Oversight of Institutional Payroll and Employee Benefits

Mark A. Griffin, President, In His Name HR
Overview

Regardless of the exigencies of the pandemic or other crises, all employees expect payroll and other vital employee benefits to happen on schedule and without mistakes.

This makes oversight of payroll and employee benefits a top priority of smart CFOs. How do distinguished CFOs effectively manage both payroll and employee benefits?

What are systems and best practices to consider? What are reasonable benefits to provide? Walk through the labyrinth of related issues with an expert in HR policies and practices.
Biblical Approach

“You shall not oppress a hired servant ... You shall give him his wages on his day before the sun sets.” Deuteronomy 24:14-15

Employers must pay fair wages promptly, when they are due.
Mark A. Griffin
Human Resources expert
President & Founder, In HIS Name HR

Personal

• Married to Gail
• Two awesome adult children
• Outdoor enthusiast
• Author
• International mission experience
Serving Christian Higher Education
Disclaimer

We are not licensed attorneys and do not provide legal advice.
Business Case

- Knowing best practices for cost-effective and efficient payroll services
- Reviewing the pros and cons of various employee benefit packages
- Managing an effective employee benefits system
Overview

- How to choose a payroll system
- Creating and managing benefit packages
- Marketing your benefit offerings to candidates
Services and Price
Choosing a Payroll Service: Questions to Ask

We recommend you interview at least your top two or three payroll options before you choose. The following is a list of questions you should use as a basic checklist for those interviews:

- How fast is turnaround?
- If the service makes a mistake, who is liable for those mistakes?
- How long does it take to fix a mistake?
- Are there additional charges for adding or changing employee payroll?
- Will the annual fees change or increase after one year?
- How often will we receive reports from the service?
- Do you offer retirement plan integration?
- Can you integrate with your accounting software?
- What back-office technology does your service use?
- What are the hours and means of customer service availability?
- Will we be assigned a rep or will we always be directed to someone new?
- Is there an additional cost to file taxes in multiple states?
Security and Responsibility
Flexibility
Training
Test Drive
Take It for a Test Drive

1. Call the Help Line and see how long it takes you to get through.
2. Talk to 3 or 4 other customers with similar requirements to yours.
3. Request full access to test drive the software.
4. Look over a copy of one of the company’s payroll reports.
"There are three things that payroll should do for you," says Ken Darrow, editor of *Payroll for Dummies*, and group marketing manager at Intuit Payroll. "It pays employees on time, it pays your payroll taxes on time, and it actually files your payroll tax forms on time. You want to do all three of those to be compliant with the law, and you also better do the last two or you'll get fined."
Creating and Managing Benefit Packages

- Health Insurance
- Dental Insurance
- Flexible Spending Accounts
- 401(k) Retirement Savings Plan
- Additional Benefits
Employee Benefits: Health Insurance

The largest line item on your employee benefits budget is also typically the hardest to maintain, due to rapidly rising premiums. More small businesses have opted to drop health insurance in recent years, a trend that, in part, prompted the health care reform legislation recently signed into law. For companies now looking to add or switch their health care provider, there are generally five options:

- Health Maintenance Organizations (HMOs)
- Preferred Provider Organizations (PPOs)
- Point-of-Service Plans offer a compromise
- High-Deductible Health Plans
- Self Insurance
Employee Benefits: Dental Insurance

Dental insurance is a common benefit, though not required by law. Like toothpaste, dental plans come in several flavors. Among them:

- Fully Funded Employer Plans: A company covers 100% of its employees' costs.

- Partially Funded Employer Plans: A company pays a share of its employees' costs, usually in the ballpark of 80%; employees cover the remainder.

- Fully Funded Employee Plans: Employees pay the entire cost of their dental benefits, while the company absorbs only the administrative and payroll-deduction costs.
Employee Benefits: Flexible Spending Accounts

Flexible spending accounts, or FSAs, are a means of helping employees set aside money on a pre-tax basis in order to cover basic medical expenses. An employee makes an election (up to a maximum dollar amount, established by the employer) that is available to the employee throughout the plan year (January 1 to December 31) to pay for out-of-pocket medical, dental, and vision expenses.

If you intend to offer employees FSAs, keep in mind that you should have cash on hand in order to reimburse employees for expenses, which, by law, you are required to fulfill from the first day of the year, even if the employee contribution is, at that point, less than the total amount of the expense.
Employee Benefits: 401(k) Retirement Savings Plan

A strong retirement benefit can help you recruit employees and reduce turnover. Yet, these programs are somewhat rare at private companies. Only 15% of companies with between five and 99 employees offer a 401(k) plan, the most common type of employer-sponsored retirement savings program.
Additional Benefits

- Employee Benefits: Vacation Time
- Employee Benefits: Additional Paid Time Off
- Family Medical Leave
- Maternity Leave
- Flextime
- Sabbaticals
Marketing Your Benefits to Candidates
Biblical Approach

Pray to have godly employees.

This is not a command; it is a principle. However, we would be wise to pray that God send us all employees of comparable faith and belief. We need employees who support our Mission, Vision and Values!
High-Performing Organizations

Ownership and Board believe in MVV’s value. President supports without hesitation. Top executives get it.

Overarching support helps ensure achievement

Legend

Legend

= Support = Integrate

Employees must be part of the process to achieve true foundational support

Note: There are 20+ integration points through various HR practices.
Biblical Approach

Pay a fair wage.

“[The Lord will judge] those who oppress the wage earner in his wages.” (Malachi 3:5)