



QUICKBOOKS DESKTOP 2021 CLIENT TRAINING

Lesson 12

Payroll with QuickBooks

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Esther Friedberg Karp is an internationally renowned trainer, writer, business consultant and speaker who has been repeatedly listed as one of Insightful Accountant's Top 100 QuickBooks ProAdvisors in the world. She has also been named to their Top 10 list on two occasions: as Top International ProAdvisor and Top Trainer/Writer ProAdvisor.

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Esther's clients include companies worldwide and accounting professionals who seek her out on behalf of their own clients. She is sought out for her expertise in multicurrency and various countries' editions of QuickBooks Desktop and Online, and for her talent in customizing QuickBooks usage for different industries. She also teaches QuickBooks Core and Advanced certification classes to accounting professionals in Canada.

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Lesson Objectives

- Gain an overview of payroll in QuickBooks
- Learn more about payroll setup
- Set up employee payroll information
- Set up payroll schedules
- Practice writing and printing a payroll check
- Learn how QuickBooks tracks your tax liabilities
- Practice paying payroll taxes

Setup for Payroll

Keep in mind you must subscribe to one of the available QuickBooks Payroll services that work with QuickBooks Desktop in order to run payroll in QuickBooks. However, you can test the features of QuickBooks Payroll using one of the sample companies such as Rock Castle Construction. Do not use this feature for actual payroll as the rates are not accurate.

If you want to turn on or off payroll in a company file, follow the procedure below.



Step-by-Step: Turn Payroll Off in a Company File

1. Make sure you are signed into the QuickBooks company as the Admin user. (If other users have been set up on other computers to access the company in multi-user mode, ensure they are not signed in and you are in single-user mode.)
2. From the Edit menu, choose **Preferences → Payroll & Employees** in the left panel.
3. To turn payroll off, click the **Company Preferences → No payroll**. To turn payroll on, in the same tab, select either **Full payroll** or **Online payroll**. If you are issuing paychecks but the calculations are manual in nature, click **Manual Payroll**. You will see a pop-up menu indicating the benefits of QuickBooks Payroll Services. (If you turn on payroll, you will be able to select the subscription of your choice from the **Employees** menu → **Payroll Center** → **Payroll Setup**.)
4. Click **OK**.

QuickBooks maintains a list for everything that affects the amount on a payroll check and for every company expense related to payroll. This list is called the Payroll Item List. There are payroll items for compensation, taxes, other additions and deductions, and employer-paid expenses. QuickBooks uses payroll items to track individual amounts on a paycheck and accumulated year-to-date wage and tax amounts for each employee.

Payroll items affect either Payroll Liabilities or Payroll Expenses on the Chart of Accounts by default (unless you make changes to their setup). However, you will be able to run detailed reports related to payroll based on the payroll items and how they are used in paychecks and payroll liabilities payments.



Step-by-Step: View the Payroll Item List

- From the Employees menu of a QuickBooks sample company, choose **Manage Payroll Items** → **View/Edit Payroll Item List**. You can also access this list from **Lists** → **Payroll Item List**. (You must have payroll turned on to see this choice in an actual company.)

ITEM NAME	TYPE	AMOUNT	LIMIT	TAX TRACKING	PAYABLE TO	ACCOUNT ID
Salary	Yearly Salary			Compensation		
Sick Salary	Yearly Salary			Compensation		
Vacation Salary	Yearly Salary			Compensation		
Overtime Rate	Hourly Wage			Compensation		
Regular Pay	Hourly Wage			Compensation		
Sick Hourly	Hourly Wage			Compensation		
Vacation Hourly	Hourly Wage			Compensation		
Bonus	Bonus	0.00		Compensation		
Mileage Reimb.	Addition	0.45		Compensation		
Health Insurance	Deduction			-1,200.00	None	
Workers Compensation	Company Contribution			None	State Fund	
Advance Earned Income Credit	Federal Tax			Advance EIC Payment	Great Statewide Bank	00-7904153
Federal Unemployment	Federal Tax	0.6%	7,000.00	FUTA	Great Statewide Bank	00-7904153
Federal Withholding	Federal Tax			Federal	Great Statewide Bank	00-7904153
Medicare Company	Federal Tax	1.45%		Comp. Medicare	Great Statewide Bank	00-7904153
Medicare Employee	Federal Tax	1.45%		Medicare	Great Statewide Bank	00-7904153
Social Security Company	Federal Tax	6.2%	137,700.00	Comp. SS Tax	Great Statewide Bank	00-7904153
Social Security Employee	Federal Tax	6.2%	-137,700.00	SS Tax	Great Statewide Bank	00-7904153
CA - Withholding	State Withholding Tax			SWH	Employment Development Department	987-6543-2
CA - Disability Employee	State Disability Tax	1.0%	-122,909.00	SDI	Employment Development Department	987-6543-2
CA - Unemployment Company	State Unemployment Tax	5.25%	7,000.00	Comp. SUI	Employment Development Department	987-6543-2
CA - Employee Training Tax	Other Tax	0.1%	7,000.00	Co. Paid Other Tax	Employment Development Department	987-6543-2
CARES Co. Soc. Sec. Deferral	Other Tax			Co. Paid Other Tax	Great Statewide Bank	00-7904153
CARES Retention Credit	Other Tax			Co. Paid Other Tax	Great Statewide Bank	00-7904153
Medicare Employee Addl Tax	Other Tax	0.9%		Medicare Addl Tax	Great Statewide Bank	00-7904153
National Paid Leave Credit	Other Tax			Co. Paid Other Tax	Great Statewide Bank	00-7904153
Direct Deposit	Direct Deposit			None		

- Close the Payroll Item List.

