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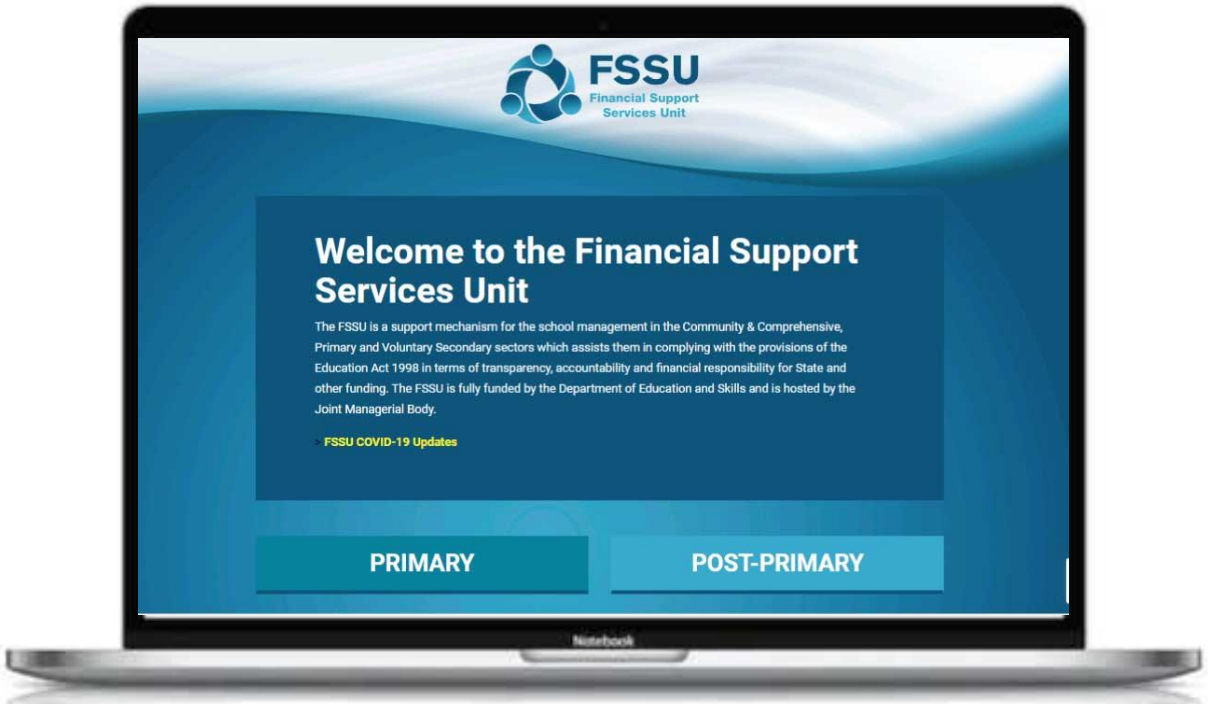

Sage 50 Webinar Training Video

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BOM Income & Expenditure Report

- Focus on Payroll costs

Presenter: Breda Murphy

AGENDA

- BOM Income & Expenditure Report

Focus on recording Payroll costs accurately in Sage 50

- Analysing Payroll costs for updating Sage 50
- The Payroll Journal & Monitoring the balance on the Payroll Control Accounts

BOM Reporting requirements (including the Gross to Net Payroll report since last Board meeting)

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Payroll Costs – Significant School Expenditure item

			Period	Budget	Var	Prior Year
Expenditure						to Aug 21
Education Salaries						
	4150	Supervisors Salaries	4,556	19,600	-15,044	8,198
	4152	State Exam Supervisiors	76	14,500	-14,424	11,480
	4155	State Exam Aides Salaries	0	6,700	-6,700	6,987
	4190	Study	4,318	16,200	-11,882	3,774
	4196	Bus Escort	2,200	2,300	-100	2,283
Total Education Salaries:			11,150	59,300	-48,150	32,721
	5010	Caretaker(s): Wages	8,756	26,365	-17,609	27,105
	5011	Covid Replacement Caretaker	1,830	0	1,830	23,386
	5110	Cleaners' Wages	22,876	37,171	-14,295	40,410
	5111	Canteen Wages	17,687	28,532	-10,846	28,144
	5803	Covid Supervision and Substitution Grant Wages	16,565	55,000	-38,435	46,031
	5804	Covid Capitation for Cleaning Wages Expense	7,495	10,000	-2,505	25,422
Administration						
	6010	Secretarial:Wages	26,664	58,569	-31,905	60,943
Total Payroll			113,022	274,938	-161,916	284,162
			23%	34%		37%
TOTAL Expenditure:			482,497	814,095	-331,597	777,646

Schools Substantially Funded by DE / Public Funds

- Robust Payroll package
- Recording & monitoring Payroll Expenditure accurately is crucial

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BOM Income & Expenditure Report
Checklist for recording Payroll costs in Sage 50

1. Vital that payroll costs are recorded correctly in Sage 50

- ❑ Supporting paperwork for payroll?
- ❑ Payroll cost analysis which is summarised under the relevant nominal cost codes
- ❑ Record costs with reference to the Payroll week numbers for 2022

2. Recording payroll costs in Sage 50

- ❑ Method 1 – Simple method of coding & recording Net Pay payments & Revenue Payments using the Bank Module
- ❑ Method 2 – Payroll Journal method using Control Accounts

3. Always review the postings to Sage 50

- ❑ Review Sage 50 for accuracy of coding & check the Payroll Week Number sequence
- ❑ Look up the **nominal ledger activity** for the payroll expense codes – all debit postings?
- ❑ Monitor the balance on all the payroll Control Accounts (Codes 2200 – 2250)
- ❑ Review the **Bank reconciliation report** for old outstanding bank payments and adjust if appropriate

4. Review the month end BOM reports

- ❑ Compare the payroll expense codes against budget and prior year
- ❑ Verify the accuracy of the balances showing in the Control Accounts in The Balance Sheet at each month end
- ❑ Provide the Gross to Net Payroll report to the Finance committee for the relevant week numbers

5. Monitoring & Reporting on Payroll costs at month end

- ❑ Familiarity with the Gross to Net reports from School Payroll software will build confidence around reporting

