



## Eight Key Elements of a Successful Payroll Practice

Brought to you by





Payroll can be a highly profitable service where accountants can make thousands and even tens of thousands of dollars every year. Thanks to cloud-based payroll processing, accountants can now automate and profit from an offering that once was available only to large service bureaus. With our Payroll Relief solution, AccountantsWorld has helped thousands of accountants deliver payroll services to their clients. Based on our experience, we've detailed eight elements that will create a highly successful and profitable payroll service for your practice.

### **In this ebook, you'll learn:**

- ◆ **Essential features and benefits to look for in a payroll processing software solution—and where many solutions miss the mark**
- ◆ **What automation really means for payroll processing, and why your level of automation will determine your level of profitability**
- ◆ **How to calculate the true processing cost of a payroll system**
- ◆ **Seven processes that can ensure – or hinder – the success of your payroll service**



## New Era in Payroll

### Why more accountants are offering payroll services every year

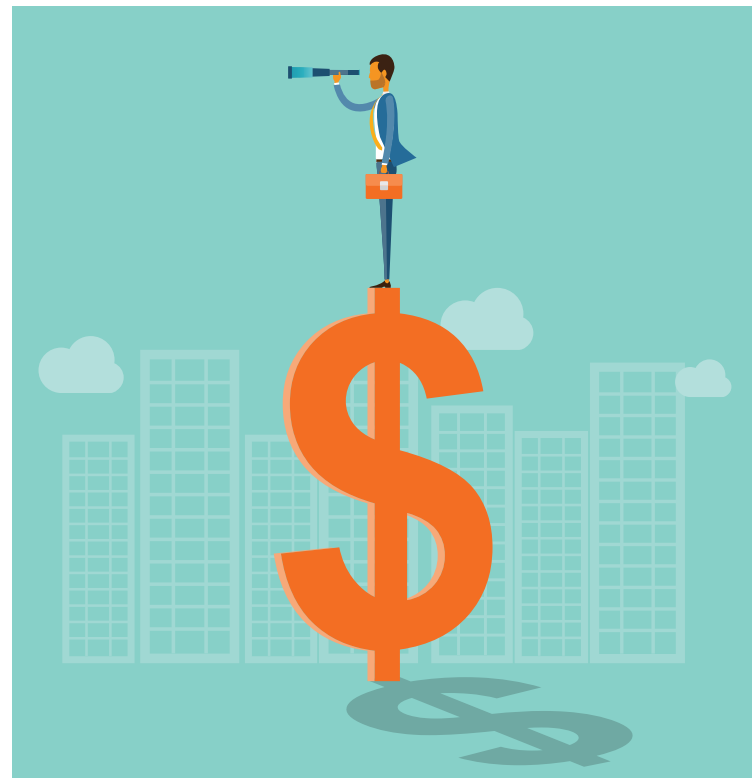
The Internet is creating opportunities never available before. You can collaborate on the Web with your clients in ways that weren't possible even five years ago. And you can private-label payroll services and have the same capability as large service bureaus.

Many accountants don't see payroll as profitable, and yet the big payroll service bureaus continually make huge profits. Why is that? At AccountantsWorld, we've provided payroll solutions and support to thousands of accountants to help them capitalize on this enormous opportunity with great success. We believe almost all accounting firms can profit from payroll – if they leverage breakthroughs in technology and select the right business model.

#### **Let's take a closer look at how to make more money from payroll.**

Based upon our experience in delivering payroll services, we have identified eight elements for creating a successful, highly profitable payroll service for your practice:

