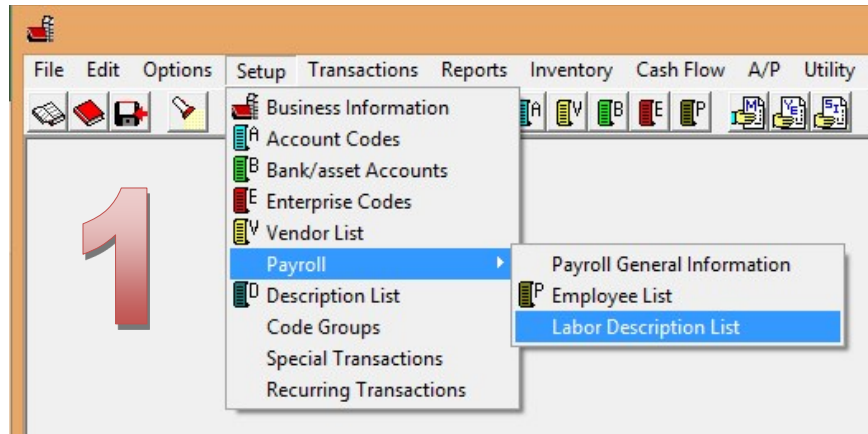
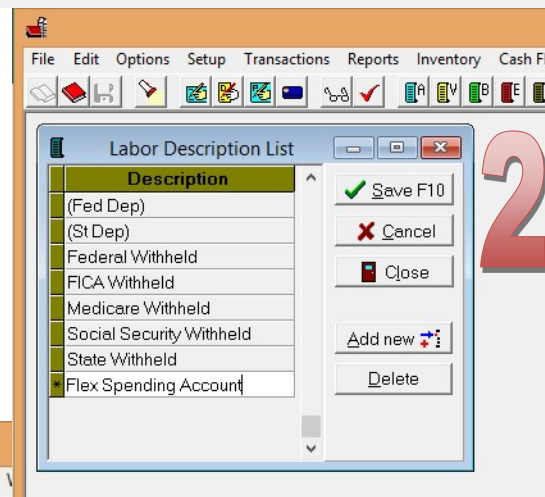


# How to create non-standard deductions on employee paychecks

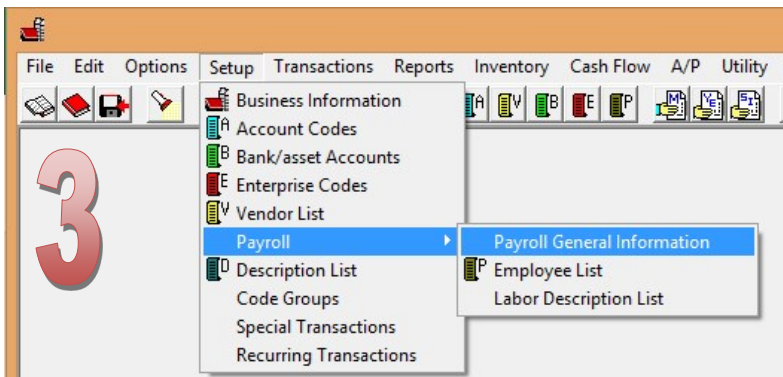
1. You will want to start out by setting up the description of the type of deduction you want to make from the employee. Common things might be Friend of the Court, flex spending accounts, retirement, utilities, etc. By setting up the description it will carry through on all the transactions later on. Go to Setup → Payroll → Labor Description List