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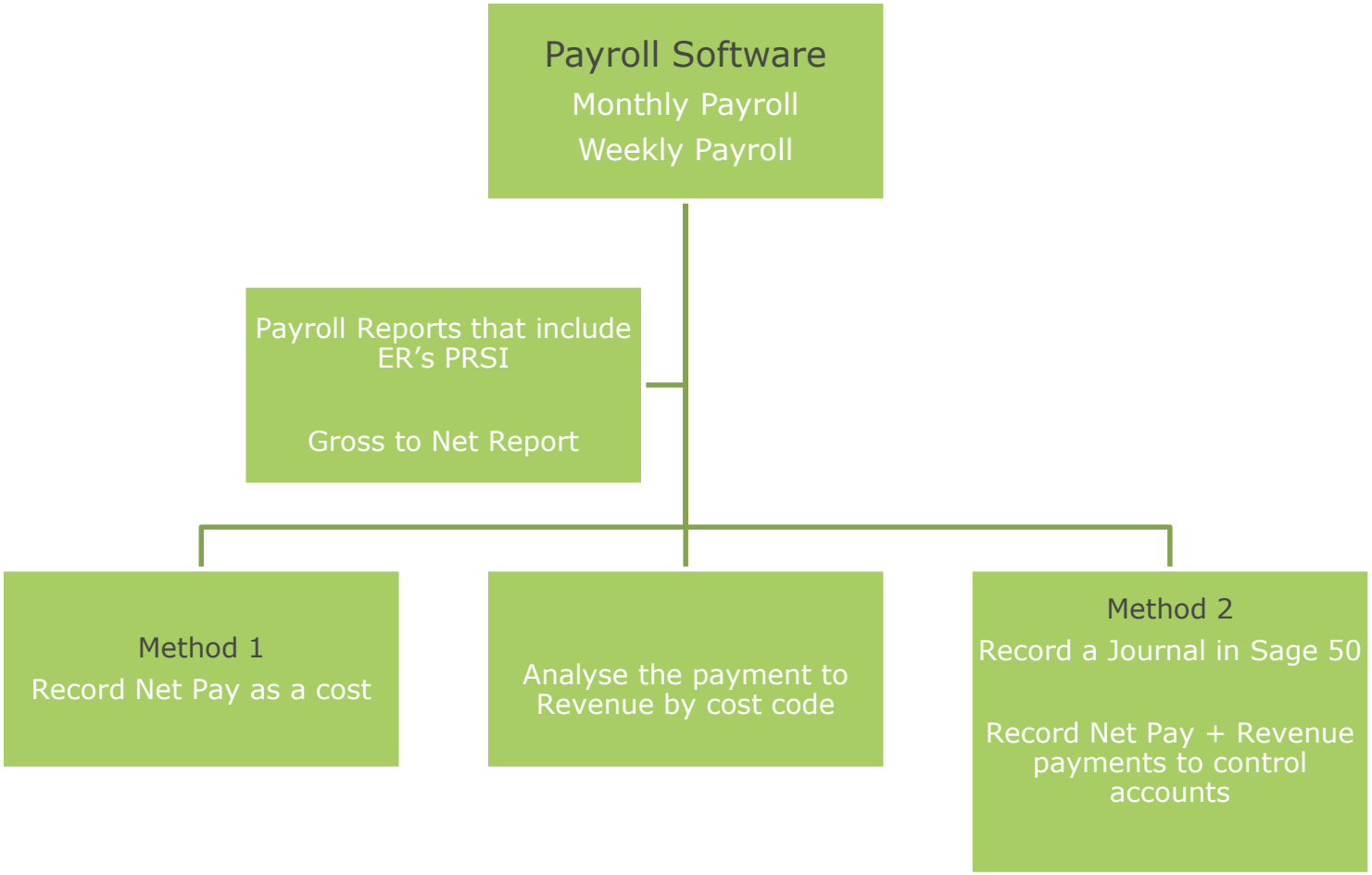
Payroll software reports – Summary for recording in Sage 50



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Payroll Analysis from Payroll package - Sample

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PAYROLL SUMMARY REPORT									
Week No 1									
PAYEE	Dept	NC	GROSS PAY	PRSI ER		TAX	PRSI EE	USC	NET PAY
Mary Ryan	ADMIN	6010	120.00	5.10		3.42	-	2.40	114.18
Jamie Regan	ADMIN	6010	80.00	3.40		1.06		5.60	73.34
Erin Regan	CLEANING	5110	129.75	5.51		-	-	9.08	120.67
Liz Davis	CLEANING	5110	129.75	5.51		-	-	2.60	127.15
Julie James	CLEANING	5110	259.50	11.03		-	-	6.52	252.98
Georgina Kavanagh	CLEANING	5110	129.75	5.51		-	-	-	129.75
Danny Kirwan	CARETAKING	5010	547.00	58.80		51.90	21.88	25.19	448.03
			-			-	-		-
									-
			-						
			1,395.75	94.86	1,490.61	56.38	21.88	51.39	1,266.10

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Payroll Week Numbers are important

Payroll Calendar for 2022

Payroll Calendar 2022		
Week No	From	To
1	01/01/2022	07/01/2022
2	08/01/2022	14/01/2022
3	15/01/2022	21/01/2022
4	22/01/2022	28/01/2022
5	29/01/2022	04/02/2022
6	05/02/2022	11/02/2022
7	12/02/2022	18/02/2022
8	19/02/2022	25/02/2022
9	26/02/2022	04/03/2022
10	05/03/2022	11/03/2022
11	12/03/2022	18/03/2022
12	19/03/2022	25/03/2022
13	26/03/2022	01/04/2022
14	02/04/2022	08/04/2022
15	09/04/2022	15/04/2022
16	16/04/2022	22/04/2022
17	23/04/2022	29/04/2022
18	30/04/2022	06/05/2022

- Note the Week numbers when recording payroll transactions as they are an accuracy check for recording payroll costs in Sage 50
- Review the postings to Sage 50 – checking for the week number sequence to ensure that postings are complete and there are no duplications
- Record the payment to Revenue via ROS accurately by relevant cost category. This requires a report from Payroll analysing the figures returned to the Revenue for the specific period

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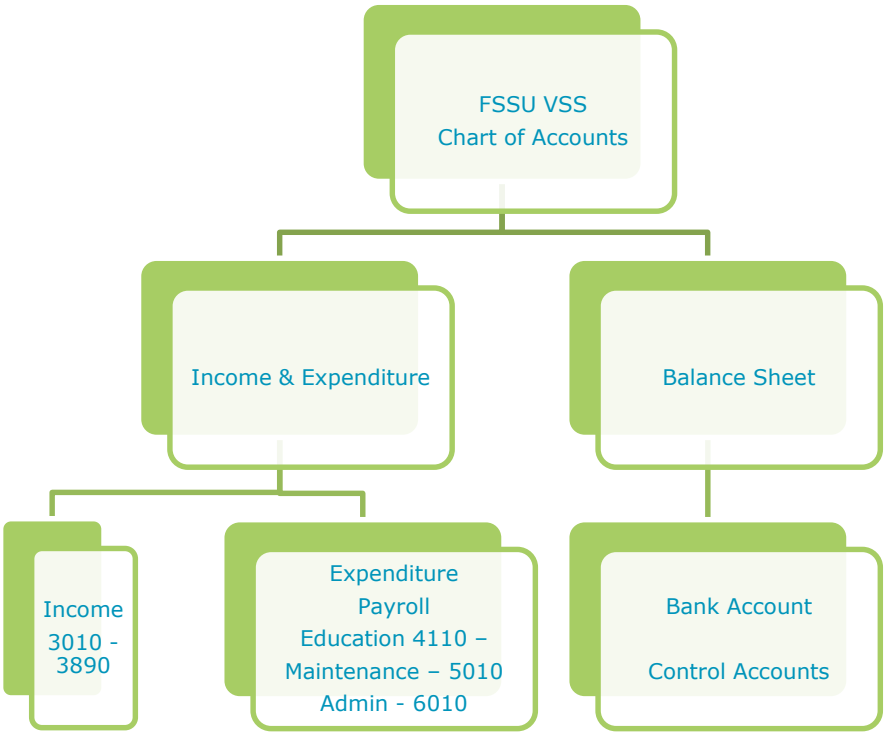
Updating Sage 50 for Payroll costs



Note that in revised FSSU Chart of accounts –

PRSI nominal code is no longer used.

Both costs should be coded to relevant wages code, 6010,5010 etc

Two methods to record Payroll in Sage 50

1. **Bank Payment Program –**
   In the background the postings are
   Dr : Cost code with payment
   Cr : Bank Account

2. **A journal entry is the other alternative program that will update our accounts**
   Dr: Cost code with full cost
   Cr: Control Accounts
   Bank payment for wages and revenue payments coded against the control accounts
   Dr: Control Account
   Cr: Bank

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Journal entry from the payroll analysis Scoil Brid

Week no 1	Note Revenue costs are coded to the same payroll cost code as the Gross Pay			
Nominal Code	PAYROLL JOURNAL		DR	Cr
6010	Admin/Secretarial		200.00	
6010	Admin PRSI ERS		8.50	
5110	Cleaning		648.75	
5110	Cleaning PRSI ERS		27.56	
5010	Caretaking		547.00	
5010	Caretaking PRSI ERS		58.80	
2200	NET PAY CONTROL			1,266.10
2240	PENSION LEVY CONTROL			
2250	PAYE/PRSI/INC LEVY CONTROL			224.51
2210	UNION SUBS			
			1,490.61	1,490.61

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Recording Payroll costs in Sage 50 – Overview

Which method is used by VSS currently?

