

Club Office Employee and Payroll Management

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Club Office Employee and Payroll Management

Before reading this manual, you may want to consider how or whether tracking employees inside your Club Office system is necessary:

How much employee information do I need?

- If you DO NOT intend to use Club Office to calculate payroll, TimeClock to track employee hours or SQLPos to ring up POS sales, you may only need to create basic employee records with only employee numbers and names. However, if you also do not intend to track gratuities for manually entered transactions through the A/R system, you won't need any employee records at all.
- If you DO plan to use SQLPos POS for sales but DO NOT plan to use TimeClock or Club Office to calculate payroll, you need to create basic employee records with only employee numbers and names for all the employees who will use SQLPos.
- If you DO plan to use TimeClock to track employee hours whether you plan to use Club Office to calculate payroll or not, you need to set up system jobs (server, office, maintenance, etc.), employee numbers, names and passwords, link the proper job(s) to each employee and assign pay rates for those jobs (the pay rate can be zero dollars).
- If you DO plan to use Club Office to calculate payroll, you need to set up everything in the employee and payroll system.

Where do I start/what do I do first?

You will find it easier if you follow this order for creating your employee system:

1. **Create the appropriate general ledger accounts for managing payroll.** *(Note: if you do not intend to use Club Office to calculate payroll or the Club Office General Ledger for financial statements, you can skip this step altogether.)* Otherwise, you will need:
 1. A cash asset account from which payroll checks may be issued;
 2. One or more liability accounts for taxes payable;
 3. One or more expense accounts for the jobs to which employees are assigned;
 4. One or more expense accounts for taxes paid by the employer such as employer FICA, federal and state unemployment;
 5. If you collect and pay out gratuities (service charges) to your employees, you'll likely need another liability account for Tips/Gratuities Payable.
 6. If you provide employee benefits, you'll need appropriate general ledger accounts to track them.
2. **Configure settings** at the Club Office payroll configuration screen if you plan to use TimeClock or Club Office payroll. *(If you are using neither, you can skip this step)*
3. **Create system jobs** (servers, office, maintenance, kitchen, etc.) if you plan to use TimeClock or Club Office payroll. *(If you are using neither, you can skip this step.)* The procedure for creating system jobs is described later in this document.
4. **Create deduction programs** (401K, daycare, health, dental, etc.) if you plan to use Club Office payroll. *(If you do not have deductions or do not plan to use Club Office payroll, you can skip this step.)* The procedure for creating deduction programs is described later in this document.
5. **Create employee records** (if you need them).

Configuration

The payroll configuration screen resides inside the main configuration module. It can also be accessed from within the Employee Manager:

The screenshot shows a software configuration window titled "ADMIN @ Config PR". The main area is titled "Payroll/Employee/TimeClock Configuration". It features several columns of input fields and checkboxes. On the right side, there are four buttons: "Set W-2" (blue), "Modify" (green), "OK/Save" (red), and "Exit" (red). Below the main configuration area, there is a "TimeClock" section with its own set of input fields. At the bottom right, there are two more input fields labeled "Last payroll finish time stamp" and "Next payroll ending date".

Like all configuration screens, click the MODIFY button before making changes. When done, be sure to click the OK button to save the changes.

Access Levels

The employee and payroll modules contain multiple screens of employee information, some of which is more private than others. By setting access levels appropriately, one can control what different users can see or change. Like all Club Office access levels, these are numerical and range between 0-99; the greater the number, the greater privileges the user has in the employee/payroll system.

- **Access – Inquire Names ONLY:** This is the basic level required to view basic name and address information inside the Employee Manager. The basic level does not display the social security number of notes. Setting a user access level lower than this number does not allow the user to use the employee or payroll manager at all.
- **Access – Inquire Financials:** Allows viewing all employee-related information, including the employee detail earnings, hours and deduction screens.
- **Access – Edit/Update:** allows creating new employees and their settings, changing existing employees, their working status, and even allows deleting inactive employee records.
- **Access – Issue Checks:** a user with this access level is allowed to enter payroll hour data, process, print payroll checks and completely finish a payroll.
- **Access – Close Quarter:** a user with this access level can do everything plus close a calendar quarter with the payroll finish module.
- **Access – Close Year:** this level gives total access to all of the above, plus allows running the end-of year zero procedure which zeroes employee totals and readies the system for the next payroll year.

G/L Account Configurations – Company

The configuration module incorporates the main configuration settings for tracking company liabilities that apply to all jobs. Press F-5 for a G/L account lookup anytime the cursor is inside a field intended for a G/L account number.

- **GL/Acct: P/R bank acct (cash):** this is the checking account from which payroll checks are drawn. This may or may not be the same G/L account that is used for accounts payable checking account. (If it is, be sure to also check the “Link A/P and Payroll Check Registers” box on the main Company Configuration screen so that check numbers aren’t duplicated.)
- **GL Acct: P/R Fed U/C:** this is the liability account which contains federal unemployment compensation payable.
- **G/L Acct: P/R FICA (Liability):** this is the liability account which contains the FICA withholding taxes payable. FICA withheld from employees (when setting up jobs, covered later) should also be set to this account. The system will also automatically create a journal entry to this account for the total of FICA tax expense paid by the employer when a payroll run is completed.
- **G/L Acct: P/R employee meals:** this is the G/L account that contains the balance of pay-equivalents for employee meals. This is probably an expense account if you provide them as an employee benefit.
- **G/L Acct: P/R meals tax offset:** some states treat employee meals in wage settings differently. If you are required to note them, this is the G/L account to which they will be accrued.
- **G/L Acct: State U/C:** this is the liability account which contains accrued state unemployment compensation payable.
- **G/L Acct: Advanced Earned Income Credit:** this should be the same G/L liability account as federal income taxes payable. The advanced earned income credit that the employer pays to the employee is funded by withheld taxes from all employees. When setting up jobs (covered later), you should also use this G/L account for any job where EIC is used.
- **G/L Acct: Medicare (Liability):** the account number which contains the Medicare withholding taxes payable. Medicare withheld from employees (when setting up jobs, covered later) should also be set to this account. The system will also automatically create a journal entry to this account for the total of Medicare tax expense paid by the employer when a payroll run is completed.

Local tax

- **Local tax %:** type any local (i.e. city, county, municipal, etc) tax to be collected from employees. Remember that percentages are decimal entries: .01 means 1%. Note: The automatic deduction system includes a special **LOCALTAX** deduction type for situations that require variable local tax rates. See the Automatic Payroll Deduction section of the manual for more information.
- **G/L Acct: Local Tax:** type the general ledger account to which contains the accrued local taxes payable.
- **Locality name (7 chars):** Optional and only if you have a local tax. This is a text entry and is limited to 7 characters. The name appears on W-2 forms in box 20.
- **Payroll Accrual Liability:** If you wish to use automatic payroll accrual during the finish payroll process to assign payroll expense to two different accounting periods, the system needs to know what working account you want to use. The system uses this account as an in/out transfer account as it accrues payroll expense into two different accounting periods.

Other configuration items

- **Automatically calculate multi-job overtime:** check the box to have the system automatically calculate overtime hours as well as overtime pay rates for employees who work in multiple jobs. Calculations are according to Federal guidelines. Leave it unchecked if you wish to monitor this on your own.
- **Payroll periods per year:** type the number of times payroll will be calculated and issued during the year. 12 = monthly, 24=bi-monthly, 26=bi-weekly, 52=weekly.
- **Overtime threshold:** type the total number of hours per pay period (0-99) an employee must work before overtime is activated. If 99 is used, the system will not pre-fill the regular and regular overtime hours boxes automatically when keying payroll.
 - Example: suppose the threshold is set to 40 hours; if you key 43.5 hours in as regular hours, the system will put 40 into the regular hours box and 3.5 hours in the regular overtime box. If the overtime threshold is set to 99, the system will retain the 43.5 hours in the regular hours box.
 - Note that the number of pay periods affects the automatic calculation of overtime. If set to 52 pay periods, then a 40 hour threshold is correct. If set to 26 pay periods with a threshold of 80 hours, while mathematically correct for two consecutive 40-hour work-weeks, it doesn't address the possibility that an employee might work 45 hours one of the weeks (5 overtime hours) and 35 hours in the other week.
- **Overtime multiplier:** this value factors the wage earned for overtime. Time-and-a-half pay would be 1.5. Double-time would be 2. You may enter any decimal multiplier, although remember that a multiplier of 1 means that the overtime wage is the same as normal pay. Less than 1 is less than normal wage, and greater than 1 is greater than normal wage.
- **Holiday regular multiplier:** this value factors the wage earned for holiday hours. Example: 1.5 would be equivalent to time-and-a-half.
- **Holiday overtime multiplier:** this value factors the wage earned if overtime is also worked on a holiday. Example: 1.5 would be equivalent to time-and-a-half.
- **Vacation accrual by Calendar/Hire date:** Type C if vacation time is accrued on a calendar basis; type H if accrued based on the employee's hire date (month & day of the year). It's important to know the difference between the C and H settings:
 - Setting the option to "C" causes the system to clear employee's accrued vacation hours when the end-of-year zero process is invoked. In effect, this is the *"use it or lose it"* setting and employees start each payroll year with zero accrued vacation hours.
 - Setting the option to "H" does not zero the values at the end of the year, effectively allowing the hours to *"roll over"* from year to year.
 - The "C" or "H" setting is global and affects all employees.
 - Note: accrued vacation hours are calculated and applied during the payroll finish process which concludes a payroll session. Because the hours are calculated *after* checks are printed, payroll checks display only historical totals *prior to the current payroll run*.
- **Sick pay regular multiplier:** this value factors the wage given to employee for "sick time." Example: 1 would be equivalent to normal wage, .85 would be 85% of normal wage for hours keyed as "sick time."
- **Sick pay accrual by Calendar/Hire date:** this function is identical to vacation accrual (see above) but applies to hours accumulated for awarding wages for "sick hours."
- **Federal U/C %:** Type the decimal percentage designated by the federal government. Remember that .01 = 1%. For 8/10th of one percent, type .008
- **Federal U/C Maximum \$:** type the dollar amount (without the dollar sign) set by the federal government. When this limit is reached, federal U/C expense is not calculated.

- **State U/C%:** Type the decimal percentage designated by your state government for your business. Usually, the state notifies businesses individually by letter. Remember that .01 = 1%. For 8/10th of one percent, type .008.
- **State U/C Maximum \$:** type the dollar amount (without the dollar sign) set by your state government. When this limit is reached, state U/C expense is not calculated.
- **Federal FICA wage base limit \$:** The wage dollar limit after which FICA tax is no longer withheld from the employee's check. Note: this limit generally changes annually. The SSA's Publication 15 contains this information. *Be sure to change this to the correct value when starting a new payroll year!*
- **EMPLOYEE FICA tax rate % (6.2% = .062):** this is the federally-mandated tax percentage to withhold from an employee's check and may change periodically. The SSA's Publication 15 contains this information. Remember to enter as a decimal number: 6.2% is typed as .062.
- **EMPLOYER FICA tax rate %:** this is the federally-mandated tax percentage that the employer pays toward the FICA fund. This is typically an expense to the employer. It may be a different percentage than the employee's rate and may change periodically. The SSA's Publication 15 contains this information. Remember to enter as a decimal number (ex: 6.2% is typed as .062).
- **EMPLOYEE Medicare tax rate % (1.45% = .0145):** this is the federally-mandated tax percentage to withhold from an employee's check and may change periodically. The SSA Publication 15 contains this information. Remember to enter as a decimal number: 1.45% is typed as .0145.
- **EMPLOYER Medicare tax rate %:** this is the federally-mandated tax percentage that the employer pays toward the Medicare fund. This is typically an expense to the employer, and it may be a different percentage than the employee's rate. It also may change periodically. The SSA Publication 15 contains this information. Remember to enter as a decimal number: 1.45% is typed as .0145.
- **Last payroll finish time stamp:** this is the date and time when employee earnings totals were last updated and general journal entries created during the payroll finish process. Format of the entry is as follows: YYYYMMDD@HR:MN:SEC. The system maintains this on its own; it is not necessary to enter a value here.
- **Next payroll ending date:** this is the last day to be included in the current payroll run. The payroll module uses this information for calculating service charges and other reports. The integrated TimeClock module uses this date as well. The format of the entry is YYYYMMDD. Normally, the system maintains this date on its own; a manual entry is usually not necessary.
- **Use PostNet bar code (Y/N):** Type Y to print the USPS PostNet bar code on labels and payroll checks; type N to bypass printing it. Note: you must install the USPSTTF.TTF font on your computer to print the PostNet bar code; if not installed, several large numbers will appear instead of the barcode itself. This font set is provided with Club Office and resides in the CDCO folder alongside all other Club Office system files.

TimeClock Configuration Settings

The following settings are only applicable if the optional TimeClock module is installed.

- **TClock-Shift Limit:** type the number of hours you expect a normal work shift to be. If an employee either forgets to punch out or punches out after this limitation, the transaction is marked as a status 3 "bad punch," the employee is credited with zero hours and manager attention is required to assign the proper number of hours. The maximum is 24 hours.
- **TClock-Punch IN Rounding:** determines how to round the actual punch in time to the nearest "X" minutes. Available settings are:
 - 0 = no rounding, use actual time
 - 5 = 5 minutes, or 1/12 of an hour
 - 6 = 6 minutes, or 1/10 of an hour
 - 10 = 10 minutes, or 1/6 of an hour

12 = 12 minutes, or 1/5 of an hour
15 = 15 minutes, or 1/4 of an hour
20 = 20 minutes, or 1/3 of an hour
30 = 30 minutes, or 1/2 of an hour

- **TClock-Punch OUT Rounding:** determines how to round the actual punch out time to the nearest "X" minutes. Available settings are:
 - 0 = no rounding, use actual time
 - 5 = 5 minutes, or 1/12 of an hour
 - 6 = 6 minutes, or 1/10 of an hour
 - 10 = 10 minutes, or 1/6 of an hour
 - 12 = 12 minutes, or 1/5 of an hour
 - 15 = 15 minutes, or 1/4 of an hour
 - 20 = 20 minutes, or 1/3 of an hour
 - 30 = 30 minutes, or 1/2 of an hour
- **TClock-Mgr Password:** an additional security measure to enable special access to managerial TimeClock functions and reports. This is a text entry of up to ten characters.
- **TClock Workweek Start Day:** type the numerical equivalent to the starting day of a normal work week. Setting this value to zero disables TimeClock's workweek calculations and causes it to log all time as straight time. Workweek calculations are used by TimeClock to automatically calculate overtime. Available settings are:
 - 1 = Sunday
 - 2 = Monday
 - 3 = Tuesday
 - 4 = Wednesday
 - 5 = Thursday
 - 6 = Friday
 - 7 = Saturday
 - 0 = Disable work week, calculate straight time instead
- **Service Charge Bypass (keying):** Club Office automatically scans sales records during the payroll keying process to gather service charges (gratuities) earned by the currently active employee. Check this box to disable the automatic lookup and calculation of employee service charges from A/R sales if you work with cash tips.

Other options found at the Payroll Configuration screen:

Set W-2

This option allows setting various printer margins to help you align the 2-up W-2 form with your printer. Click the Set W-2 button to view these settings. More help is available in the module that appears on the screen. Note that you may also edit these settings from within the W-2 printing module, accessible via the payroll module's year-end procedure menu. Note that some experimentation is necessary until you discover the correct settings for your printer, and it's a good idea to print the tests on blank paper and hold them up to the light over an actual form to determine whether more adjustments are needed.

Payroll Check Formatter

This option is found in the FILE menu of the payroll configuration module. It provides a way to tailor the exact printing location of check information on your payroll checks when using the "Direct Print" method instead of the preview-on-screen method for printing payroll checks. The formatter is also available from within the payroll module itself, listed as the "Change Direct Print Check Layout" option in the File menu of payroll module. More help on using this tool is available in the payroll check formatter module itself as well as later in this manual.

How Payroll and A/P interact

As a convenience to users that have separate payroll and payables bank accounts, payroll checks do not normally show in the A/P checkbook. However, users who use the same checking account for both payables and payroll (and therefore the same G/L account as well) may want payroll activity to show in the A/P checkbook and prevent the possibility of duplicate check numbers being used. When checked, the checkbox on the COMPANY configuration screen links the two and also coordinates the check numbers so that there is no duplication.

Link A/P and Payroll check registers

How Club Office Calculates Payroll Taxes

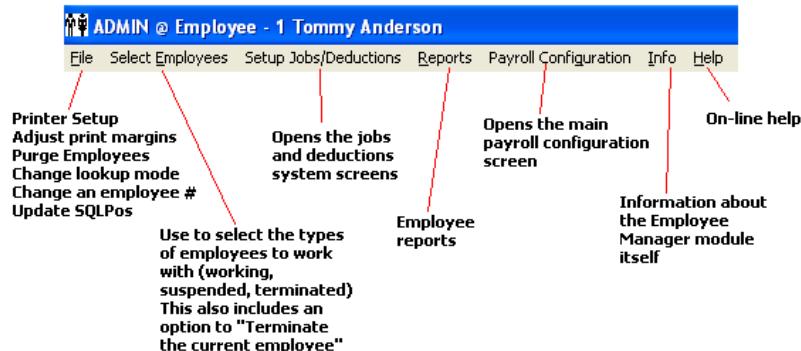
Club Office annualizes employee wages for the purpose of calculating payroll taxes using the formula: **(current_earnings) × (pay_periods_per_year)=annual_earnings**. Federal and state taxes are then calculated based on the applicable annual method. The current payroll run's taxes are then recalculated with the formula **(annual_tax) ÷ (pay_periods_per_year)=tax_current**.

Employee Manager Overview

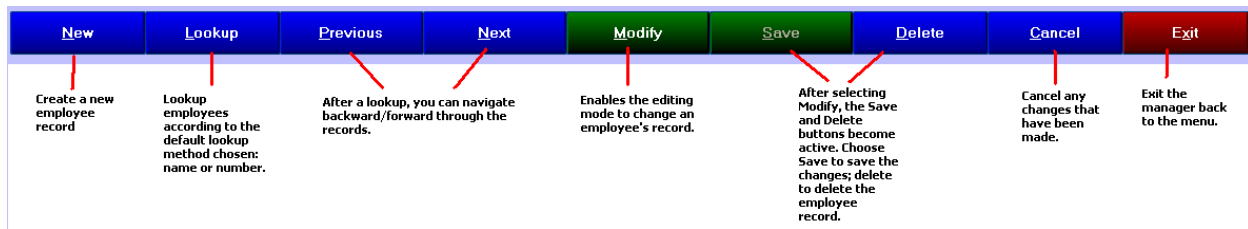
The Employee Manager screen is the launching pad for all the employee-related tools built into Club Office. Anything that is at all employee-related begins here, whether it be related to adding new servers for SQLPos Point of Sale, adding employees to the TimeClock, changing an employee's job or pay rate, creating an automatic deduction plan or even changing the main configuration settings for the payroll system.

Note that the actual issuing of payroll is performed inside the Payroll Manager.

Menu Bar Options:



General Function Buttons:



Employee Data Field Descriptions

- **Number:** **required**, must be between 1-9999. The system does not recognize alphanumeric employee numbers.
- **Last name:** **required**; 20 characters maximum.
- **First Name, MI:** **required**, 15 character maximum.
- **Social Security #:** **required**, enter in the standard XXX-XX-XXXX format of a standard social security number. If you do not know the number, type zero. The social security number does not display for users who have only basic viewing access to the employee module.
- **Birthdate:** optional, type in YYYYMMDD format. The employee's age will appear immediately to the right.
- **Employment date:** optional, type in MMDD or YYYYMMDD format. The employment date is often required for various state forms.
- **Terminated date:** leave blank -- this is automatically managed by the status setting. However, if an employee is in terminated status, this date can be edited.
- **Current status:** **required**, choices are: 1-Working, 2-Suspended, 3-Terminated. Type the proper status number.
- **Last review date:** optional, type in MMDD or YYYYMMDD format. A report is available that lists employees by last review date.
- **Next review date:** optional, type in MMDD or YYYYMMDD format. A report is available that lists employees by next review date.
- **Rate change date:** This is automatically set when typing the employment date or changing the employee's pay rate (on the earnings detail screen), or you can change it manually by typing in MMDD or YYYYMMDD format.
- **Tax State:** **required**, click on the drop-down arrow to the right and select the state where the employee files state taxes. The default displayed is the state as configured at the main company configuration screen.
- **Salaried/Hourly:** **required**, type H for hourly, S for salaried. When creating a payroll, salaried employees default to working 1 hour for the pay period while the regular hours entry field is blank for hourly employees.
- **POS Operator ID:** optional, used for 3rd party POS systems where the server ID is numerical and is different than the Club Office employee ID. A setting at the main POS Configuration screen allows validating imported sales transactions from 3rd party POS systems and linking the sales to the proper employees by the POS system's server ID. (SQLPos users: leave this the same as the employee ID.)
- **POS AccessNum:** optional, same as POS Operator ID although this allows alphanumeric values up to 15 characters in length instead of numeric-only. (SQLPos users: leave this the same as the employee ID.)
- **Password:** for SQLPos POS and TimeClock only; otherwise optional. This is a numeric entry and the value of the number determines whether the employee is a server-level (numbers 0-19999) or manager-level (20001 – 32760) employee. Managers are obviously allowed more privileges when using SQLPos and TimeClock.
- **Address 1, Address 2:** the address information set chosen by the "set address 1 as main address" or "set address 2" radio buttons determines what is printed on payroll checks, mailing labels, and Federal W-2 forms. Be careful in typing address

information because missing or invalid information (missing or malformed zip codes, missing state, etc.) *almost always* create problems when filing W-2 information.

