Amount field is display-only.

6. Modify the entry in the Hours field if necessary.

   Enter the number of hours actually worked for the income being paid. The number of hours worked for an hourly income type is by definition always equal to the number of hours paid. Therefore, any entry that you make in the Number field is automatically carried over into the Hours field. For any other income type the value is loaded from either the Employee Information table or the default value for this income type.

   8. Press Enter or click on OK to store your changes on this screen. You will automatically return to the Payroll Entries main screen.

Deduction Codes screen
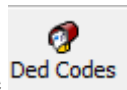
1. Click on the ![Ded Codes] button to access this screen.

2. Add a Deduction Code if necessary.

3. Modify the information in the Rate field for any of the deduction codes, if necessary.

   If you want the deduction to be figured using a Tax Table, the Rate field should be left blank. If you specify an amount in the Rate field, the deduction will be calculated using that figure rather than a Tax Table.

   If you enter a flat amount (that is, an amount greater than 1) this figure will be carried over into the Amounts field after recalculation.

   After changing the value in the Rate field, the Amount field will be blank.

4. Modify the information in the Amount field for any of the deduction codes, if necessary.

   You may change the amount in this field; however, the preferred method would be to enter a flat amount in the Rate field; the Amount will then be recalculated based on the new value in Rate.

5. Store your changes to this form by pressing Enter or clicking OK. You will automatically be returned to the Payroll Entries main screen.

Obligations Codes screen
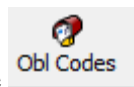
1. Click on the **Obl Codes** button to access this screen.

2. Add an Obligation Code if necessary.

3. Modify the information in the Rate field for any of the Obligation Codes, if necessary.

   If you enter a flat amount (that is, an amount greater than 1) this figure will be carried over into the Amounts field upon recalculation.

4. Modify the information in the Amount field for any of the obligation codes, if necessary.

   You may change the amount in this field; however, the preferred method would be to enter a flat amount in the Rate field; the Amount will then be recalculated based on the new value in Rate.

5. Store your changes to this form by pressing Enter or clicking on OK. You will automatically be returned to the Payroll Entries main screen.

Print Payroll Entries Edit List

Before you can print your payroll checks you must first print the Payroll Entries Edit List. Use this list to verify the accuracy of the information that will appear on your printed payroll checks.

You have a choice between two different edit lists: an Exceptions Report and a Detailed Edit List.

The **Exceptions Report** shows only each employee's name, social security number, the date of pay and the gross deductions and amount of the check. It also shows any income, deduction, or obligation codes that exceed predefined high or low exception values which have been set up in the Employee Information table or the Income, Deduction, or Obligation table.

The **Detailed Edit list** shows all of the data in the Payroll Entry.

Once you have printed the edit list, review it carefully for accuracy. Make any necessary changes using the Update Payroll Entries option. **If you change any information in the payroll entries you must run another Edit List for the Payroll Entries that you modified.**

Print Garnishment Deductions

This report will print a listing of any garnishments deducted from your employees' checks for the date range you specify.

Print Payroll Checks

To print your Payroll checks, use the Print Payroll Checks Option on the Payroll Checks menu. Remember, before you can print checks, you must run Print Payroll Entries.

To Print Payroll Checks:

1. Choose Print Payroll Checks from the Payroll Checks menu.

2. A prompt will display prompting you to print an alignment template.
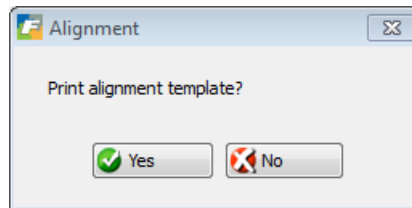
   This is to help you make sure your check forms are positioned correctly. If you need to check the alignment, enter Y.

   The alignment template will print. This is a "dummy" check. If your check is positioned correctly, enter Y to the prompt "Form Positioned Correctly?" If not, adjust the check, enter N, and the template will print again. When you are satisfied that the check is positioned correctly, enter Y to the prompt.

   If you do not need to test the alignment of your check, enter N.

3. The Payroll Checks Selection Criteria screen will display.
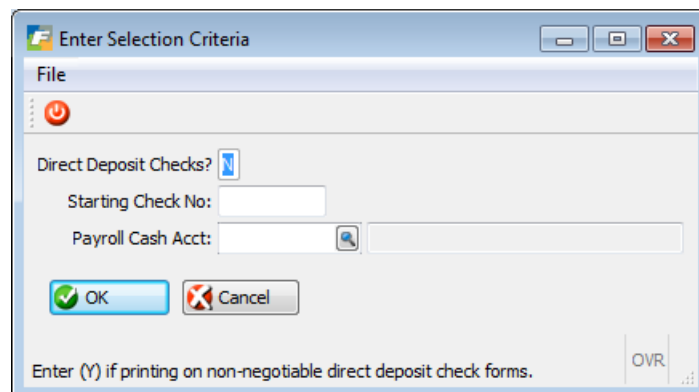
4. In the Direct Deposit Checks field, enter N. Non-negotiable direct deposit checks for those employees that are set up for direct deposit must be printed separately from regular checks. For information on printing non-negotiable Direct Deposit Check forms, see "Using Direct Deposit" on page 99.

5. In the Starting Check No field, enter the number that you want to print on the first check that has not already been assigned a check number with the Update Payroll Entries menu option.

    The check number will increase by one for each subsequent check.

6. In the Payroll Cash Acct field, enter the ledger number of your payroll cash account.

    The account number you enter must correspond to a cash account indicated in at least one of the current payroll entries. Checks will be printed only for those entries using the cash account you enter in this field.

    If you leave this field blank, it will default to the cash account defined in the Payroll Defaults table.

7. Press Enter or click on OK to begin printing the payroll checks.

If the number of income and/or deduction codes for any employee exceed the number that will print on the check stub, a print dialog box will display after the checks print for you to redirect print to wherever you want the overflow advice to print. You should give this overflow advice to the employee with their check.

