

Payroll Reconciliation with QuickBooks

This article provides step-by-step guide for the payroll reconciliation process between Aspire and QuickBooks.

Payroll Reconciliation Per Pay Period

Objective: To compare Aspire weekly or bi-weekly payroll gross dollar amount with gross dollar paid by through QuickBooks to direct labor employees (employees in Aspire) and make corrections or create journal entries in the accounting system to ensure Aspire gross payroll matches the QuickBooks payroll summary for the same period.

- Record the start and end date for the pay periods reviewing: between _____ and _____
- In Aspire, go to the *Weekly Time Review* screen and record the total hours and overtime hours for your weekly pay period, or both weeks of the bi-weekly pay period being reviewed.

Bi Weekly

Pay Period _____ Total hours _____ OT hours _____
 Pay Period _____ Total hours _____ OT hours _____
 Totals _____
 Total Hours _____ (Minus) OT hours _____ = Regular hours _____

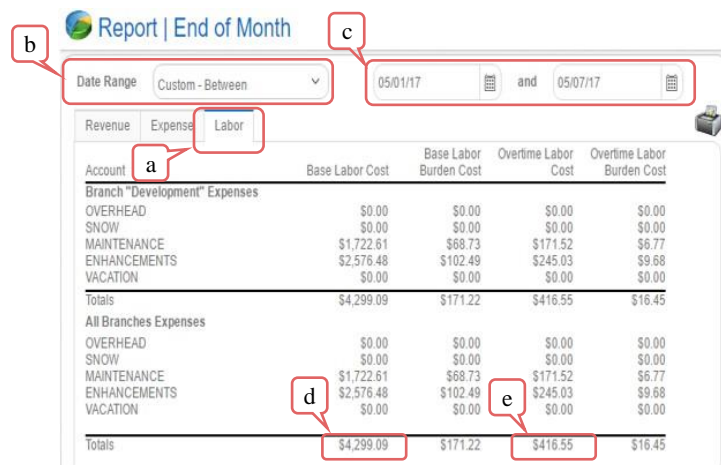
Weekly

Pay Period _____ Total hours _____ OT hours _____
 Total Hours _____ (Minus) OT hours _____ = Regular hours _____
 (Total hours at Weekly Time Review includes OT hours)

End of Month Pivot Report

Get the base labor cost and overtime labor cost from Aspire as follows.

- In Aspire, bring up the *End of Month Pivot Report*.
- On *Labor* tab^a change date range to *Custom – Between*^b
- Change the date range^c to be the period for the payroll reviewing.



Account	Base Labor Cost	Base Labor Burden Cost	Overtime Labor Cost	Overtime Labor Burden Cost
Branch "Development" Expenses				
OVERHEAD	\$0.00	\$0.00	\$0.00	\$0.00
SNOW	\$0.00	\$0.00	\$0.00	\$0.00
MAINTENANCE	\$1,722.61	\$68.73	\$171.52	\$6.77
ENHANCEMENTS	\$2,576.48	\$102.49	\$245.03	\$9.68
VACATION	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$4,299.09	\$171.22	\$416.55	\$16.45
All Branches Expenses				
OVERHEAD	\$0.00	\$0.00	\$0.00	\$0.00
SNOW	\$0.00	\$0.00	\$0.00	\$0.00
MAINTENANCE	\$1,722.61	\$68.73	\$171.52	\$6.77
ENHANCEMENTS	\$2,576.48	\$102.49	\$245.03	\$9.68
VACATION	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$4,299.09	\$171.22	\$416.55	\$16.45

- The *Total Gross* in Aspire is the sum of Base Labor Cost^d and Overtime Labor Cost^e.
- Record and sum to be used later:

Base Labor Cost: \$ _____

Overtime Labor Cost: \$ _____

TOTAL: \$ _____

Payroll Reconciliation Pivot Report

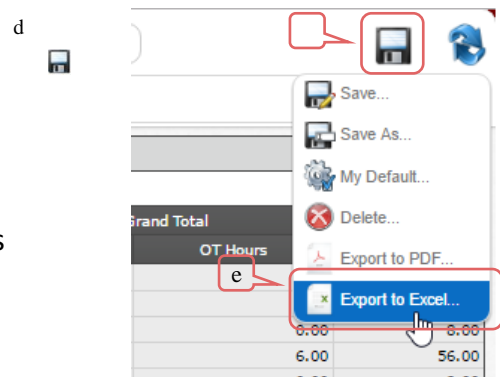
- Go to the *Hours Pivot Report* that was created during your onboarding with Aspire and adjust the pivot report or create a new pivot report as follows...
 - Select the *Hours Pivot Report* from the *Standard Reports* tab of the *Reports* screen.
 - Add the following filters
 - ✦ Work Date Year – Select the year for the pay period.
 - ✦ Work Date Month – Select the month or months for the pay period.
 - ✦ Work Date – Select the days that are in the pay period. Make sure to check all the days on the list – sometimes the current work day is selected at the bottom and will throw your numbers off.
 - ✦ Pay Schedule – You may need to filter by a pay schedule later in this procedure.
 - Add the following column fields
 - ✦ Regular Hours
 - ✦ OT Hours
 - ✦ Hours
 - ✦ Base Cost
 - ✦ OT Premium
 - Add the following row fields
 - ✦ Employee
 - ✦ Base Rate ○ Make sure the Regular Hours^a, OT Hours^b and Hours^c match the hours on the Weekly Time Review filled in above.
 - Make sure the *Base Labor Cost* and *Overtime Labor Costs* match the *End of Month Report* as recorded above.

Data Headers			Drop Column Fields Here				
Employee	Base Rate	Pay Schedule	Regular Hours	OT Hours	Grand Total Hours	Base Cost	OT Premium
Test Employee	\$17.50		40.00	10.03	50.03	\$875.53	\$87.77
Test Employee 1	\$20.00		40.00	10.03	50.03	\$1,000.60	\$100.30
Test Employee 2	\$18.98		40.00	10.03	50.03	\$949.57	\$95.19
Test Employee 3	\$26.58		40.00	10.03	50.03	\$1,329.80	\$133.30
Grand Total			160.00	40.12	200.12	\$4,155.49	\$416.56

○ Save the report. Example: Payroll Reconciliation

- Before exporting to Aspire, if there are employee's gross pay that is not being entered in the Accrued Payroll Holding account in your accounting system because you are choosing to enter all their gross pay as either a direct or indirect expense to a division. You can filter out that employee or pay schedule (if it's all salaried employee's) before exporting this pivot report to excel. If this is the case, remember when closing the month, you cannot use the End of Month Labor tab for the labor journal entry into your accounting system. You will need to create a pivot report & exclude these same employee's or payroll schedule.

- Export this report to Excel by hovering over the *Save icon*^d and selecting the *Export to Excel* option^e.
- Open the exported file from your browser. This is the *Reconciliation Spreadsheet*.



Prepare Reconciliation Spreadsheet

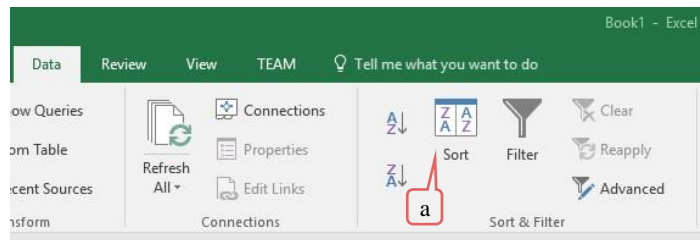
The next step is to perform some minor reformatting of the *Reconciliation Spreadsheet* and

The exported report is shown below. It will show duplicate names because the base rate is being exported along with the Employee's name.

