Step 1. Before You Get Started

***IMPORTANT

Use the steps in this checklist to close the current payroll year.

- You must complete the following steps in order.

- You must have installed the latest Connect update. The
update includes changes to Form W-2 that are mandated by the IRS.

- You should plan on printing W-2s as soon as possible.

- DO NOT load new tax information until you complete the Payroll Year-end Steps.

Close the last payroll of the year

- Complete the steps to close the final payroll to be paid in December BEFORE you begin the Payroll Year-end
Steps.

Print quarterly reports for the 4th quarter

- Include the quarterly reports for your state.

Step 2. Verify Pay Code Information

A. Verify Pay Code Rates and Limits

- Check the maximum wage limit on the Employee tab and Employer tab for the following pay codes: Social
Security, Medicare, and any pay code with a maximum wage limit.

B. Run Checkout

- Correct all errors reported on the Checkout error report before you continue to the next step.

C. Verify IDs for Federal and State Pay Codes

- Look up pay code 76-00 [FWT] and 77-00 [SWT]. Verify the ID numbers.

D. Review the Subject To Pay Codes

- Verify the pay codes and percentages on the Used In Calculations tab on each pay code.

- Pay codes that are included in the used in calculations list are pay codes that use
the selected pay code to calculate an amount for an employee check or employer benefit. When the pay code is a
gross, fringe benefit, or expense type pay code, the used in calculations list will show the pay codes the pay code
amount is subject to. When the pay code is a deduction or retirement type pay code, the used in calculations list
will show the pay codes the pay code amount is exempt from.

- Remember, deduction type pay codes reduce the wages reported in Boxes 1, 3, 5, and 16 on the W-2.

E. Verify W-2 Box 10, 11, 12, and 14 Settings

- Navigate to the W-2/1099 tab to fill in Box 10, 11, 12, and 14. The IRS requires you to report specific information
in Box 10, 11, 12, and 14. If you need assistance filling in these boxes, contact your auditor or the IRS to determine
if you have amounts that should be reported.

***CASELLE SUPPORT STAFF ARE NOT TAX EXPERTS

Caselle's customer support team can help you find the right field in the application to enter Box 10, 11, 12, and 14
on the W-2 form, but they cannot tell you what to fill in. If you need help, you can contact your auditor or refer to the

IRS website.													
Step 3. Verify Year-to-Date Information													
A. Verify the GL Updates for the Calendar Year - This step verifies that duplicate transactions have not been posted to the PC, PB, and CDP journals in the general ledger.													
B. Print Payroll History for the Calendar Year - Select the Payroll History by Calendar Year report. Use the printed report to check if the totals in the Range column on the left match the totals in the Year-to-Date column on the right.													
C. Print Annual 941 Report for the Calendar Year - Change the report date range to select 1/1/YYYY to 12/31/YYYY. You'll need this report to match the W-3 amounts.													
D. Print the Employee Tax Summary - Use this report to balance taxable wages.													
E. Verify Reports - Verify employee information on the Employee History report. - Verify taxable wages on the Employee Tax Summary and Annual 941 reports.													
F. Print Additional Annual Reports - This step is optional. You can set up the Pay Code Transaction report to print annual reports for the entire calendar year.													
Step 4. Verify Employee Information													
A. Review the Employee Settings - Use the Wage tab to verify the Subject To information. - Use the Job tab to verify the Include on W-2 Form options. Check the Statutory, Retirement Plan, and Third Party Sick Pay checkboxes.													
B. Run Employee Checkout Again - Make sure you have corrected all of the errors on the Checkout report before you continue to the next step.													
Step 5. Verify Leave Time Information													
A. Print the Leave Report - Verify leave time balances for each employee.													
B. Verify Carryover Limit in Leave Tables													

- Complete this step if your organization's leave policy allows employees to carry leave hours accrued during the current payroll year to the new payroll year. - Review the properties assigned to the leave rates.											
C. Run Adjust Carryover Hours - Run this routine to adjust the total leave hours on an employee to the carryover hours allowed by the leave rates.											
Step 6. Print W-2s											
A. Back Up the Current Year's Payroll Data											
B. Convert Year-End Tax Information - Verify the year (YYYY) is the tax year that you want to use to print W-2s.											
C. Check the Conversion Printout - Compare the Conversion Printout against the Payroll History report and Employee Tax Summary report. Verify the same amounts appear on both reports for each employee.											
D. Verify the Organization's W-2 Information											
E. Run Checkout W-2 Employees - Check W-2 employees and 1099 recipients in the tax year for errors. - Correct all errors on the Checkout report before you continue to the next step.											
F. Print Sample W-2s to Scratch Paper - Review and verify the items in each box on the W-2 form.											
G. Enter Corrections in the Payroll System - If you need to correct amounts, you'll need to use Connect Payroll to enter the correct amount. Next, run Convert Year-End Tax Information again to import the updated payroll information into the W-2 & 1099 Reporting application (see Step 6B).											
*** SEE NOTES - If you are not printing W-2s at this time, skip to Step 7.											
H. Print Actual W-2s											
I. Create the Electronic W-2 File - Complete this step if you use ACCUWAGE on the IRS website to report W-2s to the IRS. - Fill in the form, select the correct year, and then click GO.											
Step 7. Finishing Up											
A. Close Year-End											

- Run this routine to close the current payroll year.

B. Update Federal Tax Rates

- Update the maximum wage limit and percentage for the new payroll year on the Social Security pay code and then download the Federal tax rates for the new payroll year.

B1. Update Social Security Wage Limit

- Update the Social Security percentage and maximum wage limit on the employee portion and employer portion of the Social Security pay code.

B2. Load New Federal Withholding Tax Rates

- Download the federal calculations, federal calculation formulas, and federal calculation tables for the new payroll year.

C. Update State Tax Rates

- Update the state withholding tax rates. Skip this step if the new payroll year will use the same state withholding tax rates as the prior payroll year.

***CONGRATULATIONS!

You're ready for the first payroll of the new payroll year.