Paying Employees

On-time, error-free paychecks are important to keep your employees happy and your business running smoothly. QuickBooks Online makes it easy to process payroll for regular pay schedules as well as for exception pay runs such as commission, bonus and termination pay. This guide will cover the basic steps you need to process payroll, print paystubs and paycheques, and issue out-of-cycle paycheques.

This QuickGuide will show you how to:

- Pay Your Employees

- Make Adjustments and Print Paystubs

- Print Paycheques

- Issue Out-Of-Cycle Paycheques

Note: Before you begin, make sure your payroll tax information is set up completely. From the left-hand navigation bar, select Taxes and then select Payroll Tax. You may want to have your accountant or bookkeeper assist you.

Paying Employees

1 From the left-hand navigation bar, select **Employees**.

2 Click on the **Run Payroll** button on the top right corner.
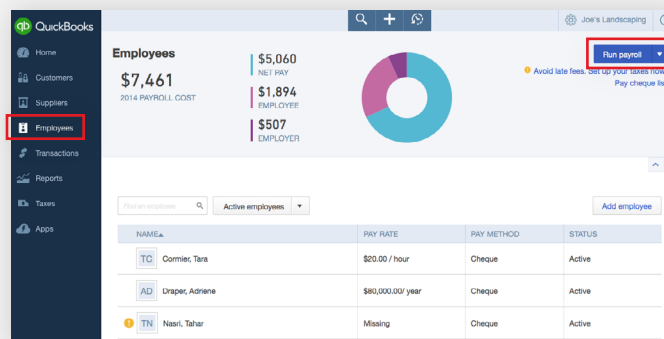
Paying Employees

3 After selecting the pay schedule, if applicable, you are taken to a screen displaying all of the employees on that schedule. In the top right, select the pay period and choose the pay date. Now check off which employees will be paid for this pay period and proceed to enter their figures.

4 If you select a pay period for which employees were already paid within, you will be asked to **Create another cheque for (employee's name).** This will create a second cheque for the respected employee, within the same period.

5 Select **Preview Payroll** to see the pay information for the selected employees. The pay information is calculated based on the employee's TD1 form.

Paying Employees

Making Adjustments and Printing Paystubs

1 Click the pencil icon to make changes if necessary.

2 Select **Submit Payroll** to process the information.

3 Enter a cheque number or if you do not want to record cheque numbers, leave it blank. If the employer does not have the cheque number on hand, this can be entered in at a later time from the **Pay Cheque List**.
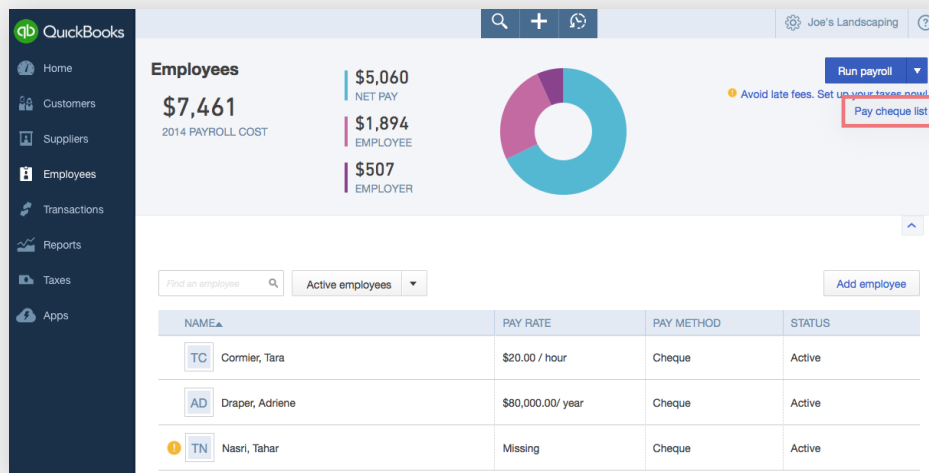

4 Click **Print Pay Stubs** to print the pay stub information. You may want to print the paystub for the employee if you are writing paycheques by hand.

