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1099 & W-2

2009 Review of Professional Payroll Programs

Millions of Small Businesses Want Professional Payroll Services

Sep. 01, 2009

From the Sept. 2009 Issue

It seems like everybody has a different definition of what a “small business” is, including us. For the purposes of our magazine and the professional tax and accounting market, we generally define small businesses as those who are using a public accountant for recurring services such as write-up, consulting and, yes, payroll. By the time a business has grown to need an in-house controller or financial officer, they are no longer seeking the same financial services from outside professionals. While this isn't a finite revenue-based line such as many other organizations use, it provides a good measuring stick nonetheless because it evaluates the general workflow needs of these businesses.

The Small Business Administration, on the other hand, does offer a more quantifiable definition: To them, the threshold is “fewer than 500 employees.” Considering that the agency's 2008 numbers show that there are more than 27 million total businesses and that small businesses account for 99.9 percent of all businesses, there is a large demand for public accounting services of all types. But to look at the need for payroll services, it's probably best to trim this number a little.

To start with, the numbers show that of these businesses, about 21 million are “non-employer” entities, meaning of course, that they are businesses comprised only of shareholders or sole proprietors who do not draw a salary or wage. These businesses don’t need payroll. But it leaves 6 million “employer firms,” and these small businesses employ nearly half of all U.S. workers and have been credited with creating up to 80 percent of net new jobs annually. That’s a lot of paychecks to manage. And the constant fluctuation in employment numbers leads to the conclusion that small businesses also experience the greatest turnover in employment. Among the many challenges of managing business payroll is keeping track of employees, not just to make sure they’re paid on time, but also to make sure that taxes are properly withheld and paid, and that reporting is processed on time.

Executive Summary – Professional Payroll Systems	
<p>Basic Features</p> <ul style="list-style-type: none"> • Multi-Client Management • Direct Deposit • Multiple Pay Frequencies • GL Export • Statement Generation 	<p>Advanced Options</p> <ul style="list-style-type: none"> • Batch Processing/Entry • Extended HR Functions • E-Filing & Payment • Client Portals for Data Entry • Employee Self-Service Portals

Because of the perceived complexity of the processes, especially management of third-party payments, government agency compliance and the potential penalties for mistakes, small businesses have long hated the chore of payroll. For a long time, many accounting professionals also avoided offering the service because the labor involved in payroll processing often took away from more profitable engagements.

But over the past decade, payroll systems have dramatically improved, making the tasks of processing and compliance much more efficient and profitable, especially for professionals managing multiple clients. The development of totally online payroll applications has also aided in the popularity of payroll services by professional firms, especially with the inclusion of electronic filing and payment, and tools such as client portals (which allow employers to enter most employee data) and employee portals (which allow workers to quickly bring up old pay stubs, see their payroll info and perform some HR tasks).

Payroll is profitable for tax and accounting firms, especially now that smart software and hosted programs are streamlining data-entry processes and automating many reporting and compliance tasks. And the renewed popularity of payroll as a service

has resulted in a very large market as technology vendors seek to satisfy the need. There are nearly 20 professional-level payroll products reviewed here, and countless more that are designed for use directly by small businesses. Each has distinguishing capabilities and is geared for different firms, but all offer professionals the ability to efficiently manage payroll for their clients.

[AccountantsWorld – Payroll Relief](#)

AccountantsWorld's Payroll Relief is a web-based live payroll system designed for professional accountants offering payroll services to multiple clients. The system supports any number of clients with unlimited employees and includes direct deposit, e-filing of tax forms and electronic remittance of liabilities.

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[ADP – RUN Powered by ADP Payroll for Accountants](#)

ADP enables organizations of all sizes to manage their payroll function. For today's accountants, ADP offers RUN Powered by ADP Payroll for Accountants, a web-based program that offers live payroll and compliance across all states and includes electronic payment and forms filing, client and employee web portals, and multiple payment options.

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[Advanced Micro Solutions – 1099-Etc & A-T-F Payroll](#)

For small businesses and firms offering payroll services to them, the 1099-Etc A-T-F Payroll system offers basic payroll management primarily for after-the-fact payroll and post-payroll/year-end compliance processing, but it is also capable of performing live payroll.

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[CCH Small Firm Services – ATX Payroll & TaxWise Payroll](#)

Since its acquisition of ATX and TaxWise a few years ago, CCH has continued to develop and add additional modules to both systems, essentially making each product line into suite options for small practices. Both tax programs now offer professionals the ability to add live payroll, as well as integrated options for other management programs.

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[CheckMark Software – CheckMark Payroll](#)

CheckMark Payroll is a live payroll processing system that will run on both Windows and Macs. It can handle any number of employer companies and employees, making it suitable for use by professional accountants managing client payrolls or for use in-house by small and mid-sized businesses.

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[Cheque-Mate – Insta-Pay for Windows](#)

The Insta-Pay for Windows system, from Cheque-Mate International, was initially designed by a payroll service bureau for its own in-practice use, and has since evolved into a program used by firms across the country. The live, multi-employer payroll management system offers support for up to 250 businesses with any number of employees.