NOTES

If you need to add a payroll item after you've set up payroll in QuickBooks, use the following procedure.



Step-by-Step: Add a Payroll Item

1. From the Employees menu, choose **Manage Payroll Items → New Payroll Item**. (You can also access this from the Payroll Item List by selecting the **Payroll Item** button at the bottom and selecting **New**.)
2. Select **Custom Setup → Next**.
3. QuickBooks displays the Add new payroll item window, which walks you through the payroll item setup process.

Add new payroll item

Payroll item type

Select the type of payroll item you want to create.

- Wage** (Hourly Wages, Annual Salary, Commission, Bonus)
- Addition** (Employee Loan, Mileage Reimbursement)
- Deduction** (Union Dues, 401(k) deferral, Simple IRA, HSA)
- Company Contribution** (Employer 401(k) matching contribution, HSA contribution)
- Federal Tax** (FUTA, Social Security, Medicare)
- State Tax** (State Withholding, SDI, SUI)
- Other Tax** (Local Tax, Misc. State Tax)

Back **Next** **Finish** **Help** **Cancel**

4. Select the type of payroll item you want to create, then click **Next**.
5. Follow the onscreen instructions to create the payroll item.
6. When you are done click **Finish**.
7. Close the Payroll Item List.

NOTES

Set Up Employee Payroll Information

QuickBooks calculates payroll for each employee based on that employee's pay rate, marital status, exemptions and so on. The Employee Center stores general information about each employee, as well as payroll information.



Step-by-Step: View Information Stored in the Employee List

1. Click **Employees** → **Employee Center** in the menu bar to open the Employee Center.
2. Click the **Employees** tab in the left section.
3. Select the employee you wish to view, then right-click and select **Edit Employee**.
4. Click the **Address & Contact** tab to enter the employee's address, phone number and emergency contact details.
5. Click the **Additional Info** tab to access the employee ID or account number, billing rate level and custom fields.
6. Click the **Payroll Info** tab to set up the employee pay schedule, additions, deductions and company contributions.

- Use the buttons on this tab to access additional information for direct deposit, taxes and sick/vacation pay.

INFORMATION FOR **Dan T. Miller**

Personal

Address & Contact

Additional Info

Payroll Info

Employment Info

Workers' Comp

PAYROLL SCHEDULE: Biweekly

PAY FREQUENCY: Biweekly

CLASS: [Empty]

Buttons: Direct Deposit, Taxes..., Sick/Vacation...

EARNINGS	
ITEM NAME	HOURLY/ANNUAL RATE
Salary	41,500.00

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	AMOUNT	LIMIT
Health Insurance	-25.00	-600.00

Use time data to create paychecks

Employee is covered by a qualified pension plan

Employee is inactive

Buttons: OK, Cancel, Help

- Click the **Employment Info** tab (for employment dates and details, leave of absence information, and termination details if applicable) and the **Workers' Comp** tab (to assign the Workers' Comp Code).
- Click **OK** to save your changes and to return to the Employee Center.

NOTES

Use Employee Defaults to Store Common Information

QuickBooks stores a wealth of information about each employee, but it doesn't require you to enter the same information over and over. When you have information that applies to most of your employees, you can enter it into your employee defaults. Then when you add an employee, QuickBooks automatically fills in the information stored with those employee defaults. You will need to add or change any information that is different for a particular employee.



Step-by-Step: View Employee Defaults

1. From the Employee Center, choose **Manage Employee Information** → **Change New Employee Default Settings**.

The screenshot shows the 'Employee Defaults' dialog box with the following sections and controls:

- EARNINGS**: A table with columns 'ITEM NAME' and 'HOURLY/ANNUAL RATE'. The first row contains 'Regular Pay'.
- Payroll Schedule**: A dropdown menu.
- Pay Frequency**: A dropdown menu set to 'Biweekly'.
- Class**: A dropdown menu.
- Buttons**: 'OK', 'Cancel', and 'Help' buttons.
- Use time data to create paychecks**: A checkbox.
- ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS**: A table with columns 'ITEM NAME', 'AMOUNT', and 'LIMIT'. Below the table are buttons for 'Taxes...' and 'Sick/Vacation...'.
- Employee is covered by a qualified pension plan**: A checkbox.

2. Set the default pay schedule, earnings items, etc. from the window.
3. Click **Taxes** to set up the default state/federal tax settings.
4. Click **OK** to close the Taxes Defaults window.
5. Click **Sick/Vacation** to modify the default settings, then **OK** to close it.
6. Click **OK** to close the Employee Defaults window.

Set Up Payroll Schedules

You can set up payroll schedules to group employees with the same pay frequency (daily, semi-monthly, bi-weekly, monthly, quarterly, and annually). You define how often you pay your employees, which date their paycheck is due and which day you run payroll. QuickBooks calculates your upcoming payroll schedule so you can pay your employees on time.

