

W-2/1099 Year End Processing

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Tracking Priest Mileage

Various Ways to track priest mileage:

- Most important information that is needed is:
 - Date of travel; Where did they travel to; Business Purpose of the travel and how many miles. If the purpose of travel is confidential they do not have to put the name of the parishioner or person they went to see they just put “confidential meeting with parishioner.
 - Diocesan Priest Mileage Spreadsheet, paper calendar or phone app that can be downloaded to track the mileage as long as it includes the above information.
 - The mileage is for business purposes not personal purposes – cannot deduct personal vacation mileage or traveling home to visit family. Ect.
 - Timeliness – Mileage should be turned in monthly or at the very least every 60 days.

Example Mileage Logs from Priest

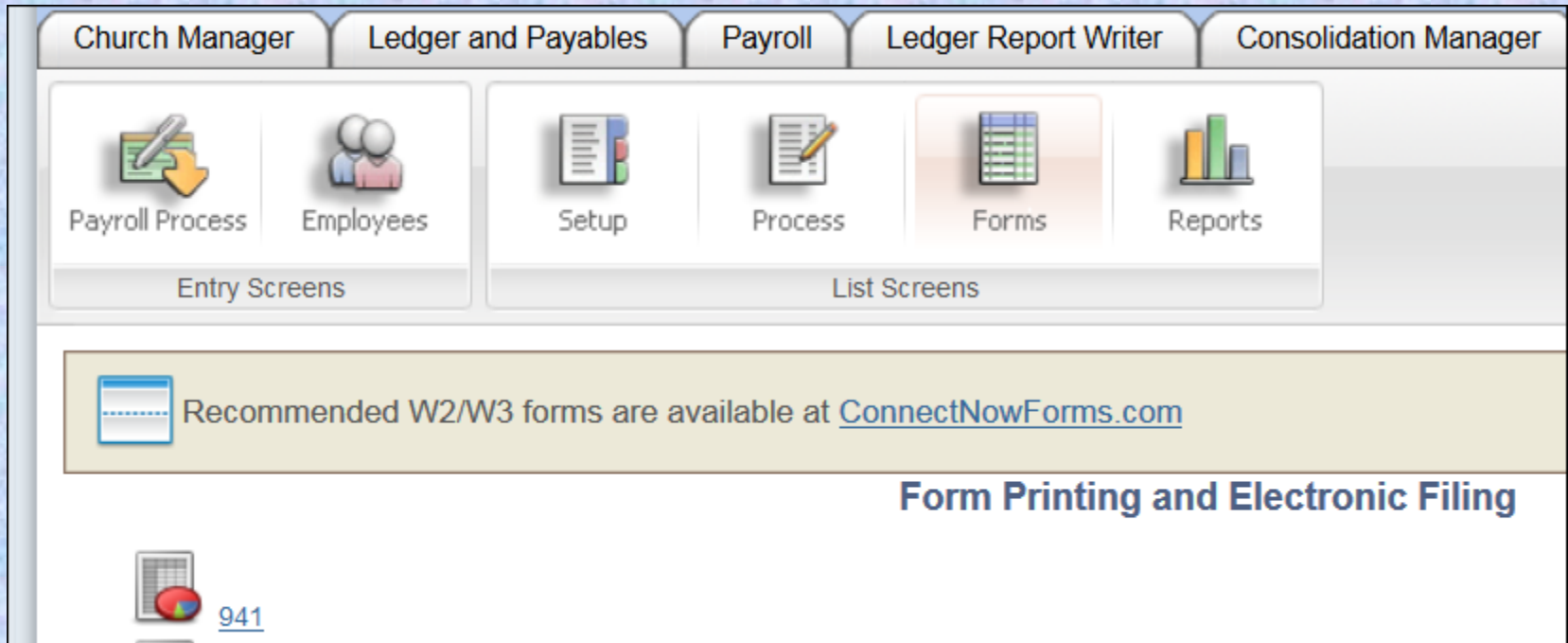
Date	Traveled to	Business Purpose	Mileage RT	0.545	Reimbursement
11/6/18	Parkston	Visitation	47	0.545	\$25.62
11/8/18	Plankinton	Priest Gathering	48	0.545	\$26.16
11/15/18	FireSteel	Visitation	4.9	0.545	\$2.67
11/15/18	Rural	Visitation	36	0.545	\$19.62
11/26/18	Sioux Falls	Hospital	156	0.545	\$85.02
11/27/18	Alexandria	Meeting	30	0.545	\$16.35
11/1/18	Hospital	Visitation	4.8	0.545	\$2.62

Monthly Detail-
Mileage rate
may change
from .545 but
to date the IRS
has not
released the
amount.

