Client Resources - Payroll

Version	Date Published
1.0	1-17-2023

Asure Payroll Tax Management

Who is Asure Payroll Tax Management?

Cello HR uses Asure Payroll Tax Management to file and pay all payroll taxes on behalf of the clients that use our payroll services.

How is Asure different than Cello HR?

Asure and Cello HR are separate companies. Cello HR uses Asure as a vendor to facilitate payroll tax filings and payments made to tax agencies. All Cello HR Payroll Service clients must appoint Asure as a tax agent/representative via a Power of Attorney form. This must be done for each tax agency where the client must file.

Please note – Cello HR does not file payroll taxes on behalf of our clients. Due to this, no Cello HR employees can speak to a tax agency regarding a client's account. This includes tax notices sent to the client regarding late payments or balances due.

What information do I need to provide to Asure?

You will need to provide:

- List of tax agencies where you must file payroll taxes (IRS, State, Local, etc.)
- Your organization's account number for each of these agencies
- The payment scheduled for your account with each agency
- Your organization's current tax rate (if applicable)

Based on this information, Asure will generate Power of Attorney forms for each agency.

You will also need to provide a bank account and authorize Asure to debit this account for the purposes of tax payments.

The best ways to gather this information is to:

- Ask the company currently filing your payroll taxes
- Contact the tax agency and ask an agent

Please Note – providing accurate and up-to-date information is essential to a smooth payroll transition. Filing payroll taxes with incorrect information can cause rejected tax filing, late payments, and tax agency notices. Cello HR and Asure take no responsibility for filing errors caused by inaccurate or out-of-date information.

Tax Agency Information

Tax Agency	Account Number	Payment Frequency	Current Rate (if applicable)
Ex. State of MI	*12-23456789*	*Quarterly*	*N/A*

Tax Agency	Account Number	Payment Frequency	Current Rate (if applicable)

cello | HR

Version	Date Published
1.0	1-17-2023

Check Reprint

What to do if a team member's check is damaged, lost or destroyed?

Do you want to process the correction or wait until manuals are processed? If yes, there will be a premium processing fee will be added to the cost of processing an off-cycle check. If no, the standard fee will apply when the check is processed with the manual process.

Scenario

The team member's check was lost in the mail, misplaced in the office or destroyed by you or the team member.

Things to Remember

There is no need to void the check. The team member's taxes, benefits and other deductions are all correct. The only issue is that the team member does not have their net pay. This can be easily fixed by giving the NET PAY to the team member on a new check.

First you will want to void the check with the banking institution. Once you have received confirmation that the funds have been credited to your account, you will reissue the funds on a new check.

You will use the CRLC code which is a post-tax code. This is because you want to give the team member the NET PAY. We do not want to retax funds or run the risk of pulling deductions out of the team member's check again.

Version	Date Published
1.0	1-17-2023

Direct Deposit

What to do if you need to process a Reversal

Do you want to process the correction or wait until manuals are processed? If yes, there will be a premium processing fee will be added to the cost of processing an off-cycle check. If no, the standard fee will apply when the check is processed with the manual process.

Scenario

Did not receive their direct deposit. The team member's direct deposit information was entered incorrectly or their account was closed and the team member informs you.

The first thing you want to do is have the team member confirm their routing and account information is correct. Additionally, they'll want to verify the funds are not pending on their account. Banks have until the end of business to release the funds. Post Covid, a lot of banking institutions have changed their policies regarding releasing funds to a clients account due an uptick in fraud during Covid.

Things to Remember

If the account is not an active account, the funds should automatically be returned to your account. Processing a reversal should not be necessary.

If the account the funds were deposited into is an active account but not the team members account, there could be an issue with retrieving the funds. If the deposit amount is not in the account, the reversal will error out.

Example: if the deposit was $100 and there is only $99.99 in the account, the bank will reject the reversal. The bank will never take the account into a negative balance.

In this case, it will be up to the team member to work with the bank to correct the issue. You cannot take any more action. Ultimately, it'll be up to you if you'd like to reissue the funds to the team member. Most times in this case, no one is ever able to retrieve the funds.

There is usually a three-to-five-day turnaround time for the funds to returned once the reversal is submitted.

In order to protect yourself, it would best to wait until the funds have been returned before the team member is reissued a check.

There is no need to void the check. The team member's taxes, benefits and other deductions are all correct. The only issue is that the team member does not have their net pay. This can be easily fixed by giving the NET PAY to the team member on a new check.

