

Best Practices Within Payroll

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**AMERICAN
PAYROLL
ASSOCIATION**



Structure/Service Delivery

Best Practices – Examples of What Other Organizations Are Doing

- ▶ Competitive advantage is increasingly temporary

quality



Structure/service delivery



People



Process



Technology

Structure/Service Delivery

1. Single window shared services center
2. Centralized/shared services model
3. Customer call center



Structure/Service Delivery



4. Self-directed work teams
5. Self-service modules
6. Outsource all or part of functions

People

1. **“Service” framework and focus**
2. **Ongoing assessment of knowledge, skills and competencies**
3. **Training and development opportunities**

People

4. Career planning & pathing opportunities
5. Coaching & mentoring while on the job
6. Cross-training

A photograph of a paved road stretching into the distance, flanked by trees. A large white arrow is painted on the road, pointing towards the horizon. The word "CAREER" is painted in large, white, bold letters across the width of the road in the foreground.

CAREER

People

7. Reward individual and team “service-excellence”
8. Staff meeting & brainstorming sessions
9. New hire onboarding

People

- 10. Career planning & cross training**
- 11. Loan employees to other departments**
- 12. Encourage employee certification**

Process

1. "Event" processing
2. Standardize processes
3. Simplify policies and/or union contracts



Process

4. Consolidation of payroll frequencies
5. Apply all payroll in arrears
6. Zero-tolerance on late submissions
7. Institute exception-only timekeeping

**ZERO
TOLERANCE**

Process

Procedures

8. **Eliminate voluntary deduction programs**
9. **Current documentation on operating procedures & FAQ's**
10. **Establishment of effective controls and edits**

Procedures

Process

- 11. Establishment of service standards**
- 12. Benchmark against service standards**
- 13. Review of usage of reports**

Benchmarking

Process

- 14. Direct deposit/payroll cards
- 15. Business continuity plan
- 16. Participate in union/labor negotiation process



Process

17. Regular meetings with management & customer groups
18. Charge fees for child support & creditor garnishments
19. Make off-cycle payments electronically
20. Optimize direct deposit



Technology



- 1. Consolidation of multiple payroll systems**
- 2. Adopt integrated system approach**
- 3. Leverage system capabilities**



Technology

4. Front-end system "edits"
5. System produces all off-cycle payments
6. Implement employee & manager self-service

MANAGER
SELF-SERVICE

EMPLOYEE
SELF-SERVICE

Best Practices Within Payroll

APPROVE
TIMESHEETS

REQUEST
PAY CHANGE

APPROVE
PTO

ENROLL IN
TRAINING

ADDRESS
CHANGE

DIRECT
DEPOSIT

APPROVE
TRAINING

APPROVE
TIMESHEETS

VIEW
APPRAISAL

W-4
WITHHOLDING

CORRECTIVE
ACTION

REQUEST TO
REFILL OPEN
POSITION

BENEFITS
ELECTION

PAYSTUBS/
W-2

PERFORMANCE
APPRAISAL

LEAVE
REQUESTS

ATTENDANCE
CALENDAR

Technology

- 7. Institute automated workflow tools**
- 8. Automate workforce management**
- 9. Utilize e-pay statements**
- 10. Utilize payroll cards**



Technology

- 11. On-line documentation & help**
- 12. Scanning & printing to PDF**
- 13. Voice recognition phone systems**



IDEA

Technology

- 14. Implementation of case management/tracking software
- 15. Implement knowledge management
- 16. Development of a “pull” strategy for reports

GOAL

TEAM WORK



Technology

- 17. Development of system-related test strategies & tactics
- 18. Leverage governmental e-technology
- 19. Implement electronic W-2 forms

W-2/W-2c Consent Form
Mickey Mouse

Submit or withdraw your consent to receive electronic W-2 or W-2c forms.

I agree to receive my W-2 forms electronically. I understand that such consent will remain in effect until I withdraw my consent electronically or in writing. Once I have submitted my consent, I can return to review my status and submit my withdrawal of consent at anytime, if I so choose.
I understand that if my employment at the University should end, my electronic forms will remain available to me on MySlice until the end of the following year after my termination/retirement date.