- 70% - using the bank payment method to record payroll costs
- Nervousness about the Payroll Journal method

Method 1 – Using Bank Payments module to record payroll costs – Date driven

- Bank Payments – Net Pay coded to relevant wages cost codes at time of payment
- Payment to Revenue – Broken down by nominal code by wages type, admin etc Cost appears in accounts at date of payment.

Method 2 – Using Journal Module and Bank Payment module – Date driven showing full cost and amounts owing

- Dr: Total Gross pay + Er's PRSI to 6010 for admin wages

- Cr: Net Pay Control Account (2200) & Cr 2250 with amounts due to Revenue
  - *Accounts reflect up to date wages costs and amounts owing to Revenue*
  - *Accuracy check* – Balance on Control accounts should be nil or can be explained and adjusted if necessary

- Payments to employees and revenue are coded to respective control accounts – no need to worry about cost categories – speeds up Bank entry

  - *Any queries on payroll – information clearly laid out in control accounts*

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Method 1 – Using Bank Payments module to record payroll costs

- Benefits
  - No debits and credits involved
  - Basic bank payments entry
  - Can suit a small straightforward payroll situation

- Drawbacks:
  - Payroll is growing in importance in Schools
  - Inefficient for recording large or complex payrolls
  - Costs understated in month we pay/record the net pay only
  - Revenue liability possibly not showing in month wages were processed
  - Payroll cost analysis report is needed to break down the revenue payment under its cost category – good communication is vital
  - Year end – Full payroll cost must be recorded in Sage 50
  - Any queries on Revenue payments – not as easy to look up in Sage 50

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Payroll Information for demonstration of Method 1 – Sage 50

		Gross Pay	PAYE/EE PRSI/USC/ LPT	Net Pay	Employer PRSI	Total Cost	Total PAYE/PRSI /USC/LPT
M Maloney	5010	€ 815.00	€ 35.00	€ 780.00	€ 70.00	€ **885.00**	€ 105.00
D Kilduff	4181	€ 1,754.70	€ 144.20	€ 1,610.50	€ 175.00	€ **1,929.70**	€ 319.20
A Daly	6010	€ 1,833.00	€ 153.00	€ 1,680.00	€ 180.00	€ **2,013.00**	€ 333.00
Total		€ 4,402.70	€ 332.20	€ **4,070.50**	€ 425.00	€ **4,827.70**	€ **757.20**

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- Monthly Payroll
- 3 employees

This is only the Revenue cost for monthly payroll

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Method 1 – Simple Bank Payments

A. Record Net Pay under Bank Payments with week numbers or month reference in the detail column

Name	Net wages	Position	Detail	Nominal Code
M Maloney	€ 780.00	Caretaker	M1	<5010>
D Kilduff	€ 1,610.50	Canteen	M1 Dept	<4181>
A Daly	€ 1,680.00	Admin Payroll	M1	<6010>

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Method 1 – Simple Bank Payments

B. Run a Payroll cost analysis for the month of Jan 2022 to break the revenue costs down by category

C. Record payment to revenue at month end (will be o/s payment in bank reconciliation).

Revenue Liability for Jan (Paid in Feb) Monthly salary	Payroll taxes (PAYE/PRSI/USC/LPT)		**Nominal Code**
Caretaker	€ 105.00	M1 Jan return	<5010>
Canteen	€ 319.20	M1/Dept	<4181>
Admin Personnel	€ 333.00	M1	<6010>
Total Liability	€ 757.20		

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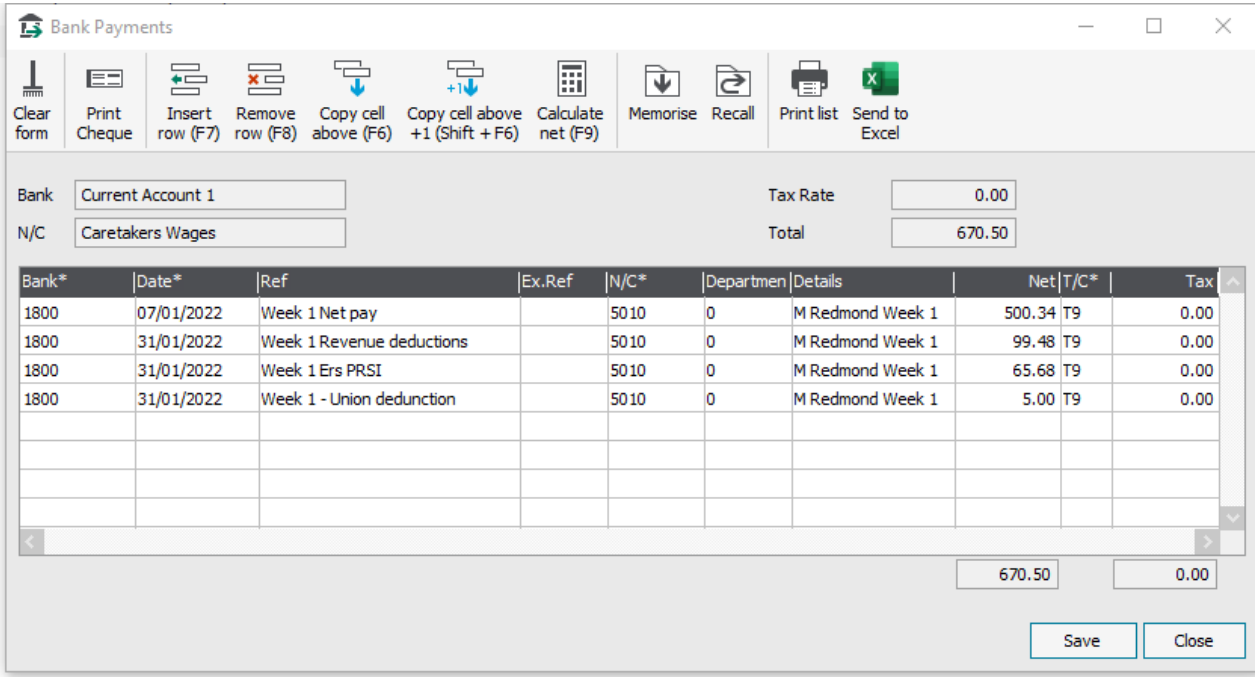
Summary of Method 1

Sample for recording in Sage 50

This school had One employee who was only paid 1 weeks wages



Key learning points

1. Record employee Net Pay to relevant cost code with week number/Month No in the detail

2. At the month end also Record payment to revenue by cost code at month end. This will show as outstanding payment in bank rec and it will clear the bank when paid on 23rd of the following month

3. At the month end also Record other payroll related payments e.g. pension related deductions, union fees etc. to the relevant payroll cost code, assuming they are paid every month

