Chapter 4
Employees
Employees

In Chapter 4, you learn how Peachtree processes payroll. Once default and employee maintenance information is set up, payroll is a simple process.
Software Objectives, p. 129

1. Restore data from Exercise 3-2. (This backup was made on p. 127.)
2. Enter and store information using the Maintain Employees/Sales Rep window.
3. Set up default information for payroll.
4. Store constant information about payroll payment methods.
5. Transfer funds from the regular checking account to the payroll checking account.
6. Enter paychecks in the Payroll Entry window.
7. Print employee paychecks.
8. Make two backups: backup Chapter 4 data; and backup Exercise 4-2.
Web Objectives, p. 129

- Use your Internet browser to go to the book’s website at www.mhhe.com/yacht2008.
- Complete the Internet activity for the American Institute of CPAs.
- Use a word processing program to write a summary about the websites(s) that you visited.
Peachtree’s Payroll System

Employees

Set up Employee Defaults

Select employees

Enter tax information and define payroll fields

Employee Maintenance

Select employees/sales reps

Set up employee rates and special deductions

Record transaction

Select payroll entry

Enter employee paycheck information for a specific pay period
Peachtree Tips

- All work in Chapters 1, 2, and 3, including the end-of-chapter exercises, should be completed before starting Chapter 4.
- When you are ready to print paychecks, you pick a form to print. The paycheck form selected is tied to the kind of printer you are using. The paychecks shown on pp. 143 and 144 are OCR Multi-Purpose PR Laser. Depending on the kind of printer being used, you may need to make a different selection for printing forms.
Peachtree Tips

In Chapter 14, Employees, Payroll and Account Reconciliation, you learn how to set the defaults for the payroll accounts. Each employee and employer deduction will be set for individual liability accounts and expense accounts.
In Chapter 4, you make two backups. The Chapter 4.ptb backup is made on pages 145-146 and the Exercise 4-2.ptb backup is made on page 151. Refer to the chart shown on page 2 in the textbook.

<table>
<thead>
<tr>
<th>Backup Name</th>
<th>KB</th>
<th>Page Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 4.ptb</td>
<td>3,396 KB</td>
<td>145-146</td>
</tr>
<tr>
<td>Exercise 4-2.ptb</td>
<td>3,392 KB</td>
<td>151</td>
</tr>
</tbody>
</table>
Chapter 4 Topics

1. Software & web objectives, p. 129
2. Getting started, p. 129
3. Default information, p. 131
4. Employee Maintenance, pp. 132-134
5. Payroll tasks, p. 136
   a. Transferring cash to the payroll checking account, pp. 136-138
   b. Payroll entry for a salaried employee, pp. 138-140
   c. Payroll entry for an hourly employee, pp. 140-142
   d. Printing payroll checks, pp. 142-144
6. Journal entry for payroll, p. 145
Chapter 4 Topics (concluded)

7. Backing up Chapter 4 data, p. 145-146
8. Internet Activity, p. 146
9. Summary and review, pp. 146-147
   a. Going to the Net, p. 147
   b. Short-answer questions, pp. 148-150
   c. Exercise 4-1, p. 151
   d. Exercise 4-2, p. 151
   e. Chapter 4 index, p. 152
From the Navigation Bar, select ; click , Set Up Employees Defaults.

**Employee Defaults window, p. 132**

- State: GA
- Locality: 

Assign Payroll Fields for:
- W-2s
- EmployEE Paid Taxes
- EmployER Paid Taxes

Display Employee Name with:
- First name first (John Q Doe)
- Last name first (Doe, John Q)

Custom Fields:

<table>
<thead>
<tr>
<th>Field Labels</th>
<th>Enabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>✅</td>
</tr>
<tr>
<td>Birthday</td>
<td>✅</td>
</tr>
<tr>
<td>Spouse</td>
<td>✅</td>
</tr>
<tr>
<td>Emerg. Contact</td>
<td></td>
</tr>
<tr>
<td>Review Date</td>
<td>✅</td>
</tr>
</tbody>
</table>

Custom fields can be used to enter extra information about Employees. Use the fields above to label them on all your Employee screens. The enabled box must be checked for text to be entered.
After selecting the EmployEE Fields tab, this window is shown.
EmployER Fields, p. 134

Read the information on pp. 133-134. After selecting the EmployER Fields tab, this window is shown.
Complete steps 1 and 2 on page 135. The Maintain Employees & Sales Reps window appears is shown below step 2.
Click on the Pay Info tab. Pay information for Brandee M. Nunnley appears below step 3.
Payroll Entry for salaried employee, pp. 138-140

The completed Payroll Entry on page 139 is shown below.
The completed Payroll Entry on page 141 is shown below. (Three overtime hours are added.)
## Journal Entry for Payroll, p. 145

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages Expense (Regular Hours)</td>
<td>720.00</td>
<td></td>
</tr>
<tr>
<td>Wages Expense (Overtime Hours)</td>
<td>40.50</td>
<td></td>
</tr>
<tr>
<td>Federal Payroll Taxes Payable (Fed_Income)</td>
<td></td>
<td>98.79</td>
</tr>
<tr>
<td>Social Security (Soc_Sec, Employee)</td>
<td></td>
<td>47.15</td>
</tr>
<tr>
<td>Medicare (Medicare, Employee)</td>
<td></td>
<td>11.03</td>
</tr>
<tr>
<td>State Payroll Taxes Payable (State)</td>
<td></td>
<td>33.01</td>
</tr>
<tr>
<td>Payroll Checking Account</td>
<td></td>
<td>570.52</td>
</tr>
</tbody>
</table>
Backing Up Chapter 4 Data, pp. 145-146

Complete steps 1-6 on pages 145-146 to backup Chapter 4 data.
The suggested file name is Chapter 4.
<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From your Internet browser, go to the book’s website at <a href="http://www.mhhe.com/yacht2008">www.mhhe.com/yacht2008</a>.</td>
</tr>
<tr>
<td>2</td>
<td>Link to Student Edition.</td>
</tr>
<tr>
<td>3</td>
<td>In the Course-wide content list, link to Internet Activities; then link to Part 1 Internet Activities for Chapters 1-8. Open or Save. (In the Choose a Chapter field if you select Chapter 4 observe that chapter-specific links are available; for example, Multiple Choice Quiz, True or False, PowerPoint Presentations and Going to the Net Exercises.) The Course-wide Content also includes a Glossary link.</td>
</tr>
<tr>
<td>4</td>
<td>If necessary, scroll down to the AMERICAN INSTITUTE OF CPAs – Chapter 4. Complete steps 1-3.</td>
</tr>
<tr>
<td>5</td>
<td>Using a word processing program, write a summary about the sites you selected. Remember to include the website address(es) of each link. Your summary should be no more than 75 words or less than 50 words.</td>
</tr>
</tbody>
</table>

1. What skills should you objectively evaluate?
2. List three factors that affect starting salary.