

How to make a step-by-step flow chart for a payroll system essay sample



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A flow chart shows the sequence of your payroll processing duties. A payroll system is the avenue through which you process your payroll. You cannot process your payroll without a payroll system. The three types of payroll system are manual, in-house computerized, and external (outsourced). The manual system requires you process your payroll by hand; the in-house computerized uses payroll software to process the payroll; the external system means you outsource your payroll to a payroll service provider. A payroll system flow chart shows the sequence in which you process your payroll. It streamlines payroll processing and helps you stay on track. Other People Are Reading

What are the Steps in Processing a Basic Payroll? Step-by-Step Payroll Process

Instructions

Design the flow chart with an office suite program–this is the best route for a professional look. However, you can draw the chart by hand. Create boxes and arrows, which shows the flow of your payroll processing, such as where it starts and ends.

Create a flow chart for a manual payroll system. The flow chart should show all the manual duties involved in processing your payroll via this system.

Example: Gather time cards, check time cards for compliance, contact supervisors regarding missing or questionable time cards, and manually calculate time cards. Create a sequence involving the payroll processing duties, such as manually calculating wages; statutory deductions such as

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payroll taxes and wage garnishments; salaries; voluntary deductions, such as retirement and health benefits; and creating paychecks. Make another sequence showing post-processing duties, such as manually create and file the payroll register, create and post journal entries, deposit employees' pay into the bank, and distribute paychecks.

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Make a flow chart for the in-house computerized system. This system eliminates manual processing. Make the flow chart specific to your payroll software's requirements.

Example: upload timekeeping data into payroll software, review timekeeping data and investigate missing scans, process payroll via payroll software, print preprocessing report, double-check payroll via preprocessing report, make necessary changes, create and send direct deposit file to the bank, deposit employee funds and payroll tax payments into the bank, and close the payroll. Notably, when you close the payroll, it saves the entire payroll data for the pay period in the system.

Create a flow chart for the external system. When you outsource your payroll, the payroll service provider requires you send them the payroll data each pay period. The provider typically allows you to send the data via fax, email or online. The flow chart should include details of the required method.

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Example of online method: review timekeeping data, contact supervisor for timekeeping clarification, input employees' payroll changes and timekeeping data in the provider's system, verify inputted data via the supplier's online system, double-check and file payroll data received from the supplier, and distribute paychecks.