Payroll

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Introduction

Technical Support

Welcome to the instructional manual for the Payroll module within the Eagle Business Management System (EBMS). In the sections following, explanations and examples of the available features within the Payroll Module will be explained. If you need to reach our staff for further help, contact us using the information below:

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Payroll Overview

The Payroll module of EBMS is very flexible and easy to use. The system works well for a small company with a few employees or a larger company with a variety of requirements such as complex deductions or pay types. The timecard system can handle hourly pay, salary, piecework, tips, commissions, and many other types of pay. Benefit pay such as vacation or holiday pay can easily be managed using the tools within the system. The EBMS payroll module is integrated with a variety of option modules such as the work order system (tasks), job costing, and electronic time clocks. EBMS allows payroll to be based on a weekly or biweekly basis. How often employees are paid is decided by the pay periods and pay dates used. Checks can be printed as often as needed.

The Payroll module of EBMS is fully integrated with the General Ledger module, making it very easy to have payroll information posted to the G/L as often as necessary. When Time Cards are entered and payments are made to employees, the transactions are posted to the G/L as increases in wages, payroll taxes, taxes payable, and as decreases in cash accounts. When the payment of the payroll taxes is posted as expense invoices or payroll journal entries taxes payable accounts are increased and cash is decreased.

EBMS can track vacation days, sick days, personal days, etc. for employees, as well as calculate the accumulation of such if the information is entered in the employee information window. This can help save time for the payroll personnel in calculating used and unused compensation days. This will be explained in more detail later.

EBMS has been designed to handle piecework and prevailing wage payroll needs as well. More information will be given on these issues in a separate section of this chapter. If your company does either of these types of payroll, be certain to read the corresponding section.

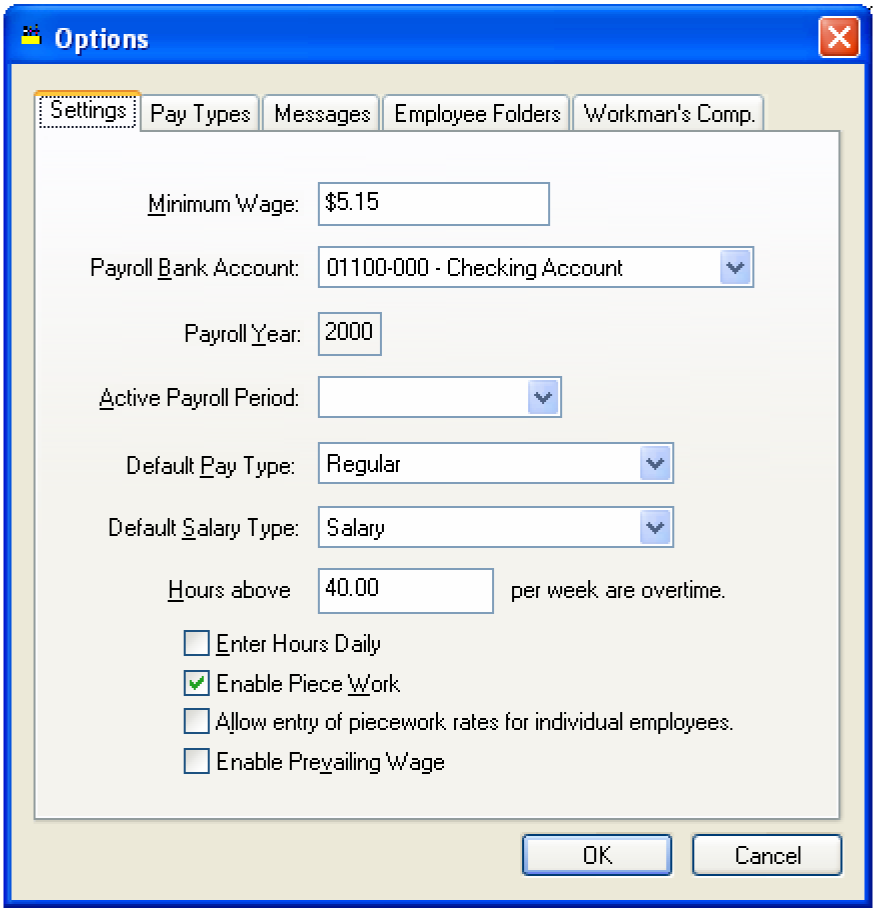
EBMS can handle many types of payroll deductions, both tax and other. The basic tax deductions that are standard will come already set up and will just need to be assigned to employees. Any other deductions or taxes will need to be set up and assigned to employees as needed. Taxes and other deductions will be discussed in a later section

Getting Started

Settings

To view and edit payroll settings as needed take the following steps:

Go to **Payroll > Options > Settings** tab and the following window will appear:



- **Minimum Wage** should be set at the current Federal rate.

- Select the proper checking account to use for payroll from the drop down box in the **Payroll Bank Account** box. This bank account may be a separate checking account used only for payroll or a common checking account that is used also for paying expense invoices.

- Enter the current payroll year in the **Payroll Year** block. This will automatically be updated when a **Payroll Year** is closed.

- **Active Payroll Period** is the current, open payroll period. This can be changed here if there is more than one payroll period open. If only one payroll period is open, it will be listed as active. To enter new payroll periods review the Pay Periods section.

- **Default Pay Type** can be set at Regular, Vacation, Sick, or etc. This should normally be set to Regular unless your company has changed the standard pay types or added one of their own.
- **Default Salary Type** is the pay type that will be the company default for salary, if different from hourly employees.
- **Enter Hours Daily** enables the entry of dates in the employee advanced tab window for daily hours. Review the Daily Hours section for more details.

The following two options are available only if the **Piecework** or **Prevailing Wage** modules are added. Contact your Eagle Solutions consultant for information on adding these modules.

Enable Piece Work enables piecework. Review the Piecework Pay Overview for more details on piecework pay.

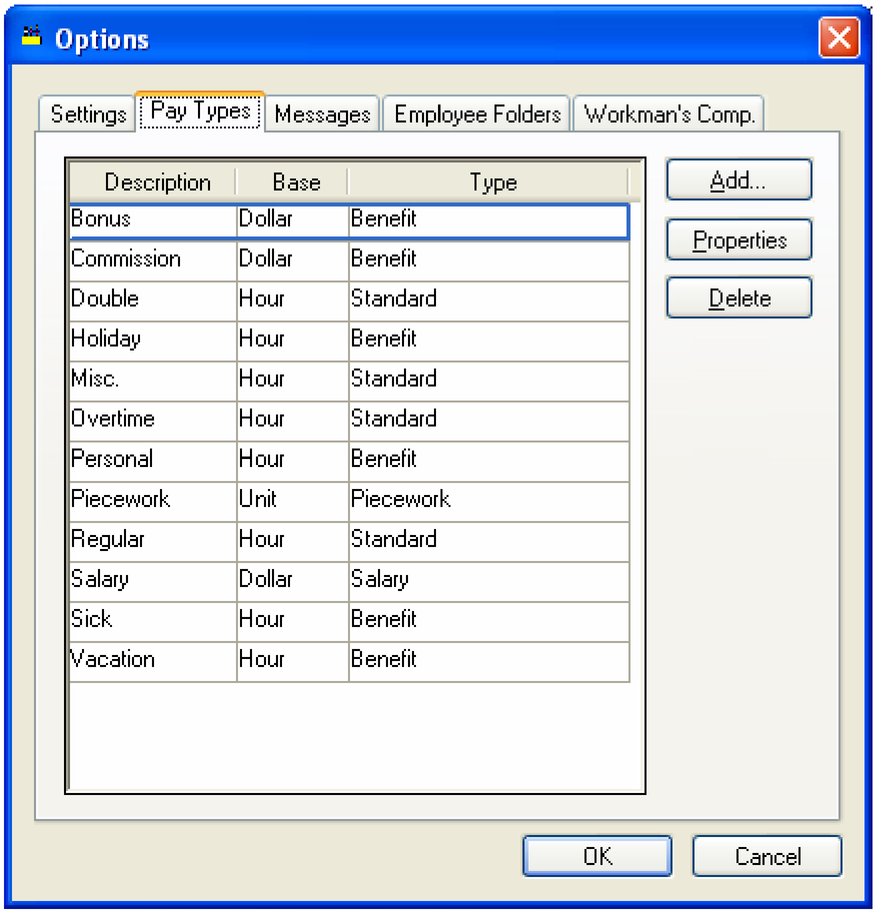
Enable Prevailing Wages enables prevailing wages.

Pay Types

Pay types are used to identify the type of pay within the timecard and employee history. Before a pay type can be used within an employee's timecard the pay type must be entered in the employee's pay tab. Go to **Payroll > Employees > Pay** tab to set pay types.

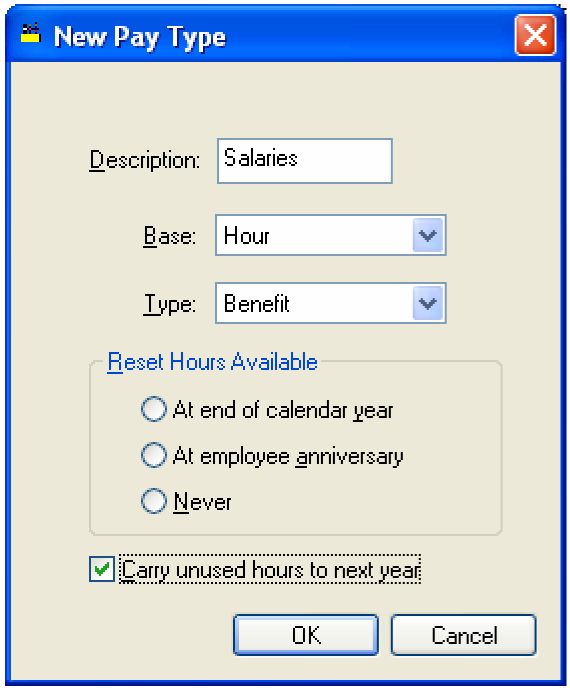
To view, add, or change the standard pay types included with EBMS take the following steps:

Go to **Payroll > Options > Pay Types** tab and the following window will appear:



Adding a Pay Type

Click the **Add** button, the following window will appear:



1. Enter a short **Description** of the new pay type.

2. Select a **Base** option of either:

   Dollar based pay is used for pay such as bonuses, commissions, tips, or piece work.

   Hour based pay is the most common type of pay. It is calculated by taking the number of hours worked and multiplying by the hourly rate.

3. Enter the **Type** of pay, which can be any of the following:

   - **Benefit** pay is normally hourly based. This type records the number of hours accumulated, number of hours used and the total available at the current time. Hours can be accumulated automatically in a number of different ways. Some common **Benefit** type pays are vacation, holiday, sick, or personal pay. See **Employee Pay** tab section for more details on setting up Benefit pay types for an employee.

   - **Employer Paid Tips** type identifies tips that are paid through the payroll check. All tips that are recorded in payroll but are taken home as cash must be identified as **Take Home Tips** pay. Employer Paid Tips are always dollar based. Review the Processing Tips section for more details.

   - **Piecework** is used when paying an employee by the piece rather than by the hour. This option may not be available if the optional piecework feature is not included in your system. Review the Piecework Pay Overview for more details on piecework pay.

   - The **Salary** type is used to identify salary pay. Review the Salaried Pay Overview section for details on processing salary pay.

   - The **Standard** type is the most common used type. Use this type if none of the other types apply.

- The **Reimbursement** option is useful when reimbursing an employee for miscellaneous expenses such as mileage or tolls that should not be taxed. Review the Reimbursements section for more details.

- **Take Home Tips** is the pay type used to process tips that were paid to the employee as cash. **Take Home Tips** are always dollar based. Review the Processing Tips section for more details.

- **Benefit Salary** is similar to the **Benefit** type except that the benefit pay is not added to the salaried employee's pay, but rather the benefit time is included in the employee's salary. This type is useful if the salaried employee does not get paid extra for vacation or holidays but the number of days needs be tracked within the benefit hour windows. Review the Entering Salaried Employee Information section for more details.

The Following options are only applicable if the **Base** value is set to **Hour** and the **Type** setting is set to **Benefit** or **Benefit Salary**.

4. The **Reset Hours Available** setting identifies the method used to reset the annual benefit hours. Review the pay tab section of Changing Employee Information to setup pay types within an employee.

5. Turn the **Carry unused hours to next year** option ON to copy the balance of unused hours to the following year.

6. Click **Ok** to create a new type or cancel to abort.

Review the Benefit Pay section for more details explaining the management of benefit hours.

Pay Types must be added to the employee before they can be used on a timecard**.** Review the pay tab section of Changing Employee Information to setup pay types within an employee.

Editing Existing Pay Types

1. Highlight the pay type to be edited.

2. Click the **Properties** button.

3. Change the **Description** if desired. Note that this description is used to identify the pay type throughout the system so if the description is changed the system must search through a number of databases and update the pay type description. This can be time consuming.

4. Change the **Base** if desired. Use with caution if the pay type has been used in previous timecards.

Warning: It is recommended that the user does not change the base from an hourly base to a dollar base if the pay type has already been used. This change can result in skewed hour / pay reports especially with benefit pay. It is recommended that the user create a new pay type for the new base and then remove the original pay type from the employee pay table.

5. Change the **Type** if desired. See the list of types in the above section. Use caution if the selected pay type has been used since the change will effect benefit hours and history.

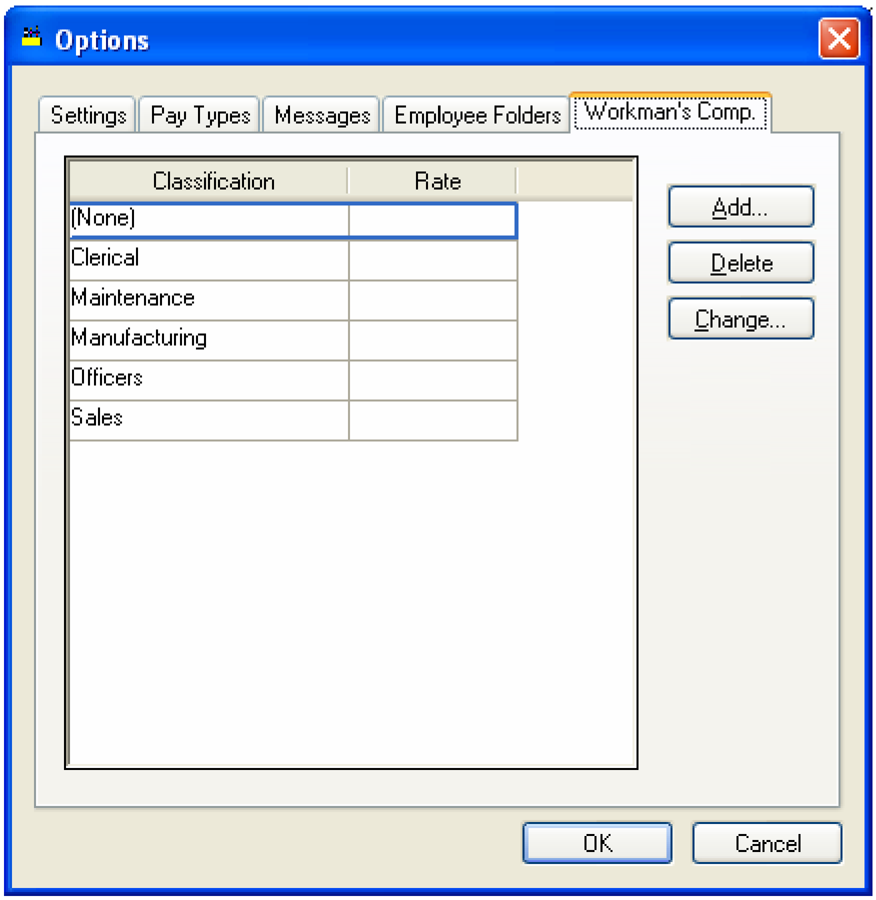
6. Click **OK** to save or **Cancel** to abort.

Removing an Existing Pay Type

Click **Delete** to remove an existing pay type. If this pay type is listed within any employee pay tab or within the employee folder defaults, the pay type will not be able to be deleted.

Workman's Compensation

This window is used to identify the classification for each employee. It is recommended that the Workman's Compensation **Classifications** are setup before employees are entered. Go to **Payroll > Options > Workman's Comp** tab to enter the classifications.



Enter the list of workman's compensation classifications into the **Classification** column. Keep the classification description brief.

Enter the workman's compensation **Rate** for each classification.

Click **OK** to save changes or click **Cancel** to ignore changes.

Employee classifications are set for each individual employee in **Payroll > Employees > General** tab.

Employees

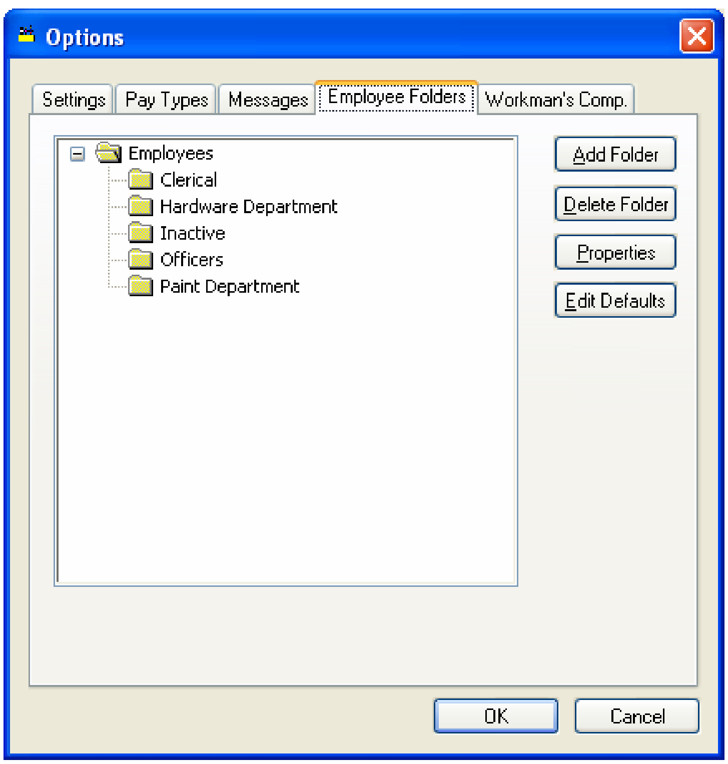
Adding and Deleting Employee Folders

This feature helps with the organization of employees. The folders are created in **Payroll > Options > Employee Folders** tab. The EBMS program comes with two standard folders- employees and inactive. Additional active folders can be added as needed. Folders will be most helpful if designed in a manner that will facilitate ease of selection for which folder to use for new employees.

EXAMPLE If you have an office employee and warehouse employee you could set up folders for office employees and warehouse employees. Then, when new employees are entered or existing employees are being searched for they are easier to find.

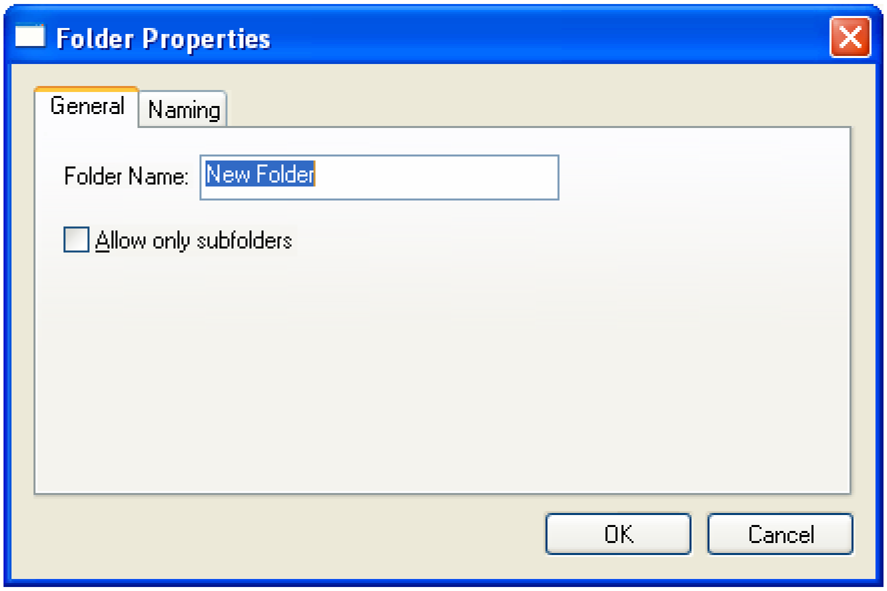
Folders have been designed that there can be main folders with sub-folders underneath them. This setup can help facilitate a more detailed breakdown of employees as well. This allows sub-grouping of employees of one type into multiple folders underneath the main folder. Instead of deleting employees, it is better to put them in the inactive folder. This allows access to the employee information but does not put the information in reports with current employees. To add, delete, or edit folders take the following steps:

Go to **Payroll > Options > Employee Folders** tab, the following window will appear:



Adding a Folder

To add a folder highlight the folder that it is to be a sub-folder to and click **Add Folder** button and the following dialog will appear:



1. Enter the **New Folder** name describing the contents of the folder.

2. Turn the **Allow Only Sub-folders** switch ON if you do not want any employees placed into this folder but only wish to allow other sub-folders.

Deleting a Folder

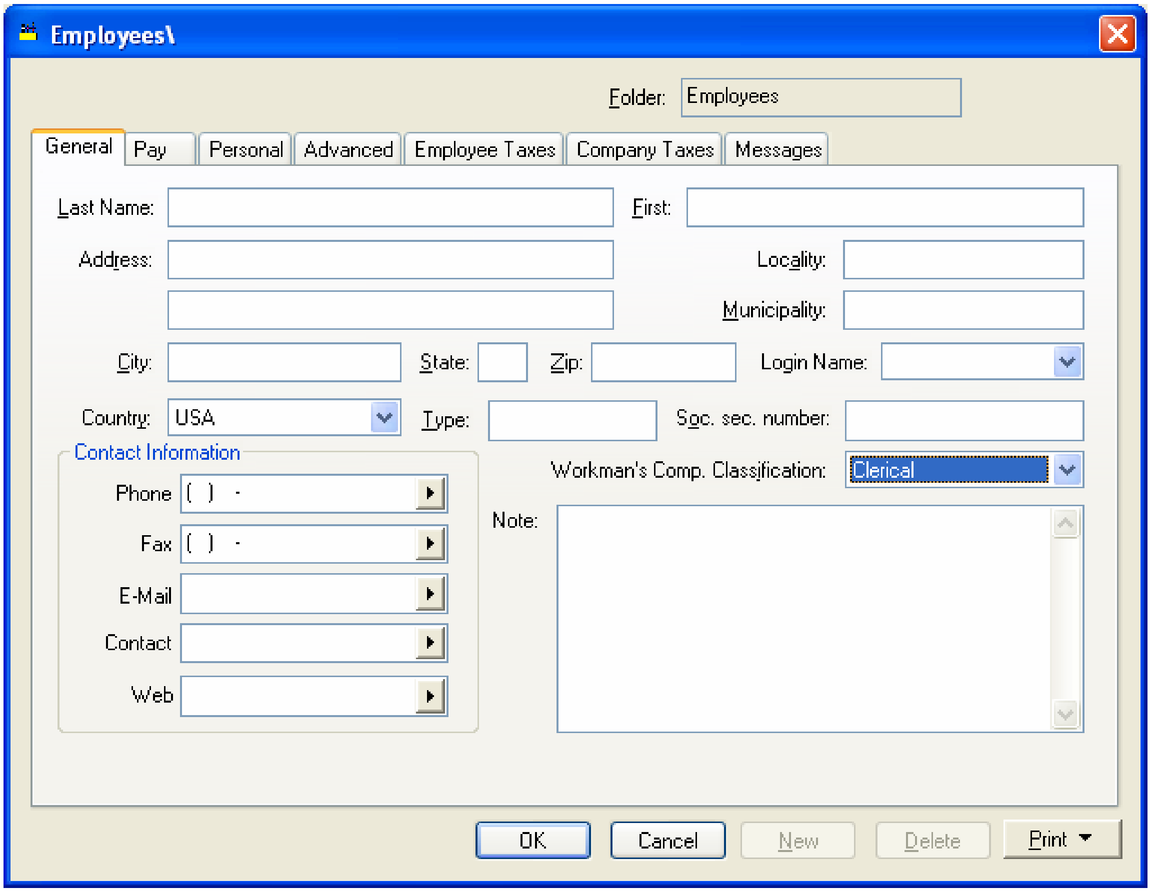
Click **Delete Folder** button and a message asking to verify folder being deleted will appear. A folder cannot be deleted if there are employees in the folder. To delete the folder the employees will need to be moved to another folder before deletion is possible. To move the employees see the section on entering new employees.

Changing the Name of a Folder

To change the name of a folder, click the **Properties** button. Change the folder name or edit the button of the highlighted folder as necessary. Review the Folder Lists section for more details on adding and changing folder lists.

Setting Employee Defaults

It is wise to set employee folder defaults before entering new employees. If you are not familiar with editing defaults review the Change Defaults, Filter Down data and Globally Editing data section. To continue, go to **Payroll > Options** and click on **Employee Folders** tab. Click on the root folder named Employees and click the **Edit Defaults** button. The following window will appear:



The Employee window appears very similar to the Employee entry window, but is used only to enter default values. Any data entered in any of the entry fields will default the next time you enter a new employee in the main employee entry window.

EXAMPLE If you set the country entry field default to "USA" then you will not need to enter USA into that field when entering a new employee.

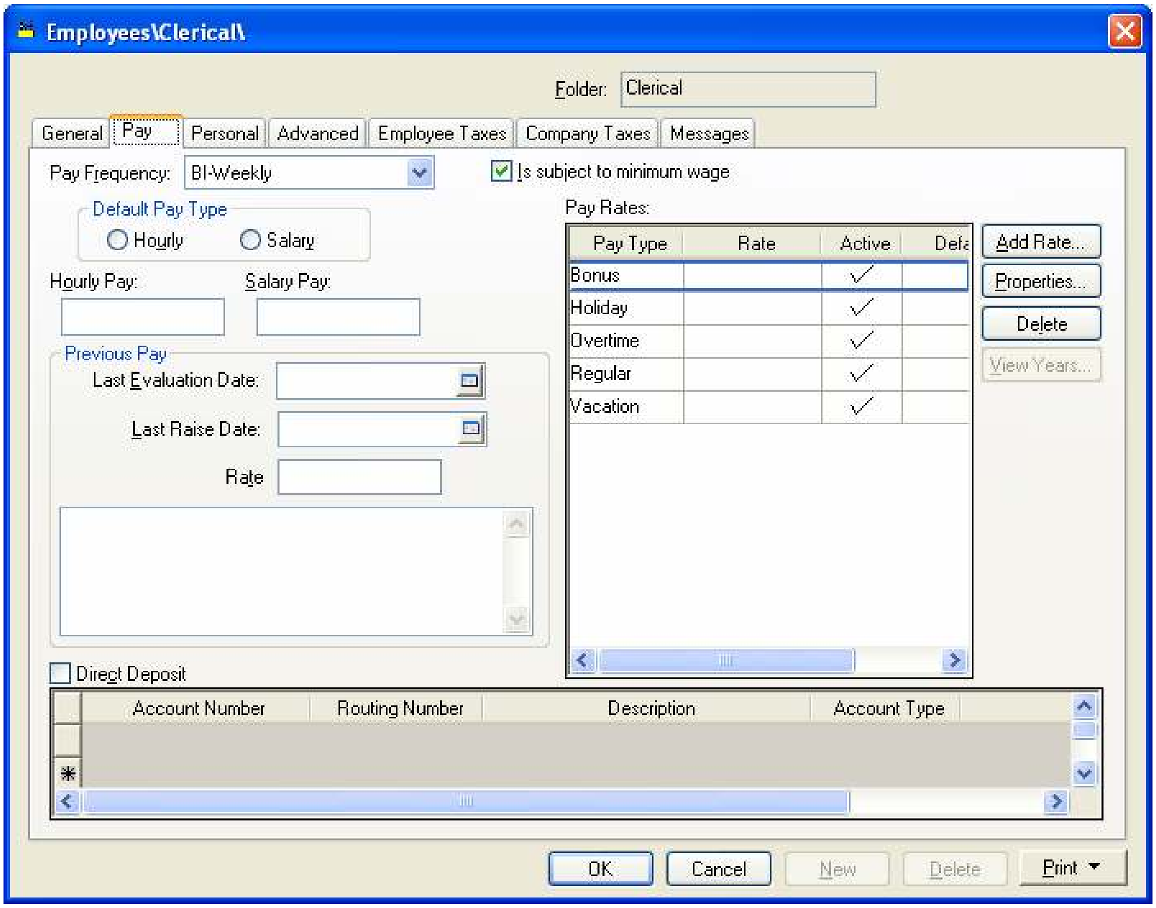
General Tab

Most of the information on the **General** tab will remain blank with the following exceptions:

- Set the **Contact Information** field labels to reflect the most common contact information that you obtain from your employees. Click on the right arrow button to the right of each of the 5 entry fields and you will be able to select a variety of labels.

- Set the **Workman's Comp. Classification** to the most common classification used for new employees. If you do not wish to have this field default to a classification, keep the field blank.

Pay Tab



Pay Frequency should be set to the length of the normal payroll period such as Weekly or BI-Weekly.

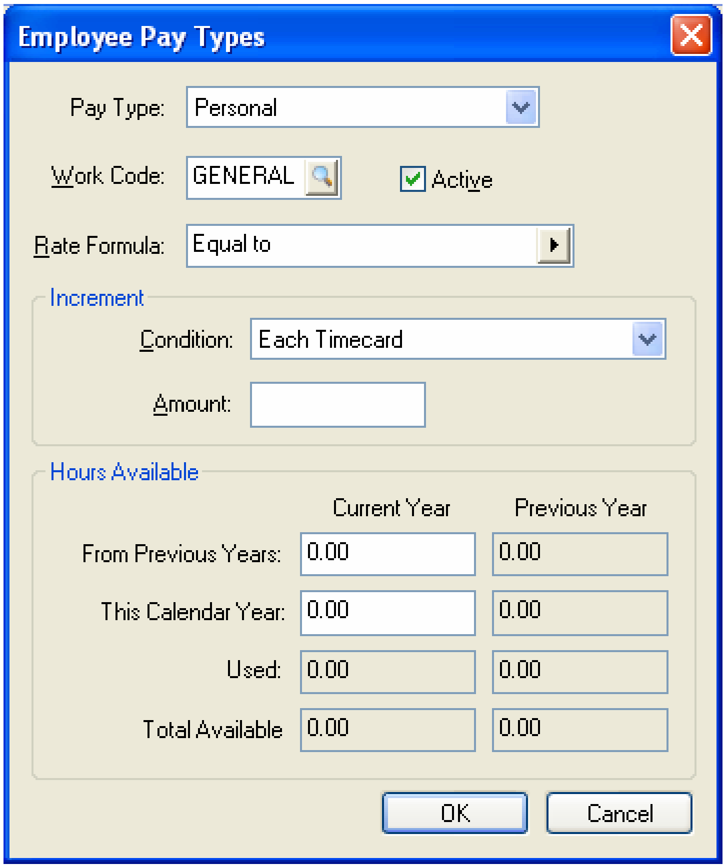
The **Is subject to minimum wage** option should be enabled under normal circumstances. This option is important if piecework payroll is being utilized.

Default Pay Type should be set to the most common pay type, **Hourly,** or **Salary**.

Pay rates and **Previous Pay** values should be kept blank and be entered at the employee level.

The standard **Pay Types** should be listed within the default employee setting. Select the new **Pay Type** you wish to list on all new employees. Perform the following steps to setup defaults in **Pay Rates** table:

1. Click on the **Add Rate** button. The following dialog will appear:



2. Select a **Pay Type** from the list. The user must create a pay types in the **Payroll > Options > Pay Types** tab before they show on the options list. See the Pay Types section for details on how to create new pay types.

3. The default **Work Code** entry is normally blank for default settings unless a work code is always associated with this pay type. See the Work Codes section for details on the function of a work code.

4. The **Rate Formula** should be set to **Equal to** in the default screen if the pay type is hour based. Select the formula template by clicking on the right arrow and choose one of the available templates. This setting must set to **Equal to** for prevailing wages settings to work properly. Review the Piecework Pay Overview for more details on prevailing wage settings.

5. **Increment** fields are only used for benefit pay types that are limited such as vacation or sick days. Ignore the **Increment** and hours available field entries if they are not consistent for all employees.

6. Choose the Increment **Condition** from one of the following options:

   - **Each Time Card** will increment the available benefit hours each time a timecard is processed.

   - Either the **Beginning of Year** or **Beginning of Anniversary Year** option will be available based on the **Reset Hours** setting within the pay type settings. See the Pay Types section for details on changing this setting to the other option. Both options will increment the **Amount** once a year.

- The **Never** option will not increment the **Hours Available** amount automatically but will require manual entry of hours.

7. The **Amount** field reflects the amount that **This Calendar Year** is increased each time the Increment **Condition** is TRUE.

8. Click **OK** to save pay type changes. Repeat these steps for any additional default pay types.

Click the **Properties** button to edit Pay Types.

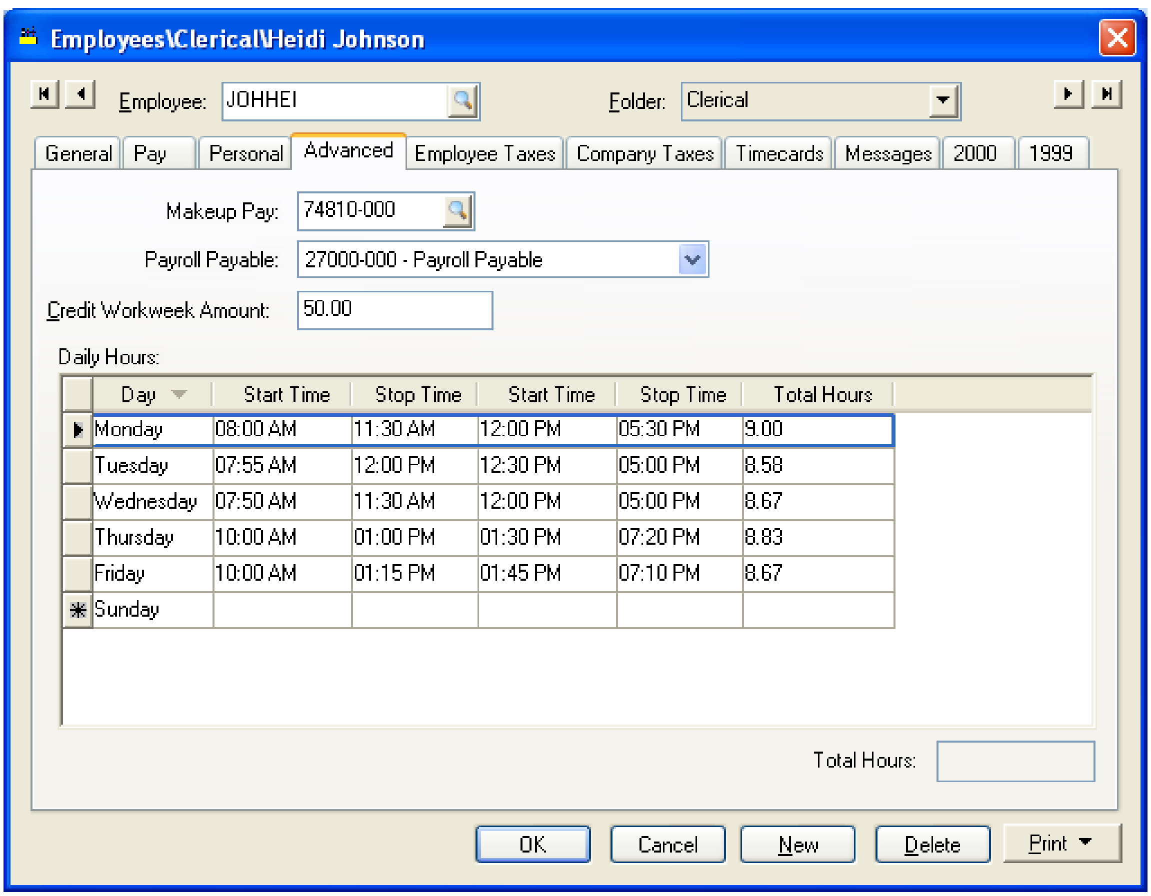
Click **Delete** to remove a pay type. Pay types should be deleted from the default list if the pay type is not standard.

The **Direct Deposit** option should be disabled in the default employee dialog. **Direct Deposit** options should be set whenever a new employee is added.

Personal Tab

Keep the personal tab blank since this information should be set for each employee.

Advanced Tab



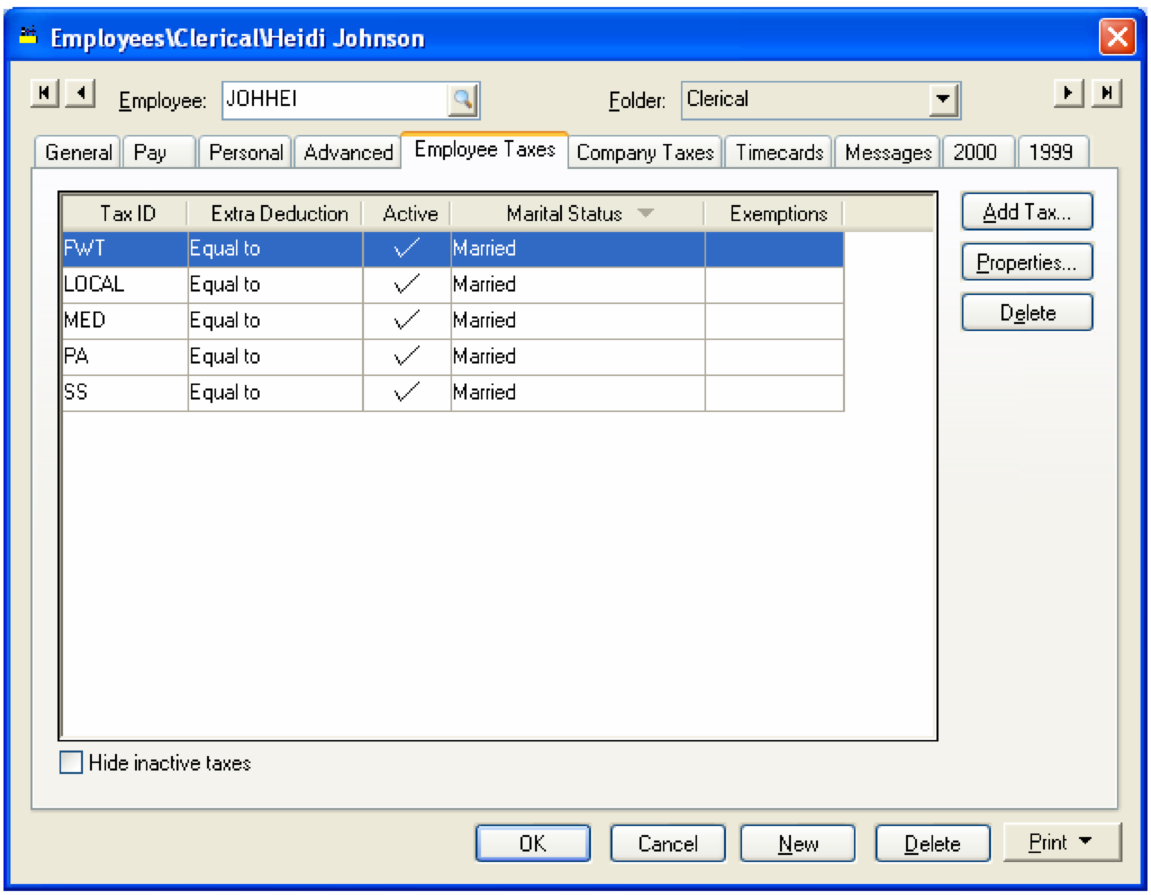
Set the **Makeup Pay** general ledger account as an expense account to record any makeup pay that is paid to an employee. Makeup pay is added to an employee's pay and must meet minimum wage requirements. Review the Payroll > Processing Payroll - Advanced > Minimum Wage and Makeup pay section for more details.

Set the **Payroll Payable** general ledger account, which requires an account with a Payroll Payable classification. If no account is available go to **General Ledger > Chart of Accounts** and add a liability account with a Payroll Payable classification.

Credit Workweek Amount is the minimum dollar amount an employee needs to work to become eligible for state benefits such as Workers' Compensation. This value should be set within the employee defaults before new employees are added. If this total changes for all employees, filter down default amounts to all existing employees.

Keep the **Daily Hours** blank unless you wish to enter the normal working hours that any new employee will work. Review the Daily Hours section for more details.

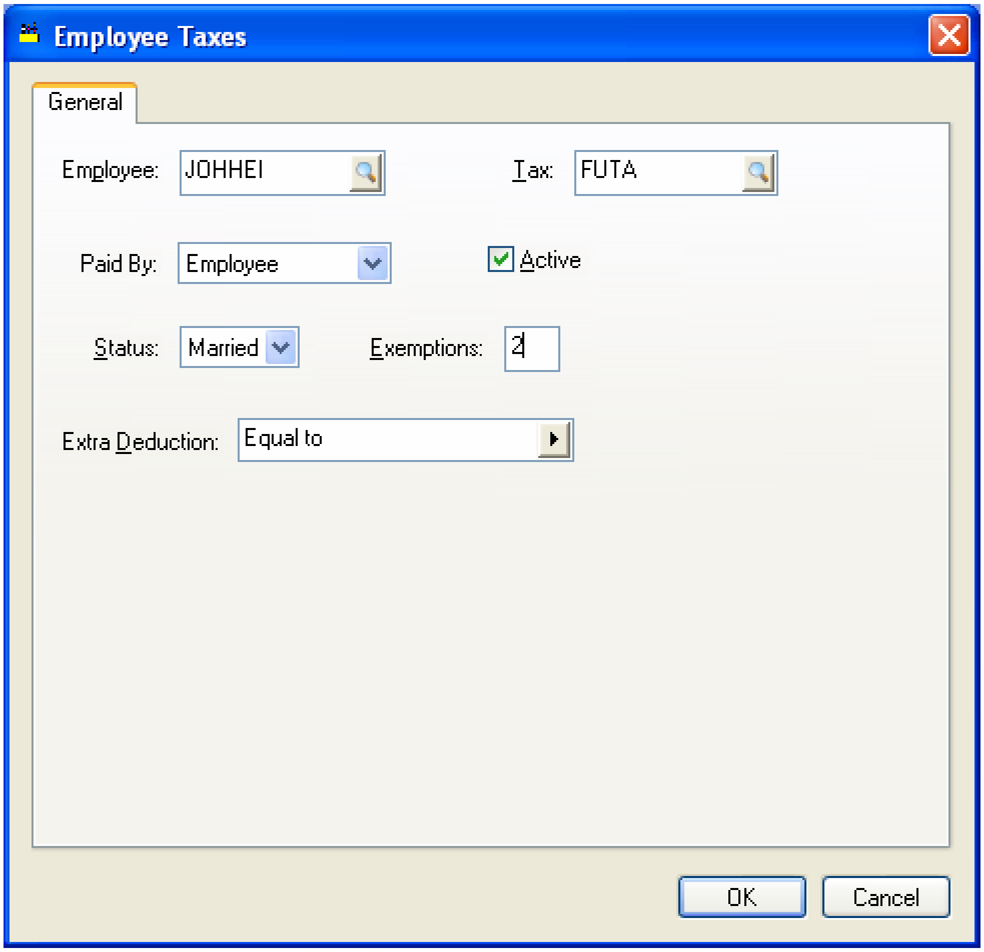
Employee Taxes Tab



It is recommended that you list all common employee taxes and deductions so they are defaulted whenever a new employee is added. If the employee tax and deductions are not setup go to **Payroll > Taxes / Deductions** and enter tax and deduction codes and rates before continuing with the following steps.

If any taxes or deductions are listed that are not used for your average employee, delete them by highlighting the deduction and clicking the **Delete** button.

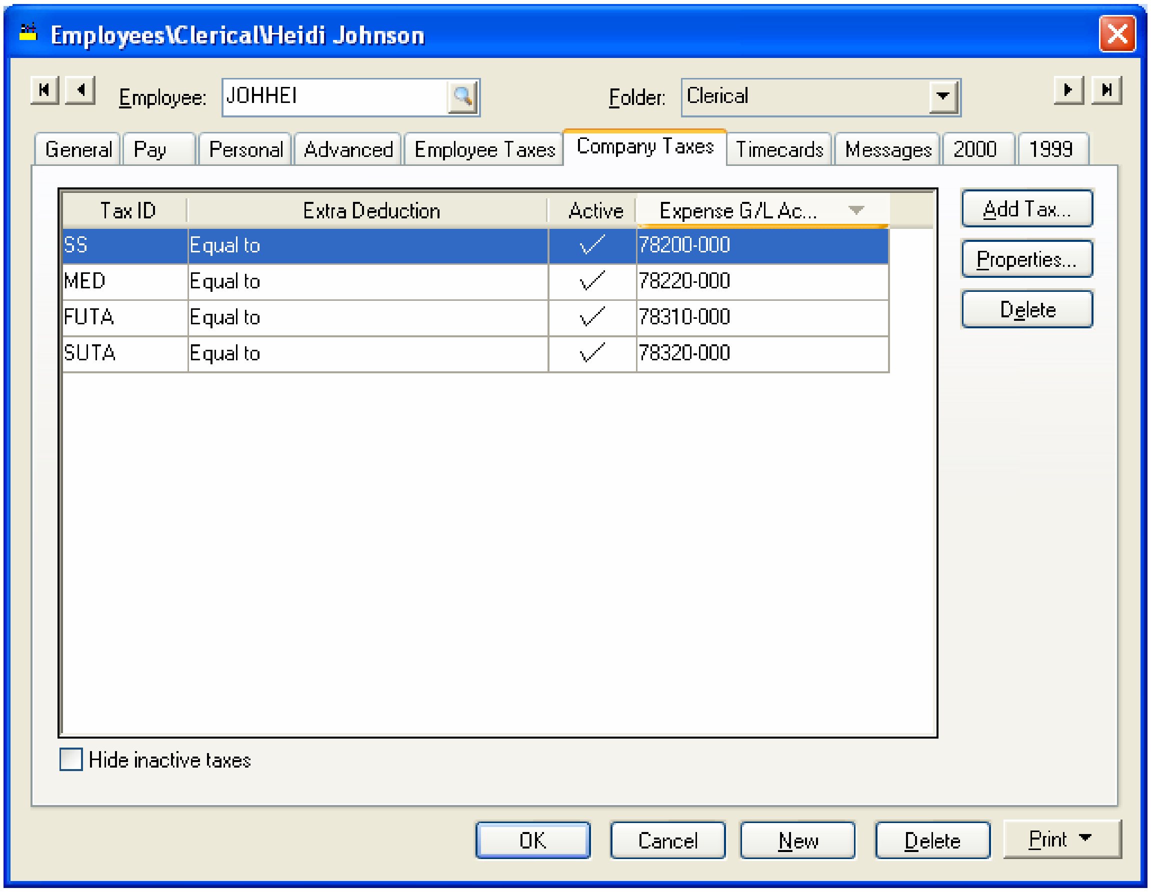
Add any new taxes and deductions by clicking **Add Tax**. The following dialog will appear:



Select the **Tax** you wish to add by clicking on the down arrow. To create a new tax or deduction, go to **Payroll > Taxes/Deductions > Tax tables**. The most common employee taxes are FWT, FICA, MED, a state withholding tax and possibly a local tax. Also, add any company wide employee deduction. For more information on how to set up taxes, see Taxes and Deductions section.

All other fields in this dialog should be kept blank until setting up a new employee.

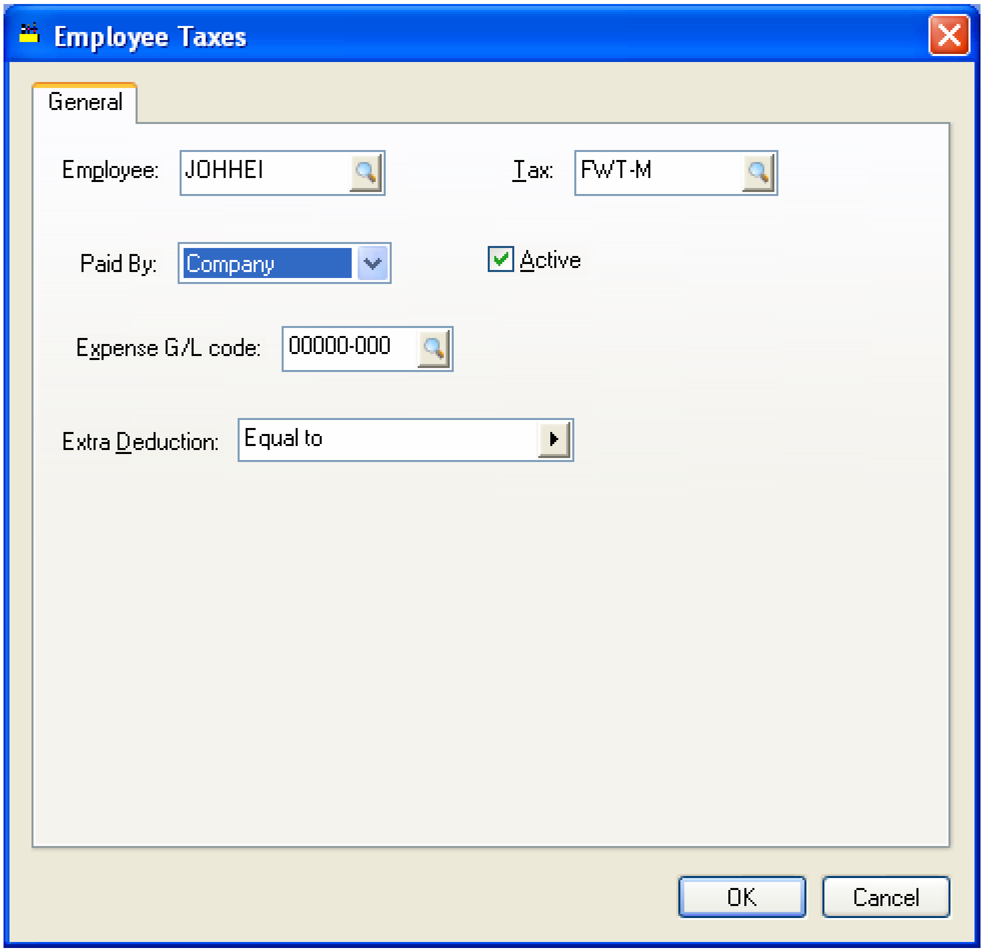
Company Taxes Tab



Setup the common company taxes such as state and federal unemployment taxes and the company portions of FICA taxes and Medicare taxes.

If any taxes or deductions are listed that are not used for your average employee, delete them by highlighting the deduction and clicking the **Delete** button.

Add any new taxes and deductions by clicking **Add Tax**. The following dialog will appear:



Click on the lookup button to view the available taxes and select the **Tax** you wish to add. To create a new tax or deduction, go to **Payroll > Taxes/Deductions > Tax tables**.

All other fields in this dialog should be kept blank until adding a new employee, with the exception of **Expense G/L**. Enter an expense general ledger account to record company tax expenses for each tax list in the Company Taxes tab.

Messages Tab

This tab can be used to enter any global messages that appear when certain procedures are performed. For details, see the **Message** section.

If sub-folders exist and you wish to copy the default values from the root folder into the sub-folders, drill down the default value for each entry field in each tab. See Filtering Down Defaults To Subfolders section for detailed instructions on this process.

Click the **OK** button to return to the Employee Folders tab.

Repeat the steps above if you wish to set different default settings for sub-folders than the ones set for the root vendor folder.

For more details on individual fields, go to the Payroll > Employees > Entering New Employees section.

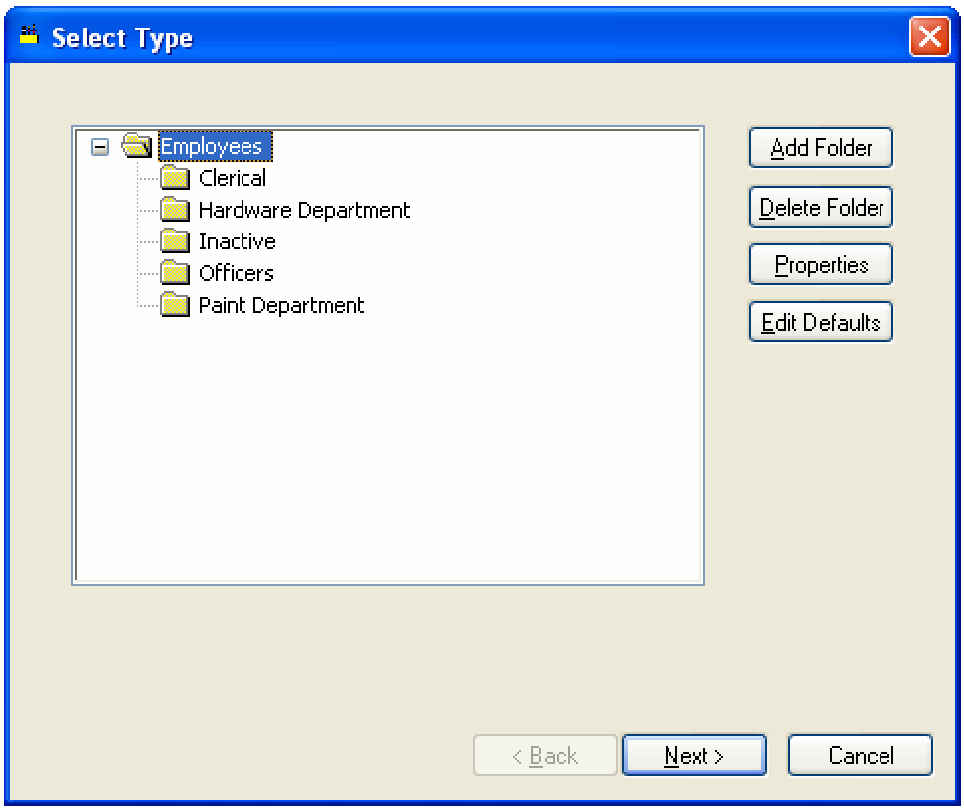
Entering New Employees

An employee record must be created for every employee that is processed within the payroll system. Each employee's record is created only once and is used to record employee contact information, tax identification, and pay detail. The employee record also includes a large amount of pay history such as timecards and totals.

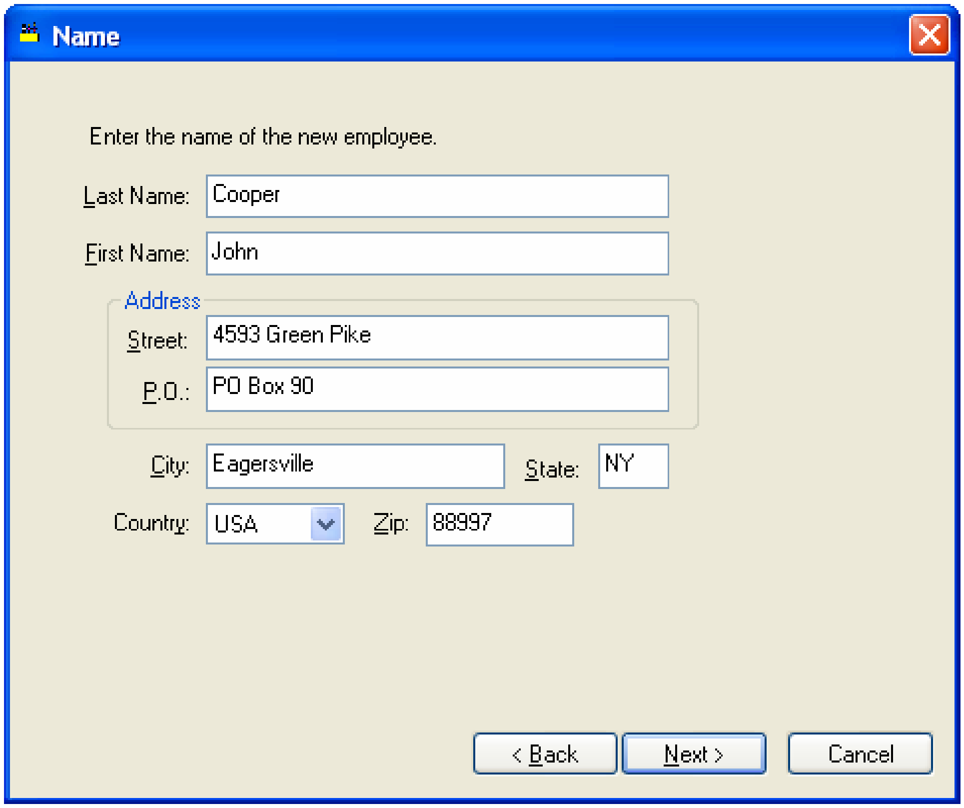
To enter new employee records take the following steps:

1. Select Employees from the Payroll menu (Payroll > Employees).

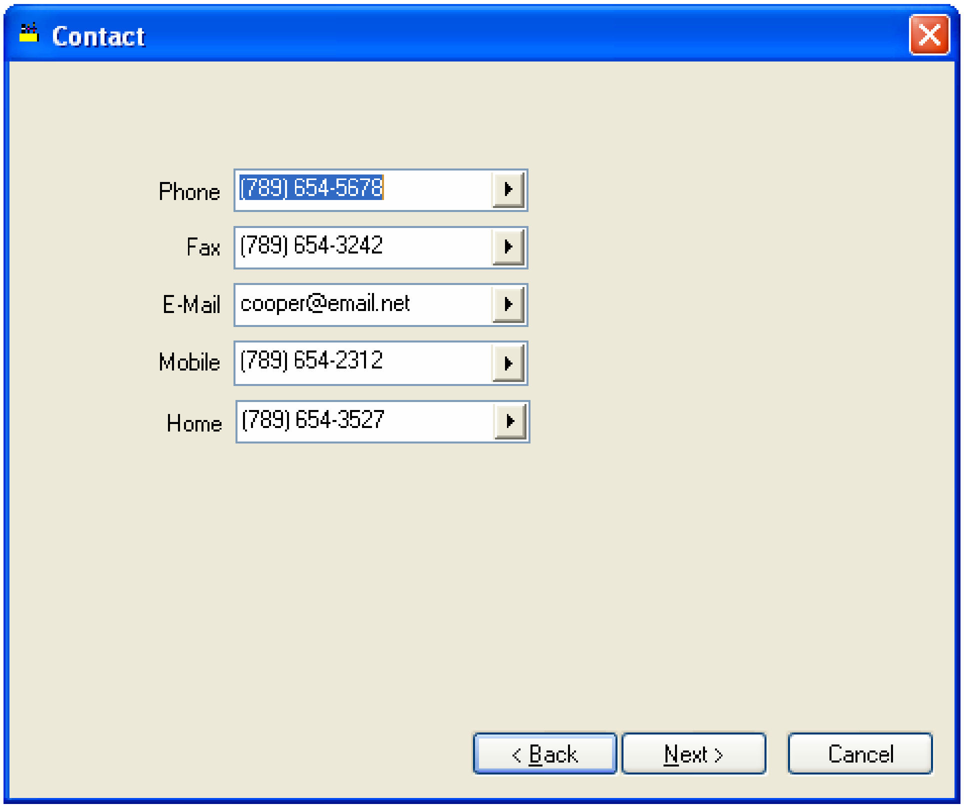
2. Click the **Edit menu** and select **New**. A new employee wizard will start taking you through the following steps:



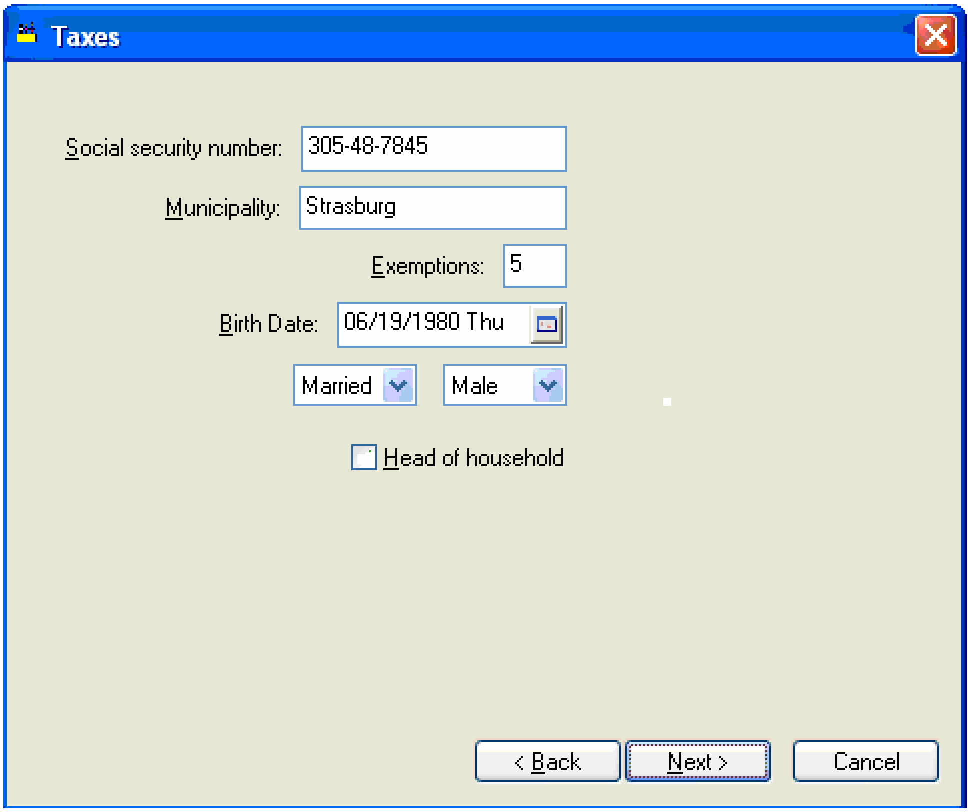
3. Highlight the folder in which you want to place the new employee and click **Next.** Review the **Editing Employee Folders** section for more details on creating new folders.



4. Enter the employee's name and address information into the appropriate fields. EBMS creates a zip code database when the user enters a city, state, and zip. If you have already entered the zip for a particular city and state before, you can enter the zip and the system will display the corresponding city and state. The zip code list can be viewed or changed by going to **File > System Options > Zip Codes** tab. Click **Next** to continue.

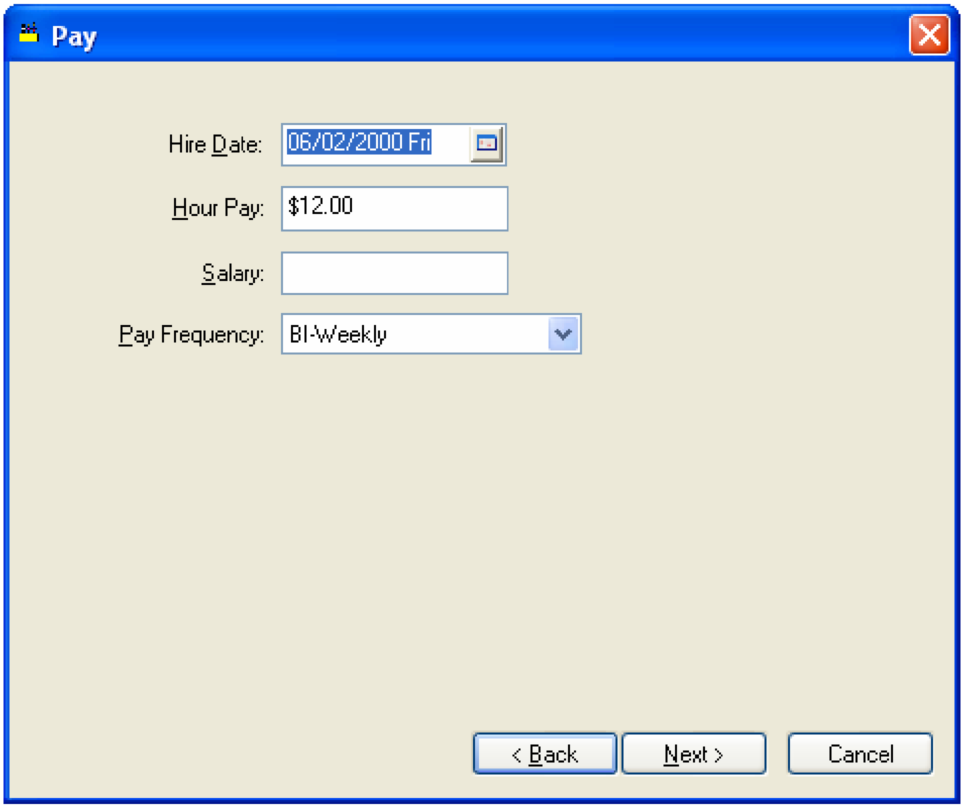


5. Enter the **Contact** Information for the employee as requested. Clicking on the arrow key to the right of the field and selecting the appropriate field name can change the field label. Click **Next**.