Best Practices: In the fall of every year, survey all your employees to secure any address changes or missing W-2 information that may be necessary for proper printing and delivery of their annual W-2 forms. By being proactive, you can eliminate refileing, reprinting or other issues that can arise when a W-2 is returned to you as undeliverable.

- ▣ **Notes:** optional; used for recording up to 30,000 characters of miscellaneous information about the employee or his/her work experience. The notes box does not appear to users who have only basic view access to employee information.

User Defined Info

Selecting the User Defined Info button displays the user-defined information screen for the chosen employee. This screen provides thirty fields that can contain text or numerical data. The descriptions of the data fields are also user-definable.

- To change a description, double-click on the description itself; a box will appear where you may type the new description and click OK. Descriptions can also be deleted from the display and used at a later time.
- Once defined, the descriptions apply to *ALL* employees. Note that while the descriptions can be changed later, the underlying data related to the description does not change with it. Therefore, once a description is defined, be cautious about changing it to something else.
- Type the requisite data into the white box adjacent to the description
- Click SAVE to save the information for the selected employee.
- Click Help for more specific information about using the miscellaneous info screen.

Create a New Employee Record

1. Click NEW.
2. Enter the new employee's number. (Press the F-5 key to review the employee list. Click on the # in the employee lookup list to see them in numerical order -- gaps in the number sequence indicate employee numbers that are unused.) After typing the number, press the ENTER key.
3. Type the information as requested in each of the remaining fields. The help window at the bottom of the screen displays the proper format for each entry.

Speed Entry Method: while many fields are marked as “required,” the actual minimum fields required to save a record are the employee number, last name, first name and social security number. The system will default-fill many other values and you can come back later to finish up the detail.

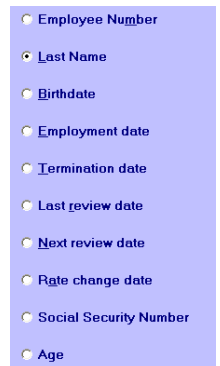
- When finished, click the SAVE button or, if you want to continue with the same employee and set up other items such as jobs he/she is working, pay rates, withholding allowances, automatic deductions and vacation accrual, click the Earnings Detail button to access more configuration screens.



Important: If you intend to use TimeClock or the Club Office payroll system, you must configure certain items in the employee earnings detail module so that TimeClock can function properly. Payroll calculation also requires proper configuration of marital status, federal and state exemption deductions and possibly other options concerning service charges to be retained by the employee from sales, citizenship status and more.

Change/Modify an Employee Record

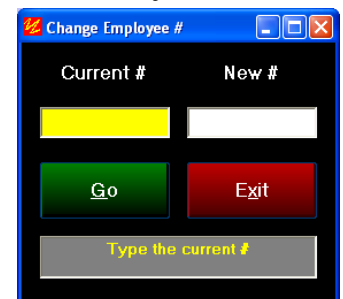
- Find the desired employee via the appropriate Lookup method. When the module first starts, the lookup screen is displayed, and you may search for employees by a variety of methods as shown in the picture to the right:
- Select MODIFY to enable editing.
- Make the appropriate changes.
- Click SAVE.



Important: The employee system incorporates many configuration and data entry screens. Be sure to click MODIFY and SAVE at each of them.

Deleting an Employee

- Find the desired employee via the appropriate Lookup method.
- Select MODIFY to enable editing.
- Select the DELETE button.
- Click YES on the confirmation box that appears.
- Click Cancel to return to the lookup screen.
 - The system does not permit deleting an employee who has any earnings or any payroll history at all for the current calendar year. **Important:** the system uses the computer's date to determine the year setting.
 - Deleting an employee does not delete payroll history data that may exist for that employee for any prior year. In this manner, the payroll records are retained by the system should they be required at a later date.
 - Instead of deleting an employee, you may consider terminating the employee and then changing the employee's number to one outside of the range of your normal, active employees. For example, if your active employees are usually numbered in the 1-1000 range, you might use the "Change an employee number" feature to change a terminated employee to a number in the 9000's instead. The change number utility is an option on the FILE menu of the employee manager.

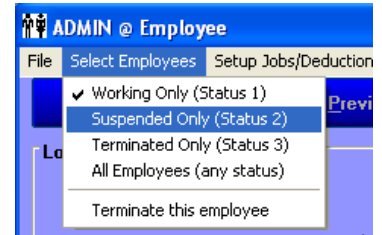


Suspending an Employee

Suspension is intended for "seasonal" or other employees who are expecting to return to work at some later date. Suspended employees do not appear in the payroll system when entering hours for a payroll run, and they cannot use SQLPos Point of Sale or TimeClock. Suspension is enabled by changing the employee's **current status** setting.

- Recall the desired employee record to the screen.
- Click MODIFY to enable editing.

3. Change the **current status** field to 2 and press ENTER. The terminated date field changes to “Suspended date” and becomes active
4. Type the suspended date in MMDD or YYYYMMDD format and press ENTER.
5. Click SAVE.
6. To reactivate an employee, simply change the **current status** field to 1 and save the record. The suspended date will automatically be cleared and the employee.

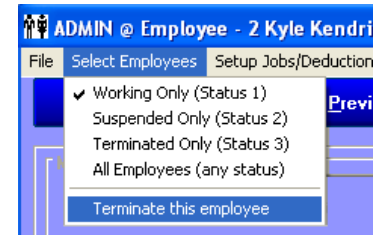


Note: Suspended employees do not appear in lookups unless either the **Suspended Only** or **All Employees** selection is chosen beforehand:

Terminating an Employee

Important: You may not issue a payroll check to an employee in a terminated status. Therefore, be sure to issue the employee’s final payroll check *prior* to marking the employee as terminated.

1. Recall the desired employee record to the screen.
2. Click MODIFY to enable editing.
3. Click **Select Employees** (in the menu bar at the top of the screen), then select **Terminate this employee**. The termination date field is filled in with the current date and the current status is changed automatically.
4. Click SAVE.

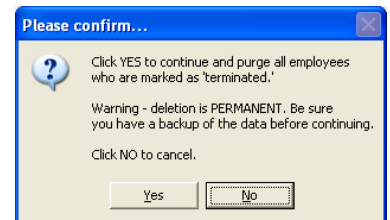


Note 1: Terminated employees do not appear in lookups unless either the **Terminated Only** or **All Employees** selection is chosen beforehand.

Note 2: At the end of the year, the payroll zeroing process (in the payroll manager) does not delete terminated employees. They must be deleted manually via the employee manager either individually or via the **purge employees** option.

Purge Employees

Purge is a feature that is available on the FILE menu that allows group deletion of all employees who are marked as “terminated.” As with the individual deletion method, purge does not affect the system’s payroll history records nor will it affect employees who have any payroll activity at all during the current calendar year. **Important:** the system uses the computer’s date to determine the year setting.



Payroll Year and the Computer’s Clock

The federal government defines a payroll year as January 1st through December 31st of the current calendar year. Further, the date printed on the payroll check itself determines the payroll quarter and year to which the employee’s earnings apply. How you account for payroll expense in your business is a different matter and has no bearing on the federal definition of a payroll year.

Club Office payroll is quite sensitive to the date setting of the computer’s clock, and it assumes that your computer’s clock is always correct. Therefore, changing the clock setting manually to the wrong date or year can create unsupportable issues. For example, changing the date ahead into a future year for the purpose of deleting or purging employees circumvents the software’s

design and will likely result in the inability of the system to produce accurate W-2s for the current year. Likewise, changing the date backward into a prior year for the purpose of issuing a backdated payroll check will likely create other difficult issues, not to mention the federal tax implications as well.

When the computer's clock enters the new calendar year at midnight of December 31st, technically, any payroll issued from then on applies to the *new* year and not the one just completed. However, Club Office's payroll system carries with it cumulative totals, and because Federal W-2s and other reports are created after the payroll year has ended, these cumulative totals remain in the system until they are manually zeroed-out with the EOY Zero function. Therefore, no payroll checks of any kind should be issued in the new calendar year until the previous year has been finalized, reports and W-2s printed, and the year-end zero process has been invoked. More information about this and other maintenance procedures is included in the payroll manager manual.

Tracking Hours for Salaried Employees

The system does not track true hours worked by salaried employees because by definition, they are not hourly. If you wish to have the system track hours for a salaried employee (and leave the employee set to the "S" salaried setting) you must convert the employee's salary pay amount to an hourly wage based on a 40-hour work week. In the example below, the employee's annual salary is \$32,000:

1. Divide the annual salary by 2080 hours (52 weeks/yr x 40 hrs/wk = 2080 hrs/yr) to arrive at the hourly wage. In this case, $\$32,000/2080 \text{ hours} = \15.38 per hour (rounded down to the nearest cent).
2. Edit the employee's pay rate by setting it to the calculated hourly rate.
3. When issuing payroll, override the default "1" setting automatically inserted in the hours field for salaried employees and replace it with the number of weeks worked x 40 hours. (Example: if paying bi-weekly, you'd replace the "1" with an 80, which is the same as two, 40-hour work weeks.)
4. You would not enter any overtime or partial hours. For example, if the employee actually worked 45 hours for a week, because he/she is salaried, you would still enter 40 into the regular hours box and leave the overtime box zero (or blank).
5. **Caution:** *be extremely careful when entering hours into the payroll system if you have some salaried employees who have been converted to an hourly wage yet others have not. Entering 40 hours to a salaried employee who has not been converted to an hourly wage will create a paycheck that is 40 times greater than normal!*

Reusing Employee Numbers

As employees come and go, some clubs reuse the employee number because they assign employee numbers based on specific types of jobs. This is certainly an acceptable practice as long as it's managed properly:

- **Don't do this:** Editing the employee record by simply changing the name and address has dire tax consequences: the new employee will be linked to historical earnings for a different person.
- **Do this instead:** reserve a segment of employee numbers for "former employees." You might reserve #9000-9999 for this. Then use the "change an employee number" function to change the former employee and all his/her related payroll history to a new number in the "former employees" range. In the process, the "old" number is freed-up and can be reused for a new employee. The change an employee number feature is located on the FILE menu of the employee manager.

Setup Jobs & Deductions

Creating job categories for employees and automatic employee deduction programs is performed in the same module; selecting between the two is performed by a menu bar option at the top of the screen.

Important concept: a “job” is essentially the definition of a work area for the purpose of tracking money and hours worked within the accounting system. The settings define the accounting structure that applies to all employees who subsequently work in that area. *How much money* (e.g. earnings) is determined by the individual employee’s pay rates who work that job; pay rates are set inside the employee’s record itself. A “deduction” follows the same logic: setting up the structure of the deduction program is performed here; the *dollar amounts* are set in the employees’ individual records.

The bottom portion of the screen provides context-sensitive help that changes as each configuration item is chosen.

How much do I need to configure?

- If you are not using TimeClock or the Club Office payroll system, you need not establish job categories or deduction programs for your employees at all.
- If you are using TimeClock, establishing job categories is required for TimeClock’s design requires that employees punch in/out to a specific job. However, if using only TimeClock to track time and not the allocation of payroll tax and wage expense, it is necessary only to create the job category itself; the general ledger configuration settings are not necessary and you may leave them all set to zero (as in the Misc. Job example above).
- If using Club Office payroll, whether or not you use TimeClock, it is necessary to fully configure job categories and the respective general ledger settings for tracking payroll. A prerequisite is that the necessary general ledger accounts be established prior to configuring the jobs and issuing payroll through the system.

How to Create a New Job

- Open the Setup Jobs & Deductions module;
- Select Jobs in the menu bar at the top of the screen.
- Click NEW
- Type the numerical job code in the box provided. The job code must be between 1-9999. No two jobs can share the same job code, although the G/L configuration information can be the same as another job code. Press ENTER to move to the next field.
- Type the description/title of the job. It's a good idea not to use *exactly* the same description for multiple jobs so as to eliminate confusion. Press ENTER when done.
- Enter the G/L posting accounts as are necessary for your tracking. You may not need to configure every field, but consider that if a value is calculated that applies to a non-configured field, the resulting journal entries will be created to G/L #0 and they will not post in your general ledger. At the very least, you might configure fields that you don't expect to use to

| | | | | | |
|--------------|----------|-------------|----------|-----------------------|----------|
| Fica W/H | 2260.000 | Holiday O/T | 5060.000 | E-I-Credit | 1055.000 |
| Federal W/H | 2260.000 | Vacation \$ | 5060.000 | Federal U/C exp. | 2261.000 |
| State W/H | 2262.000 | Sick \$ | 5060.000 | State U/C exp | 2263.000 |
| Local W/H | 1055.000 | Other pay | 5060.000 | Var deduc | 1055.000 |
| Medicare W/H | 2264.000 | Gratuities | 5060.000 | Fica exp | 5085.000 |
| Regular \$ | 5060.000 | Meals | 1055.000 | Medicare exp | 5085.000 |
| Reg O/T \$ | 5060.000 | Def Comp | 1055.000 | Break Time (hrs) | .00 |
| Holiday \$ | 5060.000 | Insurance | 1055.000 | Break Reduction (hrs) | .00 |

apply to some sort of generic “suspense/temp” account in your general ledger to eliminate the possibility of values not appearing anywhere at all.

As you move from field to field, the help/information area at the bottom of the screen will display specific information about the normal type of G/L account required for the current field.

Note: You may wonder why some of the job configuration accounts (Fica, Federal, State, Medicare) are exactly the same as are listed in the main payroll configuration. Consider that the main payroll configuration is for the *company* while the job configuration is for the *employee*. The payroll system needs *both*.

- When done, click the SAVE button to save the new job configuration settings.

G/L Account Assignment Information for a Job

- **Fica W/H:** this is the main liability account for containing the total amount of FICA employment tax withheld from employees' earnings.
- **Federal W/H:** this is the main liability account for containing the total amount of Federal Income Tax withheld from employees' earnings.
- **State W/H:** the main liability account for containing the total of State Income Tax withheld from employees' earnings.
- **Local W/H:** the main liability account for containing the total of Local Income Tax withheld from employees' earnings. This is often determined by a county or city boundary.
- **Medicare W/H:** the main liability account for containing the total of Medicare Tax withheld from employees' earnings.
- **Regular \$:** the main expense account for wages earned by workers working this job when working regular hours. The G/L posting report for this value typically shows up as FPR-Job#-CoWage.
- **Regular O/T \$:** the main expense account for wages earned by workers working this job when working overtime hours. If you do not need to break out overtime from regular\$, set this to the same account as regular\$.

- **Holiday \$:** the main expense account for wages earned by workers working this job when their hours are considered as being worked on a “holiday.” If you do not need to break out holiday\$ from regular\$, set this to the same account as regular\$.
- **Holiday O/T \$:** the main expense account for wages earned by workers working this job when their hours are considered as overtime and worked on a “holiday.” If you do not need to break out holiday O/T\$ from holiday\$, set this to the same account as holiday\$.
- **Vacation \$:** the main expense account for wages paid to workers for earned “vacation” hours while working this job. If you do not need to break out vacation\$ from regular\$, set this to the same account as regular\$.
- **Sick \$:** the main expense account for wages paid to workers for earned “sick pay” hours while working this job. If you do not need to break out sick\$ from regular\$, set this to the same account as regular\$.
- **Other pay:** the main expense account for additional pay that is not tied to an hourly wage and issued to employees working this job. If you do not need to break this out from regular\$, set this to the same account as regular\$.
- **Gratuities:** this is probably a liability account, but may not be, depending on how you manage gratuities. This refers to automatic gratuities/service charges that are collected by the club on behalf of employees either automatically through sales or otherwise and paid to employees through payroll as part of their normal compensation. **This is NOT to be confused with *declared tips* that an employee receives directly from a customer and *declares* to the employer.**
- **Meals:** this is probably an expense account and can be used for tracking this as an employee benefit. The value appears on the employee’s paycheck but does not affect his/her earnings. Note: current federal tax law exempts employee meals from any form of taxation provided the employer meets the 50% rule. (See IRS Publication 15 for more information.) Therefore, Club Office does not use the meals value as part of the employee’s federal wage. However, depending on the employee’s tax state setting, meals *may* become a factor for state withholding tax calculation. This G/L account should be the same as the G/L Account Employee Meals at the main payroll configuration screen.
- **Def Comp:** future feature; may be set to zero or a suspense account.
- **Insurance:** future feature; may be set to zero or a suspense account.
- **E-I-Credit:** this should be the same liability account number as federal income taxes payable. The advanced earned income credit is funded by withheld taxes from all employees and added back to the employee’s net pay. The value of EIC payments made to an employee is printed in box 9 of the W-2 form.
- **Federal U/C:** this is the account that contains the employer’s Federal Unemployment Compensation expense for this job.
- **State U/C:** this is the account that contains the employer’s State Unemployment Compensation expense for this job.
- **Var deduc:** this is the G/L account that contains the values for variable deductions made to an employee for a specific job. Variable deductions are always post-tax deductions and are calculated after all taxes but before any automatic post-tax deductions are created.
- **Fica Exp:** this is the G/L account that contains the employer’s portion of FICA expense, commonly called “Employer’s FICA.”
- **Medicare Exp:** this is the G/L account that contains the employer’s portion of Medicare expense, commonly called “Employer’s Medicare.”

Payroll Expense Tracking Concepts to Consider

Not everyone has the same need for tracking of employee expense. Club Office is extremely flexible and affords you the option to have whatever level of detail expense recording you want.

- Some facilities may want to use a single G/L expense account category for “general payroll expense” and configure all jobs to post to the same expense account. While this is the simplest to implement, it makes it harder later on to analyze your expenses.
- Some clubs segment payroll expense in their G/L into “inside” vs. “outside” jobs and some others break it out into food service, administrative and maintenance, allowing more of an opportunity to compare expenses by general area and affording them more detailed information for making important management decisions.
- Still others design even more detail in the G/L chart of accounts by creating expense accounts for servers, kitchen staff, chef staff, bar, office staff, pro shop, maintenance, greens superintendent, grounds, and even temporary/contracted labor and more. More detail categories in your G/L chart of accounts can provide more information for making management decisions. However, more detail also means more setup is necessary both in the G/L and inside the payroll system’s job configuration.
- Club Office’s G/L reporting tools provide many options to create consolidated reports from multiple G/L expense areas so that you can certainly see “total payroll expense” from all the detail accounts, but Club Office cannot take a single “general payroll expense” account and break it out into detail.
- As with most anything we do in our daily lives, we encounter trade-offs. For tracking Club Office payroll, you must weigh the benefits of having more detail with the ease of having less.

| A | B | C | D |
|-----------------|----------------|--------------------|----------------------|
| 1 Category | 4 Categories | 8 Categories | 15 Categories |
| Payroll Expense | Food Service | Administrative | Administrative |
| | Administrative | Servers/Wait staff | Servers/Wait Staff |
| | Maintenance | Kitchen | Kitchen |
| | Other | Chef Staff | Chef Staff |
| | | Bar Staff | Bar Staff |
| | | Pro Shop | Banquet Food Svc |
| | | Maintenance | Banquet Bar Svc |
| | | Superintendent | Pro Shop |
| | | | Pool Staff |
| | | | Tennis Staff |
| | | | Maint-Clubhouse |
| | | | Maint-Pool |
| | | | Superintendent |
| | | | Contract labor-food |
| | | | Contract labor-other |

How to Change a Job’s Configuration

1. Open the Jobs & Configuration setup module; select Jobs from the menu bar.
2. In the grid of jobs that appears on the left side of the screen, click on the job to change. The settings for that job will populate the editing fields.
3. Change the fields as necessary.
4. Click Save to save the changes.

Note 1: The payroll manager includes a report of job configuration settings.

Note 2: Changing a **job code** for an existing job causes the setup module to create a **new** job with the new job code that has the same G/L settings as the original. It does not change the original job.

Note 2: Changing a job’s description changes only the text description and nothing else.

Note 3: Changing a job’s G/L configuration settings directly does not change the underlying historical data that may already exist for that job. The G/L changes take effect with the next payroll to be finished and posted to the G/L.

Note 4: If it is your desire to move a job’s G/L accounts settings and the related historical data to a different range of numbers inside your G/L chart of accounts, use the G/L Global Change utility instead of changing the job directly. The Global Change utility not only changes the G/L accounts and historical data, it will also change the job configuration as well.

How to Deactivate a Job

1. Change all employees who are currently linked to the job to a different job. Be sure to do this step first.
2. Open the Jobs/Deductions module; select Jobs from the menu bar.
3. Click on the desired job (in the job grid display) to change.
4. Change the desired job's description to "UNUSED" or "DON'T USE" or some other description that reminds users not to use that job.
5. Change the job's G/L accounts to either zero or a "suspense/temp" account.
6. Click Save to save the changes.

How to Delete a Job

Because of the complexities and potential ramifications of deleting a job from the system, contact Club Data Technical Support for assistance.

