

# Computerized Payroll Accounting

## PAYROLL PROJECT

In this project, you are employed by Glo-Brite Paint Company as the person in the accounting department responsible for the company's payroll processing using the computerized payroll system described in the preceding material.

You will assume that the payroll records, tax reports, and deposits have been completed and filed for the first three quarters of this year. Your work will involve the computer processing of the payrolls for the last quarter of the year.

To help you get started, the first pay period is provided as a tutorial problem that illustrates the principles and procedures required to process payroll transactions using the **Payroll Accounting** software. In subsequent pay period processing, whenever a new operational procedure is used for the first time, additional instruction will be provided. Each of the following step-by-step instructions lists a task to be completed at the computer. If you need additional explanation for the task, a page reference is provided from the "Computerized Payroll Accounting User's Guide" see below.

## OCTOBER 9 PAYROLL

1. **Start up the *Payroll Accounting* software** (page UG-2).
2. **Load the opening balances template file, *Payroll File 2014.IA7*** (page UG-3). Pull down the File menu and choose the *Open* menu command. Select *Payroll File 2014.IA7* from the File list box and click on *OK*.
3. **Enter your name in the User Name text box and click on *OK*.**
4. **Enter the employee maintenance data** (page UG-12). Click on the *Accts.* toolbar button. Select employee number 180 (Student), key your name in the Name field (enter your last name in all capital letters similar to the other employees), then click on the *Change Employee* command button.

**\*\*Note:** Do not change any of the other fields. If you do, your solutions will not be correct.

5. **Enter the Payroll transactions.**
  - Do *not* deduct Group *Ins*
  - Do deduct Union Dues for the appropriate employees
  - Do *not* deduct Simple Plan (which is the same as Simple Contributions Payable) (page UG-12).

- Click on the *Payroll* toolbar button. Click on the *Deductions* button. When the *Voluntary Deductions* dialog box appears, select only the *Union Dues* deduction, and then click on *OK*. Enter the payroll transaction data provided below on the blank line at the bottom of the cell grid (the existing data are beginning balances and should not be altered). Have the computer *Calculate Taxes*. The *Voluntary Deductions* dialog box will appear again while entering the first employee's data to let you verify that only the *Union Dues* deduction has been selected (this will occur whenever the date entered in the *Date* field is changed ) When done with the employee data, click *OK*. This will create another blank line below the last employee. Repeat the process for each employee.

**\*\*Note:** It is very important that you enter the correct date (10/09/14) when entering the payroll transactions. Payroll processing is date sensitive and will accumulate and display incorrectly if the dates are entered incorrectly. Also, be sure to enter the correct *Union Dues* (\$8.00) for the two appropriate employees. (The \$72.00 amounts that are shown are carried over from the opening balances.)

Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues
100	Bonno, Anthony Victor	80				\$8.00
110	Ferguson, James Claude	reg. salary				
120	Ford, Catherine Louise	reg. salary				
130	Mann, Dewey Wilson	reg. salary				
140	O'Neill, Joseph Tyler	reg. salary				
150	Russell, Virginia Aloise	reg. salary				
160	Ryan, Norman Allen	80				\$8.00
170	Sokowski, Thomas James	reg. salary				
180	Student (your name)	72				
190	Williams, Ruth Virginia	reg. salary				

- Display the employee list report** (page UG-20). Click on the *Reports* toolbar button. Choose the *Payroll Reports* option. Select the *Employee List* report, and then click on *OK*. The report is shown in Figure A- 1 (on following page). Verify the accuracy of the maintenance input and make any corrections via the *Employees* tab in the *Account Maintenance* window.