Once a decision has been made, you will use the DDR (Direct Deposit Return) code which is a post-tax code to pay the team member. This is because you want to give the team member the NET PAY. We do not want to retax funds or run the risk of pulling deductions out of the team member's check again.

Employee Tax Withholding

The Updated Form W-4

Form W-4 had a complete makeover in 2020 and now has fewer lines to fill out. The way that you fill out Form W-4, the Employee's Withholding Certificate, determines how much tax your employer will withhold from your paycheck.

The new version of Form W-4 eliminates the option to claim personal allowances. Previously, a W-4 came with a Personal Allowances Worksheet to help you figure out how many allowances to claim. The more allowances you claimed, the less an employer would withhold from your paycheck; the fewer allowances you claimed, the more your employer would withhold.

Previously, allowances were loosely tied to personal and dependent exemptions claimed on your tax form. Subsequently, the standard deduction was doubled as a result of the Tax Cuts and Jobs Act (TCJA) of 2017, while personal and dependent exemptions were eliminated.

The new form asks you to record the number of dependents in your household, in step 3.

It also asks whether your circumstances warrant a larger or smaller amount of withholding. It allows you to indicate whether you have income from a second job or expect to have deductions that you will itemize in your tax return.

May I ask all of my employees paid before 2020 to furnish new Forms W-4 using the redesigned version of the form?

Yes. You may ask, but as part of the request you should explain that:

- They are not required to furnish a new Form W-4,

AND

- If they do not furnish a new Form W-4, withholding will continue based on a valid form previously furnished.

For those employees who furnished forms before 2020 and who do not furnish a new one after 2019, you must continue to withhold based on the forms previously furnished. You are not permitted to treat employees as failing to furnish Forms W-4 if they don't furnish a new Form W-4. Note that special rules apply to Forms W-4 claiming exemption from withholding.

The Internal Revenue Service has launched an online assistant designed to help employers, especially small businesses, easily determine the right amount of federal income tax to withhold from their workers' pay. Use the Income Tax Withholding Assistant if you typically use Publication 15-T to determine your employees' income tax withholding.

The employee is NOT required to fill out a new W-4 form unless he/she want to change their deductions or change jobs.

Exempt Employees

Most employees are not exempt. Most times they want to stop federal taxes being withheld from their check. To achieve this, all the employee needs to do is up the amount they input in box 3. For example, they may use $100,000 and that will stop the federal tax from being withheld.

Marking yourself as exempt will produce a blank W-2. Exempt means your wages are not taxable and will not be reported to the IRS. This could result in amending the W-2 and possible penalties from the IRS.

That being said, you can only change withholding based on the documentation the employee gives you. Until the employee gives you the correct form or forms, you must continue to withhold federal, state, and local income taxes based on the most recent forms completed by the employee. You can't take the employee's word on the claim of exemption.

If you think an employee's W-4 withholding exemption is incorrect, you can't change it, but you can advise the employee that the exemption may be questioned by the IRS. No matter what the employee claims, you must use only the signed W-4 form to withhold from employee pay.

The claim of exemption for federal income taxes has nothing to do with the employee's state income tax and local tax withholding. The employee will have to check with state and local taxing agencies to find out how this exemption works in those jurisdictions. As noted above,

until the employee gives you the signed documents for the claim of exemption from state or local taxes, you must continue to withhold these taxes.

If the employee wants to claim exemption from withholding, but they have already had withholding taken from their pay during the year, you can't refund them this money. At tax time, you will notify the employee of the withholding on their W-2 form for the year. The employee can then claim the amount withheld.

Maintaining Tax Rates

Maintaining Tax Rates

It is the client's responsibility to maintain tax rates. Some common rates are State Unemployment Insurance or SUI or SUTA and Wage Base Limit. The agency will send tax rate notices quarterly and sometimes annually. It will up to the you (the client) update these and make sure they are entered timely.

Things to Remember

Failure to update these rates could result in certain returns being incorrectly completed which would result in amending.

Your rate may not change but you should always receive an updated notice.

If you have not received a rate notice, please contact the agency immediately as it may have been lost in the mail. Never assume it is same. Most agencies will allow you to view your rate online.

Cello | HR

Version	Date Published
1.0	11/30/2022

Manual Checks

What is a Manual Check?

A manual check refers to any check that is processed and issued outside of a scheduled payroll.

When would I need a Manual Check?

The most common scenarios are:

- Direct Deposit Return
    - An employee's direct deposit was returned from their financial institution
- Missed Wages / Hours
    - An employee was not paid for hours worked or was not paid their full wage for the pay period
- Check Reprint
    - A paper check was lost or destroyed, and a new check must be issued

How is a Manual Check different from a Regular Check?

