JENZABAR

Payroll Configuration Guide

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Payroll Configuration Guide

Defining Payroll Module Controls

This is a list of tasks you use to define items in the Payroll module that control how functions in the system work. In effect, you are able to customize the system to best suit your organization.

Before you begin using the system, make sure you perform these steps:

Setting up the Payroll Configuration

Setting up the Payroll Control

Setting up Your Organization's Direct Deposit Control Information

Setting up your Organization's Shifts

Setting up W-2 Control Information

Setting up Tax Information

Setting up Payroll Configuration

The system allows you to define items that control certain features of the timecard entry function. Such features include how much error-checking is performed on timecard hours entered, the number of tax periods per year that will automatically appear on new employee records, which check form layout your organization will use, etc. The Payroll Configuration table stores all of this information. This information is generally set up for you once and will not change. On occasion, you may need to change an item if a policy or practice at your organization changes.

Setting up the Payroll Control

The system allows you to manage certain function in each payroll run. This information is stored on the Payroll Controls table. This table contains information that is used each pay run and for other functions in the module (such as reporting W-2 information via magnetic media to the federal and state governments).

The Payroll Controls table contains three kinds of information:

- information that should never be changed once it is defined (unless your organization or federal law changes)
- information that is changed yearly or quarterly
- information that should be changed before each payroll run

⇨ For example, the type of information stored on this table includes the Period dates for a pay run, the date to print on paychecks, Federal and State Employer Identification Numbers, the Overtime percentage rate, the percentage of Federal Work Study pay funded by the government, the W-2 and Work Study year in which you are currently operating, etc. You may also type in messages that will print on check stubs.

Setting up Tax Information

The Payroll module handles all withholding of taxes for federal, state, and local areas once they are defined on the system. These are defined on two tables; the Tax Definition and Tax Control tables. The type of tax, to whom you send the money, the subsidiary and account holding the money until you send it are stored on the Tax Definition table.

The actual tax tables, complete with brackets, percentages, standard deductions, exemptions, and limits are specified on the Tax Control table and the Tax table.

Your responsibility is to provide Jenzabar with the tax tables for each State and other localities for which employee's working at your organization are taxed. If you need to add state calculations or if a state changes its method of calculating taxes, contact Jenzabar to make the necessary changes.

Setting up W-2 Control Information

The W-2 Controls window is used to define your organization's W-2 information. This information includes name and address for your organization as well as the type of computer you are using to create the W-2 file. The W-2 is then sent to the Federal government via magnetic media. This process is completed using the **W-2 Controls** window.

The three main sections on the window are:

- W-2 Transmitter: This section contains the name and location of the organization that is transmitting the information.
- W-2 File Return: This section contains the name and location where the file was created. This is important to know in case there are errors in the file, and it must be returned.
- W-2 Form Name Address: This section contains the Employer's name, address, and zip code that are printed on the W-2 forms.

Setting up Your Organization's Direct Deposit Control Information

The Direct Deposit feature allows your organization to create payment transactions for your employees and have them transferred via a banking system into one or more of the employee's accounts. The employee decides how much money (either as a percentage of their pay or a dollar amount) to have directly deposited and into which accounts (checking or savings). The amount of the deposit prints on the paycheck stub or on a separate direct deposit stub depending on whether or not all of the pay is deposited.

This feature is optional with the Payroll module. You will need to need to establish an agreement with a bank or financial organization that can handle your transactions. Your employees will also need to give you authorization for paying them using this method rather than with checks.

The system allows you to set up information for banks that will receive and process the direct deposit transactions produced by your payroll. This is the kind of information that will remain constant for your organization regardless of the employee banks, accounts, etc. This information is stored on the Direct Deposit Control table.

Work with your banker to fill in the information required on the Direct Deposit Control table. Your banker will also tell you what type of magnetic media they require (e.g., 3 1/2" diskette, data cartridge, etc.). The system uses this information to create the ACH mag. media format file. You must send this file your bank after transferring it to a diskette or other magnetic media.

An optional process is to have the system fill records with 9's if a block (set of 10 records) is not filled with normal transactions.

Direct deposit transactions flow from your organization to the employee in the order shown below. Next to each participant in the chart is the term that National Automated Clearing House Association (NACHA) uses in its NACHA Operating Rules publication, which explains this system in more detail.

