

Setting up pays – in-house payroll

Goal: Learn how to set up and use different types of pay, which are called *pays*, for in-house payroll in Ajera.

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You use pays to track and report hours that employees enter on a timesheet and any amount that you enter directly on an employee's paycheck, such as a bonus.

You can set up an unlimited number of pays to ensure that you produce accurate paychecks for your firm. You can set up:

- Regular pay for project time.
- Premium pay for overtime hours.
- Other pays for pay other than salary and hourly wages; bonus pay and vacation pay are examples.
- Accrual pays for days that accrue each pay period.


Ajera contains predefined pays for typical pay types. You can use these pays as they are, customize them for your firm, or create a new pay.

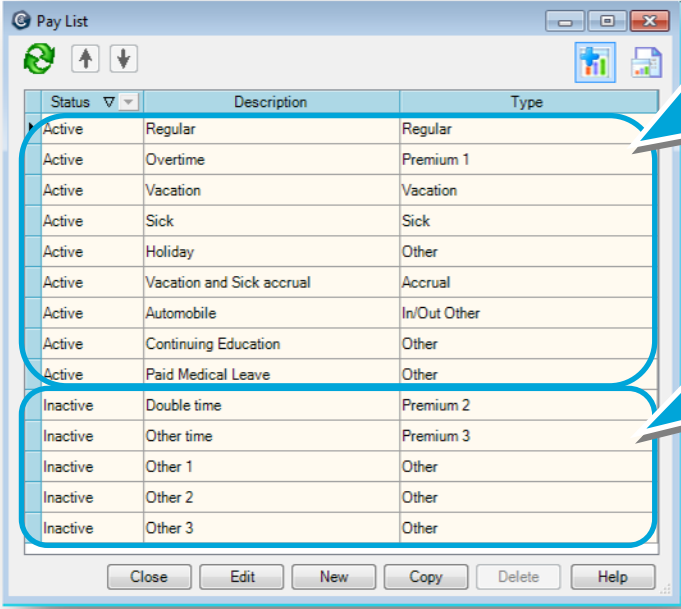
In this lesson, you will learn how to:

- Change a predefined pay and create a pay for community involvement.
- Create a new pay for bonuses.

Step 1: Review the predefined pays

View the active and inactive pays in Ajera.

1. Click **Company > Payroll > Pays**.
2. Click the **Customize**  button, select the **Status** and **Type** check boxes, and click **OK**.
3. In the Pay List window, select **All** from the Status field so you can see all statuses.



Status	Description	Type
Active	Regular	Regular
Active	Overtime	Premium 1
Active	Vacation	Vacation
Active	Sick	Sick
Active	Holiday	Other
Active	Vacation and Sick accrual	Accrual
Active	Automobile	In/Out Other
Active	Continuing Education	Other
Active	Paid Medical Leave	Other
Inactive	Double time	Premium 2
Inactive	Other time	Premium 3
Inactive	Other 1	Other
Inactive	Other 2	Other
Inactive	Other 3	Other

Ajera automatically sets up active pays for regular, overtime, vacation, sick, holiday, vacation and sick accrual, automobile, continuing education, and paid medical leave.

Ajera automatically sets up two additional premium pays and three additional other pays as inactive pays. If you want, you can select an inactive pay, change it to fit your needs, and make it active.

4. The active pays are standard pay types. If you have other pay types, you can do one of the following:
 - Click the **New** button and create a pay from scratch.
 - Select an inactive pay, and change its status to **Active**.
 - Select a pay and copy it.
For example, if you want to create a new pay that accrues, you can copy the Vacation and Sick Accrual pay and change it to fit your needs.
5. If you wanted to stop using a pay on paychecks, you would select the pay, click the **Edit** button, and change the status to **Inactive**.

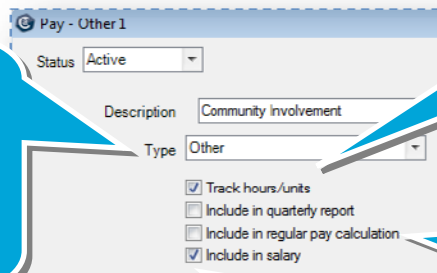
Step 2: Change a predefined pay

Your firm tracks hours spent in volunteering in the community. You create a pay for it by changing the predefined pay Other 1.

1. Double-click **Other 1**.
2. Change the status to **Active** and change the name to **Community Involvement**. The description name will appear on the paycheck stub.
3. The Pay window contains a lot of settings. Let's look at them in sections.
Choose from these settings that determine how the pay is tracked:

The type of pay you select determines the options Ajera uses to calculate tax and to track pay amounts.

For this pay, leave **Other** selected.



To enter hours to calculate this pay, ensure that the **Track hours/units** check box is selected.

Leave the **Include in regular pay calculation** check box cleared.

To include the amount of this pay as part of the salary amount, ensure that the **Include in salary** check box is selected.

When would you select this?

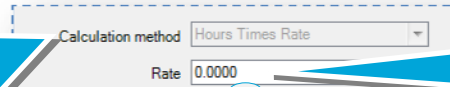
You would select this check box if you wanted to include the pay amount in calculations for pays, deductions, and taxes that are based on Regular Pay.

