

RECONCILING PAYROLL

Reconciling Payroll Overview:

1. Payroll Reconciliation Spreadsheet
2. Year End Closing to Create Year End Wage File
3. Validation Report
4. Generate Year End Employee Wage Report
5. Reopen Payroll/Remove Year-End Information
6. Payroll Check Summary Smartlist
7. Period End Payroll Summary Report
8. 941 Quarterly Report
9. Check for Variations

Introduction

Runbiz recommends reconciling your payroll if not every paycheck, every month and quarterly at the most. This makes it easier and faster to identify errors and correct mistakes all year long, saving you much needed time during the end of year rush!

You can balance to your W2 Box 1 Wages, State Wages, Social Security Wages, Medicare Wages and related Withholdings after every pay period, and since employees are still active, you can adjust the employees earning and withholdings to easily correct mistakes.

User Notes:

- A W2's Wage Information is pulled from the GP Payroll Summary tables vs. Detailed tables. When comparing these reports, you want to be aware of the difference between detailed and summary. The payroll summary report relies on the taxable wages calculated at the time payroll was posted. The 941 when printed uses the "current" tax status of deductions to recalculate taxable wages.
- It is necessary to "close" your payroll to create the Year End Wage Report and Validation report. You may open and close payroll as many times as you wish during the year.

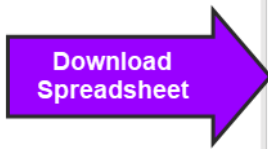
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Step 1: Open Payroll Reconciliation Spreadsheet

Open the payroll reconciliation spreadsheet to have this handy. After each report, enter the information from the report into the correct column on the spreadsheet.

❖ Check email for link to the Payroll Reconciliation Spreadsheet and training video



User Note: Only enter information into the blue boxes. The highlighted yellow columns will show discrepancies between GP reports and the 941 quarterly reports. Any number in one of the yellow columns that is not 0 at the end of this process needs to be investigated and corrected.

If you find that you need help making these corrections, please call Runbiz for support.

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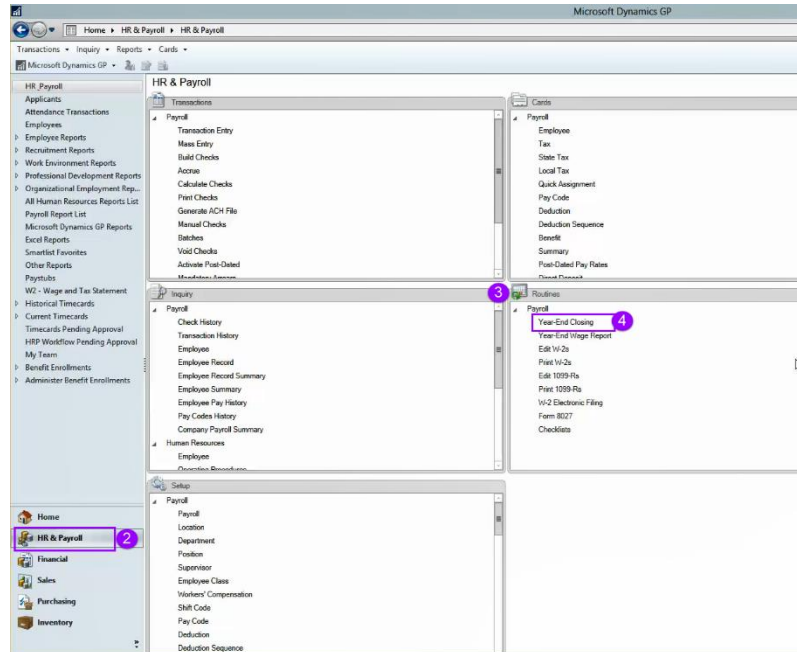
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Step 2: Close Payroll

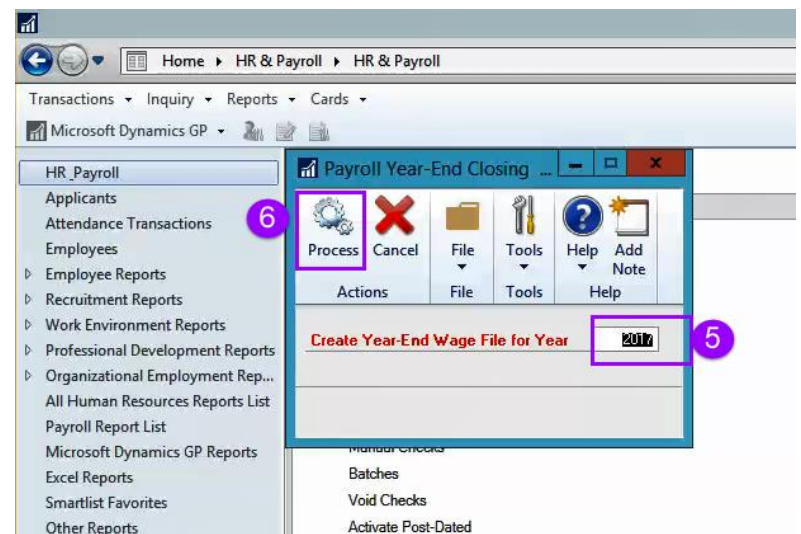
The Payroll Year End Close provides the ability to print the Year End Wage Report, create a Smartlist: Year-End Close File, and create a Validation Report.

User Note: Before you close, it is a good idea to create a backup, just in case!

