



## Chapter

# 11

## Employees and Payroll

**Scenario:** Chapter 11 focuses on these areas:

- The payroll app.
- Employee information.
- Record employee payroll.
- Reports.

To review what you will do in Chapter 11, read the objectives.

### OBJECTIVES

1. Use QBO's 30-day free Core Payroll app.
2. Add Employee information.
3. Complete paychecks and reports.
4. Check payroll app's subscription.
5. Export reports to Excel and save PDF files.
6. Complete Check Your Progress.
7. Review and complete the QuickBooks Online Resources and Activities.
8. Complete Exercises 11-1, 11-2, 11-3, and Certification Q&A practice test.

Use QBO's free 30-day payroll app. In this chapter, an employee is added to the company used in Chapters 2 through 10. After 30 days, the payroll app expires.

**Comment:** QBO updates can change the payroll app. Regularly check Additional Student Resources > Text Updates. The figures and screen captures shown in Chapter 11 are for example purposes.

**IMPORTANT:** The **Core payroll app** defaults to the **current date**. Your month/day/year will differ from the textbook figures and screen illustrations.

## **PAYROLL TASKS**

Complete important business information.

1. Gather this information:
  - Your next paycheck date. For example, the author downloaded the Core payroll app on Monday, September 27. The author's *first payday* is Friday, October 1. (*Your first payday will differ.*)
  - The physical address where your employees work
2. Start QuickBooks Online.
3. Select Payroll > Get started.
4. Follow the on-screen prompts to complete the information requested.

## **Employee Information**

- Completed federal and state **W-4 Form**. Form W-4 provides the employer with the employee's **withholding** information, pay rate and schedule, hire dates, and, if used, direct deposit information.
- Pay rate: hourly, salary, commission, etc.
- Paycheck Deductions: 401(k), insurance, garnishments.
- Sick/Vacation Policies.
  
- Direct Deposit Information: required only if you are paying any employee by direct deposit.
- Important Dates: hire, birth, term.

**Pay Schedules:** The types of pay schedules include:

- **Weekly:** Pay your employees every week on a specific, recurring day of the week. Many businesses schedule paydays every Friday, which makes 52 payouts per year.
- **Every other week or Bi-weekly:** Pay your employees every two weeks. If you schedule payday for every other Friday, you have 26 payouts per year.
- **Twice a month or Semi-monthly:** Pay your employees twice a month. The 1st pay can be in the middle of the month, and the 2nd is at the end. The common payouts for this schedule is every 15th and 30th of the month. That makes 24 payouts per year.
- **Monthly:** Pay your employees once a month on a specific, recurring date. This makes 12 payouts a year.

### **Federal and State Tax Information**

- State Unemployment Insurance (SUI) Contribution Rate.
- State Agency ID Number(s).
- State Assessment, Surcharge, Administrative or Training Tax Rates (if applicable).
- Signed Quarterly State and Federal Tax Filings.
- Schedule for Tax Deposits and Filing (monthly or quarterly).
- Tax Payment Information.

## PAYROLL FORMS

Form W-4: Personal data of an employee such as name, address, social security number, filing status, number of allowances, and exemptions if any.