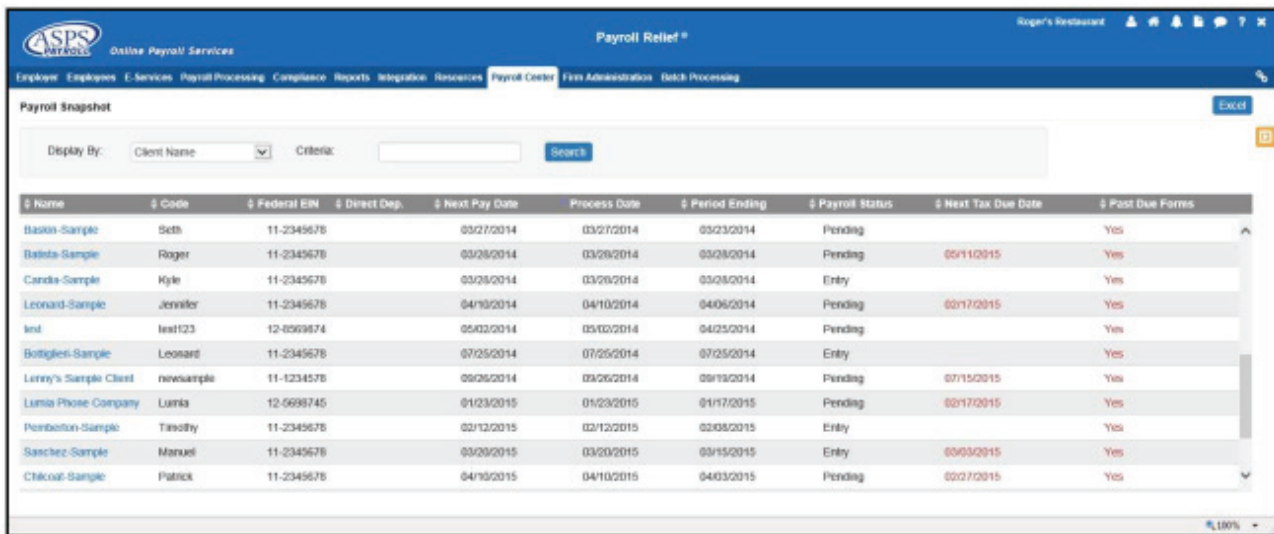
- 1. Accountant-Centric Design**
- 2. Automation**
- 3. Comprehensiveness**
- 4. Speed and Simplicity**
- 5. Total Processing Cost**
- 6. Processes and Procedures**
- 7. Marketing**
- 8. Training and Support**



## Element 1: Accountant-Centric Design

A payroll system designed exclusively for accountants and payroll professionals has a different business model than a system designed for end users. Systems designed for accountants give you the following benefits not available in a system designed for businesses and end users.

1. A management console for an overview of all clients payrolls and key information such as the status of the client's payroll, upcoming forms due, and tax due dates. The console highlights items that require immediate attention in red. These powerful Payroll Management Center features are available only in accountant-centric solutions and ensure the accountant is on top of all client payrolls all the time.



