

Instructions for Simple Start 2008

 **Intuit**[®]



QuickBooks[®]

Payroll Getting Started and Reference Guide

For customers using
QuickBooks Simple Start

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Service Key _____

Subscription Number _____

Thank you for choosing QuickBooks® Payroll.

QuickBooks Payroll gives you the tools you need to efficiently manage your payroll. Your subscription provides you with the most up-to-date tax tables and federal and state tax forms¹, and gives you the flexibility to process payroll and run customized reports whenever you want. Because you do it from within QuickBooks, QuickBooks Payroll is easy to set up and use.

It's important to us that you are completely satisfied with QuickBooks financial software. This Payroll Getting Started and Reference Guide will help familiarize you with our payroll service and help ensure a hassle-free experience. Please keep this guide within easy reach. It can help you through the payroll start-up process and provide answers to many common questions.

¹ Federal and State forms are available only to Enhanced Payroll subscribers.

About this guide

The illustrations and procedures in this guide are for customers using Simple Start 2008; however, QuickBooks Payroll works with QuickBooks Pro and Premier 2008, 2007, and 2006 as well. For more information regarding setup or use of QuickBooks Payroll with earlier versions of QuickBooks Pro and Premier, refer to the Startup and Quick Reference Guide for QuickBooks Pro and Premier or visit www.quickbooks.com/support.

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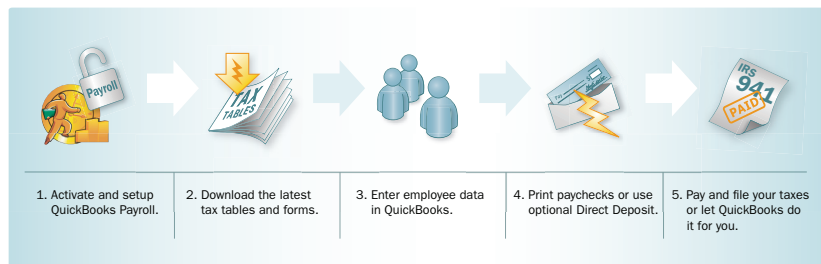
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How QuickBooks Payroll works

QuickBooks Payroll is a subscription service that works inside your QuickBooks software.

Setting up and running payroll involves five main steps:

- 1 **Activate and Set up**—Activating unlocks the payroll features in your QuickBooks software. Once you've activated your subscription, QuickBooks steps you through a guided interview to set up your payroll information.
- 2 **Download Tax Tables and Forms**—QuickBooks connects to the Internet to download the latest federal and state tax tables and forms.
- 3 **Process Payroll**—You can easily enter the time for your hourly employees and salary for your exempt employees directly into QuickBooks. QuickBooks Payroll calculates payroll taxes and liabilities.
- 4 **Print Paychecks**—Once you've reviewed your paychecks, you can print them from your computer. Or you can use the convenient Direct Deposit feature (additional fees apply).
- 5 **Pay and File Your Taxes and Liabilities**—QuickBooks Payroll tracks your payroll taxes and other liabilities as you go. Just print, sign, and mail your tax filings to the appropriate tax agency. In addition, if you subscribe to Enhanced Payroll, you can set up your federal and certain state taxes to be paid and filed electronically, directly from QuickBooks.



Information for new employers

If you're a new employer or thinking of hiring your first employee, the following section contains valuable information to help you get started. For more information, visit our Guide to Hiring and Paying Employees Web site (http://payroll.intuit.com/payroll_resources/guide_to_hiring/index.jhtml).

Classify workers correctly as independent contractors or employees

For payroll tax purposes, workers are generally classified as employees or independent contractors. Whether a worker is an employee or an independent contractor depends on the amount of control the employer has over the worker.

A worker's classification has certain payroll tax implications. For employees you pay payroll taxes (like Social Security), but for contractors you don't have to. A few simple questions can help you determine whether the person you're hiring is an employee (and will need a tax form W-2) or an independent contractor (and will need a tax form 1099).

- Will the work be performed on company premises?
- Will the individual work only for you?
- Will you provide tools for your worker to do his or her job?
- Do you control the hours the person works?

If you answered "yes" to any of the questions above, you're probably hiring a W-2 employee and not a 1099 independent contractor. For more detailed information on how to classify a new hire, review the IRS's Publication 15-A (<http://www.irs.gov/pub/irs-pdf/p15a.pdf>).

Get your employer identification number

There are a few identification numbers you typically must have as an employer. The government uses this number to identify your business and track your payroll taxes. Typically, you need the following three identification numbers: one from the IRS called an Employer Identification Number (EIN), one from your state revenue department, and one from your state employment department.

If you don't already have these, you can apply for these identification numbers online by visiting the IRS Web site (www.irs.gov).

Some local jurisdictions might also require a business identification number. Consult your local government offices.

Use the W-4 form to calculate your employees' paychecks correctly

The IRS requires all new employees to fill out Form W-4, which asks employees to state their marital status and how many tax allowances they will claim. Based on the number of allowances they claim, employers can determine the amount of federal income tax to withhold from employees' paychecks.

All new employees should complete Form W-4 on their start date. Your employees can always give you a revised Form W-4 if there is a change in their tax situation, like getting married or having a child.

You must keep a W-4 form on file for each active employee and keep this document for four years after an employee leaves or is terminated. Generally, employers do not need to send a copy of the W-4 form to the IRS unless notified to do so by the IRS. You can find Form W-4 on the IRS Web site (<http://www.irs.gov/>).

Verify the employee's eligibility to work in the United States

Form I-9 (Employment Eligibility Verification) is used to document your employee's eligibility to work in the United States. This form asks employers to review certain identity documents, like a driver's license, Social Security card, or a U.S. passport. Although you are not required to, it's a good idea to photocopy these documents and keep them in your files.

U.S. Citizenship and Immigration Services (USCIS) requires all new employees to fill out Form I-9. Although you don't need to send the I-9 forms to any government agency, you'll need to keep a form on file for every current employee in case it's requested. If an employee leaves or is terminated, you'll need to keep a copy of his or her I-9 form on file for three years after the employee's hire date or one year after the employee leaves, whichever is longer.

You can find Form I-9 on the USCIS Web site (<http://www.uscis.gov/>).

Report your new hire to the state

All employers are required to report new hires to the state; some states also require that you report independent contractors too. Your state needs to know who you hire in order to aid in the collection of child support and to monitor unemployment compensation, workers' compensation, and other public programs. In most states you can provide a copy of the employee's W-4 form to report the new hire to the state. If you do not report your new hire to the state within the given amount of time, you may face a penalty.

Check with your state (<http://www.acf.hhs.gov/>) for specific new hire reporting requirements.

