

# Save Time and Cut Errors by Simplifying Payroll

8 tips for more efficient payroll processes



A more human resource.™

# The Problem With Payroll

Like a lot of employee management tasks, payroll has the uncanny knack of being really important to get right and really easy to mess up, all at the same time. In short, it's a pain.

If you're a business owner or HR professional, payroll is not something you want to be spending all your time on.

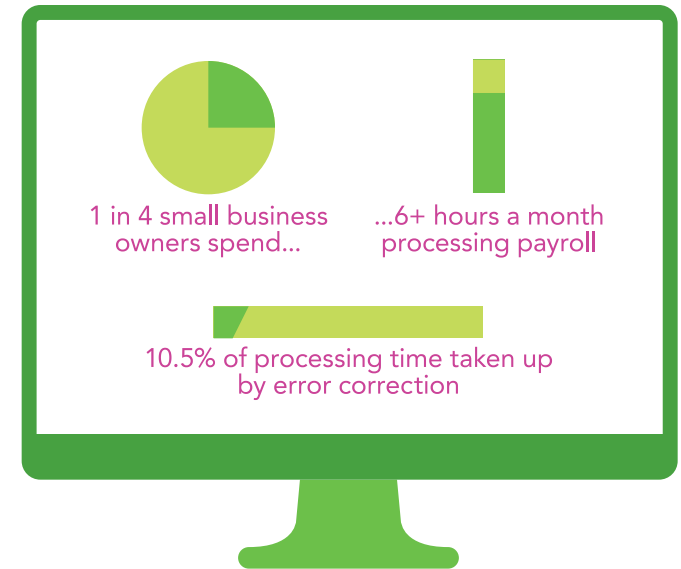
And it gets worse. Manual, inefficient processes don't just waste your time – **they leave you at risk of error** and non-compliance.

– **1 in 4** small business owners spend at least **6+ hours a month** processing payroll.<sup>1,2</sup> (That's almost one workday a month!)

– **10.5%** of total payroll processing time is taken up by error correction.<sup>3</sup>

At best, DIY payroll and employee management processes are a time-sink, holding you back from what you want to be doing.

At worst, they're a time bomb, with the chance of human error (and the resulting mess) always present.



1. <https://www.score.org/resource/infographic-look-accounting-and-taxes>

2. National Small Business Administration 2013 Small Business Taxation Survey, p. 8

3. 10 Best Practices for Time & Attendance Professionals, ChrysMarie Suby, President-CEO, Labor Management Institute



# Simple is Better

One of the most powerful ways to save time – and to defuse a potential payroll time bomb – is by automating tasks to help simplify your job.

When you do, you can benefit from **time-savings, greater accuracy and improved compliance.**

There are a variety of solutions out there – from DIY software to full outsourcing – that can help you work smarter. For help figuring out which kind of solution is best for you, check out our [payroll solution comparison](#).

However you manage payroll and employee information, there are things you can do today to put your business in the best position to reap the benefits of automation.

Some may be quick wins. Some may be new ways to approach old problems. But we hope our eight tips help make managing and paying your people a more enjoyable experience all around.



# **8 Tips For More Efficient Payroll Processes**

# 01

## Go with Direct Deposit

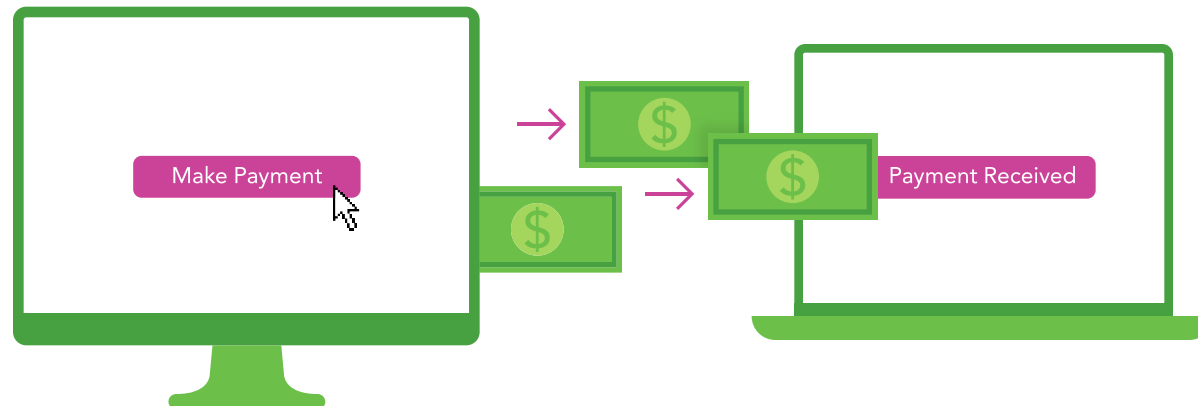
Many businesses have already taken their payroll paperless, so if you're still wasting time printing and mailing pay stubs, **it could be time for a change.** Using electronic pay stubs and direct deposits doesn't just make sense for you, helping you with time-savings, recordkeeping and cash flow management; it's also more convenient for your team, and many employees will expect electronic payment as standard. There are strict requirements around electronic pay statements and direct deposits, so make sure you check to see what laws are applicable to you.

