

# Getting Started

in NetSuite:

## Payroll



**NETSUITE™**

Copyright NetLedger, Inc. 2002. All rights reserved.

Getting Started in NetSuite: Payroll

Release 8.0

October 25, 2002

This document is the property of NetLedger, Inc., and may not be reproduced in whole or in part without prior written approval of NetLedger, Inc.

Trademarks

NetSuite is provided by NetLedger and is a trademark of NetLedger, Inc.

Other product names mentioned in this document may be trademarks, servicemarks, or tradenames of their respective companies and are hereby acknowledged.

# Table of Contents

Chapter 1	Welcome	
	NetSuite Payroll .....	5
	In This Guide .....	5
	Getting Started .....	6
Chapter 2	Vendors for Payroll Items	
	Getting Started .....	7
	Set Up Vendors .....	7
Chapter 3	Activating Payroll Items from Tax Tables	
	Getting Started .....	9
	Import Tax Items .....	9
Chapter 4	Creating New Payroll Items	
	Getting Started .....	12
	New Payroll Items .....	12
Chapter 5	Creating Employee Records	
	Getting Started .....	13
	Create Records .....	13
Chapter 6	Entering Payroll Year-to-Date Balances	
	Getting Started .....	17
	Entering Year-to-Date Balances .....	17
Chapter 7	Paying an Individual	
	Getting Started .....	19
	Individual Paychecks .....	19
	Print Payroll Checks .....	21

Chapter 8	Processing a Payroll	
	Getting Started.....	22
	Process Payroll.....	22
Chapter 9	Tax Forms	
	Getting Started.....	23
	Form 941.....	23
	Form 940.....	24
	Form W-2.....	24
	Form 1099-MISC.....	26
Chapter 10	Payroll Reports	
	Getting Started.....	28
	Reports.....	28

# Chapter 1      Welcome

## NetSuite Payroll

NetSuite Payroll includes everything you need to quickly and easily process payroll for all of your employees. It calculates earnings, withholdings and deductions, and generates and prints paychecks automatically. At the end of the year, it will even print your W-2s! And you never have to worry about subscribing to a tax service or installing new Federal and State tax tables. All tables are updated automatically whenever changes occur.

At the moment, the Payroll feature is available only for United States customers.

The purpose of this guide is to get you started using the comprehensive features of NetSuite's Payroll feature. It is meant to be used with the online help system.

## In This Guide

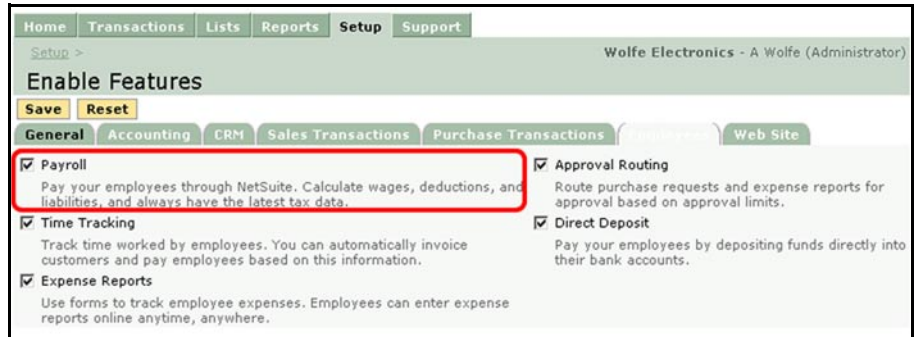
In *Getting Started in Payroll*, you will find these chapters:

- Welcome
- Vendors for Payroll Items
- Activating Payroll Items from Tax Tables
- Creating New Payroll Items
- Creating Employee Records
- Entering Year-to-Date Balances
- Paying an Individual
- Processing a Payroll
- Tax Forms
- Payroll Reports

Each chapter represents a major step involved in setting up and using Payroll. The chapters are presented in the order you would perform these steps.

# Getting Started

To get started, click the Setup tab. Under the Company heading of the Setup page, click Enable Features. On the Employee subtab on the Enable Features page, check the Payroll box and click Save.



Now you're ready to set up your company records.

# Chapter 2 Vendors for Payroll Items

## Getting Started

Now that you've turned on the preference to use Payroll in NetSuite, you set up vendors for payroll items.

## Set Up Vendors

As an employer, you are required to pay various social service taxes, such as for Medicare, social security, and unemployment. You may also make contributions on your employees' behalf toward the cost of their health insurance premiums or to match their 401(k) contributions.

