Contractor Tool Box Tip

CERTIFIED PAYROLL REPORTS are special payroll reports that contractors who work on public works or government funded construction projects must file on a weekly basis — one of the "devils" is knowing if you must file the **Federal WH-347 form**, a state specific report, or submit them electronically using an online compliance monitoring unit, and what information is required.

Creating and submitting a certified payroll report can be a devilish problem that contractors who work on public works projects or government funded construction projects face when using QuickBooks. Here are some common misconceptions:

- Some people mistakenly think that in order to complete and submit a certified payroll report — that they must be a **Certified Payroll Professional** (CPP) and pass some sort of exam; that's not true.
- That one form or format will meet the requirements of all 50 states - not true, some states have multiple forms and electronic filing requirements.
- That the built–in QuickBooks certified payroll report provides you with all the necessary information — not true.

What makes the report "certified" is a signed Statement of Compliance indicating that the payrolls are correct and complete and that each employee has been paid not less than the proper **Davis–Bacon prevailing wage rate** for the work performed. When a company owner or payroll clerk puts their written signature on the Statement of Compliance, they are doing so with the understanding that the willful falsi-

fication of any of the above statements (found on the actual sign–off sheet) may subject the contractor or subcontractor to civil or criminal prosecution — that's the other "devil." Anyone can learn how to complete the *report,* after all, the report doesn't ask you for any information that you don't already have:

- *Who works for you (your employees)*
- *What type of work they are doing on the construction project (Work or Trade classification)*
- *How many hours they worked*
- *What you paid them*
- *How much they earned — gross wages on this job and for the week*
- *What was taken out of their paychecks — taxes, child support, garnishments, union dues, etc.*
- *The net amount they took home for the week — gross wages all jobs MINUS taxes and other deductions*

The problem is gathering the data and completing the form — the U.S. Department of Labor estimates that *it will take 55 minutes to gather and compile the information for 8 employees on a single report* — not bad if you only have 8 employees and work on one job as that's roughly an hour a week that you'll have to spend in addition to generating the actual paychecks.

It becomes more time consuming with the more employees that you have and/or the more jobs that you work on that require this type of reporting. It's also highly error–prone if you are creating them manually. To learn more about automating certified payroll, **AIA Billing and Payroll Wage Management**, visit: **www.sunburstsoftwaresolutions.com.**

Source: Nancy Symth, Certified ProAdvisor