Mileage Calculation for Auto Allowance	
January	275
February	391.6
March	1068.6
April	185.1
May	352.8
June	608
July	254.6
August	353.8
September	1002.4
October	759.1
November	374.7
December	0
Total Business Mileage for the year	5625.7
Less: Mileage Included in Auto Allowance	12,000
Taxable Mileage for W2 Reporting	6,374
Total Auto Allowance	\$ 6,540.00
Calculated Amount for Taxable Miles	\$ 3,473.99
Amount needed to edit off of W-2/941	\$ 3,066.01

Yearly Summary

How to edit the 941



From the Payroll menu click “Forms” and then click “941”


941 Edit Screen

1 Number of Employees	1	<input type="text" value="0"/>
2 Wages, Tips, Other Comp	2	<input type="text" value="10204.05"/>
3 Income Tax Withheld	3	<input type="text" value="267.00"/>

Edit box 2 by the amount you will be deducting from the priest W-2. You may have done this through out the year so if that is the case you will follow your routine as you did with past 3 quarters. Be sure to submit and print the 941 as the edit will not remain if you find an error and need to reprint your 941 again. You will need to enter the edit again for it to show correct total. It is also a good idea to make a copy of your 941 after the priest signs and dates for your parish records and to have to reconcile at the end of the year.

Verify Employee W-2 Name matches SS card

- Social Security administration will be verifying that the names on the employee W-2 matches the social security card of the employee. There may be a \$100 fine involved for each employee that do not match..



The Social Security Administration (SSA) has announced that it is sending notices to businesses and employers who submit Form W-2 that contain name and social security number combinations that do not match the SSA records.

W-2 Setup in CN Accounting

- Payroll/Forms/W-2 Setup

W-2 Setup

Deductions/Benefits

#	Code	Type	Description	W-2 Box	W-2 Code
1	11	Deduction	Pre-tax Health Insurance Deduction	Box 12	DD
2	12	Benefit	Health Insurance Benefit	Box 12	DD
3	13	Deduction	Tax-Free Dental Insurance Deduction		
4	14	Benefit	Dental Insurance Benefit		
5	15	Deduction	403(b) Employee Deduction	Box 12	E
6	20	Benefit	Health Off Set		
7	21	Deduction	HSA Deduction	Box 12	W
8	22	Benefit	403(b) Employer Benefit		
9	23	Deduction	Dependent Care Flex	Box 10	

Pay Items

#	Description	Type	Print In W-2 Box 14	W-2 Box 14 Code
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- Be sure to hit submit to save your changes!

Edit the W-2

Payroll – Forms – Edit Employee's W-2 Information

Be sure Year is showing 2018 and Reprocess All at the bottom, do this BEFORE you edit any employees.

Click on the employee you want to edit.

2013

Employees

- [Akin, Shara](#)
- [Elliott, Denise](#)
- [Gonzalez, Marco](#)
- [Happiness, John](#)
- [Morris, Robert](#)
- [Pham, David](#)
- [Smith, Jody](#)
- [Thompson, Brandi](#)

MARCO GONZALEZ

a Social Security Nbr	506-65-1987		
b Employer EIN	46-0443398		
c Employer name, address, zip	ST TRAINING PARISH 123 ELM STREET LAKE WOBEGON MN 57103		
d Control number	3		
e Employee first name, initial, last name, suffix	MARCO Y GONZALEZ RE 952 SAINT HILL MITCHELL SD 57415		
1 Wages, tips, other comp	8786.58	2 Federal tax withheld 400.00	
3 Social security wages		4 Social security tax withheld	
5 Medicare wages		6 Medicare tax withheld	
7 Social security tips		8 Allocated tips	
9 Advance EIC		10 Dependent care	
11 Nonqualified plans		12	
13			
14 Other			

If you have employees that took the High Deductible plan you will need to **verify your totals with the HR office**, in Box 12 W.

On the **priest W-2** you will want to be sure to **mark retirement in middle box 13** and if the **High Deductible plan was taken totals for 12W** are obtained from the HR office prior to giving out the W-2.

