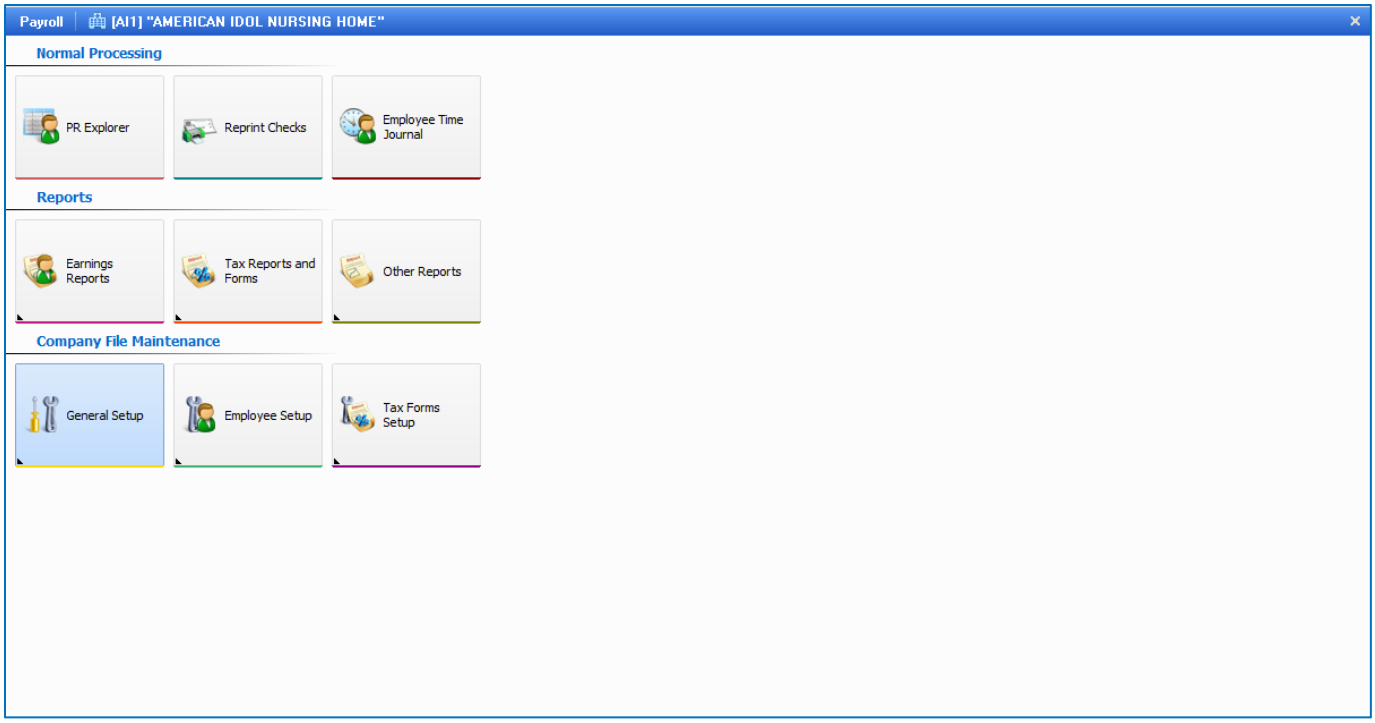
Galaxy Hosted Software

Payroll

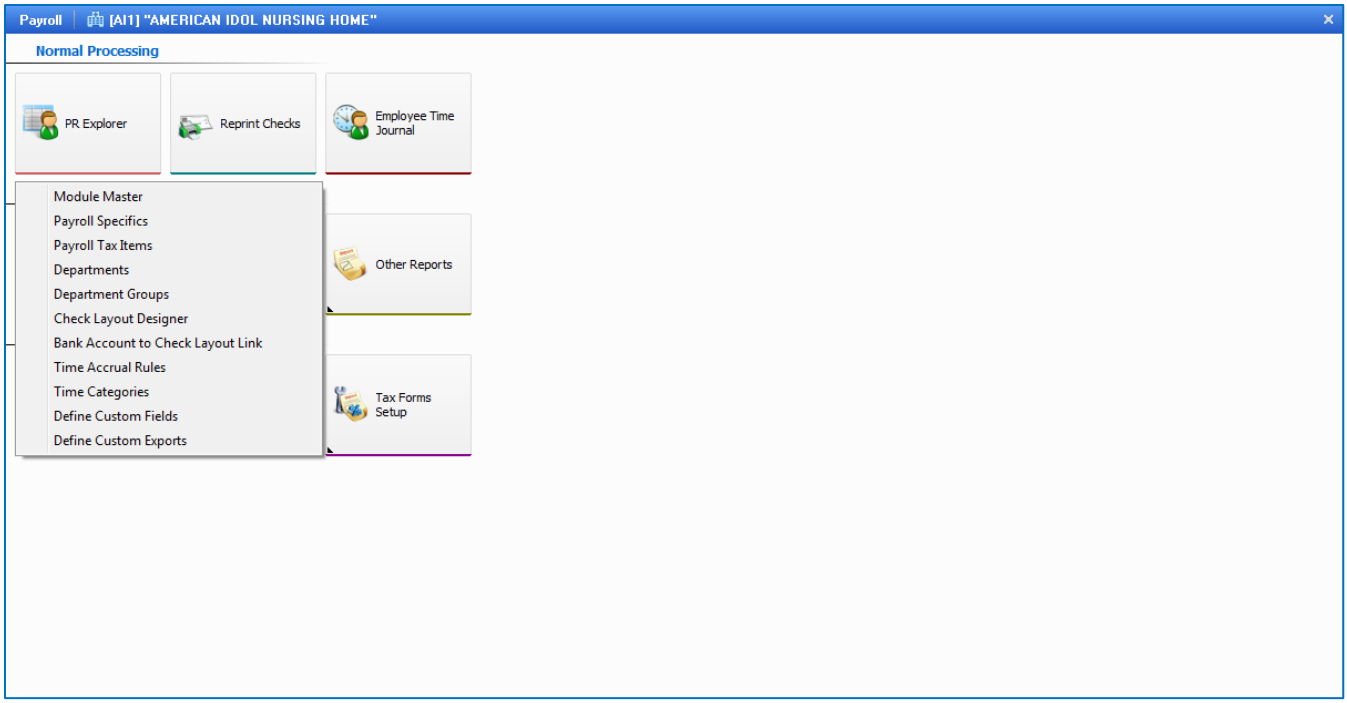
Company File Maintenance

Set-up Guide



Company File Maintenance is divided into 3 separate sections.

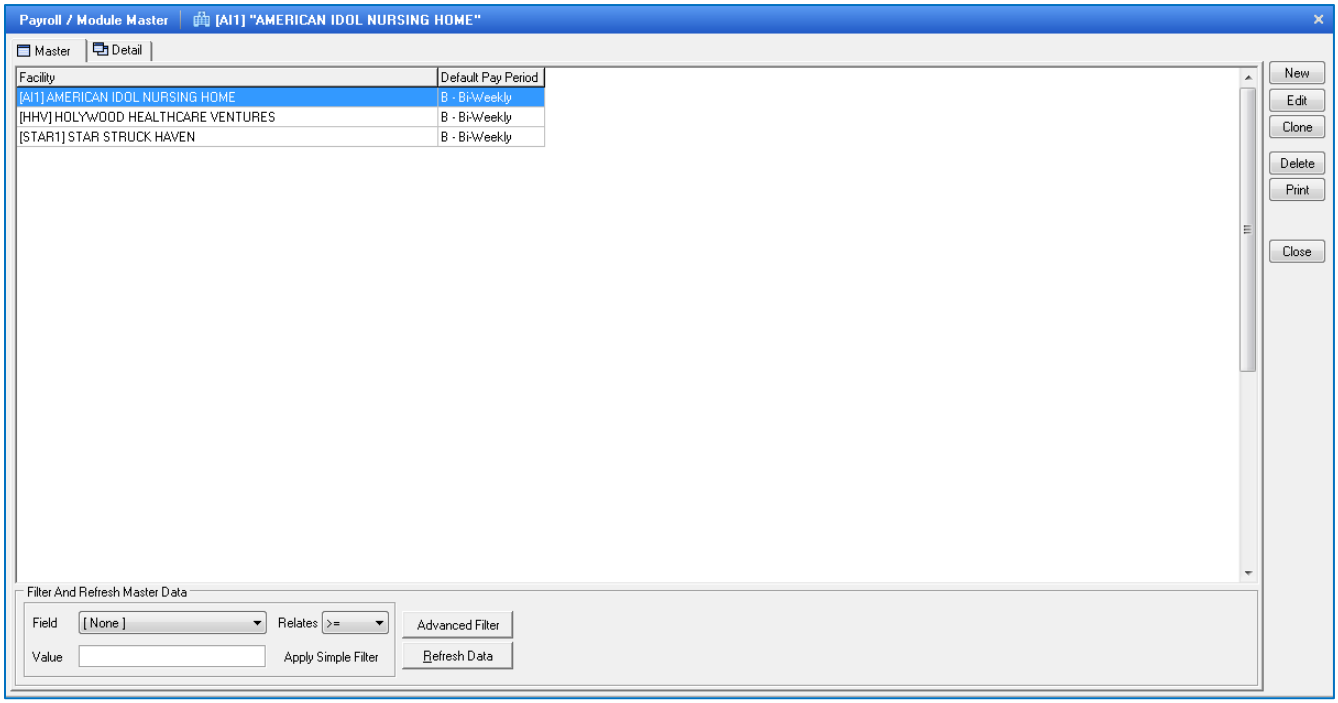
- **General Setup** – where the user can create payroll batches and print payroll checks
- **Employee Setup** – where the user has the ability to generate various reports from quarterly and annual taxes to general withholding information.
- **Tax Forms Setup** – where the user creates the set-up tables that are used throughout the payroll system. This is the first area that is address for setup.



Looking at **General Setup,** you can see it is divided into 11 separate sections. You can access any section by double clicking on the icon.

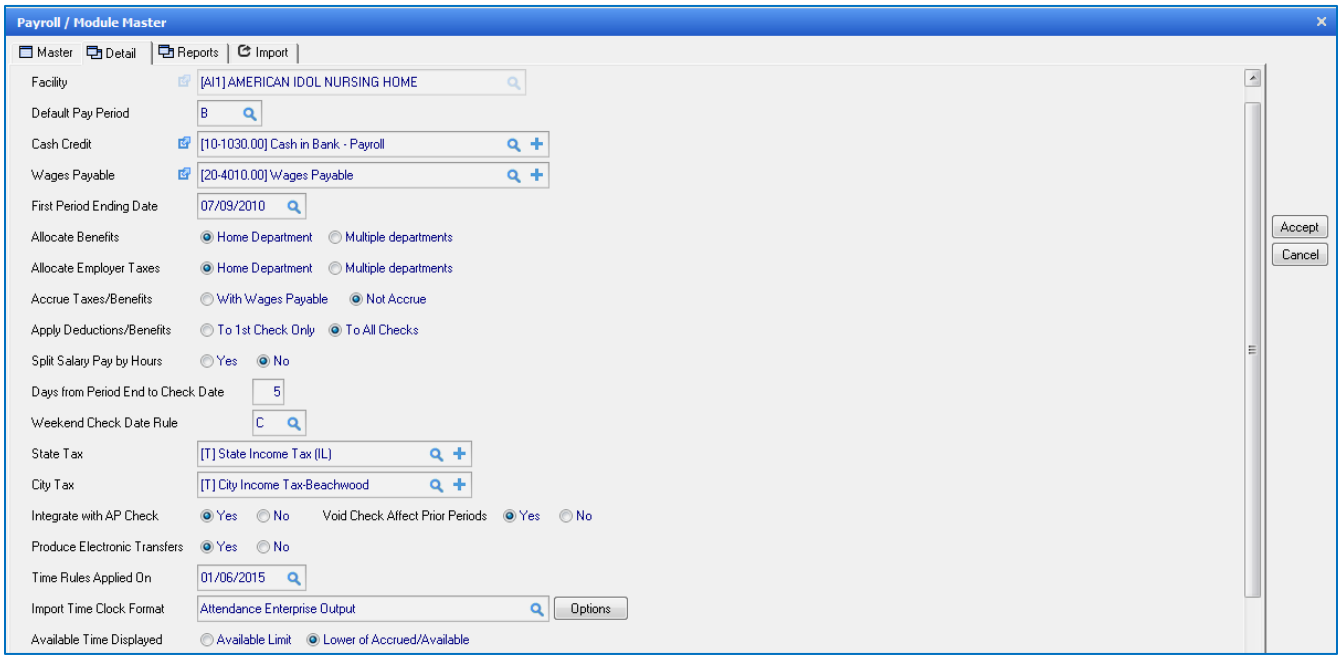
- **Module Master**
- **Payroll Specifics**
- **Payroll Tax Items**
- **Departments**
- **Department Groups**
- **Check Layout Design**
- **Bank Account to Check Layout Link**
- **Time Accrual Rules**
- **Time Categories**
- **Define Custom Fields**
- **Define Custom Exports**

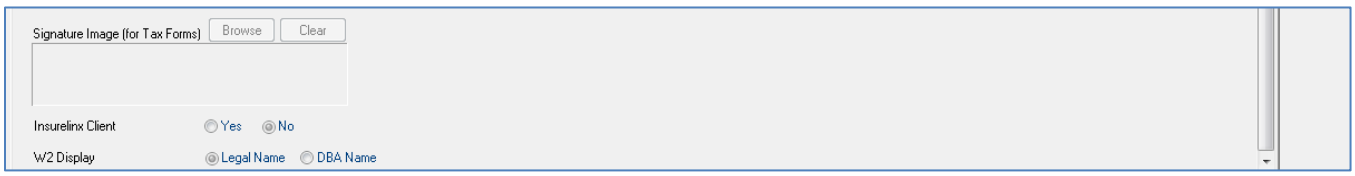
Module Master:



This is where you will set up the facility's Payroll master record; each home will need to be set up separately if processing Payroll for more than one facility.

To create a record in **PY Module Master**, click the **NEW** button.





Payroll Module Master – this is the input screen used to set-up the defaults of how the Payroll module will operate. Here you will see the following fields:

Facility – select your facility by using the magnifying glass, select appropriate facility from the drop down box

Default Pay Period – frequency of payroll, the user has the following options:

- **W**- Weekly
- **B** – Bi-Weekly
- **S** – Semi-Monthly
- **M** – Monthly

Cash Credit – enter Cash Credit Account used for Payroll

Wages Payable - enter Wages Payable Account used for Payroll

First Period Ending Date – enter the last day of the first payroll period you are paying

Allocate Benefits – benefits will be proportionally split depending on the actual earnings in the department(s). The user can choose the following:

- **Home Department** – of the employee (every employee has to have a home department)
- **Multiple Departments** – employee works in different departments

Allocate Employer Taxes – state percentage benefits will be allocated to department(s)

- **Home Department** – of the employee (every employee has to have a home department)
- **Multiple Departments** – employee works in different departments

Accrue Taxes/Benefits – how the system handles the taxes and benefit accrual

- **With Wages Payable** – all wages, taxes and benefits will be accrued over the period the spans 2 months, the days will split proportionally based on the percentage of days in each month to total days. The distribution will occur on the last day of the previous month and the check date of the current month with the total accrual being set with the wage payable account.
- **Not Accrue** – all wages will be accrued over the period that spans over 2 months, BUT the taxes and benefits will show in the current month of the check date.

Apply Deductions/Benefits – how the system handles deductions/benefits on check(s)

- **To 1st Check Only –** system will only take deductions/benefits from the first check along with the taxes. The second check will have no deductions/benefits taken from the check it will only have the taxes taken off.
- **To All Checks –** system will take deductions/benefits from all checks

Split Salary Pay by Hours – If a salaried employee worked in different departments, this option allows the user to enter the specific hours worked in each department, instead of all hours going to home department

Days from Period End to Check Date – from the Pay End Date, how many days until you will actually run Payroll

Weekend Check Date Rule – if Check Dates fall on weekend and you do not run Payroll on the weekend, select the Rule the system should follow:

- **D** - Do not change
- **M** – Monday
- **F** – Friday
- **C** – Closest

(EX: if Check Date if 5 days from Pay Period End date and that date happens to fall on a Saturday, how should the system calculate the Check Date, date the check the following Monday, the Friday before the Saturday Check Date or Do not Change the Check Date or Closest – Friday or Monday, depending if Check Date falls on Saturday or Sunday)

State Tax – initial set up leave blank, after taxes are set up in Payroll Tax Items Master file, select main default state tax if applicable, if does not apply, leave blank

City Tax – initial set up leave blank, after taxes are set up in Payroll Tax Items Master file, select main default city tax if applicable, if does not apply, leave blank

Integrate with AP Check – system to generate an AP invoice and pay through the AP Module

- **YES** – every time you specify a vendor for taxes or deductions, the system will generate an invoice for the liability you are creating from Payroll
- ***NO*** – system will not create an invoice

(EX: IRS set up as a vendor in AP and it is specified for all Federal taxes and 941 taxes, so when you post the Payroll, the system will send an unposted invoice to AP for the liability)

Void Check Affect Prior Periods

- ***YES* –** affects prior period
- ***NO* –** affects current period

Produce Electronic Transfers – while creating PY checks, there will be an option for Direct Deposit. If employees are set up with Direct Deposit and the entire amount of the check is to be deposited, you can choose to print an advice for those employees. During the PY Check run, the system will split the checks into 2 sections 1) print actual checks with an amount 2) will print the advices with a zero check amount

- ***YES*** – will print checks in 2 separate batches
- ***NO*** - everything will print in 1 batch. The system will not differentiate between actual checks and zero amount checks

Time Rules Applied On – used to set up different time rules used with accrual on sick, vacation or PTO time. There are different rules to create to tell the system how to accrue the time for each employee. This date is when you want the system to start using the dates you have set up *(initially leave blank)* until you have set up the rules and beginning balances and then you can enter in the date, as of the next pay, for the system to start accruing time on the paycheck. Everything prior to this date will be in the beginning balance.

Import Time Clock Format –When using time clock interface to import the hours from time clock, you will need to select format. The default option is Attendance Enterprise Output. Galaxy will work with you on setting up the time clock interface.

Available Time Displayed - is for what displays on the stub-either real available or the lower of either available or accrued balance.

Signature Image (for Tax Forms) – if the signature should print on the Tax forms from a .JPEG image

Browse – folder to retrieve the file from the computer

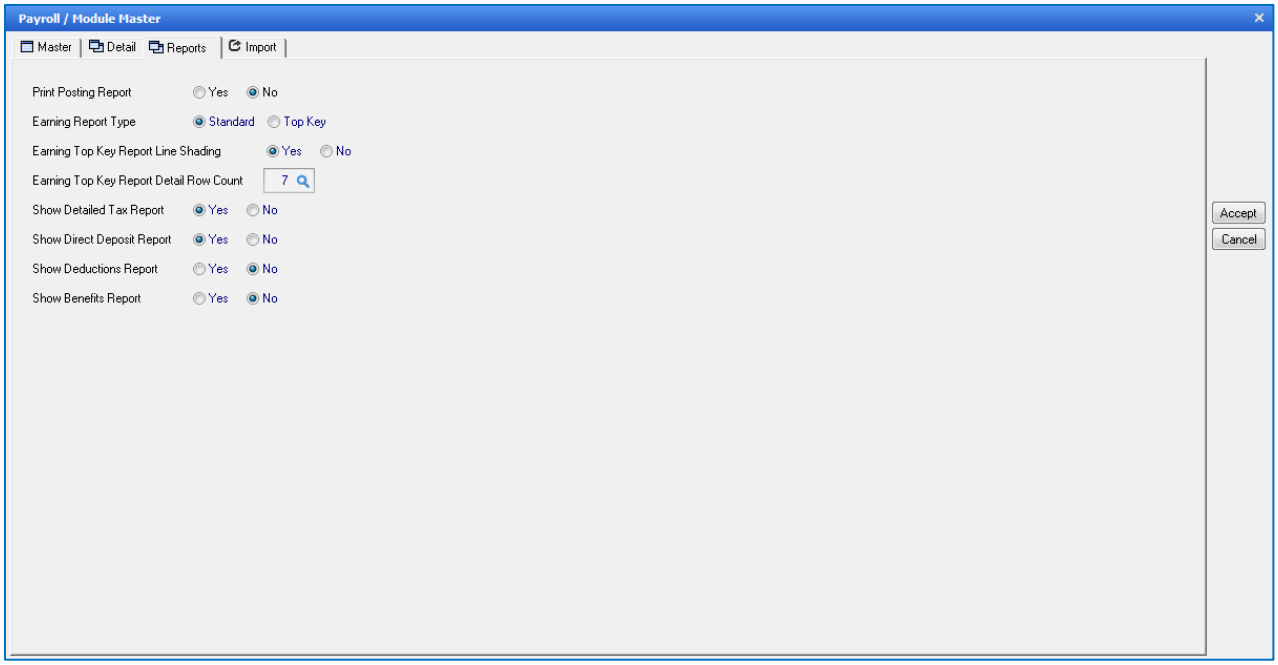
Clear – clear the signature image

Insurelinx Client – custom interface (default NO)

W2 Display – select the appropriate option of which name you want to appear on the W2

Legal Name

DBA Name



Print Posting Report –

- ***YES*** - the Posting Report will print directly to the printer after each batch is posted.
- ***NO*** - the report will appear on screen for user to review batch and user may print the report from the Preview screen.

