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Be Your Own ERP Expert

By Regina R. Lee

Regina R. Lee is President AG Consulting, ADP's Professional Services Group, which provides integrated solutions to HR Payroll and Finance. She joined ADP in May 1982 and over the years has held numerous management positions in both staff and field operational roles.

When you consider that a decision to select and implement an Enterprise Resource Planning (ERP) system will probably take place once in a typical career lifetime, it becomes obvious why there are probably no real experts in your organization. While the skills to successfully execute an ERP system procurement and installation may not be institutional, the process doesn't need to be unfamiliar. By following several guidelines, assembling the right team and conducting necessary research, your ERP system selection and transition can be a smooth process.

Before you even get started, it is important to understand the scope of an ERP system installation. Commonly, the process is treated as a technical undertaking rather than a complete business endeavor. As much as it is a technology, ERP should be treated as an important business initiative complete with the requisite support and resources to provide project planning, work process redesign, organizational change and change management. An effective ERP system selection and implementation can have a tremendous impact on improving administrative efficiencies as well as facilitating the execution of business strategies

Know When to Say When
The reasons to consider switching to an ERP system may be painfully obvious:
- The relative performance of your current system degrades;
- Complaints about services surface more frequently;
- It becomes increasingly difficult to introduce change into the current system;
- Your organization begins losing market share to competitors.

These are all clear indicators that the current system is failing to meet and deliver on the needs of the business. And while any of these trouble signs are reason enough to consider a dramatic change, all can likely be traced back to a singular cause within your organization -- your existing system and associated work processes are unable to adapt to manage new business goals and strategic directions that are crucial for success in today's highly competitive business world.

There are several ways a system can fall behind your business. When the strategic direction or goals of the organization change, existing systems often cannot cope with such a movement. Likewise, the strategic direction for your technology may not be compatible with your current support systems. Over the long haul, such shortcomings will have severe ramifications if a solution is not found and successfully implemented.

For many organizations, however, the question of implementing an ERP system oftentimes isn't "if" but rather "how." The benefits of installing an ERP system are well established. It can allow companies to cut costs, service their clients more effectively, increase efficiencies and improve revenue stream. Best practices are an inherent component of an ERP system. Rather than updating a version of what you did

30 years ago, this is an opportunity to adopt the best practices offered by an ERP solution and organize around the product's implied work processes.

Despite all of the potential to bring increased efficiencies to your company, the process of selecting an ERP system often seems too onerous, given the number of options, functions and vendors available. Pushing this task further down on the priority list only exacerbates the problem, as the most important elements of conducting an ERP system selection process are simply time and commitment.

Know Where You Are: Looking at the Landscape

One of the most common pitfalls in beginning the ERP system selection process is not enough up-front planning. Because you have to know where you are before you can ask for the right map, the first step must be an accurate inventory of your organization, its culture, core deliverables and its strategic business direction complete with the buy in of senior management.

Assess company's receptivity to an ERP system implementation. You can start this assessment by asking a few simple questions:
• How ready is our organization to change?
• How much are we willing to change?
• How is change usually received in our organization?
By answering these questions, you've begun to identify the potential hazards and can start to develop a strategy to mitigate them.

Let the business strategies lead. The seemingly obvious is often overlooked. All systems, be it a new sales management tool or the payroll application that will incorporate evolving commission payments, must be aligned with the guiding business strategies. At the beginning of your assessment phase, take a close look at your company's business plan and clearly understand its strategic goals and objectives. Assess the relative ability of your company's internal departments in meeting these goals and objectives. You will use this assessment as the measure against which the current performance standard is evaluated, and to determine where the different functions such as HR, payroll and finance meet or fall short of the plan.

Examine the existing system. When examining your existing system, ask yourself whether it is:
• Utilizing the industry's best practices?
• Meeting the current needs of your business?
• Able to adapt to changes in business direction to support rapid growth or international expansion?

Know What You Need: Defining Goals

Once you have a clear understanding of the current environment and potential pitfalls, you can then enter the second phase of the process and determine your organization's critical needs that will determine desired output.

Assemble the right team. ERP itself implies a multi-functional approach to an integrated solution. This means that unless all divisions of your organization are working together, your output will be fragmented or incomplete. Whether revenue generating or not, all divisions should have representation during the decision and implementation processes. In addition, the ERP team should include

representation from various levels, including those with administrative responsibilities that will change or be displaced due to an ERP system implementation. While a collaborative team may require additional time to reach consensus, it greatly improves the office-wide acceptance of the system and provides for more successful change management.

