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Quarterly Reconciliation

Reconciling payroll accounts is a time intensive but critical process to help ensure an organization's financial integrity. Failure to do so can lead to filing incorrect payroll tax reports, flowing through to the balance sheet. This can result in overall inaccuracies in the organization's financial statements.

Why Reconcile?

During the fourth quarter of every year PenSoft advertises a Year-End Reconciliation webinar. Very often clients will call asking "if the payroll values are calculated by the software then why would it not be correct?"

The task of setting up PenSoft Payroll resides with the client. The flexibility built into PenSoft Payroll allows clients the ability to uniquely configure incomes and deductions to meet their organization's needs. The client's

understanding of the taxability of incomes and deductions will determine the accuracy of the information saved in PenSoft Payroll. There are times when payroll items are setup incorrectly, resulting in the need to change the setup and then reprocess the payroll to correct the errors. This

Best Practices Why reconcile your payroll accounts?

is why we strongly encourage quarterly reconciliation as a best practice.

The process of reconciliation is the comparison of your payroll

data to the tax reports generated from PenSoft Payroll. This reconciliation process can help to uncover payroll fraud and avoid penalties/interest assessed due to reporting errors on payroll tax returns.

PenSoft Payroll provides user definable reports that are exportable to Excel, providing the ability to analyze the gross to net and then compare with tax reports. Variances can be found and adjustments made.

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Payroll Certifications

Many payroll professionals earn one of the American Payroll Associations (APA) certifications to open up opportunities for advancement in the payroll profession. When looking for employment, certification demonstrates a candidate's professional discipline and initiative to advance their level of skill in the field of payroll.

Available APA Certifications American Payroll Association offers an FPC and a CPP certification.

Benefits of Certification

The benefits for the candidate are obvious but why should more employers embrace and support their employees' desire to earn either the Fundamentals of Payroll Certification (FPC) or the Certified Payroll Professional (CPP) certification?

A payroll certification course goes beyond teaching payroll processing and provides training in the areas of effective leadership and customer service, qualities every employer looks for in a payroll employee.

Program Consultants Role

The role of a PenSoft Program Consultant is to assist clients in how to use PenSoft Payroll to process

their company's payroll.

Having our employees "walk a mile" in our customer's shoes provides them with a deeper understanding of the highly dynamic nature of payroll compliance. Whether it is configuring user definable incomes or setting up unique reports as supporting documentation, our

See **Certifications**, page 4

In observance of Christmas, PenSoft will close at noon December 24th and be closed December 25th. In observance of the New Year, PenSoft will be closed January 1, 2015.



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Leroy Newman
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President's Corner

The PenSoft programmers are working diligently to prepare the 2015 PenSoft Payroll software scheduled for release on December 15, 2014. We are watching the legislative actions in all 50 States as well as the federal government for last minute 2015 tax changes. Many have already been posted and these changes have been programmed in the software. Unfortunately some States won't release their 2015 tax changes until sometime in January. When they do be assured, as in the past, we will update the software for those affected as soon as we have the changes.

2014 Record Year

With a 92.7% 2014 software renewal rate, the acquisition of prior Insta-Pay customers and new customers from our website and referrals, PenSoft is enjoying a record year. We thank you for your loyalty and continued business.

25 Years

PenSoft celebrates 25 years of continuous payroll software development, production and distribution at the end of 2014. Incorporated on January 3, 1990 we have grown from a spare-bedroom, part-time operation to the organization and employees we have today with customers in all 50 States, Washington D.C., Puerto Rico and the Virgin Islands.

*Wishing you all the Hope, Wonder, and Joy
that the Holiday Season can bring!*

Employee Self-Service

Payroll technology advancements are happening all around us, all of the time. When offering benefits to your employees or contractors have you ever thought of Employee Self-Service (ESS)? ESS is not only a benefit to your employees and independent contractors, but also a benefit to the company and payroll department.

What is Employee Self-Service?

ESS allows your employees and independent contractors to login to a secure web based application to obtain their current payroll data, company to employee messages, and access certain forms. Every company offers different information accessible for their employees.

2015

We look forward to another good year and continued growth in 2015. Many of you are taking advantage of our ancillary products and services such as Employee Self Service discussed below. Direct deposit, Doculivery, and PenSoft TimeOnline are popular add-ons to round-out your payroll processing and to make it more complete and efficient.

Employees

Joe Griffith, Senior Programmer, is retiring at the end of December 2014 after 21 years of exemplary service and dedication at PenSoft. After joining us in 1993 he developed our first Windows® based payroll software and has spearheaded the development of every new version since then. As PenSoft grew and brought on additional programmers Joe took the lead to help them develop their programming skills and payroll knowledge. He is leaving the Programming Department in good hands to carry on the software development.

Joe will be missed but we understand his desire to retire. We wish him the very best in his retirement. Enjoy!

Joi Taylor, Program Consultant Level II, continued her professional development when she recently passed the American Payroll Association's Certified Payroll Professional (CPP) test. This accomplishment, along with her successful completion of the PenSoft Payroll Consultant Level II requirements, is testament to her desire to be an expert in the payroll field. As a leader in providing program support to customers, testing software, training customers and employees, and writing technical documents, she is emulated by her peers and sets the example for professional growth. Congratulations Joi and keep up the great work!

ESS Benefits

Employees will benefit from ESS by having direct access 24 hours a day, 7 days a week from anywhere in the world by using a computer with a valid connection to the internet. This will eliminate employees having to take time away from doing their job to visit the payroll department for certain information.

When a company chooses to offer ESS, the company will benefit too. ESS promises a streamlined "paperless" office. Less money is spent on paper for printing and reprinting paystubs, less time is spent by the payroll processor investigating, and processing the request of the employees to reprint and the payroll data is electronically delivered.