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[CompuPay – PayrollOnline](#)

PayrollOnline is CompuPay's most comprehensive web-based, outsourced payroll processing and compliance service. Available in three packages, Basic, Advanced and Premier, the system can be used to manage payroll for any number of client businesses with multiple locations.

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[CompuPay – PowerPayroll For Accountants](#)

PowerPayroll is an outsourced, web-based payroll and tax compliance system, primarily geared toward in-house use by small to mid-sized businesses, but also available with an accountant's portal that enables management of up to 150 payroll clients, including those with multiple locations and departments.

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[CompuPay – XpressPayroll for Accountants](#)

XpressPayroll for Accountants is specifically designed for use by professionals managing their client's payrolls, with strong user security settings, direct deposit, employee self-service, automated tax filing and payment, and support for all states for any number of business clients with 10 or fewer employees.

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[Cougar Mountain Software – CMS Professional Payroll](#)

Keystroke Point of Sale from Specialized Business Solutions is a solid POS product well suited for specialty shops and smaller retailers.

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[CYMA Systems, Inc. – Accounting for Windows Payroll Module](#)

CYMA offers several business and professional accounting packages, including options for fund accounting, job costing and write-up. Offered as an add-on to these accounting packages, CYMA's Accounting for Windows Payroll system offers full live and after-the-fact payroll processing and compliance capabilities.

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[Intuit – QuickBooks Enhanced Payroll for Accountants](#)

Retail ICE is a single-user, scaled down version of Retail STAR, CAM Commerce's POS product designed for multi-user and multi-location environments. Retail ICE is ideal for small retailers as well as those wanting a closer look at Retail STAR.

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[Paramount Software Solutions, Inc. – Crest Payroll](#)

Crest Payroll is a fairly new solution designed by a practicing CPA and intended for use by accountants serving multiple business clients. The web-based payroll solution includes tax tables and compliance functions for all states and municipal jurisdictions, allows flexible payroll scheduling, includes unlimited direct deposit, electronic federal and state payment and reporting, and offers client and employee portal functions.

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[Intuit – PayCycle 2008 for Accounting Professionals](#)

In case you missed the news, PayCycle was recently acquired by Intuit. Intuit plans to continue building the popular online live payroll system, which offers an easy-to-use payroll and compliance system that supports all states and federal reporting requirements.

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[Paylocity – WebPay](#)

Paylocity offers a collection of online programs and services for payroll, payroll tax compliance, human resources, and time and labor tracking. The web-based Paylocity WebPay system is geared both toward small to mid-sized business users and professionals providing services to multiple clients.

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[PenSoft – PenSoft Payroll Accounting Edition](#)

PenSoft Payroll Accounting Edition is a live payroll system designed for professionals providing payroll services to multiple clients. The program is

based on the vendor's comprehensive Platinum Edition, but with additional multi-client management capabilities, built-in invoicing functions and the ability to make global changes across clients.

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[Red Wing Software – CenterPoint Payroll](#)

Red Wing's CenterPoint Payroll is a comprehensive employment and live payroll management system that offers support for multiple business entities with any number of employees each, allowing the program to be used by accountants offering payroll to their clients or by entrepreneurs with multiple employer entities.

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[Sage North America – Sage Abra Payroll](#)

Sage Abra Payroll is a high-end live payroll and human resources management system fully compliant with all employment, safety and privacy oversight agencies, EEO, FMLA, OSHA, COBRA and HIPAA regulations. The payroll system is a module to the broader Abra HRMS suite.

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[SurePayroll – SurePayroll for Accountants](#)

SurePayroll offers several outsourced payroll service options, from plans directly marketed to small businesses, to reseller and referral programs designed for professional accountants. Through the vendor's reseller system, firms can directly manage the payrolls of multiple clients with most of the processes automatically performed by the program and payment and compliance functions handled by SurePayroll.

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[Thomson Reuters – Payroll CS](#)

Usable as either a stand-alone system or fully integrated with the CS Accounting Suite, Payroll CS provides an accounting system designed for professionals who provide live payroll services to multiple clients. The system can handle any number of employer businesses, with up to 1,000 employees each.

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[Thomson Reuters – Service Bureau Payroll CS](#)

Thomson Reuters recently launched its new web-hosted Service Bureau Payroll CS, a professional live payroll application intended for practices with significant payroll service functions that serve more than 100 clients, and who therefore

have greater need for high-volume capabilities, streamlined management and batch processing needs.

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[APS Payroll – APS Online](#)

Automatic Payroll Systems has been providing payroll solutions for more than a decade. APS Online its flagship payroll and HR system is geared toward automating payroll, tax compliance, time and attendance, and integration needs of mid-size businesses.

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[MPAY Software](#)

MPAY Software offers software, services and partner programs for small business payroll processing. The vendor's primary focus is on providing full-service outsourced payroll, handling all processing, payment, compliance and HR functions.

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[MBA Software – SERIES 3 Payroll](#)

A provider of small business software since 1979, MBA Software's SERIES 3 suite of accounting and management programs offer full GL, AP, AR, distribution, manufacturing, estimating, data backup and payroll applications that include strong reporting and analysis features.

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2009 Review of Professional Payroll Systems — Comparison Chart

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