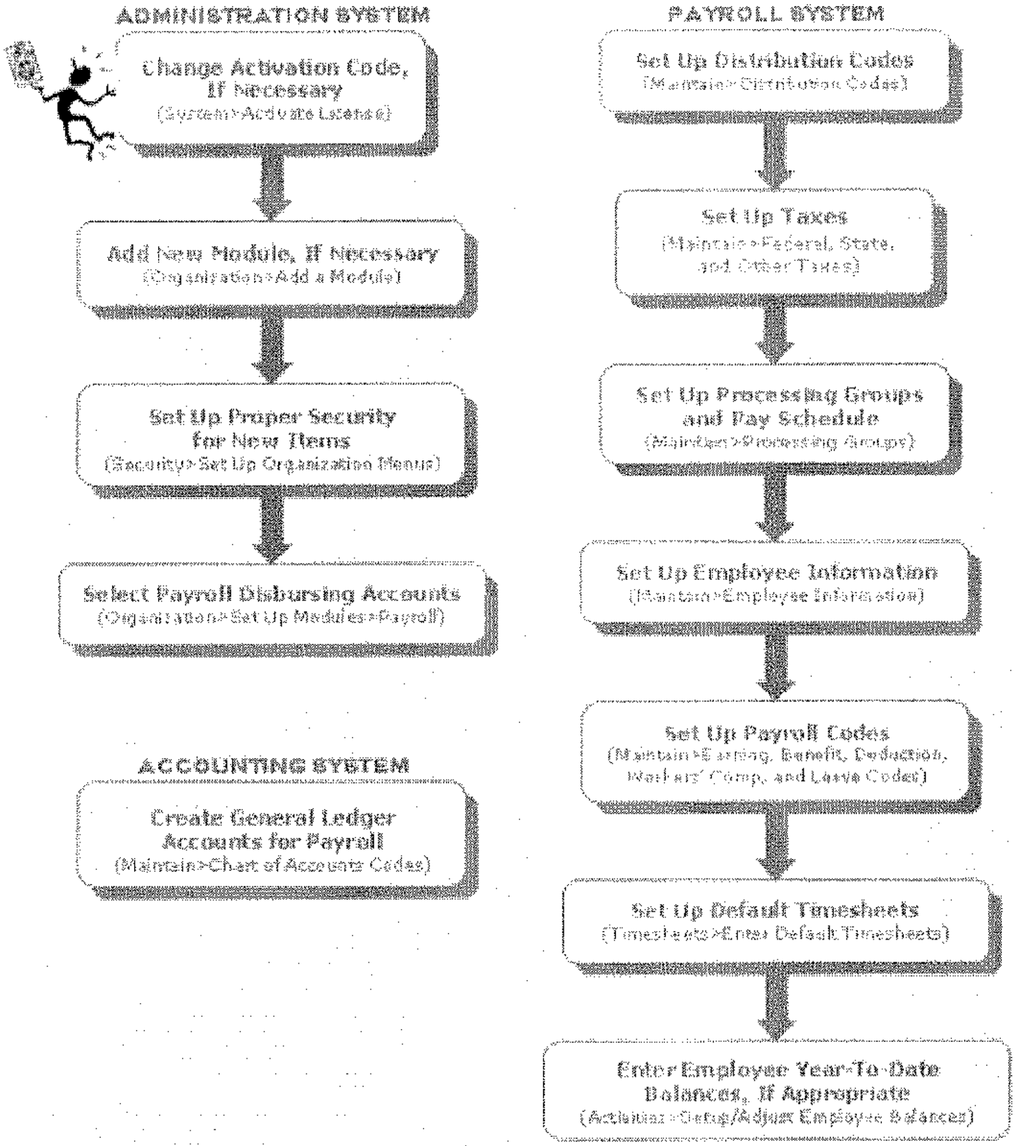
Payroll with
Abila MIP Fund Accounting
Diocese of La Crosse Training

October 2014

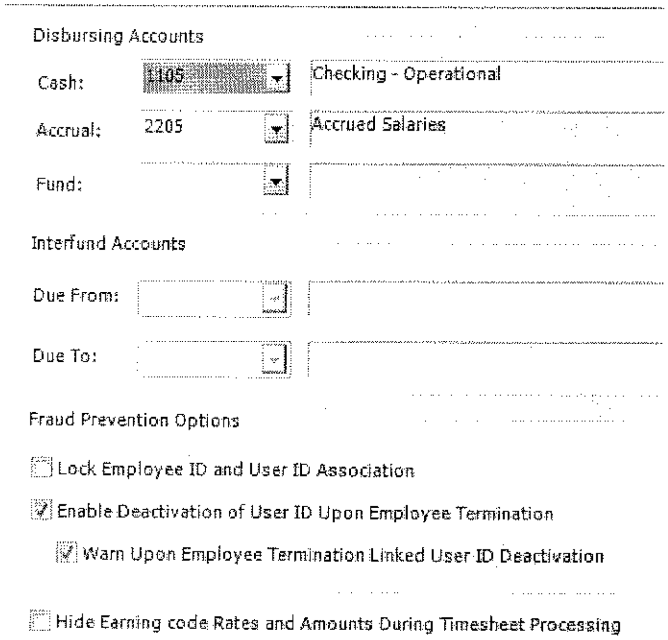
Training Topics:

There are several steps before your payroll system can process correctly. You can always refer to the help Checklists for a review:



Set Up in Administration

In order to use the payroll module you need to set up your disbursing fund if you have one, cash account and accrual account if you wish to accrue your payroll. The cash account should be a general ledger cash type, if you have an accrual account, this is typically an APO or OL general ledger type. You may or may not have a disbursing Fund. If you have a disbursing Fund, you will also need to fill in a Due From: Due To: account. ***Note:*** you can only disburse payroll from one Cash account at a time.



