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## PAYROLL SERVICE, CHANGING PROVIDERS. CHAPTER THREE. WHAT SHOULD HAPPEN WHEN I CHANGE?

What should happen when I change payroll service providers?

- **Timing**
- **Forms**
- **Procedures**

**Timing.** It is easiest for all concerned to change payroll service providers at calendar year end. That way there is no question about responsibility for any tax forms or deposits. Every form, deposit or payment starting with January 1 is the responsibility of the new payroll service provider. There is no trying to balance the payroll numbers and make sure no terminated employee is missed and that all deposits were made on time. If you can't change at year-end then calendar quarter end (March 31, June 30, and September 30) is second best. That said, if you need or want to, you should be able to change at any time of the year. How long should it take? The bigger the company the longer it will take simply because the more employees there are the more data there is. If you have employees in multiple states that will make the process take longer. You should however be able to take a business of 50 employees and change over in less than two weeks, from submitting the paperwork to a payday with the new payroll service provider. **Forms.** The new payroll service provider should provide you with a complete set of forms. These will include bank authorization forms, employee data forms, direct deposit authorization forms, information sheets on the company, tax deposit frequency information, forms detailing earnings/ deductions/benefits/accruals, payroll submission information and Powers of Attorney forms. This provides the new payroll service provider with all the standard data necessary to set up your payroll to suit your needs but gives the provider all the current data to bring files to date and be able to create year end forms such as a 940 and W2s. Why the Power of Attorney forms? The CPA at the payroll service provider needs that form so they can discuss your account with the IRS and your State. Without these forms you must always be in the middle between the government and the CPA solving the problem. It works best for the CPA to work directly with the agents and officers at the IRS. Also in the forms should be a privacy policy disclosure for your files. The best privacy policy is one that states no information is given out to anyone except under the order of a court of competent jurisdiction. **Procedures.** Once you complete all the forms and returned them to the new payroll service provider the provider should follow up with any clarifications and provide additional forms if there are unique circumstance that require additional information. The provider should then provide you with the necessary training for you to create the input documents for payroll. They should go over with you or the person you designate exactly how payroll is entered. They should demonstrate any additional steps you as the client must take to keep your payroll records accurate. They should confirm the first entry date and the first payday. They should answer any question you or your staff has about the procedures or output. After the first payroll is entered and processed the provider should go over the reports and output with you to make sure there are no questions or misunderstandings. Also check out the following Articles Payroll Service, Changing Providers. Chapter One. Reasons to change Providers And Payroll Service, Changing Providers. Chapter Two. What Should you Look for in a New Provider?

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