

Payroll Tax Liabilities AND Other Payroll Liabilities Posted By The Program

This Help Document will cover how to review and pay Payroll Taxes and Other Payroll Tax Liabilities that are posted by the program as a result of printing payroll checks.

Continue to the next page.

Supplying G/L Account Numbers and Vendors For The Payroll Liabilities

Employee Lists | Payroll Setup | Current Payroll | Checks

Employees and Payroll

Find Employee Code-> **FRANCIS**

Find Name-> **Francis**

Select Task (Try F4 key) Employee Code

- Wage Categories
- Deduction / Addition Categories
- Tax Categories
- Tax Withholding Tables
- Employee Balances Forward

As described in the Help Document about setting up Payroll, you will select General Ledger Numbers AND Vendors that the program will use for posting Payroll Taxes AND Other Payroll Liabilities. After payroll checks are printed and posted, the program will take care of posting payroll liabilities as Unpaid Bills in Accounts Payable. The windows shown on this page are the setup windows for Tax Categories AND for Payroll Additions/Deductions. See Help Documents on those windows. Continue to the next page.

Edit Payroll Tax Categories

To change category information, select the category by clicking in the gray box to the left of the line. Fields that can be changed will become enabled. If fields remain gray, they cannot be changed.

CATEGORY TITLE	RATE	LIMIT	EXP G/L ACCT	LIAB G/L ACCT	LIAB VENDOR
FEDERAL WH	-100.00%	99,999,999.00	0	2320	BANKOFAM
STATE WH	-100.00%	99,999,999.00	0	2330	STATCOMP
SOCIAL SEC WH	-6.20%	106,800.00	0	2300	BANKOFAM
MEDICARE WH	-1.45%	99,999,999.00	0	2310	BANKOFAM
SOCIAL SEC EXP	-6.20%	106,800.00	8110	2301	BANKOFAM
MEDICARE EXP	-1.45%	99,999,999.00	8110	2311	BANKOFAM
STATE DISABILITY WH	0.00%	99,999,999.00	0	2330	STATCOMP
LOCAL WH	0.00%	99,999,999.00	0	2340	STATCOMP
FED UNEMP EXP	-0.80%	0.00	8110	2345	IRS940
STATE UNEMP EXP	-1.50%	9,000.00	8110	2345	TXWORKCm

Note: If you do not want CHS to calculate e required to select the Exp G/L, Liab G/L, and

Add/Edit Payroll Additions or Deductions Categories

Use a Sort Number greater than or equal to 20 and use a different Sort Number for each Category.

Add New Category

*SORT #	CATEGORY TITLE	GL NUM	**VENDOR
Auto Delete 20	Insurance	8130	WELLSFAR
Auto Delete 21	Retire/Pension Employee Contr	2339	CONWAYF
Auto Delete 22	Retire/Pension Employer Match	8140	Z
Auto Delete 23	Retire/Pension Employer Contr	2339	CONWAYF
Auto Delete 24	Advances	1210	Z
Auto Delete 25	Mileage Reimbursement	8420	Z
Auto Delete 26	Child Support	2345	SCOTTCHA
* Auto Delete 0	New	0	Z

Federal “941” Tax Liability

Federal ‘941’ Payroll Taxes include Federal Withholding, Social Security, and Medicare taxes. These are often referred to as ‘941’ taxes because the total of these taxes are reported to the IRS on a quarterly ‘941 Return’. The Federal, Social Security, and Medicare taxes withheld from employees, AND the matching employer Social Security and Medicare taxes must be paid to the IRS regularly. When they are paid is based in information you should receive from the IRS. Quite often, employers will ‘deposit’ these taxes at their bank using coupons supplied by the IRS. OR, they will pay the taxes via electronic payroll tax deposits at their bank (see end of this page).