Transactions flow	**Participants**
From	Your Organization (Originator)
	Your Organization's Bank (Originating Depository Financial Organization (ODFI))
↓	The system (Automated Clearing House

Operator)

The Employee's Bank (Receiving DFI)

To Employee (Receiver)

The transactions contain information about the employee's bank, account number, and amount of the credit. These transactions are placed in **Entry Detail Records**, which are sandwiched between four records in two sets. **File Header** and **File Control** records form the outermost envelope and contain information related to the destination and origin of the transactions as well as the total amount of all debits and credits within the table.

The next layer is formed by the **Company/Batch Header** and **Company/Batch Control** rows. These rows contain information about your organization as the Originator. The rows in this manner are illustrated below.

Records	Record Type #	Information on the record
File Header	1	Immediate Origin and Destination numbers and names, date and time file was created, and other codes specifying how the file is formatted.
Company/Batch Header	5	Identifies the originator, routing number of the ODFI, and effective entry date of transactions within the batch.
Entry Detail	6	Employee's name, bank to which transaction is sent, account number, and amount of payment. Many records of this type.
:		
:		
:		
:	6	Additional rows for all employee transactions, etc.
:		
Company/Batch Control	8	Your organization's name, counts, and total amounts of Entry Detail records.

|

|________ File Control 9 The number of batches, number of blocks, and total debits and credits of the file.
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Setting up Your Organization's Shifts

You may define shifts during which employees at your organization work. Shifts may be set up so that any hourly employee who works during that shift has either a percentage of, or straight amount added to, their pay rate. Shifts are defined on the Shift Definitions window.

⇨ For example, you could define a shift to pay employees double their pay rate, or you could increase their pay rate by $.50 per hour.

For instructions on defining shifts, see How to Enter Shift Definitions.

Windows

Direct Deposit Controls Window

PA | Admin | Task | Configuration | Payroll Configuration | Direct Deposit Controls

In order for direct deposit transactions to make it from your organization to the employee's bank correctly, the system needs the information in this window. Portions of the descriptions and abbreviations used for the column explanations are taken from the NACHA Operating Rules publication. Your bank should have a copy of this if you need more information.

Work with your banker to fill in the information required on the Direct Deposit Control table. Your banker will also tell you what type of magnetic media they require (e.g., 3 1/2" diskette, data cartridge, etc.). The system uses this information to create the ACH mag. media format file. This is the file you send to your bank after transferring it to a diskette or other magnetic media.

This window is divided into three main areas:

File Header Information (Record Type 1)

Batch Header Information (Record Type 5)

Detail Information (Record Type 6)

Allow Electronic Header/Footer

Pad 9's to Finish Block in Direct Deposit File?

File Name Extension

Payroll Configuration Window

PA | Admin | Task | Configuration | Payroll Configuration | Configure Payroll

This is used to enter information about how you would like certain functions in the Payroll module to operate. These items must be defined before you begin using the system.

Timecard

Vacation Code

Sick Code

Holiday Code

Other Code

Entry Type

Validate Hours

Object Code Account Component

Check Accrual Information

Number of Tax Periods

Remove Timecard Batch

Display Pay Rate

Check Messages

Suppress Salary Hours on Stub

Summarize GL LB Transactions

Summarize GL IV Transactions

Check Earning Details

Require Vendor and Subsidiary Code for Invoices?

Work Hours in Week

Stub Description

Regular Earnings

Overtime Earnings

Other Earnings

Payroll Control Window

PA | Admin | Task | Configuration | Payroll Configuration | Payroll Controls

This window allows you to define settings for when a Pay Run is performed. This window has two tabs in which you can specify information: Details and Messages.

Details Tab:

Period Begin Date

Period End Date

Check Date

Direct Deposit Type

Direct Deposit Number

Check Type

Check Number

Calendar Year

W-2 Year

Federal Work Study Percent

Overtime Percent

Work Study Year

Work Study Term

Encumbrance PO Number

Quarter End Date

Suppress Voluntary Deductions

Adjust Work Study Pay

Messages Tab:

Check Message 1

Check Message 2

Check Message 3

Direct Deposit Message 1

Direct Deposit Message 2

Direct Deposit Message 3

Direct Deposit Message 4

TIP: After updating the Payroll Control Information, if you proceed with the payroll run and generate timecards and realize you have incorrect information on the Payroll Control table, return to the Payroll Control window and make the necessary changes. Then you must run another timecard edit, etc., to apply these changes to the pay run. You can do this without harming anything until you have taken the option to Update Payroll. After that point, the employee's data reflects that pay run. You can, however, restore the tables from the backup made at that point and repeat the pay run.