1. HR & Payroll
2. Routines tile
3. Select Year-End Closing



4. *Enter the current year*
5. Click Process



User Note: If you see a pop-up box asking if you wish to carry over and reset PTO YTD amounts, ignore this box and click cancel.

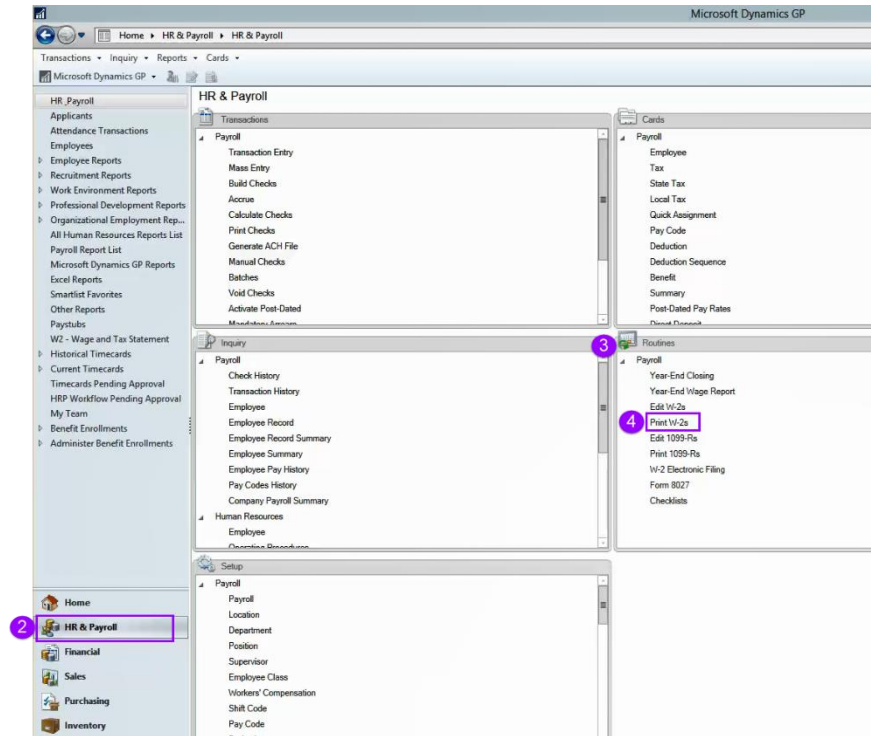
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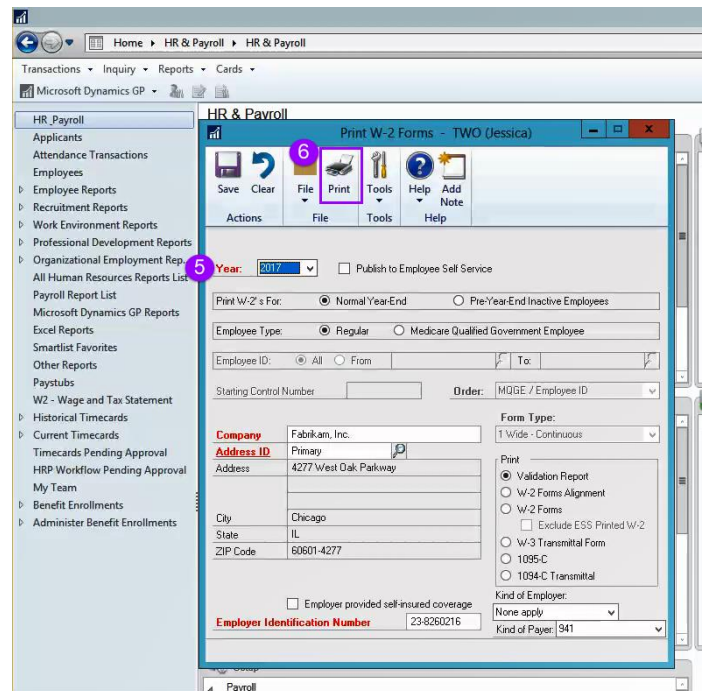
Step 3: Check Validation Report

This report will print warnings that could arise with the Social Security Administration.

1. HR & Payroll
2. Routines tile
3. Select Print W-2s



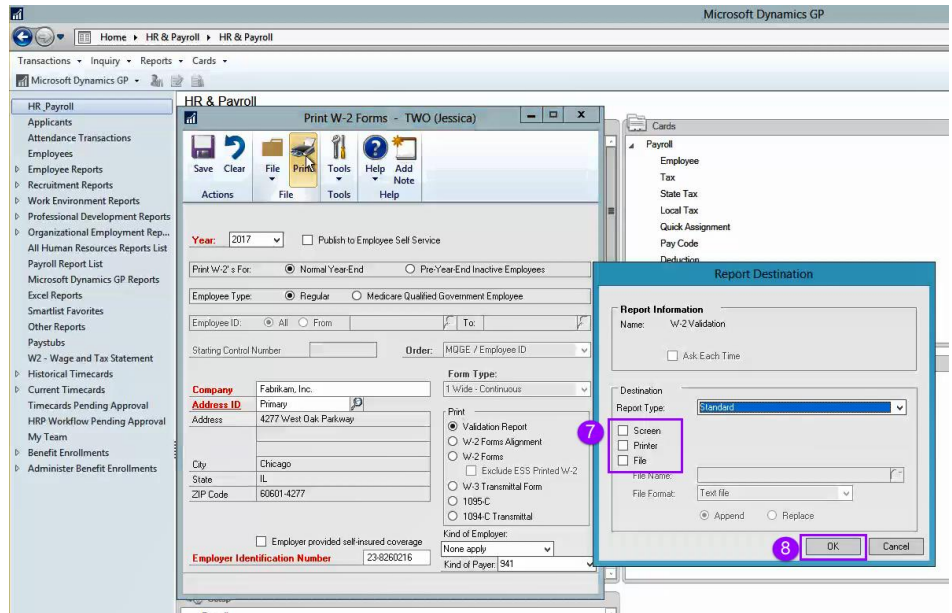
4. Select the correct year
5. Click the radio button to generate the Validation Report.



