Reckon (Quickbooks) Integration

These instructions cover the setting up of SmoothPay to permit the transfer of payroll costing information to Reckon accounting products.

A set of *Quick Instructions* is provided below for those already familiar with SmoothPay, followed by a *Detailed Instructions* section, as well as a *Troubleshooting* section to help you resolve any integration issues.

> Costing transfer is via a glcosting.iif file created by SmoothPay and then imported into Reckon.

Additional guides are available on our website that discuss **Basic Payroll Accounting** (*explains the concepts and shows you how simple your payroll accounting processes can be*), and **Overheads** (*accounting for extra payroll costs as accrued liabilities*).

Quick Instructions

Set up Reckon ledger codes

There's an easy way to get things set up (this way):

- **Configure..Accounting**: Set ledger type to **Reckon** and select **File** as the transfer option. Click the **Posting options** button and select the level of detail you require. We recommend that you ignore Employee Names (for privacy).

- **Codes..Cost centres**: CHANGE the current codes to match their equivalent number in your Reckon chart of accounts (*they must match for costing transfers to work correctly*). For example, change "WAGES" code to the Reckon chart of accounts number for your main wages expense cost centre.

- **Configure..Accounting**. Check that all the Holding and default cost centres and tracking categories shown are correct for your chart of accounts (re-edit as above if you need to).

Generate Costing Information
- A costing transfer file (*glcosting.txt*) is produced automatically when you run the **Pay reports..Cost Centre Analysis**

- Costing reports and files may also be reproduced at any time for any processed pay period, or range of pay periods, from *Reports..Pay..Cost Centre Analysis*.

Transfer the costing journal to Reckon
- **Start Reckon,** then navigate to the import utility (File..Utilities..Import .iif files). The glcosting.iif file produced by Smoothpay is in Reckon format and is located in your SmoothPay install folder (C:\SmoothPayGold on Windows, /Applications/SmoothPayGold on Mac). In goPayroll, the glcosting.iif file is in your Files page.

- If any errors are reported when the costing file is checked, you will need to repair them or enter the batch manually, and rectify the cause of the problem so it does not occur in future (wrong or missing account and/or tracking codes are usually the main culprits)

Paying staff, tax, super and other agencies

Here's a summary of how you apply cost centre analysis to an employee's pay inputs:

Every pay input transaction can have it's own cost centre and tracking categories (select from the list of available codes - add more if you need to in the Codes section).

The coding used in the employee's contract settings and standard pay (if any) provides the default values for additional transactions. If no standard or current pay transactions exist then default values are obtained from the employee's contract setup.

There is no practical limit to the number of transactions you can create - for example, you can create multiple entries for a particular day, costing each entry in different ways.

