



## Quick Guide: Payroll tips

QuickBooks Payroll lets you pay employees with just a few clicks and minimal data entry, usually just the hours employees worked. To make the most of the payroll features:

- When you first start using QuickBooks Payroll, use the step-by-step [Payroll Setup](#) interview to set up your employees, including their pay rates, their sick and vacation benefits, and their tax deductions.
- [Set up payroll schedules](#) so you can group all the employees you pay at the same time and so QuickBooks can remind you when it's time to run payroll.

[What if I want to pay employees without using payroll schedules?](#)

- [Create paychecks.](#)
- Know all the ways you can [make employees' checks or pay stubs available.](#)
- When you hire [new employees](#), add their information to QuickBooks.
- When you need to add new paycheck items—either additions or deductions—[set up payroll items.](#)

## Using Payroll Setup to set up employees' payroll information

We recommend that you use the Payroll Setup interview to set up your payroll.

The Payroll Setup interview walks you through setting up:

- Information about the employees you pay, how you pay them, what benefits you provide them, what tax withholding applies to them, and any other deductions you take from their pay
- Information about the payroll taxes you pay to federal and state agencies and when, where, and how you pay them
- If you have created paychecks during the current calendar year before you started using QuickBooks Payroll, the details about those paychecks

The Payroll Setup interview adapts itself to your situation. If you have never paid employees before starting QuickBooks Payroll and you haven't paid any employees during the current year, QuickBooks assumes defaults for many items to simplify the interview. You can change these defaults if they aren't right for your business.

Although the Payroll Setup interview takes some time—15 to 30 minutes if you have only a few employees, have never paid them, and have their W-4 forms; longer if you need to enter prior year-to-date payroll information—you can stop the interview at any time by clicking **Finish Later**. When you come back to Payroll Setup, the interview picks up where you left off.

To speed the Payroll Setup interview process, you should have the following items before you start:

- Completed W-4 forms for each employee
- Your federal EIN and state employer account number (also called a state employer ID or state agency ID)
- Information from the federal and state agencies about how often you are required to deposit tax payments

**Tip:** Even though you may be required to file and pay taxes electronically, you can speed payroll setup by initially setting them up to pay by check and then switching to electronic filing and payment when you have time to go through the enrollment process (before your first tax payments are due).

- What your state unemployment insurance (SUI) rate is.
- If you have paid employees during the current calendar year, before you started using QuickBooks Payroll, your year-to-date payroll information.

To start the Payroll Setup interview, click **Payroll Setup** from the Payroll Center icon bar, or go to the **Employees** menu and click **Payroll Setup**.

## Using payroll schedules

Most businesses pay all their employees at the same time on a regular schedule; some businesses have some employees they pay on one schedule (perhaps weekly) but other employees they pay on a different schedule (perhaps monthly). Both types of businesses can benefit from using payroll schedules.

In fact, if you have any reason why you group or batch employees together when preparing payroll—to separate salaried and hourly employees, to separate employees paid by check from those paid by direct deposit, or to separate employees by location or job—you can use payroll schedules to accomplish that grouping. The only rule is that all employees assigned to a schedule must be paid at the same time; that is, they must have the same **pay frequency**, such as weekly, bi-weekly, monthly, and so on.

When you **set up one or more schedules** for running payroll and **assign employees** to the appropriate schedule, QuickBooks Payroll:

- Shows you exactly when your next payroll is due, even backing up the date of your payroll run to accommodate the two-business-days-in-advance requirement for direct deposit paychecks.
- Shows you only the employees assigned to a payroll schedule so you don't have to individually select the employees you are going to pay.

Two important definitions you'll need before setting up payroll schedules and paying employees are pay period end date and paycheck date.

- The **pay period end date** is the last date in the pay period or date range for which you are paying employees. QuickBooks uses this date to calculate how many weeks an employee has worked in a year and which timesheets to include in a paycheck.
- The **paycheck date** is the date the employees' checks can be deposited and the date the money can be debited from your bank account. The IRS uses this date as the date your employees earned the income (for W-2 reporting) and bases your tax liability on this date. For example, if you paid an employee with a check dated in January 2013 for time worked in December 2012, the income would be reported on the employee's 2013 Form W-2 (due in January 2014), not the 2012 Form W-2.