The Federal Tax Liability report shown on the following page displays the Federal Taxes that are due to the IRS for one payroll date. This report shows the General Ledger account number that each of the Federal Taxes due were posted to. At the time Payroll Checks are posted, the program posts the Payroll Taxes withheld AND the employer’s payroll taxes to the Payroll Tax Payable liability accounts that were selected on the “Edit PR Tax Categories” screen. (See Payroll Setup Help documents.)

IN ADDITION, the program then posts entries to those same liability accounts to send the balances due for Payroll Taxes to Accounts Payable as “bills” due. The Vendors used are the Liability Vendors that are selected on the “Edit PR Tax Categories” window shown on the previous page. The program reduces the Payroll Tax Payable Liability accounts (or debits them) when it sends the amounts due to Accounts Payable. Therefore, the General Ledger Payroll Tax Payable accounts on your accounting reports will probably always have a balance of zero. That’s because the **Payroll Taxes Payable amounts have become part of the Accounts Payable balance.**

If you open the “Select Individual Bills To Pay” window in Payables right after payroll checks have been posted, you can scroll through the records and see that the amounts due for Payroll Taxes have been posted as UNPAID bills. When the payroll tax deposit is due, just select the amounts TO PAY and pay them just like any other bill. (See Help Documents about paying vendor bills.)

HINT: It is a good idea to compare the total selected TO PAY for the payroll tax deposit to the total on a Federal Tax Liability Report that is shown on the following page for the period that is being paid.

NOTE: A vendor must be set up for **electronic payroll tax deposits** even though a check is not actually used to pay the taxes. The taxes due will still be posted to Accounts Payable. At the time the electronic tax deposit is made, select the taxes TO PAY and use the Post Check function in Accounts Payable to post the payment. Since a check number is required, use a series of large check numbers that can begin with 941.... (For example, use 941000, 941001, 941002 IF these check numbers will never be the same as actual checks that you are using.)

SUGGESTION: Periodically, print a General Ledger ([Index-> GL](#)) of the Payroll Tax Liability accounts (Payroll Tax Payable accounts in Current Liabilities) to make sure that the entries are clearing as expected.

Federal Tax Liability Report

Index-> **PRR - Payroll Reports**

The quickest way to open the window to produce a 'Federal Tax Liability Report' is to type 'PRR' in the **Index** field on the Navigation/Home window.

On the 'Payroll Mgt Reports' window, enter the appropriate range of dates. Then click on '**Federal Tax (941) Liability Report**'.

Fantastic Builders, Inc.		FEDERAL TAX LIABILITY REPORT				From: 15-Mar-07
PAID Dates						To: 15-Mar-07
Employee	FRANCIS	FEDERAL WH				
Payroll Category	1 - REGU	15-Mar-07	Check # 12002	FRANCISJ-FED WH-BS Exmpt:3-\$673.08 Dtr25	\$15.38	
		15-Mar-07	Check # 12003	SMITHAP R-FED WH-WM Exmpt:1-\$400 Dtr0	\$18.08	
Detail Reports		POSTED TO GL NUMBER 2320	PR TAX PAYABLE-FED WH		\$33.46	
Grouped by Employee, Check Detail		FEDERAL WH TOTAL For Period				\$33.46
Grouped by Employee, Summed By Category		SOCIAL SEC WH				
Grouped by Category, Summed By Employee		15-Mar-07	Check # 12002	FRANCISJ-SOCIAL SEC WH Wage:\$673.08	\$41.73	
Deductions / Additions Only		15-Mar-07	Check # 12003	SMITHAP R-SOCIAL SEC WH Wage:\$400	\$24.80	
Columnar Report Sorted by Date, Then Check		POSTED TO GL NUMBER 2300	PR TAX PAYABLE-SOC SEC WH		\$66.53	
Columnar Report Grouped by Employee		SOCIAL SEC WH TOTAL For Period				\$66.53
Tax Liability/Info Reports (Read notes below)		MEDICARE WH				
Federal Tax (941) Liability Report		15-Mar-07	Check # 12002	FRANCISJ-MEDICARE WH Wage:\$673.08	\$9.76	
Quarterly 941 Information Report		15-Mar-07	Check # 12003	SMITHAP R-MEDICARE WH Wage:\$400	\$5.80	
State and Local Tax Withholdings Report		POSTED TO GL NUMBER 2310	PR TAX PAYABLE-MEDICARE WH		\$15.56	
Unemployment Tax Reports (Quarterly or Monthly Gross or Taxable Wages)		MEDICARE WH TOTAL For Period				\$15.56
		SOCIAL SEC EXP				
		15-Mar-07	Check # 12002	FRANCISJ-SOC SEC EXP LIAB Wage:\$673.08	\$41.73	
		15-Mar-07	Check # 12003	SMITHAP R-SOC SEC EXP LIAB Wage:\$400	\$24.80	
		POSTED TO GL NUMBER 2301	PR TAX PAYABLE-SOC SEC EMPLYR		\$66.53	
		SOCIAL SEC EXP TOTAL For Period				\$66.53
		MEDICARE EXP				
		15-Mar-07	Check # 12002	FRANCISJ-MED EXP LIAB Wage:\$673.08	\$9.76	
		15-Mar-07	Check # 12003	SMITHAP R-MED EXP LIAB Wage:\$400	\$5.80	
		POSTED TO GL NUMBER 2311	PR TAX PAYABLE-MEDICARE EMPLYR		\$15.56	
		MEDICARE EXP TOTAL For Period				\$15.56
		TOTAL FEDERAL TAX LIABILITY FOR PERIOD				\$197.64

