

Managing payroll services

Goal: Learn how to process payroll for a payroll service in Ajera, from beginning to end.

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You're ready to process payroll after you've completed your payroll setup and entered timesheets.

You process payroll by creating a payroll file that you send to your payroll service, or to the software program you currently use to process payroll.

In this lesson, you learn how to outsource your payroll to a payroll service.

To learn how to process payroll in-house using Ajera, see the *Managing U.S. payroll in-house* quick lesson.

Step 1: Verify payroll-related settings

Before you run your first payroll, verify that you completed set-up options in these areas:

- Company preferences.
- Pays.
- Employee.

1. From the **Company** menu, click **Preferences > Payroll**.

Company Preferences

General Address Balance Sheet Accounts Income Statement Accounts Project Billing **Payroll** Time & Expense Entry

Payroll type: Payroll Service ☒ Use wage tables

Pay Period Hours
Weekly: 40.00 Bi-weekly: 80.00 Semi-monthly: 86.67 Monthly: 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: 0.00 %
Overhead: 0.00 %
☐ Distribute DPE/overhead to marketing phases

Payroll Service Information
Provider: ADP
Vendor: ADP

Available Columns
Paid Medical Leave Hours
Continuing Education Hours
Automobile Hours
Vacation and Sick accrual H
Vacation 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

Verify that the information for your payroll service is correct.

Your payroll service determines the information that you must send to them for payroll processing.

Here, verify that you selected the correct type and order of information to include in the output file you will send to the payroll service.

Step 1: Verify payroll-related settings (continued)

- From the **Company** menu, click **Payroll > Pays**.

The screenshot shows the 'Pay List' window with a list of pay types under the 'Description' column. The list includes: Regular, Overtime, Vacation, Sick, Holiday, Vacation and Sick accrual, Automobile, Continuing Education, and Paid Medical Leave. A blue callout bubble points to the list with the text: 'Verify that you set up the appropriate pays to track regular hours, premium hours, and any other type of hours you need.'

For more information, see the [Setting up pays – payroll service quick lesson](#).

- From the **Setup** menu, click **Employees > Pay Information**.

The screenshot shows the 'Employee - Patricia Hill' window with the 'Pay Information' tab selected. The 'Social Security number' is 254-15-3257. The 'Payroll service employee ID' is P110. A blue callout bubble points to the 'Payroll service employee ID' field with the text: 'If your payroll service requires an employee ID in the output file you send to them, verify that you entered the correct ID for each employee.'

Pay Rates		Start Date	Pay Period	Hourly	Salary	Overtime markup	Include in Salary	Double time markup	Include in Salary	Other time markup	Include in Salary
Y	11/01/05	Biweekly		2,500.00	0.00		0.00		0.00		
#											

Step 2: Create a new payroll output file

After your employees have entered their time and it is approved, you can create the payroll output file for your payroll service or third-party program.

You'll want to establish some internal procedures for timesheet due dates to ensure that employees enter time in Ajera by your payroll-processing deadline.

Let's get started preparing a payroll for your payroll service.

1. From the **Manage** menu, click **Payroll**.
The Payroll window appears.
2. Let's examine one or two fields at a time, starting with the output file name.



Enter where you want to store the output file you will send to your payroll service.

Either browse for the location or type it.

Most payroll services require that the file name adheres to their specific naming convention.

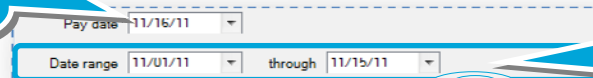
If you are using QuickBooks to process your payroll, this field is named **Company File**.

Browse to select the location that contains your QuickBooks data, and select the file that has an extension of **QBW**.

3. Let's now look at the date fields.

Enter the date when you issue pay for the period.

This is the date on the checks that your payroll service issues.



To specify the hours to include in this pay period, enter the date range.

If an employee was not paid in the previous pay period but will be paid for their time in this period, you would leave the beginning Date Range field blank, but be sure to enter the ending date.

In this way, you would include all the information not previously sent to the payroll service.

