Payroll

Table of Contents

Chapter 1

Payroll Categories Overview

A paycheck normally consists of five elements: wages, accruals, deductions, taxes and employer expenses. Collectively, these elements are referred to as *payroll categories*. Before you begin paying employees, you'll create the payroll categories that are used by your business and are required by law, and then you'll assign each employee the payroll categories that apply to him or her. Then, when you use the Pay Employees window to pay an employee, the payroll categories you've assigned to the employee will automatically determine the various amounts that are associated with the paycheck.

Creating payroll categories

A set of payroll categories is automatically created for you when you use the MYOB AccountEdge Easy Setup Assistant. It's possible, however, that this default set of payroll categories doesn't fully suit your company's payroll needs. If this is the case, you can create the payroll categories you need.

Please note that wages, accruals, deductions and employer expenses must be assigned to employees before they can be used on paychecks. If you choose not to assign the new wage, accrual, deduction and employer expense to employees using the procedures listed below, see "To enter payroll details (employees only)" on page 620 for more information.

Creating wages

In MYOB AccountEdge, money paid to employees for labor or services is referred to as *wages*. Wages are determined on an hourly, salary or other basis. Some examples of wages are salary, bonus, commission and overtime. In addition, some other forms of payment, such as some types of employee benefits, are also

considered wages for tax purposes, and are referred to as *non-cash wages*. Company car benefits, excess life insurance and incentive travel costs are all examples of non-cash wages.

All types of employee payment, regardless of whether they're based in cash, need to exist in the AccountEdge system so you can pay your employees properly.

See the following step-by-step procedure:

"To create a wage" on page 522

Creating accruals

In MYOB AccountEdge, *accruals* are hours that accumulate on paychecks that help you pay special wages, such as vacation or sick pay.

When you create an accrual in AccountEdge, you'll link it to an hourly wage. Whenever you pay that particular hourly wage, the accrual hours associated with that wage will be automatically decreased the appropriate amount. For example, if you include a week's worth of vacation pay on an employee's paycheck, that employee's vacation accrual will be decreased by the number of hours in one work week.

See the following step-by-step procedure:

"To create an accrual" on page 523

Creating deductions

In MYOB AccountEdge, *deductions* are any amounts other than taxes that are subtracted from an employee's gross pay.

See the following step-by-step procedure:

"To create a deduction" on page 524

Creating employer expenses

In MYOB AccountEdge, *employer expenses* are your company's costs of having employees. Employer expenses are calculated on employees' paychecks, but they don't affect the employees' net pay; instead, they affect the amounts you must contribute to the employee (such as pension contributions), to the government or to other institutions.

See the following step-by-step procedure:

"To create an employer expense" on page 525

Understanding payroll taxes

In MYOB AccountEdge, *payroll taxes* are amounts that are calculated and deducted from employee paychecks from in accordance with the government's taxation laws.

Since tax laws change frequently, it's important that you use the most up-to-date payroll tax amounts and percentages when you write your paychecks. To keep your payroll tax calculations current, payroll taxes are administered in AccountEdge by the use of special *tax tables*, which are included in your AccountEdge package.

To learn the date of the payroll taxes loaded in your company file, click the Payroll Categories option in the Payroll Command Center. When the Payroll Category List window appears, click the Taxes tab. Click the zoom arrow next to any tax in the taxes list. The Tax Table Information window opens, and the Tax Table Revision Date is shown.

Since the accuracy of your payroll records is at stake, you can't add, change or remove any payroll taxes from AccountEdge's tax tables. However, you can receive up-to-date tables from AccountEdge automatically for a modest fee, whenever payroll tax laws change. See http://www.myob.com/us/service/techsupport/v1_acctedge_supportplans.htm to learn more about updating your payroll taxes.

Some of the payroll taxes in the AccountEdge system have special rules or situations that are difficult to represent in the tax table format that's displayed in the Tax Table Information window. If you ever see an "empty" Tax Table Information window when you believe some numbers and percentages should be displayed, don't worry; the proper tax information does exist -- it just can't be shown in the window.

Payroll taxes must be assigned to employees before they can be used on paychecks. See "To enter payroll details (employees only)" on page 620 to learn more about entering an employee's payroll information.

Changing payroll categories

Occasionally, you'll find it necessary to make a change to a payroll category.

> **Warning: Changing payroll categories affects all employees who are assigned those payroll categories**
>
> Keep in mind that when you change a payroll category, you change the payroll category for **all employees** who are assigned that payroll category. Most likely, the employees' paycheck amounts will be different after you change their payroll categories. You may find it easier to create a new pay category and assign it to the affected employees, rather than change an existing category.

You can change any accrual, employer expense or deduction in the AccountEdge system. You can also change any wage, except the Base Salary and Base Hourly wages.

