

Accountant Year-End Toolkit

Inside this toolkit you'll find some useful resources to share with your clients to help ensure a smooth end of year:

- Year-End Payroll Checklist
- 2023 Payroll Calendar
- Year-End Client Letter Template
- Officer-only S Corp Payroll Brochure



Customize these and other useful materials with your firm branding to share with clients! Go to adp.countingworkspro.com to access our free Accountant Marketing Toolkit.

Payroll Year-End Checklist

Use this tool to plan and organize all aspects of your year-end processing and obligations which consists of 2 phases



PHASE 1

BEFORE your LAST PAYROLL of the calendar year

In addition to your normal verification procedures, do the following:

1. Check employee and employer indicative data:

Verify the employer and employee data that is used in processing your quarterly tax reports and W-2s. For ADP clients, the "Quarterly Tax Verification Letter" is the document which displays this critical data.

To which employees does the "retirement plan" indicator in Box 13 of Form W-2 apply?

Confirm that employee names and Social Security numbers are in the correct format.

The IRS may impose a penalty for each Form W-2 with a missing or incorrect Social Security number or employee name.

Ensure that deceased employees are properly coded.

2. Check wage, tax and benefits data:

Confirm that deferred compensation plan type is correct and verify employee contribution amounts.

Check that Group-Term Life Insurance adjustments have been updated and submitted.

Ensure that other special tax items have been updated and submitted, such as Other Compensation, Third-Party Sick Pay, Employee Business Expense Reimbursements, Taxable Fringe Benefits, Tip Allocation information, and Dependent Care Benefits.

Verify the employer state unemployment insurance tax rate and taxable wage limit for each state.

Compute uncollected Social Security and Medicare taxes for retirees and former employees.

Verify that withholding has been made properly, or withhold from the final paycheck for taxable fringe benefits. These may include:

Group-term life insurance in excess of \$50,000

Third-party sick pay (is the third party issuing a W-2?)

Personal use of company vehicle

Non-qualified moving expense reimbursements

Company-provided transportation or parking

Employer-paid education not related to the employee's job

Non-accountable business expense reimbursements or allowances

Bonuses

Non-cash payments

Check for required backup withholding; verify amounts.

3. Check for special procedures:

Schedule any special bonus payrolls for the current year.

Request any special reports needed for year end.

Ensure adequate payroll supplies to complete the year and to begin the new year, including blank checks, payroll forms and blank Forms W-2.

Determine whether all adjustments are applied or that an adjustment payroll has been scheduled.

Remind employees to fill out a new Form W-4 if their situation has changed.

Obtain new Forms W-5 for Advance Earned Income Credit (EIC) for the new year.

Confirm that all "manual" checks written during the year have been accounted for and updated in the system.

Determine that all voided or reversed paychecks have been accounted for in the system.



PHASE 2

AFTER your LAST PAYROLL, but BEFORE the FIRST PAYROLL of the NEW calendar year, do the following:

1. Check employee and employer indicative data:

Review discrepancies such as missing addresses, and missing or invalid Social Security numbers.

Check the "purge" coding of any terminated employees who should be removed from the database.

Ensure that terminated employees have zero balances for loans, garnishments, vacation, and sick time. These discrepancies were uncovered while preparing for the last payroll of the calendar year and should be corrected or adjusted.

2. Check wage, tax and benefits data:

Determine whether Earned Income Credit (EIC) coding has been submitted properly.

Review discrepancies such as --- negative quarter and/ or year-to-date fields, and qualified pension coding discrepancies.

Verify the employer's new state unemployment insurance tax rate and taxable wage limit for each state where the employer has workers.

Verify new state disability insurance rate and taxable wage limit, where applicable.

Test reasonableness of Social Security tax withholding (multiply total wages less excess wages by 6.2%).

Verify the reasonableness of employer's matching Social Security tax.

Test reasonableness of Medicare withholding (multiply total wages by 1.45%).

Double-check the reasonableness of employer's matching Medicare tax.

Test the reasonableness of state unemployment insurance tax (verify taxable wages and multiply by the employer experience rate).

Compare payroll register totals to Form W-3 totals.

Compare Forms W-2 to State and local report totals.

Compare total wages reported for each tax; reconcile any differences.

Does reported taxes from Form W-3 equal tax deposits (total of Forms 941)?

Check contributions to and distributions from Section 125 (cafeteria) plan for child care and for medical care reimbursements.