In addition, for most employees, you are required by various governmental authorities to withhold payroll taxes and then to pay that tax on their behalf to the taxing authorities. You might also withhold health insurance payments, union dues, 401(k) contributions, and credit union payroll deductions.

These amounts are called payroll liabilities. In NetSuite, you can set up payroll items and payroll vendors to simplify the withholding and payment of payroll liabilities.

To set up a vendor for payroll items:

1. Click the Lists tab.
2. On the Lists tab, under the Relationships heading, click New next to Vendors.

Contact	Job Title	Phone	Email	
Allister Sullivan		800-555-2819	asullivan@sullivandist.com	Remove

3. On the Vendor page, create a record for the governmental authority, social service agency, or other provider to whom you pay payroll liabilities.  
For example, in the Vendor field, you might enter your group health insurance company.
4. On the General subtab, enter the basic information.  
In the Category field, be sure to select Tax Agency.
5. On the Financial tab, enter the appropriate liability and/or expense accounts.
6. When you have finished, click Save.

Once this vendor has been set up, you can activate payroll items from NetSuite's tax tables and associate a vendor with each of them. To do so, click the Lists tab. Then, under the Employees heading, click Payroll Items. You can also create new payroll items that you associate with a vendor.

As you process payrolls, NetSuite will total the liabilities. As they become due, you can pay them by going to the Payroll Liability Payment page. To do so, click the Transactions tab. Then, under the Vendors/Purchases heading, click Pay Payroll Liabilities.



# Chapter 3      Activating Payroll Items from Tax Tables

## Getting Started

Now, you can activate payroll items from NetSuite's predefined tax tables.

## Import Tax Items

NetSuite's predefined list of payroll items includes tax tables as well as items for accrued time such as sick and vacation pay.

You can set up many withholding and company contribution items by selecting them from the predefined list of payroll items in NetSuite which includes tax tables.

You'll need to check with your accountant to be sure you set up all the correct withholdings for your locality. Typical payroll items, however, that you'll want to choose from this list include:

- Federal Withholding
- Federal Unemployment
- Medicare Employee
- Medicare Company
- Social Security Employee
- Social Security Company
- State Unemployment
- State Disability (California, Hawaii, New Jersey, New York, Puerto Rico, and Rhode Island)

Set up payroll items after you set up payroll vendors but before you set up employee records and begin to pay employees.

To select payroll items from NetSuite's tax tables:

1. Click the Lists tab.
2. On the Lists tab, under the Employees heading, click Payroll Items.
3. Click the name of a payroll item.  
For example, click Federal Unemployment.
4. When the data-entry page for the tax item appears, click Edit.
5. Accept the Item Name that NetSuite provides.

6. In the Agency field, select the vendor to whom you pay this tax or contribution.
7. In the Employer Identification Number field, enter your Employer Identification Number (EIN).
8. Be sure the general ledger account listed is the one you want to use.  
Your chart of accounts may require more or less detail than the account NetSuite suggests.
9. Accept the information for the Based on Quantity field that NetSuite provides.  
This should be checked if the item is calculated on the basis of a quantity (such as hours or miles) that you will enter for the employee.
10. Accept the Default Rate that NetSuite provides.
11. Clear the Inactive check box.
12. Click Save.
13. Repeat steps 3 - 12 for each payroll item you want to activate.

You can now go to each employee's record and define the number of withholdings or amount of deductions.

**Warning: Do not delete a payroll item from NetSuite's list of predefined payroll tax items.**

**Just inactivate ones you do not want to use.**

## Import Accrued Time Items

You can set up payroll items for vacation and sick time by selecting accrued time items from the predefined list of payroll items in NetSuite.

Set up these payroll items after you set up payroll vendors but before you set up employee records and begin to pay employees.

To select accrued time items from NetSuite's predefined list:

1. Click the Lists tab.
2. On the Lists tab, under the Employees heading, click Payroll Items.
3. Click the name of a payroll item.  
For example, click Vacation Time.
4. When the Payroll Tax Item page appears, click Edit.
5. Accept the Item Name NetSuite provides.
6. Be sure the general ledger expense account listed is the one you want to use.  
Your chart of accounts may be more or less detailed than the account NetSuite suggests.
7. Leave the Based on Quantity check box blank.  
This would be checked only if the item were calculated on the basis of a quantity of hours to be entered for the employee, but NetSuite supports only lump-sum accrual and accrual per pay period.
8. Clear the Inactive check box.
9. Click Save.

You can now go to each employee's record and define the number of hours of vacation time.

