

Introduction to QuickBooks Payroll Features

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Be sure to consult your income tax advisor to determine the correct withholding amounts for employees. Publications from the Internal Revenue Service and the Oklahoma Tax Commission provide tables to determine the correct withholding amounts based upon the method used to pay employees, for example, weekly, biweekly, monthly, or semi-monthly.

Refer to the following publications for withholding information and tables.

1. IRS Publication 51, (Circular A) Agricultural Employer's Tax Guide
2. IRS Publication 15, (Circular E) Employer's Tax Guide
3. Oklahoma Tax Commission, Packet OW-2 Oklahoma Income Tax Withholding Tables

IRS publications are available at www.irs.gov and from the Oklahoma Tax Commission at www.oktax.state.ok.us.

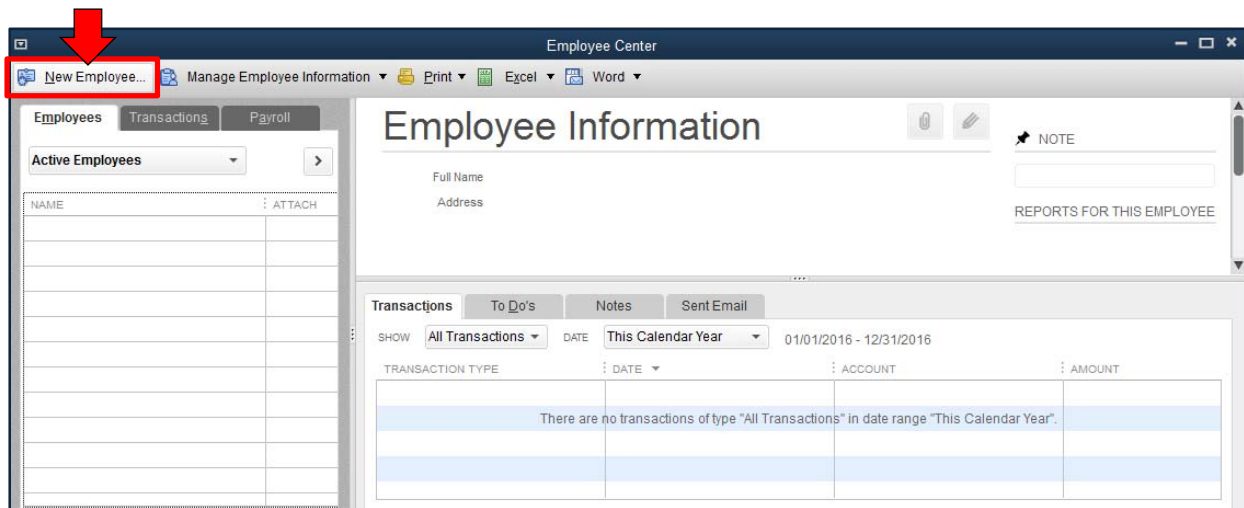
For each employee, you will need to enter

- Personal information (name, address, Social Security number, etc.),
- Payroll compensation information (earnings type, payroll schedule and pay frequency, class if compensation is tied to a specific project, taxes, sick/vacation, direct deposit) and
- Employment information (hire date, regular/officer/statutory/owner employment type, release date).

Note: Refer to the Form W-4 "Employee Withholding Allowance Certificate" that the employee provides to the employer.

Setting Up Employees and Payroll Information

To get started, click on the **Employee Center** and **New Employee**:



Let's start with the Personal Info tab (refer to the partial Form W-4 and screen capture below for information to enter in this section).

Cut here and give Form W-4 to your employer. Keep the top part for your records.

<p>Form W-4 Department of the Treasury Internal Revenue Service</p>	<p>Employee's Withholding Allowance Certificate</p> <p>▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>	<p>OMB No. 1545-0074 2010</p>
<p>1 Type or print your first name and middle initial. Amanda R.</p>	<p>Last name Handy</p>	<p>2 Your social security number 444 55 6666</p>
<p>Home address (number and street or rural route) Rt. 2</p>		<p>3 <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <small>Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.</small></p>
<p>City or town, state, and ZIP code Quietwater, OK 74074</p>		<p>4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/></p>
<p>5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) 5 0</p>		
<p>6 Additional amount, if any, you want withheld from each paycheck 6 \$ 0</p>		
<p>7 I claim exemption from withholding for 2010, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here 7</p>		
<p>Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.</p>		
<p>Employee's signature (Form is not valid unless you sign it.) ▶ <i>Amanda Handy</i></p>		<p>Date ▶</p>
<p>8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)</p>		<p>9 Office code (optional) 10 Employer identification number (EIN)</p>
<p>For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2010)</p>		

New Employee

INFORMATION FOR **Amanda R. Handy**

Personal	<p>LEGAL NAME Ms. <input type="text" value="Amanda"/> R. <input type="text" value="Handy"/></p>
Address & Contact	<p>PRINT ON CHECKS AS <input type="text" value="Amanda R. Handy"/></p>
Additional Info	<p>SOCIAL SECURITY NO. <input type="text" value="444-55-6666"/></p>
Payroll Info	<p>GENDER <input type="text" value="Female"/></p>
Employment Info	<p>DATE OF BIRTH <input type="text" value="01/01/1990"/></p>
Workers' Comp	<p>MARITAL STATUS <input type="text"/></p> <p>U.S. CITIZEN <input type="text"/></p> <p>ETHNICITY <input type="text"/></p>
	<p>DISABILITY</p> <p>DISABLED <input type="text"/></p> <p>DISABILITY DESCRIPTION <input type="text"/></p>
	<p>I-9 FORM</p> <p>ON FILE <input type="text"/></p> <p>WORK AUTHORIZATION EXPIRES <input type="text"/></p>
	<p>MILITARY</p> <p>U.S. VETERAN <input type="text"/></p> <p>STATUS <input type="text"/></p>

Employee is inactive

Next, click on the **Address and Contact** tab and add the employee's address, phone number, e-mail address and other information. You can also store **Emergency Contact Information** for your employees on this tab. You can add the contact name, phone and relation for a primary and secondary emergency contact as shown in the following screen:

The screenshot shows a software window titled "New Employee" with a sub-header "INFORMATION FOR Amanda R. Handy". On the left is a vertical navigation menu with tabs: "Personal", "Address & Contact" (highlighted with a red box and a red arrow), "Additional Info", "Payroll Info", "Employment Info", and "Workers' Comp". The main content area is divided into several sections:

- HOME ADDRESS:** Includes fields for ADDRESS (containing "Rt. 2"), CITY (containing "Quietwater"), STATE (a dropdown menu with "OK" selected), and ZIP (containing "704074").
- MAIN PHONE:** An empty text input field.
- MAIN EMAIL:** A text input field containing "amanda.handy@pldi.net".
- Work Phone, Mobile, Fax:** Each has a dropdown menu and an empty text input field.
- CC Email, Website, Other 1:** Each has a dropdown menu and an empty text input field.
- EMERGENCY CONTACT INFO:** A table with three columns: CONTACT NAME, CONTACT PHONE, and RELATION. It contains two rows:

CONTACT NAME	CONTACT PHONE	RELATION
Rhonda Handy	405-372-4778	[dropdown arrow]
Secondary Contact		[dropdown arrow]

At the bottom left, there is a checkbox labeled "Employee is inactive". At the bottom right, there are three buttons: "OK", "Cancel", and "Help".

Next, click on the **Payroll Info** tab. Click in the **Item Name** box under **Earnings** and a drop-down arrow appears. Click in this box and click on **<Add New>**.

INFORMATION FOR: **Amanda R. Handy**

Personal
Address & Contact
Additional Info
Payroll Info
Employment Info
Workers' Comp

PAYROLL SCHEDULE: [Dropdown] ?
PAY FREQUENCY: Biweekly
CLASS: [Dropdown]

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

ITEM NAME	HOURLY/ANNUAL RATE
< Add New >	

ITEM NAME	AMOUNT	LIMIT

Employee is covered by a qualified pension plan

Employee is inactive

OK Cancel Help

Now click on the item you wish to track. Here, we are going to select **Hourly Wages**.

Add new payroll item

Wages

Do you want to set up a payroll item to track hourly wages, annual salary, commissions, or bonuses?

Hourly Wages
 Annual Salary
 Commission
 Bonus

Back Next Finish Help Cancel

Click **Next** to access the following screen to add pay items.

Add new payroll item (Hourly Wage)

Wages

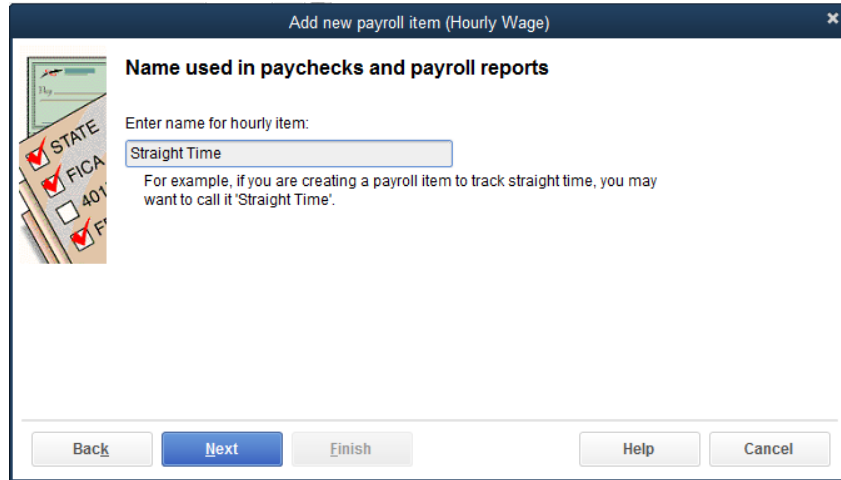
Is this item for regular, overtime, sick, or vacation pay?