**FIGURE A-1**  
Employee List Report

Glo-Brite Paint Company					
Employee List					
10/09/--					
Emp. No.	Employee Name/Address	Soc. Sec./ Mar. Stat.	#Pay Periods	G.L. Acct	Salary/ Rate
100	BONNO, Anthony Victor 694 Bristol Avenue Philadelphia, PA 19135-0617	000-00-3481 Married W/H 4	26	54	17.65
110	FERGUSON, James Claude 808 Sixth Street Philadelphia, PA 19106-0995	000-00-8645 Married W/H 5	26	53	2,250.00
120	FORD, Catherine Louise 18 Dundee Avenue Philadelphia, PA 19151-1919	000-00-4567 Single W/H 2	26	52	900.00
130	MANN, Dewey Wilson 3007 Bisque Drive Philadelphia, PA 19199-0718	000-00-9352 Married W/H 4	26	53	1,350.00
140	O'NEILL, Joseph Tyler 2100 Broad Street Philadelphia, PA 19121-7189	000-00-1534 Married W/H 3	26	51	2,307.69
150	RUSSELL, Virginia Aloise 8004 Dowling Road Philadelphia, PA 19135-9001	000-00-6337 Single W/H 1	26	52	690.00
160	RYAN, Norman Allen 7300 Harrison Street Philadelphia, PA 19124-6699	000-00-1233 Married W/H 4	26	54	18.00
170	SOKOWSKI, Thomas James 133 Cornwells Street Philadelphia, PA 19171-5718	000-00-8832 Married W/H 2	26	54	2,050.00
180	STUDENT 7018 Erdrick Street Philadelphia, PA 19135-8517	000-00-5555 Single W/H 1	26	52	7.50
190	WILLIAMS, Ruth Virginia 9433 State Street Philadelphia, PA 19149-0819	000-00-6741 Single W/H 0	26	52	1,223.08

7. **Display the payroll report** (page UG-21). Make sure the Run Date is set to 10/09/14; then choose the Payroll Report option and click on OK. The payroll report for Employee 100; Bonno, Anthony Victor, followed by the payroll summary is shown in Figure A-2 on the following page.

**FIGURE A-2**  
**Payroll Report (Employee 100 and Summary)**

Glo-Brite Paint Company Payroll Report 10/09/--				
		Current	Quarterly	Yearly
100-BONNO, Anthony Victor	Gross Pay	1,412.00	1,412.00	12,733.95
54-Plant	FIT	52.35	52.35	862.35
Married Acct. 54	SIT	43.35	43.35	390.94
W/H 4 000-00-3481	Soc. Sec.—OASDI	87.54	87.54	789.50
Pay Periods 28	Medicare—HI	20.47	20.47	184.64
Salary	CIT	55.46	55.46	500.19
Hourly Rate 17.65	Group Ins.			144.80
Reg. Hours 80.00	Union Dues	8.00	8.00	80.00
O.T. Hours	Simple Plan			
Check Number 672	Employee SUTA	0.99	0.99	8.92
Check Date 10/09/--	Net Pay	1,143.84	1,143.84	9,772.61
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Payroll Summary	Gross Pay	14,162.77	14,162.77	156,387.29
	FIT	984.38	984.38	16,901.38
	SIT	434.82	434.82	4,801.11
	Soc. Sec.—OASDI	878.09	878.09	9,696.01
	Medicare—HI	205.37	205.37	2,267.64
	CIT	556.30	556.30	6,142.87
	Group Ins.			930.40
	Union Dues	16.00	16.00	160.00
	Simple Plan			
	Employee SUTA	9.94	9.94	109.51
	Net Pay	11,077.87	11,077.87	115,378.37

8. **Generate and post the journal entry for the current payroll** (page UG-13). Choose the *Current Payroll Journal Entry* menu item from the *Options* menu. Click *Yes* when asked if you want to generate the journal entry. When the entry appears in the Current Payroll Journal Entries dialog box, as shown in Figure A-3 (on the following page), click on *Post*. The journal entry will reappear, posted, in the general journal.

If your journal entries do not match those shown in Figure A-3, check your employee list and payroll report for keying errors, and make the necessary corrections. Return to the General Journal window, delete the incorrect entries, and generate new entries.

**FIGURE A-3**  
Current Payroll Journal Entry

Acct. #	Account Title	Debit	Credit
54	Plant Wages	4902.00	
53	Sales Salaries	3600.00	
52	Office Salaries	3353.08	
51	Administrative Salaries	2307.69	
24	Employees FIT Payable		984.38
25	Employees SIT Payable		434.82
20.1	FICA Taxes Payable--OASDI		878.09
20.2	FICA Taxes Payable--HI		205.37
26	Employees CIT Payable		556.30
28	Union Dues Payable		16.00
25.1	Employees SUTA Payable		9.94
12	Payroll Cash		11077.87

9. **Generate and post the employer's payroll taxes journal entry** (page UG-13). With the General Journal window still displayed, choose *Employer's Payroll Taxes* from the *Options* menu. Click **Yes** when asked if you want to generate the journal entry. When the entries appear in the Payroll Taxes Journal Entries dialog box shown in Figure A-4, click on *Post*. The journal entries will reappear, posted, in the general journal.