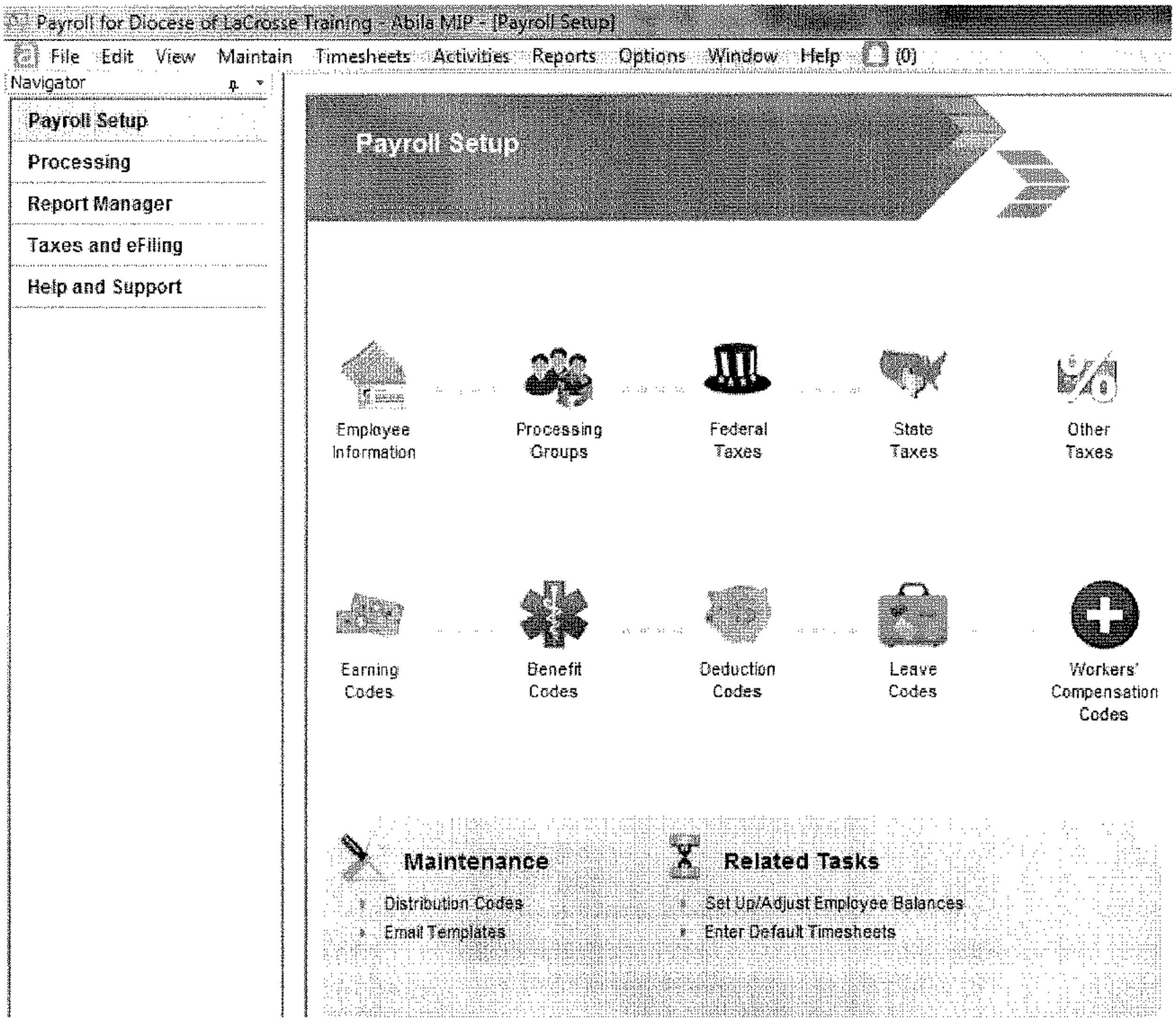
New with version 14.6 are some anti-fraud options. Select these options as a fraud preventative: to display User ID association with an Employee ID; change the User ID status to Inactive upon employment termination; display a warning message before automatically revoking privileges in the system, once an employee has been terminated.

- Lock Employee ID and User ID Association: Select this check box to change the User ID field on the Payroll>Maintain>Employee Information form to be display only after a User ID is selected and the form is saved.
- Enable Deactivation of User ID Upon Employee Termination: Select this check box to enable the system to change the associated system User ID status to Inactive, upon employment termination. The association between the Employee ID and system User ID is set up on the Payroll>Maintain>Employee Information form. The system User ID is set up using Administration>Security>Maintain Users. It is recommended to use unique User IDs, otherwise, if the User ID is shared and one of the associated Employee IDs is terminated, the User ID will be set to Inactive and the remaining Users will be locked out of the system as well.
    - Warn Upon Employee Termination Linked User ID Deactivation: Select this check box to display a warning message, when that Employee ID is

changed to Terminated, about the Employee ID and system User ID association. The Enable Deactivation of User ID Upon Employee Termination check box must be selected in order for this option to be available.

Set up in Payroll

There are several steps in payroll to establish a functioning payroll system.



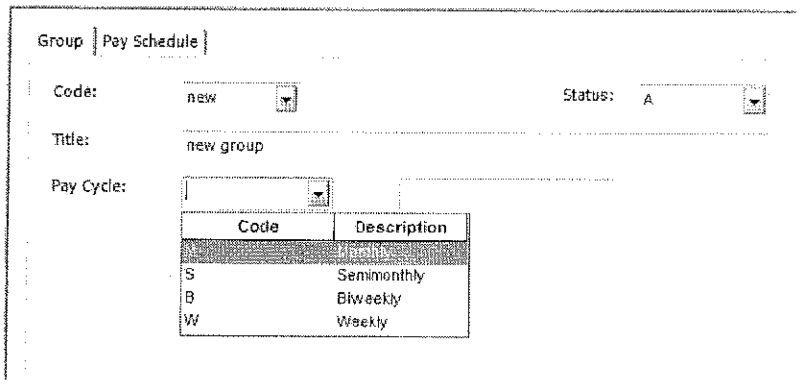
Processing Groups

Processing Groups

Start with setting up your processing groups. Processing groups are used to group employees with the same pay cycle and pay date. After you set up the processing groups, you will assign employees to a specific group. You must have a minimum of one. If you process payrolls on a different cycle (Weekly, Bi-Weekly, Semi-Monthly, Monthly) or pay on a different date, you will need to create a new processing group. You may create a unique processing group if it would make processing easier. There are three statuses that can be assigned to codes:

- **A** – Active.
- **I** – Inactive. Inactive codes can still be used for processing, but the application will pop up a warning box that you are about to use an inactive code. You may still choose to do so.
- **D** – Discontinued. Codes flagged discontinued cannot be used.

