



# CONGREGATIONAL FINANCE LLC

*Financial management for faith communities*

## FFCRA QuickBooks Procedures

In your QuickBooks company file:

- Open the Payroll Item List: Lists – Payroll Item List
- In the bottom left of that window: Payroll Item - New

Create two new payroll items:

- For employee's paid leave, Custom Setup:
  - Addition
  - Name = National Paid Leave EE
    - Check box for Track Expenses by Job
  - Expense account = COVID-19 Expense (make it a subaccount of your general Payroll Expenses)
  - Tax Tracking Type = National Paid Leave-Emp
  - Keep taxes as QB suggests
  - Calculate based on quantity
  - Default rate = \$0 and limit = \$5,110
  - Finish
- For employer credit, Custom Setup:
  - Other Tax
  - Name = National Paid Leave Credit
  - Name of agency = IRS (identical to usual payee for federal tax deposits)
  - Liability account = Payroll Liabilities
  - Expense account = COVID-19 Expense
  - Keep taxable compensation as QB suggests
  - Finish

If an employee is out due to one of the six listed reasons,

- When entering their paycheck, in the Other Payroll Items window:
  - Item Name = National Paid Leave – Emp
  - Rate = the employee's hourly rate (calculate for salaried employee)
  - Quantity = number of hours
- Note that your Social Security Company and Social Security Employee will not match due to further benefits of the FFCRA.
- When calculating your next federal tax deposit, you may subtract the amount paid:
  - Enter this as a new line on the Payroll Liabilities tab of the Liability check:
    - Payroll Item = National Paid Leave Credit
    - Amount = total of employee paid leave and employer share of Medicare
- When filing IRS Form 941 for the quarter, you will see these amounts on a new Worksheet 1.

If you have further questions, please contact us at [web@congregationalfinance.com](mailto:web@congregationalfinance.com)