Accounts are linked to payroll categories so all payroll-related amounts can be tracked properly. Default payroll linked accounts are assigned automatically when you set up Payroll, so you may not need to change them. If you want to change an individual wage, deduction, accrual or employer expense's linked account, you can.

You can have only one wage expense account for each employee; you can change the account using the Employee Payroll Information window for that employee.

Since the accuracy of your payroll records is at stake, you can't add, change or remove any payroll taxes from MYOB AccountEdge's tax tables. You *can*, however, change the account that you want to use to track the payroll taxes that you withhold from paychecks.

See the following step-by-step procedures:

"To change a wage" on page 527

"To change an employee's wage's linked account" on page 527

"To change an accrual" on page 528

"To change a deduction" on page 528

"To change a deduction's linked account" on page 529

"To change an employer expense" on page 529

"To change an employer expense's linked account" on page 530

"To change a payroll tax's linked account" on page 530

Removing payroll categories

There may be times when you want to remove a payroll category. When this is the case, you can quickly remove such an element from your records.

You can remove any accrual, employer expense or deduction in the MYOB AccountEdge system. You can also remove any wage, except the Base Salary Base Hourly wage categories.

Wages, accruals, deductions and employer expenses that have been recorded on current paychecks -- that is, paychecks that have been recorded in the current payroll year -- can't be removed. You can remove a wage only after the record of the paychecks on which the wage appeared is purged from your company file. (In most cases, this means that you probably won't be able to remove the wage until after you start the next payroll year.)

Since the accuracy of your payroll records is at stake, you can't add, change or remove any payroll taxes from AccountEdge's tax tables.

To learn the date of the payroll taxes loaded in your company file, click the Payroll Categories option in the Payroll Command Center. When the Payroll Category List window appears, click the Taxes tab. Click on an arrow next to any tax in the taxes list. The Tax Table Information window opens, and the Tax Table Revision Date is shown. See http://www.myob.com/us/service/techsupport/v1_acctedge_supportplans.htm to learn more about updating your payroll taxes.

See the following step-by-step procedures:

"To remove a wage" on page 532

"To remove an accrual" on page 532

"To remove a deduction" on page 533

"To remove an employer expense" on page 533

Chapter 2

Creating payroll categories

Creating wages

To create a wage

If you haven't already read the Payroll Categories Overview, see "Creating wages" on page 516 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Wages tab in the Payroll Category List window.
2. Click New. The Wages Information window appears.
3. Enter a descriptive name for the wage in the Wages Name field.
4. Indicate whether the wage is paid on an hourly or salary basis.
5. If the wage is hourly, enter the rate of pay in the Pay Rate field.
6. Mark the Optional Account box if you want to override the wages expense account assigned to each employee in the Employee Payroll Information window. Enter a different account in the Override Account field.
7. Mark the Non-Cash Wages box if this wage represents non-cash wages.

8. Click the Employee button to assign this wage to specific employees. The Linked Employees window for the wage appears. Mark the Select column next to each employee to whom you want to assign the wage. Click OK when you're finished.

9. Click the Exempt button to indicate from which taxes and deductions this wage is exempt. The Wages Exemptions window for the wage appears. Mark the Exempt column next to the taxes & deductions that should be exempt. Click OK when you're finished.

10. When you're satisfied with the entries in the Wages Information window, click OK to record the new wage.

Creating accruals

To create an accrual

If you haven't already read the Payroll Categories Overview, see "Creating accruals" on page 517 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Accruals tab in the Payroll Category List window.

2. Click the New button. The Accrual Information window appears.

3. Enter a descriptive name for the accrual in the Accrual Name field.

4. Choose the method by which you want accrual hours to be accumulated for this accrual in the Type of Accrual field.

5. Choose whether you want accrual hours to be carried over to the next payroll year.

6. Enter the hourly wage to which you want to link this accrual in the Linked Wages Category field.

7. Click the Employee button to assign this accrual to specific employees. The Linked Employees window for the accrual appears. Mark the Select column next to each employee to whom you want to assign the accrual. Click OK when you're finished.

8. If you've chosen a percentage of Gross or Federal hours as the basis for calculating the accrual, you can click the Exempt button to display the Accruals Exemptions window. Mark the Exempt column next to each hourly wage category you'd like excluded when this entitlement is calculated. Click OK when you're finished.

9. Click OK to record the new accrual.

Creating deductions

To create a deduction

If you haven't already read the Payroll Categories Overview, see "Creating deductions" on page 517 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Deductions tab.

2. Click New. The Deduction Information window appears.

3. Enter a descriptive name for the deduction in the Deduction Name field.

4. Enter the account you want to use to track the amounts withheld by this deduction in the Linked Payable Account field.

