

Payroll and HR Buyer's Guide





INTRODUCTION

Researching payroll and HR solutions for your organization can seem overwhelming, but it doesn't have to be. Once you have identified and prioritized your payroll and HR needs, you can use this Payroll and HR Buyer's Guide to help you make a more informed decision.

This guide highlights critical factors addressed by best-in-class payroll and HR solutions for small and mid-sized businesses. You'll find a list of essential features and benefits to consider in each section when comparing and evaluating systems.

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The Payroll and HR Buyer's Guide offers high-level information on choosing a workforce management solution. However, it's intended to only help with your initial evaluation process. Discuss your needs and requirements with potential providers thoroughly and leverage system demonstrations to help you make a decision.

Good luck with your search! Feel free to contact us for additional guidance and insights on choosing the best HCM solution for your business.

IT'S TIME TO MAKE PAYROLL AND HR EASIER FOR YOUR BUSINESS

Choosing a payroll and HR solution for your business can be challenging. You need a system that can help you streamline HR administrative processes. Especially if your human resources department operates with one to three people. Every organization has its unique requirements, and states may have different regulations. Finding a solution that makes payroll and HR easier for your business is essential to achieve long-term satisfaction.

FACTORS TO CONSIDER

- Using a unified system that streamlines payroll, HR, and attendance processes
- A reliable and dedicated customer support team
- Keeping up with federal, state, and local taxes
- Staying current with compliance issues
- Ensuring employees are paid on time and accurately
- Tracking and managing benefits enrollment
- Leveraging an intuitive manager and employee self-service solution
- Streamlining recruiting, applicant tracking, onboarding tasks
- Access to real-time reporting in one location
- Receiving additional HR support from experts when needed
- Automating ACA compliance and reporting

APS makes payroll and HR easier for small and mid-sized organizations with award-winning software and support. Companies typically turn to APS when they want to bring their payroll and HR data into one system. We provide technology that's easy to use for managers, administrators, and employees because it is developed internally on a centralized database.

G2 has recognized our all-in-one solution as a Top 100 Highest Satisfaction and Top 100 Software Product based on user feedback.



"I love that APS takes a 'village' approach to your account. Our account is serviced and maintained by a team of readily available specialists who are quick to return phone calls and emails. The customer service, ease of use, and functionality of the system are stellar."

— Annyana S. Fast Tax Services

PAYROLL

Many HR departments operate with one to three people, so a seamless, unified HCM system is necessary. Using an all-in-one payroll and HR platform allows you to stop spending your workday dealing with reactive tasks like tax filings, time card corrections, and payroll errors. An ideal solution provides the flexibility to manage complex payroll needs and tax compliance in the same system.

Choose a system that helps manage labor tracking, labor distribution reporting, and regulatory compliance. You want an HR software and payroll service that automates your manual processes so you can play a more strategic role in your organization.

WHAT TO LOOK FOR

- Support for various pay frequencies, including daily, weekly, bi-weekly, semi-monthly, and monthly.
- Control over gross-to-net calculations and the ability to correct any errors before payroll processing.
- The ability to adjust an employee's incomes or deductions in the middle of payroll processing as needed.
- The ability to add and edit incomes, such as taxable dollars and hourly rates.
- Advanced payroll controls to set gross wage limits, utilize dual payroll release controls, and void payroll checks when needed.
- Instant access to pre-processing payroll reports, like Payroll Summary Audit and Net Pay Comparison, to fix any potential issues beforehand.
- Multiple pay options, including direct deposit and paycards.
- Analytical tiles and dashboards with relevant payroll data like employee compensation trends and cost of payroll expense.
- Evidence of its successful track record in payroll processing.
- Garnishment services, including calculations, deductions, and payments via paper check or electronic funds transfer.
- An expert tax compliance staff that handles payroll tax filings and payments on your behalf.
- The ability to import timekeeping data for payroll processing or export payroll data to other systems like general ledgers and 401(k) accounts. Imports, exports, and integrations with accounting packages and 401(k) systems.
- Flexibility to make one-time adjustments as needed, pause deductions, and preview gross to net totals.

What is Earned Wage Access?

A popular employee perk is earned wage access, also known as daily pay or on-demand pay. Earned wage access allows employees to access income they've already earned before the next payroll cycle. This option is typically up to a certain dollar amount each pay period.

HR

HR professionals need a convenient and centralized view of their entire workforce, along with the ability to easily input, track, and manage workforce data. They need to assign tasks, view outstanding tasks, and delegate responsibilities to managers. Furthermore, they must maintain control of these processes and streamline them when possible.

