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How to Reduce the Time Doing Payroll

by Red Wing Software

The time necessary to process payroll depends on a large variety of factors, but there are some things about payroll that can be improved, no matter the number of employees or the type of business. During a payroll run is not the time to be rushing around last minute, since that can lead to late or incorrect pay, or late/incorrect tax payments. Here are some real ways to reduce the time doing payroll.

Implement Direct Deposit

One of the most time-saving actions that can be made to reduce payroll processing time is to use direct deposit. Direct deposit allows an employer to have employee pay deposited directly into their bank accounts, rather than printing and distributing paper checks. Printing checks requires a variety of materials and processes, including check paper, envelopes, stamps, printers and printer ink, and of course the process of distributing the checks. Using direct deposit eliminates the need for paper checks, so most of these resources and processes are eliminated. Having direct deposit pay stubs ("pay advices") available online goes a step further and eliminates the need for paper, since a paper copy does not need to be distributed.

Automate Time Entry

There are several ways to automate and streamline the entry of employee time.

- **Copy Pay**

  Instead of manually generating pay information each pay run, copy a previous pay run and use it as a starting point for a new pay run. This allows you to very quickly select the same employees paid the previous pay period. By copying pay from a previous pay run, you have a jump start and do not need to start from scratch each time.

- **Time Clock Integration**

  If a time clock is used, significant time can be saved by integrating the time clock data to your payroll system, rather than entering time by hand. Not only does integration of a time clock save time, it also reduces manual entry errors.

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- **Online Time Clock**

  Even more efficient than a physical time clock is an online time clock, by which employees can enter time using a mobile device, computer, or even a shared kiosk. Time clocks typically work directly with a payroll system, so hours worked are available to pull in when it's time to process payroll.

Automate Tax Filing

The main things to consider regarding tax filing are that it needs to be done accurately, and it needs to be done on time. There are a variety of ways to shorten the process of tax filing.

- **"eFile": File electronically**

  Filling in tax forms manually can be extremely time consuming, and filing taxes online is an excellent alternative. For payroll programs that allow it, information is pulled from the the system, and it fills in the forms for you.

- **Complete Filing Service**

  Some payroll systems allow for an option of using a complete eFiling service, which means the information for the tax forms is pulled from the payroll system, and the forms are collated and mailed to the appropriate agencies, and copies mailed to employees, on behalf of your company.

Save Reports for Later Use

Payroll reports can be complex, and it's important to get the right information when distributing reports to the various people who need them. Make the reporting process easier and efficient by getting reports just the way you want them and save them for later use. By saving the reports, you save the work of having to recreate them every single time, and it also provides a more consistent and professional experience for those receiving the reports.

Improving payroll processes and making them more efficient can result in significant time savings. Put in the time to implement these and other methods, and you'll be well on your way to reducing the time doing payroll. CenterPoint Payroll can handle all the time-saving methods in this article. To streamline your payroll today, contact Red Wing Software for a free demo of CenterPoint Payroll Software, which can be locally installed or used in the cloud.