Remember when naming the code, you should not use any spaces or special characters; only alphabets and numbers.



You will then need to define the first pay date of the new year, and the corresponding pay cycle. The application will then calculate the rest of the year based on your settings. You may modify this information as long as that payroll has not been processed.

Group | Pay Schedule

Year: 2015 | First Pay Date: 1 / 5 /2015 | First Pay Period End Date: 12/31/2014

Pay Dates

Pay Period	Pay Date	Pay Period Begin Date	Pay Period End Date	SUTA Weeks
1	1 / 5 /2015	12/ 1 /2014	12/31/2014	4
2	2 / 5 /2015	1 / 1 /2015	1 /31/2015	4
3	3 / 5 /2015	2 / 1 /2015	2 /28/2015	5
4	4 / 5 /2015	3 / 1 /2015	3 /31/2015	4
5	5 / 5 /2015	4 / 1 /2015	4 /30/2015	4
6	6 / 5 /2015	5 / 1 /2015	5 /31/2015	5
7	7 / 5 /2015	6 / 1 /2015	6 /30/2015	4
8	8 / 5 /2015	7 / 1 /2015	7 /31/2015	4
9	9 / 5 /2015	8 / 1 /2015	8 /31/2015	5
10	10/ 5 /2015	9 / 1 /2015	9 /30/2015	4
11	11/ 5 /2015	10/ 1 /2015	10/31/2015	4
12	12/ 5 /2015	11/ 1 /2015	11/30/2015	5

Federal Taxes

Federal Taxes

Set up the general ledger codes for the various federal taxes. The GL code may not be a sub-ledger type of account; i.e. AP or AR.

Federal | Employee FICA Taxes | Employer FICA Taxes | FUTA Taxes | Distribution

Tax Account	Code	Title
FIT Withholding Liability	2105	Federal Income Tax Payable
Social Security Expense	5020	Payroll Taxes
Social Security Liability	2110	FICA Payable
Medicare Expense	5020	Payroll Taxes
Medicare Liability	2115	Medicare Payable
Federal Unemployment Expense	5040	Unemployment Insurance
Federal Unemployment Liability	2110	FICA Payable

Employee FICA Taxes Tab – This tab captures the employee's federal withholding information for Social Security and Medicare. The application will default to the current federal values. Use the Calculation Method current if mid-year rate changes occur that are not retroactive. Use Year-to-Date to perform an all-in-one catch up. This option will adjust the employee's next payroll check to ensure year-to-date withholding is accurate to the point in time when the check is calculated.

Federal | Employee FICA Taxes | Employer FICA Taxes | FUTA Taxes | Distribution

Social Security Tax

☐ Override Official Values		2014 Official Values	2013 Official Values
Maximum Annual Subject Wages:	$117,000.00	$117,000.00	$113,700.00
Percent of Wages:	006.2000%	006.2000%	006.2000%
Calculation Method:	Y		

Medicare Tax

		2014 Official Values	2013 Official Values
Maximum Annual Subject Wages:	No Limit	No Limit	No Limit
Percent of Wages	001.4500%	001.4500%	001.4500%

Employer FICA Taxes Tab – This tab captures similar information as the Employee FICA Taxes Tab, but on the part of the Employer.

Federal | Employee FICA Taxes | Employer FICA Taxes | FUTA Taxes | Distribution

Social Security Tax

☐ Override Official Values		2014 Official Values	2013 Official Values
Maximum Annual Subject Wages:	$117,000.00	$117,000.00	$113,700.00
Percent of Wages:	006.2000%	006.2000%	006.2000%
Calculation Method:	Y		

Medicare Tax

		2014 Official Values	2013 Official Values
Maximum Annual Subject Wages:	No Limit	No Limit	No Limit
Percent of Wages:	001.4500%	001.4500%	001.4500%

Distribution Tab – Settings on this tab direct how to distribute the federal tax expense.

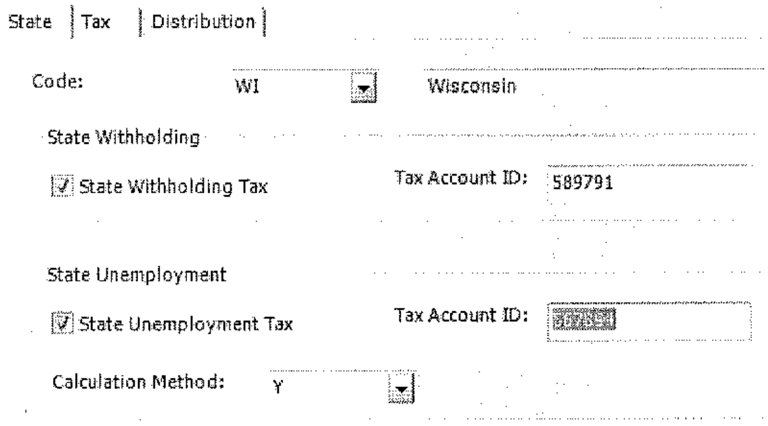
- Follow Earnings on Timesheet – This method directs the employer's portion of the federal taxes to be distributed to the same account codes as the distribution designated on the employee's timesheet.
- Follow Earnings Used to Calculate the Tax – Use this method to direct the employer's portion of the federal taxes to be distributed to the same account codes as the employee's earnings used to calculate the tax.

- Use Distribution code –This method specifies an exact distribution of the federal taxes that is different than the employee's earnings distribution. The distribution code used must be an existing code.

State Taxes

State
Taxes

State Tab – Each state will need to be set up separately. You can set up as many states as you need.