Establish desired output. Because you have already deconstructed your business strategy, you have a template to create your desired output. Working across divisions among various professional levels, you will be able to better construct a complete picture of what the total output should look like -- what your work processes' core deliverables are.

Match output with the functionality of the ERP. Once you've established the desired output, you should match that with the functional capabilities of an ERP system. How does the relative functionality offered by the system match your work process deliverables?

Avoid using budget as the sole driver of the process. Rather than entering the process with a figure in mind, it is better to start with the desired functions. After pricing competitive offerings you can then determine which, if any, of the functions are non-essential.

Apply What You Know: Evaluating an ERP Proposal

The very bottom line to any ERP system evaluation should be "what kind of value will this add and at what cost?" However, getting to that point will require factoring in additional considerations.

Ability to integrate with existing technology. Since you have already examined the existing technology infrastructure as part of your initial research, you can now evaluate an ERP system based on its ability to integrate. For example, if you are still using older PCs to process your payroll, you may not have the ability to run certain ERP programs.

Cost/benefit analysis. The costs of implementing an ERP system run well beyond the package itself. And the benefits of doing so can have a tremendously favorable spillover effect to all divisions. When evaluating the costs, it is important that you have a clear understanding of the vendor's pricing structure. In addition to the ERP package, you must also factor the costs to build, operate and maintain the system. On the other side of the analysis, there are the benefits. You have sought out an ERP solution to increase efficiencies among all departments (be it payroll, human resources, accounts/payable, sales or marketing), generate cost savings and support your business goals. These amounts should be quantified and factored into your analysis. For example, you may be considering an ERP system that will deliver self-service time tracking tools so employees can manage their own time administration. This function would eliminate the need for manual time card compilation, calculation and tracking.

Ability to translate business strategies into working functions and necessary output. As stated, an ERP system is a business tool as much as a technology application. Working from your prior assessment, evaluate each application based on whether or not it can fulfill the functional requirements.

Adaptation into the business culture. You have already taken a hard look at your company's willingness and readiness to change. If your organization is relatively new, and systems are not yet etched in stone, an out-of-the-box ERP system may be your best choice. However, if your organization is more established, and your systems and staff are structured so that any change is a struggle, then

carefully introducing customizations to an ERP system may be more suitable. Just be sure to remember that any customization introduced into an ERP system will have a bottom line impact on implementation and future support costs. It is important to weigh the relative long-term costs of driving change into an organization and adopting best practices versus the expense of ERP customization.

Vendor relationship. The relationship with an ERP vendor should be considered a long-term partnership. You should ask your vendor for client references that include both successes and failures, and then talk with clients about how the vendor sought out solutions to such setbacks.

Treat It Like a Business

The decision to implement an ERP system is a business endeavor, much like building a new factory. Before breaking ground, you must fully express your business plan and have a detailed description for the specific outputs or products. You must design your factory so that it will actually produce the desired outputs. A factory designed to make cars cannot get away with simply making engines and frames. And don't forget, a factory is only as good as the people it employs; you must understand your culture and organizational constraints before laying the foundation.

When developing construction plans, you have to take into account the landscape, possibly building around existing structures and natural obstacles. There may be certain cultural considerations that must be taken into consideration when building this new factory. Your company may not be able to replicate a successful factory blueprint from Detroit when building a new factory in Bombay. Like any other capital-intensive project, there must be accountability and ownership of the project from within senior-level management.

Implementing an ERP system mandates due diligence be paid to the process, not unlike other major business endeavors. As illustrated here, many of the same skills used in analyzing a new venture are the same when analyzing an ERP system.

IRS Releases Final Forms W-2, W-3 for 2001

Get copies of the new W-2 and W-3 at the IRS What's Hot pages!
http://www.irs.gov/forms_pubs/whatshot.html

Final versions of the 2001 Forms W-2, *Wage and Tax Statement*, and W-3, *Transmittal of Wage and Tax Statements* have been released by the IRS. The forms have been posted as "draft tax forms" on the IRS web site http://www.irs.gov/forms_pubs/whatshot.html. The instructions on the back of Form W-2 (copies B, C, and D) are not included in the posting.

The IRS reports that no further changes to these forms are anticipated unless required by legislation.

