APPENDIX C

STARTING YOUR PAYROLL IN MID-YEAR

Background: The Beginning Master File

If you start your DATASMITH Payroll in mid-year, you will need a Beginning Master File as a reference for generating Comparative reports (including Quarterly Reports). This file contains a complete list of Employees who were paid during the year, along with the YTD totals for each Employee.

Each automatically-archived Payroll Master file created by DATASMITH Payroll bears the date of the pay period for which its Current and YTD totals are correct.

Your Beginning Master File should bear the date of the last pay period which is included in the YTD totals which you initially enter into the file. It should NOT contain any Current data, as this data would belong to the NEXT pay period (the first pay period calculated by DATASMITH Payroll).

The archived Payroll Master files are named "PR[date].PAY". The date is a numeric in "mmddyy" format, with the leading zero (if any) suppressed. Examples of correct Payroll Master filenames:

     For pay period ending January 1, 1987:   PR10187.PAY

     For pay period ending August 17, 1987:   PR81787.PAY

     For pay period ending November 3, 1987:   PR110387.PAY

As the year progresses, new employees are added to the then-current Payroll Master, and DATASMITH Payroll begins keeping their records at that time. Employees must never be removed from Payroll files during the year, as this defeats the record-keeping necessary to create W2 forms and Quarterly Reports. Terminated employees will be automatically purged from the file at year end.

Starting Fresh in Mid-Year:

Starting Fresh is easy: you just have to avoid mixing your old YTD information with your new Current pay period information, and to make sure that you have enough reference files to produce all necessary reports. We recommend the following procedure:

1. Erase any test data files named "MASTER.PAY" or "PRnnnnnn.PAY" from your working directory.

2. Enter Payroll and use the COmpany function to SEt the data in the new MASTER.PAY file for your company. This procedure creates a totally new MASTER.PAY file. You may wish to enter your personal PAsswords at this time: these will become a part of your Payroll Master file also.

3. Using the EMployee ADd selection, enter employee data, including YTD information, for all existing employees to your new Payroll Master file. Before you begin, you must select the earliest set of YTD information which affects the reports you want from DATASMITH Payroll:

> **Starting in Mid-First Quarter:** Use the YTD information which includes the most recent pay period before DATASMITH Payroll is installed.

> **Starting in Mid-Second Quarter:** If you want DATASMITH Payroll to produce your Second Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the First Quarter in addition to your Beginning Master. Create the First Quarter Reference Master first by entering employee names and YTD totals as of the end of First Quarter. Then exit Payroll and copy the MASTER.PAY file to a file named after the ending date of your First Quarter (i.e., "PR33187.PAY"). DO NOT RENAME OR ERASE YOUR MASTER.PAY FILE!! Restart Payroll, add any new employees hired in Second Quarter, and then edit the YTD totals to make them match your most recent pay period in Second Quarter.

> If you do not want DATASMITH Payroll to produce your Second Quarter report, simply use the YTD information which includes the most recent pay period before DATASMITH Payroll is installed.

> **Starting in Mid-Third Quarter:** If you want DATASMITH Payroll to produce your Third Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the Second Quarter in addition to your Beginning Master. Create the Second Quarter Reference Master first by entering employee names and YTD totals as of the end of Second Quarter. Then exit Payroll and copy the MASTER.PAY file to a file named after the ending date of your Second Quarter (i.e., "PR63087.PAY"). DO NOT RENAME OR ERASE YOUR MASTER.PAY FILE!! Restart Payroll, add any new employees hired in Third Quarter, and then edit the YTD totals to make them match your most recent pay period in Third Quarter.

If you do not want DATASMITH Payroll to produce your Third Quarter report, simply use the YTD information which includes the most recent pay period before DATASMITH Payroll is installed.

Starting in Mid-Fourth Quarter: If you want DATASMITH Payroll to produce your Fourth Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the Third Quarter in addition to your Beginning Master. Create the Third Quarter Reference Master first by entering employee names and YTD totals as of the end of Third Quarter. Then exit Payroll and copy the MASTER.PAY file to a file named after the ending date of your Third Quarter (i.e., "PR93087.PAY"). DO NOT RENAME OR ERASE YOUR MASTER.PAY FILE!! Restart Payroll, add any new employees hired in Fourth Quarter, and then edit the YTD totals to make them match your most recent pay period in Fourth Quarter.

If you do not need DATASMITH Payroll to produce your Fourth Quarter report, simply use the YTD information which includes the most recent pay period before DATASMITH Payroll is installed.

