CHANGES TO THE PAYROLL SYSTEM WALKTHROUGH

Intuit simplified the process for using the free version of Core (the basic payroll package in QBO). The new process was used when the eLectures (videos) for Chapter 12 in myBusinessCourse were created.

If you don't have access to the videos, here's how those changes affect the Payroll System Walkthrough beginning on page 12-9 of your textbook.

Step 1 – Set Up A New Company File

No changes in this step.

Step 2 – Activate Payroll
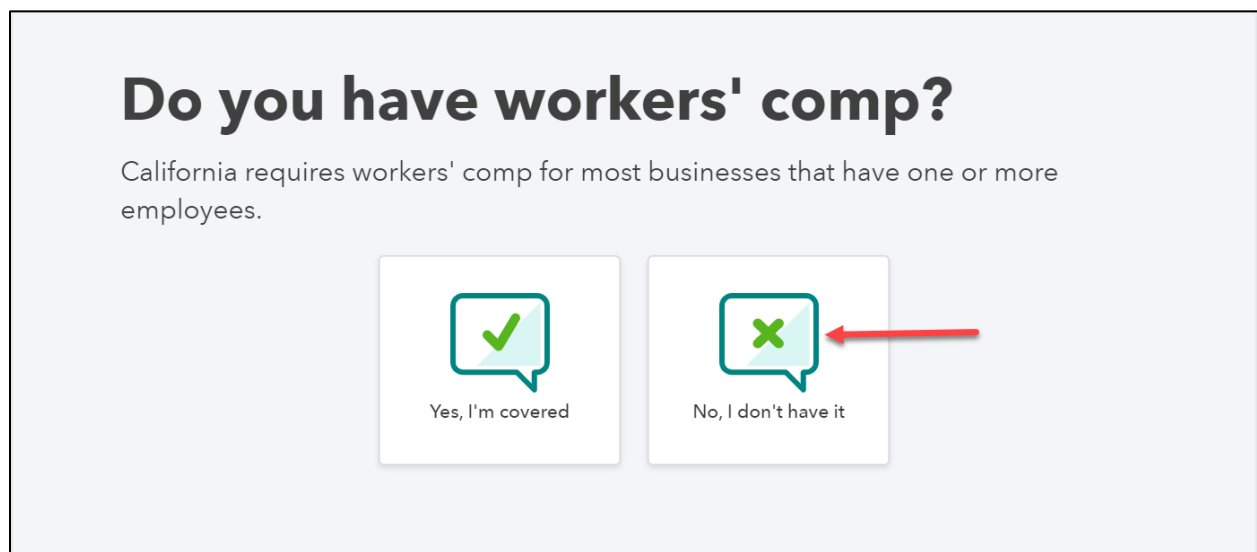
Pages 12-19 to 12-21 are unchanged.

The question about the company payroll contact (Figure 12.23) has been eliminated. Once you enter the business address (Figure 12.22), you will be taken directly to the employee setup window (Figure 12.24).

Step 3 – Add Employees

No changes in this step.

Step 4 – Set Up Payroll Taxes

Once you click **Continue setup** (the last action in Step 3), the following screen will appear:

Click **No, I don't have it**.
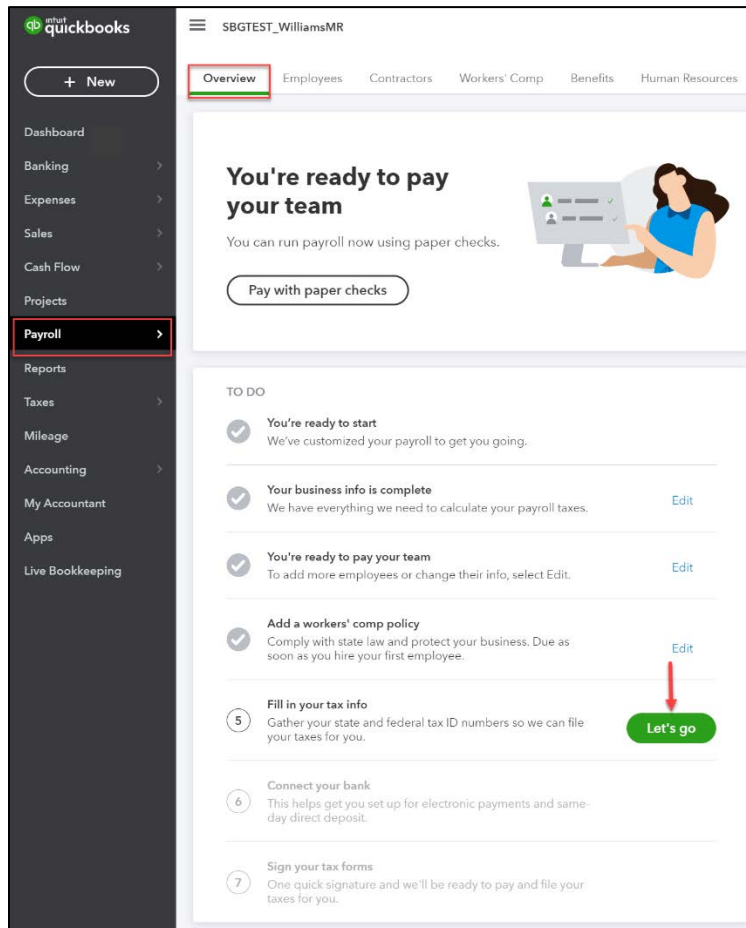
Toggle **No thanks, I'll do the work myself**.

Once you click **Next**, you'll be taken back to the Payroll Center.