Reprinting Checks

Occasionally, you may need to reprint a check. You might need to reprint a check if a check got jammed in your printer or if you spilled coffee on a check. You may reprint a check that has not yet been posted by following these steps. If the check has already been posted, refer to the "Voiding Documents" on page 103.

1. To reprint a check, choose Update Payroll Entries option on the Payroll Checks menu (1-d).

2. In the Print Check field, reset the flag to Y.

    The flag will have been automatically reset to N when the original check was printed.

    You may also change the check number at this time if you want to assign the new check a different number.

3. Run an Edit List with the Print Payroll Entries option.

    Verify that the information contained in the edit list is accurate.

4. Print the new check with the Print Payroll Checks option.

    Follow the steps under the previous section, Print Payroll Checks.

Using Direct Deposit

Before you can have a live direct deposit transaction, your system must be set up to process direct deposit and you must have successfully completed a pre-notification. For information on setup and pre-notification, see "Setting Up for Direct Deposit".

You can create your payroll entries and run and review the edit list along with your traditional (non-direct deposit) payroll, but you must print out your non-negotiable direct deposit check separately from your traditional checks.

In some cases, you may need to create your direct deposit several days in advance of your traditional paychecks to allow sufficient time to deliver the media to your financial institution.

1. Create the Payroll Entries.

    Run Create Automatic Payroll or create the payroll entries manually with the Update Payroll Entries option.

2. Print an Edit List with the Print Payroll Entries option.

    Carefully review the information in the edit list. If there are any inaccuracies, correct the information with the Update Payroll Entries option.

    If you change any information, you must print out another edit list.

3. Print the non-negotiable check forms for those using direct deposit.

    Run the Print Checks option, answering Y to the Direct Deposit Checks prompt.

    The words "Non-Negotiable" will be printed on the signature line of the check.

4. Run Create Direct Deposit Entries.

    This process creates the entries that the bank will use to transfer funds from your company account to your employees' bank accounts and stores the information in a direct deposit table.

5. Create Direct Deposit Media.

    This process transfers the information created in the previous step to a holding table with the name specified in the Holding Table Name field of the Payroll Defaults form. It then transfers the information to your media which you will deliver to the bank.

6. At the prompt, enter the settlement date.

    This is the date on which the funds will actually be transferred. Be sure to specify a valid date (the system will remind you if you specify a holiday or a weekend) because your transaction will be rejected by the bank if you specify an invalid date.

7. Deliver the media to your bank according to the bank's instructions.

8. Post the direct deposit entries with the Post Payroll Entries option.

    You may post any time after creating the direct deposit media. It is advisable that you do not post until after the deposit entries have been created in case you need to recreate the Direct Deposit Entries. Entries are removed by the posting process.

Post Payroll Entries

The Post Payroll Entries option is used to post the current Payroll Entries to the Payroll Activity table. It also posts to the G/L Activity table if the General Ledger module is installed and the Post to General Ledger flag in the Payroll Defaults table is set to Y.

Before you run this option you must first run an Edit List with one of the options on the Print Payroll Entries submenu (Print Exceptions Report (1-e-a) or Print Detailed Edit List (1-e-b)). In order for the entry to be posted, it must have a check number and the entry in the Print Check field must be N. Therefore, you must print your payroll checks before you run the Post Payroll Entries option (1-h).

When the entry is posted:

> All of the individual income, deduction, and obligations accruals (buckets) for the employee are updated.

> The date deductions were last taken are reset to the new End of Period date.

> The last paid date for the employee is reset to the End of Period date.

> Sick and vacation accruals are updated.

> Open AP items are created for any garnishments if the Post to AP box is checked on the Update Payroll Defaults Add Tax screen.

To post payroll:

1. Choose Post Payroll Entries from the Payroll Checks menu (1-h).

2. Choose one of the print options from the ring menu. This selection criteria screen displays:
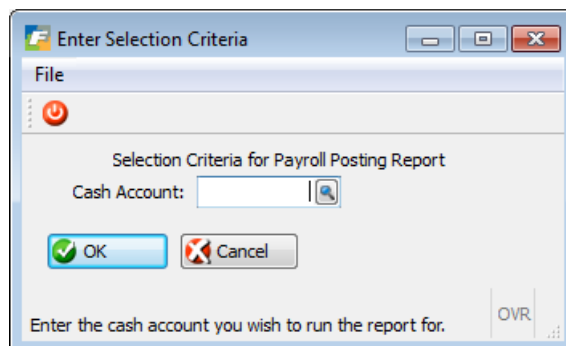
3. In the Cash Account field, enter the ledger number of your cash account.

   Only those entries using the cash account you enter in this field will be posted.

   Zoom is available in this field.

4. Press Enter or click on OK to run the posting program.

Print Payroll Check Journal

The Print Payroll Check Journal option prints a report of payroll checks that have been posted. You can specify any range of dates in the Selection Criteria screen and you will see the checks that were written between (and including) those dates. The report includes a list of all payroll checks grouped by Cash Account and Department and summaries of the deductions and employer obligations associated with those checks.

1. To print the Payroll Check journal, choose Print Payroll Check Journal from the Payroll Checks menu (1-i).

2. This selection criteria screen displays:
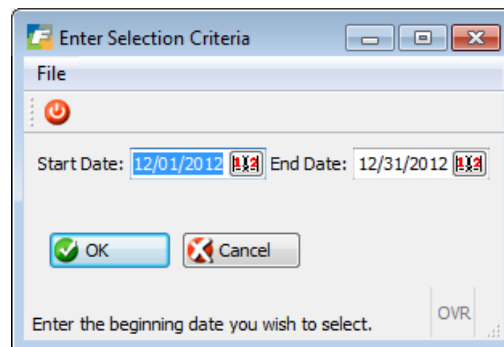
3. In the Start Date and End Date fields, enter the beginning and ending date for the period you wish to see. All payroll checks within those dates, inclusive, will print on the check journal. The Start and End Dates default to the current system date.

Correcting Errors after Posting

If you should discover an error in one or more payroll checks after posting has been completed, you can correct the mistake in one of two ways, depending on the type and extent of the error.