Q&A

Q. I would like to add a bonus payroll for my employees. However, I only want the FICA taxes to be withheld. What can I do to disable the deductions for the bonus payroll run?

A. To deactivate deductions:

- Click Payroll on the toolbar.
- Enter the pay date.
- Highlight the desired employees in the left hand column.
- Click Deactivate Deductions.
- Click Clear All or uncheck the individual applicable deductions.
- Click OK.

Q. Why are my W-2s printing one to a page when I've selected multiple employees?

A. Clicking Display after selecting the employees will cause one W-2 to print to a page. For W-2s to print two to a page, click Print after highlighting the desired employees.

Q. The 940 has a balance on line 10, can you tell me why when I have paid my FUTA taxes?

A. If a balance appears on line 10 of Form 940, verify all your state unemployment payments have been recorded in the tax

deposits. To record additional tax payments:

- Click Deposits on the menu.
- Click Add.
- Select your state unemployment tax.
- Click OK.
- Enter the applicable tax deposit information.
- Click OK to save.

Q. I'm attempting to setup a MICR check with my company's banking information. How can I get my ABA fraction number added so it prints on the check?

A. To add an ABA fraction number:

- Click Checks on the menu.
- Click Setup Account.
- Click "MICR Setup" on the Modify a Checking Account window.
- Enter the ABA fraction number.
- Click OK.
- Click OK to save the changes.

Quarterly Reconciliation Webinar

Looking to get more out of PenSoft Payroll? Consider taking a training course to increase your productivity and gain new skills!

Quarterly Reconciliation Webinar

PenSoft's popular Quarterly Reconciliation webinar will be offered again starting in March! It will cover the steps to reconcile your tax liability, payroll expense, and payroll liability accounts.

The webinar is \$99 per phone connection. The one hour webinar is at 2 pm eastern time on the following dates:

- March 19 • March 31 • April 9
- March 24 • April 2
- March 26 • April 7

Space is limited and seats fill up quickly! To sign up, call 888-PENSOFT (888-736-7638).

This webinar has been approved by the American Payroll Association for 1 Recertification Credit Hour (RCH) for one year from the broadcast date. To earn the credit, you must listen to the entire one hour webinar.

Quarterly Training

Maximize your return from PenSoft Payroll with training! PenSoft Payroll training seminars are held quarterly at our headquarters in Newport News, Virginia. We offer a two day seminar to get the most out of your payroll software.

2015 Quarterly Training Dates:

- March 9-10 • September 14-15
- June 8-9 • December 7-8

During the training sessions you can learn from real life payroll topics to apply immediately. Download a brochure at www.pensoft.com/documents/PenSoft_Payroll_Training_Brochure.pdf

For more information visit www.pensoft.com/training/payrolltraining_overview.aspx

The quarterly training has been approved by the American Payroll Association for 6 RCH for day one and 4.5 RCH for day two.

Simply put this is a part of your audit trail.

Reconciliation Success

For the reconciliation to be a success it is important to verify all entries have been recorded. This may require you reach out to other departments to obtain needed information. If you discover you need to enter additional payroll information, PenSoft Payroll provides the ability to enter payroll data “after-the-fact.” Program Consultants are available to assist in repairing payroll records entered out of sequence or offer guidance to create user-defined reports for your year-end reconciliation process.

Collect copies of supporting documentation. The outline for a good story also applies to a good reconciliation process. Be thorough by asking who, what, when, where, how and why. This will help in identifying variances, researching the variances and resolving any errors.

Be sure to document areas in need of improvement to reduce the potential of similar errors in the future. This is a great time to create a standard operating procedure (SOP) guide for the payroll department.

The reconciliation of payroll information is not about who did what wrong, but more about how to correct errors to ensure information provided to federal, state, and local agencies is accurate. This attention to detail will ensure your year-end process will go smoothly and reduce the stress generally associated with the reporting requirements of year-end.

Resources

Information about year-end reporting can be accessed in our Online Knowledge Database. A popular document is the year-end checklist. Access the checklist by visiting www.pensoft.com/support/kdbshow.aspx?Doc=638 or by visiting our Online Knowledge Database and entering “year-end” in the search field.

For questions about year-end reporting, setting up user-definable reports or correcting payroll data records, contact Program Support at support@pensoft.com or call 757-873-1199. Knowledgeable Program Consultants are available to assist Monday – Thursday from 9 am to 6 pm and Friday 9 am to 5 pm eastern time.

Certification, continued from page 1

employees need a strong foundation in payroll processing. The certification programs offered by the APA provide our employees with this foundation.

Our clients tell us payroll has advanced to a level of requiring specialized training to handle the ever-changing regulatory landscape and compliance requirements. This statement never rang as true as with the ever-changing and complex reporting requirements for complying with the Affordable Care Act (ACA).

Employers are busy learning about the rules and modifying their internal systems to collect the data needed to complete the returns.

Investment in Employees

Many organizations have cut training budgets even with statistics showing employees with developed professional skills are more innovative and productive when it comes to work.

At PenSoft we consider training is an investment in our employees, the force which keeps PenSoft growing. It is our responsibility to provide the skills training they need to be successful at their job, and the company experiences a return on its investment for many years.

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Doculivery

PenSoft offers an Employee Self-Service product for your company called Doculivery. Doculivery offers online pay statements and year-end tax forms for your employees to access for up to seven years, reducing the storage that record retention takes up on your computer. PenSoft offers a live demonstration of Doculivery every Wednesday at 11 am eastern time.

Interested? Visit www.pensoft.com/training/webinar_dates.aspx

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