

Job Costing Series: Setting up Payroll

presented by

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Labor & Labor Burden

- Important to include on job costing reports
- If you don't include them, jobs will look far more profitable than they really are
- In addition to job losses, can lead to inaccurate estimates on future jobs

Preferences & Items

- **General items** (Edit > Preferences)
 - Payroll & Employees
 - Select “Full Payroll” or “Complete Payroll Customers” – you’ll need a subscription
 - Check “Job Costing, Class and Item tracking for paycheck expenses”
 - Time & Expenses
 - Select Yes under “Do you track time?”
 - May also want to check “Create invoices from a list of time & expenses”
- **Payroll items** (Lists > Payroll Items)
 - Payroll items can only map to one expense account, so you may want to setup separate ones for COGS and overhead payroll expense
 - You can’t assign have two payroll items for payroll taxes – check out my workaround at <http://tinyurl.com/kkzlw7>
 - Check “Track expenses by job” on every Addition and Company Contribution item

Setting up Employee Records

- **Employee records**
 - Double-click on employee name in the Employee Center
 - Change Tabs: Payroll & Compensation Info
 - Check “Use time data to create paychecks”
- **Default for new employees**
 - Click Manage Employee Information > Change Employee Default Settings in Employee Center
 - Check “Use time data to create paychecks”

Worker's Compensation

- Setup worker's comp at Employees > Workers Compensation > Setup Workers Comp
- Setup worker's comp codes at Employees > Workers Compensation > Workers Comp List
- Make sure Workers Comp payroll item has "Track expenses by job" checked

Time Sheets/Paychecks

- Timesheets (Employees > Enter Time > Use Weekly Timesheet)
 - Complete all information including customer:job, payroll item & service item (these are different), WC Code – mark as billable if you use time & material billing
 - You may want to add a customer:job for overhead
 - Consider using Time Tracker or WorkTrack Time Card so employees can enter their own time