

CollSoft
Solutions In Software

CollSoft

Payroll

2006

Year End Procedures



CollSoft Limited
Johnstown Village
Navan
Co. Meath

Tel: (046) 90 91 605
Fax: (046) 90 91 601
Email: info@collsoft.ie
Web: www.collsoft.ie

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INTRODUCTION

This guide is intended to help you through the Year End process in CollSoft Payroll 2006.

Before you continue with your Year End in Payroll 2006 we would like to make you aware of the following points;

- 1) You do **not** need to run your Year End in Payroll 2006 before you can start using Payroll 2007.

Payroll 2007 is an independent program that you can start using before you are finished in Payroll 2006.

- 2) You can continue to make changes in Payroll 2006 even after you have run your Year End.

However, if you do make any changes then you may need to re-run your Year End to reflect your changes.

- 3) You can follow this Year End interactively in Payroll 2006 by clicking on the “*Year End*” icon on the main home page.

Finally, we hope that you find this guide helpful, but if at any time you require any assistance you can contact our helpdesk at;

Email:	info@collsoft.ie
Web:	www.collsoft.ie
Telephone:	(046) 90 91 605
Fax:	(046) 90 91 601

STEP 1 - UPDATE PAYROLL 2006

Your new 2007 CD contains an updated version of Payroll 2006, which you should install before you run your year end.

To install the update simply do the following;

- 1) Close all applications currently running on your PC (including Payroll 2006)
- 2) Insert the 2007 CD into your computer's CD drive. The CD's homepage will start-up automatically.
- 3) Click on the "Install Payroll 2006" option – this will start the setup program.
- 4) The setup program will ask you if you want to "*Modify*", "*Repair*" or "*Remove*" Payroll 2006 – select the "***Repair***" option.
- 5) The setup program will now install the update onto your computer. At the end of the update process, you may be advised that your computer needs to be restarted. If this is the case, then we recommend that you restart your computer before continuing.

STEP 2 - FINALISE YOUR 2006 WAGES

Before you start processing your year end in Payroll you should check the following items;

- 1) All wages for 2006 have been entered, including week 53 if you have a payday that falls on the 31st of December.
- 2) All employees who are no longer employed by your company have been terminated in Payroll 2006.
- 3) If any of your employees have company cars, and you have based your BIK calculations on an estimated annual mileage, then you should check that the actual mileage for the year falls into the same bracket as your estimate.

If the actual mileage for the year is in a different bracket to the estimate, you and your employee may have overpaid/underpaid PAYE and PRSI.

If you have any BIK queries please refer to the “Revenue BIK Guide” available in the Payroll 2006 “Help” menu.

Note: You can still enter/amend wages (or any other information) after you have run your Year End. If changes are made you may need to run your Year End again.

Payroll 2006 will continue functioning after the year end so you can always view/edit any of your payroll information.

STEP 3 - REPORTS

You are now ready to produce reports for your Year End. We suggest that you print the following reports;

- 1) **Tax Deduction Cards** can be printed by pressing the “*Tax Cards*” button on the Payroll 2006 toolbar.
- 2) **P35L/LT** by selecting the “*Revenue Returns*” > “*P35 Annual Returns*” > “*P35L and P35LT*” menu item.
- 3) **P35LF** This is a new section in the P35 that records Pension, PRSA and BIK details.
- 4) **P30 Summary Sheet.** This contains a summary of your P30’s by month. It can be viewed by clicking the “*P30’s*” icon on the toolbar.
- 5) **P30 Detail.** If you have not printed your “*P30 Detail Reports*” every month, you should print the P30 Detail report for each month from the “*Revenue Returns*” > “*P30 Monthly Return*” > “*P30 Details*” menu.
- 6) **Gross To Net Report.** This report provides a summary of each wage entry for your company. You can view this report by selecting the “*Reports*” > “*Gross To Net*” > “*Detail*” menu item. You will need to run this report from 01/01/2006 to 31/12/2006.

There are other versions of this report that summarise by employee or week number that you can also run if you require. You can also filter any report by employee by selecting the “*Filter*” menu at the top of the report viewing screen.

