

Using the Payroll Setup Wizard to Create a New Database

Document #:	3099	Product:	CenterPoint Payroll
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Before you begin using CenterPoint Payroll, you will need to set up a few items such as taxes, earnings, deductions, and benefits. The Payroll Setup Wizard is designed to allow you to easily select the options you want to use, select the accounts to post payroll to, and provides pre-defined setup. After you complete the Payroll Setup Wizard you can customize CenterPoint Payroll to meet your organization's specific needs.

The Payroll Setup Wizard creates an employer in your CenterPoint database. An Employer can represent:

- » A company in a CenterPoint Payroll database that processes its own payroll and issues its own payroll reports to tax entities and other parties. While CenterPoint Payroll allows you to create multiple companies for a single employer, it is much more common for each company to be a separate employer.
- » Several companies in a CenterPoint Payroll database that process payroll, but are part of the same payroll reporting entity. Payroll information is accumulated at the employer level. For example, an employee working in two different companies with the same database can receive one W-2.

Applicable taxes, earnings, deductions, etc. are added to an employer and can be used to process payrolls for that employer. The active status of employees, taxes, earnings, deductions, etc. is maintained by employer.


Do you want to use the Payroll Setup Wizard?

Unless you will be transferring data from Perception Payroll or Red Wing Payroll to CenterPoint, we suggest that you use the Payroll Setup Wizard to assist you with adding employers, taxes, earnings and deductions/benefits to a new database.


How to Access the Payroll Setup Wizard

Option A: When creating a new database in CenterPoint Payroll (File > New) the system will automatically ask if you'd like to use the Payroll Setup Wizard to create the database.

Option B: When a new employer is created in the system by selecting **Setup > Payroll Details > Employers > New**.

 Note: If an employer hasn't been setup in payroll and a payroll menu is selected, you will also be prompted to add an employer using the Payroll Setup Wizard. For more information on employers, refer to the *Maintain Employers* topic.

Step-by-step Instructions for the CenterPoint Payroll Setup Wizard

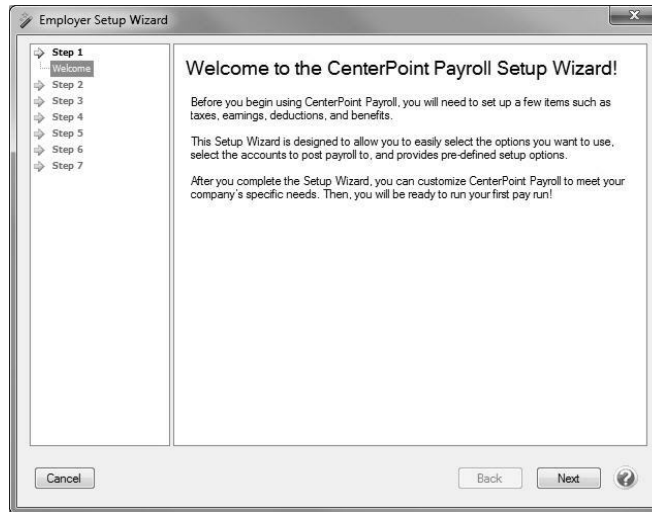
 Note: While continuing through the Payroll Setup Wizard, you will be prompted to choose appropriate accounts for various fields. If you are unsure which account to use, we recommend you check with your accountant. If a new account is needed, it can easily be created without leaving the Payroll Setup Wizard. To add a new account:

- » Within any **Account** box, either right-click and select **New** or click the Magnifying glass icon and then click **New**.

- » Complete the account information and then click **Save**.

The same process can be used in any **Vendor** field to add a new vendor.

Step 1 - Welcome to the CenterPoint Payroll Setup Wizard



1. Click **Next**.

Step 2 - Employer/Company Name and Address

The screenshot shows the 'Employer Setup Wizard' window at Step 2. The left-hand list of steps now shows Step 1 as completed (with a checkmark) and Step 2 as the current step. The main area is titled 'Employer/Company Name and Address' and contains the following text: 'Enter your employer/company name and address as you want it to appear at the top of each report. The employer/company address will also be included on your payroll checks and forms.' and 'If your database includes multiple employers/companies, the additional employer/company information can be added later.' Below this text is a form titled 'Employer Information' with the following fields: 'Employer Abbreviation' (with 'RWS' entered), 'Employer Name' (with 'Red Wing Software' entered), 'Address Line 1', 'Address Line 2', 'City, State, Zip' (with a dropdown menu for City and State, and a text field for Zip), and 'Telephone'. At the bottom of the window, there are three buttons: 'Cancel', 'Back', and 'Next', along with a help icon.