Remember, prior to posting you correct mistakes by modifying an incorrect Payroll Entry with the Update Payroll Entries option, and then reissuing the check.

Once the document or documents have been posted, however, you cannot correct an erroneous amount in that way. Instead, you must either void the document and then issue a new check, or reverse the effects of the error on subsequent payrolls. You can always use the void check approach, but in cases where a large number of documents were affected by the error, or where the error spans several pay periods, you may find that you will save a great deal of time by simply reversing the effects of the error in a subsequent payroll.

Voiding Checks

If you have issued a single paycheck with an incorrect amount, or if you have issued a payroll check that should not have been issued, the simplest way to correct your error is to void the check and issue a new check if necessary.

You can post the voided check to one of two periods: the period during which the original check was posted, or the current period. You may want to post the voided check to the current period when the original posting was in a period that is now closed and financial statements have already been generated.

To void a posted document, use the options on the Payroll Checks menu: Void Posted Checks (1-j), Print Voided Checks (edit list) (1-k), and Post Voided Checks (1-l). Remember, voiding is only necessary when the incorrect checks have already been posted.

The Void Posted Checks option is used to specify the check or checks that you want to void. Identify a particular check with its document number which you can obtain from the Payroll Entry Posting report (produced by the Post Payroll Entries option). The Check Journal will also show the document number for any posted entry.

The Voided Checks screen:

To void a posted check:

1. Choose Add from the Action toolbar.

2. Enter the document number of the check you want to void.

   The system will fill in all of the fields on the screen. The Void Document Date field will default to the current system date. The Reset Sick Accruals and Reset Vacation Accruals fields will default to Y.

   The system will also fill in the Payroll Information section of the form with the Employee Code and name of the employee who received the payroll check, the Payroll Date (the date that appeared on the check), the Posting Date (the date the posting was run), the Posting Number (the posting sequence number that identifies the payroll entry posting report), and the Check Number. This information is display-only and cannot be modified.

3. Change the values in the Reset Accruals fields if necessary.

   In the Reset Accruals fields, a value of Y will cause the system to subtract the hours accrued for this paycheck. If the value is N, the accruals will not be reset.

4. In the Void Document Date field enter the date on which you want the voiding document to post.

   If the entry in the Posting Date field shows a date that falls within a closed period, you may want to post the void to the current period. In that case, the entry in the Void Document Date field should remain the current system date. The system will allow you to post to a closed period if you choose to.

If the entry in the Posting Date field shows a date that falls within a period that is still open, you will want to post the void to that period. In that case, change the entry in the Void Document Date field to the date shown in the Payroll Date field or the Posting Date field.

5. Save this record by pressing Enter or clicking on OK.

Print Voided Checks Edit List

After voiding the check you must print the Voided Payroll Checks Edit List. This report is virtually identical to the posting report produced by the Post Voided Checks option. Like most edit lists, it contains the information that will be posted when you run the posting process, and it gives you a chance to make sure the correct document numbers are entered prior to posting.

To print an edit list:

1. Choose the Print Voided Checks option from the Payroll Checks Menu (1-k).

2. Redirect print to source you need (screen, printer, etc.).

3. Review the Edit List for accuracy.

Post Voided Checks

Prior to posting voided checks, you must have entered the voided checks and printed the Voided Checks Edit List.

If any changes were made to voided check documents after the edit list was printed, the edit list must be reprinted prior to posting. After posting, errors cannot be corrected except with an adjusting entry.

Posting a voided check reverses the effects of the original payroll check. Voiding adjusts employee accruals, adjusts the number of sick and vacation days used if necessary, and sets the Last Pay date to the most recent payroll not including the document being voided. It also updates the Payroll Activity table and the General Ledger Activity table.

The Voided Payroll Checks Posting report is generated by this process. It is virtually identical to the Voided Payroll Checks Edit List. The difference is that this posting report lists the Posting Sequence number. In addition, the posting process assigns a New Document Number that is used to identify each transaction.

(

To post voided checks:

1. Choose the Post Voided Checks option from the Payroll Checks Menu (1-l).

2. Redirect print to source you need (screen, printer, etc.).

    Notice that the report is organized by New Document Number; this is the document number that uniquely identifies the voided check to the system. The effect of each voided check is broken down into payroll activity and general ledger activity. "Payroll activity" affects the Employee's records. "General ledger activity" has an impact on the general ledger account balances (provided General Ledger is installed).

3. Return to the Payroll Checks Menu.

Correcting Prior Errors on Subsequent Payroll Checks

In those instances where the error affects a large number of documents, there is an alternative to voiding which may save you time: simply adjust the income, deduction or obligation code on the next payroll entry to correct for the mistake.

For example, say your company deducts $45 per month for medical insurance for your employees. You have accidentally entered $50 as the deduction amount in the MEDINS deduction code. You realize this mistake after one pay period. In the pay period following the discovery of your mistake, correct the MEDINS deduction code so that it corrects for the mistake: for the following payroll it will be $40 (the correct amount ($45) minus $5 to correct for the over-deduction).

This approach will work correctly in all cases, including income, deductions, and obligations. However, you should be aware that if the next payroll (that is, the one on which you are making the correction) falls in a different quarter than the payroll where the mistake or mistakes were made, your quarterly reports will reflect the inaccuracy. However, most reports allow you to make an adjustment in following quarters.

Chapter 6

Reports and End of Year Activity

Reports are an important part of payroll processing. Fitrix Payroll makes reporting easy and accurate. Most reports will be run at regular intervals: after each payroll, at the end of each quarter, and at the end of the year. Some reports can be run at any time.

After you run your end-of-year reports, you will also need to reset your system to make it ready to begin a new fiscal year.

This chapter covers:

- Periodic, quarterly, and annual reports
- End-of-year activity
- Begin a new year

After Each Payroll

These reports do not need to be run only after payroll has been processed; you can also run them at any time to see reports for past periods.

