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PAYROLL CS™ OR WRITE-UP CS™

# Payroll Year-End Procedures

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# CSA Payroll Year-End Procedures

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## Introduction

When all payroll checks for the client have been processed and printed, the next steps are to process and print the 941, 940, 944, 945, SUTA, W-2, and 1099 forms for the company.

The following reports can be used to verify the accuracy of the figures that are retrieved into the various payroll forms.

- Payroll Journal
- Earnings Report
- Depository Totals
- Payroll Tax Summary

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### Notes

- A checklist for year-end payroll processing is available within the CSA help. Search on **Checklists** from the index in the CSA help browser and then click the **Checklist for payroll year-end processing** topic.
  - If you want to follow the procedures in the guide without affecting your client data, you can open and use **CSPAY01 Payroll Sample Client**.
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## Processing Form 941

The first item to process and print is the 941 form. To select form 941 for filing, choose File / Client Properties, click the Payroll tab, and make sure the **941** checkbox is marked.

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**Note:** The 941 and 944 checkboxes cannot both be marked at the same time in the Client Properties dialog. When you mark one of the checkboxes, the other is unmarked automatically.

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The Federal 941 option, used quarterly for reporting an employer’s tax liability, consists of the following forms:

- Form 941, Employer’s Quarterly Federal Tax Return
- Form 941 (Schedule B), Employer’s Record of Federal Tax Liability
- Form 941-V – Payment Voucher
- 941c, Supporting Statement To Correct Information
- 941-Schedule D, Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations

To begin processing Form 941, follow these steps.

1. From the main CSA window, choose **Utilities / Payroll Tax Processing** and then either click the **U.S. flag (941)** icon on the shortcut bar or choose **View / 941**. In the form window (shown in the following illustration), click the 941 tab, the 941-Sch B tab, 941-V tab, or 941-Sch D tab.

The text color of data shown on the screen for the 941 form indicates the source of the information, as follows:

<b>Blue</b>	Retrieved information (From Tasks / Retrieve Payroll Information; see steps 2-5 below.)
<b>Green</b>	Supplemental information (From Setup / Supplemental Information; see steps 6-9 below.)
<b>Black</b>	Program-calculated information
<b>Red</b>	Manual override
<b>Orange</b>	User-entered

Form **941** for **2007**; Employer's **QUARTERLY** Federal Tax Return  
 (Rev. January 2007) Department of the Treasury -- Internal Revenue Service

OMB No. 1545-0029 970107

Report for this Quarter of 2007 (Check one):  
 1: January, February, March  
 2: April, May, June  
 3: July, August, September  
 4: October, November, December

(EIN) Employer identification number 38-1234567  
 Name Blue Heaven Cafe and Market  
 Trade name (if any) Blue Heaven Cafe and Market  
 Address 1234 East Main Street Suite 4119  
 Dexter MT 48130

**Part 1: Answer these questions for this quarter.**

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), Dec. 12 (Quarter 4) ... 1 9

2 Wages, tips, and other compensation ..... 2 45498.72

3 Total income tax withheld from wages, tips, and other compensation ..... 3 4313.57

4 If no wages, tips, and other compensation are subject to social security or Medicare tax...  Check and go to line 6.

5 Taxable social security and Medicare wages and tips:

	Column 1		Column 2
5a Taxable social security wages	41401.53	x .124 =	5133.79
5b Taxable social security tips	6778.00	x .124 =	840.47
5c Taxable Medicare wages & tips	48179.53	x .029 =	1397.21
5d Total social security and Medicare taxes (Column 2, lines 5a + 5b + 5c = line 5d).....			7371.47

6 Total taxes before adjustments (lines 3 + 5d = line 6) ..... 6 11685.04

7 TAX ADJUSTMENTS (Read instructions for line 7 before completing lines 7a through 7k):

7a Current quarter's fractions of cents ..... -0.02

7b Current quarter's sick pay

If you have created a vendor and entered checks for that vendor in the Tasks / Transaction Entry window or in the Tasks / Vendor Check Entry window, you can now retrieve those vendor check amounts by choosing **Tasks / Vendor Checks**.

**Vendor Checks**

Payments

Vendor Selection: [Dropdown]

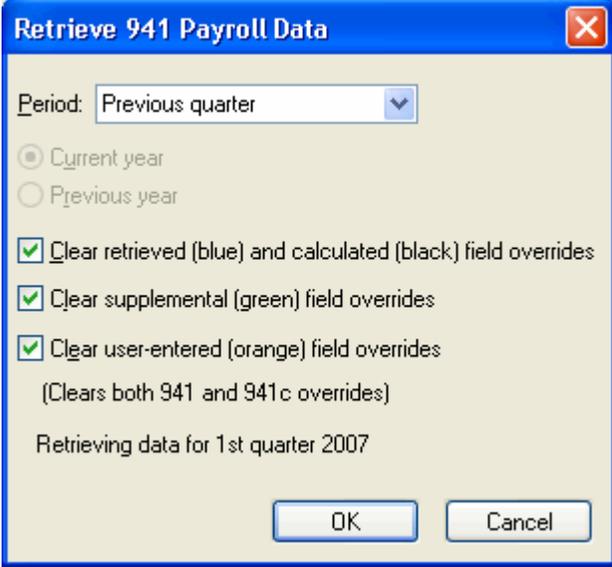
Date	Check No.	Amount

Offset (In Days): 0 Total: 0.00

OK Cancel

In the Vendor Checks dialog, you can select the vendor you used when making 941 payments and then choose the appropriate checks for the reporting period. The program automatically enters this amount in the **Line 11 - Total deposits for quarter** field for Form 941. If there is an amount already entered in the corresponding field within the Setup / Supplemental Information dialog, the program displays that number instead.