**Warning: Do not delete Sick Time or Vacation Time from NetSuite's list of predefined payroll tax items.**

**Just inactivate items you do not want to use.**

# Chapter 4      Creating New Payroll Items

## Getting Started

Before you create new payroll items, first import the payroll items already provided from NetSuite's tax tables.

## New Payroll Items

Typical new payroll items you would create include:

- Regular Pay (Earning: Wage)
- Overtime Pay (Earning: Wage)
- Salary (Earning: Salary)
- Bonus (Earning: Wage)
- Mileage Reimbursement (Earning: Addition)
- Health Insurance (Company contribution for portion and deduction for employee-paid portion)
- Union dues (Deduction)
- Savings (Deduction)

To create payroll items:

1. Click the List tab.
2. On the Lists tab, under the Employees heading, click New next to Payroll Items.
3. Select the type of payroll item you want to add:
  - Deduction
  - Earning: Addition
  - Earning: Commission
  - Earning: Salary
  - Earning: Wage
  - Employer Contribution
  - Tax: Other
4. When the data-entry page appears, fill out the appropriate information.
5. When you have finished, click Save.

Repeat this process for each payroll item you want to create.

# Chapter 5      Creating Employee Records

## Getting Started

To set up earnings for employees, you must first create various payroll items in the earnings category. To create payroll items, click the Lists tab. Click New next to Payroll Items.

Once you have created several general earnings items, you apply them specifically to each employee.

## Create Records

You can create employee records at Lists > Employees > New.

To create new employee records:

1. Click the List tab.
2. On the Lists tab, under the Employees heading, click New next to Employee.
3. On the main part of the form, fill out the appropriate general information about the employee.
4. Click the Human Resources tab, and enter a Hire Date.  
This is a mandatory field for all employee records.
5. Click the Payroll subtab.  
Five more subtabs appear: Earnings, Withholdings, Deductions, Contributions and Accrued Time.
6. Click the Earnings subtab.

### Earnings

7. In the Earning column, select one of the payroll items you set up for earnings. For example, you may have set up a payroll item called **Regular Hourly Wages**.
8. In the Rate column, enter the rate that applies to that type of earning for this individual.  
In this example, you might enter **22.00**.
9. Click Add.
10. Repeat steps 7, 8 and 9 for every additional earnings item that applies to the employee.  
For example, the employee might receive **Overtime Hourly Wages**. Enter the amount, and then click Add.
11. Click the Withholdings subtab.

### Withholdings

- On the Withholdings subtab, in the Withholding column, choose one of the payroll items you set up for withholdings.  
For example, you may have set up a payroll item called **Federal Withholding**.

- In the Filing Status column, choose a status that applies to the type of withholding for the employee.  
If this information is required, it comes from your employee's W-4 or state withholding form.  
In this example, you might enter **Married**.  
In the Print on W2 as field, NetSuite inserts a category of withholding for W-2 reporting purposes.
- In the Allowances column, enter the number of allowances this person is claiming.  
If this information is required, it comes from your employee's W-4 or state withholding form.
- In the Additional Allowances column, enter the number of additional allowances this person is claiming.  
If this information is required, it comes from your employee's W-4 or state withholding form.
- In the Extra Withholding column, enter the dollar amount of additional withholding this person would like to have subtracted each pay period.  
If this information is required, it comes from your employee's W-4 or state withholding form.  
NetSuite fills in the Rate field when necessary.
- Click Add.
- Repeat steps 12-17 for each withholding that applies to this employee.
- Click the Deductions subtab.

**Deductions**

- On the Deductions subtab, in the Deduction field, choose one of the payroll items you set up for deductions.  
For example, you may have set up a payroll item called **401(k)**.

- In the Rate column, enter the deduction per pay period for this individual as a dollar amount or as a percentage.  
In this example, you might enter **10%** for ten percent.

22. In the Limit field, enter a limit, if one applies.  
In this example, you would enter **11,000**.
23. Click Add.
24. Repeat steps 19 through 22 for every additional deduction item that applies to the employee.
25. Click the Contributions subtab.