Form <b>W-4</b> (Rev. December 2020) Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Certificate</b>		OMB No. 1545-0074
		<p>▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.</p>		<p><b>2021</b></p>
<b>Step 1:</b> <b>Enter Personal Information</b>	<p>(a) First name and middle initial <b>Brice</b></p> <p>Last name <b>McClure</b></p> <p>Address <b>103 East Alameda Street</b></p> <p>City or town, state, and ZIP code <b>Tucson, AZ 85718</b></p> <p>(c) <input checked="" type="checkbox"/> Single or Married filing separately  <input type="checkbox"/> Married filing jointly or Qualifying widow(er)  <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)</p>	<p>(b) Social security number</p> <p>▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to <a href="http://www.ssa.gov">www.ssa.gov</a>.</p>		
<p>Complete Steps 2–4 <b>ONLY</b> if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the estimator at <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a>, and privacy.</p>				
<b>Step 2:</b> <b>Multiple Jobs or Spouse Works</b>	<p>Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.</p> <p>Do <b>only one</b> of the following.</p> <p>(a) Use the estimator at <a href="http://www.irs.gov/W4App">www.irs.gov/W4App</a> for most accurate withholding for this step (and Steps 3–4); or</p> <p>(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or</p> <p>(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld. <input type="checkbox"/> ▶ <input type="checkbox"/></p> <p><b>TIP:</b> To be accurate, submit a 2021 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.</p>			
<p>Complete Steps 3–4(b) on Form W-4 for <b>only ONE</b> of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)</p>				
<b>Step 3:</b> <b>Claim Dependents</b>	<p>If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):</p> <p>Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$</p> <p>Multiply the number of other dependents by \$500 . . . . ▶ \$</p> <p>Add the amounts above and enter the total here . . . . . <b>3</b> \$</p>			
<b>Step 4 (optional):</b> <b>Other Adjustments</b>	<p>(a) <b>Other income (not from jobs).</b> If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . . <b>4(a)</b> \$</p> <p>(b) <b>Deductions.</b> If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . . <b>4(b)</b> \$</p> <p>(c) <b>Extra withholding.</b> Enter any additional tax you want withheld each pay period . . . . . <b>4(c)</b> \$</p>			
<b>Step 5:</b> <b>Sign Here</b>	<p>Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.</p> <p><b>Brice McClure</b> <span style="float: right;">9/1/21</span></p> <p>▶ <b>Employee's signature</b> (This form is not valid unless you sign it.) ▶ <b>Date</b></p>			
<b>Employers Only</b>	<p>Employer's name and address</p> <p>Student Name Sales and Service</p> <p>2905 E. Skyline Drive Tucson, AZ 85718</p>		<p>First date of employment</p> <p>9/27/21</p>	<p>Employer identification number (EIN)</p> <p>86-231122</p>
<p>For Privacy Act and Paperwork Reduction Act Notice, see page 3. <span style="float: right;">Cat. No. 10220Q Form <b>W-4</b> (2021)</span></p>				

Figure 11-1: Form W-4 example

Form I-9 Employment Eligibility Verification: A form used to verify employment eligibility in the United States.

Pay info: Employee's salary or pay rate, other pay types, as well as pay schedule.

Federal and state filing status: One of the factors to determine employee's withholding taxes.

Time off policy: There are 4 available time-off policies in online payroll — vacation pay, sick pay, unpaid time off, and paid time off policies.

Email address: If you want your employees to have access to their pay stubs online, send them an invite.

## **PAYROLL TAXES**

Within QBO, you can file and pay taxes to the federal and state agency using the E-File and Pay feature. To view payroll tax forms, refer to Case Problem 1, Using Payroll with the Test-drive.

### **Tax Information**

- Federal Employer Identification Number (FEIN) and state agency ID numbers: You'll need unique ID numbers from the IRS and state agencies to file and pay taxes. Contact the agencies to apply for these ID numbers.
- Filing requirement and deposit schedule for payroll taxes: Requirements for when to file and deposit payroll taxes vary. Companies that owe more payroll tax typically pay and file more frequently. Contact the IRS and your state agency to determine your requirements.
- Electronic Federal Tax Payment System (EFTPS) enrollment: It's mandatory to submit federal tax deposit payments electronically.

## Filing Payroll Forms

Employee withholdings that are collected within paychecks are filed by the employer. They include:

- Federal Form 940, Employee's Annual Federal Unemployment (FUTA) Tax Return: This form shows the unemployment taxes paid and due by the employer.
- Federal Form 941, Employer's Quarterly Federal Tax Return: File Form 941 with the Internal Revenue Service (IRS). It shows the amount of federal income tax, Social Security, and Medicare withheld from paychecks for the quarter.
- Federal Form 944, Employer's Annual Federal Tax Return: File Form 944 with the IRS. It summarizes the employer's federal income tax, Social Security, and Medicare withheld from employee's paychecks for the year. Form 944 can be substituted for the quarterly Form 941 for employers who have a small company with few employees.
- Form W-2, Wage and Tax Statement: On or before January 31 of every year, an employer must provide W-2s to employees. The W-2 shows the amounts paid for salaries, wages, and withholdings for the year.
- Form W-3, Transmittal of Wage and Tax Statements: File Form W-3 with the Social Security Administration. It shows a summary of employer's W-2 forms.
- Other tax information: Such as state unemployment, assessment, surcharge, administrative or training tax rates, tax deposit schedules, and local or other taxes, if applicable.

## GETTING STARTED

1. Start your browser. Go online to <http://qbo.intuit.com>.

2. Sign in to Student Name Sales and Service.

In the sections that follow you use the Core Payroll app for 30 days, add an employee and create paychecks. The payroll app is *free for 30 days*. After 30 days, payroll expires.