Earning Report Type

- **Standard** (Default – to use new report format)
- **Top Key** (old report format using Legend format)

Earning Top Key Report Line Shading

- **Yes** (Default – to use new report format)
- **No** – to use old report format

Earning Top Key Report Detail Row Count – if using old report format, enter number of rows for legend

Show Detailed Tax Report – print 2 Tax reports (Detailed and Summary) during Payroll posting

- ***YES*** **– Detailed Tax Report** – shows all employees with a breakdown of all earnings and tax portions for all employees. **Summary Tax Report** – shows only taxing authorities and summary total for all employees
- ***NO*** – No tax report will print

Show Direct Deposit Report – if using Direct Deposit and want to print the report during the Payroll posting

- ***YES*** - the Direct Deposit Report will print directly to the printer after each batch is posted.
- ***NO*** - the report will appear on screen for user to review batch and user may print the report from the Preview screen.

Show Deduction Report – want to print the report during the Payroll posting

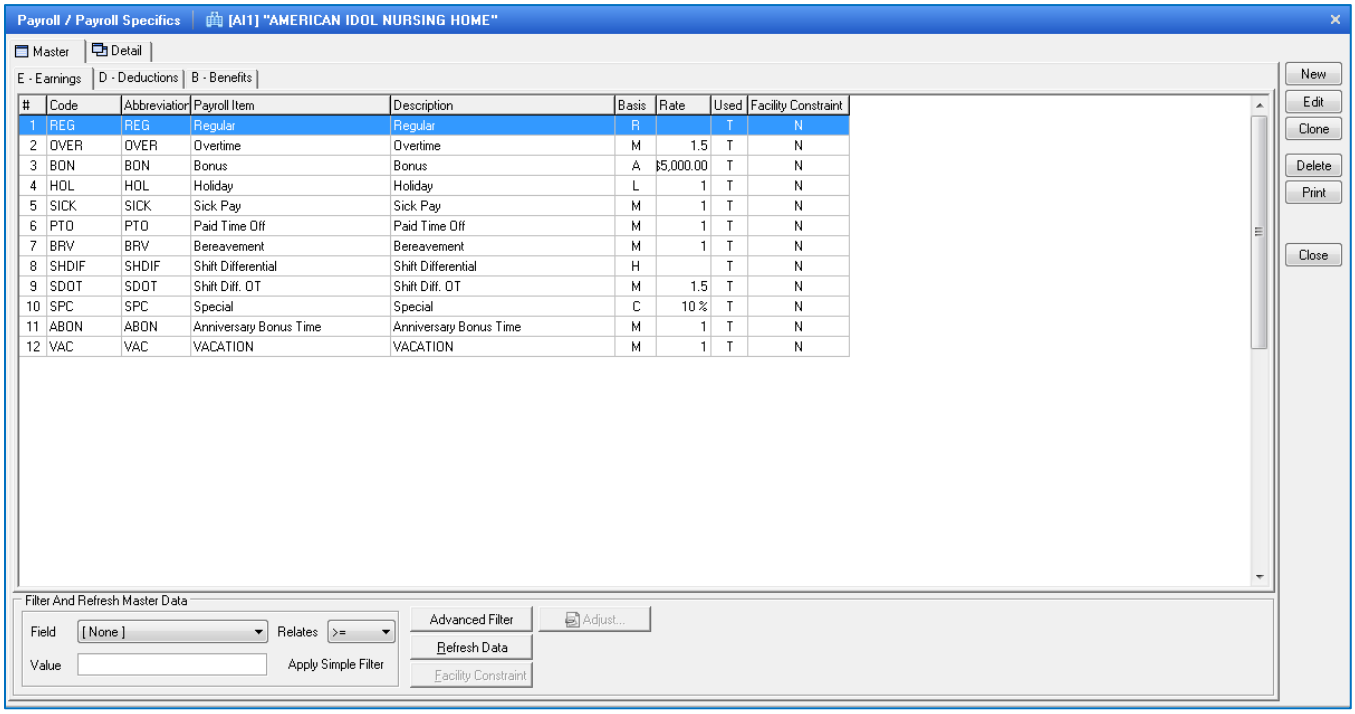
- ***YES*** - the Deduction Report will print directly to the printer after each batch is posted.
- ***NO*** - the report will appear on screen for user to review batch and user may print the report from the Preview screen.

Show Benefits Report – if using Benefits and want to print the report during the Payroll posting

- ***YES*** - the Benefits Report will print directly to the printer after each batch is posted.
- ***NO*** - the report will appear on screen for user to review batch and user may print the report from the Preview screen.

Click the **ACCEPT** button after entering the information on the screen.

Payroll Specifics:

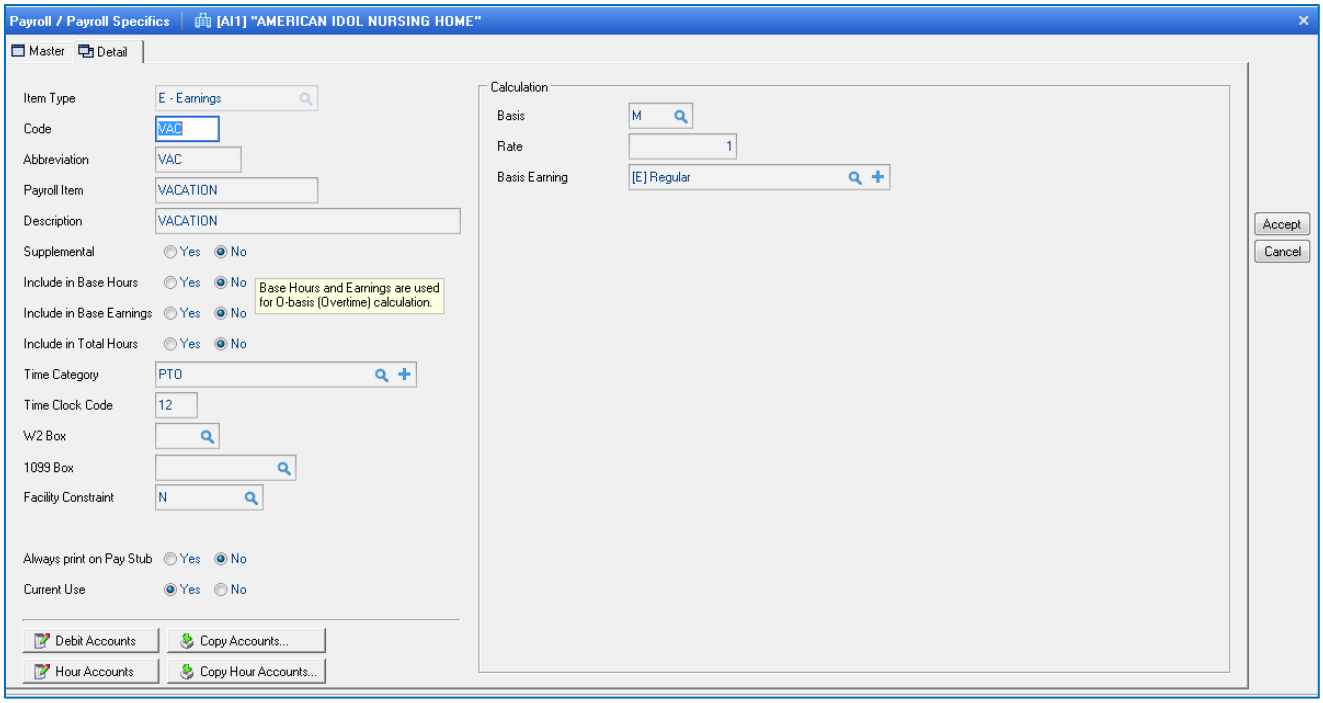


#	Code	Abbreviation	Payroll Item	Description	Basis	Rate	Used	Facility Constraint
1	REG	REG	Regular	Regular	R		T	N
2	OVER	OVER	Overtime	Overtime	M	1.5	T	N
3	BON	BON	Bonus	Bonus	A	$5,000.00	T	N
4	HOL	HOL	Holiday	Holiday	L	1	T	N
5	SICK	SICK	Sick Pay	Sick Pay	M	1	T	N
6	PTO	PTO	Paid Time Off	Paid Time Off	M	1	T	N
7	BRV	BRV	Bereavement	Bereavement	M	1	T	N
8	SHDIF	SHDIF	Shift Differential	Shift Differential	H		T	N
9	SDOT	SDOT	Shift Diff. OT	Shift Diff. OT	M	1.5	T	N
10	SPC	SPC	Special	Special	C	10 %	T	N
11	ABON	ABON	Anniversary Bonus Time	Anniversary Bonus Time	M	1	T	N
12	VAC	VAC	VACATION	VACATION	M	1	T	N

This screen will show all the codes that are set up in the system. You will see at the top left of the screen 3 tabs labeled: **E–Earnings, D-Deductions** and **B–Benefits**. You can click and switch the screen between Earnings, Deductions and Benefits, by clicking on the appropriate tab. There are additional tabs above those tabs; they are: **Master** – which will show a listing of codes that are already set up in the system. **Detail** – where the details of each earnings/deductions/benefits code are set up.

> **Earnings – *Regular and Overtime*** will be set up by default, all others you will have to add.
> The system assumes the Overtime rate it 1.5 percent (standard percentage), if that is not your overtime rate, you can edit the overtime code and make the change to the rate.

To create a record in the **Payroll Specific** master, click the **NEW** button once on the appropriate tab (earnings, deductions, benefits).



Payroll Specifics Earnings – this is the input screen used to create earning records to be used in the payroll module. Here you will see the following fields:

Item Type – Earnings, Deduction or Benefit are the possible choices

(Earnings and Deductions affect the pay. **Benefits** do not affect the pay)

Code – code of Earnings, Deduction or Benefit

Abbreviation – abbreviation of Earnings, Deduction or Benefit

Payroll Item - description of the Earnings, Deduction or Benefit code

Description – description of the Earnings, Deduction or Benefit code

Supplemental – tells the system what needs to be taxed at a supplemental rate (usually a bonus such as Performance Bonus are taxed at a supplemental rate)

Include in Base Hours – All hours actually worked by an employee, excluding hours paid for vacation, holiday or sick leave.

Include in Base Earnings - All remuneration for employment (including shift differentials and bonuses) except those payments specifically excluded by statute. The most common statutory exclusions in the long term care industry are vacation, holiday, and sick pay.

Include in Total Hours - If Yes is selected for any earning code, those earning codes will all be totaled on reports in the total column (earnings, department, etc.) next to total dollars.

Time Category – what time category this earnings code should apply hours

W2 Box – W2 boxes apply to this category (if applies to this code)

7- Social Security tips
8- Allocated tips

11 – Nonqualified plans
12 – Codes
14 - Other

1099 – this code should print on a 1099 form and in which box on the 1099

1 Rent
2 Royalties
3 Other Income
5 Fishing Boat Proceeds
6 Medical and Health Care Payments
7 Nonemployee Compensation
8 Substitute Payments in Lieu of Dividends or Interest10Crop Insurance Proceeds
13 Excess Golden Parachute Payments
14 Gross Proceeds Paid to an Attorney

Facility Constraint – this is used when the company has multiple facilities and you want to apply one item to a facility, but not to others

Always Print on Stub – this is used to always print this category on the check stub (this option will show for all categories except for Regular category). If there no amount for code for current check then the code will not print on the check stub, unless this option is coded YES, then it will print regardless if the current amount is 0, it will print YTD amount

Current Use – make the appropriate selection based on the record you are creating.

YES if this earning, deduction, or benefit code is currently being used

NO if this earning, deduction, or benefit code is no longer being used

<u>Calculation</u>

Basis – select how the earning should be calculated. The user has the following options:

- **O** – Overtime (used only when using Include in Base Hours and Base Earnings options)
- **H** – Hourly
- **A** – Amount
- **C** – Percent
- **M** – Multiplier – need to specify rate of multiplier in Rate field
- **L** - Holiday

Rate – rate of the category – depending on Basis, this amount can be dollar or percentage amount

Basic Earnings – what category you want the multiplier to multiple rate *(EX: Overtime – Basis = M-Multiplier, Rate = 1.5 and Basis Earnings = [E] Regular - system will multiply 1.5 times the Regular earnings category to calculate Overtime)*

Credit Accounts – GL credit account number for this category

Debit Accounts – GL debit account number for this category and could be set up by department, meaning multiple GL debit account numbers would be entered

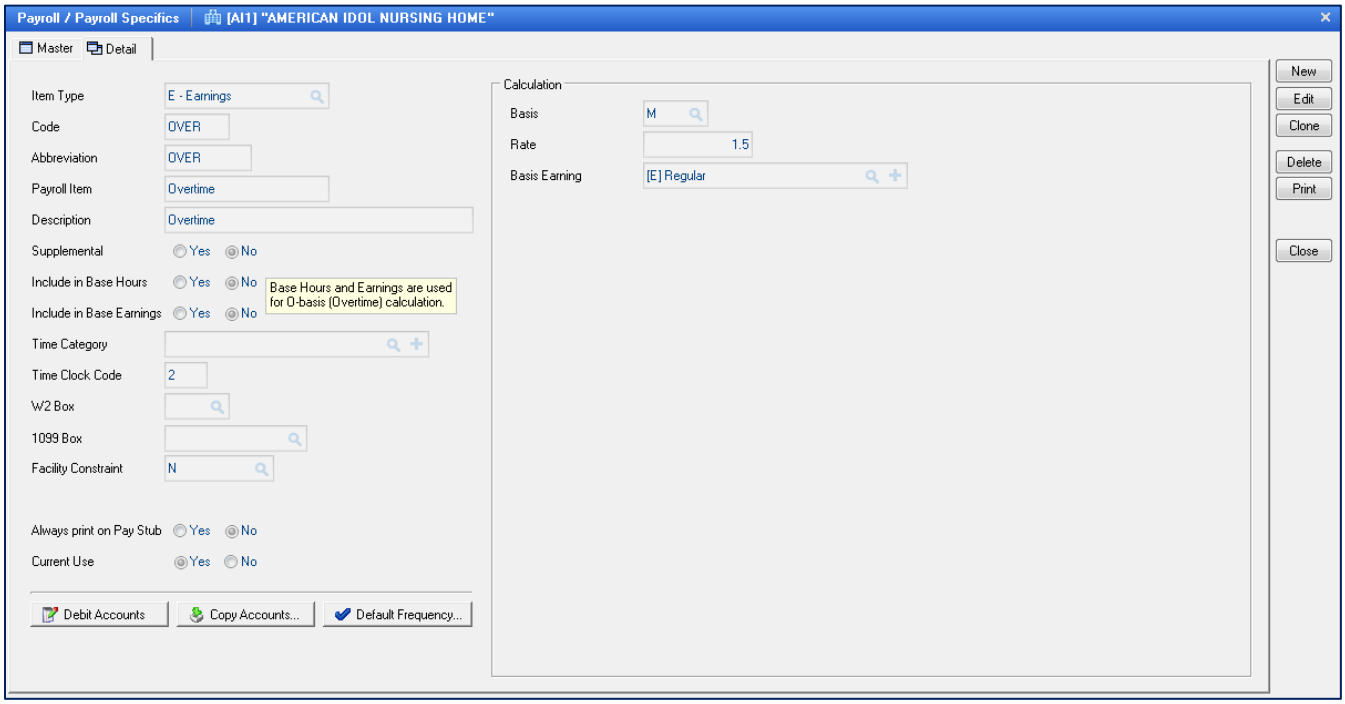
Copy Accounts – have multiple categories that have same account, chose a category that has the same account to copy from

Hours Accounts – leave empty unless otherwise instructed

Copy Hours Accounts - have multiple categories that have same account, chose a category that has the same account to copy from

Default Frequency – will apply to all employees without entering the frequency to each individual Employee Payroll Specific file. System will use this frequency as default for the specific category.

Example of Overtime Earnings Category



Payroll Specifics Earnings – this is the input screen to set up how the earnings should calculate for employees. Here you will see the following items:

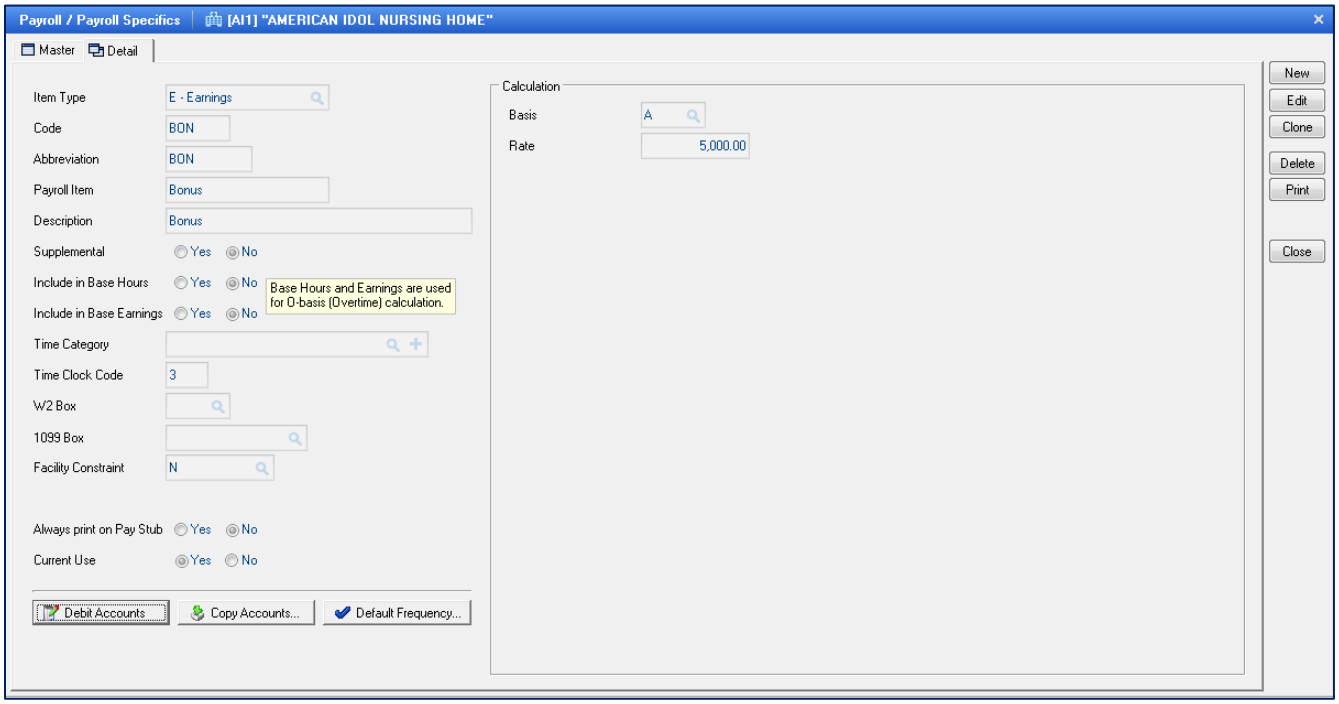
- **Item Type -** *demo facility screen display – **Earnings***
- **Code** – *demo facility screen display – **OVER***
- **Abbreviation** – *demo facility screen display - **OVER***
- **Payroll Item** – *demo facility screen display - **Overtime***
- **Description** – *demo facility screen display - **Overtime***

<u>Calculation</u>

- **Basis** - *demo facility screen display – **M-Multiplier***
- **Rate** - *demo facility screen display – **1.5** (multiplier of 1.5 times Regular earnings)*
- **Basis Earnings** - *demo facility screen display – basis of Regular earning category*

This Overtime earnings category is set as M-Multiplier, for a multiplier of 1.5 times the Regular Earnings category.

