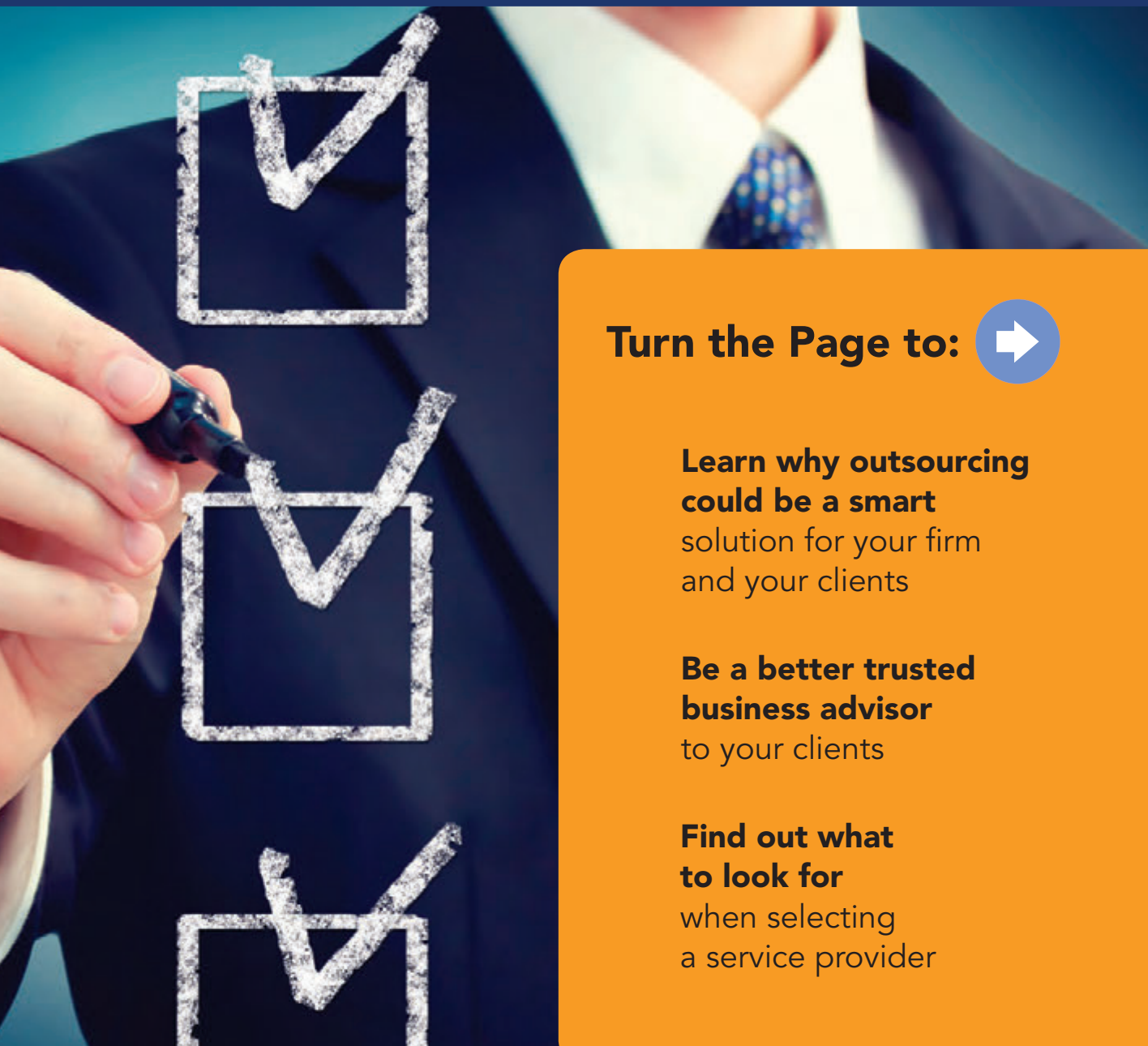




Worry-Free Payroll

What CPAs need to know
about client payroll services

Consider the advantages of outsourcing your clients' payroll and benefits



Turn the Page to:



**Learn why outsourcing
could be a smart**
solution for your firm
and your clients

**Be a better trusted
business advisor**
to your clients

**Find out what
to look for**
when selecting
a service provider

When Does Outsourcing Payroll & Benefits Work Best?