Your Current Status: No consent received.

Check here to indicate your consent to receive electronic W-2 and W-2c forms.

Technology

- 20. Garnishment processing software**
- 21. Make garnishment payments through EFT**
- 22. Implement receipt of electronic child support orders (e-IWO)**

Technology



- 23. Mobile technology**
- 24. Payroll intranet**
- 25. Electronic W-4s**
- 26. Cloud technology**

Structure/Service Delivery

Lesson 2

Technology and Best Practices

- Competitive advantage is increasingly temporary
- Low price and high quality is replacing low price or high quality

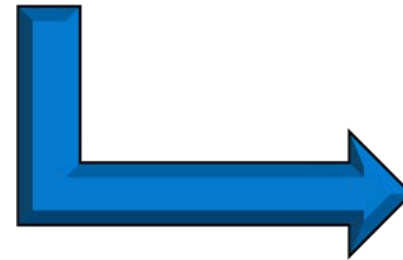
Changing Technology

Think back to when you first started in payroll.....



Changing Technology

- **1980's**
 - Batch Update
 - Legacy mainframe
 - Character UI
- **1990's**
 - Client Server
 - Distributed data
 - Graphical UI



Changing Technology

2000's

- Network/Web-Deployed:
 - Real-time Interactive
 - Network Computing Service Architecture
 - Wireless networking
 - Beyond the Internet the "Supranet"
 - Gartner term that describes the infrastructure that will link the "e-world" (electronic) and the "p-world" (physical)

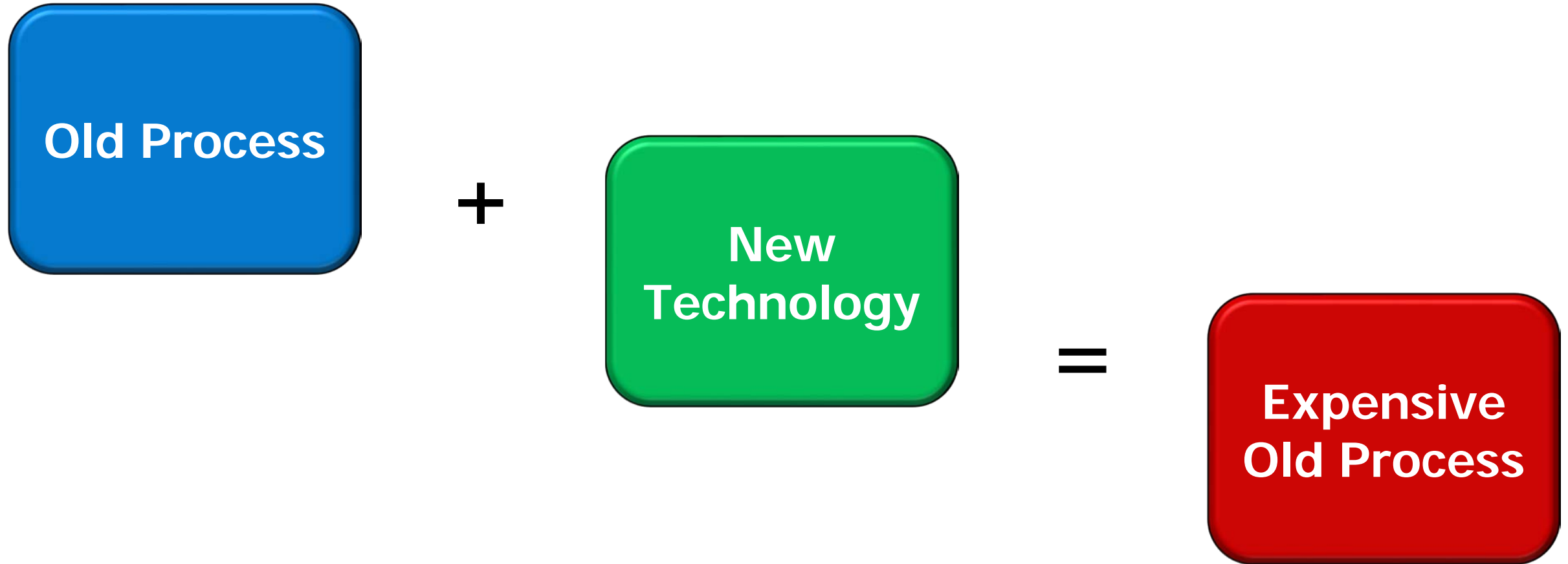
Changing Technology

2010's

- Internet processing
- Self-service
- Payroll in the Cloud
- Tablets & smart phones