Order law labor posters

Labor law posters publicize information for employees like the minimum wage and overtime pay standards. If your business has one or more employees, it is governed by U.S. state and federal labor laws.

Posters are made by third parties, not the government. You can easily order compliance posters online.

Get workers' compensation insurance

Required for almost all employers, workers' compensation insurance is insurance meant to protect your company from liabilities in case a worker suffers an injury while on the job. The premium you pay depends on the category of your employee. Without adequate workers' compensation insurance, you may be held personally liable for both the cost of the employee's medical care and for the lost wages while the employee is unable to work as a result of an on-the-job injury.

To learn more about what is required in your state, check out the Office of Workers' Compensation Programs (<http://www.dol.gov/>).

Hiring an employee

Here's some other information to help you get started hiring employees:

- Determine how much to pay an employee

Keep in mind the real cost of hiring. Hiring an employee costs more than just their wages. Payroll taxes can add 15% or more to the total cost of hiring an employee.

You can prevent a surprise in your business budget down the line when you understand employer taxes and insurance costs. Review the information provided on our Web site (http://payroll.intuit.com/payroll_resources/), where we'll explain what you need to withhold from an employee's paycheck and the taxes you are responsible for as an employer.

- Create a job posting

Before you write the posting, think about what you want the person to do, how much of his or her time you'll need, and what skills are required to do the job. A good job posting is specific and informative.

How do you find the person you are looking for? You can use our job posting template to help you get started (<http://http-download.intuit.com/http.intuit/CMO/payroll/assets/SampleJobApplicationForm.doc>). We'll provide resources to help you write an effective job posting that will help you find a good employee, and we'll offer tips on interviewing applicants.

The Simple Start 2008 Home page

Menu Bar. If you don't see what you want to do on the Home Page or in the activities listed in the left pane, you can find it in one of these menus.

Money In. Basic activities related to money coming into your business. These activities are the same ones you see under Money In on the Home Page.

Your business. Enter or view information about your customers, vendors, and bank accounts. Click Profit & Loss to see where your business stands.

Money Out. Basic activities related to money going out of your business. These activities are the same ones that you see under Money Out on the Home Page.

Related Activities. Shows a list of activities related to your current task.

Related Help. These Help topics give you information about your current activity. Click Search Help to search for another topic.

Get Started Now. Click these links if you're a new user. Use the tutorials to learn how to use Simple Start. Then find out what to do next, and how to get help when you need it.

Toolbar. Click Back and Forward to move between forms. Click Home to return to this Home page view. Click Search to look for a specific invoice, sales receipt, or customer payment.

Search. Find information easily using Google Desktop™. Quickly search and find the customer, vendor, or financial information you want in QuickBooks. Type in some key words and get a complete list of files that match your search.

Money In

Estimates	New	List
Invoices	New	List
Receive Payments	New	List
Sales Receipts	New	List
Deposits	New	List

Your Business

Customers	New	List
Vendors	New	List
Bank Accounts	View	
Profit & Loss	View	

Money Out

Write Checks	New	List
Record Expenses	Cash	Credit
Issue Refunds	New	List

Related Activities

- Sales Summary report
- Expense Summary report
- Customer Summary report

Related Help

- Using online help
- Navigating QuickBooks screens
- Working with Accounts
- See how your business is doing

Don't See the Topic You Need?

Search Help

Get Started Now

- What Do I Do First?
- Check Out The Tutorials
- How Do I Get Help?
- Join QuickBooks Community

Growing Your Business

- Accept credit cards
- Add more features to Payroll
- Upgrade instantly to QuickBooks Pro
- Learn about services

Payroll. Click the Payroll icon to go to the Payroll Center from where you can pay your employees, pay your payroll taxes and other liabilities, and file your payroll tax forms.

Home page. Your starting point for doing all your essential business activities—invoicing, creating sales receipts, recording customer payments, writing checks for business expenses, and more. Place your mouse pointer over an icon, then click the activity. Follow the arrows to move from one activity to the next.

Growing your business. Click these links for add-on services or to upgrade to a different QuickBooks product when your business outgrows Simple Start.

The Simple Start 2008 Payroll Center

To open the Payroll Center:



- From the Home Page, click the **Payroll** icon, and then click **Go to the Payroll Center**.

Click the drop-down arrows in the toolbar to set up and view your employees, print paychecks and pay stubs, run payroll reports, set up and maintain your payroll subscription, and access other payroll services.

Payroll Center

Employees ▾ Print ▾ Reports ▾ Setup and Maintain ▾ My Payroll Service ▾

Pay Employees

Process Payroll by...	...for Payroll Schedule	...and Pay Period	...with Check Date
12/29/2007	Biweekly	12/16/2007 - 12/29/2007	12/29/2007

Related Payroll Activities ▾ Unscheduled Payroll Start Scheduled Payroll...

Pay Scheduled Liabilities

[Why are my payments overdue?](#)

✓	Due Date	Status	Payment	Period	Amount Due
	01/20/08	Upcoming	Health Insurance	Q4 2007	150.00
	01/15/08	Upcoming	CA Withholding and Disability Ins...	Dec 2007	406.43
	01/15/08	Upcoming	Federal 941/944	Dec 2007	3,495.82
	01/31/08	Upcoming	CA UI and Employment Training Tax	Q4 2007	110.00
	01/31/08	Upcoming	Federal 940	Q4 2007	100.00

Total Selected Items: 0.00

Related Payment Activities ▾ View/Pay

File Tax Forms

Click [Process Payroll Forms](#) to prepare your payroll forms.

[Supported Tax Forms](#)

Related Form Activities ▾ Process Payroll Forms...

Money In

Estimates New List
Invoices New List
Receive Payments New List
Sales Receipts New List
Deposits New List

Your Business

Customers New List
Vendors New List
Bank Accounts View
Profit & Loss View

Money Out

Write Checks New List
Record Expenses Cash Credit
Issue Refunds New List

Related Activities

- View or edit employees
- See payroll transactions you've c...
- Go to Payroll Support page
- See account/billing information

Related Help

- Use payroll in Simple Start

Don't See the Topic You Need?

Search Help

Pay your employees quickly and easily. Enter hours, review paychecks, and print or use convenient Direct Deposit.

QuickBooks Payroll calculates your payroll liabilities and tells you when they're due to help prevent you from missing a deadline. Print and mail checks or, if you're subscribed to Enhanced Payroll, pay electronically (Federal and certain states).

QuickBooks Enhanced Payroll subscribers can generate federal tax forms and tax forms for most states. You just review, print, sign, and mail or file electronically (Federal and certain states).

Click to display Help for Payroll.