Using payroll schedules is a quick and convenient way to pay your employees each pay period. You set up the payroll schedule one time, assign the payroll schedule to the appropriate employees and QuickBooks calculates the due dates for each upcoming pay period.

You do not need payroll schedules to run payroll, however. You can run payroll without them by running **Unscheduled Payroll** or paying an employee a termination check.



Step-by-Step: Define a Payroll Schedule

1. From the Employees menu at the top, choose **Add or Edit Pay Schedules**.
2. Click the **Payroll Schedule** menu button at the bottom left, then choose **New**.

The information you provide will be used to create a payroll schedule. [What is a payroll schedule?](#)
You can set up multiple payroll schedules if you need to. [Why do I need multiple schedules?](#)

Tell us how you'll be processing payroll using QuickBooks Desktop: [How do I set up a payroll schedule?](#)

What do you want to name this payroll schedule? (e.g., "Weekly", "Biweekly", "Monthly", etc)

How often will you pay your employees on this schedule?

What is the pay period end date?

What date should appear on paychecks for this pay period?

What day should appear on paychecks for this pay period?

The following is based on the information supplied above:
You pay your employees on the same day as the pay period end date in this payroll schedule.
The paycheck date for the current month is 12/31/2025 for the pay period ending on 12/31/2025.

Schedule is inactive

3. Enter a name for your payroll schedule in the What do you want to name this payroll schedule? field.
4. Press **Tab** and select the pay frequency.
5. Press **Tab** and select the pay period end date for the next period you wish to run payroll.
6. Press **Tab** and select the date that should appear on the checks for the next period you wish to run payroll.
7. Press **Tab** and select the day that should appear on the checks for the next period you wish to run payroll.
8. Click **OK**.
9. You'll see a confirmation that the payroll schedule you just created has been set up. Click **OK**.
10. Repeat as needed to set up your pay schedules.
11. Close the Payroll Schedule List.

Now that you've set up the pay schedules, you can assign each employee to the appropriate pay schedule.



Step-by-Step: Assign a Pay Schedule

1. From the Employees menu, choose **Employee Center**.
2. Click the **Employees** tab in the left section.
3. Right-click the employee you wish to assign a pay schedule to, then select **Edit Employee**.
4. In the Edit Employee window, choose the **Payroll Info** tab.
5. From the Payroll Schedule drop-down list, select the **pay schedule** you wish to assign.
6. Click **OK**.
7. Repeat the steps for each employee to assign the proper pay schedules.

NOTES

Add a New Employee



Step-by-Step: Add a New Employee

1. With the Employee Center displayed, click **New Employee** at the top left in the Employees tab.
2. Enter the corresponding information in the Personal, Address & Contact and Additional Info fields.
3. In the Payroll Info tab:
 - From the **Payroll Schedule** drop-down select the schedule required
 - Choose the earning items that apply to this employee in the Earnings grid (e.g., salary, hourly, overtime, etc.)
 - Choose any items that apply to the employee from the Additions, Deductions and Company Contributions grid
 - Click the **Direct Deposit** button to set up direct deposit information
 - Click the **Taxes** button to set up federal withholding and state tax information
 - Click the **Sick/Vacation** button to add any sick/vacation time accrual information



IMPORTANT: If you would like the time automatically entered from timesheets, place a check in the box labeled Use time data to create paychecks.

Edit Employee

INFORMATION FOR **Dan T. Miller**

Personal

Address & Contact

Additional Info

Payroll Info

Employment Info

Workers' Comp

PAYROLL_SCHEDULE: Biweekly

PAY FREQUENCY: Biweekly

CLASS: []

Direct Deposit

Taxes...

Sick/Vacation...

EARNINGS	
ITEM NAME	HOURLY/ANNUAL RATE
Salary	41,500.00

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS		
ITEM NAME	AMOUNT	LIMIT
Health Insurance	-25.00	-600.00

Use time data to create paychecks

Employee is covered by a qualified pension plan

Employee is inactive

OK Cancel Help

- Enter remaining information in the Employment Info and Workers' Comp tabs.
- Click **OK**.

NOTES

Run a Payroll Schedule

QuickBooks lets you print payroll checks in a batch based on payroll schedules.



Step-by-Step: Run a Payroll Schedule

1. In the Employee Center, click the **Payroll** tab in the left section.
2. In the right section, click the **Pay Employees** tab.
3. In the Pay Employees section, choose the **Biweekly** pay schedule.
4. Click the **Start Scheduled Payroll** button. (If the Special Paycheck Situation window pops up, click **Continue**.)
5. Specify the pay period, check date and bank account from which paychecks will be produced, and if the checks are to be printed or handwritten. If they are handwritten, specify the first check number.

The screenshot shows the QuickBooks Desktop Payroll Center interface. The 'Create Paychecks' table is highlighted with a red border. The table has the following data:

PROCESS PAYROLL BY	STATUS	PAYROLL SCHEDULE	PAY PERIOD	CHECK DATE
12/29/20	Overdue	Biweekly	12/16/2007 - 12/29/2007	12/29/2007
12/31/20	2 Weeks	Monthly	12/01/2025 - 12/31/2025	12/31/2025

Below the table, the 'Start Scheduled Payroll' button is highlighted with a red border. The 'Recent Payrolls' table is also visible, showing a list of completed payroll runs with columns for Check Date, Action, Paycheck Count, Gross Pay, and Net Pay.