Regular Pay
 Overtime Pay
 Sick Pay
 Vacation Pay

Back Next Finish Help Cancel

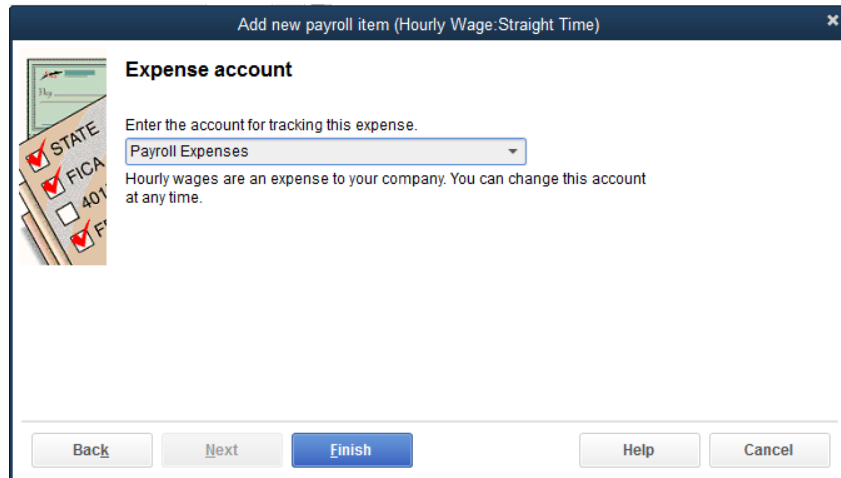
Select **Regular Pay**. Click **Next**

Enter a name for the hourly item such as Straight Time.



Click **Next**

Add an account to track the payroll expenses. The default name is Payroll Expenses (if necessary, use the drop down box and select **<Add New>** to add the appropriate account).



Click **Finish**.

Repeat this process to add **Hourly Overtime**.

Click in the **Item Name** box and a drop-down arrow appears. Click in this box and click on **<Add New>**.

INFORMATION FOR **Amanda R. Handy**

Personal
Address & Contact
Additional Info
Payroll Info
Employment Info
Workers' Comp

PAYROLL SCHEDULE: [Dropdown] ?
PAY FREQUENCY: Biweekly
CLASS: [Dropdown]

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

EARNINGS		ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	HOURLY/ANNUAL RATE	ITEM NAME	AMOUNT	LIMIT
Straight Time				
< Add New >				
Straight Time				

Click on Hourly Wages.

Select Overtime Pay

Click Next

Enter the name for the hourly item, Overtime Hourly.

Add new payroll item (Hourly Wage)

Name used in paychecks and payroll reports

Enter name for hourly item:
Overtime Hourly

For example, if you are creating a payroll item to track overtime time, you may want to call it 'Hourly Overtime'.

Click Next.

Select the appropriate Overtime pay item.

Add new payroll item (Hourly Wage: Overtime Hourly)

Define Overtime

Define overtime for this payroll item.

Time-and-a-half: 1.50 times the base wage
 Double-time: 2.00 times the base wage
 Custom: [Input Field]

Use this option to define a different overtime rate; e.g., enter 3 for triple-time.

If your company pays several different overtime rates, create a separate payroll item for each rate. You don't need to create a separate item for each employee. When you set up the employee's record, you can attach one of these overtime items to it and then assign a specific dollar amount.

Click **Next**.

Select **Payroll Expenses**.

Click **Finish**.

Repeat these steps for Sick Pay and Vacation Pay if these items are to be used.

You will now need to set up a Payroll Schedule. In the Payroll Schedule box at the left in the **Payroll Info** tab, click **Add New**.

The screenshot shows the 'New Employee' window for Amanda R. Handy. The 'Payroll Info' tab is selected. The 'PAY FREQUENCY' dropdown menu is open, showing '< Add New >' as the selected option, which is highlighted in green and pointed to by a red arrow. Other options in the dropdown include 'WEEKLY', 'BIWEEKLY', 'MONTHLY', and 'ANNUAL'. The 'EARNINGS' table has two rows: 'Straight Time' and 'Overtime Hourly' with a rate of 0.00. The 'ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS' table is empty. There are buttons for 'Direct Deposit', 'Taxes...', and 'Sick/Vacation...'. At the bottom, there are 'OK', 'Cancel', and 'Help' buttons, and a checkbox for 'Employee is inactive'.

ITEM NAME	HOURLY/ANNUAL RATE
Straight Time	
Overtime Hourly	0.00

ITEM NAME	AMOUNT	LIMIT

Enter the Payroll information from the following screen.

New Payroll Schedule
✕

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

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

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

How often will you pay your employees on this schedule?

What is the pay period end date?

What date should appear on paychecks for this pay period?

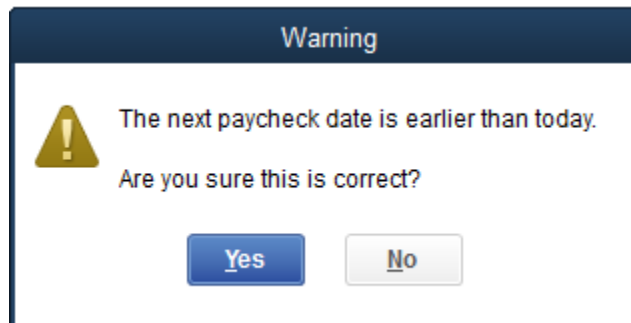
The following is based on the information supplied above:
 You pay your employees DD days after the pay period end date in this payroll schedule.

Schedule is inactive

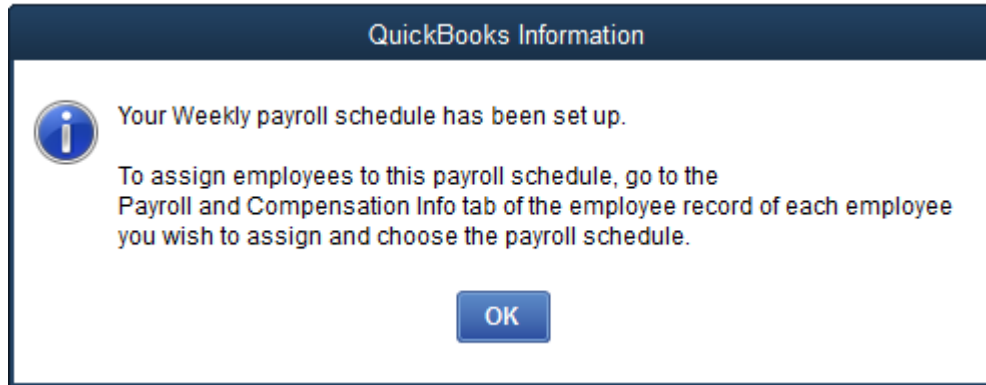
Depending on your payroll practices, paychecks may lag the pay period by some length of time.

Click **OK**.

*NOTE: you may need to click **Yes** and **OK** to signal that it is okay to have a date earlier than the current date on the Payroll Schedule.*

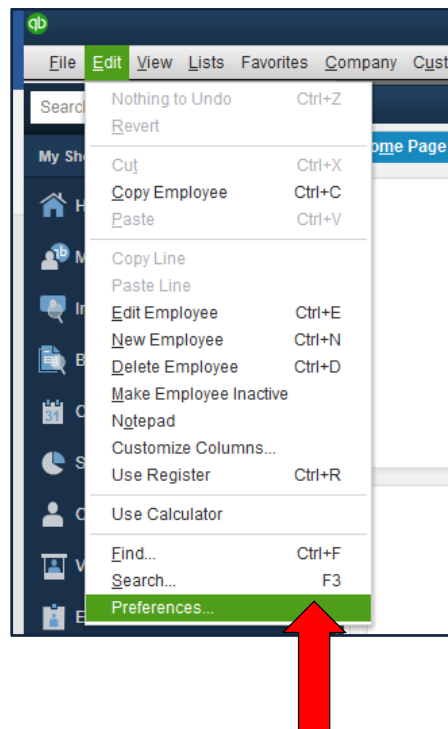


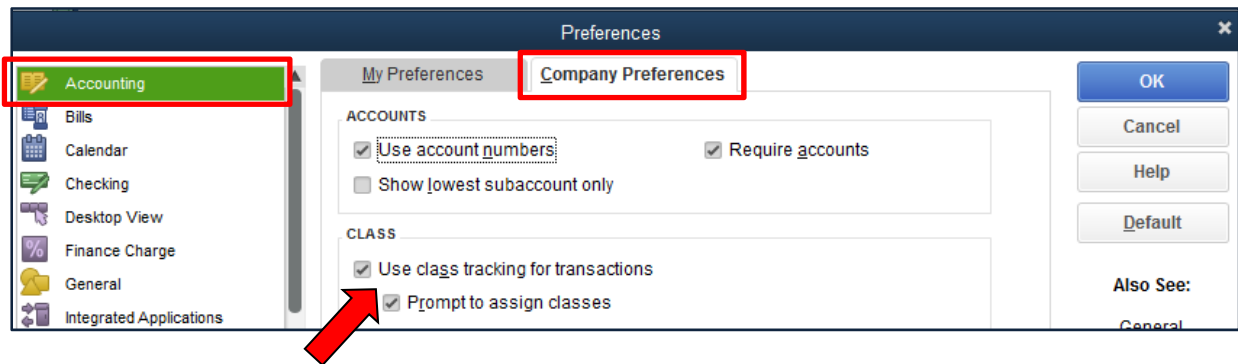
Should you have several employees that will use this same payroll schedule, read the instructions on the following screen then Click **OK**.



Enter the hourly Straight Time and Overtime Hourly rates and select the Pay Frequency. Amanda helps prepare for and sell at the Farmers Market so her payroll expenses are charged to that Class.

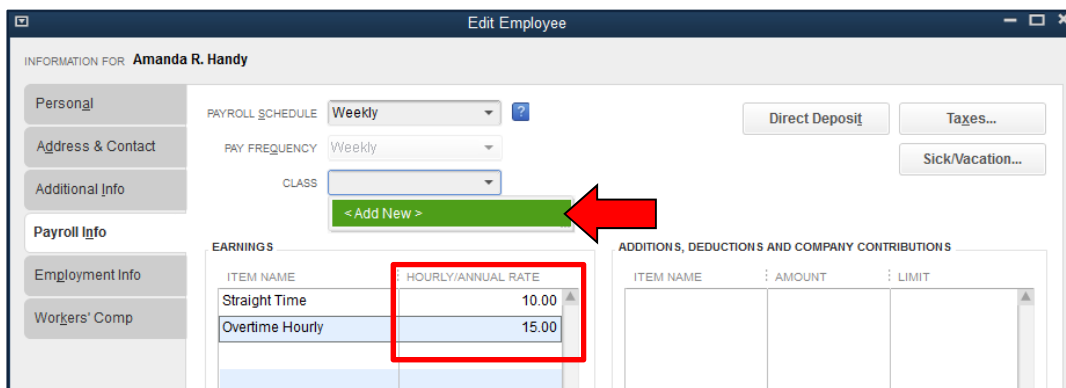
NOTE: If the Class feature has not been turned on or enabled in your file, you will first need to Edit the Preferences and turn it on. Click on Preferences, click on Accounting at the top of the list, choose the Company Preferences tab, click on Use class tracking, OK.