6. Enter the requested information.

- Enter employee's **Social Security** number. Social security numbers are required for all employee records by law.
- Enter **Municipality** or township in which the employee resides.
- Enter the number of **Exemptions** the employee is claiming for tax purposes as recorded on W-4 form.
- Enter the employee's **Birth Date**.
- Select the employee's marital status as **Single** or **Married** by clicking on the down arrow.
- Set the employee's sex as **Male** or **Female**.
- The **Head of Household** option should be disabled unless the employee is claiming **Head of Household** status for tax purposes. **Generally, to qualify for head of household status, an employee must be unmarried** and not entitled to file as a qualifying widow or widower with a dependent child. The employee must also have provided more than half the cost of maintaining the home or household. The home must be the main home for a qualifying person. An employee **may also qualify for head of household status if the employee though married**, files a separate return, the employee's spouse was not a member of your household during the last six months of the tax year, and the employee provided more than half the cost of maintaining the home. Contact an account for more details on this option.
- Click the **Next** button and the following window will appear:



7. Enter **Pay** information.

- Enter the **Hire Date** of employee. This date is used to determine the employee's anniversary.
- Enter employee's **Hour Pay**. If this employee is salaried enter an hourly pay rate only if overtime pay is used for this employee.
- Enter **Salary Pay** only if an employee is salaried, otherwise keep this field blank.
- Select the appropriate **Pay Frequency** for the new employee. Click the **Next** button and the following window will appear:

8. Enter the **Employee ID** code. This code is required to be unique to a specific employee. This ID is used throughout the entire accounting system for all transactions associated with this employee. (Changing the employee ID is a lengthy process – plan and use an ID that is satisfactory). Review the Creating and Changing IDs section for more details. Click **Finish** to create a new employee or **Cancel** to ignore new entries.

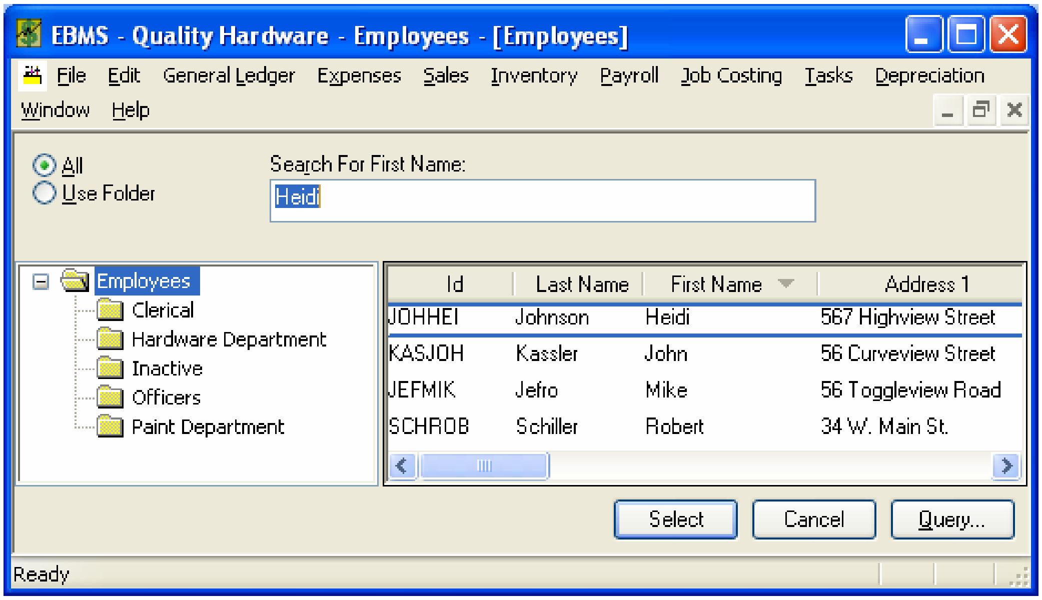
EXAMPLE Jack Miller may have an Employee ID code of MILJAC.

Go to **File > System Options > Zip Codes** tab to view or change the city, state, and zip code list.

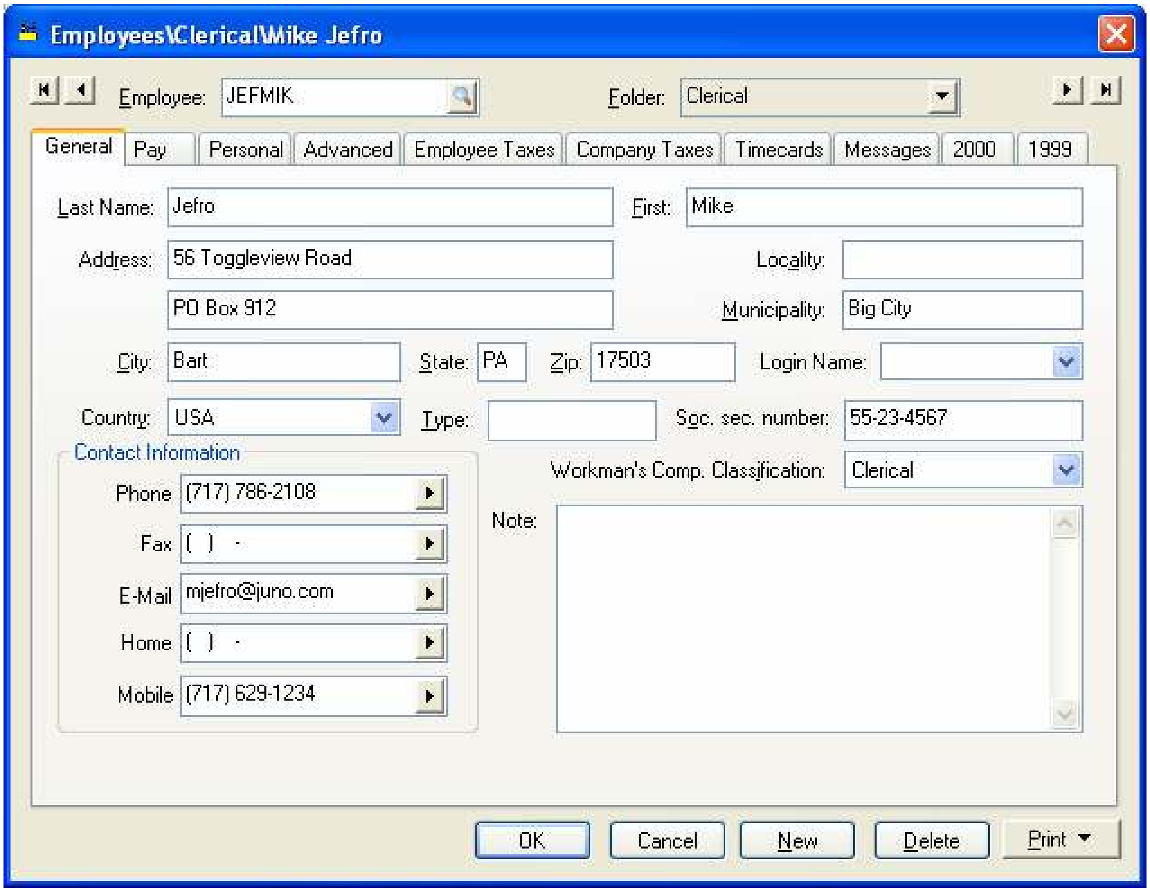
Continue with next section **Changing Employee Information** to setup employee taxes, company taxes and other employee information.

Changing Employee Information

The main employee window is used to record information about each employee such as name, address, and tax information. The employee window is also very useful in viewing history such as timecards and tax history. If you wish to edit or view information for a specific employee, select **Employees** from the **Payroll** menu and the **Employee** list will appear:



If you wish to create a new employee, review the Entering New Employees section. For more details about sorting, searching or changing the list review the **EBMS Features > Search Lists** section. Select the employee to be edited or viewed and the following screen will open:



General Tab

- The **Employee** ID code of the employee that was selected will appear in the upper left-hand corner of the employee window and the employee's name will appear on the window title. To change the employee's ID right click on the **Employee** field with your mouse to open the context menu. Select **Change ID,** which will start a lengthy process of changing this employee's code throughout the system. It is possible to load a different employee by clicking on the lookup button to the right of the Employee entry field and selecting a new employee.

- Clicking on the down arrow button to the right of the current folder name and selecting a new folder can change the employee's folder. If an employee is placed in the inactive folder, this employee will not be listed on a number of reports.

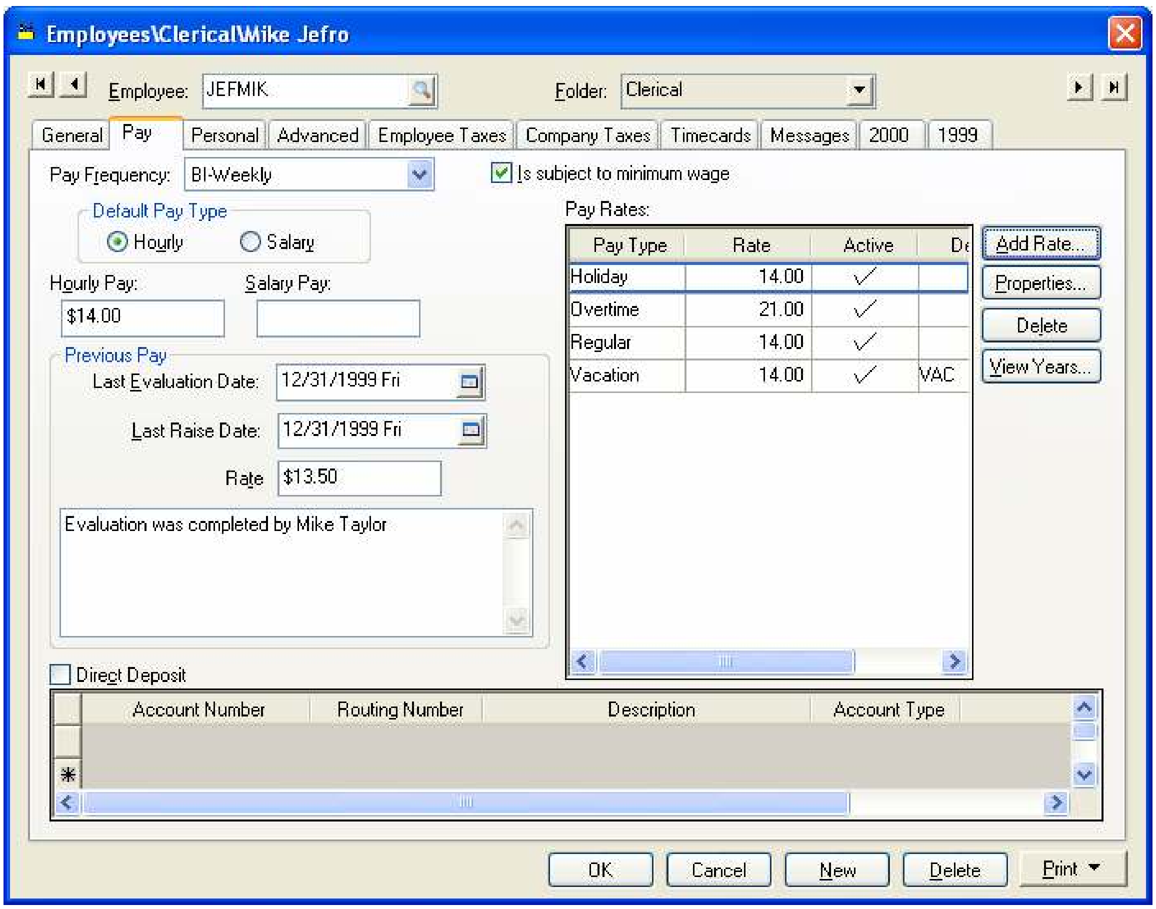
- The **Name, Address,** and **Contact** Information may be changed at any time although the change will not be reflected on existing timecards.

- **Type** - You can enter an optional employee Type for each employee, which will allow you to print out reports, or query employees in groups.

Example: If you want to group all the employees who work in a specific warehouse – you could enter a type – "South WH" and then query by this entry. The Type field is very useful when employees are part of more than one group. Use the type field if you wish to group a specific employee within two or more different groups. Grouping employees only by using folders is limited since each employee can only appear once in a folder. By entering a group of keywords or group names within the type field separated by a comma or space, the user can then query the employee by any type or combination of types.

- **Locality** – Enter the county of the employee.
- Enter the **Municipality** or town in which the employee resides.
- Enter the employee's **Social Security number**. Social security numbers are required on all employees by law.
- Set the employee's **Workman's Comp. Classification**. Go to Payroll > Options > Workman's Comp tab to add or edit available classifications and to enter Workman's Compensation rates. Review the Workman's Compensation section for more details.
- You can use the Note field to enter miscellaneous employee information. The length of this entry field is not limited but will scroll if more information is entered than can be displayed on a single page.

Pay Tab

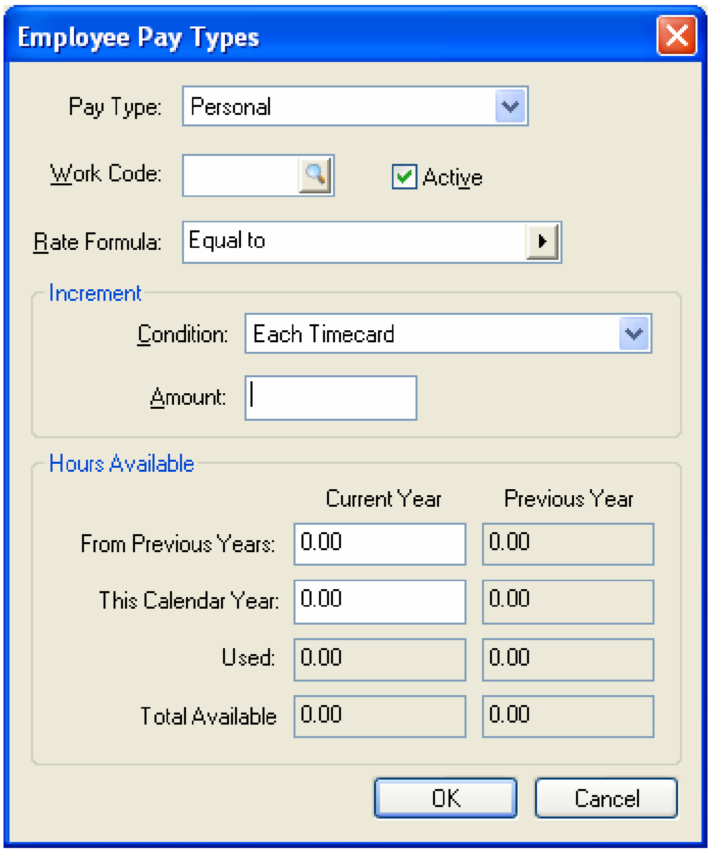


- **Pay Frequency** should be set to the length of the normal payroll period such as Weekly or Bi-Weekly.
- Enable the **Is subject to minimum wage** box if applicable.
- **Default Pay Type** should be set to the most common pay type, **Hourly,** or **Salary**.

- Enter or change the **Hourly pay** and/or the **Salary** amount. Both values will only be used if a salaried employee receives hourly benefit or other hourly pay.
- The **Previous Pay** settings are for historical purposes. The **Rate** field within the **Previous Pay** group is used to record the pay rate before the most recent pay raise. This field should not be confused with the **Hourly Pay** value that affects the employee's pay rate. Use the memo to record miscellaneous pay raise or evaluation information.

A **Pay Type** must be added to the **Pay Rates** list before it can be used within the employee's timecard. Complete the following steps to add a rate to the **Pay Rates** list:

1. Click on the **Add Rate** button and the following dialog should appear:



2. Select the additional **Pay Type** for this employee. New pay types must be created in the **Pay Types** tab within the payroll **Options** window. Review the Pay Types section for details on how to create new pay types.
3. Enter the default **Work Code** associated with this pay type. Populating this field can save on redundant data entry if the employee's work code is consistent. Let the work code field blank if you do not wish to default a work code for this employee. Review the Work Codes section for details on the function of a work code.
4. The **Rate Formula** is only useful when pay types are Hour based. The **Rate Formula** is calculated from the employee **Hourly Pay** rate amount. Select the formula template by clicking on the right arrow and choose one of the available templates.

   Select **Equal to** formula whenever the pay rate is equal to the hourly rate. This is the standard formula for regular pay.

Select **Add ___ %** formula and enter the formula value of 50 to create formula Add 50 %. This formula would be appropriate for an overtime pay type since the rate would be the pay rate + 50 %, or time and a half.

Select **Add $___** formula and enter the formula value of 1 to create formula **Add $1**. This formula would add $1.00 to the hourly pay rate whenever this pay type is used.

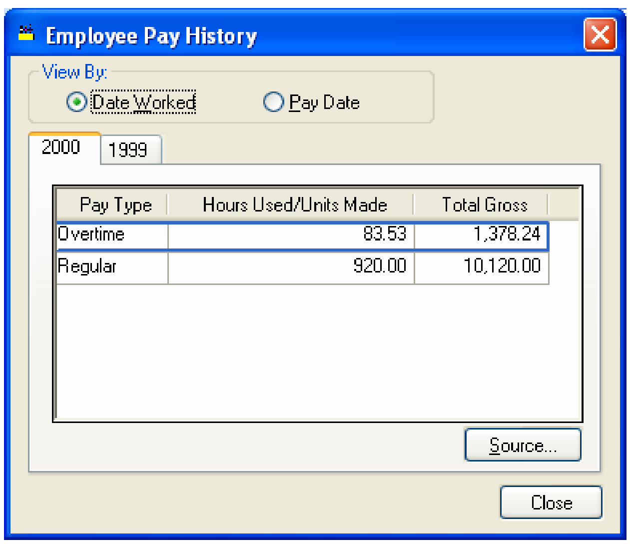
5. Complete **Increment** and **Hours Available** if the pay type is a benefit pay such as vacation, holiday, or sick days. Review the Benefit Pay section for details regarding benefit pay.

6. Click **OK** to save **Pay Type**. Repeat the steps listed above for each of the employee's pay type. If you wish to add or change a pay type for an entire group of employees, review the Setting Employee Defaults section for details.

Click the **Properties** button to edit the **Pay Types**.

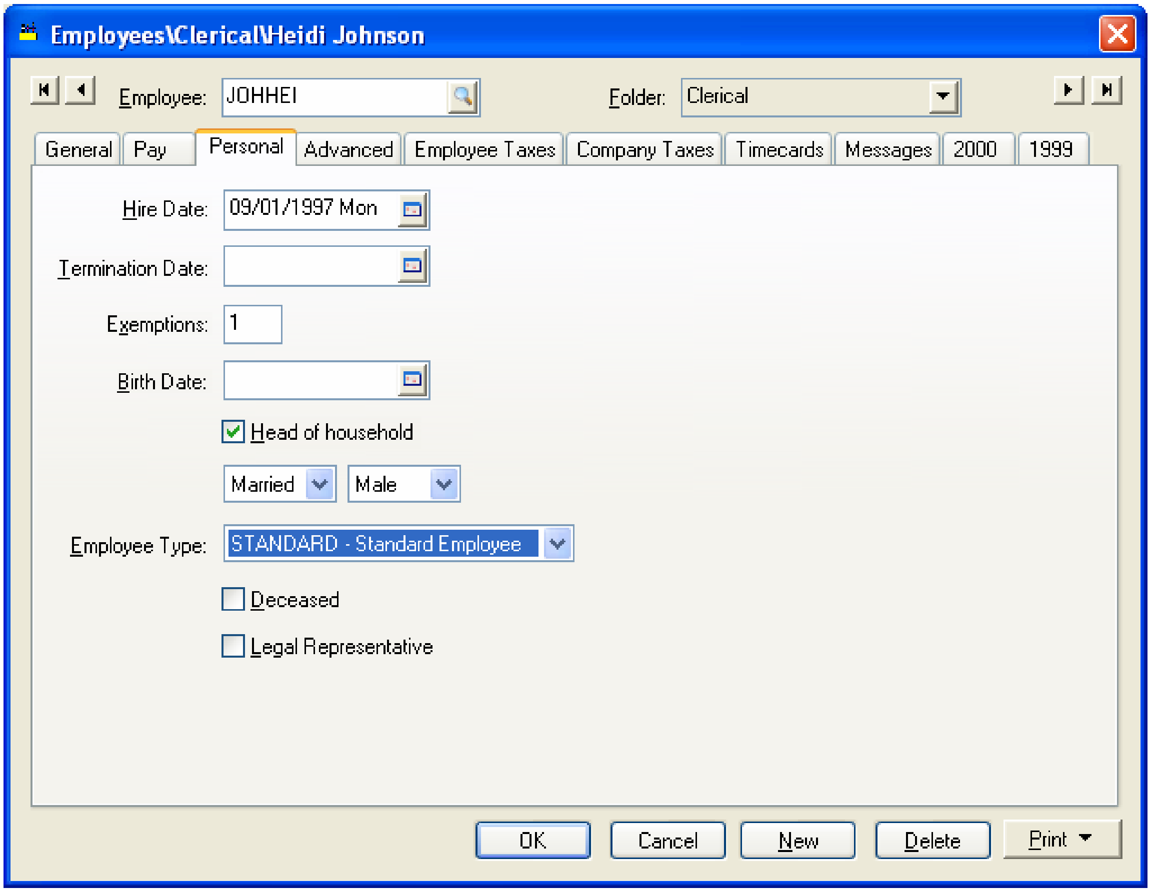
Click **Delete** to remove pay type from the employee's pay type list. A pay type cannot be deleted but must be made inactive if pay history is present. Disable the **Active** option by highlighting the **Pay Rates** item, click on the **Properties** button, and disable the **Active** option.

Click on a **Pay Rate** line and then the **View Years** button to view the employee pay history. The following window will open:



The Employee Pay History window displays the annual total of hours and gross pay for each pay type. To view the details source of totals, double click on the pay type or click on the **Source** button. Click **Close** to return to the **Pay** tab.

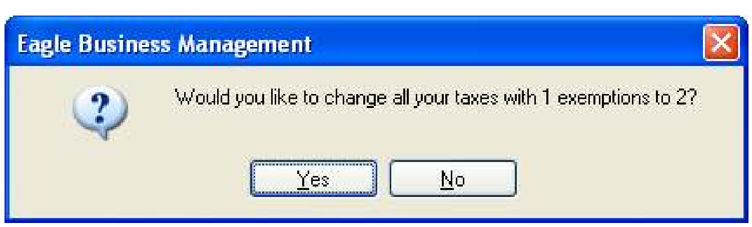
Personal Tab



- **Hire** Date - Enter the date the employee was hired.

NOTE: The employee's anniversary date used to reset benefit pay settings etc is determined by the hire date. If the anniversary date needs to be different than the hire date because of part time status changes, place the original hire date in the employee note area and change the hire date to the desired anniversary date.

- Enter the **Termination Date** when the employee is terminated or is no longer employed by the company.
- Enter the number of **Exemptions** the employee is claiming for tax purposes. The employee is included in the number of exemptions. For example, if an employee were married with one child the employee would normally claim three exemptions. If the employee is single, the standard is one exemption. If this number is changed the following message will appear:

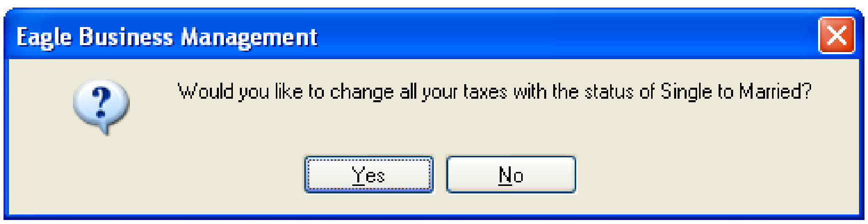


- Click **Yes** to change exemptions for all taxes. If a different number of exemptions are used for any taxes, go to the Employee Taxes tab and change exemptions to desired amount.

- Enter the employee's **Birth Date**.

- The **Head of Household** option should be disabled unless the employee is claiming **Head of Household** status for tax purposes. **Generally, to qualify for head of household status, an employee must be unmarried** and not entitled to file as a qualifying widow or widower with a dependent child. The employee must also have provided more than half the cost of maintaining the home or household. The home must be the main home for a qualifying person. An employee **may also qualify for head of household status if the employee though married**, files a separate return, the employee's spouse was not a member of your household during the last six months of the tax year, and the employee provided more than half the cost of maintaining the home. Contact an account for more details on this option.

- Select the employee's marital status as **Single** or **Married** by clicking on down arrow. If the status is changed the following message will appear:



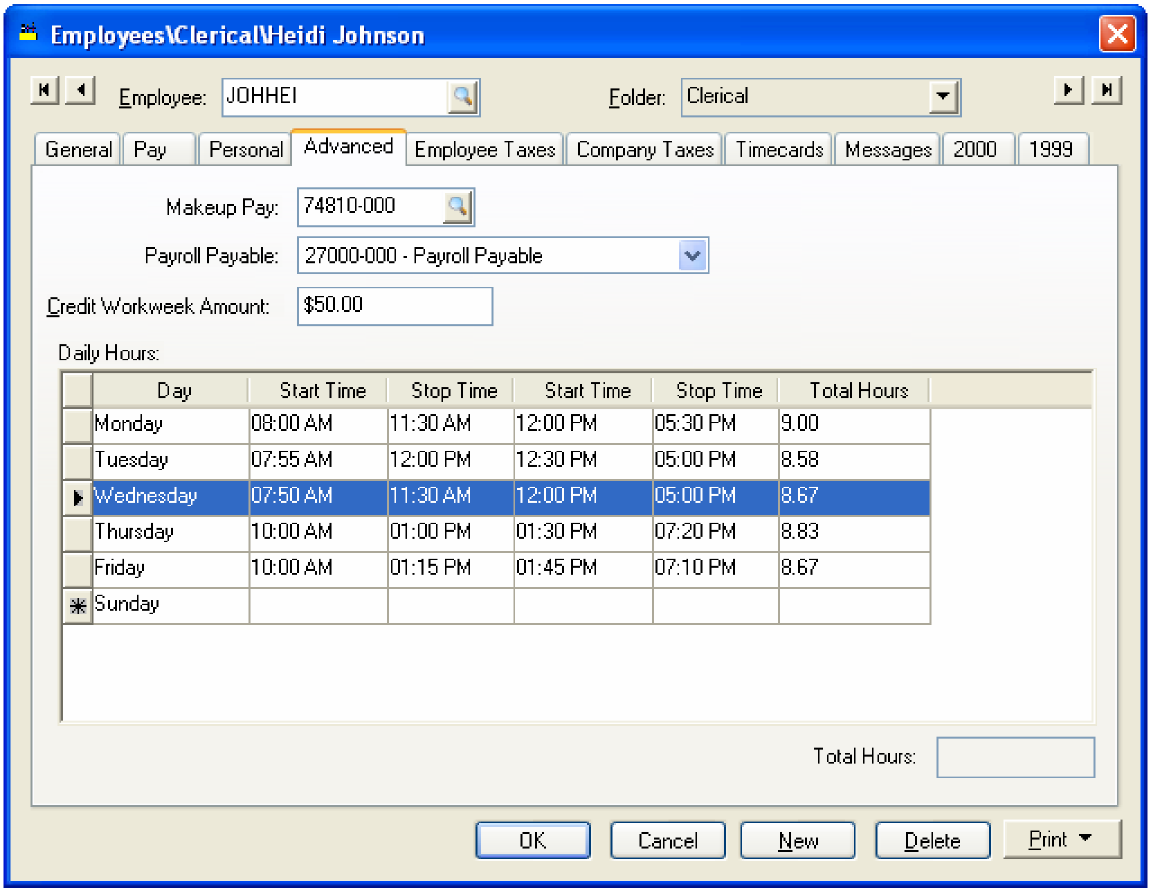
  Click **Yes** to change marital status for all taxes. If a different status is used for any taxes, go to the Employee Taxes tab and change exemptions to desired setting.

- Set the employee's sex as **Male** or **Female**.

- Select the **Employee Type** for W-2 purposes.

- If the employee is **Deceased,** or they have **Legal Representation,** click the appropriate switch. These settings will show on the payroll W-2 form.

Advanced Tab



- Enter the **Makeup Pay** general ledger account as an expense account to record any makeup pay to be paid to an employee. Review the Minimum Wage and Makeup pay section for more details.

- Set the **Payroll Payable** general ledger account, which requires an account with a Payroll Payable classification. If no account is available go to **General Ledger > Chart of Accounts** and add a liability account with a Payroll Payable classification.

- The **Credit Workweek Amount** is the minimum dollar amount an employee needs to work to become eligible for state benefits such as Workers' Compensation. This total should be set within the default folder before new employees are added. If this total changes for all employees, filter down the new default amounts to all existing employees. Review the Changing Defaults, Filter Down Data, and Globally Editing data section for more details.

- The employee's **Daily Hours** can be entered here on a daily basis and they will be transferred to the timecard when a new timecard is entered. Daily hours record the exact times that the employee worked. The law does not require this time if the employee is paid by the hour or salaried. Review the Daily Hours section for more details on entering and processing Daily Hours. If the employee's hours are not similar from one payroll to the next, or if this employee does not need to have daily hours recorded, the **Daily Hours** information entries can be ignored.

For information on the **Employee Taxes** tab or the **Company Taxes** tab review the Taxes and Deductions section.

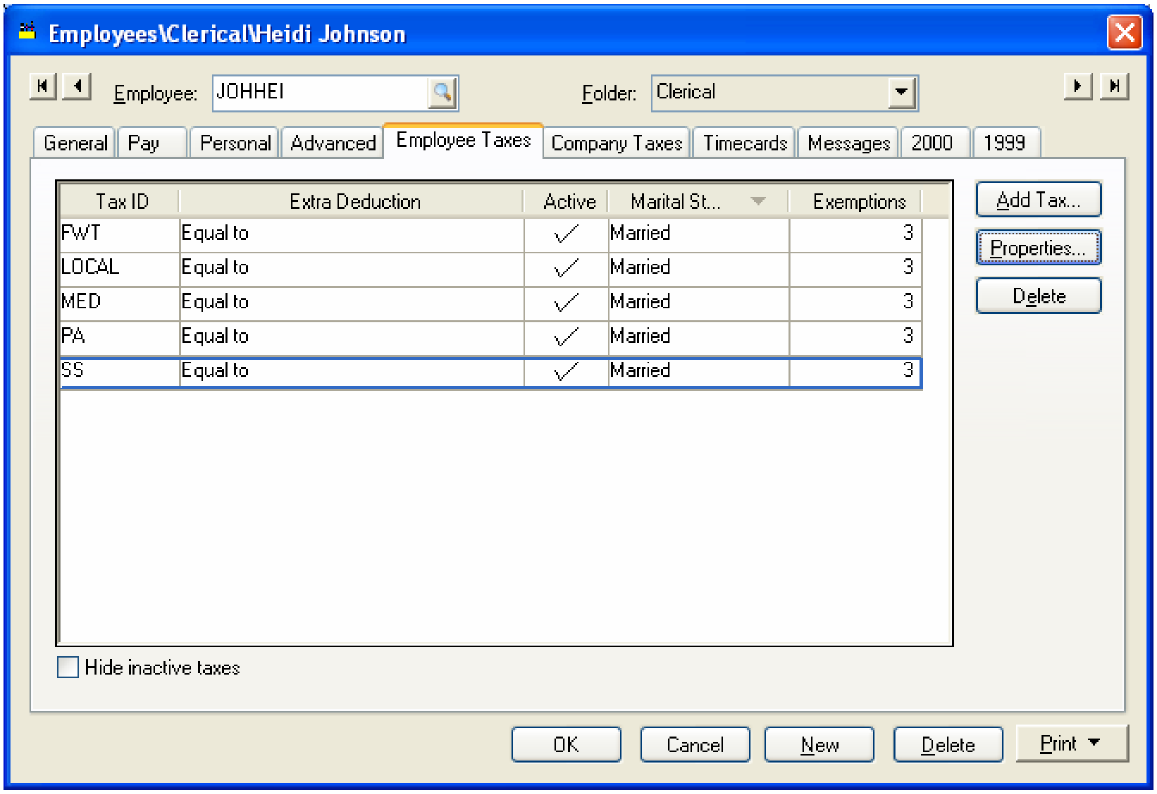
For information on the **Timecards** tab, review the Employee History section.

- The **Messages** tab is used to setup messages for individual employees. The message feature can be used to display reminders within the timecard screen. Review the Customer Messages section for more details on creating employee messages.

Click **OK** to save employee information.

Configuring Withholding Taxes and Deductions

Employee taxes and deductions are setup within the employee window. Or, to globally set-up a tax or deduction for all employees, go to the **Payroll > Options > Employee Folders** tab. Review the Setting Employee Defaults section for details on globally changing employee information. Go to the employee window by selecting **Employees** on the **Payroll** menu. Open an employee and click on the **Employee Taxes** tab.



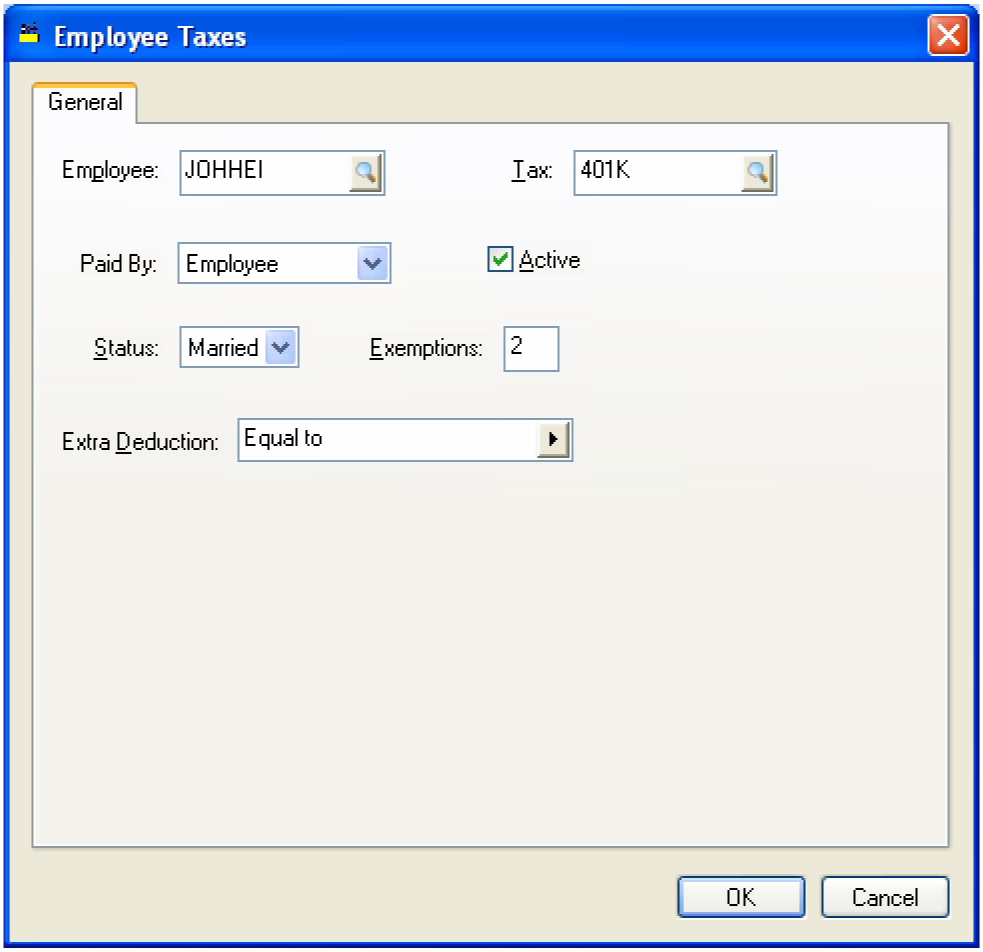
This tab is used to identify any withholding tax or other employee deductions that are deducted from the employee's paycheck. Any payroll taxes or deductions that are paid by the employer must be listed in the **Company Taxes** tab.

You must click on the **Properties** button to edit any existing tax information or click on the **Add Tax** button to add taxes to the list.

Tax

Adding

To add taxes to the tax list click on the **Add Tax** button and the following window will open:

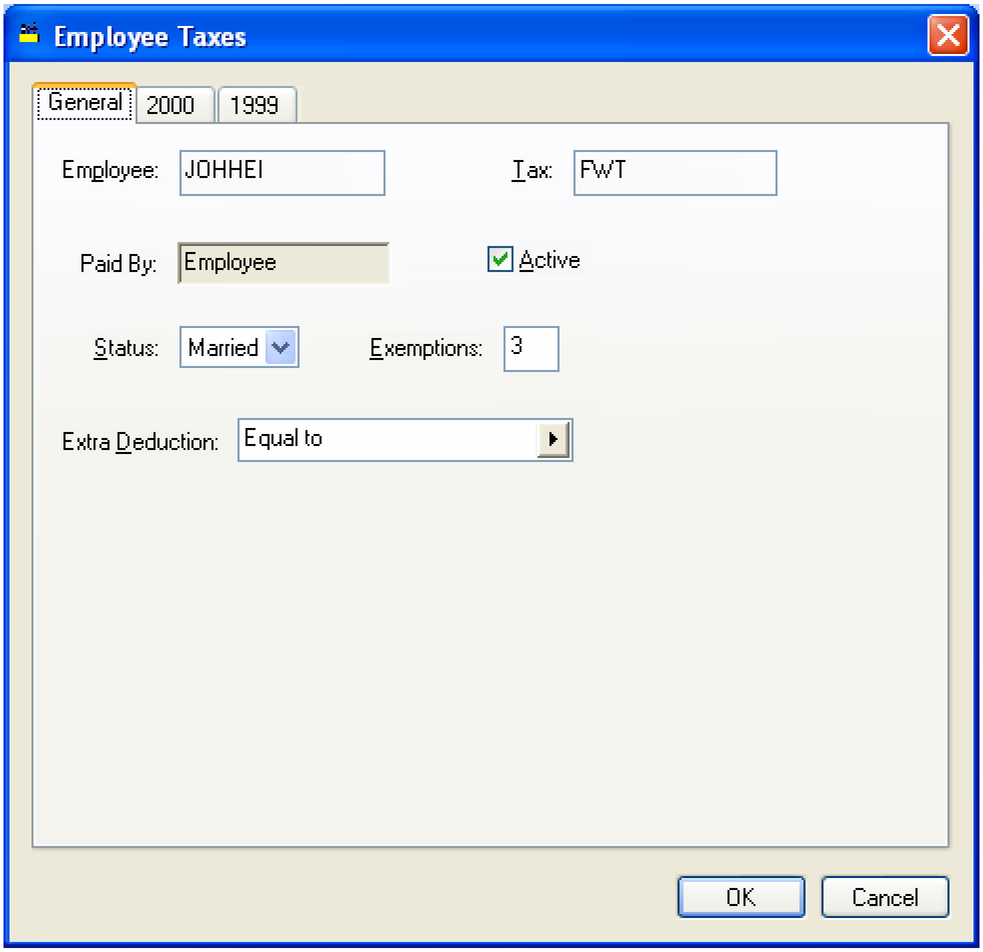


- Select a valid tax or deduction from the tax list by clicking on the lookup button to the right of the tax field and selecting a valid tax from the tax list.
- To create a new tax click on the **New** button on the tax list or go to **Payroll > Taxes/Deductions**.

Review the Taxes and Deductions section for more details on entering or editing taxes or deductions. EBMS contains many of the common taxes, but verify that the correct rates are entered for each tax before you process any payroll.

Changing

To edit Tax Properties select a tax from the tax list and click on the Properties button. The following window will open:



- When editing tax **Properties** you cannot change the **Tax** identification code. If you wish to change the tax you must make the original tax inactive and then add the new tax line.

- The **Active** column must be checked ON to deduct tax from the timecard, or checked OFF if you do not wish to deduct the tax or deduction. A tax cannot be deleted but should be made inactive if you do not wish deduct any additional tax. Any tax or deduction that has been deducted in the past cannot be deleted but must be made inactive.

- The marital **Status** will be copied from the employee's Personal tab and should be kept the same unless this particular tax is to be calculated using a different marital status.

- The number of **Exemptions** will be copied from the employee's Personal tab and should be kept the same unless this particular tax is to be calculated using a different exemption number.

- The Extra **Deduction Formula** is used to add an additional tax to the standard rate. This formula should be set to **(none)** or **Equal to** except for the following situations:

  To add additional tax to the standard rate use the **Add __ %** template to add additional percentage for this employee or **Add $__** template to add additional dollar amount. This feature is useful if an employee wishes to withhold an additional amount of Federal Withholding Tax, or if an additional amount is deducted from one employee compared to the other employees. It is best to set the appropriate rate within the **Tax/Deduction** window when possible, but the **Deduction Formula** can be used to do deductions that are more complex or variations.

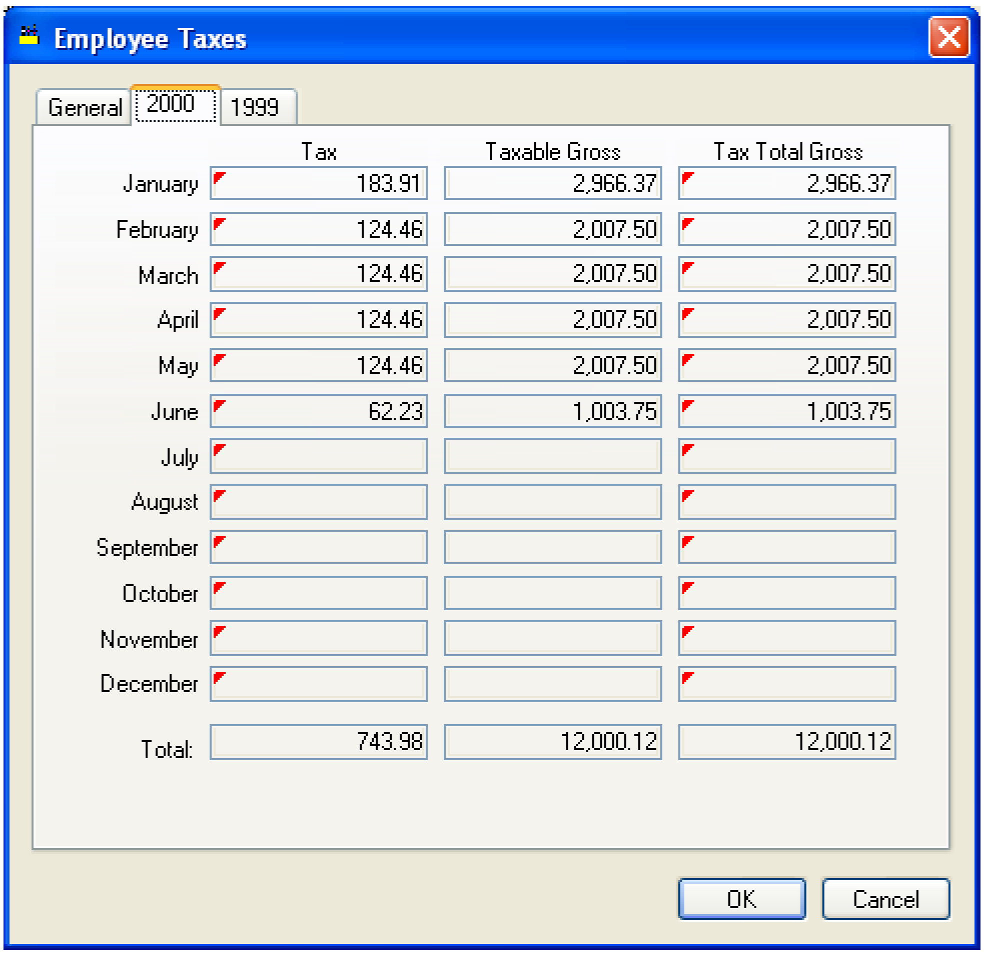
To ignore Tax/Deduction rate and manually set the deduction amount use the **Is $___** template to set the exact dollar amount of the deduction or use **Is ___%** template to set a percentage that is unique to this employee. These templates will ignore any rates set within the Tax/Deduction window.

Click **OK** to save changes.

Repeat the steps listed above for each tax that you wish to add or edit.

View Year

Select the appropriate tax and click on the **Properties** button. Go to the appropriate year tab to view the tax or deduction history for the entire year.



The history consists of 3 columns.

- The **Tax** amount is the total that has been withheld from the employee.
- The **Taxable Gross** amount is the employee's total pay that was subject to the tax or deduction.

- The **Total Gross** amount reflects the employee's total gross including both the taxable and non-taxable totals.

To view the source detail for both the **Tax** and the **Total Gross** columns right click on the total you wish to view and select **Drill down** from the context menu. From the details list select the pay date that you wish to view and click **Source** to view the timecard from which the tax or deductions was withheld.

Click **OK** to return to the **Employee Taxes** tab.

Entering Existing Balances for Employees

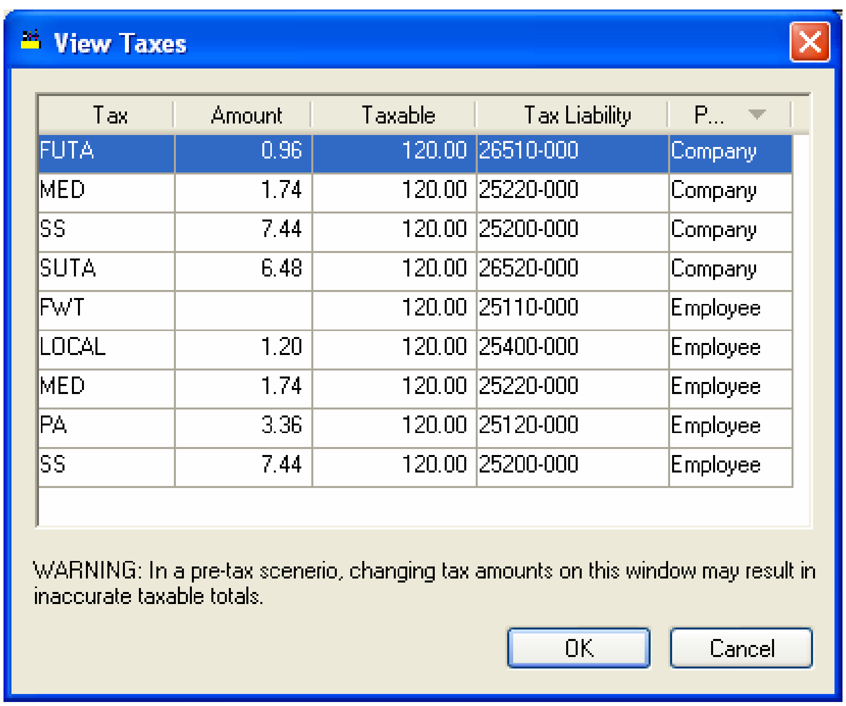
If EBMS is being installed in the middle of a payroll year and the data is not being automatically imported, beginning balances will be required to be entered for all the employees before any payroll can be processed. This is needed to make sure wages, taxes, and other deductions are correct for quarterly payroll taxes and year-end W-2 processing. To do this the following steps will need to be taken:

Enter the balances to date as a single timecard for each employee. All timecards to date may be entered separately if so desired but this will take considerably more time, unless only a few months or wages have been processed within the calendar year. Taxes will need to be verified and corrected on an employee-by-employee basis. Use the following steps to enter existing balances for each employee:

1. Enter the timecard or timecards for the entire period from the beginning of January to date. Go to **Payroll > Timecard Entry** to enter timecard detail. Make sure all payroll types are properly entered, such as regular, overtime and benefit pay if you wish to list the year to date totals properly on the employee's pay stub.

2. When wage totals have been entered, process taxes by selecting **Process > Calculate Taxes** from the timecard menu. This step will calculate the taxes for this timecard using the current tax configuration. You will need to setup taxes before this step is taken.

3. Select **View > Taxes** from the timecard menu and the following list will open:



   Compare the tax **Amount** column with the total amount of tax that has been withheld year-to-date. These amounts may not be equal because of payroll period differences, rounding differences, or rate changes. Change the tax Amount column to match the employee's year to date totals.

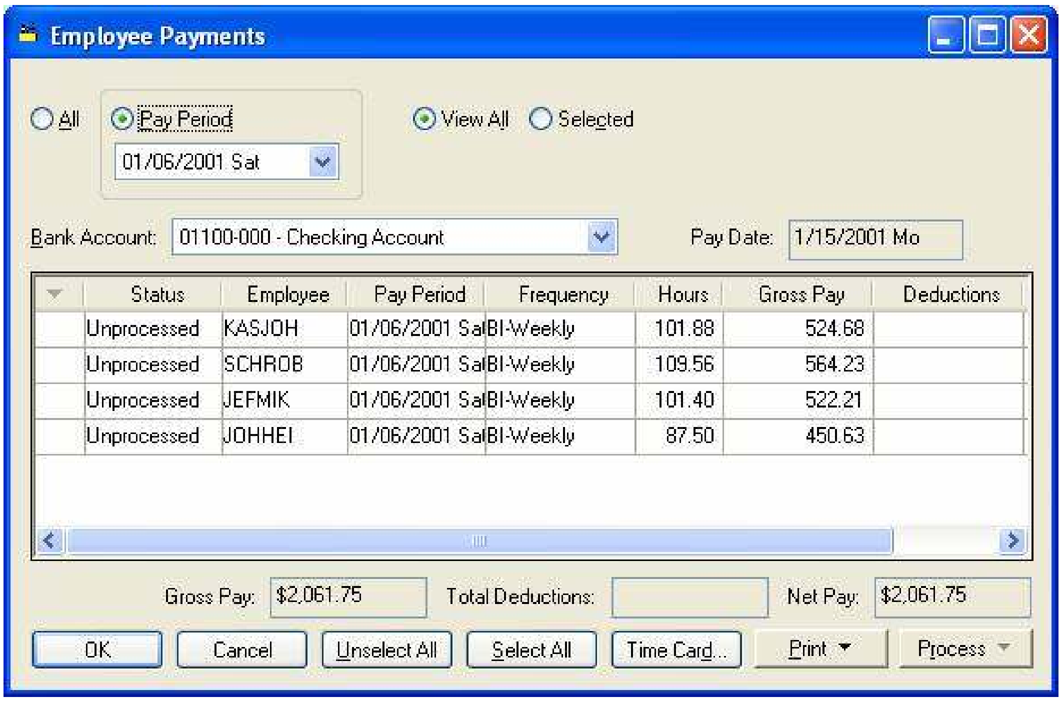
4. Save timecard information by selecting **File > Save** from the timecard menu.

5. Select **File > New** to enter the next employee’s information.

Repeat the steps above for each employee.

When all timecards have been entered and the taxes for each employee have been corrected, verify all the totals by running the **Employee Earnings Record** report. Go to **File > Reports** and select **Payroll > Employees >Employee Earnings Record** report. Compare all the numbers before proceeding with the next step.

1. Go to **Payroll > Employee Payments** to open the following window:



2. Select the current pay period and click on the **View All** option. The timecards for all the employees that you entered should be listed on the screen. Click the **Select All** button to select all timecards. DO NOT CALCULATE TAXES FROM THIS WINDOW since it will overwrite any changes you have made to the tax list.

3. Click the **Process Checks** button to process timecards. Load plain paper into your printer since the system will generate checks for the timecards you have entered. The **First Check Number** can be any number unless you are entering each pay period timecard individually, in which case you should enter the first check number of the original payroll checks.

4. After the first check is printed and again after all checks printed, a dialog will appear asking if checks printed properly. Click **Yes** if checks have printed correctly.

Repeat the steps above if you are entering the past timecards for each pay period. Note that you will need to set new pay period dates for each batch of timecards.

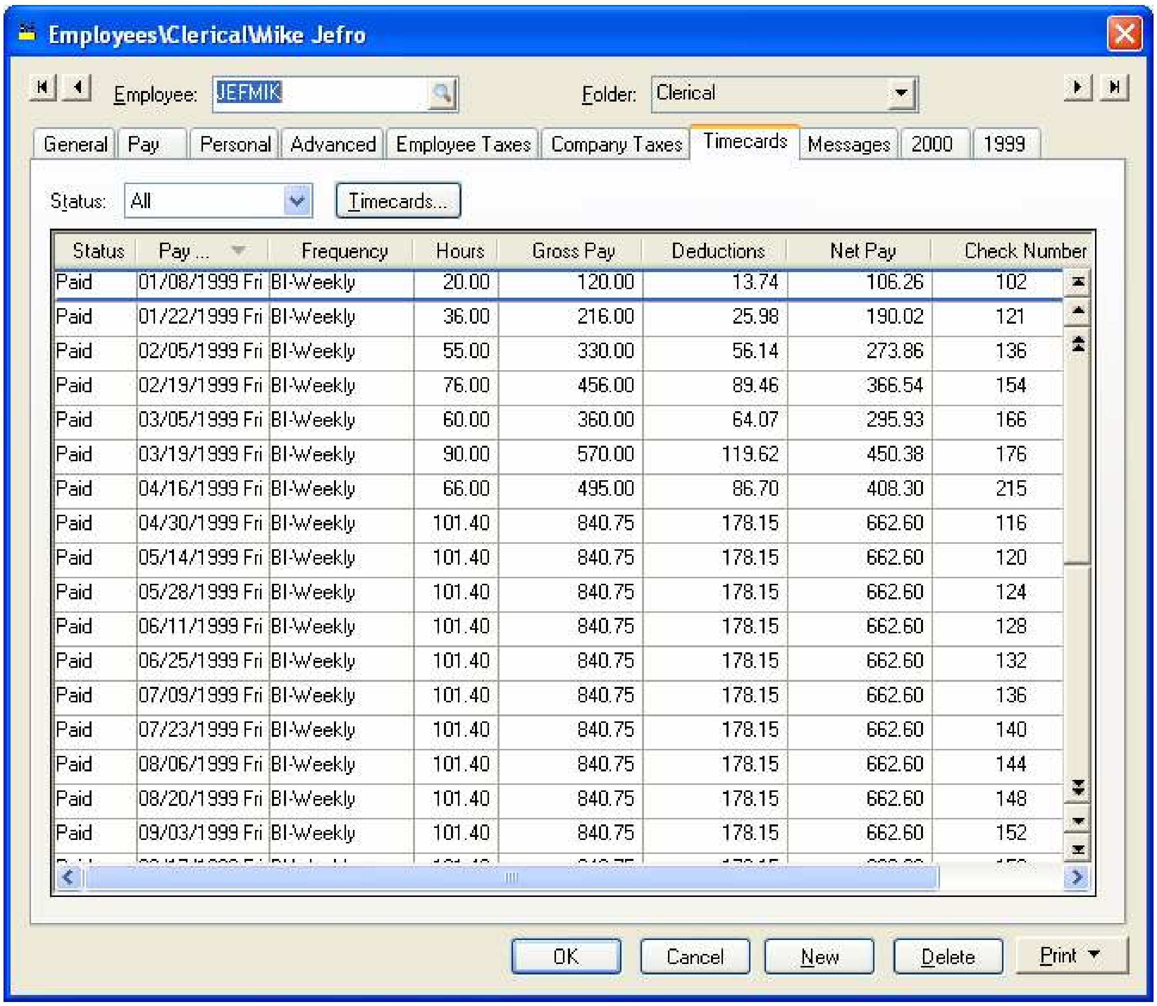
The checks that were processed will be posted to the payroll checking account. To correct the checking account balance a journal entry will need to be entered and posted. It is recommended that you work with your accountant or Eagle Solutions consultant to correct this balance if you are not familiar with general ledger balance sheet accounts.

When this has been completed, the employee windows should have the information needed to do quarterly payroll reports and year-end W-2 processes. The journal entry will have reversed the unneeded entries from the account balances.

Employee History

EBMS retains a large amount of employee history information in two different methods within the employee window. To access the employee information window go to **Payroll** > **Employees** and select the employee you wish to access.

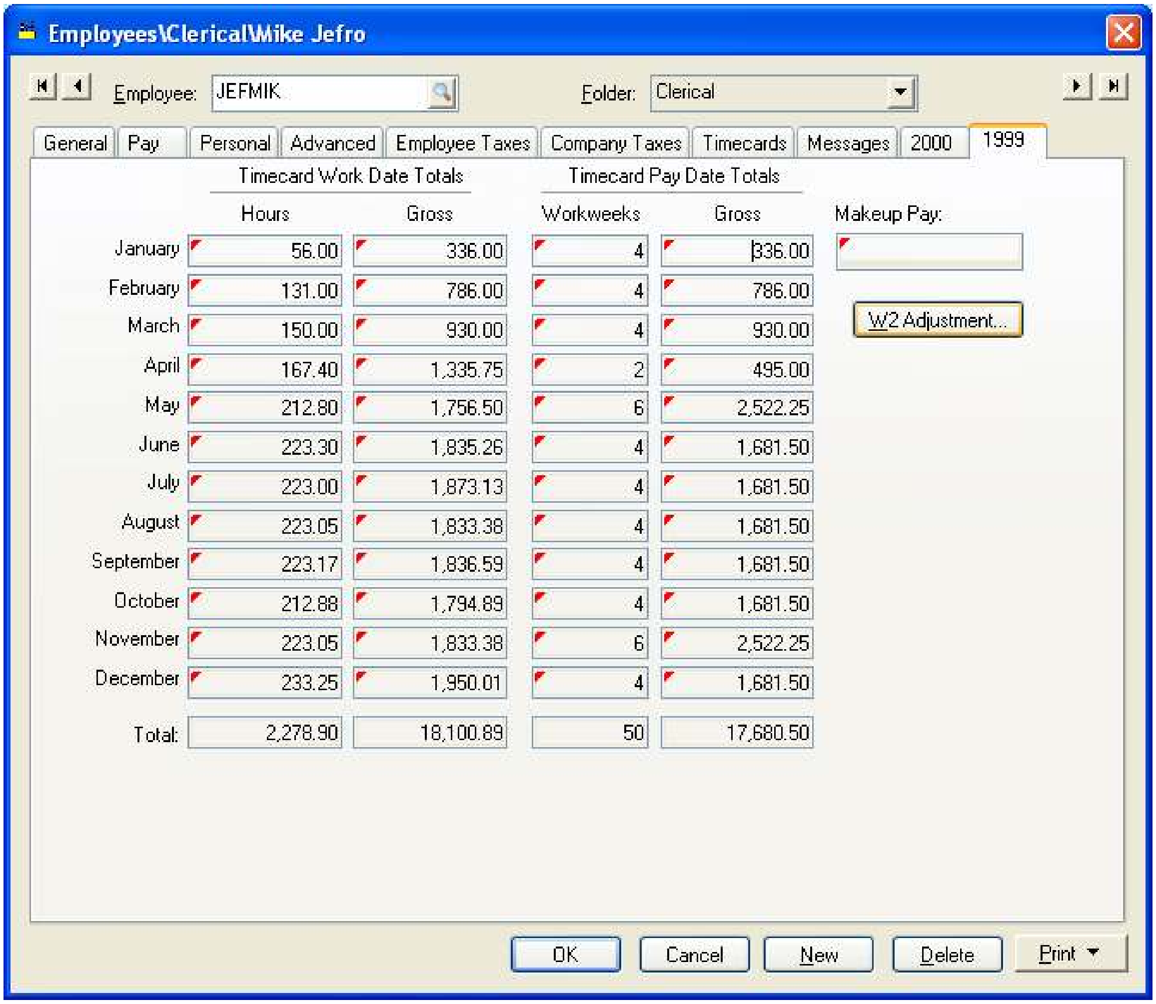
Click on the **Timecards** tab and the following window will open:



Status	Pay ...	Frequency	Hours	Gross Pay	Deductions	Net Pay	Check Number
Paid	01/08/1999 Fri	BI-Weekly	20.00	120.00	13.74	106.26	102
Paid	01/22/1999 Fri	BI-Weekly	36.00	216.00	25.98	190.02	121
Paid	02/05/1999 Fri	BI-Weekly	55.00	330.00	56.14	273.86	136
Paid	02/19/1999 Fri	BI-Weekly	76.00	456.00	89.46	366.54	154
Paid	03/05/1999 Fri	BI-Weekly	60.00	360.00	64.07	295.93	166
Paid	03/19/1999 Fri	BI-Weekly	90.00	570.00	119.62	450.38	176
Paid	04/16/1999 Fri	BI-Weekly	66.00	495.00	86.70	408.30	215
Paid	04/30/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	116
Paid	05/14/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	120
Paid	05/28/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	124
Paid	06/11/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	128
Paid	06/25/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	132
Paid	07/09/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	136
Paid	07/23/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	140
Paid	08/06/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	144
Paid	08/20/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	148
Paid	09/03/1999 Fri	BI-Weekly	101.40	840.75	178.15	662.60	152

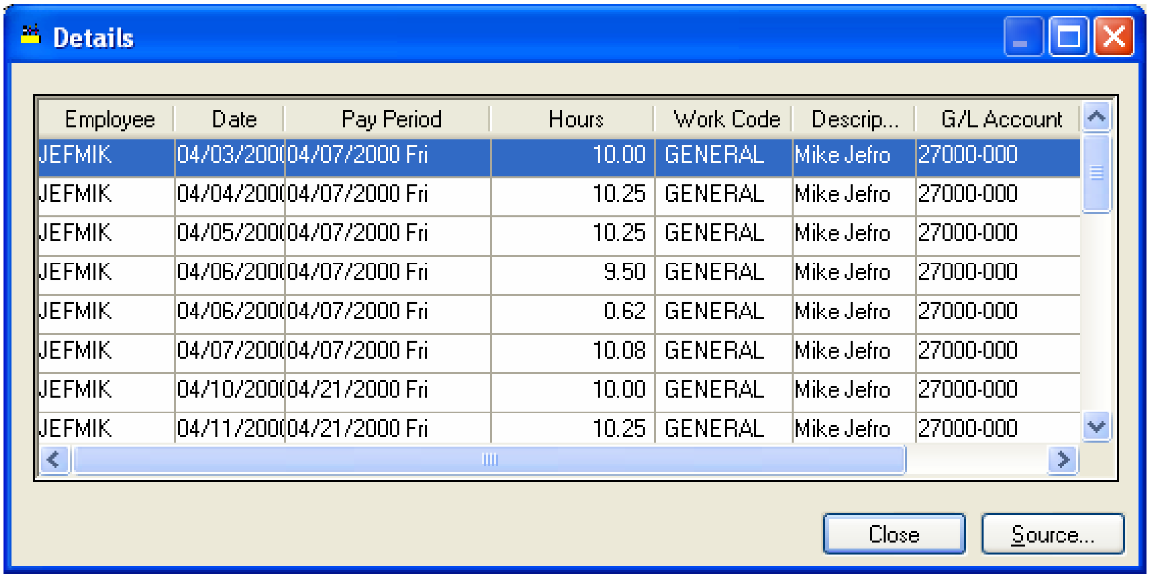
To view all of the employee's past timecards set **Status** option to **ALL**. If you wish to only view **Unpaid** or **Paid** timecards set the appropriate Status option. If you wish to view or edit a timecard, you can open the document by double-clicking on the timecard with a mouse. Click on the **Pay Period** column heading to sort the timecard list by pay period date.

Year tabs will appear on the employee window for each year that a timecard was processed. EBMS does not restrict the number of years or tabs that may exist.



To drill down and view the timecards within a given month take the following steps:

1. Place the cursor on the summary total to be viewed by clicking on the summary total with the mouse or tabbing to it using the keyboard.
2. Right click to display the context menu and select **Drill Down**. The transaction **Details** window will open.



a. To view a specific timecard double-click on the transaction with a mouse. Click **Close** to return to the employee year page.

