

## Recording the 10% Wage Subsidy in QuickBooks Desktop

In this example, we are using QuickBooks Desktop 2020. Although this procedure is likely similar for other payroll software, you will want to verify your results.

### Prepare Payroll

Enter the payroll data as you normally would in the payroll module. When all the period information is entered, produce the PD7A report as you normally would. Proceed to prepare the cheque to pay the required source deductions to Canada Revenue Agency. Below is an example of how it might look.

The screenshot displays a 'Cleared' cheque form in QuickBooks Desktop. The cheque is payable to 'Receiver General' for the amount of \$26,902.98, dated 04/15/2020. The amount is circled in red. The cheque number is 'dm'. The address is 'Receiver General'. The period is 03/01/2020 to 03/31/2020. A green 'CLEARED' stamp is visible. Below the cheque form, a summary table shows 'Expenses' at \$0.00 and 'Payroll Liabilities' at \$26,902.98. The liabilities are broken down into five categories: CPP - Company (3,999.27), CPP - Employee (3,999.27), EI - Company (984.18), EI - Employee (1,377.87), and Federal Income Tax (16,542.39). The entire table is circled in red.

PAYROLL ITEM	AMOUNT	MEMO
CPP - Company	3,999.27	
CPP - Employee	3,999.27	
EI - Company	984.18	
EI - Employee	1,377.87	
Federal Income Tax	16,542.39	

## Recording the Subsidy

Once you have prepared the payment, find and open the payment/cheque. Once inside the payment screen, select the **Expenses tab** (see below).

For reporting simplicity, we recommend that you set up a new General Ledger account called 'Wage Subsidy' (label it an income account in Account Type).

Record the amount of subsidy claimed in the period (this is the 10% wage subsidy that has been manually calculated). Be sure to make it a negative amount in the expense line to reduce the payroll remittance.

Once that is entered, manually change the amount of the payment/cheque, reducing the original payment by the wage subsidy. The amount of the payment should now equal the total of the amounts shown on the Expenses tab and the Payroll Liabilities tab (See below).

Select 'Save and Close'.

NO. dm  
DATE 04/15/2020  
PAY TO THE ORDER OF Receiver General  
\$ 24,038.18  
Twenty-four thousand thirty-eight and 18/100\*\*\*\*\* Dollars  
ADDRESS Receiver General  
PERIOD 03/01/2020 03/31/2020  
MEMO  
CLEARED  
Expenses -\$2,864.80 Payroll Liabilities \$26,902.98  
ACCOUNT AMOUNT MEMO C... BILL...  
Wages Subsidy-income account -2,864.80 10% Wage Subsidy