**Contributions**

26. On the Contributions subtab, in the Company Contribution column, choose one of the payroll items you set up for contributions.  
For example, you may have set up a payroll item called Federal Unemployment.  
In the Print on W2 as column, NetSuite inserts a category of withholdings for W-2

#	Company Contribution	Print on W-2 as	Rate	Limit	Inactive
1	Social Security Company	SSecComp	6.2%	84900.00	<input type="checkbox"/>
2	California Unemployment	SUIComp	3.4%	7000.00	<input type="checkbox"/>
3	California Employee Training Tax (ETT)	OthTaxComp	.1%	7000.00	<input type="checkbox"/>
4	Medicare Company	MedComp	1.45%		<input type="checkbox"/>
5	Federal Unemployment	FUTA	.8%	7000.00	<input type="checkbox"/>
	California Employee Training Tax (ETT)	OthTaxComp	.1%	7000.00	<input type="checkbox"/>

Add Insert Remove Cancel

reporting purposes.

27. In the Rate column, enter the company contribution per pay period for this individual as a dollar amount or as a percentage.  
NetSuite always inserts the correct rates for items you choose from the tax tables.  
In a contribution you create yourself, such as for a benefits plan, you might enter **.8%**.
28. In the Limit column, enter a limit if one applies.  
NetSuite always inserts the correct rates for items you choose from the tax tables.
29. Click Add.
30. Repeat steps 25 through 28 for every additional contribution item that applies to the employee.
31. Click the Accrued Time subtab.

**Accrued Time**

32. On the Accrued Time subtab, in the Sick/Vacation Time column, choose one of the payroll items you set up for sick or vacation time.  
For example, you may have set up a payroll item called **Sick Time**.

#	Sick/Vacation Time	Accrued Hours	Accrual Rate	Monetary Rate	Reset at Year End	Accrue As	Maximum Hours	Inactive
1	Sick Time	40	40	8.00	<input type="checkbox"/>	Lump Sums	80	<input type="checkbox"/>
2	Vacation Time	12.32	3.08	8.00	<input type="checkbox"/>	Per Pay Period	160	<input type="checkbox"/>
	Sick Time				<input type="checkbox"/>	Lump Sums		<input type="checkbox"/>

Add Insert Remove Cancel

33. In the Accrued Hours column, enter a beginning balance if you are setting up NetSuite for the first time. From then on, the system will keep track of this total.
34. In the Accrue As column, select Lump Sums if you calculate accrual based on total hours for the year.  
Select Per Pay Period if you calculate accrual per pay period.  
Select Per Hour Worked if you calculate accrual per hour worked.

- 35.** In the Accrual Rate column, enter the number of accrued hours that applies to the type of time for this employee.  
Enter the total number of hours the employee receives for the year if you select Lump Sums in the Accrue As field.  
Enter the number of hours the employee receives per pay period if you select Per Pay Period in the Accrue As field.  
Enter the quantity the employee receives per hour worked if you select Per Hour Worked in the Accrue As field.
- 36.** In the Monetary Rate column, enter the cost per hour of the accrued time.
- 37.** Check the Reset at Year End box if you want NetSuite to zero the total and begin calculations again each calendar year.
- 38.** In the Maximum Hours column, enter a figure if your company sets a limit for accrued time.
- 39.** Click Add.
- 40.** Repeat steps 32 through 39 for every additional accrued time item that applies to the employee.
- 41.** When you have finished entering information on all tabs, click Save.

This information will determine how an automatic payroll is run. You will still have the opportunity to preview a payroll and make individual changes before it is actually processed.

Once all employee information is correct, you can run a payroll automatically by going to Transactions > Process Payroll.

You can create one paycheck by going to Transactions > Individual Pay Check.



# Chapter 6      Entering Payroll Year-to-Date Balances

## Getting Started

Before you enter year-to-date balances, you must have set up all your payroll items and employee records. You should do this before you prepare tax reports and forms.

## Entering Year-to-Date Balances

If you begin using NetSuite payroll in the middle of the year, you need to enter year-to-date amounts into the system so that your year-to-date payroll amounts are correct on check stubs, W-2s and reports.

Since these amounts are already accounted for in your general ledger, entering these year-to-date amounts has no accounting impact. These year-to-date amounts are for payroll reporting purposes only.

The best time to enter these amounts is immediately after the end of a calendar quarter so that quarterly reports such as Forms 940 and 941 are accurate.

Not everyone can plan a payroll transition by quarter, however. Employers, therefore, enter quarterly balances for the past quarters of the calendar year, and then enter balances for each pay period in the current quarter. For example, if you begin using NetSuite on August 30, and you process payroll on a semimonthly basis, you would enter transactions with a pay period ending March 31 and June 30 for the quarterly amounts. Then, you would enter transactions with a pay period ending July 15, July 31, and August 15 for the pay periods in the current quarter.

To enter payroll year-to-date amounts:

1. Click the Transactions tab.
2. On the Transactions tab, under the Employees heading, click Enter Payroll YTD Amounts.

The Payroll YTD Adjustment page appears.