Form W-2 changes
• Increased the width of the form from 7.0 to 8.0 inches.
• Added register marks to the four corners.
• Widened all boxes.
• Added 1/10-inch shading to all boxes.
• Added dollar signs ($) to all money boxes.
• Relabeled and reformatted box e (employee's name). Separated the employee's last name with a vertical line.
• Eliminated box 12, "Benefits included in box 1."
• Renumbered box 13 as boxes 12a, 12b, 12c, and 12d, providing separate boxes for reporting up to four codes and amounts.
• Deleted the "Deceased," "Legal rep.," and "Deferred compensation" checkboxes in renumbered and relocated box 13 (formerly box 15); changed the "Pension plan" checkbox to "Retirement plan"; added a checkbox for "Third-party sick pay," which is to be used only by third-party insurance providers who have to report W-2 information for an insured's employees.
• Relocated box 14, "Other."
• Renumbered boxes 16, "State/Employer's state ID number," 17, "State wages, tips, etc.," and 18, "State income tax" as boxes 15, 16, and 17, respectively.
• Renumbered and relocated boxes 20, "Local wages, tips, etc.," and 21, "Local income tax" as boxes 18 and 19, respectively.
• Renumbered and relocated the "Locality name" box (formerly box 19) to box 20.

Form W-3 changes
• Increased the width of the form from 7.0 to 8.0 inches.
• Added register marks to the four corners.
• Widened all boxes.
• Added 1/10-inch shading to all money boxes.
• Added dollar signs ($) to all money boxes.
• Added a "Third-party sick pay" checkbox to box b, "Kind of Payer."
• Added "For third-party sick pay use only" to box 13.

- Renamed box 14 as "Income tax withheld by third-party sick pay payer."
- Relocated box 15 and retitled it "State/Employer's state ID number."
- Added boxes 16-19 for summary totals of state/local wages and withheld income taxes.
- Reformatted contact person information boxes and added a second "For official use only" box.

Chapter Express

Check out links to lots of local chapters at APA's Chapter Links page!
http://www.americanpayroll.org/chaplnks.html

Contact Us

For anything Chapter-related or more information about the issues above, please contact Dan Lazarine at dlazarine@apa-ed.com or Carole Peacock at cpeacock@apa-ed.com or call them at 210-226-4600.

Statewides, Statewides, and More Statewides!

There have been so many VERY successful Statewide and Regional payroll conferences recently! Check out the links below for the stories from the Rocky Mountain Regional Payroll Conference, the Pennsylvania Statewide Conference, and the 8th Annual KY/ TN Conference. Check back with us next month for reports from Indiana, Illinois, New Jersey, California, and the Susquehanna Valley Chapter in Pennsylvania.

AFLAC Duck Visits the Rocky Mountain Regional Payroll Conference

Lots of toys were collected and many quacks were heard at the Rocky Mountain Regional Payroll Conference. The two-day conference was held at the Sheraton Four Points in Denver, CO on Sept. 21-22.

Thursday evening featured a very successful Vendor Fair. Participants could qualify for a great prize, a "scholarship" to the APA's 19th Annual Congress, being held in Anaheim, CA, on March 25-29, 2001. To qualify, each payroll professional had to get a sticker from each vendor and donate a toy to Denver's Children's Hospital. By the end of the evening, there was a large stack of toys and $151 in cash donations. Thursday night also featured a visit from the AFLAC duck, who was very entertaining (and very gracious, for such a big star!).

Friday morning began with a rousing address from Susan Darring, CPP, who was great (even though she was sick with a severe cold)! Breakout sessions for the morning featured two sessions, with four classes offered for each session. More than 200 people showed up for the luncheon. The regional Payroll Person of the Year award was presented to Karleen Cotton, CPP, of the Colorado Springs Chapter, and the Friend of the Chapter award was presented to The Human Resource Companies. The two afternoon breakout sessions followed, again featuring four class options for each session.

The closing session elicited a roar of satisfaction from everyone who attended. Door prizes were distributed to all the lucky winners, and the tuition to APA's 19th Annual Congress prize was won by Lori Killian.

All in all, it was an extremely successful conference. Long-time participants said they were very pleased with the quality of the speakers and the topics covered. Participants came from Wyoming, Utah,

and New Mexico, in addition to Colorado, and the organizers hope to attract participants from even more states in the region next year.

Pennsylvania Statewide Hosted By SEPA Chapter

The Southeastern Pennsylvania Chapter hosted the Pennsylvania Statewide Conference on Friday, September 22, 2000, in conjunction with the SEPA chapter's third annual NPW social, where payroll professionals, vendors, and guests enjoyed a fun-filled evening of food, dancing, and networking. The statewide conference theme was "Payroll at the Speed of Light" and was held on the last day of another successful National Payroll Week celebration.