Continue to the next page.

Federal Taxes Posted As Bills Due in Accounts Payable

After Payroll Checks are posted, the Federal 941 Payroll Taxes that are due to the IRS as a result will be posted by the program as 'Unpaid Invoices' in Accounts Payable. They will be posted to the vendor you selected for paying Federal Withholding, Social Security, AND Medicare taxes on the 'Edit Payroll Tax Categories' window. (See Help Document about Payroll Setup.) In our demo books, the vendor is the Bank of America because that's where we deposit our 941 Federal Taxes when they are due.

The 'Select Individual Invoices To Pay' window shown below is described in Help Documents about paying Vendor Bills. It is displayed here to show you how the Federal 941 taxes shown on the previous report total to the SAME amount as the Unpaid Bills due to the Bank of America for the payroll date on the report.

When it is time to pay the Federal Payroll taxes (per instructions you will receive from the IRS), simply select the invoices to pay and Print or Post the Check. Unpaid payroll taxes will accumulate from different payroll dates, so make sure you ONLY select the taxes that are due for the appropriate period required by the IRS.

SELECT INDIVIDUAL INVOICES TO PAY Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
 Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
 Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

Vendor: **BANKOFAM-Bank of America**

STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
Select Task UNPAID	\$15.38	03/15/07	03/15/07	3152007 PRTax	FEDERAL WH Tax Due	2320-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$18.08	03/15/07	03/15/07	3152007 PRTax	FEDERAL WH Tax Due	2320-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$9.76	03/15/07	03/15/07	3152007 PRTax	MEDICARE EXP Tax Due	2311-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$5.80	03/15/07	03/15/07	3152007 PRTax	MEDICARE EXP Tax Due	2311-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$9.76	03/15/07	03/15/07	3152007 PRTax	MEDICARE WH Tax Due	2310-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$5.80	03/15/07	03/15/07	3152007 PRTax	MEDICARE WH Tax Due	2310-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$41.73	03/15/07	03/15/07	3152007 PRTax	SOCIAL SEC EXP Tax Due	2301-PR TAX	H	0-0-NONE	
Select Task UNPAID	\$24.80	03/15/07	03/15/07	3152007 PRTax	SOCIAL SEC EXP Tax Due	2301-PR TAX	H	0-0-NONE	
Total	\$197.64	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

State and Local Tax Withholdings Report

The same principals as described for Federal 941 Taxes applies to State and Local Withholding taxes. The quickest way to open the window to produce a 'State/Local Tax Withholdings' report is to type 'PRR' in the **Index** field on the Navigation/Home window.

