Guide to Payroll

Get the right support for payroll – sometimes it is worth
avoiding freebie options for the hassle it saves

The Basics

From VAT, to tax returns, payroll and now auto enrolment, as a small business you need to keep on top of your financial obligations. Otherwise you'll be looking at a chunky fine. Fortunately, there are several online software tools that can help. You can now get software to send invoices and chase people up if they don't pay, 'talk' to your bank and HMRC, complete accounting and tax returns, while also looking after expenses, bills, sending estimates and producing reports. Magic, eh? But which is the right one?

Don't forget to calculate the extra costs on payroll from new compulsory pensions

Things to consider

- Even if you are a one person limited company, you still have an employee (that's you by the way) and have to do the payroll. This has become more important with the introduction of workplace pensions or auto enrolment. If you don't keep on top of this, you could be looking at a very big fine.

- Online software tools that can help you deal with this fast and accurately. In fact, in recent years the UK has seen some very good small business accounting tools launch that pretty much do what you could've paid a bookkeeper or an accountant to do. Small businesses used to pay several thousands of pounds a year for something software now does for £30 a month.

- Lower cost payroll software may not have automatic data transfer to pension providers to support automatic enrolment. They all produce CSV files as an output but these files will require manual manipulation to be accepted by your pension provider portal and not all pension providers provide a portal to upload a file. The functionality to be able to seamlessly transfer data from your payroll software to your chosen pension provider is all 'work in progress'. As dull as this sounds it does make the free HMRC payroll software, for example, less appealing. Integration can save hours of time and frustration.

Boring Money tips

- When choosing accounting software, start by making a list of the features you need so that you don't end up paying for stuff you don't use.

- Discount codes are often available, which can lighten the cost.

- Make sure the data is in the UK and the company is UK based.

- Can your accountant access it? There are times when he or she will need to have a dig around. Ask them for their tips and recommendations

- Check out the support available. With some it's a real DIY approach, but others have superb support provided by real life accountants which can be extremely helpful.

- Our suggestions for good payroll solutions include **SageOne Payroll**, **Freeagent** and **XERO**

Get a quote for a book-keeper to help - it might be less than you think?

Here are the web links in full:

SageOne Payroll	www.sage.co.uk
Freeagent	www.freeagent.com
XERO	www.xero.com/uk

For more facts without the fuss, visit the Boring Money website

We try very hard to be accurate but please do check out the numbers and facts for yourselves before relying on them. Please do tell us if you see any errors or think anything is misleading.

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