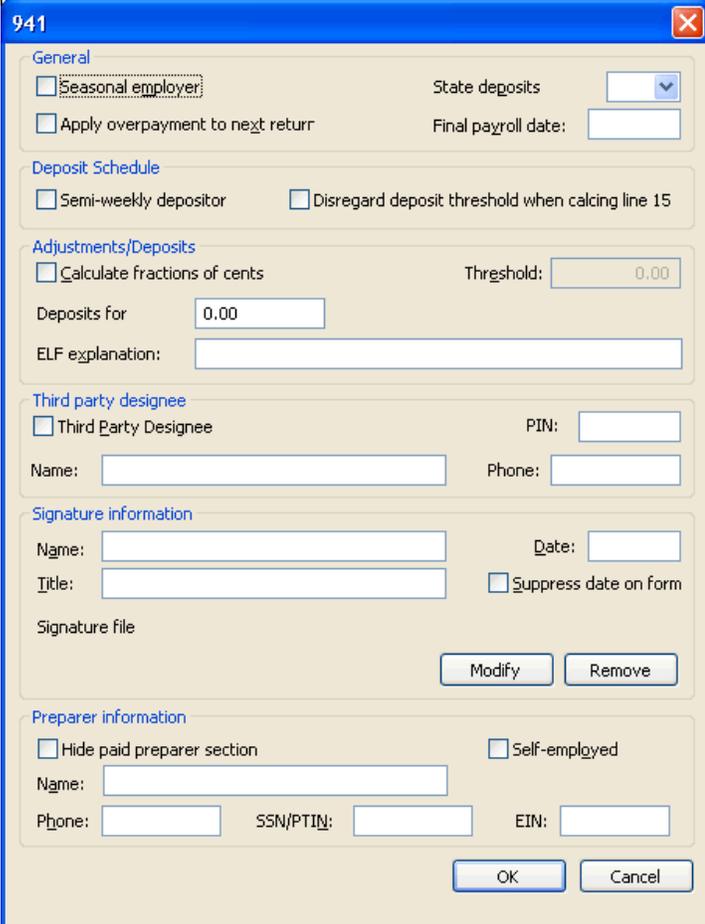
2. Choose **Tasks / Retrieve Payroll Information** or click the  button on the toolbar.
3. In the **Period** field of the Retrieve Payroll Data dialog, select the period for which you wish to retrieve the information and then click **OK**.
4. Mark the appropriate field override checkboxes to clear any information that may have already been entered manually.



5. Click **OK** to return to the form window. Notice that the blank fields and zero amounts have been replaced by the actual quarterly payroll information.

Information for Form 941 is retrieved from the earnings history and (for Line 15 or for the 941-Sch B form) from the check history. You can also enter payroll information manually on the displayed 941 form, overriding automatically retrieved data. To delete override data, choose **Edit / Overrides** while the form window is active and then select the applicable override option.

6. To enter the total deposits for the quarter, choose **Setup / Supplemental Information** or click the  button on the toolbar.



**941**

**General**

Seasonal employer State deposits:

Apply overpayment to next return Final payroll date:

**Deposit Schedule**

Semi-weekly depositor  Disregard deposit threshold when calcing line 15

**Adjustments/Deposits**

Calculate fractions of cents Threshold:

Deposits for:

ELF explanation:

**Third party designee**

Third Party Designee PIN:

Name:  Phone:

**Signature information**

Name:  Date:

Title:   Suppress date on form

Signature file

**Preparer information**

Hide paid preparer section  Self-employed

Name:

Phone:  SSN/PTIN:  EIN:

7. If the Vendor Checks dialog is not being used, enter the amount of the deposits in the **Deposits for** field.
8. If the tax liability amount for Line 15 of the 941 is greater than the Line 10 amount for net taxes, mark the **Calculate fractions of cents** checkbox to make Line 10 equal to Line 15 or Schedule B, the total liability for the quarter, and enter the threshold amount in the Threshold field.
9. Click **OK** to close the 941 Supplemental Information dialog and return to the form window.

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**Note:** If you need to change or zero out supplemental information (shown in green in the form window), choose **Setup / Supplemental Information** and make whatever changes are required. After retrieval, the field for Line 11 is cleared. If you need to delete an override amount on the 941, choose **Edit / Overrides** and then make the appropriate selection.

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10. Enter any information needed for fields that are orange (user-entered).

## Printing Form 941

To print form 941, do the following.

1. From the Form 941 window, choose **File / Print**.

**Note:** When you choose to print Form 941, a diagnostic error may appear telling you that lines 10 and 15 on the 941 form are not equal, usually due to rounding. If this is the case, open the Supplemental Information dialog for Form 941 and mark the **Calculate fractions of cents** checkbox. Enter the threshold amount in the **Threshold** field.

	Form	Paper Type	Printer	Filing Instructions
<input checked="" type="checkbox"/>	941	Facsimile	<Default>	941 Filing Instructions.ltr
<input type="checkbox"/>	941(p2)	Facsimile	<Default>	<None>
<input type="checkbox"/>	941-Sch B	Facsimile	<Default>	941 Filing Instructions.ltr
<input type="checkbox"/>	941-V	Facsimile	<Default>	Compilation Letter.ltr
<input type="checkbox"/>	941c	Facsimile	<Default>	Review Letter.ltr
<input type="checkbox"/>	941c(p2)	Facsimile	<Default>	Sample Cover Letter.ltr
<input type="checkbox"/>	941-Sch D	Facsimile	<Default>	Sample Letter to Existing Clients
<input type="checkbox"/>	941-Sch D(p2)	Facsimile	<Default>	<None>

Number of copies to print: 1

Queue for transmission

- To print the forms listed in the Print Tax Forms dialog, mark the appropriate checkboxes.
- “Facsimile” is the only option available in the Paper Type column, and “<Default>” appears as the selected option in the Printer column. However, you may select any of the printers that have been set up for your Windows® system. To choose a new default printer, click the Printer button.
- To print filing instructions before the payroll tax form, choose the appropriate global letter from the Filing Instructions column. These global letters are created in the Setup / Transmittal Letter dialog.
- Specify the number of copies you wish to print (from 1 through 99) in the Number of copies to print field.

2. Confirm that you have inserted blank paper in your printer and then click the **OK** button.
3. Click **Done** on the toolbar to close the Payroll Tax Processing window.

## Processing Form 944

For annual filing, you will process Form 944. To select form 944 for filing, choose File / Client Properties, click the Payroll tab, and make sure the **944** checkbox is marked.

The Federal 944 option, used annually for reporting an employer's tax liability, consists of the following forms.

- Form 944 – Employer's Annual Federal Tax Return
- Form 944-V – Payment Voucher

**Note:** The 941 and 944 checkboxes cannot both be marked at the same time in the Client Properties dialog. When you mark one of the checkboxes, the other is unmarked automatically.

