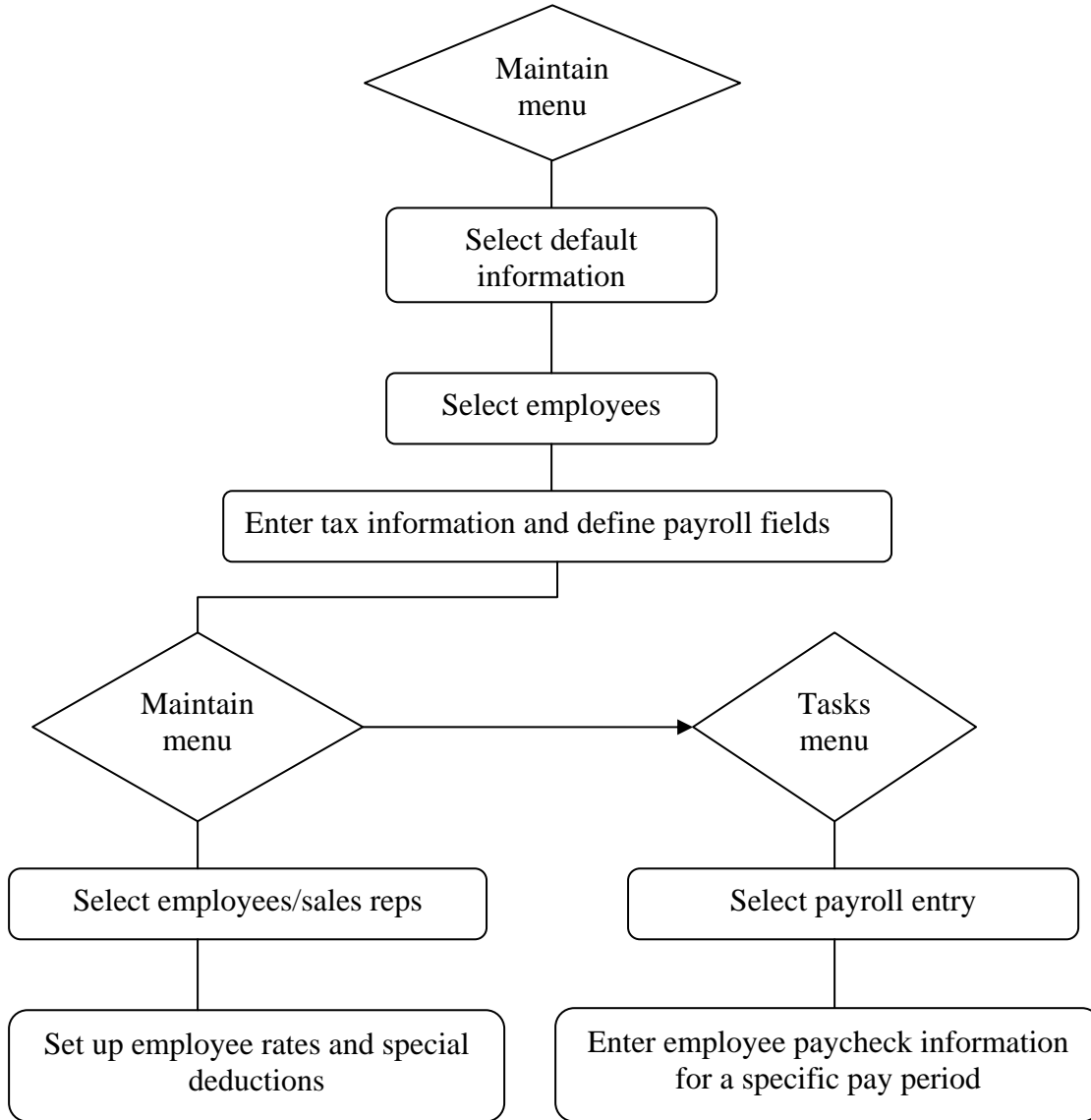


CHAPTER 4 EMPLOYEES

In Chapter 4, your students learn how PCA processes payroll. Once default and maintain employee information is set up, payroll is a simple process. The first step in setting up payroll is to go to the Maintain menu and select Default Information. The flowchart that follows explains the steps involved in setting up payroll information.



