

Using Excel to help you reconcile your Payroll Liabilities in QuickBooks.

Background

It's always a good idea to reconcile your Payroll Liability Accounts at the end of the financial year, but this can be a difficult and time consuming job if you haven't reconciled for a whole year.

You can combine the power of QuickBooks with the power of Excel to help you do this task.

Versions

All versions of QuickBooks supporting the Excel Export function (QB2002 and above, QB Plus and above). In this paper I have used QuickBooks 2010/11 and Excel 2007.

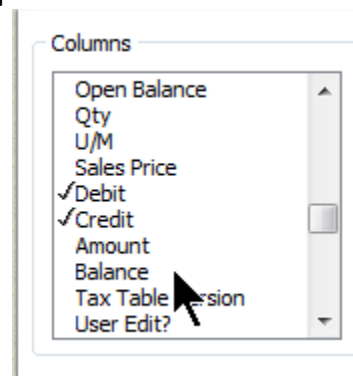
Example

Let's look at a simple example using Superannuation using 3 employees paying into 2 separate Superannuation Funds. This is a really small sample, but the principle is the same for 150 employees over 12 funds.

In QuickBooks

Start off by doing a QuickReport for the Super Liability Account for the current financial year. This is done by selecting the Account in the Chart of Accounts, Right Click > QuickReport. Click the "Modify Report" and make these changes under the Display Tab under "Columns":

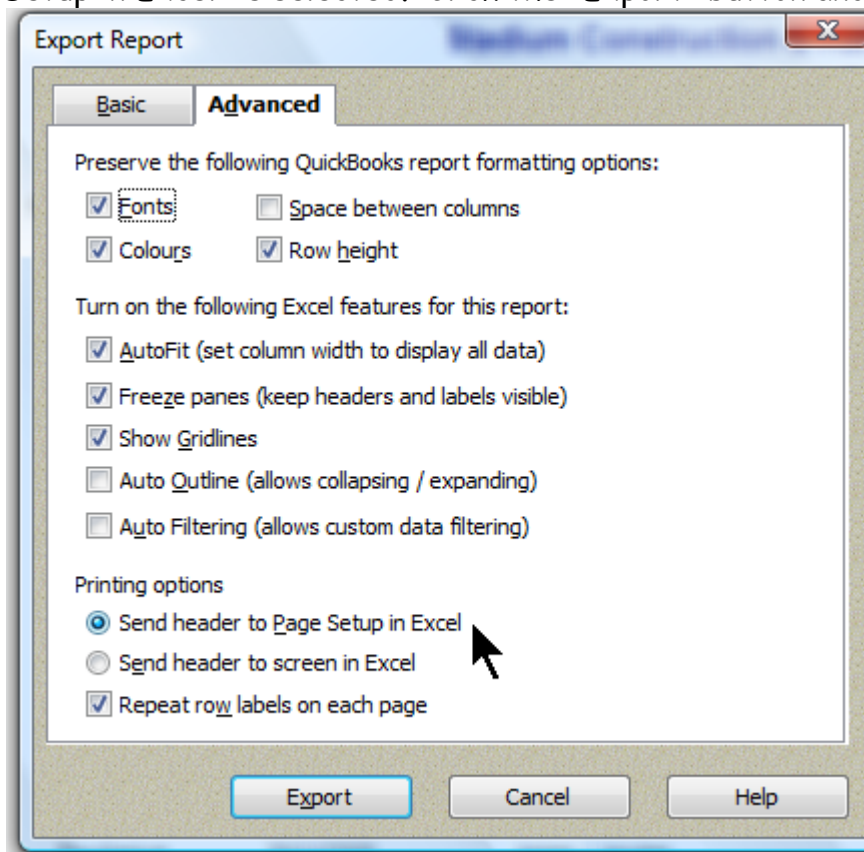
- Untick "Name"
- Tick "Source Name"
- Tick "Debit"
- Tick "Credit"
- Untick "Amount"
- Untick "Balance"



Then click OK

The report is now ready for Exporting to Excel.

Click on the Export button. On the Basic Tab, select "a new Excel WorkBook", and on the advanced tab untick "space between columns". Make sure that "Send header to Page Setup in Excel" is selected. Click the "Export" button and your report will open in Excel.



In Excel

Once in Excel, the report will look like this:

	A	B	C	D	E	F	G	H	I	J	K	L
1					Type	Date	Num	Source Name	Description	Split	Debit	Credit
2		Payroll Liabilities										
3		Superannuation										
4					Paycheque	30/07/2008		Charlie C Chan		ABC Bank		66.83
5					Paycheque	30/07/2008		Dave Dixon		ABC Bank		300.00
6					Paycheque	30/07/2008		James J Jangles		ABC Bank		77.81

We just need to delete a few rows and columns and we are ready to start. Delete Columns A,B,C & D, then rows 2 and 3. You should now be left with just the column headings (Type, Date, Num etc) on Row 1 and the data from row 2 onwards.