**FIGURE A-4**  
Employer's Payroll Taxes Journal Entry

Acct. #	Account Title	Debit	Credit
56	Payroll Taxes	1231.14	
20.1	FICA Taxes Payable--OASDI		878.09
20.2	FICA Taxes Payable--HI		205.36
22	SUTA Taxes Payable		128.01
21	FUTA Taxes Payable		19.68

10. Enter and post the October 9 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account (page UG-19). Click on the *Journal* toolbar button. When the General Journal tab appears, enter the journal entry illustrated in Figure A-5. Be sure to enter a reference of General to indicate that the entry was entered manually in the general journal.

**FIGURE A-5**  
General Journal Entry to Record Payroll Cash

Date	Refer	Account	Debit	Credit
		25.1 Employees SUTA Payable		9.94
		12 Payroll Cash		11077.87
10/09/14	Pay. Tax	56 Payroll Taxes	1231.14	
		20.1 FICA Taxes Payable-DASD		878.09
		20.2 FICA Taxes Payable-HI		205.36
		22 SUTA Taxes Payable		128.01
		21 FUTA Taxes Payable		19.60
10/09/14	General	12 Payroll Cash	11077.87	
10/09/14	General	11 Cash		11077.87

11. **Display the general journal report** (page UG-21). Click on the *Reports* toolbar button. Choose the Journals option and the General Journal report, and then click on OK. When the Journal Report selection window appears, choose the Customize Journal Report option. Make sure the Start Date is set to 10/01/14 and the End Date to 10/09/14 (where -- is the current year), and then click on OK.

**\*\*Note:** If the transactions were entered correctly, the Start and End Dates will be the default dates set automatically by the computer. The computer uses the first day of the month as the Start Date and the latest date of the general journal transactions that were entered as the End Date. The General Journal report is shown in Figure A-6.

**FIGURE A-6**  
General Journal Report

Glo-Brite Paint Company General Journal 10/09/--				
Date Refer.	Acct.	Title	Debit	Credit
10/09 Payroll	54	Plant Wages	4,902.00	
10/09 Payroll	53	Sales Salaries	3,600.00	
10/09 Payroll	52	Office Salaries	3,353.08	
10/09 Payroll	51	Administrative Salaries	2,307.89	
10/09 Payroll	24	Employees FIT Payable		984.38
10/09 Payroll	25	Employees SIT Payable		434.82
10/09 Payroll	20.1	FICA Taxes Payable—OASDI		878.09
10/09 Payroll	20.2	FICA Taxes Payable—HI		205.37
10/09 Payroll	26	Employees CIT Payable		556.30
10/09 Payroll	28	Union Dues Payable		16.00
10/09 Payroll	25.1	Employees SUTA Payable		9.94
10/09 Payroll	12	Payroll Cash		11,077.87
10/09 Pay. Tax	56	Payroll Taxes	1,231.14	
10/09 Pay. Tax	20.1	FICA Taxes Payable—OASDI		878.09
10/09 Pay. Tax	20.2	FICA Taxes Payable—HI		205.36
10/09 Pay. Tax	22	SUTA Taxes Payable		128.01
10/09 Pay. Tax	21	FUTA Taxes Payable		19.68
10/09 General	12	Payroll Cash	11,077.87	
10/09 General	11	Cash		11,077.87
		Totals	<u>26,471.78</u>	<u>26,471.78</u>

12. **Display the general ledger report** (page UG-21). Choose the Ledger Reports option and the General Ledger Report, and then click on OK. When the Account Range dialog box appears, click on OK to accept the default range of all accounts. The General Ledger report is shown in Figure A-7 on the following page.
13. **Use the Save As command to save your data to disk** (page UG-10) Choose Save As from the File menu and save the file to your disk and folder with a file name of *10-09 your name* (where 10-09 is the pay period date)
14. **End the payroll accounting session** (page UG-11). Choose Exit from the File menu.

