

End of Year - Payroll

AccountEdge Pro

AccountEdge Network Edition

AccountEdge Pro for Windows

priority

Acclivity LLC

Website: accountedge.com

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Important information before you begin

It is important before you begin the year-end process for starting a new payroll year to be sure that you have entered all paychecks for the current payroll year. We suggest that you make a backup of your company file, then immediately restore the backup, giving the restored backup a unique name such as PY2017. This will be the file that you will open to access the detailed payroll information for that year. Once you have begun the Start a New Payroll Year process, the pay history will be erased from the current file.

NOTE: Before you create a payroll check The current payroll year must be closed before you can create a payroll check in the new payroll year.

Checklist of procedures

- () Complete the last payroll run for the current payroll year
- () Verify your company file
- () Backup your company file
- () Start a new payroll year
- () Install Product updates
- () Optimize the Company File
- () Restore the backup
- () Print year end payroll forms
- () Print payroll reports
- () Complete the last payroll run for the current payroll year

End of Year for Payroll Procedures

You must close the payroll year in the last month of your payroll year or soon after. Otherwise, you will not be able to enter paychecks for the next payroll year.

NOTE: Installing AccountEdge Tax Tables do not install the new tax table update before you begin the procedures.

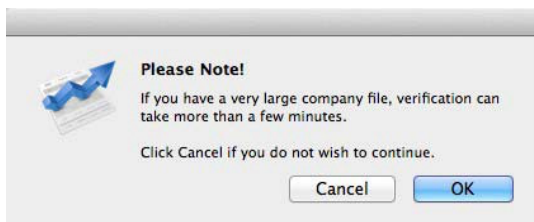
Complete the last payroll for the current payroll year

It is important that you first complete the last payroll run in the current payroll year before you continue with the checklist of the procedures.

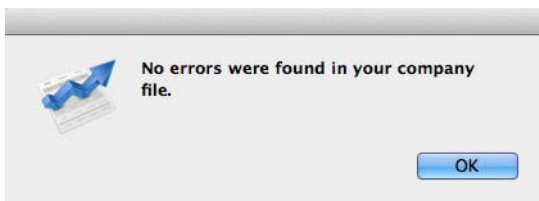
How to verify your company file

- 1 Open your company file.
- 2 From any command center, go to the **File** menu and select **Verify Company File**. A warning window will appear stating that if your company file is large it may take a long time so be prepared because you do not want to cancel this process if you have run out of time. Please do not leave the computer verifying the file overnight.

NOTE: Do Not verify overnight Leaving the verification process running overnight will leave the file open and can lead to a serious corruption.



- Click **OK**. The verification process will begin. This process will check the data file for any corruptions that may have occurred. When the verification process is complete the following window will appear.



If no errors were found in the file, click **OK**, the command center will appear.

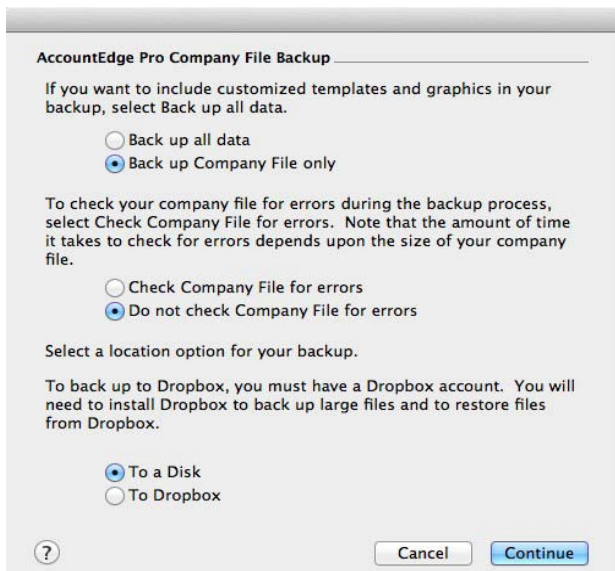
NOTE: If you received an error If you receive a message that an error has occurred then close the file and refer to [AccountEdge Help](#) for further assistance.

How to Make a Backup of your company file

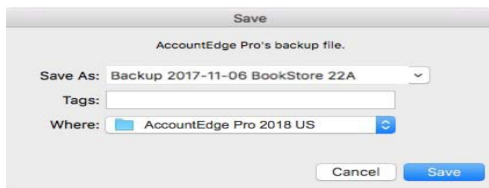
- Open your company file.
- From any command center, go to the **File** menu and select **Backup**.



- 3 A **Backup** window will appear. The options that have been pre-selected in this window are determined preferences selected.