Edits to the W-2 Continued

Remember that the priest health insurance was different during this calendar year.

Jan – June - \$870/per month

July – December - \$900/per month

This will affect you for priest moves – if you had a priest from Jan-June you would want to use \$870 for 6 months, see below, and document on W-2. If you had a priest come in July then it would be 900 for 6 months, see below and document on W-2.

If priest is there for all 12 months you would want to use both amounts. $870*6 = \$5,220$ and $900*6 = \$5,400$ so total is \$10,620.00. Code for this is DD.

Run W-2 Review Report

Forms/W-2s/W3 report – Be sure the calendar year is 2018

1. Select W-2 Review Report
2. Verify on W-2 that box 1, box 3 and box 5 are the same amount. If box 1 is less than 3 & 5 you should have the same dollar amount that it is off in box 12E. If you don't... **STOP** and call or double check your W-2 setup.

Spreadsheet of reconciliation

Name	Box 1(FIT Wages)	Box 2 (FIT W/H)	Box 3 (SS Wages)	Box 4 (SS W/H)	Box 5 (Medicare Wag	Box 6 (Medicare W/H)
Person 1	\$ 2,238.28	\$ 145.00	\$ 2,238.28	\$ 138.77	\$ 2,238.28	\$ 32.46
Person 2	\$ 6,108.28	\$ 100.00	\$ 6,108.28	\$ 378.71	\$ 6,108.28	\$ 88.57
Person 3	\$ 8,786.58	\$ 400.00	\$ -	\$ -	\$ -	\$ -
Person 4	\$ 982.00	\$ -	\$ 982.00	\$ 60.88	\$ 982.00	\$ 14.24
Person 5	\$ 2,210.50	\$ 193.00	\$ 2,210.50	\$ 137.05	\$ 2,210.50	\$ 32.05
Person 6	\$ 4,703.81	\$ 120.00	\$ 4,778.81	\$ 296.29	\$ 4,778.81	\$ 69.29
Person 7	\$ 916.78	\$ -	\$ 933.28	\$ 57.86	\$ 933.28	\$ 13.53
Person 8	\$ 990.00	\$ -	\$ 990.00	\$ 61.38	\$ 990.00	\$ 14.36
Person 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Person 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 26,936.23	\$ 958.00	\$ 18,241.15	\$ 1,130.95	\$ 18,241.15	\$ 264.50
Emp Share			\$ 18,241.15	\$ 1,130.95	\$ 18,241.15	\$ 264.50
	\$ 26,936.23	\$ 958.00	\$ 18,241.15	\$ 2,261.90	\$ 18,241.15	\$ 528.99
941's	Box 2	Box 3	Box 5a (column 1)	Box 5a (column 2)	Box 5c (column 1)	Box 5c (column 2)
1st Quarter	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2nd Quarter	\$ 13,793.51	\$ 627.00	\$ 10,236.81	\$ 1,269.36	\$ 10,236.81	\$ 296.87
3rd Quarter	\$ 11,261.30	\$ 331.00	\$ 7,679.50	\$ 952.26	\$ 7,679.50	\$ 222.71
4th Quarter	\$ 1,881.42	\$ -	\$ 324.84	\$ 40.28	\$ 324.84	\$ 9.42
	\$ 26,936.23	\$ 958.00	\$ 18,241.15	\$ 2,261.90	\$ 18,241.15	\$ 529.00

What to look for in reconciliation

- After you edit be sure that the 4 quarters of the 941's balance with your W-3.
- The W-2's should balance with the W-3.
- If box 1 is different from box 3 and box 5. Verify the W-2 review for the difference in box 12E.
- Spreadsheet above will do this for you as well


Do Not send your W-2's out

- Until you have verified and reconciled all of your W-2's with your W-3 and 941's.
- Once the above has been done, **please hold the IRS copy of the W-2's until January 28th** as they need to be postmarked by January 31st to Social Security Administration. **If you find a problem it will be easier to correct if you have not sent them in.**
- Your 941 for 4th quarter needs to be postmarked by January 31st so similar to above, **if you find a problem it will be easier to correct if you have not sent the 941 in.**

1099 Processing

- Any Vendor who has provided a service (with or without a product) and is not incorporated needs to have a 1099. Anyone that just provides a product without a service does not need a 1099.
- Run the vendor basic list for amounts paid to vendors, paying close attention to vendors paid over 600 dollars. Then run the vendor audit, checking the 1099 box, and this will bring up all vendors that are marked as a 1099.
- Once you verify list then you can go in and run the 1099's for recipients to plain paper or on forms.

