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1 Introduction

Welcome to the Payroll CS™ tutorial. Payroll CS comprises the following modules within the CS Professional Suite™ software:

- **Payroll CS.** Provides full-featured calculating payroll and a number of special payroll reports. You may also use the following optional add-on modules for Payroll CS.
  - The Direct Deposit module
  - The Payroll Reporter module
- **Payroll Compliance module.** Enables you to process after-the-fact payroll and produce federal employment tax forms including 940, 940 Schedule A, 940-v, 941, 941 Schedule B, 941c, 941 Schedule D, 941-V, 941c, 943, 943-A, 944, 944-V, 945, 945-A, 945-V, 1096, 1098, 1099-A, 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-SA, 1099-OID, 1099-PATR, 1099-R, 1099-S, 5498, 5498-SA, W-2, W-2c, W-3, and W-3c. The Payroll Compliance module allows for the setup of vendors and also enables magnetic media file conversions, creation of EFTPS files, and any State Payroll Tax modules for which you are currently licensed. The Payroll Compliance module enables electronic filing of Forms 940 and 941/944. (Please note that the Payroll Compliance module is licensed and renewable on an annual basis.)
- **Remote Payroll Entry.** If you are a licensed user of the Remote Payroll Entry service and NetClient CS™ you can retrieve your portal client’s data electronically and automatically create payroll checks.
Introduction

- **Remote Check Printing.** If you are a licensed user of the Remote Check Printing service and NetClient CS, you can create PDF images of payroll checks and transmit them to a client’s portal for the client to retrieve and print.

This self-paced instructional workbook has been designed to teach you how to use the client setup and payroll processing features in Payroll CS, as well as other features of the CSA platform. Our goal with this tutorial is to make you feel comfortable with the program and to show you how to use it most effectively in your practice.

**Before you begin…**

Prior to starting this tutorial, you should first review the information presented in the *CS Professional Suite Accounting Installation and Program Essentials* guide. This guide covers installing and starting the program, using the program’s help system, setting up CS Connect, using keyboard shortcuts, and so forth.

For information on the main program features of Payroll CS, you should review the information presented in the *Payroll CS Getting Started* guide. This guide covers opening a client, using the menu commands and toolbar buttons, and gives an overview of the Payroll CS setup dialogs.

If you don’t have printed copies of these guides, you can view PDF (Portable Document Format) copies or print them using the Adobe® Reader® version 5.0.5 or higher. To view the guides on screen, search on *Installation and Program Essentials guide (PDF)* or *Payroll CS Getting Started guide (PDF)* from the index of the CSA help browser.

The primary documentation for the Payroll CS software is provided in the comprehensive CSA help topics, which are accessible from the CSA Help menu.

**Important installation information**

Before beginning the actual steps in this tutorial, you should follow the procedures that follow to install the Creative Solutions Accounting software to a temporary folder on your local machine (for example, to
c:\tutorial\wincesi\csa). This will prevent potential difficulties that could arise from adding or changing global data as you work through this tutorial. (If you were to complete the tutorial from the Payroll CS software installed in the standard location, the changes you make during the tutorial could potentially conflict with the global data that you will use when you begin or resume normal payroll processing for your own clients.)

**Important!** After installing the temporary tutorial version of CSA, you will then need to **reinstall** CSA in the standard location so that future license and update downloads will be retrieved to the correct location.

When you have finished working with the tutorial, you will need to **remove** the software from the temporary location by following the steps listed in the Removing the temporary installation of the program procedure that begins on page 6.

### Installing the program files in a temporary folder on a local machine

1. Close all open applications, including background virus protection software.

2. Rename the CSA shortcut icon on your desktop to **Working copy of CSA**.

3. Depending on whether you want to install from the CD or download and install from the CS website, do one of the following:
   - **Installing from the CD**: Insert the CS Professional Suite Accounting Products CD into the CD drive on your computer. The installation program starts automatically after a few seconds. (If the installation program does not start automatically, click Start on the Windows taskbar, choose Run, enter the command d:\SETUP, where d represents the letter of your CD drive, and click OK.)
   - **Downloading and installing from our website**: Visit the My Product Downloads page in the Support section of our website at CS.ThomsonReuters.com and follow the instructions to save the installation EXE file for the CS
Professional Suite Accounting Products to your local drive. After the EXE file has been downloaded, double-click it to start the installation wizard.

4. The installation wizard displays the software license agreement. If you accept the terms of the agreement, click Yes to proceed with the installation process.

5. Install the program to c:\tutorial\winesi (where c represents the letter of the hard drive on your local machine.)

6. Follow the prompts that appear. We recommend that you select each of the default options that appear in these prompts. However, you may choose the options that best suit your preferences.

Notes

- Leave the Yes option marked for the Desktop shortcut to add a new shortcut icon for this temporary installation of the program.
- During the installation from the CD, the option to install the sample client data is marked by default.

7. After the program files have been successfully installed, rename the new shortcut icon on the desktop to Payroll CS Tutorial.
Obtaining and installing the licenses via CS Connect

After you install the program files, the next step is to complete the following procedure to open CSA and obtain and install the licenses for Payroll CS electronically, using CS Connect.

1. Double-click the new Payroll CS Tutorial shortcut on your desktop.

2. Because no CSA products are currently licensed, CS Connect opens automatically and prompts you to install trial licenses or to download valid licenses via CS Connect. Click the CS Connect button.

   **Note:** if you have previously installed only trial licenses for one or more CSA software products, choose Help / About CSA, and click the Download Licenses button.

3. Enter both your firm ID (found on your mailing label) and your mailing address ZIP code, and then click **Next**.

Using CS Connect to install license and software updates

CS Connect is installed automatically during the installation of the CSA software and provides a convenient and economical way for you to download program and license updates — via modem or active Internet connection.

Note that updated license information is available **only** via CS Connect. In addition, all updates to the Creative Solutions Accounting software programs that take place between CD releases are available only via CS Connect.

1. To open CS Connect from the CSA main window, click the button on the toolbar, or choose CS Connect from the File menu. If the Connect – Communications Setup dialog appears, you need to verify or select the various communications settings applicable to your Windows system so that you can communicate with the Thomson Tax & Accounting host computer.

2. In the CS Connect (CSA) dialog, mark the **Retrieve available updates** checkbox.
3. To retrieve license information for any of your Creative Solutions Accounting products, mark the Retrieve licenses checkbox.

4. Select the Call now option and then click the Call Now button. Alternatively, you can select the Call later option, specify the date and time for the call, and then click the Begin Countdown button.

Reinstalling CSA software and licenses to the working location

Because all license and update information downloaded from CS Connect is automatically directed to the location of your latest CSA installation, you will subsequently need to reinstall CSA to the original location and download CSA updates again. Follow the instructions for installation provided earlier in this chapter.

Important! If you use a network version of CSA, you must install when no one else in your firm is using the program.

Removing the temporary installation of the program

After you have finished working through this tutorial and the examples presented in the Appendix section, please use the following steps to remove this temporary installation of the program from your local hard drive.

Important! Do not run the Uninstall program, because it could interfere with registry information for the CSA program installation that you are using for processing actual client information.

1. Use My Computer or Windows Explorer to delete the entire Tutorial folder that you created for this temporary installation.

2. Delete the Payroll CS Tutorial shortcut icon from your desktop.

Using this tutorial

To complete this tutorial, we recommend that you start at the beginning and work your way through each section in sequence. However, the
Appendix contains standalone setup examples which you can either work through in order or just pick one or two you want to work with. When you have completed the tutorial, you can use this document as a quick reference guide to help you recall the correct steps to follow for any group of procedures.

**Tip**
As you are working through this tutorial, you can press F1 or CTRL+F1 to see overview help for the active window or dialog.

**Tutorial conventions**

- Function keys and shortcut keys you press on the keyboard (TAB, ENTER, or CTRL+F1, for example) appear in all capital letters.
- Bold characters are used for commands or options that you should choose or text you should enter.
- In some cases, commands are provided with slashes. For example, “Choose File / New Client” tells you to choose File from the CSA menu bar and then to choose New Client from the pull-down File menu.
- If a procedure directs you to mark a checkbox or to choose an option, that means to click it once with the left mouse button so that a ✓ appears in the checkbox or a highlight appears in the option circle.
- The “context menu” appears when you right-click in an unused gray area of a window or dialog. It lists all of the commands that also appear on the Edit menu and that pertain to the type of record or item that is currently selected in the active window or dialog. Note that you can also quickly open the context menu from the keyboard by pressing the F3 function key.
- Payroll CS relies on the Microsoft® Windows® standard convention of using the TAB key to move from field to field within a window or dialog. However, if you prefer to use the ENTER key rather than TAB to move the cursor from field to field, you may do so by selecting that option in the Setup / User Preferences dialog.
Global vs. client-specific information

Throughout this tutorial, we refer to information that is either “client specific” or “global.” As the term implies, client-specific data pertain only to the selected client. Global data — shared by all clients and by all users of the software — include payroll items, check layouts, transmittal letters that have been stored in the program folder (rather than a client folder), custom fieldviews, and so forth. (User preferences settings are user specific rather than client specific or global.)

*Note:* Global information (with the exception of transmittal letters) is visible in windows and dialogs that are accessible even when there is no client currently open.

Additional resources

It isn’t possible to cover all setup possibilities or to address all questions in a tutorial. With that in mind, we have provided a list of additional resources for the more advanced Payroll CS topics mentioned in this tutorial.

To refer to detailed help on advanced topics, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

*Note:* You can print any help topic by right-clicking in the topic and then choosing Print Topic from the context menu.
2

Setting Up a New Client

Scenario

For this tutorial, let’s assume our accounting firm has just acquired a new client, Jones Enterprises — a manufacturer with holdings in several areas. Our accounting firm is to provide the payroll services for Jones Enterprises, including the production and printing of all payroll and vendor checks, reports, payroll tax reporting forms, W-2s, and 1099s.

The following table lists some basic information about this new client.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name</td>
<td>Jones Enterprises</td>
</tr>
<tr>
<td>Address</td>
<td>5437 Alloy Drive, Anchor, UT 84228</td>
</tr>
<tr>
<td>EIN</td>
<td>38-1655417</td>
</tr>
<tr>
<td>Employees</td>
<td>110 total employees, paid weekly</td>
</tr>
<tr>
<td></td>
<td>(For this tutorial, we’ll set up four new employees.)</td>
</tr>
<tr>
<td></td>
<td>Management employees, 7</td>
</tr>
<tr>
<td></td>
<td>Administrative employees, 10</td>
</tr>
<tr>
<td></td>
<td>Assembly employees, 93</td>
</tr>
</tbody>
</table>
Start the program and choose File / New Client

1. Open the program by clicking the **Payroll CS Tutorial** shortcut icon on your Windows desktop. (The first time you start the program, it will take a few extra seconds to build the global payroll database.) The program will display the latest User Bulletin. Click the Close button to close the bulletin.

The Creative Solutions Accounting Home Page displays, which provides useful client, firm, and product-specific information in one easy-to-view area. It provides links to frequently used commands, and it can also inform you when program updates are available via CS Connect and when payroll tax forms become available and approved for filing.
Notes

- Before setting up the client, verify the tax tables have been updated by choosing Setup / System Configuration / Payroll Tax Information / Update. Click Yes to update federal and state tax information.

- You will need to manually update information for all local taxes.

- You can choose to have the program automatically update the federal and state tax tables after every software release or software update, when applicable, by also marking the Automatically update federal/state tax tables checkbox.

- For further information on updating tax tables, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

2. From the CSA Home Page, choose File / New Client, or press the CTRL+N shortcut keys.

Add/Remove Module(s)

The Add/Remove Module(s) dialog opens automatically each time you add a new client. The dialog displays only the CSA software for which you’re currently licensed. For this tutorial, only the Payroll CS and Payroll Compliance checkboxes should be marked. Both of these are required for a Payroll CS calculating payroll client. Click the OK button to close this dialog.
Setting Up a New Client

File / New Client / General Information tab

In the General Information tab of the New Client dialog, do the following:

1. Enter **JONES** in the Client ID field and TAB to the next field.

2. Enter **381655417** in the EIN field. As you TAB off this field, the program automatically inserts the dash after the first two digits of the EIN.

3. Enter **Jones Enterprises** as both the client name and the payroll name.

4. Leave the DBA field blank.

5. In the address fields, enter **5437 Alloy Drive, Anchor, UT 84228**.

**Tip**

For an after-the-fact payroll client, mark only the **Payroll Compliance** checkbox in the Add/Remove Module(s) dialog so the total number of available licensed Payroll CS calculating payroll clients is not reduced unnecessarily.
6. Enter **8015551111** in the Telephone # field. When you TAB off this field the program automatically inserts the dashes that separate the area code and the first three digits of the phone number.

![New Client dialog]

7. Click the Advanced Properties button.

**Tip**
Both the City and ZIP fields are marked by a vertical green bar to indicate they are custom fieldviews. A custom fieldview is similar to a regular fieldview or drop-down list, except that you determine the entries that appear in the list. To add an item to the drop-down list in a custom fieldview, enter the item in the field and press CTRL+S. To open a dialog where you may add or edit items in a custom fieldview’s drop-down list, place the cursor in that field and press CTRL+W.

**Advanced Properties dialog**
In the Contact tab of the Advanced Properties dialog, do the following:

1. Enter **Dan James** in the Name field.
2. Enter **djames@jones.com** for the email address.
3. Enter President in the Title field.
4. Enter 8015551111 as the work phone and 347 as the extension.

![Advanced Properties dialog]

5. Click the OK button or press ENTER to save the information you’ve entered in the Advanced Properties dialog and return to the New Client dialog.

**Tip**
If you wish to restrict access to this client’s data, you could create a unique password using the fields in the Restrict Access tab of the Advanced Properties dialog. However, the security configuration for your CSA software may require you to know and enter the **master password** before you can assign or change client passwords.
Setting Up a New Client

File / New Client / Payroll tab

1. In the New Client dialog, click the Payroll tab and enter 013107 as the ending date for the current payroll period. As you TAB off this field, the program automatically inserts the slashes to separate the digits for the month, day, and year.

2. The options in the Tax forms filed group box indicate which type of tax forms are required for this client. For this tutorial, accept the default option 941.

*Note:* A Payroll CS user who is licensed to use the General Ledger module and who also selects that module in the Client Properties dialog could click the Payroll journal entry button to specify options for an automatic GL transaction based on payroll checks printed in Payroll CS.

3. To have the Payroll CS program calculate state withholding and SUTA amounts for a client, you must list each applicable state in the *State tax information* grid. For this client, enter the following information in the State tax information grid:

<table>
<thead>
<tr>
<th>State Withholding ID</th>
<th>UT</th>
</tr>
</thead>
<tbody>
<tr>
<td>381655417</td>
<td></td>
</tr>
</tbody>
</table>

4. Click the Item Properties button in the State tax information grid.
5. In the UT SUTA Rate Details dialog, enter 01/01/07 as the effective date, 2.7 as the base SUTA rate, and then click the Copy current to previous button.

6. Click OK to save the SUTA rate information and close the UT SUTA Rate Details dialog.

**Notes**

- The Wage limit field in the State tax information group box cannot be edited here. The wage limit for each state is set globally in the SUI/SDI tab of the State Tax Information dialog. To open this dialog, choose Setup / System Configuration / Payroll Tax Information / State.

- Refer to Example 2, which begins on page 129 of this guide, for a detailed example of the setup for a client with multi-state locations and local taxes.
7. Now click the Calculating Payroll tab of the New Client dialog.

**File / New Client / Calculating Payroll tab**

1. The default payroll frequency is the only **required** information on the Calculating Payroll tab. Because most employees of Jones Enterprises are paid weekly, move the cursor to the Default frequency field, press F4 to open the drop-down list for that field, and select **Weekly**.
2. Click OK or press ENTER to save all of the information entered for Jones Enterprises in the New Client dialog.

The JONES client ID now appears in the title bar of the CSA main window and the shortcut bar now appears at the left side of the screen. The New Client Setup dialog (discussed in the next section) then opens automatically.

**Note:** If you are licensed to use the Direct Deposit add-on module for Payroll CS and wish to use those features for the open client, you would need to complete the setup fields in the Direct Deposit tab of this dialog. For additional information, search on **Payroll CS Tutorial additional resources** from the index of the CSA help browser.

**Tips**
For one of your own clients, you might need to specify some or all of the following additional pay item information in the other fields of the Calculating Payroll tab in the File / New Client dialog or the File / Client Properties dialog.

- For tipped employees only - if no entry is made in the **Client minimum wage** and **Client alternate minimum wage** fields, the
program defaults to using the current federal minimum wage as specified in the Setup / System Configuration / Payroll Tax Information / Federal dialog. (The information in the System Configuration dialogs is global data, applying to any CSA client, not just the current client.)

- If the client requires piecework payroll, the fields and menu items for this feature are enabled by marking the **Enable piecework payroll checkbox**.

- If the client will use Direct Deposit and the Impound feature, mark the **Enable impound checkbook** checkbox.

- The fields in the **Retirement plan information** group box designate the maximum allowable amount for a retirement plan that can be taken for the year and the specific item for this deduction. You may select one of several retirement plan deduction items already available in the software by choosing it from the F4 drop-down list.

  **Note:** The Federal retirement plan limits are already specified in the Federal Tax Information dialog. However, if the plan uses annual amounts different from the federal limits, the item must be set up here. To view or modify annual limits, choose Setup / System Configuration / Payroll Tax Information / Federal and then click the Retirement Plan Limits button.

- The **Negative check treatment** fields are used mainly for tipped employees and do not apply for the type of client we’ve chosen for this tutorial.

- If you want any of the payroll tax withholding amounts to be rounded for this client, mark the appropriate **Whole-dollar rounding** checkbox(es).
Setting Up a New Client

Note: If your state requires that state payroll tax withholding amounts be rounded, you can set this up on a global level. To indicate that all clients for a particular state should have state payroll withholding amounts rounded, choose Setup / System Configuration / Payroll Tax Information / State. Highlight the appropriate state and click the Edit button. Click the Special Calculations tab and then mark the Whole dollar rounding checkbox.

- In the Client Invoice group box, the drop-down list for the Check Printing fee field includes global data for selection only if that information has already been set up in the Setup / System Configuration / Fees / Check Printing Fees dialog, in which case you may specify the check printing fee appropriate for the selected client.
- After the new client has been saved, you can choose File / Client Properties to return and enter or modify the basic setup data for this client.

New Client Setup dialog

The New Client Setup dialog opens automatically after you have entered and saved all of the required information in the File / New Client dialog. This dialog enables you either to transfer setup information from a similar client (by clicking the Transfer button on the Information tab) or to track the setup tasks you’ve completed when setting up the client from scratch (by marking off items on the Setup Checklist tab).

For this tutorial, we will transfer setup information from a similar client.
Important! Be sure to complete the client setup steps in the exact order shown because many of the steps depend on your having already completed the earlier steps. If you are setting up a brand new client, you can click the title bar of the New Client Setup dialog and drag it to a corner of your screen so the Setup Checklist stays open as a guide.

Setting up the client’s Chart of Accounts

When you add a new Payroll CS client, the general ledger account number 999 (Expense account, “Undistributed”) already appears by default in the Setup / Chart of Accounts dialog. For most payroll processing, this Undistributed account should be sufficient. You will not need to complete any additional Chart of Accounts setup unless you require individual accounts for reports, for handling the automatic creation of checks for vendors who are payroll agents, and so forth, unless you’re also handling General Ledger processing for the client. Nevertheless, we’ll take a moment here to show you how easy it is to copy setup information from another CSA client.