Technology & Best Practices



What is the Role of Technology in Best Practices?

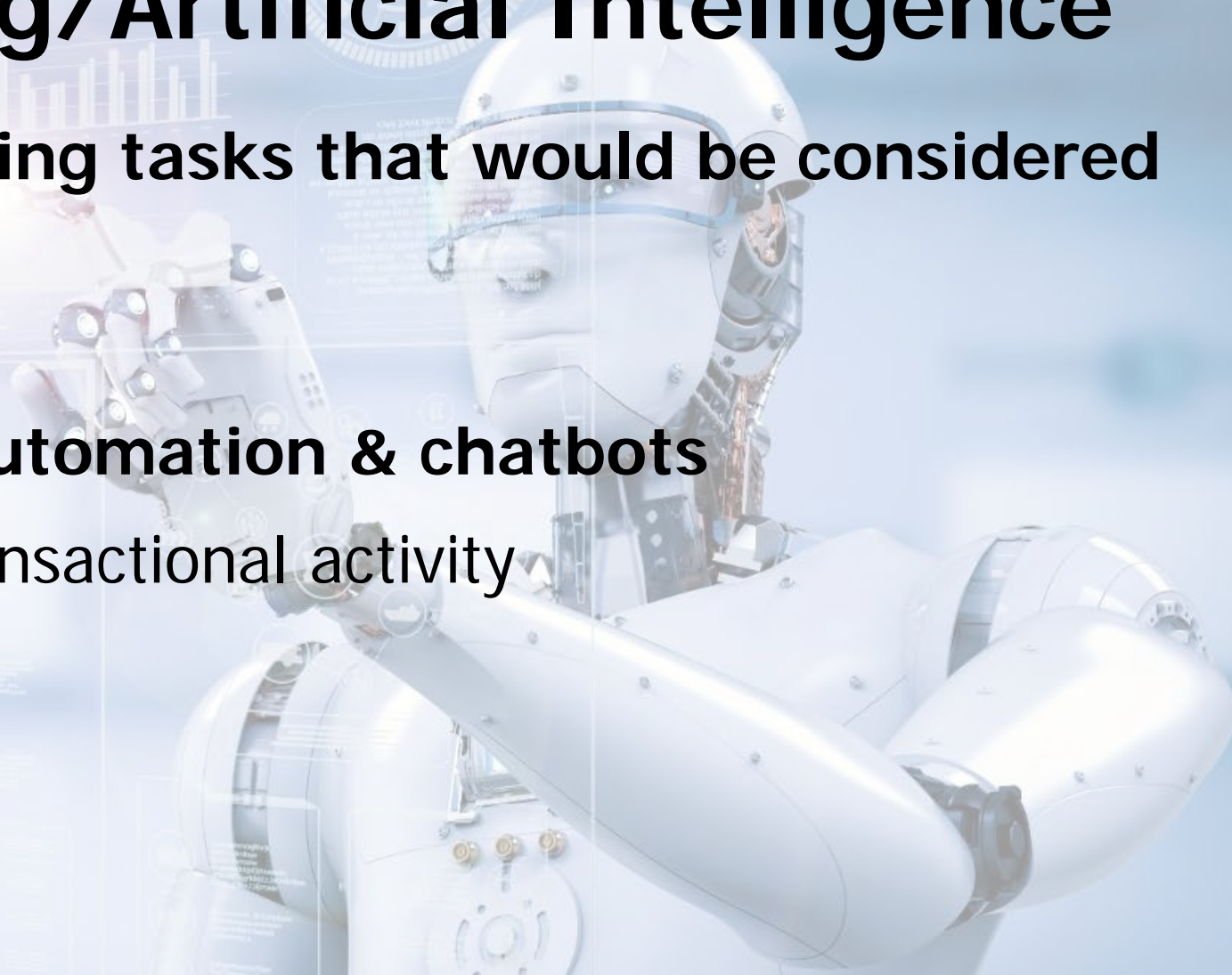
- **Technology can't enhance a process that is fundamentally flawed**
- **Technology can improve efficiencies and productivity for business**
- **The initial focus needs to be on desired payroll outcomes**