- 7) **Additions/Deductions.** If you have any additions or deductions set up for your company print a detailed breakdown by selecting the relevant reports from the “*Additions*” or “*Deductions*” sub-menu in the “*Reports*” menu.

- 8) **Benefit In Kind.** Similarly, if your company has any BIK you should produce a detailed breakdown by selecting the “*Reports*” > “*Benefit In Kind*” > “*Detailed Listing*” menu item.
- 9) **Holidays / Time Off.** You can view an individual report of the time taken (holidays, sick days etc.) off by each employee by selecting “*Reports*” > “*Employee’s Days Off*” > “*All Days Off*”
- 10) **P45’s.** You should print a copy of any P45’s issued throughout the year.
- 11) **Financial Year Reports.** If your company’s year end does not coincide with the Tax Year, you should print some of the above reports (such as “*Gross To Net*”, “*Additions/Deductions*” and “*Benefit In Kind*”) to correspond with your financial year.

For example, if the financial year starts on the 1st of July, you should produce a set of reports for the periods 01/01/2006 – 30/06/2006 and, 01/07/2006 – 31/12/2006.

These reports will be helpful when your accountant is preparing your accounts.

Note: It is important that you keep these reports on file for a minimum of 6 years as they may be required for audit by the Revenue Commissioners.

You can also produce electronic copies of each of these reports by selecting the “Export” menu on the report screen. You can export to many formats including Adobe Acrobat (PDF) or Microsoft Excel.

STEP 4 - RECONCILE YOUR PAYROLL

Now that you have prepared your reports you should perform the following reconciliations before you continue with the Year End;

1) Tax Deduction Cards vs P35/LT

For each employee, compare the totals from their Tax Deduction Card, to their totals in the P35L/LT – They should match.

(Please note that the tax deduction card includes previous employments – the Gross Pay & Tax for this employment can be found in the boxes marked J6 and J7. Details carried forward from previous employments will be shown at the top of their tax card in blue text, and clearly marked as “Previous Employments”).

2) Net Pay From P35 vs Net Pay From Gross To Net

The latest update of Payroll 2006 includes an additional section in the P35L/LT report with a “P35 Control Summary”.

The purpose of this control summary is to verify that the net pay on the P35 matches the net pay on the Gross To Net report.

You should verify the following;

- The “Pay” on the control summary equals the total “Gross Pay” on the Gross to Net report.
- The “Total P35 Gross Pay” on the control summary matches the total P35 “Pay (Incl. BIK)”
- Calculate the “P35 Net Pay” by subtracting “PAYE”, “PRSI” and “BIK” from the “Total P35 Gross Pay”.

(The reason for subtracting the BIK is that it is included in the Gross Pay, but since it is a “Notional” item it never actually gets paid to the employee directly in their Net Pay)

- To compare the “P35 Net Pay” with the “Net Pay” on the Gross To Net report you will need to allow for any “Non Taxable Additions” and “Non Allowable Deductions” (such as expenses or loans etc.)

Simply add any “Non Taxable Additions” and subtract any “Non Allowable Deductions” from the “P35 Net Pay”. This should match the “Net Pay” on the Gross To Net Report.

P35 CONTROL SUMMARY	
Pay	24,202.69
+ B.I.K.	2,424.00
+ Taxable Additions	160.00
- Allowable Deductions	-480.00
Total P35 Gross Pay	26,306.69
- PAYE	-5,873.68
- PRSI	-1,365.38
- B.I.K.	-2,424.00
P35 Net Pay	16,643.63
+ Non Taxable Additions	532.45
- Non Allowable Deductions	-182.45
Actual Net Pay	16,993.63

3) Cheque Journal

Finally, you should verify that the “Actual Net Pay” figure from the Control Summary matches the total net wages in your cheque journal (from your accounting software)

STEP 5 - PREPARING YOUR P35

Once you have satisfied yourself that the figures in Payroll are accurate you can now proceed to complete your P35.

There are currently two methods by which you can file your P35 with Revenue;

- 1) Paper based P35 return where you complete the P35 return that was sent to you by Revenue manually.
- 2) Electronic P35 return using the Revenue Online Service (ROS).

