


Payroll Liabilities vs. Current Liabilities


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 **Note:** This topic applies to the full version of CenterPoint Payroll and does not apply to Basic Payroll.



Payroll creates liabilities for taxes and deductions (insurance, etc.) that the employer has to pay. CenterPoint allows you to setup payroll liabilities in two different categories: “Payroll Liabilities” or “Other Current Liabilities”. These two categories are assigned to the accounts under Setup > Accounts > Accounts. Once an account is assigned to one of these categories it cannot be changed, instead a new account would have to be set up.

CenterPoint handles “Payroll Liabilities” differently than “Other Current Liabilities”. During a pay run, payroll liability accounts create invoices under the vendors they were tied to during their setup. These invoices accumulate in Pay Invoices Due like below.

Company		Alpine Sports			
Bank Account		Checking			
Filter		All			
Abbreviation	Vendor	Amount Due	Payment Amount	Pay	
+ AllCare	Allcare of Colorad	\$ 51.92	\$ 0.00	<input type="checkbox"/>	
+ BigProfit	Big Profit Investm	\$ 2,337.07	\$ 0.00	<input type="checkbox"/>	
+ BLIns	Break-a-leg Insur	\$ 24.85	\$ 0.00	<input type="checkbox"/>	
+ CODOL	Colorado Depart	\$ 3.83	\$ 0.00	<input type="checkbox"/>	
+ CODptRev	Colorado Depart	\$ 163.00	\$ 0.00	<input type="checkbox"/>	
+ ILDOL	Illinois Departmen	\$ 11.33	\$ 0.00	<input type="checkbox"/>	
+ ILDptRev	Illinois Departmen	\$ 18,849.75	\$ 0.00	<input type="checkbox"/>	
+ USTreasury	U. S. Treasury De	\$ 230,714.80	\$ 0.00	<input type="checkbox"/>	

 **Note:** If you also have one of the accounting packages (CenterPoint Accounting, CenterPoint Accounting for Agriculture or CenterPoint Fund Accounting), “Payroll Liabilities” will also show as open invoices in the Payments screen.

Liability accounts setup as “Other Current Liabilities” will not create invoices. Reports (such as the Deductions & Benefits Liability and the Tax Liability reports) can be printed to see the balance due amounts.

Payroll Data Reports	
Payroll Totals	
Payroll Register	
Earnings	
Deductions & Benefits	
Deductions & Benefits Liability	
Employee Deductions & Benefits	
Employee Deductions & Benefits (Detail)	
Retirement Plan Contributions	
Payroll Prepayment	
Time Sheets	
Leave	
Payroll Tax Data Reports	
Tax Liability	
Tax Register	
Federal Tax Reports	

If you have one of the accounting packages, you can still pay “Other Current Liabilities” under Payments, but there will be no open invoices to apply the payments to.



Note: If you use the cash method of accounting, it is important that you setup your liability accounts as “Payroll Liabilities”. Those liabilities that have an employer expense (Social Security, Medicare, 401K, etc.) need to be “Payroll Liabilities” for correct cash reporting in CenterPoint. (Do not use Payroll Liability accounts in Basic Payroll).