

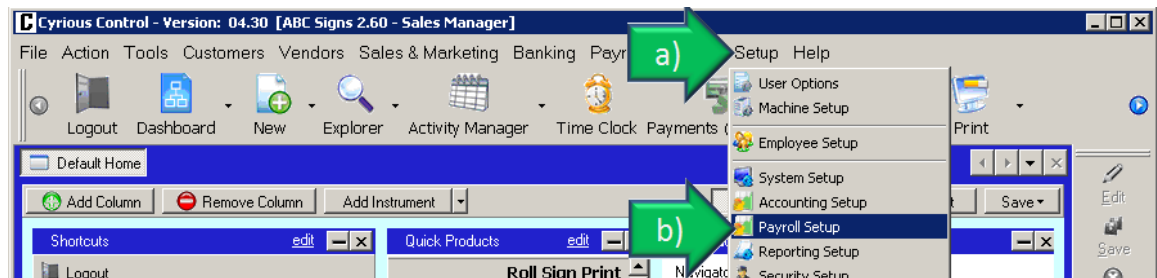
Setting up the Payroll Module's System Options

What's the purpose of this setup step?

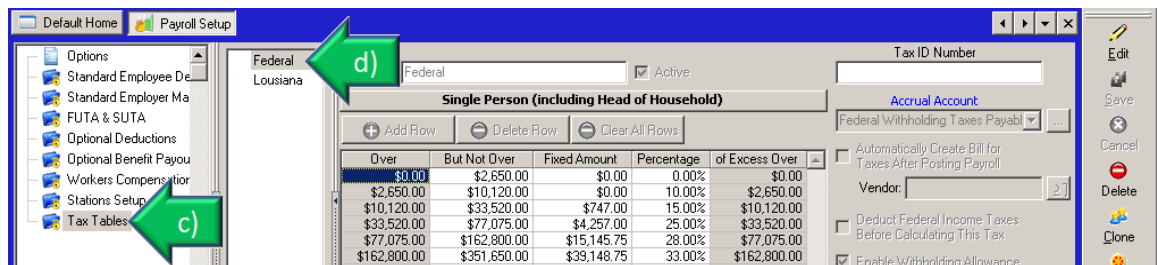
In this step you will set up the payroll system, including tax tables, deductions, benefits and more.

A. Set up of the Tax Tables.

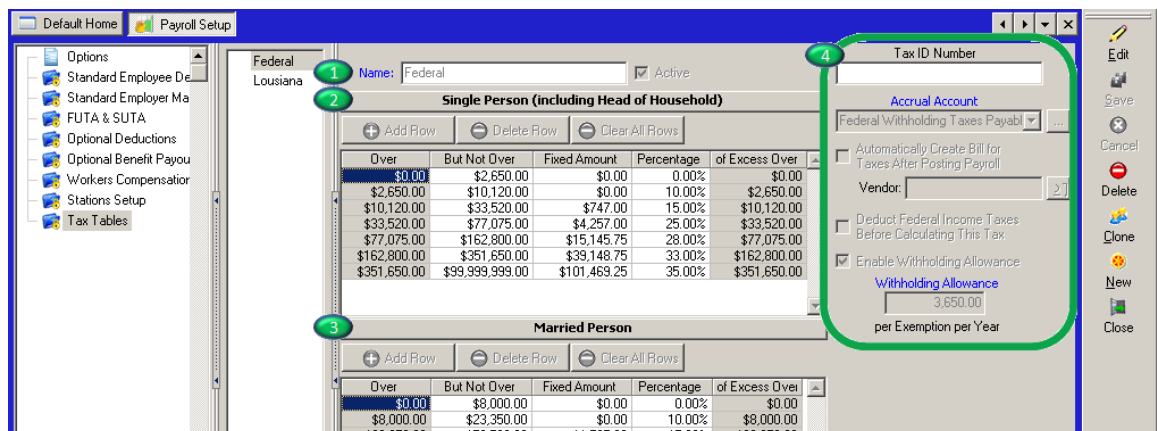
- 1) To set up the Tax Tables, follow these steps:
 - a) Click **Setup**.
 - b) Click **Payroll Setup**.



- c) Click on **Tax Tables**.
- d) Click on **Federal**.



- e) Review the settings in the areas marked 1, 2, 3 and 4. Here are some explanations of these options: (we'll show you how to change this info later in the instructions).



