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The QuickBooks® Client newsletter



Helping You Grow A Profitable Business with QuickBooks® Software

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Easily Analyze Payroll Transactions using Excel

Although the Employees & Payroll reports menu in QuickBooks offers numerous reports that let you slice and dice your payroll data, you may sometimes yearn for more flexibility. When you do, the Summarize Payroll Data in Excel and Tax Form Worksheets in Excel features will transform your payroll data with just a couple of mouse clicks. The Summarize Payroll Data in Excel feature helps you review historical payroll transactions; while the Tax Form Worksheets in Excel lets you peer into the summary numbers that appear on the tax forms that you generate from QuickBooks.

Excel required: Note that you must have Microsoft Excel installed on your computer to use these features. If you don't already have Microsoft Excel, you can download a free 60-day trial from www.trymicrosoftoffice.com.

Summarize Payroll Data in Excel

This feature is available in QuickBooks 2004 and later, and enables you to generate numerous payroll reports in Excel with just a couple of mouse clicks. Keep in mind that the mix of reports that you see may vary, based on your version of QuickBooks. In addition, the Excel-based reports take two different formats:

- **Pivot table-based:** Excel's pivot tables feature summarizes rows of data into a concise format. In this case the rows of data are in QuickBooks, so the resulting spreadsheet becomes an extension of QuickBooks. In general, pivot tables offer several special benefits:
 - You can rearrange the pivot table by dragging and dropping fields.
 - You can double-click on any number within the pivot table

to drill down to the underlying detail

- Certain fields in the pivot table include drop-down lists, from which you can exclude certain items or employees.
- You can set the pivot table to put a page break between each employee or item, which enables you to easily print a separate report to share with each person on your team.

We'll explore some of these capabilities later in this article.

- **Worksheet-based:** The worksheet-based reports that QuickBooks generates are static in nature, meaning you can't double-click on any numbers to view the underlying detail. These reports are similar in nature to reports that are generated when you use the Send to Excel feature to analyze any of QuickBooks built-in reports. You can, however, copy and paste portions of the reports into other workbooks, or modify the reports to meet your needs.

Summary Payroll Data Reports

The following payroll data reports appear in the 2007 and 2008 versions QuickBooks Pro or higher — other versions of QuickBooks might not include some of these standard reports:

- **Employee Journal** – This pivot table-based report lists payroll transactions by employee, including pay date, check number, and deductions.
- **YTD Summary** – This worksheet-based report summarizes compensation and withholding by employee. This report appears on a worksheet labeled YTD Summary 1.
- **Hours** – This pivot-table based report summarizes hours by employee, by type — this enables you to see regular, overtime



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vacation, and sick hours in a concise format.

- **Rate & Hours by Job** – This report summarizes payroll data on a job by job basis. Make a choice from the Customer:Job drop down at the top of the worksheet to see costs for a particular customer or job.
- **State Wage Listing** – This report breaks out state-assessed taxes, such as unemployment, so that you can see the wages, excess wages, wage base, and tax amount for the specified report period.
- **Quarterly** – This report provides summary level wage and tax data sorted by Social Security Number by quarter. If you choose to see payroll for an entire year, this report will include a column for each of the four quarters.

Depending upon your QuickBooks version, you may also be able to generate these reports:

- **8846 Worksheet** – This worksheet helps employers calculate the tax credit that can be collected on employer taxes paid on certain types of employee tips.
- **Effective Rates By Item** – This pivot table-based report appears in a worksheet labeled Calculated %, and shows the percentage used to calculate various taxes, including Social Security, Medicare, and unemployment, as well as other payroll items such as disability and workers’ compensation.
- **YTD Recap** – Similar in nature to the YTD Summary, this worksheet-based report lists employee activity on a payroll item-basis. This report will appear on a worksheet labeled YTD Summary 2.
- **Deferred Compensation** – This report displays any compensation and deferred compensation by tax-tracking