5. Choose the deduction type and enter a rate for the deduction, if any, in the Type of Deduction fields.

6. Enter the maximum amount that can be withheld for this deduction in the Deduction Limit fields.

7. Click the Employee button. The Linked Employees window for the deduction appears. Mark the Select column next to each employee to whom you want to assign the deduction. Click OK when you're finished.

8. Click the Exempt button to indicate from which taxes this deduction is exempt. The Deduction Exemptions window for the wage appears. Mark the Exempt column next to the taxes that should be exempt. Click OK when you're finished.

9. Click OK to record the new deduction.

Creating employer expenses

To create an employer expense

If you haven't already read the Payroll Categories Overview, see "Creating employer expenses" on page 517 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Expenses tab.

2. Click New. The Employer Expense Information window appears.

3. Enter a descriptive name for the employer expense in the Employer Expense Name field.

4. Enter the accounts you want to use to track the amounts withheld by this employer expense in the Linked Expense Account and Linked Payable Account fields.

5. Choose the type of employer expense you'd like to create in the Type of Expense field.

6. If you selected Other in the Type of Expense field, choose the rate by which this expense is calculated in the Expense Basis field.

   Enter the maximum amount that can be withheld for this expense in the Expense Limit field.

7. If you selected SUI or SDI in the Type of Expense field, enter information in the State Code, State Tax ID and SUI or SDI Rate fields.

8. Click the Employee button if you want to assign the new employer expense to specific employees. The Linked Employees window for the employer expense appears. Mark the Select column next to each employee to whom you want to assign the employer expense. Click OK when you're finished.

9. Click the Exempt button to indicate which wages should not be assigned to this employer expense. The Employer Expense Exemptions window for the wage appears. Mark the Exempt column next to the wages that should be exempt. Click OK when you're finished.

10. Click OK to record the new employer expense.

Chapter 3

Changing payroll categories

Changing wages

To change a wage

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Wages tab to display a list of all existing wages in the AccountEdge system.
2. Highlight the wage you want to change and click Edit to open the Wages Information window.
3. Make the changes to the wage that you want. Click here for information about the fields in the Wages Information window.
4. Click OK when you're finished.

To change an employee's wage's linked account

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Cards List window should be displayed.

1. Double-click the name of the employee whose wage expense account you want to change. The Card File Information window for that employee appears.

2. Click the Payroll Details and then click the Info button. The Employee Payroll Information window appears.

3. Enter the new account in the Wages Expense Acct field.

4. Click the OK button.

Changing accruals

To change an accrual

We suggest you read "Changing payroll categories" on page 519 in the Payroll Categories Overview for additional information about this topic.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Accruals tab to display a list of all existing accruals in the AccountEdge system.

2. Highlight the accrual you want to change and click Edit to open the Accrual Information window.

3. Make the changes to the accrual that you want.

4. Click OK when you're finished.

To change a deduction

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Deductions tab to display a list of all existing deductions in the AccountEdge system.

2. Highlight the deduction you want to change and click Edit to open the Deduction Information window.

3. Make the changes to the deduction that you want. Click here for more information about the fields in the Deduction Information window.

4. Click OK when you're finished.

To change a deduction's linked account

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Select the Deductions tab.

2. In the scrolling list, double-click the deduction whose linked account you want to change. The Deduction Information window appears.

3. Enter the new account in the Linked Payable Account field.

4. Click the OK button.

Changing employer expenses

To change an employer expense

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Expenses tab to display a list of all existing employer expenses in the AccountEdge system.

2. Highlight the employer expense you want to change and click Edit to open the Employer Expense Information window.

3. Make the changes to the employer expense that you want. Click here for more information about the fields in the Employer Expense Information window.

4. Click OK when you're finished.

To change an employer expense's linked account

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Select the Expenses tab.

2. In the scrolling list, double-click the employer expense whose linked account you want to change. The Employer Expense Information window appears.

3. If you want to change the linked expense account for an employer expense, enter the new account in the Linked Expense Account field. If you want to change the linked account used for withholdings from employee wages, enter the new account in the Linked Payable Account field.

4. Click the OK button.

Changing payroll taxes

To change a payroll tax's linked account

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See “Single-user file locking” on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Taxes tab.

2. Highlight the payroll tax whose linked account you want to change and click Edit to display the Tax Table Information window.

3. The Linked Payables Account field is the only field you can change in this window. If you wish to use a different account to track the tax, change the account that’s displayed in this field. (This account should usually be a liability account.)

4. The date shown in the Tax Table Revision Date field indicates how old your tax tables are. See http://www.myob.com/us/service/techsupport/v1_acctedge_supportplans.htm to learn more about updating your payroll taxes.

5. Click OK when you’re finished.

Chapter 4

Removing payroll categories

Removing wages

To remove a wage

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Wages tab to display a list of all existing wages in the AccountEdge system.
2. Highlight the wage you want to remove and click Edit to open the Wages Information window.
3. Choose Delete Wage Category from the Edit menu.