Managing Technology

- **Data security**
- **Business continuity planning/disaster recovery planning**

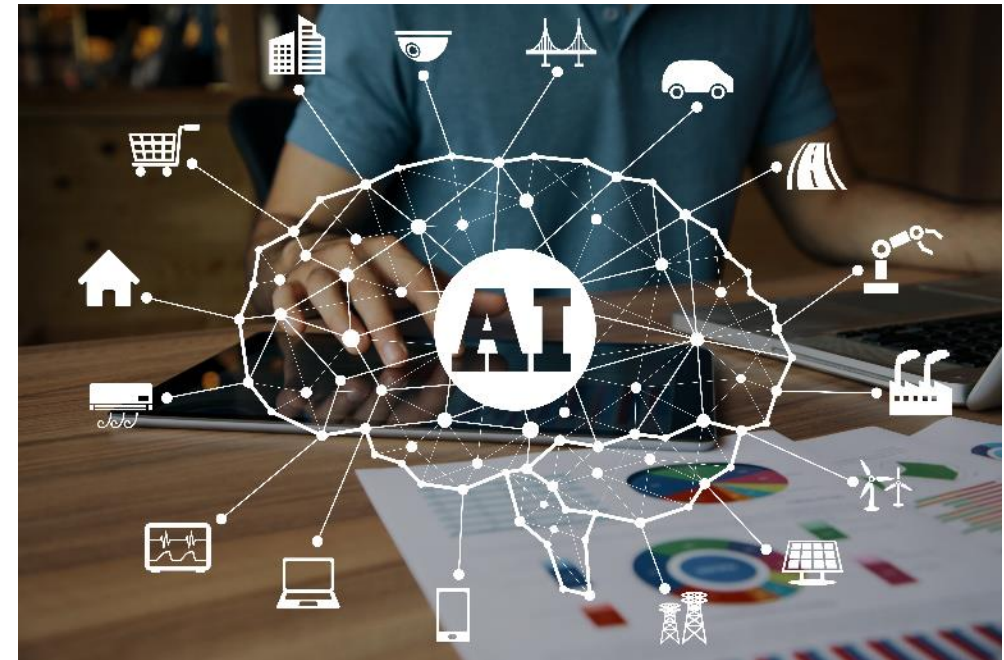
Machine Learning/Artificial Intelligence

- **Machines performing tasks that would be considered intelligent**
- **Bots**
- **Robotic process automation & chatbots**
 - Automation of transactional activity



Machine Learning/Artificial Intelligence

- **Data automation**
- **Payroll applications**
 - Predictive analytics
 - Machine learning algorithms



Emerging Trends in Technology



- **Change in roles**
- **Business to Employee (B2E)**
 - Self-service
 - E-Learning
 - Knowledge
 - Communication
 - Processes
 - Mobile technology

Cloud Computing

- **Enabling convenient, on-demand network access to a shared pool of configurable computing resources**