Payroll Analysis

The Print Payroll Analysis submenu gives you two options for running payroll analysis reports. The summary version (Print Summary Analysis (2-a-a)) will list a quarter-to-date and year-to-date amount for each employee under each income, deduction, and obligation code; the detail version (Print Detail Analysis (2-a-b)) gives a listing for each employee under each income, deduction, and obligation code showing the date, the document number and the amount of the check.

The Summary version of the report prompts for a single date within the quarter you wish to report on. The Detail version prompts for a range of dates. Each version then gives a Selection Criteria screen into which you enter additional parameters for the analysis.

With no selection criteria entered, the report will show all checks for the specified time period, then each income code, deduction code, and obligation code. Listed under the entry for each code will be a listing for the employees who had payroll activity for that code. The Summary version of the report displays the quarter-to-date and year-to-date totals.

Summary Report:


```
Date: 12/31/2012          Payroll Analysis Report
Time: 14:33:05                ABC DISTRIBUTION                    Page: 1
                    From 09/01/2012 to 12/31/2012
================================================================================

  Payroll Chec                              QTD            YTD
                                           -----          -----

    CEDEEP - CEDENO , ELSA P               1,184.73       1,184.73
                                      ==================================
                          Check Total:     1,184.73       1,184.73

  Income                                    QTD            YTD
                                           -----          -----
   REGSAL - REGULAR PAY - SALARIED
    CEDEEP - CEDENO , ELSA P               1,375.00       1,375.00
                                      ------------   ------------
                          REGSAL  Total:   1,375.00       1,375.00

                                      ==================================
                          Income Total:    1,375.00       1,375.00

  Deductions                                QTD            YTD
                                           -----          -----
   FEDTAX - FEDERAL TAX WITHHOLDING
    CEDEEP - CEDENO , ELSA P                 69.95          69.95
                                      ------------   ------------
                          FEDTAX  Total:      69.95          69.95

   MEDICR - MEDICARE PORTION OF FICA TAX
    CEDEEP - CEDENO , ELSA P                 19.94          19.94
                                      ------------   ------------
                          MEDICR  Total:      19.94          19.94
```

Detail report:

Employee Recap

The Employee Recap Reports print analysis reports based upon employee activity. For example, you may generate a report to see the payroll activity for a certain group of employees or for a single employee for a specified month or other time period. This report is organized by employee, rather than by payroll (income, deduction, or obligation) code. Within each employee listing, the activity for each code is shown.

The Print Employee Recap submenu is located on the Employee Information menu (3-e). It has two options: Print Summary Employee Recap (3-e-a), which lists quarter-to-date and year-to-date amounts for each payroll code, and Print Detail Employee Recap (3-e-b), which shows each document that was posted.

Summary report:

Detail report:


```
Print Detail Employee Recap

File   Navigate   Help


Date: 12/31/2012              Employee Recap Report
Time: 14:47:26                Employee Recap - Detail                    Page: 1
                      For 12/01/2012 to 12/31/2012
================================================================================

  CEDEEP - CEDENO , ELSA P
    Payroll Checks
    CHECK                             Doc.                  Amount
      12/01/2012                      342                 1,184.73
                                      ===============================
                                         Check Total:     1,184.73
    Income
    REGSAL - REGULAR PAY - SALARIED   Doc.                  Amount
      12/01/2012                      342                 1,375.00
                                      REGSAL Total:        1,375.00

                                      ===============================
                                         Income Total:     1,375.00
    Deductions
    FEDTAX - FEDERAL TAX WITHHOLDING  Doc.                  Amount
      12/01/2012                      342                    69.95
                                      FEDTAX Total:           69.95

    MEDICR - MEDICARE PORTION OF FICA TAX  Doc.             Amount
      12/01/2012                      342                    19.94
                                      MEDICR Total:           19.94

    SOCSEC - SOCIAL SECURITY PART OF FICA  Doc.             Amount
      12/01/2012                      342                    85.25
                                      SOCSEC Total:           85.25

    STLTAX - SEATTLE LOCAL TAX        Doc.                  Amount
      12/01/2012                      342                    15.13
                                      STLTAX Total:           15.13

                                      ===============================
                                         Deduction Total:    190.27
    Obligations
    MEDICR - MEDICARE PORTION OF FICA  Doc.                 Amount
```

Posting Report

The Posting Report is automatically generated by the posting process (1-h), and shows all of the checks that were posted. For each check the report lists the document number assigned by the posting process, the employee's name, employee code, period ending date, payroll date, and number of hours worked by the employee. It then lists the amount for each income, deduction, and obligation type.

```
Post Payroll Entries                                                    [_][□][×]
 File   Navigate   Help

 ⏻  ≪ ◁ ▷ ≫  🖶


Date: 12/31/2012              Payroll Entry Posting
Time: 14:26:15                   ABC DISTRIBUTION                        Page: 1
                              Posting Sequence: 110
================================================================================

Payroll for Cash Account: 102000000-000
----------------------------------------

  Employee: CEDEEP - ELSA P CEDENO            Document Number: 342
  Period Ending: 12/31/2012                     Cash Account: 102000000-000
  Payroll Date:  12/01/2012                     Hours Worked:         86.00

  --- Employee Income ------ Employee Deductions ----- Employer Liabilities ---

      Gross:      1,375.00      FICA:         85.25      FICA:         85.25
    Taxable:      1,375.00   Mediacre:        19.94    Medicare:       19.94
   Exp/Advn:           .00    Fed. Tx:        69.95       FUTA:          .00
    Chk Amt:     1,184.73    State Tx:          .00      Other:        74.25
        Net:     1,184.73    Local Tx:        15.13
                                Other:          .00
                                           --------------        --------------
                                TOTALS:       190.27              179.44
```

Payroll Check Journal

The Payroll Check Journal is located on the Payroll Checks menu (1-i) and prints a listing of all of the checks that have been posted for the specified time period. It also shows the totals for each income, deduction, and obligation code for the period at the end of the report.