Activating your payroll service

If you're not using QuickBooks accounting software:

- 1 Open a Web browser and go to www.qbpayroll.com/start.
- 2 Enter the requested information about your company:
 - License and Product Numbers (located on the sticker in your CD folder)
 - Company name and address
 - EIN (Employer Identification Number)*
 - Payroll contact information
 - Credit card information to keep your subscription up to date
- 3 (Optional) If you want, you can update your service to pay an unlimited number of employees.
- 4 Receive your unique payroll service key and write it down on the first page of this guide.
- 5 Insert the Simple Start CD into your CD-ROM drive, and follow the onscreen instructions.
- 6 Double-click the **Simple Start** icon, and complete the Setup interview to create a company file for your business.
- 7 Enter your payroll service key that you received in step 4.

Note: Your payroll service key is specific to you and your business. This number is required for downloading payroll updates and using any of the other payroll service features to which you subscribed. Payroll activation is a one-time process.

Entering your Payroll Service Key in Simple Start

- 1 In the **Home** page, click the **Pay Employees** icon, and then click **Service Key**.
- 2 In the QuickBooks Service Keys page, click **Add**.
- 3 In the **Service Key** field, enter your Service key and then click **Next**.
- 4 Click **Finish**. QuickBooks automatically downloads any necessary payroll updates so you can begin setting up your payroll in QuickBooks.

After activation is complete, you can begin setting up your payroll. You'll need the information in the Payroll Setup Checklist (table at right) to get started. Go to the **Setup and Maintain** menu and click **Payroll Setup** to begin entering your information.

For help during setup, visit the Learning Center. In QuickBooks 2008, go to the **Payroll Center** and click **Payroll Tutorials**.

* EIN: If you have not already entered your EIN into QuickBooks, you must add it before activating payroll. Go to the **File** menu, click **Company Information**, and enter your EIN.

To set up QuickBooks Payroll, you'll need some of the following information. You can find this information in your own records, from your accountant or QuickBooks ProAdvisor® Program, or from federal and/or state agencies.

Item	Examples
Company Information	<ul style="list-style-type: none"> • Pay period frequency or frequencies (for example, weekly, biweekly, semi-monthly, monthly, quarterly) • Date you started or will start using Payroll in QuickBooks
Compensation, Benefits and Miscellaneous Additions and Deductions	<ul style="list-style-type: none"> • Compensation you give employees and officers: hourly wages, salaries, commissions, and so on • Insurance benefits offered, such as health, dental, vision • Retirement benefits offered, such as 401(k) • Additional deductions from net pay that you withhold, such as union dues, repayments of employee advances or loans, and life insurance • Additions you add to a paycheck, such as bonuses, travel reimbursements, employee advances or loans, and tips
Tax Information	<ul style="list-style-type: none"> • Federal forms you'll need to file, such as 941, 943, or 944 (for more information, see www.irs.gov) and your federal tax ID number (FEIN) • Payroll bank accounts and the deposit frequency for these taxes • State or states for which you file payroll taxes • Your state employer tax ID number or numbers (EINs) • Payees and account numbers for each state and local tax • Tax rates for any local or other taxes • Whether you qualify for the Federal Unemployment Tax (FUTA) credit
Employees	<ul style="list-style-type: none"> • Employee names, addresses, and Social Security numbers from your employees' Social Security cards or W-4 forms • Employee withholdings, which can also be found on the W-4 form • Current employee wages/salaries, additions, deductions, and company contributions • Sick and vacation time policies and hours accrued
Direct Deposit Information	<p>Note: This is an optional feature that requires additional fees.</p> <ul style="list-style-type: none"> • For each employee you want to pay using Direct Deposit, you need bank account and routing numbers.
Year-to-Date History	<p>Note: You need to enter year-to-date amounts ONLY if you start using QuickBooks Payroll after January 1 of the calendar year.</p> <ul style="list-style-type: none"> • Quarterly and pay period summaries of employee payroll amounts from the beginning of this calendar year to the beginning of the current quarter • Paycheck information from the beginning of the current quarter to today
Liability Payment Information	<ul style="list-style-type: none"> • Quarterly and pay period summaries of payroll liability payments from the beginning of this year to your start date • Copies of payroll liability checks from the first day of the current quarter until today • Payment and filing methods • Deposit frequencies

Setting up payroll

The Payroll Setup interview guides you through setting up payroll in QuickBooks. It helps you get your first payroll update, set up payroll taxes for your company, and set up common compensation and benefits correctly. Then it leads you through setting up individual employees and year-to-date payroll amounts so you can start doing payroll through QuickBooks.

Note: Make sure that you have adequate time—from 20 minutes to about an hour—to go through all the steps before closing the interview. If you close the interview before completing the steps, you'll need to restart the steps. It is important to make sure that all the information you enter here is accurate and complete, otherwise you can have problems running your payroll later.

To start the Payroll Setup interview:

- 1 Go through the setup checklist and make sure you have all the information you need.
- 2 Open the **Payroll Center**.
- 3 Click the **Setup and Maintain** drop-down arrow and then click **Payroll Setup**.
- 4 Follow the onscreen instructions.

You must complete the following steps in sequence:

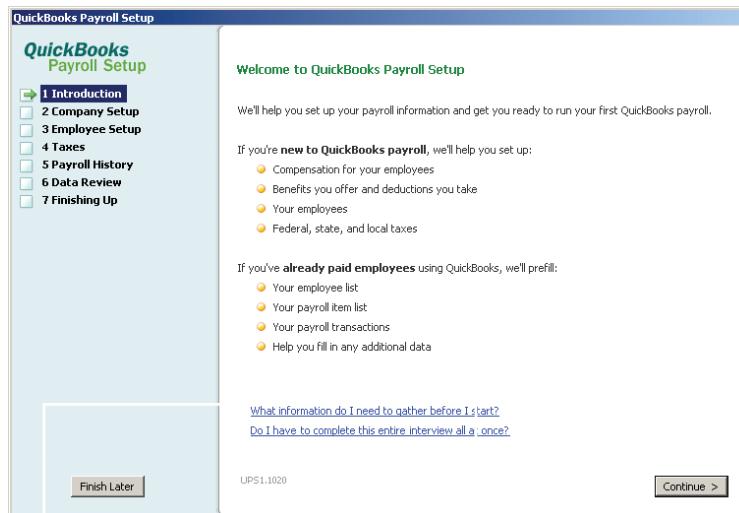
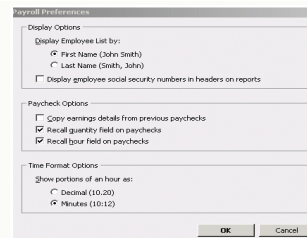
Note: After setting up payroll, if you need to add only one or two payroll items, see pages 20–21.