Cloud Computing



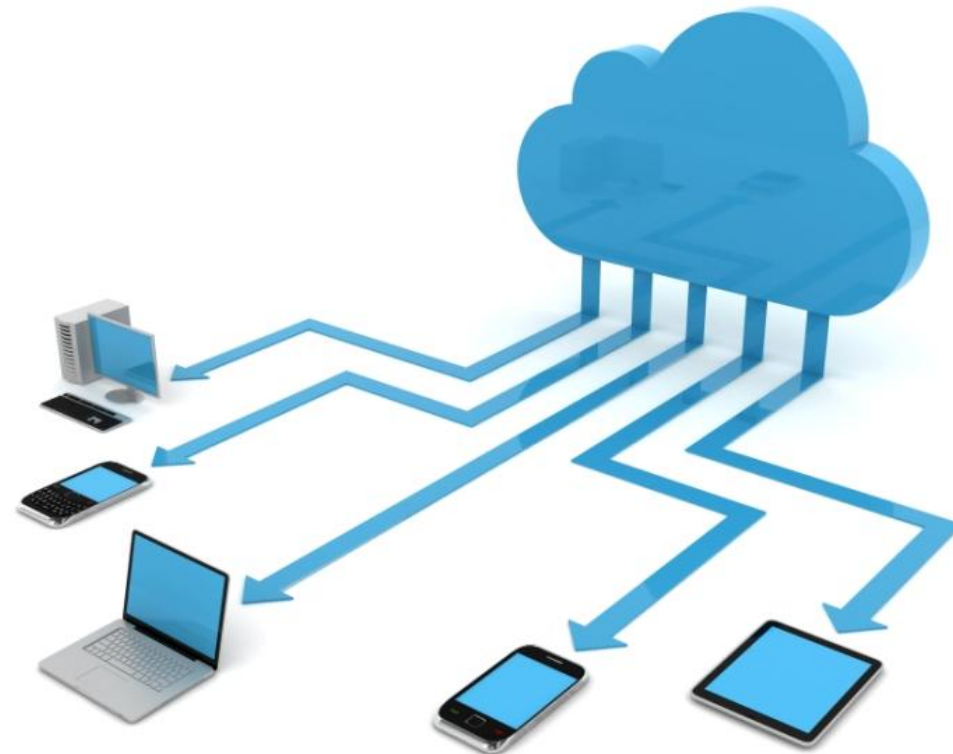
- **Cloud technology advantages**
- **Payroll systems in the Cloud**
 - Software as a Service
 - Platform as a Service
 - Infrastructure as a Service

Cloud Computing

- **Private cloud**
- **Public cloud**
- **Community cloud**
- **Hybrid cloud**

Cloud Computing Advantages

1. On-demand self-service
2. Broad network access
3. Resource pooling
4. Scalability & elasticity
5. Measure service



Changing Role of IT

- **Changing from analyst/programmer/ developer to integrator**
- **Best of breed applications**