NOTE: *In any of the above situations, you may enter all of the employees in your most current roster in your Reference Master instead of researching old rosters for previous periods: just be sure that the YTD information is correct. It is important that all Payroll Master files for subsequent periods be made by adding data to the first Payroll Master used in a given year. Any procedure which results in employees missing or appearing out of order in subsequent files will disable the Comparative Reports.*

4. Exit PAYROLL, and copy MASTER.PAY to a file named "PR[date].PAY", where the date contained in the "PR..." filename is the date of the last pay period completed which was included in the YTD totals you just entered. See the Examples of correct Payroll Master filenames above in the section entitled 'The Beginning Master File'. Make sure that you name the copy properly so that DATASMITH Payroll will be able to find it later. This new copy of your original MASTER.PAY is your Beginning Master File.

DO NOT rename MASTER.PAY: you will need this file "as-is" to begin entry of hours and pay data for your next pay period.

5. Enter Payroll and use the PEriodic entries function to enter data for the first payroll period using DATASMITH Payroll. From this point on, DATASMITH Payroll will automatically make backups and properly name your "PR[date].PAY" files.

6. Later in the year, to get a Comparative Report showing only the pay received after DATASMITH Payroll was installed, specify the date you used in naming your initial "PR[date].PAY" file in Step 4 above as the beginning date of the period.

Recovering from a Bad Mid-Year Start

If you did not realize that you needed to preserve the YTD totals in a separate, dated Payroll Master file (PR[date].PAY) when you started using DATASMITH Payroll, you can still create the necessary Beginning Master File at any later time, using the first Payroll file you created.

There are only two things wrong with using your first Payroll file "as is" as your Beginning Master File:

A. It is labeled with the date of your first DATASMITH payroll rather than the date which goes with the YTD totals you originally entered.

B. It contains Current pay data which does not belong in your Beginning Master File: this Current data belongs to the first DATASMITH pay period.

To correct both of these difficulties and create your Beginning Master File, proceed as follows:

1. Save your current Payroll Master file, which is always named "MASTER.PAY". You can copy it to another directory or to a floppy disk and physically remove it: but don't lose it or forget which file it is.

2. Locate the Payroll Master for your first DATASMITH pay period: it will be the file named "PR[date].PAY" which has the earliest date. Copy this file to MASTER.PAY in your working Payroll directory so that the Payroll program can work on it.

3. Start your DATASMITH Payroll. From the Main Menu, select Payroll Utilities (IN); Initialize for a New Period (II); Abandon Current Period (AC). This will remove the Current totals from MASTER.PAY, leaving your original YTD totals intact. You can use the Current Reports to check these totals at this time.

4. EXIT your DATASMITH Payroll. Rename MASTER.PAY "PR[date].PAY", where [date] is the last pay period included in your original YTD totals. This file is now your Beginning Master File.

5. Restore your Current Master (MASTER.PAY) file which you saved in Step #1 above.

Obtaining Old Quarterly Reports after a Bad Mid-Year Start:

If you are starting in mid-Quarter, you need to decide how you will obtain the Quarterly Report data for the current Quarter. If you are going to manually subtract printed YTD information to get the data, you need do nothing further to get DATASMITH Payroll started.

If you want DATASMITH Payroll to help generate your Quarterly reports for the current period, you will need to enter another reference file containing the YTD totals as of the beginning of the Quarter. Before you begin any of the following procedures, SAVE YOUR CURRENT "MASTER.PAY" FILE.

> **Mid-First Quarter**: Since YTD totals are all zero at the beginning of the year, no special action is required to start anytime during the First Quarter.

> **Mid-Second Quarter:** If you want DATASMITH Payroll to produce your Second Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the First Quarter <u>in addition to</u> your Beginning Master. Exit Payroll and copy your Beginning Master to MASTER.PAY. Restart Payroll and then edit the YTD totals to make them match your last pay period in First Quarter. Exit Payroll and rename your MASTER.PAY "PR33187.PAY" (or the appropriate name based on the date of the last pay period in your First Quarter).

> **Mid-Third Quarter:** If you want DATASMITH Payroll to produce your Third Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the Second Quarter <u>in addition to</u> your Beginning Master. Exit Payroll and copy your Beginning Master to MASTER.PAY. Restart Payroll and then edit the YTD totals to make them match your last pay period in Second Quarter. Exit Payroll and rename your MASTER.PAY "PR63087.PAY" (or the appropriate name based on the date of the last pay period in your Second Quarter).

> **Mid-Fourth Quarter:** If you want DATASMITH Payroll to produce your Fourth Quarter report, you will need a Reference Master containing YTD totals as of the last pay period of the Third Quarter <u>in addition to</u> your Beginning Master. Exit Payroll and copy your Beginning Master to MASTER.PAY. Restart Payroll and then edit the YTD totals to make them match your last pay period in Third Quarter. Exit Payroll and rename your MASTER.PAY "PR93087.PAY" (or the appropriate name based on the date of the last pay period in your Third Quarter).

When producing any Reference Master, make sure that you start from the <u>Beginning Master</u> (the one containing only your starting YTD totals and no Current information).

After you have completed the appropriate procedure above, restore your current MASTER.PAY file to your Payroll directory.

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