1. Name: The Name of this tax table. Most companies will have at least two tax tables (Federal and at least one State).
 - Active checkbox: A check in this box means this tax table will be used and can be selected in employee payroll setup.
2. Single Person: The tax table for Single Persons, including head of household. In the US, this information is available from the IRS Schedule 15-T. If you are unsure of the info to put in here, check with your accountant.

NOTE: The US Internal Revenue Service publishes this information in Schedule 15-T, available at <http://www.irs.gov/>. Use the "Annual Payroll Period" table under the "Tables for Percentage Method of Withholding".

TABLE 7—ANNUAL Payroll Period					
(a) SINGLE person (including head of household)—			(b) MARRIED person—		
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:
Not over \$7,180		\$0	Not over \$15,750		\$0
Over—	But not over—	of excess over—	Over—	But not over—	of excess over—
\$7,180	—\$10,400	10% —\$7,180	\$15,750	—\$24,450	10% —\$15,750
\$10,400	—\$36,200	\$322.00 plus 15% —\$10,400	\$24,450	—\$75,650	\$870.00 plus 15% —\$24,450
\$36,200	—\$66,530	\$4,192.00 plus 25% —\$36,200	\$75,650	—\$118,130	\$8,550.00 plus 25% —\$75,650
\$66,530	—\$173,600	\$11,774.50 plus 28% —\$66,530	\$118,130	—\$216,600	\$19,170.00 plus 28% —\$118,130
\$173,600	—\$375,000	\$41,754.10 plus 33% —\$173,600	\$216,600	—\$380,700	\$46,741.60 plus 33% —\$216,600
\$375,000		\$108,216.10 plus 35% —\$375,000	\$380,700		\$100,894.60 plus 35% —\$380,700

Figure 1. 2009 "Table for Percentage Method of Withholding" from IRS Schedule 15-T

3. Married Person: The tax table for Married Persons. In the US, this information is available from the IRS Schedule 15-T. If you are unsure of the info to put in here, check with your accountant.
4. Other tax table information:
 - Tax ID Number: This is the federal tax ID number for your company.
 - Accrual Account: This is the liability account where you'll accrue withheld taxes payable.
 - Automatically Create a Bill for Taxes after Posting Payroll: If checked, this feature will automatically create a bill for the withholding taxes due when you run payroll.
 - Vendor: If you are using the Automatic bill creation, select the vendor to whom these deductions are sent.
 - Deduct Federal Income Taxes before Calculating this Tax: (Not used for Federal Taxes.) This setting would be used for states that calculate withholding taxes net of federal income taxes.
 - Enable Withholding Allowance : Check this box to allow exemptions to be deducted prior to income tax calculations. This is normally checked for Federal taxes and in most cases state taxes.
 - Allowance per Exemption per Year: Enter the standard withholding allowance to deduct from income per exemption per year. In the US, this information is available from the IRS Schedule 15-T. If you are unsure of the appropriate exemption to put here, check with your accountant.

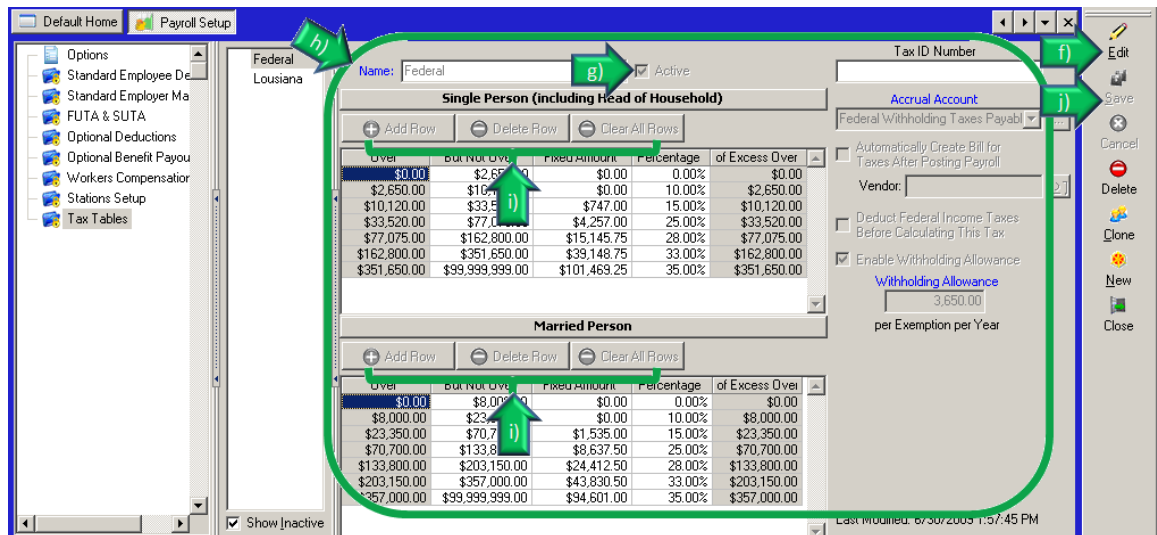
NOTE: The US Internal Revenue Service publishes this information in Schedule 15-T, available at <http://www.irs.gov/>. Use the "Annual Payroll Period" table under the "Tables for Percentage Method of Withholding".