1099 vendors report

 **Vendors > Vendor Audit :: Configure Report**

Date Range

Last Month Last Quarter Fiscal Year to Date Next Fiscal Year Start Date: End Date:

This Month This Quarter Last Fiscal Year Custom Date Range Specified

Next Month Next Quarter Last Fiscal Year to Date

Vendor

1st CHOICE SEWER & SEPTIC CO.
1ST PREMIER BANK
ABC LOCK & KEY
ADOLESCENT FAITH FORMATION OFFICE
AFFORDABLE APPLIANCE REPAIR
Alan Zaug

**** Vendor Type**


Business
Employee
Non Profit

**** Report Options**

Print Transaction Comments Include Only 1099 Transactions

Notice that **custom date range for calendar year** and **Include only 1099 trans** checked

Printing 1099

 **Vendors > 1099 - Misc :: Configure Report**

Calendar Year _____
Calendar Year: 2015

Vendor _____
1st CHOICE SEWER & SEPTIC CO. X
1ST PREMIER BANK
ABC LOCK & KEY
ADOLESCENT FAITH FORMATION OFFICE
AFFORDABLE APPLIANCE REPAIR
Alan Zaug

**** Vendor Type** _____
Business X
Employee
Non Profit

**** Form Name** _____
 1099 4-Up Blank Paper
 1099 2-Up Preprinted
 1096 Preprinted

You may print out the 1099 4-up to blank paper to send to the recipient and to keep a copy at the parish. **The forms that need to go to the Social Security Administration have to be printed on the RED FORM as well as the red form 1096.**

Setup for January Payroll

- Change health and dental amounts before the first payroll in January
- Add “Employer HSA” benefit and follow schedule provided by Twila for amounts.
- Change the mileage rate for Father – please watch the forum for the change in mileage rate. As of the date of this class the IRS has not released it yet.

Health/Dental Changes 2019

Traditional Health	
Single	\$ 722.00
Employee/Child	\$ 1,685.00
Family	\$ 1,884.00
HDHP Health	
Single	\$ 574.00
Employee/Child	\$ 1,338.00
Family	\$ 1,508.00
Bronze Plan	
Single	\$ 457.00
Employee/Child	\$ 1,065.00
Family	\$ 1,180.00
Dental	
Single	\$ 52.30
Family	\$ 134.14

LTD	
0-2000	\$ 7.00
2000-3000	\$ 9.00
3000-5000	\$ 15.00
5000 and up	\$ 20.00
Life	
10000	\$ 1.61
25000	\$ 4.03
35000	\$ 5.64
50000	\$ 8.05
Dependent Life	\$ 0.58
Spouce Life	\$ 0.58

2019 Employer HSA Contributions


- **Single HDHP Plan – Employer HSA Contribution**
- Eligible on or before January 1, 2019
- Employer HSA Contribution: \$62.50

- **Employee + Child HDHP Plan – Employer HSA Contribution**
- Eligible on or before January 1, 2019
- January Employer HSA Contribution: \$125.00

- **Family HDHP Plan – Employer HSA Contribution**
- Eligible on or before January 1, 2019
- January Employer HSA Contribution: \$125.00

To change the mileage/ins amount




General Emp/Cust Tax Data **Pay Data** Ded/Ben Accums Personal Direct Deposit Paychecks

[Watch Help Video!](#) 

Pay Group:

Hourly Salary

Full-Time Part-Time

#	Pay Description	Hours / Units	Rate	Pay Period Amount	Annual Amount	Account	Use Dist
 1	Mileage: Taxable <input type="text" value=""/>			540.00	6480.00	5140: Priest Transportation E- <input type="text" value=""/>	<input type="checkbox"/>
 2	Priest: Taxable <input type="text" value=""/>			1740.00	20880.00	5111: Parish Clergy Salaries E- <input type="text" value=""/>	<input type="checkbox"/>
 3	<input type="text" value=""/>					<input type="text" value=""/>	<input type="checkbox"/>
Total:				2,280.00	27,360.00		

Payroll/Employees/click go on priest/pay data tab/change amount in pay period. Be sure to hit submit for changes. Mileage for 2019 is 00 cents per mile or 0.00 per month. The new amount will be in the forum for January.