To begin processing Form 944, follow these steps.

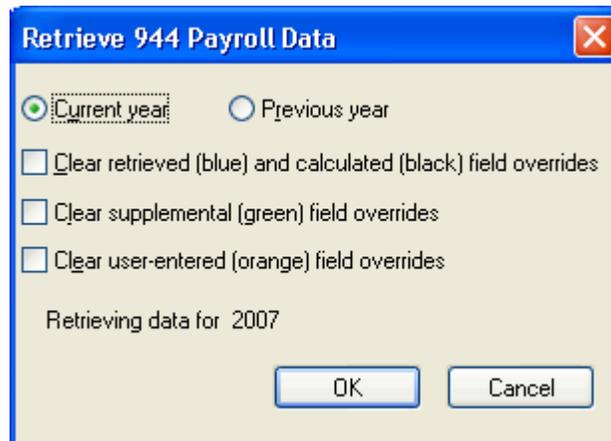
1. From the main CSA window, choose **Utilities / Payroll Tax Processing** and then either click the **U.S. flag (944)** icon on the shortcut bar or choose **View / 944**. In the form window (shown in the following illustration), click the appropriate tab.

The screenshot displays the 'Form 944 for 2007: Employer's ANNUAL Federal Tax Return' window. The interface includes a menu bar (File, Edit, View, Tasks, Setup, Help) and a toolbar with a 'Done' button. A sidebar on the left shows state selection options (944, 940, 945, CA, FL, MI). The main form area contains the following sections:

- Form 944 for 2007: Employer's ANNUAL Federal Tax Return** (Department of the Treasury -- Internal Revenue Service)
- (EIN)** Employer identification number:
- Name** (not your trade name):
- Trade name** (if any):
- Address:**
- Who Must File Form 944** (OMB No. 1545-2007): You must file annual Form 944 instead of filing quarterly Forms 941 only if the IRS notified you in writing.
- Part 1: Answer these questions for 2007.**
- 1** Wages, tips, and other compensation ..... 1
- 2** Total income tax withheld from wages, tips, and other compensation ..... 2
- 3** If no wages, tips, and other compensation are subject to social security or Medicare tax ..... 3  Check and go to line 5.
- 4** Taxable social security and Medicare wages and tips:
- 4a** Taxable social security wages  X .124 =  **Column 1** **Column 2**
- 4b** Taxable social security tips  X .124 =
- 4c** Taxable Medicare wages & tips  X .029 =
- 4d** Total social security and Medicare taxes (Column 2, lines 4a + 4b + 4c = line 4d) ..... 4d
- 5** Total taxes before adjustments (lines 2 + 4d = line 5) ..... 5

At the bottom, the status bar shows: 'For Help, press F1 or Ctrl+F1', 'Staff: XXX', and 'PR Period: 04/30/07'.

2. Choose **Tasks / Retrieve Payroll Information** or click the  button on the toolbar.
3. In the Retrieve 944 Payroll Data dialog, select the year for which you wish to retrieve the information, mark any appropriate field override options, and then click **OK**.



4. Click **OK** to return to the form window. Notice that the blank fields and zero amounts have been replaced by the actual annual payroll information.

Information for Form 944 is retrieved from the earnings history and, for Line 13, from the check history. You can also enter payroll information manually on the displayed 944 form, overriding automatically retrieved data. To delete override data, choose **Edit / Overrides** while the form window is active and then select the applicable override option.

5. On line 10 of Form 944, enter the federal deposit amount for the year.
6. Choose **Setup / Supplemental Information** and enter any applicable information.
7. Click **OK** to close the 944 Supplemental Information dialog and return to the form window.
8. Enter any information needed for orange (user-entered) fields.
9. Print Form 944 using the File / Print command.

## Processing Form 940

The 940 form is the employer's annual federal unemployment tax return, and processing for this form is similar to the 941 processing.

1. Choose **Utilities / Payroll Tax Processing**. Click the **940** flag icon on the shortcut bar. Note that the Form 940 window opens with zero amounts.

**Form 940 for 2007: Employer's Annual Federal Unemployment (FUTA) Tax Return**

Department of the Treasury -- Internal Revenue Service OMB No. 1545-0028

(EIN)  
 Employer identification number

Name (not for trade name)

Trade name (if any)

Address

**Type of Return (Check all that apply)**

a. Amended

b. Successor employer

c. No payments to employees in 2007

d. Final: Business closed or stopped paying wages

Read the separate instructions before you fill out this form. Please type or print within the boxes.

**Part 1: Tell us about your return. If any line does NOT apply, leave it blank.**

1 If you were required to pay your state unemployment tax in ...

1a One state only (enter the state abbreviation) ..... 1a

- OR -

1b More than one state (you are a multi-state employer) ..... 1b  Check here. Fill out Schedule A.

2 Line 2 is not applicable for 2007. .... 2

**Part 2: Determine your FUTA tax before adjustments for 2007. If any line does NOT apply, leave it blank.**

3 Total payments to all employees ..... 3

4 Payments exempt from FUTA tax ..... 4

Check all that apply: 4a  Fringe benefits 4c  Retirement/Pension 4e  Other

4b  Group term life insurance 4d  Dependent care

5 Total of payments made to each employee in excess of \$7,000 ... 5

6 Subtotal (line 4 + line 5 = line 6) ..... 6

For Help, press F1 or Ctrl+F1 Staff: XXX PR Period: 04/30/07

2. Choose **Tasks / Retrieve Payroll Information**.

- From the Retrieve Employee 940 Payroll Data dialog, choose the year (**Current** or **Previous**) for which to retrieve the information and mark any of the Clear form overrides checkboxes as appropriate.



You also have the option to **Include non-taxable wages as exempt** and **Include pre-tax deductions as exempt**.

- If you mark the Include non-taxable wages as exempt option, non-taxable wages such as employee reimbursement and mileage, etc., will be presented on the lines for total payments, exempt payments, and total exempt payments.
  - If you mark the Include pre-tax deductions as exempt option, the amount of the deduction (cafeteria plan, medical insurance, etc.) will be presented on the lines for total payments, exempt payments, and total exempt payments on the 940 form.
- Click **OK** to automatically retrieve the client's payroll information into the 940 form.
  - Choose **Setup / Supplemental Information** and enter the appropriate information, then click **OK** to return to the form window.
  - Enter any information needed for the orange (user-entered) fields.
  - Verify the figures on the form by comparing them to your Payroll Tax Summary Report. If everything is correct, print the forms by choosing **File / Print**.
  - Click **Done** to close the Payroll Tax Processing window.