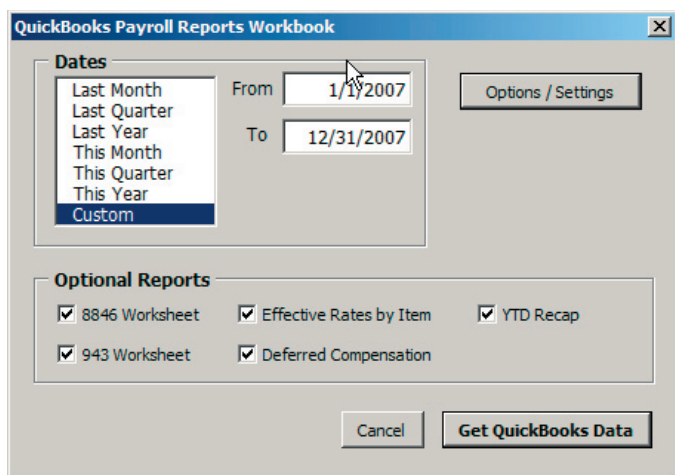


Figure 1: This dialog box allows you to determine what reports should be generated in Excel from QuickBooks.

type, and is sorted by date.

- **943 Worksheet** – This worksheet helps employers that are required to file Form 943, Employer’s Annual Tax Return for Agricultural Employees.

Generate Payroll Summary Reports

You can easily analyze your payroll data in Excel:

1. In QuickBooks choose Reports, Employees & Payroll, and then Summarize Payroll Data in Excel.
2. Instructions will appear onscreen in Excel if you need to enable macros. Think of macros as custom programming embedded in an Excel workbook. QuickBooks ships with prebuilt Excel workbooks that contain the programming necessary to generate the Excel worksheets, but you must first instruct Excel to enable macros.
3. Once macros are enabled, the dialog box shown in **Figure 1** will appear.
4. Choose a time period, such as this Month, and then choose any of the optional reports.

The export from QuickBooks may take a couple of minutes, depending upon the size of your QuickBooks file — you’ll see onscreen progress indicators. A workbook with several reports will appear automatically. As discussed previously, you can double-click on any number within a pivot table-based report and view the underlying detail, as shown in **Figure 2**.

Print One Employee Per Page

You can set a pivot table-based report, such as the Employee Journal, to print one employee per page:

1. Right-click on the Grand Total row, and choose Hide Row. Otherwise the grand total will appear on the last employee’s report.
2. In the case of the Employee Journal, right-click on the

	A	B	C	D	E
1	Type	Date	Num	Name	Source
2	Paycheck	12/15/2011	10079	Overhead	Gregg O. S
3	Paycheck	12/15/2011	10078	Overhead	Gregg O. S
4	Paycheck	11/17/2011	10069	Overhead	Gregg O. S
5	Paycheck	10/20/2011	10063	Overhead	Gregg O. S
6	Paycheck	8/25/2011	10051	Overhead	Gregg O. S
7	Paycheck	7/28/2011	10045	Overhead	Gregg O. S
8	Paycheck	5/19/2011	10030	Overhead	Gregg O. S
9	Paycheck	4/21/2011	10024	Overhead	Gregg O. S

Figure 2: Double-click on any number within a pivot table to view the underlying detail on a new worksheet.

Transaction Name heading, and then choose Field Settings.

3. In Excel 2003 and earlier, click the Layout button, or in Excel 2007 click the Layout & Print tab. Choose Insert Page Break After Each Item, as shown in **Figure 3**.

You can apply this technique to any of the pivot table-based reports.

Tax Form Worksheets in Excel

This feature — if present in your version of QuickBooks — makes it easy to view the underlying detail for the tax forms that QuickBooks can generate for you. As you're probably aware, it's easy to print payroll tax forms:

1. Choose Employees, Payroll Tax Forms & W-2s, and then Process Payroll Forms.
2. Choose either Federal or State, and then click OK.
3. Choose a form from the resulting list, as shown in **Figure 4**, and then follow the onscreen prompts.

If you have questions about the numbers that appear on these reports, or you want to audit the figures, the Tax Form Worksheets in Excel provides the underlying detail with just a couple of mouse clicks.

