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PayCycle — PayCycle 2007 for Accounting Professionals

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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 can jump to client payroll activities, review Client To Do items, add clients or manage their own payroll. When setting up a new client, the user selects the state, business type and number of employees, and whether the client will be using the system directly and be billed directly by PayCycle (at \$42.99 per month), or whether the accountant will be billed by PayCycle (at \$14.99 or less) and will then bill the client for services at their rate.

The system then guides users through the process of entering business information, transferring data from previous periods, and setting up of employees and 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 firm's services.

FEATURES – 4 Stars

Since it is a web-based system, PayCycle can be used from anywhere, and the vendor has developed a specific program for use by accounting firms that lets a practice keep as little or as much of the processing work, or lets the client log in and use the system. And since the program automatically performs much of the work, like tracking due dates and preparing returns for print or electronic submission, it is easy to use either way.

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, allowing users to quickly see underlying calculations, taxes, deductions and withholding. The system can print payroll-related compliance forms for all federal and state entities, but it's easier to use the free e-filing capability in the system to submit these items. PayCycle can also produce forms W-2, W-4, 1099 and I-9. All reports can be easily exported to Excel format.

INTEGRATION/IMPORT & EXPORT – 4.5 Stars

PayCycle can export data to QuickBooks, QuickBooks Online Edition, QuickBooks for MAC, Quicken, CCH ProSystem fx Write-Up, Microsoft Money and the ATX 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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