

v.5 Payroll: Tips and Tricks

Presented by Ken Emert, Shelby Consultant



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Objective

To learn more about the Shelby v.5 Payroll module and payroll processing.

What you will learn in this session:

- How to prepare for Year-End: Printing W2s, matching 941s to W2s, adding non-cash compensation, adding insurance premiums to W2
- How to deal with Christmas bonuses
- Tax rates
- How to reset sick & vacation available amounts
- Accrual calculations
- How to void & reissue payroll checks
- How to reconcile compensation between 941s & GL
- Workers' Compensation reporting & cleanup
- How to set up payroll deductions for contributions
- Helpful payroll queries



Additional Payments: Bonuses, Etc.

Question 1 - Cash or Non-cash (i.e. Gift cards, previous payments from AP, etc.)?

Question 2 - Are there a Compensation and Distribution Types already set up?

Question 3 - Will this extra pay be included in a regular payroll check or should it be handled separately?

Compensation Distribution Setup Options

Suggested Categories:

| 2 | Description | Non Cash | Minister | FV |
|---|---|----------|----------|-----|
| | Provin sale | Yes | No | Ye |
| | Bonus | No 🚄 | ONI | Ye |
| | puomess expense reimbursements - accountable plan | No | No | No |
| | Business expense reimbursements - nonaccountable | No | No | Ye |
| | Cell Phone Allowance - Nonaccountable | No | No | Ye: |
| | Christmas or other special occasion cash gift | No | No | Ye |
| | Direct payment for a personal or family variation | Yes | No | Ye: |
| | Direct payment of moving expenses | Yes | No | No |
| | Discretionary funds | No | No | Ye: |
| | Employer paid tuition | No | No | No |
| | Employer provided child care | Yes | No | Ye: |
| | Employer provided meals | Yes | No | Ye |
| | ForgiverrueDt | Yes | No | Ye: |
| 1 | Gift of property (e.g., car, house, equipment) | Yes 🛀 | No | Ye |
| | Health Surving Account(UCA) Man Sush | Yes | No | No |
| | Housing allowance to purchase or rent a home | No | Vec | No |

For non-cash distributions you are going to want to use the same 'pay' account that was set up on the 'Employer Information' tab. You want to use the regular expense accounts for Social Security and Medicare.

| | | | | Add/o | Change Distributi | on Informatio | n |
|--|---|---|---|-------|---|---------------------------|------------------------------------|
| | | | First Church in The City | | | | |
| | Description | | | | | | |
| | | | | Gft | Card | | |
| | | | | | | | |
| | | | | Fun | d | | |
| I▼ Interface with General Ledger | | | | Fun | id 1 Church | | |
| Category | Fund # | Dept # | Account # | Fun | d 1 Church | Dent | |
| Interface with General Ledger Category Bank Account | Fund # | Dept # | Account # | Fun | d 1 Church Pay Type | Dept | Account |
| Interface with General Ledger Category Bank Account Federal Withholding Payable | Fund # | Dept # 000 | Account # 10140 20530 | Fun | d 1 Church Pay Type Pay | Dept | Accou. t 20570 |
| Interface with General Ledger Category Bank Account Federal Withholding Payable Social Security Payable | Fund # 001 001 001 | Dept # 000 000 000 | Account # 10140 20530 20510 | Fun | d 1 Church Pay Type Pay Social Sec. | Dept 000 🔽 020 | Account 20570 505 49 |
| Interface with General Ledger Category Bank Account Federal Withholding Payable Social Security Payable Medicare Payable | Fund # 001 001 001 001 | Dept # 000 000 000 000 | Account # 10140 20530 20510 20520 | Fun | d Pay Type Pay Social Sec. Medicare | Dept 000 020 020 | Account 20570 50549 50640 |
| Interface with General Ledger Category Bank Account Federal Withholding Payable Social Security Payable Medicare Payable Other Taxes Payable | Fund # 001 001 001 001 001 | Dept # 000 000 000 000 000 | Account # 10140 20530 20510 20520 | Fun | d Pay Type Pay Social Sec. Medicare | Dept 000 020 020 | Account 20570 50542 50640 |



Adding to a regular check: - easiest.

| | | | | | | i noc ondi on n | i nic city | | | | | |
|---|--------------------------------|------|-----|----------------------|----------|-----------------|-------------|-------|----------|---------|-------|-----------|
| | N | ama. | | | | 1 | G All Emplo | veer | | | 1 | |
| | | Add | I/C | hange Time Card Inf | ormation | | | | | | | |
| | Home Departr | 1 | K. | 2433 | F | First Church in | The City | | | | | |
| | Name | 1 | nde | olph, Mrs. Nancy (#1 | 1110) | | | | | | | Ne |
| | Anderson, Mr. | | | | | | | | | | | \$0.0 |
| | Atlas, Mrs. Reb | | | 1. Compensation | 1 | 2. Non-Ca | ash |) | 3. Deduc | tions | | \$0.0 |
| | Black, Rev. Bill (| | | | | | | | | | | \$2,786.3 |
| | Edwards, Blake | 1 | | Description | Turne | Colory Hourby | Pata | Hours | Project | WC Type | | \$1,063.3 |
| | Hascher, Mr. Mi | | • | Directors | Peqular | Salary | ¢1 592 22 | nours | n/a | 1 1 | | \$0.0 |
| | Jackson, Rev. \ | | - | Directors | Regular | Jonar y | \$1,505.55 | .00 | 11/4 | | | \$2,396.2 |
| | Jordon, Mrs. Ja | | | | | | | | | | | \$997.0 |
| | Martin, Susan M | | | | | | | | | | | \$0.0 |
| | Randolph, Mrs. | | | | | | | | | | | \$1,216.0 |
| | Stewart, Mrs. L | | | | | | | | | | | \$0.0 |
| | Udall, Mr. Rand | | | | | | | | | | | \$1,203.8 |
| Γ | | | | | | | | | | | | |
| • | Compensation Directors(Reg) | | | | | Add | Update | D | elete | | Jence | |

This can be used for adding either cash or non-cash compensation.

Separate Bonus Check: The biggest issue is the taxes. To conform to IRS regulations relating to bonuses, Shelby has created a '# Pay/Year' of '1 for Bonus Pay' which results in federal withholding of 25%. For example, a \$200 bonus with this setup would result in a net check of \$138.70.

May times it is the goal to only withhold the necessary Social Security and Medicare amounts. While not sanctioned by Shelby, this can be accomplished by changing the '# Pay/Year' to 0.

Should we want the net check in this example to be \$200, we would need to divide the desired net amount

by .9435 (**Note:** this is the amount that was used for 2012; when the Social Security rate returns to 6.2% we would use .9235) This would result in a Gross Pay of \$211.98.

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Adding a non-cash amount such as a gift card to an employee's compensation when it is not part of a regular payroll.

