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help clients and tie them closer to your firm and services. While many CPA firms use outsourced services for payroll and HR, technology has made providing these services easier and more profitable.

Randy Johnston • Sep. 12, 2014

Description	
Fed Withholding	5,989.84
Fed MED/EE	309.54
Fed OASDI/EE	1,323.53
NY Withholding	1,407.62
NY NEW YORK Withhold	6.43

Payroll is not a four letter word. Human Resources (HR) is an additional opportunity to help clients and tie them closer to your firm and services. While many CPA firms use outsourced services for payroll and HR, technology has made providing these services easier and more profitable.

By the time salaried workers are identified, hours worked and PTO are gathered and

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This publication, and myself as an author and consultant, have spent many hours and much writing on the benefits of a collaborative accounting practice. If you are doing collaborative accounting, payroll and HR can extend these services for more profitability. Even if you aren't doing collaborative accounting, payroll and HR can give you a year-round profit stream that provides marketing opportunity as your firm is in contact with clients on a recurring, regular basis.

Consider how you'd like your payroll and HR service offering to work:

- Completely outsourced to a provider,
- Partially outsourced to a provider,
- Completely in-house.

Considerations to maximize profitability and to minimize internal firm stress include:

1. Charging for services before they are provided with recurring ACH billing,
2. Handling all transactions electronically through a portal,
3. Providing a way for the client to do the data entry,
4. Requiring the information for a payroll run at least 48 hours in advance of processing,
5. Setting up all employees, even the non-banked, to receive payment electronically,
6. Maintaining a self-service portal for employees and employers,
7. Pricing competitively to win the service, but not necessarily the lowest. Remember you have value from being local and understanding the business.
8. Set up consistent procedures,
9. Cross train team members to provide the service,
0. Have at least an annual review of your offering with the client.

Consider the Solutions

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payroll. There typically is substantial sophistication in the application to handle many different situations. Examples include:

1. ADP – <http://www.adp.com/solutions.aspx>
2. HKP – <http://hkpaysolutions.com/>
3. Intuit – <http://payroll.intuit.com/payroll-services/fullservice-payroll>
4. myPay – <http://cs.thomsonreuters.com/mypaysolutions/>
5. Paychex – <http://www.paychex.com/articles/payroll-taxes/five-reasons-to-outsource-payroll>

Partially sourced – These providers give you tools that allow you to process payroll efficiently, often through a browser, and provide supplemental services as needed.

1. ADP – <http://www.adp.com/solutions/small-business.aspx>
2. Intuit – <http://payroll.intuit.com/payroll-services/enhanced-payroll/>
3. Paychex – <http://www.paychex.com/articles/payroll-taxes/five-reasons-to-outsource-payroll>
4. Payroll Relief – <http://www.accountantsworld.com/solutions/payroll-relief>

In-house – These provider's tools are installed in-house, and updated frequently. These are more traditional payroll processing systems updated for today's needs.

1. Adaptasoft – <http://www.adaptasoft.com/>
2. CYMA Payroll and HR – <http://www.cyma.com/cyma-accounting-modules/payroll/>
3. Intuit – <http://accountants.intuit.com/payroll-payments/>
4. Optimum Solutions – <http://www.optimum-solutions.com/>
5. Paycom – <http://www.paycom.com/>
6. Paycor – <http://www.paycor.com/>
7. Payroll CS – <http://cs.thomsonreuters.com/payrollcentral/>

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What To Do

Conceive your business offering first, and then look for a tool that helps with that offering. You will find ideas and resources from the vendors. Look for groups that have successfully built payroll practices such as Payroll Vault or Honkamp Payroll. Ask what makes these practices profitable and valuable.

To be successful with payroll, you need to have enough clients to make it worthwhile. For most firms, ten clients are the minimum number to play, but 30 to 50 or more make this section of the practice more profitable, repeatable, and less disruptive. Further, if you are preparing your practice for sale, an active payroll and HR practice makes the firm more valuable than having compliance services alone. Is payroll and HR something than CAN make you more profitable while providing better client service?

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