Important Note: In previous years you could also create a P35 Disk Return. From 2006 Revenue no longer accept the P35 returns on disk (or CD). All electronic returns must be made via ROS. This requires that you are a registered user of ROS.

If you are going to file a *Paper Based P35* then please proceed to **Step 6**.

If you are going to file an *Electronic P35 with ROS*, then please skip to **Step 7** to proceed.

Note: If you wish to submit a ROS P35, but you are not already registered as a ROS user then you should register with ROS at www.ros.ie well in advance of the P35 deadline as the registration process can take a number of weeks to complete.

You can also telephone ROS at 1890 201 106

STEP 6 - PREPARING A PAPER BASED P35

To create your Paper Based P35 you need to perform the steps outlined below. We suggest that you read through these steps before you perform them in order to familiarise yourself with what's involved.

- 1) From the "Revenue Returns" menu first select the "P35 Annual Return", then click on the "**P35L and P35LT**" item.
- 2) If there are any problems with your P35 you will be presented with a list of issues that need to be resolved.

You should print this list and resolve any such problems before you proceed with your Year End.

If you are required to make any changes to Payroll in order to resolve any of these issues then you should re-run steps 3 & 4 of the Year End again as some of the data may have been changed.

- 3) If the only problem(s) that occurred was the result of employees with duplicate PPS numbers, then you can produce a *Merged P35* report which automatically merges employee records with the same PPS number(s).

To do this you should select the "**P35L and P35LT (With Duplicated PPS's Merged)**" option from the "Revenue Returns" > "P35 Annual Return" menu.

Note: If you do run a merged P35 then please refer to Appendix I at the back of this booklet as there are some additional check you should perform.

- 4) When all issues (if any) are resolved you should then print a hard copy of the report.
- 5) You now need to produce your *P35LF* by selecting the "*P35LF*" option from the "Revenue Returns" > "P35 Annual Return" menu, and then print a hard copy.

(continues on next page)

STEP 6 - PREPARING A PAPER BASED P35 (CONTINUED)

- 6) You should now transcribe the details from the reports that you printed onto the P35 form that was sent to you by Revenue.

Note: You need to take care while transcribing as the order of the employees on the P35 form may not match the order on the printed reports.

- 7) You should now double check that you have transferred all details correctly.
- 8) After you have transferred all the details onto your P35, you will need to total each page manually.
- 9) When you are happy that all the details are correct you should sign the P35 declaration form.

Your P35 is now complete, you can now print your P60's by proceeding to Step 9.

STEP 7 - PREPARING A ROS P35

In this guide we have split the ROS P35 into two steps, one for preparing the P35 file, and the other for transmitting the file to ROS over the internet.

We suggest that you read through these steps before you perform them in order to familiarise yourself with what's involved.

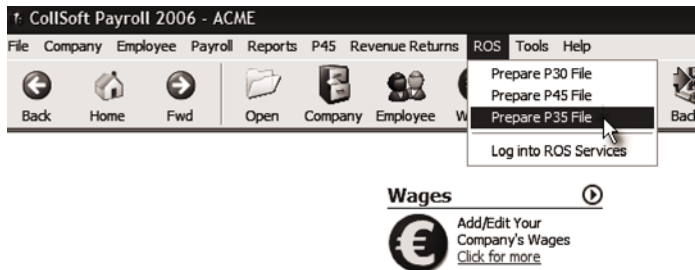
Preparing Your ROS P35 File

- 1) Before you can begin processing your ROS P35 we recommend that you ensure that the following details have been entered correctly;

Company Name
Company Registration Number
Contact Name & Telephone Number (In case ROS have any queries with your file)

You can verify/change these details by selecting the ***“Edit Company ...”*** from the ***“Company”*** menu in Payroll.