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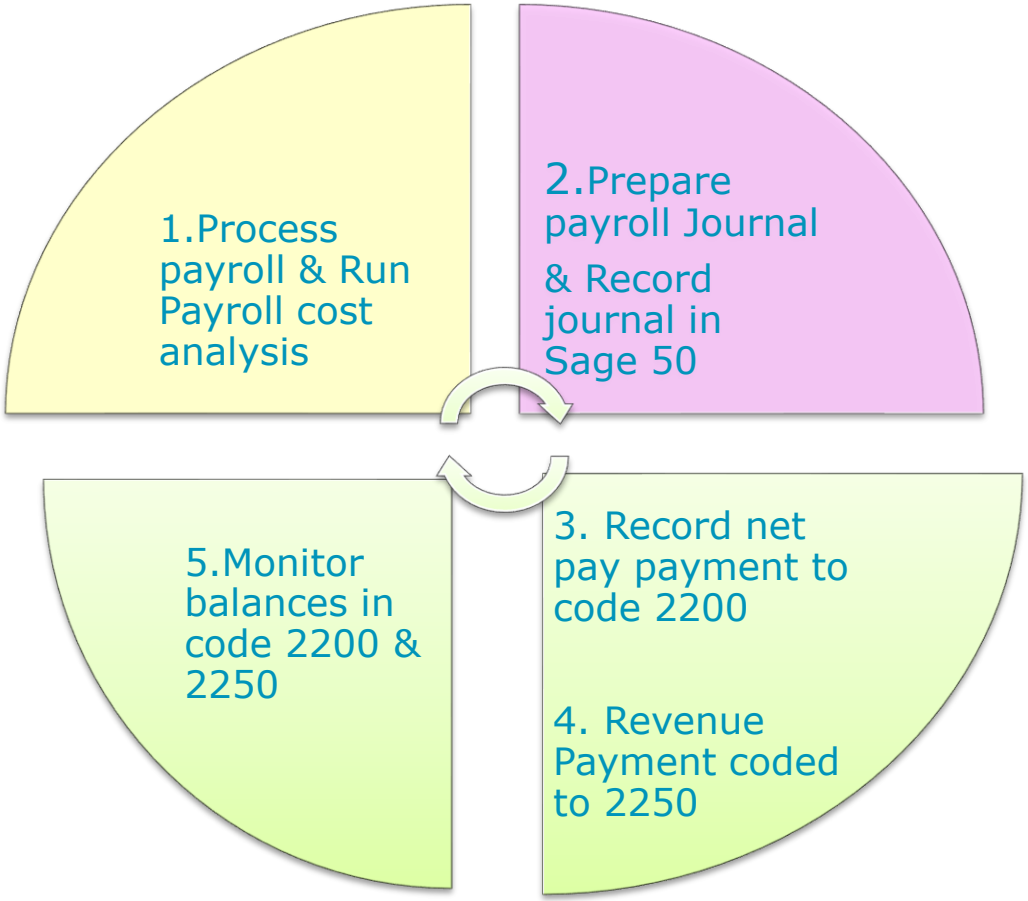
Method 2 – Payroll Journal using Control Accounts



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Method 2 – Payroll Journal using Control Accounts

Step 1: Payroll Analysis for relevant period

		Gross Pay	PAYE/EE PRSI/USC/ LPT	Net Pay	Employer PRSI	Total Cost	Total PAYE/PRSI /USC/LPT
M Maloney	5010	€ 815.00	€ 35.00	€ 780.00	€ 70.00	**€ 885.00**	€ 105.00
D Kilduff	4181	€ 1,754.70	€ 144.20	€ 1,610.50	€ 175.00	**€ 1,929.70**	€ 319.20
A Daly	6010	€ 1,833.00	€ 153.00	€ 1,680.00	€ 180.00	**€ 2,013.00**	€ 333.00
Total		€ 4,402.70	€ 332.20	**4,070.50**	€ 425.00	**€ 4,827.70**	**757.20**

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Method 2 – Payroll Journal using Control Accounts

Step 2: Prepare & Record Journal Entry

Payroll Journal

Week Number 1 **Date:**

N/C	Name	Dr	Cr
4181	Canteen Salary Expense	1,929.70	
5010	Caretakers Wages	885.00	
6010	Secretarial Wages	2,013.00	
2200	Net Pay Control Account		4,070.50
2250	PAYE/PRSI/USC/LPT Control Account		757.20
		4,827.70	4,827.70

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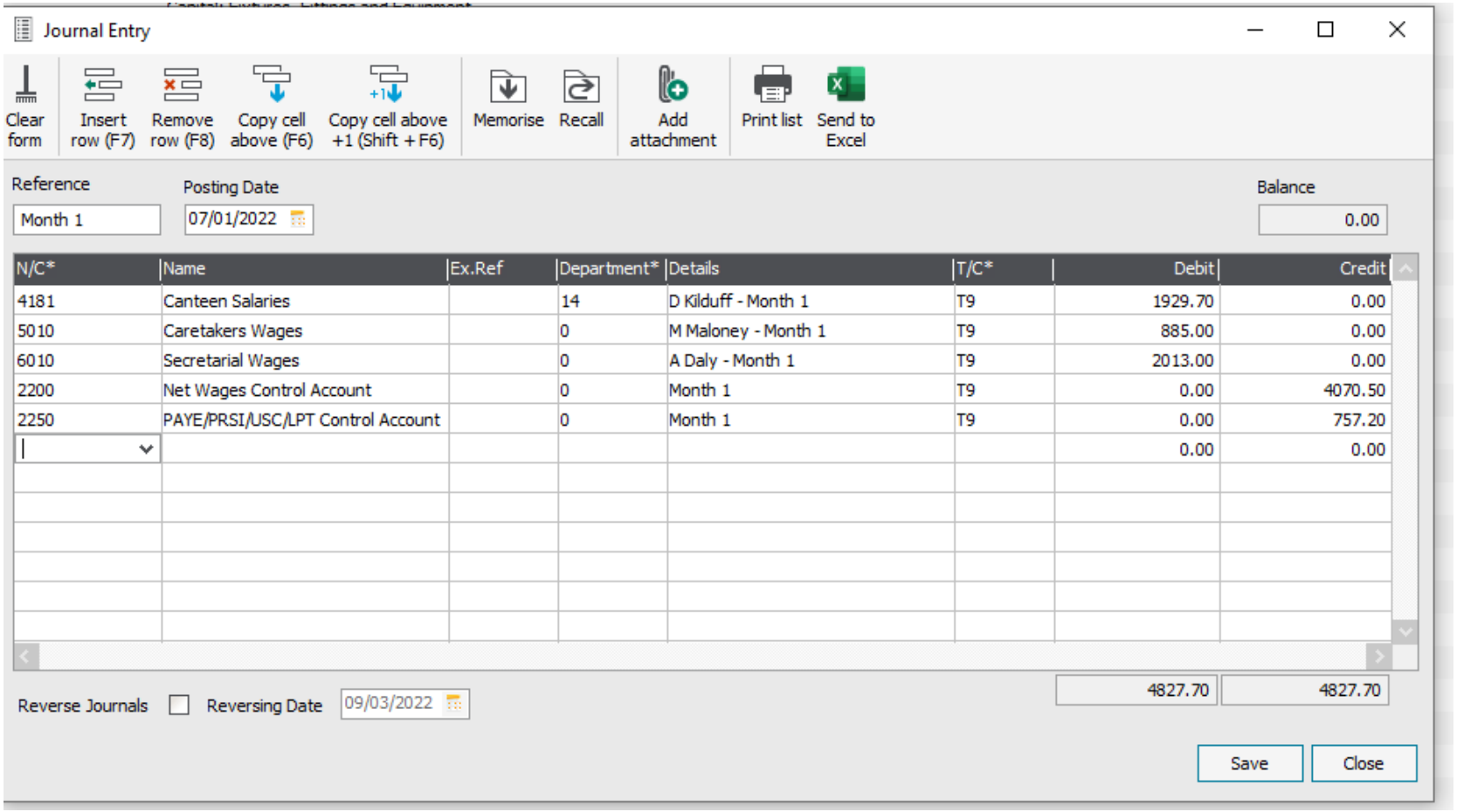
Record Journal in Sage 50

Nominal > Journal Entry



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Allows for efficient recording of Payments in Sage 50 (Preparing for Bank Feeds)

Step 3 - Code Net Pay payments to Net Pay Control Account

Name	Net wages	Position	Funding/Department	Nominal Code
M Maloney	€ 780.00	Caretaker		2200
D Kilduff	€ 1,610.50	Canteen		2200
A Daly	€ 1,680.00	Admin Payroll		2200

Step 4 – Code Revenue payment to PAYE Control Account code 2250

No analysis required.