Example - \$100 gift card. Assuming the recipient is not a pastor, we would have to allow for the associated Social Security and Medicare taxes which are NOT part of the non-cash compensation. This assumes no additional state, local, or federal taxes are to be withheld.

- 1. Divide the amount of the gift card by .9435 = \$105.99
- 2. Multiply \$105.99 X 4.2% = \$4.45, which is the Social Security amount
- 3. Multiply \$105.99 X 1.45% = 1.54, which is the Medicare amount (**Note:** The Social Security and Medicare amounts should equal \$5.99).
- 4. We are now ready to process a manual check. In Payroll go to Utility > Manual Check(s).
- 5. Enter the Employee name, date, and a check number; use a number not in line with your regular checks as this will show up in the Bank Reconciliation module.
- 6. Enter the amounts for the Gift card and taxes as shown



7. Go to 'Tab 3. Tax' and enter the social security and medicare amounts you calculated above.

| State/County/Loca | al Taxes | | | Federal Taxes |
|-------------------|----------|-----------|----------|------------------|
| | | | Amount | Withholding |
| | | | | Soc. Sec. \$4.45 |
| | | | | Medicare \$1.54 |
| | | | | EIC 🚺 |
| | | | | |
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| | | | = | |
| | | | <u> </u> | |
| | | Duluta | | |
| New | Undate | LIEIETE I | | |
| | | | | Amount |

8. If done correctly the Non-Cash amount should be \$100.00 and Net \$0.00

Leaving off State/Local Taxes

- Make sure that all employees have State/Local Taxes, if required.
- If you are not withholding state/local taxes from a minister, be sure to put the applicable State/Local tax category on the minister's record and choose "Do Not use Table." This puts the amount that is subject to state tax in box 16, leaving box 17 blank for State income tax withheld and the same for local in box 19 and 20 on form W-2. If desired, the minister can voluntarily have federal and state taxes withheld.

| Navigator Show All Payroll Employee Information Compensation Deductions Taxes ACH Sich Alignation | Filing Status Exempt - Do not use tables Earned Income Credit Doesn't Apply Extra Dollars \$200.00 Extra Percentage | With. Allow. 0 Pension Plan Qualified SUI State Third Party Sick Pay Withholding |
|---|---|---|
| Health Care Value | State/County/ | Local Taxes |
| Associated Files | Tax Table Description Status | Ex Extra Dollars Extra Percent Amount to Reduce Tax Base |
| | Arizona Normal | 0 \$20.00 0.00% \$0.00 |
| | | |

 If the amount of compensation was not included in the amount subject to state and local taxes wage basis, you can correct using ADD STATE AND LOCAL TAXES under Utilities > Shelby Tools.

| ShelbyTOOLS | | | | | | |
|--|--|--|--|--|--|--|
| Remember to make a data backup using the Shelby v5.10 Backup/Restore Utility before running any utility! This is done by selecting from the Shelby Systems group in Windows. Make sure no users are in Shelby v5.10 when backup is made. | | | | | | |
| Choose a Module: Make a data backup prior to running this utility (Show All) Utilities List Description of Utility | | | | | | |
| Add State and Local Taxes Chancery Win School Import/Export Utility Change Activation Key Change Area Code Change Company #, Fund #, Department # or Account # Change Company 000 Change Contribution Dates | Run this utility to add an entry for State and/or Local tax basis to Payroll checks for a given date range for those checks where State and/or Local taxes were calculated as 0 dollars withheld. This utility only affects the amount subject to state and local taxes (Basis). | | | | | |

• Enter the date range for period needed to add State/Local Taxes that were missed.

| 🔎 Add State and Local Taxes | |
|----------------------------------|---------------------------|
| Company First Church in The City | • |
| Begin Date 1/1/2011 | End Date 6/30/2011 |
| Enter Date Range | <u>O</u> K <u>C</u> ancel |



Change Payroll Check Date

- If for some reason a payroll is processed with the wrong check date, Shelby provides a utility to correct.
- From the Shelby Utilities Home Base, go to Shelby Tools and select **Change Payroll Check Date**
- Run this utility to change a check date on payroll checks
- This will change every check with that date.

| ShelbyTOOLS | | | | | | | |
|---|---|--|--|--|--|--|--|
| Remember to make a data backup using the Shelby v5.10 Backup/Restore Utility before running any utility! This is done by selecting from the Shelby Systems group in Windows. Make sure no users are in Shelby v5.10 when backup is made. | | | | | | | |
| Choose a Module: MAKE SU | RE THAT YOU MAKE | | | | | | |
| (Show All) | A UPDATE FIRST | | | | | | |
| Utilities List | Description of Utility | | | | | | |
| Add State and Local Taxes Chancery Win School Import/Export Utility Change Activation Key Change Area Code Change Company #, Fund #, Department # or Account # Change Company 000 Change Contribution Dates Change Gift Dates Change Gift Dates Change Grid Row Colors Change SMTP Port for E-mails Change Year Begin Date Check Accounts Payable Setup | Run this utility to change a check date on payroll checks. This will change every check with that date. | | | | | | |
| | <u>R</u> un <u>C</u> lose | | | | | | |

Click "Run."



• On the next screen click "Yes"

| Utilities | | 83 |
|-----------|---|----|
| ? | Are you sure you want to run the utility Change Payroll Check Date. | |
| | Yes No | |

• On the Change Date screen, select the wrong payroll date from the dropdown box, then enter the correct date in the New Date box. Then Click "OK"

| Change Check Date | | | | | | | |
|--|--|--|--|--|--|--|--|
| To change the date on Payroll checks enter the date that is wrong in the first box and the date that you want it to be in the second box. The date will be changed for every check with that date. | | | | | | | |
| Use Dropdown box | | | | | | | |
| Wrong Date: 5/31/2011 | | | | | | | |
| New Date: 6/5/2011 | | | | | | | |
| Enter Correct Payroll Date | | | | | | | |
| <u>O</u> K <u>C</u> ancel | | | | | | | |



Making Corrections

Replacing a lost or damaged check – use Check Express

- You do not have to use Payroll.
- In Check Express enter a NEGATIVE withdrawal for the net amount of the original check. Distribute the Withdrawal to a clearing/wash account. Both the Journal Entry and Bank Rec entry will wash.
- In the ITEM# field enter the original check number. WHY? When doing your Bank Rec and sorting the Checks/Withdrawals by Item #, the Original Check and this offsetting "Withdrawal" will appear inline together.