As statewide attendees entered the Hilton Valley Forge Hotel, friendly "visitors" from other galaxies and worlds greeted them. Princess Leia graciously directed participants to the registration area. As attendees entered the room, made up to look like the deep realms of outer space, they were met with only the dark glow of planets, stars, moons, and tiny space ships suspended from the ceiling. The entire back wall was decorated to look like the far regions of the universe. Registrars in Star Trek costumes assisted attendees to their final frontier. In addition to their conference materials, participants also received a spaceship name badge and a mini flashlight to assist them throughout their journey of learning.

The "Lift Off" began with Chapter President Connie Connor, CPP welcoming attendees and reviewing the flight plan for the day's journey. Connie turned the program over to APA's Senior Director of Publications and Government Relations, Michael O'Toole, Esq. for a "Message From Mission Control." He enlightened the group with details of all the great things happening at APA National. After that, aliens escorted attendees to the vendor exhibit hall for a visit to "The Milky Way" morning break. Upon entering the vendor exhibit hall, which was filled to capacity with 21 vendors, attendees received a Milky Way candy bar and an alien stress ball.

We proceeded to "Space Stations," where attendees had a choice of two sessions. The first session "Are Your Aliens Legal?" was hosted by Lance Payne from the Immigration and Naturalization Service. Lance explained the importance of the Form I-9 and various types of visas. The second workshop, "Do You Have to Be a Rocket Scientist?" was hosted by George Ference from the Department of Labor. George reviewed the importance of defining an employee's status, paying employees in accordance with the law, and understanding other important FLSA issues.

After refueling at lunch, attendees continued on their "Intergalactic Voyage" which again was a choice of two sessions. The first session, "Star Wars -- The Battle with Tax Protestors" was hosted by Michael O'Toole. The second session "The Next Generation -- Payday in the Future," was hosted by Greg Zentz of Payformance.

During the afternoon break, "Big Dipper" aliens escorted attendees into the vendor exhibit hall for another opportunity to network with fellow payroll professionals and with vendors.

The closing session, "Are All Species Equal?" was hosted by Ed Bardzik and Cliff Hatton of Respect, Inc. It was a fun way to end the day while learning about diversity. In closing the conference, the first

Pennsylvania Payroll Professional of the Year was chosen. Nominations for this award were submitted from all three Pennsylvania chapters. Committee members from all three Pennsylvania chapters presented this award to Connie Connor, CPP, President of the SEPA chapter. Congratulations to Connie on receiving this well-deserved award! And finally, door prizes were distributed to all attendees before their return travel home to planet Earth.

KY/TN Payroll: A New Century, A New Beginning

By Imelda G. Yago-Koppes, CPP

The 8th Annual KY/ TN Conference was held on Aug 17-18 at the Marriott Hotel of Franklin, TN. But the fun started on Wednesday night, Aug. 16, with a "Welcome Hour" sponsored by ADP, which immediately followed registration. In addition, ADP gave away a $100 gift certificate door prize, which was won by Bonnie McKinney, CPP.

Thursday morning started with a hefty breakfast, sponsored by PayMaxx. Our Special Lunch Guest Speaker was Big Al Walker of Al Walker & Associates, Inc. APA's Annual Congress is notable for learning and fun, so we made sure that we delivered the same for our statewide participants. We spent our evening at the Grand Buffet and Comedy Show at Nashville's well-known Chaffin's Barn Theater.

The two-day Conference covered various topics handled by knowledgeable facilitators, including APA National and Congress speakers such as: Al Walker, CSP, CPAE; Vickie Majors, CPP; Nora Daly, CPP; Nancy Larmore, CPP; Karen Carter, CPP; and Pat McCarron of the Social Security Administration. Topics relating to "Payroll Technology," "Changes in the New Century," and "Retirement Planning" were given special emphasis during the event.

On Friday afternoon as the 8th Annual KY/ TN Conference concluded, I sat down, put my legs up, and relaxed. I had a big grin on my face, and I said to myself, "Payroll professionals *do* care." The committee members all gave their maximum amount of energy to make the conference a success -- we put in long hours and lots of hard work.

The vendors showed their support for the payroll community of Kentucky, Georgia, Alabama, and Tennessee. Over 150 people participated and made these two days so meaningful and remarkable. The vendors gave away a lot, both information and goodies. In addition to our welcome hour, ADP donated our grand closing prize, a television set, which was won by Nancy King, CPP.