Consider these questions when determining the best payroll method:

Assessment Questions	
➔	How do clients who prepare their own payroll ensure they remain current on all federal, state, and local payroll and HR regulations?
➔	When clients do their own payroll, are critical hours lost that could be spent growing their business?
➔	Does their current payroll provider offer integrated payroll, HR, and retirement services that match the needs of your clients?
➔	Does their current payroll provider offer integrated online technologies, mobile apps, and a robust report center?
➔	Is your provider of choice nationally known, bonded and insured and has a solid reputation for reliability?

Please join us as Paychex and CPA.com celebrate over a decade of partnership success.

Over **38,000 AICPA members** have already enrolled in the Paychex Partner Program. Membership in the program is free and without obligation.



The Preferred Provider of Payroll & Retirement Plan Services for **AICPA Trusted Business AdvisorSM Solutions**

Enhance Your Role as a Trusted Business Advisor by Working with Paychex

Through the Paychex Partner Program from AICPA Trusted Business AdvisorSM Solutions, you can enhance your role as a true trusted business advisor by providing your clients with best-of-breed solutions from payroll to

retirement planning, to HR and beyond. Whether or not you currently offer payroll, retirement planning or HR, we invite you to learn about the advantages of working with Paychex.

Clients you refer through the **Paychex Partner Program** get these benefits:

- One month of free services on a Paychex payroll package (for small businesses)
- \$400 credit toward a payroll package (for large businesses with 50 or more employees)
- \$200 off 401(k) plan setup fees
- Dedicated sales representative and payroll specialists
- 6-month, money-back satisfaction guarantee

99.9%

Satisfaction Guarantee

+100k
Businesses

Referred by CPAs in the Program

ALL 50 STATES

Represented in Program

50% of
U.S. CPA FIRMS

Represented in Program

Enroll online at **cpa.com/paychex**, by phone at **1-877-264-2615**, or through your local Paychex representative.

Special Focus Report



PEACOCK



CHILDS



KANIA



SCHREIER



BHANSALI

Helping clients with payroll calculations, direct deposit, tax deposits, and e-filing forms and staying in compliance with ever-changing laws can be a daunting task for CPAs. Yet offering client payroll services can be a natural extension to a CPA firm's business and a way to grow the firm's business, increase revenue, and strengthen relationships with clients. How can this notion be reconciled with the task at hand?

In this report, experts in the area of payroll services discuss their ideas about workplace efficiencies; how to best partner with third-party payroll service providers; emerging technologies; and compliance with federal, state, and local laws.

Contributing to the report are Karen Peacock, vice president and general manager, Employee Management Solutions at Intuit; Andrew Childs, vice president of marketing at Paychex Inc.; Steve Kania, vice president of product management at SurePayroll Inc.; Scott G. Schreier, head of accountant channel marketing at ADP®; and Dr. Chandra Bhansali, co-founder and CEO of AccountantsWorld.

What are the various ways in which a CPA firm can provide/advise on payroll services for clients?

Karen Peacock, Intuit: For many accountants, when they think about providing payroll for their clients, it conjures up images of being chained to their desks. But there's a sea change happening in accountancy as the industry moves from being transactional to consultative. Fortunately, the face of payroll is changing along with this wider trend. Accountants who embrace this change early will be the winners. No longer will accountants just manage or refer payroll. Now accountants can provide payroll consulting. Labor costs are often the number one cost for their clients, especially small businesses. Accountants can help these small busi-

nesses with critical decisions and questions: Can I afford to hire employees? How do I be compliant with employment laws and regulations? Am I getting economies of scale with my staff as my business grows? To provide payroll consulting services, you need to spend less time managing payroll and quickly get to insights that help your clients. Look for a solution that offers integrated online accounting and payroll that you don't have to invest a lot of time learning. And to free up even more of your time to spend on consulting, consider a full-service payroll option that works within your online accounting solution.