SOFTWARE OBJECTIVES: In Chapter 4, your students use the software to:

1. Restore data from Exercise 3-2.
2. Enter and store information using the Maintain Employees/Sales Rep window.
3. Set up default information for payroll.
4. Store constant information about payroll payment methods.
5. Transfer funds from the regular checking account to the payroll checking account.
6. Enter paychecks in the Payroll Entry window.
7. Print employee paychecks.
8. Make two backups: backup Chapter 4 data; and backup Exercise 4-2.¹

WEB OBJECTIVES: In Chapter 4, your students will do these Internet activities:

1. Use their Internet browser to go to the book's website.
2. Complete the Internet activity for the American Institute of CPAs.
3. Use a word processing program to write a summary about the website(s) that they visited.

PCA TIPS, CHAPTER 4

- The form selected for printing checks is tied to the kind of printer students use. For example, if they are using an HP DeskJet printer, the form that they should select is PR MultiP Chks 2 Stub. Your students may need to make a different selection depending on their printer.

¹Refer to the chart on page 2 - IMK for backing up data.

LECTURE OUTLINE FOR CHAPTER 4: EMPLOYEES

- A. Software Objectives, page 127
- B. Web Objectives, page 127
- C. Getting Started, page 129
- D. Default Information, pages 130-133
- E. Maintain Employees, pages 133-134
- F. Payroll Tasks, page 135
 - 1. Transferring Cash to the Payroll Checking Account, pages 135-136
 - 2. Payroll Entry for a Salaried Employee, pages 137-139
 - 3. Payroll Entry for an Hourly Employee, pages 139-141
 - 4. Printing Payroll Checks, pages 141-144
- G. Journal Entry for Payroll, page 144
- H. Backing Up Chapter 4 Data, page 145
- I. Internet Activity, page 145
- J. Summary and Review, page 146
 - 1. Going to the Net, pages 146-147
 - 2. Short-Answer questions, pages 147-149
 - 3. Exercise 4-1, page 150
 - 4. Exercise 4-2, page 150
 - 5. Chapter 4 index, page 151