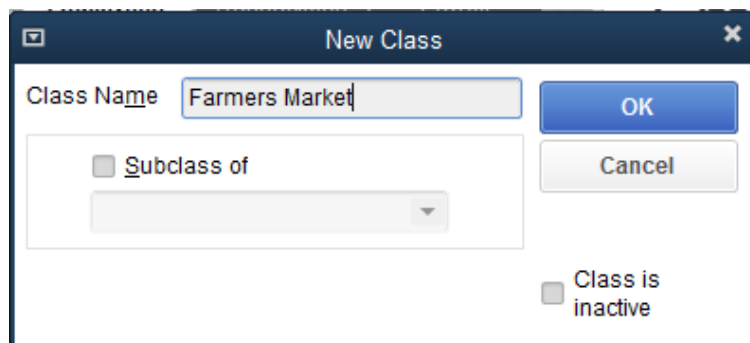


Click **OK**

Return to Amanda Handy's employee information. (You may need to click on her name in the employee list.) **Add the Hourly Rates for Straight Time (10) and Overtime Hourly (15).** Beside the Class box, click **<Add New>** and complete the screen:



In the Class Name box, enter Farmers Market and click **OK**.



The Employee screen reappears with Farmers Market in the Class box.

INFORMATION FOR **Amanda R. Handy**

Personal
Address & Contact
Additional Info
Payroll Info
Employment Info
Workers' Comp

PAYROLL_SCHEDULE Weekly ?
PAY FREQUENCY Weekly
CLASS **Farmers Market**

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

EARNINGS

ITEM NAME	HOURLY/ANNUAL RATE
Straight Time	10.00
Overtime Hourly	15.00

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS

ITEM NAME	AMOUNT	LIMIT

Employee is covered by a qualified pension plan

Employee is inactive

OK Cancel Help

Under Additions, Deductions and Company Contributions, the drop-down arrow under Item Name allows you to add the following benefits and adjustments as needed:

- Additions, such as employee loans, reimbursed travel expenses, or advances against salary
- Deductions, such as health insurance, payments to a retirement plan, or union dues
- Company-paid benefits, such as health or life insurance

In this example, these items will be ignored.

Click **Taxes** at the right and enter Federal and State information for withholding for this employee.

NOTE: this business is subject to Medicare, Social Security, and Federal Unemployment Tax. Contact your tax advisor to determine if your business is subject to the Advance Earned Income Credit and the Federal Unemployment Tax.

INFORMATION FOR **Amanda R. Handy**

Employee is inactive

PAYROLL SCHEDULE: **Weekly** ?
 PAY FREQUENCY: **Weekly**
 CLASS: **Farmers Market**

Payroll Info

EARNINGS	
ITEM NAME	HOURLY/ANNUAL RATE
Straight Time	10.00
Overtime Hourly	15.00

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	AMOUNT	LIMIT

Employee is covered by a qualified pension plan

Complete the Taxes for Amanda R. Handy screen as follows.

Taxes for Amanda R. Handy

Filing Status: **Single**

Allowances: **0**

Extra Withholding: **0.00**

SUBJECT TO

- Medicare
- Social Security
- Advance Earned Income Credit
- Federal Unemployment Tax (Company Paid)

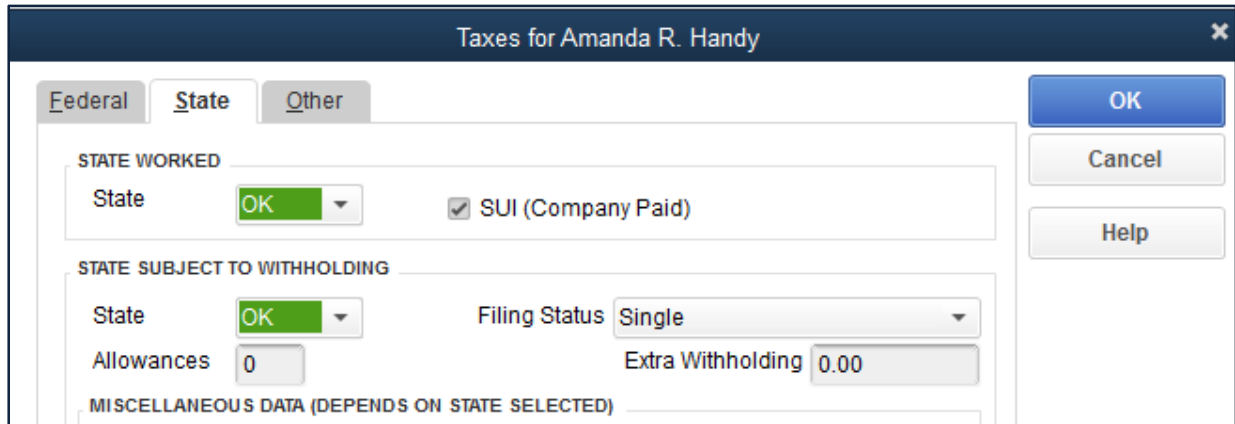
[What if this employee is subject to Nonresident Alien Withholding?](#)

Click on the **State** tab.

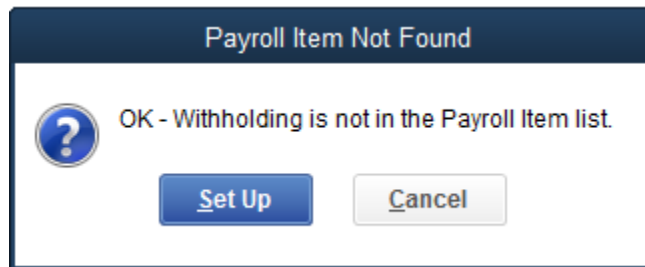
In the State Worked area, **click on the drop down arrow and select OK** for the State.

Oklahoma doesn't have a state unemployment tax so **uncheck the SUI** box.

In the State Subject to Withholding area, **click on the drop down arrow and select OK** for the State.

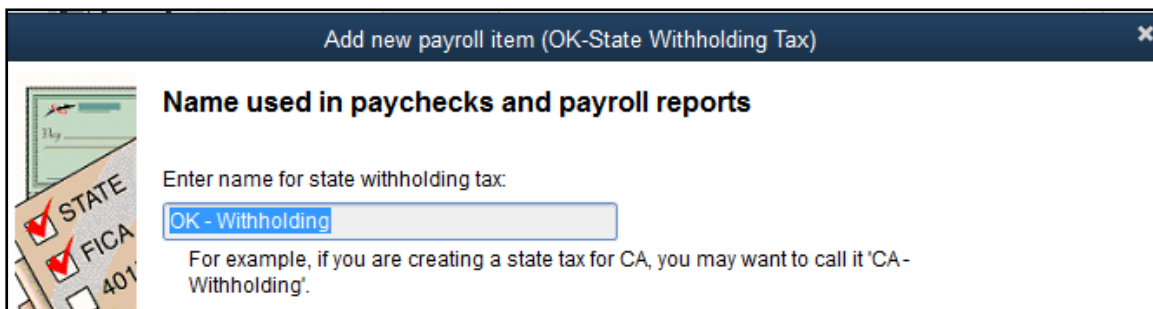


The payroll information for Oklahoma does not exist so the following window will appear.



Click **Set Up** to add Oklahoma Withholding information.

Add new payroll item: **OK-Withholding**



Click **Next**

Complete the Add new payroll item screen as follows.

Add new payroll item (OK-State Withholding Tax)

Agency for employee-paid liability

Enter name of agency to which liability is paid: Oklahoma tax Commission

Enter the number that identifies you to agency:

Liability account (employee-paid): Payroll Liabilities

This account tracks state withholding liability to be paid. You can change this account at any time.

Back Next Finish Help Cancel

Click **Next**

The following Vendor Not Found screen appears.

Vendor Not Found

Oklahoma Tax Commission is not in the Vendor list.

To automatically add Oklahoma Tax Commission to the Vendor list, click Quick Add. You can enter more detailed information later.

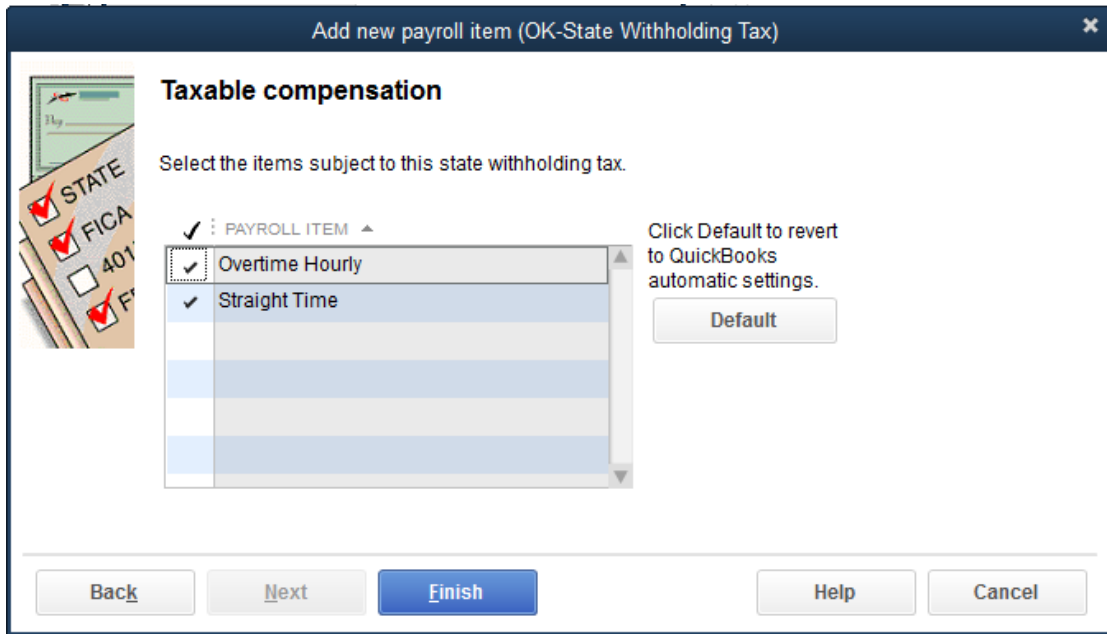
To enter the detailed information now, click Set Up (usually not required).