- **Company Setup:** Enter compensation and benefits.
- **Employee Setup:** Add your employees and set up their personal information, and pay information (pay rate, benefits, and so on).
- **Taxes:** Set up payroll taxes that apply to you, schedule payments with the agencies, and specify payment methods.
- **Payroll History:** Enter all payroll year-to-date information (payroll summaries, payments you've already made, and so on).
- **Data Review:** Review all the wage and tax information you've entered and check for errors.
- **Finishing Up:** Learn about the payroll tasks that you can do.

Setting up payroll preferences

Note: Preferences are not set up in the interview. Finish setting up payroll in the Payroll Setup interview, and then open the Preferences window.

- Click the **Setup and Maintain** drop-down arrow from the Payroll toolbar and click **Preferences**.



Did you know?

QuickBooks defines an employee as someone you give a W-2 form to at the end of the year. You pay them with paychecks and withhold taxes for them. Set up all those who fall into this category as an employee.

Do not set up owners as employees.

Pay owners by checks that draw on the company's equity.

Setting up payroll

The Payroll Setup interview guides you through setting up employees and common payroll items. However, you might occasionally need to add an employee or set up payroll items specific to an employee or to the company and not want to go through the entire interview. See pages 20–21 for more information.

Setting up payroll sometimes requires in-depth tax knowledge, so it's a good idea to have an accountant or payroll professional review your setup. Mistakes in setting up payroll can cause problems later.

Paying employees overview

In Simple Start 2008, you can set up payroll schedules or run payroll without a schedule. A payroll run that is set up to occur at a regular frequency is **scheduled**, while payroll that you might run only for special circumstances or outside your regular payroll run is **unscheduled payroll**.

Payroll Center without payroll schedules

Pay
Employees

Process Payroll by...	...for Payroll Schedule	...and Pay Period	...with Check Date
12/29/2007	Biweekly	12/16/2007 - 12/29/2007	12/29/2007

Related Payroll Activities ▾

Unscheduled Payroll

Start Scheduled Payroll...

Click this button to pay your employees if you haven't set up payroll schedules.

Click this button to set up payroll schedules.

Payroll Center with payroll schedules

Pay
Employees

Process Payroll by...	...for Payroll Schedule	...and Pay Period	...with Check Date
12/29/2007	Biweekly	12/16/2007 - 12/29/2007	12/29/2007

Related Payroll Activities ▾

Unscheduled Payroll

Start Scheduled Payroll...

Once you set up payroll, the button name changes. Click this button to write off-cycle paychecks outside the regular payroll run.

Click to select the payroll schedule and then click this button to run regular payroll.

Note: This procedure is for Simple Start 2008. For information on paying employees in other QuickBooks versions, visit the support Web site at www.quickbooks.com/support.

From the Payroll Center, you can start paying your employees in any one of the following ways:

- By clicking the Pay Employees button.
- By clicking the Start Scheduled Payroll button. If you click the Start Scheduled Payroll button, you'll be prompted to set up payroll schedules. (Once you set up payroll schedules, click to select the schedule you want to run and then click Start Scheduled Payroll.)

Setting up payroll schedules

- 1 Go to the **Payroll Center**.
- 2 Click the **Related Payroll Activities** drop-down arrow and then click **Add or Edit Payroll Schedules**.
- 3 From the **Payroll Schedule List** window, click **Payroll Schedule**, and then click **New**.
- 4 Enter information in the fields.

The screenshot shows the 'New Payroll Schedule' dialog box. It includes the following fields and options:

- What do you want to name this payroll schedule? (e.g., "Weekly", "Biweekly", "Monthly", etc): [Text input field]
- How often will you pay your employees on this schedule? [Biweekly (Every other week) - dropdown menu]
- What is the pay period end date? [Date picker]
- What date should appear on paychecks for this pay period? [Date picker]
- At the bottom, there is a checkbox labeled 'Schedule is inactive' which is currently unchecked.
- 'OK' and 'Cancel' buttons are at the bottom right.

Assigning employees to payroll schedules

Note: You can only group employees in the same payroll schedule if they have the same pay frequency (for example, weekly, biweekly, semimonthly, and so on).

- 1 Click the **Employees** drop-down arrow in the **Payroll Center** and then click **View/Edit Employees**.
- 2 Double-click the name of the employee you want to assign to the schedule.
- 3 Click the **Change Tabs** drop-down arrow and then click **Payroll and Compensation Info**.
- 4 Click the **Pay Schedule** drop-down arrow and then select the pay schedule you want to assign this employee to. The Pay Frequency field updates accordingly.
- 5 Click **OK**.

Key terms

Payroll Schedules

Although you can pay employees using unscheduled payroll, we recommend using schedules for your regular pay run. When you use payroll schedules, QuickBooks automatically determines the payroll processing dates for each pay period, taking into account weekends and bank holidays. You set up your payroll schedule once and assign employees to it. The dates reset to the next pay period after you create paychecks.

You can use payroll schedules to group together employees in whichever way makes the most sense for you to effectively run your payroll and your business.

Unscheduled Payroll

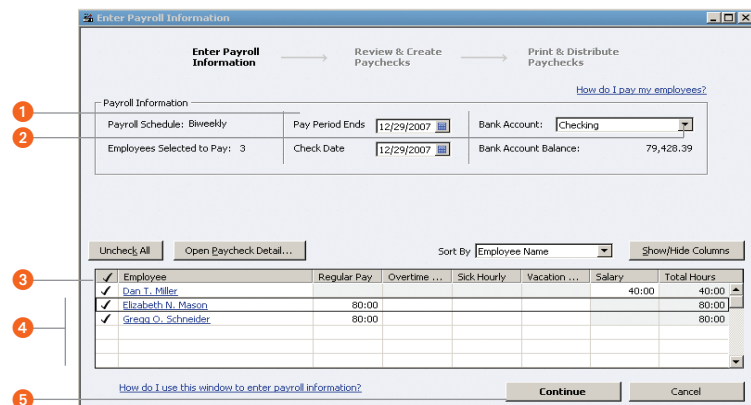
To pay an employee outside of a regular payroll run (for example, annual bonuses), use **Unscheduled Payroll**.

Termination Payroll

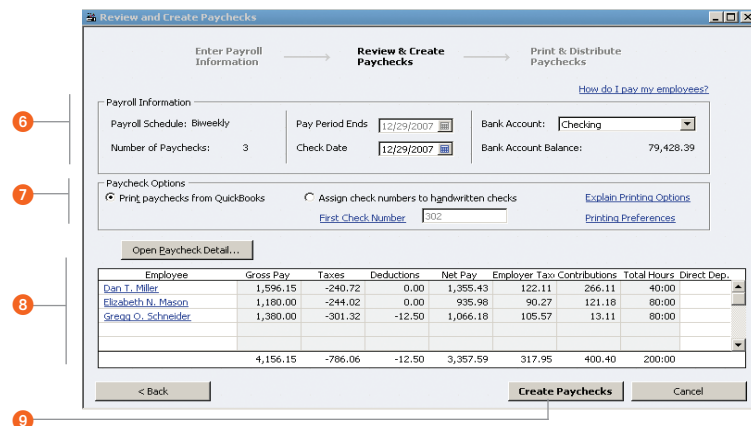
To terminate an employee, go to the **Payroll Center**, click the **Related Payroll Activities** drop-down arrow, and then click **Create Termination Check**.