In most cases, scheduled deductions are blocked. If wages are being reissued, then payroll taxes should be blocked as well.

How do I create and print a Manual Check?

Manual checks are created using the Manual type of pay statements. During your payroll implementation, we will create the following Manual pay statements:

- Manual
- Direct Deposit Return (DDR)

The Manual pay statement will block scheduled deductions, but not payroll taxes. These should be used for Missed Wages / Hours.

The DDR pay statement will block scheduled deductions and payroll taxes. These should be used for direct deposit returns and check reprints. You will also need to use a non-taxable earning code, such as the DDR earning code, to ensure the employee's taxable wages are not impacted.

You can create a Manual pay statement on a supplemental payroll or a scheduled payroll. For a manual check that contains taxable earnings, we recommend creating the check on a scheduled payroll. For a manual check that does not contain taxable earnings, we recommend creating the check on a supplemental payroll.

For Cello Payroll Services Clients

Cello has a standard process for manual checks. You can choose to process manual checks on your own if you have the necessary hardware to print a check. We recommend the following hardware:

- Laser printer
- Magnetic Ink (MICR) printer

Printing checks from UKG Ready requires a middleware software to allow the payroll software to communicate with a printer. Please contact Cello Service for information on how to download and install this middleware software.

You can also create the check in UKG Ready, but use another method to "print" the check, such as writing it by hand.

Any manual check that contains taxable earnings will require Cello to generate an electronic tax file to provide to our tax TPA, so they can make your payroll tax payment on-time. Due to this, we recommend creating manual checks that contain taxable earnings on scheduled payrolls only. If you choose to run a supplemental payroll, be sure to adhere to our supplemental payroll deadlines to ensure your electronic tax file is generated on-time.

Examples

An employee is shorted 8 hours on their paycheck. Payroll is processed bi-weekly and the pay date was Friday, November 4th.

Open the next payroll (November 18th) and create a manual pay statement for the employee. On the manual pay statement, credit the employee for 8 hours of Regular earnings. Close the check, then issue the check to the employee. The date on the check will be the date the manual pay statement was created. The payroll taxes for this check will be captured and processed once payroll is finalized on November 15th.

An employee's checking account was closed by their financial institution and their direct deposit was returned

Create a supplemental payroll and create a DDR pay statement for the employee. Using the DDR earning code (which is non-taxable), credit the employee for the amount of the direct deposit transaction (Net, not Gross). Payroll taxes have already been quantified and paid on the scheduled payroll. Close and finalize the payroll. Issue a check to the employee.

If you need assistance generating a manual check, please contact Cello Service.

Version	Date Published
1.0	1-17-2023

Missed Hours

What to do if a team member did not receive their full hours or pay

Do you want to process the correction or wait until manuals are processed? If yes, there will be a premium processing fee will be added to the cost of processing an off-cycle check. If no, the standard fee will apply when the check is processed with the manual process.

Scenario

Team member was paid 60 hours and they were due 65 hours.

Things to Remember

There is no need to void a check if the team member is owed more hours/funds. You simply need to pay them the owed hours.

Benefits such as medical, dental and vision should NOT be withheld when issuing the additional funds. Retirement deferrals are okay.

Version	Date Published
1.0	1-17-2023

Notification of Return

What to do if you receive a Notification of Return

Do you want to process the correction or wait until manuals are processed? If yes, there will be a premium processing fee will be added to the cost of processing an off-cycle check. If no, the standard fee will apply when the check is processed with the manual process.

Scenario

The team member's direct deposit information was entered incorrectly or their account was closed.

Things to Remember

There is no need to void the check. The team member's taxes, benefits and other deductions are all correct. The only issue is that the team member does not have their net pay. This can be easily fixed by giving the NET PAY to the team member on a new check.

There shouldn't be a need to confirm if the funds were returned. If you receive this notification, the funds should have been returned to your account by this time.

You will use the DDR (Direct Deposit Return) code which is a post-tax code. This is because you want to give the team member the NET PAY. We do not want to retax funds or run the risk of pulling deductions out of the team member's check again.

Version	Date Published
1.0	11-28-2022

Paying Bonuses

How to distribute bonus earnings

We recommend distributing bonuses using a dedicated earning code that withholds taxes per the IRS guidelines for supplemental wages. This will ensure that employees do not incur additional tax liabilities when filing their annual tax returns.