Quick Add Set Up Cancel

Click **Quick Add**

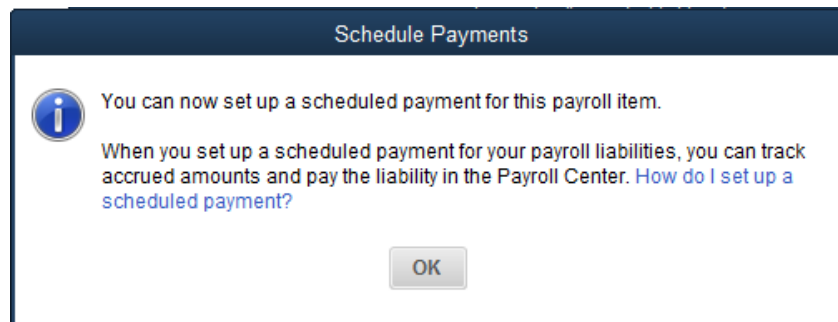
Click **Next**

Both Overtime Hourly and Straight Time need to be checked as Taxable Compensation.



Click **Finish**.

Click **OK** to set up a schedule for payments.



Enter the correct state information for Amanda including the State Worked (**OK**), Filing Status (**Single**), Allowances (**0**), and Extra Withholding (**0.00**) information. **Make sure that the SUI (Company Paid) box is unchecked.**

Taxes for Amanda R. Handy

Federal State Other

STATE WORKED

State OK SUI (Company Paid)

STATE SUBJECT TO WITHHOLDING

State OK Filing Status Single

Allowances 0 Extra Withholding 0.00

MISCELLANEOUS DATA (DEPENDS ON STATE SELECTED)

OK Cancel Help

Click **OK**.

We are now at the Employee screen where we started for Amanda.

Edit Employee

INFORMATION FOR Amanda R. Handy

Personal Address & Contact Additional Info Payroll Info Employment Info Workers' Comp

PAYROLL SCHEDULE Weekly ?

PAY FREQUENCY Weekly

CLASS Farmers Market

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

EARNINGS

ITEM NAME	HOURLY/ANNUAL RATE
Straight Time	10.00
Overtime Hourly	15.00

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS

ITEM NAME	AMOUNT	LIMIT

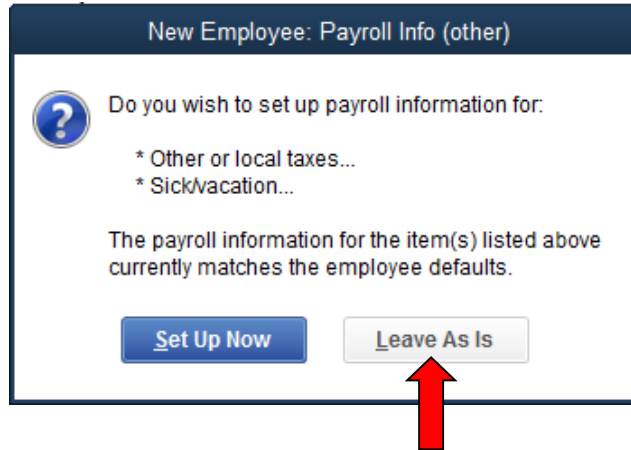
Employee is covered by a qualified pension plan

Employee is inactive

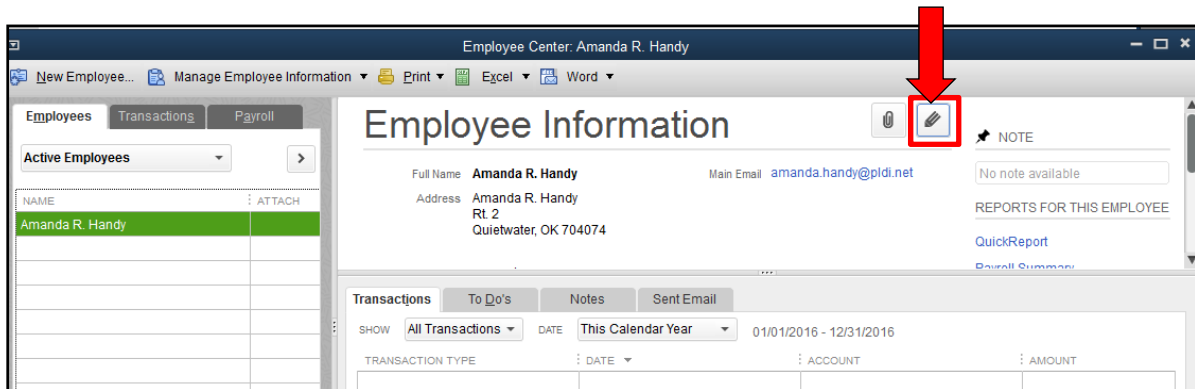
OK Cancel Help

Click **OK**

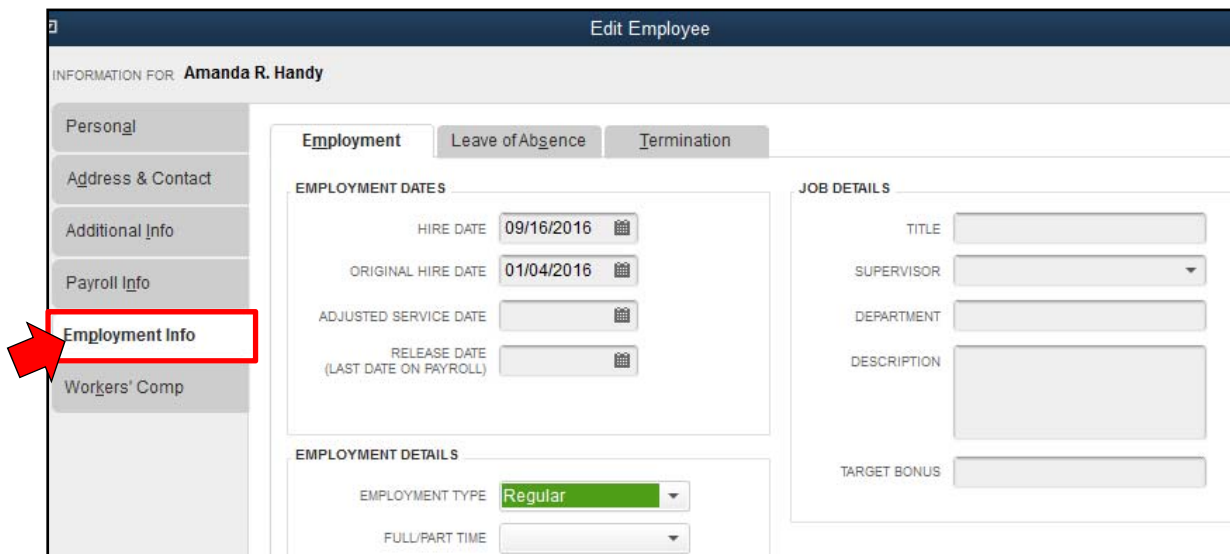
If you get a New Employee: Payroll Info (other) screen, click on **Leave As Is** as we will ignore sick and vacation pay for this employee.



Click on **Edit Employee**



Click on the **Employment Info** tab. Enter the employment start date (01/04/2016) and Employment Details (Regular) as seen on the following screen.



Click **OK**.

Let's add another employee, Ima Florist. She is a salaried employee of the business. Her W-4 is as follows.

Form W-4 Department of the Treasury Internal Revenue Service		Employee's Withholding Allowance Certificate		OMB No. 1545-0074
1 Type or print your first name and middle initial. Ima		Last name Florist		2 Your social security number 333 : 44 : 5555
Home address (number and street or rural route) Rt. 1, Box 4567		3 <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <small>Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.</small>		5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) 0
City or town, state, and ZIP code Quietwater, OK 74074		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>		6 Additional amount, if any, you want withheld from each paycheck \$ 0
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) 0		7 I claim exemption from withholding for 2010, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here <input type="checkbox"/>		7
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.				
Employee's signature (Form is not valid unless you sign it.) <i>Ima Florist</i>		Date		
8 Employer's name and address (Employer. Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)	10 Employer identification number (EIN)	
For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2010)				

Return to the Employee Center and **select New Employee**. Enter Personal Info:

New Employee

INFORMATION FOR **Ima Florist**

Personal	LEGAL NAME <input type="text" value="Mr./Ms./..."/> <input type="text" value="Ima"/>	M.I. <input type="text" value="Florist"/>
Address & Contact	PRINT ON CHECKS AS <input type="text" value="Ima Florist"/>	DISABILITY
Additional Info	SOCIAL SECURITY NO. <input type="text" value="333-44-5555"/>	DISABLED <input type="text" value=""/>
Payroll Info	GENDER <input type="text" value="Female"/>	DISABILITY DESCRIPTION <input type="text" value=""/>
Employment Info	DATE OF BIRTH <input type="text" value="07/04/1958"/>	I-9 FORM
Workers' Comp	MARITAL STATUS <input type="text" value=""/>	ON FILE <input type="text" value=""/>
	U.S. CITIZEN <input type="text" value=""/>	WORK AUTHORIZATION EXPIRES <input type="text" value=""/>
	ETHNICITY <input type="text" value=""/>	MILITARY
		U.S. VETERAN <input type="text" value=""/>
		STATUS <input type="text" value=""/>

Click on the **Payroll Info** tab.

Click in the **Item Name** box, <Add New>

The screenshot shows a software window titled "New Employee" for "Ima Florist". On the left is a navigation menu with tabs: Personal, Address & Contact, Additional Info, Payroll Info (selected), Employment Info, and Workers' Comp. The main area contains payroll settings: PAYROLL SCHEDULE (dropdown), PAY FREQUENCY (Biweekly), and CLASS (dropdown). There are buttons for "Direct Deposit", "Taxes...", and "Sick/Vacation...". Below these are two tables: "EARNINGS" and "ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS". The "EARNINGS" table has columns for ITEM NAME, HOURLY/ANNUAL RATE, and a dropdown arrow. A green row with "<Add New >" is highlighted, with a red arrow pointing to it.

Select **Annual Salary**

Click **Next**

Select **Regular Pay**

Click **Next**

Type **Salary** in the box.

Click **Next**

Select **Payroll Expenses** (If necessary, click on the arrow in the drop down box).

The screenshot shows a dialog box titled "Add new payroll item (Salary:Salary)". On the left is an icon of a checklist with "STATE", "FICA", and "401" items. The main area is titled "Expense account" and contains the text "Enter the account for tracking this expense." Below this is a dropdown menu with "Payroll Expenses" selected. A red arrow points to the dropdown arrow. Below the dropdown is the text "Salary is an expense to your company. You can change this account at any time."

Click **Finish**

The New Employee screen reappears. Add **35,000** as the salary amount.