Print Payroll Check Journal

File   Navigate   Help

```
                                    Check Total:      24,143.82

   Income Totals:
        REGHR     REGULAR HOURLY PAY                  18,540.00
        REGSAL    REGULAR PAY - SALARIED               9,975.00
                                    Total :           28,515.00




===============================================================================
Payroll Check Journal                                    Page: 1
```

```
Date: 12/31/2012           Payroll Check Journal
Time: 14:51:32                 ABC DISTRIBUTION                Page: 2
                      From 12/01/2012 to 12/31/2012
===============================================================================

   Deduction Totals:
        401K      DEDUCTION FOR EMPLOYEE 401K            200.00
        FEDTAX    FEDERAL TAX WITHHOLDING              1,609.86
        HCARE     HEALTH CARE SECTION 125                 75.00
        MEDICR    MEDICARE PORTION OF FICA TAX           412.39
        SOCSEC    SOCIAL SECURITY PART OF FICA         1,763.28
        STLTAX    SEATTLE LOCAL TAX                      310.65
                                    Total :            4,371.18

   Obligation Totals:
        FUTA      FUTA CONTRIBUTION                        9.40
        MEDICR    MEDICARE PORTION OF FICA               412.39
```
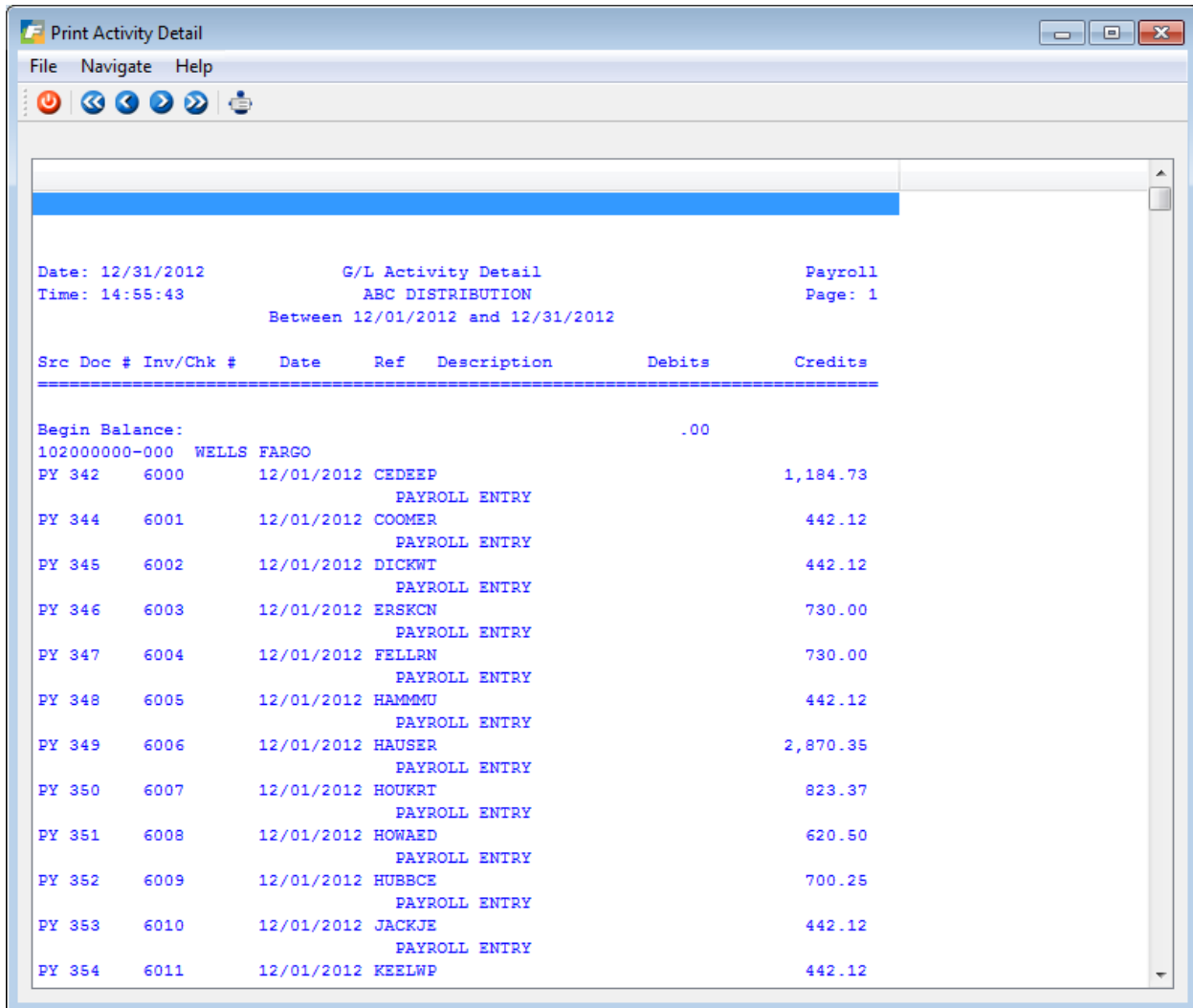
G/L Activity Report

The G/L Activity Reports (2-b) print the accounting activity for any specified date range. They cannot be run unless you have G/L installed on your system and are posting payroll activity to G/L. In order to post to G/L you must have the Post to G/L flag of the Payroll Defaults table set to Y.

The Print G/L Activity submenu gives you two options: Print Activity Summary (2-b-a) lists the debits and credits posted to each account and the total debits and credits. The Print Activity Detail (2-b-b) lists the individual payroll document which was posted to each account. For each payroll document, the report shows the source (PY), document number, date, reference (employee code), description, and amount of the transaction.

End of Quarter Reports

Fitrix Payroll makes it easy for you to run the reports required by the Federal Government. Most of these reports are required on a quarterly basis. Many can also be run annually for past periods.