Example of Bonus Earnings Category



Payroll Specifics Earnings Example (bonus) – here is the input screen to demonstrate how to set up a bonus earnings category. Here you will see the following items:

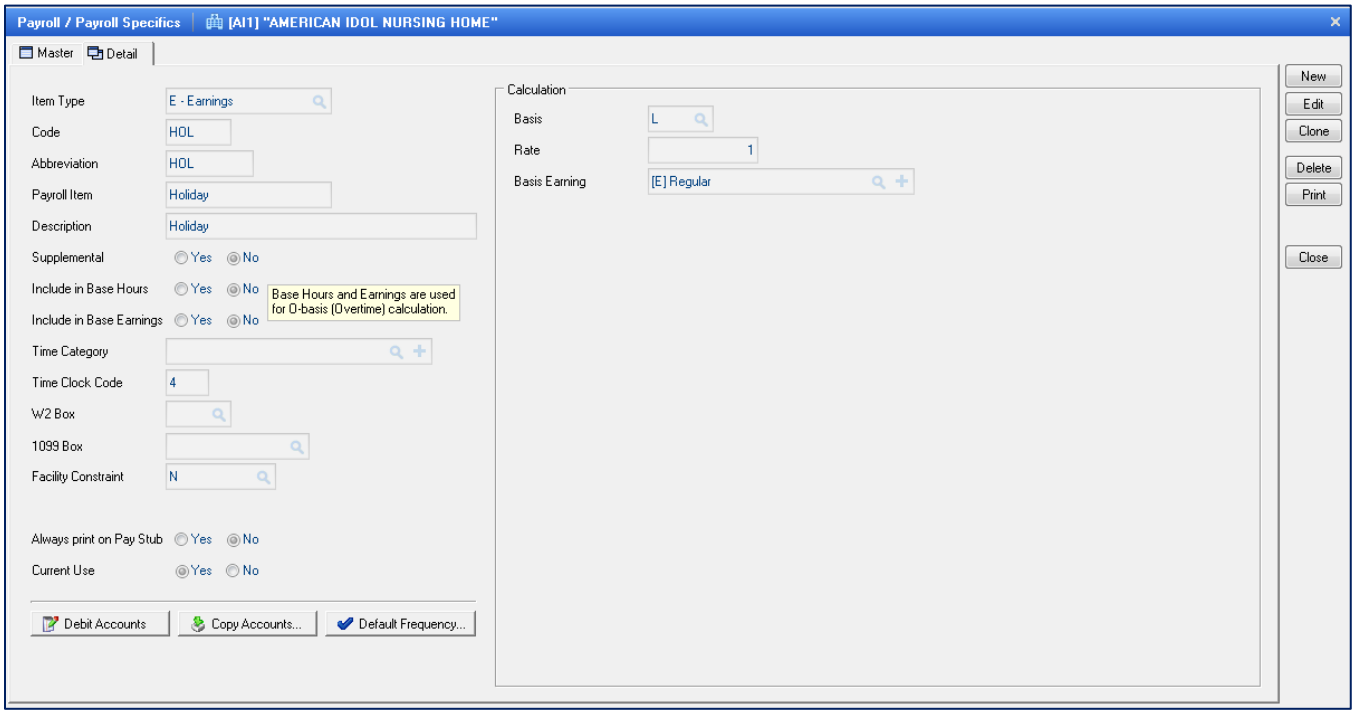
- **Item Type -** *demo facility screen display – **Earnings***
- **Code** – *demo facility screen display – **BON***
- **Abbreviation** – *demo facility screen display - **BON***
- **Payroll Item** – *demo facility screen display - **Bonus***
- **Description** – *demo facility screen display - **Bonus***

<u>Calculation</u>

- **Basis** - *demo facility screen display - **A - Amount***
- **Rate** - *demo facility screen display - **5,000.00** (a flat dollar amount)*

This Bonus earning category is set as an Amount for a flat dollar amount of $5000.00. Any employee who is set up with the BON earning category will receive a flat $5000.00.

Example of Holiday Earnings Category



Payroll Specifics Holiday Example – here is the input screen to demonstrate how to set up an earning category for Holiday. Here you will see the following fields:

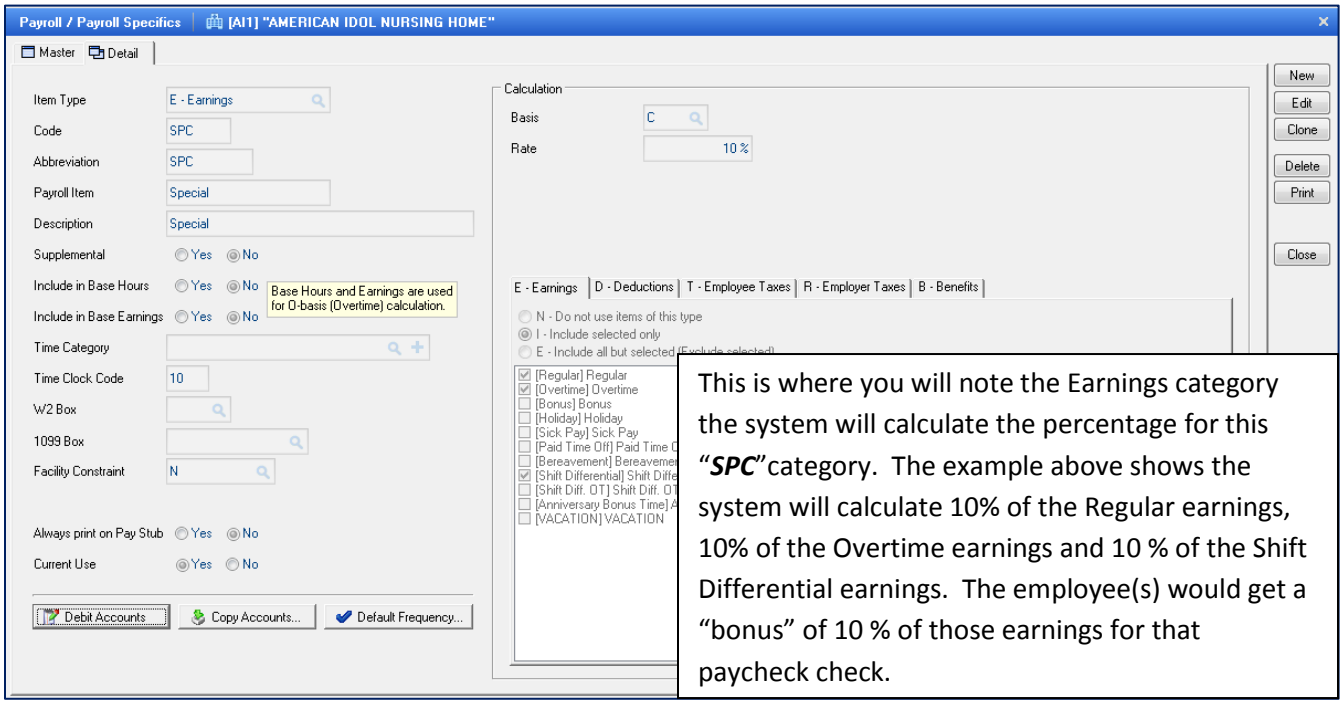
- **Item Type -** *demo facility screen display – **Earnings***
- **Code** – *demo facility screen display – **HOL***
- **Abbreviation** – *demo facility screen display - **HOL***
- **Payroll Item** – *demo facility screen display - **Holiday***
- **Description** – *demo facility screen display - **Holiday***

<u>Calculation</u>

- **Basis** - *demo facility screen display – **L - Holiday***
- **Rate** - *demo facility screen display – **1** (multiplier of 1 of Regular earnings)*
- **Basis Earnings** - *demo facility screen display – basis of Regular earning category*

This Holiday earning category is set as L-Holiday for a multiplier of 1 times the Regular Earnings category. This employee will earn the regular rate for this Holiday earnings category. This category will differentiate the regular hours versus holiday hours.

Example of Special Earnings - Percent



This is where you will note the Earnings category the system will calculate the percentage for this "***SPC***"category. The example above shows the system will calculate 10% of the Regular earnings, 10% of the Overtime earnings and 10 % of the Shift Differential earnings. The employee(s) would get a "bonus" of 10 % of those earnings for that paycheck check.

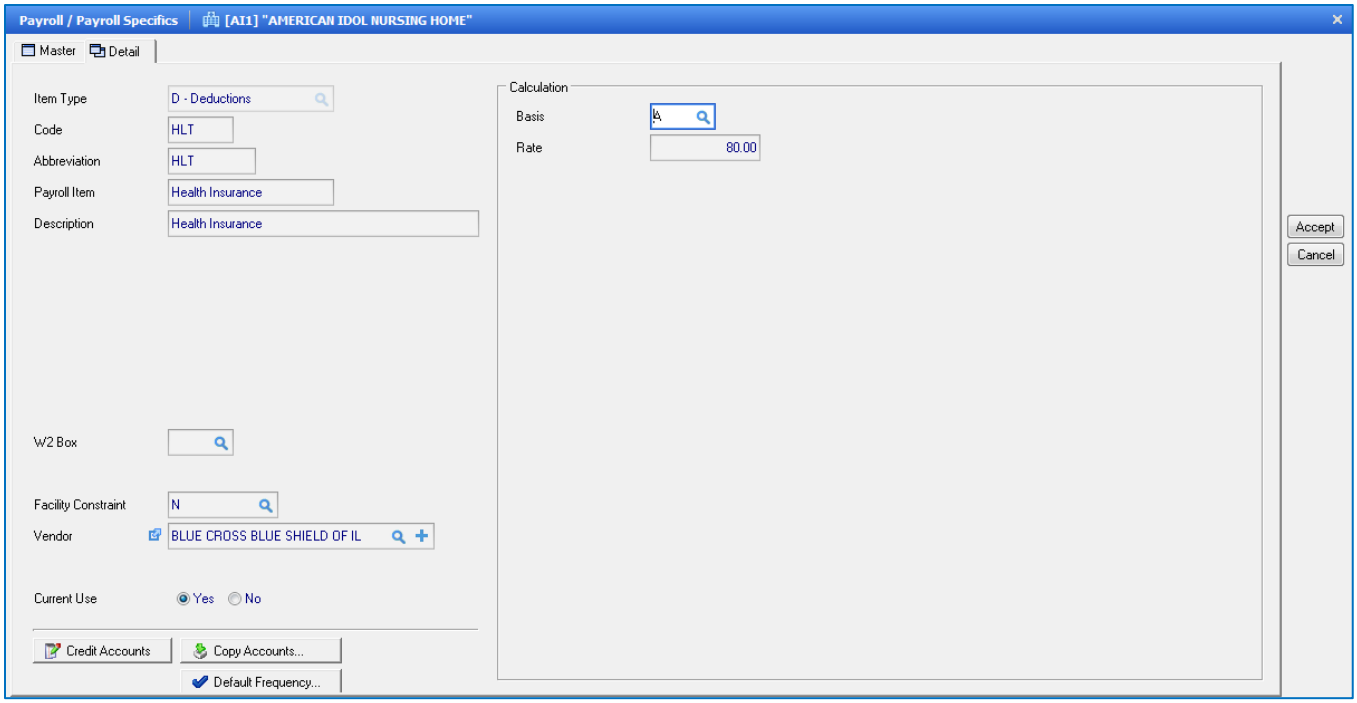
Payroll Specifics Special Earnings Example – here is the input screen to demo the set up for a special earnings. Here you will see the following fields:

- **Item Type -** *demo facility screen display – **Earnings***
- **Code** – *demo facility screen display – **SPC***
- **Abbreviation** – *demo facility screen display - **SPC***
- **Payroll Item** – *demo facility screen display - **Special***
- **Description** – *demo facility screen display – **Special***

<u>Calculation</u>

- **Basis** - *demo facility screen display –**C- Percent***
- **Rate** - *demo facility screen display – **10 %***

NOTE: New window appears on screen. You will need to make sure to set up all records for earning categories and then move on to the deductions, benefits, etc. tabs. For the Earnings tab, you will select the earnings categories to be included in the percent calculation. The Deductions, Benefit, etc. tabs, are usually checked as N- Do not use this item.



Payroll Specifics Deduction – this is the input screen used to create earning records to be used in the payroll module. Here you will see the following fields:

Item Type – Earnings, Deduction or Benefit are the possible choices

(Earnings and Deductions affect the pay. **Benefits** do not affect the pay)

Code – code of Earnings, Deduction or Benefit

Abbreviation – abbreviation of Earnings, Deduction or Benefit

Payroll Item - description of the Earnings, Deduction or Benefit code

Description – description of the Earnings, Deduction or Benefit code

W2 Box – W2 boxes apply to this category (if applies to this code)

Facility Constraint – this is used when the company has multiple facilities and you want to apply one item to a facility, but not to others

Vendor – if using Galaxy's AP module, you can create integrate the AP and PY modules together and pay taxes for specified vendors assigned to the specific deduction

Current Use – make the appropriate selection based on the record you are creating.

YES if this earning, deduction, or benefit code is currently being used

NO if this earning, deduction, or benefit code is no longer being used

Calculation

Basis – select how the earning should be calculated. The user has the following options:

- **H** – Hourly
- **A** – Amount
- **C** – Percent
- **F** – Formula – need to specify a formula of how the deduction is calculated
- **V** – Tax Levy – enter in Rate amount if the same for ALL employees, otherwise enter the Disposable Income amount in the Employee's Payroll Specifics field for this deduction

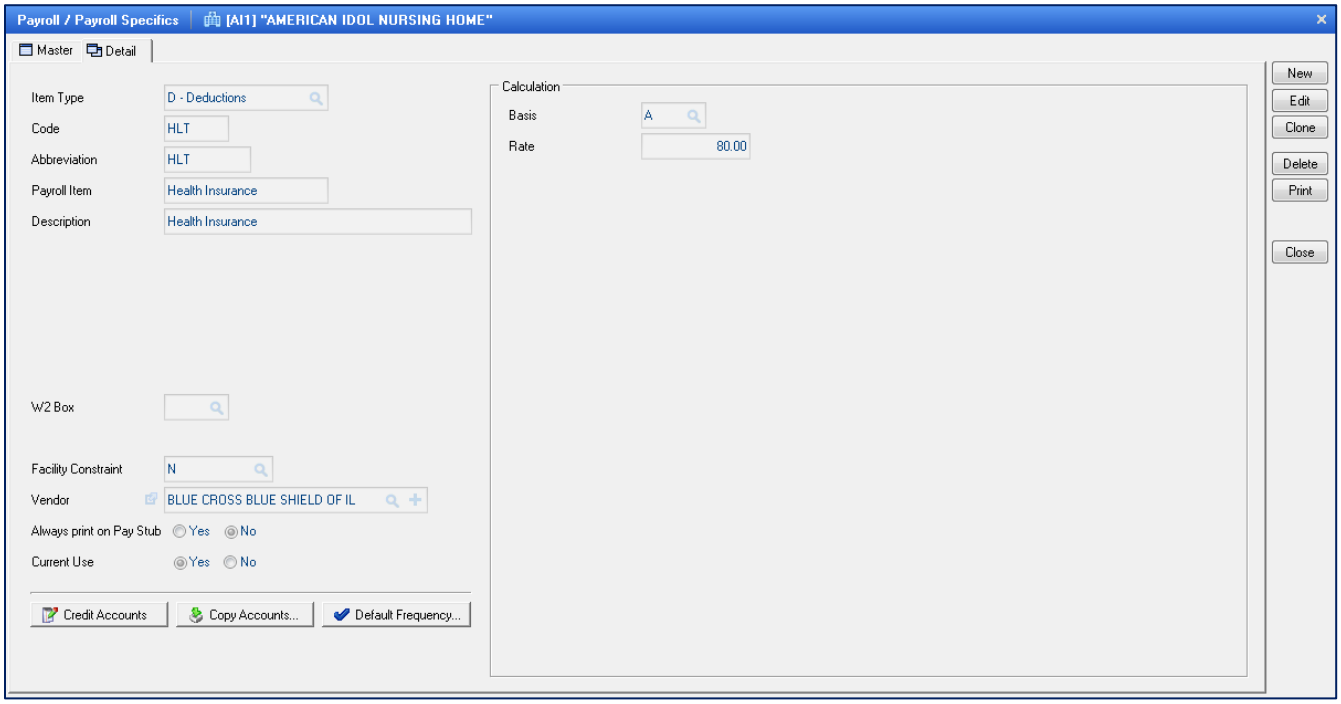
Rate – rate of the category – depending on Basis, this amount can be dollar or percentage amount

Credit Accounts – GL credit account number for this category

Copy Accounts – have multiple categories that have same account, chose a category that has the same account to copy from

Default Frequency – will apply to all employees without entering the frequency to each individual Employee Payroll Specific file. System will use this frequency as default for the specific category.

Example of Health Insurance Deduction - Amount



Payroll Specifics Deduction Example – this is the input screen to set-up deduction categories. It is similar to earnings but applies to deductions. Here you will see the following fields:

- **Item Type -** *demo facility screen display* – ***Deduction***
- **Code** – *demo facility screen display* – ***HLT***
- **Abbreviation** – *demo facility screen display* - ***HLT***
- **Payroll Item** – *demo facility screen display* – ***Health Insurance***
- **Description** – *demo facility screen display* – ***Health Insurance***

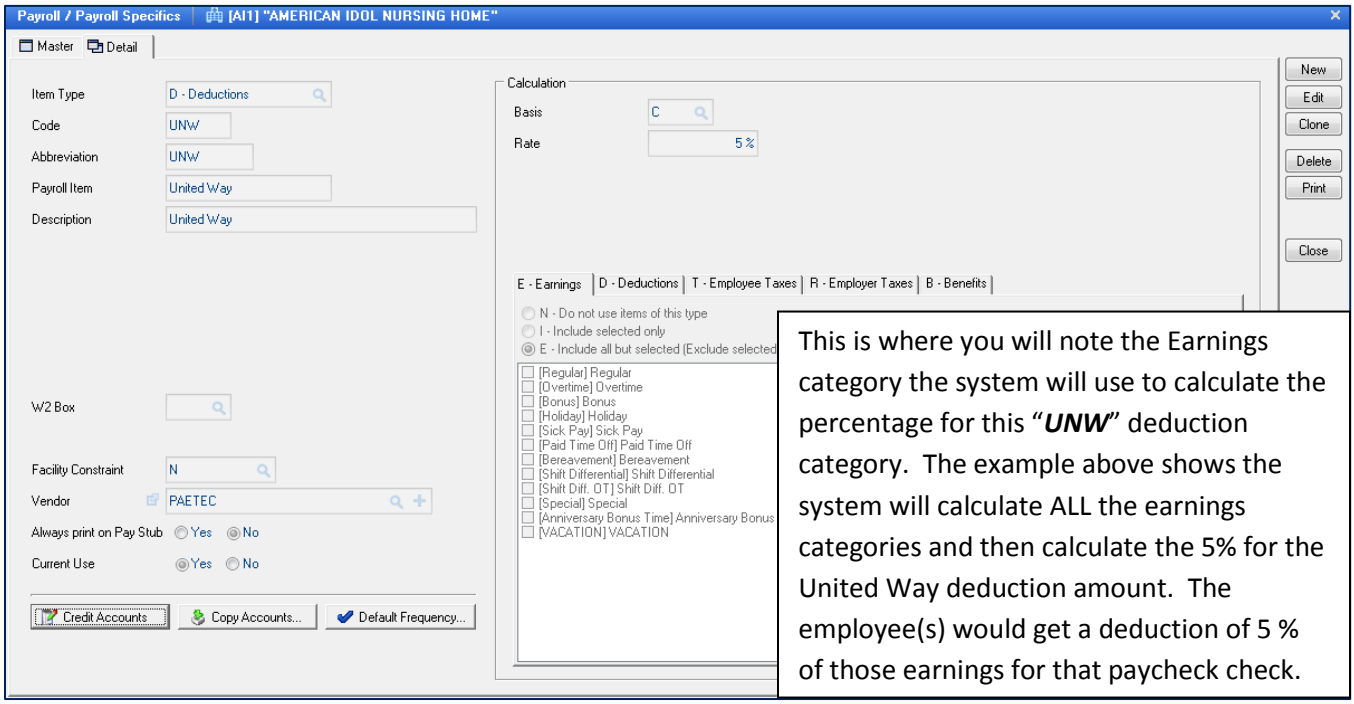
Calculation

- **Basis** - *demo facility screen display –**A- Amount***
- **Rate** - *demo facility screen display – **75.00***

This Health Insurance deduction category is set as an A-Amount for a flat dollar amount of $75.00. Any employee who is set up with the HLT deduction category will have a deduction of $75.00 from their check.