Costs already analysed and updated in Sage 50 immediately using the journal entry

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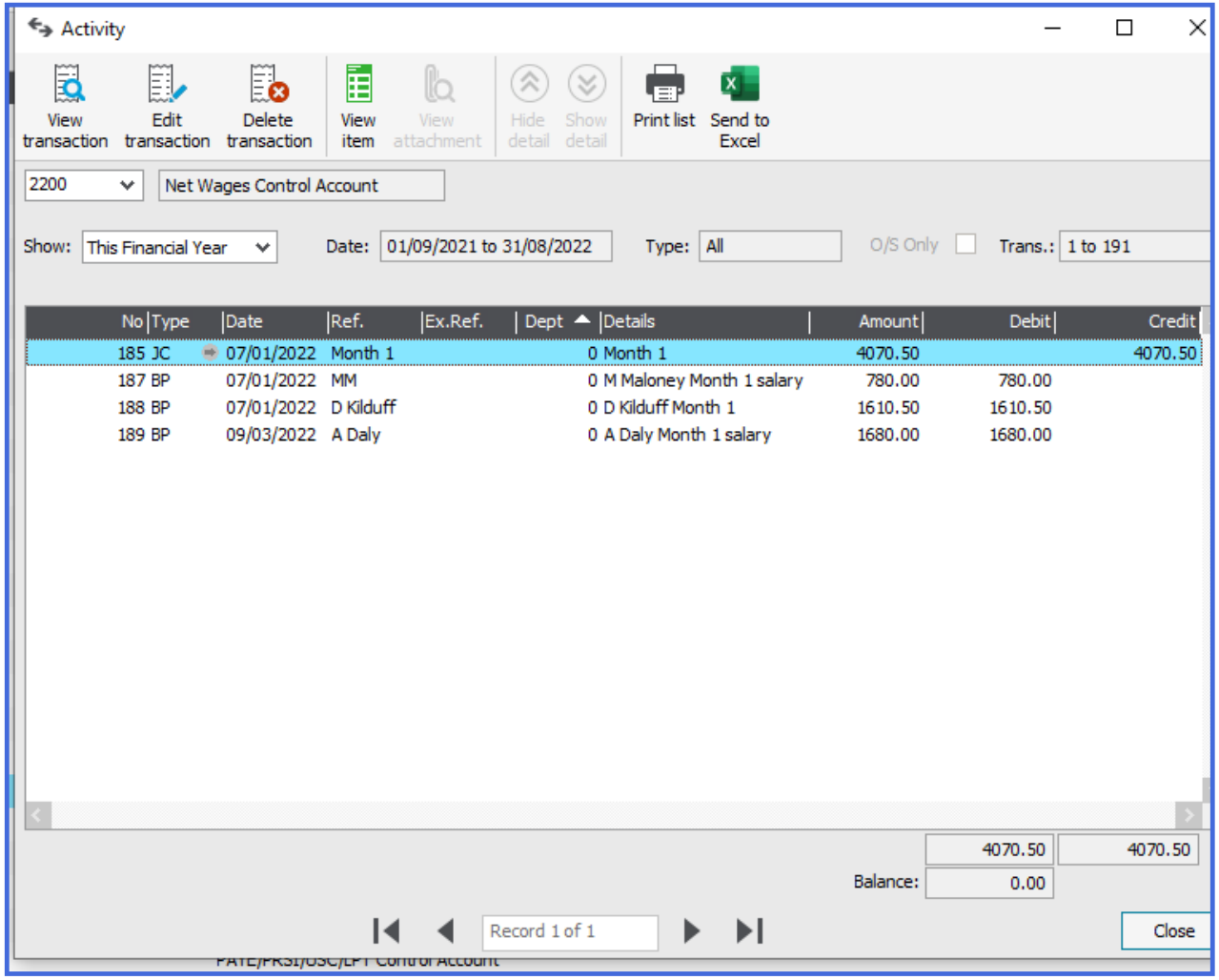
Review the postings to Sage 50



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Weekly Payroll Analysis – Sample 2

Sample School

PAYROLL ANALYSIS

Week Ending: 7.1.2022
Insurance Week: 1

Name	Earnings				Employee Deductions						
	Basic	Overtime	Nom Code	Total Gross Pay	PAYE	USC	PRSI	Union Subs	Total Deductions	Net Pay	Employer's PRSI
J Fox	382.20	0.00	5010	382.20	69.78	4.20	8.32	0.00	82.30	299.90	33.25
M Redmond	599.82	0.00	5803	599.82	56.51	13.98	23.99	5.00	99.48	500.34	65.68
J Clarke	100.00	0.00	5804	100.00	0.00	0.00	0.00	0.00	0	100.00	0.50
TOTALS	**1082.02**	**0.00**		**1082.02**	**126.29**	**18.18**	**32.31**	**5.00**	**181.78**	**900.24**	**99.43**
Nom Code					2250	2250	2250	2210		2200	2250

Total Payroll cost for school for week 1 = Gross Pay of €1,082.02 + Employers PRSI 99.43 = 1,181.45 (Debit cost code)

Amounts owed by school:	Credit the Control Accounts
Net Pay (2200)	900.24
Revenue (2250)	276.21
Union (2210)	5.00
Total Payment	1,181.45

All net pay and deduction payments are recorded against the relevant control accounts in Sage 50.

Balance in control accounts should come back to nil and/or reflect a specific amount outstanding to be paid into the following month

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Payroll Journal – Sample 2

Payroll Journal

Week Number 1 **Date:**

N/C	Name	Dr	Cr
5010	Caretakers Wages	415.45	
5803	COVID Enhanced Supervision Grant Wages Expense	665.5	
5804	COVID Capitation for Cleaning Wages Expense	100.5	
6010	Secretarial Wages		
2200	Net Wages Control Account		900.24
2210	Union Fees Control Account		5
2220	Single Public Service Pension Scheme Control Account		
2230	ASC Control Account		
2240	PRSA Control Account		
2250	PAYE/PRSI/USC/LPT Control Account		276.21
		1181.45	1181.45

