

Accruing Payroll at Month End

Objective: Accrue/Expense gross direct labor payroll for days worked in one month but paid the following month.

How to accrue payroll

If you are expensing payroll every pay period and want to accrue payroll at month end, follow these steps:

Go to the End of Month Reports

Obtain the base labor cost and overtime labor cost from Aspire as follows.

- In Aspire, bring up the *End of Month Report*.
- On *Labor* tab^a change date range to *Custom – Between*
- Change the date range^b to be the entire month for which the accrual will be
- The *Total Gross* on the *Labor* tab^c is the sum of *Base Labor Cost*^d and *Overtime Labor Cost*^e.

Account	Base Labor Cost	Base Labor Burden Cost	Overtime Labor Cost	Overtime Labor Burden Cost
Branch "Development" Expenses				
OVERHEAD	\$0.00	\$0.00	\$0.00	\$0.00
SNOW	\$0.00	\$0.00	\$0.00	\$0.00
MAINTENANCE	\$1,722.61	\$68.73	\$171.52	\$6.77
ENHANCEMENTS	\$2,576.48	\$102.49	\$245.03	\$9.68
VACATION	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$4,299.09	\$171.22	\$416.55	\$16.45
All Branches Expenses				
OVERHEAD	\$0.00	\$0.00	\$0.00	\$0.00
SNOW	\$0.00	\$0.00	\$0.00	\$0.00
MAINTENANCE	\$1,722.61	\$68.73	\$171.52	\$6.77
ENHANCEMENTS	\$2,576.48	\$102.49	\$245.03	\$9.68
VACATION	\$0.00	\$0.00	\$0.00	\$0.00
Totals	\$4,299.09	\$171.22	\$416.55	\$16.45

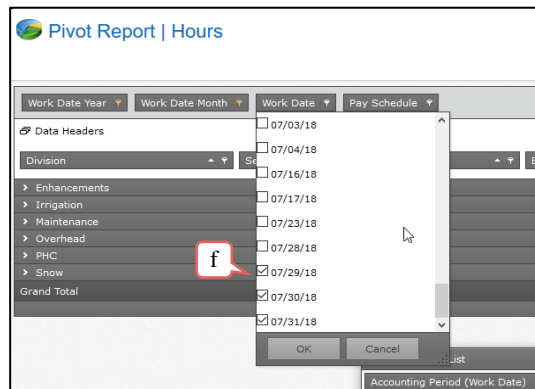
- Record and sum to be used later:
 Base Labor Cost: \$ _____
 Overtime Labor Cost: \$ _____
 TOTAL: \$ _____

Go to the Pivot Hours Report

- Create an *Hours Pivot Report* using the following:

Report Name	Payroll Pivot Report for Monthly Accrual
Location In Aspire	Hours Pivot
Filter Fields	Work Date Year (filter to <i>year</i>), Work Date Month (Filter to <i>month</i> ^b), Work Date, Pay Schedule
Data Display Fields	Base Cost, OT Premium, Total Labor Cost no Burden
Row Display Fields	Division, Service Name, Employee (Last, First)
Column Display Fields	NONE

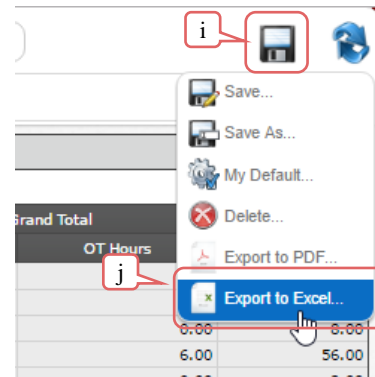
- OR use the *Pivot Hours* report that is being used to reconcile payroll every pay period as explained in the articles entitled [Payroll Reconciliation with QuickBooks](#) or [Payroll Reconciliation with Payroll Service](#) which can be found at the AspireCare Knowledge base.) Be sure to remove all filters except the correct Work Date year & Work Date month^b
- Compare the Cost^d and Overtime Labor Cost^e on the *Pivot Hours* report to the same information written above from the *End of Month Labor* tab (there may be a few dollars variance due to rounding)
- If they do not match, be sure all the filters have been removed as stated above. If the \$'s still do not match & there is no specific reason they are not matching, submit a ticket to Aspire Care.
- If they do match, filter the report to exclude any *Pay Schedule* or *Employee(s)* that do not need to be accrued.
- Next, figure out the dates for that month that need to be accrued
 Dates from _____ to _____
 (For e.g. – If the month for the accrual is July and the pay period 07/29-08/04 was paid in August, enter 07/29 to 07/31)
- At 'Work Date' Filter to the dates^f to accrue