Quarterly FUTA Report

This required report is used to report to the Federal Government on the amount of taxable wages that each employee has earned and the FUTA obligation that the employer has paid. It corresponds to Government form 940.
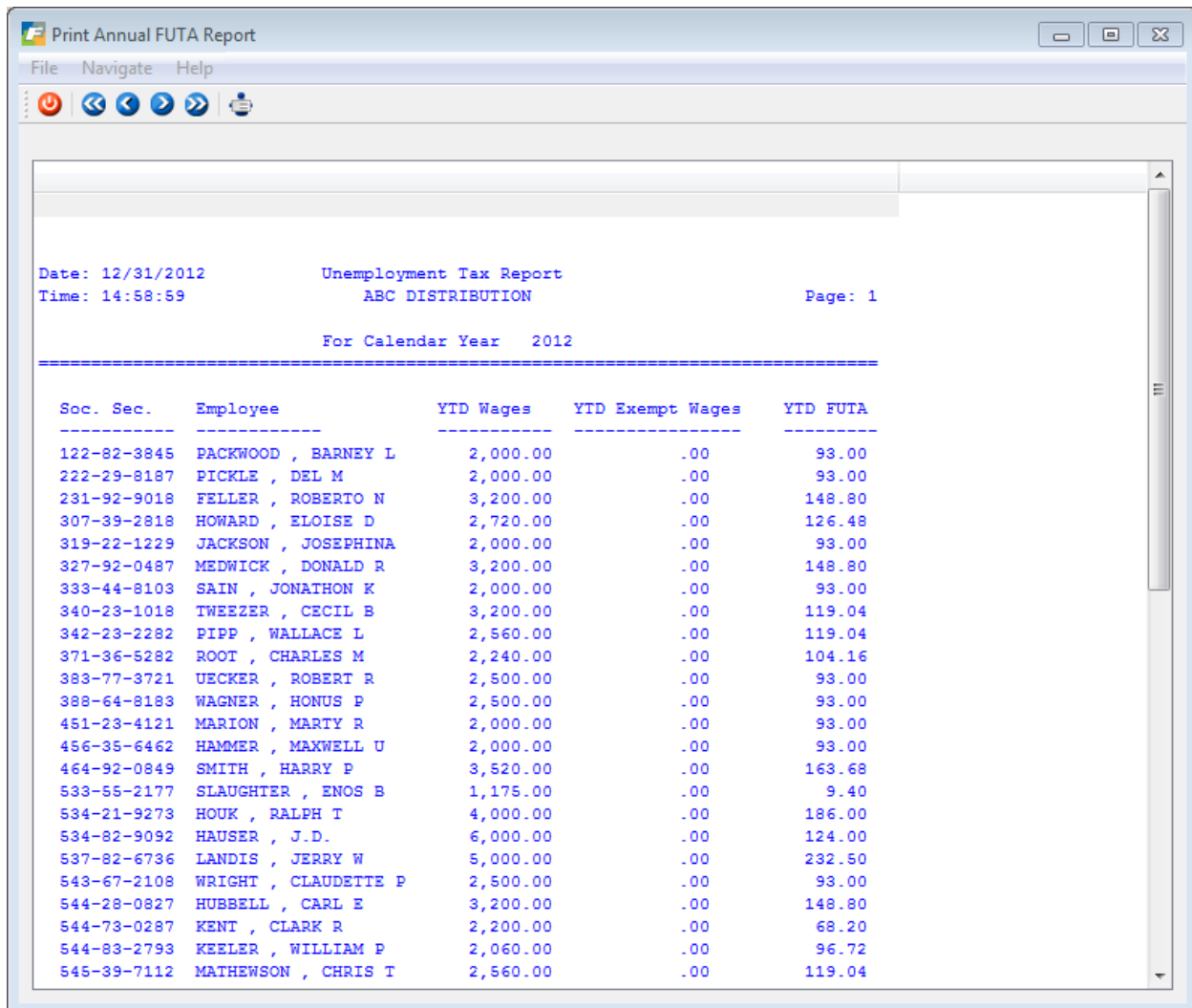
The FUTA Report submenu has two options: Print Annual FUTA Report (2-c-a) and Print Quarterly FUTA report (2-c-b).

The exempt wages listed on the quarterly form of the report correspond ONLY to those wages paid in the quarter for which the report is run. The same is true for both the wages and the listed FUTA tax. In addition to listing wages and the FUTA tax, the reports include the detail of all Exempt wages (for the quarter or for the year, depending on the report) so that all information necessary to assure the accuracy of the calculated FUTA tax is always available.

The report provides YTD wage totals for all employees and YTD wages over the FUTA wage ceiling on an employee-by-employee basis, and the FUTA tax paid for each employee. One can now take the grand-total of YTD Wages, subtract the sum of the Exempt Wages and multiply this against the applicable FUTA rate to calculate the amount of the Yearly FUTA tax. This is also the case for the Quarterly reports.

This report should be run prior to running the Begin a New Year option. The FUTA report gets its information from the employees' quarter-to-date and year-to-date buckets which are reset when you use Begin a New Year.