1. Select Payroll > Employees > Get started. Select **Core: Our simplest solution for reliable, automated payroll**.

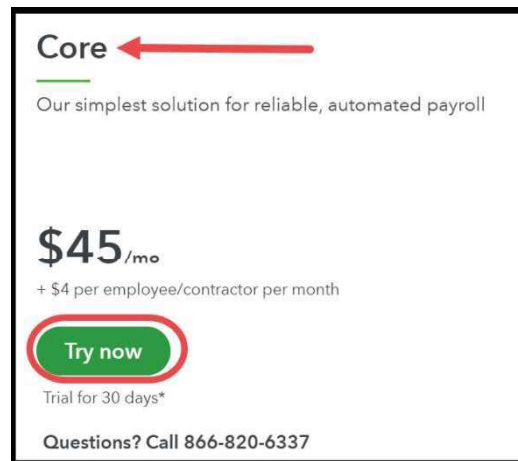


Figure 11-2: Core payroll app > Try now

2. The Payroll Overview page appears. The **Welcome to QuickBooks Payroll Overview** tab is selected > select Get started.

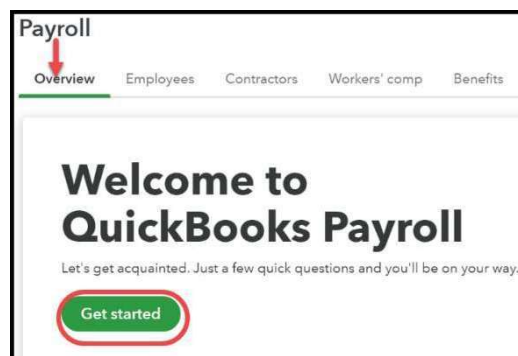



Figure 11-3: Welcome to QuickBooks Payroll

3. After selecting <Get started>, when the **Have you paid employees in 2021?** appears, select <No>.



Figure 11-4: Select No

4. Read the information on your screen > click  – When is your next payday? appears.

**Comment:** The payroll app was downloaded on Monday, September 27, 2021. The author's first payday is Friday, October 1. **Depending on when you start Payroll, your first payday will differ.** The paychecks shown in Chapter 11 are for October 2021. *Your payday is not the same as Figure 11-5.*




Figure 11-5: When is your next payday?

**Write down your first payday. You use it later.**



Next

5. After selecting , the What's the primary work location page appears. It shows the Business name, the Business address is 2905 E Skyline Dr, the city is Tucson, AZ, Zip code is 85718.

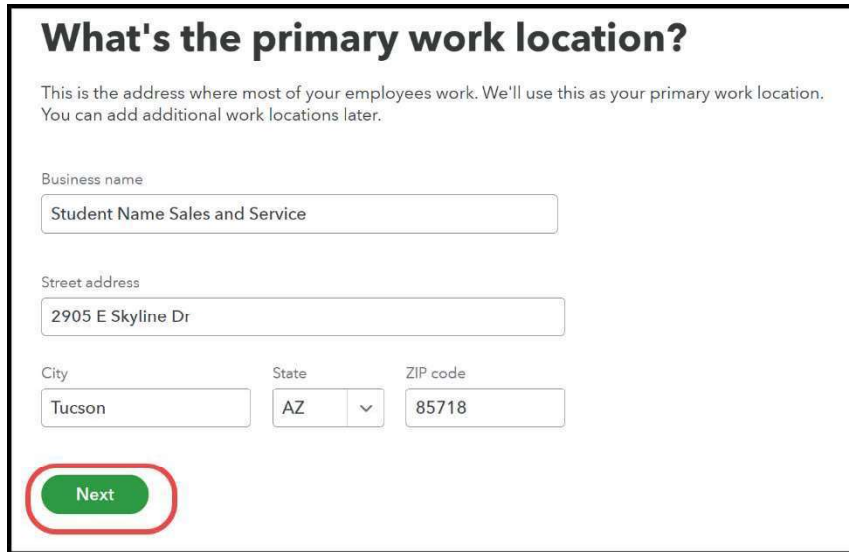



Figure 11-6: What's the primary work location?

Next

6. After selecting , Type this Business phone number **520-555-5555**. Your first and last name and email address is shown.

