PAYROLL SEMINAR

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TAUPO

Introduction

Analysis of logging contractor's businesses shows that, in most cases, wages represent 40-55% of all outgoings. Control of these outgoings is therefore immensely important.

Because preparing the wages can be a tedious job normally done after a full day's work in the bush, contractor's are often tempted to do one of two things –

1. Give it all to someone else to handle, usually the accountant. This is costly and is not normally very satisfactory. Unless you are doing or supervising the calculations yourself, irregularities can go unnoticed.

2. Take shortcuts in either the recording or the calculating. These usually rebound in a rather unpleasant fashion. Records must be kept meticulously to satisfy the Inland Revenue and to confirm that you are indeed paying at least at award level. They are also essential to the payment of production bonuses, piece rate payments and other incentive systems. Any attempt at shortcuts will inevitably result in you paying out too much!

Computerisation offers

1. Fast reliable calculation. Providing you enter the data correctly, the machine calculates and records very fast and with absolute accuracy. This data entry you may find initially slow but, with practice, this time will quickly reduce.

2. High quality presentation of output. Any payroll program can give you a variety of reports including payslips and IR12s.

3. Very efficient storage and updating of records.

4. A means of staying up to date. If you purchase a reputable program from a responsible dealer then it will be possible to get updated versions of the program everytime there is a major change in the regulations. The program itself will be flexible so that pay rates can easily be changed and allowances and/or deductions can be added or removed.

Additionally the decision to computerise your payroll provides you with an excuse to buy a computer – a tremendous learn as you go experience. A whole range of software is available to help your logging business, to say nothing of your wife's business and your children's education.

Example Content

1. Employee Details – displayed on overhead projector and discussed

2. Pay Period Details – displayed on overhead projector and discussed

To be suitable for contractors, a payroll must be able to calculate -

1. Travel Time

2. Hourly, daily and weekly allowances

3. Bonuses

4. Piece Rates

3. Reports

Concerns

1. Learning -

All reputable software is equipped with a good manual.

Programs are menu driven and so lead you through the steps themselves.

The better software dealers offer training courses, frequently on the basis of the first lesson being free, with subsequent instruction and advice at an hourly rate.

2. Breakdowns

Generally much less frequent than previously as machinery has become much more reliable.

Your dealer will teach you how to backup all your files regularly so that you will never, even in the worst possible circumstances, lose more than the data you are currently working on. You will never lose the whole lot if you obey the rules.

Because most software now runs on a wide variety of computers, you should be able to lay your hands on another machine at short notice, if you should ever have a crisis with your hardware.

Warning

If your affairs are in a state of chaos at the moment, a computer will not magically sort them out. Your affairs must be sorted out and then placed on a computer. The use of a computer imposes a certain discipline on the user, insisting that things are done in an orderly and efficient manner. This in itself can solve a lot of problems.