5 When the paystubs have finished printing, click **Finish Payroll** to complete the payroll process.

Note: If the employer wishes to print their cheques, this option can be enabled from the Gear Symbol in the top right>**Payroll Settings**>**Print Cheque Preferences**. Select the type of Voucher Cheque they are using.
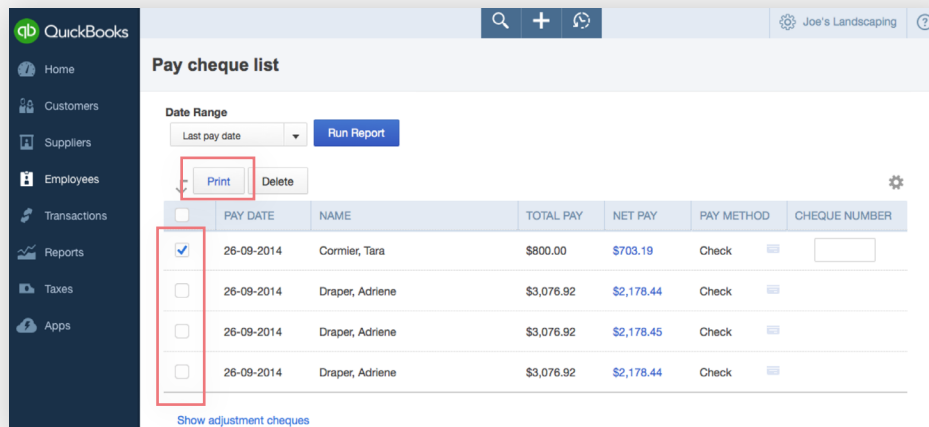
Paying Employees

Printing Cheques

1 If you are printing physical cheques, in the **Employees** section, select **Pay Cheque List**.

2 Select the the payee you want to print, then click **Print**.

Note: Sometimes an employee may lose a paycheque or the printer might jam during printing. In either case, you can edit the Cheque Number from the Pay Cheque List and reprint the Cheque.

Paying Employees

Processing "Out-of-Cycle" Paycheques

1   From the left-hand navigation bar, select **Employees**.

2   Click the drop-down arrow next to the **Run Payroll button** on the top right corner.

3   Select **Commission Only** or **Bonus Only**.
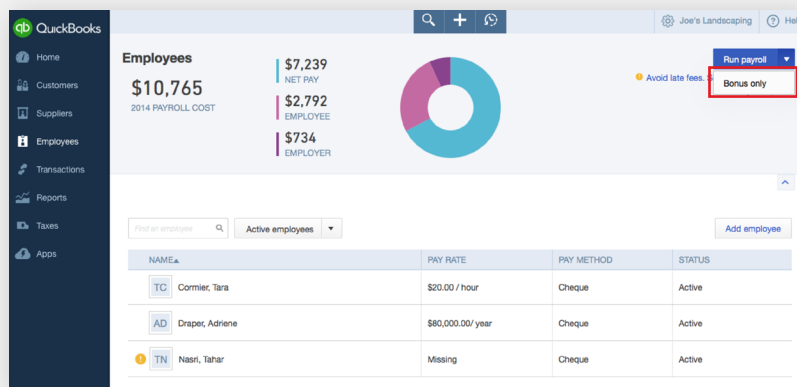
Note: If you select **Bonus**, you'll be asked whether you want to enter a Net (the take-home pay) or Gross (the total pay) amount for the employee.

If you select **Commission**, you'll be asked to enter the commission as a dollar amount or enter the total sales on which the commission is based.

Termination Cheque – If vacation pay is paid out each pay period, run the last pay cheque and then change the employees status from the Employee Edit area. If they are accruing vacation, run the last regular hour cheque and then run a second pay cheque excluding regular hours and entering only the number of vacation hours owed. This way, no more will be accrued.

Time Sheets – From the Payroll Settings, enable the Time Sheet option so that it will reflect when the respective pay periods are selected. In order to use time sheets with Payroll, click on the Gear Symbol in the top right hand corner and then Payroll Settings>Time Sheets.

Adjusting Cheques – Employers are able to edit a variety of areas on a pay cheque before the final approval however, CPP and EI amounts will require the employer to contact QuickBooks Online Support and request a pay cheque edit.

Congratulations! You've completed the payroll process. Be sure to file your payroll taxes accurately and on time.