- Make sure the *division*^g shows on the far left
- Click the arrow^h to the left of *Overhead* division to be able to see the detail for overhead if it is necessary to enter that detail into the accounting system



- The *Hours Pivot Report* that was created can now be used to create the journal entry into accounting system for the payroll accrual.
- Export this report to Excel by hovering over the *Save* iconⁱ and selecting the *Export to Excel* option^j.



- Open the exported file. This is the *Payroll Pivot for Monthly Accrual*.
- Use this exported report for the journal entry into accounting system for the monthly accrual.

	A	B	C	D	E	F
1			Grand Total			
2			Base Cost	OT Premium	Total Labor Cost No Burden	
3	Enhancements		\$5,686.66	\$17.55	\$5,704.21	
4	Maintenance		\$1,876.54	\$0.00	\$1,876.54	
5	Overhead					
6	Overhead	OH - Shop Time	\$178.37	\$89.06	\$267.43	
7		OH - Training	\$526.62	\$110.59	\$637.21	
8		OH - Vacation	\$280.00	\$140.00	\$420.00	
9	Overhead Total		\$984.99	\$339.65	\$1,324.64	
10	Snow		\$443.30	\$0.00	\$443.30	
11	Grand Total		\$8,991.48	\$357.20	\$9,348.68	
12						

- Date the journal entry the last of the month for the payroll accrual
- Debit the gross dollars from the *Transactions by Account* listed above
 - Direct Labor-Enhancements
 - Direct Labor-Maintenance
 - Direct Labor-Snow
 - Indirect Labor-Shop Time
 - Indirect Labor-Training
 - Indirect Labor- Vacation

ACCOUNT	DEBIT	CREDIT	MEMO	N	B...	CLASS
40000 - ENHANCEMENTS - COGS:40100 - Enhancem...	5,704.21		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Enhanc
43000 - MAINTENANCE - COGS:43100 - Direct Labor...	1,876.54		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Mainte
42000 - SNOW - COGS:42100 - Direct Labor-Snow	443.30		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Snow
50000 - INDIRECT OVERHEAD:50510 - Labor-Indirect ...	267.42		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Overhe
50000 - INDIRECT OVERHEAD:50520 - Labor-Indirect ...	637.21		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Overhe
50000 - INDIRECT OVERHEAD:50530 - Labor-Indirect ...	420.00		7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Overhe
24400 - ACCRUED PAYROLL HOLDING		9,348.68	7/29 thru 7/31 Accrued Payroll from Aspire			

- Credit the *Accrued Payroll Holding* account
- Save

It is necessary to add an additional journal entry dated the 1st of the following month to reverse the journal entry dated the last of the previous month. That journal entry needs to be reversed because the accrual only serves to move the few days of gross pay from one month to another.

ACCOUNT	DEBIT	CREDIT	MEMO	N	B...	CLASS
40000 - ENHANCEMENTS - COGS:40100 - Enhancem...		5,704.21	Reverse of GJE Accrued PR -- 7/29 thru 7/31 A...			NorthB:Enhanc
43000 - MAINTENANCE - COGS:43100 - Direct Labor...		1,876.54	7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Mainte
42000 - SNOW - COGS:42100 - Direct Labor-Snow		443.30	7/29 thru 7/31 Accrued Payroll from Aspire			NorthB:Snow
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