Scheduled vs Supplemental Payroll

Bonuses can be distributed on scheduled or supplemental payrolls. Some things to consider:

- Should deductions (401k, Benefits, etc.) be withheld?
    - If yes, distribute on a scheduled payroll
    - If no, you may want to run a supplemental payroll
- ACH or Check
    - For Holiday bonuses, some organizations prefer to provide them via a paper check instead of ACH.
    - The best option for this is a supplemental payroll.

If you have any questions regarding your earning codes, please contact Cello support.

Cello | HR

Version	Date Published
1.0	1-17-2023

Payroll Processing Deadlines

Processing Deadlines

Finalizing Payroll

Clients are responsible for finalizing and delivering their payrolls. Please make sure you are reviewing all reports and statements to ensure an accurate payroll. The deadline to finalize is **3pm EST**.

To process all direct deposits and tax payments on-time, we require clients to finalize their payrolls **3 business days prior** to the payroll's pay date. Please refer to the table below to determine your payroll finalization day:

Pay Day (Day of the Week)	Payroll Finalization Day
Friday	Tuesday
Thursday	Monday
Wednesday	Friday (Previous Week)
Tuesday	Thursday (Previous Week)
Monday	Wednesday (Previous Week

Checks will be printed and sent out within 48 hours of your check date.

Please understand it is imperative that you inform us immediately if you are unable to meet this deadline for any reason. Additionally, you will be subject to a late payroll fee of $50 if you miss the deadline.

Manual Checks

We process manual checks on Wednesday for the previous week's pay days. Tuesday at 3pm EST following the Friday pay date is the cut off time for manual requests. Manual cut off times and processing are listed below:

- Tuesday – 3pm EST is the cut off time for Cello to receive manual requests.
- Wednesday – Checks will be processed and printed.
- Thursday – Checks will be sent out for Friday delivery
- Friday – Will be the check date.

Direct Deposit Returns (DDRs)

For all Cello Payroll Services clients, direct deposit returns will be processed on the Wednesday following the previous Friday's pay date. All returns will be in the form of a check. All checks will be dated for the Friday following the previous Friday's pay date. All checks will be sent to

the client's company address using a delivery method with tracking. This will be done automatically, for every notification of return received by the clearinghouse.

If you would like to opt-out of our Direct Deposit Returns processing service, please contact Cello Service (service@cellohr.com)

Check Reprints

For all Cello Payroll Services clients, check reprints will be processed on the Wednesday following the previous Friday's pay date. A check request form is required for each check reprint. All check reprints will be dated for the Friday following the previous Friday's pay date. All checks reprints will be sent to the client's company address using a delivery method with tracking.

Other Manual Checks

For all Cello Payroll Services clients, manual checks will be processed on the Wednesday following the previous Friday's pay date. A check request form is required for each manual check. All manual checks will be dated for the Friday following the previous Friday's pay date. All manual checks will be sent to the client's company address using a delivery method with tracking.

Version	Date Published
1.0	1-17-2023

Quarter-End Checklist

For reference, quarterly period dates are listed below

Q1: 1/1 - 3/31
Q2: 4/1 - 6/30
Q3: 7/1 - 9/30
Q4: 10/1 - 12/31

Quarter-End Checklist

Below is a list of things that need to be checked before quarter-end processing begins. This is not a comprehensive list; it is a basic list with most of the common things missed. While you can start on these at any time, we recommend you start a minimum of three weeks before the end of the quarter. This will ensure you have enough time to initiate any corrective actions.

☐ Verify all company information

You should verify your state and federal Employer Identification Number (EIN) and ensure your company name and address are accurate. You'll also need your state unemployment account number.

☐ Verify all employee information

Make sure all employee static information is current and accurate. Name, Address, SSN etc... Additionally, you should ask your employees to check for accuracy.

☐ Verify wages, taxes and benefits

The next step is to run through and verify that your wage, tax, and benefits numbers match up with your payroll numbers. You also need to verify year-to-date wages, year-to-date taxes, and total pre-tax earnings.

☐ Verify tax rates

Check that ALL rates are correct for the current quarter.

☐ Process an "off-cycle" pay run

You may run an off-cycle for a variety of different reasons including but not limited to:

- Paying out a bonus separately from your regular payroll.
- Payout items that you want to have a different check date than your regular check date.
- Make an immediate correction or change to a payment that was made on a regular pay calendar.

- Payout a severance or last pay.
- Void a check.

☐ Sign Off on the Quarter

Clients must close and sign off the Company Tax Quarter before the deadline provided on the Quarter-End calendar. If the tax quarter is not closed, Cello cannot extract the tax file required for quarter-end tax filing.

