



Record Payroll Checks

Property Management Solutions for Over 30 Years

Overview

Entering a payroll check has to be done with a single check transaction that writes the check to the employee for the net amount of his pay and records tax amounts and other deductions against the employer (owner or management group).

Example: Enter a Payroll Check

The easiest way to explain the process is with a simple example. Every payroll check will involve the following:

Gross Pay	
Employee share of FICA	6.2% of Gross deducted from Gross
Employee share of Medicare	1.45% of Gross deducted from Gross
Employer share of FICA	6.2% of Gross expense to employer
Employer share of Medicare	1.45% of Gross expense to employer
Employee Income Tax Withheld (Federal W/H)	Deducted from Gross - varies

For the purposes of this example the gross pay for the employee is \$100 and the Federal Income Tax Withheld is \$10.

Set up Account Codes and Bill Codes

Name	Account Type	Ledger #	Bill Code
Wages	Expense	6610	Wages
FICA Company Tax	Expense	6620	SStax
Medicare Company Tax	Expense	6621	Medtax
FICA Company Payable	Current Liability	2220	FICA CO Pay
FICA Employee Payable	Current Liability	2221	FICA Emp Pay
Medicare Company Payable	Current Liability	2230	Medicare Co Pay
Medicare Employee Payable	Current Liability	2231	Medicare Emp Pay
Federal W/H Payable	Current Liability	2250	Fed W/H Pay

The net amount to the employee would then calculate as follows:

100.00	gross
-6.20	employee FICA
-1.45	employee medicare
-10.00	income tax withheld
82.35	

Single Check

Enter a single check to the employee using the employer as [Bill To].

The lines of the Single Check are shown below with explanation.

Wages	100.00	the total amount of wages
FICA Company Payable	-6.20	to record employer FICA as liability
FICA Employee Payable	-6.20	to record employee FICA as liability
Medicare Company Payable	-1.45	to record employer Medicare as liability
Medicare Employee Payable	-1.45	to record employee Medicare as liability
FICA Company Tax	+6.20	to record the employer FICA tax as expense
Medicare Company Tax	+1.45	to record the employer Medicare as expense
Federal W/H Payable	-10.00	to record withheld income tax as liability

The net amount of the above line items will be the \$82.35 of the employee's check.

To make your tax deposit each month, first run a balance sheet. The exact amount due the government will be the sum of the five liability accounts: FICA Company Payable, FICA Employee Payable, Medicare Company Payable, Medicare Employee Payable, Federal WH Payable above. Enter a Single Check using the amounts and accounts shown on the balance sheet.

Using the same account codes on the check to the government has the effect of zeroing out those accounts, so the next time you run a balance sheet, the numbers will reflect just what has accumulated since the last check - that is, the amount you currently owe.

Write Check

Posting Date: 11/28/2018 Hand Written

Invoice #: NOVEMBER 28, 2018

Payee: EMPLOYEE: Employee [Vendor] Vendor

Bank: CHECKING: Bank Account Checking

One Time: Check Number:

Memo: Discount (%):

Work Order: Discount (\$):

1. Invoice / 2. Payee Address & Comments

Bill To	PM LEDGER: Property Management	WAGES: Wages	\$100.00	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	FICA CO PAY: FICA Company Payable	(\$6.20)	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	FICA EMP PAY: FICA Employee Payab	(\$6.20)	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	MEDICARE CO PAY: Medicare Compai	(\$1.45)	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	MEDICARE EMP PAY: Medicare Emplo	(\$1.45)	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	FICA CO TX: FICA Company Tax	\$6.20	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	MEDICARE CO TAX: Medicare Compa	\$1.45	<input type="checkbox"/> Split
Bill To	PM LEDGER: Property Management	FED W/H PAY: Federal W/H Payable	(\$10.00)	<input type="checkbox"/> Split

Undiscounted Total: Total Discount: Discounted Total: