

# Payroll Software Check List

This worksheet can be used as a guide to help your organization find the best payroll software application for you. Consider each field of information and fill in the appropriate answer for your needs. Send this check list to payroll software vendors you are interested in, or simply use it as a guideline when talking to vendors. When you are choosing options along the way, please keep in mind that whatever options you choose should be expected to last your business at least seven years. For example, when choosing the number of employees, think about the maximum number of employees your operation will have in the next seven years. By choosing your software in this way, you will ensure that the software you choose will grow along with your organization for years to come.

## General

	Requirement	Description
	<b>Number of users</b>	How many people will need to be working in the program? If more than one person will need to be working in the system, this is considered an additional 'user'. For instance, if the most people you will ever need to be using the system is 3, then you require 3 users.
	<b>Number of employees</b>	How many total employees the payroll system will manage? This includes all employees from all companies within the system.
	<b>Years of history</b>	How many years of history you wish to store in the payroll system? Some systems limit the number of years that can be stored in the system.
	<b>Number of companies</b>	How many companies the payroll system will manage?
	<b>Standalone</b>	Ability for payroll software to operate outside and independent of any accounting system.
	<b>Security</b>	Setup of security so that some employees may enter, but only view certain information.
	<b>Export general ledger file</b>	Ability to take data from your payroll software and export it into the general ledger of an accounting program.
	<b>Split general ledger expenses</b>	Ability to split employer paid tax expense to those profit centers where the employee worked.
	<b>Ability to print MICR checks</b>	MICR is the magnetic ink which allows you to print on blank check paper. It can also allow for signature printing.
	<b>Ability to print vendor checks</b>	Print checks for liabilities such as child support directly from the payroll system.

## Benefits

	Requirement	Description
	<b>Track/pay employee garnishment</b>	Allows you to set up, track, and pay employee garnishments to the appropriate vendor(s).
	<b>Vacation/leave accrual tracking</b>	Tracks and computes employee vacation accrual based on the rate you set up.
	<b>Sick time calculations</b>	Tracks and computes sick time calculations.
	<b>401K tracking</b>	Tracks employee 401K and employer match, if applicable.
	<b>Number of deduction codes available</b>	Deduction codes represent the calculations by which pay is deducted from employee pay, such as health insurance, child care, 401K and more.
	<b>Number of earning codes available</b>	Earning codes represent the calculations by which employees earn pay, such as hourly, salaried, overtime, and more.
	<b>User-defined fields</b>	Gives you the ability to track your own fields of information that you set up for your business-specific needs.
	<b>Retirement plan reporting</b>	Gives you the ability to generate several different styles of retirement plan data that can be sent to your benefit provider for processing.
	<b>Employee education / certification tracking</b>	Allows you to track various certification or education that your employees are required to complete.

## Time Entry

	Requirement	Description
	<b>Time clock import</b>	Pull data from a time clock into the payroll system.
	<b>Enter hours worked</b>	Simplified pay entry where you merely fill in the hours worked for each employee.
	<b>Enter time by start /stop time</b>	Fill in the start and stop time for employees, and the system calculates the hours for you.
	<b>Shift differential pay</b>	Handles various employee shifts and the different pay rates associated with those shifts.
	<b>Minimum wage calculations</b>	A tool to verify you are paying at least minimum hourly wage to piecework employees.
	<b>Pay by piecework</b>	Allows you to set up piece work pay codes and then pay employees based on their piecework completed.
	<b>After the fact payroll</b>	Enter pay checks into the system for payrolls that have already been completed.
	<b>Copy previous pay runs</b>	Start a new pay run by copying the previous pay run, and make necessary revisions from that starting point.

## Pay

	Requirement	Description
	<b>Workers compensation</b>	Track employee worker compensation by job type, for potential savings on worker compensation insurance.
	<b>Third party sick pay</b>	Report sick pay that was paid by a third party on your employee W-2s and employer 941.
	<b>Track labor by project</b>	Associate hours worked with projects, so that labor expenses can be calculated for any given project.
	<b>Multiple state payroll</b>	Process payroll for employees in multiple states.
	<b>Multiple language pay stubs</b>	Provide translations of payroll terms on payroll stubs for speakers of languages other than English.
	<b>Manage payroll by department</b>	Track and enter pay and print checks by department.
	<b>Direct deposit</b>	Transfer pay electronically to employee bank accounts, rather than issuing printed checks.
	<b>Electronic direct deposit pay stub</b>	Deliver direct deposit pay stubs electronically.
	<b>Job tracking</b>	For service businesses such as contractors, the ability to track payroll labor expense by job.

## Reports

	Requirement	Description
	<b>Standard reports</b>	Run a variety of standard payroll reports included in the system.
	<b>Customizable reports</b>	Set up and save your own reports with the fields of information you choose.
	<b>Certified payroll</b>	Certified payroll reporting is required by the government when working on government-subsidized work.
	<b>Consolidated reporting</b>	Ability to run payroll reports for one, all or some of the companies within the payroll system.

## Taxes

	Requirement	Description
	<b>State and Federal taxes</b>	Handles all of the major State and Federal Tax calculations and tracking.
	<b>Local taxes</b>	Provides the ability to set up local taxes or tax groups.
	<b>Print tax forms on plain paper</b>	Print forms on plain paper in place of printing on purchased tax forms.
	<b>File tax forms electronically (Online "eFiling")</b>	File tax forms online in place of printing and sending all filing is done electronically via the computer.
	<b>Simplified W-2 processing</b>	Option to send electronic file to Federal and State agencies and to have employee W-2s printed and mailed to employees by electronic filing center.