Payroll Set Up in QuickBooks

This article explains the steps for how to set up Payroll in QuickBooks. Because there are a number of matching entries to Aspire it is important to pay attention to detail as you go through this process. While going through this article we recommend having both Aspire and QuickBooks open during the set up process.

Please note that Branch Codes and Division Codes in Aspire are referred to as "Classes" in QuickBooks. Both of these codes may only contain 6 characters, and will show on your *Profit and Loss* reports in QuickBooks as the Branch/Division names.

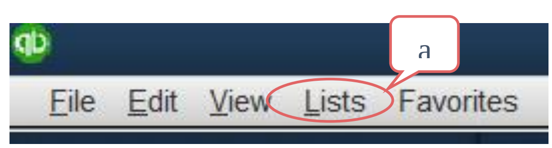
**Note: You should add new Branches and Divisions (classes) for payroll exporting only if you see the need. The payroll taxes and worker's compensation expense (if you have worker's compensation set up in your QuickBooks) for hours exported from Aspire will show on your profit & loss in these new classes. You can make journal entries to move them to the correct class and expense account.

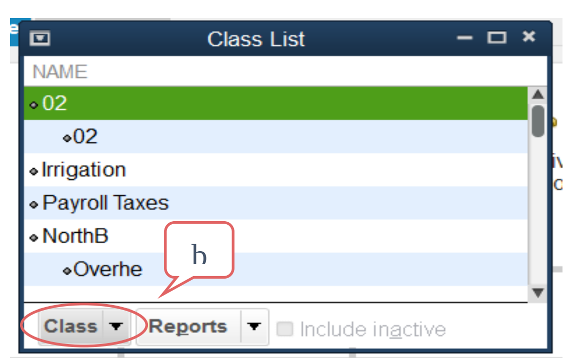
Branch Code

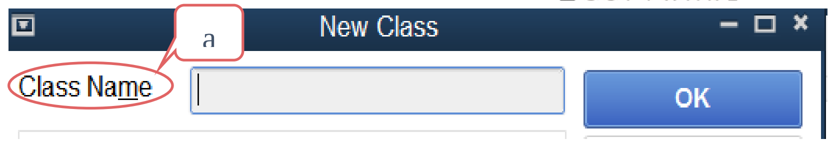
If you only have one branch, please skip this step. If you have more than one branch, and they are not yet set up in QuickBooks, please follow the directions below for setting these up so they match what you already have in Aspire.

How to set up Branch Codes in QuickBooks

- Go to Lists[a] on the task bar at the top of the page in QuickBooks.
- Select *Class List* from the drop down menu.
- A Small Box should pop up, at the bottom left corner you will see Class[b] with a drop down arrow.
    - Click the arrow, and select *New* from the drop down.







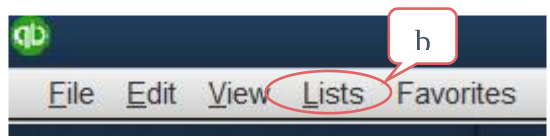
- Fill in the Class Name[a] field. The value you provide must match the Branch Code in Aspire. The Class Name can be up to 6 characters long. Select OK.
- Set up any additional Branches that you have in the same way.

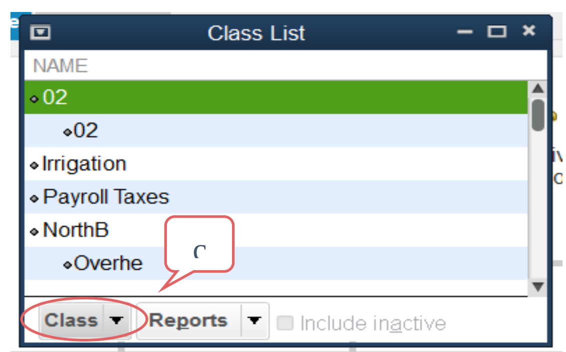
Division Codes

Division codes are sub-classes of branches in QuickBooks. If there are any existing division codes in QuickBooks, they will need to be edited or added to match the setup that is already in Aspire**. Division codes will also need to be 6 characters or less.