# 02

## Get employee classification right up front

Ensuring you classify your employees correctly isn't just important for establishing how much they should be paid – it also determines their eligibility for things like paid overtime under the Fair Labor Standards Act and applicable state laws. So errors here will give you a load of headaches when it comes to classifying and paying your people accurately.

**Make consistent, correct classification** part of your new-hire onboarding process, so it's taken care of early, and you don't have to worry about it at the last minute, or spend time correcting mistakes. Having accurate classification data on hand will also help when you set up workers' compensation insurance.



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# 03

## Nail down your policies

Holidays, sick days, paid time off... whatever policies you settle on for payroll-related HR issues like these, make sure you **keep them clear and simple** and in accordance with federal, state and local time off rules. And most importantly, keep them recorded where your employees have easy access to them, like in an Employee Handbook. That way employees are able to consult the rules instead of coming to the payroll or HR manager with questions.

# 04

## Integrate with other systems

Wherever possible, look for opportunities to help different systems or processes speak to one another. For example, **time-entry and time-off systems are prime candidates** – especially if you have hourly employees. Automation will help minimize human errors, and integrating these systems with payroll will help you improve payroll accuracy and get a better handle on how holidays will affect upcoming payroll runs.

Look beyond punch cards and explore smarter time-entry methods like mobile phone, biometric fingerscan, keypad entry and swipe or proximity cards. Save time by swapping manual timecard review for an automated system, so you only need to check that time entries are accurate and complete. And if the system flags any issues, you can address them fast. Automating time-tracking can save 40 minutes per week per manager.<sup>4</sup>

# 05

## Give your employees online access

Anything that takes tasks off of your to-do list is a good thing, which is why adopting **a self-service model is such a popular choice** with payroll owners.

It's also popular with employees, who can take more control of their information. For example, they can log into the system to check their electronic pay stubs, and update their direct deposit data when necessary. This keeps them engaged with the system – and it keeps those queries off your desk.

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# 06

## Establish a payroll calendar

When you run payroll, you don't just have to know when payday's going to roll round again. You've got reports you need to run at certain times, and you need to know when to pay all relevant local, state and federal taxes. Make sure you don't miss any important dates (and face any resulting penalties) by creating a schedule and setting reminders, so **you're notified automatically** when you need to act.

A smart payroll process can make life so much easier for you. You can hand off many of the steps involved – like calculating taxes, setting tax payments aside, filing local, state, and federal taxes, and making garnishment payments, to name just a few. With the right solution, you can even get a preview of your payroll to make sure you have enough money in the bank to cover it.

# 07

## Stay up-to-date with legislative changes

If you know anything about the laws governing a business, you know the only constant is change. In 2015 alone the Federal Register published 81,611 pages<sup>5</sup> of rules, proposed rules and notices relating to paid family and medical leave, overtime pay and more – not counting state and local rules and regulations. Do you have time to keep up with all that – and do your day job?

**Don't get caught off guard.** Find a solution that stays up to date with changing regulations so you don't need to. Keeping up with the regulations that may impact your payroll and HR tasks can help you prevent costly (and potentially embarrassing) mistakes.

