

Expensing Payroll – QuickBooks

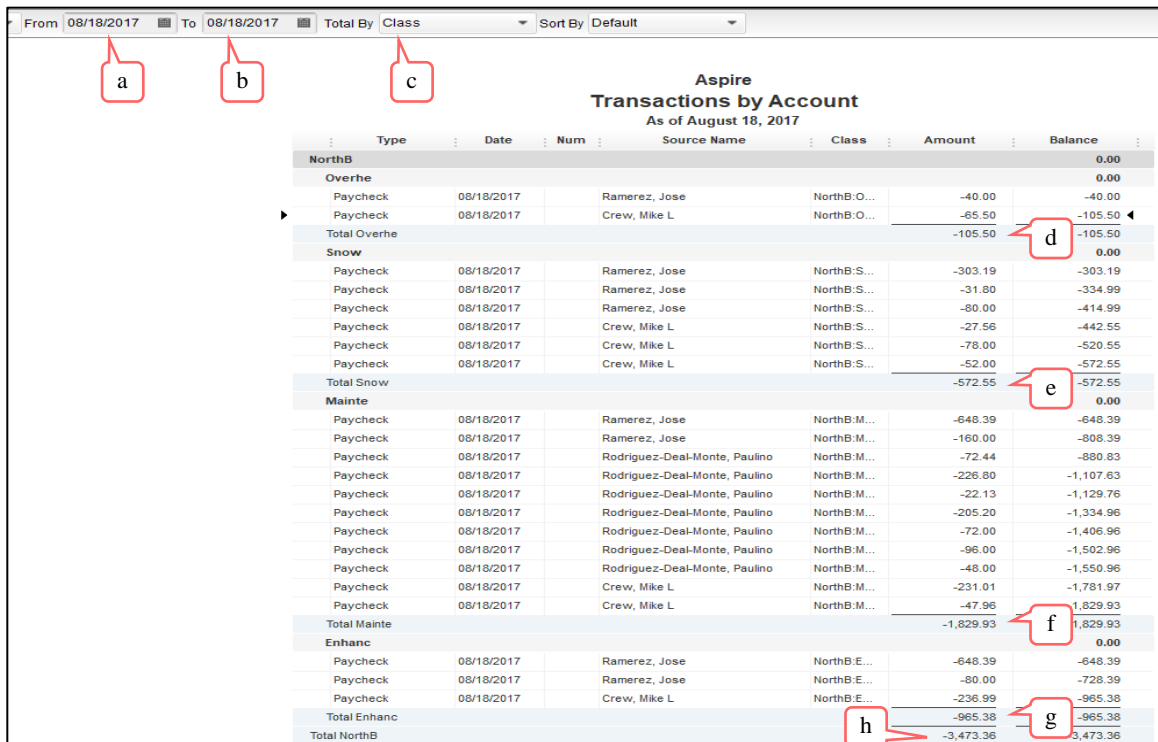
How to expense Payroll in QuickBooks from Accrued Payroll Holding to Profit & Loss Statement

Payroll hours exported to QuickBooks Desktop Timesheets each pay period are used to create payroll checks in QuickBooks. The gross payroll for these employees accumulates in the *Accrued Payroll Holding Liability Account* in QuickBooks.

Be sure to complete the QuickBooks payroll reconciliation before performing this process. The article entitled [Payroll Reconciliation with QuickBooks](#) can be found in the Aspire knowledge base.

To move the gross payroll from the *Accrued Payroll Holding* account in QuickBooks to the *Profit and Loss Statement Labor Expense Account* by division, you will need to perform the following steps in QuickBooks:

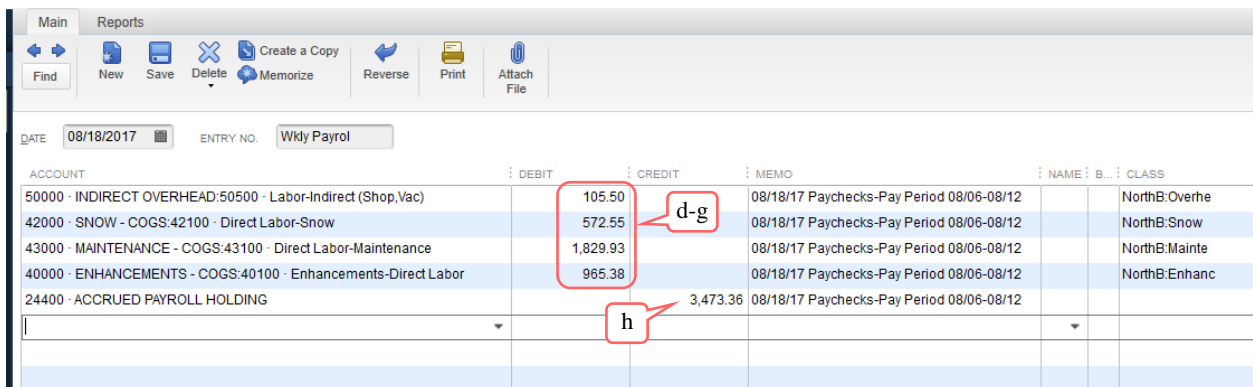
- Go to the Balance Sheet
- Click into the Accrued Payroll Holding
- Specify date from the payroll check date^a to the same payroll check date^b
- (In QuickBooks gross payroll will show in the Accrued Payroll Holding account the pay check date not the actual pay period)