Check for excess contributions to qualified plans, including 401(k), 403(b) and SIMPLE plans, especially for highly-compensated employees.

Check for required tip allocations for tipped employees.

Ensure that any employee tax and/or taxable blocks have been removed, if not desired for the new year.

Verify that employee requests for fringe benefit deduction changes for the new year have been applied.

Confirm the settings and clearing of special accumulators for the new year.

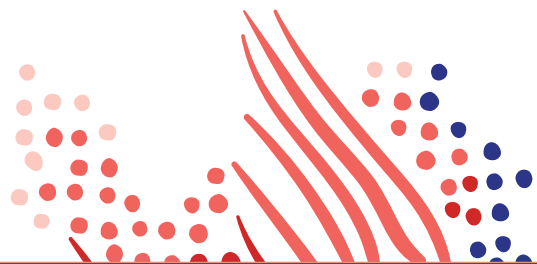
3. Check for special procedures:

Schedule any special bonus payrolls.

Verify that the new year month-end close-out dates are accurate.

Verify that management reports for the new year are scheduled, and will include the correct weeks and process.

Confirm that for the new year the schedule of pay dates, period ending dates and quarter closing dates, are as intended and do not fall on holidays or weekends.



To learn more contact us today:



Always Designing
for People™

2023 Payroll Calendar

January

| S | M | T | W | T | F | S |
|---|----|----|----|----|----|----|
| 1 | 1 | 2 | 3 | 4 | 5 | 6 |
| 2 | 8 | 9 | 10 | 11 | 12 | 13 |
| 3 | 15 | 16 | 17 | 18 | 19 | 20 |
| 4 | 22 | 23 | 24 | 25 | 26 | 27 |
| 5 | 29 | 30 | 31 | | | |

February

| S | M | T | W | T | F | S |
|---|----|----|----|----|----|----|
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| 6 | 5 | 6 | 7 | 8 | 9 | 10 |
| 7 | 12 | 13 | 14 | 15 | 16 | 17 |
| 8 | 19 | 20 | 21 | 22 | 23 | 24 |
| 9 | 26 | 27 | 28 | | | |

March

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| 9 | | | | | | 10 |
| 10 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 12 | 19 | 20 | 21 | 22 | 23 | 24 |
| 13 | 26 | 27 | 28 | 29 | 30 | 31 |

April

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 14 | 2 | 3 | 4 | 5 | 6 | 7 |
| 15 | 9 | 10 | 11 | 12 | 13 | 14 |
| 16 | 16 | 17 | 18 | 19 | 20 | 21 |
| 17 | 23 | 24 | 25 | 26 | 27 | 28 |
| 18 | 30 | | | | | |

May

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 18 | | | | | | 19 |
| 19 | 7 | 8 | 9 | 10 | 11 | 12 |
| 20 | 14 | 15 | 16 | 17 | 18 | 19 |
| 21 | 21 | 22 | 23 | 24 | 25 | 26 |
| 22 | 28 | 29 | 30 | 31 | | |

June

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 22 | | | | | | 23 |
| 23 | 4 | 5 | 6 | 7 | 8 | 9 |
| 24 | 11 | 12 | 13 | 14 | 15 | 16 |
| 25 | 18 | 19 | 20 | 21 | 22 | 23 |
| 26 | 25 | 26 | 27 | 28 | 29 | 30 |

July

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 27 | 2 | 3 | 4 | 5 | 6 | 7 |
| 28 | 9 | 10 | 11 | 12 | 13 | 14 |
| 29 | 16 | 17 | 18 | 19 | 20 | 21 |
| 30 | 23 | 24 | 25 | 26 | 27 | 28 |
| 31 | 30 | 31 | | | | |

August

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 31 | | | | | | 2 |
| 32 | 6 | 7 | 8 | 9 | 10 | 11 |
| 33 | 13 | 14 | 15 | 16 | 17 | 18 |
| 34 | 20 | 21 | 22 | 23 | 24 | 25 |
| 35 | 27 | 28 | 29 | 30 | 31 | |

September

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 36 | 3 | 4 | 5 | 6 | 7 | 8 |
| 37 | 10 | 11 | 12 | 13 | 14 | 15 |
| 38 | 17 | 18 | 19 | 20 | 21 | 22 |
| 39 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | | | | | 30 |