# 08

## Make garnishment payments a breeze

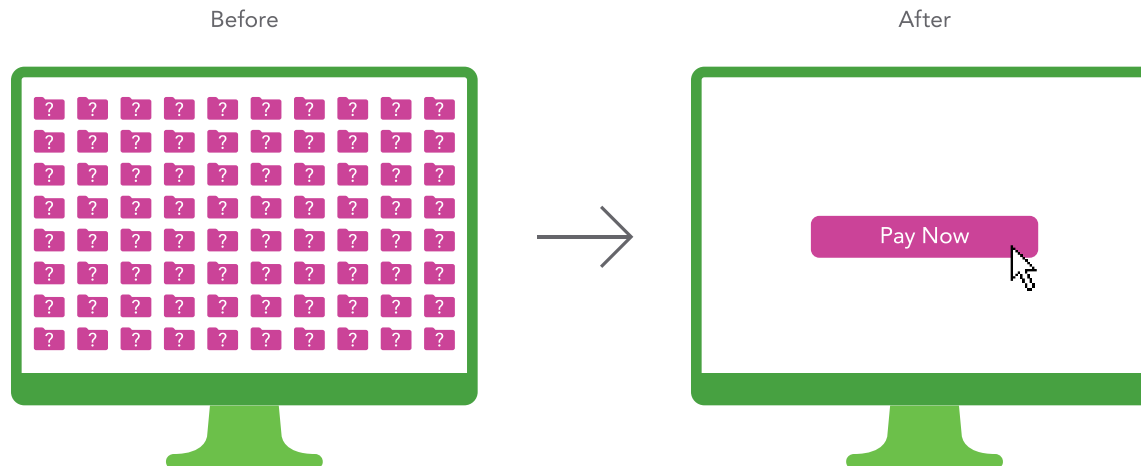
On occasions when an employee owes money to a third party – in fines, taxes, child support and so on – you may have to withhold money from their pay and pay it over to a third party. There are rules you need to follow for different kinds of garnishment payments, and when you should start and stop withholding money. This can be very time-consuming to get right, and risky if you get it wrong – you may end up facing penalties or fines yourself.

Plus it can be very difficult for employees to get money back if payments are incorrect. To manage these challenges, and help avoid lowering employee morale, it makes sense to use a payroll solution that can handle these payments for you and help **eliminate errors by automating** the process.

5. Study: 2015 was a record year for federal regulation, The Hill, Dec 2015.

# Payroll Simplified: the Benefits

- **Efficiency** – smoother, smarter processes mean you spend way less time on the boring stuff.
- **Error-reduction** – help cut out some of the human error and you won't have to fight so many fires, and your business can save money it might otherwise have to pay in penalties.
- **Data security** – have confidence that your employee data is processed and stored securely and in compliance with best practices.
- **Employee engagement** – automation doesn't just mean an easier life for you; it can also help keep your workforce better informed and more engaged in the management of their pay and benefits.





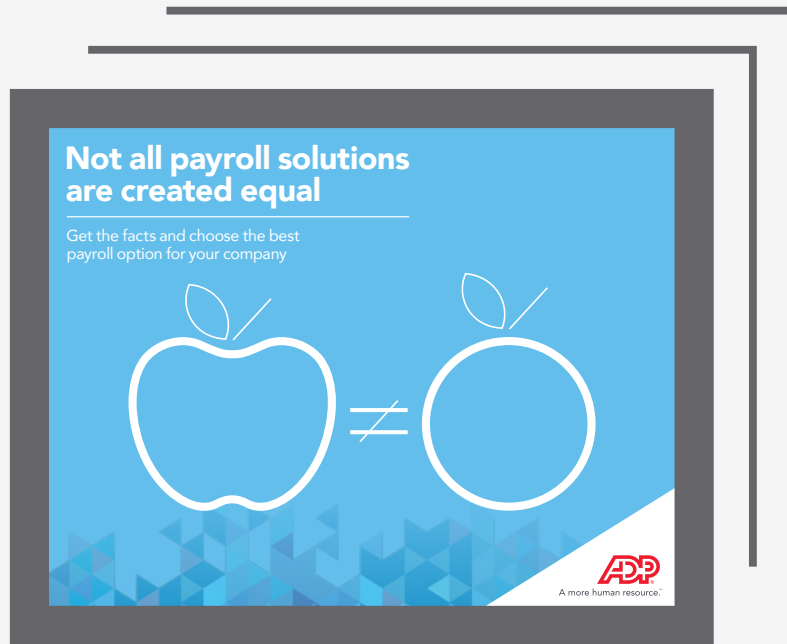


# Fed Up With Broken Payroll Processes?

Let's talk about  
what automation  
could do for you.

[Get in touch.](#)

# What's Next?



## Further reading

Not all payroll solutions are created equal, so get the lowdown with our [payroll comparison guide](#).

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