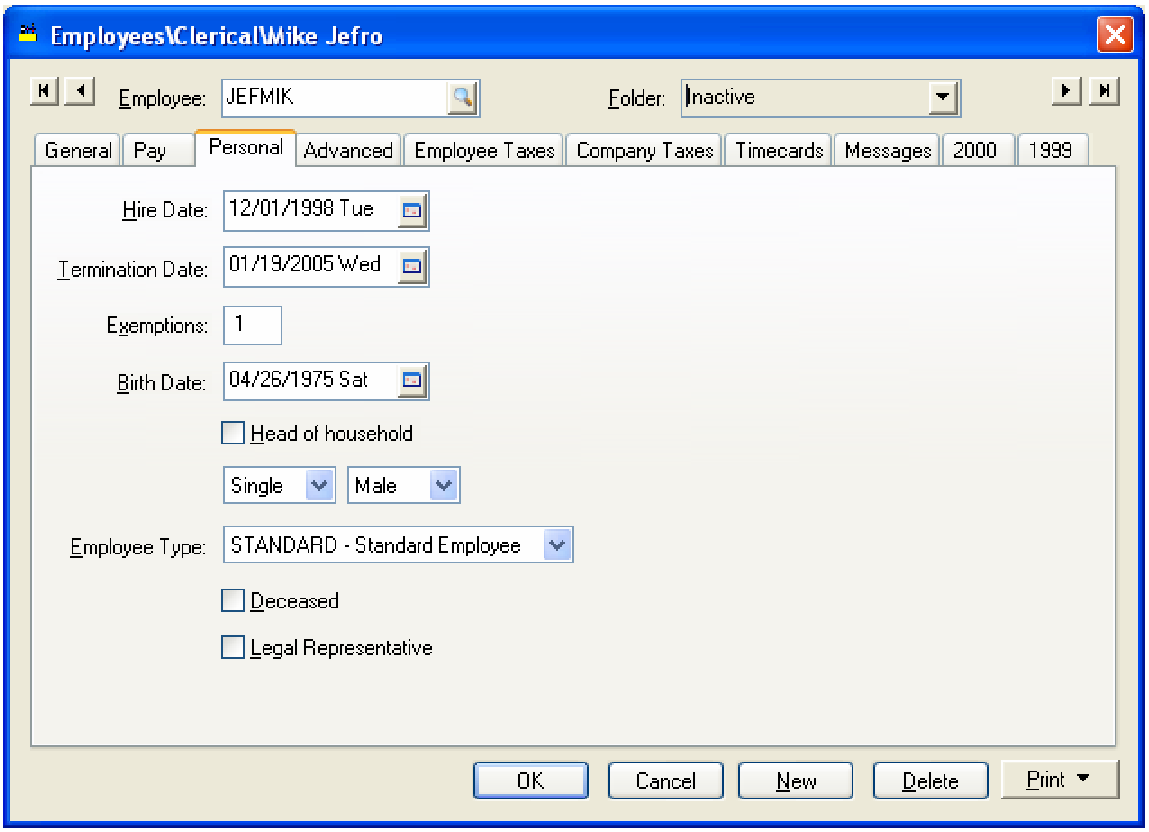
3. To view all the makeup-pay for an employee double-click the makeup-pay total. Review the Minimum Wage and Makeup Pay section for more details.

4. Click **W2 Adjustment** to view or edit W2 information. Review the Printing W2 forms section for more information on making W2 adjustments.

Employee Terminations

When an employee leaves or is terminated you should take the following steps:

1. Go to **Payroll > Employees** and select the employee that is being terminated and click on the **Personal** tab:



2. A **Termination Date** should be entered in the employee's pay tab window for reference purposes.

3. The employee should be moved from the current folder to the inactive folder. To accomplish this click on the down arrow to the right of the folder field, and select the **Inactive** folder. This will keep the employee from being listed on many reports, but will continue to retain the employee's history.

Click **OK** to accept changes when exiting.

NOTE: All inactive (accounts, vendors etc) will be grayed on the search lists when all (Accounts, Vendors ETC) are listed.

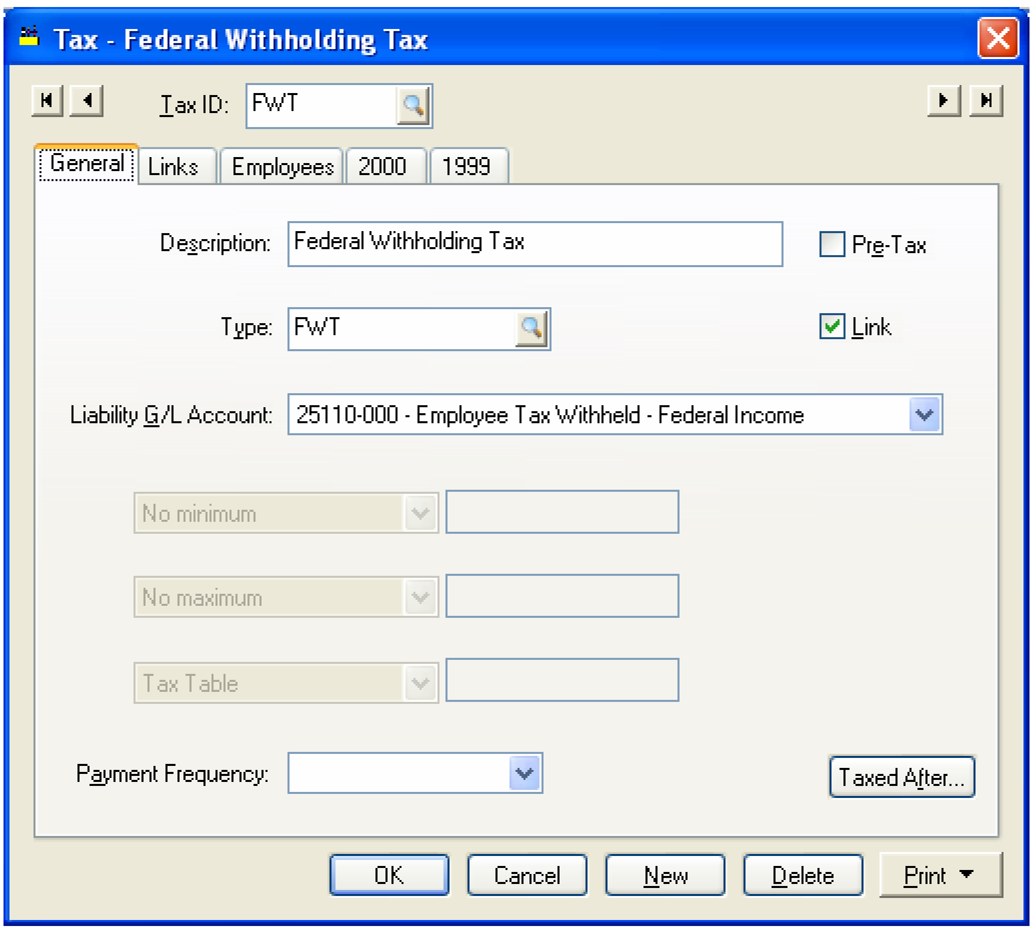
Taxes and Deductions

Adding New Taxes and Deductions

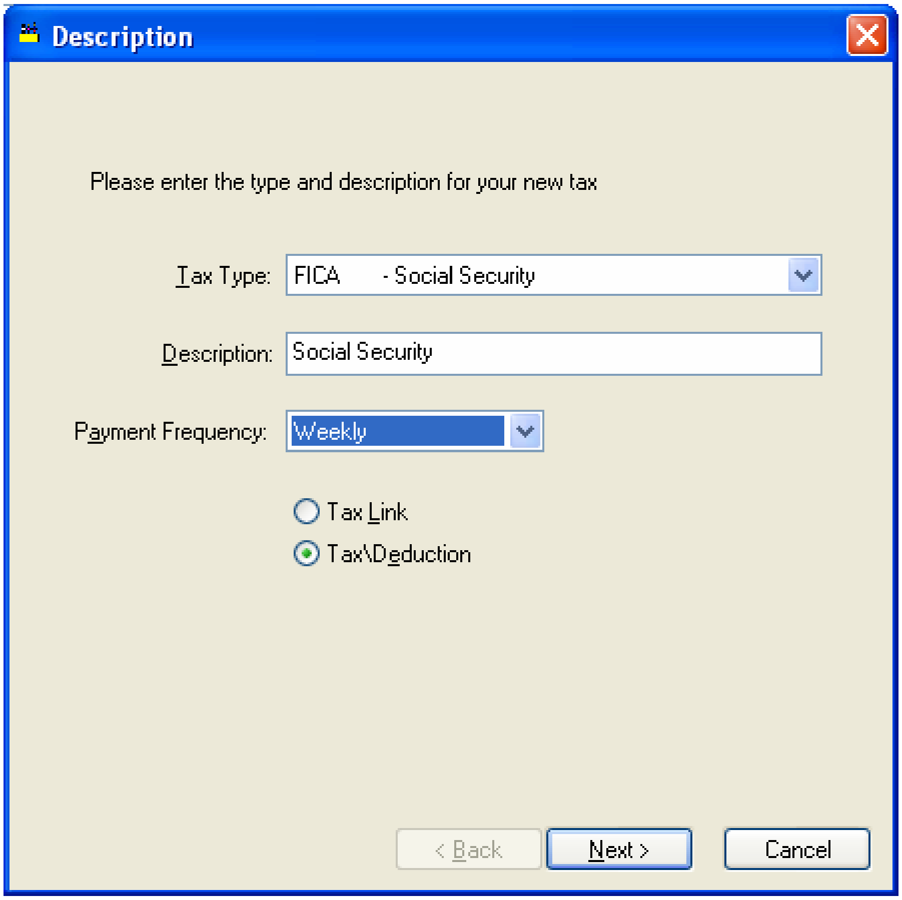
All employee taxes, employee deductions, and company taxes must be set-up with the **Taxes/Deduction** window before they can be used within payroll. EBMS allows a variety of rate calculations to accommodate the large number of different payroll taxes and deductions. It is very important that these tax and deduction rates are properly set-up before any payroll is processed. Contact an accountant or EBMS consultant if you need assistance in configuring your taxes or wish to add a complex deduction. EBMS comes with multiple taxes already set-up that can be changed. Go to **Changing Tax/Deduction Rates** for details.

To add new taxes or deductions take the following steps:

1. Go to **Payroll > Taxes/Deductions** and the following window will appear.



2. Click on the **New** button and the following wizard will start.

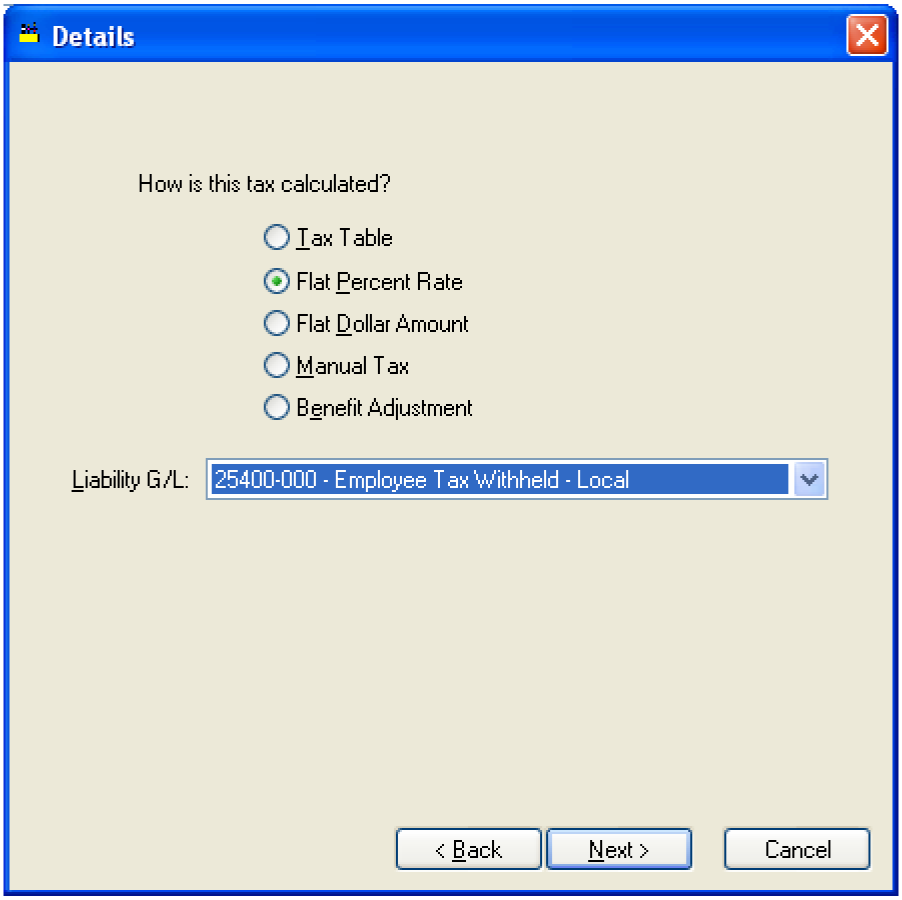


3. Select the **Tax Type** or deduction type by choosing from the drop down list. The drop down list can be opened by clicking on the down arrow to the right of the **Tax Type** field. It is important to select the proper type because:

   - The wizard will ask appropriate questions based on this type.
   - Payroll register reports sort taxes and deductions in the order determined by this type.
   - This type determines the location within tax forms such as W2s.
   - Manual adjustments will be or not be allowed depending on the type.
   - Prevailing wage rates are calculated based on variables connected to this type.
   - If none of the types apply to the tax or deduction that you are entering, choose **Other – other deduction.** Consult with your accountant or EBMS consultant before creating a new tax if you are unsure of which type to choose:

4. Enter a detailed description explaining the tax or deductions. The description will default to the tax type description, but can be easily changed.

5. Select **Tax/Deduction** type by clicking on option button with a mouse. Review the Tax **Links** for details on creating tax links. Click the **Next** button and the following window will appear:



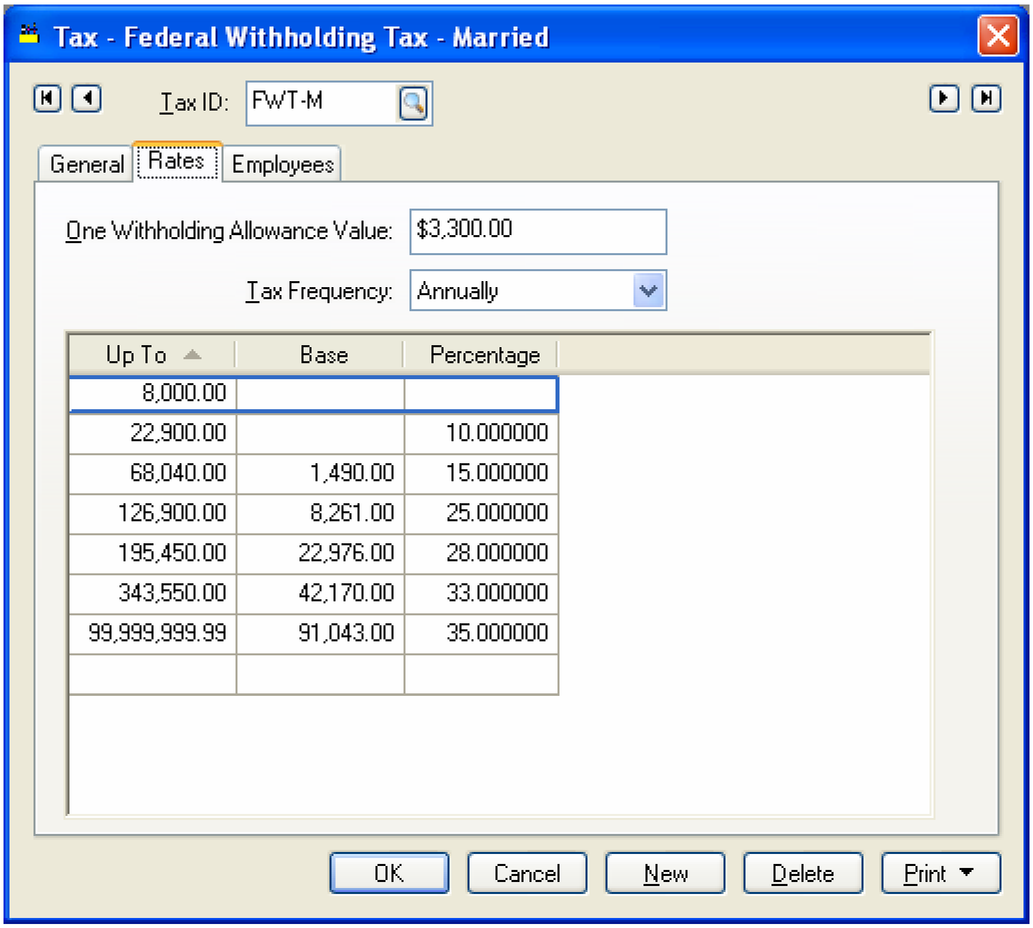
6. Select the **How is this tax calculated?** option by clicking on the appropriate option with your mouse or pressing **ALT** + underlined letter on the keyboard. The options available are:

   - **Tax table** is used for taxes such as Federal Withholding Tax and some state taxes that used graduated tax rates.
   - **Flat Percent Rate** option is used for taxes that calculate the deduction based on a certain percentage of gross wages. Withholding Taxes such as Social Security tax, unemployment taxes, and many state and local taxes use this method as well as many common employee deductions.
   - The **Flat dollar amount** option should be used when a set dollar amount is required to be deducted-such as OPT withholding tax.
   - If **Manual** tax is selected, the user will be prompted to enter the tax or deduction amount each time the timecard is processed. This option is convenient when the deduction is not standard.
   - The **Benefit Adjustment** option is used when a benefit is given to an employee and the employee is obligated to pay tax on the value of the benefit. This adjustment is not withheld from or added to the paycheck but is added to the gross pay when other taxes are calculated. This adjustment is sometimes called a gross-up. See Fringe Benefits and Benefit Adjustments section for more details.

7. Enter the **Liability G/L** account that you wish to accrue this tax or deduction. All taxes and deductions should be accrued in a general ledger liability account and be reconciled on a regular basis to assure that the total withheld equals the total paid to the tax or benefit vendor. An account must have a classification of **Payroll Tax/Deduction** to be listed as an available account. Click **Next** to continue.

8. The next wizard page depends on **How the tax is calculated** setting. Move to the appropriate section, skipping the settings that do not apply. If deduction is set as a **Manual Tax** or **Benefit Adjustments** deduction, the rate and pretax pages (the next 2 pages) do not apply.

Tax table



1) **Withholding Allowance** – Enter the exemption allowance for the new tax or deduction. This is important for taxes such as Federal Withholding Tax as well as any other tax that gives a deduction based on the number of exemptions. Keep this field blank if there is no withholding allowance.

2) The **Tax Frequency** identifies the tax period that the table is based upon. For example, if the Tax Frequency is <u>annual</u> and the timecard being processes is <u>weekly,</u> the rates would be divisible by 52. If the Tax Frequency equals weekly and a BI-weekly timecard is processed, the rates are multiplied by 2.

3) The **Up To**, **Base**, and **Percentage** columns are used to enter a graduated tax table. The **Up To** identifies the range, The **Base** the base dollar amount, and the **Percentage** the additional percentage amount. In the above example,

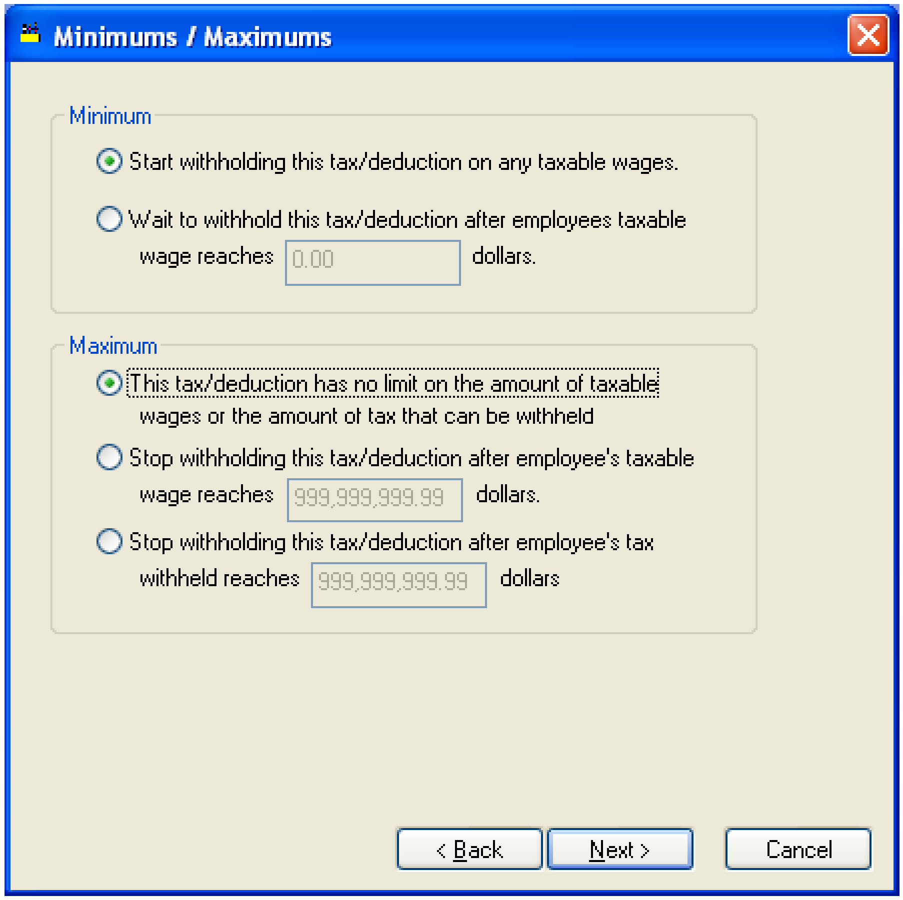
annual wages up to $8,000 are not taxed. Wages over $8,000 and up to $22,900 are taxed at 10%. If your annual wages are exactly $22,900, then $14,900 ($22,900 - $8,000) will be taxed at 10%, which is $1,490. This is the correct base for the next tier. If the annual gross wages is $75,00, the tax = (75,000 – 68,040) * 15% + 1490. The **Base** = Maximum tax for previous tier, including the base for that tier.

Flat Percent Rate

b. **Flat Dollar Amount** dialog is similar to the Flat Percent Rate dialog.

c. **Manual** and **Benefit Adjustment** deductions ignore the rate page since rates are entered manually on the timecard.

Click the **Next** button and the following window will appear:

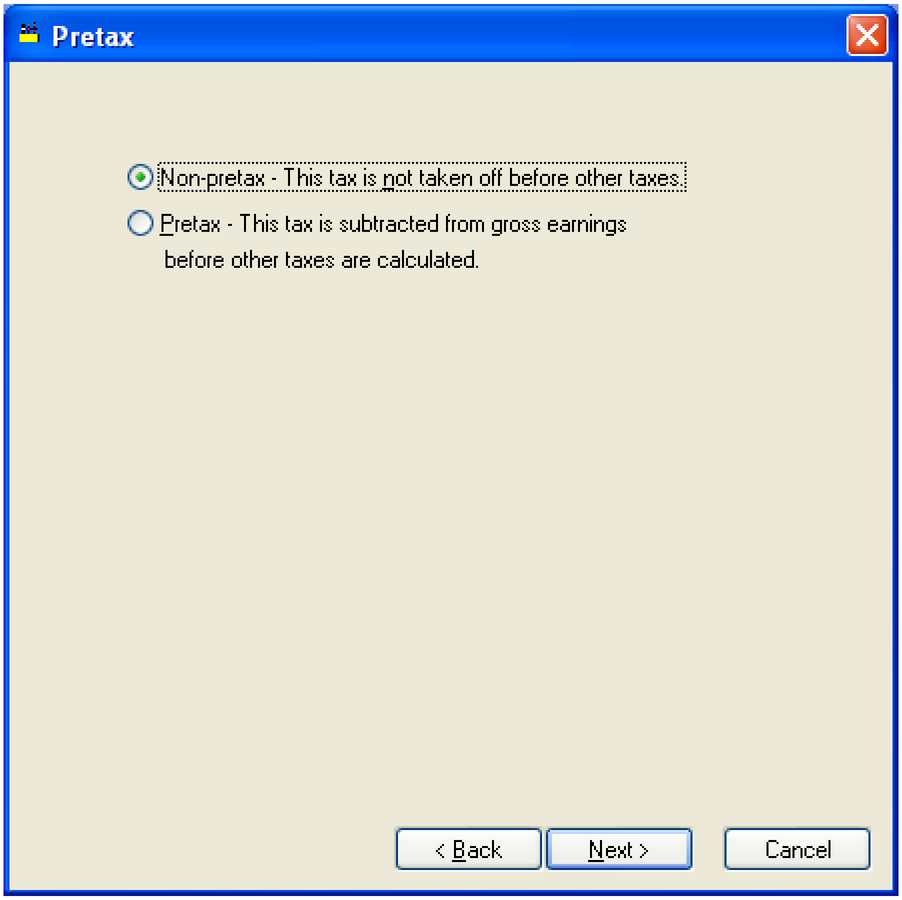


9. Set the appropriate **Minimums** and **Maximums** for the tax. Select the first options within the Minimum and Maximum option boxes if the tax or deductions should be deducted on all pay.

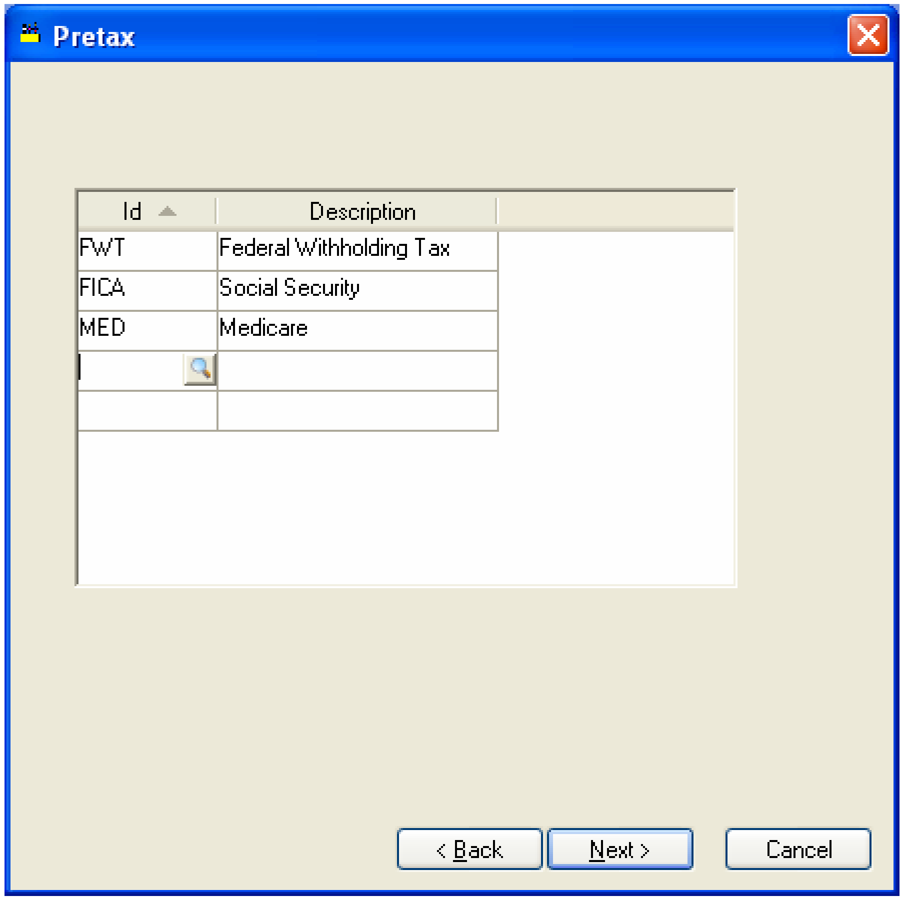
   a. If the pay is not to be deducted on the first part of the pay select the second option and enter the gross pay amount that must be earned before tax is deducted.

   b. If there are limits to the amount that is to be deducted from the employee's pay then set the appropriate option. Set to the second option if the limit is wage based or set the third option if limit is tax based.

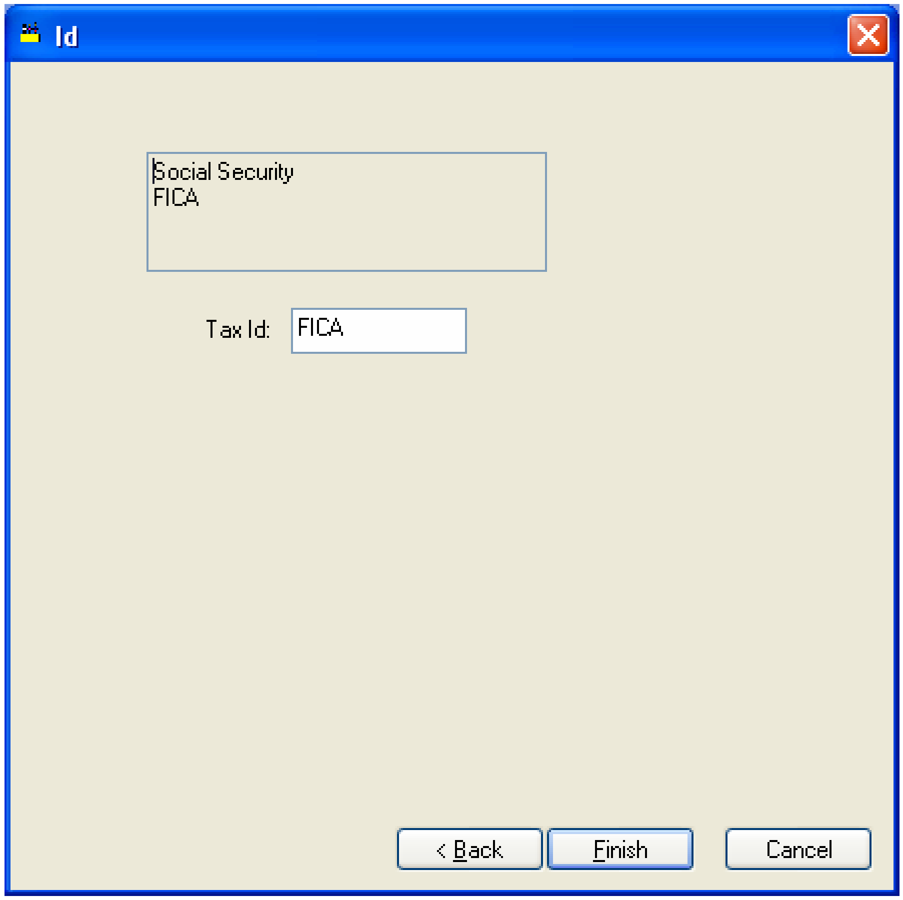
   Click the **Next** button and the following window will appear:



10. Set the first option if the tax or deduction is not pretax or set the second option if tax is pretax. If the second option is set, (Pretax) the deduction will be deducted from the gross wages before other (non-pretax) taxes and deductions are processed. This option is commonly used for medical benefits, which does not require the employee to pay taxes on the benefits that are deducted from his/her pay. If the Pretax option is enabled, the following page will appear when **Next** is clicked.



a. You must list all taxes that are calculated after the pretax deduction is calculated. For example, if a health benefit deduction can be pretax for Social Security, Medicare and Federal Withholding taxes, then list FWT, FICA, and MED tax codes in the pretax list. To add taxes to the pretax list, click on a blank line in the list, click on the lookup button, and select the appropriate taxes. Click **Next** when list is complete.

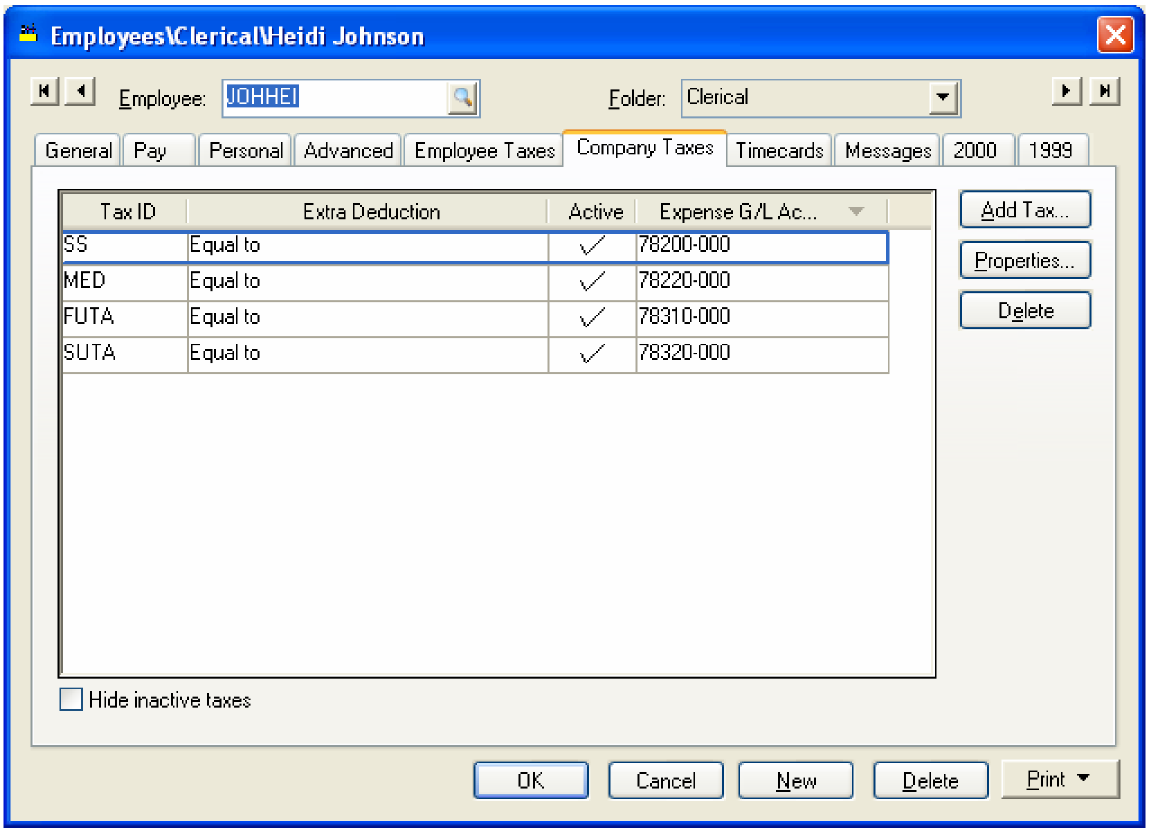


11. Enter the Deduction or **Tax ID**. This code is required to be unique for a specific tax or deduction. This ID is used throughout the entire accounting system for all transactions associated with this tax or deduction. The **Tax ID** for a state withholding tax should be labeled with the state's 2 character abbreviation. For example, label the New Jersey withholding tax with an ID as NJ. See the Printing W-2 Forms section for specific reasons for this requirement.

12. Click **Finish** to create new tax or deduction or **Cancel** to abort.

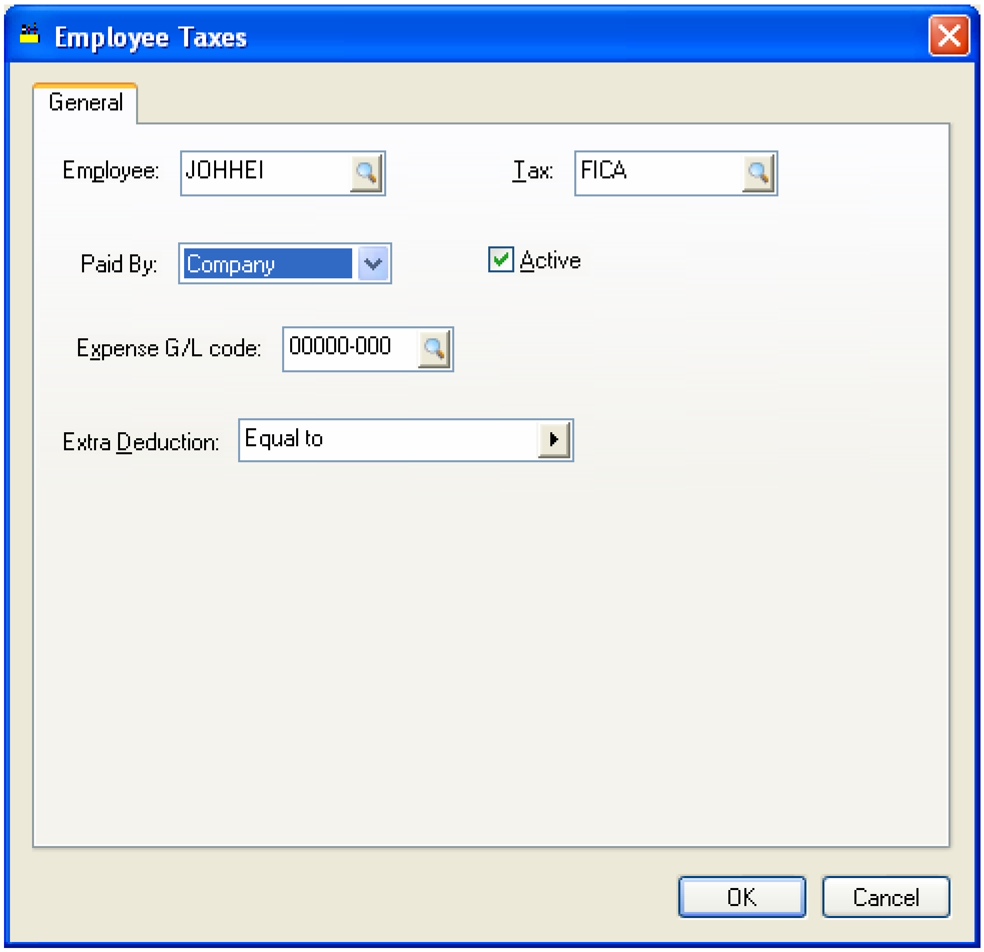
Setting Up Company Taxes

If you need to change company taxes, click on the **Company Taxes** tab of the employee window. Most company taxes are globally setup; to setup company taxes globally go to **Payroll > Options > Employee Folders** and clicking **Edit Defaults**. To setup a company tax or deduction for a specific employee, follow the steps listed below. The steps to edit or add a company tax are very similar to adding an employee withholding tax.



Add Tax and Properties Button

Click on the **Properties** button to edit any existing tax information, or click on the **Add Tax** button to add taxes to the list. The following window will appear if either button is clicked.



Tax

Adding

To add a company tax or deduction, a valid tax must be selected from the tax list. To select a tax, click on the lookup button to the right of the tax field and select a valid tax. To create a new tax, click on the **New** button on the tax list, or go to **Payroll > Taxes/Deductions**. Review the Adding Taxes and Deductions section for more details on entering or editing taxes or deductions. EBMS contains many of the common taxes, but verify that the correct rates are entered for each tax before you process any payroll.

Changing

When editing tax **Properties** you cannot change the **Tax** identification code. To change the tax ID, the original tax must be made inactive and the new tax line added.

The **Active** switch must be ON to deduct from paycheck or OFF if you do not wish to deduct the tax or deduction. A tax cannot be deleted but should be made inactive if no additional tax is to be deducted. Any tax or deduction that has been deducted in the past cannot be deleted but must be made inactive.

The **Extra Deduction** Formula is used to add additional tax to the standard rate. This formula should be set to **(none)** or **Equal to** for all company taxes except in very rare occasions.

Set the **Expense G/L Code** to a general ledger overhead account to record the expense of this tax. Since employee taxes are withheld from the employee's check they are not recorded as an expense to the company, but company taxes are paid by the employer and must be recorded within an expense general ledger account. Click on the lookup button to view the available general ledger accounts. The tax expense codes should be located within the expense folder of the ledger.

Click **Ok** to save changes.

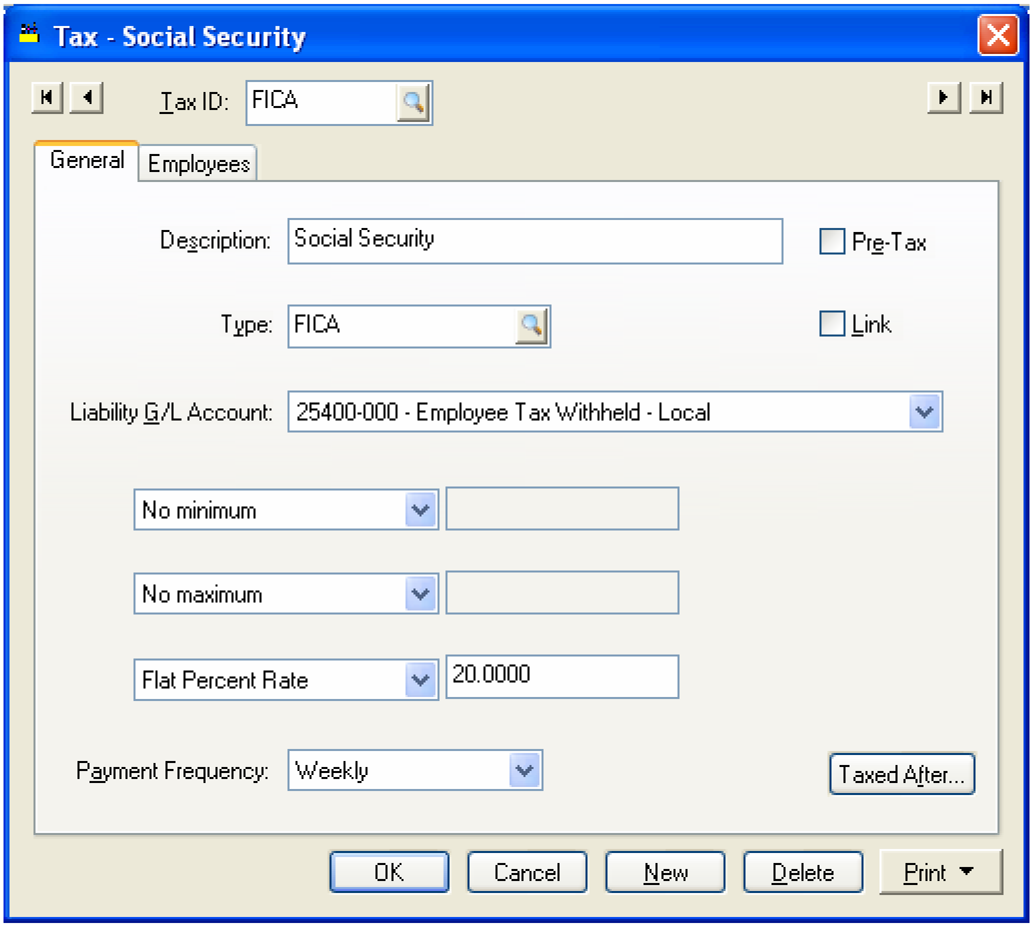
Repeat the steps listed above for each tax that you wish to add or edit.

View Year History

Select the correct year tab to view annual tax or deduction history.

Changing Taxes and Deductions

To view tax history, edit or update a tax or deduction rate, or make other adjustments to the tax file go to **Payroll > Taxes/Deductions** and the following window will appear:



- Select the **Tax ID** that you wish to view or edit by entering the Tax ID or clicking on the lookup button to select from the tax list. Note that you can also page through the taxes by using the page up and page down buttons on top of the window or by pressing Ctrl + Page Up or Page Down on the keyboard. To change the **Tax ID** code, right click and select **Change ID** on the context menu. This can be a lengthy process so use this feature sparingly.

- The **Description** can be changed anytime and should briefly describe the tax or deduction.

- To create or change a tax **Link,** review the Tax Links section of this manual.

- Change the **Type** and **Liability G/L Account** cautiously since the change could have an adverse effect on the general ledger or on the payroll process.

- To change **Minimum** amounts, **Maximum** limits, or rate types, click on the appropriate field drop down list by clicking on the down arrow button. Also enter the appropriate values in the Minimum and Maximum fields if they are activated. The tax rate can only be set in this window if the tax or deduction is based on a flat rate.

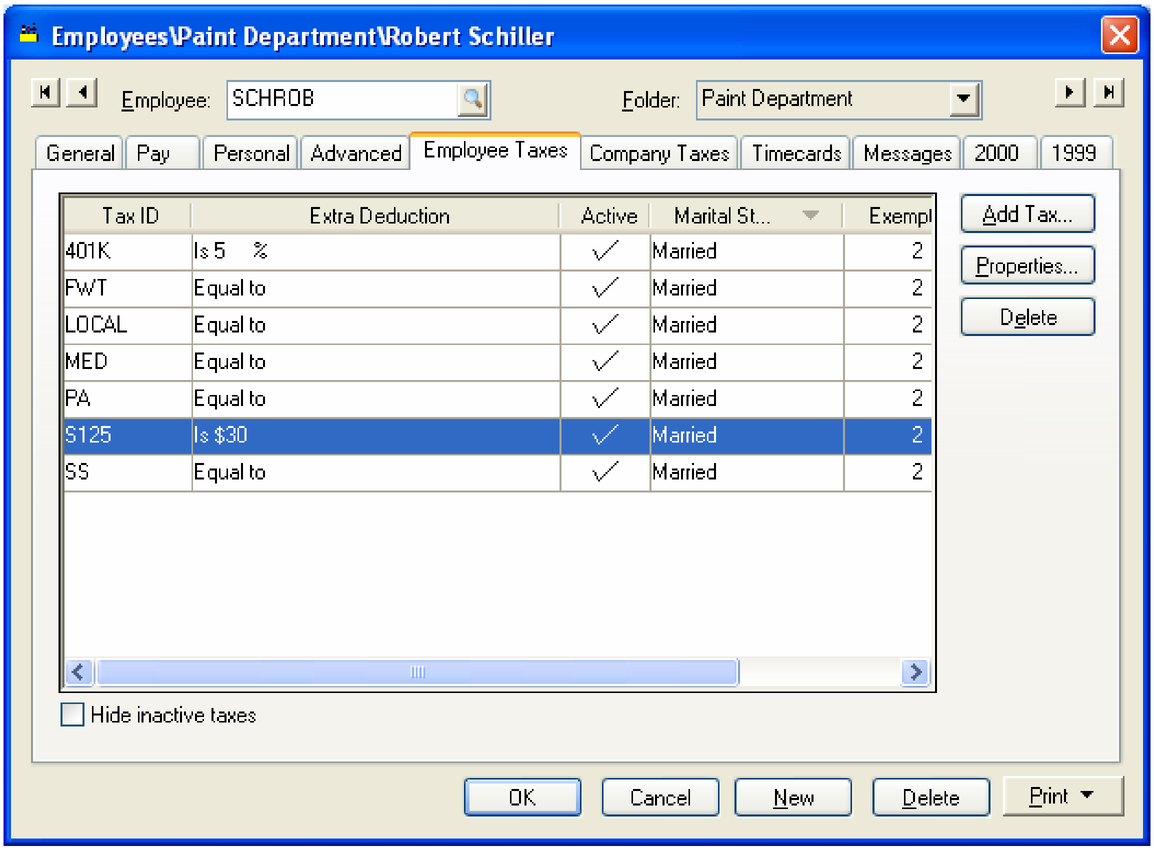
- Click on the **Taxed After** button to view all the taxes and deductions that are deducted before the current tax is calculated. This feature lets the user view the pre-taxes in a reverse manner from the way they are entered in the pretax wizard. For example, if a medical deduction has FICA, MED, and FWT taxes listed as pretax within the medical deduction record then if the FICA tax record is viewed the medical deduction would be listed in the **Taxed After** list. This list can be viewed but cannot be edited. Depending on the type of deduction being viewed some additional tabs such as **Links, Pre-Tax,** and **Rates** tabs may be present. For details on these tabs review the Adding new Taxes and Deductions for details on how to enter pre-taxes and rate tables.

Click **Ok** to save changes and exit the tax and deduction window.

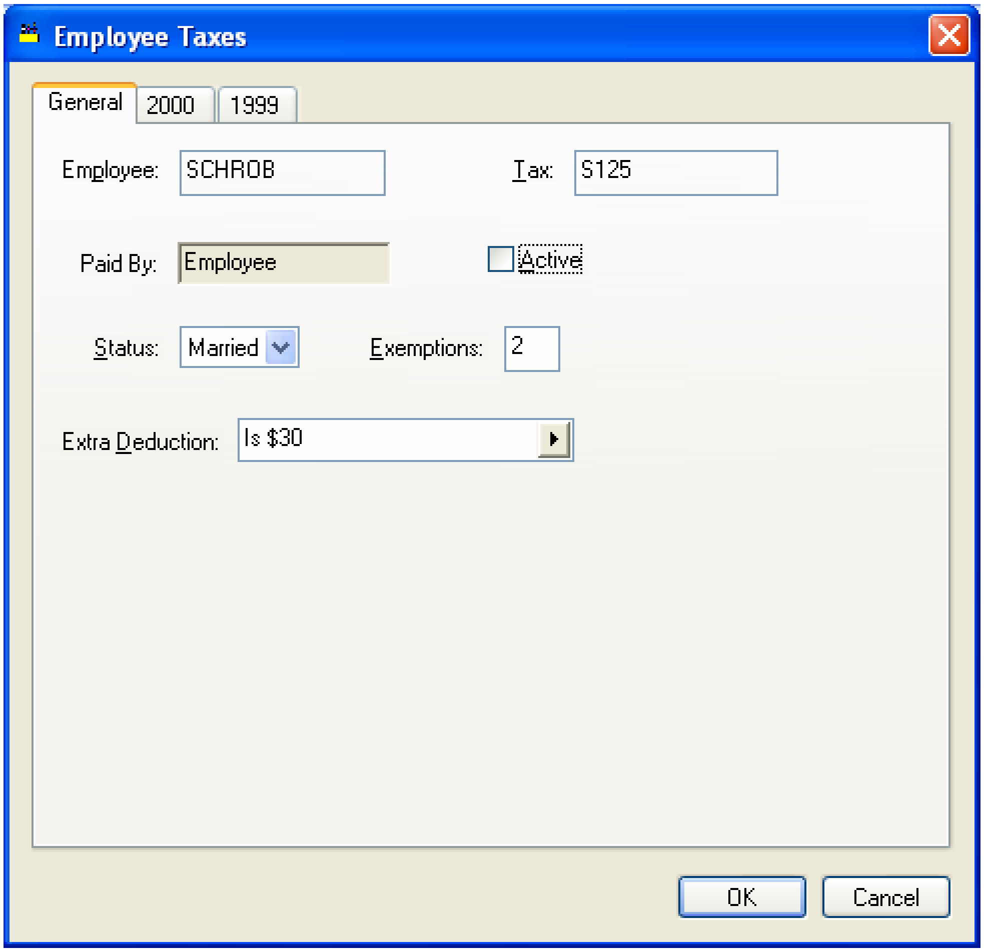
Removing an Unused Tax Entry

Highlight the desired **Tax ID** and click on the **Delete** button to remove a tax entry that has not been used. A tax or deduction cannot be deleted but should be made inactive if any tax has been withheld. This limitation is required so the employee history is not lost. Complete the following steps to configure a tax or deduction as inactive:

1. Click on the **Employee Taxes** tab of an employee as shown below:



2. Click on the **Properties** button and click the **Active** option OFF as shown below:

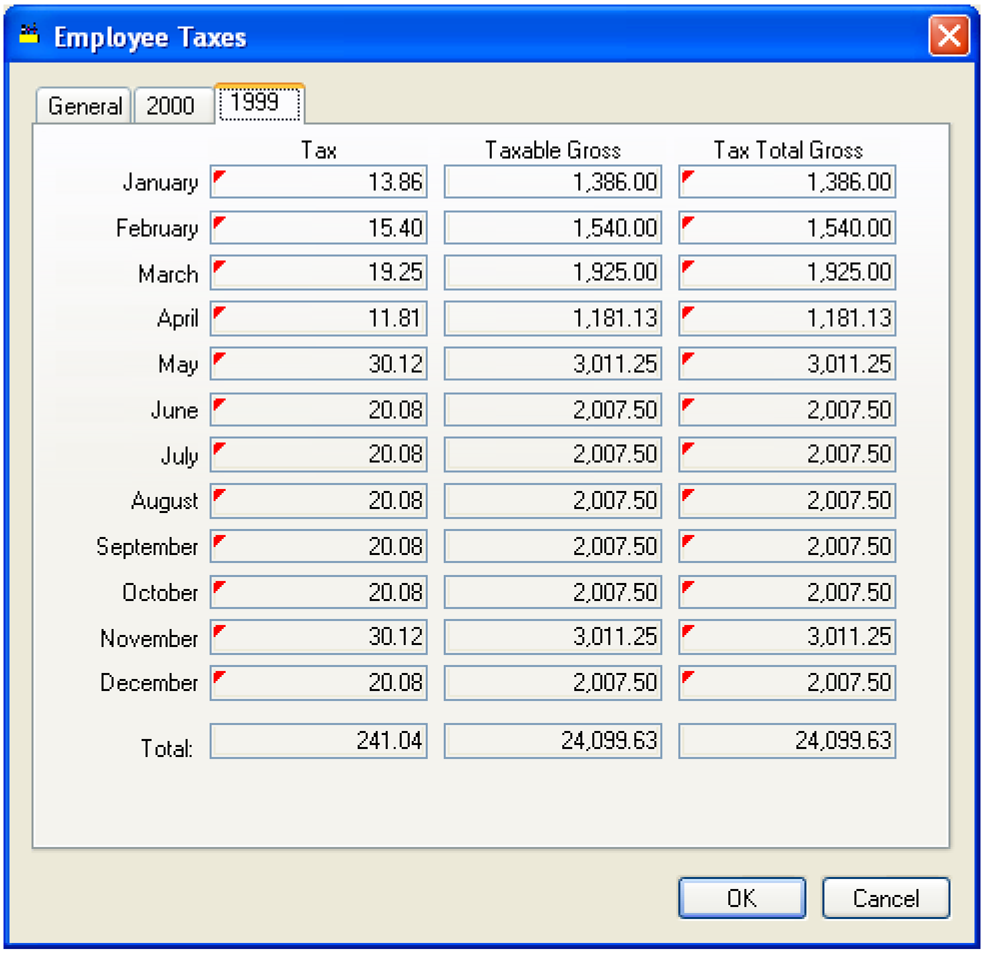


3. Click on the OK button to return to the tax list.

4. Click the **Hide inactive taxes** option ON if you wish to remove the inactive taxes from the list.

Viewing Tax and Deduction History

As soon as a deduction has been processed on a timecard and posted the general ledger, a history year tab will appear on the tax or deduction screen. These year tabs are similar to the tabs found on the employee window, customer window, general ledger window, etc. To view the information for any calendar year, click on the appropriate history year tab.



The history year tab consists of three columns:

- **Tax**

  This amount is the total that has been withheld from all employees.

- **Taxable Gross**

  Amount reflects the total wage amount that was subject to the tax or deduction.

- **Total Gross**

  The Amount reflects the total payroll gross including both the taxable and non-taxable totals.

To view the source detail for the **Tax** or the **Total Gross** columns, right click on the total to view and select **Drill down** from the context menu. From the details list, select the employee and pay date to view and click **Source** to view the timecard from which the deductions were withheld.

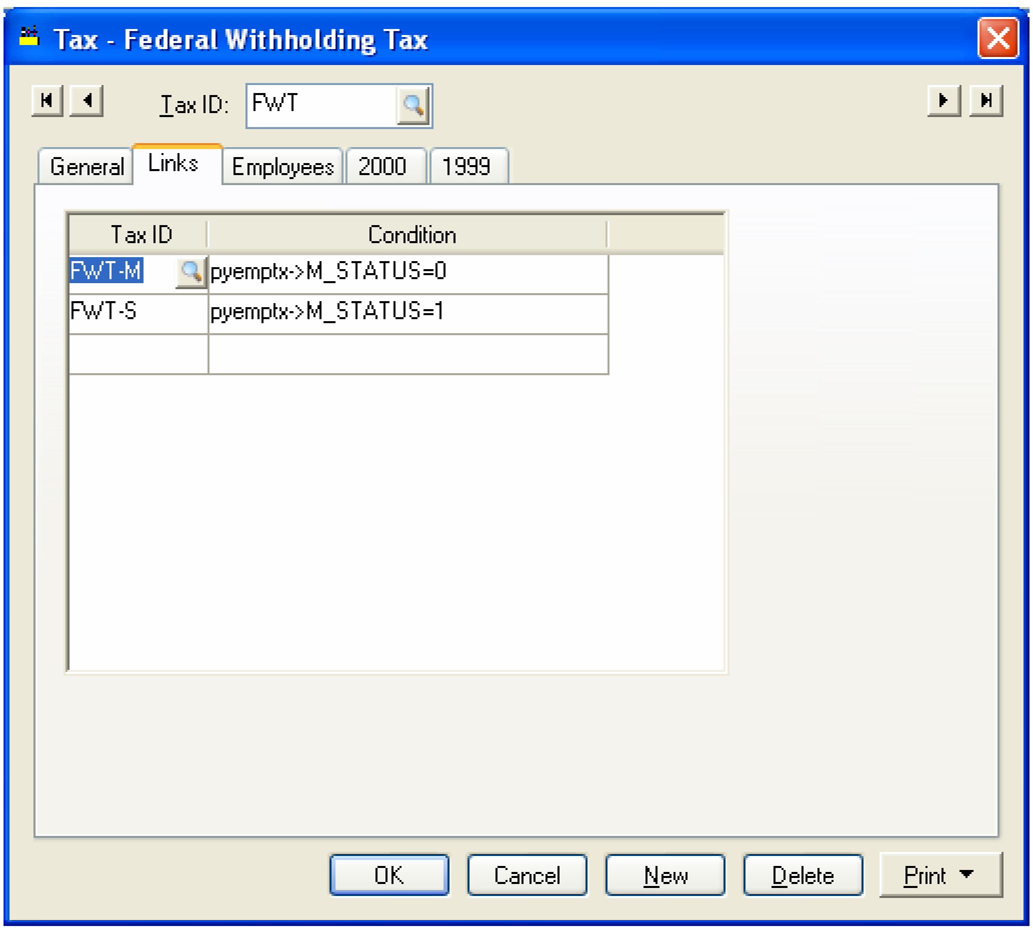
Click **OK** to exit the **Tax/Deduction** window.

Tax Links

EBMS uses links to connect taxes that are the same deduction, but are different rates, based on employee information. Federal Withholding Tax (FWT) is a prime example. There are two different rate tables that must be used based on an employee's marital status. To accomplish this the rate tables are linked together using a **Tax Link.** All employees can have the **FWT** tax listed in their employee tax tab, but based on the employee's marital status setting, the FWT tax links with either the withholding tax rate table for married employees (FWT-M) or the rate table for singles (FWT-S).

To view or edit a tax link take the following steps:

1. Go to **Payroll > Taxes/Deductions.** Select the appropriate tax link and click on the **Links** tab. Note that if the **Link** option is checked on the **General** tab, a **Links** tab appears.



2. In the **Tax ID** column, list the tax ID rate that should be used if the **Condition** is TRUE. If the Condition is not true, the system will check the next line. If none of the conditions are true the system will not deduct the tax.

3. The **Condition** column must contain a dBase expression that must be evaluated as TRUE for the tax rate of that line to be used. The dBase expressions used in this window are similar to the dBase expressions used within the Message tabs and Advanced Queries. Contact an EBMS consultant for information on this advanced tax feature.

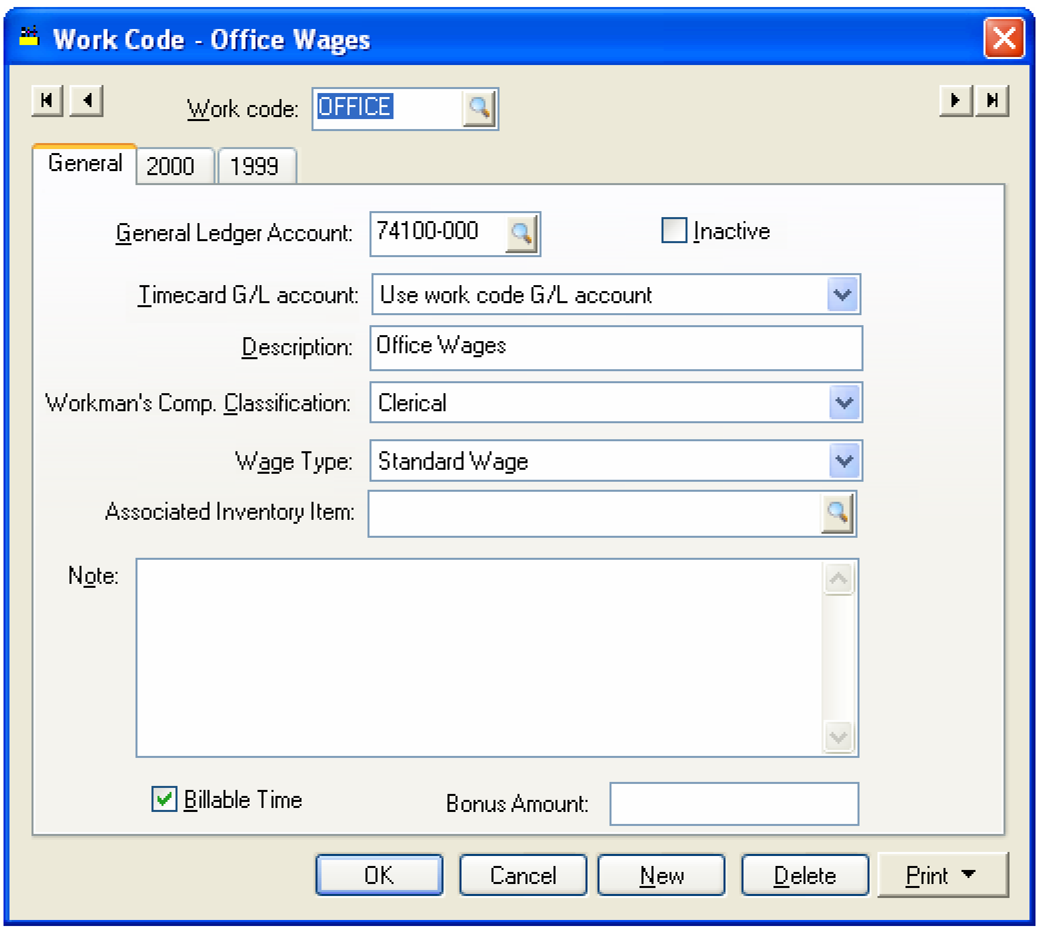
Click **OK** to save link information.

Work Codes

Work Codes

Work codes are an important component of the EBMS Payroll System. A work code is required to identify the work category for each detail line. The payroll expense general ledger account is identified by the work code. The work code is a useful management tool for analyzing and managing payroll costs. The payroll rates are associated with the work code when processing piecework pay and prevailing wages. Review the Processing Piecework Pay and Prevailing Wages sections for more details. The work code can be associated with an employee and pay type to conveniently default the code within the timecard. Work codes must be setup before any payroll is processed because a work code entry is required on each time card. To enter new work codes, edit existing work codes, or to view work code history, take the following steps:

1. Go to **Payroll > Work Codes** and the following window will appear:



- To open the **Work Code** you wish to edit or view, click on the lookup button to the right of the work code field and select the desired work code.

- The **General Ledger Account** identifies the expense or cost of sales general ledger account into which the payroll expenses are posted for this work code. It is possible to direct multiple work codes into a single general ledger account to create detailed work code history without using a large number of different general ledger wage accounts.

- The **Description** of the work code is used in search lists or reports to further describe the work code.

- **Workman's Compensation Classification**: This setting is used to generate workman's compensation reports based on the employee's work class that is identified by the work code. If employees are grouped within the Workman's Comp classifications rather than an employee having multiple classes then set the **Workman's Comp. Classification** to (Use Employee Class). Review the Workman's Compensation section for more details.

- The **Wage Type** options depend on the available payroll modules and include **Standard**, **Piecework** (if piecework is enabled in the Payroll > Options > Settings tab) and **Prevailing Wage** (if prevailing wage is enabled in the Payroll > Options > Settings tab). Normally this setting is set to Standard.