To close and sign off, go to:

Side Menu > Team > Payroll > Quarter / Year End Process > Company Tax Quarters

Payroll > Quarter / Year End Process > Company Tax Quarters

← **Company Tax Quarters**

◄ Page [1] of 3 ▶ 1 - 10 of 22 Rows   Saved: [System] ▼

	Company EIN ▼	↓¹ Year ▼	↓² Qu... ▼	Status
	= ▼	= ▼	= ▼	=
🖥$	Default	2023	2	Open
🖥$	Default	2023	1	Open
🖥$	Default	2022	4	Open
🖥$	Default	2022	3	Signed Off
🖥$	Default	2022	2	Signed Off
🖥$	Default	2022	1	Signed Off

Complete the steps on the checklist, then close and sign off on the Company Tax Quarter.

☐ Identify Federal Holidays for Next Quarter

Direct deposits cannot settle on Federal Holidays. If one of your pay dates falls on a holiday, you will need to either:

- Move your pay date 1 business day earlier

    OR

- Move your pay date 1 business day later

If you move your pay date 1 business day earlier, you must finalize your payroll 1 business day earlier as well.

Here is a list of Federal Holidays and the days on which they fall:

Holiday Name	Day of Week	2023 Date Observed
New Year's Day	Monday	January 2nd
Birthday of Martin Luther King, Jr.	Monday	January 16th
President's Day	Monday	February 20th
Memorial Day	Monday	May 29th
Juneteeth Independence Day	Monday	June 19th
Independence Day	Tuesday	July 4th
Labor Day	Monday	September 4th
Columbus Day	Monday	October 9th
Veterans Day	Friday	November 10th
Thanksgiving Day	Thursday	November 23rd
Christmas Day	Monday	December 25th

Quarter-End Explained

For reference, quarterly period dates are listed below

Q1: 1/1 - 3/31
Q2: 4/1 - 6/30
Q3: 7/1 - 9/30
Q4: 10/1 - 12/31

What is Quarter-End?

Quarter-End refers to the process of reviewing and reconciling your payroll in preparation for your quarterly payroll tax filings. This is the time to catch and correct mistakes made throughout the quarter. This is also the time to recalculate your tax liability amount if a tax rate was changed mid-quarter.

For Cello Payroll Services Clients

If you use Cello Payroll Services, quarter-end also involves reconciling your payroll tax totals against the totals our tax TPA has calculated. If too little was withheld throughout the quarter, our tax TPA will draft the variance amount and make the tax payment in full. If too much was withheld, our tax TPA will credit your account for future tax quarters, or you can request a refund.

Our tax TPA provides deadlines to receive electronic tax files and reconcile variances and these are the deadlines that we pass along to you. Here are the important deadlines:

Tax Quarter Closing Deadline

This is the deadline to close and sign off on your tax quarter. Once your tax quarter has been closed and signed off, it is locked. Cello cannot generate your electronic tax file and provide it to our tax TPA until your tax quarter is closed and signed off. **Missing this deadline may result in delays in your payroll tax filings, which will result in tax notices, fees, and penalties from tax agencies. Cello takes no responsibility for late payroll tax filings due to missed tax quarter closing deadlines.**

Tax Variance Reconciliation Deadline

If a variance is identified by our tax TPA, you must do the following:

- Audit the quarter's payrolls
- Make the required corrections to eliminate the variance
- Provide the updated payroll data to Cello

If the variance is correct, then no further action is required.

After the variance reconciliation deadline passes, your payroll taxes will be filed AS IS. Cello takes no responsibility for tax notices, fees, or penalties resulting from filing taxes with variances.

What should I do for my quarter-end process?

Every quarter, we will provide you with a checklist to complete for quarter-end. This is a basic list with most of the common things missed. We recommend using our list as a starting point and creating your own list, based on your organization's payroll practices.

How to Close and Sign Off on the Tax Quarter

Clients must close and sign off the Company Tax Quarter before the deadline provided on the Quarter-End calendar. If the tax quarter is not closed, Cello cannot extract the tax file required for quarter-end tax filing.

Note – This is only required for Cello Payroll Services Clients.