**FIGURE A-7**  
**General Ledger Report**

Glo-Brite Paint Company  
 General Ledger  
 10/09/--

Account	Journal	Date	Refer.	Debit	Credit	Balance
11-Cash	Balance Forward					199,846.33 Dr
	General	10/09	General		11,077.87	188,768.46 Dr
12-Payroll Cash	General	10/09	Payroll		11,077.87	11,077.87 Cr
	General	10/09	General	11,077.87		.00
20.1-FICA Taxes Payable—OASDI	General	10/09	Payroll		878.09	878.09 Cr
	General	10/09	Pay. Tax		878.09	1,756.18 Cr
20.2-FICA Taxes Payable—HI	General	10/09	Payroll		205.37	205.37 Cr
	General	10/09	Pay. Tax		205.36	410.73 Cr
21-FUTA Taxes Payable	Balance Forward					362.94 Cr
	General	10/09	Pay. Tax		19.68	412.62 Cr
22-SUTA Taxes Payable	General	10/09	Pay. Tax		128.01	128.01 Cr
24-Employees FIT Payable	General	10/09	Payroll		984.38	984.38 Cr
25-Employees SIT Payable	General	10/09	Payroll		434.82	434.82 Cr
25.1-Employees SUTA Payable	General	10/09	Payroll		9.94	9.94 Cr
26-Employees CIT Payable	General	10/09	Payroll		556.30	556.30 Cr
27-Grp. Ins. Prem. Collected	*** No Activity **					.00
28-Union Dues Payable	General	10/09	Payroll		16.00	16.00
29-Simple Contrib. Payable	*** No Activity **					.00
51-Administrative Salaries	Balance Forward					42,692.27 Dr
	General	10/09	Payroll	2,307.69		44,999.96 Dr
52-Office Salaries	Balance Forward					28,350.00 Dr
	General	10/09	Payroll	3,353.08		31,703.08 Dr
53-Salas Salaries	Balance Forward					28,525.00 Dr
	General	10/09	Payroll	3,600.00		32,125.00 Dr
54-Plant Wages	Balance Forward					42,657.30 Dr
	General	10/09	Payroll	4,902.00		47,559.30 Dr
56-Payroll Taxes	Balance Forward					14,013.23 Dr
	General	10/09	Pay. Tax	1,231.14		15,244.37 Dr



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## OCTOBER 23 PAYROLL

The step-by-step instructions for completing the October 23 payroll (for the period ending October 17) are listed below.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (10-09 *your name*).
2. **Enter and post the October 20 transaction** required to record the deposit of the Pennsylvania state income taxes withheld from the October 9 payroll.
3. **Enter the following payroll transactions.**
  - Do deduct Group Ins
  - Do deduct Union Dues for the appropriate employees
  - Do *Not* deduct Simple Plan (which is the same as Simple Contributions Payable).

**\*\*Note:** Be sure to enter the correct Group Insurance amount for each employee (the default amounts that appear are carried over from the opening balances). Also, since the union dues entered in the previous payroll are assumed by the computer to be the same for future pay periods, it will not be necessary to enter these amounts again. However, it is a good idea to verify that they are the same as those in the payroll transactions below.

Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues
100	Bonno, Anthony Victor	80	4		\$16.50	\$8.00
110	Ferguson, James Claude	reg. salary			\$26.40	
120	Ford, Catherine Louise	reg. salary			\$10.50	
130	Mann, Dewey Wilson	reg. salary			\$15.90	
140	O'Neill, Joseph Tyler	reg. salary			\$27.00	
150	Russell, Virginia Aloise	reg. salary			\$ 8.10	
160	Ryan, Norman Allen	80	8		\$16.80	\$8.00
170	Sokowski, Thomas James	reg. salary			\$24.00	
180	Student (your name)	72			\$ 6.30	
190	Williams, Ruth Virginia	reg. salary			\$14.40	

4. Display the payroll report.
5. Generate and post the journal entry for the current payroll.
6. Generate and post the journal entry for the employer's payroll taxes.
7. Enter and post the October 23 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account.
8. Display the journal report for 10/10/-- through 10/23/--.
9. Display the general ledger report.
10. Use the Save As command to save the October 23 payroll to disk with a file name of 10-23 *your name* (where 10-23 represents month 10, day 23).

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11. Proceed to the November 6 payroll. If necessary, end your payroll accounting session.

## NOVEMBER 6 PAYROLL

The step-by-step instructions for completing the November 6 payroll (for the period ending October 31) are listed below.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - load your file containing the last pay period data (*10-23 your name*).
2. Enter and post the following transactions:
3. November 4: Deposited the Pennsylvania state income taxes withheld from the October 23 payroll.
4. November 6: Paid the treasurer of the union the amount of union dues withheld during the month of October.
5. Enter the following employee maintenance:
  - Change Virginia Russell's number of withholding allowances to 2.
  - Change Thomas J. Sokowski's marital status to Single (his number of withholding allowances remains at 2).
  - Change Dewey Mann's number of withholding allowances to 0.
6. Enter the following payroll transactions.
  - Do *Not* deduct Group Ins
  - Do deduct Union Dues for the appropriate employees
  - Do *not* deduct Simple Plan (which is the same as Simple Contributions Payable). Verify that Group Insurance is not deducted and that Union Dues are deducted for the appropriate employees.

