

Setting up company preferences

part 2: payroll, time, and expenses

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The Company Preferences quick lesson consists of two parts:

- Part 1: general, accounting, projects, and billing
- Part 2: payroll, time, and expenses

In part 1, you learned how to set up general, accounting, project, and billing preferences.

Step 1: Set up preferences for in-house payroll

If you do not have **ajeraComplete** or the **Payroll add-on**, or do not plan to process payroll in-house using Ajera, proceed to *Step 2: Set up preferences for outsourcing payroll*.

Follow these instructions if you are processing payroll in-house using Ajera.

1. Begin by setting some basic preferences about the way you want to process payroll.

The screenshot shows the 'Company Preference' dialog box with several callout boxes providing instructions:

- Callout 1 (top left):** Select the state that you want to appear for all employees when you process payroll. If needed, you can change this state for an individual employee. (Points to the 'Home state' dropdown set to 'Oregon').
- Callout 2 (top center):** Be sure to select Process Payroll. (Points to the 'Payroll type' dropdown set to 'Process Payroll').
- Callout 3 (top right):** If you need to cost your projects and pay employees based on the work performed, you can establish wage rate tables by selecting this check box. (Points to the 'Use wage tables' checkbox).
- Callout 4 (middle left):** Only select this check box after reviewing Help. From the Contents in Help, select Payroll > Processing payroll in-house > State withholding for multiple states. (Points to the 'Allow state taxes from multiple states on one pay check' checkbox).
- Callout 5 (bottom right):** Certified payroll tracks employee hours for government projects, prevailing wage projects, or any other contracts requiring certified reports. If any of your firm's projects require certified payroll, you would select this check box. (Points to the 'Certified payroll' checkbox).

The dialog box itself contains the following fields and options:

- General Tab:**
 - Payroll type: **Process Payroll** (dropdown)
 - Certified payroll
 - Use wage tables
 - Home state: **Oregon** (dropdown)
 - Payroll start date: **01/17/11** (dropdown)
 - Allow state taxes from multiple states on one pay check. Only select this box if this applies to your company.
- Pay Period Hours:**

Weekly	Bi-weekly	Semi-monthly	Monthly
40.00	80.00	86.67	173.33
- Payroll Costing Method:**
 - Include premium pay in direct costs
- DPE/Overhead Distribution:**
 - Use fixed percentages only
 - Distribute based on costs
 - Distribute based on hours
 - DPE: **35.00** %
 - Overhead: **150.00** %
 - Distribute DPE/overhead to marketing phases

Step 1: Set up preferences for in-house payroll (continued)

- Now enter the payroll start date, review the pay period hours, and select if you want to include premium pay in direct costs.

When setting up each individual employee, you enter the pay period so you can pay some staff weekly and others semi-monthly. Ajera uses the pay period hours to calculate the standard hourly rate for salary employees. Verify that the default number of hours for each pay period matches your firm's normal hours. Change them, if needed.

Select this check box if you want to distribute premium cost as a direct labor cost to projects.

Enter the date of the earliest timesheet entries that you want to use when processing payroll.

Company Preferences

General | Address | Balance Sheet Accounts | Income Statement Accounts | Project | Billing | Payr

Payroll type: Process Payroll Certified payroll Use wage tables

Home state: Oregon Payroll start date: 01/17/11

Allow state taxes from multiple states on one pay check. Only select this box if this applies to your company.

Pay Period Hours			
Weekly	Bi-weekly	Semi-monthly	Monthly
40.00	80.00	86.67	173.33

Payroll Costing Method

Include premium pay in direct costs

DPE/Overhead Distribution

Use fixed percentages only

Distribute based on costs

Distribute based on hours

DPE: 35.00 %

Overhead: 150.00 %

Distribute DPE/overhead to marketing phases

Step 1: Set up preferences for in-house payroll (continued)

DPE and overhead

Next, you will enter settings for DPE and overhead.

You use DPE (Direct Personnel Expense) and Overhead percents to mark up labor costs and present more accurate project profitability. Although it helps better manage your business, it is not required.

3. Select how to distribute DPE and Overhead.

Select to distribute your DPE and Overhead in one of these three ways.

4. Even if you select an option other than **Use fixed percentages only**, enter percents in the DPE and Overhead fields.

Since costs and hours vary over time, Ajera temporarily uses fixed percentages to represent DPE and overhead costs on project reports. If you use one of the options to distribute DPE and Overhead, Ajera replaces the fixed-percentage amounts with the cost-based or hours-based amounts when you distribute overhead costs.

