



Five Steps To Simplify Small Business Payroll—And Stay Within Budget

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(NAPSI)—If you are like most small business owners or managers, you probably don't care much for handling payroll. It's complicated, time consuming and labor intensive. Not to mention, the software for managing it never seems to integrate well with other programs. And if you happen to make a mistake or miss a payroll-processing deadline, employees who may live paycheck to paycheck could be in for a world of hurt. The pressure to get it right is huge.

Fortunately, help is on hand. Here are some simple and affordable steps you can take to update your payroll system to make it much more efficient—and far less stressful.

Step 1: Decide to Upgrade

If your payroll system is more than a few years old, it might be holding back your business. New systems can do much more for you in less time. Many small businesses avoid moving from manual spreadsheets to software, or from older programs to newer editions, because they think it will cost too much. No doubt, there could be some up-front investment. But the right payroll software can also more than pay for itself over time. By reducing your manual work and ensuring you accurately meet all of your federal and state payroll obligations in a timely manner, you can save money and a lot of headaches.

Step 2: Identify Your Needs

A new system is only good if it meets the needs of your business. What suits a local retailer might not be appropriate for a regional construction company. So start out by making a list of your current requirements and think about your wish list. Note how you use your existing system and add a few ideas about where you'd like to go. Elicit feedback from people in all areas of your business. Ask your staff what they would change about your system. Research online. Talk to mentors, partners and clients. See what tools others like or dislike.

Step 3: Involve a Financial Professional

You may already have an accountant or bookkeeper and perhaps you outsource some of your payroll work to them. Buy them a cup of coffee. Find out how they might be able to help you transition to a new system. Pick their brains about systems that they think could

help the two of you collaborate more effectively over time. Getting your financial professional involved from the get-go can set you up for more success down the road.

Step 4: Move Beyond Spreadsheets

Spreadsheets require tons of time-consuming manual data entry. They increase the possibility that your payroll records will be riddled with errors. They have limited capabilities to sort data and generate various reports and can't link to your favorite apps and tools, unlike cloud accounting solutions.

Step 5: Choose a Combined Accounting and Payroll Package

Now you're probably thinking, "Wait, aren't payroll capabilities already included in major desktop accounting programs?" Well, yes and no. You can certainly get desktop software with baseline payroll features as an add-on—so long as you're willing to pay more for them. And if you want the full-service features, you could end up paying a lot more.

Fortunately, options are emerging to sidestep this trap. For example, Xero, a company that has been pioneering cloud accounting software, has added payroll capabilities as a feature of accounting offering at no additional charge in several states, and is working on its nationwide rollout. Payroll in Xero includes painless employee timesheet management and worry-free payments via direct deposit or printed checks. It also automates the calculation of payroll taxes. So come tax time, businesses can file and pay federal and state taxes electronically with a single click, where applicable.

What has many small businesses buzzing about these types of solutions is that they are built for a cloud-based world. This means employees can view pay stubs, enter hours, and submit vacation requests—anytime, anywhere and from any connected device. Allowing employees to partake in the payroll tasks reduces errors as well as time spent by the small business owner. No more chasing after incomplete or missing timecards. And business owners can have full visibility into their books 24/7 while collaborating with employees and financial professionals in real time.