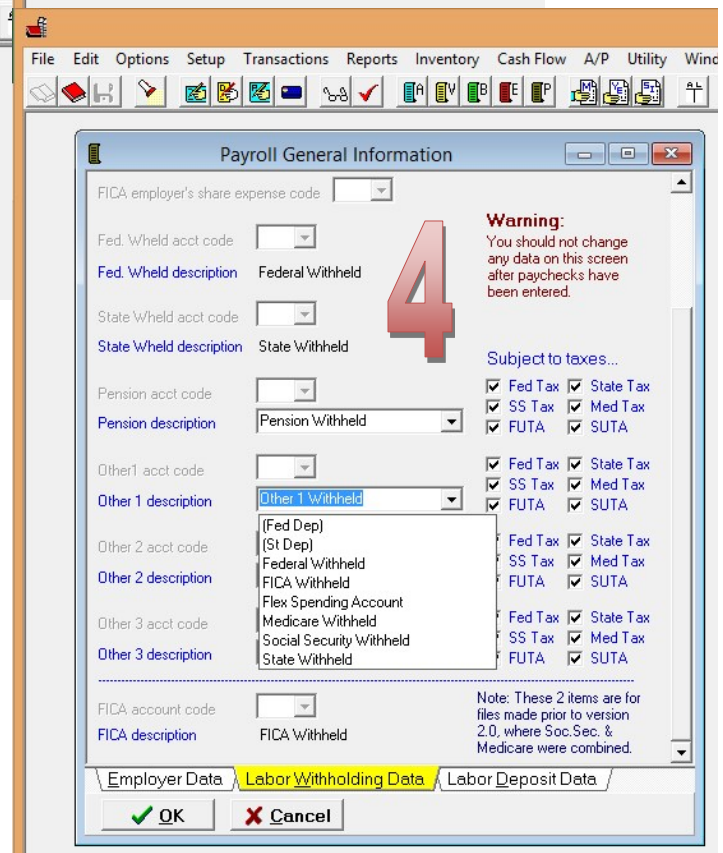
2. Then you will add the names of what ever deductions you will need to use. In this situation I am adding “Flex Spending Account”



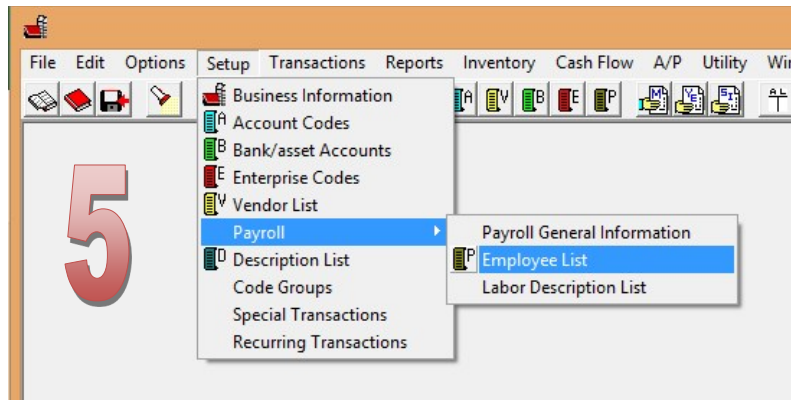
3. Once you have added the descriptions you will need, you can then add them to the deductions that are set up for your farm. Go to Setup → Payroll → Payroll General Information