In the majority of cases, an employee's wages will all be charged to a single, default cost centre.
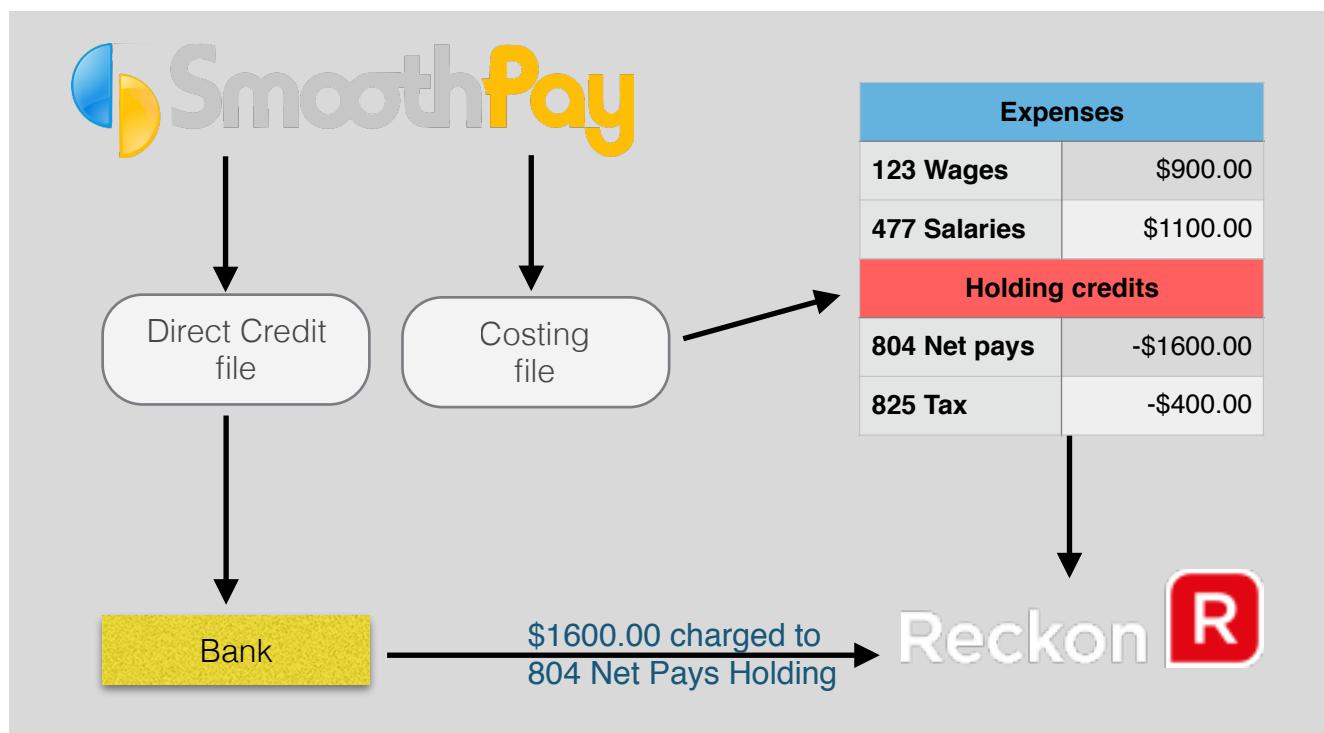
Here's a summary of what the costing journal contains:

The costing journal is created when you run the cost centre analysis report (current or historical), and it contains the following entries:
- **debits for the expense codes** used during pay input, and
- **credits for the relevant Payroll Holding Accounts** with tax, deductions and net pay amounts

> **Note**: Overheads can also be included in the costing analysis (things such as accruing liabilities for Superannuation, Annual Leave, Long Service Leave, Payroll Tax, Workcover, etc.).
>
> A separate guide is provided that discusses the set up and use of Overheads.

Expenses	
123 Wages	$900.00
477 Salaries	$1100.00
Holding credits	
804 Net pays	-$1600.00
825 Tax	-$400.00

$1600.00 charged to 804 Net Pays Holding

Here's a summary of the actual payments process to staff, super, tax etc.:

Pay the net pays to staff from the Net Pay Holding account.

This is usually the total paid electronically using the Direct Credit file produced by SmoothPay (*you upload it to the bank and authorise it for payment*), but could also comprise any combination of cash, cheque and direct credit amounts.

Charge the net wages entry(s) to your Net Pay Holding account when they appear on the bank statement feed, as **Wages** (*you shouldn't identify individual staff in these transactions*).

Note: the direct credit file may include agency payments (garnishee orders and /or amounts withheld and direct credited to the applicable agency's account)

Pay deductions withheld for tax from the Tax Holding Account.

When it comes time to pay your tax deductions, produce your schedule from SmoothPay's Reports menu, then create the payment in Reckon and charge it to your Tax Holding account.

Pay Superannuation (except NZ) contributions

Produce your superannuation schedule from the Reports menu as required.

If you include Superannuation employer contributions as expenses in your costing analysis, pay the superannuation fund/s from the Superannuation Holding Account when payment falls due (the super schedule will advise you the total owed).