Automatic Payroll Deductions

Automatic payroll deductions are created and configured at the deductions setup screen. Automatic deductions may be calculated with each payroll run processed through the payroll system. The payroll calculation module includes an option to bypass processing deductions for those situations when deductions are not desired; when the “Bypass Deductions” option is invoked, both automatic pretax and automatic posttax deduction calculations are skipped. It’s also important to know that if the calculated amount of a deduction is greater than the employee’s earnings, *that deduction is not taken*.

ADMIN @ Jobs/Deduction Setup

File Jobs Deductions Exceptions Info Help

Cancel Exit

Configure Deduction Plans

Deduction # Description Type

Pre-Tax? (Y/N) Exempt from State tax? (Y/N) Max Limit \$

Ex. from Federal tax? (Y/N) Exempt from Local tax? (Y/N)

Ex. from FICA tax? (Y/N) G/L Acct # for tracking

| Deductions | | | | | | | | | | |
|------------|-------------|-----------|---------|---------|----------|-----------|-----------|----------|---------|-----------|
| Ded # | Description | Type | Pretax? | Ex-Fed? | Ex-Fica? | Ex-State? | Ex-Local? | G/L # | Distrib | Max.Limit |
| 10 | 401-K | D-DEFCOMP | Y | Y | N | Y | N | 1055.000 | \$0.00 | \$0.00 |
| 20 | Child Care | 1 | N | N | N | N | N | 1055.000 | \$0.00 | \$0.00 |
| 30 | Misc | MISC | N | N | N | N | N | 2220.000 | \$0.00 | \$0.00 |

Click anywhere along a line in the grid window to select that deduction. Once selected, it may be edited in the boxes and the changes saved by clicking the SAVE button. To add a new deduction, click the NEW button, type the requested entries and click SAVE.

How to Create a Deduction Program

1. Open the Jobs & Deductions module; select Deductions from the menu bar.
2. Select NEW.
3. In the boxes at the bottom of the screen, type the requested information. Press ENTER to advance to the next box.
4. Click Save to save the deduction program settings.

Field Information

- ▾ **Deduction #:** this is a number between 1-99.
- ▾ **Description:** this is a text description of what the deduction is supposed to be. It’s a good idea not to make descriptions exactly alike even though you may have similarly configured programs. For example, you may need more than one 401-K program because you may have different plan administrators. The description is limited to 15 characters.
- ▾ **Type:** the payroll system is extremely sensitive to the *type* setting, and certain type codes **must** be used for qualified deferred compensation programs. Your plan administrator can tell you what type you have. The respective code letters for deferred compensation plans at the beginning of the type code are printed in Box 12

of the yearly W-2 form. Except for the Roth programs, a key element to these codes is the word DEFCOMP and it *must* be included in the type code itself.

- ┆ **D-DEFCOMP**: a 401(k) cash or deferred compensation plan
- ┆ **E-DEFCOMP**: a 403(b) salary reduction plan
- ┆ **F-DEFCOMP**: a 408(k) salary reduction SEP plan
- ┆ **G-DEFCOMP**: a 457(b) deferred compensation plan
- ┆ **AA-ROTH**: Roth contributions under a section 401(k) plan
- ┆ **BB-ROTH**: Roth contributions under a section 403(b) plan

Note: when the Type includes the word DEFCOMP, other settings are automatically configured.

- ┆ **Type: LOCALTAX**: this is a special type that functions only as a post-tax deduction and allows calculating a local tax on an employee-by-employee basis instead of using the global percentage tax setting in the main payroll configuration. The feature calculates the tax based on normal % or fixed \$ values but the payroll module transfers the resulting value into the localtax field instead of tracking the total in the deductions area. Typical uses for the LOCALTAX deduction type are county, school or other taxes that are generally levied by local municipalities.
- ┆ **Type: DEPCARE**: If the deduction is for dependent care, use this type. The dependent care total is printed in box 10 of the W-2 form.
- ┆ **Type: AUXTX**: Future feature; do not use.
- ┆ **Other type codes**: You may generally invent your own as needed, for example HC for healthcare, DEN for dental, ABC, XYZ, etc. Do NOT include the keywords DEFCOMP or DEPCARE in the type if they are not of those types.
- ┆ **Pretax (Y/N)**: Type Y if this item is a pre-tax deduction (taken from gross wages before tax); N if it is a post-tax (e.g. taken from the net wages after all taxes have been calculated). When the Type contains the key word DEFCOMP, this is automatically set to Y.
- ┆ **Exempt from** (several Y/N options): Type the appropriate Y/N setting. In most cases and except for FICA, these will either be all Y or all N.
- ┆ **G/L Acct #**: Type the G/L account number that will be used to track the values for this deduction. This will likely be a liability account but it may be an expense account instead.
- ┆ **Max Limit \$**: If there is a dollar limit to the deduction amount, you may type the limit here. When the YTD total for the employee reaches the limit, the deduction is no longer taken.

Note 1: The payroll manager includes reports for both the main system deduction program configuration settings and deduction settings for employees.

Variable Deductions

The payroll manager includes two data entry fields for on-the-fly “variable deductions” to be taken from the employee’s earnings: **Var Deduc** and **Emp Purch**. The system manages them the same way although **Emp Purch** is displayed in the G/L journal posting report with “**Garnish**” in the reason code. A typical variable deduction might be a periodic fee for an employee uniform or laundry charge, etc. It’s important to understand how variable deductions are managed.

- A variable deduction is subtracted from the employee’s net pay *after all taxes have been calculated but before any other automatic post-tax deductions are calculated*.
- The G/L account to which the variable deduction posts is determined by the Var Deduc setting for the employee’s chosen job when the variable deduction was keyed at the payroll entry screen. For employees who work in multiple jobs, it’s important to choose the proper job before keying the variable deduction for that employee.
- A variable deduction can be keyed with a positive value (e.g. subtracted from the employee’s net pay) or a negative value (e.g. added to the employee’s net pay).

- **Note 1:** the capability to enter a negative variable deduction is intended to be used only to reimburse the employee for prior variable deductions that should not have been made.
- **Note 2:** The practice of using a negative variable deduction to pad an employee's paycheck has dire payroll tax implications and should not be attempted whatsoever.

Employee Garnishments

Fixed value, repeating garnishments should be set up as automatic post-tax deductions. Values that are keyed into the **Emp Purch** field are handled exactly like variable deductions but include the word **GARNISH** in the reason code when they are posted to the general ledger.

Job & Deductions Configuration and Resulting Journal Entries

To understand job and deduction configuration settings and how they work, it's often helpful to view a typical set of journal entries from the finish of a payroll run. For simplicity, this example is based on a two employees working in two different jobs:

| P/R Journal Posting Report | | | | | | Report date: 20081107 | Page | 1 | |
|----------------------------|------------------------------------|------|------------|--------|----------------------|-----------------------|------|------|-------|
| Group | G/L Acct | Type | Amount | Status | Reason | User | Per | Chk# | Vend# |
| 20081107@11:17:31 | | | | | | | | | |
| | 5060.000 Kitchen staff | E | 820.00 | N | FPR-Job101-CoWage | ADMIN | 1 | | |
| | 5085.000 Payroll Tax - Dining Room | E | 50.84 | N | FPR-Job101-Fica | ADMIN | 1 | | |
| | 2261.000 Federal unemployment tax | L | 6.56 | N | FPR-Job101-FedUC | ADMIN | 1 | | |
| | 2263.000 State unemployment tax | L | 12.30 | N | FPR-Job101-StUC | ADMIN | 1 | | |
| | 5085.000 Payroll Tax - Dining Room | E | 36.90 | N | FPR-Job101-Medicare | ADMIN | 1 | | |
| | 2264.000 Medicare Tax Payable | L | (36.90) | N | FPR-Job101-Medicare | ADMIN | 1 | | |
| | 2259.000 Federal EIC Credit | L | 159.05 | N | FPR-Job101-EIC | ADMIN | 1 | | |
| | 4070.000 Salaried | E | 900.00 | N | FPR-Job201-CoWage | ADMIN | 1 | | |
| | 4085.000 Payroll Tax - Grounds | E | 55.80 | N | FPR-Job201-Fica | ADMIN | 1 | | |
| | 2261.000 Federal unemployment tax | L | 7.20 | N | FPR-Job201-FedUC | ADMIN | 1 | | |
| | 2263.000 State unemployment tax | L | 13.50 | N | FPR-Job201-StUC | ADMIN | 1 | | |
| | 4085.000 Payroll Tax - Grounds | E | 40.50 | N | FPR-Job201-Medicare | ADMIN | 1 | | |
| | 2264.000 Medicare Tax Payable | L | (40.50) | N | FPR-Job201-Medicare | ADMIN | 1 | | |
| | 2266.000 Deferred Comp Plan | L | (155.00) | N | FPR-Ded10 | ADMIN | 1 | | |
| | 2260.000 Federal FICA tax payable | L | (106.64) | N | FPR-Fica | ADMIN | 1 | | |
| | 2260.000 Federal FICA tax payable | L | (106.64) | N | FPR-EMPLR/Fica | ADMIN | 1 | | |
| | 2264.000 Medicare Tax Payable | L | (77.40) | N | FPR-EMPLR/Medicare | ADMIN | 1 | | |
| | 2260.000 Federal FICA tax payable | L | (75.66) | N | FPR-FIT | ADMIN | 1 | | |
| | 2262.000 State tax payable | L | (35.68) | N | FPR-StateTax | ADMIN | 1 | | |
| | 2261.000 Federal unemployment tax | L | (13.76) | N | FPR-FedUC | ADMIN | 1 | | |
| | 2263.000 State unemployment tax | L | (25.80) | N | FPR-StateUC | ADMIN | 1 | | |
| | 1010.000 Our Bank Account | A | (1,428.67) | N | FPR-Balancing-Netpay | ADMIN | 1 | | |

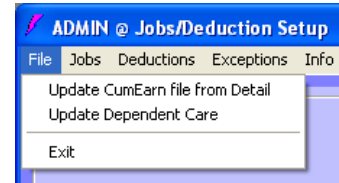
- **FPR** in the Reason column stands for “**Finish PayRoll**” and is a preset code built into the payroll system. Codes such as this help identify the source of a set of journal entries. Club Office has several preset reason codes to help users understand automated journal entries that originate from payroll, A/R, A/P and other everyday procedures.
- A group of FPR journal entries always begins with an array of detail lines related to specific job functions, and the reason column includes the job number. In this example:
 - First of all, notice that many of the G/L account numbers in this sample are quite specific and point to things other than *generalized* G/L accounts. The account descriptions reference work areas such as “kitchen” and “dining room” instead of a more generic “clubhouse.” Different types of taxes have their own accounts, too: unemployment, payroll tax, Medicare, FICA, etc. Detail such as this can make analyzing payroll expense easier than it might be if using general, catch-all G/L accounts. (See “*Payroll Expense Tracking Concepts to Consider*” later in this manual.)
 - FPR-Job 101-CoWage** is the total company wage expense for job #101, is \$820.00 and is posted to G/L account #5060, the Kitchen Staff expense account (type E).

- c. **FPR-Job 101-Fica** for \$50.84 to expense account #5085 is the employer's matching contribution to Fica expense *for this specific job*.
- d. **FPR-Job 101-FedUC** is the company's federal unemployment compensation liability *for this specific job*.
- e. **FPR-Job 101-StUC** is the company's state unemployment compensation liability *for this specific job*.
- f. **FPR-Job 101-Medicare** shows two entries; one to the expense account for the employer's matching contribution of Medicare expense *for this specific job*. The other is to the liability account for Medicare Tax withheld from the employee's earnings, also *for this specific job*.
- g. **FPR-Job 101-EIC** indicates that an employee working job #101 is signed up for advanced EIC credit. Remember, the money paid to an employee for advanced EIC comes from the overall taxes payable, and the G/L account indicates in this case that a separate liability account has been established in the G/L to track EIC by itself instead of being posted to a generic "federal taxes payable" account.
- h. The next few journal entries are similar but are related to job 201 instead of job 101. As more job numbers are used, additional entries appear by job number before the summary entries appear that apply to ALL jobs.
- i. **FPR-Ded 10** summarizes a deferred compensation plan, tracked as deduction program #10 to a liability G/L account. The value is the total for all employees that are linked to deduction #10.
- j. **FPR-Fica** summarizes all FICA taxes withheld from the employee's earnings and assigned to the FICA tax payable liability.
- k. **FPR-EMPLR/Fica** summarizes the employer's matching contribution for FICA taxes withheld from all employees' earnings, also assigned to the FICA tax payable liability.
- l. **FPR-EMPLR/Medicare** summarizes the employer's matching contribution for Medicare taxes withheld from all employees' earnings, also assigned to the Medicare Tax Payable liability.
- m. **FPR-FIT** summarizes federal income tax withheld from all employees' earnings and should be assigned to the Federal Income Tax payable liability.
 - i. **Important:** In the example above, note that the user has configured FIT to post to the Federal *FICA Tax* liability instead of to the Federal *Income Tax* liability. **This is exactly the type of configuration issue that can lead to confusion and difficulty down the road when viewing reports.** By assigning federal income tax payable to the FICA liability, the resulting financial reports would display misleading information because the value reported is different than the intention of the account's apparent description. The choice of accounts that you use is, of course, up to you; just understand the impact a simple misconfigured setting can create.
- n. **FPR-StateTax** summarizes state tax withheld from all employees' earnings and is assigned to the State Tax Payable liability.
- o. **FPR-FedUC** summarizes federal unemployment compensation expenses for all jobs and is assigned to the appropriate liability account.
- p. **FPR-StateUC** summarizes state unemployment compensation expenses for all jobs and is assigned to the appropriate liability account.
- q. **FPR-Balancing-Netpay** summarizes the total of net pay issued via payroll checks. This should also be the last line of the journal entry group.
- r. **FPR-anything else:** it is possible that an additional journal entry may appear after the FPR-Balancing-Netpay line. If so, it is usually caused by one of the following:
 - i. A job or deduction is misconfigured or perhaps not configured at all. Usually the resulting values are in whole dollars to G/L account #0. This **MUST** be corrected before the next payroll run.
 - ii. A percentage calculation created one or more parts-of-pennies values (hundredths or thousandths of a cent). Because such values must be

rounded either up or down when printing payroll checks, when adding up all the *rounded* amounts, the result could be an **FPR-Rounding** entry and an additional journal balancing entry of a few pennies may be created to G/L account #0. This entry does not indicate a configuration problem but more of an arithmetic calculation issue in rounding calculated values to whole cents. The journal entry can later be reallocated to an appropriate expense account in the G/L journal so that it will post.

Special FILE menu options

The Setup Jobs/Deductions module includes a few special utilities in the FILE menu; they become visible depending on your user access level. These utilities can be extremely helpful in a few special situations.



- **Update CumEarn file from Detail:** This utility scans through the chosen payroll history year and resets all employees' YTD cumulative earnings to the chosen year. The utility requests that the user enter the 4-digit payroll year to recalculate (ex: 2008). With it you can:

- Recalculate the current year's YTD totals at any time you like. This is helpful in case you've forgotten to check the box to "close the quarter" when you finished the last payroll run. This utility will close the quarter for you.
- Recalculate all employees based on a prior year payroll history. This is helpful for reviewing historical pay totals, etc.

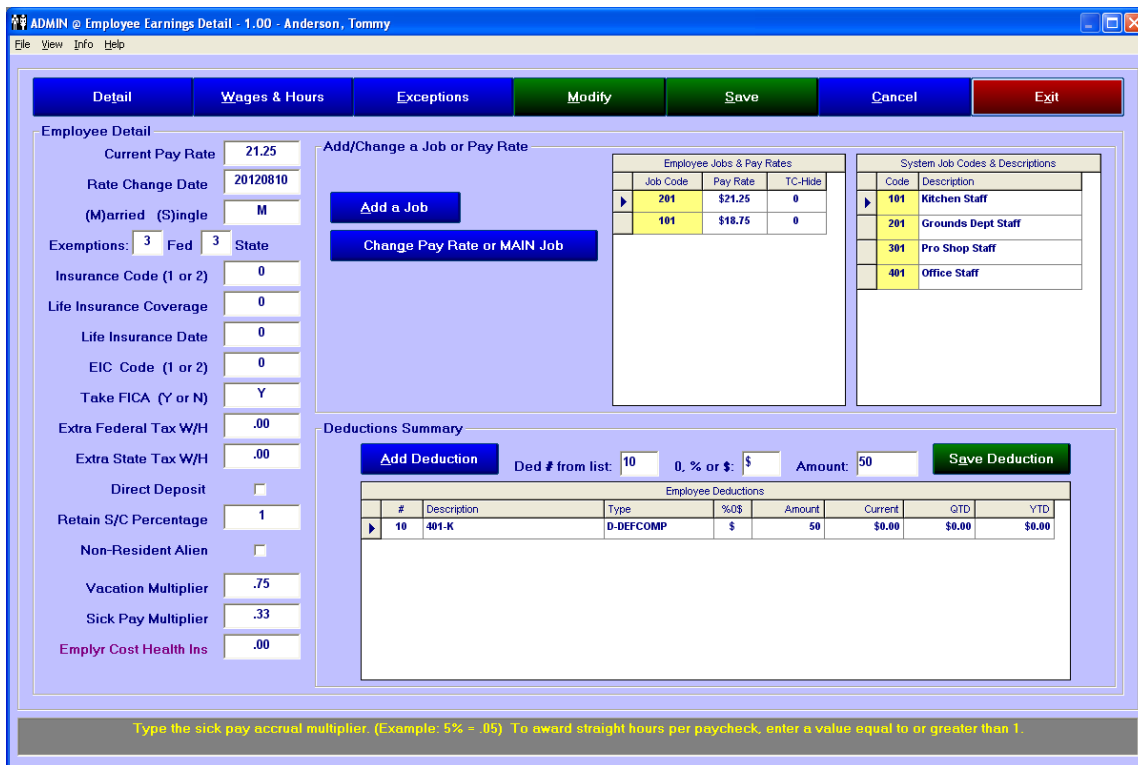
CAUTION: If you use this utility to recalculate employee totals using a prior year's history, you **MUST** remember to use the utility a second time to recalculate the **CURRENT** payroll year and reset employee totals to their current, correct values before you issue any new payroll. *Failure to reset the totals to the current year has severe payroll tax implications.*

- **Update Dependent Care:** If you defined a deduction as a dependent care program but did not use the DEPCARE key word as the deduction type when the deduction was created, the system will not track the YTD total as dependent care nor will it record it in box 10 of the W-2 form. This utility can reset and recalculate YTD dependent care totals after fixing the deduction configuration issue. How to use:
 - Change the TYPE for the misconfigured deduction so that it reads DEPCARE.
 - Save the setting.
 - Click FILE – Update Dependent Care.
 - Type the current payroll year into the box (ex: 3 for the third quarter).
 - Type the quarter to recalculate. You can only reset one quarter at a time.
 - The utility will scan through the chosen quarter and reset the history from the misconfigured deduction to the correct settings, recalculating the respective employees' quarterly totals at the same time.

Employee Earnings Detail

This module is used to:

- Establish various control settings that apply to the calculation of payroll
- To link employees to pre-defined jobs and set applicable pay rates for them;
- To change an employee's job or pay rate;
- To link specific deduction programs and their respective amounts to employees;
- To quickly view YTD totals of wages and hours for an individual employee;
- To establish vacation time and sick time accrual mechanisms.



Data field descriptions:

- Current pay rate:** This is the main rate of pay for the selected employee. While the employee may work in several other jobs and receive different pay rates from job to job, the current pay rate is intended to reflect compensation for the job he/she performs the majority of the time. NOTE: When the employee's record is first created, the current pay rate defaults to the first job added to the Job & Pay Rate grid. Afterward, it may be changed manually by clicking the MODIFY button, making the changes, and then clicking SAVE. CPR is generally managed automatically when selecting the “change pay rate or MAIN job” button and linking the employee to a new job. This is discussed in more detail later.
- Rate Change Date:** When the record is first created, the current date is automatically entered here. Any time thereafter, when the current pay rate is changed, the rate change date changes automatically.
- Marital status:** Type M if the employee files with married status, S for single. Other options are H, B or W. Note that the H and B codes apply only to Mississippi, Missouri or Georgia tax and W applies only to North Carolina; do not use them if the employee's tax state is not one of those states. Up-to-date information related to individual tax states can be found in the built-in help; click HELP in the menu bar.