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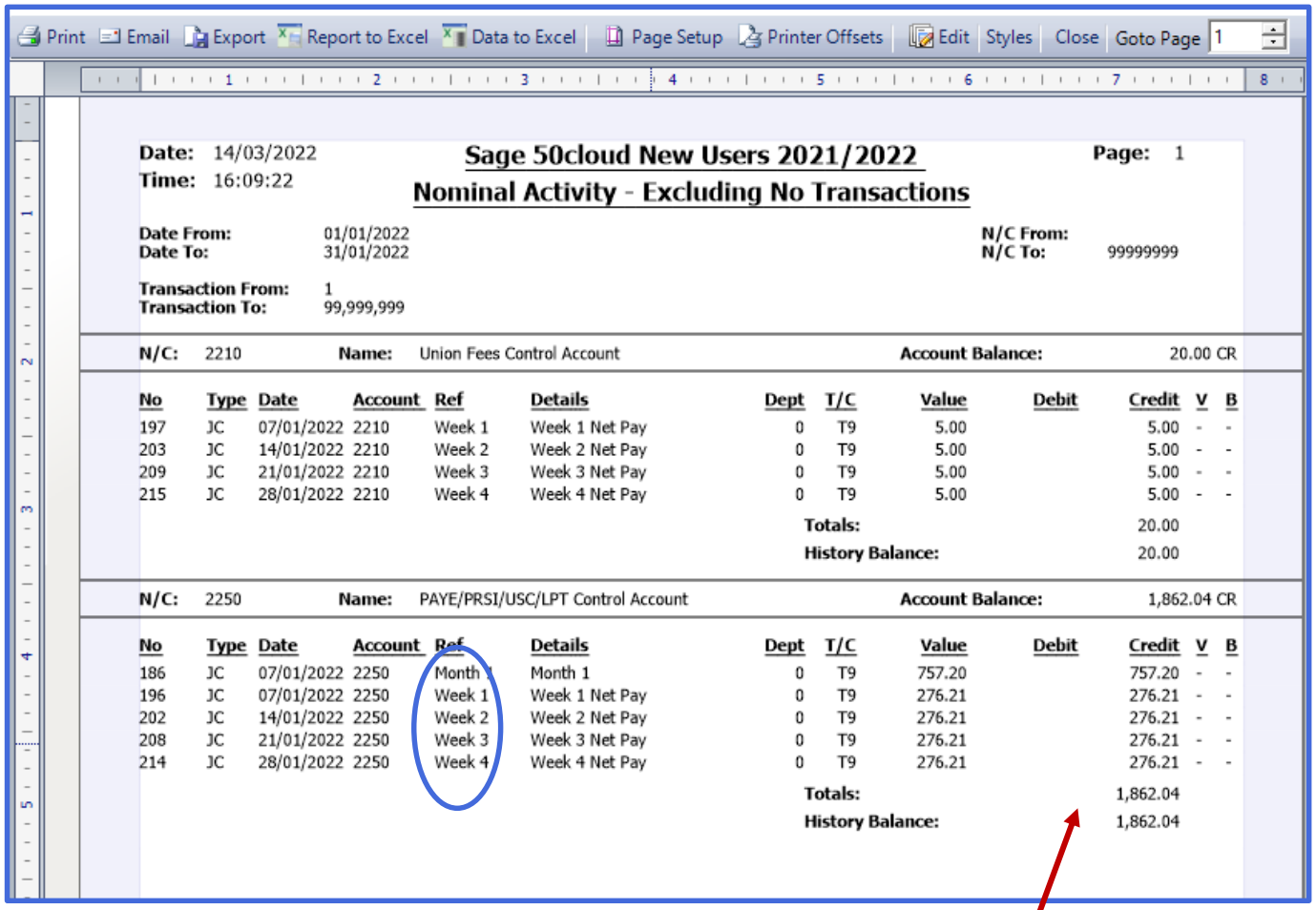
Monitor Balances on Payroll Control Accounts



Print | Email | Export | Report to Excel | Data to Excel | Page Setup | Printer Offsets | Edit | Styles | Close | Goto Page 1

Date: 14/03/2022
Time: 16:09:22

Sage 50cloud New Users 2021/2022
Nominal Activity - Excluding No Transactions

Page: 1

Date From: 01/01/2022
Date To: 31/01/2022

N/C From:
N/C To: 99999999

Transaction From: 1
Transaction To: 99,999,999

N/C: 2210 Name: Union Fees Control Account Account Balance: 20.00 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
197	JC	07/01/2022	2210	Week 1	Week 1 Net Pay	0	T9	5.00		5.00	-	-
203	JC	14/01/2022	2210	Week 2	Week 2 Net Pay	0	T9	5.00		5.00	-	-
209	JC	21/01/2022	2210	Week 3	Week 3 Net Pay	0	T9	5.00		5.00	-	-
215	JC	28/01/2022	2210	Week 4	Week 4 Net Pay	0	T9	5.00		5.00	-	-
					Totals:					20.00		
					History Balance:					20.00		

N/C: 2250 Name: PAYE/PRSI/USC/LPT Control Account Account Balance: 1,862.04 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
186	JC	07/01/2022	2250	Month 1	Month 1	0	T9	757.20		757.20	-	-
196	JC	07/01/2022	2250	Week 1	Week 1 Net Pay	0	T9	276.21		276.21	-	-
202	JC	14/01/2022	2250	Week 2	Week 2 Net Pay	0	T9	276.21		276.21	-	-
208	JC	21/01/2022	2250	Week 3	Week 3 Net Pay	0	T9	276.21		276.21	-	-
214	JC	28/01/2022	2250	Week 4	Week 4 Net Pay	0	T9	276.21		276.21	-	-
					Totals:					1,862.04		
					History Balance:					1,862.04		

Run a cumulative payroll summary report covering week 1 – 4
&
Month 1 payroll to verify amount owing to Revenue

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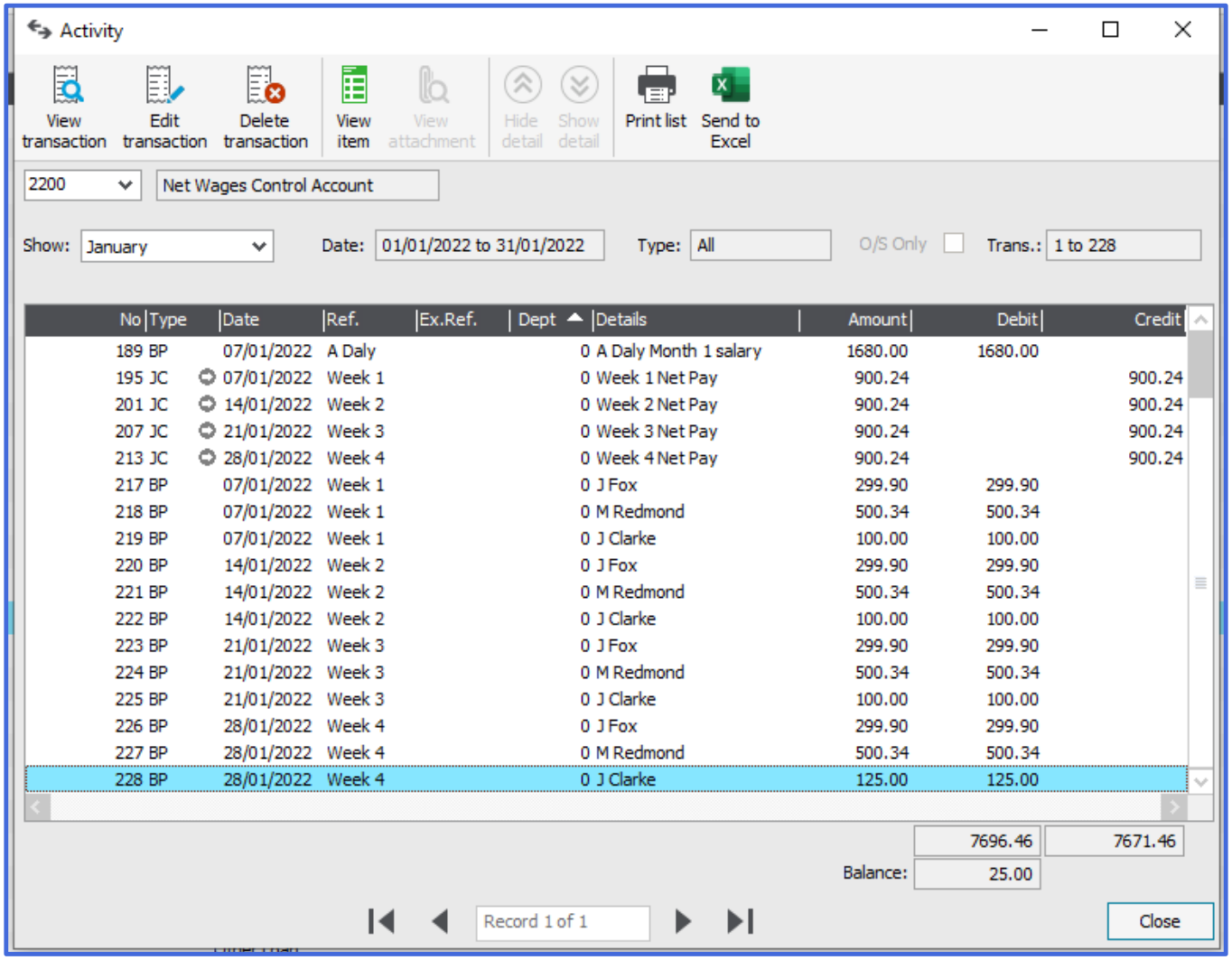
Monitor Balances on Payroll Control Accounts



