Scheduled liabilities payroll show as overdue or in red

SOLVED • **by QuickBooks** • QuickBooks Desktop Payroll • 👍 1 • 🕐 Updated 1 month ago

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Learn why scheduled liabilities show as overdue or appear in red in QuickBooks Desktop.

There are several reasons why your scheduled liability shows as overdue or appears in red in QuickBooks Desktop even though you have already made the payment. We'll tell you what the reasons are.

▾ The liabilities have not been paid

Create a Payroll Liability Balance Report to view any unpaid liabilities. If you have unpaid liabilities, create a liability payment (https://quickbooks.intuit.com/learn-support/en-us/liability-schedules/set-up-and-pay-scheduled-or-custom-unscheduled-liabilities/00/228738) in QuickBooks Desktop.

▾ The liabilities were paid but never entered into Desktop

- Enter the payment (https://quickbooks.intuit.com/learn-support/en-us/liability-schedules/set-up-and-pay-scheduled-or-custom-unscheduled-liabilities/00/228738) in **Pay Scheduled Liabilities** or
- Enter the payment using the **Enter Prior Payments** option in the **YTD Adjustment** window:
    1. Select the **Help** menu. Then choose **About QuickBooks.** And press **Ctrl+Alt+Y**.
    2. Choose the date range. Then select **Next** until you see the **Create Payments** button.
    3. Under **Item Name**, select the drop-down arrow. And choose the item you need to create a prior payment for.

4.   Verify the dates and update as necessary.
   o   Select **Next Payment** to enter another prior payment.

5.   Select **Done**.

▾ The liabilities were maybe paid through the Write Checks or Bill Payment screen

To determine whether a liability was paid with Write Checks or Bill Payment:

1.   Select **Vendors > Vendor Center**.
2.   Choose the vendor's name.
3.   In the **Type** column, ensure all are listed as **Liability Check**.
4.   If there is a **Check**, double-click to view the transaction.
5.   Verify that this transaction was created to pay payroll liabilities.

If a liability was paid through the Write Checks screen or Bill Payments:

1.   Back up (https://quickbooks.intuit.com/learn-support/en-us/back-up-data/back-up-your-quickbooks-desktop-company-file/00/202669) the Company file.
2.   Go to **Write Checks** or **Bill Payment** and use the **Previous** and **Next** keys to locate the payment. Note the amount paid and the expense account used.

3.   In the **Payroll Center**, go to the **Pay Liabilities** tab. And select the overdue liability that was paid through Write Checks.
4.   Select the **View/Pay** button, which brings up the liability check.
5.   Select the **Expense** tab.
6.   In the **Account** column, select the drop-down ▼ arrow. And choose the account used in Write checks. In the **Amount** field, enter a negative amount equal to the amount of the

liability check.


(**Note:** If the liability shown as being owed was only partially paid through Write Checks, enter the actual amount paid through Write Checks as a negative instead of the whole amount shown as being owed.)

7.   Select the **Recalculate** button to zero the check amount.
8.   Uncheck the **To be printed** box.
9.   If the check number field populates, remove the check number.
10. Date the transaction to be the same date as the payment that was already entered into the QuickBooks Desktop bank register.
11. Select **Save > Close**.

To eliminate this from happening the next time:

