

# Set Up Employees (for Payroll)

To set up or edit Employees, click the **Payroll Management Window** link on the Navigation window. OR type **PM** into the Index field and press your Enter key. This will open the **'Employees and Payroll Management'** window.

Index-> **PM - Payroll Management**

**Management Windows**

- ACCOUNTING Management Window (AC)**  
Chart of Accounts, Financials, Trial Balance, Transactions, Journal Entries
- COST CODES Management Window (CC)**  
Cost Codes, Master Pricing, General Matls and Labor Check Lists
- JOBS Management Window (JO)**  
Jobs and Job Lists
- VENDORS and PAYABLES Management Window (AP)**  
Vendors, Lists, Payables Transactions, 1099's, Waivers, Insurance Audits
- CUSTOMERS / PAYORS and RECEIVABLES Mgt Window (AR)**  
Payors or Customers, Lists, Receivables Transactions, Invoices, Statements
- BANKING Management Window (BA)**  
Bank Account Balances, Reconciliations, Bank Ledgers, Deposits, Checks
- PAYROLL Management Window (PM)**  
Employees, Lists, Payroll Processing, W2s, 941, Unemp., Other PR Reports
- CONTACTS, Labels, Letters, Etc. Management Window (CN)**

The 'Employees and Payroll Management' window will display a list of all employees and some related information about the employees. Several features on this window will be described in a separate Help document.

Employee Lists | Payroll Setup | Current Payroll | Checks | Payroll Forms and Reports | Filter Records | Remove

**Employees and Payroll Management (See toolbar above.)**

Find Employee Code-> **FRANCISJ - Francis Jones**

Find Name-> **Francis Jones - FRANCISJ**

Select Task (Try F4 key) | Employee Code | **Add New Employee** | A-Active | I-Inactive | Home Phone | Mobile Phone | Hired | Terminated

Select Task (Try F4 key)	Employee Code	Name	A-Active I-Inactive	Home Phone	Mobile Phone	Hired	Terminated
Select Task	FRANCISJ	Francis Jones	A	(666) 666-6666		01-Jan-02	
Select Task	KINGTAMARA	Tamara King	I	(222) 222-2222		10-Aug-06	
Select Task	SMITHAPR	April Smith	A	(111) 111-1111	(444) 444-4444	01-Jan-02	

## Setting Up Employees - continued

To Add a New Employee, click the 'Add New Employee' button. OR, hold down the Alt key on your keyboard and press the letter N. (Notice that N is underlined on the button.)

Select Task (Try F4 key)	Employee Code	Add New Employee	A-Active I-Inactive	Home Phone
Select Task	FRANCISJ	Francis Jones	A	(666) 666-6666

Type in a Code - Up to 10 Alpha or Numeric Characters

The drop down list is for review only. Employees must have their own code that is not the same as a Vendor, Payor, or Contact that is in the list.

FRANCISJ

Add the New Employee

Do Not Add a New Employee

The first window that pops up is for assigning an 'Employee Code' to the vendor. The Employee Code is used to identify and hold records related to the Employee. See info below for creating employee codes.

Note: If you need to pay employees for things outside of payroll, you CAN set them up as Vendors, but must use a Vendor Code that is different than their Employee ID. (See Vendor Setup help document.)

Use the drop down list in the Employee Code field to review codes that have already been assigned to vendors, employees, and Payors.

**EMPLOYEE CODE** - Ten alpha or numeric characters are allowed for the Employee Code. Since many reports and screens are sorted by Employee Code, you should begin the code with Alpha characters that will allow the Employee Code lists to be sorted alphabetically. Use an Employee Code that is easy to associate with the Employee. The Employee Code uniquely identifies the Employee. It is used when preparing Payroll and for selecting employees to pay or to print on various reports.

NOTE: Employee Codes are stored in the same table as Vendor Codes in the program. This makes it possible to combine various reports and to show the employees and vendors in the same column as "payees" on these reports. Therefore, you cannot use an Employee Code that has already been used as a Vendor Code. If you do enter an Employee Code that is a duplicate of a Vendor Code, you will be required to use a different code.

**Button: Add the New Employee** - When the 'Add the New Employee' button is clicked, the 'Add or Edit Employees' window shown on the next page will open.

**Left Side of Add or Edit Employees Window**

To Find an Employee that is already set up, type the Employee Code into the Find box.

See explanations for fields on the Add/Edit Employees window below and on following pages.

