UNDERSTANDING THE BASICS OF PAYROLL REPORTS

Even if you can automate your payroll, is it ever really okay to just "set it and forget it"?

Back in the day, you would get a set of payroll reports each time you ran payroll. Now, most payroll software provides a long list of reports (alphabetically) to download if you choose. Many small business owners are aware that they can still get payroll reports, but most don't even look at them. Do you know where to start now that the power is in your hands?

As a small business owner, your expertise isn't in payroll - so how do you interpret the data to your advantage? The following is an overview of three key payroll reports and what they can tell you about your business.

Payroll Summary Report

If you only look at one payroll report each payroll cycle, make sure it's this one! It's also known as a Cash Requirements Report. For each payroll or specific time period (if you pull a custom report), you get this report that shows you all staff totals of items like:

- **Gross wages**
- **Tax Amounts**
- **Taxable wages**
- **Deduction amounts**
- **Direct deposit and check amounts**
- **Invoice amount**

Your Payroll Summary Report tells you **where your money is going - and how much money you need to run a payroll**. You should always know what's coming out of your bank account.

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Payroll Detail Report

Also an important report, the Payroll Detail Report breaks things down a little bit more. It **shows the totals for each employee's check**. This includes:

- **Hours worked**
- **Calculated taxes**
- **Deduction amounts**
- **Net pay amounts**
- **Totals for each item**

Employee Earnings Statement

This report is for your employees; it's what many refer to as a **pay stub**. It has all of the same information as a Payroll Detail Report, but it's designed for a single employee rather than showing all staff details. The Employee Earnings Statement breaks down:

- **Hours worked**
- **Earnings and net pay**
- **Deductions**
- **Tax withholdings and settings**
- **Pay period begin and end dates**
- **Personal information, such as name and address**
- **Company information, such as name (legal and DBA) and address**

Whether you use a payroll service or software, this statement is increasingly found electronically so your employees can pull their W-2 or any of their pay stubs for the year. **Employee portals are becoming the norm.** Many personal details are now included within the portal so they will not have to be included with every check or direct deposit slip.

There are also reports that are helpful to look at - but only if they apply to you. Examples would include Time Tracking Reports, Certified Payroll Reports, and Labor Union Reports.