

Preface

When I wrote *Essentials of Payroll*, I realized that the limitations of Wiley's shorter "Essentials" softcover series did not provide enough room for the wide range of topics required to present a really thorough treatment of the payroll topic. Even though the *Essentials of Payroll* manuscript became the longest Essentials book ever issued, I still wanted to jam in more information. This book alleviates my need to "go long" by adding to the original Essentials book an additional eight chapters and two appendices. Extra topics now include payroll measurements and reports, record keeping, journal entries, payroll-related laws, outsourcing, and international payroll issues, plus coverage of how to create a payroll department from scratch, government payroll-related publications and tax forms, Internet payroll sources, and a dictionary of payroll terms.

This book is designed for accountants who are setting up a payroll system, improving the efficiency of an existing system, or who need answers to the inevitable variety of compensation, tax, deduction, benefits, international, and record keeping issues associated with payroll.

The book covers three main areas. The first is the overall set of policies and procedures, controls, best practices, and measurements that comprise a payroll system. The second part addresses the processing of specific transactions, encompassing compensation benefits, taxes, deductions, and other related issues. The third area is reference-oriented, with discussions of laws, government publications and forms, Internet sources, and a dictionary of payroll terms. The chapters are:

Chapter 1: Creating a Payroll System. This chapter covers outsourced and in-house payroll systems, emphasizing both manual and computerized systems. Flowcharts are given for each type of system and for the control points used with each one.

Chapter 2: Accumulating Time Worked. This chapter describes a variety of manual and automated methods for collecting time worked and notes the situations in which each solution is most viable.

Chapter 3: Payroll Procedures and Controls. This chapter contains detailed policies and procedures for the primary payroll functions, which can be easily adapted to suit one's individual circumstances.

Chapter 4: Payroll Best Practices. This chapter describes a number of payroll *best practices*, which are highly efficient methods for operating the payroll function. They are especially useful for any business that is striving to reduce its administrative costs in this area.