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6. Choose how the report opens
7. Click OK



Correcting the Validation Reports

8. Correct errors by correcting employee card, adjusting with-holdings, etc.

Possible errors can include:

- Invalid social security number
- Address has too many characters, e-files with cut off address after 22
- The FICA/SS Wage of blank amount exceed list of FICA/SS Wage limit

Year	Employee ID	Error Description
2017	ACRE0001	Each address line can only have 22 characters for magnetic media;
2017	ACRE0001	'917239833' as SSN is invalid
2017	BARB0001	'986225953' as SSN is invalid
2017	BARB0001	FICA/MC Tax W/H' of \$276.62 <> calculated of \$271.62
2017	BARR0001	'944229198' as SSN is invalid
2017	BONI0001	'982581991' as SSN is invalid
2017	CHEN0001	'000922390' as SSN is invalid
2017	CLAY0001	'944563896' as SSN is invalid
2017	DELA0001	'000209416' as SSN is invalid
2017	DOYL0001	'983057712' as SSN is invalid

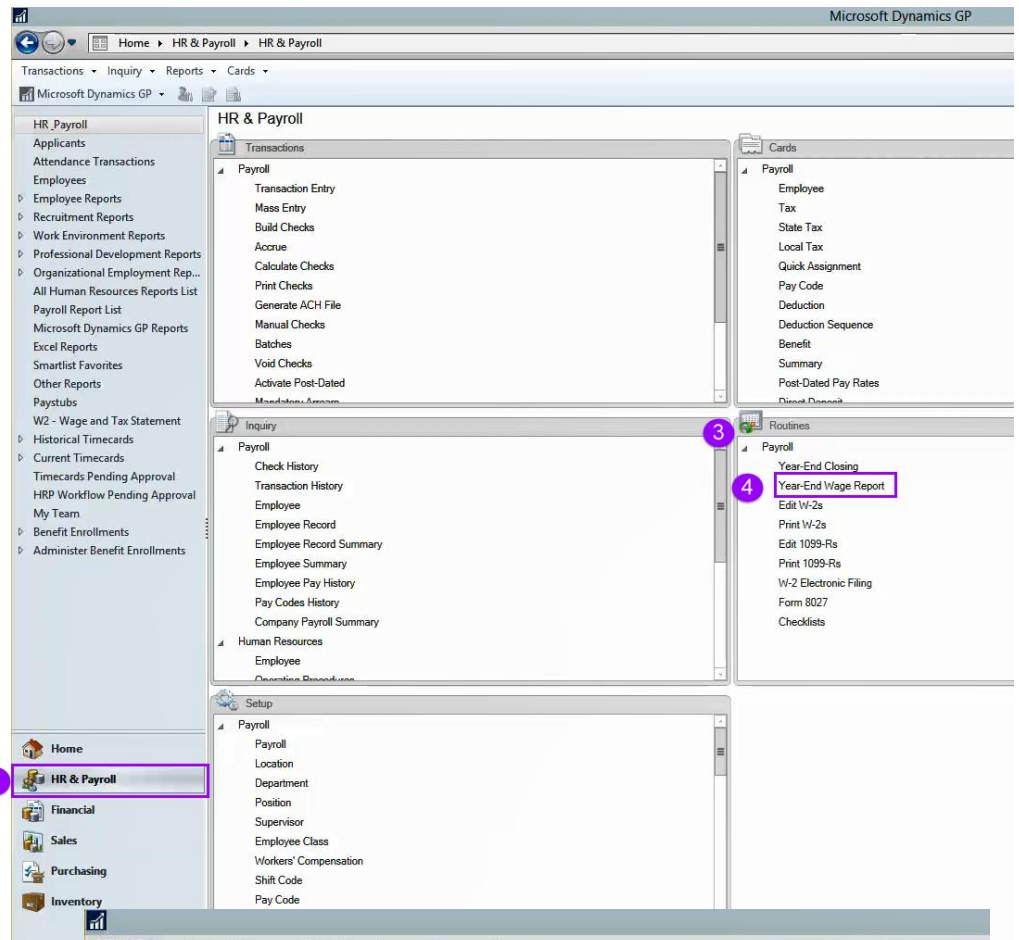
User Note: To check that corrections have dropped off the validation report, recreate the year-end wage file and run the validation report.