	A	B	C	D	E	F	G	H	I
1	Type	Date	Num	Source Name	Description	Split	Debit	Credit	
2	Paycheque	30/07/2008		Charlie C Chan		ABC Bank		66.83	
3	Paycheque	30/07/2008		Dave Dixon		ABC Bank		300.00	
4	Paycheque	30/07/2008		James J Jangles		ABC Bank		77.81	

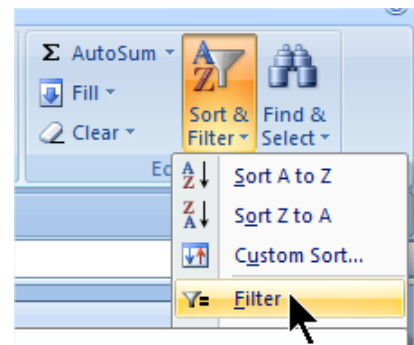
You should also delete the three Total Lines (now showing "#Ref" at the bottom of the data range. Select Rows > Right Click > Delete.

	A	B	C	D	E	F	G	H
1	Type	Date	Num	Source Name	Description	Split	Debit	Credit
45	Paycheque	30/06/2009		James J Jangles		ABC Bank		77.81
46	Bill	30/06/2009		AMP	Jun09 Qtr Dixon	Accounts Payable	900.00	
47	Bill	30/06/2009		CBus Super	Jun09 Qtr Chan	Accounts Payable	200.49	
48	Bill	30/06/2009		CBus Super	Jun09 Qtr Jangles	Accounts Payable	233.43	
49							#REF!	#REF!
50							#REF!	#REF!
51							#REF!	#REF!

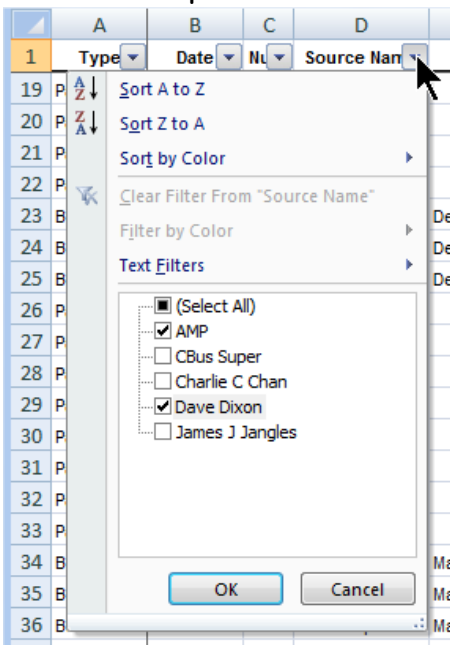
We are now ready for Excel to work its magic. There are two different ways to use this: using Filters, or using a Pivot Table.

Using Filters

Click anywhere in the table and then select Home Ribbon > Editing Group > Sort & Filter Button > then "Filter" from the dropdown. You will now have dropdown arrows at the top of each column.



If for example there has been payments made to AMP Payment for employee Dave



Dixon's super, then dropping down the filter under source name and ticking "AMP" and "Dave Dixon" will show what has been paid to "AMP" in the Debit Column, and payroll super contributions for "Dave Dixon" in the "Credit Column".

If we use the sum function, we can add up both columns. If the columns are equal, then we know that the correct amount has been paid, and we can check the next fund. If they aren't equal, we can print it out for more detailed checking later.

Where we have several employees making contributions to one fund, we just need to tick all the relevant names and the fund. If it balances, move to the next fund; if it doesn't balance, you might filter the date column and

check Quarter by Quarter.

The screenshot below shows the report filtered for "AMP" and "Dave Dixon" with a sum function added in cells G50 and H50. Note that it doesn't balance: We paid \$3600 to AMP but Dave's contributions were only \$3300 - Dave had February off without pay and someone forgot to adjust the March 09 Qtr payment!