- 4 Make the preferred selections and select the **Continue** button. The **Save** window will appear.

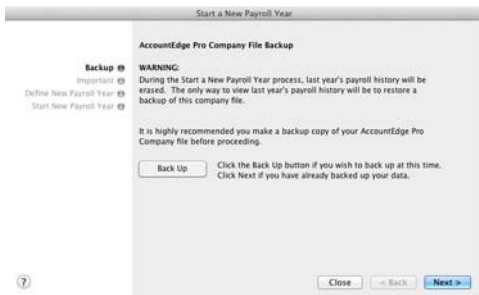


NOTE: Dropbox backup If you choose to back up to Dropbox, you must have an account through dropbox.com.

- 5 Select the location and name of your backup file then click **Save**. The Command Center of your company file will appear.
- 6 Go to the location you saved the backup to verify that the backup process was successful.

Start a New Payroll Year Process

- 1 Go to the **File** menu from any command center and select **Start a New Year**, then select **Start a New Payroll Year**. The backup process window will appear.



- 2 Be sure to make a backup copy of your company file by clicking **Backup**.

NOTE : Saving a backup When saving a backup, be sure to give the backup a unique name, such as, Payroll2017, and save it in the same location as your company file. This will make accessing the correct file easier.

- 3 After you have successfully created a backup copy of your file and have successfully restored that backup, then click **Next**.



- The next step explains important information that you need to know before you continue. Once you have read and understood the information provided, click **Next**.



- Define New Payroll Year view will display. Enter the year the **New Payroll Year Ends**, then click **Next**.

NOTE: Last chance to cancel This is the last opportunity you will have to cancel this process. If you are not sure if all the above steps have been complete, then click **Close**. You may begin the procedure when you are sure that all has been done correctly.

- Click **Start a New Payroll Year** to begin the process.
- Once the process is complete, the command center will appear.

- 8 Go to the **Setup** menu and select **Payroll & 1099 Information**. Be sure that the **Current Payroll Year** has changed.

Optimize your company file

- 1 If your company file is open and you want to optimize, from the command center, go to the **File** menu and select **Optimize Company File**. A warning window will appear explaining that the software will create a new copy of your company file and will add the extension “.BAK” to the existing company file.



- 2 Click **OK** to continue.

When the optimization process is complete, if there were no errors found in the process, the following window will appear.



NOTE: If you received an error If an error occurred during the optimization process, make a note of the exact error, cancel the process, and refer to AccountEdge Help for further assistance.

- 3 Click **Close** to return to the **Command Center** window.



You can optimize your company file before you open it.

Optimize your company file before opening

- 1 In the **Welcome to AccountEdge Pro** window, click **Company File Maintenance** and select **Optimize Company File** from the menu. The **Optimization Assistant** window appears explaining that the software will create a new copy of your company file and will add the extension “.BAK” to the existing company file.
- 2 Click **Continue**.

NOTE: If you received an error If an error occurred during the optimization process, make a note of the exact error, cancel the process, and refer to AccountEdge Help for further assistance.

Install your product updates

- 1 Go to the AccountEdge menu (Mac) or the Help menu (Windows) and select **Check for Updates** (requires internet access).

NOTE: Installing AccountEdge Updates and Tax Tables Be sure that you have made a backup copy of your company file and have completed the start a new payroll year process before you install the current update and tax tables.

- 2 Read and follow the onscreen instructions. After the update installation is complete you can load the tax tables.
- 3 Go to the **Setup** menu and select **Payroll Updates**. Here you will verify that you have run the latest version of AccountEdge, all eligible tax tables have been loaded and your current status of the **Payroll Tax Service Plan**.
- 4 Click **Close**.

Run your first payroll for the new year

Now that you have successfully started a new payroll year, have installed the latest update and have loaded the tax tables into your company file, you can enter the first payroll for the new year.

Restore the backup

To print W2s, 1099s, and to run payroll reports for the previous payroll year, you must restore the back up you created.

- 1 Go to the **File** menu and select **Restore**.
- 2 An **Open** window will appear to choose a file to restore. Select the backup you created containing the previous payroll year information and click **Open**.
- 3 A **Choose a Folder** window will appear. Select a destination folder for your restored company file and click **Choose**. A confirmation window will appear stating the name of the restored file and where it will be stored.
- 4 If the information in this window is correct and you would like to open the restored file, click **Yes**.

NOTE: Copy of company file for payroll only do not enter data into this copy of your file. This copy will be used to access payroll information for the previous payroll year only. You can rename the file with a unique name, such as PY2017.