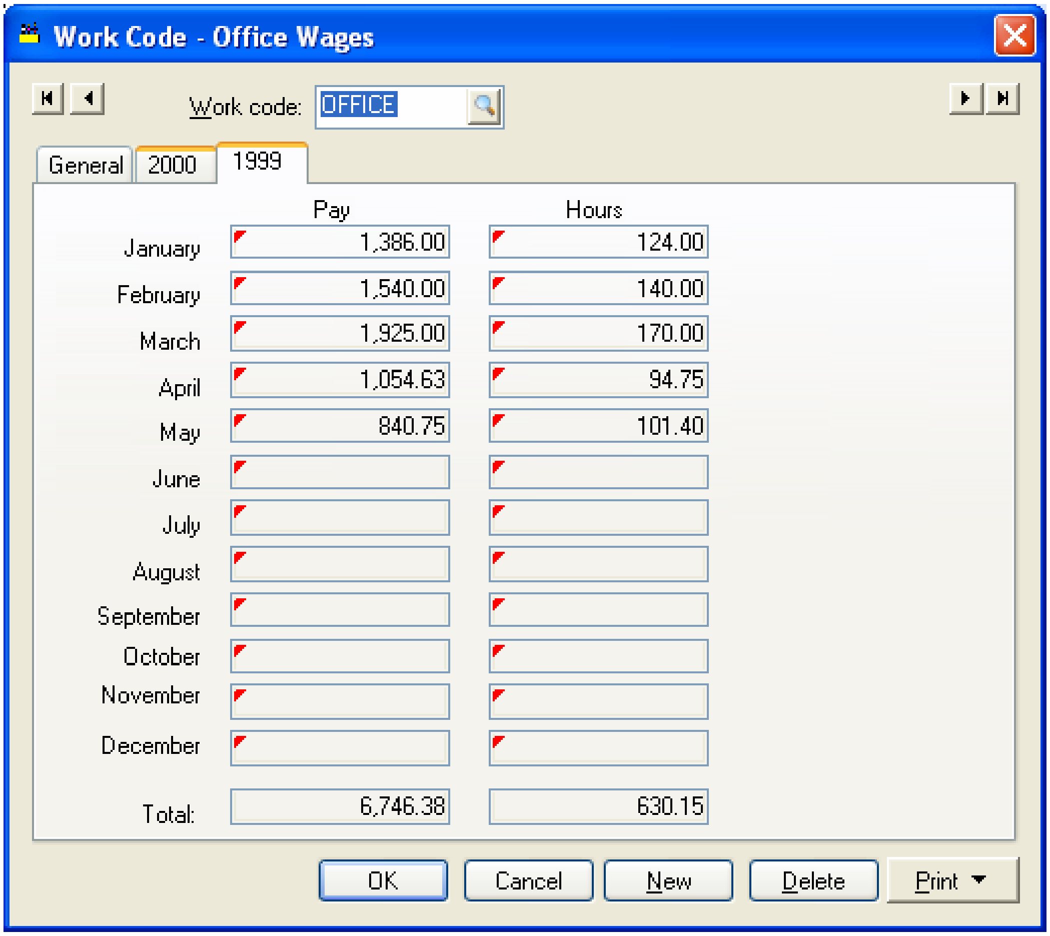
- The **Note** field can be used to further explain the work code or to record details as needed.

2. To create a new work code, click the **New** button and enter the information described above.

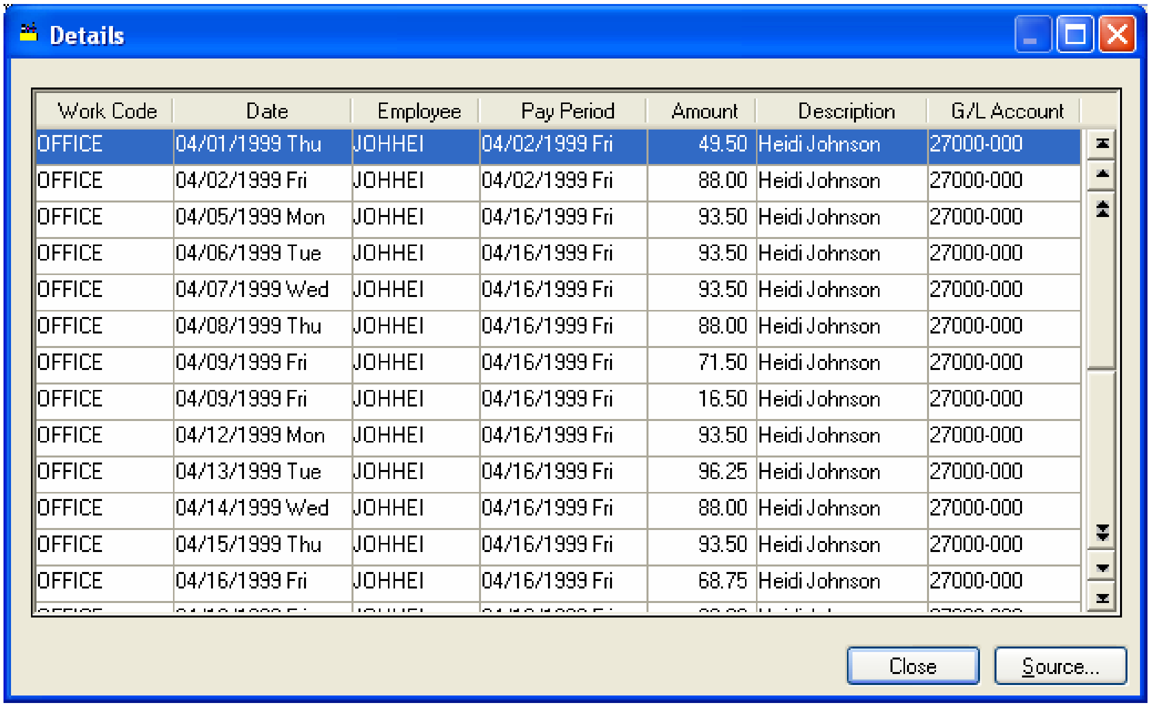
3. Click **Delete** to delete the current work code. A work code can not be deleted if wage history has been posted to the year pages.

4. The **Print** button works like other print buttons and can have reports linked to it to select or reports can be added by selecting **Add Report**. Review the Reports section for more details.

If any wages history have been posted using the current work code, the history will show on the year history pages shown below:



The columns **Pay** and **Hours** list the gross pay and total hours posted to that work code for the corresponding months. To view the detail, drill down on any month by right clicking on a total and selecting Drill Down on the context menu. It is also possible to drill down by double-clicking on the total with a mouse. The drill down list will open as shown below.



Work Code	Date	Employee	Pay Period	Amount	Description	G/L Account
OFFICE	04/01/1999 Thu	JOHHEI	04/02/1999 Fri	49.50	Heidi Johnson	27000-000
OFFICE	04/02/1999 Fri	JOHHEI	04/02/1999 Fri	88.00	Heidi Johnson	27000-000
OFFICE	04/05/1999 Mon	JOHHEI	04/16/1999 Fri	93.50	Heidi Johnson	27000-000
OFFICE	04/06/1999 Tue	JOHHEI	04/16/1999 Fri	93.50	Heidi Johnson	27000-000
OFFICE	04/07/1999 Wed	JOHHEI	04/16/1999 Fri	93.50	Heidi Johnson	27000-000
OFFICE	04/08/1999 Thu	JOHHEI	04/16/1999 Fri	88.00	Heidi Johnson	27000-000
OFFICE	04/09/1999 Fri	JOHHEI	04/16/1999 Fri	71.50	Heidi Johnson	27000-000
OFFICE	04/09/1999 Fri	JOHHEI	04/16/1999 Fri	16.50	Heidi Johnson	27000-000
OFFICE	04/12/1999 Mon	JOHHEI	04/16/1999 Fri	93.50	Heidi Johnson	27000-000
OFFICE	04/13/1999 Tue	JOHHEI	04/16/1999 Fri	96.25	Heidi Johnson	27000-000
OFFICE	04/14/1999 Wed	JOHHEI	04/16/1999 Fri	88.00	Heidi Johnson	27000-000
OFFICE	04/15/1999 Thu	JOHHEI	04/16/1999 Fri	93.50	Heidi Johnson	27000-000
OFFICE	04/16/1999 Fri	JOHHEI	04/16/1999 Fri	68.75	Heidi Johnson	27000-000

To locate the source of the detailed transactions, highlight the desired line and click **Source**.

To return to work code history click on the **Close** button.

To save any changes to the work code screen click **OK**.

Processing Payroll

Pay Periods

The first thing that is needed to process payroll is to establish Pay Periods. Pay periods are an important part of organizing payroll within EBMS. A pay period consists of both the pay period's ending date and the pay date. The pay period ending date is the last day of the pay period while the pay date is the day that the paychecks are printed.

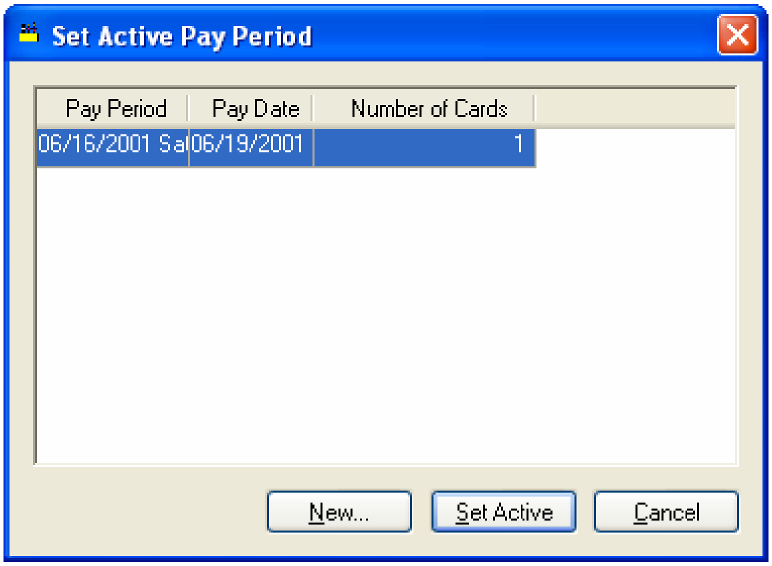
EXAMPLE: If the last day of the pay week is on Saturday and the paychecks are printed on the following Wednesday, the ending pay date for each pay period would be Saturday's date and the pay date would be the following Wednesday's date.

Unlike the checks within accounts payable where the checks can be processed with any date within the fiscal year, the paychecks must be dated with the pay period's pay date. A pay period MUST be created before any timecards can be entered.

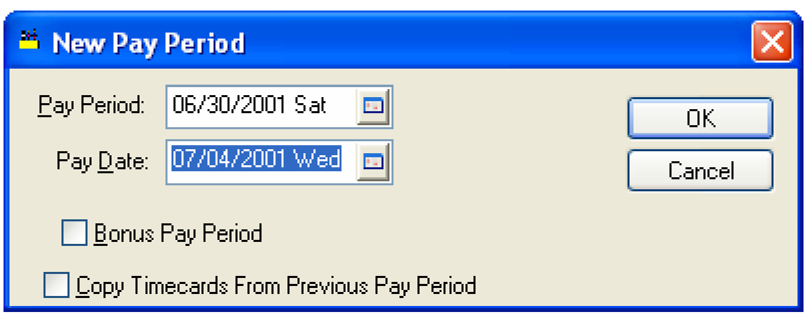
Open New Pay Period

EBMS allows many payroll periods to be opened at the same time. Only one payroll period can be active at one time, however. To choose which one is currently active, and therefore is the default for timecard entry, take the following steps:

1. Go to **Payroll > Set Pay Period**, and the following window will appear:



2. If the desired pay period has already been created, highlight the pay period and click the **Set Active** button. Otherwise, click the **New** button to create a new pay period. The following dialog will appear if you click **New**.

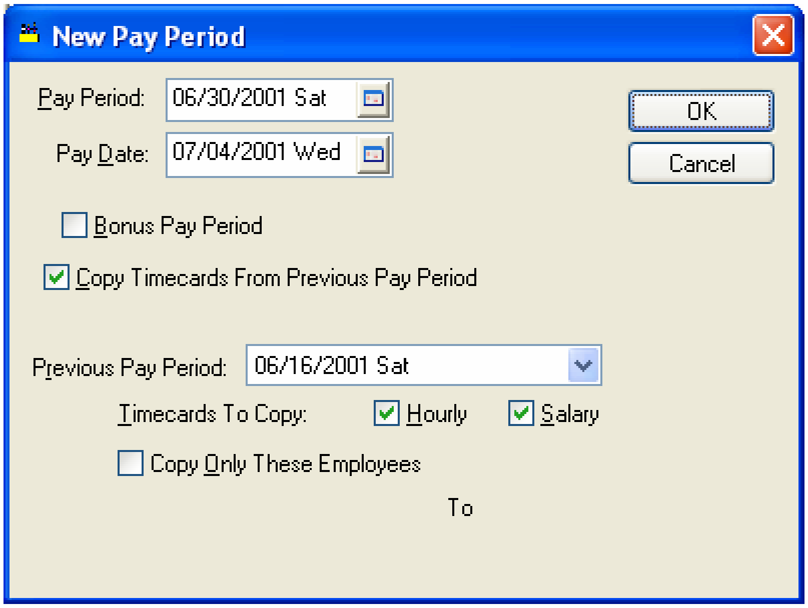


3. Enter a new **Pay Period** date. This date must be unique. This is the ending date of the pay period. If you wish to run two payrolls within the same week for bonus pay purposes or some other reason, the pay period date must be two different dates within the same week.

4. Enter the **Pay Date** that the paychecks will be printed. If you print a paycheck or group of paychecks before the pay date, which is possible, the checks will be post dated with this date.

Copying Timecards from Previous Pay Periods

To **Copy Timecards from Previous Pay Period** click on the check box and the dialog will expand with the following fields:



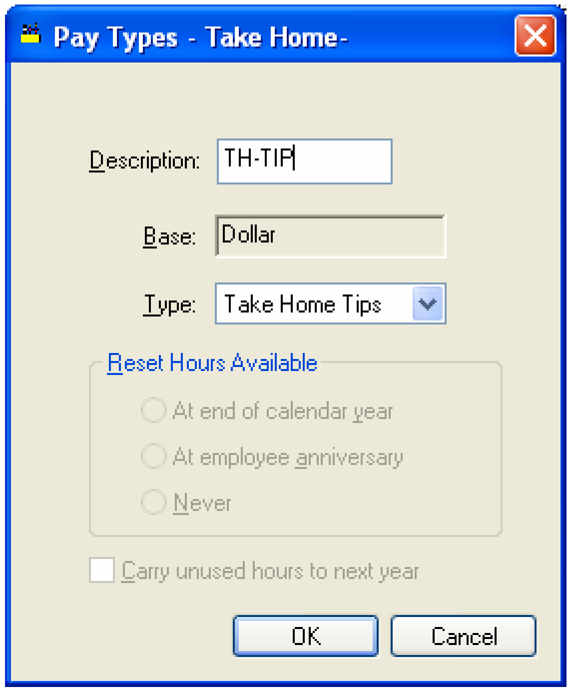
- Set the **Previous Pay Period** from which the timecards are to be copied.
- Check the **Hourly** check box to copy all timecards except for salaried employees or select **Salary** to copy timecards of salaried employees. To copy all the timecards, click both check boxes.
- To only copy the timecards from a range of employees click the **Copy only these Employees** check box and enter the range of employees.

Click the **OK** button to create the new pay period or to save the new active setting or click **Cancel** to abort any changes.

Processing Tips

Paying employee tips must be processed in a unique manner because of tax reporting requirements. All tips must be identified within a timecard with a pay type classified either as a **Take Home Tip** or an **Employer Paid Tip**. Complete the following steps to create a pay type for tips payments:

1. Go to **Payroll > Options > Pay Types** tab and click on the **Add** button to create a new pay type.



2. Enter a pay type **Description** that describes the tip pay. For example, use the EP-TIP description for Employer paid tip and/or TH-TIP for take home tips.

3. The **Base** should be set to the **Dollar** option.

4. The **Type** option should be set to **Employer Paid Tips** if the tip is included within the employees' paycheck. The **Take Home Tips** option should be used if the cash tips were given to the employee but must be added to the gross pay for tax calculations. Create both pay types if employees are paid using both methods.

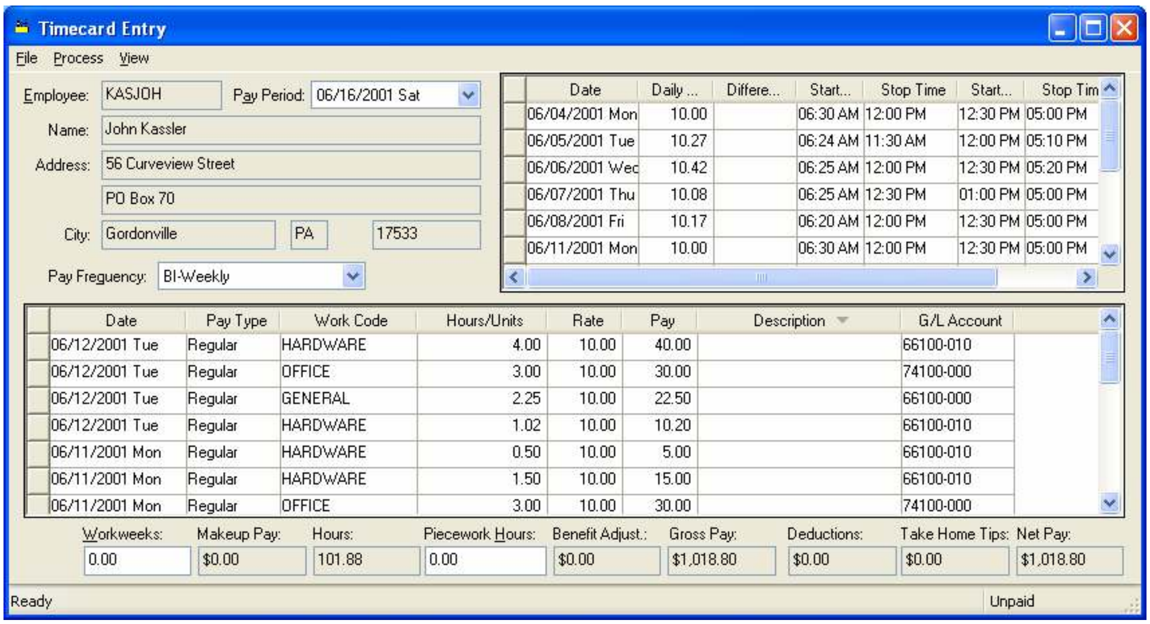
Click on the **OK** button to save changes to the pay type. Review the Payroll > Processing Payroll > Entering Employee Timecard Information section for details on entering pay into the timecard.

Entering Timecards

The timecard window is the main window used to enter employee's time. Hourly time, daily hours, piecework, commissions, tips and other types of pay are all entered into this window. An employee can only have one timecard per pay period. This screen can also be used to view processed timecards and the taxes withheld from the wages. A pay period must be established before any timecards can be entered.

To enter employee hours into timecards take the following steps:

1. Go to **Payroll > Time Card Entry** and the following window will appear:



2. Enter an **Employee** ID or click on the lookup button to the right of the field and select from the employee list.

3. Select the **Pay Period** from the list of open pay periods by clicking on the down arrow. Note that multiple open pay periods can be established at one time.

4. The **Pay Frequency** field identifies this timecard as weekly, Bi-weekly, or otherwise. The Pay Frequency field is copied from the Pay Frequency field within the employee window. Unless the employee's pay frequency changes on a regular basis, set the frequency field within the employee window under the **Payroll > Employees > Pay** tab.

5. An unlimited number of detail lines can be entered within a timecard. If an employee is involved in different work areas within the same day, the multiple work codes must be entered on multiple lines. Each day's work should be entered on separate detail lines. The window will scroll to accommodate as many lines as necessary.

   a. Enter the **Date** the employee worked. A separate line should be used for each day in which an employee worked. The expense of the payroll detail line will be posted to the general ledger month in which the detail occurred. For example, if most of the payroll occurred within the last month, but the paycheck was printed this month, the expense would be posted to the month in which the expense occurred, rather than on the date the employee was paid.

b. Enter the **Pay Type**, i.e. regular, overtime, etc. These pay types are determined within the **Payroll > Options** window. Go to **Payroll > Options > Pay Types.** The pay type on the first line will default to the pay type that is specified within payroll options (**Payroll > Options > Settings – Default Pay Type** field). The pay type on all other lines will copy from the previous line. The pay type determines the pay rate unless a piecework or prevailing wage code is used. It also identifies the entry format on the wage that is being entered. For example, if the Pay Type is Overtime (hour based) the system will prompt for the number of hours but if the Pay Type is Commission (dollar based) the system would ignore the hour column. Go to **Payroll > Employees > Pay** tab to set the employee's pay type rates.

c. The **Work Code** identifies the type of work the employee was involved in. The general ledger account is set based on the work code. Review the Work Codes > Work Codes section for more details on work codes. This field will default to the pay type work code set in the employee pay tab key (**Payroll > Employees > Pay** tab key – **Pay Rates** table – **Default Work Code**). If piecework or prevailing wage work codes are used the rate is derived from the work code.

d. Enter the **Hours** worked. If the Pay Type is dollar based this field will be ignored. If a piecework work code is used this column identifies the number of piecework units being processed.

e. The **Rate** will be copied from the **Payroll > Employee > Pay** tab – Pay Rates table. This rate can be changed on a per line basis without any problem. For example if you wish to increase the hourly rate for a detail line, change the **Rate** value to the desired amount. Note that if the Pay Type is dollar based the rate column will be irrelevant.

f. The **Pay** will be calculated by multiplying the hours times the rate if the pay type is hour based or of piecework type. This field will be entered directly if the pay type is dollar based.

g. The **G/L Account** identifies the account that the wage expense is posted to within general ledger. This code is defaulted by the work code. This column normally does not need to be changed.

Repeat the steps above for each detail line. Enter a new detail line if either the date, pay type, or work code are different from the line before.

Calculating Overtime

If an employee worked ten (10) hours in one day but should be receiving overtime on the last 2 hours you are required to:

1. Enter one line with a regular pay type and 8 hours.

2. Enter a second line with a pay type of Overtime and a quantity of 2 hours.

   Both lines would contain the same date and work code. If an employee is working at two or more different projects in the same day, a detail line must be entered for each work code containing the same date.

Overtime can be calculated by EBMS by selecting **Calculate Overtime** from the timecard's **Process** menu. Review the Calculating Overtime section for more details on this automated process.

View Options

By clicking on the **View** menu on the timecard screen you can choose from a number of view options listed below.

- Click on the **Employee Account** menu option to quickly view the employee information screen.

- View **Taxes** option allows the user to view the total taxes that will be withheld from the paycheck as well as company taxes. You must calculate taxes prior to viewing or the list will be blank. Go to **Timecard** menu **> Process > Calculate Taxes** option to calculate taxes. Note that taxes and deductions can be calculated in a batch basis within the Employee Payment window.

- **Advanced Options** window is used to view or change advanced options copied from the employee screen such as payroll payable. To permanently change these codes within an employee go to **Payroll > Employee > Advanced** tab.

- The **Daily Hours** option allows the user to view the pay type totals or the daily hour detail. If the Daily Hours are not checked, the pay type summary totals will show both total hours and total gross for each pay type. If the **Daily Hours** option is checked (this can be done by selecting Daily Hours on the menu), the Daily Hours are shown instead of the Pay Type Totals.

  Review the Daily Hours section for details in entering and processing daily hours. The Daily Hours menu option is an option, which is checked when it is ON or unchecked when the status is OFF.

- Select the **Memo** option to enter or edit a memo or note to add to the current timecard. This can be used to enter miscellaneous notes about this employee within the current pay period.

- Click **Details** to hide the timecard detail section and to view more timecard detail lines. This convenient feature enables the user to see more timecard detail lines simultaneously. The Details selection is a switch option similar to the Daily Hours option.

These View options are optional during **Timecard Entry**.

Summary Totals

Located at the bottom of the timecard are varieties of summary totals:

- The **Workweeks** amount is calculated at the time that taxes are calculated and reflect the total workweeks for the current period. The **Workweeks** field is the only total that can be changed by the user. Do not change this field unless you are familiar with workweeks. Review the Processing Workweeks section for more details.

- **Makeup Pay** is automatically calculated to ensure that employees meet minimum wage requirements. Review the Minimum Wage and Makeup Pay section for further description of makeup pay or details to disable the feature.

- Total **Hours** for the current timecard.

- Total **Gross Pay** for the current Pay Period. Gross pay may include benefit adjustments and take home tips, which are not paid to the employee via a paycheck.

- Total **Deductions** is the total withholding taxes and deductions. To view a detailed list of this total, select **View > Taxes** from the timecard menu.

- **Take Home Tips** total identifies the cash paid tips that are added to the gross pay but subtracted from paycheck since they were paid by cash. Review the Payroll > Processing Payroll > Processing Tips section.

- **Net Pay** amount is the total amount of the paycheck.

  Net Pay = Gross Pay – Deductions – Take Home Tips.

Saving a Timecard

Save the timecard by selecting the **Save** option within the timecard's **File** menu or by pressing the **Ctrl + S** on the keyboard. All processes can be accomplished in a batch manner within the Employee Payment window.

Creating Another New Timecard

To create another new timecard select **File > New** within the timecard menu or press **Ctrl + N**.

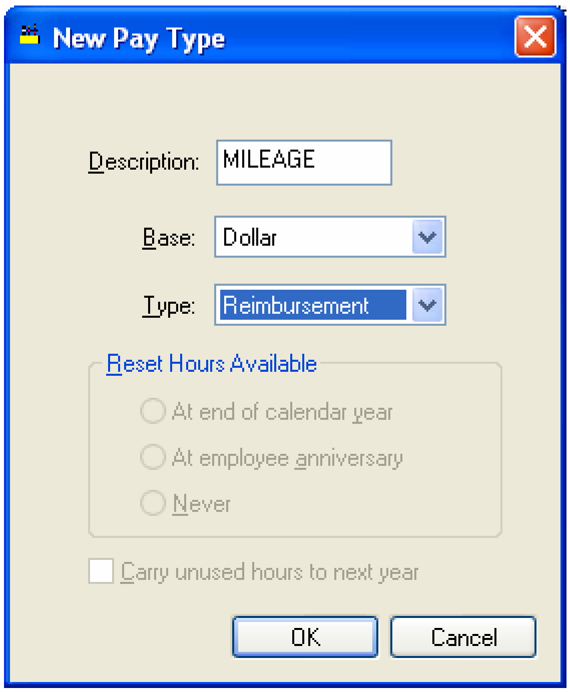
Exit the Timecard Window

To exit the timecard window select **File > Close**.

Reimbursements

Employee reimbursements can be added to an employee's check without altering the employee's tax liability. For example, an employer may need to reimburse the employee for travel expenses or other company incurred costs that are not taxable. These reimbursements should be added to the EBMS payroll system using a reimbursement pay type. Contact your accountant for guidelines regarding reimbursements. Complete the following steps to add reimbursements to an employee's paycheck:

1. Create a reimbursement pay type if one does not already exist. Go to **Payroll >Options >Pay Types** tab. Click on the **Add** button to create a new pay type.



   a. Enter a reimbursement **Description** such as **Reimburse** or **Mileage** to be more descriptive.

   b. Enter the **Base** type as **Dollar**.

   c. Set the **Type** option as **Reimbursement**.

   Save and exit.

2. Enter the pay type into the employee's pay rate list. Go to the **Payroll >Employees > Pay** tab. Review the Payroll > Employees > Changing Employee Information section of this manual for more details.

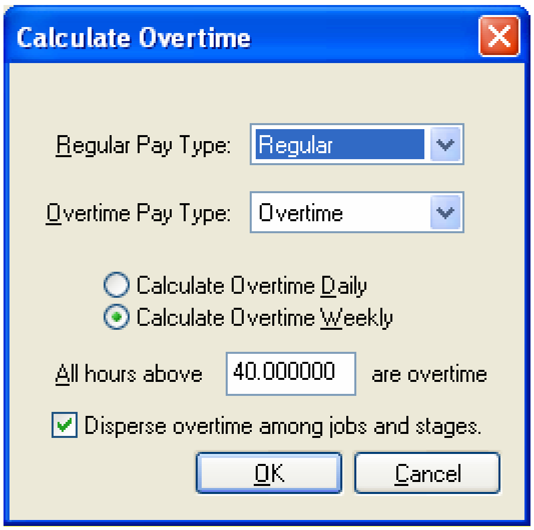
3. Enter an additional detail line within the employee's timecard with a pay type as reimbursement pay (whatever the pay type description) and enter the reimbursement amount in the pay column.

NOTE: Reimbursement pay will not change the taxable gross amounts for any taxes. It will affect the gross pay totals on the employee's history tabs.

Calculating Overtime

Overtime can be calculated by EBMS automatically by completing the following steps:

1. Open an employee’s timecard.
2. Select **Process > Calculate Overtime** from the timecard’s menu.



1. Set the **Regular Pay Type** to the pay type used for regular pay.
2. Set the **Overtime Pay Type** to the pay type used for overtime pay.

Overtime can be calculated by the week (over 40 hours) or by the day (over 8 hours) depending on the companies overtime payment policy. Set the appropriate option.

Review the Calculating Overtime Piecework Pay section of piecework pay is included in the timecard.

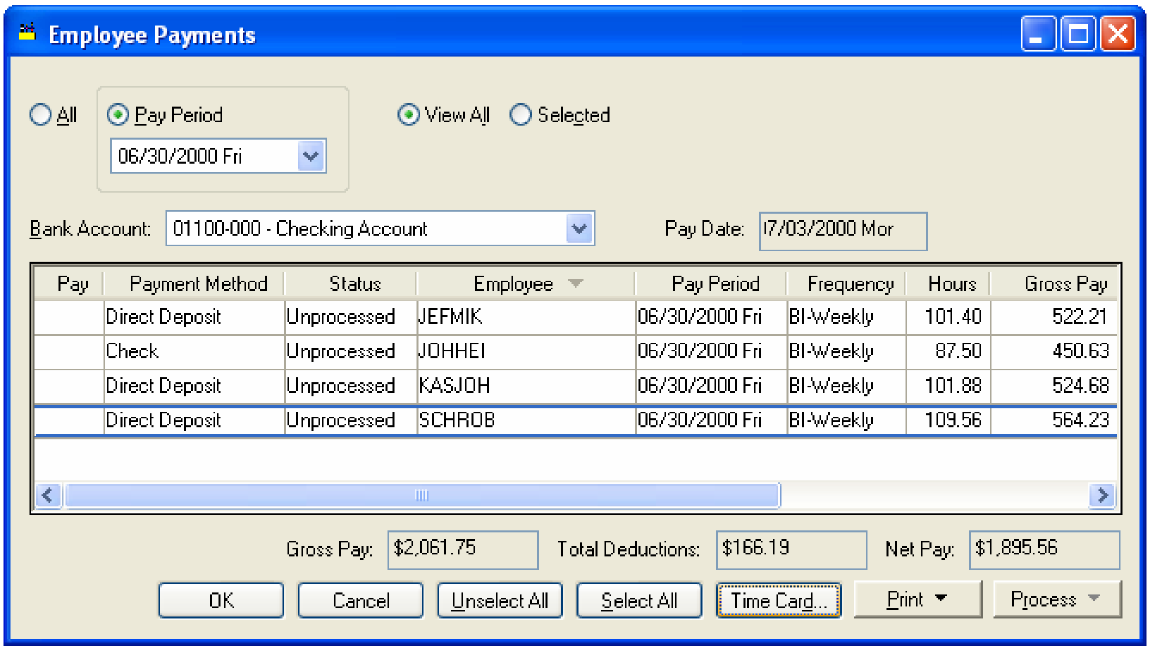
Identify the overtime threshold amounts and click the **OK** button.

NOTE: The user can manually alter the regular and overtime pay types after this utility has been completed.

Printing Pay Checks

When timecards have been entered for all employees and it is time to calculate and print payroll checks, take the following steps:

1. Go to **Payroll > Employee Payments** and the following window will appear:



2. Click **All** to list all the unpaid timecards or click **Pay Period** to only show the unprocessed timecards within a specific pay period. The latter is normally the selection chosen since paychecks are based on a single pay period.

3. Click the switch in front of **View All** to show all the timecards.

4. Make sure the proper **Bank Account** is selected. It can be changed using the drop down box to the right of the Bank Account Field.

5. The **Pay Date** is the date printed on the paycheck and is the same for all paychecks within a pay period. The Pay Date is set when the Pay Period is created. EBMS allows the user to generate a paycheck for an employee before all other timecards are entered but the check date for both the employee that was paid early and the other employees is the same. Review the Open New Pay Period section for more details.

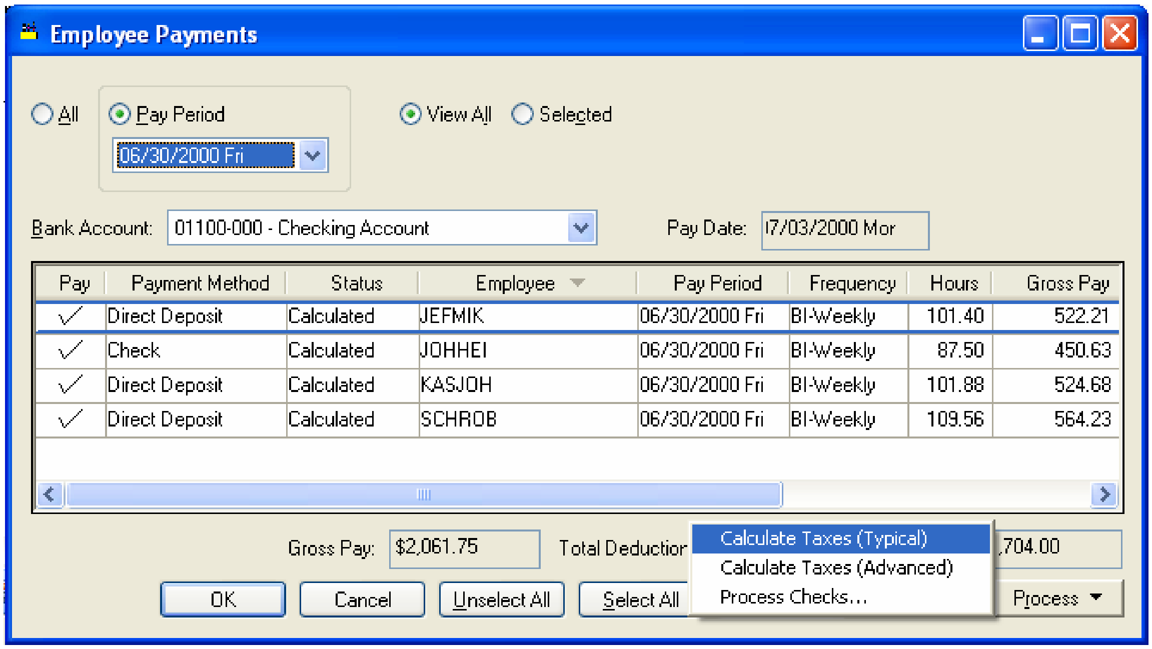
6. To select all the timecards for payment hit the **Select All** button at the bottom of the window. To select each employee timecard individually, click on the timecard with a mouse, which will put a checkmark in the first, or **Pay** column.

7. The **Payment Method** column determines if employee payment processing will generate a paycheck or a direct deposit notice for the employee. This column can be ignored if payroll is not processed using the direct deposit option. Review the Payroll > Processing Payroll > Direct Deposits > Employee Configuration for more details on ACH direct deposit processing.

8. Processing and printing paychecks consists of two steps:

a. Calculating Taxes and Deductions - This step will calculate the taxes and deductions for all the timecards that have been selected. Changes to the timecard can be made after this step is completed but taxes and deductions must be recalculated after any changes are made.

1) The **Calculate Taxes (Typical)** option should be used in a normal payroll process. Click on the **Process** button and select **Calculate Taxes (Typical)** as shown below:



Only use the **Calculate Taxes (Advanced)** when doing a special payroll process such as a separate bonus paycheck. Review the Payroll > Processing Payroll - Advanced > Separate Bonus Pay Periods for more details regarding the **Calculate Taxes (Advanced)** function.

2) Taxes can also be calculated on an individual basis directly within the timecard by selecting **Process > Calculate taxes** from the timecard menu.

To view the taxes and deductions that will be withheld from the paycheck, take the following steps:

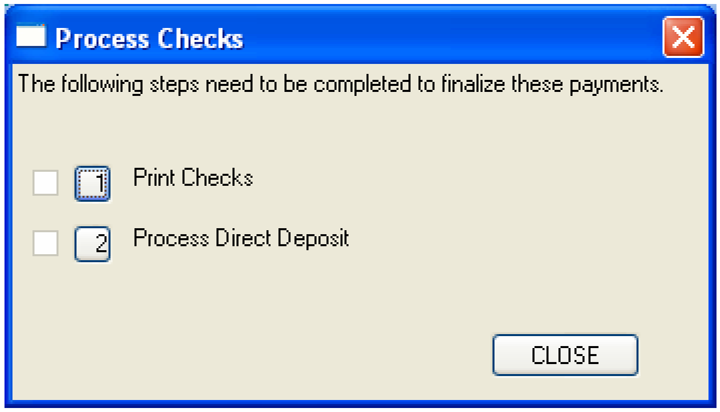
a. Open the timecard you wish to view by highlighting the timecard and clicking the **Timecard** button.

b. Select the **View > Taxes** selection from the timecard menu.

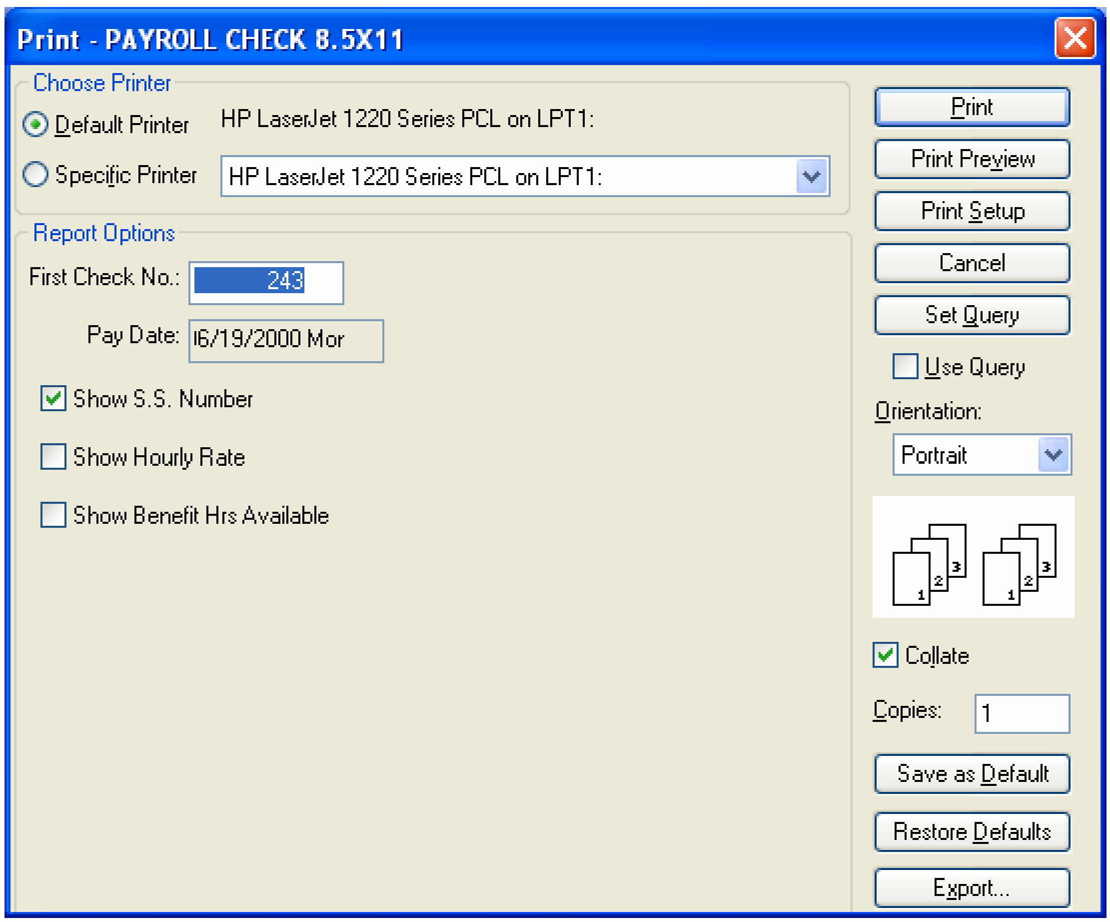
c. Use the up and down cursor keys on the keyboard to scroll list. Be careful not to change the taxes inadvertently.

d. Click **OK** on tax list to close window. Select **File > Close** from the timecard menu to close timecard window.

3. Process Checks - Click on the **Process Checks** option of the **Process** button menu again after all taxes have been calculated. The following dialog will only appear if the **Payment Method** setting for any employee is set to **Direct Deposit**:



4. Click on the **Print Checks** option if the dialog shown above appears. Review the Processing Direct Deposit Pay section for more details on processing direct deposits.



a. Verify the **First Check No** and click print to generate paychecks. The user will be prompted to verify that the first check printed properly and again when all checks have printed. Do not click **Yes** to confirm that all checks have printed correctly until the paychecks have all successfully printed.

9. If you click **Yes** all the timecards will be processed and the general ledger transactions will be created. If the checks did not print properly click **No** and a **Check Confirmation** list will appear:

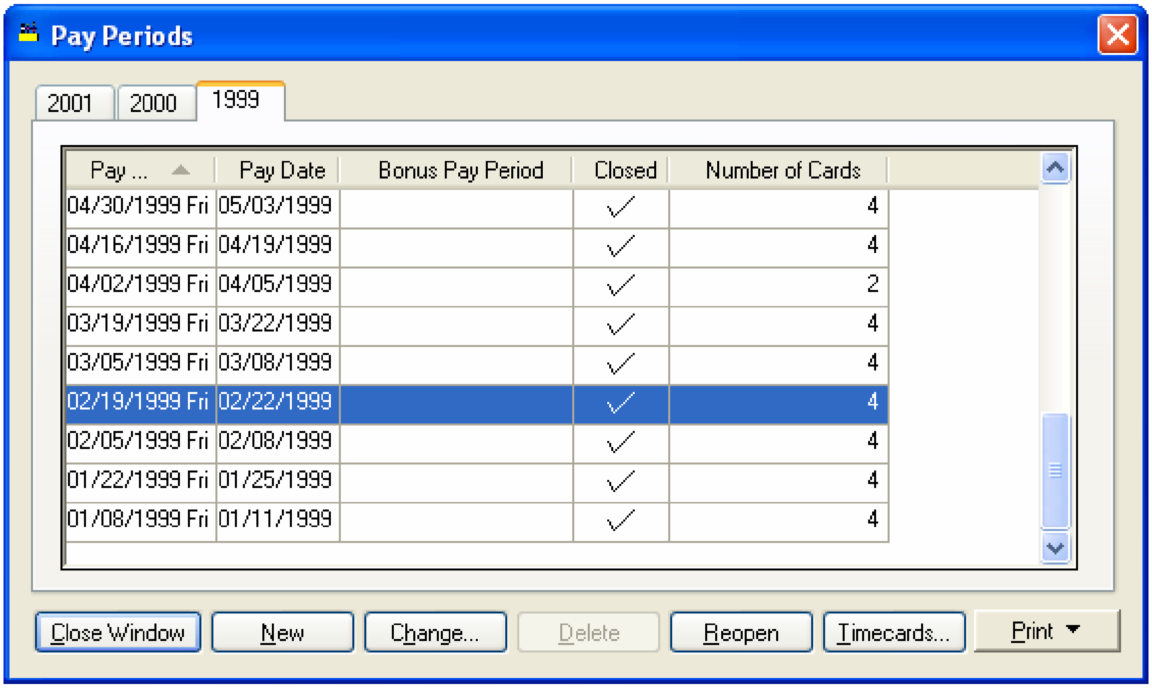
a. Remove check marks in the **Printed** column for all paychecks that did NOT print properly by double-clicking on the appropriate check. All paychecks that have a check mark in the printed column will be processed and the timecards will be marked paid. By removing the check mark, the timecard will not be marked paid and transactions will not be made. To reprint paychecks return to **Employee Payment** screen and start over with step one.

   Click **OK** when only the checks that printed properly are checked. Click the **Cancel** button to cancel the entire check run.

Note: All payroll transactions should be posted before processing payroll. The user will be prompted during the process step to post transactions. Employee payment and tax history is updated during the post procedure.

Viewing Pay Period Information

To view pay period information from any past pay period, including information from past years, go to **Payroll > Pay Periods** and the following window will appear:



The pay periods are grouped by a calendar year. Click on the year tab you wish to view. The **Pay Period** ending date and the **Pay Date** are listed as well as the status of the pay period and the number of timecards entered within each period. If the payroll period has been closed, a checkmark will appear in the **Closed** column.

- Click **New** to establish a new pay period to be established. See Open New Pay Period section for details on creating a new pay period.

- Click **Delete** to delete the selected pay period. Note that a pay period cannot be deleted if there are timecards associated with it.

- Click **Close Period**, which appears when an open pay period is selected, if you wish to close the selected pay period. A pay period cannot be closed if there are open timecards associated with it. See the Closing Pay Periods section for details on closing pay periods.

- Click **Reopen**, which appears only when a closed pay period is selected, to reopen a pay period that has been closed. This allows entries or changes to be made to the related timecards. Note that a paycheck cannot be voided unless the pay period in which the timecard was established is open.

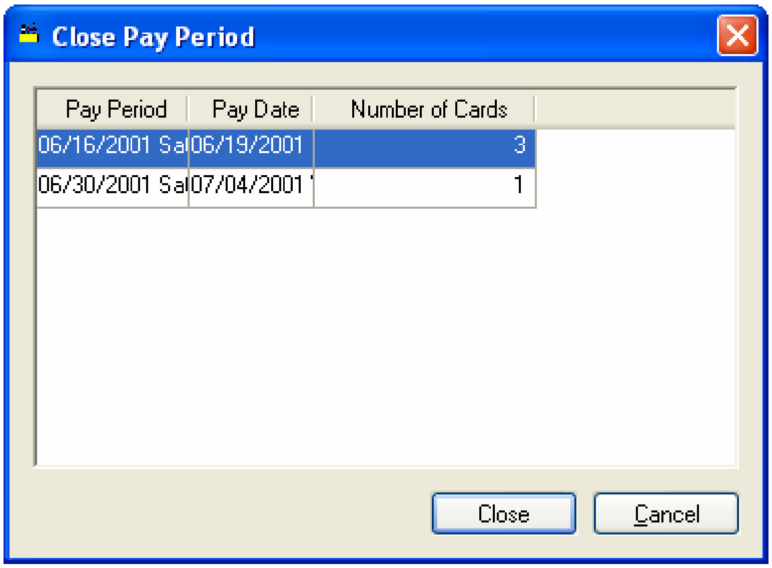
- Click **Timecards** to display a list of all the timecards within the selected pay period. The timecard and its details can be viewed by highlighting it and clicking the **Timecards** button.

Click **Close Window** to exit the pay period window.

Closing Payroll Periods

To close a pay period that is completed and paid, the following steps should be taken. This step can only be done if paychecks have been printed for all the timecards. A pay period should not be closed until all employee timecards have been entered, paid, and verified. You cannot enter any additional timecards in a period that has been closed without reopening it. Review the Pay Periods section for more details on reopening a pay period.

Go to **Payroll > Close Pay Period**, the following window will appear:



Select the pay period to close and click the **Close** button.

Direct Deposits

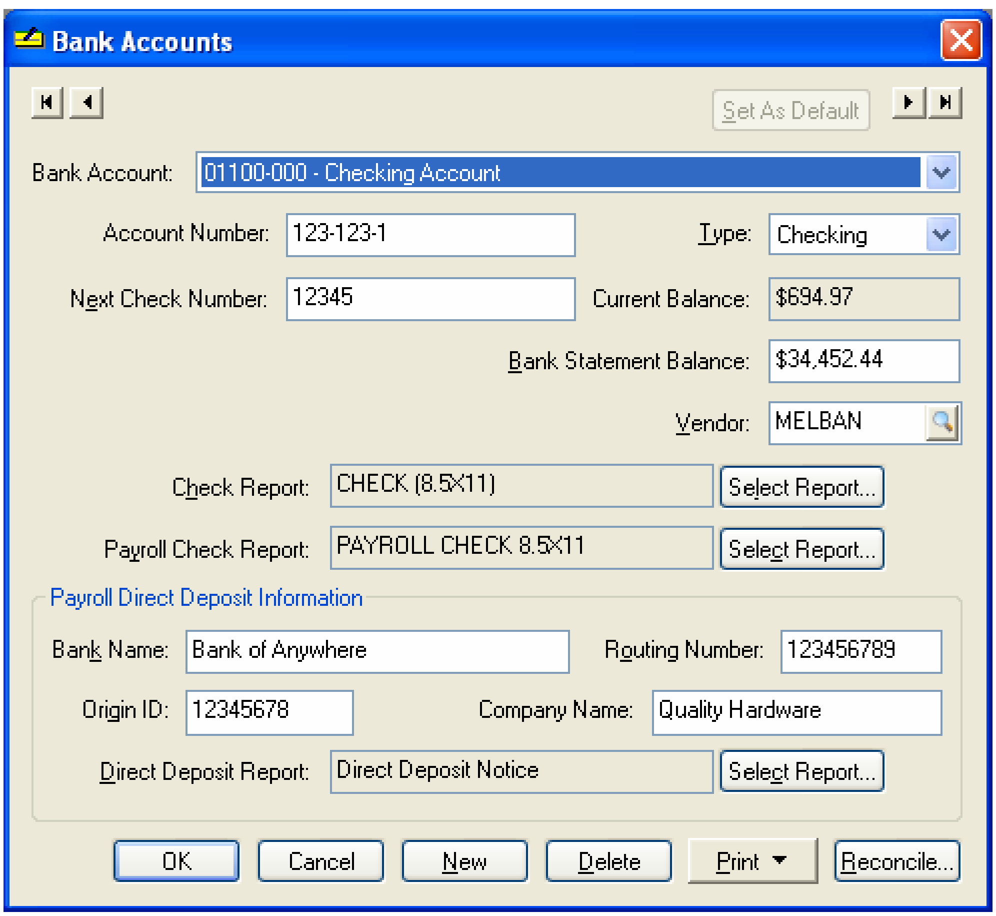
Bank Account Settings

EMBS Payroll module will accommodate the creation of an ACH Transactions file that can be uploaded to the user's bank for the processing of Direct Deposit Payroll transactions. Direct Deposit means automatically depositing your employees' net payroll amounts into the employees' bank accounts. Your employees will no longer have to cash checks to get paid.

The user must establish internet/on-line services with any bank(s) to which you will submit an ACH Transactions file before the direct deposit feature can be put into operation. Speak with the bank's customer service representative who handles corporate or business internet/on-line services to determine if direct deposit capabilities are available. Direct deposit transactions must be approved before implementing the service within EBMS. There will be enrollment forms to complete and return to the bank so that they can set up the internet/on-line access for your company. The bank's approval time in implementing direct deposits must be considering when planning the timing of implementing this feature within EBMS.

Complete the following steps to configure the bank account information within EBMS. The user must enter the bank's routing information for each company bank account used to transfer direct deposit transactions. This account is normally the checking account used for payroll.

1. Go to **Expenses > Bank Accounts > General** tab as shown below:



2. Enter or verify the bank account number within the **Account Number** entry. As the source of funds for the direct deposit transactions, this should be the company's payroll account number within the originating bank. It is part of the MICR encoded numbers on pre-printed checks and pre-printed deposit slips. It is the set of numbers that immediately precedes the On-US transit symbol ("⑆ ").

3. Enter the **Bank Name** of the bank account. It is recommended that the user consult with the bank to determine if there is a standard bank name that should be utilized for this entry.

4. Enter the routing transit number of the originating bank in **Routing Number**. As the origin of funds for the direct deposit transactions, this should be the bank's unique identifying number within the Federal Reserve System. It is part of the MICR encoded numbers on pre-printed checks and pre-printed deposit slips. Use the nine digit number between the two transit symbols ("⑆ ")

5. Enter the employer's **Origin ID** and the **Company Name**. The **Origin ID** is the identification code for the employer or sender. This exact employer identification code is defined by the bank. The bank may ask the company to use its tax identification number or EIN number. The **Company Name** may also need to appear in the exact syntax the bank requires. Because of a limit on the number of characters in this field, the bank may require an abbreviated copy of the company name. Copy the **Origin ID** and **Company Name** directly from the direct deposit agreement from your bank or consult with your bank to get these exact values.

6. Select a **Direct Deposit Report**. A printed voucher must be printed and given to the employee as evidence of the ACH payments. Click on the Select Report button to browse available reports.

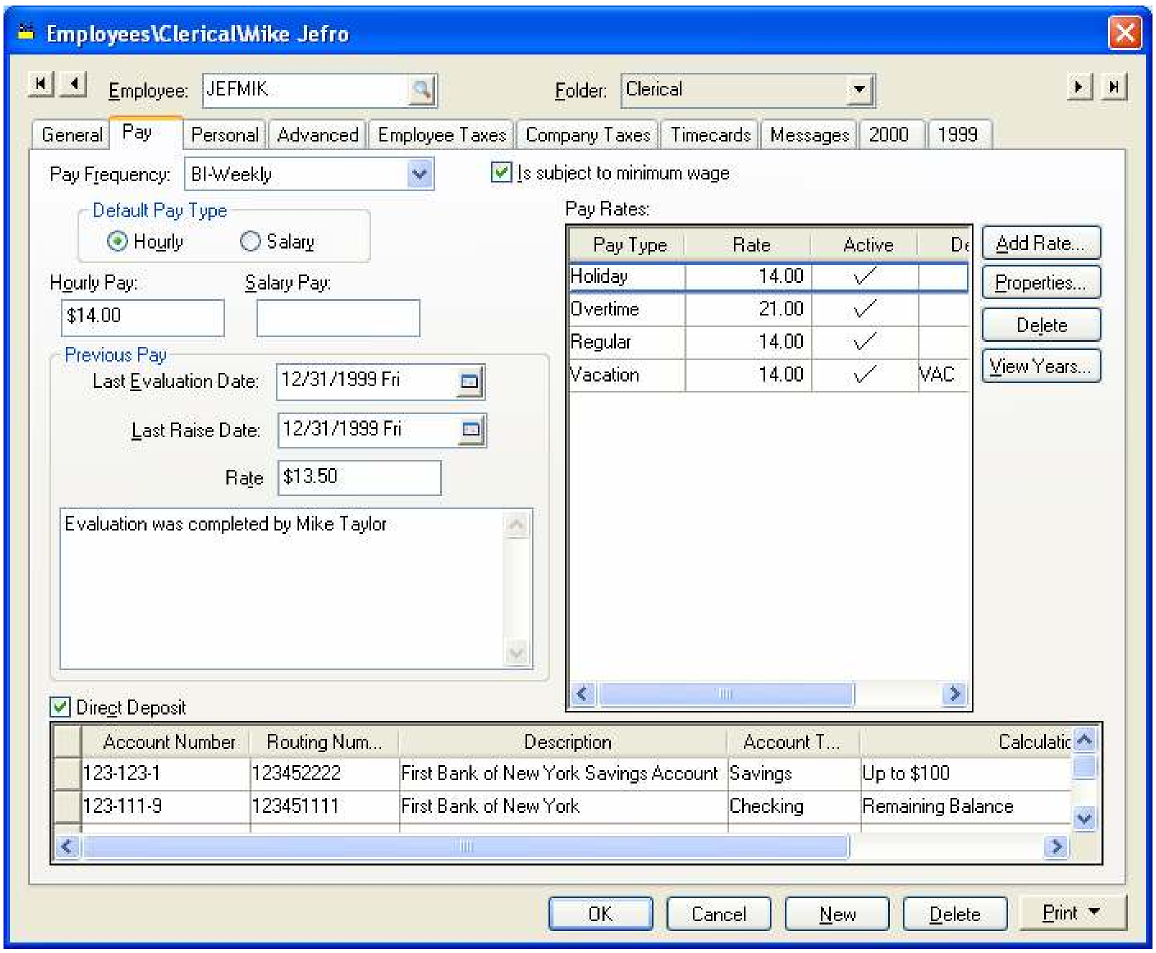
Review the Expenses > Bank Accounts > Changing Bank Account Information section for details on the other bank account entries. Click on the **OK** button to save bank account information.

Employee Configuration

EBMS allows the employer to pay all employees using direct deposit or only a portion of the employees. The employee must supply the employer with the routing and bank account numbers of the account(s) that will receive the direct deposit payments. The employee must alert his employer if their bank account is moved or closed.

Complete the following steps to enter the employee's bank account information:

1. Open an employee record by selecting **Payroll > Employees** from the main EBMS menu. Click on the **Pay** tab as shown below:

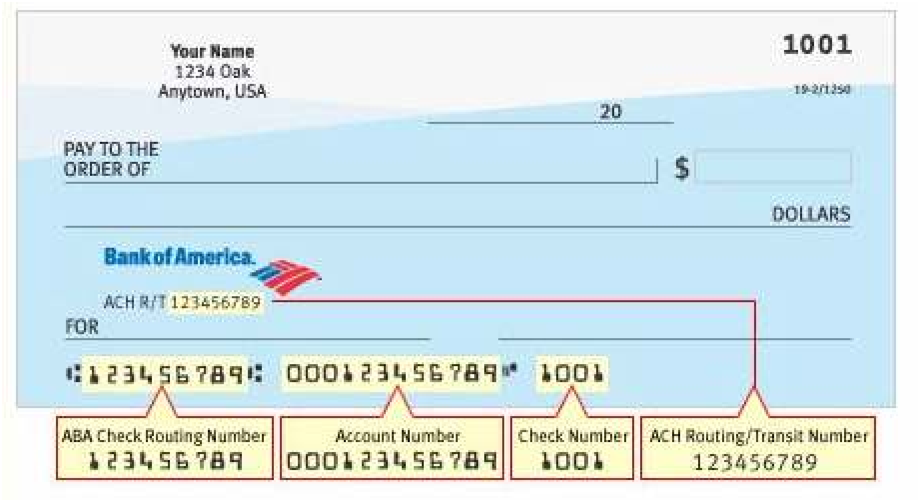


2. Enable the **Direct Deposit** option which allows the user to edit the account list. The **Direct Deposit** account list is located in the lower part of the **Pay** tab.

Note: The ON setting also produces ACH Transactions for the direct deposit of the employee's pay during payment processing. Turning the switch OFF will inactivate the employee's payment distribution and prevent the creation of ACH Transactions for direct deposit.

3. Enter the employee's bank **Account Number**. This code identifies the account into which the employee wishes to have his pay deposited. This should be the employee's unique account number within the destination bank. It is part of the MICR encoded

numbers on the employee's personal pre-printed checks and pre-printed deposit slips. . It is the set of numbers that immediately precedes the On-US transit symbol ("⑈ ").



4. Enter the financial institution's **Routing Number**. This code should be the designation bank's unique identifying number within the Federal Reserve System. It is part of the MICR encoded numbers on pre-printed checks and pre-printed deposit slips. Use the nine digit number between the two transit symbols ("⑆")

5. Enter a **Description** of the designation bank account. This entry will appear on the employee's printed voucher that is generated from EBMS.

6. Select the **Account Type**. Direct Deposits can be made to Checking or Savings accounts only.

7. The **Calculation** option specifies the method used to compute the amount to assign to the deposit transaction. Select an option from the list below:

   - Select the **Remaining Balance** option if the remainder of the pay amount is to be deposited into this account. This option will claim the balance of an employee's net pay if the direct deposit is posted to multiple accounts. One account within the direct deposit account list must contain this option.

   - The **____% of net pay** option and the **Up to $____** option will deposit a portion of the pay to the bank account. The balance of the pay will be deposited into the account that contains the **Remaining Balance** option. This option can be used only if multiple accounts are entered in the direct deposit account list.

     Note that the **___% of net pay** value is always calculated from the timecards net pay even if the employee's pay is deposited to 3 or more accounts.

The order of records sets the preference by which the employee's net pay is divided up. Amounts calculated for each ACH Transaction are deducted from the employee's net pay in succession until the last of the available balance of net pay is allocated to a payment distribution record. The exception to this rule is the 'Remaining Balance' distribution record: Regardless of its position, the 'Remaining Balance' record will have lowest priority.

There is a no limit on the number of payment distribution records that may be entered for a single employee. The accounts can be located within multiple financial institutions and can be a combination of checking and savings accounts. EBMS will not permit the direct deposit settings be saved unless at least one of the calculation methods has been set to **Remaining Balance**.

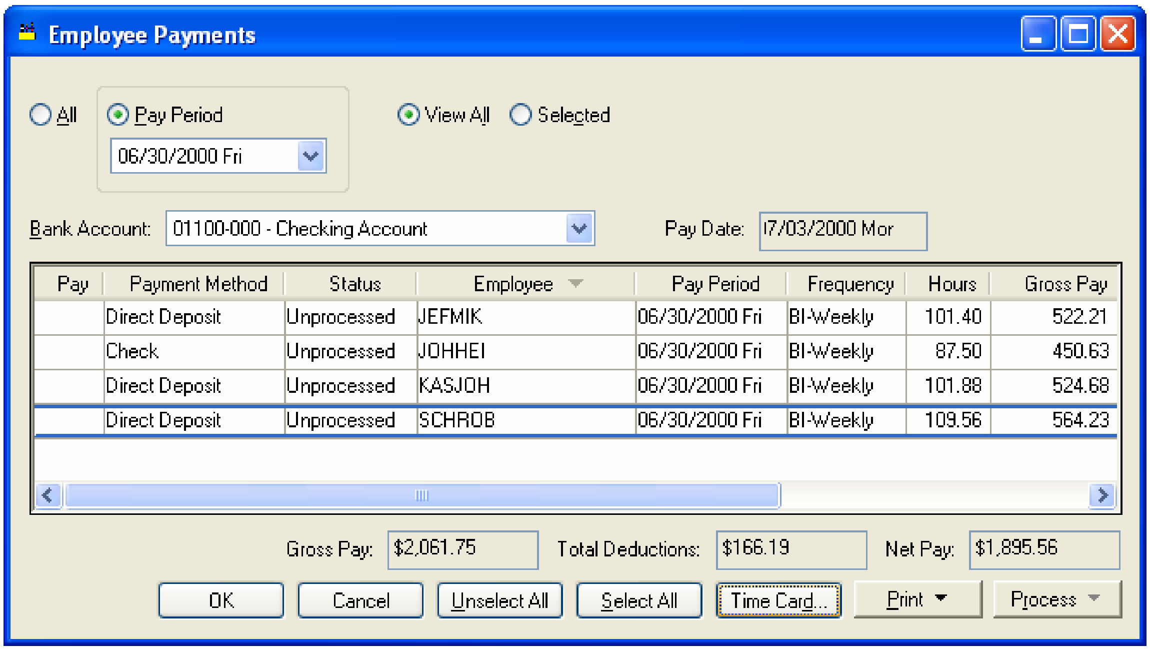
Repeat the steps for each employee that is paid using the ACH direct deposit method.

Processing Direct Deposit Pay

It is imperative that direct deposit parameters have been entered in your company bank account record prior to creating ACH Transactions. Review the Direct Deposit > Bank Account Settings section for details on entering the payroll bank account settings. Employees must also be configured for direct deposit before continuing with this section. Review the Direct Deposit > Employee Configuration section for more details.

The steps required to process employee payments using the ACH direct deposit method is very similar to printing pay checks. Complete the following steps to process employee payments:

1. Go to **Payroll > Employee Payments** to open the following dialog:



2. Click the **Pay Period** option and select the current **Pay Period**.

3. Click the switch in front of **View All** to show all the timecards.

4. Make sure the proper **Bank Account** is selected.

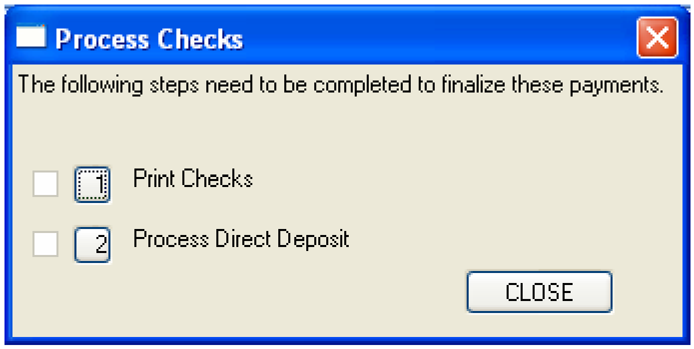
5. The **Pay Date** is the date printed on the paycheck and is the same for all paychecks within a pay period. The Pay Date is set when the Pay Period is created. EBMS allows the user to generate a paycheck for an employee before all other timecards are entered but the check date for both the employee that was paid early and the other employees is the same. Review the Open New Pay Period section for more details.

