

## ACCOUNTING & FINANCE / TASK 13: COMPLETING PAYROLL REGISTER AND FORM 941

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### VE Departments Involved

Accounting, Human Resources

### Month for Activity/Time Frame

Initially four days in October; thereafter twice monthly for payroll register and once monthly for Form 941

### Outcomes

*Employees will:*

- Acquire information needed to prepare payroll from Human Resources.
- Enter data accurately onto the payroll register.
- Combine two semi-monthly worksheets into one monthly payroll register.
- Use information from the monthly payroll register to complete Form 941.
- Use the Internet to transmit payroll data to VE Web site and pay payroll taxes to VEC Tax account.
- Maintain accurate records of employees' 401(k)VE contributions.
- Remit the correct amount of 401(k)VE contributions to the plan administrator.
- Record all payroll related transactions into the accounting records.

### Activities/Strategies

Have the accounting VP convene a meeting of the department. Have the VP produce a copy of the work flow chart that they created when they established payroll procedures. (Refer to Accounting and Finance/Task 5.)

1. Have the employees review the workflow chart and explain that they must now implement the steps described therein. In order to complete the payroll register, the employees must:
  - Access the payroll register template from the VEC Web site.
  - Obtain (from HR) the hourly rates for each employee. This information should be saved into the template so that it does not have to be entered repeatedly.
  - Obtain (from HR) the total hours worked for each employee for the payroll period.
  - Obtain (from HR) each employee's 401(k)VE contribution percentage (or contribution amount).
  - Enter the data into the payroll register to determine the employees' pay.
  - Update each individual's payroll records.
2. Direct the accounting manager or vice president to designate a payroll clerk (or clerks) who will "pay" each employee. Note that payroll should be prepared semi-monthly.
  - In order to pay employees, each employee must have opened a VEC Bank account. Each employee must have been entered into company's online banking software as a "payee." (Refer to Accounting and Finance/Task 11.)
3. After the second semi-monthly payroll has been prepared, the Withholding Tax Form 941VE must be prepared and then submitted to the VEC. Have the department members review the procedures to complete the 941VE Form:
  - Combine the two semi-monthly payroll registers into one worksheet every month. (For assistance refer to the Excel help feature – use "consolidate data by using 3-D references.")  
*Note: Employees can be paid either every two weeks (bi-weekly) or twice a month (semi-monthly). Since the Withholding Tax Form 941 covers all payroll for a given month, it is easier to transfer the payroll information from the combined payroll registers if payroll is prepared semi-monthly. If payroll is prepared bi-weekly, you may have to extract information from as many as three payroll registers.*
  - Check that the combined payroll register equals the two semi-monthly registers added together.

- Refer to Withholding Tax Form 941 and instructions for completing the form, which can be accessed from the VEC site, and follow the instructions line-by-line to complete Form 941 using the appropriate data from the combined monthly payroll register. (Note that there are formulas embedded in all the cells where you are asked to perform calculations. Also note that local taxes are not being withheld at this time.)
  - Submit payroll information by completing the Withholding Tax Form 941 online. The online form can be accessed at the VE web site. Click on “student employees,” then “forms,” then “tax related,” then “withholding tax return 941.”
4. Once the Withholding Tax Form 941VE has been completed, payroll and income taxes must be paid to VEC Tax. Remit payment of payroll taxes electronically to the Virtual Revenue Service (VEC Tax), VEC Bank account #100026702.
  5. Employees’ 401(k) contributions and the employer’s matching contributions must be paid to the 401(k) plan administrator by the fifth day of the month following the payroll activity.
  6. Update the employees’ 401(k) contributions records which to include the employees’ and the firm’s contributions on the employees’ behalf.
  7. Payroll transactions must be recorded into the firm’s accounting records. Refer to the *Guide to Keeping Financial Records in the Virtual Enterprise* for details.

### **Internet Activity**

- E-file Form 941 to VEC.
- Research accounting organization web sites for payroll and Form 941 information.
- Pay employees, VEC Tax Center and 401(k) plan administrator using online banking software.

### **Materials/Resources**

- VE payroll register template
- VE Withholding Tax Form 941 template with instructions
- AICPA <http://www.aicpa.org> (American Institute of Certified Public Accountants)
- NYSSCPA <http://www.nysscpa.org> (New York State Society of Certified Public Accountants)
- *Guide to Keeping Financial Records in the Virtual Enterprise*

### **Mastery and Assessment**

- Periodic payroll registers have been completed.
- Monthly payroll data has been compiled.
- Withholding Tax Form 941VE has been completed and submitted to the VEC.
- Payroll taxes and income taxes have been submitted to VEC Tax.
- 401(k) contributions have been submitted to the 401(k) plan administrator.
- Employees have been paid.
- Payroll transactions have been entered into the accounting records.