If you don't include your superannuation expenses in your costing analysis and accrue it to a specified holding account, then pay as usual from your normal superannuation cost centre (it is much easier to let SmoothPay cost this out for you).

Note: NZ users pay super contributions with PAYE returns once (or twice for larger employers) each month, so the super holding account should be the same as your tax holding account.

Paying other agencies for amounts withheld from wages

If you withhold Union fees or other charges and they are not paid directly to the agency as part of your direct credit file (*e.g. union fees paid monthly or quarterly etc*), then pay each agency direct from the relevant Deductions Holding Account (*deductions normally accrue as a liability into a single Deductions Holding Account, but you may specify different holding accounts for every agency payment and deduction if you wish*).

Keeping it simple

This method of making payments (*from holding accounts*) simplifies your payroll accounting, as you do not need to set up your staff as suppliers or creditors and it ensures employee privacy (*as their names no longer appear in your accounting system*).

Detailed Instructions

By far **the easiest and fastest way to get connected** is to edit the provided template accounting codes (Cost Centres, Departments and Jobs) in SmoothPay's Codes section to match the Chart of Accounts numbers in Reckon.
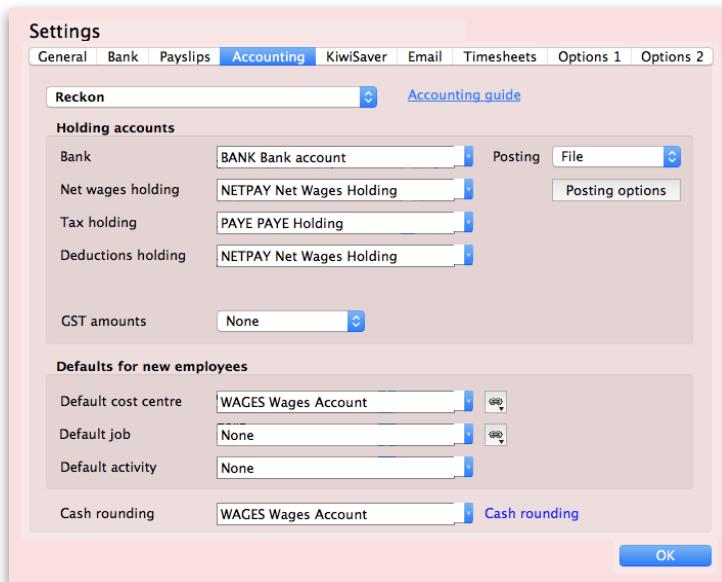
Setting up Reckon

• **Turn on Numbers in the Chart of Accounts** in Reckon Accounts. Go to *Edit, Preferences, Accounting, Company Prefs tab, Tick Use account numbers*.
• Then go to *Lists, Chart of Accounts*, and add a number (*top left of screen*) to each Account in your chart of accounts that is represented by an account in SmoothPay

> NOTE: if you are using 'Sub Accounts' in your chart it may be best to NOT have these accounts as a SUB ACCOUNT of another heading. (But you can try and see if it works)
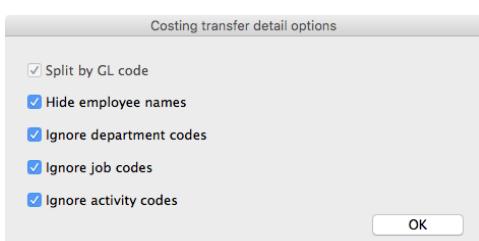
Accounting Settings

Choose **Configure..Accounting**:

Make sure that you have the correct <u>Holding accounts</u> displayed (you might only have one account for all payroll amounts withheld from wages or you can split any and all individual deductions into their own Holding accounts if you wish - it depends on the level of control you need.

The desktop edition of SmoothPay creates a costing file (*named glcosting.iif*) for import into Reckon - <u>select File as the Posting option</u>.