Type	Date	Num	Source Name	Class	Amount	Balance
NorthB						0.00
Overhe						0.00
Paycheck	08/18/2017		Ramerez, Jose	NorthB:O...	-40.00	-40.00
Paycheck	08/18/2017		Crew, Mike L	NorthB:O...	-65.50	-105.50
Total Overhe						-105.50
Snow						0.00
Paycheck	08/18/2017		Ramerez, Jose	NorthB:S...	-303.19	-303.19
Paycheck	08/18/2017		Ramerez, Jose	NorthB:S...	-31.80	-334.99
Paycheck	08/18/2017		Ramerez, Jose	NorthB:S...	-80.00	-414.99
Paycheck	08/18/2017		Crew, Mike L	NorthB:S...	-27.56	-442.55
Paycheck	08/18/2017		Crew, Mike L	NorthB:S...	-78.00	-520.55
Paycheck	08/18/2017		Crew, Mike L	NorthB:S...	-52.00	-572.55
Total Snow						-572.55
Mainte						0.00
Paycheck	08/18/2017		Ramerez, Jose	NorthB:M...	-648.39	-648.39
Paycheck	08/18/2017		Ramerez, Jose	NorthB:M...	-160.00	-808.39
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-72.44	-880.83
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-226.80	-1,107.63
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-22.13	-1,129.76
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-205.20	-1,334.96
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-72.00	-1,406.96
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-96.00	-1,502.96
Paycheck	08/18/2017		Rodriguez-Deal-Monte, Paulino	NorthB:M...	-48.00	-1,550.96
Paycheck	08/18/2017		Crew, Mike L	NorthB:M...	-231.01	-1,781.97
Paycheck	08/18/2017		Crew, Mike L	NorthB:M...	-47.96	-1,829.93
Total Mainte						-1,829.93
Enhanc						0.00
Paycheck	08/18/2017		Ramerez, Jose	NorthB:E...	-648.39	-648.39
Paycheck	08/18/2017		Ramerez, Jose	NorthB:E...	-80.00	-728.39
Paycheck	08/18/2017		Crew, Mike L	NorthB:E...	-236.99	-965.38
Total Enhanc						-965.38
Total NorthB						-3,473.36

- In the *Total By* field^c, choose 'Class'

- To change the Name to the Employee name.
 - Go to Customize Report
 - At columns unclick 'Name' and click 'Source Name'
 - Click OK
- Use this report to create the payroll journal entry
- Date the journal entry the check date
- Debit the gross dollars from the *Transactions by Account* list, above.
 - Labor-Indirect^d
 - Direct Labor-Snow^e
 - Direct Labor-Maintenance^f
 - Direct Labor-Enhancements^g



ACCOUNT	DEBIT	CREDIT	MEMO	NAME	B...	CLASS
50000 · INDIRECT OVERHEAD:50500 · Labor-Indirect (Shop,Vac)	105.50		08/18/17 Paychecks-Pay Period 08/06-08/12			NorthB:Overhe
42000 · SNOW - COGS:42100 · Direct Labor-Snow	572.55		08/18/17 Paychecks-Pay Period 08/06-08/12			NorthB:Snow
43000 · MAINTENANCE - COGS:43100 · Direct Labor-Maintenance	1,829.93		08/18/17 Paychecks-Pay Period 08/06-08/12			NorthB:Mainte
40000 · ENHANCEMENTS - COGS:40100 · Enhancements-Direct Labor	965.38		08/18/17 Paychecks-Pay Period 08/06-08/12			NorthB:Enhanc
24400 · ACCRUED PAYROLL HOLDING		3,473.36	08/18/17 Paychecks-Pay Period 08/06-08/12			

- Credit the *Accrued Payroll Holding Account*^h.
- After the journal entry, the *Balance Sheet Accrued Payroll Holding* account should be -0-.

Obtaining Additional Detail for Labor-Indirect Overhead

If you want to enter more detail on your *Profit and Loss Statement* for overhead labor expense instead of coding all overhead/indirect gross payroll to one overhead/indirect expense account, you will need to create an hours' pivot report in Aspire to properly summarize this information.