## Processing Form 945

Form 945 is the Annual Return of Withheld Federal Income Tax. Processing the Form 945 is similar to the process for Forms 940, 941, and 944.

1. Choose **Utilities / Payroll Tax Processing**. Click the **945** flag icon on the shortcut bar. Note that the Form 945 window opens with blank fields and zero amounts.

**Form 945 Annual Return of Withheld Federal Income Tax**  
 For withholding reported on Forms 1099 and W-2G.  
 OMB No. 1545-1430  
**2007**

Please type or print.

Name (as distinguished from trade name): Blue Heaven Cafe and Market  
 Calendar year: 2007  
 Trade name, if any: Blue Heaven Cafe and Market  
 Employer identification number (EIN): 38-1234567  
 Address (number and street): 1174 East Main Street, Suite 4119  
 City, state, and ZIP code: Dexter, MI 48130

**A** If you **do not have to file** returns in the future, check here  and enter date final payments made: \_\_\_\_\_

1	Federal income tax withheld from pensions, annuities, IRAs, gambling winnings, etc.....	1	0.00
2	Backup withholding .....	2	0.00
3	Adjustment to correct administrative errors (see the instructions) .....	3	
4	<b>Total taxes.</b> If \$2,500 or more, this must equal line 8M below or line M of Form 945-A .....	4	
5	Total deposits for 2007 from your records, including overpayment applied from 2006 return .....	5	0.00
6	<b>Balance due</b> (subtract line 5 from line 4) (see the instructions) .....	6	0.00
7	<b>Overpayment.</b> If line 4 is less than line 5, enter overpayment here \$ _____ and check if to be: <input type="checkbox"/> Applied to next return or <input type="checkbox"/> Refunded.		

2. Choose **Tasks / Retrieve Payroll Information**.
3. From the Retrieve Employee 945 Payroll Data dialog, choose the year (**Current** or **Previous**) for which to retrieve the information, mark any of the Clear form overrides checkboxes as appropriate, and then click **OK**.

**Retrieve 945 Payroll Data**

Current year  Previous year

Clear retrieved (blue) and calculated (black) field overrides

Clear supplemental (green) field overrides

Clear user-entered (orange) field overrides

Retrieving data for 2007

OK Cancel

4. Choose **Setup / Supplemental Information** and enter any applicable information, then click **OK** to close the 945 Supplemental Information dialog and return to the form window.
5. Choose **Setup / 1099 Items** to distinguish between regular and backup withholding.
6. Enter any information needed for the orange (user-entered) fields.
7. Print Form 945 using the **File / Print** command.

## Processing state payroll tax forms

For each state that you will be processing for a client, you must first enter the two-character state postal code in the Payroll tab of the File / Client Properties dialog. In addition, to have the program calculate SUTA amounts and the SUTA Worksheet report, the State field in the Other tab of the Setup / Employees window must be completed for the applicable state(s) for **each employee**.

**Note:** If you are licensed for a State Payroll Tax module, the process of retrieving the quarterly payroll data is similar to the process for retrieving 941 data.

Follow these steps to retrieve data for state payroll tax processing.

1. Choose **Utilities / Payroll Tax Processing**, and then either click the applicable **state flag** icon on the shortcut bar or choose the state from the **View** menu.

The screenshot shows the 'EMPLOYER'S QUARTERLY TAX REPORT' form for the State of Michigan. The form is titled 'UOA-1020 (Rev. 04-04)'. The employer is 'Blue Heaven Cafe and Market' located at '1234 East Main Street, Suite 4119, Dexter, MI 48130'. The mail to address is 'Unemployment Agency, P.O. Box 33598, Detroit, MI 48232-5598'. The form includes instructions and a section for 'CHECKS SHOULD BE MADE PAYABLE TO: State of Michigan, Unemployment Insurance Agency'. The form also contains a grid for entering the 7-digit UIA Employer Number (01234567) and a checkbox for 'Check box, if final report'. The taxable wage limit is \$9,000.00, and the quarter ending date is 6/30/07. The gross wages are \$7,719.99. The Federal Emp. I.D. Number is 38-1234567. The form is for the PR Period: 04/30/07.

2. While any payroll tax form is currently selected, choose **Tasks / Retrieve Payroll Information**.
3. In the **Period** field of the Retrieve Payroll Data dialog, select the period for which you wish to retrieve the information. If applicable, also select a month for retrieval in the **Month** field.

**Retrieve Payroll Data**

Period to process

Period:

Month:

Current year  Previous year

Inactive employees

Include all employees with year-to-date earnings

Only include employees having earnings in quarter

Misc

Exclude employees with no wages  
(Unmark for annual forms)

Clear retrieved (blue) and calculated (black) field overrides

Clear supplemental (green) field overrides

Clear user-entered (orange) field overrides

Retrieving data for 2nd quarter 2007

4. Mark any appropriate checkboxes in the dialog, and then click **OK** to return to the payroll tax form window.
5. Choose **Setup / Supplemental Information** and enter any applicable information, then click **OK** to close the Supplemental Information dialog and return to the form window.
6. Enter any information needed for orange (user-entered) fields.

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**Note:** You can also enter payroll information manually on the displayed payroll tax form, overriding data that has been automatically retrieved. To delete overridden data, choose **Edit / Overrides** while the form window is active, and then select the applicable override option.

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## Editing employee detail

If you wish to edit employee information on the payroll tax form, choose **Tasks / Edit Employee Detail** or click the  button and do the following:

1. In the Employee Detail dialog, select the checkbox next to the name of any employee you wish to exclude from the report.
2. Edit other employee information as necessary.
3. Click **OK** to save the information and return to the payroll tax form window.