Removing accruals

To remove an accrual

We suggest you read "Removing payroll categories" on page 520 in the Payroll Categories Overview for additional information about this topic.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Accruals tab to display a list of all existing accruals in the AccountEdge system.

2. Highlight the accrual you want to remove and click Edit to open the Accrual Information window.

3. Choose Delete Accrual from the Edit menu.

Removing deductions

To remove a deduction

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Deductions tab to display a list of all existing deductions in the AccountEdge system.

2. Highlight the deduction you want to remove and click Edit to open the Deduction Information window.

3. Choose Delete Deduction from the Edit menu.

Removing employer expenses

To remove an employer expense

If you haven't already read the Payroll Categories Overview, see "Changing payroll categories" on page 519 for more information.

Please note that this task requires single-user access. See "Single-user file locking" on page 719 for more information.

The Payroll Category List window should be displayed.

1. Click the Expenses tab to display a list of all existing employer expenses in the AccountEdge system.

2. Highlight the employer expense you want to remove and click Edit to open the Employer Expense Information window.

3. Choose Delete Employer Expense from the Edit menu.

Chapter 5

Paychecks Overview

In MYOB AccountEdge, paychecks are transactions that you use to pay your employees. Like "regular" checks, paychecks can affect your company's checking accounts, credit card accounts, petty cash accounts and other cash accounts. Many companies, however, use a special "paycheck" account from which they pay their employees.

Paying employees

Creating paychecks in MYOB AccountEdge is a quick and simple process -- if you've taken the time to carefully set up your company's payroll information. If you haven't done so already, be sure to review the following topics to learn how to completely set up your payroll:

- To learn how to set up employee records: See "Creating cards" on page 605.
- To learn how to enter general payroll information about your company: See "To enter your company's payroll information" on page 37.
- To learn how to set up wages, accruals, deductions, employer expenses and payroll taxes: See "Creating payroll categories" on page 516.

Identifying where the money for the paycheck will be drawn from

The list in the upper left corner of the Pay Employees window displays all the checking accounts you've set up. Remember that check accounts can be used for any cash disbursement method. Credit cards, petty cash, money market accounts and other methods for making payments may be displayed in this list.

Only accounts you've specifically designated as checking accounts or credit card accounts appear in the list. If you want a particular account to appear in this list, you'll need to create the account first. See "Creating accounts" on page 95 for more information.

See the following step-by-step procedure:

"Be sure your payroll information is completely set up" on page 542

Entering the employee's name

If you've fully set up your payroll information, the process of paying an employee in MYOB AccountEdge is as simple as entering an employee's name in the Pay Employees window. When you enter an employee's name, AccountEdge automatically calculates all the employee's wages, accruals, deductions, employer expenses and payroll taxes -- collectively known as *payroll categories* in AccountEdge -- and displays the appropriate amounts in the Pay Employees window.

See the following step-by-step procedure:

"Enter the employee's name" on page 542

Reviewing the paycheck

All payroll categories assigned to the employee you entered in the Payee field appear in the scrolling list in the lower section of the window. If the employee is paid on an hourly basis, enter the number of hours he or she worked for each of the wage categories assigned to him or her. The payroll categories' amounts are calculated automatically and displayed in the Amount column of the scrolling list.

Before you record the paycheck, it's very important to you and your employee that the information that appears in the scrolling list is correct. Be sure to take a few moments to review the line items in the scrolling list to ensure the proper amounts appear, and that the proper accounts are affected by the transaction.

See the following step-by-step procedure:

"Review the paycheck information that appears automatically" on page 543

Distributing vacation and sick pay

You can distribute vacation or sick pay accrual wages on an employee's paycheck. To do this, you should have already created accruals for your employee's sick or vacation time. See "To create an accrual" on page 523 for more information.

"Distribute vacation and sick pay (optional)" on page 543

Distributing other types of wages

You can include other types of pay, such as non-cash wages, sales commissions or bonuses, on an employee's paycheck. To perform this step, the wages you intend to pay should already exist in the MYOB AccountEdge system, and should be assigned to the employee. (For example, if you wish to pay a bonus to the employee, a wage called "Bonus" should already exist in the AccountEdge system and should be assigned to the employee. See "To create a wage" on page 522 to learn how to create wages, and "To enter payroll details (employees only)" on page 620 to learn how to assign wages to employees.)

See the following step-by-step procedure:

"Distribute other types of wages (optional)" on page 544

Choosing what you want to do with the transaction

When you're finished making entries in the Pay Employees window, there are a number of tasks you can perform with the transaction. Be sure to review all the options before you choose what you want to do.