- 2) From the ***“ROS”*** menu select the ***“Prepare P35 File”*** as shown below:



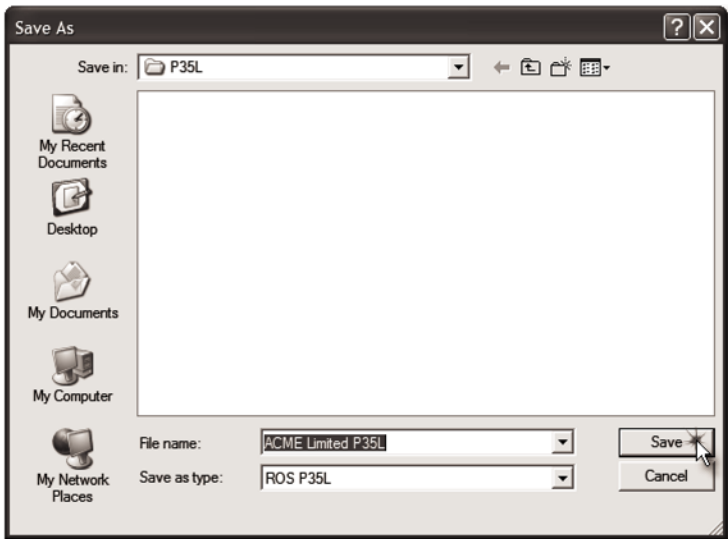
(continues on next page)

STEP 7 - PREPARING A ROS P35 (CONTINUED)

You will then be asked to specify the location and name for your ROS P35 file. Payroll 2006 will provide a default name, and offer to save the file in the following location:

C:\ROS\CollSoft\Payroll 2006\Company\P35L\Company.P35L

(You can choose to save your ROS P35 to a different location if you like.)



Press the “**Save**” button to continue.

Assuming that no problems occurred while processing P35, your ROS P35 file will now be saved in the location that you selected above, and you will be asked if you would like to review a report of its contents.

We suggest that you do print a copy of this report and verify that the contents are correct.

STEP 7 - PREPARING A ROS P35 (CONTINUED)

Problems with your P35

If there were any problems with your P35 you will be presented with a list of issues that need to be resolved.

You should print this list and resolve any such problems before you proceed with your Year End.

If you are required to make any changes to Payroll in order to resolve any of these issues then you should re-run steps 3 & 4 of the Year End again as some of the data may have been changed.

Duplicate PPS Numbers

If the only problem(s) that occurred was the result of employees with duplicate PPS numbers, then you can produce a *Merged P35* report which automatically merges employee records with the same PPS number(s).

To do this you should select the “**ROS P35 (With Duplicated PPS's Merged)**” option from the “ROS” > “Prepare P35 File” menu.

Note: If you do run a merged P35 then please refer to Appendix I at the back of this booklet as there are some additional checks you should perform.

Once you have successfully created your ROS P35 file, and you have checked that the details contained in the file are correct, you can then proceed to upload your file to ROS as outlined in the next step.

STEP 8 - UPLOADING YOUR ROS P35

Now that you have successfully created your ROS P35 file you must log into your ROS service in order to actually file your P35 return.

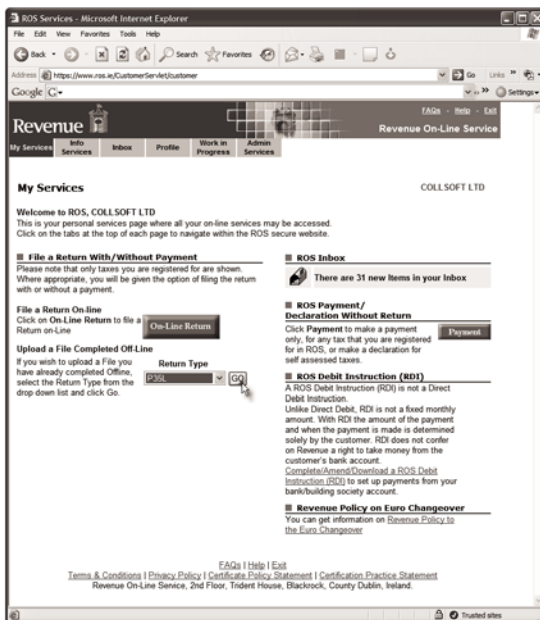
You can open the ROS login web page by selecting the **Log Into ROS Services** option from the **ROS** menu in Payroll 2006. Alternatively, you can open your web browser and open the ROS home page at **www.ros.ie**

You should then log into your ROS account in the usual manner.

When you have logged into your ROS account your web browser will display your **“My Services”** home page.