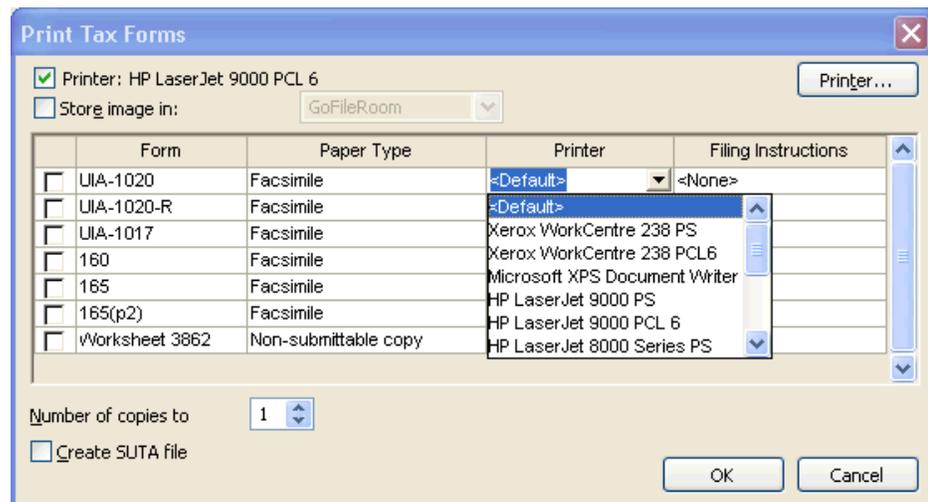
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**Important!** Edits made in the Employee Detail dialog do **not** update the employee's record in the Setup / Employees window.

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## Printing payroll tax forms

1. When all required information has been saved in the applicable tax forms for the selected state, choose **File / Print**.



2. To select a different printer than the displayed default printer, click the **Printer** button.
3. Mark the checkbox for each state payroll tax form you wish to print.
4. Make certain that you have loaded the proper paper stock (blank or preprinted) into your printer. If you need to adjust the printed areas to match the applicable spaces when printing forms on preprinted paper stock, search on **Aligning preprinted state payroll tax forms for printing** from the Index of the CSA help browser.
5. Click **OK** to begin printing.

**Note:** If you are a licensed user of FileCabinet CS<sup>®</sup> from Thomson Reuters, you can store and retrieve an electronic copy of any Payroll CS<sup>™</sup> or Write-Up CS<sup>™</sup> form, report, or financial statement. FileCabinet CS is a CS Professional Suite<sup>™</sup> application that provides automatic storage and retrieval mechanisms for documents produced by other CS Professional Suite software. FileCabinet CS also enables you to scan documents for storage, store existing image files, store documents in alternate file locations, and send documents to email recipients. You can print most client-related documents, such as returns, extensions, forms, and reports to FileCabinet CS for electronic storage.

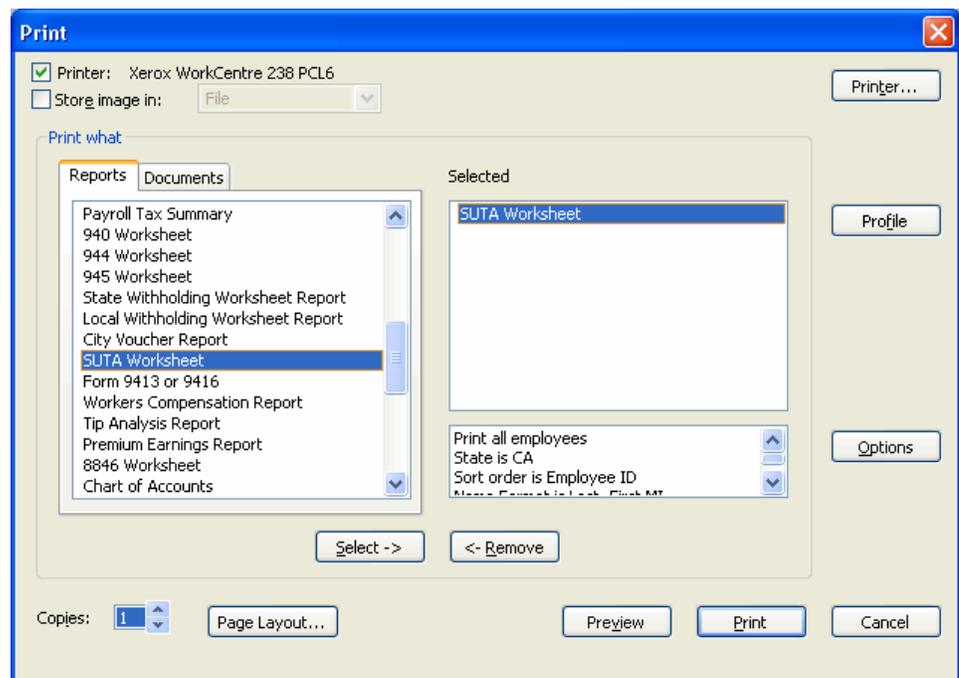
## Printing SUTA worksheets

Please note that the state(s) for which you will be processing any state payroll tax form must first be selected as one of the client's states in the Payroll tax information grid on the Payroll tab of the **File / Client Properties** dialog and (for each employee) in the Other tab of the **Setup / Employees** window. If an employee is missing from a SUTA worksheet, you should return to both the Client Properties dialog and to the Employees windows to verify that the required state has been selected.

A SUTA Worksheet is provided as one of the standard reports with your Payroll CS or Write-Up CS software. This is not usually a submittable form, but it can be useful when entering information in a state form.

Follow these steps to print the SUTA Worksheet:

1. From the CSA main window, choose **File / Print Reports**.
2. In the Reports tab of the Print dialog, double-click **SUTA Worksheet** to move it to the right (Selected) pane.



3. With **SUTA Worksheet** still highlighted in the right pane, click the **Options** button.
4. In the SUTA Worksheet Options dialog, specify the information as appropriate for the selected client.

The screenshot shows the 'SUTA Worksheet Options' dialog box. It has three tabs: 'General', 'Font', and 'Page Layout'. The 'General' tab is selected. The fields are as follows:

- State: MI
- Sort order: Employee ID
- Name format: Last, First MI
- Period: Previous quarter
- Radio buttons:  Current year,  Previous year
- Optional Information section:
  - Inactive date
  - Units
  - Include non-taxable wages as exempt
  - Exclude employees with no wages

At the bottom right, there are 'OK' and 'Cancel' buttons.