1. Choose Reports, Employees & Payroll, and then Tax Form Worksheets in Excel.
2. After a moment an Excel workbook will appear onscreen. If a Welcome screen appears, follow the onscreen prompts to

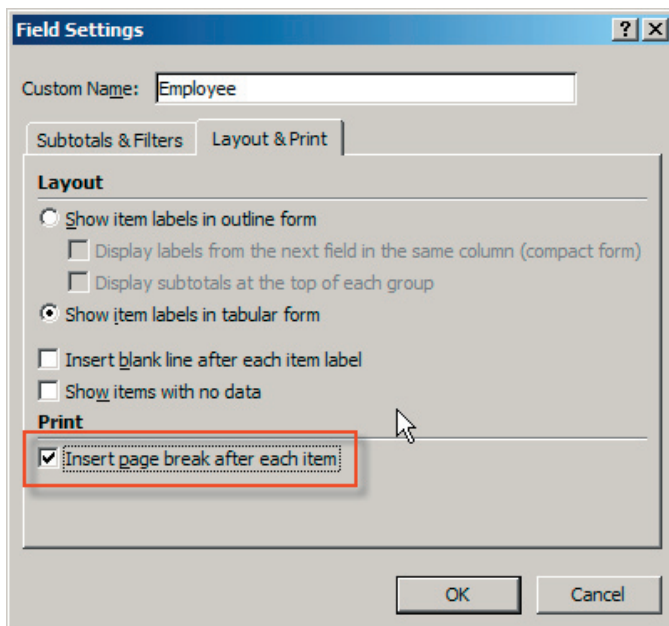


Figure 3: Pivot table-based reports can be printed on a per-item or per-employee basis.

enable macros in Excel. Once macros are enabled, you'll see the dialog box shown in **Figure 5**.

3. As you can see in **Figure 5**, you can generate one tax worksheet at a time:

- **Quarterly 941** – This worksheet summarizes the figures you need to complete your quarterly Form 941, which you use to inform the Internal Revenue Service of the total income taxes withheld from employee paychecks, as well as the employee and employer share of Social Security and Medicare taxes.
- **Annual 944** – In certain instances the IRS will notify an employer in writing that Form 944 can be filed annually instead of filing Form 941 on a quarterly basis. Do not file Form 944 unless you receive instructions from the Internal Revenue Service.
- **Annual 940** – This worksheet provides the detail required to file your Federal Unemployment Tax Return.
- **Annual 943** – This worksheet provides the detail needed to compile the Employer's Annual Federal Tax Return for Agricultural Employees.
- **Annual W2/W3** – This choice gives you the underlying detail for each employee's W2 form, as well as the summary figures that make up your W3 form.
- **State SUI Wage Listing** – This form provides the details behind your State Unemployment Insurance (SUI) form.

Once you choose a tax form, choose a report period from the list, or enter the dates of your choice.

4. The Options/Settings button displays the dialog box shown in **Figure 6**, which lets you fine-tune the results provided

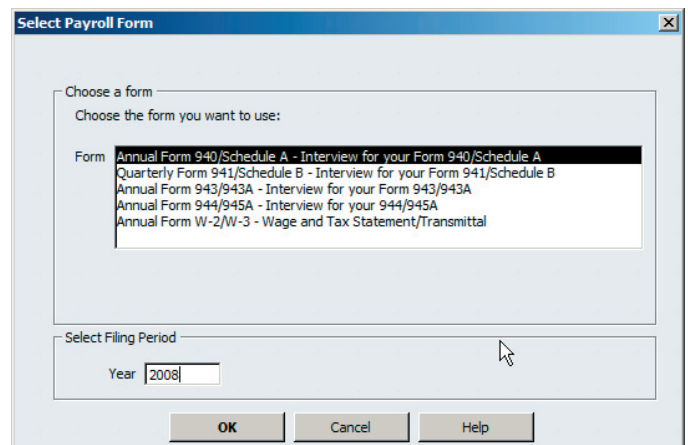


Figure 4: Most payroll tax forms can be printed directly from QuickBooks.

by QuickBooks:

- By default QuickBooks lists the company name and report dates in the page headers of your Excel worksheet. You won't typically see these onscreen, but you will when you choose to print the worksheet, or display it in Print Preview mode.
- Hide Detailed Data Returned from QuickBooks – depending upon the tax form you choose, you may see more or less detail onscreen. Typically you'll want to leave this choice selected.