6. To select all the timecards for payment hit the **Select All** button at the bottom of the window. To select each employee timecard individually, click on the timecard with a mouse, which will put a checkmark in the first, or **Pay** column.

7. Review the **Payment Method** column. This setting determines if employee payment processing will generate a paycheck or a direct deposit notice for the employee. The **Payment Method** option will not include **Direct Deposit** as a payment option unless the **Direct Deposits** option is enabled within the employee record. Go to **Payroll > Employees > Pay** tab to enable the direct deposit option for an employee.

8. Click on the **Process** button and select **Calculate Taxes (Typical)** to process taxes and deductions. This step will calculate the taxes and deductions for all the timecards that have been selected. Review the Payroll > Processing Payroll - Advanced > Separate Bonus Pay Periods for more details regarding the **Calculate Taxes (Advanced)** option.

9. Click on the **Process** button and select **Process Checks** and the following dialog will appear:



10. Click on the **Print Checks** step to print pay checks. This option will be disabled if all employees are paid using the direct deposit method. Review the Printing Pay Checks section for more details printing pay checks.

11. Click on the **Process Direct Deposit** option to print the following direct deposit vouchers:

Quality Hardware

Quality Hardware
Main Street
P.O. Box 100
Lancaster, PA 17603

Direct Deposit Notice

Pay to the Order of: Mike Jefro **Date:** 7/3/2000

Four hundred thirty-one and 14 / 100 **$** 431.14

Mike Jefro
56 Toggleview Road
PO Box 912
Bart, PA 17503

This is not a check

Voucher . . . . Non-negotiable

Pay Date	Pay Period	Reference #	Employee ID
7/3/2000	6/30/2000	DD00062001	JEFMIK

	Hours	Pay	YTD	Hrs Avail.	Deductions	Amount	YTD
Holiday	-	-	0.00	56.00	FWT	29.87	990.97
Overtime	-	-	2,745.90		LOCAL	5.22	104.71
Regular	17.89	250.46	7,450.46		MED	7.57	151.78
	17.89	**250.46**	**10,196.36**		PA	16.03	294.50
					SS	32.38	649.06
						91.07	**2,191.02**

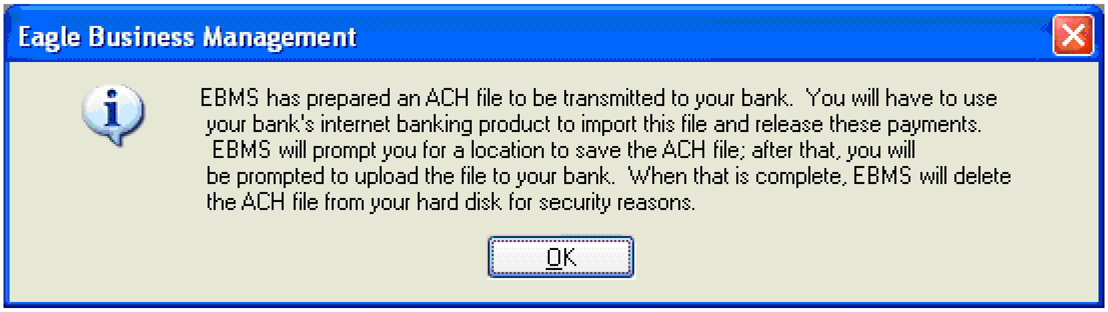
Make-Up Pay	Gross Pay	Deductions	Net Pay
$271.75	522.21	$91.07	$431.14

Direct Deposit Distribution:

Date	Description	Account Type	Amount
7/3/2000	First Bank of New York Savings Acco	Savings	100.00
7/3/2000	First Bank of New York	Checking	331.14

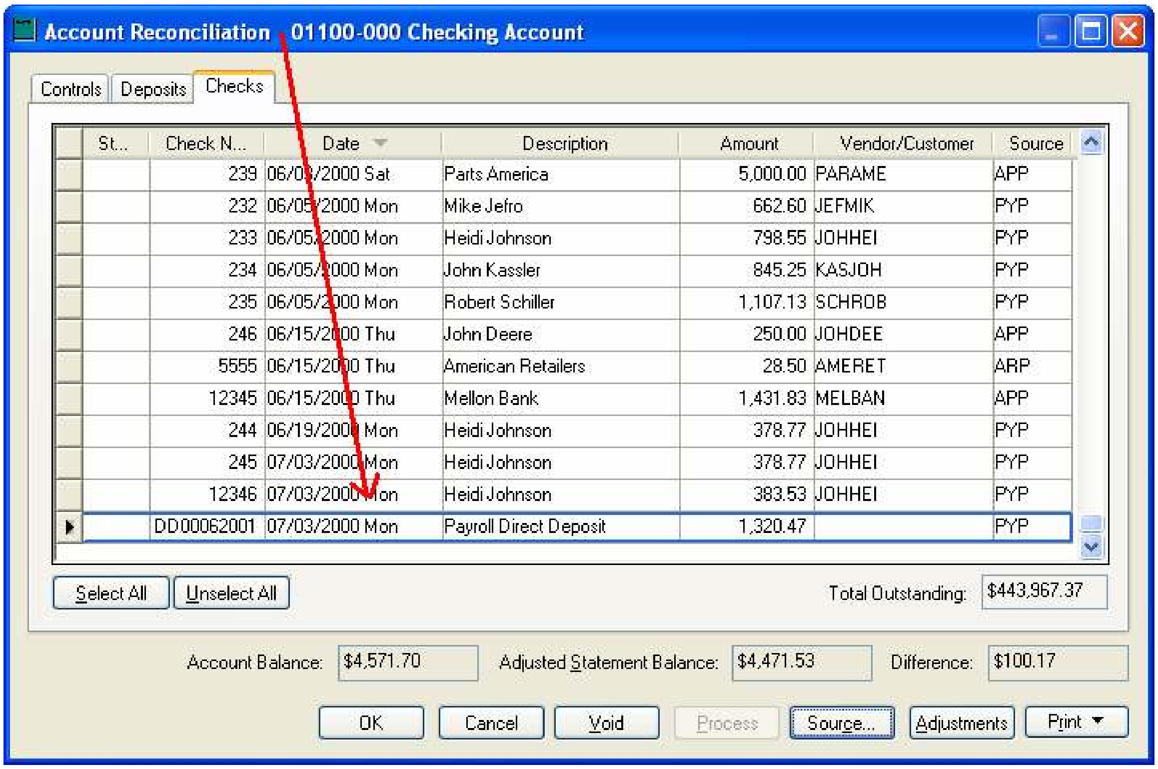
The direct deposit vouchers can be printed on plain 8.5x11 paper. Perforated paper can be purchased from Eagle Solutions if desired.

12. The following dialog will appear after the vouchers are printed:


Eagle Business Management
EBMS has prepared an ACH file to be transmitted to your bank. You will have to use your bank's internet banking product to import this file and release these payments. EBMS will prompt you for a location to save the ACH file; after that, you will be prompted to upload the file to your bank. When that is complete, EBMS will delete the ACH file from your hard disk for security reasons.
OK

Viewing or Voiding Direct Deposits

Direct deposit transactions will appear within the payroll checking account as shown below. Go to **Expenses > Bank Account Reconciliation** from the EBMS menu and select the payroll bank account. Click on the **Checks** tab to view the direct deposit transactions.



The entire amount of the direct deposit is listed within the checking account as a single value. The **Check Number** will identify the direct deposit batch.

Review the Expenses > Bank Accounts > Reconciling a Bank Account section within the main EBMS manual for more details on the account reconciliation dialog.

Benefit Pay

Benefit Pay Overview

EBMS includes many tools to calculate and manage a company's payroll benefit pay such as vacation pay, holiday pay, sick pay, etc. Benefit pay is often part of an employee's benefit package and will vary on the payment plan of the employer. The following section explains the steps to create hourly benefit pay for an employee. Benefit pay can include a fixed number of days or hours per year such as holiday pay or may vary based on the employee's employment history. EBMS allows the user to pay and manage the following benefit pay options:

- **Holiday pay** is an optional company benefit to reimburse employees from the normal hours during a holiday. This benefit pay applies only when the company is closed for a holiday but wishes to pay the employee anyway. Review the Holiday Pay section for details on this benefit pay.

- **Vacation Pay** may be very similar to holiday pay although additional management tools are needed to record the amount of vacation days available for each employee. Review the Vacation Pay section for more details.

- **Sick Pay** and **Personal** benefit pay is structured similar to vacation pay and can be managed similarly. Review the Vacation Pay section for details.

  The benefit pay type should not be used to pay for 3rd party sick pay. Contact an *Eagle Solutions* consultant for details on configuring EBMS for 3rd party sick pay.

- **Fringe benefits and benefit adjustments** is a benefit that employees or directors receive from their employment but which are not included in their salary or wages. They include such things as company cars, private medical insurance paid for by the employer and cheap or free loans. Review the Fringe Benefits and Benefit Adjustments section for more details.

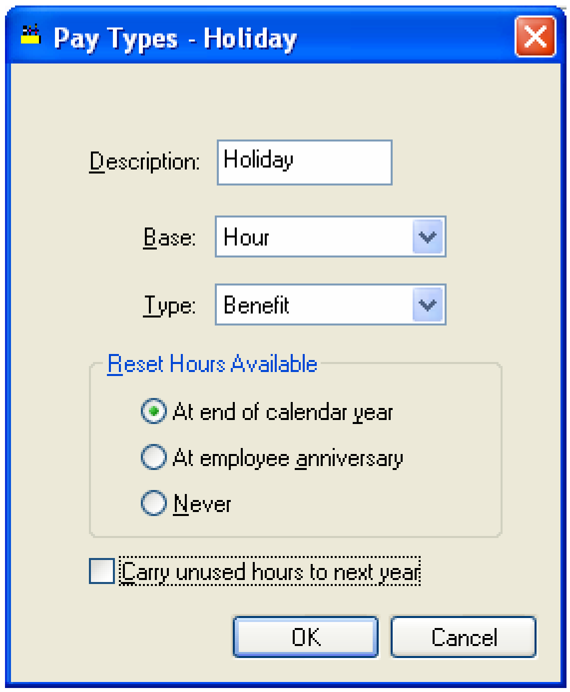
Benefit pay for a salaried employee – If a salaried employee receives benefit pay above the standard salary, the benefit pay types should be setup in the same manner as an hourly employee. Review the Salaried Pay > Entering Salaried Employee Information section of this manual for details on recording benefit hours for salaried employees without adding pay to their salary

Holiday Pay

Holiday pay is an optional company benefit to reimburse employees from the normal hours during a holiday. This benefit pay applies only when the company is closed for a holiday but wishes to pay the employee anyway.

Complete the following steps to setup holiday pay for employees:

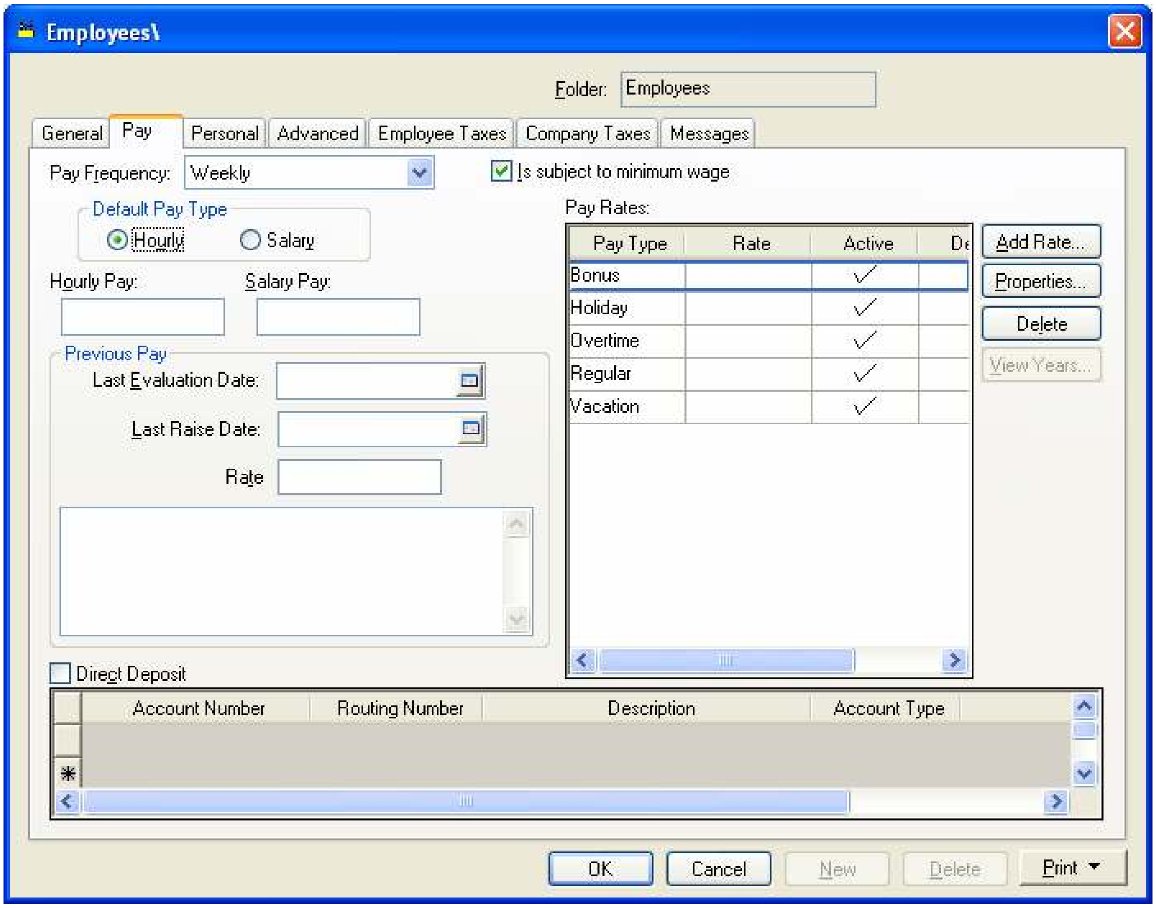
1. Go to the Payroll> Options> Pay Types tab. Highlight the holiday pay type and click on the properties button to view an existing pay type or click on the **Add** button to create a new pay type.



2. Enter an easy-to-remember pay type **Description** for holiday pay such as *Holiday*.
3. The **Base** should be set to **Hour** since holiday pay is based on an hourly rate.
4. The **Type** option must be set to **Benefit** since it involves benefit pay. This option instructs EBMS to track the total amount of hours and pay for a specific employee. If the user does not wish to track hour history for holiday pay, the **Type** can be set to **Standard** and all benefit features will be disabled.
5. The **Reset Hours Available** option should be set to **At end of calendar year** option.
6. Disable the **Carry unused hours to next year** option since holiday hours are used on the holiday and cannot be accumulated into the next year.

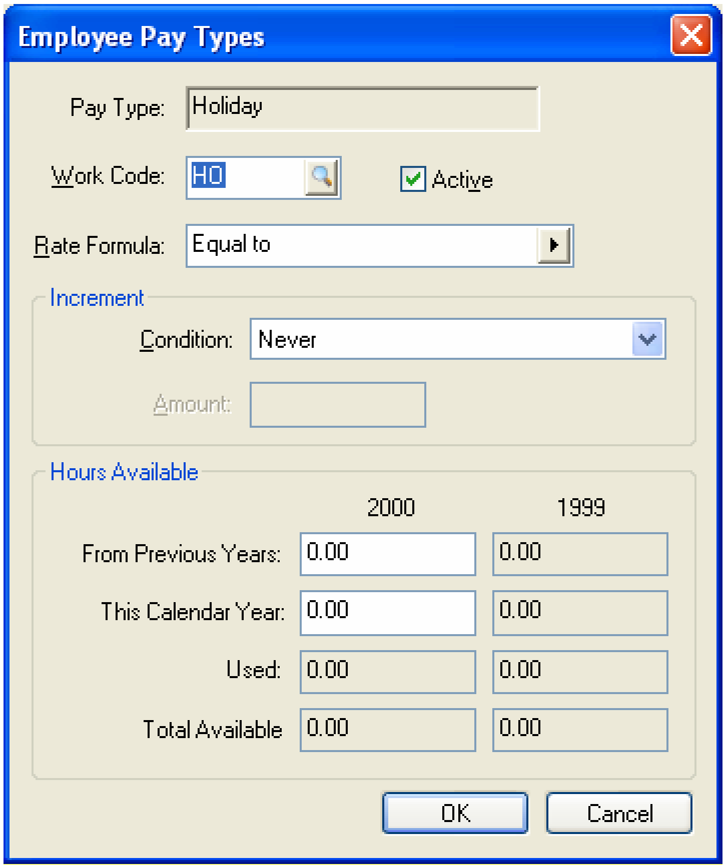
Click on the **OK** button to save changes to the pay type.

7. Insert the holiday pay type into all the employee's pay rate tables. Go to **Payroll > Options > Employee folders** highlight the **Employee** root folder or subfolder, and click on the **Edit Defaults** button. Open the **Pay** tab to view the standard pay rates as shown below:



Note: To insert a holiday pay type into selected employees instead of all employees, replace the steps above by going directly into the employee record (**Payroll > Employees**) and click on the **Pay** tab

8. Click on the **Add Rate** button if no holiday rate exists or highlight the holiday pay rate and click on the Properties button if the rate already exists.



9. Select the holiday **Pay Type**.

10. The **Work Code** should reflect the benefit work code such as HOL (Holiday) or BEN (Benefit) that directs the cost to a payroll overhead expense account.

11. The **Active** option should be enabled to make the pay rate active.

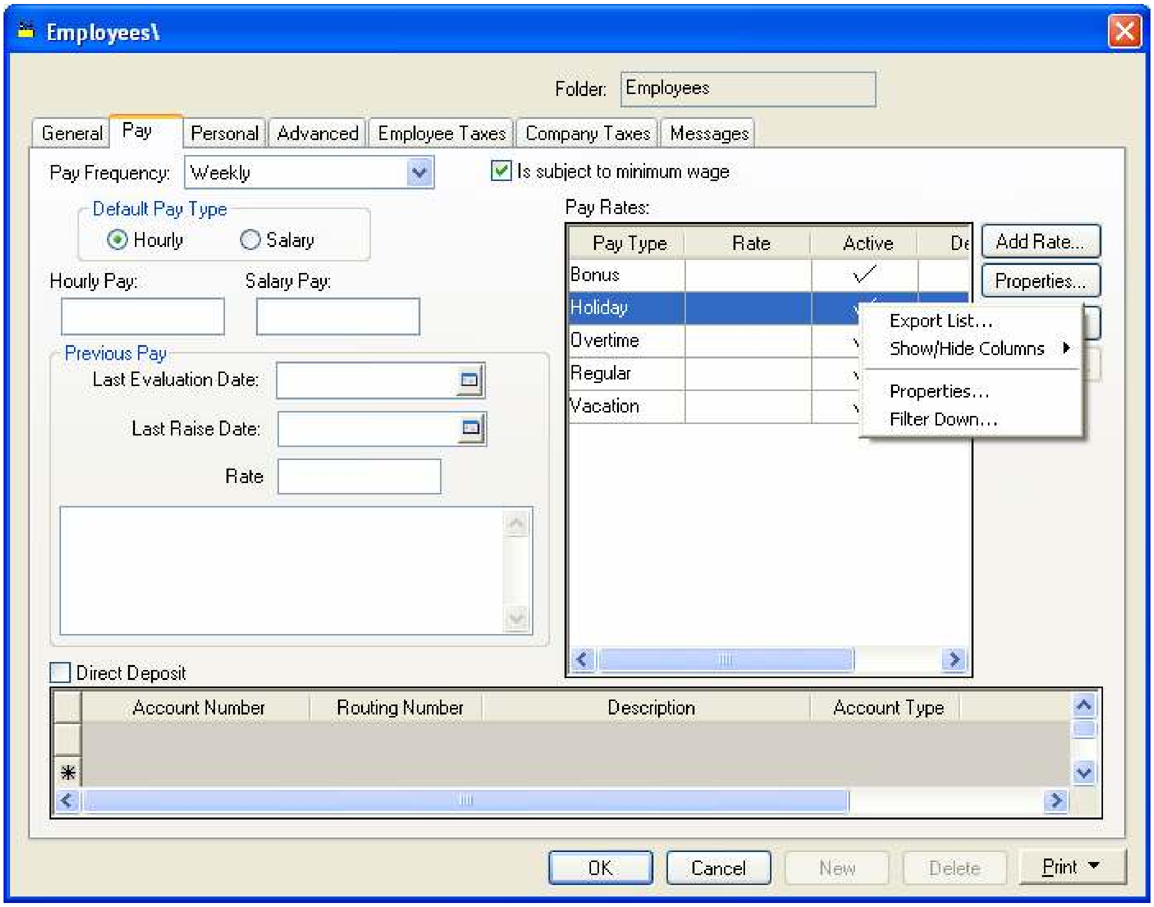
12. Set the increment **Condition** to **Never** since the **Increment** settings are only used for benefit pay types that are limited such as vacation or sick days.

13. Set the **Rate Formula** to **Equal to** so the pay rate equals the employee's hourly rate. This setting can be set to an hourly amount if a fixed hourly rate is paid to the employee.

14. The **Increment Condition** should be set to **Never** since holiday pay is not incremented year after year as some other benefit pay such as vacation pay.

15. The number of holiday hours paid to the standard employee should be entered within the **This Calendar Year** field in the **Hours Available** section. Keep the **From Previous Years** value at zero since holiday hours are not carried over from the previous year. The hours for the **This Calendar Year** should = number of holidays * hours paid per holiday. Note that this value can be altered for individual employees if holiday hours are not consistent for all employees.

16. Click on the **OK** button to save the pay type. Filter down the pay type to all employees by right clicking on the pay type and selecting **Filter Down** from the context menu.



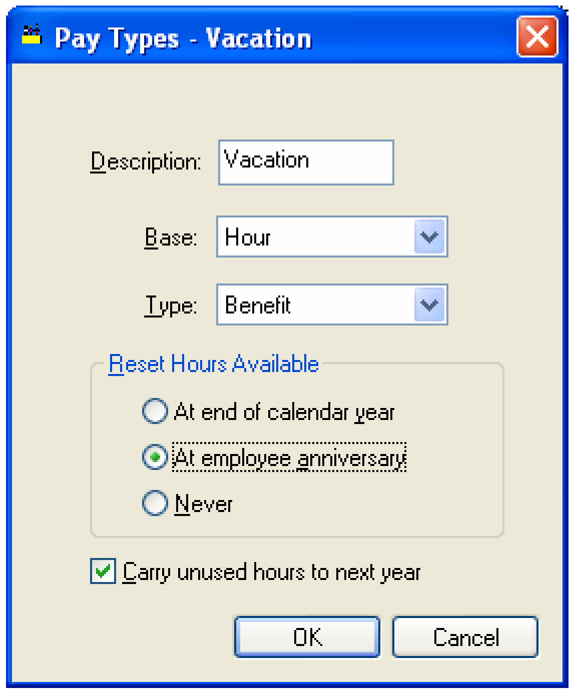
Enable both filter-down options to copy settings to all employees. The filter down will copy the pay type and all the pay type settings to all employees in the folder or subfolder. Review the Change Defaults, Filter Down Data and Globally Change Data section for details on filtering down settings.

Enter the Holiday **Pay Type** within the timecard to the holiday type whenever holiday pay is paid to the employee. The work code entered in step 2 will default within the timecard. Review the Payroll > Processing Payroll > Entering Timecards section for more details on entering timecards.

Vacation Pay

Vacation pay is used to reimburse an employee for time spent on a vacation. Vacation pay requires additional management tools to record the amount of vacation days available for each employee. Complete the following steps to setup vacation pay:

1. Go to **Payroll -> Options -> Pay Types** tab. Highlight the vacation pay type and click on the properties button to view an existing pay type or click on the **Add** button to create a new pay type.



   a. Enter an easy to remember pay type **Description** such as "Vacation".

   b. The **Base** should be set to **Hour** since vacation pay is normally based on an hourly rate.

   c. The **Type** option must be set to **Benefit** since it involves benefit pay. This option instructs EBMS to track the total amount of hours used and available for each employee.

   d. The **Reset Hours Available** option should be set to either:

      - **At the end of calendar year** if the vacation hours for all employees are reset at the end of the calendar year

      - **At employee anniversary** if the employee hours are based on the employee's employment year and are reset at the end of the employee's anniversary.

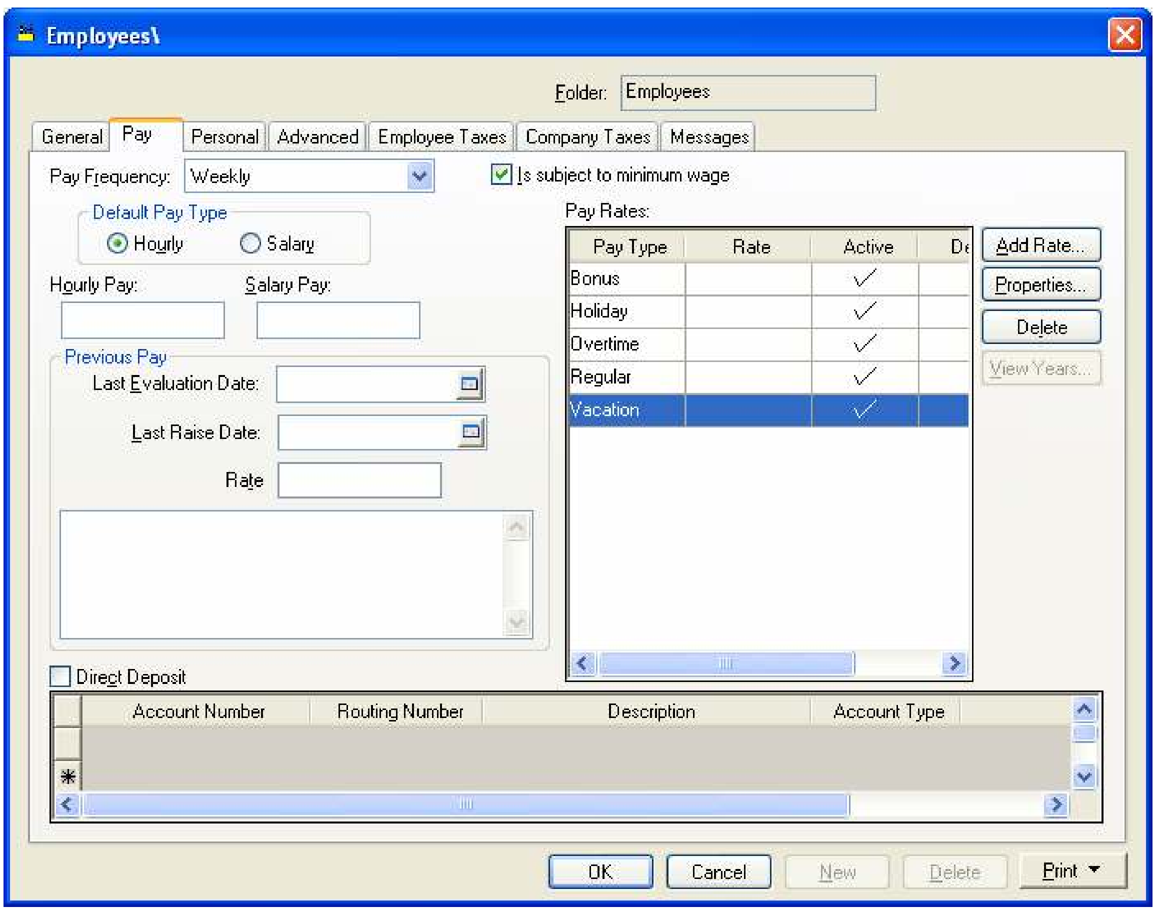
NOTE: The employee's anniversary date is determined by the hire date found within the employee's personal tab. If the anniversary date needs to be different than the hire date because of part time status changes, place the original hire date in the employee note area and change the hire date to the desired anniversary date.

- **Never** is used if the user wishes to zero and change the vacation hours manually. This option is not recommended unless a high level of user intervention is desired.

e. Enable the **Carry unused hours to next year** option if the company policy allows the employee to accumulate vacation time from one year to the next. Disable the option if vacation time is not transferred from one year to the next.

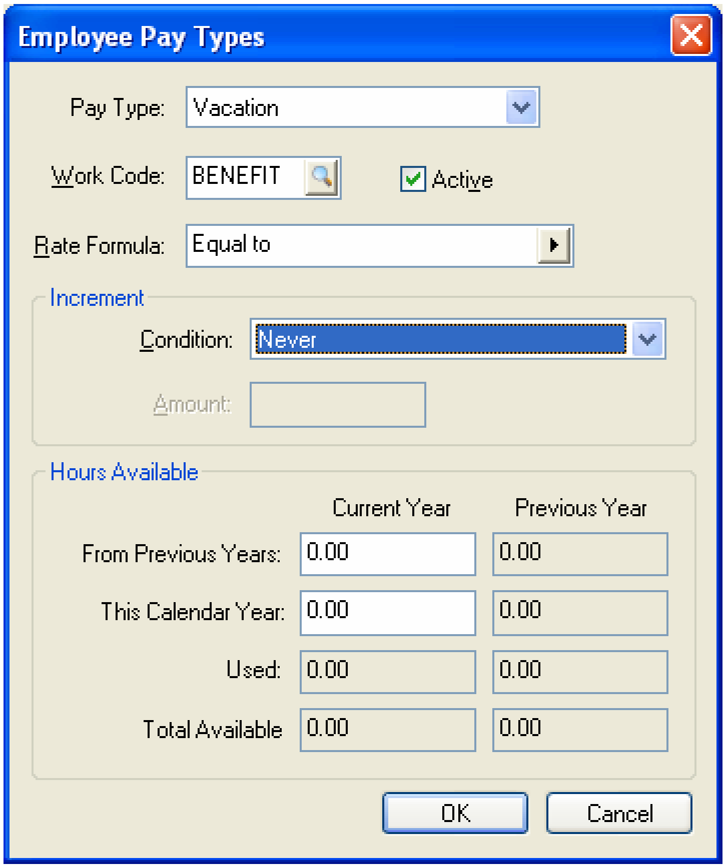
Click on the **OK** button to save changes to the pay type.

2. Insert the vacation pay type into all the employee's pay rate tables. Go to **Payroll > Options > Employee Folder,** highlight the **Employee** root folder or subfolder, and click on the **Edit Defaults** button. Click on the **Pay** tab to view the standard pay rates as shown below:



Note: To insert a vacation pay type into selected employees instead of all employees, replace the steps above by going directly into the employee record (**Payroll > Employees**) and clicking on the **Pay** tab.

3. Click on the **Add Rate** button if no vacation rate exists. Highlight the vacation pay rate and click on the **Properties** button if the vacation rate already exists.



a. Select the vacation **Pay Type** that was created in step #1.

b. The **Work Code** should reflect the benefit work code such as VAC (Vacation) or BEN (Benefit) that directs the cost to a payroll overhead expense account.

c. The **Active** option should be enabled to allow the pay rate to be used within the employee's timecard.

d. Set the **Rate Formula** to **Equal to** so the vacation pay rate equals the employee's hourly rate. This setting can be set to an hourly amount if a fixed hourly rate is paid to the employee.

e. The **Increment Condition** can be set to the following 2 options:

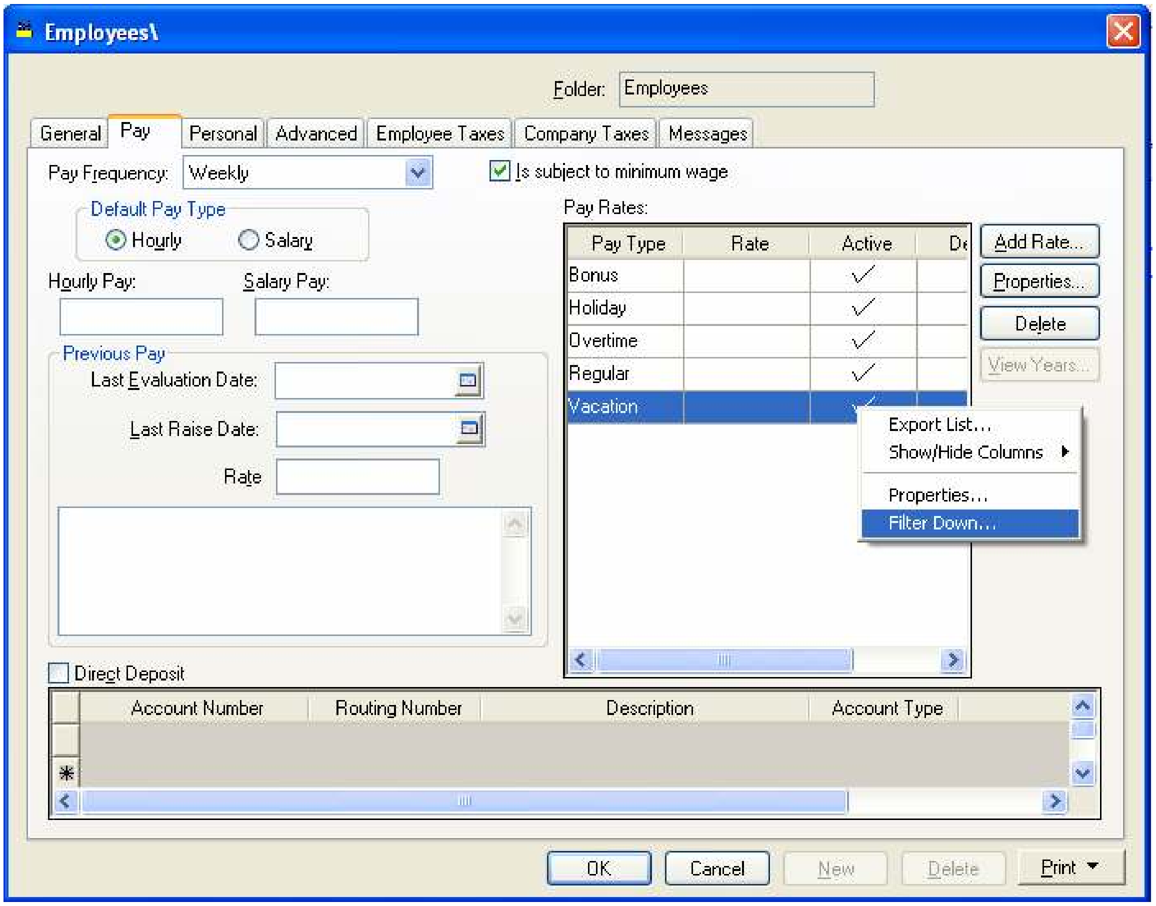
- The **Never** option should be used if the user wished to manually set the number of vacation hours each year or if the number of vacation days or hours do not change from one year to the next.

- The **Beginning of Calendar Year** option or **Beginning of Anniversary Year** option (depending on the setting within the pay type – **Payroll > Options > Pay Types**) should be used to reset the vacation hours annually.

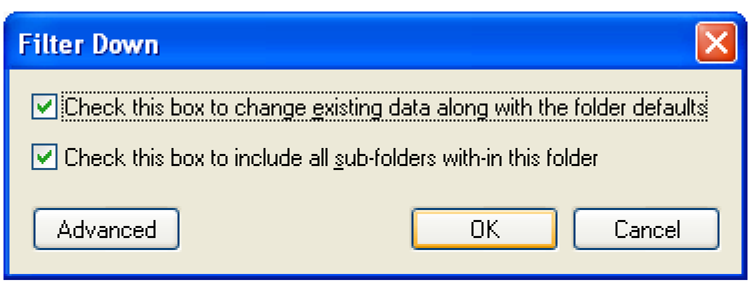
f. The **Increment Amount** and **Hours Available** settings should be set globally only if the amounts are identical for all employees. Normally these values are set for individual employees as explained later in this section.

g. Click on the **OK** button to save the vacation pay type.

4. Right click on the **Vacation** pay type and select **Filter Down** from the context menu.



These steps are necessary only to insert the vacation pay type into all employees. This will filter down not only the pay type but all the settings within the pay type.

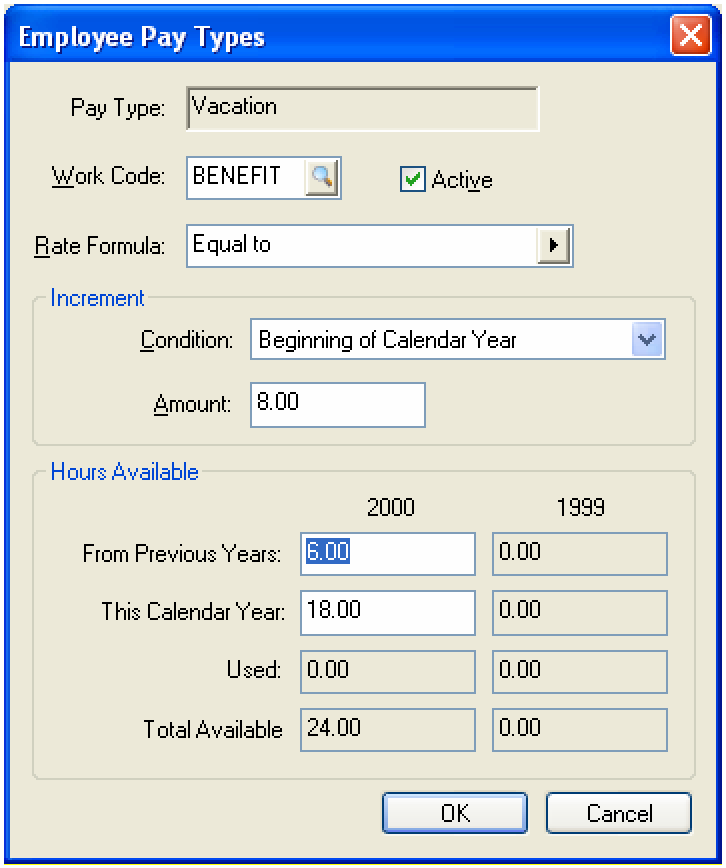


a. Enable the top option (**Check this box to change existing data along with the folder defaults**) to insert the new holiday pay into existing employee records. Click **OK** to insert pay type in all employees.

5. Set vacation days for individual employees.

   a. Open the **Pay** tab of an employee – go to **Payroll > Employees > Pay** tab.

   b. Highlight the **Vacation** pay rate and click on the **Properties** button and the following dialogue will open:



c. Set the **Increment Condition** to one of the following options if the default setting is not correct.

- The **Never** option should be used if the user wished to manually set the number of vacation hours each year or if the number of vacation days or hours do not change from one year to the next.

- The **Beginning of Calendar Year** option or **Beginning of Anniversary Year** option (depending on the setting within the pay type – **Payroll > Options > Pay Types**) should be used to reset the vacation hours annually.

d. Enter the increment **Amount.** For example, if an employee receives an extra vacation day each year the **Condition** should be set to **Beginning of Year** and the **Amount** should be set to 8 hours. Note that the system does not automatically create thresholds for incrementing vacation so the manual setting (Condition = Never**)** should be used for any vacation policy that does not increment time consistently each year.

e. Enter the total number of vacation **Hours Available This Year** for the employee. The hours **From Previous Years** will be disabled unless the **Carry unused hours to next year** option is enabled within the pay type. See **Payroll > Options > Pay Types tab > Properties** to change this option setting.

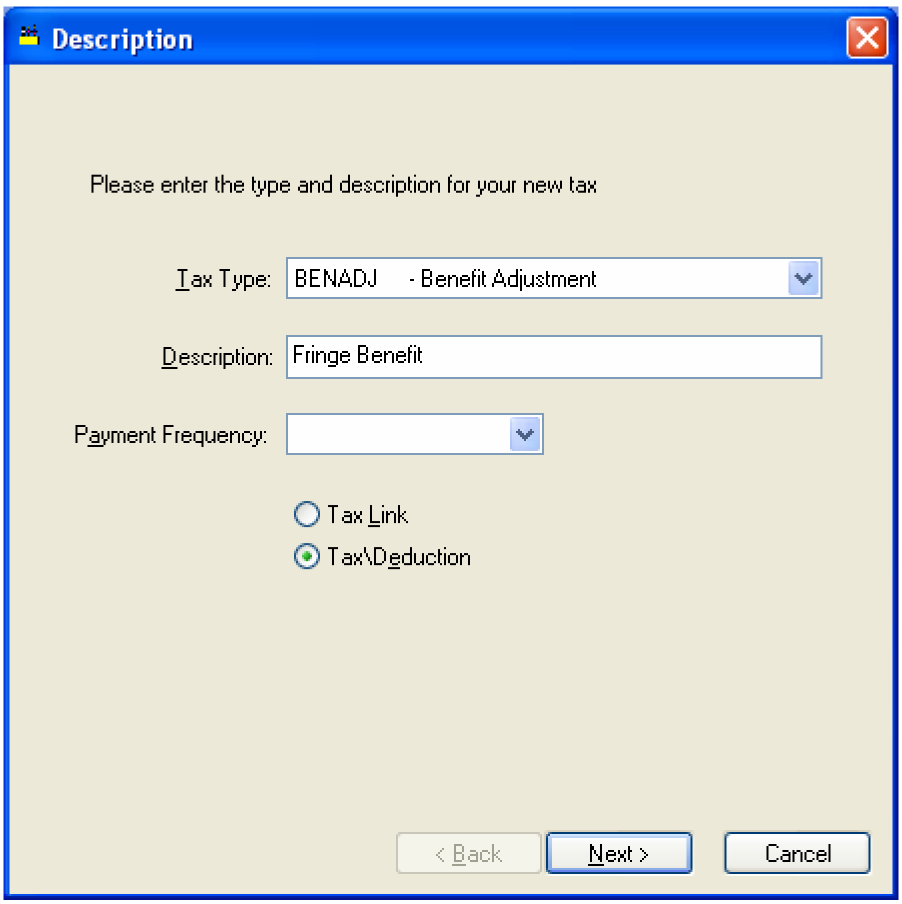
Save changes by clicking on the **OK** button.

Fringe Benefits and Benefit Adjustments

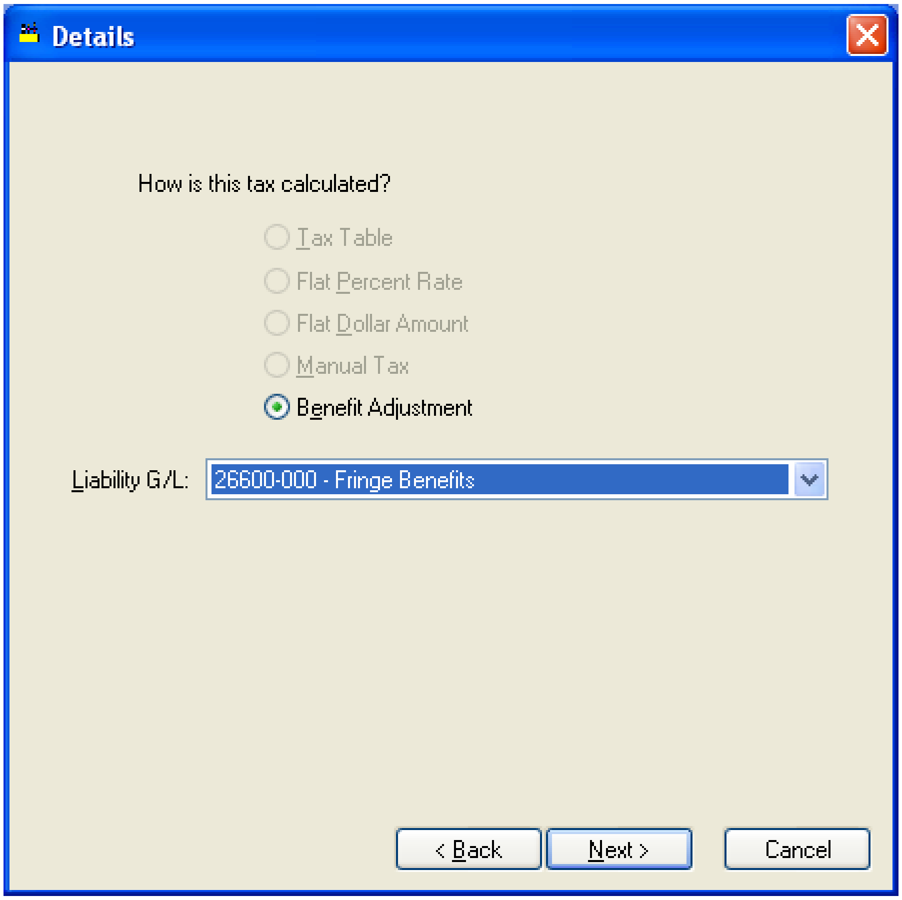
Benefit Adjustments or fringe benefit pay is a benefit that employees or directors receive from their employment but are not included in their salary or wages. They include such things as company cars, private medical insurance paid for by the employer and cheap or free loans. Some fringe benefits will not be taxed, other will and some will be taxed only for employees who are directors or higher paid. A fringe benefit will increase the taxable gross pay for an employee without increasing the employee's net pay. Contact your accountant to determine if any none-cash benefits must be added to the employee's W2 form.

A fringe benefit is setup as a deduction although it is rather an additional pay rather than a deduction.   Continue with the following steps to setup a fringe benefit.

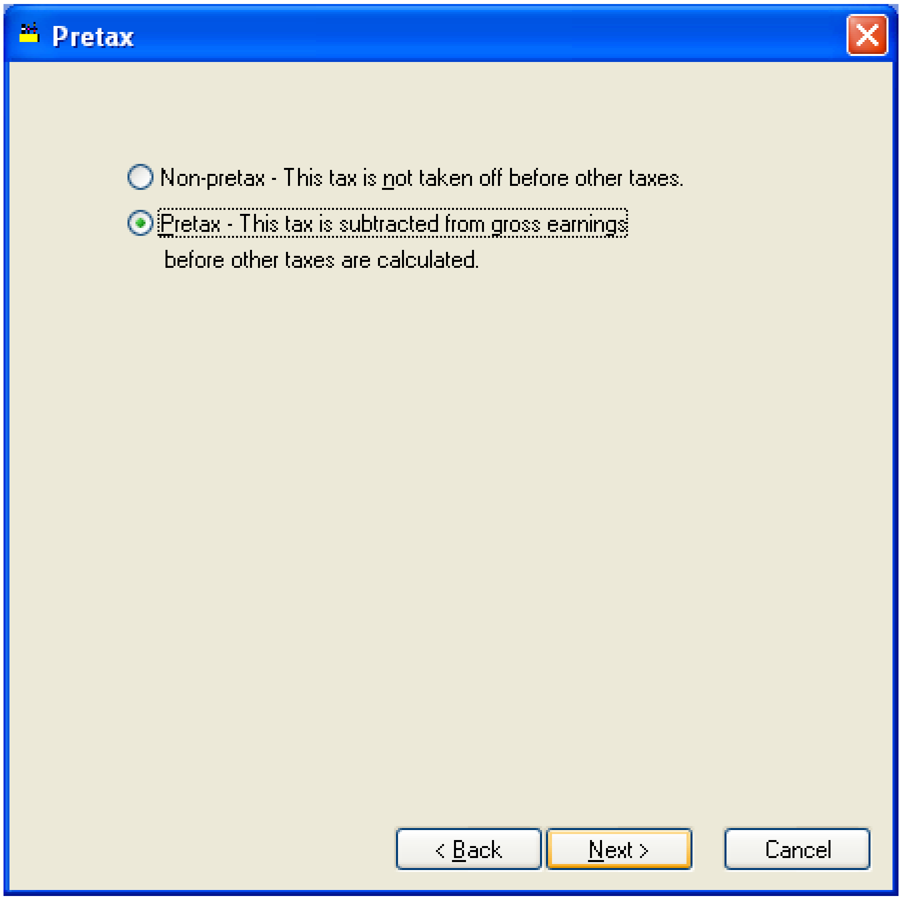
1. Click on **Payroll > Tax / Deduction** to open the deduction dialog.
2. Click on the **New** button to create the fringe benefit record.



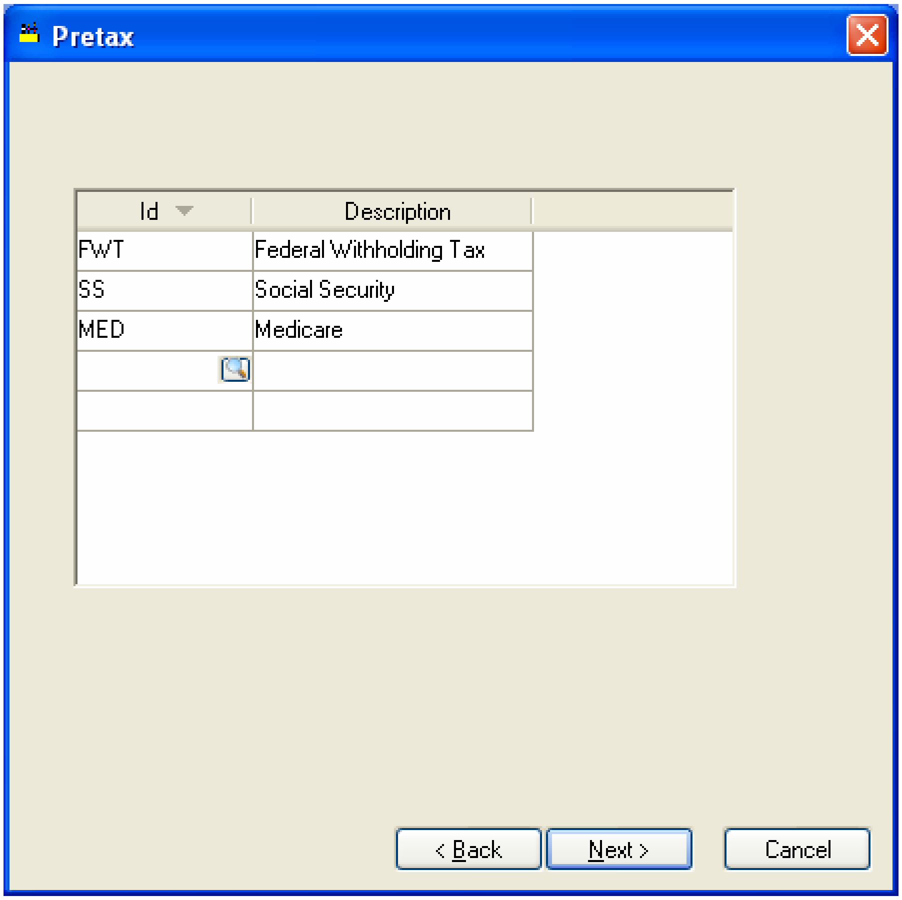
3. Set the **Tax Type** setting to **BENADJ – Benefit Adjustment** option.
4. Enter the fringe benefit **Description**.
5. Ignore the **Payment Frequency** setting since the no payments are made.
6. Select the **Tax\Deduction** option and click the **Next** button.



7. Set the **Liability GL** to a fringe Benefit account. The balance of this account should be zero since the system debits and credits this account to process the fringe benefit transactions. Click **Next** to continue.



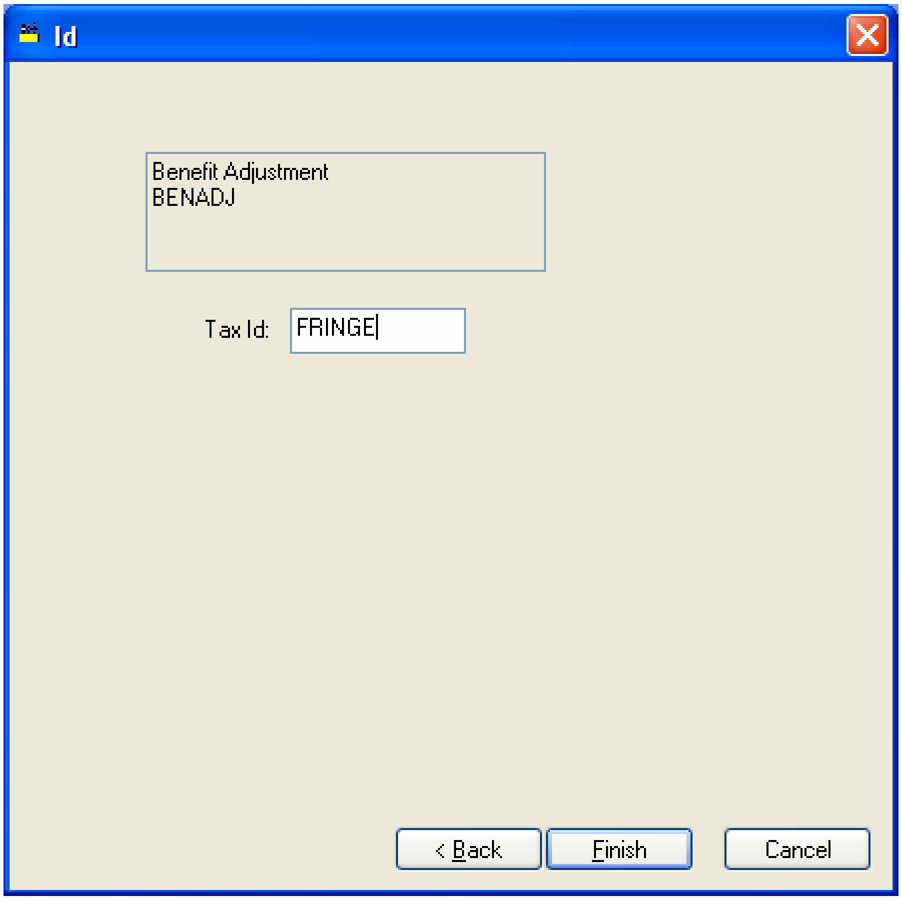
8. Always click on the **Pretax** option for benefit adjustments and click **Next**.



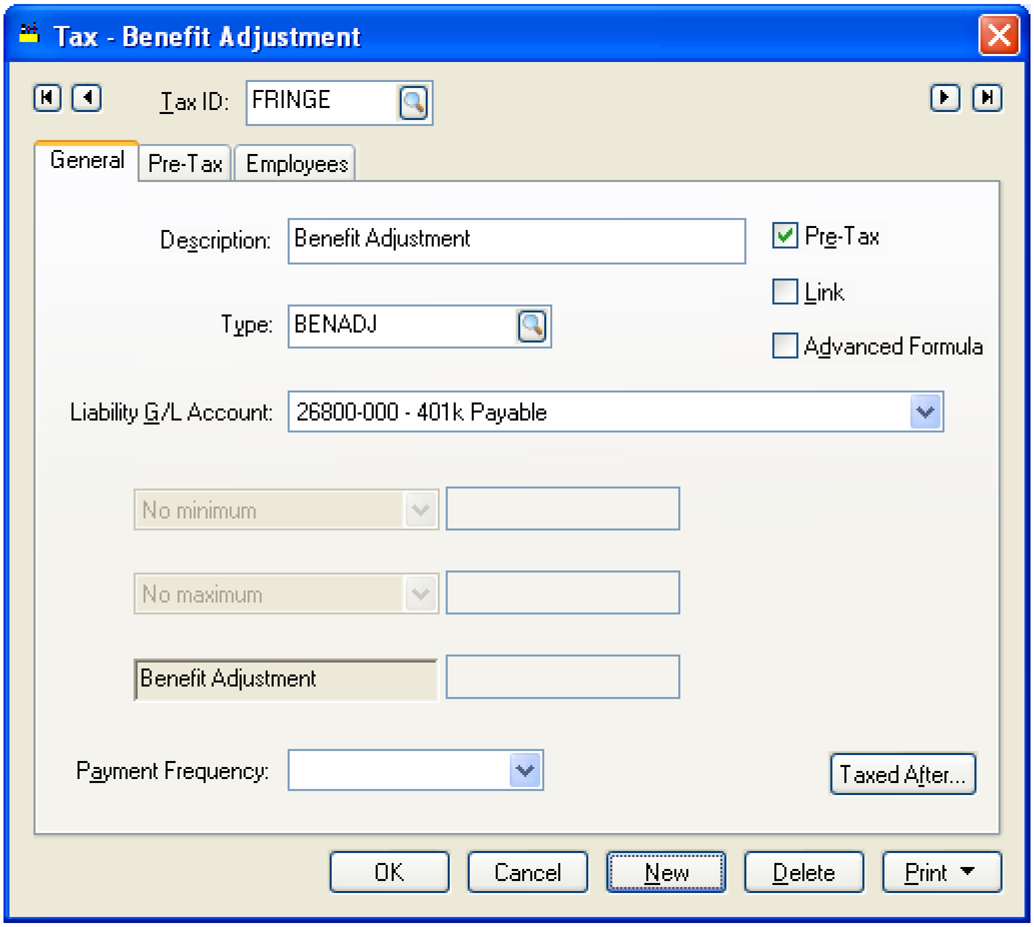
9. A fringe benefit increases the taxable gross without increasing the net pay. Only the taxes that are affected by this gross up should be added to the **Pretax** list.

    a. Enter the tax **Id** for each tax that are affected by the fringe benefit amount.

    Click **Next** to continue.

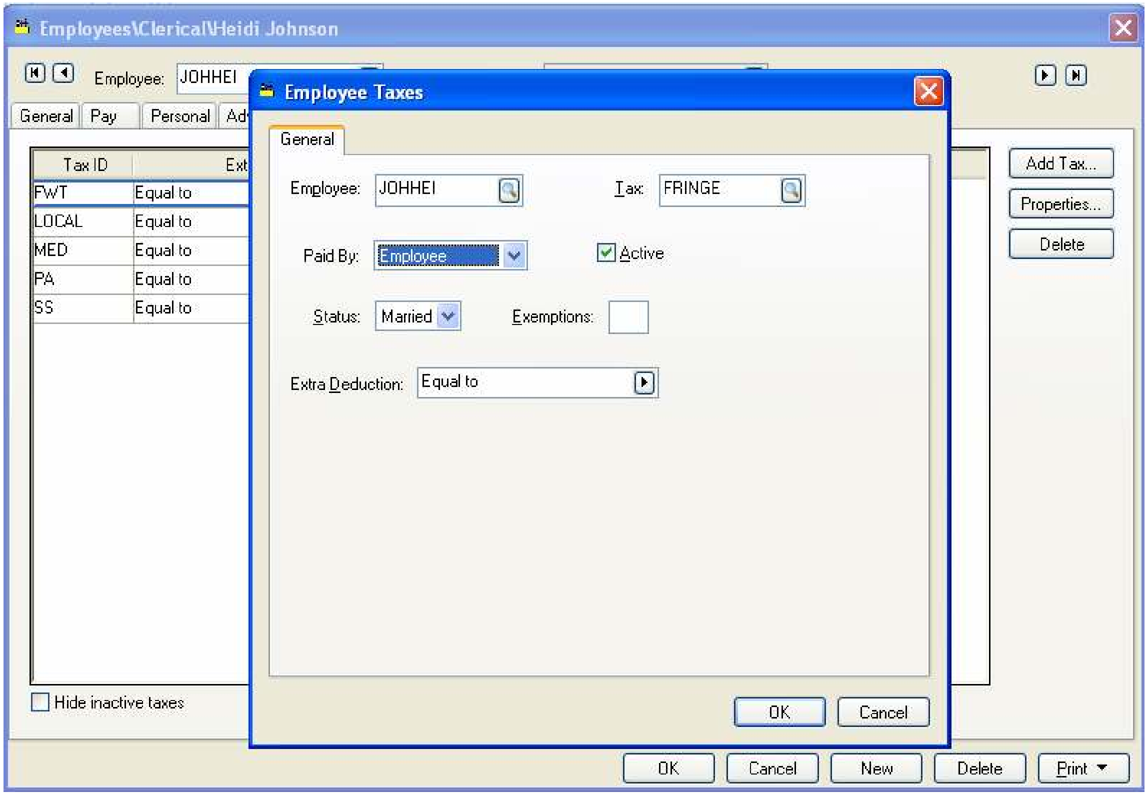


10. Enter an **ID** into the **Tax Id** entry and click **Finish**.



11. Benefit adjustment rates are not set within the Tax/Deduction dialog shown above. The rate is manually entered at the time the timecard is processed. The details of this process is explained later in this section.

12. Click the **OK** button and proceed to the employee record. Select **Payroll > Employees** from the main EBMS menu and open the employee that receives the fringe benefit.



13. Click on the **Add Tax** button on the right side of the **Employee Taxes** tab.

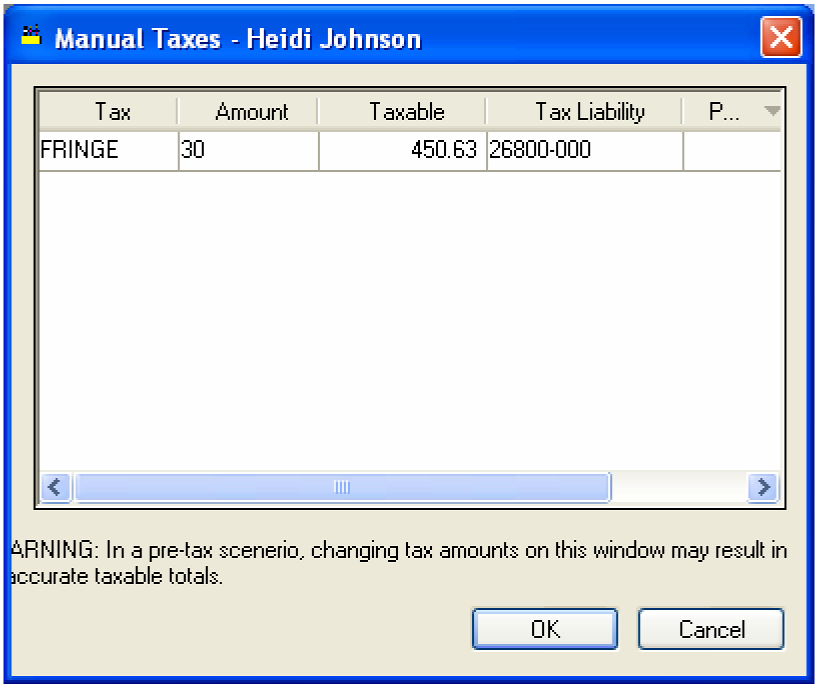
14. Enter the benefit adjustment or fringe benefit into the **Tax** entry.

15. Set the **Is $___** template and enter the fringe benefit amount in the **Extra Deduction** entry if the benefit adjustment is a constant rate each payroll. Set the **Extra Deduction** template to **Equal to** to manually set the benefit adjustment amount each time the timecard is processed. Click the **OK** button to save.