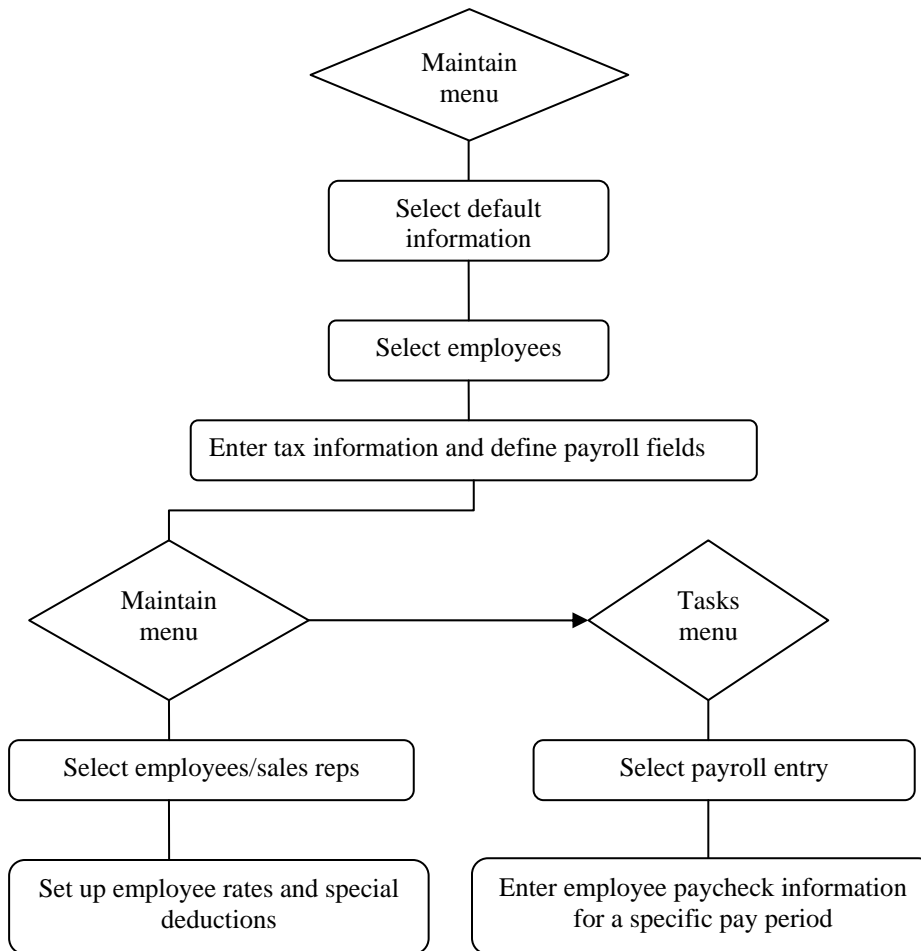
ANSWERS TO GOING TO THE NET

Access the SmartPros website at <http://accounting.smartpros.com>. Move the cursor over Career Center. From the Career Center list, select Career Resources, then link to The latest on salaries, the future of the profession, career trends, job opportunities and more. In the SmartPros 2002 Career Guide area, link to Job Opportunities for New Grads; Accounting Industry Top U.S. Employer. The URL is <http://www.smartpros.com/x33379.xml>.

1. According to 2002 salary survey, the accounting services industry ranks first amount the top five employers with job offers for college graduates.
2. The 2002 average starting salary for accountants is \$39,872; a 3.3 percent increase of 2001.
3. In 2002, 1.2 million college graduates will enter the workforce.

ANSWERS TO SHORT-ANSWER QUESTIONS, CHAPTER 4: (Answers may vary.)

1.



2. The first step in setting up payroll is to go to the Maintain menu and select Default Information.
3. The four folders in the Employee Defaults window are: General, Pay Levels, EmployEE fields, and EmployER fields.
4. The check marks indicate that common deductions, such as Federal Income Tax, Social Security and Medicare, and State Income Tax, will be calculated automatically. These deductions are calculated according to the appropriate tax tables.
5. The employee deductions display as negative amounts because they decrease the check amount.
6. In the Maintain Employees window, you can give specific guidelines for individual employees.
7. For an hourly employee, the Payroll Entry window shows a list of Hourly Fields in the Hours Worked table: Regular, Overtime, and Special. For a salaried employee, there are three salary fields in the Salary Amounts table: Salary, Bonus, Commission.
8. The gross pay for Charlene M. Leland is \$1,489.77. The gross pay for Conrad C. Lipper is \$534.
9. The net pay for Charlene M. Leland is \$1,148.43. The net pay for Conrad C. Lipper is \$427.99.
10. With more than 330,000 members, the American Institute of CPAs is the leading professional association for CPAs in the United States. The URL for AICPA Membership Figures and Breakdown is <http://www.aicpa.org/members/memstats.htm>.

SOLUTION TO EXERCISE 4-2 (3)

The form selected for printing paychecks is tied to the kind of printer being used. For example, if the computer lab has an HP DeskJet printer, try PR MultiP Chks 2 Stub as the form to print. Or, students may need to make a different selection depending on the model of the printer. Your students' checks will print on plain paper.

The form shown on the next page is PR MultiP Chks 1 Stub.

48 - IMK Chapter 4

Dorothy L. Beck			Employee ID: DBECK Social Sec # 111-48-7745			
	This Check	Year to Date		Hours	Rate	Total
Gross	540.00	2,160.00		60.00	9.00	540.00
Fed_Income	-16.67	-66.68	Regular			
Soc_Sec	-33.48	-133.92				
Medicare	-7.83	-31.32				
State	-11.25	-45.00				
VAC_Accrue	3.08	12.32				
VAC_Remain	3.08	12.32				
Net Check:	\$470.77	Total		60.00		540.00
Pay Period Ending:	3/29/07			Check Date:	3/29/07	
				Check Number:	1296	
Four Hundred Seventy and 77/100 Dollars						
				3/29/07		*****\$470.77
Dorothy L. Beck 3743 North Druid Hills Road Atlanta, GA 30325						

Drake V. Carter			Employee ID: DCARTER Social Sec # 111-46-8990			
	This Check	Year to Date		Hours	Rate	Total
Gross	720.00	2,880.00		80.00	9.00	720.00
Fed_Income	-92.71	-370.84	Regular			
Soc_Sec	-44.64	-178.56				
Medicare	-10.44	-41.76				
State	-30.58	-122.32				
VAC_Accrue	3.08	12.32				
VAC_Remain	3.08	12.32				
Net Check:	\$541.63	Total		80.00		720.00
Pay Period Ending:	3/29/07			Check Date:	3/29/07	
				Check Number:	1297	
Five Hundred Forty-One and 63/100 Dollars						
				3/29/07		*****\$541.63
Drake V. Carter 1679 Chattahoochee Lane Flowery Branch, GA 30542						