Other examples of deductions could be Dental Insurance, Garnishments, Christmas club, AFLAC, etc.

Example of United Way Deduction - Percent



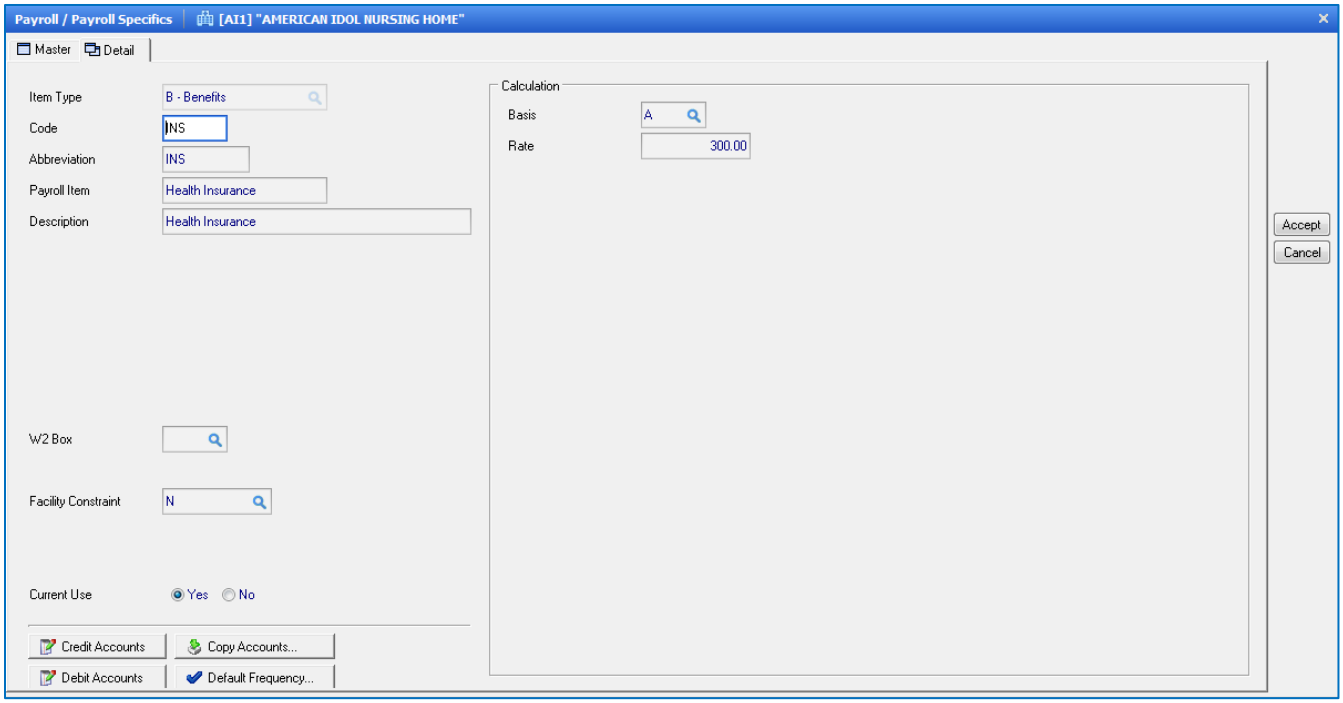
This is where you will note the Earnings category the system will use to calculate the percentage for this "***UNW***" deduction category. The example above shows the system will calculate ALL the earnings categories and then calculate the 5% for the United Way deduction amount. The employee(s) would get a deduction of 5 % of those earnings for that paycheck check.

Payroll Specifics Deduction Percent Example – this is the input screen used to set up a deduction as a percent. Here you will see the following fields:

- **Item Type -** *demo facility screen display – **Deduction***
- **Code** – *demo facility screen display – **UNW***
- **Abbreviation** – *demo facility screen display - **UNW***
- **Payroll Item** – *demo facility screen display – **United Way***
- **Description** – *demo facility screen display – **United Way***

Calculation

- **Basis** - *demo facility screen display –**C- Percent***
- **Rate** - *demo facility screen display – **5 %***



Payroll Specifics Benefits – this is the input screen used to create earning records to be used in the payroll module. Here you will see the following fields:

Item Type – Earnings, Deduction or Benefit are the possible choices

(Earnings and Deductions affect the pay. **Benefits** do not affect the pay)

Code – code of Earnings, Deduction or Benefit

Abbreviation – abbreviation of Earnings, Deduction or Benefit

Payroll Item - description of the Earnings, Deduction or Benefit code

Description – description of the Earnings, Deduction or Benefit code

W2 Box – W2 boxes apply to this category (if applies to this code)

Facility Constraint – this is used when the company has multiple facilities and you want to apply one item to a facility, but not to others

Current Use – make the appropriate selection based on the record you are creating.

YES if this earning, deduction, or benefit code is currently being used

NO if this earning, deduction, or benefit code is no longer being used

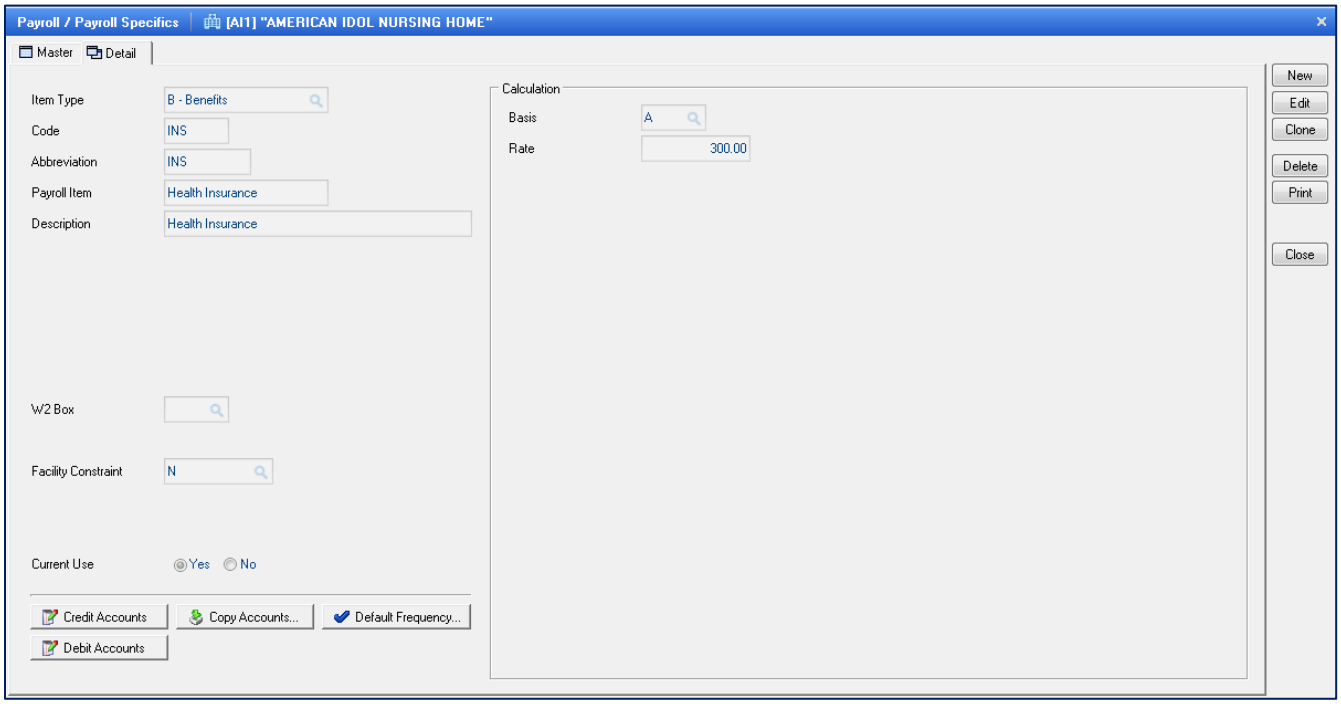
Credit Accounts – GL credit account number for this category

Debit Accounts – GL debit account number for this category and could be set up by department, meaning multiple GL debit account numbers would be entered

Copy Accounts – have multiple categories that have same account, chose a category that has the same account to copy from

Default Frequency – will apply to all employees without entering the frequency to each individual Employee Payroll Specific file. System will use this frequency as default for the specific category.

Example of Health Insurance Benefit - Amount



Payroll Specifics Deduction Amount Example – this is the input screen used to setup deductions that would be on an amount basis. Here you will see the following fields:

- **Item Type -** *demo facility screen display – **Benefits***
- **Code** – *demo facility screen display – **INS***
- **Abbreviation** – *demo facility screen display - **INS***
- **Payroll Item** – *demo facility screen display – **Health Insurance***
- **Description** – *demo facility screen display – **Health Insurance***
- **Credit Account –** *the liability account*
- **Debit Account** – *the expense account*

<u>Calculation</u>

- **Basis** - *demo facility screen display –**A- Amount***
- **Rate $** - *demo facility screen display – **300.00***

This Health Insurance benefit category is set as an A-Amount for a flat dollar amount of $300.00. Any employee who is set up with the INS benefit category will see a benefit of $300.00 on their check showing the Employer contributed $300.00 towards Health Insurance.

NOTE: Benefits are not actual amounts that affect the pay. Benefits affect the accounting side of the operation.

To set-up benefit categories follow the same set-up for earnings and deductions listed above.
After the user has set-up all earning, deduction and benefit categories, the user will want to move on to setting up Employee Types. Press the **Close** button to get back to the main screen of Payroll's company file maintenance.

Payroll Tax Items:

Payroll / Payroll Tax Items [AI1] "AMERICAN IDOL NURSING HOME"

Master | Detail | Tax Table / Formula

T - Employee Taxes | R - Employer Taxes

#	Code	Abbreviation	Tax Item	Description	Used	Facility Constraint
1	FIT	FIT	Federal Income Tax	Federal Income Tax	T	N
2	FICA	FICA	FICA	Social Security (FICA)	T	N
3	MCR	MCR	Medicare	Medicare	T	N
4	EIC	EIC	EIC Payment	Earned Income Credit	T	N
5	SIT	SITOH	State Income Tax-OH	State Income Tax	T	N
6	SIT	SITIL	State Income Tax (IL)	State Income Tax (IL)	T	N
7	LIT	LIT	City Income Tax-Beachwood	Beachwood	T	N
8	LIT	LIT2	City Income Tax	Parma	T	N
9	SDT	SDT	School District Tax	School District Tax	T	N
10	SIT	SIT	State Income Tax (NY)	State Income Tax (NY)	F	N
11	SIT	SITIL	State Income Tax IL	State Income Tax IL	F	N

New | Edit | Clone | Delete | Print | Close

Filter And Refresh Master Data

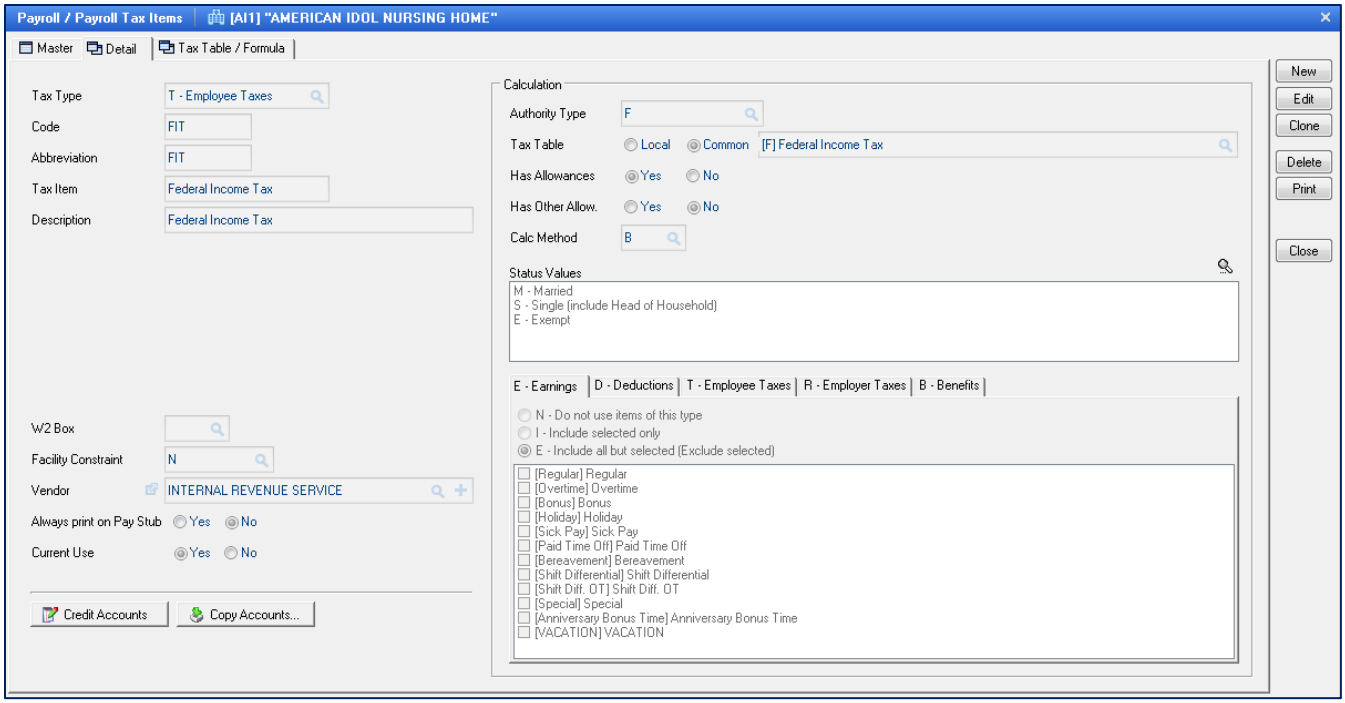
Field [None] Relates >= Value Apply Simple Filter

Advanced Filter | Adjust... | Refresh Data | Facility Constraint

Payroll Tax Items Main - This screen will show some taxes already set up in the facility, by default, and they will be displayed in green. You will see at the top left of the screen 2 tabs: **T – Employee Taxes** and **R- Employer Taxes** you can click and switch the screen between Employee Taxes and Employer Taxes.

There are additional tabs above the Employee Tax tab and the Employer Tax tab, they are **Master** – which is the screen as displayed above **Detail** – where the details of each tax is set up and the **Tax Table/Formula** – where the calculation of taxes is set up.

To review the **Detail** tab for the Employee Federal Income Tax, highlight **FIT,** click the **EDIT** button.



Payroll Tax Items Detail – this is the input screen to set up how the selected tax will work. Here the user will see the following fields that are used for all taxes listed:

Tax Type – which type of tax Employee/Employer

- **T**- Employee Tax *(demo facility screen display – T- Employee Tax)*
- **R** – Employer Tax

Code – tax code (*demo facility screen display – FIT)*

Abbreviation – tax code abbreviation - you may have multiple codes to set up for multiple states

Tax Item – description of tax code - you may have multiple codes to set up for multiple states

Description – full description of tax code *(demo facility screen display – Federal Income Tax)*

W2 Box – if any taxes apply to one of the following boxes on the W2

- **12 - Codes**
- **14 – Other**

Facility Constraint – this is used when the company has multiple facilities and you want to apply one item to a facility, but not to others

Vendor – if you want this to work with Accounts Payable, you would select which vendor you want the liability to create an invoice for *(demo facility screen display – Internal Revenue Services)*

Always Print on Pay Stub – this is used to always print this category on the check stub

Current Use – make the appropriate selection:

YES if this tax is currently being used
NO if this tax is no longer being used

Credit Accounts – GL credit account number for tax code

Debit Accounts – GL debit account number for tax code and could be set up by department, meaning multiple GL debit account numbers would be entered (will see on Employer Tax screen)

Copy Accounts – have multiple taxes that have same account, chose the other tax that has the same account to copy from, this feature will copy both debit and credit account if applicable

Calculation

Authority Type – what section this tax will show on reports

- **F**- Federal
- **S** – State
- **C** – City
- **O**- Other

Tax Table – how to calculate the taxes

- **Local** – if you should use this option you will need to create your own formula
- **Common –** common table is a table that Galaxy updates the formula for you (all Federal taxes and State Income taxes will be in the Common table maintained by Galaxy) When selecting the Common option, the following options will already be answered correctly: Has Allowances, Has Other Allow, Calc Method, Status Values

Has Allowances – this tax has exemptions/deductions as per W4

Has Other Allow – this tax has other exemptions/deductions

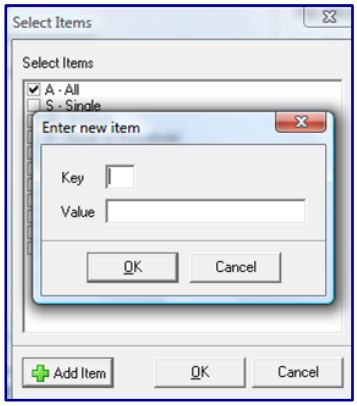
Calc Method – how this tax is calculated

- **T** – Use Table
- **F** – Use Formula
- **B** - Use Both

Status Values – Tax withholding status- every status needs to have individual table/formula set up when selecting multiple statuses for a tax

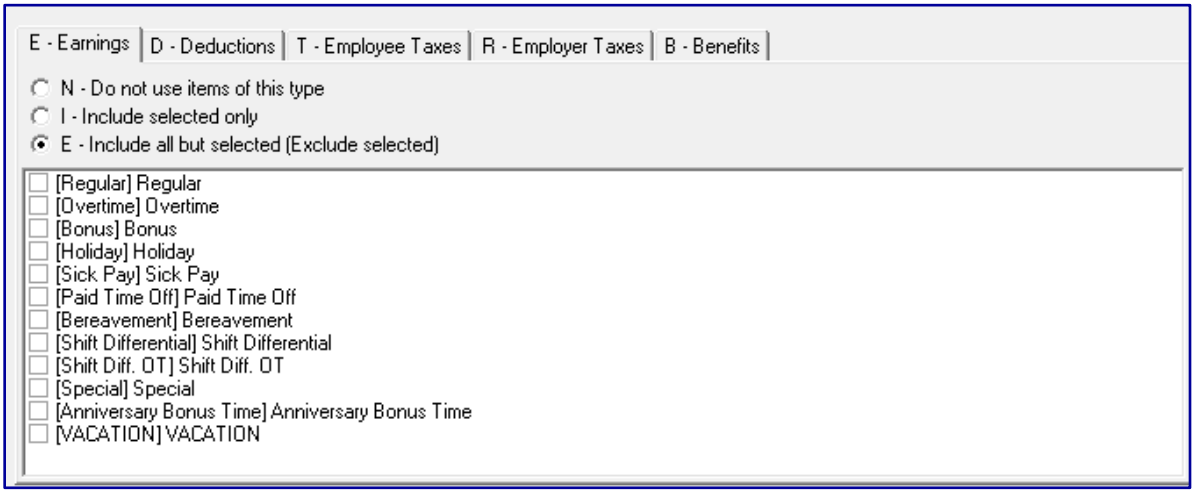
- **A** – All
- **S** – Single
- **M** – Married
- **H** - Head of Household
- **J** – Married/Jointly
- **P** – Married/Separately
- **W** – Qualifying Widower

If you need to add an additional Status Code to the list already provided, click on the magnifying glass, the list of status value codes will be displayed, click on the Add Item button to enter the new codes key and value.



