

The needs of a small business payroll can differ greatly from a large or enterprise business payroll. Smaller businesses have fewer staff to handle payroll, so it's crucial to have the right system in place to handle that very important task. Understanding the differences between small business payroll and enterprise business payroll is important when finding a system that works well for small businesses.

### Internal Payroll System or Payroll Service

It's worth noting right off the bat that, when choosing a payroll system for a business, the main two choices at the outset are whether to process payroll internally or use a payroll service. There is no clear-cut answer to this; however here are some considerations to help with that decision. In order to run payroll internally, there must be enough staff available to keep up the system (a lesser consideration if the system is cloud-hosted), manage payroll, provide reports, and to file the taxes in a timely manner. The main benefit of processing payroll internally is the control offered. A business may gain some efficiencies and save money by managing a system internally. Above all, having a service take care of tax filing is the number one benefit of having a payroll service. Keep in mind that the number one consideration in choosing a service to manage payroll is ensuring that the payroll service is a trusted partner and can fulfill its promise in a timely manner, in a secure environment, and without mistakes. No matter which system, an internal payroll system or a service, some payroll management will need to be done internally. In a small business, time and staffing are always an issue, so make sure to think about all these considerations before making the decision between internal payroll or using a payroll service.

### Customization

How unique is your company when it comes to payroll? There is a huge difference in the customization abilities of the many payroll systems available for purchase. The most basic of systems don't allow for much customization at all, while other systems do allow for customization of things such as reports, earning and deduction codes, 401K calculations, wage garnishment setup, employee setup, and much more. When searching for small business payroll, this is one area to take note of. Ensure whatever payroll system you purchase includes the customization capabilities needed to run your payroll smoothly and without stress.



## Pay Distribution

How will employees at your small business want to be paid? It may sound silly, but there are differences in the ways different payroll systems will allow you to pay employees. Do you want direct deposit or printed checks, or a combination of the two? Do employees want their pay to be deposited to multiple accounts? How about an online system for employees to view their electronic pay advices and W-2 forms? And, can pay cards be used? Some systems will offer varieties of these pay distribution methods, and others limit you to a very limited method of employee pay. Be sure your employees can be paid in a way that works for them and for your company.

## Benefit Tracking

If your company's payroll benefits are basic and simple, any payroll system should be able to handle them. When benefits begin to get more complex, some of the basic systems won't be able to handle that. Things like customized benefit codes, scheduled benefit deductions, retirement plan limits, and benefit effective dates are a bit more advanced than most of the starter small business payroll systems can handle. When the payroll system cannot effectively track these things, some people start to track them manually, which can lead to manual tracking errors and more time spent processing payroll.

## Database Capacity

While it might not be top of mind, database capacity will likely be an issue faced by companies using payroll software. Some payroll systems place a hard limit on the number of employees, companies/databases, years of history and more. If you are left unaware of these limits, it can be a sudden realization and worse yet, can happen when payroll is due to be processed. Make sure your payroll system has the capacity you need to process payroll for years to come.

## Support

You might think that if a payroll system is good enough, support will not be needed. Nothing can be further from the truth. Even if the payroll system is absolute perfection, just imagine how many different needs all the different business types have, including your own business. Each business is unique, and each is using the payroll system in its own way. For this reason, having a strong support team behind the payroll system is crucial to the ongoing smooth operation of payroll. Having someone available to answer questions and help get payroll processed accurately and on time is crucial. Be sure the support technicians are experienced experts who can truly help you, and that their response time is acceptable to you and your company.

CenterPoint Payroll Software is small business payroll system that can be installed locally or used in the cloud. Small and growing companies looking for an extremely robust and flexible program will benefit from CenterPoint Payroll's customization abilities, features that allow a company to grow, and excellent expert support. Sign up for your demo today or request more information by email: [sales@redwingsoftware.com](mailto:sales@redwingsoftware.com) or phone: 800-732-9464. Learn more at <https://www.redwingsoftware.com/home/products/payroll-software>.