HIGHLAND AVENUE FELLOWSHIP CHURCH POLICIES AND PROCEDURES	Document ID # 2023-09

TITLE: Payroll Procedures

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Policy:

This policy is to establish a standardized procedure for processing payroll, and all payroll related forms and documents as required by IRS rules

Procedure:
1. All hourly employees will be provided an Excel timesheet with individual worksheets for all twelve months annually each January and are required to fill them out and provide them on a monthly basis to the church office by the date established each month by the Treasurer
2. All salaried employees are not required to fill out a monthly timesheet
3. Once all timesheets have been received and approved the Treasurer (or designee) will process the monthly payroll in QuickBooks as follows:
    a. On the QuickBooks main menu site select and click on the "Employees" tab at the top of the page
    b. Select and click on "Payroll Center" tab
    c. Under the "Payroll" tab select "Pay Employees" tab
    d. Under the "Create Paychecks" heading select and click on "Start Scheduled Payroll" tab
    e. Select and click on "Open Paycheck Details" tab
    f. Select the top employee (each employee will be listed individually alphabetically)
    g. Under the "Earnings" heading enter the hours worked for each "Item Name" and ensure the hourly rate is correct for each entry
    h. For salaried employees the hours worked will be one (1) and the hourly rate will be the monthly salary
    i. Review the "Paycheck Details" to ensure all entries are accurate. After the review is complete select and click "Save and Next" tab at the lower right-hand corner of the screen. The next employee's "Paycheck Details" will appear
    j. Repeat the time entry process until all employees' entries are completed
    k. Select and click the "Save and Close" tab and then select and click the "Continue" tab
    l. Select and click on the "Create Paychecks" tab
    m. Ensure the bank account listed is the correct account

n. If any paper checks are to be issued select and click on "Print Check" tab. **Ensure that blank checks are loaded into the printer prior to selecting the print function.** (the church strongly recommends that all employees use direct deposit)

o. For all direct deposits select and click on "Select Pay Stubs" (unselect print checks) and print all paystubs

p. After all checks and paystubs have been printed select and click "Send to Intuit"

q. A screen will appear that has the payroll in ready format. Select and click the "View" tab for a final review of the payroll and click "close" when finished

r. Select and click "Send All". The PIN is **"Spumc1591".** Once the PIN is entered click OK and the payroll will upload to Intuit.

s. At the bottom of the page the current payroll will be highlighted under the "Items Received" heading. Click on the "View" tab, print two (2) copies than click "Close" and "Close" again

4. In order to process the "Payroll Liability " checks the procedure is as follows:

a. After completing the payroll process above return to the main Payroll screen and select and click on the "Pay Liabilities" Tab

b. Under the "Pay Taxes and Other Liabilities" heading there will be a "Federal Liability Check" listed. Click "the "View and Pay" tab and a US Treasury check will come up to print. Print two (2) copies on plain paper. **Do not use a check, the actual payment is done electronically**. Click "Save and Close" at the bottom right hand side of the page.

c. For additional liabilities go to the main "Employee" screen and Select and click "Employees" tab at the top of the screen

d. Select and click on "Payroll Taxes and Liabilities" and the select and click on "Create Custom Liability Payments"

e. On the screen select "Custom" for the date and then enter the date range (typically the current payroll month)

f. In the upper left hand corner of the screen ensure the "Check Date" is the last day of the payroll month, i.e. 09/30/2022

g. Select one "Payroll Item" using the check box to the left of the item and then select and click the "Create" tab in the upper right hand corner of the screen

h. A liability check will appear. Print two (2) copies then select and click the "Save and Close" tab at the bottom right hand side of the page

i. Repeat process "d" through "h" until all liability checks have been paid

j. Once all liability checks have been processed close the "Employee Information" tab and return to the "Home" screen

k. Select "Check Register" tab and using drop down menu select "Checking 4520"

l. In 4520 check register select the most recent payroll transaction and open it (amount will be shown in red)

m. On the check screen select drop down menu in the "Bank Account" cell and select "1102-Trustco Checking"

n. Once selected click on the Save and Close tab at the bottom of the screen

o. A screen will appear stating that the transaction has been changed and do you want to continue. Click "OK" and then close the screen