5. Click **OK** to return to the Print dialog.
6. Click the **Preview** button or the **Print** button.

## Form 9413 or 9416

Forms 9413 or 9416 are generic forms, which some states accept for filing state unemployment tax.

Follow these steps to select print options for the 9413 or 9416 form:

1. From the CSA main window, choose **File / Print Reports**.
2. In the Reports tab of the Print dialog, double-click **Form 9413 or 9416** to move it to the right (Selected) pane.

3. With **Form 9413 or 9416** still highlighted in the right pane, click the **Options** button.

The screenshot shows the 'Form 9413 or 9416 Options' dialog box. The 'General' tab is selected. The settings are as follows:

- Form: Form 9413
- State: CA
- Period: Previous quarter
- Current year (selected)
- Previous year
- Sort order: Last name
- Column 3: Excess wages
- Include non-taxable wages as exempt (unchecked)
- Exclude employees with no wages (unchecked)
- Inactive employees:
  - Include all employees active year-to-date (selected)
  - Only include employees active in quarter (unchecked)

Buttons: OK, Cancel

4. Click the **Preview** button or the **Print** button.

**Note:** Print options automatically revert to their default settings when you deselect a report for printing or exit the Print dialog. To save your report options, you can mark the **Save report options** checkbox in the Print tab of the Setup / User Preferences dialog. You can also save report options as part of a report profile.

## Processing W-2 Forms

The Utilities / W-2 Form Processing command allows you to select the forms and to choose print options, and it also allows you to select the employees for whom you wish to print W-2 copies.

1. From the CSA main window, choose **Utilities / W-2 Form Processing** and specify the year you want to process.
2. In the Form Selection tab of the W-2 Form Processing dialog, mark the checkbox next to each form you wish to print and if you want to print more than one copy, enter the number in the Copies column. (Note that only Copy A and the W-3 can be previewed on the screen.)

**W-2 Form Processing**

File Setup Help

Printer: Xerox WorkCentre 238 PCL6 Printer

Store image in: File/Email

Form Selection | Print Options | W-3 Information | Special Variables | Employee Selection

Print what

	Copies	Form	Paper Type	Printer
<input type="checkbox"/>	0	Copy A (for federal government)	Preprinted	<Default>
<input type="checkbox"/>	0	Copy D (for employer)	Blank Unperforated	<Default>
<input type="checkbox"/>	0	Copy 1 (for state or local agency)	Blank Unperforated	<Default>
<input type="checkbox"/>	0	Copy B/C (2-up for employee)	Blank Perforated	<Default>
<input type="checkbox"/>	0	Copy 2 (2-up for employee)	Blank Perforated	<Default>
<input type="checkbox"/>	0	Copy B/C/2 (4-up for employee)	Blank Perforated	<Default>
<input type="checkbox"/>	0	Copy B/C/3 (3-up for employee)	Blank Perforated	<Default>
<input type="checkbox"/>	0	W-3 (transmittal of W-2s)	Preprinted	<Default>

Queue B/C/2 4-up W-2s for Web Employee  Include inactive employees for Web Employee

Create W-2 file

<< Back | Next >> | Preview W-3 | Preview Copy A | Print | Done

**Note:** Payroll CS and Write-Up CS allow you to store up to two years of earnings information so that you can return to a prior year if necessary. In addition, you can print W-2s and 1099s for both the current and prior year.

## Selecting the paper type

From the drop-down list in the **Paper Type** field, specify the type of paper stock on which to print. With facsimile forms (the blank options), the program will “draw” the form and place the amounts in the appropriate boxes. Using facsimile forms can prevent problems with amounts lining up correctly in the boxes.

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**Note:** All forms can be printed on either blank or preprinted forms.

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## Specifying the printer to use

The program automatically uses the printer selected for reports in the Print dialog. However, you may specify a different printer by clicking the **Printer** button or by clicking in the **Printer** column field.

### Tip

To minimize the number of paper changes that are needed in the printing process, use a different printer (or printer tray) for each type of paper used. Individual forms can be sent to specific printers using the printer drop-down list next to the Paper Type column.

## Choosing print options

1. In the Utilities / W-2 Form Processing dialog, click the Print Options tab.

The screenshot shows the 'W-2 Form Processing' dialog box with the 'Print Options' tab selected. The 'Printer' is set to 'Xerox WorkCentre 238 PCL6'. The 'Sort order' is set to 'Employee Name'. Under 'FICA adjustment', 'Automatically adjust FICA' is checked, and 'FICA and Fed W/H' is selected. Under 'Limited information', 'Print limited information' is unchecked, and 'Suppress amounts' is selected. Under 'Summary forms', 'Federal totals' and 'State and local totals' are unchecked. Under 'State', 'Print only for state' is unchecked. The 'Number of copies' is set to 1. Buttons at the bottom include '<< Back', 'Next >>', 'Preview W-3', 'Preview Copy A', 'Print', and 'Done'.

2. Specify the desired sort order by choosing one of the following options from the F4 drop-down list: Employee ID; Employee Name (default selection); Social Security Number; State / Employee Name; or State / SSN.

3. Choose the desired FICA adjustment options. If the **Automatically adjust FICA** checkbox is marked, you must also choose one of the following options:
  - **FICA Only** — Allocates the FICA amounts correctly between Social Security and Medicare. (The program performs the calculation as follows: Starting from the total FICA amount, it calculates the appropriate FICA-Med amount and then places the remaining balance in the FICA-SS field.)
  - **FICA and Fed W/H** — Adjusts FICA amounts to their correct values and adjusts federal withholding for any overages or shortages. (The program performs the calculation as follows: Starting from the total FICA and Fed W/H amount, it calculates the appropriate FICA-Med amount, then the FICA-SS amount, and finally places the remaining balance in the Fed W/H field.)
  - **FICA and Fed W/H if FICA overwithheld** — Adjusts FICA amounts and federal withholding amounts only if FICA is overwithheld.
  - **FICA and Fed W/H if FICA over limit and overwithheld** — Adjusts FICA amounts and federal withholding amounts only if FICA is both over the limit and overwithheld.
4. In the Summary forms group box, select the totals you wish to include in the summary forms by marking the appropriate checkbox(es), Federal totals or State and local totals. These totals print with Copy D only and will be included in the preview of copy A if selected.
5. The **Limited information** fields allow you to limit the W-2 information included. If the **Print limited information** checkbox is marked, you must also choose one of the following options:
  - **Suppress amounts.** Choose this option to have the system not show amounts.
  - **Employer info only.** Choose this option to have the system print employer information only. This also activates the **Number of copies** field, allowing you to change the quantity of forms that you wish to print.
  - **Blank forms.** Choose this option to activate the **Number of copies** field, allowing you to change the quantity of forms that you wish to print.
6. The **Print only for state** checkbox activates the state-selection drop-down list. When you select a state from the list, the W-2 includes only employees with the currently selected state as their withholding state.