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Nominal Ledger Day Book Report
Impact on BOM I&E Account

Date: 14/03/2022
Time: 17:38:11

Sage 50cloud New Users 2021/2022
Day Books: Nominal Ledger

Page: 1

Date From: 01/01/2022
Date To: 31/01/2022

N/C From:
N/C To: 99999999

Transaction From: 1
Transaction To: 99,999,999

Dept From: 0
Dept To: 999

No	Type	N/C	Date	Ref	Ex.Ref	Details	Dept	T/C	Debit	Credit	V	B
182	JD	4181	07/01/2022	Month 1		D Kilduff - Month 1	14	T9	1,929.70		-	-
183	JD	5010	07/01/2022	Month 1		M Maloney - Month 1	0	T9	885.00		-	-
184	JD	6010	07/01/2022	Month 1		A Daly - Month 1	0	T9	2,013.00		-	-
185	JC	2200	07/01/2022	Month 1		Month 1	0	T9		4,070.50	-	-
186	JC	2250	07/01/2022	Month 1		Month 1	0	T9		757.20	-	-
192	JD	5010	07/01/2022	Week 1		J Fox	0	T9	415.45		-	-
193	JD	5803	07/01/2022	Week 1		M Redmond	5	T9	665.50		-	-
194	JD	5804	07/01/2022	Week 1		J Clarke	5	T9	100.50		-	-
195	JC	2200	07/01/2022	Week 1		Week 1 Net Pay	0	T9		900.24	-	-
196	JC	2250	07/01/2022	Week 1		Week 1 Net Pay	0	T9		276.21	-	-
197	JC	2210	07/01/2022	Week 1		Week 1 Net Pay	0	T9		5.00	-	-
198	JD	5010	14/01/2022	Week 2		J Fox	0	T9	415.45		-	-
199	JD	5803	14/01/2022	Week 2		M Redmond	5	T9	665.50		-	-
200	JD	5804	14/01/2022	Week 2		J Clarke	5	T9	100.50		-	-
201	JC	2200	14/01/2022	Week 2		Week 2 Net Pay	0	T9		900.24	-	-
202	JC	2250	14/01/2022	Week 2		Week 2 Net Pay	0	T9		276.21	-	-
203	JC	2210	14/01/2022	Week 2		Week 2 Net Pay	0	T9		5.00	-	-
204	JD	5010	21/01/2022	Week 3		J Fox	0	T9	415.45		-	-
205	JD	5803	21/01/2022	Week 3		M Redmond	5	T9	665.50		-	-
206	JD	5804	21/01/2022	Week 3		J Clarke	5	T9	100.50		-	-
207	JC	2200	21/01/2022	Week 3		Week 3 Net Pay	0	T9		900.24	-	-
208	JC	2250	21/01/2022	Week 3		Week 3 Net Pay	0	T9		276.21	-	-
209	JC	2210	21/01/2022	Week 3		Week 3 Net Pay	0	T9		5.00	-	-
210	JD	5010	28/01/2022	Week 4		J Fox	0	T9	415.45		-	-
211	JD	5803	28/01/2022	Week 4		M Redmond	5	T9	665.50		-	-
212	JD	5804	28/01/2022	Week 4		J Clarke	5	T9	100.50		-	-
213	JC	2200	28/01/2022	Week 4		Week 4 Net Pay	0	T9		900.24	-	-
214	JC	2250	28/01/2022	Week 4		Week 4 Net Pay	0	T9		276.21	-	-
215	JC	2210	28/01/2022	Week 4		Week 4 Net Pay	0	T9		5.00	-	-
								Totals:	9,553.50	9,553.50		

To print a list of Journals to check inputting

Nominal ledger
>reports
>Daybook
>Day Books Nom Ledger

- Relevant Dates

- Debit total is the payroll cost for the month

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Benefits of using Payroll Journal & Control Accounts

- More efficient in analysing a larger number of complex payments – One print out of all payroll costs for the month
- Accuracy Check -Verifies that payments made match the payroll submission – Balance on payroll control accounts should be monitored
- Assists in utilising more automated payroll/accounting software features such as bank files or import feeds
- Allows for easy accounting of refund situations or over/underpayments
- Gross to Net report that is issued at month end – in a better position to answer queries

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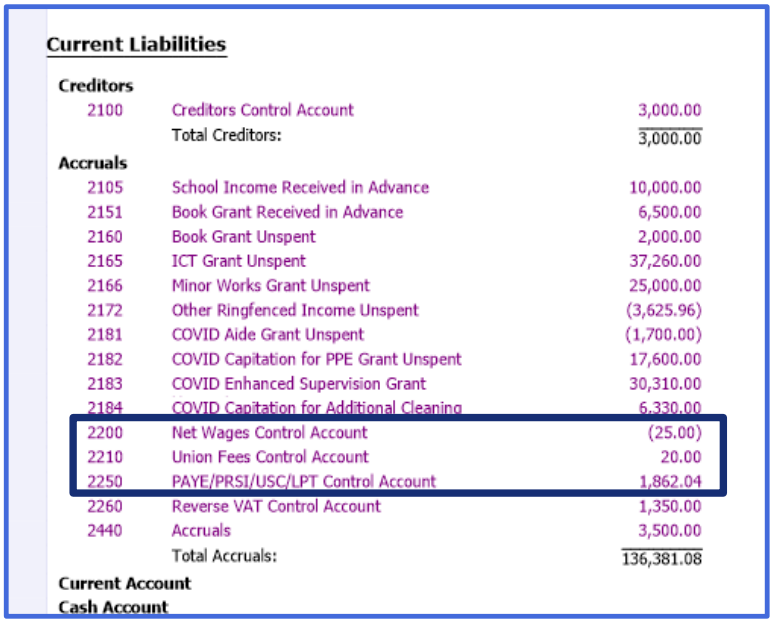
BOM Reporting requirements for Payroll costs

- BOM Income & Expenditure Report
- Balance Sheet Year to Date (From Brought forward)
  - Balances on Control Accounts are checked for accuracy
  - Bank rec report is clean
  - No Payroll journal - then bank rec should have an outstanding payment to revenue at least at August m/e
- Gross to net payroll reports since last board meeting

(should be reviewed and signed off by principal and one member of the finance subcommittee, who is also a member of the board).



