

Managing U.S. payroll in-house

Goal: Learn how to run in-house payroll in Ajera, from beginning to end.

In this quick lesson

Step 1: Review the Ajera payroll process	2
Step 2: Create a new payroll	3
Step 3: Review and change paycheck information for an employee	5
Step 4: Print paychecks	10
Step 5: Pay paychecks through direct deposit	13

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

With Ajera, you can:

- Select the date range for the payroll.
- Select employees to pay.
- Issue a check or pay employees by direct deposit.
- View all checks at any level of detail before printing.
- Easily make changes in real time and continue processing the payroll without delay.

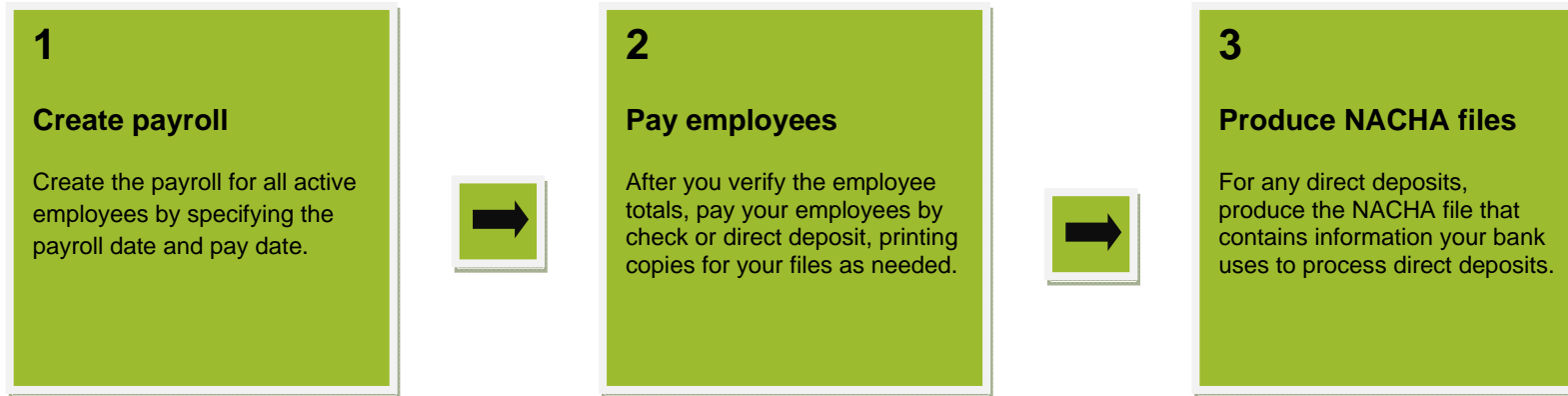
Ajera calculates:

- Earnings.
- Federal, state, and local taxes.
- Deductions.

Ajera service plans ensure compliance with all federal and state government requirements, avoiding costly penalties and corrections.

Step 1: Review the Ajera payroll process

Running your payroll in Ajera is an easy three-step process:



You'll want to establish internal procedures for timesheet due dates to ensure you have the information in Ajera by your payroll-processing deadline.

Step 2: Create a new payroll

1. From the **Manage** menu, click **Payroll**.
2. Click the **New** button.
3. Enter general information about the payroll.

If needed, you can pay some employees weekly and others monthly by defining it in the employee's setup (Setup > Employees).

If you have adjustments to employees' time in a previous pay period, leave this check box selected. All hours entered on timesheets through the period-ending date that were not previously paid are then included in this payroll.

When you create a payroll, Ajera automatically creates paychecks for active employees based on their timesheet entries for that pay period. Enter the pay period and pay date.

Select the bank account to use for the payroll.

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

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

4. Enter specific information:

If you want to include all the automatic additional pays, taxes, deductions, direct deposits, or fringe benefits that you set up for employees, leave the appropriate check boxes selected.

