Payroll Setup Checklist

Gather the following items before you start setting up payroll. You'll need this information to quickly and accurately set up your account and avoid problems later when you start using QuickBooks Payroll.

1. **Company Information**

   Even though you've already set up your company file in QuickBooks, the payroll setup interview requires the following information about your company:

   - ☐ Company **bank account information**; only required if you'll be paying employees by direct deposit or e-paying taxes (use a voided check, not a deposit slip, of the bank account you'll use to pay employees)
   - ☐ Types of **compensation** you give to your employees, such as hourly wages, salaried wages, bonuses, commissions, and tips
   - ☐ Types of **benefits** you offer your employees, such as health insurance, dental insurance, 401k retirement plan, vacation/sick leave, Flexible Spending Account (FSA)
   - ☐ Types of **other additions and deductions** you provide for your employees, such as cash advances, mileage reimbursements, union dues, and wage garnishments

2. **Employee Information**

   For each employee who worked for you this calendar year (including active, inactive and terminated employees), you'll need:

   - ☐ Employee's completed W-4 form (sample attached)
   - ☐ Pay rate (hourly, salary, commission, etc.)
   - ☐ Paycheck deductions (401(k), insurance, garnishments, etc.)
   - ☐ Sick/vacation hours balance (if applicable)
   - ☐ Direct deposit information (use a voided check, not deposit slip, of the employee's bank account)
   - ☐ Hire date
   - ☐ Termination date (if applicable)

3. **Tax Information**

   The following payroll tax information is available from your state or local tax agency. For contact information for each state tax agencies, visit:
   http://www.quickbooks.com/support/fileandpay/agencycontact/

   - ☐ State unemployment insurance (SUI) contribution rate:________________________
     Contact state unemployment insurance office to obtain your rate
   - ☐ State agency ID number(s)
     For unemployment and/or state tax withholding; contact the appropriate state agency directly if you do not have an ID number for them
   - ☐ State assessment, surcharge, administrative or training tax rates (if applicable)
   - ☐ Copies of both state and federal tax forms for each closed quarter this year
   - ☐ Tax deposits/filing schedule (monthly or quarterly)

4. **Payroll History Information**

If you are starting payroll in:

The 1st quarter of the calendar year (January 1 through March 31):

- ☐ Payroll summaries for each paycheck issued during the quarter

The 2nd, 3rd or 4th quarter of the calendar year (April 1 through December 31):

- ☐ For each closed quarter: payroll summaries by quarter
- ☐ For the current quarter: payroll summaries by paycheck

NOTE: Employee payroll summaries should contain gross wages, taxes withheld (Social Security, Medicare, state withholding) and all other deductions (medical insurance, 401(k) or other retirement deductions, union dues, wage garnishments, etc.)

[CONTINUED ON NEXT PAGE]

Helpful Hints for Finding Information

We've compiled the following list to help you find the information you'll need if you used a different payroll service provider prior to QuickBooks Payroll, or if you're switching from QuickBooks Basic, Standard, or Enhanced Payroll to Assisted Payroll.

If you're switching from **Paychex**

Payroll information	**Where to find it**
UI RATE AND ID	Payroll Summary
EE INFO	Employee Earnings Record
YTD	End of Quarter YTD
QTD	Employee Earnings Record
CURRENT PAYROLL	Payroll Journal or Payroll Register
RETURNS	941 and State return by quarter

If you're switching from **ADP**

Payroll information	**Where to find it**
UI RATE AND ID	Statement of Deposits and Filings for the State
EE INFO	Master List or Master Control
YTD	Master List or Master Control
QTD	Generally not available until well after the quarter, so will need to refer to Payroll Registers
CURRENT PAYROLL	Payroll Register
RETURNS	Statement of Deposits and Filings for the State

If you're switching **from QuickBooks Basic, Standard, or Enhanced Payroll to Assisted Payroll**

Payroll information	**Where to find it**
UI RATE AND ID	Previous Quarter Returns or Payroll Item List
EE INFO	Contact List
YTD	Payroll Summary
QTD	Payroll Summary
CURRENT PAYROLL	Payroll Summary
RETURNS	941 and state returns

Glossary:

UI RATE	Unemployment Insurance Rate
EE INFO	Employee Information
YTD	Year to Date
QTD	Quarter to Date

Form W-4 (2008)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2008 expires February 16, 2009. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds $900 and includes more than $300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earner/multiple job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

Nonresident alien. If you are a nonresident alien, see the Instructions for Form 8233 before completing this Form W-4.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2008. See Pub. 919, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for **yourself** if no one else can claim you as a dependent . . . . **A** ______

B Enter "1" if:
- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are $1,500 or less.

. . **B** ______

C Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . **C** ______

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return . . . . **D** ______

E Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above) . **E** ______

F Enter "1" if you have at least $1,500 of **child or dependent care expenses** for which you plan to claim a credit . . **F** ______
(**Note.** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.
- If your total income will be less than $58,000 ($86,000 if married), enter "2" for each eligible child.
- If your total income will be between $58,000 and $84,000 ($86,000 and $119,000 if married), enter "1" for each eligible child plus "1" **additional** if you have 4 or more eligible children.

G ______

H Add lines A through G and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ► **H** ______

For accuracy, **complete all worksheets that apply.**
- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have **more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $40,000 ($25,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4**
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

► **Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.**

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1 Type or print your first name and middle initial.	Last name	**2** Your social security number
Home address (number and street or rural route)	**3** ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate. **Note.** If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.	
City or town, state, and ZIP code	**4** **If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card.** ► ☐	

5 Total number of allowances you are claiming (from line **H** above **or** from the applicable worksheet on page 2) **5** ______

6 Additional amount, if any, you want withheld from each paycheck . . . . **6** $ ______

7 I claim exemption from withholding for 2008, and I certify that I meet **both** of the following conditions for exemption.
- Last year I had a right to a refund of **all** federal income tax withheld because I had **no** tax liability **and**
- This year I expect a refund of **all** federal income tax withheld because I expect to have **no** tax liability.

If you meet both conditions, write "Exempt" here . . . . ► **7** ______

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature
(Form is not valid unless you sign it.) ► **Date** ►

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)	**9** Office code (optional)	**10** Employer identification number (EIN)