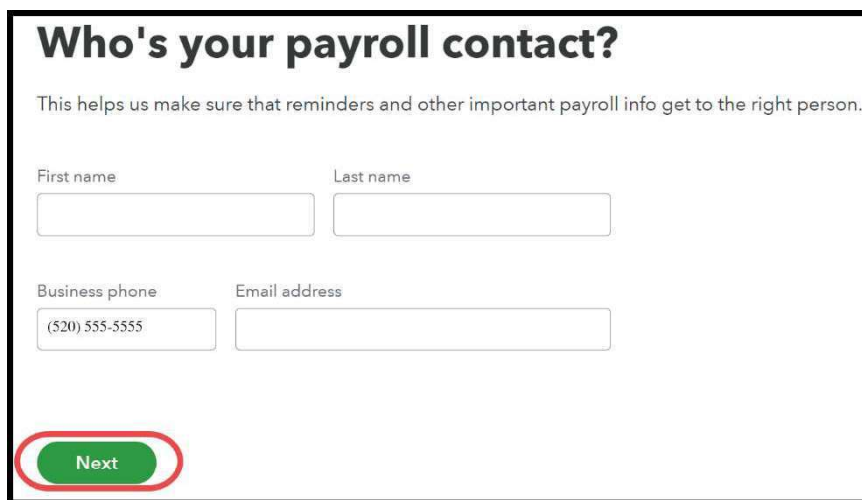




Figure 11-7: Who's your payroll contact?

7. Select . When How have you run payroll? displays, select "I've never run payroll," click <Next>.
8. Add your first employee appears > select . As of this writing, these fields are shown. Due to updates, the sequence of steps may change.

① Personal info

First name\* Brice

Last name\* McClure

*Uncheck* Ask this employee to enter their personal tax for (2020 W-4), and banking info with QuickBooks Workforce.

② What are Brice's employment details?

Hire date: Type the appropriate Monday date. The author used 9/20/2021 which is the Monday *before* the first pay period. The Work location is automatically completed.



Figure 11-8: Employment details

③ How often do you pay Brice?

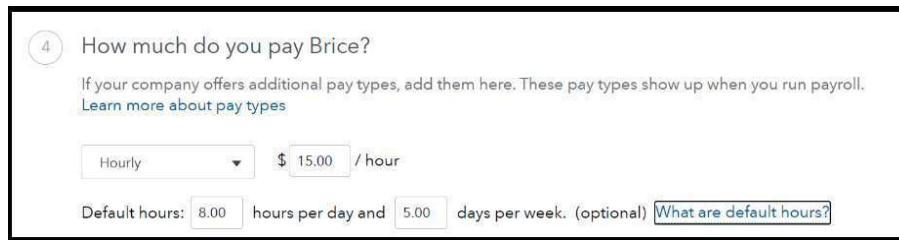
- Link to [+Create pay schedule](#)
- Pay frequency: Every week is the default
- Next payday: The author's next payday is 10/01/2021 (*Yours will differ.*)
- End of next pay period: For the author, that's 10/01/2021. (*Yours will differ.*)
- Pay schedule name: Every Friday is the default.
- A checkmark is shown next to Use this pay schedule for employees you add after this one.
- Upcoming pay periods are shown. When through, click <Save>.

④ How much do you pay Brice?

Hourly is the default.

Type **15** / hour.

Default hours: Type **8.00** hours per day and type **5.00** days per week.



4 How much do you pay Brice?

If your company offers additional pay types, add them here. These pay types show up when you run payroll.  
[Learn more about pay types](#)

Hourly \$ 15.00 / hour

Default hours: 8.00 hours per day and 5.00 days per week. (optional) [What are default hours?](#)

Figure 11-9: How much do you pay Brice

- ⑤ There are no deductions to add for Brice.
- ⑥ What are this employee's withholdings?

Link to [+ Enter W-4 form](#) > select 2020 or later > complete these fields:

First Name and Last name is completed: Brice McClure

Address: **103 East Alameda Street**

City or town: **Tucson**

State: **AZ**

ZIP code: **85718**

Social Security number: **213-01-2244**

Federal withholding: select Single or Married Filing Separately.

Click <Yes> in the box next to Select if Brice has marked this box on their W-4 (Set 2c).

Claimed dependents' deduction (step 3) and other adjustments (steps 4a, 4b, 4c)—accept the \$0 default.

Arizona state taxes: Select 0.8%.

**What are Brice's withholdings?**

▼ **Personal info**

First name:  M.I.:  Last name:

Address:

City or town:  State:  ZIP code:

Social Security number:

[What if they only have an ITIN?](#)

▼ **Federal withholding**

You can find the information for this section on Brice's W-4 form. [Need a blank W-4 form?](#)

Filing status (Step 1c):

Select yes if Brice has marked this box on their W-4. (Step 2c)

☒ Yes

Claimed dependents' deduction (Step 3):

Other adjustments:

Other income (Step 4a):  Deductions (Step 4b):  Extra withholding (Step 4c):

▼ **State withholding**

AZ state taxes:

Filing status:  Additional amount to withhold:

Figure 11-10: Withholdings

Click <Save>

⑦ What are Brice's personal details? Type **05/11/2000** for his Birth date.