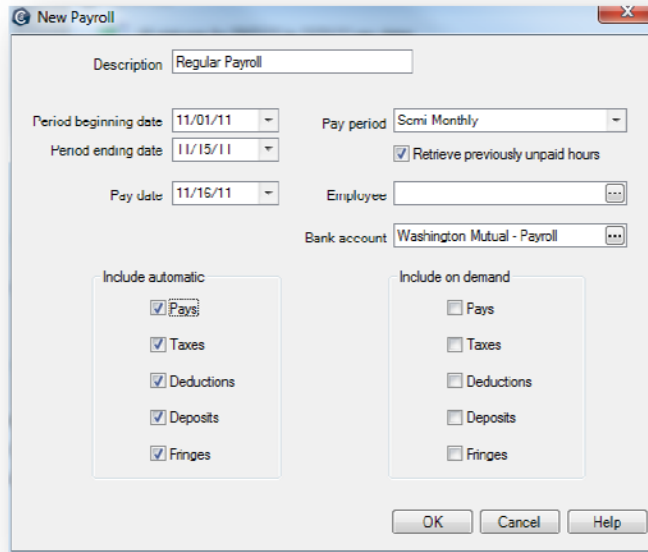
When setting up an employee, you can also create additional on-demand pays, taxes, deductions, direct deposits, or fringe benefits.

If you wanted to include them in this payroll, you would select the appropriate check box here.

Typically, you don't change the **include in automatic** or **include on demand** check boxes for a regular payroll.

Step 2: Create a new payroll (continued)

5. Here's what the completed payroll looks like:



The screenshot shows a 'New Payroll' dialog box with the following fields and options:

- Description: Regular Payroll
- Period beginning date: 11/01/11
- Period ending date: 11/15/11
- Pay date: 11/16/11
- Pay period: Semi Monthly
- Retrieve previously unpaid hours:
- Employee: (empty field with dropdown arrow)
- Bank account: Washington Mutual - Payroll
- Include automatic:
 - Pays
 - Taxes
 - Deductions
 - Deposits
 - Fringes
- Include on demand:
 - Pays
 - Taxes
 - Deductions
 - Deposits
 - Fringes

Buttons: OK, Cancel, Help

6. Click **OK**.

Step 3: Review and change paycheck information for an employee

After you create a new payroll, a window listing all employees being paid in this payroll appears.

A status of **Processed** indicates that taxes and deductions were calculated on the paycheck.

Status	First Name	Middle Name	Last Name	Pay	Taxes	Deductions	Net
Processed	Mindy	I	Haykin	2,700.00	468.98	160.00	1,868.02
Processed	Jan	J.	Engstrom	1,002.00	303.77	120.48	1,348.75
Processed	Paul	J.	Friedl	2,185.00	331.11	161.40	1,892.89
Processed	Pat	D.	Hill	1,900.00	423.10	171.00	1,305.90
Processed	Kris	N.	Kingsley	2,100.00	420.32	96.40	1,613.28
Processed	Christopher	-	Moonen	4,900.00	1,188.85	763.00	3,487.47
				26,218.00	6,752.83	1,488.80	18,087.66


Let's review paycheck information for an employee.