Transferring the Chart of Accounts from another CSA client
To save time during client setup you may wish to transfer the Chart of Accounts from an existing CSA client. For this tutorial, we’ll use the following procedure to copy the Chart of Accounts from another Payroll CS client.
1. Click the Transfer button at the lower right corner of the Information tab in the New Client Setup dialog, or choose Utilities / Transfer Client Information.

2. In the Client to transfer from field, press F4 to open the drop-down list and then choose **CSPAY01, Payroll Sample Client**. (If the CSPAY01 client does not appear in the list, you may need to reinstall the CSA software and then choose Help / Repair / Rebuild Client List.)

3. Click the Chart of Accounts checkbox to mark it and then click the Transfer button. After the transfer is complete, click the Done button.

4. Now choose Setup / Chart of Accounts to view account information that has been transferred to our current client, Jones Enterprises.

5. Click the Done button to close the Chart of Accounts dialog.
Setting Up a New Client

**Tips**

- You can also add a new account number individually by choosing Setup / Chart of Accounts, clicking the Add button, and specifying the account number, the account type (A for asset, L for liability or equity, R for revenue, or E for expense), and a description. Then click the Enter button or press ENTER to save the new account and click the Done button to close the Chart of Accounts dialog.

- If necessary, you can add a new account “on the fly” while entering data in another part of the program. When you enter an account number that doesn’t already exist in the client’s Chart of Accounts, you can choose to have the program walk you through adding the new account.

- You can also use the Setup / Chart of Accounts dialog to edit the information for an existing account or even delete an unused account. Use caution, however, when deleting an account because it might be currently used in other parts of the program, such as for tax withholding items in employee records and in the vendor record for a payroll agent.

- If you did not mark the General Ledger module checkbox for a client in the Add / Remove Modules dialog, you may change the Chart of Accounts mask by pressing F3 and choosing Change Chart of Accounts mask from the context menu that appears.

---

**Setting up a client checkbook**

For each client you add in Payroll CS, you need to set up at least one checkbook.

- Choose Setup / Checkbook.
For Jones Enterprises, the checkbook setup will use the following information for a single checkbook that we’ll define as a Both Payroll and Vendor type checkbook:

<table>
<thead>
<tr>
<th>Description</th>
<th>First National Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank name</td>
<td>First National Bank</td>
</tr>
<tr>
<td>Address</td>
<td>1000 Dollar Way, Anchor, UT 84228</td>
</tr>
<tr>
<td>Checkbook type</td>
<td>Both Payroll and Vendor</td>
</tr>
<tr>
<td>Routing number</td>
<td>067893451</td>
</tr>
<tr>
<td>Account number</td>
<td>12-345678-7</td>
</tr>
<tr>
<td>GL account number</td>
<td>(Skip, not necessary for this client.)</td>
</tr>
<tr>
<td>Next check number</td>
<td>1000</td>
</tr>
</tbody>
</table>

**Setup / Checkbook / General tab**

- In the General tab of the Setup / Checkbook dialog, enter all of the information shown in the preceding table.

Enter the street address in the **Address line 1** field and the city, state, and ZIP in the **Address line 2** field. The GL account number is optional (unless you’re electing to create the Payroll Journal Entry for the General Ledger module in CSA or if you’ll be using the Bank Reconciliation features in the General Ledger module). The **Next check #** field is filled in based on information received from the client and must always be 100 or greater.
Setting Up a New Client

Setup / Checkbook / Check Layout Information tab

Because we’ve defined the checkbook to be of the type Both Payroll and Vendor, we need to select one of the predefined check layouts of each type as well.

1. In the Checkbook dialog, click the Check Layout Information tab.

2. In the Payroll layout field, press F4 and then choose CSI Forms 230LB1 Payroll MICR Dir Dep.ely from the drop-down list.

3. In the Vendor layout field, press F4 and then choose CSI Forms 230LB1Vendor.vly from the drop-down list.

4. Mark the Print Zero Amount Items checkbox.

If a logo or authorized signatures are to be automatically printed on each check for this client, you need to specify the file location(s) of the bitmap files for these items by highlighting the graphic type, clicking the Modify button, and then selecting the appropriate location and file. For Jones Enterprises, however, we’ll skip all of the graphic location fields.
Setting Up a New Client

Payroll CS Tutorial

Note: Payroll CS includes a number of pre-defined check layouts both for payroll checks and for vendor checks. However, you may create new check layouts or copy and modify an existing check layout by choosing Setup / System Configuration / Layout Editor. Details on using the Layout Editor are provided in the CSA help; search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

Setup / Checkbook / MICR tab

1. Click the MICR tab. The fields in this tab of the Checkbook Setup dialog need to be completed only when using check layouts for magnetic-ink character recognition (MICR). These fields are defined in the CSA help topics.

2. Generally, auxiliary On Us fields start at position 52. In the first line, which contains check number information, enter the On Us symbol in position 52 (press O), followed by 0 # # # # # and then another On Us symbol. (Press the TAB key to move from field to field.)

Note: The pound signs (#) indicate check number positions so that when you print the checks, the numbers will increase sequentially.
3. In the second line, enter a **transit symbol** (press T) in position 43 followed by the routing number (**067893451**) and another **transit symbol**.

4. In the last line, enter the account number (**12-345678-7**). To enter dash symbols, press D. Then, in position 20, enter an **On Us** symbol (press O). The resulting MICR tab entries are illustrated below.

---

**Notes**

- We provide an MICR verification overlay with our software to assist you in setting up your checkbook information. If you did not receive an MICR verification overlay when you purchased your Payroll CS software, you can request one from our Customer Service department.

- If you are unable to enter information in any of the fields, verify that you are using small fonts in your display properties settings.
Setup / Checkbook / Direct Deposit tab

If you are licensed to use the Direct Deposit add-on module for Payroll CS and wish to use those features for the open client, you would need to complete the setup fields in the Direct Deposit tab of this dialog. Because we’re not using the Direct Deposit module for Jones Enterprises, we’ll skip all of the fields in this tab. More information on Direct Deposit setup is available in the CSA help. Search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

Saving the newly created checkbook

Click the Enter button or press the ENTER key to save the First National Bank checkbook for Jones Enterprises, and then click the Done button to close the Checkbook dialog.
Setting up a new pay item

In Payroll CS, all payroll items (pay items, deduction items, and tax withholding items) are global data shared by all clients. Although Payroll CS already provides most of the (global) pay items, deduction items, and (tax) withholding items that many of your payroll clients would ever need, you can still add new payroll items to meet the special payroll processing requirements of any client. To illustrate this process, we’ll set up new pay and deduction items for Jones Enterprises. (You may also add a new payroll item on the fly while working in the Employees window or the Employee Templates window.)

Setup / System Configuration / Pay Items

Jones Enterprises uses four different pay items — Salary, Wages, Bonus, and Shift Premium. Because the first three are already provided as global pay items in Payroll CS, we only need to add the fourth, Shift Premium, as a new (global) pay item. If a client requires a pay item that is similar to an existing item, it is easiest to copy the existing item, save it with a new description, and modify it as necessary.

1. Choose Setup / System Configuration / Pay Items.
2. Highlight Wages in the list of pay items and then press the F3 key on your keyboard. Choose Copy Pay Item from the context menu.

Setup / System Configuration / Pay Items / Description and W-2 Info tab

1. In the Description field, enter Shift Premium. This item description appears only in the employee record and on the screen during payroll data entry.
2. Like the Wages item, the Shift Premium pay item is fully taxable, thus the following checkboxes in the W-2 box selection grid have been marked in the Add column:

- 1 – Wages, Tips, Other
- 3 – Social Sec. Wages
- 5 – Med. Wages, Tips
- 16 – State Wages, Tips
- 18 – Local Wages, Tips

3. In the Report description field, enter **Premium**. In contrast to the description entered in Step 1, this description prints on the payroll check stubs and reports. For this reason, you may or may not wish to have the pay item description and the report description be the same.
Setting Up a New Client

Setup / System Configuration / Pay Items / Tax Treatment tab

When adding a new pay item, all taxes are selected by default because most pay items are generally subject to all federal, state, and local taxes.

1. Now click the Tax Treatment tab of the Pay Items dialog. In the Federal taxes group box, leave all of the checkboxes marked.

2. In the State taxes group box, leave All as the item in the Taxable by field. (You would choose the Selected option only if the pay item were subject to just one or two state taxes, or if it were subject to state tax withholding but not SUTA, and so forth.)

3. In the Local withholdings group box, All is already specified as the default selection in the drop-down list for the Taxable by field.

![Pay Items dialog](image)
Setup / System Configuration / Pay Items / Special Information tab

Now click the Special Information tab. There is no Special Type for the Shift Premium pay item, so **None** already appears as the default selection in that field. (To see the list of available special types, place the cursor in that field and press F4 or click the arrow button to open the drop-down list.)

![Pay Items dialog](image)

**Saving the newly created pay item**

1. Click the Enter button or press ENTER to save the new pay item. This adds the Shift Premium pay item to the list view pane at the top of the dialog and opens a new (blank) pay item record.

2. Click the Done button to close the Pay Items dialog.
Tips

- **Adding new pay items.** Examples 2 and 3 in the Appendix to this tutorial cover procedures for adding pay items to handle special setup requirements for multi-state and multi-locality payroll processing.

- **Modifying an existing pay item.** If you need to change the setup information for a pay item, it is easy to make edits. However, as a precaution, you should consider copying/renaming it rather than making direct edits to an existing pay item so that the default item remains intact to use as a reference.

- **Deleting an existing pay item.** If a pay item needs to be deleted, highlight the pay item and click the Delete button or press the DELETE key on your keyboard. Use caution when deleting a global pay item because it may be in use in other areas of the program or by other clients in Payroll CS. Use the global payroll item reports to verify the pay item is not in use (choose Utilities / Global Payroll Item Reports from the CSA main window).

**Important!** Changes to an existing pay item are not reflected in payroll checks that have already been entered. Furthermore, voiding or deleting an employee’s payroll check after one or more pay items on that check have been changed or deleted could lead to problems in updating the earnings history for that employee.

**Note:** Payroll CS is capable of handling piecework payroll, certified payroll, weighted average overtime (WAOT) calculations, and union pay item calculations for your employees. For more information on setting up these special calculations, search on **Payroll CS Tutorial additional resources** from the index of the CSA help browser.
Setting up a new deduction item

Jones Enterprises uses many payroll deduction items for its employees. Some of those deductions are already available in Payroll CS as global deduction items that are available for all clients, but we need to add **Tools** as a new deduction item.

2. In the Deduction Items dialog, click the Add button.
3. Click the Description and W-2 Info tab.
4. Enter **Tools** in both the Description field and the Report description field. The report description prints on both checks and reports. Skip the W-2 boxes because none need to be marked for this deduction item.
5. Click the Calculations tab.
6. The Tools deduction will be a fixed amount, so choose **Fixed Amount** from the drop-down list for Calculation type. No other entries or changes need to be made on the Calculations tab for the Tools deduction.
7. Click the Tax Treatment tab. When adding a new deduction item, all of the tax treatment fields and options are blank or None by default. Because this deduction item is taken after taxes, no entries are needed here.
8. Click the Enter button or press ENTER to save the Tools deduction item and then click the Cancel button to change from Add mode to Browse mode.
Deduction item tax treatments

Deduction items can be calculated pre-tax or after-tax. For an example of each type, we will look at items 401(k) % of Gross and Med Insur After-Tax.

401(k) % of Gross

1. Highlight the 401(k) % of Gross deduction item and then click the Edit button to view the information for each tab.

2. The information selected in the Description and W-2 Info tab determines how the 401(k) deduction will appear on the employee W-2 form.
In the W-2 box selection grid, notice boxes 1, 16, and 18 are marked in the subtract column. Also, **D - Section 401 (k)** has been selected in the Box 12 code field. You must make any changes necessary to fit a particular situation. For this example, however, no changes need to be made.
3. Click the Calculations tab and note that because annual limits are set up on a global level for retirement plans, you need to make sure the correct type of retirement plan is selected from the drop-down list for your deduction item.

![Deduction Items dialog box](image)

**Note:** To view or modify annual limits, choose Setup / System Configuration / Payroll Tax Information / Federal and then click the Retirement Plan Limits button.
4. Click the Tax Treatment tab. You can change these default selections to conform to the requirements of a particular deduction.

- The sentence at the top of the tab states “Subtract deduction before calculating the indicated taxes.” You indicate a tax by marking the appropriate checkbox.

- Because this item is a pre-tax deduction and is not subject to federal or state withholding, the Federal withholding checkbox should be indicated (marked) in the Federal taxes group box.

- In the State taxes group box, be sure that Selected appears in the Subtract field and that all W/H checkboxes are marked. This ensures that the deduction will be subtracted before state taxes are withheld.

- Remember that deduction items are global, so when you set up information for your own clients, you will need to verify that the state and local selections are applicable for all of your clients. If you need to change a global item, we strongly recommend that you first make a copy of the original item to retain as a reference.
Note: If one or more of your clients are located in a state or locality that does not consider 401(k) to be exempt from state and local taxes, be sure the W/H checkbox for that state or locality is **not** marked in the State taxes grid or the Local withholdings grid.

5. Click the Company Match tab. This tab can be used to include company match amounts on the W-2 and/or in taxable wages for calculating checks and reports, and to include the company match amount in Form 940 Line 1 during the calendar year for services of employees and also Line 2 – Exempt payments.

![Company Match Tab Image]

6. Click the Cancel button, because we do not want to save any changes for the 401(k) % of Gross item.

**Med Insur After-Tax**

1. Highlight the **Med Insur After-Tax** item and then click the Edit button.
2. On the Description and W-2 Info tab, notice that none of the W-2 boxes are marked because this deduction is taken after taxes are calculated and does not affect W-2 amounts.

3. On the Tax Treatment tab, notice that the sentence again reads “Subtract deduction before calculating the indicated taxes.” This time, however, no boxes for federal, state, or local taxes are marked. This causes the medical insurance deduction to be subtracted only after all the taxes are withheld.

4. Click the Cancel button, as we do not want to save any changes for the Med Insur After-Tax item, and then click the Done button to close the Deduction Items dialog.

**Tip**
The procedures for copying, modifying, or deleting existing deduction items are very similar to the procedures described for pay items (beginning on page 33).

---

### Adding a new (tax) withholding item

Jones Enterprises uses the following global withholding items that are already set up in Payroll CS — FICA-SS, FICA-Med, Federal W/H, and State W/H.

If you need to add a new (tax) withholding item — perhaps for a city or county tax — choose Setup / System Configuration / Withholding Items. The setup steps are similar to those described above for other types of payroll items, and the tabs and fields within the Withholding Items dialog are fully documented in the program’s help topics.
Setting Up a New Client

Tips

- **Copying, modifying, or deleting existing withholding items.** The procedures for copying, modifying, or deleting existing withholding items are very similar to the procedures described for pay items (beginning on page 33).

- **Setting up a state withholding for a specific state.** Because the State W/H item is generic, if you have clients with employees in many states, you may wish to copy, rename, and modify the State W/H item for each state. (For example, if your clients are based in Utah and Colorado, you might wish to use Utah W/H and Colorado W/H items.)

- **Setting up a new local withholding.** Before you can set up a new local withholding, you need to define the localities that will appear in the drop-down list for the Locality field in the General tab of the Withholding Items dialog. To do that, choose Setup / System Configuration / Payroll Tax Information / Local.

- Refer to Examples 2 and 3 in the Appendix for additional setup information for multi-state or multi-locality clients.
Setting up a new employee template

Defining and using employee templates can help speed up the process of adding employee information for a new client, particularly if there are many employees with similar pay, deduction, and withholding items.

Employee templates are client specific. When setting up an employee template, enter and save only information common to most or all of the employees in the grouping represented by the template. Leave blank any fields that are likely to be different for each employee in the grouping. Later, during employee setup for the client, when you specify the department(s) and template(s) to use for a new employee, all information from the template selected for that department is automatically entered in the employee’s record. You can edit this information as necessary in the Employees window.

For Jones Enterprises, three different employee templates will be useful for employee setup — Salaried, Hourly, and Hourly – Assembly. The first two of these employee templates are already available in Payroll CS as default templates, but we need to add a new template to represent the third group of employees, Hourly – Assembly.

Note: See Example 4 beginning on page 175 for information on setting up tipped employees.

Setup / Employee Templates

1. Choose Setup / Employee Templates.

2. In the Employee Templates dialog, select Hourly in the Employee Templates list, press F3 on your keyboard, and then choose Copy Employee Template.

Setup / Employee Templates / Earnings tab

1. In the Earnings tab of the Employee Templates dialog, enter Hourly - Assembly in the Description field.

2. On the first row of the Earnings grid, Wages has already been selected for you. The program automatically populated the remaining fields with the default settings in the File / Client Properties dialog.
3. On the second row of the Earnings grid, select **Shift Premium** instead of Other Wages from the Description drop-down list. Enter **0.50** in the Rate column.

4. On the third row of the Earnings grid, select **Bonus** from the Description drop-down list. The program selects a default frequency of Weekly, but for this employee template, change the frequency to **Non-periodic**.

5. Delete the item **Sick** from this template. Click row header number 4 to highlight the whole row, then press the DELETE key on your keyboard.

No further entries or changes for any pay items for this employee template are required, so we can move to the Tax Withholdings and Deductions tab in this dialog.

**Note:** We’ll be using this employee template later in this tutorial when setting up new employee records. If we need to make changes to any of the pay item information to affect the setup of **new** employees using this template, we could do so now. Any pay item changes made at the template level would **not** affect the definition of the (global) pay item.
itself, nor would it affect any existing employees to whom the template had been previously assigned.

Setup / Employee Templates / Tax Withholdings and Deductions tab


2. For the FICA-SS item, enter account number 220 in the G/L Acct column.

3. For the Federal W/H item, enter account number 221 in the G/L Acct column.

4. Now click the Item Properties button on the State W/H row to open the State Withholding Item Properties dialog.

5. In the General tab of the State Withholding Item Properties dialog, choose UT as the default state to use for this employee template. (The drop-down list for the State field includes only the states already listed for the client in the Payroll tab of the File / New Client...
dialog or the File / Client Properties dialog.) Click OK to return to the Employee Templates dialog.

That completes the entry of the tax withholding items for this template. Using the same grid, we’ll move on to the deduction items.

6. In the Description column of the fifth row, enter or select **Tools**.

7. In the Description column of the sixth row, enter or select **Uniform**.

8. Click the **Item Properties** button for the Uniform row and enter **7.50** in the Amount field for this weekly, fixed-amount deduction.

9. Click OK to return to the Employee Templates dialog.
**Setting Up a New Client**

**Note:** Because the deduction amount for tools varies by employee, you will not set up an amount at the template level.

10. Press CTRL+TAB to move to the next tabbed page in this dialog.

**Setup / Employee Templates / Other tab**

The information you enter in this tab will be information you anticipate using for most or all employees in the **Hourly - Assembly** employee template.