⑧ How do you want to pay Brice? Select Paper check> click

Done

One down page appears > click

Done

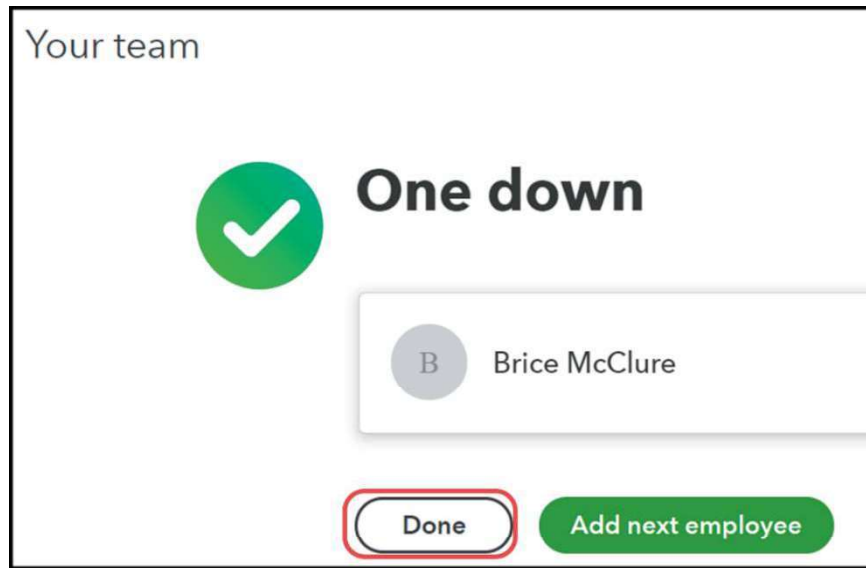


Figure 11-11: One down.

The Payday coming up? We got your back page appears > select <Continue setup>

Make these selections:

Do you have workers' comp? select Yes, I'm covered > click <Next>

These SETUP TASKS are completed. Tax info will be added after the first paycheck is issued.

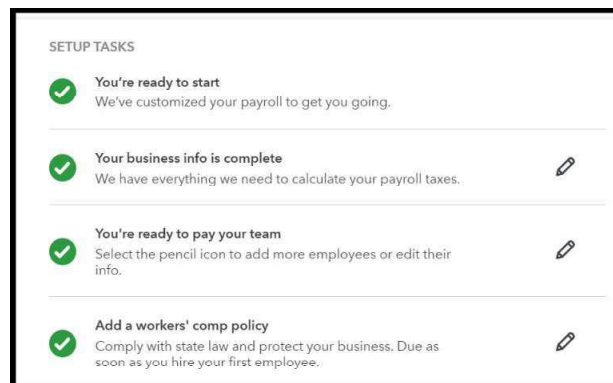


Figure 11-12: Setup tasks

## EMPLOYEE PAYCHECK

The transaction for paying Brice is shown below. Since paychecks are issued on Friday, enter the Friday date for a full week of earnings, Monday through Friday. The author's date is 10/01/2021. Your month/day/year may differ.

<i>Date</i>	<i>Transaction Description</i>
Friday	Issue Check Number 1118 to Brice McClure for 40 regular hours, total pay is \$600; net pay is \$484.73.

1. Select Payroll > Employees > Run payroll.



Figure 11-13: Run payroll

2. The Run Payroll: Every Friday page appears. The Pay from field shows Checking and its balance. Your pay period and pay date is also shown. McClure, Brice is checked; Pay Method is paper check; Regular Pay Hrs, type 40.00, and Total pay is \$600.00.

EMPLOYEE	PAY METHOD	REGULAR PAY H...	MEMO	TOTAL HRS	TOTAL PAY
<input checked="" type="checkbox"/> McClure, Brice \$15.00 / hour	Paper check	40.00		40.00	\$600.00
TOTAL		40.00		40.00	\$600.00