Index-> PRR - Payroll Reports

Payroll Management Report

antastic Builders, Inc.

From: 03/15/07 To: 03/15/07

PAID Dates

Employee

Payroll Category

STATE/ LOCAL TAX WITHHOLDINGS

Detail Reports

- Grouped by Employee, Check Detail
- Grouped by Employee, Summed By Category
- Grouped by Category, Summed By Employee
- Deductions / Additions Only
- Columnar Report Sorted by Date, Then Check
- Columnar Report Grouped by Employee

Tax Liability/Info Reports (Read not)

- Federal Tax (941) Liability Report
- Quarterly 941 Information Report
- State and Local Tax Withholdings Report**
- Unemployment Tax Reports (Quarterly or Gross or Taxable Wages)

On the 'Payroll Mgt Reports' window, enter the appropriate range of dates. Then click on 'State and Local Tax Withholdings Report'.

PAID DATES	
From:	15-Mar-07
To:	15-Mar-07

STATE WH					
15-Mar-07	Check # 12002	FRANCISJ-STATE WH-BS Exmpt 3-\$673.08		\$9.23	
15-Mar-07	Check # 12003	SMITHAPR-STATE WH-WM Exmpt 0-\$400		\$12.69	
POSTED TO GL NUMBER 2330			PR TAX PAYABLE-STATE WH		\$21.92
				STATE WH TOTAL For Period	\$21.92
LOCAL WH					
15-Mar-07	Check # 12002	FRANCISJ-LOCAL WH Wage \$673.08		\$13.46	
POSTED TO GL NUMBER 2340			OTHER PAYROLL WITHHOLDINGS		\$13.46
				LOCAL WH TOTAL For Period	\$13.46
TOTAL STATE and LOCAL TAX WITHHOLDINGS FOR PERIOD					\$35.38

SELECT INDIVIDUAL INVOICES TO PAY Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
 Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
 Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

Vendor: **STATCOMP-State Comptroller**

Buttons: Select All, Select All Except Retainages, Unselect All, Select Retainages Only, Print/Post This Check, Print Batch of Checks, Post As Paid by Credit Card

STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
UNPAID	\$13.46	03/15/07	03/15/07	3152007	LOCAL WH Tax Due	2340-OTHER	H	0-0-NONE	
UNPAID	\$9.23	03/15/07	03/15/07	3152007	STATE WH Tax Due	2330-PR TAX	H	0-0-NONE	
UNPAID	\$12.69	03/15/07	03/15/07	3152007	STATE WH Tax Due	2330-PR TAX	H	0-0-NONE	
Total	\$35.38	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

Unemployment Taxes - Federal (940) and State

If you elect for the program to calculate and post Federal and State Unemployment taxes each time payroll is processed, the program will take care of posting the resulting Unemployment taxes as Unpaid Vendor Bills. (See Help Documents about setting up Tax Categories for more information on electing to have the program calculate and post unemployment taxes.)

The first screenshot below shows the Unpaid Federal Unemployment taxes due to the IRS940 vendor. The second screenshot shows the Unpaid State Unemployment taxes due to the state's unemployment office. (Our example is Texas.) The dates that these bills are paid will depend on IRS and State regulations.