Print Year End Payroll Forms

The 940, 941, W2, W3, 1099, and 1096 are calculated from the Pay History for the payroll year being closed. These forms must be printed from the company file that displays the year that is being closed, before beginning a new payroll year. However, if you need to create paychecks for the new payroll year before you file these forms, you can access the copy of the file that was created before you began this process.

940 - Federal and State Unemployment Reconciliation (FUTA)

This form is a reconciliation used to report your annual Federal Unemployment (FUTA) tax. FUTA tax provides funding for paying unemployment compensation to workers who have lost their jobs and is paid by the employer only.

To print the 940 form in your company file:

- 1 Go to the Payroll command center and select **Prepare Payroll Forms**.
- 2 Select the 940 form located in the Federal list of forms.

NOTE: Payroll Forms Service the purchase of the payroll forms service is required to access this form..

- 3 Follow the instructions displayed. Be sure to go through each page of the document (top left corner) before selecting the Next Step option (top right corner)

941 - Federal Employer Tax Return

The employer's federal tax return is filed quarterly and is used to match the employer's tax liabilities to the federal payroll tax payments that were made. Federal law requires the employer to withhold taxes from the employee's paycheck each time an employee is paid, and pay any liability for the employer's portion of the Social Security and Medicare taxes.

The 941 is a tax return for the employer to report taxes withheld and paid and reconciles with the W2 forms (taxes withheld from the employee credited in payment of their tax liabilities). This reconciliation is performed before the last deposit of the year is made. Adjustments are included in the final tax payment and appear on the 4th Quarter 941 form.

To print the 941 form in your company file

- 1 Go to the Payroll Command Center and select **Prepare Payroll Forms**.
- 2 Select the 941 form located in the Federal list of forms.
- 3 Select the 4th Quarter located below the list of forms.

NOTE: Payroll Forms Service the purchase of the payroll forms service is required to access this form.

- 4 Follow the instructions displayed. Be sure to go through each page of the document (top left corner) before selecting the Next Step option (top right corner).

W2 and W3 forms

The W2 form is a tax statement that reports an employee's annual wages and the amount of taxes withheld from their pay. The W3 form is a summary of the W2 forms submitted except the employer matching Social Security and Medicare taxes. Although there is an additional charge to access Federal and State forms, if using our Payroll Forms Service, the W2 and W3 forms are provided to you free of charge.

To print the W2/W3 forms in your company file

- 1 Go to the Payroll command center and select **Prepare Payroll Tax Forms**.
- 2 Select the W2/W3 (free) form, click Display.
- 3 Enter necessary information on each page displayed.
- 4 Follow the instructions displayed. Be sure to go through each page of the document (top left corner) before selecting the Next Step option (top right corner).

1099 and 1096 forms (If applicable)

The 1099 form is used to report various types of income other than wages, salaries, and tips and is used instead of a W2 for those who were hired to perform a specific job without being a regular employee. The 1096 form is a summary of the information reported on the 1099 form.

To print the 1099 and 1096 forms in your company file

- 1 Go to the Purchases command center and click Print 1099/1096.
- 2 Click on the zoom arrow in front of the vendors name to verify the information.
- 3 Select the vendors you wish to print a 1099 for.
- 4 Click Print.

NOTE: Print 1099 and 1096 forms You must have the printed forms available, which are purchased at any office supply store.

Print Payroll Reports

To print the Payroll Reports

- 1 Go to the Reports menu and select **Index to Reports** from the drop down menu.
- 2 Select the Payroll tab.

The **Activity Summary** report is a summary by employee of all wages, deductions, taxes, expenses, and accruals recorded in each paycheck.

NOTE: Activity Summary report The total wages on this report should match the 940 report.

The **Payroll Earnings** report is created from transactions recorded for each employee reporting all details of each paycheck.

The **940 (FUTA)** report is created from the pay history. The calculation is done at the time the report is run. This report is used to file the 940 form.

NOTE: 940 (FUTA) report This report should match the FUTA amount on the Tax Liabilities report for the same time period.

The **941 report** is created from the pay history. It is run quarterly and is used to fill out the 941 form. This report is a reconciliation of what has been paid against what should have been paid and is due at the end of the month following the quarter end. This report is used to file the 941 form.

NOTE: 941 report This report should match the Tax Liabilities report for the same time period.

The **Tax Liabilities** report is one of the most reliable reports used and is created by using the exact amounts recorded in each paycheck transaction.

- 3 Select the desired report and click **Customize**.
- 4 Select the appropriate filters, format, and finishing options then click **Display**.
- 5 Once the report is displayed, click **Print**.

Congratulations! You have completed the End of Year for Payroll