1. Enter **UT** in the SUTA state field.

2. Enter the FICA liability and expense accounts as listed in the following table:

<table>
<thead>
<tr>
<th>Description</th>
<th>Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA-SS Liab.</td>
<td>220</td>
</tr>
<tr>
<td>FICA SS Exp.</td>
<td>760</td>
</tr>
<tr>
<td>FICA MED Liab.</td>
<td>220</td>
</tr>
<tr>
<td>FICA MED Exp.</td>
<td>760</td>
</tr>
</tbody>
</table>
Setting Up a New Client

Note: The Data entry reminder field is used to record any notes that you want to see during data entry in the Tasks / Payroll Check Entry window. The reminder text can be entered here on the employee template or at the employee level.

Saving the newly created employee template

Click the Enter button or press ENTER to save the Hourly - Assembly employee template.

Note: To change from Add mode to Browse mode, click the Cancel button.

Modifying an existing employee template

If the pay, withholding, or deduction items need to be updated in an existing template, making the edits is easy. For example, let’s edit the Salaried employee template for Jones Enterprises.

1. In the Setup / Employee Templates dialog, highlight the Salaried template and then click the Edit button.

2. On the Earnings tab, change the wage type for Salary to Salaried – Hours Insensitive. This indicates the salary remains the same regardless of the number of hours worked. If the salary amount should be adjusted based on hours worked, you would select Salaried – Hours Sensitive.

3. Click the Item Properties button for Salary and click the Other tab. If your employees are subject to Worker’s Compensation, enter the class, rate, and state here. Click OK to return to the Employee Templates dialog.

Note: If your employees are subject to Washington Industrial Insurance (Washington L&I), refer to the setup procedure in the CSA help topics. Search on Payroll CS Tutorial additional resources from the index of the CSA help browser.
4. On the Earnings tab, change the wage type for the Bonus pay item to **Salaried – Hours Insensitive** and change the frequency from Weekly to **Non-Periodic**.

5. Still on the Earnings tab, we want to delete both the Vacation and the Sick pay items.

   To delete an item from a grid, click the left mouse button in the numbered column on the left side of the grid to highlight the row and then press the DELETE key on your keyboard (as shown in the following illustration).

6. On the Tax Withholdings and Deductions tab, delete the Local item from the Salaried template.

7. Click the Item Properties button for the State W/H item and then choose UT as the state for this template. Click OK to return to the Employee Templates dialog.

8. In the G/L Acct column, enter 220 as the GL account number for FICA-SS.

9. Enter 221 as the GL account number for Federal W/H.
10. On the Other tab, it is important to enter the SUTA state because this will eliminate the time-consuming task of entering it at the employee level. Enter UT as the default SUTA state for the Salaried template.

11. Still in the Other tab, enter the FICA liability and expense accounts as listed in the following table.

<table>
<thead>
<tr>
<th>Description</th>
<th>GL Acct</th>
</tr>
</thead>
<tbody>
<tr>
<td>FICA-SS Liab.</td>
<td>220</td>
</tr>
<tr>
<td>FICA SS Exp.</td>
<td>760</td>
</tr>
<tr>
<td>FICA MED Liab.</td>
<td>220</td>
</tr>
<tr>
<td>FICA MED Exp.</td>
<td>760</td>
</tr>
</tbody>
</table>

12. Click the Enter button or press ENTER to save the changes.

13. Click the Done button to close the Employee Templates dialog.
Setting up a payroll department

In Payroll CS, departments are used to group information for reports, for example, to represent different organizational locations, departments, project groups, job families, and so forth. When you’re preparing to print payroll reports, you can choose a sorting option for several of the standard reports that lets you categorize the information by department.

For this tutorial, we’ll set up three departments for Jones Enterprises — Administrative, Assembly, and Management.

1. Choose Setup / Payroll Departments.

2. In the Departments dialog, Default Department (Hourly) already exists. Because Jones will not be using this department, delete it. This will help prevent accidentally adding an employee to an unused department. Select Default Department and then click the Delete button. When the message dialog displays asking if you are sure, click Yes.

3. Click the Add button and enter Assembly in the description field. Select Hourly - Assembly as the default employee template for that department. Click the Enter button to save the new department.

4. Next, add both the Administrative and Management departments and choose Salaried as the default employee template for each. Press ENTER to save each new department.
5. Click the Cancel button to return to Browse mode, then click the Done button.

**Tips**
- If the default employee template needs to be changed for an existing department, highlight the department in the Departments dialog, click the Edit button, and then choose the new template from the drop-down list in the Default Template field. Press ENTER to save the change. Changes you make will not affect any employees that have already been assigned to this department, only employees subsequently assigned to it.
- If necessary for a selected department, you may choose Rename department from the F3 or right-click context menu.
Setting up the client’s employees

For this tutorial, we’ll set up four employees for Jones Enterprises, including one employee in each of the three payroll departments, plus a second employee in the Assembly department. The information for each employee is listed in the following tables.

<table>
<thead>
<tr>
<th>John A. Dooley, Employee #102, Administrative department</th>
</tr>
</thead>
<tbody>
<tr>
<td>3987 Courtyard Drive, Newton, UT 84987</td>
</tr>
<tr>
<td>SSN 234-58-3899</td>
</tr>
<tr>
<td>Date of hire 5/23/90</td>
</tr>
<tr>
<td>$26,000 annual salary</td>
</tr>
<tr>
<td>Single, 1 allowance for both federal and state</td>
</tr>
<tr>
<td>401k deduction at 10% and company match at 50% of his deduction</td>
</tr>
<tr>
<td>Medical insurance of $105.00 (after-tax)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Don G. Allbright, Employee #76, Assembly department</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSN 273-58-5593</td>
</tr>
<tr>
<td>Date of hire 12/1/93</td>
</tr>
<tr>
<td>$18.75 per hour</td>
</tr>
<tr>
<td>Works second shift and qualifies for shift premium</td>
</tr>
<tr>
<td>Married, 0 allowances for both federal and state and exempt for both.</td>
</tr>
<tr>
<td>(Hint: Mark the Exempt checkbox in the Federal Withholding Item Properties dialog and the State Withholding Item Properties dialog.)</td>
</tr>
<tr>
<td>Tools deduction of $12.50 per week</td>
</tr>
<tr>
<td>(Hint: From the Tax Withholdings and Deductions tab of the Setup / Employees window, open the Item Properties dialog for the Tools deduction item.)</td>
</tr>
<tr>
<td>Uniform deduction to be taken each week</td>
</tr>
</tbody>
</table>
### Jack S. Perkins, Employee #27, Assembly department

- 59 Orchard Lane, Dexter, UT 84130
- SSN 269-39-3891
- Date of hire 1/17/97
- Last raise date 3/31/06
- $19.25 per hour
- Works first shift so does not qualify for shift premium
  *(Hint: Delete the Shift Premium pay item for this employee.)*
- Single, 0 allowances for both federal and state
- Withhold an additional $5.00 for state tax
  *(Hint: Open the Item Properties dialog for State W/H, click the Other tab, and enter $5.00 in the **Additional amount** field.)*
- Tools deduction of $11.00 per week
- Uniform deduction to be taken each week

### Rhonda Gross, Employee #92, Management department

- $52,000 annual salary
- Married, 3 allowances for both federal and state
  *(Hint: In the State Withholding Item Properties dialog, enter the 3 allowances as 1 personal allowance and 2 dependents.)*
- Not eligible for 401k or medical insurance.
  *(Hint: Delete the 401(k) % of Gross and Medical Insurance items for this employee.)*
Setup / Employees

1. Choose Setup / Employees (or click the Employees icon on the shortcut bar).

2. Because there are no employee records on file yet, the Employees window opens in Add mode with the cursor resting in the ID field on the General tab. In the General tab, enter the employee ID, name, address, and social security number for the first employee, John Dooley, and then click the Edit Departments button.

3. In the Edit Employee Departments dialog, mark both the Active and Home checkboxes for John’s department (Administrative). The Salaried template has previously been selected for this department, but if necessary you could choose a different template to use for a selected employee. In this case, no changes need to be made, so click OK to return to the Employees window.

Note: Any department to which the employee is assigned should be marked as Active, but the Home department is assumed to be the employee’s primary department. In the Employees window and during payroll check entry, the Department field defaults to display the Home department.
4. In the Personal/W-2 tab, enter the date of hire and last raise date, if provided.

5. In the Earnings tab, click the Item Properties button for all pay items listed to verify whether any information needs to be changed. In this case, no changes are needed.

6. In the Earnings tab, enter the appropriate pay rate for each of John’s pay items. For the Salary pay item, be sure to enter John’s annual salary amount of $26,000 in the Rate column. The program automatically calculates the salary amount for each weekly pay period based on the annual salary divided by the number of weeks per year specified in the Std. Weeks/Year field on the Other tab. Leave the pay rate blank for the Bonus pay item because it’s Non-periodic.

7. In the Tax Withholdings and Deductions tab, click the Item Properties button for the Federal W/H item, and specify the appropriate marital status (Single) and allowances (1). Click OK to close the Federal Withholding Item Properties dialog.

8. Click the Item Properties button for the State W/H item, and specify Single and 1 allowance for each of those withholding items. In addition, you must verify that the correct withholding table (in this case, Single) is selected. Click OK to return to the Employees window.
9. Click the Item Properties button for 401(k) % of Gross. In the Deduction Info tab, select Gross Income Percentage in the Calculation method field, if it isn’t already selected.

10. Enter 10.0 in the Percent field.

11. On the Company Match tab, select Percent of Deduction in the Calculation method field and enter 50.0 in the Percent field. Click OK to return to the Employees window.
12. John currently has the Medical Insurance item, which is pre-tax. However, he is to be set up with an after-tax medical insurance. In line 6, switch the Medical Insurance item to **Med Insur After-Tax** using the drop-down list.

13. Click the Item Properties button for **Med Insur After-Tax** and, in the Deduction Info tab, enter **105.00** in the Amount field. Click OK to return to the Employees window.

14. In the Other tab, the SUTA state information (UT) for John already exists because it was entered at the template level, but it is very important that you enter the SUTA state if not already specified.

15. Click the Enter button to save the information for this employee.

**Note:** After the initial setup of an employee, use caution when deleting any global payroll item because it could have associated year-to-date amounts. You can run the Payroll Item Usage Report to find out if a pay item is in use (choose Utilities / Global Pay Item Reports / Payroll Item Usage Report). The program, however, does not allow you to delete a payroll item at the employee level if the employee record already includes any nonzero amounts for that payroll item.

16. Now enter the employee setup information for each of the other three employees.
Setting Up a New Client

Additional Information

- If you need to add a pay item for an employee, be sure to click the Item Properties button so that you may choose the appropriate Wage type and Frequency. This is very important because it directly affects payroll check entry and reports.

- When entering data for each employee, also be sure to open the Item Properties dialog for both the federal and state withholding items and specify the marital status, withholding table, number of allowances, and (if applicable for the employee) additional withholding amounts or exempt status.

- Add any deduction items that pertain to each employee, and delete any deduction items that do not apply. For example, when setting up the employee records for Jack Perkins and for Don Allbright, remember to click the Item Properties button for the Tools deduction to specify or verify the deduction information for each employee. The Uniform deduction amount of $7.50 has already been set up at the template level for these two employees, but you can verify this information if you wish.
For Jack Perkins, don’t forget to specify an additional $5.00 for state withholding. (In the State W/H Item Properties dialog, enter 5.00 in the Additional amount field of the Other tab.)

*Note:* Payroll CS allows you to verify employee Social Security numbers. For more information on verifying employee SSNs, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

**Editing information for an existing employee**

If you need to change an employee’s information, it’s easy to edit the existing employee record. In the Employees window, select the employee record, move to the tab containing the item to be edited, click the Edit button, and enter the appropriate changes. Year-to-date earnings information can be entered from the Earnings tab of the Employees window by choosing Earnings History from the Edit menu or from the F3 or right-click context menu.

**Deleting an employee record**

To delete an employee record, highlight the employee in the list pane and click the Delete button.

*Important!* If an employee has any current- or prior-year earnings, that data will be lost and you will no longer be able to produce W-2s or any other reports for that employee.

**Transferring changes to employees**

The Transfer Changes to Employees command is accessible from the Edit menu or from the F3 or right-click context menu while in Browse mode in the Employees window. The Payroll Items tab of the Transfer Changes to Employees dialog allows you to add, modify, remove, or find and replace pay, deduction, or withholding items for all employees at once or for selected employees. Many options can be affected including pay rates, GL accounts, deduction amounts, and so forth. The Other Items tab is used to transfer GL accounts for employer FICA, FUTA, and SUTA, as well as the SUTA state and the standard multipliers. The
options on this dialog can save you time and keystrokes if you need to make changes for a large number of employees.

Because we forgot to add the GL account number for FICA-Med to our employees, we will add it to all employee records now.

1. Press the F3 key to bring up the context menu, and select **Transfer Changes to Employees**.

2. In the Action field, select **Modify**.

3. In the Item type field, select **Withholding Items** from the drop-down list.

4. In the Item field, select **FICA-Med** from the drop-down list.

5. Mark the **G/L Account** checkbox and then enter **220** in the Options column.

6. Click OK to make the changes to the employees.

7. Click the button to close the Employees window.
8. Choose Setup / Employee Templates and add the GL Account number 220 for FICA-Med to the Hourly - Assembly and Salaried templates so that when new employees are added, they will have the correct account number. When you have made the changes, click the Done button to close the Employee Templates dialog.

Adding a new vendor with automatic vendor checks

In Payroll CS you can use vendors to automatically create checks to clear liabilities incurred by printing payroll checks. Let’s set up a vendor for Bank of America, where Jones Enterprises sends checks for their payroll taxes.

1. Choose Setup / Vendors, or click the Vendors icon on the shortcut bar.

2. Because there are no vendor records on file yet, the dialog opens in Add mode. In the General tab of the Vendors window, enter the pertinent information for Bank of America.

<table>
<thead>
<tr>
<th>Name</th>
<th>Bank of America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street, City, State, ZIP</td>
<td>124 S. Main St., Dexter, UT 84130</td>
</tr>
<tr>
<td>EIN</td>
<td>38-7768200</td>
</tr>
<tr>
<td>Payee type</td>
<td>Agent</td>
</tr>
</tbody>
</table>
3. Click the Address and Accounts tab.

4. Enter 220 in the G/L account triggers grid and press the TAB key to move to the next field. Notice that the FICA Payable is automatically displayed in the Description column. Enter 221 in the next line to trigger the Federal W/H payable as well.
Each week when the payroll checks are printed (or handwritten payroll checks are written) that include amounts for this account, the program will automatically generate a corresponding check for Bank of America. Remember, the account number must be designated both in this grid in the Vendors window and at the employee level, as it will accumulate amounts only for employees that are properly set up. Because we set these accounts on the Salary template, it automatically transferred to the corresponding employee records.

5. If, instead of printing Bank of America’s check each week, you would prefer to print it at month end on one check, you could mark the **Automatically consolidate entries** checkbox. For this example, leave it unmarked.

6. If you have multiple checkbooks, you can select the one in which to create the agent check by selecting it from the **Create agent checks in** drop-down list. For this example, leave this set to Default.

7. Click the Enter button to save the new vendor record.
Adding a new 1099 vendor

Now we are going to set up a vendor that supplies Jones Enterprises with lawn care services.

1. If you are not already in Add mode, click Add.
2. Enter the following information on the General tab of the Setup / Vendors window:

<table>
<thead>
<tr>
<th>Name</th>
<th>Greenscape Lawn Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor ID</td>
<td>GREENSCAPE</td>
</tr>
<tr>
<td>Street, City, State, ZIP</td>
<td>2987 Landings Drive, Dexter, UT 84130</td>
</tr>
<tr>
<td>EIN</td>
<td>38-9879123</td>
</tr>
<tr>
<td>Payee type</td>
<td>1099 recipient</td>
</tr>
</tbody>
</table>
3. Click the Distributions tab. In this tab you can enter 1099 distributions or a standard check. Select **Nonemployee compensation** in the 1099 distributions group box and then enter the following information in the Standard check group box:

<table>
<thead>
<tr>
<th>Account #</th>
<th>740</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Lawn Services</td>
</tr>
<tr>
<td>Amount</td>
<td>$575.00</td>
</tr>
<tr>
<td>1099 Item</td>
<td>Nonemployee compensation</td>
</tr>
</tbody>
</table>

4. Click the 1099 Boxes tab. In this tab, you can mark any additional checkboxes pertaining to the type of 1099 you chose. We are not going to change anything on this tab.

5. Click the Amortization Information tab. This tab enables the import of amortization data from Tvalue software. These fields don’t apply to this client.

6. Click the Enter button to save the vendor information and then close the Vendors window.
Defining a new calculation profile

During the setup process for each calculating payroll client in Payroll CS, you may define one or more sets of calculation options that will be commonly used in payroll check entry for that client. The calculation profile controls which employees (according to pay item frequency) are available during payroll check entry and which, if any, calculations to override or suspend during the current payroll entry session. Each new client added in Payroll CS automatically includes a default calculation profile, which you may use or modify as necessary. During payroll check entry, you may use the client’s default profile or select a different one by choosing Options from the Edit menu or from the F3 or right-click context menu.

For Jones Enterprises, we need to set up a new Non-periodic calculation profile to handle bonus checks paid on an irregular basis (rather than for a standard pay frequency) to the two Assembly employees.

1. Choose Setup / Calculation Profiles. In the Calculation Profiles dialog, click the Add button.

2. In the General tab, enter Bonus as the description. Choose the Selected frequency option and then choose Non-periodic as the selected frequency. To turn off certain calculations, we would mark the checkboxes for those here. In this case, however, no selections are necessary for that group box.

3. In the Deduction and Withholding Overrides tab, we need to indicate that the Med Insur After-Tax, Tools, and Uniform deductions are not to be taken from the bonus checks, so we’ll choose Selected in the Exclude Deductions field and then mark the checkboxes for Med Insur After-Tax, Tools, and Uniform.

4. Also in the Deduction and Withholding Overrides tab, we need to enter the percentages for both federal and state withholding. Because Non-periodic tax tables don’t exist, no taxes would be withheld from the bonus check except if specified here. Enter 28.00 in the Federal withholding field then enter UT as the state and 4.4 as the percent in the State W/H grid.
5. Press ENTER to save the information, click the Cancel button to leave Add mode, and then click the Done button to close the dialog.

**Backing up and restoring data**

It is very important that you routinely create a backup of your client company database files after you’ve completed the initial client setup and after each data-entry session. For added safety, you might want to create an extra backup at the end of each week to store in a separate location. Information stored on your computer’s hard drive can be lost through hardware malfunctions, fire, or other problems. If your data becomes corrupted, you can restore your data files from the most recent set of backup disks and have to re-key only work entered since the previous backup interval.
Setting Up a New Client

**Important!** We strongly recommend that you also create quarterly and year-end backups for each client, as well as for your global system data.

**Backing up client data**

1. Choose File / Backup.

2. In the left pane of the Backup Clients dialog, double-click the client that you would like to save. This moves that client to the right-hand (Selected) pane. If a client is already open, it automatically appears in the Selected pane. You may choose to back up multiple clients at the same time.

3. Verify the correct path and folder are specified in the **Backup location** field. You should back up either to removable media or to a network backup location, not to another location on your hard drive as this would risk losing both the original and the backup file in the case of a hard drive failure.

   If you need to change the location, click the Change Backup Location button and browse to the proper drive and folder. If you are using removable media, make sure it is in the appropriate drive.
4. Click the Backup button. A status dialog displays the progress of the backup. When complete, the Abort button will change to a Done button.

5. Click the Done button to close the Backup Status dialog.

**Backing up global system data**

1. Choose File / Backup.

2. In the Backup Clients dialog, open the drop-down list for the first field (in the upper left corner of the dialog) and choose *System Data*.