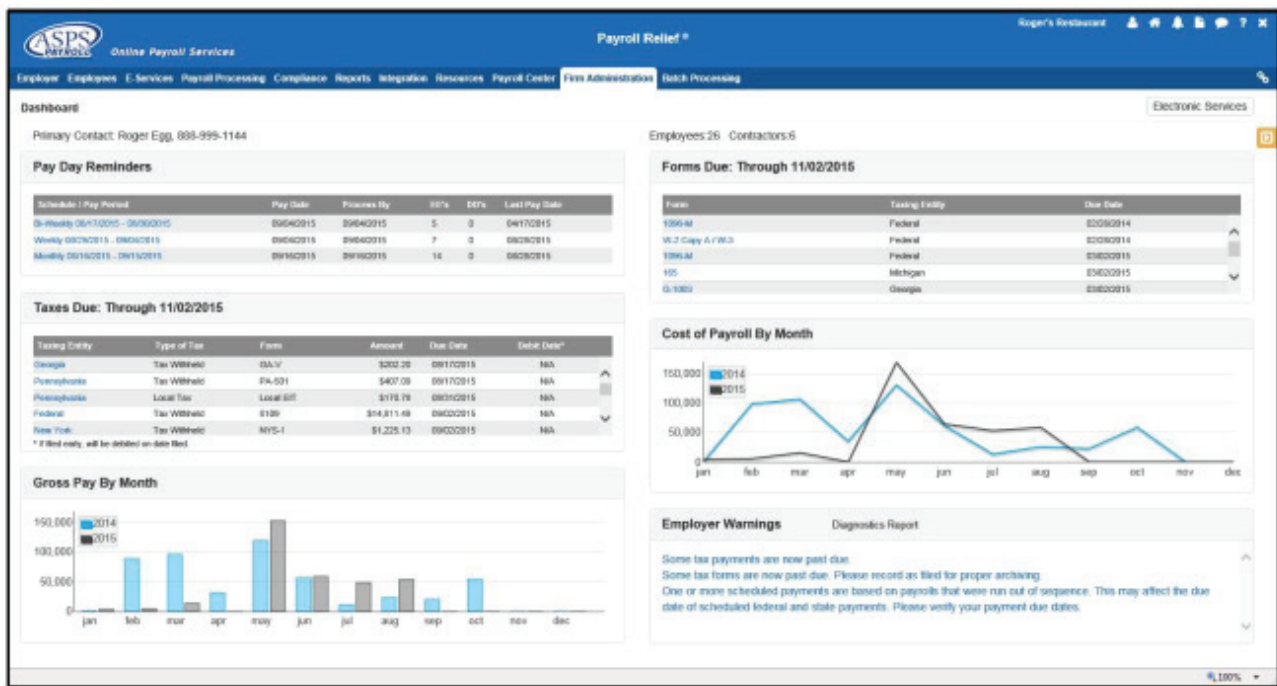
The screenshot displays the 'Payroll Relief' software interface. At the top, there is a navigation bar with the ASPS logo and 'Online Payroll Services' text. Below this is a menu bar with options like 'Employee', 'Employees', 'E. Services', 'Payroll Processing', 'Compliance', 'Reports', 'Integrations', 'Resources', 'Payroll Center', 'Firm Administration', and 'Batch Processing'. The main content area is titled 'Payroll Snapshot' and includes a search filter with 'Display By: Client Name' and a 'Criteria' field. Below the filter is a table with the following data:

Name	Code	Federal EIN	Direct Dep.	Next Pay Date	Process Date	Period Ending	Payroll Status	Next Tax Due Date	Past Due Forms
Bastin-Sample	Beth	11-2345678		03/27/2014	03/27/2014	03/23/2014	Pending		Yes
Balota-Sample	Roger	11-2345678		03/28/2014	03/28/2014	03/28/2014	Pending	03/11/2015	Yes
Candia-Sample	Kyle	11-2345678		03/28/2014	03/28/2014	03/28/2014	Entry		Yes
Leonard-Sample	Jennifer	11-2345678		04/10/2014	04/10/2014	04/05/2014	Pending	02/17/2015	Yes
Iest	Iest123	12-8998874		05/03/2014	05/02/2014	04/25/2014	Pending		Yes
Bottigliesi-Sample	Leonard	11-2345678		07/25/2014	07/25/2014	07/25/2014	Entry		Yes
Lenny's Sample Client	newsample	11-1234578		09/26/2014	09/26/2014	09/19/2014	Pending	07/15/2015	Yes
Lumia Phone Company	Lumia	12-6699745		01/23/2015	01/23/2015	01/17/2015	Pending	02/17/2015	Yes
Pemberton-Sample	Timothy	11-2345678		02/12/2015	02/12/2015	02/05/2015	Entry		Yes
Sanchez-Sample	Manuel	11-2345678		03/20/2015	03/20/2015	03/15/2015	Entry	03/03/2015	Yes
Chikood-Sample	Patrick	11-2345678		04/10/2015	04/10/2015	04/03/2015	Pending	02/7/2015	Yes

2. A dashboard for a bird's-eye view of each employer's payroll, with errors standing out. This Dashboard is the "home base" for the employer, with a breakdown of all payroll tasks at the client level. It's a high-level view of the employer's specific payroll activity, including taxes and forms due, taxes paid, forms filed, and payroll reminders and status. In a nutshell, the Dashboard shows past, present, and future payroll activity for the client, cost of payroll by month, and gross pay by month graphs.