Add or Edit Employees			
Find (try F4)->		FRANCISJ	Add New Employee
EMPLOYEE CODE	FRANCISJ	STATUS	ACTIVE
First Name	Francis	Last	Jones
NAME	Francis Jones		
STREET	33455 Brook Lane		
CITY	Austin		
STATE	TX	ZIP	78735-1234
Phone Numbers and Email			
Home	(666) 666-6666	Ext:	
Work 1		Fax 1	(777) 777-7777
Work 2		Fax 2	
Mobile 1		Mobile 2	
Email			
DATES: Enter 6 digits. Ex: Dec 15, 2006-> Type 121506			
BIRTH DATE	06/02/75	DATE HIRED	01/01/02
LAST RAISE		DATE TERMINATED	
MARITAL	SINGLE	SPOUSE	Joan
SOC SEC #	222-22-2222	DEPT	CH
PAY TYPE	SALARY	SEX	M
PAY PERIOD	BS	PERIOD PAY RATE	\$673.08
Data Entry Reminders			
Remember to pay Francis for mileage.			
Other Employee Notes			

**STATUS** - Required. Choose between ACTIVE and INACTIVE. If you are first setting up an Employee, the STATUS will be ACTIVE. Later, if the employee is terminated, change the STATUS to INACTIVE. Only ACTIVE employees will appear in the list of employees to pay when payroll is being prepared.

**First Name and Last** - Enter the Employee's first and last name in these fields. The program will display the full name in the NAME field. The full name will be the name printed on checks and on W2s.

**STREET, CITY, STATE, ZIP** - All of these fields will be printed on checks to Employees and on W2s in order to fit into window envelopes.

**Phone Numbers and Email** - Enter the appropriate phone numbers and email address for the Employee. Area codes are NOT required. To leave out the area code, move your cursor past the area code parenthesis.

**BIRTH DATE** - Optional. The birth date of an Employee is used for the Employee Birthdays report.

**DATE HIRED** - Enter the first day of employment for the employee. It is important that you keep personnel records that include the date of hire. (Use 2 digits for the month, 2 digits for the day, and 2 digits for the year.)

**LAST RAISE** - Optional. Use this field to record the date of the employee's last raise. This can be useful for deter-

## Setting Up Employees - continued

mining when the next raise should be given to the employee. It should be updated each time a new raise is given.

**DATE TERMINATED** - Enter the last day of employment for an employee that no longer works for the company.

NOTE: If the employee has been terminated, you should change the STATUS to INACTIVE.

**MARITAL** - Required. Select the employee's marital status from the drop down list.

**SPOUSE** - Optional. Enter the Employee's spouse's name.

**SOC SEC #** - Enter the Employee's Social Security number that will print on W2's and various payroll reports. This field can be left blank, but must be filled in before the Social Security number will print on W2s (as is required by the IRS.)

**DEPT**- Required. Select a Department from the drop down list. The department selected here will be supplied as the Default Department for this Employee's Payroll entries. It can be overwritten when preparing payroll, if necessary. (See Help documents in Accounting about Setting Up Departments.)

**PAY TYPE** - Required. Select HOURLY or SALARY from the drop down list.

**SEX**- Required. Select F for female or M for male. The NA is only used as a default until the correct sex has been entered.

**PAY PERIOD** - Required. This is a very important field because it determines the amount of Federal Income Taxes that are withheld from an employee when payroll is prepared. Federal Withholding taxes are based on an employee's marital status and on the number of times that the employee is paid during the calendar year. Select a PAY PERIOD from the drop down list that matches the employee's marital status and how often the employee is paid. This PAY PERIOD can be changed at the time the employee's payroll is being processed, if it is necessary to change the basis for which Federal Withholding taxes are calculated.

**PERIOD PAY RATE** - If an employee's PAY TYPE is HOURLY, enter the rate that the employee is paid per hour. If an employee's PAY TYPE is SALARY, enter the Gross Amount that the employee is paid each time (or PAY PERIOD) that a pay check is processed for this employee. For example, if an employee is paid \$5,000.00 per month, and is paid twice a month (or semimonthly), enter \$2,500.00 in this field. The amount entered here will default in as the amount to use for preparing the employee's pay check. It can be overwritten at that time.

**DATA ENTRY REMINDERS** - Type in any reminders that you would like to display on the employee's Current Payroll screen at the time payroll is being processed. To exit this field, use the {Tab} key.

**OTHER EMPLOYEE NOTES** - The purpose of this field is to record additional employee information and to keep a log of employee activities. It is a memo field that can be used as much or as little as you wish. There is a Printer icon at the top of the window which will print the information from the Employee setup window, INCLUDING these notes. It's a good idea to periodically print this window and keep the printout in a file folder for the employee.

Setting Up Employees - continued

**Right Side of Add or Edit Employees Window**

See explanations of fields below.