Click on the **Drop Down Box** under Pay Frequency and change it from Biweekly to **Monthly**. You will be reminded to do a Payroll Schedule in a moment.

The screenshot shows the 'New Employee' form for 'Ima Florist'. The 'Payroll Info' section is active. The 'PAY FREQUENCY' dropdown is set to 'Monthly' and is highlighted with a red arrow. The 'EARNINGS' table has one row: 'Salary' with a rate of 35,000.00. The 'ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS' table is empty. There are buttons for 'Direct Deposit', 'Taxes...', and 'Sick/Vacation...'.

ITEM NAME	HOURLY/ANNUAL RATE
Salary	35,000.00

ITEM NAME	AMOUNT	LIMIT
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Click on the **Taxes** box.

The screenshot shows the 'New Employee' form for 'Ima Florist'. The 'Taxes...' button is highlighted with a red box and a red arrow. The 'Payroll Info' section is active. The 'PAY FREQUENCY' dropdown is set to 'Monthly'. The 'EARNINGS' table has one row: 'Salary' with a rate of 35,000.00. The 'ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS' table is empty. There are buttons for 'Direct Deposit', 'Taxes...', and 'Sick/Vacation...'.

ITEM NAME	HOURLY/ANNUAL RATE
Salary	35,000.00

ITEM NAME	AMOUNT	LIMIT
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Complete the Federal and State sections as you did for Amanda using the following screens.

Click on the **Federal Tab** and complete the information according to Ima's W-4

The screenshot shows the 'Taxes for Ima Florist' dialog box with the 'Federal' tab selected. The 'Filing Status' is set to 'Married', 'Allowances' is 0, and 'Extra Withholding' is 0.00. Under 'SUBJECT TO', the following options are checked: Medicare, Social Security, and Federal Unemployment Tax (Company Paid). The 'Advance Earned Income Credit' is unchecked. A link for 'What if this employee is subject to Nonresident Alien Withholding?' is visible. On the right side, there are buttons for 'OK', 'Cancel', and 'Help'.

Click on the **State Tab** and complete the form.

The screenshot shows the 'Taxes for Ima Florist' dialog box with the 'State' tab selected. The 'STATE WORKED' section has 'State' set to 'OK' and 'SUI (Company Paid)' unchecked. The 'STATE SUBJECT TO WITHHOLDING' section has 'State' set to 'OK', 'Filing Status' set to 'Married', 'Allowances' set to 0, and 'Extra Withholding' set to 0.00. There are empty text boxes for 'MISCELLANEOUS DATA (DEPENDS ON STATE SELECTED)' and 'PREVIOUS STATE DATA (FOR REFERENCE ONLY)'. On the right side, there are buttons for 'OK', 'Cancel', and 'Help'.

Click **OK**

Now, click on the **drop down arrow** at the Payroll Schedule prompt to add a new Payroll Schedule for Monthly:

INFORMATION FOR **Ima Florist**

Personal
Address & Contact
Additional Info
Payroll Info
Employment Info
Workers' Comp

PAYROLL SCHEDULE [Dropdown] [?]
PAY FREQUENCY **<Add New>**
CLASS
Weekly

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

EARNINGS		ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	HOURLY/ANNUAL RATE	ITEM NAME	AMOUNT	LIMIT
Salary	35,000.00			

Click **<Add New>** and complete the following screen.

New Payroll Schedule

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

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

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

How often will you pay your employees on this schedule?

What is the pay period end date?

What date should appear on paychecks for this pay period?

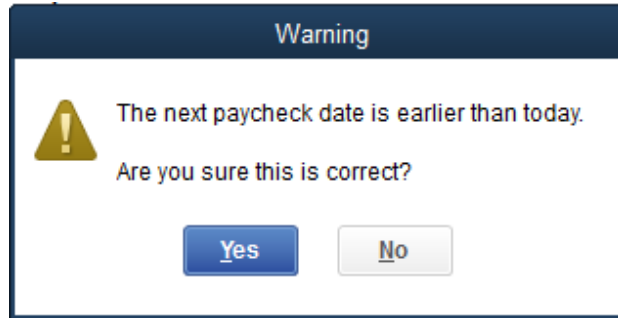
What day should appear on paychecks for this pay period?

The following is based on the information supplied above:
You pay your employees on the same day as the pay period end date in this payroll schedule.
The paycheck date for the current month is 04/30/2016 for the pay period ending on 04/30/2016.

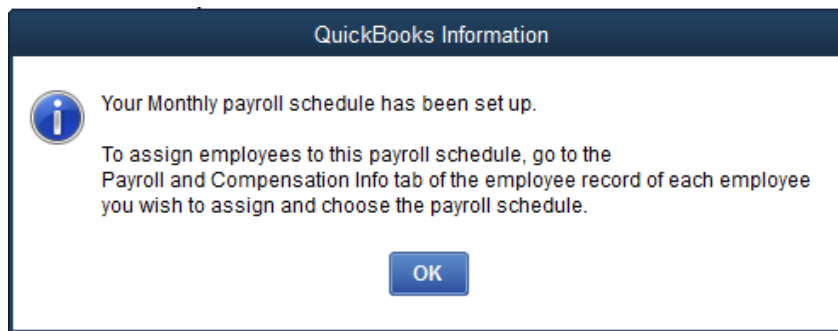
Schedule is inactive

Click **OK**

The following Warning may appear.

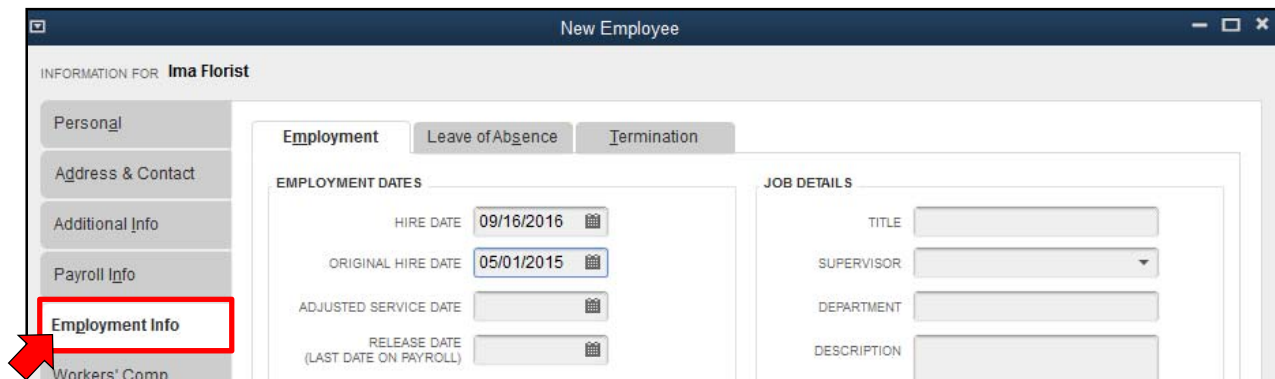


Click **Yes**.

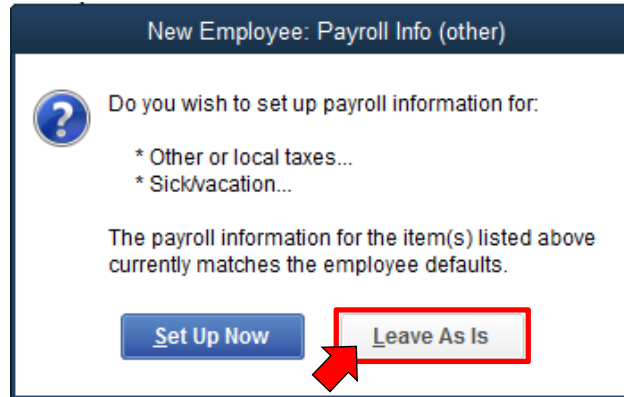


Click **OK**

Click on the Employment Info and complete the Hire Date for Ima of **05/01/2015**.



Click **OK** and on the New Employee: Payroll Info (other) screen, select **Leave As Is**.

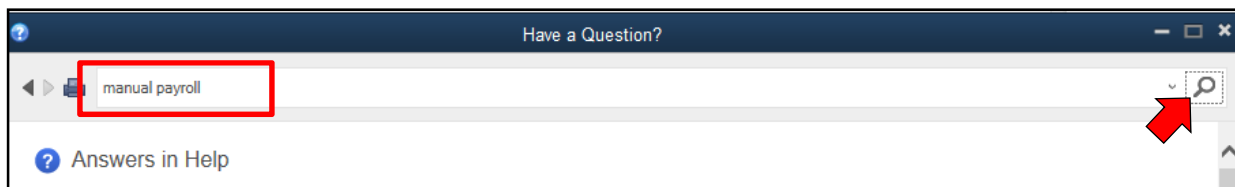


To go to the Home screen, click on the **Home** icon.

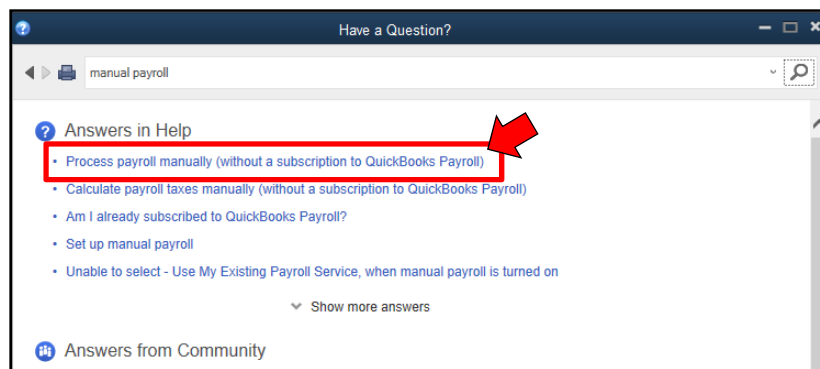
Establishing Manual Payroll Calculations:

Carefully go through the following steps to set your file up to use manual payroll calculations. Click on **Help** then click on **QuickBooks Help** (or press F1).