## Setting up a payroll schedule

1. From the Payroll Center, click the **Pay Employees** tab, and then click the **Payroll Schedules** drop-down arrow (below the Create Paychecks table). Select **New**.
2. Enter a name for the payroll schedule. Use a name that is meaningful to you for the way you are grouping employees; for example, you might want to use the pay frequency—"Weekly" or "Monthly"—as the name.

3. Complete the rest of the questions and click **OK**.

**Tip:** If you need more detailed explanations for each question, click the [How do I set up a payroll schedule?](#) link near the top of the page.

QuickBooks displays the due date for the next pay period for this payroll schedule in the Create Paychecks table on the Pay Employees tab of the Payroll Center.

### Assigning employees to payroll schedules

Once you've created one or more payroll schedules, you assign each employee to the appropriate schedule.

1. From the Payroll Center, click the **Employees** tab on the far left to open the Employee Center.
2. Double-click an employee's name in the left-hand list to open the employee's information, and then click the **Payroll Info** tab on the left.
3. Click the Payroll Schedule drop-down arrow and choose the payroll schedule you want to pay this employee on.

**Tip:** You can also change the payroll schedule for this employee by choosing a different schedule from the list.

4. Click **OK**.

## Creating paychecks

### Paying employees on payroll schedules

When you set up payroll schedules, QuickBooks shows you when you need to do the next payroll in each schedule. You can see these dates in the Process Payroll By column of the Create Paychecks table (click on the Pay Employees tab in the Payroll Center).

To run a scheduled payroll:

1. Click the row containing the payroll schedule you want to run to highlight it, and then click **Start Scheduled Payroll**.
2. Enter your employees' hours (*not* their pay rates), even for salaried employees.

**Tip:** QuickBooks lists all the employees assigned to this payroll schedule. If there are employees you do not plan to pay in this payroll run, clear the check in front of those employees' names.

3. When you have entered hours for all the employees listed (or removed the checkmark in front of any employee's name whom you are not paying in this payroll), click **Continue**.

QuickBooks automatically calculates the check amount, taking into consideration deductions for tax withholding or other benefits and any additions (for example, for mileage reimbursement) that you specified during the Payroll Setup interview or by editing the employee's information.

**Tip:** If you want to see additional detail for these calculations, click the employee's name to highlight the row and then click **Open Paycheck Detail**. Or you can click Open Paycheck Detail without selecting an employee name to start with the first employee on the list and review all the paycheck calculations in order.

If you need to, you can make changes to any item in the paycheck detail.

4. When you have reviewed the calculations, click **Create Paychecks**.
5. Click **Print Paychecks** if you print and distribute paper checks to your employees. (Be sure you have loaded check stock in your printer.)

Click **Print Pay Stubs** if you only need to print pay stubs for your employees (for example, if you have paid by direct deposit).

Be sure to click **Send to Intuit** if this button appears. (This indicates that you have the Assisted Payroll service, direct deposit service, or one of the payroll cloud services, like the Workers' Compensation Premium Service or ViewMyPaycheck, that requires you to send payroll information to Intuit.)

6. Click **Close**.

**Tip:** If you start a payroll but can't finish it, you can click **Finish Later** anytime before step 4. When you do this, the current payroll schedule is marked as "Pending" in the Create

Paychecks table to remind you to come back and finish. To finish the payroll, highlight it and click **Resume Scheduled Payroll**.

### Creating one-time (unscheduled) paychecks

Occasionally, you need to create paychecks for employees at times other than your regular payroll schedules. For example, you might need to create bonus checks or a one-time check to replace a lost paycheck. When you have set up payroll schedules, checks you create outside of your regular payroll schedule are referred to as *unscheduled payroll*.

**Tip:** If you need to create a final paycheck for a terminating employee, use the special termination-check function by clicking **Create Termination Check** in the Other Activities area at the bottom of the Pay Employees tab.

