

# Colonial Capital Chapter News

VOLUME 8, ISSUE 3

FALL NEWSLETTER

## Special points of interest:

- There is No MAGIC Payroll Button
- VSPC Oct 9-10th
- Wex Rapid!Pay
- The New Meeting Schedule
- CCC - New Website



Waterford Receptions – Springfield, VA  
October 9-10, 2014



## There Is NO Magic Payroll Button

Payroll and related expenses often take the biggest chunk of a company's bottom line. Because of that large line item on the income statement, and the perception that payroll processing is a simple matter of multiplying an hourly rate by the number of hours work, payroll is typically considered an accounting function. However, before getting to the calculation of hourly rate times hours worked, there are myriad regulatory, legal, and taxation matters that a payroll professional must consider. When I compartmentalize payroll among my many areas of responsibility, I consider it a legal matter.

At the end of the day, if payroll screws up, it's not the Federal Accounting Standards Board (FASB) that will be investigating a company. It's most likely to be the Department of Labor (DOL), or perhaps the IRS. And those are just the federal agencies: state regulations can sometimes trump federal law if they are more beneficial to employees. For instance, in California, a state where regulations are extremely employee-friendly, overtime must be paid for any hours worked over 8 each day, and meal periods are required after 5 hours, or the company must pay a penalty. Virginia (my state) is more employer-friendly, and tends to follow federal regulations. Overtime kicks in after 40 hours in a week, and meal periods are required only for young teenage employees.

So in essence, the payroll process starts long before an employee's hours worked or rate of pay comes into play. A payroll professional must start the process by gaining an understanding of the federal and state rules that govern payroll processing. The American Payroll Association (APA) is

an excellent resource to help payroll staff gain the necessary legal knowledge, especially via its study materials for the Certified Payroll Professional Exam. Take a look at the following link to the APA's exam content:

<http://www.americanpayroll.org/certification/certification-cppinfo/outline-cpp-2/?print=1>

The core payroll concepts include items such as worker status and Fair Labor Standards Act. The second content section addresses regulatory knowledge, record retention, and penalties that come in to play if something goes wrong in the payroll process. Next comes the paycheck calculation process, and then the technical aspects of processing and data maintenance. The student then moves on to the administration and management of payroll processing. And finally, at the very end of the study guide, comes the accounting stuff!

So, if there were a magic payroll button, how would it work? First, every piece of data about an employee would be correct, and provided in a timely manner. Likewise, the hours that each and every employee worked within a pay period would be submitted correctly and timely. The interface that transfers hours worked into the payroll processing system would work with one click (the first click, and not three hours later after three tense sessions with the IT department). The system would start at the push of a button and calculate paychecks, with correct deductions, in minutes, and it would be able to process any little exception required by the quirks of the company. Checks and direct deposit stubs would print with no jams and no paper refills. The direct deposit file would compile quickly, and the interface to transfer it to the bank would work seamlessly. Checks and

## New Meeting Schedule - Second Tuesdays

Our members are the most important part of our association.

The board surveyed the members to determine a meeting day that would allow members to meet their professional responsibilities while maintaining their continuing education requirements.

### Meetings

The Colonial Capital Chapter of the APA will continue to

meet bi-monthly but our meetings will now be on the second Tuesday of the month.

### Effective Date

The November meeting will be on the new schedule. We are excited our 11/11/14 meeting topic will be the Fundamentals of Payroll Reconciliation-Preparing for Year-End.

### Registration

Members can register by submitting the registration form from the website or download the electronic registration form and mail the completed form along with payment.

The last day to register for the meeting is November 10th by end of business.

We look forward to working with our members to expand our educational opportunities.

## Colonial Capital Chapter— New Website

The Colonial Capital Chapter website was recently redesigned to more easily connect you with the services and information you need as a payroll professional.

The site has a fresh look, layout, and features to help you find the services and information you want.

The new layout features reorganized navigation as well as new tools, such as being able to keep up to date on all events from the home page. However, we aren't finished yet. We invite you to visit the new site, click every button and visit every page.

Once you have had the chance to explore the new website, please take a few minutes to let us know what's working for you and what we can still improve upon.

Your feedback ensures the website remains a useful resource.

## There Is NO Magic Payroll Button continued

stubs would be mailed to employees or posted electronically, no sorting required. The payroll professional could then pat herself on the back, sit back, and relax until the next payroll cycle started.

Folks, I am here to proclaim that the magic payroll button is a fantasy. Even in an environment utilizing a robust and integrated system that collects employee

data, records time worked, and processes net checks, a payroll professional runs hard for the finish. There are multiple things to attend to between payrolls, so there is rarely any downtime. Payroll professionals strive to understand the legal aspects of payroll, to process payroll timely and with very few errors, and provide excellent customer service to all employees of the organization. Please,

consider thanking the payroll professionals at your organization for all they do. A great deal more goes into that job than you might think.

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