

Liabilities Adjustments

Use the **Pay Liabilities** tab to adjust your payroll liabilities.

To do this task

1. Click the **Adjust Liabilities** icon.
2. In the **Date** field, enter the date for which you are making the adjustment.
Note: QuickBooks prefills today's date, but you should enter the date that you want the adjustment to be effective. Otherwise, this item will not show up in the appropriate Payroll Summary Report.
3. In the **Effective Date** field, enter the date that you want this adjustment to affect your liability balance.
QuickBooks uses this date to calculate the amounts on the Payroll Liability Balances Report.
4. Choose whether to associate this liability adjustment with the company or a specific employee.
5. In the **Item Name** field, choose the payroll item.
6. In the **Amount** field, enter the amount of the adjustment.
 - To increase the amount owed, enter a positive number in the Amount field.
 - To decrease the amount owed, enter a negative number in the Amount field.
7. (Optional) In the **Memo** field, enter a note to yourself about the adjustment.
The note will appear on any detail payroll reports that include this transaction.
8. Click **Accounts Affected** to check or modify the setting by choosing one of the following options:
 - Select **Do not affect your accounts** if you have:
 - Previously used a general journal entry to adjust your liability for one or more payroll items
 - Paid your payroll liabilities with the Write Cheques window
 - Select **Affect liability and expense accounts** if you are:
 - Adjusting your liability because of rounding differences
 - Entering a credit or expense for your payroll liabilities

Click **OK** once you have made your selection.

If you adjusted an amount withheld from pay cheques, enter the name of the expense account (such as Payroll Expenses) to offset the change in the liability account and click **OK**.

9. When you've finished adjusting the liability, click **OK**.