

BusinessWise Training, Inc.

"Power up Your QuickBooks with QBClips"

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QBClips Payroll Setup Instructions

To automatically pull SalonData stylist hours directly into QuickBooks accounting software you will need one of QuickBooks payroll services, either Enhanced or Assisted.

Contact Cason Vaughan, (775) 424-8511, Intuit Payroll, and mention you are a Great Clips' salon owner. Cason Vaughan will explain in more detail the different QuickBooks payroll services and cost.

A. Set up Payroll Preferences

1. From the Main Menu, click on Edit, then Preferences
 - a. Choose Payroll & Employees (left side)
 - i. Click on the Company Preferences tab
 - ii. Select Full Payroll features
 - iii. Check boxes you want to use, especially Display Employee List by Last Name
 - iv. Click on the Employee Defaults button
 - v. Change Pay Frequency to biweekly or weekly and setup any defaults you would like to use
 - b. Choose General (left side)
 - i. Click Yes to Save Changes
 - ii. Click OK to close down first window
 - iii. Click on Company Preferences tab
 - iv. Click on Decimal for Time Format
 - v. Click on always show years as 4 digits
 - vi. Click on Save transactions before printing
 - c. Choose Time & Expenses (left side)
 - i. Click on Company Preferences tab
 - ii. Mark 'Yes' to Do you want to track time.

B. Set up Payroll Accounts in your Chart of Accounts

You only need two payroll accounts in your chart of accounts to use QuickBooks payroll with QBClips:

- Payroll Liabilities (Other Current Liability)
- Payroll Expense (Expense)

If you want to expand your payroll accounts to match the home office recommended payroll accounts, add all of those listed below.

Adding a new account to your Chart of Accounts

1. From List on the main menu, click on Chart of Accounts
2. Click on the “Account” button in the bottom left corner
3. Select “New”
4. Set up the following accounts:

<u>Account Type</u>	<u>Account Name</u>	<u>Sub-Account Of:</u>
Other Current Liability	Payroll Liabilities	
Expense	Payroll Expense	
Cost of Goods Sold	Direct Payroll Expenses	
Cost of Goods Sold	Salaries	Direct Payroll Expenses
Cost of Goods Sold	Hourly Wages	Direct Payroll Expenses
Cost of Goods Sold	Bonuses	Direct Payroll Expenses
Expense	GM & Owner Payroll	
Expense	Owner Wages	GM & Owner Payroll
Expense	General Manager Wages	GM & Owner Payroll
Expense	Employee Benefits-GM & Owner	GM & Owner Payroll

C. Set up Payroll Items

QuickBooks maintains a payroll item list for everything that affects the amount on a payroll check and for every company expense related to payroll.

Setting up your payroll items – to add payroll items read **Chapter Ten**, in the BusinessWise Training, Inc., QuickBooks 2007 Software Training manual found on inSite. Assign the following payroll items to one of the payroll accounts identified above. You can have other payroll items, along with QBClips pre-determined payroll items (Social Security, Medicare, Unemployment taxes, Advanced Earned Income Credit, State Withholding, if needed), but the following nineteen payroll items are required.

Adding Payroll Items

Payroll Items are used to pay employees for different functions they perform at work. Payroll Items should be added or edited for each individual employee.

1. From Lists on the main menu, click on Payroll Item List.
2. Click on the Payroll Item button at the bottom of the window. Click New
3. When the Select setup method window appears, select Custom Setup.
4. Select Wage and Click Next.
5. Select Hourly Wages and Click Next.
6. Select Regular Pay and Click Next.
7. Enter the Payroll Item name exactly as spelled and Click Next.
8. Enter the expense account you want to use for this payroll item (see above).
9. Click Finish.
10. Add another payroll item from the list below.

Payroll Items	Type	Set rate to
1. Holiday Hours	Hourly Wage	Dollars earned
2. Floor Hours	Hourly Wage	Dollars earned
3. Administrative Hours	Hourly Wage	Dollars earned
4. Reception Hours	Hourly Wage	Dollars earned
5. Vacation Hours	Hourly Wage	Dollars earned
6. Training Hours	Hourly Wage	Dollars earned
7. Floating Wage	Hourly Wage	Dollars earned
8. Overtime	Hourly Wage	1.00
9. Double Overtime	Hourly Wage	1.00
10. Product Bonus	Hourly Wage	1.00
11. Six Day Bonus	Hourly Wage	1.00
12. Productivity Bonus	Hourly Wage	1.00
13. Incentive Pay	Hourly Wage	1.00
14. Manager Bonus	Hourly Wage	1.00
15. User Entered	Hourly Wage	1.00
16. Shift Differential	Hourly Wage	1.00
17. Tips (Cash)	Hourly Wage	1.00
18. Tips (Charge)	Hourly Wage	1.00
19. Tips (Check)	Hourly Wage	1.00

In order to have tax withheld from cash tips already paid out you will need to add the following payroll item. (Tips are transferred over as a total dollar amount)

Payroll Item	Type	Set Rate To
Reported Tips Out	Deduction	1.00

D. Set up an Employee Default

The employee default is template information that affects all or most employees.