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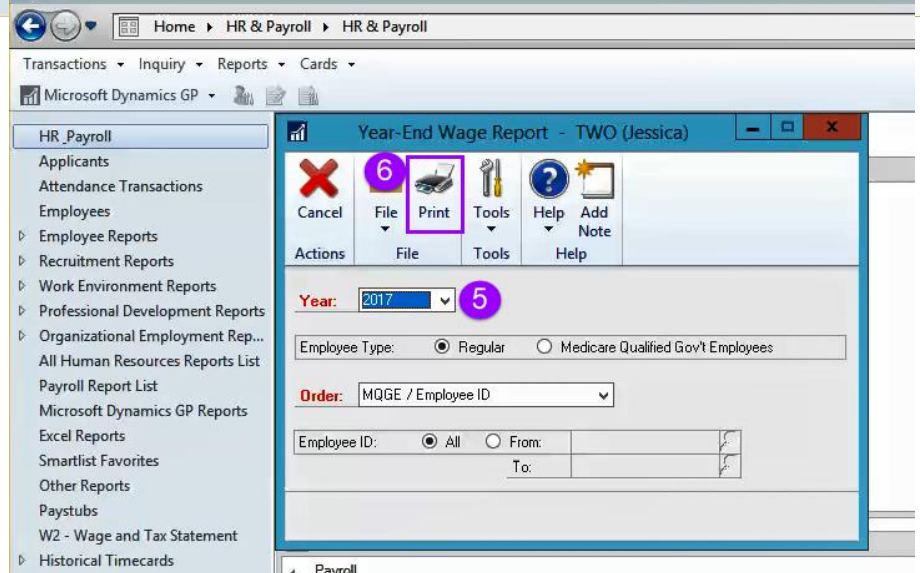
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Step 4: Generate Year-End Employee Wage Report

1. HR & Payroll
2. Routines tile
3. Click Year-End Wage Report



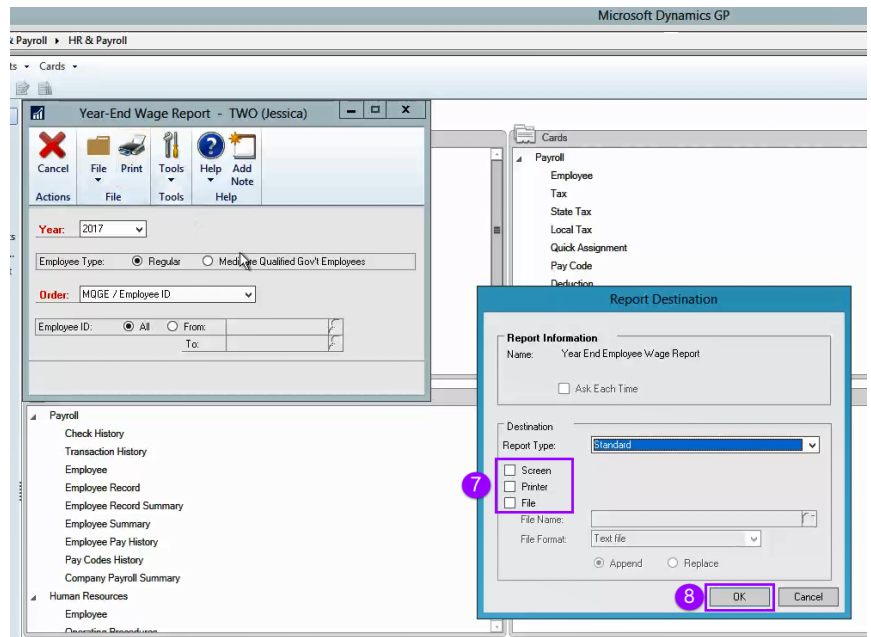
4. Select the correct year
5. Click print



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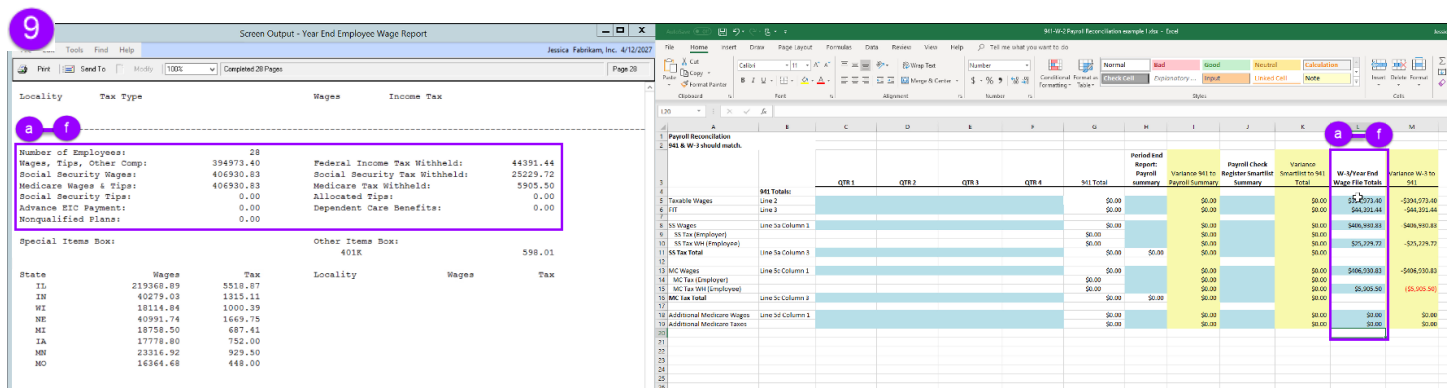
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6. Choose how you would like to see the report.
7. Click OK



User Note: The first page of the wage report displays the tax rates that are currently in GP, verify those are correct. The last page of this report which is the W-3 summary of all your employee's W-2 info for the year as of your last payroll. You may also use a Smartlist to gather this info.

