



Award Winning Online Accounting Software

PAYROLL

How to enter Salaries and Wages in SortMyBooks from Payroll Software with the use of a Wages Control Account.

You will be using payroll software to calculate payroll, and the details of those costs need to be entered into SortMyBooks. We are recommending that you set up a Wages Control Account that provides best practice for bookkeepers. A wages control account allows you to:

1. Enter the full cost of employees into SortMyBooks including tax so that the business owner can see in the P&L the actual costs incurred for payroll.
2. Separately track the liability incurred for employee net wages and payroll tax from the payment of both of these. This allows for the business to track issues such as pay advances, week-in-hand, and also track the year-end crossover. On the payroll tax side the balance sheet or simple trial balance will show at all times the amount still outstanding for payroll tax due to the Collector General.
3. You also need to use Wages Control to track Pensions, Bike To Work Scheme, Mileage/Subsistence reimbursement, Health Insurance Contributions or any other items that are added or deducted from Wages/Salary.
4. Usually it is sufficient to enter the Wages Control Journals once a month even if the Payroll is weekly. This is because the Profit and Loss displays monthly.
5. From your Payroll Software you are looking for a monthly report that gives you the Gross Pay, Net Pay and Tax Details. Eg. the P30 on its own won't suffice.

On SortMyBooks you will need to set up the following Nominals at least (see steps on how below):

Wages Control

PAYE PRSI Control

Depending on the business you may also need to set up:

Pension Control

Health Insurance

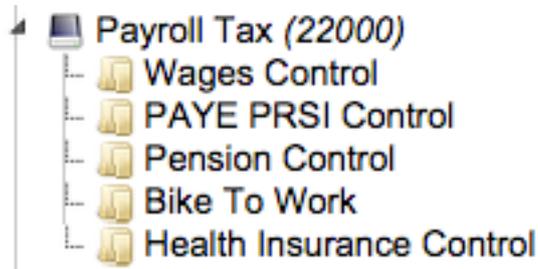
Bike To Work

Social Welfare eg. Maternity Benefit

You would also add any other items here such as employee loans, social club etc.

1. Click **Tools, Nominals**, and create sub-nominals under the Current Liability **Payroll Tax** nominal, so that you end up with this:

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If the business has a pension scheme where the Employer is also contribution to the Employee's Pension then you'll need to set up a Pension Nominal in the P&L Nominals, you can add it under heading 'Other'.

To create the journals with monthly entering requirements:

2. Create a new Journal by clicking on **Accounts, Journals** and **Add**. Type in the date (eg. month end date) and click on **OK**
3. This will open a screen where you can click on the button **'Add New Line'** to add in your new Payroll entries.
4. See sample journal entries below, note all of these can be done in the one Journal entry screen just keep adding new lines.

*Debit (P&L) **Employee Payroll** with the Gross Pay excluding Employer's PRSI, **Credit Wage Control (BS)** with the Gross Pay*

*Debit **Wages Control (BS)** with PAYE/USC/PRSI EE/LPT, **Credit PAYE PRSI Control (BS)** with PAYE/USC/PRSI EE/LPT*

*Debit **Employer PRSI (P&L)** with Employer PRSI amount, **Credit PAYE PRSI Control (BS)** with Employer PRSI amount*

*Debit **Travel & Subsistence (P&L)** with Expenses paid to Employees, **Credit Wages Control (BS)***

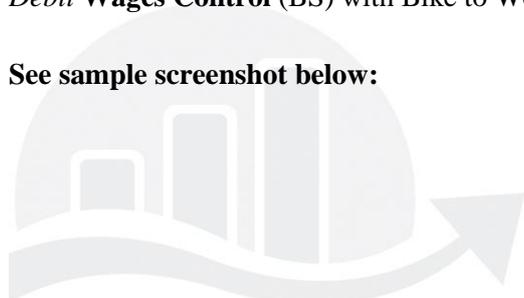
*Debit **Wages Control (BS)** with Pension (Employee's contribution), **Credit Pension Control (BS)***

*Debit **Pension (P&L)** with Pension (Employer's contribution), **Credit Pension Control (BS)***

*Debit **Wages Control (BS)** with Health Insurance contributions, **Credit Health Insurance Control (BS)***

*Debit **Wages Control (BS)** with Bike to Work, **Credit Bike to Work (BS)***

See sample screenshot below:



Details

Add New Line (+)

Debit	Credit	Description	Asset Name	Asset Class	Job	Debit Amount	Credit Amount
Wages Control	Health Insurance Control				Wages Control Sample	15.00	15.00
Wages Control	Pension Control	Employee's Contribution			Wages Control Sample	75.00	75.00
Wages Control	Bike To Work	Employee Repayment			Wages Control Sample	20.00	20.00
Travel and Subsistence	Wages Control	Mileage/Subsistence/Expenses			Wages Control Sample	50.00	50.00
Employer's PRSI.	PAYE PRSI Control	PRSI ER			Wages Control Sample	68.00	68.00
Wages Control	PAYE PRSI Control	PAYE/USC/LPT/PRSI EE			Wages Control Sample	100.00	100.00
Employee Payroll	Wages Control	Gross Pay Excluding PRSI ER			Wages Control Sample	635.00	635.00
Total:						963.00	963.00

To record actual payments made to employees:

- Click **Accounts, Misc Payments**, and enter the amount paid to the employee from the Bank or Cash Accounts using the nominal Payroll Tax: Wages Control.
- You can also show this payment from the retailer screen by clicking on Other Payment to show a cash advance or wages payment from the till using nominal Payroll Tax: Wages Control.

