

Use QuickBooks to track activity from multiple counties or both MC and DRC.

#### Escrow Account:

If all activity is run through a single checking account or both checking accounts are tracked in the same QB company file, preface the case number in the account setup with a county identifier – first letter of each county or some other easily used ID if both counties start with the same letter. The following examples use the numbers 1 and 2 for County1 and County2.

For example, a case from County1 would be identified as 1 Doe 22-00989 and a case from County2 would be identified as 2 Jones 22-00423. This would place all cases for each county together in the chart of accounts and allow for easy tracking of cases by county.

Set up separate QB Other Current Liability accounts by county for interest, check printing charges, etc. prefaced by the same county identifier. (1 zzINTEREST, 2 zzINTEREST, 1 zzCHECK PRINTING CHARGES, 2 zzCHECK PRINTING CHARGES)

Set up separate Vendor names to write fee checks from escrow to operating (FirstName LastName County1 Master Commissioner, FirstName LastName County2 Master Commissioner) to easily track fees disbursed. This is also useful for any activity as Special Master Commissioner (FirstName LastName Special Master Commissioner).

#### Operating/Fee Account:

Deposit all fees from all counties to the same operating/fee account. Set up different income accounts to simplify tracking (County1 Fee Revenue, County2 Fee Revenue). Set up different expenses accounts as well (County1 MC Salary, County2 MC Salary, etc.).

Salary can be combined on one check, as long as the pay by county is detailed on the check stub using the separate expense accounts set up in the previous step. Example, MC receives salary of \$4,770 per month for each county (if fees are available) at the end of each month. One check can be written for the full net pay with a breakdown on the stub. Detail varies based on office procedure. This example shows gross less deductions. The check would be written for \$6,615.99 and the stub would reflect each item on a separate row where the total equals the check amount.

<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>TYPE OF ACCOUNT</u>
COUNTY1 MC SALARY	4,770.00	EXPENSE
COUNTY2 MC SALARY	4,770.00	EXPENSE
SS TAX W/H	(591.48)	LIABILITY
MED TAX W/H	(138.33)	LIABILITY
FIT W/H	(1,144.80)	LIABILITY
SIT W/H	(572.40)	LIABILITY
KRS W/H	(477.00)	LIABILITY
CHECK AMOUNT	6,615.99	

This assigns the gross pay to the appropriate county and places the payroll deductions together into a liability account to be paid to the appropriate taxing authority. In the example, Medicare and Social Security taxes are calculated at the required rates of 1.45% and 6.2% respectively. Federal and State income taxes were estimated for the example. The retirement contribution was calculated at 5% but could be 6% depending on participation date. MCs are not required to participate in voluntary Federal and State income tax withholding and may not be eligible to participate in the retirement system. The payroll deductions should be adjusted to fit each individual circumstance.

When payroll withholding is remitted, checks to the appropriate agency should be posted to the same liability account where the deduction was posted. Amounts remitted should be the actual amounts withheld and any rounding of cents should be reflected on the remittance reports.

The remittance checks for the above example (if there is no staff compensation to report) would be:

Sent to SSCRB with the monthly Form SS-16/SS-16a:

- Kentucky State Treasurer, \$729.81, with the check stub posting \$591.48 to SS TAX W/H and \$138.33 to MED TAX W/H.
- Kentucky State Treasurer, \$1,144.80, with the check stub posting all to FIT W/H
- Kentucky State Treasurer, \$572.40, with the check stub posting all to SIT W/H

Paid online to KPPA with the monthly compensation report

- KPPA, \$477, with the check stub posting all to KRS W/H

These remittance checks should zero out the liability accounts each month.

Staff compensation would be processed the same way and the remittance checks would include the combined payroll deductions for each month.

Gross compensation from each county cannot exceed available fees for the county. Fee revenue from County1 cannot be used to pay compensation for County2 or vice versa.

These separations allow easy tracking of fees and expenses by county and will aid in preparing each Annual Report.