Change Amounts for Health/Dental

General		Emp/Cust		Tax Data		Pay Data		Ded/Ben		Accums		Personal		Direct Deposit		Paychecks	
Watch Help Video!																	
	#	Deduction/Benefit Description			Amount	Percent	Limit	2015	2014								
✘	1	15 Deduction: Dental Ins Single			24.40	0.00	999999.99	253.92	251.59								
✘	2	16 Benefit: Parish Dental Ins Single			24.40	0.00	999999.99	253.92	251.59								
✘	3	19 Benefit: Retirement			0.00	3.00	999999.99	652.50	616.02								
Total:					48.80	3.00	2,999,999.97										
More Lines																	
<input type="button" value="Submit"/> <input type="button" value="Delete"/>																	

To change amounts you will need to go to the employee file and click on Ded/Ben tab. Find the deduction and benefit you want to change and change the amount to the new amount as of January 1st. Be sure to submit to save your changes. As an extra check be sure to verify the amounts on Who's Where to be sure all is complete.

Report to help with Verifying Deduction/Benefit amounts are correct.

- Once you have entered the new amounts in and calculated payroll you can run this report.

Deductions/Benefits Accumulations

	<u>Month</u>
13 - Group Term Life Ins. - Benefit	
Johnson, Daniel L	4.03
Peters, Kenneth C	4.03
Weaver, Micayla M	0.00
Krause, Dale B	2.82
	<hr/> 10.88
14 - Long Term Disability - Benefit	
Johnson, Daniel L	7.50
Peters, Kenneth C	7.50
Weaver, Micayla M	0.00
Krause, Dale B	4.50
	<hr/> 19.50

15 - Health Plan Benefit - Benefit	
Weaver, Micayla M	0.00
	<hr/> 0.00
16 - Tax-Free Health Insurance Deduction	
Weaver, Micayla M	0.00
	<hr/> 0.00
17 - Dental Benefit - Benefit	
Weaver, Micayla M	0.00
	<hr/> 0.00

Report Totals:

 30.38

The Report total will be what your WW bill amount is

Benefit – Standard Wording Setup

- Payroll – Setup tab/Deduction Benefit List

Add a New Deduction/Benefit From Template

Select

Benefit

Health Care Benefit

Health care cost provided to employees by the employer as a benefit. Including integrated dental or vision plans.

- The system will assign the next benefit number available for you. Or you may use the offset benefit if you have employees on HSA.
- Click Edit

Edit

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Benefit

Health Care Benefit

Other

No Effect

Benefit – Standard Wording

Description of Deduction / Benefit

[Watch Help Video!](#) 

Description:

Deduction or Benefit

Deductions are withheld from employee's check and accumulated in a liability account for payment. Benefits are calculated amounts the employer pays on behalf of the employee. Benefit amounts are accumulated in a liability for payment and are automatically expensed.

Type:

Code Number

Use a code number 11 or higher.

Code Number:

Be sure to use standard wording of “Employer HSA “ or call and I can help you setup.

Employer Contribution for HSA

- Use this standard contribution benefit for every employee who is taking the high deductible plan.
- The amount will be assessed on a monthly basis. Family or Employee + Child will be 125.00/month. Single will be \$62.50/month.

Questions



Remuneration updates/reminders

- It is best to **not have a parish debit card**. Security concerns are growing daily and since a debit card is accessible directly into the checking account we strongly advise against it. If a debit card is used all itemized receipts need to be turned in by the priest or employee as soon as possible. If the receipt is not turned in it is subject to being added to their income on their W2 at the end of the year.
- If a parish has a credit card that is used all itemized receipts need to be turned in or the expense needs to be reimbursed by the priest or employee or is subject to being added to their income on their W2 at the end of the year.
- Reminder of changes in recent years:
 - Meals should not exceed \$450.00 per month.
 - Reimbursable cell phone plan expenses should not exceed \$80.00/month.
 - Continuing Ed expenses up to \$1,300.00 and Annual Retreat up to \$650.00, inclusive of all expenses associated with it.
- Reminder, as always, these are guidelines that should be followed but if you or your priest have questions about them please refer back to the priest remuneration schedule that is published by the Bishop's Office, any questions can be referred to Matt Althoff.