3. Easy administration of client sign-up, email reminder setup, and a "what's new link" to keep you up to date on application enhancements and payroll guidance.

4. Configurations of services to best meet the needs of your individual clients. One solution doesn't fit all. You can give clients full access or limited access to the system, based on their comfort level with technology and processes.



5. Minimization of client errors through supervision and monitoring of client functions.
6. Collaboration between you and your client. Both share the same data and use the same “core” application. You can delegate many tasks such as data entry and check printing to your clients.
7. **Never competing with your clients.** Since accountant-centric solutions are offered only to accountants, you don’t need to worry about competing with a large payroll service bureau that might try to sell the exact same services to your clients.

## Element 2: Automation

You want a system that takes advantage of today’s technology to automate compliance filing and payroll taxes. A system so automated that it requires little or no intervention by the accountant. Today, systems do everything from federal and state calculations required to generate a payroll, to processing direct deposits, electronic payments, and employer liabilities—while offering detailed reports to review the payroll in progress.

The system should perform all these tasks automatically:

- ◆ **Payroll processing for large employers**
- ◆ **Complete payroll computation for federal, all 50 states, and all localities**

- ◆ **Direct deposit of employee/contractor paychecks**
- ◆ **Electronic payment of federal and state taxes and child support**
- ◆ **Electronic filing of quarterly and yearly federal and state tax forms**
- ◆ **Complete year-end processing including W-2's, W-3's, and 1099's**
- ◆ **Batch processing of W-2 and check printing**

You can even eliminate the need for printing checks in your office by either e-mailing them to your clients using encrypted email, or by saving them in a secure Cloud Cabinet for clients to print from their office.

### Element 3: Comprehensiveness

You want a system so comprehensive that it can handle any of these client scenarios:

- ◆ **Multiple withholding states and pay schedules**
- ◆ **Multiple checks for an employee per pay period**
- ◆ **Multiple unemployment states per employer**
- ◆ **Unlimited departments**
- ◆ **Unlimited locations for which users may enter payroll data remotely**
- ◆ **Unlimited number of pay types including vacation, sick, holiday, retroactive, tips, reimbursement, and several user-defined pay types**
- ◆ **Contractor (1099-MISC) payrolls**
- ◆ **Predefined (standard) and custom deductions**
- ◆ **Employee paid time off accruals and tracking**
- ◆ **Standard, bonus/commission, and additional payrolls**
- ◆ **“Payroll Data Worksheet” for employers**



- ◆ **Third-party sick pay, dependent care benefits, health insurance for 2% shareholders, and manual checks**
- ◆ **Excel export/import of payroll data for employers**
- ◆ **Optional services such as debit pay cards, integrated 401(k), pay-as-you-go workers' compensation, and time clock integration**
- ◆ **Reporting and forms to support the new ACA mandates for 2016**

In addition, you want comprehensive payroll reporting to meet the needs of any business. All reports should be exportable to Excel or RTF formats. With this feature, you'll always be on top of payrolls for any client. Client questions can be quickly and accurately answered in seconds.

Last but not least, you want Employee Self-Service so the client's employees can see their W2, 1099s, and pay stubs online.

## Element 4: Speed and Simplicity

You want all the above accountant-centric features, automation, and comprehensiveness without compromising on speed. You want a system that processes payrolls rapidly and accurately without crashes and downtime. After you enter the attendance data, the system should do all the calculations and display all interim reports quickly for you to finalize the payroll.

Does the system allow for easy and simplified data entry? Today, there are many methods of inputting time into a payroll system:



- ◆ **Mobile devices (smartphones, tablets, etc.)**
- ◆ **Online**
- ◆ **Import from a spreadsheet**
- ◆ **Upload to processing bureau**
- ◆ **PC-based**
- ◆ **Telephone call-in**

One of the best ways to enter payroll is through a spreadsheet using an exception-based payroll. “Exception-based” payroll means default hours or amounts are listed automatically to save data entry time, and data entry is only required for exceptions. Moreover, you would like your payroll system to support multiple business locations, and to view or enter data by location.