Look for a system that has a single data entry point and login. A single-system design will save you time and money by eliminating duplicate data entry and the potential for errors.



WHAT TO LOOK FOR

- Analytical tiles and dashboards that bring essential HR data to the surface across locations and departments, like employee classifications.
- Real-time data syncing between HR and payroll workflows, so information is always accurate.
- User-friendly and comprehensive benefits administration with online employee enrollment.
- Carrier connections that integrate with benefit providers to report benefits information quickly and accurately.
- The ability to track all HR information in a single system.
- Employee lifecycle management, including performance reviews and event tracking.
- Role-based configuration that gives admins, managers, and employees access to the specific data they need for increased confidentiality.
- Electronic signature feature for employee documents.
- Asset tracking for ID cards, laptops, and other types of equipment for reduced administrative burden.

ATTENDANCE MANAGEMENT

Best-in-class workforce management solutions include comprehensive time and attendance allocation that leverages manager and employee self service. This approach will decrease labor costs and reduce your compliance risks.

Consider solutions that feature online timesheets for salaried non-exempt employees and accurate and efficient time capture options for multi-location management. Additional functionality like PTO management and mobile clock-in can further streamline tracking processes.

WHAT TO LOOK FOR

- Employee time tracking and labor allocation by location and department.
- Time capture options for different employee types and rates of pay.
- Action and informative tiles and dashboards with essential attendance data for proactive management.
- Flexible configuration to track and manage worker classifications.
- Accruals tracking with automated business rules, such as length of service and maximum carryovers.
- The ability to create and assign schedules to control labor costs better.
- Electronic request and approval process for PTO management.
- e-Signature option for time cards, so employees and managers can sign them from any device.
- Time card records locking once payroll is processed to ensure consistency with pay history.
- Daily digest emails with alerts for time off requests, missed punches, and employees in overtime.
- Daily labor expense reporting for better management of regular and premium pay.
- Employees have access to time cards to view hours worked and vacation scheduled with editing options.

RECRUITING

Managing your organization's hiring, HR, and payroll workflows in the same system eliminates duplicate data entry. A recruiting solution should allow you to track candidates, and review applications and resumes.

Businesses need the ability to manage recruiting electronically for dispersed and remote workforces. The hiring process is more manageable with job description templates that you can instantly tweak and post to major job search sites.

Recruiting software should also provide the flexibility to choose candidates for interviews, send invitations, and reserve appointments in real time. Streamline your evaluation process with tools that allow you to choose the right hires consistently.

WHAT TO LOOK FOR

- Automatic job posting to major websites, including Glassdoor and SimplyHired, with central management of applications.
- Optimized job postings with detailed job descriptions and one-click mobile apply integrations with sites like Indeed and ZipRecruiter to ensure suitable applicants apply.
- Additional job promotion options, including social media integrations, employee referrals, and email templates.
- Customizable careers page to showcase your organization, communicate its vision, and make an excellent first impression.
- Mobile-optimized job applications for a more streamlined applicant process.
- Walk-in candidates can electronically apply for accurate information tracking.
- Prescreen automation to identify top applicants and remove unqualified candidates.
- Text recruiting to schedule and confirm interviews for quicker response rates.
- Streamlined interview scheduling with an in-app calendar that syncs with major calendars like Apple, Google, and Outlook.
- Candidate assessments that measure an applicant's personality and cognitive ability to make more informed hiring decisions.
- Interview guides with questions and scorecards for a more effective process.
- The ability for committee members to view and approve leadership candidates.
- Comprehensive employment background and reference checks compliant with state and federal regulations.



ONBOARDING

Organizations require onboarding tasks and checklists to align communication with IT, management, and HR that centralize information. A comprehensive onboarding solution streamlines this process and ensures new employees are ready to work on day one. Furthermore, new hire paperwork syncs with the employee record to ensure compliance and reduce errors.

Onboarding solutions allow for the online completion and electronic signature of new hire documents, saving you time. Consider software that lets you view the status of new hire paperwork in real time and electronically store documents in the employee's record.

WHAT TO LOOK FOR

- Management of full-time, part-time, and independent documents in an intuitive dashboard.
- Creates manager and employee checklists for required forms and tasks to process new hires quickly.
- Determine if candidates are eligible for the Work Opportunity Tax Credit (WOTC).
- Review and sign electronic offer letters from any device.
- Functionality to electronically send new hire documents for e-Signature.
- Manager and employee checklists for required forms and tasks to process new hires quickly.
- Budget-friendly and efficient onboarding tools that promote employee retention.
- The ability to complete and review federal and state forms electronically.
- EEOC report generation for compliance management.