	A	B	C	D	E	F	G	H
1				Grand Total				
2				Regular Hours	OT Hours	Hours	Base Cost	OT Premium
3	Test Employee							
4	Test Employee	\$17.50		40.00	10.03	50.03	\$875.53	\$87.77
5	Test Employee 1							
6	Test Employee 1	\$20.00		40.00	10.03	50.03	\$1,000.60	\$100.30
7	Test Employee 2							
8	Test Employee 2	\$18.98		40.00	10.03	50.03	\$949.57	\$95.19
9	Test Employee 3							
10	Test Employee 3	\$26.58		40.00	10.03	50.03	\$1,329.80	\$133.30
11	Grand Total			160.00	40.12	200.12	\$4,155.49	\$416.56

Follow the steps below to adjust your report to show only one name per employee and sort:

- Delete line 1 – ‘Grand Total’
- Highlight entire page
- Select Data > Sort^a at the top of the page, and then select “Column B”
- Press OK
- Now all the bold names will be at the bottom
- Delete all rows with bold names below ‘Grand Total’
- Highlight entire page
- Select Data > Sort at the top of the page, and then select “Column A” to resort by name.
- Press OK
- Save the Excel file



You will now need to add columns to the excel file:

- Add five columns^a ○ Total ○ QuickBooks ○ Difference ○ Notes ○ Division
- **Total** column^b ○ Create formula to add *Base Cost* plus *OT Premium*.
 - Copy down to each row including the *Grand Total* line.
- **QuickBooks** column – you will fill this field in later.
- **Difference** column ○ Create formula to subtract *Total* value from *QuickBooks* value. ○ Copy down to each row including the *Grand Total* line.
 - Later, when you fill in the *QuickBooks* gross value, this will show the difference between *Aspire Payroll Gross* and *QuickBooks Payroll Gross*.

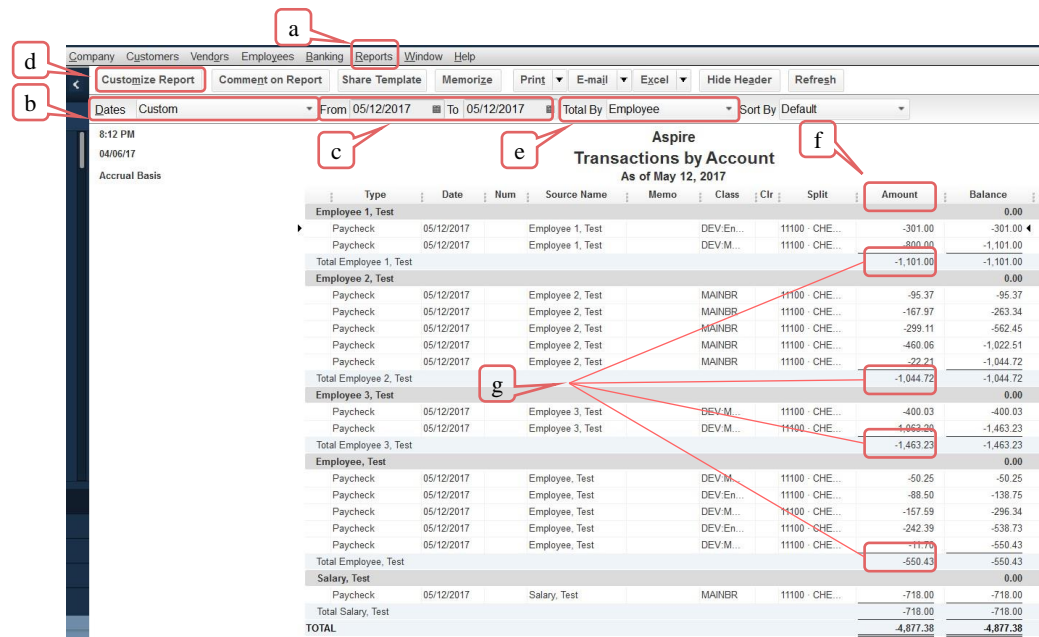
	A	B	C	D	E	F	G	H	I	J	K	L	M
1				Regular Hour	OT Hours	Hours	Base Cost	OT Premium	Total	QuickBooks	Note	Difference	Division
2	Test Employee	\$17.50	Hourly	40.00	10.03	50.03	\$875.53	\$87.77	\$ 963.30			(\$963.30)	
3	Test Employee 1	\$20.00	Hourly	40.00	10.03	50.03	\$1,000.60	\$100.30	\$1,100.90			(\$1,100.90)	
4	Test Employee 2	\$18.98	Hourly	40.00	10.03	50.03	\$949.57	\$95.19	\$1,044.76			(\$1,044.76)	
5	Test Employee 3	\$26.58	Hourly	40.00	10.03	50.03	\$1,329.80	\$133.30	\$1,463.10			(\$1,463.10)	
6	Grand Total			160.00	40.12	200.12	\$4,155.49	\$416.56	\$4,572.05			(\$4,572.05)	