8. Refer to the Payroll reconciliation spreadsheet and enter the amounts in the column labeled W-3/Year End Wage File.
 - a. Taxable wage amount
 - b. Federal Income tax amount
 - c. Social security wages
 - d. Social security withholding (This report only list the employee withholding.)
 - e. Medicare taxable wages
 - f. Medicare tax employee withholding, and any additional Medicare wages or taxes.
 - g. Add State, if you have state withholding

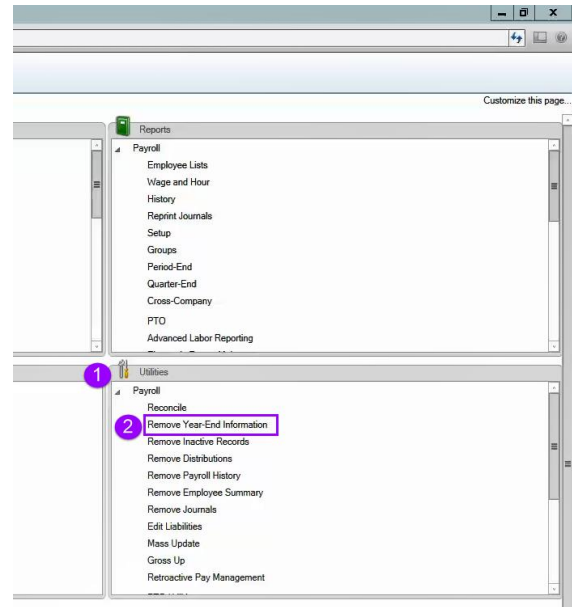


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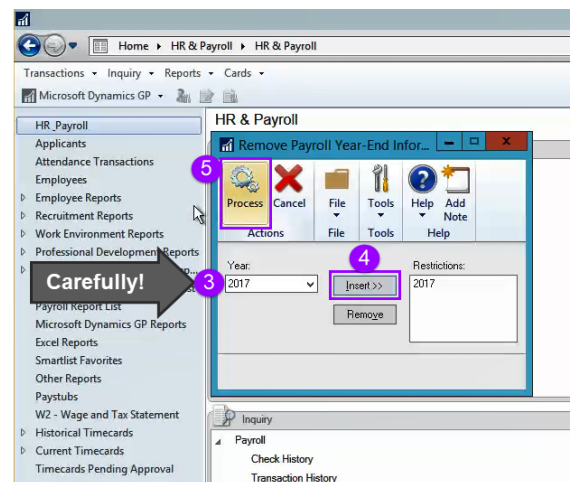
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Step 5: Reopen Payroll

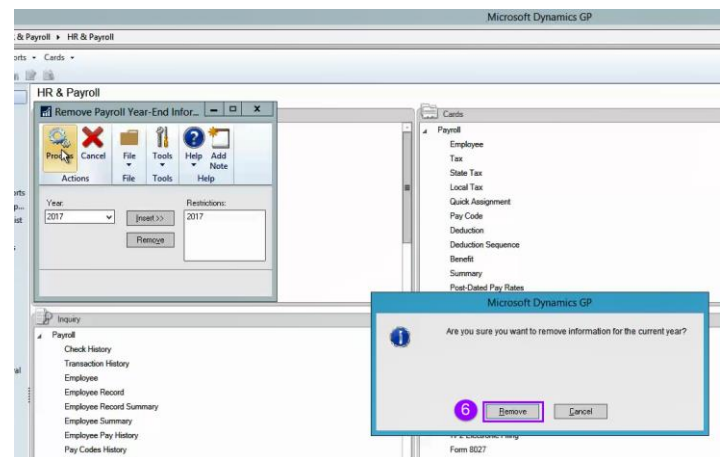
1. HR & Payroll
2. Utilities tile
3. Select Remove Year-End information



4. **Carefully**, Select the correct year to remove
5. Click Insert
6. Click Process.



7. Pop-up box: "Are you sure you want to remove information for current year?"
Double check you selected the correct year.
Select Remove

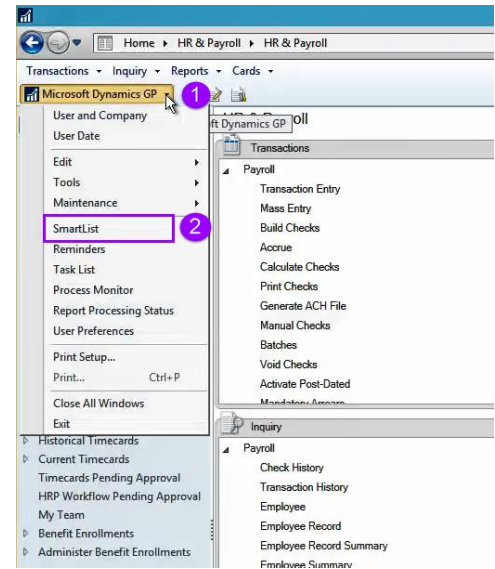


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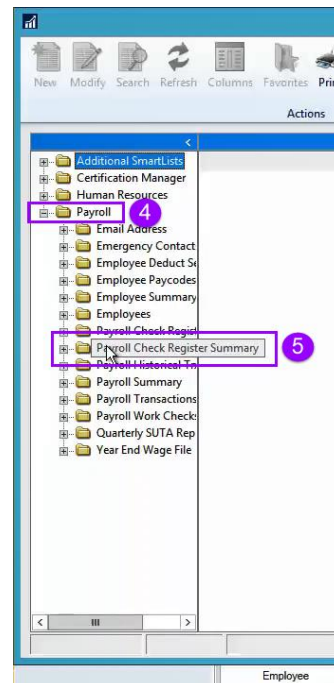
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Step 6: Generate Payroll Check Register Summary (Smartlist)