To run an unscheduled payroll:

1. From the Pay Employees tab in the Payroll Center, click **Start Unscheduled Payroll** (under the Create Paychecks table).
2. Enter the pay period end date, check date, and bank account you want to use.
3. Check the column in front of the employee name for the employees you want to pay.
4. If you are creating bonus checks or other checks for earnings that are not part of an employee's regular hourly or salaried pay, enter 0 for the hours. Click **Open Paycheck Detail**. Then click the drop-down next to the top item in the Earnings table, choose the item you are paying, and make any necessary entries for Rate or Hours. When you've finished reviewing the detailed check information, click **Save & Next** (to move through the detail for each employee) or **Save & Close** (when you've finished entering information for all the employees you are paying).
5. When you have entered items for all the employees you want to pay, click **Continue**.
6. When you have reviewed the calculations, click **Create Paychecks**.
7. Click **Print Paychecks** if you print and distribute paper checks to your employees. (Be sure you have loaded check stock in your printer.)

Click **Print Pay Stubs** if you only need to print pay stubs for your employees (for example, if you have paid by direct deposit).

Be sure to click **Send to Intuit** if this button appears. (This indicates that you have the Assisted Payroll service, direct deposit service, or one of the payroll cloud services, like the Workers' Compensation Premium Service or ViewMyPaycheck, that requires you to send payroll information to Intuit.)

8. Click **Close**.

**Tip:** If you start an unscheduled payroll but can't finish it, you can click **Finish Later** anytime before step 6. When you do this, the current payroll information is saved in a pending state. Just remember to come back and finish. To finish the payroll, click **Start Unscheduled Payroll**. QuickBooks shows you the oldest saved and pending payroll first.

## Paying employees without payroll schedules

If you only have a few employees, you don't run payroll on a regular basis, or you don't want to bother setting up payroll schedules, you can run payroll to pay your employee without setting up payroll schedules.

1. From the Pay Employees tab in the Payroll Center, click **Pay Employees** (under the Create Paychecks table).
2. Enter the pay period end date, check date, and bank account you want to use.

**Tip:** The **pay period end date** is the last date in the pay period or date range for which you are paying employees. QuickBooks uses this date to calculate how many weeks an employee has worked in a year and which timesheets to include in a paycheck.

The **paycheck date** is the date the employees' checks can be deposited and the date the money can be debited from your bank account. The IRS uses this date as the date your employees earned the income (for W-2 reporting) and bases your tax liability on this date. For example, if you paid an employee with a check dated in January 2013 for time worked in December 2012, the income would be reported on the employee's 2013 Form W-2 (due in January 2014), not the 2012 Form W-2.

3. Check the column for each employee you want to pay, and enter the employees' hours (*not* their pay rates), even for salaried employees.
4. When you have checked and entered hours for all the employees you want to pay, click **Continue**.

QuickBooks automatically calculates the check amount, taking into consideration deductions for tax withholding or other benefits and any additions (for example, for mileage reimbursement) that you specified during the Payroll Setup interview or by editing the employee's information.

**Tip:** If you want to see additional detail for these calculations, click the employee's name to highlight the row and then click **Open Paycheck Detail**. Or you can click Open Paycheck Detail without selecting an employee name to start with the first employee on the list and review all the paycheck calculations in order.

If you need to, you can make changes to any item in the paycheck detail.

5. When you have reviewed the calculations, click **Create Paychecks**.
6. Click **Print Paychecks** if you print and distribute paper checks to your employees. (Be sure you have loaded check stock in your printer.)

Click **Print Pay Stubs** if you only need to print pay stubs for your employees (for example, if you have paid by direct deposit).

Be sure to click **Send to Intuit** if this button appears. (This indicates that you have the Assisted Payroll service, direct deposit service, or one of the payroll cloud services, like the Workers' Compensation Premium Service or ViewMyPaycheck, that requires you to send payroll information to Intuit.)

7. Click **Close**.

**Tip:** If you start a payroll but can't finish it, you can click **Finish Later** anytime before step 5. When you do this, the current payroll information is saved in a pending state. Just remember to come back and finish. To finish the payroll, click **Pay Employees**. QuickBooks shows you the oldest saved and pending payroll first.



