

Small Business Guide to Payroll

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AUTHORED BY
Michelle Hanson, CPP, CHRS
Director of Payroll Services and Partner



What is outsourced payroll?

Outsourced payroll is the use of an external company to handle the administration and processing of your company's payroll and tax filings. This saves time and money and prevents payroll errors that could have serious consequences.

Top 5 Compliance Issues for Payroll

Are you in compliance? As of May 19, 2021, here's a list of the top 5 payroll compliance issues that provide added risk for Minnesota businesses. We offer rock-solid compliance review of your in-house payroll to help mitigate your risk.

1 American Rescue Plan Act of 2021

- » Tax credits are available but only to employers with fewer than 500 employees and up to certain caps. Is Form 941 prepared correctly to reflect COVID-19 wages?
- » Employees can use Emergency Paid Sick Leave (EPSL) from April 1 through September 30, 2021. Be aware that any inconsistencies in the granting of leave could potentially lead to a discrimination claim.
- » Are you following the 4-1-21 changes of the Emergency Family and Medical Leave (EFMLA)?

2 Employee Retention Credit for 2020 and 2021

- » Did you take the Employee Retention Credit (ERC)?
- » Did you take advantage of all ERCs?
- » We can go back and review, as well as help you prepare going forward.
- » Did you prepare Form 941 and W-2s correctly?

3 PPP loan forgiveness applications

- » Do you have the correct reports for PPP loan forgiveness and ERC to maximize loan forgiveness?

4 Completing new W-4 forms & your state specific W-4 forms, when needed

- » Employees must complete the Federal W-4 Form and a state specific W-4 form when they begin employment or when their personal or financial situation changes so the employer can withhold the correct income tax.

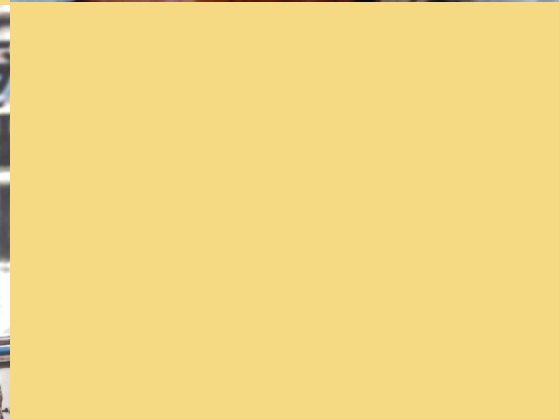
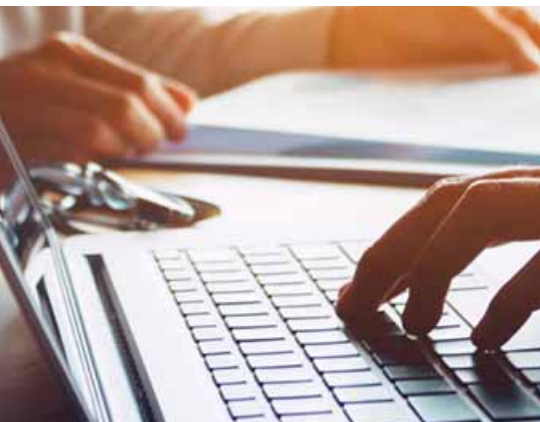
5 Completing and maintaining MN Department of Labor Employee Notice

- » All employers must provide each employee with a written notice at the start of their employment and keep a signed copy of the notice on file, as of July 1, 2019. The notice must contain required information about an employee's employment status and terms of employment.

When to consider outsourcing your payroll?

Below is a list when you should consider outsourcing your payroll.

- » High payroll processing cost
- » Frequent payroll errors
- » Time consuming payroll processing
- » Notice from IRS
- » Frequent tax penalties
- » Slow paycheck delivery
- » Payroll wearing multiple hats within company
- » Not keeping up on rapid changes to payroll legislative updates
- » Consulting help on PPP and ERC
- » Form 941 prepared correctly to reflect employees out with COVID-19



Why CDS for your Payroll?

CDS has a long history of providing premium accounting services at highly competitive costs, and our payroll services are no exception. We're your partner in payroll services. Our customized payroll solutions and personalized service with one point of contact help you simplify payroll and taxes for your business. Our team is knowledgeable of payroll and tax regulation changes.