QuickBooks Desktop payroll works best when all payroll activity is performed from within the payroll menus. This includes paying accrued payroll taxes to the respective taxing authorities. If you write checks or use the Enter/Pay Bills functionality to pay for the liabilities and the QuickBooks-created Payroll Liabilities account was assigned, the following warning message appears:
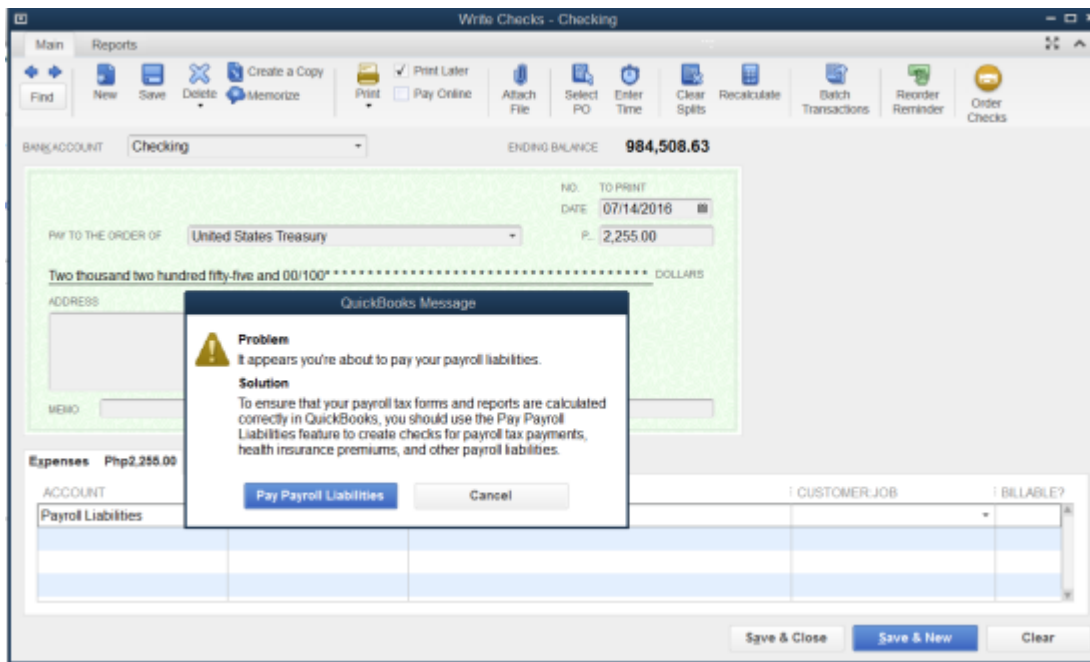
The message warns but does not prevent you from using the wrong type of payment (i.e., Write Checks or Enter/Pay Bills) when attempting to make payroll liability payments. When you select the **Pay Payroll Liabilities** button in the warning message, you will be directed to **the Select Date Range for Liabilities** dialog. The message directs you to the Pay Payroll Liabilities feature to create a payroll liability check.

▾ The liabilities were overpaid in one period and underpaid in a previous period

Here's what to do if the liabilities were overpaid in one period and underpaid in a previous period.

1. Select **Employees** on the menu bar > **Payroll Center**.
2. Select the **Transactions** tab.
3. Select **Liability Checks** .
4. Double-click on the liability check that was underpaid to compensate for the overpayment in the prior period.
5. Edit the liability period to cover both periods (the period that the item was overpaid and the period it was underpaid).
6. Select **Save & Close**.
7. Double-click on the liability check that had the overpayment.
8. Edit the liability period to cover both periods (the period that the item was overpaid and the period it was underpaid).
9. Select **Save & Close**.

▾ The paid through date on the liability check is after the check date

If the paid through date on the liability check is after the check date:

1. Choose **Employees** on the menu bar > **Payroll Center**.
2. Select the **Transactions** tab.
3. Select **Liability Checks**.
4. Double-click on the liability check for the period that is appearing in the **Scheduled Liabilities** window.
5. Edit the check date so it is on or after the paid through date.

	Note For QuickBooks Desktop Payroll Assisted: If you receive an error that you are not allowed to make the changes in the liability check, print a copy of the check to capture the details. Delete and recreate this check. (If the check was created as a scheduled liability, recreate through the Pay Scheduled Liabilities module.)

▾ The liability being paid has a paid through date that crosses from one year to the next

If the **Period** dates cross from one year to the next, you may also need to edit the paid through dates to be within the year the paychecks are dated.

- If there are paychecks dated in only the previous year, change the paid through date to reflect the previous year.
- If there are paychecks dated in the next year, change the paid through date to reflect the next year.
- If there are paychecks dated in each year, change the paid through date to reflect the next year.

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Yes   No

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