To close and sign off, go to:

Side Menu > Team > Payroll > Quarter / Year End Process > Company Tax Quarters

Payroll > Quarter / Year End Process > Company Tax Quarters

← **Company Tax Quarters**

◀ Page [1] of 3 ▶ 1 - 10 of 22 Rows   Saved: [System] ▼

	Company EIN ▼	↓¹ Year ▼	↓² Qu... ▼	Status
	= ▼	= ▼	= ▼	=
📇$	Default	2023	2	Open
📇$	Default	2023	1	Open
📇$	Default	2022	4	Open
📇$	Default	2022	3	Signed Off
📇$	Default	2022	2	Signed Off
📇$	Default	2022	1	Signed Off

Complete the steps on the checklist, then close and sign off on the Company Tax Quarter.

Version	Date Published
1.0	11/30/2022

Form W-2

What are W-2s?

Form W-2s are required by the IRS for every employer engaged in a trade or business who pays remuneration, including noncash payments of $600 or more for the year (all amounts if any income, social security, or Medicare tax was withheld) for services performed by an employee. Form W-2s must be filed with the SSA by January 31st of each year. You must also furnish your employees with copies of their W-2s by January 31st of each year. This can be done using a paper or electronic copy of the employee's W-2.

How do I view W-2s?

UKG Ready builds W-2s throughout the year for every employee that receives a pay statement. Admin users will be able to view W-2s by going to:

Side Menu > Team Tab > Payroll > Forms > W2
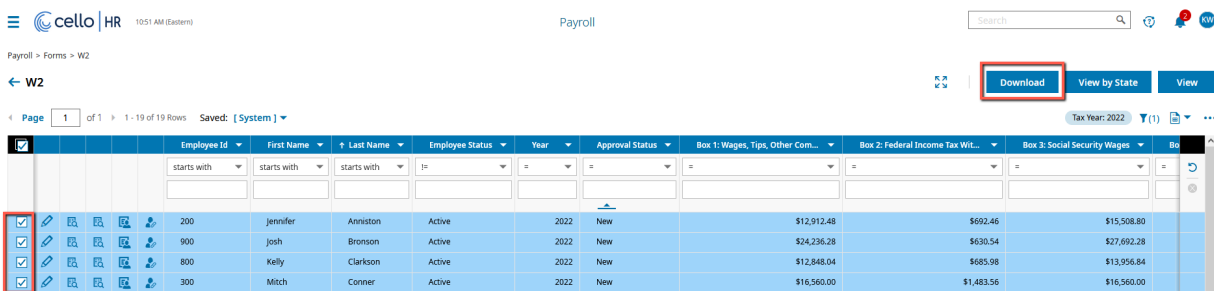
For all other users, W2s will not be viewable until the tax year has been closed, signed off, and the W2s are approved.

Can employees download copies of their W-2s?

Yes.

How do I print W-2s to provide to my employees?

On the W2 screen, select all of the W2s you would like to print, then select Download

Select the Download type, then select Download PDF

Download Selected Forms ✕

(i) You are about to download 19 forms. Please select download options below.

Download Type*

One Employee Per Page (Copy B,2,C) ▼

One Employee Per Page (Copy B,2,C)
One W2 Per Page (Copy D)
Two W2 Per Page (Copy D)
Four W2 Per Page (Copy D)
One W2 Per Page (Copy A)
One W2 Per Page (Copy 1)
Four Employees Per Page (Copy D)
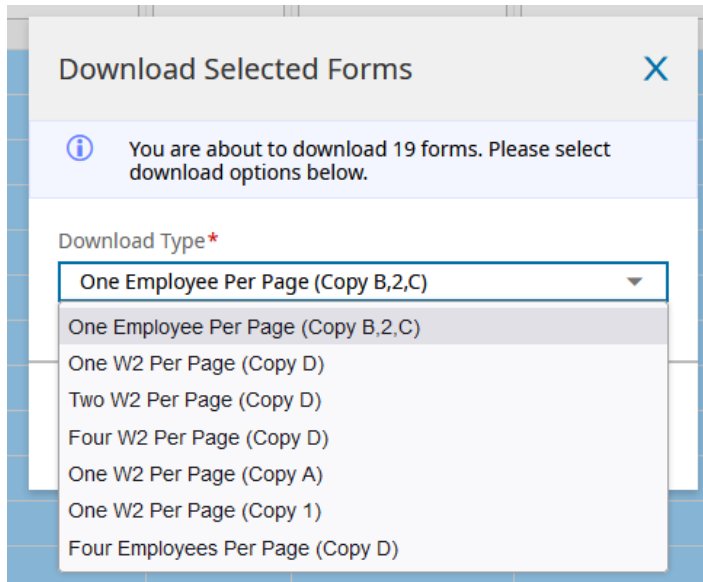
Once the PDF downloads, open it using a PDF viewer (Adobe Reader, Foxit Reader, Google Chrome, etc.) and print the W2s.