The screenshot shows the 'YTD Adjustment' page in NetSuite. At the top, there are navigation tabs: Home, Transactions, Lists, Reports, Setup, and Support. The page title is 'YTD Adjustment' and it's for 'Wolfe Electronics - A Wolfe (Administrator)'. The 'Posting Period' is set to 'Oct 2002'. The 'Payee' is 'Carmen J Matthews' and the 'Post Date' is '10/2/2002'. The 'Amount' field is populated with '585.56'. Below these fields are buttons for 'Save', 'Save & New', 'Reset', and 'Clear Splits'. There are four tabs: 'Earnings' (1843.44), 'Withholdings' (1042.88), 'Deductions' (215.00), and 'Company Contributions' (0.00). At the bottom, there is a table for 'Apply Withholding' with the following items:

Apply	Withholding	Amount
<input checked="" type="checkbox"/>	Federal Withholding	581.55
<input checked="" type="checkbox"/>	Medicare Employee	61.89
<input checked="" type="checkbox"/>	Social Security Employee	284.69
<input checked="" type="checkbox"/>	California Withholding	114.75
<input type="checkbox"/>	California Disability	

3. In the Pay Period Ending field, enter the date these payroll balances were effective.
4. In the Payee field, choose the employee's name.
5. In the Post Date field, accept today's date or enter another for the posting date of this record.  
NetSuite will compute the Amount field, based on the totals you enter on the tabs below.
6. In the Memo field, enter an optional identification for this transaction.
7. On the Earnings tab, check each of the earning items that apply to this employee. For each, enter in the Amount field the year-to-date amount that corresponds to the date you entered in the Pay Period Ending field at the top of the page.
8. On the Withholdings tab, check each of the withholding items that apply to this employee. For each, enter in the Amount field the year-to-date amount that corresponds to the date you entered in the Pay Period Ending field at the top of the page.
9. On the Deductions tab, check each of the deduction items that apply to this employee. For each, enter in the Amount field the year-to-date amount that corresponds to the date you entered in the Pay Period Ending field at the top of the page.
10. On the Company Contributions tab, check each of the contribution items that apply to this employee. For each, enter in the Amount field the year-to-date amount that corresponds to the date you entered in the Pay Period Ending field at the top of the page.
11. When you have finished, choose one of two options to post the information to your NetSuite payroll record:
  - Click Save to save the information and return to the Transaction tab.
  - Click Save & New to save the information and return to another blank Payroll YTD Amount page.

Payroll reports and forms will now display correct year-to-date information for all the data you enter.

# Chapter 7      Paying an Individual

## Getting Started

Before you create an individual paycheck, you must first set up all your payroll items and create employee records.

## Individual Paychecks

You can create an individual paycheck instead of processing an entire payroll run. Individual paychecks are often the best way to produce your payroll if you have only a few employees.

To create a paycheck:

1. Click the Transactions tab.
2. On the Transactions tab, under the Employees heading, click Individual Paycheck.
3. At the top of the Paycheck page, accept the default or choose another bank account from which to pay this check.
4. In the Pay Period Ending field, NetSuite shows the next pay period in which an employee is due to be paid. Accept this date, or enter another.
5. Check the To Be Printed Box if you wish to save this in a queue of checks to be printed.
6. Check the Do Not Accrue Time
7. In the Payee field, select the employee you are paying. NetSuite inserts the address from the employee's record.
8. Accept today's check date, or enter another.
9. You probably want to accept NetSuite's default entry for Check #:
  - If you checked the To Be Printed box above, NetSuite displays To Print and will assign the next consecutive check number available at the time you choose to print the checks.
  - If you did not check the To Be Printed box above, NetSuite displays the next consecutive check number available now, assuming you will immediately print the check when you finish entering it. If you want to enter another number, you can.
10. If you like, enter a memo that prints on the check itself.

### Earnings Tab

11. Click the Earnings tab.
12. In the Earnings field, select from the types of earnings assigned to this employee. For example, select Salary for an employee paid the same amount every two weeks or Regular Pay for an employee paid hourly.
13. In the Hours/Base field, enter the number of hours worked or other number to be multiplied by the Rate shown

For example, you can enter 1 for an employee paid the same amount every two weeks or 80 for a full-time employee paid hourly.

14. If this is for a customer or job, choose it in the Customer:Job field, and select the appropriate service item.
15. After you enter an earnings item, click Add.
16. Continue to enter available earnings items that apply.  
Other items might include overtime pay, sick pay or vacation pay.