3. Select all system data for the backup (including check layouts, CSA system data, user preferences, and so forth). The file `wsw.sys` holds all of your global pay items, deduction items, and tax withholding items, as well as any custom reports you may have saved using the optional Payroll Reporter module.

4. Verify that the correct path and folder are specified in the **Backup location** field. You should back up either to removable media or to a network backup location, not to another location on your hard drive. If you need to change the location, click the Change Backup Location button and browse to the proper drive and folder. If you are using removable media, make sure it is already in the appropriate drive.
5. Click the Backup button. A status dialog displays the progress of the backup. When the backup is complete, the Abort button will change to a Done button.

6. Click the Done button to close the Backup Status dialog.

**Backing up software updates downloaded from CS Connect**

You may occasionally need to download and apply software updates to your CSA software using CS Connect.™ To create a backup copy of such program updates, do the following:

1. Choose File / Backup.

2. In the Backup Clients dialog, open the drop-down list for the first field (in the upper left corner of the dialog) and choose **Updates**.

3. If any updates are available, CSA Program Updates will be listed in the left pane. Double-click it to move it to the right (Selected) pane of the dialog and then click the Backup button.

**Restoring client information, global system information, or program updates**

Choose File / Restore to restore archived data or program updates from a backup location to your hard drive. In the Restore Clients dialog, open the drop-down list for the first field (in the upper left corner of the dialog) and choose the type of information you wish to restore.
3 Payroll Processing Steps

Entering payroll checks

Now let’s process a payroll check for each of the Jones Enterprises employees, using the following information:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Payroll Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>#27, Jack Perkins</td>
<td>40.00 regular hours and 2.75 double-time hours</td>
</tr>
<tr>
<td>#76, Don Allbright</td>
<td>40.00 regular hours, 12.50 overtime hours, 24.00 shift premium hours</td>
</tr>
<tr>
<td>#92, Rhonda Gross</td>
<td>Salaried</td>
</tr>
<tr>
<td>#102, John Dooley</td>
<td>Salaried</td>
</tr>
</tbody>
</table>

Tasks / Payroll Check Entry

1. Choose Tasks / Payroll Check Entry, or click the Payroll Check Entry icon on the shortcut bar.

2. Because Jones Enterprises is paying Jack Perkins double-time hours, choose Options from the F3 or right-click context menu. In the Data Entry Options dialog, unmark the Double-time hours checkbox in the Columns to Skip group box.

3. Mark the Suppress GL account verification checkbox because we are not creating payroll journal entries. Click OK to return to the Payroll Check Entry dialog.
4. For both of the non-salaried employees (Jack and Don), create a payroll check record by entering the employee’s ID and hours as listed on page 71 and then click the Enter button or press the PAGE DOWN key to save the check.

*Note:* The Bonus pay item does not appear because it is only available when using the Bonus (Non-periodic) calculation profile.

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**Creating payroll checks for salaried employees**

We can create checks for both of the salaried employees by using a single command.

1. Press F3 to open the context menu and choose **Salaried Check Creation**. The program creates an unprinted check record for all employees with at least one salaried pay item and who match the current calculation profile (that is, if their names currently appear in the drop-down list for the Employee field in the Payroll Check Entry window).
2. After the checks have been created, click the Save Checks button in the Salaried Check Creation dialog to accept the checks.

**Tax calculation diagnostics**

When all the payroll checks have been entered, let’s take a look at the tax calculations for John Dooley’s payroll check.

1. Press the PAGE UP key to view the check for John Dooley.

2. Choose **Tax Calculation Diagnostics** from the F3 or right-click context menu.
3. Click the Federal W/H item link.

![Tax Calculation Diagnostics]

Notice that the current taxable wages is **$450.00**. Because our 401(k) item is set up as pre-tax for federal withholding, our current check taxable wage amount is lower than the gross pay figure of $500.00 shown in the Payroll Check Entry dialog.

4. Click **Close** to return to the Payroll Check Entry dialog and then click the **X** button to close the dialog.

**Additional information for payroll check entry**

When the Tasks / Payroll Check Entry window is active, the following commands appear on the Edit menu and on the F3 or right-click context menu.

**Options (Data Entry)**

**Calculation profile**

You may choose a calculation profile from the drop-down list in the first field in the Data Entry Options dialog. The profile specified as the default in the General tab of the Setup / Calculations dialog is automatically selected here.
Autoprompt Emp ID
This field in the Data Entry Options dialog allows you to select the first employee, enter and save the check, and then have the program automatically display the ID for the next employee in the list of those who match the current calculation profile. You can choose autoprompt for all employees or just for non-salaried employees (the latter option is especially useful if you use the Salaried Check Creation feature), or you can turn the autoprompt off.

Convert hours to decimal
In Payroll CS, you would normally enter employees’ work time in hours and decimal fractions. However, if you prefer to enter time as hours and minutes, mark this checkbox. The program will then automatically convert each time entry to its decimal equivalent.

Sort by employee name
If you prefer to sort the employee list during payroll data entry by employee name rather than employee ID, mark this checkbox.

Duplicate units
If you are using units when entering checks, marking this checkbox tells the program to enter the same number of units as were on the last check entered. Units should be used when your unemployment agency requires you to track weeks worked (one week = one unit).

Suppress GL account verification
If you use GL account numbers only for certain items, the program will turn off the verification message for missing GL accounts if this checkbox is marked.

Fill in detail dates
This option is available only if the client is using detailed payroll periods. When this checkbox is marked, the program automatically fills in the period beginning and ending dates as well as the check date during payroll check entry.

Fields to disable
In this section of the Data Entry Options dialog, mark the checkbox for any fields you will not need during payroll data entry for this client. For example, if you prefer to enter the date information when you print the checks (rather than during data entry), you might wish to disable some or
all of those fields — period beginning date, period ending date, check date, check number — when you’re working in the Payroll Check Entry window. Other fields you might choose to disable during payroll data entry are Sales, Units, and Number of Periods.

Notes

- If you enter both a check number and a check date in the Payroll Check Entry window, the program assumes that this is a handwritten check. You cannot print a check that has been entered as a handwritten check.

- The Units field can be used to help you keep track of the number of weeks worked by each employee, which is required information when filing SUTA forms for some states.

Columns to skip

You can mark the checkbox for any column that you wish to skip during payroll entry for the selected client. Press the TAB key to skip over the field. You can click inside the field to return to it.

Edit Employee

The Edit Employee option allows you to edit a selected employee’s setup information on-the-fly during payroll check entry. From the Employee Information dialog you can modify information only for the employee whose check you are currently entering and you cannot add employees or delete the selected employee from here. Changes made in this dialog flow to the Employees window and are reflected immediately in the payroll check you are currently entering.

Transfer

The transfer feature enables you to move unprinted checks from one checkbook to another in case you have mistakenly entered them in the wrong checkbook. You can open the Transfer dialog only if you have more than one payroll checkbook set up for the open client.

Void

In the Void dialog, there are four options available. You can choose Void to retain a record of a printed or handwritten check but mark it as void or, if the check needs to be reprinted, you can choose Void and Duplicate to both void the original check and create a new copy of it as an
unprinted check record. You can choose **Void and Delete** if there’s no need to retain any record of the original check. Finally, you can choose **Void, Delete, and Duplicate** to void a check and have a duplicate check put into the current checkbook as an unprinted check record for the check entry session. This option also deletes the voided check record from the system and adjusts employee earnings accordingly.

**Check List**
The Check List dialog enables you to search for an existing check record in the current checkbook and current period and quickly navigate to that record in the Payroll Check Entry window. Click any of the column heading buttons to sort the list and then double-click the check you wish to edit or view. This returns you to the Payroll Check Entry window with the selected item as the current check record.

**Salaried Check Creation**
This command creates unprinted payroll check records for all employees who have at least one salaried pay item and who match the current active calculation profile. If an employee has both hourly and salaried pay items, the employee is assumed to be salaried.

**Hourly Check Creation**
This command creates an unprinted payroll check record for all employees who have only hourly pay items and who match the current calculation profile (that is, if they appear in the drop-down list for the Employee field in the Payroll Check Entry window and have only hourly pay items). The hours for these checks are based on the hours recorded for the previous check record for each employee. If no prior check record is on file for an employee, no new check record will be created. If an employee has both hourly and salaried pay items, the employee is assumed to be salaried.

**Daily Time Entry**
This option is available only if the current client is using detailed payroll periods and the employee is marked for daily time entry on the Personal/W-2 tab of the Employees window. For clients using daily time entry or certified payroll, the Daily Time Entry dialog allows you to enter time for the client’s daily time entry employees, to transfer it to the Payroll Check Entry window, and to capture the information for the
Certified Payroll Worksheet. The dates available in the list are based on the detailed period dates set up in the Payroll Period Details dialog.

**Reverse**
The Reverse command finds a check in any period and adds a reversing handwritten check record to the current period. This allows you to correct a mistake from a prior period without having to move back to that earlier period to make the correction. (For example, if you were to reverse a check with 10 hours and a net pay of $1000.00, the handwritten check to be generated would show -10 hours and a net pay of -$1000.00.)

*Note:* The Reverse command is useful when the check to reverse is in a quarter other than the current quarter.

**Time Clock Import**
The Time Clock import allows you to create check records from formatted files imported from an external source. For more information on formatting the import files, choose Help / CSA Help Topics and search on *Time clock import* from the index of the CSA help browser.

**Remote Payroll Entry Import**
This option is available if you are licensed for the optional Remote Payroll Entry service.

**Excel Time Entry Import**
This option allows you to create payroll check records based on information imported from an Excel spreadsheet.

**New Check**
This command brings up a blank check entry window.

**Delete Check**
This command deletes a selected check. To delete a check, open the Check List dialog and double-click the check to select it in the Payroll Check Entry window, and choose Delete Check from the Edit menu or from the F3 or right-click context menu. If it is an unprinted or void check record, it is then deleted immediately. If it is a printed or handwritten check, a verification message displays asking if you wish to delete the check.
Delete Multiple Checks
This command opens the Delete Multiple Checks dialog, where you can select a number of checks to be deleted at one time.

Recalculate Check
This option recalculates the check amounts for the selected unprinted check.

Tax Calculation Diagnostics
The Tax Calculation Diagnostics dialog shows how the program calculated the withholding and company expense amounts for a selected check.

GL Account Diagnostics
The GL Account Diagnostics dialog shows which GL accounts were being used in the employee record when the check was entered.

Edit Employer Amounts
The Edit Employer Amounts dialog allows you to override employer expenses, company matching amounts, and accruable benefit amounts during payroll check entry.

Net to Gross
The Net to Gross dialog allows you to override a selected pay item in order to arrive at a specific (target) net pay amount. In other words, the gross pay and withholdings are calculated based on the net pay amount that you specify. The override amount appears in red in the Payroll Check Entry window.

This feature is useful if you want to give an employee a check with a certain net pay. The program calculates the appropriate gross pay that results in the target net pay.

Entering vendor checks
To enter a vendor check, choose Tasks / Vendor Check Entry, or click the Vendor Check Entry icon on the shortcut bar. Let’s create a check for the vendor we set up earlier, Greenscape Lawn Service.
1. In the Vendor Check Entry window, select **Greenscape Lawn Service** from the drop-down list in the Vendor field. When you TAB to the next field, the program automatically inserts the amount $575.00. This is the standard check amount that we set up earlier in the vendor record for Greenscape. We can change this amount here if necessary, but in this case, we’ll leave the amount as is.

**Notes**

- If you enter a check date and check number, this check will not be available to print.
- If you use the ENTER key rather than the TAB key in this instance, the other fields in the dialog will remain grayed out and you will be unable to modify them.

2. Click the Enter button to save the check.

3. Click the **X** button to close the window.

**Printing or viewing the Unprinted Checks report**

Before we actually begin printing checks, we need to verify that the payroll checks have been entered correctly. To do this, we can view or print the **Unprinted Checks** report.

**File / Print Reports**

1. Choose File / Print Reports, double-click **Unprinted Checks** to move it to the Selected pane, and then click the Options button. This report can include detail for all or for selected payroll checks that have not yet been printed. The list may optionally include the following information for each unprinted check — pay rate, hours, net accruable benefits, company expense amounts, sales, units, periods, and departmental detail.

The **Show components** option allows you to include separate items for overtime and double-time amounts. If you are a licensed user of the optional Direct Deposit module, you may also choose to include ACH direct deposit information in the report.
2. Close the Unprinted Checks Options dialog and then preview or print the report. The company total figures on the last page of the report should match those in the following table. If they do not match, return to the Payroll Check Entry window to determine which employee record is incorrect and then make the necessary corrections.

**Check Figures**

<table>
<thead>
<tr>
<th></th>
<th>$3489.44</th>
<th><strong>Company Expenses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Earnings</strong></td>
<td></td>
<td><strong>FICA-SS</strong></td>
</tr>
<tr>
<td><strong>Fed WH</strong></td>
<td>$265.29</td>
<td>$216.34</td>
</tr>
<tr>
<td><strong>State WH</strong></td>
<td>$126.19</td>
<td>FICA-Med $50.60</td>
</tr>
<tr>
<td><strong>Tools</strong></td>
<td>$23.50</td>
<td>FUTA $27.92</td>
</tr>
<tr>
<td><strong>Uniform</strong></td>
<td>$15.00</td>
<td>UT SUTA $94.22</td>
</tr>
<tr>
<td><strong>Net Pay</strong></td>
<td>$2637.52</td>
<td>401-K $25.00</td>
</tr>
</tbody>
</table>

**Note:** It’s always a good idea to verify that the employee FICA-SS and FICA-Med amounts match the corresponding employer amounts.
Printing checks

We’re now ready to print the payroll and vendor checks that we’ve entered for Jones Enterprises. Assume the following information:

| Description               | Value  
|----------------------------|--------
| Starting check number     | 1000   
| Check date                | 10/15/07 
| Period ending date        | 10/09/07 
| Period beginning date     | 10/03/07 

File / Print Checks

1. Choose File / Print Checks, or click the Check Printing icon on the shortcut bar.

2. In the Print Checks dialog, mark the checkbox both for Payroll Checks and Vendor Checks. Leave all other fields in this dialog at their default settings, and then click the Print button.

3. In the Enter Payroll Check Information dialog, specify the starting check number, the check date, the period ending date, and the period beginning date for the payroll checks. Click OK to start printing.

4. After printing the payroll checks, examine them for any errors. If all payroll checks printed correctly, click the Done button to close the Check Printing Confirmation dialog. The program automatically updates the earnings information for each employee.

5. The Select Checks to Print dialog allows you to specify the vendor checks that you wish to print. Double-click only Greenscape Lawn...
Payroll Processing Steps

Service to move it to the right pane and thus select it for printing. We do not want to print the Bank of America check at this time.

6. Click the Continue button, accept the check number shown but change the check date to **10/15/07** and then click OK.

7. After printing the vendor check, examine it for any errors. If the vendor check printed correctly, click the Done button to close the Check Printing Confirmation dialog. The program automatically updates the year-to-date information for the vendor.

Additional check printing information

- Use the Print Checks dialog to verify or change the printer selection, to specify what type of checks to print, and to select the checkbook from which you wish to print checks.

- Your default Windows printer is automatically selected when you print checks, but you may choose a different printer if necessary.

- In the Checks column of the Print Checks dialog, **All** is listed as the default setting, but you may choose a different option. This option allows you to view the net checks before they are printed.

- In the Sort column, Employee ID is the default, but by clicking in this field you may choose to sort by Employee Name, Department, or Order Entered.

- If you have more than one checkbook set up for the selected client, you’ll need to choose the checkbook from which to print the checks.

- If you have included the variable Payroll check memo in the payroll layout for the current checkbook, the information you enter in the Payroll check memo field will display on all payroll checks in the current check run.

- If the current client uses Web Employee, the option Queue payroll checks for Web Employee queues the employee payroll checks in the current print job to be sent to the employee portals via CS Connect.

- The option Print reports when check printing is completed allows you to go directly into the Print Reports dialog after all checks have been printed.
The option Blank MICR checks allows you to create blank MICR checks.

The Check Printing fee drop-down list enables you to select a fee, if applicable, to apply to the current print job. Check printing fees are set up in the Setup / System Configuration / Fees / Check Printing Fees dialog. By default, the program uses the fee setup entered in the Payroll tab of the Properties dialog.

After printing your checks, examine them for any errors. If any checks were printed incorrectly, use the Check Printing Confirmation dialog to select the checks that require reprinting; those checks can be retained as unprinted check records or reprinted immediately.

Entering and printing (non-periodic) bonus checks

As we mentioned earlier, two Assembly employees with Jones Enterprises — Don Allbright and Jack Perkins — are each to receive a bonus check based on their performance. Don is to receive $500.00 and Jack is to receive $1,750.00.

Tasks / Payroll Check Entry

1. From the Payroll Check Entry window, choose Options from the F3 or right-click context menu.

2. In the Data Entry Options dialog, change the calculation profile from Default Profile to Bonus and click OK.

3. Enter the appropriate bonus amount in the Amount column for each of the two employees.

Notice the following:

- The program calculates the federal tax at 28.0% and the state tax at 4.4%, because these were the percentages that we set up in the Calculation Profile dialog for the Bonus profile.

- The Bonus amounts appear in red, indicating that these fields contain override amounts.
Neither the Tools deduction nor the Uniform deduction was taken because these deduction items were excluded from the Bonus calculation profile.

4. Save both bonus checks. This completes the payroll check entry for our bonus checks.

Check Figures

<table>
<thead>
<tr>
<th>Employee ID and Name</th>
<th>Bonus</th>
<th>Net Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>#27, Jack Perkins</td>
<td>$1,750.00</td>
<td>$1,049.12</td>
</tr>
<tr>
<td>#76, Don Allbright</td>
<td>$500.00</td>
<td>$461.75</td>
</tr>
</tbody>
</table>

5. Print the two bonus checks specifying 10/15/07 as both the check date and the period ending date.

Consolidating vendor checks

1. After printing the bonus checks, choose Tasks / Vendor Check Entry.

2. Notice that there are now two checks for Bank of America. Because both of these checks are for the same vendor, we can combine them into one check. Press the F3 key and select Consolidation from the context menu.
Payroll Processing Steps

Any vendor with two or more checks will be available in this dialog. Because Bank of America is the only vendor with multiple checks, it is highlighted.

3. Click the Select Checks button. By default, all checks are selected in the Check to Consolidate for Bank of America dialog.

4. Click the Consolidate button to combine the checks.

   **Note:** There is no way to undo the consolidation once you have combined the checks.

5. Close the Vendors window.

6. Print the vendor check for Bank of America, using the check date of 10/15/07.

Preparing and printing payroll reports

Jones Enterprises requires the following reports: Payroll Journal, Data Entry Worksheet, Earnings Report, Depository Totals, and the Check Register.

Selecting reports and print options

1. Choose File / Print Reports — or you may click the Print Reports icon on the shortcut bar, click the Print button on the toolbar, or press the CTRL+P shortcut keys on your keyboard.

2. In the Reports tab of the Print dialog, double-click each of the required reports for printing or previewing.
Payroll Processing Steps

3. You can specify the options for each report by highlighting the report in the Selected pane of the Print dialog and then clicking the Options button. In this case, we want to change the Data range to Latest check date for the Payroll Journal, Depository Totals, and the Check Register. In the Earnings Report options, mark the Missing W-2 info checkbox.