6. If you receive another Special Paycheck Situation window, click **Continue**.

7. Select the employees you wish to pay by ensuring there is a checkmark next to their name in the grid.

Enter Payroll Information

1 Enter Payroll Information
 →
2 Review & Create Paychecks
 →
3 Print & Distribute Paychecks

[How do I pay my employees?](#)

PAYROLL INFORMATION

PAYROLL SCHEDULE: Biweekly PAY PERIOD ENDS: 01/14/2026 BANK ACCOUNT: 10100 - Checking

EMPLOYEES SELECTED TO PAY: 2 CHECK DATE: 12/15/2024 BANK ACCOUNT BALANCE: -6,373.33

[Explain Printing Options](#)

CHECK OPTIONS

Print paychecks on check stock [First Check#](#)
 Handwrite & Assign check numbers 1112

 SORT BY: Employee Name

<input checked="" type="checkbox"/>	EMPLOYEE	REGULAR PAY	OVERTIME RATE	SICK HOURLY	VACATION HOU...	TOTAL HOURS
<input checked="" type="checkbox"/>	Elizabeth N. Mason	80:00				80:00
<input checked="" type="checkbox"/>	Gregg O. Schneider	80:00				80:00
<input type="checkbox"/>						
<input type="checkbox"/>						
<input type="checkbox"/>						

[How do I use this window to enter payroll information?](#)

8. Click **Continue**. You may get a warning about one or more paychecks not having an assigned class. Click **OK**.

- To review all paychecks, click the **Open Paycheck Detail** button or, to review one paycheck, click the employee’s name in the grid.

Review and Create Paychecks

1 Enter Payroll Information → 2 **Review & Create Paychecks** → 3 Print & Distribute Paychecks

[How do I pay my employees?](#)

PAYROLL INFORMATION

PAYROLL SCHEDULE: **Biweekly** PAY PERIOD ENDS: 01/14/2026 BANK ACCOUNT: 10100 - Checking

NUMBER OF PAYCHECKS: 2 CHECK DATE: 12/15/2024 BANK ACCOUNT BALANCE: -6,373.33

[Explain Printing Options](#)

CHECK OPTIONS

Print paychecks on check stock [First Check#](#)

Handwrite & Assign check numbers 1112

Open Paycheck Detail...

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Tax	Contributions	Total Hours	Direct De
Elizabeth N. Mason	1,180.00	-216.75	-25.00	938.25	159.30	121.18	80:00	
Gregg O. Schneider	1,380.00	-266.85	-12.50	1,100.65	186.30	13.11	80:00	
	2,560.00	-483.60	-37.50	2,038.90	345.60	134.29	160:00	

< Back Finish Later **Create Paychecks**

10. If you clicked **Open Paycheck Detail** you are reviewing the paychecks one at a time; click **Save & Next** to review the next paycheck.

Preview Paycheck

Elizabeth N. Mason PAY PERIOD 01/01/2026 - 01/14/2026

Use Direct Deposit CLASS

Earnings

ITEM NAME	RATE	HOURS	WC CODE	CUSTOMER:JOB
Regular Pay	14.75	80:00	5645	
Overtime Rate	22.13		5645	
Sick Hourly	14.75		5645	
Vacation Hourly	14.75		5645	
TOTALS		1,180.00	80:00 hrs	

SICK AVAILABLE 43:00

VACATION AVAIL. 165:00

SICK ACCRUED 40:00

VAC. ACCRUED 6:45

Do not accrue sick/vac

Other Payroll Items

ITEM NAME	RATE	QUANTITY
Health Insurance	-25.00	

Employee Summary How are these items calculated?

ITEM NAME	AMOUNT	YTD
Regular Pay	1,180.00	1,180.00
Overtime Rate	0.00	0.00
Sick Hourly	0.00	0.00
Vacation Hourly	0.00	0.00
Health Insurance	-25.00	-25.00
Medicare Employee Addl Tax	0.00	0.00
Federal Withholding	-97.00	-97.00
Social Security Employee	-73.16	-73.16
Medicare Employee	-17.11	-17.11
CA- Withholding	-17.68	-17.68
Check Amount:	938.25	

Company Summary How are these items calculated?

ITEM NAME	AMOUNT	YTD
CA- Employee Training Tax	0.00	0.00
Social Security Company	73.16	73.16
Medicare Company	17.11	17.11
Federal Unemployment	7.08	7.08

Enter net/Calculate gross

11. Once you've reviewed all the paychecks you wish, click **Save & Close** on the paycheck(s) to return to the Review & Create Paychecks window.