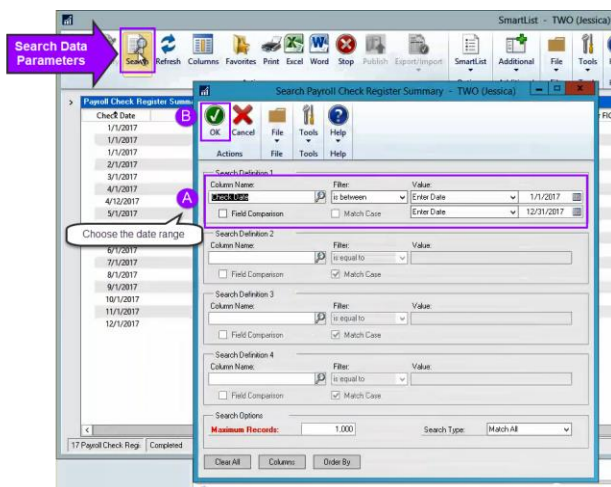
1. Click on your Smartlist icon or Select Microsoft Dynamics GP
drop-down menu and select Smartlist



2. Click + next to the Payroll folder
3. Click + next to the Payroll Check Register Summary
 - Choose either the correct smart list for the year or



- Check the search for the correct data parameters.



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4. Export report to Excel

Check Date	Gross Wages	Federal Wages	Federal Taxes W/H	Employee FICA/Medicare W/H
1/1/2017	\$28,975.68	\$27,007.10	\$2,269.41	\$405.98
1/1/2017	\$5,900.00	\$5,900.00	\$1,595.17	\$85.55
1/1/2017	\$28,170.00	\$28,170.00	\$6,655.17	\$408.47
2/1/2017	\$28,147.81	\$26,207.49	\$2,151.41	\$393.93
3/1/2017	\$29,141.84	\$27,163.60	\$2,281.96	\$408.41
4/1/2017	\$29,019.39	\$27,047.10	\$2,270.54	\$406.60
4/12/2017	\$0.00	\$0.00	\$0.00	\$5.00
5/1/2017	\$30,792.96	\$28,763.97	\$2,505.70	\$432.33
6/1/2017	\$29,116.42	\$27,140.04	\$2,269.93	\$408.03
6/1/2017	\$7,400.00	\$7,400.00	\$2,123.00	\$107.30
6/1/2017	\$28,170.00	\$28,170.00	\$6,655.17	\$408.46
7/1/2017	\$29,115.95	\$27,141.12	\$2,279.92	\$408.00
8/1/2017	\$28,977.08	\$27,008.16	\$2,259.66	\$406.00
9/1/2017	\$29,847.35	\$27,846.73	\$2,368.11	\$418.65
10/1/2017	\$29,186.48	\$27,206.45	\$2,281.76	\$409.03
11/1/2017	\$29,296.71	\$27,313.76	\$2,301.76	\$410.60
12/1/2017	\$27,402.56	\$25,487.88	\$2,122.77	\$383.16

5. Enter column totals from the Payroll Check Register Summary (Smartlist) into the Payroll Reconciliation Spreadsheet: Payroll Check Register Smartlist Summary column.

- Taxable Wages
- Federal Taxes Withheld
- Employer Social Security Tax
- SS Employee Withholding
- Total Social Security Tax
- Medicare Employer Tax
- Medicare Employee Withholding
- Medicare Tax Total

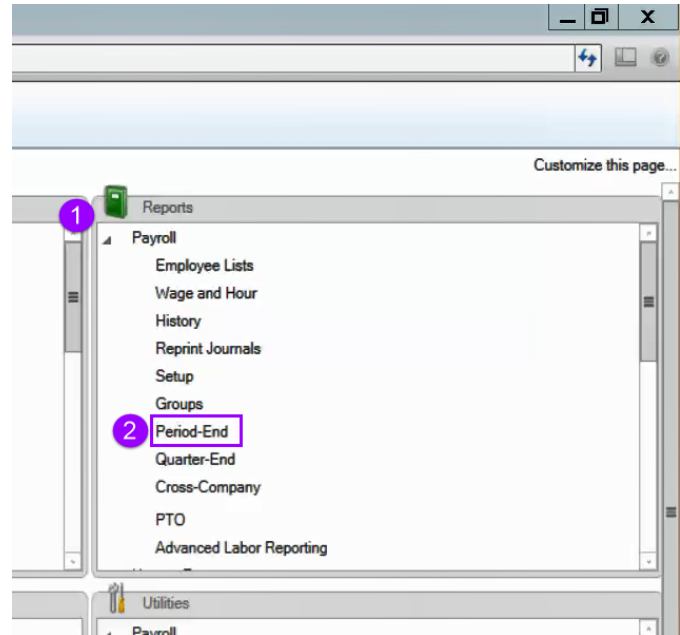
Use column totals to fill in the appropriate lines on the Payroll Reconciliation Spreadsheet