State | Tax | Distribution

Code: WI Wisconsin

State Withholding

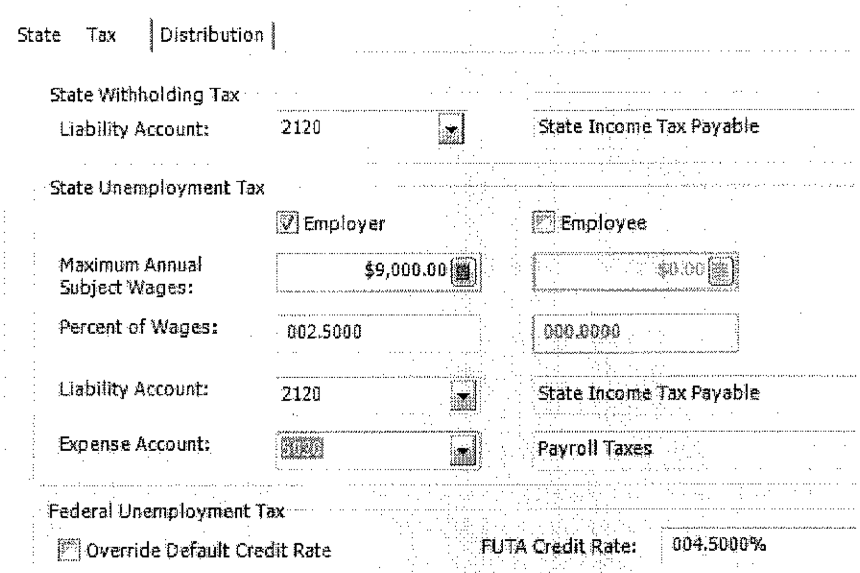
☑ State Withholding Tax Tax Account ID: 589791

State Unemployment

☑ State Unemployment Tax Tax Account ID: [illegible]

Calculation Method: Y

Tax Tab – Depending on the state rules, you may need to define State Withholding and/or State Unemployment.



State Tax | Distribution

State Withholding Tax

Liability Account: 2120 State Income Tax Payable

State Unemployment Tax

	☑ Employer	☐ Employee
Maximum Annual Subject Wages:	$9,000.00	$0.00
Percent of Wages:	002.5000	000.0000
Liability Account:	2120	State Income Tax Payable
Expense Account:	[illegible]	Payroll Taxes

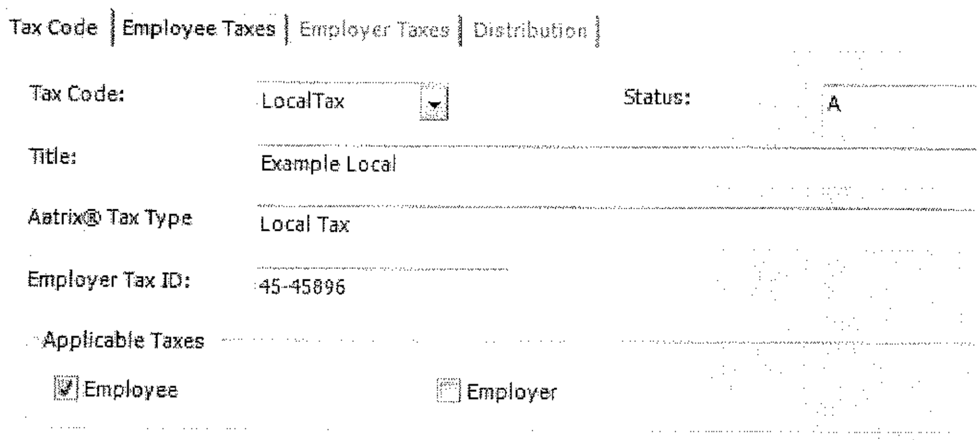
Federal Unemployment Tax

☐ Override Default Credit Rate FUTA Credit Rate: 004.5000%

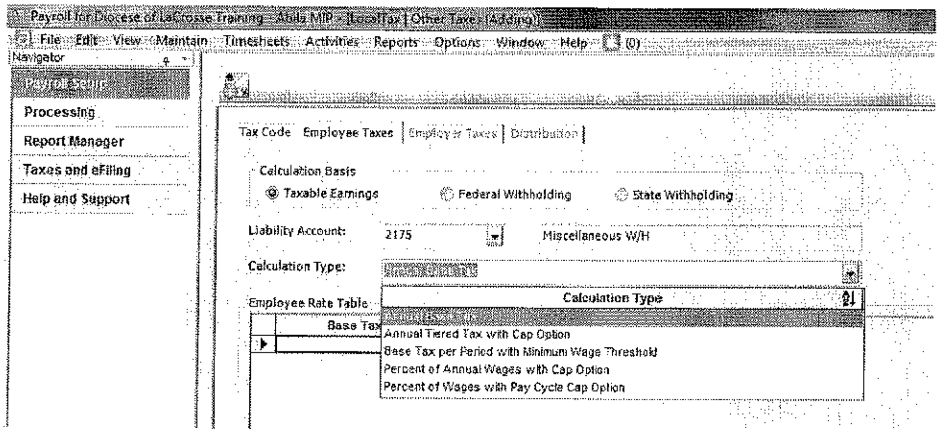
Distribution Tab –The choices here follow the Federal choices.
Each state's withholding tables do not have to be maintained; these are built into the application as is the federal tax tables. Once the state has been activated, the tables are automatically accessed. The state is now available for entry onto the employee's information.

Other Taxes

This tab is used only if there are local taxes, such as a county tax or city tax. You may also use this tab to set up State Disability Insurance (SDI) and Temporary Disability Insurance (TDI) withholding and expensing formulas. You will specify whether these taxes are employer or employee paid. ***Remember when naming the code, you should not use any spaces or special characters; only alphabets and numbers.***

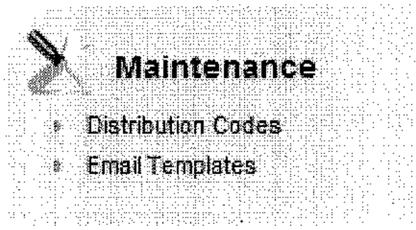


Depending on how the local tax is calculated, you will need to set up and maintain the codes. ***The Diocese has no local taxes.***



Distribution Codes

Distribution codes allow you to determine the funds and other account segments where you would like the transaction amounts to go. These need to be set up ahead of time, as they are required for any earnings. Distribution codes may be designated as Accounting only (A), Payroll only (P), or both Accounting and Payroll (B). Distribution codes capture all accounting segments EXCEPT the General Ledger code. Distribution codes can be set up to distribute amounts according to percentages, hours or amounts. Use Amount to distribute your payroll expenses by the same dollar amount each time. A distribution code can contain an amount, as well as a percentage or hour distribution in the same code. The amount will distribute first, then the remaining expenses by the hours or percentages. ***Remember when naming the code, you should not use any spaces or special characters; only alphabets and numbers.***