Figure 11-14: Run Payroll, Every Friday

3. Select **Preview payroll**. The Review and Submit page appears. The Net Pay is \$484.73.

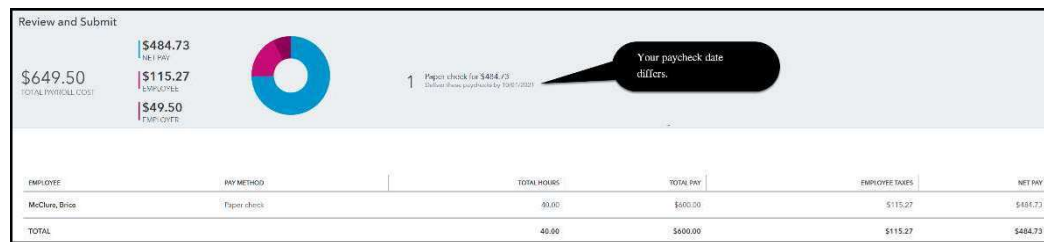


Figure 11-15: Net Pay \$484.73

4. Select **Submit payroll**. For the Check Number, type **1118**.

EMPLOYEE	NET PAY	CHECK NUMBER
McClure, Brice	\$484.73	1118

Figure 11-16: Check Number 1118

Select <Finish payroll>

### Let's make sure your taxes get paid on time!

- Select <Set up taxes now> click <Go to setup>.
- For SETUP TASKS > in the Fill in your tax info > click <Start>.
- On the Tell us your general business info page > select <Next>.
- On the Give us your federal tax info page, complete these fields:

Employer Identification Number (EIN) **86-2311222**

Form 941 each quarter (most common) is the default

How often do you pay your taxes? Select Quarterly <Next>

Click <Next>



### Let's add your Arizona tax info

- Withholding: Select Monthly
- Unemployment Insurance: Type **2386123** > accept the default No, use 2%
- Job Training and SUI rate: Select 0% for both fields > click <Done>

### CHART OF ACCOUNTS

When payroll is set up and an employee is added, QBO automatically creates default accounts for payroll liabilities and expenses. Follow these steps to add account numbers for those accounts.



1. Select Accounting > Chart of Accounts > for batch edit, click .
2. Add these account numbers:

NUMBER	NAME	TYPE	DETAIL TYPE
<b>212</b>	Payroll Liabilities	Other Current Liabilities	Payroll Tax Payable
<b>214</b>	AZ Income Tax	Other Current Liabilities	Payroll Tax Payable
<b>216</b>	AZ Unemployment Tax	Other Current Liabilities	Payroll Tax Payable
<b>220</b>	Federal Taxes (941/944)	Other Current Liabilities	Payroll Tax Payable
<b>222</b>	Federal Unemployment (940)	Other Current Liabilities	Payroll Tax Payable
<b>801</b>	Payroll Expenses	Expenses	Payroll Expenses
<b>803</b>	Taxes	Expenses	Payroll Expenses
<b>805</b>	Wages	Expenses	Payroll Expenses

## SUBSCRIPTION STATUS

1. Select Gear > Accounts and settings > Billing & Subscription.



Figure 11-17: Trial ends in 30 days

2. The QuickBooks Online Payroll Core area shows that your trial period ends in 30 days. Close the Account and Settings page.

## TAX PAYMENTS

Select Taxes > Payroll Tax. The Taxes page appears; upcoming tax payments are listed. Review the upcoming tax amounts. Your Payment status, amounts, due dates may differ.

Depending on when you started the payroll app, dates will be automatically generated. Your Upcoming tax payment dates will not be the same as Figure 11-18.

Taxes

Sales tax

Payroll tax

Upcoming tax payments

Tax type	Payment status	Amount	Due date	Payment method
> AZ Income Tax 10/01/2021 – 10/31/2021	ACCRUING	\$4.80	11/15/2021	Manual Pay by 11/15/2021
> Federal Taxes (941/944) 10/01/2021 – 12/31/2021	ACCRUING	\$156.37	01/31/2022	Manual Pay by 01/31/2022
> AZ Unemployment Tax 10/01/2021 – 12/31/2021	ACCRUING	\$12.00	01/31/2022	Manual Pay by 01/31/2022
> Federal Unemployment (940) 01/01/2021 – 12/31/2021	ACCRUING	\$3.60	01/31/2022	Manual Pay by 01/31/2022

Figure 11-18: Upcoming tax payments

**PAYCHECK 1118**

1. To go to Recent Transactions > click > drill-down on Paycheck Check 1118 > Payroll Check 1118 appears. The paycheck distribution shows the following.

Regular Pay	Employee taxes		Employer Taxes	
\$600.00	FIT	\$64.57	FUTA	\$3.60
	Soc. Sec.	\$37.20	SS	\$37.20
	Medicare	\$8.70	Medicare	\$8.70
	AZ IT	\$4.80	AZ SUI employer	\$0.00
	Total	<b>\$115.27</b>	Total	<b>\$49.50</b>
<b>NET PAY: \$600 – \$115.27 = \$484.73</b>				

2. When through, click <OK> to close.

## JOURNAL

After adding account numbers for payroll liabilities and expenses, let's look at Brice McClure's first paycheck.