- **Federal exemptions:** type the number of exemptions claimed by the employee for federal tax purposes.
- **State exemptions:** Type the number of exemptions claimed by the employee for state tax purposes. Typing 99 in this field causes the system to bypass state tax calculation where allowed by law, although extra state tax w/h is kept as part of the state tax calculation. **Notes:** Georgia users, type the total number including the employee/spouse plus dependents. Louisiana users, if the employee is set to use LA tax, an extra box will appear just to the right of the State Exemptions box. This box is for the number of the employee's declared dependent credits; enter it here (0-99).
- **Insurance Code (1 or 2):** future feature, leave at zero.
- **Life insurance coverage:** future feature, leave at zero.
- **Life insurance date:** future feature, leave blank.
- **EIC Code (1 or 2):** Type 1 if filing credits for one person; 2 if two credits are claimed. A zero deactivates this feature for this employee. Note: be sure to secure the proper EIC forms from your employees.
- **Take FICA (Y or N):** Type Y (the default) if FICA tax is to be withheld from the employee's earnings. Type N to bypass withholding FICA taxes for this employee. Note that the setting affects Medicare tax withholding in the same manner.
- **Extra federal tax W/H:** type the amount of extra federal income tax (not FICA tax) to withhold from the employee's earnings with each payroll check. Type the number without the \$. Example: \$15.75 is entered as 15.75.
- **Extra state tax W/H:** type the amount of extra state income tax to withhold from the employee's earnings with each payroll check. Type the number without the \$. Example: \$10.25 is entered as 10.25.
- **Direct Deposit:** check this box if this employee is using direct deposit. When printing payroll checks, this setting prints a VOIDED check for the employee so that he/she may still have a record of earnings for the current pay period. While there is currently no facility in the payroll system to create data files to send to your bank for the direct deposit checks issued, the payroll check register marks payroll checks that are intended to be "direct deposit" checks. Be sure to notify your bank of the proper employees who are on a direct deposit program and provide them with the payroll check amounts and suitable bank routing information. Note: direct deposits are considered the same as "cash" in the general ledger posting report at the conclusion of a payroll run.
- **Retain S/C Percentage:** type the percentage of service charges the employee is permitted to retain. The default is 1 (100%). Entries must be typed in decimal format. Example: .75 is the decimal entry for 75%. The payroll manager includes a service charge worksheet that can be printed prior to a payroll run. This report gathers sales information from the user-specified range of dates and displays the percentages and resulting amounts.
- **Non-resident alien:** check this box if the employee is a non-resident alien. The setting affects the calculation of federal income tax.
- **Vacation Multiplier:** The payroll system can track accrued vacation time. Vacation is accrued either by a percentage of the hours worked per payroll or by awarding straight hours. Typing a percentage value (ex: 5% entered as .05) causes the system to accrue a percentage of the total regular hours worked; typing a number equal to or greater than 1 causes the system to award that many hours directly to the accrued vacation time on a per-payroll basis. The accrued vacation is calculated and applied to the employee's record during the payroll finish process, therefore a payroll check will display historical totals only without the current payroll's accrued values. The main payroll configuration screen includes a setting for accruing vacation time according to a "C" calendar date or a "H" hire date. Setting the configuration option to "C" tells the system to clear employee's accrued vacation hours when the end-of-year zero process is invoked; in effect, this is the "use it or lose it" setting and employees start each payroll year with zero accrued vacation

hours. Setting the configuration option to "H" does not zero the values at the end of the year, effectively allowing the hours to "roll over" from year to year. The "C" or "H" setting is global across all employees.

- ▣ **Sick Pay Multiplier:** This functions exactly the same as the vacation multiplier (see above) although the function relates to sick pay and not vacation pay.

Changing an Employee Detail Record – General Procedure

1. Recall the desired employee record with the Employee Manager.
2. Select the Earnings Detail button.
3. Select the page to change (Detail, Wages & Hours or Deductions).
4. Click MODIFY to enable editing.
5. Make the appropriate changes.
6. Click SAVE.



Adding/Linking Jobs to Employees

Before TimeClock can be used or the payroll system used for calculations, each employee must be assigned to at least one job function/work area in which to accumulate hours.

- Club Office’s limit is 9,999 different jobs per system. Jobs are identified by a job code number.
- Up to twelve jobs can be linked to each employee; if an employee is assigned thirteen or more jobs, the wages and hours earned by the employee for those jobs will be added to the twelfth job.
- Each employee has a “main job.” This is the job at which the employee works the most time. The main job should be the one listed at the top of the list when viewing the employee detail screen:

| Employee Jobs & Pay Rates | | | |
|---------------------------|----------|---------|--|
| Job Code | Pay Rate | TC-Hide | |
| 201 | \$21.25 | 0 | |
| 101 | \$18.75 | 0 | |

How to add (link) a job to the current employee

1. Click the **MODIFY** button at the top of the screen (not shown) to begin.
2. Click the **Add a Job** button; more selections appear on the screen.
3. Click on the desired job to assign to this employee in the **System Job Codes & Descriptions** list at the right of the screen. The job code appears in the Job box in the lower center of the screen.

Add/Change a Job or Pay Rate

Job Code Pay Rate

| Employee Jobs & Pay Rates | | | |
|---------------------------|----------|---------|--|
| Job Code | Pay Rate | TC-Hide | |
| 201 | \$21.25 | 0 | |
| 101 | \$18.75 | 0 | |

| System Job Codes & Descriptions | |
|---------------------------------|--------------------|
| Code | Description |
| 101 | Kitchen Staff |
| 201 | Grounds Dept Staff |
| 301 | Pro Shop Staff |
| 401 | Office Staff |

4. Type the pay rate for this employee and job in the box provided and press ENTER.
5. Click the **Save Addition or Change** button to insert the job into the employee's Job Codes & Pay Rates grid.
6. Click the main **SAVE** button at the top of the screen (not shown) to save all the settings on the screen.

How to Change a Pay Rate for an Existing Job

1. Click the **Modify** button at the top of the screen to begin.
2. Click the **Change Pay Rate or MAIN Job** button.
3. In the employee's job assignment grid, **click on the job to change**. It will be displayed in the job and pay rate boxes in the lower center of the screen.
4. Click on the **Pay Rate** box, then type the change.
5. Click the **Save Addition or Change** button. If the job chosen was also the "main job," the employee's current pay rate will also change and a reminder message will appear.
6. Click the main **SAVE** button at the top of the screen.

Add/Change a Job or Pay Rate

Employee Jobs & Pay Rates

| Job Code | Pay Rate | TC-Hide |
|----------|----------|---------|
| 201 | \$21.25 | 0 |
| 101 | \$18.75 | 0 |

Job Code: 201 Pay Rate: 21.75

Buttons: Add a Job, Cancel, Change Pay Rate or MAIN Job, Save Addition or Change, Make this the MAIN Job

How to change the MAIN job

The first (top) job listed in the employee's job grid is the "main" job -- the job in which the employee works most of the time. The "main" job is the default job that appears first when keying payroll and it's a good idea to set each employee who works multiple jobs with a "main" job.

1. Click the **MODIFY** button to start.
2. Click the **Change Pay Rate or MAIN Job** button.
3. **Click on the job in the employee's job grid** that should become the main job and therefore, moved to the top of the list.
4. Click the button **Make this the MAIN Job**.
5. If the job change also causes the current pay rate field to change, a reminder message will appear.
6. Click the main **SAVE** button at the top of the screen.

Add/Change a Job or Pay Rate

Employee Jobs & Pay Rates

| Job Code | Pay Rate | TC-Hide |
|----------|----------|---------|
| 201 | \$21.25 | 0 |
| 101 | \$18.75 | 0 |

Job Code: 101 Pay Rate: 18.75

Buttons: Add a Job, Cancel, Change Pay Rate or MAIN Job, Save Addition or Change, Make this the MAIN Job

How to Hide a Job from TimeClock so an employee cannot use it

There may be times when an employee no longer works in a job function and you no longer want to allow him/her to mistakenly punch in for that job in TimeClock. The solution is to "hide" it from view when the employee logs into TimeClock itself. This is very simple to do.

1. Click the **MODIFY** button at the top of the screen.
2. **Click on the desired job** in the Employee Jobs & Pay Rates grid.
3. Change the value of the **TC-Hide** column to **1** instead of zero. In the example to the right, the user has changed the TC-Hide value for job #201:
4. Click the **SAVE** button at the top of the screen.

Employee Jobs & Pay Rates

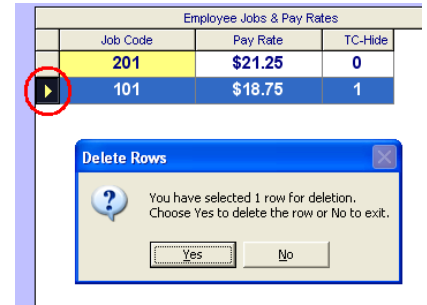
| Job Code | Pay Rate | TC-Hide |
|----------|----------|---------|
| 201 | \$21.25 | 0 |
| 101 | \$18.75 | 1 |

Changing the TC-Hide setting does not affect any historical data or other calculations in any way; it merely prevents the employee from punching in jobs where the TC-Hide value is set to 1. Set the value to zero to redisplay the job to the employee in TimeClock.

How to delete (unlink) a job from an employee

A job can be deleted from an employee's record only if there are no YTD earnings or hours for the employee already linked to the chosen job.

1. Click the MODIFY button to enable editing.
2. Select the desired job to delete from the jobs listed in the Employee Jobs grid by clicking on the *row marker* just left of the Job Code column.
3. Press the DELETE key on your keyboard.
4. Confirm the deletion by clicking YES on the confirmation box that appears.
5. Click the SAVE button at the top of the screen.



Adding/Linking Payroll Deduction Programs to Employees

Automatic employee deduction programs can be created and managed in Club Office for both pre-tax reasons (such as 401-K or other deferred comp programs) and post-tax reasons such as a regular garnishment or payroll savings program that is not tax deferred.

| # | Description | Type | %0\$ | Amount | Current | GTD | YTD |
|----|-------------|-----------|------|--------|---------|--------|--------|
| 10 | 401-K | D-DEFCOMP | % | 0.05 | \$0.00 | \$0.00 | \$0.00 |

- Up to 99 deduction programs can be defined via the Setup Jobs & Deductions module. The program definition itself is rather generic and applies to any employee who uses that program. The deduction amount settings for the program are specific to each employee that uses it and are configured in the Employee Detail module.
- An employee can be linked to up to twelve payroll deduction programs of various types. If an employee is assigned more than twelve deduction programs, values for programs greater than the employee's first twelve will be added to the twelfth one.
- Deduction programs can be set either as a fixed dollar value or a percentage of wages. For fixed dollar deductions, if the employee's wages are not adequate to accommodate the deduction, the deduction is not taken.

How to add (link) a deduction program to an employee

1. Select the **Deductions** button to view the deductions screen.
2. Click **MODIFY** to enable editing. The **Deduction #** box turns yellow; press F-5 to lookup the list of pre-defined deductions.
3. Close the lookup window and type the deduction# into the box.
4. In the **0,%, \$** code box, type one of the following:
 - a. 0 if the deduction is inactive.
 - b. % if the deduction is based on a percentage of wages.
 - c. \$ if the deduction is a fixed dollar amount.
5. In the **Amount** box, type one of the following:
 - a. 0 if the deduction is inactive or should be turned off.
 - b. A decimal number less than 1 if the deduction is a percentage. For example, 5% would be entered as .05
 - c. A decimal number greater than 1 if the deduction is a fixed dollar amount. Example: 15.75 would mean \$15.75.
6. Click **Save Deduction** to finish. In the example below, deduction #20 was added to the employee for a fixed dollar Child Care deduction for: \$295 per paycheck:

| Ded # | Description |
|-------|-------------|
| 10 | 401-K |
| 20 | Child Care |
| 30 | Misc |

| # | Description | Type | %0\$ | Amount | Current | GTD | YTD |
|----|-------------|-----------|------|--------|---------|--------|--------|
| 10 | 401-K | D-DEFCOMP | % | 0.05 | \$0.00 | \$0.00 | \$0.00 |
| 20 | Child Care | 1 | \$ | 295 | \$0.00 | \$0.00 | \$0.00 |

7. **Caution:** do not add/link two deductions of the same deduction number to an employee, such as two deductions #10. Instead, create another deduction program in the Setup Jobs & Deductions module for a different deduction#, even though it may be exactly the same type and use exactly the same G/L posting accounts. Then link the new deduction # to the employee.

Can I create a negative value deduction to pay an employee extra money?

Theoretically, a “negative deduction” (e.g. refund) can be created by making the deduction amount negative. *However, this concept enters some very dangerous territory, and could be catastrophic if used carelessly or for pre-tax deductions.* It could be used, for example, in a situation where a post-tax deduction was supposed to be 30.00 but was incorrectly entered as 300 (300 dollars) when the deduction was originally configured and wasn’t caught until after the payroll was finished. The user could make a correction by changing the amount of that employee’s deduction to -270 and start a *correction payroll* for that one employee by keying zero regular hours for the employee and processing it all the way through, including printing the check and finishing the payroll. This would result in a \$270 payroll refund to the employee for the erroneous deduction and have no effect on other earnings or hours. **Important:** immediately after finishing the correction payroll, the employee’s deduction record must be re-edited to show the correct deduction amount so that the next payroll check is calculated properly.

Note 1: The example above is an extreme case; users must not use a negative deduction carelessly or as an attempt to fix a pre-tax deduction.

Note 2: The practice of using a negative post-tax deduction to pad an employee’s paycheck has dire payroll tax implications and should not be attempted whatsoever.

How to change an employee’s deduction program

1. Click the **MODIFY** button to enable editing.

2. Select the desired deduction to change in the employee deductions grid by clicking anywhere

The screenshot shows the 'Employee Deductions' interface. At the top, there are input fields for 'Ded # from list' (10), '0. % or \$:' (%), and 'Amount: 0.05'. There are 'Add Deduction' and 'Save Deduction' buttons. Below is a table with columns: #, Description, Type, %0\$, Amount, Current, QTD, and YTD. Row 10 is selected, indicated by a red arrow pointing to the first cell of the row.

| # | Description | Type | %0\$ | Amount | Current | QTD | YTD |
|----|-------------|-----------|------|--------|---------|--------|--------|
| 10 | 401-K | D-DEFCOMP | % | 0.05 | \$0.00 | \$0.00 | \$0.00 |
| 20 | Child Care | 1 | \$ | 295 | \$0.00 | \$0.00 | \$0.00 |

on the line. The *row marker* will show which row has been selected and the information appears in the edit boxes above the grid.

3. Click on the **box to change**. If there is no YTD total for the current year you may also change the deduction number to something else.
4. Click **Save Deduction** when finished.

How to deactivate an employee’s deduction program

1. Click the **MODIFY** button to enable editing.

5. Select the desired deduction to change in the employee deductions grid by clicking anywhere on the line. The

The screenshot shows the 'Employee Deductions' interface. At the top, there are input fields for 'Ded # from list' (10), '0. % or \$:' (0), and 'Amount: 0'. There are 'Add Deduction' and 'Save Deduction' buttons. Below is a table with columns: #, Description, Type, %0\$, Amount, Current, QTD, and YTD. Row 10 is selected, indicated by a red arrow pointing to the first cell of the row.

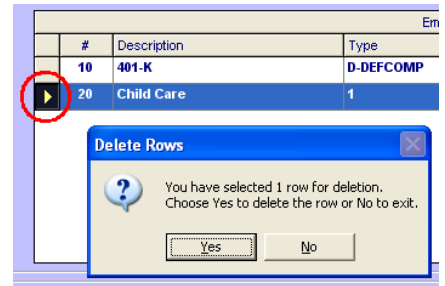
| # | Description | Type | %0\$ | Amount | Current | QTD | YTD |
|----|-------------|-----------|------|--------|---------|--------|--------|
| 10 | 401-K | D-DEFCOMP | % | 0.05 | \$0.00 | \$0.00 | \$0.00 |
| 20 | Child Care | 1 | \$ | 295 | \$0.00 | \$0.00 | \$0.00 |

row marker will show which row has been selected and the information appears in the edit boxes above the grid.

2. Click on the **0%\$** box and change it to zero.
3. Click on the **Amount** box and change the value to zero.
4. Click **Save Deduction** when finished.

How to delete (unlink) an employee's deduction program

1. Click the **MODIFY** button to enable editing.
2. Select the desired deduction to change in the employee deductions grid by clicking on the *row marker* just to the left of the # column.
3. Press the **DELETE** key on your keyboard. If the deduction has no activity for the current payroll year and the deduction values are zero, you will receive a deletion confirmation message on the screen.
4. Click **YES** on the confirmation message to delete the deduction. If the deletion is not allowed, you'll receive a corresponding message instead of the deletion confirmation.



Payroll Management

Before the payroll system can be used, employees, jobs, pay rates and deductions programs (if any) must be configured.

It's also helpful to decide how you will use the Club Office payroll system in your operation because there are nuances to calculating payroll in a club environment that affect even regular operations. For example...

- Do you plan to use Club Office to calculate and manage your payroll or do you plan to use an outside payroll service?
- Do some of your employees periodically work in different jobs at different pay rates? If so, do you need to track expenses for each job separately?
- Do your restaurant servers take cash tips directly from customers? If so, do they declare the amounts they've received to you periodically?
- Instead of using cash tips, do you apply automatically calculated service charge gratuities on food or beverage sales? Do the employees who sell these items receive all or only a percentage of these monies?
- If you use automatically calculated service charges, how do you handle gratuities for banquets where multiple servers are working together?
- Do you collect all tips, including all cash tips as a "tip pool" and distribute them later using some sort of seniority program?
- Do you distribute employee gratuities in cash or as part of their normal payroll checks?
- Do you pay employee bonuses periodically?
- Do you allow employees to purchase goods and services directly from the club? If so, how do they pay for them?
- Do you plan to use Club Office TimeClock in your payroll operations? If not, do you have some other method for tracking the hours that employees work?
- When you finish a payroll that spans a month-end (one week in one month, the other week in the other month), do you accrue payroll expenses to two different accounting periods for the respective wages paid in each period?
- If the person who normally does your payroll isn't available because of illness or vacation, is there someone else who knows all your special "rules" for calculating and issuing payroll?
- Do you have *written answers and procedures* for addressing the specific way that your club manages payroll?

We can't stress enough the importance of the last question. Having an operation manual for software is just the tip of the iceberg for it can't explain the special rules that *you* use for issuing payroll. For example, if you pool tips for banquets, who's included in the disbursement of the pool money? Is it only the servers? How about the bus and kitchen staff? Do some staff members receive a different percentage of the pool than others or does everyone get an equal share? Are salaried workers included or only hourly workers?

After learning the basic procedures involved for keying work hours, calculating a payroll, printing a payroll check, printing other reports and finishing a payroll run so that the resulting liabilities and expenses are posted to the general ledger, be sure to include detailed, written instructions for your club's payroll nuances in your HR operations manual.

Payroll Manager Module

The payroll manager screen contains a lot of information and offers many functions. In keeping with Club Office's keyboard entry method, pressing the ENTER key after entering data in a field automatically advances to the next logical field, allowing for faster data entry. Alternately, the user can press the TAB key on the keyboard or use the mouse to select the field to enter next.

File Menu Options

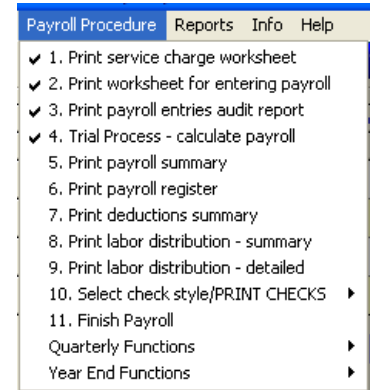
- **Printer setup:** change printers or other settings before printing any reports.
- **Adjust print margins:** move whole reports up/down or horizontally on the page if needed.
- **Change direct print check layout:** controls the *exact* placement of specific elements of printed information on a check.
- **TimeClock Import:** import approved punches from Club Office TimeClock. (This option only appears if TimeClock is installed.)
- **Optional interfaces:** interfaces to 3rd party time clock systems (such as CeleriTime in this example) will appear in the menu if they are installed on your system.
- **Key by:** select the most convenient way to manually key information into the payroll screen. The key by setting may be changed at any time.
- **Bonus mode:** for issuing bonus payroll. Income tax is bypassed in bonus mode (FICA and Medicare are still calculated.)
- **Re-issue payroll check:** reprint a check for an employee if needed. This option is also available as a main function button along the top of the screen. Reissuing a check is essentially a reprinting function and does not change the original expense or payroll tax reporting in any way.
- **Void payroll check:** voids the check and recalculates the employee's earnings. Note that voiding a payroll check creates a set of journal entries for the voided check in the *current* general ledger accounting period. Also consider that voiding a check from a prior payroll quarter may have payroll tax filing implications as well.
- **Change a check number:** If you use pre-printed check numbers on your check stock and need to re-issue a payroll check, you can change the check number for a previously issued payroll check to the new number before re-issuing it.

- **Reconcile Payroll Checks:** helps track which are still outstanding and which have been cashed. This option is also available as a main function button along the top of the screen.
- **Clear payroll workspace:** deletes all data in the current workspace; handy for restarting a payroll from scratch or performing test payroll calculations after an employee's record is changed. This option is also available as a main function button along the top of the screen.
- **Exit:** closes the module and returns to the main Club Office menu.

Payroll Procedure Options

For simplicity, the basic steps for processing payroll are enumerated in this menu. An individual can follow steps 1-11 in order and successfully accomplish a payroll run. As a step has been completed, a check mark appears next to the item so the user knows where in the overall payroll procedure he/she is. **Note:** if you use TimeClock, your payroll procedure differs slightly from the stock, 1-11 steps below. See *Payroll Procedure Variations* at the end of this manual.