SELECT INDIVIDUAL INVOICES TO PAY

Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

[Home](#)

Vendor: IRS940-INTERNAL REVENUE SVC - 940 TAXES

[Select All](#) [Select All Except Retainages](#)
[Unselect All](#) [Select Retainages Only](#)

[<-Previous Vendor](#) [Next Vendor->](#)

[Print/Post This Check](#)

[Print Batch of Checks](#)

[Post As Paid by Credit Card](#)

	STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
▶ Select Task	UNPAID	\$5.38	03/15/07	03/15/07	3152007 PRTax	FED UNEMP EXP Tax Due	2345- PAYROLL	H	0-0-NONE	
▶ Select Task	UNPAID	\$3.20	03/15/07	03/15/07	3152007 PRTax	FED UNEMP EXP Tax Due	2345- PAYROLL	H	0-0-NONE	
Total		\$8.58	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

SELECT INDIVIDUAL INVOICES TO PAY

Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

[Home](#)

Vendor: TXWORKCm-Texas Worker's Compensation

[Select All](#) [Select All Except Retainages](#)
[Unselect All](#) [Select Retainages Only](#)

[<-Previous Vendor](#) [Next Vendor->](#)

[Print/Post This Check](#)

[Print Batch of Checks](#)

[Post As Paid by Credit Card](#)

	STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
▶ Select Task	UNPAID	\$10.10	03/15/07	03/15/07	3152007 PRTax	STATE UNEMP EXP Tax Due	2345- PAYROLL	H	0-0-NONE	
▶ Select Task	UNPAID	\$6.00	03/15/07	03/15/07	3152007 PRTax	STATE UNEMP EXP Tax Due	2345- PAYROLL	H	0-0-NONE	
Total		\$16.10	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

Other Payroll Liabilities

Notice that other amounts that are due to outside parties as a result of processing payroll have automatically ended up as Unpaid Bills that can be selected to pay in Accounts Payable. The Vendors the program will use for posting these 'Other Payroll Liabilities' as bills due are based on Vendors set up on the 'Add/Edit Payroll Additions and Deduction Categories' window, OR on Vendors selected for the deductions when processing payroll. (See Help Documents about setting up payroll AND about preparing current payroll.)

The first example shown below is for bills due to pay for Pension/Retirement plans based on amounts withheld from employees and matched by employer. The second example is for a bill due for Child Support that was withheld from an employee's pay check.

SELECT INDIVIDUAL INVOICES TO PAY Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

Vendor: **CONWAYF-Conway Finance Corp**

Buttons: [Select All](#) [Select All Except Retainages](#) [Unselect All](#) [Select Retainages Only](#)

Navigation: [<-Previous Vendor](#) [Next Vendor->](#)

	STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
Select Task	UNPAID	\$25.00	03/15/07	03/15/07	3152007	Retire/Pension Employee Contri Due	2339- PENSION	H	0-0-NONE	
Select Task	UNPAID	\$18.75	03/15/07	03/15/07	3152007	Retire/Pension Employer Contri Due	2339- PENSION	H	0-0-NONE	
Total		\$43.75	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

Buttons: [Print/Post This Check](#) [Print Batch of Checks](#) [Post As Paid by Credit Card](#)

SELECT INDIVIDUAL INVOICES TO PAY Uncheck to Turn Off Pop Up Notes For Vendor

To Select a bill TO PAY, select Vendor, then change UNPAID to TO PAY for each entry to pay.
Retainage will not be activated when the "Select All" button is used. Reselect TO PAY to activate Retainage.
Only Vendors with unpaid bills will be available here. Vendors with an Inactive status will not be available.

Vendor: **SCOTTCHA-Scott, Chapman, Morris & Co. PC**

Buttons: [Select All](#) [Select All Except Retainages](#) [Unselect All](#) [Select Retainages Only](#)

Navigation: [<-Previous Vendor](#) [Next Vendor->](#)

	STATUS	Amount	Date	Due Date	Invoice #	Description	GL Num	Job Code	Cost Code	CHS Notes
Select Task	UNPAID	\$150.00	03/15/07	03/15/07	3152007	PRDedDue-Child Support:FRANCISJ	2345- PAYROLL	H	0-0-NONE	
Total		\$150.00	To Deduct an amount from the invoice to pay later, Select the Task: "Deduct Amount From Invoice".							

Buttons: [Print/Post This Check](#) [Print Batch of Checks](#) [Post As Paid by Credit Card](#)