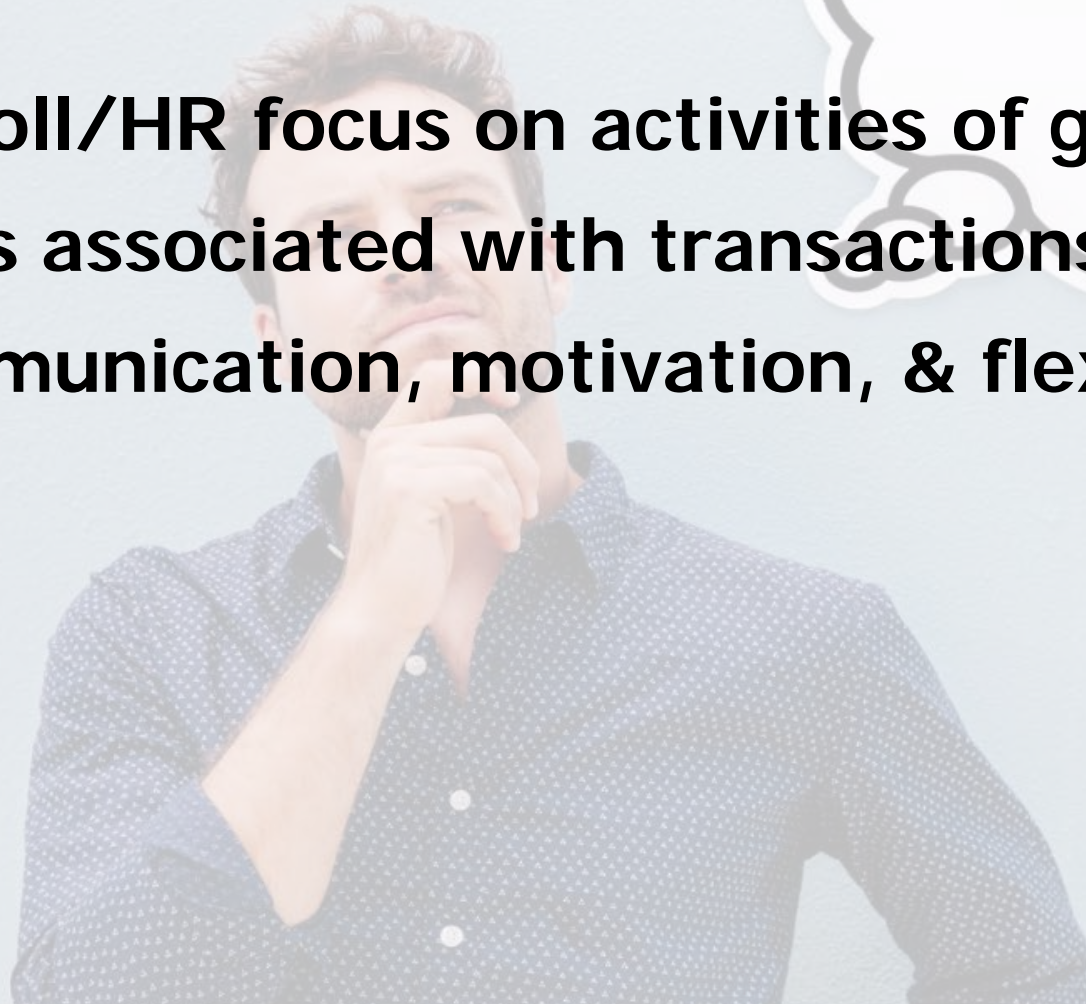
Structure/Service Delivery

Self-Service Application and Tools

- Competitive advantage is increasingly temporary
- Low price and high quality is replacing low price or high quality

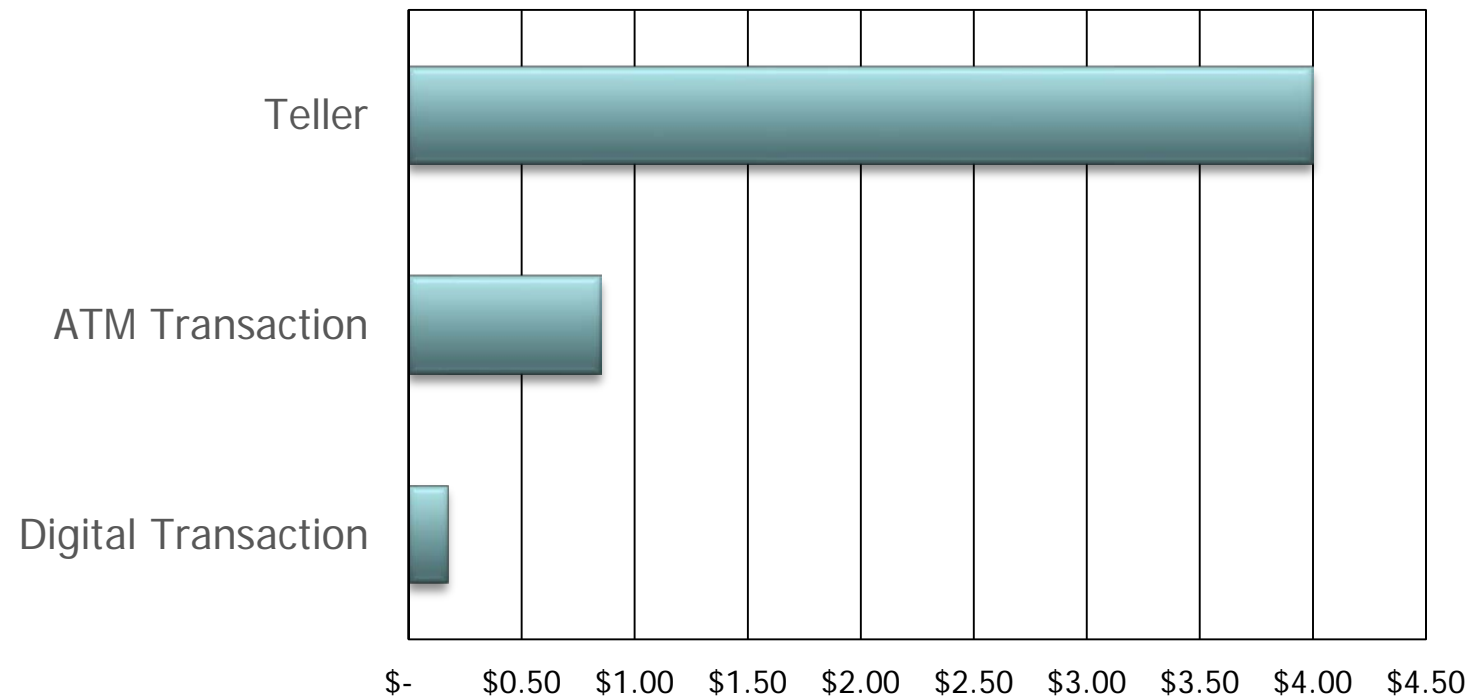
Benefits of Self-Service?