See the following step-by-step procedure:

"Choose what you want to do with the transaction" on page 544

Printing paychecks

You can choose to print a paycheck at the Pay Employees window at the time you enter the paycheck or you can choose to print the paycheck at a later time. You can print and reprint individual paychecks, or you can print several paychecks at the same time—the choice is yours.

You can also customize the look of your printed paychecks. See "Customizing forms" on page 967 for detailed information about customizing your printed forms.

After you've recorded a paycheck, you can print it. You can also choose a specific set of paychecks to print. If you want to print some paychecks you've already printed, be sure the Unprinted Checks Only selection is not marked in the Forms Selection window before you proceed with printing the checks.

If you're unable to make entries or selections in your print window, your printer driver software may not be up to date. See "Preparing your computer" on page 1003 for more information.

Before you begin printing

See "Printing forms" on page 966 if you need information about:

- Aligning forms in your printer
- Previewing the look of your forms before you print them
- Customizing the look of your forms

See the following step-by-step procedures:

"To print and reprint your paychecks" on page 547

"To reprint a single paycheck" on page 547

Recording recurring paychecks

If you plan to record the same paycheck on a regular basis, you may want to consider creating a *recurring* paycheck. When you create a recurring paycheck, the transaction information is saved in a separate "holding area," where you can retrieve the transaction as many times as you want in the future. Until you record them, recurring paychecks have no effect on your financial records. See "To store the paycheck as a recurring paycheck" on page 545 for information about creating recurring paychecks.

You can record a recurring paycheck as many times and as often as you want.

See the following step-by-step procedure:

"To record a recurring paycheck" on page 548

Finding paychecks

After you record a paycheck, you'll probably want to view the transaction again sometime in the future. MYOB AccountEdge allows you to easily find paychecks and recurring paychecks.

See the following step-by-step procedures:

"To find a paycheck" on page 550

"To find a recurring paycheck" on page 551

Reviewing your payroll information

Keeping your payroll information up to date and accurate must be one of your business's primary concerns, for the sake of both you and each of your employees. MYOB AccountEdge contains a number of tools which help you gain a quick picture of your payroll information.

- The **To Do List** provides a quick way to review your transactions in AccountEdge, including recurring checks, recurring deposits and other General Journal transactions.

- **Analysis** includes the Analyze Payroll window, which helps you understand the details of your payroll information. It can help you spot possible inaccuracies in the amounts you're paying to and withholding from your employees. The Analyze Payroll window will help you perform this important task by providing various summaries of your employee's payroll data.

- In the **Transaction Journal** window, you can view a list of all your paychecks, as well as all other types of transactions you've entered in the AccountEdge system. Depending upon your preference, you can either print lists of your payroll activity or display them on your computer screen.

See the following step-by-step procedures:

"To display a list of all your paychecks" on page 552

"To display a list of recurring paychecks" on page 552

"To print a list of all your paychecks" on page 553

"To print a list of all your recurring paychecks" on page 553

"To analyze your payroll activity" on page 554

Changing, removing and reversing paychecks

Occasionally, you'll find it necessary to make a change to a paycheck you've already recorded. Unlike most other types of transactions in MYOB AccountEdge, once a paycheck is recorded, you can't directly change it. However, you can change a paycheck if you remove or reverse the entire paycheck and then write a new paycheck that contains the information you want.

There may be times when you simply want to remove a paycheck. When this is the case, you can quickly remove the effects of such a transaction from your records. When you remove a recurring paycheck, the paycheck is removed from your list of recurring paychecks only. Any transactions you recorded using a recurring paycheck you remove won't be affected.

An important point to consider is if the paycheck is changeable or unchangeable. If the transaction is changeable, you can remove the check altogether from your ledger.

Unchangeable transactions work differently. By reversing an unchangeable paycheck, the effects of the original will no longer be part of your ledger; however, a record of the reversed check, called a reversing transaction, will remain. Then, if you want, you can enter a new, correct transaction to replace the one you reversed. See "What are changeable and unchangeable transactions?" on page 54 for more information.

See the following step-by-step procedures:

"To change a recurring paycheck's name or frequency" on page 555

"To change a recurring paycheck's line items & other information" on page 555

"To remove a paycheck" on page 557

"To remove a recurring paycheck" on page 557

"To reverse a paycheck" on page 560

"To remove a paycheck that was recorded using a previous version of MYOB software" on page 558

Chapter 6

Paying employees

Step 1: Be sure your payroll information is completely set up

If you haven't already read the Paychecks Overview, see "Paying employees" on page 535 for more information.

The Pay Employees window should be displayed when you're ready to begin paying employees.

Step 2: Identify where the money for the paycheck will be drawn from

If you haven't already read the Paychecks Overview, see "Identifying where the money for the paycheck will be drawn from" on page 535 for more information.