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**Note:** The employee's W-2 prints all state information, not only the state selected in the drop-down list.

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7. The data on the **W-3 Information tab** is retrieved automatically from the File / Client Properties dialog. You should verify the information and make any necessary changes.

8. You can use the **Special Variables tab** to assign specific values to employees for processing purposes. The special variable will then need to be incorporated into the W-2 form. (See the section later in this document entitled **Modifying a W-2 or 1099 Layout**.)
9. **Print all employees** is the default option in the Employee Selection tab, but you may choose to print forms for individual employees. To do so, choose **Print selected employees** and then double-click the employee name or highlight the employee(s) and click the **Select** button to move the selection to the right-hand (Selected) pane.
10. Click the **Preview Copy A** or the **Preview W-3** buttons to preview and verify the information, or click the Print button to begin printing the selected forms.

## Creating W-2 files

To create a W-2 file, mark the **Create W-2 file** checkbox in the Form Selection tab of the Tasks / W-2 Form Processing dialog.

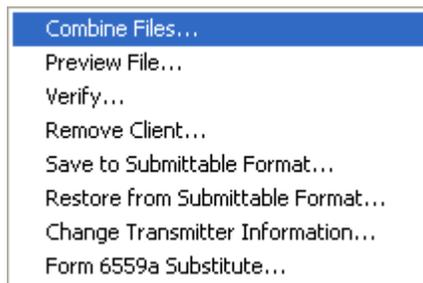
The program creates the W-2 file when you click the **Print** button.

### Notes:

- When W-2 and 1099 files are created, they are automatically encrypted for security. Before submitting these files to the appropriate agency you must use the **Save to Submittable Format** command, at which point the files are decrypted. Using the Restore from Submittable Format option will encrypt the files once again. You can use the preview function to view the file decrypted.
- We recommend that you verify your file by using SSA's AccuWage program. You can download this software for free by pointing your browser to [ssa.gov/employer/accuwage](http://ssa.gov/employer/accuwage). ~~You will need to unzip the W2REPORT file and use the unzipped file in AccuWage.~~ [[2011 change: the file is no longer zipped.]]

### W-2 file utility commands

From the Utilities / W-2 Form Processing dialog, choose **File / W-2 File Utilities**. This opens the list of the file utility commands.



- **Combine Files.** Provides a list of all W2REPORT files other than your own main file. You can select the files from the list that you want to consolidate into your main W-2 file.
- **Preview File.** Allows you to preview the W-2 file in a format that is easy to read.
- **Verify.** Corrects any errors in the total and final records and then displays the list of found errors.

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**Note:** We recommend that you run the verify command before submitting any W-2 files. This does not verify the file in the same manner as SSA's AccuWage program.

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- **Remove Client.** Allows you to remove a client from an existing file.
  - **Save to Submittable Format.** Copies the W2REPORT.\* file to the selected drive as a zip file and decrypts the file. Copies the W2REPORT.DAT or W2REPORT.<userID> file to the selected drive as W2REPORT.ZIP and decrypts the file. If you are using SSA's AccuWage program to verify your W-2 file, you must unzip the file prior to testing it within AccuWage or mark the Do not zip file checkbox on the Save to Submittable Format dialog prior to saving the file. [[2011 change: the file is no longer zipped.]]
  - **Restore from Submittable Format.** Copies the W2REPORT file from submittable format back to the \CSASYS\MAGMEDIA\year subfolder with the appropriate extension and then encrypts the file.
  - **Change Transmitter Information.** Allows you to change the transmitter information stored in the selected file. This information defaults to the program licensee name and address. Your EIN, PIN, and contact information need to be added before submitting the file.
  - **Form 6559a Substitute.** Displays a substitute Form 6559a for the W2REPORT on screen, which you can then print. Note that SSA has discontinued this form because they no longer accept files on diskette. For 1099 files, this option is Form 4804 Substitute.
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**Note:** Error corrections – If you need to rerun the W-2s, first **remove** the client with the incorrect W-2 file information by choosing **File /W-2 File Utilities / Remove Client**, and then process W-2 files for all employees.

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## Creating state-specific W-2 files

CSA will create state-specific W-2 files for the year 2003 and later for the following states: Alabama, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Virginia, and Wisconsin.

CSA uses the EFW2 format. State-specific W-2 files are those for which the state requires modifications to be made to the federal EFW2 format for the file to be processed.

## Processing 1099 forms

Form 1099 processing is very similar to Form W-2 processing. Before you start, you may wish to print a Vendor Checks Report (for Payroll CS users) or a Vendor Activity Report (for Write-Up CS users) to help verify that the information is correct. If your employees are set up to receive 1099s, you can verify their 1099 information by running a Payroll Item Report.

The Form Selection tab of the Utilities / 1099 Form Processing dialog allows you to choose which of these form types you wish to process, as well as to create 1099 files for them.

1. From the CSA main window, choose **Utilities / 1099 Form Processing**, and then choose the calendar year and the type of 1099 form (1098, 1099-A, 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, 1099-S, 1099-SA, 5498, 5498-SA) that you wish to process.