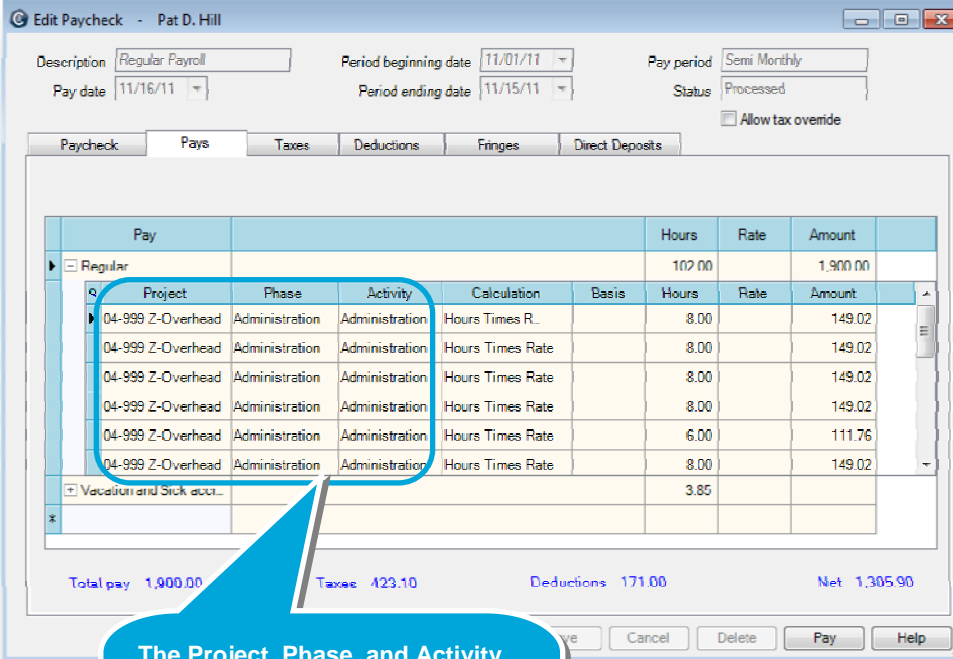
1. Select the employee and click the **Edit** button. View the **Paycheck** tab.

Description	Hours	Rate	Amount	Year to Date
Regular	102.00		1,900.00	3,800.00
Vacation and Sick accrual	3.85 ac			26.95 ac
Total pay	102.00		1,900.00	3,800.00
Federal withholding			227.88	481.59
Social security			41.30	157.50
Medicare			27.19	54.38
Oregon State Withholding			125.00	256.05
Oregon SBI - Employees			1.73	3.78
Total taxes			423.10	952.01
401k			76.00	152.00
Section 125			25.00	50.00
Insurance			55.00	110.00
United Way Contribution			15.00	30.00
Total deductions			171.00	342.00
Net pay			1,305.90	2,505.19

The **Paycheck** tab displays a summary of the employee's paycheck, which appears on the employee's paycheck stub.

Step 3: Review and change paycheck information for an employee (continued)

2. Click the **Pays** tab and click the plus  sign to view detail for a pay.



Description: Regular Payroll
 Period beginning date: 11/01/11
 Pay period: Semi Monthly
 Pay date: 11/16/11
 Period ending date: 11/15/11
 Status: Processed
 Allow tax override

Pay	Hours	Rate	Amount
Regular	107.00		1,900.00
04-999 Z-Overhead Administration Administration	8.00		149.02
04-999 Z-Overhead Administration Administration	8.00		149.02
04-999 Z-Overhead Administration Administration	8.00		149.02
04-999 Z-Overhead Administration Administration	8.00		149.02
04-999 Z-Overhead Administration Administration	6.00		111.76
04-999 Z-Overhead Administration Administration	8.00		149.02
Vacation and Sick acc...	3.85		
Total pay 1,900.00 Taxes 423.10 Deductions 171.00 Net 1,305.90			

The Project, Phase, and Activity columns are displayed for information only. If you want to enter additional hours for projects, you must do so through the timesheet.

If an employee's timesheet has changed since you created the payroll, you can easily delete the paycheck and add it back to reflect the changes. To learn how, turn to Help.

