

5 signs that it's time to automate your payroll

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With human resources and payroll departments under more pressure than ever before, a modern automated payroll solution is essential for any business. Yet many organisations are still using manual processes that can't keep pace with the demands of today's workforce and the fast-changing legal and tax environment. Here are five signs that it is time to consider automating your payroll function.



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You are spending too much time on manual work

A payroll system will automate the processes of printing and distributing payslips as well paying your employees every month. That will save you many hours spent manually calculating statutory deductions and spare you the risk of making an error that could put your business at risk. It can also help you do away with mountains of manual work around processing leave applications, calculating hours worked, managing expense claims, printing payslips for employees, and keeping accurate employee information.

You are doing your general ledger transactions manually

With today's payroll solutions, you can integrate your payroll data directly into your accounting system. This will save you time because you won't need to capture journal entries for your salary costs manually. Allocating costs to the right GL accounts and cost centres will enable you to track costs by department or cost centre.

Look for a payroll solution with a trouble-free general ledger interface that cuts your processing time. Manually balancing your journals is a waste of time that could be spent on marketing and sales efforts, growing your business, and taking it to the next level.

Statutory compliance is keeping you awake at night

The labour and tax environment in South Africa is always changing. Making sure your payroll is 100% compliant will give you the peace of mind of knowing that your employees are taxed accurately. It will allow you to give employees a professional payslip that meets the requirements of the law.

Small business owners don't want to be payroll specialists and they should not need to be. Automated payroll takes the complexities away and gives you peace of mind. It frees your time to look for the best human resources for your business since you're spending less time on compliance.

You lack payroll reports and find it difficult to manage overtime and payroll costs

Your payroll solution should deliver reporting information that helps you to make consistently informed and effective business decisions. For example, you should be able to mine your payroll data to how employees are contributing to profitability, what resources you need and at what cost for major projects, and where you have gaps or surpluses in your human capacity. Without automation, you will find it hard to capture accurate data and then analyse, present, and share business intelligence.

You are open to payroll fraud or erroneous transactions

Payroll fraud is a major risk, especially for smaller businesses, and erroneous payments can cost you dearly. Payroll software delivers better visibility into transactions, proves an audit trail, and offers a set of controls, checks and balances that help to prevent errors and fraud. Look out for features such as bank account and ID number verification from within the system to reduce opportunities for fraud. With a manual process, you are far more open to fraud and error.

Once your payroll is automated, you could also consider an integrated employee self-service module. Such a solution streamlines your processes by giving your employees user-friendly tools to update their personal details, apply for leave, submit expense claims and overtime, and view payslips and IRP5s online. Transactions are automatically updated in your payroll database, saving you the hassle of doing so manually.

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