

Posting Payroll to GL

Last Modified on 12/15/2022 2:52 pm CST

The posting of payroll checks to the general ledger is a separate function from running the checks. Additionally, ending the payroll month is separate from the fiscal month end. This is to accommodate situations where the first payroll of a new month is due before the previous fiscal month is closed.

Processing the paychecks updates the payroll check file and the employee totals. They will not affect the checking account or other general ledger accounts (wages, withholding, payroll taxes, etc.) until the checks are posted to the general ledger using one of the following methods.

The employer's portion of the FICA and Medicare taxes are posted automatically when the paychecks are posted to the general ledger. It debits the payroll tax expense account(s) and credits the withholding account(s) named at the employees' G/L tab.

Detailed GL Posting

Post Detail to G/L means that each check posts separately to the general ledger. Although this is nice for check reconciliation if the same checking account is used for A/P and Payroll, it does expose sensitive payroll information to anyone with access to the general ledger.

Check #	Emp ID	Name	Ch Date
51891	ColeAb	Abel Coleman	1/20/2021
51892	ColeAb	Abel Coleman	1/20/2021

Select Employees: All

Select

Check Date

Beginning: 01/20/2021

Ending: 01/20/2021

Tag Date Range

Untag All

Tagged

OK Cancel

- **Select** – Employees may optionally be selected to filter the checks for posting.
- **Beginning** – Enter the earliest date of the checks to be posted.
- **Ending** – Enter the most recent date of the checks to be posted.
- **Tag Date Range** – This automatically tags all checks that fall within the beginning and ending date range. The checks may be manually tagged as well.
- **Untag All** – Choose this to deselect all previously selected checks.

Post Detail to G/L Posting Notes

- **Paycheck** – The *G/L Posted* flag is set for each paycheck that posted.
- **General Ledger** – A general journal entry is made and the G/L account balances are updated.

General Journal Entry	Debits	Credits
Net amount of the check		Designated Checking Acct.
Gross wage figure	Wage expense (Set at the Employee's Pay tab or the Job Activity)	
Employee's Tax Withholding – amount withheld from employee		Liability Accts (Set at the Employee's G/L tab)
Employee's Deductions		Set at Employee's Deduction tab
Employer's matching taxes		Liability Accts (Set at the Employee's GL tab)
Employer's tax expense	Payroll Tax Expense (Set at the Employee's GL tab)	

Posting payroll using this method shows the detail of each payroll check in the general ledger. Anyone with access to the general ledger activity would also have access to payroll detail. If security is not an issue and paychecks are issued from the same checking account as the Accounts Payable checks, then this may be the best posting option.

Paychecks that were processed and then voided prior to posting to general ledger will show at the *Post to G/L* screen. When these voided paychecks are included in the posting, zero dollar entries are posted so that the check number is recorded.

Because this method of posting writes the detail of each check into the general journal, checkbook reconciliation may be done using the standard G/L / Checkbook Reconciliation function.

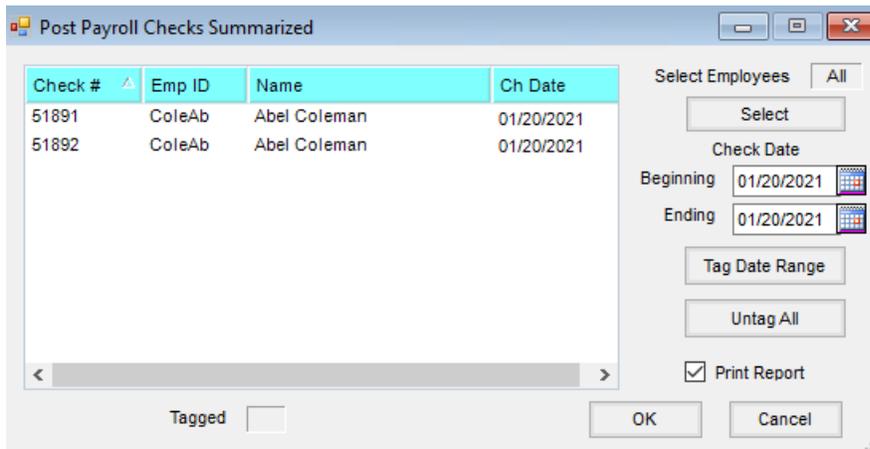
How to Post Detailed Payroll to G/L

1. Verify that all payroll reports for this run are complete and that the checks are correct.
2. From the Accounting menu, select *Payroll / Post Detail to G/L*.
Note: Processing payroll checks updates employee totals. It does not affect any general ledger accounts, including the checking account, until the payroll is posted. The employer payroll taxes then debit the payroll tax expense account and credit the corresponding withholding account.
3. Select the checks to be posted. This can be done by entering the paycheck date range and choosing **Tag Date Range** or holding **Ctrl** while selecting the individual checks to be posted.
4. Choose **OK** to begin the posting. One general journal entry will be created for each selected payroll check.

Note: Using this method to post payroll shows the detail of each payroll check in the general ledger. Anyone who has access to the general ledger activity also has access to payroll detail. The standard *G/L / Checkbook Reconciliation* function can be used with this method.