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rename w/o
character

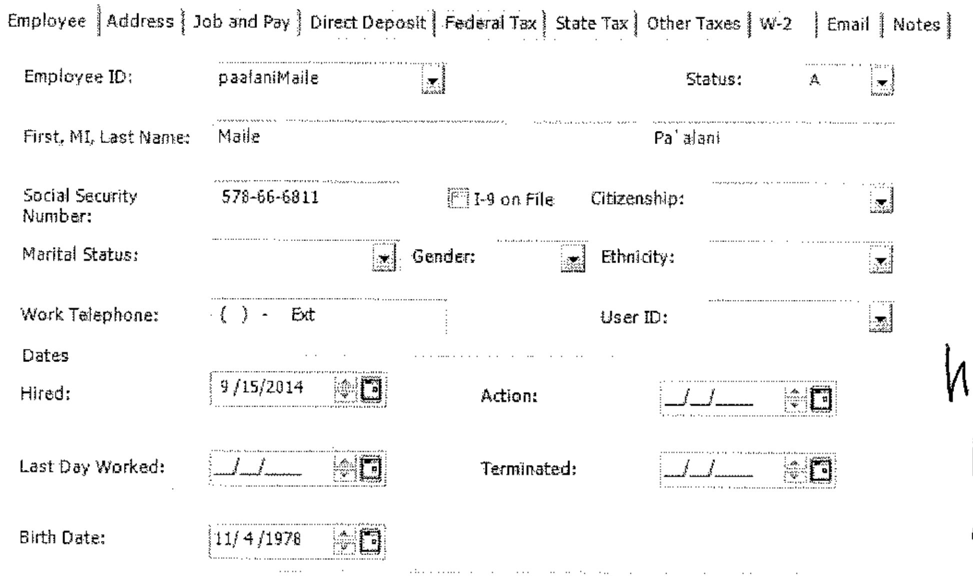
Code*	Description*	Status	Apply To
AHS-Ad Asst	AHS Administrative Assistant	A	Payroll Only
AHS-Athl Dir	WRACS Athletic Director	A	Payroll Only
AHS-CompApp	AHS - Computer Applications	A	Payroll Only
AHS-Guidance	AHS Guidance	A	Payroll Only
AHS-LangArts	AHS - Language Arts	A	Payroll Only
AHS-Math	AHS - Math	A	Payroll Only
AHS-Pottery	AHS - Pottery	A	Payroll Only
AHS-Princ	AHS-Principal	A	Payroll Only
AHS-Religion	AHS - Religion	A	Payroll Only
AHS-Science	AHS - Science	A	Payroll Only
AHS-SHAide	AHS - Study Hall Aide	A	Payroll Only
AHS-SocStud	AHS - Social Studies	A	Payroll Only

employee
default time sheet
• assign new
updated code

Employee Information

You now can enter your employee information, tab by tab. The application uses this information in calculations throughout the payroll process. Several fields are required. If you have your settings to highlight required fields, you will know which fields must be filled in for the application to accept adding the employee. ***Remember when creating the ID, you should not use any spaces or special characters; only alphabets and numbers.***

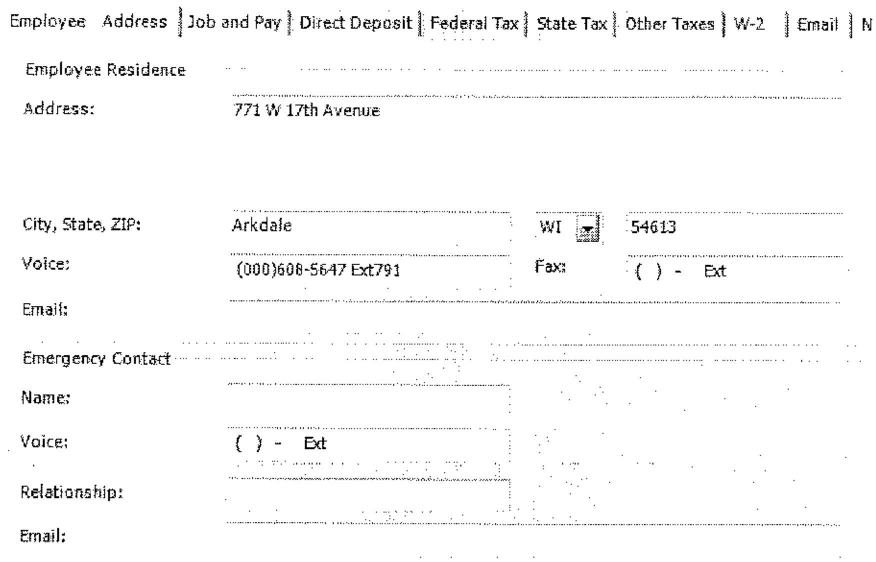
Employee Tab – Only the ID, Status, First Name, Last Name and Social Security Number are required. Although a hire date is not required when you enter an employee's information, a hire date is required to produce a SUTA report for the employee.