| Ent | er withdra | wal | | | | | | | |
|-----------|-----------------------------|-------------------------------|-------------------|-------------------|-------------------|-----------------------------|--------------|--|--|
| 50 | C <u>h</u> eck | ⊙ <u>W</u> ith | drawal | C <u>D</u> eposit | | | | | |
| | | | | | | DATE | ITEM # | | |
| 00 Fis | 1/001/10110 cal Year Beg |) First Churc inning 7/1/2 | h ACB oper 011 | ating checking | | 11/28/2012 | 001234 | | |
| | - | 2 | | | | | AMOUNT | | |
| Ar | nd No Cents | | | | | DOLLARS | (\$1,585.37) | | |
| PA | ID TO | | | | | FOR: | 1 | | |
| Ha | scher, Mr. N | 1att (#484) | | | | Replace Payroll Check #1234 | | | |
| | | | | | | | | | |
| 20 | 1 Poplar Ave | | | | | 1 | | | |
| Me | mphis, TN | 38103-1945 | | | | | | | |
| È | | | | Gener | ral Ledger Distri | bution | | | |
| | Project | Fund # | Dept # | Account # | Description | | Amount 1099 | | |
| 1 | 7 | 001 | 000 | 20570 | | | (\$1,585.37) | | |
| * | 1 | | | | | | | | |
| | | | | | | | | | |
| | | | | | | Distributed: \$0.00 |) | | |
| F | und: Church | | | | | Remaining: (\$1,585.37) | | | |
| D | anti Dalanco | Chaot Acco | unto | | | | | | |



• Next enter and print a check to the individual for the net amount of the original check. Distribute to the same clearing/wash account as above and same date.

| Clieck | , <u>w</u> iu | iurawai | Deposit | | I is this a prewritten | check? | |
|---|---|---------------------|---------------------------|--------------------|------------------------|----------------------|-------------|
| 01/001/1011 iscal Year Be | 10 First Churc ginning 7/1/2 | h' ACB oper 1011 | ating checking | | DATE | | K # |
| One Thousan | d Five Hundr | ed Sixty Five | e Dollars And 8 | 7 Cents | DOLLARS | \$1,565.87 | |
| AY TO THE O | RDER OF | | | | FOR: | 1 | |
| | | | | | | | |
| lascher, Mr. 01 Poplar Av Iemphis, TN | Matt (#484) e 38103-1945 | | | | Replace spoiled check | | |
| lascher, Mr. 01 Poplar Av Iemphis, TN | Matt (#484) e 38103-1945 | | Gen | | Replace spoiled check | | |
| lascher, Mr. 01 Poplar Av Iemphis, TN Project | Matt (#484) e 38103-1945 Fund # | Dept # | Gen Account # | eral Ledger Distri | Replace spoiled check | Amount | 1099 |
| Hascher, Mr. 01 Poplar Av Iemphis, TN Project Ø 0 | Matt (#484) e 38103-1945 Fund # 001 | Dept # 000 | Gen Account # 20570 | eral Ledger Distri | Replace spoiled check | Amount \$1,565.87 | 1099 Noi |

- In Bank Reconciliation, you could go to Outstanding Items, open the original check and note in the description "Replaced by check xxxxx."
- When the replacement check clears, reconcile the original check and the two Check Express entries.



Voiding a Payroll check

- There are two methods for voiding a previously written check: Void Check or Manual Negative Check.
- The method you choose will depend on whether the tax deposit has been made or not. Why? Unlike Accounts Payable, when a Payroll check is voided it CHANGES the original information in Payroll, changing the related tax information, i.e. voiding a check from a previous quarter will change the 941 for that quarter.
- If the tax deposit has **NOT** been made, then use the Void Check option under Utilities.

| Enter check date, che | ck #, amount, and em | ployee to se | elect checks to voi | d then dia |
|-------------------------|------------------------|--------------|----------------------|------------|
| Add to Grid. Once all d | necks to be voided are | added to t | he grid then click (| DK. |
| X | First Church | | | |
| Check Date | Check # | Amo | unt | |
| 2/13/2011 | 0000361 | \$1, | 161.32 | |
| Employee | | _ | | |
| Udall, Mr. Randy (# | 1375) | | <u>A</u> dd | to Grid |
| Name | | Date | Check # | Am |



If the tax deposit has been made, use the Manual Check option to enter a negative check using the same check number as the original check and use the date of your next upcoming payroll for the check date. This will result in your federal tax deposit being properly calculated. When finished the net amount should be the same as the original check.

| Employee Udall, | Mr. Randy (a | ±1375) | Check # 000361 Original check | Check Date 3/13/2011 |
|--------------------------|--------------|---------|-------------------------------|-----------------------------|
| <u>1</u> . Compensation | n | Ì | 2. Deduction | next payroll <u>3</u> . Tax |
| Distribution Description | Amount | Project | WC Type | |
| Facility Staff | (\$1,541.67) | n/a | 2 | |





Resetting Sick and Vacation Hours

The first time you go into the Payroll module in the new year you will see this 'Change Sick/Vacation Hours' window. For those churches using Shelby to track Sick and/or Vacation Hours, this utility provides the opportunity to reset the available hours based on the church's personnel policies relating to sick and vacation hours.

What are the results of each of the four choices?

- Keep as is would leave the Hours in the above example unchanged. Based on the setup, this is probably the desired choice for Sick Hours
- Make Available equal Maximum. Selecting this option for the Vacation Hours would reset the Hours to 120. The net effect would be that this employee is losing his 20 unused vacation hours.
- 3. Add Maximum to Available. Selecting this option for the Vacation Hours would reset the Hours to 140. The net effect would be that this employee gets to carry his 20 unused vacation hours over to the new year
- 4. Clear Available resets the Hours to 0.

Note: This utility can be run at any time. It is available through the Utility Menu





Health Savings Account (HSA)

HSA contributions can be funded through employer payments, employee payroll deductions or a combination of both options. In either case, all contributions to an employee's HSA must be reported in box 12 of Form W-2 and coded with a W.

| Christ | Church - Lutheran | | |
|---|-----------------------------|-----|--------|
| escription | Distribution Types | | |
| ealth Savings Account(HSA) Non Cash | | | |
| ☑ Non-Cash Compensation ☑ Pertains to ministers only | Description HSA Payment | | |
| Subject to Federal withholding Subject to social security and medicare Subject to state withholding | | | |
| Subject to county withholding Subject to local withholding | | | |
| 🗖 Regular Pay Only? | | | |
| Box # on W2 | 1 | | |
| Box 12 | <u>R</u> emove | Add | Update |
| Box 12 Code | | | |

Employer Payments made on the employee's behalf:

• The amount of the employer's contribution can either be recorded with each payroll or a year to date amount can be entered at the end of the calendar year using a manual check.



Employee Contributions through a Payroll Deduction:

| Christ | Church - Lutheran |
|--|-----------------------------|
| Description teria Plan - Health Savings Account(HSA) | Distribution Types |
| Box on W2 | Description HSA Payment |
| Box 12 | |
| Box 12 Code | |
| W | |
| Subject to federal withholding Subject to social security and medicare Subject to state withholding Subject to county withholding Subject to local withholding | Remove Add Update |

• Set up like all other payroll deductions



Cost of employer-sponsored health coverage

The following is an excerpt from the IRS Website (<u>WWW.IRS.GOV</u>)

Form W-2 Reporting of Employer-Sponsored Health Coverage

The Affordable Care Act requires employers to report the cost of coverage under an employersponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. The value of the employer's excludable contribution to health coverage continues to be excludable from an employee's income, and it is not taxable. This reporting is for informational purposes only and will provide employees useful and comparable consumer information on the cost of their health care coverage. Employers that provide "applicable employer-sponsored coverage" under a group health plan are subject to the reporting requirement. This includes businesses, tax-exempt organizations, and federal, state and local government entities (except with respect to plans maintained primarily for members of the military and their families). However, federally recognized Indian tribal governments are not subject to this requirement.