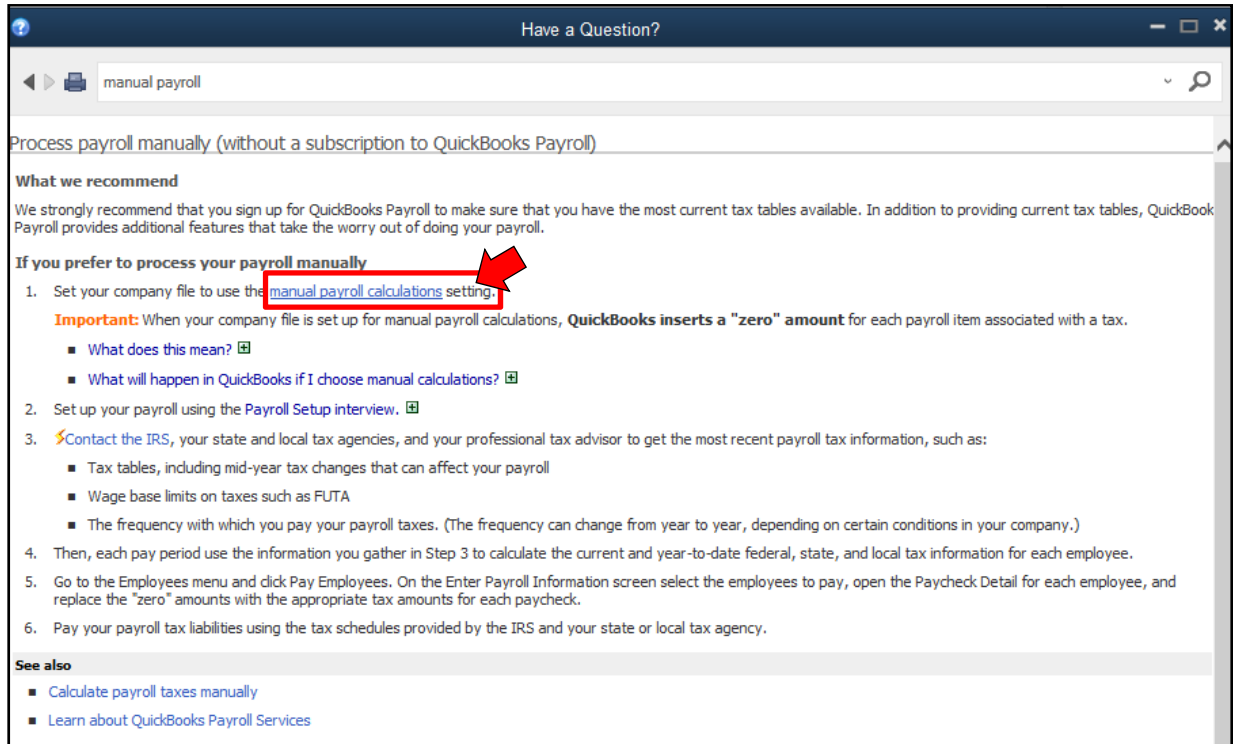
Click on the **Search** tab, type in **manual payroll** then click on the **search icon** at the right to activate the search.



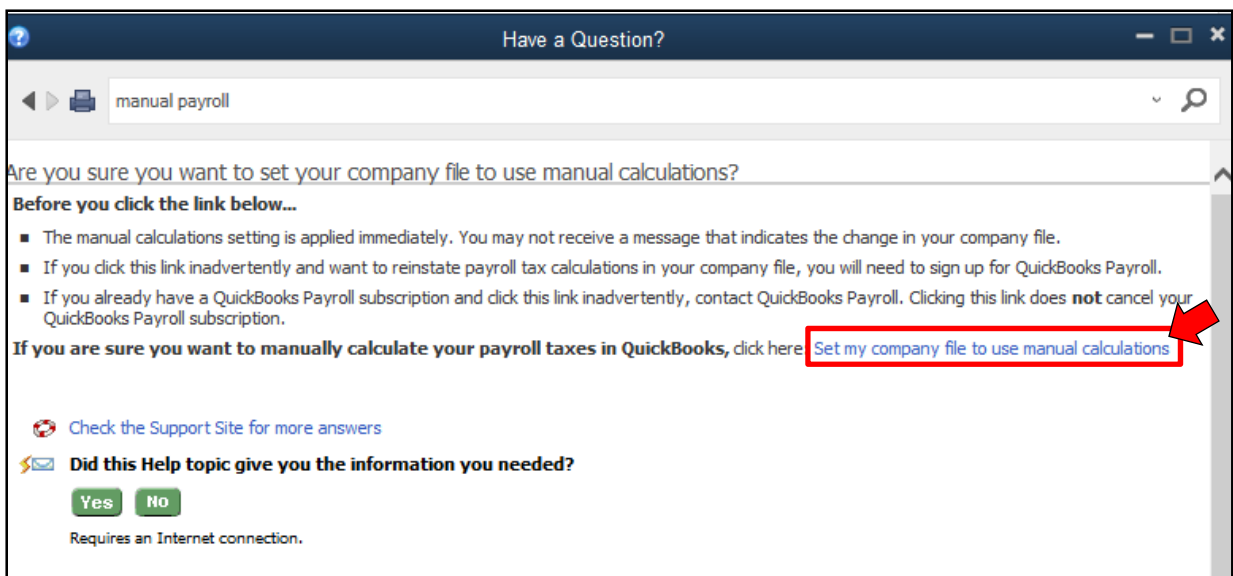
Click on the link **Process payroll manually (without a subscription to QuickBooks Payroll)**.



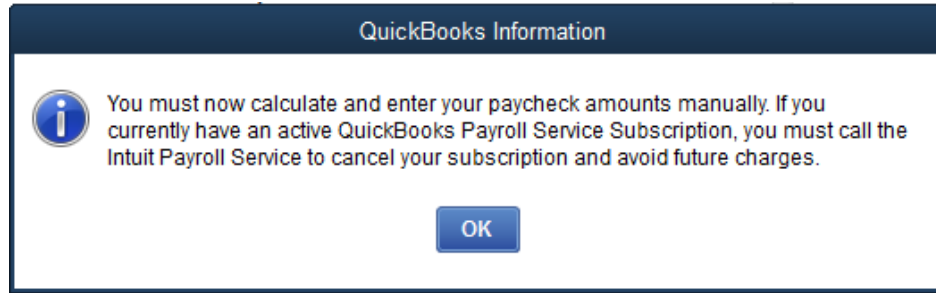
Click on the link **Manual payroll calculations**



Then, click on the link **Set my company file to use manual calculations**.



Click **OK** on the following screen.

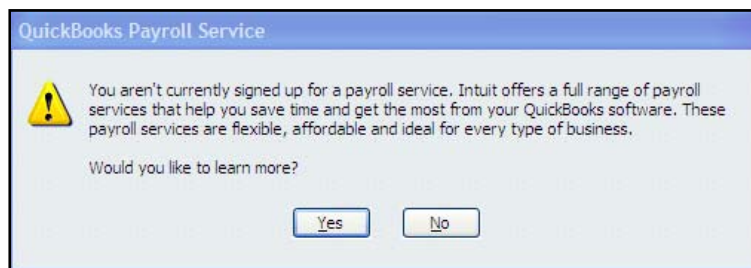


Paying Employees:

We are now ready to pay Amanda. From the Main Menu or the Employee Center found on the Home Screen, click on

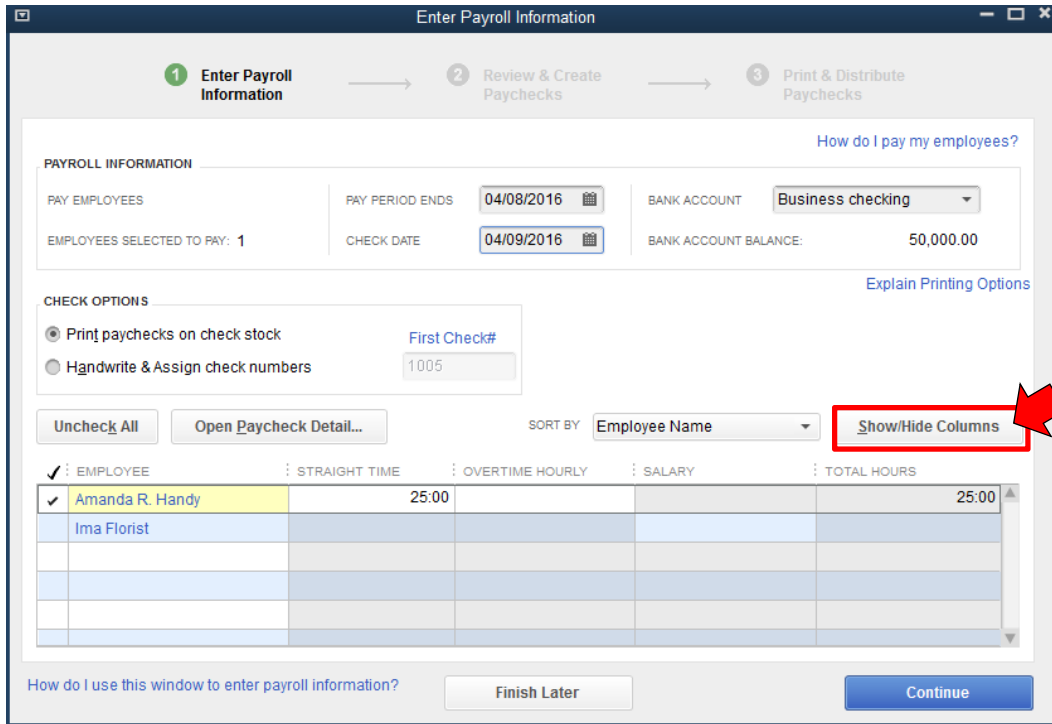
Employees **Pay Employees**

If the following screen appears, click **No**.

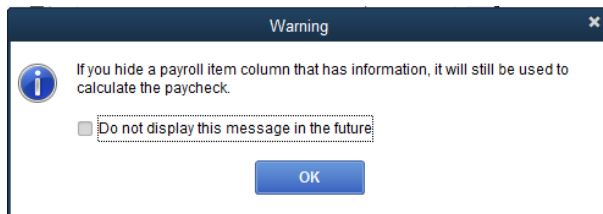


Enter payroll information for Amanda (as shown on the following screen:

- Enter the date when Pay Period Ends (04/08/2016) and the Check Date (04/09/2016).
- Make sure the Bank Account is correct.
- Check all the employees to which this payroll applies, Amanda in this example.
- Enter the appropriate number of hours (25) for hourly employees.