Paying employees

Enter payroll information and select employees to pay



Review and create paychecks



To pay employees:

Note: This procedure is for Simple Start 2008. For information on paying employees in other QuickBooks versions, visit the support Web site at www.quickbooks.com/support

Open the Enter Payroll Information window, as explained on page 14. From the **Payroll Center**:

- Click **Start Scheduled Payroll** and click **Set Up Now** to set up payroll schedules.
- Click **Pay Employees** to pay your employees without using schedules.

- 1 Specify the **check date** and **pay period end dates** (unless you're running a payroll schedule).
- 2 If necessary, select a bank account from which the paychecks are drawn.
- 3 Click to select employees to pay. (If you're running a payroll schedule, only the employees who are assigned to the payroll schedule appear and are checked by default.)
- 4 Review the information and enter hours worked, vacation and sick time, commissions, and so on. (If Use time to create paychecks is turned on, hours are automatically entered.) Click the employee's name to make changes in the Preview Paycheck window.
- 5 Click **Continue**.
- 6 Review the payroll summary information.
- 7 Specify whether paychecks should be printed from QuickBooks or written by hand.
- 8 If the employee is signed up for Direct Deposit, make sure that the Direct Deposit column is checked. Review the information again. If necessary, click Back or click Open Paycheck Detail to edit the information.
- 9 Click **Create Paychecks**.

The Review and Confirmation window appears from where you can print or send paychecks via email, as shown on page 18.

Key terms

Paycheck Date and Pay Period End Date

The **paycheck date** is the date when employees know they are getting paid. It is the date you want the paycheck to affect your bank account. For example, your pay period end date could be Friday, April 14, but your paycheck date is 5 business days later on the following Friday, April 21.

The IRS bases your tax liability and that of your employees on the paycheck date. For example, if you pay an employee in January 2008 for time worked in December 2007, the income is reported on the employee's 2008 W-2 form.

QuickBooks uses the paycheck date when it runs reports.

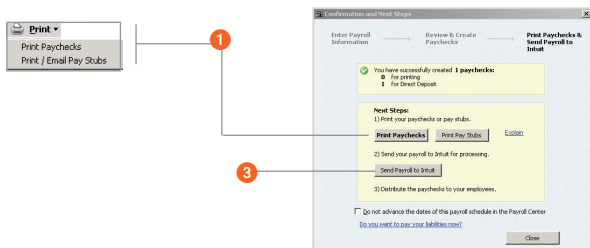
A **pay period** is the duration of time for which you are paying your employee wages. The **pay period ends date** is the last date of the pay period that you want a paycheck to cover.

QuickBooks uses this date to calculate how many weeks an employee has worked in a year and the time information to include in the paycheck.

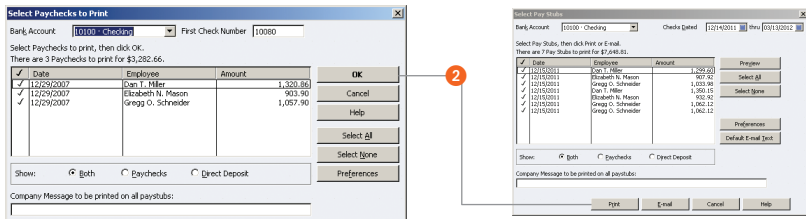
Printing paychecks and pay stubs

After you finish creating paychecks, the Confirmation and Next Steps window appears, from where you can print paychecks and pay stubs and send paychecks for Direct Deposit.

- 1 Click **Print Paychecks** or **Print Pay Stubs** from the Confirmation and Next Steps window. If you choose not to print at this time, click **Close**. (To print at a later time, go to the Payroll Center, click the **Print** drop-down arrow, and then click **Print Paychecks** or **Print / Email Pay Stubs**.)



- 2 Depending on your selection, the Select Paychecks to Print or Select Pay Stubs window appears. Paychecks and pay stubs to be printed appear selected by default. Click to clear, if necessary, and then click **OK** or **Print**.



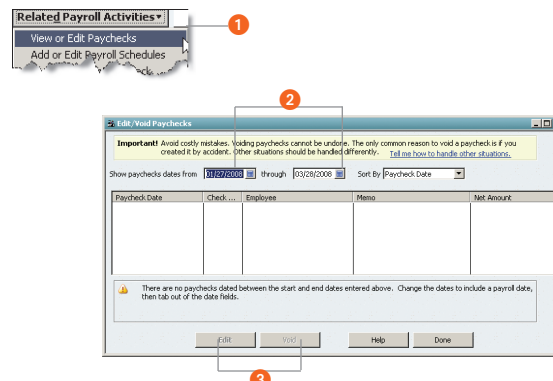
Note: Click **Email** to send pay stubs via email.

- 3 To send paychecks for Direct Deposit, click **Send Payroll to Intuit**. To send payroll later, from the Payroll Center, click **Send Payroll Data**.

Note: Direct Deposit checks require two business days to deposit.

Editing paychecks and voiding paychecks

- 1 Go to the **Payroll Center**. Click the **Related Payroll Activities** drop-down arrow and then click **View or Edit Paychecks**.



- 2 Select a date range in the Select paychecks from/through fields.
- 3 Select the paycheck you want to edit or void and do one of the following:

- Click **Edit** if you're changing the paycheck.
- Click **Void** if you're voiding the paycheck.

- 4 Do one of the following:
 - If you're voiding a paycheck, follow the instructions in the warning message that appears.
 - If you're editing a paycheck, make your changes in the Paycheck window. To make other changes, click Paycheck Detail. The Review Paycheck window opens.

Note: You can't change the amount or payee. You can change the check number, check date, bank account, or employee's address. Review Paycheck provides Lock Net Pay, which means that you can safely edit certain paycheck details without recalculating the net amount of the paycheck.

- 5 Do one of the following:
 - Click **Void** to close the message window.
 - Click **Save & Close** to close the Paycheck window.
- 6 Click **Done** in the Edit/Void Paychecks window.

Did you know?

How does voiding affect year-to-date amounts?