- Go to Reports > type and select **Journal** > type the date of the paycheck.  
Some of your debits and credits may differ. Payroll taxes can change yearly. Chapter 11 shows an example of a paycheck. If some of your amounts differ, that is okay.

Student Name Sales and Service									
Journal									
October 1, 2021									
Date	Transaction Type	Num	Name	Memo/Description	Account #	Account	Debit	Credit	
10/01/2021	Payroll Check	1118	Brice McClure	Pay Period: 09/24/2021-10/07/2021	101	101 Checking			484.73
				Gross Pay - This is not a legal pay stub	805	805 Payroll Expenses:Wages	600.00		
				Employer Taxes	803	803 Payroll Expenses:Taxes	49.50		
				AZ Unemployment Tax	216	216 Payroll Liabilities:AZ Unemployment Tax	0.00		
				AZ Income Tax	214	214 Payroll Liabilities:AZ Income Tax			4.80
				Federal Unemployment (940)	222	222 Payroll Liabilities:Federal Unemployment (940)			3.60
				Federal Taxes (941/944)	220	220 Payroll Liabilities:Federal Taxes (941/944)			156.37
							\$ 649.50	\$ 649.50	
10/01/2021	Payroll Adjustment			Employer Taxes	803	803 Payroll Expenses:Taxes	12.00		
				AZ Unemployment Tax	216	216 Payroll Liabilities:AZ Unemployment Tax			12.00
							\$ 12.00	\$ 12.00	
TOTAL							\$ 661.50	\$ 661.50	

Figure 11-19: Journal

**Comment:** Due to the date of the check and the date Mr. McClure was hired, QBO automatically added a Payroll Adjustment.

- Export to Excel and save as a PDF file. Use the file name **Chapter 11\_Journal**.

## PAYCHECK HISTORY

- Go to Reports > type and select **Paycheck History** > 1 put a checkmark in the box on the Pay Date row > click 2 Print.

Paycheck history <a href="#">Feedback</a>						
Actions: <a href="#">Print</a>						
	Pay date ↓	Name	Total pay	Net pay	Pay method	Check number
<input type="checkbox"/>	10/01/2021	McClure, Brice (Tax Adjustment Check)	\$0.00	\$0.00	Adjustment	-
<input checked="" type="checkbox"/>	10/01/2021	McClure, Brice	\$600.00	\$484.73	Check	1118

Figure 11-20: Paycheck History

Check No.: 1118

<b>EMPLOYER</b> Student Name Sales and Service 2905 E Skyline Dr Tucson AZ 85718				<b>PAY PERIOD</b> Period Beginning: 09/24/2021 Period Ending: 10/01/2021 Pay Date: 10/01/2021 Total Hours: 40.00			
<b>EMPLOYEE</b> Brice McClure 103 East Alameda Street Tucson AZ 85718							
				<b>NET PAY:</b> \$484.73			
<b>MEMO:</b>							
-----							
<b>PAY</b>	<b>Hours</b>	<b>Rate</b>	<b>Current</b>	<b>YTD</b>	<b>DEDUCTIONS</b>	<b>Current</b>	<b>YTD</b>
Regular Pay	40.00	15.00	600.00	600.00			
<b>TAXES</b>				<b>Current</b>	<b>YTD</b>	<b>SUMMARY</b>	
Federal Income Tax			64.57	64.57	Total Pay	\$600.00	\$600.00
Social Security			37.20	37.20	Taxes	\$115.27	\$115.27
Medicare			8.70	8.70	Deductions	\$0.00	\$0.00
AZ Income Tax			4.80	4.80			
					<b>Net Pay</b>	<b>\$484.73</b>	

Figure 11-21: Paycheck 1118

2. Save as **Chapter 11\_Paycheck 1118.pdf**. (Your Pay Period will differ.)

3. Close ViewPdfForm tab.

## RUN PAYROLL

1. Select Payroll > Employees > Run payroll.

2. Run payroll for the next Friday.

- Pay Period: Select your next pay period. (Figure 11-22 shows the author's Pay period. Yours will differ.)
- Pay date: Your pay date is shown. (Since Paycheck 1118 was issued on 10/1/2021, the pay date field is 10/08/2021)
- Regular Pay Hrs: 40

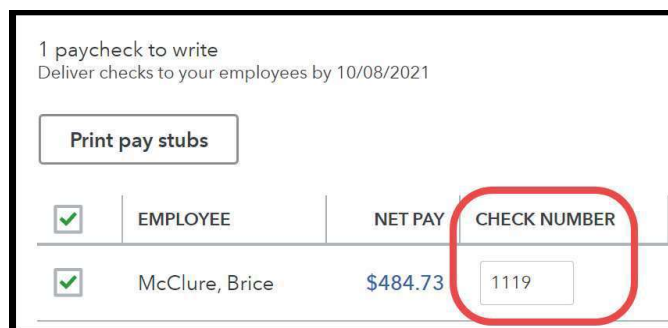
3. Select **Preview payroll**.



