

Ready To Outsource Your Payroll?

7 Critical Questions To Ask Any Payroll Service

A Report Focusing on Comprehensive Payroll Information



For many businesses, doing their own payroll processing in-house is a time consuming and complicated process. Mistakes can lead to significant penalties and unhappy employees.

Payroll services are a valuable alternative to in-house processing. If chosen correctly, a payroll service can save your business money and offer a simpler means of paying your employees, filing your taxes and performing a host of other duties.

Before selecting a payroll service, a business needs to evaluate their needs and ask these 7 critical questions:

Question #1. What Features Does Your Payroll Service Offer?

Make sure you understand what their basic service covers and how long those rates will remain in effect. Also, if there are payroll data mistakes, how long will it take to reconcile the errors and what will it cost?

Question #2. How Much Of Payroll Will I Have To Manage?

Different payroll providers offer different processing features. The types of services vary widely. Determine how much you want to be involved with and what tasks will need to be completed by you. For example, ask yourself, "Do I want to run my payroll when I want to, or only when the service has me scheduled for a run?"

Question #3. How Do I Get My Reports?

Larger providers can be inflexible with their reporting systems. Some will only print reports themselves and mail them to you. Others allow you to run your own reports and print them in your office, but only a full day after running payroll. How soon can you get reports and how? How much do they charge you for reports? Be sure to find out.

Question #4. How Easy Is It To Switch Payroll Providers?

Find out what is involved in switching to a new service. Can they accept employee information directly from your preferred accounting software? How will they handle your money? When do they debit your account?

Question #5. Do I Get A Trial Register?

Until recently, some of the largest service bureaus could not tell you what your payroll was going to be until after all the checks were printed -- which is not the best time to check for errors. Now some will give you a preview register to look over before the checks are processed. Ask what is available and if they charge extra for it.

Question #6. Is Your Payroll Service Backed By A Guarantee?

Generally, payroll services will complete your payroll correctly, but what type of guarantee do they offer covering their service? Is there a satisfaction guarantee? Any promise for accuracy and processing payroll on time? Make sure they offer a guarantee and that you receive it in writing.

Question #7. Can You Provide Me With References?

The final step in making a decision on a payroll provider is checking references. Checking references is an important way to validate the payroll provider you are considering. Ask the references how responsive the payroll provider is to your questions and ask about their payroll processing accuracy.