If your 401(k) plan is based on a percent of regular pay, you have the flexibility to include or exclude pays from this calculation.

4. Choose from these settings that determine how the pay is calculated:

The calculation method for Other type pays is automatically Hours Times Rate.

You can change it, except for Regular and Accrual types. You would clear the **Track hours/units** check box and select the calculation method you want to use to calculate the pay.




Calculation method: Hours Times Rate
Rate: 0.0000

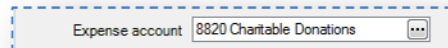
Leave the Rate field blank if you want to use the employee's regular pay (from the employee's pay information).

When would you use this field?

You would use this field for pays that have a different rate from the employee's rate (for example, a mileage rate of 0.555).

When the employee enters time on a timesheet, Ajera obtains the rate from the employee or wage rate table, not from the rate entered on the pay.

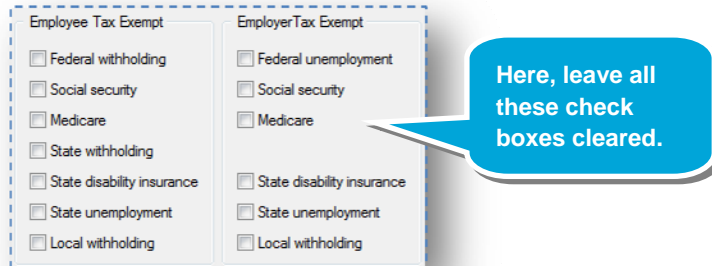
5. Click the  button and select the expense account to use for this pay:



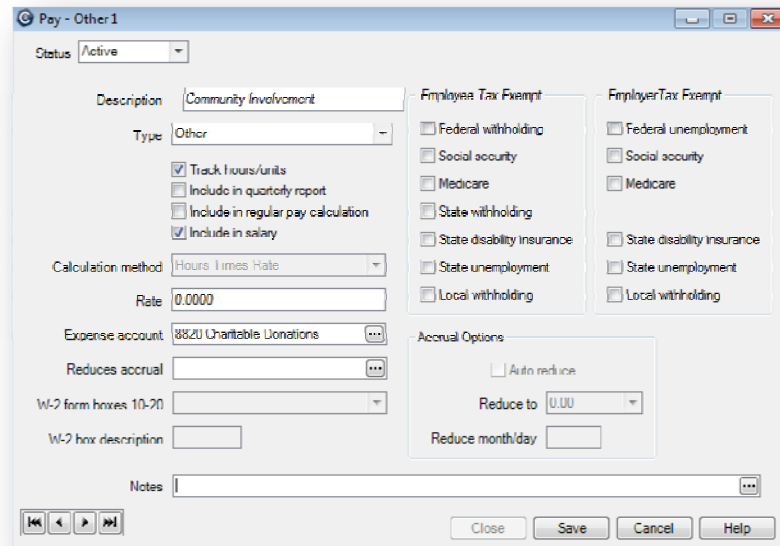
Expense account: 8820 Charitable Donations

Step 2: Change a predefined pay (continued)

6. If the employee or employer is exempt from withholding on this pay, you would select the appropriate check boxes. If you're unsure about the exemption status, please contact your CPA.



7. Here's what the completed pay looks like:



8. Click **Save**.

Step 3: Create a new pay

Now, let's create a pay from scratch. Let's create a pay to use for bonuses.

1. Click the **New** Button.
2. Enter **Bonus** in the Description field and select **Other** from the Type field.
3. Select the settings for the bonus. Let's first choose from these settings that determine how the pay is tracked and calculated:

The screenshot shows the 'New Pay' dialog box with the following fields and settings:

- Status: Active
- Description: Bonus
- Type: Other
- Track hours/units: ☐ (unchecked)
- Include in quarterly report: ☐ (unchecked)
- Include in regular pay calculation: ☐ (unchecked)
- Include in salary: ☐ (unchecked)
- Calculation method: Flat Amount
- Rate: 0.0000
- Expense account: 7130 Bonuses & Incentive Paymer

Callouts provide additional instructions:

- Leave the Rate field blank so that you can enter the bonus amount when you process this payroll.
- Because bonuses are paid as a flat amount, you've cleared the **Track hours/units** check box.
- Leave **Flat Amount** in the Calculation Method field.
- Click the button and select the expense account to use for this pay.

Step 3: Create a new pay (continued)

4. Let's now choose from settings that determine whether this pay is reported on the W-2 form in boxes 10-20.

Leave **Not Reported**.

For this bonus pay, bonus earnings are included in gross taxable wages reported in Box 1 only.

When would you select this?

You would select an option from this field if you had to report the taxable portion for each employee, even if the employee does not receive payment for the benefit.

5. For this pay, the employee or employer is not exempt from withholding, so you leave the exemption check boxes cleared.
6. Here's what the completed pay looks like:

7. Click **Save**.

Summary

You now know how to create a *pay* in Ajera. This quick lesson showed you just a few of the options you can select. Be sure to review Ajera Help for the full details on setting up pays.