In addition to a simple spreadsheet entry grid, ideally the program should offer other methods of collecting and entering data that save you more time—such as a fax-ready worksheet or Excel spreadsheet that can be emailed to your client. Or perhaps even better: a system that lets you give your clients access so that they can enter the data themselves.

## Element 5: Total Processing Cost

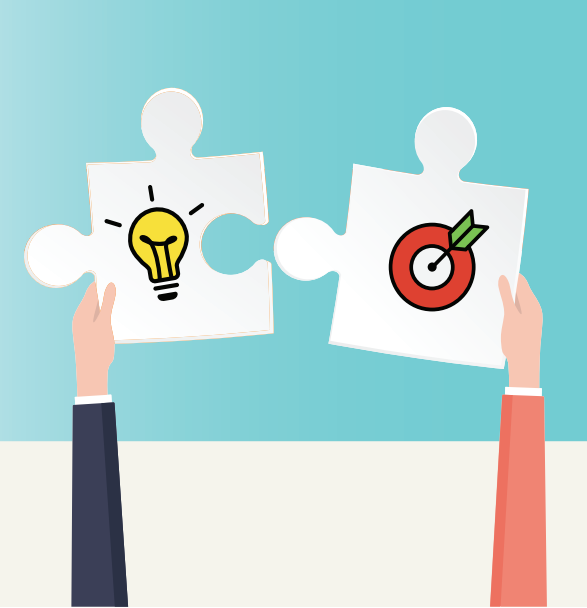
You want to calculate — and minimize — the total cost of processing your payrolls. A few easily overlooked areas for hidden fees are:

- 1. Year-end or quarterly compliance items such as W2s, W3, and 1099s**
- 2. Direct deposits**
- 3. 401(k)**
- 4. Pay-as-you-go Worker’s Compensation**
- 5. Pay cards**
- 6. Time spent for data entry and payroll processing**
- 7. Setup and migration costs**
- 8. Software upgrades or updates**
- 9. Disaster recovery costs in case of a catastrophic event**
- 10. IT maintenance**
- 11. Staff training to learn how to use the program**



When comparing systems, use the “total cost of processing” as a metric to compare apples-to-apples.





## Element 6: Processes and Procedures

Another key area for a successful payroll practice is to efficiently manage it through appropriate processes and procedures. You want to manage your payroll system easily and not get bogged down in administrative problems. You want detailed reporting at your fingertips anytime, anywhere.

A few things to consider:

- 1. Clearly define internal roles for all aspects of the payroll process. Basically, who is doing what and when?**
- 2. You must also have a backup plan. Larger firms already have the staff to offer payroll. Sole proprietors should consider training their staff or even their clients to take on backup responsibilities if required.**
- 3. Set up formal procedures to handle payroll exceptions such as NSF's (non-sufficient funds) or Efile rejections.**
- 4. Provide oversight and periodically review policies and procedures to make adjustments as necessary.**
- 5. Offer integration with other products, such as client accounting, to eliminate duplication of effort.**
- 6. Provide straightforward year-end processing. The year end is a critical time in payroll processing and compliance. A good system should make it a non-event. Many companies provide a comprehensive year-end planning guide to assist you with all year-end tasks.**
- 7. Offer guidance on client selection. In the example below, we create a process for choosing a client. We fill out a form with the following information on each prospect:**
  - a. Current payroll method**
  - b. Current annual payroll fee**

- c. Number of employees
- d. Client relationship
- e. Fiscally responsible
- f. Data entry with fax, worksheet, or direct application access
- g. Use direct deposit
- h. Print checks remotely
- i. Full service only
- j. Notes

Below is a sample analysis for a fictitious firm.