- The next step will be to get into QuickBooks to get the Gross Totals for your payroll.

Get Gross Pay from QuickBooks ‘Accrued Payroll Holding Account’

To get the QuickBooks Gross amounts for comparison, follow these steps:

- It is important to know that during this step you need to use the *Balance Sheet Standard Report*. Do not use the *Chart of Accounts Report* because it will not total the employee amount requiring you to total it manually.
- In QuickBooks, you will need to go to the Balance Sheet and create a report for the Accrued payroll holding account for the payroll check
 - date ○ Select *Reports*^a at the top of the page ○ Find Company and Financial ○ Select *Balance Sheet Standard* option
- Once the Balance Sheet is opened – scroll through and find “*Accrued Payroll Holding*” ○ Put your cursor over the dollar amount. A magnifying glass will pop up with a ‘Z’ in the middle of it. Double-click the dollar amount to display the report as shown below.



The screenshot shows the 'Transactions by Account' report for 'Aspire' as of May 12, 2017. The report is filtered by 'Dates' from 05/12/2017 to 05/12/2017, and 'Total By' is set to 'Employee'. The report lists transactions for several employees, including Employee 1, Employee 2, Employee 3, and Salary. The 'Amount' column is highlighted in red, and a magnifying glass callout 'f' is positioned over the total amount for Employee 1, which is -1,101.00. Other callouts include 'a' for the Reports menu, 'b' for the Customize Report button, 'c' for the Dates field, 'd' for the Customize Report button, 'e' for the Total By dropdown, and 'g' for the Source Name checkbox in the Columns dialog box.

Type	Date	Num	Source Name	Memo	Class	Clr	Split	Amount	Balance
Employee 1, Test									
Paycheck	05/12/2017		Employee 1, Test		DEV.En...	11100	CHE...	-301.00	-301.00
Paycheck	05/12/2017		Employee 1, Test		DEV.M...	11100	CHE...	-800.00	-1,101.00
Total Employee 1, Test									-1,101.00
Employee 2, Test									
Paycheck	05/12/2017		Employee 2, Test		MAINBR	11100	CHE...	-95.37	-95.37
Paycheck	05/12/2017		Employee 2, Test		MAINBR	11100	CHE...	-167.97	-263.34
Paycheck	05/12/2017		Employee 2, Test		MAINBR	11100	CHE...	-299.11	-562.45
Paycheck	05/12/2017		Employee 2, Test		MAINBR	11100	CHE...	-460.06	-1,022.51
Paycheck	05/12/2017		Employee 2, Test		MAINBR	11100	CHE...	-22.21	-1,044.72
Total Employee 2, Test									-1,044.72
Employee 3, Test									
Paycheck	05/12/2017		Employee 3, Test		DEV.M...	11100	CHE...	-400.03	-400.03
Paycheck	05/12/2017		Employee 3, Test		DEV.M...	11100	CHE...	-1,063.20	-1,463.23
Total Employee 3, Test									-1,463.23
Employee, Test									
Paycheck	05/12/2017		Employee, Test		DEV.M...	11100	CHE...	-50.25	-50.25
Paycheck	05/12/2017		Employee, Test		DEV.En...	11100	CHE...	-88.50	-138.75
Paycheck	05/12/2017		Employee, Test		DEV.M...	11100	CHE...	-157.59	-296.34
Paycheck	05/12/2017		Employee, Test		DEV.En...	11100	CHE...	-242.39	-538.73
Paycheck	05/12/2017		Employee, Test		DEV.M...	11100	CHE...	-117.70	-656.43
Total Employee, Test									-656.43
Salary, Test									
Paycheck	05/12/2017		Salary, Test		MAINBR	11100	CHE...	-718.00	-718.00
Total Salary, Test									-718.00
TOTAL									-4,877.38

