Entering Payroll Taxes into Journals in SortMyBooks
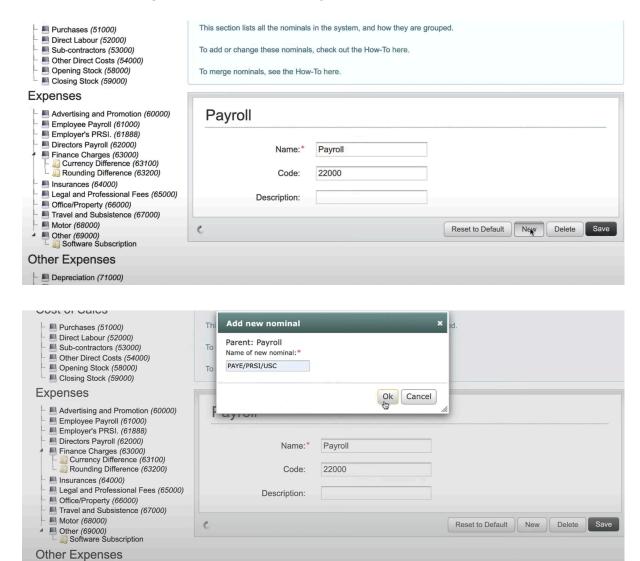
Step 1: Prepare Payroll Data

Ensure you have a **Gross to Net** report from your payroll software. Even if you pay wages weekly or biweekly, payroll journals are created **once a month**.

Step 2: Set Up Nominals

1. Go to **Tools > Nominals**.
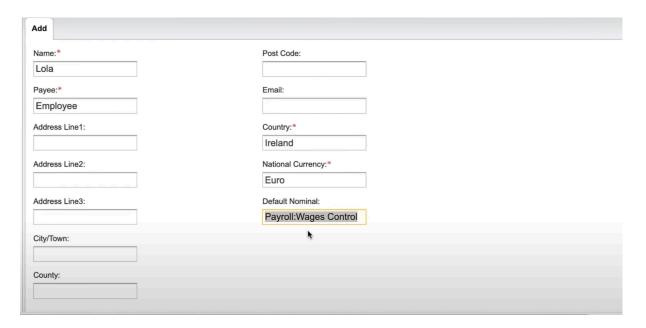2. Scroll to **Current Liabilities**, click **Payroll**, then **New**.
3. Enter **PAYE/PRSI/USC**, and click **OK**.
4. Create a **Wages Control** nominal using the same steps.

Step 3: Set Up Employees

1. Navigate to **Purchases > Suppliers > Add**.
2. Enter the employee's name.
3. In **Payee** box, select **Employee**.
4. Set **Default Nominal** to **Payroll: Wages Control** (this records net payments).
5. Repeat for all employees.

Step 4: Create a Payroll Journal

1. Go to **Accounts > Journals > Add**.
2. Enter the **last day of the month**, leave other fields blank, and click **OK**.
3. In the new screen, add a **Description** (e.g., *Jan 21 Payroll*).

Step 4.1: Add Payroll Details

- Click **Add New Line** and enter:
    - **Debit Nominal**: **Employee Payroll**
    - **Description**: *Gross Pay*
    - **Amount**: **Gross Total** from the report Gross to Net
- Add a new line for Employer PRSI:
    - **Debit Nominal**: **Employer's PRSI**
    - **Description**: *ER PRSI*
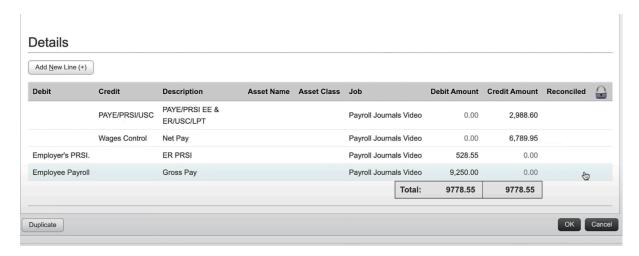   - **Amount**: **Total Employer PRSI** from the report Gross to Net

Step 4.2: Match Debit and Credit Entries

- Add a new line:
    - **Credit Nominal**: **Wages Control**
    - **Description**: *Net Pay*

- ○ **Amount**: **Net Pay total** from the report Gross to Net
- ● Add another line:
  - ○ **Credit Nominal**: **Payroll: PAYE/PRSI EE&ER/USC**
  - ○ **Description**: *PAYE/PRSI/USC*
  - ○ **Amount**: **Total taxes (PAYE, PRSI EE, PRSI ER, USC, LPT)** from the report Gross to Net

Now, the **Debit and Credit amounts must match**.

Step 5: Duplicate for Future Months
1. Open the previous month's journal.
2. Scroll down and click **Duplicate**.
3. Update the **date** (last day of the following month) and **description** (e.g., *Feb 21 Payroll*).
4. Update figures, if needed, based on the new **Gross to Net** report.

Using this method saves time by avoiding manual journal entries each month.

More in the video: https://www.youtube.com/watch?v=GN6YR3syJqM