Current Liabilities		
Creditors		
2100	Creditors Control Account	3,000.00
	Total Creditors:	3,000.00
Accruals		
2105	School Income Received in Advance	10,000.00
2151	Book Grant Received in Advance	6,500.00
2160	Book Grant Unspent	2,000.00
2165	ICT Grant Unspent	37,260.00
2166	Minor Works Grant Unspent	25,000.00
2172	Other Ringfenced Income Unspent	(3,625.96)
2181	COVID Aide Grant Unspent	(1,700.00)
2182	COVID Capitation for PPE Grant Unspent	17,600.00
2183	COVID Enhanced Supervision Grant	30,310.00
2184	COVID Capitation for Additional Cleaning	6,330.00
2200	Net Wages Control Account	(25.00)
2210	Union Fees Control Account	20.00
2250	PAYE/PRSI/USC/LPT Control Account	1,862.04
2260	Reverse VAT Control Account	1,350.00
2440	Accruals	3,500.00
	Total Accruals:	136,381.08
Current Account		
Cash Account		

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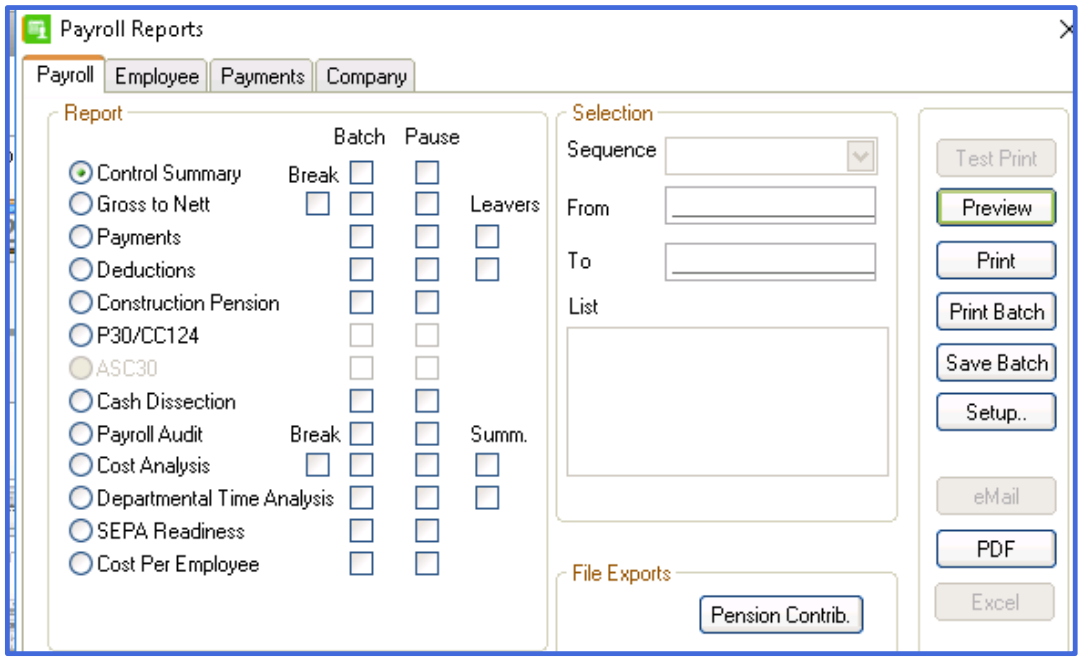
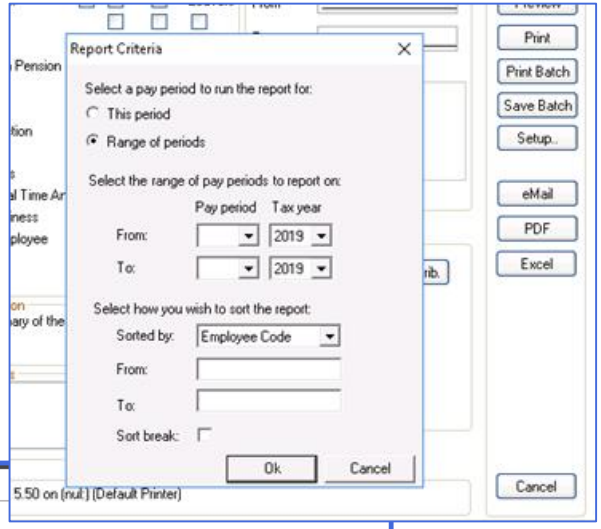
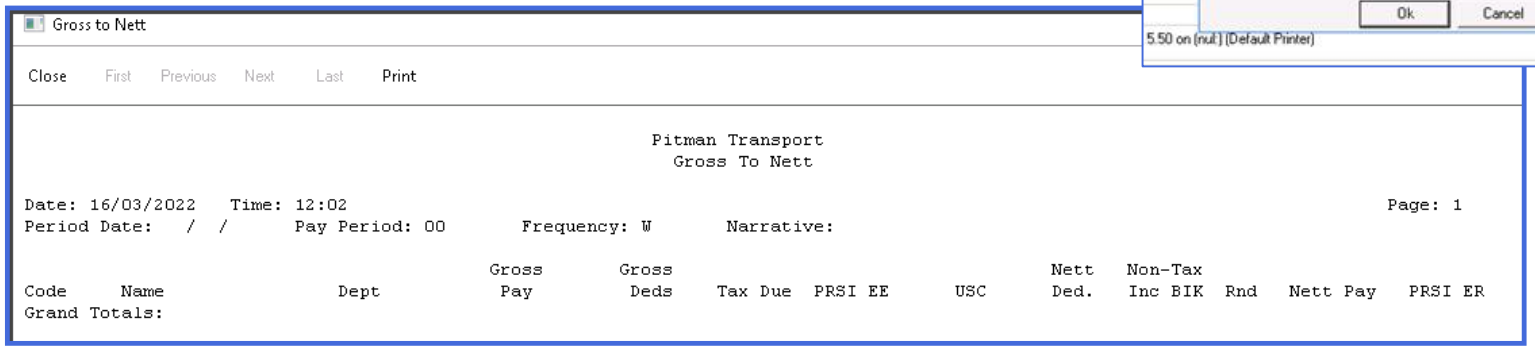
Gross to Net Report
Report names vary depending on Payroll Package



Sage
- Payroll Reports
- Gross to Net

Thesaurus
- Payroll Summary/Audit Trail





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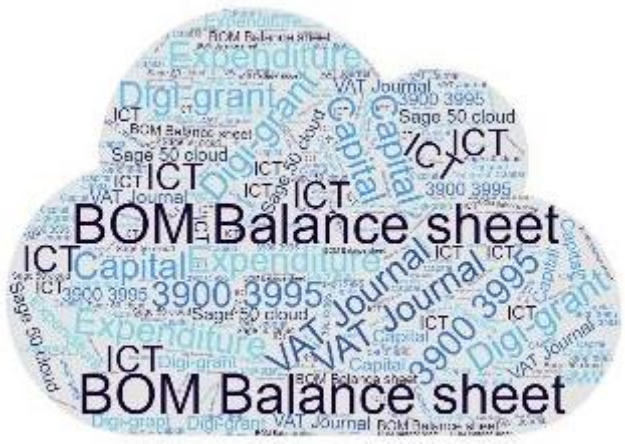
Conclusion

Build your confidence with Payroll reporting in Sage 50:

- Familiarity with the school payroll analysis will build confidence around reporting / employee numbers / extra Covid Supervision costs / overview of the month
- Follow up on unexplained balances in payroll control accounts
- Gross to Net Payroll report since last meeting – Review format and anticipate questions/ payee list / new staff / overtime / how it compares to previous months report



Upcoming Sage 50 Webinar training:

- ❑ BOM Balance Sheet - Recording Capital items
- ❑ Monthly BOM Reporting – Chance for revision

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Thank You for attending this
Sage 50 Webinar Training session