1. **Print service charge worksheet:** this worksheet links into the A/R sales system and displays automatic service charges allocated to each employee.
2. **Print worksheet for entering payroll:** prints a list of employees and boxes where time card information, gratuities, service charges, etc. can be written. The worksheet makes entering payroll a snap and also serves as a handy auditing tool.
3. **Print payroll entries audit report:** after keying the payroll information into the system off the worksheet, print this report. It should be an exact match, box for box, with the hand-written worksheet values; it's another handy auditing tool to help prevent payroll errors.
4. **Trial Process:** calculate payroll: this actually processes all the information, calculates taxes and readies the system for reports and printing payroll checks.
5. **Print payroll summary:** prints a report of the tax-related results of the calculations; can be printed for all states or a specific state.
6. **Print payroll register:** this is the payroll check register. Employees who are on a "direct deposit" program are displayed on this report, too.
7. **Print deductions summary:** shows results of payroll calculates as they relate to employee deductions.
8. **Print labor distribution:** summary: shows totals by general job.
9. **Print labor distribution:** detailed: shows individual employee totals by job.
10. **Select check style/PRINT CHECKS:** Select a style option; use Preview/Print to view the payroll checks on the screen or use the Direct Print method for *exact*-position printing on check stock. Note that the preview/print method is not the best choice if you choose to print the MICR check number code on check.
11. **Finish Payroll:** this option finalizes employee earnings and hours totals, creates a handy quick balancing report for filing payroll taxes and generates appropriate journal entries into the general ledger. Following its completion, the payroll workspace is automatically cleared.

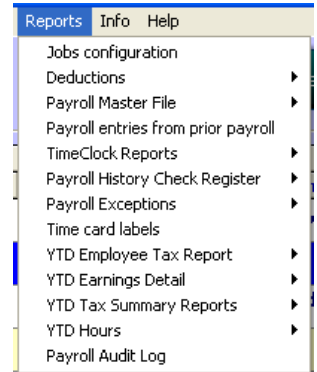


Other Payroll Procedure Options

- **Quarterly functions:** includes quarterly tax reports, 941 worksheets, and optional creation of an ICESA data file for filing quarterly payroll tax data electronically. An additional e*file export option is included for states that can use that format.
- **Year-end functions:** print year-end tax reports, print W-2 forms, create the W2REPORT data file for filing W2 information electronically and perform the end-of-year employee zero function to ready employee records for the next payroll year.

Payroll Reports

Many reports are available and most provide the ability to select the information you need by either a single date or range of dates, allowing you to review prior year as well as current year payroll history. Many are available in both summary and detail formats and all except the payroll audit log are exportable in a variety of formats. The payroll audit log shows current year payroll tax summaries that are created during the payroll finish process. Payroll exceptions



Payroll Screen Layout

| Employee # | Last name | First name | Sal/Hr |
|------------|-----------|------------|--------|
| 1 | Anderson | Tommy | H |
| 2 | Kendrick | Kyle | H |
| 3 | Rogers | Donald | H |
| 4 | Merkle | Sonny | H |

| Job code | Pay rate |
|----------|----------|
| 301 | \$12.50 |

| PayDate | Emp # | Job code | Pay rate | Reg Hrs | O/T Hrs | Hol Hrs | Vac Hrs | Sick Hrs | Gross |
|----------|-------|----------|----------|---------|---------|---------|---------|----------|----------|
| 20120810 | 1 | 201 | \$21.25 | 40 | 0 | 0 | 0 | 0 | \$850.00 |

The payroll screen is divided into three main sections. Procedurally and starting at the top, the Employee list grid is used to select the desired employee. Only status **1-Working** employees appear. When an employee is selected, jobs that are linked to that employee are displayed in the list grid to the right. For employees who may work in more than one job, the employee's MAIN job is always automatically selected first. If the employee has more than one job, be sure to select the appropriate job for which you're keying the employee's hours.

| Employee # | Last name | First name | Sal/Hr |
|------------|-----------|------------|--------|
| 1 | Anderson | Tommy | H |
| 2 | Kendrick | Kyle | H |
| 3 | Rogers | Donald | H |
| 4 | Merkle | Sonny | H |

| Job code | Pay rate |
|----------|----------|
| 301 | \$12.50 |

The right section of the screen is the data entry area. While the Date and Pay rate fields are populated with the current date and the pay rate for the current employee's selected job, *they are also editable*. However, understand that payroll dates are always based on the *calendar year* and *the date determines the payroll quarter* in which the employees' earnings belong. Changing the date may create severe payroll tax filing issues. For example, dating a bonus payroll for the 2011 payroll tax year to January 1, 2012 will cause that bonus payroll to apply to the 2012 tax year and not to the 2011 year. Remember that the payroll date does not necessarily determine which *accounting period* to which you may choose to allocate the payroll, but it does determine the *payroll quarter and year* to which it belongs for reporting payroll taxes.

The right section is the data entry area where hours are entered into the six hour-related boxes or dollar values entered into the six \$-related boxes. Only boxes where the corresponding title is displayed in **Blue background** are active for data entry. By turning boxes on or off, you can tailor the data entry screen to only those payroll elements that apply to you.

Speed data entry tip:
To enable or disable a data entry box,
click on its respective title to toggle it off/on.

Example: The user has turned off all the boxes so that only employee service charges can be keyed.

You may also “save” the keying settings for active fields so that the next time you use the payroll entry screen, it will only activate the fields that you normally use. To return the screen to “normal” mode, click the “Reset to Default Settings” button.

After keying a value into a box, press the ENTER key to automatically move to the next available data entry box. Press ENTER by itself to leave a box blank. After keying the last box (or pressing ENTER) the OK button will automatically be active; press ENTER again and the basic keyed information is then created into the Payroll Workspace at the bottom of the screen:

| Payroll Workspace | | | | | | | | | | |
|-------------------|----------|-------|----------|----------|---------|---------|---------|---------|----------|----------|
| | PayDate | Emp # | Job code | Pay rate | Reg Hrs | O/T Hrs | Hol Hrs | Vac Hrs | Sick Hrs | Gross |
| ▶ | 20120810 | 1 | 201 | \$21.25 | 40 | 0 | 0 | 0 | 0 | \$850.00 |

The module then automatically selects the next available employee and his/her “main job,” puts the cursor into the “regular hours” box and you can continue entering more data. Another user convenience is that when the cursor is in the regular hours box, you can also use the PAGE DOWN or PAGE UP keys on your keyboard to move down/up through the employee list to select another employee. This eliminates the need to take your hand off the keyboard and use the mouse, although the mouse can certainly be used if it's preferred.

Data entry fields:

- **Regular hrs:** this is the normal, day-to-day hours the employee worked in the chosen job.
 - If **Overtime threshold (hrs/pay period)** at the main payroll configuration screen is set to 99, the regular hours box will be blank and you can enter any value you wish.
 - If **Overtime threshold (hrs/pay period)** is set to 40 or 80 (for example) the regular hours box will display the threshold value automatically with the assumption that employee always work “full time.”
 - If the hours worked is LESS than the threshold, type the correct number.
 - If the hours worked is MORE than the threshold, when you type the number, it will automatically calculate overtime hours and plug the difference between the value keyed and the threshold and populate the regular O/T box.
 - Remember that if your pay period anything other than weekly, you’re keying the total regular hours for the whole pay period. It’s possible that if your threshold is set to 80 and an employee works exactly 80 hours over two weeks, one of those weeks could be 45 hours (40 hours regular and 5 hours overtime) while the other week could be 35 hours. Entering it as 80 regular hours would be shorting the employee his/her overtime when it actually should be 75 regular hours and 5 hours overtime.
 - If the current employee is “salaried” instead of “hourly,” the regular hours box will display 1 for “1 hour” with the assumption that salaried employees are not paid by the hour but are paid by the pay period instead. **NOTE:** Refer back to the section entitled [Tracking Hours for Salaried Employees](#), earlier in this manual for more information.
- **Regular O/T:** this value should be for overtime hours the employee worked during the pay period that was not worked on a day regarded as a “holiday.”
- **Holiday hrs:** this value should be the hours worked during the pay period when the hours were worked on a day regarded as a “holiday.”
 - Note: If you do not distinguish between regular days and holiday days and the employees’ pay rates do not change for holiday time worked, then you probably don’t have a need to enter hours worked on holidays as “holiday hours.” However, for management purposes, tracking hours on holidays can help you analyze employee expense if it is used. Of course, you would also use a separate G/L expense account for it in the job configuration screen so it can be tracked separately.
- **Holiday O/T:** enter the number of hours that qualify as overtime hours that are also worked on a holiday.
- **Vacation hrs:** enter the number of hours where the employee is being paid for “vacation” time. If vacation time accrual is in use, the hours keyed here will reduce the employee’s available accrued hours.
- **Sick hrs:** enter the number of hours where the employee is being paid for “sick” time. If sick time accrual is in use, the hours keyed here will reduce the employee’s available accrued hours.
- **S/C:** enter the dollar value of service charges collected by the club on behalf of the employee and paid back to the employee as part of the normal wage. Typically this money comes from automatic service charges that result from sales.
 - **Caution:** If **Service charge bypass** is *un-checked* in payroll configuration, the system will automatically look up sales that apply to the current employee and display the total of such service charges in this box. If the user does not override it by either deleting the value or changing it, the employee will be awarded those monies as part of the payroll check.
 - **S/C is not a declared tip.** The federal government has defined that automatic service charge gratuities that are collected in this manner are not declared tips.

- Because service charges are paid as part of the normal wage, they appear on the year-end W2 form in box 1 as “Wages, tips, other compensation.”
- **Other pay:** enter a value for any additional money to be paid to this employee working the currently active job. Ordinarily, other pay is not considered the same as a gratuity or service charge but is “additional pay” not tied to an hour-based calculation. Other pay is often used for awarding a dollar amount bonus.
- **Decl. Tips:** enter the dollar value of cash tips the employee received directly from customers and which the employee has “declared” as such.
 - **A declared tip is not a S/C.** The federal government has defined declared tips as gratuities that are collected by the employee directly from the customer without any intervention whatsoever by the employer.
 - Declared tips appear on the year-end W2 form in box 7 “Social Security Tips.”
- **Meals:** enter the dollar value of meals provided by the employer to this employee as a convenience to the employer during the normal course of work. Consult with your state’s laws concerning such meals before using this field. Meals do not add into the employee’s paycheck but are more correctly considered as an employer expense.
- **Var Deduc:** enter the dollar value of a variable, on-the-fly deduction for this pay period. Typically this might be used for a one-time fee for a staff uniform, or a repeating yet variable fee for laundry or dry cleaning, etc. Variable deductions are always applied after taxes yet before any other automatic post-tax deductions.
 - If the variable deduction exceeds the amount of the employee’s earnings, a “negative-check” warning will be encountered when the trial process is invoked.
 - To fix a “negative check” problem, delete the entry that contains the variable deduction and recalculate the payroll with another trial process.
 - A negative variable deduction can be entered to reimburse an employee for a prior payroll’s erroneous variable deduction.
 - **A negative variable deduction should NOT be used to pad the employee’s paycheck. The practice of doing so has dire payroll tax implications and should not be attempted whatsoever.**
- **Emp Purch:** enter the dollar value of any goods and/or services the employee purchased from the club during the pay period. An employee purchase is treated in the same manner as a variable deduction. It appears on a payroll check stub as a “misc” deduction and is posted to the same G/L account as Var Deduc with the word “Garnish” inserted in the g/l reason code.

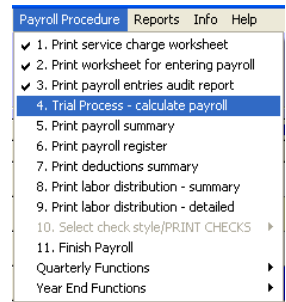
Redo/Personal Note/Ok

Click **Redo** to clear the boxes and reenter the current employee’s hours or other information. Click **Personal Note** to display a box where you can enter a one-line message of up to 60 characters that will appear in the center section of the current employee’s paycheck. Click **OK** to commit all the data to the payroll workspace.



Trial Process

When the trial process is invoked, each employee's payroll data is processed in ascending employee number order. All information for an employee (regardless of the number of entries in the workspace) is collated into a single record, pre-tax deductions factored in, taxes calculated, post-tax deductions applied, and the final net paycheck calculated. When done, the screen changes and the calculated data appear at the top while the workspace data remains on the bottom. No editing is allowed at this point but the user can scroll through the data and print reports or even test payroll checks.



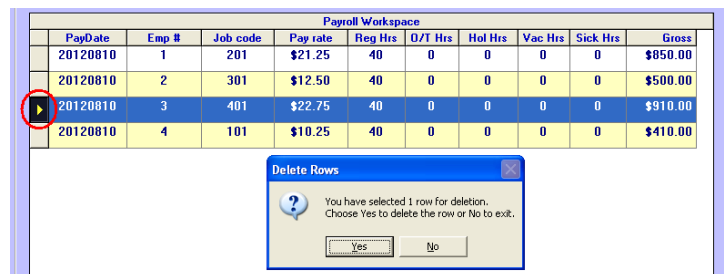
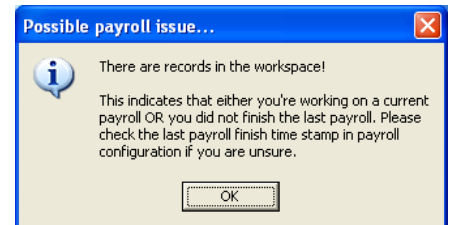
| Trial Process | | | | | | | | | | | | |
|---------------|---------|-------|---------|---------|----------|---------|----------|----------|----------|-----------|----------|---------|
| | prdate | empid | jobcode | payrate | reghours | othours | dayhours | gross | anywage | talpretax | ficawage | ficatax |
| | 1120810 | 1 | 0 | \$0.00 | 40 | 0 | 0 | \$850.00 | \$850.00 | \$42.50 | \$850.00 | \$52.70 |
| | 1120810 | 2 | 0 | \$0.00 | 40 | 0 | 0 | \$500.00 | \$500.00 | \$0.00 | \$500.00 | \$31.00 |
| | 1120810 | 3 | 0 | \$0.00 | 40 | 0 | 0 | \$910.00 | \$910.00 | \$0.00 | \$910.00 | \$56.42 |
| | 1120810 | 4 | 0 | \$0.00 | 40 | 0 | 0 | \$410.00 | \$410.00 | \$0.00 | \$410.00 | \$25.42 |

| Payroll Workspace | | | | | | | | | | |
|-------------------|----------|-------|----------|----------|---------|---------|---------|---------|----------|----------|
| | PayDate | Emp # | Job code | Pay rate | Reg Hrs | O/T Hrs | Hol Hrs | Vac Hrs | Sick Hrs | Gross |
| | 20120810 | 1 | 0 | \$0.00 | 40 | 0 | 0 | 0 | 0 | \$850.00 |
| | 20120810 | 2 | 0 | \$0.00 | 40 | 0 | 0 | 0 | 0 | \$500.00 |
| | 20120810 | 3 | 0 | \$0.00 | 40 | 0 | 0 | 0 | 0 | \$910.00 |
| | 20120810 | 4 | 0 | \$0.00 | 40 | 0 | 0 | 0 | 0 | \$410.00 |

Editing/Changing Data/Recalculating the Payroll

The payroll module is more-or-less a “linear” application. By linear, we mean that enough checkpoints are included early-on in the payroll procedure steps that data entry errors should be virtually eliminated and little backtracking need ever be done. Therefore the process goes from step to step to step all the way to conclusion. However, errors can still occur and the procedure to fix them is as follows:

- Exit the payroll manager back to the main Club Office menu.
- Restart the payroll manager. Because records exist in the workspace, a “possible payroll issue” message will appear:
- Click OK to continue and open the module. The payroll workspace will display the records in exactly the same order that they were originally entered.
- Select the line that contains the erroneous data by clicking on the *row selector* at the far-left side of the grid. When the whole line is highlighted, press the DELETE key on your keyboard.
- A confirmation box will appear; click the YES button to delete the line or NO to cancel the deletion.
- Note that editing items in the line is not allowed: the data must be deleted and re-entered. Also note that after deleting a line of data from the payroll workspace, the following message displays on the screen: Also deactivated is the “print checks” menu option for it would be illogical to print payroll checks after having deleted source data used to calculate them.
- Simply reenter the corrected data and re-run the trial process to recalculate the payroll.



Total payroll issued this session: Rerun Trial Process

Printing Payroll Checks

Club Office Payroll includes two printing methods: a preview/print method and a direct print method.

The two methods are not mutually exclusive, and there are advantages and disadvantages to both.



Preview/Print Method

- Advantages
 - View the actual payroll checks on the screen prior to printing.
 - Each on-screen page is a different check for a different employee.
 - Easy to print, restart printing at a specific page (e.g. check number)
 - Six check layouts available via the “select check format” feature
- Disadvantages
 - Less control of exact placement of printed information on a check
 - Checks are printed only in ascending check number order.
 - Not recommended if you intend to have Club Office print the MICR check number coding at the bottom of the check. The positioning of MICR printing must be exact or your bank may not be able to read the check numbers properly. The usual result is that your bank statement shows the disbursements but not the check numbers, making it harder to balance your account.

Direct Print Method

- Advantages
 - Recommended for those who use Club Office to print MICR check number coding at the bottom of the check.
 - Absolute positioning control of printing locations down to thousandths of an inch.
 - User-modifiable positioning of printing and font size on payroll check.
 - Print checks in ascending or descending order by check number, employee number or job number.
 - Reprinting a single check allows printing with the same or a new check number for checks that become damaged/jammed in a printer.
 - User may use the preview/print mode first to view the checks on the screen and use the direct print method to actually print them.
- Disadvantages
 - Checks are not displayed on the screen prior to printing.

Payroll Check Forms, Pre-printing check numbers

Club Office payroll uses a rather generic check form that is readily available from many providers. The form itself has the check at the top third of the page with two equal-sized check stubs making up the remainder of the 8½ x 11 inch page.

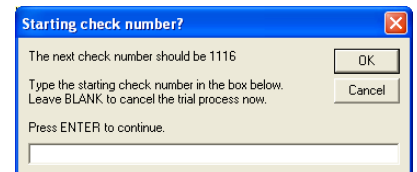
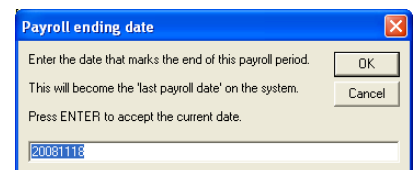
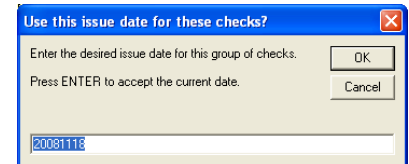
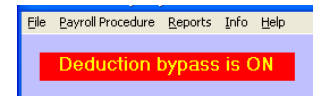
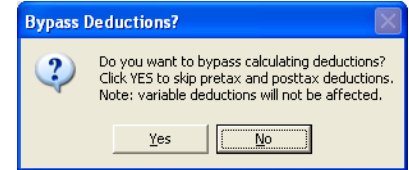
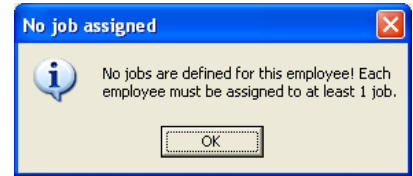
Many clubs choose not to pre-print check numbers on their check stock and instead opt to use Club Office to print this information as checks are used. This generally results in fewer printing issues when checks become stuck in the printer or are inserted in the printer’s paper tray in the wrong order, etc., which always throws off the registration between the check numbers in the system vs. the check numbers on the checks themselves. However, not pre-printing the check number may also create a control problem for some clubs and it’s suggested that unused check stock always be locked in a safe place to minimize theft, whether pre-printing the check numbers on the checks or not.

Preprinted check stock with your club’s logo, banner, and/or ghosted image is also available direct from Club Data – contact us for pricing.

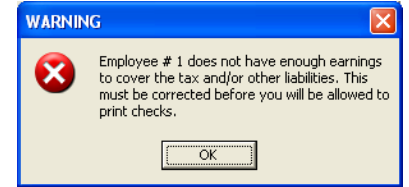
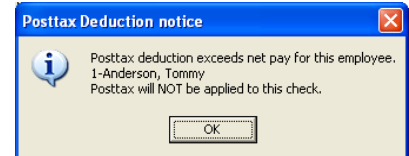
On-Screen Messages

From time to time, you will encounter screen messages that are either informative or cause you to make a choice.

