PAYROLL & PERSONAL TAXES MODULE · PRACTICAL EXAMINATION

Section 2 — Payroll Reconciliation

JOEST Logistics and Supply — semi-monthly payroll, first period of October 2025

#AkofenaCohort 2026 | Module 2 of 3 | Suggested time: 75 minutes

Your instruction

Reconcile the payroll for **JOEST Logistics and Supply** for the pay period 1–15 October 2025 using the reconciliation workbook supplied to you. Verify every figure on the payroll platform's report against the statutory rates and against the bank. Report every discrepancy you find, then prepare the journal entry from the bank transactions.

1. Entity profile

Entity	**JOEST Logistics and Supply** · EIN 84-3319027
Address	1450 Corporate Park Drive, Columbus, OH 43229
Payroll cycle	**Semi-monthly** — 24 pay periods a year
Pay period under review	**1 – 15 October 2025** · pay date 20 October 2025
Payroll platform	Third-party provider; taxes impounded each payroll
Workforce	Four W-2 employees and two 1099-NEC contractors
Cost coding	Direct labour 52xxx · Indirect labour 61xxx · Contractors 52400 / 61400

2. Payroll platform report — W-2 employees

This is the platform's output, exactly as received. Do not assume it is correct. Recompute every statutory figure from gross pay using its own formula, never by referencing another calculated figure.

Pay period 1 – 15 October 2025 · pay date 20 October 2025

Employee	Role	Acct	Gross	Soc Sec	Medicare	Addl Med	Fed inc tax	OH inc tax	Total w/h	Net pay
Dwight A. Coleman	Warehouse Supervisor	61110	2,750.00	165.00	39.88	—	275.00	68.75	548.63	2,201.37
Priya N. Raghunath	Dispatch Coordinator	52120	2,250.00	139.50	32.63	—	202.50	56.25	430.88	1,819.12
Marcus T. Ellery	Driver	52120	1,980.00	122.76	28.71	17.82	178.20	49.50	396.99	1,583.01
Sandra L. Whitcomb	Accounts Clerk	61110	1,520.00	94.24	22.04	—	121.60	38.00	275.88	1,254.12
TOTALS			**8,500.00**	**521.50**	**123.26**	**17.82**	**777.30**	**212.50**	**1,652.38**	**6,857.62**

Employer payroll taxes as reported

Employee	Employer Soc Sec	Employer Medicare	FUTA	Ohio SUTA
Dwight A. Coleman	165.00	39.88	0.00	0.00
Priya N. Raghunath	139.50	26.63	0.00	0.00
Marcus T. Ellery	122.76	28.71	11.88	0.00
Sandra L. Whitcomb	94.24	22.04	0.00	0.00
TOTALS	**521.50**	**117.26**	**11.88**	**0.00**

Year-to-date gross wages through 30 September 2025: Coleman $49,500 · Raghunath $40,500 · Ellery $32,850 · Whitcomb $26,600. Federal and Ohio income tax come from the platform and are not recomputed.

3. Contractor payments processed through the platform

Contractor	Engagement	Acct	Paid this period
Owen R. Bradshaw	Route Consultant	52400	1,850.00
Lena M. Fitzgerald	Fleet Maintenance	61400	1,200.00
TOTAL			**3,050.00**

No income tax is withheld from either contractor. The Forms 1099-NEC below show the full-year totals, not this period's figures.