1. Choose the account that will be used for this paycheck.

2. Mark the Already Printed option if you're recording a paper paycheck that's already been written.

Step 3: Enter the employee's name

If you haven't already read the Paychecks Overview, see "Entering the employee's name" on page 536 for more information.

In the Payee field, enter or select the name of the employee who will receive this paycheck.

Step 4: Review the paycheck information that appears automatically

If you haven't already read the Paychecks Overview, see "Reviewing the paycheck" on page 536 for more information.

To allocate line items to jobs

Enter the job numbers in the Job column if you want to assign individual line items to specific jobs.

Wages are usually the only payroll categories that are assigned to jobs; however, you can assign other payroll categories to jobs, if you wish.

To allocate wages to multiple jobs

If you have an employee who frequently works on several jobs in a single pay period, you may want to allocate wages to more than one job. To do this:

1. Create a wage for each job whose payroll expenses you want to track. See "Creating wages" on page 516 for more information.

2. Assign the wages you created to the employee in the Employee Payroll Information window. See "To enter payroll details (employees only)" on page 620 for more information.

3. If the employee is salaried, divide the employee's gross pay by job among the wages you created in step 1. If the employee is hourly, enter the number of hours the employee worked on each job using the wages you created in step 1.

4. Enter the appropriate job number for each wage in the Job column.

Step 5: Distribute vacation and sick pay (optional)

If you haven't already read the Paychecks Overview, see "Distributing vacation and sick pay" on page 537

To distribute vacation and sick pay

1. Enter the number of sick or vacation hours in the Hours column of the accrual wage. The amount that appears in the Amount column will be calculated automatically. When you record the transaction, the hours you entered will be subtracted from the number of hours the employee has accrued.

2. If you're distributing wages for an accrual such as sick pay, you might also need to change the employee's regular hourly wage hours or amounts.

Step 6: Distribute other types of wages (optional)

If you haven't already read the Paychecks Overview, see "Distributing other types of wages" on page 537 for more information.

To pay other types of wages

Change the specific wage amounts in the scrolling list of the Pay Employees window so they properly reflect the amount you want to pay.

Step 7: Choose what you want to do with the transaction

If you haven't already read the Paychecks Overview, see "Choosing what you want to do with the transaction" on page 537 for more information.

To see how the paycheck will affect your financial records

Choose Recap Transaction from the Edit menu to view the accounting entries that will be made to your financial records when you record the paycheck.

To print and record the paycheck

The Pay Employees window should be displayed.

1. A message appears, explaining that the transaction will be recorded before it's printed.

2. Click OK to begin the printing process.

To record the paycheck

To record the paycheck without printing it, click the Record button.

See “To print and reprint your paychecks” on page 547 for information about printing paychecks after you’ve recorded them.

To store the paycheck as a recurring paycheck

The Save Recurring Template window should be displayed.

1. Enter the necessary information about the transaction in this window.

2. Click Save Template to close the Save Recurring Transaction window.

3. If you want to record the paycheck as an actual transaction now, click the Record button in the Pay Employees window. If you don’t want to record the paycheck at this time, click the Cancel button.

See “Recording recurring paychecks” on page 538 for more information.

Chapter 7

Printing paychecks

Choosing the paychecks you want to print

To choose the paychecks you want to print

If you haven't already read the Paychecks Overview, see "Printing paychecks" on page 537 for more information.

The Forms Selection - Print Cheques window should be displayed.

1. In the Selected Checking Account field, choose the checking account whose checks you want to print.
2. Enter the number that's printed on the first paper check that's loaded in your printer in the Number of First Check in Printer field.
3. Mark the Unprinted Checks Only box if you want to print only the checks you haven't already printed.
4. Enter dates in the Checks Dated From field to restrict the list of checks you want to print to a specific range of dates.
5. Enter check numbers in the Check Numbers Between field to further restrict the list of checks you want to print.

To choose a form layout for your paychecks

If you haven't already read the Paychecks Overview, see "Printing paychecks" on page 537 for more information.

In the Forms Selection window, you can choose to print your paychecks using predefined formats that can be used with preprinted check forms or blank paper, and you can customize your paychecks so they'll look the way you want them to look.

Collectively, these choices are called *form layouts* in AccountEdge. See “Choosing the form you want to print” on page 966 for more information.

Printing and reprinting paychecks

To print and reprint your paychecks

If you haven’t already read the Paychecks Overview, see “Printing paychecks” on page 537 for more information.

The Review Cheques Before Printing window should be displayed.

1. Insert blank paycheck forms in your printer.
2. Enter the number of copies of each check you want to print in the Print __ Copies of Each Selected Check field.
3. Click the Print column to indicate that you want to print the form you’ve chosen for a specific transaction.
4. To begin printing the forms, click the Print button in the Review Checks Before Printing window.
5. Depending upon how your computer is set up, the first form may begin to print immediately, or a print window may appear on your computer screen. If a print window appears, make your selections in the window, then click the button in the window that begins the printing process (the button is usually labeled “OK” or “Print”).