Table 1. Percentage Method—2009 Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 70.19
Biweekly	140.38
Semimonthly	152.08
Monthly	304.17
Quarterly	912.50
Semiannually	1,825.00
Annually	3,650.00
Daily or miscellaneous (each day of the payroll period)	14.04

Figure 2. 2009 "Amount for One Withholding Allowance" from IRS Schedule 15-T

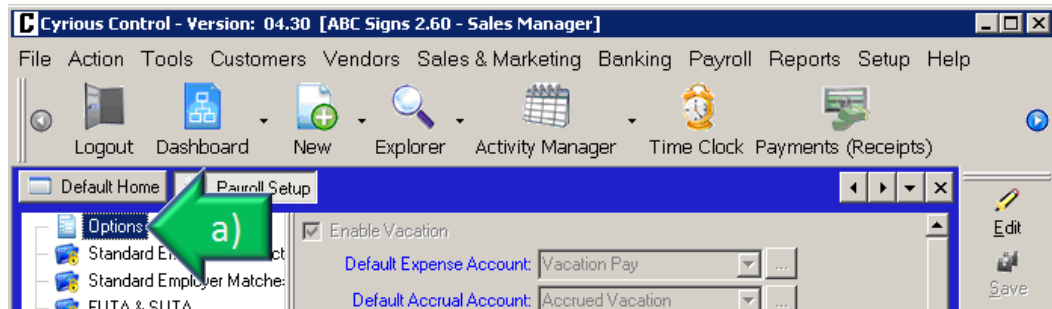
- f) To change one of these settings, click **Edit**.
- g) If you don't plan to use this Tax Table, uncheck the **Active** box.
- h) If you are using this Tax Table, revise the field(s) as necessary.
- i) Note the buttons to **Add, Delete and Clear Rows**.
- j) Once you're finished editing the information, then click **Save**.



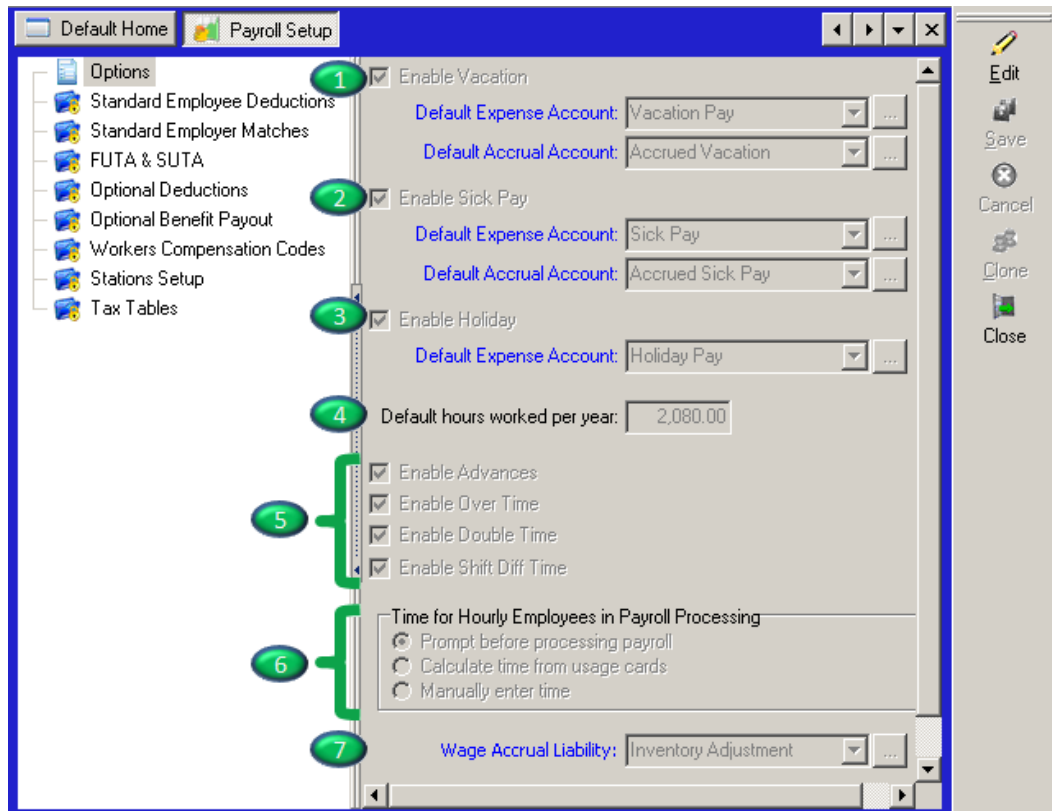
- k) Repeat this process for the next tax table until all the necessary tax tables are set up or deactivated.