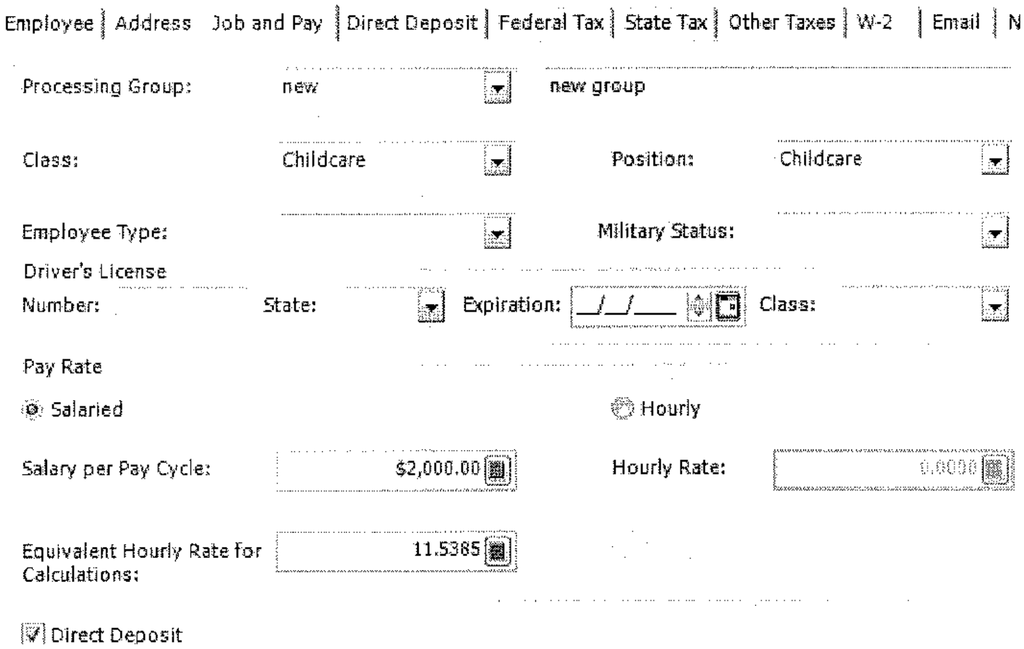
hire date is used for calculation

* notes tab enter actual hire date & rehire date

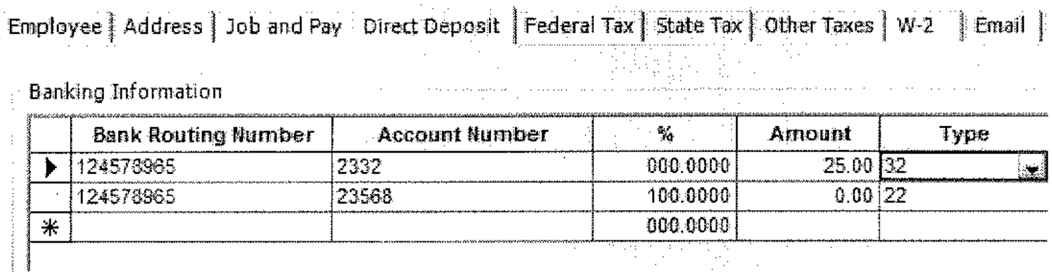
Address Tab – Notice on this tab I can keep track of an emergency contact. Do not use punctuation in the address fields to conform to IRS regulations for Electronic Media data transfers.



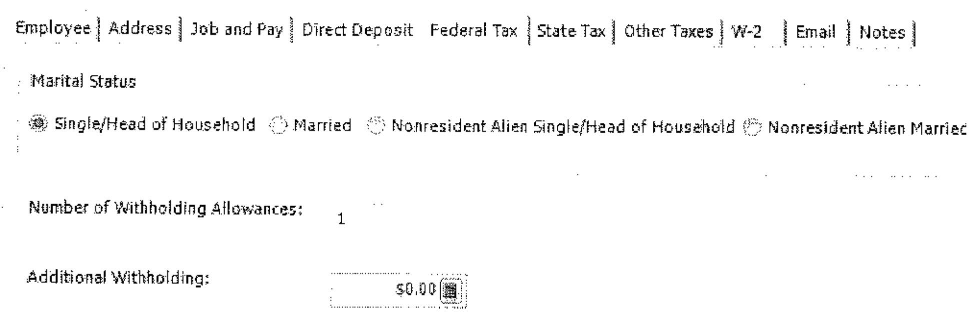
Job and Pay Tab – The processing group is required, as is the pay rate. This could be entered either as a Salary per Pay Cycle or Hourly rate. If you enter the Salary per Pay Cycle, the application will calculate the Equivalent Hourly Rate. The Equivalent Hourly Rate is calculated by taking the salaried amount multiplied by the pay cycle to result in an annual amount. The annual amount is divided by 2080 hours in a year, resulting in the hourly equivalent. Also notice the Direct Deposit flag. The Direct Deposit flag must be clicked on before the direct deposit tab is activated.



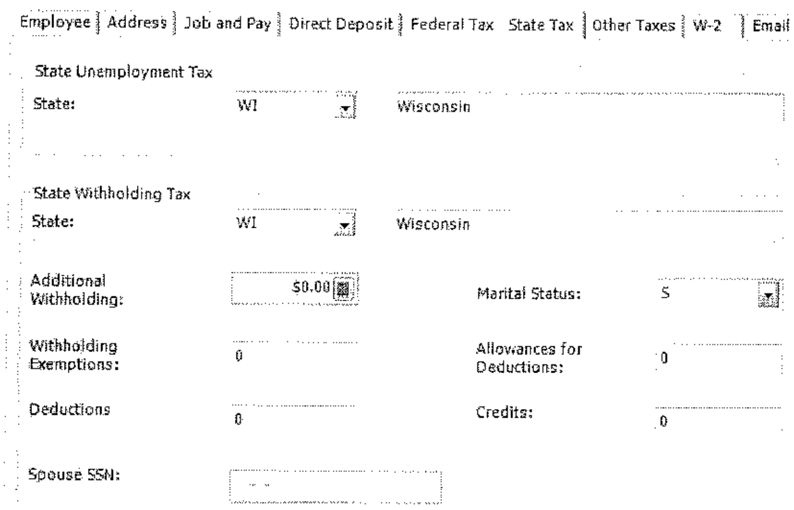
Direct Deposit Tab – This is where you enter information regarding an employee's pay distribution. You can have as many distributions as needed, but the percentage distributions should total 100%. This represents where the remainder of the check will go. Type 32 is a savings account, type 22 is a checking account. You must have the Direct Deposit module installed for this tab to be available. The application will distribute amounts first, then any percentage distributions. You may use the *Lists>Employee Bank Information* report to print this information.



Federal Tax Tab – This tab would be filled out based on the employee's W-4 statement. If the employee is exempt from FIT withholding but needs a W-2, select 99 Withholding Allowances.