Andrew Childs, Paychex: The most important thing an accountant can do when advising clients on a pay-



Special Focus Report

roll solution for their business is to carefully consider the specific needs of the client. Listen to their current business challenges and evaluate the potential solutions. You'll likely find that when it comes to payroll, one size does not fit all. Scalable services, technology offerings, data integration, and more are all important topics that should be part of the advisory discussion regarding payroll.

Steve Kania, SurePayroll: Fortunately, there are options that meet most CPA preferences. Many CPAs simply refer their clients to trusted payroll providers, some of which allow easy online access to payroll reports that really help the CPA stay on top of client needs. Other CPAs prefer to do payroll themselves. These CPAs typically tell us that they enjoy having a small payroll business over which they have complete control and understanding. Other CPAs see the advantages of scaling their payroll services by fully branding an online payroll service. This allows them to provide an affordable service, brand the service, and set their own profit margins.

What are the characteristics of a CPA firm well-suited to provide client payroll services?

Scott G. Schreier, ADP®: One common trait shared among CPA firms that do not provide payroll services for their clients is that they often experience inconsistent revenue streams throughout the year given the dynamics of tax season. In small firms, tax season revenue can generate up to half of all revenues in a given year. In light of the consistent nature of payroll, creating a new revenue stream by offering this service can help address cash flow challenges. Although CPA firms need the bandwidth to take on payroll processing, which might be beyond the firm's more traditional core competencies, CPAs might be surprised to see how advancements in technology have made processing payroll much simpler today than in the past, mitigating this potential challenge.

Dr. Chandra Bhansali, AccountantsWorld: Any forward-thinking CPA firm that is committed to better serving its clients and raising its bottom line should give

payroll services a fresh look. The best cloud solutions have eliminated virtually every hurdle that prevented CPA firms from offering payroll services in the past. You'd be surprised how profitable and hassle-free it is to offer payroll services today.

What are the three most important factors that determine whether a CPA firm is successful with client payroll services?

Dr. Chandra Bhansali, AccountantsWorld: Every firm will have different criteria for measuring success, but one critical metric is "total processing cost." While the cost of software is one component of total processing cost, typically it's not the primary factor. Labor cost, especially related to processing and compliance, is usually more important. And cloud-based systems with high levels of automation allow for much lower labor cost. That's why while cloud-based systems typically cost more upfront, they're more cost-effective than desktop systems that still require many operations to be performed manually. If you choose the right solution and set up straightforward processes, your chance of success with payroll is exceptionally high.

What is the best way for CPA firms to pitch payroll services to clients? What types of clients should CPA firms target?

Scott G. Schreier, ADP®: A CPA firm is uniquely positioned to have an initial conversation with a client about payroll by simply leveraging routine client conversations as a means to broach the subject. The CPA's existing relationship and role as a trusted adviser provides an excellent platform to further advise the client about the many benefits of outsourcing payroll.

Clients with more complex needs are more likely to appreciate how much outsourcing payroll to the right provider can help the client to focus on their business, help mitigate risk with improved compliance, and improve their cash flow. Restaurants and physician's practices are good examples, contrasted with a small two-person consultant practice. Startups and small businesses shouldn't be completely off the table, but

How does manually importing payroll data make you feel?



Finally, the only full-service payroll that auto-syncs with QuickBooks.

With Intuit Full Service Payroll, you know your clients' accounts are always accurate and up-to-date. Now fully integrated with class tracking and job costing, it makes your job that much easier. From set-up and support, to payroll processing and taxes, help is available from dedicated U.S. Payroll specialists. Feeling better already, huh?

intuit
Full Service
Payroll

30 days free | No long-term contract | 866.820.6381 | GetIntuitPayroll.com

See offer details at GetIntuitPayroll.com ©2013 Intuit, Inc. All rights reserved.