Step 3: Review and change paycheck information for an employee (continued)

3. Click the **Taxes** tab.

Edit Paycheck - Pat D. Hill
 Description: Regular Payroll Period beginning date: 11/01/11 Pay period: Semi Monthly
 Pay date: 11/16/11 Period ending date: 11/15/11 Status: Processed
 Allow tax override

Paycheck Pays **Taxes** Deductions Fringes Direct Deposits

Federal filing status: Single Federal exemptions: 1 Additional federal withholding: 0.00
 Oregon filing status: Single Oregon exemptions: 1 Oregon additional withholding: 0.00

Tax	Calculation	Taxable	Subject To	Rate	Employee Tax	Employer Tax
Federal withholding	Tables	1,799.00	1,799.00		227.00	
Federal unemployment	Percent of Taxable	1,900.00	1,900.00	0.8000		15.20
Social security	Percent of Taxable	1,875.00	1,875.00	4.2000	41.30	
Social security - Employer	Percent of Taxable	1,875.00	1,875.00	6.2000		116.30
Medicare	Percent of Taxable	1,875.00	1,875.00	1.4500	27.19	
Medicare - Employer	Percent of Taxable	1,875.00	1,875.00	1.4500		27.19
Oregon State Withholding	Tables	1,799.00	1,799.00			125.00
Oregon SDI - Employer	Total Hours Times Rate	102.00	102.00	0.0170		1.73
Oregon SDI - Employee	Total Hours Times Rate	102.00	102.00	0.0170	1.73	
Oregon SUI	Percent of Taxable	1,900.00	1,900.00	2.2000		41.82
					423.10	202.24

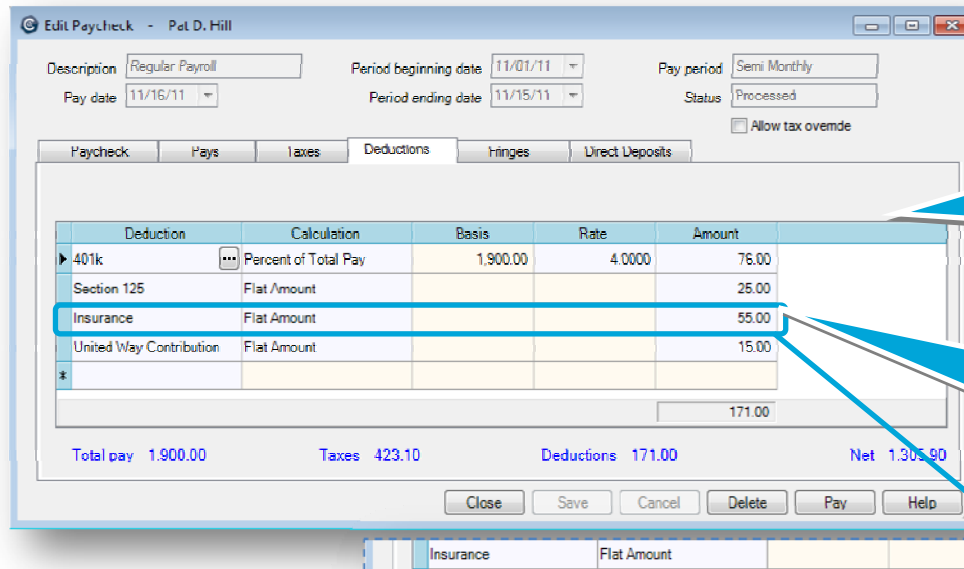
Total pay 1,900.00 Taxes 423.10 Deductions 171.00 Net 1,305.90

Close Save Cancel Delete Pay Help

Review the tax amounts, as needed. Normally, you would not make any changes on this window.

Step 3: Review and change paycheck information for an employee (continued)

- Click the **Deductions** tab and make any changes, as needed.