12. Click **Create Paychecks**.

Review and Create Paychecks

1 Enter Payroll Information →
 2 Review & Create Paychecks →
 3 Print & Distribute Paychecks

[How do I pay my employees?](#)

PAYROLL INFORMATION

PAYROLL SCHEDULE: Biweekly	PAY PERIOD ENDS: 01/14/2026	BANK ACCOUNT: 10100 - Checking
NUMBER OF PAYCHECKS: 2	CHECK DATE: 12/15/2024	BANK ACCOUNT BALANCE: -6,373.33

[Explain Printing Options](#)

CHECK OPTIONS

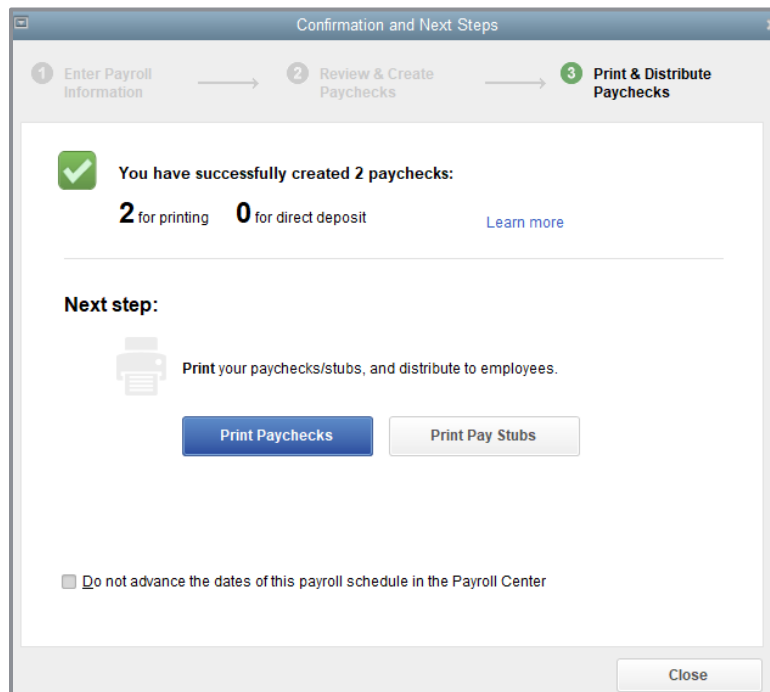
Print paychecks on check stock [First Check#](#)
 Handwrite & Assign check numbers 1112

[Open Paycheck Detail...](#)

Employee	Gross Pay	Taxes	Deductions	Net Pay	Employer Tax	Contributions	Total Hours	Direct De
Elizabeth N. Mason	1,180.00	-216.75	-25.00	938.25	159.30	121.18	80:00	
Gregg O. Schneider	1,380.00	-266.85	-12.50	1,100.65	186.30	13.11	80:00	
	2,560.00	-483.60	-37.50	2,038.90	345.60	134.29	160:00	

< Back
Finish Later
Create Paychecks

QuickBooks creates a payroll check for each employee in the chosen payroll schedule for the correct net amount, showing the deductions in the voucher area. QuickBooks confirms you have created the paychecks. You can then choose **Print Paychecks** (or **Print Pay Stubs** if they are going to be handwritten checks).



13. If you don't want to print the paychecks now, click **Close**.

NOTES

View the Paycheck

QuickBooks records payroll checks in your QuickBooks bank account register (whichever bank account you selected when you started to pay these employees). You can see the check by going to the register and opening it the way you open any transaction in a register, but it is easiest to view employee checks from the Employee Center.



Step-by-Step: View the Paycheck from the Employee Center

1. From the Employees drop-down menu, click **Employee Center**.
2. Click the **Employees** tab in the left section if it isn't already selected.
3. Select the name of the employee whose paycheck you want to view.
4. You'll see a list of recent paychecks for that employee in the Transactions tab in the right section of the Employee Center. Double-click the paycheck you want to open from the employee's transaction list.

PAYCHECK SUMMARY

EARNINGS	1,180.00	PAY PERIOD	12/02/2007 - 12/15/2007
ADDITIONS	0.00	HOURS WORKED	80:00
TAXES	-247.08		
DEDUCTIONS	-25.00		

5. Click **Save & Close** to close the paycheck.

Print Paychecks after Leaving Pay Employees Window

You can print paychecks (that were selected as Print paychecks on check stock in the Review and Create Paychecks window rather than Handwrite & Assign check numbers) after creating them while still in the Pay Employees area. However, you do not have to print them at that time. You can close the payroll function and print them at any time.

You print paychecks similarly to other QuickBooks checks. If you use voucher checks, QuickBooks prints the payroll item detail in the voucher area. If you don't use voucher checks, you can print a pay stub to give to your employees.



Step-by-Step: Print Paychecks after you Exit the Pay Employees Window

1. From the File menu, choose **Print Forms → Paychecks**.
2. Select the bank account that is the source of the paychecks from the Bank Account drop-down.
3. In the First Check Number field enter the starting check number from the check stock on which you are printing.
4. Make sure there's a checkmark next to all employee names whose paychecks you are going to print, and then click **OK**.

Select Paychecks to Print

Bank Account: 10100 - Checking First Check Number: 10080

Select Paychecks to print, then click OK.
There are 2 Paychecks to print for \$2,038.90.

<input checked="" type="checkbox"/>	DATE	EMPLOYEE	AMOUNT
<input checked="" type="checkbox"/>	12/15/2024	Elizabeth N. Mason	938.25
<input checked="" type="checkbox"/>	12/15/2024	Gregg O. Schneider	1,100.65

Show: Both Paychecks Direct Deposit

Company message to be printed on all pay stubs:

OK
Cancel
Help
Select All
Select None
Preferences

5. If desired, enter the text for a company message to appear on all pay stubs.
6. Click **Print**.

Print or Email Pay Stubs after Leaving Pay Employees Window

You can print pay stubs after recording paychecks that are to be handwritten while still in the Pay Employees area. However, you can close the payroll function and print or email them at any time.