If you delete the most recent paycheck, QuickBooks updates the year-to-date figures to reflect the change. If you void or delete an earlier paycheck, the year-to-date figures on subsequent recorded paychecks will be correct on pay stubs, paychecks, and in the Review Paycheck window, but not in the Preview Paycheck window. The year-to-date figures for paychecks you write in the future will be correct.

Direct Deposit users

If you want to make changes to Direct Deposit paychecks after they've been sent, you must first void the paychecks you already sent and then create new paychecks. Don't edit the paychecks that were already sent because doing so will prevent the voiding from being successful. If you use Direct Deposit, you can recover the funds if the voided paycheck is sent to the payroll service before the start of payroll processing, which begins at 5:00 p.m. (Pacific Time), two business days before the paycheck date.

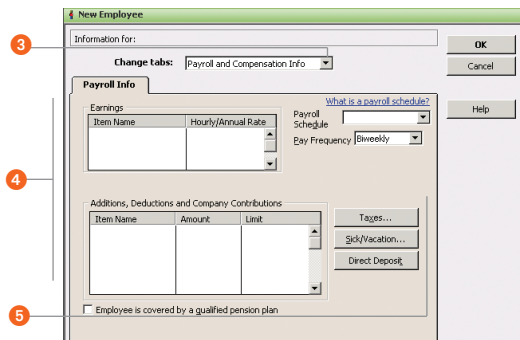
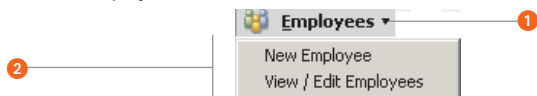
If the paycheck was issued in a previous quarter, you can void it only if you haven't yet created paychecks for the current quarter.

Managing employees

After completing the Payroll Setup interview (pages 12–13), you can add new employees or edit existing records without going to Payroll Setup interview.

Adding or editing an employee

- 1 Go to the **Payroll Center** and then click the **Employees** drop-down arrow from the Payroll toolbar.
- 2 Do one of the following:
 - Click **New Employee** to add a new record.
 - Click **View/Edit Employees** and double-click the employee name from the list to edit the employee record.
- 3 Complete the fields in the **Personal, Address and Contact**, and **Additional Information** tabs. Click the **Change tabs** drop-down arrow to complete the **Payroll and Compensation Info** and **Employment Info** tabs.
- 4 Use the **Payroll and Compensation** tab to enter earnings or other additions and deductions for this employee.
- 5 Click **Taxes, Sick/Vacation**, and **Direct Deposit** (if the employee opted to have paychecks direct deposited) to enter information specific to the employee. Click **OK** when you're done.



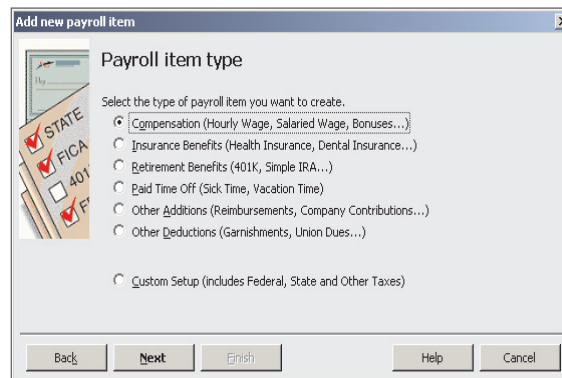
Managing payroll items

After completing the Payroll Setup interview, you might need to create a new payroll item for new taxes, employee benefits, or items such as garnishments on an employee's wage, or edit items.

Note: Use this method for creating new items or editing items if there are only one or two items that you need to add or update; otherwise, use the Payroll Setup interview.

Adding or editing a payroll item

- 1 Click the **Setup and Maintain** drop-down arrow and then click **View/Edit Payroll Items**.
- 2 Do one of the following:
 - Go to **Related Activities** in the left side of the window and click **Add a payroll item** to add a new item.
 - Select a payroll item from the list and click **Edit a payroll item**, or double-click the item from the list.
- 3 Go through the **Add new payroll item** or **Edit payroll item** wizard.
- 4 Click **Next** to go to the next screen and click **Finish** when you're done.



Key term

Payroll Items

Any component of a paycheck, including salary, taxes, and benefits is called a payroll item. QuickBooks uses these items to create paychecks, tax payments, and adjustments. When you activate the payroll feature, QuickBooks creates a payroll items list with some standard payroll items, such as hourly pay rates, sick time accrual, and 401(k) matching percentages. You can add, edit, or delete payroll items.

QuickBooks uses payroll items to track individual amounts on paychecks and accumulated year-to-date wage and tax amounts for each employee. Set up payroll items for compensation, taxes, other additions and deductions, and other employer-paid contributions.

Paying taxes and other liabilities

In Simple Start 2008, you can set up scheduled payments for your payroll taxes and other liabilities, such as health insurance or 401(k), or you can create a custom (unscheduled) payroll tax payment. When you set up scheduled payments for your payroll taxes and liabilities, you can track accrued tax amounts and payment due dates.

Enhanced Payroll customers using Simple Start 2008 can also e-pay (electronically) federal and select state payroll taxes, directly from QuickBooks (see the inset on page 23).

Note: Many states require those who pay electronically to also file electronically.

Send By	Status	Payment	Period	Amo...
08/13/07 9PM	Upcoming	Federal 941/944	Jul 2007	663.20
08/14/07 9PM	Upcoming	MD Withholding	Jul 2007	106.08
10/29/07 9PM	Upcoming	Federal 940	Q3 2007	19.20
10/30/07 9PM	Upcoming	MD Unemployment Insurance	Q3 2007	57.60
01/01/08	Upcoming	Workers Compensation	2007	504.00

Total Selected Items: 0.00

Buttons: Related Payment Activities, Check E-payment Status, View/Pay

Bank Account: payroll Ending Balance: 15,790.34

No. To Print: 07/01/2007
Date: 07/01/2007
Pay to the Order of: United States Treasury \$ 663.20
Six hundred sixty-three and 20/100th Dollars

Address:
Memo: 99-1111110

Period: 07/01/07 - 07/31/07 Check E-payment To be printed

Payroll Item	Amount	Memo	Class
Federal Withholding	296.00		
Social Security Company	149.80		
Social Security Employee	149.80		
Medicare Company	67.60		

Buttons: Recalculate, Save & Close, Save & Next, Cancel

Summary: 1 check created (\$663.20)

Payment	Payee	Period	Amount	Method	Status	Withdrawn On	Cre...
Federal 941/944	United States Treasury	Aug 2007	\$663.20	Check	To Be Printed		
Total			\$663.20				

Buttons: Print Checks, Print Summary, Close

To pay your payroll taxes and other liabilities:

- 1 Open the **Payroll Center**. Accrued tax amounts are shown in the Pay Scheduled Liabilities section of the Payroll Center along with their due dates and current status.
- 2 Click the column next to the payments you want to make.
- 3 Click **View/Pay**. If you selected more than one payment, the liability checks appear in a check stack.
- 4 Review the payment details for the first payment in the stack.
- 5 Click **Save & Next** to display the next payment in the check stack.