Create an *Hours Pivot Report* using the following:

Report Name	Purchases Pivot Report for Employees' Gross Indirect Pay
Location in Aspire	Reports Screen → Hours Pivot Report
Filter Fields	Work Date Year (filter to year), Work Date Month (Filter to month), Work Date (filter to days), Pay Schedule
Data Display Fields	Base Cost, OT Premium, Total Labor Cost no Burden
Row Display Fields	Division (Filter to Overhead or Indirect Division), Service Name, Employee (Last, First)
Column Display Fields	NONE

Pivot Report | Hours

Work Date Year ▼ Work Date Month ▼ Work Date ▼ Pay Schedule ▼

Data Headers: Division ▲ ServiceName ▲ Employee (Last, First) ▲

Drop Column Fields Here

		Grand Total		
		Base Cost	OT Premium	Total Labor Cost No Burden
▼ Overhead	> OH - Meetings/Admin	\$10.50	\$0.00	\$10.50
	> OH - Shop Time	\$0.00	\$0.00	\$0.00
	> OH - Training	\$15.00	\$0.00	\$15.00
	> OH - Vacation	\$80.00	\$0.00	\$80.00
Overhead Total		\$105.50	\$0.00	\$105.50

- Choose the correct year at the Work Date Year filter.
- Choose the correct month at the Work Date Month filter.
- Choose the correct work dates at the Work Date filter.
- Choose “Overhead” (or “Indirect”) at the Division filter.
- If there are any employees or pay schedules being excluded on the export, uncheck that employee at *Employee* filter or at *Pay Schedule* filter.
- Click the arrow to the left of *Overhead* to expand the Overhead detail
- Make sure the Total Labor Cost amount matches the Overhead dollar amount from QuickBooks
- Export to excel
- Use this to create the more detail journal entry in QuickBooks.

	A	B	C	D	E
1			Grand Total		
2			Base Cost	OT Premium	Total Labor Cost No Burden
3	Overhead				
4	Overhead	OH - Meetings/Admin	\$10.50	\$0.00	\$10.50
5		OH - Shop Time	\$0.00	\$0.00	\$0.00
6		OH - Training	\$15.00	\$0.00	\$15.00
7		OH - Vacation	\$80.00	\$0.00	\$80.00
8	Overhead Total		\$105.50	\$0.00	\$105.50

Entering OT Premium to Indirect Labor Expense instead of COGS Labor Expense

If you are not expensing overtime premium to *Cost of Goods Sold Labor*, you will need to do a journal entry to back out the overtime premium dollars from *Cost of Goods Sold Labor* and post it to the *Overhead Expense Account* where you want to code the overtime premium.

You will need to create an hours’ pivot report.

Create an *Hours Pivot Report* using the following:

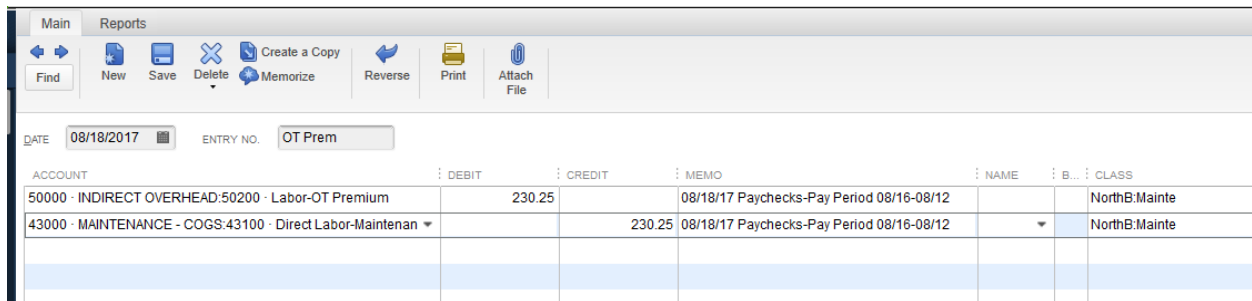
Report Name	Purchases Pivot Report for Employees Gross OT Premium Pay
Location In Aspire	Reports Screen → Hours Pivot

Filter Fields	Work Date Year (filter to year), Work Date Month (Filter to month), Work Date (filter to days), Pay Schedule
Data Display Fields	OT Premium
Row Display Fields	Division (Filter to exclude Overhead or Indirect Division), Employee (Last,
Column Display Fields	NONE

- Choose the correct year at the Work Date Year
- Choose the correct month at the Work Date Month
- Choose the correct work dates at the Work Date
- If there are any employees or pay schedules being excluded on the export, uncheck that employee at *Employee* filter or at *Pay Schedule* filter.
- Export to Excel
- Use this spreadsheet to create the journal entry in QuickBooks to lower *Cost of Goods Sold Labor* and increase the indirect expense for the overtime premium

A	B
	OT Premium Total
Enhancements	\$0.00
Irrigation	\$0.00
Maintenance	\$230.25
Overhead	\$0.00
Snow	\$0.00
Grand Total	\$230.25

- Date the journal entry the check date.
- Debit Indirect/Overhead – Labor-OT Premium
- Credit COGS – Direct Labor



DATE: 08/18/2017 ENTRY NO.: OT Prem

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	B...	CLASS
50000 · INDIRECT OVERHEAD:50200 · Labor-OT Premium	230.25		08/18/17 Paychecks-Pay Period 08/16-08/12			NorthB.Mainte
43000 · MAINTENANCE - COGS:43100 · Direct Labor-Maintenan		230.25	08/18/17 Paychecks-Pay Period 08/16-08/12			NorthB.Mainte