Step-by-Step: Print or Email Pay Stubs after You Exit the Pay Employees Window

1. From the File menu, choose **Print Forms → Pay Stubs**.
2. Select the bank account that is the source of the paychecks from the Bank Account drop-down.

Select Pay Stubs

Bank Account: 10100 - Checking

Checks Dated: 12/14/2024 thru 03/14/2025

Select Pay Stubs, then click Print or E-mail.

Employee: All Employees

There are 8 Pay Stubs to print for \$8,958.02.

DATE	EMPLOYEE	AMOUNT
12/15/2024	Dan T. Miller	1,299.60
12/15/2024	Elizabeth N. Mason	907.92
12/15/2024	Gregg O. Schneider	1,033.98
12/15/2024	Dan T. Miller	1,350.15
12/15/2024	Elizabeth N. Mason	932.92
12/15/2024	Gregg O. Schneider	1,062.12
12/15/2024	Gregg O. Schneider	1,062.12

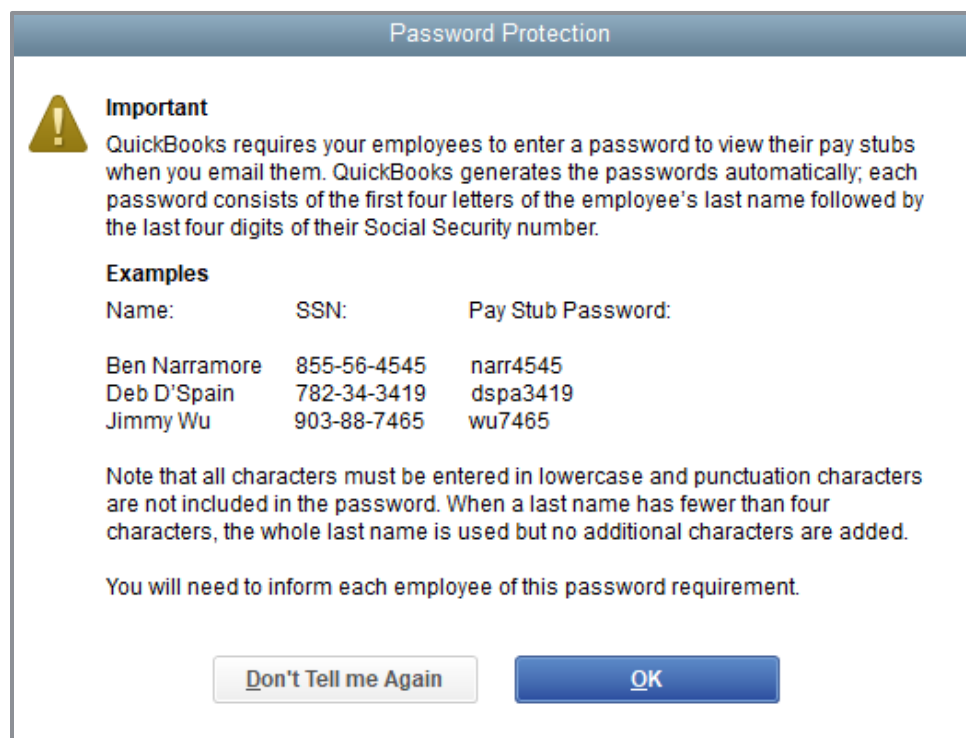
Show: Both Paychecks Direct Deposit

Company message to be printed on all pay stubs:

Buttons: Preview, Select All, Select None, Preferences, Default Email Text, Print, Email, Close, Help

3. Specify a date range for listing pay stubs.

- In the Employee drop-down, make sure **All Employees** is selected or, if desired, specify one employee, so you can find the employee(s) for whom you wish to print one or more paystubs.
- Place a checkmark next to the employees' paychecks for which you want to print or email a pay stub.
- If desired, enter the text for a company message to appear on all pay stubs.
- Click **Print** or **Email**. If you chose Email you will see a Paystub Information screen. Click OK. The Password Protection screen appears. Read the information and click **OK**. Follow the prompts to complete any missing employee email addresses.



- You'll see an Email Security window appear. Click **OK**.

NOTES

Pay Payroll Taxes

If you're about to pay taxes or other liabilities, the Payroll Liabilities Balances report shows how much to pay. Suppose you are ready to make a tax payment and you want to see how much you owe.



Step-by-Step: Create a Payroll Liabilities Report

1. From the Reports menu, choose **Employees & Payroll** → **Payroll Liability Balances**.
2. Select **This Calendar Year** in the Dates cell.
3. Click the drop-down menu in the **Show Columns** section at the top of report, then select **Year** (as opposed to **Month**, which was the default displayed when this report first appeared) to change the report display.