Transition Relief

For certain employers, types of coverage, and situations, there is transition relief from the requirement to report the value of coverage on the 2012 Forms W-2 (the forms for calendar year 2012 that employers generally are required to provide employees in January 2013). This relief will apply to future calendar years until the IRS publishes additional guidance. However, any guidance that expands the reporting requirements will apply only to calendar years that start at least six months after the guidance is issued. See the "Optional Reporting" column in the below chart for the employers, types of coverage, and situations eligible for the transition relief.

Reporting on the Form W-2

The value of the health care coverage will be reported in Box 12 of the Form W-2, with Code DD to identify the amount. There is no reporting on the Form W-3 of the total of these amounts for all the employer's employees.

In general, the amount reported should include both the portion paid by the employer and the portion paid by the employee. See the chart, below, and the <u>questions and answers</u> for more information.

An employer is not required to issue a Form W-2 solely to report the value of the health care coverage for retirees or other employees or former employees to whom the employer would not otherwise provide a Form W-2.



The chart below illustrates the types of coverage that employers must report on the Form W-2. Certain items are listed as "optional" based on transition relief provided by <u>Notice 2012-9</u> (restating and clarifying <u>Notice 2011-28</u>). Future guidance may revise reporting requirements but will not be applicable until the tax year beginning at least six months after the date of issuance of such guidance.

The chart reviews the reporting requirements for Box 12, Code DD, and has no impact on requirements to report these items elsewhere. For example, while contributions to Health Savings Arrangements (HSA) are not to be reported in Box 12, Code DD, certain HSA contributions are reported in Box 12, Code W (see <u>General Instructions for Forms W-2 and W-3</u>).

| Form W-2 Rep | orting of Employe | er-Sponsored Health | Coverage |
|--|-------------------|----------------------|----------|
| Coverage Type | I | Form W-2, Box 12, Co | ode DD |
| | Report | Do Not Report | Optional |
| Major medical | Х | | |
| Dental or vision plan not integrated into another medical or health plan | | | Х |
| Dental or vision plan which gives the choice of declining or electing and paying an additional premium | | | X |
| Health Flexible Spending Arrangement (FSA) funded solely by salary-reduction amounts | | X | |
| Health FSA value for the plan year in excess of employee's cafeteria plan salary reductions for all qualified benefits | X | | |
| Health Reimbursement Arrangement (HRA) contributions | | | Х |
| Health Savings Arrangement (HSA) contributions (employer or employee) | | X | |



| Archer Medical Savings Account (Archer MSA) contributions (employer or employee) | | Х | |
|---|---|---|--|
| Hospital indemnity or specified illness (insured or self-funded), paid on after- tax basis | | Х | |
| Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer | X | | |
| Employee Assistance Plan (EAP) providing applicable employer-sponsored healthcare coverage | Required if employer charges a COBRA premium | | Optional if employer does not charge a COBRA premium |
| On-site medical clinics providing applicable employer-sponsored healthcare coverage | Required if employer charges a COBRA premium | | Optional if employer does not charge a COBRA premium |
| Wellness programs providing applicable employer-sponsored healthcare coverage | Required if employer charges a COBRA premium | | Optional if employer does not charge a COBRA premium |
| Multi-employer plans | | | Х |
| Domestic partner coverage included in gross income | X | | |
| Governmental plans providing coverage primarily for members of the military and their families | | X | |
| Federally recognized Indian tribal government plans and plans of tribally charted corporations wholly owned by a federally recognized Indian tribal government | | X | |



| Self-funded plans not subject to Federal COBRA | | | Х |
|---|--------|---------------|--------------------|
| Accident or disability income | | Х | |
| Long-term care | | Х | |
| Liability insurance | | X | |
| Supplemental liability insurance | | х | |
| Workers' compensation | | Х | |
| Automobile medical payment insurance | | Х | |
| Credit-only insurance | | Х | |
| Excess reimbursement to highly compensated individual, included in gross income | | X | |
| Payment/reimbursement of health insurance premiums for 2% shareholder- | | X | |
| income | | | |
| Other Situations | Report | Do Not Report | Optional |
| Other Situations Employers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers) | Report | Do Not Report | Optional X |
| Other SituationsEmployers required to file fewer than 250 Forms W-2 for the preceding calendar year (determined without application of any entity aggregation rules for related employers)Forms W-2 furnished to employees who terminate before the end of a calendar year and request, in writing, a Form W-2 before the end of that year | Report | Do Not Report | Optional X X |



With changes that occurred in the passage of the Health Care Bill, the cost of employersponsored health coverage must be recorded on the employee's W-2.

- Beginning in 2012, the cost of employer-sponsored health coverage must be reported on the employee's W-2 in Box 12 coded DD if you file 250 or more W-2s.
- This amount can be entered under employee information "HEALTH CARE VALUE"

| | | Date | Amount | |
|---|----------------------|---|--|----------------|
| Employee Information | ▶ 6/30 | /2012 | | \$2,378.46 |
| Compensation Deductions Taxes ACH Health Care Value Issociated Files ENERAL INFORMATION Addresses Phones Demographics E-mail History Greetings Associated Files Primary Family Other Relationships Profiles Pictures Custom Tabs | Enter the W-2. WI | Health Care Reporting Date 12/31/2012 Amount 2378.46 | | 0) of the Form |
| Youth & Children CLS-Finance CLS-Registration CLS-Activities 1 CLS - Class History CLS - Discipline | 12. | box 12 (Code DD) of the Form W-2. When prin the amounts for the reporting year and place t | Dec age and so be reported in thing W-2's, the program will add all the sum in box 12. | Delete |

• The cost of the coverage can either be recorded with each payroll, periodically or at the end of the calendar year. The date that is entered will be used when running your W-2s.



IN

Worker's Compensation Report and Cleanup

The Report. Select the desired date range and options.