Summarized GL Posting

Post Summarized to G/L means that a group of paychecks are posted as one journal entry by combining all the like general ledger accounts. This preserves the privacy of payroll information to anyone with access to the general ledger. It is strongly recommended to print or save the optional report which is a very useful reference if the posting for a check needs to be voided or reviewed.



- **Select** – Employees may optionally be selected to filter the checks for posting.
- **Beginning** – Enter the earliest date of the checks to be posted.
- **Ending** – Enter the most recent date of the checks to be posted.
- **Tag Date Range** – This automatically tags all checks that fall within the beginning and ending date range. The checks may be manually tagged as well.
- **Untag All** – Choose to deselect all previously selected checks.

Post Summarized to G/L Posting Notes

- **Paycheck** – The *G/L Posted* flag is set for each paycheck included in the summarized posting.
- **General Ledger** – One general journal entry is made for the totals by general ledger account of the selected checks, and the G/L account balances are updated.

General Journal Entry	Debits	Credits
Total of the Net amounts of the checks		Designated Checking Acct.

Total of the Gross wage figure	Wage expense accounts (Set at the Employee's <i>Pay</i> tabs or the Job Activities)	
Total of the Employee's Tax Withholding – amounts withheld from employees		Liability Accts (Set at the Employee's <i>GL</i> tab)
Total of the Employee's Deductions		Set at the Employee's <i>Deduction</i> tab
Total of the Employer's matching taxes		Liability Accts (Set at the Employee's <i>GL</i> tab)
Total of the Employer's tax expense	Payroll Tax Expense (Set at the Employee's <i>GL</i> tab)	

To avoid exposing payroll detail in the general ledger, this function posts the selected checks in one journal entry, combining the amounts into like general ledger accounts. The journal entry shows only the total dollars posted and does not display figures from the individual paychecks.

Because the details of each paycheck are not posted to the general journal, the Payroll Check Reconciliation function may be used to view and reconcile the checks. This reconciliation function works from the payroll check detail rather than the general journal. For reconciliation purposes, it is best if the checking account used for payroll is separate from the standard disbursement account.

How to Post Summarized Payroll to G/L

Posting payroll differs from processing checks, which allows processing of a new month's payroll before the old fiscal month is closed.

1. Navigate to *Accounting / Payroll / Post Summarized to G/L*.

Note: Using this method to post payroll shows only the sum of the total dollars posted in the general ledger. This avoids exposing payroll detail in the general ledger by posting the selected checks in one journal entry, combining the amounts into like general ledger accounts. For checkbook reconciliation purposes, it is best if the checking account used for payroll is separate from the standard disbursement account.

2. On the *Post Payroll Checks Summarized* window, enter the paycheck date range. Select **Tag Date Range** or highlight the individual checks to be posted.

Note: To print the report recapping the individual journal entries that make up the summarized posting in case a payroll check needs to be voided, the *Print Report* option will need to be selected.

3. Select **OK**.

Note: Processing payroll checks updates employee totals. It does not affect any general ledger accounts,

including the checking account, until payroll is posted. The employer payroll taxes then debit the payroll tax expense account and credit the corresponding withholding account.

Payroll Check Reconciliation

This function, found at *Accounting / Payroll / Payroll Check Reconciliation*, works best if paychecks are written from a separate general ledger payroll checking account but it is not necessary. It automatically accesses the account named as the Payroll account at *Setup / Preferences* on the G/L tab.

Reconciliation For Payroll Checks

Current Balance Is 300619.66

Bank Statement Balance

Mark a Range of Checks Cleared

Regular# First Last

ACH#

Checks Deposits

Payee ID	Ref #	Date	Amount	Description	Clear
ColeAb	51178	01/12/2019	931.52	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51183	01/26/2019	1018.45	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51193	02/09/2019	979.63	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51206	02/23/2019	1078.30	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51831	03/09/2019	865.58	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51844	03/23/2019	1007.40	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51870	04/06/2019	1050.27	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51878	04/20/2019	1101.38	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51891	04/25/2018	865.58	Coleman, Abel C	<input type="checkbox"/>
ColeAb	51892	04/25/2018	865.58	Coleman, Abel C	<input type="checkbox"/>
PowerSt	51142	01/10/2019	1426.29	Powers, Stephen M	<input type="checkbox"/>

Total for 0.00 Total Selected 0.00

Refresh Print Delete Cleared Add Options

Cleared Check File

Load File Edit Pending File

Save Cancel

This area is extremely helpful when payroll is posted using the summarized payroll check posting method.

When the *Payroll Check Reconciliation* area is refreshed, paychecks (including ACH payroll checks) and debit general journal entries affecting the payroll checking account come into the recon screen.

Enter the bank statement ending balance and mark the cleared transactions from the bank statement. If necessary, entries can be added and cleared. There is also a **Print** option which will display a report to be printed and show any differences.

Note: If using the GL checkbook reconciliation and a different GL payroll checking account does not exist, it is important to refresh the *GL Checkbook Reconciliation* screen before refreshing at the *Payroll Check Reconciliation* screen.

The operation of this reconciliation function is identical to the standard reconciliation found at *G/L / Checkbook*

Reconciliation. Instead of working from the general ledger detail, it works off the payroll check file.