	BALANCE
Payroll Liabilities	
Advance Earned Income Credit	0.00
Federal Withholding	1,364.00
Medicare Employee	200.81
Social Security Employee	858.60
Federal Unemployment	100.00
Medicare Company	200.81
Social Security Company	858.60
CA - Withholding	299.19
CA - Disability Employee	48.13
CA - Unemployment Company	100.00
CA - Employee Training Tax	10.00
Health Insurance	150.00
Workers Compensation	1,214.31
Total Payroll Liabilities	<u>5,404.45</u>

4. Close the report.

NOTES

Write a Check for Payroll Taxes

When it's time to deposit payroll taxes with your deposit institution, use the Liability Check window to fill out a special type of QuickBooks check for this purpose.



Step-by-Step: Pay Payroll Liabilities

1. From the Employees drop-down menu, choose **Payroll Taxes and Liabilities → Create Custom Liability Payments**.
2. In the From and Through fields, enter the date range for which you are paying the liabilities.

Select Date Range For Liabilities

Select the date range for the payroll liabilities you want to pay.

Tip: Base your dates on the dates of the paychecks you issued, not on your pay period dates.

SHOW PAYROLL LIABILITIES

Dates Custom From 12/01/2025 Through 12/31/2025

OK Cancel Help

3. Click **OK**.
4. Complete the information in the Pay Liabilities window to mirror the payment you making:
 - Ensure the proper Bank Account is selected
 - Enter the proper Check Date
 - Place **checkmarks** next to the liabilities you wish to pay; normally, you'd select all liabilities that are for one Payable To name

5. Make sure **Review liability check to enter expenses/penalties** is selected, then click **Create**.

Pay Liabilities

To be printed

Bank Account: 10100 - Checking

Check Date: 01/05/2026

Sort By: Payable To

SHOW PAYROLL LIABILITIES

Dates: Custom From 12/01/2025 Through 12/31/2025

Review liability check to enter expenses/penalties

Create liability check without reviewing

Create **Cancel** **Payroll Liabilities Report** **Help**

PAYROLL ITEM	PAYABLE TO	BALANCE	AMT. TO PAY
Health Insurance		150.00	0.00
CA- Disability Employee	Employment Development Department	65.33	65.33
CA- Employee Training Tax	Employment Development Department	10.00	10.00
CA- Unemployment Company	Employment Development Department	100.00	100.00
CA- Withholding	Employment Development Department	303.19	303.19
Advance Earned Income Credit	Great Statewide Bank	0.00	0.00
Federal Unemployment	Great Statewide Bank	100.00	0.00
Federal Withholding	Great Statewide Bank	1,372.00	0.00
Medicare Company	Great Statewide Bank	200.81	0.00
Medicare Employee	Great Statewide Bank	200.81	0.00
Social Security Company	Great Statewide Bank	858.60	0.00
Social Security Employee	Great Statewide Bank	858.60	0.00
Workers Compensation	State Fund	1,214.31	0.00
		5,433.65	478.52

Hide zero balances

Ending Bank Balance -8,890.75

Liability Check - Checking

Main Reports

Find New Save Delete Memorize Create a Copy Print Print Later Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Checks