**Tips**

- If you wish, you can select a report more than once and choose different options for each instance. The reports will print in the order selected.

- The Copies field allows you to specify the number of copies (1–9) of all reports selected for printing. (For example, if you entered 2 in the Copies field in the Print dialog, you would get two copies of each of the five reports listed in the Selected pane.)

- You may preview or print any group of reports, or send them to the print spooler for printing at a later time. To spool reports, click the Printer button, select Spooler from the drop-down list in the Printer field of the Select Printer dialog, click OK, and then click the Spool button in the Print dialog. When you’re ready to print the reports, choose File / Print Spooled Reports.
The Page Layout tab of the Report Options dialog allows you to override the default page layout settings for reports, such as duplexing options, orientation, formatting, and header information. You can set up custom headers by choosing Setup / System Configuration / Custom Headers.

Creating a report profile

Creating a report profile allows you to save a group of reports, their collation sequence, and their specific options. For example, you might wish to save a report profile for the group of reports that are required each pay period.

After selecting the required reports for Jones Enterprises (Payroll Journal, Data Entry Worksheet, Earnings Report, Depository Totals, and the Check Register) and after changing the print options as necessary, click the Profile button, enter **Standard Reports** as the description for this print profile, and then click the Add button.

![Profile dialog](image)

Previewing the reports in the report profile

From the Print dialog, click the Preview button.

The total of the payroll checks, the vendor checks, and the two bonus checks should match the Check Register total given in the following table. Using the data range of **Latest check date** forces the program to look for the last check date used, which for this example is 10/15/07. If your Check Register total does not match that given in the following
table, first verify that you printed the vendor check for Greenscape using the correct pay date of 10/15/07.

### Check Figures

<table>
<thead>
<tr>
<th>Payroll Journal</th>
<th>Gross Pay $5739.44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Report</td>
<td>Net Pay $4,148.39</td>
</tr>
<tr>
<td>Depository Totals</td>
<td>Deposit $1,633.43</td>
</tr>
<tr>
<td></td>
<td>State Taxes $203.19</td>
</tr>
<tr>
<td>Check Register</td>
<td>Total $6356.82</td>
</tr>
</tbody>
</table>

Note that the last page of the Earnings report shows us that we are missing Don Allbright’s address and Rhonda Gross’s address and Social Security number. We get these messages because we marked the **Missing W-2 info** checkbox in the Earnings report options dialog.

- Go ahead and enter Rhonda’s social security number, **487-23-9873**, in the Setup / Employees window.

### Preparing invoices for payroll services

Now let’s create an invoice based on checks produced during the payroll we ran for Jones Enterprises.

<table>
<thead>
<tr>
<th>Payroll processing fee of $50.00 dated 10/15/07, taxable at 6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery fee of $5.00, nontaxable</td>
</tr>
</tbody>
</table>

1. Choose Setup / Invoice.
2. In the Invoice dialog, enter the two invoice items listed above into the grid.
3. To include sales tax, enter the percentage in the **Sales tax percent** field and mark the **Txbl** checkbox for the item for which sales tax is to be added. As you TAB to the next field, notice that the total now includes the sales tax.
4. Click the Done button to close the Invoice dialog.

**Tips**
- Billing detail will always print in ascending date order. However, for invoice items with the same date, you may sort the items differently in the invoice grid by clicking the number button for an item at the left of the grid and dragging it up or down to a new location.
- To clear an invoice item, mark the **Clear** checkbox for that item and then click the Clear Invoice button at the bottom of the dialog.

**Notes**
- You can use the Invoice dialog to add and maintain invoice items for the selected client until you are ready to print an invoice or billing statement for the client. You can manually add, edit, or delete invoice items at any time. Each of the items listed in the grid will appear on the invoice when it is printed.
- If you print payroll checks for the client, you can also have the check printing fees added to the Invoice dialog automatically during the check printing process.
You can add additional or miscellaneous fees previously set up in the Setup / System Configuration / Fees / Additional Fees dialog. To do so, click the Additional Fees button and apply the available fees to the invoice.

For more information on check printing fees and additional fees, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

### Preparing client transmittal letters

To include the invoice information in letter form for Jones Enterprises, we’ll use the program’s Transmittal Letter Editor.

1. Choose Setup / Transmittal Letter.
2. In the Transmittal Letter Editor, choose File / New Letter.
3. Begin typing the text that should appear or insert one or more variables (such as Client name, Client address line 1, Client city, and so forth).
4. To insert a variable, place your cursor in the appropriate spot and then choose Insert / Variable. Select the variable you want to insert in the letter.
5. If you are setting up a transmittal letter, be sure to insert the billing detail as part of the letter by choosing Insert / Billing Detail. This ensures that billing information from the Setup / Invoice dialog appears on the letter when you print it for a selected client.
6. To insert your firm’s name or name and address as a header or footer on the letter, choose File / Properties within the Transmittal Letter Editor. The default is to have a header that includes both the firm name and address (based on your CSA license information). Choose the options you wish to use.
7. Click OK to save your changes, close the Document Properties dialog, and return to the Transmittal Letter Editor.
8. Choose File / Save Letter As and then choose either Client Letter or Global Letter.
9. In the **Save As** dialog, enter a name for the new letter (such as JONES.Invoice.ltr) and then click the Save button.

10. Still in the Transmittal Letter Editor, choose File / Print or choose File / Print Preview.

11. Click the Done button on the toolbar, or choose File / Exit Letter Editor.

**Tips**

- You can use the menu commands in the Transmittal Letter Editor to choose a footer; insert manual page breaks; insert objects such as logos or other images, spreadsheets, or other document files; add special formatting for fonts, paragraphs, and tab settings; and add special borders.

- To edit the header (that is, either firm name only, firm name and address, or blank lines), choose View / Header and then choose the header you wish to modify. Make the desired changes and then choose File / Save. The changes will be reflected on all documents that use the selected header type.

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**Changing to a new processing period**

All payroll checks have been processed for the month of October for Jones Enterprises. In order to process checks for November, we need to advance to the next payroll processing period.

1. Choose File / Select Period to Process, or click the button on the toolbar.

2. In the Select Payroll Period to Process dialog, double-click **November 30, 2007** to move to that period.
3. The Select Payroll Period to Process dialog closes automatically. The payroll period shown in the lower-right corner of the CSA main window is now 11/30/07.

**Tips**
- The program retains client payroll data for up to two years — the current year plus the previous year. You may choose any prior, current, or future period for the open client, but you can only enter unprinted payroll checks in the latest period. While working in a prior period, you cannot enter an unprinted check; you can, however, void or delete checks and record handwritten checks.

- Reports run by latest check date during **any** period will include data from the **overall** latest check date, not the latest check date of the current period.

- If you are advancing to a new period and unprinted checks are still in the system, you will be prompted to verify the period change. If you choose to move to the next period, all unprinted checks also advance so they remain available for printing in the new period.

- Any time that you are in a **prior** period, an asterisk appears after the PR Period date in the lower-right corner of the CSA main window.
Preparing Payroll Tax Forms

Preparing the 941 form

Now it’s time to process and print the 941 for Jones Enterprises. 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 (Schedule D) – Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations
- Form 941-V – Payment Voucher
- Form 941c – Corrected form

1. Choose Utilities / Payroll Tax Processing.

   The 941 form opens by default. (To reopen it after working with another type of form, either click the 941 U.S. flag icon on the shortcut bar or choose View / 941.) The tabs allow you to move from one form to another.

2. To retrieve data, click the button on the toolbar or choose Tasks / Retrieve Payroll Information, select Current quarter as the period for which you wish to retrieve the information, and then click OK.

3. Click the button on the toolbar or choose Setup / Supplemental Information.
4. In the 941 dialog, enter all information relevant for your client.

5. Click the OK button to close the 941 supplemental information dialog.
Preparing Payroll Tax Forms

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

- **Blue**: Retrieved information
- **Green**: Supplemental information
- **Black**: Program-calculated information
- **Red**: Manually overridden information
- **Orange**: Information that needs to be manually entered
If you need to change or zero out green supplemental information, choose Setup / Supplemental Information and make whatever changes are required.

If you need to delete an override amount on the 941, choose Edit / Overrides and make the appropriate selection. Then open the Print Tax Forms dialog and indicate the forms you wish to print.

6. To print the 941 form, click the \( \text{Print} \) button on the toolbar, choose File / Print, or press the CTRL+P shortcut keys.

You’ll notice that **Facsimile** is the only option available for paper type and **<Default>** appears as the selected option in the Printer field. However, you may select any of the printers set up for your Windows system as the new default printer by clicking the Printer button. You can also use this dialog to specify the number of copies you wish to print. If you want to print filing instructions with your 941 forms, select **941 Filing Instructions.ltr** from the Filing Instructions column.

**Note:** Filing instructions are set up globally. You can edit the filing instructions using the Transmittal Letter Editor.
7. Click OK or Cancel to close the Print Tax Forms dialog, then click the Done button on the toolbar to close the Payroll Tax Processing window and return to the CSA main window.

*Note:* For additional information on payroll tax processing, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

### 94x Electronic Filing

940, 941, and 944 returns can be processed electronically.

There are two methods of e-filing 940x forms. The first involves obtaining a separate PIN for each client and filing using that PIN as the client signature. The second involves becoming a reporting agent, which allows your firm to file multiple returns using a single PIN.

CSA supports both methods of filing on an ad-hoc basis. You can decide to file all your clients by one of the methods exclusively or select the appropriate method on a client-by-client basis. Paper filing will, of course, remain available to everyone.

*Note:* For additional information on filing Forms 940 and 941/944 electronically, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

### Preparing state payroll tax forms

The state for which you are processing the payroll tax form must first be selected as one of the client’s tax states on the Payroll tab of the File / Client Properties dialog and in the Other tab of the Setup / Employees window. For example, if an employee is missing from a payroll tax report, you should return to the Client Properties dialog as well as the Employees window to verify the required payroll tax state has been selected.
A generic SUTA Worksheet is provided with the Payroll CS program. The SUTA Worksheet is not typically a submittable form but can be used to transfer information to a particular state form. To print the SUTA Worksheet, do the following:

1. 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 and then click the Options button.

3. In the SUTA Worksheet Options dialog, specify the state and select Current quarter as the period, and then click OK to return to the Print dialog.

4. Click the Print button.

Using a State Payroll Tax module

The following procedure assumes you are a licensed user of the Utah Payroll Tax module. If you are licensed for a different state Payroll Tax module, you may wish to refer to this example later on when setting up your own clients.

1. Choose Utilities / Payroll Tax Processing and then choose the name of the state from the View menu, or click the state’s flag in the shortcut bar at the left side of the display.

2. In the Payroll Tax Processing window, choose Tasks / Retrieve Payroll Information or click the Retrieve button on the toolbar to retrieve the client payroll data that is required to process the return and then choose Current quarter as the period. Click OK to retrieve the data.

3. Click the applicable tab above the displayed form to view a facsimile of the selected report, and choose Setup / Supplemental Information to open a dialog where you may record additional information that may be required for the state forms. Click OK to save the information and close the dialog.

4. If you need to delete an override amount, choose Edit / Overrides and then make the appropriate selection.
Preparing Payroll Tax Forms

Note: For additional information on a particular state’s payroll tax processing, including electronic filing, search on that state’s full name (i.e. Utah) from the index of the CSA help browser.

5. If you need to edit employee detail for the SUTA, or if you need to exclude an employee, choose Tasks / Edit Employee Detail.

Note: Any changes you make here do not flow back to the employee data in the Employees window.

6. Click OK to return to the form window.

7. To print the forms, choose File / Print. Select the forms you wish to print, the paper type, the printer, and the number of copies of each form, and then click the OK button.

Note: If your state has the option for a preprinted paper type, you may need to adjust the alignment of the form. To align the form, choose Setup / Form Layout Editor from the main CSA window. In the Form Layout Editor, press CTRL+A to select all variables and then use your arrow keys to move the variables in the desired direction. Click the Done button and then choose Yes to save your changes.
8. Click the Done button on the toolbar to return to the CSA main window.
The W-2 Form Processing command and the 1099 Form Processing command are available from the Utilities menu in the CSA main window.

The steps for processing W-2s and 1099s are covered in detail in the CSA help. Choose Help / CSA Help Topics, and search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

For any box to print on W-2s and 1099s, the box must be included in the form’s layout. That is, the program needs to know what information to print and where on the page to print it. The Payroll CS software already includes default layouts for the W-2, W-3, 1096, and various 1099 forms.
If necessary, it is possible to copy and modify any of these layouts using the Layout Editor.

**Note:** When printing on the W-2 Copy A, 1099 Copy A, W-3, or 1096 preprinted forms, information only needs to print inside the appropriate box so that it can be scanned.

**Tips**

- **Special Variables.** For each client, you may assign up to 10 special variables that are typically used to gather information not on file in the Payroll CS software and to enter that information into W-2s and 1099s. 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.

- **Earnings Information.** Payroll CS stores up to two years of earnings information so that you can return to a prior year if necessary. In addition, you have the ability to print W-2s and 1099s for both the current and prior year.

- **W-2 and 1099 instructions from the IRS.** The “W-2 and 1099 year-end processing overview” help topic includes links to the IRS instructions to accompany the employee’s W-2 or the recipient’s 1099.
- **Modifying W-2 and 1099 layouts.** The program recognizes only the original form layout name, so any required changes must be made to the original form. You have the option to revert to the default layout by choosing Layout / Restore Default from the Layout Editor window. Also, if you added a variable or changed something in the layout, be sure you have also changed each copy of the layout. For example, if you added a Box 14 variable to the Copy A layout, you also need to add that to every other W-2 layout listed to have the change affect all copies of the form.

- **Form Alignment.** We test alignment on forms from Forms CS. If your forms are not from Forms CS you may need to adjust your alignment. From the CSA main window, choose Setup / System Configuration / Layout Editor. From the Layout Editor menu, choose Open, double-click the 20XX W2 and 1099 Forms folder, and then double-click the appropriate form to open it. Choose Edit / Select All and then use your arrow keys to make the appropriate left-right or up-down adjustments for all variables at once.

- **Correcting W-2s and 1099s.** CSA provides the ability to create Form W2c and corrected Forms 1099. For detailed information about correcting Forms W-2 and 1099, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.
6 Special Processing

This section of the tutorial addresses a number of different special processing tasks in Payroll CS. Some of these sections assume that you are licensed to use the Direct Deposit module or the Payroll Reporter module; if you are not, you can skip those sections.

Using the Layout Editor to modify check layouts

Use the Layout Editor to create, copy, or modify a check or form. The Layout Editor allows you to enter and adjust information that will print on the selected layout. In addition to W-2 and 1099 layouts, a number of pre-defined check layouts are already included with your Payroll CS software.

For this exercise, we will be looking at the check layout we selected earlier in this tutorial, but no changes will be made to the layout.

1. Choose Setup / System Configuration / Layout Editor.
2. From the Layout Editor window, choose Layout / Open.
3. Highlight CSI Forms 230LB1 Payroll MICR Dir Dep.ely, and then click the Open button.
A layout file includes mostly variables whose names on the screen are enclosed in < > angle brackets, such as the <Emp ID> variable in the upper left corner of the check layout. Whenever you print payroll checks using this layout, each employee’s ID will print in that area on his or her own check. Any information that appears on the layout without the < > brackets is hard coded text information and will be the same for each check (such as the Wages and Hours column headings on the check stub).

You can modify a layout by adding, moving, or deleting variables or text. To add a variable, choose Insert / Variable. In the Insert Variable dialog, you can see the major groupings of variables that can be added; click the + sign next to a grouping to expand it and display the individual variables within that grouping. Double-click a variable to select it and then click the cursor on the position in the layout where you wish to add it.

**Note:** For information on creating or modifying check layouts, search on **Payroll CS Tutorial additional resources** from the index of the CSA help browser.
4. Because we do not want to make any changes to the check layout at this time, choose File / Exit Layout Editor, or click the Done button on the toolbar to return to the CSA main window.

**Tips**

- The Layout Editor includes many features, and experimentation may be the best way of learning to use it. You may find it especially useful to create a new layout and explore the Insert and Format menus within the Layout Editor.

- Within the Layout Editor, choosing Layout / Preview Sample will give you an idea of how the check and check stub(s) will look but will not include the actual values for the variables that have been inserted as part of a layout. To see actual values, save a payroll check layout (one with an .ely filename extension) and a vendor check layout (with a .vly extension), exit the Layout Editor, and select those layouts for a client checkbook on the Check Layout Information tab of the Setup / Checkbook dialog. Then enter checks from the Tasks / Payroll Check Entry window or from the Tasks / Vendor Check Entry window and print them by choosing File / Print Checks.

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**Copying a check layout before making changes**

Check layouts are global (rather than client specific), so any changes you make to a default layout affects all clients.

If you need to make changes to an existing layout, we strongly recommend that you make a copy of the layout rather than making edits to the original. To make a copy of a layout, open it in the Layout Editor window and then choose **File / Save As**. The modified (copied) layout can then be selected for a client’s checkbook (from the Check Layout Information tab of the Setup / Checkbook window).

- This enables you to leave the default layout intact to use as a reference.
If you need to reinstall the software or install a software update from CS Connect, the original layout will be replaced if the layout name is the same as a layout in the software being installed.

Preparing EFTPS batch files for export

EFTPS (Electronic Federal Tax Payment System) batch files are used in the preparation of enrollment and payment records for one or more clients that can then be imported into your EFTPS Batch Filer software.

To create the Payroll CS export file, choose Utilities / EFTPS Batch Filer Export. An EFTPS Batch Filer Export dialog opens and includes separate tabs for enrollment and payment data.

To view help for this dialog and individual tabs, press the F1 key.

The Payroll CS software also provides you with an EFTPS Report to use as a worksheet when preparing to use the over-the-phone system for an EFTPS deposit of a 941/944 payment. To print the report, choose File / Print Reports. In the Reports tab of the Print dialog, double-click the EFTPS Report to move it to the right (Selected) pane. The Options
dialog for this report allows you to select one or all checkbooks for the client as well as to select various data ranges.

Note: For more information on EFTPS, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

Setting up and handling ACH files for direct deposit

If you are a licensed user of the Payroll CS Direct Deposit module (which is an optional module for Payroll CS), you can create electronic files for direct transmission to employees’ banks or to an ACH processing agent so paychecks can be deposited directly into employees’ accounts.

Note: For additional information about direct deposit, search on Payroll CS Tutorial additional resources from the index of the CSA help browser.

Creating custom reports using the optional Payroll Reporter module

If you are a licensed user of the Payroll CS Payroll Reporter module (which is an optional module for Payroll CS), you can define an unlimited number of employee-based custom reports. Each custom report is global (rather than client specific) and can include special values and formulas. All custom reports are available for any payroll client and will be listed in the Custom tab of the Print dialog.

1. To add a custom report, choose Setup / System Configuration / Custom Reports.

2. In the Custom Reports dialog, click the Add button. Enter a name or description for the new report, and then click the Continue button. This opens the Custom Report Layout dialog where you define the
categories and columns to be included in the report, as well as the column order and the font sizes.

3. In the Custom Report Layout dialog, you may choose from a number of different categories by using the F4 drop-down list in the **Select category** field. The variables for the selected category are listed in the **Name** field.

4. To save the custom report, click the Continue button. Click the Done button to close the Options dialog that opens and then click the Done button to close the Custom Reports dialog.
Additional Information

- When designing a custom report, you can define the variables you wish to include and the order in which they appear. If a value that you want to include is not available, you can create a formula that uses one or more variables from the program in combination with values that you enter.