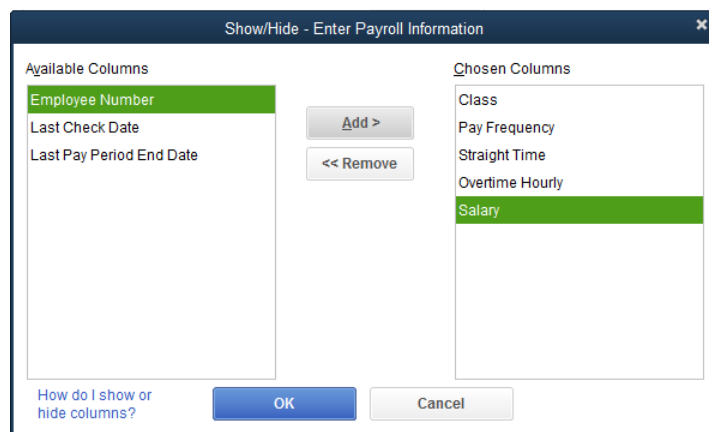


To display more detail, click on the **Show/Hide Columns** button at the right.



Click **OK**

The Show/Hide – Enter Payroll Information Box allows you to select columns for display on the Enter Payroll Information screen. We will elect to include: Class, Pay Frequency, Straight time, Overtime Hourly, and Salary as shown in the following screen.



Click **OK** when you have the desired fields selected.

Click on the Open Paycheck Detail to Preview the Paycheck and make additional entries (or corrections) for the employee withholding and the company's Social Security and Medicare as shown in the following screen.

Preview Paycheck

Amanda R. Handy PAY PERIOD 04/09/2016 - 04/15/2016

Use Direct Deposit CLASS Farmers Market

Earnings

ITEM NAME	RATE	HOURS	CUSTOMER:JOB
Straight Time		10.00	25:00
Overtime Hourly		15.00	
TOTALS		250.00	25:00 hrs

SICK AVAILABLE 0:00
VACATION AVAIL. 0:00
SICK ACCRUED
VAC. ACCRUED
 Do not accrue sick/vac

Other Payroll Items

ITEM NAME	RATE	QUANTITY

Employee Summary (adjusted) How are these items calculated?

ITEM NAME	AMOUNT	YTD
Straight Time	250.00	250.00
Overtime Hourly	0.00	0.00
Medicare Employee Addl T...	0.00	0.00
Federal Withholding	-37.50	-37.50
Social Security Employee	-15.50	-15.50
Medicare Employee	-3.63	-3.63
OK - Withholding	-10.00	-10.00
Check Amount:	183.37	

Company Summary (adjusted) How are these items calculated?

ITEM NAME	AMOUNT	YTD
Social Security Company	15.00	15.00
Medicare Company	3.63	3.63
Federal Unemployment	0.00	0.00

Enter net/Calculate gross

The withholding amounts for employees can be obtained from the following publications. Be sure to use the correct tables to determine the withholding for your employee(s). Also check with your tax advisor for additional information concerning withholding and making payroll deposits.

1. IRS Publication 51, (Circular A) Agricultural Employer's Tax Guide
2. IRS Publication 15, (Circular E) Employer's Tax Guide
3. Oklahoma Tax Commission, Packet OW-2 Oklahoma Income Tax Withholding Tables

IRS publications are available at www.irs.gov and from the Oklahoma Tax Commission at www.oktax.state.ok.us.

Click **Save & Close**.

Click on **Continue**

The following screen allows you to double check the data entered for Amanda.

Review and Create Paychecks

1 Enter Payroll Information → 2 Review & Create Paychecks → 3 Print & Distribute Paychecks

How do I pay my employees?

PAYROLL INFORMATION

PAY EMPLOYEES: [] PAY PERIOD ENDS: 04/15/2016 [] BANK ACCOUNT: Business checking [v]
 NUMBER OF PAYCHECKS: 1 CHECK DATE: 09/16/2016 [] BANK ACCOUNT BALANCE: 50,000.00

[Explain Printing Options](#)

CHECK OPTIONS

Print paychecks on check stock [First Check#](#)
 Handwrite & Assign check numbers 1005

[Open Paycheck Detail...](#)

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Tax	Contributions	Total Hours	Direct Dep
Amanda R. Handy	250.00	-66.63	0.00	183.37	18.63	0.00	25:00	
	250.00	-66.63	0.00	183.37	18.63	0.00	25:00	

< Back Finish Later Create Paychecks

Click Open Paycheck Detail if you wish to modify the payroll information; otherwise, click **Create Paychecks**


The Confirmation and Next Steps screen appears. **Click on Print Pay Stubs.**

Confirmation and Next Steps

1 Enter Payroll Information → 2 Review & Create Paychecks → 3 Print & Distribute Paychecks

You have successfully created 1 paycheck:
 1 for printing 0 for direct deposit [Learn more](#)

Next step:

 Print your paychecks/stubs, and distribute to employees.

[Print Paychecks](#) [Print Pay Stubs](#)

Select Pay Stubs

Bank Account: Business checking Checks Dated: 09/16/2016 thru 09/16/2016

Select Pay Stubs, then click Print or E-mail. Employee: All Employees

There is 1 Pay Stub to print for \$183.37.

✓	DATE	EMPLOYEE	AMOUNT
✓	09/16/2016	Amanda R. Handy	183.37

Buttons: Preview, Select All, Select None, Preferences, Default Email Text

Show: Both Paychecks Direct Deposit

Company message to be printed on all pay stubs:

Buttons: Print, Email, Close, Help

Click on Print to generate the report for Amanda.

BloomEaze
123 Easy Street
Quietwater, KS 74074

Amanda R. Handy
Rt. 2
Quietwater, OK 704074

Employee Pay Stub Check number: Pay Period: 04/09/2016 - 04/15/2016 Pay Date: 09/16/2016

Employee	SSN	Status (Fed/State)	Allowances/Extra
Amanda R. Handy, Rt. 2, Quietwater, OK 704074	***-**-6666	Single/Single	Fed-0/0/OK-0/0

Earnings and Hours	Qty	Rate	Current	YTD Amount
Straight Time	25.00	10.00	250.00	250.00

Taxes	Current	YTD Amount
Medicare Employee Adfl Tax	0.00	0.00
Federal Withholding	-37.50	-37.50
Social Security Employee	-15.50	-15.50
Medicare Employee	-3.63	-3.63
OK - Withholding	-10.00	-10.00
	-66.63	-66.63

Net Pay	183.37	183.37
----------------	---------------	---------------

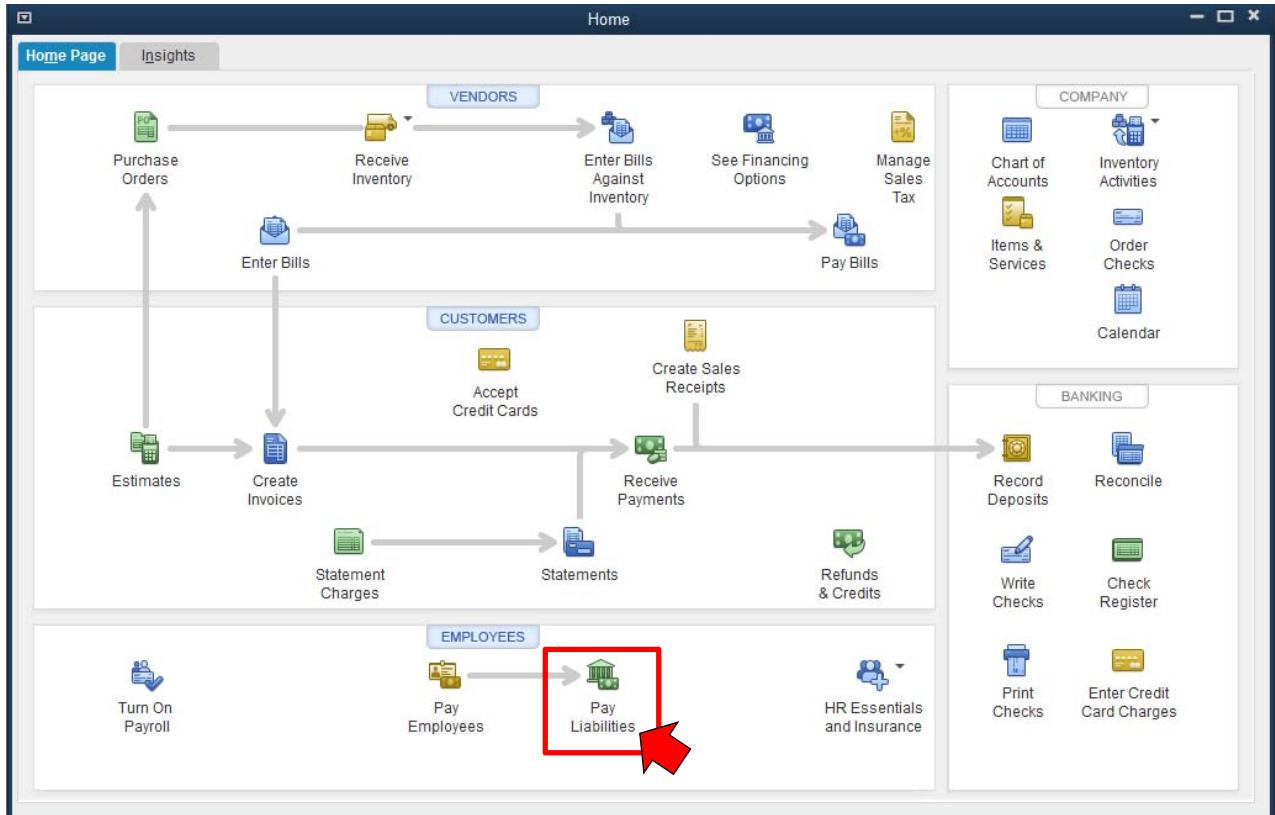
Click **Close**
Close

You are now ready to pay the payroll liabilities.

Paying the Payroll Liabilities:

You will need to send checks to the United States Treasury and the Oklahoma Tax Commission for the withholdings according to the timing from the publications listed on the first page of these instructions.

Go to the **Home Page** and click on the **Pay Liabilities** icon.



Select the date range to use. For our example, use Custom in the Dates box and use the dates **from: 01/01/2016 through 06/01/10/2016**. Contact your tax advisor to determine the rules for your particular situation.

Select Date Range For Liabilities

Select the date range for the payroll liabilities you want to pay.
Tip: Base your dates on the dates of the paychecks you issued, not on your pay period dates.

SHOW PAYROLL LIABILITIES

Dates From Through

Click **OK**

A Pay Liabilities screen appears and since we elected to compute payroll manually, you will need to insert the Payable To information for the Federal Withholding. The Social Security and Medicare items will be completed later in these instructions.

