the PAYROLL edge

Canada's Small Business Payroll Service Provider

WHAT ARE YOU LEAVING TO CHANCE BY HANDLING PAYROLL ON YOUR OWN

www.ThePayrollEdge.com

Call Us: 1-800-720-5318

It's natural for small-to-midsize business owners to never think to ask "Why wouldn't I handle payroll on my own?" Most small business accounting software packages include the capability of processing payroll. This makes it easy for small-to-midsize business owners, especially when they are starting out, to ensure their staff receive a paycheque every payday. They just pop their hours into a few blank fields, press "print", and voila! It's so simple, even the boss can do it - and often actually does.

The Question "Why Wouldn't I Handle Payroll On My Own?" Needs To Be Asked from Day-One

There invariably comes a point, though, when busy business managers realize doing payroll becomes a complicated time-consuming pain in the neck, often precipitated by two regularly occurring events:

1

Staff complaining their paycheques are wrong and the amount they are owed has been incorrectly calculated

2

Remittance filing to government agencies and the associated reconciliation paperwork

What You Don't Know You Don't Know You Need to Know

But beyond these obvious administrative headaches lurk even more potentially painful issues many small business owners do NOT know about, issues with potentially punishing consequences, especially if inappropriately addressed. Many of these arise when payroll is viewed and managed as just a stand-alone activity.

As a business grows, it becomes abundantly apparent payroll processing is unavoidably intertwined with HR management, and the two cannot be effectively managed ignoring the other. Distraught and overwhelmed small business owners desperately seeking alternatives typically see two options open to them – expanding administrative staff to enhance internal HR management resources, or outsourcing.

These Options, Though, May Not Ultimately Be In A Growing Firm's Best Interests

Small-to-midsize businesses find it challenging to justify the costs of hiring HR specialist expertise, especially when the existing bookkeeping methods and accounting software seem to doing a pretty good job of getting everyone paid on time and handling government filing.

Outsourcing payroll to a payroll processing service provider can appear on the surface to be attractive - it would seem to make the administrative and paperwork headaches disappear with only a small incremental cost. And it's natural to expect they would be able to help with the messy HR matters, too, right? Not necessarily.

In This White Paper We Will Be Looking at 10 Potential Areas of Risk,

that illustrate there's a lot more to payroll than just cutting cheques,

what businesses leave to chance by handling payroll on their own, and

how The Payroll Edge, unlike conventional outsourced payroll processors, mitigates these risks.

Risk Area #1
Quality Control

Outsourced payroll processors typically accept the payroll data provided to them by their clients as being accurate, complete, and correct. They simply route this data to their payroll processing machinery and print the cheques. The Payroll Edge, on the other hand, reviews all payroll data before processing, on the look-out for potential anomalies or errors (e.g.; an 80-hour work-week, or missed stat holidays). These are flagged and reviewed with the client before funds are de-posited in employees' bank accounts. This minimizes frustrating and time-con-suming complaints from employees that their paycheques are wrong.

Risk Area #2
Fee Structure

The Payroll Edge service fees are presented "all-in", unlike other outsourced payroll processors that charge a base fee plus surcharges for every step in the process. This pricing model often results in the total cost of payroll processing exceeding that charged by The Payroll Edge. In addition to payroll processing, The Payroll Edge pricing also includes integrated HR Management (see "What We Do - Payroll Packages").

Risk Area #3
Compliance

At last count, over 190 different regulatory legislative requirements were in force that impact small-to-midsize business payroll and HR administration. Keeping up with these dynamically changing rules is more than a full-time job. Outsourced payroll processors typically acknowledge the existence of these rules with limited support via online reports and pdfs. Customers of The Payroll Edge, however, can always access the resources of a Payroll Edge HR specialist by telephone to discuss and be advised about their specific issue or concern. This service is provided at no extra cost. Due to the many industries it serves, the specialized knowledge maintained by The Payroll Edge can exceed that resident within the HR Departments of even Canada's largest companies.

Risk Area #4
Government Remittances

Many outsourced payroll processors properly submit the necessary remittances to CRA (i.e.; Federal Tax, EI and CPP withholding), but leave remittances to other government agencies up to their clients. The client must wade through all their payroll data on their own to identify and calculate amounts that might be owing for WSIB, Health Taxes or other official remittances. The Payroll Edge, as part of its regular service offering, routinely calculates and remits all necessary funds to ALL relevant government agencies, with a complete audit trail, freeing its clients from this unnecessary administrative paperwork burden.

