2024 Payroll Year-end Checklist - Quick Start

This section is for those of you who have completed the year-end steps checklist before or for those of you who want a really short summary of the steps that your about to complete. If you open the PDF on your computer, you'll find a short paragraph or two to explain each step. If you need additional instructions, there's a link in each section that will take you to more detailed instructions.

What if this is my first time closing the payroll year?

Follow the instructions in the Payroll Year-end Checklist and watch the Payroll Year-end Webinar. The easiest way to follow the instructions is to use a second monitor to display the Payroll help project and use your primary monitor to run Connect Payroll.

> **What if I need additional assistance?** Contact customer support at (800) 228-9851 to request one on one assistance.

Step 1. Before You Get Started

Before you begin the Payroll Year-end Checklist, you will need to close the last payroll of the year, install the latest Connect release, install the latest Payroll Year-end Checklist XML, and print quarterly reports for the fourth quarter.

[More]

1a. Close the last payroll of the year.

1b. Install the latest version of Connect. You should be running Connect 2024.11.141 or later. [System Management > Installation > Install Program Updates | More]

1c. Print quarterly reports for the 4th quarter. [Payroll Reports menu, see also your *Each Pay Period* checklist | More]

1d. Install the Payroll Year-end Checklist XML. [XML | More]

Step 2. Verify the Pay Code Information

Carefully review the information stored in the Pay Codes table. Run Checkout to search the Payroll database for errors and make corrections. Verify the ID numbers on federal and state pay codes. Review the subject to pay codes. Last, verify the W-2 box 10, 11, 12, and 14 settings.

[More]

2a. Verify pay code rates and limits. [Connect Payroll > Organization > Pay Codes | More]

2b. Verify ID numbers for federal and state pay codes. [Payroll Organization > Pay Codes | More]

2c. Review the *subject to* pay codes. [Payroll Reports > Pay Code List | More]

2d. Verify W-2 Box 10, 11, 12, and 14 settings. [Payroll Reports > Pay Code List | More]

2e. Run checkout. [Connect Payroll > Employees > Checkout | More]

Step 3. Verify Year-to-Date Information

Review payroll transactions for the calendar year. Print and review the following reports for the calendar year: Payroll History Report, Annual 941 Report, and Employee Tax Summary Report. Verify the totals and then print any annual reports that need to be printed for your organization.

[More]

3a. Verify the general ledger updates for the calendar year. [Connect General Ledger > Journal Inquiry | More]

3b. Print payroll history for the calendar year. [Connect Payroll > Reports > Payroll History Report | More]

3c. Print the annual 941 report for the calendar year. [Connect Payroll > Reports > 941 Report | More]

3d Print employee tax summary for the calendar year. [Connect Payroll > Reports > Employee Tax Summary | More]

3e. Verify reports. [Steps 3b, 3c, and 3d | More]

3f. Print additional annual reports for the calendar year. (Optional) [More]

Step 4. Verify Employee Information

Review the following options for each employee record: Social Security number; employee pay codes, and employee options for the W-2 Form. When you finish reviewing employee records, run Employee Checkout to search for errors and make corrections.

[More]

4a. Review the employee settings. [Connect Payroll > Employees > Modify Existing Employees | More]

4b. Run employee checkout again. [Connect Payroll > Employees > Checkout | More]

Step 5. Verify Leave Time Information

You need to verify leave time information if your organization uses carryover limits that limit the number of leave hours an employee can carry into next year. Start by printing the Leave Report to verify the carryover limit by leave rate. If everything looks good, adjust carryover hours and then print the Leave Report again to verify new leave balances.

> **Reminder**: If you are adjusting leave for the calendar year, run the Adjust Carryover routine in the pay period that includes 12/31/YYYY.

[More]

5a. Print the leave report. [Connect Payroll > Reports > Leave Report | More]

5b. Verify carryover limit in the leave rates. [Connect Payroll > Organization > Leave Rates | More]

5c. Run adjust carryover hours. [Connect Payroll > Employees > Adjust Leave Carryover Hours | More]

5d. Verify new leave balances. [Connect Payroll > Reports > Leave Report | More]

Step 6. Print W-2s

Back up the changes that you have made to the Payroll database and then convert the Payroll information so to include it in the Government Reporting application. Verify the converted information in the Government Reporting application is correct. If you find any errors, you will need to correct them in the Payroll application and Government Reporting application. When the converted information is ready, print the W-2s and then create the electronic W-2 file.

[More]

6a. Back up the current year's payroll data. [Connect System Management > System Tools > Send Databases | More]

6b. Convert year-end tax information. [Connect Payroll > Government Reporting > Convert Year End Tax Information | More]

6c. Check the conversion printout. [More]

6d. Verify the organization's W-2 information. [Connect Government Reporting > Organization | More]

6e. Run checkout W-2. [Connect Government Reporting > Checkout W-2 Employees | More]

6f. Print sample W-2s to scratch paper. [Connect Government Reporting > W-2s/W-3s | More]

6g. Enter corrections in the payroll system. [More]

6h. Print actual W-2s. [Connect Government Reporting > W-2s/W-3s | More]

6i. Create the electronic W-2 file. [Connect Government Reporting > Create Electronic W-2 | More]

6j. Upload electronic W-2 file (New) [ssa.gov/bso | More]

Step 7. Finishing Up

Do not begin step 7 until you have printed all payroll reports for the tax year and you have updated all transactions for the tax year to the General Ledger application. Step 7 updates the new federal and state state rates so the Payroll application is ready for the new year.

[More]

7a. Close the payroll year. [Connect Payroll > Organization > Close Year-end | More]

7b. Update new federal and state tax rates. [Connect Payroll > Organization > Pay Codes | More]

7c. Update social security tax pay code. [Connect Payroll > Organization > Pay Codes | More]

Other Resources

Box 12 Codes List

IRS Tax Forms Reference Sheet

Payroll Year-end FAQs

More

202411, 2024Dec17