B. Set up of the general Options.

- 1) To set up the general options, follow these instructions:
 - a) Click on **Options**.



- b) Review the settings on the right. Here are explanations of those options:



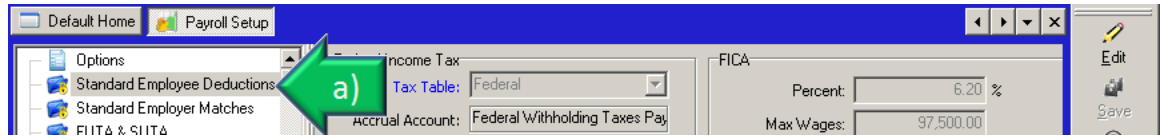
1. Enable Vacation: Do you want to track vacation time earned and used? If so, check this box. If the box is checked, you'll need to fill in these fields:
 - Default Expense Account: As the employee earns vacation, this expense account is used to record the vacation. Expense accounts show up on your Income Statement, also often called your Profit and Loss Statement.
 - Default Accrual Account: If you choose to accrue vacation time then as the employee earns vacation this liability account increases to show that the

company owes them some time off. As the employee takes their vacation, this account decreases to show that there is then less vacation time owed to the employee. Even if you do not choose to accrue vacation, you must still enter a default accrual account if you are tracking vacation.

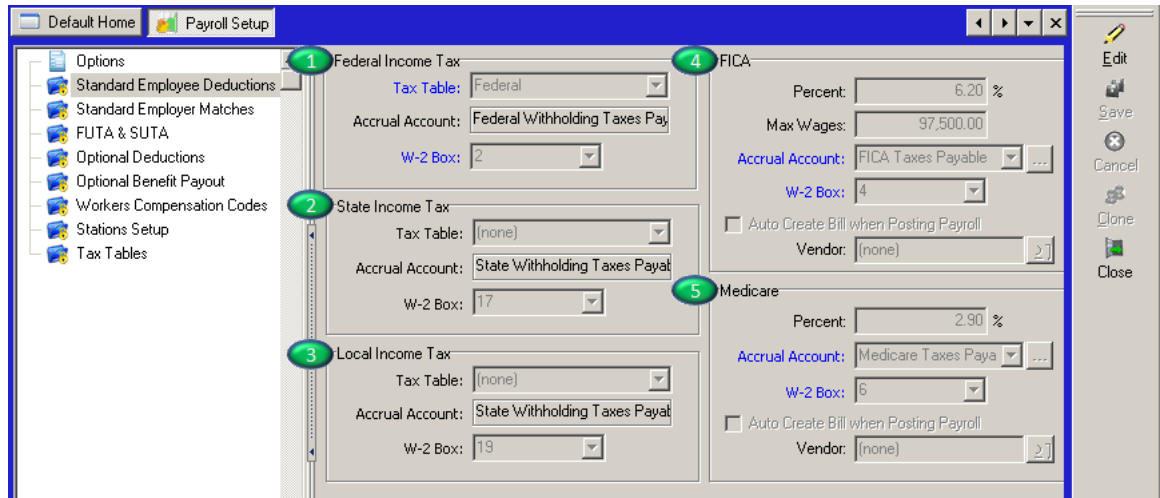
2. **Enable Sick Pay:** Do you want to track sick time earned and used? If so, check this box. If the box is checked, you'll need to fill in the Default Expense Account and Default Accrual Account fields, as you did in #1 above.
 3. **Enable Holiday Pay:** Do you want to track holiday pay? If so, check this box. If the box is checked, you'll need to fill in the Default Expense Account field, as you did in #1 above. Note that there is no "Default Accrual Account" since holiday pay is always immediately expensed and never accrued for later use.
 4. **Default Hours Worked per Year:** This is the presumed number of hours that an employee (salary or hourly) works in a typical year. This field is most often used to convert the time a salary employee works into hours for purposes of benefit and tax calculations. This value can be overridden for each employee.
 5. **Advances:** Check this box if you want to enable Control's ability to track employee Advances and Advance Repayment. You must still enable this per employee, but if this box is unchecked you will not see the options on the Employee or Payroll screens.
 - **Overtime, Double, and Shift Differential:** Control allows 4 time groupings for hourly employees. In addition to straight time, you can permit the tracking of overtime, double time, and shift differential time by checking these boxes.
 6. **Time for hourly Employees in Payroll Processing:** Cyrious can pull labor usage cards from orders to determine an employee's time. If employees are recording all of their time on the jobs, then you probably want to choose the "Calculate Time from Usage Cards". If you are not tracking employees' times on jobs, you might need to enter time manually. Click on the choice that most closely matches how you want to do this.
 7. **Wage Accrual Liability:** Select the liability account in which to Accrue Wages on the balance sheet. Unless you have a reason to change this, Cyrious recommends you leave this to the default liability account. This option is used for all time not associated with a labor part (which specifies its own wage accrual account).
- c) To change one of these settings, click **Edit**.
- d) Change the desired field(s).
- e) Then click **Save**.