Each Code prints on a separate page with totals for each code.

| Z | Christ Church - Lutheran |
|---|---|
| - | 8 |
| | Print Options Start Date 4/1/2011 End Date 3/31/2012 |
| | Compensation Type Gross |
| | Include Overtime/Double Time Hours and Wages |
| | Do Not Include Deferred Compensation |
| | Calculate Overtime/Double Time as Regular Time |
| | F Exclude Sick Hours |
| | Separate Vacation Hours and Pay |
| | Mask SSN (*** ** 1234) |

The result:

| Run Date 11/2 | 8/2012 | Christ Church - Lu | itheran | | Page |
|----------------|-------------------------------------|----------------------------|----------------|----------|------|
| Time 20:4 | 0:20 | worker's Compensat | ion Report | | |
| | | From 4/1/2011 to 3/31/2012 | 2 For Code:(C) | | |
| Soc. Sec. # | Name | Total Wages | W/C Wages | Hours | |
| *** ** 7549 | Acosta, Mr. Juan Samaniego | 14,337.39 | 14,305.95 | 1,050.57 | |
| *** ** 6949 | Campbell, Mr. Christopher | 392.05 | 392.05 | 34.09 | |
| *** ** 3010 | Doyle, Mr. Jonathan - Jon | 2,785.00 | 2,785.00 | .00 | |
| *** ** 0215 | Greder, Mr. Gary L. | 240.00 | 240.00 | .00 | |
| *** ** 1646 | Greder, Joel Behling | 340.00 | 340.00 | .00 | |
| *** ** 1048 | Jurincie, Ms. Rita Jane-Jane | 443.10 | 443.10 | 44.31 | |
| *** ** 0005 | Kirk, Brian | 8,295.57 | 8,295.57 | 350.48 | |
| *** ** 9183 | Kirk, Mr. David B. | 25,474.04 | 24,927.97 | 1,135.47 | |
| *** ** 2103 | Lewandowski, Mr. William -Bill | 15,430.47 | 15,227.38 | 1,080.31 | |
| *** ** 5697 | Lewandowski, Mr. William Jonathan C | 1,982.52 | 1,982.52 | 172.39 | |
| *** ** 5488 | Lindemood, Mr. Brett | 40.00 | 40.00 | .00 | |
| *** ** 8121 | McKinn, Mr. Arthur | 211.20 | 211.20 | 14.08 | |
| *** ** 0632 | Merritt, Mr. Jerem y A | 1,245.00 | 1,245.00 | .00 | |
| *** ** 0389 | Merritt, Mr. Robert -Bob | 38,383.49 | 38,383.49 | .00 | |
| *** ** 7732 | Nixon, Mr. Robert -Bob | 565.77 | 565.77 | 42.85 | |
| *** ** 7158 | Pearlman, Mr. Merrill | 16,610.77 | 16,472.36 | 1,069.26 | |
| Totals for (C) | | 126,776.37 | 125,857.35 | 4,993.81 | |
| | | | | | |



Making Code Corrections. From time to time it may be necessary to make corrections to the codes assigned to payroll checks. There is a utility that makes this possible:

| Run Payroll Checks | | | | |
|---|--------------------------------------|------------|--------------|---------------|
| Manual Check(s) | | | | |
| Void Check(s) | | | | |
| | | | | |
| Employer Information | | | | |
| Employee Information | | | | |
| Send ACH Prenotification | Change Worker's Compensation History | | | |
| Compensation Information | Name Filter: | | | |
| Deduction Information | | | | |
| Tax Table Information | Worker's Compensation Code: | _ | | |
| Modify Check Design | Check Date 01/01/2012 | 12/31/2012 | | |
| Change Sick/Vacation Hours | | | | |
| Check Payroll Setup | Change All To this Code: | Change All | | Clear Filters |
| TimeClock Plus Export | | | | |
| Change Worker's Compensation History | Employee Name | Check Date | Check Amount | WC Code |
| W 2 Grand For Wine 4 | Holt, Vicar James -Jamie | 6/29/2012 | -100.00 | <u>_</u> |
| | | -11 | | |
| vv-2 Correction vvizano | | | | |
| Inquiries | | | | |
| Inquiries Control Table Information | - | | | |
| V-2 Correction Wizard Inquiries Control Table Information Project Information | _ | | | |
| V-2 Correction Wizard Inquiries Control Table Information Project Information Graph | | | | |
| V-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | | |
| W-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | | |
| W-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | | |
| W-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | | |
| W-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | | |
| W-2 Correction Wizard Inquiries Control Table Information Project Information Graph Memo | | | Apply | Cancel |



Helpful Queries

YTD Compensation

| NameCounter Employee | 0 | Gen | Marita | Birthdate | Home | Employment | Work Status | HireDate | YTD Pay | YTD Housing |
|----------------------|----------|------------------|--------|--------------|--------|------------|-------------|------------|-------------|-------------|
| 13104 | n Rosi F | F | U | 12/7/1995 | Church | Terminated | Full Time | 6/21/2010 | \$70.76 | |
| 13102 | F | F ³ I | M | 8/12/1962 | School | Terminated | Part Time | 12/12/2006 | \$1,728.19 | |
| 13103 | uther 1 | M I | U | 10/10/1993 | Church | Terminated | Part Time | 6/2/2008 | \$1,020.46 | |
| 1605 | F | F | M | 6/12/1956 | School | Active | Full Time | 8/16/1990 | \$34,890.33 | \$5,416.63 |
| 2176 | F | F | M | 6/12/1963 | School | Active | Part Time | 8/1/2005 | \$13,500.59 | |
| 4569 | ł | M | M | 8/3/1957 | School | Active | Full Time | 8/1/1997 | \$18,293.55 | \$16,250.00 |
| 4573 | shling 1 | M | U | 11/6/1995 | Church | Active | Part Time | 5/31/2011 | \$300.00 | |
| 4572 | F | F ! | S | 2/1/1993 | Church | Active | Part Time | 6/2/2008 | \$2,193.13 | 13 |
| 20113 | ica F | F | U | 6/29/1993 | Church | Active | Part Time | 6/1/2010 | \$1,848.60 | |
| 5826 | er h | M | M | 4/11/1982 | School | Active | Full Time | 8/1/2008 | \$22,472.68 | |
| 13613 | F | F | M | 7/13/1971 | School | Active | Part Time | 8/1/2010 | \$1,307.13 | |
| 17462 | F | F | U | 6/1/1995 | Church | Active | Part Time | 6/7/2009 | \$672.00 | |
| 18022 | a F | F | U | 2/13/1992 | Church | Active | Part Time | 9/27/2009 | \$768.00 | |
| 10704 | F | FI | M | 3/31/1952 | School | Active | Full Time | 12/16/1994 | \$22,522.48 | |
| 1696 | i F | FI | M | 4/3/1944 | School | Active | Part Time | 7/1/2007 | \$278.58 | 1 |
| 1695 | am h | M | M | 2/10/1950 | School | Active | Full Time | 2/16/1976 | \$29,033.73 | \$8,125.00 |
| 20644 | 1 | M I | M | 10/21/1983 | Church | Active | Full Time | 8/6/2010 | \$23,439.50 | |
| 14416 | Kenni I | M | U | 9/1/1994 | Church | Active | Part Time | 6/15/2009 | \$191.26 | |
| 14154 | sha F | F | M | 4/22/1978 | Church | Active | Part Time | 9/23/2008 | \$35.53 | |
| 21620 | 1 | M I | M | 5/27/1986 | School | Active | Full Time | 8/1/2011 | \$13,590.12 | \$5,687.50 |
| 10014 | line b | u I | k.i | 1 /0 /1 0 00 | Cahaal | Astino | Dart Time | 27172007 | #1 40E 00 | |