Your partner in payroll

Payroll Services CDS Offers



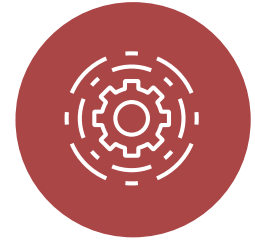
PAYROLL SERVICES

- » Payroll processing
- » Direct deposit
- » Quarterly and annual reports
- » Payroll tax deposits and return filing
- » Customized reports
- » W-2 processing
- » Multi-state payroll expertise
- » IRS audits and correspondence
- » Payroll consulting
- » Affordable Care Act (ACA) reporting
- » Wage garnishments
- » Secure online payment portals
- » New hire reporting



TIME & ATTENDANCE

Using our automated timekeeping system, **CDS TimeKeeper**, we customize a solution for your business to simplify the payroll process and takes the pain out of managing employee data.



WORKFORCE HUB

WorkforceHub is a one-stop source for payroll and HR-related information, that seamlessly integrates with payroll and time and attendance. It comes included with full timekeeping and scheduling capability.

COVID-19 Payroll Services

- » We can handle the Paycheck Protection Program Forgiveness reports and help you with loan forgiveness.
- » We can help you take advantage of all Employee Retention Credits (ERC) and help you maximize PPP Forgiveness and ERC.
- » We can review and amend forms that may have been done incorrectly (i.e. Form 941x, W-2s).
- » COVID-19 Payroll Consulting.

Checkout our **COVID-19 Resources** at <https://bit.ly/3uchT0Q>

Questions to Ask When Considering Outsourcing Payroll

How much time does it take in total?

Don't underestimate the total time devoted to payroll-related tasks. Processing payroll takes time and a whole lot of attention to detail. It's much more than writing checks every pay period, payroll is also properly calculating net pay, preparing quarterly and year-end tax forms, filing W-2s and handling employee inquiries. Check out this example based on a 2017 Deloitte survey of average time to internally process payroll:

<p>11 hours of paid time to process payroll x 52 weeks = 14 weeks/year</p> <p>Internal Payroll Processing \$10,800</p> <p>Average annual payroll processor salary of \$40,000</p>	<p>10 employees bi-weekly payroll processing</p> <p>CDS Payroll \$2,000 annual cost</p>
<p>These examples don't include costs to keep up with tax laws or processing quarterly payroll reports.</p>	

By cutting down on that time, you can put your attention to better use elsewhere. Payroll outsourcing services can save time and money—all while helping you avoid tax penalties and costly payroll mistakes.

Are you prepared to do the hard work of compliance?

With constantly changing tax laws and employment regulations, keeping up with change requires constant attention. It's easy to fall out of compliance with a new law or regulation, risking costly fines and interest. By having a professional payroll service handle the compliance, you have peace of mind with tax penalty protection.

How quick are your new hires on the payroll?

Outsourcing payroll will quickly onboard new hires to get them on the payroll and ready for their first day on the job before the next pay period.

Where do you turn for questions?

It's safe to say that payroll is not a core competency for small business owners. By outsourcing to a full-service outside provider, such as CDS, owners can tap into expert help with our team of 75 professionals and get answers to questions regarding payroll, tax, and HR. Business owners can take advantage of a host of other payroll-related services that they might not otherwise be experts on.

Are you offering fast and easy direct deposit?

Employees like to get paid on time. Outsourced payroll allows you to setup automatic direct deposit so no one is wondering when their paycheck will come in.

Let us review your in-house payroll for compliance

Don't let payroll compliance keep you up at night.

Employing people means compliance hurdles at nearly every step of the payroll process. Whether your company is big or small, a firm understanding of payroll regulations and requirements is critical. We offer rock-solid compliance review of your in-house payroll to help mitigate your risk.

Intrigued? Visit with one of our payroll experts.

OUR PAYROLL TEAM



Michelle Hanson
CPP, CHRS
Director of Payroll Services
Partner
mhanson@cdscpa.com



Lori Reich, CPP
Payroll Manager
QuickBooks ProAdvisor
lreich@cdscpa.com



Sierra Stephens, CPP
Payroll Specialist
sstephens@cdscpa.com



Becky Zimmer
Payroll Specialist
bzimmer@cdscpa.com



Alesha Narragon
Payroll Assistant
anarragon@cdscpa.com



Karla Hemmesch, EA
Senior Accountant
Enrolled Agent
khemmesch@cdscpa.com



Bobbi Mackedanz
Office Manager/
Receptionist
bmackedanz@cdscpa.com



Tonya Rath, EA
Senior Accountant
QuickBooks ProAdvisor
traths@cdscpa.com



Deb Ritter, CPP
Senior Accountant
dritter@cdscpa.com



Lisa McLaughlin
CPP, RAP, ABA
Payroll Specialist
lmclaughlin@cdscpa.com



Rose Vimig
Staff Accountant
QuickBooks ProAdvisor
rvimig@cdscpa.com



Mary Kaye Gordon
Accountant
Office Manager
mgordon@cdscpa.com

Let us exceed your expectations. Call Michelle at **(320) 214-2947** to learn more.