1. Enter your employer/company name and address as you want it to appear at the top of each report. The employer/company address will also be included on your payroll checks, government reports, and W-2 forms. If any of this information is not known, it can be added to the employer later.
2. If your database includes multiple employers/companies, the additional employer/company information can be added later.
3. Click **Next**.

Step 3 - Federal Taxes

The screenshot shows the 'Employer Setup Wizard' window. On the left, a navigation pane lists steps from Step 1 to Step 7. Step 3, 'Federal Taxes', is selected. The main area is titled 'Federal Taxes' and contains the instruction: 'Select the federal taxes your company is required to pay'. Below this, there are four checked checkboxes: 'Federal Unemployment Tax', 'Federal Withholding Tax', 'Medicare Tax', and 'Social Security Tax'. At the bottom of the window are buttons for 'Cancel', 'Finish Later', 'Back', and 'Next'.

1. Select the federal taxes your company is required to pay.
2. Click **Next**.

Step 4 - Federal Tax Accounts

The screenshot shows the 'Employer Setup Wizard' window at the 'Federal Tax Accounts' step. The navigation pane on the left shows 'Federal Tax Accounts' selected under Step 3. The main area is titled 'Federal Tax Accounts' and contains the instruction: 'Enter or change your federal tax identification number and default general ledger accounts for the Federal taxes you selected.' Below this, there are two tables.

Federal Withholding Tax

Name	Tax Id	Liability Account
Federal Withholding Tax	41-1234567	Federal Taxes Payable

Other Federal Taxes

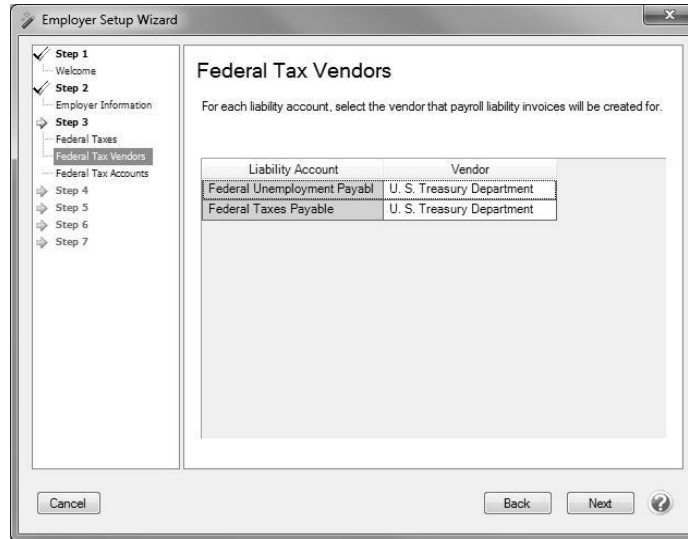
Name	Liability Account	Expense Account
Federal Unemployment Tax	Federal Unemployme	Payroll Taxes Expens
Medicare Tax		
Social Security Tax		

At the bottom of the window are buttons for 'Cancel', 'Back', and 'Next'.

1. Enter or change your federal tax identification number and default general ledger accounts for the federal taxes you selected. Click **Next**.

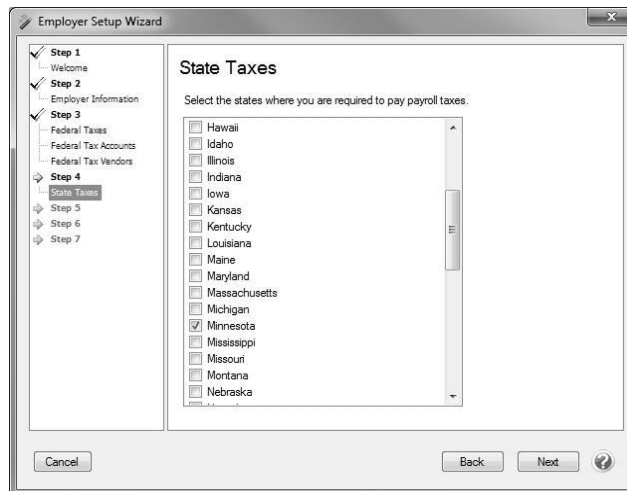
 **Note:** The default Expense Account you select must be an account in the **Payroll Taxes Expense** account category.