	A	B	C	D	E	F	G	H
1	Type	Date	No	Source Name	Description	Split	Deb	Cred
3	Paycheque	30/07/2008		Dave Dixon		ABC Bank		300.00
6	Paycheque	30/08/2008		Dave Dixon		ABC Bank		300.00
9	Paycheque	30/09/2008		Dave Dixon		ABC Bank		300.00
11	Bill	30/09/2008		AMP	Sep08 Qtr Dixon	Accounts Payable	900.00	
15	Paycheque	30/10/2008		Dave Dixon		ABC Bank		300.00
18	Paycheque	30/11/2008		Dave Dixon		ABC Bank		300.00
21	Paycheque	30/12/2008		Dave Dixon		ABC Bank		300.00
23	Bill	31/12/2008		AMP	Dec08 Qtr Dixon	Accounts Payable	900.00	
27	Paycheque	30/01/2009		Dave Dixon		ABC Bank		300.00
32	Paycheque	30/03/2009		Dave Dixon		ABC Bank		300.00
34	Bill	31/03/2009		AMP	Mar09 Qtr Dixon	Accounts Payable	900.00	
38	Paycheque	30/04/2009		Dave Dixon		ABC Bank		300.00
41	Paycheque	30/05/2009		Dave Dixon		ABC Bank		300.00
44	Paycheque	30/06/2009		Dave Dixon		ABC Bank		300.00
46	Bill	30/06/2009		AMP	Jun09 Qtr Dixon	Accounts Payable	900.00	
49								
50							3600	3300

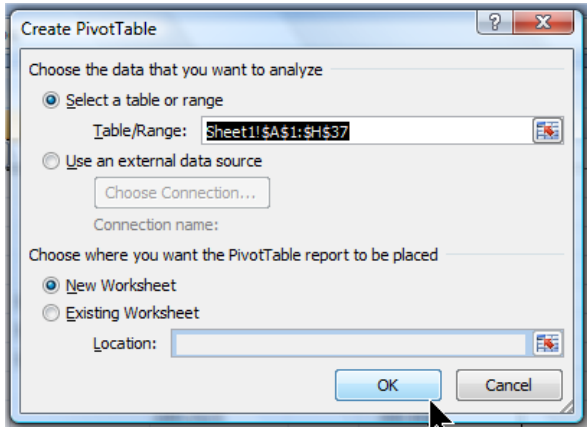
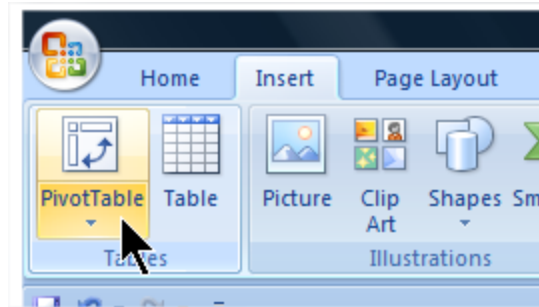
The same report filtered by CBus Super, Charlie Chan and James Jangles shows that the payments balance:

Paycheque	30/06/2009		Charlie C Chan		ABC Bank		66.83	
Paycheque	30/06/2009		James J Jangles		ABC Bank		77.81	
Bill	30/06/2009		CBus Super	Jun09 Qtr Chan	Accounts Payable	200.49		
Bill	30/06/2009		CBus Super	Jun09 Qtr Jangles	Accounts Payable	233.43		
							1735.7	1735.7

Using Pivot Tables

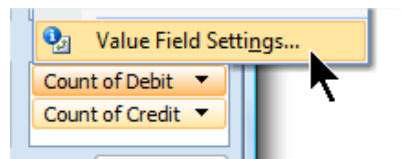
For those who know how to use pivot tables, Excel can summarise all the data for you in a form that makes it easy to check. (if you don't know about Pivot Tables, now is a good time to dive in!)

Select all the data including the headings, then select Insert Ribbon, Pivot Table. An option box will appear; leave the default options then select "OK". A pivot table will appear in a new worksheet.

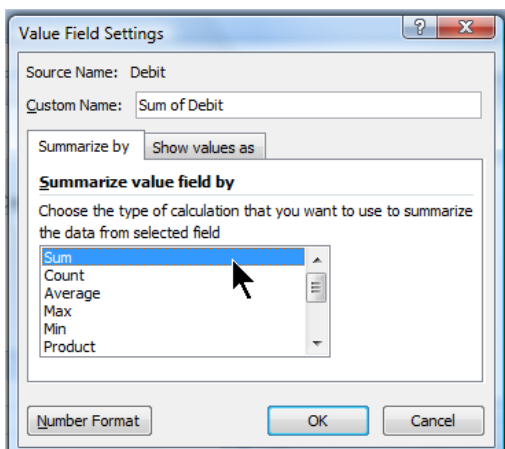
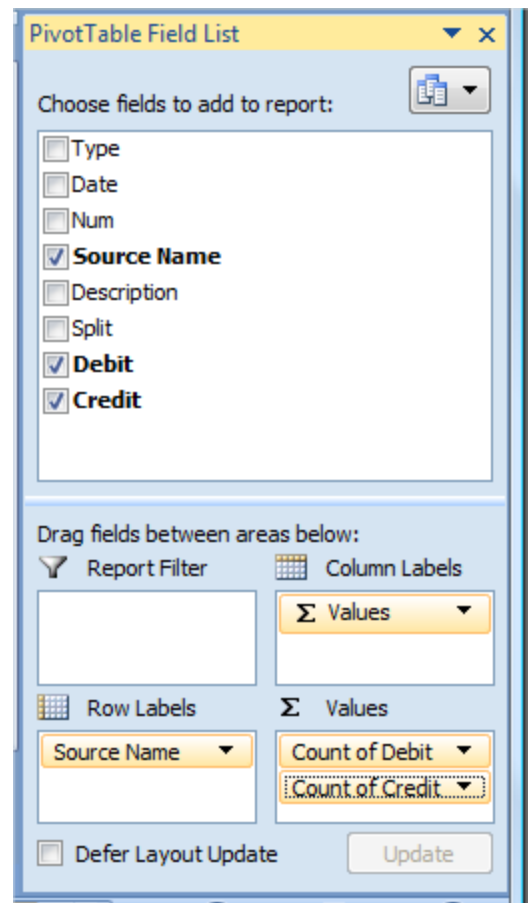