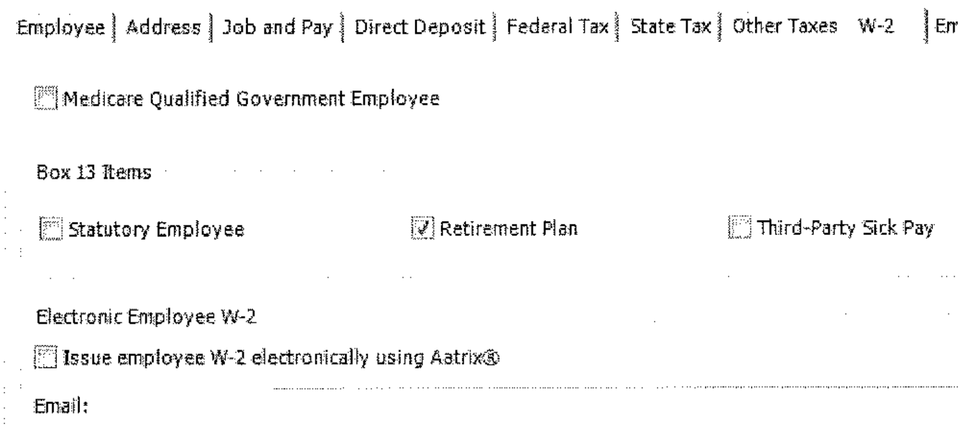


State Tax Tab – You will need to choose the appropriate state for this employee, and fill out the appropriate information. Again, if an employee is exempt from state tax withholding but requires a W-2, select 99 Withholding Allowances.



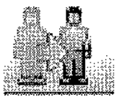
Other Taxes Tab – The Diocese has no other taxes.

W-2 Tab – The most common choice on this tab is Retirement Plan. Choosing this option would report in Box 13 on the W-2. You do have the option of contracting with Aatrix to issue electronic W-2 statements to employees.

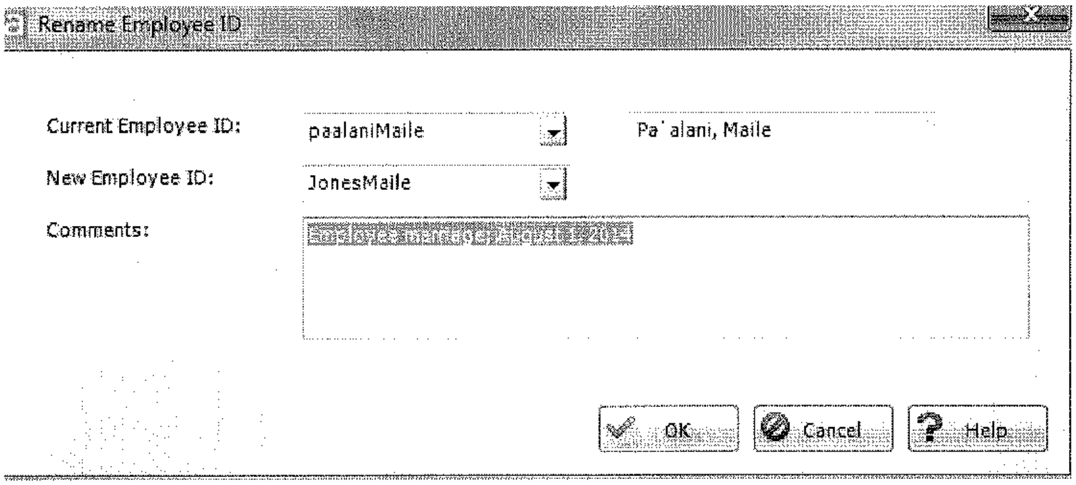


We are now ready to set up our specific payroll codes. These codes will be entered onto employee's default timesheets.

Renaming an Employee



If you need to change the Employee ID of an employee, start with a new employee and client on the Renaming an Employee icon. A pop up will appear. Choose the current employee ID you would like to change, then fill in the required information.



After you accept this operation, all history for this employee will ~~not~~ now attach to the new employee ID.

Earning Codes

Earning
Codes

Earning codes consist of salaries, stipends, expense reimbursements. Codes are calculated in a variety of ways, depending on the code. Salary and hourly codes are typically calculated using the Employee Pay Rate. ***Remember when naming the code, you should not use any spaces or special characters; only alphabets and numbers.***

Code*	Title*	Status	Expen...	Track Labor Hours	W-2 Box ...	Calculation Method
CC	Choice Costs	A	5005	✓	0	Employee Pay Rate
HA	Housing Allowance - Religious	A	5055	✓	0	Employee Pay Rate
SAIDE	Substitute - AHS/AMS Aide	A	5005	✓	0	Fixed Hourly Amount
SFD	Substitute - Full Day	A	5005	✓	0	Fixed Amount
SFS	Substitute - Food Service	A	5005	✓	0	Fixed Hourly Amount
SH	Substitute - Hourly	A	5005	✓	0	Rate on Timesheet
SHADM	Substitute - Hourly Admin Assistant	A	5005	✓	0	Fixed Hourly Amount
SHCC	Subsitute - Hourly Child Care	A	5005	✓	0	Fixed Hourly Amount
SHD	Substitute - Half Day	A	5005	✓	0	Fixed Amount
SLT	Substitute - Long Term, Full Day	A	5005	✓	0	Fixed Amount
SO	Salary - Others	A	5005	✓	0	Employee Pay Rate
SOF	Sport Officials	I	9055	✓	0	Amount on Timesheet
SP	Stipend - Athletics	A	5015	✓	0	Amount on Timesheet
SPI	Stipend - Instructional	A	5015	✓	0	Amount on Timesheet
SR	Salary - Religious	A	5010	✓	0	Employee Pay Rate
ST	Salary - Teachers	A	5005	✓	0	Employee Pay Rate
STPD	Stipend	A	5005	✓	0	Amount on Timesheet
STPDH	Stipend - Events	A	5005	✓	0	Fixed Hourly Amount
WO	Wages - Overtime	A	5005	✓	0	Rate Multiplier
WR	Wages - Regular	A	5005	✓	0	Employee Pay Rate