C. Set up of the Standard Employee Deductions.

- 1) To set up the Standard Employee Deductions, follow these steps:
 - a) Click on **Standard Employee Deductions**.



- b) Review the settings on the right. Here are explanations of those options:



1. Federal Income Tax:

- **Tax Table:** This is the name you used for the Federal tax table when you setup up the tax tables.
- **Accrual Account:** This is the accrual account that you set for this tax when you set up the tax table for Federal tax.
- **W-2 Box:** This is the number of the box on the W-2 form for this tax to appear. In the US, federal income taxes should appear in Box 2. We've pre-loaded the W-2 boxes for the rest of the screen. Be sure to review and revise if necessary.

2 & 3. State and Local Income Tax: The fields are similar to the Federal Tax Table, although what you select for each field will be different.

4. FICA:

- **Percent:** The percent to be deducted from the employee's pay for FICA.
- **Max Wages:** FICA wages are capped once total wages exceed this Max Wages amount. In the US, this information is available from the IRS Schedule 15-T. If you are unsure of the appropriate maximum wage to put here, check with your accountant.
- **Accrual Account:** Enter the liability account in which to accrue FICA between the time it is earned by the employee and paid to the government.

- Automatically Create a Bill when Posting Payroll: If checked, this feature will automatically create a bill for the FICA due when you post payroll.
 - Vendor: Select the vendor for the automatic bill if that option is enabled..
5. Medicare: These fields are similar to the FICA fields above. In the US, Medicare taxes should appear in Box 6.
- c) To change one of these settings, click **Edit**.
 - d) Change the desired field(s).
 - e) Then click **Save**.

D. Set up of the Standard Employer Matches.

- 1) To set up the standard taxes and withholding that has an employer contribution, follow these steps:
 - a) Click on **Standard Employer Matches**.
 - b) Review the settings on the right. You've seen all of these types of fields before.
 - c) To change one of these settings, click **Edit**.
 - d) Change the desired field(s). If you have questions on what any of these fields should be, consult your accountant.
 - e) Then click **Save**.