5. For detailed information about DPE and Overhead, and the options for distributing them, from the Contents in Help, select DPE and Overhead.
6. You've now finished entering preferences for in-house payroll.

Proceed to page *Step 3: Set up preferences for time and expenses.*

The screenshot shows the 'Company Preferences' window with the following settings:

- Payroll type: Process Payroll
- Home state: Oregon
- Payroll start date: 01/17/11
- Pay Period Hours: Weekly (40.00), Bi-weekly (80.00), Semi-monthly (86.67), Monthly (173.33)
- DPE/Overhead Distribution:
 - Use fixed percentages only
 - Distribute based on costs
 - Distribute based on hours
- DPE: 35.00 %
- Overhead: 150.00 %

Overhead includes general business expenses, such as office space or computers.

DPE includes labor expenses, such as taxes, insurance, and the cost of employee benefits.

Step 2: Set up preferences for outsourcing payroll

If you are processing payroll in-house, proceed to *Step 3: Set up preferences for time and expenses*.

Follow these instructions if you are processing payroll for a payroll service (outsourcing your payroll).

1. Begin by setting some basic preferences about the way you want to process payroll.

The screenshot shows the 'Company Preferences' dialog box with the 'Payroll' tab selected. The 'Payroll type' is set to 'Payroll Service'. The 'Pay Period Hours' table is highlighted with a callout. The 'Payroll Costing Method' section has a callout about the 'Include premium pay in direct costs' checkbox. The 'DPE/Overhead Distribution' section has a callout about the 'Distribute DPE/overhead to marketing phases' checkbox. The 'Payroll Service Information' section has a callout about the 'Use wage tables' checkbox. The 'Available Columns' and 'Output Columns' sections have a callout about selecting columns for costing.

When setting up each individual employee, you enter the pay period so you can pay some staff weekly and others semi-monthly. Ajera uses the pay period hours to calculate the standard hourly rate for salary employees. Verify that the default number of hours for each pay period matches your firm's normal hours. Change them, if needed.

Weekly	Bi-weekly	Semi-monthly	Monthly
40.00	80.00	86.67	173.33

Be sure to select Payroll Service.

If you need to cost your projects and pay employees based on the work performed, you can establish wage rate tables by selecting this check box.

Select this check box if you want to distribute premium cost as a direct labor cost to projects.

Available Columns: Bonus Hours, Automobile Hours, Vacation and Sick accrual H, Vacation Hours, Paid Medical Leave Hours, Holiday Hours, Sick Hours, Overtime Factor, Overtime Hours, Salary, Regular Hours, None

Output Columns: Employee Hours, Premium Hours, Premium Factor, Department, Service ID

Step 2: Set up preferences for outsourcing payroll (continued)

DPE and overhead

Next, you will enter settings for DPE and overhead.

You use DPE (Direct Personnel Expense) and Overhead percents to mark up labor costs and present more accurate project profitability. Although it helps better manage your business, it is not required.

2. Select how to distribute DPE and Overhead.

Select to distribute your DPE and Overhead in one of these three ways.

3. Even if you select an option other than **Use fixed percentages only**, enter percents in the DPE and Overhead fields.

Since costs and hours vary over time, Ajera temporarily uses fixed percentages to represent DPE and overhead costs on project reports. If you use one of the options to distribute DPE and Overhead, Ajera replaces the fixed-percentage amounts with the cost-based or hours-based amounts when you distribute overhead costs.

4. For detailed information about DPE and Overhead, and the options for distributing them, from the Contents in Help, select DPE and Overhead.

Overhead includes general business expenses, such as office space or computers.

DPE includes labor expenses, such as taxes, insurance, and the cost of employee benefits.

Step 2: Set up preferences for outsourcing payroll (continued)

- Now specify the information required by your payroll service provider to process your payroll.

Begin by identifying your payroll service provider in the Provider and Vendor fields.

Select the name of your payroll service provider.

Identify your payroll service provider as a vendor.

Note: If your provider is not already set up as a vendor in Ajera, after clicking the button in this field, click the New button and set it up as a vendor.

When you perform the Manage Payroll task, Ajera automatically creates a vendor invoice to reduce your payroll liability and calculate the payroll variance. You can edit this invoice to add your payroll tax cost and service fees.