Employee Activities/To Do's				Delete?			
FED EXEMPTIONS	3	FED WH ADJ	\$0.00				
Withhold Soc Security?	Yes	WH Medicare?	Yes				
STATE EXEMPTIONS	3	STATE WH ADJ	\$0.00				
Add State Exemptions	0	<input type="checkbox"/> Head Of Household					
State WH% of Fed WH	0.00%	Min. State WH \$	\$0.00				
OR St. WH% of Wage	0.00%	<Enter percent as a decimal.					
Local WH% of Wage	-2.00%	-->Wage Limit	99,999,999.00				
NonTaxable Deductions/Additions		Amount					
Insurance			(\$56.75)				
Child Support			(\$150.00)				
NONE			\$0.00				
NONE			\$0.00				
NONE			\$0.00				
NONE			\$0.00				
WAGE GL	4010-SALARIES-SUPERINTENDENT			+			
TAX EXP GL	4110-PAYROLL TAXES-CONSTR. WA			+			
COST CODE	9010-Superintendents			+			
Cost Type (Used For Work Comp)	SUPERINTENDEN			+			
Retire/Pension Plan?	<input checked="" type="checkbox"/>	Type Of Plan:	D - 401(K) Elective Deferral				
Employee Contribution ->		% of Gross Wages:	0.00%	Or Amt>	\$25.00		
Employee Max (Cap):			\$6,000.00				
Employer Contrib?	<input checked="" type="checkbox"/>	% of Employee Contrib:	75.00%	Or Amt>	\$0.00		
Employer Max (Cap):			\$6,000.00	Retire Plan Exp GL#	8140-RET		+
Review (V)endor, (P)ayor, and (C)ontact Codes							
FINEHOME	FINE HOMEBUILDING	V	C				
FLASH	FLASH PAINTING & DRYWALL	V	C				
FOWLERST	STEVE FOWLER	V	C				
FRANCISJ	FRANCIS JONES	V	C				
GHIATH	G & HIATH AND PLASTER INC	V	C				

**FED EXEMPTIONS** - Required. Enter the number of exemptions that the employee requested on the W-4 form that is required by the IRS. NOTE: A W4 form should be on file for every employee that is hired! The number of exemptions entered here is used by the program when calculating the amount of Federal Income Taxes to withhold from the employee. At the time payroll is processed, it is possible to change the number of exemptions that will be used for the Payroll Tax calculations, if needed.

**NOTE REGARDING EXEMPT EMPLOYEES:** If the employee is exempt from Federal Income Tax Withholding, enter a very large number (like 99) of exemptions in this field. A large number of exemptions will cause the program to calculate zero Federal Income Taxes to be withheld from the employee's Gross Wages.

**FED WH ADJ** - If the employee has requested that an additional amount of Federal Income Taxes are to be withheld from pay checks (over and above the amount automatically calculated for Federal Income Tax Withholding), enter the amount as a negative number in this field. This amount will be deducted from the employee's pay check IN ADDITION to the amount that is calculated for Federal Tax Withholding by the program.

**HINT:** If you do not want the program to calculate the Federal Income Taxes to be withheld because there is a preset amount to be withheld, follow these steps:

- 1 ) Enter a large number (like 99) in the FED EXEMPTIONS field so that the program will calculate the Federal Withholding taxes as zero.
- 2) Enter the preset amount to be withheld as a negative number in the FED WH ADJ field. This will become the total amount that is withheld for Federal Income Taxes.

## Setting Up Employees - continued

**WARNING:** If a positive number is entered in the FED WH ADJ field, the effect will be to REDUCE the Federal Withholding taxes that are calculated by the amount entered in this field. You should be careful when reducing the calculated amount to be withheld from an employee because of the IRS's regulations about calculating Federal Withholding taxes.

**Withhold Soc Security? and WH Medicare?** - Most of the time, there should be a "Yes" in both of these fields. Since the IRS requires that Social Security and Medicare taxes are to be withheld from almost all employees (except under very few circumstances), you should understand the IRS regulations about withholding SS and Medicare taxes before ever deciding to select "No" in these fields. If "No" is selected in these fields, the Social Security or Medicare taxes (or both) will NOT be calculated or withheld from the employee's pay checks.

**STATE EXEMPTIONS** - If your state withholds State Income Taxes from employees, enter the number of state exemptions that the employee has requested. If it does not, leave a zero in this field.

**STATE WH ADJ** - IF the State Withholding Tables supplied by the program do not work for your state, this field can be very useful for posting a State Withholding amount that will always be withheld from an employee's check. If the employee is always paid the same Gross Wages, you can use this field to post the State Withholding amount that should be withheld each time based on the amount of the usual Gross Wages. Enter the amount to be withheld as a negative number. This amount can be changed at the time payroll is being processed.