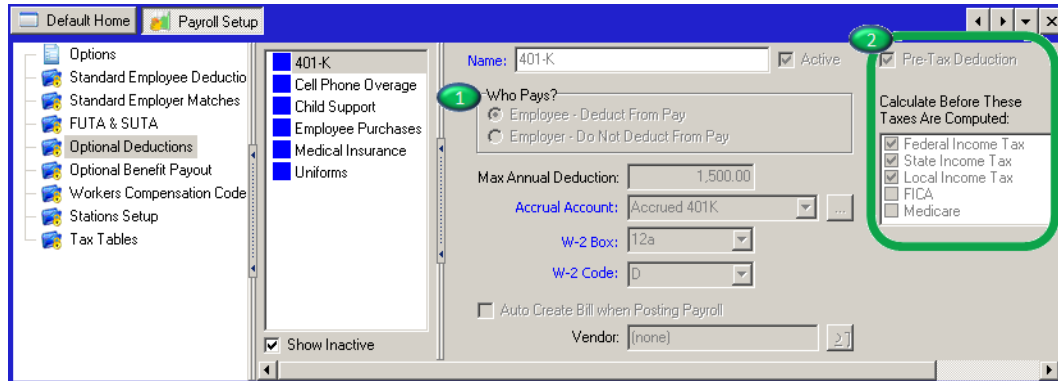
E. Set up of FUTA and SUTA.

- 1) To set up FUTA and SUTA, follow these steps:
 - a) Click on **FUTA and SUTA**.
 - b) Click the first item in the list in the center.
 - c) Review the settings on the right. You've seen all of these types of fields before.
 - d) To change one of these settings, click on the SUTA or FUTA that you want to change.
 - e) Click **Edit**.
 - f) Enter the appropriate percentage for the FUTA/SUTA tax rate and the maximum annual wages on which the tax is assessed. Select the accrual and expense accounts for each tax. Consult your tax accountant if you are not sure what value to put here. Use the **Set as Default** button to make this the default SUTA to use for employees.
 - g) Then click **Save**.
 - h) Repeat steps a) through g) until you've revised all the necessary FUTA and SUTA's.
- 2) To add a new SUTA:
 - a) Click Add.
 - b) Repeat d) through h) until you've updated FUTA and updated or created the SUTA for each state in which you have employees.
 - c) Fill in the information.
 - d) Click **Save**.
- 3) To delete a SUTA:
 - a) Click on that **SUTA** in the list.

- b) Click **Delete**.
- c) When prompted if you are sure that you want to delete this, click **Yes**.

F. Set up of any Optional Deductions you have.

- 1) To set up Optional Deductions, follow these steps:
 - a) Click on **Optional Deductions**.
 - b) Click the first item in the list in the center. Review the settings on the right. Here are some explanations of those fields that you haven't seen before:



1. **Who Pays?:** Check this box to indicate who is paying for this deduction. In the event that you need both the employee and the company to pay, create a second deduction for this deduction so you have one for the employee's portion and one for the company's portion.
 Note: Later you will setup the amount of the deduction in the employee record. Here you are just defining the types of deductions allowable.
 2. **Pre-Tax Deduction:** Should this deduction be made from pre-tax income? Check this box if so, then check the boxes for the taxes that should be calculated after this deduction is made. If you are uncertain about whether a deduction is pre-tax or post-tax, consult your accountant. Setting these incorrectly can result in improper tax calculations.
 3. **Max Annual Deduction:** Enter a value here if this deduction is capped within a calendar year. Once this amount is reached by an employee, no further deduction will be taken for that employee. Enter 0 if there is no cap.
 4. **W-2 Box:** Enter the box on the W-2 for which this deduction will appear. Enter (none) if the deduction does not appear on the W-2. If you are unsure of the appropriate value to enter here, check with your accountant.
 5. **W-2 Code:** Some deductions broken out on the W-2 require a classification code. If this applies, enter the appropriate value. If you are unsure of the appropriate value to enter here, check with your accountant.
- c) To change one of these settings, click on the optional deductions that you want to change.

- d) Click **Edit**.
 - e) Change the desired field(s).
 - f) Then click **Save**.
 - g) Repeat d) through g) until you've updated the rest of the types of optional deductions.
- 2) To add a new optional deductions:
- a) Click **New**.
 - b) Fill in the information.
 - c) Click **Save**.
- 3) To deactivate an optional deductions:
- a) Click **Edit**.
 - b) Uncheck the **Active** checkbox.
 - c) Click **Save**.

Now you're finished setting up the optional deductions information.