- You may customize the appearance of any program-generated or user-defined column in a custom report. To change the settings for a selected field, click the Properties button and choose the desired selections (including field length, sort item, column headings, not to display zero amounts, hide a column, show column totals, and so forth).

- You may select the period from which to retrieve the employee data for each column separately on the Periods tab, or you can leave the Period field as <None> and then select the period for the report as a whole when you print it.

- To create a calculated column, first add to the report the columns that are part of the calculation, click the Calc’d column button, and build the required formula. (Note that if you don’t want a calculated column to actually appear on the report — an intermediate calculation, for example — you may hide it by marking the checkbox on the General tab of the Add Calculation Column dialog.)

- You can define and format any number of custom headers for use with your custom payroll reports. To add, copy, edit, or delete a custom header, choose Setup / System Configuration / Custom Headers. To add a custom header to your custom payroll report, select the custom header in the Page Layout tab of the Custom Report Options dialog when you are ready to print or preview the report.

- Each custom report automatically shifts from portrait to landscape format as more columns are added or a larger font size is chosen. If the width becomes too large for landscape format, the report shifts to export format automatically. The Export command is accessible from the Utilities menu in the CSA main window. Once the report
Special Processing

has attained export format, it will no longer be listed on the Custom Reports tab in the Print dialog for reports.

- Custom reports are global (not client specific). Once a custom report has been created for one client, the Print Reports dialog will include a Custom tab regardless of which payroll client is currently open.

- If a custom report is deleted for one client, it is deleted for all clients.

- Custom reports are backed up when the wsw.sys file is selected during a backup of global (system) data. See the section entitled Backing up global system data that begins on page 69 of this tutorial.

**Note:** An extended example of creating custom reports using Payroll Reporter is included in Setup Example 1 in the Appendix to this tutorial beginning on page 117.

**Important!** If you have finished using this tutorial and do not intend to complete any of the other examples in this Appendix, you should now remove the temporary installation of the CSA program (in the “Tutorial” folder) by completing the steps listed in the section that begins on page 6 of this tutorial.
Appendix: Special Setup Examples

The examples in this appendix are intended to walk you through a few of the more complex client setup scenarios that you might encounter with some of your payroll clients.

Setup Example 1, Creating Custom Reports Page 117
Setup Example 2, Multi-State Locations and Local Taxes Page 129
Setup Example 3, Multi-State Employees Page 157
Setup Example 4, Tipped Employees Page 175
Setup Example 1: Creating Custom Reports

This example covers the setup of custom reports.

Use your Payroll CS Tutorial installation of CSA to work with this example.

Restoring the sample data

For this example, we will be using the Jones client and system files from the Training folder in your CSA installation.

Restoring the client file

The first thing we need to do is restore the Jones client. To do so, follow these steps.

1. Choose File / Restore.
2. Select Clients from the drop-down list in the first field in the upper left corner of the Restore Clients dialog.
3. Click the Change Backup Location button. In the Modify Location dialog, browse to the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training.)
4. Click the Training folder to highlight it and then click the OK button.
5. In the Restore Clients dialog, highlight JONES in the Client ID list and click the Select button to move JONES to the Selected pane.
6. Click the Restore button.

7. When the file has been restored, click the Done button.

**Restoring the system data**

We now need to restore the system data from the `wsw.sys` system file.

1. From the CSA main window, choose File / Restore.

2. In the Restore clients dialog, select **System Data** from the drop-down list in the first field in the upper left corner of the dialog. The dialog name changes to System Data Restore.

3. Click the Change Backup Location button and then browse to the JONES folder in the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training\JONES.)
4. Click the JONES folder to highlight it and then click OK.

5. Double-click the wsw.sys file in the File list to move it to the Selected pane.

6. Click the Restore button.

7. In the Overwrite System Data dialog, click the Yes button. The Restore Status dialog appears to show you the status of the restoration.

8. When the file has been restored, click the Done button.
**Important!** Before beginning this example we’ll need to save the Jones client under a new client ID. First, choose File / Open Client and highlight the JONES client and click the Open button. Then choose File / Save As and enter JONESXX1 (where XX represents your initials) as the new client ID. Use the JONESXX1 client as you work through each of the steps outlined in this example.

After completing this example, you may wish to proceed to Example 2 for an illustration of setup and processing steps covering multi-state locations and local taxes.

---

**Creating a custom report**

In this example, we will create a custom report. Below is a sample of the 401(k) report you will create following the outlined steps.

<table>
<thead>
<tr>
<th>Employee ID</th>
<th>Name</th>
<th>Employees</th>
<th>All Before Co.</th>
<th>Total Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Frank Smith</td>
<td>100</td>
<td>900</td>
<td>100</td>
</tr>
<tr>
<td>25</td>
<td>Jane Doe</td>
<td>50</td>
<td>400</td>
<td>50</td>
</tr>
<tr>
<td>30</td>
<td>John Brown</td>
<td>10</td>
<td>1000</td>
<td>1000</td>
</tr>
</tbody>
</table>

1. Choose Setup / System Configuration / Custom Reports.
2. In the Custom Reports dialog, click the Add button.
3. In the Add Custom Report dialog, enter the name **401K Report** and then click the Continue button.
4. In the Select category field, select **Employee data**.

5. In the Name list, which contains a list of variables based on the currently selected category, highlight **Employee ID** and then click the Select button to move it into the Rows/columns in layout grid.

**Note:** If you prefer to use the Social Security Number instead of the employee ID, you can highlight and select that instead.
6. Highlight the **Last, First Middle Name** variable in the Name list and click the Select button.

7. In the Select category field, select **Deduction items amount** from the drop-down list and then highlight and select the **401(k) Fixed Amount** variable in the Name list.

8. With the **401-k Ded. Amt.** variable still highlighted in the Rows/Columns in layout pane, click the Properties button.
9. In the Column Properties dialog, mark the Hide checkbox. We are selecting the **401-k Ded. Amt.** item so the amounts are available to use in an upcoming calculation, but hiding it so this column won’t actually print on the report. Click OK to close the Column Properties dialog.

![Column Properties Dialog](image)

10. Highlight the **401(k) % of Gross** variable and click the Select button. Again, click the Properties button and mark the Hide checkbox in the Column Properties dialog. As with the fixed amount variable, we are selecting the variable so the amounts are available to use for an upcoming calculation, but hiding it so this column does not print on the report. Click OK to close the Column Properties dialog.

11. We are going to add the 401(k) Fixed Amount and 401(k) % of Gross variables together and have them print in a column called Employee Contribution. Click the Calc’d Column button.
12. In the Calculation tab of the Add Calculation Column dialog, highlight the **401(k) Fixed Amount** variable, click the + (addition sign) button, and then click the **401(k) % of Gross** variable.

![Add Calculation Column dialog](image1)

13. Click the General tab. In the Column heading Line 2 field, enter **Employee**. In the Line 3 field, enter **Contributions** and then click OK.

![Add Calculation Column dialog](image2)
14. In the Custom Report Layout dialog, choose **Company matching amount** in the Select category drop-down list and then double-click the `<Total Company Match>` variable.

15. We are going to add the two 401(k) deduction amounts to the Company match items and have them print in a column called Total Contribution. Click the Calc’d column button.
16. In the Add Calculation Column dialog, click the 401(k) Fixed Amount item, then click the + button. Next, click the 401(k) % of Gross item and again click the + button. Finally, click the <Total Company Match> item.

![Add Calculation Column dialog](image)

17. Click the General tab. In the Column heading Line 2 field, enter **Total**. In the Line 3 field, enter **Contributions** and then click OK.

18. Click the Continue button and then click Done on the Options dialog to save the report. Click Done on the Custom Reports dialog.

**Note:** By default, when you print or view the report, the program completes each component of the calculation by proceeding from left to right. You can, however, choose to make the calculation honor the order of operands instead (performing multiplications first, for example) by marking the **Perform calculations respecting the order of operands** checkbox.

---

**Printing a custom report**

1. Choose File / Print Reports. After you have created at least one custom report, the Print dialog adds a Custom tab where you can select from any custom reports you have created.
2. Click the Custom tab and select the new 401K Report.

3. Click the Options button to select the data range and other options for the report. When you have selected any desired options, click OK.

4. Click the Print button.

---

**Important!** If you have finished using this tutorial and do not intend to complete any of the other examples in this Appendix, you should now remove the temporary installation of the CSA program (in the “Tutorial” folder) by completing the steps listed in the section that begins on page 6 of this document.
Setup Example 2:
Multi-State Locations and Local Taxes

This example covers setup issues for a client with locations in two states but with employees each working in just one location.

Use your Payroll CS Tutorial installation of CSA to work with this example.

Restoring the sample data

For this example, we will be using the Jones client and system files from the Training folder in your CSA installation.

Restoring the client file

The first thing we need to do is restore the Jones client. To do so, follow these steps.

1. Choose File / Restore.
2. Select Clients from the drop-down list in the first field in the upper left corner of the Restore Clients dialog.
3. Click the Change Backup Location button. In the Modify Location dialog, browse to the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training.)
4. Click the Training folder to highlight it and then click the OK button.
5. In the Restore Clients dialog, highlight JONES in the Client ID list and click the Select button to move JONES to the Selected pane.

6. Click the Restore button. If the Overwrite Client Data dialog displays asking if you want to overwrite the existing client data, click Yes to continue.

7. When the file has been restored, click the Done button.

Restoring the system data
We now need to restore the system data from the wsw.sys system file.

1. From the CSA main window, choose File / Restore.

2. In the Restore Clients dialog, select System Data from the drop-down list in the first field in the upper left corner of the dialog. The dialog name changes to System Data Restore.

3. Click the Change Backup Location button and then browse to the JONES folder in the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training\JONES.)

4. Click the JONES folder to highlight it and then click OK.
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Appendix

Setup Example 2: Multi-state Locations and Local Taxes

5. Double-click the `wsw.sys` file in the File list to move it to the Selected pane.

6. Click the Restore button.

7. In the Overwrite System Data dialog, click the Yes button. The Restore Status dialog appears to show you the status of the restoration.

8. When the file has been restored, click the Done button.

**Important!** Before beginning this example we’ll need to save the Jones client under a new client ID. First, choose File / Open Client and highlight the JONES client and click the Open button. Then choose File / Save As and enter JONESXX2 (where XX represents your initials) as the new client ID. Use the JONESXX2 client as you work through each of the steps outlined in this example.

After completing this example, you may wish to proceed to Example 3 for an illustration of setup and processing steps covering multi-state employees.
Scenario

The assembly plant of Jones Enterprises has outgrown its present facility in Utah and has therefore opened an additional plant in Mason, Colorado. Most employees at the new plant live either in Mason or in nearby Sunrise and so the employees are subject to Mason taxes as well as any other taxing authority in which they reside.

Jones Enterprises now needs to add a new location to its payroll, to calculate and withhold for Colorado state taxes, and to calculate and pay SUTA for its Colorado employees.

Adding new locations and local withholding items

1. Choose File / Client Properties (or click the button on the toolbar).

2. In the Properties dialog, click the Payroll tab and add the following state tax information for Colorado.

<table>
<thead>
<tr>
<th>State</th>
<th>CO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withholding ID</td>
<td>38-8543221</td>
</tr>
<tr>
<td>SUTA ID</td>
<td>35435</td>
</tr>
</tbody>
</table>
3. Click the Item Properties button for Colorado in the State tax information grid.

4. In the CO SUTA Rate Details dialog, enter 01/01/07 as the effective date, 1.8 as the base SUTA rate, and then click the Copy current to previous button.
5. Click OK to save the SUTA rate information and close the CO SUTA Rate Details dialog.

*Note:* The 940 rate is used to complete page 2, part II, line 3(e) of the 940 form, and will be the same as your SUTA base rate, unless you entered a rate in the 940 Rate field.

6. Click OK to close the Properties dialog.

---

**Setting up local taxes**

We need to set up local withholding items for the Colorado location. Begin by setting up the local tax tables.

- Mason has a local tax of 0.5% for residents and 0.25% for nonresidents who work in the city of Mason.
- Sunrise has a local tax of 0.1% for anyone who lives or works in the city.

*Important!* Taxes should always be set up as **withholding** items, never as deduction items.

1. Choose Setup / System Configuration / Payroll Tax Information / Local.
2. In the Local Tax Information dialog, click the Add button.
3. In the General tab, enter **Mason - Resident** in the Locality field, **CO** in the State field, and **01/01/07** in the Effective date field. Note that the Allowance, Fixed Deduction, and Credit information for a local tax can also be entered in the General tab. For this example, you will not enter any additional information here.
If you update any tax information in Payroll CS, it is important that you also enter the effective date for the new information.

The Tables button opens another dialog in which you can enter federal-style tax tables for a locality. However, because Mason uses a flat tax rate, you do not need to make any changes to the tables.
4. Click the Low Income tab. The information in this tab is used to calculate local withholding amounts for employees who qualify for low-income withholding rates. For this example, there are no changes to be made here.
5. Click the Special Calculations tab to enter a fixed percentage or flat rate for the tax calculation. These amounts can also be calculated as a portion of federal or state withholding taxes. For the Mason Resident local tax, select City in the Tax type field and enter 0.5 in the Percent of wages field.
6. Click the Wage Adjustments tab. Here you would enter calculations for withholding amounts that are determined by deducting a portion of FICA or federal withholding from gross wages subject to tax. You can also enter a specific percentage as a multiplier for gross wages. For this example, we will not enter any information here.
7. Click the Variable Deductions tab. Use this tab to specify the annualized rate, and minimum and maximum deduction amounts for a locality. For this example, no changes are needed here.

8. Click the Enter button to save the Mason - Resident local tax information.

**Exercise**

Set up local taxes for Mason - Nonresident and Sunrise using the information in the following table.

<table>
<thead>
<tr>
<th>Location</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mason - Nonresident</td>
<td>0.25%</td>
</tr>
<tr>
<td>Sunrise</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Once you have set up these two local taxes, click the Done button to close the Local Tax Information dialog.
Adding new withholding items for local taxes

We are now ready to add new withholding items for the Mason and Sunrise local taxes. Because the Local withholding item is similar to what is needed for Mason, we are going to copy that item.

1. Choose Setup / System Configuration / Withholding Items.

2. In the Withholding Items dialog, highlight the Local item, press the F3 key, and then choose Copy Withholding Item from the context menu.

3. In the Description and W-2 Info tab, enter Mason - Resident in both the Description field (which is what the payroll processor sees) and in the Report Description field (which is what the program prints on checks and reports). We do not need to change any of the W-2 box selections.
4. Click the **General** tab and note that because we copied this from the Local item, Local withholding is already selected as the Tax type. Select **Mason - Resident** from the drop-down list for the Default Locality field.

5. Click the Enter button to save the new withholding item.

**Exercise**

Create local withholding items for Mason - Nonresident and Sunrise.

**Hint:** Use the Copy Withholding Item command to copy the Local withholding item.

**Setting up state withholding**

It is not always necessary to set up separate state withholding items for each state. However, it is advisable to do so in certain situations. Because this client has facilities in two states, using separate state withholding items makes it much easier to recognize and verify that the employees in the new Colorado plant are having the appropriate state (Colorado) tax withheld.
Now we need to add a withholding item for Colorado income taxes.

1. In the Withholding Items dialog, select and copy the State W/H item by highlighting the State W/H item, pressing the F3 key, and choosing Copy Withholding Item.

2. In the Description and W-2 Info tab, enter Colorado W/H in both the Description field and the Report Description field. No changes are needed for the W-2 box selections.

3. Click the General tab and note that State withholding is already selected as the Tax type. Select CO from the drop-down list for the Default State field.

4. Click the Enter button to save the new withholding item.

5. Click the Done button to close the Withholding Items dialog.

Tip

If you know that a new client’s payroll setup needs to include multiple states, copy and customize the State W/H item for each relevant state as part of the initial client setup.

Copying and modifying employee templates

Jones Enterprises could use both the Hourly - Assembly and the Salaried templates for the employees at its Colorado plant, but these templates were created previously with Utah items only. Therefore, we are going to copy and modify these templates to help simplify the setup of the Colorado employees. (Some employees could work in both Utah and Colorado. See Setup Example 3, which covers multi-state employees, beginning on page 157 in this tutorial.)

Note: Any changes made to employee templates only affect employee records entered after the changes are made. The changes do not carry back to employee records that used the template. To modify an existing employee record in the Setup / Employees window, choose Transfer Changes to Employees from the Edit menu.

1. Choose Setup / Employee Templates.
2. In the Employee Templates dialog, highlight the **Hourly - Assembly** template in the listview pane, press the F3 key, and choose **Copy Employee Template** from the context menu.

3. In the **Earnings** tab, enter **CO Hourly - Assembly** in the Description field.

**Note:** When assigning pay items to a template or to an employee, always verify that the pay items are indeed suitable for the client’s particular situation. (To do this for each of the pay items listed in the current template, use the Tax Treatment tab of the Setup / System Configuration / Pay Items dialog.)
4. In the **Tax Withholdings and Deductions** tab, change the item on the fourth line of the grid from State W/H to **Colorado W/H** and then click the Item Properties button for that item.

5. In the **General** tab of the State Withholding Item Properties dialog, verify that **CO** appears in the State field.

6. Click OK to save the State Withholding Item Properties information and to return to the Employee Templates dialog.
**Adding a local withholding item to the employee template**

Let’s assume for this example that most new employees at the Colorado plant live in Mason.

1. In the Tax Withholding and Deductions tab, click in the blank line at the bottom of the Description column and select **Mason - Resident** from the drop-down list.

   **Note:** Because you know you’ll have local tax for all Colorado employees but cannot predict what the actual local withholding item will be for each employee, you have several options. Rather than choosing Mason - Resident to fit most employees, you could also have done the following:

   - added the generic Local W/H item to the template
   - omitted the local withholding in favor of adding that information at the employee level
   - created separate employee templates for each of several different locations.

2. Click the **Other** tab and change the SUTA G/L accounts State column from UT to **CO**. (This is a critical tab that is easy to forget.)
3. Click the Enter button to save the new template and return to Browse mode.

**Exercise**

Highlight and copy the Salaried template and name it **CO Salaried**, and then modify it to include the CO withholding, Mason - Resident withholding, and SUTA state changes that are described in steps above.

Click the Enter button to save this new template, and then click the Done button to close the Employee Templates dialog.

**Adding payroll departments**

For reporting purposes, Jones Enterprises needs to add the following two new payroll departments for its Colorado location to track the Colorado payroll information separately.

<table>
<thead>
<tr>
<th>Description</th>
<th>Default Template</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly - CO</td>
<td>CO Hourly - Assembly</td>
</tr>
<tr>
<td>Management - CO</td>
<td>CO Salaried</td>
</tr>
</tbody>
</table>

1. Choose Setup / Payroll Departments. (Note that departments are for reporting purposes only.)

2. In the Departments dialog, click the Add button.

3. Enter **Assembly - CO** in the Description field.

4. Choose **CO Hourly - Assembly** for the Default employee template field.
5. Click the Enter button to save the new department.

6. Add the second department (Management - CO), choose the default template (CO Salaried), and click the Enter button.

7. Click the Cancel button to return to Browse mode, and then click the Done button to close the Departments dialog.
Adding new employees

We need to set up the following two new employees who work for Jones Enterprises at its Colorado plant. Some demographic information is omitted for this tutorial.