**\*\*Note:** Enter the amounts shown for Virginia Russell and Ruth Williams to override their regular salary amounts.

### Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues
100	Bonno, Anthony Victor	80				\$8.00
110	Ferguson, James Claude	reg. salary				
120	Ford, Catherine Louise	reg. salary				
130	Mann, Dewey Wilson	reg. salary				
140	O'Neill, Joseph Tyler	reg. salary				
150	Russell, Virginia Aloise	\$672.94 (loss of 2 hours)				
160	Ryan, Norman Allen	80				\$8.00
170	Sokowski, Thomas James	reg. salary				
180	Student (your name)	72				
190	Williams, Ruth Virginia	\$1,207.85 (loss of 1 hour)				

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7. Display an employee list report.
8. Display the payroll report.
9. Generate and post the journal entry for the current payroll.
10. Generate and post the journal entry for the employer's payroll taxes.
11. Enter and post the November 6 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account.
12. Display the journal report for 10/24/-- through 11/06/--.
13. Display the general ledger report
14. Use the Save As command to save the November 6 payroll to disk with a file name of *11-06 your name* (where 11-06 represents month 11, day 06).
15. Proceed to the November 13 payroll. If necessary, end your payroll accounting session.

## NOVEMBER 13 PAYROLL

A special payroll needs to be run to process a discharged employee (Ruth Williams has been discharged because of her excessive tardiness and absenteeism). The step-by-step instructions for completing the November 13 special payroll are listed below.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (*11-06 your name*).
2. Enter Ruth V. Williams' payroll transaction (do deduct Group Ins of \$14.40).
3. Enter \$2,079.32 in her salary [two partial weeks of work (\$856.24), plus two full weeks' pay (\$1,223.08) in lieu of two weeks' notice for her final pay].
4. Display the payroll report.
5. Generate and post the journal entry for the current payroll.
6. Generate and post the journal entry for the employer's payroll taxes.
7. Enter and post the November 13 general journal entry to record the deposit of cash for the total net amount of Ruth Williams' pay in the payroll cash account.
8. Display the journal report for 11/07/-- through 11/13/--.
9. Display the general ledger report.
10. Use the Save As command to save the November 13 payroll to disk with a file name of *11-13 your name* (where 11-13 represents month 11, day 13).
11. Proceed to the November 20 payroll. If necessary, end your payroll session.

## // NOVEMBER 20 PAYROLL

The step-by-step instructions for completing the November 20 payroll (for the period ending November 14) follow.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (11-13 your name).
2. Enter and post the following transactions:
  - November 16: Deposited with City Bank the amount of FICA taxes and federal income taxes for the October payrolls.  
*\*\*Hint:* Display the general ledger report to obtain these amounts from the FICA Taxes Payable-OASDI, FICA Taxes Payable-HI, and the Employees FIT payable account balances as of October 23.
  - November 16: Deposited the city of Philadelphia employees withheld income tax (\$1,125.25) with the Department of Revenue for the October payrolls (see the Employees CIT Payable account balance in the general ledger report).
  - November 18: Deposited the Pennsylvania state income taxes withheld from the November 6 and 13 (Ruth V. Williams) payrolls.
3. Enter the following employee maintenance:
  - Add new employee: Employee number 200; WOODS, Beth Anne; 8102 Franklin Court, Philadelphia, PA 19105-0915; social security number, 000-00-1587; single, salaried, \$1,200.00; number of pay periods per year, 26; withholding allowances, 1; Account No. 52 (Office Salaries).
4. Enter the following payroll transactions.
  - Do deduct Group Ins
  - Do deduct Union Dues for the appropriate employees
  - Do deduct Simple Plan (which is the same as Simple Contributions Payable) for the appropriate employees.
  - Verify that Group Insurance is deducted, that Union Dues are deducted, and that Simple Plan (Simple Contributions Payable) is deducted for the appropriate employees.  
*\*\* Note:* This is the first pay in which the company offers a savings incentive match plan. The computer software has been designed to use the key terms "Simple Plan" to instruct it to exclude this deduction from the employee's income for FIT purposes. The general ledger account Simple Contributions Payable is associated with this term for updating during payroll transaction processing.

### Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues	Simple Plan
100	Bonno, Anthony Victor	64			\$16.50	\$8.00	
110	Ferguson, James Claude	reg. salary			\$26.40		\$500.00
120	Ford, Catherine Louise	reg. salary			\$10.50		
130	Mann, Dewey Wilson	reg. salary			\$15.90		\$250.00
140	O'Neill, Joseph Tyler	reg. salary			\$27.00		\$700.00
150	Russell, Virginia Aloise	\$672.94 (loss of 2 hours)			\$ 8.10		
160	Ryan, Norman Allen	80			\$16.80	\$8.00	\$200.00
170	Sokowski, Thomas James	reg. salary			\$24.00		
180	Student (your name)	72			\$ 6.30		

5. Display an employee list report.
6. Display a payroll report.
7. Generate and post the journal entry for the current payroll.
8. Generate and post the journal entry for the employer's payroll taxes. Enter and post the November 20 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account.
9. Display the journal report for 11/14/-- through 11/20/--.
10. Display the general ledger report.
11. Use the Save As command to save the November 20 payroll to disk with a file name of *11-20 your name* (where 11-20 represents month 11, day 20).
12. Proceed to the December 4 payroll. If necessary, end your payroll session.

## DECEMBER 4 PAYROLL

The step-by-step instructions for completing the December 4 payroll (for the week ending November 28) follow.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (*11-20 yourname*).
2. Enter and post the following transaction:
  - December 3: Deposited the Pennsylvania state income taxes withheld from the November 20 payroll.

3. Enter the following employee maintenance:
  - Change Catherine L. Ford's salary amount to \$960.00 because of a salary increase.
  - Change Virginia Russell's salary amount to \$750.00 because of a salary increase.
  - Add new employee: Employee number 210; YOUNG, Paul Winston; 7936 Holmes Drive, Philadelphia, PA 19107-6107; social security number, 000-00-6057; single, salaried, \$807.70; number of pay periods per year, 26; withholding allowances, 1; Account No. 53 (Sales Salaries).
4. Enter the following payroll transactions.
  - *Do Not* deduct Group Ins
  - *Do* deduct Union Dues for the appropriate employees
  - *Do* deduct Simple for the appropriate employees.

Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues	Simple Plan
100	Bonno, Anthony Victor	80		8		\$8.00	
110	Ferguson, James Claude	reg. salary					\$500.00
120	Ford, Catherine Louise	reg. salary					
130	Mann, Dewey Wilson	reg. salary					\$250.00
140	O'Neill, Joseph Tyler	reg. salary					\$700.00
150	Russell, Virginia Aloise	reg. salary					
160	Ryan, Norman Allen	76	3			\$8.00	\$200.00
170	Sokowski, Thomas James	reg. salary					
180	Student (your name)	72					
200	Woods, Beth Anne	\$1,080.00 (first payroll)					

5. Display an employee list report.
6. Display a payroll report.
7. Generate and post the journal entry for the current payroll.
8. Generate and post the journal entry for the employer's payroll taxes.
9. Enter and post the December 4 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account.
10. Display the journal report for 11/21/-- through 12/04/--.
11. Display the general ledger report.
12. Use the Save As command to save the December 4 payroll to disk with a file name of *12-04 your name* (where 12-04 represents month 12, day 04).
13. Proceed to the December 14 payroll. If necessary, end your payroll session.

## DECEMBER 14 PAYROLL

A special payroll needs to be run to process the death of an employee (Virginia A. Russell). The step-by-step instructions for completing the December 14 special payroll follow.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (*12-04 your name*).
2. Enter and post the following transaction:
  - December 9: Paid the treasurer of the union the amount of union dues withheld during the month of November.
3. Enter the employee maintenance:
  - Change Anthony V. Bonno's number of withholding allowances to 5.
  - Pay Virginia A. Russell (pay will go to her estate). (Do deduct \$8.70 for her Group Ins.) Enter \$1,425.16 in her salary amount, which is two partial weeks of work (\$675.16) plus her accrued vacation pay (\$750.00) for her final check.
    - \*\*Note: After clicking on the Calculate Taxes command button, remove the calculated withholding amounts for FIT, SIT, and CIT by keying zeros in these grid cells (final pay is not subject to these withholdings). Display an employee list report.
4. Display a payroll report.
5. Generate and post the journal entry for the current payroll.
6. Generate and post the journal entry for the employer's payroll taxes. Enter and post the December 14 general journal entry to record the deposit of cash for Virginia A. Russell's net amount in the payroll cash account.
7. Display the journal report for 12/05/-- through 12/14/--.
8. Display the general ledger report.
9. Use the Save As command to save the December 14 special payroll to disk with a file name of *12-14 your name* (where 12-14 represents month 12, day 14).
10. Proceed to the December 18 payroll. If necessary, end your payroll session.

