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Dec. 18, 2014



Many business owners say that the busiest months for payroll processing are December and January. As the end of the year approaches, payroll related adjustments arise, but can be avoided by planning ahead.

As business owners prepare for end of year payroll, these five tips should be top of

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employee W-2s. If you find that an employee has not provided you with this information or you need to correct information, immediately notify your accountant or payroll provider.

2. **Account for Bonus Payrolls:** Remember that earnings, including bonuses, are taxable in the year in which they are received. So if you are planning to schedule bonuses, be sure to schedule any bonus payroll runs in advance. Make sure to consider the tax impact to your employees. Do not make the mistake and give out bonuses without processing it through your payroll.
3. **Coordinate Sick Pay Accordingly:** Make sure that you synchronize with the company's third party sick pay provider to determine who is responsible for issuing sick pay information on employee W-2s. Also, don't forget to include taxable third-party sick pay earnings in payroll. Most importantly, be sure to share this information with the company's payroll service representative.
4. **Be Prepared:** While tax season is still several months away, it doesn't hurt to estimate what you can expect to see in returns now. More than likely, most of your big 2014 expenses are paid, or you know what is coming your way. Using this information, you can meet with your payroll provider or accountant to estimate your taxes for the spring. This will not only save you time, but relieve a huge amount of stress.
5. **Give Yourself Enough Time:** A common mistake many small business owners run into is not giving themselves enough to prepare for end of year payroll. It wouldn't even hurt to do a test run to make sure you don't have any problems. If you do run into problems, you will have enough time to notify your accountant or payroll provider. The more lead time you give yourself, the less panicked you will be during December and January.

The end of the year can be a busy time for small business owners, so seeking the help of an expert can be beneficial to avoid making mistakes, penalties and allows employers to focus on running their business. As we approach the end of the year,

remember that small business owners are accountable for servicing their clients and

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