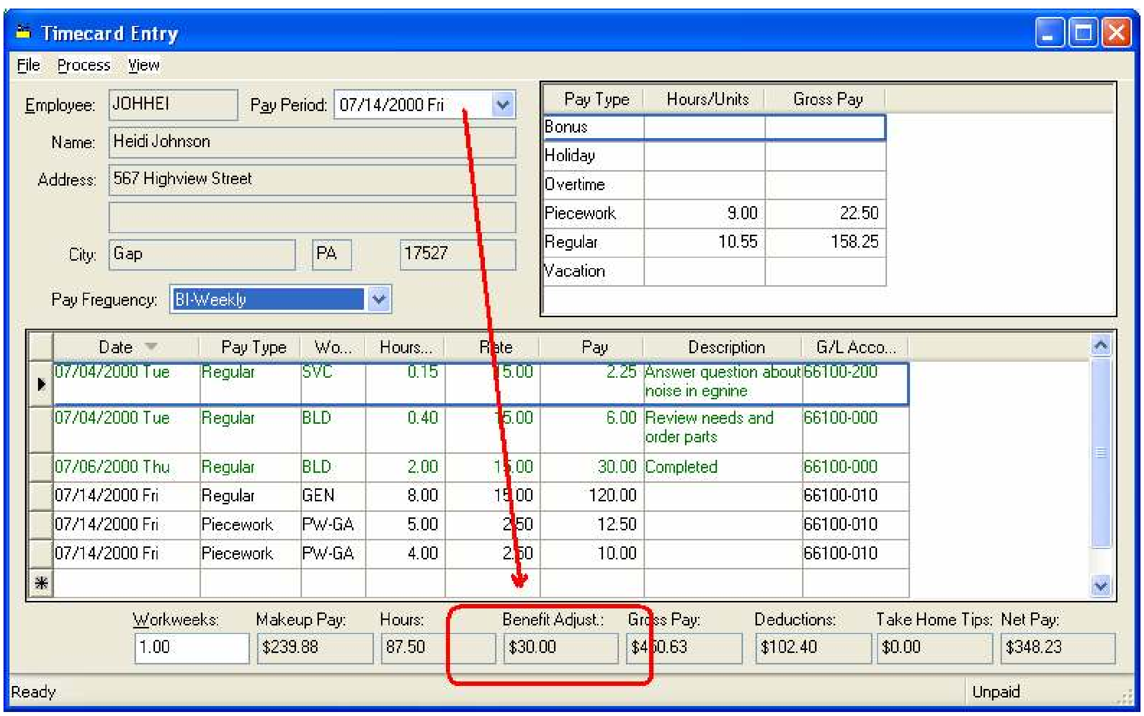
16. The **Active** option should be checked. Click the **Ok** button to save the employee information.

Open the employee's timecard to view the benefit adjustment. Review the Processing Payroll > Entering Timecards section for more details on entering a timecard.

The following dialog will appear for all manual taxes including benefit adjustments when the taxes are calculated:



Enter or change the fringe benefit amount within the **Amount** column for each employee. The fringe benefit or benefit adjustment will be calculated and displayed at the bottom of the timecard after this process as shown below:



The benefit adjustment amount within the timecard will increase the **Gross Pay** but will not increase the **Net Pay**. Consult an accountant before proceeding with the adjustment.

Processing Payroll - Advanced

Minimum Wage and Makeup Pay

The required minimum wage rate is set within the payroll options. See the **Minimum Wage** field within **Payroll > Options >Settings** tab. This minimum wage rate should be updated whenever there is a rate change to ensure that all timecards are processed within the minimum wage law requirements.

Makeup pay is used within EBMS to insure that an employee has been paid minimum wage. This is normally not necessary for hourly or salaried employees. This feature is used when processing piecework or tip pay and the employee has not earned minimum wage based on the hours the employee worked. Makeup Pay is used in industries such as Restaurants where minimum wage is not paid and the total income of the employee is made up of and hourly wage and tips. Makeup Pay is used as an adjustment when the total income for a given pay period (wages plus tips), divided by the number of hours, does not equal the Minimum Wage pay rate. Makeup pay is added if the total wage divided by the total hours is less than minimum wage (Wage / Hours < Min Wage). The total work hours for non-hourly pay types are calculated using the **Daily Hours** totals within the Daily Hours window. Review the Daily Hours section for more details on Daily Hours.

If makeup pay is required it is automatically calculated within the timecard screen and displayed at the lower part of the timecard. This expense is added to the employee's gross pay and is paid and taxed as all other pay. The total makeup pay expense is posted to the general ledger account identified within the timecard > **View > Advanced Options** window. The account located within the timecard is copied from the **Employee > Advanced** tab at the time the timecard is created. Go to the **Makeup Pay** general ledger account within **Employee > Advanced** tab.

To globally change the **Makeup Pay** general ledger account for all employees go to **Payroll > Options > Employee Folders** – **Edit Defaults** button **> Advanced** tab and filter down.

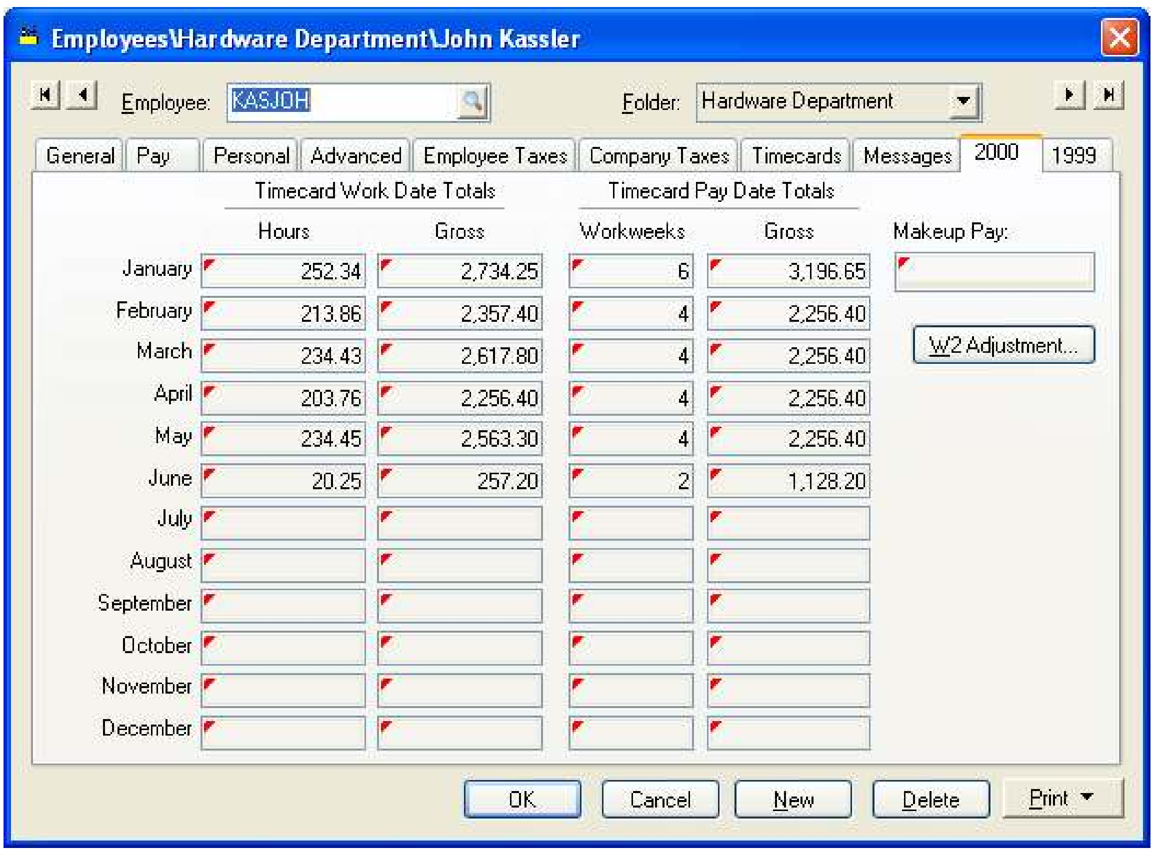
If you do not wish to process **Makeup Pay** for a specific employee go to **Employee > Pay** tab and switch the **Is Subject to Minimum Wage** check OFF. By turning this switch OFF, the system will not check minimum wage requirements.

Processing Workweeks

Workweeks are defined within the EBMS Payroll system as the number of weeks that an employee earns the minimum gross wage or greater. Workweeks are calculated within payroll for unemployment tax purposes and are incremented every week the gross pay is equal or greater than the **Credit Workweek Amount** found in the **Payroll > Employee > Advanced** tab. Check with your accountant or an EBMS consultant to maintain the Credit Workweek Amount.

Workweeks are calculated within a timecard at the same time taxes are calculated. The total gross wages must be greater than the Credit Workweek Amount each week. For a full time employee on a BI-weekly payroll the average credit workweeks would be two per timecard.

Workweek totals are accumulated within the employee history year tabs within the employee window. Go to **Payroll > Employee > [Year]** tab and the following window will open:

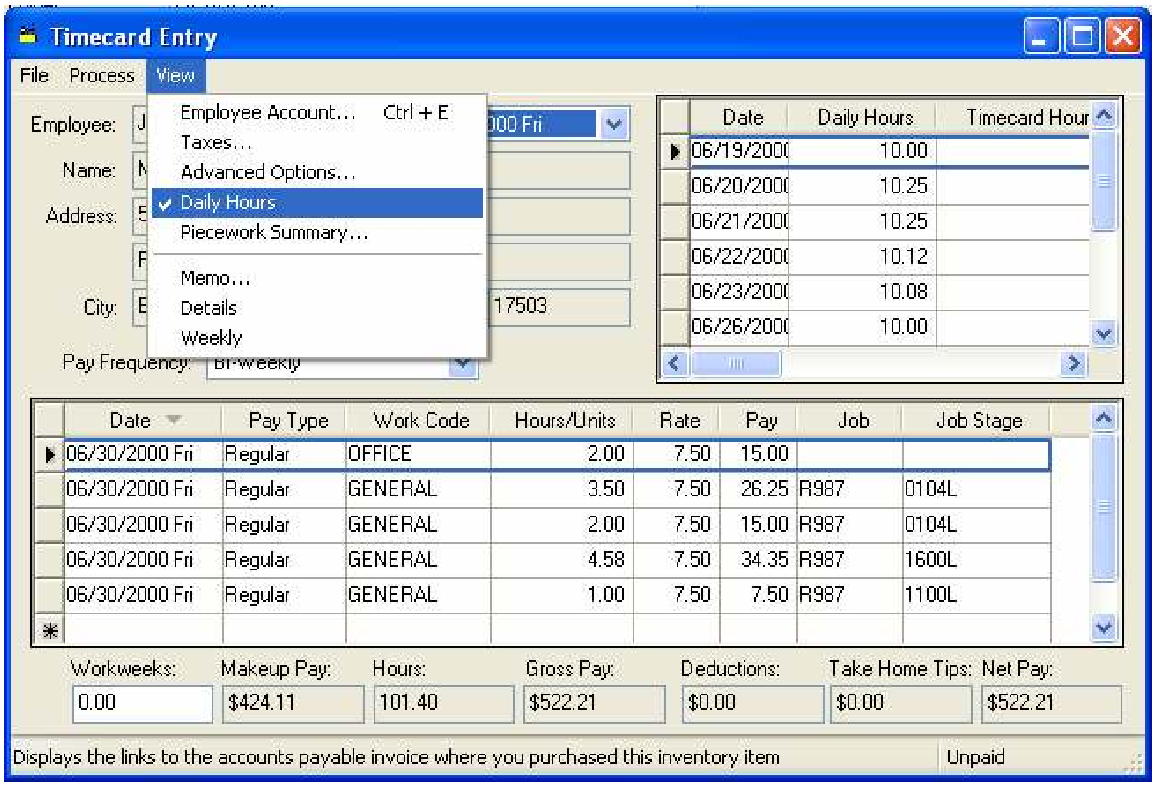


Drill down on workweek totals by right clicking on total and selecting **Drill Down** on context menu. A detailed list displaying the source of all the workweeks for the given month will be shown.

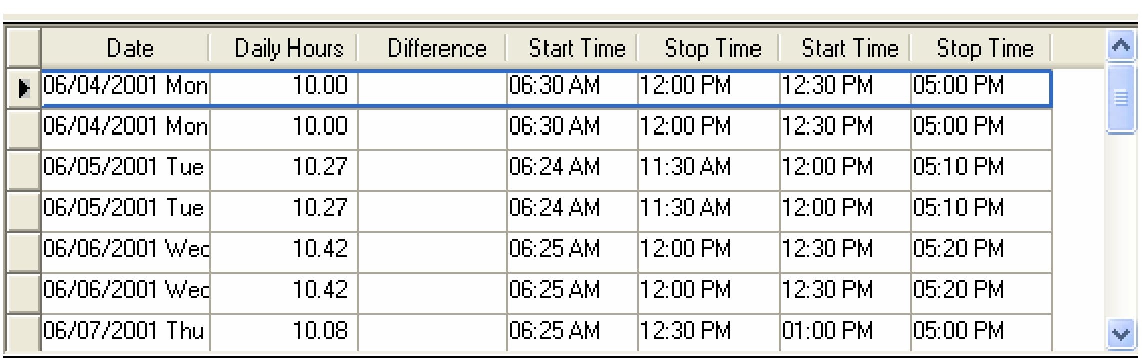
Daily Hours

Daily hours information contains the clock-in and clock-out times for an employee. These start and stop times give the manager more detail than only recording the total hours worked per day. Using daily hours is an optional feature within EBMS although state or federal reporting requirements may require the user to record this detail.

1. Go to **Payroll -> Timecard Entry** and create a timecard entry. Review the Entering Timecards section for more details regarding timecard entry.



2. Select **View > Daily Hours** from the timecard menu to turn Daily Hours ON (**Daily Hours** checked on **View** menu) and to show the daily hour's entry table.



Daily hours can be recorded either manually or using Eagle Solutions' electronic time clocks. The timecard screen may need to be resized in order to view the entire daily hours table. Complete the following steps to enter daily hours manually:

1. Enter the **Date** of the first day worked.

   Some date entry shortcuts are to enter "Monday" to enter Monday's date or "Last Monday" to enter the date for last Monday. "509" would be a numeric syntax to enter the month (5 – May), day (09), and the current year.

2. The **Daily Hours**, **Timecard Hours**, and **Difference** are all calculated columns.

   - The **Daily Hours** value reflects the total time for the individual start and stop times.

   - The **Timecard Hours** are derived from the detail lines of the timecard.

   - The **Difference** = Daily Hours – Timecard Hours

3. The time entry columns consist of a pair of **Start Time** and **Stop Time** that is used to enter an employee's clock-in and clock-out times. Time entry can be expedited by ignoring the colon within time entry such as "1130" instead of 11:30. Other shortcuts:

   5:00 PM can be entered by typing "5p".

   8:00 AM can be entered by typing "8".

   3:30 PM can be entered by type "1530" using the 24 hour clock.

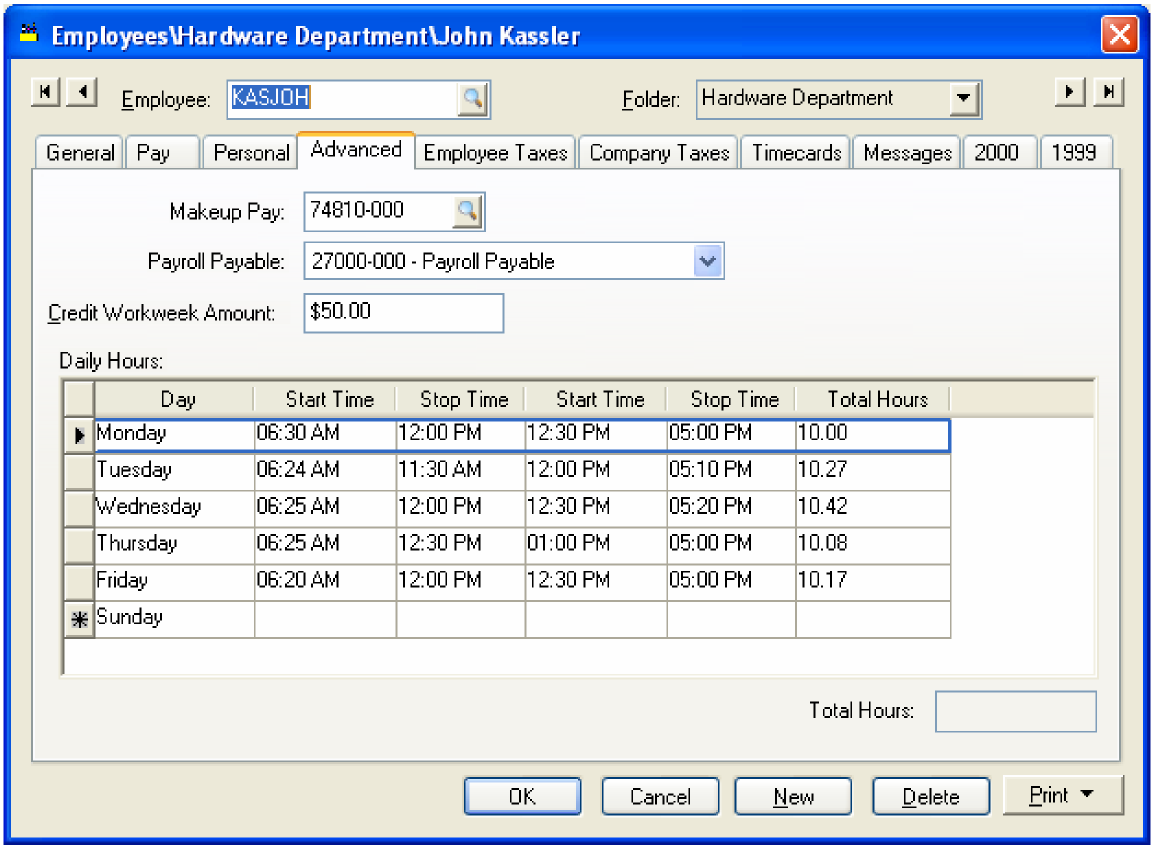
Repeat steps 1 – 3 for each workday. Use multiple lines within the daily hours table if more than two **Start Time**s and **Stop Time**s are needed for a single day. Set the **Date** of the second line to the same date as the previous line.

NOTE: The **Timecard Hours** and the **Difference** calculations are calculated only on the first line of the redundant date lines.

Enter the detail lines of the timecard. Note that the **Date** will default to the first date contained within the daily hours list. Enter the **Pay Type**, **Work Code**, and other timecard detail information as usual. The **Hours / Units** value will default to the balance of unallocated daily hours for the specific date.

Review the Entering Timecards section for more details on entering timecards.

Default daily hours can be entered for employees in the **Advanced** tab of the employee record.



Set the **Day** of the week for each workday as well as the **Start Times** and **Stop Times**. Multiple sets of start and stop times can be entered for the same day of the week. Duplicate the day of the week if the employee's pay frequency is Bi-weekly or longer.

Use the **Payroll > Options > Employee Folders > Edit Defaults** window to enter daily hours for all employees or a group of employees at the same time. Review the Change Defaults, Filter Down Data and Globally Change Data section of this manual for more details on globally changing default daily hours.

An employee's daily hour history can be printed by launching the **Payroll > Employees > Employee's Daily Hours** report found on the main reports menu.

Electronic Time Clocks

Daily hours can be electronically entered into the employee's timecard using Eagle Solutions' electronic time clocks. The employee clocks in and out by entering a numeric PIN code that is set within the **Timecard Login** entry field of the **Payroll > Employee > General** tab. This login PIN code field will only show if electronic time clocks are connected to EBMS.

See installation and operation instructions that are shipped with the time clock for more details.

Separate Bonus Pay Periods

This chapter explains the process of creating and processing an extra pay period for bonus pay. The tools explained in this section may be useful in a variety of circumstances but this section will explain them in the context of a special bonus pay period. Complete the following steps to complete a bonus pay period:

1) Create a pay period with a unique pay period date.

   For example, if the normal weekly payroll pay period date ends Saturday with a pay date of the following Thursday, a bonus pay period date of Monday with a pay date from the same week would be recommended. Review the Open New Pay Period section for more details in creating a new pay period.

   Reminder: The pay date dictates when the tax liabilities must be paid.

NOTE: The pay period dates of the pay period following the bonus pay period will not automatically default to the correct pay period date. It is advisable to open the next new standard period after the bonus pay period is created and verify the correct dates.

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2) Verify that the Employee pay rate list contains a bonus pay type. Go to the **Pay** tab of the employee and verify that a Bonus pay type is listed in the pay rate list.

   - Review the Changing Employee Information > Pay Tab section for details on adding a pay type to the employee's pay rate table.
   - Review the Payroll > Getting Started > Pay Types section for more information if a bonus pay type does not exist. A bonus pay type should have a **Dollar** base and a **Benefit** type.

Tip: Go to **Payroll > Options > Employee Folders > Edit Defaults** button **> Pay** tab, enter the bonus pay type in the pay rate list, and filter down the pay type to all employees. Review the Features > Change Defaults, Filter Down Data and Globally Change Data section of this manual for more details on globally changing information within an employee.

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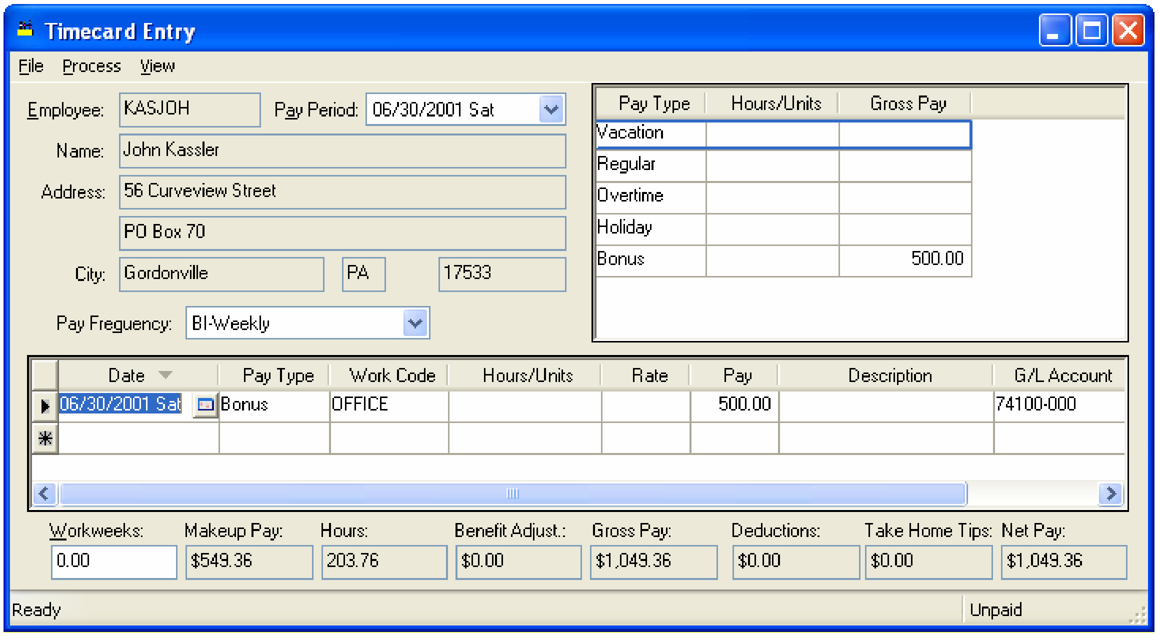
3) Enter the bonus pay within a new timecard as shown below:



a) Enter the bonus pay period date on the single bonus line of the timecard.

b) Set the **Pay Type** to the bonus pay type.

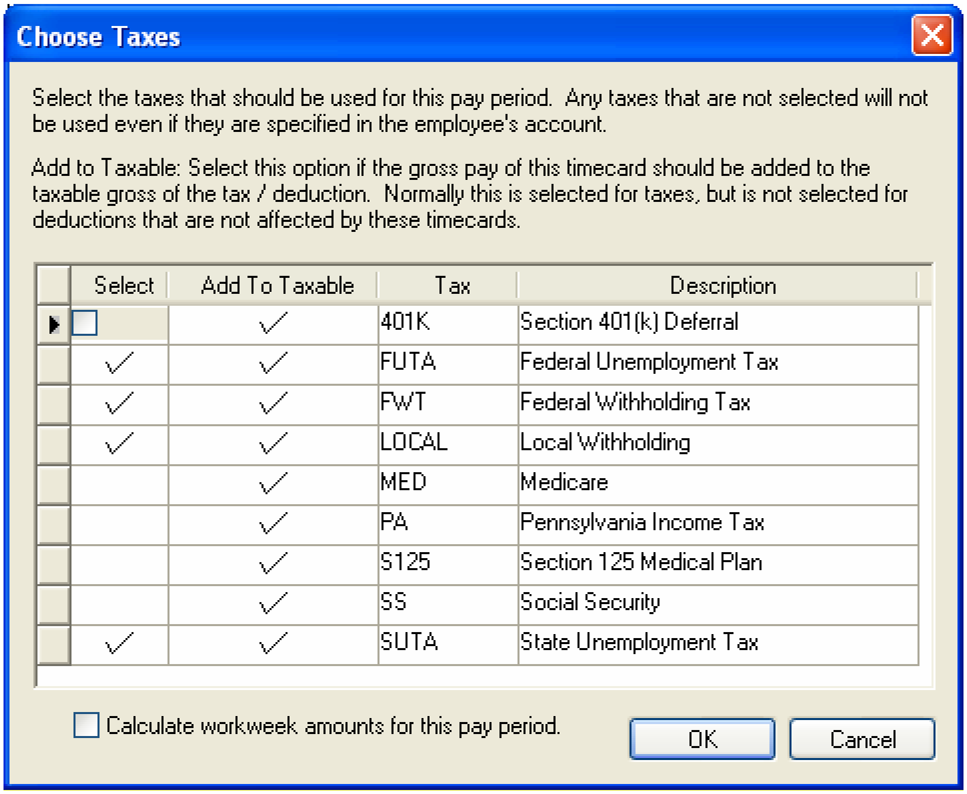
c) Enter a **Work Code** that contains the bonus pay's general ledger expense account. This can be defaulted within the Employee's pay rate table properties.

d) Enter the bonus pay amount within the pay column.

4) Calculate taxes and deductions using the advanced process options.

a) Go to **Payroll > Employee Payments**, select the timecards and click on the **Process** button.

b) Select the **Calculate Taxes (Advanced)** option from the Process button menu and the following dialog will open:



The advanced calculate taxes process allows the user to alter the way the employee's taxes and deductions are processed. The **Select** column identifies all the taxes and deductions that will be deducted from the gross bonus pay. The **Add to Taxable** switch allows the user to ignore the deduction but add the gross pay to the taxable amount of the tax or deduction. Turning both check marks ON will process the tax or deduction in the same manner as a typical calculation.

Some suggestions:

- All taxes that contain a flat rate should have both the **Select** and **Add to Table** options ON.
- If the user prefers to not deduct (Select option is OFF) a table based tax from the timecard such as FWT (Federal Withholding Tax) the **Add to Taxable** should be turned ON for proper tax reporting.
- The **Select** option may be turned OFF for deductions that the user wishes to ignore when processing a bonus paycheck. Deductions such as housing, medical, and other period based deductions may be ignored during an extra pay period. The **Add to Taxable** switch should remain ON if the gross pay must be added to the taxable amount for the deduction.

Use CAUTION when changing these settings since it may adversely affect tax liability reporting and other payroll documents such as W2s etc. Contact your accountant to identify the proper settings for each tax or deduction.

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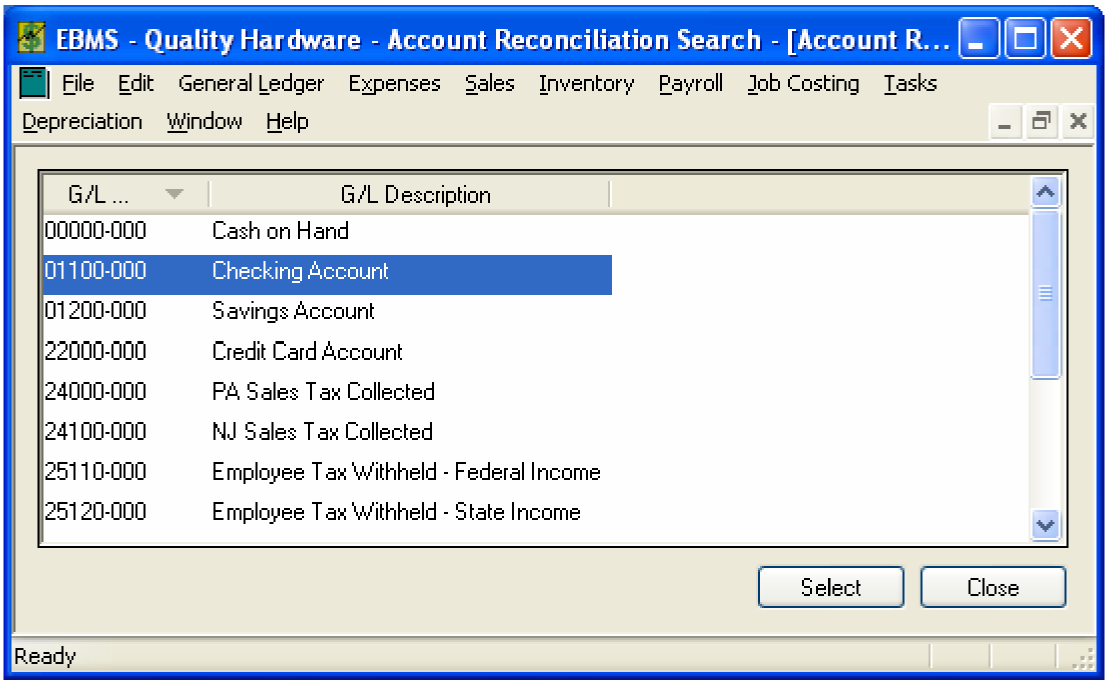
c) **Calculate workweek amounts for this pay period** option MUST be turned OFF since this pay period is not part of a standard pay period. This step is very important since the workweek amounts should not be incremented in a non-standard pay period such as an extra bonus pay process. Review the Payroll > Processing Payroll - Advanced > Processing Workweeks section.

Process checks using the normal payroll process procedure. Review the Payroll > Processing Payroll > Printing Paychecks section for more details.

Voiding a Payroll Check

If a payroll check was issued in error or was incorrect and needs to be voided take the following steps:

Go to **General Ledger > Account Reconciliation** and the selection window for reconcilable accounts will appear:

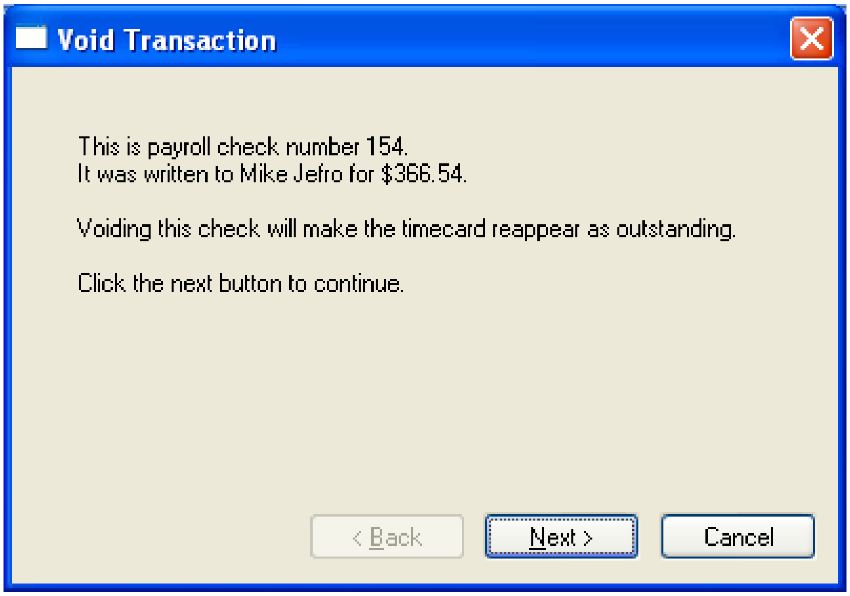


1. Select the **Checking Account** used for payroll.

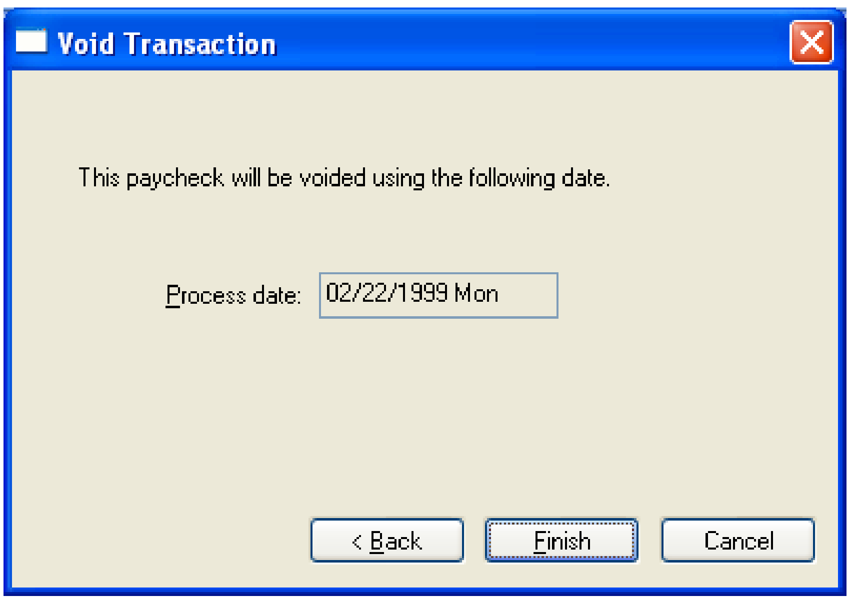
2. Go to the **Checks** tab.

    a. Locate the check number that is to be voided, and highlight that row.

3. Select the **Void** button at the bottom of the window. The following window will appear:



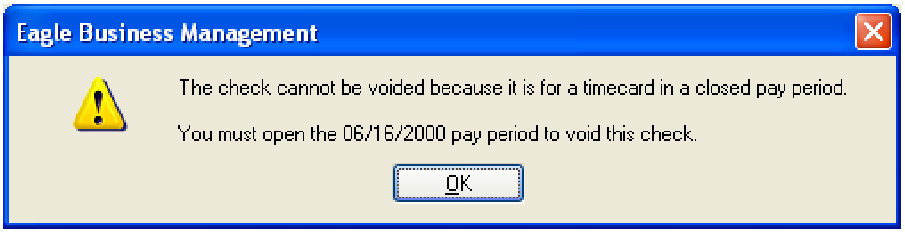
4. Verify the correct check was selected and hit the **Next** button. If this is the wrong check, select **Cancel**.



5. Enter the date the check is to be voided. This defaults to the date of the check, which is the recommended date to use for the void.

Click the **Finish** button to complete the void.

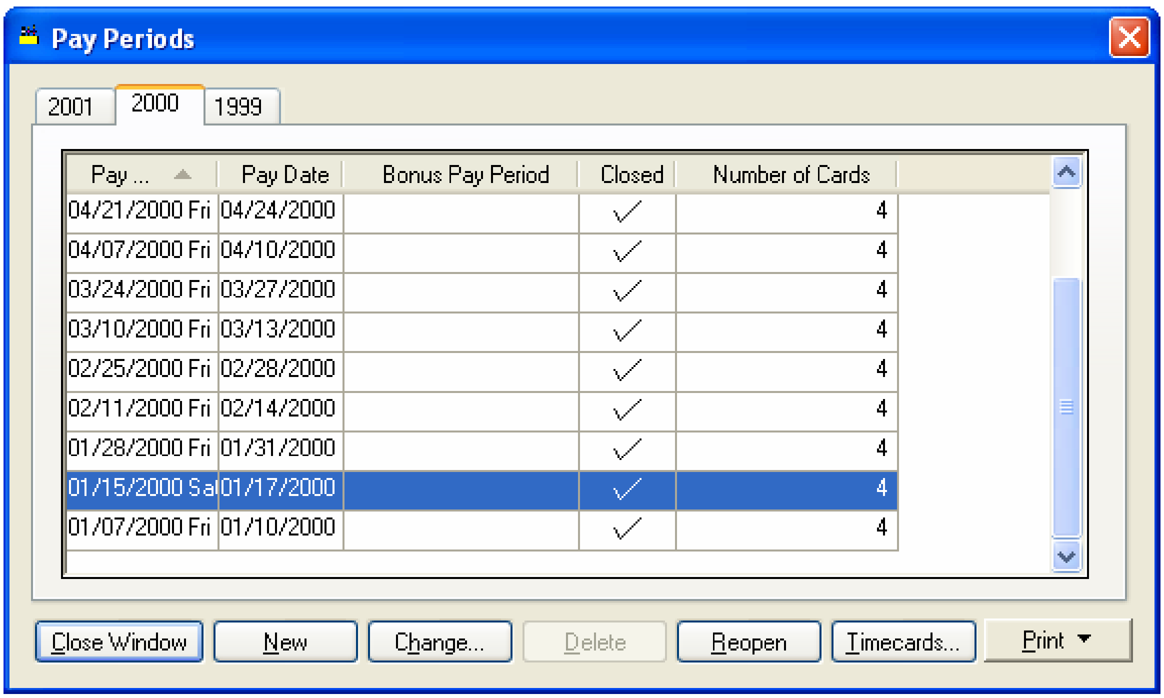
If the check being voided is a time card in a closed pay period, the following message will appear when the **Void** button is clicked:



Click **OK** on the above message.

To void a check in a **Closed Pay Period** take the additional following steps:

Go to **Payroll > Pay Periods**, the following window will appear:



1. Select the closed pay period that needs to be opened and highlighted.
2. Click the **Reopen** button at the bottom of the window.
3. Continue with step (1) of the previous section for voiding a payroll check.

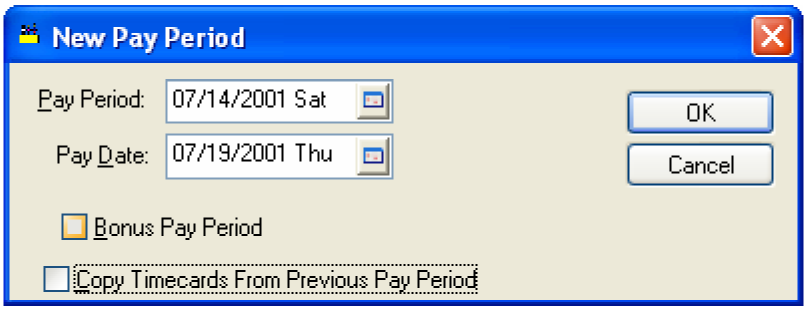
Copying Timecards

When a timecard is copied, only the timecard details are copied. The Pay Period is changed to the new Pay Period and all the dates on the timecard are changed according to the pay period change. Tax and deduction amounts, timecard status, and net pay amounts are not copied, but need to be recalculated the same way a new timecard is processed. Timecards can be copied two different ways, which will be explained below.

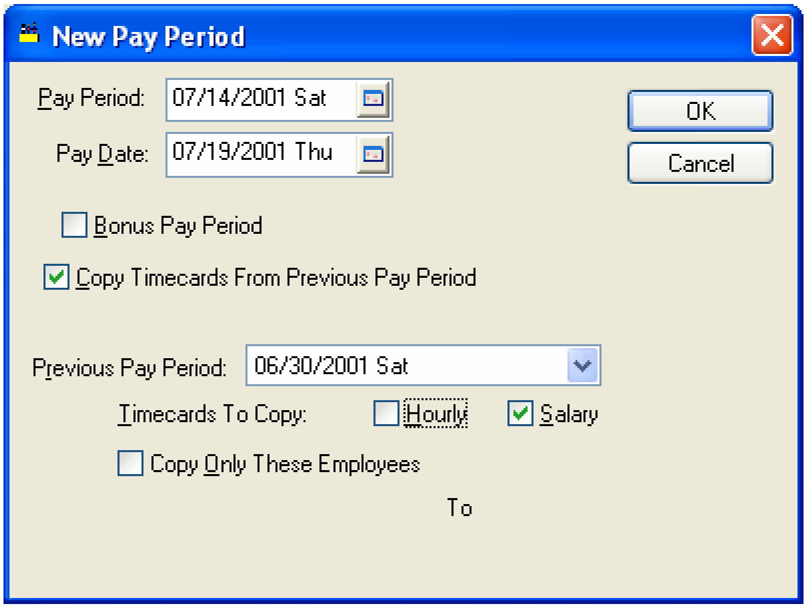
Copying Salaried Employee Timecards

To automate the timecard entry for a salaried employee enter a typical 40-hour week timecard and then copy it from one week to the next using the copy timecard function. Salaried timecards are copied from the previous pay period when the pay period is created.

1. To create a new pay period go to **Payroll > Set Pay Period**, click on the **New** button and the following window will open:



2. Enter the new Pay Period dates. Review the Open New Pay Period section for more details on setting or creating new pay periods. Turn the Copy Timecards switch with a mouse and the window should change as shown:



To copy all salaried employees timecards complete the following steps:

3. Set the **Previous Pay Period** date to the pay period that the salaried timecard exists. Note that a timecard must be entered for an employee before it can be copied. Review the Entering Salaried Employee Timecards for instructions on creating a timecard for a salaried employee.

4. Turn the **Salary** switch ON. Turn the **Hourly** switch OFF to copy only salaried employee timecards.

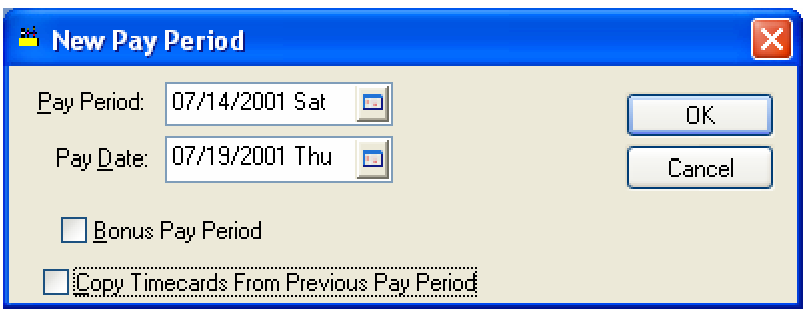
5. To copy only a range of employee timecards turn the **Copy Only these Employees** switch and enter the range of employee's you wish to copy.

6. To copy individual salaried employee timecards review the Copying Timecards section of this manual.

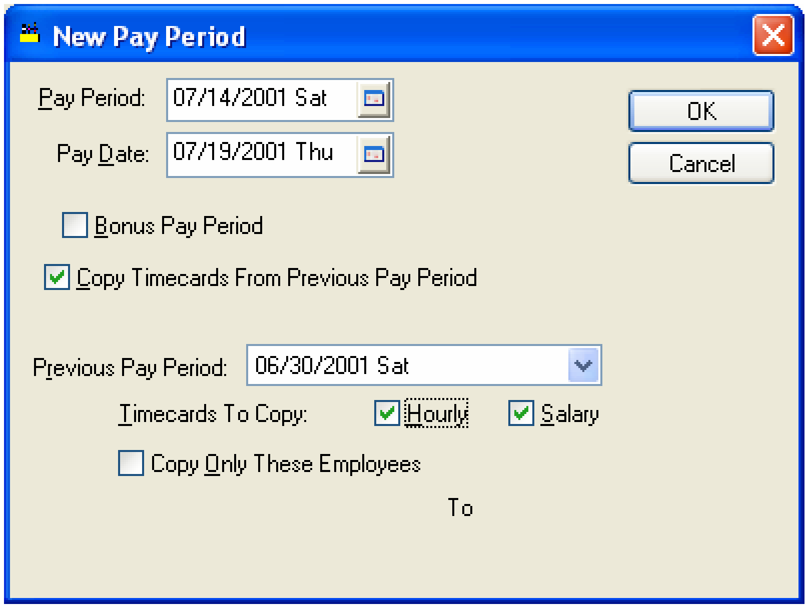
Copying an Entire Batch of Timecards

You must copy entire batches of timecards at the time a new pay period is created. You cannot copy a range of timecards to a pay period if the pay period is already created. If the new pay period has been created but no timecards have been entered, delete the pay period and recreate it using the copy option. To delete a pay period that does not contain any timecards go to **Payroll > Pay Periods**, select the pay period you wish to delete, and click the **Delete** button. Proceed with the following steps to copy timecards and create a new pay period:

1. Go to **Payroll > Set Pay Period**, click the **New** button and the following window will appear:



2. Enter the new pay period dates. See Open New Pay Period section for more details on setting or creating new pay periods. Check the **Copy Timecards from Previous Pay Period** switch with a mouse and the window should change as shown below:



To copy a range of timecards complete the following steps:

1. Set the **Previous Pay Period** date to the pay period in which the timecards that you wish to copy reside.

2. Turn the **Hourly** switch ON if you wish to copy any hourly paid employee's timecards and check the **Salary** switch ON if you wish to copy any salaried employee's timecards.

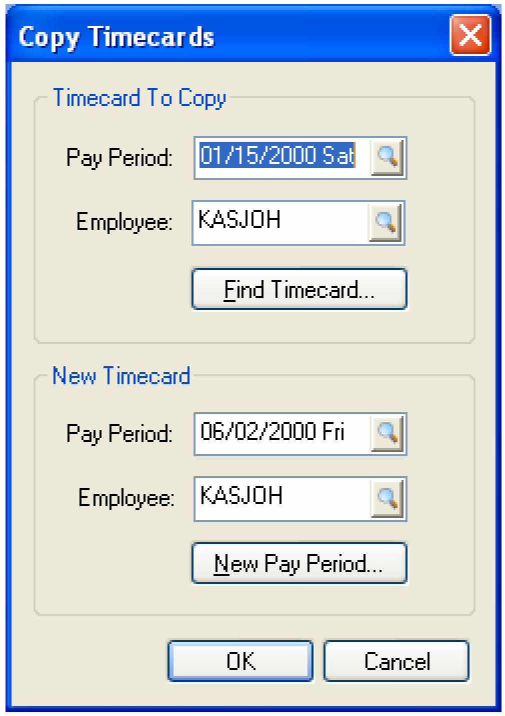
3. To copy all timecards within a **Pay Period** turn the **Copy Only These Employees** switch OFF; to copy a range of employee's timecards turn the switch ON. Enter the range of employees that you wish to copy. It is not possible to copy multiple ranges or timecards within a pay period. To copy individual timecards see the next section for details.

Copying Individual Timecards

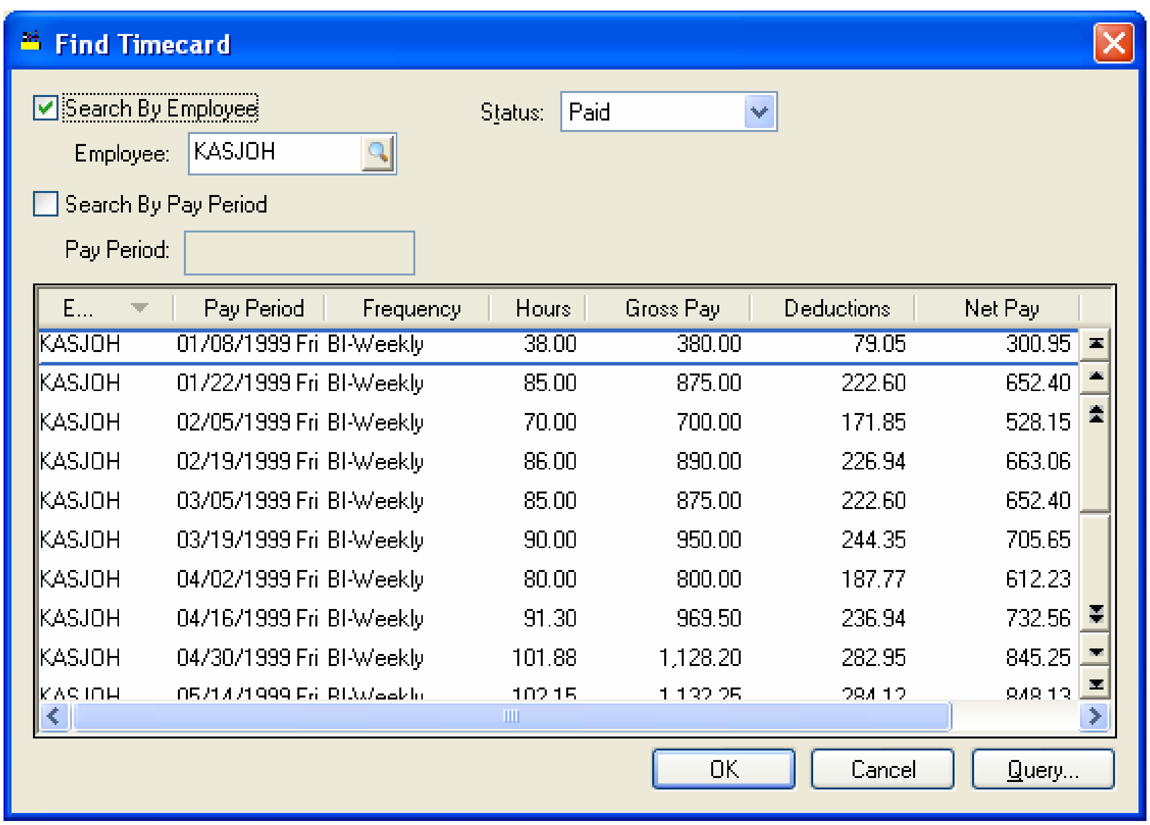
The pay period in which the new timecards will be placed must be established before the timecards can be copied. To copy individual timecards take the following steps:

1. Open the timecard screen by selecting **Payroll > Timecard Entry** .

2. Select **File > Copy Timecard** selection on the timecard menu and the following dialog will open:



3. Enter the **Pay Period** and **Employee ID** code. To select a specific timecard from a list click on the **Find Timecard** button and the following list will open:



4. To select a timecard for a specific employee switch the **Search by Employee** option box and select the appropriate **Employee** by clicking on the search button to the right of

the **Employee** field. Check the **Search by Pay Period** switch to limit the list to a specific Pay Period. Highlight the desired timecard and click **OK**.

5. Enter the **Pay Period** and the **Employee ID** for the **New Timecard**. To create a new pay period, click on the **New Pay Period** button. Review the Open New Pay Period section for more details.

6. When a paid timecard is copied the new timecard will not be marked paid, nor will the taxes be calculated. Go to **Payroll > Employee Payments** to complete the payroll process.

Click **OK** to copy or **Cancel** to abort.

Salaried Pay

Salaried Pay Overview

Salary Pay is processed within the EBMS system through a timecard similar to hourly pay and piecework pay. A timecard MUST be created so a paycheck is issued.

The number of hours entered into the timecard of a salaried employee does not change the employee's pay. The ratio of hours entered into the timecard does divide the salary costs between work codes if different codes are used. For example, if 20 hours are entered under work code SALES and 20 hours are entered under OFFICE, then half of the employee's salary costs are posted under the sales work code and half to the office work code. This allows the manager to post the employee's salary to the correct work code and general ledger account.

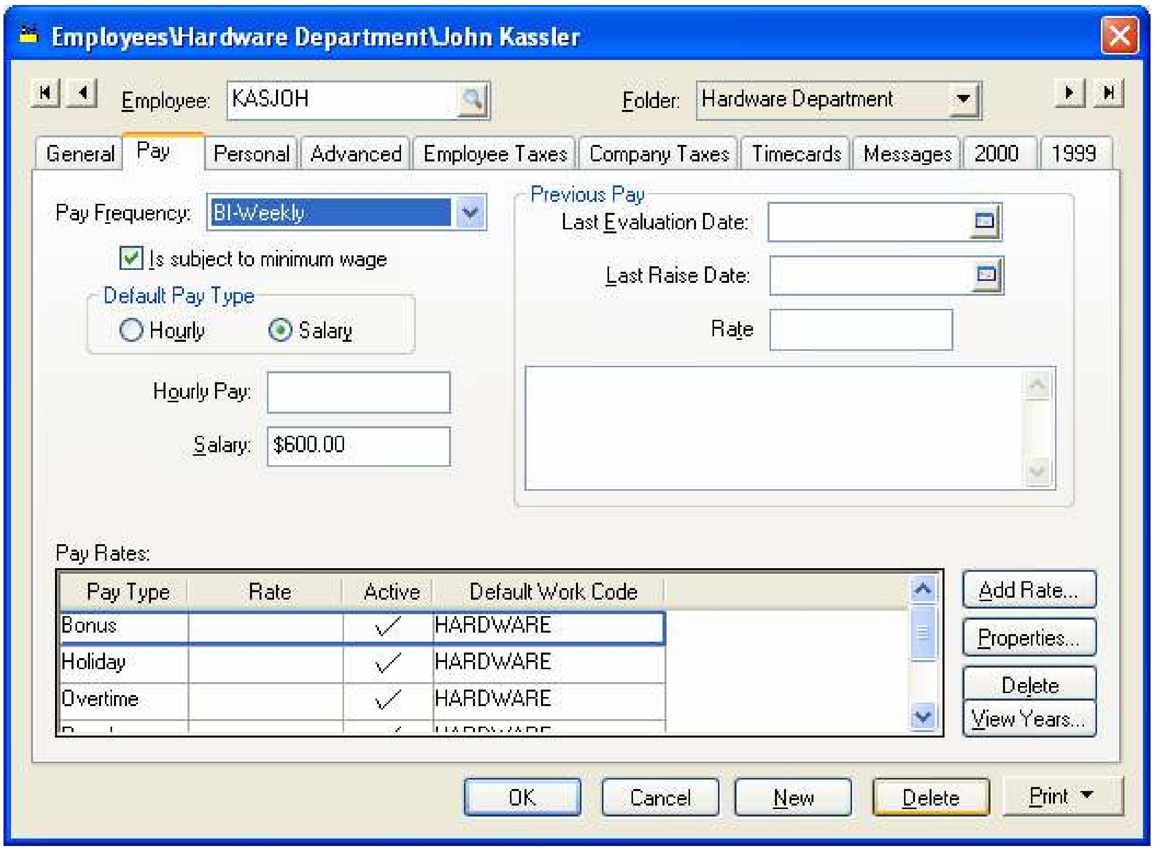
The user can enter the average or committed average hours per pay period rather than the actual hours worked if the employee does not track the actual hours worked. The number of hours has not affect on the total salary for the employee. The salaried employee's timecard can be conveniently copied if the hours, work codes, and pay types are identical each pay period. Review the Open New Pay Period section for details on copying timecards from one pay period to the next.

Review the following Entering Salaried Employee Information and Entering Salaried Employee Timecards sections for details on processing salaried employee pay.

Entering Salaried Employee Information

Enter a new employee record within **Payroll > Employees** if the employee record has not been created. Select **Edit > New** from the employee list or click **New** within the employee window to create a new employee record the same way other employee records are created. Review the Entering New Employees section for detailed instructions on how to create a new employee record.

Setup the desired salaried employee pay information. Go to the **Payroll > [Employee] > Pay** tab and the following window will appear:



Enter the following employee information.

1. Enter the employee's salary wage within the **Salary** field. The salary amount should reflect the salary for each pay period as set in the **Pay Frequency** field. If the Pay Frequency is set to Weekly the salary amount should equal the employee's weekly salary wage.

2. If the employee is paid overtime pay over and above the annual salary then enter the base hourly rate within the **Hourly Pay** field. Do not enter the overtime rate (time and a half) but enter the base rate. This field can be ignored or blanked if the salaried employee is never paid any additional hourly pay such as overtime or benefit time.

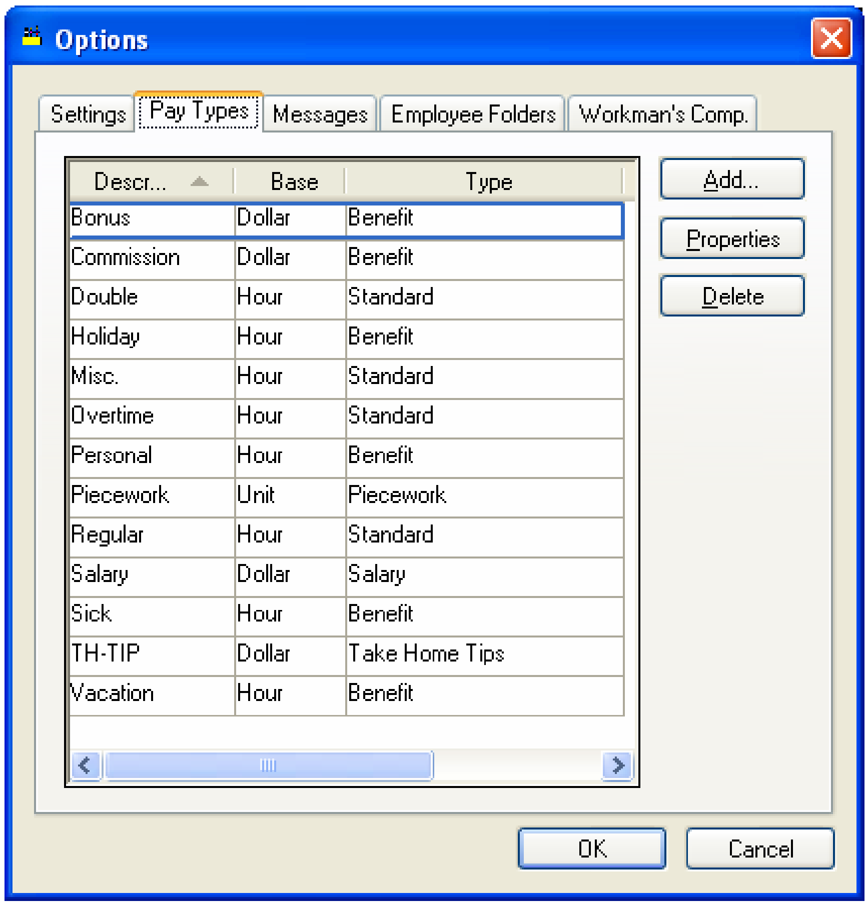
3. Set the **Pay Frequency** to reflect the **Salary** amount. For example, if the amount entered into the **Salary** field reflects the employee's weekly salary set the **Pay Frequency** to Weekly. The Pay Frequency should reflect the employee's normal pay period.

4. Set the **Default Pay Type** to Salary.

5. Remove the **Regular** pay type as well as any other pay types that should never be used for a salaried employee.

6. Insert a new salary pay type for this employee by clicking on the **Add Rate** button. If no salary pay type is available take the following steps:

   a. Go to **Payroll > Options > Pay Types** window.



   b. Click on the **Add** button.

      1) Enter a **Description** for the salary type such as Salary, Set the **Base** as **Hour**, and set **Type** as **Salary**.

      2) Click **Ok** to create new pay type.

Review the Pay Types section for more details in creating **Pay Types**.

Benefit Pay

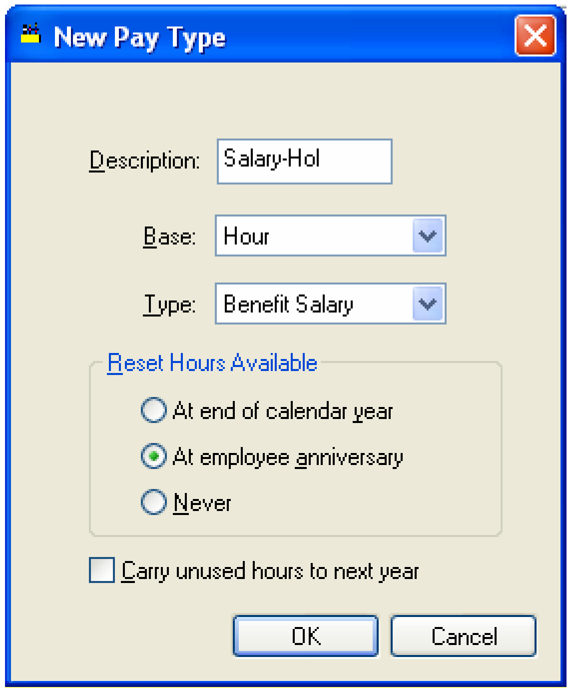
Benefit pay can be calculated one of two (2) ways for salaried employees:

- If the benefit pay is over and above the **Salary** pay amount, the benefit pay type should be setup using the standard holiday and/or vacation pay types explained within the Payroll > Employees > Benefit Pay section of this manual.

- If the benefit pay is included in the employee's total salary but the number of hours (days) of benefit hours received must be recorded through the payroll system. Proceed with the following procedure:

NOTE: Continue with this section only if the total salary pay includes benefit pay.

Go to **Payroll > Options > Pay Types** tab to list all available pay types. Click on the **Add** button to create an additional pay type:



1. Enter a benefit salary pay **Description** such as *Salary-Hol* for holiday pay for salaried employees since pay type - HOLIDAY is used for additional holiday pay.

2. Enter a **Base** type as **Hour**.

3. Select Benefit Salary for the **Type** field.

   Note that the **Type** option list includes a **Benefit** type and a **Benefit Salary** type. To enter benefit pay types for a salaried employee without changing his/her salary pay, use the **Benefit Salary** type rather than the **Benefit** type. Go to the Payroll > Employees > Benefit Pay section for details in creating benefit pay such as holiday pay and vacation pay for hourly employees.

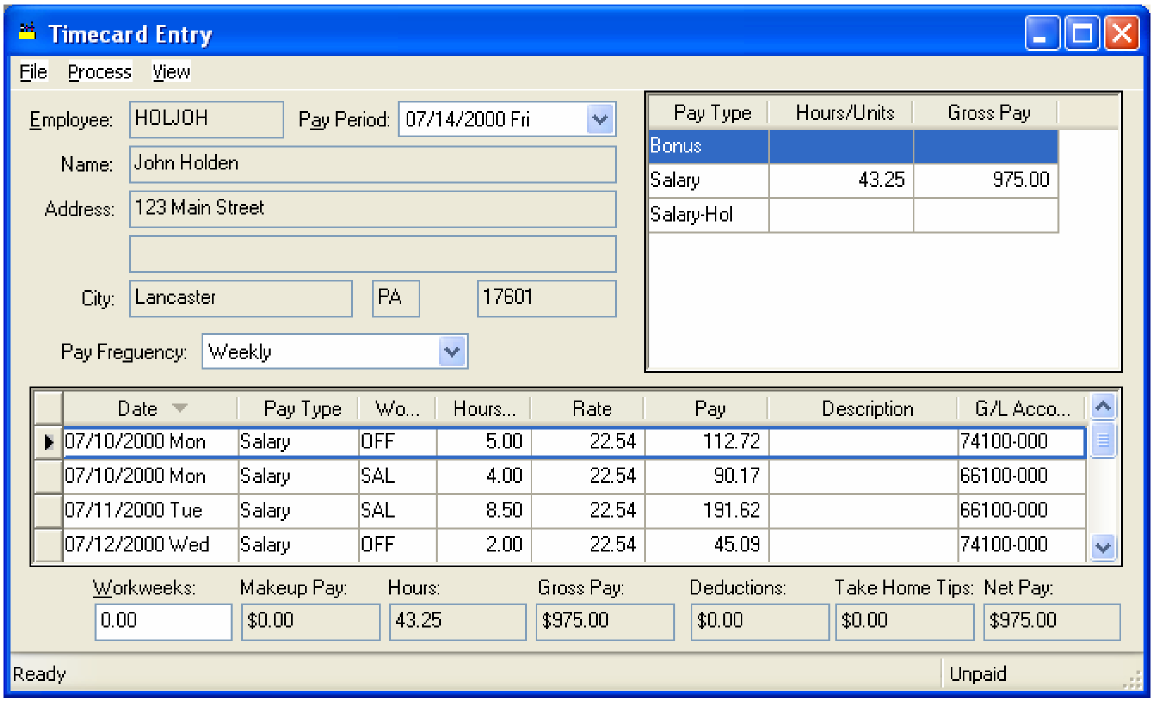
4. The benefit salary pay types must be added to the salaried employee's pay rate list before they can be used within a timecard. Review the Benefit Pay section for details on adding benefit pay to an employee.

NOTE: When these benefit salary pay types are used within the timecard, the pay is calculated for the benefit detail lines the same way as the standard salary pay.

Entering Salaried Employee Timecards

A timecard must be created for a salaried employee similarly to an hourly paid employee or the salaried employee will not be issued a paycheck. If you are not familiar with entering timecards, review the Entering Employee Time Card Information section before you continue with this section.

Go to **Payroll > Time Card Entry** and the following window will appear:



If the salary wage total has not been set within the employee window, exit the timecard window and enter the salary information before the timecard information is entered. If the salary rate is changed within the employee window the timecard window must be closed and reopened to reflect the salary change.

Enter the **Employee** ID and **Pay Period** information the same way that a regular timecard is entered. Review the Entering Salaried Employee Information section for more details about creating a new time card.

The **Pay Frequency** field will default to the Pay Frequency setting within the **Employee > Pay** tab. If this setting is changed, the salary total will be calculated to reflect the change.

EXAMPLE: if the pay frequency within the **Employee > Pay** tab is set to Weekly and the timecard pay frequency is set to Bi-Weekly the Salary amount will be doubled on the timecard. If you wish to permanently change the pay frequency for an employee close the timecard window and change within the Employee > Pay tab.

To properly expense the pay wage to the proper general ledger month it is recommended that you create a detail line for each day.