**NOTE:** If your state withholds State Income taxes from employees, the program will pop up a window when calculating taxes. That window will give the option of entering the amount to be withheld from an employee at the time Payroll Taxes are calculated INSTEAD of using State Withholding tables. If you enter an amount at that time, that amount will be withheld IN ADDITION to any negative amount entered in the STATE WH ADJ field. If you enter a zero, only the amount entered in the STATE WH ADJ field will be withheld.

If you opt for the program to use the State Withholding tables to calculate the State Tax Withholding, any negative amount entered in the STATE WH ADJ field WILL be withheld in addition to the state taxes that are calculated to be withheld.

**Addl State Exemptions** - Some states allow a different exemption allowance amount for "additional dependents" over and above the initial State exemptions. If that is true for your state, enter the additional number of dependents in this field.

**Head of Household** - Place a check mark in this field if the program should use the Head of Household State Withholding table to calculate State Withholding taxes for this employee.

**State WH% of Fed WH** - If your state withholds State Income taxes from employees based on a percent of the Federal WH tax INSTEAD of based on tables, enter the percent to use for the employee. If a percent is entered in this field, the program will ignore any State Withholding tables, and will multiply the Federal WH tax calculated for an employee by the percent entered here to calculate State WH taxes.

**State WH% of Wage** - If your state withholds State Income taxes from employees based on a flat percent that the employee elects INSTEAD of based on tables, enter the percent to use for the employee. If a percent is entered in this field, the program will ignore any State Withholding tables, and will multiply the employee's Gross Wages (net of any pre-tax deductions) by the percent entered here to calculate State WH taxes.

**Min State WH \$** - If a percent is entered in the "State WH% of Fed WH" field described above, the program will look to the amount entered in this field to see if there is a minimum amount of State Withholding that your state requires. If the taxes calculated using the percent of Fed WH taxes are less than the minimum entered here, the program will use the minimum for the State WH tax when payroll taxes are calculated for the employee.

**Local WH % of Wage and Local Wage Limit** - If a percent (entered as a negative decimal number) is entered in

## Setting Up Employees - continued

the Local WH % of Wage field and a maximum wage limit is entered in the Local Wage Limit field, these will override the Local WH Rate and Limit that is set up on the Payroll Tax Categories screen. This is handy if employees work in different cities.

**Non Taxable Deductions/Additions** - Six automatic deductions or additions to pay checks can be set up for each employee. The Deduction/Addition categories that are available in the drop down lists are set up as described in the Help Document about Setting Up Payroll Categories and Tables.

A category other than NONE must be selected in order for the Deduction/Addition to be automatically deducted or added to an employee's pay check. Enter a negative number for an automatic deduction. Enter a positive number for an automatic addition. The automatic Deductions and Additions can be overwritten at the time payroll is processed.

NOTE: Even though each employee is limited to six automatic deductions or additions, additional deduction/additions can be posted for the employee at the time payroll is processed.

**WAGE GL** - Required. The General Ledger Account number selected here will be supplied as the Default GL Account number for this Employee's Wages expense when processing payroll. Choose the GL Account number from your Chart of Accounts that will be most often used for posting the employee's Wages expense to the accounting books. It can be overwritten when preparing payroll, if necessary.

NOTE: If you plan to post the employee's wages as costs to jobs, you would probably use the same GL account number here that you use when posting job costs in Payables. If not, you will probably use an expense account titled something like "Salaries - ..." or "Wages -.....".

**TAX EXP GL** - Required. Select the General Ledger account number from your Chart of Accounts that will be used to post the employer's matching Payroll Tax expense for this employee. Usually this expense GL Number will be titled something like "Payroll Taxes....". For example, you may want a Superintendent's payroll taxes to be posted to a payroll tax expense account under Indirect Expenses titled "Payroll Taxes-Constr Wages". Then you might want the payroll tax expenses for Administrative staff to be posted to an account titled something like "Payroll Taxes-Admin".

**COST CODE** - IF you plan to post the employee's wages as costs to jobs, select the Cost Code that will be used most often for the employee. This code will be supplied as the Default Cost Code for this Employee when processing payroll. That CAN be overwritten when processing payroll. If the employee's wages will not be posted as costs to jobs, leave the zero Cost Code in the field. Selections are limited to the list.