We'll do it all again next year in Louisville!

Web Site News

APA Members at Your Fingertips
http://www.americanpayroll.org/ps/authenticate.cfm?NextPage=m
Have you ever wanted to search for fellow APA members that use the same software as you do? Or perhaps you were interested in contacting other APA members that are in the same industry as you? Or maybe you met someone at an APA meeting, but you just can't find where you put their business card? Of course, you can always use that fabulously useful book, the *Membership Directory of the American Payroll Association*. But did you know that you can also use a searchable online database that's available to APA members only? Click on the link above to use this simple but powerful tool. You can search for members by any or all of the following: first name, last name, company name, state, zip code, SIC (Standard Industrial Classification) code, payroll software, payroll hardware, and/or service bureau.

NOTE: If you want to be able to network with payroll people, we need to have your correct, updated information. You can use this database to check out your own information and make sure it's up to date. Just type in your name, hit return, and review the information. If any of the information needs to be changed, just fill out <u>this downloadable form</u> <u>update.pdf</u> and follow the directions.

Donate Your Old Computer Stuff
http://www.pcsforschools.org
Almost all companies (and many homes!) have old computer equipment sitting around. This site provides a great way for you to help kids, find a home for your old computers, and get a tax-deductible contribution at the same time! Now completing its tenth year, the nonprofit Computers for Schools program operates nationwide and, in some states, is the largest source of computer equipment for K-12 schools. Many of America's largest employers and thousands of individuals are participating in this grassroots effort. Here's how it works: through a growing collection, transportation, and repair network, used computer equipment is received, refurbished, and placed in schools. Their mission: "If just 10% of the computers that are taken out of service each year were donated, we could bring the national ratio of students-to-computers to five-to-one or less -- our schools would average one computer for every 5 students, and school technology would be within one generation of state-of-the-art." In addition to getting information on how you can donate your old computers and peripherals, you can also sign up your local school for donations at the site, and get information on how you can get involved in the Computers for Schools program. SPECIAL NOTE TO LOCAL CHAPTERS: This program could provide a great framework for charitable work in your community.

Everything You Need to Know About the FMLA... (but were afraid to ask your employer)
http://www.dol.gov/dol/esa/fmla.htm
The U.S. Department of Labor's Family and Medical Leave Act Web pages provide a plethora of information for employees and employers. This is a good site to pass along to employees -- too often, employees are afraid to ask questions about the FMLA. In addition to miscellaneous forms and other useful information, it includes:
• Full text of the act

• The FMLA Employee/Employer Advisor: a concise FAQ that makes a nice handout for employees with questions
• The Code of Federal Regulations: a copy of the DOL regulations which implement the law
• The FMLA Poster: a downloadable version of the poster which must be posted by all employers, available in color or black and white

Legislative News

SSA Helps Employers Help Retirees With New Online Tools

A suite of new tools may help employers deal with the flood of questions they often face from prospective retirees.

The most important innovation is a new service unveiled by SSA in early November that will allow people to apply online for retirement benefits. Interested individuals can go directly to the online retirement benefits application form http://www.ssa.gov/applytoretire to apply. Applicants for benefits can also access the general SSA Web site http://www.ssa.gov for additional information.

An applicant using the Social Security Administration's Web site to apply for benefits can fill out the online application and send the information electronically to the agency. After submitting the online version, the applicant must also print a copy of the completed application form, sign it, and mail it or bring it to the address provided by Social Security. Along with the signed form, SSA also needs certain documents, such as a person's birth certificate, to establish eligibility for Social Security benefits. An applicant can either mail or take these items to Social Security. The electronic application will be stored on a database and automatically retrieved when Social Security receives the applicant's signed application.

Individuals must meet certain conditions in order to take advantage of the Internet retirement benefit application. For example, they must be at least 61 years and 9 months old and plan to start receiving retirement benefits within four months.

Generally, employers are not involved in the process that a prospective retiree goes through to obtain social security benefits. That is usually a dialogue between the prospective retiree and the Social Security Administration. Employers, however, can go a long way toward relieving some of the stress for retiring workers by referring them to SSA's Web site and encouraging them to use the new on-line services. The Web site includes considerable information regarding benefit eligibility, as well as the new tool that will allow people to make arrangements to receive benefits without making a trip to a social security office.