On this page there is a section called **“Upload File Completed Off-Line”**, this is the process by which you will be able to upload the file you created earlier.

To begin the upload process you should select the **“P35L”** option from the **“Return Type”** drop down list, and then press the **“Go”** button as shown below:



STEP 8 - UPLOADING YOUR ROS P35 (CONTINUED)

You will now see a screen similar to that shown below. To continue press the “Add File” button.

ROS File Submission - Microsoft Internet Explorer

Address: https://www.ros.ie/CustomerService/Upload

Revenue On-Line Service

My Services Info Services Inbox Profile Work in Progress Admin Services

P35L File Upload

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If you wish to use this facility, P35L Returns must be completed using either the ROS Off-Line Application or compatible third-party software. If you wish to use this facility and have not obtained a copy of the ROS Off-Line Application, please contact the Helpdesk on 1890 201 106 to obtain a copy of this free software.

- Follow steps 1 to 4 below to transmit your P35L.
- If your P35L Return has a combined size more than 2 MB then you need to zip into one file (file extension should be .zip).
- If your P35L Return is a zip file, the size of zip should not exceed 10MB. Only one zip file should be uploaded at a time.
- Please contact ROS Helpdesk for getting information on how to zip a file.

1: Add Files
To add the P35L file to be uploaded, click on the "Add File" button below, select the file(s) you want to send to Revenue and click the "Add File" button.

To remove a file that you no longer want to send, select the file from the list and then click the "Remove File" button.

Once you are satisfied that the correct file(s) has been added, continue with stages 2 to 4 below.

2: Select your certificate
This will be used to sign your transmission

3: Enter your password

4: Upload File(s)

To return to My Services Click on the **Back** button

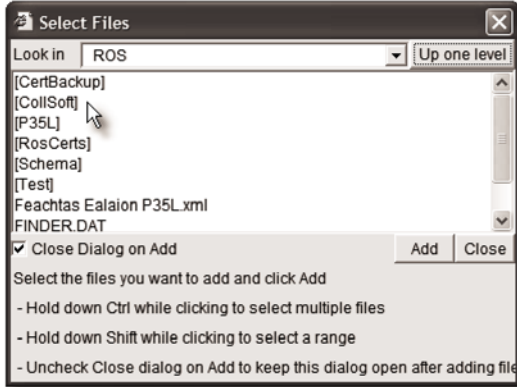
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0%

Back

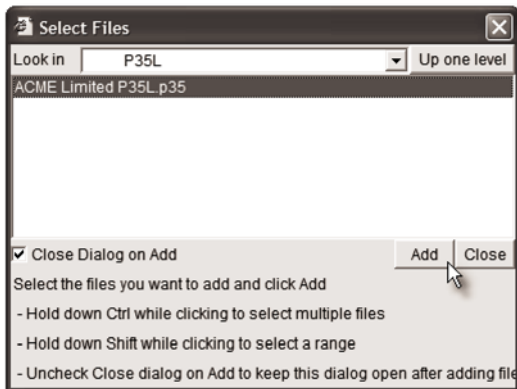
STEP 8 - UPLOADING YOUR ROS P35 (CONTINUED)

ROS will now prompt you to **“Select Files”** from your PC. Initially this screen will show you the contents of the **“C:\ROS”** folder.



If you previously choose to create your file in the default location then you will see a folder called **“CollSoft”**, double click to enter this folder. Then open the **“Payroll 2006”**, **“Company Name”** and **“P35L”** folders accordingly.

Note: If you chose to save your file to an alternative location then you should browse to that location.



Highlight the relevant P35 file and press the **“Add”** button.

STEP 8 - UPLOADING YOUR ROS P35 (CONTINUED)

Now that you have added your P35L file you should enter your ROS password and press the "Upload" button.

ROS File Submission - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address <https://www.ros.ie/CustomerServlet/upload>

Google

Revenue [FAQs - Help](#)
Revenue On-Line S

My Services Info Services Inbox Profile Work in Progress Admin Services

P35L File Upload COLLSOFT

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- Please contact ROS Helpdesk for getting information on how to zip a file.

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To remove a file that you no longer want to send, select the file from the list and then click the "Remove File" button.