Employee Anniversaries - 5 year

| FirstMiddle | LastName | Descr | Work Status | Hired | Status |
|--------------------------|----------|----------------------|-------------|------------|--------|
| Nharon A. | | North Bible Church | Fulltime | 1/2/2007 | A |
| fvena I | | DVBC - Administratio | Parttime | 3/1/2007 | A |
| use click for printing o | | Student Ministries | Fulltime | 3/27/2007 | A |
| Kelly | | Outreach Ministry | Fulltime | 4/4/2007 | A |
| Bruce | | Facilities | Fulltime | 5/1/2007 | А |
| Frederick R | | Facilities | Fulltime | 7/2/2007 | A |
| Kirsten | | North Bible Church | Fulltime | 8/2/2007 | A |
| John | | Facilities | Parttime | 9/24/2007 | A |
| Alejandro | | Facilities | Fulltime | 10/1/2007 | A |
| Lorraine | | Connections/Womer | Fulltime | 10/8/2007 | A |
| Jamie | | Pastoral Ministries | Fulltime | 10/22/2007 | A |
| Carol | | Women's Childcare | Parttime | 11/4/2007 | A |

Federal Tax Rates

| astName | FirstMiddle | Descr | FilingStatus | ExtraFedDol | Allowances |
|---------|------------------------|---------------------|--------------|-------------|------------|
| | use click for options. | Women's Childcare | Married | \$0.00 | 4 |
| | Elsa | Women's Childcare | Single | \$0.00 | 1 |
| | Larry G. | North Bible Church | Exempt | \$634.95 | 4 |
| | William L. | Finance Ministry | Married | \$0.00 | 3 |
| | Matthew McRae | North Bible Church | Exempt | \$0.00 | 0 |
| | Kevin M. | Technical | Married | \$0.00 | 8 |
| | Kim S. | Outreach Ministry | Married | \$0.00 | 0 |
| | Joseph N | Facilities | Married | \$0.00 | 0 |
| | Cynthia J | Women's Childcare | Married | \$0.00 | 1 |
| | Rachel | Women's Childcare | Single | \$0.00 | 1 |
| | Don V. | Technical | Exempt | \$625.27 | 0 |
| | Jesus Manuel | Facilities | Married | \$0.00 | 1 |
| | Raymond D. | Pastoral Ministries | Exempt | \$0.00 | 40 |
| | Rachel D. | Counseling | Single | \$50.00 | 0 |
| | Frederic George | Outreach Ministry | Exempt | \$735.00 | 1 |



New Hire Report for Selected Date Range

| | Ν | EW | HIRE | REPO | RT | |
|---------------------------|------------|----|------------|-----------|-----------|------------|
| | | | | Soc Sec # | Hire Date | Birth Date |
| Elsa | | | | | 09/14/10 | 09/03/69 |
| 15757 N 90th PI Apt 1080 | Scottsdale | AZ | 85260-2057 | , | | |
| Matthew McRae | 1 | | | | 08/08/10 | 11/01/91 |
| 10058 E Redfield Dr | Scottsdale | AZ | 85260-7561 | í. | | |
| Mikki Anne S |] | | | | 09/01/10 | 02/26/88 |
| 34000 N 27th Dr unit 1032 | Phoenix | AZ | 85085 | | | |
| Christina | | | | | 09/01/10 | 04/06/83 |

Employee Overtime Report

| | Overtime Repo | ort | 11/29/2012 |
|-----------------------|---------------|------------|------------|
| Employee | O/T Hours | O/T Pay | |
| Baltzer, Susan | | Sec. | |
| 7/30/2010 | 2.00 | \$53.67 | |
| | | \$53.67 | |
| Brown, Christopher M. | | | |
| 9/15/2010 | 18.00 | \$689.31 | |
| 9/30/2010 | 8.00 | \$306.36 | |
| 9/30/2010 | 8.00 | \$306.36 | |
| 10/29/2010 | 16.00 | \$612.72 | |
| 11/15/2010 | 6.00 | \$229.77 | |
| 12/15/2010 | 26.00 | \$995.67 | |
| | | \$3,140.19 | |
| Gomez, Maria A | | | |
| 8/13/2010 | 0.57 | \$11.70 | |
| 8/31/2010 | 0.77 | \$15.80 | |
| 9/15/2010 | 0.07 | \$1.44 | |
| 9/30/2010 | 1.02 | \$20.93 | |
| 10/15/2010 | 0.35 | \$7.18 | |
| 10/29/2010 | 0.32 | \$6.57 | |
| | | \$63.62 | |



Reconciling Compensation between your 941s and the General Ledger

Step 1 - Query to PR Journal Entries in the General Ledger

```
ELECT [Shelby].[GLEntries].BeginDate
       , [Shelby].[GLEntries].HeadDescr
        , [Shelby].[GLEntries].JVNu
       , CASE [Shelby].[GLEntries].Period
                WHEN 1 THEN 'Jan'
                WHEN 2 THEN 'Feb'
                WHEN 3 THEN 'Mar'
                WHEN 4 THEN 'Apr'
                WHEN 5 THEN 'May'
                WHEN 6 THEN 'Jun'
                WHEN 7 THEN 'Jul'
                WHEN 8 THEN 'Aug'
                WHEN 9 THEN 'Sep'
                WHEN 10 THEN 'Oct'
                WHEN 11 THEN 'Nov'
                WHEN 12 THEN 'Dec'
                ELSE 'Error'
       END AS Period
        , [Shelby].[GLDetail].DeptNu, [Shelby].[GLDetail].AcctNu
        , [Shelby].[GLDetail].Amt
        , [Shelby].[GLDetail].GLDate
        , [Shelby].[GLAcct].Descr
FROM [Shelby].[GLEntries]
 INNER JOIN [Shelby].[GLDetail] ON [Shelby].[GLEntries].HeaderCounter = [Shelby].[GLDetail].HeaderCounter
 LEFT JOIN [Shelby].[GLAcct] on [Shelby].[GLDetail].DeptNu = [Shelby].[GLAcct].DeptNu
       AND
               [Shelby].[GLDetail].AcctNu = [Shelby].[GLAcct].AcctNu
       AND
                [Shelby].[GLDetail].FundNu = [Shelby].[GLAcct].FundNu
        AND
               [Shelby].[GLDetail].BeginDate = [Shelby].[GLAcct].BeginDate
WHERE (([Shelby].[GLEntries].[JType] = 'PR') AND ([Shelby].[GLEntries].[BeginDate] = '1/1/2011') )
ORDER BY [Shelby].[GLDetail].GLDate
```

NOTE: This query is designed for a calendar year reconciliation. I also have available a modified query for July - June fiscal years.



