

Four Key Elements to Successful Payroll Processing
Knowing what to look for in a payroll service provider saves money, headaches

Lewisville, Texas – December 26, 2006 – December is the primary month for businesses to transfer payroll processing to an outside source and/or change payroll service companies. This shift to payroll outsourcing providers is an attractive option, particularly for small business owners who lack the time and knowledge to administer the payroll process effectively. When reviewing payroll service providers apply four key elements to the decision making process.

First, confirm the presence of CPAs on staff. The complexity of payroll tax filing, especially if you file in multiple states, can be an opportunity for mistakes on your part as well as from the IRS. A payroll company with certified CPAs in-house is skilled at knowing current laws and can conduct artful negotiations with the IRS on your behalf.

Second, determine the professionalism and reporting sophistication of the payroll business service. Primarily, ask questions about the type of software they use and their internal review process. The recent problem running QuickBooks 2004 and 2005 Internet features on Internet Explorer 7 left many payroll departments scrambling to complete their payroll process accurately and on time. Errors in employee payroll and payroll tax filing cost a business time and money, not to mention legal trouble if mistakes are made.

Third, have a good understanding of the payroll service provider's stability. Ask questions regarding their longevity, average length of client partnerships, number of times they were required to pay fines due to processing errors and exactly what services they offer within each fee structure. It is also advisable to ask for client references then follow up to see what other companies say about this provider.

Fourth, review the benefits of outsourcing payroll and make sure they match your company's needs. Can you access the payroll from any location? Does the provider send payroll reports in a timely manner? Is it easy to communicate with the payroll provider? Do they offer a paperless process? Knowing answers to these questions reduces the chance for misunderstanding and inaccuracies down the road.

Payroll processing services are a growing industry and offer small business owners and anyone with hourly employees or frequently changing payroll lists convenience and peace of mind. Applying these four key elements when choosing a provider gives you the best chance of success.

In operation since 1991, PayrollonaBudget.com and Custom Payroll Associates, Inc. are the outgrowth of RMARK Services, Inc., a financial services company. They currently serve clients in more than 30 states and territories by offering paperless payroll and other small business payroll services. Founder and President Charles J. Read is a CPA and earned his BBA and MBA from the University of North Texas.