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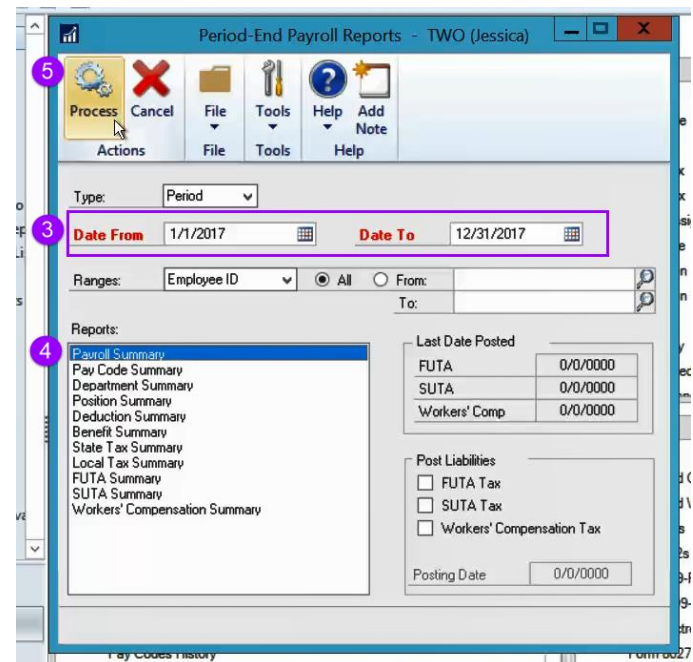
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Step 7: Generate Period End Payroll Summary Report

1. HR & Payroll
2. Reports tile
3. Select Period- End



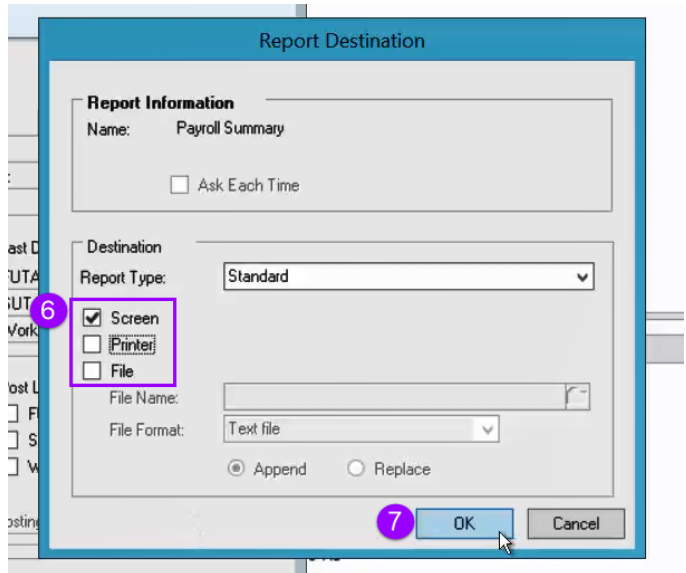
4. Enter the date range
5. Select Payroll Summary from the reports box
6. Select Process.



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7. Choose how the file will open
8. Select OK



9. On the Payroll Reconciliation Spreadsheet, use the Period-End report to fill in the Payroll

User Note: Notice that Employer FICA and Medicare taxes are listed at the bottom of the report.

Reconciliation Spreadsheet: Period-End Report column.

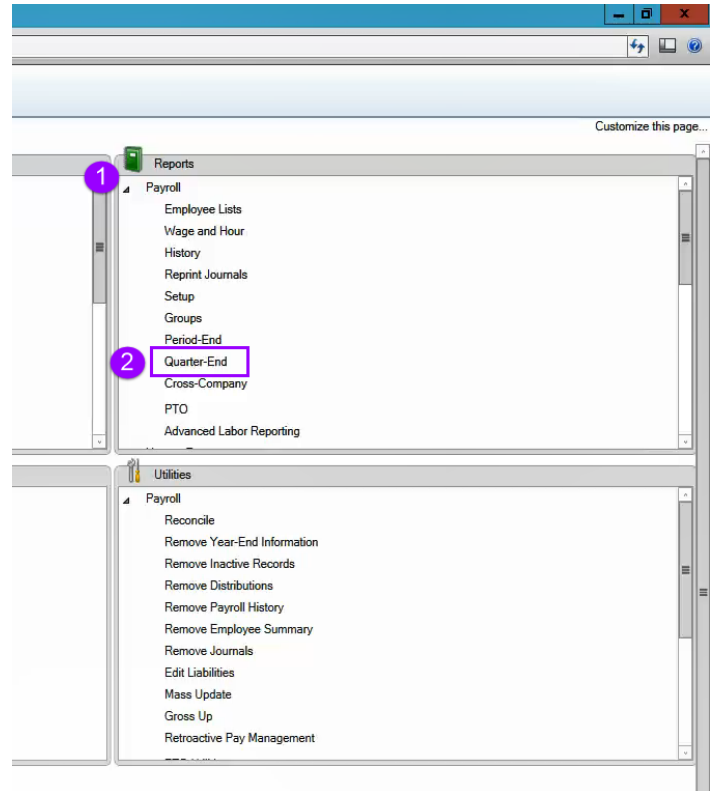
Period End Report	Variance 941 to Payroll Summary	Payroll Check Register SmartList Summary	Variance SmartList to 941	W-1/Year End Wage File Totals	Variance W-1 to 941
941 Totals					
Taxable Wages	\$0.00	\$394,972.40	\$394,972.40	\$394,972.40	-\$394,972.40
FICA Soc Sec Wages	\$0.00	\$48,292.44	\$48,292.44	\$48,292.44	-\$48,292.44
FICA Medicare Wages	\$0.00	\$5,905.50	\$5,905.50	\$5,905.50	-\$5,905.50
Net Wages	\$307,125.71				
Employer FICA Soc Sec Tax	\$0.00	\$2,914.62	\$2,914.62	\$2,914.62	-\$2,914.62
Employer FICA Medicare Tax	\$0.00	\$735.38	\$735.38	\$735.38	-\$735.38
Employer FICA Total	\$0.00	\$3,650.00	\$3,650.00	\$3,650.00	-\$3,650.00

Non-disclosure:

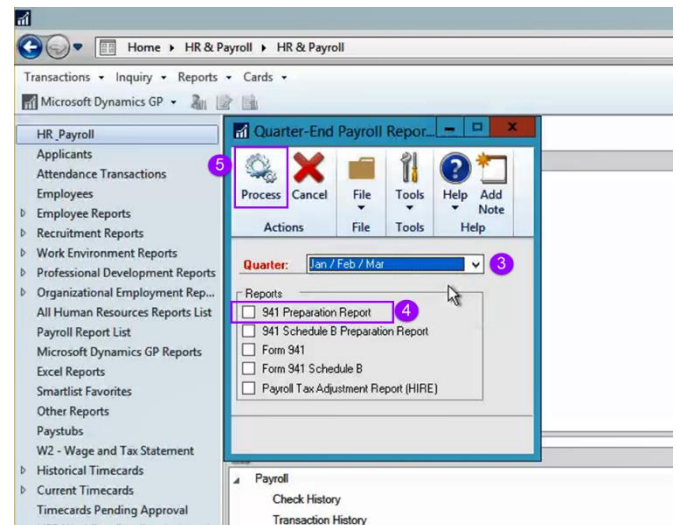
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Step 8: Generate 941 quarterly report

1. HR & Payroll
2. Reports tile
3. Select Quarter-End



4. Select the correct quarter
5. Select 941 preparation report.
6. Select Process



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7. Use this report to fill out the correct 941 quarter on your Payroll reconciliation spreadsheet.

User Note: You can save this spreadsheet to add quarters 2, 3 & 4. You may run the 941 report during a quarter to reconcile to the year-end wage file.

Description	Total
Gross Wages	\$418,660.23
Federal Wages	\$394,973.40
Advanced EIC Payments	\$0.00
Federal Taxes Withheld	\$44,391.44
FICA Soc Sec Wages	\$406,930.83
FICA Soc Sec Withheld	\$25,229.72
FICA Medicare Wages	\$406,930.83
FICA Medicare Withheld	\$5,905.50
Net Wages	\$307,125.71
Charged Tips	\$0.00
Reported Tips	\$0.00
Federal Tax/Tips Withheld	\$0.00
FICA Soc Sec Tips	\$0.00
FICA Soc Sec Tax/Tips Withheld	\$0.00
Uncollected FICA Soc Sec Tax	\$0.00
FICA Medicare Tips	\$0.00
FICA Medicare Tax/Tips Withheld	\$0.00
Uncollected FICA Medicare Tax	\$0.00
Charged Receipts	\$0.00
Reported Receipts	\$0.00
Allocated Tips	\$0.00
Federal Tips	\$0.00
Employer FICA Soc Sec Tax	\$25,229.65
EFIC Soc Sec Tax on Tips	\$0.00
Employer FICA Medicare Tax	\$5,905.53
EFIC Medicare Tax on Tips	\$0.00

Step 9: Check for Variations

Now that all appropriate 941 quarters and reports are entered in the spreadsheet. Check the yellow column for variances, any number that is not zero shows there is a discrepancy on a report and these need to be investigated.

Make all the corrections and then regenerate reports to confirm the reconciliation.

	QTR 1	QTR 2	QTR 3	QTR 4	941 Total	Period End Report: Payroll summary	Variance 941 to Payroll Summary	Payroll Check Register Smartlist Summary	Variance Smartlist to 941 Total	W-3/Year End Wage File Totals	Variance W-3 to 941
941 Totals:											
Taxable Wages	\$114,448.19	\$118,521.11	\$81,996.01	\$80,008.09	\$394,973.40	\$394,973.40	\$0.00	\$394,973.40	\$0.00	\$394,973.40	\$0.00
FIT	\$14,953.12	\$15,824.34	\$6,907.69	\$6,706.29	\$44,391.44	\$44,391.44	\$0.00	\$44,391.44	\$0.00	\$44,391.44	\$0.00
SS Wages	\$117,402.98	\$121,566.42	\$85,008.03	\$82,953.40	\$406,930.83	\$406,930.83	\$0.00	\$406,930.83	(\$406,930.83)	\$406,930.83	\$0.00
SS Tax (Employer)					\$25,229.72	\$25,229.65	\$0.06	\$25,229.65	\$0.06	\$25,229.65	\$0.00
SS Tax WH (Employee)					\$25,229.72	\$25,229.72	(\$0.01)	\$25,229.72	(\$0.01)	\$25,229.72	-\$0.01
SS Tax Total	\$14,557.97	\$15,074.24	\$10,541.00	\$10,286.22	\$50,459.43	\$50,459.37	\$0.06	\$50,459.37	\$0.06	\$50,459.37	\$0.00
MC Wages	\$117,402.98	\$121,566.42	\$85,008.03	\$82,953.40	\$406,930.83	\$406,930.83	\$0.00	\$406,930.83	(\$406,930.83)	\$406,930.83	\$0.00
MC Tax (Employer)					\$5,900.50	\$5,900.53	(\$0.03)	\$5,900.53	\$0.03	\$5,900.53	\$0.00
MC Tax WH (Employee)					\$5,900.50	\$5,905.50	(\$5.00)	\$5,905.50	\$5.00	\$5,905.50	(\$5.00)
MC Tax Total	\$3,404.69	\$3,525.43	\$2,465.23	\$2,405.65	\$11,801.00	\$11,806.03	(\$5.03)	\$11,806.03	\$5.03	\$11,806.03	\$0.00
Additional Medicare Wages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Additional Medicare Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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