p. In the main menu select and click the "Check Register" tab and select the correct bank account

q. Verify that the payroll transaction has been transferred to the Trustco account

r. On the payroll transaction change the check # to EFT and click on "Record" at the lower right hand side of the screen

s. A screen will appear noting that the transaction has been changed. Click "OK"

t. Find the "Liability" checks that were just processed and change each check # to "EFT" and select and click "Save". QuickBooks will ask if you want to save the changed transition, click "Yes".(all of these will be paid by electronic funds transfers (EFT's) or automatic fund transfers (AFT's) as listed below)

u. Close the Check Register and go the Internet Explorer window

5. Monthly payments of IRS 941 (federal taxes, FICA, and Medicare) are as follows:

a. In Internet Explorer use the Favorites menu and click on the "EFTPS Payment System" and the IRS EFTPS website will come up

b. Select and click on the highlighted EFTPS icon

c. Select and click the "Make a Payment" tab

d. Enter the church's Employer Identification Number (EIN) 59-0806592

e. Enter the PIN# 1591

f. Enter the Password: GodisGr8

g. Select and click "Login"

h. Under the "Most Common Forms" select Form # 941Employers Federal Tax and click "Next" at the lower right hand corner of the page

i. Under the "Tax Type" select "Federal Tax Deposit" and click "Next" at the lower right hand corner of the page

j. Ensure the correct bank information is listed in the "Account" section. If not click on "change account" and correct information

k. Using the copy of the US Treasury check enter the total amount shown on the check in the "Payment Amount" cell

l. In the Tax Period section enter the correct "Quarter" and "Year"

m. In the "Settlement Date" section enter a date that is 3-4 days after the next first of the month. For example, when doing the May payroll entry enter a date 3-4 days after June 1st, and then click "Next" at the lower right hand corner of the page

n. Under the "Sub Category Amounts" section enter in the total Social Security, Medicare, and Tax Withholding from the copy of the US Treasury check then click "Next" at the lower right hand corner of the page. NOTE: the Social Security and Medicare totals need to be added together prior to entering the amount on the form

o. The "Entered Data" page will appear. Check to ensure everything is correct and then click on "Make Payment" on the lower right-hand corner of the page

p. The "Deposit Confirmation" screen will appear. Scroll down to "Printer Friendly" version and click to print.

q. Print two (2) copies, one for the payroll file and one for the receipts file

r. Close window

s. Mark all of the receipt documents with a "Q" to identify that they have been recorded in QuickBooks and file receipts in folder to confirm payment with bank statement

t. Make additional copies of each employee's paycheck or paystub and save them with each time sheet alphabetically with one copy of the QuickBooks Payroll service sheet at the top and a copy of the US Treasury check that shows the amount paid for taxes, FICA and Medicare. File this in the current year file drawer in the red folder marked "Payroll".

6. Quarterly 941 Reporting as follows:

a. From the main "Payroll" tab select "Payroll Forms and W2's"

b. In the Payroll Forms and W2' tab select "Process Payroll Forms"

c. In Process Payroll Forms select the "File Forms" section

d. In the File Forms section select the "Quarterly Form/Sch. B) and click Create Form

e. Click the drop down arrows and select the "Year" or "Quarter" and "Quarter Ending" dates and then click OK

f. Follow instructions and review the form to ensure all information is correct. Make any necessary changes

g. Compare all tax payments with the monthly 941 forms to ensure all entries match

h. If you need to enter information that is blank, enter it directly in the field or cell

i. If you need to edit information that is incorrect:
    i. Right click in the field and choose Override
    ii. Enter the new data in the Override box and press Tab
    iii. If you need to undo an Override, right click in the field and choose Cancel Override

j. After all data has been entered/verified click "Check for Error" to identify and fix any errors. Click Save and Close to save your changes and return later to complete

k. Click "Print for Your Records" to print your form

l. Review filing instructions and save mailing address

m. Click "Submit Form" to electronically save the form in QuickBooks

n. Sign and make a copy of the Form to file with the payroll records and mail the original to the address listed in the instructions