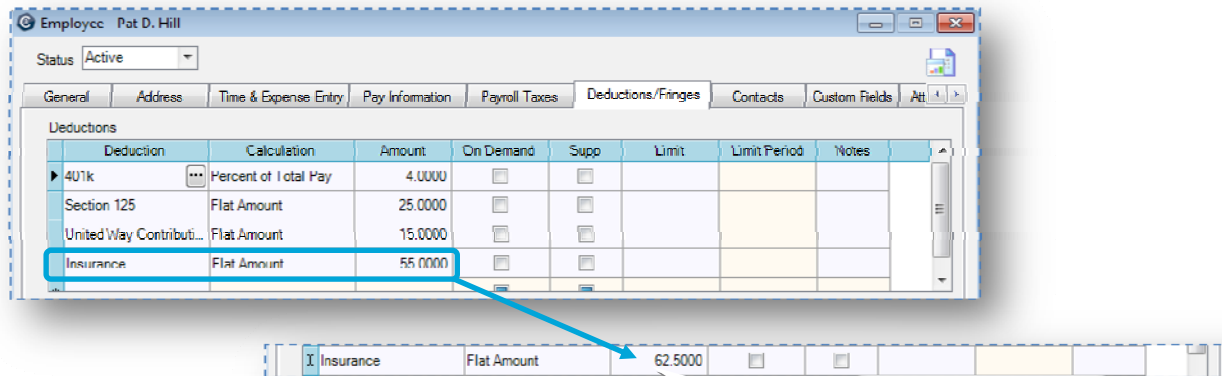
Review and change any deduction amounts.

You can easily add payroll items to the paycheck, such as deducting a company reimbursement for employee shipping or phone calls.

The employee's standard deduction for medical insurance has changed.

To get the paychecks ready in time for this payroll, change the amount from \$55.00 to \$62.50.

- From the **Setup** menu, click **Employees** and select the employee whose deduction you need to change.



To ensure that future paychecks are accurate, now update the employee's deduction account in the employee's setup (Setup > Employees).

After making the change, click **Save**.

Then, return to the Edit Paycheck window.

Step 3: Review and change paycheck information for an employee (continued)

6. Click the **Fringes** tab.

Fringe	Calculation	Basis	Rate	Amount
▶ 401k Matching	Percent of Total Pay	1,900.00	2.0000	38.00
Insurance	Flat Amount			25.00
*				
				63.00

Total pay: 1,900.00 Taxes: 423.10 Deductions: 178.50 Net: 1,298.40

This tab contains the amounts for company-paid benefits.

7. Click the **Direct Deposits** tab.

Routing Number	Account	Account Type	Amount
▶ 543265982	Savings	Savings	100.00
543265981	Checking 1	Checking	1,198.40

Total pay: 1,900.00 Taxes: 423.10 Deductions: 178.50 Net: 1,298.40

This tab contains information that you entered when you set up the employee.
If you delete a direct deposit row, the amount on that row is paid on a check instead.

The direct deposit is correct as is.

8. Click **Save**.

Step 4: Print paychecks

You've completed your review and are ready to pay your employees by printing paychecks or direct deposit stubs.

1. To pay all employees, click the **Select All** button.

The screenshot shows a window titled "Paycheck List" with the following fields: Description: Regular Payroll, Period beginning date: 11/01/11, Pay period: Semi Monthly, Pay date: 11/16/11, Period ending date: 11/15/11, Status: Processed.

Status	First Name	Middle Name	Last Name	Pay	Taxes	Deductions	Net
Processed	Mary	T	Boyle	2,500.00	466.98	165.00	1,868.02
Processed	Jan	J.	Engstrom	1,362.00	363.77	129.48	1,348.75
Processed	Paul	J.	French	2,185.00	334.77	167.40	1,682.83
Processed	Pat	D	Hill	1,900.00	423.10	178.50	1,298.40
Processed	Kris	N.	Kingsley	2,160.00	420.32	96.40	1,643.28
Processed	Christopher	E.	Meehan	4,950.00	1,199.53	263.00	3,487.47
Processed	Scott	B.	Nunn	1,656.00	369.24	76.24	1,220.52
				26,319.00	5,732.82	1,496.02	19,090.16

Buttons at the bottom: Close, New, Edit, Select All, Pay, Delete, Help.

To pay only a specific employee, you would click the row for that employee.

To pay several employees, you would click an employee and then select another employee while pressing the **Ctrl** key.

