CPA

Practice **Advisor**

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Los Angeles-based Team Jenn Corp founder Jennifer McCabe is a careful proponent of offering payroll services. "I won't minimize it, payroll errors can be a nightmare. But payroll is an important part of the confidential employee relationship bucket." Offering payroll services can also help to instill invaluable confidence and a deep relationship. "It's worth it. No doubt." Having provided payroll services from the getgo she and her team have learned quite a bit along the way on what to do and what you want to avoid in spades.

Lori Bolas • Aug. 12, 2014



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corporate arena, and began to offer my services to startups and other small businesses such as agencies and production companies."

Payroll came naturally

"I don't really remember deciding we would do payroll. It seems like we decided to serve our clients and that there was always a need for payroll. Back in the beginning – we literally did it on an excel spreadsheet."

Payroll at Team Jen has been an interesting evolution beginning in Excel and moving up to QuickBooks. "We didn't know what we didn't know at the time. What I tell my clients now is that payroll is complicated and it just keeps getting more complicated. Even a software specialist can have trouble and the bigger issue with software is that you may not know there is a problem for a year or more. And then it gets costly. But at first we wanted to be in control. We made errors or our clients made errors and we wanted to be the ones to fix them. The issue then became all the work that followed from the filing to the W-2s or W-3s. There was no way we could do all the work and grow the business."

Every situation, every employee, every business is DIFFERENT!

What isn't different in McCabe's opinion is that it is easy to make payroll errors and it can be really hard to fix them. Payroll errors can become really time consuming and stressful.

"Let's face it, payroll is personal. When you're helping a client with a payroll error, whether it was your error or the client's it can get contentious and very personal. As we grew and our clients grew, payroll naturally became even more complicated. We knew we needed a partner to scale.

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easy online payroll service provider that offered technology and service – which is so important. I appreciate that comfort in knowing if there is a problem – there is someone on our side that will work to resolve it for us and our clients," said McCabe.

If your firm is considering offering payroll services, Team Jen recommends tailoring a checklist of your needs. Some things you'll need to consider may be:

- 1. Payroll Tax Expert in the House? Can you handle payroll tax complications in house? Do you have someone who is just a national payroll wiz? Understanding all the necessary local, state and federal laws that will affect you now and into the future. And then...is that expert in it for the long haul?
- 2. Fully Understand the Time Commitment to Payroll. This is one of the most common pitfalls faced by firms offering payroll. They simply underestimate the length of time it takes to not just run the payroll, but to help the client pay and file the taxes much less to resolve a complicated payroll error that doesn't surface for months.
- 3. Fully Understand your Growth Plans. As you grow your business can you handle the additional complications that are inherent with additional payroll clients?
- 4. **Cost Justify, Cost Justify, Cost Justify.** Can you legitimately afford to do payroll? Consider the time involved, the complexity of your client's needs and your clients, as well as your own firm's growth plans.
- 5. **Consider a Payroll Service Partner.** This is the next question as you are cost justifying do not overlook the incredible resources that are out there today. Look beyond software to service organizations or even those that combine the two software as a service to see if there is a partner that can tip the scales in your favor.

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