 From the maker of
QuickBooks



Special Focus Report

CPAs would be wise to appreciate how price-sensitive these businesses are to outsourced and other services.

What is the biggest technological hurdle or challenge in providing outsourced payroll?

Andrew Childs, Paychex: Over the years, the business of providing payroll services has evolved to a technology-based service offering. As with any technology offering, though, challenges can arise. Be sure your payroll solution has the speed and agility to implement new technology capabilities as they become available. In today's world, business technology changes at a fast pace, and you need a partner who can keep up.

Another potential hurdle to consider is data storage and access. When evaluating solutions for your firm, cloud-based data storage should be considered a priority. It's essential that you—and your clients—have access to the business data you need whenever necessary. Finally, technology solutions that allow you and your clients the flexibility to do business when and how you want are an important consideration. Customization opportunities and mobile solutions offer you the ability to handle payroll administration on your schedule and with your specific business needs in mind.

Steve Kania, SurePayroll: In today's digital world, technological challenges can be plentiful—especially as they relate to payroll. For those trying to do it in-house, there is the challenge of handling issues with outdated software, cumbersome and lengthy software updates/downloads and payroll challenges, and changing tax laws that are not addressed in the software currently used. When it comes to an outsourced payroll partner, among the greatest challenges are security and ensuring connectivity and access to information when and how you or your client needs it.

Whether your firm is handling the payroll or you are outsourcing it to a partner, you'll want to ensure first that your information is secure. According to security experts, emailing sensitive information can lead to identity theft with just one missed stroke of the key-

board. Ensuring that your systems are secure and you have policies in place to protect your clients is priority one.

The next issue you'll want to ensure is ease of access and connectivity. Your small business clients are on the go. Will they be able to get to their information when and where they need it from any device? Has the company experienced outages or other access issues? What if there is a natural disaster in the area? Is the information backed up in another location? All of these are important considerations. If you are outsourcing, you should find a payroll partner that combines cutting-edge security with ease of access, payroll support, connectivity, and easy integration with the most common accounting software.

Scott G. Schreier, ADP®: Selecting the right provider remains critical when addressing technological challenges that may come from outsourced payroll. How can my busy small and medium-size business clients enter in their payroll on a regular basis quickly and easily? Can employees enter in their hours with mobile devices to save the business from having to manually track? Employees want to change withholding rates or change retirement contributions. How easy is something like that to do?

Some technical challenges, such as having mobile access to reports and granting employees access to their pay information, can be easily overcome when using the right payroll platforms. However, other challenges—such as data privacy and security—are more complex and require the CPA to use top-rated security tools and resources (and update them continuously).

Alternatively, if the CPA partners with a payroll provider to process a client's payroll, that third-party processor must have all the state-of-the-art security systems and tools in place. Having a secured platform in the cloud and working with a software provider that has the ability to protect its platform from data thieves can provide peace of mind.

Dr. Chandra Bhansali, AccountantsWorld: Unlike a

Easy. Online. SurePayroll for Accountants.

Top 3 of 100 reasons to use SurePayroll

Profitable:

Resell our trusted online product, scale & cross-sell to your existing payroll customers.

Painless:

We calculate, file & pay all local, state & federal payroll taxes.

Proven:

Thousands of accountants refer, resell and rely on SurePayroll.



Sign up Today! www.SurePayroll.com/Accountants



**Scan QR code
or Call Today!
855-354-6941**

SUREPAYROLL
A Paychex® Company



Special Focus Report

few years ago, I don't believe there are any technological challenges in offering payroll services today. Today's cloud-based payroll solutions are created exclusively for accountants and can perform payroll calculations, do direct deposit of paychecks, pay payroll taxes, file tax forms, and perform all compliance tasks. But they also eliminate data entry and payroll check printing in your office—and they do all this for as little as 50 cents per paycheck. With today's technology, there are virtually no technological hurdles in offering payroll services.

What types of resources should a CPA firm look for from a payroll partner (e.g., online tools and resources, regulatory and compliance alerts and updates, dedicated help desk, marketing materials)?

