

CERTIFIED PAYROLL MADE EASY



INTRODUCTION

CERTIFIED PAYROLL DOESN'T HAVE TO BE DIFFICULT!

Whether you've done certified payroll reports in the past, or you're just now considering jobs that require these reports, there's always a little hesitation that comes with taking on government-funded projects. And it's easy to see why - the reporting requirements can be daunting!

But these projects are great opportunities for contractors and can prove to be very lucrative. Plus, with the right tools (like construction accounting software) in place, producing these reports can be easy.



WHAT'S INSIDE?

You'll find everything you need to know about certified payroll in this helpful guide, including:

- ✔ **1. What is certified payroll?** { page 3 }
- ✔ **2. What makes up a Certified Payroll Report?** { page 5 }
- ✔ **3. How to create a Certified Payroll Report.** { page 7 }
- ✔ **4. Getting started with construction accounting software.** { page 9 }

1. WHAT IS CERTIFIED PAYROLL?

CERTIFIED PAYROLL MADE EASY





1. WHAT IS CERTIFIED PAYROLL?

CERTIFIED PAYROLL REPORT ('sərtə·fī 'pā·rōl ri'pōrt)

DEFINITION:

n. 1) A report that may be required by a general contractor or government agency when working on government-funded projects.



Any contractor working on a government-funded job must pay their workers according to the predetermined prevailing wage, also known as the Davis Bacon wage.

Submitting a Certified Payroll Report on a regular basis serves as proof that you're compliant with this requirement when it comes to paying your employees. **Please note: Most federally-funded projects and many states/localities require some format of this report.**

Inability to produce and submit these reports could result in hefty fines and penalties, so it's important to follow the rules.



DAVIS BACON ACT OF 1931

The Davis Bacon Act was passed in order to make the bidding process on government funded jobs fairer and to ensure that skilled local workers were not overlooked in favor of workers who would accept much lower wages.

2. WHAT MAKES UP A CERTIFIED PAYROLL REPORT?

CERTIFIED PAYROLL MADE EASY



2. WHAT MAKES UP A CERTIFIED PAYROLL REPORT?

GATHERING THE INFORMATION

Certified payroll reports can come in a variety of required formats. Local, state, and federal formats all differ to include the information each respective agency wants in the way they want to see it. Most certified payroll reports, however, will require similar information regardless of format. Here are the common pieces of information that make up a Certified Payroll Report:

Employee Information.

An employee's personal information, such as their name, address, and possibly (but becoming more rare) their social security number.

Hours.

The hours an employee worked that week and a complete breakdown of the pay rates for those hours.

Earnings.

An employee's gross and net earnings for the week.

Taxes & Deductions.

An employee's tax withholdings and possibly other deductions for the week.

Fringe Benefits.

Any fringe benefits provided to the employee for the week.

U.S. Department of Labor

Employment Standards Administration Wage and Hour Division

Name of Contractor <u>X</u> or Subcontractor <u> </u>		Address		OMB No. Expires:														
Foundation Contracting																		
Payroll No.	For Week Ending	Project and Location				Project or Contract No.												
291	08/23/14	97021 - Lake County Tuss Rebuild																
(1) Name, Address, and Social Security Number of Employee	(2) # of W/H Exmp	(3) Work Classification	(4) DAY AND DATE	(5) Total Hours	(6) Rate of Pay	(7) Gross Amount Earned	(8) DEDUCTIONS				(9) Net Wages Paid for Week							
							FICA	Fed W/H Tax	State & Local W/H Tax	Union Deductions		Other	Total Deductions					
			MON 08/17	TUE 08/18	WED 08/20	THU 08/21	FRI 08/22	SAT 08/23	SUN 08/24									
			HOURS WORKED EACH DAY															
Stevens, Rick L. 7451 East 56th Avenue Cleveland, OH 44132 XXXXX-9549	S1	Electrician	OT1		4.00					4.00	17.50	805.00	61.58	94.24	40.69	210.15	406.66	398.34
			REG	8.00	8.00	8.00	8.00	8.00			40.00	17.50	805.00					
Cushman, Arthur A. 306 Cavanaugh Hall Cleveland, OH 44132 XXXXX-1269	S0	Operators-Foreman	OT1						4.00	4.00	21.75	1,000.50	76.54	156.70	56.05		289.29	711.21
			REG		8.00	8.00	8.00	8.00	8.00	40.00	21.75	1,000.50						
Brandon, Michael A. 123 Abbott Berea, OH 44123 XXXXX-9856	M0	Laborer	OT1					3.00	3.00	19.00	845.50	64.68	44.05			182.66	662.84	
			REG	10.00	10.00	10.00	10.00			40.00	19.00	845.50						

We estimate that it will take an average of 56 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W., Washington, D.C. 20210.



