Payroll Year End Closing

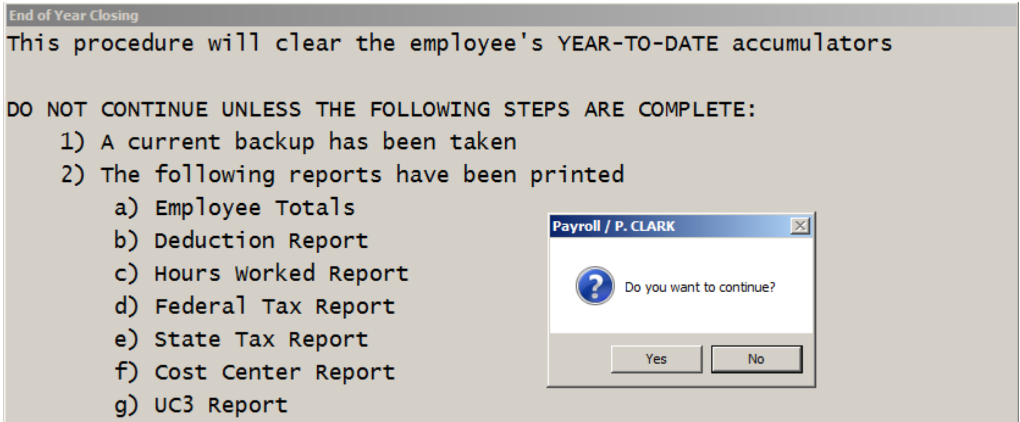
The following procedures outline steps necessary to properly close out the current year in Payroll. Follow these directions closely!

BEFORE CLOSING THE YEAR:

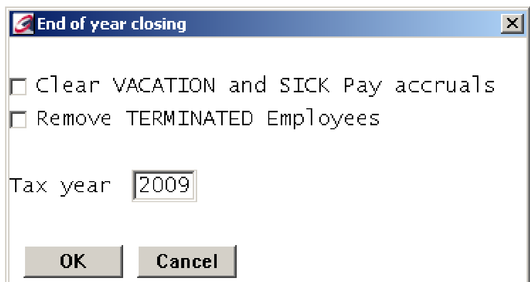
- You are not required to have the current web download in order to close the year in payroll.
- Post all outstanding payroll batches for the current year.
- Print the following reports:
  - Employee Totals report (under Master File Lists)
  - Deduction Report
  - Hours Worked Report
  - Federal Tax report
  - State Tax report
  - Cost Center Report
  - UC3 Report
- Make a backup of your current data files.
  - Label the backup "Payroll data December 31, 2009".
  - Store this backup in a safe place.
  - Do not write over this backup for any reason!
- You do <u>not</u> have to do a month or quarter closing. The year-end close will perform this function.

TO CLOSE THE YEAR:

From the *Miscellaneous Menu* in the Payroll Module choose *End Of Year Closing*. You will receive the following warning. If you have <u>*not*</u> printed your reports or made your backup, do not continue. Click "No" to exit.



If you have printed your reports and made your backup, click "Yes" to continue and you will receive the following screen. Enter the tax year 2009.



Selecting the "**Clear VACATION and SICK Pay accruals**" box will zero out these fields in the Employee file.

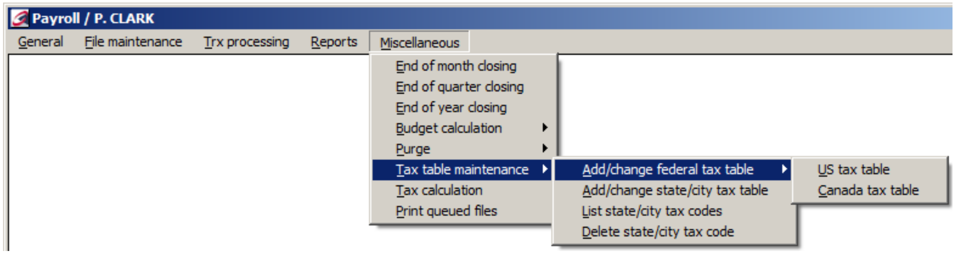
Selecting the "**Remove TERMINATED Employees"** box will delete payroll history for terminated employees and delete them from the employee file.

When you click "OK" a holding file containing the W2 data will be created. This holding file will remain in the system indefinitely. W2 information will be available forever.

DO NOT CLOSE YOUR PAYROLL YEAR TWICE. IF YOU GET A WARNING MESSAGE THAT THIS FILE ALREADY EXISTS, CALL VMS IMMEDIATELY. DO NOT CONTINUE.

AFTER THE YEAR IS CLOSED:

- Enter the new Federal and State Tax Tables BEFORE processing the first payroll of the new year. Note – if you have "Earned Income Credit", please contact VMS for the figures that go in that table. The tax tables can be accessed from the *Miscellaneous Menu* and choose *Add/change federal tax table*.



- When processing the first payroll of the new year, verify that the checks are dated for the new year.
- Employee federal or state W-2 information can be edited from the W-2 FORMS option.
- In the Payroll Company file, on the second page, enter 01/01/10 for the date of the first paycheck.
- We will notify you by mass email when the new update is available. This update will have the changes needed for printing W2's.