- Payroll/HR focus on activities of greater value
- Costs associated with transactions are reduced
- Communication, motivation, & flexibility are enhanced



Cheaper and Cheaper Service Delivery

Web = Lower Costs



Source: Fiserv 2012

Employee Self-Service Portals

- **Verification**
- **Notifications**
- **Requests**

Service Request

A close-up photograph of a computer keyboard. The central focus is a large, light blue key with the words "Service Request" printed in white, sans-serif font. Below the text is a white mouse cursor icon (an arrow with a small square at its tip). The key is surrounded by other standard white keyboard keys, including one with a question mark and another with a comma/apostrophe symbol. The background is slightly blurred, showing the texture of the keyboard keys.

Employee Self-Service Control



- **Control is in the hands of the employees**
- **Employees engage when it's convenient**
- **Privacy laws are a concern**

Self-Service Models

- **Employee web site for inquiry**
- **Employee self-service**
 - Confidential, personalized employee information
 - Time and labor
- **Manager self-service**



But don't fool yourself...

- **This can be a major undertaking**
- **Some people will feel this is less than a great thing**
- **Demographics may be a challenge**
- **Self-service matters!**



Emerging Trends in Technology

- **Direct deposit/payroll cards**
- **Paperless payroll**
- **Time & attendance**
 - Exception time for exempt employees
 - Rounding

Emerging Trends in Technology

- **Time & attendance**
 - Training
 - Consistency



Emerging Trends in Technology

- **Web-based applications**
 - Web-enablement defined
 - Elements of Web-enablement

Mobile Technology Trends

- **Mobile applications**
- **Data security**
- **Remote worker tools**
- **Trends in mobile technologies**

Mobile Technology Trends

- **Mobile technology policies**
- **Communication breakdown**
- **Mobile Workforce State Income Tax Simplification Act**

Structure/Service Delivery

Data Security

- Competitive advantage is increasingly temporary
- Low price and high quality is replacing low price or high quality

Data Security

- 1) Segregation of duties
- 2) Safeguarding payroll & employee information



Data Security

- Data field entry
- Other security methods
- Data storage environments
- Device management & security

Data Security

- **Cyber insurance**
- **Mobile data security**
- **Company ownership**
- **Biometrics**



Structure/Service Delivery

Best Practices: Payroll Processes

- Competitive advantage is increasingly temporary
- Low price and high quality is replacing low price for high quality

Best Practices: Payroll Processes

- **Identifying phantom employees**
- **Approval of time entries & corrections**
- **Payroll fraud**
 - Common fraud schemes

Best Practices: Payroll Processes

- **Internal controls**
 - Tasks & internal control
 - Control procedures
- **Audit**
- **Pay cycle frequencies**
- **Changing pay cycles**

Thank You For Attending!



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