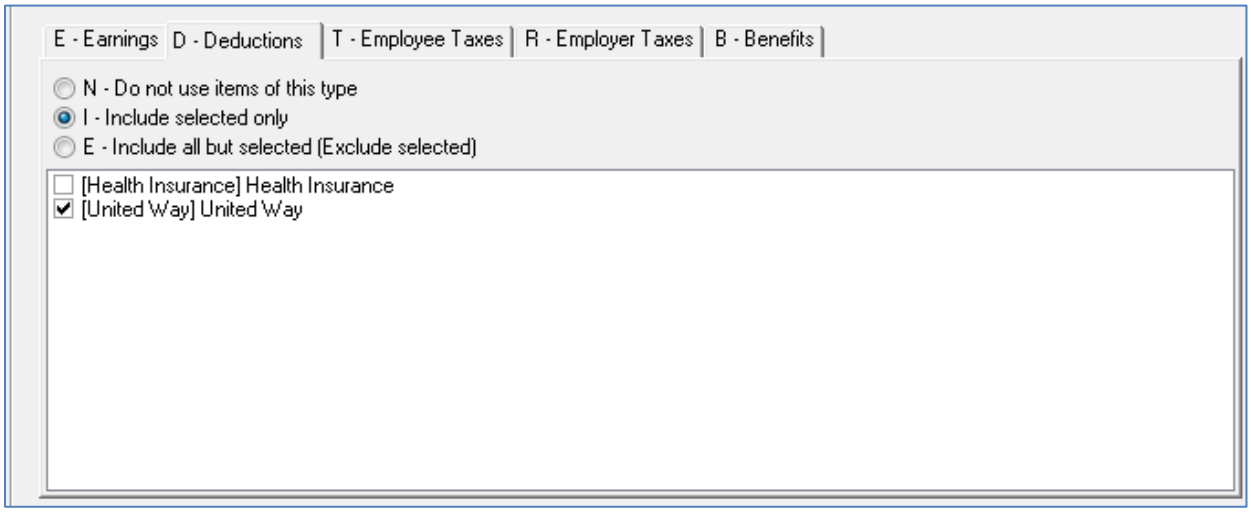
This portion of the screen has to do with what is taxable for this tax. This will not be set up initially until the categories are set up. This master file set up is a multi-step set up.
There are 5 tabs, E-Earning, D-Deductions, T-Employee Taxes, R-Employer Taxes and B-Benefits.
You will tell the system for each Tax Item, which categories should be taxed for this tax.

Example: FIT – Earnings



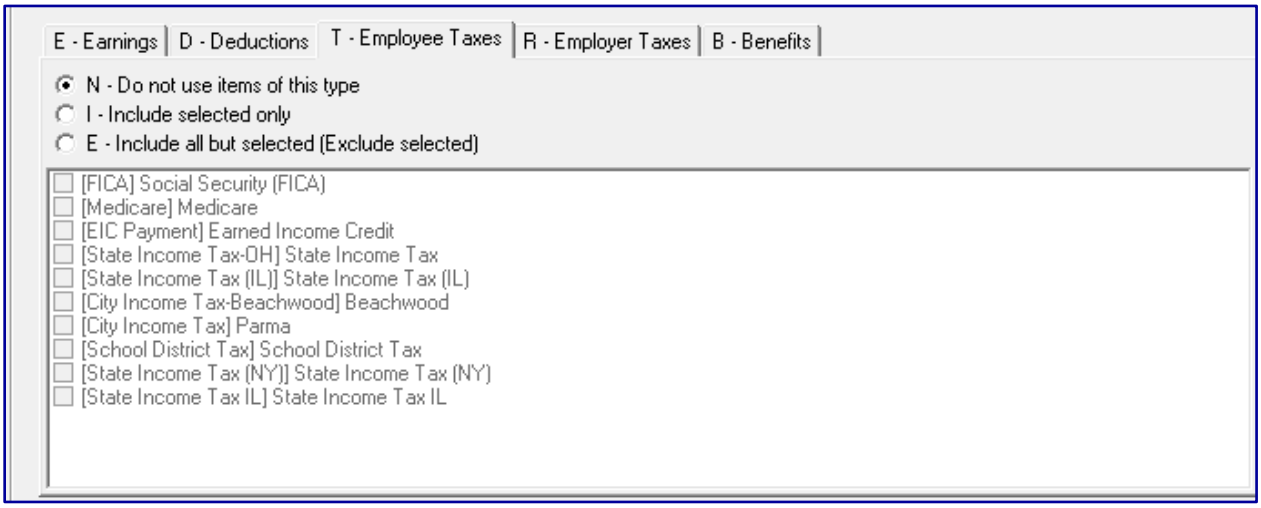
In this demo facility example, for Federal Income Tax – under Earnings, all Earning categories are taxed, because the system was set as ***E – Include ALL but selected (Excluded selected).*** *Meaning the system will add all the Earning categories, depending on employees' set up, and all the Earning categories are taxed for Federal Income Tax. (system treating Earnings a positive $ amount)*

Example: FIT – Deductions



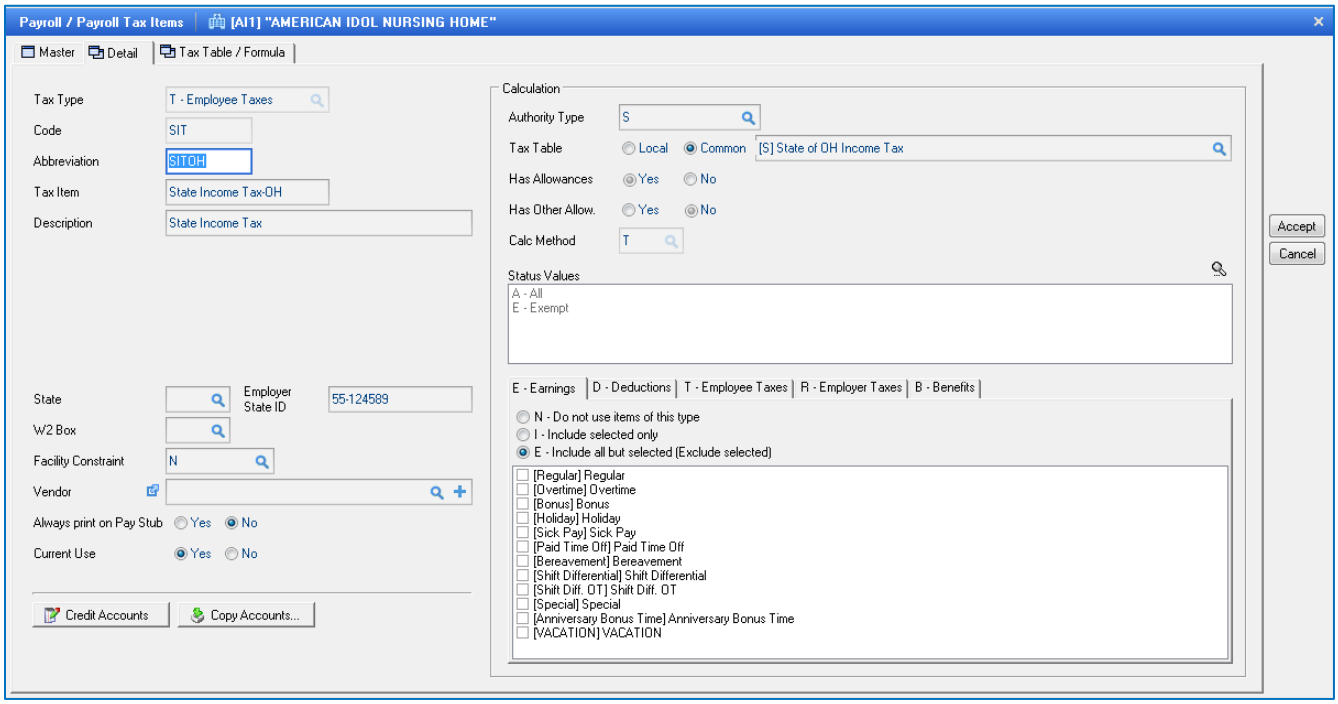
In this demo facility example, for Federal Income Tax – under Deductions, one Deduction category is taxed, because the system was set as ***I – Include selected only, but Health Insurance IS taxable and United Way in non-taxable.*** *Meaning the system will subtract the United Way deduction from the Earnings before the taxes apply, depending on employees' set up, and NOT tax the United Way deduction for Federal Income Tax. (system treats deductions as negative $ amount)*

Example: FIT – Employee Tax



In this demo facility example, for Federal Income Tax – under Employee Taxes, the system was set as **N – Do not use items of this type.** ***This does not apply for both Employee and Employer FIT.***

State Tax Example – you will need to make modifications to the existing SIT record to make specific to your State in both the **Detail** and **Tax Table/Formula** tabs



Payroll Tax Items State Tax – this is the input screen used to set-up the state income tax. Here you will see the following fields:

Code – tax code (*demo facility screen display – SIT)*

Abbreviation – tax code abbreviation - you may have multiple codes to set up for multiple states *(demo facility screen display SITOH – State Income Tax for the state of Ohio)*

Tax Item – description of tax code - you may have multiple codes to set up for multiple states *(demo facility screen display State Income Tax- OH – State Income Tax for the state of Ohio)*

Description – description of tax code

State – identifies state for State tax by using the magnifying glass, select appropriate facility from the drop down box

Employer State ID – facility's State Identification tax number (shows in Box 15 on W2)

Note: Once S is selected in Authority Type field, all the information in the tax table will be defaulted.

Click the **ACCEPT** button after entering the information on the screen.

Payroll / Payroll Tax Items | [AI1] "AMERICAN IDOL NURSING HOME"

Master | Detail | Tax Table / Formula

Tax Type: T - Employee Taxes
Code: SIT
Abbreviation: SITOH
Tax Item: State Income Tax-OH
Description: State Income Tax

State:
Employer State ID: 55-124589
W2 Box:
Facility Constraint: N
Vendor:
Always print on Pay Stub: Yes No
Current Use: Yes No

Credit Accounts | Copy Accounts...

Calculation
Authority Type: S
Tax Table: Local Common [S] State of OH Income Tax
Has Allowances: Yes No
Has Other Allow.: Yes No
Calc Method: T

Status Values
A - All
E - Exempt

E - Earnings | D - Deductions | T - Employee Taxes | R - Employer Taxes | B - Benefits

N - Do not use items of this type
I - Include selected only
E - Include all but selected (Exclude selected)

[Regular] Regular
[Overtime] Overtime
[Bonus] Bonus
[Holiday] Holiday
[Sick Pay] Sick Pay
[Paid Time Off] Paid Time Off
[Bereavement] Bereavement
[Shift Differential] Shift Differential
[Shift Diff. OT] Shift Diff. OT
[Special] Special
[Anniversary Bonus Time] Anniversary Bonus Time
[VACATION] VACATION

Accept | Cancel

Click the **Credit Accounts** button, this will allow you to enter the liability account for State Withholding.

Payroll / Payroll Specific Credit Accounts | [AI1] "AMERICAN IDOL NURSING HOME" | [State Income Tax-OH] State Income Tax

Master | Detail

Facility	Credit Account
[]	[20-3020.00] State Witholding Tax Payable

New | Edit | Clone | Delete | Print | Close

Filter And Refresh Master Data
Field: [None] Relates: >=
Value: Apply Simple Filter
Advanced Filter | Refresh Data

Payroll Credit Account Setup – here is the input screen to link the credit account for the tax with an account in the facility's chart of accounts. Here the user will see the following fields:

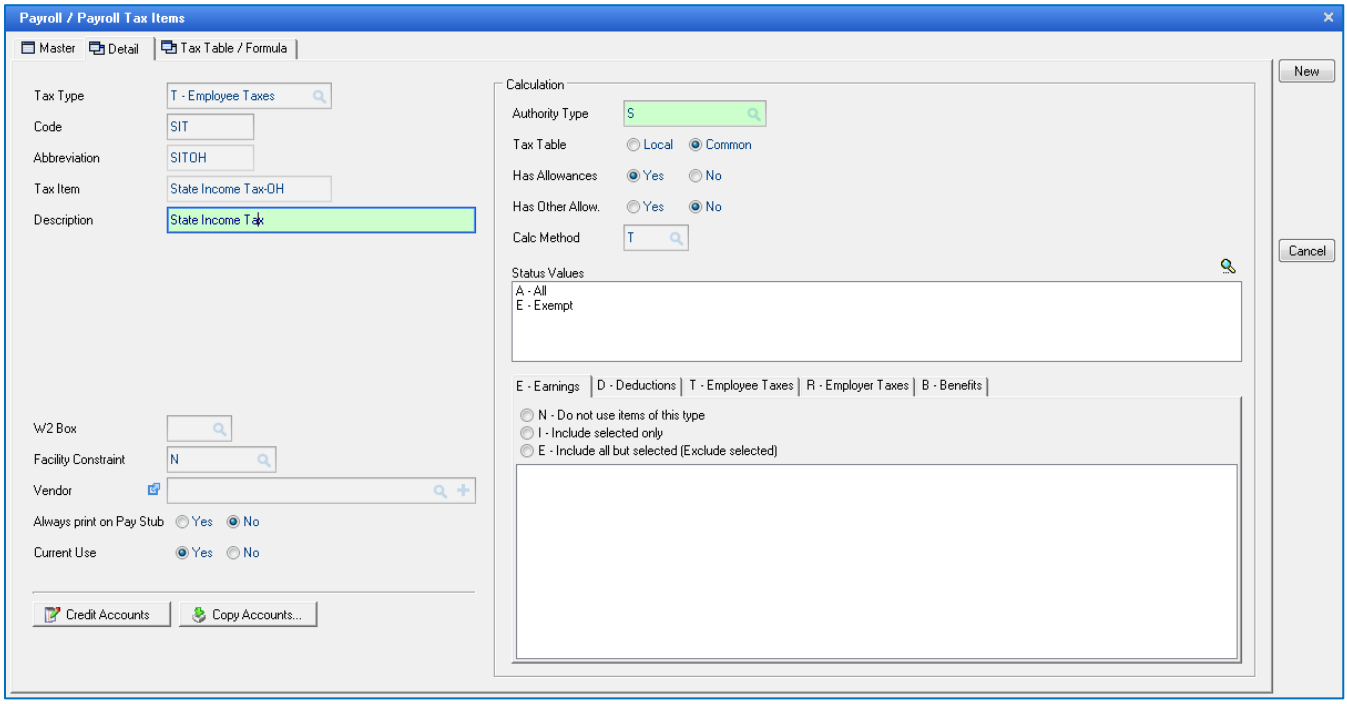
Facility – select the facility from the drop down menu by clicking on the magnifying glass (you don't need to enter in facility if you only have one facility OR if all facilities use the same GL account.

Credit Account – select the credit account from the drop down menu by clicking on the magnifying glass.

Click the **ACCEPT** button after entering the information on the screen.

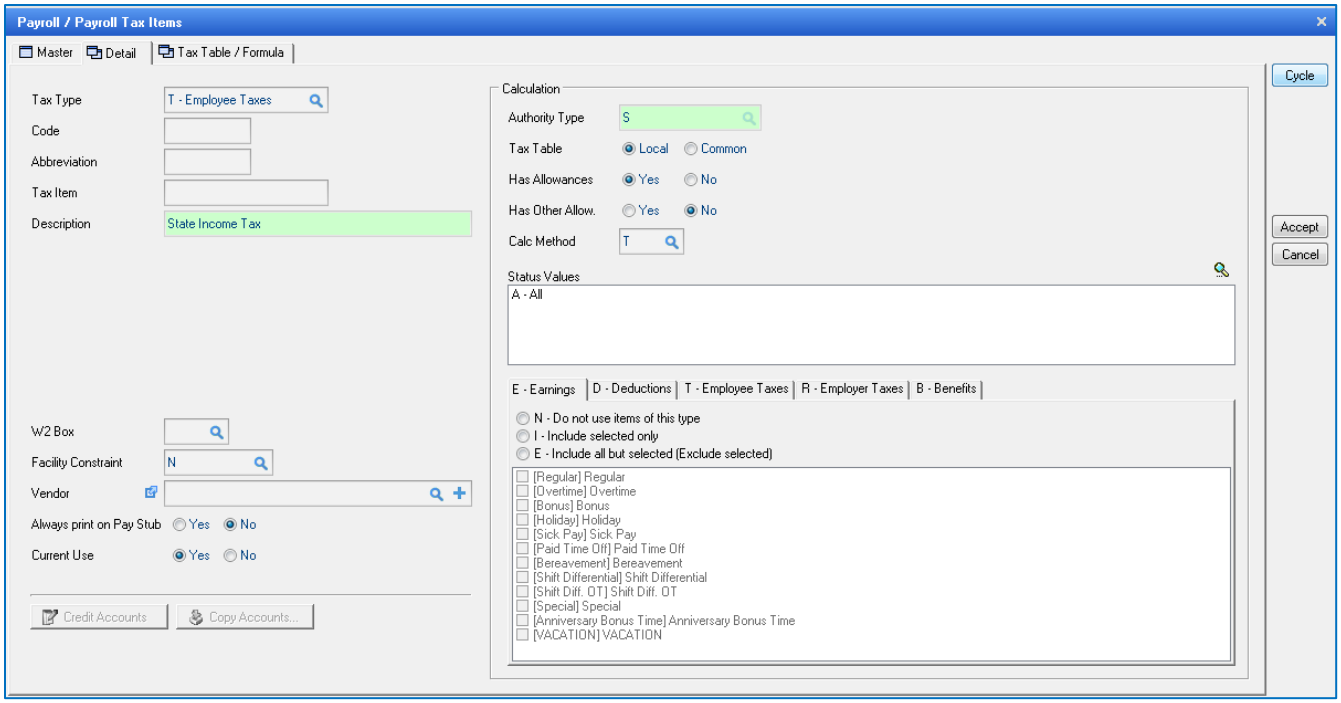
If you have additional State Taxes you need to set up, you can clone the SIT code that is already set up and then just make the appropriate changes to the additional State tax files.

Highlight the SIT file to clone, click the **CLONE** button, then select all the fields to clone.



Cloning SIT Record - You can select any field that does not have a X beside the field. When you select the fields you want to clone, the system will highlight those fields in Green.

After all fields have been selected to clone, click the **NEW** button.