From the main menu click on Edit>Preferences>Payroll & Employees>Company Preferences tab>Employee Defaults button

1. In the Earning Box, enter all nineteen payroll items from section C into the Earnings box.
 - a. Payroll Item 1 through 7, enter what the majority of your employee's earn per hour.
 - b. Payroll Items 8 through 19 assign a rate of 1.00 (This is because Salondata determines the total dollar amount).
2. Make sure the box is checked for Use time data to create paychecks.
3. In the Additions, Deductions and Company contributions box enter the 'Reported Tips Out' deduction you set up in section C.
4. In the Pay Period box use the pull down arrow to select your pay frequency.

Payroll Taxes

Remember you are entering information most common to your employees.

1. Click on Taxes Button
2. Select the filing status for most of your employees.
3. Click on 'State' tab and then select your state
4. Click on 'Other' tab and use the pull down arrow, and Add New.
5. Use the pull down arrow at the User Defined Tax field and select your state if it is listed.
6. Click Next>click Next>Enter agency name and your number>click Next>click Next >click Finish.

Sick/Vacation

1. Click on Sick/Vacation button (Due to limitations QBClips is unable to adjust your sick/vacation time automatically)
2. Select your company's sick and vacation options for most employees.

Entering YTD Information:

Setting up payroll Year to Date information for each employee – read **Chapter Ten**, in the Great Clips 2007 QuickBooks Software Training manual found on inSite, or call Gordon Olson (800) 365-9618 x87786, QuickBooks New Accounts Specialist. Gordon Olson is very familiar with Great Clips payroll needs.

E. Set up Employees

Obtain each employee's W4 to enter the individual employee information.

1. From the main menu, click on Employees>Employee Center>New Employee.
2. Fill in the Personal Info for all three tabs. (**Make sure the employee's name is spelled the same as in Salondata. You can NOT use dashes, commas, or any special characters**).
3. Click on Change Tabs pull down menu and select Payroll and Compensation Info.
4. Every Item Name that has Hours or Wage enter the employees' hourly rate from SalonData.
5. All the other payroll items should have a rate of 1.00.
6. In the Pay Period box use the pull down arrow to select this employee's pay frequency if different from the employee default.

Taxes

Enter the employee's W4 information.

Sick/Vacation

Edit the employee's sick/vacation time. If you want, through Edit/Preferences on the main menu, the available and used sick/vacation time can be printed on the pay stub.

Note: Remember to use the pull down arrow on Change Tabs field to enter Employment Info.

Click on Next to enter the next employee.

F. Paying Employees

When you run QBClips your employee's hours are coming into QuickBooks' Weekly Timesheets. To pay your employees follow these steps:

1. From Employees on the main menu click on Pay Employees.
2. At the Pay Period Ends field use the calendar icon to set the correct date.
3. At the warning window, click Yes to update hours worked from the new pay period.
4. Select the Check Date.
5. Click button Check All.
6. At this time you can verify/compare the hours with your Salondata reports and for accuracy.
7. Click Continue button.
8. Click Create Paychecks button.
9. Click Close window.

*** * * ADJUST TIPS AND REVIEW PAYROLL PRIOR TO PRINTING CHECKS * * ***

Adjusting Tips:

Due to limitations by Intuit we are unable to subtract out the tips employees have already received (we cannot program in the deduction field).

1. From the main menu select Reports>Payroll Summary
2. If need be change the start and end date to reflect current payroll
3. Find an employee who has “Tips (Cash)” and/or “Tips (Charge)”
4. Double click on the extended amount
5. Double click again on the amount
6. Click on the button “Paycheck Detail”
 - a. In the box titled “Other Payroll Items” enter a deduction “Reported Tips Out”. You will enter this as a negative number and the amount is usually the total of the tips reported in the earnings.
7. Click O.K. button
8. Click Save and Close button
9. Repeat steps 1 – 8 for each employee with tips.

Reviewing Payroll for Accuracy (two methods)

1. Via the Payroll Summary Report
 - a. From the main menu select Reports>Payroll Summary
 - b. Enter correct dates
 - c. Review each employee
 - d. If you encounter a problem or question, drill down to the paycheck detail by double clicking on the amounts until you reach the detail.
 - e. Make an necessary Changes
 - f. Close windows
2. Reviewing the employees’ paycheck by using the Checking account register to compare employees’ pay to Salondata’s Computer Pay.
 - a. From the Chart of Accounts double click on the checking account. This pulls up the checking account register.
 - b. Scroll down to the current payroll checks.
 - c. Double click on the employees’ pay check.
 - d. Click on the Paycheck Detail button.
 - e. Review paycheck detail.
 - f. Make changes if needed.
 - g. Click OK.
 - h. Click Save and Close.

Print Checks

1. From the main menu select Employees>Employee Center
2. From the pull down menu “Print” select to Print Paychecks

Daily Use

When you do payroll remember **Salondata processes payroll on Fridays**. If, for example, you pay your employees bi-weekly, pull your current payroll information to cover both Fridays.