- **No job assigned:** you've selected an employee that does not have a job linked to his/her record. Therefore, there is no pay rate, either. Solution: exit the payroll module, assign a job to the employee, return to the payroll module, select that employee and enter the payroll information.
- **Bypass Deductions?** When starting the Trial Process, this option disables both pre-tax *and* post-tax deduction calculations, although it does not disable a manually keyed variable deduction. Clicking YES to this question also enables an additional reminder message at the top left of the screen.
 - Bypass Deductions is useful for issuing a bonus payroll or other times when you do not want to cause the automatic deductions (pre-tax and post-tax) to be applied to the employees' checks.
- **Use this issue date for these checks?** The trial process requires that you select the date to be printed on the checks. Federal law requires that for tax reporting, the check date marks the payroll quarter and year in which the earnings were paid to the employee. The default displayed is the current date from the computer's clock. If you change the check date, be sure to type the new date in Club Office's standard YYYYMMDD format.
 - **Backdating/Postdating checks:** If you type a date other than the current date you'll receive a caution message followed by an option to cancel or use the chosen date. Dating a check into a prior or future year should *never* be done, while backdating a check to a prior month in the current payroll year will almost certainly create tax reporting issues if that calendar quarter has already been closed and reports filed with the government. Changing the date by a day or two for administrative convenience is certainly an acceptable practice as long as you understand the effect that the check date has as it relates to tax reporting.
- **Payroll ending date:** The trial process requires that you specify the end of a payroll period. This value is then stored in the system and used by other modules, including TimeClock. The current date is always displayed; change it to the actual ending date by typing the date in YYYYMMDD format.
- **Starting check number?** Check numbers are assigned to the check run during the trial process activity. The probable next check number is displayed; type the next number and click OK.
 - If the A/P and Payroll system uses the same checks and bank account yet the company configuration option to "Link A/P and Payroll check registers" is NOT checked, the "next" check number will likely not be correct; you should verify the starting check number against your check stock.
 - If prior to printing payroll checks you discover that the starting check number entered was wrong, simply exit the payroll manager back to the main menu, then reopen the payroll manager and redo the trial process using the correct check number.

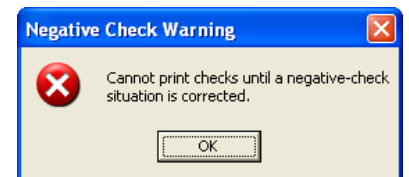


- **Posttax Deduction notice:** if a post-tax deduction calculation occurs that either could or does create a negative payroll check situation because of illogical data entry, this message will be displayed. It may very likely be followed by an related warning message, also shown below. To create this example, an employee was only given \$100 as “other pay” and his total earnings of \$100 didn’t cover an automatic \$100 payroll savings plan nor a \$105 variable deduction that was also keyed at the same time.

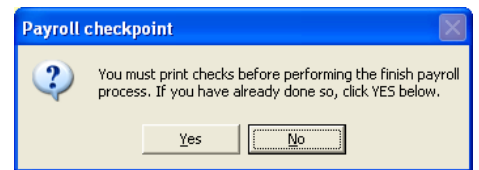


- Because the system does not calculate payroll at the point of data entry, there is no way to trap for some illogical situations such as the above. The trial process does analyze them as calculations are made and the system provides appropriate on-screen messages.
- When applying an automatic post-tax deduction, if the available net pay is not sufficient to accommodate the deduction, the deduction is not taken and the trial process generally continues without warning. However, a manually keyed variable deduction is a special form of post-tax deduction that takes precedence over the automatic deductions and it can trigger additional warning messages that automatic deductions will not.

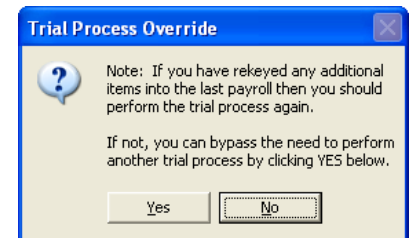
- **Negative Check Warning:** if an illogical set of data entries results in a negative check calculation, the following message is displayed if an attempt is made to print payroll checks. Solution: print the Payroll Check Register to locate the employee(s) involved; the NetPay column clearly indicates the problem employees. Then exit the module back to the main menu, restart the payroll manager, fix the erroneous data entry lines for the employee(s) involved, redo the trial process and print the payroll checks.



- **Payroll checkpoint:** if you have not yet printed checks yet you attempt to “finish” the payroll, the system will issue this warning message. This message will also appear even if you have printed checks yet have exited the payroll manager back to the menu and have subsequently come back into the payroll manager to finish the payroll. Click YES if you have printed the checks and want to continue with the finish payroll procedure anyway. This isn’t a warning message – it’s just a reminder to make sure the payroll checks have been printed.



- **Trial Process Override:** this is another reminder that appears in the event you’ve come back into the payroll manager and are finishing payroll. If you’re confident that no changes have been made to the data in the payroll workspace and that the payroll checks just printed are okay, click YES to continue to the payroll finish screen.



- Note that you can redo the trial process as many times as you wish – as long as you enter the same payroll dates and check number information as you did originally, the payroll will be calculated exactly the same every time. The trial process does not change employee YTD balances – it only calculates payroll workspace information and readies the system for printing payroll checks.

Best Practices

One of the most common payroll problems originates from putting pre-printed checks into the printer the wrong way, resulting in printing on the wrong side of the paper, printing upside down or checks that are printed out of order when the checks have pre-printed check numbers. Exacerbating the issue is that different printers work different ways so that if you normally print them on one printer, printing them on a different printer may not be the same.

If you're unsure how to put the check stock in the printer, leave blank paper in your printer for the time being, open the paper drawer and make a mark somewhere near an end of the top piece of paper, which is usually the next piece of paper the printer will use. Then use the preview/print mode to print a sample check onto the marked piece of paper. Check it to find your mark to help you determine how the paper feeds into the printer and whether you need to put the checks in the tray face up or face down, upside down or rightside up. If the checks have pre-printed check numbers, you must also put them in the printer so that the printer grabs them in the expected order, too. This often means manually re-sorting the checks before putting them in the paper tray.

Finish Payroll

This is step #11 on the payroll procedure menu. This is the step that actually applies the calculated values to the individual employee YTD records and makes the data permanent. Until the payroll is “finished,” the data in the payroll workspace is only temporary and employee YTD totals are as they were the *LAST* time a payroll finish was invoked.

There are few options on the payroll finish screen. The FINISH button is initially disabled; clicking on the various checkboxes are last-minute reminders of important things that should be done for the currently active payroll. For some of the reports, this is the **ONLY** time those reports may be made. After the payroll has been finished and data made permanent, the temporary workspace data is no longer available and therefore, neither will some of the reports.

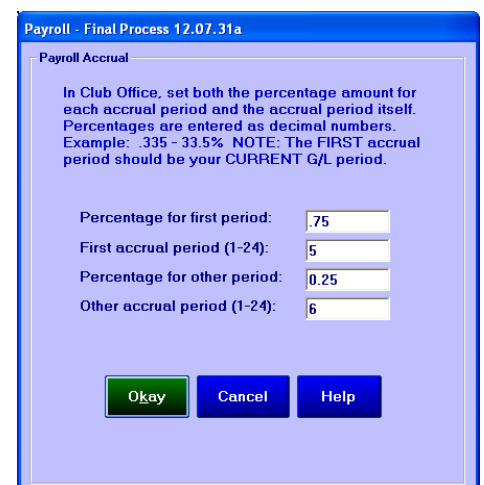
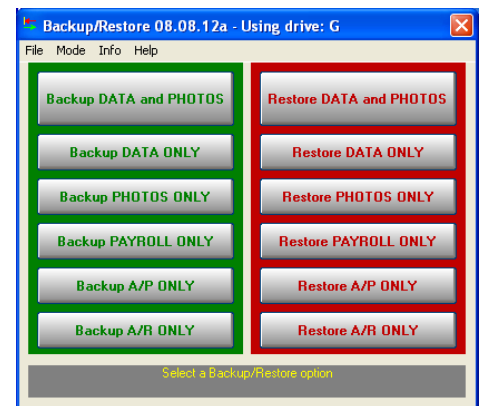
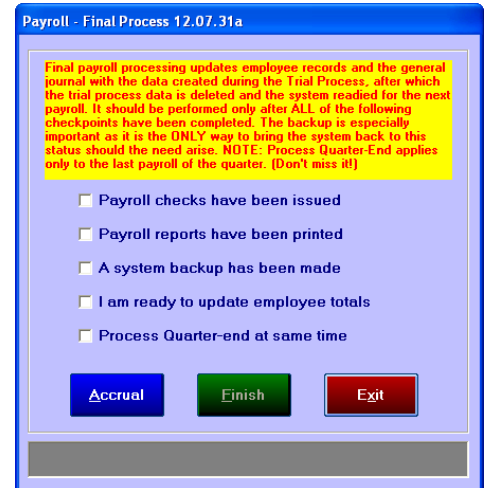
The last option to “**Process Quarter-End at same time**” is only visible when the computer’s date is in March, June, September or December of the payroll year. Quarter-end processing doubly-ensures that quarterly totals are up-to-date. (Reminder: the Setup Jobs & Deductions module includes a file menu option to “Update CumEarn from Detail” that can be performed at any time and accomplishes the same function.)

The checkbox marked “**A system backup has been made**” is an important option. Club Office includes several automatic internal backup mechanisms, but they can be disabled by the end user. Therefore, before *any* finalizing procedure, it’s a good idea to make sure that some sort of backup is made before the finishing process is started. The Club Office backup/restore module (available on the Utilities menu at the Main menu screen) includes a button option to create a payroll backup. Making a payroll backup prior to finishing the payroll will capture the entire payroll system with all the workspace data completely intact. Therefore, if you make a backup before you invoke the payroll finish, you’ll have the capability to restore the payroll system back as it was before the finish was started and should something go horribly wrong during the finish procedure (such as a power outage or other computer crash) you’ll be able to put the system back the way it was, restart the finish process and not lose a lot of work by having to completely redo the payroll.

Payroll Accrual

The payroll finish screen provides a way to assign expense to two different G/L accounting periods based on a percentage of the total. Select the Accrual button to open the payroll accrual screen. The payroll accrual function uses the “Payroll Accrual Liability G/L” from the main payroll configuration screen as a transfer account as it transfers values in and out to the different periods.

- In the top box, type the percentage of the payroll to accrue to the first accrual period. Remember to enter it as a decimal number (.75 = 75%)
- In this example, the G/L is currently in period 5 and apparently, 75% of the payroll is to be applied to period 5.



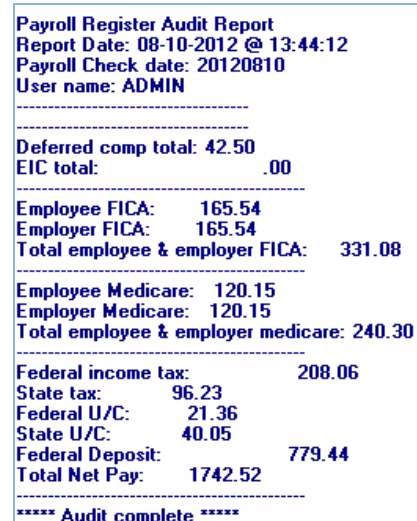
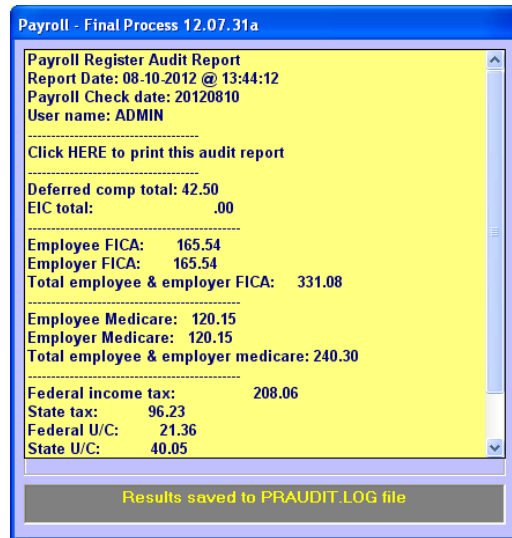
- The percentage for other period will default to the reciprocal of the first period percentage so that the total can never be more than 100%.
- In this example, the other G/L accounting period is 6, meaning that the user wants to accrue 25% of the payroll expense to period 6. The “other” accrual period must always be adjacent to the first accrual period, meaning that acceptable values in this example would be either period 4 or period 6 as both are adjacent to period 5. You may not accrue payroll to non-adjacent periods such as 4 and 9.
- Click OK to accept the settings and return to the payroll finish screen.

What happens when the Finish button is eventually clicked?

- The system makes an internal backup (unless the user has disabled this function).
- The system updates employee YTD and QTD totals.
- The payroll register audit report is collated and displayed on the screen. The user clicks on the screen to print it and continue.
- The G/L journal posting report is displayed on the screen; the user may decide to either print it or close it.
- The payroll workspace is cleared and the user is returned to the payroll manager screen.

Payroll Register Audit Report

Part of the payroll finish includes the calculation of a quick-report that can be very helpful in filing your taxes. It’s a summary that appears on the screen. To remove it from the screen and also print it, click on the “Click HERE to print this audit report” line (left photo: screen, right photo: printed).



Moments after printing the payroll register audit report, the G/L journal posting report is printed for the payroll run just completed. The sample below also displays the result of \$100 “other pay” paid to a single employee working job #101 that also shows how the job expense has been accrued to periods 5 and 6:

P/R Journal Posting Report

Report date: 20081118 Page 1

| Group | G/L Acct | Type | Amount | Status | Reason | User | Per | Chk# | Vend# |
|-------------------|------------------------------------|------|---------|--------|----------------------|-------|-----|------|-------|
| 20081118@13:52:38 | | | | | | | | | |
| | 5085.000 Payroll Tax - Dining Room | E | 6.20 | N | FPR-Job101-Fica | ADMIN | 5 | | |
| | 2261.000 Federal unemployment tax | L | .80 | N | FPR-Job101-FedUC | ADMIN | 5 | | |
| | 2263.000 State unemployment tax | L | 1.50 | N | FPR-Job101-StUC | ADMIN | 5 | | |
| | 5085.000 Payroll Tax - Dining Room | E | 4.50 | N | FPR-Job101-Medicare | ADMIN | 5 | | |
| | 2264.000 Medicare Tax Payable | L | (4.50) | N | FPR-Job101-Medicare | ADMIN | 5 | | |
| | 5060.000 Kitchen staff | E | 100.00 | N | FPR-Job101-OthPay | ADMIN | 5 | | |
| | 5060.000 Kitchen staff | E | (25.00) | N | FPR-Accru-Job101-Oth | ADMIN | 5 | | |
| | 2265.000 Accrued Payroll | L | 25.00 | N | FPR-Accru-Job101-Oth | ADMIN | 5 | | |
| | 5060.000 Kitchen staff | E | 25.00 | N | FPR-Accru-Job101-Oth | ADMIN | 6 | | |
| | 2265.000 Accrued Payroll | L | (25.00) | N | FPR-Accru-Job101-Oth | ADMIN | 6 | | |
| | 2266.000 Deferred Comp Plan | L | (5.00) | N | FPR-Ded10 | ADMIN | 5 | | |
| | 2260.000 Federal FICA tax payable | L | (6.20) | N | FPR-Fica | ADMIN | 5 | | |
| | 2260.000 Federal FICA tax payable | L | (6.20) | N | FPR-EMPLR/Fica | ADMIN | 5 | | |
| | 2264.000 Medicare Tax Payable | L | (4.50) | N | FPR-EMPLR/Medicare | ADMIN | 5 | | |
| | 2261.000 Federal unemployment tax | L | (.80) | N | FPR-FedUC | ADMIN | 5 | | |
| | 2263.000 State unemployment tax | L | (1.50) | N | FPR-StateUC | ADMIN | 5 | | |
| | 1010.000 Our Bank Account | A | (84.30) | N | FPR-Balancing-Netpay | ADMIN | 5 | | |

Note: return to the Job & Deductions Configuration and Resulting Journal Entries section earlier in this manual for complete information on understanding a payroll G/L posting report.

Payroll Check Formatter

This option is found on the FILE menu of the payroll manager under “Change Direct Print Check Layout.” This module provides a way to fine-tune the printing locations of payroll check information on the check portion (top third) of the payroll check page so that they match the capabilities of your printer. The module does not have any effect on the bottom two stubs that make up the bottom 2/3 of the check page. And unless you change printers, once the settings are finalized, they may not need any further adjustment. However, if you do change printers, it's likely that the formatter settings will require some adjustment again.



How Windows Exact Position Printing Works

Exact position printing in Windows is determined by an X,Y decimal coordinate system where X is a horizontal value and Y is the vertical value. However, Windows considers the top left-most printable spot on the page to be the 0,0 coordinate and everything is relative to it. By increasing the X value, an item can be printed to the right of the zero X-position; by increasing the Y value, an item can be printed downward from the zero Y- position. Theoretically, a 4,3 setting should print something 4 inches to the right and 3 inches down from the 0,0 position, or top left corner of the page. However, other factors also affect the concept such as the printer's own physical live printing area (e.g. where it can physically deposit ink on a page) and therefore, negative values can actually be used to cause the printer to *try* to print outside its own capability. In assigning these coordinate numbers, some care is needed, and usually, small numerical changes can affect large results. Often, changing a value by a hundredth of an inch (as in moving the MICR code line) can make a big difference in whether the bank can read your checks or not.

What the buttons and other boxes on the formatter are for

- **Help** displays a built-in help file, much of which is printed here.
- The **Test Print** button prints a page of sample test data based on the current settings. It shows exactly what and where information will be printed on the payroll check.
- The **Save** button saves the current settings in a data file named PRCHK01.LOF. This is the active file that contains your adjusted settings instead of the system defaults. If you make a change to a setting, be sure to click the SAVE button before you click Test Print. If you make a change and exit the formatter before clicking Save, the changes you made will be lost.
- The **Load Default** button loads the system default settings as provided by Club Data. This always gives you a way back to square one if you ever need to after experimenting with different settings. The default settings are stored in a data file named PRCHK01.SYS and Club Data may periodically change this file as the need arises.
- The **Horizontal** column setting is the decimal equivalent in *horizontal* inches where printing is to begin for the associated field. The number is measured from the left edge of the page.
- The **Vertical** column setting is the decimal equivalent in *vertical* inches where printing is to begin for the associated field. The number is measured from the top edge of the page.
- The **Font Size** column is the relative size of the font when it's printed. In general, you should not change these unless it's to experiment. Changing the font slightly (such as from 8 to 9 or 10 to 11 or 12) may be okay, but changing the font usually requires also

changing the X,Y coordinate for that field because bigger fonts take more space; smaller fonts of course take less space.

- **To set a field so that it won't print at all, set the font size to zero. The system skips printing fields that have the font size set to zero.**
- The Arial font is the default used by Club Office as it is included with even the most basic of Windows installations.
- The MICR font used is named **GnuMICR.TTF**, and it is provided with the Club Office system. For this font to be active, it must be installed in your Windows Fonts folder so that Windows knows to use it.
- Information on installing fonts is built into Windows' help system; the GnuMICR.TTF font itself is found in the CDCO folder with all the other Club Office system files.
- Installing the font on one computer does not make it available on a *different* computer. The font must be installed on *every* computer that will be used to print payroll checks.

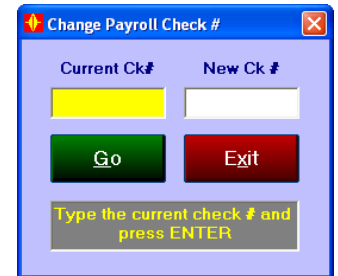
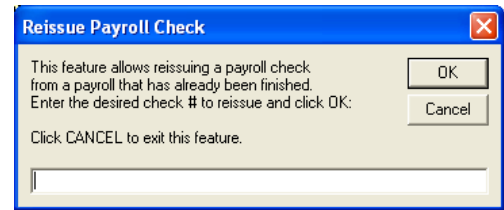
Field Values that you can change:

- **X/Y Page Offset Adjustment:** This setting tells the printer the relative location of the "zero" printing location from the *actual* 0,0 coordinate. This then essentially is where printing "starts" on the page. Because all other fields are based off the "zero" position, the X/Y Offset setting affects *every* printed item on the page and therefore allows moving the entire page up, down, left or right simply by changing the horizontal or vertical offset.
 - To move everything to the LEFT, type a smaller number than what is currently in the Horizontal box. To move everything to the RIGHT, type a larger number than what is currently in the Horizontal box.
 - To move everything UP, type a smaller number than what is currently in the Vertical box. To move everything DOWN, type a larger number than what is currently in the vertical box.
 - Remember that negative numbers can be used; just *how much* negative is something that can only be determined by trial-and-error. Try a setting, click save, then click Test Print to see what effect the change had.
- **Check number:** this is the numerical check number, normally printed in the upper right corner of the check itself.
- **The word, "Date":** this is the actual word that normally prints just above the YYYYMMDD formatted date.
- **Printed date in YYYYMMDD format:** this is the check date in numbers.
- **'To the order or...' Payee's name:** this is the employee's name.
- **Check \$\$ amount:** the numerical dollar amount of the check, normally printed on the far right side of the check on the same line as the payee's name.
- **Check amount in words:** this is the text representation of the dollar value, such as "Three Hundred forty six dollars and 45/100 dollars"
- Payee's name (address line 1):
- **Payee's address line 2:** whatever is in the employee's record as Apt/Unit.
- **Payee's address line 3:** whatever is in the employee's record as Street
- **Payee's City, State, Zip:** the employee's city, state and zip code
- **Check # in MICR code:** the check number printed along the bottom of the check where the other MICR coding is printed. The banking system's machinery reads MICR code.
 - If your checks are pre-printed with the check number already in MICR code at the bottom of the check, set the font size to zero to disable this feature.
- **Bank routing \$ in MICR code:** this is currently disabled; leave as-is.
- **Signature line 1:** this is the physical signature line to be printed.
- **Signature line 2:** this is a second signature line for those who need two signatures on a payroll check.