Click **Let's go** in the **Fill in your tax info** section.

There are three sections in the Payroll Settings screen: **General**, **Federal**, and **State**.

In the **General** section, the company name and address will be auto-filled. Select **Corporation** as the **Company Type** and **President** as the **Primary Principal Officer (PPO) title**.

Click **Next**.

In the **Federal** section, enter '22-3456789' as the employer identification number.

Form 941 each quarter (most common) should be selected as the payroll tax form filed with the IRS.

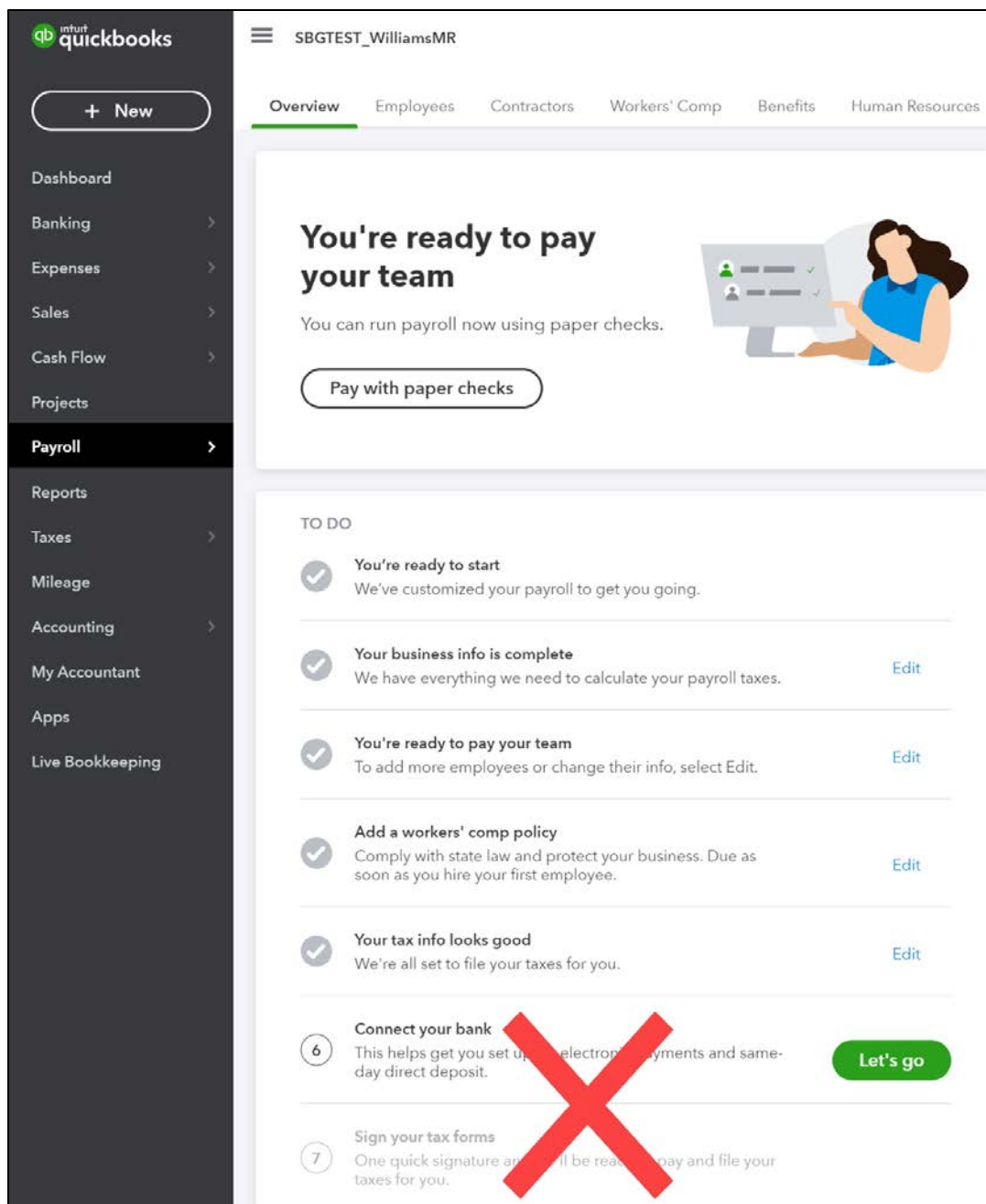**Monthly** should be selected as the tax payment frequency.

Click **Next**.

In the **State** section, enter '321-7654-8' as the employer account number.

Enter '3.4%' as the Unemployment Insurance rate. (3.4% is the rate typically assigned to new businesses in California.

Select **Monthly** as the tax payment frequency.

Click **Done**.

You will be taken back to the Payroll Tax Center.

You will not be completing Sections 6 and 7 of the Payroll **To Do** list.

Step 5 – Set Up Bank Connections

Ignore this step.

Step 6 - Finish The Payroll Setup

Ignore this step.

Step 7 – Map Payroll Accounts

No changes to this step. (The Payroll Settings screen will include slightly different wording, but the process is unchanged.

Step 8 – Process Payroll

No changes to this step.

Step 9 – Map Payroll Accounts

Because Intuit now allows users to deactivate the automatic payroll remittance and filing features, you would be able to process payroll tax remittances. However, you will not be expected to create those transactions as part of your assignment. If you'd like more information about the tax remittance process, view the Processing Payroll eLecture in myBusinessCourse. Information about editing paychecks is included there as well.

Step 10 – Access Payroll Reports

No changes to this step.