Pay Liabilities

To be printed

Bank Account

Check Date

Review liability check to enter expenses/penalties
 Create liability check without reviewing

SHOW PAYROLL LIABILITIES

Sort By Dates From Through

<input checked="" type="checkbox"/> PAYROLL ITEM	PAYABLE TO	BALANCE	AMT. TO PAY
Federal Unemployment		0.00	0.00
OK - Withholding	Oklahoma Tax Commission	10.00	0.00
Federal Withholding	United States Treasury	37.50	0.00
Medicare Company	United States Treasury	3.63	0.00
Medicare Employee	United States Treasury	3.63	0.00
Medicare Employee Addl T...	United States Treasury	0.00	0.00
Social Security Company	United States Treasury	15.00	0.00
Social Security Employee	United States Treasury	15.50	0.00
		85.26	0.00

Hide zero balances

Ending Bank Balance

Click on the item Federal Withholding. A window opens stating that there is not a liability agency for Federal Withholding.

Click **Yes** and the following screen appears.

Edit payroll item (Federal Withholding)

Name used in paychecks and payroll reports

Enter name for federal withholding tax payroll item:

Federal Withholding

Payroll item is inactive
To hide this item on the Payroll Item list, select the checkbox.

Back Next Finish Help Cancel

Make sure the name is Federal Withholding.

Click **Next**

Enter **United States Treasury** for the name of the agency to be paid.

Edit payroll item (Federal Withholding)

Agency for employee-paid liability

Enter name of agency to which liability is paid: United States Treasury

Liability account (employee-paid): Payroll Liabilities

This liability account tracks federal withholding tax to be paid. You can change this account at any time.

Back Next Finish Help Cancel

Click **Quick Add** to include United States Treasury in the Vendor list.

Click **Next**.

You will be prompted to select from a list of items those that will increase wages for determining federal withholding. **Salary, overtime hourly, and straight time should be checked.**

Edit payroll item (Federal Withholding)

Taxable compensation

Select the items that will increase wages for calculating federal withholding.

PAYROLL ITEM ▲

- Salary
- Overtime Hourly
- Straight Time

Click Default to revert to QuickBooks automatic settings.

Default

Back Next **Finish** Help Cancel

Click **Finish**.

The Pay Liabilities screen reappears and now click on the X in the upper right corner of the Pay Liabilities window to force QuickBooks to reset the Payroll Liabilities information.

Pay Liabilities

To be printed

Bank Account: Business checking

Check Date: 06/01/2016

Sort By: Payable To

SHOW PAYROLL LIABILITIES

Dates: Custom From: 01/01/2016 Through: 06/01/2016

<input checked="" type="checkbox"/> PAYROLL ITEM	PAYABLE TO	BALANCE	AMT. TO PAY
Federal Unemployment		0.00	0.00
OK - Withholding	Oklahoma Tax Commission	10.00	0.00
<input checked="" type="checkbox"/> Federal Withholding	United States Treasury	37.50	37.50
Medicare Company	United States Treasury	3.63	0.00
Medicare Employee	United States Treasury	3.63	0.00
Medicare Employee Addl T...	United States Treasury	0.00	0.00
Social Security Company	United States Treasury	15.00	0.00
Social Security Employee	United States Treasury	15.50	0.00
		85.26	37.50

Hide zero balances

Ending Bank Balance: 49,779.13

Create Cancel Payroll Liabilities Report Help

Return to the **Home Page** and click on the **Pay Liabilities** icon.

Reset the Dates to the Custom date range of 01/01/2016 through 06/01/2016.

Place “check marks” on the left side of each item to be paid as shown in the following screen.

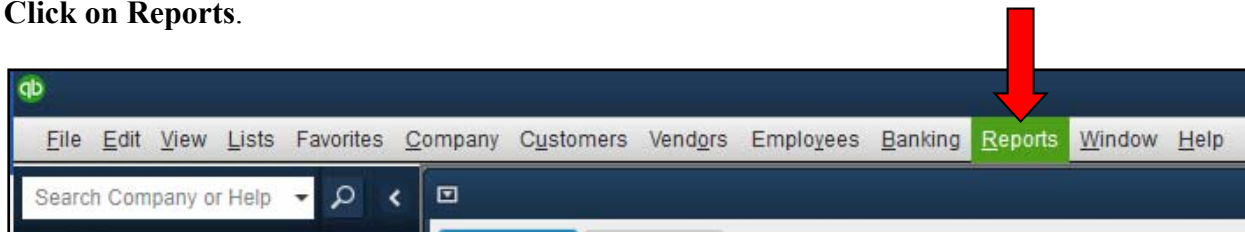
The screenshot shows the 'Pay Liabilities' window. It includes a 'To be printed' checkbox, a 'Bank Account' dropdown set to 'Business checking', and a 'Check Date' of '06/01/2016'. There are two radio buttons for 'Review liability check to enter expenses/penalties' and 'Create liability check without reviewing'. A 'SHOW PAYROLL LIABILITIES' section has 'Dates' set to 'Custom' from '01/01/2016' to '06/01/2016'. A table lists payroll items with checkboxes, payable to, balance, and amount to pay. The total amount to pay is 85.26. An 'Ending Bank Balance' of 49,731.37 is shown at the bottom.

<input checked="" type="checkbox"/>	PAYROLL ITEM	PAYABLE TO	BALANCE	AMT. TO PAY
<input type="checkbox"/>	Federal Unemployment		0.00	0.00
<input checked="" type="checkbox"/>	OK - Withholding	Oklahoma Tax Commission	10.00	10.00
<input checked="" type="checkbox"/>	Federal Withholding	United States Treasury	37.50	37.50
<input checked="" type="checkbox"/>	Medicare Company	United States Treasury	3.63	3.63
<input checked="" type="checkbox"/>	Medicare Employee	United States Treasury	3.63	3.63
<input checked="" type="checkbox"/>	Medicare Employee Addl T...	United States Treasury	0.00	0.00
<input checked="" type="checkbox"/>	Social Security Company	United States Treasury	15.00	15.00
<input checked="" type="checkbox"/>	Social Security Employee	United States Treasury	15.50	15.50
			85.26	85.26

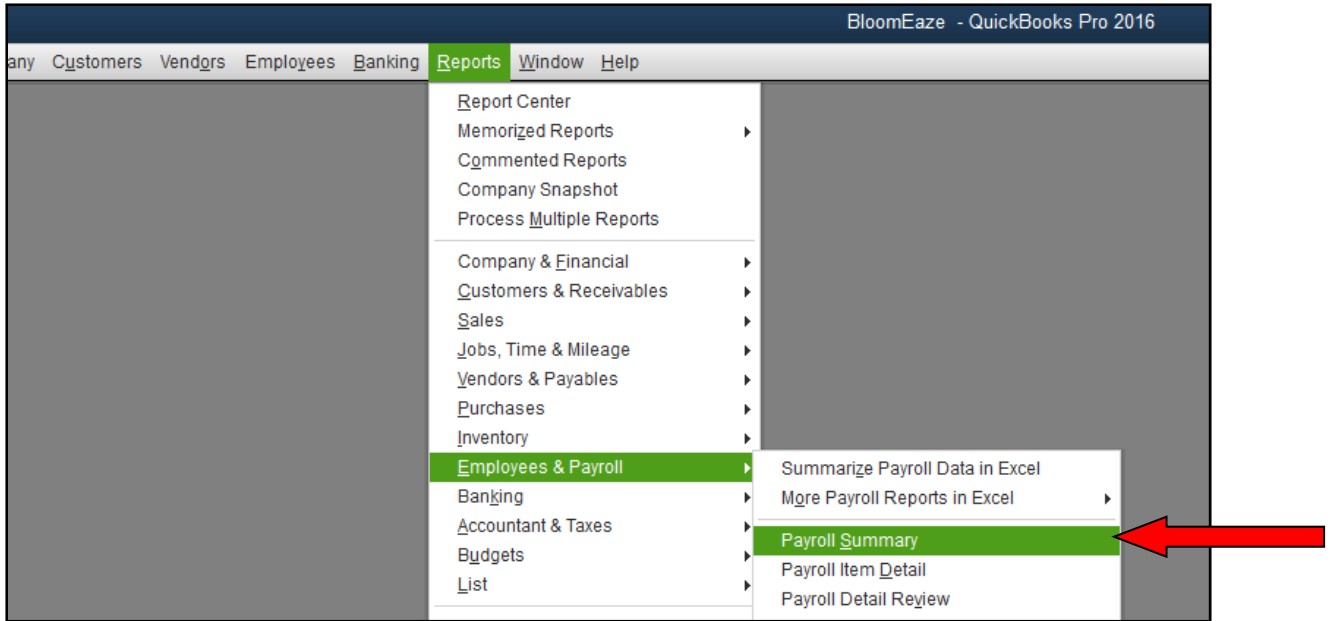
You will hand write or create 2 checks: one for the Medicare, Social Security, and Federal Withholding paid to the United States Treasury and one for the Oklahoma Withholding paid to the Oklahoma Tax Commission.

Click **Create** and the information is saved and you are ready to create a Payroll Report.

Click on Reports.



Select **Employees & Payroll** then **Payroll Summary** as indicated below.



Select Custom for the Dates field and use From 01/01/2016 To 10/01/2016 then click Refresh to get the Payroll Summary report for Amanda. Refer to the following screen

The screenshot shows the 'Payroll Summary' report for Amanda R. Handy, January 1 through October 1, 2016. The report is displayed in a table format with columns for Hours, Rate, and Total. The report is filtered for the date range 01/01/2016 to 10/01/2016 and the employee Amanda R. Handy.

		Amanda R. Handy		TOTAL		
	Hours	Rate	Jan 1 - Oct 1, 16	Hours	Rate	Jan 1 - Oct 1, 16
Employee Wages, Taxes and Adjustm.						
Gross Pay						
Overtime Hourly		15.00	0.00			0.00
Straight Time	25	10.00	250.00	25		250.00
Total Gross Pay	25		250.00	25		250.00
Adjusted Gross Pay	25		250.00	25		250.00
Taxes Withheld						
Federal Withholding			-37.50			-37.50
Medicare Employee			-3.63			-3.63
Social Security Employee			-15.50			-15.50
OK - Withholding			-10.00			-10.00
Medicare Employee Addl Tax			0.00			0.00
Total Taxes Withheld			-66.63			-66.63
Net Pay	25		183.37	25		183.37
Employer Taxes and Contributions						
Federal Unemployment			0.00			0.00
Medicare Company			3.63			3.63
Social Security Company			15.00			15.00
Total Employer Taxes and Contribut...			18.63			18.63

Once this is done, you will have completed the steps for setting up payroll through the payment of the payroll liabilities. Congratulations.