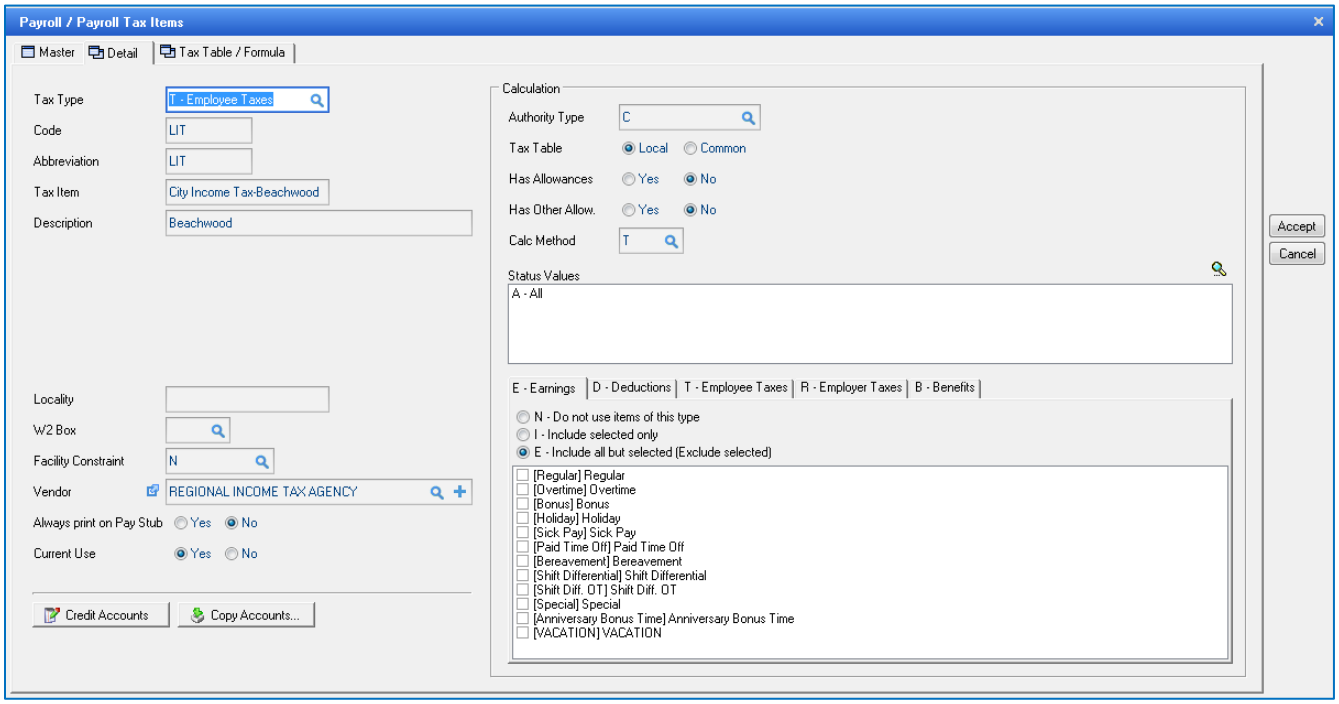


Proceed to enter the information in the fields, as outlined earlier. The **Code, Abbreviation** and **Tax Item** entries all have to be different than the code this code was cloned from.

Note: The system will not clone any information for Earnings, Deductions, Employee Taxes, Employer Taxes and Benefits. The user will need to establish these items for each new tax created.

After all the appropriate information has been entered, click the **ACCEPT** button to save the entry.

Local Tax Example



Local Tax Detail – here is the input screen for setting up the local taxes specific to your facility. You will see the following fields:

Code – tax code (*demo facility screen display – LIT)*

Abbreviation – tax code abbreviation - you may have multiple codes to set up for multiple cities *(demo facility screen display LIT)*

Tax Item – description of tax code - you may have multiple codes to set up for multiple cities *(demo facility screen display City Income Tax- Beachwood)*

Locality – identifies City for Local tax (shows in Box 20 on W2)

Authority Type – C for City

Tax Table – Local is selected

Has Allowances – NO – there are no allowances for this tax

Has Other Allow – NO – there are no other allowances for this tax

Calc Method – T for Table – the table information is set up in under the Tax Table/Formula tab

Status Value – All – everyone get the same tax treatment

Note: Once C is selected in Authority Type field, all the information in the tax table will be defaulted.

Click the **ACCEPT** button after entering the information on the screen.

Payroll / Payroll Tax Items

Master | Detail | Tax Table / Formula

T - Employee Taxes | R - Employer Taxes

#	Code	Abbreviation	Tax Item	Description	Used	Facility Constraint
1	FIT	FIT	Federal Income Tax	Federal Income Tax	T	N
2	FICA	FICA	FICA	Social Security (FICA)	T	N
3	MCR	MCR	Medicare	Medicare	T	N
4	EIC	EIC	EIC Payment	Earned Income Credit	T	N
5	SIT	SITOH	State Income Tax-OH	State Income Tax	T	N
6	SIT	SITIL	State Income Tax (IL)	State Income Tax (IL)	T	N
7	LIT	LIT	City Income Tax-Beachwood	Beachwood	T	N
8	LIT	LIT2	City Income Tax	Parma	T	N
9	SDT	SDT	School District Tax	School District Tax	T	N
10	SIT	SIT	State Income Tax (NY)	State Income Tax (NY)	F	N
11	SIT	SITIL	State Income Tax IL	State Income Tax IL	F	N

New | Edit | Clone | Delete | Print | Close

Filter And Refresh Master Data

Field [None] Relates >= Value Apply Simple Filter

Advanced Filter | Adjust... | Refresh Data | Facility Constraint

Payroll Tax Items Master – looking at the master screen the user can see that the local taxes have been created.

To review the **Tax Table/Formula** tab for the Employee Federal Income Tax, highlight FIT, click the **Tax Table/Formula** tab.

Payroll / Payroll Tax Items

Master | Detail | Tax Table / Formula

Start Date: 01/01/2014 (Current) Status: M - Married Update Table | Delete Table | Edit Formula **Read Only**

Annual Limit Min Value Allowance Amount 3,950.00

Max Annual Gross Max Value

More Than	But Not Over	Amount	Plus Percent
0	8450	0	0
8450	26600	0	10
26600	82250	1815	15
82250	157300	10162.5	25
157300	235300	28925	28
235300	413550	50765	33
413550	466050	109587.5	35
466050	And Above	127962.5	39.6

New | Edit | Clone | Delete | Print | Close

Tax Formula Text:

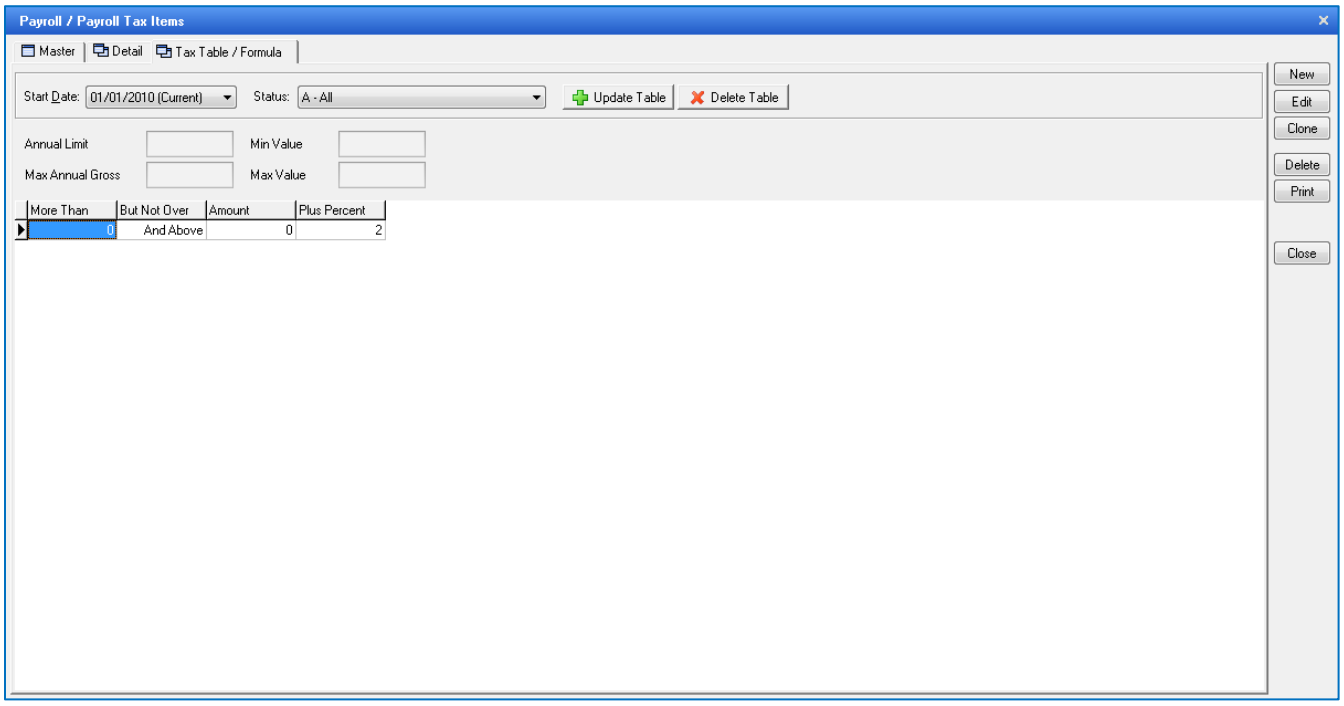
```
var
   Supp, Reg: Currency;
begin
   Supp := Supplements_Amount;
   Reg := Base_Amount - Supp;
   Reg := Reg * Periods_in_Year / Pay_Periods;
   Result := Calc_Annual_Tax_By_Table('Federal Income Tax', Reg, Status, Allowances, Other_Allowances) * Pay_Periods / Periods_in_Year;
   Result := Result + Supp * 0.25;
end.
```

Tax Table/Formula Screen - On this screen, because the Common Tax Table was selected in the FIT Detail tab, you will see the tax table Galaxy has provided for the current tax table. Every time the tax table is updated, you can go back and view previous years' tax tables, by selecting the year in the **Start Date** field. You will be able to view the tax tables for both Married and Single. To select Single, click the down arrow in the Status

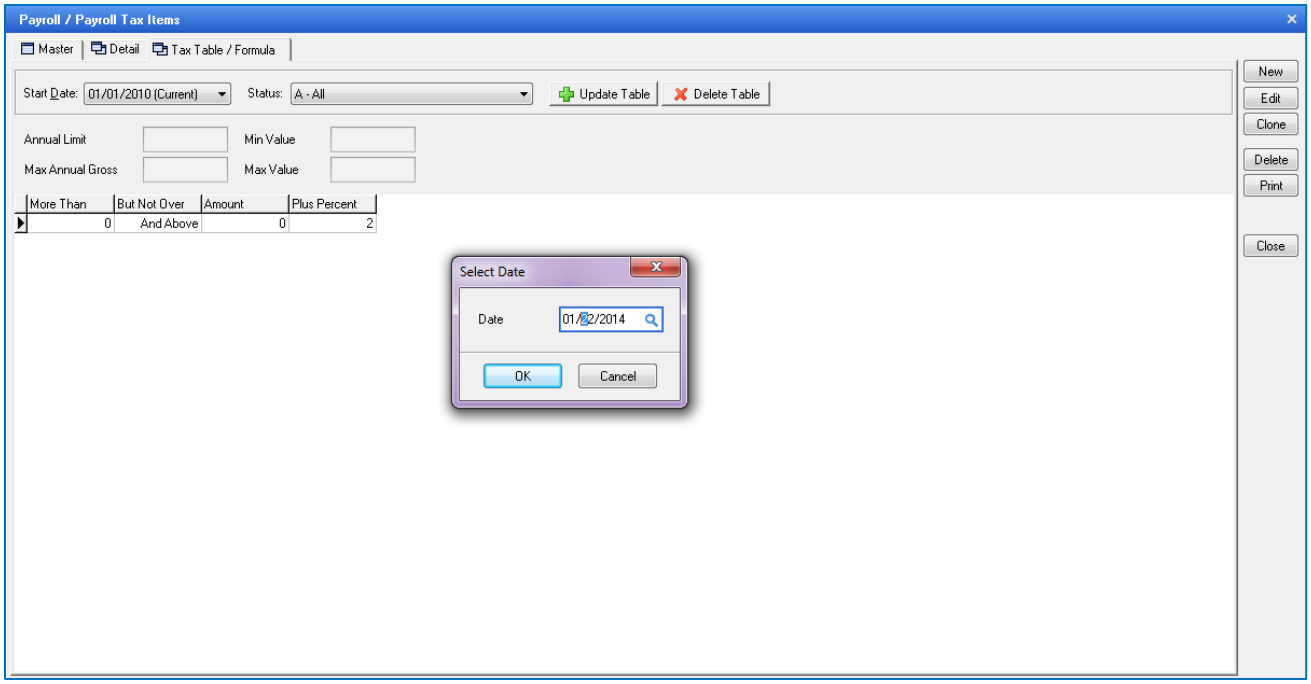
Field, click on **S-Single (include Head of Household).**

In this demo facility example, for Federal Income Tax, 2014, Status – Married, you will see the 2014 tax table (provided by Galaxy) along with the Allowance Amount $3950.00 (standard deduction amount.)

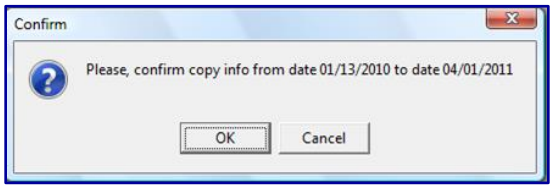
Add a record to Tax Table/Formula



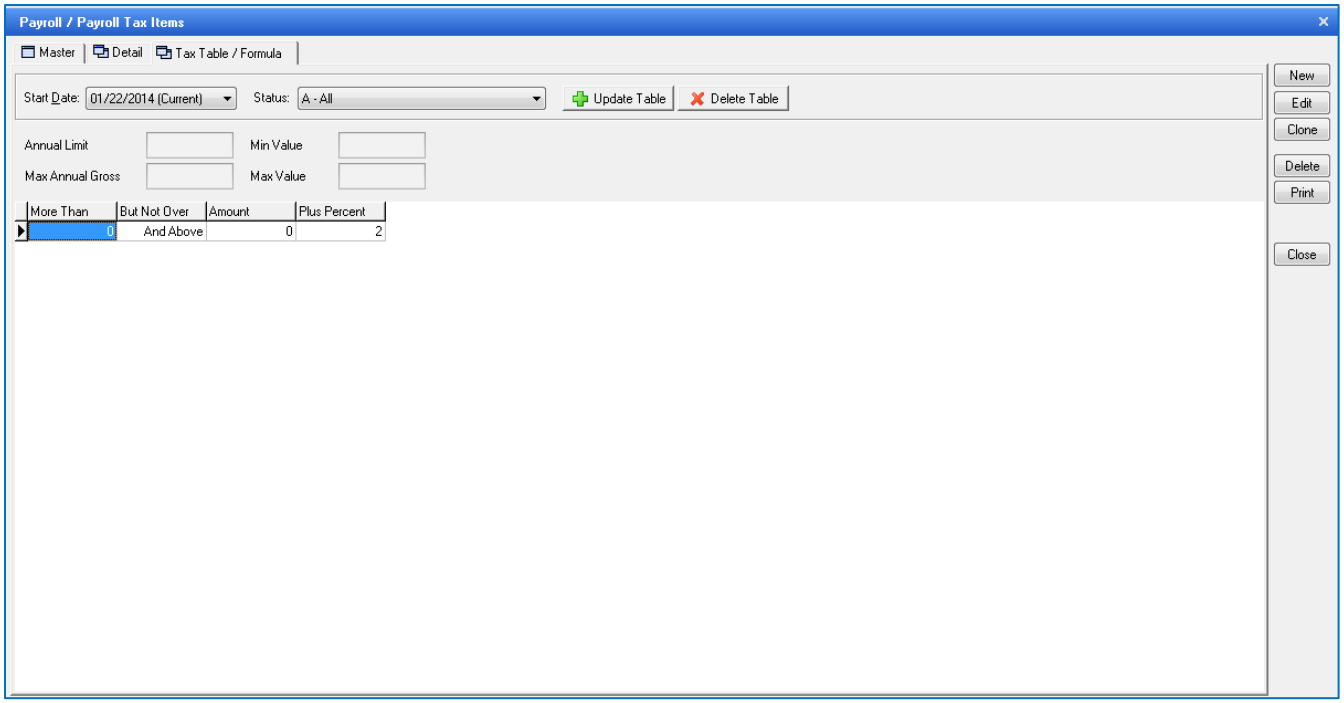
To add a record, click **Update Table** button.



Select Date – the start date of this new tax table/formula should be effective. Click the **OK** button. You will receive the following confirmation message:



Click the **OK** button, if this is correct



Tax Table/Formula Screen – here you will see the following fields on setting up tax tables:

Status – for each Status you will enter in the appropriate tax table/formula for that particular status code. You will need to fill in the following fields if applicable to this particular tax table/formula:
Annual Limit – the maximum earnings amount allowed for a 12 month time period to be taxed

Max Annual Gross – the maximum amount of tax you want to apply for a 12 month time period

Min Value – minimum value for tax per occurrence

Max Value – maximum value for tax per occurrence

<u>Table Entries</u>

More Than - The low end of the bracket goes into the **Over** column.

But Not Over – The high end of the bracket goes into the **Not Over** column.

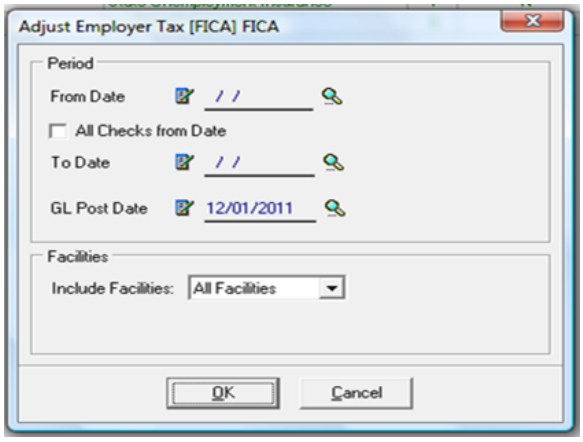
Amount - The **Base Tax** holds the number of points that the credit percent decreases

Plus Percent – The **Rate%** contains the credit percent
If Allowances and/or Other Allowance were selected in the Detail tab, then there would be a field beside Min Value labeled:

Allowance Amount – enter Allowance dollar amount

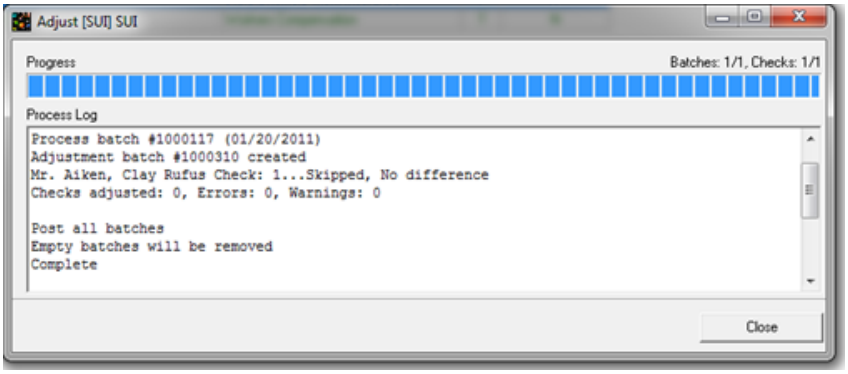
Other Allowance Amount – enter Allowance dollar amount

On the **Employer Taxes** screen tab there is an option labeled **Adjust**. This feature will allow the user to recalculate the State Unemployment rate for a specified timeframe. So if the company did not get the new State Unemployment rates until after the effective date, the system will adjust the specified timeframe with the correct rates and create automatic journal entries to make the corrections to General Ledger. The user will need to fill out the information on the screen that will appear after selecting the **Adjust** button.