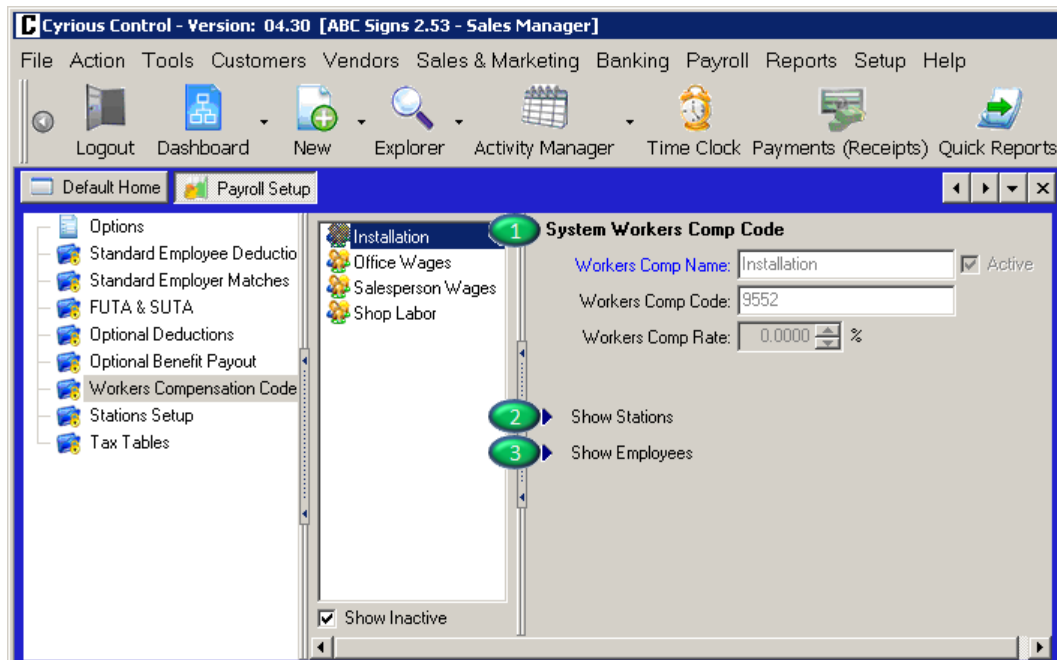
G. Set up of any Optional Benefit Payouts you have.

- 1) To revise an Optional Benefit Payout, follow these steps:
- a) Click on **Optional Benefit Payout**.
 - b) Click the first item in the list in the center. Review the settings on the right. You're seen these types of fields previously.
 - c) To change one of these settings, click on the optional benefit payout that you want to change.
 - d) Click **Edit**.
 - e) Change the desired field(s). Be sure to read the explanation for **Income Tax Treatment** setting.
 - f) Then click **Save**.
 - g) Repeat d) through g) until you've updated the rest of the types of optional benefit payouts.
- 2) To add a new optional benefit payout:
- a) Click **New**.
 - b) Fill in the information.
 - c) Click **Save**.
- 3) To deactivate an optional benefit payout:
- a) Click **Edit**.
 - b) Uncheck the **Active** checkbox.
 - c) Click **Save**.

Now you're finished setting up the optional benefit payout information.

H. Set up of the Workers Compensation Codes you have.

- 1) To set up an Workers Compensation Codes, follow these steps:
 - a) Click on **Workers Compensation Codes**.
 - b) Click the first item in the list in the center.
 - c) Review the settings on the right. Here are explanations of the fields you may not have seen yet:



1. Workers Comp Code:
 - Workers Comp Name: The name of the department or area for this workers comp.
 - Workers Comp Code: The workers comp code that the work that is done in this areas qualifies for.
 - Workers Comp Rate: The rate for this comp code (provided by your insurance company).
 2. Show Stations: If you click on this arrow, the screen expands to show the Stations that use this Workers Comp Code. (A "Station" is Cyrious' term for a place where work gets done. You'll setup your Stations later in the setup process.)
 3. Show Employees: If you click on this arrow, the screen expands to show the Employees that use this Workers Comp Code.
- d) To change any of these settings, click on the workers comp name in the center list that you want to change.
 - e) Click **Edit**.
 - f) Change the desired field(s).
 - g) Then click **Save**.

- h) Repeat d) through g) until you've updated the rest of the workers comp codes.
- 2) To add a new workers comp codes:
 - a) Click **New**.
 - b) Fill in the information.
 - c) Click **Save**.
- 3) To deactivate an workers comp codes:
 - a) Click **Edit**.
 - b) Uncheck the **Active** checkbox.
 - c) Click **Save**.

Now you're finished setting up the optional benefit payout information.

The set up of the *Stations Setup* will be done later in the setup process. Skip that screen for now.

Great job! You just finished the toughest part of the payroll setup. Now you're ready for the next step.