Note: It is acceptable to provide a copy of a W-2 printed on "normal" printer paper

For Cello Payroll Services Clients

We will print your W-2s and send then to you in ready-to-mail envelopes. The ship date will be specified on the Year-End calendar. We only send W-2s to our clients – we do not mail or send them directly to employees.

How should I review my W-2s for Year-End

The most common information you should audit is:

- Employee Addresses
- Employee Social Security Numbers

If an error is found, this must be corrected before closing the tax year and approving the W2s.

For a more in-depth audit, you can review the box amounts. Here are some guidelines:

- Unless you have employees in a state like FL, TX or AK, which have no state withholding, Box 1 and Box 16 should balance.
- Box 5 less Box 12 should equal Box 1, unless there is a non-taxed item in Box 12 in addition to the deferred compensation plans.
- Box 6 should equal Box 5 multiplied by 1.45% within an acceptable margin for individual rounding.
- Box 3 plus Box 7 should be less than or equal to Box 5. The combination of wages in Boxes 3 and 7 multiplied by 6.2% should equal Box 4 within an acceptable margin for individual rounding.

- Boxes 1 through 7 should tie out to the four quarterly 941's

If you have any questions, we recommend speaking to your CPA or a tax professional with knowledge of your payroll process.

I found a mistake on an employee's W2 – what do I do?

This depends on the information that is incorrect and when the mistake was found. Some scenarios to consider:

1. An employee's address or SSN is incorrect

If the tax year is still open, you can update this information in the employee's profile and recalculate the W2. This will update the W2 with the new information.

If the tax year is closed and signed off on, please contact Cello Service.

2. An employee's box amounts are incorrect

If the tax year is still open, you can run a supplemental payroll to make the necessary corrections to the employee's W2.

If the tax year is closed and signed off on, please contact Cello Service.

For Cello Payroll Services Clients

It is extremely important that you review your W2s at least **2 to 3 weeks** prior to the year-end closing deadline. This will provide you the time to correct any mistakes found on the W2s. Once the tax year has been closed and signed off on, Cello generates an electronic W2 file and provides it to our tax TPA for filing. **Correcting mistakes after the electronic W2 file has been generated will result in a premium service fee.**

cello | HR

Version	Date Published
1.0	11/16/2022

Wire Transfers

What is a wire transfer?

A wire transfer (also known as wiring) is an electronic transfer of money via a network that is administered by banks and transfer service agencies around the world.

When would I use a wire transfer?

This depends on the amount of the transaction and how quickly the transaction must settle. A common use for wiring is to fund an emergency payroll, or to make a large tax payment to a tax agency.

I was told I need to do a wire transfer – what do I do?

You need to contact the bank or financial institution that owns your payroll account. They will provide instructions on how to initiate a wire transfer. In most cases, the transfer will be subject to a fee.

We recommend that you speak to your bank or financial institution about wire transfers BEFORE you need to send one. It is helpful to know how much a wire transfer costs and your bank or financial institution's cut-off time to accept wire transfer.

cello | HR

Version	Date Published
1.0	1-17-2023

Year-End Checklist

Below is a list of things that need to be checked before year-end processing begins. This is not a comprehensive list; it is a basic list with most of the common things missed. While you can start on these at any time, we recommend you start a minimum of three weeks before the end of the quarter. This will ensure you have enough time to initiate any corrective actions.

☐ Verify all company information

You should verify your state and federal Employer Identification Number (EIN) and ensure your company name and address are accurate. You'll also need your state unemployment account number.

☐ Verify all employee information

Make sure all employee static information is current and accurate. Name, Address, SSN etc... Additionally, you should ask your employees to check for accuracy.

☐ Verify wages, taxes and benefits

The next step is to run through and verify that your wage, tax, and benefits numbers match up with your payroll numbers. You also need to verify year-to-date wages, year-to-date taxes, and total pre-tax earnings.

☐ Verify tax rates

Check that ALL rates are correct for the current quarter.

☐ Review Your W2

Conduct an audit of your employee's form W2s. Things to look for:

- Up-to-Date Employee Address
- Correct Employee SSNs
- Box Amounts

For more detailed information, please see our W2 client resource.

□ Check employees for exempt status

Ask employees to review withholding allowances. You will want to check if an employee is marked as exempt. Explain to the employee that if they are marked as exempt, this will result in a blank W-2.