Andrew Childs, Paychex: Value-added resources are an important part of the equation when evaluating any potential payroll partner. Besides payroll and benefits expertise, are they bringing other offerings to the table that will benefit your practice and your clients? Mobile solutions and online data access should be top considerations—tools that allow you to conduct business when you want, where you want, and how you want. Other resources to look for from a potential payroll partner include online resource centers that offer industry news, forms, financial calculators, and more. Some providers even offer online, on-site, and instructor-led CPE seminars, giving you convenient ways to fulfill your requirements.

Steve Kania, SurePayroll: Firms need to balance how they can best serve client payroll needs while still having time to focus on growing their CPA practice. CPAs should expect nothing less than ease of use, top-notch security, accounting software integration, marketing tools, regulatory and compliance assistance, email reminders, employee portals, easy payroll and paycheck apps, and payroll experts that are there if your clients have questions. Look for a true partner because it's really about more than payroll, it's about peace of mind. Peace of mind that the service is so easy to use that your client can do it in minutes with confidence. Peace of mind that employees are getting paid accurately and on time. Peace of mind that all federal, state, and local

taxes are paid and filed automatically—giving your firm the time to focus on other areas. Peace of mind that sensitive information is in good hands—the payroll provider uses cutting-edge security. Peace of mind that you and your clients will be supported if and when there are payroll questions—and there will be questions because every employee is different and every company is different. You'll want a partner with an experienced team of payroll experts. Peace of mind that in partnering with a payroll provider you're adding true value, building trust with your clients.

Scott G. Schreier, ADP®: A payroll partner should be able to support the needs of small businesses from both a service and product perspective. Having a dedicated accountant help desk helps ensure that questions regarding complicated issues can get solved quickly. Given the thousands of regulatory changes that occur every year, accountants need to have a partner who can keep them apprised of changes to laws, codes, and rates to help best serve their clients' businesses.

It is also important that the payroll partner provide additional tools and resources to accountants to help them be more efficient and effective when serving their clients. For example, having access to online tax guides, or working with a partner that can provide continuing education or even new resources or tools to support the growth of the CPA firm, can also make a tremendous difference. A payroll partner is most beneficial to the CPA if it can help grow and sustain the accounting practice over time.

Dr. Chandra Bhansali, AccountantsWorld: The resources a service provider offers are important, but the most important factor is that the solution provider is focused exclusively on offering a solution that minimizes the total cost of ownership, maximizes profits, and processes payrolls efficiently, so CPA firms can compete effectively against other payroll service providers—both local and national.

What are some key elements a firm should look for in a payroll provider before it refers a client?

Connect your firm. Connect your clients.



Connect to ADP®

At ADP, we're all about connections — connecting accounting professionals like you to the right resources and opportunities to support your firm's objectives. You choose the program that best fits your strategy:

- Give your clients access to big-business payroll and HR solutions by referring them to ADP
- Generate more revenue and simplify payroll processing with our customized platform for accountants
- Discover other segments to invest in or retire sooner by selling your client payroll base to ADP

When you partner with ADP, you also connect to integrated HR products, retirement and insurance* solutions and more — everything your clients need to help protect and grow their business. And everything you need to help drive growth and ensure peace of mind.

For more information, visit adp.com/accountant or call 1-855-408-3751.

*All insurance products will be offered and sold through Automatic Data Processing Insurance Agency, Inc., or its licensed insurance partners. The ADP logo and ADP are registered trademarks of ADP, LLC. Copyright ©2014 ADP, LLC.

HR. Payroll. Benefits.



Special Focus Report

Karen Peacock, Intuit: When accountants refer payroll to their clients, it's their reputation on the line. So accountants should look for the triple crown in a payroll partner. First, they need to nail the fundamentals. Look for a partner who has a proven track record of being accurate, compliant, reliable, reputable, and customer-focused; a provider who is financially sound and will be around for the long haul. These are table stakes.