Example code

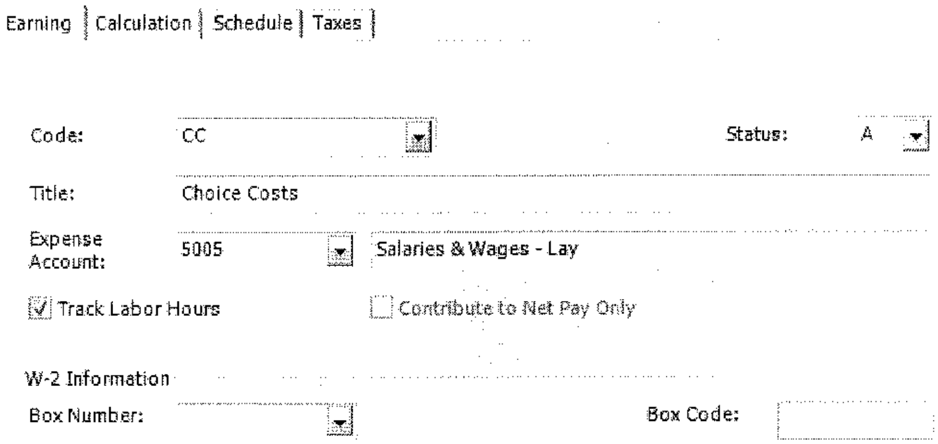
Earning Tab – This is where we name our earning and assign the expense code.

Track Labor Hours – Select this check box to track the employee labor hours entered on a timesheet, and be able to run reports as to how those hours were distributed.

Contribute to Net Pay Only – Select this check box to process employee reimbursement and advances through regular payroll processing. These earning codes will calculate without the amount being subject to taxes and fringe benefits. The only method of calculation available for this option is *Amount on Timesheet*. The taxes tab is disabled.

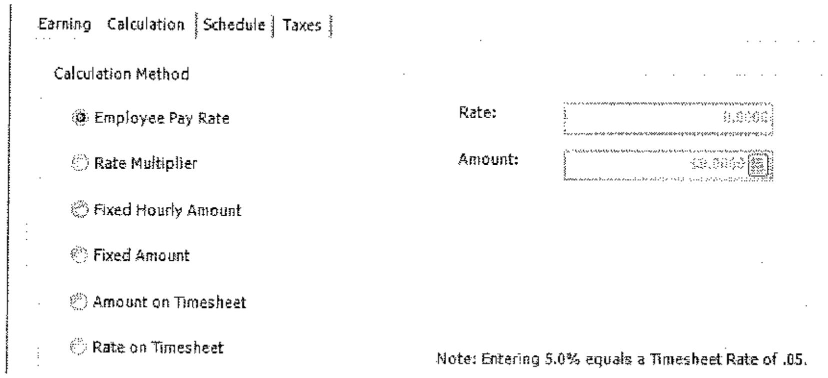
W-2 Information – Some earnings require special reporting for W-2 purposes. Use these fields to report earnings for box numbers 7, 8, 10, 11, 12 or 14. Box 12 requires a corresponding Box Code. If you have earnings that need to report in boxes 1-6, 16, 17, 18 and 19, select the check boxes on the Taxes tab and leave the W-2 Box Number box on this tab blank.

Earnings Versus Benefit – Earnings are amounts paid to employees that increase net pay, and ordinarily would be subject to taxation. Benefits are amounts paid to a third party on behalf of an employee, and do not increase net pay. They may however be defined as taxable income. This may include life insurance for an employee that exceeds the federally allowed maximum.



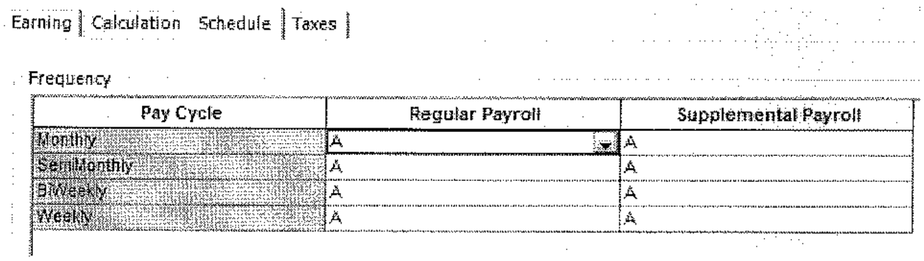
Calculation Tab – There are several options to calculating an earning:

- **Employee Pay Rate** – This method reads the pay rate assigned to the employee on their maintain menu, under the *Job and Pay Tab.* If an employee is salaried, the employee's salary per pay cycle is the earning amount. If the employee is hourly, the earning amount is the employee's hourly rate multiplied by the hours on the timesheet for that Earning Code.
- **Rate Multiplier** – This method is frequently used for overtime, where the pay rate would be a multiple of the employee's normal pay rate. If you choose this option, you must fill in the rate multiplier.
- **Fixed Hourly Amount** – This method uses the specified amount in the box multiplied by the number of hours specified on the employee timesheet. This fixed amount would be substituted for the employee pay rate. You must fill in the fixed hourly amount box. This amount will apply to all employees with this code.
- **Fixed Amount** – This method is a flat rate calculation, and might be used for a stipend. You must enter the fixed amount in the box. This method applies to all employees.
- **Amount on Timesheet** - This option allows for fixed amounts to be customized to each employee at timesheet time.
- **Rate on Timesheet** – This method allows the definition of both the number of hours and the hourly rate on the timesheet. The rate on the timesheet is substituted for the employee pay rate.



Schedule Tab – Here is where you determine when to calculate the chosen earning code, and whether it is available for both regular and supplemental timesheets. The frequencies depend on the pay cycle:

- **Monthly** – Always, or Never
- **SemiMonthly** – Always, 1st payroll of the month, 2nd payroll of the month, Never
- **BiWeekly** – Always, 1st payroll of the month, 2nd payroll of the month, 1st two payrolls of the month, Never
- **Weekly** – Always, 1st four payrolls of the month, 1st payroll of the month, 2nd payroll of the month, 3rd payroll of the month, 4th payroll of the month, 1st and 3rd payroll of the month, 2nd and 4th payroll of the month, Never



Taxes Tab – This is where you specify which taxes apply to this earning code. Since earnings are typically taxable, the application defaults to all tax types selected. If the organization is not subject to Federal Unemployment, this check box should be unchecked.