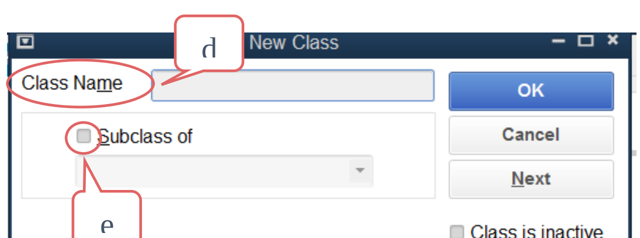
If you do not have division codes set up in QuickBooks, please follow these instructions.

How to set up Division Codes in QuickBooks





- Go to Lists[b] on the Task Bar at the top of the page.
- Select ‘Class List’ from the List Drop Down Menu.
- At the bottom left corner of the new window you will see Class[c] with a drop down arrow.
- Click on the arrow for the Class drop-down, and select the *New* option.
- Based on the divisions you have established in Aspire, fill in the division name under Class Name[d].
- **If you only have one Branch**, click okay once you have filled in the Division Name as it should appear in QuickBooks.
- **If you have more than one Branch,** click on the checkbox[e] that says “Subclass of”, and from the drop down, choose the appropriate branch name under which the division should be placed based on the Aspire setup.



- Remember the name has to be 6 characters long, and MUST match what is in Aspire. Repeat for each division code.

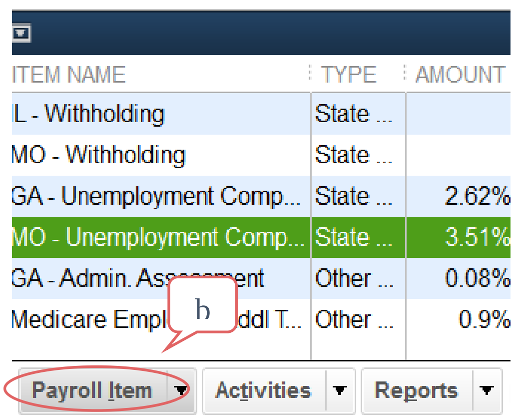
County/Locality Codes

County and Locality codes are also payroll items in QuickBooks. These will not import into QuickBooks, but there is a report in Aspire that will show hours for each employee by locality. The Locality Tax withholding per employee will have to be entered manually into QuickBooks.

How to set up County/Locality Codes in QuickBooks

Each state is different, if your state does not require localities just move onto Pay Codes.

- Go to Lists[a] on the Task Bar at the top of the page.
- Choose ‘Payroll Item List’ from your drop down options. Items already set up on the ‘Payroll Item List’ will show up.
- Go to ‘Payroll Item[b]’ in the lower left hand corner and choose ‘New.’
- Then *Select Setup Method* screen will appear. Choose ‘Custom Setup’ and click ‘Next.’
- On the *Custom Setup* page, select ‘Other Tax’ and then select Next.
- On the Other Tax Screen, choose the appropriate tax type, then choose ‘Tax is paid by the employee’ then select *Next*.



- The next screen is where you would fill in the type of tax, and click Next.
- On the next screen, you will enter the Agency for the employee-paid Liability. Here you will select the Vendor name to whom you pay the tax. THEN you will enter your company ID Number, and finally under Liability Account you will select your **Payroll Liabilities** from the drop down.
- On the *Tax Tracking Type* screen just click on *Next* at the bottom of the screen, you do not need to select anything other than None from the Drop down.
- On the *Calculate Based on Quantity* screen, choose ‘Neither’, if this deduction is to be calculated any way other than the two options listed. Then click *Next*.
- On the *Default Rate and Limit* screen, fill in the percentage (%) to be calculated out of the employee’s check and any upper wage limit, if it applies. Then click ‘Next.’

- On the *Taxable Compensation* screen, select the appropriate wage items that will apply to this tax deduction.
- Click *Finish* to complete the set up.
- Set up any additional County/Locality Codes in the same manner.

Adding New Payroll Accounts

You will need to set up the following new accounts in your QuickBooks chart of accounts.