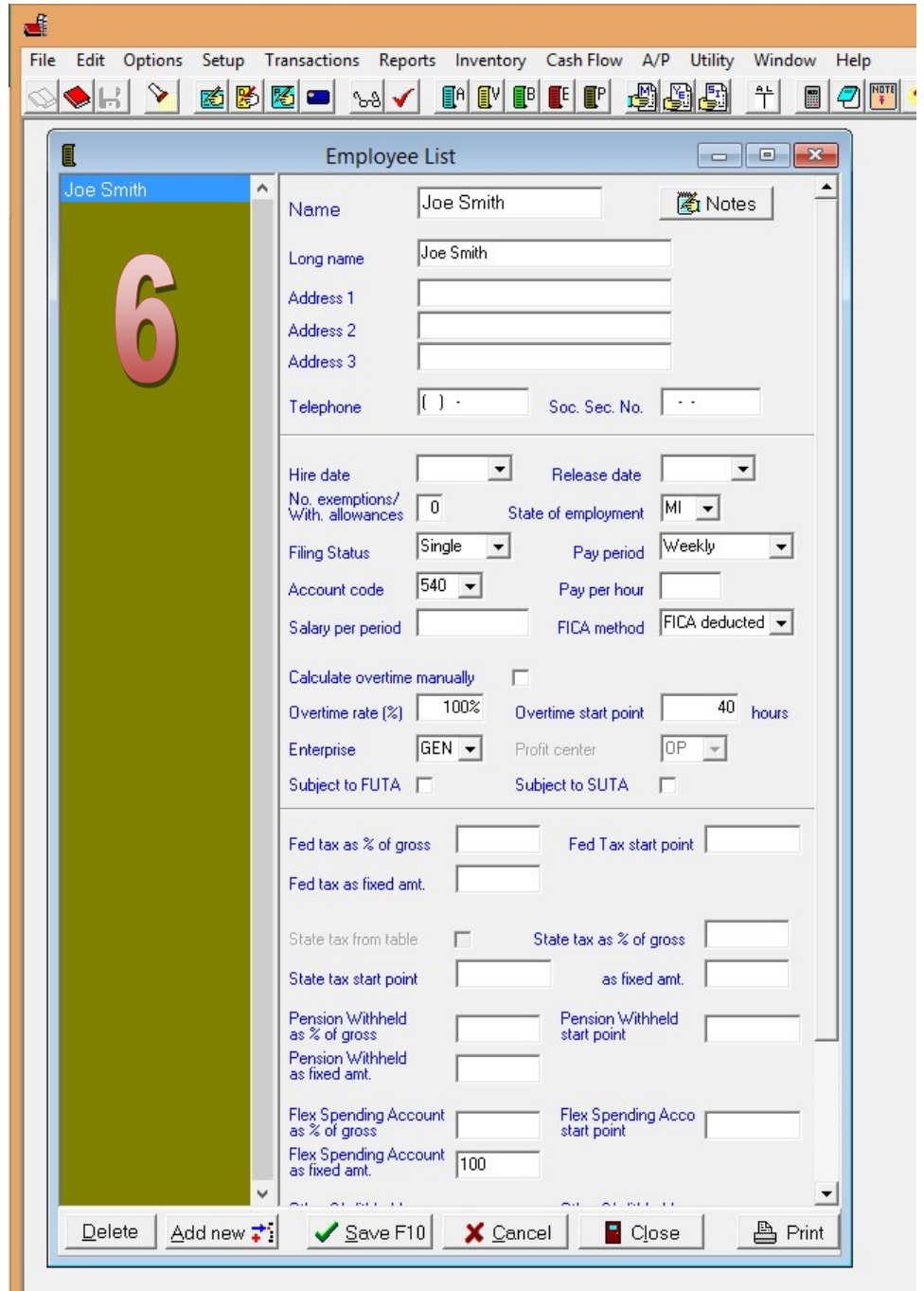
4. Go to the “Labor Withholding Data” tab and now you can change “other 1 description” to the description that you just created (in this case it will be changed to Flex Spending Account). There are a total of 3 “other” deductions that you can change the default description for. You also have the ability to change whether or not it is subject to tax. The account code should be left alone.



5. Now you can set up the details of the deduction for each employee that it applies to. This next step is helpful if it is a consistent amount or percentage. If it changes every time, you may not want to set it up here and just do it on the paycheck. Go to Setup → Payroll → Employee List



6. Once you've selected the employee that you want to set up the deduction for, you can scroll down to where the deductions are. You'll see federal, state tax and pension first. Then you will notice on mine, what used to be "other 1 deduction" has now changed to Flex Spending Account. I can now enter the amount as a % of gross or a flat amount. In this case, I've entered a flat amount of \$100. If there are additional deductions, they would be on this list too.



7. Now that those items have been set up, you can go over to make out a paycheck. Select the employee and hit the “calc” button. In there, you’ll see the “other 1 withhold” has also been changed to flex spending account, and because a default amount of \$100 was set up in the “employee list” screen, it automatically populates in this screen.

**Calculate Paycheck Detail**

**Pay Calculation**

Hours:  Base pay: \$1,000.00

Quantity:  Rate:  Bonus Pay:

**Withholdings**

Soc. Security: \$62.00 Medicare: \$14.50 Federal Tax:

State Tax: \$0.00 Pension Withheld:  Flex Spending Account: \$100.00

Other 2 Withheld:  Other 3 Withheld:

Calculate Gross Pay from Net Check:  **Net Check**: \$823.50

Reset Values

**Paycheck**

Bank Account: 100 Business Account: Balance: \$1,000.00

**Paycheck** Number: 3 Not cleared

Date: 9/21/16 Total Amount: \$823.50

Pay to the Order of: Joe Smith

Address: Joe Smith

Memo:

**Paycheck**

**\*\* Adding NEW**

Code	Entprise	Amount	Description	Units	Weight
540	GEN	\$1,000.00	Gross Pay	0	
540	GEN	(\$62.00)	Social Security Withheld		
540	GEN	(\$14.50)	Medicare Withheld		
540	GEN	(\$100.00)	Flex Spending Account		

Amount Left: \$0.00

Save F10  Cancel

Reuse  Recurring

Prior  Setup item

Print F9  Blank row

Insert row  Close

8. I didn't update the federal withholding or state withholding, I just let the soc. Security and medicare auto calculate in this screen and then take out the flex spending deduction. Those are the only deductions you'll see on the screen

9. Now when you go to print the check, it will start keeping track of the deductions. It will also show a running total on the paycheck for the year. I have only entered one check for this person, so there is no additional running total showing on the stub. This is a print preview of a check. You'll notice all of the deductions are going to account code 540 Payroll—this is correct unless there is a special circumstance. Unfortunately, there is no place to enter the payroll period. If you wanted this to show for the employee, you can enter it in the "memo" field on the paycheck and it will print out (you can see it on the screen shot below).