Second, payroll solutions need to work within established work flows. Even though you're referring your client to a payroll provider, you're managing the books and maybe doing the taxes. Everything should work together, all from one place. For instance, payroll data should flow seamlessly (without requiring extra steps or clicks to synchronize) into the books so you can do job costing and profitability analysis for your clients. This saves you time, allowing you to focus on higher-value work and growing your practice. For your clients, managing payroll should be easy whether it's running payroll or filing and paying taxes with a few clicks right within their financial software solution or simply entering hours online or from a mobile device if they use a full-service payroll provider.

Finally, be sure your payroll provider will be there as a partner for you as the accounting industry goes through a major transformation—becoming ever more online, mobile, global. You need a partner who can help you stay a step ahead as your clients' expectations continue to rise.

Andrew Childs, Paychex: Referring a client to a specific payroll provider is an implied recommendation of the firm's expertise. As such, the referral should not be made without careful consideration. One of the most important elements to be considered is the payroll provider's history and reputation. How long has it been in the business? Does it have a track record of reliability?

Next, it's important to consider the service needs of the client. Make sure the level of service offered by the provider matches the specific needs of your client. Other important factors include product offerings, tech-

nology solutions, and overall expertise. With a constant stream of changing government regulations and technology advancements, payroll and employee benefits decisions are being made at a moment's notice. Be sure you're recommending a provider that's up to the challenge.

How do you foresee payroll and payroll-related applications changing over the next year or two?

Karen Peacock, Intuit: More automation and a continued shift to the cloud will mean that running and managing payroll will be easier and faster, and done from anywhere. This will leave more time for accountants to focus on other strategic services, including consulting on business questions related to payroll. For example, accountants will be able to easily slice and dice the key trends within a client's business so they can identify which jobs, services, or offices are most profitable. It's now possible for accountants to compare a client's data against national or state trends. For instance, accountants can go to index.intuit.com to see average employee compensation and hours worked or small business revenue trends by industry. Accountants can incorporate these "bigger picture" insights when consulting with their clients on growth plans.

Andrew Childs, Paychex: In the next couple of years, technology will allow for more data integration than ever before. Combining the power of payroll, time and attendance, and employee benefits information will provide greater insight into your clients' business operations. Leveraging this data to provide business advice and counsel will not only help strengthen the advisory relationship you have with your clients, it will make you a true partner in their businesses' future success.

Dr. Chandra Bhansali, AccountantsWorld: Because of the advancements we've already seen in applications over the past three years, I don't anticipate the same level of change in the near future. Today's cloud-based payroll applications are quite sophisticated, and many are already optimized for mobile devices. Other than keeping up with regulatory changes, I don't see any significant changes on the horizon.



The Hottest Profits. The Coolest Price.

**"We're earning 70% profit on each payroll with Payroll Relief,
and we've more than doubled our number of payroll clients."**

*~ Jason Feist, Cincinnati, OH
Accounting Today Payroll Case Studies, Dec 2012*

Why settle for anything less? Let Payroll Relief® do all the heavy lifting for you!

Fastest processing

Payroll Relief eliminates compliance headaches and the risk typically associated with payroll processing. It does the following automatically, on time, and with guaranteed 100% accuracy:

- ✓ Payroll computations
- ✓ E-filing of compliance forms
- ✓ Comprehensive reports
- ✓ Complete year-end compliance
- ✓ Direct deposit
- ✓ Tax payments
- ✓ Garnishments
- ✓ And much more

It's like putting payroll processing on auto-pilot.

Coolest price

**Process an unlimited number of payrolls for
the first full year, for just \$997.***

That's less than \$3 a day! After the first year, Payroll Relief remains competitive, with an all-inclusive processing fee that's as little as \$0.50 per paycheck.

Highest Rated! ★★★★★

2-Years Running, CPA Practice Advisor, 2012-2013

**To generate the hottest profits from payroll processing,
visit www.ProfitFromPayroll.com or call 888-999-1366, option 1.**

**Accountants FirstSM ... only at
AccountantsWorld[®]**



888.999.1366 • www.AccountantsWorld.com

* Limited time offer. Offer only valid for new Payroll Relief customers in the U.S.