## DECEMBER 18 PAYROLL

The step-by-step instructions for completing the December 18 payroll (for the week ending December 12) follow.

1. If you quit the software after processing the previous pay period, perform the following steps:
  - Start up the *Payroll Accounting* software.
  - Load your file containing the last pay period data (*12-14 your name*).
2. Enter and post the following transactions:
  - December 15: Deposited with City Bank the amount of FICA taxes and federal income taxes for the November payrolls.
  - December 15: Deposited the city of Philadelphia employees income tax withheld by the Department of Revenue from the November payrolls.
  - December 18: Deposited the Pennsylvania state income taxes withheld from the December 4 payroll.
  - December 18: Wrote check to Virginia Russell's estate from the regular cash account for the amount withheld from her December 14 pay for insurance.
3. Enter the following employee maintenance:
  - Change: Employee number 140; O'Neill, Joseph Tyler withholding allowances to 4.
  - Add new employee: Employee number 220; ZIMMERMAN, Richard Lewis; 900 South Clark Street, Philadelphia, PA 19195-6247; social security number, 000-00-1502; married, salaried, \$660.00; number of pay periods per year, 26; withholding allowances, 1; Account No. 52 (Office Salaries).
4. Enter the following payroll transactions.
  - Do deduct Group Ins
  - Do deduct Union Dues for the appropriate employees
  - Do deduct Simple for the appropriate employees.

**\*\*Note:** Be sure to enter the changes and amounts of Group Ins. deductions for the new employees and the \$9.00 Union Dues, as noted below. Also, be sure to enter the change to Joseph O'Neill's Simple Plan deduction.

**\*\*Note:** In this pay, O'Neill has reached the OASDI ceiling. To calculate O'Neil's OASDI tax, multiply the OASDI ceiling of \$113,700 by 6.2% and then subtract the year-to-date OASDI taxes withheld as reported on the December 14 payroll report. After clicking on the Calculate Taxes command for O'Neill, override the calculated amount by keying the amount calculated by hand .



### Employees to Be Paid This Pay Period

Employee Number	Employee Name	Salary/ Reg. Hrs.	Overtime @ Time 1½	Overtime @ Double	Group Ins.	Union Dues	Simple Plan
100	Bonno, Anthony Victor	80		12	\$16.50	\$9.00	
110	Ferguson, James Claude	reg. salary			\$26.40		\$ 500.00
120	Ford, Catherine Louise	reg. salary			\$11.10		
130	Mann, Dewey Wilson	reg. salary			\$15.90		\$ 250.00
140	O'Neill, Joseph Tyler	\$62,307.69 (reg. salary + \$60,000.00 bonus)			\$27.00		\$4,000.00
160	Ryan, Norman Allen	80	7		\$16.80	\$9.00	\$ 200.00
170	Sokowski, Thomas James	reg. salary			\$24.00		
180	Student (your name)	71			\$ 6.30		
200	Woods, Beth Anne	reg. salary			\$14.10		
210	Young, Paul Winston	reg. salary			\$ 9.60		

5. Display an employee list report.
6. Display the payroll report.
7. Generate and post the journal entry for the current payroll.
8. Generate and post the journal entry for the employer's payroll taxes. Enter and post the December 18 general journal entry to record the deposit of cash for the total net amount owed to employees in the payroll cash account.
9. Display the journal report for 12/15/-- through 12/18/--.
10. Display the general ledger report.
11. Use the Save As command to save the December 18 payroll to disk with a file name of *12-18 your name* (where 12-18 represents month 12, day 18).
12. This completes the project insofar as recording and processing the computerized payroll transactions for the last quarter is concerned. End your payroll session.
13. Submit the 12/18 file through the project drop box in Canvas. This is the only file required to be submitted. Submissions work best in Mozilla Firefox. Let me know if you have issues submitting the project.