From the "Pivot Table Field List", Drag "Source Name" into "Row Labels", then both "Debit" and "Credit" into "Σ Values".

Debit and Credit will show "Count of Values". Click the dropdown next to "Count of Debit", select "Field Value Settings"



Select "Sum" instead of "Count". It should now show "Sum of Values". Repeat for "Credit".



The pivot table will now show a summation:

The screenshot shows an Excel spreadsheet with a PivotTable and the PivotTable Field List task pane. The PivotTable is set up with 'Row Labels' and 'Values' (Sum of Debit and Sum of Credit). The data is as follows:

Row Labels	Sum of Debit	Sum of Credit
AMP	3600	
CBus Super	1735.68	
Charlie C Chan		801.96
Dave Dixon		3300
James J Jangles		933.72
Grand Total	5335.68	5035.68

The PivotTable Field List task pane shows the following settings:

- Choose fields to add to report:
 - Type
 - Date
 - Num
 - Source Name
 - Description
 - Split
 - Debit
 - Credit
- Drag fields between areas below:
 - Report Filter: (empty)
 - Column Labels: Σ Values
 - Row Labels: Source Name
 - Values: Sum of Debit, Sum of Credit
- Defer Layout Update: Update

You can use the Filter on Row Labels to filter for Names. Here is the filter for CBus, Chan & Dean - it balances!

The screenshot shows the Value Filters task pane and the filtered PivotTable. The Value Filters task pane shows the following settings:

- (Select All)
- AMP
- CBus Super
- Charlie C Chan
- Dave Dixon
- James J Jangles

The filtered PivotTable is as follows:

Row Labels	Sum of Debit	Sum of Credit
CBus Super	1735.68	
Charlie C Chan		801.96
James J Jangles		933.72
Grand Total	1735.68	1735.68

And here is the filter for AMP and Dean - hmmm no balance.

Row Labels	Sum of Debit	Sum of Credit
AMP	3600	
Dave Dixon		3300
Grand Total	3600	3300

My Example versus Your Reality.

My example only shows one mistake, and your file may be way different. Lets look at some common issues.

My payments to Super Funds are Cheques dated the next month.

In this case, you will need to run your report for 11 months, so for the 2008/09 Financial Year you will select July08 - July 09 to cover the June09 Payments you made in July. Once the data is in Excel, you will need to delete rows containing the following data:

- The July08 payments to Super Funds (as these are for June08 payments)
- The July09 Paycheques as these relate to next financial year.

Note that you are deleting rows in Excel NOT QuickBooks!

The Excel data should now only be showing data related to the relevant financial year, including the July 09 super fund payments.

I haven't paid June's Super Yet - It's not due until the 28th July

Add additional lines at the bottom of your spreadsheet showing details of what you propose to pay for June.

Ok, so I have found a mistake, what now?

Common sources of errors are:

- Payments to Super Funds being coded to the Superannuation Expense account rather than the Superannuation Payable Liability Account. Run a Profit & Loss report, double click on "Superannuation Expense" and check anything that is not a "Paycheque" transaction.
- Set and forget payments to Superfunds via Direct Debit, eg \$300 per month paid to a superfund based on an estimated wage, but the actual wage ends up different
- Wrong Report used! Yep, I've seen it - someone paying March Super but accidentally using February report.
- The computer did it - often reported, seldom proven!

What Now!

The same process can be used for other payroll liabilities: PAYG Withholding tax, Health fund deductions, Union contributions, Salary Sacrifice, Social Club.

Get cracking...just 14 days to do it before those Payment Summaries are due!

~ End ~