EXAMPLE: If a salaried employee worked Monday through Friday within a weekly pay period, enter a detail line for each day. A weekly timecard would consist of five detail lines if all salary pay consists of one work code. If multiple work codes are used, enter a detail line for each work code within a day.

Each detail line should consist of the following information:

- The **Date** the work was rendered.
- Salary **Pay Type - I**f no salary pay types are available for this employee, review the steps listed at the beginning of this section. Do not use any other pay type unless you wish to add to the employee's salary. For example if you use the Overtime pay type, the employee will be paid the employee's hourly time and a half rate (as entered in the Employee > Pay tab) and this will be added to the employee's salary pay.
- Enter the appropriate **Work Code**.
- The **Hours** entry does not need to reflect the employee's exact hours since most salaried employees do not submit the hours worked and the pay amount is not derived from the number of hours worked. To evenly distribute the pay costs over the number of days at work, enter 8 hours per day to total 40 hours per week.

Piecework Pay

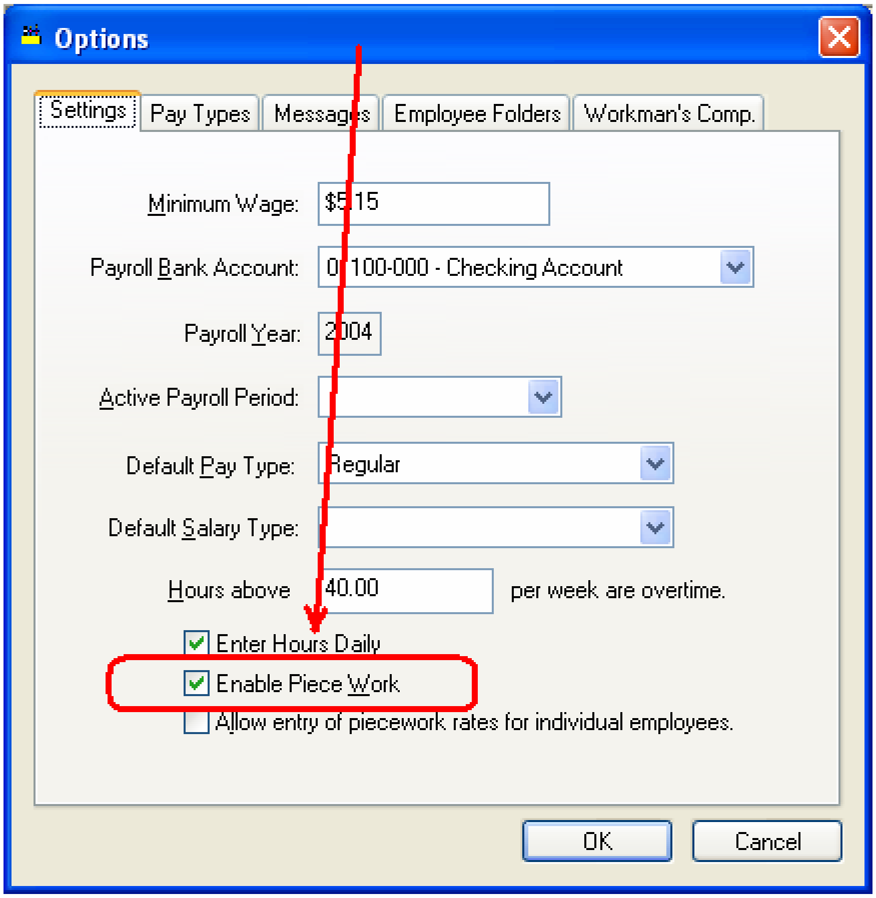
Piecework Pay Overview

The piecework pay option within the EBMS payroll system allows the user to pay an employee by the piece instead of salary or by the hour. Work codes within the system can contain piecework pay rates and are entered into the timecard in a similar manner as standard pay. The number of pieces or units are entered into the timecard instead of the amount of hours. The unit pay is derived from the work code record rather than the employee's hourly or salary pay entered within the employee record.

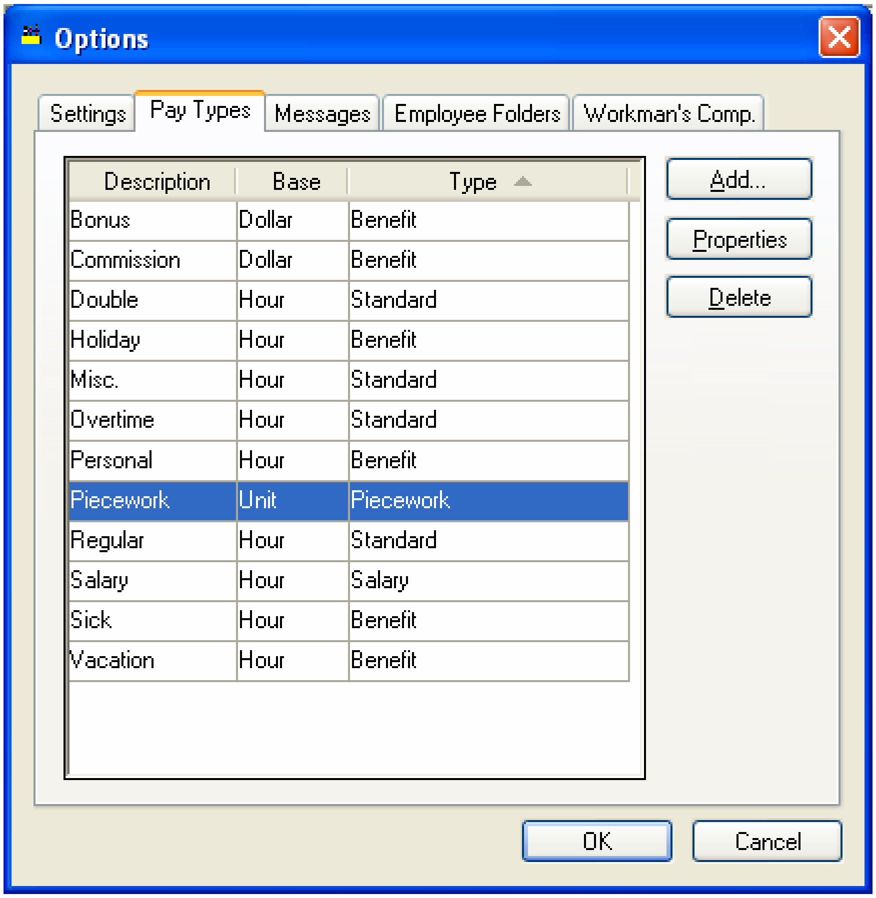
The system will calculate makeup pay if the employee's pay does not meet minimum wage requirements. Review the Processing Payroll - Advanced > Minimum Wage and Makeup Pay section for more details on makeup pay. The amount of time spent doing piecework is calculated using the daily hours feature of the payroll system. Recording the daily hours time of an employee is important if the employee is paid with piecework rates. Review the Processing Payroll - Advanced > Daily Hours section for more details on recording daily hours for an employee.

The piecework system within EBMS can be combined with the Horticulture module designed for an orchard or produce grower. This combination allows the user to pay the employee by the piece and track the labor costs and yields per acre or block by using piecework and bin codes. Review the Getting Started > Overview section of the Horticulture manual for more details.

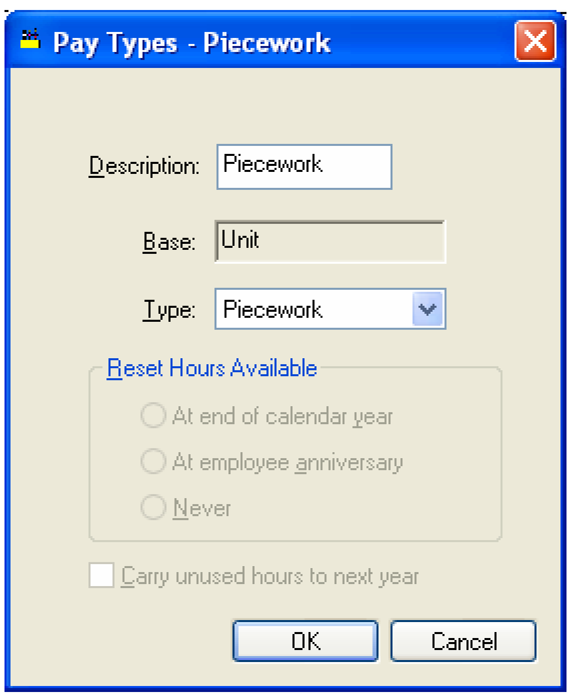
The piecework option must be enabled to use piecework payroll. Go to **Payroll > Options** to enable this option. Contact your EBMS customer service representative to add this option if the option does not appear.



A piecework pay type must be created if the type does not already exist. Go to **Payroll > Options** and click on the **Pay Types** tab to view the existing pay types.



Click on the **Add** button to a piecework pay type if the type does not already exist.

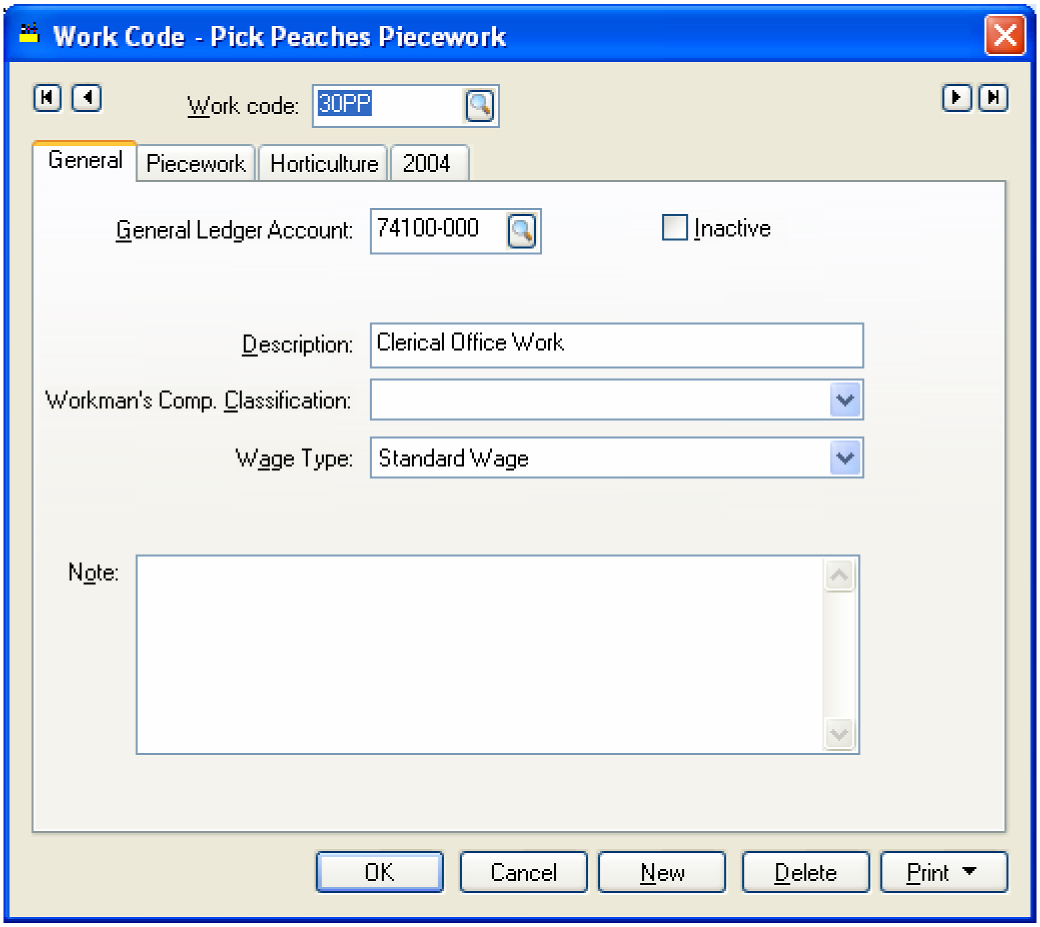


A common **Description** for the piecework pay type is **Piecework**. Set the **Type** option to **Piecework**. Note that the **Base** option is disabled since all piecework is based on units rather than dollars or hourly. All the other options are not applicable for a piecework pay type.

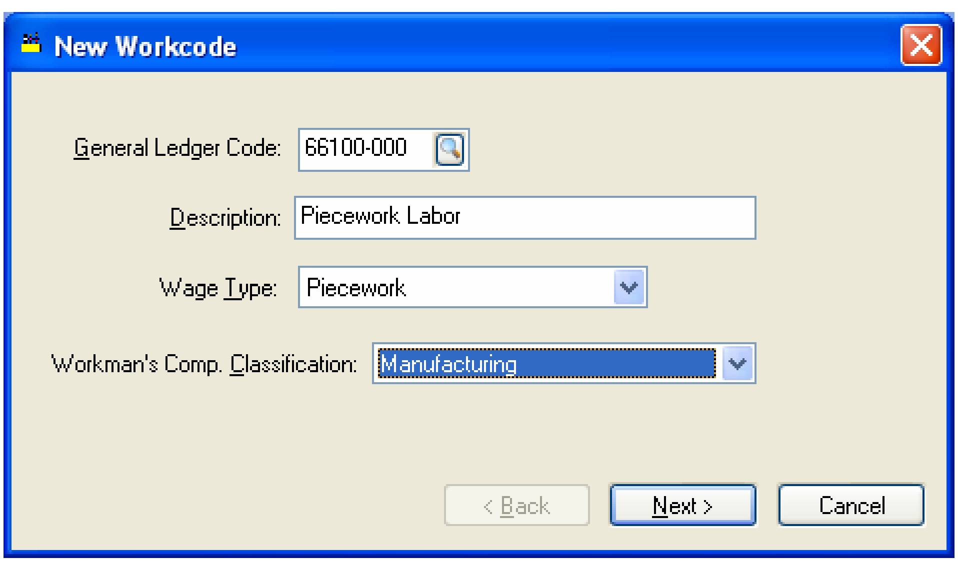
The piecework pay type must be added to the list of pay type options within an employee or group of employees. Review the pay tab section of Changing Employee Information to setup pay types within an employee.

Creating Piecework Work Codes

The EBMS payroll system includes the option to process and manage piecework labor. Click on **Payroll > Work Codes** from the main EBMS menu to create these codes.



Click on the **New** button to create a new piecework code.

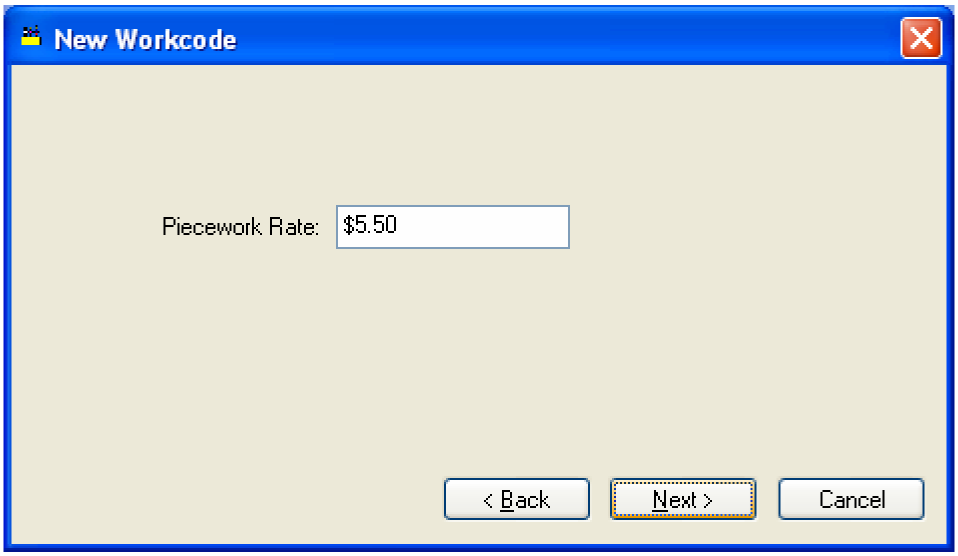


Enter the **General Ledger** expense **Code** to record the payroll labor costs. Review the General Ledger > Chart of Accounts > Adding General Ledger Accounts section within the main EBMS manual for more details on creating labor cost G/L accounts.

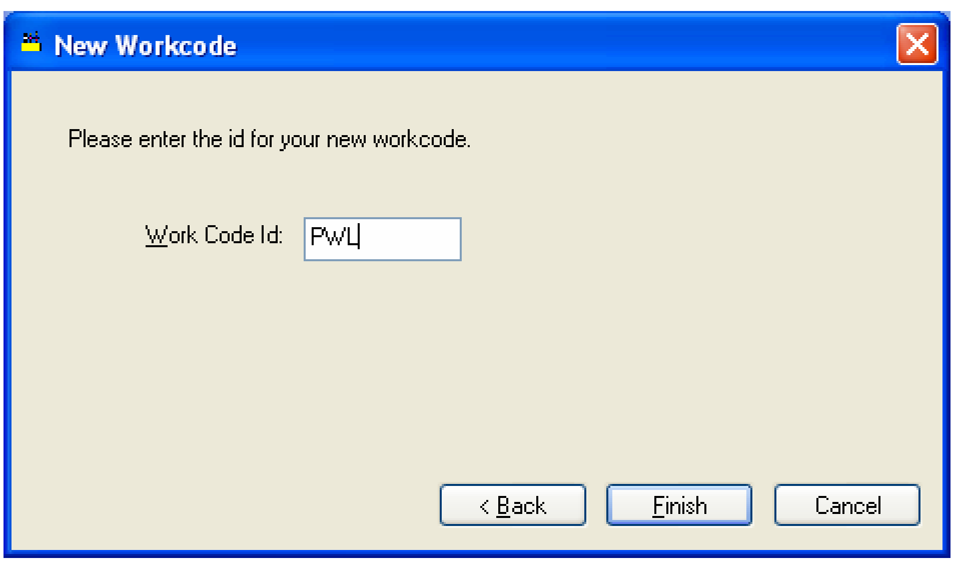
Enter a **Description** of the piecework code.

The **Wage Type** must be set to **Piecework** rather than a standard wage. Review the Work Codes section for details on creating standard wage work codes.

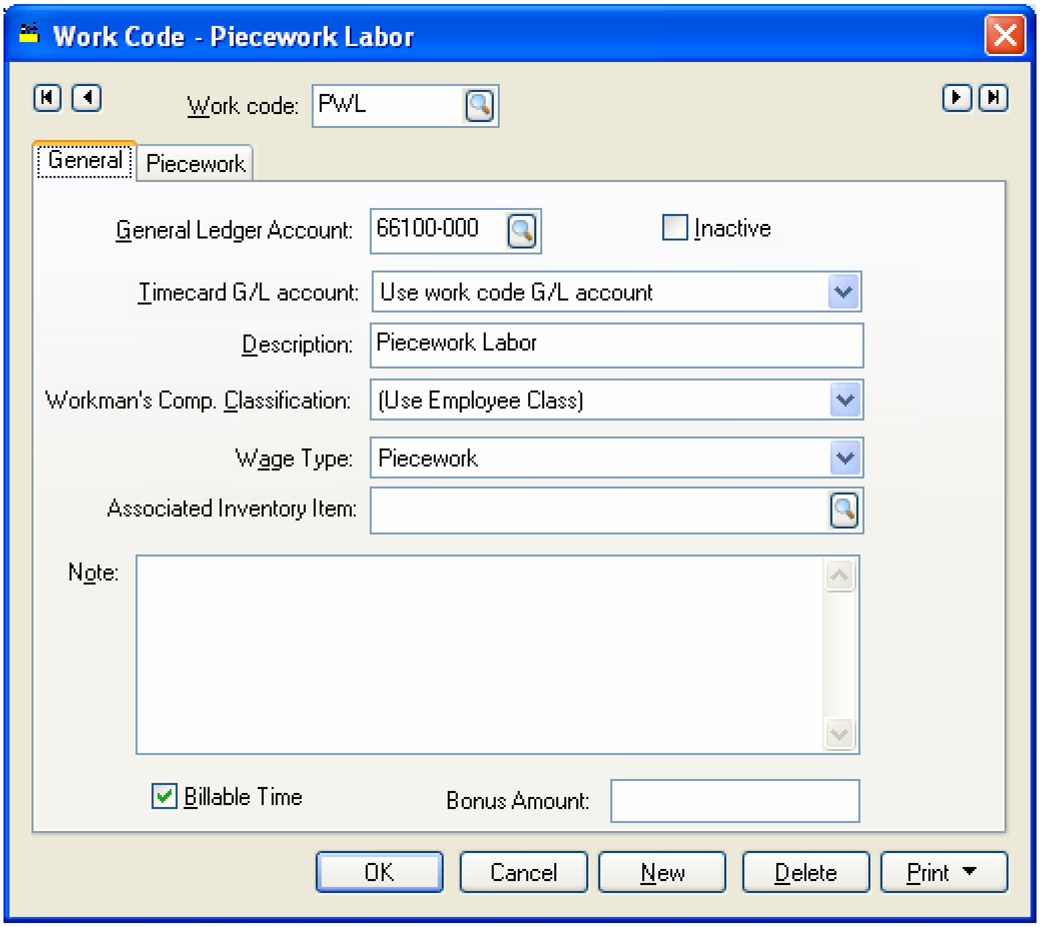
Set the appropriate **Workman's Comp. Classification**. Review the Workman's Compensation section for more details on this setting. Click **Next** to continue.



Enter the **Piecework Rate** for the piecework work code. Review the Variable Piecework Pay by Employee section for instructions on setting the piecework rate per employee. Click **Next** to continue.



Enter a **Work Code Id** for the piecework code and click **Finish** to open the work code dialog.



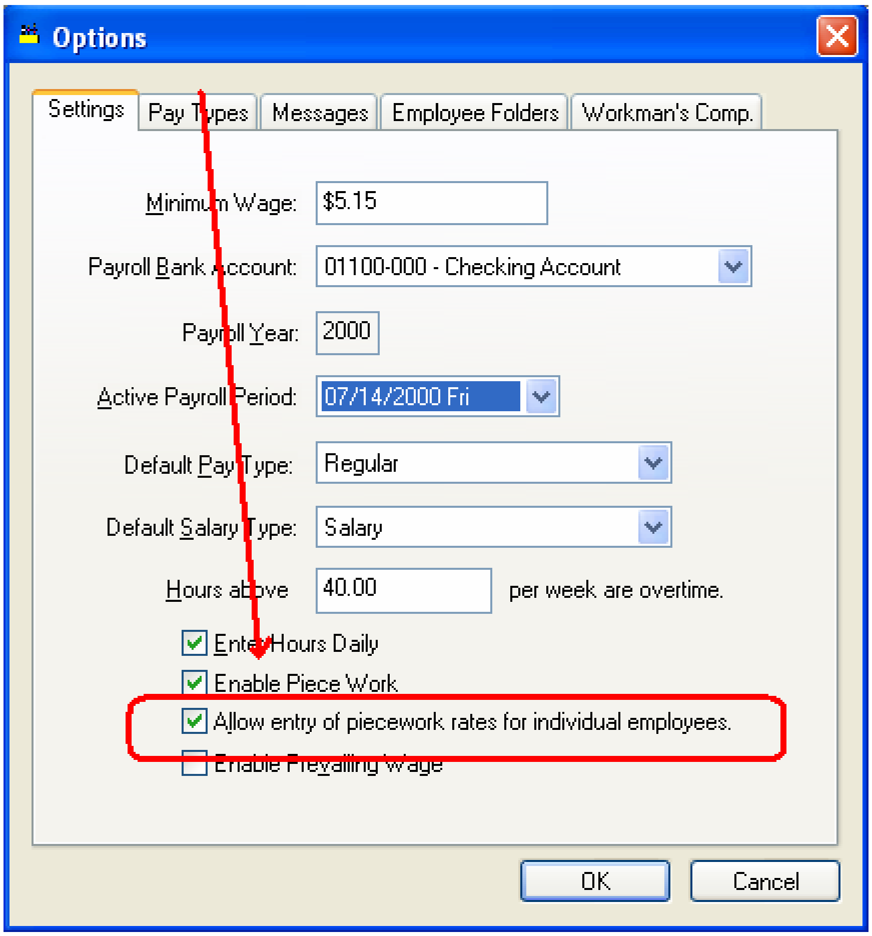
Click on the **Piecework** tab to change the piecework rate.

Review the Work Codes section for more details on creating work codes.

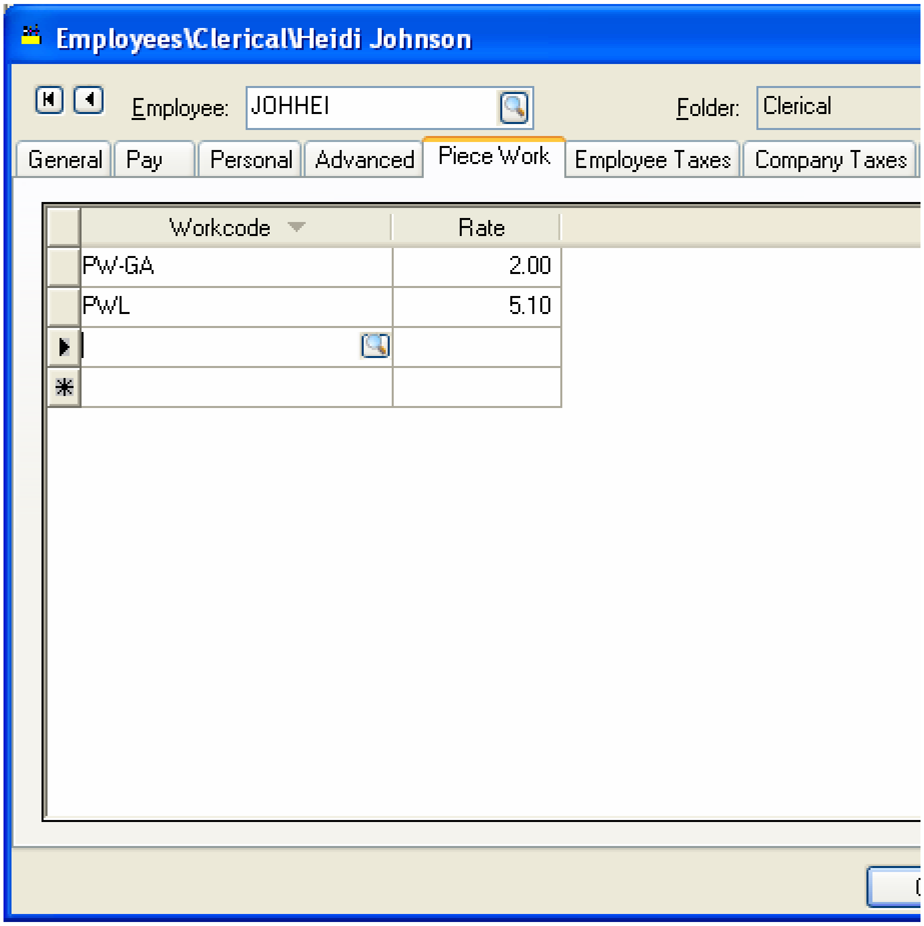
Variable Piecework Pay by Employee

Piecework pay may vary by employee. This section can be ignored if the piecework pay is consistent for each work code. Review the Creating Piecework Work Codes section for more details on entering the piecework pay within the work code.

The **Allow entry of piecework rates for individual employee** option must be enabled before piecework rates can be entered into the employee record. Select **Payroll > Options** from the main EBMS menu and enable the option within the **Settings** tab as shown below:



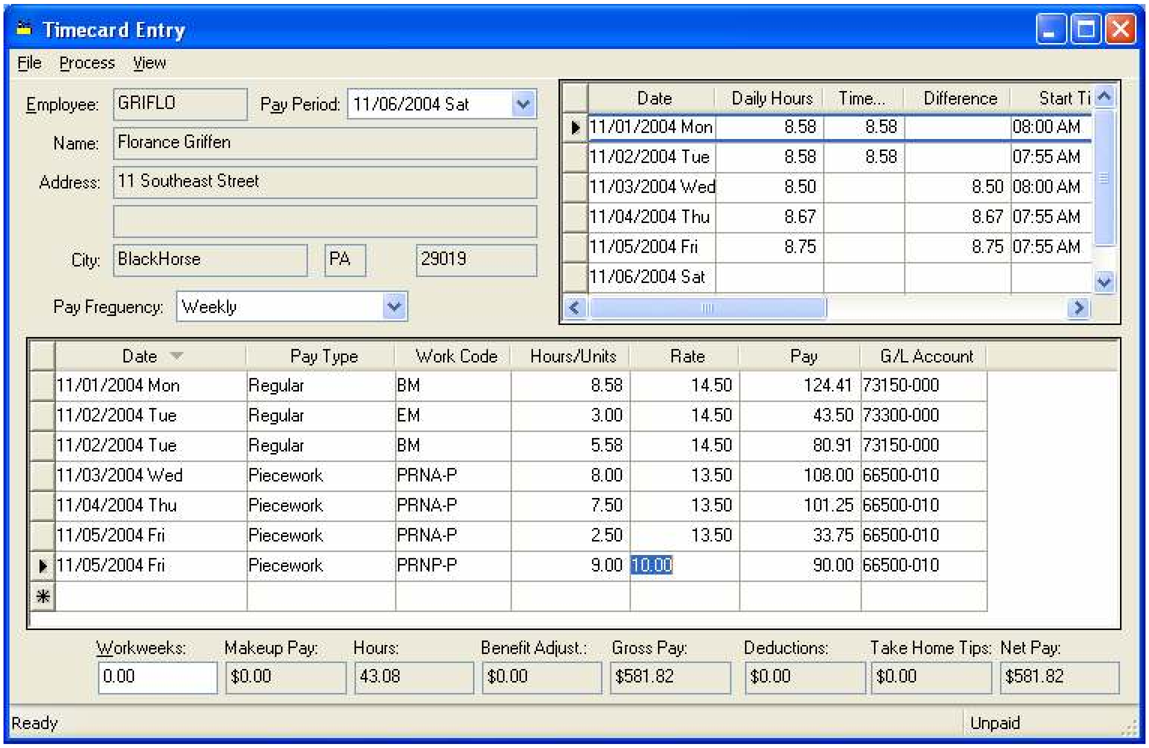
Open the employee record to set a piecework rate for an individual employee. Click on the **Piecework** tab as shown below:



Enter only the **Work Code**s within the employee tab that require a different rate from the standard piecework rate entered within the work code. The standard rate will be paid if a work code is not listed in the employee's **Piecework** tab. Enter the employee's piecework **Rate**.

Entering Piecework Pay into the timecard

Piecework pay is entered into the timecard using the **Payroll > Timecard** window the same way other types of pay is entered. Open a timecard by clicking on the **Payroll > Timecard**



It is important that the **Daily Hours** settings of the timecard are entered if the employee's timecard contains piecework pay. Review the Processing Payroll - Advanced > Daily Hours section of the payroll documentation for details on this entry.

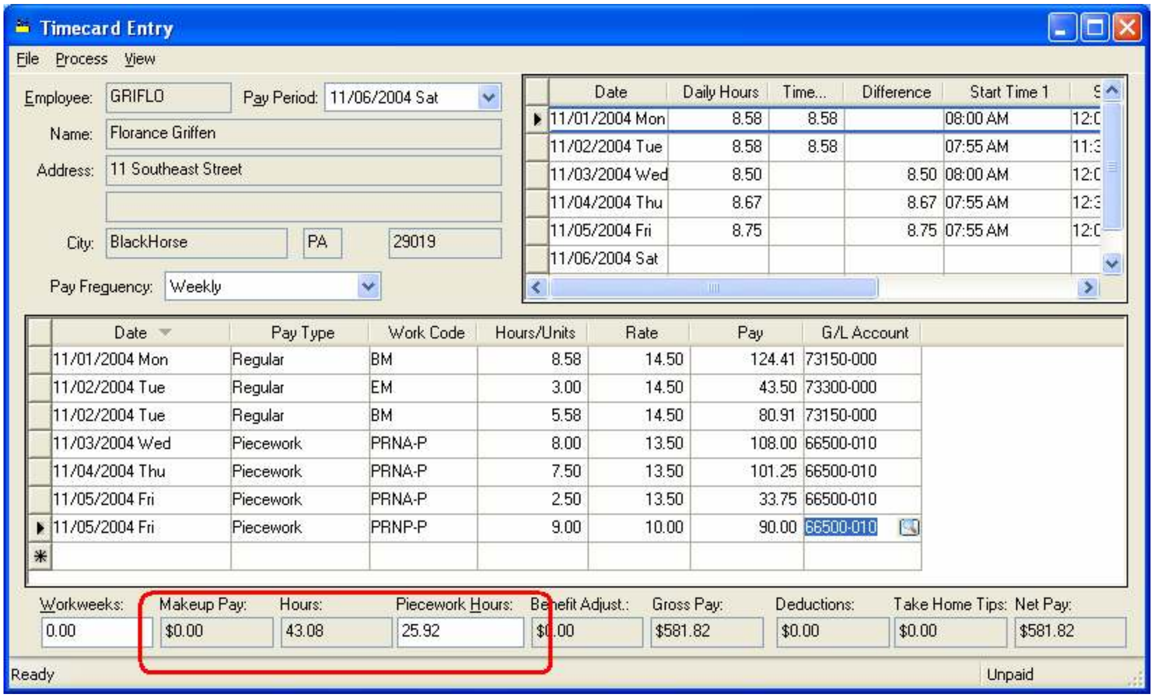
A timecard may contain an assortment of piecework pay and standard hourly pay.

- Enter the **Date** that the activity occurred in the same manner as standard pay.
- The **Pay Type** setting determines if the pay is based on piecework or standard pay. The piecework option must be enabled within **Payroll > Options**. Review the Piecework Pay > Piecework Pay Overview section of the payroll manual for details on creating the piecework **Pay Type**.
- The **Work Code** setting is dependent on the **Pay Type** setting. Only **Work Codes** that have a **Wage Type** option set to **Piecework** can be entered if the **Pay Type** is set to piecework. Go to **Payroll > Work Codes** to view or change this option. Only standard **Work Codes** can be entered if the **Pay Type** setting is to anything but piecework. Review the Piecework Pay > Creating Piecework Work Codes for more details on piecework work codes.
- Enter the quantity of hours into the **Hours/Units** column if the employee is being paid hourly. Enter the number of units if piecework pay is being entered.
- The **Rate** is derived from the **Piecework** tab of the work code rather than the hourly or salary rate if the **Pay Type** is set as piecework.

- The **Pay** column reflects the employee pay no matter what type of pay is being entered into the timecard.

Review the Processing Payroll > Entering Timecards section of the payroll documentation for details on other columns within the timecard.

Makeup Pay and **Piecework Hours** are values at the footer of the timecard that should be evaluated when processing timecards that contain piecework pay.

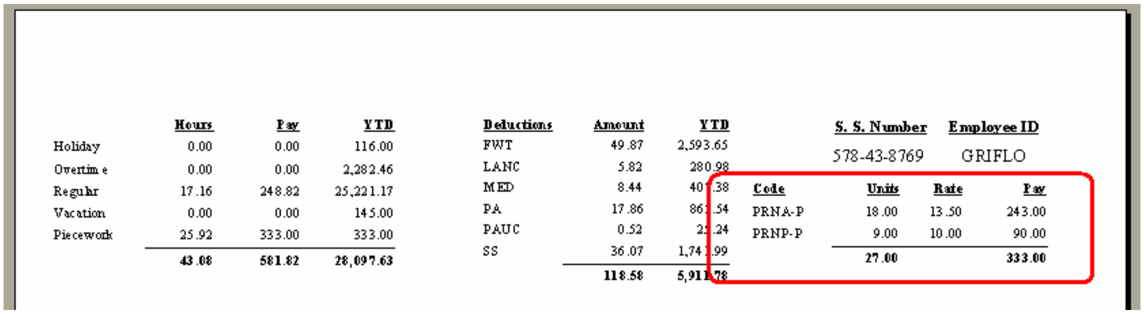


Makeup Pay is used to compensate the employee if the total pay does not match minimum wage requirement. The **Piecework Hours** value is calculated by subtracting the standard hours from total of the daily hours entered within the daily hours list. The **View > Daily Hours** option must be selected to display the daily hours on the top right pane of the timecard. Review the Processing Payroll - Advanced > Minimum Wage and Makeup Pay section for more details on **Makeup Pay** and **Piecework Hours**.

Review the payroll manual for more details on processing employee pay.

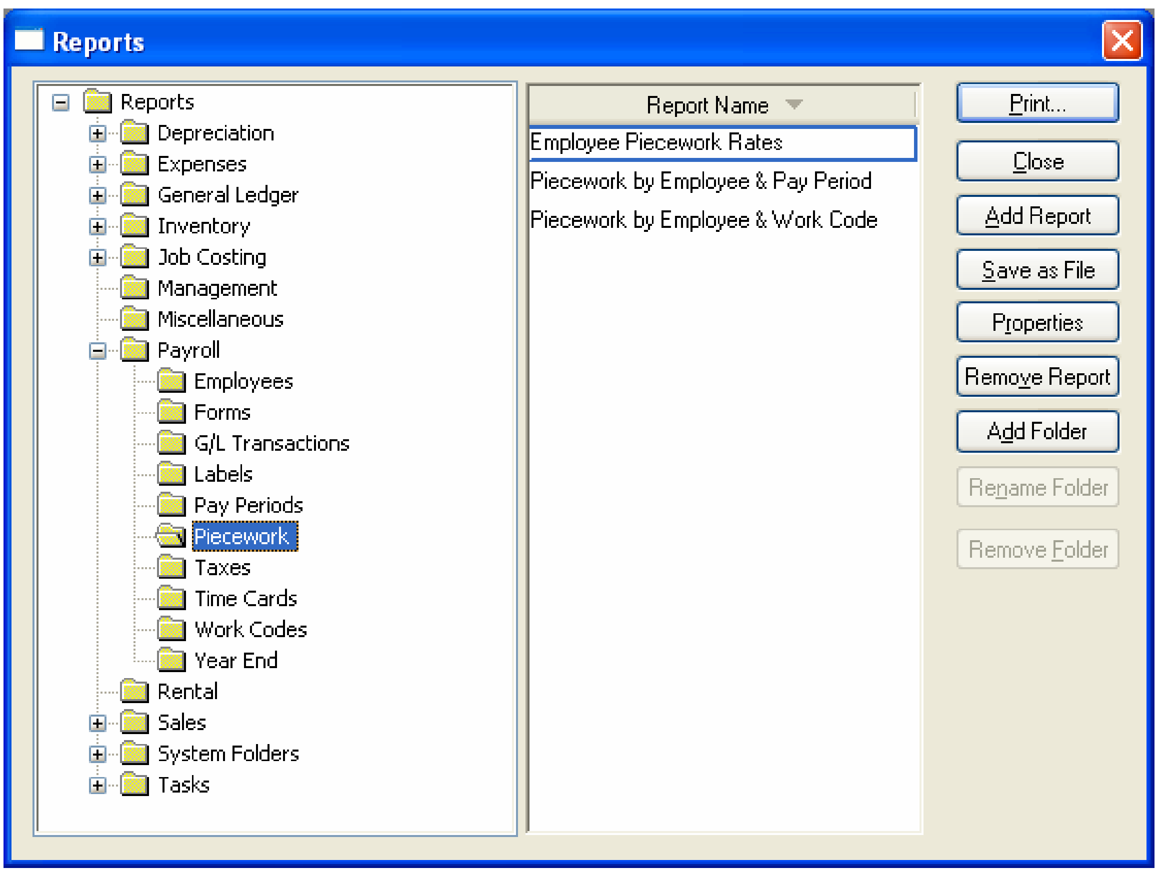
Piecework Forms and Reports

Piecework pay will be summarized on the employee's pay check stub as shown below:



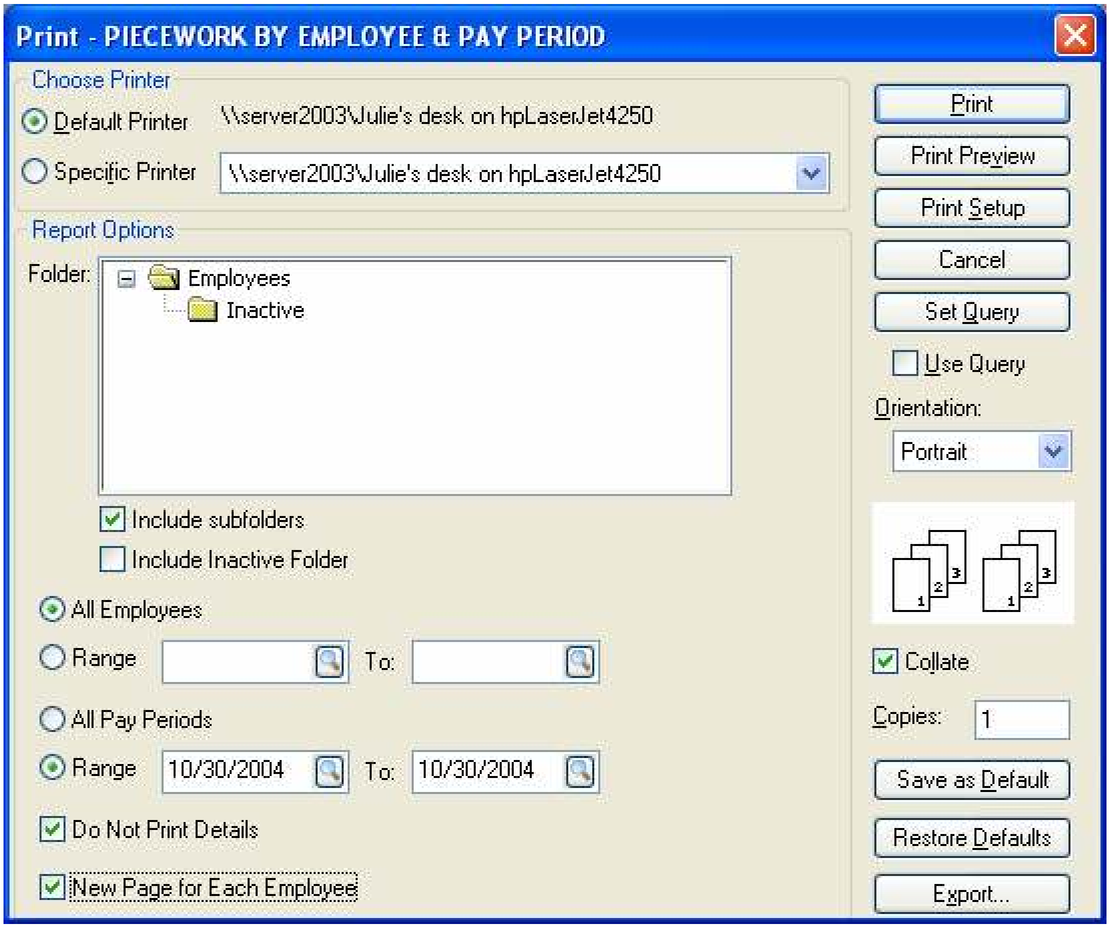
The amount of space available to display the piecework information is limited so the user may need to generate an additional report for the employee. Complete the following steps to generate this report.

1. Go to **File > Reports** to open the reports menu.



2. Select **Reports > Payroll > Piecework** to view the available piecework reports.

3. Select the **Piecework by Employee & Pay Period** report and click on the **Print** button.



4. Set the **Range** of employees or select **All Employees** to print piecework details for all employees.

5. Select the current pay period from the **Range** prompt to print only the piecework information from a single pay period.

6. Enable the **Do Not Print Details** to print a piecework summary. This option should be disabled to list each individual piecework item. The details is important if the employee wishes to compare ticket stubs to the report.

7. Enable the **New Page for Each Employee** option if the report is given to individual employees.

The following report sample includes details.

Piecework by Employee & Pay Period

Quality Orchard
All Employees
Pay Period: 11/06/2004

123 Country Lane
PO Box 777
Fruit Haven, PA 18987
www.qualityorchard.com

November 06, 2006
12:14:45 pm
Page: 1

		Date	Units	Rate	Gross Pay	GL Code
GRIFLO - Florance Griffen						
■ **11/06/2004**						
	PRNA-P	Prune Apples - Piecework				
		11/4/2004	7.50	13.50	101.25	66500-010
		11/5/2004	2.50	13.50	33.75	66500-010
		11/3/2004	8.00	13.50	108.00	66500-010
	Work Code Totals		18.00		243.00	
	PRNP-P	Prune Peaches Piece Rate				
		11/5/2004	9.00	10.00	90.00	66500-010
	Work Code Totals		9.00		90.00	
Pay Period Totals:			**27.00**		**333.00**	
Employee Totals:			**27.00**		**333.00**	
LITROB - Robert Little						
■ **11/06/2004**						
	B20AF	20 Bu. Bin Fresh $11.00				
		11/3/2004	1.00	11.00	11.00	66510-010
		11/3/2004	1.00	11.00	11.00	66510-010
		11/3/2004	1.00	11.00	11.00	66510-010
		11/3/2004	1.00	11.00	11.00	66510-010
		11/3/2004	1.00	11.00	11.00	66510-010
		11/3/2004	1.00	11.00	11.00	66510-010
		11/5/2004	1.00	11.00	11.00	66510-010
		11/5/2004	1.00	11.00	11.00	66510-010
		11/5/2004	1.00	11.00	11.00	66510-010
	Work Code Totals		9.00		99.00	
	B25AF	25 Bu Fresh Apples Bin $14.50				
		11/5/2004	1.00	14.50	14.50	66510-010
		11/5/2004	1.00	14.50	14.50	66510-010
	Work Code Totals		2.00		29.00	
Pay Period Totals:			**11.00**		**128.00**	
Employee Totals:			**11.00**		**128.00**	
Grand Totals:			**38.00**		**461.00**	

The following report is a summary.

Piecework by Employee & Pay Period

Quality Orchard
All Employees
Pay Period: 11/06/2004

123 Country Lane
PO Box 777
Fruit Haven, PA 18987
www.qualityorchard.com

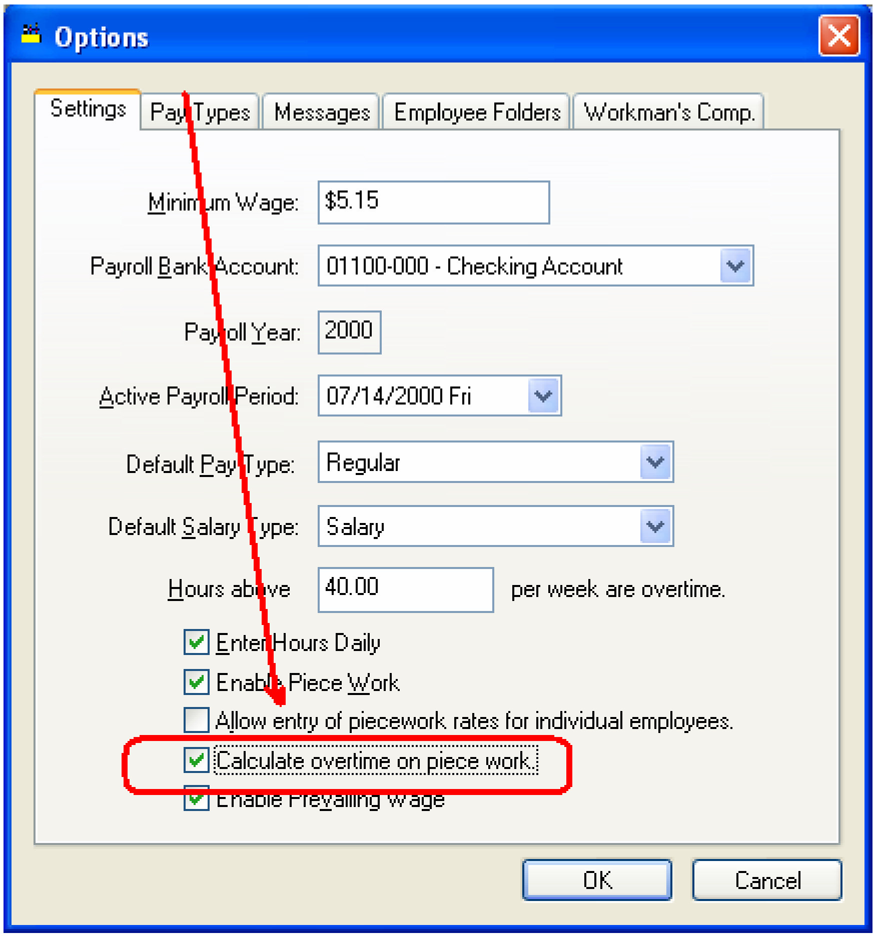
November 06, 2006
12:13:04 pm
Page: 1

	Date	Units	Rate	Gross Pay	GL Code
GRIFLO - Florance Griffen					
■ **11/06/2004**					
	PRNA-P - Prune Apples - Piecewo	18.00	13.50	243.00	66500-010
	PRNP-P - Prune Peaches Piece R	9.00	10.00	90.00	66500-010
Pay Period Totals:		**27.00**		**333.00**	
Employee Totals:		**27.00**		**333.00**	
LITROB - Robert Little					
■ **11/06/2004**					
	B20AF - 20 Bu. Bin Fresh $11.00	9.00	11.00	99.00	66510-010
	B25AF - 25 Bu Fresh Apples Bin $	2.00	14.50	29.00	66510-010
Pay Period Totals:		**11.00**		**128.00**	
Employee Totals:		**11.00**		**128.00**	

Calculating Overtime Piecework Pay

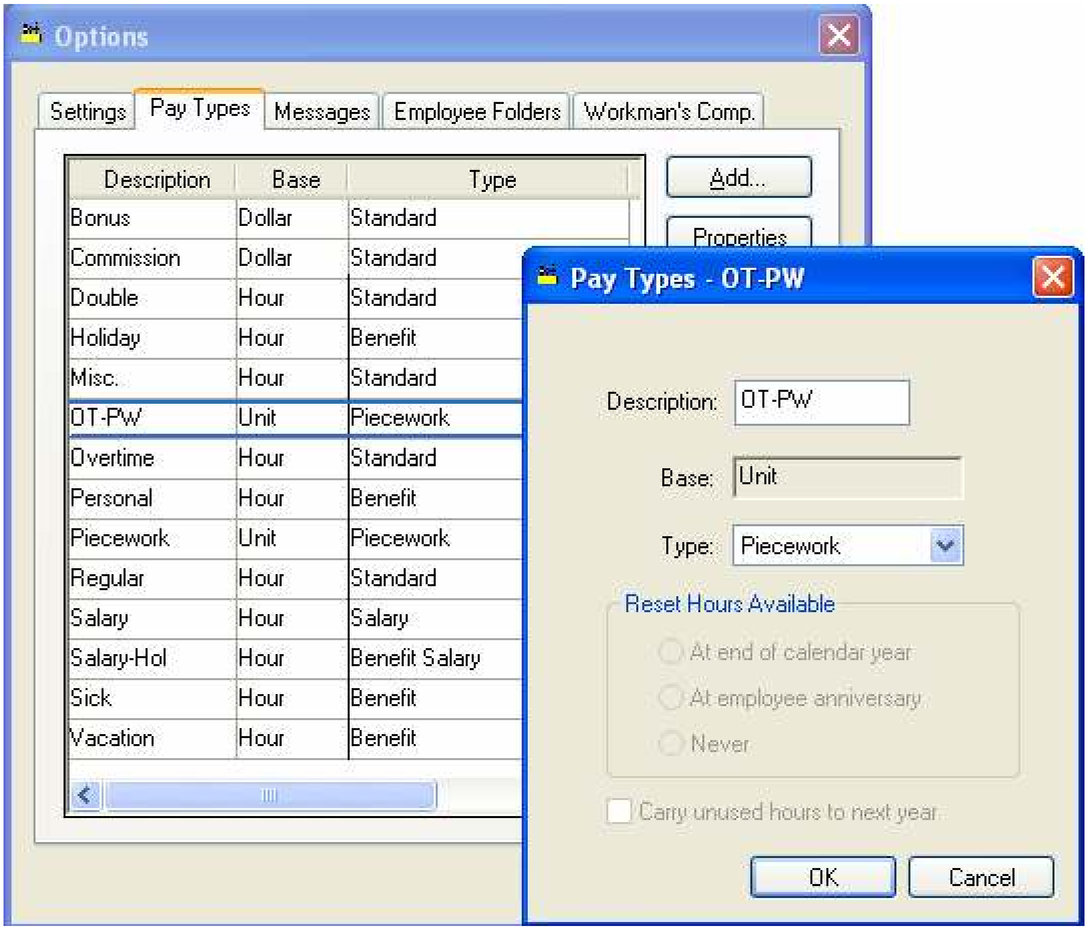
Increased piecework pay may be required for overtime labor. This process will increase the piecework pay by time and a half in the same was regular overtime pay. EBMS gives the user a number of options especially if the employee has a mixture of hourly pay and piecework pay. Continue with the following section for details on these options.

1. Go to **Payroll > Options** as shown below:



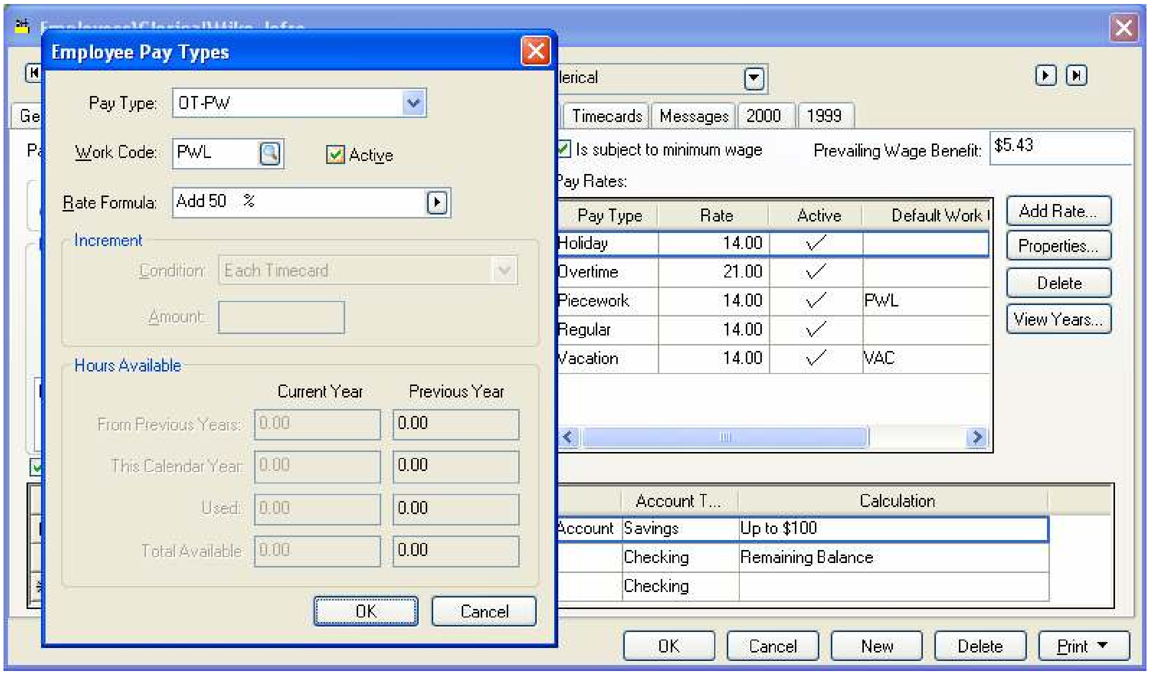
2. Enable the **Calculate overtime on piecework** option and click **OK**.

3. The next step is to create an overtime piecework pay type if it does not already exist. Select **Payroll > Options** from the EBMS menu and click on the **Pay Types** tab as shown below:



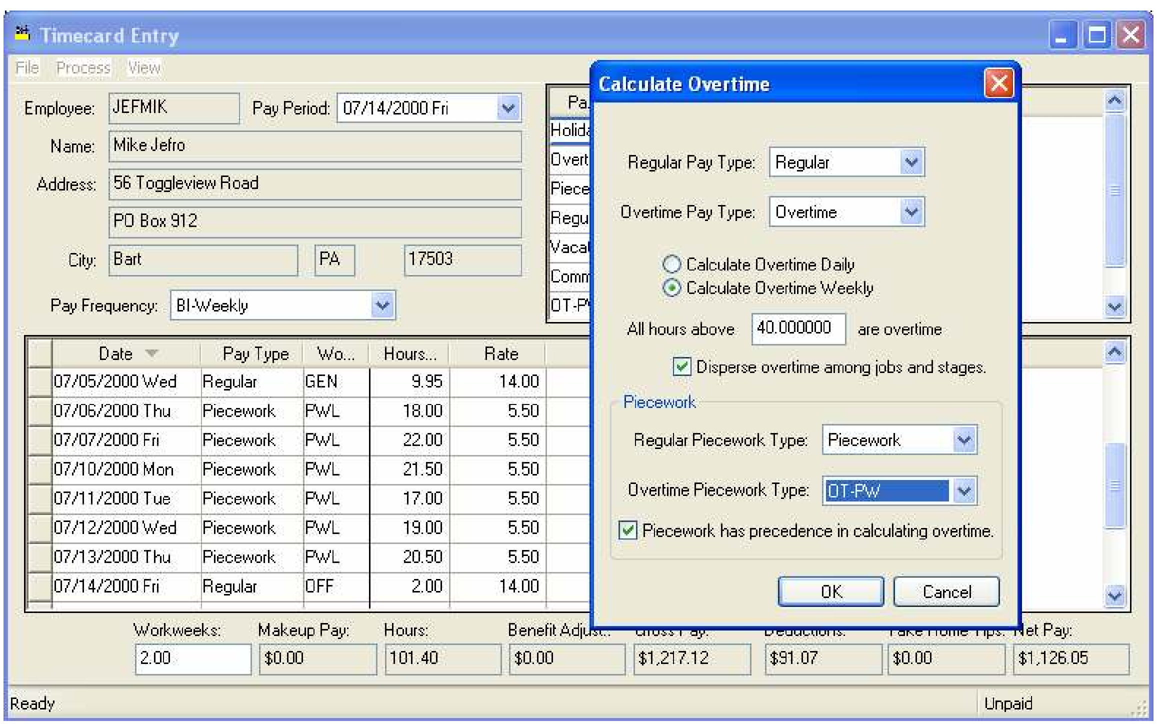
4. Click on the **Add** button if no piecework overtime pay type exists. Enter the overtime piecework pay type **Description**. Change the **Type** option to **Piecework** and the **Base** entry will be changed to **Unit** as shown above. Click the **OK** button to save the pay type.

5. The pay type must be added to each employee that is being paid piecework overtime as shown below:



6. Make sure the **Rate Formula** is set to **Add 50 %** as show above. Review the Pay tab section of Changing Employee Information section for details on adding pay types into the employee's **Pay** tab. Review the Pay Tab section of the Setting Employee Defaults section to add the pay type to a group of an employees or all employees. Save the employee record by clicking the **OK** button.

7. Enter hourly and piecework time into the timecard using the standard pay types as described in the Processing Payroll > Entering Timecards section of the documentation.



Click on the **Process > Calculate Overtime** option from the timecard menu. The **Regular Pay Type** and **Overtime Pay Type** settings must be set properly. Review the Processing Payroll > Calculating Overtime section for more details on the standard overtime fields.

8. Set the **Regular Piecework Type** and **Overtime Piecework Type**. These are pay types created within the **Payroll > Options > Pay Type** tab described earlier in this section. Review the Getting Started > Pay Types section for more details on pay types.

9. The **Piecework has precedence in calculating overtime** option will determine if the hourly or piecework time has precedence. The following tables describe the calculations that are completed using the overhead wizard and the affect that this option on the pay calculations.

   The following table includes only regular hourly and piecework pay.

Pay Type	**Work Code**	**Units/Hours**	**Rate**	**Total Pay**
Reg Piecework	A	20	10.00	200.00
Reg Piecework	B	10	5.00	50.00
Reg Piecework	B	30	5.00	150.00
Reg Hourly	C	10	15.00	150.00
Totals:		**60units / 10hrs**		**550.00**

   If **Piecework has precedence in calculating overtime** option is enabled the wizard will determine the ratio of piecework overtime. If the employee worked 50 hours this week, then 10 hours of the 40 piecework hours (50 – hourly time) are overtime. This results in 25% of the piecework being overtime. The wizard will create overtime piecework lines in the timecard for each work code. The following chart illustrates how these new lines are created in the timecard:

Pay Type	**Work Code**	**Units/Hours**	**Rate**	**Total Pay**
Reg Piecework	A	15	10.00	150.00
Reg Piecework	B	10	5.00	50.00
Reg Piecework	B	20	5.00	100.00
Reg Hourly	C	10	15.00	150.00
OT Piecework	*A*	*5*	*15.00*	*75.00*
OT Piecework	*B*	*10*	*7.50*	*75.00*
Totals:		**60units / 10hrs**		**600.00**

   If **Piecework has precedence in calculating overtime** option is disabled the wizard results will be as follows:

Pay Type	**Work Code**	**Units/Hours**	**Rate**	**Total Pay**
Reg Piecework	A	20	10.00	200.00
Reg Piecework	B	10	5.00	50.00
Reg Piecework	B	30	5.00	150.00
OT Hourly	*C*	*10*	*22.50*	*225.00*
Totals:		**60units / 10hrs**		**625.00**

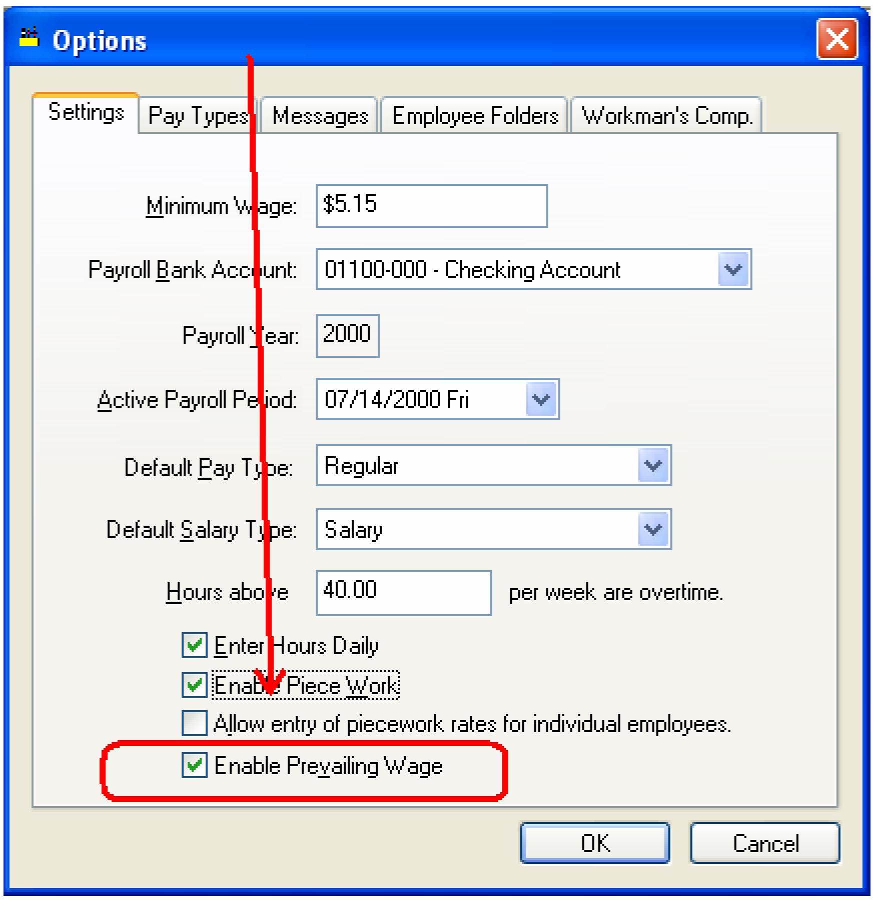
10. Click the **OK** button to create the overtime records.
11. Repeat this step for each timecard that contains hourly and piecework pay.

Prevailing Wages

Overview of Prevailing Wages

Prevailing wages are used when certified payroll is required. The option allows the user to generate prevailing wages based on a job and employee.