Note: If the scheduled payment is set up for e-pay, you can submit the payment electronically. To do so, make sure that the e-payment option is selected and click E-Pay. Enter your login details and click Submit. After the e-payment is submitted, print the e-pay confirmation for your records and click Close.

- 6 After the last liability payment is submitted or created, click **Close**.

A summary window appears. From this window you can print physical checks or print a list of the checks and payments you created.

- 7 Click **Close**.

Setting up a scheduled payment for payroll taxes and liabilities

You can set up scheduled payments either when you first set up your payroll in the Payroll Setup interview or when you add or modify taxes or liabilities to your company file.

- 1 Go to the **Payroll Center**.
- 2 In the Pay Scheduled Liabilities section, click the **Related Payment Activities** drop-down arrow and then click **Edit Payment Due Dates/Methods**.
- 3 Follow the instructions in the interview.

Note: If you set up the scheduled payment for e-pay, you need to set up an e-pay bank account and you may need to enroll in the agency e-pay program. Agency enrollment instructions are available in the interview and on the Payroll Tax Support Web site (<http://www.quickbooks.com/support/fileandpay/enroll/>).

Key terms

Scheduled payments

One or more payroll taxes or other payroll liabilities that are paid together, at the same time, to the same agency are scheduled. For example, you typically pay your federal withholding, Social Security, and Medicare taxes at the same time to the IRS.

E-payments

Simple Start 2008 lets Enhanced Payroll customers e-pay federal and selected state payroll taxes directly from QuickBooks. For a list of supported payroll taxes, visit the Payroll Tax Support Web site (www.quickbooks.com/support/fileandpay/taxpmts/).

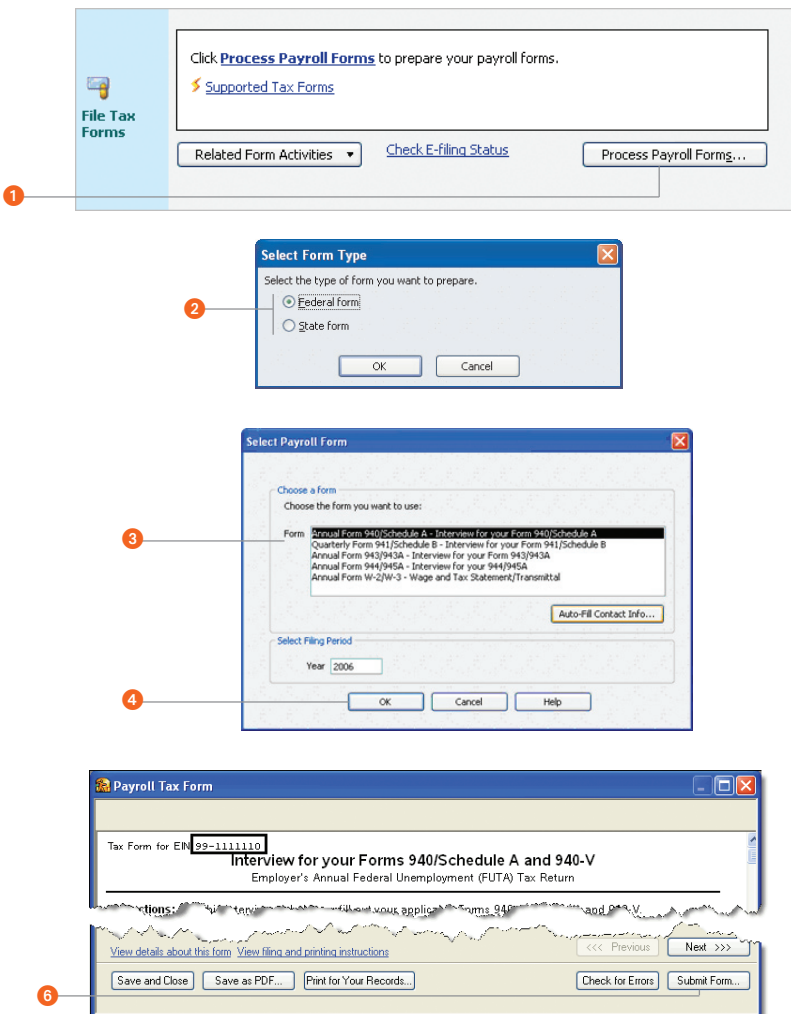
Custom (unscheduled) payroll liability payments

If you have a one-time payroll tax or fee, you may want to create a custom payroll liability payment rather than create a scheduled payment. To do so, go to the **Payroll Center**, click the **Related Payment Activities** drop-down arrow, and then click **Create Custom Liability Payments**.

Filing payroll tax forms (Requires an Enhanced Payroll subscription)

With an Enhanced Payroll subscription, you can file federal and many state tax forms from QuickBooks. For information about setting up payroll tax forms for e-file with your Enhanced Payroll subscription, see the inset on page 25.

Note: Many states require those who file electronically to also pay electronically.



To file your payroll tax forms:

- 1 Open the **Payroll Center**. In the File Tax Forms section, click **Process Payroll Forms**.
- 2 In the Select Form Type window, select **Federal form** or **State form**.
- 3 In the Select Payroll Form window, select the form you want to prepare and make sure that the period reflects the correct tax period.
- 4 Click **OK**. QuickBooks closes any open windows. Your payroll tax form appears in the Payroll Tax Form window.
- 5 Follow the onscreen instructions. The instructions are dynamic and depend on the type of payroll form you're preparing.
- 6 Review your form details and the printing and mailing instructions, and then click **Submit Form** or **Print**.
- 7 In the Submit Form (or Print Form) window, select print or e-file, if e-file is available.
- 8 Click the **Close** button and then close the Payroll Tax Form window.
- 9 Review the information in the Next Steps window and then click **OK**.

Setting up payroll tax forms for e-file

(Requires an Enhanced Payroll subscription.)

- 1 Open the **Payroll Center**. In the File Tax Forms section, click the **Related Form Activities** drop-down arrow and then click **Edit Filing Methods**.
- 2 Follow the onscreen instructions.

Note: You may need to enroll in the agency's electronic filing program before you can e-file a form from QuickBooks. Enrollment instructions are available in the interview and on the Payroll Tax Support site (www.quickbooks.com/support/fileandpay/enroll/).

Did you know?

Supported payroll tax forms

For a list of payroll tax forms you can prepare in QuickBooks, visit the Payroll Tax Support Web site (www.quickbooks.com/support/fileandpay/enroll/).