- Change the *Dates*^b field to “Custom”. Change the *To* and *From*^c date to the check date – NOT the payroll period.
- Above the *Dates* field, click the *Customize Reports*^d button. In the pop-up on the left side under columns, you will need to find *Name* and uncheck that, then check mark *Source Name*, as shown to right. Click OK. The report will now show the Employee’s name.
- To break out the report by employee, select “Employee” in the *Total By* drop-down^e.



- Totals for each employee⁸ represent employee gross pay to be recorded in the *Reconciliation Spreadsheet*.

Enter QuickBooks Values into Reconciliation Spreadsheet

- Take the *Total Amount* for each employee from the QuickBooks report, and enter them into the QuickBooks column⁹ of the *Reconciliation Spreadsheet* as shown below.
- Add entries to *Notes* column explaining why the amount is off for lines whose difference is more than a couple dollars.
- In the *Division* column, enter the division the employee primarily works in, to aid you when creating the partial Journal Entry.
- Once you have all the information entered onto the *Reconciliation Spreadsheet* it should look like the example below.

	A	B	C	D	E	F	G	H	I	J	K	L	M
1				Regular Hour	OT Hours	Hours	Base Cost	OT Premium	Total	QuickBooks	Note	Difference	Division
2	Test Employee	\$17.50	Hourly	40.00	10.03	50.03	\$875.53	\$87.77	\$ 963.30	\$ 550.43	Incorrect pay rate in Aspire	(\$412.87)	
3	Test Employee 1	\$20.00	Hourly	40.00	10.03	50.03	\$1,000.60	\$100.30	\$1,100.90	\$ 1,101.00		\$0.10	Enhancements
4	Test Employee 2	\$18.98	Hourly	40.00	10.03	50.03	\$949.57	\$95.19	\$1,044.76	\$ 1,044.72		(\$0.04)	Enhancements
5	Test Employee 3	\$26.58	Hourly	40.00	10.03	50.03	\$1,329.80	\$133.30	\$1,463.10	\$ 1,463.23		\$0.13	Maintenance
6	Grand Total			160.00	40.12	200.12	\$4,155.49	\$416.56	\$4,572.05	\$ 4,159.38		(\$412.67)	
7													
8											Enhancements	\$0.06	DR
9											Maintenance	\$0.13	DR
10											Accrued Payroll Holding	\$0.19	CR

- Investigate if the hours are different between Aspire and QuickBooks
 - As you can see, Test Employee on line 2 has a major difference^b between the Aspire Total and the total from QuickBooks.
 - Investigation reveals that the reason is because the Test Employee’s Base Rate^c does not match the rate in QuickBooks.
- If you find it necessary to change the base rate or hours in Aspire, the time for that employee will need to be unapproved, changes made, and re-approved. After all corrections are made, you will need to start at the beginning of the process in this article again on the following day after the pivot report has had time to update (data for Aspire pivot reports is refreshed every night).
- When the *Reconciliation Spreadsheet* is accurate, create a journal entry in your accounting system for the differences. The *Accrued Payroll Holding* in your accounting system should always match the *Total* in Aspire (column I).