Form 1099-NEC — Owen R. Bradshaw

☐ **CORRECTED** (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
JOEST LOGISTICS AND SUPPLY
1450 Corporate Park Drive, Columbus, OH 43229 (614) 555-0470

PAYER'S TIN	RECIPIENT'S TIN
84-3319027	**401-77-2915**

RECIPIENT'S name
Owen R. Bradshaw

Street address (including apt. no.)
612 Harmon Avenue

City or town, state or province, country, and ZIP or foreign postal code
Columbus, OH 43223

Account number (see instructions)
JLS-CON-0114

1 Nonemployee compensation
$ **18,400.00**

2 ☐ Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale

3

4 Federal income tax withheld
$ **0.00**

5 State tax withheld

6 State/Payer's state no.

7 State income

OMB No. 1545-0116
Form 1099-NEC
(Rev. January 2024)
Nonemployee Compensation
Copy B
For Recipient
Department of the Treasury
Internal Revenue Service

Form 1099-NEC (Rev. January 2024) www.irs.gov/Form1099NEC · Department of the Treasury — Internal Revenue Service

Form 1099-NEC — Lena M. Fitzgerald

☐ **CORRECTED** (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
JOEST LOGISTICS AND SUPPLY
1450 Corporate Park Drive, Columbus, OH 43229 (614) 555-0470

PAYER'S TIN	RECIPIENT'S TIN
84-3319027	288-64-5103

RECIPIENT'S name
Lena M. Fitzgerald

Street address (including apt. no.)
39 Westgate Court, Unit 5

City or town, state or province, country, and ZIP or foreign postal code
Columbus, OH 43204

Account number (see instructions)
JLS-CON-0207

1 Nonemployee compensation
$ **11,750.00**

2 ☐ Payer made direct sales totaling $5,000 or more of consumer products to recipient for resale

3

OMB No. 1545-0116
Form 1099-NEC
(Rev. January 2024)
Nonemployee Compensation
Copy B
For Recipient
Department of the Treasury
Internal Revenue Service

4 Federal income tax withheld
$ **0.00**

5 State tax withheld

6 State/Payer's state no.

7 State income

Form 1099-NEC (Rev. January 2024) www.irs.gov/Form1099NEC · Department of the Treasury — Internal Revenue Service

4. Bank transaction extract

Operating checking account 8830-4471, statement extract for 16 – 25 October 2025. Only the payroll platform transactions are shown.

Date	Description	Reference	Debit
20 Oct 2025	PAYROLL PLATFORM — Payroll net pay ACH	PR-NET-10	6,857.62
20 Oct 2025	PAYROLL PLATFORM — Payroll taxes — federal impound	PR-FED-10	2,090.52
20 Oct 2025	PAYROLL PLATFORM — Payroll taxes — Ohio SIT impound	PR-OH-10	212.50
20 Oct 2025	PAYROLL PLATFORM — Contractor payments ACH	PR-1099-10	3,050.00
20 Oct 2025	PAYROLL PLATFORM — Payroll platform processing fee	PR-FEE-10	84.00
TOTAL DEBITED			**12,294.64**

Remember what a bank line does and does not prove. A debit described as “tax” is a payment to the payroll platform. It is not, by itself, evidence that the IRS or the State of Ohio has been paid.

5. What you must submit

1. **The completed reconciliation workbook**, with every figure recomputed from gross pay and keyed by check date.
2. **A discrepancy schedule.** For each difference: the employee, the figure as reported, the figure as it should be, the amount of the difference and the reason. State the total over- or under-statement for the period.
3. **The journal entry**, prepared from the bank transactions, splitting wages and employer taxes between direct (52xxx) and indirect (61xxx) labour and showing contractor costs and the processing fee separately. The entry must balance. If it does not, do not force it — identify the cause and state what you would post instead.
4. **A client follow-up list** covering anything you could not resolve, and what you would require from the payroll provider.

Every planted difference is a calculation. No name, address or identification number in this pack is wrong. Recompute; do not proofread.

6. Statutory reference figures — 2025

Item	2025
Social Security rate, each side	6.2%
Social Security wage base	$176,100
Medicare rate, each side (no wage cap)	1.45%
Additional Medicare Tax, employee only, wages over $200,000	0.9%

FUTA rate after the full state credit	0.6%
FUTA wage base, per employee per year	$7,000
Ohio SUTA wage base, per employee per year	$9,000
Ohio income tax withholding used by this employer	2.5% of gross
Semi-monthly pay periods in a year	24