E-file payroll tax forms

Enhanced Payroll customers using QuickBooks Simple Start 2008 can e-file federal and selected state payroll tax forms directly from QuickBooks. When you set up supported payroll tax forms for e-file, you can prepare, process, submit your form, and then check the status of your form. For a list of payroll tax forms you can e-file from QuickBooks, visit the Payroll Tax Support Web site (www.quickbooks.com/support/fileandpay/taxpmts/).

If you're e-filing your W-2 or W-3 forms, you're required to print copies for your employees, your state, and possibly your local tax agencies.

Working with Simple Start

Simple Start is designed to make your business accounting fast and easy—right out of the box. Insert the enclosed CD and follow the instructions, and you'll be up and running in no time. The following are some quick tips to help you get up and running in Simple Start:

Set up your business

- **Set up a company file for your business.** Double-click the **QuickBooks Simple Start** icon. The Setup Interview begins automatically and takes only a few minutes to complete.
- **Use the tutorials.** They're short, interactive, and you'll learn how easy it is to track your business activities. Under **Get Started Now** on the Home page, click **Check Out the Tutorials**.
- **Set up a checking account.** You'll use this account in Simple Start to track checks you write and deposits you make to the checking account at your bank. On the Home page, place your mouse pointer over **Bank Accounts** and click **Register**. Use your latest checking account statement to enter the opening balance and date to ensure that your records are accurate.

Track money coming into your business

Record a sale. Use a sales receipt when you receive payment at the time of the sale. Use an invoice to bill a customer for payment later. Under Money In, go to **Sales Receipts** or **Invoices**, and click **New** to fill out the appropriate form and customize how you want it to look.

Record an invoice payment from a customer. Under Money In, go to **Receive Payments** and click **New** to record the payment.

Record a bank deposit. Under Money In, go to **Deposits** and click **New**. Select the payments that you will be taking to the bank for deposit, click **OK**, and set up your deposit.

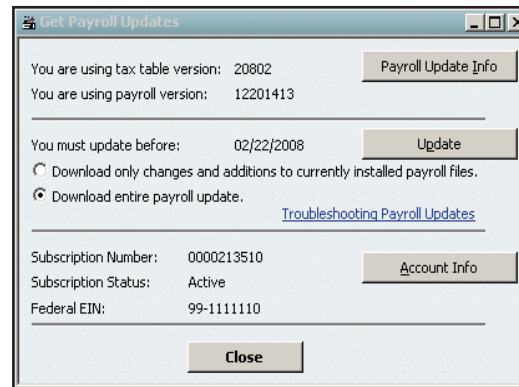
Track money going out of your business

Write a check to pay an expense. Under Money Out, go to **Write Checks** and click **New**. Fill out the check just as you would in your checkbook. You can print the actual check or track a handwritten one. You can also use this form for debit card and EFT transactions.

Record a cash or credit expense. Under Money Out, go to **Record Expenses**. Click **Cash** or **Credit** to enter the expense in the appropriate account.

Pay your employees, payroll taxes, and file your forms. Sign up for Payroll and use the service to set up and pay your employees, pay your payroll taxes and liabilities, and file your tax forms.

Keeping your tax tables up to date



By default, QuickBooks Payroll has Automatic Updates enabled. This lets QuickBooks Payroll check for payroll updates each time you start it so you never miss an updated tax table or form.

Note: This procedure is for Simple Start 2008. For information on keeping your tax tables up to date for other QuickBooks versions, visit the support Web site at www.quickbooks.com/support.

If you don't have Automatic Updates turned on, you can still keep your QuickBooks Payroll up to date:

- 1 Go to the **Setup and Maintain** menu, click **Get Payroll Updates**.
- 2 Choose from the two download options:
 - Download only changes and additions to currently installed payroll files. This is the fastest option because it downloads only new payroll information. Choose this option for most updates.
 - Download entire payroll update. This option takes longer because the entire update is downloaded. Use this option if you have experienced problems updating your payroll.
- 3 Click the **Update** button.
- 4 When the download completes, QuickBooks displays a message confirming that the update was successful.

Be sure to review the Payroll Update News to learn about changes to state and federal tax rates and forms that may affect your business.

Did you know?

Payroll Updates

Payroll updates become available throughout the year. Updates might include enhancements, payroll tax forms updates, and new tax tables. We recommend that you update to make sure that you have the most current tax tables.

If you experience problems updating your payroll and are unable to complete the update, you may want to check your Internet connection setup.

Active Payroll Subscription

You must have an active subscription in order to update your payroll. If you have problems downloading an update, check the following:

- If there is no subscription number listed and you have already subscribed to a payroll service, verify that your subscription number is entered.
- If your subscription status shows inactive, you can update your account information from within QuickBooks. Go to the **My Payroll Service** menu and click **Account/Billing Information**.

QuickBooks Payroll

For help setting up or using QuickBooks Payroll

- **Get the latest information and fast answers** to common questions in the QuickBooks Support Knowledgebase at www.quickbooks.com/support
- **Learn how to do common tasks** by watching interactive, in-product tutorials
- **Connect with other QuickBooks Payroll users** and experts to ask questions and share advice at www.quickbooksgroup.com/payroll
- **Find everything you need to know to complete year-end tasks** with QuickBooks Year-End Center at www.quickbooks.com/yearend
- **Get FREE Payroll Callback Support when you need assistance from a Payroll expert.** Included with active QuickBooks Payroll subscriptions for questions submitted online at www.quickbooks.com/contactme. We will usually respond in 30 minutes or less, weekdays, 6AM to 6PM, PT¹
- **Use a local Certified QuickBooks ProAdvisor® to set up and customize QuickBooks** for your business (fees apply). Find a ProAdvisor at www.findaproadvisor.com/payroll

For help setting up or using QuickBooks Simple Start

- **Search the Help function in the software** for step-by-step instructions on using QuickBooks Simple Start
- **Get free QuickBooks support on Simple Start** for 30 days from registration for questions submitted on our website.² We'll respond to you by e-mail

Terms and conditions of support, features, pricing and availability are subject to change at any time without notice.

1. Available to active QuickBooks Payroll subscribers only. Questions must be submitted online to receive free callback support. A support fee will be charged to handle requests that originate from a call rather than a Web request. Available in the U.S. only. Internet access required. Hours may vary occasionally due to system and server maintenance, company events, observed U.S. holidays, and events beyond our control. Additional terms and conditions apply.

2. 30 consecutive days of QuickBooks Simple Start 2008 support included from first-time registration. Questions must be submitted online at www.quickbooks.com/contactme to receive free support by e-mail. Internet access required. Offer valid 90 days from software purchase; U.S. only. See terms and conditions inside software.