Social Security Administration officials maintain the agency is using the strongest commercially available encryption to ensure that an applicant's confidential information is secure as it travels over the Internet.

SSA also has just begun accepting applications for retirement or widow(er) benefits by telephone. Those dialing into SSA are required to have specific documentation in their hands in order to complete the over-the-phone application process. Information required to apply for retirement benefits includes:
- primary proof of age (such as a birth certificate);
- the most recent wage statements (Form W-2); and
- specific information about the bank account to which benefits will be deposited, since social security recipients must receive their payments electronically.

Applicants for survivor benefits need to provide information regarding:
- the deceased worker's social security number;

- proof of marriage;
- a death certificate;
- the surviving spouse's primary proof of age;
- divorce papers (if applicable); and
- specific bank account information for direct deposit.

Those seeking to apply for benefits over the phone can reach SSA at 1-800-772-1213 between 7 a.m. and 7 p.m. SSA officials say they intend to answer 90% of calls within five minutes. The agency said it will continue to offer individuals the option of conducting business by appointment at its 1,300 field offices.

Decision on SSN-Feedback Pilot Postponed to January 2001

Employers won't know until January 2001 whether they will receive feedback on the match of employee names and social security numbers from the information submitted through the new hire reporting process, Carol Callahan, Chief, Special Initiatives Branch, Office of Child Support Enforcement (OCSE), tells APA.

A pilot program, through which this information was provided to employers that reported new hires in Massachusetts and Illinois, ran from August 1999 to August 2000. The pilot was jointly sponsored by the OCSE and the Social Security Administration. After new hire reports were sent to the appropriate agencies in Illinois and Massachusetts, the names and social security numbers of the employees were forwarded to the SSA for match verification. SSA compared the employer reports with its own records and promptly informed employers of any mismatches. Employers that received these notices did not need to respond to the OCSE or SSA and were not subject to penalty, but merely needed to correct their records before filing quarterly state returns or annual Forms W-2.

In the one year that the pilot program ran, the SSA sent out over 400,000 letters of "notification of mismatch," and many letters contained information on more than one employee. The SSA and OCSE are now reviewing the state unemployment returns and the W-2 forms filed by notified employers since the date of letters from the SSA, to see if these employers did, in fact, clean up the data. The amount of corrections versus the cost of the verification and notification by the SSA are the two components of the cost-benefit analysis that will determine whether the program is reinstated and rolled out to all states.

"The SSN-Feedback Program is a win-win for employers, employees, and government," Scott Mezistrano, CPP, APA's Manager of Government Relations, told Amy Beal, Project Manager, OCSE. Employers make one effort instead of two (report new hires, but do not have to report separately to SSA), are notified of corrections to be made, and can avoid penalties; employees' earnings will be correctly posted to the SSA and UI databases; and the SSA will have less in their suspense file. "In the eyes of employers, the Office of Child Support Enforcement and the Social Security Administration are both 'the government,' and it would make sense to employers that they share the information," he continued.

To provide your own opinions to the Office of Child Support Enforcement, contact Amy Beal at abeal@acf.dhhs.gov or 202-260-7206. Meanwhile, employers that wish to verify the name-number

match of their employees can use the SSA's Employee Verification System, which is a separate process from new hire reporting. Information on this system is available at the SSA Web site. www.ssa.gov/employer/ssnv.htm

Payroll Events

Payroll Best Practices Conference to Focus on Needs of Large Employers
APA's Payroll Best Practices Conference, being held February 5-7 at the Hyatt Regency in New Orleans, will focus on three themes:
• Predicting future payroll trends
• Motivating and rewarding your payroll staff
• Revealing strategies for improving the payroll process

Designed specifically to meet the needs of large employers, APA's Payroll Best Practices Conference is a comprehensive three-day journey through corporate initiatives, industry trends, organizational strategies, and technological solutions. Members of the APA's Large Employer Task Force lead the way to new standards of cost-efficiency, innovative performance measures, and the newest strategies that lead to excellence.

Day one and day two feature top keynote speakers, excellent networking opportunities, panel discussions, and four fabulous Workshop sessions (featuring a choice of more than 10 different Workshops!). This year's Payroll Best Practices Conference includes Workshop Sessions on:
• Call Centers: Advanced Technology
• Exploring the ASP Model for ePayroll Self-Service
• The Use of Debit Cards in Payroll
• Project Management: Payroll and Information Technology as Partners
• and much more!