WHAT IS WOTC?

The Work Opportunity Tax Credit (WOTC) is a federal program that incentivizes businesses to hire and retain individuals from certain target groups. The Department of Labor has identified these groups as facing significant barriers to employment.

Employers who hire from these demographics are eligible to claim a dollar-for-dollar reduction of their federal tax liability.

How Do Businesses Benefit?

- Receive a tax credit for the employees you hire
- Up to \$9,600 in tax credit per qualified employee
- Employers can screen applicants before hiring
- Carryforward up to 20 years
- \$1 for \$1 reduction of federal tax liability

¹Work Opportunity Tax Credit; [IRS](#)

MOBILE SELF SERVICE

High-performance organizations need mobile workforce management solutions that provide tech-savvy employees and managers with convenient self-service options anytime, anywhere. Because real-time information is crucial for collaboration and data-backed decision-making, a digital environment with web and mobile accessibility is a necessity.

Mobile self service empowers managers to oversee their employees proactively. Employees will have 24/7 access to relevant information like pay stubs, benefits, and tax forms for better engagement. No matter where the work happens, mobile self-service apps allow managers to create autonomy for their employees while ensuring important payroll and HR tasks are completed.

WHAT TO LOOK FOR

Employees

- The ability to self-report the number of hours or services from their mobile devices via a time tracking app.
- Creating ClockZones™ to define specified areas for more accurate time capture.
- The ability to quickly request time off.
- Instant access to Form W-2s and 1099s for tax returns.
- Access family member details for dependents and beneficiaries.
- Receive alerts when HR tasks need completion for accountability.
- e-Sign documents, performance reviews, and time cards.
- The ability to review direct deposit account setup.
- Quick access to current benefits information.

Managers

- The ability to take care of payroll and HR tasks wherever and whenever.
- Access to time-off requests, benefits information, and a company newsfeed.
- Communicate important information in Employee Self Service (ESS) with text notifications.
- Time off request alerts for immediate review and approval.
- Online performance reviews allow managers and employees to be proactive and accountable.
- Quickly view which employees are clocked in and out.

IMPORTS, EXPORTS, AND INTEGRATIONS

Most organizations require a tech stack of systems and platforms to keep their operations running smoothly. Utilizing a provider that offers a combination of system imports, exports, and integrations are essential. These configurations bridge the gap between administrative solutions and payroll and HR platforms for more streamlined workflows.

WHAT TO LOOK FOR

- The ability to import accounting, general ledger, and 403(b) systems into the payroll and HR software.
- General ledger mapping that details wages at a granular level based on the budget.
- Capability to export data from the payroll and HR software into 401(k) and general ledger systems.
- Integrations that transmit data from the payroll and HR platform into third-party systems.
- Automated exports generate a file in the payroll and HR system and deliver the information to a third-party platform like a 401(k) provider.
- Functionality to securely transmit employee demographics data into the payroll and HR software from an external system.
- Flexibility to create an import, export, or integration if one does not exist.



IMPLEMENTATION AND SUPPORT SERVICES

Consider solution providers that offer hands-on implementation and training to ensure your first payroll processes correctly. Ask if you will receive dedicated support to help you get the most out of your experience with the platform. Lastly, ask how long the implementation and conversion process takes, so you can rapidly realize your return on investment.

WHAT TO LOOK FOR

- A dedicated implementation manager who oversees the entire process and acts as a single point of contact.
- Data conversion during implementation, including payroll compliance assessment, training, parallel payrolls, and adding all current employees to the system.
- Pay history comparison against filed federal and state tax returns.
- Access to self-paced, on-demand, and instructor-led training to ensure system adoption.
- Online help center with a resource library of training materials and the ability to accept service requests.
- A dedicated support team skilled in all product categories and available via phone, email, and support requests.
- Access to systems specialists who are subject matter experts and can help with more in-depth questions.
- Same-day reversal of a payroll when errors or omissions are identified after submission.
- Success team dedicated to long-term system utilization and adoption.
- Tracking all communications and requests with a historical view of outcomes.
- A proven track record for customer retention, response time, and satisfaction.