Step 2: Create a new payroll output file (continued)

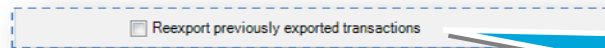
4. Let's look at the Employee field.

A screenshot of the 'Employee' field in a payroll software interface. The field is a text box with a dropdown arrow on the right side. It is currently empty.

To run payroll for **all** employees, leave this field blank.

To run it for one employee, you would enter the employee here. For example, you may need to issue a check because an employee is terminated.

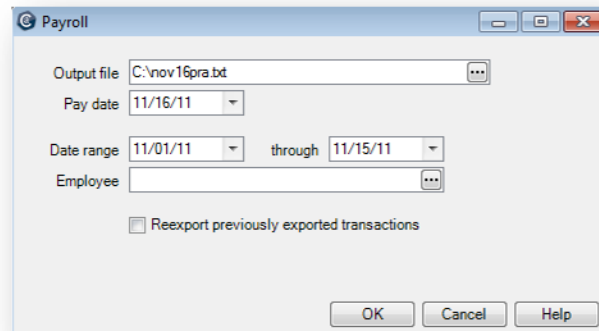
5. Let's look at the re-export check box.

A screenshot of the 'Reexport previously exported transactions' checkbox in a payroll software interface. The checkbox is currently unchecked.

If you needed to re-create a payroll service file before sending it, you would select this check box.

A Prior Pay Date field would then appear for you to select the pay period you wanted to re-export.

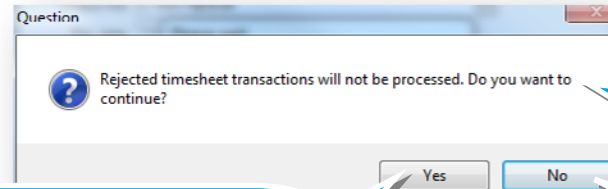
6. Here's what the completed payroll output file looks like:

A screenshot of the 'Payroll' dialog box in a payroll software interface. The dialog box contains the following fields: 'Output file' (C:\nov16pra.bt), 'Pay date' (11/16/11), 'Date range' (11/01/11 through 11/15/11), and 'Employee' (empty). There is also a checkbox for 'Reexport previously exported transactions' which is unchecked. At the bottom are 'OK', 'Cancel', and 'Help' buttons.

7. Click **OK**.

Step 3: Find rejected timesheets, if needed

After you click **OK** in the previous step, if a message appears about an employee's rejected timesheet transactions, you must decide whether to process the payroll without or with that employee's time.



If you click **Yes**, this payroll is processed without the employee's time.

This message means that a manager rejected at least one employee's time, but the employee did not correct the timesheet.

After the employee corrects the timesheet, the next time you run payroll, Ajera includes that time in the file you send to your payroll service.

If you click **No**, you must find the rejected time and correct it so that this payroll is processed with the employee's time.

In this lesson, you click **No**. You now need to review which employees have rejected time and which hours they need to correct.

1. From the **Reports** menu, click **Employee > Rejected Time**. The Reject Time report appears.
2. From the Date Range field, select the month of the payroll and click the **Refresh** button.

Timesheet Date	Employee	Date	Hours	Time Rejected By	Employees Supervisor
11/11/2011	Pat D. Hill				Christopher E. Meehan
		11/15/2011	8.00	Christopher E. Meehan	
	Employee Total		8.00		
	Timesheet Date Total		8.00		
	Rejected Total		8.00		

The report shows that Pat Hill needs to correct time rejected by her manager, Christopher Meehan.

3. Notify the employee. After the time is corrected and approved, you can produce the output file and send it to your payroll service provider.

Step 4: Change the vendor invoice, if needed

When you create a payroll service output file, Ajera automatically creates a vendor invoice to reduce your payroll liability and calculate the payroll variance.

1. From the **Manage** menu, click **Vendor Invoices > Existing**.
2. If no invoices exist for the view, select the invoice date in the Change View window and click **OK**.
3. You can change the vendor invoice to add your payroll tax cost and services fee before paying it by check or electronic transfer, if needed.

Summary

Congratulations! You now know how to process payroll for a payroll service.