Step 5 - Federal Tax Vendors



1. For each payroll or credit card liability account, select the required vendor that payroll liability invoices will be created for. If you intend to use CenterPoint Payroll to generate the checks that will pay for the liabilities created through payroll, you will need to setup vendors and associate them with the liability accounts. These vendors may include the vendor that you pay your 941 or 943 deposit to, insurance vendors, state taxing departments, etc. Note: Non-payroll liability accounts will not require a vendor to be associated with the account. (For the system-supplied accounts, vendors are already assigned to the account, but can be changed. For example, the Federal Taxes Payable account is assigned the Internal Revenue Service vendor and the State Unemployment account is assigned the State Department of Revenue vendor.)
2. Click **Next**.

Step 6 - State Taxes



1. Select the states where you are required to pay payroll taxes.
2. Click **Next**.

Step 7- State Tax Accounts

The screenshot shows the 'Employer Setup Wizard' window at Step 4, 'State Tax Accounts'. The left sidebar shows the navigation tree with 'State Tax Accounts' selected. The main area is titled 'State Tax Accounts' and contains instructions: 'Enter or change your state tax identification number and default general ledger accounts for the state taxes you selected.' Below this are two tables. The first table, 'Employee Only Withholding Tax', has columns for Name, Tax Id, and Liability Account, with one row for 'Minnesota State Withh' having Tax Id '123456789' and Liability Account 'Minnesota Taxes'. The second table, 'Employee/Employer Tax', has columns for Name, Tax Id, Liability Account, and Expense Account, with one row for 'Minnesota State Unemp' having Tax Id blank, Liability Account 'MN State Unempl', and Expense Account 'Payroll Taxes B'. Buttons for 'Cancel', 'Back', and 'Next' are at the bottom.

1. Enter or change your state tax identification number and default general ledger accounts for the state taxes you selected.
2. Click **Next**.

Step 8 - State Tax Vendors

1. For each liability account, select the vendor that payroll liability invoices will be created for. If you intend to use CenterPoint Payroll to generate the checks that will pay for the liabilities created through payroll, you will need to setup vendors and associate them with the liability accounts. These vendors may include the vendor that you pay your 941 or 943 deposit to, insurance vendors, state taxing departments, etc.
2. Click **Next**.

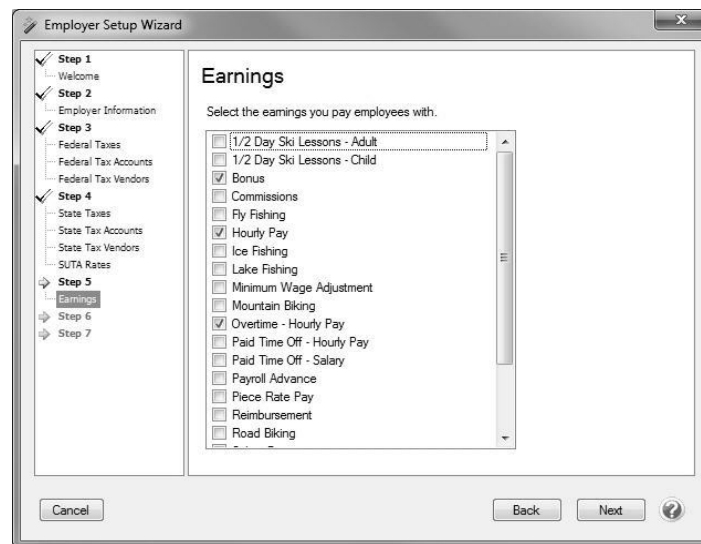
Step 9 - State Unemployment Insurance Rates (SUTA)

The screenshot shows the 'Employer Setup Wizard' window at Step 4, 'State Unemployment Insurance Rates (SUTA)'. The left sidebar shows the navigation tree with 'SUTA Rates' selected. The main area is titled 'State Unemployment Insurance Rates (SUTA)' and contains instructions: 'Enter your state unemployment insurance rate as a percentage. For example, if your rate is 0.5%, enter 0.5.' Below this is a table with columns for State and Rate, with one row for 'Minnesota' having a Rate of '0.00000000'. A note below the table states: 'The wage limits for CenterPoint Payroll will automatically be updated with a current Customer Care Membership. There is no need to enter the wage limits.' Buttons for 'Cancel', 'Back', and 'Next' are at the bottom.