SECURITY

Perhaps the most critical box you want to check on your payroll provider wish list is security. You want to feel confident that your sensitive company data is always secure. Ensure that any solution providers you're considering do not commingle your company's payroll and tax funds with their assets and liabilities. Also, check to see if they perform a daily reconciliation of your account.

Look for a provider that conducts regular SOC 1 Type 2 audits to test the controls they have in place for payroll processing. You will also want to ask if potential providers are bonded and insured. When you entrust payroll, tax compliance, and access to your company's money to another entity, you want to know they are 100% reliable.



WHAT TO LOOK FOR

- Multiple Tier 4 rated SOC 1 Type 2 compliant data centers for redundant and reliable data backup.
- 256-bit SSL extended certificate with a secure HTTPS layer for data encryption and authentication.
- Network monitoring for capacity performance, hardware failure, and database health.
- Regular conduction of SOC 1 Type 2 audits and reports are available.
- All employee data changes are tracked and available to view across any timeframe for a complete audit trail.
- Enhanced security measures, including two-factor authentication, mobile phone verification, browser authentication, and auto logoff.
- Role-based configuration, so managers and employees can only access the specific data they need.
- Responsible for back-end system maintenance, upgrades, and security.

REPORTING AND ANALYTICS

Lack of access to essential metrics can result in non-compliance, penalties, and loss of business. Organizations need visibility into payroll and HR analytics to make informed decisions for the livelihood of their business.

Consider payroll and HR vendors that offer a mix of pre-built and custom reports so your organization can create analytics dashboards that meet their unique needs.

WHAT TO LOOK FOR

- The ability to export tracked hours and expenses per department, location, fund, etc., into an accounting system for reporting.
- Option to provide a GL output file for accurate financial allocation.
- Workers' Compensation reporting of employee premium based on code.
- Reporting of gross labor expenses based on time card hours.
- New hire reporting, including department, salary, rate, and location.
- Payroll allocation report of all pay/deduction and tax items based on where income was earned.
- The ability to review employee classifications for employees and contractors to mitigate risk.
- Streamlined 1094-C and 1095-C ACA reporting.
- COVID-19 compliance and reporting for FFCRA-qualified sick pay and leave.
- Tracking and managing CARES Act tax credits, including Form 7200 reporting.
- User-level configuration of management dashboards by frequency.
- Simple, pre-formatted reports for EEO-1, OSHA, VETS-100, and other reporting requirements.
- Easy-to-use configurable report builder that does not require specialized IT knowledge.
- Organizational reporting across company entities.
- Automatic emailing of configurable reports to decision-makers.

AFFORDABLE CARE ACT COMPLIANCE

The Affordable Care Act (ACA) is a critical component of a workforce management solution. Consider a solution that offers comprehensive tools and features to manage ACA compliance and reporting efficiently. Ask if support services are provided in the event of ACA compliance and reporting questions.

WHAT TO LOOK FOR

- ACA alerts and dashboards that make it easier to manage benefits for any part-time employees who may work over 30 hours to ensure compliance.
- Benefit plan enrollment tracking that ensures all eligible employees receive healthcare coverage.
- Automated tracking of employees in initial and standard measurement periods with alerts for employees eligible for ACA enrollment.
- The provider handles Forms 1094-C and 1095-C annual reporting and e-filing to the IRS and generates 1095-C forms for employees.
- Simplified part-time staff management, so all eligible employees are receiving coverage.
- Provides and organizes health insurance marketplace notices for easy distribution to employees.
- The aggregate cost of health insurance reporting on Form W-2s.
- Applicable Large Employer (ALE) calculation based on ACA standards.
- Reports average hours of service for proper employee classification.

ABOUT APS

APS has a mission: to make payroll and HR easier. We design our unified solution to simplify workforce management tasks for mid-market organizations. We provide our clients and partners with personalized service and support to accomplish their goals. Streamline payroll processing, automate HR workflows, and elevate the employee lifecycle with a single-system platform. We are APS, your workforce partner.

Mid-sized businesses choose APS as their workforce partner because of our focus on the customer experience. As a result, we continually maintain 98% customer retention and satisfaction rates. For more information on APS and how we can help make payroll and HR easier for your mid-market business, visit www.apspayroll.com.

Disclaimer

All information, suggestions, and descriptions of the law included in this guide are intended as informative summaries, and do not constitute legal advice to any current, past, or prospective client of the author or customer or prospective customer of Automatic Payroll Systems, Inc. on any particular issue. Any action taken or contemplated in connection with any benefits tracking or employer legislative requirements issue should be discussed in advance with legal counsel of your choosing.

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