#### **Withholdings Tab**

17. Click the Withholdings tab.

Based on the payroll items selected for this employee's record, NetSuite calculates and applies withholding items such as federal and state income tax, social security and Medicare.

If, for any very unusual reason advised by your accountant, one of these withholdings does not apply, clear its check box.

#### **Deductions Tab**

18. Click the Deductions tab.

Based on the payroll items selected for this employee's record, NetSuite calculates and applies deduction items such as health insurance, union dues and credit union payroll deductions.

19. If one of these deductions does not apply, clear its check box.  
If you made a change, you should probably change this deduction item on the employee's record.

#### **Company Contributions Tab**

20. Click the Company Contributions tab.

Based on the payroll items selected for this employee's record, NetSuite calculates and applies contribution items such as your requirements for state and federal unemployment, social security and Medicare. Other items may include your contributions for health or life insurance premiums.

Only for a very unusual reason advised by your accountant should you change one of the government contributions.

21. If one of the contribution items you set up for your own company does not apply, clear its check box.  
If you made a change, you should probably change this contribution item on the employee's record.

#### **After all tabs have been verified:**

22. Post this paycheck in one of three ways:
  - If you checked To Be Printed, click Save to return to the Transactions tab.
  - If you checked To Be Printed, click Save & New to create a new paycheck.
  - If you want to save and print the check immediately, click Print.

## **Print Payroll Checks**

If you checked the To Be Printed box, follow these steps to print the individual payroll check or checks you created:

1. Click the Transactions tab.
2. On the Transactions tab, under the Other heading, click Print Checks and Forms.
3. On the Print page, click Paychecks.
4. In the Account field, select the bank account from which the checks are written. A list of paychecks appears at the bottom of the page.
5. Click Mark All or place check marks in front of the checks you wish to print.
6. Click Print.

# Chapter 8

# Processing a Payroll

## Getting Started

Before you process a payroll, you must first set up all your payroll items and create employee records.

## Process Payroll

To process a payroll:

1. Click the Transactions tab.
2. On the Transactions tab, under the Employees heading, click Process Payroll.

Pay	Employee	Pay Frequency	Last Pay Date	Scheduled Pay Date	Hours	Direct Deposit
<input type="checkbox"/>	Krista Barton	Twice a Month	2/25/2002	2/28/2002	24:00	No
<input type="checkbox"/>	Mark Grogan	Twice a Month	2/25/2002	2/28/2002	86:40	No
<input type="checkbox"/>	Neil Thomson	Twice a Month	2/25/2002	2/28/2002	24:00	No
<input type="checkbox"/>	Sam R Cruz	Twice a Month	2/25/2002	2/28/2002	8:00	No
<input type="checkbox"/>	Tom A Taylor	Twice a Month	2/25/2002	2/28/2002	24:30	No

3. In the Check Date field, accept or change the posting date of the paychecks.
4. In the Period Ending field, accept or change the last date of the payroll period.
5. In the Account field, accept the default bank account or choose another from which to pay these checks.
6. Check the To Be Printed box if you wish to save the checks in a queue for printing later.
7. Click Mark All, or place check marks next to the names of the employees you want to pay.
8. Click Process.

If you checked the To Be Printed box on checks when you processed the payroll run, follow these steps to print the checks you created:

1. Click the Transactions tab.
2. On the Transactions tab, under the Other heading, click Print Checks and Forms.
3. On the Print page, click Paychecks.
4. In the Account field, select the bank account from which the checks are written. A list of paychecks appears at the bottom of the page.
5. Click Mark All or place check marks in front of the checks you wish to print.
6. Click Print.

# Chapter 9 Tax Forms

## Getting Started

Before you process tax forms, you must first have entered year-to-date information and run payrolls.

## Form 941

The Quarterly Federal Tax Return (Form 941) is where you report the federal tax withholdings from employees' paychecks. These withholdings include social security and Medicare taxes and other withholdings that may be taken from wages, tips, supplemental unemployment compensation benefits, and third-party payments of sick pay.

This report must be filed quarterly with the federal government. The due date for January through March is April 30, for April through June is July 31, for July through September is October 31, and for October through December is January 31.

This form will open in Adobe® Acrobat® Reader as a PDF file, on which you will be able to write and make changes. Acrobat 4.0 or higher is required, and we even recommend Acrobat 5.0. If you don't have it yet, visit <http://www.adobe.com> to download it.