Annual FUTA report:

```
Date: 12/31/2012            Unemployment Tax Report
Time: 14:58:59                  ABC DISTRIBUTION                          Page: 1

                           For Calendar Year   2012
==================================================================================

  Soc. Sec.   Employee              YTD Wages   YTD Exempt Wages    YTD FUTA
  ----------- -------------         ----------- ----------------    ---------
  122-82-3845 PACKWOOD , BARNEY L    2,000.00            .00          93.00
  222-29-8187 PICKLE , DEL M         2,000.00            .00          93.00
  231-92-9018 FELLER , ROBERTO N     3,200.00            .00         148.80
  307-39-2818 HOWARD , ELOISE D      2,720.00            .00         126.48
  319-22-1229 JACKSON , JOSEPHINA    2,000.00            .00          93.00
  327-92-0487 MEDWICK , DONALD R     3,200.00            .00         148.80
  333-44-8103 SAIN , JONATHON K      2,000.00            .00          93.00
  340-23-1018 TWEEZER , CECIL B      3,200.00            .00         119.04
  342-23-2282 PIPP , WALLACE L       2,560.00            .00         119.04
  371-36-5282 ROOT , CHARLES M       2,240.00            .00         104.16
  383-77-3721 UECKER , ROBERT R      2,500.00            .00          93.00
  388-64-8183 WAGNER , HONUS P       2,500.00            .00          93.00
  451-23-4121 MARION , MARTY R       2,000.00            .00          93.00
  456-35-6462 HAMMER , MAXWELL U     2,000.00            .00          93.00
  464-92-0849 SMITH , HARRY P        3,520.00            .00         163.68
  533-55-2177 SLAUGHTER , ENOS B     1,175.00            .00           9.40
  534-21-9273 HOUK , RALPH T         4,000.00            .00         186.00
  534-82-9092 HAUSER , J.D.          6,000.00            .00         124.00
  537-82-6736 LANDIS , JERRY W       5,000.00            .00         232.50
  543-67-2108 WRIGHT , CLAUDETTE P   2,500.00            .00          93.00
  544-28-0827 HUBBELL , CARL E       3,200.00            .00         148.80
  544-73-0287 KENT , CLARK R         2,200.00            .00          68.20
  544-83-2793 KEELER , WILLIAM P     2,060.00            .00          96.72
  545-39-7112 MATHEWSON , CHRIS T    2,560.00            .00         119.04
```
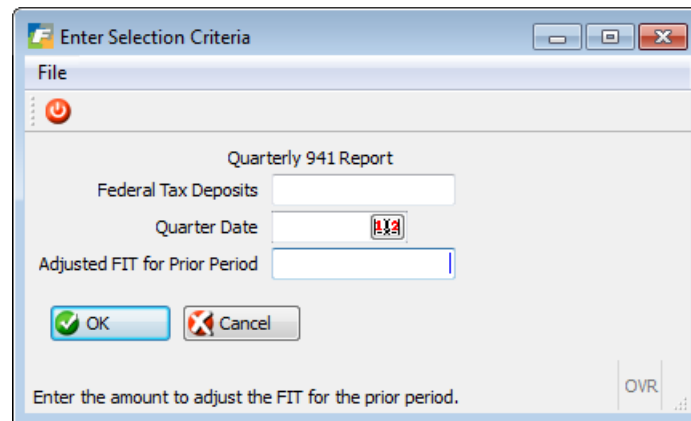
Quarterly 941 Report

The 941 Report (2-d) is a required report which lists the amount of Social Security wages, Medicare wages, Federal Income Tax withheld, Social Security withheld, Medicare withheld, and the company's tax liability.

In the Selection Criteria screen, enter the Federal Tax Deposits made for the quarter and a date within the quarter for the report plus any amount needed to adjust tax (FIT) for a prior period. If you enter no value for Federal Tax Deposits and Adjusted FIT the amount will default to zero.

The Selection Criteria screen:

941 report:

```
Date: 01/08/2015                ABC MANUFACTURING
Time: 15:42:43              Quarterly 941 Data Report                     Page: 2
                        From 10/01/2014 to 12/31/2014
================================================================================

        941 Report Data   10/01/2014 - 12/31/2014

            1  - Employees ........

            2  - Total Wages ......    3,375.00
            3  - FIT Withheld .....        0.00
            4 -   Adjusted FIT for prior     .00
                  period.
            5  - Adjusted FIT .....        0.00
            6a - So. Sec. Wages ...    3,375.00   x 0.12400  =        418.50
             b
            7a - Medicare Wages ...    3,375.00   x 0.02900  =         97.88
            7b - Medicare Wages subject
                  to additional medicare
                  tax withholding ..    1,935.56   x 0.00900  =         17.42
            8  - Total FICA .......      533.80
            9  - FICA Adjustment ..        0.00
            10  - Adjusted FICA ....      533.80
            11
            12
            13
            14  - Total Taxes ......      533.80
            15  - EIC Payed ........        0.00
            ----------------------------------------
            16  - Net Taxes ........      533.80
            17  - Deposits .........        0.00
```

Quarterly Hour and Wage Report

This report (2-e) is used to print quarterly data recording hours worked and wages earned. The report is organized by employee, and lists the hours worked, the date of pay and the wages for each income code. This data is useful for completing state and local tax reports.

You are prompted for a date within the quarter on which to run the report. The value defaults to the current system date.

```
┌─────────────────────────────────────────────────────────────────────────────┐
│ 🗗 Print Qtrly. Hour/Wage Report                               [ _ ][ □ ][ ✕ ]│
├─────────────────────────────────────────────────────────────────────────────┤
│ File   Navigate   Help                                                        │
│ ⏻   ≪  ❮  ❯  ≫   🖶                                                           │
├─────────────────────────────────────────────────────────────────────────────┤
│                                                                               │
│ Date: 12/31/2012          Quarterly Hour and Wage Report                      │
│ Time: 15:12:11                  ABC DISTRIBUTION                   Page: 1     │
│                          From 10/01/2012 to 12/31/2012                        │
│ ==============================================================================│
│   PACKBL - PACKWOOD , BARNEY L                   Hours           Wages         │
│     12/01/2012 - REGHR                           80.00           500.00        │
│                                           -------------    ----------------    │
│               Totals for SS# 122-82-3845:        80.00           500.00        │
│                                                                               │
│   PICKDM - PICKLE , DEL M                        Hours           Wages         │
│     12/01/2012 - REGHR                           80.00           500.00        │
│                                           -------------    ----------------    │
│               Totals for SS# 222-29-8187:        80.00           500.00        │
│                                                                               │
│   FELLRN - FELLER , ROBERTO N                    Hours           Wages         │
│     12/01/2012 - REGHR                           80.00           800.00        │
│                                           -------------    ----------------    │
│               Totals for SS# 231-92-9018:        80.00           800.00        │
│                                                                               │
│   HOWAED - HOWARD , ELOISE D                     Hours           Wages         │
│     12/01/2012 - REGHR                           80.00           680.00        │
│                                           -------------    ----------------    │
│               Totals for SS# 307-39-2818:        80.00           680.00        │
│                                                                               │
│   JACKJE - JACKSON , JOSEPHINA E                 Hours           Wages         │
│     12/01/2012 - REGHR                           80.00           500.00        │
│                                           -------------    ----------------    │
└─────────────────────────────────────────────────────────────────────────────┘
```

Payroll Wage History Report

The Payroll Wage History Report is located on the Employee Information menu (3-f).