Reissue a Payroll Check

This option is available on the FILE menu and only applies to checks that have been issued through prior payroll runs. Because the reissue function uses the payroll workspace to hold temporary data, if any data is in the payroll workspace, the reissue function cannot be used and a message will appear to that effect. Important: the reissue function is essentially a *reprinting* function and the following caveats apply:

- The same check number that was originally used will be printed again. If you use pre-printed numbers and your checks and need to use a new check number, do the following:
 - First, find out what the new check number will be;
 - Use the “**Change a check number**” file menu option to change the OLD check to be reprinted to the NEW number.
 - Then use the reissue payroll check function to recall the check using the NEW number.
- The top and middle sections of the check page display information about that specific payroll run itself; they will be identical to the original check.
- The bottom section of the check page displays *current* historical information about that specific employee *as of the exact date/time the reissued check is printed*. Therefore, the bottom section may not be exactly the same as the original check. You may need to explain this difference to the employee.



Reissue Procedure:

1. Type the check number to reprint. If you don't know the number, cancel the screen display and use the appropriate report to look up either the check register or an employee's earnings to find out what it was.
2. A message to choose whether to print using the preview/print or direct print mode will appear, choose the method you want to use.
3. Be sure to insert the proper check stock into the printer and orient it properly.
4. Click the appropriate button to print the check.

Why not void the check first and re-do the payroll instead of using reissue?

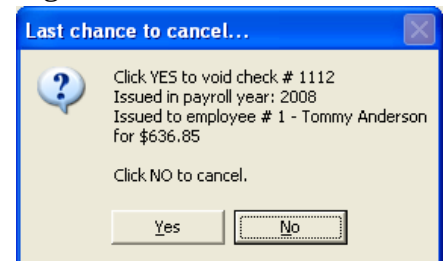
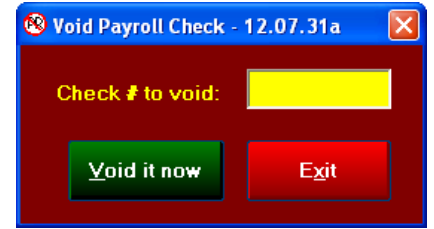
The choice is yours, but assuming that the intent is to give the employee a *replacement* check for one that was either lost or damaged and un-cashable, consider the following:

- If there are no changes to the value of the check, why go to the trouble of voiding the existing one and then re-entering all that information? Besides, a new payroll check is calculated based on *current YTD earnings* and not the earnings the employee had *at the time the original was entered into the system*. It's quite possible that withholding taxes or UC calculations may be quite different at the *end* of a year than they are at the beginning of a year, so entering new data for a replacement check that was originally issued earlier in the year could easily create numerous tax or other balancing problems for you.
- The system will not allow keying a *new* payroll for a date in a *prior quarter or year*. Voiding a check that was issued in a prior quarter or year and issuing a new one in the *current* year carries with it some serious tax reporting implications, not to mention possible fiscal year reporting issues as well.
- If the employee just lost the check or it was damaged and has never been cashed, the simplest solution is to assign a new check number to it and simply reprint it with a new number. No journal entries are created, there are no changes to the employee's record, no need to file amended payroll tax forms, and it's just a *lot* easier for everyone concerned.

Void Payroll Check

The payroll check void module is provided for situations that require undoing the payroll calculations that were caused by the original check. This could happen, for example, if a deduction program was set up for the wrong employee and wasn't caught until after the employee brought it up him or herself after receiving his payroll check that included an unexpected deduction. Some caveats are in order about voiding payroll checks:

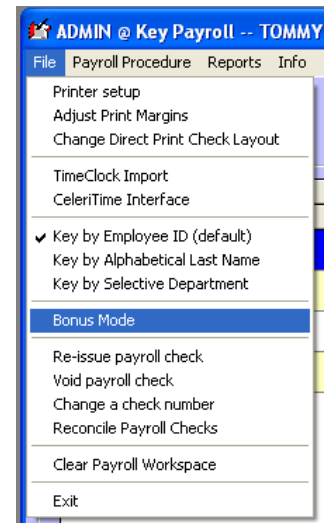
- It is expected that voids occur during the current payroll year; voiding a payroll check for a prior payroll year does not affect the employee's earnings nor does it create journal entries. Journal entries must be made manually to reconcile the cash account and (likely) one or more employment expense accounts.
- Voiding a payroll check in the current payroll year should be treated with great care. Remember that payroll taxes are date-sensitive and voiding a check from one quarter and reissuing it in another quarter may create some tax reporting issues.
- The void check function creates journal entries into the *current* g/l accounting period regardless of the accounting period in which the original check was issued.
- The void process provides two chances to change one's mind; the second option appears like the one to the right:
- Note that the resulting journal posting report includes the code **VPR** (e.g. "Void **PayRoll**") in the "reason" column such as in the example below:



| P/R Journal Posting Report | | VOID PAYROLL CHECK | | Report date: 20081119 | | Page 1 | | | |
|----------------------------|-------------------------------------|--------------------|----------|-----------------------|--------------------|------------|-----|------|-------|
| Group | G/L Acct | Type | Amount | Status | Reason | Employee | Per | Chk# | Vend# |
| 20081119@11:22:36 | | | | | | | | | |
| | 5060.000 Kitchen staff | E | (880.00) | N | VPR-Job101-CoWage | Tommy Ande | 5 | 1112 | |
| | 5085.000 Payroll Tax - Dining Room | E | (54.56) | N | VPR-Job101-Fica | Tommy Ande | 5 | 1112 | |
| | 2261.000 Federal unemployment tax | L | (7.04) | N | VPR-Job101-FedUC | Tommy Ande | 5 | 1112 | |
| | 2263.000 State unemployment tax | L | (13.20) | N | VPR-Job101-StUC | Tommy Ande | 5 | 1112 | |
| | 2264.000 Medicare Tax Payable | L | 39.60 | N | VPR-Job101-Medcar | Tommy Ande | 5 | 1112 | |
| | 2266.000 Deferred Comp Plan | L | 144.00 | N | VPR-Ded10 | Tommy Ande | 5 | 1112 | |
| | 2260.000 Federal FICA tax payable | L | 54.56 | N | VPR-Fica | Tommy Ande | 5 | 1112 | |
| | 2260.000 Federal FICA tax payable | L | 54.56 | N | VPR-EMPLR/Fica | Tommy Ande | 5 | 1112 | |
| | 2264.000 Medicare Tax Payable | L | 39.60 | N | VPR-Medicare | Tommy Ande | 5 | 1112 | |
| | 5085.000 Payroll Tax - Dining Room | E | (39.60) | N | VPR-EMPLR/Medicare | Tommy Ande | 5 | 1112 | |
| | 2258.000 Federal Income Tax Payable | L | 2.45 | N | VPR-FIT | Tommy Ande | 5 | 1112 | |
| | 2262.000 State tax payable | L | 2.54 | N | VPR-StateTax | Tommy Ande | 5 | 1112 | |
| | 2261.000 Federal unemployment tax | L | 7.04 | N | VPR-FedUC | Tommy Ande | 5 | 1112 | |
| | 2263.000 State unemployment tax | L | 13.20 | N | VPR-StateUC | Tommy Ande | 5 | 1112 | |
| | 1010.000 Our Bank Account | A | 636.85 | N | VPR-Balancing | Tommy Ande | 5 | 1112 | |

Bonus Mode

The File menu's "bonus mode" option changes the look of the screen by coloring grid headings and including the words BONUS MODE in the employee selection grid. In bonus mode, all normal system features are available including the option to bypass deductions, but the calculation of federal and state taxes are bypassed. FICA and Medicare taxes are still calculated.



- Bonus mode payroll cannot be combined with a regular payroll; it must be issued as its own set of payroll checks.
- Bonus pay is considered as normal earnings and appears in box 1 of the year-end W-2 form.
- Remember that the *check issue date determines the payroll year* in which the money applies to the employee's earnings while the *fiscal year* (for accounting reasons) to which the bonus applies may be a completely separate issue. Issuing a bonus at the very end of a payroll year as the calendar year changes can become a tricky situation and some pre-planning is usually a good idea.
- Using the "other pay" field to enter a bonus dollar amount is probably the easiest and fastest way to apply a fixed-amount bonus to an employee's earnings.
- It's suggested to answer YES to the "Bypass Deductions" option when performing the trial process. Otherwise, the system will attempt to take the normal deductions from the bonus check as well.
- If you wish to issue a bonus check for the full amount without even FICA and Medicare being taken out of the employee's check, you can do the following:
 - **Caution: understand that doing so creates payroll tax reporting issues because the employee's earnings and the withheld taxes reported by the payroll system will no longer be in sync with one another.**
 - Set the employee's "Take FICA Y/N" setting to "N". Take FICA (Y or N) **N**
 - Start a new bonus payroll – no records can be in the payroll workspace.
 - Key the bonus to the employee for a dollar amount as "other pay" leaving all the other fields blank.
 - Run the trial process, answer YES to "Bypass Deductions."
 - Print the check – it will be for the full face value.
 - After finishing the payroll, set the employee's "Take FICA Y/N" setting back to the way it was originally.
 - Below is a sample journal posting report for \$100 bonus awarded to a single employee; note that bonus mode will still calculate the employer's UC taxes if the UC limit has not yet been reached.

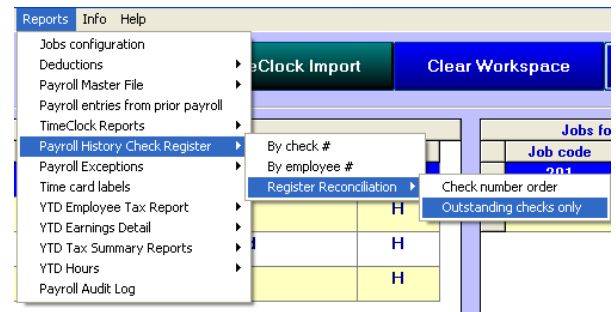
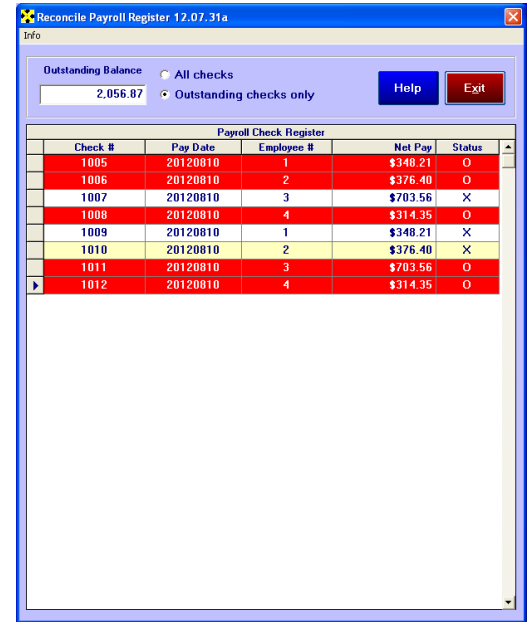
| P/R Journal Posting Report | | | | | | Report date: 20081119 | Page 1 | | |
|----------------------------|--------------------------|------|----------|--------|-----------------------|-----------------------|--------|------|-------|
| Group | G/L Acct | Type | Amount | Status | Reason | User | Per | Chk# | Vend# |
| 20081119@12:02:49 | | | | | | | | | |
| 2261.000 | Federal unemployment tax | L | .80 | N | FP R-Job101-FedUC | ADMIN | 5 | | |
| 2263.000 | State unemployment tax | L | 1.50 | N | FP R-Job101-StUC | ADMIN | 5 | | |
| 5060.000 | Kitchen staff | E | 100.00 | N | FP R-Job101-0thPay | ADMIN | 5 | | |
| 2261.000 | Federal unemployment tax | L | (.80) | N | FP R-FedUC | ADMIN | 5 | | |
| 2263.000 | State unemployment tax | L | (1.50) | N | FP R-StateUC | ADMIN | 5 | | |
| 1010.000 | Our Bank Account | A | (100.00) | N | FP R-Balancing-Netpay | ADMIN | 5 | | |

- The practice of awarding bonuses in either cash or with an accounts payable check (and bypassing the payroll system altogether) is not recommended.

Reconcile Payroll Checks

This option is available both as a button at the top of the payroll manager screen or via File menu option. It can be used to mark checks that have been cleared through the bank.

- The Outstanding Balance column displays the total of Outstanding (status O) checks only.
- The grid display can be set to show all checks or only those that are Outstanding.
- The Status column displays checks that are “O” outstanding, “X” cleared or “V” voided.
- To mark a check as cleared, change its status O to status X and then either click on an adjacent line or use the up/down arrow keys on your keyboard to move the cursor off the line just edited. The outstanding balance is recalculated immediately.
- Because uncashed payroll checks may indicate a brewing personnel problem, the primary goal of the payroll check reconciliation function is to quickly identify payroll checks that have not yet been cashed by employees with the overall outstanding balance showing as zero dollars.
- If the A/P and Payroll check registers are “linked” via the company configuration setting, you may marking a payroll check as “cleared” at either the payroll register screen or from within the A/P checkbook.
- The payroll manager’s Reports menu includes check register reports for check reconciliation, too:



Note 1: The Club Office G/L system includes a helpful cash management tool that can be used to balance your cash accounts. The payroll check reconciliation feature can be helpful in ascertaining the value of outstanding checks, which is one of the values the cash management tool uses in its calculations.

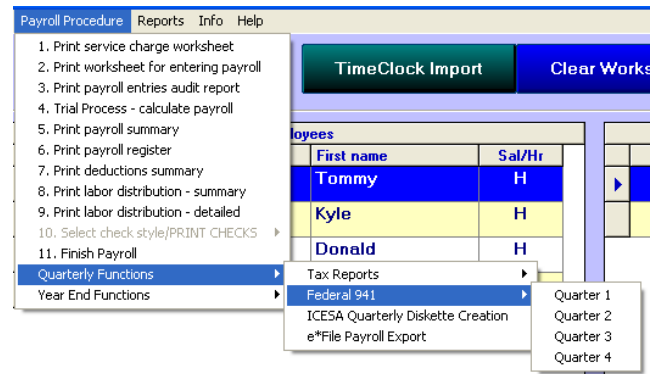
Note 2: If you have multiple years of payroll history and have never used the payroll check reconciliation feature, you may have hundreds or possibly thousands of checks to mark before this feature can be useful to you. Club Office includes a purge function that can be used to eliminate un-needed historical detail such as this; contact your Club Data technical support representative for assistance.

Quarterly Functions

The Payroll Procedure menu includes a section related to operations that typically are performed quarterly. The quarterly reports can be very helpful in filing your quarterly tax reports both with your state(s) and the federal government.

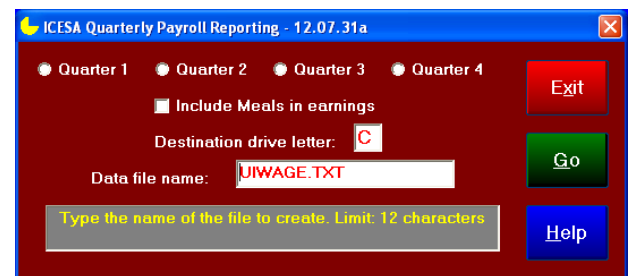
Quarterly totals are finalized when the user checks the “finish quarter at same time” box on the Payroll Finish screen when he/she finalizes the last payroll of the payroll quarter.

- **Reminder:** if the user forgets to check the box, you can use the **Update CumEarn from Detail** option located on the FILE menu of the **Setup Jobs & Deductions** module to finish the quarter manually.

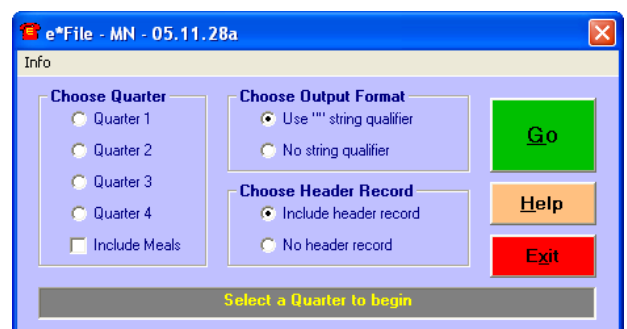


The ICESA Quarterly Diskette operation creates a data file that can be written to a diskette or a flash memory stick. Note that while the federal government (nor most states) prefer electronic filing and will no longer accept physical diskettes, diskette media still serves as a very useful and inexpensive method to store a copy of the data in your payroll files. And you can certainly transmit or upload the contents of the diskette (e.g. the data file) to the respective government entity.

1. Select the quarter to report
2. If your state requires that Meals be included in earnings, check the appropriate box.
3. Type the destination drive letter where the data file should be created. A diskette drive is typically drive **A** while a flash memory stick may be virtually any letter (check your computer to see what drive letter has been assigned to it before you use this module).
4. The name of the created data file is UIWAGE.TXT and it is in the ICESA format. This format is accepted by every state as a valid file type for the reporting of quarterly wages.
5. When transmitting/uploading the data file to your respective tax agency, be sure to identify the file type as the ICESA file type or they may reject it. If your tax agency does not accept the file, please call Club Data with appropriate contact information so that we might research the issue on your behalf; state tax agencies often change their tax reporting requirements without notifying software vendors and it's possible that the format may need updating for your state.
6. **Important:** the ICESA data file includes address and tax ID information about your club. Your file will be rejected if this information is missing from the main company configuration screen. In addition, the data file includes employee social security numbers and other employee information as well; if these are missing or wrong, the problems that may arise later are impossible to predict.

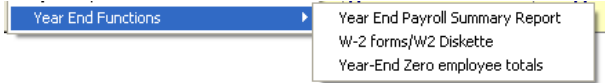


The **e*File Export** function is similar to the ICESA data file although at present, the file format is only accepted by the state of Minnesota. Extensive help is included in the module; click the HELP button for complete information. The module creates a data file named **EFILE.CSV** and you will find it in the main CDCO folder along with all other Club Office system files after it is created.



Year End Functions

At the conclusion of a payroll year and before any payroll is issued for the new payroll year, some final reporting and housecleaning is necessary.



Printing W-2 Forms

This Print W2 module prints both 2-up and 4-up W-2 forms. It is also used to create the W2REPORT.TXT data file for filing employee data electronically. The data is formatted in the required SSA's EFW2 format (formerly MMREF-1). While most states also accept the EFW2 format for electronic filing of year-end payroll information, check with your state agency to confirm that they do prior to sending the data file to them.

Important: Almost without exception, the federal government changes the layout of the W-2 form on an annual basis. Club Data updates its Print W2 module accordingly and provides it to Club Office customers as part of their normal support services. The module is made available to users during December of the payroll year.

It is critically important that the user have the correct Print W-2 module that matches the payroll year. Without the right module, the W-2 forms will likely not display the proper values in the boxes nor will the data file that the module creates be in the proper format, either. This can lead to severe tax filing problems and/or penalties imposed on the club by the federal government.

Club Data provides year-end W-2 printing services to customers at very low prices. All that is necessary is to provide a standard payroll backup to us. We start W2 printing after the first of the new year and typically have the W2s in your hands by mid-January.



- **2-up W-2 Forms:** This is the standard form that has two large W-2 wage and tax statement forms per 8½ x11 page. Typically, using the 2-up form requires printing six sets of forms through the printer: a federal copy, a state copy, the employer's copy, a copy for the employee to file federally, an employee copy for filing with the state and the employee's own copy. Be sure to separate the forms before you print, which means printing all the federal copies first, and then print the state copies, etc. The 2-up forms are printed in alphabetical order by last name, then first name. The employee ID# is printed in the CONTROL NUMBER box on the form.
- **4-up W-2 Forms:** This is a federally-approved form that contains four copies of the employee's portion of the W-2 forms all on a single piece of paper. It's handy to use because four copies can be printed at once, saving time and expense. Note that the 4-up forms are printed in ascending employee number order, not alphabetical order. The employee id# is printed in the CONTROL NUMBER box on the form.
- **Printing a Test Form for Alignment:** A question will pop up on the screen that asks if you want to print a test form. Click YES to print a test form for alignment. The 2-up test form prints a couple full pages; the 4-up form prints only one page.