EMPLOYEE	PAY METHOD	TOTAL HOURS	TOTAL PAY	EMPLOYEE TAXES	NET PAY	COMPARE TO LAST
McClure, Brice	Paper check	40.00	\$400.00	\$115.27	\$484.73	
<b>TOTAL</b>		<b>40.00</b>	<b>\$400.00</b>	<b>\$115.27</b>	<b>\$484.73</b>	

Figure 11-22: Second week's payroll

4. Select **Submit payroll**. Type **1119** in the Check Number field.



1 paycheck to write  
Deliver checks to your employees by 10/08/2021

**Print pay stubs**

✓	EMPLOYEE	NET PAY	CHECK NUMBER
✓	McClure, Brice	\$484.73	1119

Figure 11-23: Check Number 1119

5. **Finish payroll**. Close the Take payroll off your to do list page.

### CHECK YOUR PROGRESS

1. What form provides an employer with the employee's withholding information?

---

2. What form summarizes the employer's Federal Income Tax, Social Security, and Medicare withheld from employee's paychecks for the year.

---

3. What are five types of employee compensation?

---

4. What form needs to be sent to each employee by January 31?

---

5. What is a Form I-9?

---

### SIGN OUT

Sign out of QBO *or* continue.

## QUICKBOOKS RESOURCES AND ACTIVITIES

If your professor requires **Connect**, the following resources may be assigned for grading.

1. Multiple-choice and true or false questions.
2. Analysis question(s).
3. Check Your Progress.
4. Chapter work and end-of-chapter exercises.
5. Problem solving.
6. Certification Q&A.
7. Test Bank.
8. Additional student resources (ASR).

### Additional Student Resources (ASR)

The following resources can be found on the Additional Student Resources (ASR) page in Connect's eBook. If you are not using Connect, your instructor can provide you with an ASR page document that contains **URLs** to access these resources:

1. Narrated PowerPoints. The PowerPoints include links to the videos.
2. QBO Videos:
  - a. QBO Payroll
  - b. Add employees and payroll
  - c. Set up and pay payroll taxes
3. Text updates.

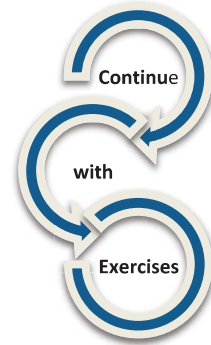


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**Exercise 11-1:** Follow the instructions below to complete Exercise 11-1:

1. Sign into your company Complete two payroll transactions.

<i>Date</i>	<i>Transaction Description</i>
Friday	Issue paychecks to Brice McClure for the third and fourth weeks of your month. He worked 40 regular hours each week.



2. Select Employees > Overview > Run payroll for the third Friday.

Regular Pay Hrs: 40  
Check Number: 1120

3. Run payroll for the fourth Friday.

Regular Pay Hrs: 40  
Check Number: 1121

4. Continue with Exercise 11-2.

### **Exercise 11-2**

1. Go to Reports > Journal. Use the date range for Brice's four paychecks. Export to Excel and save as a PDF file. Use the file name **Exercise 11-2\_Journal**.
2. Go to Reports > Paycheck History > type the date range of the four paychecks > Apply. Place a checkmark next to paycheck 1118, 1119, 1120,

1121 > click <Print>. Save as a PDF file. Use the file name **Exercise 11-2\_Paycheck History**. Close the ViewPdfForm tab.

3. **Check Figures:** For Year-to-Date amounts, use the fourth paycheck.

- Each paycheck's gross pay, \$600.00
- Each paycheck's net pay, \$484.73
- YTD, Federal Income Tax, \$258.28
- YTD Social Security, \$148.80
- YTD Medicare, \$34.80
- YTD, AZ Income Tax, \$19.20
- YTD Regular pay, \$2,400.00
- YTD Taxes, \$461.08

**Comment:** YTD amounts may differ due to changes in federal and state tax rates.

### Exercise 11-3: Problem Solving

Exercise 11-3 is available within Connect and includes these questions.



What is the default pay date for paychecks? How does QBO determine the pay period? Explain.

### Certification Q&A Practice Test

Certification Q&A multiple-choice questions are available within Connect.

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