- Accrued Payroll Holding Account (Account Type – Other Current Liability)
- Accrued Payroll Holding Burden Account (Account Type – Other Current Liability)

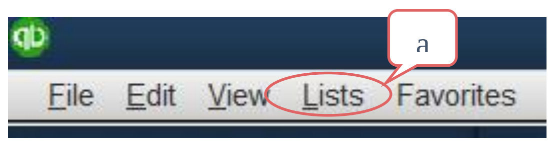
After those are entered Create a New Customer within QuickBooks called 'Aspire System'

Pay Codes

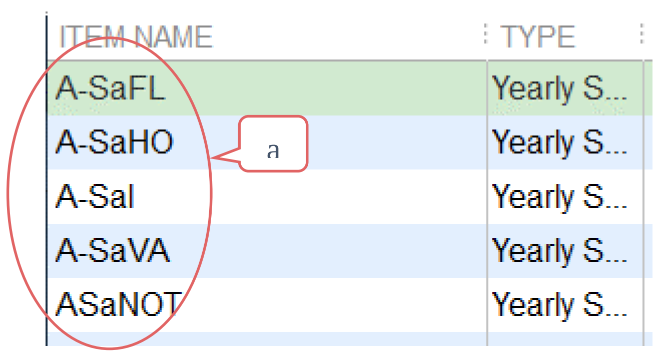
You will need to setup new payroll items for direct labor employees. If you already have payroll items set up in QuickBooks, you will need to add new ones for Aspire payroll. The new pay codes will need to be added to the direct labor employee's info tab before the 1st Aspire payroll export to QuickBooks.

How to set up Pay Codes in QuickBooks

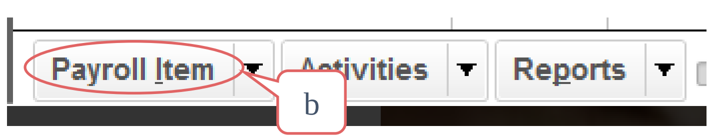
- Go to the *Lists* menu[a] on the Task Bar at the top of the page.



- Choose *Payroll Item List* from your drop down options. Items already set up on the *Payroll Item List* will show up.
- Aspire is set up to only accept six character Pay Codes therefore, the following Pay Codes/Payroll items are suggested:
    - A – should be added to show that these payroll items/codes are Aspire payroll items/codes. See example[a]



- Do this for all of the pay codes that you have in Aspire. Keep in mind that they must match for the export from Aspire to QuickBooks to work.
- Go to Payroll Item[b] at the lower left hand corner of the



page, and choose ‘New’ from the drop down.

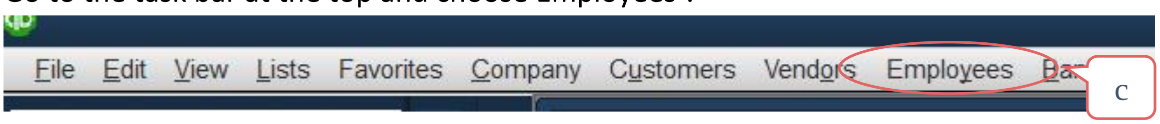
- On the *Select Setup Method* screen chose ‘Custom Setup’ and *Next*.
- On the *Payroll Item Type* screen, choose ‘Wage’ and click *Next*.
- On the *Wages* screen, choose the appropriate of the four options and click *Next*.
- Do the same on the ‘Wages’ screen.
- In the Name field of the *Paycheck and Payroll Reports* screen, enter the name you want for the Payroll Code. If you selected Hourly on the previous Screen, this is where you would name it Hourly, then click Next.
- On the *Expense Account* screen, choose ‘Accrued Payroll Holding Account’ from the drop down list. This is the account to which you will be posting the gross payroll.
    - Click ‘Finish’ to complete the set up.
- Set up any additional Payroll Codes in the same manner, Remember:
    - Payroll Codes must be six characters or less.
    - The Pay Codes in QuickBooks must match the Payroll Codes in Aspire.