## Making paychecks and pay stubs available to employees

Usually, you print paychecks and pay stubs as soon as you create paychecks. However, you can print or reprint paychecks and pay stubs at any time.

In addition (or instead), you can email pay stubs to your employees' email addresses or you can make them available on the online ViewMyPaycheck portal that allows each employee to create a free account and view his or her own pay stubs at any time. When you use the free ViewMyPaycheck feature, you send your employees' payroll information to Intuit at the end of your payroll run with the click of a button, and Intuit takes care of the rest.

### Printing paychecks

1. From the **File** menu, click **Print Forms > Paychecks**.
2. Check the paychecks (or paycheck vouchers for direct deposit payments) you want to print.

**Tip:** Click the **Preferences** button to customize the information that's printed on the paycheck voucher. You can even specify a company logo.

3. Click **OK**.

### Printing or emailing pay stubs

1. From the **File** menu, click **Print Forms > Pay Stubs**.
2. Check the paychecks whose pay stubs you want to print or email.

**Tip:** Click **Preferences** to customize the information that's printed on the pay stubs. You can even specify a company logo.

Click **Default Email Text** to choose or create an email template to accompany the pay stubs.

3. Click **Print** to print the pay stubs or **Email** to email them.

### Sending pay stubs to ViewMyPaycheck

When you [turn on ViewMyPaycheck](#), QuickBooks prompts you to send your payroll information to Intuit at the end of each payroll run. That's all you need to do to make current pay stubs available online to your employees.

However, if you want to make older pay stubs available (pay stubs from paychecks you created before you turned on ViewMyPaycheck), you can do that easily, too.

1. From the **File** menu, click **Print Forms > Pay Stubs**.
2. Check the paychecks whose pay stubs you want to send to ViewMyPaycheck.

**Tip:** To reduce the time it takes to send pay stubs and minimize the chances of transmission errors, we recommend that you send no more than 500 pay stubs at a time.

3. Click **Send Online** to send the pay stubs to Intuit for posting to employees' ViewMyPaycheck accounts online.

## Adding new employees to QuickBooks

When you hire new employees, you can add them to QuickBooks using the Payroll Setup interview, or you can add them from the Employee Center. If you are only adding one or two employees or if you just need to update an employee's personal or pay information, it's a little faster to use the Employee Center.

1. From the Payroll Center, click the **Employees** tab on the far left.
2. Click **New Employee** (just above the Employee tab).
3. Click each tab on the left and complete the information on that tabbed page.

**Tip:** If you need more information about the items on any tabbed page, click Help. In the article that comes up, click the link to the information you need.

4. When you've completed all the tabbed pages, click **OK**.

## Creating a default template for new employees

Certain items in the employee record, especially the items on the Payroll Info page, are the same for most employees. You can set up default values for these items to make adding new hires faster and easier.

1. From the Payroll Center, click the **Employees** tab on the far left.
2. Click the drop-down arrow next to Manage Employee Information and then click Change New Employee Default Settings.
3. Set up default values for all the information that will be the same for most employees you hire.
4. Click OK.

Now, when you add new hires, the values you set as defaults automatically appear in their employee record without your needing to enter them.

## Adding new payroll items

When you use the Payroll Setup interview to set up payroll, you specify the different items that can appear on employees' paychecks: the various pay rates employees earn, whether regular and overtime hourly rates or salaries; any other types of earnings such as performance bonuses or commissions; their sick and vacation benefits; any other additions, like mileage reimbursements; their tax deductions; and any other deductions like premiums for health insurance or 401(k) contributions.

Although it's a good idea to set up all the payroll items you know about during the Payroll Setup interview, QuickBooks Payroll makes it easy to add additional items or modify items as the need arises.

1. From the Payroll Center, click **Payroll Items** (on the icon bar).
2. Click the drop-down arrow next to Payroll Item (below the Payroll Item List), and click **New**.
3. Choose the EZ Setup method, and click **Next**.
4. Choose the type of payroll item you want to create, and click **Next**.
5. Provide the information for the fields required by the payroll item, and click **Next** to move through the pages until you can click **Finish**.