COMPANY	Amelia Fashions	Bubba's Smokehouse	Action Staffing	Bob Jones Inc.	Golf Center of Huntington
Current Payroll Method	Service Bureau	Web Product	Service Bureau	Manual	Manual
Current Annual Payroll Fee	\$2280	\$5200	---	\$700	---
Number of Employees	6 F/T, 3 P/T	12 F/T	300	5	12
Client Relations (1-10, 10= Great)	9	9	9	6	9
Fiscally Responsible	Yes	Yes	Yes	---	Yes
Data Entry with Fax	Yes	Yes	---	Yes	---
Data Entry with Spreadsheet	Yes	---	---	---	Yes
Data Entry with App Access	---	---	Yes	---	---
Direct Deposit	Yes	Yes	Yes	Yes	---
Print Check Remotely	---	---	Yes	---	Yes
Full Service Only	Yes	---	---	---	---
Notes	Asked about Payroll	Fee Sensitive	Too Large	Owner Nuts!	Good Candidate

If we analyze a few clients, we notice that Amelia Fashions has 6 full-time and 3 part-time employees and uses a national service bureau. They have asked us about payroll services. An excellent candidate!

Bubba's Smokehouse is a good, loyal client but fee-sensitive. In this case, look for ways to reduce their costs through client collaboration.

Action Staffing has over 300 employees and is using a national service bureau. At first glance it appears too large to handle, but let's look deeper. Can the client create and send you a spreadsheet to import the data? Can you give the client direct access to the application to enter payroll data? This will optimize your office time, letting you lower their payroll costs while still charging a significant fee.

Golf Center of Huntington has 12 full-time employees, prepares payroll manually using a spreadsheet, and is financially responsible. Another excellent candidate!

Once you analyze your client base, you will know which clients to pursue first. Remember to ensure

clients are fiscally responsible. For this reason, you should shy away from offering payroll services to Bob Jones, Inc.

## Element 7: Marketing

For a successful Payroll Practice, you need to market your services effectively to your clients. There are four areas to focus on here:



You position your firm by determining what makes you unique and how your local presence lets you offer better payroll services to your clients than the service bureaus. Other areas of differentiation include customization and flexibility, payroll knowledge, and customer service with access to senior firm partners.

**Here are some specific suggestions for positioning and marketing your firm:**

- 1. You are your clients' trusted business advisor. Clients will pay the same or even more for better service that you can provide, due to your local presence and deeper understanding of your client's business.**
- 2. For fee-sensitive clients, consider lowering their fees. This can be offset with client collaboration in the payroll process.**
- 3. Offer an all-inclusive fixed fee for payroll service. Everyone hates being nickel and dimed.**

- 4. Network and talk to your local banker. You refer customers to them for banking, so they should refer new clients to you. The key here is to act fast – get to the client before your competition does.**
- 5. Create a web page on your website for payroll, explaining the services you offer and their benefits to your clients.**
- 6. Build confidence among your clients by adding a few testimonials from your existing clients on your behalf.**
- 7. List your firms on Google Maps and Yahoo Maps. These listings are free.**
- 8. It may be advantageous to list your firm in industry specific directories such as the AccountantsWorld Directory Listing. Although these listings have an annual fee, new business coming from them will recover your expenses many times over.**

## **Element 8: Training and Support**

You shouldn't have to be a computer whiz to learn the payroll system. The system should have simple directions and intuitive, user-friendly screens, with a logical organization that follows the sequence of payroll processing. In this way you are easily guided through the entire payroll process.

You want a system that gives you the all the training and support you need for your payroll service. A good payroll service will provide training links to live and recorded payroll webinars, tutorials and more. Short training videos for Employer Setup, Employee Setup, Electronic Services, Payroll Processing, Tax Forms, and Tax Payments are not uncommon. In addition, many companies provide:

- 1. Sample payroll service engagement letters**
- 2. Setup documentation and new hire forms, plus a wide variety of online payroll-related federal and state documents and links**
- 3. Resources for additional services including Worker's Compensation, 401(k) plans, Payroll Debit Cards, time clock integration, and data entry**

#### 4. Marketing tools

#### 5. Free unlimited live support for your questions

## Conclusion

Offering payroll is a highly profitable service where accountants can make thousands and even tens of thousands of dollars every year. In the example below, the accountant makes close to \$230/hour.