To record payments to revenue for PAYE, PRSI and USC:

- Click **Accounts, Misc Payments**, and enter the amount paid to the Revenue using the nominal Payroll Tax: PAYE PRSI Control.

To record payments to Pension providers, Health Insurance etc.

- Click **Accounts, Misc Payments**, and enter the amount paid to the Pension or Health Insurance provider using the Nominal Payroll Tax: Pension Control

To view the status of Wages Control Account

To see details for Wages Control:

Click **Reports, Ledger Reports, Balance Sheet**
Drill down to Nominal Payroll Tax: Wages Control

To see details on For PAYE, PRSI and USC:

Click **Reports, Ledger Reports, Balance Sheet**
Drill down to Nominal Payroll Tax: PAYE PRSI

This shows the journal from the Payroll Software information showing PAYE, PRSI and USC Calculated and also the actual payments made to Revenue.



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Payroll Tax: Payroll Tax

Wages Control Sample

Period: from 01/01/2013 to 31/12/2013
Nominal: Payroll Tax

Opening Balance (01/01/2013): 0.00

Date	replink	Seq	Nominal	Type	Ref	Contact	Journal	Amount	Balance
31/01/2013	link	75	Payroll Tax: Payroll Tax	journal		Month 1	PAYE, USC and PRSI EE and ER	5,000.00	5,000.00
31/01/2013	link		Payroll Tax: Payroll Tax	misc_payment		Revenue		-500.00	4,500.00
								4,500.00	4,500.00

Maternity Benefit – if someone’s salary is being part paid by maternity benefit

1. Record the payment received from Social Welfare using MiscLodgments with Nominal Social Welfare. This Debits the Bank and Credits Social Welfare in the Wages Control.
2. The journal entry will be as follows:
 - a. Debit Social Welfare, Credit Wages Control

Job Costing with Wages Control

3. Where you are doing job-costing you are going to divide up the entries according to the amount you are allocating to each job. You are going to enter a line for each job for each profit and loss item.
4. Note: You do not need to job cost the Journal lines that are exclusively relating to the Balance Sheet.
5. See example below:

Debit	Credit	Description	Asset Name	Asset Class	Job	Debit Amount	Credit Amount	Reconciled	Locked
Editing Journal Details Use this section to edit the details of a previously entered Journal.									
<div style="border: 1px solid red; padding: 2px; display: inline-block;">Choose the Job</div>									
Debit Nominal:	Credit Nominal:	Asset Name:	Asset Class:	Job:	Description:	Amount:*			
Employee Payroll	Payroll Tax:Wages Control			Wages Control Sample	Gross Pay Excluding PRSI ER	635.00			
X Delete this entry Save									

Sample Journal:





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Debit	Credit	Description	Asset Name	Asset Class	Job	Debit Amount	Credit Amount	Reconcil
Pension	Pension Control	Employer's Contribution	Type in a line for each job with the amount allocated for that job		Job C	20.00	20.00	
Pension	Pension Control	Employer's Contribution			Job B	15.00	15.00	
Pension	Pension Control	Employer's Contribution			Job A	15.00	15.00	
Employer's PRSI.	PAYE PRSI Control	PRSI ER			Job C	28.00	28.00	
Employer's PRSI.	PAYE PRSI Control	PRSI ER			Job B	20.00	20.00	
Employer's PRSI.	PAYE PRSI Control	PRSI ER			Job A	20.00	20.00	
Employee Payroll	Wages Control	Gross Pay Excluding PRSI ER			Job C	235.00	235.00	
Employee Payroll	Wages Control	Gross Pay Excluding PRSI ER			Job B	200.00	200.00	
Employee Payroll	Wages Control	Gross Pay Excluding PRSI ER			Job A	200.00	200.00	
Wages Control	Pension Control	Employee's Contribution			Wages Control Sample	75.00	75.00	
Travel and Subsistence	Wages Control	Mileage/Subsistence/Expenses			Wages Control Sample	50.00	50.00	
Wages Control	PAYE PRSI Control	PAYE/USC/LPT/PRSI EE			Wages Control Sample	100.00	100.00	
Total:						978.00	978.00	

There's no need to do a job allocation on the Balance Sheet items we're only interested in P&L

Buttons: Duplicate, OK, Cancel

31/01/2015 963.00 963.00 Y N -