Setting Up Employees in QuickBooks

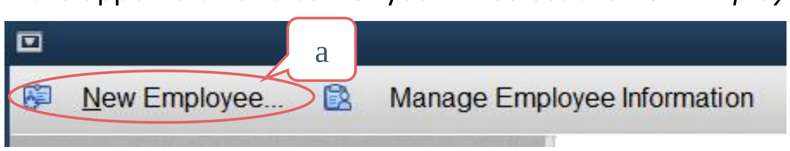
Before you can pay employees, each employee must be set up in QuickBooks. All of the employees’ information that you enter into QuickBooks must match what you already have in Aspire.

How to set up Employees in QuickBooks

- Go to the task bar at the top and choose Employees[c].

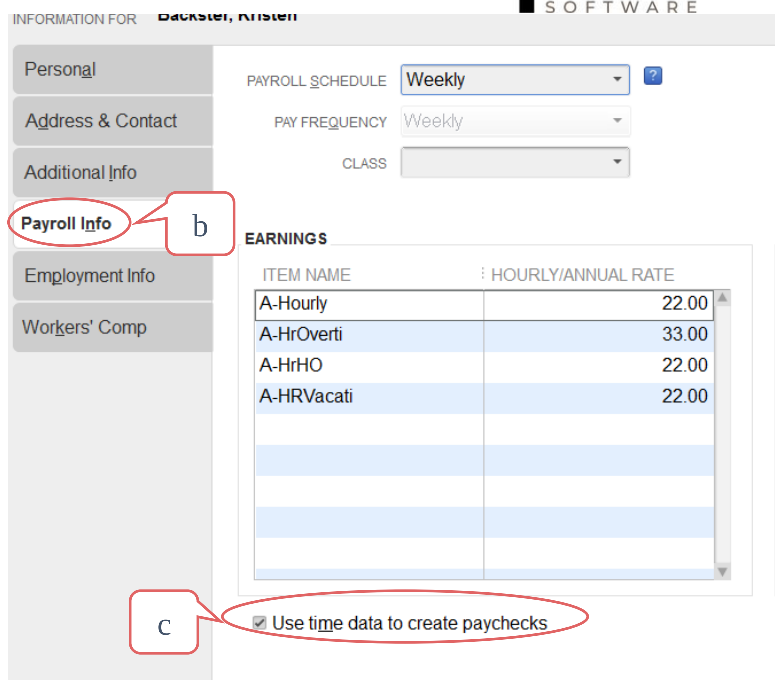


- Choose ‘Employee Center.’
- In the upper left-hand corner you will select the *New Employee* option[a].

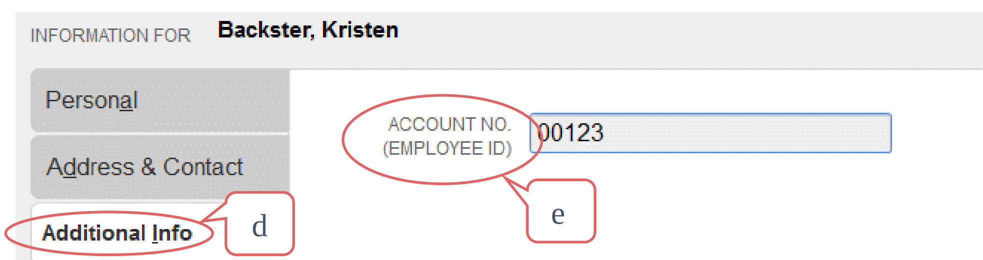


- Fill in all of the information for your employee here.
- Fill in all the information for all the tabs.

- **Payroll Info tab**[b]
    - At the bottom of this page you will see *Use Time Data to Create Paychecks*[c] with a check box next to it, this box needs to be checked for every single employee.
    - On the *Payroll Info* tab, the new payroll items will need to be added to all direct labor employees before the first Aspire payroll export.



- **Additional Info Tab**[d]
    - If you do not have the employee **n**umber written down from Aspire, just go into the employee's contact information in Aspire, and select the *HR Admin* tab. The employee number will be in there.



    - The employee number[e] within Aspire, must match the Employee ID within QuickBooks. Be careful that you do not assign an employee and vendor the same number within QuickBooks.
- Click OK once you have filled in all of the information on the New Employee form.

You are now set up in QuickBooks!