To reprint a single paycheck

If you haven’t already read the Paychecks Overview, see “Printing paychecks” on page 537 for more information.

The paycheck you want to print should be displayed. See “To find a paycheck” on page 550 if you need help displaying the check.

1. Insert blank paycheck forms in your printer.
2. Click the Print button.

Chapter 8

Recording recurring paychecks

Recording recurring paychecks

To record a recurring paycheck

If you haven't already read the Paychecks Overview, see "Recording recurring paychecks" on page 538 for more information.

The Pay Employees window should be displayed.

1. Click the Use Recurring button.

2. A window appears, displaying all recurring transactions you've set up. Double-click the transaction you want; the transaction's information will appear in the Pay Employees window.

3. Be sure to review all the information that appears in the window to be sure it's correct. Pay particular attention to the date and check number; if you need to find this transaction in the future, you'll need to remember this information.

4. Click Record to record the transaction. The recurring paycheck will be recorded as an actual transaction, and will also remain available in the recurring transaction "holding area" for future use.

Note: If you change amounts on a recurring paycheck

When you change amounts (except payroll tax amounts) on a recurring paycheck, those amounts will be retained in the recurring paycheck's information. For example, if you entered a commission pay amount on a recurring check, that commission pay amount will still be included on the recurring check the next time you display the check. As a result, it's important that you review the amounts on every recurring paycheck before you record them.

On the other hand, if you made changes to the payroll tax amounts that appeared on the recurring paycheck, the changes you made won't be stored for the next time you want to record the paycheck.

Chapter 9

Finding paychecks

Finding paychecks

To find a paycheck

If you haven't already read the Paychecks Overview, see "Finding paychecks" on page 539 for more information.

1. Click Find Transactions in any command center to display the Find Transactions window. Click the Card tab.

2. Choose Card from the Search By selection box and enter the employee name. Change the date range, if needed, to broaden or narrow your search.

   If you're not sure of the employee name, you can choose All Cards from the Search By selection box. By clicking the Advanced button, you can search using additional criteria, such as Source Journal, Amount or Memo. There are several fields you can use:

   - Choose Disbursements from the Source Journal list.

   - In the Dated From/To fields, enter a date range within which the paycheck you want to locate was created. Cash disbursements transactions for the employee you entered appear in the scrolling list.

   - If you know the number of the paycheck you want to view, enter that number or a range of check numbers that includes that number in the ID# From/To fields to narrow the list of transactions.

3. The paycheck you're looking for should appear in the scrolling list. Click the zoom arrow next to the check's number to view the transaction in the Pay Employees window.

Finding recurring paychecks

To find a recurring paycheck

If you haven't already read the Paychecks Overview, see "Finding paychecks" on page 539 for more information.

1. Click the Use Recurring button in the Pay Employees window.

2. A window will appear, displaying all recurring paychecks you've set up. Double-click the paycheck you want; the recurring paycheck will be displayed in the Pay Employees window.

Chapter 10

Reviewing your payroll information

Viewing lists of your payroll activity

To display a list of all your paychecks

If you haven't already read the Paychecks Overview, see "Reviewing your payroll information" on page 539 for more information.

The Transaction Journal window should be displayed.

1. Click the Disbursements tab.
2. Enter dates in the Dated From/To fields to restrict the list of cash disbursement transactions to a particular time period.
3. Click the zoom arrow to display the transaction in the Pay Employees window.
4. Click Print to print the Cash Disbursements Journal.

To display a list of recurring paychecks

If you haven't already read the Paychecks Overview, see "Reviewing your payroll information" on page 539 for more information.

The To Do List window should be displayed.

1. Click the Recurring Transactions tab to display a list of all your recurring General Journal entries, recurring checks, recurring paychecks and recurring deposits.
2. Click the zoom arrow to view detail about a specific transaction.

3. Click the Action column to record one or several of the transactions in the list.

Warning: Read this before you record recurring paychecks using the To Do List

If you choose to record recurring paychecks using the To Do List window, keep in mind that the transactions will be recorded automatically; you won't get a chance to review or change any of the transactions before they're recorded. If you're not sure you want to record a particular transaction, we suggest you use the Pay Employees window to manually enter the transaction so you have better control over the transaction than you would if you used the To Do List.

The checking account that will be used for all checks that are recorded using the To Do List window is the account listed in the Paycheck Account field of the Payroll Linked Accounts window.

4. Click Record.

To print a list of all your paychecks

A number of AccountEdge reports are available for you to view your payroll activity; the Payroll Journal, however, is your best choice if you want to print a list of all your paychecks. We suggest that you review the payroll reports shown in the Index to Reports window for a comprehensive list of reports available to you. Use the Sample Reports List to learn more about these reports and to see samples of them.

