Ensure You Select the Right Payroll Processing Company by Matthew Thomas

Article published on January 17th 2012 | Business

A payroll processing company helps the management of the back office functions of a company by performing administrative tasks pertaining to systematic payroll processing. Outsourcing payroll management services reduces over head costs, the need for extra infrastructure and also ensures that the work is done by experts. But with a long list of companies providing payroll management services, it is important to know the criteria to select the best company that handles payroll management services. Here's a list of what a company should keep in mind before outsourcing payroll services

The Type of service required: There are basically two types of services provided by every payroll company:

Online Service: Using this service requires you to enter data on their online software and later this company will collate the data and process the required payroll service. This requires you to manually enter data, making you literally do a difficult part of the job by yourself. The rest is then calculated and processed by the company itself. The companies that provide such services charge less as compared to full service, but requires you to enter the data.

Full service: This type of service requires you to send the number of working hours/employee punches to the payroll company and they would handle the rest. This does not require you to manually input any data, rather just send the whole work punches to the payroll team and the rest would be done by them.

Input/Output Procedure: Payroll companies accept data with regards to the number of working hours and other information of the employee via phone calls, emails, fax, spreadsheet etc. Depending on the confidentiality level of the employees details, the appropriate mode has to be selected. Data-sheets are considered quick and easy but less secure when such details are faxed. Hence the appropriate mode of transfer has to be selected.

Funds Management: Every payroll company would initially require you to hand over the funds that are to be allocated for wages and taxes. This has to be done well in advance of the pay dates. An important aspect that every company has to note before outsourcing payroll is that the client company itself is responsible for the payroll taxes. Hence inquiries of how the audits are done and how the funds are handled have to be properly analyzed.

Output Format: What the company provides to you in the end matters the most. Are they going to provide data sheets which require Chartered Accountants or is going to be normal bank statements which is understood by all? Check how easily it can be implemented into your company's accounting system. If special reports are required from time to time, check if there are going to be extra charges levied for the same.

Mode of Payment: You would have to check with the payroll company on how they would be planning to process the payments. Is it going to be direct deposits, cheques or bank transfers. In case it is cheques, would they have it mailed to the company directly or does it require local pick up?

These are the few prerequisites every company has to ensure before outsourcing payroll processing services to a payroll processing company.

Article Source:
http://www.articleside.com/business-articles/ensure-you-select-the-right-payroll-processing-company.htm - Article Side

Matthew Thomas - About Author:
For more details you can visit at a Payroll Processing Company ,a Payroll Management Services

Article Keywords:
payroll management services,payroll processing services,payroll processing company

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!