

# QuickBooks Guide

## Step-by-Step Instructions

### Mini Practice Set 3

#### INSTRUCTIONS

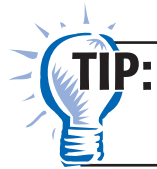
##### *Begin a Session*

**Step 1** Restore the Mini Practice Set 3.QBB file.

##### *Work the Accounting Problem*

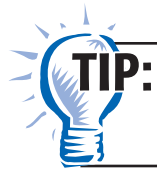
**Step 2** Review the payroll information provided in your textbook for Happy Trees Landscaping Service.

**Step 3** Change the employee record for Student Name using the **Employee List** option. Enter your first name in the *First Name* field and your last name in the *Last Name* field. Do not change any of the other employee information.



**TIP:** All of the employee information is already recorded in the problem set for you.

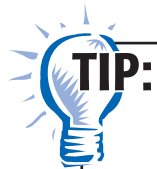
**Step 4** Record the weekly payroll using the **Pay Employees** option of the *Employees* menu.



**TIP:** If the Special Situation Calculation window appears, click **Don't remind me again**.

**IMPORTANT:** You must manually type each employee's payroll tax deductions. The other deductions will automatically appear. Use the Federal Income Tax Table found in your workbook. Remember to type the employee deductions (Federal Income Withholding, Medicare Withholding, etc.) as **negative** amounts.

**Step 5** Print the paychecks by clicking **Continue** in the Enter Payroll Information window. Use the **Print paychecks on check stock** option. Click on **Create Paychecks** to go the Confirmation and Next Steps screen to print.



**TIP:** QuickBooks automatically generates the entries to record the payroll, but it does not record the employer's payroll tax expense without having paid for the QuickBooks payroll service.

##### *Prepare a Report and Proof Your Work*

**Step 6** Print an Employee Earnings Summary report for the current week.

**TIP:**

While viewing an Employee Earnings Summary report, you can edit a payroll entry by double clicking the entry in the report. Next, double click the entry in the Transactions by Payroll Item window. Finally, click the **Paycheck Detail** button and make the necessary changes. Then click **Create**.

- Step 7** Proof your work. Make any corrections as needed and print a revised report, if necessary.
- Step 8** Calculate and record the employer's payroll tax expense (Social Security, Medicare, FUTA, SUTA) using the **Make General Journal Entries** option.
- Step 9** Record the deposit for the taxes owed to the Federal government and type the monthly insurance premium (\$228) using the **Write Checks** option. Remove the **Print Later** option so you can manually type the check number.

**TIP:**

When QuickBooks prompts you that you are about to pay payroll liabilities click **Cancel**.

**TIP:**

Display a General Ledger report to determine the balances in the payroll tax liability accounts.

- Step 10** Print a Journal report for the week of July 21–25, 2015.
- Step 11** Print a General Ledger report for July.
- Step 12** Print a Payroll Summary report for the quarter ending September 30, 2015. Use the **Customize Report** button and filter each employee separately and print each report.

**Analyze Your Work**

- Step 13** Complete the Analyze activity.
- Step 14** Use your completed solutions to answer the Audit Test questions. Write the answer in the space to the left of each question.

**End the Session**

- Step 15** It is recommended that you back up your work for this session.

You can process state payroll tax forms using QuickBooks. List the steps to print the state payroll tax forms on a separate sheet of paper.

**Mastering  
QuickBooks**

# MINI PRACTICE SET 3

## Happy Trees Landscaping Service

### Audit Test

**Instructions:** Use your completed solutions to answer the following questions.  
Write the answer in the space to the left of each question.

#### Answer

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1. What rate is used to compute employee state income tax?
2. What rate is used to compute the employer's Federal unemployment tax?
3. What commission amount did Greg Millette earn?
4. How many employees reached the maximum taxable amount for the social security tax this period?
5. What was the total net pay for the pay period ending July 25?
6. How many payroll checks were issued for this period?
7. What was the amount of check 972?
8. What was the amount paid to American Insurance Company for employee hospital insurance?
9. What accounts were debited when check 973 was recorded in the general ledger?
10. What is the ending balance of the Employees' Federal Income Tax Payable account at July 31?

Name	Date	Class
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|-------|---|--|
| <hr/> | <b>11.</b> What is the ending balance of the Cash in Bank account at month end?   |  |
| <hr/> | <b>12.</b> What is the amount of payroll check 312?   |  |
| <hr/> | <b>13.</b> What is the amount of accumulated earnings for Michael Alter after the July 25 paycheck?                           |  |
| <hr/> | <b>14.</b> What amount was remitted with the Federal Tax Deposit Coupon Form 8109 on July 25?                                 |  |
| <hr/> | <b>15.</b> What total amount of federal income tax was withheld from the paycheck of Greg Millette at the July 25 pay period? |  |
| <hr/> | <b>16.</b> What is the total of payroll liabilities at July 25?   |  |
| <hr/> | <b>17.</b> What amount was debited to Salaries Expense on July 25?  |  |
| <hr/> | <b>18.</b> What is the balance in the Happy Trees Landscaping Service regular bank account after check 974 is recorded?       |  |
| <hr/> | <b>19.</b> What is the next pay period date for this business?  |  |