October

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| 40 | 1 | 2 | 3 | 4 | 5 | 6 |
| 41 | 8 | 9 | 10 | 11 | 12 | 13 |
| 42 | 15 | 16 | 17 | 18 | 19 | 20 |
| 43 | 22 | 23 | 24 | 25 | 26 | 27 |
| 44 | 29 | 30 | 31 | | | |

November

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 44 | | | | | | 2 |
| 45 | 5 | 6 | 7 | 8 | 9 | 10 |
| 46 | 12 | 13 | 14 | 15 | 16 | 17 |
| 47 | 19 | 20 | 21 | 22 | 23 | 24 |
| 48 | 26 | 27 | 28 | 29 | 30 | |

December

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 49 | 3 | 4 | 5 | 6 | 7 | 8 |
| 50 | 10 | 11 | 12 | 13 | 14 | 15 |
| 51 | 17 | 18 | 19 | 20 | 21 | 22 |
| 52 | 24 | 25 | 26 | 27 | 28 | 29 |
| 53 | 31 | | | | | |

- = ADP processing week number (Sunday - Thursday)
- = ADP processing week number (Friday & Saturday)

- If you make a schedule change, please check your Payroll Schedule to be sure you use the correct week number.
- = ADP, Federal Reserve, and banks are closed. Allow an extra day for direct deposit.
- = Federal Reserve is closed. Most banks closed. Allow an extra day for direct deposit.



Dear Client,

As we approach the end of 2022, it is time we begin preparations for a successful 2023. Many of our clients have struggled this past year with finding and retaining qualified employees, while inflation and the overall economy continue to pose other challenges such as rising labor costs.

As business owners ourselves, we understand how difficult it can be to stay up-to-date with complex tax and compliance regulations. We want to make sure you have the right solutions to help keep your business compliant and stay focused on your goals, which is why our firm partners with ADP®.

ADP helps our clients implement easy-to-use tools that can simplify how you pay and manage your people. They also assist with identifying and documenting eligible tax credits for your business, which can help increase your cash flow. If you are interested in any of ADP's HR, payroll and benefits solutions, please contact either myself or our ADP sales representative directly. Their contact information can be found below:

We appreciate and value your business. We look forward to serving you again in 2023.

Regards,



S corp payrolls made easy

Save time & handle compliance headaches with ADP's S corp payroll offering

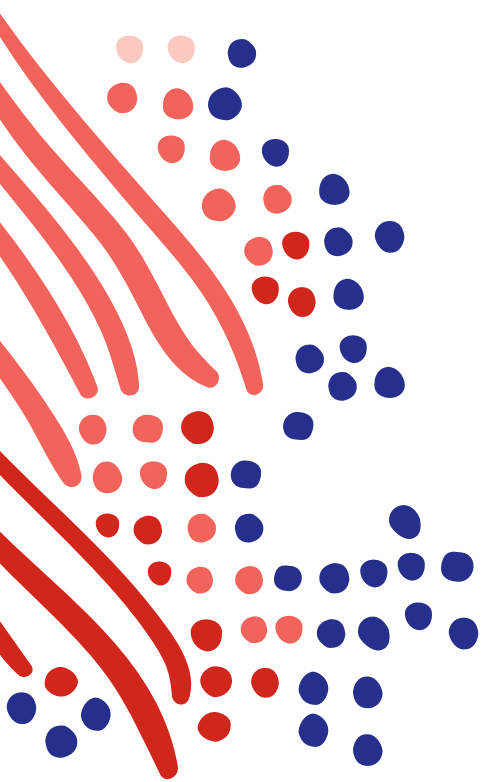
Whether it's in December or spread throughout the year, as an officer only S corporation you need to pay yourself a reasonable salary. In addition to determining what a reasonable salary would be, you're also responsible for all the tax and payroll obligations that go along with it.

Get ahead of year-round compliance activities with our full-service officer only S corporation payroll offering from ADP®.

- Choose the pay frequency and payment option that fits best, including the option to process one-time annual payrolls
- Simple reporting of fringe benefits on annual forms
- Automated notifications when deadlines are approaching
- Filing of federal, state and local taxes & forms
- Comprehensive reporting tools & general ledger integration at your fingertips
- Optional retirement product solutions that integrate directly with payroll

Packages starting at: \$127.50 / Quarter
(\$500 for one-time annual payrolls)

No limit on # of shareholder-employees*



Onboarding is fast, easy and affordable.
Contact us today to learn more.

*For annual and quarterly pay frequencies only through RUN Powered by ADP®. Contact your local ADP representative for monthly and biweekly pay frequency charges.

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