After all the information is filled in correctly, press **OK.**

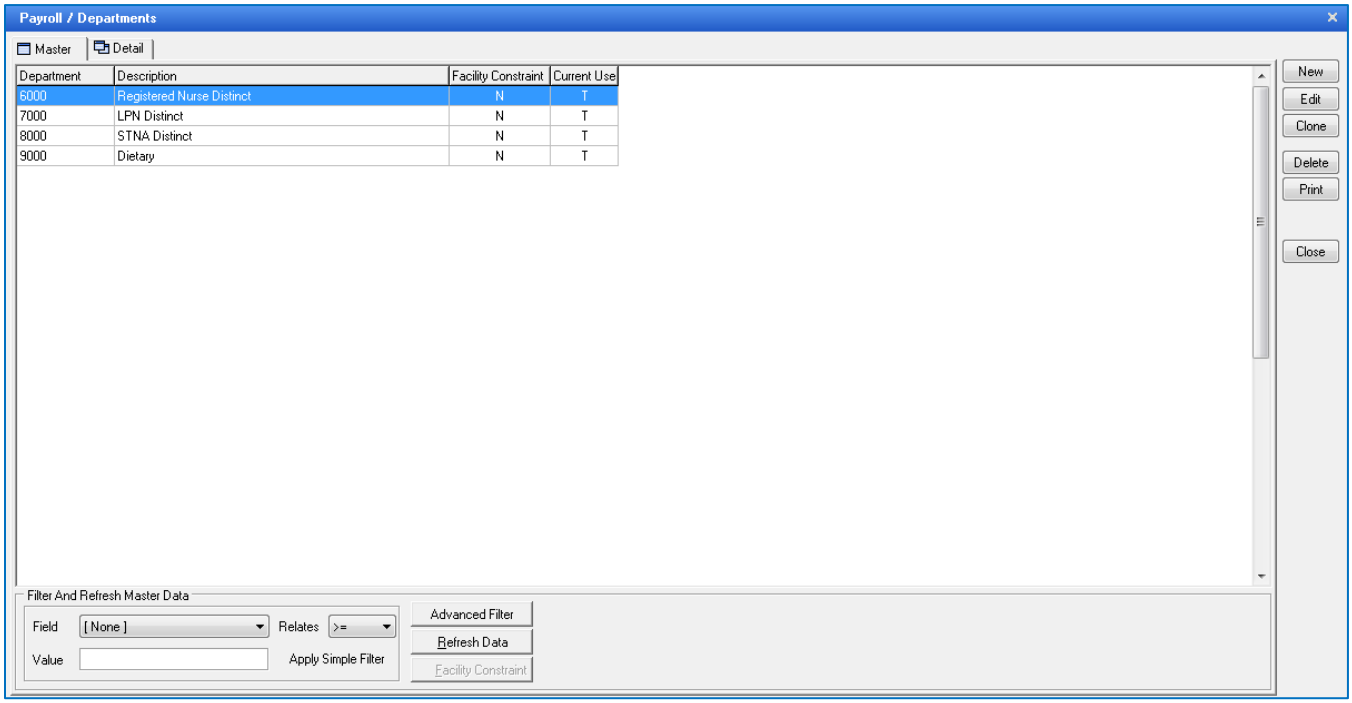
The following screen will appear:



This screen will list all batch(s) and the employees within the batch(s) that were affected by the new SUI rate change and show the new adjustment batch.

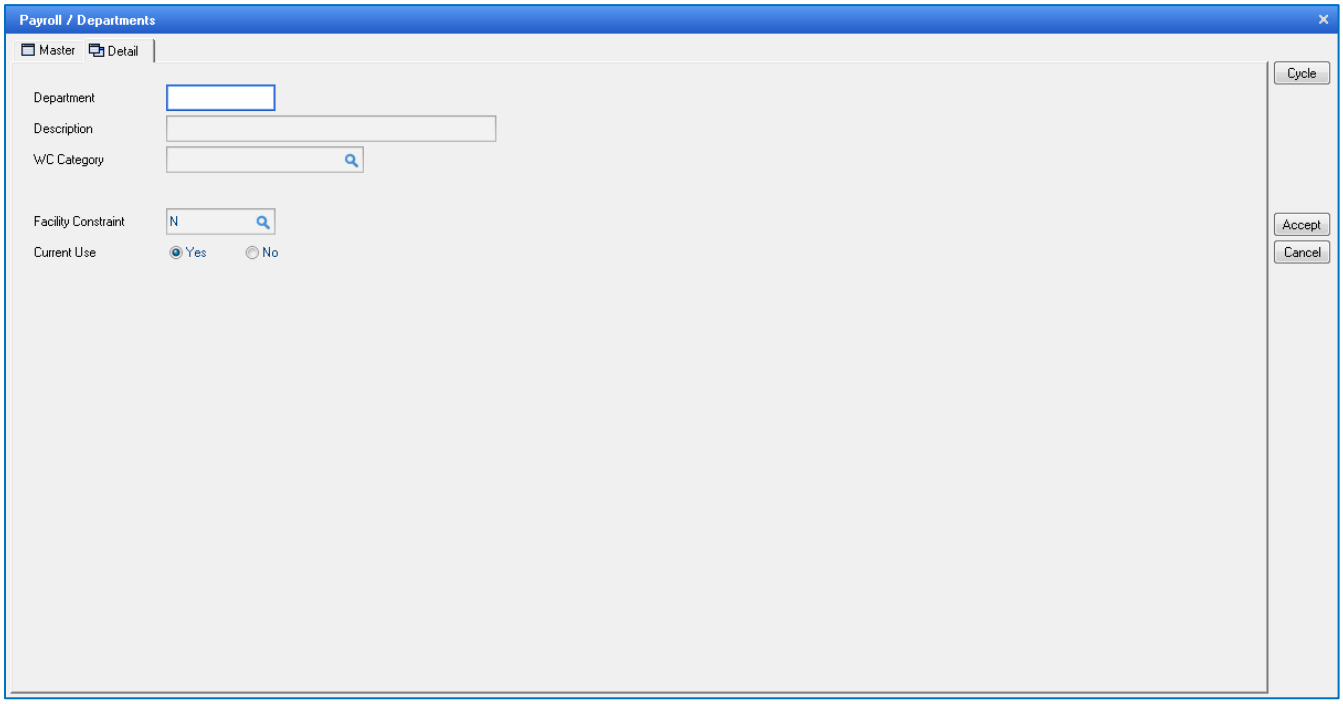
After both Employee and Employer taxes has been established the user will want to move onto Payroll Specifics for the next area of set up.

Departments:



You will need to set up all departments within your facility that your employees work.

To create a record in the **Department** master, click the **NEW** button.



Department Detail – this is the input screen to create records for the Department Master. Here you will see the following fields:

Department – enter department number or abbreviation code you want to use for this department

Description – actual name of the department

(Some reports will show department number and more detailed reports will show department description)

WC Category – each department needs to be identified to which category it belongs to so the system knows which department to tax to the category. There are 2 default categories *(initially leave blank until taxes are set up*) and when you determined if additional categories need to be added. If you only have the 2 categories listed, then you can go ahead and assign them to the departments as you are adding the departments.

- **C**- Clerical
- **N** – Non-clerical

Facility Constraint – this is used when the company has multiple facilities

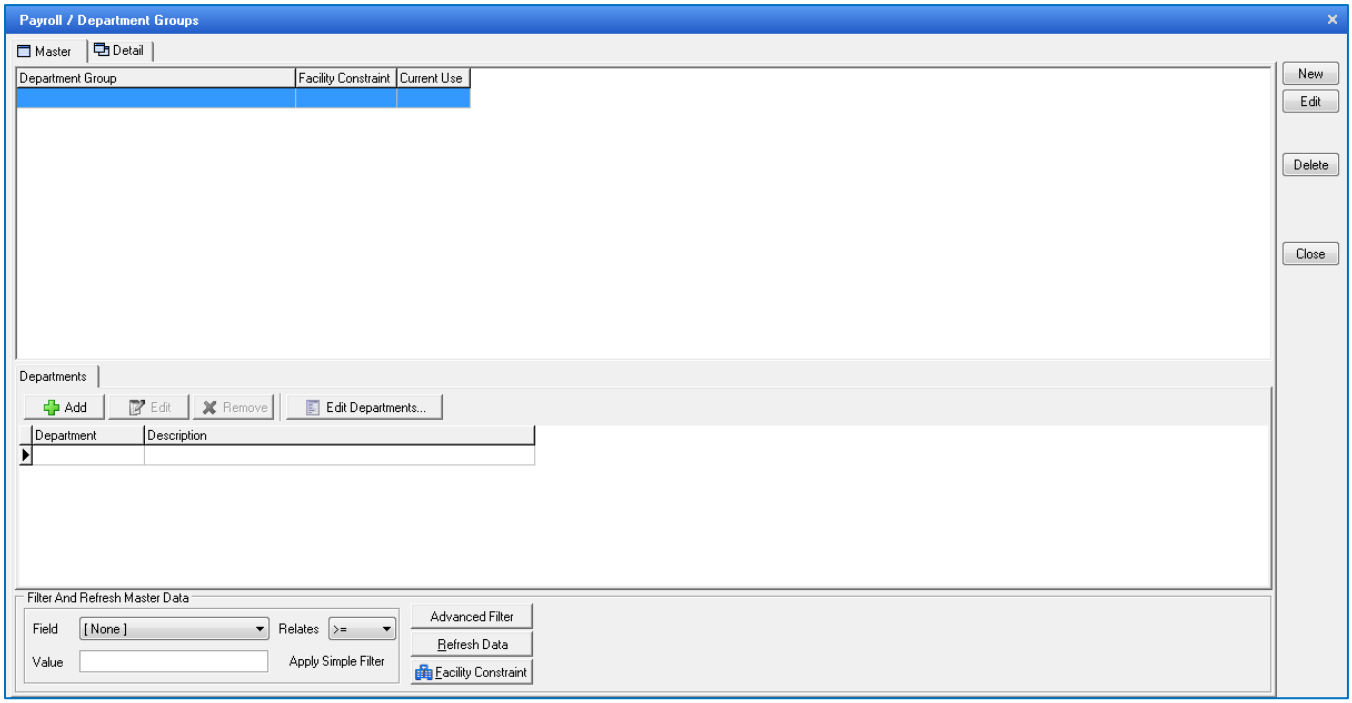
Current Use – select the appropriate option based on the department record you are creating.

- ***YES*** if this department is currently being used
- ***NO*** if this department is no longer being used

Click the **ACCEPT** button after entering the information on the screen.

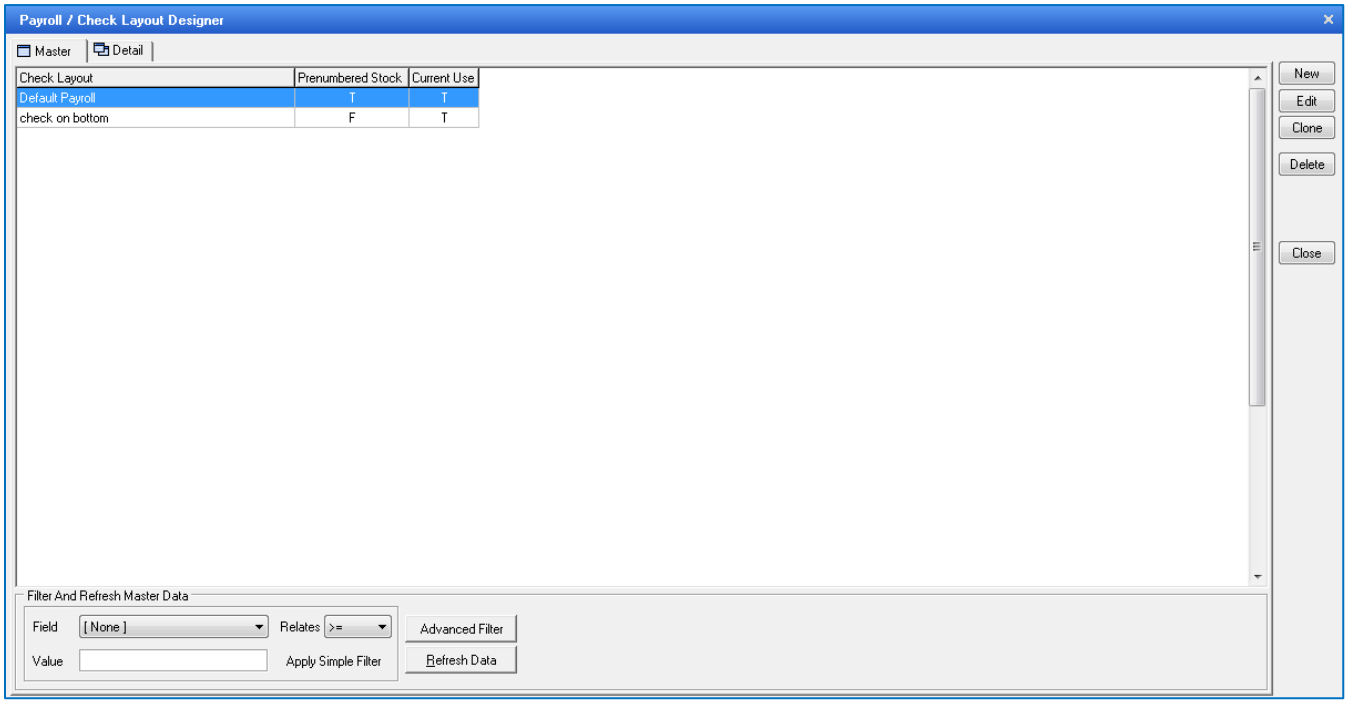
NOTE: Galaxy can import your employee file only after departments have been established. To get the specifics on file format and set-up for Employee import please contact Galaxy.

Department Groups:

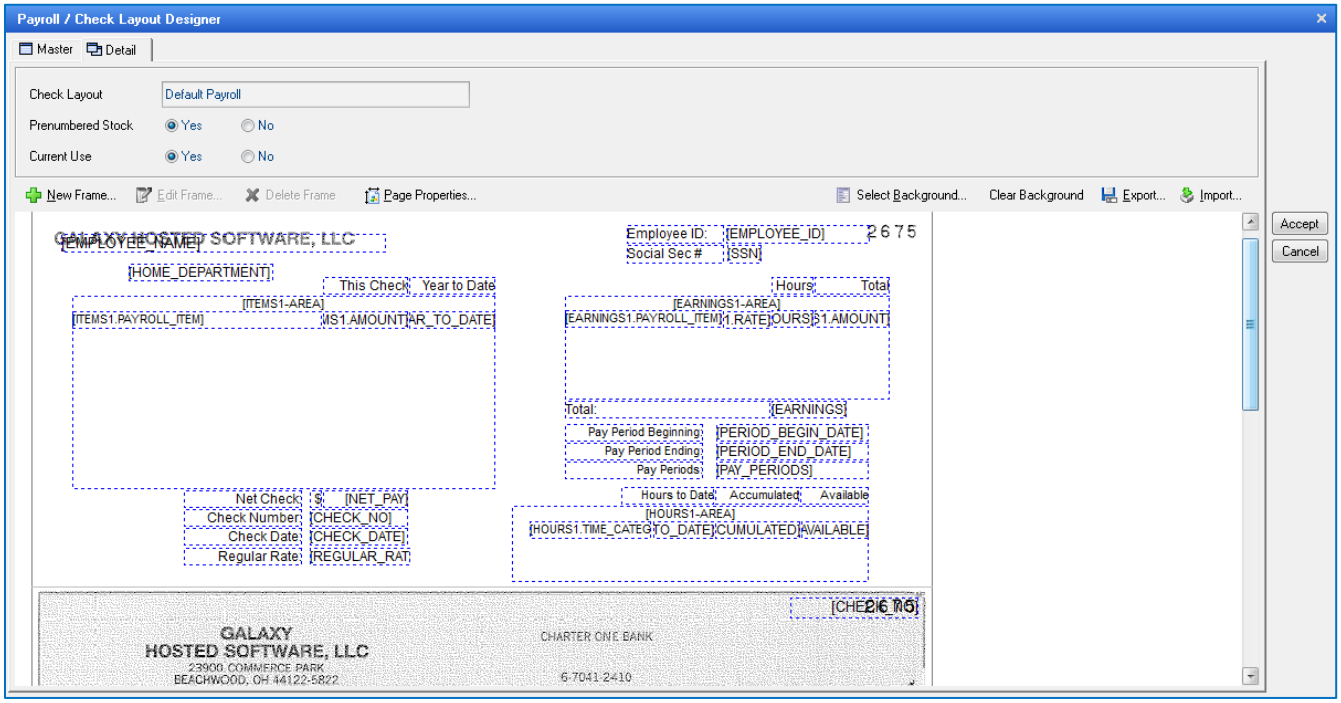


This option allows the user to group the individual departments into groups for report purposes. This is not required to be setup.

Check Layout:



Payroll Check Print Layout - This is where you will specify the layout of the Payroll check(s). You can have any number of check layouts associated with different bank accounts. Galaxy provides a standard check layout and then you can make any changes needed.



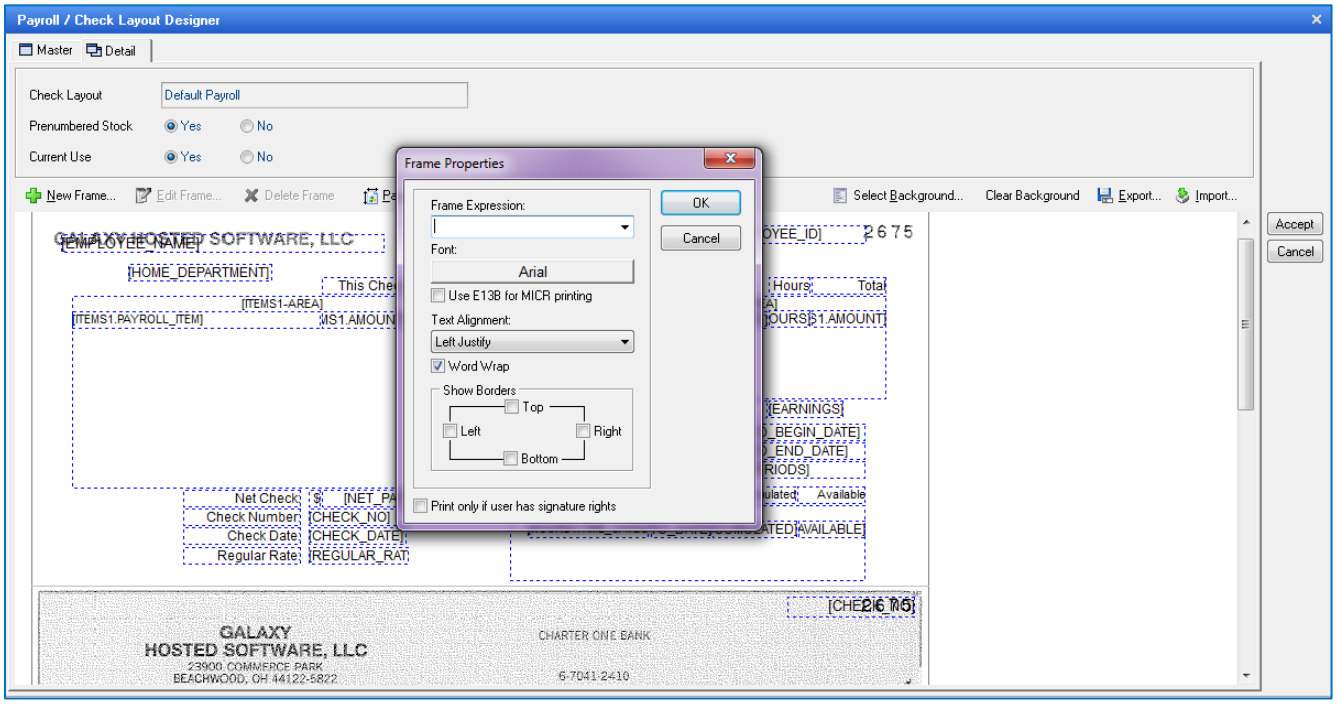
Payroll Check Print Layout Detail – this is the screen that can be used to custom design the layout of the check used by your facility for payroll. Here you will see the following fields:

Check Layout - enter the name of the Payroll check layout (*demo facility screen display – Default this is the Payroll check layout provide by Galaxy.)*