Day three is comprised entirely of roundtable discussions. Get involved and share your experiences with your peers! Topics for the roundtable discussions include shared services, emerging technologies, measuring success, and top strategies for streamlining the payroll process.

Day three of the Payroll Best Practices Conference also will feature the results of APA's 2000 Benchmarking Study, which will be shared during the Closing General Session.

BONUS: the 2001 Prism Awards!
The 2nd annual Prism Awards will be presented on Tuesday (day two of the Conference). And there's still time to nominate your company!

The Prism Awards were created to recognize companies that have been instrumental in leading the payroll industry through their (1) management techniques, (2) use of technology, (3) innovative processes, or (4) combination of management, technology, and **processes** for overall best practices. The four awards are presented each year after careful consideration of the nominations by members of the Large Employer Task Force (LETF). The LETF looks at those companies who not only were leading the Payroll Industry with their practices, but have been willing to share their experiences with others.

To nominate your company, answer the following five questions in 800 words (about 2 pages single spaced) or less. E-mail your entry to Jim Medlock, CPP jmedlock@americanpayroll.org , APA's Senior Director of Education and Training.

Prism Awards Nominating Questions
1. How are best practices used in your organization?
2. What is the most successful cost-savings strategy your organization has implemented, and what was the cost per check reduction resulting from this strategy?
3. What best practices ideas have you learned and implemented from attending an APA Congress, Symposium, or Best Practices Conference? What were the cost savings?
4. What cutting-edge business practice have you implemented and subsequently shared with your peers? Describe how you shared this practice with your colleagues.
5. What best practice have you applied to reduce your cost per check? How much was the cost per check reduced?

Nominations must be received by Jan. 10, 2001 for consideration. Be sure to number your responses. You can also <u>download the questions in .pdf format</u>   <u>prismQ.pdf</u> and send the nomination by fax or mail.

<u>More information about the Payroll Best Practices Conference</u>
<u>http://www.americanpayroll.org/bestpractices00.html</u>

<u>What are Best Practices? (.pdf format)</u>
<u>bpwhat.pdf</u>

APA'S PROFESSIONAL AUDIO SEMINARS

APA's Professional Audio Seminars let you attend an informative APA course from the convenience of your own desk! Simply sign up and call in to a toll-free number for these interactive sessions:

General Audio Seminars
*   **Feb. 15, 2001**   **Fringe Benefits -- A Continuing Series on Fringe Benefit Taxation and Reporting**
*   **March 8, 2001**   **Customer Service in the Payroll Department**

Preparing for Year End and 2001 Audio Seminars (*Separate registrations required*)
*   **December 5**   **Your Last Look at Preparing for Year End**
*   **December 7**   **Regulatory and Legislative Update for 2001**
*   **December 12**   **What Will Form W-2 Require?**

Seminar leaders are James Medlock, CPP, APA Senior Director of Education and Training or Mary Jo Maley, CPP, APA Director of Human Resources, unless otherwise noted.

Check for the time in your zone:
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Vendor News

Ultimate Software Working With Consortium to Simplify Tax and Wage Reporting
Ultimate Software was selected to participate in a recent Simplified Tax and Wage Reporting System (STAWRS) meeting as part of a consortium of federal and state governmental authorities and private sector companies to reduce the tax and wage reporting burden on employers. The consortium, formed by STAWRS to work on the Commercial Off-The-Shelf, Single-Point Electronic Filing (COTS SPEF) project, was organized to reduce employers' tax and wage reporting burdens by simplifying the process for the quarterly filing of state and federal tax and wage reports and the making of associated payments. The charter of the consortium is to establish transmission and data standards for the combined electronic transmission of federal and state employer quarterly tax and wage reports and to test prototype solutions. Scott Scherr, CEO, president and founder of Ultimate Software, said the company is committed to helping the consortium meet its goals and has created an internal project team consisting of payroll and tax experts, product developers, and programmers, to support the consortium in achieving its initiatives. Ultimate Software said its UltiPro HRMS/Payroll has, for some time, had a feature that automatically generates electronic files for required state and federal payroll reporting. Within the consortium, Ultimate Software said it is currently working on a standard process for integrating the requirements for multiple tax entities into one file to submit electronically to a single point, for example, submitting a file to a state agency that would disseminate the information to the state's Department of Revenue, Department of Unemployment, and to the Internal Revenue Service (IRS). According to STAWRS, combined filing was successfully demonstrated on paper with the state of Montana in 1998 and electronically with the state of Iowa in 1999. The adoption of common data format and electronic transmission standards by federal and state agencies is expected to foster the development of commercial software and Internet-based solutions for the single point electronic filing of employer quarterly tax and wage reports. Upon completion of concept testing, the consortium will recommend the adoption of standards by states, federal agencies, and commercial software and service providers. It is anticipated that implementation of COTS SPEF solutions will significantly reduce processing time, costs and errors for both employers and the government. State participants in the project include Connecticut, Illinois, Iowa, Maryland, Massachusetts, Minnesota, Montana, New Jersey, New York, Pennsylvania and South Carolina. These states represent over 35% of the nation's estimated five million private sector employers. Private sector participants along with Ultimate Software include the following competitively selected tax-related software/service providers: CashTax, FileYourTaxes.com, GovConnect, Intuit, National Information Consortium (NIC), Nationtax, Oracle and Paychex. Federal government participants include the IRS, the Office of Management and Budget (OMB), the Department of Labor (DOL), the Small Business Administration (SBA), and the Social Security Administration (SSA).
Ultimate Software; http://www.ultimatesoftware.com