NetSuite will automatically fill in most of this report, including the Form 941 Payment Voucher on the third page, from your company's data that is stored in NetSuite. You should always check all the information that NetSuite has filled in for you to make sure it is correct.

To prepare the Quarterly Federal Tax Return (Form 941):

1. Click the Reports tab.
2. On the Reports tab, under the Payroll heading, click Quarterly Federal Tax Return (941).
3. Verify the information shown on the form and enter changes if necessary:
  - Change the date in the Date quarter ended field at the top for the quarter you are reporting.
  - Click a box to add or change the data there.
  - Use the options Adobe Acrobat Reader provides for you to alter the document.
4. Click the printer button in the Acrobat window to print the report.

## Form 940

The Annual Federal Unemployment form (Form 940) is where you report your annual Federal Unemployment Tax Act (FUTA) tax. The federal government requires every company to pay the FUTA tax on the first \$7,000 they pay each employee in a year in order to pay unemployment compensation to workers who have lost their jobs. Many states require other unemployment compensation taxes in addition to the FUTA. This money is not deducted from employee's wages, but from the company itself.

Form 940 must be filed yearly with the federal government. The due date for this form is January 31st.

This form will open in Adobe® Acrobat® Reader as a PDF file, on which you will be able to write and make changes. Acrobat 4.0 or higher is required, and we even recommend Acrobat 5.0. If you don't have it yet, visit <http://www.adobe.com> to download it.

If you check Yes to questions A, B, and C in the second section of this form, NetSuite will automatically direct you to the Form 940-EZ.

NetSuite will automatically fill in most of this report, including the Form 940 Payment Voucher on the bottom of page one. You should always check all the information that NetSuite has filled in for you to make sure it is correct.

To prepare the Annual Federal Unemployment (Form 940):

1. Click the Reports tab.
2. On the Reports tab, under the Payroll heading, click Annual Federal Unemployment (940).
  - Change the date in the Calendar year field at the top for the year you are reporting.
  - Click a box to add or change the data there.
  - Click Restore Data to refresh the form after you have made any changes.
  - Click Instructions to go directly to the instructions provided by the IRS.
  - Use the options Adobe Acrobat Reader provides for you to alter the document.
  - Use the worksheet on the second page by clicking boxes and then entering your information.
3. Click the printer button in the Acrobat window to print the report.

## Form W-2

The Form W-2 Wage and Tax Statement is where you report the wages your company paid during the calendar year to each employee from whom income, social security, or Medicare taxes were withheld. The federal government requires every company to report their employees' paid wages and give a copy of this form to the employees so they can report their personal income taxes accurately.

Copy A of this form must be filed with the federal government yearly by February 28th. Copies B and C must be given to employees by January 31st.



This form will open in Adobe® Acrobat® Reader as a PDF file. Adobe Acrobat 4.0 or higher is required to read it, and we even recommend Adobe Acrobat 5.0. If you don't have it yet, visit

<http://www.adobe.com> to download it.

In order to print this report and send it to the government, you will need to have the actual government forms to print on. This report prints two forms per sheet, and it meets 3-part and 4-part state filing requirements.

To order W-2 forms, contact NEBS at <http://www.nebs.com> or 1-800-225-9540.

These NEBS part numbers are compatible with the printout NetSuite produces:

- TF5645 - Laser W-2 Set, 4-part
- TF5650 - Laser W-2 Set, 6-part
- TF5655 - Laser W-2 Set, 8-part

NetSuite will automatically fill in most of this report for the employees you check to report. You should always verify all the information that NetSuite has filled in for you to make sure it is correct.

To prepare the Form W-2:

1. Click the Reports tab.
2. On the Reports tab, under the Payroll heading, click Form W-2.  
This brings you to the NetSuite W-2 form information page where you can look over company information and where you can select all the employees you need to report.
3. Check over the information at the top of the page and enter any changes or additional information. The Federal ID Number (Box b) field must be filled in to submit this page.
4. Mark the check boxes for all the employees whose wages you need to report, and make sure their information is correct. You must have your employees' social security numbers filled in order to report their wages.
5. Click Print.  
The Form W-2 information appears in the Adobe Acrobat Reader.
6. Check over the form to verify that all information showing is correct. Use the options Adobe Acrobat Reader provides for you to alter the document.
7. Place the W-2 forms in your printer.
8. Click the printer button in the Acrobat window to print the report.

## Form 1099-MISC

The Form 1099-MISC is used to report tax information for your vendors. The federal government requires every company to report such information for vendors who were paid over \$600 during the calendar year. Companies are also required to give a copy of this form to the vendors so they can report their taxes accurately.