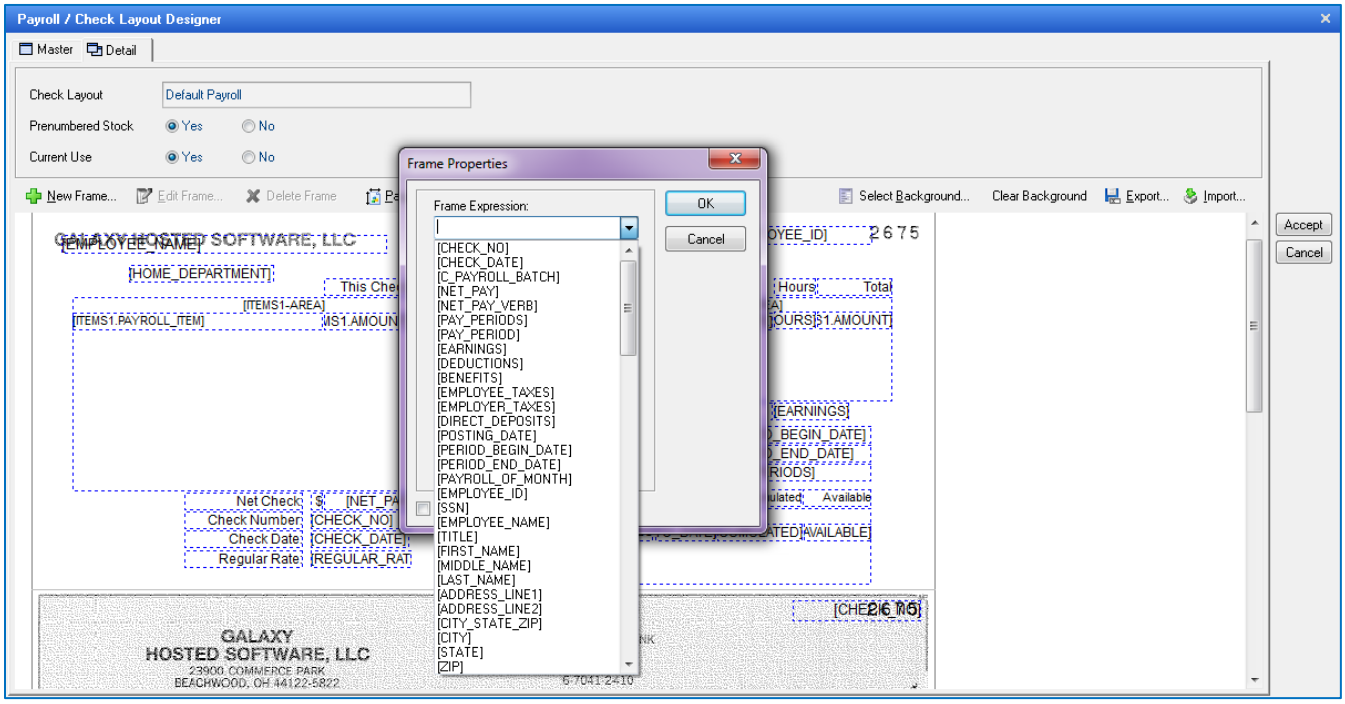
Prenumbered Stock – ***YES*** if the checks are pre-numbered ***NO*** if the checks are not pre-numbered

Current Use – ***YES*** if this check layout is currently being used ***NO*** if this check layout is not currently being used

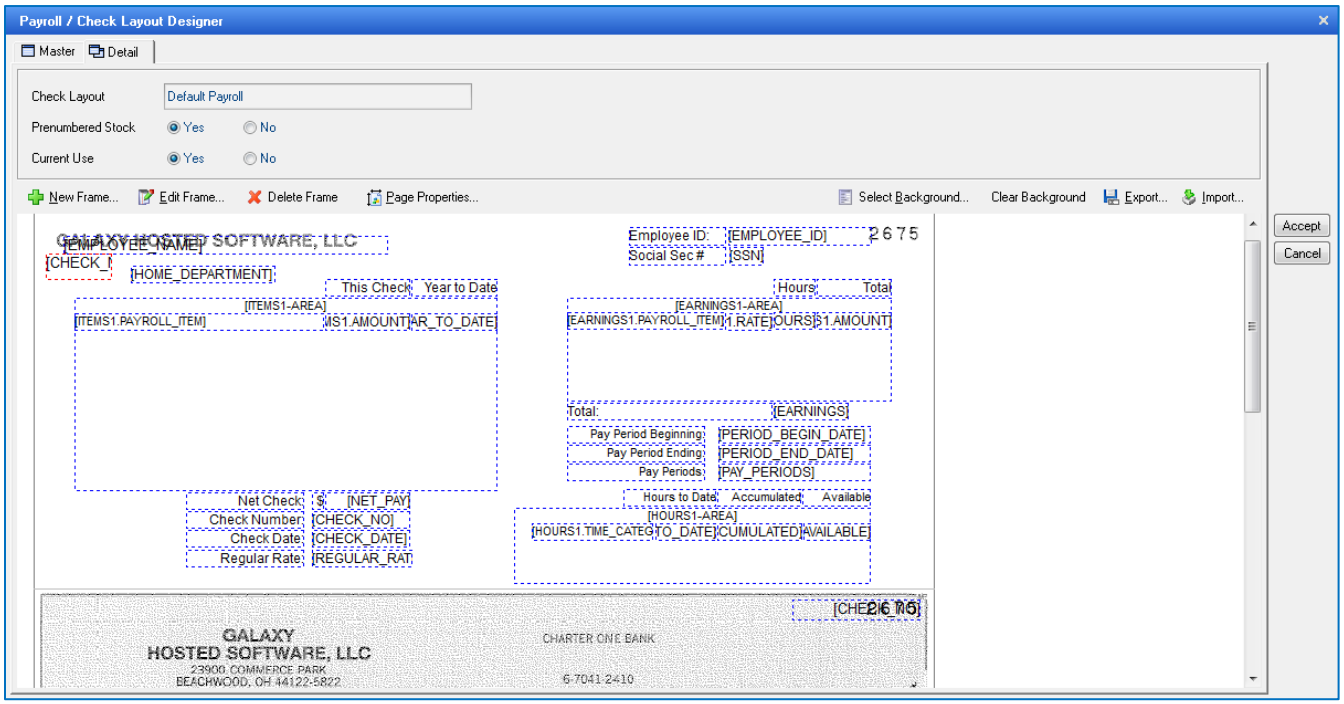
To design the check layout in the window box, click the New Frame button.



Click the arrow in the drop down box and the expressions that are stored in the Galaxy system will appear. You can select any expression and move it to the check layout window in the desired location.



NOTE: items in the frame expression box that have reference code STSB1 or STB2, must stay together on Stub 1 and Stub 2. The Galaxy system will not allow you to mix STB1 and STB2 together.

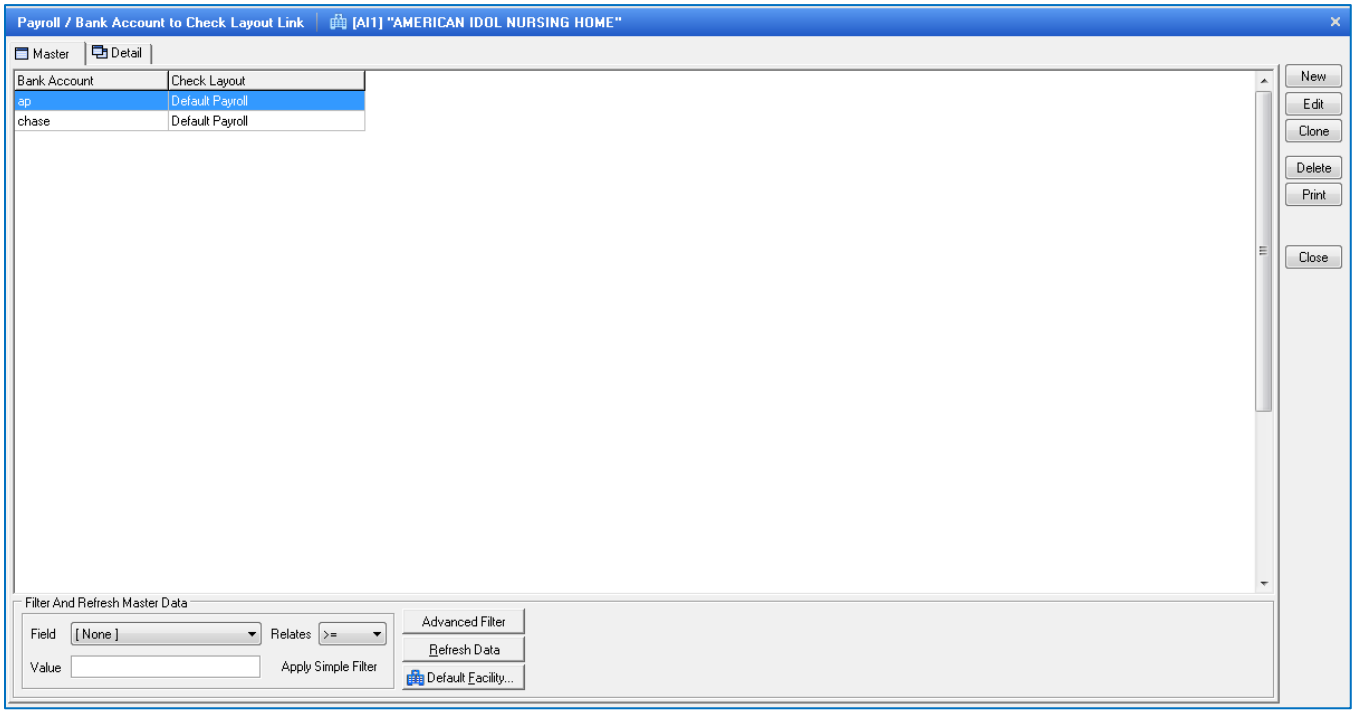


You can change any of the boxes length or width. When you click on the box you want to modify the box will be highlighted in red. All other boxes will be displayed in blue.

Click the **ACCEPT** button after you have added all the frame expressions you need for your payroll check and are happy with the layout.

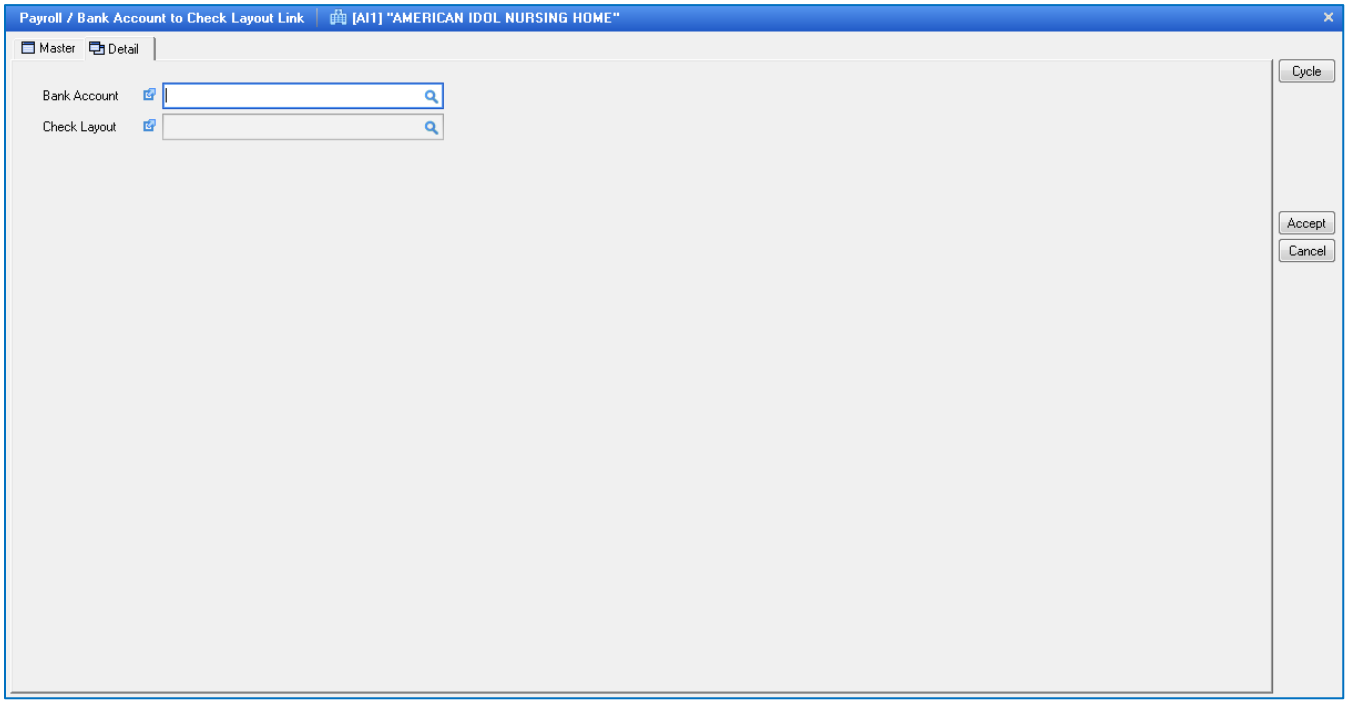
NOTE: After you have run your first payroll check you can return to this screen anytime to adjust, add, or modify the layout as needed.

Bank Account to Check Layout Link:



This is where you will need to link your Bank Account from Cash Management to the Check Layout.

To link a Bank Account to a Check Layout record, click the **NEW** button.



Bank Accounts Detail – this is the screen used to create the linked record between your bank account (in cash management module) to your check design (payroll module). Here you see the following fields:

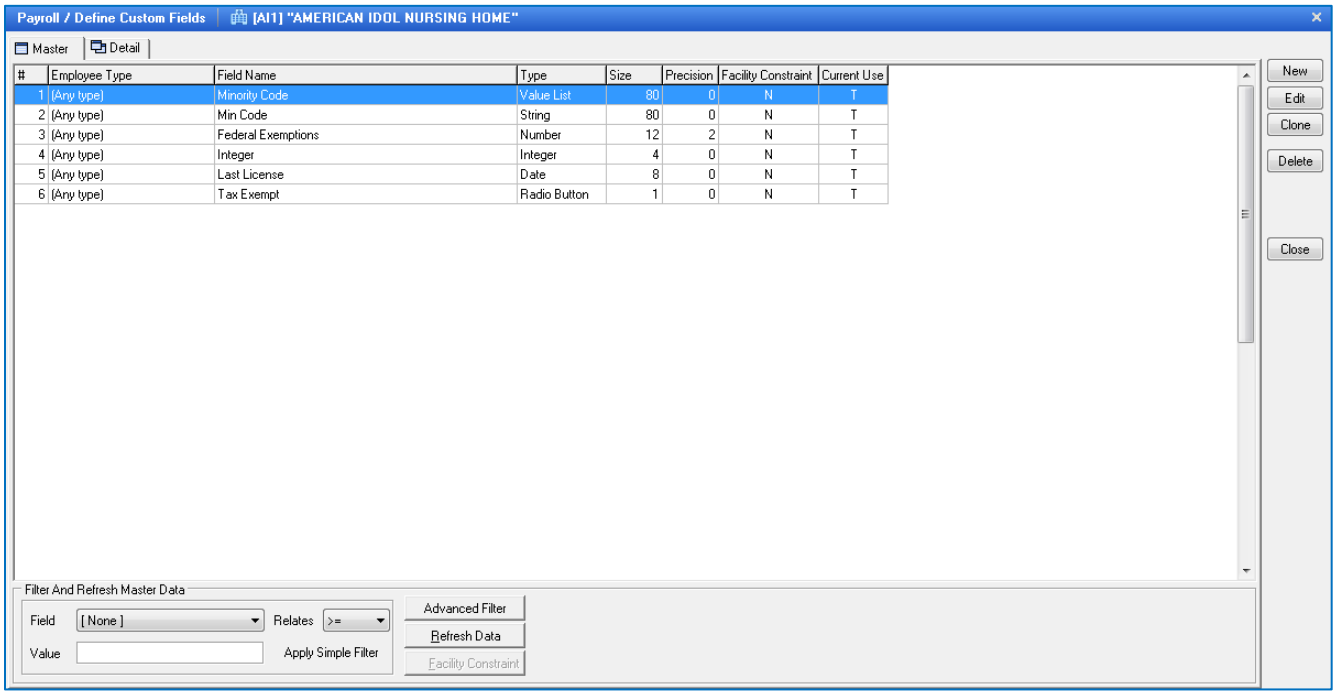
Bank Account – select the Bank Account to link to Check Layout from drop down

Check Layout – select the Check Layout to link to bank account from drop down box

Click the **ACCEPT** button after entering the information on the screen.

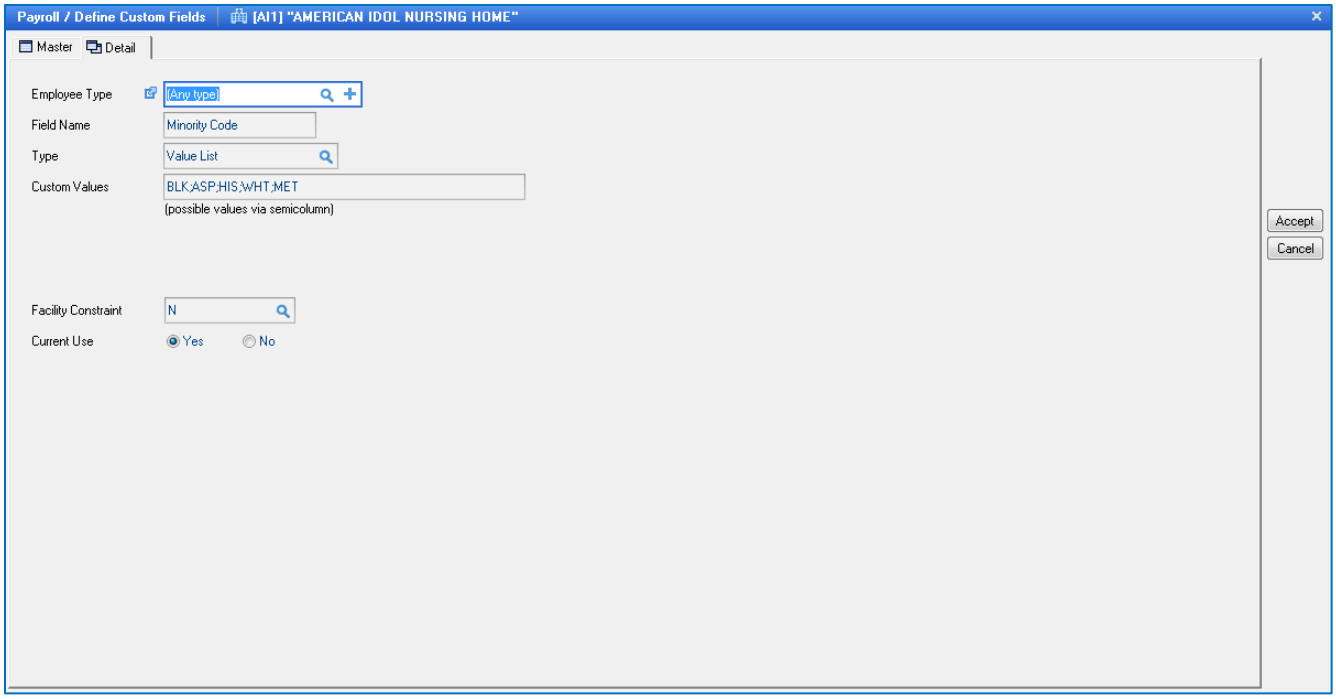
NOTE: if you do not see the bank account on the drop down menu, you will need to add the account from the Cash Management Module, Company File Maintenance, and Bank Accounts.

Define Custom Fields:



#	Employee Type	Field Name	Type	Size	Precision	Facility Constraint	Current Use
1	(Any type)	Minority Code	Value List	80	0	N	T
2	(Any type)	Min Code	String	80	0	N	T
3	(Any type)	Federal Exemptions	Number	12	2	N	T
4	(Any type)	Integer	Integer	4	0	N	T
5	(Any type)	Last License	Date	8	0	N	T
6	(Any type)	Tax Exempt	Radio Button	1	0	N	T

This is where you will create and define the custom fields for the Employee Master – Custom Fields tab. This would be used to track information that is currently not in Galaxy's master files. To create a new custom field, click the **NEW** button.



Custom Fields Detial – input screen to set up the custom fields that are used in the Employee Master. Here you see the following fields:

Employee Type – if you want this to apply to certain employee type or Any type – every employee will have this custom field in their employee master – default, click the magnifying glass for a selection of employee types (*demo facility screen display – Any type)*

Field Name – name you want field to be labeled (*demo facility screen display – Minority Code)*

Type – identify type of field, click the magnifying glass for a selection of types

S - String - any number of characters; additional field would appear on screen to enter the size of the string field
N – Number – any number including decimals
I – Ineteger – any whole number
D – Date – date field
R – Radio Button – Yes/No or True/False
L – Value List –gives you drop down list, you would have to identify all the possible options

Custom Values – enter the possible options that would appear in drop down list, when using Value List (*demo facility screen display – using Value List and the possible options are: BLK;ASP;HIS;WHT;MET)*

Facility Constraint – this is used when the company has multiple facilities

Current Use – ***YES*** if this custom field is currently being used or ***NO*** if this custom field is no longer being used