Advanced Productivity Releases Online LookUp Web Track
Atlanta, GA-based Advanced Productivity Software, Inc. (APS) recently released Web Track, its latest addition to the Online LookUp software family. Web Track tracks and recovers electronic research costs and usage through Microsoft's Internet Explorer Web browser, allowing firms to "tag" specified internet Web sites for tracking and client billing purposes. "Online LookUp continues to grow in popularity due to its great time-saving benefits of accurately tracking and recording research time as it

happens," said Jim Tharpe, President of APS. "As more firms realize that failure to track and recover electronic research costs can result in significant loss of revenue for their organization, they are turning to our products." WebTrack serves as a bridge between tracking usage of online services and accurately accumulating that data to be posted to client accounts. For example, a Dunn & Bradstreet search can now be tagged with a client validation number, tracking the user of that site to a particular client. The client validation number will then appear on the firm's billing statement. Online LookUp allows firms to control research costs by accurately recording online research and Internet usage, access to online services and CD-ROM research costs. Tracking begins automatically whenever the user launches their Web browser or research program. Users choose an active validation ID before the session begins and research time is then tracked and recorded as it happens. Administrative time is no longer wasted trying to match session times with applicable clients or matters. Reporting options are also available for client charge back, cost justification, internal cost control or usage documentation. Online LookUp is also available in a Network Edition and an SQL Edition, which allows users to access existing SQL Tables for validation information.
Advanced Productivity Software; 1-800-783-9231; http://www.aps-soft.com

eLabor.com and Ultimate Software Join Forces on T&A Tracking

Ultimate Software and eLabor.com have announced a strategic agreement to provide employers with an integrated Web-based solution for management of time and attendance, making it easier for businesses to monitor and report on these tasks. "Time and attendance are critical factors in the workforce management and payroll process. Employers need a reliable way to track this information over the Web for both hourly workers and salaried professionals," said Laura Perkins, vice president of product marketing for Ultimate Software. "Microsoft's recent investment in eLabor.com validates the importance of eLabor's technology in the industry, and we look forward to building our eLabor relationship to further extend the business value of UltiPro Web to both our customer base and prospects." According to Perkins, by offering eLabor.com's automated workforce management solutions, UltiPro customers will be able to offer their employees the ability to report tardies and absences through an Internet or intranet connection or over the phone. The system automatically records employee time changes and sends management e-mail notifications of the pending tardies and absences, allowing them to accommodate staffing adjustments instantly.
eLabor.com; http://www.eLabor.com
Ultimate Software; http://www.ultimatesoftware.com

Payroll Books

The Basics You Need and Much, Much More

APA Basic Guide to Payroll is one of the best-selling payroll reference works in the nation, with tens of thousands of copies in distribution. Newcomers to the payroll profession find the *APA Basic Guide to Payroll* helps them with almost every question asked and every task assigned. Payroll professionals prefer the *APA Basic Guide to Payroll* as a "quick-check" text to remind them of rules and regulations. Published each winter and updated each spring with a supplement incorporating the year's latest changes that affect payroll.

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• *Federal Payroll Tax Laws & Regulations:* Contains the exact language of payroll-related sections of the Internal Revenue Code and IRS Regulations. These are the exact laws enacted by Congress and regulations implemented by the IRS
• *Federal Payroll Non-Tax Laws & Regulations:* Contains the exact language of the payroll-related sections of federal laws and regulations from the United States Code and the Code of Federal Regulations.

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