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From the Sept. 2007 Review of Payroll Systems

PayCycle's online payroll system provides a completely automated payroll processing and compliance system that can be used in a variety of ways, either by the client or the professional. This allows professionals to manage the entire payroll process from time data entry through paychecks and monthly/yearly compliance
issues, or to provide sliding levels of responsibility to the client that can reduce the professional's tasking to as little as review and compliance assurance functions.

The accountants' version of the PayCycle system allows firms to manage multiple clients, with the program automatically applying appropriate taxes and withholding funds, then preparing compliance forms, and enabling electronic payment of federal and state liabilities. PayCycle is designed as a paperless system, with free e-filing included, but it also allows the printing of checks to either plain paper or preformatted stock. Pricing for the online system is based upon the number of clients being managed and includes direct deposit and unlimited payroll runs. The first 10 clients cost $14.99 per month each for up to five employees, and $0.25 per additional employees, with a maximum of 50 employees. Additional client companies can bring the pricing down to as low as $9.99 per month per client. The accounting firm's in-house payroll processing is free for one year.

EASE-OF-USE/DATA ENTRY – 5 Stars
Authorized users can log into their PayCycle account from any location, with the browser displaying a client list that is displayed alphabetically along

with a link to the accounting firm's payroll. From this main screen, users

contractors.
PayCycle includes employee data collection forms for getting personal and direct deposit information. The system also provides forms for filing for federal and state EINs and registering for EFTPS and other documents. After the first employee, settings can be used as a template for subsequent employees. The user also selects the pay frequency (employees can be paid at different intervals), pay type and rates, accruals for sick leave, and vacation time. In addition to the guidance features during setup, PayCycle offers content-specific onscreen help and instructions
related to the task the user is performing.

When setup is complete, the user's primary interface for a company's payroll is a tabbed screen that opens to the To Do list for that company. The list is automatically populated with tax due-date reminders for all jurisdictional compliance responsibilities, and items can also be manually entered onto the To Do list. Other tabs include Pay Day, Taxes & Forms, Setup, Reports and Help. For routine payroll processing, the Pay Day tab is the central focus and brings up a list of all employees in the current pay period, allowing direct entry of hours to apply to various pay rates and accruals, entry of bonuses, and the ability to add a customizable memo to individual paychecks and stubs. Data for salaried employees is automatically populated. The screen then provides a summary of employee pay with the ability to drilldown to withholding and deduction
details.

The system is very easy to use, and, if a client is handling the time and employee data entry personally, the webpage they use is branded with the accounting

firm's name, not the PayCycle logo, which keeps the process part of the

PayCycle includes direct deposit at no additional charge for all employees, and users can process an unlimited number of payroll runs, whether it's one check or 50. Only two direct deposit accounts per employee can be processed, but the system also gives the option of depositing less than 100 percent between one or two accounts and disbursing the balance as a check. Paychecks can be printed to blank or formatted stock.

The system can manage single- or multi-state taxed employees who are salaried, hourly, commission or tipped workers, but PayCycle only supports two hourly pay rates per individual employee. However, the system also includes a wide selection of special pay types including OT, DT, sick pay, holiday pay, bonus, commission and vacation pay, which can be used to track paid time off. The system can also be used to track allowances, reimbursements, cash tips, paycheck tips, clergy housing (cash and in-kind), group term life insurance, S-Corp owners health insurance, company HSA contributions, personal use of company car, bereavement
pay and two customizable "other earnings" options. The system automatically calculates all federal, state and local taxes for all 50 states and Washington D.C., and the vendor guarantees their accuracy.

In addition to direct deposit, PayCycle includes free e-filing of compliance forms and payments for federal entities (W-2s, 940s and 941s), as well as most state jurisdictions in the country. Along with the To Do lists, PayCycle offers an e-mail-based Alerts system that can notify users of important tasks and deadlines. The system offers an online web access point for employees where they can log in to view and print archived pay stubs and W-2s.

REPORTING CAPABILITIES – 3.5 Stars
PayCycle offers 17 pre-built reports with drilldown capability, including payroll

summaries, deductions, detail reports, liabilities, taxes, wages and others,

accounting
suite. This data sharing allows the export of transactions to the appropriate GL accounts. As previously noted, the system can also output payroll data and all reports into Excel format.

RELATIVE VALUE – 4.5 Stars
PayCycle is simple enough to be used by accountants or clients. It automates everything except for the entry of hourly employee time, leaving mostly just review tasks for the professional. The system is flexible and supports all states with the ability to manage multiple pay types and deductions. PayCycle is best suited to professional practices with small clients (one to 20 staff), and can only support up to 50 employees per reporting period per company. The system offers an inexpensive and nearly hands-free method of adding payroll services to a practice, while also relieving much of the headaches of compliance issues. Phone-based and online technical support is included in the cost of the program.

2007 Overall Rating: 4.5 Stars

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