This report prints information on posted payroll entries. It gives the document number, payroll date, end-of-period date, check number, and all details about the check (check amount, income amounts, deduction amounts, and obligation amounts). It also reports on year-to-date information as listed in the employee's year to date accruals (buckets).

End of Year Reports

Create Annual W-2 forms

Create Annual W-2 Forms (2-f) is used to assemble the W-2 information for the W-2 forms for employees. The create option gathers the W-2 information for the previous year only. For example, if you executed this option in 2013, it would assemble the W-2 information for 2012. This option always removes all existing W-2 information from the W-2 table before creating the new W-2 forms.

This option also prints a listing of the information created. This listing should be reviewed for accuracy before printing the actual W-2 forms. If you need to supplement the W-2 information, use the Update W-2 Forms option (2-g).
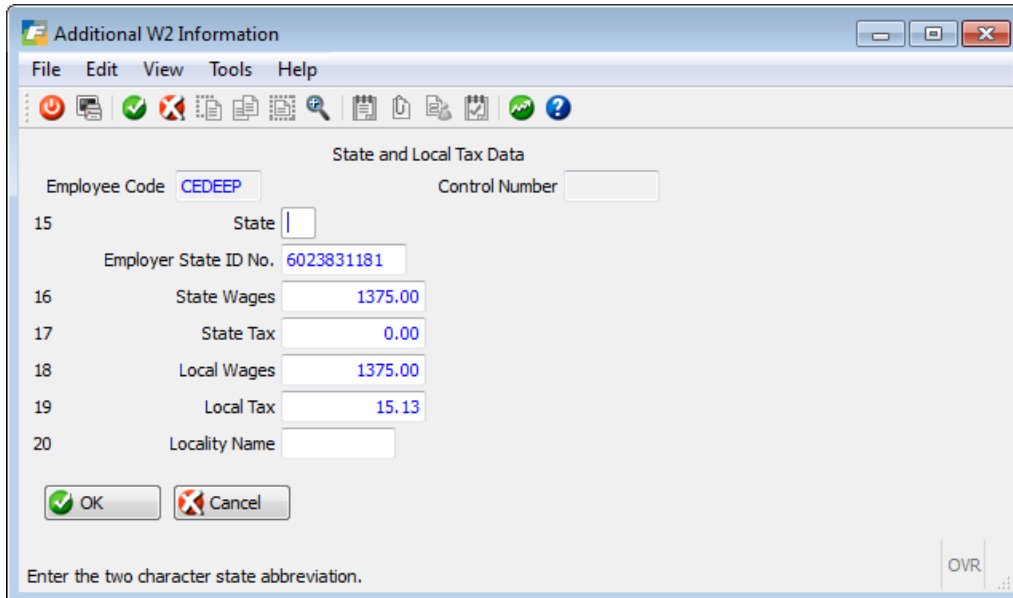
Update W-2 forms

This option (2-g) is used to update or correct information generated by the Create Annual W-2s program.

You may need to update W-2s to add certain information about benefits not automatically tracked by Fitrix Payroll.

Go into Update mode and click on the **Addl Info** to view the additional fields.

Print W-2 Forms

This option (2-h is continuous feed forms and 2-m is laser forms) is used to print the information on the W-2 forms.

Print Magnetic Media Report

Use this option (2-i) if you are reporting to the IRS electronically. This command gathers the necessary information and then writes the information to the table specified in the Holding Table file in the Payroll Defaults table. This is only a temporary holding table. The information will be overwritten the next time you choose Print Magnetic Media report or Create Direct Deposit Entries.
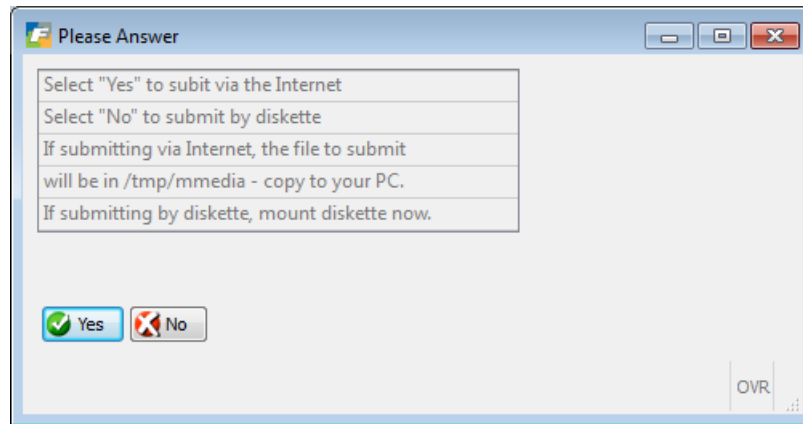
Note

We strongly advise you to make a permanent backup of the contents of the holding table after creating magnetic media, so that this information can be accessed if needed in the future.

Beginning a New Year

At the beginning of a new calendar year, you must reset the employee income, deduction, and obligation accruals to zero. To do this, choose the Begin a New Year option on the Payroll Reports menu (2-j). Run this option prior to running the first payroll of the new fiscal year. Be sure you run this option only once.

In addition to resetting all of the accruals back to zero, this option will generate a report, showing the previously-accrued amounts of each income, deduction, and obligation code for each employee.

Be sure to run your FUTA Reports before you run the Begin a New Year option. You may begin a new year before you create W-2 forms.

Begin a New Year does not automatically reset the sick and vacation leave accruals to zero, so these accruals will be carried over into the new year. If your company policy is to have these amounts reset to zero when you begin a new year, you must reset these values manually, or have the program modified to do this by your qualified Fitrix Reseller .

Index