**1099-MISC Form Processing**

File Help

Printer: Xerox WorkCentre 238 PCL6 Printer

Store image in: File/Email

Form Selection | Print Options | 1096 Information | Special Variables | Vendor Selection

Print what

Copies	Form	Paper Type	Printer
<input type="checkbox"/> 0	Copy A (for federal government)	Preprinted	<Default>
<input type="checkbox"/> 0	Copy B (for recipient)	Blank Unperforated	<Default>
<input type="checkbox"/> 0	Copy C (for payer)	Blank Unperforated	<Default>
<input type="checkbox"/> 0	Copy D (file copy)	Blank Unperforated	<Default>
<input type="checkbox"/> 0	Copy 1 (for state agency)	Blank Unperforated	<Default>
<input type="checkbox"/> 0	Copy 2 (for state return)	Blank Unperforated	<Default>
<input type="checkbox"/> 0	Copy B/2 (2-up for recipient)	Preprinted Pressure S	<Default>
<input type="checkbox"/> 0	1096 (transmittal of information returns)	Preprinted	<Default>

Create 1099 file

<< Back | Next >> | Preview 1096 | Preview Copy A | Print | Done

2. In the Form Selection tab of the 1099 Form Processing dialog, mark the checkbox for each type of the selected form that you wish to print. Note that only Copy A and the 1096 can be previewed.
3. Click the Print Options tab and specify the options as appropriate for the selected client.
  - **Sort order.** Choose the **Vendor / Employee** option if you wish the information to be printed in vendor or employee name order, as applicable, or choose the **EIN** option if you wish the information to print in employer identification number or social security number order.

- **Minimum amount for form printing.** Some 1099 forms do not need to be printed when the minimum amount is a specified amount (e.g., \$600 for the 1099-MISC).
  - **Print limited information.** Choose this option to limit the information to be included.
    - **Suppress amounts.** Choose this option if you do not want amounts displayed.
    - **Employer info only.** Choose this option to have the program print employer information only. You will also need to specify the **Number of copies** to print.
    - **Blank forms.** Choose this option to activate the **Number of copies** field, allowing you to change the quantity of forms that you wish to print.
4. Use the **1096 Information tab** to add or update client information for the 1099 form types you are currently processing. The information in this tab is automatically retrieved from the data entered in the File / Client Properties dialog during the set up of the client. You can verify and edit the information in each field.
  5. Use the **Special Variables tab** to assign specific values to vendors for processing 1099 forms. If the special variable description is already named, it will appear on the form type you are processing. Otherwise, you will need to add the variable in the Layout Editor. (See the section later in this document entitled **Modifying a W-2 or 1099 Layout.**)
  6. Use the **Vendor Selection tab** to select the vendors and employees you wish to include on your 1099 forms. All employees whose names appear on the selected vendors / employees list are eligible to have their 1099 forms printed. The **Print all vendors/employees** option is the default selection. To select specific vendors/employees, choose the **Print selected vendors/employees** option.

## Printing the 1099 forms

After selecting the appropriate forms and options in the Utilities / 1099 Form Processing dialog, click the **Print** button.

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**Note:** The forms will print in the order listed in the Form Selection tab.

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## Modifying a W-2 or 1099 Layout

Both Payroll CS and Write-Up CS include default layouts for the W-2, W-3, 1096, and 1099 forms. There is a single layout for each form that is shared by all clients. The program only recognizes the **original** form name. Any modifications must be made to the original form.

To modify an existing layout follow these steps:

1. From the CSA main window, choose Setup / System Configuration / Layout Editor.
2. From the Layout Editor window, choose Layout / Open Layout. Choose the desired layout from the 20XX W-2 and 1099 Forms subfolder of your Layouts folder.
3. Make any necessary changes to the layout and save the changes using the **File / Save** command.

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**Note:** You can revert to the original layout at any time by choosing Layout / Restore Default when the layout is open.

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## Using preprinted forms

If you are using the preprinted forms or have added any special variables, you may find it necessary to edit a layout. With preprinted forms, it is usually just a matter of moving variables within the boxes on the form. Special variables have to be added to the layout so the system can print them on the form in the proper place.

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**Note:** Inserted text will not print on a preprinted form.

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## Using W-2 and 1099 forms from Forms CS

When you install Payroll CS or Write-Up CS, [\*.FLY] files are copied to the 20XX W2 and 1099 Forms subfolder within your Layouts folder. These files comprise current W-2, W-3, 1099, and 1096 layouts designed to correspond to the preprinted forms available from Forms CS.

It is recommended that you purchase your forms from Forms CS. If you purchase forms from other vendors, you may need to modify the form layout to align properly. In some cases, the forms from other vendors may not be compatible with the form options in the program. For more information on ordering forms from Forms CS, search on **Forms CS catalogs (PDF)** from the Index of the CSA help browser or call them directly at 1-800-909-1850.

## Using the Global W-2/1099 Ordering Worksheet

The Global W-2/1099 Ordering Worksheet allows you to run a report to calculate the minimum number of sheets needed when it's time to order W-2 and 1099 forms for your clients.

To run the report, choose either W-2 Form Processing or 1099 Form Processing from the Utilities menu and then choose Global W2/1099 Ordering Worksheet.

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**Note:** This worksheet calculates the absolute **minimum** number of sheets you need to order. It does not take into account additional factors such as the W-2 separator option, additional copies needed for Copy 1, or additional copies needed per your business practices. You should also allow for reruns of forms due to printer malfunctions or other problems. We recommend that you order enough extra forms to account for these potential factors.

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## Printing the forms

When printing on the W-2 Copy A, 1099 Copy A, W-3, or 1096 preprinted forms, information needs to print inside the appropriate box so that it can be scanned. The box must be included in the form's layout for any box to print on W-2s and 1099s. That is, the program needs to know what information to print and where on the page to print it. The software already includes default layouts for the W-2, W-3, 1096, and 1099 forms. If necessary, you can modify any of these layouts using the Layout Editor.

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**Note:** For employee copies of the W-2s, the program will print the 2D barcode on Copy C, so it can be scanned directly into UltraTax/1040.

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## Using special variables

For each client, you may assign 10 special variables that consist of information typically not available in Payroll CS or Write-Up CS. When you edit W-2 and 1099 layouts using the Layout Editor, you can incorporate special variables (as entered in the Special Variables tab of the Utilities / W-2 Form Processing dialog or the Utilities / 1099 Form Processing dialog). This information is then included on the printed form.

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## Product Support

To speak with a Product Support Representative, please call CS Support at (800) 968-0600, press **2** for Product Support, and then listen to the available options. Normal weekday support is available from 9:00 a.m. to 8:00 p.m. eastern time. For details on our Support hours for other CS Professional Suite applications, please visit our website.