1. Enter your state unemployment insurance rate as a percentage. For example, if your rate is 0.5%, enter 0.5.

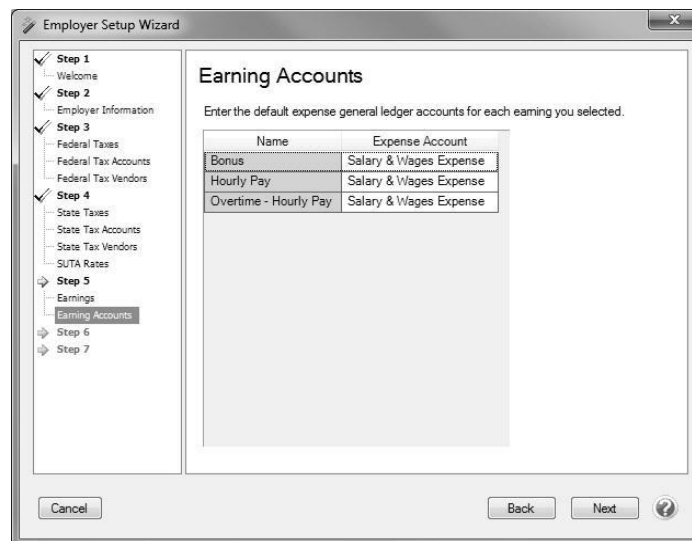
2. The wage limits for CenterPoint Payroll will automatically be updated with a current Customer Care Membership. There is no need to enter the wage limits.
3. Click **Next**.

Step 10 - Earnings



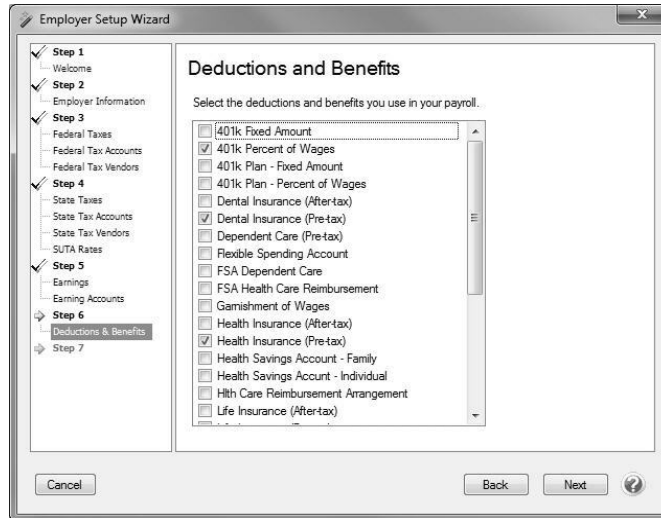
1. Select the earnings you pay employees with. Any additional earnings that are not on this list can be added after you finish the wizard.
2. Click **Next**.

Step 11 - Earning Accounts



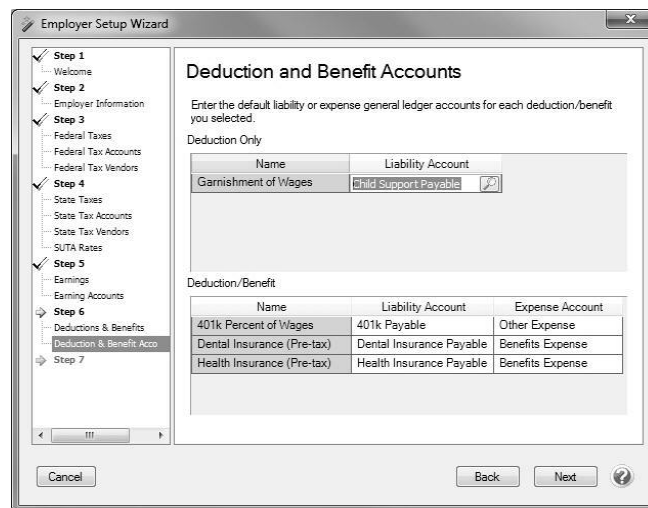
1. Enter the default expense general ledger accounts for each earning you selected.
2. Click **Next**.