Once you are satisfied that the correct file(s) has been added, continue with stages 2 to 4 below.

2: Select your certificate
This will be used to sign your transmission

3: Enter your password

4: Upload File(s)

To return to My Services Click on the **Back** button

C:\ROS\CollSoft\Payroll 2006\ACME Limited\P35L\ACME Limited P35

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Upload 0%

Back

STEP 8 - UPLOADING YOUR ROS P35 (CONTINUED)

ROS will now validate your P35 file, and assuming that it passes validation it will advise you if there is any PAYE/PRSI due to be paid.

If there is a balance due you will be able to authorise a “Single Direct Debit”.

If you do not wish to pay the outstanding balance at this time you can choose the “File Return Only” option, but you should be aware that you may have to pay interest and penalties if your payment is made later than the P35 deadline of 15th February.

To complete the process you must re-enter your ROS password and press the **“Sign And Submit”** button.

You are now ready to print your P60's

STEP 9 - PRINTING P60's

You can print employee P60's directly from Payroll 2006 using special P60 Forms, available only from Revenue.

The two types of stationery that you can use are "*Dot Matrix*" or "*Inkjet/Laser*".

You can order your P60 stationery by the following methods;

Telephone: 1890 30 67 06
Email: custform@revenue.ie
Web: <http://www.revenue.ie/publications/order1.htm>

To print P60's from Payroll 2006 please do the following;

- 1) Select the "*Print P60's*" option from the "*Revenue Returns*" menu
- 2) You will be warned about checking your printers margins – press the "*OK*" button to continue.

Every model of printer has different margin settings with the result that when you print your P60's, you might find that the data does not line up correctly with the relevant boxes.

To overcome this problem, Payroll 2006 allows you to adjust the margin settings for your printer so that you can obtain the correct alignment.

We suggest that you do a test run first by printing just one P60 with the default margin settings. Then check to see that the data is aligned correctly with each box. You can adjust the margins if necessary.

For example, if you want to move everything a little to the right on the page you can increase the setting for the "*Left Margin*".

When you are satisfied with the alignment you can print all of your P60's in one go.

YOUR YEAR END IS NOW COMPLETE!

You have now completed all of the steps for your Year End in CollSoft Payroll 2006.

We hope that you have found this guide helpful, but if you require any additional assistance you can contact our support desk at

Email: info@collsoft.ie
Web: www.collsoft.ie
Telephone: (046) 90 91 605
Fax: (046) 90 91 601

You may also find the following contact details useful;

P35 Helpline: 1890 25 45 65 or p35helpline@revenue.ie
ROS helpline: 1890 201 106 or roshelp@revenue.ie

APPENDIX I - DEALING WITH DUPLICATE PPS NUMBERS

When preparing a P35 CollSoft Payroll validates a number of rules to catch any errors that may exist in your data. One of the rules ensures that there are no duplicate PPS numbers in your data.

Such duplicates can arise for a number of reasons, but the most common occurs when an employee leaves your employment at some point in the year, and then recommences employment later in the same tax year.

By default when you run the standard P35 (either by paper or ROS), CollSoft Payroll will alert you to any duplicate PPS numbers which exist in your data.

You can then choose to run another P35 which merges the duplicated PPS's into a single P35 entry. If you choose to run such a merged P35 then you should check the following before you actually make a return;

- 1) Verify that each of the employee records for a duplicated PPS number actually relates to the same employee.

If you have entered the same PPS number for two different employees accidentally, then the Merged P35 will be incorrect as it will just contain one P35 entry for the total amounts of the individual.

CollSoft Payroll has no way to determine if the records with duplicated PPS numbers are actually the same employee, so you should verify that all duplicates are indeed the same person yourself.

- 2) If you have multiple employee records for the same employee then you should ensure that you entered the details from their P45 correctly.

It is important to ensure that the Previous Pay & Tax were entered into the "*Previous Employment*" section on the "*Employee Details*" Screen, and not as "*Starting YTD Figures*".

If you have entered these details as "Starting YTD Details" then this will cause the P35 entry to be overstated.

**CollSoft Limited
Johnstown Village
Navan
Co. Meath**

**Tel: (046) 90 91 605
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