2. Click the **Pay** button. The Pay Employees window appears.

The screenshot shows a window titled "Pay Employees" with the following fields and options:

- Print direct deposit/zero check statements
- Bank account: ygotn Mutual - Payroll
- Starting check number: 9004
- Pay date: 11/16/11
- Total check amount: 15,586.71
- Total direct deposits: 3,522.32
- Print order:
 - Last name
 - First name
 - Department

Buttons at the bottom: OK, Cancel, Help.

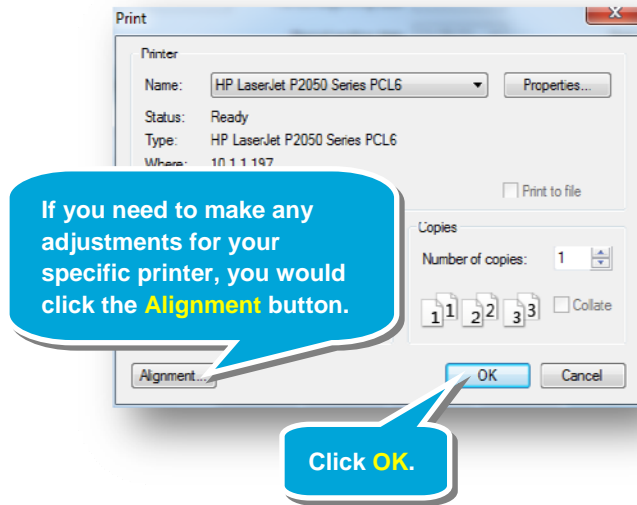
If you are paying any employees with a check, be sure that the starting check number is correct. Change it, if needed.

If your payroll includes employees paid through direct deposit, verify that this check box is selected so that statements (stubs) print for those employees.

Click **OK**.

Step 4: Print paychecks (continued)

3. If the payroll includes both checks and direct deposits, the paychecks print first. Ensure that you placed your checks in the appropriate tray.



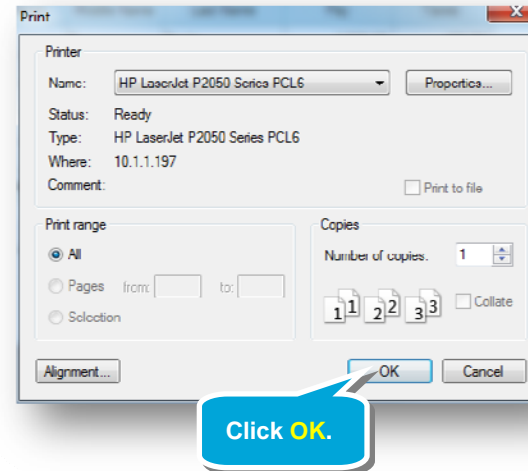
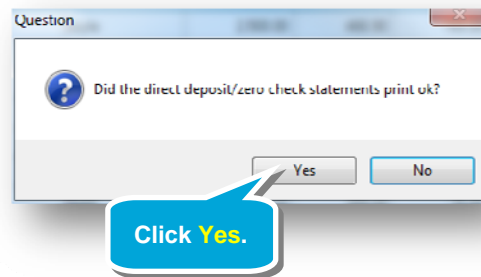
4. A message appears asking if the checks printed OK.



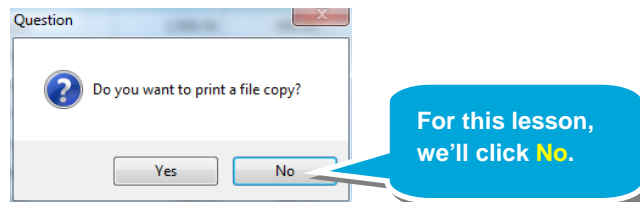
Step 4: Print paychecks (continued)

- If you are printing any direct deposit stubs, the Print window appears. At this time, be sure to replace any checks in the paper tray of your printer with blank paper.

- The direct deposit statements printed fine.



- Before printing a file copy, ensure that the printer has blank paper.