Some agencies will require you to take extra steps when it comes to reporting information, such as prorating employee tax deductions and other deductions like garnishments.

3. CREATING A CERTIFIED PAYROLL REPORT.

CERTIFIED PAYROLL MADE EASY





3. CREATING A CERTIFIED PAYROLL REPORT.

There are a couple of different ways that you can create a Certified Payroll Report. Here are two methods:

THE MANUAL METHOD: PUTTING THE PIECES TOGETHER

Completing a Certified Payroll Report manually isn't impossible, but it can be time-consuming – especially if you've got multiple employees working multiple prevailing wage jobs. You'll have to compile a lot of information - identifying information about your company, the job you are working on, how many weeks you have been working on the job, the current work week, who worked on the job, their work classification, how many hours they worked, what they were paid, deductions, etc. - and fill out the Certified Payroll Report by hand.

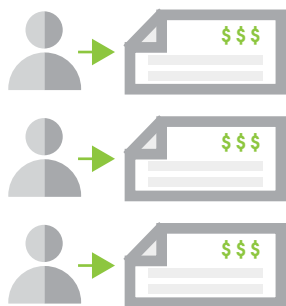


THE CONSTRUCTION ACCOUNTING SOFTWARE METHOD: INSTANT REPORTS!

Certified Payroll Reports don't have to be time-consuming – or headache-inducing! There's an easier way to create a Certified Payroll Report, and it involves construction accounting software!

With a construction-specific accounting program, you have the ability to automatically generate certified payroll reports in a matter of seconds.

The system simply uses the payroll data you've already entered into the system.



When you initially set up the prevailing wage job within the software, simply flag it as prevailing wage. The correct labor wages will then default in and you'll have all the information you need to complete your certified payroll reports, regardless of format!

TIME MANAGEMENT

The US Department of Labor estimates that it will take 55 minutes to complete their certified payroll format for each job. That is nearly an hour each week... for only one single job!

4. GETTING STARTED WITH CONSTRUCTION ACCOUNTING SOFTWARE.

CERTIFIED PAYROLL MADE EASY





4. GETTING STARTED WITH CONSTRUCTION

ACCOUNTING SOFTWARE

THE BENEFITS OF CONSTRUCTION ACCOUNTING SOFTWARE

There are plenty of other ways that construction accounting software can save your company time and money when it comes to working prevailing wage jobs:

Instant Reporting:

Because your payroll information is stored in the software, you can create Certified Payroll and other reports in a matter of seconds. This frees up the office staff and saves tons of time!

No Records Required:

You will no longer have to spend money on paper and storage since you'll be able to re-run a report for any work week whenever you need it! A good construction accounting software program is date-sensitive and allows you to retroactively pull information from any time in the past!

Multiple Formats:

Construction accounting software packages can produce multiple Certified Payroll formats for a variety of agencies, whether they're local, state, or federal.



Many agencies throughout the country are transitioning to electronic certified payroll reporting. A good construction accounting software will offer both paper and electronic formats and update their provided formats as the requirements change.



SIMPLIFY YOUR CERTIFIED PAYROLL

**Now that you've learned about certified payroll
and how construction accounting software can
make it easy, it's time to let us show you how
simple it really is!**

**We'd be happy to show you how FOUNDATION® does certified payroll.
Give us a call at 800-246-0800.**

ABOUT FOUNDATION SOFTWARE

Foundation Software is the developer of FOUNDATION® - America's #1 Construction Accounting Software. Since 1985, Foundation Software has been dedicated to giving contractors the back office tools they need to efficiently manage their businesses' accounting, project management, and scheduling. With leading edge technology, an award-winning product that is consistently enhanced, and a promise to truly stand behind its clients, Foundation Software is a company that is helping contractors across the country facilitate growth and revenue, and take control of their construction businesses.

HEADQUARTERS

17999 Foltz Parkway
Strongsville, OH 44149

CONTACT

Phone: (800) 246-0800
info@foundationsoft.com

www.foundationsoft.com