

## **(125) Payroll Accounting (S | PS)**

### **Description**

Process payroll data using manual payroll procedures. Members calculate earnings, complete payroll registers, update employee records, journalize payroll entries, and prepare payroll income tax forms.

**NOTE:** Circular E, Employer's Tax Guide (Publication 15), is recommended as a resource.

<http://www.irs.gov/publications/p15/index.html>

### **Eligibility**

Any Secondary or Post-secondary division student member may enter this event.

### **Member must supply**

Sharpened No. 2 pencils, pens, ruler

Cordless calculator: Electronic devices will be monitored according to ACT standards. See [NLC](#)

[Calculator Guidelines](#). Members who violate this rule will be *disqualified*.

Published and/or unpublished non-electronic written reference materials

**No equipment, supplies, or materials other than those specified for an event will be allowed in the testing area. No previous Business Professionals of America tests and/or sample tests or facsimiles thereof (handwritten, photocopied, or keyed) may be taken into the testing area. Violation of this rule will result in disqualification.**

### **Competencies**

- Apply generally accepted accounting principles (GAAP)
- Apply appropriate accounting principles to payroll and income taxation
- Complete new employee personnel forms
- Apply various methods used to determine gross earnings
- Explain the purpose of withholdings and other deductions
- Create and maintain employee earnings records
- Calculate hourly, piece rate, salaried, commission, and salary/commission earnings
- Calculate employer's payroll taxes as well as other employee benefits paid by the employer
- Prepare federal payroll reports
- Identify laws and regulations relating to payroll procedures
- Record in a journal and post transactions associated with payroll activities
- Create and maintain employee earnings records
- Generate payroll checks, prepare payroll tax deposits and complete a payroll register
- Analyze IRS tax forms

### **Method of evaluation**

Application and Objective Test

### **Length of event**

No more than ten (10) minutes orientation

No more than sixty (60) minutes testing time

No more than ten (10) minutes wrap-up

### **Entries**

Each state is allowed five (5) entries