

(125) Payroll Accounting

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 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Published and/or unpublished non-electronic written reference materials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 - *Reference materials are allowed.*

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