Step 12 - Deductions and Benefits



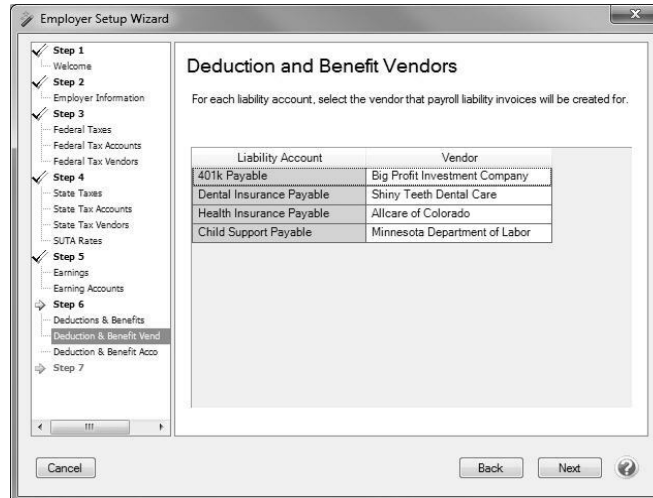
1. Select the deductions and benefits you use in your payroll. Any additional deductions or benefits not on this list can be added after you finish the wizard.
2. Click **Next**.

Step 13 - Deductions and Benefits Accounts



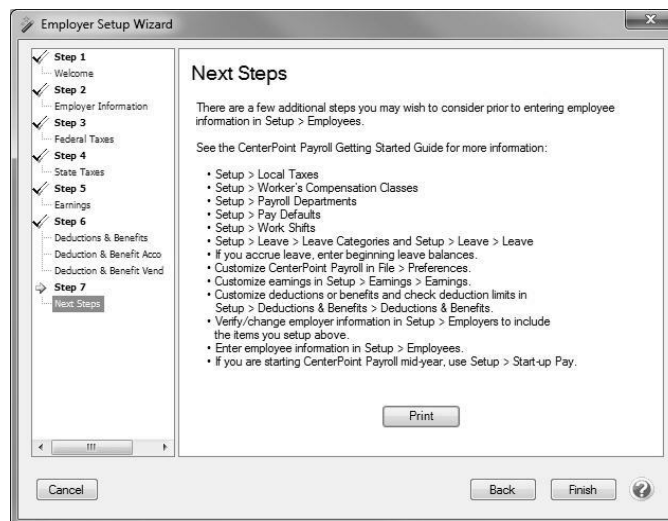
1. Enter the default liability or expense general ledger accounts for each deduction/benefit you selected.
Note: The default Liability Account you select must be an account in the **Payroll Liability** account category and the default Expense account you select must be an account in the **Other Employee Expense** or **Benefit Expense** account category. **The same expense account should not be used for a deduction or benefit expense as is used for an earning.**
2. Click **Next**.

Step 14 - Deduction and Benefit Vendors



1. For each liability account, select the vendor that payroll liability invoices will be created for. If you intend to use CenterPoint Payroll to generate the checks that will pay for the liabilities created through payroll, you will need to setup vendors and associate them with the liability accounts. These vendors may include the vendor that you pay your 941 or 943 deposit to, insurance vendors, state taxing departments, etc.
2. Click **Next**.

Step 15 - Next Steps



1. All of the required information has now been provided. You can create your employees (Setup > Employees) and begin using CenterPoint Payroll. However, there are additional (optional) setup items that you may want to review prior to entering your employee information **in Setup > Employees**. The use of these items depends on what is needed for your companies requirements.
2. Additional Setup items for consideration. Topics explaining these steps can be found in the Help.
 - » Create Workers' Compensation Classes
 - » Create Payroll Departments
 - » Create Pay Defaults
 - » Create Leave Categories
 - » Create Leave
 - » Create Local Taxes

- » Customize CenterPoint by Setting Payroll Preferences
 - » Customize Earnings
 - » Customize Deductions and Benefits
3. Click **Finish**.