To print a list of all your recurring paychecks

If you haven't already read the Paychecks Overview, see "Reviewing your payroll information" on page 539 for more information.

Use the Index to Reports window to print or display the Recurring Paychecks Report.

Analyzing your payroll activity

To analyze your payroll activity

If you haven't already read the Paychecks Overview, see "Reviewing your payroll information" on page 539 for more information.

The Analyse Payroll window should be displayed.

1. Choose the employee whose payroll information you want to view from the Employee list and enter his or her name in the Employee field.

2. Choose the pay period you want to analyze from the drop down list in the Pay Period field.

3. Summary information for the employee and time period you selected appears in the window.

4. Click Print to print the Payroll Register [Detail] report.

Chapter 11

Changing paychecks

Changing recurring paychecks

To change a recurring paycheck's name or frequency

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

The Pay Employees window should be displayed.

1. Click the Use Recurring button to open the Select a Recurring Transaction window.
2. Highlight the recurring paycheck you want to change and click Edit to open the Save Recurring Transaction window.
3. Make your changes in the Save Recurring Transaction window, then click Record.
4. Click OK.

To change a recurring paycheck's line items & other information

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

1. Wait until the next time you need to record the paycheck.
2. When you're ready to record the paycheck, display it as you normally do in the Pay Employees window and make your changes.

3. When you're finished changing the paycheck, click Record. Your changes will be reflected in the transaction the next time you display it in the Pay Employees window.

Note: If you change payroll tax amounts on a recurring paycheck

If you made changes to the payroll tax amounts that appeared on the recurring paycheck, the changes you made won't be stored for the next time you want to record the paycheck.

Chapter 12

Removing paychecks

Removing paychecks

To remove a paycheck

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

Use this procedure only if your transactions are changeable. See "What are changeable and unchangeable transactions?" on page 54 for more information.

> **Note: If you've upgraded from a previous version of MYOB software**
>
> Use the procedure "To remove a paycheck that was recorded using a previous version of MYOB software" on page 558 if you want to remove a paycheck recorded in MYOB Premier Version 1 and earlier or MYOB Accounting Plus Version 8 and earlier.

The paycheck you want to remove should be displayed. If you need help doing this, see "To find a paycheck" on page 550.

Choose Delete Transaction from the Edit menu. The transaction no longer affects your records.

Removing recurring paychecks

To remove a recurring paycheck

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

The Pay Employees window should be displayed.

1. Click the Use Recurring button to open the Select a Recurring Transaction window.

2. Highlight the recurring paycheck you want to remove and click Delete.

> **Note: What happens when you remove a recurring transaction**
> When you remove a recurring transaction, the transaction is removed from your list of recurring transactions only. Any transactions you recorded using a recurring transaction you remove won't be affected.

To remove a paycheck that was recorded using a previous version of MYOB software

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

This procedure should be used only for paychecks recorded in MYOB Premier Version 1 or MYOB Accounting Plus Version 8 and earlier.

Use this procedure only if your transactions are changeable. See "What are changeable and unchangeable transactions?" on page 54 for more information.

The paycheck you want to remove should be displayed. If you need help doing this, see "To find a paycheck" on page 550.

1. Choose Delete Transaction from the Edit menu.

   All paycheck information—except employer expenses—is stored in the Disbursements Journal, from which you just deleted the transaction. Employer expenses, however, are recorded in the General Journal, and must be removed in a separate step, which you'll do next.

2. Open the Transaction Journal window and click the General tab.

3. Locate the General Journal transaction that corresponds to the transaction you deleted in the Disbursements Journal and click its zoom arrow to display it in the Pay Employees window.

4. Choose Delete Transaction from the Edit menu.

5. Click OK.

Chapter 13

Reversing paychecks

Reversing paychecks

To reverse a paycheck

If you haven't already read the Paychecks Overview, see "Changing, removing and reversing paychecks" on page 540 for more information.

Warning: Use this procedure only if you're an advanced user of AccountEdge

Unlike other transactions, reversed paychecks affect a number of important records in your AccountEdge system. If you have a problem with a particular check, we strongly recommend that you *remove*, not reverse, the paycheck, and then create the paycheck again, if you need to do so.

To remove a paycheck, you first need to make your transactions changeable. See "What are changeable and unchangeable transactions?" on page 54 to learn how to do this; then, when you're ready to learn how to remove the check, see "To remove a paycheck" on page 557.

The paycheck you want to reverse should be displayed. If you need help doing this, see "To find a paycheck" on page 550.

1. Choose Reverse Transaction from the Edit menu. A reversing entry will be created.

2. Click Record to record the reversal.