Copy A of this form must be filed with the federal government yearly by February 28. Copy B must be given to recipients by January 31.

You must check the 1099 Eligible boxes on the vendors' records in order to report them. You can navigate to the vendor records by clicking the Lists tab and then clicking Vendors.

The 1099-MISC form will open in Adobe® Acrobat® Reader as a PDF file. Adobe Acrobat 4.0 or higher is required to read it, and we even recommend Adobe Acrobat 5.0. If you don't have it yet, visit <http://www.adobe.com> to download it.

In order to print this report and send it to the government, you will need to have the actual government forms to print on. This report prints three forms per sheet, and it meets 3-part and 4-part state filing requirements.

To order 1099-MISC forms, contact NEBS at <http://www.nebs.com> or 1-800-225-9540.

These NEBS part numbers are compatible with the printout NetSuite produces:

- TF6102 - Laser 1099, Misc. Income Set, 3-part
- TF6103 - Laser 1099, Misc. Income Set, 4-part
- TF5110 - Laser 1099 MISC Federal Copy A
- TF5111 - Laser 1099 MISC Recipient Copy B
- TF5112 - Laser 1099 MISC Payer/State Copy C

NetSuite will automatically fill in information for the vendors you are reporting. Also, NetSuite will add the payment amount to the total that must be reported in box 7 of this form. You should always check all the information that NetSuite has filled in for you to make sure it is correct.

To prepare the Form 1099-MISC:

1. Click the Reports tab.
2. On the Reports tab, under the Vendors/Payables heading, click Form 1099-MISC. This brings you to the NetSuite Form 1099-MISC information page.
3. Check over the information at the top of the page and enter any changes or additional information. The Federal ID Number field must be filled in to submit this page.
4. Mark the check boxes for all the vendors you need to report and make sure their information is correct. You must have your vendors' tax id numbers filled in order to report them.
5. Click Print.  
The Form 1099-MISC information appears in the Adobe Acrobat Reader.
6. Check over the information to verify that the information is correct.
7. Place the 1099-MISC forms into your printer.

8. Click the printer button in the Acrobat window to print the report.  
This will print your information on the federal forms so you can file with your vendors and the government.

# Chapter 10 Payroll Reports

## Getting Started

Before you view payroll reports, you must first have entered year-to-date information and run payrolls.

## Reports

Oracle Small Business currently offers these payroll reports:

- Payroll Check Register
- Payroll Liabilities
- Payroll Journal
- Form W-2
- Payroll Summary by Item
- Payroll Summary by Employee
- Earnings Summary
- Withholdings Summary
- Deductions Summary
- Company Contributions Summary
- Earnings Summary by Employee
- Withholdings Summary by Employee
- Deductions Summary by Employee
- Company Contributions Summary by Employee
- Quarterly Federal Tax Return (941)
- Annual Federal Unemployment (940)

To see payroll reports:

1. Click the Reports tab.
2. On the Reports tab, under the Payroll heading, click the name of the report you want to see.

Here are some procedures you can use when working with all the payroll reports except the tax forms (Form W-2, Form 941, and Form 940):

- Click Add To Shortcuts to create a shortcut for the report on your Home page.
- Click totals to drill down to detail on summary reports.
- Click amounts to drill down to transactions on detail reports.
- In the Period field, select to view your data by
  - Custom date set in From and To fields
  - Last Fiscal Quarter
  - Last Fiscal Quarter to Date
  - Last Fiscal Year
  - Last Fiscal Year to Date
  - Last Month
  - Last Month to Date
  - Last Week
  - Last Week to Date
  - Next Fiscal Quarter
  - Next Fiscal Year
  - Next Four Weeks
  - Next Month
  - Next Week
  - One Month
  - One Week
  - One Year
  - This Fiscal Quarter
  - This Fiscal Quarter to Date
  - This Fiscal Year to Date
  - This Month
  - This Month to Date
  - This Week
  - This Week to Date
  - Today
  - Yesterday
- In the Viewer field, choose to view your report in your Browser, Microsoft® Word or Microsoft® Excel.
- Click Refresh after you select new reporting options.
- Click Customize to:
  - Choose filtering and sorting options.
  - Select custom columns you want to appear on the report.
  - Enter a custom report title, check the Public box if you want other employees to view the customized report, and then click Save to save your customization.
- Click Print to print the report.

- Click Export to export your report in one of these formats.
- Click E-mail to e-mail the report.

If you save your report customization, you can view your custom reports by going to Reports and clicking View Reports under the Saved Reports heading.