Risk Area #5
Employee Contract Management

To minimize expensive legal fees, many small-to-midsize businesses (SMBs) rely on internet-sourced "boiler-plate" for their employee contracts, *if they even have them that is*. These documents, while potentially being a good place to start, cannot take into account the specific jurisdictional requirements in effect where the business is located, nor the circumstances unique to that business. Included in its service, at no extra charge, The Payroll Edge provides on-going advice and review of the needed contractual employee paperwork that best respects the interests of all parties should its terms ever need to be exercised, or be challenged in court.

Risk Area #6
Independent Contractor Re-assessment

SMBs increasingly rely on retaining the services of independent contractors to gain the many benefits this hiring arrangement provides. But its attractions can be offset by the risk of employee re-classification by CRA, resulting in retroactive withholding remittances, and possible interest, fines and penalties. Included as part of its service at no extra charge, The Payroll Edge will assess the status of any of a client's existing or potential independent contractors, and recommend any changes needed to be made by the contractor to minimize potential re-classification. The Payroll Edge will also monitor throughout the course of all independent contractor engagements any changes in circumstances that might raise CRA red-flags (e.g.; contract extensions/renewals that exceed time-frame protocols).

Risk Area #7
Workplace Standards

The Payroll Edge can advise its clients what they may not know they need to know when it comes to fulfilling mandatory workplace standards, and if requested, make on-site visits and recommend needed action. From proper notice public posting to Joint Health & Safety Committee (JHSC) requirements, The Payroll Edge is more than just a payroll processor.

The Payroll Edge on request can also advise on other matters, including:

- Health & Safety Program Development
- Auditing and Training, including WHMIS
- Personal Protective Equipment (PPE)
- Claims Management Training
- Slips, Trips & Falls
- Workplace Violence & Harassment,
- Workwell
- AODA
- Emergency Preparedness

The Payroll Edge has on-staff experts, with specialized expertise in all workplace compliance matters, available to support its clients.

Risk Area #8
Audit Support

Unprovoked random audits by CRA (Canada Revenue Agency), MOL (Ministry of Labour), or Workers' Compensation can strike at any time. Customers of conventional outsourced payroll processors are typically on their own in mounting their audit responses. They can call upon expensive lawyers or accounting professionals, but there is a limit as to how much assistance these resources can provide, especially regarding the specific circumstances of the firm, and its past practices, being audited. On request, The Payroll Edge can represent its clients in preparing for and meeting with government officials, providing all required reports and substantiating paperwork demanded by auditors. Over the past 20 years, no fully managed client has ever received fines or penalties throughout hundreds of official audits.

Risk Area #9
Appropriate Disclosure

When being audited, there's a fine line between giving away more information than is required, and being perceived as withholding what is being asked for. It is natural to want to avoid possibly having other "cans of worms" be opened up by revealing more than is necessary – but how do you know how much is too much? The Payroll Edge's experience navigating hundreds of official audits gives it the unique perspective of knowing exactly what auditors are seeking, and when to appropriately challenge out-of-scope queries. Conventional outsourced service providers offering just payroll processing are unable to provide this kind of insight and support to their clients.

Risk Area #10
Recognition by Government Authorities

As might be expected, government officials prefer to work with those familiar with their territory more so than with those who are not – their jobs are made easier and the necessary tasks can be accomplished more smoothly and quickly. The Payroll Edge is well-known by federal and provincial official authorities from its regular contributions to government policy discussions. Clients of The Payroll Edge get to benefit from the recognition and knowledge that emerges from this on-going interaction.

What are You Leaving to Chance by Handling Payroll on Your Own?

These ten issues illustrate how small-to-midsize businesses can expose themselves to much unnecessary risk by handling payroll on their own.

Fortunately, most of the time, they experience little to no trouble, as what they don't know doesn't hurt them. However, it is very shocking, expensive, and painful when they do learn about these risks on their own, the hard way.

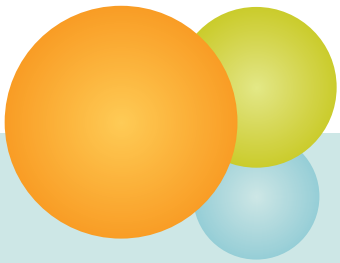
There's More to Payroll Processing than just Cutting Cheques

Companies outsourcing their payroll to The Payroll Edge rest easy knowing pay-cheques are delivered accurately and on-time, while potential payroll and HR compliance risks are effectively taken care of. And they achieve this at much less cost than developing internal resources of their own that may not be as effective as those provided by The Payroll Edge.

This white paper can serve as a handy checklist when evaluating other small-to-midsize business outsourced payroll processing providers.

the PAYROLL edge

Canada's Small Business Payroll Service Provider



Call Us: 1-800-720-5318 | www.thepayrolledge.com

The Payroll Edge
A Division of The Staffing Edge
181 Queen St. East Brampton, ON L6W 2B3

Info@thepayrolledge.com