Eight Hundred Twenty Three and 50/100 Dollars

9/21/2016

\$823.50

Joe Smith

Pay Period 9/1-9/14

9

9/21/2016 PAID - Joe Smith \$823.50

<u>Description</u>	<u>Amount</u>	<u>Account Code</u>	<u>Units</u>
Gross Pay	\$1,000.00	540 Payroll, _____	
Social Security Withheld	\$(62.00)	540 Payroll, _____	
Medicare Withheld	\$(14.50)	540 Payroll, _____	
Flex Spending Account	\$(100.00)	540 Payroll, _____	

10. Now that you have finished with payroll part of the deductions, you may have to write a check to the flex spending account administrator or friend of the court, etc. If you don't already have an account code set up for this specific item, you will need to do that first. Go to Setup → Account Codes → Expenses tab. Account codes 500-515 are for labor related expenses. You'll see that I activated code 513 and changed the name to "flex spending account" to use for this expense.

Code	Active	Description	Group Description	Default Enterprise	Resale Code
499	<input type="checkbox"/>	Additional Exp L	Additional Expense		<input type="checkbox"/>
500	<input type="checkbox"/>	Labor Expense	Labor Related Expenses		<input type="checkbox"/>
501	<input type="checkbox"/>	Bus Share FICA	Labor Related Expenses		<input type="checkbox"/>
502	<input checked="" type="checkbox"/>	State Unemployment	Labor Related Expenses		<input type="checkbox"/>
503	<input checked="" type="checkbox"/>	FUTA Payments	Labor Related Expenses		<input type="checkbox"/>
504	<input type="checkbox"/>	Employee Benefit	Labor Related Expenses		<input type="checkbox"/>
505	<input type="checkbox"/>	Uniforms	Labor Related Expenses		<input type="checkbox"/>
506	<input type="checkbox"/>	Employee Meals	Labor Related Expenses		<input type="checkbox"/>
507	<input type="checkbox"/>	Employee Medical	Labor Related Expenses		<input type="checkbox"/>
508	<input type="checkbox"/>	Employee Housing	Labor Related Expenses		<input type="checkbox"/>
509	<input checked="" type="checkbox"/>	PRIOR YR FED LBR DEP	Labor Related Expenses		<input type="checkbox"/>
510	<input checked="" type="checkbox"/>	Federal Labor Deposits	Labor Related Expenses		<input type="checkbox"/>
511	<input checked="" type="checkbox"/>	State Labor Deposits	Labor Related Expenses		<input type="checkbox"/>
512	<input checked="" type="checkbox"/>	PRIOR YR STATE LBR DE	Labor Related Expenses		<input type="checkbox"/>
513	<input checked="" type="checkbox"/>	Flex Spending Account	Labor Related Expenses		<input type="checkbox"/>
514	<input type="checkbox"/>	Labor Expense E	Labor Related Expenses		<input type="checkbox"/>
515	<input type="checkbox"/>	Labor Expense F	Labor Related Expenses		<input type="checkbox"/>
540	<input checked="" type="checkbox"/>	Payroll, _____	Payroll		<input type="checkbox"/>

11. If you don't already have a vendor set up for this expense, you should go ahead and do that next. Go to Setup → Vendor List → Add new. In here you can set up the name, address, etc. You can also give it a default account code—in the case of the account I set up for “flex spending account” it is code 513. I can also give it a default description. In this case, I'm going to use Joe FSA as he is the only employee that has an FSA.

12. Now you can pay the vendor with a regular check. This will now make the deduction an expense. If you put in a default account code and/or description for the vendor you've chosen, these will automatically populate in the lower section of the screen where you put the details in.

Code	Entprise	Amount	Description	Units	Weight
* 513	GEN	\$100.00	Joe's FSA		
Amount Left		\$0.00			