CPA
Practice **Advisor**

human resources professional or other employee (such as an officer manager). Either way, you must make sure you are in position to answer any question that comes up.

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Are you in the process of getting your business up and running? Although you are wearing many hats at this time, it is important to pay the most attention to the details that can "make or break" your company during the startup phase.

If you don't know the first thing about setting up payroll for your company, there is no better time than now to learn. After all, this is something you need to figure out sooner rather than later.

Hiring a new employee can be exciting, stressful, and time consuming. Before the person ever settles in for their first day on the job, you can expect to receive a lot of questions. Many of these will be based around benefits and the payroll process.

Some small business owners handle all payroll matters, while others pass this off to a

- What should I do in the event that I lose my check or the money is not deposited into my account?

Some of these questions are likely to be asked by every person you hire. Others may not be as common, but they are sure to come up from time to time.

If you are a "one-man show," you may never have to answer any of these questions. But the second you decide to hire an employee is the second you should learn more about the payroll process.

Tips for Getting Started

Before we go any further, it is important to note that the steps you take to get started may not be the same as the next company. For example, the state in which your company is located could impact how you move forward.

Here are five general tips for getting started:

1. **Request an employer identification number (EIN).** Before you do anything, you should contact the IRS to get an employer identification number. You will use this number time and time again, including when it comes time to setup payroll.
2. **Check state and local laws.** Does your state and/or local government require an ID number to process taxes? If you cannot dig up this information on your own, don't be shy about contacting your tax professional for assistance.
3. **Don't overlook the importance of employee paperwork.** If you are hiring full or part-time employees, they must fill out federal income withholding form W-4. This will ensure that you are withholding the appropriate federal income tax during each pay period.
4. **Choose a pay period.** There are many options, including monthly and bi-monthly, so make sure you consider the pros and cons of each.

Note: since you don't want to change pay periods regularly, do your best to make

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