**Kayla S. Stone, Employee #202 - Management - CO department**
- SSN: 548-68-3246
- Annual salary: $52,000
- Married, 4 allowances for Federal and State
- Earnings subject to Mason - Resident local withholding

**Jerry L. Carter, Employee #217 - Assembly - CO department**
- SSN: 554-72-2334
- Hourly rate: $18.75 plus shift premium
- Single, 0 allowances for Federal and 1 for State
- Tools deduction: $11.00
- Uniform deduction: $7.50
- Earnings subject to Mason - Nonresident and Sunrise local withholding
Let’s begin by setting up the employee record for Kayla Stone.

1. Choose Setup / Employees.

2. In the Employees window, click the Add button to open a new record.

3. In the **General** tab, enter the information as shown on the previous page for Kayla Stone, and then click the Edit depts button.

4. In the Edit Employee Departments dialog, mark both the **Active** and **Home** checkboxes for the department that applies to Kayla (Management – CO) and then click OK.
Note: You could have selected a different template for this employee by clicking in the Employee Template column and selecting a different template from the drop-down list.

5. Click the Earnings tab. For each pay item, click the Item Properties button and verify/correct the information transferred from the employee template and then return to the Employees window.

6. Enter the pay rate for Kayla Stone ($52,000.00) in the Rate column for the Salary row.

7. In the Tax Withholdings and Deductions tab, click the Item Properties button associated with the Federal W/H item.
8. In the Federal Withholding Item Properties dialog, select the appropriate withholding table (**Married**) and enter the number of allowances (**4**). Click OK to close the Federal Withholding Item Properties dialog and to return to the Employees window.

![Federal Withholding Item Properties dialog]

9. In the Tax Withholdings and Deductions tab, click the Item Properties button associated with the Colorado W/H item.

10. In the State Withholding Item Properties dialog, make sure that **CO** is selected as the state, select the marital status (**Married**), select the withholding table (**Married**), and enter the correct number of allowances (**1 Personal and 3 Dependents**). Then click OK to return to the Employees window.

![State Withholding Item Properties dialog]

**Note:** To verify which marital status and allowance fields are used for a particular state or local withholding, choose Setup / System Configuration / Payroll Tax Information / <State> or <Local>.
11. Click the Item Properties button associated with the Mason - Resident withholding item.

12. In the Local Withholding Item Properties dialog, select the appropriate marital status (Married). Click OK to return to the Employees window.

13. Delete the deductions for 401(k) % of Gross and Medical Insurance from Kayla’s employee record.
14. In the Employees window, click the Other tab and make sure that CO appears in the SUTA G/L accounts State column. (This information is pulled from the template selected for this employee.)

![Employee window screenshot]

15. Click the Enter button to save the new employee record.

**Exercise**

Add the other new employee (Jerry Carter) using the information beginning on page 148 of this tutorial.

When you have finished entering the employee information, close the Employees window.
Entering payroll checks

We are now ready to enter payroll information.

1. Choose Tasks / Payroll Check Entry, and then enter the following payroll information.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerry Carter, #217</td>
<td>40 regular hours, plus 20 shift-premium hours</td>
</tr>
<tr>
<td>Kayla Stone, #202</td>
<td>Salaried</td>
</tr>
</tbody>
</table>

2. Choose File / Print Checks and then print the unprinted checks using the following information:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting check number</td>
<td>1008</td>
</tr>
<tr>
<td>Check date</td>
<td>11/20/07</td>
</tr>
<tr>
<td>Period ending date</td>
<td>11/14/07</td>
</tr>
<tr>
<td>Period beginning date</td>
<td>11/08/07</td>
</tr>
</tbody>
</table>

*Note:* You could also have recorded the checks as handwritten by entering both the check date and check number in the Payroll Check Entry window. If those fields are unavailable, you can press the F3 key, select Options from the options menu, and then unmark those checkboxes in the Fields to disable group box.

3. Once you finish entering the checks, print a copy of the Payroll Journal to verify the results.
Appendix

Setup Example 2: Multi-state Locations and Local Taxes

<table>
<thead>
<tr>
<th>Pay Description</th>
<th>Hours</th>
<th>Amount</th>
<th>Withholding</th>
<th>Amount</th>
<th>Deduction Desc.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>40</td>
<td>750.00</td>
<td></td>
<td></td>
<td>FICA-SS</td>
<td>106.12</td>
</tr>
<tr>
<td></td>
<td>20</td>
<td>10.00</td>
<td></td>
<td></td>
<td>FICA-Med</td>
<td>22.32</td>
</tr>
<tr>
<td>Salaries</td>
<td>20</td>
<td>1,000.00</td>
<td></td>
<td></td>
<td>Federal Unem</td>
<td>115.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Colorado W/H</td>
<td>38.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mason - Resident</td>
<td>1.90</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sunrise</td>
<td>6.76</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mason - Nonres</td>
<td>0.36</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.00</td>
</tr>
<tr>
<td>TOTALS</td>
<td>80</td>
<td>1,760.00</td>
<td></td>
<td>315.74</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Check Figures

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of checks</td>
<td>2</td>
</tr>
<tr>
<td>Gross pay totals</td>
<td>$1760.00</td>
</tr>
<tr>
<td>Net pay</td>
<td>$1357.56</td>
</tr>
<tr>
<td>Colorado W/H</td>
<td>$58.00</td>
</tr>
<tr>
<td>Mason – Resident</td>
<td>$5.00</td>
</tr>
<tr>
<td>Mason – Nonresident</td>
<td>$1.90</td>
</tr>
<tr>
<td>Sunrise</td>
<td>$0.76</td>
</tr>
<tr>
<td>CO Base SUTA</td>
<td>$31.68</td>
</tr>
</tbody>
</table>

Important! If you have finished using this tutorial and do not intend to complete any of the other examples in this Appendix, you should now remove the temporary installation of the CSA program (in the “Tutorial” folder) by completing the steps listed in the section that begins on page 6 of this document.
Setup Example 3: Multi-State Employees

This chapter shows you how to set up and process employees who work in more than one location or who move from one state or locality to another.

Use your Payroll CS Tutorial installation of CSA to work with this example.

Restoring the sample data

For this example, we will be using the Jones2 client and system files from the Training folder in your CSA installation.

Restoring the client file

The first thing we need to do is restore the Jones2 client. To do so, follow these steps.

1. Choose File / Restore.
2. Select Clients from the drop-down list in the first field in the upper left corner of the Restore Clients dialog.
3. Click the Change Backup Location button. In the Modify Location dialog, browse to the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training.)
4. Click the Training folder to highlight it and then click the OK button.
5. In the Restore Clients dialog, highlight JONES2 in the Client ID list and click the Select button to move JONES2 to the Selected pane.
6. Click the Restore button. If the Overwrite Client Data dialog displays asking if you want to overwrite the existing client data, click Yes to continue.

7. When the file has been restored, click the Done button.

**Restoring the system data**

We now need to restore the system data from the `wsw.sys` system file.

1. From the CSA main window, choose File / Restore.

2. In the Restore Clients dialog, select **System Data** from the drop-down list in the first field in the upper left corner of the dialog. The dialog name changes to System Data Restore.

3. Click the Change Backup Location button and then browse to the JONES2 folder in the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to `C:\WINCSI\CSA\Training\JONES2`.)

4. Click the JONES2 folder to highlight it and then click OK.

5. Double-click the `wsw.sys` file in the File list to move it to the Selected pane.
6. Click the Restore button.

7. In the Overwrite System Data dialog, click the Yes button. The Restore Status dialog appears to show you the status of the restoration.

8. When the file has been restored, click the Done button.
**Important!** Before beginning this example we’ll need to save the Jones2 client under a new client ID. First, choose File / Open Client and highlight the JONES2 client and click the Open button. Then choose File / Save As and enter JONESXX3 (where XX represents your initials) as the new client ID. Use the JONESXX3 client as you work through each of the steps outlined in this example.

After completing this example, you may wish to proceed to Example 4 which shows you how to set up and process tipped employees.

---

**Scenario**

Jones Enterprises hired an employee, Joel Ford, who lives in Utah and will work at both the Utah and Colorado facilities.

*Note:* If you neglect to anticipate that an employee might move from one location to another and such a move actually occurs, the program does provide a way to handle it — but not without certain ramifications. We’ll discuss that type of situation near the end of this scenario. (Don Allbright transfers from the Assembly Department in Utah to the facility in Mason, Colorado.)

---

**Adding pay items**

By creating new pay items — with each having a different taxability status — you can ensure that the information for each state will be listed separately on checks, reports, and tax forms. Because the existing Wages pay item is similar to what you need for Colorado, we’ll begin by copying that pay item.

1. Choose Setup / System Configuration / Pay Items.

2. In the listview pane at the top of the Pay Items dialog, highlight the Wages pay item, press the F3 key to display the context menu, and choose Copy Pay Item.
3. In the Description and W-2 Info tab, enter **Colorado Wages** in both the Description field and the Report Description field. Because the W-2 box selection is correct, we will not need to make any changes there.

4. The Colorado Wages pay item is subject to all federal tax. Therefore, in the **Tax Treatment** tab, leave all of the checkboxes marked within the Federal taxes group box.

5. Within the State taxes group box of the Tax Treatment tab, choose **Selected** in the **Taxable by** field. In the State taxes grid, scroll down to Colorado and mark both the **W/H** and **SUT** checkboxes for **Colorado**. By creating a new pay item with different taxability, the information for each state will be listed separately on checks, reports, and tax forms.
6. In the Local withholdings group box, leave the **Taxable by** field set to **All**.

7. Click the Enter button to save the new pay item.

Because Joel Ford will be working in both Utah and Colorado, you need to copy the generic **Wages** pay item (which is taxable by all states) to create a new pay item that is state-specific to Utah.

1. Highlight the **Wages** pay item, press the F3 key to display the context menu, and choose **Copy Pay Item**. Name that new item **Utah Wages**.

2. In the State taxes group box on the Tax Treatment tab, choose **Selected** in the Taxable by field and mark both the **W/H** and **SUT** checkboxes for **Utah** only.

3. In the Local withholdings group box, choose **None** in the Taxable by field.

4. Click the Enter button to save this pay item, and then click the Done button to close the Pay Items dialog.
Adding a new multi-department employee

Now we are going to add setup information for Joel Ford, the new employee who will be working in both the Utah and Colorado locations.

**Joel F. Ford, Employee #373**

Active in both the Assembly - CO and Assembly departments, with Assembly as the home department (using the default templates for each department)

- **Hire date:** 11/10/07
- **Hourly rate:** $13.50
- **Single, 0 allowances for Federal and State**
- **Earnings subject to Mason - Nonresident local tax (only for hours worked in the Assembly - CO department)**
Let’s set up the employee record for Joel Ford.

1. Choose Setup / Employees.

2. In the Employees window, click the Add button.

3. In the General tab, enter the appropriate information for Joel Ford, and then click the Edit depts button.

4. In the Edit Employee Departments dialog, mark both the Active and Home checkboxes for Assembly (Joel’s home department). Also, mark the Active checkbox for his second department, Assembly - CO. Accept the default templates for both of these departments and then click the OK button to return to the Employees window.

5. Notice that <Multiple> now appears in the Department(s) field in the General tab. This means that more than one department is marked as Active for the selected employee (Joel). <Multiple> also appears if an employee has earnings in more than one department.

To view the departments for an employee, you can press F4 in the Department field in the Earnings tab, the Tax Withholdings and Deductions tab, or the Other tab of the employee record.

6. In the Personal/W-2 tab, enter 11/10/07 in the Date of hire field.
7. In the Earnings tab, note that the Department field always defaults to display the home department (which for Joel is Assembly). The default Hourly template will work for the majority of Jones Enterprises employees in the Assembly department, but because Joel Ford will be working in Colorado as well as in Utah, we must change the Description field from Wages to **Utah Wages**.

**Important!** If you do not change the generic pay item for Joel from Wages (set up to be taxable by all states) to **Utah Wages**, the calculated amount for Joel’s state taxable wages for UT would incorrectly include Colorado wages as well.

8. Click the Item Properties button associated with the Utah Wages pay item.

9. In the Pay Item Properties dialog, select **Hourly** in the Wage type field and then click OK to return to the Employees window.

10. In the Earnings tab, enter **13.50** as the hourly rate in the Rate column for the Utah Wages pay item.

11. In the Tax Withholdings and Deductions tab, the State W/H deduction item is already defaulting to UT as the withholding state. (Although you will not do this step in this example, you could copy this item and name it UT W/H).
12. Click the Item Properties button for both the Federal and State Withholding items. Enter the Federal and State withholding item properties and select the correct filing status for Joel. Remember that he is single, with 0 allowances.

![Federal Withholding Item Properties](image1)

![State Withholding Item Properties](image2)

13. Delete the deductions for Tools and Uniform.

14. In the Other tab of the Employees window, make sure that UT appears in the State column of the SUTA G/L accounts grid.
15. Now return to the Earnings tab and select the second department in which Joel is active, Assembly - CO. The default template for that department was set up under the assumption that most employees live in Mason and use the Wages pay item. Joel is an exception, so for him choose the Colorado Wages pay item that you set up earlier.

16. Click the Item Properties button for the Colorado Wages pay item. In the Pay Item Properties dialog, select Hourly in the Wage type field and then click the OK button to return to the Employees window.
17. In the **Earnings** tab, enter **13.50** as the hourly rate for the Colorado Wages pay item.

18. Click the **Tax Withholdings and Deductions** tab and then verify the item properties for both the Federal W/H and Colorado W/H items. Note that the employee’s Home department controls the filing status. Because Joel does not live in Mason, you must change the Local tax item to **Mason – Nonresident**.

19. Delete the deductions for **Tools** and **Uniform**.

20. In the **Other** tab, make sure that **CO** is selected in the State column of the SUTA G/L accounts grid.

21. Click the Enter button to save the information for Joel Ford and then close the Employees window.

---

**Entering payroll checks for multi-department employees**

Now it’s time to enter the payroll check information for Joel Ford, who worked 50 hours (20 in Assembly, 30 in Assembly-CO).

1. Choose Tasks / Payroll Check Entry.

2. In the Payroll Check Entry window, enter **373** in the Employee field and press the TAB key to begin entering payroll information for Joel Ford. Note that **Assembly** (Joel’s home department) appears by default in the Department field. Enter the **20** hours for the Assembly department in the Reg. Hrs. column.

3. Now select **Assembly - CO** from the drop-down list in the Department field. Enter **30** hours for that department in the Reg. Hrs. column and then click the Enter button to save Joel’s payroll data.

**Tip**
You can press CTRL+TAB in the Payroll Check Entry window to quickly switch between departments for any multi-department employee.
Verifying the tax calculations

1. In the Payroll Check Entry window, press the **PAGE UP** key to return to Joel’s payroll check.

2. Press F3 and choose **Tax Calculation Diagnostics** from the context menu.
3. In the Tax Calculation Diagnostics dialog, click the CO Colorado W/H link.

![Tax Calculation Diagnostics](image)

Notice that the Current taxable wages on Joel’s Colorado wages are $405.

4. Verify that his other taxes are as follows:

<table>
<thead>
<tr>
<th>Withholding Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah State W/H</td>
<td>Utah wages of $270</td>
</tr>
<tr>
<td>Mason - Nonresident</td>
<td>Colorado wages of $405</td>
</tr>
</tbody>
</table>

5. After you have confirmed that the wage items and the withholding items are appropriate for this client, close the Tax Calculation Diagnostics dialog.

6. Close the Payroll Check Entry window.
Appendix

Setup Example 3: Multi-state Employees

Modifying multi-state setup information

Jones Enterprises has just notified you that a Utah employee, Don Allbright, will be transferring to the facility in Colorado. His new address is 1655 Cherry Lane, Mason, Colorado, 80543. Don has been working in the Assembly department in Utah and already has earnings for that department.

Because Don Allbright was paid using the generic Wages pay item, if you were simply to add the Colorado Wages pay item for him, his state taxable wages for Colorado would be incorrect at the end of the quarter and the year. So instead, you must replace the generic Wages pay item in his employee record with the Utah Wages pay item (set up to be specific to UT only). This will ensure that when you run quarterly reports and year-end W-2s, his Utah Wages and Colorado wages will be kept separate.

Note that the program does not allow you to void a check that no longer has the same payroll items that it had when originally generated. As a result, you will no longer be able to void any of Don’s previous payroll checks unless you replace the generic Wages pay item (because that was the original pay item) before voiding the check.

1. Choose Setup / Employees.

2. In the Employees window, highlight Don Allbright in the listview pane and click the Edit button.

3. In the General tab, enter Don’s new address.

4. In the Earnings tab, change the pay item from Wages to Utah Wages and then click the Item Properties button and select Hourly as the wage type. (We need to complete this step here so that we can change the department in the next step.)

5. Return to the General tab and click the Edit depts button.

6. Because Don is transferring to the Colorado assembly facility, in the Edit Employee Departments dialog, mark both the Active and Home checkboxes for the Assembly - CO department.

7. Because Don will not continue to work in the Assembly department, clear the Active checkbox for the Assembly department. While this
makes the department no longer available during payroll data entry for Don, it does not affect his year-to-date earnings information for that department. The shaded area within the Employee Template column indicates that earnings information is already on file for this employee for that department (Assembly).

8. Click OK to close the Edit Employee Departments dialog and return to the Employees window.

9. Note that <Multiple> now appears in the Department(s) field in the General tab. Earlier this meant that more than one department was marked as Active for the selected employee, but in this case it means the employee (Don) has earnings in more than one department.

10. In the Earnings tab, select Colorado Wages as the pay item for the Assembly - CO department (Don’s new home department). Click the Item Properties button for that pay item and select Hourly as the wage type in the Item Properties dialog, and then return to the Employees window.

11. In the Earnings tab, enter 9.85 as Don’s pay rate for the Colorado Wages pay item.

12. In the Tax Withholdings and Deductions tab, click the Item Properties button first for the Federal W/H item and then for the Colorado W/H item. Verify that the default information associated with the Assembly - CO department appears. Enter Don’s marital status, withholding table, and number of allowances for the federal, state, and local withholding items. (Don is married, with zero allowances for both federal and state, and exempt for both.)
13. Delete the deductions for **Tools** and **Uniform**.

14. In the **Other** tab, verify that **CO** appears in the SUTA G/L accounts State column. (The SUTA state information, CO, for Don already exists because it was entered at the template level. It is important to verify that CO appears for the SUTA state.)

15. Click the Enter button to save the information you’ve entered for Don.


### Exercise

1. Enter a payroll check for Don for 40 hours in Assembly - CO.

2. Before saving the check, choose **Tax Calculation Diagnostics** from the F3 or right-click context menu. Verify the following:
   - The amounts are listed for the Colorado W/H item.
   - No amounts are listed for the Utah items.

3. Click Enter to save the check record and then print the checks for Joel Ford and Don Allbright using the following information:

<table>
<thead>
<tr>
<th>Starting check number</th>
<th>1010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check date</td>
<td>11/13/07</td>
</tr>
<tr>
<td>Period ending date</td>
<td>11/07/07</td>
</tr>
<tr>
<td>Period beginning date</td>
<td>11/01/07</td>
</tr>
</tbody>
</table>

This concludes this example of setting up and processing employees who work in more than one location or who move from one state or locality to another. The next chapter shows you how to set up and process tipped employees.