Change Report Options

You don't have to return to QuickBooks if you decide that you want to generate a different tax form worksheet, or perhaps change the report dates. The steps differ slightly, depending upon your Excel version:

- **Excel 2003 or earlier:** Choose Get QuickBooks Data or Update Tax Worksheet from the floating QuickBooks Link or QuickBooks Tax Link toolbars, respectively. These toolbars are easy to restore if you inadvertently close them: right-click on

any of your Excel toolbars, and then choose QuickBooks link or QuickBooks Tax link.

- **Excel 2007** – Click on the Add-Ins tab of the ribbon, choose QB Payroll Summary Reports in the Custom Toolbars section, and then choose either Get QuickBooks Data to update the payroll summary, or Update Tax Worksheet to update a tax form.

Note: If you simply change the dates for the payroll summary or a tax form, your existing worksheet will be overwritten. However, if you choose a different tax form, an additional worksheet will appear within your workbook.

Summary

In this article we discussed how integration between QuickBooks and Microsoft Excel can make quick work of analyzing payroll figures. Many of the underlying reports are pivot table-based, which offers drill-down and filtering capability, while others are static, worksheet-based reports. The Excel-based reports give you more options beyond the built-in reports within QuickBooks when you need to analyze or audit your payroll figures.

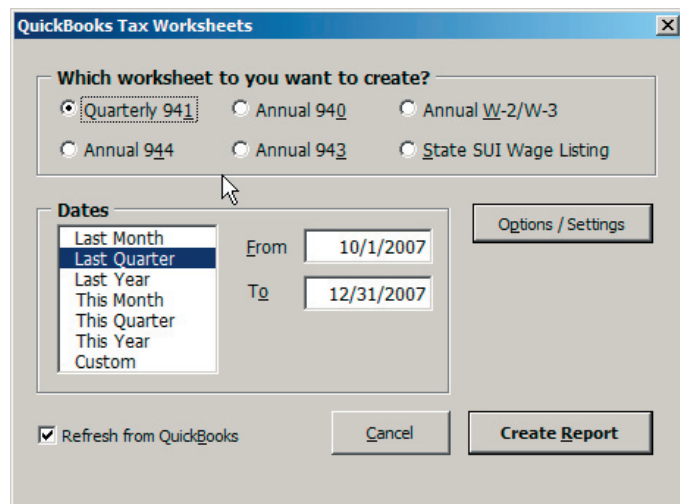


Figure 5: QuickBooks can show you the underlying detail for several payroll tax forms.

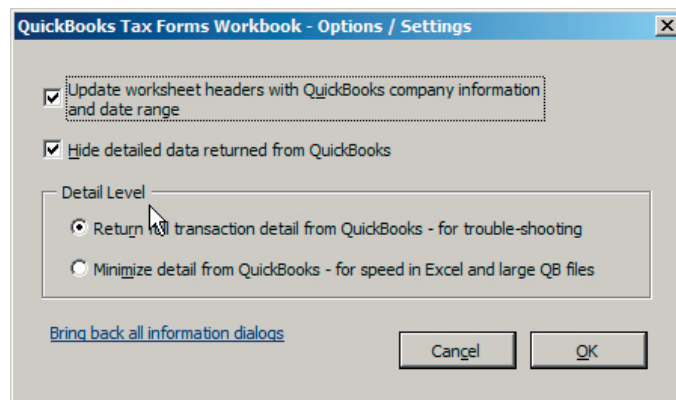


Figure 6: Most users won't find it necessary to do so, but you can refine how QuickBooks generates the tax forms and payroll summary worksheets.

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