Project Billing Payroll Time & Expense Entry

Payroll Service Information

Provider ADP

Vendor ADP

Available Columns

- Bonus Hours
- Automobile Hours
- Vacation and Sick accrual H
- Vacation Hours
- Paid Medical Leave Hours
- Holiday Hours
- Sick Hours
- Overtime Factor
- Overtime Hours
- Salary
- Regular Hours
- None

Output Columns

- Employee Hours
- Premium Hours
- Premium Factor
- Department
- Service ID

Close Save Cancel Help

Step 2: Set up preferences for outsourcing payroll (continued)

6. You select the fields to include, and their order, in the output file that you send to your payroll service.

Move fields from the Available Columns box to the Output Columns box, and use the arrow buttons to change their order, as needed.

7. You've now finished entering preferences for outsourcing payroll.

You're now ready to proceed to *Step 3: Set up preferences for time and expenses* on the next page.

Project Billing Payroll Time & Expense Entry

Payroll Service Information

Provider: ADP

Vendor: ADP

Available Columns

- Bonus Hours
- Automobile Hours
- Vacation and Sick accrual H
- Vacation Hours
- Paid Medical Leave Hours
- Holiday Hours
- Sick Hours
- Overtime Factor
- Overtime Hours
- Salary
- Regular Hours
- None

Output Columns

- Employee Hours
- Premium Hours
- Premium Factor
- Department
- Service ID

Close Save Cancel Help

If your payroll service provider is QuickBooks, from the Index in Help, type QuickBooks and review the topic, Payroll preferences for QuickBooks.

Step 3: Set up preferences for time and expenses

1. Click the **Time & Expense Entry** tab.
2. Begin by entering some general settings for timesheets.

Important: After you start entering timesheets, you can no longer change this option.

Enter the first day of the week you want to appear on weekly timesheets.

Ajera automatically displays Monday through Sunday on timesheets. If you want all the days of the week to appear on timesheets, leave all the check boxes selected.

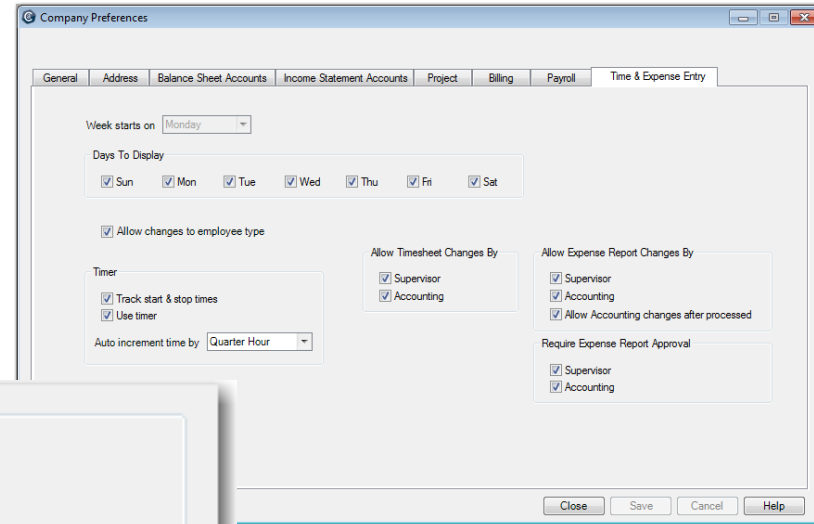
If your employees sometimes need to change their employee type when entering time, select this check box. For example, a principal works as a designer.

Step 3: Set up preferences for time and expenses (continued)

Timer

3. With Ajera, you can optionally select to use a timer to automatically record hours when entering time.

For example, a designer or architect could use the timer to track actual time spent creating or reviewing blueprints.



To record work start and stop times on timesheet entries, select this check box.

To allow employees to use the timer to automatically record hours when entering time, select the check box.

Select the time increment you want Ajera to use when recording time.

Step 3: Set up preferences for time and expenses (continued)

- 4. Set up remaining options to indicate how you want to process timesheet changes and expense report changes and approvals.

After an employee submits a timesheet, do you want to allow a supervisor and/or accounting manager to change time or create new timesheets for employees? If yes, select the appropriate check box.

Also, select the appropriate check boxes to indicate if you want the supervisor and/or accounting manager to be able to change an expense report.

If you want to be able to change an expense report after it is submitted (or approved, if your company requires approvals), select this check box.

To display project and phase IDs on the print version of the timesheet, select this check box.

Select these check boxes to require that supervisors and/or accounting managers approve expense reports.

Summary

Company preferences are important settings that determine the way you want to work with Ajera. This lesson provided essential information to help you make some of these important decisions.