BANK ACCOUNT: 10100 - Checking ENDING BALANCE: -11,736.96

NO. TO PRINT: DATE: 01/08/2025 \$ 4,791.59

PAY TO THE ORDER OF: Great Statewide Bank

Four thousand seven hundred ninety-one and 59/100* ***** DOLLARS

ADDRESS: Great Statewide Bank, P.O. Box 522, Bayshore CA 94326

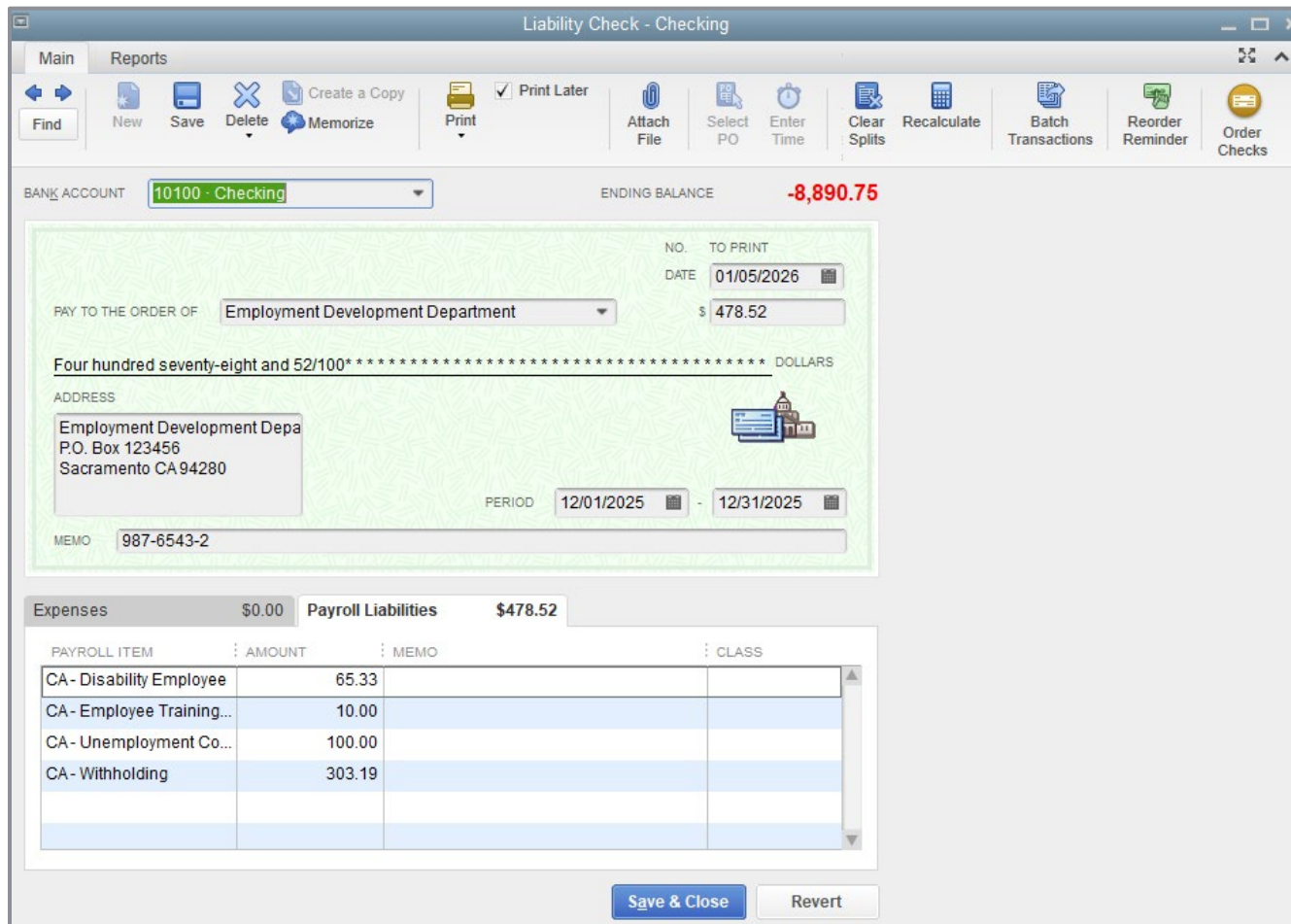
PERIOD: 01/01/2024 - 12/31/2024

MEMO: 00-7904153

Expenses \$0.00 Payroll Liabilities \$4,791.59

PAYROLL ITEM	AMOUNT	MEMO	CLASS
Advance Earned Incom...	0.00		
Federal Unemployment	106.75		
Federal Withholding	1,758.00		
Medicare Company	277.38		
Medicare Employee	277.38		
Medicare Employee Ad...	0.00		
Social Security Company	1,186.04		
Social Security Employee	1,186.04		

Save & Close Revert



QuickBooks will create one liability check per institution.

- Click **Save & Close** to record the check.

NOTES

Payroll with QuickBooks – Review Questions

1. What is required for QuickBooks to calculate payroll in a real company file?

2. Which two accounts are typically linked to payroll items?
 - a. _____
 - b. _____
3. Which of the following are QuickBooks payroll item types?
 - a. Wage
 - b. Addition
 - c. Deduction
 - d. All of the above
4. What report would you run to determine how much you owe in payroll taxes?

5. What QuickBooks feature would you use to make setting up payroll easier when a number of employees have the same hourly wage, pay period and base deductions?
 - a. Tax tables
 - b. Employee defaults
 - c. Payroll items
 - d. Assisted payroll
6. True or false: Payroll schedules are required to run payroll in QuickBooks.
 - a. True
 - b. False

7. Payroll schedules help you do which of the following?
- a. Group employees with the same pay frequency
 - b. Write bonus checks
 - c. Prepare termination checks
 - d. Pay payroll tax liabilities

Review Activities

Use Rock Castle Construction (sample product-based company) to do these activities:

1. Add a salaried employee to the Employee Center. Enter the employee's personal information, federal and state tax information, and at least one additional paycheck deduction. Assign the employee to the monthly payroll schedule.
2. Run the monthly payroll schedule and process a paycheck for the new employee. View the check in QuickBooks. Open at least one payroll liability account register to see how the paycheck changes the account's balance.
3. Select one of the Payroll Expense accounts from the Chart of Accounts. Create a QuickReport for that expense account.

Answers to Review Questions

1. What is required for QuickBooks to calculate payroll in a real company file?
A subscription to a QuickBooks payroll service
2. Which two accounts are typically linked to payroll items?
 - a. *Payroll Liabilities*
 - b. *Payroll Expenses*
3. Which of the following are QuickBooks payroll item types?
 - a. Wage
 - b. Addition
 - c. Deduction
 - d. ✓ *All of the above*
4. What report would you run to determine how much you owe in payroll taxes?
Payroll Liabilities Balances
5. What QuickBooks feature would you use to make setting up payroll easier when a number of employees have the same hourly wage, pay period and base deductions?
 - a. Tax tables
 - b. ✓ *Employee defaults*
 - c. Payroll items
 - d. Assisted payroll
6. True or false: Payroll schedules are required to run payroll in QuickBooks.
 - a. True
 - b. ✓ *False. You do not need payroll schedules to run payroll. You can run payroll without them by running *Unscheduled Payroll* or paying an employee a termination check.*

7. Payroll schedules help you do which of the following?
- a. ✓ *Group employees with the same pay frequency*
 - b. Write bonus checks
 - c. Prepare termination checks
 - d. Pay payroll tax liabilities