□ Report fringe benefits

Fringe Benefits (if you offer them) such as company cars, stock options, and reimbursement for health insurance spending might be taxable. Before the current year ends, you must report fringe benefits under employee earnings.

□ Affordable Care Act (ACA)

The ACA added health coverage reporting requirements for certain employers. If you have more than 50 employees or your business is self-insured, you must file a form 1095 with the IRS as proof that you offered health coverage. Self-insured small businesses must file a 1095-B form, and employers with more than 50 employees must file a 1095-C form.

□ Consult your CPA

Tax laws change frequently. Rules for deductions fluctuate, and new deductions often appear. If your business grows or undergoes changes throughout the year, you may qualify for tax credits or deductions.

☐ Close and Sign Off on the Tax Year

Clients must close and sign off the Company Tax Year before the deadline provided on the Year-End calendar. If the tax year is not closed, Cello cannot extract the tax file required for year-end tax and W2 filing. This is also required for your employees to view and download electronic copies of their W2s.

To close and sign off, go to:

Side Menu > Team > Payroll > Quarter / Year End Process > Company Tax Years

Payroll > Quarter / Year End Process > Company Tax Years

← **Company Tax Years**

◀ Page [1] of 1 ▶ 1 - 10 of 10 Rows   Saved: **[System]** ▼

	Company EIN	↓ Year	Status	# W2
	=	=	=	=
	Default	2023	Open	-
	Default	2022	Open	19
	Default	2021	Signed Off	19
	Default	2020	Open	-
	Default	2019	Open	-
	Default	2018	Open	19
	Default	2017	Signed Off	10
	Default	2011	Open	6
	Default	2010	Open	7
	Default	2009	Open	7

Complete the steps on the checklist, then close and sign off on the Company Tax Year.

Cello | HR

Version	Date Published
1.0	1-17-2023

Year-End Explained

What is Year-End?

Year-End refers to the process of reviewing and reconciling your payroll in preparation for your annual payroll tax filings. It is similar to quarter-end, with a few added steps.

For Cello Payroll Services Clients

If you use Cello Payroll Services, year-end also involves reconciling your payroll tax totals against the totals our tax TPA has calculated. Your Year-to-Date payroll totals must match your W2 totals. You must also ensure that your employee's information is up to date in preparation for the W2 filing.

Our tax TPA provides deadlines to receive electronic tax files, electronic W2 files and reconcile variances and these are the deadlines that we pass along to you. Here are the important deadlines:

Tax Year Closing Deadline

This is the deadline to close and sign off on your tax quarter. Once your tax year has been closed and signed off, it is locked. Cello cannot generate your electronic tax and W2 file and provide it to our tax TPA until your tax year is closed and signed off. **Missing this deadline may result in delays in your payroll tax and W2 filings, which will result in tax notices, fees, and penalties from tax agencies. Cello takes no responsibility for late payroll tax and W2 filings due to missed tax year closing deadlines.**

Tax Variance Reconciliation Deadline

If a variance is identified by our tax TPA, you must do the following:

- Audit the year's payrolls
- Make the required corrections to eliminate the variance
- Provide the updated payroll data to Cello

If the variance is correct, then no further action is required.

After the variance reconciliation deadline passes, your payroll taxes will be filed AS IS. Cello takes no responsibility for tax notices, fees, or penalties resulting from filing taxes with variances.

What should I do for my year-end process?

Every year, we will provide you with a checklist to complete for year-end. This is a basic list with most of the common things missed. We recommend using our list as a starting point and creating your own list, based on your organization's payroll practices.

How to Close and Sign Off on the Tax Year

Clients must close and sign off the Company Tax Year before the deadline provided on the Year-End calendar. If the tax year is not closed, Cello cannot extract the tax file required for year-end tax and W2 filing. This is also required for your employees to view and download electronic copies of their W2s.

To close and sign off, go to:

Side Menu > Team > Payroll > Quarter / Year End Process > Company Tax Years

Payroll > Quarter / Year End Process > Company Tax Years

← **Company Tax Years**

◁ Page 1 of 1 ▷ 1 - 10 of 10 Rows   Saved: **[System]** ▼

	Company EIN	↓ Year	Status	# W2
	=	=	=	=
	Default	2023	Open	-
	Default	2022	Open	19
	Default	2021	Signed Off	19
	Default	2020	Open	-
	Default	2019	Open	-
	Default	2018	Open	19
	Default	2017	Signed Off	10
	Default	2011	Open	6
	Default	2010	Open	7
	Default	2009	Open	7

Complete the steps on the checklist, then close and sign off on the Company Tax Year.