**Important!** If you have finished using this tutorial and do **not** intend to complete any of the other examples in this Appendix, you should **remove** the temporary installation of the CSA program (in the “Tutorial” folder) by completing the steps listed in the section that begins on page 6 of this document.
Setup Example 4: Tipped Employees

This example covers setup and processing issues for a client with tipped employees. This chapter shows you how to set up and process employees who earn tips.

Restoring the sample data

For this example, we will be using the Jones client and system files from the Training folder in your CSA installation.

Restoring the client file

The first thing we need to do is restore the Jones client. To do so, follow these steps.

1. Choose File / Restore.
2. Select **Clients** from the drop-down list in the first field in the upper left corner of the Restore Clients dialog.
3. Click the Change Backup Location button. In the Modify Location dialog, browse to the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training.)
4. Click the **Training** folder to highlight it and then click the OK button.
5. In the Restore Clients dialog, highlight **JONES** in the Client ID list and click the **Select** button to move JONES to the Selected pane.
6. Click the **Restore** button. If the Overwrite Client Data dialog displays asking if you want to overwrite the existing client data, click Yes to continue.

7. When the file has been restored, click the Done button.

**Restoring the system data**

We now need to restore the system data from the **wsw.sys** system file.

1. From the CSA main window, choose File / Restore.

2. In the Restore clients dialog, select **System Data** from the drop-down list in the first field in the upper left corner of the dialog. The dialog name changes to System Data Restore.

3. Click the Change Backup Location button and then browse to the JONES folder in the Training folder within your installation of CSA. (For example, if CSA is installed on your C drive, you would browse to C:\WINCSI\CSA\Training\JONES.)

4. Click the JONES folder to highlight it and then click OK.
5. Double-click the `wsw.sys` file in the File list to move it to the Selected pane.

6. Click the Restore button.

7. In the Overwrite System Data dialog, click the Yes button. The Restore Status dialog appears to show you the status of the restoration.

8. When the file has been restored, click the Done button.
Important! Before beginning this example we’ll need to save the Jones client under a new client ID. First, choose File / Open Client and highlight the JONES client and click the Open button. Then choose File / Save As and enter JONESXX4 (where XX represents your initials) as the new client ID. Use the JONESXX4 client as you work through each of the steps outlined in this example.

Scenario

Jones Enterprises recently purchased a restaurant chain to add to its corporate holdings. New employees earn tips and must be added to the current payroll. There are a total of 4 tipped employees.

Setting up negative check situations

For clients with tipped employees, sometimes an employee will be in a negative check situation because tax withholdings are greater than the net pay amount. For this example, you’ll use the predefined deduction item called Prev. Carryforward, which is already included as a default payroll item in the Payroll CS software.

2. In the Properties dialog, click the Calculating Payroll tab.
3. In the Negative check treatment group box, choose the **Carry negative amount to next check** option and then select **Prev. Carryforward** from the drop-down list in the Deduction field.

![Properties](image)

4. Click OK to save the new client properties.

**Reviewing the tip-related pay items**

The global pay items for the new employees are **Tipped Wages**, **Reported Tips**, **Tips Deemed Wages**, and **Allocated Tips**. These four basic pay items are already included in Payroll CS to handle tipped employees. Each pay item has a special type associated with it to correctly calculate the employer’s tip credit reduction.

- Employers of tipped employees can take a tip credit, which allows them to pay the employees less than the minimum wage under the assumption that the employees will earn enough in tips to make at least minimum wage.
If the employees do not earn enough to bring them up to minimum wage, the tip credit needs to be reduced — that is, the employee’s wage should be increased.

**Note:** To review how the program calculates the tip credit reduction, search on **Payroll CS Tutorial additional resources** from the index of the CSA help browser.

**Tipped wages**
Tipped wages are less than the minimum wage. For this example, the hourly rate will be **$2.35** for all waitstaff employees.

**Reported tips**
Reported tips usually have already been collected by the employee but are not yet taxed. They are not presented in the gross pay or net pay amounts. Reported tips can be recorded as a dollar amount or they can be calculated by the program, based either on the percentage of sales or on a dollar amount per hour. To set up the latter, select that pay item for the employee, or the employee template, and then open the Item Properties dialog for that item.

**Tips deemed wages**
Tips deemed wages are the portion of reported tips required to reach the minimum wage. In other words, they are the difference between minimum wage and the tipped wage rate.

**Allocated tips**
Tips can be allocated based on hours worked or gross receipts (sales). The employee record must include a tipped wage pay item, an allocated tips pay item, and a reported tips or indirect tips pay item. If you allocate based on hours, Payroll CS will use the number of hours entered for the tipped wage pay item. If you allocate based on sales, the program uses the amount of sales entered in the Sales field of Payroll Check Entry for each employee with a tipped wage pay item. The tips are allocated on a yearly basis, but you may calculate allocated tips at any time using the
Tip Allocation feature located in the Edit context menu in the Employee Setup window. After calculation of allocated tips you can post them to individual employees by clicking the Post button.

### Setting up the employee templates

For Jones Enterprises, we need to set up a new employee template called **Tipped Employees**. The default template called Tipped (already available in Payroll CS) is similar to what we need, so we will copy this template and modify it to include the specific changes required.

1. Choose Setup / Employee Templates.
2. In the Employee Templates dialog, highlight the Tipped template in the listview pane, press the F3 key to display the context menu, and choose **Copy Employee Template**.
3. Enter Tipped Employees in the Description field for the new template.
4. Because the default template you just copied has pay and withholding items not required by Jones, you need to delete these items.

Delete the last four pay items — Allocated Tips, Wages, Vacation, and Sick. Click the line number at the left of the grid for the first row to be deleted and, while holding down the **SHIFT** key, click the last item to be deleted. Be sure that the entire row is highlighted. Press the **DELETE** key on your keyboard to remove the highlighted items from the template.
(To select multiple lines to delete, you can also click the line number at the left of the grid for the first row to be deleted and hold down the mouse button while dragging the highlight down through each of the items to be deleted.)

5. While still in the Earnings tab, enter 2.35 as the pay rate for the **Tipped Wages** pay item. This amount is entered at the template level because all Waitstaff employees are at the same hourly rate. There are no other changes to make in the Earnings tab.

6. In the **Tax Withholdings and Deductions** tab, the withholding items used for Jones Enterprises are: FICA-SS, FICA-Med, Federal W/H, and State W/H. Click the Item Properties button to the right of the **State W/H** item.

7. In the State Withholding Item Properties dialog, select UT in the State field and then click OK to return to the Employee Templates dialog.

8. The default template we copied includes other withholding and deduction items that are not needed for this example – the Local withholding item and the Medical Insurance deduction item. Therefore, delete both of these items.
9. In the Tax Withholdings and Deductions tab, add the **Prev. Carryforward** deduction item to this employee template.

![Employee Templates](image)

10. In the Other tab, select **UT** in the SUTA G/L accounts State column.

11. Click the Enter button to save the new template.

12. Click the Done button to close the Employee Templates dialog.

---

**Adding a payroll department**

Next, we need to add the Waitstaff payroll department to use for reporting purposes.

1. Choose Setup / Payroll Departments.

2. In the Departments dialog, click the Add button.
3. Enter **Waitstaff** in the Description field and select **Tipped Employees** from the drop-down list in the Default employee template field.

![Departments dialog](image)

4. Click the Enter button to save the new department, and then click the Cancel button to return to Browse mode.

5. Click the Done button to close the Departments dialog.
Setting up new employees

We need to set up the following four new employees in the Waitstaff department. Demographic data is omitted for this tutorial.

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Employee ID</th>
<th>Marital Status</th>
<th>Federal and State Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carla S. Dennis, Employee #141</td>
<td></td>
<td>Single</td>
<td>2</td>
</tr>
<tr>
<td>Stacy M. Randall, Employee #132</td>
<td></td>
<td>Married</td>
<td>3</td>
</tr>
<tr>
<td>Jean L. Louis, Employee #112</td>
<td></td>
<td>Married</td>
<td>0</td>
</tr>
<tr>
<td>Tony C. Hartman, Employee #167</td>
<td></td>
<td>Married</td>
<td>1</td>
</tr>
</tbody>
</table>

1. Choose Setup / Employees.
2. In the Employees window, click the Add button.
3. Enter the information for Carla Dennis, and then click the Edit depts button.
4. In the Edit Employee Departments dialog, mark both the Active and Home checkboxes for the Waitstaff department. Because you previously assigned the Tipped Employees template to the Waitstaff department, that template is automatically selected. Click OK to return to the Employees window.

**Note:** If necessary, you could have selected a different template for this employee by clicking in the Employee Template column and selecting a different template from the drop-down list.

5. Click the Personal/W-2 tab. Here we would enter the date of hire, last raise date, and other information, if available. Because we do not have any of that information available, we can leave this tab blank.

6. For each pay item listed in the Earnings tab, we would normally need to verify the item properties and enter the pay rate. However, in this example, the pay rates were entered at the template level, so there are no changes to make.

7. In the **Tax Withholdings and Deductions** tab, click the Item Properties button first for the Federal W/H item and then for the State W/H item and specify the marital status (**Single**), withholding table (**Single**), and number of allowances (**2**) for those items.
8. In the Other tab, the SUTA state information (UT) for Carla is already selected because it was entered at the template level. It is very important that the appropriate state(s) be listed and not left blank so that the program will make the appropriate SUTA calculations. For this example, make sure that UT appears in the SUTA G/L accounts State column.

9. Click the Enter button to save the new employee record for Carla.

**Exercise**

Set up the other three new waitstaff employees (Stacy Randall, Jean Louis, and Tony Hartman) using the information beginning on page 185 of this tutorial. Once you have set up these employees, close the Employees window.

**Entering paychecks for tipped employees**

We are now going to process a payroll check for each new tipped employee of Jones Enterprises using the following information:

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Hours Worked</th>
<th>Reported Tips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carla Dennis, #141</td>
<td>40 hrs. regular</td>
<td>$243 in reported tips</td>
</tr>
<tr>
<td>Stacy Randall, #132</td>
<td>30 hrs. regular</td>
<td>$80 in reported tips</td>
</tr>
<tr>
<td>Jean Louis, #112</td>
<td>28 hrs. regular</td>
<td>$309.05 in reported tips</td>
</tr>
<tr>
<td>Tony Hartman, #167</td>
<td>40 hrs. regular, 10 overtime hours, $350 in reported tips</td>
<td></td>
</tr>
</tbody>
</table>
1. Choose Tasks / Payroll Check Entry.

2. In the Payroll Check Entry window, enter the payroll information for the first of the four tipped employees by entering the hours and reported tips. For Carla Dennis, enter 40 in the Reg. Hrs. column for Tipped Wages, enter $243.00 in the Amount column for Reported Tips, and then click the Enter button.

<table>
<thead>
<tr>
<th>Description</th>
<th>Reg Hrs</th>
<th>O/T Hrs</th>
<th>O/T Rate</th>
<th>Pay Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipped Wages</td>
<td>40.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>54.09</td>
<td>2269</td>
</tr>
<tr>
<td>Reported Tips</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>243.00</td>
</tr>
<tr>
<td>Tips Deemed Wages</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>112.00</td>
</tr>
</tbody>
</table>

Because the pay rate is below the minimum wage, the program automatically calculates the Tips Deemed Wages.

3. Enter the payroll information for Stacy Randall — 30 hours regular time and $80 in tips — and then click the Enter button.

The program displays a message prompt informing you that the Reported Tips amount is insufficient to bring the Tipped Wages up to the minimum wage. The program calculates the rate increase needed and displays the Tip Credit Reduction dialog, showing the pay item (Tipped Wages) and the amount of the wage increase needed ($0.13). If the overtime and double-time calculations were affected, they would be recalculated by the program.
We now have the option to accept the check as is or to have the program make the change listed.

We now have the option to accept the check as is or to have the program make the change listed.

4. Click the Adjust Wage Rate button.

5. When the message prompt closes, the program saves the check and moves to a new payroll check record. Press the PAGE UP key on your keyboard to see Stacy’s check. Notice that the amount of the tip credit adjustment has been added to the pay rate for the Tipped Wages pay item. Click the Enter button to continue.

6. Enter the payroll information for Jean Louis — 28 hours regular time and $309.05 in tips. Notice that Jean has negative pay of $1.10. Click the Enter button to accept the check.

7. Press the PAGE UP key to see how the check looks after it has been accepted. Notice that the $-1.10 amount appears in the Prev. Carryforward field. (Negative amounts indicate amounts owed by the employee.) This negative amount will be deducted from Jean’s
next check, provided that she is not in a negative net pay situation for
the next payroll period. Click the Enter button to continue.

8. Enter the payroll information for Tony Hartman — 40 hours regular
time, 10 overtime hours, and $350 in tips. His overtime rate is
automatically calculated by the program as follows.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal minimum wage</td>
<td>$ 5.15</td>
</tr>
<tr>
<td>Overtime (time-and-a-half)</td>
<td>X 1.5</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$ 7.725</td>
</tr>
<tr>
<td>Less tip credit</td>
<td>(2.80)</td>
</tr>
<tr>
<td>Effective OT rate</td>
<td>$ 4.925</td>
</tr>
<tr>
<td>4.925 OT rate x 10 hours =</td>
<td>$ 49.25</td>
</tr>
</tbody>
</table>
9. Click the Enter button to accept the check.

10. After all of the checks have been created and saved, close the Payroll Check Entry window.

**Printing the Unprinted Checks report**

Now that we have entered all payroll information, we can print the Unprinted Checks report to verify that the data was entered correctly. This report includes detailed information for all payroll checks that have not yet been printed or for selected payroll checks only.

1. Choose File / Print Reports.

2. In the Print dialog, click the Reports tab.

3. Double-click the Unprinted Checks report to move it to the Selected pane and then click the Options button.
4. In the Unprinted Checks Options dialog, mark the **Show Components** checkbox. This will cause the overtime display calculations for Tony Hartman to appear on the Unprinted Checks report. Click **OK** to save this option and return to the Print dialog.
5. In the Print dialog, click the Preview button and verify that all the payroll information has been entered correctly. Page 1 of the report should appear as follows.

<table>
<thead>
<tr>
<th>Pay Description</th>
<th>Hours</th>
<th>Amount</th>
<th>Withholding</th>
<th>Amount</th>
<th>Deduction Dana</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tipped Wages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>30</td>
<td>65.80</td>
<td>FICA-SS</td>
<td>21.24</td>
<td>Prev. Cty/Fsh</td>
<td>-1.19</td>
</tr>
<tr>
<td>Regular</td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>3.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td>16.12</td>
<td>Social WH</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>30</td>
<td>65.80</td>
<td>FICA-SS</td>
<td>21.24</td>
<td>Prev. Cty/Fsh</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>3.44</td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td></td>
<td>16.12</td>
<td>Social WH</td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Company Expenses:**
- FICA-SS 21.24 FICA-Med 3.44 FUTA 3.00
- UT SUTA 151.2

**Net Pay:** 62.60

<table>
<thead>
<tr>
<th>Pay Description</th>
<th>Hours</th>
<th>Amount</th>
<th>Withholding</th>
<th>Amount</th>
<th>Deduction Dana</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tipped Wages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>30</td>
<td>94.00</td>
<td>FICA-SS</td>
<td>20.98</td>
<td>Prev. Cty/Fsh</td>
<td>0.09</td>
</tr>
<tr>
<td>Regular</td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>4.89</td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td>11.24</td>
<td>Social WH</td>
<td></td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>30</td>
<td>94.00</td>
<td>FICA-SS</td>
<td>20.98</td>
<td>Prev. Cty/Fsh</td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>4.89</td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td></td>
<td>11.24</td>
<td>Social WH</td>
<td></td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Company Expenses:**
- FICA-SS 20.98 FICA-Med 4.89 FUTA 2.00
- UT SUTA 4.13

**Net Pay:** 41.87

<table>
<thead>
<tr>
<th>Pay Description</th>
<th>Hours</th>
<th>Amount</th>
<th>Withholding</th>
<th>Amount</th>
<th>Deduction Dana</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tipped Wages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>30</td>
<td>94.00</td>
<td>FICA-SS</td>
<td>30.56</td>
<td>Prev. Cty/Fsh</td>
<td>0.09</td>
</tr>
<tr>
<td>Regular</td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>7.15</td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td>21.26</td>
<td>Federal WH</td>
<td></td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>30</td>
<td>94.00</td>
<td>FICA-SS</td>
<td>30.56</td>
<td>Prev. Cty/Fsh</td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td>6</td>
<td>30.15</td>
<td>FICA-Med</td>
<td>7.15</td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Regular</strong></td>
<td></td>
<td>21.26</td>
<td>Federal WH</td>
<td></td>
<td></td>
<td>0.09</td>
</tr>
<tr>
<td><strong>Tipped Wages</strong></td>
<td>36</td>
<td>94.00</td>
<td></td>
<td></td>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Company Expenses:**
- FICA-SS 30.56 FICA-Med 7.15 FUTA 3.05
- UT SUTA 13.32

**Net Pay:** 56.96
6. Click the Next Page button to move to the second page of this report. The second page of this report shows the totals.

<table>
<thead>
<tr>
<th>Pay Description</th>
<th>Home</th>
<th>Amount</th>
<th>Withholdings</th>
<th>Amount</th>
<th>Deduction Desc.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipped Wages</td>
<td>377.55</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal W/H</td>
<td>40.42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State W/H</td>
<td>48.42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prev. Carryforward</td>
<td>-1.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Pay</td>
<td>160.61</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The totals on this page should match the following check figures. (If they do not match, determine which employee check is incorrect and correct it.)

<table>
<thead>
<tr>
<th>Check Figures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipped Wages</td>
<td>$377.55</td>
</tr>
<tr>
<td>Reported Tips</td>
<td>$982.05</td>
</tr>
<tr>
<td>Tips Deemed Wages</td>
<td>$410.40</td>
</tr>
<tr>
<td>FICA-SS</td>
<td>$84.29</td>
</tr>
<tr>
<td>FICA-Med</td>
<td>$19.72</td>
</tr>
<tr>
<td>Federal W/H</td>
<td>$65.61</td>
</tr>
<tr>
<td>State W/H</td>
<td>$48.42</td>
</tr>
<tr>
<td>Prev. Carryforward</td>
<td>($ 1.10)</td>
</tr>
<tr>
<td>Net Pay</td>
<td>$160.61</td>
</tr>
</tbody>
</table>

7. Click the Close button to close the Preview window.
Printing the payroll checks

Once you have confirmed that your report figures are correct, we are ready to print the payroll checks.

1. Choose File / Print Checks.

2. In the Print Checks dialog, mark the Payroll Checks checkbox and click the Print button.

3. In the Enter Payroll Check Information dialog, enter the following information and then click OK.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting check number</td>
<td>1013</td>
</tr>
<tr>
<td>Check date</td>
<td>11/13/07</td>
</tr>
<tr>
<td>Period ending date</td>
<td>11/07/07</td>
</tr>
<tr>
<td>Period beginning date</td>
<td>11/01/07</td>
</tr>
</tbody>
</table>
4. After the checks have been queued to the printer, the Check Printing Confirmation dialog opens. Examine the checks for any errors. If all of the checks have printed correctly, click the Done button in the Check Printing Confirmation dialog. The program will update the earnings on the employee records.

**Important!** If you have finished using this tutorial and do not intend to complete any of the other examples in this Appendix, you should remove the temporary installation of the CSA program (in the “Tutorial” folder) by completing the steps listed in the section that begins on page 6 of this document.