Shift Definitions Window

PA | Admin | Task | Configuration | Payroll Configuration | Shift Definitions

This window allows you to define the shifts during which employees of your organization work. This includes any pay rate increases (not including overtime) an employee receives for working a shift.

Shift Code

Description

Differential Percent

Differential Amount

Taxes Window (Configuration)

PA | Admin | Task | Configuration | Payroll Configuration | Taxes

This window is used for specifying the details about each type of tax your organization may withhold for employees. Much of the information you enter on this window and its tabs can be obtained from publications produced by the taxing authorities.

There are three tabs on the window:

- Definitions tab
  (This tab allows you to indicate which tax code is used when further defining tax withholding information. It also allows you to set up the state tax reporting configuration for creating magnetic media.)
- Control tab
  (Use this tab to define which filing statuses are able to be used by employees for a tax code.)
- Table tab
  (Define the tax limits and percentage rates using this tab.) You must select a row on the Control tab before this tab may be used.

For instructions on entering tax information for your organization, see How to Enter Tax Information.

To determine if your state calculations and table are up to date, see Tax Calculations.

W-2 Controls Window

PA | Admin | Task | Configuration | Payroll Configuration | W-2 Controls

This allows you to enter your organization's information that is necessary for reporting W-2s to the government. This window contains three sections and the computer type:

W-2 Transmitter: This section contains the name and location of the organization that is transmitting the information.

Transmitter Name

Transmitter Address

Transmitter City

Transmitter State

Transmitter Zip

W-2 File Return: This section contains the name and location where the file was created. This is important to know in case there are errors in the file and it must be returned.

File Return Name

File Return Address

File Return City

File Return State

File Return Zip

W-2 Form Name Address: This section contains the Employer's name, address and zip code that are printed on the W-2 forms.

W-2 Form Name Address 1

W-2 Form Name Address 2

W-2 Form Name Address 3

W-2 Form Name Address 4

Computer Type

Step-by-Step

How to Enter Direct Deposit Control Information

1. **Choose PA, File, Admin, Task, Configuration, Payroll Configuration, Direct Deposit Controls. The Direct Deposit Controls window appears.**
2. **Enter information on the window for using the Direct Deposit feature.**
3. **Save.**

How to Enter Payroll Configuration Information

1. **Choose PA, File, Admin, Task, Configuration, Payroll Configuration, Configure Payroll. The Payroll Configuration window appears.**
2. **Enter the information according to your organization's policies and procedures.**
3. **Save.**

How to Enter Payroll Control Information

1. **Choose PA, File, Admin, Task, Configuration, Payroll Configuration, Payroll Controls. The Payroll Control window appears.**
2. **Enter information on the Details tab. This includes initially setting up information that changes very infrequently and entering information for the most current pay run.**
3. **Save.**
4. **Click on the Messages tab to enter messages that will print on the paycheck stubs and/or the direct deposit stubs.**
5. **Save.**

How to Enter Shift Definitions

1. **Choose PA, File, Admin, Task, Configuration, Payroll Configuration, Shift Definitions. The Shift Definitions window appears with a list of all shifts previously defined.**
2. **To add a shift, choose Option, Add Row.**
3. **Type in the information for the new shift.**
4. **Save.**

How to Enter Tax Information

1. Choose PA, File, Admin, Task, Configuration, Payroll Configuration, Taxes. The Taxes (Configuration) window appears.
2. Type in the Tax Code you want to enter or view.
   - or -
   Select the tax code by selecting Options (or right-click), Tax Code.
3. The Definitions tab displays the tax information. Enter any additional information for this tax code.
4. Save.
5. Click on the Control tab to enter the rows for the various Tax Types. Enter information regarding the type. (NOTE: the Tax Type is equivalent to the Filing Status that is defined per employee.)
6. Save.
7. Click on the Table tab and enter tax table information for the Tax Type that you were just viewing on the Control tab. The Tax Type is displayed on the tab for you to verify that you are entering the correct table information.
8. Save.
9. To enter table information for another Tax Type, return to the Control tab, select the appropriate Tax Type, then click on the Table tab again.

How to Enter W-2 Control Information

1. **Choose PA, File, Admin, Task, Configuration, Payroll Configuration, W-2 Controls. The W-2 Controls window appears.**
2. **Enter information as required for printing the W-2 forms for your employees and for submitting W-2 information to the government via magnetic media.**
3. **Save.**