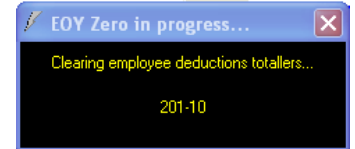
- **Adjust Printing:** Click **FILE - Adjust Printing** to enable this function. The module allows changing the horizontal and vertical starting position as well as the relative printing position of the lower half of a form where two forms are printed on the same page. The horizontal adjustment is called the "X coordinate"; the vertical adjustment is the "Y coordinate," and the adjustment between the top and bottom forms on the same page is called the "top to top" adjustment. Adjustments can be as small as 1/1000 of an inch, allowing very precise control.
- **Restarting from a specific employee record:** In case of a printer problem, you can restart a print job from a specific employee record. The 2-up form requires an alphabetic entry because it prints in alphabetical order; the 4-up form requires an employee number entry because 4-up forms are printed by employee id#. Answer YES when the question appears on the screen to use this option. NOTE: When restarting the 2-up forms, be sure to start with a name that is on the TOP of a form. In cases where there may be many duplicate names such as JOHNSON, you may have to select an earlier name that is unique and which is also on the top of a page. This is not necessary when printing the 4-up form.
- **Reprinting a single employee form:** You can accomplish this by selecting to print a "test form" and then also select to print starting at a specific employee record. Both of these functions are described separately above.
- **Creating the W2REPORT.TXT data file:** This option exports the data into the MMREF-1 data format required by the SSA for filing W2 data electronically, either on diskette media or direct upload.
 1. If using a diskette, format a fresh diskette so that it's clean and blank.
 2. Click on the W-2 Data File button.
 3. Change the destination drive to correspond with where you want the data file to be made. If using a diskette, this is drive A or B. Any local hard drive or networked drive (or memory stick) can be used; just check 'My Computer' to find out what drive letter the destination is.
 4. Click on the MAKE DATA FILE button.
 5. The module will request your SSA PIN number. You must secure this from the Social Security Administration. It is a requirement if you are submitting W-2 data electronically. The SSA PIN# is up to 8 characters in length.
 6. There is no restart feature. The module will display DONE in the helpwindow after the data file has been completed.
 7. If you don't know your PIN, type the letter x eight times (xxxxxxxx). This will make it easier to spot later when you edit it prior to sending the data to the SSA.
- **Editing the PIN Number:** Prior to beginning, be sure to set the destination drive letter properly. It must be changed to the same location where the data file is located prior to editing the file.
 - If the data file is located on the destination drive (as shown in the box), then you can simply use the Edit Pin button on the Print W2 module screen:
 - Click Edit PIN
 - Type your PIN in the box provided
 - Click OK.
 - The W2REPORT.TXT data will be edited in exactly the right place.
 - You're done.
 - If you prefer to edit the file manually, you'll have to use a standard text editor of some kind, such as Windows built-in Notepad. The PIN number resides in positions 12-28 of the RA record, which happens to be the first record of the data file. If you use any other ASCII text word processor, make sure that when you save your changes that the file name remains W2REPORT.TXT. The SSA will not accept a file that is not in ASCII text format or has a file name ending in anything other than .TXT.

- The RA record starts out with the letters RA followed by your federal ID number. The PIN# takes up the next 8 spaces, and is followed by a zero, some more spaces, the numbers 98 and then your club's name, address, and other information. You need to change only the PIN# but it's important that none of the other characters be shifted horizontally! This means that when you type the PIN# you must be in TYPEOVER mode and not in INSERT mode! The PIN# must also start in position 12.
 - If you originally typed eight X's then you'll see them right away in the first record. All you have to do is type your PIN# over the X's starting with the first X. Replace any leftover X's with blank spaces. When done, you should see no X's where they were originally!
 - For example, here's what the first 29 characters of the RA record might look like this: **RA411234567XXXXXXXXX 0**
 You would replace all the X's with your PIN number or blank spaces. Just DELETING the X's won't work because it will shift the other data to the left and into the wrong positions -- you must use BLANKS instead. Notice that the 29th character is a zero. When you're done, the 29th character must still be the zero!
- **Printer issues:** This module is pre-designed to print W-2 forms based on HP LaserJet printer settings at 300 dpi resolution. It is possible that the default settings may not work with your particular printer and that you may have to experiment a bit to determine the proper settings for your printer. This is an unavoidable situation that often requires patience and quite a number of sheets of paper. It also may not be possible to print the text in exactly the right place in every box because of the wide variance in printer designs and printer control driver software.
 - Printers that use postscript printer commands such as the Xerox Phaser may require that the printer's scaling be adjusted to enlarge or shrink the print to fit on the forms. These settings are typically made in the Windows printer driver properties area for the printer in question.
 - It's suggested that rather than experiment with expensive form stock, use blank paper for test prints. By placing the test print against an actual form and holding both up to a light source, determining the printing locations is relatively easy. When the desired settings are achieved, be sure to write them down for future reference!
- **AccuWage Data Verification Software:** AccuWage software is available free of charge from the SSA web site. It is revised every payroll year and is a valuable tool to certify your payroll data for electronic filing. It will help identify many common maladies, even items such as erroneous address, tax id# and social security number problems. Information and the software is available from the SSA's AccuWage URL:
<http://www.ssa.gov/employer/accuwage>

Year-End Zero Employee totals

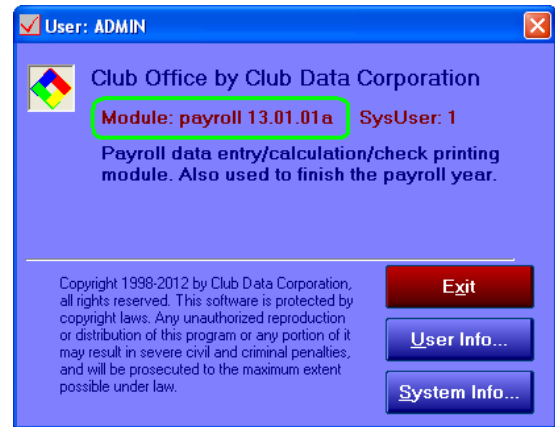
A necessary function prior to issuing any payroll in a new year is to zero all the totals inside the payroll system so that the payroll totals from the year just completed do not affect payroll calculations in the new year.

1. Select the Year End Zero option from the Year End Functions menu. The option is only available when the current date is in either December or January.
2. A pair of confirmation boxes will appear just to make sure this is what you intend to do. Answer YES to each of them.
3. A small black box will open on the screen and display employee numbers or other information as it is zeroed.
4. When done, the system will display the current FICA wage limit setting and remind you to change it if need be.
5. Another option to “clear the payroll workspace” will appear. If you have a new payroll already keyed into the system for the new payroll year and you don’t want to do the work over again, answer NO.



Starting a New Payroll Year – Checklist

1. Make sure the employee year-end zero process has completed and that no employees have any earnings or deduction totals of any kind. A simple way to do that is to run the Year End Payroll Summary report, found in the Year End Functions menu. If only names appear and no values, then you should be okay.
2. Make sure the FICA Wage Limit and other federal and/or state limits or percentages are set properly at the main payroll configuration screen.
3. Download and install the new payroll manager module and new tax table database for the new payroll year. Together, the module and database form a matched pair and are reset every year to meet the latest federal and state calculation requirements. How to check the Payroll Manager's version:
 - a. Start the payroll manager and click INFO in the menu bar.
 - b. The module version should display Module: payroll followed by a few numbers, such as 13.01.01a. The *first two digits* (13 in this case for 2013) should match the new calendar year. If they do not, then you do not have the correct version of the payroll manager or the correct tax table database for that payroll year.
 - c. If you have already keyed data into the payroll workspace, don't worry about losing it when you update the payroll manager with a new version. When you start the new module, the data will still be there.
 - d. The new payroll manager and tax table database are always made available for downloading from the Club Data Tech Support Web Site during the final week of a calendar year. It is strongly suggested that users *not* download and install it until *after* having performed the year end employee zero function yet *before* keying any payroll data into the workspace for the new payroll year.
4. *Be PROACTIVE about starting the year right!*
 - a. Survey your employees via questionnaire or other written form to update any mailing address, telephone or other important information such as number of exemptions claimed, marital status, etc.
 - b. Double-check employee deduction programs, especially employee electives. It's always easier to start out with correct information than have to backtrack later when an employee says, "Oh, I didn't want to be on that this year. Can you give me a refund?"
 - c. Verify employees' pay rates. Often, a promise to award a raise at the start of the year was made to one or more employees but it doesn't get into the system until the employee comes to you with a new paycheck and says, "Hey, what happened to the raise I was supposed to get?"
5. Update your HR manual with any operational changes that affect any part of the hiring, employee management or payroll process at your club. And don't keep the information secret – *share it with your employees!*



Payroll Procedure Variations

There may be as many methods for doing payroll as there are stars in the sky. However, here are some common variations to the basic procedures outlined earlier in this manual.

If you have Club Office TimeClock...

TimeClock and the Payroll Manager can interact via an import module that captures TimeClock punches that have been manager-approved. The individual punch records actually are loaded into the payroll workspace as if they had been keyed manually. However, it's important to know that each punch record is its own entry, and it's often helpful to understand the difference between normal hand-keyed entries from paper time cards vs. importing TimeClock's electronic punch records. In the examples below, suppose you had 20 employees and each employee worked 5 days out of a 7-day week:

- Using paper time cards (hand written or punched), you likely add-up the individual punch in/out times manually and key in a single entry into the payroll manager that represents that sum total of that employee's hours for the entire week. So for the 20 time cards, you might have keyed 20 records into the payroll manager. On the screen in the payroll workspace and in some of the reports, you'll see only 20 lines of data.
- If those same 20 employees used TimeClock and you imported the punches for the same period of time, *each* punch in/out record is brought into the payroll workspace. So if each employee worked 5 days, each employee would have 5 punch in/out records and after importing the data, there would be $5 \times 20 = 100$ records in the payroll workspace. On the screen and in the same reports, you'll see 100 lines of data, and it will appear as if it's more complicated. But it's really not.

The basic difference above is that with the paper time cards, *you* are doing a lot of the totaling yourself followed by keying a *summary total* entry for each employee. Instead, if you had keyed the individual hours *for each day* each employee worked, you'd have keyed 100 records, too.

Incorporating TimeClock into your Payroll Procedure

1. **In TimeClock**, approve/edit punches from the manager's menu. Only approved punches can be imported into the payroll manager.
Note: It is assumed that punches have been approved *because they are correct* and therefore, imported punches should not need any attention whatsoever after being imported into payroll manager.
2. **In TimeClock**, print appropriate time sheet reports for the time period you intend to import. Use these reports to verify that the approved punches are indeed correct. Suggestion: select the **Misc Reports** option and choose the **Approved Punches Only** report. This report lists employees in ascending employee ID order and shows both detail and summary totals.
3. Start **Payroll Manager**.
4. Click **File – TimeClock Import**, and continue to import the punches for the chosen range of dates.
5. Print the **Payroll Entries Audit Report**. When printed in the default numerical order, it should match the detail of the Approved Punches report so that:
 - a. The selected date range of the imported records was correct and
 - b. All the punch records were imported. A comparison report appears automatically that compares the imported records against those in TimeClock for the chosen range of dates.
6. **Key in** any additional values as are necessary such as service charges, other pay, variable deductions, etc.
7. **Continue** the remainder of the payroll procedure as normal.
8. *Reminder:* The TimeClock manual contains complete detailed information about importing punch records into the payroll manager.

If you use gratuities, service charges or tips in your operation...

The words “gratuities,” “service charges” and “tips” are often used interchangeably, but when it comes to managing payroll, they may or may not be the same. You need to be crystal clear in how you manage these add-on methods for compensating employees because federal employment laws come into play. In particular, understand the difference between gratuity transactions that are directed and controlled by the employer versus gratuity transactions that happen directly between the customer and the employee without any employer intervention whatsoever.

- Employer-directed gratuities are generally fees that the employer mandates as a percentage of the sale. These are generally collected by the club and may or may not be dispensed to employees at a later date. When they are dispensed to employees, they become part of the employee’s normal compensation and are considered as employee wages and are therefore subject to all applicable federal and local payroll taxes.
 - Most clubs enter these gratuities in the **S/C** box in the payroll manager.
- Examples of direct customer-to-employee gratuities are cash tips left at a table for a server, or a few dollars given to a locker room valet, car parking valet or concierge for his/her services. This type of transaction flows directly from the customer’s pocket into the employee’s pocket without the employer’s involvement at all. These qualify as “declared tips” where the employee completes a written form to “declare” these special earnings to the employer.
 - Declared tips are entered into the **Decl. Tips** box in payroll manager.
 - Payroll manager includes such declared tips in the employee’s wages for the purpose of calculating appropriate payroll taxes. Of course, since the employee has already received the money, they are not included in the net pay when the payroll check is printed.
- Note that golf caddies are generally deemed not to be employees of the club and therefore, when a golf member signs a charge ticket that includes a hand-written “tip” to be given to the caddie, the club is merely facilitating the payment of cash between the golfer (e.g. “the employer”) and the golfer’s caddie (e.g. “his/her employee”) as a convenience to the golf member. More often than not, caddies are paid out of a petty cash or “caddie cash” account and member accounts are simply charged for the grand totals of their respective caddie tickets. At the present time, these sorts of arm’s-length transactions are generally not regarded as gratuity-related issues for the club. However, rules change periodically and it’s still a good idea to confirm with the proper tax authorities how golf caddies relate to your club’s operation.
- The IRS’ Circular E Employer’s Tax Guide (Publication 15) includes detailed information for managing tips as it relates to payroll taxes.

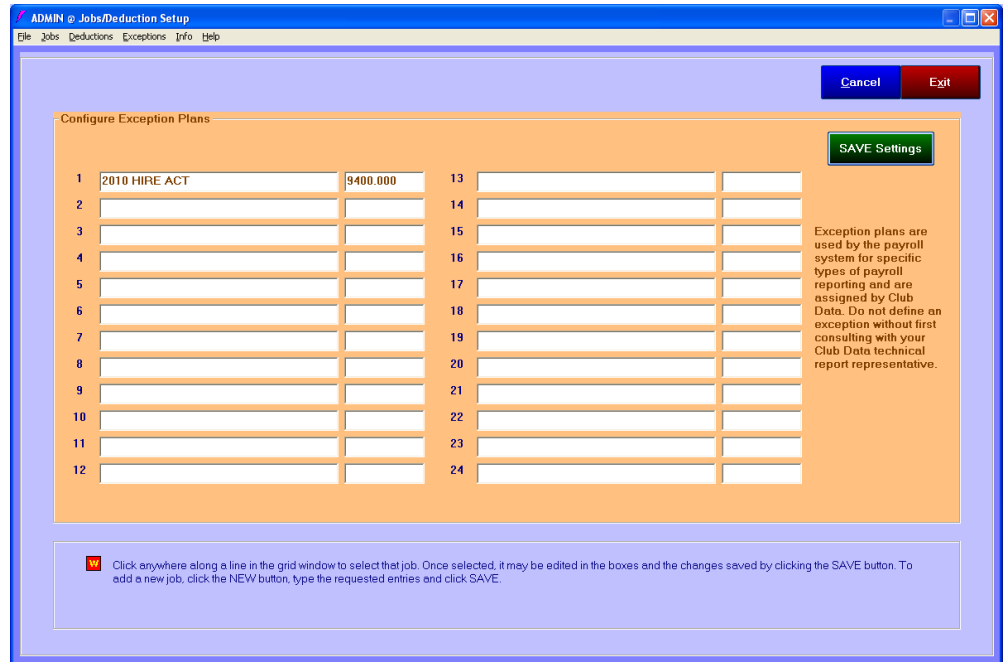
Some clubs have a policy for handling services and print it on their monthly statements with a line such as “*Service charges are the property of the club and not the employee.*” Some of these clubs may pool all these service charges and distribute them at the end of the year as bonuses while others may distribute only a portion of them as bonuses and use the kept portion to help defray other expenses somewhat like the “shop materials” fee that you might see on your bill when your automobile dealer repairs your vehicle.

If you “pool tips” for events such as banquets and weddings, decide how you will divvy up the tips to the employees involved *before* starting a payroll. Also consider that the very act of determining which employee gets how much of a tip may enter a very wide gray area as it relates to the concept of gratuities that are “employer-directed.” It’s one thing if the employees, *on their own*, decide to pool their tips and *they divide them equally amongst themselves*; the idea of the employer determining tip amounts by some other method may mean something entirely different when the tax auditor comes to call.

Payroll Exceptions

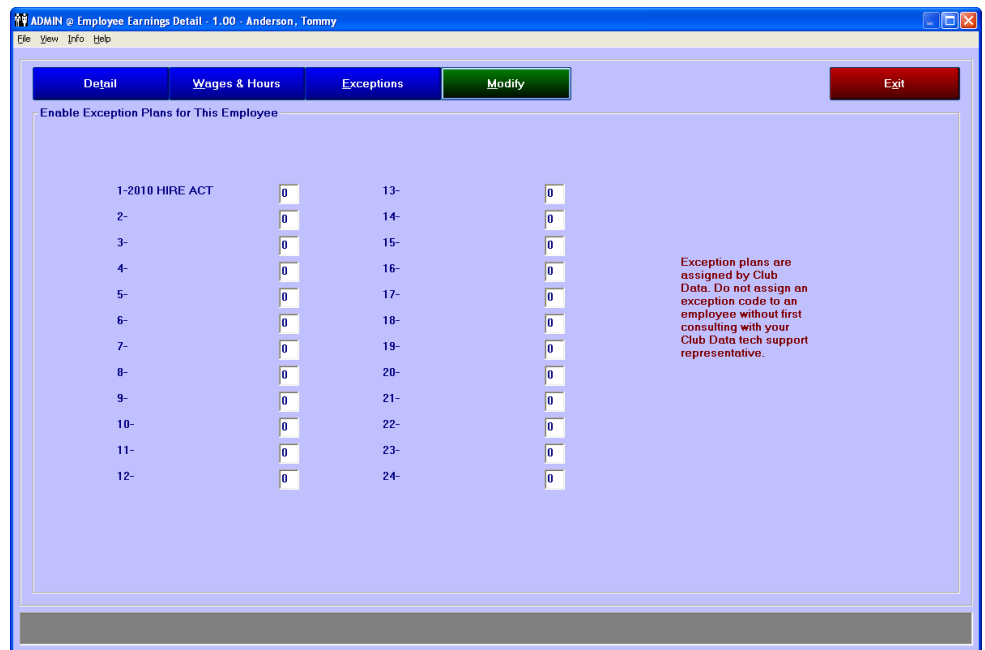
From time to time, special situations arise that require custom or special consideration. Club Office labels these “exceptions.” An example is the 2010 Hire Act, a one-year program created by the U.S. Congress as part of the 2010 Economic Recovery Act.

Exceptions are enumerated by Club Data only and are not user-definable. When the creation of a new exception is necessary, Club Data will incorporate it into the program code and assign one or more settings to activate it. Therefore, end users must always consult with their Club Data technical support representative for the proper settings



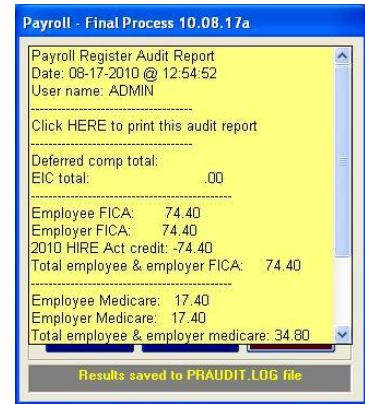
Configuring an Exception The Setup Jobs/Deductions module includes the configuration screen for payroll exceptions. Your tech support representative will tell you which to use, what to type into the description box and suggest an appropriate General Ledger account for tracking. Type the values into the respective boxes and click the Save Settings button.

Assign an exception to the employee. The employee earnings module includes a button to display the Exceptions screen. Your tech support representative will tell you the proper setting for the exception plan. As always, click modify to turn on the “save” button, make the change, and type SAVE. Setting the value of an exception to zero will always disable that exception.



Example: the result of the 2010 Hire Act exception is shown in the picture of the payroll register audit report to the right:

A sample of the resulting journal entries are displayed below.



Print Report - Cryprint Window Title gl001pr.rpt - gl001pr.rpt

Exit Options Help

Cryprint Window Title gl001pr.rpt

1 of 1 Total:14 100% 14 of 14

P/R Journal Posting Report

Report date: 20100817 Page 1

| Group | G/L Acct | Type | Amount | Status | Reason | User | Per | Chk# | Vend# |
|---------------------|-----------------------------|------|------------|--------|-----------------------|-------|-----|------|-------|
| 20100817 @ 12:54:52 | | | | | | | | | |
| 9330.000 | Labor-Comm./Receipt./Promo | E | 1,200.00 | N | FPR-Job9330-CoWage | ADMIN | | 8 | |
| 9400.000 | Taxes-FICA | E | 74.40 | N | FPR-Job9330-Fica | ADMIN | | 8 | |
| 9420.000 | Taxes-SUTA | E | 15.00 | N | FPR-Job9330-StUC | ADMIN | | 8 | |
| 9400.000 | Taxes-FICA | E | 17.40 | N | FPR-Job9330-Medicare | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | (17.40) | N | FPR-Job9330-Medicare | ADMIN | | 8 | |
| 5150.000 | Employ. Meal / Dep. Forfeit | I | (8.35) | N | FPR-Ded6 | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | (74.40) | N | FPR-Fica | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | (74.40) | N | FPR-EMPLR/Fica | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | 74.40 | N | FPR-2010 Hire Act C R | ADMIN | | 8 | |
| 9400.000 | Taxes-FICA | E | (74.40) | N | FPR-2010 Hire Act C R | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | (17.40) | N | FPR-EMPLR/Medicare | ADMIN | | 8 | |
| 2121.000 | Federal FICA, Med, W/H Tax | L | (82.79) | N | FPR-FIT | ADMIN | | 8 | |
| 2160.000 | State Payroll Taxes | L | (15.00) | N | FPR-State UC | ADMIN | | 8 | |
| 1050.000 | Payroll Account | A | (1,019.06) | N | FPR-Balancing-Netpay | ADMIN | | 8 | |