| Sum of A | mt | | | GLDate | | | | |
|----------|-----|--------|--------------------------|---------------|---------------|---------------|---------------|---------------|
| DeptNu | | AcctNu | Descr | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Grand Total |
| | 10 | 61020 | Executive Minister | \$15,611.32 | \$13,846.20 | \$16,153.90 | \$10,863.80 | \$56,475.22 |
| | | 61030 | Directors | \$10,800.00 | \$9,200.00 | \$11,200.00 | \$10,000.00 | \$41,200.00 |
| | | 62010 | Secretarial | \$16,564.68 | \$17,793.62 | \$22,835.09 | \$20,474.58 | \$77,667.97 |
| | | 62110 | Custodial | \$24,260.37 | \$17,474.33 | \$19,659.65 | \$16,188.78 | \$77,583.13 |
| | | 62220 | Church Cook | \$276.87 | | | | \$276.87 |
| | | 64010 | Employer FICA/Medicare | \$3,970.62 | \$3,401.88 | \$4,107.72 | \$3,569.86 | \$15,050.08 |
| | | 64015 | Pastoral FICA Allowance | \$353.08 | \$2,118.48 | \$2,471.56 | \$1,624.16 | \$6,567.28 |
| 82 | 20 | 61030 | Directors | \$0.00 | \$5,538.58 | \$9,692.27 | \$8,307.66 | \$23,538.51 |
| | | 62210 | Musicians | \$17,071.58 | \$15,244.95 | \$16,776.85 | \$13,976.08 | \$63,069.46 |
| | | 64010 | Employer FICA/Medicare | \$1,306.10 | \$1,166.28 | \$1,304.96 | \$1,069.26 | \$4,846.60 |
| | | 64015 | Pastoral FICA Allowance | | \$847.30 | \$1,482.95 | \$1,271.10 | \$3,601.35 |
| | | 68600 | Multi-media Consultation | | | \$280.00 | | \$280.00 |
| S | 30 | 61030 | Directors | | \$5,538.36 | \$9,692.34 | \$8,307.72 | \$23,538.42 |
| | | 64015 | Pastoral FICA Allowance | | \$847.30 | \$1,482.95 | \$1,271.10 | \$3,601.35 |
| | 40 | 62010 | Secretarial | \$450.46 | \$386.04 | \$450.38 | \$386.04 | \$1,672.92 |
| | | 64010 | Employer FICA/Medicare | \$34.44 | \$29.52 | \$34.44 | \$29.52 | \$127.92 |
| | 50 | 61030 | Directors | \$5,773.94 | \$5,538.36 | \$5,538.48 | | \$16,850.78 |
| | | 64015 | Pastoral FICA Allowance | | \$847.30 | \$847.40 | | \$1,694.70 |
| | 70 | 61010 | Senior Pastor | \$41,277.42 | \$31,439.04 | \$36,678.88 | \$31,439.04 | \$140,834.38 |
| | | 61040 | Counselor | \$3,234.10 | \$4,136.25 | \$4,927.50 | \$4,050.00 | \$16,347.85 |
| | | 62020 | Exec Support EM/Pastor | \$10,769.26 | \$9,088.75 | \$7,845.15 | \$11,384.56 | \$39,087.72 |
| | | 64010 | Employer FICA/Medicare | \$831.23 | \$858.23 | \$782.99 | \$1,020.09 | \$3,492.54 |
| | | 64015 | Pastoral FICA Allowance | \$766.38 | \$4,598.28 | \$5,364.66 | \$4,598.28 | \$15,327.60 |
| | | 92070 | Gifts/Recognitions | | | \$421.00 | \$1,516.60 | \$1,937.60 |
| Grand To | tal | | • | \$153,351.85 | \$149,939.05 | \$180,031.12 | \$151,348.23 | \$634,670.25 |
| | | | Wages & Housing | \$ 147 209 46 | \$ 144 483 14 | \$ 173 801.01 | \$ 145,659,50 | \$ 611 153 11 |
| | | | Housing Allowances | \$ 17 164 68 | \$ 27.844.85 | \$ 28,198,16 | \$ 28,697,81 | \$ 101 905 50 |
| | | | nousing Anowances | \$ 17,104.00 | \$ 27,044.05 | \$ 20,150.10 | \$ 20,037.01 | \$ 101,505.50 |
| | | | Taxable Income | \$ 130,044.78 | \$ 116,638.29 | \$ 145,602.85 | \$ 116,961.69 | \$ 509,247.61 |
| | | | 941 - Line 1 | \$ 110,026.24 | \$ 136,426.83 | \$ 122,378.08 | \$ 140,056.46 | \$ 508,887.61 |
| | | | | | | | | \$ 360.00 |

Step 2 - Build a Pivot Table to group the data by Quarter





Step 3 - Analyze and Explain Variances



Year End Preparations

Now:

• Order your forms if you have not already done so. I recommend the NELCO B4PERF05 1 Universal blank forms which can also be used for your 1099s. The envelopes are FORM 1970 or 1970S if you want the self-seal option. You do NOT need to purchase forms for the Federal or State copies; they can be printed on blank paper. You do need the red preprinted 1099 and 1096 forms for filing with the Social Security office. IMPORTANT TAX RETURN DOCUMENT ENCLOSED 2 Printing for calendar year 2011 Christ Church - Lutheran Use Blank NELCO forms? C Use Preprinted forms? C Laser (cut sheets) ← Edit List • Run an edit list of your W-2s. What to check: C Create File for Electronic Submission Year: 2012 Do you have the full names? ✓ Print W2's in Alphabetical Order? Print W2's in Home Department Order? Print Local and State Tax Report? Are the addresses correct? Print W3 after W2s finish? What form to Print? • Do you have Social Security Numbers? C Universal € 2 Up C 3 Up C 4 Up C 4 Down NELCO Form Option W3 Contact Info. Company Info. • Do the Federal and State wages match? ▼ Print Federal Copy A and W3 copy A to blank paper? Print Options: Printer • Add any additional compensation amounts. Save PDF As:



Cancel

OK

In January (by January 31)

- Be sure to load the year-end update from Shelby before your first 2013 payroll and before printing your W-2s; if you don't the forms will say 2011 and cause you all kinds of grief. This update will have the new 2013 tax tables and the 2012 forms.
- Print your W-2s
- (Recommendation) Save the Employee copies as a PDF file for permanent reference and to easily replace lost or damaged copies.
- Reconcile the totals on your W-3 to your 941s. The circled amounts should equal the totals from your four 941s for the year.