The **Enable Prevailing Wage** option must be checked to use the prevailing wage feature within EBMS. Select **Payroll > Options** from the EBMS menu and enable this option within the **Settings** tab as shown below:

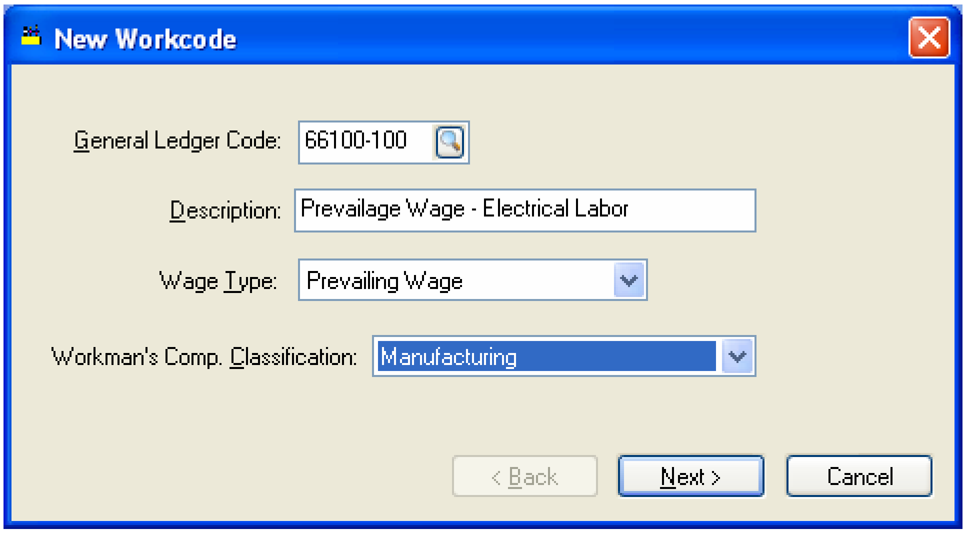


The prevailing wage rate is set within the payroll work code. Review the Prevailing Wage Rates within the Work Code section for details on setting the rate.

Creating Work Codes for Prevailing Wage Rates

The prevailing wage rates are set within the payroll work code. Complete the following steps to create a work code for a prevailing wage:

1) Select **Payroll > Work Codes** from the main EBMS menu and click the **New** button. The following new work code dialog will open:



2) Enter the expense **General Ledger Account**. This entry identifies the expense general ledger account into which the payroll expenses are posted when the work code is processed within a timecard. It is possible to direct multiple work codes into a single general ledger account to create detailed work code history without using a large number of different general ledger wage accounts.

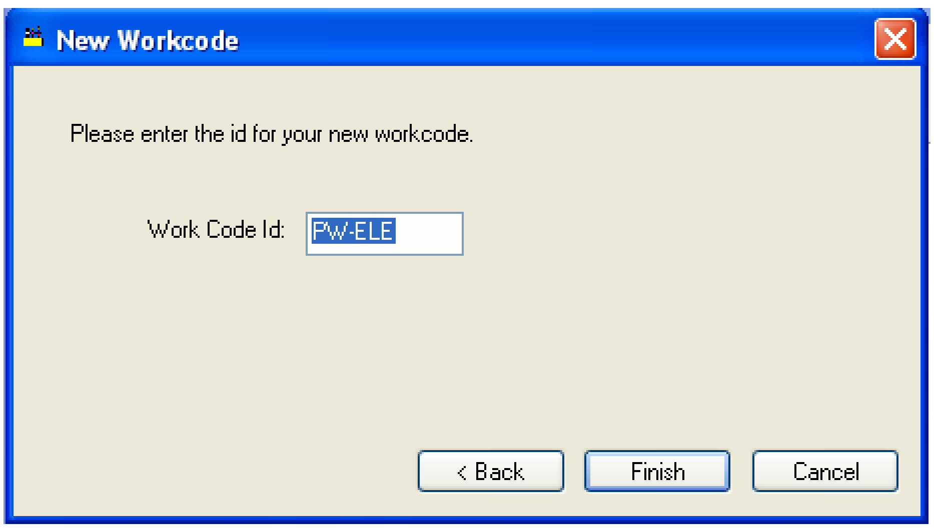
3) Enter a **Description** of the prevailing wage work code.

4) The **Wage Type** must be set to **Prevailing Wage**.

5) Set the appropriate **Workman's Comp Classification**. Review the Workman's Compensation section for more details on this setting.

6) Click **Next** to continue to the next page:

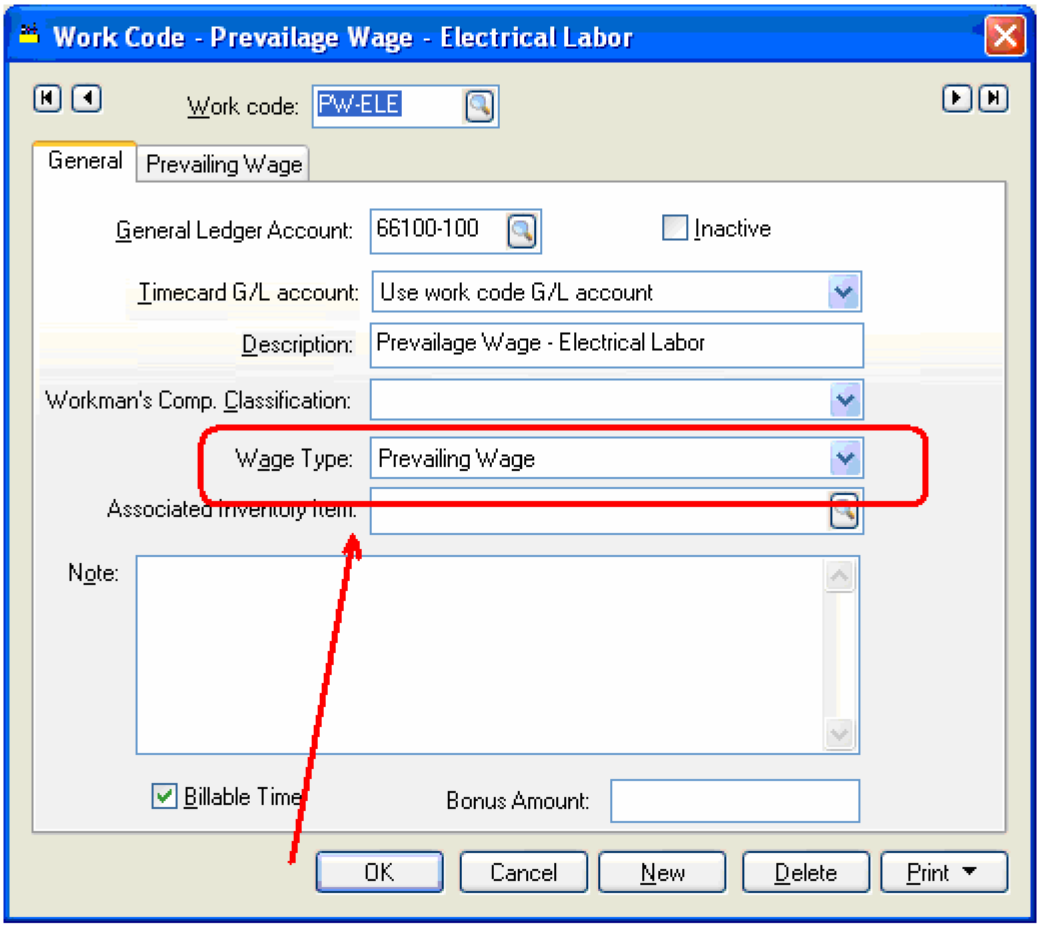
7) Enter a **Prevailing Wage Rate** if the job costing module is NOT installed. This rate is not applicable with job costing since prevailing wage rates are set per job. Instructions on entering job rates are listed below.



8) Enter the **Work Code Id** for the new prevailing wage work code and click the **Finish** button. Click on the **Prevailing Wage** tab of the work code and enter the prevailing wage rates for each job. Review the Prevailing Wage Rates section for more details on creating rates.

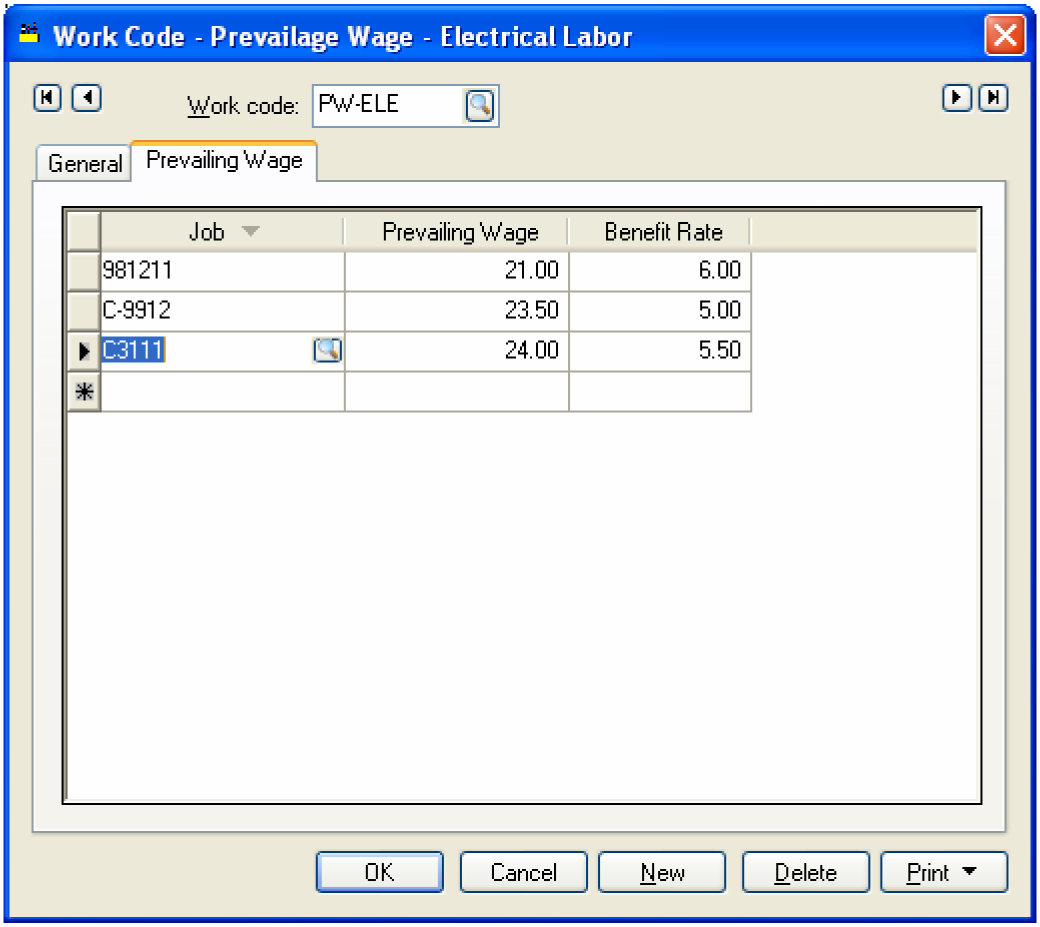
Prevailing Wage Rates

Click on **Payroll > Work Codes** to set the rate for each work code. Prevailing wages are normally set based on the type of work that is performed on the job. Create a separate work code for each type of task that contains a different prevailing wage rate. Review the Creating Work Codes for Prevailing Wage Rates section for more detail on creating work codes for prevailing wages.

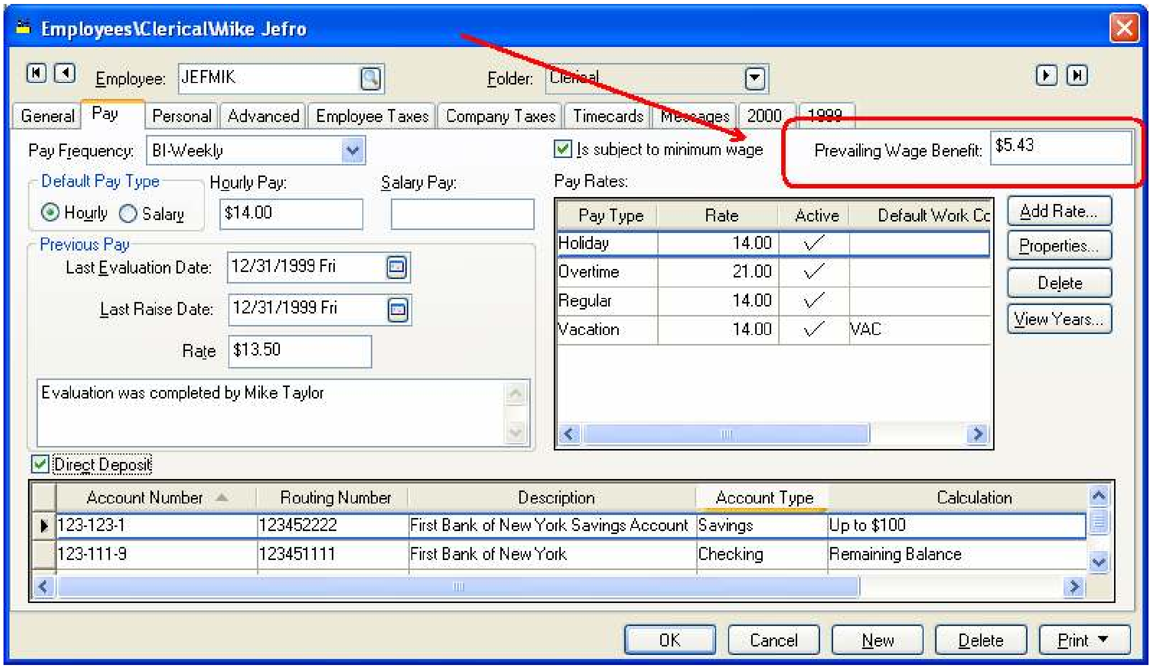


A **Prevailing Wage** tab will appear if the **Wage Type** is set to **Prevailing Wage** as shown above. Click on the **Prevailing Wage** tab.

The following job list will appear on the tab if the optional Job Costing module is installed within EBMS. Otherwise the **Prevailing Wage** tab will only show a single set of rates. The Job Costing module must be installed to set prevailing wages based on the job. Contact an EBMS customer service rep for more details on the job costing module.



The **Prevailing Wage** tab will show a table of job entries if the Job costing module exists. The prevailing wage rate consists of two rates; **Prevailing Wage** and the **Benefit Rate**. The employee is paid a minimum of the **Prevailing Wage** rate and a maximum based on the **Prevailing Wage** rate plus the **Benefit Rate**. For example based on the example shown below, the employee will be paid a minimum of $21 an hour for job - 981211 or a maximum of $27 an hour based on the **Prevailing Wage Benefit** set within the employee. Click on the **Pay** tab of an employee to set the **Prevailing Wage Benefit** rate as shown below.

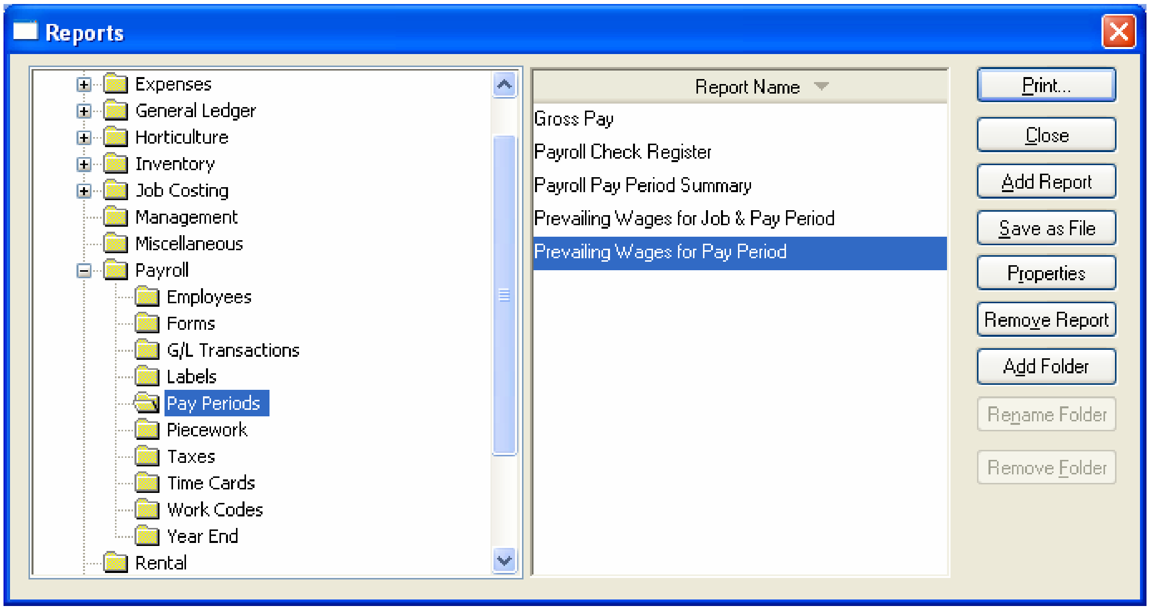


The **Prevailing Wage Benefit** rate should reflect to the total value of the benefits given to an employee such as holiday pay, vacation pay, medical insurance, and any other company paid benefit. This rate will be used calculate the prevailing wage within the timecard. The employee's pay = the **Prevailing Wage** rate within the work code tab + (the **Benefit Rate** within the work code – **Prevailing Wage Benefit** rate set within the employee). If the **Prevailing Wage Benefit** rate within the employee record is greater than the **Benefit Rate** within the work code the total pay will be equal the **Prevailing Wage** amount found in the work code.

Using the examples shown above, Mike Jeffro (JEFMIK) will be paid a prevailing wage of $21.57 an hour for electrical labor (PW-ELE work code) for the 981211 job.

Note: The formula set for hourly pay must be set to use the hourly pay setting within the pay tab for prevailing wages to be calculated properly. For example, the **Regular** pay type formula must be set to **Equal to** rather than set to a specific rate. Review the Setting Employee Defaults section for more details on setting pay rates.

Go to the **File > Reports** option from the main EBMS menu to view the prevailing wage reports.



You will find the prevailing wage reports within the **Payroll > Pay Periods** section of the reports menu as shown above.

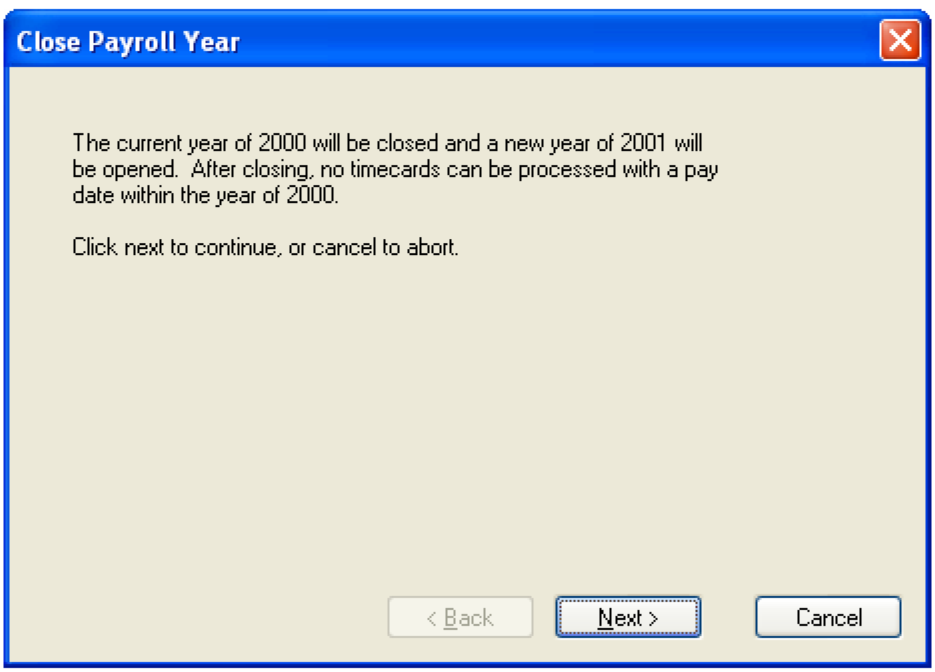
Closing the Payroll Year

Closing

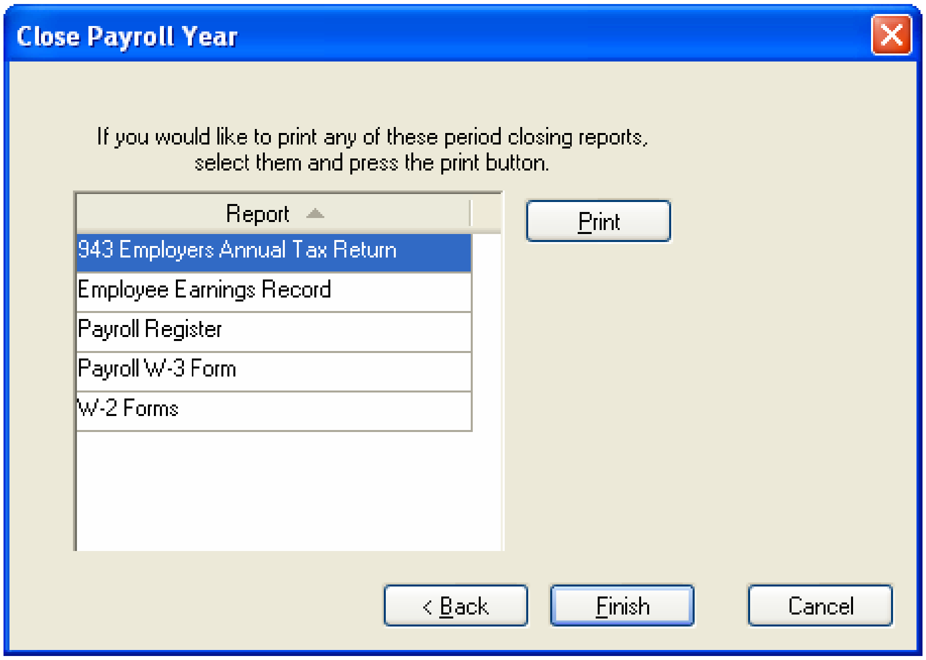
At the end of each calendar year the payroll year must be closed before any additional pay can be processed within a new year. The pay date rather than the pay period date indicates if the payroll falls within the new year or the past year. For example, a payroll with a pay period ending date within the year of 1999 and a pay date within the year of 2000 is considered within the new year. The **Close Year** function must be completed before the new pay period can be created. Adjustments can be made to last year's data via journal entries and year-end reports such as W-2s and wage summaries can be printed after the year is closed.

The **Close Payroll Year** wizard closes the current payroll year and opens a new year. All timecards that have been created within the current year must be processed or deleted before the year can be closed. Make sure that no one is entering, editing, or processing timecards while the **Close Payroll Year** wizard is in process.

1. Select **Close Payroll Year** from the main **Payroll** menu to activate the close year wizard.



2. Click on the **Next** button to continue. The wizard will prompt the user to close all pay periods if any payroll periods are open. Note that you cannot add or modify any timecards within a closed pay period.



3. Highlight each report and click the **Print** button. Note that these reports can be printed after the year is closed. To print the reports listed within this wizard after the reports are closed, go to **File > Reports > System Folders > Payroll > Close Year** and select the reports from the report list. See the next paragraph on **Adding Reports to the Close Payroll Year Wizard** for the necessary steps in adding reports to this list.

Adding Reports to the Close Payroll Year Wizard

Complete the following steps to insert additional reports into the Close Payroll Year wizard.

1. Go to **File > Reports > System Folders > Payroll > Close Year** folder.

2. Drag a payroll report from any other payroll folder into the **Close Year** folder or click on the **Add Report** button and insert the desired report. Each report located within the **Close Year** folder will be listed within the **Close Payroll Year** wizard.

   Review the Reports > Report Menu section for more details on system folders.

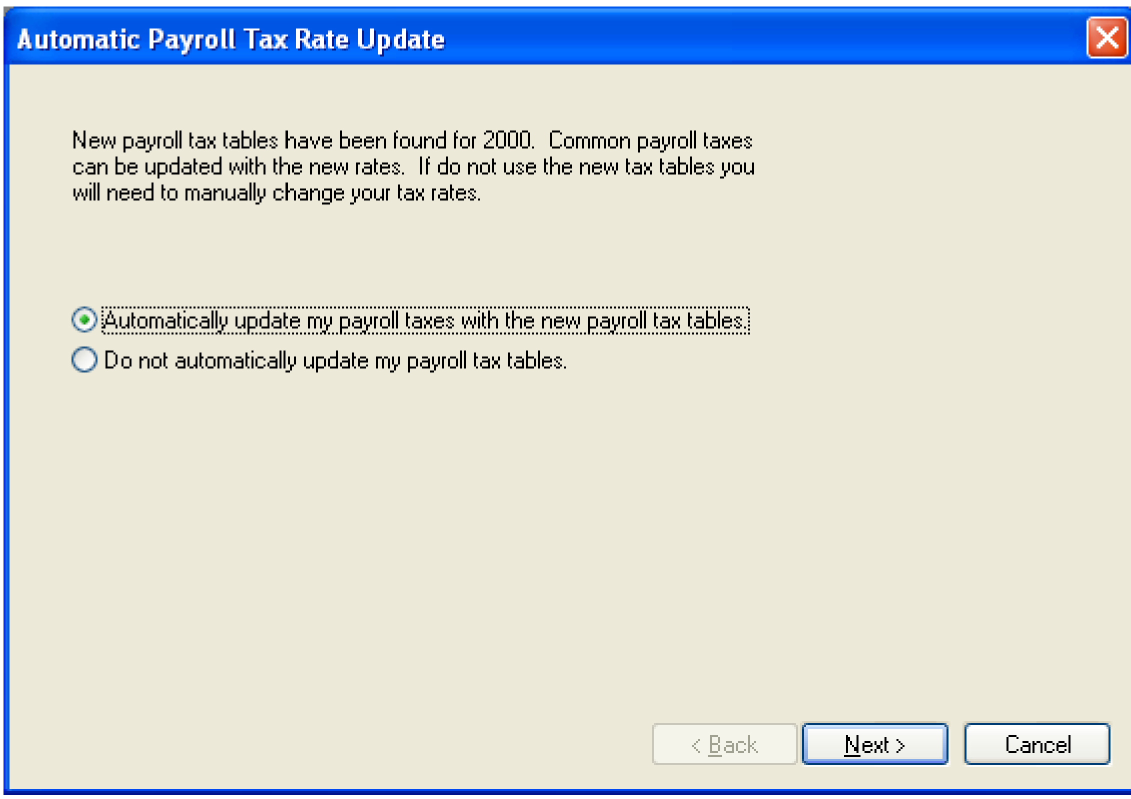
Click on the **Finish** button to close the year. The wizard will continue with the **Automatic Payroll Tax Update** wizard, which is explained in the next section.

Automatic Payroll Tax Update

The Automatic payroll tax update wizard is used to update the most common tax and deduction rates within the payroll system with the new year's rates. Many taxes and deductions such as local income tax and unemployment tax will not be updated. An accountant or tax consultant SHOULD REVIEW ALL RATES. EBMS does NOT CERTIFY THESE RATES and is not liable for any rates used within this software.

The **Automatic Payroll Tax Update** wizard is activated after a payroll year is closed but can also be started by going to **Payroll > Utilities > Tax/Deduction Rate Update**. If payroll has already been closed DO NOT RERUN THE CLOSE PAYROLL YEAR WIZARD TO UPDATE TAXES, but rather access the wizard from the **Utilities** menu.

The following dialog will appear if the **Automatic Payroll Tax Update** wizard is activated:



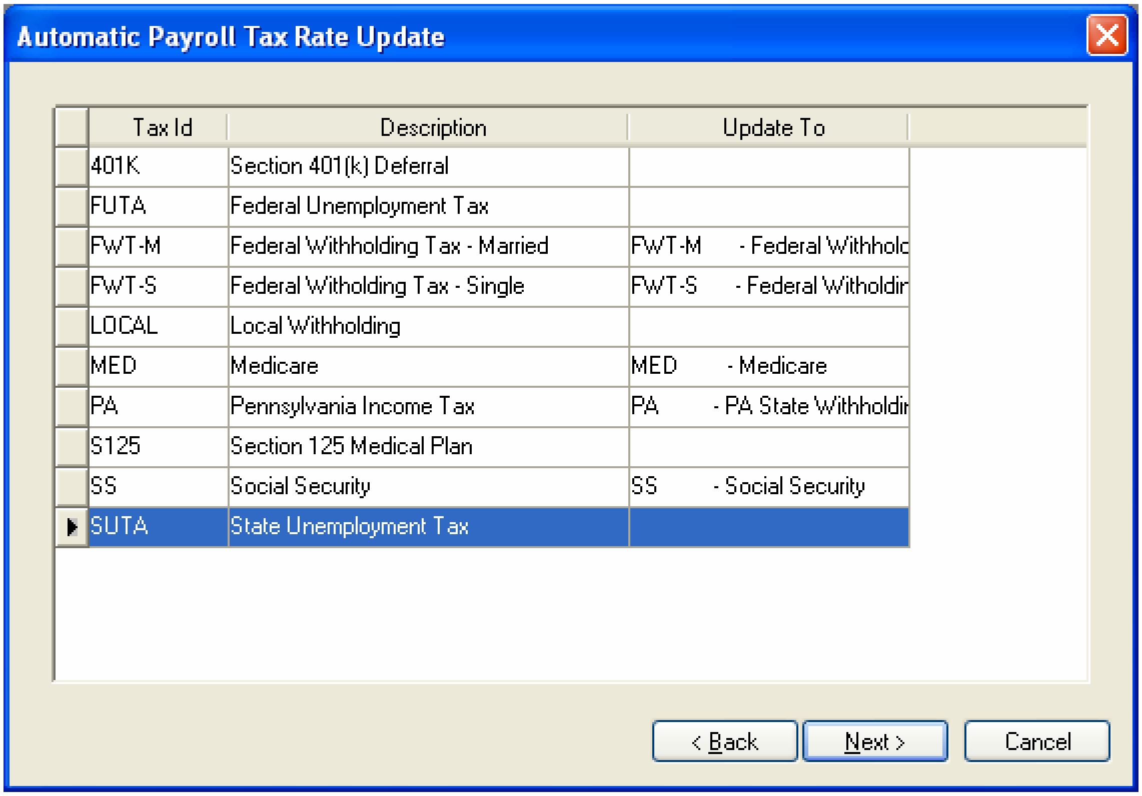
The first page of the Update wizard will contain two options if any payroll tax update files have been found. The wizard will advise the user if the updated tax rate file cannot be found. Contact your Eagle Solutions' consultant for tax update information. Do not process any payroll within the New Year until all tax rate changes have been entered.

1. Click on the first option – **Automatically update my payroll taxes…** to continue with rate updates or click on the second option – **Do not automatically update…** to not change payroll rates and manually change all rates or change them at a later date.

   Click the **Cancel** button if you do not wish to continue with the tax updates.

   Click the **Next** button to continue.

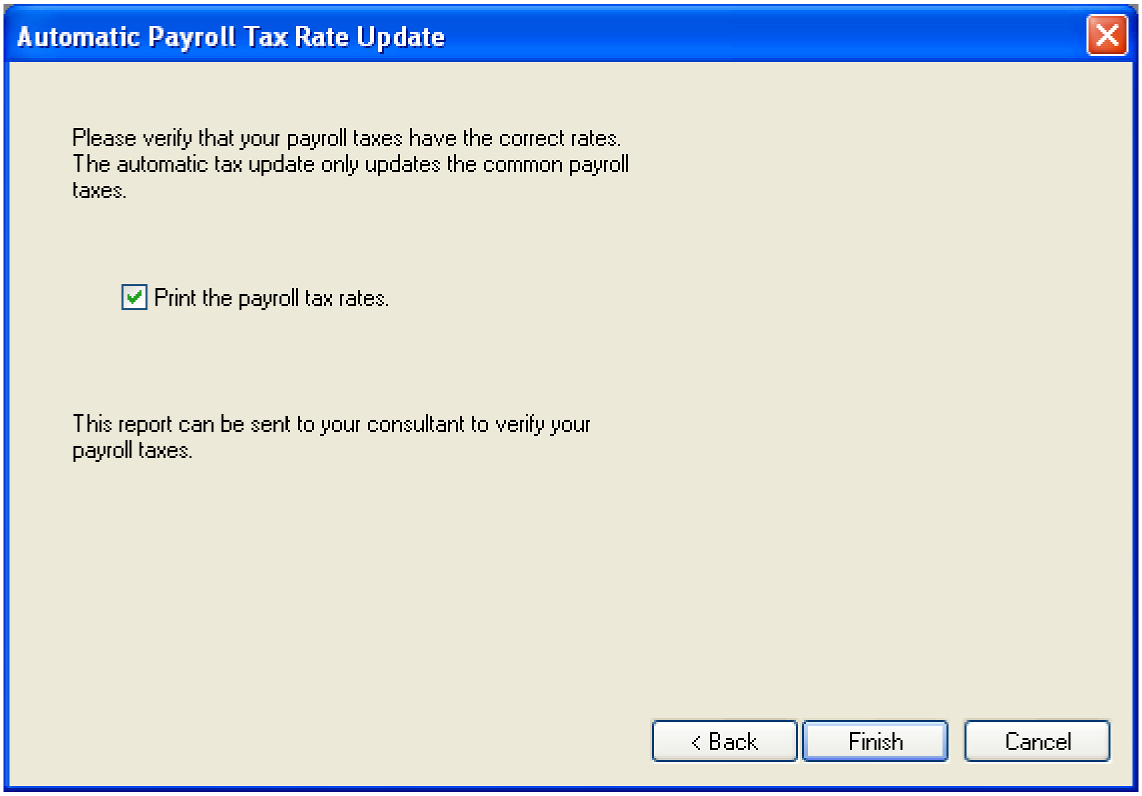
2. If the **Automatically update my payroll taxes…** option has been selected the following dialog will appear:



- The **Tax ID** and **Description** column lists all the taxes and deductions currently with the payroll system. Some of these deductions may not be currently deducted from any employee.

- The **Update To** field identifies the new tax that will be used to update the **Tax ID**'s rate. The system will automatically try to match the original **Tax ID** with the **Update To** rate. Click on any field within the **Update To** column and click on the drop down button (down arrow button) to list all the available options. Only the taxes with the same type will be listed as options. Go to **Payroll > Taxes / Deductions > General** tab to view the **Type** setting for any current tax. Note that many deductions will not have any **Update To** options since they vary between companies.

Click on the **Next** button and the following wizard page will appear:



3. The wizard will print a list of all the payroll rates AFTER the new rates have been updated. Click the **Print the payroll tax rates** OFF if you do not want this report to print. An accountant or payroll tax consultant should review and verify all rates before any payroll is processed within the New Year.

4. Click on the **Finish** button to update taxes and print rate report.

Payroll rates can be changed after timecards have been entered but new rates will not take effect until the timecards are recalculated.

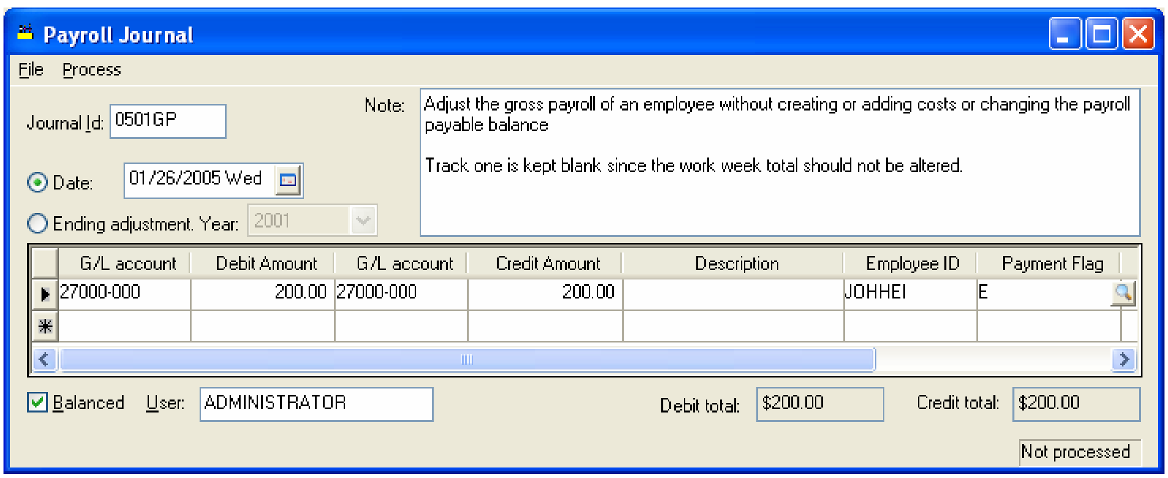
Year End Payroll Adjustments

At times it is necessary to adjust tax amounts or gross pay for an employee or group of employees. This may be necessary if a wrong tax code has been used or if adjustments need to be made to an employee's information after the payroll year has been closed and all timecards have been processed. Some basic notes or additions to an employee's W-2 form can be accomplished without creating transactions with the journal entry screen and are explained in the proceeding **Printing W-2 Forms** section. These adjustments must be made with caution and should not be attempted unless the user has a thorough knowledge of the general ledger and the effect that it has on the payroll records.

Adjusting an Employee's Gross Pay or Works Weeks

Debit/Credit	*G/L Class*	*Employee ID*	*Reference2*	*Payment Flag*	*Track1*	*Track2*
Debit	Payroll Payable	Employee ID	Check No.	E	Work Weeks	-

Go to **Payroll > Journal Entry**:



1. Enter a descriptive **Journal ID** for the year end adjustments. A possible format could be the payroll period that is being adjusted with a suffix of "GP" (Gross Pay). For example, "9903GP" would be a logical ID code if the gross pay within the month of November 1999 is being adjusted.

2. The transaction **Date** must be within the month and year of the period that is being adjusted. Multiple journals must be entered if the user wishes to change the employee's gross pay within different month periods. A single journal can be used to adjust the gross pay of multiple employees but not different monthly periods.

3. Employee's gross pay may need to be raised for a number of reasons. The debit **G/L Account** and **Debit Amount** values depend on the type of gross pay adjustment.

    - If the gross pay is to be increased and the pay is payable to the employee, the debit **G/L Account** would identify the expense account. The user must then adjust payroll payable. To issue a check to the employee, enter an expense invoice using the Payroll Payable general ledger account within the expense invoice.

- If the gross pay is to be adjusted for the employee but payroll payable should not be effaced then the same general ledger account that is entered into the credit **G/L Account** column should be entered in the credit **G/L** Account column. This will increase the employee's gross pay without affecting the company's profit and loss statement and without increasing payroll payable to the employee.

4. The credit **G/L Account** must be a liability general ledger account classified as **Payroll Payable** in order to affect the employee's gross pay.

5. Enter the gross pay adjustment into the **Credit Amount** column. The adjustment amount must be entered into the credit column. If you wish to decrease the gross pay amount you must enter a negative value in the credit column rather than entering a debit.

6. The employee's ID code must be entered into the **Employee ID** column. Please verify that the **Employee ID** code is spelled correctly and are in all caps. It is important to double-check each ID since the system will not verify the code or give a warning until the journal is posted.

7. The check number is normally entered into the **Reference 2** column if gross pay is increased within the payroll system. Since the transactions will be created with this journal, enter a brief description such as "Adjustment" into the **Reference 2** field.

8. Set the **Payment Flag** to 'E' since it is an employee adjustment.

9. Enter the workweek adjustment into the **Track 1** column. This value can be left zero when gross pay is adjusted and the current workweek value is correct. The user can enter a negative or positive workweek amount and keep the **Credit Amount** zero if the user wishes to adjust the workweeks amount for the employee but does not wish to adjust the gross pay. Note that the general ledger classified as **Payroll Payable** must be entered into the credit **G/L Account** to adjust the workweeks value even if the general ledger credit transaction has no value.

10. The **Track 2** column can be kept zero.

The journal entry must be balanced to ensure the integrity of the general ledger.

Select **Process > Process** from the journal menu to create the transactions. TRANSACTIONS MUST BE POSTED TO GENERAL LEDGER BEFORE EMPLOYEE'S HISTORY IS ADJUSTED. Select **Payroll > Post Transactions** to post the adjustment transactions to general ledger and to employee history pages.

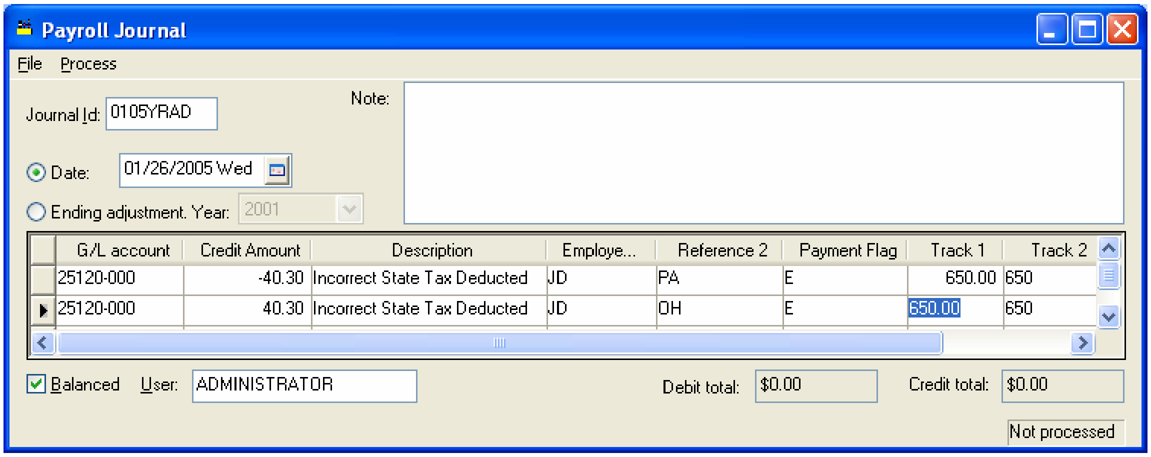
Note that adjusting the gross pay within a journal will not add gross pay-by-pay type in **Employee Pay** tab **> View Years**. The gross pay totals by pay type cannot be adjusted since these totals are determined based on the pay date rather than the timecard detail date.

Adjusting an Employee's Tax amount or Taxable Gross Pay

Debit/ Credit	*G/L Class*	*Employee ID*	*Reference2*	*Payment Flag*	*Track1*	*Track2*
Credit	Payroll Tax Deduction	Employee ID	Tax ID	E	Taxable Gross	Gross Pay

Complete the following steps to adjust an employee's tax-withheld amounts or taxable gross pay totals. This may be necessary if the wrong tax or deduction has been withheld from the employee's pay. This method may also be used to enter an employee's beginning balances if the payroll system has been implemented after payroll has already been processed.

1. Go to **Payroll > Journal Entry** to open the following window:



In the example above, an adjustment was needed since the wrong state tax was withheld from JD's pay. A total of $40.30 was withheld from an employee's taxable gross pay of $650.00 in the month of January. The first line removes it from the wrong state tax of **PA** and the second line enters the tax into the tax ID – **OH**. The taxable gross pay and the gross pay are also adjusted within the **Track 1** and **Track 2** columns. This adjustment will NOT adjust the employee's taxable gross pay. See previous section for details in adjusting an **Adjusting an Employee's Gross Pay**.

2. Enter a descriptive **Journal ID** for the year-end adjustments. A possible format may be the last two digits of the payroll year suffixed with "YRAD" as an abbreviation of year-end adjustments.

3. Enter the transaction **Date** or click on the **Ending Adjustment** option. It is important that the date or ending adjustment year is set to adjust the appropriate payroll year.

4. The debit **G/L Account** and **Debit Amount** should be blank.

5. Enter a liability general ledger account classified as a payroll tax/deduction account into the credit **G/L Account** column.

6. The **Credit Amount** should equal the amount of the tax or deduction adjustment. Both positive and negative adjustments must be listed in the credit column so the employee's accumulated tax totals are adjusted. To decrease the tax or gross values use a negative number within the credit column rather than creating a debit transaction.

7. The **Employee ID** must be entered in the **Employee ID** column to identify the employee who requires an adjustment. Please verify that the **Employee ID** code is spelled correctly and is in all caps. It is important to double-check each ID since the system will not verify the code or give a warning until the journal is posted.

8. Enter the tax or deduction's ID code into the **Reference 2** column. It is important that the proper tax ID is entered with the code properly spelled and formatted. The Journal Entry window does not verify the spelling or formatting of employee IDs.

9. The **Payment Flag** option must be set to **E** to adjust the employee's tax history.

10. Enter the employee's **Taxable Gross** pay into the **Track 1** and **Track 2** columns. The **Track 1** values should be zero if the employee has already reached the maximum amount of tax for the tax that is being adjusted. The **Track 2** value should always equal the employee's gross pay even if the tax in questions is not being withheld.

The journal entry must be balanced to ensure the integrity of the general ledger.

11. Select **Process > Process** from the journal menu to create the transactions. TRANSACTIONS MUST BE POSTED TO GENERAL LEDGER BEFORE EMPLOYEE'S HISTORY IS ADJUSTED. Select **Payroll > Post Transactions** to post the adjustment transactions to general ledger and to employee history pages.

The general ledger transactions created from the journal explained above will also adjust the tax totals found in the main tax window.

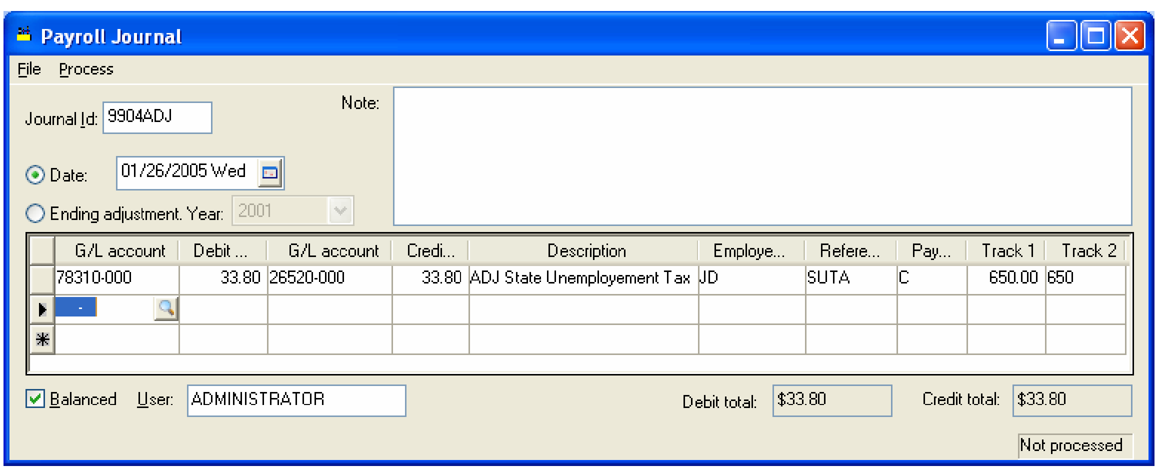
Adjusting Company Tax Amounts

Debit/ Credit	*G/L Class*	*Employee ID*	*Reference2*	*Payment Flag*	*Track1*	*Track2*
Credit	Payroll Tax Deduction	Employee ID	Tax ID	C	Taxable Gross	Gross Pay

Adjusting the company taxes is a process very similar to adjusting Employee taxes. All the information is identical with exception of the **Payment Flag** column. This option must be set to **C** instead of **E**.

A general ledger journal can be processed without any employee identification but the adjustments will NOT affect the employee's company tax history. All payroll reports that display company tax information will not be accurate if a journal is processed without the employee's id. To view company tax history for a specific employee go to **Payroll > Employees > Company Tax** tab, highlight the tax you wish to view, and click the **View Year** button.

1. Go to **Payroll > Journal Entry** to open the following window:



2. Enter the company's expense general ledger account into the debit **G/L Account** and enter the amount of the adjustment within the **Debit Amount** field.

3. Enter a liability general ledger account classified as a payroll tax/deduction account into the credit **G/L Account** column.

4. The **Credit Amount** should equal the **Debit Amount**, which is the amount of the tax adjustment.

5. The **Employee ID** must be entered in the **Employee ID** column if the employee's history is to be affected.

6. Enter the tax or deduction's ID code into the **Reference 2** column. It is important that the proper tax ID is entered with the code properly spelled and formatted. The Journal Entry window does not verify the spelling or formatting of employee IDs.

7. Set the **Payment Flag** option to **C**.

8. Enter the taxable gross pay into the **Track 1** column and the gross pay into the **Track 2** column.

9. The journal entry must be balanced to ensure the integrity of the general ledger.

10. Select **Process > Process** from the journal menu to create the transactions. TRANSACTIONS MUST BE POSTED TO GENERAL LEDGER BEFORE EMPLOYEE'S HISTORY IS ADJUSTED. Select **Payroll > Post Transactions** to post the adjustment transactions to general ledger and to employee history pages.

Adjusting Work Code Totals

Use the following guide to adjust work code totals. Follow the same entry and posting steps as explained in the preceeding sections.

Debit/ Credit	*G/L Class*	*Employee ID*	*Reference2*	*Payment Flag*	*Track1*	*Track2*
Credit	Payroll Payable	Employee ID	Work Code ID	Hours	-	Pay Level

Printing W-2 Forms

W-2 Forms can be printed for the past year after the payroll year is closed and payroll has been entered and processed within the new year. To order preprinted W-2 forms fax an order sheet to Eagle Solutions listing your company name and the number of forms that are needed. Order a few extra forms in case any W-2 forms need to be reprinted.

The user should verify the employee's general information as well as tax deductions and gross pay before W-2 forms are printed. Proceed with the following steps to verify payroll information.

1. Go to **Payroll > Employees – General** tab and verify the employee's **Name**, **Address,** and **Soc**ial **sec**urity **number**.

2. Click on the **Personal** tab and verify that the **Head of household, deceased**, and **Legal Representative** options are properly set. See W-2 instructions or contact your accountant for detailed explanations of these options.

3. Review the employee's withholding taxes and deductions recorded within the **Employee Taxes** tab.

4. Click on the **Properties** button for each tax to review the amount withheld, taxable gross, and gross amounts. The history is found on individual year history tabs.

5. The **Employee Earnings Record** may be a valuable tool to use to verify all the taxes withheld from all the employee's pay.

6. Print the **Employee Earnings Record**, go to **File > Reports > Payroll > Employees** folder and select the report.

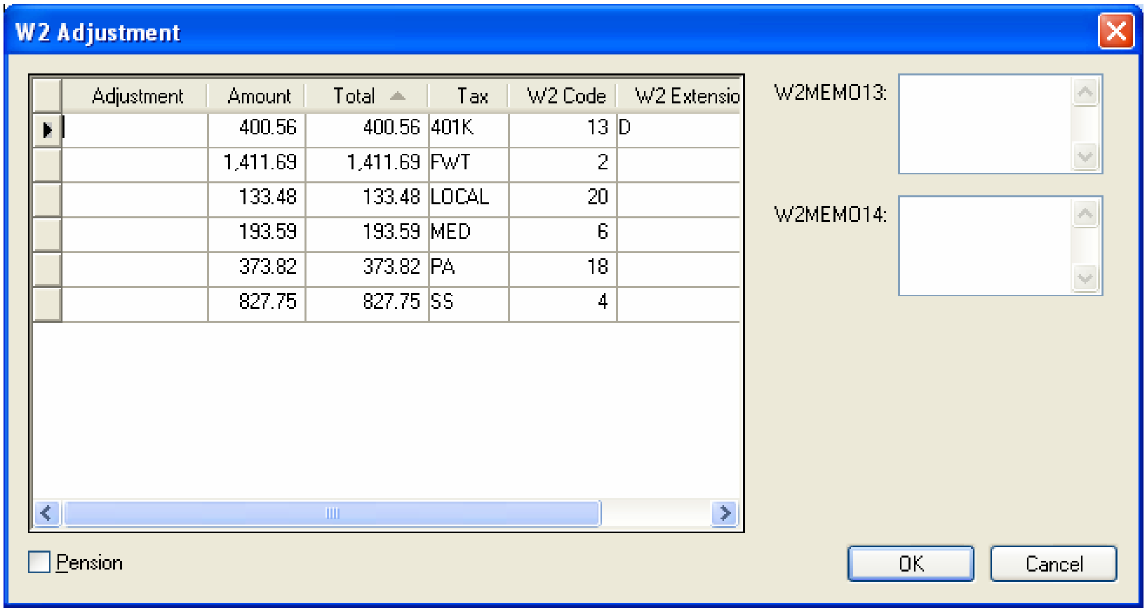
Review the Year End Payroll Adjustments section to adjust an employee's gross pay, workweeks, amount of tax withheld, and taxable gross amounts.

Some deduction totals printed on the W-2 form can be manually adjusted such as EIC payments, benefit adjustments, dependent care benefits, etc. Any tax or deduction that is listed on the W-2 form must be listed within the **Employee Tax** tab of the employee window. For example, if benefit adjustments need to be listed on the W-2 form but no benefit adjustments have been processed for the employee, the user must complete the following steps:

1. A deduction must be created and classified as a Benefit Adjustment if it has not already been created. Review the Payroll > Taxes and Deductions > Adding New Taxes/Deductions section for details on creating new taxes.

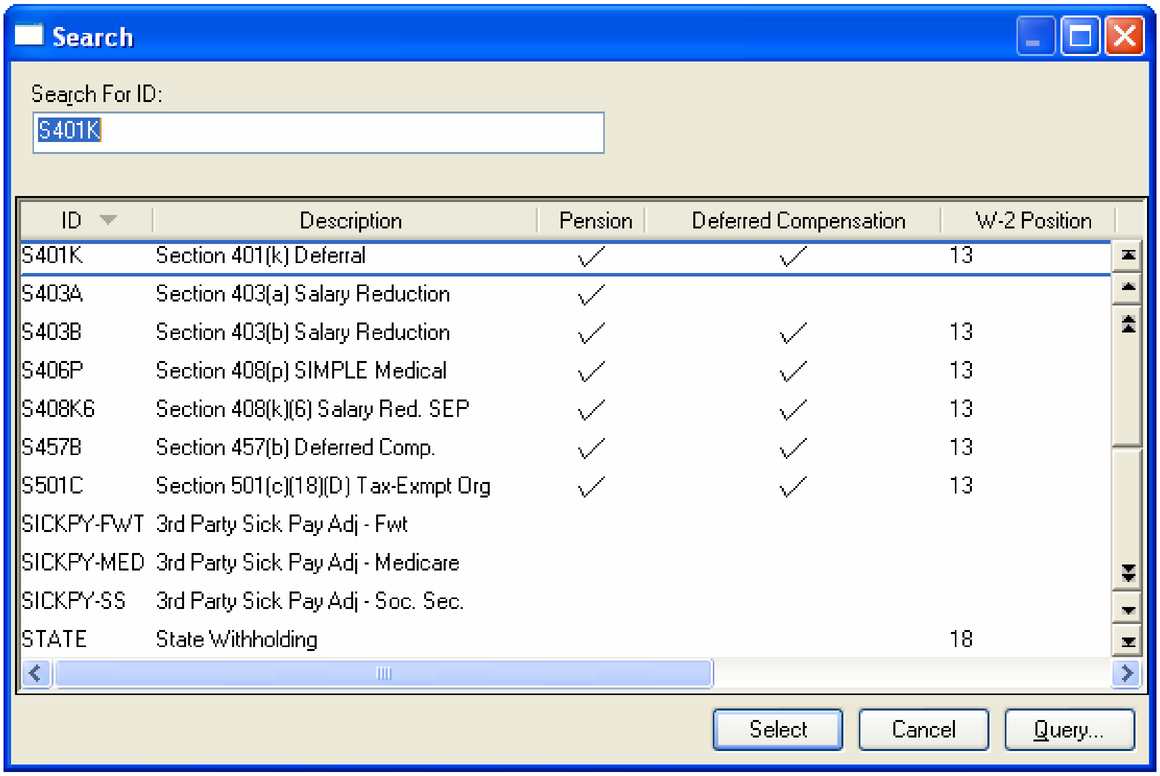
   The benefit adjustment deduction must be listed in the employee's **Employee Taxes** tab.

   The amount can be entered or adjusted by going to **Payroll > Employees >** (the year tab identifying the W-2 calendar year) and clicking on the **W-2 Adjustment** button. The following window will open:



2. Tax or deduction adjustments can be entered into the **Adjustment** column to adjust some taxes or deductions. Many taxes such as Federal Withholding or Medicare cannot be adjusted directly in this screen. An adjustment journal must be entered for these taxes, which is explained in a previous section - **Year End Payroll Adjustments**. Additional information can be manually typed into box 13 and 14 of the W-2 form by entering information within the **W2MEMO13** and the **W2MEMO14** memo fields.

3. All taxes and deductions are placed within the W-2 forms based on the deduction types. To view the position of a specific tax amount on a W-2 form go to **Payroll > Taxes/Deductions** > **General** tab and click on the lookup button to the right of the **Type** field. The following list will appear:



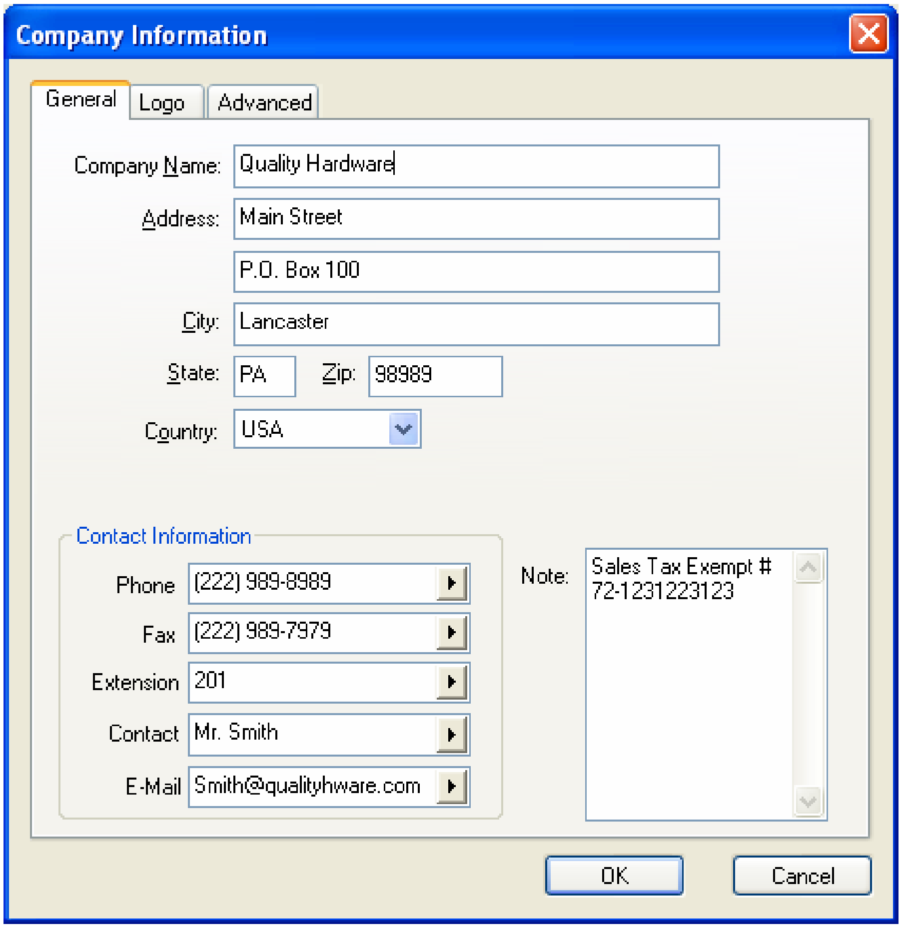
ID	Description	Pension	Deferred Compensation	W-2 Position
S401K	Section 401(k) Deferral	✓	✓	13
S403A	Section 403(a) Salary Reduction	✓		
S403B	Section 403(b) Salary Reduction	✓	✓	13
S406P	Section 408(p) SIMPLE Medical	✓	✓	13
S408K6	Section 408(k)(6) Salary Red. SEP	✓	✓	13
S457B	Section 457(b) Deferred Comp.	✓	✓	13
S501C	Section 501(c)(18)(D) Tax-Exmpt Org	✓	✓	13
SICKPY-FWT	3rd Party Sick Pay Adj - Fwt			
SICKPY-MED	3rd Party Sick Pay Adj - Medicare			
SICKPY-SS	3rd Party Sick Pay Adj - Soc. Sec.			
STATE	State Withholding			18

The **W-2 Position** column identifies the specific box within the W-2 form that will display the tax total. For example, any deduction that has a tax type of Medicare will be displayed within box 6 or the form. The **W-2 Prefix** code is displayed when a deduction total is listed within box 13 or 14.

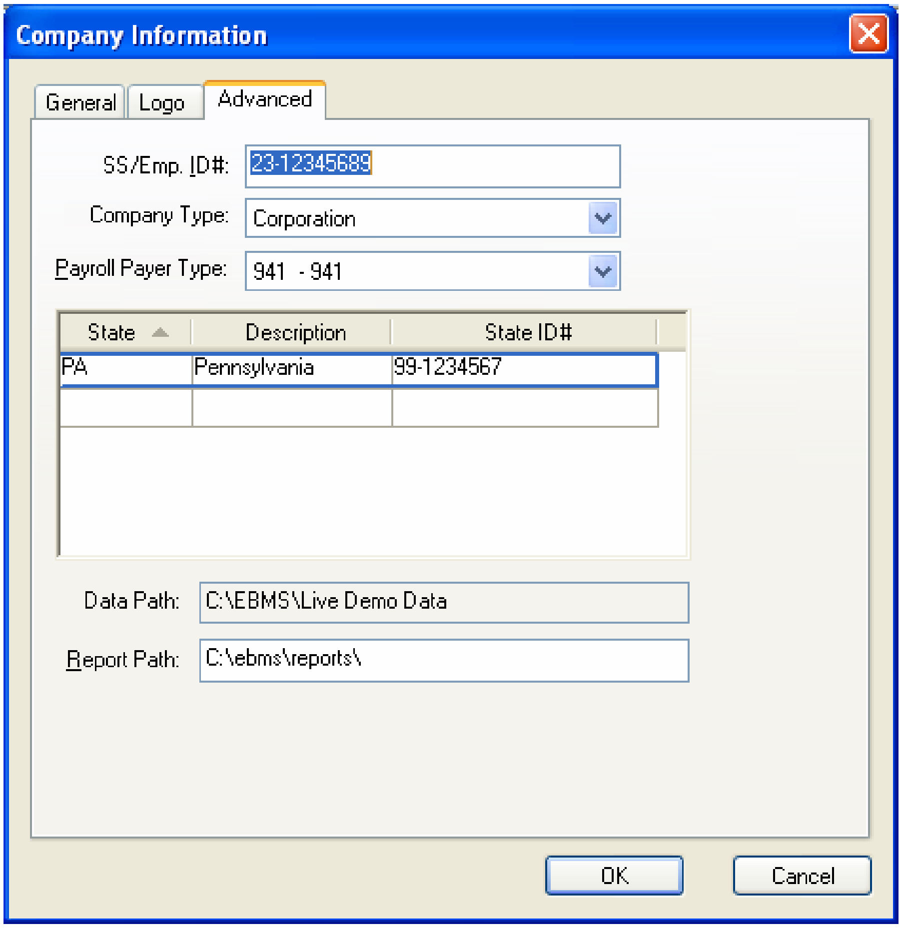
The **W-2 Position**, **W-2 Prefix** code, and the manual adjustment option are set within the **PYTXTYPE.DBF** file and must be changed with a dbase file editor. Contact an EBMS consultant if you wish to change these options.

The following company information should be verified before W-2s are printed:

- The **Company Name** and **Address** located in **File > Company Information > General** tab.



- The **SS/EMP. ID#** located in **File > Company Information > Advanced** tab. The Employer's Identification number or social security number should be entered in this field.



- The **Payroll Payer Type**. Contact your accountant or Eagle Solutions consultant if you are not familiar with this setting.

- All states in which employees reside should be listed along with the **State ID#**. This information will be listed at the bottom of the W-2 form. The **State** column should reflect the 2 character abbreviation of the state.

NOTE: The state income withholding tax ID code must equal the state abbreviation entered in the **State** column. This is required to properly print the W2 forms.

The W-2 forms may be printed after all employee data has been verified. Go to **File > Reports > Reports > Payroll > Year End** folder and select the appropriate W-2 report.

After the W-2 forms are printed the W3 form should also be printed. See W3 form listed in the **File > Reports > Reports > Payroll > Year End** folder.

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