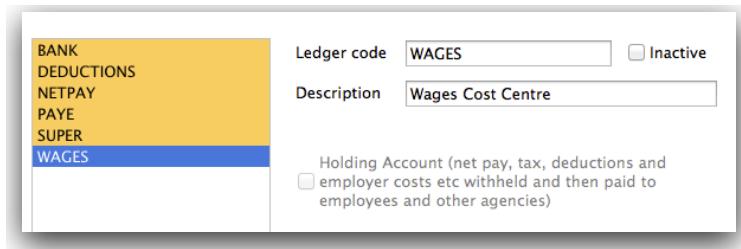**Posting Options** allow you to tailor the level of detail expressed in the glcosting.iif file.

If you have GST-registered staff (usually contractors), select how you want **GST amounts** to be processed. Use *Codes..GST codes* to set up GST codes that match what you use in Reckon. Each pay input code (*time, allowances, deductions etc*) can have a specific GST code applied (*affects GST registered staff only*).

Edit existing codes, add new codes:

Begin by setting up the holding accounts and expense cost centres.

When you start SmoothPay, the Control Centre is displayed. Choose **Codes**..*Cost Centres (accounts)*:

Edit these codes to suit your **Chart of Accounts NUMBER** in Reckon (*e.g. change the code "WAGES" to match the wages expense cost centre number in Reckon*).

You should only add new codes if you REALLY NEED THEM.

WARNING: If you do not set these items correctly, your costing transfer may not operate successfully and cost centres will need to be entered after the costing file has been imported (mis-matched account codes are blanked out during the import).

Entering account and department information (analysing your pay input data to departments, cost centres and jobs)

Each employee can be allocated to a specific department (*see employee's **Contract** tab*).

During time and allowance input you have the opportunity to specify the cost centre that each of the employee's pay entries is to be charged to, as well as any tracking categories (*if used*). Time entries can also be imported directly from the standard CSV time import file, or direct from your supported TimeClock or online time-keeping system to save payroll preparation time (*refer separate guides for all these*):

Generating Costing Information

After you have completed your pay input editing you can produce the costing file (named **glcosting.iif**) as part of your Pay Reports process, by printing the Cost Centre Analysis report (*glcosting.iif is created in your SmoothPay install folder: C:\SmoothPayGold on Windows, /Applications/SmoothPayGold on Mac*).

> Cost Centre Analysis should be included in your usual Pay Reports, otherwise the latest costing file and report will not be generated (*you can do it later from Reports if you wish, though if you have any coding errors in your pay inputs the results transferred to Reckon will also be in error or fail*).

Once satisfied that all your standard reports are correct and you have produced an up to date Cost Centre Analysis report, the costing file is ready to be imported into Reckon.

Importing the costing file to Reckon

- In Reckon, choose **File..Utilities..Import .iif file**, then select the glcosting.txt file from your SmoothPay install folder (C:\SmoothPayGold on Windows, /Applications/SmoothPayGold on Mac)*:*

- Reckon will check the file for consistency and report any errors. If any are reported, you need to correct them (*correct the mis-postings in SmoothPay, then re-run the costing report*) and retry the import.

> Note: you may want to make slight amendments to these journals at this time should you need to splits various payments to bank accounts, or extra account lines etc. (ie: extra lines that could not be split in SmoothPay)

Troubleshooting

Usually, everything will go just fine - but sometimes you might run into problems.

Use the following checklist and suggested solutions to help get things working again:

Problem	Solution
Costing Analysis report shows incorrect (or blank) cost centre codes and Tracking categories	If you're still in your pay input process, correct the entries and re-run the report to check - you can easily check tho information by examining the report produced by SmoothPay. If you're re-running an analysis from the Reports..Pay menu you might be able to edit the incorrect codes so that they transfer correctly (SmoothPay's Codes section)

Help, I'm stuck!

We hope you enjoy using Smoothpay and the easy costing transfers provided for your Reckon accounting system.

If you need assistance with SmoothPay at any time, please call or email our helpdesk.

* END *