

System:
computerized payroll
essay



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Payroll is one of the largest expenses incurred by a business. It consists of the wages and salaries any business pays its employee. Nowadays, business establishment or corporation must use modern technologies to make their tasks easier and faster, technologies that will help people to solve complex problems. Businesses needs advance system that saves time and also secure. One of the examples is the payroll system. Most company now uses computerized payroll system.

A computerized payroll system will not only resolve difficult problems but also it will provide fast process and accurate calculation of the salary.

According to Dave Roose in his article on How Payroll System Work “ If you make a mistake on an employee’s paycheck enough times, he’ll probably quit. ” In manual payroll system there is so many possible errors that may encounter but if the payroll is computerized, payroll clerks will not need calculator to compute the salary of the employee. Payroll is the sum of all financial records of salaries for an employee, wages, bonuses and deductions.

In accounting, payroll refers to the amount paid to employees for services they provided during a certain period of time. The employer are required to hold back the part of each employee’s earnings because the money will be used for paying the income taxes union dues and medical insurance premiums that is responsible of the employee Payroll processing is actually a special-case purchases system in which the organization purchases labor rather than raw materials or finish goods for resale. The proponents will propose a system that is entitled

Computerized Payroll System. It will save time, produce faster result and will lessen the errors. A payroll system maintains a list of employees and adds and deletes employees based on new hires and those dropped from the payroll for such reasons as terminations. Other employee information could include name, address, phone number, job title, job category, if the employee is hourly or salary and his rate of pay. Employee Social Security numbers are also recorded for tax reporting purposes.

Employee data includes codes to designate what type of benefits plans the employee is enrolled in such as a 401k, major medical insurance, dental insurance and stock option plans. Businesses incur a variety of expenses and must keep meticulous financial records. Since the development of writing in the ancient world, businesses have been keeping records of their financial transactions. The United States tax system requires that business keep accurate payroll records for tax purposes. Features of a Computerized System :

A computer-driven payroll system provides a means to automate and manage payroll functions within a company. Before computers, payroll was calculated manually for each payroll check generated. A computer payroll system makes it easier for employers to keep track of years' worth of employee data and payroll information. Among the many features of a payroll system are automatic calculations used for paying employees, a heightened security which includes protecting documents and report storage of sensitive company accounting information.

Because payroll is so complex, can take hours away from your core business and lead to costly errors, many small business owners rely on their accountants, automated software systems or third-party contractors to take care of it. No matter which service you choose, the features can and should be customized to suit the needs of your business. The most effective payroll systems offer advantages in terms of time, cost, accuracy and organization.

Process of their Computerized System : Processing a payroll manually is a labor-intensive undertaking, requiring several calculations per each employee, often on a weekly basis. The system is time-consuming and prone to calculation errors. The nearly universal shift to computerized payroll systems has done much to alleviate these problems, however. Payroll software packages are available from basic, no-frills systems for small businesses for a few hundred dollars to complex, enterprise-wide systems that can cost several thousand dollars. A payroll processing system is software and related manual procedures for paying employees.

The system is comprised parts that perform required tasks to keep payroll records accurate and to process payroll in an effective manner. After all processing cycle information has been inputted and any changes to employee data, tax table and benefits data have been made, the system calculates the payroll gross and net amount for each employee. The system makes relevant deductions, such as state taxes, from the gross pay. The deduction amounts are stored for payment to such entities as the federal and state government.

It is rare today for a business to process payroll manually, although a few small employers still find this cost-effective. However, despite all the sophisticated computer technology and software, the payroll process hasn't changed. Any businessperson responsible for payroll is wise to learn the payroll process. Machines make it faster and easier to process payroll, but you still need to understand the system to properly monitor labor expenses and catch potentially costly errors. Be sure all employees have up-to-date W-4 forms filed out before you begin to process a payroll.