**Cost Type (Used for Work Comp)** - In order to track Worker's Comp on Gross Wages paid to employees, set up Cost Types for the Worker's Comp classifications using the + button to the right of the field. Cost Types are used throughout the program to gather data for other purposes, but can be used for W/C calculations if a Worker's Comp Rate is assigned to them. On the Employee Setup screen, select a Cost Type to use as a default for the Employee when processing payroll. The default can be overwritten when payroll is processed.

**Retire/Pension Plan?** - If the employee is on a Retirement or Pension plan such as a 401(k) plan, place a check mark in this box. Select the **Type Of Plan** from the drop down

### ADD/EDIT COST TYPES

Cost Types can be used to classify costs in broad categories. For Ex: Ones for Material or for Lab totaling costs by Cost Type on Insurance Audit reports OR for Purchase Order or Work Orders by Cost Type Titles Cannot be changed or deleted if they are currently being used as a default on this screen, OR if they are part of Current Payroll waiting to be processed.

Cost Types can be used for Worker's Comp Classifications in Payroll if needed. Fill in W/C Rates Gross Wages in order to produce Payroll Reports that will calculate the W/C rate on Wages.

**Add New Cost Type**

COST TYPE TITLE	Workers Comp Rate	Per Amount of Gross Wages
CHANGE ORDER	\$0.000	\$0.00
EQUIPMENT	\$0.000	\$0.00
INSURANCE	\$0.000	\$0.00
LABOR	\$0.000	\$0.00
MATERIALS	\$0.000	\$0.00
OFFICE HELP	\$0.320	\$100.00
OTHER	\$0.000	\$0.00
OVERHEAD	\$0.000	\$0.00
SUBJECT TAX	\$0.000	\$0.00

## Setting Up Employees - continued

list. If the employee will contribute a percent of their Gross Wages, enter the percent in the **% of Gross Wages** field. OR, if the employee will contribute a flat amount on each paycheck, enter the amount in the **Or Amt:** field (as a positive number). Enter the maximum amount per year that the employee will contribute in the **Employee Max (Cap)** field.

**Employer/Contrib?** - If your company (**employer**) will be contributing to the employee's Retirement/Pension plan, place a check mark in this box. If the Employer contribution will be a percent of the Employee's contribution enter the percent as a decimal number (ex: .10 for 10%) in the **% of Employee Contrib** field. OR, if the employer will contribute a set amount on each pay check for the employee, enter an amount in the **Or Amt:** field. Enter the maximum amount per year that the Employer will contribute in the **Employer Max (Cap)** field.

**Retire Plan GL Expense Num** - IF your company (employer) will be contributing to the employee's Retirement/Pension plan, select an expense G/L number from the drop down list. This will be the account that the program will use to post the expense of the employer's contribution for the employee.

**Review Vendor, Payor, and Contact Codes (list box)** - For review only. The list of Vendor Codes, Payor ID's, and Contact Codes are displayed for review of Codes and ID's used for vendors, payors, and contacts. You can scroll through them to see what other codes have been used and to see classifications.

## Print Employee Lists

Employee Lists | Payroll Setup | Current Payroll | Checks

### Employees and Payroll Management (See toolb

Find Employee Code > FRANCISJ - Francis Jones

Find Name > Francis Jones - FRANCISJ

Select Task (Try F4 key) Employee Code Add New Employee A-Active I-Inactive

Select Task	FRANCISJ	Francis Jones	A
Select Task	KINGTAMARA	Tamara King	I
Select Task	SMITHAPR	April Smith	A

To print Lists of Employees, open the Employees and Payroll Management window (Payroll Management Window link on Navigation/Home window). On the toolbar at the top of the window, click 'Employee Lists'.

Information about the window shown below can be found in the Help documents about Vendor Lists.

REPORTS-> Sorted Lists | Grouped Lists | Go To Employee/Payroll Management

### Employee Lists - Criteria and Reports

Use the Toolbar at the top of the window to view CHS Employee List Reports.

View All

Save As Excel Spreadsheet

From	To	Reset
FRANCISJ	SMITHAPR	Reset
CH	SPEC	Reset
ACTIVE	INACTIVE	Reset

NOTE: for sele Contact Manage i Navig

To make changes to the Employee's setup record, Double Click on the Edit Field for an Employee in the list below.

Emp. Code	Edit	Status	First Name	Last Name	Street	City	State	Zip	Dept.	Default C
FRANCISJ	Edit	A	Francis	Jones	33455 Brook Lane	Austin	TX	78735-1234	CH	4010
KINGTAMARA	Edit	I	Tamara	King	1000 Anywhere	Austin	TX	78704-1234	OH	8090
SMITHAPR	Edit	A	April	Smith	4000 Riverside	Austin	TX	78704-	OH	8050

Record: 1 of 3