



Payroll Processing Checklist

Streamline Your Payroll Process with a Detailed Step-by-Step Guide

1. Pre-Payroll Preparation

- Verify Employee Classification (W-2 vs. 1099 Contractor)
- Ensure All New Hire Documents Are Completed (Form W-4, NC-4, I-9)
- Confirm Employee Bank Details for Direct Deposit
- Set Up Employees in Payroll System (OnPay, QuickBooks, or Other)
- Verify Pay Period and Payroll Schedule
- Ensure Compliance with NC Minimum Wage Laws: <https://www.labor.nc.gov/>
- Review Employee Work Hours, Overtime, and Leave Balances

2. Payroll Calculation & Processing

- Collect and Review Employee Timesheets
- Calculate Gross Pay (Hourly Wages, Salaried Pay, Overtime, Bonuses)
- Deduct Payroll Taxes (Federal, State, Social Security, Medicare)
- Deduct Voluntary Contributions (401(k), Health Insurance, Other Benefits)
- Ensure Proper Calculation of Garnishments (If Applicable)
- Confirm Net Pay and Prepare Payroll Reports

3. Payroll Tax Withholding & Payments

- Withhold Federal & State Income Taxes (IRS & NC Dept. of Revenue)
- Pay FICA Taxes (Social Security & Medicare): <https://www.irs.gov/>
- Submit Unemployment Insurance Taxes (FUTA & SUTA): <https://des.nc.gov/>
- Deposit Payroll Taxes to IRS & NC DOR (Using EFTPS or State System)
- Ensure Workers' Compensation Compliance (NC Requirement): <https://www.labor.nc.gov/>

4. Payroll Distribution & Employee Notifications

- Process Payroll Direct Deposits or Print Checks
- Issue Employee Pay Stubs (Digital or Paper)
- Notify Employees of Payroll Processing Dates & Any Changes
- Provide Year-to-Date Earnings Statements (Upon Request)

5. Compliance & Recordkeeping

- File IRS Form 941 (Quarterly Payroll Tax Report)
- File NC Unemployment Insurance Reports (As Required)
- Issue W-2 Forms to Employees and 1099 Forms to Contractors by January 31
- Maintain Payroll Records for at Least Three Years (Per IRS Guidelines)
- Conduct Internal Payroll Audits for Accuracy and Compliance



6. End-of-Year Payroll Processing

- Verify Employee Information for W-2 and 1099 Reporting
- Prepare and Distribute Year-End Payroll Reports
- Submit Final Payroll Tax Payments and Filings
- Review Payroll Policies for the Upcoming Year

Final Steps for Payroll Compliance

- Ensure All Payroll Taxes and Employee Deductions Are Accurately Processed
- Stay Up to Date with NC Payroll Laws and IRS Requirements
- Contact C. Moses Consulting for Payroll Processing Assistance: <https://www.cmosesconsult.com/>