Revenue	Number of clients with 5-10 employees doing weekly payroll		
	Payroll revenue per week/per client (\$30)		\$1,560.00
	<b>Total Annual Revenue</b>		<b>\$31,200.00</b>
<b>Increase Revenue: more clients - more employees</b>			
Expenses	Avg. hourly expenses for a paraprofessional/clerk (staff)		
	Staff cost/week for 20 clients		\$100.00
	Staff annualized expense		\$5,200.00
	Payroll Relief fees		<b>\$1,495.00</b>
	Annual misc. expenses printing (50% checks, 50% direct deposit)		\$650
	<b>Total Expenses</b>		<b>\$7,345.00</b>
Profit	Profit from these 20 payrolls		*\$23,855.00
	Accountant hours/week = 2 hrs. (primarily supervisory role)		104 hrs
	<b>Accountant Revenue per Hour</b>		<b>*\$229.38</b>

*\*Net profit after your first year will be slightly less, based on pricing structures*

Today is the perfect time for accountants like you to take advantage of a service that once was available only to large service bureaus. Based upon our experience in delivering payroll solutions, we're confident that successful implementation of the eight elements described in this ebook will create a highly successful and profitable payroll service for your practice.

There are many payroll solutions in the marketplace. We recommend an accountant-centric solution like [Payroll Relief](#), because it offers full control over your client relationships and eliminates the risk of competing with yourself. For more information about Payroll Relief's affordable, **all-inclusive first-year pricing to process unlimited payrolls**, please visit [www.PayrollRelief.com](http://www.PayrollRelief.com)

## Take the Next Step

Now that you've been introduced to a range of ways to grow your bottom line, it's time to learn how to implement these ways into your practice.

### Visit [ProfitFromPayroll.com](https://ProfitFromPayroll.com) to attend our **Profitable Payroll Webinar**

The key to more profitable payroll: full automation. The award-winning Payroll Relief system can perform direct deposit, tax payment, tax-form e-filing, and child support-related tasks automatically, on time, with 100% guaranteed accuracy. And you get all this power for a very modest investment... as little as 45¢ per paycheck. The result: a no-hassle, high-margin payroll service.

### Schedule a **one-on-one growth consultation**

Call **888-999-1366** to schedule a personal demonstration of AccountantsWorld's flagship solutions for professional accounting and payroll processing. A Practice Development Consultant will answer any questions you have, and detail how **Accounting Power** and **Payroll Relief** can help accelerate your firm's growth and boost client satisfaction.

### Visit [PayrollRelief.com](https://PayrollRelief.com) to watch our product video and learn more

Payroll Relief is the first truly cloud-based payroll processing service designed exclusively for accountants like you, allowing you to offer highly profitable, fully automated payroll services without any compliance headaches. It's no surprise 65% of Payroll Relief users report at least a 25% improvement in their payroll service.



# Thank You for Reading Our Ebook

## About AccountantsWorld

Many accountants don't realize that major corporations have used technology to penetrate deep into your core tax, accounting and payroll services.

At AccountantsWorld, we use technology for a very different purpose.

For over 15 years, we've been committed to using cloud technology to create new opportunities for practicing accountants like you, and to help you reclaim lost ground so you can better serve your clients and raise your bottom line.

- ◆ We created the first-ever cloud-based payroll solution, [Payroll Relief](#), to help accountants easily offer highly profitable payroll services to their clients.
- ◆ Then we created [Accounting Power](#), the first cloud-based professional system to put you, the accountant, back in control of client accounting.
- ◆ We now offer a fully integrated suite of highly acclaimed solutions for professional [accounting](#), [bookkeeping](#), [payroll](#), [document management](#), client portals and more.

Using our pioneering cloud solutions, you can tailor your services to best meet the individual needs of each of your clients, increase your firm's productivity, better serve your clients, and raise your bottom line.

And unlike other service providers, AccountantsWorld has made an unwavering commitment to accountants. We never compete with you, or sell our products or services directly to your clients.

Learn more about how AccountantsWorld can help your practice thrive at [AccountantsWorld.com](http://AccountantsWorld.com)