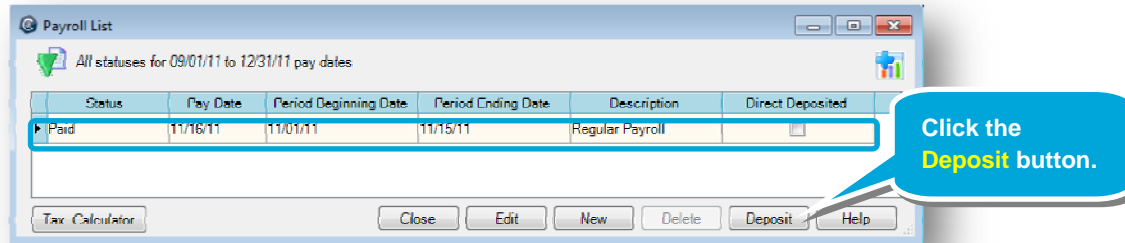
- Click the **Close** button to close the Paycheck List window.

Step 5: Pay paychecks through direct deposit

If you paid any employees through direct deposit, you can easily produce the NACHA file for your bank.

The NACHA file contains information your bank uses to process automatic direct deposits to your employees' bank accounts. Ajera formats this file according to NACHA requirements.

1. In the Payroll List window, select the appropriate payroll.



2. The Direct Deposit window appears.

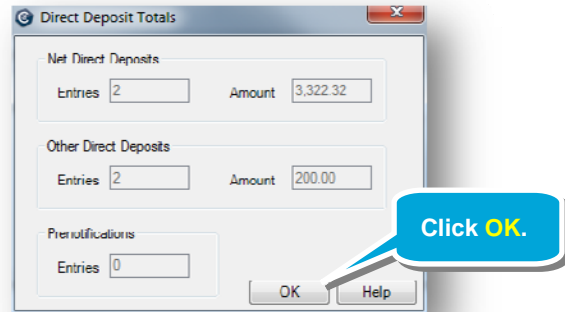
The screenshot shows a "Direct Deposit" dialog box with the following fields and callouts:

- Direct deposit path:** c:\nov15pr. Callout: "In this field, click the [browse] button and browse to select the folder where you want to save your NACHA files. Select a safe place for this confidential information."
- Effective date:** 11/16/11. Callout: "If needed, change the effective date. This is the date when you want the direct deposits to occur."
- Reference:** (empty). Callout: "Based on your bank's guidelines, enter an optional reference number."
- File ID modifier:** A. Callout: "Ajera automatically enters the file ID modifier from the bank account setup. You could change it now, if needed."
- Buttons:** OK, Cancel, Help. Callout: "Click OK."

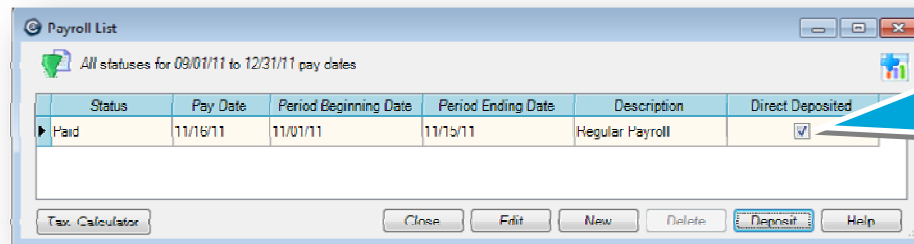
Additional callout: "Save the file with a name and a file type (if required) specified by your bank. In this example, we change the file name to nov15."

Step 4: Pay paychecks through direct deposit (continued)

- Review the information about the direct deposit.



- The Payroll List window appears.



The **Direct Deposited** check box is now selected to show that you produced the direct deposit file for the payroll.

Send the direct deposit file per your bank's instructions. If you misplace the file or need to re-create it because of changes in the payroll, simply repeat these instructions.

- Click the **Close** button.

Summary

Congratulations! You now know how to run in-house payroll in Ajera.