

Tax Benefits of Intuit Full Service Payroll

MB Raimondi, CPA, CITP

What I like about any outside payroll service is that my clients don't have to worry about tax payments or quarterly or annual forms. What I like about Intuit Full Service Payroll (IFSP) is that not only does it take care of the tax payments and the forms, but it integrates into both QuickBooks desktop and QuickBooks Online. In fact, you don't even have to be using QuickBooks to use IFSP (though all of my clients use QuickBooks).

I'd like to tell you about a new client of mine. This client, Company G, has two owners. They are an LLC and they are a startup company. They started their business last summer. They chose QuickBooks Online to track their finances. In the fall, they hired an intern. They knew that he had to become an employee, so they looked around for a payroll service. They are two intelligent engineers who decided to try and do payroll themselves and signed up for QuickBooks Online Payroll. They went through the set up process themselves and set it up to the best of their ability and used it to create paychecks for the rest of the year. It looked like everything was working fine.

Enter MB. I was contacted in January to help them review their QuickBooks, including helping them out with what they needed to do at year end for payroll. I usually start by running a payroll summary for the year and comparing it to the P&L and Balance Sheet. I also ran a payroll liability report. The numbers did not look right to me. The paychecks were fine. It was the liabilities that didn't look right. I couldn't tell if they had paid their federal liabilities. One report said yes, the other no. I looked at their state unemployment liability and it looked way out of wack. I had to spend a few hours to 1)balance their bank account so I knew if any liability payments were actually made or if they were made twice 2) research the unemployment issue. I found out that, although a federal deposit was recorded in November, it didn't really happen. Which is not a bad thing because it was paid again in January! But, they might get a late payment notice. I also determined that the state unemployment rate was the highest that their state charged - but was not the new employer rate. Now I need to figure out how to fix that!

The reason I'm telling you about this client, is that it is not that unusual to have small businesses set up and run payroll themselves, especially at their start when they are conscious of every dollar they spend. What they often don't understand is that if payroll is not set up correctly and if they don't understand how payroll works, it's easy for mistakes to be made, payments to be late, incorrect liabilities to be recorded. After wading through this file, I talked to them about Intuit Full Service Payroll. I asked them how much was their time worth? How can you measure the \$ value of no stress worrying about your payroll? Wouldn't it be nice not to have to worry about making those tax deposits and filing the quarterly and annual forms? Wouldn't it be great not to get any notices from the state or federal governments? And...wouldn't it be awesome if there was a payroll service that just integrated into QuickBooks and took care of everything?

This client is now in the process of switching to Intuit Full Service Payroll. Yes, it costs more than their current payroll solution, but not really when you factor in their time and my time. They like the error free guarantee; they like that they don't have to make the tax deposits; they like

that they don't have to think about the quarterlies(understanding that they wouldn't recognize if they were incorrect); and they really like that IFSP will help them get it set up and it will be set up correctly. Additionally, it gives them more time to go out and build their business and become successful. What do I like? -that I won't be in this same situation next year; that they won't waste their money on penalties; that I won't have to respond to IRS or state notices on their behalf; that all the information will be in QuickBooks; that they can go out and build their business and become successful. I want to be able to say that I knew them when they first started their business!

MB Raimondi, CPA, CITP

Advanced Certified QuickBooks ProAdvisor