| | DO NOT STAPLE | |
|--|--|--|
| 33333 a Control number For Officia 158 OMB No. 1 | al Use Only ► 1545-0008 | |
| b 841 Military 945 944 of Image: Straight of the straight of t | Kind of Employer (Check one) | non-govt. Third-party K //ocal 501c Federal govt. (Check if //ocal 501c Federal govt. |
| c Total no. of Forms W-2 d Establishment number | 1 Wages, tips, Citor compensation 1015473, 21 | 2 Federal income 81218_20 |
| e Employer identification number (EIN) 86-0134466 | 3 Social sector wages 739573.10 | 4 Social security |
| f Employer's name CHRIST CHURCH - LUTHERAN | 5 Medic re rages and tips 739573.10 | 6 Medicare tax withheld 10724.21 |
| 3901 E INDIAN SCHOOL RD. PHOENIX AZ 85018 | Z Social secumy :;;= | 8 Allocated tips |
| / | 9 | 10 Dependent care benefits |
| g Employer's address and ZIP code | 11 Nonqualified plans | 12a Deferred compensation 30321.41 |
| h Other EIN used this year | 13 For third-party sick pay use only | 12b |
| 15 State Employer's state ID nu voer AZ 07-035587 | 14 Income tax withheld by payer of third | I-party sick pay |
| 16 Stat. wages, tips, etc. 17 State income tax 1015389.80 21304.69 | 18 Local wages, tips, etc. | 19 Local income tax |
| Contact person. Kris King | Telephone number (602) 955-4830 | For Official Use Only |
| Email address kking@cclphoenix.org | Fax number (602) 955-8073 | 0 0 0 0 / 103 |
| In der penalties of perjury, I declare that I have examined this ro hey are true, correct, and complete. | etum and accompanying documents, and, | to the best of my knowledge and belief, |
| | | Date 1 1 (00 (0010 |

- The Federal wages (Box 1) and State Wages (Box 16) should normally match. (Yes, I know I have a problem that I need to fix.
- Give the employees their copies

In February (by February 28)

• Mail in the appropriate copies to the federal, state and/or local agencies as required. Don't be in a rush to mail in these copies. It is much easier to make any necessary changes before mailing in the forms rather than having to prepare and submit W2Cs and a W3C.



Payroll Deductions for Contributions

- Step 1. Set up a liability "clearing" account in the General Ledger
- Step 2. For each purpose that employees can designate money to, you will need to set up a new purpose in contributions

| Purpose Information | |
|----------------------------|--|
| Purpose Code S | |
| Description Tithes - Staff | |
| <u>1</u> . Basic Info. | 2. Memo |
| Begin Date 1/1/2008 | Ending Date 12/31/2999 |
| I♥ Active? | |
| Fund # 000 | GENERAL FUND |
| Bank Account # 21900 | Employe Pick a Date. |
| Income Dept # 010 | Administ Finter the date you want the new entries to have. |
| Income Account # 41011 | Tithes - |
| Are Gifts Tax-Deduc | tible? Date: 11/15/2012 |
| | Copy Check Numbers? 🔽 |
| | <u>o</u> k |

• Step 3. In Payroll you will need to set up a Deduction. The liability account should be the same account you used for the purpose(s)

| | e kee 🗠 🖂 🕨 🔟 🖹 🏂 ? | | | |
|--|--|--|--|--|
| First Institutional Baptist Church | | | | |
| Description | Add/Change Deductions | | | |
| | First Institutional Baptist Church | | | |
| Description Cafeteria plan | Description Charitable contribution to church | | | |
| Cafeteria Plan - He | Box on W2 Add/Change Deduction Distribution Information | | | |
| Dental insurance | Not applicabl First Institutional Baptist Church | | | |
| Elective deferral 40 Elective deferral 40 | Not applicabl Description Tithe/Donation | | | |
| Elective deferral 45 Elective deferral 50 | Fund 000 GENERAL FUND | | | |
| Loan repayment | Subject to Liability Dept 000 Balance Sheet | | | |
| Savings deposit | ✓ Subject tc Liability Account 21900 Employee Contributions Payable ✓ Subject tc Matching Expense Dept | | | |
| | Matching Expense Account | | | |



• Step 4. Each time you process payroll you will need to go into Contributions and process a batch for those employees having payroll deductions for their contributions. After you have done this one time you can use the copy batch utility, so you don't have to start from scratch each time. Once the batch has been copied, you can make any adjustments needed before updating.

| 🐄 Contributions - [Contribu | tion Processing] | | |
|-----------------------------|--|--|--------------|
| File Edit Records Reports | Utility Help | | |
| User Ken Emert | Purpose Information Commemoratives ACH Information Planned Giving Ind, Information RISK / SOS Comparison Information | I 2 ? Institutional Baptist Church | nt Cur. Hash |
| | Pledge Information Contribution Processing | Amt Di | ff Hash Diff |
| Batch Date Setu | Maintenance | Modify Receipt Design | Total Amount |
| | Control Table Information Project Information Graph Memo | Modify Statement Design Check Contributions Setup Copy Batch Entry Transfer Contributions Process ACH | |
| Goto Goto Env # Name | | Import Individuals Inactivate/Reactivate Pledges Change Purpose Undo Contribution | Amount |

• For the check number I use 'PR DED'

Sample HR Custom Tab

| 🗕 觉 Navigator | |
|---------------------------------------|---|
| Show Buttons | Application Submitted 11/25/2010 |
| GENERAL INFORMATION | Interviewed 12/1/2010 By Mickey Mouse |
| Addresses | |
| Phones | References Checked 12/10/2010 By Donald Duck |
| Demographics | Hire Date 1/3/2011 Postion Director of Finance |
| E-mail History | |
| Greetings | Non-Exempt Kempt Minister Supervisor Goofy |
| Associated Files | |
| Primary Family Other Belationships | I-9 Completed/Checked 1/3/2011 E-Verity 1/3/2011 AZ New Hire 1/3/2011 |
| Drafles | W 4 Completed Life reactions A 4 Completed Life reaction |
| Profiles | W-4 Completed 1/3/2011 |
| Custom Tabs | Forolled Health M Date Flighte 2(1/2011 Date Forolled 2(1/2011 |
| ACH Tuition | |
| Employee Info | Employee Only Employee/Spouse Employee/Family E |
| Women | |
| CWV Network Form | Forelled Depts I.M. Date Flights 2/4/2014 |
| Miscellaneous | |
| ACCOUNTS PAYABLE | |
| Vendor Information | Employee Only Employee/Spouse Employee/Family |
| ACH Accounts | Enrolled HSA 🔽 Date Eligible 2/1/2011 Date Enrolled 2/1/2011 |
| ACCOUNTS RECEIVABLE | Forolled 403b M Date Flightle 1/1/2010 |
| Customer Information | |
| | Life Insurance 🔽 Date Enrolled 6/1/2011 Amount 50000 |
| | Terminated Term Date Key # ADMIN234 |
| | |

shelby systems.

HQ 2013

Ken Emert Shelby Consultant ken.emert@shelbyinc.com



Ken Emert served for 21 years as Minister of Administration at Scottsdale Bible Church in Scottsdale, AZ where he used Shelby software for tracking people and finances. In 2000 Ken felt it was time for a change and became a certified Shelby Systems trainer. He currently serves churches and other faith-based organizations as a Shelby Consultant. He has helped implement Shelby in many organizations and enjoys working with staffs to aid them in promoting ministry efficiently and effectively.

